

28 June 2018

Dear Valued Customer(s),

NOTICE ON CONVERSION OF GENERAL INVESTMENT ACCOUNT-i TO COMMODITY MURABAHAH TERM DEPOSIT-i (“NOTICE”)

We would like to inform that under Islamic Financial Services Act 2013 (IFSA), one of the main highlights is to differentiate between Islamic Deposit Account and Islamic Investment Account. As a result of this, all deposit products which applied the Shariah concept of Mudarabah (profit sharing) will be classified as investment account products.

Pursuant to the above, please note that your existing Mudarabah General Investment Account-i(s) (“the GIA-i”) which is currently classified as deposit account(s) will have to be reclassified as investment account(s). However, MBSB Bank Berhad (716122-P) (formerly known as Asian Finance Bank Berhad) (“MBSB Bank”) had determined to maintain the status of your existing GIA-i(s) under the Islamic Deposit. Please be informed that we will be taking the necessary steps to convert your above-mentioned **GIA-i** to **Commodity Murabahah Term Deposit-i (“the CMTD-i”) (“the Conversion”)**.

The Shariah concept applicable for the CMTD-i is Tawarruq. For an explanation on CMTD-i you may read the full Terms and Conditions in our website at www.mbsbbank.com.

Under the CMTD-i arrangement, you will appoint MBSB Bank as your Agent in order to do and execute all acts to facilitate the Tawarruq arrangement namely:-

- i. To purchase Commodity from commodity trader at the Purchase Price equivalent to the placement amount; and
- ii. To then sell the Commodity on deferred payment to MBSB Bank at the Selling Price.

We wish to assure you that the conversion is to fulfill the Shariah requirements and will be carried out at **NO COST** to you and nor will it in any way, change the terms and conditions of your deposit account. We set out below some salient points of the Conversion:-

- **Profit sharing ratio (PSR)** under your GIA-i will **no longer be applicable** instead you will enjoy a **Fixed Profit Rate**; Your **profit rate for CMTD-i** will be the **SAME** as per the last declared profit rate under your GIA-i account;
- The total profit payment that will be paid to you upon maturity of the CMTD-i is equivalent to the total expected return under GIA-i;
- Other terms such as account number, maturity date and renewal terms will not be affected and **will remain unchanged**;
- CMTD-i is **eligible for Perbadanan Insurans Deposit Malaysia's (PIDM) protection subject to PIDM's Terms and Conditions**;
- Any existing lien, rights, charge, security interest and/or restrictions applicable to the existing GIA shall continue under the CMTD-i;
- For accounts that has auto renewal option opted, the renewal function will still apply to renew the deposit amount and/or profit for the same tenure at the Bank's prevailing profit rate

If you do not wish for your account to be converted, kindly visit your Home Branch to perform an early withdrawal of your GIA account(s) within 21 days from the date of this Notice. Profit amount will be paid up to the withdrawal date and there will be no penalty imposed by MBSB Bank for the early withdrawal.

Upon expiry of the Notice Period and your continued act of maintaining your deposit with us and going through the Conversion, shall constitute your consent and agreement to the Applicable Terms and Conditions which shall automatically be binding on you.

For any enquiries, kindly contact our **Customer Call Centre at 03-2096 3000 between 8.30 a.m. to 5.30 p.m. Mondays to Fridays (save and except for Public Holidays) or e-mail us at conversion@mbsbbank.com**.

We thank you for your trust and continuous support towards MBSB Bank.

Yours faithfully,
MBSB Bank Berhad (716122-P)
(Formerly known as Asian Finance Bank Berhad)

Note: This is a computer-generated letter; No signature is required.