

Personal Finance Deferment Document – Sep 2020

In line with the Central Bank of Bahrain directives to contain the financial repercussions of COVID-19 and Standard Chartered Bank’s commitment to provide the best solutions to our customers during these challenging times, we are pleased to provide you the option to further defer your monthly Saadiq finance instalments for up to 4 months from September 2020, without any processing fees. Any profit and principal amount unpaid during the deferment, however, will be recovered through an additional murabaha.

In addition, instalments already paid in September will be reversed if you chose to defer your financing instalment(s). The above will be applicable for all Bahraini residents who have active Saadiq Personal Finance booked until 21 September 2020 that are not maturing in September 2020. To show our further commitment, we will be happy to support our Expatriate clients who are financially impacted by COVID19 in line with the bank’s criteria, policies and procedures.

What does this mean?

1. If you chose to defer your monthly instalment(s), your September instalment paid will be reversed back into your account
2. You will not be required to pay any instalment until the deferment period is over.
3. There will be no processing fees charged for this request. However, there will be another Murabaha to which will include the profit for these months and will be for the recovery of deferred instalments. Rest assured this is in line with directives from CBB and the guidance from our esteemed Shariah Board members including Sheikh Nizam Yaquby.
4. As you will not be paying your instalment for to the deferral period, your tenor will be extended by the same number of months, to account for the missed payments.
5. If you have unpaid dues, we will have your bad history cleared, and you will have the tenor extended by additional months (subject to a cap of 3 months). This will allow you to repay the unpaid dues and ensure the total number of instalments paid remain the same as before. For example, if you have not paid the last two months instalments, your financing will be extended by 6 months (payment deferral) + 2 months (unpaid instalments).
6. Profit pertaining to the deferred instalments will be charged at the end of the current financing period, further extending the tenor in order to avoid impact on your monthly instalment commitments.

Below is a sample calculation of 25,000 finance booked at a rate of 4.8% APR at maximum tenor (84 months), for reference, without any instalment deferment.

No.	Instalment Amount (BD)	Principal (Cost Price) (BD)	Profit (BD)	Outstanding Balance (murabaha price) (BD)
1	351.003	254.161	96.842	24,895.839
2	351.003	255.139	95.864	24,640.700
3	351.003	256.122	94.881	24,384.578
4	351.003	257.108	93.895	24,127.470
5	351.003	258.098	92.905	23,869.371
6	351.003	259.092	91.911	23,610.279
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79	351.003	343.002	8.001	1,734.892

80	351.003	344.323	6.680	1,390.569
81	351.003	345.648	5.355	1,044.921
82	351.003	346.979	4.024	697.941
83	351.003	348.316	2.687	349.626
84	351.003	349.657	1.346	0.000
Total	29,484.252	25,150.031	4,334.221	

Below is the same financing facility payment schedule where the customer opts for a 4 month payment deferral.

1. Tenor is extended by 6 months to account for four deferred payments.
2. Since the customer is not paying the instalments there will be a fresh murabaha for the extension period which will include the un-paid principal (commodity cost from the original financing) and relevant profit.
3. Tenor is further extended by 2 months, while ensuring monthly instalment over the extension period does not exceed the instalment value agreed for the existing facility.
4. Please note that this extension will not render the Saadiq customers monetarily dis-advantaged compared to the extension offered to the conventional banking customers.

No.	Instalment Amount (BD)	Principal (cost price) (BD)	Profit (BD)	Outstanding Balance (murabaha price) (BD)
1	351.003	254.161	96.842	24,895.839
2	351.003	255.139	95.864	24,640.700
3	351.003	256.122	94.881	24,384.578
4	351.003	257.108	93.895	24,127.470
5	351.003	258.098	92.905	23,869.371
6	351.003	259.092	91.911	23,610.279
7	Nil	Nil	Nil	23,610.279
8	Nil	Nil	Nil	23,610.279
9	Nil	Nil	Nil	23,610.279
10	Nil	Nil	Nil	23,610.279
11	351.003	260.090	90.913	23,350.190
12	351.003	261.091	89.912	23,089.099
13	351.003	262.097	88.906	22,827.002
14	351.003	263.106	87.897	22,563.896
15	351.003	264.119	86.884	22,299.778
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80	351.003	339.070	11.933	2,759.955
81	351.003	340.376	10.627	2,419.580
82	351.003	341.686	9.317	2,077.894
83	351.003	343.002	8.001	1,734.892
84	351.003	344.323	6.680	1,390.569

New Murabaha (for extension)

1	351.003	345.648	5.355	1,044.921
2	351.003	346.979	4.024	697.941
3	351.003	348.316	2.687	349.626
4	351.003	349.657	1.346	0.000
5	351.003	0	351.003	0.000
6	12.649	0	12.649	0.000
Total Payment including the extension period murabaha				
Total	29,847.904	25,150.031	4,697.873	

Undertaking by the customer will at minimum cover the following aspects;

I undertake that;

- I have understood the example calculation provided above.
- I have reviewed the new murabaha payment schedule and agree to make payments to the according to the same.
- I agree to Bank having executed the murabaha as per the Saadiq Account Opening and Personal Finance Terms & Conditions" and "Important Information Document"
- I also agree to the Bank having executed the on sale of commodity based on terms of "Agency Appointment".
- I understand that that I have to inform the Bank within 7 days of receiving the communication on deferrals, in case I need to opt out of instalment deferment facility otherwise it is deemed as accepted as per the payment schedule attached.
- I also understand that the proceeds from the new murabaha will be used to settle the deferred instalments and differential/additional profit that arises in making this facility available.