



CREDIT RISK DETERMINATION IN ISLAMIC BANKING:
A CASE STUDY OF BANK ISLAM MALAYSIA BERHAD (BIMB)

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Abstract

Nowadays, Islamic banking was growth fast especially in Malaysia due to encourage by Bank Negara Malaysia. Islamic banking cannot run from any risk especially credit risk same as in conventional bank. This paper is to determine the factor influencing credit risk in Islamic banking and Bank Islam Malaysia Berhad was sample for this study. In this paper, have four variable will be analyses to determine the factor influencing credit risk of Bank Islam Malaysia Berhad. The four variables is management efficiency, loan loss provision, risk-weighted assets and size of total asset. This study concludes that from four variables, only one is significant to the credit risk of Bank Malaysia Berhad which is Risk-weighted assets.

Keywords: *Islamic banking; Credit risk; Risk-weighted assets*