

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before you decide to apply for Payable Finance Scheme. Be sure to also read the specific terms and conditions set out in the relevant Letter of Offer. You may seek clarification from MUFG Bank (Malaysia) Berhad if you do not understand any part of this Product Disclosure Sheet or the general terms stated herein.

PAYABLE FINANCE SCHEME (PFS)

1. What is this product about?

Payable Finance Scheme (PFS) is a form of supply chain financing which extend an alternative source of funding to the suppliers (Sellers) of our customers (Buyers) at a discounted rate. The scheme enables suppliers to supply goods and services with the option of receiving the discounted value prior to their due date. The payable remains to be due by the buyers until its agreed maturity date.

2. What are the main features of this product?

- The instrument focused on a tripartite agreement executed between the Bank, buyer, and seller in which the buyer giving consent on the assignment listed in the payment instruction and the seller offers sale of existing account receivable to the bank. The sale can be either domestic or cross border payable instrument.
- PFS is a “Buyer-centric” product given that the bank primary relationship is with the buyer whereby the buyer initiates the financing scheme in favour of its suppliers at its sole discretion. Hence, the bank shall debit buyer’s account on due date to settle the payable financing without set-off, claims or any related deductions.
- The eligible margin of finance for PFS is 100% from the value of invoice with a maximum financing period up to one year and minimum period is 2 weeks’ time.

3. How are the interest payable being collected?

The interest for PFS is collected upfront at a discounted rate and borne by supplier provided the buyer confirms as a confirmed payable where the Bank have authorized to debit the designated buyer’s account on maturity date. Payable finance scheme interest is computed from discount rate and calculated as follow: -

$$\text{Interest} = \frac{\text{Financing amount (P)} \times \text{Discount rate (R)} \times \text{Tenor (T)}}{360/365}$$

4. How do I apply for this product?

You are required to provide the complete set of documents to apply for Payable Financing Scheme (PFS).

5. What are my obligations?

For PFS, buyer (Obligors) needs to ensure full payment of financing amount including any charges before or on due date.

6. What if I fail to fulfil my obligations?

- The financing will be converted to past due in view of the bill is not settle before or on maturity date. In this case, the delayed interest shall be imposed and collected on the settlement date.
- The Bank has the right to set-off any credit balances in your account(s) against any outstanding amount. The Bank may exercise its rights and start its recovery process/ legal action.

7. What are the major risks?

- The credit risk is 100% borne by the buyer and in the event that the buyer declares bankruptcy and unable to pay the credit advances, we shall classify the bill as Non-Performing Loan (NPL).
- The Bank may take legal action if you failed to perform your obligation according to the terms and conditions of the Payable Finance Scheme.

8. What are the fees and charges I must pay?

Interest rate	As mentioned in item 3 above
Other Charges	Please refer to the relevant Letter of Offer and the Bank’s Corporate website at https://www.bk.mufg.jp/malaysia/index.html for details

Note: The Bank may revise the commission, interest rate, fee, and charges from time to time at its absolute discretion. The opening commission and relevant commission on Usance LC are a form of product pricing with components of credit risk, cost of funds and operating expenses included in its computation. As such, the rate indicated act as a general guidance but can be charged at the discretion of the bank as deemed appropriate.

For more details and full list of bank charges, you may refer to the tariffs and charges in the MUFG Corporate website at https://www.bk.mufg.jp/malaysia/pdf/Tarif_and_Charges_Conventional_Banking_Business_June_2022.pdf

The fees and charges above may be updated from time to time and in case of inconsistency, the fees and charges stated in the standard tariff and charges shall prevail over fees and charges stated in this Product Disclosure Sheet.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner. You may contact your Account Relationship Manager directly or the Bank:

Via phone to: 03-2034 8000 / 03-2034 8008

Via email to: customercare@my.mufg.jp

10. Who should I contact for further information or to lodge a complaint?

For internal dispute resolution, you may contact the Bank:

MUFG Bank (Malaysia) Berhad
Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia

Via phone to: 03-2034 8000 / 03-2034 8008

Via email to: customercomplaint@my.mufg.jp

If you are dissatisfied with the outcome of the internal dispute resolution process, you may contact Bank Negara Malaysia LINK or TELELINK:

Via phone to: 1-300-88-5465

Via fax to: 03-2174 1515

Via email to: bnmteleshink@bnm.gov.my

Via letter to: Bank Negara Malaysia
Jalan Dato' Onn,
P.O. Box 10922
50929 Kuala Lumpur, Malaysia

The information provided in this Product Disclosure Sheet is valid as of August 2023 and is subject to change at the Bank's discretion from time to time.