



EVALUATION OF FIRM PERFORMANCE IN
DEVELOPING COUNTRY
Evidence from Malaysian Country Commercial Bank

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ABSTRACT

The main purpose of this paper is to evaluate the relationship between firm performance towards the Malaysian commercial banking industry. Included are the profitability and net interest margin (NIM) over the period of 2007 until 2012. The approach or the empirical construct is guided by recent theories of banking performance that employ an industrial organization framework and one dependent variables to assure robustness and comparability in findings. The variables for this paper is basically the net interest margin as the dependent variable, and the liquidity, leverage and operating expenses are set as the independant variable. The scope is among the 9 domestics or local bank in Malaysia and 16 foreign bank in Malaysia. The findings of this paper based on the factors such as operating expenses , leverage and liquidity.

TABLE OF CONTENTS

1. 0 Introduction

1.1 Introduction-----	1
1.2 Overview of Malaysian Banking System-----	2
1.3 Global crisis-----	3
1.4 Background of study-----	5
1.5 Problem statement-----	7
1.6 Research Objective-----	9
1.7 Scope of study-----	10
1.8 Research Question-----	10

Chapter 2: Literature Review

2.1 Introduction-----	11
2.2 Literature Review-----	11

Chapter 3: Data & Methodology

3.1 Introduction-----	16
3.2 Sample data-----	16
3.2.1 Data collection-----	16
3.2.2 The variables-----	17
3.3.3 Data and method-----	19
3.3.4 Theoretical framework-----	21

3.3.5 Hypothesis-----	22
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Chapter 4: Finding and Result

4.1 Introduction-----	25
4.2 Result-----	25
4.2.1 Descriptive statistics-----	25
4.2.2 Stationary test-----	27
4.2.3 Result of regression-----	28
4.2.4 Poolability test -----	29
4.2.5 Hausman test-----	29
4.2.6 Regression model analysis-----	30
4.3 Discussion & finding-----	32
4.4 Diagnostic checking-----	33

Chapter 5: Conclusion and recommendation

5.1 Introduction-----	34
5.2 Summaries and finding-----	34
5.2.1 Econometric problem -----	34
5.2.2 Regression analysis-----	35
5.3 Conclusion-----	35
5.4 Recommendation-----	36
5.4.1 Additional variables-----	36

CHAPTER 1 : INTRODUCTION

1.1 INTRODUCTION

This chapter will discuss briefly on the background of study, problem statements, research questions, research objectives, significant of study and also provide a summary of chapter 1. This research focused on the factors that determining the net interest margin and the firm performance. In this chapter, there are also an explanation about the dependent and the independent variable that used while conducting this research. The aims of this paper is to identify the dynamic relationship between the variables. The dependent variable that used in this research is Net Interest Margin that represent the firm performance. While the independent variable used are return on assets, net interest margin, leverage, and operating expenses. The research question in this chapter will discuss about the questions related to the theoretical framework in this research. There are two types of research question, firstly is main research question and secondly are specific research question. The main research question is related to the dependent variable that is the important or basic research in our study. The specific research question is the supportive of the main research question.