

PRODUCT DISCLOSURE SHEET

Education Financing-i

Read this Product Disclosure Sheet before you decide to take up this product. Be sure to read the general terms and conditions. Seek clarification from your institution if you do not understand any part of this document or the general terms.

Product Type : Education Financing-i

Date : _____

1 What is this product about?

Education Financing-i ("EduF-i") is a Shariah-compliant financing facility that provides financial assistance to qualified students for pursuing their studies in Foundation, Pre-University (A-Level), Diploma, Degree, Postgraduate (Master's Degrees and Doctorates) and Professional courses in the selected local/private education institutions under the Bank's empanelment. The Coursework Programme is subject to the Bank's approval.

2 What is the Shariah concept applicable?

This product is based on the concept of **Tawarruq**, whereby:

- The Customer(s), via the Security Documents, will execute Purchase Request and Promise to Buy (Wa'd) for the commodity from the Bank at Selling Price based on Murabahah consisting the cost price of the Commodity and disclosed profit margin. At the same time, Customer(s) also appoints the Bank as an agent (Wakalah) to sell the Commodity to third party commodity trader.
- Upon approval of the application, the Bank will offer the Facility via short message system ("SMS"). Upon receiving Customer(s)' reply to accept the Facility via SMS, the Bank will purchase the Commodity at cost price which is equivalent to the Purchase Price/ Financing Amount.
- Upon transfer of ownership of the Commodity to the Bank, the Bank will then sell the Commodity to the Customer(s) at the Selling Price based on Murabahah which will be payable by the Customer(s) to the Bank by way of instalment or deferred payment basis. The Customer(s) will buy the same Commodity at the Selling Price. The Murabahah sale transaction is concluded via SMS.
- Upon completion of item (ii) and (iii) above, the Bank, acting as the Customer(s)' agent will sell the Commodity to the third party commodity trader at the cost price of the Commodity which is equivalent to the Purchase Price. The proceeds from the sale of the commodities will be disbursed to paneled Education Institution as per agreed terms and conditions.

3 What is the Standardised Base Rate (SBR)?

The SBR we offer on this product is based on the benchmark rate specified by Bank Negara Malaysia. The benchmark rate is currently set as the Overnight Policy Rate (OPR), which reflects the monetary policy stance as decided by the Monetary Policy Committee of Bank Negara Malaysia.

For more information on SBR implementation, please refer to BNM's Consumer Guide and Frequently Asked Questions (FAQs) at:

https://www.mbsbbank.com/SBR_BR_BFR

4 What are possible scenarios to trigger a change in the BR?

The SBR can rise or fall due to changes in the benchmark rate, i.e. changes in the Overnight Policy Rate (OPR).

5 Historical SBR for the past 3 years.

Please refer to the latest update of the historical benchmark SBR at www.mbsbbank.com (to refer para 3)

6 What do I get from this product?

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|--|----------------------------------|
| Coursework Structure/ Fee | RM _____ |
| Financing Amount Applied | RM _____ |
| Selling Price | RM _____ |
| Financing Tenure | _____ year(s) (including GP/ SP) |
| Grace/ Study Period (GP/ SP) | _____ year(s) |
| Ceiling Profit Rate | _____ p.a. |
| Current SBR (a) | _____ |
| Profit Rate (b) | _____ |
| Effective Profit Rate (a+b) | _____ |
| Monthly instalment (without GP/ SP) | RM _____ |

Note:

- Indicative Effective Profit Rate is subject to your credit rating and credit assessment.
- All calculations are estimations, based on an indicative profit rate.
- Profit Rate is calculated based on daily rest basis.
- Computation of monthly instalment is based on full disbursement of the financing facility.

7 What are my financial obligations?

- Servicing the Grace Period Payment during the Grace/ Study Period (when applicable); or
- Pay the full monthly instalment upon full disbursement or expiry of Grace/ Study Period (whichever is applicable).

Illustration with and without Grace/ Study Period: The commencement date for the first payment of profit or monthly instalment will be as follows:

| Date of First Disbursement | Date of Commencement of First Payment | Eg: Date of First Disbursement | Eg: Commencement Date of First Payment |
|----------------------------|---------------------------------------|--------------------------------|--|
| 1st – 10th of the Month | 5th of following month | 2 January 2024 | 5 February 2024 |
| 11th of the Month Onwards | 5th of next following month | 20 January 2024 | 5 March 2024 |

Important: Your payment will vary if the SBR changes by not exceeding the Selling Price. Any such variation will be subject to the Bank giving you at least seven (7) days' prior written notice (which also includes via electronic means).

| | Current SBR : 3.00% | If SBR goes up by 1% : 4.00% | If SBR goes up by 2% : 5.00% |
|---|---------------------|------------------------------|------------------------------|
| Monthly instalments | RM | RM | RM |
| Total profit charged at the end of 25 year(s) | RM | RM | RM |
| Total payment amount at the end of 25 year(s) | RM | RM | RM |

Note:

- i) During the Grace/ Study Period (if applicable), you are required to service grace period profit payment upon first financing disbursement. Your first full monthly instalment amount is to commence upon full financing disbursement or expiry of Grace/ Study Period (whichever is earlier).
- ii) Your first full monthly instalment amount is to commence upon full financing disbursement or expiry of Grace/ Study Period (whichever is earlier).
- iii) If you make financing payment via standing instruction, you should change the instalment amount whenever there is a change to the SBR.

Example calculation of Grace Period Profit (GPP) if you have a Grace/ Study Period:

$$\text{Grace Period Profit} = \text{Amount Disbursed} \times \text{Current profit rate} \times (\text{No. of days}) / 365 \text{ or } 366$$

Effective Profit Rate = 5.75%; Total Amount Disbursed = RM100,000

Total Monthly GPP to be paid: $[100,000 \times 5.75\% \times (30/365)] = \text{RM}472.60$

8 What other fees and charges do I have to pay?

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| Stamp Duty | As per the Stamp Act 1949 (Revised 1989) |
| Takaful Contribution | As per the quotation provided by Takaful provider |
| Wakalah Fee | As per charges imposed by appointed Commodity Traders appointed by the Bank. |

Note:

- i) You will be given prior written notice (which also includes via electronic means) of at least twenty-one (21) days in the event of any changes to the fees and charges above.
- ii) Kindly refer to our website at www.mbsbbank.com for further details on the fees and charges.

9 What if I fail to fulfill 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:

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| Late Payment Compensation (Ta'widh) | You will be liable to pay the Bank the Late Payment Compensation (Ta'widh) on any amount overdue as follows: | |
| | During the Facility Tenure | Shall not exceed one per centum (1%) per annum on such overdue amount under the Facility. |
| | After the maturity of the Facility | Shall not exceed Islamic Interbank Money Market ("IIMM") rate prescribed by Bank Negara Malaysia ("BNM") on the outstanding balance (outstanding principal and accrued profit). |
| | Facility to be recalled or brought to court for judgement | Shall not exceed one per centum (1%) per annum on the outstanding balance (outstanding principal and accrued profit). |
| | After judgement | Shall not exceed IIMM rate prescribed by BNM on the outstanding balance (excluding legal cost and uncollected late payment compensation) from the date of judgement until the judgement sum is fully settled. |
| | Note: | |
| | a) Ta'widh will not be compounded; | |
| | b) Ta'widh methodology and rates are subject to changes as may be prescribed by BNM; | |
| | c) Ta'widh Compensation charges are computed on daily basis from the payment due date/ termination date/ maturity date/ judgement date. | |
| Legal Action | Legal action may be taken against you under the following circumstances: | |
| | a) Fail to respond to our reminder notices. | |
| | b) Any shortfall amounts, you are responsible to settle the remaining balance. | |
| | c) Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you. | |
| Right to set-off | The Bank may set-off any credit balance in your account maintained with the Bank against any outstanding balance in your financing facility account by giving you at least seven (7) days' prior written notice (which also includes via electronic means). | |

10 What if I fully settle the financing before its maturity?

- a) The Bank will grant Ibra' (Rebate), on such amount of the balance Selling Price remaining unpaid by you based on the following situations:
 - i) 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 Profit Rate.
 - ii) Upon full settlement of the financing facility by you in the following scenarios:
 - a) Early Settlement by Customer; or
 - b) Restructuring of Facility; or
 - c) Event of Default; or
 - d) Termination or Cancellation of Facility.

b) The Bank will grant rebate (Ibra') to you that is calculated in accordance to the following formula:

Rebate (Ibra') = Deferred Profit – Early Settlement Charges (if any)

Settlement Amount = Outstanding Selling Price + Instalments Due + Late Payment Compensation (Ta'widh) + Other Charges – Rebate (Ibra')

11 Do I need any Takaful coverage?

The Takaful coverage is not compulsory. However, it is strongly encouraged to protect you as it will cover the outstanding amount in circumstances of death or total permanent disability. Takaful policy is required to be taken from our panel of Takaful providers or other Takaful providers of your choice approved by the Bank.

12 What are the major risks?

a) **Variable Rate**

The financing rate is a variable rate and may change according to change(s) in the reference rate (i.e. SBR). Such increase in profit rate may result in higher monthly instalment. Such increase in monthly instalment will be subject to the Bank giving you at least seven (7) days' prior written notice (which also includes via electronic means).

b) **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.

13 Do I need guarantor or collateral?

No guarantor is required, however, case to case basis may be required for additional collaterals to support the application (if required).

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

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

15 Where can I get assistance and redress?

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| If you have difficulties in making payments, you should contact us earliest possible to discuss payments alternatives. You may contact us at: | Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK) that provide money management and credit counselling for individuals. You can contact AKPK at: |
| Collection and Recovery Department, 7th Floor, Wisma MBSB Bank 48, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur Tel No. : 03-2083 5000 Email : ecu.careline@mbsbbank.com | Agensi Kaunseling dan Pengurusan Kredit, Level 5 and 6, Menara Aras Raya (formerly known as Menara Bumiputra Commerce), Jln Raja Laut, 50350 Kuala Lumpur Tel. No.: 03 2616 7766 Fax No.: 03 2616 7601 Website: www.akpk.org.my |
| If you wish to complain on the products or services provided by us, you may contact us at: | If you query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at: |
| Customer(s) Experience Management 25th Floor, Menara MBSB, Jalan Persiaran Barat, Seksyen 52 46200 Petaling Jaya, Selangor Tel. No. : 03-2096 3000 Email : complaint@mbsbbank.com / enquiry@mbsbbank.com Website : www.mbsbbank.com | Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur, Tel. No. : 1-300-88-5465 Fax No. : 03-22174 1515 Email : bnmtelink@bnm.gov.my |

16 Where can I get further information?

Should you require additional information, please visit our website www.mbsbbank.com or contact us at:

Education Financing Unit
Consumer Banking Division
Menara MBSB, PJ Sentral
Jalan Persiaran Barat, Seksyen 52
46200 Petaling Jaya, Selangor
Tel. No. : 03-7455 5555
Website : www.mbsbbank.com

IMPORTANT NOTE:

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO PAY THE MONTHLY INSTALMENTS OF YOUR EDUCATION FINANCING-i FACILITY

The information provided in this disclosure sheet is valid as at

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