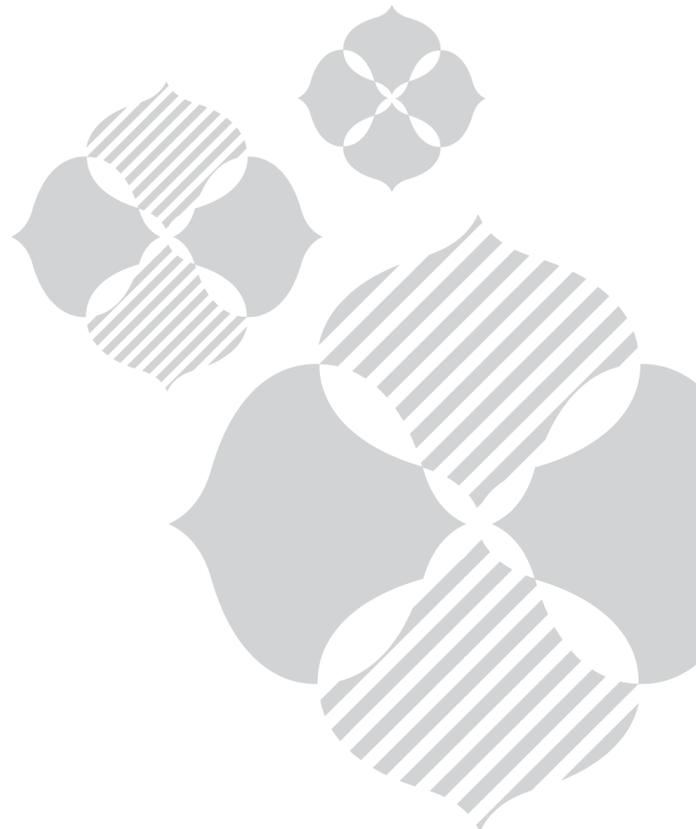


AR-RAHNU MICRO FINANCING Product Disclosure Sheet



PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before applying for this product and allow us to explain if you require any clarification. Please also read the Consent & Declaration and the related Terms & Conditions.

**AR-RAHNU
MICRO FINANCING**
1) What is this product about?

Ar-Rahnu Micro Financing is a scheme which provides a short-term secured financing facility using gold items as collateral. The value of the collateral is measured to calculate the financing amount.

2) What products are offered under *Ar-Rahnu* Micro Financing?

Ar-Rahnu Micro Financing offers two products for customers to choose:

Az-Zahab	Al-Jauhar
<ul style="list-style-type: none"> ◆ Customers shall maintain an account with BIBD ◆ Gold will be pledged as collateral (precious stones attached to the gold are excluded from valuation) ◆ Safekeeping fee can be paid anytime during the financing period or during gold redemption ◆ Outstanding amount can be settled anytime during the financing period or during gold redemption 	<ul style="list-style-type: none"> ◆ Customer shall assign their salary to BIBD (Assignment of Salary) ◆ Gold will be pledged as collateral (precious stones attached to the gold are excluded from valuation) ◆ Safekeeping fee will be deducted from customer's salary on monthly basis ◆ Outstanding amount can be settled anytime during the financing period or during gold redemption

3) What is the Shariah concept and structure for this product?

Ar-Rahnu Micro Financing offered by Bank Islam Brunei Darussalam Berhad (BIBD) is based on the following Shariah concepts:

- ◆ *Ar-Rahnu*: also known as Islamic pawn, refers to the mechanism whereby an item of value is pledged as a security for financing
- ◆ *Al-Qardhul Hasan*: the financing agreement, whereby BIBD grants financing to the customer and is required to pay only the amount borrowed.
- ◆ *Al-Wadi'ah Yad Dhamanah*: is an agreement between the customer and BIBD, whereby BIBD accepts custody of the item of value (gold and valuable items) and ensures the safekeeping of the gold with guarantee against loss, damage, theft and the like with fees.

4) Who can apply?

Customers who wish to apply for the *Ar-Rahnu* Micro Financing must meet the following criteria:

- ◆ Brunei Citizen/Permanent Resident;
- ◆ Age between 18 to 65 years old;
- ◆ Maintain BIBD Savings Account; and
- ◆ Receive fixed monthly income through salary or pension (applicable for *Al-Jauhar* product only).

5) How is the entitlement for Ar-Rahnu Micro Financing being calculated?

The *Ar-Rahnu* Micro Financing entitlement is calculated according to the following:

- ◆ For the *Az-Zahab* product, up to 70% of the gold price valuation can be financed with a daily limit of between B\$ 100.00 to B\$ 7,000.00.
- ◆ For the *Al-Jauhar* product, up to 80% of the gold price valuation can be financed with a daily limit of between B\$ 300.00 to B\$ 8,000.00.

The final entitlement shall be subject to BIBD's internal credit policies and overall assessment.

6) What is the maximum tenure?

The tenure are as follows:

- ◆ *Az-Zahab* - up to 6 months
- ◆ *Al-Jauhar* - up to 12 months

7) How much is the safekeeping fee?

- ◆ The safekeeping fee is B\$ 0.70 per B\$ 100.00 of the gold value per month.
- ◆ The gold price valuation may change from time to time and may affect the customer's safekeeping fee. The current gold price valuation will be published at *Ar-Rahnu* branches.

8) How do I make payments for Ar-Rahnu Micro Financing?

- ◆ For *Az-Zahab* product, the monthly payment is not fixed and customer is allowed to pay their financing amount and safekeeping fee at any time prior to maturity date.
- ◆ For *Al-Jauhar* product, the monthly safekeeping fee will be deducted from your BIBD account on a monthly basis and customer is allowed to pay their financing amount at any time prior to maturity date.
- ◆ For your information, safekeeping fee are not fixed and the calculation will be subjected to the current gold price.

9) What is the financing limit for *Ar-Rahnu* Micro Financing?

The financing limit for *Ar-Rahnu* is as per below:

Limit	<i>Az-Zahab</i>	<i>Al-Jauhar</i>
Minimum Daily Financing Limit	B\$ 100.00/Day	B\$ 300.00/Day
Maximum Daily Financing Limit	B\$ 7,000.00/Day	B\$ 8,000.00/Day
Maximum Limit per Customer	B\$ 25,000.00	B\$ 35,000.00

10) How do I apply?

You may speak to our Personal Bankers at any BIBD *Ar-Rahnu* branches to submit the required documents, the *Ar-Rahnu* Financing Form and pledged item(s).

11) What documents do I need to submit?

The documents required for *Ar-Rahnu* Micro Financing application are as follows:

- ◆ Original copy of Identification Card
- ◆ Original copy of Wife's Identification Card or Passport (if applicant is a married man)
- ◆ Original copy of Latest Salary Slip (for *Al-Jauhar*)
- ◆ Marriage/Annulments/Divorce/Death Certificate (where applicable)
- ◆ Consent Letter from Collateral Owner (where applicable)

12) What are the fees and charges I have to pay?

The applicable fees and charges are provided in BIBD's prevailing Schedule of Tariffs, published on BIBD's website at www.bibd.com.bn

13) What if I fail to fulfill my obligations?

- ◆ If you fail to make your monthly payments or financing amount inclusive of safekeeping fees prior to maturity date, the missed payments will be reflected in your Credit Bureau Report, which may affect the outcome of your future financing applications as it is included in the financing assessment.
- ◆ You will still be liable to pay any outstanding balances to BIBD, which will include all fees related to the facility such as takaful, legal costs, etc if there are any legal proceedings. As such, BIBD also has the right to consolidate your accounts with BIBD and set-off or transfer any outstanding sums as payment towards the facility.
- ◆ The gold or valuable items pledged as collateral may be auctioned and the proceeds will be used to pay any outstanding balances to BIBD. Any surplus amount from the auction will be credited into your account after settlement of the outstanding balance.

14) Do I need Takaful coverage?

Takaful coverage is not required for this product.

15) What are the major risks?

- ◆ Additional costs to bear from legal proceedings in the event of default
- ◆ Gold or valuable items pledged as collateral may be auctioned in the event of default

Please refer to terms and conditions for more information.

16) Can I refinance my *Ar-Rahnu* Micro Financing?

The existing *Ar-Rahnu* Micro Financing may be re-financed using the same collateral that was pledged, however subject to the Bank's credit policies and overall assessment.

17) Can I settle my financing ahead of schedule?

Early settlement of the financing can be done at any time prior to maturity date, which includes full settlement of the outstanding financing and the safekeeping fees.

18) Do I need a guarantor?

Guarantors are not required for this product.

19) What are the key terms and conditions that I should know?

You will be provided with the terms and conditions which include details on the following:

- ◆ Aqad (Offer and Acceptance) process; and
- ◆ Consequences of events of default in payment

You are required to read and understand the applicable terms and conditions provided to you.

20) What is my entitlement?

Value of Gold	B\$		Safekeeping Fee	B\$	
Financing Amount Applied	B\$		Tenure	Month	

21) Are there any similar facilities/products available?

No.

22) What do I need to do if there are any changes to my contact details?

- ◆ If there are any changes to your contact details, such as your address or your phone number, visit any of our BIBD branches and complete the Personal Particular Update Form (PPU).
- ◆ It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

23) Where can I get assistance and remedy?

If you require any assistance with the product, you may email our Customer Resolution Unit at customer.resolution@bibd.com.bn, call our Contact Centre at +673 2238181 or visit our *Ar-Rahnu* Branches at:

- ◆ Serusop Branch
- ◆ Seria Branch

Complaints may also be addressed to:

Customer Resolution Department

Level 6, BIBD Headquarters
LOT 159
Jalan Pemancha
Bandar Seri Begawan
BS8711

If you are not satisfied with the result of our resolution on your query or complaint, you may contact Financial Consumer Issues at:

Autoriti Monetari Brunei Darussalam

Level 7, Financial Consumer Issues
Autoriti Monetari Brunei Darussalam
Ministry of Finance and Economy Building
Commonwealth Drive
Bandar Seri Begawan

Contact no. : +673 238 0007

Email : fci@ambd.gov.bn

24) Where can I get further information?

Our Contact Centre is available 24 hours a day, 7 days a week at +673 2238181. Please visit us at our website at www.bibd.com.bn, or our *Ar-Rahnu* Branches:

- ◆ Serusop Branch
- ◆ Seria Branch

IMPORTANT NOTE:

Legal action may be taken against you if you fail to pay any of your obligations in the manner stipulated in the *Perjanjian Pembiayaan Ar-Rahnu* between yourself and the Bank.

The final Terms and Conditions are as stipulated in the *Perjanjian Pembiayaan Ar-Rahnu* after the Bank's assessment and financing approval.

The entitlement provided in this Product Disclosure Sheet is valid at the time it is provided to you and is INDICATIVE, based on current guidelines, subject to changes upon final approval of the financing.

<p>I hereby confirm that I have explained the Product Disclosure Sheet (PDS) to the Customer in his/her preferred language.</p>	<p>I hereby confirm that I have understood the explanation and contents of the Product Disclosure Sheet (PDS) given in my preferred language.</p>
<p>Preferred language: _____</p>	<p>Preferred language : _____</p>
<p>Name : _____</p>	<p>Name : _____</p>
<p>ID No. : _____</p>	<p>IC No. : _____</p>
<p>Date : _____</p>	<p>Date : _____</p>

Bruneian at Heart

