

**LETTER OF SUBMISSION**

5<sup>th</sup> January 2020

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Dear Madam,

**SUBMISSION OF PROJECT PAPER (FIN672)**

Attached is the project paper title "**THE DETERMINANTS OF CAPITAL ADEQUACY OF COMMERCIAL BANKS IN MALAYSIA**" to fulfill the requirement as needed by the faculty of Business and Management, Universiti Teknologi Mara (UiTM).

Thank you.

Yours sincerely,



.....  
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## **ABSTRACT**

This research investigates the determinants of capital adequacy of Commercial Banks in Malaysia for the period of year 2009 until year to 2017 using Multiple Linear Regression and the Correlation Coefficient. The objective of these studies is to analyze the relationship between capital adequacy and profitability, bank size, leverage and liquidity and what the most significant variable that influence the capital adequacy. The study was conducted mainly by secondary sources and data was collected yearly from year 2009 until year 2017. To analyze the relationship between all the variables, the multiple regression analysis is performed to examine the relationship in a year from 2009 until 2017. The result concludes that for liquidity there is positive and insignificance relationship with the capital adequacy. Besides that, the bank size has negative and significance relationship with the capital adequacy. Next, the profitability has positive and significant relationship with the capital adequacy. Lastly, the leverage has positive and insignificance relationship with the capital adequacy.

**Keyword:** Capital Adequacy, Profitability, Leverage, Bank Size, Liquidity.