

PRODUCT DISCLOSURE SHEET	ENGLISH VERSION
<p>(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.)</p>	<p>Bank : Affin Islamic Bank Berhad</p> <p>Scheme : SMEmerge-i Start-Up Financing (Tranche 2)</p> <p>Date of Issuance to Customer: _____</p> <p>(to be filled out upon application)</p>
1. What is this product about?	
<p>SMEmerge-i Start-Up Financing is a Tawarruq Term Financing-i facility offered by the Bank to assist new start-up companies operating within 6 to 24 months to access financing for working capital. The financing product features offered are as below :-</p> <ul style="list-style-type: none"> Working Capital Financing Financing amount from RM50,000 up to RM300,000 (Sole Proprietorship/Partnership/LLP is capped at maximum RM250,000) Financing tenure of minimum 3 years up to 7 years No collateral required (70% of the facility amount will be guaranteed under the Working Capital Guarantee Scheme – Start-Up (WCGS-SU by Syarikat Jaminan Pembiayaan Perniagaan (SJPP) Berhad) 	
2. What is the Shariah concept applicable?	
<p><u>Tawarruq</u></p> <p>The Shariah Concept applied for the above product is <i>Tawarruq</i>. <i>Tawarruq</i> 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.</p> <p><u>Wakalah</u></p> <p>Under this facility, the Bank will apply the dual-agency mechanism under the <i>Wakalah</i> 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 <i>Tawarruq</i> transaction.</p> <p><u>Wa'd</u></p> <p>The customer will execute the Purchase Undertaking based on <i>Wa'd</i> 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.</p>	
3. What do I get from this product?	
<ul style="list-style-type: none"> Total Financing Amount: RM _____ Margin of Financing: _____% Tenure: _____ years Effective Profit Rate (EPR): Variable rate at _____% profit margin (i.e. Base Financing Rate (BFR) + profit margin) The maximum capping rate (i.e. Ceiling Profit Rate) is 20.0% p.a., unless otherwise advised by AFFIN ISLAMIC. However, the monthly profit will be calculated based on the Effective Profit Rate (BFR + xx%) which shall not exceed the Ceiling Profit Rate. <p><u>Note:</u></p> <ul style="list-style-type: none"> Maximum financing for SMEmerge-i Start-Up Financing at RM300,000.00 Maximum Effective Profit Rate for SMEmerge-i Start-Up Financing is at BFR + 4.50% p.a. Current Base Financing Rate (BFR) is 6.81% p.a. E.g. Effective Profit Rate (EPR) = BFR + 4.50% = 11.31% p.a. Profit rate will be calculated on monthly basis 	
4. What are my obligations?	
<ul style="list-style-type: none"> Monthly installment payment. Total payment (financing amount + profit) that you will be obligated to make is not more than the Bank's Sale Price agreed up front (as per Bank's Letter of Offer) The Bank's Sale Price will be computed as follows: Bank's Purchase Price + (Bank's Purchase Price x Ceiling Profit Rate x Tenure) Effective Profit Rate is calculated on 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. In the event EPR falls below 4.00% p.a., the monthly profit rate will remain at Floor Profit Rate of 4.00% p.a. 	

- Other terms & conditions as per letter of offer.

Example:

Total amount financed	:	RM 250,000.00
Effective Profit Rate	:	BFR + 4.50% per annum (p.a.)
Tenure	:	7 Years
Monthly installment is	:	RM 4,322.00
Payment amount at the end of tenure	:	RM 363,003.00

	Today (BFR = 6.81% p.a.)	If BFR increase by 1%,	If BFR increase by 2%,
Effective Profit Rate	11.31%	12.31%	13.31%
Monthly installment	RM 4,322.00	RM 4,455.00	RM 4,590.00
Total profit cost at the end of financing tenure	RM 113,003.00	RM 124,198.00	RM 135,579.00
Total payment amount at the end of financing tenure	RM 363,003.00	RM 374,198.00	RM 385,579.00

IMPORTANT:

- Your monthly installment and total payment amount will vary if the BFR changes.
- All calculations and information above shall be as **ILLUSTRATION** only.

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

Type of Fee / Charge
<ul style="list-style-type: none"> Stamp Duty For stamp duty, it is as per Stamp Act 1949 (revised 1989) and will be borne by the Customer.
<ul style="list-style-type: none"> Legal fee on solicitor in order of completion of Security Documentation prior release of Tawarruq Term Financing-i facility Legal fee on solicitor will be borne by Customer.
<ul style="list-style-type: none"> Disbursement fee / Processing fee No fee on Disbursement / Processing.
<ul style="list-style-type: none"> SJPP Guarantee Fee SJPP Guarantee Fee will be borne by the Bank.
<ul style="list-style-type: none"> Brokerage Fee *The Brokerage Fee is related to the brokerage cost, which is RM5 per RM1.0 million on pro-rate basis.
Note: The Brokerage Fee is subject to changes on the brokerage cost charged by the commodity platform provider from time to time.

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

6. How disbursement of the facility will be made?

- The Tawarruq Term Financing-i will be released in one lump sum directly to the customer's Islamic Current Account with the Bank.
- Kindly ensure there is sufficient month-end balance in Islamic Current Account for the SMEmerge-i Start-Up Financing payment. All documents relating to account opening will be provided and signed-off by Customer including (but not limited to the Foreign Account Tax Compliance Act (FATCA) / Common Reporting Standard (CRS) declaration).

7. 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;

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

1. In the event your facility is classified as Impaired Financing (Non-Performing Financing): Profit Rate
 - Payment of the monthly instalments of the Bank's Sale Price
the Bank shall revise the effective profit rate in your Letter of Offer to Base Financing Rate (BFR) + 10.00% 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.
2. Prior to the revision of the rate, the Bank shall provide a written advance notice of not less than 21 calendar days.
3. If you have regularized your account and after due assessment of the Bank, the Bank shall reinstate the effective profit rate as per the Letter of Offer regardless whether you submit application for the reinstatement or not.

If your 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 you and due assessment by the Bank.
4. 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 you and guarantors if you fail to respond to reminder notices. Legal action against you and guarantors which may affect your 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) We may set-off any credit balance in account maintained with us against any outstanding balance in this facility account by providing seven (7) calendar days of prior notice to you.
- e) Legal action will be taken against you if you fail to respond to reminder notices. You will have to bear all costs in relation to the same. You are responsible to settle any shortfall (if any) after legal action has been taken against you.
- f) Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.
- g) Please refer to your responsibilities as stated in the Letter of Offer.

8. 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. The Bank shall grant rebate (ibra') which is equivalent to the deferred profit at the point of settlement.

Ibra' (rebate) formula :

Ibra' (rebate) on early settlement = 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 Bank's Purchase Price Bank's Purchase Price(Accrued Profit is calculated on Effective Profit Rate of the outstanding Bank's Bank's Purchase Price Bank's Purchase Price(of Financing Amount) being utilized.

9. Do I need any takaful/insurance 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, you are free to use the service of any Takaful providers of your 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.

10. What are the major risks?

- The payment of Bank's Sale Price is by way of periodical installment, an increase in the Base Financing Rate (BFR) as in the case of floating rate will result in higher installment; but is capped at Ceiling Profit Rate of 20%. The Bank will notify customer on changes of installment prior to the effective date.
- If you have problems to fulfill your financing obligations, please contact and discuss with us.

11. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact your respective Relationship Manager earliest possible to discuss payment alternatives.
- If you wish to complain on the product or services provided by us, you 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. You may also contact us at:

Address: Customer Feedback & Resolution Management Level 9, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur	Contact No. Operating Hours: 8:00 a.m. – 12:00 a.m. (Monday – Sunday)	03 – 8230 2222
	E-mail	yourvoice@affingroup.com
	Website	https://www.affinalways.com https://www.affingroup.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 both individuals and SMEs. You can contact AKPK at:

Address: Agensi Kaunseling dan Pengurusan Kredit (AKPK) Level 5 and 6, Menara Aras Raya (formerly known as Menara Bumiputra-Commerce) Jalan Raja Laut, City Centre 50350 Kuala Lumpur.	AKPK Infoline	03-2616 7766
	Fax No.	03-2616 7601
	Operating Hours	9:00 a.m. – 5:00 p.m. (Monday – Friday)

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

Address: Ombudsman Perkhidmatan Kewangan (OFS) (664393P) (Dahulu dikenali sebagai Biro Pengantaraan Kewangan) Tingkat 14, Blok Utama, Menara Takaful Malaysia No. 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur	No Hubungan	03 – 2272 2811
	No. Faks	03 – 2272 1577
	E-mail	enquiry@ofs.org.my
	Laman Web	www.ofs.org.my

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK atau BNMLINK at:

Address: BNMLINK Bank Negara Malaysia P.O. Box 10922 (Peti Surat 10922) 50929 Kuala Lumpur	No. Hubungan Waktu Operasi: 9:00 pg. – 5:00 ptg. (Isnin – Jumaat)	1-300-88-5465
	No. Faks	03-2174 1515
	Borang Web eLINK	https://bnmlink.bnm.gov.my

12. 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

13. Where can I get further information?

Should you require additional information on financing, please visit the Bank branches near you or call our Contact Centre at 03-8230 2222 or visit our website AffinAlways.com for further details.

14. Other facilities available.

Please liaise with your respective Relationship Manager or alternatively, you can also visit us at nearest Bank's branches or Business Center or Direct Channels or logon to AffinAlways.com for more info.

IMPORTANT NOTE:

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

The information provided in this disclosure sheet is valid as at **19 JULY 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 : _____