Bonds/Sukuk

A capital markets instrument which offers income and potential capital protection

Minimum investment: MYR250,000

What are Bonds/Sukuk?

Bonds/Sukuk are debt securities whereby when you purchase a bond, you are lending money to the issuer. In return for the money invested, the issuer will pay you a specified rate of interest (a.k.a coupon) and repays the principal amount or par value upon maturity or when the bond is called.

Receive periodic coupon payments at a pre-determined rate and period, and the par value upon maturity or when the bond is called by the issuer.

Can be traded (buy or sell) prior to the maturity date, provided a counterparty is found at the best effort basis of the Bank.

Minimum investment amount (depending on respective bond papers):

MYR Bond: MYR250,000

USD Bond: USD100,000

AUD Bond: AUD250,000

SGD Bond: SGD250,000

IDR Bond: IDR500million

Benefits:

Diversify your investment portfolio as bonds can help reduce volatility and preserve capital for equity investors during the times when the stock market is falling.

Bonds pay a fixed coupon payment at regular intervals on pre-determined dates, provided there are no defaults.

Hedge against economic slowdown by making bond income a source of return.

Enjoy capital appreciation by selling bonds after they have risen in price.

Enjoy potential higher returns than Fixed Deposit.

Bonds are generally less volatile than equities and therefore considered as conservative investment.

Opt to diversify portfolio on foreign currencies investment.

No upfront service charge, subscription fee, or redemption fee.

Eligibility:

Individual customers with total net personal assets exceeding Ringgit Malaysia Three Million (RM3,000,000) or its equivalent in foreign currency

Companies with total net assets exceeding Ringgit Malaysia Ten Million (RM10,000,000) or its equivalent in foreign currency, based on the last audited accounts.

Characteristics:

Par value:	Also called principal amount. The amount to be paid back to bondholder at maturity.
Coupon:	The periodic payment made by the issuer to bondholders.
Maturity Date:	The date of which a bond matures/expires.
Call Date:	The date of which the issuer has the right to redeem the bond prior to maturity.