

Dear Customer,

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

1 WHAT IS TRADE TAWARRUQ-i (TTQ-i)

Trade Tawarruq-i facility is to finance the purchase/ importation of goods against domestic or international trade Letter of Credit-i (LC-i) or Inward Bills for Collection-i (IBC-i) or on Open Account basis. It enables Customer to settle payment in a convenient manner and facilitates convenient cash flow management. It also mitigates the issues of non-existence of underlying asset and to provide hassle free to the customer as the underlying asset has been identified upfront.

This facility is designed specifically (but not limited) to cater the following business scenario:

- I. Financing for provision of services (e.g. installation);
- II. Financing with staggered facility disbursement arrangement (i.e. financing of contract at pre-completion stage);
- III. Financing of asset under construction;
- IV. Financing of intangible items, food and beverage, logistic, software, drawings, deposit payment as well as precious metal including gold and silver; and
- V. Financing re-imburement.

The applicable Shariah contract is Tawarruq which consists of two sale and purchase contracts. The first involves customer purchases a commodity from Bank Islam (also act as customer's purchase agent) on Murabahah (cost plus sale) basis at Bank Islam's Sale Price. Subsequently, customer (via Bank Islam as the 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 / Invoice Amount	=	RM704,000.00
➤ Invoice Date	=	30/06/2025
➤ Application Submission Date	=	04/07/2025
➤ Your Facility Tenure	=	120 days
➤ Financing Tenure	=	116 days
➤ Profit Rate	=	5.2% p.a. (*COF/BFR ± Spread)
➤ Sale Price	=	RM715,634.32
➤ Bank's Profit Margin	=	RM11,634.32

**The Cost of Fund (COF) will be provided by the Bank upon request of the facility. For this illustration, COF is assumed at 4.20% p.a. while the spread at 1.0% p.a. If the Base Financing Rate (BFR) is applicable, you may refer to <https://www.bankislam.com/deposit-financing-rates/> for the latest BFR. The Bank's Profit Rate is calculated on a fixed rate and daily basis.*

You have to pay the following fees and charges:

- I. Stamp duty:
 - a) Facility: 0.5% of facility limit.
 - b) Utilization Notice: RM10 per facility utilization.
 - c) Letter of Indemnity: RM10 (where applicable).
- II. SWIFT / Rentas charges (where applicable).
- III. Agency fee: RM50.
- IV. Late payment charges: A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on outstanding balance i.e. outstanding Sale Price less Ibra' (if any).

Note: Please refer to our website at 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.

It is your responsibility to:



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



Pay the **selling price** (which consist of principal amount plus profit) in **lump sum on maturity date**.



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



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

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.

4 OTHER KEY TERMS

- To inform us of any change in your contact details.
- You are required to obtain Takaful coverage from our panel Takaful providers or other Takaful/ Insurance companies acceptable by the Bank (where applicable).
- 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

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: