

## KEY FACTS: NON-RESIDENTIAL READY PROPERTY FINANCE

### Freedom to Finance Non-residential Property ....

Sharjah Islamic Bank's Non-Residential property finance offers customers the flexibility of choosing completed properties such as shops, office spaces, and other business units.

### Islamic structure of financing against Non-Residential Ready Properties:

Individuals (Salaried or Self Employed) who are profited in buying non-residential properties or Investment Real Estate properties but do not have money to pay the developer or seller in lump sum, Banks help these customers to buy their property by getting the finance and settle the amount in installments on a monthly basis.

These properties can be in form of Serviced offices, Retails Stores / Shops or Non-Residential Land etc. legalized by UAE government and subject to be completed as per evaluation report.

**Ijarah:** Under the Ijarah transaction, the Bank will purchase the property as requested and promised to be leased by the customer, the bank will lease it to the customer and enable it to use it and the benefits of the property for a predetermined period of time and in return the customer will pay a pre-determined agreed rent.

### Key Finance Features & Benefits:

- Minimum monthly income of **AED 20,000/-** month onwards
- Finance of up to AED 6 million to complement your business growth
- Convenient tenure periods of up to 15 years
- Competitive profit rates to commercial customers
- Salary transfer is not required
- Pre-Approval concept
- Cater all customer segments (**Salaried & Self Employed**)

### Salaried Applicants:

- Individuals, employed in UAE with monthly salary being transferred to SIB or any other Bank in UAE
- **Minimum Salary: Residential Properties**

Individuals	UAE Nationals	Expatriates
Salary transfer to Sharjah Islamic Bank A/C	<b>AED 20,000</b>	<b>AED 20,000</b>
Salary transfer to other Banks A/C	<b>AED 25,000</b>	<b>AED 25,000</b>

### - Employment Duration:

- o Customers – working for approved companies with Sharjah Islamic Bank: Min **Six Months**
- o Customers – working for non-approved companies with Sharjah Islamic Bank: Min **One Year**
- **Finance Tenure: upto 15 years**

### Self Employed Applicants:

- Individuals, with business in the UAE and / or verifiable rental / contractual income in UAE
- **Minimum Income**
- 1. From Business:**
  - o Average Net Profit: AED 30,000 per month or
  - o 20% of the minimum average monthly credit of AED 100,000
- 2. From Property Rent:**
  - o 70% of property rental proven income (income to be supported by lease agreement(s) and copy of lease cheques)
- **Length of Business:** 3 years from the establishment
- **Finance Tenure:** upto 15 years

### Finance to Value (FTV): Non-Residential Properties

Residential Property	UAE Nationals	Expatriates
<b>Finance Amount</b>	<b>Max: AED 6 Mn</b>	<b>Max: AED 6 Mn</b>
<b>Finance to Value</b>	<b>Upto 65%</b>	<b>Upto 60%</b>

### Key Basic Documentation Requirement: Salaried Applicants

- Application form duly signed by customer
- Valid UAE National ID and passport showing the residence visa
- Current dated Salary certificate
- Bank statement for 6 months showing 6 salaries
- Documentation Fee: 1.25% of the approved finance amount. Advance fee amount of AED 5,000 of the total 1.25% documentation fee of the finance amount (to be paid along with the finance application)
- Property documents – Sale Agreement, copy of property Title Deed, completion notice/certificate

### Key Basic Documentation Requirement: Self Employed Applicants

- Application form duly signed by customer
- Valid UAE National ID and passport showing the residence visa
- Documentation Fee: 1.25% of the approved finance amount. Advance fee amount of AED 5,000 of the total 1.25% documentation fee of the finance amount (to be paid along with the finance application)
- Property documents – Sale Agreement, copy of property Title Deed, completion notice/certificate

### Applicants with Business Income:

- Bank statement for 6 months Personal and / OR Business
- Trade License
- Copy of Chamber of Commerce Registration
- Memorandum & Articles of Association
- Financial statements audited of last two years

### Applicants with Property Rental Income:

- Six Month's Copy of Personal Bank Statements; showing monthly / annual rental income
- Copies of rental income supporting documents; i.e: lease agreement(s) and lease cheque(s) showing monthly / annual rental income, title deed of the rented property

**Current Profit Rates:**

**a) Non-Residential Ready Properties – New Finance:**

Segment / Rates (Reducing p.a.)	Property New Finance (acquiring a property, all types of Buyout & Additional Finance Cases)			CashyourProperty (Equity Release & Additional Finance)		
	Margin	EIBOR	Minimum Rate	Margin	EIBOR	Minimum Rate
Salaried - SIB Salary Transferred	4.00%	6 Months	5.50%	4.50%	6 Months	5.50%
Salaried - SIB Non-Salary Transferred	4.50%	6 Months	5.50%	5.00%	6 Months	5.50%
Self-employed – All segments	5.25%	6 Months	5.75%	5.75%	6 Months	6.25%

**b) Non-Residential Land:**

Segment / Rates (Reducing p.a.)	Land New Finance (acquiring a property, all types of Buyout & Additional Finance Cases)		
	Margin	EIBOR	Minimum Rate
Salaried - SIB Salary Transferred	4.50%	6 Months	5.50%
Salaried - SIB Non-Salary Transferred	5.00%	6 Months	5.50%
Self-employed – All segments	5.75%	6 Months	6.25%



### Fees and Charges:

Ser.	Service	Fees
1.	Documentation fee <i>Non-Residential Properties</i>	<ul style="list-style-type: none"> <li>– <b>1.25%</b> of the approved finance amount with a minimum amount of AED 5,000</li> <li>– An advance payment of <b>AED 5,000</b> should be made along with the application; this payment is refundable only if: <ul style="list-style-type: none"> <li>○ The case is declined by the Bank,</li> <li><b>OR</b></li> <li>○ The approved finance amount is less than what the customer has opted for and decline the Bank's offer to proceed with the application</li> </ul> </li> </ul>
2.	Early Settlement fee during the <b>Ijarah or Murabaha</b> period <i>Non-Residential Properties</i>	<ul style="list-style-type: none"> <li>– <b>Early Settlement Fee – if settled within 5 years of the booking date:</b></li> <li>– <b>3.00%</b> of the total outstanding Ijarah OR Murabaha amount plus the unpaid and accrued profit amount till the settlement date (without any cap of minimum/maximum fee amount); else 0.00% if settled after 5 years</li> <li>– <b>Note:</b> No early settlement fee will be applicable for employees of Ministry of Defence (MOD) &amp; GHQ - if the staff chooses to pre-pay the finance facility</li> </ul>
3.	Approval Re-Validation Fees <i>Non-Residential Properties</i>	– <b>AED 2,500</b> per approval re-validation request
4.	Property Registration Fee	– As per the applicable Government charges, paid prior to transferring the title to the Lessee (customer)
5.	First Degree Mortgage fee and any other additional transfer Fee (if applicable)	– As per the applicable Government charges, paid prior to transferring the title to the Lessee (customer)
6.	Property Takaful Premium	<ul style="list-style-type: none"> <li>– Offices/Complete Floor used for Office: 0.0176% of the property value; with a minimum policy premium amount of AED 455</li> <li>– Shops: 0.13% of the property value; with a minimum policy premium amount of AED 780</li> <li>– Property takaful premium will be charged “annually” and will be will be calculated based on the property value (premium for the first year will only be charged on pro-reta basis only)</li> </ul>
7.	Life Takaful Premium	– A Life Takaful fee of 0.05% will be charged on the total liability amount (principle + profit) in order to cover the outstanding amount in cases of death or permanent total disability, God forbid.
8.	Property evaluation fee	<ul style="list-style-type: none"> <li>– Non-refundable valuation fee for conducting the valuation of the property from one of the empaneled valuation company is as follows: <ul style="list-style-type: none"> <li>– Serviced Office/Retail Stores/Shops: Upto AED 3,500</li> <li>– Non-Residential Land: AED 3,000</li> </ul> </li> </ul>

#### Notes:

- Above mentioned fees and charges does not include the Value Added Tax (VAT)
- Any application or processing fees or approval re-validation fee or property evaluation fee that have been paid to Sharjah Islamic Bank are non-refundable
- Any Fees and Charges (whether demanded or not) will be collected from any of customer account with the Bank
- Details of our Fees and Charges are set out on the Schedule of Services and Tariffs which is available on our website: [www.SIB.ae](http://www.SIB.ae) and we will also inform customers of any charge we make if they request any service
- We can change the amount of our Fees and Charges and introduce new or different Fees and Charges to reflect the cost of the work or service involved or for any other reason whatsoever. Customer will therefore need to ensure they refer to the latest Schedule of Services and Tariffs. Where we change the amount of our Fees and Charges, we will provide customers with notice as required by law and regulation
- **For Additional Finance requests:**
  - a) Early Settlement fee will be applied on the settlement of the existing Ijarah or Murabaha deal when customer is requesting for the additional finance
  - b) Processing fee will be charged only on the additional finance amount requested by the customer

#### Approval Validity:

- The customer shall have the right to have a Cooling-Off period, of 5 complete business days commencing from the time of signing the contract for the relevant finance, hence if the customer opted to terminate the contract within the cooling off period, the bank has to refund to it any related fees and direct costs already incurred by the customer. However, if the customer, within the cooling off period, disposed of/acted on the subject of the contract in any manner, its right in the cooling off period will cease. The customer may also waive its right in the cooling off period by its written consent. For more information, please review the relevant form issued along with the finance approval
- Upto 90 calendar days to book the finance deal which is “inclusive of 30 days of in-principal approval and 30 days of final approval”
- “In-Principal Approval”: Validity will be of 30 calendar days within which customers are requested to complete other documentation requirements and submit the case to Bank for the “Final Approval” assessment and approval
- “Expired In-Principal Approval”: In case 30 calendar days lapsed or re-submitting the documents after 30 calendar days for final approval; then the advance fee collected earlier will NOT be refunded NOR adjusted with the re-submitted case and customer will have to deposit new advance fee amount before re-submitting the documents to Bank for the final approval
- “Final Approval”: Validity will be of 30 calendar days within which customers are requested to complete other documentation requirements and submit the case to Bank for the “contract issuance”
- “Expired Final Approval”: Approval Re-validation will be required along with the fee as per respective product (AED 2,500 for non-residential property); if the Ijarah and other related contracts are not signed by the customer within Final Approval validity of 30 calendar days
- Expired Applications: If the Retail Real Estate finance application is not booked within 90 calendar days (does not apply on the buyout case and also cases where payment cheque is released and first degree mortgage is completed) then:
  - a) Case is to be submitted as a “Fresh Application with the fresh relevant documents” as per the relevant customer type/segment
  - b) No refund or adjustments of the advance processing fee amount paid earlier will be accepted



### Calculation and Charging of profit:

- We calculate profit on the daily outstanding balance of the Home Finance facility. Profit is payable monthly or as approved by the Bank
- Profit is calculated on the basis of a 360 days calendar year and accrues daily
- Fixed Introductory Profit Rate Finance:
- Mortgage Finance Rate is made up of two components, 6 Month AED Emirates Interbank Offered Rate (EIBOR) and the SIB Margin
- Any changes to the Mortgage Finance Rate will take effect immediately. We will inform customers of the change either by email or by SMS within 30 days of the change
- SIB Margin will be set out in the Agreement and will remain fixed for the duration of the full Repayment Period, (or in the case of a Fixed Introductory Profit Rate Finance, for the duration of the Variable Profit Rate Period), unless otherwise agreed between the Bank and customer

### Monthly Payments:

- Customer must make the Monthly Payments on the dates they are due until they have paid off the whole of the Home Finance outstanding balance. If at the repayment date or when the Property is sold we do not receive the whole of the Home Finance outstanding balance, customer must pay us the remaining Home Finance outstanding balance.
- Bank may vary the amount of the first or any subsequent monthly payment after giving customers with written notice through email or SM:
  - a) To take account of any variation in the profit rate (for EIBOR based Home Finances or during the Variable Profit Rate Period of a Fixed Introductory Profit Rate Finance only);
  - b) To take account of any additional sums that may become due from customers under the Agreement;
  - c) To ensure that the Home Finance outstanding balance is repaid no later than the repayment date
- The finance amount, will be calculated as per the below illustrative example:  
Example: Finance amount of AED 1,000,000, Tenure of 15 years, and Profit rate at minimum of 5.50% reducing p.a. finance details will be as follows:
  - Documentation Fee : AED 12,500
  - Total Profit amount : AED 478,388
  - **Monthly Payments : AED 8,214**

**Note: Above outlined finance details in the example are for illustrative purpose only and may vary based on customer type, segment, property type and any other factor the Bank deem suitable for as per Bank's policy**

### Finance Termination Amount:

Where the lease is terminated during the lease term, the termination amount shall be the aggregate of the following:

- a) Principal outstanding balance amount
- b) Accrued and unpaid profit amount as of termination date
- c) Any amount representing the costs of insurance (including any insurance undertaken on behalf of the customer in accordance with the terms of this contract) & major maintenance and taxes incurred by the Bank
- d) Early settlement amount calculated at a percentage of the outstanding balance amount set out in the above Fees and charges section

- The finance termination/early settlement amount, will be calculated as per the below illustrative example:

Example: Finance outstanding amount of AED 2,046,153.84 with the settlement date of after 14 days:

- Finance outstanding amount : AED 2,046,153.84
- Accrued Un-paid Profit amount : AED 30,351.29
- Early Settlement Fee : AED 61,384.62 (if settlement within 5 years of the booking date)
- Total Amount to Settle : AED 2,137,889.75

**Note: Above outlined finance details in the example are for illustrative purpose only and may vary based on the settlement request, date and any other factor the Bank deem suitable for as per Bank's policy**

**Warnings: If you do not keep up your repayments/payments on time then:**

- 1- You may lose your property and may be repossessed by the Bank
- 2- Your account will go into arrears which may affect your credit rating and may limit your ability to access/obtain financing in the future

**Disclaimers:**

- This document is provided for information and illustration purpose only based on customer request. All finances are granted at sole discretion of SIB Standard Terms & Conditions. SIB reserves the right to amend any of the above outlined key facts without any prior notice
- We may also at our absolute discretion vary any of the terms and conditions of the agreement at any time by giving you 30 days prior notice. We may give notice of variations by any means available, including but not limited to email and secure e-message service and by publication on our website (www.SIB.ae)
- This product has been approved by the Sharjah Islamic Bank's Internal Sharia Supervision Committee

**By signing this document, I/We acknowledge that I/We have read, understand, and agree to all of the above terms and product facts outlined which have been explained to me/us**

First Applicant:	Second Applicant:
Name: _____	Name: _____
Account No: _____	Account No: _____
Signature: _____	Signature: _____
Date: _____	Date: _____