

FINANCE

# **KOMATSU FINANCE**

You look after the work. We'll look after the finance





### KOMATSU PROVIDES FINANCE SOLUTIONS

Komatsu provides finance to fund the acquisition of new and used Komatsu equipment in Australia and New Zealand through its captive vendor finance company, Komatsu Australia Corporate Finance Pty Ltd (ABN 84 067 959 666).

Komatsu Finance considers the clients financial needs and cash flow patterns to tailor a financial product and repayment structure to suit those circumstances.

Komatsu Finance is a sister company, Komatsu Australia Pty Ltd, is the national importer and distributor of Komatsu mining and earthmoving equipment, in Australia, New Zealand and New Caledonia.



### **WHAT IS KOMATSU FINANCE?** Financial solutions to earthmoving industries

Komatsu Finance provides equipment finance solutions to customers of Komatsu mining, construction, utility and earthmoving products.

Since its inception in April 1995, Komatsu Finance has built an enviable reputation as a provider of competitive and innovative financial solutions to the mining, quarrying and general earthmoving industries. The result is a client base that ranges from some of the largest companies in Australia and New Zealand to a number of small and medium sized enterprises.

As a Komatsu-owned finance company closely connected to the industrial sector, we understand your business better than other financiers. This allows us to tailor a financial solution to best suit your needs.

#### Advantages of Komatsu Finance

- Competitive rates
- No brokerage fees apply
- Availability of pre-approved finance
- Easy documentation with the ability of establishing a master agreement for future acquisitions
- A range of financing products and terms to suit your financial situation.
- Preserves your banking facilities for other activities

# **OUR PRODUCT RANGE**

Finance solutions for your industry

Komatsu Finance tailors equipment finance solutions to suit the individual requirements of each customer. Some of our key product offerings include:

- Finance Lease
- Hire Purchase
- Operating Lease
- Chattel Mortgage

# **FINANCE LEASE** Understanding a Finance Lease

A Finance Lease provides 100% of the finance required to purchase equipment where the financier owns the equipment and leases it for an agreed term, usually on a monthly payment basis.

Under a Finance Lease, the lessee guarantees the residual value. The residual value represents an estimate of what the market value of the equipment might be on the expiry of the lease.

#### **Benefits**

- A finance lease is a financial solution when you wish to finance 100% of the equipment value.
- Interest rate and repayments are fixed for the term of the contract
- Preserve your working capital with 100% financing

# HIRE PURCHASE

Utilising a Hire Purchase agreement

A Hire Purchase can be used to finance up to 100% of the equipment value, including the GST.

During the term of the agreement, the financier owns the asset and ownership is transferred to the borrower when the final payment is made.

#### **Benefits**

- Repayments can be tailored
- Clients have the option to purchase the asset at any time during the term of the agreement
- The interest component of each repayment and depreciation may be tax deductible
- The customer can contribute an up-front deposit or trade-in, which will minimize the amount financed and reduce the Hirer's repayments



# **OPERATING LEASE** The benefits of an Operating Lease

An operating lease is an agreement whereby a client rents the equipment from Komatsu Finance for a fixed term usually from 12 to 60 months.

It can be an efficient and cost-effective financing strategy if you are continually upgrading equipment At the end of the rental period, the lessee may simply return the equipment (subject to return conditions), or extend the lease.

#### **Benefits**

- Allows for easy upgrade of equipment
- Preserves working capital with 100% financing
- Guards against obsolescence or outdated equipment
- Rental payments may be off-balance sheet
- Rental payments may be tax deductible

# **CHATTEL MORTGAGE** Chattel is a legal reference to "goods"

Chattel Mortgage can be used to finance up to 100% of the equipment value, including GST.

The borrower can utilise any surplus cash as equity in the equipment. This will reduce the amount financed by Komatsu Finance and reduce repayments. Under a Chattel Mortgage contract the customer is the legal owner of the equipment. Komatsu Finance has a loan secured against the specific item of equipment being financed. The loan is secured by a registered security interest over the equipment.

#### **Benefits**

- Repayments can be tailored
- Clients can pay out the facility at any time during the term of the agreement
- The interest component of each repayment and depreciation may be tax deductible
- The customer can contribute an up-front deposit or trade-in, which will minimize the amount financed and reduce the Hirer's repayments



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