

BIBD Sukuk FAQs



BIBD Sukuk Frequently Asked Questions (FAQs)

A Understanding the BIBD Sukuk

1. What is the BIBD Sukuk?

The BIBD Sukuk provides investors an opportunity to invest in a Shariah-compliant investment product linked to BIBD. The sukuk is issued by Arrow Sukuk Limited, with BIBD acting as the Obligor. The sukuk has a 3-year tenor and provides investors with periodic distributions on a semi-annual basis.

2. Who is Arrow Sukuk Limited?

Arrow Sukuk Limited is a special-purpose vehicle created solely for BIBD's Sukuk Programme. Its role is to act as the Issuer and Trustee of the Sukuk, meaning it issues the Sukuk certificates to investors and holds the relevant Sukuk assets on behalf of the investors.

In simple terms, Arrow Sukuk Limited is the dedicated company used to facilitate the Sukuk structure, while BIBD remains the Obligor responsible for meeting its obligations under the Sukuk.

3. What is BIBD's role under the Sukuk?

BIBD is the Obligor under the Sukuk, meaning BIBD is responsible for fulfilling its contractual obligations under the Sukuk structure. Additionally, BIBD as the Servicing Agent, provides the underlying assets income to Arrow Sukuk Limited for periodic distribution payments to investors.

4. What does it mean for the Sukuk to be structured as Wakalah?

Wakalah means "agency" and refers to the Shariah structure used for the BIBD Sukuk. Investors participate in a pool of Shariah-compliant assets, with BIBD appointed to manage these assets on their behalf under an agency agreement.

Under this structure, Arrow Sukuk Limited acts as the Issuer and Trustee, holding the relevant assets on behalf of investors, while BIBD acts as the Servicing Agent responsible for managing the assets.

5. Is the BIBD Sukuk the same as general fixed deposit?

No. The Sukuk is an investment instrument and not a bank deposit.

The key differences are the following:

a) Ability to sell before maturity

Subject to prevailing market conditions, investors can sell the Sukuk before maturity, whereas a fixed deposit is generally held until its maturity date.

b) Value can change

The value of a Sukuk can rise or fall in response to changes in market conditions such as changes in rates. A fixed deposit does not fluctuate in value.

c) No capital guarantee

A Sukuk is not capital guaranteed. The amount an investor receives if they sell before maturity may be higher or lower than the amount originally invested.

For further information on the risks associated with Sukuk investments, please refer to the **Fees and Risks** section in item 45 of this FAQ

6. Is the BIBD Sukuk the same as a BIBD Share?

No. BIBD Sukuk and BIBD shares are different types of investment instruments.

BIBD shares represent ownership in BIBD. As a shareholder, investors own a portion of the company and have rights associated with being a shareholder.

The BIBD sukuk does not represent ownership in BIBD. Instead, it is a Shariah-compliant investment with a defined tenor, where investors receive periodic distributions in accordance with the terms and conditions of the Sukuk.

Investing in BIBD Sukuk does not make you a shareholder of BIBD. You are investing through the sukuk structure rather than owning shares in BIBD.

7. Does BIBD's A- rating apply to the Sukuk?

No. The A- rating by S&P Global Ratings applies to BIBD as the Obligor and reflects BIBD's creditworthiness. The Sukuk Programme is currently unrated, meaning no credit rating has been assigned to the Sukuk Programme.

B About the Sukuk Programme and First Issuance

8. What is the BIBD Sukuk Wakalah Programme?

The Programme provides the framework for BIBD to issue Sukuk from time to time, with a total Programme size of up to **BND200 million**.

9. Will future Sukuk issued under the Programme have the same terms?

No. Each issuance may have different terms, including its size, tenor and periodic distribution rate.

C Who Can Invest and Ways to Participate

10. Who can invest in the BIBD Sukuk?

The Sukuk is available to eligible investors who meet the applicable investment requirements.

Retail investors must also satisfy BIBDS' applicable account-opening, suitability assessment and risk-profiling requirements before investing. The Product Disclosure Sheet expressly provides for suitability assessment/risk profiling and applicable eligibility and minimum investment requirements

11. What do I need before I can invest?

To invest in the BIBD Sukuk, you will need to:

- be an active BIBD customer with an eligible BIBD Current Account or Savings Account; and
- complete the onboarding process with BIBD Securities Sdn Bhd.

If you do not already have an account with BIBDS, you will need to complete the relevant account opening and onboarding requirements before you can invest. Your selected BIBD Current Account or Savings Account will be used to facilitate payment for your investment.

12. What are my options for investing in the BIBD Sukuk?

Investors can invest in the BIBD sukuk through either of the following options:

- The **Primary Offering**, from BND200,000, with additional investments in integral multiples of BND5,000; or
- The **Fractional Sukuk Offering**, from BND5,000, with additional investments in integral multiples of BND100.

Both options provide investors with participation in the same underlying Sukuk, with the same periodic distribution rate and maturity date.

13. What is the Primary Offering?

The Primary Offering refers to the original issuance of the Sukuk. Investors subscribe directly to the Sukuk in standard denomination of BND200,000 and in integral multiples of BND5,000 thereafter.

14. What is the Fractional Sukuk Offering?

The Fractional Sukuk Offering, made available by BIBD Securities Sdn Bhd, allows investors to invest in BIBD Sukuk from as little as BND5,000.

Under this arrangement, BIBD Securities, acting as Retail Nominee, acquires the BIBD Sukuk through the Primary Offering. The BIBD Sukuk is then divided into smaller denominations (fractions), allowing investors to participate in smaller amounts. BIBD Securities maintains records of each investor's corresponding fractional beneficial interest in the BIBD Sukuk.

In short, Primary Offering investors hold the Sukuk in its standard denomination, while Fractional Sukuk investors hold an interest in Sukuk through BIBD Securities as Retail Nominee. This structure makes Sukuk investments more accessible and affordable for retail investors.

15. Who is the Fractional Sukuk Offering intended for?

The Fractional Sukuk Offering is designed for retail investors who wish to participate in the Sukuk with a lower minimum investment amount, making it more accessible to retail investors.

16. What is the minimum investment amount?

The minimum order is:

- **Primary Offering:** BND200,000, followed by integral multiples of BND5,000; or
- **Fractional Sukuk Offering:** BND5,000, followed by integral multiples of BND100.

17. How does the Fractional Sukuk structure work? Do I own the Sukuk if I invest through the Fractional Sukuk Offering?

- The Sukuk is issued in standard denominations by the issuer
- BIBDS holds the relevant Sukuk under a nominee structure on behalf of retail investors
- Each investor holds a beneficial interest in a fraction of the Sukuk, proportional to their investment amount

18. How will my Fractional Sukuk investment be held?

BIBD Securities will hold and administer the Sukuk as nominee for investors participating through the Fractional Sukuk Offering.

19. What is BIBDS's role as nominee?

BIBDS acts as the nominee holder of the Sukuk for retail investors.

This means:

- The Sukuk is legally registered in BIBDS's name as nominee
- Investors remain the beneficial owners of their respective fractional holdings
- BIBDS holds the Sukuk on trust for investors and does not own the Sukuk for its own benefit

- BIBDS acts as proxy and collective representative for investors in Sukukholder meetings and corporate actions, in line with the agreed terms set out in the subscription form.

20. Why is a nominee structure used?

A nominee structure is used to:

- Facilitate fractional ownership of Sukuk
- Simplify settlement, custody, and administration
- Allow retail investors to participate in Sukuk investments efficiently

D How to Subscribe and Allocation

21. When can I invest or submit my order?

Bookbuilding period begins on 5th October 2026 and ends on 2nd November 2026. Orders must be submitted and completed by 2nd November 2026.

22. How do I apply?

Orders may be submitted through BIBD Securities or BIBD Perdana Privilege Banking during the bookbuilding period in item 21 of this FAQ.

23. How will I pay for my investment?

Investors will need to ensure that sufficient funds are available in their selected BIBD Current Account or Savings Account (CASA) to cover the full subscription amount, together with any applicable brokerage fees. CASA must be funded upon order submission.

For example, with a brokerage fee of 1%, if you apply to invest BND5,000, your selected account must have at least BND5,050 to sufficiently fund the investment.

The relevant amount will be debited from the selected account in accordance with the subscription and settlement process.

24. Can I cancel or change my order or subscription?

Cancellations and/or changes may only be permitted during the bookbuilding period. Once bookbuilding closes, orders are considered final.

25. Is my order guaranteed to be fully allocated?

No. Subscription and full allocation are not guaranteed. Allocation will be subject to:

- Final allocation decision;
- Total demand received; and
- Compliance with eligibility and minimum investment requirements.

26. What happens if the BIBD Sukuk is oversubscribed?

If the Sukuk is oversubscribed:

- investors may receive a partial allocation or
- in some cases, no allocation

27. What happens to my money if I receive a partial allocation or no allocation?

If you receive a partial allocation, only the amount corresponding to your final allocation will be invested and the remaining amount will be refunded.

If you receive no allocation, your subscription amount will be refunded after the issuance date.

28. How will I know my final allocation?

Investors will receive confirmation of their final allocation through a Contract Note, which will be available from their respective Relationship Manager after the Issuance Date.

E Periodic Distributions and Maturity

29. What is the periodic distribution rate?

The indicative periodic distribution rate is **2.5% per annum**. The final rate will be determined following the bookbuilding process, confirmed on the issuance date and published on BIBD's website.

30. How is the periodic distribution rate determined?

Periodic distribution rate is determined based on prevailing market conditions closer to the issuance date.

31. How frequently will distributions be paid?

Periodic distributions are scheduled to be paid **twice a year on 10th May and 10th November** with the first periodic distribution date expected to be on 10th May 2027, subject to the terms and conditions of the Sukuk.

32. How much could I receive on a BND10,000 investment?

For example, if the final periodic distribution rate is 2.5% per annum, a BND10,000 investment would provide an indicative annual distribution of **BND250**.

Based on the day-count convention of ACT/365 (i.e. 365 days), investors may expect first periodic distribution on 10th May 2027 at BND123.97 and the second periodic distribution on 10th November 2027 at BND126.03. If the periodic distribution date falls on a public holiday, it will be processed on the next business day.

33. Are periodic distributions guaranteed?

No. Periodic distributions are expected to be paid on the scheduled payment dates, subject to the terms and conditions of the Sukuk.

34. How long is the tenor of the Sukuk?

The Sukuk has a **3-year tenor** from its issuance date.

35. What happens when the Sukuk matures?

Investors may expect to receive the Sukuk face value on the maturity date, subject to the terms and conditions of the Sukuk.

F Secondary Market Trading (Buying and Selling)

36. Can I sell my Sukuk before the 3-year maturity date?

Yes, secondary-market transactions are available over the counter through BIBD Securities. However, the ability to sell is subject to prevailing market conditions, investor demand, availability and applicable terms.

37. How are buy and sell orders for BIBD Sukuk being matched?

Buy and sell orders are matched manually by BIBD Securities rather than through an automated exchange trading system. As there is no exchange order book, trades are matched based on available buying and selling interests, agreed prices, and market conditions.

This process applies to locally issued Sukuk that are not listed on a stock exchange.

38. How are buy and sell orders matched?

The matching process generally follows these steps:

- (i) An investor submits a buy or sell order with a specified price
- (ii) BIBD Securities checks whether there is a corresponding buyer or seller for the respective order
- (iii) Where a corresponding interest is available, the order may be matched and executed.
- (iv) Where no corresponding interest is available, the order remains unmatched until a suitable counterparty becomes available or the order expires.

39. Can my order be partially matched?

Yes. If the available sell or buy quantity is less than the order size, a partial execution may occur. The remaining quantity will stay unmatched unless further matching opportunities arise

40. Am I guaranteed to receive my original investment amount if I sell before maturity?

Not necessarily. The market price may be higher or lower than the original investment amount. An investor selling before maturity may therefore receive more or less than the amount initially invested.

41. What happens if there is no buyer for my Sukuk?

Your sell order may remain unexecuted until a suitable buyer becomes available or until the order expires, whichever occurs first.

42. Where can I view the value of my Sukuk investment?

You can view the value of your investment in your BIBDS portfolio statement, available through the BIBD NEXGEN Wallet (Mobile) or BIBD NEXGEN Online.

G Fees and Key Investment Risks

43. What fees and charges apply?

Transaction Type	Fee
Buy and Sale	1% of investment amount
Transfer Out	A fee of BND100 (or equivalent in the respective currency) per security transfer applies if you request to transfer your sukuk holdings to another institution (subject to applicable terms and conditions)

44. Is my investment capital guaranteed?

No. The Sukuk is not capital-guaranteed or capital-protected. Investors are exposed to credit, market and liquidity risks and may lose some or all of their investment. Please refer to the risks set out in the Prospectus, which is available for viewing at the office of BIBD Securities and BIBD Perdana Privilege Banking.

45. What are the main risks of investing in the BIBD Sukuk?

Key risks include:

- Allocation Risk: an investor may receive less than the amount applied for, or no allocation
- Issuer Risk: risk that the issuer fails to meet its obligations
- Market Risk: changes in market conditions may affect the value of the Sukuk
- Credit Risk: Issuer default or downgrade may affect the investment
- Settlement Risk: delays or failures in settlement
- Liquidity Risk: the ability to sell the Sukuk before maturity may be limited
- Shariah Risk: Sukuk may be deemed Shariah non-compliant, which may require disposal

For more information, please refer to the Prospectus that is available for viewing at the office of BIBD Securities and BIBD Perdana Privilege Banking.

46. What should I consider before investing?

Before investing, you should consider:

- whether the investment is suitable for your investment objectives and financial circumstances;
- whether you are comfortable holding the investment for its 3-year tenor;
- the credit, market and liquidity risks associated with the Sukuk;
- the possibility that you may not be able to sell your investment before maturity; and
- the applicable fees and charges.

47. Which documents should I read before investing?

Investors should carefully read the relevant investment documents before deciding to invest, including:

- the Prospectus for the BIBD Sukuk Wakalah Programme;
- the Product Disclosure Sheet for the Brokerage Service - Sukuk;
- the Brokerage Service Terms & Conditions;
- the relevant subscription documentation; and
- any other materials provided in connection with the offering.

The Brokerage Terms & Conditions expressly state that they are to be read together with the Application Form and Product Disclosure Sheet. Investors should ensure that the investment is suitable for their financial circumstances, investment objectives and risk profile, and should seek independent advice where necessary.

48. Where can I obtain further information or assistance?

The Prospectus will be available for viewing at the office of BIBD Securities and BIBD Perdana Privilege Banking, while the Product Disclosure Sheet – Brokerage Service and other applicable documents will be available for download through the BIBD Securities website.

Disclaimer: This advertisement is for information purposes only and does not constitute a prospectus. Investors should subscribe for the Sukuk only on the basis of the information contained in the Prospectus. Investment in Sukuk involves risks, including the risk of loss of principal. Investors should carefully consider the risks associated with the Sukuk and their own investment objectives and circumstances before investing. Investors should refer to the Prospectus for full details of the terms and conditions and all risks associated with the Sukuk. A copy of the Prospectus is available viewing at the office of BIBD Securities Sdn Bhd and BIBD Perdana Privilege Banking. The indicative profit rate is not a guarantee of future returns and the final profit rate remains subject to prevailing market conditions and final allocations. Company Registration: RC00003520.

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