

## PRODUCT DISCLOSURE SHEET

### Equipment Financing-i

Please read this Product Disclosure Sheet before you decide to take up this product. Be sure to read the general terms and conditions.

Date: \_\_\_\_\_

#### 1. What is this product about?

Equipment Financing-i is a Shariah compliant financing extended to customer for acquisition of capital asset (fixed asset) that falls outside the First Schedule of Hire Purchase Act which include heavy equipment and machineries.

#### 2. What is the Shariah concept applicable?

The Shariah concept applicable for this product is Al-Ijarah Thumma Al- Bai' (AITAB). AITAB refers to two Shariah contracts, Ijarah and Bai', which are undertaken separately and consequently.

Under Ijarah contract, the Bank (Owner) will transfer the right to use of the assets to you (Hirer) at an agreed rental over an agreed lease period. Upon expiry of the leasing period, you will enter into a second contract Bai' to purchase the assets from the Bank at an agreed price which is equivalent to last instalment.

#### 3. What do I get from this product?

You will be provided a facility with the following key features:

Facility Amount	
Margin of Financing	
Tenure	
Profit Rate:	i. Fixed Rate: _____ p.a. or ii. Variable Rate: BFR _____ p.a.

Note:

- BFR (Base Financing Rate) will be determined by Bank from time to time.
- Current BFR is 5.50% p.a.

#### 4. What are my financial obligations?

- Monthly instalments/ rental: \_\_\_\_\_
- Total amount payable: \_\_\_\_\_
- To settle all amounts outstanding on or before the expiry of the facility tenure i.e. maturity date.

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

The fees and charges for this product as follows:

Item	Details of fees/charges
Stamp Duty	As per Stamp Duty Act 1949 (revised 1989)
Kafalah Fee	Up to 1.50% per annum on the guarantee sum subject to a minimum of RM50.
Transfer Fee	As per actual cost imposed by the third party.
Letter of Support	RM50 (Waived for micro enterprises customers)

#### 6. What if I fail to fulfil my obligations?

- The Bank shall be entitled to impose and demand from you late payment compensation by way of Ta'widh (compensation charges) for the following:

- Default payment(s) during Facility tenure:  
1% p.a. on overdue amount.
- Default payment of any sum covenanted to be paid for recalled/terminated cases:  
1% p.a. on the outstanding balance (outstanding principal plus accrued profit)
- Default payment of any outstanding balance after maturity of the facility:  
Bank Negara Malaysia ("BNM") Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit);
- Default payment of any outstanding balance post judgment:  
BNM IIMM rate on the basic judgment sum (excluding legal costs and late payment charges)

Note:

- Compensation charges shall not be compounded;
- Compensation charges methodology and rates are subject to changes as may be prescribed by BNM;
- Compensation charges are computed on daily basis from the payment due date/ termination date/ maturity date/ judgment date.

- The Bank has the right to set-off any credit balance in your account maintained with us against any outstanding balance in this financing account, however, it would be made known to you.
- The Bank reserves the right to take legal action and all costs incurred will be borne by you. This legal action will have an effect on your credit rating and may lead to difficulties in your future financing applications.

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

- For Fixed Rate Financing:  
You will be entitled to an Ibra' (rebate) using the formula below. The calculation is based on the formula as stipulated in the Hire Purchase Act 1967.

$$\text{Ibra' (Rebate)} = \frac{n(n+1)}{N(N+1)} \times \text{TC}$$

Where,

- n: Remaining monthly rental period
- TC: Term Charges (Profit Charges) of Total Income in the Agreement
- N: Total monthly rental period

- For Variable Rate Financing:  
The settlement amount would be the outstanding instalment plus term charge accrued and calculated up to the next instalment due date.

#### 8. Do I need takaful coverage?

- You are required to take up a comprehensive takaful coverage on the asset financed for the entire tenure of the Equipment Financing-i.

#### 9. Do I need any guarantor or collateral?

- Guarantor and collateral may be required depending on customer's credit assessment made by the Bank.

**10. What are the major risks inherent to this product?**

- If the Facility is based on variable rate, an increase in BFR will result to higher instalment but is capped at CPR. The Bank will notify you on changes of instalment amount prior to the effective date.
- Should you encounter any difficulties in meeting your obligations, please contact your dedicated Relationship Manager in advance to discuss other payment alternatives. This is to avoid any legal action against you in the event you are unable to pay your instalment.

**11. 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 correspondence reaches you in a timely manner.
- Please contact 03-2096 3000 or visit the Bank's nearest branch to update the change(s)

**12. Where can I get assistance and redress?**

- If you wish to complain on the products or services provided by us, you may contact us at :  
**Customer Experience Management Dept**  
**7th Floor, Wisma MBSB,**  
**48, Jalan Dungun, Damansara Heights,**  
**50490 Kuala Lumpur**  
**Phone : 03-2096 3000**  
**e-mail : [enquiry@mbsbbank.com](mailto:enquiry@mbsbbank.com)**
- If your query or complaint is not satisfactorily resolved by us, you may contact:  
**Bank Negara Malaysia LINK or TELELINK**  
**Block D, Bank Negara Malaysia,**  
**Jalan Dato' Onn,**  
**50480 Kuala Lumpur.**  
**Phone : 1-300-88-5465**  
**Fax : +603-2174 1515**  
**e-mail : [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)**

**13. Where can I get further information?**

- Should you require additional information on the product, please visit our website at [www.mbsbbank.com](http://www.mbsbbank.com) or alternatively call your respective Relationship Manager.

**14. Other facilities available?**

- i. Revolving Credit-i
- ii. Term Financing-i
- iii. Bank Guarantee-i
- iv. Bridging Financing-i

**IMPORTANT NOTE :**

**LEGAL ACTION MAY BE TAKEN  
AGAINST YOU IF YOU FAIL TO  
SERVICE YOUR PAYMENTS OF THIS  
FACILITY ON A REGULAR BASIS**

The information provided in this disclosure sheet is valid as at : \_\_\_\_\_