



**DETERMINANTS OF SELECTED RISKS TOWARD PROFITABILITY
PERFORMANCE OF BANK ISLAM MALAYSIA BERHAD**

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TABLE OF CONTENT

	Page
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v-viii
LIST OF TABLES	ix
LIST OF FIGURES	x
ABSTRACT	xi
CHAPTER 1 INTRODUCTION	
1.1 Background of the Study	1-3
1.2 History of Bank Islam Malaysia Berhad	4
1.3 Problem Statement	5
1.4 Research Objectives	6
1.5 Research Questions	6
1.6 Significance of Study	7-8
1.7 Scope of Study	8
1.8 Limitations of Study	8
1.9 Definition of Terms	9
1.9.1 Return on Assets	9
1.9.2 Credit Risk	9
1.9.3 Liquidity Risk	9
1.9.4 Operational Risk	10
1.10 Research Structure	10-11

CHAPTER 2 LITERATURE REVIEW

2.1	Introduction	12
2.2	Review of Literature	12
2.2.1	Profitability Performance of Banking Sector	12
2.2.1.1	Return on Assets	12-13
2.2.2	Risk Management of Banks	14
2.2.2.1	Credit Risk	14-15
2.2.2.2	Liquidity Risk	15-16
2.2.2.3	Operational Risk	16-18
2.3	Conclusion	18

CHAPTER 3 RESEARCH METHODOLOGY

3.1	Introduction	19
3.2	Research Design	19
3.3	Data Collection Method	20
3.4	Description of Data	21
3.5	Hypothesis Testig	22-23
3.6	Data Analysis	23
3.6.1	Unit Root Test	23
3.6.1.1	Augmented Dickey-Fuller Test	24
3.6.1.2	Phillips-Perron Test	24
3.6.2	Normality Test	25
3.6.3	Descriptive Statistics	25
3.6.4	Preliminary Analysis	25
3.6.5	Correlation Analysis	26
3.7	Single Linear Regression	26-27
3.7.1	Empirical Model 1	27
3.7.2	Empirical Model 2	27
3.7.3	Empirical Model 3	28

ABSTRACT

Islamic banking industry is being acceptable in this country. This can be seen when most of the conventional banks started to produce interest-free products and services to their customers. However, there might be different type of risks which need to be faced by Islamic banks as compared to conventional banks. The purpose of conducting this study is to determine the implication of selected risks toward profitability performance of Bank Islam Malaysia Berhad. This is because, there is no previous studies which only focused on the performance of Bank Islam Malaysia Berhad. The independent variables are Credit Risk, Liquidity Risk and Operational Risk. The dependent variable is Return On Assets. It covers the period of 1986 until 2016 which means it consist of 31 observations. Ordinary least square method is being used in this study. It consist of single linear regression and multiple linear regressions and the result from both type of regressions are being compared. The findings found out that only Liquidity Risk has significant relationship with Return On Assets of Bank Islam Malaysia Berhad. From the adjusted R^2 value, single linear regression is being selected because it shows highest value. Therefore, single linear regression is more preferable in this study rather than multiple linear regressions.