

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take out the Maybank Islamic Education Financing-i (Clean). 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
(Clean)****DATE:**

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

1. What is this product about?

Maybank Islamic 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.

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.

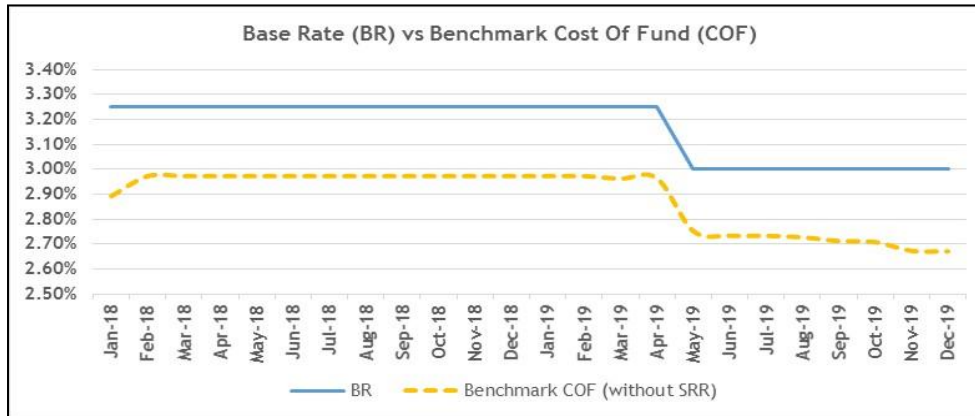
- a) In accordance to financing under the Community Murabahah, we acquire/purchase a specific Shariah compliant commodity from a third party (Commodity Trader 1) equivalent to the facility amount upon your request.
- b) We then sell the said commodity to you at the Bank’s Sale Price which comprised of 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 sells 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 Islamic Base Rate (IBR)?

Islamic Base Rate (IBR) is in accordance to the new Reference Rate Framework introduced by Bank Negara Malaysia (BNM) and it replaces the Base Financing Rate (BFR) as the pricing for retail Islamic financing effective 2nd January 2015. Under this new framework, we will use funding costs only as our benchmark to quote our base rate. IBR is computed based on our average cost of funds. The IBR will not only be adjusted when there are changes in monetary policy e.g. Overnight Policy Rate (OPR) but also changes in the funding conditions e.g. movement in Kuala Lumpur Interbank Offered Rate (KLIBOR).

4. Historical benchmark Cost Of Fund (COF) in the last 2 years



5. What do I get from this product?

No	Item	Description
(a)	Facility Amount	Minimum: RM10,000 Maximum: RM150,000 (Exclusive of insurance/ takaful coverage)
(b)	Ceiling Profit Rate (CPR)	Computation rate for CPR at the point of granting the financing: Islamic Base Rate (IBR) + 7.65% or 10.0% per annum (p.a.), whichever is higher. Currently IBR is at 1.75%
(c)	Margin of Financing (MOF)	Up to 105% inclusive of takaful
(d)	Effective Profit Rate (EPR)	1. IBR + 4.05% (During study and grace period) - Servicing of profit only. 2. IBR + 4.75% (Remaining years) - Servicing of instalment (principal and profit). IBR at 1.75% with effect from 09 July 2020
(e)	Tenure	Up to 15 years (180 months) or age up to 50 years old at end of facility tenure, whichever is earlier.
(f)	Payment of financing	(A) <u>Study and Grace Period</u> <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). (B) <u>After Grace Period</u> Monthly installment to start upon employment or six months upon completion of study, whichever is earlier.
(g)	Joint's Applicant Requirement	1. Up to maximum of 3 joint applicants (excluding main applicant) which limited to immediate family members. 2. Age 21 years old and not exceeding 70 years at the end of the financing period.

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 1,646

Total payment amount at the end of 10 years is RM230,629

55 th to 180 th months	Instalment Amount (IBR=1.75%)	In the event if the IBR rate goes up by 1% (2.75%)	In the event if the IBR rate goes up by 2% (3.75%)
Monthly Instalment (Average)	RM1,646	RM1,724	RM1,804
Total profit cost at the end of tenure	RM80,629	RM94,464	RM108,558
Total payment amount at the end of tenure	RM230,629	RM244,464	RM258,558

Calculation above is based on the following assumption:

- Facility Amount: RM 150,000.00
- Effective Profit Rate (EPR) : IBR + 4.05% p.a. (during study period plus 6 months grace period)
IBR + 4.75% p.a. (after study period plus 6 months grace period)
- Facility Tenure: 15 years
- Study period of 4 years and 6 months grace period

Important: The monthly instalment and total payment amounts will vary depending on IBR 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)

- Letter of Offer (3 copies) : RM30

*Note: Stamp duty on security documents depending on the type of security.

In the event we change the fees and charges, a notification will be given to you no less than twenty one (21) days prior to the effective date of the implementation.

8. What if I fail to fulfill my obligations?

▪ Late Payment Charge (LPC)

We have the right to be compensated on late and default payment based on the following mechanism: -

i. Overdue Instalment or Scheduled Payment

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.

	<p>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.</p> <p>In spite of the amount of LPC charged, the said of LPC will not be further compounded.</p>
<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. <p>Notice will be issued to you before any legal action is taken by us.</p>
<ul style="list-style-type: none"> ▪ Default Rate 	<p>For term financing where the payment for the Facility is by monthly, quarterly, half-yearly, yearly or bullet payment, we will be entitled to increase the profit margin of the Effective Profit Rate to Default Rate to be charged on the amount outstanding, or such other profit rates as we may prescribe from time to time with prior written notice to you, if the payment is due and unpaid for three (3) consecutive months from the first day of default.</p> <p>Provided always that such increase shall not cause the total payment amount to exceed the Bank's Sale Price. The Default Rate will be revised to the prevailing Effective Profit Rate upon full settlement of all your payment in arrears under the Facility.</p>
<ul style="list-style-type: none"> ▪ Right to set-off 	<p>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.</p>
<ul style="list-style-type: none"> ▪ Specific Conditions 	<p>In the event that the Facility granted by us is less than 100% of the total study fee as stipulated in the invoice(s) issued by the Approved Higher Educational Institution/University/College, you must:-</p> <ul style="list-style-type: none"> (i) Deposit into a designated non-checking account, a sum equivalent to the difference between the total study fee as stated in the invoice from the Approved Higher Educational Institution University/College and the facility amount (excluding the Takaful Contribution) ("the Differential Sum"); and (ii) Submit a standing instruction/irrevocable letter of instruction, whereby you irrevocably authorise us to deduct from the designated account, payment of the Differential Sum, progressively from time to time, such as payment for the costs of study, as stipulated by the Approved Higher Educational Institution/ University/College.

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 ("M2U") 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.

Notices, reminders, financing statements and correspondences in relation to this facility will be delivered in digital form through M2U. For this purpose, you have to maintain Maybank2u online services throughout the Tenure and to regularly check M2U inbox prudently.

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: 03-26167766
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 : bnmtelelink@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 **January 2021**

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

Main Applicant:**Joint Applicant 1:****Joint Applicant 2:****Joint Applicant 3:**

Signature:

Signature:

Signature:

Signature:

Name:

Name:

Name:

Name:

IC No.:

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