

IMPORTANT / DISCLAIMER

THIS IS AN INVESTMENT ACCOUNT PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A DEPOSIT PRODUCT. THIS PRODUCT IS NOT PROTECTED BY PIDM.

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet together with the Terms and Conditions before you apply and decide to accept the Wafiyah Investment Account (*Wafiyah Wakalah*).

**Wafiyah Investment Account (*Wakalah*)
(*Wafiyah Wakalah*)**

01 OCTOBER 2019

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

Name of Product	Wafiyah Investment Account (<i>Wakalah</i>) (<i>Wafiyah Wakalah</i>)
Applicable Shariah Contract	<p><i>Wakalah bil istithmar</i>: A form of <i>wakalah</i> contract (or agency contract) entered into for the purpose of investment.</p> <p>“<i>Wakalah</i>” means a contract in which a party (<i>muwakkil</i>) authorises another party as its agent (<i>wakil</i>) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of fee.</p> <p>Under this <i>Wafiyah Wakalah</i>, the Investment Account Holder (IAH) as the <i>muwakkil</i> or principal authorises the Bank as <i>wakil</i> or agent to undertake investment activities and in return the Bank will receive a fee for the services provided.</p>
Type of Investment Account	Unrestricted Investment Account : Refers to a type of investment account where the IAH provides the Bank with the mandate to make the ultimate decision without specifying any particular restrictions or conditions.
Parties Involved in the Investment Activities and Their Roles and Responsibilities	The parties involved will be the IAH as the investor and the Bank acting as the agent to undertake the investment activities on behalf of the IAH. The Bank will be responsible to manage the investment provided by the IAH. The IAH will not be involved in the investment activities.

PRODUCT SUITABILITY

2. Who is this product suitable for?

Types of Investors	Individuals and non-individuals
Return Objectives	Able to generate moderate returns over an agreed period of the investment
Risk on Investment Principal	The principal amount of investment is not guaranteed
Investment Tenure	1 month to 24 months
Investment Limit	No investment limit

KEY PRODUCT FEATURES

3. What am I investing in?

Investment Objective, Strategy and Policy	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Objective</td> <td>To provide stable income over financing and financial assets.</td> </tr> <tr> <td>Strategy</td> <td>To ensure investment is within the investment objective of the fund via having an asset allocation that safeguards the investment.</td> </tr> <tr> <td>Policy</td> <td>To manage the investment return in a manner that is consistent with IAH's investment objective.</td> </tr> </table>	Objective	To provide stable income over financing and financial assets.	Strategy	To ensure investment is within the investment objective of the fund via having an asset allocation that safeguards the investment.	Policy	To manage the investment return in a manner that is consistent with IAH's investment objective.																												
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Description of the Underlying Assets	The fund will be invested in House Financing and Packaged Personal Financing.																																		
Risk Assessment on the Performance of the Investment Assets	Proactive management of the retail financing asset can be done by viewing the periodical performance reports of the investment on the Bank's website.																																		
Minimum Investment Amount	RM1,000 (Ringgit Malaysia One Thousand) for 1 month RM500 (Ringgit Malaysia Five Hundred) for 2 months and above																																		
Investment Tenure	Minimum 1 month to a maximum of 24 months																																		
Profit Payment Method	<p>i. Profit payment frequency: At maturity</p> <p>ii. Expected Return : As at 01 February 2019</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">Tenure</th> <th style="text-align: center;">Expected Profit Rate (% p.a.)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1 month</td><td style="text-align: center;">3.60</td></tr> <tr><td style="text-align: center;">2 months</td><td style="text-align: center;">3.65</td></tr> <tr><td style="text-align: center;">3 months</td><td style="text-align: center;">4.00</td></tr> <tr><td style="text-align: center;">4 months</td><td style="text-align: center;">4.00</td></tr> <tr><td style="text-align: center;">5 months</td><td style="text-align: center;">4.00</td></tr> <tr><td style="text-align: center;">6 months</td><td style="text-align: center;">4.10</td></tr> <tr><td style="text-align: center;">7 months</td><td style="text-align: center;">4.10</td></tr> <tr><td style="text-align: center;">8 months</td><td style="text-align: center;">4.10</td></tr> <tr><td style="text-align: center;">9 months</td><td style="text-align: center;">4.15</td></tr> <tr><td style="text-align: center;">10 months</td><td style="text-align: center;">4.20</td></tr> <tr><td style="text-align: center;">11 months</td><td style="text-align: center;">4.20</td></tr> <tr><td style="text-align: center;">12 months</td><td style="text-align: center;">4.25</td></tr> <tr><td style="text-align: center;">15 months</td><td style="text-align: center;">4.30</td></tr> <tr><td style="text-align: center;">18 months</td><td style="text-align: center;">4.30</td></tr> <tr><td style="text-align: center;">21 months</td><td style="text-align: center;">4.35</td></tr> <tr><td style="text-align: center;">24 months</td><td style="text-align: center;">4.40</td></tr> </tbody> </table> <p style="font-size: small; margin-top: 5px;">(For the latest / updated Expected Profit Rate, please refer to http://www.bankislam.com.my/home/financing-deposit-rates/)</p>	Tenure	Expected Profit Rate (% p.a.)	1 month	3.60	2 months	3.65	3 months	4.00	4 months	4.00	5 months	4.00	6 months	4.10	7 months	4.10	8 months	4.10	9 months	4.15	10 months	4.20	11 months	4.20	12 months	4.25	15 months	4.30	18 months	4.30	21 months	4.35	24 months	4.40
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- a) If the Actual Profit Rate is **above** (or **equal to**) the Expected Profit Rate :
 - ✓ the Bank will pay the Expected Profit Rate to the IAH; and
 - ✓ any excess will be retained by the Bank as a performance incentive.
- b) If the Actual Profit Rate is **below** the Expected Profit Rate:
 - ✓ the Bank is obliged to pay the Actual Profit Rate to the IAH; and
 - ✓ Loss (if any) shall be borne by the IAH provided that such losses are not due to the Bank's misconduct, negligence or breach of specified terms.
- iii. Investment returns are calculated as follows:

Investment Return: Placement Amount x Actual Profit Rate x Tenure/365*

Where:

Placement Amount = Initial proceeds from IAH

Tenure = Number of days from placement date to maturity date

**Denominator = To follow the market's day-count convention*

Example:

Date of Placement: 1/09/2018	Date of Maturity: 30/09/2018
Investment Amount: RM1,000,000	Investment Tenure: 1 Month (30 days)
Expected Return: 3.50% p.a.	

Illustration 1 (Actual Profit Rate is higher than Expected Profit Rate):

Actual Profit Rate: 3.60% p.a.

Investment Return : RM1,000,000 x 3.50% p.a. x 30/365 = RM2,876.71

Illustration 2 (Actual Profit Rate is lower than Expected Profit Rate):

Actual Profit Rate: 3.40% p.a.

Investment Return: RM1,000,000 x 3.40% p.a. x 30/365 = RM2,794.52

For auto-renewal, the profit rate is to be based on the Bank's prevailing profit rate at the point of renewal.

Key Terms and Conditions

1. The tenure of the investment for any placement using cheque will commence upon the cheque clearance.
2. If the IAH is not present to redeem the investment at maturity date, the Bank shall regard that the IAH has agreed to renew the certificate automatically, and the calculation of profit as above.
3. Redemption at maturity – IAH may receive the available principal amount (with profit) payable at maturity.
4. Premature redemption is allowed, however, the IAH may receive a sum of less than their initial investment if the IAH redeems all of the investment before its maturity depending on the market value of the underlying/ allocated asset of which the IAH's investment is linked to at the point of the premature redemption.
5. The IAH may receive a lower profit rate in the event of premature redemption.
6. Partial Redemption – not allowed.

Note: The actual amount paid to the IAH will depend on the market value of the underlying asset of which the IAH's investment is linked to at the point of the pre-mature redemption. IAH are advised to contact the Bank for consultation if they are considering pre-mature redemption.

4. What are the possible outcomes of my investment?

The IAH may experience a positive investment return due to good performance of the underlying retail financing asset. However, the IAH may experience a negative investment return due to bad performance of the underlying retail financing asset.

- Fund Size : 250,000,000
 Asset Proportion : i) 50% of House Financing Asset [HFA] (*Floating Rate*); and
 ii) 50% of Personal Financing [PF] (Exclusively on *Government Staff under Package with Floating Rate*)

Rate of Return for Wafiyah Investment Account

	Return on Asset (p.a.)		Return on Asset on Combined Assets (p.a.)	Return on Investment (p.a.)
	HFA	PF		
As at Oct 2018	4.59%	6.24%	5.41%	3.82%
YTD Dec 2017	4.34%	5.96%	5.15%	3.70%
YTD Dec 2016	4.31%	5.53%	4.92%	3.73%
YTD Dec 2015	4.52%	5.50%	5.01%	n/a
YTD Dec 2014	4.06%	5.26%	4.66%	n/a

Return on Asset is at its best case when it achieves 5.41%p.a. The flat case is on 4.92%p.a and it is at its worst case at 4.66%p.a.

Important Notice: Return on Asset is based on past performance. Past performance of the investment is not an indication of its future performance.

KEY RISKS

5. What are the key risks associated with this product?

The Bank will apply risk management controls over portfolio, legal and operational activities; including asset allocation, liquidity adherence to investment objective and parameters, valuation, monitoring performance and others as per guided in the BNM's Policy Document Investment Account. Notwithstanding the above, in times of adversity the Bank may manage its asset allocation to safeguard the investment portfolio provided that such investment is within the investment objectives of the fund.

As such, you are advised to carefully consider all risk factors before making an investment decision. Investors will be exposed to the following risks:

- i. **Market Risk:** Refers to the potential impact of adverse price movements (e.g. profit rate, foreign exchange rates or equity prices, where applicable) on the economic value of an asset.
- ii. **Credit Risk:** Refers to the potential that the Bank fails to meet its obligations to IAH in accordance with agreed terms and conditions.
- iii. **Liquidity Risk:** Refers to the potential loss arising from the liquidity risk for IAH where there shall be lesser return and possible capital erosion.
- iv. **Operational Risk:** Refers to the potential loss resulting from inadequate or failed internal processes, people and systems or external events.
- v. **Legal Risk:** IAH should ensure that, by entering this investment he / she is not in breach of any laws, regulations, contractual or any other legal limitations that may apply to his / her. This investment is issued subject to all applicable laws, regulations and guidelines. In the event of change in such laws, regulations or guidelines, the Bank may be obliged to change some or all terms and conditions of this investment, including the possibility of an early termination.

6. What are the fees and charges involved?

- The Bank waives the *Wakalah Fee*.
- No penalty charges will be imposed for any pre-mature redemption.

Item	Charges	Rate / Amount
Loss of Certificate	Per Certificate (Stamp Duty)	RM10

Note: Unless expressly stated herein, the IAH agrees that the Bank shall be entitled to charge a fee for any of its services provided to the IAH at the rates imposed by the Bank (as approved by Bank Negara Malaysia) and as set out in the PDS and / or on the Bank's website.

7. Where valuations strategy and frequency are published?

Valuation will be carried out in line with the recognition and measurement criteria of the applicable Malaysian Financial Reporting Standards (MFRS). The IAH will be able to obtain information pertaining to the investment account from the Bank's website at <http://www.bankislam.com.my>

8. Who should I contact for further information or to lodge a complaint?

- If you wish to make any queries or complaint on the products or services provided by the Bank, you may contact the Bank at:

Contact Centre & Customer Care

Bank Islam Malaysia Berhad

17th Floor, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Tel: 03-2690 0900

Fax: 03-2782 1337

Email: contactcenter@bankislam.com.my or customercare@bankislam.com.my; or

- If your query or complaint is not satisfactorily resolved by the Bank, you may contact Bank Negara Malaysia LINK or TELELINK at:
 - (a) via phone to: 1-300-88-5465 (1-300-88-LINK)
 - (b) via fax to: +603-2174 1515
 - (c) via email to: bnmtelelink@bnm.gov.my
 - (d) via letter to: **Laman Informasi Nasihat dan Khidmat (LINK)**
Bank Negara Malaysia
P.O. Box 10922
50929 Kuala Lumpur

Note: Information contained herein is accurate as of the time of publishing and subject to change in accordance with applicable rules, regulations or guidelines issued by Bank Negara Malaysia from time to time.

WARNING

THE RETURNS ON THIS INVESTMENT ACCOUNT DEPENDS ON THE PERFORMANCE OF THE UNDERLYING ASSETS. THE PRINCIPAL AND RETURNS ARE NOT GUARANTEED AND CUSTOMER / INVESTMENT ACCOUNT HOLDER RISKS EARNING NO RETURNS AT ALL OR LOSING PART OR THE ENTIRE PRINCIPAL SUM INVESTED. IF THE INVESTMENT IS REDEEMED EARLY, CUSTOMER / INVESTMENT ACCOUNT HOLDER MAY SUFFER LOSSES IN PART OR THE ENTIRE PRINCIPAL SUM INVESTED. THIS PRODUCT IS NOT PROTECTED BY PIDM.

The information provided in this disclosure sheet is valid as at 01 October 2019.