

NEGOTIABLE INSTRUMENTS OF DEPOSIT

PRODUCT DISCLOSURE SHEET

Please be reminded that you are required to read this Product Disclosure Sheet and the general terms and conditions for the Negotiable Instruments of Deposit ("NID"). You are to purchase the NID only upon full understanding of the terms and conditions including the risks associated with the NID. You are also required to ascertain whether the NID meets your investment objective and your individual requirements and whether the tenure of the NID matches your investment horizon. The full set of the terms and conditions will be set out in the respective NID.

1. What is this product about?

This is a NID with maturity of XX months/years from the date of issue. The principal amount is only guaranteed by the issuing bank if the NID is held to maturity. NID is **NOT** insured by Perbadanan Insurans Deposit Malaysia ("PIDM"). *

*Note: * As per PIDM circular dated 3rd November 2008, the Government gives guarantee to NID issued with financial institutions until 31 December 2010. However, the guarantee period maybe varied subject to government announcement.*

2. What do I get from this product?

Salient Terms for NID	NID	Floating Rate NID ("FRNID")
Minimum nominal value of NID : Above MYR 60,000. Above MYR 60,000 equivalent in the currency of the product offering for Foreign Currency NID.	Yes	Yes
Issuance : At par, premium, or discount	Yes	Yes
Interest rate : y% p.a.	Yes	Yes
Interest payment frequency : E.g. quarterly, half-yearly, annually, etc.	Yes	Quarterly, Half-yearly
Interest proceeds calculation : Nominal Amount x Interest x Act / 365 or Act / Act	Yes	**Act / 365
Index or underlying assets used : E.g. KLIBOR	No	Yes
Potential interest rate and/or proceeds : E.g. KLIBOR + / - spread	No	Yes

Floating Rate NID

To better understand the FRNID, we append below samples of past and/or future performance based on balanced favourable and worst case scenarios:

*If a customer invests in FRNID, the customer will **earn higher interest in a rising interest rate environment and earn lesser interest in a declining interest rate environment.** The example below sets out a rising and declining interest rate scenario and interest earned:*

- Value date : 6 February 2008
- Nominal value : 10,000,000.00
- Index / Underlying instrument : 6-Month KLIBOR
- FRNID : 6-Month KLIBOR + 10bps
- Reset on : 11.00 am on interest date
- Interest calculation : **Act / 365 days
- Interest date : 6 August, 6 February
- Maturity date : 6 February 2012

***Applicable to Commonwealth countries, Act refers to Actual number of days in an interest period. For Non-Commonwealth countries (e.g. USA), Actual/360 applies.*

WARNING (For NID)

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i) Favourable scenario in a rising interest rate environment

- a) 1st interest payment date : 6-Month KLIBOR on 6 February 08 = 3.62%
 Interest reset rate : 3.72%
 Interest payment / Reset date : 6 August 2008
 Interest amount earned : MYR 185,490.41
- b) 2nd interest payment date : 6-Month KLIBOR on 6 August 08 = 3.76%
 Interest reset rate : 3.86%
 Interest payment / Reset date : 6 February 2009
 Interest amount earned : MYR 194,586.30

Increased interest earned from previous interest period : MYR 9,095.89

ii) Worst case scenario in a declining interest rate environment

- a) 3rd interest payment date : 6-Month KLIBOR on 6 February 09 = 2.57%
 Interest reset rate : 2.67%
 Interest payment / Reset date : 6 August 2009
 Interest amount earned : MYR 132,402.73

Decreased interest earned from previous interest period : MYR 62,183.57

Note: Past performance is not indicative of future performance.

Foreign Currency NID

To better understand the Foreign Currency NID, we append below samples of past and/or future performance based on balanced favourable and worst case scenarios:

If a customer invests in Foreign Currency NID, the customer will earn higher interest if the currency appreciates and earn lesser interest if the currency depreciates against MYR when the foreign currency is converted back to MYR.

Assuming the following deal was transacted for value 6 February 2009 as follows:

Value Date	: 6 February 2009
Nominal Value	: SGD 10,000,000.00
Interest rate	: 0.30%
Exchange rate on value date	: 2.4600
Interest calculation	: **Act / 365 days
Maturity date	: 6 August 2009

On 6 August 2009, assume the following:

i) Exchange rate remains unchanged:

- a) Interest earned in SGD : SGD 14,876.71
 Exchange rate on maturity date : 2.4600
 Interest earned in MYR : MYR 36,596.71

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ii) Favourable scenario when the currency appreciates:

- a) Interest earned in SGD : SGD 14,876.71
Exchange rate on maturity date : 2.4700
Interest earned in MYR : MYR 36,745.47

Interest earned increases by MYR 148.76 to MYR 36,745.47 if SGD / MYR appreciates to 2.4700.

iii) Worst case scenario when the currency depreciates:

- a) Interest earned in SGD : SGD 14,876.71
Exchange rate on maturity date : 2.4500
Interest earned in MYR : MYR 36,447.94

Interest earned decreases by MYR 148.77 to MYR 36,447.94 if SGD / MYR depreciates to 2.4500.

3. What are the key terms and conditions?

i) Early Withdrawal by Customer

Customers should only redeem this NID on maturity date. Any withdrawal of the NID prior to the maturity date will be at a price that will be at OSK Investment Bank Berhad's ("OSKIB") offer rate + spread quoted by the Issuer and may result in a partial loss of the deposit amount.

ii) Call Option by the Issuer

Issuer may terminate or call parts of the NID (for callable NID) prior to the maturity date, whereby, the nominal amount of the terminated or called portion is returned together with any accrued interest.

iii) Procedures for redemption on interest proceeds

a) **If the NID certificate is kept with the Issuer**

Interest payment will be paid upon confirmation of the last holder by OSKIB.

b) **If the NID certificate(s) are kept with other Authorised Depository Institution ("ADI")**

If the NID certificate is presented to the Issuer over-the-counter one day before the interest payment date, the interest proceeds will be paid by 11.00 am on the interest payment date. However, if the NID certificate is presented on the interest payment date or after, by 4.00 pm, the Issuer shall pay the proceeds by 5.30 pm on the day the certificate(s) is presented. If the NID is presented after 4.00 pm, the proceeds will be paid the next business day.

iv) Redemption procedures upon maturity

a) **If the NID certificate(s) are kept with the Issuer**

Maturity proceeds will be paid upon confirmation of the last holder by OSKIB.

b) **If the NID certificate(s) are kept by other ADI**

If the NID certificate is presented to the Issuer over-the-counter one day before the maturity date, the Issuer shall pay the proceeds by 11.00 am on the maturity date. However, if the NID certificate is presented on the maturity date or after, by 4.00 pm, the Issuer shall pay the proceeds by 5.30 pm on the day the certificate is presented. If the NID is presented after 4.00 pm, the proceeds will be paid the next business day.

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v) Transferability

Retail customer should clearly understand that in the event the customer sells NID to another retail customer, the financial institution that had issued the NID will be required to conduct an assessment on the buyer's suitability prior to transferring the NID to the new purchaser. The financial institution has the right to refuse transfer if the assessment indicates a lack of customer suitability.

OSKIB requires both the purchaser and the seller to inform OSKIB in writing on any secondary trades of its NID. OSKIB will only change the ownership of the NID upon receiving and verifying the written confirmation from both the purchaser and the seller.

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

Services	Payable		Maximum Rate of Charges
	By	To	
i) If the purchaser requests OSKIB to deliver the NID certificate(s) to his ADI (not OSKIB) at primary issue.	Customer	Issuer	MYR 25.00 per delivery
ii) Splitting / combining denomination(s).	Customer	Issuer	MYR 5.00 per certificate
iii) Replacement of lost or damaged certificate.	Customer	Issuer	MYR 5.00 per certificate
iv) Maintenance of Depository account.	Customer	Issuer	Waived for NID issued by OSKIB. For NID issued by other banks, please contact us for the details of the charges.
v) Delivery of the NID certificate(s) for secondary trade (on request by the seller of the NID to deliver the NID certificate(s) to the new purchaser's ADI which is not OSKIB) or for (ii) and (iii) above.	Seller	Seller's ADI	MYR 25.00 per delivery

5. What are the major risks?

You as the customer will be exposed to the following risks:

i) Market Risk (Price Movement of NID)

Interest Rate Movement

The price of NID will be affected by the movement of interest rate during the tenure of the instruments until maturity. The mark-to-market prices during this period might fluctuate and you may need to record the market value in your financial statements periodically.

If you liquidate or redeem your investment in NID before the maturity period, you may have the opportunity to crystallize the unrealized gain on the principal amount invested if the interest rate were to move in your favour and there is the likelihood the principal amount invested will also deteriorate if the movement of interest rate is not in your favour at the time of liquidation or redemption.

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ii) Credit Rating Migration of the NID Issuer

Rating Migration of Issuers

The price of NID will be affected if there is a migration of rating on the NID Issuer during the tenure of the instruments until maturity. The mark-to-market prices of the NID will move in favour of the customers if there is a positive migration (rating upgrading) and vice versa.

The combination of interest rate movement and credit rating migration of the NID Issuer will affect the prices of the NID during its' tenure, however, customers who invest and hold the NID instruments up to maturity will not be affected by the changes in the market prices and will receive the full nominal value upon redemption.*

* Please refers to PIDM circular dated 3 November 2008 on Government Deposit Guarantee.

iii) Credit Risk (potential Default of Issuer)

Issuer's Credit Risk

If you invest and hold the NID's instruments up to maturity, you will receive the principal amount in full provided that the Issuer of NID is still solvent at the time of redemption and is not affected by the other financial obligations. However, you may lose part or the entire amount invested should the Issuer of NID became insolvent at the time of redemption.

NIDs issued by financial institutions with maturity until 31 December 2010 will be guaranteed by the Government as per PIDM circular dated 3 November 2008 on Government Deposit Guarantee.

iv) Foreign Currency Exchange ("Forex") Rate

Forex Fluctuations

If you invest and hold a foreign currency denominated NID up to maturity or if you liquidate or redeem your NID investment before the maturity period, you might suffer losses arising from the fluctuation of the foreign currency exchange rate.

The foreign currency exchange rate might vary significantly between the point of inception of the investment and at maturity.

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

You are required to inform OSKIB of any changes in your correspondence details to the following:

Treasury Operations Department
10th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel. No.: 603 – 2333 8333 ext: 2375 / 2043
Fax No.: 603 – 2175 3208

7. Where can I get further information?

Should you require additional information about investments in NID, please visit any of our branches or refer to our website at www.osk188.com.

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The information provided in this disclosure sheet is valid as at 30th July 2010.

Notes:

- i) Kindly note that these are general terms. All agreed terms and conditions of each transaction will be reflected in the specific contract note.*
- ii) Kindly acknowledge that you have read and understood the general terms set out in this product disclosure sheet by signing at the column provided below and returning to us a copy of this product disclosure sheet.*

CUSTOMER'S ACKNOWLEDGMENT

I / We hereby acknowledge that I / we have read and understood the contents set out in this product disclosure sheet.

i) Signature of Customer: _____	ii) Signature of Customer: _____
Name of Customer: _____	Name of Customer: _____
Date: _____	Date: _____

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