

# KEY FACTS STATEMENT (KFS)

## Personal Finance



**Warning:** Please read this document carefully and sign only if you clearly understand and agree to the content of the Key Fact Statement (KFS), which is available in English and Arabic. You may also use this document to compare different Personal Finance options offered by other Banks. You have the right to receive KFS from other Banks for comparison.

**Date:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_

This Key Facts Statement which is available in Arabic language also is provided to help you (you", "Customer or "Customer") compare this Personal Finance with Personal Finance facility of other financial institutions. This is not an offer of credit facility.

Information provided by you in the application form has been used by Aafaq Islamic Finance (the "finance company" or "aafaq") to prepare this Key Fact Statement.

### Definition

"You", "your", "Customer "or "Customer 'means the customer "We", "our" and "us refers to Aafaq Islamic finance licensed and regulated by the Central Bank of the UAE or "aafaq" or the "finance company" and/or its successors and assigns or to any "Affiliate" if any services are being provided by an Affiliate under the general terms and conditions for accounts and Islamic Banking services of aafaq (where applicable)

### About Personal Finance Product

Under this product you are offered Personal Finance to help meet your financial needs such as renting a house, funding unplanned expenses, consolidate your debt, fund a vacation, renovation or make a personal purchase. We aim to help you fulfill your personal finance needs within the product scope, pricing and terms and conditions listed in this Key Facts Statement.

- Maximum finance up to AED 2,000,000/- per eligible customer or 20x multiple of salary, whichever is lower.
- Competitive profit rate.
- Tenure from minimum 12 months, extended payment period of up to 48 months.
- Cheaper finance option as compared to Credit Cards.
- Nominal processing fees.
- Murabaha structure followed.
- Shari'a compliant finance solution.

The eligibility criteria for Personal finance:

1. Minimum monthly income of AED 5,000.
2. Min tenor 12 months and Max tenor 48 months.
3. Emarati applicant 21<age<65 years. Expat applicant 21<age<60 years.
4. Length of Service - 6 months or confirmed in service, whichever comes first.

### Product Definition

Customer or its agent will purchase shari'a compliant commodities on the DMCC Trade flow (Islamic) platform from Aafaq on the basis of Murabaha and is then able to liquidate same on its own to generate cash for itself as follows:

1. Customers shall provide an irrevocable promise to purchase the commodities (the "Promise to Purchase" or the "Promise") in favor of Aafaq Islamic Finance.
2. Aafaq Islamic Finance will purchase the commodity from the back office A (seller) on spot for cash payment on its own account using the DMCC trade flow (Islamic) platform.
3. As per the promise to purchase Aafaq Islamic Finance will sign Murabaha agreement with the customer and sell him the purchased commodity with agreed profit.

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4. The customer has the right to execute the agency agreement appointing an agent for sale of the commodities on DMCC Trade flow (Islamic) platform acting for and on behalf of the customer.
5. After the customer possession the commodity through Murabaha agreement, he has or (its agent) the right to sell the goods to a third party -back-office B (purchaser) and the sale proceeds net of expenses and charges will be credited into the customer's account with Aafaq Islamic Finance and such amount can be withdrawn by the customer for its use.
6. The customer will make payment to Aafaq Islamic Finance in accordance with the agreed deferred payment schedule set out in the financing documentation based on Murabaha Agreement (point # 3).
7. The customer will make payment to Aafaq Islamic Finance in accordance with the agreed deferred payment schedule set out in the financing documentation.

Fee and Charges	Fee and Charges Amount Details	Example
Profit Rate	10% p.a to 20% p.a flat rate (17.27% p.a to 33.60% p.a in reducing financing) * Maximum financing tenure up to 4 years. Profit rate is subject to change at the discretion of Aafaq Islamic Finance and will be disclosed to the customer while offering the finance facility.	Profit rate (reducing) 20.00% p.a Finance balance at the beginning of the month x profit rate /12 x 100 Profit charged at the end of the month = AED 100,000 x (20/100) x (30/365) = AED 1,644
Applicable processing fee	1% of finance amount, Minimum AED 500 - Maximum AED 2,500 (All processing fees calculated based on actual expenses)	If the total financing amount is AED 100,000 then the Processing Fee calculation will be as follows 100,000 x 1% = AED 1000 (Min AED 500 - Max AED 2,500)
Takaful charge	1% of the finance amount, payable at the time of disbursal - either by cheque or you may authorize a debit against the disbursal amount.	If the total financing amount is AED 100,000 then the Takaful charge will be as follows 100,000 x 1% = AED 1000
Applicable late payment	4% per annum applied to the unpaid sum (Maximum AED 200) Amount will be paid to designated charity through Aafaq as per shari'a guidelines.	If the total outstanding is AED 100,000 then the Late Payment Fee calculation will be as follows: 100,000 x 4% / 12 = AED 333.30
Applicable documentation coordination / credit appraisal fee/deferment /postponement fee	Deferment of Installment AED100 A maximum of 2 deferments per finance year are permissible subject to the conditions below. * Customer should not be delinquent on any of his/her facility at time of deferment request. * No back-to-back deferment allowed, at least 2 installments should be paid between deferrals. * For new finance, minimum of 6 installments should be paid before first deferment.	In case of customers' request to defer an instalment, the finance company needs to process the Deferral request where some documentation coordination and credit appraisal will be involved and the finance company will charge processing fee to the customer for these services throughout the Murabaha tenor, the customer is allowed to postpone up to (2) installments.

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Applicable early settlement charges	1% of the outstanding balance (Maximum AED 10,000/-)	If the total outstanding is AED 79,000 then the calculation of early settlement fee will be as follows: AED 79000 x 1.0% = AED 790.00
Liability Letter (LL) issued to Govt. Depts., Embassies, Banks/Financial Institutions etc...	AED 60/-	
Release Letter (Clearance Letters)	AED 50/-	
Finance Cancellation Fee	AED 100/-	
Finance facility copy, duplicate statements, etc)	AED 25/-	
DDA / Cheque Return Fee	AED 100/-	
Other fees and charges	<p>All charges related to Personal Finance product are available in the Aafaq Islamic Finance schedule of charges at the Aafaq Islamic Finance website. These charges are subject to changes which will be notified through the proper channels to the customers.</p> <p>Please refer to <a href="https://aafaq.ae/en/schedule-of-charges-fees">https://aafaq.ae/en/schedule-of-charges-fees</a> for other charges that may apply during the tenor of your relationship with the finance company.</p>	

\*All fees and charges are excluding 5% Value Added Tax (VAT).

### Estimated Cost of this product

Customer Name: \_\_\_\_\_

Emirates ID No: \_\_\_\_\_

Finance Amount: \_\_\_\_\_

Requested Tenor: \_\_\_\_\_

Nationality: \_\_\_\_\_

Total amount to be paid back (including finance amount and applicable fees)	AED
Due diligence /documentation fee/processing fee	AED
Payment per month (EMI)	AED

Fees applicable for the finance you apply for will be shown in the finance contract.

### Will the profit change on this finance?

There will be no change of profit rate and it will remain fixed for the entire finance period. Aafaq is not permitted to charge profit on accrued profit in accordance with the Article (121), Clause 3 in Decretal Federal law No. (14) of 2018, Regarding the Central Bank & Organization of Financial Institutions and Activities.

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### Services and features

As part of availing this product, you may request for the following services:

- Installment postponement
- Liability certificate
- Early settlement
- Deal cancellation
- Booking/amendment/cancellation
- Change of payment account

Fulfillment of services requested is subject to due diligence checks by Aafaq Islamic Finance and payment of applicable charges by the customer.

### Warnings and consequences

**By availing this product, you might be exposed to the following risks:**

- In the event of default in the payment of monthly instalments of credit facilities availed Aafaq and or its authorized collections agents might visit your office premises for follow up against the overdue and outstanding instalments amount towards Aafaq.
- If you default, Aafaq will report any default or payment delays to Al Etihad Credit Bureau and Central Bank Risk Bureau (CBRB) which may affect your credit rating and may limit your ability to access financing in the future.
- In case of early settlement of this Personal Finance, Aafaq will be entitled to charge the actual cost incurred by it which will be decided at the time of early settlement.
- In case of late payments or non-payment of this Personal Finance, you may be exposed to and not limited to the following consequences:
  - Late payment donation, where we will ask you for donation of a specified amount you have undertaken pursuant to the facility documents as mentioned under fees and charges section.
  - A negative Credit Information Agency rating and the possible limitations on the ability to obtain financing in the future.
  - Collection measures involving collaterals, collection Fees and claim on guarantees, legal actions through the courts.
  - In case the Personal Finance was availed against fixed deposit or any other collateral as security, Aafaq may liquidate your fixed deposit in case of payment default.
- You shall pay the instalments specified into respective Personal Finance agreement when due as set out and if you fail to pay two installments for any reason after being notified in writing to pay within (14) days, all the remaining installments shall fall due and payable in one single payment, and you shall pay them accordingly.
- Aafaq Islamic Finance may use your Personal data to send you promotions.

### Where to apply for this product?

This Personal Finance is offered and may be applied for through:

- Our website [www.aafaq.ae](http://www.aafaq.ae)
- Aafaq Islamic Finance Outlets & Branches
- Aafaq Digital - Mobile App
- Direct sales team, agents and affiliates

### Terms and conditions

- Key Facts Statement contains information about Personal Finance product to help you compare and select the most appropriate Personal Finance for you.
- All Personal Finance disbursements are at the sole discretion of Aafaq Islamic Finance and this document is not an offer of assured credit. You will need to apply for the finance and meet Aafaq's credit eligibility criteria before we can determine whether you are eligible for this finance.
- The fees and charges are those that apply as on the date of production of this Key Facts Statement and are subject to change. You will be advised the applicable rate at which Personal Finance facility is being offered to you.

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- The amount required to be paid does not include fees, which are dependent on events that may not occur (for example, late payment donation if you do not pay on time).
  - In the event that the Customer fails to meet the agreed terms and conditions, Aafaq reserves the right to terminate the relationship, restrict the Customer's accounts, apply fees or charges in accordance with the signed terms and conditions, apply a penalty or submit adverse reports to the credit agency. Additionally, you may also be exposed to other Risks and Consequences stated in this KFS.
  - The customer alone shall be responsible for the correctness of the information and data that are provided to prepare this Key Fact Statement.
  - Customers are responsible for:
    - a. Keeping their banking correspondence secure for future reference.
    - b. Verifying the accuracy of any account / transaction statements sent to them; and
    - c. Confirming to Aafaq Islamic, their contact information and identification when changes occur or as requested. Requests for subsequent confirmation of information from Aafaq Islamic Finance will be in a secure manner.
  - Will only collect data / personal data for a lawful purpose directly related to a personal finance of the customer. It is obligatory for the customer to provide his/her data /personal data.
  - Aafaq may refuse to execute any requests, instructions or services requested by the customer if the customer fails to comply with the necessary procedures, or if the information or data are incorrect or are in violation of the law applicable in the United Arab Emirates.
  - Aafaq reserves the right to revise the fees & charges and terms & conditions, including the profit calculation methodology at any time by providing sixty (60) days prior written notice to your registered contact details.
  - I/we hereby acknowledge and agree that Aafaq Islamic Finance has the right to change the terms and conditions, fees and charges according to its policy, and any changes thereof will be notified to me/us by Aafaq 60 calendar days prior to their implementation.
  - I/we confirm that Aafaq has the right to write cheque date as duly when required.
  - Customer is responsible for the following:
    - Keeping his/her banking correspondence secure for future reference.
    - Verifying the accuracy of any account / transaction statements sent to them.
    - Confirming his/her contact information and identification when changes occur through Aafaq branches and Call Centre only.
  - Aafaq will complete the financing transaction process within 10 complete business days from the signing of the contract subject to fulfilment of all required documentation and meeting agreed terms and conditions of the finance. In case financing transaction process is not completed within 10 days from the signing of the contract, Aafaq will inform the customer via Email/ SMS on customer's preferred email address / mobile no. with reason of delay and date of completion of financing process. As a consequence of the delay caused by Aafaq more than 10 complete business days, Aafaq will cancel the contract based on customer's request without any extra cost or penalty.
  - Aafaq Islamic Finance (aafaq) has a strict policy of keeping customer information secret and secure. Refer to <https://www.aafaq.ae/en/privacy-policy> for more information.
- If the finance is approved, Aafaq Islamic Finance (aafaq) will provide you with a copy of the Islamic financing contract to read, the product structure detail & terms and condition of the contract and with appropriate time to review before signing it.
- As part of the process to avail Personal Finance, you must read the Key Fact Statement shared with you as a hard copy or emailed to your registered email address by Aafaq Islamic Finance.
  - Governing Law and Jurisdiction of court: The finance facility agreement and other terms and conditions shall be governed by the UAE federal laws as applied by the competent courts of the UAE to the extent these laws do not conflict with the principles of shari'a as interpreted by the Internal shari'a Supervision Committee of Aafaq.
  - This is a shari'a compliant product, please visit <https://aafaq.ae/en/sharia-compliance> .

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Customers are required to opt for takaful when applying for Aafaq's Personal finance with the following details:

- 1) You are required to sign with Abu Dhabi National Takaful for Credit Life Takaful Cover that will be assigned to you by Aafaq Islamic Finance.
- 2) The Takaful Cover should cover your Finance outstanding in the event of the death, and permanent total disability.
- 3) The Takaful Cover is calculated on the Finance amount i.e. Takaful Cover = Finance amount x Credit Life Takaful Cover rate %.
- 4) The Takaful Cover contribution could be done by cheque prior to disbursement or the amount to be deducted from Personal Finance through one upfront payment prior to disbursement.
- 5) Takaful validity is from the finance date or the date the customer is included in the policy until the settlement of all installments and/or all amounts and liabilities due to Aafaq under the Personal Finance.

**Cooling Off Period:** Khiyar Al-Shart (Cooling off Period) is defined as a period after a contract is agreed during which the buyer can cancel the contract without incurring a penalty. Aafaq provides a 'Cooling Off Period' of 5 complete business days from the date of signing this KFS for you to decide in continuing to proceed with your finance application. Customers have the right and may waive cooling-off period of complete 5 business days by signing a written waiver provided by Aafaq Islamic Finance. If you choose to waive your Cooling Off Option, you will be entering in to the contract / agreement with immediate commitment, and will be bound by the terms and conditions of the contract / agreement once signed.

### Acknowledgement

I acknowledge the receipt of and understanding of this Key Fact Statement. I also acknowledge that I understand the product/service features, pricing, benefits, risks, fees and Customer's rights and obligations as detailed in the Key Fact Statement, I confirm that the information provided in this statement is accurate and complete. I authorize Aafaq Islamic Finance (aafaq) to verify the information provided herein or any other information available with aafaq from whatever source(s) it considers appropriate, including specifically any credit reports from any credit rating agency or bureau. I understand that aafaq is not obliged to provide me with finance solely based on the finance application. I acknowledge that any finance provided shall be at aafaq's discretion and subject to all applicable terms and conditions of Personal Finance agreement and aafaq financing Services General Terms and Conditions, which may be revised from time to time.

### How to file a complaint?

You may log your complaint at:

- Any of our branches
  - Call center # 600 50 2006
  - Email [customer.care@aafaq.ae](mailto:customer.care@aafaq.ae)
  - By post: complaints management team, Aafaq Islamic Finance, PO Box 282400, Dubai UAE
- We will acknowledge your complaint within 2 working days and strive to respond within 5 working days.

### Disclaimer

This communication has been issued by Aafaq Islamic Finance PSC (aafaq) - regulated by the Central Bank of the United Arab Emirates. The information contained in the underlined documents has been compiled with the objective of summarizing the key features of the promoted products and services to confirm the Customer's understanding of the products and services and its associated risks before the Customer's application is executed by Aafaq. It does not constitute (i) an offer or a solicitation to deal in any promoted product, or (ii) legal, tax, regulatory, financial, or accounting or shari'a advice. Any decision to avail aafaq product and services should be based upon an independent analysis by the Customer of the information contained in the associated offering document or other legal document. The Customer is responsible for consulting his/her own legal, tax or financial advisors for this purpose.

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I hereby the undersigned (.....), as applicant applying for Personal Finance facility from Aafaq Islamic Finance, Holding emirates ID no /.....  
Nationality/....., Undertake and acknowledge that I have fully read, understood and agree to abide by all the terms & condition written herein by Aafaq Islamic Finance.

- I/We authorize Aafaq to communicate/ contact me/us on communication including marketing of existing products/- services or promoting new financial products/ services or other related products (including market research and customer surveys) via Email / SMS / Phone Call. Aafaq Islamic Finance PSC reserves the right to communicate with customers via SMS/Email/Phone calls and/or other channels for notification related and other regulatory related messages / information.
- I/we understand and accept that my/our expressed consent is required for Aafaq to collect, process and share my/our personal information for the purposes listed in the Terms and Conditions. The information provided will be shared and retained in accordance with applicable law concerning data security and privacy protections to safeguard my/our interest as per specifications of the Central Bank of the United Arab Emirates. I/we understand that I/we have the right to withdraw expressed consent for the processing or sharing of my/our information except for the services which requires such consent for Aafaq's business operations, however in such case some services may not be available to me/us.
- I/we give my/our expressed consent for the Bank to collect, process and share my/our personal information
- I/We confirm having read the Key Fact Statement
- I/We wish to waive the 5-business day cooling off period to proceed       Proceed after 5-business days.

Customer signature: \_\_\_\_\_

Date: \_\_\_\_\_