PRODUCT DISCLOSURE SHEET **(Please read this Product Disclosure Sheet before you decide to take out the Property Financing-i (*Tawarruq*) – Wahdah Home Refinancing. Be sure to also read the terms in the letter of offer. Seek clarification from Bank you do not understand any part of this document or the general terms)**	**Bank Islam Malaysia Berhad** **Property Financing-i (*Tawarruq*) - Wahdah Home Refinancing** **Date : _____ (dd/mm/yy)**

1. What is this product about?

This financing facility is to assist you in refinancing a completed residential property. The Bank's Sale Price is derived based on the Ceiling Profit Rate (CPR), which is fixed throughout the tenure. However, the Effective Profit Rate (EPR) is calculated on a variable rate basis and the facility is secured against the property to be financed. Additional security such as guarantor, etc may be requested depending on the credit assessment.

2. What is the Shariah concept applicable?

The Shariah concept used is *Tawarruq.*

It is the purchase of a commodity on deferred payment basis. The commodity is then sold by the purchaser for cash for a party other than the original seller. Tawarruq concept is further described below.

The customer purchases the commodity from the Bank on Murabahah basis at the Bank's Sale Price. In this arrangement, the purchase will be performed by the Bank as the Purchase Agent for the customer. As the Sale Agent for the customer, the Bank shall sell the commodity to a commodity purchaser at cost price. Proceeds from the transaction will be credited for customer's utilization. The customer is obliged to pay the amount due from the Murabahah transaction as per the agreed terms.

"Commodity" means any commodity acceptable to the Bank e.g. palm oil, plastic resin, rubber, cocoa beans, soy beans, timber and metal (excluding gold and silver) traded at any commodity trading platform approved by the Bank. The purchase and sale of the commodity are performed based on the mandate of the customer, where the Bank as Purchase Agent and Sale Agent trades the Commodity as made available and provided by commodity providers subject to the Bank prevailing policies.

3. What do I get from this product?

➢ Total financing amount : RM350,000.00 ➢ Margin of Financing : 90% ➢ Tenure : 30 years	➢ Ceiling Profit Rate : 10.75% p.a ➢ Bank's Sale Price : RM 1,176,184.80 ➢ Effective Profit Rate : 3.52% ➢ BR (+) 0.73% ➢ Base Rate : 2.52%

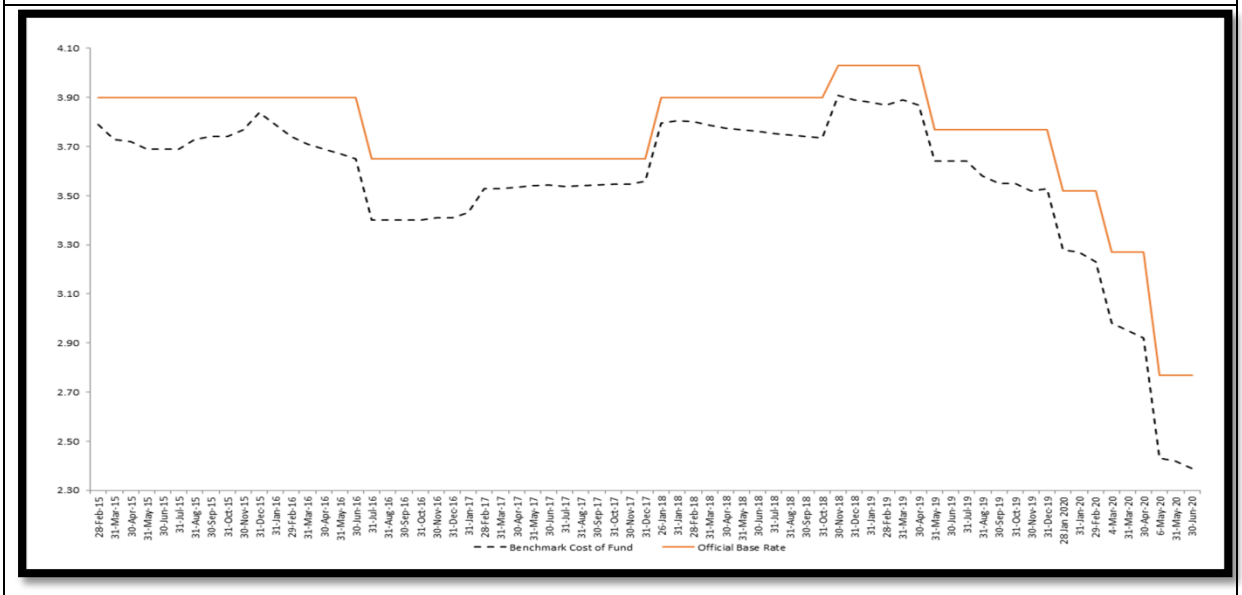
4. What is the Base Rate (BR)?

The Base Rate 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 raising new funds and is based on 3-month KLIBOR as the reference rate plus a Funding Cost Adjustment.

5. 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 market funding conditions due to global and domestic economic environment.

6. Historical Benchmark COF in the last 3 years*



Note : *The above Historical Benchmark Cost of Fund (COF) is from December 2014 as Base Rate requirement was introduced following Bank Negara Malaysia's policy on Reference Rata Framework (effective 2 January 2015). For Base Rate on 30 June 2020, the Benchmark COF used was based on 3 months KLIBOR as at 30 June 2020.

7. What are my obligations?

- Your monthly instalment is RM1,523.22

Total payment amount at the end of 30 years is RM548,359.20

Important: Your monthly instalment and total payment will vary if the BR changes.

Example :

Profit Rate	Today (BR =2.52% p.a)	If BR goes up 1%	If BR goes up 2%
Monthly Instalment	RM1,523.22	RM1,721.79	RM1,932.71
Total profit cost at the end of 30 years	RM198,359.20	RM269,844.40	RM345,775.60
Total payment amount at the end of 30 years	RM548,359.20	RM619,844.40	RM695,775.60

- The Bank shall grant you ibra' (discount) on the deferred profit should you wish to terminate the financing upon full settlement of the above.

- Customer is obliged to pay the monthly payment until full settlement of the financing. Should the financing tenure extended beyond the retirement age, the customer is still obliged to pay the monthly payment. However, the customer may opt at any time to fully settled the financing upon reaching retirement age.

- If the property is purchased from the developer and under construction, you are to service the Grace Period Profit (GPP) based on the full financing amount. However, the profit charged on your financing account will be based on the actual financing amount disbursed. The excess amount between the monthly payment and the actual profit charged will be parked in "Advance Payment Bucket", and shall be utilized to set-off any shortfall in monthly payment or to settle any other charges that may incur in the future.

8. What other charges do I have to pay?

a) Stamp Duties
As per the Stamp Duty Act 1949 (Revised 1989)

b) Disbursement Fee
Include fees for registration of charge and other related charges

c) Legal Fees pertaining to securities documentations
You are required to pay all legal fees and incidental expenses related in connection with the Banking Facility (including but not limited to the preparation, stamping and registration of any security documents and the lodgement and withdrawal of caveats).

d) Valuation Fees
Applicable for completed property or own construction of property by the appointed contractor

e) Processing Fees
Waived

f) Agency Fees
RM25.00 - Appointment of the Bank as Purchase Agent (ABPA) - Waived
RM25.00 - Appointment of the Bank as Sales Agent (ABSA) - Waived

Cancellation of the facility
You are to pay the Bank all costs (if any) for the preparation and registration of securities documents that has been incurred by the Bank in connection with the Facility including the expenses incurred during the claim process if the facility is cancelled.

9. What if I fail to fulfil my obligations?

Should you fail to fulfill your obligation in a timely manner, the following shall apply :-

1. Late Payment

The Bank shall impose Ta'widh (compensation for late payment charge) to you as follows:-

- Before maturity of the facility
  A sum equivalent to one per centum (1%) per annum on overdue installment(s) until date of full payment;

- After maturity of the facility
  A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on outstanding balance i.e. outstanding Sale Price less ibra' (if any);

- Post judgment debt
  A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on basic judgment sum calculated from judgment date until date of full payment.

  Note: The imposition of Ta'widh shall be in such manner as approved by Bank Negara Malaysia from time to time.

2. Event of Default

- In the event of default of payment, the Bank may by written notice to you, demand for immediate payment of amount overdue from you and/or the guarantor.

- The Bank has the right to set-off any credit balance in your deposit and/or investment account which is maintained with the Bank against any overdue payment under this financing.

- Legal action will be taken if you fail to respond to the reminder notices. Any security pledged to the Bank (such as property, machinery, etc.) may be foreclosed/repossessed and you are to bear all costs incurred in the disposal of the asset. You are also responsible to settle any shortfall after the asset is sold.

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

- Trigger of cross default of other facilities with the Bank. .

10. What if I fully settle the financing during the lock-in period?

Lock-in period is not applicable for this Product

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

The Bank undertakes to grant you an Ibra' (rebate) which is equivalent to the deferred Profit at the point of settlement.

Ibra' formula :

Ibra' / Rebate on early settlement = Deferred Profit

Note :
i. Deferred Profit = Total Contracted Profit – Accrued Profit
ii. Total Contracted Profit = Sale Price – Purchase Price (or Financing Amount)
iii. Accrued Profit is calculated based on Effective Profit Rate of the outstanding Purchase Price (or Financing Amount) being disbursed (or utilised)

For early settlement of financing facility, you shall be entitled for rebate on contributions made for the Mortgage Reducing Term Takaful (MRTT)/Mortgage Level Term Takaful (MLTT) and / or Houseowner / Householder Takaful Plan from the appointed Takaful Operator (if applicable).

12. Do I need any takaful coverage?

- Mortgage Reducing Term Takaful (MRTT)/Mortgage Level Term Takaful (MLTT) - compulsory
- Houseowner/Householder Takaful Plan - (if applicable)

Note : Quotations will be provided by the Bank for MRTT/MLTT Takaful offered by the Bank's panel of Takaful operators. You are free to choose the service of any non-panel takaful operators in the country. However, to avoid any delay for disbursement of the financing amount, the appointment of the Bank's panel Takaful is highly encouraged. The Bank shall only accept MRTT/MLTT coverage for the financing facility while for conventional MRTA plan is strictly not allowed.

13. What are the major risks?

- **Death of accountholder / joint accountholder**
  Without derogating and/or limiting the Bank's rights and remedies currently available under the financing and/or security documents, upon death of the Customer, the Customer's heirs or successors in title shall continue to make the monthly payment on the outstanding financing amount based on the agreed terms until full settlement. For financing facility which is covered against MRTT/MLTT and where the claim amount received from the Takaful operator is insufficient to fully settle the financing, the Customer's heirs or successors in title shall continue to make the monthly payment on the outstanding financing amount based on the agreed terms until full settlement. In the case of joint account, the surviving Customer shall continue to make the monthly payment on the outstanding financing amount based on the agreed terms until full settlement.

- If your financing facility is under Variable Rate, the Effective Profit Rate (EPR) will change according to the movement in the Base Rate (BR). Hence, the Monthly Instalment amount may also be revised according to the changes of the EPR. (applicable only if the financing is under Floating Rate)

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

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you may inform us in writing or visit the nearest Bank Islam Branch.

15. Where can I get assistance and redress?

If you have difficulties in making monthly payments, you should contact us earliest possible to discuss repayment alternatives. You may contact us at :

Customer Care Department
Tingkat 17, Menara Bank Islam
No. 22 Jalan Perak
50450 Kuala Lumpur
Tel : 03-26900900
Fax : 03-27821352
E-mail : customercare@bankislam.com.my

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 counselling and debt restructuring for individuals. You can contact AKPK at:

Tingkat 8, Maju Junction Mall
1001, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 1-800-88-2575
E-mail : enquiry@akpk.org.my

If you wish to complaint on the products or services provided by us, you may contact us at :

Customer Care Department
Tingkat 17, Menara Bank Islam
No. 22 Jalan Perak
50450 Kuala Lumpur
Tel : 03-26900900
Fax : 03-27821352
E-mail : customercare@bankislam.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 : 03-21741515
E-mail : bnmtelelink@bnm.gov.my

16. Where can I get further information?

Should you require additional information on Islamic house financing, please refer to the bankinginfo booklet on "House Financing-i", available at all our branches and the www.bankinginfo.com.my website.

17. Other house financing packages available

Property Financing-i *(Tawarruq)* – Baiti Home Financing

IMPORTANT NOTE : YOUR HOUSE MAY BE FORECLOSED IF YOU DO NOT KEEP PAYING INSTALMENTS ON YOUR HOUSE FINANCING

The information provided in this disclosure sheet is valid as at or until _____ (dd/mm/yy)

Note :

1. The above is for illustration purposes only. Profit and charges may vary and subject to the Bank's terms and conditions.

2. The above information provided in this disclosure sheet is valid as at date hereof.

3. The BR shown in this disclosure sheet is subject to changes.