

## **Personal Finance – Product Terms and Conditions**

### **Tadawul Finance Application Form:**

Shares Murabaha: Product is designed under Shares Murabaha concept where ADIB buys the shares for its own benefit from the financial markets as per customer's promise to purchase, and thereafter, ADIB sells the same shares to the customer on Murabaha means with profit margin added to the total cost of the shares. All terms and conditions of the transaction are disclosed to the customer upfront. Customer then has a choice to hold the shares or sell them in the open market to generate liquidity.

### **Sukuk Finance Application Form:**

Sukuk Murabaha: Product is designed under Sukuk Murabaha concept where ADIB participates into Mudaraba pool of National Bonds Corporation (NBC) and gets the Sukuk in bulk. Same Sukuk are then sold to the customer on Murabaha means (cost + profit) and transferred to the customer. All terms and conditions of the transaction are disclosed to the customer upfront. Customer then has a choice to hold the Sukuk or redeems them to generate liquidity.

### **Sukuk Finance Liabilities Settlement Application Form:**

Sukuk Murabaha: Product is designed under Sukuk Murabaha concept where ADIB participates into Mudaraba pool of National Bonds Corporation (NBC) and gets the Sukuk in bulk. Same Sukuk are then sold to the customer on Murabaha means (cost + profit) and transferred to the customer. All terms and conditions of the transaction are disclosed to the customer upfront. Customer redeems the Sukuk in line with his/her undertaking to generate liquidity in order to settle his/her outstanding finances with other bank (s).

### **Al Khair Liabilities Settlement:**

Commodity Murabaha: Product is designed under Murabaha concept where ADIB buys the commodities from intentional commodity broker (A) and receives them physically or constructively and then sells the same to the customer with profit margin. All terms and conditions of the transaction are disclosed to the customer upfront. Customer sells the same commodity to 3<sup>rd</sup> party purchaser (international commodity broker (2) )to generate liquidity in order to settle his/her outstanding finances with other bank (s).

### **Goods Murabaha:**

Product is designed under Murabaha concept where ADIB buys the goods from the local vendors as per customer's request and after receiving them physically or constructively sells the same to the customer on Murabaha means (cost plus profit margin). All terms and conditions of the transaction are disclosed to the customer upfront.

### **Travel Ijarah:**

Product is designed under Services Ijarah concept where ADIB leases the services from the local vendors as per customer's request and subleases the same to the customer at rental amount higher than the rental cost to ADIB. All terms and conditions of the transaction are disclosed to the customer upfront. Customer pays monthly installment of Services Ijarah transaction.

### **Education Ijarah:**

Product is designed under Services Ijarah concept where ADIB leases the services from the local vendors as per customer's request and subleases the same to the customer at rental amount higher than the rental cost to ADIB. All terms and conditions of the transaction are disclosed to the customer upfront. Customer pays monthly installment of Services Ijarah transaction.

By signing the application form of respective Personal Finance product, I hereby confirm that I read, understood, and accept the following:

- 1- Total Murabah profit amount is calculated for the entire financing period including any grace period before the first installment date.
- 2- Total profit amount of Murabaha is calculated on reducing balance method.
- 3- I can avail grace period of 30 days for first installment; however, in this case, I shall be allowed to avail only one installment postponement in the first year of finance. In case of more than 60 days of grace period, I shall not be eligible for any installment postponement during the first year of finance.
- 4- I can avail up to 2 installment postponements in each year. Bank provided installment postponement will be counted towards these 2 installment postponements. However, in case of Top up finance, I shall not be eligible to apply for installment postponement on any of existing finances with the bank till the settlement of Top up finance facility.
- 5- I can pay up to 2 installment payments in advance and will get payment holiday due to advance payment (s) on the relevant installments dates. In this case, funds will be settled against the relevant installment amount (s).
- 6- In case of early settlement of finance, ADIB will settle the funds against the outstanding balance and may at its own discretion waive fully or partially the unearned profit(s).
- 7- In case of partial settlement due to non-settlement of finances with other bank (s), such as in the case of Dewan settlements and/or settlements from my own funds, then ADIB will settle the funds against the outstanding balance. ADIB, at its own discretion, may waive fully or partially the unearned profit(s) on pro rata basis.
- 8- I understand that installment date would be set in line with my salary transfer date. In case of change in salary transfer date by my employer, I hereby authorize ADIB to align the installment date as per employer notification.
- 9- I understand that my installment recovery would always be linked to salary transfer account till the settlement of the finance.
- 10- I am aware of ADIB published Tariff Board and fully understand the applicable fee and charges of this Personal Finance transaction.
- 11- In case of cancellation of finance request from my side post signing of the Murabaha sale contract, I understand that processing fee and Shares Brokerage Service Fee (for Tadawul product) are not refundable.

**Additional Clauses for AlKhair/Sukuk Liabilities Settlement Forms:**

I further I hereby confirm that I read, understood, and accept the following:

- 13- I undertake to settle the outstanding finance (s) of other banks as given above within 30 days from the date of signing of the Murabaha sale contract.
- 14- Post settlement of all finances with other banks, I hereby authorize ADIB to transfer my remaining balance into my salary transfer account.