



**“ISLAMIC SAVINGS DEPOSIT PRODUCT: A COMPARISON
BETWEEN KUWAIT FINANCE HOUSE (M) BERHAD AND
OTHER LOCAL ISLAMIC BANKS IN MALAYSIA”**

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“DECLARATION OF ORIGINAL WORK”

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- This work has not previously been accepted in substance for any degree, locally or overseas and it 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: _____

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ACKNOWLEDGEMENT



In the name of Allah most Gracious Ever Merciful,

We praise Him and invoke His blessings on His noble Prophet

First and foremost, thank you Allah for giving me strength, good health, and opportunity to complete this report successfully with passion and determination. Thanks to my mother and my late father from whom I learnt most and who always prayed for my success in this world and hereafter. At this opportunity I would like to convey many appreciations to Pn. Sharifah Heryati Bt. Syed Nor, my first advisor and to Pn. Siti Rohana Bt. Daud, my second advisor who really understood the heart of a student. Both are dedicated lecturers, giving me guidance and encouragement in completing this report.

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ABSTRACT

This report paper is mainly to study on “ISLAMIC SAVINGS DEPOSIT PRODUCT: A COMPARISON BETWEEN KUWAIT FINANCE HOUSE (M) BERHAD AND OTHER LOCAL ISLAMIC BANKS IN MALAYSIA. Throughout this case study paper, we will analyze and compare between the hybrid Islamic finance contract which refers to the combination of Mudharabah Mutlaqah and Qardh to the existing single contract used, namely Wadiah Yad Dhamanah and Mudharabah which applies for savings deposit products. The difference between a hybrid contracts offered by KFHMB with other local Islamic banks are the Syariah concept used for the contract, profit payment method and the loss incurred by both parties. This paper will also analyze the profit computation for the contracts used in calculating the savings profit distribution. It is found that the profit offered by KFHMB for their savings deposit facility higher than industry backed by their hybrid contracts. The loss incurred by customer can also be reduced based on the sharing ratio of a hybrid contract. The most significant of this paper is where the ideas generated, recommendation and justification part, where the most important information will be disclosed and share to prove the paper’s originality and value to benefits KFHMB, future references and academic purposes.

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