

PRODUCT DISCLOSURE SHEET

Date : ____/____/2013

(Read this Product Disclosure Sheet before you decide to take out the Islamic Property Financing facility. Be sure to also read the terms in the letter of offer. Seek clarification from your institution if you do not understand any part of this document or the general terms)

Product : Foreign Currency Offshore Property Financing-i (FCOPF-i)
Property location : London, England (*Zone 1/2/3)
Currency used : GBP Sterling (£)

1. What is this product about?

This is an Islamic property financing facility offered under foreign currency to purchase either completed or underconstruction property. This facility is secured against residential or commercial properties. Nonetheless, additional security such as fixed deposits, guarantees, etc. may be required depending on the credit assessment.

The facility may be for the following purposes:-

- For financing the purchase of property.
- For refinancing of existing loan/financing from banks in UK or other bank that finance the acquisition of the UK property.
- For reimbursing to customer in the event the purchase price has been fully settled by customer prior to financing disbursement

Typically, the maximum financing/facility amount is lesser than the value of the property charged and in the case of financing new purchases, the difference between the financing amount and the purchase price (or the open market value (OMV) , whichever is lower) is to be paid by the customer first before the financing amount is released eg

Property Purchase Price	: GBP (£) 500,000
Financing Amount (90% of the property price)	: GBP (£) 450,000
Amount to be Paid by Customer (10% of property price)	: GBP (£) 50,000

Additional facility is available for capitalization of related expenses eg Mortgage Reducing Term Takaful (MRTT) contribution, legal fees and valuation fee subject to credit assessment and terms and conditions.

The profit rate charged is a variable/ floating based on the Islamic Cost of Finance (ICOF) plus profit spread eg ICOF+2.30% and the effective rate will vary in accordance to the periodical changes in the ICOF. As this financing scheme is based on Sale-based contract, the profit rate used for computation of Selling Price Rate is determined upfront eg. 10.30% during the offer and acceptance of financing. This Sale Price or known as ceiling rate provides the customers with maximum capping for the total amount of financing payment regardless of periodical changes in the ICOF.

The financing payment is in the form of monthly installment (calculated based on the prevailing effective profit rate, financing tenure and balance outstanding upon full financing disbursement. Any difference between the ceiling rate (Sale Price) and effective rate (actual cost charged to the customer) will be rebated or discounted upon settlement of the indebtedness.

2. What is the Shariah contract applicable?

The applicable Shariah contract is **Commodity Murabahah** (cost plus profit). This is a buy and sell contract between the Bank and Customer of which a specific Shariah compliant commodity will be identified and used as the underlying asset for the sale and purchase transaction between the customer and the Bank for the purpose of availing the funds for the financing.

3. What do I get from this product?

A. Total Amount Financed	GBP (£)	F. Financing Tenure	____ years
B. Capitalised Related Expenses		G. Sale Price/ Ceiling Rate	____ % p.a.
<ul style="list-style-type: none"> • Takaful (MRTT) • Valuation fee • Legal fees • Others 	GBP (£) GBP (£) GBP (£) GBP (£)	H. Sale Price Amount	GBP (£)
C. Total (a + b)	GBP (£)	I. Current ICOF	5-20 years : 1.95%
D. Property Value/OMV	GBP (£)		21-30 years : 2.30 %
E. Margin of Financing (c ÷ d)	____ %	J. Effective Profit Rate*	ICOF + ____ %

* Note: Indicative rate calculated on daily rest basis, subject to customer's credit rating and credit assessment.

4. What are my obligations?

Servicing the monthly instalment amount (due 1st of each month) upon full disbursement.

Rate	Current Effective Rate	Current Effective Rate +1%	Current Effective Rate +2%
Monthly instalment amount*	GBP (£)	GBP (£)	GBP (£)
Total profit cost payable at the end of financing tenure	GBP (£)	GBP (£)	GBP (£)
Total payment amount at the end of financing tenure *	GBP (£)	GBP (£)	GBP (£)

* For Commodity Murabahah – The Outstanding Sale Price minus outstanding financing amount and rebate

Important Note:

- Customers should bear in mind that ultimately they have an obligation to pay the mortgage in another currency and currency exchange rates constantly change. This means that if the customer's domestic currency was to strengthen against the currency in which the mortgage is denominated, then it would cost the customer less in domestic currency to fully pay the mortgage. Therefore, in effect, the customer makes a capital saving.
- Conversely, if the exchange rate of customers' domestic currency were to weaken against the currency in which the mortgage is denominated, then it would cost the customer more in their domestic currency to pay the mortgage. Therefore, the customer makes a capital loss.
- Your monthly instalment and total payment amount will vary if the ICOF changes but will not exceed the Sale Price.

5. What are the fees and charges I have to pay?

Stamp Duties	Waived as per ICBU incentives on non ringgit instruments		
Legal & Disbursement Fee	Include solicitors fees for financing documentation, registration of charge, bankruptcy search, land search, further searches such as local authority search, water and drainage search, and index map search (for unregistered land), and any other additional searches (if required) as per advised by the Bank's solicitor.		
Processing Fee	One time fee charged for approved financing, payable upfront upon LO acceptance	Rate (RM)	Range (RM)
		50	Up to 30,000
		100	30,001 – 100,000
		200	100,000 and above
Transaction or Brokerage Fee	Waived for Commodity Murabahah transaction		
Foreign Current Account (FCA) charges	Service charge for credit/debit transaction depending on the currencies, otherwise USD\$4 or its equivalent will be levied. For GBP transaction, £ 2.50/transaction.		
Telegraphic transfer	RM25		
Valuation Fee	Initial and update valuation on annual basis conducted by the Bank's panel valuer. Indicative fee charged is about 0.1% of the valuation figure (excluding VAT & other related expenses). The updated valuation fee is at 50% of the initial fee.		
Homebuyer's report	Optional. This report is the details of your property and can be carried out together with the property valuation report		
Redemption Letter	RM 50 per request		
Redemption Charges	Include the discharge of Legal Charge at Land Registry and where necessary (excluding VAT & other related expenses)		
Stamp Duty Land Tax (SDLT) for property transfer	Residential property	SDLT rate	Non Residential property
	Up to £125k. (Or £250k for first time buyers where effective date is before 25 th March 2012)	0%	Up to £150k
	£125,001 - £250,000	1%	£150,001 - £250,000
	£250,001 - £500,000	3%	£250,001 - £500,000
	> £500,000	4%	> £500,000
	> £1.0 million where effective date is on or after 6 th April 2011	5%	NA
			SDLT rate
			0%
			1%
			3%
			4%
			NA

*Delete whichever is not applicable

6. What if I fail to fulfil my obligations?

Should you fail to fulfill your obligation, the Bank is entitled to:

Late Payment Charges	<p>a) Overdue Instalment or Scheduled Payment : 1% p.a. on the installment amount in arrears from the date of the first drawdown of the Facility until its Maturity Date</p> <p style="text-align: center;">or</p> <p>b) Upon Maturity Date of the Facility or upon judgment, whichever is earlier: Prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on the outstanding balance due and payable</p> <p><u>Note:</u></p> <ul style="list-style-type: none"> • The Late Payment Charges charged will not be compounded • Currently, the IIMM rate is at 2.90% (as at October 2013)
Default Rate	<p>In the event of default (non-payment) of three (3) consecutive payments of profit pending the commencement of instalment or during the payment of monthly instalment, the Bank shall be entitled to convert the prescribed rate to ICOF+6.00% per annum calculated on daily balance basis, or such other rate as the Bank may prescribe from time to time subject always to the Sale Price</p>
Right to set-off	<p>The Bank has the right to set-off any credit balance in your deposit account(s) maintained with the Bank against any outstanding balance.</p>
Right to commence recovery or Legal action	<p>Legal action will be taken if you fail to respond to reminder notices. Your property may be subjected to foreclosure and you will have to bear all costs. The Bank have a right to commence recovery activities (including engaging third party i.e receivers or debt collection agencies), foreclosure and bankruptcy proceedings</p> <p><u>Note:</u> Legal action against you may affect your credit rating leading to credit being more difficult or expensive.</p>
Right to review and terminate the facility	<p>The Banks retains an absolute right to review and terminate the facility granted to you in the event there is any indication that the property is being used for Shariah non-compliant activities or upon occurrence of any other events of defaults as agreed in terms and conditions of the facility.</p>

7. What if I fully settle the financing before its maturity?

If you fully settle your financing before its maturity :-

- No Early Settlement Fee will be charged.
- You will need to pay the outstanding balance, current monthly profit and any amount due and payable to the Bank.
- **In addition**, the Bank shall grant rebate (Ibra') to the Customer on, but not limited to, the following events :-
 - (a) The Customer makes early settlement or early redemption, including those arising from prepayments;
 - (b) In the event of early commencement of Monthly Instalment prior to the expiry of grace profit period (for properties under construction);
 - (c) In the event the Effective Profit Rate is lower than the Ceiling Profit Rate.and
 - (d) In the event the actual disbursed amount is less than the Bank's Purchase Price

Note:

The rebates are not meant for cash rebate payable to the Customer, but will be reflected as a reduction in the profit element of the instalments of the Facility upon receipt of the settlement/redemption sum as determined by the Bank based on the following formula:

Outstanding Bank's Sale Price	LESS	Outstanding Purchase Price	LESS	Other Amount Due to the Bank
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8. Do I need any takaful/insurance coverage?

The following Takaful policies are recommended to be taken from our panel of Takaful providers or other takaful companies of your choice approved by the Bank:-

Compulsory / recommended:-

- Mortgage Reducing Term Takaful (MRTT) to cover the customer(s) in the event of death or permanent disability
- Fire Takaful/Insurance or Home Building Takaful (HBT) taken up with the reputable UK takaful/insurance provider to cover the property

Optional :-

- Home content takaful to cover the small assets (eg electrical items, furniture, etc) within the property

Note:

In the circumstances where the Takaful products are not been opt; you may take other insurance product comparable to the above Takaful products separately and the Bank will NOT finance the cost of insurance products into your financing facility.

9. Do I need to provide guarantor?

On case to case basis depending on your credit assessment by the Bank, you may be required to provide a guarantor

10. Can I suggest a lawyer to the Bank who is not listed on the Bank's panel lawyer?

Yes. However, it is not recommended as the lawyer may not be well versed with the Bank's documentation requirements and hence may result in delays.

11. What are the major risks?

1) Foreign exchange (Forex) risk or exchange rate risk or currency risk

- It is a financial risk posed by an exposure to unanticipated changes in the exchange rate between Ringgit and Sterling Pound.
- To secure favourable exchange rate, customer can opt to deposit monies into your Foreign Currency Account (FCA) with the bank and subsequently transfer the fund for financing payment. Any extra payment made over the overdue instalment will automatically reduce the principal outstanding and thus will save profit for your next profit calculation.
- In the event that the value of property in London falls (due to property market downturn or due to unfavourable exchange rates), the customer may be required to top-up the financing in order to bring down the financing-to-value to an acceptable position.

2) Credit risk

- Due to the forex and the market conditions in London, the value of property might be fluctuating from the original margin of finance approved by the Bank.
- Hence, the periodic monitoring of valuation will be conducted on annual basis to match the original margin of financing approved with the current facility servicing (financing-to-value).

3) Profit rate risk

- If your financing is under Variable Rate Financing (VRF), the number of your monthly instalments and instalment amount may change or increase from the prescribed number of instalments in the Letter of Offer based on the movement of ICOF.
- The ICOF is applicable for 1 year rate subject to the Bank's investment exposure in GBP and UK's economy such as :-
 - Base rate movement i.e Overnight rate determined by Bank of England
 - Inflation and unemployment rate of UK
 - Political factors and market outlook (financial & property)
 - Other factors i.e liquidity tranche and capital flows
- In circumstances where ICOF continue to increase, the number of monthly instalments and the instalment amount may increase but will not exceed the Sale Price.

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

It is important that you inform us of changes in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you may inform us in writing or reach us via one of the following channels: M2U or Home branch.

13. Where can I get assistance and redress ?

- If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives. You may reach us via one of the channels below:-

MAYBANK ISLAMIC BERHAD

Branch: _____

Address: _____

Tel: _____ Fax : _____ E-Mail: _____

- If you wish to complaint on the products or services provided by us, you may contact us at:-
Customer Feedback Management
Level 28, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Hunting Line: 03-20748075
Email: cfm@maybank.com.my
- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:
Block D, Bank Negara Malaysia
Jalan Dato'Onn
50480 Kuala Lumpur
Tel: 1-300-88-5465
Fax: 03-21741515
Email: bnmtelelink@bnm.gov.my

14. Where can I get further information?

Should you require additional information on Islamic property financing, please refer to the 'bankinginfo' booklet on 'House Financing-i', available at all our branches and the 'www.bankinginfo.com.my' website.

If you have any enquiries, please contact us at:

Address :
Tel :
Fax :
E-mail :

Further information on other home financing products, you may visit our Maybank or Maybank Islamic website at www.maybank2u.com.my or www.maybankislamic.com.my/

15. Other consumer financing packages available

Other Consumer financing packages available are Commodity Murabahah Home/Shophouse Financing-i, Personal Financing-i, Islamic Hire Purchase (AITAB), Maybank Islamic Ikhwan Card-i, Deposits-i Accounts and Islamic Cash Line-i Facility.

IMPORTANT NOTE:

YOUR HOUSE MAY BE FORECLOSED IF YOU DO NOT KEEP PAYING INSTALMENTS ON YOUR HOME FINANCING

Other Information:

1. In the event the financing tenure extends into retirement, it is important that applicant(s) has/have a plan on how to service the payment after applicant's retirement age.
2. The information provided in this disclosure sheet is valid as at or until _____.

Disclaimer:

The terms and conditions indicated in this Product Disclosure Sheet are tentative/indicative and not binding on the Bank. The final terms and conditions are as stipulated the letter of offer and Facility Agreement after credit assessment and financing approval.

For Bank use only:

Sales Executive is required to fill up this form upon attending the financing application.