THE DETERMINANT OF NON PERFORMING LOAN (NPL) TOWARD
CONVENTIONAL BANK IN MALAYSIA

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APRIL 2011
I, Nor Atiqah binti Asnawi, (I/c Number: 881020055440)

Hereby, declare 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

April 2011

The Head Of Program
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Kampus Bandaraya Melaka
75000 Melaka.

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper entitled “THE DETERMINANT OF NON PERFORMING LOAN (NPL) TOWARD CONVENTIONAL BANK IN MALAYSIA” to fulfill the requirement as needed by the faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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ABSTRACT

This study reveals the determinants or factors of non-performing loans toward conventional banks in Malaysia. Toward that, the central bank of Malaysia also gives guidelines on the level of non-performing loans. Furthermore, the data about non-performing loans for three months is taken from the Bank Negara Malaysia from the year 2000 until 2010. To analyze the non-performing loan of conventional banks in Malaysia, we used all the data from Bank Negara Malaysia to make a finding. From that, I will identify the factors that contribute to the non-performing loan toward conventional banks in Malaysia generally. An analysis I made is based on data by quarter from 2000 until 2010. It includes the data about gross domestic product (GDP), interest rates, inflation rates, and non-performing loans for three months. All this data is needed to justify and prove my research in order to complete my report.