

# Islamic Personal Finance General Terms and Conditions

## General Terms and Conditions

- > The customer should inform the bank if there is any change in their address, employment information or personal contact information
- > The bank will share and update Personal, Financing and payments information with the Saudi Credit Bureau (SIMAH) as mandated by the Saudi Arabian Monetary Agency (SAMA)
- > The Bank commits to dropping the customer's financial obligations in case of death or full disability (God Forbid), as per approval based on insurance policy

## Customer Pledge

- > The customer will open an account with Emirates NBD which will act as the funding account for the applied finance amount
- > The customer will pay the monthly installments as per the payment schedule on time until the end of the finance tenor
- > The bank will issue a promissory note which the customer will sign, guaranteeing that the whole principal amount along with the profit charges will be paid back to the bank in full
- > The customer commits to inform the bank in case of job termination by their employer or change of employer, and should continue to pay the due installments on time

## Early Settlement

- > The customer has the right to close their financing at any time prior to paying their last installment
- > The customer, when closing their financing will be required to pay back the outstanding principal finance amount, early settlement fee, in addition to any overdue installments and all other accrued charges/fees

## Early Settlement Fee

- > When calculating the full and final settlement amount, the following 90 days profit, in addition to any third party costs incurred by the bank at time of settlement will be used to calculate the early settlement fee

## Financing Closure – Clearance / SIMAH

- > Upon early settlement of a financing, the bank will require 7 days to issue a clearance letter upon the request of the customer. The settlement confirmation will be shared with SIMAH who will take up to 30 days to reflect on the customer's credit report post full and final settlement

## Annual Percentage Rate

- > The Annual Percentage Rate (APR) is used in calculating the yearly financing cost. This rate will be applied to the customers financing on a reducing balance basis, which is followed by all local banks in the Kingdom of Saudi Arabia

## Finance Amount

- > The customers finance amount will be determined based on a number of variables that include; Gross Monthly income (Minus GOSI contribution), current financial commitments, SIMAH Score, and debt burden ratio (the maximum monthly repayment of their financing cannot exceed 33% of their monthly income as mandated by the Saudi Arabia Monetary Agency)

## Payment Methods

- > Customers have the following options by which they can repay their financing: Salary transfer (Mandatory for Salary Transfer Financing), Standing Order (Mandatory for Non-Salary Transfer Financing and Self-Employed Financing) SADAD, Direct Cash/Cheque deposits in account, SARIE Transfer

## Financing Transfer

- > For customers wishing to transfer their financing from their current bank to Emirates NBD, any additional funds applied for over the settlement amount will only be made available to the customer once their finance amount with their current bank is settled in full and salary is successfully assigned to Emirates NBD

## Partial Payment

- > Customers are entitled to partially pay their financing. Partial payment must be made in multiples of 1 equal installment. For each corresponding installment pre-paid, the term to maturity will reduce and the remaining balance due will be updated to reflect this

## Re-Financing (Top-up)

- > Existing financing customers will need to repay a minimum of 20% of their original financed amount to become eligible for re-financing

## Cancellation of Financing

- > Customers may, by giving written notice to the bank within 10 Calendar Days from the date of execution of a Financing Contract, terminate the Financing Contract, unless
  - Draw-down of any part of the Amount of Financing has occurred; or
  - A credit card or other means of obtaining Financing provided to the customer by the bank has been used to acquire goods or services for which Financing is to be advanced under the Financing Contract

## Important Information

**Please carefully read the following statements before submitting your application**

### **Late Payments**

- > In the event the customer fails to pay their installment on the due date (as per the signed payment schedule), Emirates NBD will record all missed payments with the Saudi Credit Bureau (SIMAH). This can negatively impact your credit score which will decrease your chances of obtaining financing from Emirates NBD and other Financial Institutions in future
- > A fixed charge of SAR 150 will be applied each time an installment is not paid for a period of 11 days from due date. Please note that these charges will be spent on charity projects since ENBD's products and services are Shariah compliant

### **Renegge**

- > If customer breaks the contract by not abiding by the Terms and conditions, the bank has the rights to act at its discretion in order to safeguard its investment.
- > In the case of failure to pay installments on time, ENBD reserves the right to withdraw the required funds directly from the customer's account(s) which are held with Emirates NBD

### **Partial Settlement**

- > In the event of receiving only a partial settlement of a customer's finance, Emirates NBD will continue to report to the Saudi Credit Bureau (SIMAH) that an outstanding finance balance is due and future finance installments will continue to be scheduled. Failure to meet future finance installments will negatively affect your SIMAH score and decrease your chances of obtaining financing from Emirates NBD and other financial institutions

### **Change of Employment (Salary Transfer Only)**

- > If the customer has changed their employer during the tenor of their finance, the bank will be entitled to hold the customers End of Service benefit until their salary is assigned from their new employer to Emirates NBD. Once assigned, the customer will be given full access to their End of Service Benefit

### **Failure to Meet Finance Obligation**

- > If the customer fails to meet their financial obligation as per the contract and payment schedule, and is deemed to be delinquent, the bank will initiate legal proceedings and the case will be forwarded to the courts as per the law of the Kingdom of Saudi Arabia

### **Responsible Financing**

- > Please ensure that you can manage all existing and future financial commitments prior to taking further financing – failure to do so will result in a negative SIMAH score and difficulty availing finance products from Emirates NBD and other Financial Institutions in the future and the possibility of legal action

### **Amendment to the Terms and Conditions**

- > The bank may amend these Terms and Conditions at any time and shall notify the customer, in any manner the Bank considers appropriate, at least thirty (30) days in advance of any change taking effect. The latest Terms and Conditions will be available on Bank's website [www.emiratesnbd.com.sa](http://www.emiratesnbd.com.sa). The account holder will be bound by any such change unless the account is closed, the account terminated and all outstanding amounts then payable hereunder are paid in full by the account holder

### **VAT**

- > The kingdom of Saudi Arabia (KSA) will implement value added tax (VAT) with effect from 1 January 2018 (Effective date). VAT will apply at the standard rate of 5% to most supplies of goods and services