



Maybank



1 March - 15 August 2023

THE IMPACTS OF FINANCIAL RATIOS ON PROPERTY COMPANY PROFIT CHANGES IN MALAYSIA”

INDUSTRIAL TRAINING REPORT
RESEARCH REPORT



UNIVERSITI
TEKNOLOGI
MARA

Prepared by:
NOR SAZRIANA BINTI JEFFRY
2021124309 BA2426



EXECUTIVE SUMMARY



This report details my industrial training experience, which I undertook in the Maybank Changlun Kedah branch between March 1 and August 15, 2023. This industrial training must be taken by all students before completing their Bachelor of Business Administration (Hons) in Finance. During the internship program, I experienced new tasks and a new work culture. During the six months, it was undoubtedly a nice experience to be able to gain new skills from this organization that would benefit me in my future employment.

Furthermore, sweet memories were also created when I was there. All staff always give motivated support and give me a hand when I need help. As an intern student at the Maybank Changlun Kedah branch, I was assigned to the CFS—Community Distribution. My responsibilities are to assist clients, encourage people to buy our product, and handle daily customer difficulties. Besides, my work includes aiding in additional ad-hoc assignments as necessary by the head of the department to support operations, such as completing and other documentation. I also work as a salesperson. I will persuade and sell products and services to customers, such as investment products and insurance products.

My profession has given me expansive knowledge of the banking and financing industries. This department also offered me professional experience by sharing their industry knowledge. In summary, my internship has been an enriching experience because I have a supportive and friendly supervisor as well as pleasant coworkers. It gives me great pleasure to offer Maybank Changlun as a viable internship site.

TABLE

CONTENT



- 4** Executive Summary
- 6** Student Profile
- 7** Company Profile
- 10** Training Reflection
- 12** Research Report
- 18** Discussion and Recommendation
- 19** Conclusion
- 21** References
- 22** Appendices

COMPANY PROFILE

COMPANY BACKGROUND



Maybank, also known as Malayan Banking Berhad. It is also Malaysia's largest financial services group. Maybank's founder was Malaysian business tycoon Khoo Tech Puat. Established in 1960, Maybank has grown to become the largest bank in Malaysia and the fourth largest in Southeast Asia. In terms of market capitalization, it is also the largest company listed on Bursa Malaysia. It is one of the top 500 corporations in the world, according to Forbes 2000, and the top company in Malaysia. It is a private bank that controls 58% of government holdings, has branches in 20 nations, and employs approximately 50,000 people.

Mortgages, deposit services, credit cards, and other loan products are distributed to businesses and consumers through the company's network of more than 30 locations around Southeast Asia and its more than 30 branches in Malaysia and Indonesia.

The Maybank Group offers a wide variety of financial services, including traditional commercial banking, Islamic banking, investment banking, leasing and installment payments, insurance, factoring, trust services, asset management, stock brokerage, agency services, venture capital, and online banking.





COMPANY

VISION

The vision of Maybank's is to promote "Asia's Ambition with You" and turn into a head of regional financial services.

MISSION

Humanising financial services across Asia is the mission of Maybank. The consumer's ambitions were fulfilled by building trusted relationships that last for generations through thick and thin. They trust in treating all stakeholders by fair and simplify financial method. Providing the human with easy access to financing is the way of Maybank to humanises financial services, having fair terms and pricing, advising customers based and on their needs, and being at the heart of the community.

THE COMPANY

PRODUCT & SERVICES

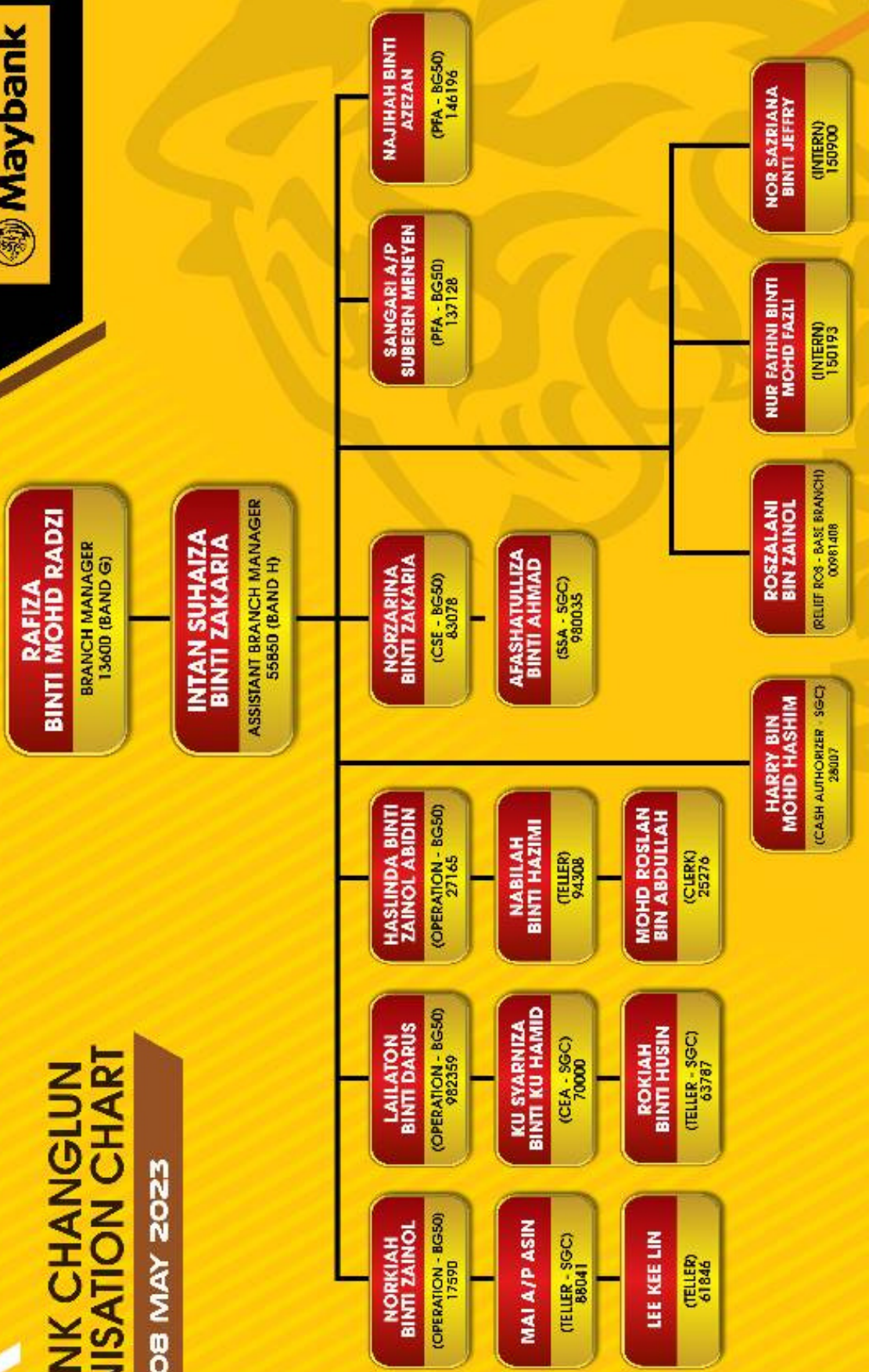
TYPE	DESCRIPTION
CONSUMER AND DIGITAL SOLUTIONS	<ul style="list-style-type: none">• Maybank2u• MAE
CORPORATE SOLUTIONS	<ul style="list-style-type: none">• Transaction Banking• Global Market• Corporate Banking
SHARIAH SOLUTIONS	<ul style="list-style-type: none">• Maybank Islamic
WEALTH MANAGEMENT	<ul style="list-style-type: none">• Privilege• Premier• Private• Islamic Wealth Management
INSURANCE & TAKAFUL	<ul style="list-style-type: none">• Etiga• Bancassurance
ASSET MANAGEMENT	<ul style="list-style-type: none">• Asset Management
INVESTMENT BANKING	<ul style="list-style-type: none">• Maybank Investment Bank



Maybank

MAYBANK CHANGLUN ORGANISATION CHART

AS AT 08 MAY 2023



TRAINING REFLECTION

GREETER

MAE REGISTER

SALE PERSON

OPERATION



TRAINING REFLECTIONcont.....

My industrial training starts from March 1, 2023, until August 15, 2023, which is about a 6-month period. During my training, I gained a lot of experience and knowledge about working in the banking sector. I have been designated as a greeter or salesperson in the Community Distribution (CFS) department. My duties are to entertain customers, persuade customers to buy our product, and handle daily customer problems. There are more duties I have been doing, which are:

As a Greeter

A greeter is a person employed to greet customers when they enter. Each day, I will get ready to meet and assist customers at the front desk. After that, I will provide a solution to their issue, for example, by giving them a form to fill out. Besides that, if tellers are unable to resolve their issue at the counter, I need to help them get in touch with customer service. For example, when the customer Maybank2u's account has been blocked due to a maximum-exceeding password attempt.

When doing this kind of job, make me clearer and understand that I must be more efficient, have a quick response, and watchful when giving the form to the customer. Because a one mistake is all it takes to turn off a customer forever.

Register for MAE Account

Starting in 2020, Maybank has advised their customers to use the MAE application, which is the latest application for Maybank2U. So, many customers do not register for an MAE account because they think they can still use it, but lately Maybank has removed some features from Maybank2U to ensure customers download and use the MAE application. I was assigned to help customers register with Maybank2U via the MAE application. In addition, I have a monthly MAE quota to meet, which teaches me the importance of increasing my output and the number of new MAE accounts I create.

Sale person

I am also a member of the sales team. To sell the product and services, it is my responsibility to persuade clients and look for new target markets. The way I get sales is by calling the customer and persuading them to apply for a credit card or apply for ASB loan. Furthermore, I also offer products and services to customers who just walk into Maybank, such as explaining to them the importance of Hibah, life insurance, and others. I am proud of myself because I have been able to produce a lot of leads and sales for Maybank since I first reported myself to this organization. As a result, I can get a recommendation from my branch manager to hire me as permanent staff for Maybank and gain good results for my industrial training. During the current economic downturn, it is difficult to sell products to customers, but I do my best to convince them that investments are necessary to improve our lives in the future.

Operation Work

Maybank's operation hours are from 9:30 a.m. until 4:00 p.m., but staff working hours are from 8:45 a.m. until 5:45 p.m. Because of this, whenever I have free time, I will assist the operation team with tasks such as filling out paperwork, keying in data in the care system, printing out customer bank statements, mailing, and other related tasks. By carrying out these steps, I will be able to improve my understanding of the duties performed by the operations department. It is not a loss when you help others with their work.

“ This study investigates the impacts of financial ratio on company profit changes in Malaysia using yearly time series data, covering the period from 2013 to 2022. In order to examine the impact of financial ratio towards company profit changes, I first reviews earlier empirical research in this area. ”

PROBLEM STATEMENT

The company's future profits indicate its performance and prospects. True financial statements encourage investors. The balance sheet's asset and liability numbers indicate a financial report's relevancy and reliability. Effectiveness can be measured by managerial performance. Companies measure efficiency by profit fluctuations. Profit helps companies decide to invest. Financial statements reflect market value and profit movements; therefore, implementing fair value would benefit market players.

This study differs from others since its financial performance variables were different. Previous research used Total Asset Turnover, Fixed Asset Turnover, Return on Sales, Return on Equity, Return on assets, Gross Profit Margin, and Net Profit Margin (Rosalin, Susanti, & Soeryana, 2020). This research uses CR, TATO, and DAR as financial performance variables. This study examines whether CR, TATO, and DAR affected Malaysian corporate profits.

RESEARCH REPORT

LITERATURE REVIEW

Current Ratios and Profit Changes

The current ratio is a liquidity indicator used to evaluate a company's ability to meet its short-term and annual obligations. Analysts and investors may see how the company plans to use its cash flow to settle its debts and other commitments. CR was used to foretell future fluctuations in profits in the prior study. According to the other study, which looked at agricultural enterprises between 2010 and 2013, the CR has a high capacity to predict the possible profit changes, suggesting that it may be used to anticipate future profit changes (Pattiasina, Sejati, Seralurin, Batilmurik, & Al Aziz, 2018). However, previous research conducted by other researchers (Pangkong Lambey, & Afandi, 2017) found that CR had little influence on profit changes since the company did not adequately utilize the current asset.

Total Asset Turnover and Profit Changes

Total asset turnover is the ratio of net income or profit to average assets. This metric is useful for letting investors know how efficiently a company is using its assets. The asset turnover ratio allows investors to compare businesses operating in the same industry or field. Previous studies have shown that the TATO can affect a company's bottom line (Pattiasina, Sejati, Seralurin, Batilmurik, & Al Aziz, 2018). As a result, they found that a company's profit variation was positively correlated with TATO. One study found that TATO had no impact on profit growth, while another found that when TATO increased at manufacturing firms, profits expanded more slowly (Bambang, 2017).

Debt to Asset Ratio to Profit Changes

The ratio of a company's debt to its total assets is an indicator of its leverage. A company's growth over time can be measured, in part, by looking at the value of its assets. Investors can use this ratio to evaluate their probability of a return on their investment and the company's ability to service its debt. DAR has a detrimental influence on a company's profitability, according to previous studies. This supported by (Setiana & Rahayu, 2012) if there is an increase in changes in debt against assets, then it will affect the decline in profits.

RESEARCH METHODOLOGY

Before starts the process of data collecting and analysis, it is necessary to first prepare the methodologies and research design that will be use in this study. This involves making decisions regarding the sampling method, data collection methodology, variable measure, and statistical methods that will be used in the analysis of the data.

An extensive collection of organizations, institutions, and other objects sharing certain characteristics is called a population. On the other hand, the sample can be viewed as a selection of the population from which statistics will be drawn. The population is often underrepresented in the sample. In this study, 86 firms from Bursa Malaysia's property sector serve as the population, with just 10 being chosen for closer inspection. This analysis covers the ten-year span from 2013 to 2022.

In this research, I used a sampling technique based on intentional selection. It is not a representative sample chosen to reflect the population or the research questions at hand. The following factors were considered when selecting the study's sample:

- In the research years of 2013 to 2022, the companies were listed on the Bursa Malaysia.
- The companies have released audited consolidated financial statements.
- The companies have precise data that can be calculated for the analysis factors, which are CR, TATO, and DAR.

RESEARCH METHODOLOGY cont.....

The collection data for this research can be obtained from the financial statements, annual company report, Refinitiv Eikon, Google Finance, Yahoo! Finance, and other accessible data sources.

VARIABLE	PROXY	SYMBOLS
<i>Profit changes</i>	$\frac{y1-y0}{y0}$	PC
<i>Current Ratio</i>	Current asset / current debt	CR
<i>Total Asset Turnover</i>	Sales / Δ total assets	TATO
<i>Debt to Asset Ratio</i>	Total debt / total asset	DAR

In addition, the multiple regression test was used to analyze the data. Multiple regression's connection between the dependent and independent variables often exposes the relationship's background (Warnoso,2011). In this study, I use the following framework:

$$PL = a + \beta_1 CR_1 + \beta_2 TATO_2 + \beta_3 DAR_3 + e$$

Where:

PL = Change in Profit

a = A constant

$\beta_1, \beta_2, \beta_3$ = Regression Coefficient

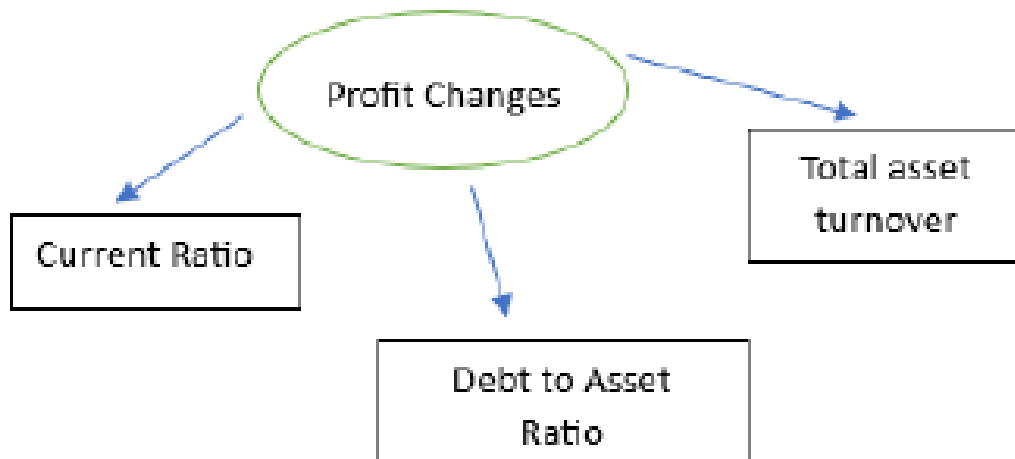
CR1 = Current Ratio

TATO2 = Total Asset Turnover

DAR3 = Debt to Asset Ratio

e = Error Term

RESEARCH METHODOLOGY cont.....



This represents a conceptual framework example that can be expected to appear in this study. This is an outcome of the relationship between the two main factors of this investigation. To better understand the relationship between the independent factors (CR, TATO, and DAR) and the dependent variables (profit changes), a conceptual framework was developed.



DESCRIPTIVE STATISTICS

Variable	Obs	Mean	Std. Dev.	Min	Max
profitchan~s	100	-1.365027	11.8465	-102.5	20
CR	100	2.1161	2.493412	0	17.9
TATO	100	.431414	.9271178	0	8.8865
DAR	100	.416	.1744602	0	.73

The purpose of descriptive statistics is to provide a brief summary of the sample and the measures. People may find it easier to understand a complex quantitative viewpoint if descriptive statistics are used since they compile large amounts of data and describe them using precise measurement terms. According to Table 4.3, the scope of this investigation includes the testing of 100 observations from 10 different property businesses covering the years 2013 to 2022. Current Ratio (CR), Total Asset Turnover (TATO), and debt-to-asset ratio (DAR) are the independent variables, while profit changes (PL) are the dependent variables in this model.

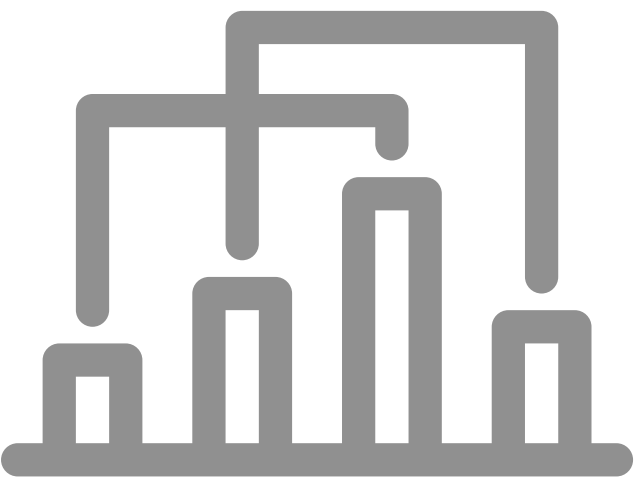
The table provides a clear summary of the estimated means for every value and variable. Totals for each variable were determined by averaging participants' ratings of the appropriate items. In the table, profit changes have a mean of -1.365027 and a standard deviation of 11.8465; CR has a mean of 2.1161 and a standard deviation of 2.493412. This larger spread of SD values suggests that CR is not related to PL. The standard deviations (SDs) for TATO and DAR are relatively close to the means, indicating that the data are distributed closely and suggesting that the variables may be related to the PL. The minimum and maximum values observed for each variable are listed above. For data to be called normal, it must follow a typical distribution curve.



CORRELATION ANALYSIS

	profit~s	CR	TATO	DAR
profitchan~s	1.0000			
CR	-0.0427	1.0000		
TATO	-0.0052	-0.1202	1.0000	
DAR	0.0602	-0.4122	0.1929	1.0000

The table that can be seen above displays the outcomes of a correlation test that was conducted on Malaysian property companies. In order to determine the possibility that the variables that were used for this study are related to each other, the correlation test needs to be carried out first. After that regression tests can be carried out. The matrix of the pairwise correlation is given at a 10% significance level. It displays the relationship of the variables. Every variable has the largest connection to itself, which is 1.0000. Meanwhile, the lowest connection was found between profit changes and total asset turnover (-0.0052). DAR has moderate correlation with CR (-0.4122) implying that there is a negative correlation between the two variables.



REGRESSION ANALYSIS

Source	SS	df	MS	Number of obs	=	100
Model	60.195274	3	20.0650913	F(3, 96)	=	0.14
Residual	13833.4123	96	144.098045	Prob > F	=	0.9363
				R-squared	=	0.0043
				Adj R-squared	=	-0.0268
Total	13893.6076	99	140.339471	Root MSE	=	12.004

profitchan~s	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
CR	-.1066953	.5316243	-0.20	0.841	-1.161961	.9485706
TATO	-.2353739	1.327577	-0.18	0.860	-2.870593	2.399845
DAR	3.698741	7.687355	0.48	0.632	-11.56054	18.95802
_cons	-2.576382	3.951317	-0.65	0.516	-10.41968	5.266921

According to the research sequence outlined in the previous chapter, the data analysis has been concluded. The results of regression analysis for Malaysian property firms are displayed in table 4.4.

The regression model to be estimated as follows:

$$PL = a + \beta_1 CR_1 + \beta_2 TATO_2 + \beta_3 DAR_3 + e$$

$$PL = -0.10667 - 0.2354 + 3.6987 - 2.5764$$

$$T\text{-stat} = (-0.20) (-0.18) (0.48) (-0.65)$$

$$\text{Prob} = (0.841) (0.860) (0.632) (0.516)$$

FINDINGS

Overall, the results of this study show that none of the independent variables are statistically significant. This means that the null assumption was not rejected, and that there is no link between a company's profit changes and any of the independent variables. Investors will view the company's high current ratio information favourably because it indicates the company's ability to repay its debt, instilling confidence in the company's dividend-paying ability. However, this does not always indicate that the company is in pristine condition; it is possible that the capital is not being utilized to its fullest capacity. This was supported by (Pangkong, Lambey, & Afandi, 2017), which stated that CR has nothing to do with the company's profit fluctuations because its assets are not utilized effectively and efficiently.

The fact that the TATO null hypothesis was not rejected is in line with the findings of (Bambang, 2017), which say that a company's profit growth will be slowed if TATO is allowed to increase. While evidence shows that increased sales are positive, profitability from sales is the ultimate measure of success. Therefore, a high turnover rate is not always indicative of great profits. Similarly, the DAR null hypothesis was not rejected, suggesting that DAR does not correlate with variations in firm profits. The smaller the debt ratio, the less dependency the company has on debt to fund operations. This finding is supported by several research; for example, (Setiana and Rahayu, 2012) found that as debt levels rose relative to assets, profits fell.

An aerial photograph of a city skyline, likely Chicago, featuring numerous skyscrapers and buildings. The scene is captured during sunset or sunrise, with a warm orange and yellow glow over the city. The sky is a deep blue, and the water of a lake is visible in the background. The image is partially obscured by a white diagonal line on the left side.

DISCUSSION & RECOMMENDATION

Recommendation for future study, there is a chance that more elements will result in better conclusions, so future research should incorporate other financial indicators that have considerable influence when determining the relationship between profit changes. Researchers in the future can expand the sample size and apply the findings to other sectors represented on the Bursa Malaysia stock exchange. Future researchers should take this into account and lengthen the duration of their studies.

Finally, practical implication the company and potential investors are two groups that stand to gain from this research, as mentioned in the study's relevance section. For the company to be ready for any financial dangers, it must have a thorough understanding of its financial performance. Investors need to exercise extreme caution when reviewing a company's financial statements, particularly with respect to asset accounting. Investors can make investment decisions more easily by paying attention to ratios or other elements connected with changes in profit. The quantity of the return on investment made will depend on the company's profits, both current and future.

CONCLUSION

In the end, University Teknologi Mara UiTM needed their students to get training in the field before they could get a bachelor's degree. The student must work as an intern for six months as part of their training in the industry. They want us to do this industry training so that students can learn about work culture and how people go about their daily work lives. At first, I wanted to work for Dell Company in Penang, which is close to where my mother-in-law lives. Branch Manager Maybank Changlun called me to let me know that I had been chosen to be an intern. I am glad that my job is close to my house and that I do not have to spend so much money on gas. One of my goals for the future is to work for Maybank or another bank.

I was given the position of CFS (community distribution) at Maybank Changlong. CFS's job is to meet or entertain customers when they come in, but since I have experience in sales, the branch manager has asked me to be their salesperson. I am happy with myself because I hit my sales goal in the first month. As a gift for my hard work, the company gave me "duit raya." My job is to keep customers happy, convince them to buy our products, and make sure they get great service from us. During my job, I have learned a lot. I know that working is not as easy as people say, but this is still the best thing that has ever happened to me. For example, I learned that there are different kinds of investments we can make and that we can also get life insurance at the bank. I also learned how to trick customers by using interesting ways to convince them, among other things.



CONCLUSION CONT....

In conclusion, this study used 100 observations to analyse the impact of financial parameters on the evolution of profit for Malaysian real estate firms. Ten real estate firms listed on Bursa Malaysia's stock exchange between 2013 and 2022 are the focus of this research. Variables such as the current ratio, total asset turnover, and debt-to-asset ratio are being utilized to examine the impact of these variables on the dependent variable, which is the evolution of profits. The goal of this research was to establish a structure of correlation among the study's independent variables in order to better understand how each variable affected the dependent one. According to the results, there were problems with the data during the correlation test, which was lower than 0.05. In addition, the data analysis showed that there is no correlation between the changes in profits and any of the independent variables.

This study's findings suggest that debt asset ratio positively affects profit growth, suggesting that the lower the liquidity scale and the debt asset ratio over in a corporation, the greater the profit growth. That is why it is so important for businesses to carefully oversee and optimize how they use their resources. Researchers who come after us will consult this study for guidance. Researchers are encouraged to expand their analyses to include additional sectors and larger samples, as well as test additional variables like Return on Equity and Gross Profit Margin that were not included in the current study but are likely to influence Profit Growth. So that it more accurately reflects the people who work in the other established industries.



REFERENCES

- Pattiasina, V., Sejati, F. R., Seralurin, Y. C., Batilmurik, R. W., & Al Aziz, M. A. (2018). The Impact of Financial Ratios Toward Profit Changes. *International Research Journal of Management, IT & Social Sciences*, 5(5), 1-16.
- Pangkong, C. M., Lambey, L., & Afandi, D. (2017, June). THE IMPACT OF ACTIVITY RATIO AND LIQUIDITY RATIO AGAINST CHANGES PROFIT BASED ON FAIR VALUE (EMPIRICAL STUDIES OF PROPERTY AND REAL ESTATE SUB-SECTOR COMPANIES LISTED IN INDONESIAN STOCK EXCHANGE). *Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 5, 955-963.
- Setiana, E., & Rahayu, D. (2012). Analysis of the Influence of Capital Structure on Performance in Automative Companies Registered in the IDX Year 2008-2010. *Jurnal Telaah Akuntansi*, 13.
- Wamoso, D. S. (2011). *Adopsi Standar Akuntansi IFRS*. (E. I. Natalia, Ed.) Yogyakarta: AB Publisher.
- A. H., L. H., & P. I. (2018). Financial Disclosure based on Web-ICT Determinants: Its Implications for Local Government Financial Performance in Indonesia. *International Research Journal of Management, IT and Social Sciences (IRJMIS)*, 5(1), 72-85.
- B. R. (2017). Profit Analysis With Financial Ratio (Study At Manufacturing In Indonesia Stock Exchange). *IOSR Journal of Economics and Finance*, 5(4), 39-43.
- Dillak, V. J., & Siburian, T. A. (2021). The Influence of Financial Ratio to Profit Growth. *JAF (Journal of Accounting and Finance)*, 5(2), 102-108.
- Barnes, Paul. "The analysis and use of financial ratios." *Journal of Business Finance dan Accounting* 14, no. 4 (1987): 449.
- Rosalin, A., Susanti, D., & Soeryana, E. (2020). Analysis The Effect of Financial Ratios in Predicting Changes in Profit. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 4(3), 54-59. Retrieved from <https://www.ajhssr.com/wpcontent/uploads/2020/03/H20435459.pdf>

APPENDICES

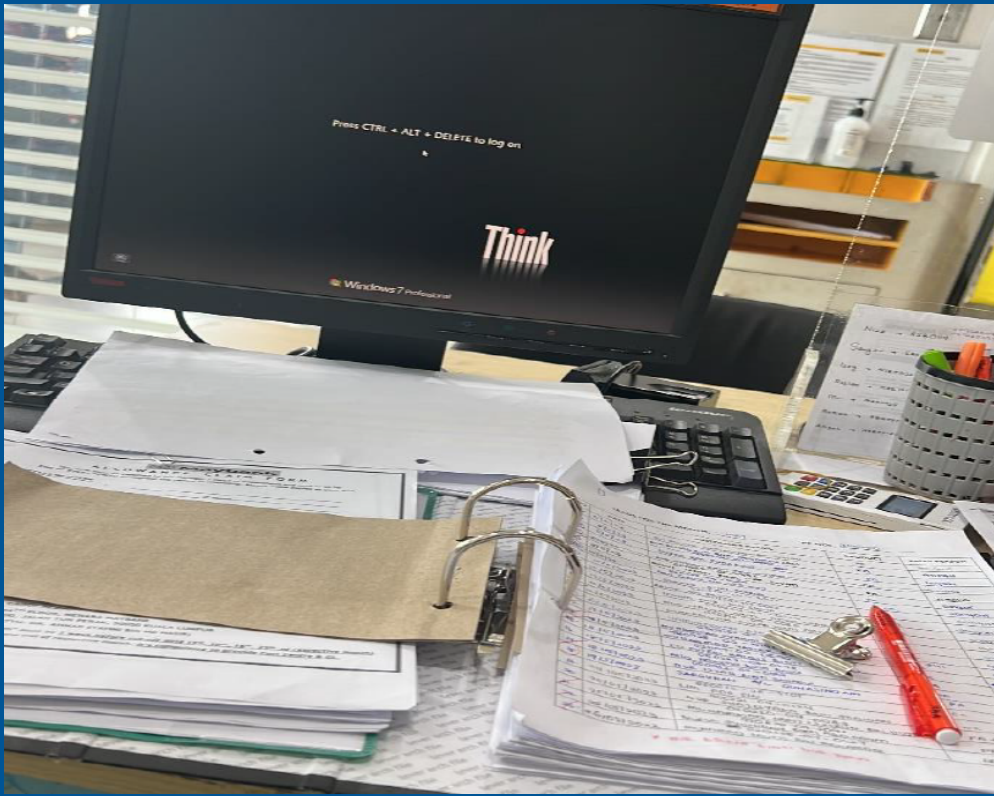


MAYBANK CHANGLOON



GREETER SIDE

APPENDICES



MY WORKPLACE



MAYBANK STAFF



END OF REPORTS

