

**APPENDIX 1**

**PART I : PROJECT FINANCING**

1) Please give an estimated percentage (%) of the non – Muslim clients under Mudharabah and Musyarakah.

| Project-financing : | % |
|---------------------|---|
| Mudharabah          |   |
| Musyarakah          |   |
| BBA                 |   |
| Al-Istisnaa         |   |
| Al-Ijarah           |   |

2) Please state the Profit and Loss sharing ratio arrangement with regards to the following products :-

| Range of Profit (%)   |         |         |
|-----------------------|---------|---------|
|                       | Minimum | Maximum |
| Mudharabah financing  |         |         |
| Musyarakah financing  |         |         |
| BBA financing         |         |         |
| Al-Istisnaa financing |         |         |
| Al-Ijarah leasing     |         |         |

3) Please state the minimum and maximum charged according to the types of project financing.

| Range of profit % |         |         |
|-------------------|---------|---------|
| Types of projects | Minimum | Maximum |
| Infrastructure    |         |         |
| Residential       |         |         |
| Non-residential   |         |         |
| Real-estate       |         |         |
| Manufacturing     |         |         |
| Agriculture       |         |         |
| Others            |         |         |

4) State the proportion of funds obtained for project-financing from the following sources .

|            | Deposits | Syndication | Securitisation | Others |
|------------|----------|-------------|----------------|--------|
| Mudharabah |          |             |                |        |
| Musyarakah |          |             |                |        |
| BBA        |          |             |                |        |
| Al-Istinaa |          |             |                |        |
| Al-Ijarah  |          |             |                |        |

5) a) The following are the types of project risks that are faced in project-financing.

Please rate the risks according to the following scale.

|   | 1<br>Least<br>frequently<br>faced | 2 | 3 | 4 | 5<br>Most<br>frequently<br>faced |
|---|-----------------------------------|---|---|---|----------------------------------|
| Completion risk                                 |                                   |   |   |   |                                  |
| Technical risk                                  |                                   |   |   |   |                                  |
| Operating risk                                  |                                   |   |   |   |                                  |
| Marketing and sales risk                        |                                   |   |   |   |                                  |
| Financial risk                                  |                                   |   |   |   |                                  |
| Political,economy,social and technological risk |                                   |   |   |   |                                  |

b) What are the steps taken to minimise the above risks ?

c) How do you conclude that the project undertaken is a profitable one?

d)How do you ensure that the project will be completed within the tenor given?

6) Does the bank finance a project that has no collateral?

YES

☐

NO

☐

a) If YES , what do you normally accept as collateral?

b) What is the percentage of collateral value required to obtain a loan?

7) How often do you finance the following type of projects.

| Projects        | 1<br>Never | 2<br>Rarely | 3<br>Sometimes | 4<br>Often | 5<br>Regularly |
|-----------------|------------|-------------|----------------|------------|----------------|
| Infrastructure  |            |             |                |            |                |
| Residential     |            |             |                |            |                |
| Non-Residential |            |             |                |            |                |
| Real-Estate     |            |             |                |            |                |
| Manufacturing   |            |             |                |            |                |
| Agriculture     |            |             |                |            |                |
| Others          |            |             |                |            |                |

8) Please state below who has been your clients for the past three (3) years.

|                 | Mudharabah | Musyarakah |
|-----------------|------------|------------|
| Private sectors |            |            |
| Semi-government |            |            |
| Government      |            |            |
| Others          |            |            |

9) Could you explain :

a) how the profit on mudharabah is calculated

b) what is the ruling concerning the profit sharing ratio?

10) Could you explain

a) how the profit and loss on musyarakah is calculated

b) what is the ruling concerning the profit and loss sharing ratio?

11) How do the bank fix the profit or loss sharing ratio?

a) mutual consent (discretionary)

b) general notification or one applicable ratio for all the borrowers

c) others, please specify \_\_\_\_\_

12) The following are the likely problems faced by the banks in terms of project financing under Mudharabah and Musyarakah.

Please rate the problems according to the following scale.

|  | 1<br>Least<br>frequently<br>faced | 2 | 3 | 4 | 5<br>Most<br>frequently<br>faced |
|--|-----------------------------------|---|---|---|----------------------------------|
| Shortage of personnel  |                                   |   |   |   |                                  |
| Inadequate Profit-Loss sharing deposit(PLS) deposits to meet the PLS financing |                                   |   |   |   |                                  |
| Unable to mitigate the risk  |                                   |   |   |   |                                  |
| Competing with conventional banks on the same products                         |                                   |   |   |   |                                  |
| Lack of specialised skill in evaluating the project                            |                                   |   |   |   |                                  |
| Lack of training on the product itself   |                                   |   |   |   |                                  |
| Others :- a)   |                                   |   |   |   |                                  |
| b)   |                                   |   |   |   |                                  |

|    |  |  |  |  |  |
|----|--|--|--|--|--|
| c) |  |  |  |  |  |
|----|--|--|--|--|--|

13) How do you evaluate a project under Islamic principle ?

14) a) Is similar analysis done on the existing (on-going) projects undertaken ?

YES

☐
☐

b) Is the same profit and loss sharing ratio applicable to new projects and on-going projects undertaken ?

|                   | Profit and Loss sharing ratio |
|-------------------|-------------------------------|
| New projects      |                               |
| Existing projects |                               |

15) Please indicate the tenor given:

|            | Minimum | Maximum |
|------------|---------|---------|
| Mudharabah |         |         |
| Musyarakah |         |         |
| BBA        |         |         |
| Al-Istinaa |         |         |
| Al-Ijarah  |         |         |

16) a) Can the above tenor be extended

b) on what basis?

17) When does the termination of the agreement becomes necessary before the project is completed?

18) What is the probability of successful loan applications to total applications?

**PART II : OTHER INFORMATION**

19) Do your bank conduct an initial training on SPTF scheme for credit officers ?

YES ☐

NO ☐

20) If YES,

- a) how frequently it is conducted ?
- b) or is there any refresher courses for the credit officers ?

The following information is required for classification of banks into various categories:

21) This bank is a

☐ Locally incorporated domestic bank

☐ Locally incorporated foreign bank

22) What is the percentage of branches with Islamic banking division (as at 31.12.1999)?

23) Total assets (as at 31.12.1999)

- a) Less than RM 2 Billion
- b) RM 2.1 Billion – RM 5 Billion
- c) RM 5.01 Billion – RM 10 Billion
- d) More than 10.0 Billion

24) Total deposit (as at 31.12.1999)

- a) Less than RM 2 Billion
- b) RM 2.1 Billion – RM 5 Billion

- c) RM 5.01 Billion – RM 10 Billion
- d) More than 10.0 billion

25) Total Mudharabah deposit (as at 31.12.1999)

- a) Less than RM 2 Million
- b) RM 2.01 Million – RM 5 Million
- c) RM 5.01 Million - RM 10 Million
- d) More than RM 10 Million

26) Total PLS financing (as at 31.12.1999)

- a) under Mudharabah
- b) under Musyarakah

In concluding the above questionnaire, the following reference of the respondent is necessary.

Qualification :  
 Length of time with the bank :  
 Credit experience :  
 Credit experience in Islamic banking: