



**THE DETERMINANTS OF DIVIDEND PAYOUT RATIO
IN LOCAL COMMERCIAL BANKS IN MALAYSIA**

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ABSTRACT

The purpose of this study is to investigate the determinants of dividend pay-out ratio in local commercial banks in Malaysia. Eight commercial banks which are listed in Bursa Malaysia have been considered for the study. This study used 12 years observations which are from 2006 until 2017. Past year dividend (PYD), return on asset (ROA), debt ratio (DR) and reserve requirement (LGRR) were choose as the determinants of dividend pay-out ratio. The findings of this study shows the result that past year dividend (PYD), return on asset (ROA) and reserve requirement (LGRR) are positive significant with dividend pay-out ratio. While, debt ratio (DR) show that it positively insignificant with dividend pays-out ratio (DPR). As recommendation, future researcher should increase more variable in order to increase the results.

Keywords: Dividend Payout Ratio, Past Year Dividends, Return On Asset, Debt Ratio, Reserve Requirement.