

**Key Fact Document (KFD) – Leasing & Hire Purchase
Merchant Bank of Sri Lanka & Finance PLC**

1. Product - Leasing & Hire Purchase

2. Key Features & Benefits

- a) Hassle free leasing solutions
- b) Personalized customer service
- c) Flexible repayment options that suit customer's repayment capacity and cash flows can best structured.
- d) Attractive interstates.
- e) Minimum documentation
- f) Online Valuation service (Valuation will be done by the company)
- g) Door-Step Service

3. Eligibility: the applicant should

- a) Sri Lankan citizens over 18 & below 65 years of age
- b) Should have an acceptable / proven repayment capacity
- c) Should have a clear past track record (Satisfactory CRIB records)
- d) The purpose of the facility should be legal

4. Interest Rates & Other charges

4.1 Interest Rates

Interest rates are based on the decision taken by the ALCO committee depending on the asset quality, customer risk profile and market conditions. Interest rate 16.00% p.a.

4.2 Other Charges

4.2.1 Documentation Charges

Social Security Levy is applicable

<LKR 500,000	LKR 5,000.00
LKR 500,000 - LKR 999,999	LKR 10,000.00
LKR 1,000,000 - LKR 1,999,999	LKR 12,000.00
LKR 2,000,000 - LKR 2,999,999	LKR 14,000.00
LKR 3,000,000 - LKR 4,999,999	LKR 17,500.00
LKR 5,000,000 - LKR 9,999,999	LKR 20,000.00
>LKR 10,000,000	Min LKR 25,000.00
Three-wheelers	7,500
Motor Bike	5,000

4.2.2. RMV/DMT Registration charges

Government approved RMV/DMT Vehicles registration charges will be applicable.

4.2.3 Penalty Interest on non-payment/ delayed payment of the monthly Installments. (if any)

An overdue interest at **Three percent (3%)** per month will be charged on the delayed period in the event of installments are unpaid on the due dates.

4.2.4 Early Settlement of facility:

In the event of early settlement by the lessee/ hirer, granting concession for the future interest of the facility is at the sole discretion of MBSL.

4.2.5 Other Charges Applicable

No.	Description of Charge / Fee	Charges / Fees (LKR)
1	Balance Confirmation	1,000.00
2	Certify copy of Deed & Plan	750.00
3	No arrears letters	250.00
4	Customer repayment History	250.00
5	Duplicate Deletion letters - all vehicle categories	2,000.00
6	No objection letters	1,000.00
7	Settlement letters	750.00
8	Invoice to lenders / Buyers	1,500.00
9	Cheque Return Charges	2,500.00
10	Cheque Returns - Payments stop by the drawer	5,000.00
11	Legal fees for preparation and execution of Deed of release (misplaced)	7,500.00

5. Procedure to be followed

- All potential customers are invited to visit either Head Office or the nearest Branch and discuss about their requirements.
- After the discussion, company will evaluate and start the process depending upon the customer's requirement.

5.1 Documents Needed

5.1.1 Individual Applicant

- i. Duly completed application form
- ii. NIC copy, valid billing proof (within 06 months period)
- iii. Supplier's Invoice/ quotation / Performa invoice /letter of sale
- iv. Valuation report from the LASL Valuer for the article offered (Vehicle/ Machinery)
CR Book with MTA transfer forms for vehicles
- v. Income Statements (Salary Confirmation letter/ recent salary slips/ Bank statements)
- vi. CRIB report (Personal & business if any)
- vii. Cash Flow Statement
- viii. Other Income proof documents

5.1.2 Corporate Customers -Limited Liability Companies / Quoted Companies

- i. Certificate of Incorporation
- ii. Articles of Association
- iii. Copies of form 1, latest form 13, form 15, form 20
- iv. Tax Payment Receipts/ Income Tax (Latest).
- v. Board Resolutions
- vi. Last three years Audited accounts.
- vii. Current year Management's accounts/Cash flow statements
- viii. Last 6-month bank statements
- ix. CRIB Report (business / Directors)
- x. Any other required documents.

5.1.3 Documents Needed (Guarantors)

- i. Guarantor Application
- ii. NIC copy
- iii. Income Statements (Salary Confirmation letter/ recent salary slips/ Bank statements)
- iv. CRIB report (Personal & business if any)
- v. Billing Proof
- vi. Cash Flow statement
- vii. Other Income Proof Documents

6 General

- Photos of the business place (With the name board) and Security
- Inspection report
- Proof for the loan requirement
- Duplicate Key
- Valuation Report

7 Main terms & conditions

- a) Applicable Assets - Registered and unregistered Vehicles / Machinery
- b) Premature Settlements - Premature settlement option will be provided to the customer based on the requirement subject to a penalty interest payment. The percentage of rebate of penal interest if any is based on sole discretion of the management of MBSL
- c) Asset Exposure - Based on the CBSL direction. (LTV)
- d) Tenure - Maximum 5 Years (06 years will be given for Brand New / Unregistered vehicle)
- e) External valuation is re-evaluated by an Internal valuation officer.
- f) Repayment Mode - Repayment mode will be depending on the product type selected by the customer. (i.e., Monthly Installments, Structured payment, Seasonal Payments.)
- g) Termination & recovery – Legal procedure

Where the Lessee fails to comply with certain terms and conditions of the Lease in such circumstances as would amount to a substantial failure of the Lease, the Lessor may subject to the provisions of Article 23:

(a) Require the Lessee to make accelerated payment of the monies due under the Lease.

(a) Where a Lessee fails to make accelerated payments as required under paragraph (a) terminate the Lease:

AND

- (i) Recover possession of the equipment provided or its value
- (ii) Claim and receive immediate payment from Lessee the entire amount of the total rent payable under this Lease Agreement including all other costs and expenses less the amount of the rent paid by the Lessee.
- (iii) Sell any or all of the said property by public auction or private treaty or advertisement without notice to the Lessee or hold, use, operate, lease, or otherwise dispose of or deal with such property as the Lessor pleases,
- (iv) Receive From the Lessee compensation for all direct and consequential damages including loss of profits and in particular loss or profits in the event of the lessor consequent to the failure of the Lease Agreement suffering loss as a result of being unable to re-let the property at a rental equivalent to the rental payable under this lease agreement.

- (v) Exercise any other right or remedy available to the Lessor in Law.
- (v) Notwithstanding anything contrary to the above, the Lessor shall have the right to terminate the Lease created by this Agreement in the event the Lessee handing over and/or mortgaging or alienating and/or causing any act which may jeopardize and/or violate the lawful rights and/or entitlements of the vehicle/equipment of the Lessor unto a third party without the written consent of the Lessor.

7.1 Legal Provisions applicable

- a) Finance Leasing Act No. 56 of 2000 based on scenarios, below directions also would be referred.
- b) Consumer Credit Act No. 29 of 1982
- c) Contract Law
- d) Civil & Criminal Law of Sri Lanka

8 Complaint handling procedure

Customers can lodge complaints with regard to our products or services by either;

- a) Visit to the nearest branch and make the complaint to the Branch Manager.
- b) Call & lodge a complaint through our customer care **hotline 011 - 4 711 711 OR** via **E-mail to info@mbslbank.com / customercare@mbslbank.com**
- c) By post - make a **complaint in writing** to the;

Complaint Handling Officer (Acting)
Merchant Bank of Sri Lanka & Finance PLC
No.28, BOC Merchant Tower
St. Michael's Road
Colombo 03.