

Please read this Product Disclosure Sheet before you decide to subscribe to this product. Be sure to also read the terms and conditions in the Letter of Offer. Seek clarification from our officers if you do not understand any part of this document or the terms.

## Vehicle Financing-i / Vehicle Financing-i GradONE

Date: 1 June 2024

### 1. What is this product about?

Vehicle Financing-i facility, including GradONE (Facility), is a term financing which is calculated based on a fixed rate. This financing allows you to own your dream Vehicle under the contract of Murabahah (Murabahah to the Purchase Orderer).

Kindly refer to Bank Islam's website [www.bankislam.com](http://www.bankislam.com) for the eligibility requirements of either facility.

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

The facility is applying a Shariah principle of Murabahah to the Purchase Orderer ("MPO") referring to a sale contract with a disclosure of the cost price and profit to the Customer who makes the order of vehicle, with the following mechanism:

- i. Customer chooses a vehicle and pays a deposit to the dealer/ vehicle's owner which will be off set against Bank Islam's Sale Price;
- ii. Customer then applies for the Facility subject to Bank Islam's approval;
- iii. Upon approval of the Facility by Bank Islam, Customer undertakes (Wa'd) to purchase a vehicle from Bank Islam and accepts the appointment as Bank Islam's Purchase Agent (Wakalah) to purchase the vehicle from the dealer/ vehicle owner;
- iv. Dealer/ vehicle owner will issue an invoice which become the trigger for execution of vehicle purchase transaction by Bank Islam from the dealer/ vehicle owner through Customer (as Bank Islam's Purchase Agent) at cost price;
- v. Once Bank Islam owned the vehicle, Bank Islam will sell the vehicle to the Customer at a cost price plus profit (Murabahah) equivalent to Bank Islam's Sale Price on a deferred payment through the execution of Murabahah Sale Contract and delivery of the vehicle will be made directly to the Customer;
- vi. The Customer pledges the vehicle to Bank Islam as security/ collateral; and
- vii. Bank Islam will perfect all related documents before the disbursement of Facility to the dealer/ vehicle owner.

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

<b>Financing Amount</b>	<ul style="list-style-type: none"> <li>• <u>Minimum financing amount is RM 20,000.</u></li> <li>• <u>New Vehicle:</u> <ol style="list-style-type: none"> <li>i. Financing margin of up to 90% of the on-the-road ("OTR") price for standard Vehicle Financing-i.</li> <li>ii. Financing margin of up to 100% of the OTR price for special package e.g., Vehicle Financing-i GradONE.</li> </ol> </li> <li>• <u>Used Vehicle:</u> Financing margin of up to 90% of the OTR for standard application and special package.</li> <li>• The approved financing amount is based on Bank Islam's credit evaluation.</li> </ul>								
<b>Financing Tenure</b>	<ul style="list-style-type: none"> <li>• <u>New Vehicle:</u> Financing tenure is from 3 to 9 years.</li> <li>• <u>Used Vehicle:</u> <ol style="list-style-type: none"> <li>i. Financing tenure is from 3 to 9 years, subject to age of the vehicle and financing tenure not exceeding 15 years, whichever is lower. For example, if the vehicle was manufactured 8 years ago, the allowable financing is up to 7 years only.</li> <li>ii. The vehicle shall not exceed 10 years from the manufacturing date.</li> </ol> </li> </ul>								
<b>Profit Rate</b>	<p>The fixed rates for Vehicle Financing-i and Vehicle Financing-i GradONE:</p> <table border="1" style="width: 100%;"> <tr> <td>National vehicle</td> <td>From 2.35% to 3.30% per annum</td> </tr> <tr> <td>New non-national and unregistered reconditioned vehicle</td> <td>From 2.20% to 2.40% per annum</td> </tr> <tr> <td>Hybrid and Electric Vehicle (HEV)</td> <td>From 2.10% to 2.20% per annum</td> </tr> <tr> <td>Used vehicle</td> <td>Not exceeding 4.00% per annum</td> </tr> </table> <p><b>Note:</b></p> <ol style="list-style-type: none"> <li>i. Profit is calculated on monthly basis based on Sum of Digit method.</li> <li>ii. Please refer to Bank Islam's website or consult our Contact Centre &amp; Customer Care for the latest information.</li> </ol>	National vehicle	From 2.35% to 3.30% per annum	New non-national and unregistered reconditioned vehicle	From 2.20% to 2.40% per annum	Hybrid and Electric Vehicle (HEV)	From 2.10% to 2.20% per annum	Used vehicle	Not exceeding 4.00% per annum
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**4. What are my obligations?**

- Illustration:

Financing Amount	RM 100,000.00
Financing Tenure	9 years
Profit Rate	3.30% p.a.
Bank's Sale Price	RM 129,700.00
Monthly Instalment	RM 1,201.00

Monthly instalment is calculated using the below formula:

$$[(P \times R \times T) + P] / t$$

where:

- P = Financing Amount approved
- R = Profit Rate per annum
- T = Financing Tenure (in years)
- t = Financing Tenure (in months)

- Please note the above amounts and rates are for illustration purposes 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.
- Important: Your monthly instalment and total payment amount remain unchanged throughout the financing tenure as below:

Description	Today 3.30% p.a. (fixed rate)
Monthly instalment	RM 1,201.00
Final month instalment	RM 1,193.00
Total profit at the end of 9 years	RM 29,700.00
Total payment at the end of 9 years	RM 129,700.00

**Note:** The monthly instalment and total payment is based on the above illustration.

- You are required to settle all monthly instalment as per stated in the Letter of Offer through Salary Deduction by the employer, Salary Transfer with Automatic Fund Transfer or Standing Instruction upon disbursement being made until full settlement of the financing account.
- In the event where the Salary Deduction made by the employer has not yet commenced, you are responsible to pay the monthly instalment in a timely manner and shall be paid as per specified in the Letter of Offer.
- At the maturity of the financing facility, you shall pay the outstanding balance in full, or Bank Islam may at its consideration grant an extension to the financing tenure to facilitate settlement via monthly instalment payment of an agreed amount. If the financing tenure accorded is extended beyond the retirement age, you remain obliged to pay the monthly instalment payment. However, you may opt at any time to fully settle the financing facility upon reaching retirement age.

**5. What other charges do I have to pay?**

Type of Charge	Charge Amount and Detail
Stamp Duty	As per Stamp Duty Act 1949 (Revised 1989) <ul style="list-style-type: none"> <li>i. RM10 for the Letter of Offer with Terms and Conditions</li> <li>ii. RM10 for the Power of Attorney</li> <li>iii. RM10 for the Guarantee Agreement if guarantor is required</li> </ul>

**Cancellation of the facility**

You have to pay the above costs inclusive of all other costs that has been incurred by the Bank (if any) for the preparation and registration of security documents in connection with the facility including the expenses incurred during the claim process whenever this facility is cancelled.

**6. Does the Bank require advance payment?**

- Bank Islam requires advance payment equivalent to one (1) month instalment for Vehicle Financing-i GradONE.
- For standard Vehicle Financing-i, Bank Islam may require the advance payment on case-to-case basis.

**7. What if I fail to fulfil my obligations?**

- 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.
- Compensation charge (Ta`widh) due to late payment will be imposed as follows:

<b>Before Maturity of Facility</b>	A sum equivalent to one per cent (1%) per annum on overdue instalments until the date of full settlement.
<b>After Maturity of Facility</b>	A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on outstanding balance i.e., outstanding Sale Price less rebate (Ibra'), if any.
<b>Post Judgment Debt</b>	A sum equivalent to the prevailing daily overnight Islamic IIMM rate on basic judgment sum calculated from judgment date until the date of full settlement.

**Note:** The imposition of Ta'widh shall be in such manner as approved by BNM from time to time.

- Upon default:
  - i. The Bank may by written notice to you, demand for immediate payment of amount overdue from you and/or the guarantor;
  - ii. The Bank has the right to set off your deposit or any other account(s) maintained with the Bank towards settlement of overdue payment under the facilities granted by the Bank;
  - iii. The Bank has the right to take legal action against you if you fail to response to the reminder notices. The Bank shall exercise its right on any security pledged with the Bank and you are to bear all the costs involved. You are also responsible to settle any shortfall. Legal action against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you; and
  - iv. Cross default of other facilities with the Bank may be triggered.

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

- There is no 'lock in period' for this facility and the Bank shall grant Ibra' on the Deferred Profit after full settlement is made.
- The Ibra' formula is as below:

Ibra' (rebate) on early settlement = Deferred Profit

**Note:**

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

## 9. Do I need any Takaful coverage?

- Customer is required to take up a comprehensive Motor Takaful/ Insurance coverage (where Takaful is encouraged) on the vehicle financed for the entire financing tenure.
- Optional:
  - Automobile Financing Takaful Plan (AFTP) which provides Takaful protection with the sum covered upon death or Total and Permanent Disability (TPD) of the person covered; or
  - Personal Accident Takaful Plan (PA) which provides Takaful protection with the sum covered upon death or Total and Permanent Disability (TPD) as a result of an accident of the person covered.

## 10. 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.

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

It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you may inform us in writing or visit the nearest Bank Islam branch.

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

If you have difficulties in servicing the monthly instalment, you should contact us at the earliest possible to discuss on the payment options at:

**Contact Centre & Customer Care**  
**Bank Islam Malaysia Berhad**  
 17<sup>th</sup> Floor, Menara Bank Islam  
 No. 22, Jalan Perak  
 50450 Kuala Lumpur  
 Tel: 03 26 900 900

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 and debt restructuring for individuals. You can contact AKPK at:

**5<sup>th</sup> and 6<sup>th</sup> Floor,**  
**Menara Bumiputra Commerce**  
 Jalan Raja Laut,  
 50350 Kuala Lumpur.

<p>Fax: 03 2782 1337 Email: <a href="mailto:contactcentre@bankislam.com.my">contactcentre@bankislam.com.my</a></p>	<p>Tel: 03 2616 7766 Fax: 03 2616 7601 Website: <a href="http://www.akpk.org.my">www.akpk.org.my</a></p>
<p>If you wish to complain on the products or services provided by us, you may contact us at:</p> <p><b>Contact Centre &amp; Customer Care</b> Bank Islam Malaysia Berhad 17<sup>th</sup> Floor, Menara Bank Islam No. 22, Jalan Perak 50450 Kuala Lumpur Tel: 03 26 900 900 Fax: 03 2782 1352 Email: <a href="mailto:customercare@bankislam.com.my">customercare@bankislam.com.my</a></p>	<p>If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:</p> <p><b>Block D, Bank Negara Malaysia,</b> Jalan Dato' Onn, 50480 Kuala Lumpur Tel: 1 300 88 5465 Fax: 03 2174 1515 Email: <a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a></p>
<p><b>13. Where can I get further information?</b></p>	
<p>Should you require additional information about Vehicle Financing-i or Vehicle Financing-i GradONE, please refer to the nearest Bank Islam branch available nationwide or visit Bank Islam website at <a href="http://www.bankislam.com">www.bankislam.com</a>.</p>	
<p><b>14. Other Vehicle Financing-i package available</b></p>	
<p>Vehicle Financing-i – Superbike</p>	
<p><b>IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP PAYING INSTALMENTS OF YOUR VEHICLE FINANCING-i FACILITY.</b></p>	

**Note:**

1. The above profits and charges may change and subject to the Bank's terms and conditions.
2. All information provided in this Product Disclosure Sheet is valid with effect from **1 June 2024**.

Acknowledgment by the customer,

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Name:  
Identification Card No.:  
Date: