

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.

HOME FINANCING

1) What is this product about?

Home Financing is a term financing facility that provides customers with the financial assistance to purchase and/or construct as well as mortgage one property (inclusive of land) or more.

2) What is the Syariah concept and structure for this product?

<i>Musarakah Mutanaqisah</i>	<i>Bai Bithaman 'Ajil</i>	<i>Tawarruq</i>
<ul style="list-style-type: none"> • Purchase of Completed Property • Purchase of Property under Construction 	<ul style="list-style-type: none"> • Purchase of Vacant Land • Mortgage of existing Property • Joint Financing 	<ul style="list-style-type: none"> • Construction on Temporary Occupation License (TOL) land

Musarakah Mutanaqisah (MM):

A diminishing partnership whereby two parties jointly purchase a property with respective capital contributions, and the share of one party diminishes and is transferred to the other party by purchasing through rental paid until the property is fully owned by one party.

The Customer and BIBD enter a partnership (*Musarakah*) contract to jointly acquire a property. Both the Customer and BIBD own equity/share of the property in proportion to the amount contributed respectively. The Customer initially owns a smaller portion of the property from paying a deposit while BIBD owns a larger portion by contributing the remaining amount through the financing. BIBD's share of the property gradually diminishes as the Customer increases his share by purchasing them from BIBD through monthly payments (*Ijarah* Rental) until such time the Customer is the sole owner of the property, in which the financing is fully paid.

Bai Bithaman 'Ajil (BBA):

The selling of a Syariah-compliant asset at a marked-up price (*Murabahah*), which is paid through a deferred monthly instalment basis within a payment period agreed by both parties.

For Home Financing, BIBD will initially purchase the asset at the original cost price and will then sell it to the customer at a marked-up price. Customer will pay BIBD through a deferred monthly instalment basis within a payment period agreed by both parties.

Tawarruq:

This financing is based on the concept of *Tawarruq*, whereby the Bank will purchase Syariah-compliant commodities from a supplier at the financing amount and then sell that commodity to the customer. After agreeing to purchase the commodities at a marked-up price (*Murabahah*) on a deferred payment basis, as owner of the commodities, the Customer will be presented with two options:

- i) Appoint BIBD as a disposal agent (*wakil*) to sell the commodities to a third party on the Customer's behalf, and a payment agent to credit the sale proceeds and make payment arrangements agreed by the Customer, or
- ii) Take physical delivery of the commodities for the Customer to sell them himself and bear all associated costs such as transportation, taxes, storage and etc.

If first option is selected, the Customer will obtain the financing amount from the sale of the commodities.

3) What commodities are being traded by BIBD?

The commodities traded for this concept are:

- Crude Palm Oil
- Polyethylene (PE)
- Any other Syariah-compliant commodities approved by BIBD's Syariah Advisory Body.

4) Who can apply?

Customers who wish to apply for the Home Financing must meet the following criteria:

- Bruneian Citizen / Permanent Resident
- 21 years of age and above
- Receive fixed monthly income (salary or pension)
- Employed with Brunei Government, Semi-Government or Private Companies approved by BIBD.

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

5) How much is my entitlement?

The Home Financing entitlement is calculated according to the following:

- Up to a maximum 90% of Financing-to-Value (FTV), which is the financing amount against the the Open Market Value (OMV) of the Property
- Up to a maximum Total Debt Service Ratio (TDSR) of 70% for those with net income of BND 1,750.00 and above
- For those with net income of below BND 1,750.00 shall be subject to BIBD's policy

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

6) What is the maximum tenure?

The tenure is up to a maximum of 25 years (300 months).

7) What is the profit rate?

The profit rate offered is subject to BIBD's overall assessment of the financing and individual customer.

8) Will the amount of my monthly payments vary throughout my financing tenure?

As the financing is offered at a fixed rate, the amount of your monthly payments will not vary.

9) What is the financing limit for Home Financing?

The financing limit is from a minimum of BND 50,000.00 up to a maximum of BND 1,000,000.00.

10) How do I apply?

You may speak to our Personal Bankers at BBD Kiulap Home Centre or any designated Home Financing Branches to submit the required documents and complete the Consumer Financing Form.

11) What documents do I need to submit?

The documents required for a Home Financing application shall include, amongst others, the following:

For Financing Application		Prior to Financing Approval	
<ul style="list-style-type: none"> ● Original copy of Identification Card ● Original copy of Latest Salary Slip ● Confirmation of Salary/Pension/Service Contract (where applicable) ● Bank Statements with other Financial Institutions (where applicable) ● Business Registration Certificate (*where applicable*) 		<ul style="list-style-type: none"> ● Indicative Open Market Value of the property ● House Plan ● Land Title Deed ● Copy of Identification Card of Landowner (where applicable) 	
	Additional Documents for Completed Property	Additional Documents for Property under Construction	Property under Mortgage
Prior to Financing Approval	<ul style="list-style-type: none"> ● Letter of Intent from the Seller ● Copy of Identification Card of Developer/Contractor/Vendor 	<ul style="list-style-type: none"> ● Development Agreement between the Customer and the Developer/Contractor ● Contract Agreement/Quotation for Construction ● Letter of Intent from the Seller (where applicable) 	<ul style="list-style-type: none"> ● Consent Letter (where applicable)

Prior to Financing Disbursement	<ul style="list-style-type: none"> ● Approved House Plan ● Approval Letter from relevant authorities ● MRTT ● Fire Takaful 	<ul style="list-style-type: none"> ● Fire Takaful ● Full Valuation Report ● Signed Security Documents ● Signed Sale & Purchase Agreement 	<ul style="list-style-type: none"> ● MRTT ● Fire Takaful ● Full Valuation Report ● Signed Security Documents
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12) Are there any Developers/Contractors that can be recommended to me?

The appointment or engagement of Developers/ Contractors is entirely at your own preference but there is a requirement for the Developers/ Contractors to be registered under the Ministry of Development.

13) 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 our website.

14) Are there any other fees I have to pay?

In addition to the applicable fees and charges imposed by BIBD, you shall also be required to pay for third party fees incidental to the Home Financing such as legal fees for searches and preparation of security documents, Takaful fees for the Mortgage Reducing Term Takaful (MRTT), and valuation fees for full valuation as well as revaluation of the property as and when required. These third party fees may be included in the financing amount as a Start-up Cost or paid using your own funds.

15) Do I still have to pay for the third party fees if my financing is not approved?

Regardless of the outcome of your financing application, you shall be required to pay any and all outstanding third party fees.

16) How do I pay the third party fees?

Our Personal Banker will contact you and inform you on the outstanding third party fees. The fees shall be deducted from your account with BIBD once there is confirmation that there is sufficient funds in your account.

17) How much Start-up Cost can I include in the financing amount?

The Start-up Cost is included in the FTV calculation and is up to a maximum of BND 15,000.00 for each application, subject to respective maximum TDSR.

18) Which Law Firms, Valuers and Takaful provider do I engage?

BIBD has a panel of Law Firms, Valuers and Takaful Providers as per the following:

Lawyers	Valuers	Takaful Providers
<ul style="list-style-type: none"> ● Ahmad Isa & Partners ● Pengiran Izad & Lee ● Abrahams Davidson & Co ● Yusof Halim & Partners ● Cheok Advocates & Solicitors 	<ul style="list-style-type: none"> ● CH Williams, Talhar & Wong ● M.D. Associates ● Taylor Hobbs Co ● Arra Hartanah Associates Sdn Bhd 	<ul style="list-style-type: none"> ● Takaful Brunei Keluarga ● Insurans TAIB

19) What if I fail to fulfill my obligations?

If you fail to make your monthly payments, 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.

20) What security/collateral do I have to provide?

A fixed monthly income such as salary or pension, as well as the property being financed shall be assigned to BIBD as security/ collateral.

21) Do I need Takaful coverage?

Takaful coverage is mandatory for all financing applications and the Takaful contribution is borne by you either via deduction from your financing amount or your account with BIBD. Please read the Terms & Conditions of the Takaful Form.

22) What are the major risks?

- Additional costs to bear from legal proceedings in the event of default
 - Non-coverage of Takaful in the event of inaccurate information declared in the Takaful Form
- It is important to read the Consent & Declaration and the Terms & Conditions.

23) How will the financing amount be disbursed?

The financing shall be disbursed according to the following categories:

Completed Property	Property under Construction	Property under Mortgage
<ul style="list-style-type: none"> • Directly to Developer/ Contractor’s account with BIBD or cashier’s order (according to Sale & Purchase Agreement) in a lump sum payment 	<ul style="list-style-type: none"> • Directly to Developer/ Contractor’s account with BIBD or cashier’s order in stages of claims as per stated in Contract Agreement/ Quotation/ Sale & Purchase Agreement 	<ul style="list-style-type: none"> • Directly to Customer’s account with BIBD in a lump sum payment

24) When do I start paying the monthly payments?

For financing under Completed Property and Property under Mortgage, the monthly payments shall be deducted from your account with BIBD commencing one month after the financing has been disbursed. For example, if the financing is disbursed in September, the monthly payment shall commence in October.

There is a Grace Period for a maximum of 1 year (12 months) for Property under Construction before deduction of the monthly payments commences.

25) Can I settle my financing ahead of schedule?

Ibra (Rebate) will be given, subject to an amount to be determined by the bank at its sole discretion, for any financing amount settled earlier than maturity date including but not limited to the following situations:

- i) early settlement or early redemption including those arising from prepayments;
- ii) due to financing structuring exercise;
- iii) in the case of default;
- iv) in the event of termination or cancellation of financing before maturity date

26) Do I need a guarantor?

Guarantors are not required for this product.

27) 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
- Rights of Customer as purchaser of the commodity and appointment of BIBD as the *Wakil*
- Execution of transaction and security documents required by BIBD
- Consequences of events of default in payment

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

28) What is my entitlement?

Financing Entitlement	BND		Tenure	MTHS	
Financing Amount Applied	BND		Monthly Payment	BND	
Deduction of Fees	BND		Take Home Pay	BND	
Profit Rate (APR)	%				

29) Are there any similar facilities/products available?

No.

30) 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, please 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.

31) 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 any of our branches. 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.: +6732380007

Email : fci@ambd.gov.bn

32) Where can I get further information?

Our Contact Centre is available 24 hours a day, 7 days a week at +673 2238181. Please also visit our website at www.bibd.com.bn, BIBD Kiulap Home Centre or our Financing Branches:

- Main Branch
- Tanjung Bunut Branch
- Panaga Branch
- Serusop Branch

IMPORTANT NOTE:

Legal action may be taken against you if you fail to pay your instalments in the manner stipulated in the contract between yourself and the Bank.

The final Terms and Conditions are as stipulated in the Offer Letter and/or Facility Agreement 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.



I hereby confirm that I have explained the Product Disclosure Sheet (PDS) to the Customer in his/her preferred language.

Preferred language :

Name :

ID No. :

Date :

I hereby confirm that I have understood the explanation and content of the Product Disclosure Sheet (PDS) given in my preferred language.

Preferred language:

Name :

Date :