



**LIQUIDITY RISK TOWARDS CONVENTIONAL BANKS AND ISLAMIC
BANKS PERFORMANCE: EVIDENCE FROM THE MALAYSIAN LOCAL
BANKS**

DAYANG NORALIZAH BINTI ALIAS

2015148967

BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

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ABSTRACT

The main objective of this study is to assess the relationship between net liquidity gap as a proxy to the liquidity risk towards return on assets and return on equity as proxies to measure the Conventional Banks and Islamic Banks performance. Liquidity risk is important measures for company in the determination of the company performances. This study analyze the objective using the time frame of 6 years from 2011 to 2016 where the data for both Conventional and Islamic Banks available. A descriptive survey design using quantitative research with data collected from the secondary sources was applied in this study. The most significant that affecting the bank performances is return on asset on Islamic Banks. This study recommends future researcher to study the liquidity risk as exogenous determinant of bank performance. Another suggestion is to focus on another sector for comparison purpose.