Revision of Specific Terms and Conditions for Term Deposit-i and Foreign Currency (FCY) Term Deposit-i

16 June 2023

Dear Valued Customers,

We have made revisions to the Specific Terms and Conditions for Term Deposit-i and FCY Term Deposit-i which makes up part of the Universal Terms & Conditions for HSBC Amanah Malaysia Berhad which takes effect on 30 June 2023.

The details are as follows:

Term Deposit-i

Clause	Revision	Updated Clause
Clause 6(g)	Illustrated the profit calculation	g. The Bank as the Customer's agent shall in good faith, perform transactions to: • purchase the commodity on cash basis ("Purchase Transactions"); and • sell the commodity on deferred payment basis to the Bank ("Sale Transactions") at the Murabahah Sale Price (deposit plus profit) where profit is calculated as follows: Profit = Deposit principal amount x contracted profit rate x Number of days in the placement ÷ number of days in a calendar year.
Clause 6(j)	New clause on delivery of commodity	j. Delivery of Commodity: (a) Any request for physical delivery of the commodity shall be made by providing the Bank a request prior to the Term Deposit-i placement; (b) Arrangement for the physical delivery is to be made directly with the commodity platform provider or commodity trader, subject to the fulfilment of their terms and conditions for such delivery including any arrangements for logistics, insurance / takaful and other applicable costs associated imposed by them that the Customer shall bear; and (c) In the event the Customer decides to take physical delivery of the Commodity, no profit will be paid to the Customer as the Bank is unable to perform the Sale Transaction.
Clause 6(o)	Included an illustration for the calculation of rebate ('ibra) on profit portion payable from the Murabahah Sale Price.	o. Premature withdrawal of the deposit If the Customer withdraws the placement either fully or partially before the maturity date, the Customer agrees that the Bank shall be entitled for a rebate (*'ibra*) on the profit portion payable from the Murabahah Sale Price. If there are any interim profit paid which is greater than the total amount of actual profit to be paid, the profit refund will be deducted from the deposit amount. The rebate is calculated based on the following: i. Full rebate of the actual profit portion contracted, where no profit shall be paid by the Bank if the tenure of the deposit is three (3) months and below; ii. Half of the profit for the completed months plus the profit for uncompleted months for deposits above three (3) months.

HSBC Amanah

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The rebate shall be deducted from the Murabahah Sale Price. Rebate for tenures above three (3) months = Murabahah Sale Price - [(P x t/Y x R(%) x 50%) + P], where
<table>
<tr><td>Murabahah Sale Price</td><td>= Principal amount + profit</td></tr>
<tr><td>P</td><td>Principal or Placement amount</td></tr>
<tr><td>T</td><td>Number of days based on completed months</td></tr>
<tr><td>R</td><td>Profit rate (%)</td></tr>
<tr><td>Y</td><td>Number of days in the calendar year</td></tr>
</table>
Illustration of Profit and Rebate computation:
Illustration 1 - Profit upon maturity
<table>
<tr><td>Principal amount</td><td>= RM10,000</td></tr>
<tr><td>Tenure</td><td>= 12 months (365 days)</td></tr>
<tr><td>Rate</td><td>= 3.00% p.a.</td></tr>
<tr><td>Profit</td><td>= Principal x Rate x Number of days in the tenure / number of days in a year
= RM10,000 x 3.00% x 365/365
= RM300</td></tr>
</table>
Illustration 2 - Rebate for premature withdrawal made within three (3) months
<table>
<tr><td>Principal amount</td><td>= RM10,000</td></tr>
<tr><td>Tenure</td><td>= 12 months (365 days)</td></tr>
<tr><td>Rate</td><td>= 3.00% p.a.</td></tr>
<tr><td>Withdrawal</td><td>= 2 months after placement is made (61 days)</td></tr>
<tr><td>Profit for completed months</td><td>= RM10,000 x 3.00% p.a. x 61/365
= RM50.14</td></tr>
<tr><td>Profit for uncompleted months</td><td>= RM10,000 x 3.00% x 304/365
= RM249.86</td></tr>
<tr><td>Rebate to Bank</td><td>= RM50.14 + RM249.86
= RM300.00</td></tr>
</table>
Note: Customer will not receive any profit
Illustration 3 - Rebate on premature withdrawal made after completion of three (3) months
<table>
<tr><td>Principal amount</td><td>= RM10,000</td></tr>
<tr><td>Tenure</td><td>= 12 months (365 days)</td></tr>
<tr><td>Rate</td><td>= 3.00% p.a.</td></tr>
<tr><td>Withdrawal</td><td>= 4 months after placement is made (122</td></tr>
<tr><td>Profit for completed months</td><td>= RM10,000 x 3.00% p.a. x 122/365 x 50%
= RM50.13</td></tr>
<tr><td>Profit for uncompleted months</td><td>= RM10,000 x 3.00% x 243/365
= RM199.73</td></tr>
<tr><td>Rebate to Bank</td><td>= RM50.13 + RM199.73
= RM249.86</td></tr>
</table>
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</tr>
<tr>
<td>Clause 6(q)</td>
<td>Updated the clause to clarify that the Term Deposit-i placement</td>
<td>q. All deposits shall be automatically renewed for the same period on maturity date based on the prevailing board profit rate at the time of renewal, unless instructions in writing or via channels made available by the Bank are received by the Bank from the Customer beforehand. Paragraphs (c) to (g) above shall apply to each renewal. The Customer has the right to give and/or to amend any instructions up to the maturity date.</td>
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</table>

	will be renewed on maturity based on the prevailing board profit rate at the time of renewal.	

FCY Term Deposit-i

Clause	Revision	Updated Clause
Clause 6(e)	Included an illustration for the calculation of rebate ('ibra) on profit portion payable from the Murabahah Sale Price.	e. Premature withdrawal of the deposit: If the Customer withdraws the placement either fully or partially before the maturity date, the Customer agrees that the Bank shall be entitled for a rebate (ibra') on the profit portion payable from the Murabahah Sale Price. In the event the interim profit paid is greater than the total amount of actual profit to be paid by the Bank, the profit refund to the Bank will be deducted from the deposit amount. The rebate is calculated based on the following:- i. Full rebate of the actual profit portion contracted where no profit shall be paid by the Bank if the tenure of deposit is three (3) months and below; ii. Half of the profit for the completed months plus the profit for uncompleted months for deposits above three (3) months Rebate for tenures above three (3) months = Murabahah Sale Price - [(P x t/Y x R(%) x 50%) + P], where: Murabahah Sale Price = Principal amount + profit P = Principal or Placement amount T = Number of days based on completed R = Profit rate (%) Y = Number of days in the calendar year Illustration of Profit and Rebate computation for FCY Term Deposit-: Illustration 1 – Profit upon maturity Principal amount = USD$10,000 Tenure = 6 months (180 days) Rate = 3.00% p.a. Profit = Principal x Rate x Number of days in the tenure / number of days in a year = $10,000 x 3.00% x 180/360 = $150 Illustration 2 – Rebate for premature withdrawal made within three (3) months Principal amount = USD$10,000 Tenure = 6 months (180 days) Rate = 3.00% p.a. Withdrawal = 2 months after placement is made (60 days) Profit for completed months = $10,000 x 3.00% p.a. x 60/360 = $50 Profit for uncompleted months = $10,000 x 3.00% x 120/360 = $100 Rebate to Bank = $50 + $100 = $150 Note: Customer will not receive any profit

Illustration 3 – Rebate on premature withdrawal made after completion of three (3) months

Principal amount	= $10,000
Tenure	= 6 months (180 days)
Rate	= 3.00% p.a.
Withdrawal	= 4 months after placement is made (120 days)
Profit for completed months	$10,000 x 3.00% p.a. x 120/360 x 50% $50
Profit for uncompleted months	$10,000 x 3.00% x 60/360 $50
Rebate to Bank	$50 + $50 $100

You may refer to the revised Universal Terms and Conditions here.