

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 **Modal Kerja-(MK-)** ?

- **MK-)** is a short-term revolving credit financing facility (Facility) offered to the customer for the purpose of financing their working capital requirements. There are three (3) types of Facility under Modal Kerja-i as follows:
 - a) Purchase Financing b) Sale Financing c) Cash Financing
- The profit rate is pegged against the Bank's Base Financing Rate (BFR), which may fluctuate from time to time.

Applicable Shariah concept

Tawarruq

- The Shariah Concept applied for the above product is *Tawarruq*. *Tawarruq* consist of two sale and purchase contracts where the customer purchase the Commodity from the Bank at a sale price (Financing Amount + Profit) on a deferred payment basis and subsequently sells the Commodity to a Commodity Supplier for cash at the Bank's Purchase Price with the objective of obtaining cash.

Wakalah

- Under this facility, the Bank will apply the dual-agency mechanism under the *Wakalah* concept. The customer appoints the Bank as the customer's agent to purchase the Commodity from the Bank and subsequently sells the Commodity to another Commodity Supplier on behalf of the customer in order to complete the *Tawarruq* transaction.

2. Know Your Obligations

For this business financing, **as an illustration:**

- Your facility/limit amount: **RM50,000.00**
- Your financing tenure: **90 days**
- Prevailing profit rate (EPR): **10.75%**, Profit rate: **4%**

In total you will pay RM51,325.34 at the end of 90 days.

Note:

For MK-),

a) **Facility Limit:**

Minimum: RM50,000.00

Maximum:

a) **Sole-Proprietor & Partnership: RM500,000.00**

b) **Sdn Bhd & Berhad Companies: No maximum limit**

b) **Facility Tenure: Minimum: 14 days**

Maximum: 365 days

c) **EPR: Up to Base Financing Rate (BFR) + 4% p.a. on daily basis.**

d) **Ceiling Profit Rate (CPR): BFR + 4% p.a. OR 10% p.a. whichever is higher.**

It is your responsibility to:



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



Pay your financing obligation 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 **meet your financing obligations** if the Overnight Policy Rate (OPR) increases.



Contact us immediately if you are unable to pay your financing.

You have to pay the following fees and charges:

- **Stamp duty:** As per the Stamp Act 1949.
- **Legal & Disbursement fee:** Including legal fees for Facility documentation, registration of charge, land search, bankruptcy search, winding-up search and other relevant charges (if applicable).
- **Takaful Contributions:** Depending on the amount of coverage taken for the Facility.
- **Brokerage fee:** Ringgit Malaysia of Seven (RM7.00) for every Ringgit Malaysia of One Million (RM1,000,000.00) of the Facility or any other price as set out by the Commodity supplier.

Note: Fees and charges are subject to Sales and Services Tax (if any) or any other tax as prescribed by the Government.

3. Know Your Risks

What happens if you ignore your obligations?

1. You will have to pay more in total due to **compensation (Ta'widh)** as follows:
 - a) **Before Maturity Date:** Up to 1% per annum on the outstanding payment based on the amount of actual loss.
 - b) **Upon Maturity Date and Judgement Obtained:** According to the prevailing daily overnight 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).

2. The Bank reserves the right to deduct funds from your savings account with us to offset any outstanding amounts, including but not limited to business financing balances.
3. The Bank **reserves the right to initiate legal action** against you and/or guarantor (if applicable).
4. Your **credit score** may be affected, making it more difficult or expensive for you to obtain financing in the future.

Your profit payments may vary during the tenure of your financing

Monthly payments may vary if there is a change in the Base Financing Rate (BFR). This means you will have to pay higher monthly profit portion. The monthly profit payable is calculated daily based on the Prevailing Profit Rate, the facility amount utilized, and the number of days utilized for the month. As an illustration (Illustration 2)(Details of financing as per Illustration 1):

	Current Rate (10.75%), BFR:6.75	Rate increase by 1% (11.75%)	Rate increase by 2% (12.75%)
Day	1-30	31-60	61-90
1. 1st utilization of RM30,000.00 (Profit payment payable)	RM265.07	RM289.72	RM314.38
2. 2nd utilization of RM20,000.00 (Profit payment payable)	RM176.71	RM193.15	RM209.59
Total profit payment	RM441.78	RM482.87	RM523.97

**The BFR is set by BNM based on the cost of financing/providing liquidity to other financial institutions.*

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 of the financing in the case of default where even though you are in default, you make full settlement of the indebtedness under the financing before maturity date.
 - iv. Settlement of the financing in the event of termination or cancellation of financing before maturity date.
 - v. The profit amount based on the Effective Profit Rate (EPR) is lower than the profit amount based on the Ceiling Profit Rate (CPR).

Rebate (*ibra'*) and settlement amount will be calculated based on the following formula:

$$ibra' = \text{Deferred Profit}$$

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

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 indebtedness amount under the financing. This Takaful protection plan is important to protect your outstanding financing balance throughout the financing period and / or term of coverage in the event of any unforeseen circumstances.
4. A collateral and/or a guarantor are required and subject to the Bank's current policy.

If you have any questions or require assistance on your business financing, you can:



Call
1-300-88-2476



Visit
<https://www.agrobank.com.my/my/product/kemudahan-pembiayaan-modal-kerja-i-tawarruq/>



Email
customer@agrobank.com.my



Scan the QR code
above

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: