



**THE CONSEQUENCE OF INTERNAL FACTORS AND
EXTERNAL FACTORS TOWARDS PERFORMANCE :
A STUDY ON MALAYSIA FINANCIAL INSTITUTIONS**

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ABSTRACT

This paper is made to finding out about the significant of internal factors which is focus on internal variables towards performance of financial institutions in Malaysia. This paper also want to analyse the existing of external factor that influence the performance of financial institutions in Malaysia which is the time period are selected from pre-crisis until during crisis and in the period pre crisis and post crisis. The secondary data for analysis is retrieved from UiTM Johor Datastream and the sample of the study comprises of six selected financial institutions that are listed in Malaysia Stock Market on over 14 years period from 2002 until 2015. Methodology used for this study is by using Multiple Linear Regression with panel data. In this study, the dependent variable is return on equity (ROE) as a proxy of performance on the financial institutions in Malaysia. This dependent variable is measured by price earnings ratio as a proxy of firm risk, dividend yield, total asset as a proxy of firm size, change in revenue as a proxy of growth opportunity, debt to equity as a proxy of capital structure and quick ratio as a proxy of liquidity. This study has six selected internal factors to measure the performance of financial institutions in Malaysia. This study also focus on external factors which is the time period has been selected based on two scope of period that is in the period pre crisis until during crisis and in the period pre crisis and post Global Financial Crisis to see the movement of performance of financial institutions in Malaysia. Based on the variables, the study aims to explore the significance of return on equity (ROE) towards their internal factors and external factors. Thus, this result of this research will help the financial institutions especially the investors to take steps of strategies and decision making based on their relationship.

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