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EDGENTA UEMS

INTERNSHIP REPORT

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BA242



EDGENTA UEMS



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PERLIS BRANCH

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS AND MAN
INDUSTRIAL TRAINING REPORT AT EDGENTA UEMS SDN. BHD

EDGENTA UEMS

RESEARCH TOPIC: HOW FINTECH AFFECTS MALAYSIA BANK DEVELOPMENT:
EVIDENCE FROM MALAYAN BANKING (MAYBANK) PROFITABILITY

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EXECUTIVE SUMMARY

This report summarizes my industrial training experience at Edgenta Uems Sdn Bhd, which I undertook from 13th March through 28th August 2023. All students must complete this industrial training before earning their Bachelor of Business Administration (Hons) in Finance. My training for the internship exposed me to new tasks and a different work environment. It was undoubtedly a fantastic experience over the course of the six months to be able to pick up new skills from this organization that would aid me in my future employment. I was given the Finance Department as my internship at this organization. My duties include helping with daily accounting and department administration tasks.

In addition, I'm helping the other employees from the finance department and assist in any ad hoc assignments as requested by the head of department. I also support accounting operations by handling invoices and other paperwork. In order to ensure that all documents are efficiently traceable, I also try to maintain the correct filing system. By assisting the purchasing division with ad hoc jobs, I also won their trust. I've never worked in the purchasing department before, but my employment has given me extensive understanding in the accounting and finance fields.

This department also provided me with professional experience by sharing their industry knowledge. In general, my internship has been an enriching experience because I have a supportive and kind supervisor as well as pleasant coworkers.

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2.0 COMPANY PROFILE

2.1 COMPANY'S BACKGROUND

Formerly known as UEMS Solution Sdn. Bhd., Edgenta UEMS Sdn. Bhd. is an integrated facility management company that provides cutting-edge healthcare support services as well as property and facility solutions to meet the diversified needs of its clients. A significant subsidiary of UEM Edgenta Berhad, the premier provider of Asset Management and Infrastructure Solutions in the area, is Edgenta UEMS.

Providing facility engineering maintenance, biomedical engineering maintenance, housekeeping services, portering, linen and laundry services, project management, as well as specialized services like external façade management to their clients, Edgenta UEMS has more than 20 years of experience providing non-clinical healthcare support services to public and private hospitals.

Edgenta UEMS is now offering services to a variety of industries, including education, telecommunications, manufacturing, oil and gas, and other commercial and industrial sectors, in addition to the healthcare sector. These new additions to the company's core offerings are healthcare waste management services, energy management, and extension beyond the healthcare industry.

Currently, Edgenta UEMS employs over 3,000 people in Malaysia, over 1,800 in Singapore, and over 6,000 in Taiwan, throughout its three operating nations. The headquarters of Edgenta UEMS are at Level 3, Menara UEM, Tower 1, Avenue 7, The Horizon, Bangsar South City, and they serve approximately 150 hospitals and properties as their clients. These include Xiamen University Malaysia, Assunta Hospital, Petaling Jaya, Hospital Fatimah, Ipoh, Pantai Hospital, and AIA Malaysia.

2.2 COMPANY VISION

To be the preferred company offering unrivaled world class Integrated Facility Management Services.

2.3 COMPANY MISSION

To deliver exceptional Integrated Facility Management services that will satisfy the needs and exceed clients' expectations through best-in-class practices and leverage on innovative technology to our clients.

2.4 COMPANY SERVICES/ PRODUCTS

Edgenta UEMS Onboarding

EDGENTA UEMS

High level structure



Figure 1: Edgenta UEMS services

2.4 ORGANIZATIONAL STRUCTURE

EDGENTA UEMS



Figure 2 Organizational structure of Edgenta UEMS

3.0 TRAINING REFLECTION

Undertaking a six-month industrial training program at Edgenta UEMS Finance Department has been a transformative experience that has left a lasting impact on my personal and professional growth. As the department's concentration aligned perfectly with my studies, I was entrusted with meaningful responsibilities that encompassed day-to-day accounting tasks, ad-hoc assignments, and essential office administrative duties.

3.1 Prepared Documentation - A Window to Real-World Finance Operations:

From the outset, my internship commenced with accounts receivable responsibilities, where I gained valuable insights into preparing documentation for clients. My tasks involved meticulously handling the preparation of invoices and credit notes. For invoices, I collaborated closely with vendors, ensuring that the issued invoices aligned accurately with the attachments provided. When it came to credit notes, I followed meticulous procedures, including the preparation of a credit note form that required approvals from the operation manager, head of the finance department, and general manager before issuance to clients. This experience exposed me to the importance of attention to detail and adherence to protocols in financial transactions.

On the accounts payable side, I took charge of the closing process for purchase orders in the ERP system. My involvement extended to assisting the purchasing department in preparing essential documents, including purchase orders, delivery orders, and invoices. I ensured smooth coordination with the finance department of accounts payable to facilitate accurate data entry into the ACCPAC Sage 300 system. This exposure not only deepened my understanding of financial processes but also honed my ability to work efficiently with diverse teams.

3.2 Key in data in ACCPAC Sage 300 - A Journey into Accounting Software:

Edgenta UEMS's use of ACCPAC Sage 300 software provided an opportunity for me to explore the functionalities of a comprehensive accounting system. Working primarily with accounts receivable and accounts payable, I was responsible for keying in vendor offset invoices and credit notes. While vendor offset invoices were efficiently generated using prepared templates, credit notes demanded meticulous data entry. The same level of accuracy was required in processing account payable invoices submitted by vendors. Familiarity with this

software has undoubtedly strengthened my technical proficiency and adaptability in handling different financial tasks.

3.3 Training involvement - Knowledge Empowerment:

Throughout my internship, I had the privilege of engaging in various training sessions offered by the company. Participating in the ACCPAC Sage 300 training organized by Edgenta UEMS and the ARIBA system training organized by AIA allowed me to enhance my understanding and utilization of these essential financial tools. Applying the skills acquired during these training sessions to manage financial documentation has been an empowering experience, providing me with the confidence to tackle real-world challenges in the finance domain.

3.4 Client Interaction and Software Utilization:

A significant aspect of my internship involved direct communication with clients. Monthly, I diligently sent invoices, credit notes, and statements of accounts to clients, ensuring timely and accurate delivery of financial information. Furthermore, the exposure to ARIBA system and Tradeshift system for invoice delivery opened my eyes to the importance of adapting to diverse platforms to cater to client preferences effectively.

My internship at Edgenta UEMS Finance Department has been an enriching journey that enabled me to bridge the gap between theoretical knowledge and practical application in the finance industry. The hands-on experiences, training opportunities, and exposure to sophisticated accounting software have contributed significantly to my growth as a finance professional.

Based on my experience, I recommend that Edgenta UEMS continue providing internships that encompass such diverse and hands-on tasks to equip future finance professionals with practical skills and industry insights.

In conclusion, my internship at Edgenta UEMS has been a profound and rewarding experience that will undoubtedly lay the foundation for a successful career in finance. I am immensely grateful for the opportunity and the knowledge gained during this transformative journey.

4.0 RESEARCH REPORT

4.1 Introduction

4.1.1 Background of the study

The use of fintech has grown over the past year as it has gained popularity. The amazing potential of financial technology, or fintech as it has come to be known, to transform lives and economies has garnered a lot of attention. Fintech has the ability to spur economic growth while providing average people with safe and efficient access to financial products. In comparison to other countries, Malaysia is rapidly becoming into one of Southeast Asia's most sophisticated fintech centers. According to Fintech Malaysia, online payments and transactions would contribute 20% of the country's GDP in 2020, greatly improving the outlook for the economy. Through government measures that seek to increase employment in the fintech industry and so reduce rising unemployment rates, the public sector has benefited from such a development. (Fintech News Malaysia, 2022)

The landscape of Malaysia's financial sector is changing as a result of developments in fintech. For instance, over the past two years, the number of automated teller machines has decreased while the number of fintech products offered by traditional financial institutions has increased. Traditional Malaysian banks are still in charge of deposits, loans, and capital raising, but they are now adopting new technologies and working with or competing against emerging tech entrepreneurs. (International Monetary Fund, 2020).

As a result, the modern financial sector is experiencing a new routine. Rapid technological innovation has brought us both benefits and challenges that we must continually negotiate. Fintech has significantly altered how consumers expect financial services to be provided. Fintech, however, offers a variety of fresh viewpoints for financial organizations. Malaysia must accept and make use of technological improvements. As a result, it's critical to comprehend what fintech is, how it works, and how to profit from it.

4.1.2 Problem Statement

Due to the exponential and unparalleled development in the use of information and communications technology (ICT), Malaysia and the rest of the world have been swiftly ushered into the digital era during the past few decades. Fintech undoubtedly has benefits, but there are also risks and drawbacks to consider especially when it comes to the profitability of the firm. The fintech has affected the traditional service model for banks as the fintech companies distribute more suitable and extreme services to customers compared to conventional banks. This study tries to ascertain how fintech impacts on Malaysian bank development in terms of profitability.

As we all know Fintech promotes innovation and development of traditional banks and it can increase the institution revenue. Digital banks should provide services based on customer needs, which will help attract customers and increase retention rates. Financial technology brings challenges to traditional banks, and it also brings opportunities for the development of traditional banks. Fintech provides technical support for traditional banks, which can cut down the unbalanced news and shorten threat for traditional banks. The development of network information technology has helped banks reduce the cost of obtaining information, effectively solving the long tail effect of traditional banks. This study tries to ascertain how fintech impacts on Malaysian bank development in terms of profitability.

The problem with Fintech's impact on Malaysian banks' profitability is the uncertainty and potential risks it poses to traditional banking models. While Fintech offers opportunities for innovation and revenue growth, it may also disrupt the conventional banking service model and affect banks' ability to attract and retain customers. This can lead to challenges in maintaining profitability and requires careful adaptation strategies for traditional banks to thrive in the digital era.

4.1.3 Research Objectives

The purpose of the study is to ensure how fintech can affect the bank development in Malaysia. Malayan Bank (Maybank) will be set of as an example because it's one of the prestigious banks in Malaysia, select the annual data of 2012-2021 and empirically research the integration and casual relationship between banks' profits and the development level of FinTech. As known fintech is using technology to provide new and improved financial services. These studies will conduct and empirical study of annual data of Malayan banking to explore the impact of FinTech towards the profitability of Malaysian Bank Development.

The main objective of the study are:

1. To determine the relation of Fintech and bank development of Malaysia.
This objective aims to investigate the relationship between the adoption and implementation of fintech solutions and the overall development of banks in Malaysia. It seeks to understand how fintech has influenced the growth, efficiency, and competitiveness of the banking sector in the country.
2. To study the effectiveness of Fintech usage towards the profitability of banks in Malaysia.
This objective focuses on analyzing how fintech adoption has impacted the profitability of Maybank, a specific Malaysian banking institution. The study likely aims to assess the financial performance and success of Maybank after adopting fintech solutions, such as digital banking platforms, mobile payment services, or other technology-driven financial services.
3. To offer suggestions to improve awareness toward Fintech in Malaysia.
This objective aims to provide recommendations and suggestions to enhance the awareness and understanding of fintech among various stakeholders in Malaysia. This could include customers, businesses, policymakers, and other relevant parties. The study may explore strategies to promote fintech adoption, address potential barriers, and encourage a more widespread adoption of fintech solutions in the country.

4.2 Literature Review

The adoption of fintech could be a problem for traditional banks in another year if they do not include it as one of their goods and services. Fintech serves as a method to cut costs while fostering corporate expansion. With the quick development of technology, the fintech sector offers a more extreme and appropriate service model for the consumer, offering a practical and efficient service. Numerous research on the connection between fintech and bank profitability have produced favorable results.

The study by Singh (2013) demonstrates the beneficial effects of FinTech adoption on Indian banks, which have a positive effect on the profitability of the banks. Its dependent variables are Return on Assets and Return on Equity, and its independent variables are the ratio of ATMs to bank branches, the Cost to Income Ratio, and a Fintech Dummy. The data being distributed ranges from 2011 to 2018.

The research by Wang and Nor (2022) also demonstrates a beneficial relationship between FinTech innovation and traditional banks' profitability. According to studies, the fintech index has a significant impact on ROE because it boosts traditional banks' profits. Finance and cutting-edge technology together boost the financial sector's operating profit.

Data from 37 A-share listed banks from 2010 to 2021 were used in Dermaku, Hajdari, Kastriot, and Hoti's (2023) study on the impact of banks' adoption of FinTech on their level of risk and profitability. Using a web crawler and text analysis of annual statements, the bank fintech development level index is created. Additionally, it demonstrates a favourable connection between FinTech influence and bank development. They also claim that FinTech may greatly increase the bank's profits.

A beneficial influence of FinTech and bank development is demonstrated by Kong's (2022) empirical test on the balanced panel data of 87 Chinese commercial banks from 2011 to 2019. According to Kong's research, tiny banks are less affected by the growth of fintech than large and medium-sized commercial banks are.

4.3 Research Methodology

4.3.1 Introduction

In order to determine the impact of Fintech on the profitability of Malayan banking. In this study, I'll use already-available Malayan Banking data to assess how fintech would affect Malayan Banking's profitability. In order to draw meaningful conclusions from my research of the relationship between independent factors and Malaysia's use of fintech. I will also use selected data from Malayan Banking based on independent variable will be analyzed to be used in data to find the relationship of Fintech and Maybank independent variables that I choose.

This section covers the data and model framework for analyzing the profitability relationship between Malayan Banking and FinTech. The database obtain from Refinitiv Eikon and Malayan Banking Financial Statement report from the year 2012 to 2021 is used to this studies.

The two most frequently used indicators to assess a bank's profitability are return on equity (ROE) and return on assets (ROA). For this study, ROA from Malayan Banking will be used to calculate the company's profitability. When measuring the profitability of a bank, both Return on Equity (ROE) and Return on Assets (ROA) are important metrics, but they serve different purposes and provide different insights into the bank's performance. Each ratio highlights a specific aspect of the bank's profitability, and their use depends on the specific analysis and context. ROA is a financial ratio that measures a bank's profitability in relation to its total assets. It shows how efficiently a bank is utilizing its assets to generate profits, regardless of the capital structure. ROA provides a broader picture of the bank's overall profitability, regardless of its financing decisions.

In this study, Malayan Banking's secondary data will be analyzed. That is to say, this study will exclusively use information from Malayan Banking. This study will analyze data spanning a ten-year period from 2012 to 2021. With return on assets (ROA) as the dependent variable and FinTech Index (FTI), net interest margin (NIM), non-performing loan ratio (NPL), and cost to income ratio (CTI) of Malayan Banking as the independent variables, In this study, I use Statis Model: Pooled Ordinary Least Square (OLS) to find the relationship between dependent variable and independent variables.

4.3.2 Research Design

The research aims to investigate the impact of Fintech adoption on Malaysia's banking development, with a specific focus on its influence on the profitability of Malayan Banking (Maybank). The study will be conducted using a quantitative research approach, drawing on data from Maybank's financial reports and publicly available sources for the period between 2012 and 2021. The primary objective is to assess whether the adoption of Fintech solutions, along with other relevant factors such as Net Interest Margin, Non-Performing Loan Ratio, and Cost to Income Ratio, has a significant and long-term effect on Maybank's Return on Assets (ROA).

The research will utilize the Fully Modified Least Squares (FMOLS) method to estimate the long-run relationship between Fintech Adoption (FTA) and Maybank's profitability (ROA). Additionally, other independent variables, including LNIM (Net Interest Margin), LNPL (Non-Performing Loan Ratio), and LCTI (Cost to Income Ratio), will be included in the FMOLS model to control for potential confounding factors. The data analysis will involve descriptive statistics and correlation analysis to gain insights into the trends and relationships between variables. The FMOLS results will be interpreted to understand the statistical significance and direction of the coefficients, thereby providing valuable evidence on the extent to which Fintech adoption affects Maybank's profitability. The research design will contribute to the understanding of how Fintech adoption influences the banking sector's development in Malaysia and provide valuable insights for Maybank and other financial institutions to optimize their strategies in an increasingly digitized banking landscape.

4.3.3 Theoretical Framework.

The theoretical framework for this study provides the conceptual underpinning and guiding principles that shape the investigation of the relationship between Fintech adoption and Malaysia's banking development, specifically focusing on Maybank's profitability. The framework draws upon relevant theories and literature in the fields of finance, technology adoption, and banking to form a cohesive structure for analyzing the research topic.

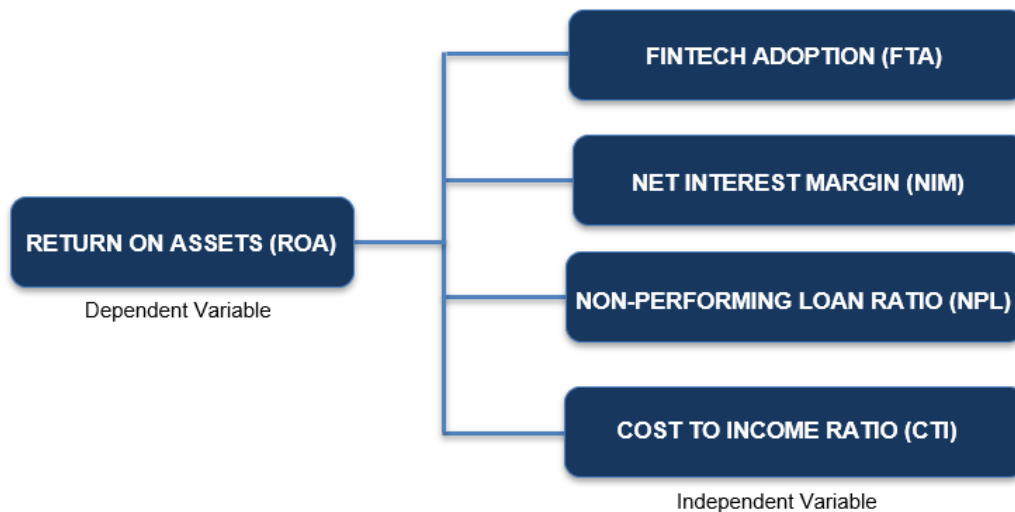


Figure 3: Dependent Variable and Independent Variable of the studies

Table 1: Explanation of variables

Variable	Symbols	Explanation
Return on Assets	ROA	Assess the bank's overall profitability and operational efficiency, irrespective of the capital structure and funding sources
FinTech Adoption	FTA	The expenses spend towards the information technology by the bank.
Net Interest Margin	NIM	Ratio of banks' net interest income to total interest assets.
Non-Performing Loan Ratio	NPL	Ratio of banks' non-performing loans to total loans.
Cost to Income Ratio	CTI	Ratio of operating expenses plus depreciation to operating income.

4.3.4 Sample and Data Collection Method

The sample for this study will be drawn from Malayan Banking Berhad (Maybank), one of the largest and most prominent banks in Malaysia. Maybank's significance in the Malaysian banking industry makes it an ideal case study to investigate the impact of Fintech adoption on bank development and profitability. The sample will include financial data and relevant variables for Maybank from the year 2012 to 2021, providing a comprehensive ten-year period to analyze the long-term effects of Fintech adoption on the bank's profitability.

The data for this research will be collected through secondary data sources. The primary source of data will be Maybank's financial reports, annual statements, and other relevant publications. These documents will provide essential financial data, including Return on Assets (ROA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), Cost to Income Ratio (CTI), and other financial performance indicators for the selected period (2012 to 2021). Additionally, will be using Eikon DataStream to export some of the data.

4.3.5 Method: Fully Modified Least Squares (FMOLS)

The quantitative analysis will employ the Fully Modified Least Squares (FMOLS) method. FMOLS is a robust econometric technique suitable for time series data, which helps address endogeneity issues and provides efficient and consistent estimates of long-run relationships between variables. The dependent variable in this analysis will be Return on Assets (ROA), while the independent variables will include FinTech Adoption (FTA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI). The FMOLS analysis will assess the long-term impact of Fintech adoption on Maybank's profitability.

Various statistical tests, such as t-tests, F-tests, and correlation analysis, will be conducted to determine the significance of the relationships between the variables. The p-values will be used to evaluate the statistical significance of each independent variable's coefficients, indicating whether Fintech adoption and other variables have a significant impact on Maybank's profitability.

4.3.6 Empirical Model

The objective of the empirical model is to analyze the long-term relationship between the dependent variable, Return on Assets (ROA), and the independent variables, which include Fintech Adoption (FTA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI). The empirical model can be represented as follows:

$$\text{LROA} = \beta_0 + \beta_1 \text{LFTA} + \beta_2 \text{LNIM} + \beta_3 \text{LNPL} + \beta_4 \text{LCTI} + \varepsilon$$

Where:

- LROA is the natural logarithm of Return on Assets, the dependent variable representing Maybank's profitability over time.
- LFTA is the natural logarithm of the level of FinTech Adoption, one of the independent variables.
- LNIM is the natural logarithm of Net Interest Margin, another independent variable.
- LNPL is the natural logarithm of Non-Performing Loan Ratio, representing the asset quality of the bank.
- LCTI is the natural logarithm of the Cost to Income Ratio, reflecting the bank's operational efficiency.
- $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ are the coefficients to be estimated, representing the impact of each independent variable on the dependent variable.
- ε is the error term, representing the random variation not explained by the model.
- The FMOLS method will be used to estimate the coefficients, providing efficient and consistent estimates of the long-term relationships between the variables. The natural logarithm transformation of the variables helps in dealing with potential non-linearities and ensures the model's robustness.

The coefficients ($\beta_1, \beta_2, \beta_3, \beta_4$) will indicate the direction and magnitude of the impact of each independent variable on Maybank's profitability in the long run. The statistical significance of the coefficients will be evaluated using p-values, indicating whether the relationships are statistically significant.

By analyzing the empirical model, the research aims to provide valuable insights into the effects of Fintech adoption and other factors on Maybank's profitability over the study period, contributing to a deeper understanding of how Fintech influences the development of Malaysia's banking sector, particularly focusing on Maybank as a key player.

4.3.7 Variable Description and Measurement

Return on Asset

When measuring the profitability of a bank, both Return on Equity (ROE) and Return on Assets (ROA) are important metrics, but they serve different purposes and provide different insights into the bank's performance. Each ratio highlights a specific aspect of the bank's profitability, and their use depends on the specific analysis and context.

Using ROE when want to focus on the bank's profitability from the shareholders' perspective, understand how well the bank is using equity capital to generate returns, and evaluate the impact of leverage on profitability. Meanwhile ROA when want to assess the bank's overall profitability and operational efficiency, irrespective of the capital structure and funding sources. It provides a more general measure of the bank's ability to generate profits.

In summary, both ROE and ROA are valuable metrics for evaluating a bank's profitability. ROE highlights the shareholder's perspective and the effect of leverage, while ROA provides a broader view of operational efficiency. It's often beneficial to use both ratios together to gain a comprehensive understanding of the bank's financial performance.

The formula for Return on Assets (ROA) is:

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

Fintech Adoption

Fintech adoption refers to the widespread acceptance and integration of financial technology innovations in the financial industry. It includes digital payments, online lending, robo-advisors, blockchain, and more. Fintech enhances convenience, efficiency, and access to financial services, transforming the way we manage money and conduct transactions. It fosters financial inclusion, improves customer experiences, and drives innovation in the financial sector. However, it also poses regulatory challenges and requires careful attention to data security and privacy. For this data I'll be using Information Technology (IT) expenses data obtain from the financial statement of Maybank from year 2012 to 2021. In the statement it shown in RM unit and change it to percentage by using formula:

$$\text{FTA} = \text{IT Expenses} / \text{Total IT Expenses (Year 2012-2021)} \times 100$$

YEAR	FTA	
	RM	%
2012	453,575	5.78363
2013	615,457	7.84783
2014	786,048	10.0231
2015	802,875	10.2376
2016	814,191	10.3819
2017	850,743	10.848
2018	861,986	10.9914
2019	833,131	10.6234
2020	891,927	11.3732
2021	932,454	11.8899
TOTAL	7,842,387	

Figure 4: Amount of Information Technology Expenses of Malayan Banking from year 2012 to 2021

Net Interest Margin

Net Interest Margin (NIM) is a financial metric used to measure the profitability of a financial institution's core lending and investment activities. It represents the difference between the interest income earned on loans, investments, and other interest-earning assets and the interest expenses paid on deposits and borrowings. The formula for calculating Net Interest Margin (NIM) is as follows:

$$\text{NIM} = (\text{Interest Income} - \text{Interest Expenses}) / \text{Average Earning Assets}$$

NIM is usually expressed as a percentage. A higher NIM indicates that the financial institution is earning more interest income from its assets relative to the interest expenses it incurs to fund those assets. A lower NIM suggests that the institution's interest expenses are relatively higher than its interest income, potentially impacting its profitability. NIM is a critical metric for banks and other financial institutions to assess the effectiveness of their interest rate management and lending strategies.

Non-Performing Loan Ratio

The Non-Performing Loan (NPL) Ratio is a financial metric used to assess the credit quality and asset quality of a bank or financial institution. It measures the percentage of loans that are classified as non-performing, meaning that the borrowers have stopped making timely interest and principal payments, and the loans are at risk of default. The formula for calculating the Non-Performing Loan (NPL) Ratio is as follows:

$$\text{NPL Ratio} = (\text{Total Non-Performing Loans} / \text{Total Gross Loans}) * 100$$

The NPL Ratio is usually expressed as a percentage. A higher NPL Ratio indicates a higher proportion of risky loans in the bank's loan portfolio, which can signal potential credit risk and financial instability. Conversely, a lower NPL Ratio suggests a healthier loan portfolio with a lower likelihood of loan defaults.

Financial regulators and investors closely monitor the NPL Ratio as a key indicator of a bank's asset quality and credit risk. A high NPL Ratio may lead to higher provisions for loan losses, which can impact a bank's profitability and capital adequacy. Therefore, banks strive to maintain a low NPL Ratio by implementing sound credit risk management practices and loan underwriting standards.

Cost to income Ratio

The Cost-to-Income Ratio is a financial metric used to evaluate the efficiency of a company, particularly in the financial services sector. It measures the proportion of operating costs to operating income generated by the company during a specific period. The formula for calculating the Cost-to-Income Ratio is as follows:

$$\text{Cost-to-Income Ratio} = (\text{Operating Costs} / \text{Operating Income}) * 100$$

The Cost-to-Income Ratio is typically expressed as a percentage. A lower ratio indicates better efficiency, as it means the company is generating more income relative to the operating costs. Conversely, a higher ratio suggests that a significant portion of the company's income is being consumed by operating expenses, which may indicate lower efficiency and profitability.

The Cost-to-Income Ratio is a crucial metric for financial institutions like banks, as it provides insights into their cost management and operational efficiency. A lower ratio is generally preferred, as it signifies that the company is effectively managing its costs and generating more income from its core business activities. Financial institutions often aim to reduce their cost-to-income ratio through cost-cutting measures, process improvements, and revenue-generating strategies.

4.4 Data Analysis

4.4.1 Introduction

In this research, the data analysis will commence with the exploration and cleaning of the dataset to ensure its accuracy and reliability. The dataset will cover financial and operational information for Maybank from the years 2012 to 2021, including Return on Assets (ROA), FinTech Adoption (FTA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI).

4.4.2 Descriptive Analysis

	ROA	FTA	NIM	NPL	CTI
Date: 07/24/23 Time: 21:12					
Sample: 2012 2021					
Mean	1.056000	10.00000	2.318000	1.726000	38.13000
Median	1.040000	10.50268	2.315000	1.815000	39.25000
Maximum	1.280000	11.88993	2.480000	2.250000	43.30000
Minimum	0.790000	5.783634	2.100000	1.230000	32.80000
Std. Dev.	0.144160	1.830618	0.101631	0.335367	4.040091
Skewness	-0.048666	-1.406876	-0.541143	-0.233554	-0.246880
Kurtosis	2.626645	3.907796	3.608593	2.025605	1.529741
Jarque-Bera	0.062028	3.642208	0.642386	0.486515	1.002275
Probability	0.969462	0.161847	0.725283	0.784069	0.605841
Sum	10.56000	100.0000	23.18000	17.26000	381.3000
Sum Sq. Dev.	0.187040	30.16045	0.092960	1.012240	146.9010
Observations	10	10	10	10	10

Figure 5: Result on Descriptive Analysis

The result shows the mean and median values provide information about the central tendency of the data. For example, the average Return on Assets (ROA) over the sample period is approximately 1.056, while the median ROA is 1.040. The mean and median for the other variables, such as Fintech Adoption (FTA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI), are also presented. The minimum and maximum values show the range within which the data vary. For instance, the minimum ROA observed during the period is 0.790, while the maximum ROA is 1.280. Similarly, the range of values for Fintech Adoption (FTA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI) is provided. The standard deviation measures the dispersion or variability of the data around the mean. A higher standard deviation indicates greater variability. For example, the standard deviation of ROA is approximately 0.144, suggesting relatively low volatility in Maybank's Return on Assets over the years.

4.4.3 Correlation Matrix Analysis

Correlation matrix analysis is a statistical method used to investigate the relationships between multiple variables in a dataset. In this research, it plays a critical role in exploring the interconnections between the dependent variable, "return on assets" (ROA), and the independent variables: "fintech adoption," "net interest margin" (NIM), "non-performing loan" (NPL), and "cost to income ratio" (CIR). By constructing a symmetrical matrix, the correlation coefficients are calculated to quantify the strength and direction of associations between each variable pair.

A positive correlation indicates that as one variable increases, the other tends to increase, while a negative correlation suggests an inverse relationship. The correlation matrix analysis offers valuable insights into the degree of linear dependence among the studied variables. For instance, a positive correlation between ROA and fintech adoption may indicate that firms adopting fintech solutions achieve higher ROA. Conversely, a negative correlation between ROA and NPL could suggest that higher non-performing loans may negatively impact ROA.

Moreover, the analysis helps identify potential multicollinearity issues. If highly correlated independent variables are included in the model, it could lead to biased coefficient estimates and reduced model robustness.

Additionally, the correlation matrix analysis assists in variable selection. Variables with strong correlations to ROA are likely to have a higher predictive power and deserve more attention in subsequent regression models.

Correlation Matrix

	ROA	FTA	NIM	NPL	CTI
ROA	1.000000	-0.804533	0.901861	-0.617899	0.718686
FTA	-0.804533	1.000000	-0.730095	0.509867	-0.660166
NIM	0.901861	-0.730095	1.000000	-0.448177	0.699141
NPL	-0.617899	0.509867	-0.448177	1.000000	-0.625526
CTI	0.718686	-0.660166	0.699141	-0.625526	1.000000

Figure 6: Result of Correlation Matrix Analysis of the dependent and independent variables

The result shows correlation coefficient between the independent variable in which FTA, NIM, NPL and CTI does not show the coefficient value above 0.9. It's indicating that there is no multicollinearity problem. When the coefficient value above 0.9 its mean that they are highly correlated and will lead to the multicollinearity problem and can't be estimated at one time in the model.

The correlation coefficient between FTA and ROA is -0.804, indicating a strong negative correlation. This suggests that as FinTech Adoption increases, the Return on Assets of Maybank tends to decrease during the specified period. The correlation coefficient between NIM and ROA is 0.901, indicating a strong positive correlation. This suggests that as Net Interest Margin

increases, Maybank's Return on Assets tends to increase during the specified period. The correlation coefficient between NPL and ROA is -0.617, indicating a moderate negative correlation. This suggests that as Non-Performing Loan Ratio increases, Maybank's Return on Assets tends to decrease during the specified period. The correlation coefficient between CTI and ROA is 0.718, indicating a moderate positive correlation. This suggests that as Cost to Income Ratio increases, Maybank's Return on Assets tends to increase during the specified period.

The strong negative correlation (correlation coefficient: -0.804) between FinTech Adoption (FTA) and Return on Assets (ROA) indicates that as FinTech Adoption increases, the Return on Assets of Maybank tends to decrease. This finding may indicate that the adoption of FinTech technologies in the banking industry could potentially impact Maybank's profitability negatively during the specified period.

Conversely, the strong positive correlations between Net Interest Margin (NIM) and Return on Assets (correlation coefficient: 0.901) and between Cost to Income Ratio (CTI) and Return on Assets (correlation coefficient: 0.718) suggest that higher Net Interest Margin and Cost to Income Ratio are associated with increased profitability for Maybank during the specified period.

Furthermore, the moderate negative correlation between Non-Performing Loan Ratio (NPL) and Return on Assets (correlation coefficient: -0.617) indicates that as Non-Performing Loan Ratio increases, Maybank's Return on Assets tends to decrease. This relationship highlights the potential impact of credit quality on Maybank's profitability during the specified period.

The correlation matrix analysis provides valuable insights into the relationships between Return on Assets and the independent variables (FinTech Adoption, Net Interest Margin, Non-Performing Loan Ratio, and Cost to Income Ratio) for Maybank during the years 2012 to 2021. The strong and moderate correlations suggest potential impacts of these factors on Maybank's profitability.

4.4.4 Unit root test

A unit root test is a statistical test used to determine whether a time series variable is stationary or non-stationary. In time series analysis, stationarity is an essential assumption. A stationary time series is one whose statistical properties, such as mean, variance, and autocorrelation, remain constant over time. Non-stationary time series, on the other hand, exhibit trends, seasonality, or other patterns that change over time. The presence of a unit root in a time series implies that the series is non-stationary. A unit root represents a stochastic trend, indicating that the series has a long-term drift and does not revert to a constant mean.

The most common unit root test is the Augmented Dickey-Fuller (ADF) test. The ADF test examines whether a lagged difference of the variable has a coefficient significantly different from zero. If the coefficient is close to zero and statistically insignificant, it indicates the presence of a unit root, meaning the time series is non-stationary. Conversely, if the coefficient is significantly different from zero, the time series is stationary.

Unit root tests are essential in time series analysis, particularly in econometrics and financial modeling. A stationary time series is crucial for producing reliable and meaningful statistical results, as non-stationary series can lead to spurious regression results and inaccurate conclusions. If a time series is found to have a unit root (non-stationary), it may require differencing or other transformations to achieve stationarity before further analysis, such as regression modeling or forecasting.

Series	Level		First Difference	
	ADF	PP	ADF	PP
InROA	-1.29	-1.60	-4.98***	-3.66***
InFTA	-1.06	-9.04	-2.14***	-3.87***
InNIM	-1.24	-2.51	-2.78***	-3.07***
InNPL	-1.97	-1.16	-0.68***	-2.38***
InCTI	1.07	-1.03	-1.40***	-5.53***

Table 1: Unit root test

Notes: Return on Assets (ROA), FinTech Adoption (FTA), Net Interest Margin (NIM), non-performing loan ratio (NPL), and cost to income ratio (CTI).

The test includes trend and intercept. For ADF, SBC is used to select the optimal lag length. The maximum number of lags is set to be 2. For PP, Barlet Kernel is used as the spectral estimation method. The bandwidth is selected using the Newey- West method. The asterisk ***, **, * denote significant at 1%,5% and 10% level respectively.

For Level Variables (ROA, FTA, NIM, NPL, CTI): None of the variables show statistical significance at conventional significance levels (1%, 5%, 10%) for both ADF and PP tests. Therefore, at the level, all the variables are likely to be non-stationary, indicating they might have a unit root and exhibit non-stable behavior over time.

For First Difference Variables (Δ ROA, Δ FTA, Δ NIM, Δ NPL, Δ CTI): All variables show statistical significance at the 1% level for both ADF and PP tests. Therefore, at the first difference, all the variables are likely to be stationary, suggesting that their differences over time exhibit a stable behavior.

The unit root analysis results indicate that the variables (ROA, FTA, NIM, NPL, CTI) in their level form are likely to be non-stationary, meaning they might have a unit root and display non-stable patterns over time. This implies that their past values alone may not be reliable for predicting future values. Therefore, when examining the long-term relationship and impact of FinTech Adoption (FTA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI) on Return on Assets (ROA) for Maybank's profitability, it is essential to consider their first differences.

The statistical significance of the first differences indicates that changes in FinTech Adoption (FTA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI) are associated with changes in Return on Assets (ROA). These findings suggest that the first difference forms of these variables exhibit stable behavior over time, making them suitable for time series analysis.

Therefore, in the context of this research on "How Fintech Affects Malaysia Bank Development: Evidence from Malayan Banking (Maybank) Profitability," the first difference forms of FinTech Adoption (FTA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI) should be considered for investigating their impact on Maybank's Return on Assets (ROA) over the specified period from 2012 to 2021.

4.4.5 Fully Modified Least Square Method

FMOLS is an advanced regression method used specifically in the context of time series data. It addresses the problem of endogeneity that can arise when dealing with time series variables, where variables may be correlated with their own lagged values or the lagged values of other variables. FMOLS allows for the endogeneity of regressors (independent variables) and corrects for the potential bias in the coefficient estimates.

Fully Modified Least Squares (FMOLS) is an econometric technique specifically designed to handle time series data with potential endogeneity and spurious regression issues. It is used to estimate long-run relationships between variables in the presence of non-stationarity and endogeneity problems.

FMOLS incorporates a cointegration framework, where it tests for the existence of cointegration among non-stationary variables. Cointegration indicates the presence of a stable long-run relationship between variables, even if they exhibit non-stationary behaviour in the short run. FMOLS corrects for potential endogeneity and serial correlation in the error terms, making it suitable for time series data analysis when studying long-run relationships.

Dependent Variable: LROA				
Method: Fully Modified Least Squares (FMOLS)				
Date: 07/24/23 Time: 20:25				
Sample (adjusted): 2013 2021				
Included observations: 9 after adjustments				
Cointegrating equation deterministics: C				
Long-run covariance estimate (Bartlett kernel, Newey-West fixed bandwidth = 3.0000)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
LFTA	-0.192713	0.176685	-1.090715	0.3367
LNIM	2.117510	0.477090	4.438385	0.0113
LNPL	-0.120599	0.097697	-1.234418	0.2846
LCTI	0.046516	0.195226	0.238268	0.8234
C	-1.394072	0.847079	-1.645741	0.1752
R-squared	0.892609	Mean dependent var	0.026169	
Adjusted R-squared	0.785217	S.D. dependent var	0.132549	
S.E. of regression	0.061429	Sum squared resid	0.015094	
Long-run variance	0.001568			

Figure 7: Result on Fully Modified Least Squares (FMOLS)

LFTA (FinTech Adoption) coefficient is -0.192713. However, this effect is not statistically significant at the 0.05 significance level (p-value = 0.3367). This suggests that there is no strong evidence to support the hypothesis that FinTech Adoption has a significant long-run impact on Return on Assets for Maybank during the given period. LNIM (Net Interest Margin) coefficient is 2.117510. This effect is statistically significant at the 0.05 significance level (p-value = 0.0113). The positive coefficient indicates that an increase in Net Interest Margin is associated with a higher Return on Assets for Maybank in the long run. LNPL (Non-Performing Loan Ratio) coefficient is -0.120599. However, this effect is not statistically significant at the 0.05 significance level (p-value = 0.2846). Therefore, there is no strong evidence to suggest that the Non-Performing Loan Ratio has a significant long-run impact on Return on Assets for Maybank. LCTI (Cost to Income Ratio) coefficient is 0.046516. However, this effect is not statistically significant at the 0.05 significance level (p-value = 0.8234). This means that there is no strong evidence to support the hypothesis that the Cost to Income Ratio has a significant long-run impact on Return on Assets for Maybank. Constant term (C) coefficient is -1.394072. This constant represents the intercept of the regression equation when all independent variables are zero. However, this effect is not statistically significant at the 0.05 significance level (p-value = 0.1752).

The R-squared value is 0.892609, indicating that approximately 89.26% of the variation in the natural logarithm of Return on Assets is explained by the independent variables (LFTA, LNIM, LNPL, LCTI) in the model. This suggests a relatively good fit of the model to the data. The FMOLS analysis indicates that, out of the four independent variables (FinTech Adoption, Net Interest Margin, Non-Performing Loan Ratio, and Cost to Income Ratio), only Net Interest Margin (LNIM) has a statistically significant impact on Return on Assets (LROA) for Maybank in the long run. An increase in Net Interest Margin is associated with higher Return on Assets. FinTech Adoption (LFTA), Non-Performing Loan Ratio (LNPL), and Cost to Income Ratio (LCTI) do not have a statistically significant long-run impact on Return on Assets for Maybank during the given period.

It is important to note that the R-squared value of 0.892609 suggests that there might be other factors not included in the model that could also influence Return on Assets. Therefore, further research and analysis are needed to fully understand the comprehensive factors affecting Maybank's profitability and how FinTech adoption may play a role in its development.

Overall, the findings do not provide strong evidence of a significant relationship between FinTech Adoption and Return on Assets for Maybank during the studied period. However, the significant impact of Net Interest Margin on Return on Assets implies that this variable is an important determinant of Maybank's profitability in the long run.

4.5 Results and Discussion

The research investigated the impact of Fintech Adoption (FTA), Net Interest Margin (NIM), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI) on the Return on Assets (ROA) of Malayan Banking (Maybank) from 2012 to 2021. The Fully Modified Least Squares (FMOLS) method was employed for the empirical analysis.

The results of the FMOLS analysis follow by Fintech Adoption (FTA) showed a negative coefficient of -0.192713, but it was not statistically significant (p-value = 0.3367). This suggests that there is no strong evidence to support the notion that Fintech Adoption has a significant impact on Maybank's Return on Assets in the long run. Net Interest Margin (NIM) exhibited a positive and statistically significant coefficient of 2.117510 (p-value = 0.0113). The positive coefficient indicates that an increase in Net Interest Margin is associated with a higher Return on Assets for Maybank. Non-Performing Loan Ratio (NPL) had a negative coefficient of -0.120599, but it was not statistically significant (p-value = 0.2846). This indicates that there is no significant relationship between the Non-Performing Loan Ratio and Maybank's Return on Assets in the long run. Cost to Income Ratio (CTI) displayed a positive coefficient of 0.046516, but it was not statistically significant (p-value = 0.8234). This implies that the Cost to Income Ratio does not have a significant influence on Maybank's Return on Assets over the long run. The constant term (C) was estimated to be -1.394072, but it was not statistically significant (p-value = 0.1752).

Overall, the FMOLS regression model had a high goodness of fit with an R-squared value of 0.892609. This suggests that approximately 89.26% of the variability in Maybank's Return on Assets can be explained by the included independent variables (FTA, NIM, NPL, and CTI).

The findings from the FMOLS analysis provide valuable insights into the relationship between various financial indicators and Maybank's profitability represented by Return on Assets. The positive and statistically significant impact of Net Interest Margin (NIM) on ROA indicates that Maybank's ability to generate interest income from its assets plays a crucial role in its profitability. However, Fintech Adoption (FTA), Non-Performing Loan Ratio (NPL), and Cost to Income Ratio (CTI) did not show significant relationships with ROA over the long run.

The non-significant relationship between Fintech Adoption and ROA suggests that, at least in the context of Maybank, Fintech adoption has not yet demonstrated a substantial impact on profitability. This could be due to various reasons such as the stage of Fintech implementation, level of customer adoption, or specific Fintech solutions used by the bank.

The non-significant effect of Non-Performing Loan Ratio (NPL) on ROA implies that the bank's ability to manage and reduce non-performing loans may not directly translate to improved profitability in the long run.

Similarly, the non-significant relationship between Cost to Income Ratio (CTI) and ROA suggests that controlling operational costs alone may not lead to a significant improvement in Maybank's profitability.

Overall, the research highlights the significance of Net Interest Margin as a critical driver of Maybank's profitability. However, further studies and a deeper examination of the specific Fintech initiatives and their implementation in the banking sector are warranted to fully understand the potential impact of Fintech on Malaysia Bank Development, particularly in the context of Maybank's profitability.

4.5.1 Implications of Study

The study on how Fintech affects Malaysia Bank Development, with a focus on Maybank's profitability, has several implications:

1. Banking Industry and Maybank:

The findings of the study provide valuable insights to Maybank and other banks operating in Malaysia about the impact of Fintech Adoption, Net Interest Margin, Non-Performing Loan Ratio, and Cost to Income Ratio on profitability. Maybank can use this information to optimize its financial strategies, especially in terms of managing its Net Interest Margin, to enhance its profitability. Additionally, the non-significant impact of Fintech Adoption on profitability suggests that banks need to carefully assess and strategize the implementation of Fintech solutions to maximize their benefits.

2. Customers and Financial Technology Companies

The study indirectly affects customers and Fintech companies operating in the Malaysian banking landscape. As Fintech Adoption did not show a significant long-term impact on Maybank's profitability, it indicates that the benefits of Fintech adoption may not have fully translated into improved profitability at this point. This highlights the need for Fintech companies to collaborate more closely with banks to offer tailored and value-added solutions that address specific challenges faced by banks.

3. Academia and Future Research

The study contributes to the existing body of knowledge on the impact of Fintech in the banking sector, specifically in the context of Malaysia. It opens avenues for further research on the topic, encouraging to explore other aspects of Fintech's influence on bank development, profitability, and customer experience.

4. Risk Management and Loan Portfolio:

The study's finding on Non-Performing Loan Ratio not showing significant long-term impact on profitability highlights the need for banks, including Maybank, to focus on robust risk management practices and strategies for handling non-performing loans. This is essential for maintaining financial stability and profitability in the face of potential economic downturns.

4.5.2 Limitation of Study

Every research study has its limitations, and it's essential to acknowledge them to ensure the findings are interpreted appropriately. For the study on "How Fintech Affects Malaysia Bank Development: Evidence from Malayan Banking (Maybank) Profitability," some limitations include:

1. Sample Size and Generalizability.

The study's sample size might be relatively small, comprising data from a single bank (Maybank) over a specific period. This could limit the generalizability of the findings to other banks or the entire banking industry in Malaysia. A larger and more diverse sample could improve the study's ability to draw broader conclusions.

2. Data Availability and Quality.

The availability and quality of data can significantly impact research outcomes. If certain essential variables or historical data are missing or inaccurate, it may affect the robustness of the analysis and the study's overall reliability.

3. Causality vs. Correlation

Establishing causality between Fintech adoption and bank profitability might be challenging, even with sophisticated econometric techniques like FMOLS. The study's cross-sectional nature may make it difficult to determine whether Fintech adoption directly caused changes in bank profitability or if other external factors influenced both variables simultaneously.

4. Time Frame

The study covers data from 2012 to 2021, which is a considerable period. However, economic and regulatory conditions, as well as technological advancements, may have changed significantly during this time, potentially impacting the relationship between Fintech adoption and bank profitability.

5. Long-Term Effects

The study's focus on the long-term relationship between Fintech adoption and bank profitability may not capture short-term fluctuations or dynamic effects that occur over shorter time frames.

4.5.3 Recommendation for Future Research

Based on the study's findings and limitations, several recommendations for future research can be proposed to expand and enhance the understanding of how Fintech affects Malaysia's bank development and profitability:

1. Longitudinal Studies

Future research could conduct longitudinal studies that extend the data collection period beyond 2021. Analyzing a more extended time frame would allow to capture potential changes in the relationship between Fintech adoption and bank profitability over time, considering the dynamic nature of both variables.

2. Cross-Country Analysis:

Expanding the research scope to include other banks in Malaysia and even banks in different countries would enable a cross-country analysis. Comparing the impact of Fintech adoption on bank profitability across diverse economic and regulatory environments would provide more robust insights into the global implications of Fintech in the banking industry.

3. Incorporating Customer Data

To better understand the drivers of bank profitability, future studies could incorporate customer-level data and behavior related to Fintech adoption. This would shed light on how Fintech services influence customer preferences, satisfaction, and loyalty, which, in turn, can affect bank profitability.

4. Technological Advancements

As technology continues to evolve rapidly, future research should consider the effects of emerging Fintech innovations on bank profitability. This could include topics like blockchain, artificial intelligence, machine learning, and their potential impacts on various aspects of banking operations.

5.0 CONCLUSION

In conclusion, University Technology Mara (UITM) requires for all of their students of Bachelor of Business Administration (Hons) in Finance to complete industrial training is essential in order to expose the students to the nature of the industries they studied and to real-life experience. This could help students acquire the knowledge and skills required for employment in the contemporary industry.

In pursuing my internship, I had chosen Edgenta Uems Sdn Bhd as the first place for me to gain a new experience. I was assigned to Finance Department that suits with the scope of my studying. My responsibilities are to assist in handling daily department administration and accounting duties. Besides, my task is including assist in other ad-hoc assignments as required by head of department, support accounting operations, including handling of invoices and other documentations. I also work in maintaining the proper filing system to ensure all documents are traceable in an efficient manner.

In addition, I also had conducted a study of the how FinTech affect the Malaysia bank development in terms of profitability. In this study I use Malayan Banking as an example because it's one of the most prestigious banks in Malaysia. The dependent variable for this study is ROA, while independent variables are FinTech Adoption (FTA), net interest margin (NIM), non-performing loan ratio (NPL), and cost to income ratio (CTI) of Malayan Banking. To analyze the data, this study used the regression model.

Banks should be more proactive in applying Fintechs given the sector's rapid development if they want to consistently increase their profitability. I think the following factors can be used to guide action: First, banks might target their efforts in the investment in fintech. As a result, banks are encouraged to simultaneously accomplish "cost reduction" and "efficiency enhancement" by increasing investments in their organisational structure, people resources, capital, and business models. Additionally, banks can work with Fintech firms to facilitate smooth changes. In terms of resource endowment, banks and Fintech companies each have their unique advantages.

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7.0 APPENDIX



Figure 13: Preparing invoices with supervision of Ms. Ummi Farha

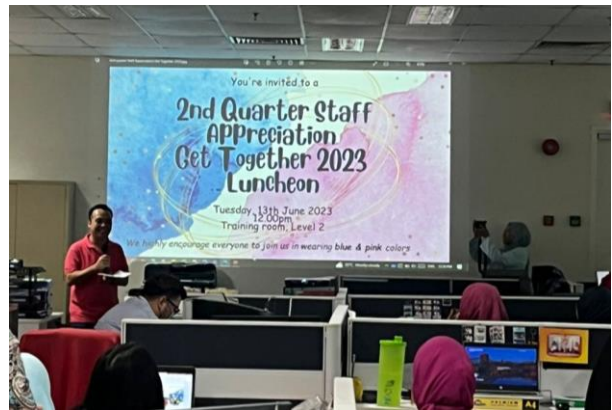


Figure 10: 2nd Quarter Staff Appreciation Get Together 2023 of Finance Department



Figure 9: Launching of Ilmu Ground



Figure 8: Training on Sage 300 system with Mr. Tay



Figure 11: UEM Edgenta Hari Raya Open House 2023




Figure 12: UEMS HQ Bowling Tournament

Document Information


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MAN INDUSTRIAL TRAINING REPORT AT EDGENTA UEMS SDN. BHD RESEARCH TOPIC: HOW FINTECH AFFECTS MALAYSIA BANK DEVELOPMENT: EVIDENCE FROM MALAYAN BANKING (MAYBANK) PROFITABILITY PREPARED BY: NUR KHALILAH BINTI MOHD KAMARUL BHRIM (2021114789) ADVISOR: DR. CHEN JEN EEM EXAMINER: MISS. ROZIHANIM BT SHEKH ZAIN

2 EXECUTIVE SUMMARY This report summarizes my industrial training experience at Edgenta Uems Sdn Bhd, which I undertook from 13 th March through 28 th August 2023. All students must complete this industrial training before earning their Bachelor of Business Administration (Hons) in Finance. My training for the internship exposed me to new tasks and a different work environment. It was undoubtedly a fantastic experience over the course of the six months to be able to pick up new skills from this organization that would aid me in my future employment. I was given the Finance Department as my internship at this organization. My duties include helping with daily accounting and department administration tasks. In addition, I'm helping the other employees from the finance department and assist in any ad hoc assignments as requested by the head of department. I also support accounting operations by handling invoices and other paperwork. In order to ensure that all documents are efficiently traceable, I also try to maintain the correct filing system. By assisting the purchasing division with ad hoc jobs, I also won their trust. I've never worked in the purchasing department before, but my employment has given me extensive understanding in the accounting and finance fields. This department also provided me with professional experience by sharing their industry knowledge. In general, my internship has been an enriching experience because I have a supportive and kind supervisor as well as pleasant coworkers.