

Key Fact Statement (KFS) for INVESTMENT BASED LENDING PROGRAM (IBLP)

This KFS provides you with indicative information about the facility highlight including loan criteria, interest rates, fee and charges of this product but please refer to our final offer letter and the Secured Loan Facility Terms & Conditions (“IBLP T&Cs”).

Investments Based Lending Program (IBLP) is a ‘Portfolio based Lending against investor’s portfolio of Cash equivalents and eligible Marketable Securities such as stocks and bonds to high-net-worth individuals or corporates.

IBLP provides facilities for the use of investment in securities or access to funds for any purpose.

- The Bank becomes a lien holder after the borrower deposits their securities.
- The Bank will make available loan funds ranging from 50% to 95% of the securities’ market value and depending on the types of securities.
- The Bank accepts securities in forms of Mutual Funds, Fixed Income Bonds, Sukuks, Equities, Capital Guaranteed Structures, Fixed Deposits, Certificate of Deposits etc.
- The exact facility eligible amount depends upon the specific underlying assets in the portfolio and the level of diversification.
- Borrowers benefit from easy access to capital, and greater repayment flexibility and also avoid having to sell their securities.

Facility Criteria	
Facility Amount	Facility Amount subject to approval on Borrower assessment
Facility Tenor	Overall Facility tenor of 2 years with a review on Borrower relationship
Loan to Value	50% to 95% of the acceptable investment value subject to pre-approved limit for a Borrower.
Age	Minimum Age: 21 years at the time of application Maximum Age: 65 years
Facility Currencies	Actual Facility Availed is the total sum of all the term loans and OD limits taken at any point in time and should be within 100% of the Margin Ratio.
Margin Call and Liquidation Triggers	<p>Margin Ratio (MR) = $\frac{\text{Actual Facility Availed}}{\text{Eligible Loanable Amount}} \times 100$</p> <p>Actual Facility Availed is the total sum of all the term loans and OD limits taken at any point in time and should be within 100% of the Margin Ratio.</p> <p>Eligible Loanable Amount is calculated based on all the eligible collaterals pledged in the portfolio after applying applicable LTVs and subject to maximum of Facility limit assigned.</p> <p>Margin Call Trigger – if MR is at or above 115% but below 125% additional eligible collaterals to be furnished or reduce exposure to bring the MR below 112% within 3 business days.</p> <p>Liquidation Trigger – if MR is at or above 125%, it will result in liquidation of collaterals to reduce the exposure in order to bring the MR below 112%.</p>

As the value of the underlying collateral changes, the credit capacity of the account fluctuates, and this may make it necessary for the Borrower to deposit additional collateral either in the form of cash or by depositing other acceptable investments previously not included in the collateral. The borrower can also repay some or all the outstanding facility balance. If not done within a certain period known as a “cure period,” which could range from two days up to three days, the Bank will liquidate the securities that act as collateral by selling them.

Prior to signing your IBLP security documents, you should read all the terms & conditions of the Facility provided to you carefully to ensure that this is the best product for you and that you understand the features and terms of this product.

WARNING - KEY OBLIGATIONS OF THE CUSTOMER & CONSEQUENCES IN CASE OF FAILURE TO MEET THE SAME:

Responsibility	Failing Which
<ul style="list-style-type: none"> Pay the Term loan commitment on the due date in case of Term Loan If transferring any payment online from outside Mashreq, ensure such payment is done within 3 working days of the due date to avoid irregular payment 	<ul style="list-style-type: none"> You will be charged penal interest on the principal amount outstanding as per schedule of charges Any missed/delayed loan installment payment, we will record the details with a Al Etihad Credit Bureau which could damage your credit score or history and may make it more difficult for you to obtain credit in the future. In case of continued nonpayment, the bank will employ all available measures to recover the due amount including liquidation of your security held under lien with the Bank. This may include, and not be limited to, reaching out to you on the phone, over emails, by conducting physical visits to you.
<ul style="list-style-type: none"> Please keep the bank informed of any changes in your contact details or IDs (Telephone, Mobile, email address, Emirates ID, Passport, etc.). 	<ul style="list-style-type: none"> Expired documents or outdated details may hamper our ability to process transactions or reach out to you in time of need.
<ul style="list-style-type: none"> Please ensure you review all statements and transaction notifications promptly as received from the bank 	<ul style="list-style-type: none"> Disputing charges long after the fact can be a long and cumbersome process, with high chances of your request being declined by the bank
<ul style="list-style-type: none"> Please ensure all correspondence with the bank is always kept secure 	<ul style="list-style-type: none"> Your personal financial details, if compromised at your end, may be mis-used by fraudsters

Loan Interest Rates and other Criteria

Schedule of Charges	Charges (VAT Inclusive)	Illustration
Rate of Interest for Term Loan	Respective Tenor interbank lending rate + upto 1.75% p.a.	<p>Loan amount USD 100,000</p> <p>If Tenor = 3 months</p> <p>Interest rate = 3 months SOFR + 1.75% (whereas 3 M SOFR = 0.10%)</p> <p>Appx 90 days (3 months) Term Loan interest = USD 463/-</p>
Rate of Interest for Overdraft	3 Months interbank lending rate + 2.25%	<p>Overdraft Limit = USD 500,000</p> <p>Overdraft Utilization = USD 200,000 (throughout the year)</p> <p>Interest rate on USD Term loan = 3 Months SOFR + 2.25% (whereas 3 M SOFR = 0.10%)</p> <p>One-year Overdraft interest = USD 4,700/-</p>
Penal Interest rate on Term loan	2.00% over and above the Term loan interest rate	<p>Interest rate of 2% over and above the interest rate will be applicable on the principal outstanding for the non-payment period.</p> <p>If interest is not paid for 10 days. Then :</p> <p>3 Months SOFR + 3.75% x Loan amount USD 100,000 x 10 days = USD 107 over the interest amount of USD 463</p>

Schedule of Charges	Charges (VAT Inclusive)	Illustration
Repayment	As per the frequency of the term loan Monthly in case of the Overdraft facility	<p>Term loan:</p> <ul style="list-style-type: none"> - 3 months in case of a 3 months term Loan - 6 months in case of a 6 months term loan - 12 months in case of a 12 months term loan <p>Under Rollover basis, Interest to be paid as per specific tenor and Principal will be rolled over.</p> <p>Under Fixed basis, both principal and the interest to be serviced as per the above tenor.</p> <p>Interest amount may vary based on the variation in Eibor /SOFR at the time of rollover.</p> <p>Overdraft:</p> <p>Interest to be paid monthly else will be capitalized along with the monthly outstanding balance.</p>
Processing Fee on Term loan	Upto 1.00 % of the Facility amount	Fee applied 1.00% x Term Loan amount USD 100,000 = USD 1000/-

Bank reserves the right at any time to withdraw the Facility without giving any reason for such withdrawal and termination.

Mashreq bank psc has the right to change the Terms and Conditions, fees and charges according to Bank's policy by providing 60 days' notice.

Your Right to Cancel: This is to inform you that, pursuant to the Consumer Protection Standards issued by the UAE Central Bank, you have the right to cancel the IBLP T&Cs within 5 Business Days from your date of signing thereof ("Cooling-Off Period"). On the 6th Business Day (or 1 day after the expiry of the Cooling-Off Period), you must inform the Bank of your decision to cancel or terminate the IBLP T&Cs otherwise the same shall be deemed accepted by you.

If you decide to cancel or terminate the IBLP T&Cs latest by 1 Business Day after the Cooling-Off Period, you agree to pay direct and related costs (including applicable interest) that the Bank may have already incurred in relation to the IBLP T&Cs.

I/We acknowledge receipt of the Key fact sheet.

Full Name as per Account Title

Signature

Date in DD/MM/YYYY