

TREASURY PRODUCTS

Product Disclosure Sheet – Islamic Cross Currency Swap-i (ICCS)

Date :

Please read this Product Disclosure Sheet before you decide to accept the Islamic Cross Currency Swap-i. Be sure to read the terms and conditions in the letter of offer and/or the product agreement. Seek clarification from the Bank if you do not understand any part of this document or the general terms.

1. What is Islamic Cross Currency Swap-i?

- An agreement between two parties to exchange a series of profit and currency payments denominated in a currency for another series of profit and currency payments denominated in another currency, based on actual principal amount over an agreed period.

2. Who can apply for Islamic Cross Currency Swap-i?

- Eligible business entities ranging from SME/commercial, corporate corporations, public listed companies, multi-national companies, government linked companies and Financial Institutions.

3. How does this product operate?

- ICCS is an Islamic hedging instrument to accommodate foreign exchange and profit rate hedging solution for clients.
- ICCS is also a hedging tool and used to protect assets or liabilities against unfavorable benchmark rate and exchange rate.
- Settlement depends on the structure of the swap, normally is on quarterly basis.
- 2 parties agree to exchange future periodic profit cash flows based on principal amount. Both counterparties should have signed a standard master agreement before concluding any deal.

4. What is the Shariah concept and contract applicable?

- The Shariah concept used is as per below and any combination thereof :
 - i. Murabahah (Selling a commodity as per the purchasing price with a defined and agreed profit mark-up).
 - ii. Musawamah (Selling a commodity with the bargained price between buyer and seller without any reference of cost incurred by seller).
 - iii. Wa'ad (A promise from one party).
 - iv. Muqassah (A set-off is the discharge of a debt receivable against a debt payable).

5. What do I get from this product?

- Customers can exchange future periodic cash flow in a currency for another cash flow in another currency.
- Customers can hedge the periodic cash flow on assets or liabilities against unfavorable benchmark rate and exchange rate.
- The exchange rates used by the two principals' amount are set at inception and at prevailing spot rates thus eliminating exchange rate risk.
- Islamic Profit Rate Swap contract/transaction period can range from a minimum period of 6 months with no maximum tenors depending on requirements and market availability.
- The facility limit is based on customer requirements and subject to the bank's credit evaluation.

6. What are the minimal documents required?

- Islamic Swap Master Agreement.
- Credit Support Annexure.
- Trade Confirmation.
- Sets of Asset Purchase and Asset Sale Agreements.
- Transaction Netting is allowed to net off payments between the sets of asset purchase and asset sale agreements to arrive at net payment or cash settlement.

7. Legal documentations

- Facility agreement together with the transaction documents and other existing legal requirements are to be completed (where applicable).
- Customer has the right/option to demand for all legal documentation to be in Bahasa Malaysia or in English.

8. What are the risks involved?

- Customers are to carefully consider all risks associated before making hedging decisions. However, there is no risk involved if no early withdrawal is made except default risk.

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

Stamp duty is chargeable on the instruments/document relevant to the product and the rate of duties varies in accordance with the types and values.

10. What if I fully settle before its maturity?

- Customers who wish to terminate must serve Notice of Termination. There will be no subsequent trades that will take place on the settlement dates from an agreed date onwards.
- AFB will cover the closed out swap position by squaring the position with other counterparty and recover the associated mark-to-market closed-out cost from the customer. Under Islamic Derivatives Master Agreement, AFB will only recover damages if it suffers a "Trade Loss" resulting from the customers' failure to complete the transaction till maturity.

11. What is Government's Good & Service Tax (GST)?

- The Government's Goods & Services Tax (GST) is chargeable on all deemed Taxable Supply (if any) under the Goods & Services Tax (GST) 2014, pursuant to the delivery of the bank's Product & Services. The GST is exclusive of the value of the deemed Taxable Supply, chargeable at the prescribed note.

12. What do I need to do if there are changes to my contact detail?

- It is important that customer informs the Bank officially of any changes in customer's contact details to ensure that all correspondences reaches customer in a timely manner. Please contact us at 03-20791000 or visit us at any of our branches for further clarification.

13. Where can I get assistance and redress?

<p>If customer have difficulties in making payment or require additional information about the product, benefits and privileges please contact or email us as early as possible at:</p>	<p>Contact /email us at :- Asian Finance Bank Berhad Level 2, Podium Block, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel : 03-20791000 Fax : 03-20791160 E-mail: feedback@asianfinancebank.com Website : www.asianfinancebank.com</p>	<p>Complaint can be sent to:- ecomplaint@asianfinancebank.com. Or BNM Link / TELELINK Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur Tel : 1-300-88-5465 Fax : 03-21741515 Email : bnmtelelink@bnm.gov.my</p>
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The information stated in the product disclosure sheet is valid as at March 2015