

# **SME Express Financing-i (SXF-i) Product Disclosure Sheet**

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

<b>PRODUCT DISCLOSURE SHEET</b>  (Read this Product Disclosure Sheet before you decide to take up the SME Express Financing-i Program. The final terms and conditions will be documented in the Letter of Offer and Financing Agreements.)	<b>ALLIANCE ISLAMIC BANK BERHAD</b>  <b>SME EXPRESS FINANCING-i PROGRAM</b>  <b>DATE:</b>
<b>1. What is this product about?</b>	
<ul style="list-style-type: none"> <li>This is a Commodity Murabahah Term Financing-i (CMTF-i) facility to assist small and medium enterprise with viable business and project but lack the collateral to obtain financing.</li> <li>The purpose of this facility is to finance your general working capital requirement.</li> <li>This facility can be granted on fully unsecured basis (with no collateral requirement) or partially secured against CGC/SJPP Guarantee, subject to eligibility and at the discretion of the Bank.</li> </ul>	
<b>2. What do I get from this product?</b>	
<ul style="list-style-type: none"> <li>Total amount applied:-RM _____</li> <li>Tenure:- _____ years</li> <li>Prescribed Rate: _____% p.a. flat OR Base Financing Rate (BFR) + _____% per annum, whichever is applicable (monthly rest*).</li> <li>Currently BFR is _____% p.a.</li> </ul> <p><i>*Note:- For Term Financing, profit is calculated at the prescribed rate on the outstanding amount at the end of the previous month.</i></p>	
<b>3. What is the Shariah contract applicable?</b>	
<ul style="list-style-type: none"> <li>The Shariah concept applicable is <i>Commodity Murabahah</i> (<i>Murabahah</i> via <i>Tawarruq</i>) which consists of two (2) sale and purchase contracts.</li> <li>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.</li> <li>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.</li> <li>The sale and purchase transactions shall be effected through the Eiger Trading Platform or the Bursa Commodity House trading platform.</li> <li>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].</li> </ul>	
<b>4. What are my obligations?</b>	
<ul style="list-style-type: none"> <li>Monthly instalment:-RM _____ (inclusive of profit) based on the total amount applied.</li> <li>Total repayment amount inclusive of financing facility amount:-RM _____</li> </ul> <p><i>(Note:- Monthly instalment and total repayment amount may vary if BFR changes)</i></p>	
<b>5. What are the fees and charges I have to pay?</b>	
<ul style="list-style-type: none"> <li>Stamp Duty: As provided in the Stamp Duty Act 1949 (Revised 1989).</li> <li>Guarantee Fees: Upon CGC/SJPP guarantee is issued or renewed, the guarantee fee shall be payable by you or the Bank, depending on the financing package and scheme feature.</li> </ul> <p><i>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 you.</i></p>	
<b>6. What if I fully settle the Term Financing before its maturity?</b>	
Early settlement/partial prepayment is allowed subject to one (1) month's prior written notice or one (1) month's profit in lieu of the required notice.	
<b>7. Do I need any takaful coverage?</b>	
The Keyman takaful coverage is optional.	
<b>8. What are the major risks?</b>	
<ul style="list-style-type: none"> <li>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.</li> <li>If you have any problems meeting your financing obligations, you should contact us earliest possible to discuss repayment alternatives. You may contact us at <u>any of our nearest Branches/ Banking Business Centres</u>.</li> </ul>	
<b>9. Do I need a collateral or guarantor?</b>	
<ul style="list-style-type: none"> <li>Collateral: Generally no collateral is required, except Guarantee from CGC/SJPP may be taken as security, subject to discretion and credit evaluation by the Bank.</li> <li>Guarantor: Yes. Any waiver is subject to discretion and credit evaluation by the Bank.</li> </ul>	
<b>10. What if I fail to fulfil my obligations?</b>	
<ul style="list-style-type: none"> <li>Late Payment Charges (LPC) will apply which will increase the total outstanding due to the Bank.</li> </ul> <p><i>*Note: LPC is calculated as follows:</i></p> <ol style="list-style-type: none"> <li>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.</li> <li>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).</li> </ol>	

- (iii) 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).
- (iv) 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: At 1% p.a. above the prescribed rate on the entire outstanding sum in the event the facility is recalled or terminated.
- Right to set-off: The Bank has right to set-off any credit balances in deposit account/s to regularise the arrears in the financing account with prior notice of at least seven (7) calendar days.
- The Bank has the right to commence legal action against you and Guarantor (if any).
- Legal action against you may affect your credit rating and this will cause your credit to be more difficult or expensive to you.

**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 Term Financing packages available?**

Yes. You may refer to our website at [www.alliancebank.com.my](http://www.alliancebank.com.my) for other SME financing packages:

- For purpose of purchasing equipment/ machinery.
- For purpose of purchasing property/ business premises.

**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](http://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](mailto: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](http://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](http://bnmlink.bnm.gov.my)

The information provided in this disclosure sheet is effective as at \_\_\_\_\_. All calculations and information above 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. 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.**