



## Key Fact Statement for Secured Lending

The below table provides a summary of key facts associated with the security-backed credit facilities that Emirates Investment Bank pjsc ("EIBank") may elect to make available to you.

### Key Facts

### Main characteristics

#### Description →

- Fixed term or overdraft facility (loan).
- The loan is granted against securities (e.g. shares, bonds) deemed "eligible" by EIBank, which you will register in EIBank's name as collateral for the loan.
- The signed facilities letter will set a "Loan Limit". This is the maximum amount that you are eligible to borrow.
- The amount of the loan will depend on the LTV (Loan to Value) assigned by EIBank to the securities that you provide as collateral. For example, if EIBank assigns an LTV of 60% for the shares of company ABC Ltd., you will be granted a facility of AED 600,000/- against shares worth AED 1,000,000/- of company ABC Ltd.
- If at any time the total amounts owed by you to EIBank exceed the Loan Limit, you will receive what is known as a Margin Call. You will have to respond to the Margin Call by promptly depositing cash or additional eligible securities in your account. If you fail to do so, EIBank has the right to sell part or all of your securities as required to generate the necessary cash to reduce the Loan Balance.
- The facility period is one (1) year.
- The Loan Balance (being the amount of the loan plus interest, costs, expenses and charges) is payable in full at the end of the facility period. Absent full payment, EIBank can claim repayment in court and/or sell your securities to recover all amounts due and owing to it.
- EIBank may agree, at its sole discretion, to extend the facility period on terms, conditions, interest rate and fees to be agreed between you and EIBank.
- The loan can be terminated by EIBank at any time upon 60 days prior written notice to you.

#### Fees & Charges →

- The Interest rate charged to you will be agreed in advance between you and EIBank.
- The interest rate will consist of two components: a reference to a benchmark rate (e.g. 3 Month USD LIBOR/AED EIBOR) and a Margin Rate. The benchmark rate is updated quarterly. To give you an example:

If USD LIBOR on 5 January is 0.39745 and the Margin Rate is 3%, the interest charged will be 3.39745%

5th January	5th April	5th July	5th October
$0.39745 + 3\% =$ <b>3.39745%</b>	$0.45474 + 3\% =$ <b>3.45474%</b>	$0.32312 + 3\% =$ <b>3.32312%</b>	$0.57489 + 3\% =$ <b>3.57489%</b>

- The Interest rate charged to you can be higher or lower depending on the movement of the applicable reference benchmark rate.
- The interest rate accrues daily, is calculated on a 360 day basis and is payable monthly from your own source of funds.
- The Margin Rate (and any other applicable fees) can change upon 60 days prior written notice.

- Interest and all other fees and charges shall be debited to an account established for you with EIBank for this purpose. This account must always have a positive balance, failing which EIBank can liquidate securities from your portfolios to generate the necessary funds for that purpose.
- Custody Fees will apply on the investment product holdings that you buy using the credit facility and will be agreed between you and EIBank in advance.
- If the Loan Balance remains outstanding after the end of the facility period, EIBank will charge you a penal interest of 4% per annum in addition to the interest rate until the date of actual payment. The penal interest shall accrue daily.
- VAT will apply and will be charged on all amounts payable by you.

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## Important points

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### Liability →

- EIBank's credit facilities are granted against the quality of the shares and bonds provided as collateral for the loan. Any investment made by you using the credit facility is made at your sole responsibility and liability.
- Your obligation to repay the Loan Balance in full at the end of the facility period is unconditional. It is not linked to nor dependent on the results of the investment(s) you choose to make using the loan amount. The relationship between you and EIBank is one of borrower / lender; it is neither a partnership, nor a joint venture nor any other form of joint endeavour.

### Disclaimer →

- This document does not constitute an offer to contract nor is it binding in any way on EIBank.
- The only contractual relationship that may exist between you and EIBank is one that is evidenced in the agreement signed by you and EIBank, which documents all associated risks and precautionary notices.
- EIBank does not incur any liability if you make or refrain to make any act or decision based on the terms of this Key Fact Statement.