

**PRODUCT DISCLOSURE SHEET**

Date: \_\_\_\_\_ (To be filled by Branches)

**[Please read the Product Disclosure Sheet together with the general terms and conditions before you decide to apply or accept the offer of Special Advance for Investment Assets-i (SAFIA-i)]**

**Kindly seek clarification from Agrobank ('Bank') if you do not understand any part of this document or the general terms and conditions.**

**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 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 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 are the benefits of this product?**

The benefits of this product are 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>i</i> profit rate + 1.0% p.a.	<u>First 100% financing:</u> Term Deposit- <i>i</i> profit rate + 2.0%p.a.
		<u>For the next 101%-150%</u> Base Rate (BR) + 3.85% 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>			

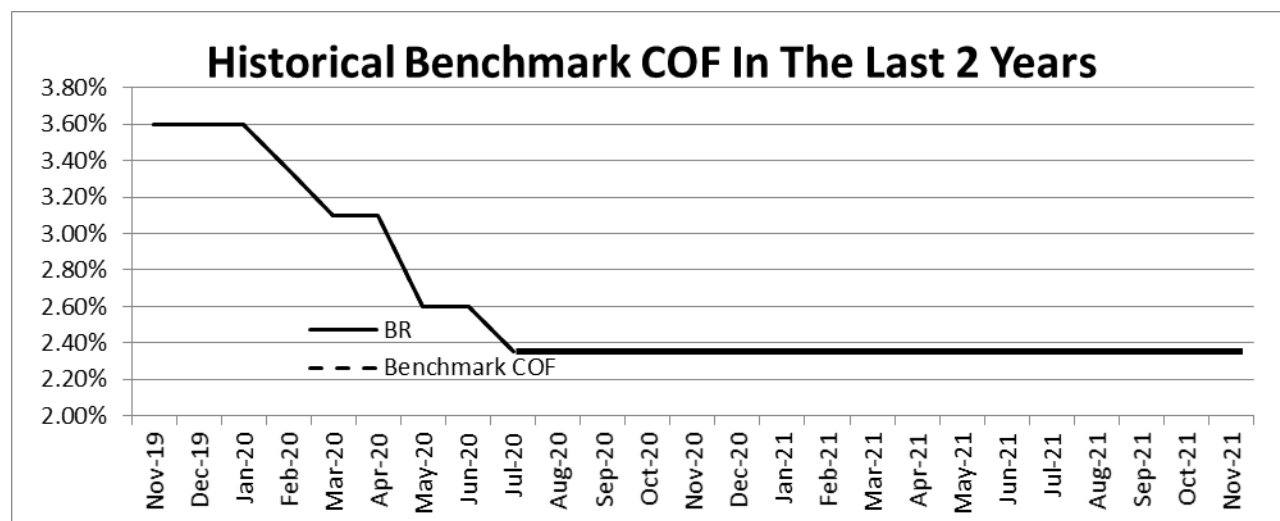
**4. What is the base rate (BR)?**

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

- 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 months financing term</u> Payment can be made any time before or on the financing maturity date	a) Payment will be via fixed monthly instalment amount
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.	

Your monthly instalment:

\_\_\_\_ - \_\_\_\_ months: RM \_\_\_\_\_ and  
 \_\_\_\_\_ month: RM \_\_\_\_\_

The total payment at the end of \_\_\_\_ years is RM \_\_\_\_\_

**Important:** Your monthly instalment will vary if base rate changes. However, the total payment amount should not exceed the Selling Price.

Rate	Today (Base rate :.... %)	If base rate goes up 1%	If base rate goes up 2%
Monthly Instalment	RM	RM	RM
Total profit cost at the end of ..... years	RM	RM	RM
Total payment amount at the end of .... years	RM	RM	RM

Note:

- We will communicate to you at least twenty-one (21) calendar days prior to the effective date of implementation if there are any changes in profit rate that applicable to your financing facility.
  - Prepayment or excess payment of the monthly instalment is allowed and will be treated as subsequent month instalment payment. The prepayment or excess payment however will affect to the profit calculation of your financing
- 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 15.00 per transaction

Note:

- The Bank from time to time 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 BNM 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 rate on the entire outstanding balance as determined by the Bank from time to time based on the guidelines issued by BNM.
- The Bank reserves the right to take legal action if you fail to respond to notice(s) issued by the Bank.
- The Bank reserved the right to terminate the facility granted to the Customer by giving prior notice to the Customer upon occurrence of any event of defaults as agreed in the terms and conditions of the facility.

**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: -

- Early settlement or early redemption or prepayments;
- Settlement of the financing due to restructuring exercise;
- Settlement by the Customer in the case of default where even though the Customer is in default, the Customer makes full settlement of the indebtedness under the Facility before maturity date;
- 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 encouraged to take Takaful Credit Scheme to secure the indebtedness amount under the financing. However, customers are allowed to choose non-panel takaful provider approved by the Bank. 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 in any case of default
- 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%
- You may refer to website <https://www.agrobank.com.my/my/product/special-advance-for-investment-assets-i-safia-i/> on information of your rights and responsibilities of becoming as 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 correspondence reach you in a timely manner. To update your contact details, you may contact:

- Tel : 1-300-88-2476 • Fax: 03-26922053 • 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 50726 Kuala Lumpur.

- Tel: 1-300-88-2476 • Fax: 03-26922053 • 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 BNM to provide free services on money management, credit counselling and debt restructuring for individuals. You are encouraged to attend a "Program Pengurusan Wang Ringgit Anda" or "POWER" offered by AKPK. You can contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK) Tingkat 5 & 6, Menara Bumiputra-Commerce, Jalan Raja Laut, 50350 Kuala Lumpur.

- Tel: 03-26167766 • E-mel: [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: 03-26922053 • 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: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@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, 50726 Kuala Lumpur.

• Tel: 1-300-88-2476 • Fax: 03-26922053 • 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.

Please note that all information disclosed under this document shall be processed in accordance with the relevant laws, including the Personal Data Protection Act 2010. Please read our PDPA Policy which is available at our website at [www.agrobank.com.my](http://www.agrobank.com.my) or you may visit our nearest branch if you have any enquiry.

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