



UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF
COMMERCIAL BANKS' LIQUIDITY
IN MALAYSIA: DURING AND POST
GLOBAL FINANCIAL CRISIS**

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

Faculty of Business Administration

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. 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 Johor, regulating the conduct of my study and research.


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LETTER OF SUBMISSION

21th December 2017

Dr. Roslina Binti Shafi,
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JOHOR DARUL TAKZIM.

Dear Dr. Roslina,

SUBMISSION OF PROJECT PAPER

Attached is the research report title “**Determinants of Commercial Banks’ Liquidity in Malaysia: During and Post Global Financial Crisis**” to fulfill the requirement as needed by the Faculty of Business Management Universiti Teknologi Mara. Thank you.

Best Regards,



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ABSTRACT

This paper is to investigate the determinants of commercial bank's liquidity in Malaysia. This study obtained secondary data from 16 Malaysia commercial banks which divided into two categories to make a comparative analysis between local and foreign commercial banks in the year 2008 until 2016 during world financial crisis and post-crisis with panel data regression analysis. The independent factors in this study have classified into bank-specific factor and macroeconomic factor. The internal factors (bank specific) that affect towards liquidity are including Capital adequacy, Profitability, and Non-performing Loan while external factors (macroeconomic) are Gross Domestic Product and Financial Crisis. Hence, Capital adequacy, Gross Domestic Product and Financial Crisis for both banks have a significant relationship on bank liquidity while Non-performing Loan is not significant for overall. Profitability is a significant relationship on bank liquidity for foreign banks but insignificant for local banks.

Keywords: Bank-specific, macroeconomic, commercial banks, local banks, foreign banks, regression analysis

TABLE OF CONTENTS

AUTHOR'S DECLARATION	1
LETTER OF SUBMISSION	iii
ABSTRACT	iii
ACKNOWLEDGEMENT	v
LIST OF TABLES	ix
LIST OF FIGURE	x
LIST OF DIAGRAM	xi
CHAPTER ONE INTRODUCTION	1
1.1 INTRODUCTION	1
1.2 BACKGROUND OF THE STUDY	2
1.3 PROBLEM STATEMENT	3
1.4 RESEARCH QUESTIONS	4
1.5 RESEARCH OBJECTIVES	4
1.6 SIGNIFICANT OF THE STUDY	5
1.7 SCOPE OF THE STUDY	5
1.8 LIMITATION OF THE STUDY	5
1.9 DEFINITION OF KEY TERMS	6
1.10 SUMMARY	7
CHAPTER TWO LITERATURE REVIEW	8
2.1 INTRODUCTION	8
2.2 REVIEW OF THE LITERATURE	8
2.2.1 Bank Liquidity	9
2.2.2 Capital Adequacy	10
2.2.3 Profitability	11
2.2.4 Non-Performing Loan	12
2.2.5 Gross Domestic Product	13