ANALYSIS OF FACTOR RELATION ON LIQUIDITY TOWARDS ISLAMIC BANKING IN MALAYSIA

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ABSTRACT

This paper objective to examine the relationship between liquidity with the size and return on asset (ROA). The investigation has been performed using panel data for a sample of 11 local Islamic Bank listed on Bank Negara Malaysia (BNM) which covers a period of 10 years from year 2009 until year 2018. Liquidity as independent variable used in this study are measured by quick asset to liabilities. Therefore, used the size and return on asset (ROA) as dependent variable. The results indicate no significant relationship between the dependent variable and independent variable based on Ordinary Least Square (OLS) regression.

Keywords: Islamic Banking, Liquidity, Size, Return on Asset (ROA), Bank Negara Malaysia (BNM)