



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

MY SEED SME SCHEME (MYS3)

Date :

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take-up the My SEED SME Scheme (MYS3). 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?

MYS3 is a program to provide access to Indian entrepreneurs in obtaining financing for their existing business.

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

- **Commodity Murabahah Term Financing-i (CMTF-i)**
CMTF-i is a term financing for fixed asset acquisition and/or working capital and is calculated based on a variable rate basis.
- **Commodity Murabahah Revolving Financing-i (CMRF-i)**
CMRF-i is a revolving financing for working capital purposes and is calculated based on a variable rate basis.
- **Ijarah Thummal Bai` Term Financing-i (ITBTF-i)**
ITBTF-i is a leasing facility for fixed asset acquisition and is calculated based on a variable rate basis.

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

- **Commodity Murabahah/Tawarruq**
A Tawarruq consists of two (2) sale and purchase contracts where the first involves the sale of an asset by the Bank to the customer on a deferred basis and the subsequent sale of the same asset by the customer to a third party on a cash and spot basis.
- **Ijarah Thummal Bai`**
Ijarah Thummal Bai` refers to an Ijarah (leasing) contract to be followed by a Bai` (Sale). Under the first contract, the Bank as owner leases out an asset to the customer as hirer at an agreed rental payment over a specified period. Upon expiry of the leasing period, the hirer enters into a second contract to purchase the asset from the owner at an agreed price.

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

Financing Amount :	Min RM1,000,000.00 Max RM5,000,000.00	Tenure :	Fixed Asset – up to 7 years Fixed Working Capital – up to 5 years
Purpose :	Financing of Fixed Assets (machinery/equipment/vehicle) Financing for Working Capital (raw material only)		Revolving Working Capital – subject to annual review.
Margin of Financing :	Fixed Asset – up to 80% Working Capital – up to 100%	Ceiling Rate :	BFR + 4.0% p.a. (10.95% p.a.)
		Prevailing Rate :	BFR + 1.5% p.a. [current Base Financing Rate (BFR): 6.95% p.a.]

5. What are my/our obligations?

Illustration for CMTF-i:

- Bank's Purchase Price (Financing Amount) : RM1,000,000.00
- Tenure : 5 years
- Ceiling Profit Rate : 10.95% p.a.
- Bank's Sale Price : RM1,303,049.76
- Prevailing Profit Rate : BFR + 1.5% p.a.
- Monthly Instalment : RM20,492.44
- Total amount of payment at the end of 5 years : RM1,229,546.51
- If applicable, Ibra` (rebate) may be granted if there is a difference between Ceiling Profit Rate and Prevailing Profit Rate.

Prevailing Profit Rate	Current BFR = 6.95%	If BFR increase by 1%	If BFR increase by 2%
Monthly instalment	RM20,492.44	RM20,977.44	RM21,467.14
Total profit at the end of 5 years	RM229,546.51	RM258,646.04	RM288,148.40
Total payment amount at the end of 5 years	RM1,229,546.51	RM1,258,646.04	RM1,288,148.40

- Payment can be in the form of cash, cheque or online banking from any participating bank.

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

Illustration for CMRF-i:

- Bank's Purchase Price (Financing Amount) : RM1,000,000.00
- Tenure : 5 years, subject to annual review.
- Ceiling Profit Rate : 10.95% p.a.
- Bank's Sale Price : RM1,547,500.00
- Prevailing Profit Rate : BFR + 1.5% p.a.
- Profit portion shall be paid on monthly by Customer's own fund or utilisation of the facility limit.
- Principal portion shall be paid at the end of the tenure (bullet payment). Any principal portion paid prior to maturity shall reinstate the facility up to the approved limit.
- If applicable, Ibra` (rebate) may be granted if there is a difference between Ceiling Profit Rate and Prevailing Profit Rate.

	1 st Utilisation	2 nd Utilisation
Utilisation Amount	RM250,000.00	RM100,000.00
Accumulated Utilisation Amount	RM250,000.00	RM350,000.00
Available Limit	RM750,000.00	RM650,000.00
Prevailing Profit Rate (BFR + 1.5% p.a.)	8.45% p.a.	8.45% p.a.
Monthly Profit on Accumulated Utilisation Amount	RM1,736.30	RM2,511.85

- Payment can be in the form of cash, cheque or online banking from any participating bank.

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

Illustration for ITBTF-i:

- Bank's Purchase Price (Financing Amount) : RM1,000,000.00
- Tenure : 5 years
- Ceiling Rental Rate : 10.95% p.a.
- Total Rental : RM1,303,049.76
- Prevailing Rental Rate : BFR + 1.5% p.a.
- Monthly Instalment : RM20,492.44
- Total amount of payment at the end of 5 years : RM1,229,546.51
- If applicable, Ibra` (rebate) may be granted if there is a difference between Ceiling Rental Rate and Prevailing Rental Rate.

Prevailing Profit Rate	Current BFR = 6.95%	If BFR increase by 1%	If BFR increase by 2%
Monthly instalment	RM20,492.44	RM20,977.44	RM21,467.14
Total profit at the end of 5 years	RM229,546.51	RM258,646.04	RM288,148.40
Total payment amount at the end of 5 years	RM1,229,546.51	RM1,258,646.04	RM1,288,148.40

- Payment can be in the form of cash, cheque or online banking from any participating bank.

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

6. When I/we will be granted the Ibra` (rebate)?

Ibra` (rebate) shall be granted to you when you settle the facility 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:

- a) early settlement or early redemption, including those arising from prepayments;
- b) settlement of the original financing contract due to financing restructuring exercise;
- c) settlement in the case of default; and
- d) settlement in the event of termination or cancellation of financing before the maturity date.

If applicable, Ibra` (rebate) may be granted if there is a difference between Ceiling Rate and Prevailing Rate.

7. 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) Brokerage Fee

The fees payable is shared equally between the Bank and the customer.

d) Valuation report:

As charged by the Valuer.

e) Takaful/Insurance coverage:

Takaful/Insurance coverage is mandatory if the asset is given as security for the financing.

f) Late payment charges:

- Before Maturity – $\text{Overdue Instalment(s)} \times 1.0\% \times \text{No. of Day(s) Overdue} / 365$
- After Maturity – $\text{Outstanding Balance} \times \text{IIMMR} \times \text{No. of Day(s) Overdue} / 365$
- Post Judgement – $\text{Judgement Sum} \times \text{IIMMR} \times \text{No. of Day(s) Overdue} / 365$

Note: IIMMR = Islamic Interbank Money Market Rate (%)

8. What if I/we fail to fulfill my/our obligations?

- Late payment charges stated above will increase the total outstanding.
- If your monthly instalment remains unpaid after 6 months, your financing account shall be classified as Non-Performing Financing (NPF). This will affect your further utilisation of other banking facilities with the Bank.
- 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.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

9. What if I/we fully settle the financing before its maturity?

Depending on the specific terms of each facility, you may be subject to early settlement charges if you fully settle during the Lock-in Period (if any).

10. Do I/we need a guarantor or collateral?

The Bank will evaluate this requirement and advise you on it before we offer the CMTF-i/CMRF-i/ITBF-i facility(ies) under the Program.

11. What are the major risks?

The profit/rental rate for this financing is on variable rate and might change according to the changes in the BFR. An increase in BFR may result in higher payment amount.

12. What do I/we need to do if there are changes to my/our 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.

13. Where can I/we 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 Contact Centre: 1-800-88-3131

Website: www.smebank.com.my

- If you wish to complaint about the products and services provided by us, you may contact us at 1-800-88-3131 or email us at customercare@smebank.com.my or send your letter to:

Head of Customer Service Management
Level 8, 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 BNM TELELINK at:

Tingkat Bawah, Block D
Bank Negara Malaysia
Peti Surat 10922
50929 Kuala Lumpur
Tel: 1-300-88-5465
Fax: 03-21741515
E-mail: bnmtelelink@bnm.gov.my

14. Where can I/we 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 Contact Centre 1800 88 3131.

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.

15. Other asset financing packages available?

The Bank also provide asset financing, working capital financing, contract financing, i-EPF, CMTF-i, CMRF-i, and dedicated product programs such as i-SPLASH, i-REACH and i-SURF.

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF PAYMENTS ON YOUR FINANCING FACILITY(IES) ARE NOT PAID PROMPTLY ON THE DUE DATES

The information provided in this disclosure sheet is valid as at **14 June 2016**