

## Dear Customer,

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

## 1 WHAT IS HOME/ PROPERTY FINANCING-i

**Home/ Property Financing-i** is a secured financing calculated on floating rate basis. The profit is calculated based on monthly reducing balance method and will change upon revision of the Standardised Base Rate (SBR). You are offering your house/ property as a security for this financing. This financing will assist you in:

- Purchasing of a residential property either completed or under construction, including Step Up Payment Scheme (refer details and illustration in item 5 below).
- Refinancing of a completed residential property.
- Obtaining cash financing for personal consumption.
- Renting of a residential property developed on a Wakaf land.
- Purchasing of business premises.
- Refinancing of completed business premises.
- Purchasing of a land with or without construction of a residential property.
- Refinancing of a land with or without construction of a residential property.

The applicable Shariah contract is Tawarruq which consists of two sale and purchase contracts. The first involves customer purchases a commodity from Bank Islam (as the customer's purchase agent) on Murabahah (cost plus sale) basis at Bank Islam's Sale Price. Subsequently, Bank Islam (who act as customer's 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 home/ property financing, as an illustration:

- Your financing amount = **RM350,000.00**
- Your monthly instalment = **RM1,508.01**
- Your financing tenure = **35 years**
- Ceiling profit rate = **10.25% p.a.**
- Sale price = **RM1,291,918.00**
- Effective Profit Rate (EPR) = **SBR (3.00% p.a.)\* + 0.80% p.a. = 3.80% p.a.**

**In total you will pay RM633,364.20** at the end of 35 years.

### For the cash financing as per item 1(c) above, as an illustration:

- Your financing amount = **RM100,000.00**
- Your monthly instalment = **RM1,002.97**
- Your financing tenure = **10 years**
- Ceiling profit rate = **10.25% p.a.**
- Sale price = **RM160,246.80**
- Effective Profit Rate (EPR) = **SBR (3.00% p.a.)\* + 0.80% p.a. = 3.80% p.a.**

**In total you will pay RM120,356.40** at the end of 10 years.

### It is your responsibility to:



Read and understand the **key terms** in the **contract** before you sign.



Pay your monthly instalment timely and in full for **35 years (home financing) and/or 10 years (cash financing)**. Speak to us if you wish to settle your financing earlier.



Ensure you can afford to **pay a higher instalment** if the Overnight Policy Rate (OPR) rises.



**Contact us immediately** if you are unable to pay your monthly instalment.

### You also have to pay the following fees and charges:

- Stamp duty: 0.5% of financing amount.
- Agency fee: RM50.
- Disbursement fee: Including fee for registration of charge and other related charges.
- Valuation fee: Applicable to completed property or own construction or property by the appointed contractor only.
- 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.
- Late payment charges: 1% p.a. on the overdue instalments.

*\*The SBR is set as the OPR decided by Bank Negara Malaysia (BNM). The SBR can rise or fall due to changes in the OPR.*

## 3 KNOW YOUR RISKS

### What happen if you fail to pay your monthly instalments?

- You **pay more in total** due to late payment charges (compensation charges/ Ta'widh).
- We may **deduct** money from any account you have with us to set off your financing outstanding balance.
- We may **foreclose** your property and **take legal action** against you.

## PRODUCT DISCLOSURE SHEET

- 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 3.80% p.a.	Rate increase by 1% p.a.	Rate increase by 2% p.a.
Monthly instalment	RM1,508.01	RM1,722.02	RM1,948.88
Total profit	RM283,362.30	RM373,246.85	RM468,528.90
Total payment	RM633,362.30	RM723,246.85	RM818,528.90

## 4 OTHER KEY TERMS

- To inform us of any change in your contact details.
- No 'lock in period' for this facility and Bank Islam shall grant Ibra' (rebate) on the deferred profit upon early settlement of the financing.
- Compulsory to subscribe for a Mortgage Reducing Term Takaful (MRTT) or Mortgage Level Term Takaful (MLTT). Houseowner & Householder Takaful and/or Takaful myHome Cover plan are also offered as option.

## 5 STEP UP PAYMENT SCHEME

Bank Islam also offers Step Up Payment Scheme to customer who fulfilment of the following criteria:

- I. Malaysian citizen; IV. Gross household income of not more than RM5,000 per month;  
II. First time house buyer for own occupation; V. No record of impaired financing for the past twelve (12) months; and  
III. Property price of not more than RM300,000; VI. Margin of financing of up to 90%.

The customer is only required to serve the monthly profit based on the prevailing EPR for the first five (5) years of the financing tenure. There will be no reduction to the outstanding financing amount through monthly payment made during the Grace Period and Step-Up period which may give effect to a higher financing cost under this scheme.

For this scheme, below is the EPR illustration:

Tier 1 (1 to 12 month)	*SBR (3% p.a.) + 0.00% = 3.00% p.a.
Tier 2 (13 to 24 month)	*SBR (3% p.a.) + 0.73% = 3.73% p.a.
Tier 3 (25 to 420 month)	*SBR (3% p.a.) + 0.73% = 3.73% p.a.

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](mailto: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: