



**THE DETERMINANTS OF PROFITABILITY OF COMMERCIAL BANKS
IN MALAYSIA**

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DECLARATION OF ORIGINAL WORK



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ABSTRACT

This paper studied the determinant of profitability of the commercial banks in Malaysia variables bank-specific factors on selected bank profitability in Malaysia during the period 2011-2018. Panel data which consist of 11 selected banks in Malaysia which is local bank and foreign bank been used in this study. Bank return on assets (ROA) has been used as an instrument to measure bank profitability. Bank specific variable that used in this study included capital adequacy (CA), Bank Size (BS) and Liquidity (LIQ). In order to study about this topic, the researcher obtained secondary data from World Bank, Mendeley and annual report of each bank. Fixed effect model was chosen to examine the effect of bank specific factors toward bank profitability. The researchers found that the independents variables have positive relationship with bank profitability except bank size and capital adequacy..Other than this,liquidity,capital adequacy,bank size is insignificant to affect the bank profitability while this factor are critical components in influencing profitability of the commercial bank in Malaysia.