



UNIVERSITI TEKNOLOGI MARA

**THE PERFORMANCE OF ISLAMIC BANKS VERSUS
CONVENTIONAL BANKS**

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LETTER OF TRANSMITTAL

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Dear Madam,

**SUBMISSION OF FINANCE PROJECT PAPER (FIN 667); THE PERFORMANCE OF
ISLAMIC BANKS VERSUS CONVENTIONAL BANKS**

I'm required to do a project paper on the above topic. I hereby submitted this report and I really hope that this work will fulfill the requirement for the Bachelor of Business Administration (Hons) Finance.

Thank you.

Yours sincerely,

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ACKNOWLEDGEMENT

“In the Name of Allah the Almighty, the Merciful and the Beneficent”

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ABSTRACT

The paper compared and examined the financial performance of Islamic banks against conventional banks for the period 2001 to 2011 in Malaysia. The data was based on selected financial statement and balance sheet of selected banks in Malaysia. Financial performance measures were expressed in terms of various financial ratios in which were categorized into profitability, liquidity, and risk and solvency. The choice of this particular focus is justified by the fact that banks in Malaysia have experiences a significant increase in the number of Islamic banking activities, evident by high growth rate of Islamic assets. Financial ratios are applied in measuring this performance. To test the hypotheses, T- test are used in determining their significance. The study found that no major difference in financial performance between Islamic banks and conventional banks.

Keywords: Islamic banks, conventional banks, financial performance, financial ratios.