



**A STUDY ON ISLAMIC BANK'S PERFORMANCE:
A CASE OF BANK KERJASAMA RAKYAT
MALAYSIA FOR FIVE YEARS
(2004 - 2008)**

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ADVISOR

MADAM NUR AFIZAH BT MUHAMAD ARIFIN

**LECTURER OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA**

OCTOBER 2009

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA MELAKA**

“DECLARATION OF ORIGINAL WORK”

I, Roszalina Binti Zainol, (I/C 861010-38-6168)

Hereby declared 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 other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

LETTER OF SUBMISSION

19 October 2009

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

Dear Sir,

SUBMISSION OF PROJECT PAPER (FIN 660)

Attached is the project paper titled “**A STUDY ON ISLAMIC BANK’S PERFORMANCE: A CASE OF BANK KERJASAMA RAKYAT MALAYSIA FOR FIVE YEARS (2004-2008).**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

.....

ROSZALINA BINTI ZAINOL

2007137651

Bachelor of Business Administration (Hons) Finance

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A STUDY ON ISLAMIC BANK'S PERFORMANCE:

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Rosalina Binti Zainol

2007137651

Puan Nur Afizah Binti Muhamad Arifin

ABSTRACT

The study evaluates the Islamic bank's performance of Bank Kerjasama Rakyat in profitability, liquidity and risk and solvency for the period 2004-2008. Financial ratios are applied in measuring these performances and f-test are used in determining their significant. The objectives of the study is to measure and analyze the performance level of Bank Rakyat as local Islamic bank in Malaysia compared to conventional banks (United Overseas Bank Malaysia) in profitability, liquidity also risk and solvency. The specific objectives of the study are to evaluate the performance of Islamic Bank and to see whether there is a significant different in performance between Islamic bank and conventional bank.

Study made by (Abdus Samad & Hassan, 1999), the profitability performance of Islamic bank in Malaysia (BIMB) was compared to 8 conventional banks using the financial ratios. The study found that the average profit of BIMB is significantly lower than the conventional banks. This paper found the Bank Kerjasama Rakyat Malaysia is less profitability compared to United Overseas Bank, but more liquid, less risky and more solvent compared to United Overseas Bank. Bank Kerjasama Rakyat Malaysia should make an effort to focus on increasing the market share in credit card, personal financing and other products increase profitability.

Keywords: Bank's Performance, Financial Ratio, Islamic Banking

Paper type: Research Methodology