



**MACROECONOMICS EFFECT TOWARDS BANKS' PERFORMANCE ON
ASIA-PACIFIC COMMERCIAL BANK**

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ABSTRACT

Economic conditions every country has different characteristic and the effect of fluctuations remaining unknown on financial performance of banking institutions. Macroeconomic volatility generally was the motivation behind this study as there was little information about effect of macroeconomic variables towards banking institutions. This study sought to determine the macroeconomics effects towards banks performance on Asia-Pacific commercial bank. The objectives of this study are to determine the macroeconomics effects towards banks performance on Asia-Pacific commercial bank. The study used descriptive statistic research design using secondary data obtained from World Bank indicator website, annual report of bank and Central Bank each country for the 30 banks around Asia-Pacific countries with period of eight years from 2010 to 2017. The study found that the annual inflation rate is significant effect and has positive relationship on financial performance of commercial banks around Asia-Pacific countries. While the real interest rate and annual GDP growth rate has no significant effect toward the bank performance around Asia-Pacific countries. The study concludes that the investigated related to determinants of bank's profitability need to continue from time to time for make sure every country can improve their banking stability.

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