

PRODUCT DISCLOSURE SHEET

Date : _____ (To be filled by Branches)

[Please read and understand this Product Disclosure Sheet together with the terms and conditions before you decide to apply or to accept the offer of Hartani-i financing facility.]

1. What is this product about?

Hartani-i provides financing facility to the Government Servant or Private Sector Employees and Stable Income Earner for the purpose to purchase and develop agriculture land. Purchase of land includes directly purchase from the vendor or through public auction or purchase of land that will be or have been auctioned by Bank Pertanian Malaysia Berhad (Agrobank). The Bank will only consider the financing if the land to be purchased has the individual title or the land has been sub-divided and/or the land which individual title is to be issued.

2. What is the Shariah concept applicable?

A *tawarruq* consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis. Through this financing, the Bank will buy the commodity (a prepaid credit or any other commodity as advised by the commodity) from the Commodity Broker at cost price (based on the financing amount). Subsequently the Bank sells the commodity to the Customer at cost plus profit (Murabahah) on a deferred payment. Next, the Customer appoints the Bank as an agent (*wakalah*) to sell the commodity at cost price in cash to a third party, on a cash basis. Proceeds of sale will be credited to Customer's account as financing amount required by the Customer. Commodity applies for *Tawarruq* transaction is subject to the Commodity Broker.

3. What are the benefits of this product?

The benefits of this product are as per below:

Financing Limit	<ul style="list-style-type: none"> Margin of financing up to 90% based on applicant's eligibility limit.
Financing Tenure	<ul style="list-style-type: none"> Maximum financing period is 240 months (20 years) or until the age of 60 years on the maturity date of the financing (whichever is earlier).
Rate	<ul style="list-style-type: none"> <u>Profit Rate</u> Up to Base Rate (BR) +4.10% per annum on monthly rest basis *Subject to Margin of Financing and customer's credit evaluation <u>Ceilings Profit Rate (CPR)</u> BR + 7.15% p.a. or 10% p.a.; whichever is higher for the calculation of Sale Price <u>Effective Profit Rate (EPR)</u> At the current rate and did not exceed the ceiling profit rate charged and is calculated on a monthly balance. <p>Note : Current BR is at 3.60%</p>

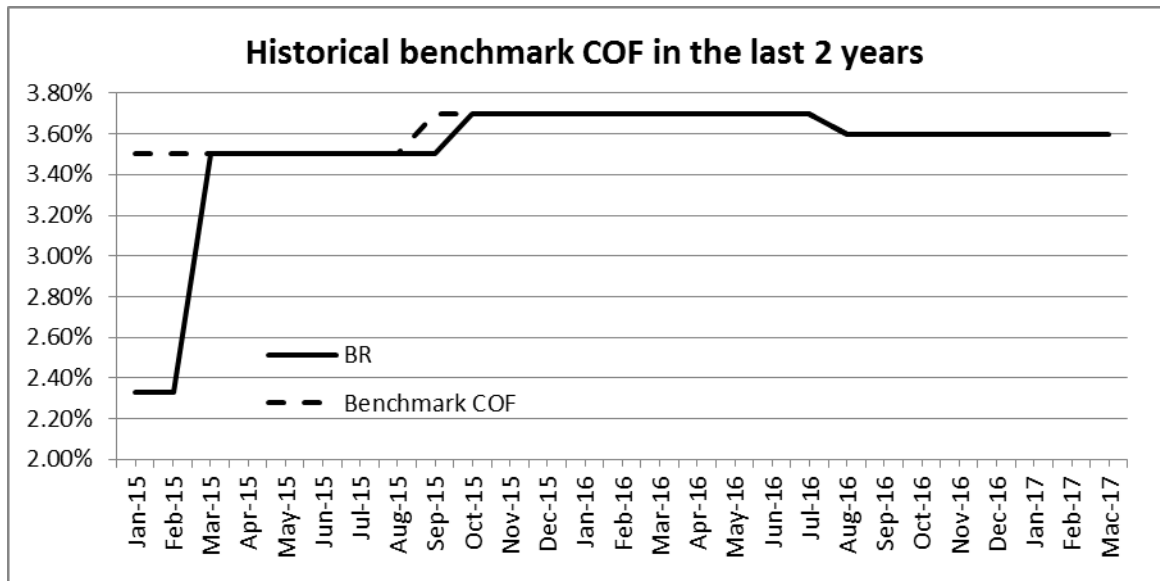
4. What is the base rate (BR)?

The BR we offer on this product is made up to two parts, our benchmark cost of funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia. Our benchmark COF reflects the cost of raising new funds and is based on Fixed Return Islamic Account-i (FRIA-i).

5. What are possible scenarios to trigger a change in the BR?

Our BR can rise or fall due to changes in the benchmark COF. Changes in the benchmark COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as market’s rates.

6. Historical benchmark COF in the last two (2) years.



7. What are my obligations?

- Customers are required to pay the following:-
 - a. Make a payment on or before 1st of each month
 - b. Payment of Takaful contributions
 - c. Other payments related to the financing
- Execute *akad* for *Tawarruq* transaction

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

Fees and Charges	Details of Fees and Charges
Stamping Fees	As per the Stamp Act 1949 (Revised 1989).
Legal & Disbursement Fees	Include solicitor's fees for financing documentation, registration of charge, land search and bankruptcy search and others related charges.
Brokerage Fee	Brokerage fee for every successful <i>Tawarruq</i> transaction is at RM 50 (Subject to GST at 6%)

Note :

- The Bank will notify at least 21 days' notice before any changes made to the fees and charges.
- Please be informed that effective 1 April 2015, Goods and Services Tax ("GST") of 6% will be imposed on fees and charges (where applicable) for products and services offered by Agrobank.

9. What happens if I fail to fulfill the obligations as required?

- The Bank shall have the right to impose and claim for compensation (*Ta'widh*) from the Customer on the Bank's loss due to the Customer's default/failure in the instalment payment, the balance of the Sale price or any other payment payable by the Customer to the Bank is calculated from the date the payment becomes due until settlement based on the following guidelines issued by Bank Negara Malaysia Shariah Advisory Council's resolution:
 - i. Prior to maturity date, *Ta'widh* is charged at a rate of 1% per annum on the overdue amount is calculated on a daily basis.
 - ii. Upon maturity date, *Ta'widh* is charged at the prevailing Islamic Interbank Money Market (IIMM) rate on the entire principal balance as determined by the Bank from time to time based on the guidelines issued by Bank Negara Malaysia Shariah Advisory Council's resolution.
- Legal action will be taken if the customer fails to comply with the reminder notices issued by the Bank

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

Rebate (*Ibra'*) shall be granted to you based on the formula set out below, in the event of any of the following scenarios (but not limited to):-

- i. Early settlement or early redemption or prepayments;
- ii. Settlement of the financing due to restructuring exercise;
- iii. Settlement by the Customer in the case of default whereby even though the Customer is in default, the Customer makes full settlement of the indebtedness under the financing before maturity date;
- iv. Settlement by the Customer in the event of termination or cancellation of financing before maturity date.

Rebate (*Ibra'*) will be calculated based on the following formula:

$$Ibra' \text{ at Early Settlement} = \text{Deferred Profit} - \text{Early Settlement Charges}$$

$$\text{Settlement Amount} = \text{Outstanding Selling Price} + \text{Instalments Due} + \text{Late Payment Charges (if any)} - Ibra'$$

11. Do I need any Takaful coverage?

Customer is compulsory to take skim Takaful Kredit to secure the indebtedness amount under the financing. However, customers are allowed to choose non-panel takaful provider. The takaful protection plan is necessary to cover your outstanding financing and / or term of coverage in the event of any unfortunate circumstances.

12. What are the major risks?

- In the event of customer failed to settle the outstanding amount of financing, Bank has the right to take or foreclose or sell the project site (land) which has been charged together with any additional collateral (land) or the Bank has the right to take legal action against the customer and/or guarantor.
- If the customer fails to reply to SMS or any other medium of *akad* as advised by the Bank, customer shall be at the risk of not obtaining the financing as per requested. Thus, it shall be customer's responsibility to response to the *akad* via medium of *akad* as advised by the Bank.

13. Do I need a guarantor or collateral?

Yes. A land shall be taken as collateral. However, if the collateral value is insufficient, additional collateral shall be taken and/ or the customer shall provide a guarantor.

14. What should I 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 correspondences reach you in a timely manner. To update your contact details, please contact:

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

15. Where can I get assistance and redress?

- If you have difficulties in making payments, please do not hesitate to contact us in advance to discuss alternatives repayment. You can contact us at:
Agrobank, 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 financial management services credit counselling and debt restructuring for individuals. Please 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 wish to make a complaint about the products or services provided by us, please contact us at:
Agrobank, Client Relationship Management, Corporate Communications 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 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 • Fax: 603-2174 1515 • Email : bnmtelelink@bnm.gov.my

16. Where can I get further information?

For more information or inquiries, please go to any nearby Agrobank 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

17. If customers are interested with this product, what other product/ program that may be preferred / relevant to the customers?

Nil.

OTHER INFORMATION

- The information provided in this Product Disclosure Sheet is valid as at date hereof.
- Customers are advised to carefully consider all risk factors before deciding to apply for the financing.
- Customer is required to reply to SMS or any other mediums of *akad* as advised by the Bank as a purchase and sale *akad* in order to complete the *Tawarruq* transaction.

IMPORTANT NOTE:**LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR PEMBIAYAAN HARTANI-*i*.****Disclaimer:**

The terms and conditions indicated in this Product Disclosure Sheet are tentative / indicative only and are not binding on the Bank. The final terms and conditions as stipulated in the Letter of Offer and Facility Agreement after credit assessment and financing 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.

I / We hereby accept and understand the contents of the above Product Disclosure Sheet as explanation given to me / us.		
Signature	:	
Name	:	
NRIC	:	
Date	:	