

PRODUCT DISCLOSURE SHEET

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your education financing. Other customers have read this PDS and found it helpful, you should read it too.

1 WHAT IS EDUCATION FINANCING-i

Education Financing-i to finance full and part time study packages offered by educational institutions recognized by the Government of Malaysia. The financing applied will be calculated on floating rate at monthly basis. The applicable Shariah contract is Tawarruq which consists of two sale and purchase contracts. The first involves customer purchases a commodity from Bank Islam (also act as customer's purchase agent) on Murabahah (cost plus sale) basis at Bank Islam's Sale Price. Subsequently, customer (via Bank Islam as the sale agent), sells the commodity to a third party at cost price on a cash and spot basis, and the proceeds are given to the customer. The customer must pay Bank Islam's Sale Price as per the agreed terms.

2 KNOW YOUR OBLIGATIONS

For this financing, as an illustration:

- Your financing amount = **RM200,000.00**
- Monthly instalment = **RM2,334.56**
- Your financing tenure = **10 years**
- Ceiling profit rate = **15.00% p.a.**
- Sale price = **RM387,203.90**
- Effective Profit Rate (EPR) = **SBR (2.75% p.a.)* + 4.37% p.a. = 7.12% p.a.**

In total you will pay RM280,146.93 at the end of 10 years.

*The SBR is set as the Overnight Policy Rate (OPR) decided by Bank Negara Malaysia (BNM). Please refer to Bank Islam's website <https://www.bankislam.com/deposit-financing-rates/> for the latest SBR.

You have to pay the following fees and charges:

- I. Stamp duty: 0.5% of financing amount.
- II. Agency fee: RM50.
- III. Late payment charges: 1% p.a. on the overdue instalments.
- IV. Financing cancellation: All costs incurred by Bank Islam, if any, for the preparation, registration of security documents and expenses incurred during the claim process upon cancellation.

Note: Please refer to our website at www.bankislam.com for further details on fees and charges.

If you wish to settle your financing early, you should know:

No 'lock in period' for this facility and Bank Islam shall grant Ibra' (rebate) on the deferred profit after full settlement is made.

3 KNOW YOUR RISKS

What happens if you ignore your obligations:

- I. You **pay more in total** due to late payment charges (compensation charges/ Ta'widh).
- II. We may **deduct** money from any account you have with us to set off your financing outstanding balance.
- III. We may **take legal action** against you.
- IV. Your **credit score** may be affected leading to credit being more difficult or expensive to you.
- V. Cross default of other facilities with Bank Islam may be triggered.

You monthly instalment may increase during the tenure of your financing.

The SBR may increase due to a rise in the OPR set by BNM. An increase in SBR means you shall pay a **higher monthly instalment**.

	Current rate at 7.12% p.a.	Rate increase by 1% p.a.	Rate increase by 2% p.a.
Monthly instalment	RM2,334.56	RM2,439.25	RM2,546.52
Total profit	RM80,146.93	RM92,710.25	RM105,582.69
Total payment	RM280,146.93	RM292,710.25	RM305,582.69

4 OTHER KEY TERMS

- To inform us of any change in your contact details.
- Takaful coverage is optional, however you are advised to subscribe to the Education Financing-i Takaful Plan (EFTP) from Syarikat Takaful Malaysia Berhad or any other Takaful operator which is operating in Malaysia for protection against the event of death or total permanent disability.
- For your own convenience, EFTP is currently made available by the Takaful provider approved by the Bank.
- Bank Islam may require a guarantor(s) or collateral(s) should the minimum credit requirement is not met.
- You are expected to:
 - i. Maintain satisfactory examination results as required by your Educational Institutions; and
 - ii. Complete your course of study within scheduled period; and
 - iii. Abide with all disciplinary requirements of your Educational Institution
- If you failed to comply with the above which leads to an extension of the scheduled course period, termination of the course, or you are dismissed from the course, these events will constitute as Additional Events of Default and the Bank has the right to take relevant action as stated in the terms and conditions of the financing.
- Agensi Kaunseling dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals.

If you have any questions or require assistance on our product, you can:



Call us at
+603-26 900 900



Visit us at
<https://www.bankislam.com>



Email us at
contactcentre@bankislam.com.my

Customer's Acknowledgment

(A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions).

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

☐ I acknowledge that Bank Islam has provided me with a copy of the PDS.

☐ I have read and understood the key information contained in this PDS.

Name:

Date: