



**THE COMPARATIVE STUDY ON FINANCIAL PERFORMANCE
BETWEEN CITIBANK BERHAD AND STANDARD CHARTERED
BANK MALAYSIA BERHAD**

**CHE MUHAMAD AZLI BIN CHE AB HADI
2007129545**

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA**

OCTOBER 2010

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA

“DECLARATION OF ORIGINAL WORK”

I, CHE MUHAMAD AZLI BIN CHE AB HADI, (I/C NUMBER: 851026-03-5777)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

LETTER OF SUBMISSION

30TH October 2010

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
Melaka

Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper Titled “THE COMPARATIVE STUDY ON FINANCIAL PERFORMANCE BETWEEN CITIBANK BERHAD AND STANDARD CHARTERED BANK MALAYSIA BERHAD” to fulfill the requirement as needed by the faculty of Business Management, Universiti of Teknologi Mara.

Thank you

Yours sincerely,

.....

CHE MUHAMAD AZLI BIN CHE AB HADI
2007129545
Bachelor of Business Administration (Hons) Finance

THE COMPARATIVE STUDY ON FINANCIAL PERFORMANCE BETWEEN CITIBANK BERHAD AND STANDARD CHARTERD BANK MALAYSIA BERHAD

Abstract

This case study was conducted to evaluate the financial performance of both International banks that are operating in Malaysia, Citibank Berhad and Standard Chartered Bank Malaysia Berhad which come from a same banking sector. But, there is a different from their operation in running the business. For completion of this report, secondary data and other approaches such as common sizing, financial ratios and gap analysis has been use as a data collection. The data is taken from external sources such as journal, internet, and newspaper. The study examines four type of ratios include (1) common size, (2) liquidity, (3) capital structure and solvency, (4) Return on Investment

The main focus of this study is to compare financial performance measurement used by Citibank Berhad and Standard Chartered Bank Malaysia Berhad with the theory of the ratios based on financial statement analysis written by K.R. Subramanyam and John J. Wild in order to measure a bank's performance.

From the analysis, for current ratio the Standard Chartered Bank has higher current ratio in 2006, 2007 and 2008 than Citibank because it has more liquid assets and able to pay off its short-term debt. For quick ratio the Citibank has more liquid assets that can cover its liabilities. Citibank also shows a stable quick ratio from year 2006 until 2009. For total debt to asset the Standard Chartered Bank has more risk that it should take on their assets. For total debt to equity the Standard Chartered Bank need more in financing of assets is due to investors putting in money into the company than Citibank that has the lower ratios. For return on equity the Citibank Berhad is more efficient management in utilizing it equity base compared to Standard Chartered Bank. Lastly, for return on asset Citibank Berhad is more efficient in management of utilizing the assets ratio and better return to investment in the year 2006, 2007 and 2009 compared to Standard Chartered Bank which only very efficient in 2008.

Result from the financial analysis done provide that Citibank Berhad which is centered in America is more strong financial position and earned lower profit rather than the standard Chartered Bank Malaysia Berhad which is centered in Britain. Separate comparisons from their operation for both bank on this case study also showed significant performance different in every ratio category.