



NON-PERFORMING LOAN, SIZES OF BANK AND PER CAPITA GROSS DOMESTIC
PRODUCT AFFECTING BANK'S PROFITABILITY PERFORMANCE IN THE CASE OF
ASIAN COUNTRIES; MALAYSIA AND THAILAND

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TABLE OF CONTENT	Page
Title page	i
Declaration of original work	ii
Letter of Transmittal	iii
Acknowledgement	iv
Table of Contents	v-vii
List of Tables	viii
List Abbreviations	ix
Abstract	xi
1.0 Introduction	1-3
1.1 Problem Statement	3
1.2 Research Objectives	4
1.2.0 General Objectives	4
1.2.1 Specific Objectives	4
1.3 Significance of Research	5
1.4 Scope of Limitation of Study	5
<hr/>	
2.0 Literature Review	
2.1 Introduction	6
2.1.0 Review of Literature	6
2.2 Independent Variables	
2.2.0 Non-Performing Loan	6
2.2.1 Bank Sizes	7
2.2.2 Per Capita Gross Domestic Products	8
2.3 Conceptual Framework	8

3.0 Data and Methodology

3.1 Data Analysis	9-10
3.2 Hypotheses of Study	
3.2.0 Hypothesis 1	11
3.2.1 Hypothesis 2	11
3.3 Research Flow	12-13
3.3.0 Unit Root Tests	13
3.3.1 Poolability Tests	13
3.3.2 Diagnostic Check	14
3.3.2.0 Serial Correlation/ AutoCorrelation	14
3.3.2.1 Heteroscedastic	14
3.3.2.2 Multicollinearity	15

4.0 Result and Interpretation

4.1 Introduction	16
4.2 Data and Empirical Results	16-17
4.3 Normality Test	18
4.4 Poolability Test	19
4.5 Diagnostic Check	20
4.5.0 Multicollinearity	20
4.5.1 Heteroscedasticity	20
4.5.2 Autocorrelation	21
4.6 Treatment for Diagnostic Check	
4.6.0 Generalize Least Square (GLS)	22
4.6.1 Panels Corrected Standard Errors (PCSES) for linear	23
4.7 Empirical Results and Discussions	24-26

ABSTRACT

Commercial banks have a crucial role for the allocation of economic resources in the Asian countries. Their main contribution is in the economic growth of the country through making available the funds for investors to borrow well as financial deepening in the country. A study of determinants of bank's profitability performance on the non-performing loan, banks sizes and also the economic growth is to forecast and deal the uncertainty of the globalized environment. By using a study of 12 commercial banks in two countries, in time period of time 2007-2016 (10 years) the issue of the determinants of banks profitability is studied by different authors and academic and the purpose of this study is to investigate the profitability performance behaviour of bank-specific and macroeconomic variable. The primary objective is to investigate the determinants of the profitability and to debates through the literature review on these issues. This study shows that, the profitability of banks and commercial banks in both Malaysia and Thailand are mostly affected by bank-specific determinants. NPL have an insignificantly negative impact towards ROA, and the other two variables, banks sizes and GDP has a significantly positive impact on this study.