

UNIVERSITI TEKNOLOGI MARA

**BOARD CHARACTERISTIC AND MALAYSIAN
COMMERCIAL BANKS' PERFORMANCE**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of 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 Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

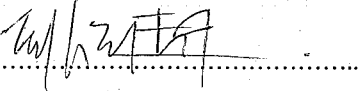
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ABSTRACT

After the Asian financial crisis in 1997-1998, Malaysian banking sector have significantly changed and recognized as the leading sector in Malaysia by their contribution to the economic growth. Malaysia been recognized as anti-risk country as the decision made by the government orthodoxy from International Monetary Fund (IMF) prescriptions and the result, Malaysia have better growth and development compared to suffering country after the crisis. Significant contribution towards economic growth and major control of financial system of Malaysian commercial banks have made the banking sector as a leading sector in Malaysia. Furthermore, board characteristic have become an important criteria in determining the banks' performance since the releasing of Malaysia Code of Corporate Governance (MCCG). Thus, this study intend to track the Malaysian commercial banks' performance in related to their board characteristics from year 2009 to 2017. The dependent variable in this study is Economic Value Added (EVA) indicator, as an approach in assessing banks' performance. The indicator is faithfully express the true economic profit of business. The independent variables used in this study are board size, ethnicity, board independence, and gender diversity. Pooled Ordinary Least Squared (OLS) regression have applied in this study. This study found that board size, board independence, and gender diversity are significant towards EVA.

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