



**A STUDY OF OPERATIONAL EFFICIENCY: COMPARATIVE STUDY  
BETWEEN ISLAMIC AND CONVENTIONAL BANKS IN MALAYSIA**

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## **ABSTRACT**

The objective of this study is to identify any significant different in operational efficiency in both Islamic and conventional banks in Malaysia. A non-parametric approach known as Data Envelopment Analysis (DEA) is used to estimate efficiency in this study. 10 Islamic banks and 10 conventional banks took as a sample of the study. The operating efficiency of banks is measured using total loans and liquid asset as output variables. General and administrative expenses, fixed asset and total deposit as input variables. The expected findings for this study is there are significant different in operational efficiency in Islamic and conventional banks in Malaysia. The result of the study might be beneficial for existing Islamic and conventional bankers to enable them to enhance their performance.