



اَوْبُورِ سِيَّتِي بَاتِيكُونُ لَوِ كِي مَارَا
UNIVERSITI
TEKNOLOGI
MARA



Faculty of Business and Management
UNIVERSITI TEKNOLOGI MARA

INDUSTRIAL TRAINING REPORT AT
OCBC BANK MALAYSIA BERHAD



INTERNSHIP (MGT666): INDUSTRIAL TRAINING REPORT

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EXECUTIVE SUMMARY

Industrial training is a requirement for my Finance program at Faculty of Business and Administration in Universiti Teknologi MARA. I have completed my 24 weeks/6 months long internship program at OCBC Bank Malaysia Berhad. All the time I spend at my company is very valuable as the experiences I get will help to have better chance to join the industry after I graduate. This report will include all of the tasks and assignments that I have completed. I was assigned into Trade Finance Department during the internship which has help me a lot as I was able to gain new knowledges and also enhance my skills in the company. Throughout my work during the internship I was able to learn on the general knowledge of trade finance and how the banking system operates. I was also exposes with the career path by the top management as they share their experiences on the industry. I also able to learn new skills such as data analysis and risk management which, before this I have very little knowledge of at the place. From my observation the company has a very efficient standard operating procedure (SOP) and is highly adaptable to situation. For example during the implementation of the MCO the department is very fast in getting all the necessary documents needed for the workers. I also able to enhance my soft skills as the company have sharing session where the interns need to speak and communicate with the speakers and the top management. The internship also give me professional experiences on the culture and also the environment of the banking industry. Overall my experiences for the internship are very pleasant as I have a very supportive and caring supervisor and also friendly colleagues. It is my honor to recommend for future undergraduates to apply for the internship at OCBC Bank Malaysia Berhad.

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EXPERIENCES AND EXTRA CURRICULAR ACTIVITIES

REFERENCES

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SENIOR LECTURER
FACULTY OF BUSINESS AND
ADMINISTRATION
UITM CAWANGAN TERENGGGANU
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Email: wzuhaila@uitm.edu.my

INTERNSHIP(TRADE FINANCE DEPARTMENT)

OCBC (M) BANK BERHAD| 1 March 2021 - 13 August 2021

- Assist the Risk and Compliance team in monitoring the daily transaction of outgoing messages
- Assist the Risk and Compliance team in checking the manual outgoing messages to ensure all messages is according to the requirements
- Assist the Risk and Compliance team in data entry and documents checking

STUDENT REPRESENTATIVE COUNCIL (ENTREPRENEURSHIP AND INNOVATION EXCO)

UNIVERSITI TEKNOLOGI MARA PERLIS| 2019 - 2020

- Help in managing the evacuation of students during the MCO
- Devise a new online ordering system for the students that are in college to get outside food during the MCO
- Involve in the making of 2000 Face Shield for frontliners during the MCO
- Ensure the quality of foods provided to the students during the MCO

VICE CHAIRMAN CARETAKER OF STUDENT REPRESENTATIVE COUNCIL

UNIVERSITI TEKNOLOGI MARA PERLIS | 2020

- Help in monitoring the election for the new Student Representative Council
- Become the facilitator for the event of Highest Number of Face Shield Produced (Malaysia Books of Records)

PRESIDENT OF ENACTUS CLUB

UNIVERSITI TEKNOLOGI MARA DUNGUN |2016 - 2018

- Lead the club into 1st among 64 clubs for 2 years under my leadership
- Devise a new team building program that still being applied until now
- Oversee and manage Trigona Honey For Hope project which later was selected to compete in Enactus Malaysia National Competition 2018
- Compete with students from Indonesia and Thailand and receive Gold Award in International Young Social Entrepreneurship Competition 2018
- Finalist in Khind Starfish Foundation Program and get RM5000 funds for our project 2017
- Finalist in UTP Social Innovation Challenge ACADREX 2017
- Represent my faculty in the Inter-Faculties Debate Competition 2017 of UiTM Terengganu and become the Champion and received Best Speaker Award

COMPANY'S PROFILE

COMPANY'S NAME, LOGO, LOCATION, OPERATION HOUR

OCBC Bank Malaysia Berhad is the company that I am conducting my industrial training for this semester. OCBC Bank Malaysia is one of the subsidiaries that was established in Malaysia in 1994. Since then, OCBC Bank (Malaysia) Berhad has grown to become one of Malaysia's largest foreign banks by most measures. In 2008, its Islamic banking subsidiary, OCBC Al-Amin Bank Berhad, became Malaysia's first Singapore-based Islamic bank. As part of the Malaysian government's liberalization efforts, locally incorporated foreign banks in Malaysia, including OCBC Malaysia, were granted licenses to open new branches beginning in 2006. As of December 1, 2018, OCBC Malaysia's total network size was 46 branches, with 33 conventional branches and 13 Islamic Banking branches.. The main business for the bank is by providing financial services to its customers. The services offer include financial transactions and deposits, home loans, credit cards, personal overdraft, commercial property loans and premier banking to investment opportunities and insurance.



OCBC Bank Malaysia Berhad Logo

The main office of OCBC Bank Malaysia Berhad is located at 1st Floor, Wisma Lee Rubber, 1, Jalan Melaka, City Centre, 50100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur while the main headquarter for all OCBC Bank is at Singapore

The operating hours for OCBC Bank is on Monday to Friday from 9:00 am until 6 pm. For the break time is given one hour which the personnel can choose between 12.00 pm until 2.00 pm. Friday's working hours are the same as the rest of the week, except for the rest break, which is extended a bit for the Muslim that going to perform Friday prayers.. The duration for working hours is 9 hours per day.

VISION, MISSION, OBJECTIVE, GOALS

Purpose

OCBC Bank aspires to assist individuals and businesses across communities in achieving their goals by providing innovative financial services that meet their requirements.

VALUES

Lasting Value

OCBC Bank is committed to creating long-term value for its shareholders, customers, employees, and the communities it serves. We take calculated risks in all of our transactions and investments. Only then will we be able to achieve business growth and sustainability.

Integrity

OCBC Bank adheres to the highest ethical standards and operates under the assumption that everything we do is visible to the public. Our company is built on honesty and integrity. That way, the trust in us that was built by our predecessors and us will never be eroded.

Forward-looking

OCBC Bank embraces technological advancements, economic conditions, and social institutions, evolving with the market and time. Through our collective thinking, actions, and decisions, we are breaking new ground.

Respect

OCBC Bank treats all of its stakeholders with dignity and respect. We care by listening to, understanding, and supporting one another, and we work as one team, despite our differences, to achieve our common goal.

Responsibility

OCBC Bank is committed to being dependable and to keeping our promises. Each of us is responsible for doing the right thing, giving the right advice, and developing the right solutions.

Background of Establishment

OCBC Bank is Singapore's oldest bank, having been formed in 1932 by the merger of three local banks, the oldest of which was founded in 1912. It is now the second-largest financial services group in Southeast Asia in terms of assets and one of the world's most highly rated banks, with a Moody's Aa1 rating. OCBC Bank has been named Best Managed Bank in Singapore and the Asia Pacific by The Asian Banker for its financial strength and stability. It is consistently ranked among the World's Top 50 Safest Banks by Global Finance.

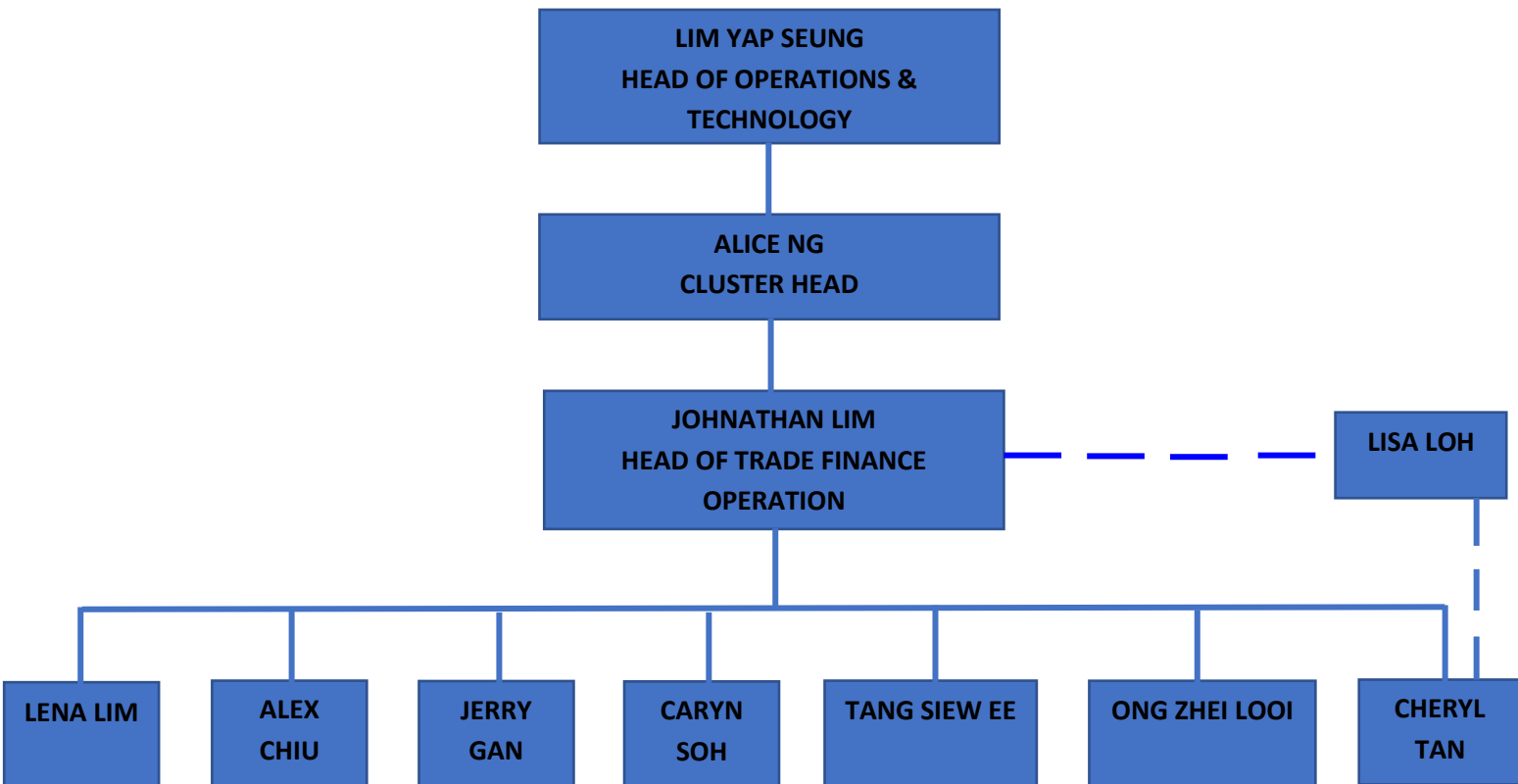
OCBC Bank and its subsidiaries provide a wide range of specialized financial and wealth management services, including consumer, corporate, investment, private, and transaction banking, as well as treasury, insurance, asset management, and stockbroking.

Singapore, Malaysia, Indonesia, and Greater China are OCBC Bank's primary markets. It has over 600 branches and representative offices spread across 18 countries and regions. Over 330 branches and offices are located in Indonesia under subsidiary Bank OCBC NISP, and over 100 are located in Hong Kong, China and Macao under OCBC Wing Hang. Private banking services are provided by OCBC Bank's wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source best-in-class products to meet the goals of its clients.

Great Eastern Holdings, OCBC Bank's insurance subsidiary is the oldest and most established life insurance group in Singapore and Malaysia. Lion Global Investors, its asset management subsidiary, is one of Southeast Asia's largest private sector asset management firms.

OCBC Bank launched its wholly-owned Islamic banking subsidiary, OCBC Al-Amin Bank Berhad, on December 1, 2008, after being actively involved in offering Islamic banking products and services since 1995. OCBC Al-Amin provides products and services that are developed in accordance with the applicable Shariah contract and with the approval of the Shariah Advisory Committee in order to meet the needs of both Muslims and non-Muslims. Fixed financing rates and profit sharing have attracted a growing number of loyal customers who want to benefit from Islamic principles of fairness, caring, and accuracy.

ORGANIZATIONAL STRUCTURE



Products and Services Provided

OCBC Bank Malaysia Berhad offers a variety of product and services toward their clients and customers. These are six (6) main banking division that OCBC Bank Malaysia Berhad.

➤ **Consumer Banking**

OCBC Bank's Consumer Financial Services division in Malaysia provides a wide range of consumer products and services to its customers. These range from financial transaction and deposit convenience, home loans, credit cards, personal overdraft, commercial property loans, and premier banking to investment opportunities and insurance. The bank is also a market leader in a number of areas, including home loans and wealth management. The bank also provides a customer engagement model that targets the mass affluent segment, primarily through i Q.

➤ **Business Banking**

OCBC Bank's corporate banking division, Business Banking, serves small and medium-sized enterprises (SMEs), large corporations, real estate companies, government bodies, and institutional customers. Its service philosophy is to provide high-quality customer service, a one-stop banking centre with professional expertise, and quick turnaround time to clients. It provides a wide range of products and services to clients, ranging from traditional credit facilities and cash management services to more sophisticated capital raising arrangements in the public debt market.

➤ **Investment Banking**

The Investment Banking division, which includes Capital Markets, Corporate Finance, and Mezzanine Capital, collaborates closely with the Business Banking division to develop and tailor products and services to meet the needs of individual customers. RAM (Rating Agency Malaysia) awarded OCBC Bank the prestigious Blue Print award in the New ABS Benchmark Deal 2006 category in recognition of its pioneering role as Lead Arranger of a palm oil Islamic securitisation exercise for the Rimbunan Hijau Group. The exercise

entailed securitizing future receivables generated by the company's palm oil plantations and oil mill.

➤ **Islamic Banking**

OCBC Bank launched its wholly-owned Islamic banking subsidiary, OCBC Al-Amin Bank Berhad, on December 1, 2008, after being actively involved in offering Islamic banking products and services since 1995. OCBC Al-Amin provides products and services that are developed in accordance with the applicable Shariah contract and with the approval of the Shariah Advisory Committee in order to meet the needs of both Muslims and non-Muslims. Fixed financing rates and profit sharing have attracted a growing number of loyal customers who want to benefit from Islamic principles of fairness, caring, and accuracy.

➤ **Transaction Banking**

The Transaction Banking division provides SMEs, large corporations, financial institutions, and government entities with transaction-related services such as cash management and trade finance. A dedicated team of trade specialists assists customers in structuring trade solutions for their business banking customers' import/export needs, while cash management specialists provide solutions to help streamline operations and optimise cash flows. Clients can make payments and prepare trade documents with ease, speed, and accuracy thanks to cutting-edge electronic delivery systems. OCBC has won several awards for its transaction banking services.

➤ **Treasury**

The Treasury division collaborates with the Business Banking and Consumer Financial Services divisions to structure products and financial solutions for customers who need to invest or hedge their funds. It also trades proprietary foreign exchange, fixed income securities, derivatives, and money markets. OCBC's priority here is to help clients better manage their market risks in terms of foreign exchange and interest rates. Using cutting-edge tools and technology, the team focuses on understanding clients' business needs and providing competitive rates and efficient execution services.

SWOT Analysis for OCBC Bank Malaysia Berhad

A SWOT Analysis is one of the most often used methods for evaluating a company's internal and external environments, and it is part of the strategic planning process. A SWOT analysis improves strategic planning and decision-making by providing opportunities to the organization and serving as a forward-looking bridge to creating strategic options. SWOT is an acronym that stands for strength, weakness, opportunity, and threat for the company

1. Strength

- Have a very stable and strong foundation

OCBC Bank has been awarded as 5 of the top strongest bank in the world. This is because OCBC actually has a very stable foundation and has high liquidity as the bank does not have many risky investments. The strong foundation of the bank has helped the bank in getting through the pandemic. Even with the pandemic, the bank does not need to layoff the staffs or even cut some percentage of the workers' salaries to survive.

- Efficient and secure system

OCBC Bank has a very secure system and efficient system for their staff to work. OCBC bank is very careful about outside breach and customer information. The bank even has a SOP of preventing the recurrence of fraud from internal and external. For internal it is prohibited for any OCBC staff to share password with a colleague. They are also forbidden from leaving the computer unlock when they are not in the workplace

2. Weakness

- Certain personnel cannot WFH as the data is confidential

OCBC bank is very risk prudent and guards their customer information. Due to this practice the management is not able to give all personnel the option to work from home. Only certain personnel can do their work from home while some of the core personnel which have some sensitive and highly confidential

data is prohibit to work from home as to prevent the risk of the data breach or loss

3. Opportunity

- Able to acquire another bank operation

Due to the strong foundation of OCBC bank, the bank is not heavily impacted as other bank during the pandemic. Some banks actually face difficulties during the pandemic and need to stop some of their operations. For example, recently CitiBank want to close their customer operation branch. So other bank can acquire this bank. As a prove OCBC is actually one of the bidders for the auction to bid for the operation. So OCBC can actually acquire some opportunities which some companies or banks want to dispose of and make it their own.

- Able to develop more facilities that are online friendly

Due to the pandemic, it has fasten and show the world the importance of having a digital platform for clients and customers. The development team at OCBC can venture into new digital projects which can help OCBC to offer the facilities online rather than the need to go to the branch or main office to apply for it. This will actually attracts more customers to deal with OCBC as it is more convenient for them to apply for it online rather than the need to go to the branches or main office.

4. Threats

- Political uncertainty which disrupts clients

Due to the recent political disruption that we face from the government has cause a lot of investment from foreign country to decrease. This is because the foreign investors are uncertain about the political situation of our country and this make the business that have dealings with the foreign investors to be negatively affected. This will also affects the bank as these businesses will usually choose OCBC bank to do their business as OCBC bank is recognize to be one of the strongest and safest bank in the world.

➤ Strong competitors and economic downturns

There are other banks besides OCBC that offers financial services such as UOB and Maybank. OCBC Bank needs to compete with these strong banks that also have a very strong brand name and a secure system. Besides that, due to the economic downturns the majority of businesses are affected. Some of the business is OCBC customers which will affect the income and profit of the bank itself. For example some business may stop the trade of import or export of the company and not use the services from the bank. This will in turn decrease the profit that the bank can generate as the numbers of customers that want to do use their facilities lessen.

Training's Reflection

The duration for my industrial training are 24 weeks which start from 1 March 2020 until 13 August 2021 and are approximately around 6 months. The working hours of OCBC Malaysia Berhad start at 9.00 am until 6.00 pm from Monday to Friday. The department that I was assigned for during my internship is the Trade Finance Department. This department handles the majority transaction of import and export of OCBC Bank.

I was put into the Risk and Compliance team with the supervision from my supervisor which is Miss Lisa Loh. She has taught me a lot of knowledge regarding the basic of trade finance and also the Standard Operating Procedure for the bank for trade finance operations. She also trusts me with giving me some tasks on risk prevention.

The first task I was given to complete is the mandatory introduction courses by OCBC Bank which taught me the basic knowledge of the banking operation and what values does the company uphold. I was able to complete the task on the first week of my internship. The courses enable me to understand the working environment and ethics that are required for the staffs to follow.

Next I was taught on one of the risk prevention that being done by OCBC. The risk prevention task is the reconciliation messages. I was task with the responsibility of checking the outgoing messages from the bank to other entities. This is a daily task that needs to be done to ensure that there is no fraud or misconduct by the staffs of the bank.

Furthermore, I was also taught to do sampling. This task is very important as to ensure that the messages send is a valid message with the correct content. This is also a daily task to ensure that all the messages is according to requirement. Besides the daily task I was also given some tasks which is data entry and also document checking. I was also taught and given some tasks regarding some system for the risk management that the bank uses.

In addition, I also have some session with the people committee from OCBC Bank Malaysia Berhad. The committee will conduct a lot of session that gives very crucial knowledge to the interns here. For example, some of the session teaches us about how to write a good resume and give us tips on how to undergo a successful job interview.

Besides that, we also get the chance to hear some of the experience from the top management of OCBC where they share their career path. This help to shed some confusion and help us to better understand on what we want to do if we ever want to pursue our career in the banking industry.

The allowances given during the internship training is also very ample which are RM1000 per month. For me that amount is very generous and it has helps me a lot to survive during my time of internship. The company is very understanding as even when I need to undergo quarantine as I got the virus Covid-19, the company still pays me the full amount of allowance. My supervisor also very concern and takes care of my wellbeing and always asks me to update to her on my condition. . I am also able to apply for leave in case of emergency by informing my supervisor.

RESEARCH REPORT

INTRODUCTION

The main objective of this paper is to provide further evidence that influencing the profitability in large capitalizations firms and determine the most significant variable affecting the performance of firm's profitability in Malaysia. The term "profitability" refers to the "positive gap between income and expense." It is the most common metric used to assess a commercial firm's success (Jolly Cyril & Singla, 2020). In addition, profitability refers to earnings of companies that are generated from revenues and after deducting all expenses incurred during a given period. It is considered one of the most important goals that the management of every company strives to achieve and without it, companies will be ceased. Furthermore, the profitability of a company has been experimentally investigated based on a variety of internal and external factors to determine the impact of these elements (Kumar et al., 2021). This proposed study may be contributing to the existing literature in two ways. The first contribution is the use of a new population and sample. Previous research has focused on a diverse group of companies from various sectors and industries. One of the primary flaws of profitability research is that they tend to focus on certain industries. Our study will vary from prior studies in that we will use a dataset of profitable firms in Malaysia with a high market capitalization. We argue that the findings of prior research cannot be applied to this sample of firms due to the nature of the company (large market capitalization firms). The focus of this thesis is to determine if the nature of the firms (large market capitalization firms) affects the relationship between the selected independent variables and the profit of the firms. The application of variable selection techniques is the second contribution. According to the previous literature review, the performance level of the firms is the result of a variety of variables. The variables in the models are chosen depending on their importance in a particular theory, policy, or both. However, because researchers vary on what is most important, there is generally only a partial overlap between the variables considered in different empirical papers. As a result, it is critical to determine which of the independent variables proposed in the literature emerge as the most significant determinants of profitability of firms.

LITERATURE REVIEW

To be consistent with prior studies, measurements relating to the dependent variable and firm-specific determinants of profitability were drawn from previous research. The dependent and independent variables investigated in this study are explained in the subsections that follow.

Dependent Variable: profitability

Due to its impact on the performance of a company in earning profits, profitability is of vital importance. Different ratios such as gross profit margin (GPM), operating profit margin (OPM), net profit margin (NPM), return on assets (ROA), and return on equity (ROE) can be used to assess a company's profitability (Hoffman & Lampe). In this thesis, we used return on assets as our dependent variable to determine the profitability of firm. The return on assets (ROA) accounting performance indicators are extensively used by investors to gauge company profitability based on previous research (Al-dhamari & Ku Ismail, 2015). Specifically, in this research, ROA is calculated by dividing the firm's net income and the total assets of the firm. A high return on assets showed that the firm was in good managing their assets in generates profit. Formula illustrates that how return on assets is calculated.

$$\text{ROA} = (\text{Net Income} / \text{Total Assets})$$

Independent Variables

Liquidity: Liquidity is determining the ability of the firm in managing their current assets in order to meet their short-term obligations. The liquidity of the firm can be measured by using different ratios such as current ratio, quick ratio and net working capital. In this study, liquidity of the firms is represented by current ratio and quick ratio. This study has use current ratio and quick ratio as the variables. The proxy of current ratio is current assets divide current liabilities (Şamiloglu et al., 2017). Quick ratio is calculated as current assets minus inventory over current liabilities (Hofmann & Lampe, 2013; Şamiloglu et al., 2017). According to the previous research by (Dewi et al., 2015), this research examined the influence loan to deposit ratio, loan to assets ratio, debt equity ratio and current ratio towards return on assets and the result for the current ratio is current ratio partially significant negative relationship with profitability. As for the quick ratio the result is significant positive relationship with profitability (Madushanka & Jathurika, 2018).

Efficiency: The efficiency ratio is frequently used to evaluate how well a firm manages its assets and liabilities on a daily basis. The turnover of receivables, the repayment of liabilities, the quantity and use of equity, and the general utilisation of inventories and machinery may all be calculated using an efficiency ratio. For the efficiency, total assets turnover has been used in this study. The proxy is net sales divided by total assets (Nurlaela et al., 2019) (Singapurwoko & El-Wahid, 2011). Based on the prior research it shows that total asset turnover has positive significant relationship with profitability. Next, this study also used account receivable turnover as the variable to find the factors that affect the profitability of the firms. The proxy of account receivable turnover is net sales divided by account receivable. As a result, for account receivable turnover is it has insignificant positive relationship with profitability (Amanda, 2019).

RESEARCH METHODOLOGY

Research Design

To examine the determinants of profitability in Malaysian public listed companies in Bursa Malaysia. This study utilizes the annual reports that present the five years' data period. The period selected enables the assessment of the factors that affects the profitability of large capitalization firm. Thus, it is appropriate to examine those five years' data because the data is new and different from other previous research. The secondary data used in this research is from financial data and the balance sheet of the company listed in Bursa Malaysia. The data sources were obtained from internet sources which are journals and articles from Emerald insight journals.

Population and Sample

The target population of the study was 100 largest companies listed in Bursa Malaysia. After filtering the data, 30 companies were chosen as the final sample. The 30 companies are all within the 100 largest market capitalization.

Data Collection Procedures

This study focused primarily on secondary data derived from different sources. Secondary data was used for model building because the process was easier and more detailed than getting knowledge from the individual business (Zikmund, 2003). The list of all affected issuers was obtained from Refinitiv Eikon for five years. The annual reports for this study is gather from the Annual Companies Handbook (different editions) and other databases available at Perpustakaan Tun Abdul Razak website, Universiti Teknologi MARA.

Instruments

For data collection and estimation of all the necessary variables, Microsoft EXCEL was used, while the Stata statistical package (version 11.2) was used to perform relationship tests using more sophisticated algorithms.

Definition and Measurements of Variables

The dependent variable in the study is profitability. Profitability ratios are measures that determine the ability of a company to produce income in relation to its revenue, operational expenses, balance sheet assets or shareholders' equity. Profitability ratios demonstrate how effectively a business produces profit and benefit to shareholders (Kenton, 2020). Profitability ratio consists of return on assets, return on equity, net profit margin, gross profit margin and operating profit margin. Return on assets was chosen as dependent variable. The proxy of profitability ratio for this analysis is return on asset (ROA).

The independent variables in this analysis are as follows: Liquidity and Efficiency. In liquidity, there is current ratio (CR) and quick ratio (QR). The efficiency ratio is total asset turnover (TATO) and account receivable turnover (ART)

Theoretical Framework

The aim of this study is to investigate the relationship between firm performance and independent variable which measured by profitability. This study defines and examines the following baseline regression model for all firms:

$$\text{PROFITABILITY}_{it} = \alpha + \beta_1 \text{LIQUID}_{it} + \beta_2 \text{EFFICIENCY}_{it} + \varepsilon_{it}$$

Where: $\text{PROFITABILITY}_{it}$ = Profitability (Return on Asset) of company i at time t

$\beta_1 \text{LIQUID}_{it}$ = Liquidity (Current Ratio and Quick Ratio) of company i at time t

$\beta_2 \text{EFFICIENCY}_{it}$ = Efficiency (Total Asset Turnover and Account Receivable Turnover) of company i at time t

ε_{it} = Error term of company i at time t

α = Intercept

β_1 to β_5 = Estimated coefficients of the independent variables

Data Analysis Steps

First we decided to discard the variable that has insufficient data which are firm size, inventory, leverage and growth. Then, we determine the most optimal combination of predictors. The second step is to select the most suitable estimator of the panel data. The third step is to select the most suitable approach for static or dynamic panel data analysis. As indicated and explained, the choice of the most suitable static technique depends on three types of tests which are F-test, the Breusch-Pagan Lagrange Multiplier (BP-LM) test and the Hausman test. The fourth and final step is to conduct diagnostic testing and to find the right technique for correcting the defined problem. The plan to fix the problems will be based on the recommendation that being made.

FINDINGS

Table 1 reports the descriptive analysis for listed Malaysia firms on Bursa Malaysia. The sample is 30 listed firms from the 100 largest market capitalizations run from 2016 – 2020.

The average size of the profitability (ROA) for the period of study is 0.12 (mean) and it ranges from a minimum value of -0.61 to a maximum value of 0.56. While for total asset turnover the average for the period of study is 0.86 (mean) and it ranges from a minimum value of 0.10 to a maximum value of 3.31. The average for current ratio is 1.92 (mean) and it ranges from a minimum value of 0.34 to a maximum value of 6.25. In addition, the average for quick ratio is 1.59 (mean) and it ranges from a minimum value of 0.06 to a maximum value of 5.75.

Table 1: Descriptive Statistics

Variables	N	Mean	SD	Min	Max
ROA	150	0.12	0.11	-0.61	0.561
TATO	150	0.86	0.68	0.10	3.31
ART	150	9.83	14.92	1.00	121.4
CR	150	1.92	1.26	0.34	6.25
QR	150	1.59	1.14	0.06	5.75

Notes: All the explanatory variables are: Profitability (ROA), Total Asset Turnover (TATO), Account Receivable Turnover (ART), Current Ratio (CR), Quick Ratio (QR)

The next step is to choose the most appropriate panel data estimator. The three available alternatives are pooled ordinary least squares (POLS), fixed effects (FE), and random effects (RE) models. As presented in Table 2, the results of the F-test (p-value < 0.05), BP-LM test (p-value < 0.05) and Hausman test (p-value > 0.05) suggest that RE is the most appropriate model estimator.

Table 2: Panel Specification tests

Models	p-values of the tests			
	F-test	BP-LM	Hausman	Technique
Model 1	0.0000	0.0000	0.2860	RE

Various diagnostic tests were then performed to check for the presence of multicollinearity, heteroskedasticity and serial correlation problems. As presented in Table 3,

the diagnostic test results indicated the presence of heteroskedasticity (p-value < 0.05) and the presence of serial correlation (p-value < 0.05) problems. To rectify the problems, following the suggestion by Hoechle (2007), remedial procedure has been carried out by using random effect GLS regression with cluster option.

Table 3: Diagnostic Tests for Static Models

Models	p-values of the tests			Strategy
	VIF	H	SC	
Model 1	6.33	0.0000	0.0056	Random-effects GLS regression with cluster option

As shown in Table 4, the regression result suggests that the model fits the data well at the 0.05 significance level. The Adjusted R^2 of 0.7453 suggests that the four independent variables explain 74% of the variance in firm performance. The remaining 26% is explained by other variables that were not included in the model. The results of the regression also suggest that total asset turnover has a significant positive relationship with profitability. The results also shows that quick ratio have a significant positive relationship with profitability. While the results indicate that current ratio has a negative significant relationship with profitability. Lastly the result shows that account receivable has an insignificant relationship with profitability.

Determinants of Profitability

	Random-effects
Total Asset Turnover	0.1507*** (10.95)
Account Receivable Turnover	-0.0004 (-1.10)
Current Ratio	-0.0453*** (-2.78)
Quick Ratio	0.0583*** (3.13)
Constant	-0.0094 (-0.60)
N	150.0000
r ²	0.7453
P	0.0000
chi ²	123.6629

Notes: *t* statistics in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

All the explanatory variables are: Profitability (ROA), Total Asset Turnover (TATO), Account Receivable Turnover (ART), Current Ratio (CR), Quick Ratio (QR)

DISCUSSION

The figures in Table 4 show the impact of liquidity and efficiency to profitability. The profitability appears to be negatively related to the current ratio of the liquidity variable. This result is suggesting that excessive investment in current assets likes (cash, accounts receivable and inventories) can harm profitability as the investment will lock up in current assets and firm will not be able to take profitable investment projects. The result of this study is also in line with the study from (Rahmawati, 2009) that says that there is a negative relationship with current ratio and profitability.

From the results of this study it shows that quick ratio actually has a significant positive relationship with profitability. This is in line with the theory that the higher the liquidity the higher the profitability of a company. This is because the company current assets are higher than the company current liabilities which show that the company is performing well. Current

assets are also very important to the company as this show whether the company can efficiently exchange its assets to cash in a short period of time. This result is in line with the research by (Madushanka & Jathurika, 2018) which is that quick ratio has a positive relationship with profitability.

This study also shows that there is a positive significant relationship between asset turnover and profitability. This shows that if asset turnover measured by total asset turnover (TATO) is higher, then the higher the level of financial performance of the company because the company in utilizing the assets it has in the operational activities of the company has been efficient, resulting in an increase in the level of profitability/improvement in company performance. The results of this study support the results of research by (Nurlaela et al., 2019) which state that asset turnover measured by total asset turn over (TATO) influences financial performance.

In addition this study also shows that there is a negative insignificant relationship between account receivable turnover and profitability. From the results in this study, it can be seen that the accounts receivable turnover variable does not have a significant effect on profitability. Companies must continue to increase accounts receivable turnover because the faster funds invested in accounts receivable can be billed into cash or show low embedded working capital (Amanda, 2019). Thus, the profitability of the company is higher. In theory, accounts receivable turnover is a comparison of the results of income or sales with the average accounts receivable for a specified period. The higher the level of accounts receivable turnover shows the working capital invested in low accounts receivable. With the higher accounts receivable turnover, the profits generated by the company are getting better.

LIMITATIONS & RECOMMENDATION

The limitation of our study is that we only select 30 companies from 100 biggest market capitalizations in Malaysia. This is also the main source of data for our study. The focus of our study is to investigate the determinant of profitability on companies in Malaysia based on 30 companies from the 100 biggest market capitalizations. In our study, the finding shows that it has different impact on profitability based on top 10 companies highest market capitalization companies. The newness of study is we use the top 10 companies highest market capitalization firm for the sample data. This study only considers the five year of data collection future studies could take a longer period to identify the real impact and relationship and also this study only covers the 30 listed companies and covers more firms in Malaysia or increase the sample will result the accurate results. This study also does not manage to include other independent variables such as leverage and firm size. Future researchers can include these variables to get more accurate results.

For the companies the first recommendation is that for the companies to increase their current assets as these assets can improve the profitability of the companies. But there is a need to have an efficient management on inventories of the company to ensure that the company to generate sales. This is because if there are too many inventories in can cause the opposite effect which is the decrease of the profitability of the company itself. The companies also need to manage its policy on the account receivable collection. This is because the faster the company can collected the receivable the higher the profitability of the company as an inefficient collection policy can cause adverse effects to the company.

CONCLUSION

This paper has examined the determinants of profitability for 30 listed companies in Bursa Malaysia which is selected from 100 biggest market capitalizations. The results show that three from four variables have significant relationship with profitability. For liquidity, quick ratio has a positive relationship with profitability while current ratio has a negative relationship with profitability. For efficiency, both total asset turnover and account receivable turnover has a positive relationship with profitability. Both liquidity and efficiency has an influence towards a company profitability

For my internship experiences, in a conclusion I believe that this internship is very crucial to me as it actually give me very valuable experiences. The internship gives me the chances for me to apply all the theoretical knowledge that I learn from my studies. I also have learned a lot of new skills and knowledge and able to mingle with the people from the banking industry. The internship also helps me to give the experiences on a professional perspective and working environment which is very helpful for my future career. I was also able to effectively improve my communication skills and also improve my character during the internship.

The internship also helps me to recognize what my strengths and weakness. I was able to identify what weaknesses I have and what do I need to improve. The biggest lesson I learn from the internship is to be confident of yourself and do not give up when you make mistake as it is a process of learning. What can I envision myself to be in another 5 years is for me to become someone successful in the banking industry. This is always been my dream and I hope that in the next 5 years I am able to acquire an executive position in one of the renowned bank in Malaysia or abroad. I also hope I will become an expert in the investment and finance field as that is my ambition

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APPENDICES





