

PRODUCT DISCLOSURE SHEET

<p>Please read this Product Disclosure Sheet before you decide to take up the product. Kindly seek clarification from the Bank if you do not understand any part of this document or the general terms stated herein.</p>	<input type="checkbox"/> Standard Home Financing-i (Residential / Commercial) <input type="checkbox"/> My First Home Scheme-i	<input type="checkbox"/> Ultimate-i (Residential / Commercial) <input type="checkbox"/> Other: _____
<p>Date : Customer Name :</p>		

1. What is this product about?
 The Bank Standard Home Financing-i, Ultimate-i and My First Home Scheme-i are Islamic financing property facilities secured against residential / commercial properties. Profit rate is calculated on variable rate basis.

2. What is the Shariah contract applicable?
 The applicable Shariah concept is *Tawarruq* which comprises *Murabahah* and *Wakalah*.

Tawarruq means arrangement that involves sale of an asset to the purchaser on a deferred basis and subsequent sale of the asset to a third party to obtain cash.

In this product, the *Tawarruq* arrangement shall be as follows:
 The Bank will sell the commodities to you on *Murabahah* basis at the Bank's Selling Price on deferred payment. In this arrangement, the purchase will be performed by the Bank as you Purchase Agent. The Bank will then sell the commodities to a third party Commodity Trader in capacity as you Sale Agent at costs price which shall be equivalent to the financing amount. The proceeds from the sale of the commodities will be disbursed to you as per agreed terms and conditions.

Murabahah refers to the selling of goods/assets at a price whereby the costs and profit margin (mark-up) are made known and agreed to by both parties.

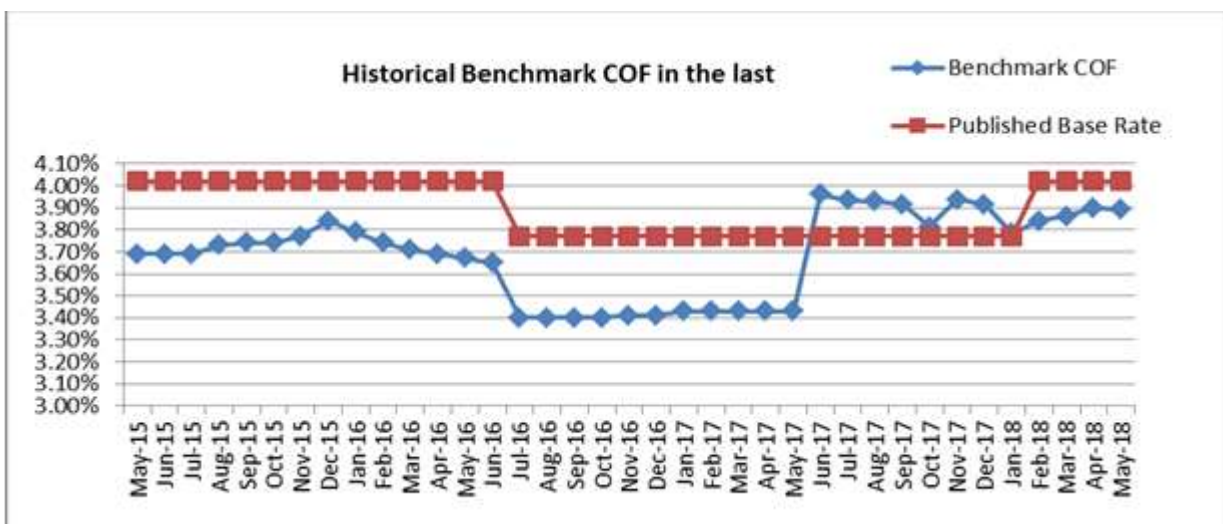
Wakalah refers to a contract in which a party mandates another party as his agent/*wakil* to perform a particular task. In this product, you appoint the Bank as your Purchase Agent and Sale Agent to perform the *Tawarruq* arrangement.

3. What is the Base Rate (BR)?
 The BR we offer on this product is made up of two parts, our benchmark cost of funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia. Our benchmark COF reflects the cost of fund for floating rate financing and mainly comprises of Customer Deposits and other floating rate funding raised by the Bank to fund these financing.

4. What are possible scenarios to trigger a change in the BR?
 Our BR can rise or fall due to changes in the benchmark COF and changes in the SRR. Changes in the benchmark COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as changes in the cost of funds used to fund floating rate financing.

Example:
 If the cost of customer deposit rises, the COF will rise as customer deposits is part of the components used to fund floating rate financing. The higher COF will trigger a rate increase in the BR.

5. Historical benchmark COF in the last 3 years



Note:

- Effective 1 July 2018, the Bank 's new methodology for the Benchmark Cost of Funds used to compute BR is based on the Bank's Commodity Murabahah Term Deposit Acceptance rates at 20 days Simple Moving Average.
- Our BR can rise or fall due to changes in the COF and changes in the SRR. Changes in the COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as changes in the cost of funds used to fund floating rate financing.

6. What do I get from this product?

A	Property Value (SPA/OMV)	RM <u>388,888.89</u>
B	Property Financing :RM <u>350,000</u>	RM <u>350,000</u>
	MRTT :RM _____	
	Will Writing :RM _____	
	Others :RM _____	
Total Financing Amount (Purchase Price)		
C	Margin of Financing (MOF) (B ÷ A)	<u>90</u> %

- Tenure : 30 years
- Ceiling Profit Rate : 11.00% p.a.
- Selling Price : RM 1,199,927.48
- Current BR: 4.15 %
- Indicative Effective Profit Rate:
Year 1 – 30 : 4.80 % p.a. (BR + 0.65 %)
Year _____ : _____ % p.a. (BR + / - _____ %)
Thereafter : _____ % p.a. (BR + / - _____ %)
- Profit Rate is calculated based on daily rest basis
**Note: Indicative Effective Profit Rate is subject to your credit rating and credit assessment.*

7. What are my obligations?

- Servicing the Grace Period Profit (GPP) / monthly progressive profit; or
- Servicing the monthly instalment

Rate	Current (BR= 4.15%)	If BR goes up by 1%	If BR goes up by 2%
Monthly Instalments	RM 1, 836.33	RM 2, 053.64	RM 2, 281.74
Total profit charged at the end of [<u>30</u>] years	RM 311, 078.35	RM 389, 308.83	RM 471, 425.74
Total payment amount at the end of [<u>30</u>] years	RM 661, 078.35	RM 739, 308.83	RM 821, 425.74

Note:

- For completed property, you are required to service monthly instalment upon first financing disbursement;
- For property under construction, the instalment amount is to commence upon full financing disbursement or expiry of grace period. Pending full financing disbursement, customer is to service the GPP/monthly profit charged calculated based on actual amount disbursed as follows:

$$\text{Grace Period Profit} = \text{Amount Disbursed} \times \left(\frac{\text{Current profit rate} \times \text{no. of days}}{365} \right)$$

Example calculation of GPP:

Assumption Effective Profit Rate = 5.75% ; Financing Amount = RM500,000; Total amount disbursed = RM100,000
Total Monthly GPP to be paid: [100,000 x 5.75% x (30/365)] = RM472.60

Important: Total monthly instalments and total payment amount may vary due to change in BR but not exceeding the Selling Price.

8. What are the fees and charges I have to pay?

Stamp Duty	▪ As per the Stamp Duty Act 1949 (Revised 1989)
Legal & Disbursement Fee	▪ Include solicitor fees for financing documentation, registration of charge, land search and bankruptcy search.
Processing Fee	▪ Residential Properties - Waived ▪ Commercial Properties - Based on financing amount ○ Below RM25K : Nil ○ RM25k-RM30K: RM50.00 ○ RM30,001 - RM100K : RM100.00 ○ Above RM100K : RM200.00
Valuation Fee	▪ For completed properties only
Letter for EPF Withdrawal	▪ RM50.00 per request
Redemption Statement	▪ RM50.00 per request

Note: With effect from 1st June 2018, 0% of Goods and Services Tax ("GST") will be imposed on you where applicable. Bank will notify from time to time if there are any changes. Notice will be given before the new fees and charges take effect (if any).

Kindly refer to our website at www.mbsbbank.com for further details of the fees and charges.

9. What if I fail to fulfil my obligations?

If you have difficulties in meeting your financing obligations, contact us early to discuss alternative payment arrangements. Delay on your part could lead to the following consequences:

- **Late Payment Compensation (*Ta'widh*)**

You shall be liable to pay the Bank Late Payment Compensation (*Ta'widh*) on any amount overdue as follows:

- a) if default occurs during the tenure of the facility or any part thereof, at a rate of one per centum (1%) per annum on such overdue instalment under the facility or such part thereof or such other method or rate as shall be stipulated by Shariah Advisory Committee of the Bank from time to time; and
- b) if default occurs after the maturity of the facility or any part thereof, at the rate that shall not exceed the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on the outstanding balance.

Notwithstanding the amount of Late Payment Compensation (*Ta'widh*) charged, it is expressly acknowledged and agreed that the said amount of Late Payment Compensation (*Ta'widh*) shall not be further compounded.

- **Right to set-off**

The Bank has the right to set-off any credit balance in your account maintained with the Bank against any outstanding balance in your financing facility account. However, it will be made known to you.

- **Legal action**

The Bank may proceed with legal action if you fail to respond to our reminder notices. Your property may be foreclosed. You will have to bear all costs in relation to the foreclosure. In the event, there is a shortfall after your property is sold, you are responsible to settle the remaining balance.

- **Credit Rating Deterioration**

Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

10. Will I be given *Ibra'* (Rebate)?

- The Bank shall grant *Ibra'* (Rebate), on such amount of the balance Selling Price remaining unpaid by you based on the following situations:-

- a) For variable rate financing, in the event the amount of profit calculated based on effective profit rate is lower than amount of profit calculated based on the ceiling / contracted profit rate.
- b) Upon full settlement of the financing facility by you in the following scenarios:-
 - i) Redemption or prepayment of the financing facility.
 - ii) Due to restructuring exercise.
 - iii) In the case of default by you.
 - iv) In the event of termination or cancellation of the financing facility before the expiry date.

- The Bank shall grant rebate (*Ibra'*) to you that is calculated in accordance to the following formula:

$$\text{Settlement Amount} = \text{Outstanding Selling Price} + \text{Instalments Due} + \text{Late Payment Compensation (Ta'widh)} + \text{Other Charges} - \text{Rebate (Ibra')}$$

$$\text{Rebate (Ibra')} = \text{Deferment Profit} - \text{Early Settlement Charges (if any)}$$

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

- In the event you opt to make an early settlement before the expiry of the facility tenure, you shall pay to the Bank all the actual costs incurred and duly paid by the Bank on your behalf (including but not limited to legal and valuation fees).

12. Do I need any Takaful coverage?

- The following Takaful policies are required to be taken from our panel of Takaful providers or other Takaful providers of your choice approved by the Bank:-

- **Mortgage Reducing Term Takaful (MRTT)**

MRTT is a Takaful scheme to cover a customer who is a covered member against death or permanent disability. In the event of any unfortunate circumstances, the MRTT will pay off the outstanding financing facility amount in accordance to the MRTT Table of Benefits. MRTT is compulsory with the following flexibility:

- ✓ For financing amount below RM250K: 100% coverage for full financing tenor; or
- ✓ For financing amount RM250K to RM500K: 70% coverage for a minimum of 10 years; or
- ✓ For financing amount above RM500K: 50% coverage for a minimum 5 years.

- **Fire Takaful**

Fire Takaful covers damages or destruction due to fire to any property charged to the Bank as collateral. This is a compulsory Takaful to protect the property and help you cope with any costs of rebuilding or repairing the property in the event of fire.

13. What are the major risks?

- **Variable Rate**

The financing rate is a variable rate and may change according to change(s) in the reference rate (i.e. BR). An increase in profit rate may result in higher monthly instalment or extension of tenure.

- **Exceeding Retirement Age**

For financing tenure that extends into retirement age, you are obliged to meet the financing payments during your retirement age by considering alternative avenues of payment.

14. Do I need to provide guarantor?

- Case to case basis depending on your credit assessment by the Bank, you may be required to provide a guarantor.

15. Can I appoint a lawyer who is not listed in the Bank's panel lawyer?

- Yes, subject to the Bank's approval for such an appointment. However it is not recommended as the lawyer may not be well versed with the Bank's documentation requirement and hence may result in delays.

16. How do I make payment for my financing account?

- Financing payments can be made at / via:-
 - Any of our branches nationwide – cash or cheque;
 - Any of Bank Simpanan Nasional (BSN) under Giro Service;
 - Maybank2u – online Bill Payment Service (www.maybank2u.com.my);
 - CIMB - online Bill Payment Service (www.cimbclicks.com.my);
 - RHB Now – online Bill Payment Service (www.rhb.com.my)

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

- It is important that you inform the Bank of any change(s) in your contact details to ensure that all correspondences reach you in a timely manner. Please contact 03-2096 3000 (Customer Call Center) or visit the nearest branch to update any change(s).

18. Where can I get assistance and redress?

If you have difficulties in making payments, you should contact us earliest possible to discuss alternative payment arrangements. You may contact us at:

Retail Collection & Management Division
9th Floor, Menara MBSB,
46, Jalan Dungun,
Damansara Heights,
50490 Kuala Lumpur.
Tel. No. : 03-2082 8000 / No. Fax : 03-2092 1035

Alternatively, you may seek the service 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:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)
Tingkat 8, Maju Junction Mall,
1001, Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel. No.: 03-2616 7766
Email : enquiry@akpk.org.my

If you wish to lodge a complaint pursuant to the products and services provided by us, you may contact us at:

Customer Relationship Management Dept
7th Floor, Wisma MBSB,
48 Jalan Dungun, Damansara Heights,
50490 Kuala Lumpur,
Tel. No.: 03 – 2096 3000
E-mail : enquiry@mbsbbank.com

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. No.: 1-300-88-5465
Fax No.: 03-2174 1515
E-mail : bnmtelelink@bnm.gov.my

19. Where can I get further information?

Should you require additional information on Islamic Property Financing, please contact us at our nearest branch or visit our website at www.mbsbbank.com

You may also visit our Mortgage Department at:

Mortgage Department
11th Floor, Menara MBSB,
46 Jalan Dungun, Damansara Heights,
50490 Kuala Lumpur
Tel. No. : 03-2082 8000
Fax No. : 03-2020 8135

20. Other relevant information?

- The financing amount and tenure approved by the Bank may be lower than the applied amount, in accordance with the Bank's policies and discretion and shall depend on the Bank's due credit processes and/or your credit profile or creditworthiness.
- As required by the law, the Bank will share your credit data with the relevant credit bureau or other regulators.

21. Other Islamic property packages available?

- We also provide financing for land and construction of residential property.

IMPORTANT NOTE: YOUR PROPERTY MAY BE FORECLOSED IF YOU DO NOT KEEP UP WITH YOUR MONTHLY FINANCING PAYMENTS

The information provided in this disclosure sheet is valid as at 1 July 2018

Disclaimer:

The terms and conditions indicated in this Product Disclosure Sheet are tentative/indicative and not binding on the Bank. The final terms and conditions are as stipulated in the Letter of Offer and Facility Agreement after credit assessment has been performed and the financing is approved.

For the Bank's use only:

Sales Executive is required to fill up this form upon attending the financing application.