

**A STUDY ON PERFORMANCE OF COMMERCIAL BANK USING FINANCIAL  
RATIO**

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**Submitted in Partial Fulfillment of the Requirement for the  
Bachelor of Business Administration (Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT  
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## DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION (HONS)  
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### **“DECLARATION OF ORIGINAL WORK”**

**I, NUR FATHANAH BT KAMIS, (I/C Number: 850924-07-5012)**

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and 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 TRANSMITTAL

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1<sup>st</sup> May, 2008

Rabiatul Alawiyah Bt. Zainal Abidin  
The Head of Program  
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Dear Madam,

### **A STUDY ON PERFORMANCE OF COMMERCIAL BANK USING FINANCIAL RATIO**

I'm required to do a project paper on the above topic. I hereby submitted this report and I really hope that this work will fulfill the requirement for the Bachelor of Business Administration (Hons) Finance.

Thank you.

Yours sincerely,

NUR FATHANAH BT KAMIS  
2006851499  
Bachelor of Business Administration (Hons) Finance

## ACKNOWLEDGEMENT

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## ABSTRACT

Commercial banks are the largest and most important group of financial institution in Malaysia. However, the banks performance is differ from one and another. In order to know the performance, one of the best tools that can be use is financial ratio. This paper seeks empirical evidence on how the local and international commercial bank in Malaysia performs by using financial ratio. This study used three major financial ratio tools likes profitability, liquidity and credit risk ratio to look the each performance of commercial banks which had selected. Moreover, this study also used cross sectional analysis to make comparison each of banks selected. The banks that selected are Malayan Banking Berhad (MAYBANK), Hong Leong Bank Berhad, Standard Chartered Bank Malaysia Berhad and HSBC Bank Malaysia Berhad.

The finding found that HSBC Bank was giving the good performance among others three banks for the period of five years. Second best performance was Standard Chartered Bank and followed by MAYBANK. Hong Leong Bank in the last places based on the profitability, liquidity and credit risk ratio.