

UNIVERSITI TEKNOLOGI MARA

**THE DETERMINANTS OF
MALAYSIAN CONVENTIONAL
BANKS' PERFORMANCE: POST
GLOBAL FINANCE CRISIS**

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Thesis submitted in fulfillment of the requirements for
the degree of
**Bachelor Business Administration
(Hons) Finance**

Faculty of Business Management


June 2017

AUTHOR'S DECLARATION

I declare that the work in this project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results on my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

The purpose of this research is to recognize the determinants of conventional banking profitability in Malaysia. In more specific, the research is conducted to examine the bank's performance for post global financial crisis from the year 2008 to 2015. There are only 6 conventional banks that involve in this study and the period taken is for 8 current years. Data sources consists of total 48 observations were analyzed by using multiple regression analysis. The study use Return on Asset (ROA) as the proxy of dependent variable and 5 other independent variables which are Total Asset Turnover (TATO), Debt Ratio (DR), Bank Size (BS), Capital Adequacy Ratio (CAR) and Loan Deposit Ratio (LDR). All data is collected from DataStream. The research questions have been validated by using ordinary least square (OLS) for estimation in this study. The study revealed that the rating framework is partially supported with the significance level of 0.10 (10%) for management efficiency and liquidity. The result showed TATO, CAR and LDR had no significant but positive relationship with ROA. Whereas DR had significant but negative relationship with ROA. Then, BS had no significant but negative relationship with ROA. Among all variables only one variable that significant with the proxy of ROA which is DR. The research objectives and questions were fully addressed and justified based on statistical analysis and empirical researches. The significance of this study is contribution to theories enrichment, management decision making and policy makers. Limitations and implications have been clearly suggested in this study.

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TABLE OF CONTENTS

AUTHOR'S DECLARATION	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF SYMBOLS	xi
LIST OF ABBREVIATIONS	xii
CHAPTER ONE: INTRODUCTION	1
1.1 Introduction	1
1.2 Background Study	5
1.3 Problem Statement	6
1.4 Research Questions	8
1.4.1 Main Research Question	8
1.4.2 Specific Research Questions	8
1.5 Research Objectives	9
1.5.1 Main Research Objective	9
1.5.2 Specific Research Objectives	9
1.6 Significance Study	10
1.7 Scope Study	12
1.8 Limitation Of Study	12
1.8.1 Data Reliability And Period Constraint	12
1.8.2 Limited Source of Information	13
1.9 Definition Of Terms	13
1.9.1 Global Financial Crisis	13
1.9.2 Malaysian Conventional Banks	13
1.9.3 Profitability	15
1.9.4 Total Asset Turnover (Tato)	15
1.9.5 Debt Ratio (Dr)	16