

PRODUCT DISCLOSURE SHEET

Dear Customer,

Please read and understand this Product Disclosure Sheet ("PDS") together with the general terms and conditions before you decide to apply or accept the offer of this Product.

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



Date: _____

1. What is Hartani-i?

- Hartani-i provides financing to government servants, private sector employees (permanent or contract), and stable income earners for purchasing agricultural land. The financing calculated on a floating rate basis.
- Floating rate financing refers to a type of financing where the effective profit rate may change during the lifetime of the financing, depending on the Reference Rate [i.e. *Standardized Base Rate (SBR)]. This change affects the financing's profit calculation, and any adjustments to the payable profit could result in changes to your monthly installment amount.
- The Shariah concept applied is *Tawarruq*. *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.

2. Know Your Obligations

For this Hartani-i financing, **as an illustration:**

- Your financing amount: **RM200,000.00**
- Your monthly instalment: **RM1,359.00**
- Your financing tenure: **20 years**
- Profit rate: **Standardized Base Rate (SBR)* + 2.60%**
- Effective profit rate: **5.35% p.a.**

In total you will pay RM326,133.60 at the end of 20 years.

You have to pay the following fees and charges:

- Stamp duty: As per the Stamp Act 1949 (Revised 1989)
- Brokerage fee: Based on the value of the financing facility or any broker fee amount set by the service provider (subject to service tax (if any) or any tax set by the relevant Minister).
- Include solicitor fee for financing documentation, registration of charge, land and bankruptcy search.

It is your responsibility to:



Read and understand the **key terms** in the **contract** before you sign it.



Pay your monthly instalment timely and in full according to the financing tenure. Speak to us if you wish to settle your financing earlier.



Make sure you can afford to **pay higher instalments** if the Overnight Policy Rate (OPR) increases.



Contact us immediately if you are unable to pay your monthly instalment.

If you failed to settle the outstanding amount of financing, you should know:

- The Bank reserves the right to settle the loss by auctioning the collateral (land) and/or by any mechanism permitted by Syara' including taking legal action against the customer and/or guarantor.

3. Know Your Risks

What happens if you ignore your obligations?

- You will have to pay more in total due to **compensation (Ta'widh) as follows:**
 - Before Maturity Date:** Up to 1% per annum on overdue installment based on the amount of actual loss.
 - Upon Maturity Date and Judgement Obtained:** According to the prevailing Islamic Interbank Money Market (IIMM) rate on the entire outstanding balance as determined by the Bank from time to time based on the guidelines issued by Bank Negara Malaysia (BNM).
- The Bank **may deduct** funds from your savings account with us to offset your monthly installment or financing balance.
- The Bank may **auction your collateral (land)** or **reserves the right to take legal action** against you.
- Your **credit score** may be affected, making it more difficult or expensive for you to obtain financing in the future.

Your monthly instalment may increase during the tenure of your financing

The SBR may increase if the OPR set by Bank Negara Malaysia (BNM) rises. This means you will have to pay higher monthly instalments. As an illustration:

	Current Rate	Rate increase by 1%	Rate increase by 2%
Monthly instalment	1,359.00	1,474.00	1,593.00
Total profit cost	126,133.60	153,649.60	182,293.60
Total payment	326,133.60	353,649.60	382,293.60

**The SBR is determined by the OPR set by BNM. The SBR may increase or decrease based on changes in the OPR.*

4. Other Key Terms

1. A rebate (Ibra') shall be granted to you based on the formula **set out below**, in the event of any of the following scenarios: -
 - 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 where 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' at Early Settlement = Deferred Profit

2. It is important to inform us of any changes in your contact details to ensure that all correspondence reaches you in a timely manner.
3. You are encouraged to take Takaful Credit Scheme to protect the amount of indebtedness under the financing. However, you are allowed to choose non-panel takaful providers that are approved by the Bank. A takaful protection plan is required to protect your outstanding financing balance throughout the financing period and / or term of coverage in the event of any unforeseen circumstances.
4. Land shall be taken as collateral. However, if the collateral value is insufficient, additional collateral and/or guarantor is required.

Information on the Agensi Kaunseling dan Pengurusan Kredit (AKPK)

AKPK has been established by Bank Negara Malaysia to provide free services on money management, credit counseling, financial education and debt restructuring for individuals.

If you have any questions or require assistance with your Hartani-i financing, you can:



Call Agrobank Contact Centre
at 1-300-88-2476



Visit
<https://www.agrobank.com.my/product/hartani/>



E-mail us at
customer@agrobank.com.my

Customer's Acknowledgment*

Ensure you complete this section yourself and understand what you are signing.

☐

I acknowledge that Agrobank has provided me with a copy of the PDS.

☐

I have read and understood the key information contained in this PDS.

**A customer's acknowledgement of this PDS shall not prejudice his / her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

Name:

Date: