THE RELATIONSHIP BETWEEN INTEREST RATE , PROVISION OF LOAN LOSS AND BANK SIZE TOWARDS BANK PROFITABILITY

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ABSTRACT

Bank profitability has a crucial role in maintaining the stability of economic. In order to maintain the bank profitability, the determination of bank profit must be aware by all parties. This study is the aim to investigate the relationship between interest rate, provision on loan loss and bank size towards bank profitability by choosing 10 selected conventional banks in Malaysia for the period of 2002-2016. Multiple linear regression were used to determine relationship between independent and dependant variable. Based on the result, it is shown that interest rate, provison of loan loss and bank size has no impact on bank profitability.