



## A COMPARATIVE STUDY OF HOME FINANCING PRODUCTS: MAYBANK ISLAMIC'S HOUZKEY AND BANK ISLAM'S BAITI HOME FINANCING

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### ABSTRACT

This study compares two prominent Shariah-compliant home financing products in Malaysia: Baiti Home Financing by Bank Islam and HouzKEY Home Financing by Maybank Islamic. The objective is to evaluate and contrast the features, terms, financing structures, and overall suitability of each product from both legal and practical perspectives. Key aspects examined include profit calculation methods, Shariah compliance models, financing flexibility, eligibility requirements, and value-added benefits. The research adopts a qualitative methodology using library-based research, with data gathered from secondary sources such as journal articles, books, policy documents, regulatory standards, resolutions, and product disclosure sheets. By analysing the offerings of both institutions, this study aims to provide potential homeowners and stakeholders with comprehensive insights into Islamic home financing alternatives. The findings are expected to contribute to better consumer decision-making and assist financial institutions in identifying areas for product enhancement in line with Shariah principles and consumer expectations.

## Introduction

The increasing demand for Shariah-compliant financial products has led to the development of a wide array of financing solutions within Islamic banking. This growing interest, particularly among the global Muslim community, reflects greater awareness of the importance of conducting financial transactions in accordance with Islamic principles, including the obligation to avoid *riba* (usury). To support cash liquidity, Islamic financial institutions commonly employ the concept of *tawarruq* in their operational structures.

In contrast, conventional banking systems primarily rely on loans, which are treated as core assets and recorded on the banks' balance sheets (Nasrun, 2014). These are balanced by liabilities such as shareholder equity and customer deposits. Similarly, Islamic banking operations focus on financing activities as key components of bank assets. Islamic teachings provide clear guidance on the permissibility of commercial activities, the prohibition of *riba*, and the proper management of debt. For instance, the Qur'an states:

Translation: "...But Allah has permitted trade and has forbidden interest".

(Surah Al-Baqarah, 2:275)

Translation: "O you who have believed, when you contract a debt for a specified term, write it down. And let a scribe write [it] between you in justice".

(Surah Al-Baqarah, 2:282)

In addition, hadith literature also emphasizes the importance of financial transactions being grounded in sound religious knowledge. For example, it was reported that Caliph 'Umar ibn al-Khattab (may Allah be pleased with him) said, "Let no one trade in our markets except one who has understanding in the religion (fiqh)".

This research aims to conduct a comparative analysis of two prominent Islamic home financing products: Baiti Home Financing by Bank Islam and HouzKEY Home Financing by Maybank Islamic. The primary objective is to provide consumers with accurate and comprehensive information to assist them in selecting the most suitable Shariah-compliant home financing solution. One common Islamic financing structure is Commodity *Murabahah*, in which the financial institution purchases a commodity and sells it to the customer at a predetermined price inclusive of a profit margin. The customer then repays the amount in instalments over an agreed period. Baiti Home Financing, offered by Bank Islam, applies this concept through the principle of *Tawarruq*, which involves two sale and purchase transactions. First, the bank sells an asset to the customer on a deferred basis. The customer then sells the same assets to a third party on a spot basis to obtain liquidity.

The growing variety of financing products in both the Islamic and conventional financial sectors has made it increasingly challenging for consumers to determine which offerings best suit their needs. This study compares Bank Islam's Baiti Home Financing and Maybank Islamic's HouzKEY in terms of their structures, terms, and customer experiences, with the aim of enabling consumers to make informed financial decisions. The study will examine various aspects, including financing amounts, profit rates, repayment mechanisms, eligibility criteria, and customer satisfaction. Primary data will be obtained through surveys and interviews with clients who have used either product. Secondary data—including corporate reports, official publications, and academic literature, will be used to support and contextualize the findings.

This comparative study seeks to identify and evaluate the key features, advantages, and limitations of both financing products. Understanding these differences is important not only for potential customers but also for financial institutions, as it provides insights into consumer expectations and areas for product improvement. Ultimately, this research aims to address the information asymmetry between providers and consumers of Islamic home financing products. By doing so, it contributes to greater transparency in the Islamic finance industry and empowers consumers to make decisions aligned with both their financial goals and religious values. Overall, the study intends to deliver a comprehensive evaluation of HouzKEY

Home Financing and Baiti Home Financing, assisting consumers in selecting a home financing option that meets their needs within the framework of Shariah principles.

### Literature Review`

Over the past few decades, Islamic finance has grown significantly and developed, offering a variety of financial services and products that are compliant with Shariah. Examples of Islamic finance products that meet people's needs for home ownership while adhering to Islamic norms include commodity Murabaha and home financing plans. This review of the literature intends to present an overview of the literature and research that has already been done on Commodity Murabaha, house financing schemes, and the comparison of Islamic finance products provided by Bank Islam and Maybank Islamic.

Karwowski (2009) and Ariff (2007) conclude in their research that Islamic banking provides different environment both for Muslim and non-Muslim ensures stable condition stability in the financial system. From the development of Islamic banks in Malaysia, it is imperative for Islamic banks to play their role effectively and efficiently to contribute to the overall stability of the financial system, and the growth and development of the economy. This is to ensure the public able to buy house or make financing for house without any worries.

The first attempt at Islamic banking system can be seen in Malaysia in the mid 1940s and Pakistan in the late 1950s (Perry & Rehman, 2011; and Ajagbe & Brimah, 2013). The objective of this institution setup by Malaysia was to invest prospective pilgrim savings in the real estate and plantations in accordance with Shariah but it was unsuccessful. The landowners who followed Islamic principles at the time put their money in the bank, which was then loaned to other landowners for the development of agriculture. Other than a minor fee for bank operations, the borrowers at the time were not penalised for being late in repaying their debts. However, the bank's operation failed as a result of a number of factors, including the problem of the bank employees lacking autonomy over the operation of the bank and the increase in the number of borrowers compared to the money being kept there. This led to a vast difference between available capital and credit demanded. This occurred as a result of the depositors' desire to receive more rewards in exchange for the money they gave out (Muhammad et al., 2013).

By any measure, the growth pace of Islamic financing in Malaysia is impressive. Therefore, despite the advent of competition from centres like Bahrain and Dubai, Malaysia has the ability to maintain its position as the leader in global Islamic banking. (Yahya et al., 2012) mentioned Islamic banking is a comprehensive and value-based system that aims to respect and enhance the moral and material wellbeing of individuals and society in general. The first Islamic bank in Malaysia, Bank Islam Malaysia Berhad (BIMB), was founded on July 1st, 1983. Under the supervision and guidance of the Malaysian Central Bank, Bank Negara Malaysia (BNM), the Islamic inter-bank Money Market on 3 January 1994 and Bank Muamalat Malaysia Berhad (BMMB) on 1 October 1999 also included this system into their operations. In the view of BNM, Malaysian Islamic banks have total assets of around USD 65.6 billion and an average growth rate of 18 to 20 percent per year (Yahya et al., 2012).

According to BNM, Malaysian Islamic banking raises the bar for investments and fosters improved accountability and risk management. Malaysian Islamic banks are poised to take the lead in global Islamic banking in the near future based on their existing potential. Due to the huge demand for Muslims and non-Muslims in Malaysia, the majority of banks in Malaysia provide the Islamic banking scheme. The development of Islamic banking in Malaysia, where there is a component of profit and loss sharing in every banking transaction, has also been influenced by the privilege of Islamic banking schemes. Islamic banking system was based on Islamic principles as taught in the Qur'ān and Sharī'ah. It avoids participation in prohibited (*ḥarām*) activities such as gambling (*maysir*), interest-based investment (*ribā*), *gharar* and investment in the trade of forbidden goods such as alcohol. Moreover, it improves equity, fairness and transparency of all transactions (Diaw and Mbow, 2011). As a result, any natural risk is shared by the bank and the consumer, rather than just one party as in a normal banking system (Amin, 2008). Due to this feature, banks and communities from different racial and religious origins have expressed interest in participating in the Islamic banking plan.

By the existence of this study, it assist people to know more about development Islamic Banking in Malaysia. The history of Islamic Banking and the first Islamic Banking has been written well in this research paper.

According to Kiran (2016), Islamic banks are different from conventional banks in the context that Islamic banks follow rules of Islamic law and its practical application through the development of Islamic economics. Deposits are accepted under Islamic law through the *Musharaka* and *Mudaraba*, where the reward is varying (Hanif, 2014). The practise of sharing profits with depositors in Islamic banking. Under the Islamic system, depositors share in both the risk and the reward. Depositor rewards are correlated with the success of Islamic Financial Institutions investments. Islamic banking and finance differ from their conventional counterparts in terms of their principles and operating system (Hijazi et al., 2010). Islamic banking follows the rules established by Sharia (Islamic law), just like any other area of life. Interest-based transactions are haram (prohibited by Islamic law) in the Islamic financial system. Only IFIs that can win the public's trust and achieve peak financial industry performance will be permitted to collect deposits under the Islamic financial system.

For conventional banking, regardless of whether a bank operates under a conventional system or an Islamic one, deposits are collected from depositors under both types of institutions for compensation. The agreement on reward is where the distinction lies. The award in the traditional system is fixed and predetermined. In conventional banking, the return on long-term deposits is higher while the return on short-term deposits is lower. Under the traditional approach, the bank bears all risks and receives all rewards after providing depositor services at a fixed rate. Based on the study that I have choose to help get better knowledge about the differences between Islamic financial products from two difference banks. This paper's goal is to provide information that is able for people to understand with better efficiency. The topic itself provide contents in this study which help public understand the differences between Islamic financial products for home financing.

Home financing with an Islamic bank is a distinctive and morally superior solution to traditional mortgage products. It functions according to the ethical and Shariah-compliant principles of Islamic finance. Islamic banks provide mortgage solutions that are intended to adhere to these values and give people the chance to acquire a property without having to turn to traditional interest-based loans. While a conventional financial system provides a loan with interest, an Islamic financial system provides a facility. The ban on *riba*, or interest, is one of the core tenets of Islamic finance. Islamic banks avoid adding interest to their lending products since doing so is against Islamic law and is seen as exploitative. Instead, they provide home finance choices that are organised in accordance with various Islamic principles like *murabahah*, *musharakah*, and *ijarah*.

*Murabahah* is a commonly used mode of financing in Islamic home financing. It is a cost-plus-profit arrangement where the Islamic bank purchases the property and sells it to the customer at a higher price, allowing the customer to pay in instalments over an agreed-upon period. The profit margin is determined upfront and remains fixed throughout the financing tenure. This ensures transparency and eliminates the element of uncertainty often associated with interest-based loans.

Along with that, *ijarah* also has been used as underlying contract for some products for Islamic financing in Malaysia. Islamic jurists say that *ijarah* is acceptable and that it is a sale of usufruct (Al-Zuhayli, 2003). Maybank, for example, introduce HouzKEY as an alternative method of home financing by way of a lease agreement. At the end of the rental time, RTO closes the contract of *ijarah muttahirah bi al-tamlik* (rent and to own property) (Nor et al., 2019). *Ijarah*, as per Islamic Fiqh, denotes the act of leasing or renting out a property. In an *Ijarah* arrangement, the right to use the property, known as usufruct, is transferred to another party for a specified period in exchange for an agreed-upon consideration called *Ujrah* (rent). According to Shariah principles, *Ijarah* does not entail the transfer of ownership in assets to the lessee. However, *Ijarah Muntahia Bittamleek* allows for the transfer of ownership to the lessee through a separate unconditional contract at the conclusion of the leasing period.

Various options exist for a bank to engage in an *Ijarah* contract, with or without signing an agency contract:

- (a) If the bank already owns the asset, it can lease it to the customer under both simple *Ijarah* and *Ijarah Muntahia Bittamleek*.
- (b) Upon receiving a customer's request, the bank can acquire ownership of an asset and subsequently lease it to the customer, either through simple *Ijarah* or *Ijarah Muntahia Bittamleek*.
- (c) The bank can obtain the usufruct of an asset under *Ijarah Muntahia Bittamleek* and lease it to the customer under the same, with the caveat that the time period of the first *Ijarah* should be equal to or less than that of the second.
- (d) Acquiring the usufruct of an asset under *Ijarah Muntahia Bittamleek* allows the bank to lease it to the customer under simple *Ijarah*.
- (e) If the bank possesses the usufruct of an asset through simple *Ijarah*, it can lease it to the customer under the same, ensuring that the time period of the first *Ijarah* is equal to or more than that of the second.
- (f) It is not permissible for the bank to obtain the usufruct of an asset through simple *Ijarah* and subsequently lease it to the customer under *Ijarah Muntahia Bittamleek*.

The most popular financing tools used by Islamic Financial Institutions include *Musharaka* (partnership in capital), *Mudaraba* (partnership of capital and skill), *Murabaha* (cost plus profit sale), *Bai Salam* (spot payment with deferred delivery), *Bai Muajjal* (credit sale), *Istasna* (order to manufacture) and *Ijara* (leasing) (Amir et al., 2016).

It is crucial to remember that even while house financing through an Islamic bank adheres to moral and Shariah-compliant standards, it is nonetheless constrained by legal and regulatory constraints. Islamic banks are subject to regulation by the appropriate authorities, and they are expected to adhere to the rules and criteria established by these regulating agencies. This guarantees the ethical and open distribution of Islamic home financing products.

The borrower's creditworthiness, income, and collateral all play a major role in conventional house finance. By taking into account elements including the applicant's credit history, employment stability, and debt-to-income ratio, the bank determines if the borrower has the financial means to repay the loan. The bank receives the borrower's application for a home loan and, if granted, disburses the loan amount, which is normally a portion of the value of the property.

The payment of interest on the loan is one of the key aspects of conventional home finance. Market factors, the borrower's creditworthiness, and the loan period are taken into consideration when calculating the interest rate. The Borrower shall make equal principal and interest payments on a recurring monthly basis. The borrower gradually pays back the loan over the course of the loan term, with a growing percentage of each payment going towards the principal.

Conventional financing comes with a number of benefits. First off, it gives borrowers the freedom to select from a variety of loan options and conditions. A shorter loan term with higher monthly payments or a longer loan term with lower monthly payments can be chosen by the borrower depending on their financial position. Additionally, conventional banks frequently have established procedures and systems in place, which streamlines and expedites the application and approval process.

However, there are certain considerations and risks associated with conventional home financing. Firstly, the borrower is responsible for paying interest, which adds to the overall cost of the loan. Over the loan term, the borrower may end up paying a significant amount in interest, depending on the loan amount and interest rate.

Additionally, traditional home loans demand collateral, which is typically the house being financed. The bank has the power to foreclose on the property in order to recoup any unpaid loans in the case of default

or non-payment. To reduce the danger of foreclosure, borrowers should carefully assess their financial standing and capacity to make loan payments.

According to Ahmad and Kamarudin (2018), the Commodity Murabaha has its popularity and suitability as a financing tool in Islamic finance. Commodity *Murabaha* in Islamic finance is a frequently utilised kind of financing. It entails the bank selling the client a good at a markup and with postponed payment terms. This enables people to acquire things or assets without transgressing the Islamic ban on interest (*riba*).

Home financing plans within the context of Islamic finance have gained popularity, giving people Shariah-compliant substitutes for traditional mortgage loans. These programmes support shared risk and reward between the financial institution and the consumer in accordance with Islamic values, such as the ban on interest. Al-Khawaldeh and Jaafar (2021) explored the various home financing options in Islamic finance, including Murabaha, Ijarah, and *Musharakah*, emphasizing the significance of these products in facilitating home ownership while complying with Shariah principles.

The comparative study of Islamic finance products from Maybank Islamic and Bank Islam holds significance in assessing the differences, similarities, advantages, and limitations of their HouzKEY Home Financing and home financing plans. While no specific research directly compares these offerings, studies on comparative analysis in Islamic finance can provide a methodological framework. For instance, Khan et al., (2017) conducted a comparative analysis of Islamic banking products in Malaysia and Pakistan, evaluating their features, profitability, and customer satisfaction. Their study demonstrates the applicability of comparative analysis in evaluating Islamic finance products. Maybank Islamic Berhad tried to implement maqasid al-Shariah not only in Islamic bank divisions but also at the group level because it is a subsidiary of Maybank Group, a conventional bank. HouzKEY, a rent-to-own programme based on the Islamic idea of Ijarah, is one of the products that Maybank Islamic Berhad developed as part of the VBI implementation (Raj, 2017). This programme is still available at Maybank Group conventional and Islamic banks. This study demonstrates a better understanding about Islamic finance to the industry.

## Methodology

This research paper adopts a comparative analysis approach, utilizing qualitative research methods. Primary data will be collected case studies on HouzKEY Home Financing from Maybank Islamic. The data also will be collected for customer who subscribed Bank Islam Baiti Home Financing. This study will adopt a comparative research design to analyse and compare the home financing products of Maybank Islamic and Bank Islam. The research design will involve collecting and analysing data from both primary and secondary sources. Additionally, secondary data from company reports, official documents, and published literature will be analysed to complement the primary findings. Statistical analysis, including descriptive statistics and comparative tables, will be employed to support the research findings.

## Results and Findings

### *History of Maybank Islamic and Bank Islam*

One of the top Islamic financial institutions in Malaysia and a major player in the worldwide Islamic finance sector is Maybank Islamic, a division of Malayan Banking Berhad (Maybank). With a steadfast dedication to Shariah principles and a wide selection of Islamic financial products and services, Maybank Islamic has made a name for itself as a reliable supplier of solutions that adhere to the Islamic law.

A thorough Shariah governance system guides Maybank Islamic's operations, ensuring that all of them adhere to Shariah standards. In order to ensure that the goods and services provided by Maybank Islamic are in accordance with Islamic principles, the bank has a specialised Shariah committee made up of eminent Shariah experts who provide guidance and oversight on Shariah topics.

The Islamic banking division of the Maybank Group is Maybank Islamic Berhad, a fully owned subsidiary. As the first commercial bank to offer Islamic banking products and services through a window concept in 1993, Maybank Islamic Berhad started operating on January 1st, 2008. Customers can access Shariah-compliant financial products and services from Maybank Islamic Berhad in the consumer and business banking, wealth management, and international trade sectors. In addition to having 12 locations,

Maybank Islamic has over 400 branches, private banking centres, auto finance facilities, business centres, and trade finance centres across the country.

The wide range of products Maybank Islamic offers is one of its main advantages. The bank serves a variety of customer groups, including people, businesses, and institutions, by providing a broad range of Islamic banking products and services. These goods include Islamic financial options, such as mortgages, auto loans, and working capital loans, which are built using, among other things, the concepts of *murabahah*, *mudarabah*, and *musharakah*.

Current and savings accounts, term deposits, and Islamic investment accounts are all Islamic deposit and investment products offered by Maybank Islamic. Customers have the chance to increase their money in a halal way with the help of these products, which provide competitive returns while guaranteeing adherence to Shariah rules.

Additionally, Maybank Islamic gives innovation and digitization a high priority. In order to improve customer experience and accessibility to its Islamic banking services, the bank has launched a number of digital projects. This comprises digital wallets, mobile apps, and online banking systems that help users conduct transactions, view account information, and securely manage their accounts.

Maybank Islamic actively participates in community development programmes as part of its efforts to uphold its commitment to corporate social responsibility. The bank sponsors a number of initiatives and programmes that aim to help poor communities with healthcare, education, and assistance. This dedication to social responsibility is consistent with Islamic financial principles, which place a strong emphasis on the fair distribution of wealth and the advancement of society as a whole.

Beyond Malaysia, Maybank Islamic has increased its global footprint and built a solid foundation in important countries including Singapore, Indonesia, and the Middle East. The bank is able to serve a wide spectrum of consumers because to its global presence, which also helps to advance Islamic financing internationally.

Finally, by utilising its comprehensive Shariah governance framework, wide range of product offerings, digital capabilities, and dedication to social responsibility, Maybank Islamic has become a major force in the Islamic finance sector. Maybank Islamic continues to play a crucial role in propelling the growth and development of Islamic finance, both domestically and internationally, with a strong focus on Shariah compliance, customer-centricity, and innovation.

In Malaysia, Bank Islam Malaysia Berhad, commonly known as Bank Islam, was established on July 1, 1983. It is Malaysia's first Islamic bank and is recognized as a pioneer in the country's Islamic banking sector. The establishment of Bank Islam was a significant step in promoting Islamic finance and banking principles in Malaysia.

Bank Islam was founded on the principles of Islamic finance, which prohibits the payment or receipt of interest (*riba*) and encourages ethical and equitable financial practices. The bank aimed to provide Islamic banking solutions to meet the financial needs of individuals and businesses while adhering to Shariah principles.

In its initial years, Bank Islam focused on developing a range of Islamic financial products and services. The bank played a crucial role in introducing the concept of Islamic banking to Malaysia, contributing to the growth and acceptance of Islamic finance in the country.

Over the years, Bank Islam expanded its operations and diversified its product offerings. It engaged in various financial services, including retail banking, corporate banking, and investment banking, all operating within the framework of Shariah principles. The bank's commitment to innovation and customer satisfaction contributed to its growth and success in the Malaysian banking industry.

Bank Islam's history is characterized by its pioneering role in introducing and promoting Islamic banking principles in Malaysia. Over the years, the bank has grown and adapted to the changing financial landscape while remaining true to its commitment to Shariah-compliant banking.

### ***Features of HouzKEY Home Financing by Maybank Islamic***

Maybank Islamic offered one specific product which is HouzKEY Home Financing. There are many key features offered by HouzKEY Home Financing. First, HouzKEY Home Financing adheres to Islamic financial principles, guaranteeing adherence to Shariah regulations. It conforms to the idea of ethical funding and shuns interest-based transactions. After that, Maybank Islamic provides a special home financing option in Malaysia called HouzKEY. HouzKEY, which operates on the rent-to-own model, offers people a flexible route to becoming homeowners. The lack of a down payment is a crucial component that makes it more accessible for people who might find it difficult to save up a sizable upfront purchase. Under the system, people can rent a property for a set amount of time, with fixed rental rates offering stability in their finances throughout that time. Tenants may choose to buy the property at the conclusion of the leasing term. Rent payments made over the course of the tenancy may be applied towards the cost of buying the property, offering a planned and gradual path to homeownership. Potential homeowners will find the online application method more convenient since it streamlines the approval and application processes.

This programme, which offers 100% financing, was created specifically to help those who were unable to purchase a property because of the high initial cost or down payment. The advantages of this product are as follows: the customer's obligation will be reduced over time by the monthly rental; the customer only needs to pay a three-month refundable security deposit at the time of contract signing with Maybank to accept HouzKEY facilities; and the customer can designate up to three guarantors, which will increase their eligibility for the product's approval. Although this Maybank Islamic Berhad project is perceived as a "risk-taking" product, given Value-Based Intermediation, Maybank Islamic Berhad introduced this product as a means of aiding those who were unable to secure financing for a home.

Putting a strong focus on accessibility, affordability, and flexibility sets HouzKEY apart from other conventional home finance solutions. HouzKEY offers a clear route to ownership and addresses the financial obstacles related to down payments, making it accessible to a wide spectrum of people who want to achieve their dream of becoming homeowners. It is imperative that interested parties keep themselves updated about any modifications or adjustments to the terms and conditions of the plan by contacting Maybank Islamic or via their official channels to obtain the most recent and correct information.

### ***Features of Baiti Home by Bank Islam Berhad***

It is a well-known financing option offered by Islamic Housing Bank. The Baiti Islamic Bank House's financing is founded on the Tawarruq (Murabahah Commodity) basis.

*Tawarruq* is defined as the process of acquiring assets at discounted prices, then selling them to other parties in order to raise money. It also indirectly aids in financing the purchase of investment real estate. The Ceiling Price Rate (CPR), which is constant over the term, is the basis for determining the bank selling price. Whether a new home is under construction or already constructed, Islamic Bank will finance up to 90% of its value through Baiti Home Financing, subject to credit screening and approval. Recently, Baiti Home loan revealed that it offers a two-month temporary instalments payment downtime with its variable house loan rate. It offers more flexibility than other loans since it may be used to accommodate unique financial arrangements and celebratory spending by deferring the payment of the two monthly instalments with payment holidays in November and December. Aside from processing fees, Bank Islam Financing offers several other benefits, such as lower construction costs for up to two years on certain residential projects, better cost savings through the waiver of processing fees, and a 20% discount on stamp duty for perfecting the bank's securities documentation.

This housing loan therefore, has a maximum 35-year loan period, whereby up to 90% of the total house price is allocated by the home loan margin. The penalty for loan payback for late payments is one percent of the balance owed. On the other hand, Islamic banks charge variable interest rates on home loans, which are mostly determined by the amount of finance obtained. The effective interest rate for loans beyond RM 100,000 will be 4.45% per annum. On the other hand, the bank will decide the effective interest rate at the time of loan approval.



For the first year, an individual might benefit from a low interest rate, which will progressively increase in the following years. It would be prudent to get in touch with Bank Islam to arrange a different payment plan and prevent foreclosure if borrowers are unable to make their payments on time. You must enrol in Mortgage Reducing Term Takaful (MRTT) in the event that something unforeseen occurs and you are unable to make your mortgage payments. In addition, if you pass away or become totally and permanently disabled, takaful coverage will support you (TPD). One of your options is to sign up for Long Term Homeowner Takaful (LTHT).

### ***Performances Between Maybank Islamic and Bank Islam Berhad***

Fazam et al., (2021) stated in the article that Maybank Islamic Berhad the country's largest supplier of Islamic financial services, with estimates of RM19.53 billion in 2012 of Shariah-compliant funds. HouzKEY Home Financing product offered by Maybank Islamic and require subscriber comply to the qualifications based on Maybank's websites. First, refinancing your current mortgage with a different financial institution to save money on the purchase of residential properties, whether or not the units are finished or under construction Other than that, mortgaging your unencumbered residential properties can help you get more money. Additional funds for your own investment requirements, any unforeseen expenses, or house upgrades. Conversion of conventional loans to Islamic financing for the purchase of vacant land and construction of bungalows thereon rearranging your current mortgage to accommodate your current needs in terms of money. Minimum financing amount of RM10,000 and a minimum property value of RM75,000. These strict qualifications assist Maybank Islamic be the best bank in this country.

Maybank Islamic exhibits a robust financial position, characterized by its consistent growth in total assets. The bank's strong capital adequacy ratios and healthy liquidity levels highlight its ability to meet financial obligations and support sustainable growth. Maybank Islamic's financial stability is underpinned by its sound risk management practices and adherence to regulatory requirements.

Maybank Islamic has a sizable market share in the Islamic banking industry and a large market presence in Malaysia. The bank gains from Maybank's huge branch network, which enables it to effectively serve a broad customer base. In addition to facilitating its presence in international markets, Maybank Islamic's strategic expansion plans have also allowed it to tap into new prospects and diversify its revenue streams.

Maybank Islamic has consistently delivered strong profitability, driven by sustainable revenue growth and effective cost management. The bank's net profit margin and return on assets (ROA) indicate its ability to generate satisfactory returns from its operations. Maybank Islamic's diversified product portfolio and focus on innovation contribute to its profitability by meeting the evolving needs of its customers.

Customer satisfaction is a top priority for Maybank Islamic, and the company strives to offer outstanding products and services. The bank's initiatives to improve customer engagement, digital banking capabilities, and customised solutions demonstrate its dedication to customer-centricity. Customer satisfaction scores, comments, and recognition given to Maybank Islamic demonstrate to its achievement in exceeding expectations.

Based on that, these two banks are the top of banks in the current industry. Maybank Islamic and Bank Islam Berhad are leading banks in Malaysia. This has shown best performance between two banks thus give confidence to the potential customers subscribe products offered by these two banks.

The performance of Bank Islam demonstrates its financial stability, market presence, asset quality, profitability, adherence to corporate governance, and customer happiness. Consistent expansion, careful risk management, a focus on the customer, and a solid corporate governance framework have all helped the bank achieve success and become one of the top financial institutions in Malaysia. Bank Islam is well-positioned for sustainable development and ongoing success in the future due to its dedication to excellence and capacity to adjust to shifting market circumstances.

### **Conclusion and Recommendation**

The comparative research study on Ijarah Muntahiyah Bi Tamlik conducted by Maybank Islamic and tawarruq Baiti Home by Bank Islam within the framework of Islamic finance is extremely important for people, financial institutions, and the Islamic finance sector. The research aims to support informed

decision-making, promote transparency and consumer protection, drive product development and enhancement, contribute to academic knowledge, and provide industry direction through the provision of complete insights. While accepting its limits, the study intends to offer insightful comparisons of these financing options, assisting consumers and financial institutions in making decisions that are in line with their financial objectives and religious beliefs. The scope and limitations of the study should be considered when interpreting the research findings and applying them to specific contexts or decision-making processes. Other than that, the recommendation for this study is conduct a comprehensive analysis of the features and terms. Compare the key features and terms of Commodity Murabaha from Maybank Islamic and Baiti Home Bank Islam, including the financing amounts, eligibility criteria, profit rates, repayment options, and other relevant factors. This analysis will provide a detailed understanding of the similarities and differences between the two financing products. In addition, provide recommendations for consumers. Summarise the conclusions and include suggestions for people looking for Islamic home financing options. Provide insights on which product would be more suited for various customer demands, preferences, and financial goals based on the comparative analysis.

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