

PRODUCT DISCLOSURE SHEET

Kindly read this Product Disclosure Sheet before you decide to subscribe the Negotiable Islamic Debt Certificate (NIDC). Be sure to also read the terms and conditions for the product.

BANK ISLAM MALAYSIA BERHAD
Negotiable Islamic Debt Certificate (NIDC)
March 2019

1. What is this product about?

Negotiable Islamic Debt Certificate (NIDC) is a deposit product and negotiable instrument at secondary market with certain maturity from the date of issuance. The customer will receive the selling price amount (principal plus profit) if the NIDC is held to maturity. This product is **NOT** covered by the Malaysia Deposit Insurance Corporation (PIDM) due to its negotiable features.

2. What is the Shariah contract applicable?

- The applicable Shariah contract for NIDC upon issuance is Bai` `Inah where:
 - i. The Bank sells its asset to the customer on cash basis, and subsequently,
 - ii. The Bank purchases the same asset from the customer on deferred at mark up price.
- After completion of the Bai` `Inah transactions, the Bank will issue the NIDC to the customer as evidence of the Bank's debt.

3. What do I get from this product?

Minimum Deposit Placement	Minimum amount of RM60,001.00 or its equivalent if the NIDC is denominated in foreign currency.
Tenure	<ul style="list-style-type: none"> • One (1) day to five (5) years. • For Floating Rate Negotiable Islamic Debt Certificate (FRNIDC), the tenor shall be divided into at least 4 profit periods, each of which shall have duration of three or six calendar months.
Issuance	Principal value of [TBD] at the price of [TBD].
Profit Rate	[TBD]% p.a.
Profit Payment Method	<ul style="list-style-type: none"> • Profit payment frequency: [TBD] • For FRNIDC, the Bank agrees to pay periodical profit payment for funds received, based on agreed benchmark/index (example KLIBOR) and the period should not be less than one (1) year. • Profit Proceeds Calculation: Profit proceeds = Principal Value x Profit Rate x Tenure/365 Where: Principal Value = Initial proceeds from customer Tenure = Number of days from settlement date to maturity date
Underlying Asset	Land or property owned by the Bank.

4. What are the other key terms and conditions of this product that I should know?

Premature Withdrawal	Partial or full premature withdrawal is not allowed.
Call Option by the Bank	The Bank as the NIDC Issuer may call the NIDC prior to the maturity at a prevailing market rate calculated based on the formula of 'Profit Proceeds Calculation' as mentioned above.
Procedures for Redemption of Profit Proceeds	<ul style="list-style-type: none"> • If customer presents the NIDC certificate to the Bank one (1) day before the profit payment date, the Bank will pay the proceeds on the profit payment date. • However, if the NIDC certificate is presented on the profit payment date or after (cut off time by 12.00 p.m.), the Bank shall pay the profit on the same day the certificate is presented.
Procedures for Redemption upon Maturity	Customer to contact Corporate Money Market Sales Team on the maturity date to confirm and provide instruction before 12 .00 p.m.

5. What are the fees and charges that I have to pay?

Nil

6. What are the major risks involved?

Customer will be exposed to the following risks:

- i) Market risk: Refers to the potential impact of adverse price movements (e.g. profit rate, foreign exchange rates or equity prices, where applicable) on the economic value of an asset;
- ii) Credit risk: Refers to the potential that the Issuer of NIDC fails to meet its obligations in accordance with agreed terms and conditions; and
- iii) Operational risk: Refers to the potential loss resulting from inadequate or failed internal processes, people and systems or external events.

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

It is important to inform the Bank on any changes in the Customer's personal details to ensure that all correspondences reach in a timely manner.

8. Which are available channels for me to get further information or address any complaints?

If you have any queries or complaints, you may contact us at:

- i) Contact Centre & Customer Care
Bank Islam Malaysia Berhad
17th Floor, Menara Bank Islam,
No. 22, Jalan Perak,
50450 Kuala Lumpur.
Tel: 03-2690 0900
Email: contactcenter@bankislam.com.my; or
- ii) Our nearest Branches; or
- iii) Treasury Sales Team (for Corporate Customer only)
Tel: 03-2090 1710/ 1711
Fax: 03-2088 8686; or
- iv) Visit our website www.bankislam.com.my.

9. Other Islamic Negotiable Instruments Available

Nil

WARNING:

THIS PRODUCT IS PRINCIPAL GUARANTEED. THE CUSTOMER WILL BE PAID THE SELLING PRICE UPON MATURITY. IF THE PRODUCT IS REDEEMED OR SOLD PRIOR TO MATURITY, THE CUSTOMER MAY LOSE PART OF THE SELLING PRICE. THIS PRODUCT IS NOT PROTECTED BY MALAYSIA DEPOSIT INSURANCE CORPORATION.

The information provided in this disclosure sheet is valid as at 15/03/2019.

*[TBD]: to be determined at the point of deposit placement.