



**UNIVERSITI TEKNOLOGI MARA**

**A STUDY ON RISK EXPOSURE IN ISLAMIC BANK: A  
CASE STUDY OF BANK ISLAM MALAYSIA BERHAD  
(BIMB)**

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**November 2010**

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION  
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UNIVERSITI TEKNOLOGY MARA  
BANDARAYA MELAKA  
“DECLARATION OF ORIGINAL WORK”**

I, NADIA BINTI AHMAD NAJIB, 870919035030

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 others degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbalism extract have been distinguished by quotation marks and source of my information have been specifically acknowledged.

Signature: .....

Date: .....

## **LETTER OF SUBMISSION**

8<sup>TH</sup> NOVEMBER 2010

The Head of Program  
Bachelor of Business Administration (Hons) Finance  
Faculty of Business Management  
Universiti Teknologi MARA  
72400 Bandaraya Melaka  
Melaka

Dear Madam,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “A Study On Risk Exposure In Islamic Bank: A Case Study Of Bank Islam Malaysia Berhad (BIMB)” to fulfill the requirement as needed by the Faculty of Business Management, University Technology MARA

Thank You  
Your Sincerely

.....

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Bachelor of Business Administration (Hons) Finance

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## **Abstract**

The growth and changes in the global financial markets pose various risks to the financial pectoral over the world. Risk cannot be avoided as it is part and parcel of its operations. Banking institutions are likewise exposed to risks. As conventional banks have to face three major risks; i) credit risk, ii) market risk, iii) operational risk, similarly Islamic banks also face the same. The perception that Islamic banks are risk free is not correct and can be an understatement. This paper explores the risk involved in Islamic banks and risk management practices by the Islamic banks. The focus of this paper is on risk and return in Bank Islam Malaysia Berhad (BIMB). The study examines the risk level in BIMB by using two approach; Financial Statement Analysis and Stock Analysis. The findings of this paper will assist Islamic banks as it will give a clear understanding about various types of risk in general and more particularly credit risk and market risk.