



# LEGI

Laboratoire d'Economie et de Gestion Industrielle

Laboratoire de Recherche Universitaire (SERST-MES) LAB-LR99ES22

ECOLE POLYTECHNIQUE DE TUNISIE

## *SEMINAIRE D'ECONOMIE*

<http://www.tn.refer.org/legi/Seminaire.html>

**Vendredi 14 mai à 15 h à la Salle EC14**

**Abdelkader BOUDRIGA**

[abdelkader.boudriga@fulbrightmail.org](mailto:abdelkader.boudriga@fulbrightmail.org)

Institut supérieur de commerce et de comptabilité de Bizerte

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**Neila BOULILA TAKTAK - Sana JELLOULI**

### *Bank specific, business and institutional environment determinants of banks nonperforming loans: Evidence from MENA countries*

*Abstract:*

The paper analyses the determinants of nonperforming loans and the potential impact of both business and institutional environment on credit risk exposure of banks in the MENA region. Looking at a sample of 46 banks in 12 countries over the period 2002-2006, we find that, among bank specific factors, foreign participation coming from developed countries, high credit growth, and loan loss provisions reduce the NPL level. However, highly capitalized banks experience high level of credit exposure. Credit quality of banks is also positively affected by the relevance of the information published by public and private bureaus. Finally, our findings highlight the importance of institutional environment in enhancing banks credit quality. Specifically, a better control of corruption, a sound regulatory quality, a better enforcement of rule of law, and a free voice and accountability play an important role in reducing nonperforming loans in the MENA countries.

Responsable de la Coordination du Séminaire

**Moez EL ELJ**, ISG Tunis/LEGI-EPT/ Tél: 71 774 611 - Poste 254 / E-mail : [moezelj@yahoo.fr](mailto:moezelj@yahoo.fr)