



**THE RELATIONSHIP BETWEEN INTERNAL FACTORS AND
PROFITABILITY: EVIDENCE FROM MALAYSIA LOCAL COMMERCIAL
BANK**

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ABSTRACT

What reflect the ability of the bank when it comes to comparison between one bank with the other bank? The bank profitability will represent the bank ability either the bank is able to fulfill its roles or not. For consumer's perception, they prefer to go for bank that able to serve them better, which is have enough liquidity assets or efficiency in term of expenses management. If the banks are able to manage these two internal factors then the bank will have a stable management and will earn more profit. The sound of liquidity and efficiency of the bank will give an impact to the bank profitability. Same goes for the deposit, capital and bank size. These variables will have its own relationship and important towards the bank profit. Will local commercial bank in Malaysia shows a positive relationship or negative relationship between both variables? Thus, this paper will discuss the relationship of internal factors on bank profitability in Malaysia local commercial bank for the period span of 2008-2016. Reason to choose local commercial banks as subject is because a complete availability of data for the period of 2008-2016 compare to data of foreign bank.

Keywords: internal factors, bank profitability, Malaysia local Commercial Bank