



**THE MACROECONOMIC VARIABLES ON BANKS TOWARD  
NON-PERFORMING LOANS IN MALAYSIA**

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## **ABSTRACT**

This research paper holds a purpose to identify the significance of each macroeconomic variable that could affect non-performing loan. Lending interest rate, unemployment rate and inflation rate are the macroeconomics variables selected to conduct the research. The data was collected on yearly basis and the period begins from 2000, while ends at 2014. The total sample size is 60. Ordinary Least Square regression method is practiced to evaluate the regression. EViews program is being used to diagnose the econometric problems. There are few solutions adopted to solve the problems encountered during the research. The results turned out to be convincing and problems are being solved. The final results obtained from every tests in this paper matches with the findings.