

CAR LOANS

No matter what your choice of car is, we have just the right car loan for you. We offer loans at competitive interest rates along with an easy, quick approval process.

Loan Type	Instalment loan for financing of brand-new cars directly from authorized dealers only (no secondary purchases)
Loan Currency	AED (Arab Emirates Dirham)
Borrower	The individual or entity responsible for repayment of the loan
Vehicle Purchase Price	The sale price of the financed brand-new vehicle as officially disclosed by the selling agent which meets the Vehicle Eligibility requirements
Loan Amount	A maximum of lower of 80% of the new car value or, the Vehicle Purchase Price less the Down Payment. Defined as an amount (exclusive of interest) that will not exceed the Vehicle Purchase Price less the Down Payment
Down Payment	Minimum 20% of the brand-new car value, to be deposited with Bank of Sharjah, along with registration and other charges. The full purchase price of the car (i.e. the down payment and the car loan) will be sent directly to the authorized car dealer by remittance or by a cashier order.
Loan Period	Min. 12 months (1 year) and Max. 60 months (5 years) beginning from the date of Loan disbursement. The effective completion of the Loan Period is the date on which the Loan Repayment is complete
Interest Rate (indicative)	10% up to 15% per annum, calculated on reducing balance. Fixed for the duration of the loan
Annualised Percentage Rate (APR) (indicative)*	Starting from 10% up to 15% per annum. APR is a reference rate, which includes applicable interest, fees and charges of the product, expressed as an annualised rate
Loan Repayment	Loan is repaid through Equated Monthly Instalment (EMI), fixed for the entire loan period and as per the Loan Schedule. EMI is calculated by adding the principal loan amount and total interest and dividing this total by the loan period in months.
Vehicle Mortgage	The vehicle financed will be mortgaged with the UAE motor vehicle authorities to Bank of Sharjah until the loan and all fees are settled in full
Vehicle Insurance	The Borrower must maintain a full coverage vehicle insurance policy, assigned to the Bank of Sharjah and naming Bank of Sharjah as the loss payee for the duration of the Loan Period
Loan Application and Loan Assessment	The Loan Assessment begins with the Borrower submitting a complete Loan Application to one of the Bank's Branches. By requesting a vehicle loan from Bank of Sharjah, the Borrower authorizes the Bank to report and obtain information about the Borrower, including sources such as Al Etihad Credit Bureau (AECB) and the Emirates Moveable Commodities Register (EMCR). The Bank will only disclose the outcome of its Loan Assessment, not the details which inform its decision

* Applicable rates of interest (if any) to each category of Account(s) and currencies are determined by the Bank, at its sole discretion, and the Bank reserves the right to change the applicable rate of interest. The Bank will inform the customer of the change at least 60 calendar days in advance of the change.

Key Fees & Charges

Loan Processing Fee	1% of the loan amount or Minimum of AED 500, Maximum of AED 2,500 whichever is higher, exclusive of Value Added Tax (VAT). This is a non-refundable fee, and will not be returned, in case you decide to withdraw the loan application
Partial or Early settlement	1% of the partial payment (exclusive of VAT) Only allowed 3 Months after disbursement. The amount payable if the Borrower chooses to close the loan before the final due date shall be in accordance with the Loan Schedule
Late Instalment Payment Fee	AED 200 (exclusive of VAT) when the monthly repayment is not received in full by the due date
Loan deferral/ postponement fee	AED 250 per postponement (exclusive of VAT)

Representative Example

Vehicle Cost	AED 100,000 (actual vehicle cost including accessories)
Down Payment	AED 20,000
Loan Amount	AED 80,000
Annualised Percentage Rate (APR)	12% APR Based on fixed interest rate of 12% per annum (equivalent flat rate of 12% per annum) and processing fee of 1%
Loan Period	48 months
Total Interest Amount	AED 20,620 Loan amount (80,000) * equivalent flat rate (6.44%)* Loan period in years (4)
Total Repayment Amount	AED 100,620 Loan amount (80,000) + Total Interest Amount (20,620)
EMI (Equated Monthly Instalment)	AED 2,150 Total Repayment Amount (100,620)/ Loan period in months (48)
Early Settlement Example	If, as per the above example, the customer wants to settle his loan early after, for example, 24 EMIs, then his early settlement fee will be calculated as follows: Outstanding principal amount AED 42,670 Early Settlement Fee @1% (only allowed 3 Months after disbursements)

Important Links

For full and latest fees & charges and other details, please visit our website

ADDITIONAL INFORMATION:

- The loan amount you are eligible for and the interest rate offered may differ from the representative example shown above. This will depend on your credit profile and credit assessment done by the Bank.
- The issuance of a loan is subject to credit approval and may take up to 10 business days from the time the Bank receives complete documentation.
- You have 15 calendar days to inquire about transactions registered to your loan account from the date the transaction occurred, including, but not limited to, loan modifications, loan repayments, fees, and interest charges.
- All interest charges applicable are calculated from the date of loan disbursal. This will also apply in the case of a deferred First Payment Date.
- The Bank reserves the right to make permissible changes to the Terms and Conditions. You will be given 60 calendar days' notice before such changes are implemented.
- In case you fail to fulfil your obligations as per the Terms and Conditions, before and during your relationship with us, there will be consequences including, but not limited to, penalties.
- Vehicles bought with the loan will be held as security by Bank of Sharjah until the loan is repaid in full.

Warnings

- If you do not meet the monthly repayments on your loan, your account will go into arrears and incur late payment fees.
- When you miss repayments, this could affect your credit score and limit your ability to access loan/financing in the future.
- When you refinance your loan, it may take longer to pay off than your previous loan. It may also result in having to pay more interest.
- If you do not keep up your repayments, you may lose your vehicle.
- Any other accounts you have with the Bank may be used to set off against amounts owed under your auto loan.