



**CORPORATE SOCIAL RESPONSIBILITIES
PRACTICE BY ISLAMIC BANK IN MALAYSIA**

ISMAIL SIDDEQ BIN ALI

2014664906

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ABSTRACT

This paper analyze corporate social responsibilities (CSR) practice by banks and to identify what factors that affecting the practice of corporate social responsibility by Islamic banks in Malaysia. There are several factors that can be determine from Islamic banks in Malaysia such as the profitability whether the Islamic banks that are profitable affect their CSR practice, the liquidity of the Islamic Banks, size of the bank capital whether it can affect their CSR practice and Islamic Banks Leverage or gearing where gearing refers to the level of a company's debt related to its equity capital. All the factors are based on the financial performance of the banks. This research is conduct because CSR is one of the corporation's responsibilities to their stakeholder and also a voluntary contribution by corporation for their sustainable development. It is to ensure the credibility and to maintain the reputation of the Islamic bank. It is because in Malaysia, Islamic banks need to compete with the conventional bank since Malaysia applied dual banking system.

CHAPTER 1: INTRODUCTION

1.1 Introduction

This study is focus on the corporate social responsibility (CSR) by Islamic bank in Malaysia. The practice of corporate social responsibilities is based on the financial performance of the Islamic banks. As for the beginning of the section, this chapter will discuss briefly on the overview of Islamic banks and Corporate Social Responsibility in Malaysia, the background of the study, the problem statement, research question, research objective, scope of study, significance of study, limitation of study and the conclusion.

In the background of the study, it will discuss about the focus of the study regarding the dependant and independent variables used in this research. The dependant variables is corporate social responsibilities practice by Islamic bank in Malaysia and the independent variables in this study is the factors that affecting the practice of CSR by Islamic banks which are the profitability, the liquidity, the firm size and the leverage.

As for the next section, overview of Islamic banks in Malaysia is briefly explained. It is to provide the understanding about the Islamic banks in Malaysia because this study used Islamic banks as the sample of the research. The overview includes the history and other feature by Islamic banks.