

PRODUCT DISCLOSURE SHEET

Dear valued customer,

This Product Disclosure Sheet (PDS) provides you with key information on your hire purchase financing. Other customers have read this PDS and found it helpful; **you should read it too.**



AmBank Islamic

AmBank Islamic Berhad
199401009897 (295576-U)

REMINDER:

Please be reminded to read and understand the terms and condition of this Product Disclosure Sheet. Be vigilant. Always refer to our AmBank Islamic official channels for your financing application and approvals.

Hire Purchase-i Fixed Rate

Hire Purchase-i Variable Rate

Date:

1 What is Arif Hire Purchase-i, and what is the Shariah concept applicable?

Arif Hire Purchase-i is an Islamic financing facility for leasing/hire and subsequent purchase of vehicles. Payment is to be made by the customer (as "Hirer") by monthly instalments and the ownership of vehicle will only be transferred to the Hirer after all the instalments have been paid.

Al-Ijarah Thumma Al-Bai' (AITAB) is a Shariah-compliant financing method involving two consecutive contracts i.e. **Ijarah (lease)** and **Bai' (sale)**. The customer (as "Hirer") leases the vehicle from the Bank (as "Owner") for an agreed rental over a set period, and at the end of the lease, purchases the vehicle at a pre-agreed price, usually equivalent to the final instalment. Additionally, under the **Wakalah (agency)** contract, the Bank appoints the Hirer as its agent to handle vehicle maintenance during the lease term.

For details related to this financing, you may refer to our official website:

<https://www.ambank.com.my/loans-financing/personal/auto-financing/arif-hire-purchase-i>

2 Know Your Obligations

Fixed Rate and Variable Rate

For this hire purchase (**all calculations are for illustration purposes only**):

- Your financing amount: **RM 100,000.00**
- Your monthly instalment: **RM 1,105.00**
- Your financing tenure: 9 years
- Your financing rate:
 - **Fixed rate:** 4.00 % p.a.
 - **Variable rate:** 4.00 % p.a.
 - **Base Financing Rate (BFR)*:** 6.45 %
- Effective financing rate: 7.17 %

In total you will pay **RM 119,243.00** at the end of **9 years**.

Note: For Variable Rate, payment will vary if the BFR changes*

*The BFR is set as the Overnight Policy Rate (OPR) decided by Bank Negara Malaysia. The BFR can rise or fall due to changes in the OPR. For historical series of reference rate, please refer to our website.

It is your responsibility to:

	Read and understand the key terms in the contract before you sign it.
	Pay your monthly instalment timely and in full for 9 years during the financing tenure. Speak to us if you wish to settle your financing earlier.
	Ensure you can afford to pay a higher instalment if the Overnight Policy Rate (OPR) rises.
	Contact us immediately if you are unable to pay your monthly instalments.

As Hirer, you have the obligation to **pay the instalments on time, inform the Bank ("Owner") of any change in your contact details** (including address, phone number, or email by visiting any of our branches or call our Contact Centre (Monday - Sunday, 7.00 a.m. - 11.00 p.m.), and ensure that the vehicle financed is **adequately covered**.

You also have to pay the following fees and charges:

Stamping Fee	:	RM10* of Hirer & RM10* for Guarantor (if any)
E-Hakmilik Fee	:	RM3* per registration
Photocopy of Hire Purchase-i and Guarantee Agreement	:	RM20* per request
Redemption Statement Fee	:	RM25* per account per request
Request for Audit Confirmation	:	RM20* per request

Note:

- Any changes in fees / charges will be updated in AmBank's website with twenty-one (21) calendar days prior notice to the implementation date.
- *The fees and charges quoted are exclusive of any taxes (where applicable) and shall be additionally borne by the customer. Should there be any taxes to be imposed on the fees and charges quoted, the Bank has the right to change the amount payable.
- For full list of fees and charges, please visit our website <https://www.ambank.com.my/rates-fees-charges>

3 Know Your Risks

What happens if you fail to pay your monthly instalments?

1. Late payment charges:

No	Applicable Period	Late Payment Charge Rate	On the Amount
1	Prior to maturity date	1% per annum calculated on a daily balance basis	i. Outstanding instalments, where it will be calculated after the due date until full settlement of the outstanding instalment and/or; ii. Outstanding balance calculated from the date of cancellation until full settlement of the outstanding balance.
2	After maturity date	Current Islamic Interbank Money Market Rate ("IIMM") per annum calculated on a daily balance basis	Outstanding balance calculated from the maturity date until full settlement
3	When the Bank has obtained a court judgment against you	At the IIMM rate per annum calculated on a daily balance basis from the court judgment date until the settlement date	Outstanding Balance (excluding legal costs and late payment charges as stated in the court judgement) calculated from the judgment date until full settlement of the judgment amount

2. **Right to set-off:** The Owner has the right to utilise any credit balance in the Hirer's account(s) (within the AmBank group) to cover outstanding payments, with seven (7) calendar days' prior notice before exercising this right.
3. **Legal Action:** If reminders on outstanding instalments are ignored, the vehicle may be repossessed, and the Hirer must cover all costs and any shortfall amount after resale. Legal action against the Hirer may affect his/her credit rating.
4. **Repossession:** After two (2) missed instalment payments, the vehicle can be repossessed pursuant to Section 16 of the Hire Purchase Act 1967. For cases where Hirer is deceased, the Owner has the right to repossess the vehicle if there has been four (4) consecutive default of monthly instalment payments.

5. **Right to outsource debt collection and sell non-performing financing:** The Owner has the right to outsource debt collection to an external agency and the Owner has the right to sell non-performing financing accounts to a third party. Your credit score may be affected, leading to credit being more difficult/expensive to you.

Your monthly instalment may increase during the tenure of your financing (for variable rate financing).

The BFR may increase due to a rise in the OPR set by Bank Negara Malaysia, leading to higher monthly instalments.

As an illustration:

	Current Rate (EFR) = 7.17%	Rate increase by 1%	Rate increase by 2%
Monthly instalment	RM 1,105.00	RM 1,134.00	RM 1,164.00
Total profit cost at the end of 9 years	RM 19,243.00	RM 22,417.00	RM 25,694.00
Total Payment amount at the end of 9 years	RM 119,243.00	RM 122,417.00	RM 125,694.00

4 Other key Terms

1. Do I need any Takaful coverage?

Compulsory Takaful	Optional Takaful
Comprehensive Motor Takaful: Protect against loss or damage to your vehicle (accident, fire, theft) and covers third-party, death, or property damage. This Takaful is mandatory.	<ul style="list-style-type: none"> i. Family Takaful: Pays off your financing if you pass away or become totally and permanently disabled. ii. Personal Accident Protection Takaful: Covers injuries from accidents. Can include passengers or authorised drivers during use of the vehicle.

Note: The Owner may provide Takaful quotations from their panel, but you can choose other approved Takaful companies.

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

Hire Purchase (Fixed Rate)	Hire Purchase (Variable Rate)
You are entitled to statutory ibra' (rebate) on the unexpired rental period.	Early Settlement Amount is calculated based on the outstanding amount financed and profit charges accrued.

3. What if my tenure extends into retirement age?

In the event the financing tenure extends into retirement age, it is important that you have a plan on the payment of instalment after your retirement age.

If you have any question or require assistance on your hire purchase-i financing, you can:



Call us at:
03-2178 8888



Visit us at:
<https://www.ambank.com.my/contact-centre>



Email us at:
customercare@ambankgroup.com

Agenzia Kaunseling dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counseling, financial education and debt restructuring for individuals.

Customer's Acknowledgement*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.



I acknowledge that AmBank Islamic Berhad has provided me with a copy of the PDS.



I have read and understood the key information contained in this PDS.

**A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

Disclaimer:

The actual amount of financing to be provided by AmBank Islamic is dependent upon your credit evaluation by AmBank Islamic. The transmission of this Product Disclosure Sheet to you does not create any obligation by AmBank Islamic to grant you any facilities.

Name:

ID No.:

Date: