PRODUCT DISCLOSURE SHEET **(Read this Product Disclosure Sheet before you decide to take up the Term Financing-i (Tawarruq). Be sure to also read the general terms and conditions. Seek clarification from us if you do not understand any part of this document or general terms.)**	**United Overseas Bank (Malaysia) Berhad** **Product: Term Financing-i (TF-i)** **Date:**

1. What is this product about?

Term Financing-i is to facilitate the purchase of residential/non-residential properties under construction, completed property from developer or vendor (sub-sale), refinancing and re-mortgage. The Bank's Sale Price is derived based on the Contracted Profit Rate, which is fixed throughout the tenure. However, the Effective Profit Rate is calculated on a variable rate basis and the facility is secured against the property to be financed. Additional security such as guarantor, etc. may be requested depending on the bank's assessment.

2. What is the Shariah concept applicable?

- The Shariah concept used is **Tawarruq**
- **Tawarruq** is an arrangement that involves a Sale of a commodity or asset to customer based on deferred payment basis by way of Murabahah. In this case, the Customer purchases the commodity as the underlying asset from the Bank. The commodity or asset is then sold for cash to a party other than original seller.

3. What do I get from this product?

• Total amount financed: RM_____ (_____% of housing price) • Financing Tenure: _____years • Contracted Selling Price: RM_____	<u>Profit Rate</u> • Contracted Profit Rate: _____% • Islamic Base Rate (IBR): _____% • Margin of Profit Rate: +_____% • Effective Profit Rate: _____% • Non Zero Entry Cost (ZEC)

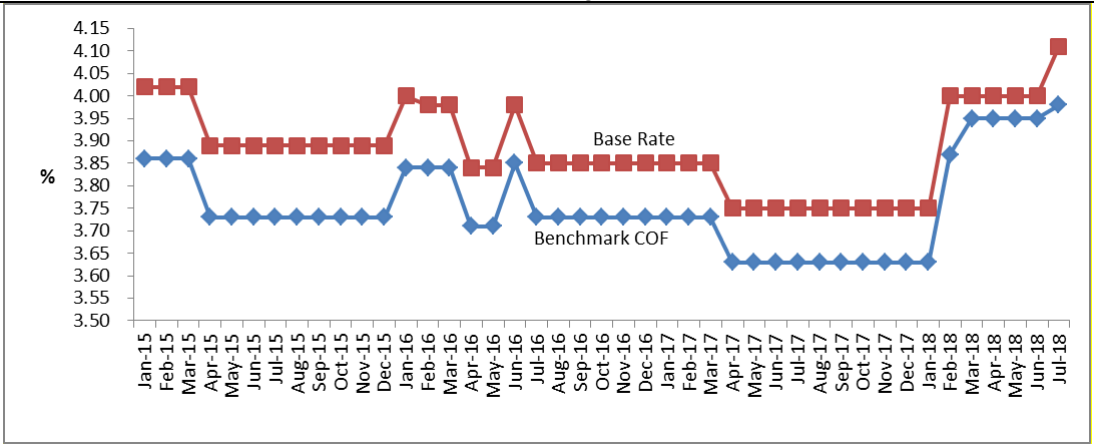
4. What is Islamic Base Rate (IBR)?

The IBR we offer on this product 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 Months Kuala Lumpur Interbank Offered Rate (KLIBOR) and marginal cost to raise funds from new fixed deposits.

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

Our IBR can rise or fall due to changes in the benchmark COF and changes in the SRR. Changes in the benchmark COF could occur due to changes in Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as 3 Month Kuala Lumpur Interbank Rate (KLIBOR) or marginal cost to raise funds from new fixed deposits.

6. Historical benchmark Cost of Fund in the last 3 years



7. What are my obligations?

- Your monthly installment is RM_____.
- The total payment amount at the end of _____ years is RM_____.

Important: For any upward or downward adjustment to the IBR the Bank shall revise the monthly installments which are priced against the IBR as the default option. The Bank shall provide you with particulars of the revised monthly installment amount at least seven (7) calendar days prior to the revised monthly installment date come into effect.

Rate	Today (IBR = %)	If IBR goes up 1%	If IBR goes up 2%
Monthly installment	RM	RM	RM
Total profit cost at the end of _____ years (exclude Grace Period Profit) (GPP)	RM	RM	RM
Total payment amount at the end of _____ years	RM	RM	RM
Contracted Selling Price	RM	RM	RM
Rebate (Ibra')	RM	RM	RM

Important:

- GPP instalment (if any) is based on progressive disbursement for the month, thus excluded from the calculation above.
- Rebate shall be provided to you if there is a difference between the max ceiling profit rate and the effective profit rate
- The Bank shall be entitled, from time to time, to vary the BR at its discretion. If and whenever the Effective Profit Rate is varied as a consequence of variations to the BR, the Bank may its absolute discretion make the following adjustment consequent upon such variation, namely, either:
  - I. By varying the amount of any Monthly Instalments; or
  - II. By varying the number of the Monthly Instalments

8. What other charges do I have to pay?

No.	Fees and Charges	Details
1.	Stamp Duty	As per the Stamp Duty Act 1949 (Revised 1989), subject to any stamp duty exemption or remission order. From 1st January 2016 until 31st December 2017, there is a twenty percent (20%) stamp duty remission under Stamp Duty (Remission).
2.	Wakalah / Agency Fee	RM50
3.	Set-up Fee	One-Time fee charged for approved financing: **Types of Properties** / **Fees** Residential / No Charge Commercial / RM200 Foreigner / RM500 (Set-up Fee)

Note:

- 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 are applicable to this product.
- Kindly refer to our website at www.uob.com.my for details of fees and charges.

9. What if I fail to fulfill my obligations?

Should you fail service your payment obligation in a timely manner, the following shall apply:

- **Compensation charges**

Default payment during the financing tenure and before maturity	$\frac{\text{Overdue Instalment Amount} \times 1\% \times \text{No of Days Overdue}}{365}$
Default payment which exceeded the maturity date	$\frac{\text{Overdue Principal Amount} \times \text{IIMM Rate} \times \text{No. of Days Overdue}}{365}$ Note: **IIMM** = Islamic Interbank Money Market

- **Right to set-off**
  The Bank is entitled to set-off any credit balance in your deposit maintained with the Bank against any outstanding financing amount and will inform you at least 7 calendar days in advance.

- **Legal Action**
  Legal action will be taken if you fail to respond to reminder notices. Your property may be foreclosed and you will have to the Bank reserve a right to commence recovery activities, foreclosure and bankruptcy proceedings. You are also responsibility any shortfall after your property is sold.

- **Revision of Financing Rate**
  The Bank may revise the financing rate which will result in a higher instalment amount to be paid due to restructuring or rescheduling of financing payment. You will inform at least 21

calendar days to the effective date of the revision.

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

- The Bank undertakes to grant you rebate at the point of early settlement.

Rebate formula:

Rebate on early settlement = Remaining Unearned - Early Settlement Charges (if any)

Note:

I. Remaining Unearned = Total Profit – Accrued Profit
II. Total Profit = Selling Price – Financing Amount
III. Accrued Profit is calculated based on Effective Profit Rate on the outstanding Financing Amount being disbursed

11. Do I need any insurance / takaful coverage?

- Mortgage Reducing Term Takaful (MRTT) is optional (compulsory if the Takaful contribution is financed by the Bank). However, you are encouraged to take up the MRTT to protect your family from losing the property due to unforeseen circumstances.

- Fire Takaful / Houseowner Takaful on the property pledged to Bank as collateral are compulsory, which you may opt from our panel or any other takaful operators.

12. What are the major risks?

The profit rate on this financing is floating and it is pegged to Islamic Base Rate (IBR). Profit rate may change according to changes in the reference rate. An increase in Profit rate may result in higher monthly payment or instalment.

13. When tenure requested is beyond retirement age, my source of income is from:

- EPF / KWSP
- Savings / Term Deposit / ASB
- Rental Income
- Others _____

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 at our 24-hour UOB 121 Phone Banking.

15. Where can I get assistance and redress?

- If you have difficulties making payments, you should contact us earliest possible to discuss payment alternatives. You may contact us at:

Kuala Lumpur	(6) 03 - 26128 121
Penang	(6) 04 - 2401 121
Johor Bahru	(6) 07 - 2881 121
Kuching	(6) 082 - 287 121
Kota Kinabalu	(6) 088 - 477 121

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara to provide free services on money management, credit counseling and financing restructuring for individuals. You can contact AKPK at:
  Tingkat 8, Maju Junction Mall
  1001, Jalan Sultan Ismail,
  50250 Kuala Lumpur
  Tel: 03-2616 7766
  E-mail: enquiry@akpk.org.my

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

Kuala Lumpur	(6) 03 - 26128 121
Penang	(6) 04 - 2401 121
Johor Bahru	(6) 07 - 2881 121
Kuching	(6) 082 - 287 121
Kota Kinabalu	(6) 088 - 477 121

- 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
  E-mail: bnmtelelink@bnm.gov.my

16. Where can I get further information?

- Should you require additional information on Islamic house financing, please refer to the *bankinginfo* booklet on 'Housing Financing-i', available at all our branches and the www.banking info.com.my website.

- If you have any enquiries, please call our 24-hour UOB 121 Phone Banking at:

Kuala Lumpur	(6) 03 - 26128 121
Penang	(6) 04 - 2401 121
Johor Bahru	(6) 07 - 2881 121
Kuching	(6) 082 - 287 121
Kota Kinabalu	(6) 088 - 477 121

17. Other house financing packages available

- Home Financing-i (HF-i)

IMPORTANT NOTE:
YOUR PROPERTY MAY BE FORECLOSED IF YOU DO NOT KEEP PAYING INSTALMENTS ON YOUR TERM FINANCING-i.

The information provided in this disclosure sheet is valid as at 04 July 2018.

Illustrations Payment Schedule

Calculation based on Contracted Profit Rate

Selling Price	RM327,870.02
Contracted Profit Rate	11%
Financing Tenor	5 years (60 months)
Principal	RM200,000

Calculation based on Effective Profit Rate

Effective Price	RM223,716.23
Effective Profit Rate	4.50% (BR + 0.39)
Financing Tenor	5 years (60 months)
Principal	RM200,000

No	Payment Date	Instalment	Profit Payment	COP Payment	Outstanding Selling Price	Outstanding COP	Unearned income
0	31-Jan-15	-	-	-	327,870.02	200,000.00	127,870.02
1	28-Feb-15	3,728.60	750.00	2,978.60	324,141.42	197,021.40	127,120.02
2	31-Mar-15	3,728.60	738.83	2,989.77	320,412.81	194,031.62	126,381.19
3	30-Apr-15	3,728.60	727.62	3,000.99	316,684.21	191,030.64	125,653.57
4	31-May-15	3,728.60	716.36	3,012.24	312,955.60	188,018.40	124,937.21
5	30-Jun-15	3,728.60	705.07	3,023.53	309,227.00	184,994.86	124,232.14
6	31-Jul-15	3,728.60	693.73	3,034.87	305,498.40	181,959.99	123,538.41
7	31-Aug-15	3,728.60	682.35	3,046.25	301,769.79	178,913.74	122,856.06
8	30-Sep-15	3,728.60	670.93	3,057.68	298,041.19	175,856.06	122,185.13
9	31-Oct-15	3,728.60	659.46	3,069.14	294,312.59	172,786.92	121,525.67
10	30-Nov-15	3,728.60	647.95	3,080.65	290,583.98	169,706.26	120,877.72
11	31-Dec-15	3,728.60	636.40	3,092.21	286,855.38	166,614.06	120,241.32
12	31-Jan-16	3,728.60	624.80	3,103.80	283,126.77	163,510.26	119,616.52

Disclaimer:

This Schedule indicates the payment of instalments by customer. The value illustrated above may change according to a number of variables such as promptness of payment by customer, prepayments, movement of Islamic Base Rate, differing disbursement amount and number of days in the month.

For early settlement for financing

Customer requested for early settlement as at 31/8/2017 (31st instalment not paid), for early settlement within lock-in period, we will reduced ibra' for customer is RM1,000 (amount is only for illustrative only). Extract of the payment schedule:

No	Payment Date	Instalment	Profit Payment	COP Payment	Outstanding Selling Price	Outstanding COP	Unearned income
0	31-Jan-15	-	-	-	327,870.02	200,000.00	127,870.02
1	28-Feb-15	3,728.60	750.00	2,978.60	324,141.42	197,021.40	127,120.02
2	31-Mar-15	3,728.60	738.83	2,989.77	320,412.81	194,031.62	126,381.19
30	31-Jul-17	3,728.60	408.48	3,320.12	216,011.90	105,608.59	110,403.32
31	31-Aug-17	3,728.60	396.03	3,332.57	212,283.30	102,276.02	110,007.28
32	30-Sep-17	3,728.60	383.54	3,345.07	208,554.70	98,930.95	109,623.75

Remaining Unearned as at 31/7/2017 = RM43,442.38

Rebate at Settlement
= Remaining Unearned – Reduced Ibra'
= RM43,442.38 – RM1,000
= RM42,442.38

Outstanding Selling Price at Settlement
= Scheduled Outstanding Selling Price at 31/8/2017 + Instalment Due Not Paid, if any
= RM145,322.36 + RM3,728.60
= RM149,050.96

Settlement Amount as at 31/8/2017
= Outstanding Selling Price (at Settlement) – Undisbursed Financing Amount (if any) + Compensation Charges (if any) + Misc Cost (if any) + Other Charges (if any) – Reduced Ibra'
= RM149,050.96 – 0.00 + 0.00 + 0.00 + 0.00 – RM42,442.38
= **RM106,608.58**

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