

**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 Term Financing-*i*]**

**1. What is the product about?**

Term Financing-*i* is a Syariah compliant financing facility provided to the customer for carrying out the activities or projects that have relevance to the agricultural sector.

**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. The Bank will buy the commodity (crude palm oil (CPO), plastic resin or any other commodity as advised by the Commodity Supplier) 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. 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 is the benefit of this product?**

The benefit of this product as per below:

- To purchase assets, goods, or services
- To redeem the assets.
- To obtain the working capital.
- For refinancing
- For restructuring

This product offers a financing facility with the following key features:

<b>Financing Limit</b>	<ul style="list-style-type: none"> <li>▪ Up to maximum of 100% of total cost project</li> </ul>
<b>Financing Tenure</b>	<ul style="list-style-type: none"> <li>▪ Minimum: 1 year</li> <li>▪ Maximum: Subject to the Bank's current policy.</li> </ul>
<b>Rate</b>	<ul style="list-style-type: none"> <li>▪ <u>Profit Rate</u> Subject to the Bank's current policy.</li> <li>▪ <u>Ceiling Profit Rate (CPR)</u> BFR + 4% per annum or 10 % per annum, whichever is higher for the calculation of the sales price.</li> <li>▪ <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</li> </ul>

**Note :** Current Base Financing Rate (BFR) is 7.00% and will be determined by Agrobank from time to time.

**4. What are my obligations?**

- Make payment based on sale price (total amount plus profit payable)
- Execute *akad* for the *Tawarruq* transaction

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

Fee	Details of Fee
<b>Stamping Fee</b>	As per the Stamp Duty Act 1949 (Revised 1989).
<b>Legal &amp; Disbursement Fee</b>	Include solicitor's fees for financing documentation, registration of charge, land search and bankruptcy search and others related charges.
<b>Takaful Contribution</b>	Based on financing amount approved.
<b>Brokerage Fee</b>	Brokerage Fee for every successful <i>Tawarruq</i> transaction is at RM 15 for every millions of commodity purchasing amount. (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.

**6. 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.

**7. 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:-

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

#### 8. Do I need any Takaful coverage?

Customer is compulsory to take skim Takaful Kredit to secure the indebtedness amount under the financing. However, customers 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.

#### 9. What are the major risks?

- For the financing based on the Base Financing Rate (BFR), the profit rate is pegged against the Bank's BFR which may fluctuate from time to time. In the event of BFR increases, the effective profit rate also may increase where higher monthly instalment may be imposed to the customer. However, the Effective Profit Rate (EPR) shall be subjected to the Ceiling Rate allocated by the Bank.
- If customer failed to reply to email, fax or any other medium of *akad* as advised by the Bank, customer would be at risk of not obtaining the financing as per requested. Therefore, it shall be customer's responsibility to response to the *akad* via medium of *akad* advised by the Bank.

#### 10. Do I need a guarantor or collateral?

Yes. Collateral and/or a guarantee are required by the Bank.

#### 11. What should I do if there are changes to my contact details?

It is important for you to inform us of any changes 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](mailto:customer@agrobank.com.my)

#### 12. 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 payment. Please 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](mailto: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](mailto: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, 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](mailto: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](mailto:bnmtelelink@bnm.gov.my)

**13. Where can I get further information?**

For more information or 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](mailto:customer@agrobank.com.my)

**14. 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 email, fax 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 TERM FINANCING-*i* FACILITY.**

**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 are 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](http://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	:	