

## 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 Target Redemption Forward contract.

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



**AmBank**

**AmBank (M) Berhad**

Date: xx Dec 2025

### 1. Know Your Target Redemption Forward Contract

A Target Redemption Forward ("TARF") contract is a foreign exchange ("FX") product made up of a combination of FX forwards and FX options which can be used for FX risk management. A TARF contract typically consists of a series of fixings (multiple future settlement dates) and is automatically terminated early ("Knock-Out Event" or "KO Event") once an agreed profit target (a certain number of FX points/pips) is accumulated. FX points/pips are accumulated towards the profit target when Fixing Rate is lower than the agreed Strike Rate on each Expiry Date.

Assuming you enter into a six (6) monthly Target Redemption Forward contract to sell USD against MYR. On each Expiry Date there are two (2) possible scenarios if there is no KO Event:

- if the Fixing Rate < Strike Rate, you will sell an agreed USD amount ("Notional 1") at the Strike Rate against MYR. The differential between the Fixing Rate and the Strike Rate will be accumulated towards the profit target
- if the Fixing Rate ≥ Strike Rate, you will sell an agreed USD amount ("Notional 2") at the Strike Rate against MYR and there is no accumulation towards the profit target






If there is a KO Event on a particular fixing, the TARF terminates on that fixing and if the accumulated FX points/pips (Accumulated ITM points) at that fixing exceeds the Target Points, the notional amount for settlement for that fixing is adjusted using the formula below:

$$\text{Adjusted Notional} = \text{Notional 1} \times \frac{\text{Target Points} - \text{Previous Accumulated ITM Points}}{\text{Strike Rate} - \text{Fixing Rate}}$$

#### Terminology:

<b>Notional 1</b>	:	The agreed amount for exchange at the Strike Rate when the Fixing Rate < Strike Rate and there is no KO Event
<b>Notional 2</b>	:	The agreed amount for exchange at the Strike Rate when the Fixing Rate ≥ Strike Rate and there is no KO Event, which will be capped at a maximum of two (2) times leverage of Notional 1
<b>Strike Rate</b>	:	The FX rate for exchange on each Settlement Date if there is no KO Event
<b>ITM points</b>	:	The differential FX points/pips between the Fixing Rate and the Strike Rate, when the Fixing Rate < Strike Rate
<b>Accumulated (Accum) ITM Points</b>	:	The cumulative ITM Points from each fixing
<b>Target Points</b>	:	Once the Accumulated ITM Points reaches the Target Points, the TARF contract is terminated
<b>No. of Fixings</b>	:	The number of fixings for each TARF contract, each fixing will have an expiry date and corresponding settlement date
<b>Expiry Date(s)</b>	:	The date of each fixing
<b>Expiry Time</b>	:	At or around 2:00pm Kuala Lumpur time on Expiry Date
<b>Settlement Date</b>	:	The date on which the exchange of currencies takes place if any, typically two (2) business days after the Expiry Date
<b>Fixing Rate</b>	:	The FX rate at the Expiry Time on the Expiry Date
<b>Calculation Agent</b>	:	AmBank (M) Berhad

#### You should read and understand all terms and conditions applicable to the Target Redemption Forward:

	You need to enter into a master agreement to execute this product and provide the Bank with an updated board resolution / dealing mandate that authorizes the appointed person to enter into this hedging.
	The bank will perform an internal suitability assessment on your company to ensure that the product suits its hedging requirement.
	You have the right to early terminate the transaction subject to unwinding and mark-to-market costs.
	You may opt for a leverage factor on Notional 2, capped at a maximum of two (2) times of Notional 1. Please refer to the hypothetical example below to understand your obligations under the transaction. You need to understand the risks of a leveraged transaction before entering into a transaction.
	The tenor of the transaction will be capped to the limit tenor granted by AmBank.

### 2. Know Your Costs

<b>Transaction Costs</b>	The Target Redemption Forward contract is a 'zero premium' product
<b>Early Termination Price</b>	In the event of cancellation or early termination of the Target Redemption Forward contract, losses may be incurred by you due to unwinding of related transactions by the Bank and mark-to-market costs

If you have any questions or require assistance on your Target Redemption Forward, you can:



Call us at:  
03 2059- 8700/8600



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



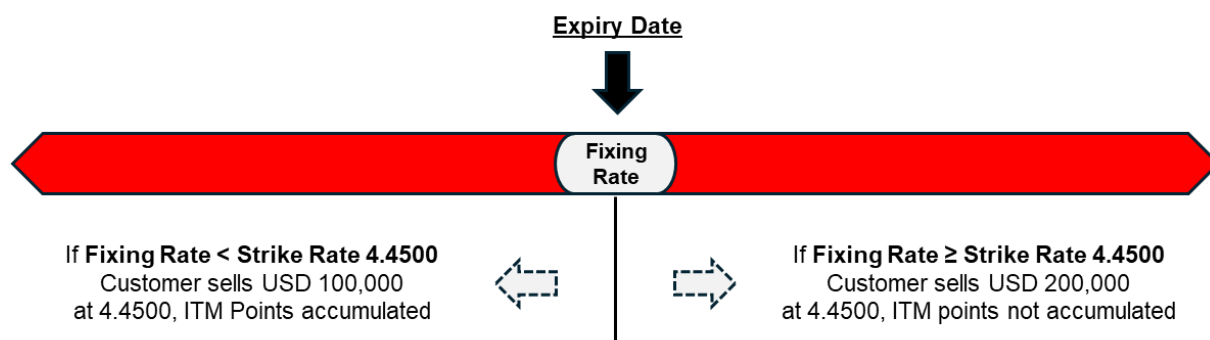
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**3. Hypothetical Examples – For Illustration Only**

Customer who needs to sell USD against MYR			
Notional 1	USD 100,000	Notional 2	USD 200,000
Strike Rate	4.4500	Target Points	0.1000 / 1000pips
No. of Fixings	Six (6) Monthly Fixing	Leverage	2.0x



**Scenario Analysis – KO Event Does Not Occur vs KO Event Occurs**

Fixing	Expiry Date	Settlement Date	Strike Rate	KO Event Does Not Occur			KO Event Occurs		
				Fixing Rate	ITM Points	Accum ITM Points	Fixing Rate	ITM Points	Accum ITM Points
1	28-Apr	30-Apr	4.4500	4.4000	0.0500	0.0500	4.4000	0.0500	0.0500
2	29-May	31-May	4.4500	4.5000	0.0000	0.0500	4.4100	0.0400	0.0900
3	28-Jun	30-Jun	4.4500	4.4250	0.0250	0.0750	4.4500	0.0000	0.0900
4	29-Jul	31-Jul	4.4500	4.5250	0.0000	0.0750	4.4300	0.0200	0.1100*
5	29-Aug	31-Aug	4.4500	4.4400	0.0100	0.0850			
6	28-Sep	30-Sep	4.4500	4.4800	0.0000	0.0850			

\*When KO Event occurs, the TARF terminates on that fixing and if the Accumulated ITM Points at that fixing exceeds the Target Points, the notional amount for settlement for that fixing is adjusted using the formula below:

$$\text{Adjusted Notional} = \text{Notional 1} \times \frac{\text{Target Points} - \text{Previous Accumulated ITM Points}}{\text{Strike Rate} - \text{Fixing Rate}} = \text{USD } 100,000 \times \frac{0.1000 - 0.0900}{4.4500 - 4.4300} = \text{USD } 50,000$$

**4. Know Your Risks**

**KEY RISKS**

- Exchange Rate Risk:** You will be exposed to foreign exchange market movements and should pay attention to the contractual terms of the product. You may be required to exchange currencies at a less favourable rate as compared to the prevailing market rate and if the transaction amount is leveraged this will amplify the opportunity loss. You will also not be protected under the structure if a KO Event occurs.
- Credit Risk:** You are subject to the credit risk of AmBank.
- Market Risk:** Currency prices can be volatile and unpredictable. 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 is subject to the terms and conditions of the agreements executed with the Bank. Please seek independent legal advice, if necessary.
- Cancellation Risk:** Cancellation or early termination of the contract may result in losses due to market value and costs incurred by the Bank which shall be borne by you.

**BENEFITS**

- TARF may be used as part of your foreign exchange risk management strategy.
- Potentially achieve a Strike Rate which is more favourable compared to the forward exchange rate for the settlement date.
- TARF may also be used to protect against exposure to adverse currency movements to some extent.
- Customisable structure to tailor and align to your specific business objective and market views.

**Reminder:** Any transaction will be subject to Malaysian law, guidelines issued by Bank Negara Malaysia and such other relevant authorities. You must review all risks carefully before making a decision. Please read the master agreement, risk disclosure statement, and term sheet for a more detailed description of the risks

**5. Other Key Terms**

- It is important that you inform us 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.

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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**