

PERSONAL FINANCE

Mashreq Al Islami Personal Finance meets the financing requirements of salaried clients, employed in the UAE. The profit rate on your Mashreq Al Islami Personal Finance is fixed and will remain the same for the life of your finance.

You can use the Mashreq Al Islami Personal Finance for all your planned and unexpected needs: For example:



Consolidate debts, such as combining multiple credit cards or other debts into one finance



Plan a vacation with family / friends



Renovate your home



Fund self / child's education needs



Attend to medical needs



Property purchase in your Home Country / Overseas*

Any other need that requires access to additional funds

* As per the UAE Central Bank Guidelines, if a customer is taking out a home finance in the UAE, for a UAE property, the customer cannot avail a Personal Finance to fund the down payment of the property purchase.

ALTERNATIVES TO A PERSONAL FINANCE:



Credit Card:

A unique payment instrument used for making purchases and short-term payment plans



Car Finance:

If your financing needs are to purchase a vehicle, Car Finance would be appropriate due to lower pricing & tenure offered up to 60 months



Home Finance:

If your financing needs are to purchase property in UAE, Home Finance would be an appropriate solution due to lower pricing & longer tenure offered for ease of making lower payments

APPLICATION PROCESSING TIME:

- Your finance will be disbursed within 10 business days of signing the application form and providing required documents including but not limited to identity documents, income documents, salary transfer letter in Mashreq's approved format and the required undertakings.
- If you have requested to buyout some of your facilities from other bank(s), the funds will be made available for such buyout(s) within 10 business days of signing the application form. However, funds will only be released to the other bank(s) based on the availability of valid liability letter(s). Any residual funds will only be released upon successful closure of your liabilities with other bank(s) with a clearance letter and a salary transfer to Mashreq.
- For Expatriates:** If your finance amount is AED 1 Million or more, the application processing time will start only after the takaful cover confirmation is received for full finance amount for full tenure. This may involve undergoing a medical examination if required by the takaful provider.
- For Emiratis:** If your finance amount is AED 1.5 Million or more, the application processing time will start only after the takaful cover confirmation is received for full finance amount for full tenure. This may involve undergoing a medical examination if required by the takaful provider.
- For Emiratis:** In case of legacy buyouts, residual funds, if any, will be applied towards the finance and will not be disbursed.
- If your application is not successful or we are otherwise not able to process your application, we will inform you of the same **within 30 business days** of signing the application form and providing required documentation in relation to the facility.

TERMS AND CONDITIONS:

Before signing your Personal Finance agreement, you should read all the terms & conditions of the personal finance, as well as, the other terms and conditions which are applicable for all products and services carefully, to ensure that this is the best product for you and that you understand the features and pricing of this product. The terms and conditions are available on our website mashreqislami.com/tncs.

WARNING -**KEY OBLIGATIONS OF THE CUSTOMER & CONSEQUENCES IN CASE OF FAILURE TO MEET THE SAME:**

Responsibility	Failing Which
<p>If you have availed a salary transfer Finance</p> <ul style="list-style-type: none"> ⦿ Transfer your salary to Mashreq before your first due date AND ⦿ Continue transferring it until the Finance is fully paid off. 	<p>The bank has the right to take any or all the following actions;</p> <ul style="list-style-type: none"> ⦿ Place a freeze on your salary account with other bank through court ⦿ Hold or freeze any amount available in your account(s) with Mashreq / Mashreq Al Islami and/or use it to recover any or all the outstanding Finance amount ⦿ Reach out to your employer to seek salary transfer to Mashreq or Mashreq Al Islami bank account ⦿ Declare non salary transfer to Mashreq or Mashreq Al Islami an event of default and demand payment of any or all the outstanding finance amount and in case of non-payment, take necessary legal action including but not limited to filing a case. ⦿ For Emiratis: Use other means to recover due instalments including but not limited to Direct Debit set up on your account with other bank(s). Any instance of a failed DDA will be reported to Al Etihad Credit Bureau which could adversely affect your credit history or score and may make it more difficult for you to obtain credit in the future ⦿ For Emiratis: Reach out to Pension Fund to seek End of Service Benefit and/or Pension transfer to Mashreq / Mashreq Al Islami
<ul style="list-style-type: none"> ⦿ Pay the monthly installment on or before the due date 	<p>The bank has the right to take any or all the following actions;</p> <ul style="list-style-type: none"> ⦿ Charge late payment fee as per schedule of charges ⦿ Withdraw/freeze/utilize any or all the outstanding Finance amounts from any or all your Accounts with the bank or with any other bank ⦿ Report any missed/delayed finance installment payment, to Al Etihad Credit Bureau which could adversely affect your credit score or history and may make it more difficult for you to obtain credit in the future. ⦿ In case of continued nonpayment, the bank will employ all available measures to recover the due amount. This may include, and not be limited to, reaching out to you on the phone, over emails, by conducting physical visits to your home or place of employment at the discretion of the bank. The bank can also disclose and share your Information to any Third Party including any authorized debt collection agency/agent. This is to enable the authorized debt collection agency/agent to follow up with the customer/ any appropriate third party duly authorized by the customer. ⦿ The security cheque(s) collected as part of application may be presented without any prior notice and in case of return you may face legal consequences ⦿ For Emiratis: Use other means to recover due installments including but not limited to Direct Debit set up on your account with other bank(s). Any instance of a failed DDA will be reported to Al Etihad Credit Bureau which could adversely affect your credit history or score and may make it more difficult for you to obtain credit in the future.
<ul style="list-style-type: none"> ⦿ Please notify the Bank with any change whether to salary, employment terms and conditions and change of employer ⦿ The customer further agrees and undertakes not to stop or otherwise cancel the salary transfer to his/her Account held with the Bank or any other Bank without the Bank's prior written approval. ⦿ The customer further agrees and undertakes not to stop or cancel the Standing Order given by him/her to his/her Account with us or any other Bank without the Bank's prior written approval. ⦿ Furthermore, the customer hereby agrees and acknowledges that he/she shall be held responsible for any stoppage or otherwise non-transfer of his/her salary to the Account held with the Bank or any other Bank. 	<p>The Bank is hereby irrevocably and unconditionally authorised to withdraw/freeze any or all the outstanding finance amount from any or all the customer's Accounts with the Bank or any other Bank.</p>

Responsibility	Failing Which
<p>You undertake that in the event you cease to be employed (either as a result of being terminated or resigned)</p> <ul style="list-style-type: none"> You shall ensure that all your end of service benefits, severance pay, redundancy compensation and/or any other amount is transferred to the Bank. The bank is irrevocably and unconditionally authorized to reassess and/or recall the finance and/or to withdraw/freeze/utilize any or all the outstanding Finance amounts from any or all your Accounts with the bank or with any other bank. 	<p>The bank has the right to take any or all the following actions;</p> <ul style="list-style-type: none"> Charge late payment fee as per schedule of charges Withdraw/freeze/utilize any or all the outstanding Finance amounts from any or all your Accounts with the bank or with any other bank. Report any missed/delayed finance installment payment, to Al Etihad Credit Bureau which could adversely affect your credit score or history and may make it more difficult for you to obtain credit in the future. In case of continued nonpayment, the bank will employ all available measures to recover the due amount. This may include, and not be limited to, reaching out to you on the phone, over emails, by conducting physical visits to your home or place of employment, or filing a police complaint or a court case in all relevant jurisdictions. The security cheque(s) collected as part of application may be presented without any prior notice and in case of return you may face legal consequences For Emiratis: Use other means to recover due instalments including but not limited to Direct Debit set up on your account with other bank(s). Any instance of a failed DDA will be reported to Al Etihad Credit Bureau which could adversely affect your credit history or score and may make it more difficult for you to obtain credit in the future.
<ul style="list-style-type: none"> Please ensure all correspondence with the bank is always kept secure 	<ul style="list-style-type: none"> Your personal finance details, if compromised at your end, may be mis-used by fraudsters
<ul style="list-style-type: none"> Please ensure you review all statements and transaction notifications promptly as received from the bank 	<ul style="list-style-type: none"> Disputing charges long after the fact, can be a long and cumbersome process, with high chances of your request being declined by the bank
<ul style="list-style-type: none"> Please keep the bank informed of any changes in your contact details or IDs (cell phone, email address, Emirates ID, passport, etc.). 	<ul style="list-style-type: none"> Expired documents or outdated details may hamper our ability to process transactions or reach out to you in time of need
<ul style="list-style-type: none"> Please declare all Finances, credit cards and any other financing facilities that you have at the time of application 	<ul style="list-style-type: none"> If you declare a facility after the finance has been approved and that facility is causing your debt burden to be higher than regulatory limits or your affordability, the bank will not be under any obligation to offer restructure or any other relief pertaining to its facilities

SHARI'AH STRUCTURE

Mashreq Al Islami Personal finance is based on the Murabaha structure which is approved by Bank's Internal Shari'ah Supervisory Committee (ISSC). The Fatwa is available on the bank's website (mashreqalislami.com).

Upon fulfillment of the conditions precedent notified by the Bank, the Customer will be able to avail Murabaha Facilities made available by the Bank, whereby the Bank will sell the Commodities, which the Bank owns, to the Customer on immediate delivery terms at an agreed Deferred Payment Price payable on the Deferred Payment Date(s) under the Murabaha Terms and Conditions.

Process of Commodities Sale and Purchase (Tawarruq Facilities)

- Pursuant to the Application Form, the Customer undertakes and offers to purchase the commodities, from the Bank on a deferred payment basis.
- The Bank sells the Commodities (owned by the Bank) to the Customer.
- For the purpose of the sale of the Commodities by the Bank, the Bank sends to the Customer an email acceptance confirmation ("Acceptance Confirmation") to sell the commodities on a deferred payment basis for the Deferred Payment Price, which, for the avoidance of doubt, shall be the aggregate of the Cost Price and the Murabaha Profit.
- Customer gets 8 hours from the Acceptance Confirmation ("Expiry Period") to object to the Bank's Acceptance Confirmation. In case of no objection, Murabaha Contract between Bank and Customer concludes. Bank acts as messenger of customer for on-sale and realization of sale proceeds. If customer uses proceeds of the on-sale that is another way of customer's acceptance.
- Post the Acceptance customer sell the commodities to another broker and the Bank credits the Customer's account with the proceeds of the on-sale equal to at least the cost price of the Commodities. The Customer hereby provides standing instructions that post conclusion of the Murabaha Contract, the Bank shall communicate the Customer's offer (as a messenger) to a third party buyer and facilitate to settle the price (equivalent to the Cost Price) of such Commodities with such a third party or a commodity broker, in accordance with the Bank's arrangement with such third party or commodity broker. For the avoidance of doubt, following such settlement, there will not be any payment obligation from the Bank to the Customer.
- Should the Customer chooses to object to the Bank's Acceptance Confirmation, then the Customer shall respond back to the Bank's email within the Expiry Period, provided the Customer does not use the cost price. Upon receipt of the Customer's objection, the Bank shall recall the price credited to Customer's account and cancel the application.

Condition of Assets

- The Assets are sold by the Bank to the Customer on an as-is where-is basis.
- The Bank does not give nor be deemed to have given, to the Customer any warranty or representation whatsoever relating to the Assets whether imposed by applicable law or otherwise.
- Without prejudice to paragraph (b) above, any implied warranty or representation is expressly excluded to the extent permitted by law and subject to Shari'ah precepts

Delivery of Commodities

The Customer agrees that the Bank shall get constructive delivery of the Commodities and such Commodities shall be held in the Bank's commodity account, on trust basis.

The Customer may in its sole discretion request physical delivery of the Commodities at the Customer's own cost and risk. The Customer acknowledges and agrees that the Commodities, sold to the Customer, would be comprised in an allocation of Commodities held jointly with other customers of the Bank. The relevant Commodities would therefore only be available where the other customers of the Bank all agree with the Customer that such Commodities shall be physically delivered.

Where all the relevant customers of the Bank and the Customer so agree to such physical delivery, and to the extent that such costs are, for whatever reason, not included in the Cost Price element of a Deferred Payment Price of a particular Murabaha Contract, the Customer shall pay to the Bank on demand by the Bank the amount of such costs actually and directly incurred by the Bank in relation thereto.

Additional implications of Murabaha based finance

Murabaha is a sale contract of a tangible asset for a profit mark-up over and above the cost of the asset and an agreed term of payment. This allows the seller (Bank) to charge full profit even if customer decides to pay off the finance early. However, in line with Central Bank guidelines, the bank uses its discretion and waives off the profit for the remaining period to the customer.

Key differences between conventional personal loans and Islamic personal finance

Conventional Personal loan

- Customer borrows money from the bank
- Repayment of this money depends on; Rate Time
- Tenure agreed upfront is only indicative. Rate will be applicable for actual time the customer takes to re-pay the borrowed amount
- If customer takes a postponement, additional interest is charged for postponement month
- If customer misses a payment, additional interest is charged for the additional time the customer takes to make the payment

Islamic Personal finance

- There are 2 parts of an Islamic finance
- Bank sells a commodity to the customer at agreed price (price = cost + profit)
- Customer sells the commodity to a third party and gets the funds in his/her account
- Price agreed upfront is locked. Delayed payment by a customer does not add anything to the bank's income
- If customer takes a postponement, no additional profit is charged without concluding another commodity trade
- If customer misses a payment
- Late payment fee** is charged and paid to charity as per guidelines of Central Bank and the bank's Shari'ah Supervision Committee
- Postponement processing fee** is charged to cover administrative cost for additional workload to process a request
- Trade fee** is charged to cover the cost of commodity trade with brokers/third party

SERVICES: FEES & CHARGES*

Schedule of Charges	Charges (VAT Inclusive)	Illustration
Profit rate for Emiratis	5.99% to 12.99% (VAT not applicable)	Finance amount AED 100,000 Tenure 48 Months Profit rate 6.75% Appx Monthly Installment AED 2,447
Life Takaful Fee for Emiratis Covers outstanding Finance amount of the customer in case of death. The beneficiary of the insurance / takaful cover will be the bank and bank will use the claim amount to settle customer's outstanding Finance	Free coverage	The Bank will absorb the fee on behalf of customers, for a tenure of up to 48 months (60 months for Armed Forces)

Schedule of Charges	Charges (VAT Inclusive)	Illustration																				
<p>Life Takaful Fee for Emiratis - Debt consolidation Finance Covers outstanding Finance amount of the customer in case of death. The beneficiary of the insurance / takaful cover will be the bank and bank will use the claim amount to settle customer's outstanding Finance</p>	0.01911% of the outstanding amount per month	<p>This is a preferential fee that the bank has arranged as part of a group cover. This fee is therefore subject to change from time to time during the tenure of the Finance.</p> <p>If finance amount is AED 100,000, insurance / takaful fee for month 1 will be AED 19.11.</p> <ul style="list-style-type: none"> • This fee will be charged in addition to your monthly instalment. • This fee will be charged every month on the due date till maturity date. • This fee will also be charged in the month where you avail instalment postponement <p>Note: You have the option to choose insurance / takaful cover from another provider listed with Mashreq Al Islami. However, if you choose to go for another provider, you will have to arrange the cover for full tenor of the Finance by paying a single premium.</p>																				
Profit rate for Expatriates	5.99% to 31.99% (VAT not applicable)	<table border="1"> <tr> <td>Finance amount AED 100,000</td> <td>Tenure 48 Months</td> <td>Profit rate 6.75%</td> </tr> </table> <p>Appx Monthly Installment AED 2,412</p>	Finance amount AED 100,000	Tenure 48 Months	Profit rate 6.75%																	
Finance amount AED 100,000	Tenure 48 Months	Profit rate 6.75%																				
<p>Life Insurance / Takaful Fee for Expatriates Covers outstanding Finance amount of the customer in case of death. The beneficiary of the insurance / takaful cover will be the bank and bank will use the claim amount to settle customer's outstanding Finance</p>	Free coverage	Bank will absorb the fee on behalf of customer																				
Processing Fee	1.05 % of finance amount	<table border="1"> <tr> <td>Fee applied 1.05%</td> <td>Finance amount AED 100,000</td> <td>AED 1050</td> </tr> </table>	Fee applied 1.05%	Finance amount AED 100,000	AED 1050																	
Fee applied 1.05%	Finance amount AED 100,000	AED 1050																				
Trade Fee	AED 525 for each finance	Flat fee of AED 525 is charged for each finance																				
Partial or Early settlement	1.05% of Principal finance outstanding OR AED 10,000 whichever is lower	<table border="1"> <tr> <td>Finance outstanding: AED 100,000</td> <td>Early settlement fee 1.05% inclusive of VAT: AED 1,050</td> </tr> </table> <p>Accrued profit till date: AED 2000 Moratorium Profit: AED 3000</p> <table border="1"> <tr> <td colspan="4">Settlement amount</td> </tr> <tr> <td>AED 100,000</td> <td>+</td> <td>AED 1,050</td> <td>+</td> <td>AED 2,000</td> <td>+</td> <td>AED 3,000</td> </tr> <tr> <td colspan="7">AED 106,050</td> </tr> </table>	Finance outstanding: AED 100,000	Early settlement fee 1.05% inclusive of VAT: AED 1,050	Settlement amount				AED 100,000	+	AED 1,050	+	AED 2,000	+	AED 3,000	AED 106,050						
Finance outstanding: AED 100,000	Early settlement fee 1.05% inclusive of VAT: AED 1,050																					
Settlement amount																						
AED 100,000	+	AED 1,050	+	AED 2,000	+	AED 3,000																
AED 106,050																						
Postponement fees	AED 105 per postponement	<p>Fee applied AED 105 for every Installment postponement.</p> <p>Postponement fee is AED 100 and VAT on postponement fee is AED 5.</p>																				
Late Payment Fee (Charity)	2% of the delayed amount	<p>Min AED 52.50. Max AED 210.</p> <p>Fee applied 2% of the delayed installment Amount AED 750.</p> <p>Min Fee applied AED 52.50. Fee applied 2% of the delayed installment Amount AED 15,000.</p> <p>Max Fee applied AED 210.</p> <p>Min late payment fee (LPF) is AED 50 and VAT on LPF is AED 2.50. Max late payment fee (LPF) is AED 200 and VAT on LPF is AED 10.</p> <p>Note: The late payment fee collected shall be given as charity after deduction of bank's cost to the charitable organizations decided by the bank which may change from time to time</p>																				

* Visit [Mashreqislami.com/soc](https://www.Mashreqislami.com/soc) to know more

Cooling Off period (Your Right to Cancel):

In line with the Consumer Protection Standards issued by the UAE Central Bank pursuant to the Consumer Protection Regulation (Circular No. 8 – 2020), you are hereby informed that you have the right to withdraw or cancel your Personal Finance Application within 5 Business Days from date of accepting the Murabaha contract thereof ("Cooling-Off Period"). On the 6th Business Day (or 1 day after the expiry of the Cooling-Off Period), you must inform the Bank of your decision to cancel or withdraw the Personal Finance Application AND pay the finance amount that was credited into your account AND/OR the amount that was paid by Mashreq Al Islami to another bank to buyout your liabilities otherwise, the same shall continue to apply and shall be deemed confirmed by you.

The Bank will, during the Cooling-Off Period, provide you with access to your Account and other account related services, subject to satisfactory KYC and compliance checks and procedures of the Bank.

Should you choose to waive your right to the Cooling-Off Period, you must, in writing, notify and/or confirm to the Bank such intention. It must be noted that if you opt to cancel or withdraw the Personal Finance Application within the Cooling-Off Period, you shall be responsible to pay all costs and charges that you may have incurred in relation to your Account AND Personal finance during the Cooling-Off Period and before the cancellation of your Account AND Personal Finance.

I/We hereby acknowledge and agree that Mashreq Al Islami has the right to change the Terms and Conditions, profit rates, fees and charges according to Bank's policy, and any changes thereof will be notified to me/us by the Bank 60 calendar days prior to their implementation.

I/We hereby confirm that this Personal finance Key Facts statement has been provided to me prior to my application for personal finance.