

## PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take out the Share Margin Financing-i (“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 NAME:

**SHARE MARGIN FINANCING-i (“Facility”)**

## DATE:

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

### 1. WHAT IS THIS PRODUCT ABOUT?

An Islamic share margin facility which enables Equity Investment Centre (EIC) customers\* to finance their share trading activities in acceptable quoted Shariah-approved counters listed in Bursa Malaysia Berhad. The Bank will provide the financing facility based on the collateral you have pledged for this Facility. Credit funds in margin account (for individual accounts) will earn indicative profit rate of Premier *Mudharabah* Account (PMA-i) rate.

\*This financing is open to Malaysian, Singaporean and Bruneian.

### 2. WHAT IS THE SHARIAH CONTRACT APPLICABLE?

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

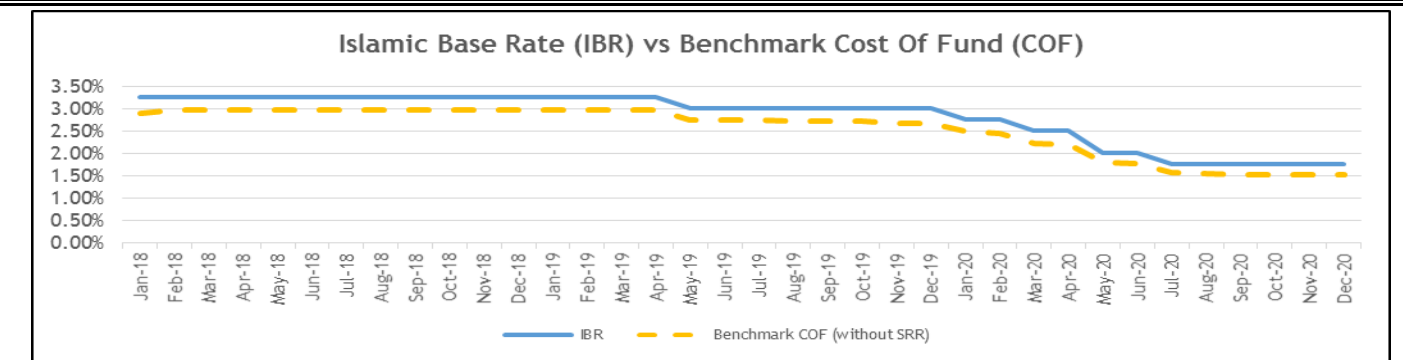
- In accordance to financing under the Community Murabahah, the Bank acquires/purchases a specific Shariah compliant commodity from a third party (Commodity Trader 1) upon request made by the Customer.
- The Bank then sells the said commodity to the Customer at the Bank’s Sale Price which comprised of the facility amount plus profit margin to be paid on deferred payment basis within the agreed tenure.
- The Customer then appoints the Bank as its agent to perform the commodity sale transaction to a third party for cash.
- The Bank, acting as an agent to the Customer then sells the commodity to a third party (Commodity Trader 2) at a price equivalent to the facility amount or limit.
- Proceeds of sale of the commodity will be disbursed to the Customer, vendors or stakeholders subject to the term and conditions of the facility.

For Commodity Murabahah trading purposes, the Bank shall at all times be your non-exclusive 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 and it replaces the Base Financing Rate (BFR) as the pricing for retail Islamic financing effective 2nd January 2015. Under this new framework, banks will use funding costs only as its benchmark to quote their base rate. Maybank Islamic’s IBR is computed based on its 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 3 YEARS



## 5. WHAT DO I GET FROM THIS PRODUCT?

Features	Description						
Financing Limit	Minimum : RM50,000 Maximum : RM 30,000,000						
Financing Tenure	Maximum of 5 years						
Selling Price Rate/ Ceiling Profit Rate	<table border="1"> <thead> <tr> <th>Type of Client</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>Islamic Base Rate (IBR) + 7.65% per annum (p.a.) or 10% p.a., whichever is higher * Current Islamic Base Rate (IBR) is at 1.75% with effect from 09/07/2020</td> </tr> <tr> <td>Corporate</td> <td>Base Financing Rate (BFR) + 4% per annum (p.a.) or 10% p.a., whichever is higher * Current Base Financing Rate (BFR) is at 5.40% with effect from 09/07/2020</td> </tr> </tbody> </table>	Type of Client	Rate	Individual	Islamic Base Rate (IBR) + 7.65% per annum (p.a.) or 10% p.a., whichever is higher * Current Islamic Base Rate (IBR) is at 1.75% with effect from 09/07/2020	Corporate	Base Financing Rate (BFR) + 4% per annum (p.a.) or 10% p.a., whichever is higher * Current Base Financing Rate (BFR) is at 5.40% with effect from 09/07/2020
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Total Trading Limit (with the application of multiplier to collateral value):

Type of Collateral *	Margin Facility***	Trading Facility	Total Available
Approved Shariah Shares / Cash	1.5x	1.0x	2.5x
Conventional Fixed Deposit** / General Investment Account	2.5x	1.0x	3.5x

\* Subject to Bank's capping and any other collateral / security acceptable from time to time

\*\* The collateral value shall be limited to the principal amount of the instrument.

\*\*\* Subject to the Bank's Terms and Conditions

## 6. WHAT ARE MY OBLIGATIONS?

Servicing the monthly profit is based on the utilised amount.

The monthly profit payable \* will be calculated daily based on the prevailing Effective Profit Rate, outstanding balance and number of days usage in the month.

There are two types of payment: -

▪ Monthly profit payable*	RM_____ (profit)
▪ Principal payment payable**	By monthly/quarterly/half yearly/ yearly reduction of limit or by bullet payment until all amounts under the facility are fully paid within the facility tenure.

**Note:** \*The total monthly profit payable may vary accordingly with the changes in Islamic Base Rate (IBR) and previous balance outstanding. If the IBR changes, the Effective Profit Rate will change but not exceeding the Ceiling Profit Rate.

\*\*As approved by the Bank.

## 7. WHAT OTHER CHARGES DO I HAVE TO PAY?

Initial Deposit for Opening of Account	Nil
Trading Fee	Individual : Waived Corporate : RM 15 per RM 1.0 million worth of commodities purchased  *As required by Bursa Malaysia for brokerage and related charges
Excess in Cash Line-i	Excess occurs if the utilized amount exceeds the maximum allowed amount that you may utilize from your Cash Line-i facility (Drawing Limit) as permitted by the Bank from time to time. All excess amount must be paid within twenty four (24) hours. In the event you fail to settle the excess amount within twenty four (24) hours, Late Payment Charges (LPC) shall be charged on the excess amount from the day your account being in excess.
Central Depository System (CDS) (Nominee) Fee	RM 10
Stamp Duty	As per the Stamp Duty Act 1949 (Revised 1989)
Share Withdrawal Fee	RM 20 per counter

Note:

- For Corporate Account, Legal Fees is to be paid directly to the Solicitor.
- All the above fees are subject to any tax at the prevailing standard rate (if applicable)

## 8. WHAT IF I FAIL TO FULFILL MY OBLIGATIONS?

<ul style="list-style-type: none"> <li>▪ <b>Late Payment Charge (LPC)</b></li> </ul>	<p>The Bank has the right to be compensated on late and default payment based on the following mechanism: -</p> <ol style="list-style-type: none"> <li>i. <u>Overdue Instalment or Scheduled Payment</u> Late Payment Charges (LPC) of 1% per annum will be imposed on the overdue monthly instalment payment from the first drawdown until its maturity date.</li> <li>ii. <u>Upon Maturity</u> Prevailing daily overnight Islamic Interbank Money Market (IIMM) rate will be charged for failure to pay the total outstanding balance after maturity or upon judgement, whichever earlier.</li> </ol> <p>However, the amount of LPC charged to the Customer will not be further compounded to the outstanding Facility Amount.</p>
<ul style="list-style-type: none"> <li>▪ <b>Legal action</b></li> </ul>	<p>Legal action may be taken against you under the following circumstances: -</p> <ul style="list-style-type: none"> <li>▪ Accumulation of monthly shortfall amounts (if any)</li> <li>▪ Failure to respond the reminders notices</li> </ul> <p>Any legal action initiated against you may affect your credit rating leading to credit being more difficult or expensive to you in the future.</p> <p>Notification will be given to you beforehand for any impending legal action.</p>
<ul style="list-style-type: none"> <li>▪ <b>Default Rate</b></li> </ul>	<p>In the event of you default on three (3) months in any due payment or your Cash Line-i account is in excess of the limit for three (3) months under the Facility, the Bank shall be entitled to increase the profit margin of the Effective Profit Rate to Base Financing Rate (BFR) + 2.5% p.a. or 1.0% p.a. above the Effective Profit Rate (if the Effective Profit Rate is BFR + 2.5% p.a. and above) ("the Default Rate") to be charged on the amount outstanding without exceeding Bank's Ceiling Profit Rate, or such other profit rates as the Bank may at its sole and absolute discretion prescribe from time to time.</p>

<ul style="list-style-type: none"> <li>▪ <b>Right to set-off</b></li> </ul>	The Bank has the right to set-off any credit balance in your account maintained with us against any outstanding balance of this facility.										
<ul style="list-style-type: none"> <li>▪ <b>Financing Margin Ratio (FMR)</b></li> </ul>	<p>The collateral should at all time be able to support the outstanding due under the Facility. If the collateral value falls below the required Financing Margin Ratio (FMR), the Bank will force sell the outstanding and if required, the Bank can liquidate your collateral to improve on the margin collateral. The Bank has the right to set-off any credit balance in any of your account(s) maintained with us against any outstanding balance/ losses/ outstanding profit in this Facility account.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #FFD700;"> <th>Financing Margin Ratio (FMR)</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Up to 60%</td> <td style="text-align: center;">Buy</td> </tr> <tr> <td style="text-align: center;">&gt; 60% - 72%</td> <td style="text-align: center;">Buy under T+ 2</td> </tr> <tr> <td style="text-align: center;">&gt; 72% - 85%</td> <td style="text-align: center;">Margin Call</td> </tr> <tr> <td style="text-align: center;">≥ 85%</td> <td style="text-align: center;">Force Selling</td> </tr> </tbody> </table> <p>FMR is calculated based on ratio of total outstanding against total collateral value.</p>	Financing Margin Ratio (FMR)	Action	Up to 60%	Buy	> 60% - 72%	Buy under T+ 2	> 72% - 85%	Margin Call	≥ 85%	Force Selling
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- Legal action will be initiated if you fail to respond to the reminder notices.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

## 9. WHAT IF I FULLY SETTLE THE FINANCING BEFORE ITS MATURITY?

The Bank shall grant rebate (*Ibra'*) to you on, but not limited to, the following events:

- You make early settlement or early redemption, including those arising from prepayments;
- In the event of early commencement of monthly instalment prior to the expiry of grace profit period (for progressive disbursement);
- In the event the Effective Profit Rate is lower than the Ceiling Profit Rate; and
- In the event the actual disbursed amount is less than the Facility Amount.

For avoidance of doubt, it is hereby acknowledged and agreed that the rebates referred to herein shall not be construed in any manner whatsoever as cash rebate payable to you, but shall be reflected as a reduction in the profit element of the Bank's Sale Price of the facility. The rebate shall only be deemed granted upon receipt of the settlement/redemption sum as determined by the Bank based on the following formula:

$$\left( \begin{array}{c} \text{Outstanding} \\ \text{Bank's Sale Price} \end{array} \right) \text{ Less } \left( \begin{array}{c} \text{Outstanding} \\ \text{Facility Amount} \end{array} \right) \text{ Less } \left( \begin{array}{c} \text{Other Amount due} \\ \text{to the Bank} \end{array} \right)$$

You may refer to our website at [www.maybank2u.com.my](http://www.maybank2u.com.my) for a sample illustration on the application of *Ibra'* and settlement amount formula.

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

## 10. DO I NEED A GUARANTOR OR COLLATERAL?

You may need to provide collateral such as:-

- Cash;
- Approved Shariah Shares;
- General Investment Account (GIA); or
- \*Conventional Fixed Deposits (Non-capitalisation of Interest);
- Islamic Fixed Deposits.

\*Note: The collateral value shall be limited to the principal amount of the instrument.

## 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 the Bank's terms and conditions. All costs associated with your instruction for physical delivery of the commodity, shall be borne by you.

## 12. WHAT DO I NEED TO DO IF THERE ARE CHANGES TO MY CONTACT DETAILS?

It is important that you inform the Bank of any changes in your contact details so that all correspondences reach you in a timely manner. To update please your correspondence details, please visit your Maybank or Maybank Islamic branches convenient to you.

## 13. WHERE CAN I GET ASSISTANCE AND REDRESS?

- If you need any information or assistance, please contact our Investment Share Executive / Manager at Maybank Equity Investment Centre:-

Please stamp here your  
name and EIC

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counseling and debt restructuring for individuals. You can contact AKPK at:

8<sup>th</sup> 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 complain on the products or services provided by us, you may contact us at

**Maybank**  
Customer Feedback Management  
28<sup>th</sup> 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 Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia  
Jalan Dato' Onn  
50480 Kuala Lumpur  
Tel : 1-300-88-5465  
Fax: 03-2174 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 BERHAD'S SHARE MARGIN FINANCING-i**

The information provided in this disclosure sheet is valid from October 2021