

<p><b>PRODUCT DISCLOSURE SHEET</b></p> <p>(Read this Product Disclosure Sheet before you decide to take the AFFIN Education Financing-i. Be sure to also read the terms in the Application Form, Letter of Offer together with Standard Terms and Conditions. Seek clarification from the Bank if you do not understand any part of this document or the general terms)</p>	<p><b>ENGLISH VERSION</b></p> <p><b>Bank : Affin Islamic Bank Berhad</b></p> <p><b>Product : AFFIN Education Financing-i</b></p> <p><b>Date of issuance to Customer:</b></p>
<p><b>1. What is this product about?</b></p>	
<p>AFFIN Education Financing-i is essentially an additional financial assistance to deserving students of selected University / College duly approved by the Bank to pursue studies for foundation, pre-university, certificate, diploma, degree, post graduate programmes (Master’s degrees &amp; Doctorates) and professional courses. The course programme to be financed is subject to the Bank’s approval.</p>	
<p><b>2. What is the Shariah concept applicable?</b></p>	
<ul style="list-style-type: none"> <li>▪ AFFIN Education Financing-i is based on Ijarah of usufruct concept (leasing).</li> <li>▪ <i>Ijarah</i> refers to a contract that transfers ownership of a permitted usufruct and/or service for a specified period in exchange for a specified consideration.</li> <li>▪ The ijarah contract which is executed for an underlying asset herein refers as “coursework programme” as a well defined services / benefits undertaken by the lessor to be delivered to the lessee (student) according to agreed specific time frame.</li> </ul>	
<p><b>3. What is the Base Rate (BR)?</b></p>	
<p>The Base Rate (BR) we offer for retail floating rate financing 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 combination of 3-month Kuala Lumpur Interbank Offer Rate (KLIBOR) and Affin Islamic Term Deposit-i (AITD-i).</p>	
<p><b>4. What are possible scenarios to trigger a change in the BR?</b></p>	
<p>The BR can rise or fall due to changes in monetary policy such as the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as changes in funding conditions.</p>	

## 5. Historical benchmark Cost of Fund (COF) for the past three years:

Please refer to [www.affinislamic.com.my](http://www.affinislamic.com.my) for the latest historical data.  
(Go to Quick Link > Rates > Benchmark Cost of Funds Used to Determine The Base Rate)

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

Coursework Programme Fees	: RM100,000.00
Total Financing Amount	: RM90,000.00
Margin of finance	: 90%
Tenure	: 15 years
Ujrah	: BR+4.00% p.a. = ERR 7.95% p.a.
Monthly rental	: RM857.49

The total amount you have to pay is **RM154,348.20\***

**\*Note: Total payment amount may vary subject to Base Rate (BR) changes. Effective 10 May 2019, the revised BR is 3.95% p.a.**

## 7. What are the product features of this product?

The product features of this product are as follows :

<b>Eligibility</b>	<p>(i) Student (Main applicant)</p> <ul style="list-style-type: none"> <li>Malaysian citizen</li> <li>Age between 18 years old to 45 years old</li> <li>Applicable for full and part time students, new in-take or existing students</li> <li>For part time student, the application will be accepted, with or without joint applicants. Part time student must be under employment.</li> <li>Open to all Foundation, Certificate, Pre-University (e.g. A-Level), Diploma, Degree, Postgraduate (Master's degrees &amp; Doctorates) and Professional Courses for students of appointed universities / colleges</li> </ul> <p>(ii) Parent/Spouse/Siblings/ Guardian (Joint Applicant)</p> <ul style="list-style-type: none"> <li>Malaysian citizen</li> <li>Age between 21 years old and above</li> <li>Minimum annual income of RM24,000.00</li> <li>The product requires joint applicant to jointly apply with the student as part of risk mitigation</li> <li>The DSR / payment capacity will be assessed on the joint applicant based on the Bank's Consumer Credit Instruction Manual</li> </ul>		
<b>Ujrah (Profit Rate)</b>	<b>Fully Secured</b>	<b>Partially secured</b>	<b>Unsecured / Clean Financing</b>
	Fully secured against TD-i. (TD-i amount is more than 50% and up to 100%)	Partially secured against TD-i. (collateral coverage up to 50%)	No Collateral
	BR + 2.51%	BR + 2.86%	BR + 4.00%
	Note: Effective 10th May 2019, Base Rate (BR) is at 3.95% p.a.		
<b>Tenure</b>	<p>Minimum: 5 years Maximum: 15 years</p> <p>*Note: The following tenure shall be based on student's age up to 15 years</p>		

<b>Financing Amount</b>	Minimum financing amount : RM5,000 Maximum financing amount : RM400,000 Note: The financing amount is based on the Coursework Fee offered by the University / College
<b>Ceiling Rate</b>	10.00% p.a.
<b>Margin of Financing</b>	Up to 90% of Coursework Fee OR up to remaining unsponsored amount by other third parties (i.e. PTPTN/MARA), whichever is lower, plus 5% for RTT*  <i>*Applicable if RTT is to be financed by the Bank.</i> <i>**Any excess amount paid by the Bank or Customer to the Takaful provider will be credited back to reduce the principle amount.</i>
<b>Commencement of Monthly Rental</b>	(i) The customer has to serve the monthly ujah during the grace period. Thereafter to commence the monthly rental upon expiry of grace period. (ii) Any termination of student from the programme for whatever reasons the monthly rental will commence immediately upon notification from the University/College.
<b>Other Terms and Conditions</b>	(i) The disbursement is made directly to the University on partially basis (per semester). (ii) Universities to inform the Bank immediately on the termination of the student from the programme.

## 8. What are my obligations?

- During the period where the financing is partially disbursed (by semester), the Customer is only required to pay ujah servicing which commensurate with the amount disbursed during the period.
- Customer is required to pay the full rental amount upon expiry of grace period of the facility.

### Example:

Coursework Programme Fees	: RM100,000.00
Total Financing Amount	: RM90,000.00
Margin of finance	: 90%
Tenure	: 15 years
Ujah	: BR+4.00% p.a. = ERR 7.95% p.a.
Monthly rental	: RM857.49

The total amount you have to pay is **RM154,348.20\***

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

\*Important: Your monthly rental and total payment amount will vary if the BR change.

Rate	BR = 3.95%	If BR goes up 1%	If BR goes up 2%
Monthly rental (RM)	857.49	910.16	964.39
Total profit cost at the end of 15 years (RM)	64,348.20	73,828.80	83,590.20
Total payment amount at the end of 15 years (RM)	154,348.20	163,828.80	173,590.20

**All calculations and information above are for illustration purposes only.**

**\*Note: Total payment amount may vary subject to Base Rate (BR) changes. Effective 10 May 2019, the revised BR is 3.95% p.a.**

## 9. What are the fees and charges I have to pay?

Type of Fee / Charge	Details of Fee / Charge
Stamp Duty	As per Stamp Act 1949 (Revised 1989)
Security document retrieval fee (per request – for complete set of documents)	RM30.00
Additional financing statement (per request)	RM10.00

Note:

- i. We will communicate to you at least 21 calendar days prior to the effective date of implementation if there are any changes in fees and charges that applicable to your financing facility.
- ii. As per all other terms and conditions in the Letter of Offer.

## 10. What if I fail to fulfill my obligations?

- If you have problem meeting your financing obligation, contact us early to discuss payment alternatives. Delay on your part could lead to the following consequences :
  - i. We have the right to set-off any credit balance in your account maintained with us against any outstanding balance in this financing account.
  - ii. We may proceed with legal action if you fail to respond to our reminder notices. Your property may be foreclosed. You will have to bear all costs related to foreclosure. In the event that there is a shortfall after your property is sold, you are responsible to settle the balance.
  - iii. Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

- **Compensation Charges (Ta'widh)**

- Before maturity of the Facility

A sum equivalent to one percent (1%) per annum on overdue installment(s) until date of full payment;

$$= \text{Overdue profit or installment} \times 1\% \times \frac{\text{no. of days overdue}}{365}$$

- Upon and after maturity of the Facility

A sum equivalent to the prevailing daily overnight BNM's Islamic Interbank Money Market Rate on outstanding balance i.e. outstanding Bank's Sale Price less *ibra'* (if any);

$$= \text{Outstanding balance} \times \text{prevailing IIMM} \times \frac{\text{no. of days overdue}}{365}$$

- It shall commence from the date when payment was first defaulted to the date of actual payment even when the Facility is terminated for any reason whatsoever.
- The compensation at the aforesaid rate shall be payable by you after as well as before any judgment or order of court.
- Notwithstanding the amount of late payment charges charged, it is expressly acknowledged and agreed that the said amount of late payment charges shall not be further compounded.
- Please refer to other obligations stated in Bank's Letter of Offer.

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

The Bank does not impose a lock-in period for this facility and there is no fee imposed for early settlement before maturity. You shall purchase the Coursework Programme from the Bank at an Exercise Price.

Exercise Price formula :

Exercise Price Formula = Outstanding Principal + accrued and unpaid ujah + reasonable estimated cost + ownership expenses (if any) incurred by the Bank

Note:

- Accrued Ujah is calculated on Effective Ujah Rate of the outstanding principal being utilized.

#### 12. Do I need a guarantor or collateral?

- No guarantor or collateral is required.

#### 13. Do I need any Takaful coverage?

- Reducing Term Takaful (RTT) is compulsory where you may obtain such coverage from Bank's panel of Takaful operator.
- In the event of death and total permanent disability, the Takaful will pay off all outstanding amount of your financing with the Bank. This will alleviate the burden of payment on your survivors or next of kin.
- Note: The Bank may provide quotations to you for any compulsory Takaful offered by the Bank's own panel of Takaful provider. However you are free to use the service of other Takaful provider

#### 14. What are the major risks?

- The ujah rate on this financing is floating and it is pegged to Base Rate (BR). The rate may change according to changes in the reference rates. An increase in ujah rate may result in higher monthly payment but it capped at ceiling ujah rate of 10.00% p.a.

#### 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.
- In accordance of AFFIN Islamic Bank's policy/guidelines and per standard security documents, any change of contact details has to be in writing duly signed off by the customer(s) and addressed to Affin Islamic Bank Berhad

#### 15. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives.

**AFFIN BANK BERHAD**

Consumer Loan Supervision & Asset Management  
2nd and 9th Floor, Menara Serba Dinamik  
No. P3.4, Persiaran Perbandaran  
Section 14, 40000 Shah Alam

Selangor  
Tel: 03-82302828  
Fax: 03-55110453/ 03-55110454 (Level 2) & 03-55110457 (Level 9)

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

**AFFIN ISLAMIC BANK BERHAD**

Customer Care and Quality  
17<sup>th</sup> Floor, Menara Affin  
80, Jalan Raja Chulan  
50200 Kuala Lumpur Tel : 03-20559900  
Fax : 03-20261104  
Email : [yourvoice@affinbank.com.my](mailto:yourvoice@affinbank.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 counseling, financial education and debt restructuring for individuals. You can contact AKPK at:

**8<sup>th</sup> Floor, Maju Junction Mall**

**1001, Jalan Sultan Ismail,  
50250 Kuala Lumpur.**

**Tel : 03-26167766**

**Email : [enquiry@akpk.org.my](mailto:enquiry@akpk.org.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

**Email : [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)**

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

- Please visit the nearest AFFIN ISLAMIC / AFFINBANK branch or call our Contact Centre 03-8230 2222 or visit our website at [www.affinislamic.com.my](http://www.affinislamic.com.my) / [www.affinonline.com](http://www.affinonline.com) for further details.

#### 17. Other financing packages available

- AFFIN Personal Financing-i

#### IMPORTANT NOTE:

**LEGAL ACTION MAY BE TAKEN IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FINANCING.**

The information provided in this disclosure sheet is valid as at 26 September 2019