

General Terms and Conditions for Personal Finance Products



First: Financing Limits and Restrictions

1. Maximum Consumer Financing Limit: Up to 25 times the net monthly salary, subject to a maximum of KD 25,000, to be repaid over a period not exceeding 5 years.
2. Maximum Housing Financing Limit: KD 70,000, to be repaid over a period not exceeding 15 years.
3. The monthly installments shall not exceed the ratio to the net salary: 40% for employees, and 30% for retirees.
4. The source of repayment must be the monthly salary only.

Second: Essential Documents and Requirements

The customer shall submit the following, as determined by the Bank:

1. A financing application including:
 - Financing amount
 - Repayment tenor
 - Purpose of financing
2. Current, valid, original documents, and the Bank reserves the right to verify them through appropriate means.
3. A recent official salary certificate detailing salary components and deductions.
4. A bank account statement, according to the type of employment.
5. A copy of the Civil ID or Kuwait Mobile ID.
6. A certificate from the Public Institution for Social Security indicating the employer and salary (if required).
7. A salary certificate issued by the Manpower and Government Restructuring Program (MGPR), if required.
8. A disability certificate issued by the competent authority (if required).

Third: Conditions of the Customer and the Guarantor

1. The customer must be at least 18 years old at the time of application.
2. The customer must be formally employed or retired and must submit an original salary certificate.
3. Salary aggregation between customers is not permitted, regardless of the degree of kinship.
4. Spousal guarantees are not permitted (husband for wife or vice versa).
5. Powers of attorney may not be used to create or guarantee any indebtedness.
6. The customer undertakes not to provide misleading or incorrect information.
7. The customer and the guarantor undertake to comply with all legal and financial obligations arising from the financing.
8. The signature of the legal guardian or trustee is required for transactions involving minors.

Fourth: Policies and Controls

1. The Bank reserves the right to reject or suspend the application in case of suspected forgery or incomplete documentation.
2. The Bank reserves the right to request a guarantor or additional collateral at its discretion.
3. The Bank reserves the right to conduct credit inquiries on the customer and the guarantor through its credit information systems.
4. Granting financing is subject to the assessment of the creditworthiness of the customer and the guarantor.
5. The Bank reserves the right to reject or cancel the transaction upon discovering any violation or material error.
6. The Bank is committed to verifying all obligations registered against the customer.

Fifth: Repayment Terms and Financial Obligations

1. The customer shall pay installments on the specified due dates in accordance with the repayment schedule.
2. In the event of late payment, the Bank has the right to take the necessary collection measures.
3. The installment may be deducted earlier upon salary credit.
4. The Bank has discretionary authority to approve the customer's request to restructure contractual terms to obtain new financing, in accordance with the Bank's policies and regulatory instructions.
5. The Bank has discretionary authority to approve the customer's request to amend the financing tenor or installment amount, in accordance with the Bank's policies and regulatory instructions.
6. The Bank has discretionary authority to approve a retired customer's request to restructure contractual terms, in accordance with the Bank's policies and the specific regulatory instructions applicable thereto.

Sixth: Shariah and Legal Controls

1. All financing transactions are conducted in accordance with the provisions of Islamic Shariah and are subject to the supervision of the Bank's Shariah Supervisory Board.
2. The instructions of the Central Bank of Kuwait and all applicable local laws shall apply to the contracts.
3. The Bank and the customer shall comply with (AML/CFT) policies.

Seventh: Review Period

1. The customer shall be granted a review period of two (2) business days in accordance with regulatory instructions.
2. During the review period, the customer shall receive an unsigned copy of the contract.
3. The final contract shall be signed after the expiry of the review period.

Eighth: Annual Percentage Rate (APR) for Personal Finance (Consumer and Housing Financing)

What is the Annual Percentage Rate (APR)?

It is the percentage that reflects the annual cost borne by the customer, which includes:

- Financing profit, plus
- Any additional fees, if applicable.

The annual profit percentage varies according to the financing tenor. This calculation is indicative and non-binding for Kuwait Finance House.

Why is it important to know the APR?

It provides the expected financing cost, thereby assisting in the decision-making process.

How is it calculated?

It is calculated according to the following formula:

Annual Percentage Rate (APR) = (Total financing profit percentage + any additional fees, if applicable) ÷ (Number of financing months ÷ 12)

The annual profit percentage varies depending on the financing tenor. This calculation is indicative and non-binding for Kuwait Finance House.

Example:

- Financing tenor: 60 months (5 years)
- Total financing profit percentage: 17.4%
- Additional fees: None
- Calculation: $17.4\% \div (60 \div 12) = 3.48\%$ (APR)