



**THE COMPARISON BETWEEN INTERNAL  
DETERMINAT OF CONVENTIONAL ANG ISLAMIC  
BANKING PROFITABILITY  
(MAYBANK AND BANK ISLAM)**

**NURUL HIDAYAH AB RAHMAN  
2008403814**

**BACHELOR OF BUSINESS ADMINISTRATION (HONS)  
(FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
KOTA BHARU, KELANTAN**

**APRIL 2010**



**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS  
(FINANCE) FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITY TECNOLOGY MARA**

**'DECLARATION OF ORIGINAL WORK'**

I, NURUL HIDAYAH AB RAHMAN,

(I/C Number: 891210035546)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, any locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **ACKNOWLEDGEMENT**

“In the name of Allah SWT, the Merciful and Beneficent”

Praise be to Allah S.W.T for the blessing and giving me the strength and health to complete this project paper. First and foremost, I would like to thank my kindness advisor, PM Roslan Ab Rahim and my second examiner Encik Mohamad Sayuti Md Salleh for their invaluable advice, comments and constant guidance during the progress of my project paper.

Sincere appreciations also to my beloved family, especially my mom Puan Zaleha Zakaria who are give full supports and encouragement in the process to finish this project paper. Last but not least, special thanks to all beloved friends who shared their experiences, time and commitment in finishing this report.

No such valuable words than “Thank You” to appreciate your support and kindness. More than words could express on paper or could be spoken in words. Remembering your kindness would always be my pleasure.

Thank You.

Nurul Hidayah Ab Rahman

# **TABLE OF CONTENT**

Declaration of Original work	ii
Letter of Submission	iii
Acknowledgment	iv
Abstract	vii
1.0 Introduction	1
1.1 Background of Study	2
1.2 Statement of the Problem	4
1.3 Objectives of the Study	4
1.4 Hypotheses	5
1.5 Significant of the Study	6
1.6 Scope of the Study	6
1.7 Limitation of the Study	7
1.8 Theoretical Framework	8
2.0 Literature Review	9
2.1 Return on Asset	9
2.2 Operating expenses	10
2.3 Credit risk	11
2.4 Bank size	12

## **ABSTRACT**

Type of bank can be dividing by two which are conventional bank and Islamic bank. For this research study, the researcher chooses Malayan Banking Berhad (Maybank) as a conventional bank and Bank Islam Malaysia Berhad (BIMB) as a Islamic bank. The aim of this study was to examine the factors that influencing each bank profitability. There are 3 factors that been studied, which were Operating Expenses (OE), Credit Risk (CR) and Bank Siza (BS). This study also was conduct to identify which bank are the most preferred factors that influence to gain a profit. The period of study is from first quarter 2006 until fourth quarter 2010. Findings of the study show that Maybank as a conventional bank will got a great impact by all the factor chosen compare to Bank Islam. The research methodology use for this study is by using the secondary data from Quarterly Financial Statement report. Meanwhile, in analyzing the data the Statistical Procedure of Social System (SPSS) is being used in order to transfer the data into output. As a conclusion from the study, the finding of this study gives suggestion to the both bank to improve their internal factors to gain more profit.