THE IMPACT OF INTERNAL FACTORS ON COMMERCIAL BANK PROFITABILITY : A COMPARATIVE STUDY BETWEEN MALAYSIA AND SINGAPORE

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JANUARY 2016

ACKNOWLEDGEMENTS

First and foremost I would like to express my highest gratitude God for giving me the will and strength to finish this research on time. Without His blessing and permission, this research could not have been completed because there are so many obstacles along the ways of completing this thesis

Secondly, I would like to express my gratitude to all my family members, who cares about me, and giving me all the support that they can in hoping that I will be successful in anything that I do. Without their support, it would be a hard time for me to finish this thesis.

Next is to my thesis supervisor, Madam Flicia Rimin, for her support and hospitality throughout the course of this project. I would also like to express my sincere appreciation for her guidance, advice and critics along the development of this project. There might be a time that I disappointed her with the submission of my draft proposal and final draft, but still, this thesis cannot be finish without her motivation. Other than that, I also being thankful to my second examiners, Dr Rozita@Uji, because she is willing to give me a second chance to prove myself as a Degree student to finish this thesis. Without their continuous support and interest, this thesis would not have been completed.

Last but not least, I would like to give my thanks to my best friends and companion whose there for me when I needed someone to share my problems and to everybody involve direct or indirectly. Thanks for the inspiring me in such a means that could not be written in words

ABSTRACT

The banking industry in Malaysia and Singapore are growing rapidly. Financial institution is recognized as an important institution to promote the economic growth and development. A sound financial institution is crucial for the stable economy. Therefore, researchers examine the determinants of commercials banks' profitability in Malaysia and Singapore banking industry. The comparison of two countries has clearer understanding toward the effect of internal determinant on bank profitability. Researchers examine the internal determinants that affect the commercial bank's ability to generate profit in Malaysia and Singapore. In this research, the independent variables include liquidity, capital adequacy, management efficiency and bank size, whereas the dependent variable is return on asset. Based on the analysis result, implications and findings were interpreted in the last chapter. Furthermore, the limitations and recommendations have been discussed to help future researchers to conduct effectively in further studies which are related to this topic

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