



**THE RELATIONSHIP BETWEEN LIQUIDITY RISK AND PERFORMANCE OF  
BANKING SYSTEM IN MALAYSIA**

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**KOTA KINABALU, SABAH**

**JUNE 2019**

## **ACKNOWLEDMENT**

Firstly, I wish to thank God for giving me the opportunity to embark on my bachelor's degree and for completing this paper and challenging journey successfully. My gratitude and thanks go to madam Emilia Girau.

My appreciation goes to the UiTM in provided the facilities and my classmates that always sharing a useful information that contributing in completion of this paper, without their I couldn't do this.

Finally, this thesis is dedicated to the loving memory of my very dear father and mother for the vision and determination to educate me. This piece of victory is dedicated to both of you. Alhamdulillah.

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## **ABSTRACT**

This paper objective to examine the relationship between liquidity risk and performance of banking system in Malaysia, using the measurement of Funding Liquidity Risk, Liquid Asset Ratio for liquidity risk and the profitability of the banks for the performance. The result found out that there is significant relationship between both variables based on the fixed effect regression, the sample of this paper consist of 10 public listed banks in Kuala Lumpur Stock Exchange for the period of 2009 until 2018 which is 10 years period.