

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

Product : Financial Supply Chain-i (FSC-i)

Date of Issuance to Customer :

(to be filled out upon application)

1. What is this product about?

- Financial Supply Chain-i (FSC-i) is a Malaysian Ringgit (MYR) facility made available to suppliers to finance their invoices directly or via the Principal Buyers. It bridges cash flow of suppliers who may not have access to have financing on its own in which the facility granted is based on the strength of the Principal Buyers. There are two type of FSC-i as below:
 - (a) **FSC-i Payable**,
Facility extended to Principal Buyer where the financing granted against its local supplier's invoice.
 - (b) **FSC-i Receivable**,
Facility extended directly to the local Supplier based on strength of the Principal Buyer (Anchor Company). The financing is against supplier's invoice.
- The disbursement of the FSC-i shall be done electronically via Financial Supply Chain portal.

2. What is the Shariah concept applicable?

The FSC-i is formulated based on the following Shariah concept:

- FSC-i Payable:**
FSC-i Payable is based on Murabahah concept. It refers to the selling of goods/assets at a price whereby the costs and profit margin (mark-up) are made known and agreed to by both parties. The basic feature of Murabahah is that the seller discloses the actual cost he has incurred in acquiring the goods/assets, and how much profit he is going to charge in addition to the cost.
- FSC-i Receivables**
FSC-i Receivables is based on Bay Al-Dayn Bi Al-Sila' concept. It refers to purchasing of debt in exchange of commodity, followed by disposal of the commodity by customer for cash. It is a financing facility whereby the Bank purchases the Customer's right to the debt in exchange of commodity, which is normally securitized in the form of bill of exchange.

3. What do I get from this product?

a) FSC-i Payable

- As the Principal Buyer you gain the opportunity to improve cash flow by enjoying the extended trade credit terms.
- As a supplier you gain financing of receivables against the approved Buyer's good standing on without recourse basis.

(1) Financing amount*	:	RM_____ (Minimum RM10,000)
(2) Profit Rate:-		
i) Pricing	:	BFR/iCOF + Spread (to be specified by Letter of Offer)
ii) Handling Fee	:	RM50 flat per transaction

b) FSC-i Receivable

- As the Supplier you gain immediate financing of receivables and remove the risk of debt collection.
- As a buyer you gain the opportunity to improve cash flow by enjoying the extended trade credit terms from your Supplier.

(1) Financing amount*	:	RM_____ (Minimum RM10,000)
(2) Profit Rate:-		
i) Pricing	:	BFR/iCOF + Spread (to be specified by Letter of Offer)

* Margin of financing is 100% of the invoice value to be financed.

4. What are my obligations?

- FSC-i is payable on demand, thus Customer must ensure fund is available upon maturity of disbursement.
- Total amount payable to the Bank is inclusive the fees and charges.
- If there is no settlement on maturity date, the facility for the Customer will be frozen immediately.
- The overdue outstanding balance shall be imposed with Compensation Charges at the prevailing Interbank Money Market (IIMM).

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

Fees and charges	Amount (RM)
Handling Fee (Applicable for FSC-i Receivable only)	RM50 flat per transaction
Stamp duties	As per the Stamp Act 1949 (Revised 1989)
²Brokerage Fee	<ul style="list-style-type: none"> • <u>Non SME customers</u> RM10.00 per RM1 million on pro-rate basis • <u>SME customers</u> RM 5.00 per RM1 million on pro-rate basis Note: Applicable for FSC-i Receivable only.
Other fees and charges	Please refer to the Bank's Tariff Charges for Trade Financing-i

Note:

- ¹BFR is subject to change from time to time and the current BFR is at 6.81% p.a.
- ²The Brokerage fee is subject to changes on the brokerage cost charged by the commodity platform provider from time to time.

6. What if I fail to fulfill my obligations?

- Upon maturity of the Facility
The Bank will charge Ta'widh at 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);

$$= \text{Outstanding balance} \times \text{prevailing IIMM} \times \frac{\text{no. of days overdue}}{365}$$
- We have the right to set-off any credit balances in your account maintained with us against any outstanding balances in this financing account by providing seven (7) calendar days of prior notice to you.
- Legal action will be taken if you fail to respond to reminder notices and you will have to bear all costs in relation thereto. You are responsible to settle any shortfall (if any) after legal action has been taken against you.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.
- For other obligations, please refer to Bank's Letter of Offer.

7. What are the major risks?

- Minimum risk in terms of changes in profit rates as the financing rate is fixed for the duration of the financing tenor.
- You may not be allowed to further utilize the financing and recovery process including of legal action may be taken against you to recover the amount due in the event you fail to settle your overdue FSC-i financing.

8. 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:

Customer Feedback & Resolution Management
Level 9, Menara Affin,
Lingkar TRX,
Tun Razak Exchange,
55188 Kuala Lumpur.
Telephone : 03 – 8230 2222
E-mail : YourVoice@affingroup.com
Website : www.affinalways.com
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:
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
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:
Ombudsman for Financial Services (OFS) (664393P)
(Formerly known as Financial Mediation Bureau)
Level 14, Main Block
Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Telephone : 603 – 2272 2811
Fax : 603 – 2272 1577
E-mail : enquiry@ofs.org.my
Website : www.ofs.org.my
- If your query or complaint is not satisfactorily resolved by us, you 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
E-LINK : <https://bnmlink.bnm.gov.my/>

9. What do I need to do if there are changes to my contact details?

- It is important that you inform us (written notice to be sent to the account holding branch) of any changes in your contact information to ensure that all correspondences reach you in a timely manner.
- In accordance of AFFIN ISLAMIC Bank's policy/guidelines and per standard security documents, any change of contact details has to be in writing duly signed off by the customer(s) and addressed to Affin Islamic Bank Berhad.

10. Where can I get further information?

Should you require additional information on financing, please contact us at our nearest branch to you or call our Contact Centre at 03-8230 2222 or visit our web site AffinAlways.com for further details.

11. Other facilities available.

We also offer other Islamic trade bills facilities such as Letter of Credit-i, Shipping Guarantee-i, Bank Guarantee-i, Trust Receipt-i, Flexi Trade Financing-i, Bills Negotiation-i, and Bills Purchased-i. Kindly visit our website www.affinalways.com for further details.

IMPORTANT NOTE:
LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO SERVICE THE
PAYMENT FOR FACILITY.

The information provided in this disclosure sheet is valid as at **20 OCTOBER 2023.**

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 : _____
 Date : _____