

PRODUCT DISCLOSURE SHEET

Date : dd/mm/yy (To be filled by Branches)

(Please read and understand the Product Disclosure Sheet together with the terms and conditions before you decide to apply or accept the offer of Ar-Rahnu Scheme)

1. What is the product about?

a) Agrobank's Ar-Rahnu scheme is an Islamic pawn broking that allows gold jewellery to be used as a surety against credit. The Bank will retain the gold jewellery as collateral and will charge fees for safekeeping services of the same. The Bank will grant loan to the customer which the amount to be granted will be assessed on the prevailing market value of the gold jewellery. However, the loan amount will be lower than the value of the gold jewellery depends on the loan margin (%) determined by the Bank and type of gold. The safekeeping period and fees are predetermined and agreed upon by both parties (Bank and customer).

b) Product Features

Eligibility criteria	Individuals aged 18 years – 70 years Status of Malaysia citizen
Type of jewellery	Gold grade 999, 950, 916, 875, 835 and 750 (without any precious stone)
Loan margin	Maximum : up to 70% from current market value of the jewellery Market values are based on the type of gold pledged.
Tenure and extension period	<u>Tenure</u> 6 months <u>Extension period</u> Will be given for another 6 months if the entire safekeeping fee has been paid. *Subject to changes.
Exposure	Bank will do the evaluation on the collateral price based on the current price of the gold. If the balance exceeded from the exposure amount of 90% from the current gold price at the extension period, the customer is required to pay the difference between outstanding balance and exposure amount so that the current loan balance does not exceed the prescribed amount of exposure.
Payment	Customer can pay off the loan and safekeeping fee gradually within the 6 month period or reclaim jewellery by paying lump sum before or on the maturity date.

2. What Shariah concept is applicable?

The shariah concept applicable are:

a) Al-Qard

It is a loan granted to customer where the same amount is to be paid back to the Bank upon maturity period.

b) Ar-Rahn

Under this principle, Ar-Rahnu scheme allows the customer to obtain cash instantly by providing valuables such as jewelleries as collateral to the Bank.

c) Wadiah Yad Dhamanah

i. An agreement for placement of goods or money between the Bank and the customer for safety purposes, where the bank will charge the customer with appropriate rates based on specified formula.

ii. The Bank is required to replace the item(s) or the equivalent value that is mutually-agreed to the customer in the case of loss.

3. What do I get from this product?

Ar-Rahnu is a simple way to obtain cash by providing gold jewellery in which the Bank will charge a fixed reasonable fee for safe keeping the customer's gold jewellery.

4. What are my obligations?

- a) The Customer has to pay the loan and monthly safekeeping fee. The said fees is to be paid full upon expiry, redemption or extension of period of the facility (whichever applicable)
- b) For extension period, the customer has to pay the difference between outstanding balance and exposure amount so that the current balance loan does not exceed the prescribed amount of exposure.

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

- a) Customer has to pay for the monthly safekeeping fees and all related charges (if any) in order for the Bank to safe keep the gold jewellery. The fee is fixed according to the value of the pawned gold jewellery (marhun).

Marhun value	Monthly safekeeping fees per RM100.00
RM100-RM2000	RM0.50
RM2001-RM5000	RM0.60
Above RM5001	RM0.75

Sample of fee calculation

Marhun Value	:	RM10,000.00
Safekeeping Fee	:	RM0.75
Loan Tenure	:	6 months
Total Safekeeping Fee	:	$\frac{\text{Marhun Value} \times \text{RM0.75} \times \text{Loan Tenure}}{100}$
		$\frac{\text{RM10,000.00} \times \text{RM0.75} \times \text{6 Months}}{100}$
		RM450.00

Fee calculation for extension period is based on the original marhun value or as determined by Bank. The Bank has the right to hold a savings account for the safekeeping fee payment.

- b) Customer need to pay if the total outstanding balances exceed the total exposure of 90% from the current gold price at the extension period.

Sample of exposure calculation:

Application date	:	1/1/2014
Marhun value	:	RM10,000
Loan amount	:	RM7,000
Loan margin	:	70%
Safekeeping fee	:	RM450
Due date	:	1/7/2014

When extension period made by customer on 1/7/2014, there are changes to the marhun value and exposure limit as follows:

Current Marhun Value	:	RM7,500
Outstanding Balance	:	RM7,000
Real Exposure	:	93%

Accordingly, the outstanding loan must be reduced below the exposure allowed of 90% as follows:

Current marhun value	:	RM7,500
90% of the exposure allowed	:	RM7,500 X 90%
	:	RM6,750
Outstanding loan	:	RM7,000
The loan amount should be reduced	:	RM7,000 – RM6,750
	:	RM250

Therefore, customers need to pay the entire amount before making further period as follows:

The total amount to be paid	:	Safekeeping fee + exposure exceed
The loan amount should be reduced	:	RM450 + RM250
	:	RM 700

Note : The bank will send at least 21 days notice to customers before any change is made to the fees and charges.

6. What if I fail to fulfil my obligations?

If the customer is unable to pay the amount owed along with the safekeeping fee at the end of the tenure, the Bank has the right to dispose the gold jewellery in order to settle the loan amount together with the safekeeping fees incurred and other fees related with the sale.

7. What is the safekeeping fee for early redemption?

Safekeeping fee will be charged up to the month when the customer wants to make an early settlement. Customers are given the option to pay the safekeeping fee during the pawn executed for the next extension period. Safekeeping calculation for an extension period is based on the original marhun or as determined by the Bank. The Bank has the right to hold a savings account for the safekeeping fee payment.

8. Do I need any Takaful coverage?

No.

9. What are the major risks?

Customer may redeem or extend the period of the facility as long the gold jewellery has yet to be auctioned by the Bank. The Bank has the right to auction off the gold jewellery used as the collateral to settle the loan amount and safekeeping fee if customer failed to pay the total amount due to at the maturity or at any extension period. (Wherever applicable).

If the proceeds from the jewellery auction is not enough to settle the balance of loan and safekeeping fees; the Bank is entitled to claim from the customer to settle the shortage(s) separately.

Takaful protection rate of pawned item is according to the original pawn valuation. The Bank will provide the compensation with the same rate as to the original pawn valuation in the case of damage / loss of item.

10. Do I need a guarantor or collateral?

No guarantor is required.

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 correspondence reach you in a timely manner. To update your contact details, you may contact:

- Tel : 1-300-88-2476 • Email : customer@agrobank.com.my • Fax: 603-2691 7790

12. Where can I get assistance and redress?

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

Agrobank, Corporate Communications & Public Relations Department , Bangunan Agrobank, Leboh Pasar Besar, Peti Surat 10815, 50726 Kuala Lumpur. • Tel: 1-300-88-2476 • Fax: 603-2691 7790 • Email: customer@agrobank.com.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 and debt restructuring for individuals. You can contact AKPK at:

Tingkat 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur. •Tel: 1-800-22-2575 •Email: enquiry@akpk.org.my

- If you have any complaint on the products or services provided by us, you may contact us at:
Agrobank, Corporate Communications & Public Relations Department , Bangunan Agrobank, Leboh Pasar Besar, Peti Surat 10815, 50726 Kuala Lumpur. • Tel: 1-300-88-2476 • Fax: 603-2691 7790 • Email: customer@agrobank.com.my

- If your query or complaint is not satisfactorily resolved by us, 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 •Email: bnmtelelink@bnm.gov.my •Fax: 603-2174 1515

13. Where can I get further information?

For further information or any inquiries, please visit any nearby Agrobank branches or kindly contact us at :
Bangunan Agrobank, Leboh Pasar Besar, Peti Surat 10815, 50726 Kuala Lumpur. • Tel: 1-300-88-2476 • Fax: 603-2691 7790 • Email: customer@agrobank.com.my

14. Other similar products?

Nil

15. If customers are interested with this product, what other product that may be preferred / relevant to the customers? (additional information)?

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OTHER INFORMATION

- The information provided in this disclosure sheet is valid as at date hereof.
- You are advised to carefully consider all risk factors before deciding to apply for the financing.

IMPORTANT NOTE:

THE BANK IS ENTITLED TO AUCTION OFF YOUR GOLD JEWELLERY IF YOU DO NOT PAY THE LOAN, SAFEKEEPING FEE OR OTHER FEE RELATED TO THE SALE.

THE BANK CAN SUE CHARGOR IF THE GOODS ARE FAKE.

The information provided in this disclosure sheet is valid as at **dd/mm/yy**.

Disclaimer:

The terms and conditions indicated in this Product Disclosure Sheet are tentative/indicative and not binding on the Bank. The final Terms and conditions are as stipulated in the Surat Akuan Gadaian (SAG) and loan approval.

The Personal Data Protection Act 2010 came into effect on 15 November 2013. Please visit our nearest branch or website www.agrobank.com.my if you have any enquiries.