Abstract

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The Impact of Bank-Specific Characteristics on the Profitability of Commercial Banks in Egypt

The purpose of this study is to investigate the relationship between bank-specific factors and the profitability of banks in Egypt. Thus, finding the main internal characteristics for achieving higher profitability. In this research, OLS regression analysis is used to examine the relationship between bank-specific characteristics and bank’s profitability for a sample of 19 Egyptian banks during the period 2007-2016. The findings reveal that bank size and loan loss provision ratio are the main determinants of bank’s profitability, by showing a significant relationship with all measures of profitability. Capital ratio shows a significant relationship with ROA and NIM, but insignificant with ROE. However, Loan ratio and deposit ratio have an insignificant effect of bank’s profitability.