



UNIVERSITI TEKNOLOGI MARA

**THE IMPACT OF FINANCIAL CRISIS ON MALAYSIA'S
BANKING INDUSTRY**

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA Johor, regulating the conduct of my study and research.

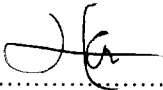
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ABSTRACT

The aim of this study is to examine the impacts of the global financial crisis on Malaysian's banking industry (profitability). The profitability of banks is affected by few factors such as net interest margin, sales growth, capital adequacy, asset quality, earning, liquidity and also the size of the banks. By measuring the profitability by looking at the Return on Asset (ROA) and Return on Equity (ROE), will give a briefs idea on the effects of those factors on banking sector in Malaysia especially. During the global financial crisis, the overall confidence and stability in the Malaysian financial sector has been preserved, which resulted from a strong financial sector and unimportant or minor exposure to subprime-related assets and affected counterparties. The financial intermediation process in the Malaysian financial system has remained orderly throughout the period of economic turbulence, with continuing flows of credit to the real economy. During that time, Malaysia does not insulated from the global economic downturn.

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TABLE OF CONTENT

	Page
AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	ix
LIST OF FIGURES	x
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Research Background	1
1.3 Problem Statement	2
1.4 Research Questions	2
1.5 Research Objectives	3
1.5.1 Main Research Objectives	3
1.5.2 Specific Research Objectives	3
1.6 Significance of the Study	3
1.6.1 Future Researcher	4
1.6.2 Economists	4
1.6.3 Investors	4
1.7 Scope of the Study	4
1.8 Limitations of the Study	5
1.8.1 Data Reliability	5
1.8.2 Limited Number of Studies	5
1.9 Definition of Terms	5
1.10 Summary	6
CHAPTER TWO LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Review on Theory	7