

<p>PRODUCT DISCLOSURE SHEET</p> <p>Please read this Product Disclosure Sheet before you apply and decide to accept the All Economic Sector Facility (AES). Be sure to read the terms and conditions in the letter of offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms.</p>	<p>BANK ISLAM MALAYSIA BERHAD [Registration No. 198301002944 (98127-X)]</p> <p>All Economic Sector Facility (AES) 11 January 2022</p>
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1. WHAT IS THIS PROGRAM ABOUT?

- All Economic Sector Facility (AES) is a financing program aims to enhance access to financing for Small and Medium Enterprises (SMEs) across various sectors to support business growth.
- This financing is an initiative by Bank Negara Malaysia (BNM) with total allocation of RM 6 billion, as announced by BNM on 2 December 2021.
- AES will be offered under Business Financing-i (BF-i) product based on Tawarruq at fixed rate.

2. WHAT IS THE SHARIAH CONCEPT APPLICABLE?

- **The Shariah concept used is Tawarruq.**
 A tawarruq consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis

Tawarruq concept is further described as follows:-

Customer purchases commodity from the Bank based on Murabahah contract at the Bank's Sale Price. In this arrangement, the purchase will be performed by the Bank as the Purchase Agent for the customer. As the Sale Agent for the customer, the Bank shall sell the commodity to a commodity purchaser at cost price. Proceeds from the transaction will be credited for the customer's utilization. The customer is obliged to pay the amount due from the Murabahah transaction as per the agreed terms.

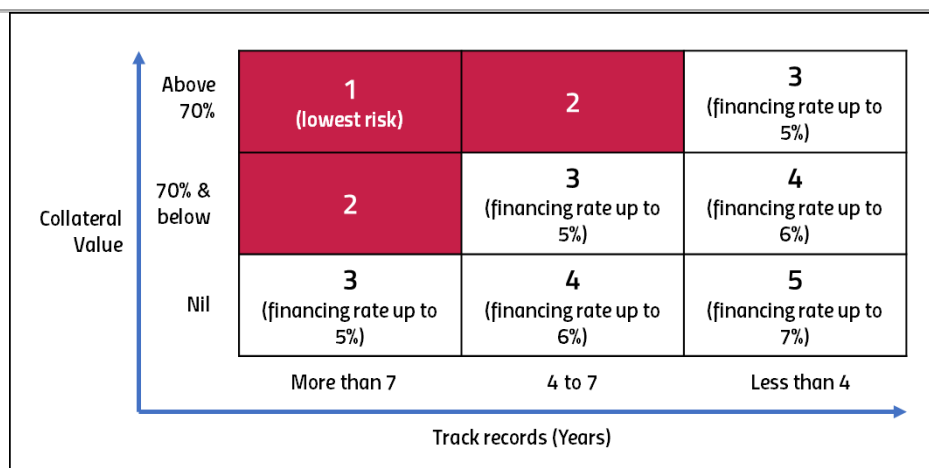
"Commodity" means any commodity acceptable to the Bank e.g. palm oil, plastic resin, rubber, cocoa beans, soy beans, timber and metal (excluding gold and silver) traded at any commodity trading platform approved by the Bank. The purchase and sale of the commodity are performed based on the mandate of the customer, where the Bank as Purchase Agent and Sale Agent trades the Commodity as made available and provided by commodity providers subject to the Bank prevailing policies.

- **The product structure for BF-i is as follows:**

No	Description
1	Customer obtains financing from the Bank and executes Tawarruq transaction documents.
2	Bank buys commodity from Commodity Supplier.
3	Bank sells commodity to customer on Murabahah at Selling Price. In this arrangement, the purchase will be performed by the Bank as the Purchase Agent to the customer.
4	Bank acting as Sale Agent, on behalf of the customer, sell the commodity to the Commodity Buyer at cost price.
5	The Bank credits Customer's account with proceeds from the sale of commodity
6	The Customer settles the amount due to the Bank (from Murabahah sale) by way of agreed payment terms.

3. WHAT DO WE GET FROM THIS PROGRAM?

No.	Features	Details
1.	Fund Allocation	RM6 billion
2.	Financing Product	Business Financing-i (BF-i)
3.	Financing Type	Term Financing
4.	Eligibility	<ul style="list-style-type: none"> ▪ Malaysian SMEs that fulfill all the following criteria shall be eligible for financing facility: <ol style="list-style-type: none"> (i) Meets the definition of SMEs issued by SME Corporation Malaysia; (ii) Registered with the Companies Commission of Malaysia (SSM), authorities/district offices in Sabah and Sarawak or statutory bodies for professional service providers; (iii) Shareholding by Public Listed Companies and Government Linked Companies (if any) in the SMEs shall not exceed 20%; (iv) Malaysians residing in Malaysia that hold a minimum of 51% shareholding in the SMEs; and (v) Assigned risk profile rating 3 to 5, as set out in Item 8.
5.	Financing Amount	<p>Up to RM5 million per SME. This would include financing:</p> <ol style="list-style-type: none"> i) approved under any of the facilities under the BNM's Fund, unless specified otherwise by BNM; and ii) to any related companies of the SME with common shareholder(s) unless the related companies of the SME have different workforces. In such cases, each SME has a financing limit of RM5 million respectively.
6.	Financing Purpose	<ul style="list-style-type: none"> ▪ Working capital; and/or ▪ Capital expenditure <p>Note: Financing should not be used for refinancing of existing credit/ financing facilities</p>
7.	Margin of Financing	<ul style="list-style-type: none"> ▪ Up to 100% on Working capital; and/or ▪ Up to 100% on Capital expenditure
8.	Profit Rate (As per BNM risk profile rating)	<p>The maximum financing rate is based on the SME's risk profile rating: (only applicable until 30 June 2022), as follows:</p> <ul style="list-style-type: none"> ▪ SMEs with risk profile rating 3: Up to 5.0%* p.a. ▪ SMEs with risk profile rating 4: Up to 6.0%* p.a. ▪ SMEs with risk profile rating 5: Up to 7.0%* p.a. <p><i>*inclusive of guarantee fee, if any</i></p> <p>Note: The above profile ratings only applicable until 30 June 2022. It will revert back to 6%, 7% and 8% p.a. respectively on 1 July 2022, subject to further decision by BNM.</p> <p>SME's risk profile rating (rates applicable until 30 June 2022):</p>



9.	Tenure	Up to 5 years
10.	Guarantee coverage	Up to 80% guarantee coverage by Syarikat Jaminan Pembiayaan Perniagaan (SJPP).
11.	Security	<p>For Sdn Bhd:</p> <ul style="list-style-type: none"> Joint and several guarantee (JSG) of Directors and individual shareholders holding more than thirty percent (30%) of the share capital of the customers Corporate Guarantor holding more than fifty percent (50%) of the share capital of the Customer Key man/person regardless of the shareholdings of the Customer <p>For Partnership:</p> <ul style="list-style-type: none"> Letter of Indemnity/Undertaking, whichever is applicable

The sample calculation is illustrated below:

Financing Amount	:	RM 5,000,000.00
Bank's Profit Rate	:	5.00% per annum
Tenure	:	5 years

Payment (beginning on 1 st month until 60 th month)	:	RM 104,166.67
Total Profit	:	RM 1,250,000.00
Bank's Sale Price	:	RM 6,250,000.00

Formula on calculation of profit :

$$\Pi = \frac{P \times r \times t}{N}$$

Π = Profit
P = Principal amount
r = Effective rate
t = number of days
N = total number of days in a year

Note: The above example is only for illustration purpose and it may not show the actual financing obligation.

4. WHAT ARE MY OBLIGATIONS?

- You are required to pay the monthly instalment as approved by the Bank.

Example (based on question 3 above)

- Your monthly instalment is RM 104,166.67
- Total payment amount at the end of 5 years is RM 6,250,000.00
- You are obliged to pay the monthly installment starting from the 1st month until full settlement of the financing. However, you may opt at any time to fully settle the financing.

5. WHAT ARE THE FEES AND CHARGES THAT WE HAVE TO PAY?

- Stamp Duty (as per Stamp Duty Act 1949 (Revised 1989)).
- Legal fee & disbursement including solicitor's fee for preparing financing documentation, registration of charge, land search and bankruptcy search (where applicable).
- Takaful fee (if applicable).
- Tawarruq Agency fee of RM50.00 for every Tawarruq transaction. –
- You are required to pay the Bank all costs (if any) for the preparation and registration of security documents that has been incurred by the Bank in connection with the facility including all expenses incurred during the claim process if the facility is cancelled.

6. WHAT IF WE FAIL TO FULFILL OUR OBLIGATIONS?

Should you fail to fulfill your obligation in a timely manner, the following shall apply: -

- **Event of Default:**
 - a) The Bank may by written notice to you, demand for immediate payment of amount overdue from you and/ or the guarantor;
 - b) The Bank has the right to set off your deposit or any other account(s) maintained with the Bank towards settlement of overdue payment under this facilities granted by the Bank;
 - c) The Bank has the right to take legal action against you if you fail to respond to the reminder and/or demand notices. The Bank shall exercise its right on any security pledged with the Bank and you are to bear all the cost involved. You are also responsible to settle any shortfall. Legal action against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you; and
 - d) Cross default of other facilities with the Bank may be triggered.

- **Late Payment**

The Bank shall impose Ta'widh (compensation for late payment) to you as follows:

- a) **Before maturity of the facility**

A sum equivalent to one per centum (1%) per annum on overdue instalment(s) until date of full payment.

Formula:

Overdue instalment(s) x 1% x No. of overdue day(s) / 365

- b) **After maturity of the facility**

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on outstanding balance i.e., outstanding Sale Price less ibra' (rebate) (if any).

Formula:

Outstanding Sale Price (less ibra'(rebate)) x Prevailing IIMM% x No. of overdue day(s) / 365

- c) **Post judgment debt**

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on basic judgment sum calculated from judgment date until date of full payment.

Formula:

Outstanding Sale Price (less ibra'(rebate)) x Prevailing IIMM% x No. of overdue day(s) / 365

Note: The imposition of Ta'widh shall be in such manner as approved by BNM.

7. WHAT IF WE FULLY SETTLE THE FINANCING BEFORE ITS MATURITY?

- The Bank undertakes to grant you an ibra' (rebate) which is equivalent to the deferred profit at the point of settlement.

ibra' (rebate) Formula:

ibra' (Rebate on early settlement) = Deferred Profit

Note:

- Deferred Profit = Total Contracted Profit – Accrued Profit
- Total Contracted Profit = Sale Price – Purchase Price (or Financing Amount)
- Accrued Profit is calculated based on effective profit rate of the outstanding Purchase Price (or Financing Amount) being disbursed (or utilized)
- The Bank does not impose a lock-in period for this facility and there is no fee imposed for early settlement before maturity.

8. DO WE NEED TO TAKE UP TAKAFUL COVERAGE?

It is optional, however you or your supplier is advised to subscribe to any appropriate Takaful protection.

9. DO WE NEED A GUARANTOR OR COLLATERAL?

No collateral is required for this programme. However as additional securities, the Bank will require up to 80% guarantee coverage by Syarikat Jaminan Pembiayaan Perniagaan (SJPP) and other guarantees (where applicable) as listed in answer to Question 3 above, under item 11 – Security.

10. WHAT DO WE NEED TO DO IF THERE ARE CHANGES TO OUR CONTACT DETAILS?

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

11. WHERE CAN WE GET ASSISTANCE AND REDRESS?

- If you have difficulties in servicing the payments, you should contact us earliest possible to discuss the payment options. You may contact us at:

SME Banking

Bank Islam Malaysia Berhad

16th Floor, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Fax: 03-2688 2711

Email: sme-assist@bankislam.com.my

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services and money management, credit counseling, financial education and debt restructuring for SME. You can contact AKPK at:
Agensi Kaunseling dan Pengurusan Kredit (AKPK)
 Level 5 and 6,
 Menara Bumiputra Commerce
 Jalan Raja Laut
 50350 Kuala Lumpur
 Tel: 603 -2616 7766
 Fax: 603 -2616 7601
 Website: www.akpk.org.my

- If you wish to complaint on the products or services provided by us, you may contact us at:
Contact Centre & Customer Care
Bank Islam Malaysia Berhad
 17th Floor, Menara Bank Islam
 No 22, Jalan Perak,
 50450 Kuala Lumpur
 Tel: 03-26 900 900
 Fax: 03-2782 1337
 Email: customercare@bankislam.com.my

- If the query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:
Block D, Bank Negara Malaysia,
 Jalan Dato' Onn,
 50480 Kuala Lumpur.
 Tel: 1-300-88-5465
 Fax: 03-2174 1515
 Email: bnmtelelink@bnm.gov.my

12. WHERE CAN WE GET FURTHER INFORMATION?

- Should you require additional information about the program, please refer to our branches or contact:
Contact Centre & Customer Care
Bank Islam Malaysia Berhad
 17th Floor, Menara Bank Islam,
 No. 22, Jalan Perak,
 50450 Kuala Lumpur.
 Tel: 03-26 900 900
 Email: contactcenter@bankislam.com.my

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS OF YOUR FACILITY.

The information provided in this Product Disclosure Sheet is valid as at 11/01/2022.

Acknowledge Receipt by Customer

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Name:

I/C Number:

Date: