



THE IMPACT OF CORPORATE BAD DEBTS ON BANK LENDING EFFICIENCY:
THE CASE OF LENDERS' RISK IN CAMEROON

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ABSTRACT

The central objective of this article is to provide an answer to a question: Can the development of a relationship between a bank and a borrowing firm -have an impact on the risk of loan? In other words, this relationship can affect the risk of non-repayment of loan by corporate borrowers? From the study of 128 records of loans by a Cameroonian bank granted to some enterprises, we try to answer the questions by mobilizing a single probit model. Our results plead in Favour of the laxism hypothesis of banks towards some major customers and long duration of Mostly. This could be laxism, at least in one way, because of the risk of increase of non-repayment of loans granted by banks in Cameroon.

Keywords: Banking relationship - Risk of loan - hard information - soft information

JEL Classifications: C25; D23, I10.