

Banking Systems in Malaysia and India

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Abstract

Banking systems of Malaysia and India are engaging universal attention as both managed to withstand the turmoil of the global financial crisis during 2008-2009. Banking industry in these economies started showing some signs of stress during the subsequent period are conditioned to a large extent by fragile recovery of the global financial markets as well as challenging operational environment on the domestic front with high inflation and muted performance. Against this backdrop the paper examines the performance of banking sector in Malaysia and India on select parameters such as ownership structure, return on assets, capital adequacy patterns and level of non-performing assets. The paper also details the major challenges that the Malaysian and the Indian banking sectors may face in the coming times due to ever changing global financial environment as well as high inflation prevailing in these economies.

Key Words: Banking, Banking systems, Global financial crisis, bank performance

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