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Mapping Non-Performing Assets: Figures from Dimension AI database

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Abstract

The issue of non-performing assets (NPAs) or non-performing loans (NPLs) presents a significant challenge in the financial sector, affecting the stability and profitability of financial institutions globally. Conducting a bibliometric analysis of NPLs aims to understand the current research landscape and identify opportunities for future study, ultimately contributing to the development of effective strategies to manage and mitigate the impact of NPLs. Systematic review analyzes articles in Banking, Finance, and Investment, focusing on Non-Performing Assets (NPAs) or Non-Performing Loans (NPLs) published between 2020 and 2024. 33 documents were selected based on relevance to the topic. Through rigorous filtering and review, key insights, methodologies, and findings were extracted from the selected articles. Articles related to Non-Performing Assets/Loans, the Malaysian Management Journal emerged as the most cited publication, with five citations. The research conducted by the Institute of Cost Accountants of India and Vidyasagar University also garnered considerable attention. Among the individual papers, those authored by Maity and Tarak Nath received five citations each. The findings of the study highlighted key themes including Efficiency Decline, NPL Impact on Performance, Capital Adequacy Influence, Credit Risk Moderation, Persistent NPA Challenges, and Complex Factors Contributing to NPLs. These findings underscore the multifaceted nature of NPAs and NPLs, emphasizing their significant impact on the banking and finance sector. Study underlines landscape of NPAs/NPLs, identifying key themes, influential publications, and authors, thus guiding future research directions and strategic interventions for managing NPAs/NPLs in the financial sector. bibliometric analysis of NPAs/NPLs in Banking, Finance, and Investment fields from 2020 to 2024.

Keywords: Non-performing Loan / Non-performing Assets, Loan, Bank, Research, Review

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Introduction

The issue of non-performing assets (NPAs) or non-performing loans (NPLs) is indeed a significant challenge in the financial sector, particularly within the current banking environment. The increasing prevalence of NPLs poses substantial obstacles for financial institutions globally, impacting their stability and profitability (Dhakal, 2022). As loans deteriorate, they add to the accumulation of NPLs, which reflects negatively on a bank's financial health. The percentage of NPLs within a bank's asset portfolio is a crucial metric for assessing its performance, indicating the effectiveness of risk management practices and the quality of lending activities (Budhathoki, Bhattarai, & Upadhyaya, 2024). Given the importance of lending in revenue generation for banks, a rise in NPLs can severely strain their solvency and operational viability, potentially leading to collapse.

In this background it is significant to outlined aims to conduct a bibliometric analysis of NPLs to gain a comprehensive understanding of the current research landscape and identify avenues for future study. By analyzing the body of literature on NPLs, the study seeks to identify key trends, influential authors, and emerging research areas. Through bibliometric analysis, insights into the evolution of NPL research, interdisciplinary collaborations, and potential research gaps will be provided. Ultimately, the research aims to inform future studies on NPLs, enabling informed decision-making and offering strategies for mitigating NPL-related risks in the financial sector. By conducting a thorough bibliometric analysis, the researchers aspire to contribute to the advancement of knowledge in this critical area and promote resilience in financial institutions facing NPL challenges.

Research aims to highlights the following question.

1. What is the publication trend in Non-Performing Assets from 2020 to 2024?
2. Which authors were the best in Non-Performing Assets on citation?
3. Which are the major journals in Non-Performing Assets base on citation?
4. Which is the major institution that published Non-Performing Assets base on citation?
5. What are the major summaries of Non-Performing Assets base on high cited documents from 2020 to 2024?

Significant of the study

The significance of this study lies in its exploration of non-performing assets (NPAs) or non-performing loans (NPLs) within the domains of Banking, Finance, and Investment. NPAs/NPLs pose significant challenges to financial institutions and economies globally. By analyzing selected articles, including Awaluddin (2023), Charisma (2022), Tomi (2020), Supriatini (2021), and Goh (2022), this study underscores the urgent need for effective management strategies to mitigate the impact of NPAs/NPLs and uphold financial stability. Furthermore, the study delves into various dimensions of NPAs/NPLs, such as their definitions, measurement methodologies, global trends, and broader implications amid banking crises and regulatory reforms. Through comprehensive analysis, this study aims to contribute to a deeper understanding of NPAs/NPLs and advocate for holistic approaches to address this pressing issue in the financial landscape.

Research Methods

This study involves a systematic review and analysis of articles within the field of Banking, Finance, and Investment, specifically focusing on non-performing assets (NPAs) or non-performing loans (NPLs). The selection criteria for articles included relevance to the topic, publication between the years 2020 and 2024, and containing the keywords "non-performance asset" or "non-performing loan" in the title or abstract. Initially, a comprehensive search was conducted using a reputable database Dimension, to identify relevant articles. The search generated a total of 352 articles. Subsequently, these articles were filtered based on title and abstract matching to ensure they specifically addressed the topic of NPAs or NPLs. As a result, 319 articles were excluded due to unmatched titles, leaving a final dataset of 33 articles for analysis. The selected articles were then subjected to a thorough review process to extract key insights, methodologies, findings, and conclusions (Mahat, Karki, Neupane, Shrestha, & Shrestha, 2024). Various analytical techniques such as content analysis, thematic analysis, and quantitative analysis were employed to synthesize the information and identify patterns across the literature.

Result and Discussion

Major journal

From the analysis following observation were made.

- Malaysian Management Journal (id 28) have the major citation ’5’ and the document submitted was one.
- Jurnal Maksipreneur Manajemen Koperasi Dan Entrepreneurship (id 26) have the second highest citation ‘3’ with submitted document one.
- Almana Jurnal Manajemen Dan Bisnis (id 1), International Journal of Innovative Technology and Exploring Engineering (id 15), Journal of International Business and Management (id 20), Jppi (Jurnal Penelitian Pendidikan Indonesia) (id 23), Revista De Investigaciones Universidad Del Quindío (id 30) each have 2 citation with submitted document one.
- And 7 out of 14 have minimum citation 1 with submitted document one.

id	Source	documents	Citation
1	almana jurnal manajemen dan bisnis	1	2
2	asian finance & banking review	1	1
5	business management and economics engineering	1	1
6	ekuitas jurnal pendidikan ekonomi	1	1
14	international journal of humanities education and social sciences (ijhess)	1	1

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15	international journal of innovative technology and exploring engineering	1	2
18	journal of indian business research	1	1
19	journal of interdisciplinary studies	1	1
20	journal of international business and management	1	2
21	journal of risk and financial management	1	1
23	jppi (jurnal penelitian pendidikan indonesia)	1	2
26	jurnal maksipreneur manajemen koperasi dan entrepreneurship	1	3
28	malaysian management journal	1	5
30	revista de investigaciones universidad del quindío	1	2

Major Affiliated institution

- Document submitted by Vidhyasagar University (id 18), the institute of cost accountants of india, west bengal, india (id 9) have major citation (5) while having 1 document submitted by each institution.
- Stie Profesional Manajemen College Indonesia (id 5), University Of Methodist Indonesia (id 14), University Of North Sumatra (id 15), University Of Wachemo (id 17) have 2 citation for each document submitted.

id	Organization	documents	citations
5	stie profesional manajemen college indonesia	1	2
6	stie professional management college indonesia	1	2
7	symbiosis centre for management studies, noida, india and symbiosis international university, pune, india	1	1
8	symbiosis international university	1	1
9	the institute of cost accountants of india, west bengal, india	1	5
11	universitas pendidikan ganesha	1	1
12	university of benin	1	1
14	university of methodist indonesia	1	2
15	university of north sumatra	1	2
17	university of wachemo	1	2
18	vidyasagar university	1	5
19	çankırı karatekin university	1	1

Major Author

- Author susilawati (2021) have the major citation.
- Similarly, Charisma (2022), Goh (2022), Anonymous (2021), Kumar (2020) and Lemma-Lalisho (2022) have two citations each.

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id	document	citations
4	awaluddin (2023)	1
10	charisma (2022)	2
13	tomi (2020)	1
14	supriatini (2021)	1
16	goh (2022)	2
18	susilawati (2021)	3
19	anonymous (2021)	2
20	küçük (2022)	1
23	kumar* (2020)	2
24	natufe (2023)	1
25	lemma-lalisho (2022)	2
26	gaur (2023)	1
28	ranabhat (2022)	1
32	maity (2020)	5

Key findings base on citation

maity (2020)the number of efficient banks has shortened and the average overall technical efficiency of selected banks moves downward throughout the study period. It also reveals that the inefficiency is mostly due to the upward trend of NPAs. Asset quality plays the most crucial role toward the performance of banking sector

susilawati (2021) this study indicate that NPL does not affect NIM, while LDR has a significant effect on NIM. Furthermore, NPL has a significant effect on ROA, while LDR does not affect ROA. This study also proves that NIM has a significant effect on ROA, but NIM does not mediate the effect of NPL on ROA, and NIM can mediate the effect of LDR on ROA.

charisma (2022) The results show that partially the Capital Adequacy Ratio (CAR) variable has a significant positive effect on Return on Assets (ROA), while the Non-Performing Loan (NPL) variable has no significant effect to Return on Assets (ROA).

goh (2022) The results show that capital adequacy has an impact on financial performance in banking companies listed on the Indonesia Stock Exchange from 2015 to 2019. The loan to deposit ratio does not affect financial performance. The existence of credit risk, as the moderating variable, will strengthen the relationship between capital adequacy and financial performance and the relationship between the loan to deposit ratio and financial performance.

kumar* (2020) This study shows that extent of NPA is comparatively very high in public sectors banks. Although various steps have been taken by government to reduce the NPAs but still a lot needs to be done to curb this problem. The NPAs level of our banks is still high as compared to the foreign banks. It is not at all possible to have zero NPAs.

lemma-lalisho (2022) The study found that there was a significant negative relationship between earning ability (ROA), Interest rate, Gross domestic products, inflation rate, and

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nonperforming loans of development banks of Ethiopia. The relationship between bank size and liquidity with non-performing loans was found to be positive. In addition to bank-specific factors and macroeconomic variables related to variables such Bank lends by the project itself as collateral with small lending rate relatively other commercial banks of the country, a long delay on implantation, poor known your customer assessment, political and social instability, inadequate coordination among stakeholder, governance, and structure, excessive external intervention.

Summary

Efficiency Decline: Maity (2020) highlights a decline in bank efficiency over time, primarily attributed to the rising trend of non-performing assets (NPAs), emphasizing the critical role of asset quality in banking sector performance.

NPL Impact on Performance: Susilawati (2021) underscores the significant impact of non-performing loans (NPLs) on Return on Assets (ROA), despite their lack of effect on Net Interest Margin (NIM), suggesting the intricate relationship between loan quality and overall financial performance.

Capital Adequacy Influence: Charisma (2022) establishes the positive influence of Capital Adequacy Ratio (CAR) on ROA, indicating its importance in maintaining financial stability and profitability within banking institutions.

Credit Risk Moderation: Goh (2022) elucidates the role of credit risk as a moderator, strengthening the relationship between capital adequacy and financial performance, highlighting the importance of risk management in banking operations.

Persistent NPA Challenges: Kumar (2020) underscores the persistent challenges of high non-performing assets (NPAs) in public sector banks compared to foreign counterparts, necessitating continued efforts to address this issue effectively.

Complex Factors Contributing to NPLs: Lemma-Lalisho (2022) identifies various complex factors contributing to non-performing loans in development banks of Ethiopia, emphasizing the need for a multifaceted approach to mitigate NPLs, including macroeconomic stability, bank-specific factors, and effective governance mechanisms.

Conclusion

Study underlines research landscape of NPAs/NPLs, identifying key themes, influential publications, and authors, thus guiding future research directions and strategic interventions for managing NPAs/NPLs in the financial sector.

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