

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on Business Financing-i. Other customers have read this PDS and found it helpful, you should read it too.

## 1 WHAT IS BUSINESS FINANCING-i (BF-i)

**Business Financing-i** is a term financing product designed for the Bank's non-individual customers to finance the Shariah compliant needs of the business which includes for working capital, business expansion, asset acquisition, etc. This product is offered at a fixed or variable rate. For a facility with a variable rate, the instalment payments (monthly, quarterly, half yearly or yearly) may be varied from time to time based on changes to the Bank's Base Financing Rate (BFR) provided always the total instalment amount shall not exceed the Bank's Sale Price. In contrast, instalment payments under the fixed rate facility remain constant throughout the financing tenure.

The applicable Shariah contract 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 for variable rate:**

➤ Your Financing Amount	=	<b>RM500,000.00</b>
➤ Your Monthly Instalment	=	<b>RM5,797.70</b>
➤ Your Financing Tenure	=	<b>10 years</b>
➤ Ceiling Profit Rate	=	<b>15% p.a.</b>
➤ Sale Price	=	<b>RM695,724.00</b>
➤ Effective Profit Rate	=	<b>*BFR (5.47% p.a.) + 1.50% p.a. = 6.97% p.a.</b>

**In total you will pay RM695,723.53** at the end of 10 years.

**As an illustration for fixed rate:**

➤ Your Financing Amount	=	<b>RM500,000.00</b>
➤ Your Monthly Instalment	=	<b>RM7,071.00</b>
➤ Your Financing Tenure	=	<b>10 years</b>
➤ Sale Price	=	<b>RM848,500.00</b>
➤ Profit Rate	=	<b>6.97% p.a.</b>

**In total you will pay RM848,500.00** at the end of 10 years.

**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 **10 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 5.47% p.a. while the spread at 1.5% p.a. Please refer to Bank Islam's website <https://www.bankislam.com/deposit-financing-rates/> for the latest BFR.*

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

- I. Stamp duty: 0.5% of financing amount.
- II. Agency fee: RM50.
- III. Processing fee (only applicable for non-SME).
- IV. Legal Fee: Legal fee and disbursement including solicitor's fee for preparing financing documentation, registration of charge, land search and bankruptcy search (where applicable).
- V. Late payment charges: 1% p.a. on the overdue instalments.

*Note: Please refer to our website at [www.bankislam.com](http://www.bankislam.com) for further details on fees and charges.*

**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 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 6.97% p.a.	Rate increase by 1% p.a.	Rate increase by 2% p.a.
Monthly instalment	RM5,797.70	RM6,058.46	RM6,325.67
Total profit	RM195,723.53	RM227,041.79	RM259,080.83
Total payment	RM695,723.53	RM727,041.79	RM759,080.83

**4 OTHER KEY TERMS**

- If applicable, rebate will be granted to you if there is a difference between the Ceiling Rate and the Bank’s EPR.
- 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 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 enterprise.

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](mailto: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: