

Personal Finance Deferment Document – July 2021

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 6 months from July 2021, without any processing fees. Any profit and principal amount unpaid during the deferment, however, will be recovered through an additional Murabaha.

The above will be applicable for all Bahraini residents who have an active Saadiq Personal Finance booked until 15 June 2021.

What does this mean?

1. You will not be required to pay any instalment until the deferment period is over.
2. There will be no processing fees charged for this request. However, there will be another Murabaha 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.
3. As you will not be paying your instalment for the six-month deferral period, your tenor will be extended by six months, to account for the missed payments.
4. 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).
5. 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 BD 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 6-month payment deferral.

1. Tenor is extended by 6 months to account for six 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 unpaid 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 disadvantaged 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	Nil	Nil	Nil	23,610.279
12	Nil	Nil	Nil	23,610.279
13	351.003	260.090	90.913	23,350.190
14	351.003	261.091	89.912	23,089.099
15	351.003	262.097	88.906	22,827.002
16	351.003	263.106	87.897	22,563.896
17	351.003	264.119	86.884	22,299.778
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80	351.003	336.474	14.529	3,436.795
81	351.003	337.769	13.234	3,099.025
82	351.003	339.070	11.933	2,759.955
83	351.003	340.376	10.627	2,419.580
84	351.003	341.686	9.317	2,077.894
New Murabaha (for extension)				
1	351.003	343.002	8.001	1,734.892
2	351.003	344.323	6.680	1,390.569
3	351.003	345.648	5.355	1,044.921
4	351.003	346.979	4.024	697.941

5	351.003	348.316	2.687	349.626
6	351.003	349.657	1.346	0.000
7	351.003	0	351.003	0.000
8	12.649	0	194.475	0.000
Total Payment including the extension period murabaha				
Total	30,029.730	25,150.031	4,879.699	

Customers will be required to submit an undertaking by the customer which will cover at minimum the following aspects:

The customer shall undertake that;

- They have understood the example calculation provided above.
- They have reviewed the new Murabaha payment schedule and agree to make payments to the according to the same.
- They agree to Bank having executed the Murabaha as per the Saadiq Account Opening and Personal Finance Terms & Conditions” and “Important Information Document”
- They agree to the Bank having executed the on sale of commodity based on terms of “Agency Appointment”.
- They understand that that they have to inform the Bank within 7 days of receiving the communication on deferrals, in case they need to opt out of instalment deferment facility otherwise it is deemed as accepted as per the payment schedule attached.
- They 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.