

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take out the Education Financing-i (Edu Fin-i). 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:
Education Financing-i

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

1. WHAT IS THIS PRODUCT ABOUT?

Edu Fin-i is a Shariah-compliant financing 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 the Bank which backed with property or any other acceptable collaterals i.e. Islamic Fixed Deposit (IFD-i)/ Fixed Deposit (FD), General Investment Account (GIA-i) and Amanah Saham Bumiputera (ASB).

2. WHAT IS THE SHARIAH CONTRACT APPLICABLE?

The Shariah Contract applied is Murabahah (cost plus profit) via Commodity Murabahah/Tawarruq arrangement. It is a method of sale with a mark-up price where customer pays a 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.

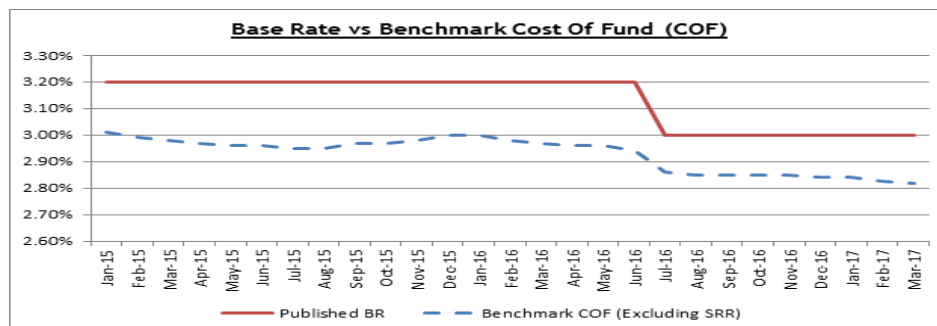
- In accordance to financing under the Commodity Murabahah, the Bank acquires/purchase a specific Shariah compliant commodity from a third party (Commodity Trader 1) upon request made by the Customer.
- The Bank then sells the said commodity to the Customer at the Bank's Sale Price which comprised of 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?

No	Item	Description												
(a)	Facility Amount	Depending on customer's financing margin eligibility												
(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, whichever is higher.												
(c)	Margin of Financing (MOF)	<table border="1"> <thead> <tr> <th>Collateral</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 collateral 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>	Collateral	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 collateral 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 shall be 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>												

6. WHAT ARE MY OBLIGATIONS?

You have to ensure that prompt payment is to be made by 1st day of every month. Calculation below is based on the following assumption:

- Financing Amount: RM 100,000.00
- Effective Profit Rate (EPR) : IBR + 2.65% p.a. (during study period plus 6 months grace period)
IBR + 3.65% p.a. (after study period)
- Financing Tenure: 20 years
- Financing will be released progressively to university (6-10 times)

Component	Collaterals pledge by Property/ IFD-i/GIA/FD			Collateral pledge by ASB		
	Today: IBR=3.00% Eff. Rate 6.75%	If IBR rate goes up 1%: IBR= 4.00% Eff. Rate 7.75%	If IBR rate goes up 2%: IBR= 5.00% Eff. Rate 8.75%	Today: IBR=3.00% Eff. Rate 4.85%	If IBR rate goes up 1%: IBR= 4.00% Eff. Rate 5.85%	If IBR rate goes up 2%: IBR= 5.00% Eff. Rate 6.85%
Monthly Instalment (Average)	RM761	RM821	RM884	RM652	RM708	RM767
Total profit cost at the end of 20 years	RM82,487	RM97,072	RM112,090	RM56,407	RM69,873	RM83,916
Total payment amount at the end of 20 years	RM182,487	RM197,027	RM212,090	RM156,407	RM169,873	RM183,916

Important: The monthly instalment and total payment amounts will vary depending on IBR changes which may result in higher monthly instalment or lengthen the financing tenure however the Effective Profit Rate will not exceed the Ceiling Profit Rate. The above is for illustration purpose only.

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 (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 collateral.</p>
ASB Certificate Fee (is applicable)	RM100
Legal fee (inclusive of tax) to be paid direct to solicitor	To be advised by appointed solicitor

8. WHAT IF I FAIL TO FULFILL MY OBLIGATIONS?

<ul style="list-style-type: none"> ▪ Late Payment Charge (LPC) 	<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"> 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. 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. <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"> ▪ Legal action 	<p>Legal action may be taken against you under the following circumstances: -</p> <ul style="list-style-type: none"> ▪ Accumulation of monthly shortfall amounts (if any) ▪ Failure to respond the reminders notices ▪ Any legal action initiated against you may affect your credit rating leading to credit being more difficult or expensive to you in the future. ▪ Notification will be given to you beforehand for any impending legal action.
<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, the Bank shall 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 the Bank may at its sole and absolute discretion prescribe from time to time, if the payment is due and unpaid for three (3) months from the first day</p>

	of default. Provided always that such increase shall not cause the total payment amount to exceed the Bank's Sale Price.
▪ Right to set-off	The Bank has the right to set-off any credit balance in your account maintained with us against any outstanding balance of this facility.

- 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 the Customer on, but not limited to, the following events:

- The Customer makes 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 the Customer, 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:

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

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

10. DO I NEED A GUARANTOR OR COLLATERAL?

No guarantor is required however customer is required to pledge any one of the below collateral :

- Property
- Fixed Deposit (Conventional or Islamic) /General Investment Account
- Amanah Saham Bumiputera (ASB)

11. DO I NEED TAKAFUL COVERAGE?

- Customer is encouraged to take takaful protection plan for coverage in event of death and permanent disability.
- The takaful contribution on single contribution shall depend on financing amount, age and gender.
- It is recommended to obtain takaful coverage from the Bank's panel takaful operators (Etiqa Family Berhad) or other takaful operators approved by the Bank.

12. 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.

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

It is important that you to 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 any Maybank or Maybank Islamic branches convenient to you.

14. WHAT IS THE JOINT APPLICANT'S REQUIREMENT?

- Up to maximum of four (4) joint applicants which limited to immediate family members
- Age ranging from 21 and 65 years and not exceeding 70 years at the end of the financing period.

15. WHERE CAN I GET ASSISTANCE AND REDRESS?

- 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 Branch.

Maybank

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:

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 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 : bnmtelink@bnm.gov.my

16. WHERE CAN I GET FURTHER INFORMATION?

You may visit the nearest Maybank branch or contact our Customer Service Centre at 1300-88-6688 or refer to our website for information at www.maybank2u.com.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 (Edu Fin-i).

The information provided in this disclosure sheet is valid from June 2019