© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
   a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
   b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

DETERMINANTS OF ISLAMIC BANK'S FINANCIAL PERFORMANCE IN MALAYSIA

ABISAG CARENT

Submitted in Fulfilment of the Requirements for the Degree of Bachelor in Finance

MANAGEMENT AND SCIENCE UNIVERSITY

2023

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian , penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

CERTIFICATION OF THESIS

I/ We, the undersigned, certify that

ABISAG CARENT

candidate for the degree of

BACHELOR IN FINANCE

has presented his/her thesis/dissertation of the following title

DETERMINANTS OF ISLAMIC BANK'S FINANCIAL PERFORMANCE IN MALAYSIA

as it appears on the title page and front cover of the thesis/dissertation that the research is acceptable in format and content and that a satisfactory knowledge of the field is covered by the thesis/dissertation.

POLITEKNIK NEGERI JAKARTA

Assoc Prof Dr Aza Azlina Md Kassim

Supervisor

Farah Binti Alias

Co-Supervisor

Assoc Prof Nurul Asyikeen Abdul Jabar

Dean

GRADUATE SCHOOL OF MANAGEMENT

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian , penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

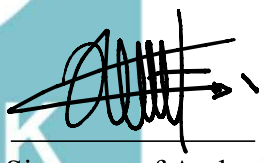
THESIS COPYRIGHT/AGREEMENT

AUTHOR : **ABISAG CARENT**

TITLE : **DETERMINANTS OF ISLAMIC BANK'S FINANCIAL PERFORMANCE IN MALAYSIA**

DEGREE : **BACHELOR IN FINANCE**

Permission is herewith granted to Management & Science University to circulate and to have copied for non-commercial purposes, at its discretion, the above title upon the request of individuals or institutions.



Signature of Author

POLITEKNIK NEGERI JAKARTA

The author does not reserve other publication rights and the thesis nor may extensive extracts from it be printed or otherwise reproduced without the author's written permission. The author attests that permission has been obtained for the use of any copyrighted material appearing in the thesis (other than the brief excerpts requiring only proper acknowledgement in scholarly writing), and that all such use is clearly acknowledged.

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

DECLARATION

I, Abisag Carent, hereby declare that the research project is based on my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at MSU or other institution.

Abisag Carent

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

ACKNOWLEDGEMENT

First and foremost, praise and gratitude to God Almighty, for His abundant blessings during my research so that I can complete this research well.

In the preparation of the research project, the author encountered not a few challenges and obstacles faced, therefore the author would like to thank various parties who have provided guidance, knowledge, support, and prayers so that this final year project can be completed properly.

I would like to express my deep and sincere gratitude to my research project lecture AP Dr. Aza Azlina Md Kassim and also my supervisor, Farah Binti Alias for giving me the opportunity to do research and providing invaluable guidance throughout this research. Their expertise and guidance in specific areas have been instrumental in shaping the direction and outcomes of this final year project. I am thankful for their time, efforts, and insightful comments.

Additionally, I am grateful to my parents for their love, prayers, caring and sacrifices for educating and preparing me for my future. I am thankful to my sister and my family for their love, understanding, prayers and continuing support to complete this research work. Furthermore, I would like to say thanks for my housemates and friends who have provided support and caring throughout this research so it can be completed properly.

POLITEKNIK NEGERI JAKARTA

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

ABSTRACT

Islamic banking is one of the well-known financial institutions in Malaysia. The financial performance of Islamic banks is critical to their sustainability and expansion as Islamic banking has grown significantly in Malaysia. The purpose of this study to investigate the determinants of Islamic bank's financial performance. Specifically, this study aims to examine the relationship of capital adequacy, liquidity, bank size, gross domestic product, and interest rate with Islamic bank's financial performance of ROA in Malaysia. The data was collected from the annual report of thirteen Islamic banks in Malaysia from 2017-2021 that listed in Bursa Malaysia and analyzed using SPSS. The result of the regression analysis indicates that capital adequacy, liquidity, and bank size have a significant relationship with the bank's financial performance. Meanwhile, the findings reveal that GDP and interest rate have no relationship with Islamic bank's financial performance.

Keywords: Financial performance, Islamic banks, capital adequacy, bank size, Malaysia

POLITEKNIK NEGERI JAKARTA

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian , penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

LIST OF FIGURES

Figure 2.1 Research Framework 10

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian , penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

LIST OF TABLES

Table 3.1 List of the Banks 13
Table 3.2 Summary of Measurements 14
Table 4.1 Normality Test 18
Table 4.2 Descriptive Statistics 19
Table 4.3 Correlation Analysis 20
Table 4.4 Regression Test 21
Table 5.1 Summary of Hypotheses Testing 24

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

TABLE OF CONTENT

CERTIFICATION OF THESIS ii
THESIS COPYRIGHT/AGREEMENT iii
DECLARATION iv
ACKNOWLEDGEMENT v
LIST OF FIGURES vii
LIST OF TABLES viii

CHAPTER 1_INTRODUCTION 1
1.1 Background of the Study 1
1.2 Problem Statement 2
1.3 Research Objectives 3
1.4 Research Questions 3
1.5 Scope 3
1.6 Significance 4
1.7 Organisation of the Study 4
CHAPTER 2_LITERATUR REVIEW 5
2.1 Introduction 5
2.2 Reference to Previous Research 5
2.3 Return on Assets 6
2.4 Determinant of Financial Performance 7
2.4.1 Capital Adequacy 7
2.4.2 Liquidity Management 7
2.4.3 Bank Size 8
2.4.4 Gross Domestic Product 8
2.4.5 Interest Rate 9
2.5 Research Framework 9
2.6 Hypothesis Development 11
2.7 Summary 11
CHAPTER 3_RESEARCH METHODOLOGY 12
3.1 Introduction 12
3.2 Research Design 12

POLITEKNIK NEGERI JAKARTA

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

3.3 Population and Sample Size 12
3.4 Types of Data Use 13
3.4.1 Secondary Data 13
3.5 Data Collection Method 13
3.6 Measurement of Variables 14
3.6.5 Return on Assets 14
3.6.1 Capital Adequacy 14
3.6.2 Liquidity Management 15
3.6.3 Bank Size 15
3.6.4 Gross Domestic Product 15
3.6.5 Interest Rate 15
3.7 Proposed Data Analysis 16
3.7.1 Normality Analysis 16
3.7.2 Descriptive Statistic 16
3.8 Summary 17
CHAPTER 4_RESULTS AND DATA ANALYSIS 18
4.1 Introduction 18
4.2 Normality Analysis 18
4.3 Descriptive Statistic 19
4.4 Correlation Analysis 20
4.5 Multiple Regression Analysis 21
4.6 Summary 22
CHAPTER 5_CONCLUSIONS AND RECOMMENDATIONS 23
5.1 Introduction 23
5.2 The Overview of the Study 23
5.3 Discussion of Result 24
5.3.1 Capital adequacy on ROA 24
5.3.2 Liquidity Management on ROA 24
5.3.3 Bank Size on ROA 25
5.3.4 Gross domestic product on ROA 26
5.3.5 Interest rate on ROA 26
5.4 Contribution of the Study 27
5.5 Recommendation for Future Study 27

5.6 Conclusion 28
REFERENCES 29
APPENDICES 33
A: LIST OF THE BANKS 33
B: TURNITIN RESULT 33
C: PRESENTATION SLIDE 34

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian , penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

The banking sector plays a crucial role in the economy of the nation because it relates to the banking function itself, namely that of a financial intermediary, which collects money from people with extra cash and then distributes it to the community by providing financing to those who lack it in order to improve people's lives. Therefore, banking operations must function properly and efficiently in order to support development initiatives that may stimulate economic growth, enhance people's quality of life, and increase national stability.

In its development, in Malaysia, there are two types of banks when viewed from the principle of their operation namely, conventional banks and Islamic banks. It is familiar to the public they hear conventional banks which in their operational activities apply interest instruments. While Islamic banks are banks that in their operational activities use Islamic sharia principles. Islamic banks do not use interest instruments but use a profit-sharing system in their operations. Islamic banks are beneficial and considerably support Malaysia's economy in growing. (Gani, 2021).

The level of success a bank has in its operational activities is described by its financial performance. To evaluate the total performance of the bank itself, the financial performance of the banking industry is a crucial and significant aspect. starting with a review of the assets, debt, liquidity, and other factors. Analyzing a bank's financial accounts will allow you to evaluate its performance. Financial ratios can be computed based on the report to determine how healthy the bank is. Management can assess the bank's performance in carrying out its operational activities by analyzing these financial ratios. Investors can evaluate bank performance using financial ratio analysis. Based on the research about comparison of the commercial bank and Islamic banks performance in Malaysia, indicate that the Malaysian commercial banks performed better than Islamic banks (Sulub & Salleh, 2019).

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

1.2 Problem Statement

Fitch Ratings (2023), predicts that the demand for Islamic financing will decline in 2023 after experiencing a strong 13% growth, the previous year due to higher financing rates. Nevertheless, they expect that the industry will continue to grow faster than traditional banks because of the favourable environment for Islamic banking and Malaysia's transition to Sharia-compliant services. Malaysia is the third-largest Islamic banking sector in the world, with loans from the local banking system making up 41% (up from 38% end of 2021) of Islamic finance as of the end of 2022. The ability of borrowers to repay their obligations will be impacted by the anticipated rise in interest rates, which will impair asset quality. Islamic banks' asset quality may also suffer. Other potential reasons for an increase in arrears include the economic recession and the lack of consumer relief from the Covid-19 outbreak. However, given that banks have made sizeable provisions for impairment and that expect 3.5% economic growth by 2023, the decline in asset quality will still be controllable.

The rapid growth of Islamic banking is a positive thing. But on the other hand, competition between Islamic banks will become increasingly difficult. This is what must be immediately anticipated by Islamic banking in order to survive in the competition and not experience business failure (bankruptcy). Banks can take strategic actions to outperform the competition, one of which is by enhancing financial performance. Improved financial success has a big impact on maintaining customers' trust. Therefore, it is crucial to investigate the factors that affect Islamic banks' financial performance in Malaysia. This study provides empirical evidence by determining the elements that affect a bank's financial performance, including capital sufficiency, liquidity management, bank size, gross domestic product, and interest rate.

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian , penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

1.3 Research Objectives

This research study has several objectives:

1. To examine the relationship between capital adequacy and performance of Islamic banks.
2. To examine the relationship between liquidity management and performance of Islamic banks.
3. To examine the relationship between bank size and performance of Islamic banks.
4. To examine the relationship between gross domestic product and performance of Islamic banks.
5. To examine the relationship between interest rate and performance of Islamic banks.

1.4 Research Questions

There are five (5) research questions of this study:

1. Does capital adequacy have relationship with the performance of Islamic banks?
2. Does liquidity management have relationship with the performance of Islamic banks?
3. Does bank size have relationship with the performance of Islamic banks?
4. Does gross domestic product have relationship with the performance of Islamic banks?
5. Does interest rate have relationship with the performance of Islamic banks?

1.5 Scope

The main goal of this study is to understand how financial performance is affected by various factors. The Malaysian Islamic Banks listed on Bank Negara Malaysia are the subject of this study. However, there is a dearth of annual report data, necessitating the exclusion of several banks from the study and the use of only a few observations.

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

1.6 Significance

The purpose of this research study was to address the goals of the study and add to the existing body of literature. Theoretically, it would advance economic knowledge and offer a topic for additional study into the factors that affect Islamic banks' financial performance in Malaysia. This study defines financial performance factors are crucial, especially for investors, as they will be used to determine their decision to invest in the banks. For banks, it can also be used to assess the company's performance in general as a basis for deciding the company's future strategy.

1.7 Organisation of the Study

This research has been divided into 5 (five) chapters:

a. Chapter 1: Introduction

   This chapter discusses the study's background, problem statement, research objectives, research questions, the scope of the study's research, the significance of the study, and organization of the study.

b. Chapter 2: Literature Review

   This chapter establishes the theoretical foundation related to the research topic, previous research that is a reference in conducting research, a research framework and hypothesis development that discusses capital adequacy, liquidity management, bank size, gross domestic product, and interest rates on return on assets.

c. Chapter 3: Research Methodology

   This chapter explains the methods used in research consisting of the research design, research object, sampling method, types and sources of data to be used, data collection methods, and research analysis methods.

d. Chapter 4: Data analysis

   This chapter contains the results of research data processing and discussion of the impact of capital adequacy, liquidity management, bank size, gross domestic product, and interest rates on return on assets.

e. Chapter 5: Conclusions

   This chapter contains conclusions from the research that has been done as well as discussion and recommendations for this research.

POLITEKNIK NEGERI JAKARTA

© Hak Cipta milik Politeknik Negeri Jakarta
Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the study's results and recommendations. Each section of this chapter has its heading. An overview of the study would be presented in the first section. Results are discussed in the second section. The third portion would go through the study's contribution. At the end of this chapter, we would discuss the findings of this study and define recommendations for further research.

5.2 The Overview of the Study

Examining the factors that affected Islamic banks' financial performance in Malaysia from 2017 to 2021 is the primary research goal of this study. Five research questions should be highlighted in this study, including whether the determinants have a major impact on the financial performance of Islamic banks in terms of capital adequacy, liquidity management, bank size, gross domestic product, and interest rate. In order to measure the financial performance of banks, five key hypotheses are investigated using ROA as the dependent variable.

In terms of how the data was collected, it came from the yearly reports that were accessible on the banks' official websites. In addition, the acquired data was processed and assessed using the SPSS program. The research study simultaneously collected all the financial information for a sample size of 13 listed Islamic banks on Bank Negara Malaysia.

As a result, the findings of the data analysis in Chapter 4 revealed that three hypotheses could be developed and were acceptable in the regression test in terms of ROA with p-value < 0.05 as assessment of financial performance. Referring to Table 5.1, this means that there is a significant and positive correlation between capital adequacy, effective liquidity management, and bank size with the financial performance of Islamic banks.

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

Table 5.1 Summary of Hypotheses Testing

Summary of the Hypotheses Testing

	Hypothesis	Accepted ($p < 0.05$)	Rejected ($p > 0.05$)
H1:	Capital adequacy has a positive relationship with bank's ROA	√	
H2:	Liquidity management has a positive relationship with bank's ROA	√	
H3:	Bank size has a positive relationship with bank's ROA	√	
H4:	Gross domestic product has a positive relationship with bank's ROA		√
H5:	Interest rate has a positive relationship with bank's ROA		√

5.3 Discussion of Result

5.3.1 Capital adequacy on ROA

"Does capital adequacy have relationship with the Islamic bank's financial performance?" is the first research topic that is highlighted in this project. Then, based on this research question, Hypothesis 1, H1 is created to determine the relationship of capital adequacy on the performance of Islamic banks listed on Bank Negara Malaysia. According to the study's findings, the performance of Islamic banks has a significant relationship with capital adequacy. As a result, the significance of the first research question is demonstrated, and the outcome of H1 is accepted.

The results are consistent with research published in journals by Shabani et al., (2019), and Javaid & Alalawi, (2018), which found a positive and substantial association between capital adequacy and return on assets or bank performance. According to one interpretation, a bank's capacity to explore new opportunities more effectively and deal with problems brought on by unanticipated losses with more time and flexibility will result in improved profitability. On the other hand, a journal article conducted by Budiyono, (2021) states that the capital adequacy has no relationship with return on assets.

5.3.2 Liquidity Management on ROA

Furthermore, the second research question emphasized is "Does liquidity management have a relationship with Islamic bank's financial performance?" The H2 is based on this research question to examine the relationship between liquidity management and the performance of Islamic

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

banks listed on Bank Negara Malaysia. According to the data, liquidity management has a favourable relationship with Islamic bank performance. As a result, the relevance of the study issues is indicated, and the outcome of H2 is accepted.

The findings are similar to the journal articles by and Al-Shaghdari & Bardai, (2020) and SAMAIL et al., (2018) as they proved that the liquidity has positive and significant relationship with the return on assets or the bank's performance. The observed result can be explained by the fact that Islamic banks typically have larger cash reserves and are therefore able to lend more money to the general public, boosting the bank's opportunity to generate income from loans. The profitability of the bank will rise as a result.

5.3.3 Bank Size on ROA

Apart from that, the third research question highlighted is "Does bank size have relationship with an Islamic bank's financial performance?". In Hypothesis 3 based on this research question to determine the relationship of bank size on the Islamic bank's performance listed on Bank Negara Malaysia. From the result of this study, findings that bank size has a positive relationship on Islamic bank's performance. Therefore, there indicates the significance of the statement, then outcome of H3 is accepted.

The results support the findings of Kirimi et al., (2022), who found a significant and positive correlation between bank size and Islamic bank performance. The size of Islamic banks in Malaysia, which may lead to economies of scale that lower the cost associated with information gathering and processing or economies of scope that boost the diversity of Islamic banks' products as well as access to capital markets, and better cost control among Islamic banks are supporting factors for the findings.

Nonetheless, a study conducted by Al-Shaghdari & Bardai, (2020) discovered that bank size has a negative relationship with profitability. This demonstrates that as a bank's size grows, profits do not necessarily increase. Although larger banks have greater access to extra financing sources, they incur greater risk when dealing with liquidity issues and diversifying products.

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

5.3.4 Gross domestic product on ROA

The fourth research question is "Does gross domestic product have relationship with Islamic bank's financial performance?" Based on this research topic, Hypothesis 4 seeks to establish the relationship between GDP and the performance of Islamic banks listed on Bank Negara Malaysia. Nonetheless, H4 is not supported by the facts examined since gross domestic product was not determined to be significant on return on assets. It indicates that Hypothesis 4 is rejected. There is a similar result to the study from Murugiah & Supramaniam, (2021) that shows gross domestic product has no significant effects towards the bank performance. This indicates that the performance of Islamic banks in Malaysia is not influenced by gross domestic product either positively or negatively.

In contrast, this result contradicts the conclusions of Abdullahi & Yusuf, (2022) and Al-Shaghdari & Bardai, (2020) hat GDP Growth Rate favourably improves the financial performance of Islamic banks. Another study found that gross domestic product is required to boost the profitability of Islamic banks operating in the Indonesian banking sector (Amzal, 2016).

5.3.5 Interest rate on ROA

The last study question is, "Does interest rate have a relationship with an Islamic bank's financial performance?" Based on this study subject, Hypothesis 5 examines the relationship between interest rates and the performance of Islamic banks listed on Bank Negara Malaysia. Nonetheless, H5 is not supported by the facts examined since interest rates are not determined to be significant on ROA. As a result, this hypothesis statement is rejected. There is a similar result to the study from Abdullahi & Yusuf, (2022) and Budiyono, (2021) that revealed the interest rate was found to not impact the banks' financial performance. This indicates that interest rates have no influence on the performance of Malaysian Islamic banks, either positively or negatively.

This result is contrary to a research by Hidayat et al., (2020) that discovered interest rates have significant impacts on the profitability of Islamic banking in Indonesia between 2014 and 2018.

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

5.4 Contribution of the Study

This research study was conducted in order to address the research study's objectives and contribute to the literature. In theory, it would increase economic knowledge and provide a topic for further research into the elements that impact Islamic banks' financial performance. This study identifies the importance of financial performance criteria, particularly for investors who would use them to decide whether to participate in banks. In the case of banks, it can also be utilized to evaluate overall company performance as a foundation for determining the organization's future strategy.

5.5 Recommendation for Future Study

This study suffers from some limitations. Based on the findings of the research and discussion in the preceding chapter, the researcher can make the following recommendations for future study:

1. Because the population and sampling data used in this study only cover 5 years from 2017-2021 and the limited number of Islamic banks in Malaysia, the suggestion for future research is to be able to expand the sample period for data collection in order to improve better and more accurate research results.
2. It would be better for future research to include additional independent variables that have not been discussed in this study, both internally and externally, or to modify the dependent variable that defines bank financial performance, so that future research can more effectively and variably explain the factors that affect financial performance in Islamic banks.

POLITEKNIK NEGERI JAKARTA

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

5.6 Conclusion

The goal of this study is to examine at the factors that determine the financial performance of 13 Islamic banks that were listed on Bank Negara Malaysia between 2017 and 2021. The findings of this study highlight how important capital adequacy is to a bank's financial success. The value of capital adequacy will increase, which will boost the bank's financial performance. Financial performance is significantly and favourably impacted by liquidity management. The findings of this study also demonstrate that the size of the bank has a relationship on how well Islamic banks perform financially. As the bank grows, its financial performance improves.

This suggests that internal variables like adequate capital, liquidity, and bank size are significant for impacting the financial performance of Islamic banks and ensuring their success and development in profitability in Malaysia. However, according to the study's results, neither the gross domestic product nor the interest rate has any significant relationship on the financial performance of Malaysia's Islamic banks.

POLITEKNIK NEGERI JAKARTA

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

REFERENCES

Abdullahi, A., & Yusuf, Y. (2022). Determinants of Islamic Bank Performance: An Assessment of Jaiz Bank Plc Nigeria. *Journal of Accounting and Taxation*, *2*(1), 1–17. https://doi.org/10.47747/jat.v2i1.609

Abugamea, Gaber. (2018) "Determinants of Banking Sector Profitability: Empirical Evidence from Palestine", Journal of Islamic Economics and Finance, Vol. 4, No. 1, pp. 49-67.

Al-Shaghdari, F., & Bardai, B. (2020). Empirical Analysis on the Influence of Internal and External Parameters of Islamic Banks Financial Performance: Evidence from Malaysia. *International Journal Of All Research Writings*, *3*(5), 33–40.

Amzal, C. (2016). The Impact of Macroeconomi Variables on Indonesia Islamic Banks Profitability. *Jurnal Ekonomi Dan Bisnis Islam*, *2*(1), 71–86.

Bhattarai, D. R. (2021). Capital Adequacy Ratio and Financial Performance of Commercial Banks in Nepal. *Tribhuvan University Journal*, *36*(01), 96–105. https://doi.org/10.3126/tuj.v36i01.43583

Budiyono, B. (2021). *Capital Adequacy Ratio (CAR) Analysis, Non Performing Financing (NPF), Third Party Funds, and Interest Rate on Return on Assets (ROA) of Islamic Banking*. *7*. https://doi.org/10.4108/eai.30-11-2020.2303699

Das, P. K. (2022). Liquidity Management: An Empirical Study. *International Business & Economics Studies*, *4*(3), p74. https://doi.org/10.22158/ibes.v4n3p74

Dewi, O. R. (2018). PENGARUH DANA PIHAK KETIGA, INFLASI, BI RATE, DAN KURS TERHADAP PROFITABILITAS PERBANKAN SYARIAH DI INDONESIA PERIODE 2013-2017. Skripsi Universitas Islam Negeri Raden Intan.

Gani, I. M. (2021). *Islamic banking ' s contribution to the Malaysian real economy*. *13*(1), 6–25. https://doi.org/10.1108/IJIF-01-2019-0004

Gautam, R. (2018). *DETERMINANTS OF FINANCIAL PERFORMANCE : AN EVIDENCE FROM*. *2*.

Hidayat, I., Alwahidin, & Aspiani, T. (2020). The Effect of Inflation, Interest Rate,

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

and Gross Domestic Products on the Profitability of Sharia Banking in Indonesia (Sharia Banking Financial Reports 2014-2018). Journal Industrial Engineering & Management Research (Jiemar), 1(4), 59–66.

Hidayat, I., Alwahidin, & Aspiani, T. (2020). The Effect of Inflation, Interest Rate, and Gross Domestic Products on the Profitability of Sharia Banking in Indonesia (Sharia Banking Financial Reports 2014-2018). *Journal Industrial Engineering & Management Research (Jiemar)*, *1*(4), 59–66.

Horne, J.C.V., & Wachowicz JR, J.M. (2009). Principles of Financial Management. Jakarta: Salemba Empat.

Jamali, A. (2020). Modeling effects of banking regulations and supervisory practices on capital adequacy state transition in developing countries. Journal of Financial Regulation and Compliance, 28(1): 130-159, DOI 10.1108/JFRC-08-2018-0113

Javaid, S., & Alalawi, S. (2018). Performance and profitability of islamic banks in Saudi Arabia: An empirical analysis. *Asian Economic and Financial Review*, *8*(1), 38–51. https://doi.org/10.18488/journal.aefr.2018.81.38.51

Kasmir. 2017. Analisis Laporan Keuangan. Edisi Pertama. Cetakan Kesepuluh. Jakarta: PT RAJAGRAFINDO PERSADA

Kirimi, P. N., Kariuki, S. N., & Ocharo, K. N. (2022). Moderating effect of bank size on the relationship between financial soundness and financial performance. *African Journal of Economic and Management Studies*, *13*(1), 62–75. https://doi.org/10.1108/AJEMS-07-2021-0316

Lumpur, K., Hasan, A., Othman, A., Lumpur, K., April, R., & May, A. (2021). *The Impact of Capital Adequacy Ratio (CAR) on Islamic Banks ' Performance in Selected MENA Countries*. https://doi.org/10.51325/ijbeg.v4i2.70

Muhamad Iskandar Suppia, N., & Che Arshad, N. (2019). BANK SPECIFIC CHARACTERISTICS AND PROFITABILITY OF ISLAMIC AND CONVENTIONAL BANKS IN MALAYSIA. International Journal of Islamic Business, 4(1), 39–53. https://doi.org/10.32890/ijib2019.4.1.3

Murugiah, L., & Supramaniam, M. (2021). The Impact of Globalisation Towards Bank Performance in Malaysia. *Research in World Economy*, *12*(1), 331.

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

https://doi.org/10.5430/rwe.v12n1p331

Nagaraju, Y. (2018). *Profitability Determinants of Savings and Loans Companies in Ghana : Evidence on Bank Specific and Macroeconomic Determinants*. *2*(April), 51–60.

Nessibi, O. (2016). The Determinants of Bank Profitability. *International Journal of Finance & Banking Studies (2147-4486)*, *5*(1), 39–50. https://doi.org/10.20525/ijfbs.v5i1.45

Ratings, F. (2023). Malaysian Islamic Banks Dashboard: 2023. Retrieved from https://www.fitchratings.com/

Riyadi, S. 2017. Manajemen Perbankan Indonesia Teori Praktek dan Studi Kasus, Jakarta: PT Raja Grafindo Persada.

SAMAIL, N. A. B., ZAIDI, N. A. B., MOHAMED, A. S. b, & KAMARUZAMAN, M. N. bin. (2018). Determinants of Financial Performance of Islamic Banking in Malaysia. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *8*(4), 21–29. https://doi.org/10.6007/ijarafms/v8-i4/5182

Shabani, H., Morina, F., & Misiri, V. (2019). The Effect of Capital Adequacy on Returns of Assets of Commercial Banks in Kosovo. *European Journal of Sustainable Development*, *8*(2), 201. https://doi.org/10.14207/ejsd.2019.v8n2p201

Sugiyono. (2016). Statistika untuk Penelitian. Bandung: Alfabeta.

Sulub, Y. A. and Mohd Salleh, M. C. (2019), "Financial Performance of Islamic and Conventional Banks in Malaysia: A Comparative Analysis", International Journal of Management and Applied Research, Vol. 6, No. 4, pp. 375-385.

Tharu, N. K., & Shrestha, Y. M. (2019). The influence of bank size on profitability: An application of statistics. *International Journal of Financial, Accounting, and Management*, *1*(2), 81–89. https://doi.org/10.35912/ijfam.v1i2.82

Widarjono, Agus. (2018) "Estimating Profitability of Islamic Banking in Indonesia", *Jurnal Keuangan dan Perbankan*, Vol. 22, No. 3, pp. 568-579.

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

Zulfikar, R. (2018). Estimation model and selection method of panel data regression: An overview of common effect, fixed effect, and random effect model. *JEMA: Jurnal Ilmiah Bidang Akuntansi*, 1–10. https://scholar.google.com/scholar?oi=bibs&cluster=19328908443432815 7&btnI=1&hl=en

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :
1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

APPENDICES

A: LIST OF THE BANKS

Banks Name
Affin Islamic Bank Berhad
Ambank Islamic Berhad
Alliance Islamic Bank Berhad
Bank Islam Malaysia Berhad
Bank Muamalat Malaysia Berhad
CIMB Islamic Bank Berhad
Hong Leong Islamic Bank Berhad
HSBC Amanah Berhad
Maybank Islamic Berhad
OCBC Al-Amin Bank Berhad
Public Islamic Bank Berhad
RHB Islamic Bank Berhad
Standard Chartered Saadiq Berhad

B: TURNITIN RESULT

chapter 1-5 abisag carent

ORIGINALITY REPORT

18%	12%	6%	10%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Universiti Teknologi MARA Student Paper	2%
2	hrmars.com Internet Source	1%
3	Submitted to Universiti Malaysia Sarawak Student Paper	1%
4	etd.uum.edu.my Internet Source	1%

© Hak Cipta

Hak Cipta :

1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
   a. Pengutipan hanya untuk kepentingan pendidikan, penelitian , penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
   b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

C: PRESENTATION SLIDE

© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :

1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
   a. Pengutipan hanya untuk kepentingan pendidikan, penelitian, penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
   b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta

Populations & Sampling

Population

Islamic banks listed on the Bank Negara Malaysia from 2017 until 2021.

Sampling

Purposive sampling is used to select the samples.

The selection criteria for the sample are:
1. Islamic Banks listed on Bank Negara Malaysia during 2017–2021.
2. Islamic Banks that release annual reports during 2017–2021.
3. Present the data of return on assets, capital adequacy, liquidity management, bank size, gross domestic product, and interest rate.

Only 13 Islamic banks that fulfills the criteria.

Summary of MESUREMENT

Table 1
Summary of Measurements

Variables	Formula	Symbols	Sources
Dependent Variable			
Return on Assets	Net income / total assets	ROA	Al-Singhdari & Bardai, 2020
Independent Variable			
Capital Adequacy	Total capital / total assets	CA	Simadi, et al., 2018
Liquidity	Loans / total assets	LR	Stippla & Arshad, 2019
Bank Size	Natural logarithm of total asset	BS	Stippla & Arshad, 2019
Gross Domestic Product	Annual GDP growth rate	GDP	Nagaraju & Boateng, 2018
Interest Rate	Annual interest rate	IR	Anuzal, 2016

NORMALITY ANALYSIS

Table 1
Normality Test

Variables	Mean	Skewness Ratio	Kurtosis Ratio
Return on Assets	-5.0462	1.36526	0.218304
Capital Adequacy	-1.7397	-1.64935	1.144416
Liquidity Mangement	-0.332	-0.43344	-0.08816
Bank Size	17.2754	1.535714	-1.12427
Gross Domestic Product	-3.6757	0.284091	-1.98489
Interest Rate	-3.6751	-1.49351	1.830395

Sources: Researcher, 2023

DESCRIPTIVE STATISTIC

Table 2
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Return on Assets	13	0.002	0.010	0.00673	0.001992
Capital Adequacy	13	0.15	0.232	0.17961	0.023015
Liquidity Management	13	0.392	0.863	0.73022	0.12664
Bank Size	13	75441126.6	2388110000.6	57018220	62097551.01
Gross Domestic Product	13	0.0253	0.0254	0.025331	0.000048
Interest Rate	13	0.0253	0.0254	0.025346	0.0000519

Sources: Researcher, 2023

Correlation Analysis

Table 3
Pearson Correlation

	Return on Assets	Capital Adequacy	Liquidity Management	Bank Size	Gross Domestic Product	Interest Rate
Return on Assets	1					
Capital Adequacy	0.720**	1				
Liquidity Management	0.676*	0.129	1			
Bank Size	0.710**	0.524	0.263	1		
Gross Domestic Product	-0.007	-0.067	0.181	0.045	1	
Interest Rate	-0.014	0.233	-0.351	0.008	-0.283	1

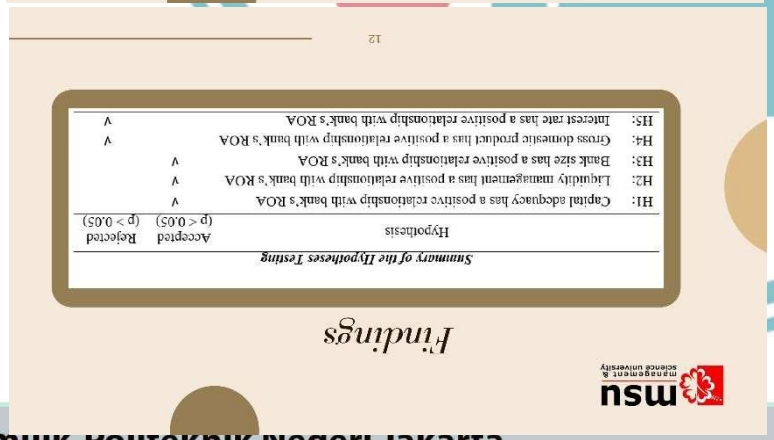
**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
Sources: Researcher, 2023

MULTIPLE REGRESSION ANALYSIS

Table 4
Regression Test

Variables	B	SE	t-statistics
Constant	-23.868	109.578	-0.218
Capital Adequacy	1.12	0.272	4.117*
Liquidity	1.021	0.185	5.517*
Bank Size	0.104	0.036	2.939*
Gross Domestic Product	-15.375	18.946	-0.811
Interest Rate	10.124	19.259	0.526
R square (R^2)		0.942	
Adjusted R-squared		0.901	
F statistic		22.741	
Significance F		0.000**	

Note: Association is significant at the ** 0.01 level; * 0.05 level (2-tailed).



© Hak Cipta milik Politeknik Negeri Jakarta

Hak Cipta :

1. Dilarang mengutip sebagian atau seluruh karya tulis ini tanpa mencantumkan dan menyebutkan sumber :
   a. Pengutipan hanya untuk kepentingan pendidikan, penelitian , penulisan karya ilmiah, penulisan laporan, penulisan kritik atau tinjauan suatu masalah.
   b. Pengutipan tidak merugikan kepentingan yang wajar Politeknik Negeri Jakarta
2. Dilarang mengumumkan dan memperbanyak sebagian atau seluruh karya tulis ini dalam bentuk apapun tanpa izin Politeknik Negeri Jakarta