



**A STUDY OF THE NON PERFORMANCE  
FINANCING (NPF) ACCOUNTS UNDER  
PERSONAL FINANCING OF  
BANK RAKYAT LABUAN**

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# CHAPTER 1

## OVERVIEW AND BACKGROUND OF THE STUDY

### *1.1 Background of Studies*

The study was on the NONPERFORMANCE-FINANCING (NPF) ACCOUNTS UNDER PERSONAL FINANCING OF BANK RAKYAT LABUAN. The study was merely for an academic purpose of fulfilling the requirement of Bachelor in Business Administration [BBA (Hons) (Marketing)]

Bank Rakyat is a cooperative bank that offers Islamic financial products and services to both its members and the general public. Primarily a retail lender, Bank Rakyat has carved a niche in the provision of financing to civil servants and employees of Government-linked companies ("GLCs"). Having established strong relationships with its clients, Bank Rakyat has adopted the relevant infrastructure and delivery channels that specifically cater to its target market, therefore sharpening its competitive edge. Nevertheless, Bank Rakyat has also continued offering specific products for the needs of the cooperatives sector. In FY Dec 2005, Bank Rakyat registered a year-on-year growth of 36.19% in its gross financing and advances, to RM16.78 billion. The strong trend has continued this year, pushing up its gross receivables to RM19.87 billion as at end-September 2006. The expansion of the Bank's financing base has been mainly driven by a surge in new personal and home financing.