

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take out the Maybank Islamic Education Financing-i. Please read the terms in the letter of offer. Seek clarification from us if you do not understand any part of this document)

PRODUCT NAME:

Maybank Islamic Education Financing-i

DATE:

[The date issued to customer to be filled in by Sales Personnel]

1. What is this product about?

Education Financing-i is a Shariah-compliant facility (“Facility”) that provides financial assistance to qualified students to finance (fully or partly) the tuition fees of their Bachelor’s or Masters Degree program at selected local & overseas universities based on programs and universities approved by us. The Facility is secured by property or any other securities i.e. Islamic Fixed Deposit (IFD-i)/ Fixed Deposit (FD), General Investment Account (GIA-i) and/or Amanah Saham Bumiputera (ASB) units.

2. What is the Shariah contract applicable?

The applicable Shariah Contract is Murabahah (cost plus profit) via Tawarruq arrangement (Commodity Murabahah). It is a method of sale of which its acquisition cost and its marked-up price are disclosed where you pay the price over an agreed period of time. The underlying asset for the sale transaction between us will be a specific tradable Shariah compliant commodity.

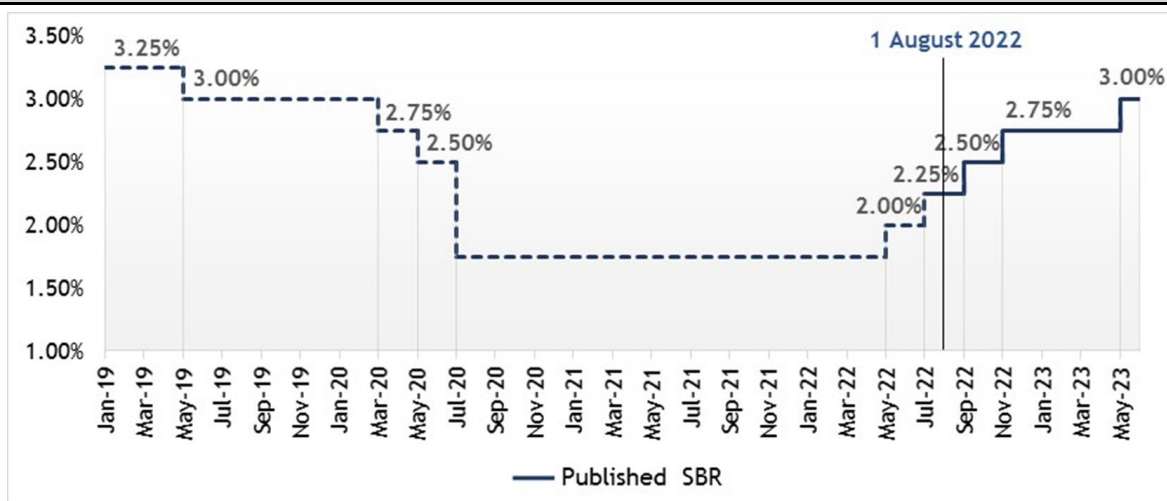
- a) In accordance to financing under the Community Murabahah, we acquire/purchase a specific Shariah compliant commodity from a third party (Commodity Trader 1) upon your request.
- b) We then sells the said commodity to you at the Bank’s Sale Price which comprised of the facility amount plus profit margin to be paid on deferred payment basis within the agreed tenure.
- c) You then appoint us as your agent to perform the commodity sale transaction to a third party for cash.
- d) We, acting as your agent then sell the commodity to a third party (Commodity Trader 2) at a price equivalent to the facility amount.
- e) Proceeds of sale of the commodity will be disbursed to you, vendors or stakeholders subject to the term and conditions of the facility.

For Commodity Murabahah trading purposes, we will at all times be your agent to undertake the required Commodity Murabahah transactions related to the Facility.

3. What is Standardised Base Rate (SBR)?

The SBR is a common reference rate for all commercial banks with effect from 1st August 2022 in the pricing of new retail financing pegged to Islamic base rates, refinancing of existing retail financing, and the renewal of revolving retail financing from 1st August 2022. The SBR is pegged to the Overnight Policy Rate (OPR) (i.e SBR = OPR) and all existing Base Financing Rate (BFR) and Islamic Base Rate (IBR) in turn are pegged to the SBR. In other words, SBR, IBR and BFR will be adjusted in tandem with the changes in the OPR as determined by the Monetary Policy Committee (MPC) of Bank Negara Malaysia.

4. Historical benchmark Standardised Base Rate (SBR) in the last 3 years



Note: The dotted line shows the historical series of the OPR, which is the benchmark rate of the SBR

5. What do I get from this product?

No	Item	Description												
(a)	Facility Amount	Minimum: RM10,000 Maximum: Up to course fees OR Margin of Financing (MOF) of the security to be charged/pledge, whichever is lower												
(b)	Ceiling Profit Rate (CPR)	Computation rate for CPR at the point of granting the financing: Standardised Base Rate (SBR) + 7.65% or 10.0% per annum, whichever is higher. Currently SBR is at 3.00% with effect from 08 th May 2023												
(c)	Margin of Financing (MOF)	<table border="1"> <thead> <tr> <th>Security</th> <th>MOF</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Property</td> <td>120%</td> <td>Additional 30% above the standard mortgage financing MOF or total financing at 120% of Open Market Value (OMV). The 30% is capped at RM400,000</td> </tr> <tr> <td>IFD-i/GIA/FD</td> <td>150%</td> <td>Additional 50% above the security value is capped at RM200,000</td> </tr> <tr> <td>ASB</td> <td>67%</td> <td>Up to 67% of certificate value</td> </tr> </tbody> </table>	Security	MOF	Remarks	Property	120%	Additional 30% above the standard mortgage financing MOF or total financing at 120% of Open Market Value (OMV). The 30% is capped at RM400,000	IFD-i/GIA/FD	150%	Additional 50% above the security value is capped at RM200,000	ASB	67%	Up to 67% of certificate value
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(f)	Payment of financing	<p>(A) <u>Study Period</u></p> <p><u>Profit Servicing</u> During the study period you are required to service the profit of the Facility on the 1st day of every month following the Effective Profit Period until the end of the Grace Period (during study period plus six (6) months afterwards).</p> <p>(B) <u>After Study Period</u> Monthly installment to start upon employment or six months upon completion of study, whichever is earlier.</p>
(g)	Collateral	<p>Type of collateral accepted:</p> <p>i. Property ii. Fixed Deposit iii. Amanah Saham Bumiputera (ASB) units</p>
(h)	Joint Applicant Requirement	<p>i. Up to maximum of 3 joint applicants (excluding main applicant) which limited to immediate family members. ii. Age 21 years old and not exceeding 70 years at the end of the financing period.</p>

6. What are my obligations?

You have to ensure that prompt payment is to be made by 1st day of every month.

Your monthly instalment is RM 774 (for collateral pledge by property/FD)

Total payment amount at the end of 20 years is RM157,259 (for collateral pledge by property/FD)

Component	Collateral pledge by Property/FD			Collaterals pledge by ASB Units		
	Today: SBR=3.00% Eff. Rate 5.00%	If SBR rate goes up 1%: Eff. Rate 6.00%	If SBR rate goes up 2%: Eff. Rate 7.00%	Today: SBR=3.00% Eff. Rate 4.85%	If SBR rate goes up 1%: Eff. Rate 5.85%	If SBR rate goes up 2%: Eff. Rate 6.85%
Monthly Instalment (Average)	RM774	RM828	RM883	RM766	RM819	RM875
Total profit cost at the end of 20 years	RM57,259	RM 69,792	RM 82,797	RM 55,415	RM 67,980	RM 80,768
Total payment amount at the end of 20 years	RM157,259	RM169,792	RM182,797	RM155,415	RM167,980	RM108,768

Calculation above is based on the following assumption:

- Facility Amount: RM 100,000.00
- Facility Tenure: 20 years
- Financing will be released progressively to university (6-10 times)
- Study period of 4 years and 6 months grace period

Disclaimer: The instalment is based on average tier instalment (details per Letter of Offer)

Important: The monthly instalment and total payment amounts will vary depending on SBR changes with 21 calendar days written notice to you before the effective date of the implementation, which may result in higher monthly instalment or lengthen the facility tenure. However, the Effective Profit Rate will not exceed the Ceiling Profit Rate.

7. What other charges do I have to pay?

Stamp Duties: As per Stamp Act 1949 (Revised 1989)	<ul style="list-style-type: none"> ▪ Letter of Offer : RM10 ▪ Charge documents (whichever is applicable)* : RM10 <ul style="list-style-type: none"> ➢ Memorandum of Deposit cum Assignment* ➢ Memorandum of Deposit (MOD)* ➢ Islamic Memorandum of Charges on Shares (MOCOS-i)* <p>*Note: Stamp duty on security documents depending on the type of security.</p>
ASB Certificate Fee (if applicable)	RM100
Legal fee (inclusive of tax) to be paid directly to the solicitor	To be advised by appointed solicitor

In the event we change the fees and charges, a twenty one (21) calendar days' written notification will be given to you before the effective date of the implementation.

8. What if I fail to fulfill my obligations?

<ul style="list-style-type: none"> ▪ Late Payment Charge (LPC) 	<p>We have the right to be compensated on late and default payment based on the following mechanism: -</p> <ol style="list-style-type: none"> i. <u>Overdue Instalment or Scheduled Payment</u> For your failure to pay any payment due from the date of the first disbursement of the Facility until its maturity date, a LPC sum equivalent to one per cent (1%) per annum of the overdue instalments/payment or by any other method approved by BNM. ii. <u>Upon Maturity</u> For your failure to pay any payment due and which failure continues beyond the maturity date of the Facility or on judgment, whichever is earlier, at the LPC rate which will be the prevailing daily overnight Islamic Interbank Money Market rate on the outstanding balance due and payable or any other method approved by BNM from time to time. In spite of the amount of LPC charged, the said of LPC will not be further compounded.
<ul style="list-style-type: none"> ▪ Legal action 	<p>Legal action may be taken against you due to the following events: -</p> <ul style="list-style-type: none"> ▪ Your failure to make instalment payment. ▪ Your failure to respond the reminders notices ▪ Any legal action filed against you may affect your credit rating leading to credit being more difficult or expensive to you in the future. ▪ Notice will be issued to you before any legal action is taken by us.
<ul style="list-style-type: none"> ▪ Default Rate 	<p>In the event you default for three (3) months in any due payment under the Facility, we will be entitled to increase the profit margin rate to Standardised Base Rate (SBR) + 6.15% p.a. ("the Default Rate") to be charged on the amount outstanding, or such other profit rates as Bank Negara Malaysia may prescribe from time to time.</p> <p>We will give you written notice of at least twenty one (21) calendar days prior to making any changes to the Default Rate or such other rates. The Default Rate shall continue to apply unless you reduce your payment in arrears to less than three (3) months whereby the current effective profit rate will be reinstated.</p> <p>Provided always that such increase shall not cause the total payment amount to exceed the Bank's Sale Price.</p>

▪ **Right to set-off**

We have the right to set-off any credit balance in your account maintained with us against any outstanding balance of this facility with seven (7) calendar days' prior written notice to you.

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

We will grant rebate (ibra') to you on, but not limited to the following events:

- (a) You make 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 progressive disbursement);
- (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 Facility Amount.

For clarity, the said rebates will not be construed as cash rebate payable to you, but will be reflected as a reduction in the profit element of the Bank's Sale Price of the facility. The rebate will only be granted upon receipt of the settlement/redemption sum as determined by us based on the following formula:

Outstanding Bank's Sale Price	Less	Outstanding Facility Amount	Less	Other Amount due to the Bank
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You may refer to our website at www.maybank2u.com.my for a sample illustration on the application of Ibra' (Rebate) and settlement amount formula.

Go to [Home](#) > Announcements > Bank Negara Malaysia's Guideline on Ibra' (Rebate) for Sale-Based Financing

10. Do I need takaful coverage?

- You are encouraged to take takaful protection plan for coverage in event of death and permanent disability.
- The takaful contribution on single contribution will depend on facility amount, age and gender.
- It is recommended to obtain takaful coverage from our panel takaful operators (Etiqa Family Takaful Berhad) or other takaful operators approved by us.

11. Can I opt for physical delivery of the commodity, instead? What about the cost involved?

You may opt for physical delivery of the commodity subject to our terms and conditions. All costs associated with your instruction for physical delivery of the commodity will be borne by you.

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

You have to inform us of any changes in your contact details so that all correspondences/reminders reach you in a timely manner. To update your correspondence details, please visit any Maybank or Maybank Islamic branches near to you.

13. Where can I get assistance and redress?

- If you have difficulty in paying the monthly instalment, please contact us earliest possible to discuss payment alternatives. You may contact us at nearest Maybank Branch.

Maybank

Branch : _____
Address : _____
Tel/Fax : _____ Email : _____

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by BNM to provide free services on money management, credit counseling and debt restructuring for individuals. You can contact AKPK at:
8th Floor, Maju Junction Mall
1001, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 1-800-22-2575
E-mail : enquiry@akpk.org.my
- If you wish to complaint on the products or services provided by us, you may contact us at
Maybank
Customer Feedback Management
28th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Malaysia
Tel No: 03-20748075
Website: cfm@maybank.com.my
- If your query or complaint is not satisfactorily resolved by us, you may contact BNM LINK or TELELINK at:
Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur
Tel : 1-300-88-5465
Fax: 03-2174 1515
Email : bnmtelink@bnm.gov.my

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP WITH PAYMENTS OF YOUR MAYBANK ISLAMIC EDUCATION FINANCING-i.

The information provided in this disclosure sheet is valid from **May 2023**

Customer Declaration: I hereby declare that I have read and understood the content of this Product Disclosure Sheet.

<u>Applicant:</u>	<u>Joint Applicant 1:</u>	<u>Joint Applicant 2:</u>	<u>Joint Applicant 3:</u>
Signature:	Signature:	Signature:	Signature:
Name:	Name:	Name:	Name:
IC No.:	IC No.:	IC No.:	IC No.: