



RETAIL BANKING OPPORTUNITIES IN MALAYSIA

FOR

BANK OF AMERICA

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TO GOD WITH PRAISE

and

TO MY FAMILY,

I DEDICATE THIS WORK WITH GREATEST LOVE.

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ABSTRACT

The Kuala Lumpur branch of Bank of America is considering the viability of expanding its retail banking operations in Malaysia. Because of the restrictive regulatory environment in Malaysia, the bank is limited to a one-branch operation. Bank of America Malaysia must take this into consideration as it decides on an efficient mix of retail products and services to offer to its customers. It is with this consideration and objective in mind that we have analysed the retail banking market in Malaysia and have identified the opportunities in terms of products, services and delivery vehicles.

Contained in this report are current and detailed information on retail product opportunities as well as the recommended strategies for each product.

The beginning sections of this report present an overview of Malaysia and its banking environment, which covers the economic and demographic aspects of the Malaysian market and also information on household income. The writer then present a detailed analysis of selected retail products, services, and delivery vehicles currently existing in the Malaysian market. At the end of the report, we make our recommendations on which retail products and services Bank of America Malaysia should offer and discuss the strategies associated with each.

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GLOSSARY

ABC	Assorted Banking Consortium
ATM	Automated Teller Machine
BAFIA	Banking And Financial Institutions Act
BLR	Base Lending Rate
BofA	Bank Of America
BSN	Bank Simpanan Nasional (National Savings Bank)
D & C Bank	Development And Commercial Bank
e.g.	exempli Gratia, meaning for example
est.	Estimates
etc.	et cetera, meaning so on and the others
Forex	Foreign Exchange
GDP	Gross Domestic Product
GNP	Gross National Product
GREAT	Group Electronic Auto Teller
IBBM	Institut Bank-bank Malaysia (Institute Of Bankers Malaysia)
i.e.	Abbreviation id est, meaning that is
ID	Identification Number
Ltd.	Limited
Maybank	Malayan Banking Berhad
MEPS	Malaysian Electronic Payment System
OCBC	Oversea-Chinese Banking Corporation
PC	Personal Computer

PIN	Personal Identification Number
RM	Ringgit Malaysia (Malaysian Ringgit)
ROA	Return On Assets
SEACEN	The South East Asian Central Banks
SPABL	Security Pacific Asian Bank Limited
SPAN	Sistem Penjelasan Cek Automatik Nasional (National Automated Cheque Clearing System)
SWIFT	Society For Worldwide Interbank Financial Telecommunication
TCD	Time Certificates Of Deposits
TV	Television
UMBC	United Malayan Banking Corporation Berhad
UOB	United Overseas Bank
US/USA	United States of America
USD	US Dollar