

Conversion of Current Account-i / Savings Account-i (CASA-i) to Commodity *Murabahah*-based Current Account-i / Savings Account-i (CM CASA-i)

Frequently Asked Questions (FAQs)

1.	Q	What is this conversion exercise all about?
	A	This is a conversion of Current Account-i/ Savings Account-i (CASA-i) to Commodity <i>Murabahah</i> -based Current Account-i/ Saving Account-i (CM CASA-i) which will take effect on 18 September 2017.
2.	Q	What is the objective of the conversion exercise?
	A	This is an initiative by the Bank to provide our customers with better deposit products that are not only financially beneficial but will offer you peace of mind as the new Commodity <i>Murabahah</i> -based Current Account-i/Savings Account-i (CM CASA-i) offers you fixed profit rate which will be made known to you upfront upon conversion/account opening.
3.	Q	What is the new Shariah contract following the conversion?
	A	Following conversion, the new Shariah contract will be changed from <i>Wadi'ah</i> (Guaranteed Safekeeping) to Commodity <i>Murabahah</i> via <i>Tawarruq</i> arrangement. This refers to two sale and purchase contracts where the first involves the sale of an asset to a purchaser on a deferred basis and the subsequent sale involves sale of the asset to a third party on a cash basis.
4.	Q	Based on question no. 3, could you explain further?
	A	<p>The steps are as below:</p> <ol style="list-style-type: none"> i. Upon account opening, you will appoint the Bank as your agent to purchase Shariah-compliant Commodity from any third party and thereupon, sell the Commodity to the Bank. ii. The Bank, acting as your agent, will purchase the Commodity on your behalf (upon receipt of deposited monies) at a Purchase Price equivalent to Net Incremental amount. (You are also entitled to request and take physical delivery of the Commodity at your own cost and expense). iii. The Bank will thereafter, on its own capacity, purchase the Commodity from you at the Selling Price comprising the said Purchase Price and Ceiling Profit which shall be paid to you upon maturity. iv. The Bank may thereafter, sell the Commodity to a third party. <p>The sale and purchase contracts in the <i>Tawarruq</i> arrangement will be executed upon initial placement of deposit, when there is any Net Incremental deposit and during deposit renewal upon end of tenure.</p> <p>Definition: “Net Incremental” refers to any incremental deposit at end-of-day (EOD) balance of any single day, and EOD balance of the account opening.</p>

		<p>“Purchase Price” refers to the amount which is equivalent to Customer’s Net Incremental and/or Total Outstanding Balance which will be used to purchase a commodity on trading day for each Commodity Trading.</p> <p>“Selling Price” refer to the amount payable by the Bank to Customer for the acquisition of asset on <i>Murabahah</i> basis which consists of the Purchase Price and profit computed based on Ceiling Profit Rate.</p> <p>Note: Trading of commodity is executed via commodity platform.</p>
5.	Q	Why do I need to appoint the Bank as an agent?
	A	The Bank will act as agent on your behalf to purchase and sell the commodities in order to ease the process of Commodity Trading between three parties i.e. Bank, Customer and Commodity Trading Platform.
6.	Q	Am I still eligible for Malaysia Deposit Insurance Corporation (“PIDM”) coverage?
	A	Yes, you will still be eligible for coverage of up to RM250,000.
7.	Q	Where can I refer to for the profit rates of these products?
	A	Profit rates for these products will be published on our website at www.ambank.com.my and will be displayed on the electronic board rates/TV at our AmBank Islamic/AmBank branches.
8.	Q	How will the Bank pay the profit?
	A	The profit will be credited into your account at the end of every month.
9.	Q	Could you illustrate the computation of the profit?

	A	<p>Illustration: Ceiling Profit Rate (CPR) = 5% p.a. Effective Profit Rate (EPR) = 3% p.a. Amount of initial deposit = RM10,000 Date of deposit = 24 December 2017</p> <p>Table 1</p> <table border="1" data-bbox="347 470 1495 1129"> <thead> <tr> <th>Trading Date</th> <th>Deposit (+)/ Withdrawal(-) (RM)</th> <th>Net Incremental/ Purchase Price (RM) (a)</th> <th>EOD Balance (RM) (b)</th> <th>No. of Remaining Days (c)</th> <th>Profit Credited* (RM) (b x EPR x No. of Days/365 or 366)</th> <th>Ceiling Profit** (RM) (a x CPR x c/365 or 366)</th> <th>Selling Price (RM) (a + Ceiling Profit)</th> <th>Hamish Jiddiyah (RM)</th> </tr> </thead> <tbody> <tr> <td>24/12</td> <td>+10,000</td> <td>10,000</td> <td>10,000</td> <td>8</td> <td>0.82</td> <td>10.96</td> <td>10,010.96</td> <td></td> </tr> <tr> <td>25/12</td> <td>-</td> <td>-</td> <td>10,000</td> <td>7</td> <td>0.82</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>26/12</td> <td>+5,000</td> <td>5,000</td> <td>15,000</td> <td>6</td> <td>1.23</td> <td>4.11</td> <td>5,004.11</td> <td>-</td> </tr> <tr> <td>27/12</td> <td>-2,000</td> <td>-</td> <td>13,000</td> <td>5</td> <td>1.07</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>28/12</td> <td>+3,000 -1,500</td> <td>1,500</td> <td>14,500</td> <td>4</td> <td>1.19</td> <td>0.82</td> <td>1,500.82</td> <td>-</td> </tr> <tr> <td>29/12</td> <td>+1,000 -2,000</td> <td>-</td> <td>13,500</td> <td>3</td> <td>1.11</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>30/12</td> <td>-</td> <td>-</td> <td>13,500</td> <td>2</td> <td>1.11</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>31/12</td> <td>+3,000</td> <td>+3,000</td> <td>16,500</td> <td>1</td> <td>1.11</td> <td>0.41</td> <td>3,000.41</td> <td>0.25</td> </tr> <tr> <td colspan="5" style="text-align: center;">Total</td> <td>8.46</td> <td>16.30</td> <td></td> <td></td> </tr> </tbody> </table> <p>*Profit Credited is the actual profit that is computed based on EPR. EPR means the actual rate used to compute the Profit Credited. **Ceiling Profit is used to calculate the Selling Price based on CPR. CPR refers to the profit rate used to compute the Ceiling Profit.</p>	Trading Date	Deposit (+)/ Withdrawal(-) (RM)	Net Incremental/ Purchase Price (RM) (a)	EOD Balance (RM) (b)	No. of Remaining Days (c)	Profit Credited* (RM) (b x EPR x No. of Days/365 or 366)	Ceiling Profit** (RM) (a x CPR x c/365 or 366)	Selling Price (RM) (a + Ceiling Profit)	Hamish Jiddiyah (RM)	24/12	+10,000	10,000	10,000	8	0.82	10.96	10,010.96		25/12	-	-	10,000	7	0.82	-	-	-	26/12	+5,000	5,000	15,000	6	1.23	4.11	5,004.11	-	27/12	-2,000	-	13,000	5	1.07	-	-	-	28/12	+3,000 -1,500	1,500	14,500	4	1.19	0.82	1,500.82	-	29/12	+1,000 -2,000	-	13,500	3	1.11	-	-	-	30/12	-	-	13,500	2	1.11	-	-	-	31/12	+3,000	+3,000	16,500	1	1.11	0.41	3,000.41	0.25	Total					8.46	16.30		
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	A	Below are the products which are included in the conversion: <table border="1" data-bbox="423 1598 1395 1860" style="margin-left: 40px;"> <thead> <tr> <th>No.</th> <th>Products</th> <th>Deposit Type</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Basic Savings Account-i</td> <td>Savings</td> </tr> <tr> <td>2.</td> <td>Savers' G.A.N.G Account-i</td> <td>Savings</td> </tr> <tr> <td>3.</td> <td>Basic Current Account-i</td> <td>Current</td> </tr> <tr> <td>4.</td> <td>Current Account-i</td> <td>Current</td> </tr> <tr> <td>5.</td> <td>Everyday Account-i (Family First Solution-i)</td> <td>Current</td> </tr> <tr> <td>6.</td> <td>Special Savings Account-i (Family First Solution-i)</td> <td>Savings</td> </tr> </tbody> </table>	No.	Products	Deposit Type	1.	Basic Savings Account-i	Savings	2.	Savers' G.A.N.G Account-i	Savings	3.	Basic Current Account-i	Current	4.	Current Account-i	Current	5.	Everyday Account-i (Family First Solution-i)	Current	6.	Special Savings Account-i (Family First Solution-i)	Savings																																																																					
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12.	Q	During conversion, can customer still perform transactions Over-the-Counter (OTC) or via																																																																																										

		Automated Teller Machine (ATM)/Cash Deposit Machine (CDM)/Cheque Deposit Machine (CQM)?
	A	Yes.
13.	Q	Will this conversion affect the existing operation of my account, e.g. account number, standing instruction, etc.?
	A	The existing operation of your account including account number, standing instruction, auto debit, etc. shall remain unchanged.
14.	Q	Am I required to change my passbook?
	A	You will receive a new passbook during your next transaction at the branch. However, we have included a passbook-less option for you to operate your account. As such, for ease of usage, greater convenience and in support of a greener environment, we encourage you to move to passbook-less account.
15.	Q	What should I do if I wish to opt for a passbook-less account?
	A	Simply visit your nearest branch to change your account to passbook-less account.
16.	Q	Where can I view the new terms and conditions for this account?
	A	The new terms and conditions will be made available on our websites. It is also printed on your new passbook and can also be obtained at any of our AmBank Islamic/AmBank branches.
17.	Q	Do I have any other options if I do not wish to convert my existing CASA-i to CM CASA-i?
	A	At the moment, the Bank does not offer any other CASA-i products based on other Shariah contract apart from Commodity <i>Murabahah</i> . Please note that the product under CM CASA-i is similar to the product that you are currently subscribing. In addition, following this conversion which is done for you without any additional charges, you will receive fixed profit rate which will be made known to you upfront upon conversion.