



**DETERMINANTS OF NON-PERFORMING LOAN  
(NPL) IN SOUTH EAST ASIA  
COUNTRIES**

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## **AUTHOR’S DECLARATION**

I declare that the work in this thesis 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 thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

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## **ABSTRACT**

This research paper focuses on examining the factors that affect Non-Performing Loan (NPL) and the relationship between NPL with the independent variables in South East Asia countries. Gross Domestic Product (GDP), Lending Rate (LR), Real Interest Rate (IR) and Inflation Rate (IFLN) are the variables that will be used to conduct this research. The data variables was collected on yearly basis from year 2000 until 2018, consisting sample size of 152 observations for each variable. Panel regression analysis method is used for data analysis and Financial Theory is used in this study. The result from this study find that Lending Rate (LR) and Real Interest Rate (IR) are the factors that affecting NPL in South East Asia countries. Also, Lending Rate (LR) and Inflation Rate (IFLN) show a positive and significant relationship with NPL whereas Gross Domestic Product (GDP) show a positive but not significant relationship and IR show a negative with not significant relationship with NPL in South East Asia countries