



**RISKS FACED BY AGROBANK BERHAD IN
MANAGING THE BUSINESS OF BANKING**

SITI NORAIN BINTI MAT ZIM

2009188395

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

JANUARY 2012

RISKS FACED BY AGROBANK BERHAD
IN MANAGING THE
BUSINESS OF BANKING

SITI NORAIN BINTI MAT ZIM
2009188395

Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Finance

FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
MELAKA
2012

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

**FACULTY BUSINESS ADMINISTRATION
UNIVERSITI TEKNOLOGI MARA
KAMPUS BANDARAYA, MELAKA**

“DECLARATION OF ORIGINAL WORK”

I, Siti Norain Binti Mat Zim, (I/C No: 880312-06-5734)

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 acknowledgement.

Signature: _____

Date: _____

LETTER OF SUBMISSION

January, 2012

The Head of Program

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

UniversitiTeknologi MARA

110, Off Jalan Hang Tuah,

75300, MELAKA

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**RISKS FACED BY AGROBANK BERHAD IN MANAGING THE BUSINESS OF BANKING**” to fulfill the requirement as needed by the Faculty of Business Management, UniversitiTeknologi MARA.

Thank You

Yours sincerely,

SITI NORAIN BINTI MAT ZIM

2009188395

Bachelor of Business Administration (Hons) Finance

ABSTRACT

Risk is an integral part of business. Risk is any events or possibility of an event which can impair corporate earnings or cash flow over short, medium or long term horizon. The risk will affect an organization performance nowadays or in the future. All organizations deal with risks, though the nature and magnitude may differ for each type of organization. They act as financial intermediaries in any economic system. Since they help in credit creation by means of loans and advances, they faced many risk. This risk may affect the Agrobank performance and customer convenience towards it. According to this problem, this study was done, where the main purpose is to observed whether the risk manage by Agrobank has relationship with risk occurred in that organization. This study was conducted at Agrobank Berhad. Four variables were developed which are credit risk, market risk, operational risk and funding risk. From the finding, the researcher had made observation at the company about the risk management practices with theory. Researcher also finds the gap between bank exercises with theory related. For recommendation, organization should work together with the organization to conduct the solutions and risk mitigate with bank to get a better performance and increase the bank qualities.