

PRODUCT DISCLOSURE SHEET

Dear Customer,

This Product Disclosure Sheet ("PDS") is designed by AmBank (M) Berhad ("the Bank") to provide you with some key information on the Foreign Currency Option contract.

Other customers have read this PDS and found it helpful; **you should read it too.**

**AmBank****AmBank (M) Berhad****Date: xx August 2025****1. Know Your Foreign Currency Option Contract**





A Foreign Currency Option ("FXO") contract is a transaction where the buyer of the FXO has the right, but not the obligation, to exchange one currency for another currency at a set price (the "Strike Rate") on a specific date (the "Expiry Date"). Common types of FXO include **call options** (the right to buy a currency, commonly used when a currency is expected to strengthen) and **put options** (the right to sell a currency, commonly used when a currency is expected to weaken). The buyer of the FXO pays an upfront amount (the "Option Premium") to the seller of the FXO to enter into a FXO contract.

On the Expiry Date, the buyer of the FXO may choose to exercise the FXO at the Strike Rate. If the FXO is exercised by the buyer, both parties must exchange the currencies at the agreed Strike Rate on the Settlement Date. If the FXO is not exercised by the buyer, the FXO will expire and both parties will have no further obligations under the FXO contract.

Terminology

Trade Date	:	The date on which you enter into a FXO contract with the Bank
Spot Rate	:	The prevailing foreign exchange rate for the currency pair. The spot foreign exchange rate is the term given to the FX rate when the delivery date is two (2) business days after the date the rate is quoted
Option Style	:	European (buyer can only exercise FXO on Expiry Date)
Option Type	:	Call / Put
Call Currency	:	Currency that is to be purchased by the buyer of the FXO
Put Currency	:	Currency that is to be sold by the buyer of the FXO
Strike Rate	:	The exchange rate at which the buyer and seller have agreed to exchange the currencies if the buyer exercises the FXO
Option Premium	:	Upfront amount paid by the buyer of the FXO
Option Premium Payment Date	:	Trade Date + two (2) business days
Expiry Date	:	The date on which the FXO expires
Expiry Time	:	At or around 2:00pm Kuala Lumpur time on Expiry Date
Settlement Date	:	The date on which the exchange of the currencies takes place, if the FXO is exercised, typically two (2) business days after the Expiry Date
Fixing Rate	:	The Spot Rate at the Expiry Time on the Expiry Date
Fixing Conditions	:	Call Option <ul style="list-style-type: none"> ▪ If Fixing Rate \geq Strike Rate: FXO buyer exercises the option and buys the Call Currency at the Strike Rate ▪ If Fixing Rate $<$ Strike Rate: FXO expires worthless Put Option <ul style="list-style-type: none"> ▪ If Fixing Rate $>$ Strike Rate: FXO expires worthless ▪ If Fixing Rate \leq Strike Rate: FXO buyer exercises the option and sells the Put Currency at the Strike Rate
Calculation Agent	:	AmBank (M) Berhad

You should read and understand all terms and conditions applicable to the Foreign Currency Option:

	You need to enter into a master agreement to transact in this product and provide AmBank with an updated board resolution / dealing mandate that authorizes the appointed person to enter into this transaction.
	The Bank will perform a suitability assessment on you / your company to ensure that the product suits the hedging requirements.
	Please refer to the hypothetical examples below that explains how the option works. You need to understand the risks before entering into a transaction.
	The tenor of the transaction will be capped to the tenor limit granted by the Bank.

2. Know Your Costs

Option Premium	The premium is payable upfront
Transaction Costs	There are no fees and charges involved in respect of the FXO contract
Early Termination Price	In the event of cancellation or early termination of the FXO contract, losses may be incurred by you due to unwinding of related transactions by AmBank and mark-to-market costs

If you have any questions or require assistance on your Foreign Currency Option, you can:



Call us at:
03-2059
8600/8700



Visit us at:
<https://www.ambankgroup.com/>



Email us at:
fx-sales-derivatives-team@ambankgroup.com



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AmBank Group, 55, Jalan Raja Chulan,
50200 Kuala Lumpur Malaysia

3. Hypothetical Examples – For Illustration Only

	Call Option	Put Option
Assumptions	<ul style="list-style-type: none"> ➤ Customer buys USD Call MYR Put ➤ Notional Amount: USD 100,000 ➤ Strike Rate: 4.2000 ➤ Expiry Date: 31 Mar 2025 ➤ Settlement Date: 02 Apr 2025 ➤ Option Premium: MYR 4,200 ➤ Option Premium Payment Date: 14 Feb 2025 ➤ Trade Date: 12 Feb 2025 	<ul style="list-style-type: none"> ➤ Customer buys USD Put MYR Call ➤ Notional Amount: USD 100,000 ➤ Strike Rate: 4.2000 ➤ Expiry Date: 31 Mar 2025 ➤ Settlement Date: 02 Apr 2025 ➤ Option Premium: MYR 4,200 ➤ Option Premium Payment Date: 14 Feb 2025 ➤ Trade Date: 12 Feb 2025
Scenario Analysis	<p>On 14 Feb 2025, customer pays MYR 4,200 to the Bank.</p> <p>On 31 Mar 2025, at or around 2PM Kuala Lumpur time:</p> <ul style="list-style-type: none"> ➤ If Fixing Rate \geq Strike Rate Option is exercised, customer buys USD 100,000 at 4.2000 on 02 Apr 2025 ➤ If Fixing Rate $<$ Strike Rate No settlement required, option expires worthless 	<p>On 14 Feb 2025, customer pays MYR 4,200 to the Bank.</p> <p>On 31 Mar 2025, at or around 2PM Kuala Lumpur time:</p> <ul style="list-style-type: none"> ➤ If Fixing Rate $>$ Strike Rate No settlement required, option expires worthless ➤ If Fixing Rate \leq Strike Rate Option is exercised, customer sells USD 100,000 at 4.2000 on 02 Apr 2025

4. Know Your Risks

KEY RISKS	BENEFITS
<ul style="list-style-type: none"> • Exchange Rate Risk: You will be exposed to foreign exchange market movements and should pay attention to the contractual terms of the product. The option may lapse depending on the exchange rate on the Expiry Date and you will lose the premium paid. • Credit Risk: By entering into this transaction, you are subject to the credit risk of AmBank, i.e., the risk that AmBank may not pay any amounts when due to be paid to you by AmBank. • Market Risk: Currency markets are highly volatile, and the prices of the underlying currencies can fluctuate rapidly over wide ranges and may reflect unforeseen events or changes in conditions. Your losses or gains may be linked to changes in markets to which a particular currency is linked, and such markets may not perform in a manner similar to the local market that you may be familiar with. • Legal Risk: This transaction will be subject to Malaysian laws and guidelines issued by Bank Negara Malaysia such as the Foreign Exchange Policy Notices, the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA), and such other laws and regulations of relevant authorities. In addition, any transaction entered into will be subject to such terms and conditions and/or agreements to be entered into as required by AmBank. • Tax Risk: The tax authorities may interpret or characterize the returns on this transaction in a way which may subject you to taxes that you may not have anticipated. Please consult your own tax adviser on the tax implications of this product. • Restructuring Risk: AmBank may or may not agree to any request for future restructuring of a transaction at its sole discretion based on market conditions and internal policies. • Cancellation Risk: In the event of cancellation or early termination of the contract, losses may be incurred by you. This is due to the mark-to-market value of the contract calculated upon early termination. Calculation of the mark-to-market value will include costs incurred by AmBank as a result of early termination such as cost of funding, interest charges or fees incurred and/or replacement costs of related hedge transactions, based on AmBank's prevailing market rates. 	<ul style="list-style-type: none"> • Provides a hedge against foreign exchange rate risk. • Protects against adverse movements in foreign exchange rates. • Maximum loss is capped to the premium paid.
<p>Reminder: You should understand and consider all risk factors carefully before making an investment decision. You are advised to read the master agreement, risk disclosure statement and term sheet for this product for a more detailed description of the risks.</p> <p>Any transaction will be subject to Malaysian laws and guidelines issued by Bank Negara Malaysia and other relevant authorities as amended or supplemented from time to time.</p>	

5. Other Key Terms

- It is important that you inform AmBank of any change in your contact details to ensure that all correspondences reach you in a timely manner.
- If you require further information about the product above, please contact your AmBank representative.

Customer's Acknowledgment*

Please ensure that you are completing this section yourself and are aware of what you are placing your signature for.

- I acknowledge that AmBank has provided me with a copy of the PDS.
- I have read and understood the key information contained in this PDS.

*A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

Name:
Date:

WARNING

THE RETURNS ON THIS PRODUCT WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING REFERENCE. THE RECOVERY OF YOUR PRINCIPAL MAY BE JEOPARDISED IF THERE IS AN EARLY TERMINATION OF A TRANSACTION. THIS PRODUCT IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.