

SME Express Financing-i Product Disclosure Sheet

PRODUCT DISCLOSURE SHEET Please read this Product Disclosure Sheet (PDS) before you decide to apply for SME Express Financing-i Program. 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: SME Express Financing-i Program												
1. What is this product about?													
<ul style="list-style-type: none"> 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. 													
2. What is the Shariah contract applicable?													
<ul style="list-style-type: none"> The Shariah concept-applied is Commodity Murabahah (Murabahah via Tawarruq). A Tawarruq consists of two (2) 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. 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 cash basis. 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 Eiger Trading Platform or the Bursa Commodity House trading platform. The commodities in the sale and purchase contracts shall be Shariah compliant commodities e.g. crude palm oil or 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?													
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Total amount applied</td> <td>RM _____</td> </tr> <tr> <td>Tenure</td> <td>_____ years</td> </tr> <tr> <td>Total Profit</td> <td>RM270,500.00</td> </tr> <tr> <td>Selling Price</td> <td>RM _____</td> </tr> </table>		Total amount applied	RM _____	Tenure	_____ years	Total Profit	RM270,500.00	Selling Price	RM _____				
Total amount applied	RM _____												
Tenure	_____ years												
Total Profit	RM270,500.00												
Selling Price	RM _____												
4. What are my obligations?													
<ul style="list-style-type: none"> Monthly instalment: RM _____ (inclusive of profit) based on the total amount applied. Total payment amount inclusive of financing facility amount: RM _____ 													
5. What are the fees and charges I have to pay?													
<p>The following are the salient fees and charges applicable for the facility:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Fees and Charges</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Stamp Duty</td> <td>As per Stamp Act 1949 (revised 1989)</td> </tr> <tr> <td>Documentation Fee</td> <td>A flat rate of RM500.00 (inclusive of stamping fee).</td> </tr> <tr> <td>Abortment Fee</td> <td>RM500 is chargeable in the event that the facility granted herein is cancelled/ aborted prior to the drawdown of the financing.</td> </tr> <tr> <td>Brokerage Fee</td> <td>Fees payable to the commodity trade service provider. Unless notified by the Bank in writing to the customer, this fee will be borne by the Bank.</td> </tr> <tr> <td>Tax</td> <td>Government Services Tax on the relevant fees and charges</td> </tr> </tbody> </table> <p>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.</p>		Fees and Charges	Details	Stamp Duty	As per Stamp Act 1949 (revised 1989)	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 by the Bank in writing to the customer, this fee will be borne by the Bank.	Tax	Government Services Tax on the relevant fees and charges
Fees and Charges	Details												
Stamp Duty	As per Stamp Act 1949 (revised 1989)												
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 by the Bank in writing to the customer, this fee will be borne by the Bank.												
Tax	Government Services Tax on the relevant fees and charges												
6. What if I fail to fulfil my obligations?													
<ul style="list-style-type: none"> Late Payment Charges (LPC) will apply which will increase the total outstanding due to the Bank. <p>LPC is calculated as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 35%;">During Financing period</td> <td> 1% per annum (p.a.) on the overdue amount Formula: LPC = 1% x Overdue amount x No. of days / 365 </td> </tr> <tr> <td>Upon expiry of financing period</td> <td> Islamic Interbank Money Market (IIMM) Rate on the outstanding balance Formula: LPC = Outstanding balance x IIMM% x No. of days / 365 </td> </tr> </table>		During Financing period	1% per annum (p.a.) on the overdue amount Formula: LPC = 1% x Overdue amount x No. of days / 365	Upon expiry of financing period	Islamic Interbank Money Market (IIMM) Rate on the outstanding balance Formula: LPC = Outstanding balance x IIMM% x No. of days / 365								
During Financing period	1% per annum (p.a.) on the overdue amount Formula: LPC = 1% x Overdue amount x No. of days / 365												
Upon expiry of financing period	Islamic Interbank Money Market (IIMM) Rate on the outstanding balance Formula: LPC = Outstanding balance x IIMM% x No. of days / 365												

- 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 tenure of the Facility subject to at least 1 month prior written notice to the Bank.
- An early settlement fee of 3% on the original facility amount is payable for early termination of the facility (not applicable to SME customers).
- The Bank shall grant *ibra'* (rebate) on the settlement date based on the formula 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 financing facility;
 - Settlement by customer where the financing 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 financing facility before the maturity date of the contract.

Formula:

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

Where:

***ibra'* (rebate) = 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 *ibra'* (rebate) shall be made in accordance with Guidelines *ibra'* (Rebate) for Sale-Based Financing issued by Bank Negara Malaysia.

8. What are the major risks?

- For financing with variable Effective Profit Rate, the Base Rate, Base Financing Rate and Cost of Funds are subject to fluctuations which may vary the instalment payments. However, the profit rate increase is capped at the ceiling profit rate.
- The Bank may take legal action if you do not honour your payment obligations to the Bank.

Note: If you are having difficulty meeting your financing obligations, contact your relationship manager early to discuss payment options.

9. Do I need a guarantor or collateral?

- Collateral: No collateral is required.
- Guarantor: Subject 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: bnmtelelink@bnm.gov.my
- You may also contact Financial Ombudsman for Financial Services 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 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.	Cashline Facility-i
3.	Commodity Murabahah Revolving Credit-i
4.	Business Premise Financing-i
5.	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: