

PRODUCT DISCLOSURE SHEET

Please be reminded to read and understand this Product Disclosure Sheet before you decide to take up Credit Bills Negotiation-i. Be sure to also read and understand the final terms and conditions which will be documented in the form of Letter of Offer (“LO”) and/or Facility Agreement. You are hereby reminded to always seek and obtain your own independent legal advice. Kindly seek clarification from AmBank Islamic Berhad’s authorised representative if you do not understand any part of this document or the general terms stated herein.

AmBank Islamic Berhad
Credit Bills Negotiation-i
Date: 01 September 2023
1. What is this product about?

Credit Bills Negotiation-i (“CBN-i”) is a short-term financing facility (“Product” / “Facility”) to finance sales/export of goods in which AmBank Islamic (“the Bank”) purchases the debt from you.

2. What are the Shariah concepts applicable?

The Shariah concept applicable for CBN-i is *Bai’ Dayn*. *Bai’ Dayn* is a sale of debt. It refers to sale of debt arising from a deferred payment trade transaction. It is a financing facility whereby the Bank purchases the customer’s right to the debt, which is normally securitized in the form of bill of exchange.

3. What do I get from this product?

The Facility that can assist to fund your business’s working capital with key features as follows:

- (a) Tenure: Up to 180 days
- (b) Profit Rate structure: Fixed (one-time benchmark against Islamic Cost of Fund (“COF”) or any other applicable reference rate.
- (c) Currency: Malaysian Ringgit and foreign currencies acceptable by the Bank.
- (d) Can be financed under Customer CBN-i limit or Financial Institution (FI) limit upon presentation of complying documents without having to utilize customer’s limit.

Formula for Purchase Price (financing amount) calculation:

Purchase Price = Invoice value minus Profit Amount

Formula for profit amount calculation:

Profit Amount = Invoice value x Profit Rate x Tenure / 365*

Note: *Day count convention shall follow leap year.

Illustration:

Invoice Value	RM100,000
Tenure	90 days
Profit Rate	4.25%
Day count in a year	365 days
Profit Amount	RM1,047.95
Purchase Price	RM98,952.05
Commission Rate	0.1% on Invoice Value
Commission Amount	RM300

Disbursement Amount = Purchase Price less other charges (if applicable)

4. What are my roles and obligations?

- (a) You are to ensure Invoice value is settled at maturity date.
- (b) You are required to ensure sufficient funds in your current account with us to debit payment of the financing and applicable fees and charges.
- (c) You are required to ensure your assets/goods in the invoices are Shariah-compliant.
- (d) You are required to ensure your facility limit is active and adequate for utilisation.

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

No.	Type of Fees and Charges	Tariff
1.	Commission	0.1% on bill amount; Min: RM50, Max: RM100 (FCY bill) and RM300 (RM bill)
2.	Document pre-checking fee	RM50 flat
3.	SWIFT Charges	For customer's account: <ul style="list-style-type: none"> • Within Malaysia: RM20 flat • Outside Malaysia: RM40 flat For foreign counterparty's account - USD20 equivalent
4.	Commission in lieu of Exchange on Foreign Currency bills settled in Foreign Currency	0.1% on invoice value; Min: RM50 Max: RM300
5.	RENTAS Payment / Interbank GIRO	RM2 flat
6.	Postage / Registered post	<ul style="list-style-type: none"> • Within Malaysia: RM5 flat • Outside Malaysia: RM20 flat
7.	Courier Services	<ul style="list-style-type: none"> • Within Malaysia: RM15 flat • Outside Malaysia: Subject to destination
8.	Stamp Duty	As per Stamp Duty Act 1949 (Revised 1989)

The fees and charges are exclusive of any taxes, including but not limited to, goods and services tax, value added tax, consumption consumer tax, indirect tax, service tax, sales tax, duties, levies or any other taxes ("Taxes") which may now be or hereafter be imposed by Government of Malaysia.

6. What if I fail to fulfill my obligations?

- (a) In the event that you refuse or fail to perform your financial obligations to pay or such other obligations under the Facility, the Bank shall be entitled to declare an event of default whereupon the Facility will be terminated and you shall pay the Bank all outstanding amount under the Facility.
- (b) In addition to the above, in the event that you refuse or fail to pay any amount on its due dates, you shall pay the Bank late payment charges on such amount due and unpaid at the following rates:

No.	Applicable Period	Late Payment Charges Rate	On the Amount
1	Prior to Maturity	1% per annum, calculated on daily basis	On outstanding balance, to be calculated from the date of cancellation until full settlement of the outstanding balance.
2	After maturity date	Islamic Interbank Money Market ("IIMM") rate per annum calculated on daily basis.	On the outstanding balance, to be calculated from the date of maturity until full settlement.
3	After AmBank Islamic had obtained court judgment against the customer	At IIMM rate per annum calculated on daily basis from the date of court judgment to the settlement date.	On the outstanding balance (excluding legal costs and late payment charges as stated in the judgment), to be calculated from the date of judgment until full settlement of the judgment sum.

Note:

- i. Late payment charges shall not be compounded.
 - ii. Total late payment charges shall not be more than the outstanding principal.
 - iii. Late payment charges and method of calculation thereof are subject to change as may be prescribed by Bank Negara Malaysia.
 - iv. Outstanding balance refers to outstanding principal and earned profit.
 - v. Late payment charges are cumulative and subject to the applicable period.
- (c) Right to set-off: AmBank Islamic has the right to utilise any credit balance in your account(s) maintained with the Bank to settle any payment in arrears under the Facility subject to prior notice to you.
- (d) AmBank Islamic has the right to commence legal action against you and guarantor (if any) and/or liquidate/foreclose the collateral provided (if any) to recover any amount due but unpaid under the Facility. Such legal actions include not limited to bankruptcy/winding up proceedings (if the outstanding amount reaches a certain limit). Repercussions of being adjudged a bankrupt/wound up may result in the hearing and confiscation of your assets.
- (e) Legal action against you may affect the credit rating leading to credit being more difficult or expensive.

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

In case of full payment before the maturity, *Ibra'* (rebate) may be given to you.

8. Do I need any takaful coverage?

Yes, takaful coverage is required to adequately protect the asset. You may choose to take the takaful coverage with any takaful company acceptable by AmBank Islamic.

9. What are the major risks?

- (a) In the event of non-payment, AmBank Islamic has recourse on you for the unpaid financing.
- (b) AmBank Islamic may take legal action if you do not keep up with your payment.
- (c) *You may be exposed to all foreign exchange conversion of fluctuation risks, rates and losses.*

10. Do I need a guarantor or collateral?

- (a) A guarantor(s) is to be provided if required.
- (b) Collateral is to be provided if required and must be acceptable to Shariah.

Note: The requirements above are depending on your creditworthiness.

11. What do I need to do if there is change(s) to contact details?

It is important that you inform us of any change in your contact details to ensure all correspondences reach you in a timely manner. For assistance, you may contact / notify in writing to your respective Relationship Manager.

12. 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:
- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK at:

AmBank Islamic Contact Centre
P.O Box No. 12617, 50784 Kuala Lumpur
Tel: (603) 2178 8888
Email: customer-care@ambankgroup.com

Blok D, Bank Negara Malaysia,
Jalan Dato' Onn,
50450 Kuala Lumpur.
Tel: 1-300-88-5465
Fax: 03-2174 1515
Website: bnmlink.bnm.gov.my

- 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 individuals. You may contact AKPK at:

Level 5 & 6,
Menara Aras Raya
(Formerly known as Menara Bumiputera Commerce)
Jalan Raja Laut, 50350 Kuala Lumpur
Tel: 03-2616 7766
E-mail: enquiry@akpk.org.my

13. Where can I get further information?

For details of benefits, fees and charges, you can visit www.ambankgroup.com

14. Other Islamic trade products available:

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| <ul style="list-style-type: none"> • Trust Receipt-i • Accepted Bills-i • Invoice Financing-i • Foreign Currency Trade Financing-i • Domestic Recourse Factoring-i • Confidential Factoring-i • Sales Ledger Maintenance-i • Back-to-Back Factoring-i | <ul style="list-style-type: none"> • Export Credit Refinancing-i • Outward Bills Purchased-i • Letter of Credit-i • Bank Guarantee-i • Standby Letter of Credit-i • Shipping Guarantee-i • Inward Bills for Collection-i • Outward Bills for Collections-i |
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IMPORTANT! YOUR COLLATERAL MAY BE LIQUIDATED IF YOU DO NOT KEEP UP WITH YOUR PAYMENTS

The information provided in this product disclosure sheet is valid from 01 September 2023 until the next update. Kindly visit www.ambankgroup.com for the latest information.

All calculations and rates above are for illustration purpose only. Terms and conditions apply.

Disclaimer: The actual amount of the facility to be provided by AmBank Islamic Berhad is dependent upon your credit evaluation by AmBank Islamic Berhad. The transmission of this Product Disclosure Sheet to you does not create any obligation by AmBank Islamic Berhad to grant you any facilities.

I /We duly acknowledge that the key contract terms and my/our financial obligations under this financial product had been adequately explained to me by the authorised representative of AmBank Islamic Berhad.

Name:

NRIC No:

Date:

Or

For and on behalf

Registration No:

(Authorised signatory/ Director)

Date: