



THE DETERMINANTS OF COMMERCIAL
BANK PROFITABILITY IN MALAYSIA

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TABLE OF CONTENTS

	Page
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v-vii
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x
ABSTRACT	xi
CHAPTER 1 INTRODUCTION	
1.0 Background of Study	1 - 4
1.1 Problem Statement	5
1.2 Research Objective	6
1.3 Scope of Study	7
1.4 Limitation of Study	8
1.5 Significant of Study	9 – 10
1.6 Organization of Thesis	11
CHAPTER 2 LITERATURE REVIEW	
2.0 Introduction	12
2.1 Theory	12 – 13
2.2 Literature Review	14 - 19
2.3 Conceptual Framework	20
2.4 Summary of Chapter	21

CHAPTER 3	DATA AND METHODOLOGY	
	3.0 Introduction	24
	3.1 Data Collection	23 - 24
	3.1.1 Measurement of Variables	
	3.1.1.1 Dependent Variables	
	3.1.1.2 Independent Variables	25 - 26
	3.2 Software Used	27
	3.3 Estimation of Procedure	27 – 30
	3.4 Flow of Research	31
	3.4 Empirical Model	32 - 33
	3.5 Hypothesis	34
	3.6 Summary of Chapter	35
CHAPTER 4	FINDING AND ANALYSIS	
	4.0 Introduction	36
	4.1 Descriptive Statistic Test	36 – 37
	4.2 Stationary Data	37 – 38
	4.3 Poolability Test	39
	4.4 Regression Test	40 - 42
	4.5 Multicollinearity Test	42
	4.6 Serial Correlation Test	43
	4.7 Heteroscedasticity	43
	4.8 Hypothesis Testing	44
	4.9 Summary of Chapter	45
CHAPTER 5	CONCLUSION AND RECOMMENDATION	
	5.0 Conclusion	46 – 47
	5.1 Recommendation	48

ABSTRACT

This paper has been conducted to determine which factor give effect to the profitability of commercial bank in Malaysia. Seven variables used and 16 bank from commercial bank has been used to conduct this study. Annually data has been used that cover from 2008 until 2015 which consist of 128 observations. All of the data used panel data approach to achieve the objective and get the result of this study. Two factors used to identify the factor that affects the profitability of commercial banks in Malaysia. The factor is internal factor and external factor. Through this study, we can see the most factors that can give impact to commercial banks. This study prefers with the previous study and it will have the problem that can be detected. Other researcher can use this study by comparing the finding of this study. This study use the theory of relative market power (RMP) and has been rejected because this study has found that the internal factor is the factor that gives effect to the profitability of the commercial banks in Malaysia. By conducting this study, we know that there is the factor that can give effect to commercial bank.