

**PRODUCT DISCLOSURE SHEET**

**REMINDER: You are reminded to read and understand the terms and conditions of this Product Disclosure Sheet before signing below. In the event there are any terms and conditions in this Product Disclosure Sheet that you do not understand, please seek independent advice and/or discuss with the Bank's representative before signing below.**

**ENGLISH VERSION**

Bank : **Affin Islamic Bank Berhad**  
Financing Scheme : **AFFIN BizWira-i Financing**

**Date of Issuance to Customer:**

\_\_\_\_\_  
(to be filled out upon application)

**1. What is this product about?**

**AFFIN BizWira-i Financing ("Facility")** is a Tawarruq Term Financing-i facility offered by Affin Islamic Bank Berhad ("Bank"). The facility provides working capital financing to support Malaysian Armed Forces veterans (MAF Veterans) with viable start-up businesses.

MAF Veterans is defined as a cardholder of Malaysian Armed Forces Veteran Card (VC) under the Veteran Act 2012.

This facility will help to boost the Customer working capital, expand business operations and support growth. The financing product features offered are as below:-

- 1) Working Capital Financing;
- 2) Financing amount from RM10,000 up to RM50,000;
- 3) Financing tenure up to 60 months.

The Facility is eligible for the following:

- SME classified businesses as defined by SME Corporation Malaysia;
- 100% Malaysian owned and controlled business entity;
- At least 51% shares are owned by MAF Veteran(s);
- The business is in operation between 12 to 36 months;
- Open to Sole Proprietorship business, Partnership, Limited Liability Partnership (LLP) or Private Limited Company;
- The key person(s) or the decision maker(s) has/have equity interest in shareholding and must be at the minimum age of 21 years old at the time of application or 70 years upon financing maturity;
- No collateral is required.

**2. What is the Shariah concept applicable?**
**Tawarruq**

The Shariah Concept applied for the above product is *Tawarruq*.

*Tawarruq* consist of two sale and purchase contracts where the Customer purchase the Commodity from the Bank at a mark-up sale price (Bank's Sale Price) on a deferred payment basis and subsequently sells the Commodity to a Commodity Supplier for cash at the Bank's Purchase Price with the objective of obtaining cash.

**Wakalah**

Under this facility, the Bank will apply the dual-agency mechanism under the *Wakalah* concept. The Customer appoints the Bank as the Customer's agent to purchase the Commodity from the Bank and subsequently sells the Commodity to another Commodity Supplier on behalf of the Customer in order to complete the *Tawarruq* transaction.

**Wa'd**

The Customer will execute the Purchase Undertaking based on *Wa'd* concept. Under the Purchase Undertaking, the Customer undertakes to purchase from the Bank a specific Shariah compliant commodity ("the Commodity" consists of crude palm oil (CPO), rubber or any other commodity) as advised by the Commodity Supplier at Bank's Sale Price.

**3. What do I get from this product?**
**Example:**

<b>Total Financing Amount</b>	:	RM 50,000.00
<b>Ceiling Profit Rate (CPR)</b>	:	15.00% per annum (p.a.)
<b>Bank's Sale Price (Based on CPR)</b>	:	RM 71,370.00
<b>Effective Profit Rate (EPR)</b>	:	Base Financing Rate (BFR) – 1.91% p.a. (based on Customer's credit rating)
<b>Tenure</b>	:	60 months

**Notes:**

- i. The calculations and information above are for the purpose of **ILLUSTRATION** only.
- ii. The financing amount is equivalent to Bank's Purchase Price.
- iii. The Bank's Sale Price is calculated at Ceiling Profit Rate. The Ceiling Profit Rate (i.e., maximum capping rate) in determining the Bank's Sale Price is as stated above unless otherwise advised by the Bank.
- iv. However, the monthly profit will be calculated based on the "Effective Profit Rate" (BFR - xxx%) on monthly rest basis which will not exceed the Ceiling Profit Rate.
- v. Base Financing Rate (BFR) is subject to change from time to time and the Bank current Base Financing Rate (BFR) is at 6.81 % p.a.
- vi. Revised Effective Profit Rate shall be at BFR + 5.00% p.a.
- vii. Current BFR is at 6.81% p.a.

**4. What are my obligations?**

- The Customer monthly installment is **RM 941.27**
- The Customer total payment amount at the end of **five (5) years** is **RM 56,476.20**

**Important:** The Customer monthly installment and total payment amount will vary if the Effective Profit Rate (EPR)

Rate	Today EPR = 4.90% (BFR = 6.81% p.a.)	If BFR goes up 1%, EPR = 5.90% (BFR = 7.81% p.a.)	If BFR goes up 2%, EPR = 6.90% (BFR = 8.81% p.a.)
Monthly installment (RM)	941.27	964.32	987.70
Total profit cost at the end of financing tenure (RM)	6,476.20	7,859.20	9,262.00
Total payment amount at the end of financing tenure (RM)	56,476.20	57,859.20	59,262.00

- The calculations and information above are as **ILLUSTRATION** only.
- Profit is calculated on a monthly rest basis.
- Effective Profit Rate may vary from initial rate stated in Letter of Offer due to increase in BFR (BFR will change accordingly as published by the Bank from time to time).
- Increase in BFR may result in higher installment amount to be serviced. However, the monthly profit will not exceed the Ceiling Profit Rate. Rebate shall be provided to the Customer if there is a difference between the Ceiling Profit Rate and the Effective Profit Rate as described in clause 7 below.

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

Type of Fee / Charge
<ul style="list-style-type: none"> <li>Stamp Duty <i>For stamp duty, it is as per Stamp Act 1949 (revised 1989) and will be borne by the Customer.</i></li> </ul>
<ul style="list-style-type: none"> <li>Legal fee on solicitor in order of completion of Security Documentation prior release of facility <i>Legal fee on solicitor will be borne by the Customer (if any)</i></li> </ul>
<ul style="list-style-type: none"> <li>Disbursement fee/ Processing fee <i>No fee on Disbursement/ Processing.</i></li> </ul>
<ul style="list-style-type: none"> <li>Brokerage Fee <i>RM 5 per RM 1.0 million on pro-rated basis</i> <b>Note:</b> The Brokerage Fee is subject to changes on the brokerage cost charged by the commodity platform provider from time to time.</li> </ul>
<ul style="list-style-type: none"> <li>Government Guarantee Scheme MADANI (GGSM) fee (if applicable) 1.00% per annum on guarantee coverage amount will be charged by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) and to be borne by the Customer. GGSM Guarantee coverage by SJPP is an additional option for eligible Customer and subject to approval from SJPP. Guarantee coverage will be at 80% of the financing amount.</li> </ul>
<ul style="list-style-type: none"> <li>Other Fees &amp; Charges <i>Please refer to <a href="https://www.affinalways.com/en/fees-and-charges">https://www.affinalways.com/en/fees-and-charges</a> for other related fees and charges.</i></li> </ul>

*\*Please refer to Bank's Letter of Offer for any other chargeable fees.*

**6. What if I fail to fulfill my obligations?**

(a) Compensation Charges (Ta'widh), causing total obligations to increase.

The Customer shall pay the Bank Compensation Charges (Ta'widh) as follows:

- Before maturity of the facility

A sum equivalent to one per centum (1%) per annum on overdue instalment(s) until date of full payment;

$$= \text{Overdue installment} \times 1\% \times \frac{\text{no. of days overdue}}{365}$$

- Upon maturity of the facility or Judgement

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on outstanding balance i.e. outstanding Selling Price less *ibra'* (if any);

$$= \text{Outstanding balance} \times \text{prevailing IIMM} \times \frac{\text{no. of days overdue}}{365}$$

(b) Revised Effective Profit Rate

a. In the event the Customer facility is classified as Impaired Financing (Non-Performing Financing):

Profit Rate

i. Payment of the monthly instalments of the Bank's Sale Price.

The Bank shall revise the effective profit rate in the Customer's Letter of Offer to Base Financing Rate (BFR) + 5.00% per annum ("p.a.") calculated on the outstanding principal, or such other rate or basis of calculation of the rate as the Bank may determine at its discretion at any time and from time to time.

b. Prior to the revision of the rate, the Bank shall provide a written advance notice of not less than 21 calendar days.

c. If the Customer has regularized the Customer's account and after due assessment of the Bank, the Bank shall reinstate the effective profit rate as per the Letter of Offer regardless whether the Customer submit application for the reinstatement or not.

If the Customer's effective profit rate has been reinstated, but subsequently revised again due to paragraph (1) above, the Bank shall reinstate the rate after regularization of account as per the Letter of Offer, upon application for reinstatement by the Customer and due assessment by the Bank.

d. The above revised effective profit rate is subject to not exceeding the ceiling profit rate.

(c) Right to commence recovery or legal action

A Letter of Authorization from the Customer authorizing the Bank to debit the Islamic Current Account with the Bank for servicing the monthly payment, sinking fund or any amount due respect of the financing is to be obtained. The financing account is to be tagged for Automatic Fund Transfer (AFT). Legal action will be taken against the Customer and guarantors if the Customer fail to respond to reminder notices. Legal action against the Customer and guarantors which may affect the Customer's credit rating leading to credit being more difficult or expensive. The Bank has the right to commence recovery activities (including engaging third-party debt collection agencies), foreclosure and bankruptcy proceedings.

(d) The Bank may set-off any credit balance in account maintained with the Bank against any outstanding balance in this facility account by providing seven (7) calendar days of prior notice to the Customer.

(e) Legal action will be taken against the Customer if the Customer fail to respond to reminder notices. The Customer will have to bear all costs in relation to the same. The Customer is responsible to settle any shortfall (if any) after legal action has been taken against the Customer.

(f) Legal action against the Customer may affect the Customer's credit rating leading to credit being more difficult or expensive to the Customer.

(g) Please refer to the Customer's responsibilities as stated in the Letter of Offer.

## 7. What if I fully settle the financing before its maturity?

The Bank does not impose a lock-in period for this Facility and there is no fee imposed for early settlement before maturity. However, the Bank shall have received from the Customer prior written notice ("Early Settlement Notice") of its intention to make early settlement specifying the relevant amount to be paid and the date of such payment failing which the Bank shall have the right to factor in such associated costs or charges in reducing the *ibra'* (rebate) amount.

The Bank shall grant *ibra'* which is equivalent to the deferred profit at the point of settlement. *Ibra'* formula:

$$\text{Ibra' (rebate) on early settlement} = \text{deferred profit-reasonable estimate cost incurred by the Bank.}$$

Note:

- Deferred Profit = Total Contracted Profit – Accrued Profit

- Total Contracted Profit = Bank's Sale Price – Bank's Purchase Price (or Financing Amount)
- Accrued Profit is calculated on effective profit rate of the outstanding Purchase Price (of Financing Amount) being utilized.

#### 8. Do I need any takaful coverage?

- For Business Reducing Term Takaful (BRTT), the actual contribution cost is included in the financing package, subject to terms and conditions. Notwithstanding this, the Bank may require any other Takaful coverage as stipulated in Bank's Letter of Offer.
- It is highly recommended for Customer's key man / guarantor / owner of the business to take up Family Takaful products with the Bank's panel Takaful provider and endorse the Bank as the beneficiary.
- Notwithstanding the above, the Customer are free to use the service of any Takaful providers of the Customer's choice, which provide adequate coverage against such risks as the Bank may require and determine fit. The certificate shall be duly assigned to the Bank for the duration of the Facility.

#### 9. What are the major risks?

The payment of Bank's Sale Price is by way of periodical instalment, an increase in the Base Financing Rate (BFR) as in the case of Revised Profit Rate will result in higher installment; but is capped at Ceiling Profit Rate of 15.00% p.a. The Bank will notify the Customer on changes of installment prior to the effective date.

**If the Customer have problems to fulfill the Customer's financing obligations, please contact and discuss with us.**

#### 10. Where can I get assistance and redress?

- If the Customer has difficulties in making payments, the Customer should contact the Customer's respective Relationship Manager earliest possible to discuss payment alternatives.
- If the Customer wish to complain on the product or services provided by us, the Customer may fill-in an "Online Feedback Form" which is available at Bank's website: AffinAlways.com that will be escalated to Customer Feedback & Resolution Management. The Customer may also contact the Bank at:

##### **Customer Feedback & Resolution Management**

**Level 9, Menara Affin,  
Lingkaran TRX,  
Tun Razak Exchange,  
55188 Kuala Lumpur.**

**Telephone** : 03 – 8230 2222  
**E-mail** : yourvoice@affingroup.com\_  
**Website** : www.AffinAlways.com\_  
www.affingroup.com

- Alternatively, the Customer 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 both individuals and SMEs. The Customer can contact AKPK at:

##### **Agensi Kaunseling dan Pengurusan Kredit (AKPK)**

**Level 5 and 6, Menara Aras Raya  
(formerly known as Menara Bumiputra-Commerce)  
Jalan Raja Laut, 50350 Kuala Lumpur.**

**Telephone** : 03-2616 7766  
**Fax** : 03-2616 7601  
**E-mail** : enquiry@akpk.org.my  
**Website** : www.affinalways.com  
**Operating Hours** : **9:00 a.m. – 5:00 p.m.**  
(Monday – Friday)

- The Customer may re-address the issue with the Ombudsman for Financial Services (OFS) when steps taken by the Bank is still unsatisfactory. The Customer may contact OFS at:

##### **Ombudsman for Financial Services (OFS) (664393P)**

**(Formerly known as Financial Mediation Bureau)**

**Level 14, Main Block  
Menara Takaful Malaysia  
No. 4, Jalan Sultan Sulaiman**

**Telephone** : 603 – 2272 2811  
**Fax** : 603 – 2272 1577  
**E-mail** : enquiry@ofs.org.my\_  
**Website** : www.ofs.org.my\_

- If the Customer's query or complaint is not satisfactorily resolved by us, the Customer may contact Bank Negara Malaysia LINK at:

**BNMLINK**
**Bank Negara Malaysia**
**P.O. Box 10922 (Peti Surat 10922)**
**50929 Kuala Lumpur**
**Telephone** : 1-300-88-5465

**Fax** : 03-21741515

**eLink Web** : <https://bnmlink.bnm.gov.my>
**Form**
**11. What do I need to do if there are changes to my contact details?**

Please liaise with respective Relationship Manager at Business Centre or Direct Channel where the financing was applied.

**12. Where can I get further information?**

Should the Customer require additional information on financing, please visit the Bank's branches near the Customer or call the Bank's Contact Centre at 03-8230 2222 or visit the Bank's website at [AffinAlways.com](http://AffinAlways.com) for further details.

**13. Other facilities available.**

- AFFIN SMEmerge-i
- AFFIN BizDana-i

Please liaise with the Customer's respective Relationship Manager or alternatively, the Customer can also visit the Bank at nearest Bank or Business Center or Direct Channels or logon to [AffinAlways.com](http://AffinAlways.com) for more info.

**IMPORTANT NOTE:**

**LEGAL ACTION MAY BE TAKEN AGAINST THE CUSTOMER IF THE CUSTOMER FAIL TO SERVICE THE MONTHLY INSTALLMENT PAYMENT FOR FACILITY.**

The information provided in this disclosure sheet is valid as at **16 JANUARY 2024**.

I/We hereby acknowledge that the key terms of this product disclosure sheet, in particular, the terms affecting my/our obligations, have been adequately explained to me/us by the Bank's staff, representative or agent.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

NRIC No : \_\_\_\_\_