

## PRODUCT DISCLOSURE SHEET

### Term Financing-i (Istisna` and Ijarah)

Please read this Product Disclosure Sheet before you decide to take up this product. Be sure to read the general terms and conditions.

Date: \_\_\_\_\_

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

Term Financing-i (Istisna` & Ijarah) is a non-revolving shariah compliant financing facility offered to finance/ part finance contracts or projects particularly the operating expenditure and the construction costs for a specified period. The completed project is then leased to the public and government authority in turn makes annual payments to the private company.

#### 2. What is the Shariah concept applicable?

The Shariah concept applicable for this product is Istisna` and Ijarah. The details as follows:

Istisna`	A contract whereby a seller sells to a purchaser an asset which is yet to be constructed, built or manufactured according to agreed specifications and delivered on an agreed specific future date at an agreed pre-determined price. For avoidance of doubt, Istisna` price amount is equal to the Facility amount.
Ijarah Mausufah Fi Al-Zimmah	A Forward Lease contract that transfers usufruct of an asset for a specified duration in the future based on the agreed specification. Only applicable during construction period.
Ijarah	A leasing contract that transfers usufruct of an asset on an agreed rental over a mutually agreed period. Applicable both during construction period and after delivery of the asset.

#### 3. What do I get from this product?

You will be provided a facility with the following key features:

	Tranche 1	Tranche 2
Facility Amount		
Margin of Financing		
Tenure		
Profit Rate: Variable Rate	BFR/ BR _____ with CPR at _____	BFR/ BR _____ with CPR at _____
or Fixed Rate	at _____	at _____

Note:

- BFR (Base Financing Rate) and BR (Base Rate) will be determined by Bank from time to time.
- Current BFR is 5.50% and BR is 2.65%
- CPR (Ceiling Profit Rate).

#### 4. What are my financial obligations?

- Monthly instalments/ rental: \_\_\_\_\_
- Total amount payable: \_\_\_\_\_
- To settle all amounts outstanding on or before the expiry of the facility tenure i.e. maturity date.

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

The fees and charges for this product as follows:

Item	Details of fees/charges
Stamp Duty	As per Stamp Duty Act 1949 (revised 1989)
Brokerage Fee	RM40 per RM1million transaction on pro-rated basis
Letter of Support	RM50 (Waived for micro enterprises customers)
Legal Fee on Financing documentations	Costs and charges relating to the financing documentation shall be borne by the Customer.

#### 6. What if I fail to fulfil my obligations?

- The Bank shall be entitled to impose and demand from you late payment compensation by way of Ta'widh (compensation charges) for the following:
  - Default payment(s) during Facility tenure: 1% p.a. on overdue amount.
  - Default payment of any sum covenanted to be paid for recalled/terminated cases: 1% p.a. on the outstanding balance (outstanding principal plus accrued profit)
  - Default payment of any outstanding balance after maturity of the facility: Bank Negara Malaysia ("BNM") Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit);
  - Default payment of any outstanding balance post judgment: BNM IIMM rate on the basic judgment sum (excluding legal costs and late payment charges)

Note: i. Compensation charges shall not be compounded;

ii. Compensation charges methodology and rates are subject to changes as may be prescribed by BNM;

iii. Compensation charges are computed on daily basis from the payment due date/ termination date/ maturity date/ judgment date.

- The Bank has the right to set-off any credit balance in your account maintained with us against any outstanding balance in this financing account, however, it would be made known to you.
- The Bank reserves the right to take legal action and all costs incurred will be borne by you. This legal action will have an effect on your credit rating and may lead to difficulties in your future financing applications.

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

- The Bank shall grant Ibra' (rebate) to you (if applicable) where there is :
  - Early settlement or early redemption of the Facility; or
  - Settlement of the original financing contract due to financing restructuring exercise; or
  - Settlement by you in the case of default; or
  - Settlement by you in the event of termination or cancellation of financing before the maturity date.

- The ibra' (rebate) is calculated as follows:

Ibra' at Settlement	=	Remaining Unearned Profit - Early settlement charges (if any)
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**8. Do I need any guarantor or collateral?**

- A guarantor is to be provided if required i.e. where the Facility is unsecured
- Any collateral acceptable by the Bank.  
*Note: However, the above requirement will depend on customer's creditworthiness*

**9. What are the major risks inherent to this product?**

- If the Facility is based on variable rate, an increase in BFR / BR will result to higher instalment but is capped at CPR. The Bank will notify you on changes of instalment amount prior to the effective date.
- Should you encounter any difficulties in meeting your obligations, please contact your dedicated Relationship Manager in advance to discuss other payment alternatives. This is to avoid any legal action against you in the event you are unable to pay your instalment.

**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 correspondence reaches you in a timely manner.
- Please contact 03-2096 3000 or visit the Bank's nearest branch to update the change(s)

**11. Where can I get assistance and redress?**

- If you wish to complain on the products or services provided by us, you may contact us at :  
**Customer Experience Management Dept**  
**7th Floor, Wisma MBSB,**  
**48, Jalan Dungun, Damansara Heights,**  
**50490 Kuala Lumpur**  
**Phone : 03-2096 3000**  
**e-mail : [enquiry@mbsbbank.com](mailto:enquiry@mbsbbank.com)**
- If your query or complaint is not satisfactorily resolved by us, you may contact:  
**Bank Negara Malaysia LINK or TELELINK**  
**Block D, Bank Negara Malaysia,**  
**Jalan Dato' Onn,**  
**50480 Kuala Lumpur.**  
**Phone : 1-300-88-5465**  
**Fax : +603-2174 1515**  
**e-mail : [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)**

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

- Should you require additional information on the product, please visit our website at [www.mbsbbank.com](http://www.mbsbbank.com) or alternatively call your respective Relationship Manager.

**13. Other facilities available?**

- i. Revolving Credit-i
- ii. Term Financing-i (Tawarruq)
- iii. Equipment Financing-i
- iv. Bank Guarantee-i

**IMPORTANT NOTE :**

**LEGAL ACTION MAY BE TAKEN  
AGAINST YOU IF YOU FAIL TO  
SERVICE YOUR PAYMENTS OF THIS  
FACILITY ON A REGULAR BASIS**

The information provided in this disclosure sheet is valid as at \_\_\_\_\_