Journal of Corporate Finance Management and Banking System
Vol: 06, No. 01, Jan-June 2026
ISSN: 2799-1059, DOI: 10.55529/jcfmbs.61.1.12

Research Paper

Loan loss provisions and their effect on the profitability of commercial banks in nepal

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Article Info

Article History:
Received: 30 August 2025
Revised: 11 November 2025
Accepted: 17 November 2025
Published: 05 January 2026

Keywords:
Return of Assets
Return of Equity
Loan Loss Provision
Non-Performing Assets
Credit to Deposit Ratio

ABSTRACT

An The study examines how the Loan Loss Provisions influence the profitability of commercial banks in Nepal in terms of the Return on Assets, and Return on Equity. Examining the data of 20 Nepalese commercial banks in 2000/01 to 2023/24, the study concludes that LLPs are significantly negatively correlated with ROA and ROE, which confirms that in spite of its pivotal role in ensuring financial stability, provisions directly lower the profitability in the short term. As the analysis also shows, Non-Performing Assets affect the profitability to a even greater extent than LLPs. However, the Credit to Deposit Ratio had no significant or even negative impact in the models. The research arrives at the conclusion that a balance of proper provisioning against risk and proactive NPA management is a necessary ingredient to both the stability of the Nepalese banks as well as its sustainable profitability.

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1. INTRODUCTION

Commercial banks play a crucial role in a country's economic growth by mobilising savings from surplus units and channelling those funds into productive investments through credit creation [1]. They also assist in financial sustainability. In the developing economies like Nepal, the banking sector is

particularly noteworthy since it serves as the main intermediary between the savers and the investors and serves the major sectors, which are agriculture, industry and services. Nonetheless, the effectiveness with which commercial banks manage credit risk strongly determines their sustainability, resilience, and profitability. Ineffective credit appraisal and monitoring processes may subject banks to too much default risk, which may jeopardise institutional stability and investor trust in the financial system.

Loan Loss Provision (LLP) is regarded as one of the most significant tools for controlling the credit risk of commercial banks. The purpose of LLPs is to cushion the possible losses, which could be caused by the default of loans, and to protect the banks in case of the unforeseen quality of assets [2]. The LLPs serve as a financial buffer and tend to keep the company solvent and stable, particularly at times of economic strain when the number of non-performing assets (NPAs) increases [3]. The Nepal Rastra Bank (NRB), which is the central regulatory authority, has realised the value of this and therefore requires the banks to categorize their loans and make provisions under a specific category, which are pass loans, watchlist loans, substandard loans, doubtful loans and bad loans with varying provisioning requirements. The aim of these regulations is to enhance the transparency, prudential soundness, and resilience of the banking sector.

Although LLPs have risk-reducing advantages, they have a direct impact on the profitability of banks. The provisions are recorded as costs under the income statement; thus, increased provisioning causes less reported earnings and other important profitability ratios like the return on assets (ROA) and the return on equity (ROE) [4]. This creates a trade-off for banks between making adequate provisions to ensure financial stability and profitability, which meet shareholder needs and support growth. The relationship between these conflicting goals is a very important issue, and both the management of a bank and regulators are still trying to strike the optimal balance.

Despite the importance of LLPs in credit risk management and regulatory compliance, there is still a lack of empirical evidence about the particular effect that these factors have on profitability in the Nepalese context. Current literature is rather inclined to consider credit risk in general or non-performing assets, which ignores the role of LLPs in determining financial performance. The research paper aims to address this gap in the research by analysing the effects of loan loss provisions on the profitability of Nepalese commercial banks, the profitability of which is mostly determined by ROA. Other applicable bank-specific factors, including the non-performing assets, loans-to-deposit ratio, and capital adequacy, are also included in the study to present a detailed evaluation.

The targeted objectives of the proposed study are to determine the profitability position of the Nepalese commercial banks, evaluate the current position of loan loss provisions, and empirically assess the impact of LLPs on bank profitability. Through these concerns, the research will create knowledge that can be useful in credit risk management, development of regulations, and sustainability of the commercial banks in Nepal in the long term.

2. RELATED WORK

Loan loss provisions (LLPs) represent a well-known concept in the banking literature as an effective instrument to reduce the risk of credit, but they are likely to pressurise the profitability in the short run [5]. Numerous empirical studies have reported on the phenomenon of this trade-off between risk management and earnings. Recent studies have established that increased provisioning has a negative impact on financial performance, both in Nepal and in other countries: one study has found that increased LLPs have a significant negative impact on both return on assets (ROA) and return on equity (ROE) [5], and another study has established that such provisions indicate the worsening of asset quality and increase in credit risk [6].

Several studies emphasise the larger effects of credit risk indicators on bank performance. As recent studies indicate, LLPs and general credit risk are one of the most critical issues that have a negative impact on bank performance [7]. The other research highlights the fact that an increase in the non-performing assets shrinks the net interest margins by reducing the interest income and increasing the provisioning costs [8]. Nevertheless, the conclusion of the empirical findings is inconsistent. As an example, one article documents a positive, but short-run, relationship between LLPs and ROE [9] that could indicate that prudent provisioning could increase investor confidence and enhance capital. Newer evidence, on the

other hand, suggests that LLPs, non-performing loans (NPLs), and the credit-to-deposit ratio (CDR) have a positive impact on ROA but not ROE [10]. These inconclusive findings suggest that the effects of LLPs on profitability are time horizon and bank specific and measurement-method dependent.

Ownership structure and control systems also further influence the relationship between LLPs and profitability. The JVs are more resilient because of greater risk-management practices, whereas non-performing asset ratios have a different impact on ROA and ROE between types of ownership, as there are varied trade-offs between risk and returns [11]. A variety of mechanisms are also used by banks to trade off profitability and risk exposure. Regulatory-wise, an increase in capital adequacy and reserve requirements diminishes short-term profitability and increases financial stability, which serves the prudential role of regulation [12]. The macroeconomic implications of increased regulation are greater growth in GDP and a reduced number of non-performing loans, along with the systemic advantages of appropriate banking regulation [13].

The idea that LLPs are multifaceted tools, which can be protective buffers, tools that regulate, and mechanisms that manage earnings, is substantiated by previous studies [5]. Yet several gaps persist. General and specific provisions are not taken seriously, even though there are reasons to believe that they can have varying implications on profitability and risk management [14]. Further, the relationship between LLPs and macroprudential models like Basel III and accounting models like IFRS 9 has received very little empirical research [15]. Nepalese banking models seldom consider mediating factors like digital transformation, corporate governance quality, and macroeconomic volatility.

These shortcomings indicate that more research is necessary with updated data, more powerful econometric methods, and a comprehensive framework that is based on institutional, regulatory, and macroeconomic aspects. Filling these gaps will provide a more qualitative account of the influence of LLPs on profitability in Nepalese commercial banks and generate valuable insights for regulators and bank managers working in the shifting post-pandemic business environment.

3. METHODOLOGY

This research paper will use descriptive research design, which will be complemented by correlation and causal-comparative research designs to determine the impacts that loan loss provisions have on the profitability of the Nepalese commercial banks. The target population will include all currently existing 20 commercial banks in Nepal with the whole population used as the sample to guarantee reliability and validity. The analysis is based on the secondary data, mainly on annual reports of Nepal Rastra Bank on 2000/01 to 2023/24, as well as on published and unpublished data in the form of reports, theses, and online resources. The information is structured into time-series format and analyzed empirically with the help of EViews 10 to produce insights on the connection between loan loss provisions and bank profitability.

This paper explores the effect on loan loss provisions on the profitability of Nepalese commercial banks, in terms of ROA and ROE. The independent variables are LLP to total loans and advances ratio, non-performing asset (NPA) to loans and advances ratio, credit to deposit ratio (CDR), and the dependent variables are ROA, and ROE. This conceptual model adapts [5] who determined that LLP and profitability showed a negative significant correlation in Nepalese banks.

Figure 1 shows the conceptual framework used in this study. We take three main independent variables, Credit-to-Deposit Ratio (CDR), Non-Performing Assets (NPA), and Loan Loss Provisions (LLP), that are expected to affect bank profitability, which we measure using Return on Assets (ROA) and Return on Equity (ROE). Following previous studies, H1 and H2 expect a negative relationship of LLP and NPA with profitability, whereas H3 proposes that higher CDR should have a positive impact on both ROA and ROE.

The form of the model used in the study supposes that the effect of loan loss provision on the profitability of the bank is considered. Thus, the model is structured in the following way:

- Model-1: $ROA_{it} = \beta 0 + \beta 1\ LLP_{it} + \beta 2\ NPA_{it} + \beta 3\ CDR_{it} + E_{it}$
- Model-2: $ROE_{it} = \beta 0 + \beta 1\ LLP_{it} + \beta 2\ NPA_{it} + \beta 3\ CDR_{it} + E_{it}$

Where,

ROA_{it} = Return on Assets

ROEit = Return on Equity
LLPit = Loan Loss Provision
NPAit = Non-performing Assets
CDRit = Credit to Deposit Ratio
Eit = Error Terms
β0, β1, β2, β3 = Regression coefficient

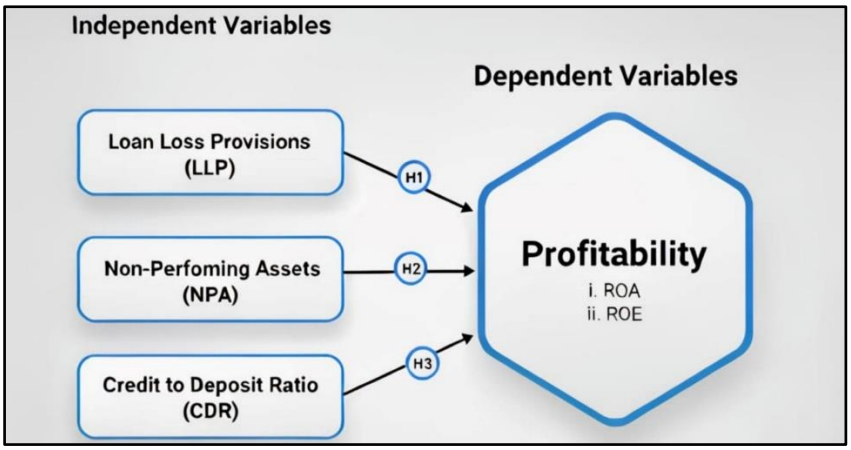

Figure 1. Conceptual Framework

3.1. Return on Assets (ROA)

ROA is a basic measure which determines how efficiently the bank manages its overall asset base to produce net income. An increase in ROA means that the management is more effective in turning assets to profit, which shows how well the organization works. It is an indicator that is critical in the comparison of profitability in the banking industry. This ratio is a pillar of bank profitability analysis and it is very popular in research. It can be formulated as a mathematical expression, represented by the following equation:

$$\text{Return on Assets (ROA)} = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100$$

3.2. Return on Equity (ROE)

ROE is used to determine the rate at which capital contributed by the shareholders of a bank is being used. It is an essential measure of financial performance on ownership basis, which indicates the level at which the management is using equity investments to generate profits. The high ROE is desirable to the investors because it indicates that the investors use the capital effectively. ROE is one of the key indicators of shareholder value, and it is also actively studied within the framework of studies in the banking sector [16]. It can be formulated as a mathematical expression, represented by the following equation:

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Total Shareholder Equity}} \times 100$$

3.3. Loan Loss Provision Ratio (LLP)

LLP ratio represents the way a bank handles credit risk, as well as the quality of its assets. It is the sum of money that is saved as part of the earnings, to cover any loss in the form of defaulted loans. An increased ratio implies more cautious and careful risk management approach. This prudence helps in strengthening the balance sheet but it also decreases the current reported profitability. The predictive as well as determinative nature of LLP as a risk factor and a profit maker is well tested in the literature [17]. The calculation for this ratio is given below:

$$\text{LLP to Loan and Advance Ratio} = \frac{\text{Loan Loss Provision}}{\text{Total loan and Advance}} \times 100$$

H1: There is negative and significant relationship between the LLP to loan and Advance Ratio and profitability of Nepalese commercial banks.

3.4. Non-Performing Assets Ratio (NPA)

NPA is a direct measure of the quality of the bank loan portfolio. It shows the ratio of loans which are in default or near default. Higher NPA is a very bad sign, an indication of poor credit analysis leading to lost interest revenue and even loss of capital. One of the areas of modern research is the harmful effect of high NPA levels on the financial health of a bank [18]. The calculation of this ratio involves the following formula:

$$\text{NPA to Total Loan and Advance Ratio} = \frac{\text{Non Performing Loan}}{\text{Total Loan and Advance}} \times 100$$

H2: There is negative and significant relationship between NPL to Loan and Advance Ratio and profitability of Nepalese commercial banks.

3.5. Credit to Deposit Ratio (CDR)

Credit to Deposit Ratio evaluates the liquidity and effectiveness of the bank in utilizing its customer deposits in its main income generating business, issuing loans. The best CDR shows that the bank is converting deposits to lucrative assets without stretching itself thin and becoming vulnerable to liquidity deficiency. The significance of an effective CDR towards profitability and liquidity is not a new idea in banking research [19]. The formula used to determine this ratio is expressed as:

$$\text{Credit to Deposit Ratio} = \frac{\text{Total Credit}}{\text{Total Deposit}} \times 100$$

H3: There is positive and significant relationship between Credit to Deposit Ratio and Profitability of Nepalese commercial banks.

4. RESULTS AND DISCUSSION

The section is a systematic presentation and analysis of the secondary data concerning the effects of loan loss provisions on the profitability of Nepalese commercial banks, with the independent variables being the effects on the dependent variables.

4.1. Descriptive Statistics

Table 1 provides the descriptive statistics of the study variables, which provides a summary of its distribution and variability. Its average value of the return on assets (ROA) is 1.192 with a median dispersion (standard deviation of 1.959), with values of -3.652 to 5.917, which means that some observations are negative and others are positive. The mean of the return on equity (ROE) is quite high, 14.876, but it has high volatility (standard deviation of 54.468) considering that there are very large changes in profitability of banks (-144.865 to 135.873). Loan loss provision (LPP) has an average of 6.806 with a range of 2.050 to 20.250, indicating that there are different risk management practices among banks. The mean of non-performing loans (NPL) is 8.918 and the dispersion (standard deviation of 10.437) is high and the lowest value is 1.200 and the highest value is 30.410 showing that there is a wide range of credit quality. On the same note, the credit-to-deposit ratio (CDR) has a mean of 74.206, a mean of between 59.780 and 92.040, and a standard deviation of 9.825 indicating some consistent lending by the sampled banks as compared to the other variables. In general, the findings indicate significant differences in the quality indicators of profitability and asset quality, which demonstrates the diversity of financial performance of commercial banks in Nepal.

Table 1. Result of Descriptive Statistics

Variables	Observations	Mean	Median	Maximum	Minimum	Std. Dev.
ROA	500	1.192	1.546	5.917	-3.652	1.959
ROE	500	14.876	22.752	135.873	-144.865	54.468
LPP	500	6.806	3.800	20.250	2.050	6.041
NPL	500	8.918	2.920	30.410	1.200	10.437
CDR	500	74.206	72.880	92.040	59.780	9.825

4.2. Correlation Analysis

The findings of the correlation analysis are presented in Table 2 and the results indicate the relationships between the indicators of profitability (ROA and ROE) and other variables. ROE has a strong and positive relationship with ROA ($r = 0.8288$, $p < 0.01$), which means that the higher the returns on assets of a bank, the higher the returns on equity. The ROA however, has a negative and significant correlation with loan loss provision (LPP) ($r = -0.2195$, $p < 0.05$) and non-performing loans (NPL) ($r = -0.7076$, $p < 0.01$), which indicates that an increase in credit risk and provisioning will reduce asset profitability. On the other hand, ROA is positively but insignificantly related to the credit-deposit ratio (CDR) ($r = 0.3870$, $p < 0.05$) which means that an increase in lending as compared to deposits can only slightly increase asset returns. Likewise, ROE has a weak positive relationship with LPP ($r = 0.0799$, $p < 0.01$) and negative and significant relationship with NPL ($r = -0.6169$, $p < 0.01$) and positive correlation with CDR ($r = 0.3143$, $p < 0.05$). These findings suggest that even though increased credit risk reduces the ROA and ROE, the efficient use of credit indicated by CDR promotes profitability of Nepalese commercial banks.

Table 2. Result of Correlation Analysis

Variables	ROA	ROE	LPP	NPL	CDR
ROA	1				
ROE	0.8288	1			
	0.0000*				
LPP	-0.2195	0.0799	1		
	0.0291**	0.0041*			
NPL	-0.7076	-0.6169	0.6291	1	
	0.0001*	0.001*	0.0008*		
CDR	0.3870	0.3143	-0.6314	-0.8000	1
	0.051**	0.0126**	0.0007*	0.0000*	

4.3. Regression Analysis

Table 3 shows that loan loss provision (LPP) negatively and significantly impacts ROA ($b = -0.094$, $p < 0.05$), which implied that increased provisioning decreases profitability. On the same note, non-performing loans (NPL) also have a significant negative and highly significant influence on ROA ($b = -0.2263$, $p < 0.01$), indicating that the higher the risk of credit the lower returns on assets. Negative coefficient ($b = -0.0786$) is also observed in the credit-to-deposit ratio (CDR), but the impact is not statistically relevant ($p > 0.05$). The constant ($C = 8.406$, $p < 0.05$) is a positive and significant value. The model accounts about 63.68% of the variation in the ROA ($R2 = 0.6368$), adjusted R 2 = 0.5849 and the overall F-statistic = 12.27, which validates the high explanatory power of the model.

Table 3. Multiple Regression Analysis of Model-2

Variable	Coefficient	Std. Error	T-Statistic	Prob.
LPP	-0.094	0.05706	-1.6475	0.0143**
NPL	-0.2263	0.04269	-5.3012	0.0000*
CDR	-0.0786	0.04545	-1.7303	0.0983
C	8.40646	3.7539	2.23939	0.0361**
R-squared = 0.6368		S.E. of regression = 1.26216		
Adjusted R-squared = 0.58492		F-statistic = 12.2732		
$ROA=8.406-0.094LPP-0.2263NPL-0.0786CDR+\varepsilon$				

Table 4 shows the result of the multiple regression using ROE as a dependent variable. The impact of loan loss provision (LPP) on ROE is negative and very strong ($b = -6.525$, $p < 0.01$), and this means that increase in provisioning causes a significant decrease in equity returns. Likewise, a negative and statistically significant influence ($b = -6.5983$, $p < 0.01$) is detected with non-performing loans (NPL), which indicates that low credit quality has an enormous negative effect on the profitability of shareholders. The

credit-to-deposit ratio (CDR) also negatively and significantly affects ROE (b = -1.332, p < 0.01), showing that increased lending compared to deposits is not always a good indicator to increase equity returns but it lowers them. The fixed value (C = 128.151) is of positive value but not statistically significant (p > 0.05). The model explains well, and R 2 = 0.7623 and adjusted R 2 = 0.7283 are large, and the F-statistic (22.45) indicates the overall significance of the model.

Table 4. Multiple Regression Analysis of Model-2

Variable	Coefficient	Std. Error	T-Statistic	Prob.
LPP	-6.525	1.28346	-5.0839	0.0000*
NPL	-6.5983	0.9601	-6.8726	0.0000*
CDR	-1.332	1.02233	-1.3029	0.0067*
C	128.151	84.4354	1.51773	0.144
R-squared = 0.7623		S.E. of regression = 28.3894		
Adjusted R-squared = 0.72834		F-statistic = 22.4483		
ROE=128.151−6.525LPP−6.5983NPL−1.332CDR+ε				

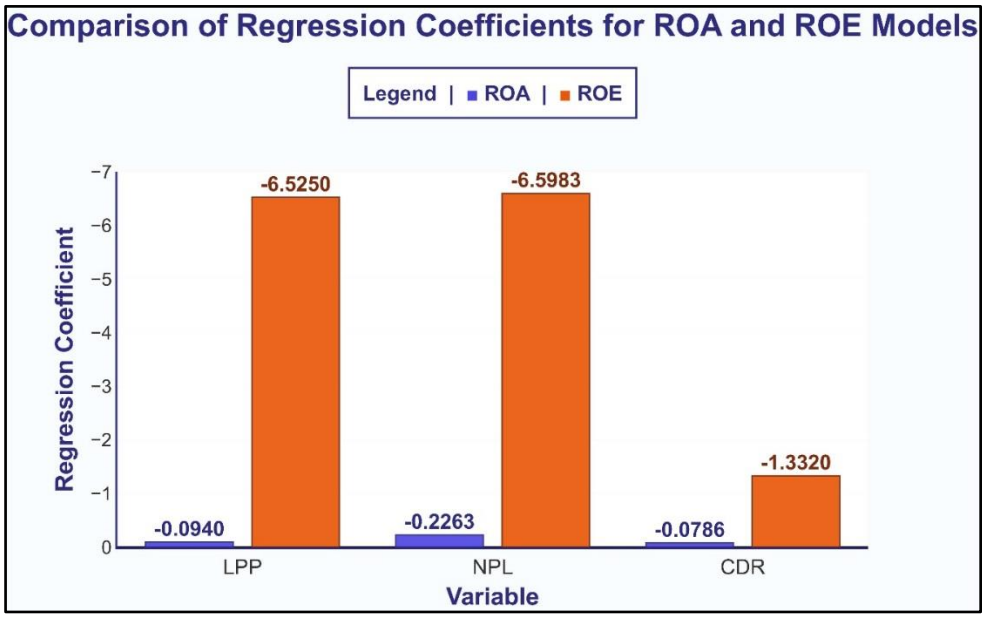

Figure 2. Comparison of Regression Coefficients for ROA and ROE Models

Figure 2 shows the estimated values of the regression coefficients of the ROA and ROE models which are indicated in the form of a comparison. It is evident that loan loss provisions (LLP) and non-performing loans (NPL) have a significantly greater negative effect on Return on Equity than on Return on Assets a one-percentage-point increase in either LLP or NPL has a negative impact on ROE of about 6.5-6.6 percentage points, compared to a negative impact of 0.09-0.23 percentage points on ROA. Both models also show a negative (although statistically insignificant) coefficient of credit-to-deposit ratio (CDR) with ROA. Altogether, the findings validate the assumption that decline in credit quality and increased provisioning have a much stronger impact on shareholder returns but the overall asset efficiency of the bank is much less sensitive to these risk factors.

Discussion

The findings of this paper affirm the key position of loan loss provisions in determining the profitability of Nepalese commercial banks. In line with the previous results [5], [7], the analysis reveals that the increase in the level of provisioning decreases both the return on assets and the return on equity, which is the direct cost of the reserves in place to protect the possible loan defaults. Although these provisions are essential to remain financially stable, they negatively affect short-term earnings, which highlights the stability-profitability trade-off that has been one of the most prevalent topics in Nepalese

and international literature [4], [20]. Notably, the findings also indicate that the negative impact of non-performing loans (NPLs) on profitability is even more pronounced than LLPs, which confirms that although provisioning can avert the risk, it cannot be entirely used to prevent the loss of income due to low asset quality. This resonates with the worldwide results that an effective credit risk management and not just provisioning alone is the determining factor of maintaining profitability [21], [22].

Another finding of the study is a fairly minor role of the credit-to-deposit ratio (CDR) in profitability determination, which agrees with Nepalese findings that liquidity management pressure is a less significant pressure than credit risk factors [23]. Rather, credit risk contributes greatly to profitability and the model accounts 63.7 percent of ROA and 76.2 percent of ROE. This high explanatory strength highlights the overruling power of LLPs and NPLs in determining the performance of the banks. Furthermore, the increased volatility of ROE proves that the impact of provisioning decisions on shareholder returns is stronger than the impact of asset-based profitability measures, providing evidence of the distributive consequences of the provisioning policies. These findings are consistent with domestic research, which underlines the negative impact of LLPs on performance [5], [6].

However, the facts show that LLPs do not ensure profitability and sustainability. Researchers like [9], [24] acknowledge that the correlation between LLPs and performance is not necessarily negative, in certain settings, more specifically among joint-venture banks, provisioning is positively correlated with ROE [25]. Such differences are due to the impact of ownership systems, regulatory lines, and macroeconomics, with the provisioning having to be contextually tuned as opposed to being systemically standardized. Finally, although LLPs are an inevitable regulatory condition, sustainable profitability of Nepalese banks is achieved with the help of a balance between provisioning and active NPL management. Overproviding leads to earnings suppression, whereas under-providing poses a probability of bankruptcy during crises. Effective LLP policies should therefore be incorporated together with the wider approaches of credit risks mitigation, governance reforms and dynamic regulation. The conclusion echoes the global view [4] that profitability in the banking industry is not only a question of how much it provides but also a question of the quality of the credit risk management and the institutional context, within which these policies are implemented.

5. CONCLUSION

The paper has explored the effects of loan loss provisions on the profitability of Nepal commercial banks with the profitability being assessed by the important indicators including the ROA, ROE, NPA, and the credit- to-deposit ratio. The results prove that LLPs, as much needed to protect financial stability, have a powerful negative impact on short-term profitability. This twofold character of LLPs points out the paradoxical nature of the latter: on the one hand, it creates a buffer against credit risks; on the other hand, it conceals the earnings reported. The findings also indicate that the adverse impact on profitability of non-performing assets is the highest, which proves that the efficient management of credit risk is extremely crucial in the Nepalese banking industry. On the same note, credit-to-deposit ratio can be used to signify lending expansion yet it can present risks to banks unless it is backed by stringent screening and monitoring of credit quality. It is indicated that the profitability of Nepalese commercial banks is influenced by the provisioning practice together with other more general aspects, including exposure to risk, regulatory processes, and capital buffer strength. Nepalese banks need to take a balanced approach consisting of a prudent and calculated approach to provisioning in order to achieve stability and profitability. This necessitates a better credit risk assessment process, a better loan classification process and a better alignment between provisioning and regulatory requirements as well as the risk specific individual bank characteristics.

Additionally, implementing mechanisms of dynamic provisioning that are sensitive to the economic cycles would enhance resilience as the banks will be able to proactively deal with risk mitigation and remain competitive. These reforms would allow Nepalese commercial banks to deal with the underlying trade-off between stability and profitability in a more effective way. To sum up, it is true that LLPs will inevitably decrease short-term profits; however, their rational and planned approach will be necessary in the context of the long-term sustainability, stability, and profitability of Nepalese commercial

banks. Altogether, this paper highlights that this is essential as in the case of Nepalese banks where loan loss provisioning is prudent and well-calibrated to balance financial stability and sustainable profitability. Enhancing credit risk assessment structures, enhancing loan classification behavior, and making provisioning consistent with regulatory requirements as well as risk-specific bank characteristics are significant measures to be taken to increase resilience. Furthermore, the use of dynamic models of provisioning which are responsive to economic cycles has the potential to allow banks to be in a better position to manage risk and at the same time remain competitive. Through this, commercial banks in Nepal will be able to protect long-term sustainability and manage the internal trade-offs between stability and profitability.

Acknowledgements

We are grateful to the institutions that have given us an opportunity to access the necessary reports and data, which helped to complete this analysis. We also value our colleagues and peers in the University for their Insightful Feedback. We also acknowledge the researchers quoted in the present work, whose research had a significant influence and empowerment on our work.

Funding Information

Authors state that no funding was received for conducting this research paper.

Author Contributions Statement

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Ramjee Puri	✓			✓		✓	✓	✓				✓	✓	✓

C : **C**onceptualization
M : **M**ethodology
So : **So**ftware
Va : **Va**lidation
Fo : **Fo**rmal analysis
I : **I**nvestigation
R : **R**esources
D : **D**ata Curation
O : Writing - **O**riginal Draft
E : Writing - Review & **E**diting
Vi : **Vi**sualization
Su : **Su**pervision
P : **P**roject administration
Fu : **Fu**nding acquisition

Conflict of Interest Statement

The authors declare that they have no conflicts of interest relevant to the content of this article.

Informed Consent

Not applicable. This research is purely a secondary research conducted with aggregated data based on publicly available financial reports and does not require any human subjects, primary research, or any other personal contact that will require informed consent.

Ethical Approval

Not applicable. This study is based on secondary data, which is officially available and involves no human or animal subjects, experimental research, or activity that may need institutional ethics committee or review board supervision.

Data Availability

The data sets created and worked on in this research are based on annual reports and financial statements of Nepalese commercial banks, covering the period between 2000/01 and 2023/24 fiscal years. Raw data of individual banks is not available in the public because of privacy concerns and proprietary issues of individual banks. Nonetheless, aggregated data underpinning the results of the present study can be provided by the appropriate author on a reasonable request. The researchers who might have an interest in replicating or extending this work can reach out to Pramod Dahal through

pramod.dahal.777@gmail.com to have access to non-sensitive, anonymized data. Any requests will be ethically reviewed and will be in accordance with the requirements of confidentiality to the participating institutions.

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How to Cite: Pramod Dahal, Dr. Rajesh Gurung, Sindhu Regmi, Ramjee Puri. (2026). Loan loss provisions and their effect on the profitability of commercial banks in nepal. Journal of Corporate Finance Management and Banking System (JCFMBS), 6(1), 1-12. https://doi.org/10.55529/jcfmbs.61.1.12

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