

HBL CarLoan

Training Guide
Version 1.0



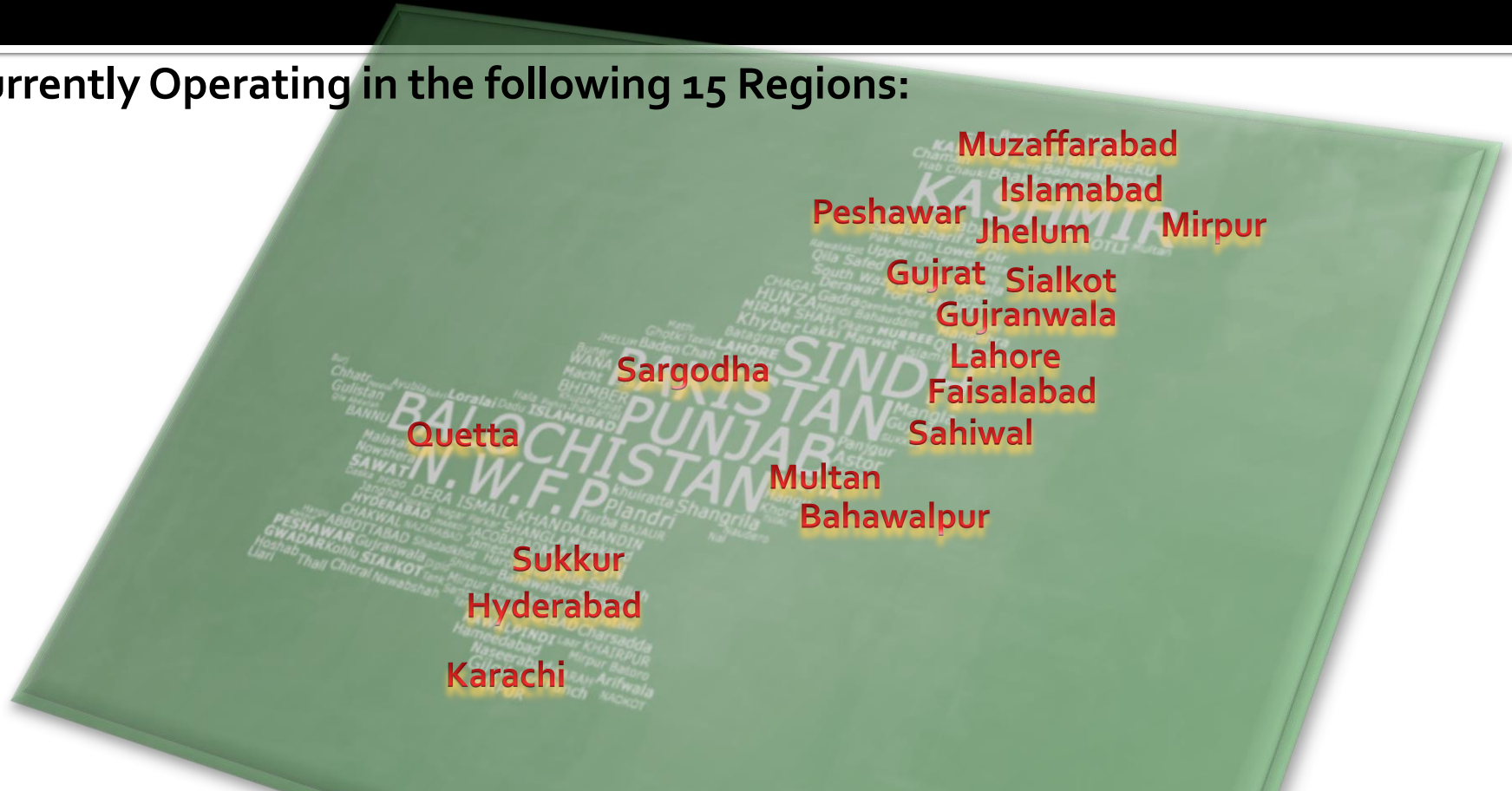
Purpose

- To facilitate individuals desirous of purchasing a passenger vehicle for family use who are either short of funds or do not wish to block funds by purchasing on cash
- Apart from offering a solution to purchase passenger vehicles, a few vehicles which are categorized as “Light Commercial Vehicles” can also be financed as the same are used for family purposes. For instance Suzuki Ravi.
- No vehicle, passenger or LCV can be acquired for commercial purposes. This may include but not limited to:
 - Rent-a-Car
 - Pick & Drop Service
 - Cab/Taxi
 - Loading/Deliveries



Operating Jurisdiction

Currently Operating in the following 15 Regions:



Product Features

- Conventional Lease
 - Unlike competitors, HBL is the only bank offering vehicles on lease
 - Under Lease financing, ownership of vehicle remains with the bank till clearing all dues/liability
 - Lease offers a better security since HBL is the owner as opposed to financing an asset in the customer's name under hypothecation
- Fixed Rate Pricing
 - Fixed pricing till maturity provides peace of mind to the customer
 - Considering the economic conditions, floating rates may fluctuate whereby monthly dues of the customer may be increased annually, rendering it difficult to plan expenses



Product Specifications

- Maximum Exposure
 - Depending on the repayment capacity, a customer can avail up to Rs. 3,000,000 financing (Rs. 5,000,000 in case of prime customers defined as those individual who monthly income is at least Rs. 200,000)
 - Up to 2 vehicles can be financed up front (2 consecutive LCVs not allowed)
 - Imported vehicles (not older than 5 years)
- Equity
 - Each customer must provide own contribution towards purchase of vehicle
 - Minimum 15% - New locally manufactured passenger vehicles
 - Minimum 20% - New Light Commercial Vehicles
 - Minimum 30% - Imported or Used Vehicles
 - Minimum equity may vary within each type of vehicle for specific vehicles



Product Specifications

- Vehicle Category:
 - New Locally Manufactured Vehicles (Passenger Cars)
 - New LCV (Light Commercial Vehicle)
 - CBUs (Completely Built Units)
 - Imported Cars (Registered/Unregistered)
 - Available with car dealers after import.
 - Vehicles shipped from / via Dubai are not allowed. Copy of Export certificate issued by the country of origin and related shipping documents to be obtained.
 - Used Locally manufactured Vehicles



Product Specifications

- Tenure
 - The product is offered for fixed tenures of 12, 24, 36, 48, 60, 72 and 84 months providing flexibility to the customer to manage personal expenses
 - Maximum tenure for used cars and new cars less than 1000 cc is 60 months
- Unique Proposition
 - Early Settlement: The customer (if unwilling to avail the loan) can settle the entire principal at any time against a small charge
 - Partial Payment: partial adjustment is also allowed and customer is given a choice to either reduce monthly rental or reduce remaining tenure



Product Specifications

- Other Income
 - Under our socio-economic set-up, there are many individuals who have other income which may include unstructured businesses/occupations, remittances, etc.
 - Existing liability customers with such incomes may qualify for HBL CarLoan subject to:
 - Details of occupation (Tutions, Parlor, Stitching, Boutique, etc.)
 - Details about sources if income is based on remittances from within or outside Pakistan
 - Letter by branches with complete profile along with above information



Product Specifications

■ Equity-Based Financing

- With Equity-Based Financing, application may be approved based on:
 - Minimum 35% equity (May differ from region to region based on portfolio performance)
 - Meeting DBR (Debt Burden Ratio)
 - No overdue in any facility at the time of application (irrespective of history)
- The product delivery cycle includes various steps:
 - Minimum Eligibility Checks
 - Bank Statement Analysis



Insurance Coverage

- Under HBL CarLoan, customers get comprehensive insurance coverage
- Both with and without tracker arrangements are available
- Current Business Partners are:
 - Jubilee General Insurance
 - Adamjee Insurance
 - EFU



Target Audience

- Product is offered for:
 - Existing HBL Customers
 - Major focus remains on solicitation from existing customer base
 - Existing customers include both liability customers or those who have availed Running/Demand Finance facilities from businesses other than Consumer
 - New-To-Bank Customers
 - Salaried Individuals including Armed Forces and Government Employees
 - Self-Employed Business Persons
 - Self-Employed Professionals
 - Existing/Departing HBL CarLoan Customers (Repeat Sales)



Eligibility Criteria/Documentation

Existing HBL Customers

Particulars	Self Employed Business Persons/Professionals	Salaried
Minimum Monthly Income	Rs. 25,000/-	Rs. 20,000/-
Documents	<ul style="list-style-type: none"> • Application Form • Copy of CNIC • 2 Recent Passport Size Photos • Signed-off Calculation Sheet/SOBC • Letter From Branch • Direct Debit Authority 	<ul style="list-style-type: none"> • Application Form • Copy of CNIC • 2 Recent Passport Size Photos • Signed-off Calculation Sheet/SOBC • Latest Salary Slip • Direct Debit Authority
Age	<ul style="list-style-type: none"> • Minimum 22 (at the time of application) • Maximum 70 (at maturity of facility) 	<ul style="list-style-type: none"> • Minimum 22 (at the time of application) • Maximum 60 (at maturity of facility)



Eligibility Criteria/Documentation

■ New-To-Bank (Self-employed Businesspersons-SEB/Professionals-SEP)

Particulars	Requirements
Status	<ul style="list-style-type: none"> • SEB: Proprietor, Partner, Director of Pvt./Public Ltd. Company • SEP: Architects, Engineers, Doctors, Accountants (registered with respective professional body)
Age	• Min 22 (at the time of application), Max 70 (at maturity of facility)
Monthly Income	Rs. 25,000/-
Length of Business	Minimum 12 months
Documents	<ul style="list-style-type: none"> • Application Form • Copy of CNIC • 2 Recent Passport Size Photos • Signed-off Calculation Sheet/SOBC • 6 months Bank Account Statement with Bank Letter • *Business Proof: NTN, Registered Partnership Deed, Cert. of Incorp./29-A

*Alternate business proof may include Franchise, Agency, Vendor Service Agreement/Chamber of Commerce Membership Cert., Business/Trade Association Registration.



Eligibility Criteria/Documentation

■ New-To-Bank (Salaried)

Particulars	Requirements
Job Status	<ul style="list-style-type: none">• Permanent/Contract for employers on Approved Organizations List (AOL)• In case of Contract, only company contract (no 3rd party)• Only Permanent/Regular for non-AOL
Monthly Income	<ul style="list-style-type: none">• Permanent: Rs. 20,000 - Rs.30,000• Contractual: Rs. 25,000 - Rs. 30,000
Age	<ul style="list-style-type: none">• Min 22 (at the time of application), Max 60 (at maturity of facility)
Length of Job	<ul style="list-style-type: none">• Permanent: May vary from 3-12 months depending on the type of company• Contractual: 12 months with current or previous employer
Documents	<ul style="list-style-type: none">• Application Form• Copy of CNIC• 2 Recent Passport Size Photos• Signed-off Calculation Sheet/SOBC• Latest Salary Slip/Attested Salary Certificate/Letter with 3 months bank statement



Eligibility Criteria/Documentation

■ New-To-Bank (Salaried – Government Employees)

Particulars	Requirements
Job Status	Permanent/Contract
Monthly Income	Rs. 20,000
Age	• Min 22 (at the time of application), Max 60 (at maturity of facility)
Length of Job	Minimum 6 months continuous
Documents	<ul style="list-style-type: none">• Application Form• Copy of CNIC• 2 Recent Passport Size Photos• Signed-off Calculation Sheet/SOBC• Latest Salary Slip/Attested Salary Certificate/Letter with 3 months bank statement• 6 months Bank statement showing salary credit



Eligibility Criteria/Documentation

■ New-To-Bank (Salaried – Armed Force Employees)

Particulars	Requirements
Job Status	Permanent (Regular) Commissioned Officer <ul style="list-style-type: none">• Army – Major & Above• Air Force – Flight Lieutenant & Above• Navy – Lieutenant & Above
Monthly Income	Rs. 20,000
Age	• Min 22 (at the time of application), Max 60 (at maturity of facility)
Documents	<ul style="list-style-type: none">• Application Form• Copy of CNIC• 2 Recent Passport Size Photos• Signed-off Calculation Sheet/SOBC• Latest Salary Slip/Attested Salary Certificate/Letter with 3 months bank statement• 6 months Bank statement showing salary credit



Eligibility Criteria/Documentation

■ Repeat Sales (Existing/Departing CarLoan Customers)

Particulars	Requirements
Eligibility	All customers completing minimum 6 months as an HBL CarLoan Customer with satisfactory relationship
Documents	<ul style="list-style-type: none">• Application Form• Copy of CNIC• 2 Recent Passport Size Photos• Signed-off Calculation Sheet/SOBC• Direct Debit Authority in case of HBL Liability Customer• Fresh Income Documents (salary Slip or Bank Statement) if no liability relationship



Profile of customers

- Existing portfolio suggests a typical to be:
 - Male
 - Married
 - Between 30 to 50 years of age (evenly distributed from 30-40 and 40-50)
 - Educated up to a level of Bachelors
 - Living in own residence
 - Self-employed
 - Traders
 - Contractors
 - Agriculturists



Useful Tips

- The following must be ensured:
 - Any special information/relationship must be communicated by initiating branch to reflect on overall profile of the applicant
 - Delivery time of vehicle must never be committed and it must be clarified that the bank has no responsibility in terms of delays in delivery
 - At the time of application, customer must be informed of the process and that the application may be subject to:
 - Telephonic verification
 - Physical Verification
 - Credit History Check
 - Contacting references
 - Customer must be intimated that the vehicle is delivered 2nd day after arrival at dealership as the tracker installation/insurance formalities have to be completed
 - All charges must be communicated to the customer including Bank charges/registration, etc



Markup & Schedule of Charges

Particulars	Segment	Rate/Amount
Markup	HBL Existing Customers	14.99%
	New-To-Bank Customers	15.99%
	Repeat Sales	13.99%
Application Processing Fee (Inclusive of documentation charges)	Regular	Rs. 7,500/- (FED is Applicable)
	Repeat Sales	Rs. 3,750/- (FED is Applicable)
	Staff	Rs. 3,750/- (FED is Applicable)
Early Settlement Charges	All Segments	1) Termination prior to delivery of vehicle, @ 10% of outstanding amount at the time of settlement 2) Termination after delivery of vehicle, @ 5% of amount being settled (FED is Applicable)
Partial Payment	All Segments	1) Partial payment prior to delivery of vehicle, @ 10% of outstanding amount at the time of settlement 2) Partial payment after delivery of vehicle, @ 5% of amount being settled (FED is Applicable)
Vehicle Appraisal (if applicable)	All Segments	Actual (FED is Applicable)
Repossession Charges	All Segments	Actual or 50,000/- whichever is lower (FED is Applicable)
Legal Notice Fee		Actual Cost (FED is Applicable)
Late Payment Charges	All Segments	Rs. 1,000/- per late payment (FED is Applicable)

Note: FED/ Sales Tax rates as and where applicable

Thank you!

