

PRODUCT DISCLOSURE SHEET

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

PRODUCT NAME:

ISLAMIC PORTFOLIO FINANCING (IPF) FACILITY

DATE:

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

1. WHAT IS THIS PRODUCT ABOUT?

IPF is a Shariah compliant short term revolving credit Facility secured by way of a charge or pledge of eligible investment assets ("Facility") with Maybank Islamic Berhad (referred to as "Bank" or "us" or "we" or "our"). The Facility is offered to our eligible customers for reinvestment towards Shariah investment with the Bank and available in Malaysia Ringgit (MYR) and United State Dollar (USD) currency.

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.

- In accordance to financing under the Commodity Murabahah, we acquire/purchase a specific Shariah compliant commodity from a third party (Commodity Trader 1) upon your request.
- 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.
- You then appoint us as your agent to perform the commodity sale transaction to a third party for cash.
- We, acting as your agent then sell the commodity to a third party (Commodity Trader 2) at a price equivalent to the Facility amount.
- 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 non-exclusive Agent to undertake the required Commodity Murabahah transactions related to the Facility.

The applicable Shariah supporting contracts are as follows:

- Bai al Sarf refers to a contract of exchange of money for money of the same or different type. Money is a medium of exchange that shall be in the form of currency, gold, silver, or other forms accepted by Shariah.
- Rahn refers to a contract where a party, as pledgor (rahin) pledges an asset as collateral (marhun) to another party, a pledgee (murtahin) to fulfil an obligor's liability or obligation (marhun bih) owing to the pledgee in the event of default of such obligor.

3. WHAT DO I GET FROM THIS PRODUCT?

Item	Description
Facility Type	Islamic Short Term Revolving Credit in MYR and USD
Facility Amount	Subject to the Bank's approval
Payment	Payable at the expiry of Profit Period, or upon demand.
Effective Profit Rate	<p>The Standard Base Rate ("SBR") or Cost of funds ("COF") plus fixed percentage ("Spread") per annum (p.a.)</p> <p>SBR/COF is subject to changes. The applicable COF shall be determined at the time of each drawdown based on the elected drawdown currency and Profit Period.</p> <p>The total payment amounts will vary depending on SBR/COF changes with seven (7) calendar days' written notice to be provided to you before the effective date of the implementation, which may result in higher monthly instalment or lengthen the Facility tenure. Provided always, the Effective Profit Rate will not exceed the Ceiling Profit Rate.</p>
Ceiling Profit Rate	SBR + 7.65% or 10% per annum, whichever is higher.
Profit Period	Up to twelve (12) months or for such other period as may be agreed between you and the Bank. Profit accrues daily and is payable in arrears at the end of the Profit Period for each drawdown provided that the last Profit Period shall not exceed the expiry of the Facility Tenure.
Tenure	From three (3) months and up to five (5) years. The Facility may be renewed by the Bank provided that a new Asset Sale Agreement is executed.

Drawdown Currency	<ul style="list-style-type: none"> For Facility in MYR, drawdown is in MYR only. For Facility in USD, drawdown can be in G10 currencies namely USD, SGD, AUD, NZD, GBP, EUR, HKD, JPY, CAD, CHF.
Drawing Limit	<p>The Drawing Limit shall be based on the aggregate Financing-To-Value of the eligible collaterals pledged to the Bank (see below).</p> <p>For Facility denominated in non-MYR a conversion into other currencies shall be based on Drawdown Exchange Rate which is the rate estimated by the Bank based on the average of Maybank's prevailing buying and selling Telegraphic Transfer (TT) foreign exchange rate.</p>
Financing -To-Value ("FTV")	Based on the Bank's assigned valuation for each of the eligible collateral pledged to the Bank, and is marked-to-market on daily basis. The Bank reserves the right to review and vary the FTV at the Bank's discretion from time to time or on adhoc basis (with prior written notice to you), which may vary the Drawing Limit.

4. WHAT OTHER CHARGES DO I HAVE TO PAY?

Stamp Duty	As per in the Stamp Duty Act 1949 (Revised 1989).
Tax	Subject to all applicable taxes and levies now or thereafter imposed by the laws.
Other Fees	Where applicable e.g. CDS Account Opening Fee, CDS Share Transfer Fee, Handling Right Issue Fee and other costs and expenses. (including legal fees and other charges incurred in the preparation of all documentation and perfection of the Bank's security documents).

If the Bank changes the fees and charges, a twenty-one (21) calendar days' written notice will be given to you before the effective date of the implementation.

5. WHAT ARE MY OBLIGATIONS?

- i. You are required to sign a Letter of Offer which will contain specific terms offered to you including amount and terms of financing.
- ii. To service the principal and profit for the Facility on a timely basis and to ensure that outstanding balance of the Facility does not exceed the Drawing Limit at all times.
- iii. To maintain the level of security required for the Facility as determined by the Bank at its discretion from time to time (the "**Required Collateral Level**"). In the event of a shortfall in respect of the Required Collateral Level (the "**Shortfall**"), the Bank shall notify you either verbally, electronically or in writing at its discretion. When the margin call made is made by the Bank, you shall remedy the shortfall within the settlement period stipulated in our notice to you.
- iv. You shall remedy the Shortfall by way of:
 - (a) providing additional eligible collateral(s) acceptable to the Bank;
 - (b) reducing the outstanding balance (including all outstanding accrued profit and charges); and/or
 - (c) selling down existing collateral(s) pledged to the Bank.
- v. If the Shortfall is not remedied within the stipulated settlement period, the Bank may realise (force-sell) the existing collateral(s) and apply the proceeds to reduce the amount outstanding under the Facility.
- vi. To settle the Facility in full when the notice is served upon the circumstances stipulated at the Bank's discretion or upon cancellation and or termination of the Facility.
- vii. To comply with Bank Negara Malaysia's **Foreign Exchange Policy Notices** as administered by Bank Negara Malaysia under the Islamic Financial Services Act 2013, including, but not limited to, **Foreign Exchange Policy Notices** (as may be amended or updated from time to time by the Bank Negara Malaysia) in relation to foreign currency financings, investments in foreign currency assets and/or investments abroad. For an individual customer, if your foreign borrowing or investment is more than RM10 mil equivalent in aggregate or such other requirement as may be imposed by the regulators, you are required to obtain prior approval from the Bank Negara Malaysia pursuant to the Foreign Exchange Policy Notices, you are responsible to obtain exchange control approval or complete any registration (if applicable) as required by Bank Negara Malaysia in respect of the Facility and the Security Documents.

viii. **Illustration of profit computation**

Please be advised that the figures below are used for illustration purposes only.

Facility Amount	:	5,000,000.00
Effective Profit Rate	:	3.00% p.a.
Outstanding Balance	:	2,000,000.00
Profit Period	:	3 months
Total Profit Due at the end of the Profit Period	:	Principal Outstanding x Profit Rate (%) x Profit Period = 2,000,000 x 3.00% p.a. x 90 days/360 days = 15,000

6. 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"> <u>Overdue (Excess)</u> For failure to pay any instalment or payment due from the date of the first disbursement of the Facility until its expiry or maturity date, an LPC sum equivalent to one percent (1%) per annum of the overdue instalment/payment or calculated by way of any other method approved by Bank Negara Malaysia (BNM). <u>Upon Maturity/ Judgment (Whichever is earlier)</u> At the LPC rate which shall be the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on the outstanding balance due and payable or any other method approved by BNM from time to time. The amount of LPC charged to the Customer will not be further compounded. The LPC shall be applied to the judgement sum and shall be payable from the date of judgement is made until the date of actual payment.
<ul style="list-style-type: none"> ▪ Legal action 	<ol style="list-style-type: none"> Legal action may be taken against you due to the following events: <ul style="list-style-type: none"> • Your failure to make any payment due and payable to us. • Your failure to respond to reminder notices. • Your failure to remedy any Shortfall. 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) consecutive months in any due payment or your account is in excess of the limit for three (3) months under the Facility, we will be entitled to increase the profit margin Rate to Islamic 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.</p> <p>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>
<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> <p>We may concurrently earmark the available funds in your accounts (whether jointly or otherwise) against the outstanding balance of the Facility upon the issuance of the notice to you.</p>
<ul style="list-style-type: none"> ▪ Right to sell-off 	<p>We have the right without terminating the Facility to force sell/liquidate any or all of the collaterals pledged to the Bank to reduce/settle the outstanding indebtedness of the Facility. In the event there is still an outstanding amount upon complete liquidation of all collaterals, you are required to make payment to settle the outstanding amount/indebtedness, failing which legal action may be taken against you.</p>
<ul style="list-style-type: none"> ▪ Termination 	<p>In the event of misrepresentation and/or breach of the terms of the Facility or any applicable laws rules, and regulations by you, we have the right to terminate the Facility with prior written notice to you.</p>

7. 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 prepayment of the Facility;
- (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 deemed 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'* and settlement amount formula.

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

8. WHAT ARE THE MAJOR RISK?

i. Effective Profit Rate Movement

The effective profit rate in respect of the Facility is variable and may change if there are any changes to the reference rates. An increase in profit rate may result in higher profit payments.

ii. Market Risk (not applicable to cash and fixed deposits)

The type of collateral(s) pledged may be subject to market risk fluctuation. A change in the acceptability of a collateral, decrease in the market value of the Collaterals and/or Bank's assigned valuation of the collateral(s) may result in a Shortfall.

iii. Foreign Currency Risk

The amount outstanding under the Facility and the market value of the collateral(s) may fluctuate due to foreign exchange movements. An unfavourable foreign exchange movement (applicable when there is a currency mismatch between the outstanding Facility and the collateral(s)) may result in a Shortfall.

iv. Amplified losses

Losses to your financial position and investment portfolio may be amplified due to leveraged reinvestment on the back of the risks highlighted above.

9. DO I NEED TO PROVIDE A GUARANTOR ?

No guarantor is required.

10. 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, shall be borne by you.

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

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

12. WHERE CAN I GET ASSISTANCE AND ADVICE?

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

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

- 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:

AKPK Headquarter
Tingkat 5 dan 6
Menara Bumiputra Commerce
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 1-800-88-2575
Website: www.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 Bank Negara Malaysia eLINK (Web Form) or BNMTELELINK at:

Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur
Tel: 1-300-88-5465
Fax: 03-2174 1515
Website: <https://telelink.bnm.gov.my/>

13. WHERE CAN I GET FURTHER INFORMATION?

You may liaise with your Client Advisor, Private Wealth / Relationship Manager, Premier Wealth for further information or contact us at Tel: 03-20748200.

14. WHAT ARE OTHER PACKAGES AVAILABLE?

Mortgage, Cash Line-i Facility (Overdraft), Share Margin Financing and ASB Financing (Bumiputera Only).



IMPORTANT NOTE:

WE HAVE THE RIGHT TO LIQUIDATE THE COLLATERAL PLEDGED TO US IN THE EVENT OF DEFAULT AND/OR SHORTFALL. SUBSEQUENTLY, LEGAL ACTION MAY BE TAKEN AGAINST YOU FOR THE RECOVERY OF THE SHORTFALL/ANY INDEBTEDNESS UNDER THE FACILITY UPON LIQUIDATION OF COLLATERALS.

DISCLAIMER

The information, terms and conditions in this product disclosure sheet are indicative and are not binding on us. The final terms and conditions are stipulated in the letter of offer after credit assessment and final approval by us.

The information provided in this disclosure sheet is valid as at July 2023 and will be valid until issue of any revision.

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

Main Applicant

Joint Applicant

Signature:

Signature:

Name:

Name:

ID No:

ID No: