

Read this Product Disclosure Sheet before you decide to subscribe to this product. Be sure to also read the terms in the Letter of Offer. Seek clarification from our officers if you do not understand any part of this document or the terms.

## PERSONAL CASH LINE-i

Date: 18/04/2022

### 1. What is this product about?

Bank Islam Personal Cash Line-i facility is a secured/non-secured revolving financing to meet personal financial needs which is calculated based on floating rate.

### 2. What is the Shariah concept applicable?

- This financing is applying the Shariah concept of 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.
- The mechanism of Tawarruq for this product is as follows:
  - (a) The customer purchases the commodity from the Bank on Murabahah (cost plus sale) basis at the Bank's Sale Price. In this arrangement, the purchase will be performed by the Bank as the customer's Purchase Agent.
  - (b) As the Sale Agent for the customer, the Bank shall then sell the commodity to a Commodity Purchaser at cost price. Proceeds from the transaction will be disbursed for customer's utilization.
  - (c) 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 customer's mandate, where Bank as the Purchase and Sale Agent trades the commodity as made available and provided by commodity providers subject to the Bank's prevailing policies.

### 3. What do I get from this product?

Illustration for Personal Cash Line-i :

|  |                            |
|--|----------------------------|
| Total Financing Amount   | RM 200,000                 |
| Financing Tenure   | 5 years                    |
| Ceiling Profit Rate (CPR)  | 15% p.a.                   |
| Bank's Sale Price  | RM 347,945.21              |
| Effective Profit Rate (EPR)<br><i>Note: Base Rate (BR) is 2.52% p.a. effective 1 December 2020</i> | BR + 3.95% =<br>6.47% p.a. |
| Total Payable Amount at the end of tenure  | RM263,813.70               |

Illustration for Personal Cash Line-i (Professionals) :

|  |                            |
|--|----------------------------|
| Total Financing Amount   | RM 50,000                  |
| Financing Tenure   | 3 years                    |
| Ceiling Profit Rate (CPR)  | 15% p.a.                   |
| Bank's Sale Price  | RM72,191.78                |
| Effective Profit Rate (EPR)<br><i>Note: BR is 2.52% p.a. effective 1 December 2020</i> | BR + 2.95% =<br>5.47% p.a. |
| Total Payable Amount at the end of tenure  | RM58,092.60                |

### 4. Is there any special offer for Professionals?

**Yes. There is special offer for customer with the following professions:**

- |                     |                           |                  |                      |                    |
|---------------------|---------------------------|------------------|----------------------|--------------------|
| i. Doctor           | iv. Dentist               | vii. Lecturer    | x. Quantity Surveyor | xiii. Bank officer |
| ii. Engineer        | v. Optometrist & Optician | viii. Pharmacist | xi. Actuary          |                    |
| iii. Safety Officer | vi. Veterinarian          | ix. Architect    | xii. Accountant      |                    |

#### What are the eligibility criterias?

1. Customer is a permanent or contract staff
2. Minimum income RM5,000 per month
3. Monthly salary must be credited into Al Awfar Investment Account where it is linked to Personal Cash Line-i

#### What are the exclusive features of this offer?

1. EPR at BR + 2.95% p.a. which is lower rate compared to the normal offer of Personal Cash Line-i.
2. The financing limit is up to one (1) month net salary amount (to nearest 100) credited but not more than RM50,000.
3. The minimum financing tenure is one (1) year and up to maximum of three (3) years or up to retirement age of 70 years old, whichever is earlier (Maximum entry age is at 65 years old)

**5. What is the Base Rate (BR)?**

The Base Rate (BR) we offer for this product is made up of two parts, our benchmark Cost of Funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia (BNM). Our benchmark COF reflects the cost of raising new funds based on 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR) as the reference rate plus a Funding Cost Adjustment.

**6. What are the possible scenarios to trigger a change in the Base Rate?**

Our BR can rise or fall due to changes in the benchmark COF and SRR. Changes in the benchmark COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of BNM, as well as other factors such as market funding conditions due to global and domestic economic environment.

**7. What is the historical benchmark Cost of Funds for the last 3 years?**

Please refer our website at <https://www.bankislam.com/personal-banking/other-information/base-rate-and-historical-benchmark/> for more information.

**8. What are my obligations?**

Below is the illustration:

|                             |                           |
|-----------------------------|---------------------------|
| Financing Amount            | RM200,000                 |
| Tenure in Years             | 5 years                   |
| Effective Profit Rate (EPR) | BR+3.95% p.a. @6.47% p.a. |

- You are obliged to pay the monthly profit payment during financing tenure and upon maturity of the facility, to pay the outstanding Bank's Sale Price until full settlement of the financing. Should the financing tenure extended beyond the retirement age, you are still obliged to pay the monthly payments and outstanding Bank's Sale Price. However, you may opt at any time to fully settle the financing upon reaching retirement age.
- Your Monthly Instalment and total payment amount will vary upon changes in the BR as illustrated below, however, the total payment amount will not exceed the Bank's Sale Price.

| Rate   | Today (*BR+3.95% p.a. @6.47% p.a.) | If *BR goes up 1% | If *BR goes up 2% |
|--|------------------------------------|-------------------|-------------------|
| Monthly profit instalment (30 days)                                  | RM1,063.56                         | RM1,227.95        | RM1,392.33        |
| Total payment at the end of the financing tenure (5 years/60 months) | RM263,813.70                       | RM273,677.00      | RM283,539.80      |

\*BR = 2.52% (for illustration only). Visit [www.bankislam.com](http://www.bankislam.com) for the latest BR.

- Based on the above illustration, the monthly profit instalment shall be raised/ lowered with any increase/ decrease to the BR of the Bank. The illustration is based on the maximum use of the financing amount of RM200,000 for 5 years at an Effective Profit Rate of 6.47%.

**9. What other charges do I have to pay?**

| No. | Type of Charge | Charge Amount and Detail                  |
|-----|----------------|---|
| i.  | Stamp Duty     | As per Stamp Duty Act 1949 (Revised 1989) |
| ii. | Wakalah Fee    | RM50                                      |

**Cancellation of the facility**

You have to pay the above costs inclusive of all other costs that has been incurred by the Bank (if any) for the preparation and registration of security documents in connection with the facility including the expenses incurred during the claim process whenever this facility is cancelled.

## 10. Does the Bank require advance payment?

No. Bank Islam does not require any advance payment.

## 11. What if I fail to fulfil my obligations?

- Compensation charge (Ta`widh) due to late payment will be imposed as follows:

|                                    |   |
|------------------------------------|---|
| <b>Before Maturity of Facility</b> | A sum equivalent to one per cent (1%) per annum on overdue instalments until the date of full settlement.   |
| <b>After Maturity of Facility</b>  | A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on outstanding balance i.e. outstanding Sale Price less rebate (Ibra'), if any. |
| <b>Post Judgement Debt</b>         | A sum equivalent to the prevailing daily overnight Islamic IIMM rate on basic judgment sum calculated from judgment date until the date of full settlement.                   |

**Note:** The imposition of Ta`widh shall be in such manner as approved by BNM from time to time.

- Upon default:
  - The Bank may by written notice to you, demand for immediate payment of amount overdue from you and/or the guarantor;
  - 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 these facilities granted by the Bank;
  - The Bank has the right to take legal action against you if you fail to respond to the reminder 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
  - Cross default of other facilities with the Bank may be triggered.

## 12. What if I fully settle the financing before its maturity?

- There is no 'lock in period' for this facility and the Bank shall grant Ibra' on the Deferred Profit after full settlement is made.
- The Ibra' formula is as below:

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 EPR of the outstanding Purchase Price (or Financing Amount) being disbursed (or utilised).

## 13. Do I need any Takaful coverage?

- Takaful coverage is highly recommended. In circumstances of your death or total permanent disability, Takaful coverage will pay off all the outstanding amount of the cash line facility with Bank Islam (subject to all conditions have been complied with). This will reduce the burden of settling the outstanding amount of cash line facility on their survivors or next of kin.
- The Takaful coverage shall be effective upon receipt of the full Takaful contribution and you are required to pay monthly contribution so long as the cash line facility remains in force. Due to simplified underwriting, such coverage is subjected to a 12 months waiting period. Therefore, if you pass away due to any of the situations stated in the pre-existing conditions within 12 months from the certificate commencement date, the appointed Takaful Operator will not pay any benefit and the certificate (coverage) will be terminated.

## 14. Do I need a guarantor or collateral?

- This facility does not require a guarantor.
- Collateral may or may not be required depending on the facility package.

## 15. What do I need to do if there are changes to my contact details?

It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you may inform us in writing or visit the nearest Bank Islam Branch.

| 16. Where can I get assistance and redress?   |   |
|---|---|
| <p>If you have difficulties in servicing the monthly instalment, you should contact us at the earliest possible to discuss on the payment options at:</p> <p><b>Contact Centre &amp; Customer Care</b><br/> <b>Bank Islam Malaysia Berhad</b><br/> 17<sup>th</sup> Floor, Menara Bank Islam<br/> No. 22, Jalan Perak<br/> 50450 Kuala Lumpur<br/> Tel: 03 2690 0900<br/> Fax: 03 2782 1337<br/> Email: <a href="mailto:contactcentre@bankislam.com.my">contactcentre@bankislam.com.my</a></p> | <p>Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling and debt restructuring for individuals. You can contact AKPK at:</p> <p><b>5<sup>th</sup> and 6<sup>th</sup> Floor,</b><br/> <b>Menara Bumiputra Commerce</b><br/> Jalan Raja Laut,<br/> 50350 Kuala Lumpur.<br/> Tel: 03 2616 7766<br/> Fax: 03 2616 7601<br/> Website: <a href="http://www.akpk.org.my">www.akpk.org.my</a></p> |
| <p>If you wish to complaint on the products or services provided by us, you may contact us at:</p> <p><b>Contact Centre &amp; Customer Care</b><br/> <b>Bank Islam Malaysia Berhad</b><br/> 17<sup>th</sup> Floor, Menara Bank Islam<br/> No. 22, Jalan Perak<br/> 50450 Kuala Lumpur<br/> Tel: 03 2690 0900<br/> Fax: 03 2782 1352<br/> Email: <a href="mailto:customercare@bankislam.com.my">customercare@bankislam.com.my</a></p>  | <p>If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:</p> <p><b>Block D, Bank Negara Malaysia,</b><br/> <b>Jalan Dato' Onn,</b><br/> <b>50480 Kuala Lumpur</b><br/> Tel: 1 300 88 5465<br/> Fax: 03 2174 1515<br/> Email: <a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a></p>  |
| 17. Where can I get further information?  |   |
| <p>Should you require additional information about Personal Cash Line-i product, please refer to the nearest Bank Islam branches available nationwide or visit Bank Islam website at <a href="http://www.bankislam.com">www.bankislam.com</a>.</p>  |   |
| 17. Other Personal Cash Line-i package available  |   |
| No  |   |
| IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP PAYING INSTALMENTS OF YOUR PERSONAL CASH LINE-i FACILITY   |   |

- Note:**
- The above is for illustration purposes only. Profit and charges may vary and subject to the Bank's terms and conditions.
  - All information provided in this Product Disclosure Sheet is valid with effect from 18<sup>th</sup> April 2022.

Acknowledgment by the customer,

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Name:  
Identification Card No.:  
Date: