



**UNIVERSITI TEKNOLOGI MARA**

**THE FACTORS OF MALAYSIAN  
BANKS' PROFITABILITY AFTER  
MERGER AND ACQUISITION**

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


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## AUTHOR'S DECLARATION

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

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## **ABSTRACT**

During the Asian financial crisis in year 1997, countries under International Monetary Fund (IMF) program are required to close down the small and weakest banking institutions. However, Malaysia government denied and initiated a bank merger program to restructure all the fifty four financial institutions into ten anchor banks in year 1999. Previously, many studies were done according this issue by using Data Envelopment Analysis (DEA) to study the effects of merger on Malaysia bank efficiency. However, the impact of merger and acquisition of Malaysian Bank is still vague. Hence, this study attempts to examine the factors that affect the profitability of bank after merging. In this study, financial analysis is used to see the relationship between the bank's profitability with the bank's liquidity ratio, business earning ability, and cost efficiency.

## TABLE OF CONTENTS

	<b>Page</b>
<b>AUTHOR'S DECLARATION</b>	<b>ii</b>
<b>ABSTRACT</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT</b>	<b>iv</b>
<b>TABLE OF CONTENTS</b>	<b>v</b>
<b>LIST OF TABLES</b>	<b>viii</b>
<b>LIST OF FIGURES</b>	<b>ix</b>
<b>LIST OF ABBREVIATION</b>	<b>x</b>
<b>CHAPTER ONE: INTRODUCTION</b>	
1.1 Introduction	1
1.2 Background of Study	1
1.3 Problem Statement	3
1.4 Research Questions	4
1.5 Research Objectives	4
1.6 Significance of Study	5
1.6.1 Malaysian Banks	5
1.6.2 Government	5
1.6.3 Investors	5
1.6.4 Educator	6
1.7 Scope of Study	6
1.8 Definition of Terms	6
1.8.1 Merger and Acquisition	6
1.8.2 Return on Equity	7
1.8.3 Liquidity Ratio	7
1.8.4 Business Earning Ability Ratio	7
1.8.5 Cost Efficiency Ratio	7

1.9 Summary	8
<b>CHAPTER TWO: LITERATURE REVIEW</b>	
2.1 Introduction	9
2.2 Literature Review on Merger and Acquisition	9
2.3 Literature Review on Bank's Profitability- ROE	10
2.4 Literature Review on Liquidity Ratio	11
2.5 Literature Review on Business Earning Ability	12
2.6 Literature Review on Cost Efficiency	13
2.7 Theoretical Framework	14
2.8 Summary	15
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b>	
3.1 Introduction	16
3.2 Sampling	17
3.3 Data Collection	17
3.4 Description on Dependent and Independent Variables	18
3.4.1 Return on Equity	18
3.4.2 Liquidity Risk Ratio	19
3.4.3 Business Earning Ability Ratio	20
3.4.4 Cost Efficiency	20
3.5 Research Design	21
3.6 Hypothesis Statement	22
3.7 Research Methodology	23
3.7.1 Descriptive Analysis	23
3.7.2 Correlation Analysis	24
3.7.3 Regression Analysis	24
3.7.3.1 T-test	25
3.7.3.2 F-test	26
3.7.3.3 Coefficient of Determination R-Squared	26
3.7.3.4 Adjusted R-Squared	26