

PRODUCT DISCLOSURE SHEET

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on Tawarruq Asset Financing (TWA).

Other customers have read this PDS and found it helpful: **you should read it too.**



Bank Pembangunan Malaysia Berhad
(197301003074 (16562-K))

Date: DD MM YYYY <to be completed by Relationship Manager>

1 WHAT IS TAWARRUQ ASSET FINANCING (TWA)?

Tawarruq Asset Financing (TWA) is an Islamic term financing facility offered to finance asset acquisition such as land, building, plant, machinery, equipment, vessels, etc.

The facility is structured based on Shariah concept of Tawarruq. A Tawarruq consists of two sale and purchase contracts. The first involves the sale of a commodity by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same commodity to a third party on a cash and spot basis.

2 KNOW YOUR OBLIGATIONS

An illustration of financing with TWA

Financing Amount /	
Bank's Purchase Price (PP)	: RM 20,000,000.00
Ceiling Profit Rate (r)	: 10% per annum (p.a.)
Effective Profit Rate (EPR)	: BFR (6.65% p.a.) + 1% p.a. = 7.65% p.a.
Tenure (t)	: 20 years (240 months)
Instalment Amount	: RM 162,957.99
Bank's Selling Price (SP)	: RM 46,321,039.20
Amount of Profit	: RM 26,321,039.20

Note: The above example is for illustration purposes only. The final approved amount of your financing, tenure and EPR is calculated based daily rest basis and subject to the Bank's credit evaluation and approvals and may differ from the above.

It is your responsibility to:



Read and understand the **key terms** as stipulated in the **Letter of Offer, Master Facility Agreement** and **Security Documents** (if applicable) before you sign it.



Pay your instalments **on time**. Speak to us if you wish to settle your obligations earlier.



Ensure you can afford to **pay a higher instalment** if the Base Financing Rate (BFR) / Cost of Fund (COF) rises.



Contact us immediately if you are unable to make your instalments payment.

You have to pay the following fees and charges:

- Stamp Duties as per the Stamp Act 1949 (Revised 1989).
- Processing Fee and Administration Fee (not applicable to Small and Medium-Sized Enterprise (SME) customers).
- Legal and Disbursement Fees as per Solicitor's Remuneration Order including fees for registration of charge, land search, bankruptcy search, taxes and other charges as per the scale fees charged by the Solicitors (where applicable).
- Valuation Fee as charged by the Valuer (where applicable).
- Transaction Fees for transaction of commodity as charged by commodity trading platform.
- Sales & Services Tax (where applicable).
- Compensation (Ta'widh) on late payment and breach of undertaking (Wa`d).
- Early Settlement Charges represent the actual cost incurred by the Bank.

If you wish to settle your obligation early, you should know that:

The Bank shall grant rebate (Ibra') on the deferred profit after full settlement is made subject to applicable terms and conditions.

3 KNOW YOUR RISK

What happens if you fail to fulfil your obligations?

- 1) The Bank may impose a compensation (Ta'widh) on late payment and breach of undertaking (Wa'd).
- 2) Legal action may be taken against you and your guarantors, affecting your credit rating and your guarantor.
- 3) The Bank has the right to review and terminate the facility if default occurs.
- 4) The Bank has the right to initiate bankruptcy/ winding up proceedings if an event of default occurs.

Your monthly instalment may increase during the tenure of your financing.

Monthly instalments may increase during the financing tenure if BFR / COF rises due to Bank Negara Malaysia's Overnight Policy Rate (OPR) changes, capped at ceiling profit rate (applicable only for floating rate facilities).

	Current Rate at 7.65% p.a.	Rate increase by 1%	Rate increase by 2%
Monthly instalment	RM 162,957.99	RM 175,468.05	RM 188,389.63
Total profit	RM 19,109,918.35	RM 22,112,332.81	RM 25,213,512.04
Total payment	RM 39,109,918.35	RM 42,112,332.81	RM 45,213,512.04

For fixed-rate facilities, any increase / reduction in BFR / COF does not affect the agreed profit rate.

4 OTHER KEY TERMS

- Collateral is required, which may include project assets, debentures, assignment of concession, project account, or guarantee.
- Guarantor is required and the guarantor will be liable if the customer defaults.
- Takaful coverage/ insurance policies is required, against all risks acceptable to the Bank for the financing facility.
- Inform us of any changes to your contact details.

If you have any enquiries regarding the facility, you can:



Call us at:
03-2611 3888



Visit us:
Level 30, Menara Bank Pembangunan
Plaza Conlay, Jalan Conlay
50450 Kuala Lumpur



Visit our website at:
[https://www.bpmb.com.
my/contact-us/](https://www.bpmb.com.my/contact-us/)



Email us at:
feedback@bpmb.com.my

Customer Acknowledgment*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

☐ I acknowledge that BPMB 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:

Issued on: DD MM YYYY