

PRODUCT DISCLOSURE SHEET

Dear Customer,

This Product Disclosure Sheet (“PDS”) is designed to provide you with key information on your **Back-to-Back Factoring-i** (“BTBF-i”). Other customers have read this PDS and found it helpful; you should read it too.

 **AmBank Islamic**
Date: 28-Feb-2026

1. WHAT IS BACK-TO-BACK FACTORING-i?

Back-to-Back Factoring-i

BTBF-i is a type of Factoring-i which involves two factoring arrangements.

- The first arrangement is between a contract awarder (“Paymaster”), a main contractor (“Customer”) and AmBank Islamic (“Factor”).
- The second arrangement is between the main contractor (“Customer”), a sub-contractor (“Client”) and AmBank Islamic (“Factor”).

BTBF-i Arrangement as follows:

- The Customer awards the contract received from the Paymaster to the Client.
- The Client performs the contract and submits its progress claim to the Customer.
- Subsequently, the Customer performs the contract and submits its progress claim to Paymaster.
- The Paymaster submits the Progress Claim Certificate to the Customer.
- Subsequently, the Customer submits the Progress Claim Certificate to the Client.
- The Client sells the Progress Claim Certificate to the Factor for financing under the Domestic Recourse Factoring-i (“DRF-i”) arrangement.
- The Customer factors its Progress Claim Certificate to the Factor for collection under BTBF-i arrangement.
- On the payment due date, the Factor receives payment from the Paymaster. The payment will offset the outstanding balance of DRF-i facility; any applicable Hibah (Gift), will be paid to the Client and the remaining balance will be paid to the Customer.

Applicable Shariah Contract

The Shariah concept applicable is *Wakalah* (Agency), which is a contract where a party appoints another party as its agent to perform a specific task that may be delegated, with or without imposition of a fee.

2. KNOW YOUR OBLIGATIONS

What I do get from this product:

- AmBank Islamic manages, monitors and collects the receivables on behalf of the Customer.
- The Customer is provided with monthly statements which display any outstanding collection amount.
- Currency Offered: Malaysian Ringgit (MYR)

It is your responsibility to:



Read the Letter of Offer (“LO”) and understand the terms before you sign it.



Ensure the payment from Customer is on time as per Invoice/Bill terms to avoid impacting your cash flow.



Contact us immediately if you **require our assistance** with payment collection.

For this service, you have to pay the following charges (where applicable).

No.	Type of Fees and Charges	Tariff
1.	Factoring Charge Rate	1.0%* of the invoice value
2.	Disbursement to a third party	RM50* per transaction
3.	Request for statement by Client / Customer	RM20* per statement

Refer to our standard tariff / charges on our website here for more details: -

<https://www.ambankgroup.com/products-and-services/islamic/islamic-banking/product-and-services/business-and-institutional/trade-services/tariff-charges>

The fees and charges are exclusive of any taxes, including but not limited to, goods and services tax, value added tax, consumption tax, consumer tax, indirect tax, service tax, sales tax, duties, levies or any other taxes ("Taxes") which may now be or hereafter imposed by the Government of Malaysia.

Note: Further terms shall be stipulated in the LO / Factoring-i Agreement issued by the Bank

3. KNOW YOUR RISK

What happens if you ignore your obligations?

1. **Right to Set-off:** The Bank has the right to utilise any credit balance in your account(s) maintained with the Bank to settle any payment in arrears under the Facility, subject to seven (7) calendar days' notice to you.

4. OTHER KEY TERMS

1. You are required to **ensure sufficient funds** in your current account with us to debit the applicable fees and charges.
2. You are required to **ensure your assets/goods** in the invoices and services **provided under BTBF-i** arrangement are **Shariah-compliant**.
3. You are required to **ensure your Factoring-i limit is active and adequate** for utilisation.
4. AmBank Islamic **is not liable for non-payment/unpaid** invoices bill by the Paymaster. AmBank Islamic only provides **collection services** to the Customer.

If you have any questions about our **Back-to-Back Factoring-i**, you can:



Call us at
+603 2178 8888
(Contact Centre)



Visit us at
www.ambankgroup.com



Email us at
customercare@ambankgroup.com



Scan the QR code