## **Abstract**

Project finance is a specialised field of financing. As Malaysia gears towards transformation into a developed nation by the year 2020, she is poised to be a potential growth area for project finance in the near future. With this consideration in mind, this research aims to study and analysed the practice of project finance by banks in Malaysia.

This report comprises two main parts. The beginning sections present and discuss the basic or characteristic features of project finance to facilitate an understanding of this area of finance. The second part then deals with evaluation process practised, specifically the project risks and financial analysis from the banks perspective. This report also contain some illustrations using actual projects that are "project-financed".