



**THE IMPACT OF SELECTED RISKS ON PROFITABILITY PERFORMANCE
(ROA) OF CONVENTIONAL BANK IN MALAYSIA:
A STUDY OF PUBLIC BANK BERHAD**

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ABSTRACT

The effect of risk management has consolidated of one's most crucial fundamental to banking sector in recent years especially towards the profitability of bank in general. Therefore, the study is to examine the influence of selected risk on the Profitability Performance (ROA) of Public Bank Berhad in Malaysia. This study applies the Ordinary Least Square by using Single Linear Regression (SLR) Model and Multiple Linear Regressions (MLR) Model in order to achieve the objective in this study. Quarterly data over the period 2008 until 2016 has been collected and used in this study to run a several tests. Independent variables in this study include Credit Risk, Liquidity Risk and Operational Risk while the dependent variable is Return on Asset. The study revealed that in SLR Model there is a significant positive and negative relationship between Return on Asset and the selected risk which are Liquidity Risk and Operational Risk respectively. Meanwhile, Credit Risk is found to be positive but not significant towards Return on Asset. However, in MLR Model revealed that Return on Asset is found negative related by all independent variables, but only significantly affected by Operational Risk. Based on the outcome, the data are conducted and analyze by using Multiple Linear Regression Model as the R^2 is higher compared to all model in Single Linear Regressions Model. This study is important especially to the management of the bank and investor who need to understand the profitability performance (ROA) of Public Bank Berhad in order to manage well their risk management and to make a right decision in making an investment.