

**CUSTOMER AWARENESS ON AL-WADIAH SAVINGS ACCOUNT  
OFFERED BY  
PERWIRA AFFIN BANK BERHAD  
KUCHING BRANCH**

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## TABLE OF CONTENTS

	Page
TITLE PAGE	
ACKNOWLEDGEMENT	i
TABLE OF CONTENTS	iii
EXECUTIVE SUMMARY	vii
LIST OF TABLES	ix
LIST OF FIGURES	xi
LIST OF ABBREVIATIONS	xii



## CHAPTERS

### 1 INTRODUCTION

1.1 Background and Scope of Study	1
1.2 Objectives of the Study	4
1.3 Definitions of Terms	5
1.4 Literature Review	7
1.5 Methodology	15
1.6 Limitations of the Study	16
1.7 Significance of the Study	17

### 2 BACKGROUND OF PERWIRA AFFIN BANK BERHAD

2.1 Overview	18
2.2 Perwira Affin Bank Today	18

## **EXECUTIVE SUMMARY**

The current policy on the size sustainability of Malaysia's current account deficit highlights the important of domestic saving in determining the pace at which its economy can grow.

This project paper focus on several aspect of customer's awareness and perception towards Al-Wadiah Savings Account offered by Perwira Affin Bank, Kuching branch. This include the behaviour of the respondents on their level of awareness and acceptance with regards to Al-Wadiah Savings Account.

The level of deposits on Al-Wadiah Saving Account matters because it provides the bank a cheaper resources needed to fund the borrowing effort of the bank especially the Islamic loan transactions. To raise the level of borrowing in turn will increase the banks profit.

My study has shown that the level of awareness and acceptance by the customer on Al-Wadiah Savings Account were not satisfactory. Since the launching of the product in 1993, the deposit based under this scheme had not been encouraging. As at 31<sup>st</sup> August, 1999, total deposit under this scheme for Perwira Affin Bank, Kuching Branch, stand at RM0.551 million against the total branch total deposit base of RM114 million.

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background and Scope of Study**

People need food, clothes, houses, machinery, services, and the list is endless. Banks perceive these needs and develop ways and means of catering for them. Banks advertise their financial products and services, peoples expectations have risen and people become customers of the bank. If the customer's needs are fulfilled according to their expectations they will continue to patronize the bank and the bank flourishes. Otherwise banks fail and people take to other competitors.

Bank cater for the peoples' need connected with money that is safekeeping, acquiring capital, transferring funds and so on. The fact that they have existed for centuries and continue to exist and prosper are proof that their methods are good. They fulfill the customers' needs and expectations. Conventional commercial banking system as it operates today is accepted in all part of the world except for some of the Islamic countries with some reservation. The reservation is on account of the fact that the banking operations involve dealing in interest which is prohibited by Islam. Conventional banks have ignored this concern on the part of their Muslim clientele.

## **CHAPTER 2**

### **BACKGROUND OF PERWIRA AFFIN BANK BERHAD (PAB)**

#### **2.1 Overview**

Affin Bank was incorporated way back in 1975 as a joint venture between several Malaysian parties and Habib Bank Ltd of Pakistan, with the latter holding a 33% stake. In 1991, Affin Bank embarked on a capital restructuring exercise. This resulted in Affin Holding becoming the largest share holder in the Bank in 1992, the year which saw the final departure of Habib Bank. The bank officially changed its name from Perwira Habib Bank to Perwira Affin Bank Berhad on April 26, 1994, reflecting 100% ownership by Affin Holdings Berhad.

#### **2.2 Perwira Affin Bank Berhad Today**

Perwira Affin Bank as it is today, is regarded as one of the top six dynamic banks in Malaysia. For the financial year 1998, Perwira Affin Bank authorized and paid-up capital stand at RM800 million and RM650 million respectively. It has been identified by Bank Negara Malaysia to be one of the anchor bank in the Government's merging program. Perwira Affin Bank has realized its vision to be a major player in the banking industry and the nation's economy.

With the strong backing that the bank have, Perwira Affin Bank has performed remarkably well in the nineties as reflected by its impressive profit before tax of