

**Dear Customer,**

This Product Disclosure Sheet (PDS) provides you with key information about your financing. Other customers have read this PDS and found it helpful, you should read it too.

## 1 WHAT IS SME BIZ G.R.O.W FINANCING PROGRAM?

- SME Biz G.R.O.W Financing Program (SME Biz G.R.O.W) is a term financing program designed for Small and Medium Enterprise (SMEs) to cater for their working capital and/or capital expenses inclusive of legal documentation costs, Syarikat Jaminan Pembiayaan Perniagaan (SJPP) guarantee fee for the first year and any other costs related to this financing.
- Targeted to Malaysian entrepreneurs that have been in business for at least three (3) years and fulfil the following eligibility criteria
  - i. Private Limited company and professional services provider and must fall within SME Definition.
  - ii. Malaysian owned with at least 51% shareholdings.
  - iii. Registered with the following:
    - a) Companies Commission of Malaysia either under the Register of Business Act (1956) or the Companies Act 1965 and/or the Companies Act 2016; or
    - b) Respective authorities or district offices in Sabah and Sarawak; or
    - c) Respective statutory bodies for professional services providers for the following professions;
 

• Doctors and dentist	• Optometrist	• Engineers
• Quantity Surveyor	• Accountants	• Veterinary
• Pharmacist	• Architect	
- For Private Limited company, the shareholders and director must have been active in the company for at least three (3) years including the period under Sole-proprietorship/Partnership (upon change of business type from Sole-proprietorship/Partnership to Private Limited company but operating the same business activity)
- The company is profitable for at least two (2) out of the last three (3) years.
- Under this program, customers are offered the Business Financing-i (BF-i) product at variable rates, with charges calculated on a daily basis on the outstanding amount. Monthly instalments may vary from time to time in line with changes to the prevailing Base Financing Rate (BFR), provided that the total instalment amount does not exceed the Bank's Sales Price

The Shariah concept applicable to this program is Tawarruq, which consists of two sale and purchase contracts. The first involves customer purchases a commodity from Bank Islam (as the customer's purchase agent) on Murabahah (cost plus sale) basis at Bank Islam's Sale Price. Subsequently, Bank Islam (who act as customer's sale agent), sells the commodity to a third party at cost price on a cash and spot basis, and the proceeds are given to the customer. The customer must pay Bank Islam's Sale Price as per the agreed terms.

## 2 KNOW YOUR OBLIGATIONS

**For this financing, as an illustration:**

➤ Your Financing Amount	=	<b>RM2,500,000.00</b>
➤ Your Monthly Instalment	=	<b>RM 39,240.12</b>
➤ Your Financing Tenure	=	<b>7 years</b>
➤ Ceiling Profit Rate	=	<b>15.00% p.a.</b>
➤ Bank's Sale Price	=	<b>RM 3,296,170.08</b>
➤ Effective Profit Rate (EPR)	=	<b>*BFR (6.47% p.a.) + 1.75% p.a. = 8.22% p.a.</b>

**In total you will pay (RM3,296,170.08) at the end of 7 years.**

**You have to pay the following fees and charges:**

- I. Stamp duty: 0.50% of financing amount.
- II. Agency fee: RM50.00
- III. Legal fee and disbursement including solicitor's fee for preparing financing documentation, registration of charge, land search and bankruptcy search (where applicable).
- IV. Late payment charges: 1.00% p.a. on the overdue instalments.
- V. Guarantee Fee as charged by Syarikat Jaminan Pembiayaan Perniagaan (SJPP): Up to 1.00% per annum from the coverage amount until the end of financing tenure and the guarantee fees will depend on the SJPP scheme. (Subject to 8.00% of the Sales and Service Tax (SST))
- VI. Financing cancellation: All costs incurred by Bank Islam, if any, for the preparation, registration of security documents and expenses incurred during the claim process upon cancellation.

**Note:** Please refer to our website at <https://www.bankislam.com/> for further details on fees and charges.

**It is your responsibility to:**



Read and understand the **key terms** in the **contract** before you sign.



Pay your monthly instalment timely and in full for **7 years**. Speak to us if you wish to settle your financing earlier.



Ensure you can afford to **pay a higher instalment** if the BFR rises.



**Contact us immediately** if you are unable to pay your monthly instalment.

*\*The BFR is assumed at 6.47% p.a. while the spread at 1.75% p.a. Please refer to Bank Islam's website <https://www.bankislam.com/deposit-financing-rates/> for the latest BFR.*

**If you wish to settle your financing early, you should know:**

No 'lock in period' for this facility and Bank Islam shall grant Ibra' (rebate) on the deferred profit after full settlement is made.

**3 KNOW YOUR RISKS**

**What happens if you ignore your obligations:**

- I. You **pay more in total** due to late payment charges (compensation charges/ Ta`widh).
- II. We may **deduct** money from any account you have with us to set off your financing outstanding balance.
- III. We may **take legal action** against you and **exercise all remedies** available under security arrangement.
- IV. Your **credit score** may be affected leading to credit being more difficult or expensive to you.
- V. Cross default of other facilities with Bank Islam may be triggered.

**Your monthly instalment may increase during the tenure of your financing.**

The Effective Profit Rate (EPR) offered may fluctuate during the tenure of the financing for facility with variable rate. An increase in BFR means you shall pay a higher monthly instalment.

	Current rate at 8.22% p.a.	Rate increase by 1.00% p.a.	Rate increase by 2.00% p.a.
Monthly instalment	RM39,240.12	RM40,502.38	RM41,787.70
Total profit	RM796,170.08	RM902,199.92	RM1,010,166.80
Total payment	RM3,296,170.08	RM3,402,199.92	RM3,510,166.80

**4 OTHER KEY TERMS**

- If applicable, rebate (Ibra') will be granted to you if there is a difference between the Ceiling Rate and the Bank's EPR.
- You are required to inform us of any change in your contact details.
- Takaful coverage is optional; however, you or your supplier is advised to subscribe to any appropriate Takaful protection.
- If you do not meet the minimum credit requirement, we may require guarantor(s) or collateral in order for you to proceed with the submission.
- Agensi Kaunseling dan Pengurusan Kredit (AKPK) has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individual, sole proprietor and Small and Medium Enterprises.

**If you have any questions or require assistance on our product, you can:**



Call us at  
**+603-26 900 900**



Visit us at  
**https://www.bankislam.com**



Email us at  
**contactcentre@bankislam.com.my**

**Customer's Acknowledgment**

*(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).*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that Bank Islam has provided me with a copy of the PDS.
- I have read and understood the key information contained in this PDS.

\_\_\_\_\_  
Name:  
Date: