

# Bank Negara Malaysia's Guideline on Ibra' (Rebate) for Sale-Based Financing

Please be informed that HSBC Amanah Malaysia Berhad ("the Bank") will grant a rebate to commercial banking customers for the unearned profit portion for all sale-based financing facilities, in accordance with Bank Negara Malaysia's "Guidelines on Ibra' (Rebate) for Sale-Based Financing".

Sale-based financing products include:

- 1) Commodity Murabahah Financing-i
- 2) Revolving Financing-i
- 3) Business Premises Financing-i (BBA)
- 4) Amanah Term Financing-i (BBA)
- 5) Cash Line-i
- 6) Trade Financing Products

Ibra' (rebate) for the unearned profit portion will be granted in the following situations:

- 1) An early settlement of a facility by prepaying the Bank's Sale Price;
- 2) Early settlement / redemption due to a restructuring of the Facility;
- 3) Termination of facility due to an Event of Default;
- 4) Termination of facility (other than Event of Default) before expiry of the tenure.

In any of the above situations, the rebate is effective when the Customer fully settles the balance of the Bank's Sale Price minus the unearned profit. This rebate is not in the form of cash payable to the Customer, but will only be reflected as a reduction in the profit portion of the Bank's Sale Price.

Ibra' (rebate) will also be granted for a variable rate facility, whereby the Effective Profit Rate (EPR) is lower than the Contracted Profit Rate (CPR). The difference between the CPR and EPR will be considered as rebate.

The above requirement is effective from **1 January 2013**.

Ibra'	= Total Contracted Profit – Profit Earned – Early Settlement Charges (if any)
Settlement Amount	= Outstanding Bank's Sale Price* + Instalments due + Late Payment Charges (if any) – Ibra'

\*Outstanding Bank's Sale Price = Outstanding Principal + Outstanding Profit