# Key Facts Statement (KFS)

## Term Loans | Demand Loan

**This Key Facts Statement is provided in accordance with the applicable UAE Central Bank regulations and standards relating to customer protection, including the Small to Medium Sized Enterprises (SME) Customer Protection Regulation, as applicable**

### Important Information

**Term Loan/Demand Loan (TL)** is a lending product for individuals / corporate entities, offered specifically for buying / establishing capital assets or long-term purposes, with the loan to be paid over a specific period of time on terms and conditions agreed with the Bank. For detailed terms and conditions, please refer to the final sanction letter and loan agreement.

| Product Description | |
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| **Eligibility** | Entities licensed to operate in the UAE. |
| **Currency of Loan** | AED (Arab Emirates Dirham) / USD (US Dollar), subject to regulatory guidelines. |
| **Tenor** | • **Short Term Loan:** up to 12 months<br>• **Medium Term Loan:** up to 5 years<br>• **Long Term Loan:** above 5 years |
| **Purpose** | For setting up new projects, expansion of existing unit, equipment purchase, or other capital expenditures, long-term funds requirement for any other general corporate purpose etc., except speculative purpose and activities prohibited by law. |
| **Loan Repayment** | Repayment shall be through equated or non-equated instalments, as per the agreed repayment schedule, comprising principal and interest. The repayment frequency may be monthly, quarterly, semi-annually or annually, as mutually agreed with the customer.<br>Where appropriate, bullet repayment, step-up or step-down repayment structures may also be stipulated as per the agreed terms and repayment plan. Interest to be charged as and when debited. |
| **Interest Rate** | Emirates Interbank Offer Rate (“EIBOR”) (For credit facilities denominated in AED) / Secured Overnight Financing Rate (“SOFR”) (1, 3, 6, 12 months) (For credit facilities denominated in USD) + Margin = Effective Rate, based on the currency of limits sanctioned.<br>A floating / variable interest rate linked to EIBOR / SOFR, as applicable, shall be charged by the Bank based on its assessment and the terms stipulated for the facility. Interest shall be calculated on the amount actually utilized under the facility and shall be debited to the customer’s account on a monthly basis, with the interest relating to each individual facility / utilization becoming payable as and when charged in the account. |
| **Securities** | • Unsecured or secured as per the separate Facility Agreement signed with the Bank, detailing all Terms and Conditions.<br>• Security in the form of tangible assets, such as land, buildings and machinery, including assets to be acquired out of the Term Loan proceeds, and / or other collateral securities acceptable to the Bank at its discretion. The securities |

| Product Description | |
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| | shall be duly registered with EIRC and / or the competent authority, as applicable.<br>• In addition, other forms of security which may include Guarantees from corporates, individuals or banks may also be required. |

| Key Fees and Service Charges | |
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| **Loan Processing Fee** | As per the Facility Sanction Letter |
| **Review / Renewal Charges (Annual basis)** | As per the Facility Sanction Letter |
| **Documentation Charges** | As per the Facility Sanction Letter |
| **Prepayment / Early Settlement / Foreclosure** | As per the Facility Sanction Letter |
| **Valuation Charges** | Valuation is an independent assessment to determine the current value of the Primary / Collateral Security. Valuation fees of the valuer will be based on the scope of the valuation, size and type of the security. The expenses towards the same shall be borne by the borrower/s at actuals. |
| **Legal Fees / Charges** | Work related to execution of documents and vetting of the documents will be carried out by the Bank's legal department / Bank's empanelled legal counsel. The expenses towards the same shall be borne by the borrower/s at actuals. |
| **Insurance of Securities** | Adequate insurance cover for all assets of the entity, i.e. Primary / collateral security, to be taken as per the Bank's guidelines and expenses to be borne by the borrower/s. Insurance shall be arranged by the Borrower/s at its own cost, with the policy duly assigned in favor of the Bank, as applicable. In case, if Borrower/s fails to arrange the Insurance, Bank may arrange it with charges to be debited to Borrower/s account. |

**Notes**

I. The Collateral / Security will be evaluated by an approved valuer and facility documents will be vetted by the Bank's legal department / Bank's empanelled legal counsel. The expenses towards the same shall be borne by the Borrower/s at actuals and shall be non-refundable.

II. Key charges in relation to the structure and facility would be incorporated in the facility sanction letter at the time of approval.

III. All charges, commissions and fees are inclusive of Value Added Tax (VAT) and / or other similar sales tax.

IV. Other applicable fees and charges shall be levied as per the Bank's prevailing Schedule of Charges, as amended from time to time and available on the Bank's website.

V. Detailed Terms & Conditions will be finalized on mutually agreed terms at the time of final sanction.

To know more about charges & fees, please visit the Bank's website: **www.bankofbarodauae.ae**

## Warning Statements / Key Observations

⚠ The facility terms and conditions shall be detailed in a separate Sanction Letter, which shall be duly accepted prior to availing the facility. Any clarification regarding the Terms and Conditions may be discussed with the Bank Officials prior to acceptance of the Sanction Letter.

⚠ Renewal / review of the facility is subject to submission of required documents for renewal / review of limits, compliance of applicable terms and conditions and the Bank's internal credit assessment.

⚠ The Borrower/s to provide the necessary information / documents at least 90 days prior to the facility renewal date to facilitate timely annual renewal. Renewal of the limits and the terms of the renewed facility shall be subject to the Bank's approval.

⚠ The Bank may vary the pricing applicable to the Product from time to time.

⚠ The terms and conditions applicable upon renewal/review may be revised and shall be subject to the Bank's discretion and approval.

⚠ The Borrower/s to adhere to the facility covenants and Terms and Conditions and provide the required information / documents in a timely manner throughout the facility tenor to avoid cancellation of the limit, which may subsequently affect the Borrower/s credit score with regulatory authorities / Credit Information Agencies and impact access to future financing.

⚠ If the borrower/s pays off the loan prior to the due date, the borrower/s will have to pay prepayment charges at the rates detailed in the final sanction letter.

⚠ The Demand Loan / Term Loan carries a variable interest rate linked to the benchmark rates viz EIBOR / SOFR, depending on the currency of the loan, and an increase in the benchmark reference rate may increase interest payable, periodic instalment and / or overall cost of borrowing.

- If the borrower/s fails to make payment or otherwise breaches the mutually agreed Loan Terms, this will be treated as default and the Bank will be entitled, among other things, to:
  - Charge additional and separate penal interest / charges of 2% p.a. for the non-compliance of Terms and Conditions;
  - Cancel the loan and demand full repayment immediately;
  - Report the arrear / default to the appropriate regulatory authorities, including the UAE Central Bank, Al Etihad Credit Bureau and credit rating agencies, which will affect Borrower/s credit rating and may limit Borrower/s ability to access financing in the future.
  - Bring legal proceedings against the borrower/s, Promoters & Guarantors, and legal action over the primary as well as collateral securities;
  - In the event of default or non-repayment of the loan facility, the Bank reserves the right to appropriate the pledged deposit towards settlement of the outstanding dues, including principal, interest, charges and other applicable amounts.

## Key Information

- The Bank may, from time to time and at its sole discretion, make changes to the Terms and Conditions pertaining to this Product. Without prejudice to the nature of this Product, where required under applicable law, such changes shall be communicated to Borrower with the stipulated notice period and / or as mutually agreed in the Sanction Letter signed by Borrower/s.
- This Key Facts Statement is not a credit offer and does not constitute an obligation on the part of the Bank to provide any loan facility.
- The Bank is not obliged to extend the loan described herein. Borrower/s must formally apply and meet the Bank's internal credit and eligibility criteria.
- The facility is granted under discretionary lending and a separate Facility Agreement will be executed, detailing all applicable Terms and Conditions.
- Prior to signing the Loan Agreement and Sanction Letter, Borrower/s are advised to carefully review all terms and conditions to ensure that the facility meets their needs and that Borrower/s fully understand the features, obligations, and pricing associated with the product.
- All loan amounts, along with accrued interest, must be repaid as per the agreed repayment schedule. Failure to make timely payments may result in Borrower/s account falling into arrears / default, potentially impacting Borrower/s credit score and affecting access to current or future financing.
- Borrower/s must comply with all facility covenants and terms, including timely submission of required information during the loan tenure. Non-compliance may lead to cancellation of the facility and could adversely impact Borrower/s credit rating with regulatory authorities or credit bureaus.
- For any enquiries, assistance, or to register a complaint, Borrower may contact the Bank at any of its branches or by visiting the website: **www.bankofbarodauae.ae**.

**ACKNOWLEDGEMENT**

**I ACKNOWLEDGE RECEIVING AND UNDERSTANDING THIS KEY FACTS STATEMENT.**

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| Customer Name | Customer E-mail |
| Contact No. | Date |
| Customer Signature | Branch Official (Name, Signature & Stamp) |