

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 part of this document or the general terms and conditions.



Date: _____

1. What is Paddy Financing-?

- Paddy Financing-?** is a financing which does not require collateral to finance working capital for paddy planting activities in a paddy field which is certified by related government agency.

The segments for paddy financing are as outlined below:

- BERNAS Paddy-?** Farmers who have rice supply partnership with Kilang Beras Bernas (KBB) (which is also known as Peserta Rakan Ladang BERNAS).
 - PPK Paddy-?** Farmers who have rice supply / management partnership with Pertubuhan Peladang Kawasan (PPK).
 - KPK Paddy-?** Farmers who have rice supply / management partnership with Kilang Padi Komersial (KPK) other than Kilang Beras Bernas (KBB).
 - Agro Paddy-?** Farmers who do not have any partnership for rice supply /management with Kilang Padi Komersial (KPK) or any other paddy purchaser.
- Profit rate for Paddy Financing-? calculated based on the fixed rate. Fixed rate is a rate that remains unchanged throughout the term of the facility using the reducing balance calculation method. Any movement in the Standardized Base Rate (SBR) will not affect the customer's total installment payment and agreed profit rate.

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 mark-up sale price (Bank's Sale Price) 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 Paddy financing, **as an illustration:**

- Your financing amount: **RM40,000**
- Your monthly instalment: **RM782.65**
- Your financing tenure: **5 years**
- Profit rate: **3.25% per season** (6 months) on a monthly rest

In total you will pay RM46,959 at the end of 5 years.

Note:

For this Paddy financing-?

- Financing amount : Minimum :** (i) *Peninsular Malaysia*; **RM1,000**
(ii) *Sabah & Sarawak*; **RM600**
: Maximum : RM50,000
- Financing tenure: Up to 6 months (per disbursement)**
- Facility tenure : Up to 5 years or until Customer reached 70 years old upon financing maturity, whichever comes first.**
- Profit Rate:**
 - Agro Paddy-?** : **3.25% per season (6 months) on a monthly rest**
 - BERNAS Paddy-?** : **2.52% per season (6 months) on a monthly rest**
 - PPK/KPK Paddy-?** : **2.75% per season (6 months) on a monthly rest**

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.



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

You have to pay the following fees and charges:

- **Stamp duty:** As per the Stamp Act 1949
- **Legal & Disbursement fee:** Including legal fees for financing 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 financing
- **Brokerage fee:** The brokerage fee will be charged based on the rates imposed by the Service Provider, and the total amount will be stated in the Letter of Offer / Notification Letter.

Note: Fees and charges are subject to Sales and Service 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 overdue installment 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 **may deduct** funds from your savings account with us to offset your monthly installment or Paddy financing balance.
3. The Bank reserves the right to take 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.

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 Facility before the 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:

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

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

2. It is important to inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.
3. You are encouraged to take up Takaful Credit Scheme to protect the amount of indebtedness under the financing. A 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. No guarantor or collateral is required.

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



Call
1-300-88-2476



Visit
[https://www.agrobank.com.my/
product/pembiayaan-padi/](https://www.agrobank.com.my/product/pembiayaan-padi/)



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: