



UNIVERSITI TEKNOLOGI MARA

**THE FACTORS INFLUENCING
THE CHANGES OF DEPOSIT
IN ISLAMIC BANK MALAYSIA
AND INDONESIA**

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ABSTRACT

The purpose of this research is to look at the factors that influence deposit changes in Islamic banks in the context of a Malaysia-Indonesia study. The mudharabah deposits are the subject of this article. It has been discovered that four variables are being evaluated in relation to this issue which are bank reserve, non-performing financing, rate of return and interest rate. The data for this research came from a variety of bank-related databases and annual reports. This study used secondary data from ten (10) selected Islamic banks in Malaysia and Indonesia from 2015 to 2019. The obtained data is investigated using panel data in this study. Descriptive analysis, correlation analysis, regression analysis, and normality analysis are all used to explain the findings in this study.

Keywords: Malaysia, Indonesia, Islamic Bank, Islamic Deposit, Non-performing Financing, Bank Reserve, Interest Rate, Rate of Return, Mudharabah Deposit

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CHAPTER 1: INTRODUCTION

1.1 Introduction

The true purpose of this chapter is to go over the steps involved in developing a research problem. Even though the specific methodology I am likely to apply is dependent on my research methodological experience, subject area knowledge, awareness of the topic to be researched, and the extent to which the study's objective is determined. Because not all topics lend themselves to research methodologies, convinced that the suggestion is appropriate, the significance of developing a research topic is also about to be discussed, as are the origins of research difficulties. This chapter focuses on exploring, discovering, or establishing a relationship or causality. Consider selecting a study topic as an example. Determine the problem areas that are most likely to arise. Based on research completed within the business, discuss how to address trouble areas that might affect work situations. Furthermore, while developing a study topic, many phases need to be followed. Working through these phases necessitates a basic comprehension of the study's broad issue area and the research methodology.

1.2 Background of the study

A bank is a financial institution that collects assets from the public in the form of deposits or savings and then returns the cash to the public while also providing additional banking services. There are two sorts of banking: conventional banking and Islamic banking. Islamic banking refers to a bank that implements Islamic law in its operations. Each banking industry segment has its market trend (Kashmir, 2008: 2). The biggest difference between Islamic and conventional banks is the interest rate given. The return earned by financing in Islamic banks is mostly from non-riba-based transactions that use profit rate as a baseline for generating a return. Profit rate implementation in Islamic banks is based on the Quran and hadith from which transactions are established.