

Business Premises Financing-i (BPF-i) Product Disclosure Sheet

(Read this Product Disclosure Sheet before you decide to take up the Business Premises Financing-i. The final terms and conditions will be documented in the Letter of Offer and Financing Agreements.)

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take up the financing facility for Business Premises Financing-i. The final terms and conditions will be documented in the Letter of Offer and Financing Agreements.)	ALLIANCE ISLAMIC BANK BERHAD BUSINESS PREMISES FINANCING (BPF-i) DATE:
1. What is this product about?	
<ul style="list-style-type: none"> This facility is offered to business for the acquisition and/or refinancing of Commercial/ Industrial/ Residential properties, and/or financing of entry cost (i.e. legal documentation cost and valuation fees), and/or BFRTT/BFLTT premium, and/or working capital. The facility can be in the form of Commodity Murabahah Financing-i (CMTF-i) and Cashline Facility-i (CLF-i) facility. You are currently opting for the below (tick ✓ whichever applicable): Financing Product: <input type="checkbox"/> Commodity Murabahah Financing-i (CMTF-i) <input type="checkbox"/> Cashline Facility-i (CLF-i) Financing Package: <input type="checkbox"/> Non Zero Entry Cost <input type="checkbox"/> Finance Entry Cost Business Financing Reducing Term Takaful/Business Financing Level Term Takaful (BFRTT/BFLTT): <input type="checkbox"/> Yes - Proposed sum insured RM _____ Tenure: _____ years <input type="checkbox"/> No 	
2. What is the Shariah contract applicable?	
<ul style="list-style-type: none"> The Shariah concept applicable for CMTF-i and CLF-i is <i>Commodity Murabahah (Murabahah via Tawarruq)</i> which consists of two (2) sale and purchase contracts. A <i>Tawarruq</i> consists of two (2) sale and purchase contracts. The Bank purchases commodities from a supplier and enters into a <i>Commodity Murabahah</i> 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 cash and spot terms. 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 (<i>Wakalah</i> contract) to: a) purchase commodities from the Bank; and b) sell the commodities to a third party on cash basis. Once the <i>Tawarruq</i> 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 Eiger Trading Platform or the Bursa Commodity House trading platform. The commodities in the sale and purchase contracts shall be crude palm oil or Shariah compliant metals [London Metal Exchange (LME) Primary Aluminium, Platinum, LME Special High Grade zinc, LME Copper Grade A, Palladium]. 	
3. What do I get from this product?	
<ul style="list-style-type: none"> Total amount applied:-RM _____ Including (if applicable): FEC: RM _____ BRTT/BLTT: RM _____ Margin of financing: _____% of the purchase price of the property; OR of the valuation by the Bank's panel valuer; OR of the valuation determined by the Bank in its sole and absolute discretion, whichever is lower Tenure: _____ years (For Cashline Facility-i (CLF-i), the facility is subject to annual review) Prescribed Rate: Base Financing Rate (BFR) +/- _____% per annum. Currently BFR is at _____%p.a. Note: - For Cashline Facility-i (CLF-i), profit is calculated at the prescribed rate on the daily outstanding amount. - For Commodity Murabahah Financing-i (CMTF-i), profit is calculated at the prescribed rate on the outstanding amount at the end of the previous month. 	
4. What are my obligations?	
<ul style="list-style-type: none"> <u>For Commodity Murabahah Financing-i (CMTF-i)</u> <ul style="list-style-type: none"> - Monthly instalment (based on the total amount applied): RM _____ - Total repayment amount inclusive of financing facility amount: RM _____ <u>For Cashline Facility-i (CLF-i) facilities</u> <ul style="list-style-type: none"> - Repayment: Payable on demand. Profit is calculated on a daily basis based on the balance outstanding amount at the end of each business day. - For unutilised portion: Commitment Fee of 1.0% p.a. on unutilised portion of the Cashline Facility-i (CLF-i) will be imposed. - Cashline Facility-i (CLF-i) facilities are subject to review on an annual basis. <p>(Note:- Monthly instalment and total repayment amount may vary depend on the disbursement date, tenor and BFR changes)</p>	
5. What are the fees and charges I have to pay?	
<ul style="list-style-type: none"> Stamp Duty: As provided in the Stamp Duty Act 1949 (Revised 1989) Commitment Fees: Commitment fee of 1% p.a. is to be levied on unutilized portion of Cashline Facility-i (CLF-i) facility. <p>Note:- Unless otherwise specified herein, our fees exclude any current and future taxes (if any) that may be imposed, under the relevant legislation. Upon the effective date of implementation of any such taxes in the future and wherever applicable, the Bank shall be entitled to recover such taxes from the Company.</p>	

6. What if I fail to fulfil my obligations?

- Late Payment Charges (LPC) will apply which will increase the total outstanding due to the Bank.

*Note: LPC is calculated as follows:

- During the financing tenure up to the maturity date – Late payment charges at the Bank's actual cost up to a rate not exceeding 1% per annum or such other maximum rate prescribed by Bank Negara Malaysia 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 the Bank's actual cost up to a rate not exceeding 1% per annum or such other maximum rate prescribed by Bank Negara Malaysia 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 the Bank's actual cost up to a rate not exceeding the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate prescribed by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit).
- Facility presented to the court for judgement - Late payment charges at the current prevailing IIMM rate prescribed by Bank Negara Malaysia 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 sum is fully settled.

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

Formula:

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

Example:

Monthly instalment	RM1,422
LPC rate	1% p.a.
LPC on November instalment in arrears	RM1,422 x 1% x 30/365 = RM1.16
LPC on December instalment in arrears	RM1,422 x 1% x 31/365 = RM1.20
Accumulated LPC (non-compounding)	RM1.16 + RM1.20 = RM2.36

- Default Rate: 1% p.a. above the prescribed rate on the entire outstanding sum in the event the facility is recalled or terminated.
- Additional profit on Cashline Facility-i (CLF-i) Excesses: 1% p.a. above the prescribed rate on any Cashline Facility-i (CLF-i) excesses (Subject to a minimum of RM10).
- Right to set-off: The Bank has the right to set-off any credit balances in deposit account(s) to regularise the arrears in the financing account without notice to the Borrower.
- The Bank has the right to commence legal action against you and the Guarantor(s) (if any) and to foreclose the collateral.
- Legal action against you may affect your credit rating and this will cause your credit to be more difficult or expensive to you.

7. What if I fully settle the Business Premises Financing facility before its maturity?

For CMTF-i with Business Financing Reducing Term Takaful (BFRTT)

Any redemption request within the first 3 years from date of first disbursement is subject to a redemption fee of 3% of the approved CMTF-i amount subject to minimum of RM5,000-00 whichever is higher. Any redemption request made thereafter is subject to 1 month's written notice or 1 month's profit in lieu of the required notice.

For CMTF-i without Business Financing Reducing Term Takaful (BFRTT)

Any redemption request within the first 5 years from date of first disbursement is subject to a redemption fee of 5% of the approved CMTF-i amount subject to minimum of RM5,000-00 whichever is higher. Any redemption request made thereafter is subject to 1 month's written notice or 1 month's profit in lieu of the required notice.

8. Do I need any takaful coverage?

- Fire/house owner's takaful policy on the property(ies) assigned/charged to the Bank.
- Business Financing Reducing/Level Term Takaful (BFRTT/BFLTT) is optional.

9. What are the major risks?

- Please be advised that the prescribed rate will change according to the changes in the Base Financing Rate (BFR). An increase in the prescribed rate may result in higher monthly repayments amount and profit charged.
- If you do not honour your repayment obligation, in addition to the outstanding amount due, you will be liable for all costs and expenses incurred for the legal action to be taken against you.
- If you have any problems meeting your financing obligations, you should contact us earliest possible to discuss repayment alternatives. You may contact us at any of our nearest Branches/ Banking Business Centres.

10. Do I need a collateral or guarantor?

- Collateral: Property will act as collateral.
- Guarantor: Yes. Any waiver is subject to discretion and credit evaluation by the Bank.

11. 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. To update your correspondence details, you may contact our business relationship managers at any of our nearest Branches/ Banking Business Centres or contact us at 1300-80-3388.

12. Other type of Commodity Murabahah Financing-i (CMTF-i) packages available?

Yes. You may refer to our website at www.alliancebank.com.my for other SME financing packages:

- For purpose of purchasing equipment/ machinery
- For general working capital

13. Where can I get further information?

- Should you require additional information about our facilities and services, you may contact our business relationship managers at any of our nearest Branches/ Banking Business Centres (<https://www.alliancebank.com.my/branch-locator>) or refer to our website at www.alliancebank.com.my.

Alliance Islamic Bank Berhad

Menara Alliance Bank
159, Jalan Ampang
50450 Kuala Lumpur
Tel: 1300-80-3388 (Malaysia) +603-5624 3888 (Overseas)
E-mail: info@alliancefg.com

Branch Operating Hours:Peninsular Malaysia

Mon-Fri: 9:15am to 4:15pm

Sat/Sun/Public Holiday: Closed

Self Service Terminal eLobby: 24hrs

Cheque Clearing Time: 4pm

East Malaysia

Mon-Fri: 9am to 4pm

Sat/Sun/Public Holiday: Closed

Self Service Terminal eLobby: 24hrs (except Miri, Sinsuran and Tawau – from 6am to 12am)

Cheque Clearing Time: 4pm

- 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 SMEs. You may contact AKPK at:

Level 5 and 6,
Menara Aras Raya
Jalan Raja Laut
50350 Kuala Lumpur
Tel : 03-2616 7766 Website : akpk.org.my/smehelpdesk

- If your query or complaint is not satisfactory 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 Website : bnmlink.bnm.gov.my

The information provided in this disclosure sheet is effective as at _____. All calculations and information above are for illustration purpose only.

Disclaimer: - The actual amount of financing, tenure and profit rate to be provided by the Bank is dependent upon credit evaluation by the Bank. The transmission of this Product Disclosure Sheet to you does not create any obligation by the Bank to grant you any facilities

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO FULFILL YOUR OBLIGATIONS.