THE MACROECONOMICS DETERMINANTS OF NON-PERFORMING LOANS IN ASIAN COUNTRY

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ABSTRACT

Subprime mortgage crisis had occurred badly in late of 2007. These threatening situation happened and effected the mortgage industry. The non-performing loan is one of a major crises that happen in most Asian country. Hence, this study is to determine the factor that affect NPLs in Asian banking sector from the year 2008 until 2017. The macroeconomics variables that have been used in this study is inflation, unemployment, exchange rate and GDP. The data was collected by using secondary data and from World Development Indicator. The result revealed that unemployment, exchange rate and GDP have a significant relationship while inflation has insignificant relationship towards NPLs. The objective of this study is achievable and the future researcher is suggested to increase the wide scope of study in order to get the better result.

Keywords: Macroeconomics determinants; Non-performing Loans, Asian country, Exchange Rate, Panel Data