

PRODUCT DISCLOSURE SHEET (PDS)	ENGLISH VERSION
<p>REMINDER: You are reminded to read and understand the terms and conditions of this Product Disclosure Sheet together with the general and specific terms and conditions in the Application Form. If there are any terms and conditions in this Product Disclosure Sheet which you do not understand, please seek independent advice and/or clarify with the Bank.</p>	<p>Bank : Affin Islamic Bank Berhad Product :</p> <p><input type="checkbox"/> AFFIN GROW-i CURRENT ACCOUNT <input type="checkbox"/> AFFIN SMEDGE PREMIUM PREFERRED-i <input type="checkbox"/> AFFIN SMEDGE PREMIUM STANDARD-i <input type="checkbox"/> ANY OTHER CURRENT ACCOUNT-i OFFERED UNDER THE CONCEPT OF TAWARRUQ</p>
1. What is this product about?	
<ul style="list-style-type: none"> ▪ This product provides Customer with the flexibility to manage and access funds using a cheque book and this product offers fixed returns on the deposit placed by the Customer. This product is protected by Perbadanan Insurans Deposit Malaysia up to RM250,000 for each depositor. 	
2. What are the Shariah contracts applicable under this product?	
<p>a) Tawarruq Tawarruq consist of two sale and purchase contracts where the Customer (represented by the Bank as their purchasing agent) will purchase a specific Shariah compliant Commodity from the Commodity Supplier at a Purchase Price (equivalent to the deposit amount) and sells the Commodity (represented by the Bank acting as their agent) to the Bank at a mark-up sale price (Sale Price) on a deferred payment basis. Subsequently, the Bank will sell the Commodity to a third party at the Purchase Price on cash and spot basis.</p> <p>b) Wakalah The Bank will apply the dual-agency mechanism under the Wakalah concept. The Customer appoints the Bank as the Customer's agent to purchase the Commodity from the Commodity Supplier at a Purchase Price and subsequently sells the Commodity to the Bank on behalf of the Customer in order to complete the Tawarruq transaction.</p> <p>c) Wa'd Under the Shariah concept of Wa'd, the Bank undertakes to subsequently purchase from the Customer a specific Shariah compliant commodity ("the Commodity" consists of crude palm oil (CPO), rubber or any other commodity as advised by the Commodity Supplier) once completion of purchase of the Commodity on behalf of the Customer from a Commodity Supplier at Purchase Price (equivalent to the deposit amount).</p>	
3. What are the features of the product?	
AFFIN GROW-i CURRENT ACCOUNT	DETAILS
Eligibility	<ul style="list-style-type: none"> ▪ Open to all residents and non-residents ▪ Individual or joint account (18 years old and above) ▪ Non-Individual
Type of accounts	<ul style="list-style-type: none"> ▪ Personal Account ▪ External Account ▪ Societies, associations and institutional account ▪ Company Account - Sole Proprietaries, Partnership, Private and Public, Limited company <p><i>*Note: Offering to Corporate/Government subject to business arrangement by the Bank</i></p>
Initial deposit amount for opening	<ul style="list-style-type: none"> ▪ Personal : RM 1,000 ▪ Others : RM 2,000

SMEDGE PREMIUM PREFERRED & STANDARD-i	DETAILS
Eligibility	<ul style="list-style-type: none"> ▪ Sole proprietors ▪ Partnerships ▪ Private Limited company ▪ Associations/clubs/societies ▪ Professional bodies
Type of account	Business Current Account-i
Initial deposit amount for opening	RM 2,000

4. What are the key terms and conditions?

A. Appointment of Agent for Commodity Murabahah Trading

- a) The Customer agrees to appoint the Bank and the Bank agrees to accept the appointment as agent of the Customer to execute sale and purchase of the Commodity in accordance with the product's terms and conditions and to negotiate with, including but not limited to, the Commodity traders, industrial firms, their suppliers and their clients on behalf of the Customer in relation to the same.
- b) Upon signing of the account opening form and documents: -
 - I. On any subsequent days, the Customer pays the Purchase Price of the Commodity (equivalent to each deposit placed into the account).
 - II. The Bank as agent to the Customer shall, on the following Business Day (as defined in Paragraph B, item (d) of the Commodity Murabahah Transaction below), enter into a Commodity Murabahah transaction.
 - III. As the agent of the Customer, the Bank buys a specific Commodity on cash basis at a Purchase Price from a Commodity Broker A.
 - IV. The Bank (as agent of the Customer) then sells the Commodity to the Bank on deferred payment at a Sale Price.
 - V. The Bank then sells the Commodity to Commodity Broker B on cash and spot basis.
 - VI. On the maturity date, the Bank pays the Sale Price to the Customer (taking into consideration rebate(s), if any).
- c) Each transaction will be entered into by the Bank in the name of the Customer on a full disclosure basis of all transaction details, pricing and parties. The Bank as agent of the Customer will act in good faith and in the best interest of the Customer whilst performing its obligations and dealings in the transactions.
- d) The Bank shall be authorised to delegate its rights and duties as the Customer's agent to any third party to do all acts necessary for the completion of the required transactions.

B. Commodity Murabahah Transaction

- a) The Bank shall enter into Commodity Murabahah transactions based on daily net deposit amount in the following scenarios ("Daily Net Deposit"): -
 - ❖ End of Day ("EOD") balance on account opening day.
 - ❖ Any incremental deposit at EOD balances on any single day, excluding cheque floats.
 - ❖ EOD balance on 31 December of each calendar year.
- b) EOD balance shall be the account balance as at 2359 hours at any single calendar day.
- c) The Commodity Murabahah transactions will take place daily on the next Business Day after a deposit placement (T+1).
- d) For the purpose of the Commodity Murabahah transactions, the expression "Business Day" means a calendar day excluding Saturday, Sunday and Public Holiday of the Federal Territory of Kuala Lumpur.
- e) The tenure shall start from the deposit placement date until 31 December of each calendar year ("Maturity Date").
- f) At the Maturity Date, the Bank shall rollover the total EOD credit balance standing in the Customer's account and enter into a new Commodity Murabahah Transaction for a tenure that matures on 31 December of the following calendar year.

C. Security Deposit (Hamish Jiddiyah)

- a) Hamish Jiddiyah is the security deposit amount which the Bank will credit into the Customer's account on the Profit Crediting Day. On the Profit Crediting Day, the total accrued profit for a particular period will be credited into the Customer's account being partial/full settlement of the Sale Price by the Bank for the Murabahah transactions for the tenure.
- b) Hamish Jiddiyah refers to any amount credited to the Customer's Account prior to Commodity Murabahah transaction.
- c) Hamish Jiddiyah is granted as an assurance from the Bank to the Customer to purchase the Commodity from the Customer on the respective Purchase Date.
- d) The security deposit is derived based on the following formula:

$$\text{Security Deposit} = \frac{\text{EOD Balance} \times \text{EPR} \times n}{365 \text{ or } 366^*}$$

Where;

EPR = Effective Profit Rate

n = number of days prior to the Commodity trading that consequently occurs before Profit Crediting Day, subject to non-Business Day.

**366 to be used for leap year*

- The Hamish Jiddiyah shall not be utilised by the Customer prior to the Commodity trading.
- The Hamish Jiddiyah shall be returned to the Bank if the Commodity Murabahah transaction does not take place such as closing of account prior to Commodity trading.
- Once the Commodity trading is performed, the Hamish Jiddiyah shall be offset against part of the Sale Price.

D. Profit Calculation

- a) The Sale Price shall be computed based on the following formula:

$$\text{Sale Price} = \text{Purchase Price} + \text{Contracted Profit}$$

Where;

Sale Price = the sum payable by the Bank to acquire the Commodity from the Customer on deferred basis which comprise of Purchase Price and the Contracted Profit

Purchase Price = an amount equivalent to the Customer's Daily Net Deposit (per the scenarios mentioned in Paragraph B, item (a) of Commodity Murabahah Transaction) which will be used to purchase Commodity on trading day

The Contracted Profit shall be computed based on the following formula:

- i. Annual trading for EOD Balance as at 31 December (and subsequent calendar years):

$$\text{Contracted Profit} = \frac{\text{Year EOD} \times \text{CPR} \times \text{Tenure (in days)}}{365 \text{ or } 366^*}$$

**366 to be used for leap year.*

- ii. Daily trading computation for any positive Daily Net Deposit:

$$\text{Contracted Profit} = \frac{\text{Daily Net Deposit} \times \text{CPR} \times \text{Tenure (in days)}}{365 \text{ or } 366^*}$$

Where;

CPR = Contracted Profit Rate

**366 to be used for leap year*

- iii. The actual profit shall be accrued daily (including cheque floats*) and paid on the last day of each calendar month (Profit Crediting Day). The actual profit shall be based on Effective Profit Rate (“EPR”) as per the formula below:

Actual Profit	=	$\frac{\text{EOD Balance} \times \text{EPR} \times \text{No. of days}}{365 \text{ or } 366^*}$
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*366 to be used for leap year

* In the event of cheque return, the Bank will make adjustment on the daily actual profit accrued in the Customer’s account.

- The Bank shall determine the EPR and CPR from time to time with prior notice to the Customer. The notice will be published at AffinAlways.com and will be made available at any of the Bank’s branches. The EPR declared by the Bank is equivalent to the Bank’s prevailing board rate. For CPR it will be computed based on the following:
 - ❖ For single flat rate, CPR will be based on the EPR.
 - ❖ For tier rate, CPR will be computed at the highest EPR.
- Any excess/extra profit paid by the Bank shall be treated as gift (hibah).

E. Rebate (Ibra’)

- a) The Customer consents to grant rebate (Ibra’) on any accrued and/or unaccrued profit portion subject to the occurrence of certain events including but not limited to:
- ❖ Withdrawal of deposit prior to maturity
 - ❖ Termination/closure of account
 - ❖ Difference between CPR and EPR at the maturity date, given that the Sale Price is computed using CPR, is in excess of the aggregate profit during the year which is computed using EPR based on the following formula:

Formula: Aggregate Contracted Profit – Aggregate Actual Profit Credited

F. Statement of Account and Tawarruq Notice

- a) A statement of account shall be rendered once a month or at such other frequency as determined by the Bank from time to time.
- b) A Tawarruq Notice is available upon request by the Customer. The notice consists of: -
- ❖ Commodity Murabahah transactions for the month
 - ❖ Sale Price
 - ❖ Year to Date Contracted Profit
 - ❖ Year to Date Actual Profit Paid
- c) The Customer may request for the Tawarruq Notice at any of our branches nationwide during office hours. The Bank shall forward the Tawarruq Notice to the Customer via e-mail or post to the Customer’s latest address within five (5) business days from the date of such request.

5. What are the fees and charges applicable?

- Wakalah (Brokerage) fee – RM 2.00 per RM1 million on pro-rate basis. The Brokerage fee is to be shared equally between the Bank and the Customer. However, this fee is currently waived by the Bank.
- Service fee of RM 10.00 will be imposed half yearly.
- *RM10 per month as monthly maintenance fee. This maintenance fee is waived if the month end average balance of the account stands at RM 20,000 or more.
- For other fees and charges applicable to this product, please visit the Bank’s website at AffinAlways.com → Fee & Charges → Islamic → Deposit → Current Account-i.

Note:

*Only applicable for SMedge Premium Preferred-i and Standard-i products.

6. What are the major risks associated with the product?

If the account is closed within six (6) months of opening, a RM20.00 fee will be imposed.

7. What do I need to do if there are changes to my contact details?

It is important that you inform the Bank of any changes to your details to ensure that all correspondences reach you in a timely manner. The notification must be in writing and mail or deliver by hand to any of the Bank's branches.

8. Where can I get further information?

- If you require additional information about this product, please refer to the product information available at any of the Bank's branches or visit our website at AffinAlways.com.
- If you have any enquiries, please contact our Contact Centre at 03-8230 2222 or e-mail to yourvoice@affingroup.com

The information provided in this Product Disclosure Sheet are accurate as at **5 JANUARY 2024.**