

Read this Product Disclosure Sheet before you decide to subscribe to this product. Be sure to also read the terms in the Letter of Offer. Seek clarification from our officers if you do not understand any part of this document or the terms.

## Education Financing-i

Date: \_\_\_\_\_

### 1. What is this product about?

Bank Islam Education Financing-i facility under Tawarruq concept offered 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 or fixed rate.

### 2. What is the Shariah concept applicable?

- This financing is applying the Shariah concept of Tawarruq.
- A tawarruq consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis.
- The mechanism of Tawarruq for this product is as follows:
  - (a) The customer purchases the commodity from the Bank on Murabahah (cost plus sale) basis at the Bank's Sale Price. In this arrangement, the purchase will be performed by the Bank as the customer's Purchase Agent.
  - (b) As the Sale Agent for the customer, the Bank shall then sell the commodity to a Commodity Purchaser at cost price. Proceeds from the transaction will be disbursed for customer's utilization.
  - (c) 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 customer's mandate, where Bank as the Purchase and Sale Agent trades the commodity as made available and provided by commodity providers subject to the Bank's prevailing policies.

### 3. What do I get from this product?

Illustration for Education Financing-i Floating Rate:

Total Financing Amount	RM 200,000
Financing Tenure	10 years
Ceiling Profit Rate (CPR)	15% p.a.
Bank's Sale Price	RM 387,204.00
Effective Profit Rate (EPR)	SBR + 2.88% = 5.88% p.a.
<i>Note: SBR is 3.00% p.a. (for illustration only)</i>	
Total Payable Amount at the end of tenure	RM265,005.23

Illustration for Education Financing-i Fixed Rate:

Total Financing Amount	RM 200,000
Financing Tenure	10 years
Profit Rate	5.13% p.a.
Total Profit Cost at the end of tenure	RM 102,600.00
Total Payable Amount at the end of tenure	RM 302,600.00

### 4. 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. Current SBR can be referred at <https://www.bankislam.com/personal-banking/other-information/standardized-base-rate-sbr/>

### 5. What are the possible scenarios that may trigger a change in the SBR?

The SBR can rise or fall due to changes in the benchmark rate, i.e. changes in the OPR.

**6. What is the historical SBR for the past 3 years?**

Please refer our website at <https://www.bankislam.com/personal-banking/other-information/standardized-base-rate-sbr/> for more information.

**7. What are my obligations?**

- Your Monthly Instalment is RM \_\_\_\_\_.
- Total payment amount at the end of \_\_\_\_\_ years is RM \_\_\_\_\_.
- You are required to settle all monthly instalment as per stated in the Letter of Offer upon disbursement being made.
- Under Education Financing-i Fixed Rate, your Monthly Instalment and total payment amount will remain unchanged throughout the financing tenure.
- Under Education Financing-i floating rate, your Monthly Instalment and total payment amount will vary upon changes in the SBR as illustrated below, however, the total payment amount will not exceed the Bank's Sale Price.

Rate	Today (SBR = _____ % )	If SBR goes up by 1%	If SBR goes up by 2%
Monthly Instalment	RM	RM	RM
Total profit at the end of _____ years	RM	RM	RM
Total payment amount at the end of _____ years	RM	RM	RM

**Note:** Illustration on the effect of changes in SBR can be referred to <https://www.bankislam.com/personal-banking/other-information/standardized-base-rate-sbr/>

- The monthly instalment shall be raised/ lowered with any increase/ decrease to the SBR of the Bank. You may submit a written request to the Bank and the Bank may maintain the same monthly instalment despite any increase to the SBR, provided always that the same is sufficient to service the monthly profit. The difference in the monthly payment shall then be accumulated to the end of the financing tenure.
- Upon maturity of the facility, you shall pay the outstanding balance in full or the Bank may grant an extension to the financing tenure to facilitate settlement via an agreed revised monthly amount.
- If the financing tenure accorded is extended beyond the retirement age, you remain obliged to pay the monthly instalment or you may opt at any time to fully settle the facility.
- You are expected to:
  - Maintain satisfactory examination results as required by your Educational Institutions; and
  - Complete your course of study within scheduled period; and
  - 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 Events of Default and the Bank has the right to take relevant action as stated in the terms and conditions of the financing.

**8. What other charges do I have to pay?**

No.	Type of Charge	Charge Amount and Detail
i.	Stamp Duty	As per Stamp Duty Act 1949 (Revised 1989)
ii.	Wakalah (Agency) Fee	RM50

**Cancellation of the facility**

You have to pay the above costs inclusive of all other costs that has been incurred by the Bank (if any) for the preparation and registration of security documents in connection with the facility including the expenses incurred during the claim process whenever this facility is cancelled.

**9. Does the Bank require advance payment?**

No. Bank Islam does not require any advance payment.

**10. What if I fail to fulfil my obligations?**

- Compensation charge (Ta`widh) due to late payment will be imposed as follows:

<b>Before Maturity of Facility</b>	A sum equivalent to one per cent (1%) per annum on overdue instalments until the date of full settlement.
<b>After Maturity of Facility</b>	A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on outstanding balance i.e. outstanding Sale Price less rebate (Ibra'), if any.
<b>Post Judgement Debt</b>	A sum equivalent to the prevailing daily overnight Islamic IIMM rate on basic judgment sum calculated from judgment date until the date of full settlement.

**Note:** The imposition of Ta`widh shall be in such manner as approved by BNM from time to time.

- Upon default:
  - 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 your deposit or any other account(s) maintained with the Bank towards settlement of overdue payment under this facility granted by the Bank;
  - The Bank has the right to take legal action against you if you fail to response to the reminder notices. The Bank shall exercise its right on any security pledged with the Bank and you are to bear all the cost involved. You are also responsible to settle any shortfall. Legal action against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you; and
  - Cross default of other facilities with the Bank may be triggered

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

- There is no 'lock in period' for this facility and the Bank shall grant Ibra' on the Deferred Profit after full settlement is made.
- The Ibra' formula is as below:

Ibra' (rebate) on early settlement = Deferred Profit

**Note:**

- Deferred Profit = Total Contracted Profit – Accrued Profit.
- Total Contracted Profit = Sale Price – Purchase Price (or Financing Amount).
- Accrued Profit is calculated based on EPR of the outstanding Purchase Price (or Financing Amount) being disbursed (or utilised).

**12. Do I need any Takaful coverage?**

- It 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.

**13. Do I need a guarantor or collateral?**

Bank Islam may require a guarantor(s) or collateral(s) should the minimum credit requirement is not met.

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

It is important that you inform us of any changes 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 servicing the monthly instalment, you should contact us at the earliest possible to discuss on the payment options at:

**Contact Centre & Customer Care**  
**Bank Islam Malaysia Berhad**  
 17<sup>th</sup> Floor, Menara Bank Islam  
 No. 22, Jalan Perak  
 50450 Kuala Lumpur  
 Tel: 03 2690 0900  
 Fax: 03 2782 1337  
 Email: [contactcentre@bankislam.com.my](mailto:contactcentre@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:

**5<sup>th</sup> and 6<sup>th</sup> Floor,**  
**Menara Bumiputra Commerce**  
 Jalan Raja Laut, 50350 Kuala Lumpur.  
 Tel: 03 2616 7766  
 Fax: 03 2616 7601  
 Website: [www.akpk.org.my](http://www.akpk.org.my)

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

**Contact Centre & Customer Care**  
**Bank Islam Malaysia Berhad**  
 17<sup>th</sup> Floor, Menara Bank Islam  
 No. 22, Jalan Perak  
 50450 Kuala Lumpur  
 Tel: 03 2690 0900  
 Fax: 03 2782 1352  
 Email: [customercare@bankislam.com.my](mailto: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 2174 1515  
 Email: [bnmteleshop@bnm.gov.my](mailto:bnmteleshop@bnm.gov.my)

**16. Where can I get further information?**

Should you require additional information about Education Financing-i product, please refer to the nearest Bank Islam branches available nationwide or visit Bank Islam website at [www.bankislam.com](http://www.bankislam.com).

**17. Other Financing package available**

- i. Package Personal Financing-i
- ii. Non-Package Personal Financing-i

**IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP PAYING INSTALMENTS OF YOUR EDUCATION FINANCING-i FACILITY**

- Note:**
1. The above is for illustration purposes only. Profit and charges may vary and subject to the Bank's terms and conditions.
  2. All information provided in this Product Disclosure Sheet is valid with effect from 27 December 2024.

Acknowledgment of acceptance by the customer,

.....  
 Name:  
 Identification Card No.:  
 Date: