



DETERMINANTS OF CAPITAL ADEQUACY IN
COMMERCIAL BANKS IN MALAYSIA

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ABSTRACT

The study is to explain and determine the determinants of Capital Adequacy in Commercial Banks in Malaysia. In this research paper, capital adequacy as the dependent variables and return on asset, return on equity, bank size and liquidity risk as independent variables. The time frame use in this study is from 2004 until 2013 (10 years). It also uses Panel and Cross Sectional technique in finds out the relationship between the variables by using STATA 11 software. However, the result from regression analysis shows that, there are insignificant relationship between the dependent variable and independent variables in Commercial Banks in Malaysia. It suggested that, it should use other independent variables that can influence the dependent variables.