

**PRODUCT DISCLOSURE SHEET (PDS)**

(REMINDER: You are reminded to read and understand the terms and conditions of this Product Disclosure Sheet before signing below. In the event there are any terms and conditions in this Product Disclosure Sheet you do not understand, you are advised to seek independent advice and/or discuss further with the Bank's representative or agent before signing below.)

**ENGLISH VERSION**

Bank : Affin Islamic Bank Berhad

Product:

- AFFIN Tawarruq Home Refinancing-i  
 AFFIN Tawarruq Business Premises Refinancing-i

Date of Issuance to Customer :

\_\_\_\_\_ (to be filled out upon application)

**1. What is this product about?\***

- AFFIN Tawarruq Home Refinancing-i ("Home Refinancing-i")**
- Refinancing of residential properties from other Financial Institution with additional excess limit to be used for personal consumption in a single application.
- AFFIN Tawarruq Business Premises Refinancing-i ("BP Refinancing-i")**
- Refinancing of business premises properties from other Financial Institution with additional excess limit to be used for personal consumption in a single application.

\*(please tick one only)

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

The Shariah concept applicable is *Musharakah Mutanaqisah (MM)* or *Diminishing Musharakah* and *Tawarruq* concepts.

**Refinancing of Property under Musharakah Mutanaqisah (MM) or Diminishing Musharakah**

- Under the Shariah principle of *Musharakah Mutanaqisah*, the Bank and Customer shall jointly purchase the rights, interests and benefits in an identified property ("Property") whereby the Customer shall contribute a sum equivalent to the initial acquisition payment ("Customer's Initial Acquisition Payment") and the Bank shall contribute towards the purchase of the Property a sum equivalent to the Bank's commitment amount ("Bank's Initial Acquisition Payment").
- Where there is the legal and/or beneficial owner of the Property, the Bank shall purchase rights, interests and benefits in the Property from the Customer for the consideration of up to the Bank's Initial Acquisition Payment.
- The Customer shall gradually acquire the Bank's Ownership, rights and benefits in the Property by making monthly payments ("Monthly Payments") to the Bank, which partially contributes towards increasing the Customer's share in the Property and decreasing the Bank's share in the Property in accordance with the terms of the Facility ("Acquisition Payments") until the Customer shall wholly and fully own the Property.
- As a result of the Acquisition Payments made under the Facility, the Customer's ownership, rights and benefit in the Property will increase and the Bank's ownership, rights and benefits will decrease proportionately.
- At the end of the *Ijarah* term and upon full payment, the Customer will acquire all the Bank's Ownership, rights and benefits in the Property.
- For property under construction, if the Property cannot be occupied due to the abandonment of the construction of the Property which cannot be revived, the advance rental as duly paid by the Customer, will be refunded to the Customer in the manner as determined by the Bank (where applicable).

**Personal Consumption under Tawarruq**

- Tawarruq**  
The Shariah Concept applied for the above product is *Tawarruq*.  
*Tawarruq* consist of two sale and purchase contracts where the Customer purchase the Commodity from the Bank at a mark-up sale price (Bank's Sale Price) on a deferred payment basis and subsequently sells the Commodity to a Commodity Supplier for cash at the Bank's Purchase Price with the objective of obtaining cash.
- Wakalah**  
Under this facility, the Bank will apply the dual-agency mechanism under the *Wakalah* concept. The Customer appoints the Bank as the Customer's agent to purchase the Commodity from the Bank and subsequently sells the Commodity to another Commodity Supplier on behalf of the Customer in order to complete the *Tawarruq* transaction.
- Wa'd**  
The customer will execute the Purchase Undertaking based on *Wa'd* concept. Under the Purchase Undertaking, the Customer undertakes to purchase from the Bank a specific Shariah compliant commodity ("the Commodity" consists of crude palm oil (CPO), rubber or any other commodity) as advised by the Commodity Supplier at Bank's Sale Price.

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

<b>Eligibility</b>	Individuals aged 18 years and above																	
<b>Ceiling Rate</b>	<p>It refers to the maximum <i>Ijarah/Profit Rate</i> chargeable to the Customer throughout the financing tenure. Despite any increase in the Standardised Base Rate (SBR); the <i>Ijarah/Profit Rate</i> will halt at the specified Maximum Ceiling Rate stated during the signing of the facility agreement (“Ceiling <i>Ijarah/Profit Rate</i>”).</p> <p>Maximum/Ceiling <i>Ijarah/Profit Rate</i>:</p> <p>Home Refinancing-i – 10.00% p.a. BP Refinancing-i – 12.00% p.a.</p>																	
<b>Bank’s Commitment Amount (Margin of Finance (MOF))</b>	<p>_____ %</p> <ol style="list-style-type: none"> <li>To be calculated as a combination of two facilities against current market value specified in one single application.</li> <li>The MOF should not be more than the maximum MOF allowed under the existing products i.e:</li> </ol> <table border="1" data-bbox="544 674 1458 768"> <thead> <tr> <th>Main Facility</th> <th>MOF</th> </tr> </thead> <tbody> <tr> <td>AFFIN Home Invest-i</td> <td>90% + 5% (MRTT)</td> </tr> <tr> <td>AFFIN Business Premises Invest-i</td> <td>85% + 5% (MRTT)</td> </tr> </tbody> </table>			Main Facility	MOF	AFFIN Home Invest-i	90% + 5% (MRTT)	AFFIN Business Premises Invest-i	85% + 5% (MRTT)									
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<b>Tenure</b>	<p>_____ years</p> <ol style="list-style-type: none"> <li><u>House Financing</u> Shall follow the existing product features:</li> </ol> <table border="1" data-bbox="544 943 1477 1032"> <thead> <tr> <th>Main Facility</th> <th>Tenure</th> </tr> </thead> <tbody> <tr> <td>AFFIN Home Invest-i</td> <td rowspan="2">35 years or up to 70 years old, whichever is earlier</td> </tr> <tr> <td>AFFIN Business Premises Invest-i</td> </tr> </tbody> </table> <ol style="list-style-type: none"> <li><u>Personal Consumption</u> <b>Financing tenure for Cash Out for personal consumption is to be based on the tenure of the property financing.</b> (However, for payment requirement, the calculation shall be based on the payment period of not exceeding 10 years).</li> </ol>			Main Facility	Tenure	AFFIN Home Invest-i	35 years or up to 70 years old, whichever is earlier	AFFIN Business Premises Invest-i										
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<b>Ijarah/Profit Rate</b>	<table border="1" data-bbox="499 1193 1485 1453"> <thead> <tr> <th>Purpose</th> <th>Ijarah/Profit Rate</th> <th>Effective Annual Ijarah/Profit Rate</th> </tr> </thead> <tbody> <tr> <td>Home Refinancing</td> <td>SBR+ _____ p.a.</td> <td>_____ p.a.</td> </tr> <tr> <td>Business Premises Refinancing</td> <td>SBR+ _____ p.a.</td> <td>_____ p.a.</td> </tr> <tr> <td colspan="3" style="text-align: center;"><b>PLUS</b></td> </tr> <tr> <td>Personal Consumption</td> <td>SBR+ _____ p.a.</td> <td>_____ p.a.</td> </tr> </tbody> </table> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li><i>Ijarah/Profit rate shall be determined at the point of application.</i></li> <li><i>Please visit <a href="http://AffinAlways.com">AffinAlways.com</a> for the latest Standardised Base Rate (SBR).</i></li> <li><i>Any special promotion and packages of this product will be communicated to the Customer by the Bank via various channel of communications.</i></li> </ul>			Purpose	Ijarah/Profit Rate	Effective Annual Ijarah/Profit Rate	Home Refinancing	SBR+ _____ p.a.	_____ p.a.	Business Premises Refinancing	SBR+ _____ p.a.	_____ p.a.	<b>PLUS</b>			Personal Consumption	SBR+ _____ p.a.	_____ p.a.
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<b>Redraw Facility</b>	<ol style="list-style-type: none"> <li>At any time upon full disbursement during the <i>Ijarah</i> tenure, the Customer may offer to sell and transfer any part of the Customer’s share of ownership in the Property to the Bank for the purpose of redrawing of the Facility. Any subsequent sale or transfer of the Customer’s ownership, rights and benefits in the Property during the co-ownership period to the Bank shall be affected in the manner as the Bank shall deems fit.  Redrawing of the Facility can be under prepayment and/or advance payment.</li> <li><u>Redraw under Prepayment</u> <ol style="list-style-type: none"> <li>In the event that you have made a lump sum equity partial prepayment (reduction in principal) other than the Monthly Payment, you may request for the redraw, whereby it may subject to the Bank’s approval and Terms and Conditions.</li> <li>The redraw is also subject to further credit checking by the Bank.</li> <li>Application for redraw must be made at any branch by completing the Redraw Application Form.</li> </ol> </li> </ol>																	

	<p>3. <u>Redraw under Advance Payment</u></p> <p>a) In the event that you have made payment of the Facility in an amount which is in excess of your Monthly Payment amount, you may make request to withdraw the excess amount at any branch, subject to the Bank's approval and Terms and Conditions.</p> <p>b) In order to qualify for redraw of Advance Payment application, the minimum advance amount in your Facility account must be amounting to RM5,000 with minimum balance available for next payment due date after redrawing.</p> <p>4. Redraw under prepayment and advance payment is only available upon full disbursement of the Facility.</p> <p>5. The approved redraw amount shall be credited into your Current or Savings account maintained with the Bank or such other account under your name maintained with another financial institution.</p> <p>6. In the case of joint customers, any application for redraw must be submitted by the joint customers and if successful, the amount shall be credited to the Current or Savings account of the joint customers.</p> <p>7. The minimum redrawn amount is RM3,000 and thereafter must be in multiple of RM1,000.</p> <p>8. A processing fee of RM25.00 shall be charged for each successful application for redraw. The fees shall be debited from your Current or Savings Account where the redraw amount is credited.</p> <p>9. Any monies withdrawn from the Employee Provident Fund (EPF) shall be deemed as Prepayment and shall not be available for redraw.</p>
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**Note:**

The approved amount, tenure and pricing of your Facility is subject to the credit evaluation and approving criteria set-up by the Bank.

**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.

**5. What are possible scenarios to trigger a change in the SBR?**

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

**6. Historical benchmark Cost of Fund (COF) in the last 3 years:**

Please refer to [AffinAlways.com](http://AffinAlways.com) for the latest historical data.

Go to PERSONAL > My Loans & Financing > Personal Consumption (Mortgage) > AFFIN Tawarruq Home/BP Refinancing-i > Important Information > Consumer Guide on Reference Rate.

**7. What are my obligations?**

- You are required to pay advance rental/profit amount which will commensurate with the amount disbursed during the tenure period and pay the full rental/instalment amount upon full disbursement.
- In the event where the salary deduction made by the employer/automated fund transfer from the salary account maintain with the Bank has not yet commenced, you are responsible to pay the rental in a timely manner and shall be paid as specified in the Letter of Offer.
- Important:** Your monthly rental/instalment and total rental/payment amount will vary subject to Standardised Base Rate (SBR) changes.

(a) Home/business premises refinancing

	Today's SBR _____ % p.a.	If SBR increase by 1%	If SBR increase by 2%
Monthly rental for _____ years			
Total advance rental cost at the end of _____ years			
Total rental amount at the end of _____ years			

(b) Personal consumption

	Today's SBR _____ % p.a.	If SBR increase by 1%	If SBR increase by 2%
Monthly instalment for _____ years			
Total profit cost at the end of _____ years			
Total payment amount at the end of _____ years			

**IMPORTANT:**

- All calculations and information above are for illustration purposes only.
  - Please refer to our website at [AffinAlways.com](http://AffinAlways.com) on the latest SBR rate.
- Based on the illustration above, the monthly rental/installment amount shall be raised/lowered with any increase/decrease of the SBR and the changes will be reflected on the next following month. You may submit a written request to the Bank and the Bank may at its consideration to maintain the same monthly payment in spite of any increase to the SBR, provided always that the same is sufficient to service the advance rental/profit amount. The difference in the monthly rental/installment shall then be accumulated to the end of the Facility tenure.
  - At the maturity of the Facility tenure, you shall pay the outstanding balance in full or the Bank may at its consideration, grant an extension to the Facility tenure to facilitate settlement via monthly rental/installment payment of an agreed amount. If the Facility tenure accorded is extended beyond the retirement age, you remain obliged to pay the monthly rental/installment payment. However, you may opt at any time to fully settle the Facility upon reaching retirement age.

**8. What are the fees and charges that I have to pay?**

Type of Fee/Charge	Details of Fee/Charge
Stamp Duty	As per Stamp Act 1949 (Revised 1989)
Disbursement Fees	Include fees for registration of land charge, land search and bankruptcy search.
Legal fees pertaining to financing documentations	The Customer is required to pay all legal fees and incidental costs and expenses in connection with the Facility (including but not limited to the preparation, stamping and registration of any security documents and the lodgement and withdrawal of caveats). Security documentation for the financing is to be handled by a solicitor under the Bank's panel. Should a non-panel solicitor be appointed by the Customer, the appointment must comply with the Bank's guidelines on application of a non-panel solicitor and approval is subject to the Bank's discretion. However, to avoid any delay in the documentation process, the appointment of the Bank's panel lawyers is highly encouraged.
Valuation Fees	For completed properties only (only applicable in respect of the initial valuation fees prior to the first drawdown of the Facility).
Processing Fees	No charges
Redemption statement for house/home financing only (per account per request)	RM50.00
Redraw fees/charges for excess payment (per transaction)	RM25.00
Document Securities Fee (for each request - complete set of documents)	RM30.00
Restructuring / Rescheduling Fees	No Charges
Additional financing statement (per request)	RM10.00
Letter of confirmation for EPF withdrawal	RM20.00
Brokerage Fees	The Brokerage Fee is related to the brokerage cost for each time the Bank performs <i>Tawarruq</i> transaction. The imposition of brokerage fee is as follows: SMEs and Individual – the fee is RM5.00 per RM1.0Mil (pro-rate basis).

**Note:**

- i. Brokerage fee is subject to change from time to time as quoted by the commodity provider.
- ii. We will communicate to you at least twenty-one (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.
- iii. As per all other terms and conditions in the Letter of Offer.

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

- When the Facility Days Past Due is ninety-one (91) days, the Bank shall revise the Effective Profit Rate and/or Ijarah Rate (whichever is applicable) in this Letter of Offer to Effective Profit Rate and/or Ijarah Rate + 0.64% p.a. calculated on the outstanding principal or such other rate or basis of calculation of the rate based on regulatory requirements.

The financing rate will be reverted to the contracted rate when the Days Past Due fall to ninety (90) days and below.

The Bank shall provide a written notice of not less than seven (7) days prior to the effective date of the revised monthly instalment.

- The revised Effective Profit Rate and/or Ijarah Rate is subject to the Ceiling Effective Profit Rate and/or Ijarah Rate.
- 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:
  - We have the right to set-off any credit balance in any of your accounts maintained with us against any outstanding balance in this Facility account which will we notify you at least seven (7) calendar days in advance.
  - We shall exercise our right to invoke your purchase undertaking to purchase our share in the Property.
  - 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 and expenses related to foreclosure. In the event that there is a shortfall between the sale price of the property and the amount in arrears after your property is sold, you are responsible to settle the balance (if any).
  - 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)/rental(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 (IIMM) Rate on outstanding balance i.e. outstanding Bank's Sale Price/Rental Amount 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 charges at the aforesaid rate shall be payable by you after as well as before any judgment or order of court.
- Notwithstanding the amount of compensation charges charged, it is expressly acknowledged and agreed that the said amount of compensation charges shall not be further compounded.
- Please refer to other obligations stated in the Bank's Letter of Offer.

## 10. Do I need any Takaful coverage?

- Mortgage Reducing Term Takaful (MRTT) is optional but highly encouraged.
  - ❖ 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.
- House Owner Takaful
  - ❖ House Owner Takaful is compulsory. Should a piece of property be covered under a master Takaful/insurance policy, the Customer is required to extend a copy of the Takaful/insurance cover note to the Bank every year.

### **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.

### 11. What are the major risks?

The *Ijarah*/profit rate on this financing is floating and it is pegged to SBR. The *Ijarah*/profit rate may change according to changes in the reference rates. An increase in *Ijarah*/profit rate may result in higher monthly rental/payment/extension of Facility tenure.

**Note:**

*If you have problems to fulfill your Facility obligations, please contact and discuss with us.*

### 12. 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 with AFFIN Islamic Bank's policy/guidelines and per standard security documents, any change of contact details must be in writing and duly signed off by the Customer(s) and addressed to Affin Islamic Bank Berhad.

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

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

<p><u>Address:</u>  <b>AFFIN BANK BERHAD</b>  <b>Asset Quality Management Department</b>  401 &amp; 501, Block C, Kelana Business Centre,  Jalan SS7/2, 47301 Kelana Jaya,  Selangor Darul Ehsan.</p>	<p><u>Contact No.</u>  Operating Hours:  8.45 a.m. – 5.45 p.m.  (Monday – Thursday)  8.45 a.m. – 4.45 p.m. (Friday)</p>	<p>03-8230 2828</p>
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- If you wish to complain on the product or services provided by us, you may fill-in an “e-Form for lodgement of customer feedback/complaint” which is available at Bank’s website at [AffinAlways.com](http://AffinAlways.com), that will be escalated to Customer Feedback & Resolution Management. You may also contact us at:

<p><u>Address:</u>  <b>Customer Feedback &amp; Resolution Management</b>  Level 9, Menara Affin,  Lingkaran TRX,  Tun Razak Exchange,  55188 Kuala Lumpur.</p>	<p><u>Contact No.</u>  Operating Hours:  8:00 a.m. – 12:00 a.m. (Monday – Sunday)</p>	<p>03-8230 2222</p>
	<p><u>E-mail</u></p>	<p><a href="mailto:yourvoice@affingroup.com">yourvoice@affingroup.com</a></p>
	<p><u>Website</u></p>	<p><a href="https://www.affingroup.com">https://www.affingroup.com</a>  <a href="https://www.affinalways.com">https://www.affinalways.com</a></p>

- 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, financial education and debt restructuring for both individuals and Small and Medium Enterprises (SMEs). You can contact AKPK at:

<p><u>Address:</u>  <b>Agensi Kaunseling dan Pengurusan Kredit (AKPK)</b>  Level 5 and 6,  Menara Aras Raya  (formerly known as Menara Bumiputra-Commerce)  Jalan Raja Laut, City Centre  50350 Kuala Lumpur.</p>	<p>AKPK Infoline</p>	<p>03-2616 7766</p>
	<p>Fax No.</p>	<p>03-2616 7601</p>
	<p>Operating Hours</p>	<p>9:00 a.m. – 5:00 p.m.  (Monday – Friday)</p>

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or BNMLINK at:

<p><u>Address:</u>  <b>BNMLINK</b>  Bank Negara Malaysia  P.O. Box 10922 (Peti Surat 10922)  50929 Kuala Lumpur</p>	<p><u>Contact No.</u>  Operating Hours:  9:00 a.m. – 5:00 p.m.  (Monday – Friday)</p>	<p>1-300-88-5465</p>
	<p>Fax No.</p>	<p>03-2174 1515</p>
	<p>E-mail</p>	<p><a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a></p>
	<p>eLINK Web Form</p>	<p><a href="https://bnmlink.bnm.gov.my">https://bnmlink.bnm.gov.my</a></p>

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

Should you require additional information on the financing product, please visit the nearest Bank’s branches or call our Contact Centre number at 03-8230 2222 or visit our website at [AffinAlways.com](http://AffinAlways.com) for further details.



**15. Other property financing available**

- AFFIN Home Build-i
- AFFIN Home Invest-i
- AFFIN Business Premises Invest-i
- AFFIN Tawarruq Home Financing-i
- AFFIN Tawarruq BP Financing-i
- AFFIN Tawarruq Term Financing-i
- AFFIN Advance-i
- AFFIN Home Credit Plus-i
- AFFIN Home Extra Plus-i
- AFFIN Tawarruq Cash Line-i

**IMPORTANT NOTE:**

**YOUR PROPERTY MAY BE FORECLOSED IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FINANCING AND YOU WILL HAVE TO BEAR ALL COSTS AND EXPENSES INCURRED BY THE BANK IN RELATION TO THE BANK'S FORECLOSURE ACTION.**

- I/We hereby acknowledge that the key terms of this product disclosure sheet, in particular, the terms affecting my/our obligations, have been adequately explained to me/us by the Bank's staff, representative or agent.

**NAME** : \_\_\_\_\_

**SIGNATURE** : \_\_\_\_\_

The information provided in this disclosure sheet is valid as at **5 JANUARY 2024**

*\*This PDS to be filled up by the Bank's Sales Personnel*