



Faculty of Technology Management and Technopreneurship

**DETERMINANTS OF ASSET- BACKED SECURITIZED FIRMS'
PERFORMANCE**

Nurayati binti Dabas

Master of Science in Technology Management

2018

**DETERMINANTS OF ASSET- BACKED SECURITIZED FIRMS'
PERFORMANCE**

NURAYATI BINTI DABAS

**A thesis submitted
in fulfillment of the requirements for the degree of Master of Science
in Technology Management**

Faculty of Technology Management and Technopreneurship

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2018

DECLARATION

I declare that this thesis entitled “Determinants of Asset- Backed Securitized Firms’ Performance” is the result of my own research except as cited in the references. The thesis has not been for any degree and is not concurrently submitted in candidature of any other degree.

Signature :

Name : NURAYATI BINTI DABAS

Date :

APPROVAL

I hereby declare that I have read this thesis and in my opinion this thesis is sufficient in terms of scope and quality for the award of Master of Science in Technology Management

Signature :

Supervisor Name : DR MOHAMMED HARIRI BIN BAKRI

Date :

DEDICATION

This thesis is specially dedicated to:

my beloved father and mother,

Mr. Dabas Bin Rakman and Mdm. Naemah Binti Anwar

And also to my lovely family

ABSTRACT

Asset-backed securities are a financial techniques that allow firms to quickly earn cash. Not long after asset-backed securities first emerged in the United States in 1970, it became the most mainstream financing component for all firms in the United States. The practice then began to spreads widely around the world, especially in Malaysia. However at the end of 2007, the United States faced the subprime mortgage crisis and the crisis affected several countries. This situation did not affect Malaysia until the end of 2008 when asset-backed securities stalled and then began to fall because investors had become more cautious in making any investments which also affected securitized firms. Before this current study was conducted, it was not very certain exactly what factors impact the performance of securitized firms in Malaysia. Based on a review of the literature, this research proposed a model to test the factors that can impact the performance of securitized firms in Malaysia; to investigate relationship between factors securitized firms in Malaysia; and to examine their effect on securitized firm's performance. Therefore, the Corporate Debt Pricing model were tested and revalidated in this research to understand and to measure the performance of securitized firms in Malaysia. This study consist of three models, the first model is internal factors based on Corporate Debt Pricing model such as Asset, Liquidity and Leverage. These factors have a great impact on the securitized firm's performance. However based on previous researchers, external factors also had high impact to increase securitized firm's performance such as Overnight Policy Rate (OPR) and Inflation. External factors can impact the ability of a business or investment to achieve its strategic goals and objectives. Combination of internal and external factors as second and third models is applied to improve and develop model to increase securitized firm's performance in Malaysia. The panel data study extracted from the Rating Agency Malaysia report, Securitization Commission Malaysia and financial reports. This study analysed 436 observations and 91 tranches in Malaysia from 2004 to 2016. The data were analysed using STATA through Multivariate Panel Regression Analysis (MPRA) by the pooled Ordinary Least Square (OLS), and Fixed Effects Model (FEM) and Random Effects Model (REM) were used as estimation methods. However, based on Hausman Test, this study analyses the model using FEM and 4 out of the 5 hypothesized relationship were supported. The results indicated, firm's total assets (ASSET) showing strong, positive and significance relationships with the firm's performance. Besides that, asset factors highly influencing firm securitized performance in Malaysia following by leverage, Overnight Policy Rate and inflation. However, this study found the liquidity is not significance in this study.

ABSTRAK

Sekuriti yang disokong oleh aset (ABS) adalah teknik kewangan yang membolehkan firma mendapatkan wang tunai dengan segera. Tidak lama selepas ABS pertama kali muncul di Amerika Syarikat pada tahun 1970, ia menjadi komponen pembiayaan aliran utama untuk semua firma di Amerika Syarikat. Kemudiannya, penggunaannya mula merebak di seluruh dunia, terutama di Malaysia. Walau bagaimanapun, pada akhir tahun 2007, Amerika Syarikat menghadapi krisis gadaai janji subprima dan krisis itu mempengaruhi beberapa negara. Keadaan ini tidak menjejaskan Malaysia sehingga akhir tahun 2008 apabila sekuriti yang disokong aset terhenti dan kemudian mula jatuh kerana para pelabur menjadi lebih berhati-hati dalam membuat apa-apa pelaburan dan ia juga menjejaskan prestasi firma sekuriti di Malaysia. Sebelum kajian ini dijalankan, faktor yang mempengaruhi prestasi firma sekuriti di Malaysia adalah kabur. Berdasarkan tinjauan kesusasteraan, kajian ini mencadangkan satu model untuk menguji faktor-faktor yang boleh memberi kesan kepada prestasi firma sekuriti di Malaysia; untuk menyiasat hubungan antara faktor-faktor firma yang terikat di Malaysia; dan untuk mengkaji kesannya terhadap prestasi firma. Oleh itu, model Penentuan Hutang Korporat (CDP) telah diuji dan dikesahkan semula dalam kajian ini untuk memahami dan mengukur prestasi firma sekuriti di Malaysia. Kajian ini terdiri daripada tiga model, model pertama adalah faktor dalaman berdasarkan model Penetapan Hutang Korporat seperti Aset, Kecairan dan Leverage. Faktor-faktor ini mempunyai kesan yang besar terhadap prestasi syarikat yang terjejas. Walau bagaimanapun, berdasarkan penyelidikan terdahulu, faktor luaran juga mempunyai impak yang tinggi untuk meningkatkan prestasi firma seperti Kadar Dasar Semalaman (OPR) dan Inflasi. Faktor luaran boleh mempengaruhi keupayaan perniagaan atau pelaburan untuk mencapai matlamat dan objektif strategiknya. Kemudian, penyelidikan menggabungkan faktor dalaman dan luaran sebagai model kedua dan ketiga untuk memperbaiki dan membangunkan model untuk meningkatkan prestasi firma sekuriti di Malaysia. Semua data statistik merupakan data panel yang diekstrak dari laporan Agensi Penilaian Malaysia (RAM), Suruhanjaya Sekuriti Malaysia (SC) dan laporan kewangan syarikat. Kajian ini menganalisis 436 pemerhatian dan 91 tranche di Malaysia dari tahun 2004 hingga 2016. Data dianalisis dengan menggunakan STATA melalui Multivariate Panel Regression Analysis (MPRA) seperti Pooled Ordinary Least Square (OLS), and Fixed Effects Model (FEM) and Random Effects Model (REM) digunakan sebagai kaedah kajian. Walau bagaimanapun, berdasarkan kepada Hausman Test, kajian ini menganalisis model menggunakan FEM dan 4 daripada 5 hubungan hipotesis telah disokong. Hasilnya menunjukkan, jumlah aset firma (ASSET) menunjukkan hubungan kukuh, positif dan penting dengan prestasi firma. Di samping itu, faktor aset yang sangat mempengaruhi prestasi syarikat yang sekuriti diikuti oleh kecairan, Kadar Dasar Semalaman (OPR) dan inflasi. Walau bagaimanapun, kajian ini mendapati kecairan tidak penting dalam kajian ini..

ACKNOWLEDGEMENTS

Alhamdulillah. Praise be to Allah (SWT) the Almighty for the successful completion of this thesis as through His Grace and the prayers of my loved ones, this challenging journey in the pursuit of my master study has finally reached its destination. I could have never done this alone without the support of loving people around me.

There are number of people to whom I owe a great deal of gratitude. I wish to convey my utmost gratitude to Dr. Mohammed Hariri Bin Bakri, my supportive supervisor for his encouragement, valuable suggestions and advice during the entire period of this research. I also would like to convey my heartfelt thanks to his for assisting me to obtain financial support in the form of research grant, and providing me with necessary help and support to attend seminars and conferences. In addition, I am also indebted for his helpful comments, support and understanding.

My special thanks are also for my second supervisor, Dr. Mohd Fazli Bin Mohd Sam for valuable suggestions and advice during the entire period of this research. I am also indebted to my excellent motivators for this dissertation, Associate Prof. Dr Shafinar Ismail for giving me valuable advice and suggestion.

My sincere thanks also goes to my dear friends who have helped me a lot during my thesis writing and ensuring me that I am not alone in this journey. They are Dr. Mastura, Mazida, Zalizah, Suharni, Raihayu, Nalini. Kanaga, Laili, Aisyah and all the friends whom I have spent a lot of time with in FPTT Postgraduate Room. Also, special thanks to all FPTT staff for their enormous administrative and dedicated assistance.

Finally, I wish to express my deep sense of gratitude and utmost appreciation to my beloved parents Mr. Dabas Rakman and Mdm. Naemah Anwar, who has always stood by me in times of need and to whom I owe my success and happiness for their constant love, encouragement, moral support and blessing. I could certainly not have completed this journey without my parents. Special thanks are due to my family, Mr. Salim, Mdm. Mila, Mr. Nasir, Mdm. Ika, Mr. Abdullah, Mdm, Erni Kurniawati and Abdul Rahim. I appreciate your words of encouragement, understanding, and prayers. Words are not enough to thank you all. May Allah repay all of the kindness you have bestowed upon me.

TABLE OF CONTENTS

	PAGE
DECLARATION	
APPROVAL	
DEDICATION	
ABSTRACT	i
ABSTRAK	ii
ACKNOWLEDGEMENTS	iii
TABLE OF CONTENTS	iv
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS	ix
LIST OF PUBLICATIONS	x
CHAPTER	
1. INTRODUCTION	1
1.1 Introduction to the research	1
1.2 Background of the research	1
1.3 Problem statement	3
1.4 Research questions	6
1.5 Research objective	7
1.6 Scope of the research	7
1.7 Significance of the research	8
1.8 Theoretical foundation	9
1.9 Research contributions	9
1.10 Definition of key terms	10
1.11 Thesis structure	11
1.12 Chapter summary	14
2. BACKGROUND ON SECURITIZATION	16
2.1 Introduction	16
2.2 History of securitization	16
2.2.1 Type of securitization	18
2.2.2 Key roles in the securitization process	22
2.2.3 Securitization structure	25
2.2.4 Advantages of securitization	26
2.3 Securitization in developed countries	30
2.3.1 United states	30
2.3.2 Europe	33
2.4 Securitization in developing countries	34
2.4.1 ASEAN	34
2.5 Securitization in Malaysia	35
2.5.1 Asset-backed securities in Malaysia	38
2.5.2 Securitization Commission (SC)	40
2.5.3 Cagamas Berhad	41
2.5.4 Rating agency	42
2.6 Summary of the background on securitization	43

3.	LITERATURE REVIEW	45
3.1	Introduction	45
3.2	Development of Theories and Models	45
3.2.1	Christine Pavel and David Phillis (1987)	48
3.2.2	George G. Pennacchi (1988)	49
3.2.3	Larry J. Lockwood, Ronald C. Rutherford and Martin J. Herrera(1996).	49
3.2.4	Shaw K. Chen, Bing-Xuan Lin and Rongsa Zhong (2005)	50
3.2.5	Anna Sarkisyan, Barbara Casu, Andrew Clare, Stephen Thomas (2009)	51
3.3	Model Framework for the Research	52
3.4	Performance of Securitized Firms	54
3.5	Determinants of Securitization Performance	55
3.5.1	Internal Factors	55
3.5.2	External Factors	60
3.6	Summary of the Literature for the Research	64
4.	RESEARCH METHODOLOGY	69
4.1	Introduction	69
4.2	Methodological Choices	69
4.3	Research Design	70
4.3.1	Exploratory Research Design	71
4.3.2	Descriptive Research Design	71
4.3.3	Explanatory Research Design	71
4.4	Research Strategy	72
4.5	Time Horizon	72
4.6	Sampling Design	73
4.7	Sources of Data	74
4.8	Data Collection	74
4.9	Estimation Models	75
4.10	First Stage Analysis	75
4.10.1	Descriptive Statistics Analysis	76
4.10.2	Test on Multicollinearity	76
4.10.3	Correlation Analysis	77
4.11	Second Stage Analysis	78
4.11.1	Multivariate Panel Regression Analysis (MPRA)	79
4.12	Test of Heteroscedasticity	84
4.13	Summary of the Research Methodology	85
5.	FINDINGS AND ANALYSIS	87
5.1	Introduction	87
5.2	Background of Securitized Firm's in ABS	87
5.3	Panel Regression Analysis by Activity	89
5.4	Descriptive Statistic Analysis	91
5.5	Multicollinearity Test	94
5.6	Correlation Analysis	97
5.7	Estimation Results on Independent Variables Model	97
5.7.1	Determinants of Securitized Firms' Performance on Independent Variables of Model 1	97

5.7.2	Determinants of Securitized Firms' Performance on Independent Variables of Model 2	103
5.7.2	Determinants of Securitized Firms' Performance on Independent Variables of Model 3	106
5.8	Chapter Summary	109
6.	CONCLUSIONS AND RECOMMENDATIONS	113
6.1	Introduction	113
6.2	Conclusion	113
6.3	Implications of the Study	117
6.4	Limitations and Suggestions for Future Study	119
6.5	Chapter Summary	120
	REFERENCES	122

LIST OF TABLES

TABLE	TITLE	PAGE
1.1	Summary of chapter one	13
2.1	Total amount of ABS Issuance in Malaysia for the years 2001 to 2013	39
2.2	Summary of chapter two	43
3.1	Development of theories and models in this study	46
3.2	Summary of chapter three	64
4.1	Variable Definition	76
4.2	Rule of Thumb for the Variance Inflation Factors	78
4.3	Rule of Thumb for Interpretation of Pearson's Correlation	79
4.4	Summary of Chapter Four	85
5.1	Observations and Tranches by Principal Activity of Securitized Firms from 2004 to 2016	89
5.2	Summary Statistics of Securitized Firms by Activity from 2004 to 2016	91
5.3	Descriptive Statistics on Independent Variables of Model 1	93
5.4	Descriptive Statistics on Independent Variables of Model 2	94
5.5	Descriptive Statistics on Independent Variables of Model 3	94
5.5	Test of Multicollinearity on Independent Variables of Model 1	95
5.6	Test of Multicollinearity on Independent Variables of Model 2	96
5.6	Test of Multicollinearity on Independent Variables of Model 3	97
5.7	Correlation of Independent Variables of Model 1	98
5.8	Correlation of Independent Variables of Model 2	99
5.8	Correlation of Independent Variables of Model 3	99
5.9	Estimation Results on Independent Variables of Model 1	102
5.10	Estimation Results on Independent Variables of Model 2	105

5.10	Estimation Results on Independent Variables of Model 3	107
5.11	Summary of Chapter Five	109
6.1	Summary of Chapter Six	120

LIST OF FIGURES

FIGURE	TITLE	PAGE
1.1	Total Amount of ABS Issuance in Malaysia (2001-2013) Year	5
1.2	Research Framework of this Study	15
2.1	Securitization Structure	26
2.2	Securitization Structure and Examples in Malaysia.	38

LIST OF ABBREVIATIONS

ABS	-	Asset-backed securitization
MBS	-	Mortgage-backed securitization
RAM	-	Rating Agency Malaysia
SC	-	Securitization Commission
OPR	-	Overnight Policy Rate
CMBS	-	Commercial Mortgage-Backed Securitization
RMBS	-	Residential Mortgage-Backed Securitization
CDOs	-	Collateralized Debt Obligations
MPRA	-	Multivariate Panel Regression Analysis
OLS	-	Pooled Ordinary Least Square
FEM	-	Fixed Effects Model
REM	-	Random Effects Model
VIF	-	Variance Inflation Factors
χ^2	-	Chi-square
p	-	Significant value
μ	-	Mean
σ	-	Standard Deviation

LIST OF PUBLICATIONS

Dabas N., Bakri, M.H., Sharif, M.S., and Ismail S. (2017). *The Factors Influencing Securitization Performance in Malaysia*. Advance Science Letter. Vol. 23, Iss: 8, pp 7927-7930 – Scopus Indexed

Bakri, M.H, **Dabas N.**, Ismail S. and Baharom A.H (2017). *Islamic Student Financing Back Securitization in Malaysia*. Advance Science Letter. Vol. 23 Iss: 9 pp 8090-8093 – Scopus Indexed

CHAPTER 1

INTRODUCTION

1.1 Introduction to the Research

This chapter gives an overview of this research and covers the background and the problem statement of the research. It also outlines the research questions and the research objective of the research, followed by the scope and limitation of the research, the significance of the research and the model foundation of the research. The last chapter discusses the whole structure of the thesis to give more information about this research.

1.2 Background of the Research

Asset securitization began in 1970 when the Government National Mortgage Association (Ginnie Mae) of the United States introduced planned funding of mortgage pools. This situation affected the financial market for matured and successful securitization loans to control the mortgage market in the United States. Asset securitization is now a highly important factor for both consumers and businesses. In the United States, Europe, Japan and East Asia, asset securitization is growing significantly and attracting many investors to explore the asset securitization market for a diversity of asset investments and increased profitability.

At the same time, some East Asian countries such as Malaysia, Singapore,

Indonesia and Japan are working to increase home ownership, improve economic funds, expand infrastructure development and develop their financial markets to encourage the use of the asset securitization technique. The securitization of an asset apparently gives a firm or a financial institution the capability to transfer risk, get low cost of funding and increase its profit by separately investing a good financial asset. According to Fabozzi and Vink (2009), Malaysia accepted asset securitization as a financial tool of the bond market in 1986.

In 1986, the Malaysian Securities Commission established Cagamas Berhad as the National Mortgage Corporation of Malaysia, based on the Fannie Mae and Freddie Mac guidelines or models in the United States. The objective of Cagamas Berhad is to develop the secondary mortgage market and to encourage home ownership in Malaysia. However, the growth of asset securitization in Malaysia is relatively slow because of originator hesitation, investor reluctance and the unclear position of the regulators. According to the Report of Securitization Commission in Malaysia, securitization started in 2001 right after the country's Securitization Commission established the regulatory framework for securitization by publishing private debt securitization ("PDS guideline") and asset-backed debt securitization ("ABS guideline").

Near the end of 2007, the United States (U.S.) faced a subprime mortgage crisis and that created a nationwide banking emergency which contributed to a global fallout and affected several countries in the world by the end of 2007. Bakri *et al.* (2014) stated that Malaysia was blessed for having been protected from the high-impact repercussions of the American subprime mortgage crisis. However, this situation was not felt in Malaysia until the last quarter of 2008 when Asset-Backed Securities (ABS) stalled and then began to fall because investors had become more cautious in investing their money. This research gives

a brief synopsis of the securitization performance in the Malaysian financial market and tests the factors that can affect the performance of the firms.

Ever since the United States introduced asset securitization in 1970, the development of securitization has continued to grow worldwide, including in the Malaysian financial markets. A lot of research has been carried out on securitization performance, especially in the United States, Europe and East Asia. The results of these studies show that countries which practise securitization have managed to improve their profits and performance. However, there is a lack of research conducted in Malaysia to test a firm's performance in the field of securitization. Due to the significant developments in securitization and the availability of supporting literature on the related theories and models, this research was motivated to research the strong performance of asset securitization in Malaysia by using the panel data to fill the research gaps.

There are three models. The first model refers to internal factors such as firm size (ASSET), liquidity (LQD) and leverage (LVG). The second model contains add-on external factors such as Overnight Policy Rate (OPR) and Inflation (INF). The last model refers combinations with all internal factors and Overnight Policy Rate (OPR) as external factor. All the data were extracted from the Rating Agency report, Securitization Commission Malaysia and financial reports.

1.3 Problem Statement

In 2007, the United States faced its first subprime mortgage crisis since its establishment in 1970 by Ginnie Mae. This situation not only affected the economic situation and securitization in the United States and Europe, other countries such as Australia, Canada and Japan also suffered significant declines in securitization (Bank

Committee on Banking Supervision, 2011). The situation became worse when the subprime mortgage crisis spread to the rest of the world and East Asia could not escape from the impact of the turmoil.

In the case of securitization in this region, Malaysia was recognized as the main division of the bond market in 1986 when the Securities Commission established and introduced a mortgage financing frame called Cagamas Berhad as the National Mortgage Corporation in Malaysia. The Fannie Mae and Freddie Mac guidelines from the United States were the models that Malaysia used to establish Cagamas Berhad. In 2001, after the country's Securitization Commission had established the regulatory framework for securitization, investors began investing in securitization assets and the securitization market grew.

Figure 1.1 shows the Total Amount of Asset-Backed Securities (ABS) Issuance in Malaysia from 2001 to 2013. Securitization in Malaysia continued to grow and the amount of ABS issued was highest in 2007 at RM7.416 billion. However, the amount of ABS issued significantly decreased from 2008 onwards because the global financial crisis occurred in the market when the subprime mortgage crisis in the United States caused investors to stop participating in securitization markets.

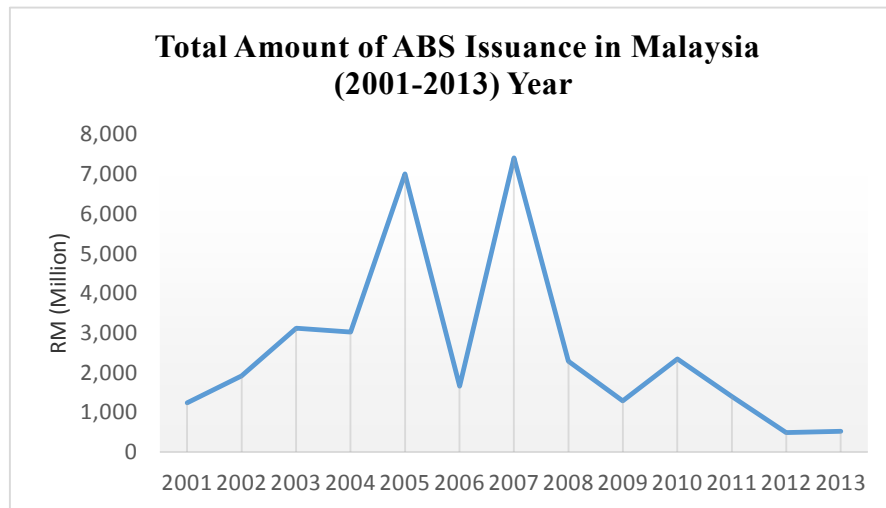


Figure 1. 1: Total Amount of ABS Issuance in Malaysia (2001-2013) Year

The financial crisis was triggered not only by the residential mortgage-backed securitization (MBS) and ABS also played a part due to its long track record of strong performance and commercialised mortgage-backed securitization (CMBS) (Ashcraft et al., 2011). This fact is significant to the securitized firms that confronted the pressures by improving their performance in the financial markets in order to remain aggressive in a scenario which affected the whole world. Despite the fact that securitization provides financial institutions the chance to improve their performance and the opportunity to lower cost of funding, increase profitability and improve credit risk management, there are few studies on asset-backed performance determinants, including firm size, cost funding and risk management (Sarkisyan et al., 2009).

Thus, this research intends to fill the research gap that pertains to the performance of ABS firms in Malaysia. Most studies on the securitization focused on banks and real estate. On the other hand, lack of studies have been carried out on the model to improve performance of the asset backed securitized firms', especially in Malaysia. Furthermore,

subprime mortgage crisis has happened in developed countries like United States, so it is most likely that it can happen in this country as well. Additionally, the Malaysian government has been encouraging the ownership of affordable housing with low wages. Therefore, it is possible that Malaysia will face this problem if the management of mortgage lacks is uncontrollable. Next, that situation can effect performance of securitized firms in Malaysian economy.

Based on previous literature reviews, most studies have been conducted to test the performance of securitization using Propensity Score-Matching Methods (PSM) (Sarkisyan et al., 2009) and IBM SPSS. Therefore, with the significant development in securitization literature, supported with Corporate Debt Pricing Model by and others theories and models (Gorton and Souleles, 2007; Perraudin, 2008; Fabozzi & Vink, 2009; Nadauld & Sherlund, 2009; Oliver et al., 2012; Bakri et al., 2014b), this researcher was inspired to research the performance of securitized firms in Malaysia by using the panel data from 2004 to 2016.

1.4 Research Questions

This research endeavours to address the following research questions:

- 1.4.1. Does a relationship exist between factors and securitized firms' performance in Malaysia?
- 1.4.2. What are the main factors which highly influence a securitized firm's n performance?

1.5 Research Objective

This research aims to determine asset securitization performance in order to develop a securitization framework in Malaysia. The research thus endeavours to address the following research objectives:

1.5.1. To measure the relationship between factor and securitization performance in Malaysia;

1.5.2. To determine what the most influential factor is in a firm's securitization performance.

1.6 Scope of the Research

The research examines the asset securitization performance of securitized firms in the Malaysian capital market in order to fortify the development and the position of securitized firms in Malaysia. ABS are not new in the Malaysian debt market and in other countries, but Malaysia seems to have a lack of studies carried out on testing a firm's performance in the field of securitization. It is suggested that this investigation is timely as there is gigantic potential for worldwide acceptance of the results.

As an introductory research, the information was collected from the gathered financial reports of the securitized firms from 2004 to 2016 and securitization reports from Rating Agency Malaysia. This research focuses on ABS firms in Malaysia over 14 years of issuances with 436 observations and 91 tranches. The years from 2004 to 2016 were chosen because the United States faced the subprime mortgage crisis that began in August 2007 and it also affected the securitization market in Malaysia. The data were analysed by using the panel data to fill the research gaps.

1.7 Significance of the Research

As documented in numerous securitization studies in Malaysia, securitization provides a financial institution a chance to improve its performance with the opportunity to lower cost of funding, increase profitability and increase credit risk management. This is significant to securitized firms which were forced to improve their risk management and the performance of their financial markets in order to stay competitive in a scenario which affected the whole world (Sarkisyan et al., 2009).

Most available studies on the performance of securitization were done in other countries and focused only on banks. However, lack studies have been done on the performance of securitized firms, especially in Malaysia. Malaysia is currently suffering from the financial crisis and with the currency declining, not only is the securitization performance of Malaysian firms affected, the Malaysian economy is also adversely impacted. Many studies have been conducted to test securitization performance only by using Propensity Score-Matching Methods (PSM). Through the significant developments in securitization and supporting literature on related theories and models, this research is motivated to research securitized firms' performance in Malaysia by using the STATA software..

The significance of this research is its focus on a firm's securitized their illiquidity asset in ABS, a topic that has not been thoroughly investigated empirically. In addition, no empirical studies have been carried out which examined the relationship between internal and external factors to determine a firm's securitization performance in Malaysia. In addition, through this research hopes to provide a model that would serve as a benchmark for improving a firm's performance as well as its liquidity in the financial market. Therefore, this research presents how these factors relate to a firm's performance.