

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS AND MANAGEMENT
UNIVERSITI TEKNOLOGI MARA (TERENGGANU)**

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Hereby declare that:

- This work has not previously been accepted in substance for any degree, any locally or overseas, and is not being concurrently submitted for this degree or any others degree.
- The project paper is the result for our independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

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ABSTRACT

The aim of this study is to investigate the determinants of credit risk of 9 selected banks listed on Bursa Malaysia. 9 financial report of the banks listed on Bursa Malaysia were used to analyse for 14 years (2004 -2017). Pooled OLS Regression Model has been selected to investigate the relationship between return on assets, capital adequacy ratio, loan loss provisions, debt-to-equity ratio and bank size with non-performing loan as credit risk indicator. The finding is only loan loss provision is positively significant with credit risk whereas the capital adequacy ratio, debt-to-equity ratio and bank size are negative significant toward credit risk. On the other hand, only a variable positive insignificant relationship with credit risk which is return on assets.

Keywords: 9 selected banks listed on Bursa Malaysia, credit risk, return on assets, capital adequacy ratio, loan loss provisions, debt-to-equity ratio, and bank size.