

RISK DISCLOSURE STATEMENT

CORPORATE COMMODITY MURABAHAH DEPOSIT

The objective of this Risk Disclosure Statement (this “Statement”) is to explain to the Customer, briefly, the particular risks relating to the deposits (each as “the CCMD”) offered by the Bank to the Customer.

Before undertaking any CCMD, the Customer shall be made aware of the relevant risk associated to the CCMD, the nature and extent of the Customer’s risk of loss and nature of contractual relationship into which the Customer is entering. The Customer should also carefully evaluate whether the transaction is appropriate for the Customer in light of the Customer’s objectives, financial resources and other relevant circumstances.

The following list of risk factors is not intended to be exhaustive. All persons should seek such advice as they consider necessary from their professional advisors, legal, tax or otherwise, without reliance on the Bank and/or its affiliates.

Credit Risk

The Customer may assume the risk that the Bank may not honour its obligations to pay the Murabahah Sale Price on or before the maturity date.

Prepayment / Early Withdrawal Risk

In the event of prepayment/early withdrawal by the Customer, the Customer must understand that in such circumstances, the Customer runs the risk of losing part or all the profit portion of the Murabahah Sale Price.

Legal Risk

The Customer should ensure that the Customer is not in breach of any law, regulations, contractual or other legal limitations that may apply to the Customer which may prevent the Customer from entering into the transaction.

Currency Risk

Where the CCMD involves a currency or currencies other than the Customer’s home currency, changes in rates of exchange may have an adverse effect on the value of the CCMD.

Operational Risk

The CCMD depends on the smooth functioning of multiple operational parts and the Bank’s employees’ knowledge, skills and integrity. Any disruption to any of these parts caused by (including but not limited to) market disruption or system interruption may cause delays in settlement beyond the control of the Bank. The Customer should be aware of the need to monitor the CCMD and take any follow-up action when the CCMD matures, when the CCMD is terminated or when in a receipt.

Potential Conflicts of Interest

In the ordinary course of their business, the Bank may effect transactions for their own account or the account of their customers. In conducting such business, the Bank is not obliged to consider the circumstances of any customers or act in a manner which is favourable to them. Such activity may, or may not affect the CCMD, and potential customers should be aware that a conflict may arise.

Inflation Risk

Inflation may cause any real rate of return under the CCMD to be adversely affected.

Event Risk

There may be adjustments to the terms of the placement due to events such as but not limited to change in law or taxation.

Shariah Non-Compliance Risk

The Customer should make its own investigation and satisfy itself as to the Shariah compliance of the CCMD and underlying Shariah structures, including the obtaining of a declaration, pronouncement, opinion or other attestation of an independent or its own Shariah advisor, board or panel.