PRODUCT DISCLOSURE SHEET

Dear Customer,

Please read and understand this Product Disclosure Sheet ("PDS") before you decide to apply for this product and seek clarification from Alliance Islamic Bank Berhad ('Bank') if you have any queries.

ALLIANCE ISLAMIC BANK

Alliance Islamic Bank Berhad ("Bank")

Date:

1. What is SME Express Financing-i Program?

- This is a term financing facility to assist small and medium enterprise with viable business and project but lack of the collateral to obtain financing.
- The purpose of this facility is to finance your general working capital requirement.
- The applicable Shariah contract is Murabahah via Tawarruq (also known as Commodity Murabahah).
- A Tawarruq consists of two sale and purchase contracts. The Bank purchases commodities from a supplier and then 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 cash and spot terms. To facilitate the above, the Bank shall enter into a "dual-agency" arrangement, whereby you (the principal) shall appoint the Bank as your agent via an agency (wakalah) contract to purchase commodities from the Bank on your behalf and subsequently sell the commodities to a third party.

2. Know Your Obligations

For this financing, **as an illustration**:

- Your financing amount: **RM 1,000,000** (purchase price)
- Your financing tenure: **10 years**
- Ceiling Profit Rate: **15%** (RM936,019)
- Effective/Prescribed Profit Rate: **6.88% (BR/BFR/COF +Spread)** (RM385,892 over the period of 10 years)

The Selling Price (principal plus profit) will be RM 1,936,019 at the end of 10 years.
The **monthly instalment** is RM11,549.10

IMPORTANT:

- The Selling Price which is inclusive of profit charges is fixed at the point of each disbursement and calculated based on the prevailing Profit Rate.
- For financing with variable Effective Profit Rate, the BR, BFR and COF are subject to fluctuations which may vary the instalments to be paid. However, the profit rate increase is capped at the Ceiling Profit Rate.

It is your responsibility to:

Read and understand the **key terms** in the **contract** before you sign it.

Settle the financing amount plus profit on the maturity date. Speak to us if you wish to settle your financing earlier.

Ensure you can afford to **pay a higher instalment** if the Overnight Policy Rate (OPR) increases.

Contact us immediately, if you are having difficuty meeting your financing obligations.

*The Base Rate ("BR"), Base Financing Rate ("BFR") and Cost of Funds ("COF") are set as the Overnight Policy Rate (OPR) decided by Bank Negara Malaysia. The BR, BFR and COF can increase or decrease due to changes in the OPR.

You have to pay the following fees and charges:

Type of Fee/Charge	Details of Fee/Charge
Stamp duty	As per Stamp Duty Act 1949 (including any revision made thereto).
Documentation fee	A flat rate of RM500.00 (inclusive of stamping fee).
Abortment Fee	RM500 is chargeable in the event that the facility granted herein is cancelled/aborted prior to the drawdown of the financing.
Brokerage Fee	Fees payable to the commodity trade service provider. Unless notified otherwise by the Bank in writing to the customer, this fee will be borne by the Bank.
Late Payment Charges ("LPC") .	See table below

No.	Scenario	Compensation (Ta'widh) Rate	Calculation Based On	Period
1	Default/non-payment **before maturity date**	Bank's actual cost**, not exceeding 1% p.a.** or BNM's prescribed maximum rate	Overdue amount	From due date to settlement
2	Default **leading to recall or court action before maturity**	Bank's actual cost, **not exceeding 1% p.a.** or BNM's prescribed maximum rate	Outstanding principal + accrued profit	From due date to settlement or judgement (whichever earlier)
3	Default **after maturity date**	Bank's actual cost, **not exceeding the prevailing daily overnight IIMM rate**	Outstanding principal + accrued profit	After maturity date until settlement
4	Default **leading to recall and judgement (post-judgement charges)**	**Prevailing IIMM rate** as prescribed by Bank Negara Malaysia	Outstanding balance (excluding previous late charges/costs)	From date of judgement until full settlement of judgement sum

Other Fees and Charges	Please refer to our Letter of Offer and the Bank's corporate website alliancebank.com.my/islamic-fees-and-charges for details. Kindly note that the fees and charges on the Bank's website are updated from time to time.

You will be notified of any changes to the fees and charges at least twenty one (21) calendar days prior to the effective date(s) of such changes.

If you wish to settle your financing early before maturity, you should know that:

If you make a partial payment prior to the maturity of the financing ("pre-payment") your liability will reduce accordingly as profit for the remaining tenure after pre-payment will be calculated based on the lower principal balance. If you fully settle the financing prior to maturity ("early settlement") the Bank will not collect profit for the remaining tenure after settlement. The Bank will grant rebate (*ibra'*) on the Selling Price (total obligation for the financing) due to the pre-payment/early settlement 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.

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 unrealised profit at the time of full settlement.

3. Know Your Risks

What happen if you fail to pay monthly instalments?

- You **pay more in total** due to late payment charges.
- We may **deduct** money from a deposit account that you have with us to set-off your financing balance.
- We may **foreclose** the collateral securing the facility or **take legal action** against you.
- Your **credit score** may be affected, making it more difficult and expensive for you to obtain credit facilities.

4. Other Key Terms

Change of 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.
Takaful coverage	The following takaful coverage are recommended/required to be taken from the Bank's panel: • Mortgage Reducing Term Takaful (MRTT) or any equivalent takaful coverage policies to cover the company in the event of death or permanent disability of the Customer or key men of the company (if applicable). • Fire takaful if property is given as security for the financing (compulsory).
Guarantor or collateral	The Bank may require a guarantor to provide a guarantee for the facility or collateral from you to secure the facility. This is subject to the credit evaluation by the Bank.

If you have any questions or require assistance on your SME Express Financing-i Program, you can:

Call us at
03-5624 3888

Visit us at:
alliancebank.com.my/Islamic

Email us at:
info@alliancefg.com

Scan the QR code above

If your query or complaint is not satisfactorily resolved by us, you may contact:- **BNMLINK – Enquiries & Complaints** Address: 4th Floor, Podium Bangunan AICB, No. 10, Jalan Dato' Onn, 50480 Kuala Lumpur. Webpage: bnm.gov.my/BNMLINK	**If you have difficulties in making payments**, you should contact your relationship manager as soon as possible to discuss payment alternatives. Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK). AKPK offers specialised solutions to help small and medium enterprises (SMEs) to manage their debt and promote sound financial management practices via their Small Debt Resolution Scheme (SDRS). AKPK's services can be accessed via their online channel at akpk.org.my/contact-us.

Customer's Acknowledgement*
Ensure you are filling this section yourself and are aware of what you are placing your signature for.

☐ I acknowledge that Alliance Islamic Bank has provided me with a copy of the PDS.
☐ I have read and understood the key information contained in this PDS.

……..

Name:
Date:

**A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions*