



**EXAMINING THE RELATIONSHIP BETWEEN SELECTED RISKS
WITH PROFITABILITY PERFORMANCE OF FOREIGN-OWNED
ISLAMIC BANK IN MALAYSIA: A STUDY OF STANDARD
CHARTERED SAADIQ BERHAD**

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2015138995**

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
CAWANGAN MELAKA
KAMPUS BANDARAYA**

JANUARY 2018

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NUR SYAFIQAH BINTI ABDULLAH
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Submitted in Partial Fulfillment of the
Requirement for the
Bachelor of Business Administration with Honours (Finance)

FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
CAWANGAN MELAKA
KAMPUS BANDARAYA

JANUARY 2018

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
“DECLARATION OF ORIGINAL WORK”**

I, Nur Syafiqah Binti Abdullah , (I/C Number: 950805-04-5046)

Hereby, declare that:

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

Signature: _____

(Nur Syafiqah Binti Abdullah)

Date: _____

LETTER OF SUBMISSION

12th JANUARY 2018

Head of Program,
Bachelor of Business Administration (Hons.) Finance
Faculty of Business Management
Universiti Teknologi Mara (UiTM)
Cawangan Melaka Kampus Bandaraya
75300 Melaka

Dear Sir/Madam,

Submission of Final Project Paper

Attached is the project paper titled “**Examining the Relationship between Selected Risks with Profitability Performance of Foreign-Owned Islamic Bank in Malaysia: A Study of Standard Chartered Saadiq Berhad**” to fulfil the requirement needed by the Faculty of Business Administration, Universiti Teknologi MARA (UiTM).

Thank You.

Sincerely,

Nur Syafiqah Binti Abdullah

Bachelor of Business Administration (Hons.) Finance

ABSTRACT

Most of financial institution systems have been affected due to global financial crisis in 2008 in which consequently caused the financial institutions to be exposed with risks. This project paper focused on how profitability performance of banks can be influenced by the presence of selected risks. The aim of this study is to examine the relationship and impacts of credit risk (CR), market risk (MR), liquidity risk (LR) and operational risk (OPR) with return on assets (ROA) of foreign-owned Islamic Bank in Malaysia. In Malaysian context, this study is an extension from previous study by combining all the risks while focusing on foreign-owned Islamic Bank in order to study about the concept of risk and return. This study utilized quarterly data collected from financial reports of Standard Chartered Saadiq Berhad in Malaysia over the period of December 2008 – June 2017. Ordinary Least Square (OLS) method is used in this study in order to do the empirical analysis using eviews software. The findings revealed that there is positive significant relationship between OPR and ROA of Standard Chartered Saadiq Berhad in Malaysia. However, CR and MR are found positive and insignificant towards ROA while LR is found negative insignificant on ROA. The study of risks impact on foreign-owned Islamic Bank in Malaysia can provide the empirical literature for future research. This study enhanced the bank regulators and policymakers to have better risk management to sustain the profitability performance of the bank.