



OCBC Bank (Malaysia) Berhad (295400-W)

PRODUCT DISCLOSURE SHEET (Please read this Product Disclosure Sheet before you confirm purchasing the OCBC Earn & Learn Education Loan. Please be sure to also read the general terms and conditions).	OCBC Bank (Malaysia) Berhad Product : OCBC Earn & Learn Education Loan Date : 09 Nov 2022
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1. What is this product all about?

OCBC Earn & Learn Education Loan is aimed to financially aid parents and/or students by according them a bespoke loan for tertiary education. It seeks to provide education financing at the most affordable interest rate. Education Loan is secured against a fixed deposit. The product features a financing amounting to twice the pledged fixed deposit amount and this will be granted to customer as Education loan.

Note: A minimum fixed deposit amount is set at RM5,000.00

2. What do I get from the product?

Illustration

Total Fixed Deposit pledged: RM50,000.00
Loan Amount: RM100,000.00 (RM50,000.00 x2)
Tenure: 10 years

Subject	SBR (From 09 Nov 2022)
Reference Rate	• 2.75% p.a
Interest Rate	• SBR* + 3.65%** p.a
Effective Lending Rate	• 6.40% p.a
Monthly Instalment	• RM 1,131

*SBR means the Standardised Base Rate

**Spread : Includes credit and liquidity risk premiums, operating costs, and profit margin

*Note : The effective lending rate of 6.40% per annum (p.a.) is calculated as 2.75% + 3.65%** per annum, on the basis that the Standardised Base Rate remains constant at 2.75% per annum throughout the tenure. However, you should note that the Standardised Base Rate fluctuates from time to time, which will in turn affect the effective lending rate accordingly.*

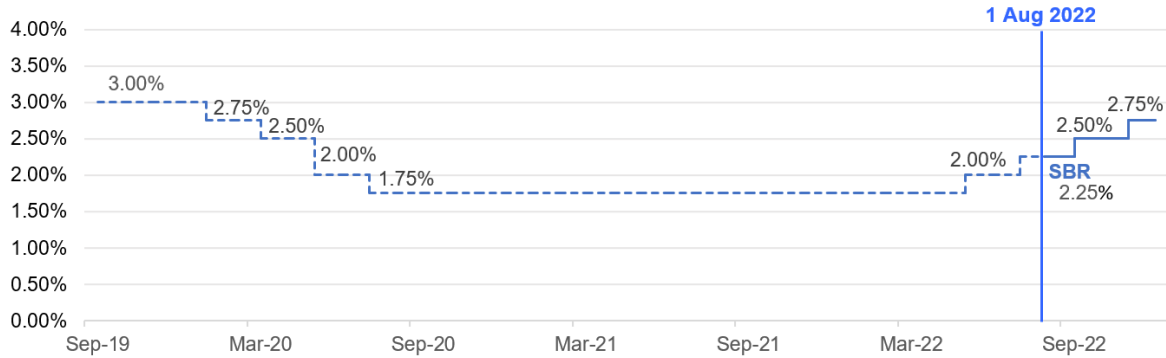
3. What is the Standardised Base Rate (SBR)?

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.

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

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

5. Historical SBR for the past 3 years



- **What are my obligations?**

Illustration

- Your monthly instalment is **RM 1,131**
- Total repayment amount (amount borrowed + interest) at the end of 10 years is **RM 135,648**

Important: Your monthly instalment and total repayment amount will vary if the SBR changes.

Rate	Today (SBR = 2.75%)	If SBR goes up 1%	If SBR goes up 2%
Monthly Instalment	RM 1,118	RM 1,182	RM1,235
Total interest cost at the end of 10 years	RM 35,648	RM 41,817	RM 48,142
Total repayment amount at the end of 10 years	RM 135,648	RM 141,817	RM 148,142

- As and when the SBR changes resulting in changes to the monthly instalment amount payable by you, Bank will give you no less than 7 calendar days' notice, on the revised monthly instalment amount which you shall pay.
- If you make loan repayment/financing payment via a standing order, you should change the instalment amount whenever there is a change to the SBR.
- For Education Loan, borrower has the option to service interest up to 1st 3 years or start instalment immediately upon disbursement of the Education Loan, which is calculated based on daily rests.
- If your loan tenure extends beyond your retirement age, you may need to prepare funds such as from EPF or savings, to service the loan payments. However, please be reminded that serving the loan beyond your retirement age might reduce your retirement funds and

possibly disrupt your retirement plans.

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

NOTE: The list of fees and charges below are payable by you, as the borrower(s) and the property owner(s), to third parties for their services or as required under the laws and regulations. The list is intended for general reference and may not be exhaustive. You should seek advice from the respective professionals for the particulars of the fees and charges.

Property

- **Stamp duties** to the Lembaga Hasil Dalam Negeri (LHDN), for the instruments for purchase and transfer of property to you as property owner(s), at the rates prescribed in the Stamp Act 1949
- **Legal fees** to lawyers for preparation of purchase and transfer documents and related services, at the rates prescribed in the Solicitors Remuneration Order
- **Registration or filing fees, search fees** to land office or high court, as the case may be, at the rates prescribed by the respective authorities and laws
- **Quit rent and assessment** to state and local authorities at the rates prescribed by the respective laws and regulations
- **Maintenance charges** to developer or management corporation for property under strata title, at the rates prescribed by the developer or management corporation or applicable laws and regulations
- **Perfection of transfer** if you purchase the property under master title, then in addition to above, you will need to pay the above fees and charges again upon issuance of the individual or strata title for your property, at such rates as may be prescribed by the respective parties
- **Valuation fees** to valuer to ascertain the value of your property, at the rates prescribed by the Board of Valuers, Appraisers and Estate Agents Malaysia
- **Disbursements** incurred for attending to above matters
- **Services tax** to LHDN, for services
- **Houseowner insurance premiums** to the insurance company, to insure your property from the risks set out in paragraph 10 below, at the premiums determined by the insurance company.

Loan

- **Stamp duties** to LHDN, for loan documents, at the rates prescribed in the Stamp Act 1949
- **Legal fees** to lawyers for preparation of loan documents and related services, at the rates prescribed in the Solicitors Remuneration Order
- **Registration or filing fees, search fees** to land office or high court, as the case may be, at the rates prescribed by the respective authorities and laws
- **Perfection of charge** if you purchase the property under master title, then in addition to above, you will need to pay the above fees and charges again upon issuance of the individual or strata title for your property, at such rates as may be prescribed by the

respective parties

- **Disbursements** incurred for attending to above matters
- **Services tax** to LHDN, for services

IMPORTANT NOTICE : You need to pay the fees and charges above directly to the respective parties i.e. the lawyers, state and local authorities, developer or management corporation, valuer, etc. If you do not pay the fees and charges above, bank has rights under the loan documents to debit the fees and charges from your loan account and pay the fees and charges to the respective parties, which means that you will pay the loan interest rates on the fees and charges. To avoid incurring such additional interest, you should promptly pay the fees and charges.

Bank's fees and charges

For full list of fees and charges imposed by and payable to our bank, please visit our website <https://www.ocbc.com.my/personal-banking/fees-and-charges.html>

Subject to Government Taxes (if applicable)

Disbursement Fees

Includes fees for remittance of loan.

Processing Fees

Not applicable.

7. What if I fail to fulfil my obligations?

Late payment penalty : 1% on the instalment or sums payable

Right to set-off : We have the right with prior notice to set-off any credit balance in your account maintained with us against any outstanding balance in your loan account.

Legal action will be taken if you fail to respond to reminder notices. Your property may be foreclosed and you will have to bear all costs. You are also responsible to settle any shortfall in payment after your property is sold.

Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

8. What if I fully settle the loan before its maturity?

- i. **No lock-in period**
No penalty charged on early settlement.

ii. With lock-in period

If any of the Facilities are fully redeemed/ settled within the holding period, you will pay the Bank an early termination fee. The early termination fee is calculated at [2%] of the Facilities limit which is the estimated of costs already incurred and/or to be incurred by the Bank as a direct result of your early termination. The early termination fee shall be part of the redemption or settlement sums payable by you to the Bank. Holding period is [] years commencing from the date of first disbursement of the Facilities.

9. Do I need any insurance /takaful coverage?

No.

10. Do I need a guarantor or collateral?

OCBC Bank may require the study loan to be guaranteed by the student depending on the circumstances.

Rights and obligations of a guarantor under a letter of guarantee in favour of OCBC Bank Obligations

- (1) A guarantor's liability is up to the amount stated in the Schedule to the guarantee plus interest on the amount.
- (2) A guarantor is not released from liability by any of the following events :
 - (a) any increase, extension, restructuring or other variations to the loans or facilities between the bank and the borrower(s); or
 - (b) any compromise or indulgence or extension of time given to the borrower(s); or
 - (c) the bank never demands for payment from the borrower(s), or realize the collaterals given for the debts and liabilities; or
 - (d) the bank has discharged or released the borrower(s) or any collaterals.
- (3) The full extent of the guarantor's liability is found in the terms of the letter of guarantee.

Rights

- (1) A guarantor should seek his/her own independent legal advice before signing a guarantee.
 - (2) A guarantor who has fully settled the borrower(s)' debts and liabilities with the bank may :
 - (a) claim from the borrower(s) for the payment he made to the bank; and/or
 - (b) if applicable, claim from the co-guarantor(s) for a portion of the payment made to the bank; and/or
 - (c) If the bank holds any collaterals for the loan, he will take over the collaterals and can enforce the collaterals for the loan.
- The above rights are only available to the guarantor if he has fully settled the borrower's debts and liabilities.
- (3) A guarantor is entitled to information on the amount payable under the guarantee.

11. What are the major risks?

The monthly instalment and the number of instalments are based on the Standardised Base Rate ("SBR") and the margin of interest at the time the Letter of Offer for the Education Loan is issued and are subject to review and may be adjusted or varied from time to time by the

Bank by giving prior written notice to the Borrower. The monthly instalment may be higher than the amount stated in the Letter of Offer if the SBR and/or the margin of interest increase during the tenure of the Facilities. If the SBR and/or the margin of interest is/are revised, the Borrower shall pay such increased or reduced monthly instalments based on the new Prescribed Rate with effect from such date(s) as the Bank shall inform the Borrower.

As we are also dealing with overseas education institutions, it is inevitable that we are exposed to the exchange rates movements. As such, if the exchange rate moves in favour of the Foreign Currency when OCBC drawdown, you may be required to top-up the shortfall amount.

12. Is there anything else that I should be aware of about Education Loan?

- Availability Period - The Education Loan will be available for first drawdown upon fulfilment of the pre-disbursements conditions within the Availability Period (unless extended by the Bank in its absolute discretion. The entire Education Loan shall cease to be available and be cancelled if the first drawdown of the Education Loan does not occur within the Availability Period.
- Disbursement - Each drawing under the Education Loan will be disbursed upon fulfilment of the pre-disbursements conditions. Each drawing must be billed directly to the Bank from the approved Education Institution and shall not exceed the approved percentage of Education Fees financed by the Education Loan (“Percentage of Financing”).
- The Education Loan may be disbursed in one or more tranche(s) in such mode and manner as may be agreed to by the Bank from time to time. The Education Loan shall be disbursed upon receipt by the Bank the original invoice from you and/or the Education Institution for the education fees and expenses due and payable for the Course in accordance to the fees schedule provided by the Education Institution upon enrollment of the Course (“Fee Schedule”). Extra modules / subjects taken in any semester in addition to the required modules / subjects of the Course for that particular semester, which are not stated in the Fee Schedule will not be financed by the Bank. You undertake to cause the Education Institution to notify the Bank if you have to re-sit any subjects and any fee incurred during such re-sit shall be fully borne by you.
- Education Loan’s loan coverage of x2 financing factor shall not only be based on the total fixed deposit amount pledged, but also on the Course’s fee, whichever is lower. For a better understanding, see below for illustration:

Total Course Fee: RM500,000.00

Scenario A

FD pledged: RM250,000.00	
Secured portion	RM250,000.00
Unsecured portion	RM250,000.00
Total Education Loan granted	RM500,000.00

Scenario B

FD pledged: RM280,000.00	
Secured portion	RM280,000.00
Unsecured portion	RM220,000.00
Total Education Loan granted	RM500,000.00

Scenario C

FD pledged: RM200,000.00	
Secured portion	RM200,000.00
Unsecured portion	RM200,000.00
Total Education Loan granted	RM400,000.00
Note: Customer will need to top-up RM100,000.00 to meet the total course fee	

13. What must I 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. To update us on your latest contact information, please call our OCBC Contact Centre at 03-8317 5000.

Please quote your loan account number when request for the change of your contact details.

14. Letter of Offer and Loan Documentation

You are required to accept the Letter of Offer within 2 weeks from the Letter of Offer date and execute the relevant security documents Any delay in your accepting the Letter of Offer or executing the security documents may result in delay in Loan disbursement. The Bank will not be liable for any late charges imposed by the colleges/ universities for delay in Loan Disbursement.

15. Valuation Requirements

Not required.

16. Where can I get assistance and redress?

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

OCBC Bank (Malaysia) Berhad

Menara OCBC

18 Jalan Tun Perak

50050 Kuala Lumpur

Malaysia

For enquiries , please contact us at : 03-8317 5000

- 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 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:

Customer Assurance Unit

OCBC Bank – Service Transformation
Menara OCBC
No. 18 Jalan Tun Perak
50050 Kuala Lumpur

Or email to myexperience@ocbc.com

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

Customer Contact Centre (BNMTELELINK)
Bank Negara Malaysia
P.O.Box 10922
50929

Tel: 1-300-88-5465 (1-300-88-LINK)

Overseas: 603-2174-1717

Operating Hours: 9.00 a.m. – 5.00 p.m. (Monday – Friday except public holiday)

Web form: telelink.bnm.gov.my

17. Where can I get further information?

Should you require further information pertaining to the Education Loan, please visit our website at www.ocbc.com.my.

For inquiries , please contact us at : 03-8317 5000

OCBC Bank (Malaysia) Berhad
Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

“The POWER! Programme is a programme conducted by AKPK which aims to empower young and first-time borrowers with the knowledge to effectively manage their finances. To enrol, please call 1800-88-2575 or visit www.akpk.gov.my for more information.”

18. Other loan packages available

- OD secured against other cash collateral packages

**IMPORTANT NOTE: YOUR FACILITY MAY BE RECALLED/CANCELLED IF YOU DO NOT
KEEP UP WITH YOUR REPAYMENTS**

This information provided in this disclosure sheet is valid from 09 November 2022

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