



PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to invest in the Retail Negotiable Instrument of Deposit (R-NID). Be sure to also read the general terms and conditions.)

Kenanga Investment Bank Berhad (KIBB)
Retail Negotiable Instrument of Deposit (R-NID)

Date: 1 January 2019

1. What is this product about?

This is a Retail Negotiable Instrument of Deposit (R-NID) with a maximum tenure of up to five (5) years from the date of issuance, as prescribed by Bank Negara Malaysia. Notwithstanding, Kenanga Investment Bank Berhad (the "Bank") reserves the right to dictate the minimum tenure or fix a maturity date of the R-NID, at its sole discretion.

The principal amount is only guaranteed if the R-NID is held to maturity. R-NID is NOT insured by Perbadanan Insurans Deposit Malaysia.

2. What do I get from this product?

Key Features

- Minimum nominal value of R-NID: RM10,000 per account, per customer
- Issuance: at par
- Interest rate: % p.a. (at the agreed rate quoted by the Bank)
- Interest payment frequency:
 - i) short-term R-NID – coupon interest upon maturity
 - ii) long-term R-NID – coupon interest half-yearly or annually
- Interest proceeds calculation:
 - i) Short-term R-NID (≤365 days)
 $NV * CPN / 100 * DYS / 365$
NV = nominal value
CPN = coupon interest rate in percent per annum
DYS = tenor defined in number of days
 - ii) Long-term R-NID (>365 days)
 $NV * ((CPN/n) / 100)$
NV = nominal value
CPN = coupon rate in percent per annum
n = frequency of coupon payment

NOTE:

- Past performance is not indicative of future performance.
- R-NID can only be sold exclusively to retail investors. Retail investors is defined by Bank Negara Malaysia to include:-
 - Natural persons
 - Sole proprietorships
 - Partnerships
 - Small and Medium Term Enterprises (SMEs)
 - Agriculture and Services Sector
 - Annual sales up to RM5 million
 - 50 full-time employees
 - Manufacturing Sector
 - Annual sales up to RM25 million
 - 150 full-time employees
- R-NID Certificate

A R-NID Certificate will be generated for each R-NID transaction. The original certificate will be kept in the custody of and stored electronically by the Bank, which acts as an Authorised Depository of the investors, on the start date of the transaction.

A Confirmation Advice detailing the information of R-NID transaction such as the tenure, maturity date, interest rate, nominal amount, R-NID Certificate number and etc. will be mailed to the investors on the start date of the R-NID.

WARNING

THIS PRODUCT IS PRINCIPAL GUARANTEED BY THE ISSUING BANK UPON MATURITY ONLY. IF THE PRODUCT IS SOLD PRIOR TO MATURITY, CUSTOMER MAY LOSE PART OF THE INITIAL DEPOSIT AMOUNT. CUSTOMER IS REMINDED THAT THIS DEPOSIT PRODUCT IS NOT INSURED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.

3. What are the key terms and conditions?

- Early Redemption by Investor

R-NID is non-redeemable at any pre-agreed rate until maturity. The Bank will not market-make R-NID with effect from 1 January 2019. Any early redemption prior to the maturity date will be subjected to Bank Negara Malaysia's guideline on Qualifying Retail Term Deposits as prescribed under the Liquidity Coverage Ratio Guidelines. As such, no interest/profit shall be paid for early redemption of R-NID regardless of the number of completed months/days.

- The Bank has the following discretions:
 - issue R-NID in tranches with fixed maturity dates.
 - dictate the maximum amount per transaction per customer, with the minimum purchase being RM10,000.
 - dictate the minimum and maximum tenure for issuance (subject to the Bank's requirements).
 - the R-NID will be auto-renewed for the same tenure and at the prevailing R-NID issue rates, if no instruction is given by investors to Treasury Dealers by 11.00 am on the maturity date of the R-NID.

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

There are no fees and charges for the R-NID. However, the Bank reserves the right at any time and from time to time to levy any fees and charges in relation to the R-NID transaction by giving twenty one (21) calendar days' notice by displaying the new fees and charges on the Bank's website.

5. What are the major risks?

The following is a summary of risk factors (which are not exhaustive) to be considered before investing in this product:

- i) Market risk – the risk of potential loss resulting from factors that affect the overall performance of the financial markets, including adverse movement in the level of market prices, level of exchange rate movement, and changes in the interest rates, to name a few.
- ii) Credit risk - the contract with you represents a general unsecured contractual obligation which will rank equal with other existing and future general contractual obligations. If you wish to invest in this product, you should be taking note of the Bank's credit risk and you must therefore make your own assessment of the Bank's credit risk and the Bank's ability to perform its obligations in respect of this product.

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

It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

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7. Where can I get further information?

Should you require additional information about investment, please refer to the *bankinginfo* website on 'Investing Your Money' at www.bankinginfo.com.my.

If you have any enquiries, please contact us at:

Kenanga Investment Bank Berhad
Level 16, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Tel: +603-2167 6886
Fax: +603-2172 2754
Web: www.kenanga.com.my

8. Lodge a complaint

i) For internal dispute resolution, you may contact:

Treasury, Balance Sheet Management
Kenanga Investment Bank Berhad
Level 16, Kenanga Tower
No. 237, Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03-2167 6886
Fax : 03-2172 2754

ii) If you are dissatisfied with the outcome of the internal dispute resolution process, you may refer your dispute to Bank Negara Malaysia LINK or TELELINK at :

- **Laman Informasi Nasihat dan Khidmat (BNMLINK)**

- (a) via phone : 03-2698 8044 (ext: 8950 / 8958)
- (b) via website: <http://www.bnm.gov.my/bnmlink/index.htm>

- **BNM TELELINK**

- (a) via phone : 1300-88-LINK (1300-88-5465)
- (b) via fax : 03-2174 1515
- (c) via email : bnmtelelink@bnm.gov.my
- (d) via letter : Laman Informasi Nasihat dan Khidmat (LINK)
Bank Negara Malaysia
P.O. Box 10922
50929 Kuala Lumpur

The information provided in this product disclosure sheet is issued on 1 January 2019 and will be valid until the next periodical review.

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