

**PRODUCT DISCLOSURE SHEET**

Date : \_\_\_\_\_ (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 Special Advance for Investment Assets-i (SAFIA-i)]**

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

Special Advance for Investment Asset-i (SAFIA- i) is short term financing facility offered to Agrobank’s Term Deposit-i account holder. This facility allows customer to obtain cash flow to meet their financial needs without having to uplift their Term Deposit-i account.

**2. What Shariah concept is 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 provider) 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 is the benefit of this product?**

The benefit of this product as per below:

<b>Financing Limit</b>	Minimum RM5,000.00 Maximum up to 150% from the Term Deposit-i amount.		
<b>Financing Tenure</b>	Tenure will be based on the margin of financing as per below: -		
	Margin of financing up to 100%	Margin of financing up to 150%	
	<ul style="list-style-type: none"> <li>▪ Minimum 3 month</li> <li>▪ Maximum 12 month</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimum 3 month</li> <li>▪ Maximum 36 month</li> </ul>	
<b>Profit Rate</b>	Profit rate will be based on the margin of financing as per below: -		
	Margin of Financing	Agriculture Sector and Food Industry	Non-Agriculture Sector and Food Industry
	Up to 100%	Term Deposit- i profit rate + 1.0% p.a.	Term Deposit- i profit rate + 2.00% p.a.
	Up to 150%	<u>First 100% financing:</u> Term Deposit- i profit rate + 1.0% p.a.  <u>For the next 101%-150%</u> Base Rate (BR) + 3.85% p.a.	<u>First 100% financing:</u> Term Deposit- i profit rate + 2.0%p.a.  <u>For the next 101%-150%</u> BR + 4.35% p.a.

	<ul style="list-style-type: none"> <li>▪ <u>Ceiling Profit Rate (CPR)</u> BR + 7.15% p.a. or 10% p.a.; whichever is higher for the calculation of Sale 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> <p>Note: Current BR is at 2.35%</p>
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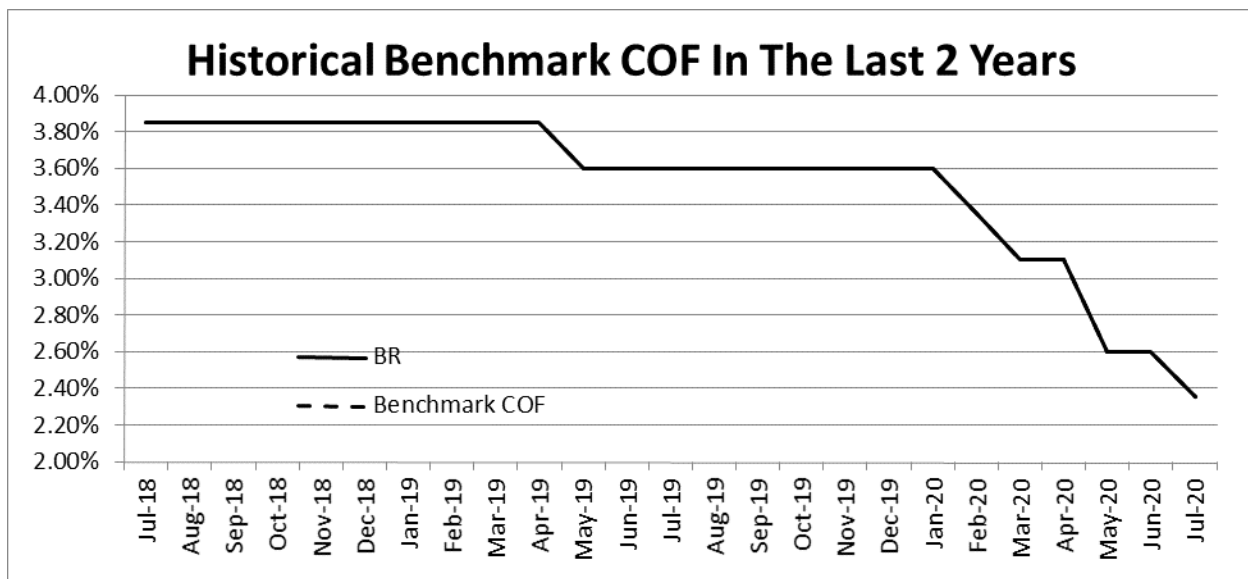
#### 4. What is the base rate (BR)?

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?**

- Make payments based on the margin of financing as per below: -

Margin of financing up to 100%	Margin of financing up to 150%
a) <u>Below 9 month financing term</u> Payment can be made any time before or on the financing maturity date  b) <u>For 9 months and above</u> Minimum payment must be made on every 3 months which is equivalent to the applicable 3 months' profit rates. The principal amount together with outstanding profit shall be settled at the end of the financing period.	a) Payment will be via fixed monthly instalment amount

- To execute "*akad*" for Tawarruq transaction.

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

Type of Fees & Charges	Details of Fees & Charges
<b>Stamping Fees</b>	As per the Stamp Duty Act 1949 (Revised 1989).
<b>Brokerage Fee</b>	RM 30 per transaction

Note:

- The Bank will notify at least 21 days' notice before any changes made to the fees and charges (if applicable).
- Fee and charges are subject to Sales and Service Tax ("SST") of 6% (if applicable).

**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 at the Bank's loss due to Customer's default/ failure to pay the instalment amount, outstanding balance of Sale Price or any other amount due to the Bank shall be calculated from the payment overdue date until the settlement date based on the guidelines issued by Bank Negara Malaysia referring to the resolution of Shariah Advisory Council of Bank Negara Malaysia as follows:
  - Before maturity date, the *Ta'widh* shall be compensated up to the amount of actual loss and shall not be more than 1% per annum.
  - Upon maturity date and judgment obtained, *Ta'widh* shall be imposed at the prevailing Islamic Interbank Money Market (IIMM) rate on the entire outstanding balance (outstanding principal and accrued profit) 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 you fail to respond to reminder notice given by the Bank.

**10. What if I fully settled 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 Facility 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:

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

**11. Do I need any Takaful coverage?**

Customer is encourage 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?**

- The Term Deposit-*i* will be diluted to settle the financing
- If the customer does not respond to SMS or any medium of "*akad*" advised by the Bank, customer will be exposed to the risk of not obtaining the financing as requested. As such, it is the customer's responsibility to answer the "*akad*" through any "*akad*" medium advised by the Bank.

**13. Do I need guarantor or collateral?**

- Yes, the Term Deposit-*i* will be taken as collateral
- One eligible guarantor is required if the margin of financing 101%-150%

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

- Tel: 1-300-88-2476 • Fax: 603-2691 7790 • Email: [customer@agrobank.com.my](mailto:customer@agrobank.com.my)

**15. 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, 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 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](mailto:enquiry@akpk.org.my)

- If you have any complaint on the products or services provided by us, you may 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 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 •Fax: 603-2174 1515 •Email: [bnmteletelink@bnm.gov.my](mailto:bnmteletelink@bnm.gov.my)

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

For further information and 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](mailto: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.
- You are advised to carefully consider all risk factors before deciding to apply for the financing.
- Customer has to respond to the SMS or any *akad* medium advised by the Bank as a sale and purchase *akad* to complete the *Tawarruq* transaction.

**IMPORTANT NOTE:**

**LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR SAFIA-i FINANCING FACILITY.**

**Disclaimer:**

The terms and conditions indicated in this Product Disclosure Sheet are tentative / indicative only and 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	:	