

<p>PRODUCT DISCLOSURE SHEET</p> <p>Please read this Product Disclosure Sheet before you apply and decide to accept the SME Exporter Financing Program. 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>SME Exporter Financing Program 13 April 2022</p>
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1. WHAT IS THIS PROGRAM ABOUT?

- SME Exporter Financing Program is a financing program aims to assist Malaysia External Trade Development Corporation (MATRADE) members to have access in financing.
- The program is offered with 4 different types of product facilities as further describe under section 3 below. Customer is advised to refer to respective product PDS for product features and key terms and condition.

2. WHAT IS THE SHARIAH CONCEPT APPLICABLE?

For BF-i and BCL-i

The Shariah concept used is Tawarruq refers to purchase of a commodity on deferred payment basis. The commodity is then sold by the purchaser for cash for a party other than the original seller.

Tawarruq concept is further described as per below: -

- The customer purchases the commodity from the Bank on a Murabahah basis 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 a cost price. Proceeds from the transaction will be credited for customer's utilisation. 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, soybeans, 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."

For Multi-Trade Facility

There are a few products being offered such as Letter of Credit (LC-i), Shipping Guarantee-i (SG-i) and Bank Guarantee-i (BG-i). Customer is advised to refer to the respective Product Disclosure Sheet (PDS) in the Bank's website or contact our staff for the Shariah contract/concept used.

For Foreign Exchange Contract-i (FEC-i)

Bai` al-Sarf and Wa`d - Wa`d is a unilateral promise. An expression of commitment given by one party to another to perform certain action(s) in the future. Under this agreement, the Bank is allowed to enter into FX Forward transaction based on unilateral promise i.e. binding only on the promisor.

3. WHAT DO WE GET FROM THIS PROGRAM?

No.	Features	Details
1.	Program Name	SME Exporter Financing Program
2.	Financing Type	<ul style="list-style-type: none"> ▪ Business Financing-i ▪ Business Cash Line-i ▪ Multi Trade Facility ▪ Foreign Exchange Contract-i (FEC-i)
3.	Currency Type	Ringgit Malaysia (MYR) only
4.	Financing Amount	<ul style="list-style-type: none"> ▪ Min RM100k - Max RM1 mil for Sole-prop/Partnership ▪ Min RM100k - Max RM5 mil for Sdn Bhd
5.	Financing Purpose	<ul style="list-style-type: none"> ▪ Working Capital Requirement (WCR); and/or ▪ Capital Expenditure (CAPEX) <p>Optional: -</p> <ul style="list-style-type: none"> • Business Reducing Term Takaful (BRTT) / Business Level Term Takaful (BLTT) • Legal documentation costs • SJPP guarantee fee for the first year • Agency Fee <p><i>Note: Cannot be used to refinance existing facility granted by the same or other PFIs</i></p>
6.	Margin of Financing	<ul style="list-style-type: none"> ▪ Up to 100% for WCR; ▪ Up to 90% for CAPEX (from Supplier/Vendor Invoices) ▪ FEC-i - 10% from the total Trade facilities <p>Note: FEC-i limit is subject to further approval from the Bank on the utilization of the Facility. Customer is advised to consult the Bank prior to utilization of the Facility</p>

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		Note: [BFR (as at 13 April 2022) is 5.47%. kindly refer to Bank's Islam website at www.bankislam.com for the latest BFR]																		
8.	Tenure	<ul style="list-style-type: none"> ▪ BF-i - Up to 9 years ▪ BCL-i - 1 year subject to annual review ▪ Multi Trade Facility - as per available Trade Products ▪ FEC-i - Max up to 6 months / 1 year <p>(Subject to credit approval granted by the Bank)</p>																		
9.	Guarantee Coverage	Up to 80% of the financing amount is guaranteed by SJPP on Working Capital and/or CAPEX.																		
10.	Guarantee Fee	Up to 1.0% per annum payable upfront, subject to entitlement of any of the scheme by SJPP.																		
		Note: The Bank will finance the first year's SJPP Guarantee Fee subject to customer opting to finance the guarantee fee. For the subsequent years, guarantee fee will be debited from the customer's account.																		
11.	Security	<ul style="list-style-type: none"> ▪ Up to 80% SJPP Guarantee Coverage (respective to each scheme approved by SJPP) <p>Sdn Bhd:</p> <ul style="list-style-type: none"> ▪ Joint and several guarantee (JSG) of Directors ▪ Joint and several guarantee (JSG) by 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 																		

	<ul style="list-style-type: none"> Key man/ person regardless of the shareholdings of the Customer <p>Partnership:</p> <ul style="list-style-type: none"> Letter of Indemnity/ Undertaking, whichever is applicable
<p>The sample calculation is illustrated below:</p> <p>Facility Type: : BF-i</p> <p>Financing Amount : RM 2,500,000.00</p> <p>Contracted : 15%</p> <p>Profit Rate</p> <p>Effective Profit Rate : 7.22%* per annum (BFR + Spread)</p> <p>Tenure : 7 years</p> <p>Bank's Sale Price : RM3,192,094.92</p>	<p>*Base Financing Rate (BFR) is assumed at 5.47% p.a. while the spread is at 1.75%.</p>

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 instalment (monthly, quarterly, half yearly or yearly) or settle the financing amount upon maturity of the facility as approved by the Bank.

The monthly instalment is calculated in accordance to the following formula (variable rate):

$\frac{LR\%}{12} \left[1 + \frac{R\%}{12} \right]^{12P}$ $\left[1 + \frac{R\%}{12} \right]^{12P} - 1$	<p>Where:</p> <p>L = Financing Amount</p> <p>P = Financing Term in years</p> <p>R = Profit rate p.a.</p>
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Example (based on question 3 above)

- Your monthly instalment is RM38,001.13 (on assumption that BFR does not change).
- Total payment amount at the end of 7 years is RM3,194,094-92.
- If applicable, rebate will be provided if there is a difference between the ceiling rate and the Bank's Effective profit rate.

Important: Your monthly instalment and total payment will vary if the BFR changes. For example:

Profit Rate	Today (BFR = 5.47% p.a.)	If BFR goes up 1%	If BFR goes up 2%
Monthly Instalment	38,001.13	39,240.12	40,502.38

Total profit cost at the end of 7 years	692,094.92	796,170.08	902,199.92
Total payment amount at the end of 7 years	3,192,094.92	3,296,170.08	3,402,199.92

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

No.	Fees Type	Details
1.	Stamp duty	Actual Cost - As per Stamp Duty Act 1949 (Revised 1989): i. Principal Agreement - Ad Valorem of 0.5% of financing amount; and ii. Secondary / Supplementary Agreement - Nominal of RM10 of each document.
2.	Legal Fees	Actual cost
3.	Processing fee	Waived
4.	Wakalah (Agency) fee	RM50.00 (RM25 of each ABPA and ABSA) - fee to be included in the financing
5.	Guarantee Fee	1.0% p.a. on the approved limit payable upfront as per Working Capital Guarantee Scheme (WCGS) by SJPP. Note: 1. The Bank will finance the first year's SJPP Guarantee Fee subject to customer opting to finance the guarantee fee. For the subsequent years, guarantee fee will be debited from the customer's current account with Bank Islam.
6.	Takaful contribution (Optional)	As per the contribution amount required by the Takaful operators to cover the whole outstanding financing amount in the event of death and TPD of the customer.

6. WHAT IF WE FAIL TO FULFILL OUR OBLIGATIONS?

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

▪ **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 response 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.

▪ **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:

- i. Deferred Profit = Total Contracted Profit - Accrued Profit
- ii. Total Contracted Profit = Sale Price - Purchase Price (or Financing Amount)
- iii. 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 A GUARANTOR OR COLLATERAL?

No collateral is required for this programme. However as additional securities, the Bank will require 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.

9. WHAT ARE THE MAJOR RISKS?

Customer is advised to refer to respective product PDS to understand major risk associated to each product.

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

29th 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 3/3/2022.

Acknowledge Receipt by Customer

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Name:

I/C Number:

Date: