

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take out the **Tawarruq Home Financing-i**. Be sure to also read the general terms and conditions in the Letter of Offer. Seek clarification from **Asian Finance Bank Berhad** if you do not understand any part of this document or the general terms

ASIAN FINANCE BANK BERHAD

TAWARRUQ HOME FINANCING-i

DATE:

1. What is this product about?

A financing facility for retail customers who wish to purchase or refinance a residential property which is completed or to be constructed or still under construction.

2. What is the Shariah concept applicable?

- i. The Shariah concept used is Tawarruq which comprises of Murabahah and Wakalah contracts.
- ii. Tawarruq is a contract where commodity and more than 2 parties are involved.

3. Who is eligible to apply for this product?

Individual (Resident and Non-Resident)

4. What are the minimum documents required?

- i. Identity Card/Passport
- ii. Latest 3 months' salary slips and Bank Statements
- iii. Latest employer confirmation letter/working permits
- iv. Form J/EA/EPF Statement

5. How does this product operate?

i.	Bank purchase commodity from Broker A.
ii.	Broker A will forward certificate of sales (duly endorsed) confirming the sale of the commodity value equivalent to the financing amount (or total financing amount) for bulk contract.
iii.	Bank will sell the commodity to Customer on deferred payment. Bank will also assign the certificate of sales to transfer the ownership of asset.
iv.	Customer appoints the Bank as an agent (Wakalah) to sell the commodities.
v.	The Bank will sell the commodity on Customer's behalf to Broker X.
vi.	As documented in Master Facility Agreement, the money received by the Customer from the selling of the commodity will be forwarded by the Bank to vendor as payment for the purchase of the property.
vii.	Customer will settle any amount due to the Bank based on agreed installment method.

6. What do I get from this product?

- a) Total amount Financed : RM _____
- b) Margin of financing : _____%
- c) Tenure : _____ years
- d) Profit rate :
- e) Contracted Profit Rate : 12.00%
- f) Bank's Sale Price : RM _____

Tier	Profit Rate	Effective Profit Rate
Last Tier	IBR+__%	____%

Note:

Islamic Base Rate (IBR) currently @ **3.77%**

7. What is the Islamic Base Rate (IBR)?

The IBR is made up of two parts, our benchmark cost of funds (BCOF) and the Statutory Reserve Requirements (SRR) cost imposed by Bank Negara Malaysia. Our BCOF reflects the cost of funding for floating rate financing and mainly comprises of Customer Deposits and other floating rate funding raised by the Bank to fund these financing.

8. What are the possible scenarios to trigger a change in the IBR?

Our IBR can rise or fall due to changes in the BCOF and changes in the SRR. Changes in the BCOF 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 changes in the cost of funds used to fund floating rate financing.

Example:

If the cost of customer deposit rises, the BCOF will rise as customer deposits is part of the components used to fund floating rate financing. The higher BCOF will trigger a rate increase in the IBR.

9. Historical BCOF since the implementation of IBR

Please refer to <http://www.asianfinancebank.com/> for this information.

10. What are my obligations?

- a) Monthly installment : _____
- b) Total payment amount at the end of tenure : _____

Rate	Current (IBR = __%)	If IBR goes up by 1%	If IBR goes up 2%
Monthly installment			
Total profit charge at the end of tenure			
Total payment amount at the end of tenure			

Note: In the event of any variation to the financing tenure and/or profit rate due to changes in the IBR, the Bank reserves the right to vary the payment amount accordingly

11. What is the Government's Goods & Services Tax (GST)?

The Government's Goods & Services Tax (GST) is chargeable on all deemed Taxable Supply (if any) under the Goods & Services Tax (GST) 2014, pursuant to the delivery of the bank's Product & Services. The GST is exclusive of the value of the deemed Taxable Supply, chargeable at the prescribed note.

12. What other charges do I have to pay?

Stamp Duty	As per Stamp Act 1949 (Revised 1989).
Disbursement Fee	Include fees for registration of charge and other related charges.
Legal Fee	Solicitors fee for preparation of financing agreement.
Valuation Fee	Valuation Fees for preparation of formal valuation report (applicable for completed properties only).
Processing Fee	RM 100 for sale price below RM 100k; RM 200 for sale price RM 100k and above.

13. What if I fail to fulfill my obligations?

- i. Late payment charges will be imposed to customer on the outstanding overdue installments amount.

$$CLPC = [AFR] \times [\text{Outstanding Installment Amount}] \times [\text{No of days}/365]$$

Note:

- a. Late payment charges shall not be compounded.
 - b. AFR refers to Average Financing Rate of the particular product at the point of default.
 - c. Total late payment charges shall not be more than the outstanding principal.
 - d. The late payment charges and the method of calculation thereof are subject to change as may be prescribed by Bank Negara Malaysia.
 - e. Outstanding installments are the overdue monthly profit/installments/sale price.
- ii. Right to set off : The Bank has the right to set off any credit balance in your account maintained with us against any outstanding balance in the financing amount however, should be made known to customer.
- iii. The Bank reserves the right to cancel the facility if it is not utilised for the purpose(s) as approved by the Bank or if the facility is used for a purpose prohibited by Shariah.

14. What if I fully settle the financing

- i. No locked-in-period and penalty.
- ii. The Bank shall give rebate (Ibra') on the remaining Selling Price.

15. What are the major risks?

Fixed / Variable Rate or Combination:

This product is offered to customers with a fixed or variable or combination of both rates. The monthly payment amount is also fixed throughout the tenor for fixed rate and varies for variable rates. In circumstances where the market rates are lower or higher than the agreed fixed or variable rates, customers are bound to pay a higher monthly payment amount comparatively. The monthly payment amount paid may be higher than the previously agreed. Furthermore, the customers do not have an option to convert the rates to the market rates whenever they want as the agreement has been made as a fixed or variable rate throughout the tenor.

Exceeding Retirement Age:

For financing tenor extends into retirement age, customer is obliged to meet the financing payments during his /her retirement age by considering avenues of payment from the funds in EPF, pensions provision or annuity payment.

16. 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 reach us via one of the following channels:

1. Please visit your Home Branch.
2. Please call our Call Centre at 03-2079 1000

17. Where can I get assistance and redress?

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

You may contact us at:

ASIAN FINANCE BANK BERHAD (716122-P)
2nd Floor, Podium Block, Kenanga International,
Jalan Sultan Ismail,
50250 Kuala Lumpur,
Malaysia.
Tel No: +603 2079 1000
Fax : 03-20791160
E-mail: feedback@asianfinancebank.com

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 No: +603-2616 7766
E-Mail: 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 No: 1-300-88-5465
Fax: +603-21741515
E-mail: bnmtelelink@bnm.gov.my

18. Where can I get further information?

- i. Should you require additional information on AFB Home Financing, please refer to the branches listed below :-
 - a) KL Main Branch
 - b) Taman Molek Branch
- ii. Or kindly call us at +603-2079 1000 or visit our website at <http://www.asianfinancebank.com>

19. Other home financing packages available

- i. AFB Home Leasing-i
- ii. Istisna' Home Financing-i

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

The information provided in this disclosure sheet is valid as at :