

Product Disclosure Sheet of Islamic Bank in Malaysia: Home Financing

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Abstract

The diversity of financial products offered by the financial service providers along with the upwards trend of home financing in Malaysia has significant relationship with information disclosure about the products. Consistency in disclosing essential information is aimed at minimizing the mis-selling of financial products to avoid *gharar* (ambiguity). Therefore, the purpose of this study is to highlight the practice of disclosing information of the home financing products by five major commercial banks in Malaysia which are Maybank Islamic Berhad, CIMB Islamic Bank Berhad, Bank Islam Malaysia Berhad, Public Islamic Bank Berhad, and AmIslamic Bank Berhad. The study employs qualitative method whereby secondary data were gathered from selected Islamic Financial Institutions (IFIs) websites. It reports the evaluation of the types of information which have been disclosed in the Product Disclosure Sheet of each product and the comparison between all five banks. Data gathered were

analysed using frequencies via SPSS version 20. The findings show that four out of five banks have published the Product Disclosure Sheets (PDSs) in their respective websites. The types of information disclosed by all banks slightly vary from each other. However, AmIslamic Bank Berhad appears to be a highly disclosed institution that relates to home financing facility, while Bank Islam Malaysia Berhad disclosed the least information in the PDSs. Besides, CIMB Islamic Bank Berhad is the only bank which did not make the PDSs available in their website.

Keywords: Product Disclosure Sheet; Home Financing; Information; Qualitative Method

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