

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 INSURED BY THE MALAYSIAN DEPOSIT INSURANCE CORPORATION (PIDM).		Please read and understand this Product Disclosure Sheet and the Terms and Conditions before you apply and decide to subscribe to this product. <p style="text-align: center;">WAFIYAH INVESTMENT ACCOUNT</p> Date: _____
1. What is this product about?		
Name of Product	Wafiyah Investment Account.	
Type of Investment Account	“Unrestricted Investment Account” refers to a type of investment account where the Investment Account Holder (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.	
2. What is the Shariah concept applicable?		
<p>“Wakalah Bil Istithmar” is a form of Wakalah contract (or agency contract) entered into for the purpose of investment.</p> <p>“Wakalah” means a contract in which a party (Muwakkil) authorises another party as its agent (Wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of fee. Under this Wafiyah Investment Account, the IAH as the Muwakkil or principal authorises the Bank as Wakil or agent to undertake investment activities and in return the Bank will receive a fee for the services provided.</p>		
3. Who is this product suitable for?		
Target Market	<ul style="list-style-type: none"> • Individual (Resident and Non-Resident). • Non-Individual (Business/ Other Entities). 	
Account Type	Individual, Joint, Trust, Association, Society, Sole Proprietorship, Partnership, Limited Liability Partnership, Religious Bodies, Mosque, School/ University, Club and any other types of account as determined by the Bank.	
Risk on Investment Principal	Investment amount and return are not guaranteed.	
Investment Limit	No investment limit.	
4. What am I investing in?		
Investment Objective, Strategy and Policy	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.
Description of the Underlying Assets	The fund will be invested in Home Financing and Packaged Personal Financing.	
Risk Assessment on the Performance of the Investment Assets	Proactive management of the retail financing asset portfolio and quarterly performance reports of the investment portfolio can be viewed via Bank Islam website.	
Minimum Initial Investment Amount	RM1,000 for one (1) month and RM500 for two (2) months and above.	
Investment Tenure	One (1) to twenty four (24) months.	

<p>Profit Payment Method</p>	<p>i. <u>Profit Payment Frequency</u> – At maturity or at certain interval for tenure of more than fifteen (15) months i.e. half yearly.</p> <p>ii. <u>Expected Profit/ Return</u> – Can be referred to https://www.bankislam.com/deposit-financing-rates/ which will be updated from time to time.</p> <p>iii. <u>Profit Distribution</u> – Based on the following scenarios:</p> <p>a. If the Actual Profit Rate is above (or equal to) the Expected Profit Rate:</p> <ul style="list-style-type: none"> ✓ the Bank will pay the Expected Profit Rate to the IAH; and ✓ any excess will be retained by the Bank as a performance incentive. <p>b. If the Actual Profit Rate is below the Expected Profit Rate:</p> <ul style="list-style-type: none"> ✓ 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. <p>iv. <u>Investment Return</u> – Formula and illustration as follows:</p> <p style="text-align: center;">Investment Return = Placement Amount x Profit Rate x Tenure (no. of days) / 365</p> <p>Illustration:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Placement Amount</td> <td>=</td> <td>RM10,000</td> </tr> <tr> <td>Expected Return</td> <td>=</td> <td>2.50% p.a.</td> </tr> <tr> <td>Tenure</td> <td>=</td> <td>61 days</td> </tr> </table> <p>a. If the Actual Profit Rate is above (or equal to) the Expected Profit Rate i.e. 2.60% p.a. Investment Return = RM10,000 x 2.50% x 61/365 = RM41.78</p> <p>b. If the Actual Profit Rate is below the Expected Profit Rate i.e. 2.40% p.a. Investment Return = RM10,000 x 2.40% x 61/365 = RM40.11</p> <p>v. <u>Expected Profit/ Return upon Automatic Renewal</u> – The expected rate will be based on the Bank’s prevailing profit rate at the point of renewal.</p>	Placement Amount	=	RM10,000	Expected Return	=	2.50% p.a.	Tenure	=	61 days
Placement Amount	=	RM10,000								
Expected Return	=	2.50% p.a.								
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<p>Key Terms and Conditions</p>	<p>i. The investment will commence upon the cheque clearance for any placement using cheque.</p> <p>ii. If the IAH is not present to redeem the investment at the maturity date, the Bank shall regard that the IAH has agreed to renew the certificate automatically and the Expected Profit/ Return is as mentioned above.</p> <p>iii. Upon redemption at maturity, the IAH may receive the principal amount together with profit, if any.</p> <p>iv. The IAH may receive a sum lower than the investment amount in the event of premature redemption. Profit for premature redemption (if any) is subject to the Discounted Profit Rate at 2/3 from the Expected Profit Rate or Actual Profit Rate, whichever is lower, at the point of premature redemption. The same will also apply to any interim profit paid to the IAH.</p> <p>v. Partial redemption is disallowed.</p> <p>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 premature redemption. IAH is advised to contact the Bank for consultation if IAH is considering premature redemption.</p>									

5. 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 portfolio. However, the IAH may experience a negative investment return due to bad performance of the underlying asset.

Fund Size: RM250,000,000

Asset Proportion: i) 50% of Home Financing (Floating Rate) [HFA]; and
ii) 50% of Personal Financing (Exclusively for Government Staff under Package with Floating Rate) [PF].

WAFIYAH – PAST FIVE (5) YEARS PERFORMANCE TREND				
Year	ROA for HFA (%)	ROA for PF (%)	Combined ROA (%)	ROI (%)
Dec 2016	4.31	5.53	4.92	3.73
Dec 2017	4.34	5.96	5.15	3.70
Dec 2018	4.59	6.24	5.41	3.82
Dec 2019	4.53	6.02	5.28	3.83
Dec 2020	3.68	4.84	4.26	2.92

Note:

ROA – Return on Assets
ROI – Return on Investment

Important Notice: The above ROA is based on past performance. Past performance of the investment is not an indication of its future performance.

6. 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 Bank Negara Malaysia (BNM)'s Investment Account Policy. Notwithstanding the above, in times of adversity in the markets, 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. IAH will be exposed to the following risks:

- (a) **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.
- (b) **Credit Risk:** refers to the potential that the Bank fails to meet its obligations to IAH in accordance with agreed terms and conditions.
- (c) **Liquidity Risk:** refers to the potential loss arising from the liquidity risk for IAH where there shall be lesser return and possible capital erosion or loss.
- (d) **Operational Risk:** refers to the potential loss resulting from inadequate or failed internal processes, people and systems or external events.
- (e) **Legal Risk:** IAH should ensure that, in entering into this investment it is not in breach of any laws, regulations, contractual or any other legal limitations that may apply to investors. This investment is issued subject to all applicable laws, regulations and guidelines. In the event of change in such laws, regulations or guidelines, Bank Islam may be obliged to change some or all the terms and conditions of the investment, including the possibility of an early termination.
- (f) **Shariah Non-Compliance Risk:** refers to the possible failures to meet the obligation to Shariah principles or in other words, possible incidences of Shariah non-compliances.

7. What are the fees and charges involved?

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

Type of Charge	Charges	Rate / Amount
Replacement of loss certificate	Stamp Duty for Indemnity Letter regardless of investment amount	RM10.00

Note: 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 BNM and subject to Shariah rules and principles) and as set out in the PDS and/or the Bank's website.

8. What is the valuation strategy adopted, its frequency and where does it published?

Valuation will be carried out at minimum on monthly basis in line with the recognition and measurement criteria of the applicable Malaysian Financial Reporting Standards (MFRS). IAH will be able to obtain information pertaining to the investment account from Bank Islam's website at www.bankislam.com.

9. 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 us, you may contact us 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: customercare@bankislam.com.my

If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or BNM TELELINK:

- (a) via phone to : 1-300-88-5465 (1-300-88-LINK)
- (b) via fax to : 03 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

WARNING:

THE RETURN ON THIS INVESTMENT ACCOUNT DEPENDS ON THE PERFORMANCE OF THE UNDERLYING ASSETS. THE PRINCIPAL AND RETURN ARE NOT GUARANTEED AND INVESTMENT ACCOUNT HOLDER RISKS EARNING NO RETURNS AT ALL OR LOSING PART OR THE ENTIRE PRINCIPAL SUM INVESTED. THIS INVESTMENT ACCOUNT IS NOT PROTECTED BY PIDM.

Note:

- a. 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.
- b. All information provided in this Product Disclosure Sheet is valid with effect from 15 January 2022.

Acknowledge Receipt by Customer

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Name:

I/C Number:

Date: