

PRODUCT DISCLOSURE SHEET

Kindly read and understand this Product Disclosure Sheet together with the general terms and conditions governing the product before you subscribe to the following Interest Free Banking Product: **Murabahah Financing -i.**

Bank of Abyssinia SC

Murabahah Financing-i

Date: _____

[To be filled in by Sales/Branch Personnel]

1. What is this product about?

- Is a type of mode of financing through which the Bank sales a specified asset at a mutually agreed profit rate added on the purchase cost to be repaid according to a defined repayment schedule in lump sum or in equal installments;
- The price of goods and Bank's profit on Murabaha transaction is fixed and known you and the Bank at the time of contract.

2. What is the Shariah concept applicable?

The Shariah concept applicable is *Murabahah* financing. *Murabahah* is the selling of assets as per the purchasing price with an agreed profit mark-up. Asset meant to be sold to the purchase orderer on Murabahah basis shall be legally and/or beneficially owned by the bank prior to the Murabahah sale to the customer. The sale price shall be determined based on the acquisition cost with a disclosed added mark-up amount or percentage to be determined upon concluding the Murabaha contract.

3. What types of financing will you enjoy through this product?

Any applicant for this financing facility can enjoy the following Murabaha financing facilities depending on the nature of business he/she has engaged in and its facility requirements:

- i. A Revolving Financing Facility-i
- ii. A Merchandise Financing Facility-i
- iii. Import Letter of Credit Facility-I
- iv. Pre-shipment Export Financing Facility-i
- v. Livestock Export Financing-i
- vi. Motor Vehicle Financing-i
- vii. Machinery and Equipment Purchase Financing-i
- viii. Investment Financing for Enterprises Operating in Industrial Parks-i
- ix. Partial financing-i
- x. Agricultural Term Financing-i
- xi. Import Letter of Credit Settlement Financing-i
- xii. Financing/Loan Buyout-i

4. What are the other key terms and conditions of this product that I should know?

- Physical possession or constructive possession by the seller of an asset is required for the asset to qualify for a Murabaha contract.
- Constructive possession shall be proven via existence of physical evidence of effective transfer or receipts such as warehouse receipt;
- Assets to be sold should comply with the sharia principle;
- Sales price should be determined and must be unconditional;
- Assets to be sold should exist at the time of the sale;
- Assets to be sold should not be a thing used for impermissible purpose;
- The delivery of the sold asset to you must be certain;
- Assets to be purchased for Murabaha sale shall be assets which are valid and can be considered for an enforceable sale. For example, a purchase of a “Waqf” property is not acceptable in a Murabaha sale as “Waqf” properties are restricted from being sold;
- Murabaha sale shall not take effect between the same contracting parties on the same asset;
- Re-negotiation of price and roll over of Murabaha are not permitted.
- Any asset purchased by the bank for Murabaha financing to the customer shall be specified and differentiated from similar or other goods in the same shipment. This is to ensure effective delivery of specified goods;
- You shall offer collateral for the requested facility depending on the nature of the financing type.

5. What are the fees and charges I have to pay?

Customer is required to pay the fees and charges fees as set out in term and tariff of the bank for this product. If there are any changes in fees and charges that are applicable to your facility, the Bank will notify you at least 21 calendar days prior to the effective date of implementation.

6. What are the risks involved?

You are advised to carefully consider the following risk factors before making this financing decision;

- Failure of the supplier to deliver the good or adhere to preset specifications;
- Other specific shari’a related concerns.

7. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

8. Where can I get assistance and redress?

If you wish to get any support or send your feedback on the products or services provided by us, you may contact us at :

Bank of Abyssinia SC

Interest Free Banking

Belay Zeleke Street, Besides Addis Ababa Police Station

Belay Zeleke Building

12947 Addis Ababa, Ethiopia.

Tel: +251-111-264887/+251-111-265728/ +251-111-265229/+251-111-265406

Fax: +251-111-265512

E-mail: intersefreebanking@bankofabyssinia.com

Web: www.bankofabyssinia.com

You may also contact our customer contact center at:

Toll Free Line: 8397 or Tel : +251-116-686140/+251-116-686988

9. Where can I get further information?

If you have any enquiries, please contact us at:

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Ad12947 Addis Ababa, Ethiopia.

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10. Other Financing Products Available

- Bai Selam Financing
- Qard Financing
- Guarantee