



UNIVERSITI TEKNOLOGI MARA

**MACROECONOMIC TRAITS AS ELEMENTS OF
NON-PERFORMING LOAN**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
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(Investment)**

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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This report of final year project has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

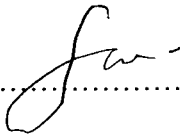
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ABSTRACT

This study analyzed the relationship of NPL once the macroeconomics factors be varied and it showed how those factors affecting the NPL. This paper studied the determinants on Non-Performing Loan in Malaysia by observing their relationship through regression analysis. The data collected from 2010 to 2017 and the macroeconomics factors are as follows; Gross Domestic Product (GDP), Exchange Rate, Inflation Rate, Unemployment Rate, Lending Rate and Total Loan or Credit on the NPL in Malaysia from 2010 to 2017. The results of this study hopefully will be used to tap the credit facilities in Malaysia. Few steps will be taken to reduce the NPL in Malaysia to reduce the probability of bankruptcies among bank or financial institutions or individual loan borrower. Results obtained from this research shows that Gross Domestic Product (GDP) has inverse relationship to the Non-Performing Loan and these other macroeconomics variables has positive relationship to the dependent variable.

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