

Product Disclosure Sheet- Vehicle Financing-i

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to accept the Vehicle Financing-i. Be sure also to read the terms in the Letter of Offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms).

Bank Islam Malaysia Berhad

Vehicle Financing-i

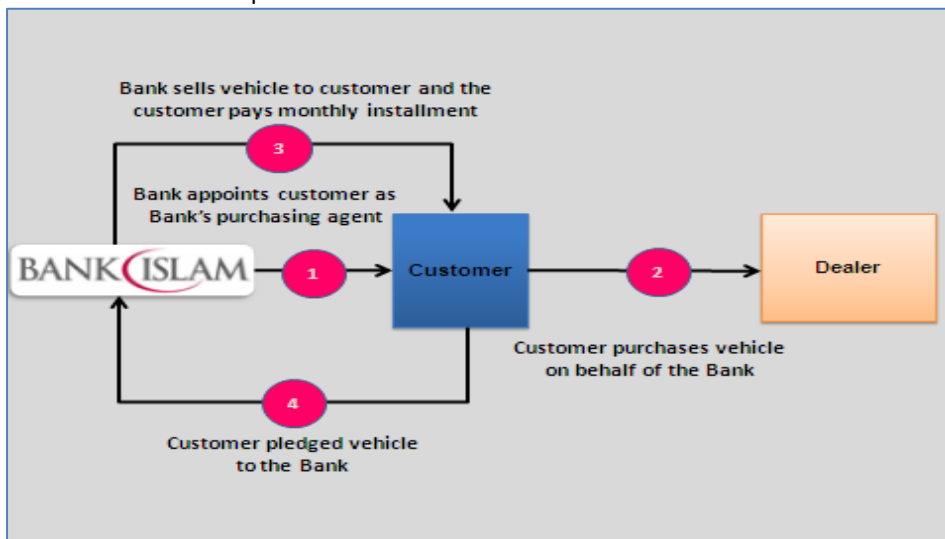
Date : _____

1. What is Vehicle Financing-i facility?

- ✓ Vehicle Financing-i facility is a term financing which is calculated based on a fixed rate. Vehicle Financing-i allows you to own your dream vehicle under the contract of *Murabahah* (*Murabahah to the Purchase Orderer "MPO"*).

2. What is the Shariah contract applicable?

- ✓ The main Shariah contract applied in the product is *Murabahah* (*Murabahah to the Purchase Orderer "MPO"*) i.e. a sale contract with a disclosure of the asset cost price and profit margin to the purchaser (i.e. the Customer). Under this contract, there is an order and promise to purchase by the Customer prior to the seller (i.e. the Bank)'s acquisition of the asset.
- ✓ The mechanism of the product is illustrated as follows:



1. Bank appoints the Customer as its purchasing agent to purchase the vehicle from the Dealer. Customer irrevocably and unconditionally promises (Wa`d) and undertakes to purchase the vehicle from the Bank.
2. The Customer purchases the vehicle from the Dealer on behalf of the Bank.
3. Bank sells the vehicle to the Customer on *Murabahah* basis. Customer pays the selling price to the Bank on deferred payment basis.
4. The Customer pledges the vehicle to the Bank as security/ collateral.

3. What do I get from this product?

✓ Total amount financed	The margin of financing is up to 90% for standard application and up to 100% for special package i.e. Vehicle Financing-i GradHitz. The final financing amount approved will be based on the Bank's credit evaluation.				
✓ Tenure	Tenure of financing is up to 9 years.				
✓ Profit rate	The fixed rates for Vehicle Financing-i: <table border="1" style="width: 100%; margin-top: 5px;"> <tr> <td>National vehicle</td> <td>From 3.00% to 3.60% per annum</td> </tr> <tr> <td>Non National vehicle</td> <td>From 2.90% to 3.35% per annum</td> </tr> </table>	National vehicle	From 3.00% to 3.60% per annum	Non National vehicle	From 2.90% to 3.35% per annum
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Non National vehicle	From 2.90% to 3.35% per annum				

- ✓ Please note the above amounts and rates are indicative only. The final approved amount of your facility, tenure and profit rate is subject to the Bank's approving criteria and may differ from the above.

4. What are my obligations?

- ✓ Monthly payment amount. The monthly payment is calculated in accordance to the formula below:
Fixed rate:

$$((P \times R \times T) + P) / t,$$
 where:
 P = Financing Amount Approved
 R = Profit rate per annum
 T = Tenure of facility in years
 t = Tenure of facility in months

- ✓ Customer is obliged to pay the monthly payments until full settlement of the financing. Should the financing tenure be extended beyond the retirement age, the Customer is still obliged to pay the monthly payments. However, the customer may opt at any time to settle the financing in full.

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

- ✓ Stamp duties [as per Stamp Act 1949 (Revised 1989)].
- i. Without guarantor RM20.00 (Letter of Offer RM10.00 and MPO Agreement RM10.00)
 - ii. With guarantor RM30.00 (Letter of Offer RM10.00 and MPO Agreement RM20.00)

6. What other charges do I have to pay?

- ✓ **Cancellation of the Facility**
 You are to pay the Bank all costs (if any) for the preparation and registration of securities documents that has been incurred by the Bank in connection with the Facility including the expenses incurred during the claim process if the Facility is cancelled.

7. What if I fail to fulfill my obligations?

- ✓ Should you fail to fulfill your obligation in a timely manner, the following shall apply:-
- a. **Breach of Wa'd**
 Customer to compensate the Bank for any actual loss incurred by the Bank due to customer's breach of promise (Wa'd) and undertaking to purchase the vehicle from the Bank.
 - b. **Late Payment**
 The Bank shall impose Ta'widh (compensation for late payment charge) to you as follows:-
 - Before maturity of the Facility
 A sum equivalent to one per centum (1%) per annum on overdue installment(s) until date of full payment;
 - After maturity of the Facility
 A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on outstanding balance i.e. outstanding Sale Price less ibra' (if any);
 - Post judgment debt
 A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on basic judgment sum calculated from judgment date until date of full payment.

Note: The imposition of Ta'widh shall be in such manner as approved by BNM.
 - c. **Event of Default**
 - In the event of default of payment, the Bank may by written notice to you, demand for immediate payment of amount overdue from you and/or the guarantor.

- The Bank has the right to set-off any credit balance in your deposit and/or investment account which is maintained with the Bank against any overdue payment under this financing.
- Legal action shall be taken against you if you fail to respond to the reminder notices. Any security pledged to the Bank (such as property, machinery, etc.) may be foreclosed/repossessed and you are to bear all costs incurred in the disposal of the asset. You are also responsible to settle any shortfall after the asset is sold.
- Legal action taken against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you.
- Trigger of cross default of other facilities with the Bank.

8. What if I settle the financing in full before its maturity?

- ✓ In the event of Early Settlement of the financing, the Bank undertakes to grant to the Customer an Ibra' (rebate) which is equivalent to the deferred Profit at the point of settlement.

Ibra' (rebate) Formula: $Ibra' / \text{rebate on early settlement} = \text{Deferred Profit}$.

Note:

- i. Deferred Profit = Total Contracted Profit – Accrued Profit.
- ii. Total Contracted Profit = Bank's Selling Price – Bank's Purchase Price (or Financing Amount).
- iii. Accrued Profit is calculated based on Profit Rate of the outstanding Bank's Purchase Price (or Financing Amount) being disbursed (or utilized).

✓ Early Settlement:

"Early Settlement" means Settlement prior to the expiry of the Financing tenure by the Customer including, but is not limited to the following situations:

- i. Customers who make an early settlement or early redemption, including those arising from prepayments;
- ii. Settlement of the original Financing contract due to financing restructuring exercise;
- iii. Settlement by Customers in the case of default; and/or
- iv. Settlement by Customers in the event of termination or cancellation of Financing before the maturity date.

"Early Settlement Amount" means Outstanding Bank's Selling Price minus Ibra' on Early Settlement minus undisbursed (or unutilized) amount minus advances by the Customer plus temporary excess plus advances by the Bank plus ta'widh plus Early Settlement Charges".

Note:

- i. Outstanding Bank's Selling Price = Outstanding Bank's Purchase Price (or Financing Amount) + Profit Overdue + Deferred Profit
- ii. Advances by the Bank which includes takaful contribution / insurance premium, legal fees etc.
- iii. Early Settlement Charges means actual costs allowed by Shariah Supervisory Council of the Bank.

9. Do I need a guarantor or collateral?

- ✓ Requirement for guarantor is applicable on case to case basis. The financed vehicle to be pledged as collateral.

10. Do I need any Takaful coverage?

- ✓ You are required to take up a comprehensive Motor Takaful/Insurance coverage on the vehicle financed for the entire financing tenure.
- ✓ Optional - Auto Financing Takaful Plan (AFTP) which provides Takaful protection with the sum covered upon death or Total and Permanent Disability (TPD) of the person covered.

11. What do I need to do if there are changes to my contact detail?

- ✓ It is your responsibility and important for you to immediately inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

12. Where can I get assistance and redress?

✓ If you have difficulties in making the monthly payments, you should contact us earliest possible to discuss the payment options. You may contact us at:

i. *Contact Centre Department*
Bank Islam Malaysia Berhad
17th Floor, Menara Bank Islam,
No. 22, Jalan Perak,
50450 Kuala Lumpur.
Tel: 03-26 900 900
Email: contactcenter@bankislam.com.my or

ii. Visit our website www.bankislam.com.my for more details

✓ Alternatively, you may seek the services of *Agensi Kaunseling dan Pengurusan Kredit (AKPK)*, an agency established by Bank Negara Malaysia to provide free services and money management, credit counseling, 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
Email: enquiry@akpk.org.my

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

Contact Centre Department
Bank Islam Malaysia Berhad
17th Floor, Menara Bank Islam,
No. 22, Jalan Perak,
50450 Kuala Lumpur.
Tel: 03-26 900 900
Fax: 03-2782 1337
Email: contactcenter@bankislam.com.my

✓ 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: 03-2174 1515
Email: bnmtelelink@bnm.gov.my

13. Other Vehicle Financing-i packages available?

- ✓ Superbike Financing-i
- ✓ Vehicle Financing-i GradHitz

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO PAY THE MONTHLY PAYMENT OF YOUR VEHICLE FINANCING-i FACILITY.

The information provided in this disclosure sheet is valid as at 24th October 2018.