



**MACROECONOMIC VARIABLES AFFECTING MAYBANK'S
PROFITABILITY**

**AZEM BIN AZHARI
2014448024**

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SEGAMAT, JOHOR.**

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ABSTRACT

Issue/Problem:

This study is to investigate the effect of macroeconomics variable on bank financial profitability of listed commercial bank (Maybank) in the Kuala Lumpur stock exchange (KLSE). The profitability of the bank gives direction to the stake holder in their decision making. Globally, banking is rapidly growing industry. Thus, every bank is trying to enhance the overall profitability plus profit to occupy a better position in the financial system. Overall, this study will identify the key macroeconomic elements that have impact towards the bank profitability

Objective:

1. To investigate the volatility of bank profitability with the effect of macroeconomic variable in the duration of 2007 – 2015 in a quarterly basis
2. To determine there is a significant relationship between Gross Domestic Product, Inflation, Interest Rate with Return on Asset in the duration of 2007 to 2015 in a quarterly basis

Variables:

1. Dependent Variable: Bank Profitability (Return on Asset)
2. Independent Variable: Gross Domestic Product, Inflation, Interest Rate and Exchange Rate

Data/ Sample Description:

The secondary data used in the study was obtained from the statement of Maybank, UiTM Data Stream and also Thomson one website. The data was collected on a quarterly basis from the period of 2007 to 2015 forming a time series data. The statistical tool used in the study is time series analysis. In the study the data are being analyzed using the E – view. The data will be interpreted using the descriptive statistic and multiple linear regression tools.

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