

<p><b>PRODUCT DISCLOSURE SHEET</b></p> <p>Please read this Product Disclosure Sheet before you apply and decide to accept the TNB Vendor 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><b>BANK ISLAM MALAYSIA BERHAD</b>                  [Registration No. 198301002944 (98127-X)]</p> <p><b>TNB Vendor Financing Program</b>                  14 June 2021</p>
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### 1. WHAT IS THIS PROGRAM ABOUT?

- Bank Islam TNB Vendor Financing Program facility is a revolving financing product designed for Tenaga Nasional Berhad (TNB)'s vendor to cater for their working capital requirements.
- Targeted solely to customer that fulfill the following criteria as below:
  - a) Limited company, private limited company, sole-proprietorships and partnerships, and must fall within Small and Medium Enterprise (SME) definition
  - b) At least 51% shareholding was owned by Malaysian
  - c) Licensed and registered vendors to TNB.
  - d) Minimum three (3) years' track record with TNB
  - e) Type of contract: Supply of goods and services related.
  - f) Contract awarder: Tenaga Nasional Berhad (TNB).
- Under this program, the customer will be offered Business Cash Line-i (BCL-i) product at variable rate where the monthly payment 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.

### 2. WHAT IS THE SHARIAH CONCEPT APPLICABLE?

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, 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 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."

### 3. WHAT DO WE GET FROM THIS PROGRAM?

No.	Features	Details
1.	<b>Financing Purpose</b>	For Working Capital Requirement (WCR)

2.	<b>Financing Type</b>	Business Cash Line-i (BCL-i) - Non-checking
3.	<b>Financing Amount</b>	<p><b>Sdn Bhd</b></p> <ul style="list-style-type: none"> <li>Maximum financing amount: RM2.0 million.</li> </ul> <p><b>Sole proprietorship/Partnership</b></p> <ul style="list-style-type: none"> <li>Maximum financing amount: RM1.0 million.</li> </ul>
4.	<b>Margin of Financing</b>	Up to 70% per Purchase Order (PO)
5.	<b>Profit Rate</b>	Minimum BFR+ 1.50%
6.	<b>Tenure</b>	1-year subject to annual review
7.	<b>Security</b>	<ul style="list-style-type: none"> <li>Assignment of contract proceeds between Bank Islam and customer</li> <li>Irrevocable Letter of Undertaking from contractors to TNB to credit the contract proceeds into their Non-Checking Current Account (NCCA) maintained with the Bank.</li> <li>Joint and several guarantee (JSG) by all the directors (where applicable).</li> </ul>

**The sample calculation is illustrated below:**

Financing Amount	:	RM 1,000,000.00
Contracted Profit Rate	:	15%
Effective Profit Rate	:	6.97%* (BFR + Spread)
Tenure	:	1 years
Bank's Sale Price	:	RM1,150,000.00

\*Base Financing Rate (BFR) is assumed at 5.47% p.a. while the spread is at 1.50% p.a.

[BFR (as at 10 July 2020) is 5.47%. Kindly refer to Bank Islam's website at [www.bankislam.com](http://www.bankislam.com) for the latest BFR.]

Note: The above example is only for illustration purpose and it may not show the actual financing obligation.

**4. WHAT ARE MY OBLIGATIONS?**

- On monthly basis, the Customer is required to pay the Bank's Profit based on utilization amount which is computed based on prevailing Bank's Effective Profit Rate, which will not exceed the Ceiling Rate.
- The monthly instalment is calculated in accordance to the following formula (variable rate):

$$\frac{\frac{LR\%}{12} \left[ 1 + \frac{R\%}{12} \right]^{12P}}{\left[ 1 + \frac{R\%}{12} \right]^{12P} - 1}$$

**Where:**

- L** = Financing Amount
- P** = Financing Term in years
- R** = Profit rate p.a.

**Example (based on question 3 above)**

- Your monthly profit payment is RM5,728.77 (on assumption that BFR does not change).
- 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 profit payment 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 profit payment (profit only). Assumption: 100% utilization	RM 5,728.77	RM 6,550.68	RM 7,372.60

- The difference sum between the total Bank's Sale Price and the actual amount charged to the Customer (based on Effective Rate) are to be treated as Ibra' (rebate).
- Upon maturity of the facility, the Customer is required to make a full settlement for the outstanding profit payment and principal portion of the Bank's Sale Price.

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

- Stamp Duty (as per Stamp Duty Act 1949 (Revised 1989)).
- Legal fee & disbursement cost for preparing financing documentation, registration of charge, land search and bankruptcy search (where applicable).
- Tawarruq Agency fee of RM50.00 for each Tawarruq transaction (where applicable).
- Cancellation of the facility - you are to pay the Bank all costs (if any) for the preparation and registration of security documents that has been incurred by the Bank in connection with the facility including all expenses incurred during the claim process.

#### 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:**
  - a) the Bank may by written notice to you, demand for immediate payment of amount overdue from you and/ or the guarantor.
  - b) 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.
  - c) 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;
  - d) 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:

$\text{Overdue instalment(s)} \times 1\% \times \text{No. of overdue day(s)} / 365$

**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:

$\text{Outstanding Sale Price (less Ibra' (rebate))} \times \text{Prevailing IIMM\%} \times \text{No. of overdue day(s)} / 365$

**c) Post judgment debt**

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on basic judgment sum calculated from judgment date until date of full payment.

Formula:

$\text{Outstanding Sale Price (less Ibra' (rebate))} \times \text{Prevailing IIMM\%} \times \text{No. of overdue day(s)} / 365$

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:**

$$\text{Ibra' (Rebate on early settlement)} = \text{Deferred Profit}$$

Note:

- Deferred Profit = Total Contracted Profit – Accrued Profit
  - Total Contracted Profit = Sale Price – Purchase Price (or Financing Amount)
  - Accrued Profit is calculated based on 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?

Collateral required for this programme as listed in answer to Question 3 above, under item 7 – Security.

## 9. WHAT ARE THE MAJOR RISKS?

The Bank's effective profit rates offered may fluctuate during the tenure of the financing for facility with variable rate. An increase in base financing rate may result in higher monthly payment. However, the Bank's effective profit rate should not exceed the ceiling rate.

## 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**

16th 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 counselling, 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](http://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](mailto: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](mailto: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](mailto: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 14/6/2021.

Acknowledge Receipt by Customer

PRODUCT DISCLOSURE SHEET  
**TNB Vendor Financing Program**



Assuring Trust. Delivering Value.

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Name:

I/C Number:

Date:

