



UNIVERSITI TEKNOLOGI MARA

**THE EFFECT OF FINANCIAL
PERFORMANCE ON COMMERCIAL
BANKS IN UNITED KINGDOM**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
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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

Abstract: The purpose of this study is to investigate whether the effect of financial performance on the commercial banks in United Kingdom. The performance of the commercial banks in United Kingdom is done through one of measurements of financial performance which is Return on Equity (ROE). The study figures the main factors that affect the profitability on commercial banks through analysis of financial panel data of the banking sectors of United Kingdom. This research present with three models of financial performance analysis which influenced the factors. The models are based on regression analysis and the result is highlighting the relationship between the effects of commercial banks profitability stated through analysis of financial performance indicators. The research summaries that commercial banks' profitability in United Kingdom is mainly because of internal determinant factors such as capital adequacy, asset quality and the size of the banks.

Keywords: financial performance, commercial banks, determinants of profitability, ROE

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