

Analysing the interest rates of loan in 2020, for different countries across the World

Abstract

The major source of income for any financial institution is the interest rate they are charging for their various loan products. This financial institution could be any bank or NBFC. I am interested in analysing these interest rates across several countries: for 2020.

We all know that in 2020, due to Covid-19 cash flow is got disturbed and which in turn related to economy of country. I have used Hierarchical clustering algorithm, to form the clusters of different countries based on the monthly interest rate of 2020. After identifying the classifier variable, I checked whether there is significant difference among these groups (using discriminant analysis). The data is taken from “OECD.stat” website.