

## **Frequently Asked Questions (FAQ) for AFFIN Term Investment Account-i (AFFIN TIA-i)**

### **1. What is AFFIN TIA-i?**

AFFIN Term Investment Account-i (AFFIN TIA-i) is an investment product offer to all customers of Affin Bank and Affin Islamic. This is an Unrestricted Mudarabah in which the Rabbul Mal (Customer/Investor) provides the Bank with the mandate to make the ultimate investment decision without specifying any restrictions or conditions.

### **2. What is the Shariah Concept applicable for AFFIN TIA-i?**

The Shariah concept applicable is Mudarabah.

Mudarabah means a contract where the Investor (Customer) appoints the Bank (also known as the “Mudarib” or “Entrepreneur”) for the fund which has been deposited or will be deposited by the Investor for an investment.

The profits from the investment will be shared between the Bank and the Investor according to the agreed Profit Sharing Ratio (PSR).

Any losses from the investment are to be borne by the Investor except in cases where there is direct evidence of misconduct (ta`addi), negligence (taqsir) or breach of specified terms (mukhalafah al-shurut) by the Bank in managing the funds.

### **3. What are the benefits if an Investor invest in AFFIN TIA-i?**

- (i) Investor has the potential to earn higher profits from the positive performance of the identified portfolios, which serve as the underlying asset for AFFIN TIA-i as compared to traditional bank deposits and other deposit avenues.
- (ii) Investor will be able to leverage the Bank’s expertise in managing the investment arrangement and stay informed about the investment activities’ performance.

### **4. Is AFFIN TIA-i available to be subscribed via branch?**

Yes, beginning from 19 February 2025, AFFIN TIA-i is available at all Bank’s branches.

### **5. What is PSR?**

Profit-Sharing-Ratio or PSR means the pre-agreed ratio of profit sharing between the Investor and the Bank from time to time and as set out in the Investment Slip. The PSR is available on the Bank’s website. Investors should visit the website to get the PSR information.

### **6. Does an Investor have to maintain AFFIN CASA-i/CASA?**

Yes, the Investor is required to open or maintain existing an AFFIN Islamic Current and/or Savings Account-i (CASA-i) or an AFFIN Bank CASA to invest with AFFIN TIA-i. This is for the purpose of performing placements via AffinAlways.com (RIB) and for the crediting of profit and/or principal (if any).

### **7. What is Investor Suitability Assessment?**

Investor Suitability Assessment is the exercise carried out by the Bank to gather necessary information from a prospective Investor to form a reasonable basis for the Bank’s to recommend AFFIN TIA-i to the prospective Investor.

- For placement via AffinAlways.com (RIB), the prospective Investor is required to fill up the ISA that is available in the AffinAlways.com (RIB) during the placement process.
- For placement over the counter, the prospective Investor is required to fill up the ISA that is available at the branch during the placement process.

### **8. What is the Investment Objective?**

The objective of AFFIN TIA-i is to provide stable return to the Investor through low to moderate risk investment.

### **9. What is the Investment Asset?**

Is the pool of Shariah compliant personal financing portfolio of the Bank which will be funded by the Investment Fund.

### **10. What is the Investment Fund?**

It is the fund available from Investment Amount invested by the Investor in AFFIN TIA-i, utilised for funding of the Investment Asset.

### **11. What is the Investment Tenure?**

Investment tenure means the period of investment. Investor can choose either 1, 3, 6, 9 or 12 months.

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### **12. What is Investment Slip?**

Investment Slip means the placement receipt (including confirmation letters and any other form evidencing the Investment) issued by the Bank to the Investor which shall contain details of the Investment, including the Investment Amount, the PSR and the Investment Tenure.

- An Investment Slip will be issued to the Investor for each Investment placed with the Bank.
- The Investment Slip shall be conclusive and binding upon the Investor unless the Bank is notified in writing of any errors/irregularities within seven (7) days of the date of the Investment Slip.
- The Investor may view the Investment details via AFFIN Retail Internet Banking at AffinAlways.com.

### **13. What is the Investment Amount?**

- Minimum: RM500.00.

### **14. Can an Investor invest less than the minimum investment amount?**

No.

### **15. Can the Investor re-invest the investment amount and/or profit upon maturity?**

The Investor has the option to automatically reinvest the Investment upon maturity as follows:

- (a) reinvest on the principal amount only:

the principal balance will be reinvested back into the Investment at the Bank's prevailing Profit-Sharing-Ratio for the same Investment Tenure. Any profit will be credited into the Investor's CASA-i or CASA for AFFIN TIA-i placement via AffinAlways.

- (b) reinvest on the principal and profit:

the principal balance and any profit will be reinvested back into the Investment at the Bank's prevailing Profit-Sharing-Ratio for the same Investment tenure.

### **16. When can an Investor redeem the investment?**

Redemption shall be upon maturity of the investment.

### **17. What is Tanazul?**

Tanazul means a waiver by the Investors of their rights on the profit at the inception of the contract which will be effective on certain events.

For AFFIN TIA-i, the Investor is waiving his/her rights on the profit when he/she make a pre-mature withdrawal.

### **18. Can an Investor make a premature withdrawal?**

- Pre-mature withdrawal is allowed with the below conditions(s):
  - (a) No profit will be paid for any AFFIN TIA-i that has not completed its respective investment tenure.
  - (b) Upon premature withdrawal, the investment account will be terminated/closed.
- Partial withdrawal of the Investment Amount is not allowed.

### **19. Is profit guaranteed?**

No. Profit is not guaranteed by the Bank.

This account is classified under "Investment" product based on the Mudarabah contract, which is not principally guaranteed, and the return or profit (if any) will be based on the performance of the investment assets.

### **20. When can I get the profit (if any) paid?**

Profit (if any) will be paid upon maturity of the investment and credited to the Investor's AFFIN CASA/-i.

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### 21. Is Principal/Investment Amount guaranteed?

No. Principal/Investment Amount is not guaranteed by the Bank.

### 22. Is AFFIN TIA-i protected by PIDM?

No. AFFIN TIA-i is not protected by PIDM.

### 23. What is Indicative Profit?

Indicative Profit means the profit as expected by the Bank to be made in relation to the relevant Investment Amount from an Investment or past actual profit from the investment.

The Bank may publish the Indicative Profit Rate on the Bank's official website at AffinAlways.com or at our branches.

The Indicative Profit Rate is only a reference to the expected return that may be received and is not binding on the Bank. Any past performance is not indicative of future performance and likewise, a projection of future performance does not guarantee actual performance. The Indicative Profit Rate is available on the Bank's website. Investors should visit the website to get the Indicative Profit Rate information.

### 24. What is Actual Profit?

Actual Profit means the profit made or realized in relation to the AFFIN TIA-i.

The profit rates quoted for AFFIN TIA-i shall be at the agreed PSR between Investor and the Bank.

### 25. Payment of Actual Profit:

- Actual Profit (if any) on existing AFFIN TIA-i of twelve (12) months and below is payable on maturity.
- the method of calculation of Actual Profit shall be based on the actual number of days based on the simple profit formula.

#### **Example**

Investment Amount	Investment Tenure	Placement Date	Maturity Date	PSR	Gross Rate
RM100,000.00	12 Months	2 November 2024	2 November 2025	50:50	5.09%

#### **Profit Calculation Formula:**

$(\text{Investment Amount}) \times (\text{Gross Rate}) \times (\text{PSR (Campaign Period)}) \times (\text{No. of Days}/365) = \text{Profit}$

**Customer's Profit** :  $\text{RM}100,000 \times 5.09\% \times 50\% \times 365/365 = \text{RM}2,544.99$

- Profit (if any) will be paid upon maturity of the investment.
- Profit (if any) will be credited into the Investor's CASA-i/CASA.
- The Investor has the option to reinvest the profit upon maturity of the Investment.

### 26. In the unlikely event of losses, who will bear the losses?

Any losses from the investment are to be borne by the Investor except in cases where there is direct evidence of misconduct (ta'addi), negligence (taqsir) or breach of specified terms (mukhalafah al-shurut) by the Bank in managing the Investment Funds.

#### **Illustration of investment loss**

PF-i funded by AFFIN TIA-i	Financing Profit	Writeback/Impairment/Provision	Total Profit/Loss	PSR (Investor:Bank)	Return to Investor
600,000,000	40,000,000	42,000,000	(2,000,000)	43 : 57	(1.20% p.a.)

Investment Amount	RM100,000
Effective Date – Maturity Date	1/10/2024 – 1/11/2024
Tenure/No. of Days	1 month/30 days
PSR (Investor : Bank)	43 : 57
Gross Rate	(1.20% p.a.)
Profit to Investor	$\text{RM}100,000 \times [(1.20\%) \times 100\%] \times 30/365 = \text{RM}98.63$
Investment Amount & Return on Maturity Date	$\text{RM}100,000 - \text{RM}98.63 = \text{RM}99,901.37$

### 27. Are there any fees and charges associated with AFFIN TIA-i?

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There are NO fees and charges.

**28. Does an Investor get a Statement of Account for AFFIN TIA-i?**

The Statement of Account for AFFIN TIA-i will be in the form of Investment Slip that is available at [AffinAlways.com](http://AffinAlways.com).

**29. How can an Investor monitor the performance of the investment?**

Fund Performance Report will be published at Bank's website every quarterly.

**30. Is Joint Account allowed under AFFIN TIA-i?**

Yes.

**31. What are the possible conditions that can lead to losses?**

Market failures, financial /economic crisis, force majeure events (such as war, natural disaster or etc).

**32. How are the investment risks minimized?**

While the Principal/Investment amount and profit are not guaranteed by the Bank, the Bank is minimizing the risks using the following method:

(a) Only active and performing accounts are utilized as the Investment Asset.

**33. Where can an Investor obtain further information on AFFIN TIA-i?**

An Investor may contact the Bank's Contact Center number at 03-8230 2222 or reach out to the branch's personnel for further information. The Investor can also visit the Bank's website, [AffinAlways.com](http://AffinAlways.com) to get further information on the product.