

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 Trade Working Capital Financing-*i* (TWCF-*i*)?

- TWCF-*i*** is a short-term Islamic financing facility designed to support businesses in managing their working capital needs, particularly in trade-related transactions.

- Types of Financing:

TWCF- <i>i</i> Purchase	TWCF- <i>i</i> Sale
To finance working capital requirements of the customers based on the supporting documents such as invoices, transport documents submitted by the customer for the purpose of purchasing goods.	To finance the working capital requirements of customers who sell goods on credit terms, with disbursement made against sales invoices and related documents . The customer shall repay the financing amount to the Bank within the agreed tenure.

- The profit rate is set as a floating rate, determined by the customer's creditworthiness and credit risk assessment.

Applicable Shariah Concept

<u>Murabahah</u>	<u>Wakalah</u>	<u>Bai' Al-Dayn</u>	<u>Kafalah</u>
<i>Murabahah</i> refers to a sale and purchase contract where the cost and profit margin are disclosed to the customer.	<i>Wakalah</i> is a contract where a party, as principal (<i>muwakkil</i>) authorises another party as his agent (<i>wakil</i>) to perform a particular task in matters that may be delegated, with or without imposition of a fee. Through the completion of Legal Documents [Letter of Offer, Master Facility Agreement and Letter of <i>Wakalah</i> for TWCF- <i>i</i> (Purchase)], the Bank appoints the customer as a purchasing agent to purchase the necessary goods from the supplier/seller based on the concept of <i>Wakalah</i> .	<i>Bai' Al-Dayn</i> refers to sale and purchase of debt with the consent of both parties.	<i>Kafalah</i> refers to a contract in which the guarantor guarantees to a third party the obligations that the guaranteed party must perform.

2. Know Your Obligations

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

TWCF- <i>i</i> Purchase	Purchase price = Financing value (FV)	
	Selling price = $FV + \frac{FV \times \text{Profit rate} \times \text{Financing tenure}}{365 \text{ or } 366^* \text{ days}}$	
	Purchase Price	= RM10,000.00 (Invoice Face Value)
	Selling Price	= RM10,000.00 + (RM10,000.00 x 3.75% x 90/365)
		= RM10,000.00 + RM92.47
		= RM10,092.47

*Margin of financing= RM10,000.00 is 100% from invoice

For TWCF-*i*/Purchase, in total you will pay RM10,092.47 at the end of the tenure.

	Purchase price = FV - $\frac{FV \times \text{Profit rate} \times \text{Financing tenure}}{365 \text{ or } 366^* \text{ days}}$	
	Face Value = Financing value (FV)	
	Purchase Price	= RM10,000.00 - (RM10,000.00 x 3.75% x 90/365)
		= RM10,000.00 - RM92.47
		= RM9,907.53
	Face Value	= RM10,000.00

*Margin of financing= RM10,000.00 is 90% from invoice

For TWCF-*i*/Sales, in total you will pay RM9,907.53 at the end of the tenure.

It is your responsibility to:



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



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



Ensure you can afford to pay a higher settlement amount if the Overnight Policy Rate (OPR) / Base Financing Rate (BFR) / Cost of Fund (COF) rises.



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

Note:

For TWCF-*i*,

- Margin of financing (TWCF-*i*/Purchase): Up to 100%.
- Margin of financing (TWCF-*i*/Sales): Up to 90%.
- Financing tenure: Minimum 14 days | Maximum 180 days.
- Profit rate: Base Financing Rate (BFR) + Margin (Subject to the Bank's assessment and customers' creditworthiness).

*366 days is used during leap year.

You have to pay the following fees and charges:

Facility level:		Transaction level:	
Stamp Duty Fees	As stipulated in the Stamp Act 1949 (Ad Valorem)	Stamp Duty Fees	As stipulated in the Stamp Act 1949 (Nominal)
Legal & Disbursement Charges	Including legal fees for Facility documentation, registration of charge, land search, bankruptcy search, winding-up search and other relevant charges (if applicable)	RENTAS	RM5.00
Takaful Contributions	Depending on the amount of coverage taken for the Facility	Interbank Giro (IBG)	RM2.00

Note:

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

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:
 - 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).
- The Bank reserves the right to deduct funds from your savings account with us to offset your outstanding payment or business financing balance.
- The Bank reserves the right to initiate legal action against you and/or guarantor (if applicable).
- Your credit score may be affected, making it more difficult or expensive for you to obtain financing in the future.

4. Other Key Terms

- Rebate (*lbra'*) shall be granted for early settlement, which equivalent to deferred profit amount.
 - The settlement amount will be calculated based on the following formula:

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

$$\text{Settlement Amount} = \text{Outstanding Selling Price} - lbra' + \text{Late Payment Charges (if any)}$$
- It is important to inform us of any changes in your contact details to ensure that all correspondence reaches you in a timely manner.
- 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.
- A guarantor and financing asset or both may be required by the Bank as collateral for the Facility, subject to the customer's credit assessment.

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



Call
1-300-88-2476



Visit
<https://www.agrobank.com.my/product/trade-working-capital-financing-i-twcf-i/>



E-mail
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: