

# **STUDY REGARDING THE INFLUENCE OF THE UNEMPLOYMENT RATE OVER NON-PERFORMING LOANS IN ROMANIA USING THE CORRELATION INDICATOR**

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*ABSTRACT: In this paper it is studied the influence of unemployment rate on non-performing loans in Romania. The following issues are presented: the definition of nonperforming loans, the criteria used by Romania in the definition of nonperforming loans (NPL), Romanian legislation that regulates nonperforming loans, the causes leading to nonperforming loans and the national regulates regarding unemployment. The paper contains also graphic representation of the analysis: 1) nonperforming loans in the world, 2) credits in Romania by the five risk classes for years 2006-2011; 3) nonperforming loans based on the unemployment rate in Romania. Finally, we established the correlation between unemployment rate and nonperforming loans in Romania, with the usage of the "Pearson" correlation coefficient.*

*Keywords: nonperforming loans, unemployment rate, analysis, correlation coefficient*

*JEL codes: G21, C44.*