

IMPORTANT/DISCLAIMER
THIS IS AN INVESTMENT ACCOUNT PRODUCT THAT IS TIED TO THE PERFORMANCE OF UNDERLYING ASSETS AND NOT A DEPOSIT PRODUCT

PRODUCT DISCLOSURE SHEET

Please read and understand this Product Disclosure Sheet together with the Terms and Conditions before you apply and decide to invest in the Term Investment Account-i.

Note: Be sure to also read the general terms and conditions. Kindly do seek clarification from the Bank if you do not understand any part of this document or general term stated therein.

Term Investment Account-i (“TIA-i”)

This product is not protected by Perbadanan Insurans Deposit Malaysia (“PIDM”)

Date: _____

BRIEF INFORMATION ON THE PRODUCT

What is this product about?

Brief Product Information	This is an investment account where placement of monies is mandated by Investment Account Holder (“IAH”) to be maintained with the Bank. The Bank then invests the funds in the TIA-i in its Shariah-compliant financing and investment activities. The returns on the investment are based on the agreed Profit-Sharing Ratio (“PSR”), which is dependent on the performance of the underlying assets.
Applicable Shariah Contract	The Shariah concept applicable to this product is Mudarabah . Under this concept, the IAH acts as the capital provider (<i>Rabbul Mal</i>) provides capital to the Bank (“Bank”), which acts as the entrepreneur (<i>Mudarib</i>) and invests the capital in Shariah compliant businesses. Any profit generated from the investment will be shared between the IAH and the Bank according to a mutually pre-agreed Profit-Sharing Ratio (“PSR”) whilst financial losses will be borne by the IAH provided that such losses are not due to the Bank’s misconduct, negligence or breach of specified terms.
Type of Investment Account	The product is classified as Unrestricted Investment Account (“UA”) which refers to a type of investment account where the IAH provides the Bank with the mandate to make the ultimate decision without specifying any restrictions or conditions.
Parties Involved in the Investment Activities and Their Roles and Responsibilities	The parties involved are as follows: i. IAH: The IAH as the investor and places funds in the Investment Account (“IA”) and accept all the terms and conditions specified including but not limited to the investment objectives, minimum amount of initial investment amount, profit sharing ratio, profit distribution frequency, loss realization, investment tenure, withdrawal of the investment and termination of the IA. ii. Bank: The Bank acts as the entrepreneur accepts the fund from the IAH and manages the fund according to the agreed terms and conditions, including but not limited to ensure that the overall operation of the investment account is in compliance with Shariah.

PRODUCT SUITABILITY

Who is this product suitable for?

Type of Investor	▪ Individual or Joint Account Holder aged 18 years and above (residents and non-residents)
Investment Objectives	Generate attractive and steady returns while taking into account the capital preservation factor.

KEY PRODUCT FEATURES

What are we investing in?

Investment Strategy	The fund will be invested in the Bank's financing assets with competitive pricing and conservative risk profile.															
Underlying Assets	The fund will be invested in the Bank's Personal Financing-i portfolio.															
Risk Assessment on the Performance of the Investment Assets	IAH will be provided with information on the past performances of the underlying assets through the Product Disclosure Sheet ("PDS"). In addition, quarterly Fund Performance Report will also be available at the Bank's website.															
Investment Amount	Minimum of RM1,000.00 (Ringgit Malaysia One Thousand).															
Currency	Malaysian Ringgit only															
Investment Tenure	1, 3, 6, 9, 12, 18 and 24 months.															
TIA-i Account Opening	To open the TIA-i, the IAH must have a CASA-i account opened with the Bank. Placement of TIA-i can be done through online banking. Alternatively, the IAH can visit a branch to apply for the investment account in person.															
Profit Sharing Ratio (PSR) and Profit Calculation	<ul style="list-style-type: none"> The PSR will be pre-agreed before or at the point of investing. The IAH agrees that The Bank, at its discretion, may revise the PSR during the tenure of Mudarabah contract without the IAH's consent. Profit will be based on a pre agreed PSR and the performance of the underlying asset. In the event that the actual profit exceeds the indicative rate, the IAH hereby agrees to waive any excess and consents that the excess shall be retained by the Bank. Contrarily, should the actual profit be lower than the indicative rate, Bank is obliged to pay the actual profit to the IAH based on the PSR. <p>The profit payable is calculated as follows:</p> <p>Profit Payable = Investment Amount x Return on Asset x PSR x No. of Days /365 or 366 days</p> <p>Where:</p> <ul style="list-style-type: none"> Return on Asset = The gross Return on Asset ('R') is the rate in which the profit sharing for <i>Mudarabah</i>-based investment is being considered. The actual return paid to IAH will be based on the agreed PSR against the prevailing "R". <p>Illustration:</p> <p>Investment Details</p> <table border="1"> <tr> <td>Date of Placement</td> <td>01/01/24</td> </tr> <tr> <td>Investment Amount</td> <td>RM10,000.00</td> </tr> <tr> <td>Investment Tenure</td> <td>3 months (90 days)</td> </tr> <tr> <td>Profit Sharing Ratio (IAH:Bank)</td> <td>50:50</td> </tr> </table> <table border="1"> <tr> <td>Return on Asset</td> <td>3.30% p.a.*</td> </tr> <tr> <td>Profit Payable to IAH</td> <td>RM10,000.00 x 3.30% x 50% x 90/366 = RM40.57</td> </tr> <tr> <td>Total Amount Credited to IAH</td> <td>RM10,000.00 + RM40.57 = RM10,040.57</td> </tr> </table> <p>Note:</p> <p>i) The above scenario is for illustration purposes only. Profit and charges may vary and subject to the Bank's terms and conditions. ii) *per annum</p>		Date of Placement	01/01/24	Investment Amount	RM10,000.00	Investment Tenure	3 months (90 days)	Profit Sharing Ratio (IAH:Bank)	50:50	Return on Asset	3.30% p.a.*	Profit Payable to IAH	RM10,000.00 x 3.30% x 50% x 90/366 = RM40.57	Total Amount Credited to IAH	RM10,000.00 + RM40.57 = RM10,040.57
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Profit Payment Frequency	Profit will be distributed upon maturity.															
Withdrawal Method	Upon Maturity	The IAH may receive all available principal amount with profit, if any.														

Early Withdrawal

Early withdrawal is allowed subject to the following conditions:

- For withdrawals within the first 7 days of the investment tenure, the IAH shall receive 10% of the attributed profit with the available principal amount. The IAH shall agree to waive the right to receive the remaining attributed profit.
- For withdrawals after 7 days from the date of placement and before the maturity date, the IAH shall receive 50% of the attributed profit (if any) with the available principal amount. The IAH shall agree to waive the right to receive the remaining attributed profit.

Illustration

Early Withdrawal	% of profit attributed upon early withdrawal	Illustration	
		Original PSR (IAH:Bank)	PSR upon early withdrawal (IAH:Bank)
Within first 7 days	10%	50:50	5:95 (10% x 50% = 5%)
After 7 days	50%	50:50	25:75 (50% x 50% = 25%)

Investment Details

Scenario 1: Early Withdrawal within first 7 days

Placement Date	01/01/24
Withdrawal Date	04/01/24
PSR upon Early Withdrawal	5 (IAH): 95 (Bank)
Profit Payable to IAH	= RM10,000.00 x 3.30% x 5% x 4/366 = RM0.18
Total Amount Credited to IAH	= RM10,000.00 + RM0.18 = RM10,000.18

Scenario 2: Early Withdrawal after 7 days

Placement Date	01/01/24
Withdrawal Date	20/01/24
PSR upon Early Withdrawal	25 (IAH): 75 (Bank)
Profit Payable to IAH	= RM10,000.00 x 3.30% x 25% x 20/366 = RM6.33
Total Amount Credited to IAH	= RM10,000.00 + RM4.51 = RM10,004.51

Note:

The above is for illustration purposes only. Profit and charges may vary and subject to the Bank's terms and conditions.

Renewal of Investment

i) Auto Renewal	<ul style="list-style-type: none"> • Principal amount with profit • Principal amount only. The principal will be renewed whilst the profit will be credited to the IAH's CASA-i 	Applicable over the counter (OTC) and online placement
ii) No Renewal	<ul style="list-style-type: none"> • Principal and profit will be credited to the IAH's CASA-i upon maturity 	Applicable over the counter (OTC) only

Any changes to the PSR of the renewed accounts will be as per the Bank's prevailing board PSR. The changes to the PSR will only take effect upon expiry of the existing placement tenure.

What are the possible outcomes of our investment?

(a) The returns to IAH depend on the performances of the underlying asset as illustrated below:

Illustration	Overnight Policy Rate (OPR)	Gross Return on Asset (ROA) (p.a%)	PSR (IAH:Bank) %	Returns to IAH (Based on 12 months tenure) (p.a %)
Best market	3.25%	4.25%	50:50	2.13%
Worst market	1.75%	2.75%	50:50	1.38%

(Numbers above are for illustration purposes only)

Important Notice:

- The best market and worst market illustrations are based on Overnight Policy Rate (OPR) movement of +/- 25bps from the current OPR rate of 2.00% p.a. OPR levels are assumed to directly impact returns through full transfer of OPR increase / decrease to portfolio and with all other factors remaining unchanged.
- The outcomes reflected under possible best and worst market illustrations shall not be construed as the actual outcome.

(b) Below are the historical performance of the Bank's underlying assets (Personal Financing-i) for five (5) years, IAH would have received the returns as illustrated below based on a PSR of 50:50 (IAH:Bank):

Financial Year as at 31 December	Gross Return on Asset (ROA) ¹	PSR (IAH:Bank) %	Returns to IAH (%) p.a
2022	5.36%	50:50	2.68
2021	7.60%	50:50	3.80
2020	6.31%	50:50	3.16
2019	5.71%	50:50	2.86
2018	7.23%	50:50	3.62

Important Notice: "Past performance of the investment is not an indication of its future performance"

Note:

¹ ROA is based on past performances.

KEY RISKS

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 guided in the 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.

The IAH should be aware of the various risks associated with the TIA-i, the key risks that the IAH may be exposed to the following risks:

Market Risk	Market risk refers to the possibility for an investor to experience lower or losses due to changes in market factors which will impact the overall performance of the underlying assets. This will be managed by the Bank in accordance and within the Bank's approved risk framework.
Risk of Capital Loss	This refers to the risk of decline in the value of the original investment value. This will be managed by the Bank through portfolio rebalancing, a process of selecting the applicable assets that comply with the investment strategies and objectives.
Liquidity Risk	Liquidity risk refers to risk that the Bank may be unable to meet short term financial demands i.e. withdrawal from IAH. The Bank will manage the liquidity risk in accordance with both its internal and external risk frameworks.
Credit Risk	This risk arises when the funded asset(s) goes into default. The Bank will manage this through selection of qualified assets and close monitoring to ensure that it is within the investment strategies and objectives.
Investment Concentration Risk	Investment concentration risk can materialise from excessive exposure to a particular type of asset, a single counterparty, a single geographical location or others. The funded asset(s) are diversified based on the type of market segments that the portfolios are exposed to. Additionally, the Bank will ensure that the investment is in accordance with both internal and external policies.
"You are advised to carefully consider all risk factors before making an investment decision"	

FEES AND CHARGES

What are the fees and charges involved?

There are no fees and charges during the opening account process for this product.

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 at the Bank website www.mbsbbank.com

VALUATIONS

The Bank will perform valuation of the underlying assets of the fund in accordance with the Malaysian Financial Reporting Standards ("MFRS") which will be carried out on a monthly basis.

The IAH will be able to obtain information pertaining to the investment account via Fund Performance Report that will be made available at the Bank's website www.mbsbbank.com

CONTACT INFORMATION

Who should we contact for further information or to lodge a complaint?

<p>If you wish to complain on the products or services provided by us, you may contact us at:</p>	<p>If your query or complaint is not satisfactorily resolved by us, you may contact:</p>
<p>Customer Experience Management Level 25, Menara MBSB Bank, PJ Sentral Jalan Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor Phone. : 03 - 2096 3000 Email : complaint@mbsbbank.com</p>	<p>Bank Negara Malaysia LINK or TELELINK Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur Phone : 1-300-88-5465 Fax : +603-2174 1515 Email : bnmtelelink@bnm.gov.my</p>

WARNING

THE RETURNS ON THIS INVESTMENT ACCOUNT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSETS. THE PRINCIPAL AND RETURNS ARE NOT GUARANTEED AND INVESTMENT ACCOUNT HOLDER (“IAH”) RISKS EARNING NO RETURNS AT ALL. IF THE INVESTMENT IS REDEEMED EARLY, CUSTOMER MAY SUFFER LOSSES IN PART OR THE ENTIRE PRINCIPAL SUM INVESTED. THIS INVESTMENT ACCOUNT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA (PIDM).

The information provided in this product disclosure sheet is valid as of 12 August 2024