

WARNING: 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 Property Finance products and/or services offered by other Banks/financial institutions. You have the right to receive Key Facts Statement from other Banks/financial institutions for comparison.

Definition

"You", "your", "Consumer" or "Customer" means the customer "We", "our" and "us" refers to Aafaq Islamic finance private Stock Company 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).

Product Definition

The following types of Property Financing are available:

- New Purchase Financing:** Financing a purchase of ready properties from current owners, which includes:
 - Direct purchase from developer
 - Purchase from current owner in the secondary market
 - Financing of final handover payment due to the developer where the consumer is the original purchaser or has purchased the unit in the secondary market and required to make the final payment to the developer
- Off-plan Purchase Financing:** Financing a purchase of off-plan properties by Developers, which are under construction or near ready properties.
- Buyout:** Transfer of consumer's existing Property Finance from another financial institution, bank, or any housing program to Aafaq

Sharia Structure

Aafaq Property Financing is offered based on two Sharia Structures, a Purchase and Lease Back Ijarah (Identified Lease) as well as Istisna' and Forward Lease Ijarah.

Purchase and Lease Back (Identified Lease): A financing structure where Aafaq purchases the property (which is already in existence), possesses it and then Aafaq (The Lessor) lease it back to you (The Lessee) with a promise to sell at the end of the financing tenor and a promise to purchase given by the Lessee. The Customer (The Lessee) pays monthly installments as rentals that comprise of fixed, variable, and supplementary elements. At the end of Ijarah, the Lessor will sell the property to you through a Real Property Sale Contract to be concluded between Aafaq (as the Seller) and the Consumer (as the Purchaser).

Forward Lease: A structure used for construction financing using two contracts. Istisna in which Aafaq appoints you to construct and deliver the fully specified and described property, which Aafaq (as Owner and Lessor) undertakes to hand it over to you (as the Lessee) on future date (upon completion of the construction) under a Forward Ijarah Contract. The ownership of the property during the Ijarah period will be with Aafaq and shall be transferred to you (The Lessee) after successful completion of the lease period through a Sale Contract to be concluded between Aafaq (as the Seller) and you (as the Purchaser).

Eligibility

To qualify for Property Finance, you should earn a minimum monthly income of **₹ 15,000** with age between 21 – 65 years. The income requirement varies across Property Finance variants.

Fee and Charges

Annual Profit Rate

Fixed Rate: The profit rate is fixed initially for a defined period of time (1-5 years etc.)

Variable Rate: The Variable profit rate is applicable post the completion of the initial fixed rate period, for e.g. 3 months EIBOR + 3.50%, subject to minimum of 4.80%. The variable rate consists of the following components:

- EIBOR Pricing: 1, 3 or 6 months EIBOR as published by Central Bank of UAE. During the variable rate period, the finance is re-priced based on the EIBOR reference used. For e.g. in case 3 months EIBOR is used, then the finance re-pricing would be every 3 months. The EIBOR rate used for computation is taken from the Central Bank website - www.centralbank.ae/en/services/eibor-prices
- Spread: Spread is the margin added to the EIBOR pricing.
- Minimum Slab: The pre-defined minimum rate applied as a floor rate

Sample Illustration along with impact in case of profit rate change (for reference purpose only)

	Scenario 1	Scenario 2
Property Value	AED 1,000,000	AED 1,000,000
Down Payment (20% of the Property Value)	AED 200,000	AED 200,000
Finance Amount	AED 800,000	AED 800,000
Profit Rate (indicative)	5.5% (3 months EIBOR @ 2% + Margin @ 3.5%)	6% (3 months EIBOR @ 2.5% + Margin @ 3.5%)
Annual Percentage Rate (indicative)	5.588% calculated based on profit rate of 5.5% p.a. and processing fee of 1.05% (incl. VAT) for 20 years	6.088% calculated based on profit rate of 6% p.a. and processing fee of 1.05% (incl. VAT) for 20 years
Finance Tenor	240 Months (20 Years)	240 Months (20 Years)
Indicative Installment	AED 5,503	AED 5,731
Total Payment Amount	AED 1,320,744	AED 1,375,548
Total Profit Amount	AED 520,744	AED 575,548

WARNING:- Based on the change in the applicable profit rate during the variable pricing period, the installment may increase. This may in-turn change the profit, principal and outstanding computation as it will be based on the new applicable rate.

- There will be no impact on the tenure of the finance in case of change in profit rate
- For deferment requests, the deferred installment will be added to the end of the finance and the tenure will increase. If the profit rate changes, the profit amount for the deferred installment will be calculated using the revised rate.

Note: - APR includes applicable profit rate and processing fees expressed as an annualized rate

- Profit computation methodology: (Principal outstanding x profit rate/365) x no.of days in the month
- Profit will accrue on daily basis.
- Aafaq will not charge any additional profit on accrued profit on any Financing product granted to Customers.

KEY FACTS STATEMENT (KFS)

Property Finance



Processing Fee	1% of Finance amount (Min AED 500- Max AED 2,500)	If the total financing amount/lease amount is ₹ 100,000 then the Processing Fee calculation will be as follows: $100,000 \times 1\% = \text{₹ } 1000$ (Min ₹ 500 - Max ₹ 2,500)
Late Payment Fee	₹ 700	The amount will be donated to the designated charity through Aafaq as per sharia guidelines.
Early / Partial Settlement Charges	1% of the outstanding amount or up to a maximum of ₹ 10,000 .	If the total outstanding is ₹ 79,000 then the calculation of early settlement fee will be as follows: $\text{₹ } 79000 \times 1.0\% = \text{₹ } 790$
Liability Letter Fee	₹ 85	
Clearance Letter	₹ 95	
Request of Other Letters	₹ 90	
Other Certificates	₹ 75	
Monthly E-statement	Free	
Copy of Original Document	₹ 100	
Replacement of Post-Dated Cheques (per request)	₹ 100	
In case of partial settlement, the payment against the outstanding principal amount will be settled and outstanding profit will remain the same. The finance will be rescheduled based on customer's request depending on tenure and installment amount. The profit will be proportionately adjusted in cases of partial and early settlement, based on the remaining outstanding principal amount.		
Issuance of NOC	₹ 150	
Property Evaluation fee	₹ 3,000	
Deferments	A maximum of 1 deferment per finance year are permissible.	<ul style="list-style-type: none"> *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.
Non-standard statement	₹ 100	*(includes production / copy of original document)
Down payment	Standard down payment of 20% of Property value is required as per the UAE central bank regulations. The down payment may vary based on the Property category, Client segment, self-employed and Companies. The down payment paid by the customer shall be made part of the Ijari sale price and can be deducted from the cost (financing Amount).	
Life Takaful	Life Takaful is required in order to secure the outstanding amount for Aafaq in the unfortunate events like death or permanent/temporary disablement of the customer	0.0191% per month on the finance outstanding amount
Property Takaful	Property Takaful is required in order to ensure that the property is safe guarded in case of any unforeseen events like fire or natural calamities, which could damage the property and reduce its value	0.0365% per year on the property value
Takaful Contribution percentage rates mentioned are indicative only. Takaful rates are changeable by the Takaful provider appointed by Aafaq. Property Finance Takaful Scheme requirements and criteria are governed by the latest Provisions and Conditions of Takaful Service Provider available on the Group Credit Takaful Scheme Terms and Conditions.		
Other fees and charges	All charges related to Property Finance product are available in the Aafaq schedule of charges at the Aafaq website. These charges are subject to changes which will be notified through the proper channels to the customers. Please refer to https://aafaq.ae/en/schedule-of-charges-fees for other charges that may apply during the tenor of your relationship with the finance company.	

*All fees and charges are excluding 5% VAT.

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 into the agreement with immediate commitment and will be bound by the terms and conditions of the agreement once signed.

Warnings and consequences

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

- You will lease the Property and bear its associated risk including takaful and maintenance.
- Property management agreement should be signed by Customers whereby an Aafaq-appointed property management company will take over the property management in case of default.
- The financial institution and or its authorized collections agents might visit your office premises for follow up against the overdue and outstanding instalments amount towards the financial institution in the event of default in the payment of monthly instalments of credit facilities availed.
- If you default, financial institution 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 Property Finance, the financial institution 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 Property Finance, you may be exposed to the following consequences and others
 - Late payment donation, where the financial institution 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 collateral collection fees and claim on guarantees.
 - Legal actions through the courts.
- In case of Property Finance against fixed deposit as security, the financial institution may liquidate your fixed deposit in case of payment default.
- As a collection measure on default, Aafaq Islamic Finance may sell/rent your asset in order to recover the dues.
- You shall pay the instalments specified into respective Property 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.

Terms and Conditions

1. This Key Facts Statement does not constitute an offer of credit. The financial institution is under no obligation to provide the Property Finance described herein. You must submit an application and satisfy the institution's credit eligibility criteria before your eligibility can be determined. To proceed with your Property Finance, you are required to carefully read, sign, and return this Key Facts Statement to an authorized sales representative of the financial institution.
2. The profit rates and fees and charges are those that apply as at the date of production of this Key Facts Statement.
3. 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).
4. If the property is under Aafaq possession, it has the right to negotiate the rental amount based on the terms of the contract and its agreement with the customer.
5. 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 document.
6. The Customer alone shall be responsible for the correctness of the information and data that are provided to make this Key Fact Statement.
7. Customer is responsible for the following:
 - Keeping his/her financing 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.
8. 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.
9. Aafaq shall reserve the right to change and modify these terms and conditions or the services and products offers as required by the applicable law or financial institution policy. Such changes shall be notified to the Customer within a period of 60 days.
10. 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.
11. Monthly e-statements and SMS alerts sent by Aafaq are free.
12. If the finance is approved, Aafaq Islamic finance will provide you with a copy of the Islamic financing contract to read and with appropriate time to review before signing it.
13. Full version of these terms and conditions is available on the website at the following www.aafaq.ae.
14. 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 sharia as interpreted by the Internal sharia Supervision Committee of the financial institution.
15. This is a sharia compliant product, for details please visit <https://aafaq.ae/en/sharia-compliance>.

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 the financial institution. 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 sharia 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.

Complaints and Suggestions

For complaints and suggestions, you may visit any of our Branches and submit in writing or verbally to our Customer service officer. You can also call our Phone Banking on 600502006 and we will be happy to assist. Alternatively, you may also use our website www.aafaq.ae or Email address customer.care@aafaq.ae.

Acknowledgement

- I/We authorize Aafaq to send communication including marketing of existing products/services or promoting new products/services or related products/services (including market research and customer surveys) or any other notification via Email/SMS/Call/ WhatsApp/other channels. I/We understand that I can opt-out anytime of receiving such communication by contacting Aafaq at 600502006 or customer.care@aafaq.ae.
- 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 hereby acknowledge that I have read, understood, and agree to the content of this Key Facts Statement.
- I/We wish to waive the 5-business day cooling off period to proceed Proceed after 5-business days.

Customer Name: _____

Emirates ID: _____

Email Address: _____

Mobile Number: _____

Customer signature: _____ Date: _____