



**DETERMINANTS OF THE NON-PERFORMING LOAN IN  
SELECTED MALAYSIAN FINANCIAL INSTITUTION**

**NURUL FADLINA ATIRAH BINTI MUHAMAD**

**2016689394**

**BACHELOR OF BUSINESS ADMINISTRATION  
WITH HONOURS (FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA CAWANGAN TERENGGANU**

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## ABSTRACT

The purpose of this study is to examine the determinants of the non-performing loan in selected Malaysian financial institution. The regression method used in this study is time series data. Thirty years data have been used which is from 1988 until 2017. The researcher choose GDP growth (GDP), inflation rate (INF), exchange rate (ECR) and unemployment rate (UNE) as the independent variables and dependent variable is Non-Performing Loans (NPL). The finding shows that the inflation rate, exchange rate and unemployment rate has significant relationship with non-performing loan. On the other hand, only growth domestic product has insignificant relationship with non-performing loan.

*Keywords: Non-performing loan, GDP growth, inflation, unemployment rate, exchange rate*