



Small Medium Enterprise Development
Bank Malaysia Berhad (49572-H)

MYSMELADY

Date : _____

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take-up the MYSMELADY. Be sure to also read the terms in the Letter of Offer. Seek clarification from your Institution if you do not understand any part of this document or the general terms)

1. What is the Program about?

MySMELady is a financing program specifically for women entrepreneurs which includes asset acquisition and working capital requirement.

2. What is the product(s) offered under the Program?

Commodity Murabahah Term Financing-i (CMTF-i)

CMTF-i is an Islamic term financing for fixed asset acquisition and/or working capital and is calculated based on a fixed or flat or variable rate basis.

3. What is the Shariah concept(s) applicable?

Commodity Murabahah via Tawarruq

Commodity Murabahah is Murabahah (cost-plus-profit) via Tawarruq arrangement. A Tawarruq consists of two sale and purchase contracts. The first involves the sale of a specified commodity (such as crude palm oil) by the Bank to the Customer on a deferred basis at a cost-plus-profit price over an agreed period of time. Subsequently, the Customer will sell the same commodity to a third party on a cash and spot basis.

Wakalah

Wakalah refers to a contract where the Customer, as principal (muwakkil) authorizes the Bank as his agent (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee.

In the Tawarruq arrangement, the Bank acts as an agent to purchase the Shariah-compliant specified commodity (such as crude palm oil) from himself on behalf of the Customer, and subsequently acts as an agent to sell the same commodity on behalf of the Customer to a third party (i.e. Bursa Suq Al-Sila) for commodity trading services.

4. What do I/we get from this Program?

Illustration:

Financing Amount : Minimum : RM500,000.00
Maximum: RM3,000,000.00

Margin of Finance :

- Financing for asset acquisition
 - Up to 80%
- Financing for working capital
 - Up to 100%

Tenure Up to 5 years

Ceiling Profit Rate : 10.30% (BFR* + 4.0% p.a.)

Prevailing Profit Rate :

- For financing amount up to RM1.0 million
 - BFR* + 0.0% p.a. (net after 2.0% profit rate subsidy)
- For financing amount exceeding RM1.0 million
 - BFR* + 2.0% p.a.

Current Base Financing Rate (BFR) is at 6.30% p.a. and may vary from time to time.

5. What are my/our obligations?

- To pay the scheduled payments comprising of principal and profit.
- Payments are generally scheduled on monthly/ quarterly/ half-yearly/ yearly basis.
- To settle all amounts outstanding at or before maturity date.

Important: Your schedule payments may vary if the BFR changes.

i) Illustration for financing amount of RM1.0 million

- Tenure : 5 years
- Ceiling Profit Rate : 10.30% p.a
- Bank's Sale Price : RM1,283,697.47
- Prevailing Profit Rate : BFR + 0% p.a. (net after 2.0% profit rate subsidy)

- Monthly Installment : RM19,472.60
- Total amount of payment at the end of 5 years: RM1,168,356.00

Rate	Today (BFR=6.30%)	If BFR goes up 1%	If BFR goes up 2%
Monthly payment	RM19,472.60	RM19,943.04	RM20,420.27
Total profit cost at the end of 5 years	RM168,356.00	RM196,582.40	RM225,216.20
Total payment amount at the end of 5 years	RM1,168,356.00	RM1,196,582.40	RM1,225,216.20

Note: The above example is only for illustration. The illustration may not show the specific circumstances or obligations of each CMTF-i

ii) Illustration for financing amount of RM1.5 million

CMTF-i 1 of RM1.0 million

- Tenure : 5 years
- Ceiling Profit Rate : 10.30% p.a (BFR + 4.0%)
- Bank's Sale Price : RM1,283,697.47
- Prevailing Profit Rate : BFR + 0% p.a. (net after 2.0% profit rate subsidy)
- Monthly Installment : RM19,472.60
- Total amount of payment at the end of 5 years: RM1,168,356.00

CMTF-i 2 of RM500,000

- Tenure : 5 years
- Ceiling Profit Rate : 10.30% p.a (BFR + 4.0%)
- Bank's Sale Price : RM641,848.73
- Prevailing Profit Rate : BFR + 2% p.a.
- Monthly Installment : RM10,210.14
- Total amount of payment at the end of 5 years: RM612,608.40

Note: The above example is only for illustration. The illustration may not show the specific circumstances or obligations of each CMTF-i

6. What are the charges that I/we have to pay?

a) Stamp Duties:

As per the Stamp Duty Act 1949 (Revised 1989).

b) Legal fee / Company searches:

As charged by the Lawyer.

c) Trading Fee

The trading fee for buying and selling the commodities shall be charged to the customer's as part of fees & charges. The customer shall pay the trading fee of RM10.00 for every RM1,000,000.00 transaction.

d) Valuation report:

As charged by the Valuer (if any).

7. What if I fail to fulfill my obligations?

- Ta'widh (compensation) for Late Payment

Before maturity

1% on overdue Payment for facility within default period as per the following formula:

$$\text{Overdue Installment(s)} \times 1\% \times \text{No. of Overdue day(s)} / 365$$

After maturity

Bank shall collect compensation charges from date of maturity to date of payment on prevailing IIMM rate on outstanding balance, as per the following formula:

$$\text{Outstanding Principal} \times \text{IIMM}\% \times \text{No. of Overdue day(s)} / 365$$

Post Judgement

The court may impose a late payment charge on judgement debt, subsequent to the judgement. The formula for late payment charges on post judgement as following:

$$\text{Judgement Sum} \times \text{IIMM}\% \times \text{No. of Overdue day(s)} / 365$$

Note:

- i. IIMM = Islamic Interbank Money Market
 - ii. The compensation for late payment shall not be compounded or by any other method approved by the Shariah Advisory Council of Bank Negara Malaysia.
- Legal action will be taken if you fail to respond to reminder notices. The security may be enforced and you will have to bear all costs. You are also responsible to settle any shortfall after the security is disposed.

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

In line with BNM Guideline on Ibra' (rebate) for Sale Based Financing, Ibra' shall be granted for early settlement before the end of the financing tenure. Settlement prior to the end of the financing tenure shall include, but is not limited to, the following situations:

- Early settlement or early redemption, including those arising from prepayments;
- Settlement of the original financing contract due to financing restructuring exercise;
- Settlement in the event of default; and
- Settlement in the event of termination or cancellation of financing before the maturity date.

For variable rate financing, the Bank shall grant Ibra' on the difference between Ceiling Rate and Prevailing Profit Rate.

Formula calculation of Ibra':

$$\text{Ibra' (Rebate)} = \text{Unearned Profit} - \text{Early Settlement Charges (if any)}$$

For sample of illustrations comprising customized payment schedule under an ideal situation and an illustration on the application of Ibra' and settlement amount formula, kindly refer to our website at www.smebank.com.my

9. Do I need any Takaful coverage?

Yes. All asset/ property charged/ assigned to the Bank shall be adequately covered under Takaful coverage equivalent to the financing amount with Takaful provider acceptable by the Bank

10. What are the major risks?

- Please be advised that the Prevailing Profit Rate will change according to the changes in the BFR. An increase in the Prevailing Profit Rate may result in higher monthly payments amount.
- For fixed or flat rate, should there be a reduction in Bank's BFR, you may not be able to enjoy any reduction in the agreed profit rate.
- If you have problems meeting your payment obligations, please contact us early to discuss payment alternatives

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

It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in timely manner.

12. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact us as soon as possible to discuss payment alternatives. You may contact us at:

Customer Service Management: 03-2603 7700

Website: www.smebank.com.my

- If you wish to complain about the products and services provided by us, you may contact us at 03-2603 7700 or email us at customercare@smebank.com.my or send your letter to:

Customer Service Management
SME Bank, Level 10, Menara SME Bank
Jalan Sultan Ismail
50250 Kuala Lumpur

- If our reply to your query or complaint is not satisfactory to you, 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: 03-21741515

E-mail: bnmtelelink@bnm.gov.my

13. Where can I get further information?

Should you require additional information of the product, please refer to our brochures, which is available at our nearest branch or our website at www.smebank.com.my or call our Hot Line 03-2603 7700.

For more information on obtaining a financing facility, please refer to *banking info* booklet, available at all our branches and the www.bankinginfo.com.my website.

14. Other financing packages available?

We also provide asset financing/refinancing, working capital financing, contract financing, project financing and other dedicated program financing

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF INSTALMENTS ON YOUR TERM FINANCING-i ARE NOT PAID PROMPTLY ON THE DUE DATES

The information provided in this disclosure sheet is valid as at