



**DETERMINANTS OF DIVIDEND POLICY OF FOREIGN BANKS IN
MALAYSIA**

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ABSTRACT

Dividend policy has been analyzed for many decades, but no universally accepted explanation for companies observed dividend behavior has been established. The purpose of this study is to investigate the determinants of dividend policy based on foreign banks in Malaysia. There are 10 foreign banks that were chosen as sample using panel data analysis from 2009 until 2018. The dependent variable in this paper is dividend policy while the factors examined in this study includes profitability (ROA), leverage, size of firm and cash liquidity. The result shows that the dividend payout ratio are positively and significantly affected by profitability and size of firm but are negatively affected by liquidity and leverage.

Keywords: dividend policy, profitability (ROA), leverage, size of firm, cash liquidity, Malaysia.