

**Key Fact Document (KFD) Term Loans**  
**Merchant Bank of Sri Lanka & Finance PLC**

**1. Product – Mortgage Loan / Term loan / Project Financing**

Objective of this product is to extend financial assistance to customers, fulfilling a diverse range of their financial needs in order to fulfill their personal and business needs by mortgaging a residential/ commercial property.

**2. Key Features & Benefits**

- A) Attractive interest rates.
- B) Minimum loan disbursement period
- C) Maximum Repayment terms up to 84 Months (07 years) at the discretion of the MBSL, depending on the purpose.
- D) Speedy customer 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 applicable 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 range minimum 18.00% p.a.

**4.2 Other Charges**

**4.2.1. Documentation Charges (Exclusive of SSCL)**

Up to LKR 1.0Mn	LKR 7,500.00
> LKR 1.0Mn - LKR 5.0Mn	LKR 15,000.00
> LKR 5.0 Mn & ≤ LKR 12.5 Mn	LKR 30,000.00
>LKR 12.5 Mn & ≤ LKR 15 Mn	<b>Min. LKR 35,000 / Max. 50,000</b>
>LKR 15 Mn	<b>Min. LKR 50,000/- / Max. 0.5% of the facility value</b>

#### 4.2.2. Legal Fees - Facilities granted against Immovable Properties

The fees payable for Panel Lawyers for evaluation of title of immovable properties offered as security and for preparation of Title reports and the fees charged by MBSL and Panel Lawyers for preparation and execution of Mortgage Bonds are set out below:

1. For Title verification & Preparation of Title Report – LKR7,500/-
2. Legal fees for preparation & execution of Mortgage Bonds - 1% of the facility amount (Minimum LKR10,000.00 Maximum LKR 1,000,000.00)
3. Stamp duty 1% on facility amount

#### 4.2.3. Fees - Facilities granted against Movable Properties

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

#### 4.2.4. 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.

#### 4.2.5. Early Settlement of facility

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

#### 4.2.6. 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	Invoices for External finance company settlement	250.00
6	Duplicate Deletion letters - all vehicle categories	2,000.00
7	No objection letters	1,000.00
8	Settlement letters	750.00
9	Invoice to lenders / Buyers	1,500.00
10	Copy of certified CR book	500.00
11	Cheque Return Charges	2,500.00

12	Cheque Returns - Payments stop by the drawer	5,000.00
13	Legal fees for preparation and execution of Deed of release (misplaced)	7,500.00

## 5. Securities to be obtained & exposures to be granted

- Cash and/or demand/time deposits  
Up to 100% of the deposit if it is a deposit which pays interests at maturity.
- Immovable properties  
Up to 75% of Forced sale value of the property given by a panel valuer of the bank.
- Movables  
Up to 70% of the Market value given by a panel valuer.
- Quoted shares  
Up to 200% of the market value.
- Nonperishable stocks  
Up to 200% of the market value.

## 6. Procedure to be followed

- All potential customers are invited to the nearest Branch and discuss about their requirements.
- After the discussion, Branch will evaluate and start the process depending upon the customer's requirement.
- Approval will be obtained according to the approved DOA

### 6.1 Documents needed

#### 6.1.1 Individual Customers

- i. Duly completed application form / Assets declaration form
- ii. NIC copy
- iii. Valid billing proof (within 06 months period)
- iv. Last 03 months pay slips and employment confirmation letter (if Employed customer)
- v. Last 6-month bank statements (Personal & business)
- vi. Cash flow statements/ Income expenses statements
- vii. CRIB report (Personal & business)
- viii. BR Copy (if available)
- ix. Other income proof documents

## 6.1.2 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.

## 6.2 Documents related to Security- Property Mortgage

- Original of the Title Deed of the present owner
- Original survey plan which is drawn within 10 years (Access over 10ft wide Road)
- Local Authority documents and Tax receipt
- Certified land registry Extracts for 30 years
- Report on the title
- Valuation report from the panel valuer
- Certificate of Conformity (COC) - If available
- Consent letters if required (Land Development Ordinance/ Fragmentation
- Board/ Land Reclamation and Development Corporation, Costal Conservation Authority, etc.)
- If the land contains a building upon same, the approved building plan
- Any other documents as requested by the approval authorities/ management

### If construction

- Certified copy of the Approved building plan
- BOQ / Cost estimate (If applicable)

Following documents must additionally be submitted if the facility is requested to **purchase an asset or land.**

- Deed Copy of the land to be purchased
- Copy of Survey plan
- Sale agreement /Letter from the seller
- Duly filled tax invoice whenever required
- ID copy of the vendor (Land and vehicle only)

## 7. General

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

## 8. Main terms & conditions

- a. Loan is repayable on demand at any time as required by Merchant Bank of Sri Lanka & Finance PLC (MBSL).
- b. Borrower shall keep MBSL informed of any change/status on your current employment / Income / business
- c. The officers of MBSL shall be entitled to visit the place of business/ employment or residence for the purpose of inspection of business or books of accounts and records in respect of your business or recovering any monies due to MBSL and such visiting charges shall be borne by the borrower.
- d. MBSL is entitled to set off, utilize apply and/ or appropriate any monies lying to credit in the books of MBSL in any deposit or investment accounts or in any other account or accounts in or towards the discharge or part discharge of the monies then due owing and payable by you to MBSL on this facility and/or to apply or hold the same in or towards the payment or satisfaction of any of your liability to MBSL whether certain or contingent. MBSL shall notify you forthwith upon the exercise or purported exercise of any right of set-off giving full details in relation thereto.
- e. The borrower are not permitted to lease out, rent out or transfer any right whatsoever enjoyed by you for the time being over the vehicle/ property mortgaged under security without the prior written approval from MBSL.
- f. The borrower shall not create or caused to be created any mortgage, lien or other encumbrances on the vehicle/ property offered as a security.
- g. All sums payable under and in terms of the Term Loan Facility granted pursuant hereto shall be paid at the registered address of Merchant Bank of Sri Lanka & Finance PLC at BOC Merchant Tower, No.28, St. Michael's Road, Colombo 03, Sri Lanka, PROVIDED HOWEVER Merchant Bank of Sri Lanka & Finance PLC may, at its discretion, accept and give due credit for any payments made by the borrower any branch office of Merchant Bank of Sri Lanka & Finance PLC or for any payments made by any other means.
- h. It is agreed that, in the event of MBSL exercising its right to require payment to be made consequent to any default by the borrower, notwithstanding anything to the contrary herein stated, and notwithstanding the prior acceptance of payment by the MBSL at any other location, all such payments shall be made by you to MBSL at the registered address of MBSL at No. 28, St. Michael's Road, Colombo 3.

- i. Mortgage reducing policy to the facility value shall be obtained by the borrower and assigned in favor of MBSL.
- j. The borrower shall obtain a fire insurance policy to the value of in respect of the Buildings on the property offered as security to MBSL from an insurer acceptable to MBSL and the said policy should be assigned in favor of MBSL. The said policy should be renewed annually, failing which MBSL reserves the right to renew same and the charges will be debited to your loan account.
- k. MBSL shall be registered as the absolute owner of the vehicle mentioned above and the registered ownership shall be transferred to MBSL as and when required by MBSL. Borrower shall be entitled to have the possession of the vehicle but shall hand over the possession to MBSL when requested. MBSL shall also be entitled to take possession of the said vehicle at any time or place when MBSL deem it necessary and dispose the vehicle in any manner at the discretion of MBSL, whenever necessary.
- l. The Borrower shall obtain a comprehensive insurance policy for the said vehicle from an insurer acceptable to MBSL and the said policy should be assigned in favor of MBSL. The said policy should be renewed annually, failing which MBSL reserves the right to renew same and the charges will be debited to your loan account.

## **9. Termination & Recovery - Legal Procedure**

In the event, MBSL terminates the facility in terms of the previous contained herein MBSL shall be entitled to initiate legal action against the borrower/s and /or guarantor/s and foreclose on the securities provided in order to recover the monies outstanding to MBSL together with all costs incurred in the legal proceedings including stamp duty, legal fees etc.

### **9.1 Legal Provisions applicable**

- a) Mortgage Act No. 06 of 1946 as amended
- b) Consumer Credit Act No. 29 of 1982
- c) Contract Law
- d) Civil & Criminal Law of Sri Lanka
- e) Secured Transactions Act No.49 of 2009
- f) Registration of Title No. 21 of 1998
- g) Arbitration Act No.11 of 1995
- h) Mediation Board Act No. 72 of 1988
- i) Recovery of Debt (Special Provisions) Act No. 2 of 1990
- j) Inland Trust Receipts Act No. 14 of 1990
- k) Finance Business Act No.42 of 2011
- l) Inland Revenue Act No.24 of 2017
- m) Companies Act No.07 of 2007
- n) Registration of Documents Ordinance No.23 of 1927

- o) Prevention of Fraud Ordinance No.07 of 1840
- p) Powers of Attorney Ordinance No.04 of 1902
- q) Stamp Duty Act, No. 43 of 1982,
- r) Tea and Rubber Estates (Control of Fragmentation) Act No 2 of 1958, Amendment Act, No.20 of 2005
- s) Apartment Ownership Act (No. 11 of 1973
- t) National Building Research Institute Act, No. 20 of 2025
- u) Agrarian Services Act, No. 58 of 1979

## 10. 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](mailto:info@mbslbank.com) / [customercare@mbslbank.com](mailto: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.**