

**UNIVERSITI TEKNOLOGI MARA**

**CREDIT RISK MANAGEMENT AND FINANCIAL  
PERFORMANCE OF ISLAMIC BANK LISTED ON  
BURSA MALAYSIA**

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Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration  
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## **AUTHOR'S DECLARATION**

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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## **ABSTRACT**

The purpose of this study is to identify the relationship between credit risk management and Malaysian Islamic banks' profitability. Data were collected from year 2007 until 2017 for 15 Islamic bank listed on Bursa Malaysia. The financial ratios used are bank performance and credit risk. Profitability is measured by Return on Assets (ROA) while the credit risk indicated by Total Loan to Total Assets (TLTA), Total Loan to Total Deposit (TLTD), Capital Adequacy Ratio (CAR), Loan Loss Provision (LLP) and Non-Performing Loan (NPL). In order to get the results, the data were tested by using descriptive statistics, correlation analysis and also regression analysis.

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