DUAL CURRENCY LINKED INVESTMENT

Date of Issuance: 15th August 2016

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorized committee or persons approved by the Board of Malayan Banking Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlight Sheet false or misleading.

STATEMENT OF DISCLAIMER

The relevant information and document in relation to the Dual Currency Linked Investment, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Dual Currency Linked Investment, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Dual Currency Linked Investment or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Malayan Banking Berhad responsible for the Dual Currency Linked Investment and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.
This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

**PRODUCT HIGHLIGHTS SHEET**

**DUAL CURRENCY LINKED INVESTMENT**

**BRIEF INFORMATION ON THE PRODUCT**

1. **What is this product about?**

Dual Currency Linked Investment (“DCI” or “Investment”) is a non-principal protected currency linked structured investment.

An investor (“Investor”) placing a DCI with Malayan Banking Berhad (the “Bank”) selects:

(a) the investment amount (“Investment Amount”);
(b) the tenor of the investment;
(c) the currency pair (“Currency Pair”) consisting of (i) the currency in which the Investment Amount is placed (“Base Currency”); and (ii) an alternate currency (“Alternate Currency”); and
(d) the exchange rate for conversion of the Base Currency into the Alternate Currency (“Strike Rate”).

Based on the Currency Pair and Strike Rate selected, the Bank will then determine the applicable interest rate payable for the DCI (“Interest/Yield”) provided that the DCI is held to maturity. At maturity, depending on the prevailing exchange rate for the Currency Pair, the Investor will receive the Investment Amount and Interest/Yield in either (i) the Base Currency; or (ii) the Alternate Currency converted at the Strike Rate.

In return for giving the Bank the option to repay the Investment Amount and Interest/Yield in the Base Currency or Alternate Currency, the Investor may potentially earn a higher return than an equivalent fixed deposit placement.

**PRODUCT SUITABILITY**

2. **Who is this product suitable for?**

DCI is only suitable for eligible investors who are seeking higher potential returns than equivalent fixed deposit placements and are willing to receive the Investment Amount and Interest/Yield in either the Base Currency or Alternate Currency on maturity. DCI should be regarded as a hold-to-maturity investment.

DCI may only be offered to an eligible investor falling under the definition of an “accredited investor”, “high net worth entity” or “high net worth individual” in Schedule 6 of the Capital Markets and Services Act 2007.

**KEY PRODUCT FEATURES**

**WARNING**

THE RETURNS ON YOUR STRUCTURED PRODUCT INVESTMENT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSET / REFERENCE, AND THE RECOVERY OF YOUR PRINCIPAL INVESTMENT MAY BE JEOPARDISED IF YOU MAKE AN EARLY REDEMPTION. THIS STRUCTURED PRODUCT INVESTMENT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.
3. What are the key products features?

<table>
<thead>
<tr>
<th><strong>Minimum Investment Amount</strong></th>
<th>RM50,000 or equivalent</th>
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| **Investment Tenor** | Available Investment Tenors range from 1 week up to 1 year  
The Investment Tenor commences from (and includes) the Effective Date and, unless early terminated, ends on (but excludes) the Maturity Date. |
|----------------------|---------------------------------------------------------------|

<table>
<thead>
<tr>
<th><strong>Day Count Fraction</strong></th>
<th>Either 360 or 365, depending on the Currency Pair</th>
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<tr>
<th><strong>Principal Protection</strong></th>
<th>Non principal protected</th>
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<table>
<thead>
<tr>
<th><strong>Underlying asset</strong></th>
<th>The Currency Pair</th>
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<thead>
<tr>
<th><strong>Interest/Yield</strong></th>
<th>The applicable interest rate payable by the Bank to the Investor for the DCI as set out in the confirmation</th>
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</table>

<table>
<thead>
<tr>
<th><strong>Interest/Yield payment frequency</strong></th>
<th>Once, at maturity</th>
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</thead>
</table>

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<thead>
<tr>
<th><strong>Interest/Yield payment calculation</strong></th>
<th>Investment Amount x Interest/Yield in % x Investment Tenor (in days) / Day Count Fraction</th>
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</thead>
</table>

| **Return of Investment Amount** | On Maturity Date the Investor will receive the Investment Amount and Interest/Yield in:  
(i) Base Currency or  
(ii) If the Currency Pair is fixed at or above/below the Strike Rate on the Fixing Date and Time (a condition which shall be agreed between the Investor and the Bank and confirmed in the Confirmation), the Investment Amount and Interest/Yield will be converted at the Strike Rate and paid in the Alternate Currency. |
|-------------------------------|------------------------------------------------------------------------------------------|

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

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<thead>
<tr>
<th><strong>Early Redemption by the Investor</strong></th>
<th>The Investor may not redeem, cancel or withdraw the DCI prior to the Maturity Date without the Bank’s prior approval. If the DCI is withdrawn by the Investor prior to the Maturity Date, the Investor may incur premature withdrawal costs which could result in the Investor LOSING PART or ALL of the Investment Amount.</th>
</tr>
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<tr>
<th><strong>Assignment / Transfer</strong></th>
<th>The DCI may not be assigned or transferred without the Bank’s prior approval.</th>
</tr>
</thead>
</table>

| **Documentation** | Before making a DCI placement, the Investor and the Bank shall enter into a Master Investment Agreement (which sets out the general terms and conditions governing structured investment transactions between the Investor and the Bank) and includes as appendices DCI specific terms (“DCI Product Terms”) and the Risk Disclosure Statement. If the Investor decides to proceed with the DCI, the Investor will then instruct the Bank to proceed with the placement of the DCI.  
After the DCI placement is made, the Bank will issue a confirmation (“Confirmation”) containing the conclusive terms and conditions of the DCI placement to the Investor, which, unless the Investor informs the Bank otherwise within 48 hours from its receipt of the Confirmation, shall be deemed to be final, conclusive and binding on the Investor. |
|---------------------|-----------------------------------------------------------------------|

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<tr>
<th><strong>Cooling-Off Period</strong></th>
<th>No cooling-off period.</th>
</tr>
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<table>
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<tr>
<th><strong>Calculation Agent</strong></th>
<th>The Bank</th>
</tr>
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</table>

**WARNING**

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6. Who am I investing with?

The Investor is investing with Malayan Banking Berhad (3818-K), a licensed commercial bank in Malaysia.

The Bank also acts as the Calculation Agent.

7. What are the possible outcomes of my investment?

Illustration

Assuming you have children studying in Australia and would like to take advantage of Maybank’s Dual Currency Linked Investment for high potential returns.

Step 1: As your children’s school fees are not due yet, you decide that meanwhile, you are comfortable placing MYR 250,000 in Dual Currency Linked Investment to earn higher returns.

Step 2: You do not want to tie your money down for too long, hence you choose an investment tenure of 2 weeks.

Step 3: As long as your children are studying in Australia, you are indifferent to holding currency in MYR or AUD. Hence you pair your investment of MYR 250,000 to AUD.

Step 4: Assuming that the current AUD/MYR exchange rate is 2.8500 and you choose a strike rate for AUD/MYR of 2.8400 that you are comfortable with, which offers 8.00% per annum.

Scenario 1: On the fixing date, if the fixing rate is at (2.8400) or higher (2.8500) than the strike rate (2.8400), you will receive:

\[ \text{Principal} + \text{Interest in MYR} = \text{MYR 250,000.00} + (\text{MYR 250,000.00} \times 8\% \text{ p.a.} \times \frac{14}{365}) \]
\[ = \text{MYR 250,767.12} \]

Scenario 2: On the fixing date, if the fixing rate is lower (2.8200) than the strike rate (2.8400), you will receive:

\[ \text{Principal} + \text{Interest (Converted to AUD based on determined strike rate)} = \text{MYR 250,000.00} + (\text{MYR 250,000.00} \times 8\% \text{ p.a.} \times \frac{14}{365}) / 2.8400 \]
\[ = \text{MYR 250,767.12} / 2.8400 \]
\[ = \text{AUD 88,298.28} \]

Please note that an immediate conversion back to MYR may result in loss of your initial Investment Amount as follows:

\[ \text{AUD 88,298.28} \times 2.8200 \]
\[ = \text{MYR 249,001.15} \text{ (loss of MYR 998.85)} \]

KEY RISKS

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8. What are the key risks associated with this product?

Investors will be exposed to the following risks:

**Counterparty & Credit Risk:** The Investor should ensure that it is aware of the identity of, and finds acceptable, the contractual counterparty with whom the Investor may be matched. As the Investor will often be purchasing an unsecured obligation of the counterparty (as opposed to an obligation of a central clearing corporation in the case with exchange traded futures and options), the Investor should evaluate the comparative credit risk.

**Liquidity and Marketability Risks:** The Investor acknowledges and agrees that at certain times or under certain market conditions, the Investor may find it difficult or impossible to liquidate a position, to assess value or to determine a fair price. Certain equity or debt securities and money market instruments and, in particular, structured notes or customised products may not be readily realizable or marketable. There can be no certainty that market traders will be prepared to deal in them, and the Investor should be aware that proper information for determining their current value may not be available.

**Non-Principal Protection and Early Termination:** The Investor should note that DCI is non-principal protected to the extent that the investor is entitled to receive a certain degree of the principal amount at any time up to maturity. In the event that DCI is redeemed earlier than at maturity, either due to an early upliftment to which the Bank has agreed or due to an early termination event having occurred, the investor may receive an amount which is determined in accordance to the valuation provided by the Bank.

**Currency Risk:** In this instance, there shall exist separate non-Ringgit currency risk as DCI is not entirely denominated in Ringgit. The investor should note however that currency movements may potentially have direct effects on the reference asset prices or rates.

**Option Risk:** In this instance, the option component is embedded in DCI itself. Accordingly, the investor is only paying the principal amount of DCI which the investor may or may not be entitled to get back upon maturity. If the underlying reference asset i.e. the reference rate moves adversely in respect of the investor, the investor may suffer loss but the loss is limited to the principal amount and the investor will not find itself in a position where it is obliged to pay anything to the Bank in respect of DCI over and above the amount of the return which the investor has lost.

You are advised to read and understand the Master Investment Agreement, DCI Product Terms, Risk Disclosure Statement, Term Sheet and other documents for detailed descriptions of the risks. You are also advised to carefully consider all risk factors before making an investment decision.

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**FEES AND CHARGES**

9. What are the fees and charges involved?

To invest in DCI, an Investor may be required to open and maintain one or more accounts with the Bank. Fees and charges may be chargeable on such account(s), the details of which are available on request or from the Bank’s branches, website or any other delivery channels of the Bank. The Bank reserves the right to vary such fees and charges with prior notice to the Investor.

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10. How can I exit from this investment and what are the risks and costs involved?

This Investment should be regarded as a hold-to-maturity investment. If the investment is prematurely withdrawn by the Investor prior to the Maturity Date with the approval from the Bank, the Investor may incur premature withdrawal costs which could result in the Investor LOSING PART or ALL of the Investment Amount. The amount of premature withdrawal costs varies depending on the market conditions, such as interest rate volatility and future interest rate levels, and the remaining tenor of the Investment at the time of early withdrawal. If the Investor wishes to prematurely withdraw, the Investor must inform the Bank before 5 pm and upon approval from the Bank, the Investor shall receive the final settlement amount in T+2 i.e. two (2) business days after the redemption date.

CONTACT INFORMATION

11. Who should I contact for further information or to lodge a complaint?

1. If there is anything in this document that you do not understand or if you require further information or if you have any complaints relating to DCI, please contact your Maybank representative or Investment, High Networth & Affluent Banking, Community Financial Services
   34th Floor, Menara Maybank
   100 Jalan Tun Perak
   50050 Kuala Lumpur
   Tel: (603) 2070 8833 Ext 6604 / 6780 / 2765
   Fax: (603) 2711 3417

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):
   (a) via phone to : 03-2282 2280
   (b) via fax to : 03-2282-3855
   (c) via email to : info@sidrec.com.my
   (d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)
                   Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar
                   No. 5, Jalan Bangsar Utama 1
                   59000 Kuala Lumpur

3. You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC’s Investor Affairs & Complaints Department:
   (a) via phone to the Aduan Hotline at : 03 - 6204 8999
   (b) via fax to : 03 - 6204 8991
   (c) via e-mail to : aduan@seccom.com.my
   (d) via online complaint form available at : www.sc.com.my
   (e) via letter to : Investor Affairs & Complaints Department
                   Securities Commission Malaysia
                   3 Persiaran Bukit Kiara, Bukit Kiara
                   50490 Kuala Lumpur

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APPENDIX: GLOSSARY

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Alternate Currency</td>
<td>The alternate currency which the Investor selects and is willing to receive the Investment Amount and Interest/Yield.</td>
</tr>
<tr>
<td>Base Currency</td>
<td>The currency in which the Investment Amount is placed.</td>
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<tr>
<td>Business Day</td>
<td>A day on which commercial banks are open for business (including dealings in foreign exchange) in Kuala Lumpur and the principal financial centre of:</td>
</tr>
<tr>
<td></td>
<td>(i) the Base Currency and Alternate Currency (in the case of the Fixing Date); or</td>
</tr>
<tr>
<td></td>
<td>(ii) the currency in which the Investment Amount and Interest/Yield are being repaid to the Investor (in the case of the Maturity Date).</td>
</tr>
<tr>
<td>Business Day Convention</td>
<td>If the relevant date falls on a day that is not a Business Day, an adjustment will be made so that such date will be the first following day that is a Business Day.</td>
</tr>
<tr>
<td>Currency Pair</td>
<td>The currency pair consisting of the Base Currency and the Alternate Currency.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>The start date of the DCI as set out in the Confirmation.</td>
</tr>
<tr>
<td>Fixing Date</td>
<td>As set out in the Confirmation, adjusted in accordance with the Business Day Convention.</td>
</tr>
<tr>
<td>Fixing Rate</td>
<td>The exchange rate between the Base Currency and the Alternate Currency as calculated by the Calculation Agent on the Fixing Date at the designated time as set out in the Confirmation.</td>
</tr>
<tr>
<td>Maturity Date</td>
<td>As set out in the Confirmation, adjusted in accordance with the Business Day Convention.</td>
</tr>
<tr>
<td>Spot Reference</td>
<td>The exchange rate between the Base Currency and the Alternate Currency as calculated by the Calculation Agent on the Trade Date at the time of dealing.</td>
</tr>
<tr>
<td>Strike Rate</td>
<td>The pre-agreed exchange rate for conversion of the Base Currency into the Alternate Currency as set out in the Confirmation.</td>
</tr>
<tr>
<td>Trade Date</td>
<td>The date on which the DCI placement is made as selected by the Investor and set out in the Confirmation.</td>
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