

UNIVERSITI TEKNOLOGI MARA

TECHNICAL REPORT

**ANALYZING A MULTI - OBJECTIVE FINANCIAL PLANNING
OF BANK ISLAM USING GOAL – PROGRAMMING**

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IN THE NAME OF ALLAH, THE MOST GRACIOUS, THE MOST MERCIFUL

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ABSTRACT

A Malaysian company must have financial planning to maintain its financial performance. Particularly financial institutions like Bank Islam Malaysia Berhad. Unexpected costs, emergency scenarios, and uncontrollable events are a part of the risk in doing business for any organization. Financial planning is crucial for an organization for asset and liability management, risk management, profitability and growth, compliance with regulatory requirements and customer satisfaction. It enables the organization to navigate the dynamic banking landscape while maintaining its financial stability and delivering quality services to its customers. For example, setting larger sales goals can necessitate lowering pricing to maintain a higher profit margin for goods and services. This study aims to determine if BIMB accomplishes its financial objectives annually, to examine financial resource allocation, and utilize a broader multi-objective perspective of BIMB which includes economic goals using a goal programming model. The goal programming method is suggested in this study to ascertain the precise estimated value required to maximize total asset, total equity, financing, advance, and other factors, total net income and minimize total liability. The data of financial allocation based on BIMB annual report from 2017 and 2021 were used in this study. Following that, LINGO 20.0 was used to run the model. The equation used in the LINGO had determined whether each allocation needs to maximize or minimize the amount within a five-year period. The findings show that each financial allocation such as total asset, total liability, total equity, financing, advanced and others and total net income have achieved the objectives by using LINGO software. Thus, it can be concluded that the total liability of BIMB within five years could be minimized while the others could be maximized.