



DETERMINANTS OF NON PERFORMING LOANS IN MALAYSIA

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ABSTRACT

The purpose of this study is to identify the significant relationship for macroeconomic variables (more specifically lending interest rate, gross domestic product, inflation rate and exchange rate). The data was collected on quarterly and the period begins from 2007, until second quarter of 2018. The total data size is 46. Ordinary Least Square regression method is practiced to evaluate the regression. EViews program is being used to diagnose the econometric problems. The result shown that there is a significant between macroeconomics variables towards NPLs. We hope that this study could give benefits to financial institution reducing a number of NPLs in banks position.

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