

upper([Original Research])

Effect of Non-performing Loans on the Performance of the Nigerian Commercial Banks

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[Abstract]

This examined the effect of non-performing loans on the performance of the Nigerian Commercial Banks. Specifically, the study focused on three objectives guided by three hypotheses. This study employed ex-post facto research design. The population of the study included 24 commercial Banks in Nigeria. Using the convenience sample technique, two different banks were selected for the study. Data used for the study was obtained from the CBN Statistical Bulletin, 2016. The Simple regression model and descriptive analysis were used to analyze the data accordingly. After subjecting each hypothesis under test, findings revealed that non-performing loans have a significant effect on the profitability of commercial banks in Nigeria and there is no significant relationship between non-performing loan and GDP. It was concluded however that non-performing loan has a weakening effect on the profitability of the commercial banks in Nigeria.

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