

**MAYBANK TTDI JAYA CUSTOMERS' NOTIFICATION REGARDING THE  
MERDEKA SAVINGS BOND**

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**THIS REPORT IS FORWARDED TO THE COMMERCE DEPARTMENT AS TO  
FULLFILL THE REQUIREMENT OF DIPLOMA IN INTERNATIONAL  
BUSINESS**

### CONFIRMATION OF THE PROJECT REPORT

The project report which is titled "The Study of Jaya Customers' Notification Regarding The Merdeka Savings Bond" is presented, checked and confirmed as to fulfill take condition and needs of the project writing as given to us.

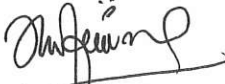
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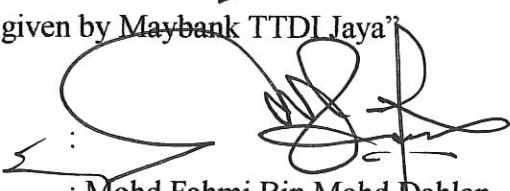
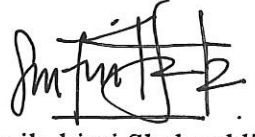



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"We confess that this project is fulfilled from own effort expect for the certain sources which is given by Maybank TTDI Jaya".

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Assalamualaikum and have a nice day. First of all, we are very delightful to lay our feeling of thankful mostly to Sultan Salahuddin Abdul Aziz Shah Polytechnic, Shah Alam for giving us a great opportunity in completing the study of Maybank Taman Tun Dr. Ismail Jaya Customers' Notification Regarding to The Merdeka Savings Bonds. The study is pre-requested as a condition in final semester of Diploma in International Business. Through this program, especially the project, we hope that we will be able to gain our experience and confidence in every effort we made.

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May the God bless all of your invaluable support to us. Thanks once again.

## ABSTRACT

The project paper is been carried out to study of Maybank Taman Tun Dr. Ismail Jaya (TTDI Jaya) Customers Notification Regarding To The Merdeka Savings Bonds. The research is importantly would like to find out Maybank TTDI Jaya customers' feedback of the bonds after the launch of the Merdeka Saving Bonds in the early of 2004, and also to study the factors that influencing customers' enthusiasm to the sale of the Merdeka Saving Bonds.

Basically, the study research is to analyze customers' notification after the promotion of the bonds was done. We are also can learn more about the bonds, which is offered to Malaysians, who are aged 55 and above and mandatory retired Malaysian Military Armed Forces personnel.

The data collected for this study are going to be primary and secondary data. The primary data were collected from questionnaire that given distributed to some of Maybank TTDI Jaya customers as our sample, and also from an interview made with co-operation by Assistant Branch Manager of Maybank TTDI Jaya, Puan Habibah Hashim. The secondary data were gathered from news, magazines and internet articles.

Finally, we are very hopeful that the study of Maybank TTDI Jaya Customers' Notification Regarding to the Merdeka Savings Bonds can be reached as a result for our final project.

## ABSTRAK

Kertas kerja ini adalah meliputi tentang kajian mengenai makluman pelanggan Maybank TTDI Jaya terhadap Bon Simpanan Merdeka. Kajian ini penting kerana untuk mengkaji maklumbalas pelanggan terhadap Bon Simpanan Merdeka selepas bon ini dilancarkan dan mengkaji factor-faktor yang mempengaruhi minat pelanggan terhadap penjualan Bon Simpanan Merdeka ini.

Secara asasnya penyelidikan kajian ini adalah untuk menganalisis makluman pelanggan terhadap Bon Simpanan Merdeka selepas promosi dijalankan. Disamping itu juga, kita juga dapat mengetahui dengan lebih mendalam tentang Bon Simpanan Merdeka yang ditawarkan kepada warganegara Malaysia, berumur 55 tahun ke atas dan pesara tentera.

Data yang dikumpulkan dalam penyelidikan ini diperolehi daripada data utama dan data sekunder. Data utama dikumpul daripada soal selidik yang diberikan kepada pelanggan Maybank TTDI Jaya dan temuduga yang dijalankan bersama Puan Habibah Hashim, Penolong pengurus cawangan Maybank TTDI Jaya. Data sekunder juga diperolehi daripada suratkhbar, majalah dan artikel internet.

Secara keseluruhannya, kami amat berharap kajian kami mengenai makluman pelanggan Maybank TTDI Jaya terhadap Bon Simpanan Merdeka boleh dikaji dan mendapat keputusan penghasilan kertas kerja kami.

# TABLE OF CONTENT

CHAPTER	TOPIC	PAGE
	Cover Page	i
	Confirmation of the Project Report	ii
	Confirmation of Students	iii
	Acknowledgement	iv
	Abstract	vi
	Abstrak	vii
	Table of Content	viii
	List of Table	x
	List of Figure	xi
	List of Appendices	xii
<b>I</b>	<b>INTRODUCTION</b>	
	1.1 Background Study	1
	1.2 Problem Statement	3
	1.3 Objective Study	4
	1.4 Scope And Limitation	5
	1.5 Definition of Words	6
<b>II</b>	<b>LITERATURE REVIEW</b>	
	2.1 Bond	7
	2.2 Maturity	8
	2.3 Government Bonds	10
	2.4 Merdeka Savings Bond	11
	2.5 Senior Citizen	12
	2.6 Armed Forces	13
	2.7 Effective	14
	2.8 Promotion	18



	2.9 Retire	24
	2.10 Service	26
<b>III</b>	<b>METHODOLOGY OF STUDY</b>	
	3.1 Design Of Study	30
<b>IV</b>	<b>FINDINGS ANALYSIS</b>	
	4.1 Feedback and finding based on the questionnaire	36
<b>V</b>	<b>CONCLUSION</b>	52
<b>VI</b>	<b>RECOMMENDATIONS</b>	55
	<b>REFERENCES</b>	59
	<b>APPENDIXES</b>	

## LIST OF TABLES

Unit table	Item	Page
Table 4.1	Classification of respondents' sex	37
Table 4.2	Classification of respondents' age	38
Table 4.3	Classification of respondents' nation	39
Table 4.4	Classification of respondents' occupation	40
Table 4.5	Respondents knowledge	41
Table 4.6	Information resources about BSM	42
Table 4.7	Result about promotion	43
Table 4.8	Frequently investment of family members respondent	44
Table 4.9	BSM provide advantage or disadvantage to senior citizens	45
Table 4.10	Long-term investment of respondent at Maybank	47
Table 4.11	Type of long-term investment at Maybank	48
Table 4.12	Customers' enthusiasm regarding BSM	49
Table 4.13	Estimate investments of respondents	50
Table 4.14	Opinion from respondent to attract more investor	51

## LIST OF FIGURES

Unit figures		Item	Page
Figures	4.1	Classification of respondents' sex	37
Figures	4.2	Classification of respondents' age	38
Figures	4.3	Classification of respondents' nation	39
Figures	4.4	Classification of respondents' occupation	40
Figures	4.5	Respondents knowledge	41
Figures	4.6	Information resources about BSM	42
Figures	4.7	Result about promotion	43
Figures	4.8	Frequently investment of family members	
		Respondent	44
Figures	4.9	BSM provide advantage or disadvantage	
		to senior citizens	45
Figures	4.10	Long-term investment of respondent	
		at Maybank	47
Figures	4.11	Type of long-term investment at Maybank	48
Figures	4.12	Customers' enthusiasm regarding BSM	49
Figures	4.13	Estimate investments of respondents	50
Figures	4.14	Opinion from respondent to attract	
		more investor	51

**LIST OF APPENDIXES**

<b>Appendixes</b>	<b>List</b>
A	Questionnaire
B	Application form of BSM
C	Broacher BSM
D	Article "Governor's Opening Remarks at the Launching of the Merdeka Savings Bonds"
E	Article "Frequently Asked Questions about BSM"
F	Article "Merdeka Savings Bond"
G	Article "Bank Negara: Merdeka Savings Bonds fully taken up"
H	Article "BSM 01/2004"
I	Advertisement of BSM
J	Article "Bon Merdeka 500j habis dilanggan"
K	Article "BNM terbitkan BSM kedua 1 April"

## 1. **INTRODUCTION**

### 1.1 **Background of Study**

In about two months ago, the Government of Malaysia was launched the latest edition (4<sup>th</sup> edition) of Merdeka Savings Bonds. It was launched by the Governor of National Bank of Malaysia, Dato' Dr. Zeti Akhtar Aziz, in a launching ceremony at National Bank of Malaysia on January 2, 2004.

Merdeka Savings Bonds was came from 2 keywords, bond and savings, with the word 'Merdeka' put in the beginning of the bond's name to show that the bond was created to all Malaysians. The bond was created to all Malaysians' senior citizens, who are 55, and above, and also for mandatory retirees of Malaysian Armed Forces.

The word 'bond' means a share of stock, or something like it that need to buy if anybody wants. While the word 'savings' means an amount of money to keep by anybody for their future. So, the Merdeka Savings Bonds that created to all senior citizens and mandatory retirees of Malaysian Armed Forces means that the eligible persons (had been told above) were allowed to buy the bond as their savings to support their consumption in the future..

The eligible persons who were being allowed to buy the bond are senior citizens and retirees of Malaysian Armed Forces. The senior citizens should be 55 and above, while the retirees of Malaysian Armed Forces should be on mandatory retiring. They should be not employed in permanent basis and also not adjudge as a bankrupt. So, they can subscribe for the bond when they completely fulfill the requirements. The Governor was also recommended to all senior citizens, who are eligible, to apply for the bonds which will support their upcoming consumption.

Then, the launching of the bond got an immediate effect as public rushed up to every bond agent in Malaysia to subscribe for the bond, just after the bond were made available for subscription. We can see the immediate effect in just a week after being launched, where the bond were fully taken up.

The launch of the Merdeka Savings Bond will mark a further step forward in creating new investment instruments for a specific target group of savers who have retired. Moving forward, further savings products should be developed by the financial services industry, as hoped by the Government of Malaysia.



## 1.2 Problems Statement

1. There is no promotion provided by Maybank TTDI Jaya Branch to attract customers and less of information about the Merdeka Savings Bond provided.
2. There are no particular persons or officers who have an authority to handle the Merdeka Savings Bonds service.
3. The Maybank did not use the sales period properly to attract newly customers.
4. The official website of Maybank seems failed to expose or to inform the bonds to the public.
5. An unexpected effect from the public outside of TTDI Jaya, which suddenly rush to the nearest agents for subscription.
6. The community of TTDI Jaya is seems preferred to have 'just wait and see' option, until the bonds are fully subscribed.

### **1.3    Objectives of Study**

- 1.3.1    To study Maybank customers' feed back after the launch of the Merdeka Saving Bond.
- 1.3.2    To analyze customer's notification after the promotion of the Merdeka Savings Bond was done.
- 1.3.3    To study the factors that influencing customer's enthusiasm to the sales of the Merdeka Savings Bond.



## 1.4 Scopes and Limitations

### 1.4.1 Scopes

- 1.4.1.1 The study covers only in TTDI Jaya Maybank.
- 1.4.1.2 All information's are collected from staff and customers at Maybank TTDI Jaya.
- 1.4.1.3 Respondents are limited to customers at Maybank TTDI.
- 1.4.1.4 The study is analyzed about the impact of the services Merdeka Saving at Maybank TTDI Jaya.

### 1.4.2 Limitations

- 1.4.2.1 It is difficult to obtain more information because only certain customers know about the Merdeka Saving Bond at Maybank TTDI Jaya.
- 1.4.2.2 Limited time to get feedback from the investors since the information is private and confidential from Maybank TTDI Jaya.
- 1.4.2.3 Lack of promotion such as broacher, pamphlets, advertisement etc about Merdeka Saving Bond.

### 1.5 Definition of Words

- BSM : Abbreviation for Bon Simpanan Merdeka or Merdeka Savings Bonds.
- Bai'-Al-'Inah : Sell-and-buy-back arrangement. An Islamic banking principle.
- GDP : Abbreviation for Gross Domestic Profit or Keluaran Dalam Negara Kasar.

## 2.0 LITERATURE REVIEW

### 2.1 Bond

*According to the Reuters financial training series an introduction to bond market* a bond is an agreement in which an issuer is required to repay to the investor the amount borrowed plus interest over a specified period of time. A bond is in effect an IOU which can be bought and sold.

If you invest in a bond, then you are lending money, if you issue a bond, then you are borrowing money. In its simplest form, a bond has four components that identify it. These components are:

#### 2.1.1 Issuer

The organization responsible for ensuring that interest and principal payments are made to bondholders, usually via a paying agent.

#### 2.1.2 Principal

The amount denominated in a specific currency that the issuer wishes to borrow and agrees to repay the investor.

#### 2.1.3 Coupon

The rate of interest the issuer agrees to pay the investor. This can be for a fixed amount as a percentage of the face value of the bond or as a floating rate relative to an index such as the London Inter bank Offer Rate (LIBOR). The frequency of the interest rate payments is usually on an annual basis.

## 2.2 Maturity

The date on which the issuer of a bond must repay the principal due and the final interest rate payment.

*Ralph G. Norton in investing for income reference book* said bond like any investment, the quality of the underlying issuer is a key component in determining the value of the issuer's securities. In the bond world, creditworthiness is measured by a bond's rating.

Several credit agencies, including Standard & Poor's, Moody's Investor's Service, and Fitch Investor's Services, specialize in analyzing the creditworthiness of bonds. The issuer must request and pay one of these firms for a rating of its issue. Once a rating is assigned, it will be regularly reviewed by the rating agency and may be raised, lowered, or put on special alert. Each firm has its own criteria for a rating, which takes into account many factor, such as management ability, income outlook, and cash flow.

Bond with ratings of BBB and above are considered investment grade bonds. Many investors require this rating for purchase. If a bond falls below this grade, these firms normally are forced to sell the issue.

This is why it is very important for an issuer to hold a high rating. In addition, the higher the rating, the lower the interest required by the issuer to pay bondholder. A higher quality issue will normally have a lower yield for a given maturity than a lower quality bond. First time