



Commercial Property Financing-i Product Disclosure Sheet

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet (PDS) before you decide to apply for Commercial Property Financing-i - Term Financing-i ("TF-i"). If your application has been approved, kindly ensure that you have read the terms in the letter of offer before accepting the Bank's offer for the facility. Please consult your relationship manager if you require clarification on the terms.

Alliance Islamic Bank Berhad

Product name: Commercial Property Financing-i

Date:

1. What is this product about?

Commercial Property Financing-i - Term Financing-i ("TF-i") is a mortgage facility secured against commercial properties whether completed or under construction. It can also be offered to the financing and refinancing an existing mortgage financing and/or financing of entry cost (i.e. legal documentation cost and valuation fees), and/or Mortgage Reducing Term Takaful ("MRTT") / Mortgage Level Term Takaful ("MLTT") Takaful or Fire / House Owner Takaful. It is calculated on a variable rate basis (standardised base rate + spread) and is secured against the property to be financed/refinanced.

2. What is the Shariah contract applicable?

- The Shariah contract applicable is Murabahah via Tawarruq also known as Commodity Murabahah. Murabahah refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser. Tawarruq refers to two sale and purchase contracts where the first contract involves the sale of an asset to a purchaser on a deferred basis and the subsequent sale involves sale of the asset to a third party on a cash and spot basis.
- The sale and purchase contracts are carried out via a "dual-agency" arrangement. The Customer as principal shall appoint the Bank as agent via an Agency Appointment document (Wakalah contract) to: a) purchase commodities from the Bank; and b) sell the commodities to a third party on spot payment terms.
- The Bank purchases commodities from a supplier and subsequently enters into a Murabahah Contract with the customer for the sale of commodities to the customer on deferred payment terms at the Bank's Selling Price. Thereafter, the customer sells the same commodities to a third party on spot payment terms.
- Once the Tawarruq has been completed, the proceeds from the sale of commodities to the third party will be released to the customer.
- The sale and purchase transactions shall be effected through the Bank's approved commodity trading platform. The underlying asset for the sale and purchase transactions is Shariah compliant commodities (crude palm oil, London Metal Exchange metals, Platinum Group metals and other Shariah compliant commodities approved by the Bank).

3. What do I get from this product?

- Margin of Financing ("MOF") offered is up to 85% + 5% Credit Takaful and/or Finance Entry Cost.
- Effective Profit Rate ("Prescribed Rate") is pegged to the Standardised Base Rate ("SBR") and ranges from SBR + 2.5% p.a. to SBR + 3.5% p.a.
- Financing tenure is up to 30 years or up to the age of 70 (whichever comes first).
- Ceiling Rate of 10% p.a. is the maximum all-in rate chargeable for the financing.
- The Effective Profit Rate shall not exceed the Ceiling Rate during the financing tenure at all times.

Example:

Item	Description
Total Financed Amount	RM500,000
Tenure	20 years
Standardised Base Rate (SBR)	2.75 % p.a. (subject to change)
Effective Profit Rate	SBR + 1.59% = 4.34%
Total profit charged over the period of 20 years (Based on Effective Financing Rate)	RM248,855
Total payment amount paid over the period of 20 years (Based on Effective Financing Rate)	RM748,855
Ceiling Profit Rate	10%
Selling Price (Based on Ceiling Profit Rate)	RM 1,158,026.00

Note: The monthly payments will commence once the financing amount has been disbursed.

Applicable to FlexLink Term Financing-i

- The FlexLink Term Financing-i Programme is a term financing whereby a FlexLink Term Financing-i ("FLTF-i") is linked to a non-profit bearing Current Account-i ("FlexLink Current Account-i"). It provides you the flexibility to deposit and redraw the excess funds ("credit balance") from the FlexLink Current Account-i at any point in time and save on profit payments for the financing.
- The FlexLink Current Account-i to be opened is structured based on the underlying Shariah contract of Murabahah via Tawarruq. Its purpose is solely for this programme and will only be linked to your FLTF-i financing account.
- You may make payments in excess of your financing payment instalments at any time to your FlexLink Current Account-i and any balance held in the FlexLink Current Account-i:
 - prior to the end of the due date for payment thereof (including financing payment instalments); and
 - in excess of the amount then due and payable by you, will be used for set-off against the principal balance of the FLTF-i for the purpose of profit calculation. Profit will only be calculated on the net principal balance of the FLTF-i account after the said set-off.

- In the profit calculation for the financing, the FlexLink Current Account-i balance is capped at a maximum of 75% of the FLTF-i principal balance. Please refer to Table 1 for the illustration.
- Any prepayment or surplus payment made directly towards the FLTF financing account will be considered as Advance Payment.
- The Advance Payment will not be used to set-off the FLTF-i principal balance for profit calculation.
- Credit balance available in the FlexLink Current Account-i is protected by Perbadanan Insurans Deposit Malaysia (PIDM) up to RM250,000 per depositor per financial institution.

Your FlexLink financing profit calculation:

Table 1

Example	FLTF-i Principal Balance (a)	Credit Balance in FlexLink Current Account-i (b)	Advance Payment in FLTF-i Account (c)	Maximum Set-off Amount (d) = [(a) - (c)]*75%	Net Principal Balance used for profit calculation (e) = (a) - [(b) or (d), whichever is lower]
Example 1	RM500,000.00	RM100,000	RM0	RM375,000	RM400,000
Example 2	RM500,000.00	RM100,000	RM100,000	RM300,000	RM400,000
Example 3	RM500,000.00	RM400,000	RM0	RM375,000	RM125,000
Example 4	RM500,000.00	RM400,000	RM100,000	RM300,000	RM200,000

Note: The above illustrations show your net amount used for profit calculation. Profit is calculated on net amount on daily basis.

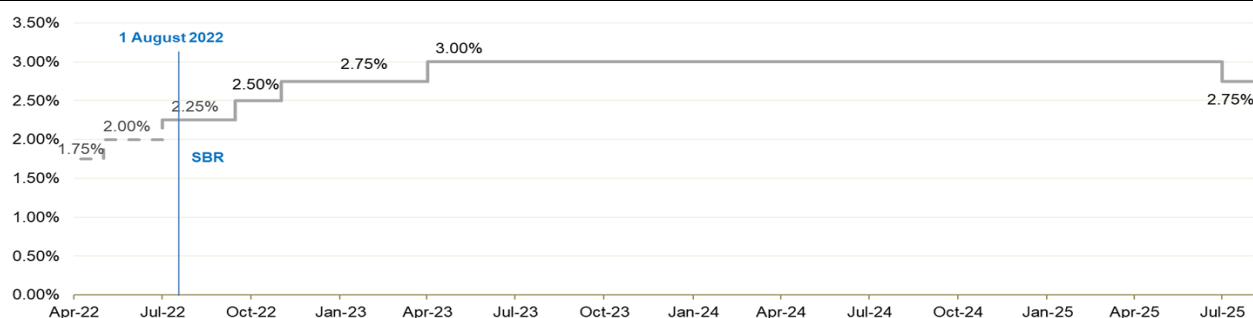
4. What is the Standardised Base Rate ("SBR")?

The SBR we offer on this product is based on the benchmark rate specified by Bank Negara Malaysia. The benchmark rate is currently set as the Overnight Policy Rate (OPR), which reflects the monetary policy stance as decided by the Monetary Policy Committee of Bank Negara Malaysia.

5. What are possible the scenarios that trigger a change in the SBR?

SBR can rise or fall due to changes in the benchmark rate, i.e. changes in the Overnight Policy Rate (OPR).

6. Historical benchmark COF in the last 3 years



Note: The SBR was introduced on 1 August 2022. The graph shows the historical series of the OPR, which is the benchmark rate of the SBR.

7. What are my obligations?

- For financing of property under construction, you will have to service the profit during the construction period. Profit shall be calculated daily at the Effective / Prescribed Profit Rate on the outstanding financing amount (or based on monthly rest where specified and applicable). The profit shall be payable monthly and shall be debited accordingly to your account at the end of each month.
- If the financing tenure extends into your retirement age, you must make necessary arrangements to ensure that you can continue to repay for the financing either through a savings plan or an endowment policy to be arranged for by yourself. Please be aware that in the event that you fail to meet any payment during retirement, your house may be foreclosed. Therefore it is important for you to have a plan on how to service the payment during retirement.
- In the event of any variation to the financing tenure and/or profit rate due to changes in the SBR, the Bank reserves the right to vary the payment amount accordingly with prior notice given to the customers via letter of notification.

Important: Your monthly instalment and total payment amount will vary if the SBR changes.

Example :

Total Financed Amount	: RM500,000
Tenure	: 20 years
Standardised Base Rate (SBR)	: 2.75% p.a. (subject to change)
Effective Profit Rate	: SBR + 1.59% = 4.34%

Rate	Today (SBR = 2.75%)	If SBR goes up 1%	If SBR goes up 2%
Monthly instalment	RM3,121	RM3,395	RM3,681
Total profit cost at the end of 20 years	RM248,855	RM314,659	RM383,421
Total payment amount at the end of 20 years	RM748,855	RM814,659	RM883,421

8. What are the fees and charges I have to pay?

a) Request for Retrieval and Photocopy of Security Documents

- RM7.00 for a set of documents, subject to 8% SST amounting to RM0.56, with a total payable amount of RM7.56
- Additional fee: courier fee up to RM15.00 (based on weight), subject to 8% SST amounting to RM1.20, with a total payable amount of RM16.20, if you request hardcopy documents to be mailed to you
- No charges if the documents are sent via email

b) Ad hoc request for Financing Statement

- RM2.00 per request, subject to 8% SST amounting to RM0.16, with a total payable amount of RM2.16
- No charges if statement is sent via email or collection at the bank's branch.

c) Financing Redemption Statement

- RM25.00 per request, subject to 8% SST amounting to RM2.00, with a total payable amount of RM27.00

d) Letter of Confirmation for EPF Withdrawal

- RM25.00 per hardcopy request, subject to 8% SST amounting to RM2.00, with a total payable amount of RM27.00
- Additional fee: courier fee of RM5.00, subject to 8% SST amounting to RM0.40, with a total payable amount of RM5.40, if you request a hardcopy letter to be mailed to you
- No charges for online self-service

e) Legal and Disbursement Fees

Includes solicitor fees as per the scale in the Solicitors' Remuneration Order (SRO) and disbursement fee (fee including but not limited to registration fee, search fee and other related charges).

f) Stamp Duty

Stamp Duty as per the Stamp Duty Act 1949 (Revised 1989).

g) Valuation Fees

This fee is for preparing the formal valuation report (applicable for completed properties only).

h) Late Payment Charges ("LPC")

- During the financing tenure up to the maturity date - Late payment charges at a rate not exceeding 1% per annum or such other maximum rate prescribed by BNM on the overdue amount accruing from the due date up to the date of settlement.
- In the case of default causing the entire Facility to be recalled or brought to court for judgement prior to maturity - Late payment charges at a rate not exceeding 1% per annum or such other maximum rate prescribed by BNM on the outstanding balance (outstanding principal and accrued profit) accruing from the due date up to the date of settlement or judgement (whichever is earlier).
- After maturity - Late payment charges at a rate not exceeding the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate prescribed by BNM on the outstanding balance (outstanding principal and accrued profit).
- Facility presented to the court for judgement - Late payment charges at a rate not exceeding the IIMM rate prescribed by BNM on the outstanding balance (which excludes outstanding uncollected late payment charges and other costs prior to judgement) from the date of judgement until the judgement debt is fully settled.

Notwithstanding the above, the amount of compensation shall not be compounded.

Formula:

Late Payment Charges = Outstanding amount x LPC rate x No. of days overdue / 365 days

Example:

Monthly instalment	RM3,121
LPC rate	1%
LPC on May instalment	$RM3,121 \times 1\% \times 31/365 = RM2.65$
LPC on June instalment	$RM3,121 \times 1\% \times 30/365 = RM2.57$
Accumulated LPC (non-compounding)	$RM2.65 + RM2.57 = RM5.22$

The Bank's Charges stated herein are inclusive of the 8% Sales and Service Tax (SST), effective 01/10/2025. All fees and charges will be updated in the Bank's website from time to time.

9. How do I service my monthly instalments?

- For your convenience, we recommend payment via the following methods:
 - Interbank GIRO (IBG) / Instant Interbank Funds Transfer (IBFT) via ATM or Internet Banking.
 - From your Alliance Current Account*/Savings Account - Direct Debit via Alliance Online Banking or Standing Instruction (SI).

**Includes your FlexLink Current Account-i*

- Alternatively, you may make payments over-the-counter or at the self-service kiosk, at any Alliance Bank branch.

Remark: Fees and charges may be imposed for cheque and cash payment in the future with prior notice by way of posting on the Bank's website, display at branch premises or by any other means of notification which the Bank may select.

10. What if I fail to fulfil my obligations?

- Late payment charges will apply as stipulated in clause 8 (h) will apply.
- Any instalment/profit payment amount that is overdue on the first (1st) of the month, including instalment/profit payment amount that is partially paid shall be deemed as arrears.
- The Bank may set-off any credit balances in your accounts maintained with the Bank against any outstanding balance in the financing account after 7 calendar days notice.
- Legal action will be taken if you fail to respond to reminder notices. The security/collateral charged for your financing may be foreclosed/realised/disposed/liquidated and you will have to bear all legal and ancillary costs related thereto. It is also your responsibility to settle any shortfall after your property has been sold
- The Bank retains the right to review and terminate the financing granted to you in the event there is any indication the property

is being used for non Shariah compliant activities or upon the occurrence of any event of default as agreed in the terms and conditions of the financing.

- Legal action taken against you may affect your credit ratings and the ability to obtain any financing from other financial institutions.

11. What if I fully settle the financing before its maturity?

- The facility may be redeemed at any time prior to the maturity of the Facility subject to at least 1 month prior written notice given to the Bank.
- The Bank shall grant rebate (*ibra'*) on the settlement date based on the formulas as set out below in the event of any of the following scenarios:
 - i. Early redemption / settlement, where the customer has given prior written notice to the Bank;
 - ii. Settlement due to restructuring of the Facility;
 - iii. Settlement by customer where the Facility is in default / after the Bank executed foreclosure proceedings and auctioned the asset pledged as collateral;
 - iv. Settlement by customer in the event of termination or cancellation of Facility before the maturity date.

Rebate = Unearned Profit - Early Settlement Charges (if any)

Unearned profit is the profit that would have been payable for the remaining tenure of the financing but is unrealised due to settlement prior to the maturity of the financing facility. The calculation of rebate shall be in accordance with any rules, guidelines, regulations and/or directives (whether or not having the force of law) imposed on the Bank from time to time and at any time by Bank Negara Malaysia or any other authority having jurisdiction over the Bank.

12. Do I need takaful coverage

A Mortgage Reducing Term Takaful ("MRTT") / Mortgage Level Term Takaful ("MLTT") policy with the Bank is optional. However, you are advised to take up a MRTT / MLTT policy with the Bank's panel of takaful companies or other takaful companies of your choice approved by the Bank to ensure that your next of kin and loved ones are protected in the event of unforeseen circumstances affecting yourself. Note: Fire Takaful coverage with the Bank's panel of takaful companies or other takaful companies of your choice approved by the Bank is compulsory.

13. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

14. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact the Bank as early as possible to discuss payment alternatives. You may contact us at:
Alliance Bank Berhad, Consumer Collections, 2nd Floor, 3 Alliance, 3 Jalan SS15/2A, 47500 Subang Jaya, Selangor.
Tel: 03-5516 9988 Fax: 03-5516 9399 Email: info@alliancefg.com
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. You may also join the "Program Pengurusan Wang Anda (POWER)" offered by AKPK that promotes financial discipline and prudent financial management. For further information or to register, please contact AKPK at:
Level 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-2616 7766 Email: enquiry@akpk.org.my
- If you wish to lodge a complaint on the products or services provided by the Bank, you may contact the Bank at:
Alliance Bank Berhad, Customer Care Unit, 22nd Floor, Menara Alliance Bank, No. 159 Jalan Ampang, 50450 Kuala Lumpur.
Tel: 03-2600 1800 Fax: 03-2691 8229 Email: info@alliancefg.com
- If your query or complaint is not satisfactorily resolved by the Bank, 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
- You may also contact Financial Markets Ombudsman Service (FMOS) at:
Level 14, Main Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur.
Tel: 03-2272 2811 Fax: 03-2272 1577 Email: enquiry@ofs.gov.my

15. Where can I get further information?

For further details, please call our Customer Service Centre at 03-5516 9988 or visit any Alliance Bank/Alliance Islamic Bank branch or visit our website at <https://www.alliancebank.com.my/islamic/home.aspx>

Should you require additional information on applying for a home financing, please refer to the banking info booklet on "Housing Financing", available at all our branches or visit www.bankinginfo.com.my

16. Other consumer financing products / programmes available

Consumer Financing

- Term Financing-i (<https://www.alliancebank.com.my/Alliance/media/Documents/Financing/Mortgage-TFi-PDS.pdf>)
- Cashline Facility-i (<https://www.alliancebank.com.my/Alliance/media/Documents/Financing/Cashline-PDS.pdf>)
- Home Financing-i (<https://www.alliancebank.com.my/financing/islamic/mortgage-i/i-wish-home-financing-i.aspx>)

17. Disclaimer

This Product Disclosure Sheet is for information purposes and shall not be construed as an obligation by the Bank to grant facilities to you. The terms herein are subject to the Bank's credit evaluation and approval.

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU AND/OR YOUR PROPERTY MAY BE FORECLOSED IF YOU DO NOT KEEP UP WITH THE PAYMENTS OF INSTALMENTS ON YOUR FINANCING.

The information provided in this disclosure sheet is effective from 15 September 2025.