DETERMINANTS OF DIVIDEND POLICY IN BANKING SECTOR: EVIDENCE FROM MALAYSIA

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JANUARY 2019

Acknowledgement

In the name of Allah, the Most Merciful and the Most Gracious. Alhamdulillah, all praises to Allah for the strengths, idea and knowledge and His blessing to me along completing this research.

First and foremost, I would like to say my gratitude towards my advisor, Puan Zuraida binti Mohamad and my second advisor Dr Mohamad Shukri Johari for all the guidance and effort in the completion of this research. They are always assisting in giving a clear picture about the topic and guide to the right path and correcting mistakes from the consultations with them.

Besides, a very grateful acknowledge to all lecturers in Faculty of Business and Administration and a big thank to the Library Resources Center of Universiti Teknologi Mara (UiTM) Terengganu Kampus Dungun. Not to forget, a lot of thanks to my family and friends that always give me endlessly support to me indirectly or directly along the journey to complete this study.

Thank you.

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Abstract

This paper has been studied to investigate which factors will influence the dividend policy in banking sector evidence from Malaysia. Panel data were used in this study that cover the twenty years of period from 1998 until 2017 that has been comprised of eight commercial banks listed in Bursa Malaysia. All the data collected by yearly and had been analysed by using the framework of fixed effect model. The result shows that firm size (Size), leverage (LEV) and dividend yield (DY) have positively significant relationship with the dependent variable, dividend payout (DP). However, profitability (P) had a positive relationship but the result is insignificant with the dividend payout. In all, the future researchers need to study the factor influence the dividend policy by using others variables with a long period of time in order to obtain the relationship between the dividend payout.

Keywords: *dividend policy, dividend payout, profitability, firm size, leverage, dividend yield*