

Business Premise Financing-i Product Disclosure Sheet

PRODUCT DISCLOSURE SHEET Please read this Product Disclosure Sheet (PDS) before you decide to apply for Business Premise Financing-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 ("Bank") Product name: Business Premise Financing-i
1. What is this product about?	
<ul style="list-style-type: none"> This facility is offered to business or individual(s) for the acquisition and refinancing of commercial property/ premises, and/or financing of entry cost (i.e. legal documentation cost and valuation fees), and/or MRTT premium. The facility can be in the form of Commodity Murabahah Term Financing-i (CMTF-i) or Cashline Facility-i (CLF-i) You are currently opting for the below (tick ✓ whichever applicable): <p>Financing Product:</p> <p> <input type="checkbox"/> CMTF-i <input type="checkbox"/> CLF – i </p> <p>Financing Package:</p> <p> <input type="checkbox"/> Zero Entry Cost <input type="checkbox"/> Non Zero Entry Cost <input type="checkbox"/> Finance Entry Cost </p> <ul style="list-style-type: none"> Mortgage Reducing Term Takaful: <input type="checkbox"/> Yes - Proposed Covered amount: 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 Commodity 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 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"> Bank's Purchase Price: RM _____ Bank's Selling Price: RM _____ Including (If Applicable): Finance Entry Cost :- RM _____ Finance Mortgage Reducing Term Takaful:- 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. Financing Tenure:- _____ months Rate of Return to the Bank: - Based Financing Rate (BFR) +/- _____% per annum. Currently BFR is at _____%p.a. <i>Note: Profit shall be calculated at the prescribed rate applicable to the CLF-i/CMTF-i on the daily outstanding amount.</i> Ceiling Rate: _____% per annum (p.a.) 	

4. What are my obligations?

- For CMTF-i
Payment of Bank's Selling Price: - RM _____ per month
- For CLF-i
Payment is on demand.
- CLF-i is subject to review on an annual basis.

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

The following are the salient fees and charges applicable for the facility:

Fees and Charges	Details
For Non Zero Entry Cost Package	Stamp Duty: As provided in the Stamp Duty Act 1949 (Revised 1989)
	Legal Expense(s) including but not limited to the fee and charges incurred for legal documentation for disbursement.
	Valuation Fee
For CLF-i facility only	Renewal Fee: The bank may impose a fee to be decided at its discretion upon review/renewal of the facility (ies).

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.

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

- If any amount due for the facility remains unpaid for 3 consecutive months, your financing account shall be classified as Non-Performing Financing (NPF). This will affect your utilization of other banking facilities with the Bank.
- Right to set-off: The Bank has right to set-off any outstanding amount due from any of your deposit accounts maintained with the Bank with prior written notice.

The Bank has the right to commence legal action against you and your guarantor (if any) and/or liquidate/foreclose the collateral provided (if any).

7. 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.

- An early settlement fee of up to 3% on the original facility amount is payable for early termination of the facility (this fee is not applicable to SME customers).
- 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:
 - Early redemption / settlement, where the customer has given prior written notice to the Bank;
 - Settlement due to restructuring of the Facility;
 - Settlement by customer where the Facility is in default / after the Bank executed foreclosure proceedings and auctioned the asset pledged as collateral;
 - Settlement by customer in the event of termination or cancellation of Facility before the maturity date.

Formula

Settlement Amount = Outstanding Facility Amount + Profit due – rebate (*ibra'*) + Late Payment Charges (if any) + Miscellaneous charges (if any)

Where:

Rebate (*ibra'*) = Deferred profit – Early Settlement Charges (if any)

Note:

The remaining unearned profit is equal to unrealized profit at the time of full settlement. The calculation of rebate (*ibra'*) shall be made in accordance with the Guidelines on Ibra' (Rebate) for Sale-Based Financing issued by Bank Negara Malaysia.

8. What are the major risks?

If you do not honour your payment obligations 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 obligations, contact us earlier to discuss payment alternatives.

9. Do I need a guarantor or collateral?

- Collateral: Yes, i.e. the commercial property.
- Guarantor: Subject to discretion and credit evaluation by Alliance Islamic Bank.

10. 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.

11. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact your relationship manager as soon as possible to discuss payment alternatives. You may contact us at:

Alliance Islamic 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)" to help your credit management. The contact details and list of branches are on AKPK's website at <https://www.akpk.org.my/contact-us>

Level 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-26167766 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 Malaysia Berhad, Group Complaints Unit, 4 Floor, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur.
Tel: 03-2604 3300 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: bnmtelexlink@bnm.gov.my

- You may also contact Financial Markets Ombudsman Services (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.org.my Website: www.fmos.org.my

12. Where can I get further information?

If you would like to have more information about Commodity Murabahah Term Financing-i, Cashline Facility-i (CLF-i) and/or our other products and services, please visit our Bank's website at <https://www.alliancebank.com.my/Islamic> or contact your business relationship manager.

13. Other type of Business Financing packages available:

No.	Product/Service
1.	Islamic trade finance and services
2.	Commodity Murabahah Revolving Credit-i
3.	SME Express Financing-i
4.	Industrial Hire Purchase-i

14. 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.

The information provided in this product disclosure sheet is valid as at [to insert date].

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT HONOUR YOUR PAYMENT OBLIGATIONS FOR THE FACILITY.

ACKNOWLEDGEMENT BY CUSTOMER:

I/We acknowledge that I/we have read and understood the features of the product, its salient terms and the obligations attached to it. I/we understand that this product disclosure sheet is only for information purposes and shall not be construed as an offer by the Bank or an obligation by the Bank to grant any facilities to us.

 Name:
 Date: