

KEY FACTS STATEMENT (KFS) – Secured Share Finance

Client Name	
CID	
Branch	
Emirate	
Facility Reference Number	
RM Name	
Date	

IMPORTANT:

Read this document carefully and sign only if you clearly understood and agreed to the content of the Key Facts Sheet. It is available in English and Arabic as issued by Ajman Bank. You may also use this document to compare different Financial Products offered by other banks. You have the right to receive Key Facts Sheet from other banks for comparison and also in future if required, it can be provided to you by simply contacting your Relationship Manager or our toll free number 800 22 or placing a request at any of our branches or by visiting www.ajmanbank.ae

Ajman Bank hereby declares that it has been licensed and authorized to carry out banking business and services in UAE by CBUAE. All our products and services are Sharia compliant and approved by our Internal Sharia Supervision committee. For details on approval, kindly visit www.ajmanbank.ae.

PRODUCT INFORMATION

A Finance Facility for trading in selected Sharia-Compliant Shares listed in UAE Equity Markets as approved by The Unified Committee of Islamic Banks for Shari'a Screening of Equities and Ajman Bank Internal Sharia Supervision Committee.

Eligibility	Individuals & Institutions Individuals: Citizens, UAE Residents & Non-Residents. Institutions: Must be Registered in UAE.
Finance Facility	The maximum facility granted to the Client for trading will be 1:1 Against the Value of Sharia-Compliant Shares acceptable to Ajman Bank and/or Cash Deposited into a non-withdrawal account with Ajman Bank. Facility is restricted to Trading in Shares and will not be extended in Cash. <u>Illustration</u> If the client contributes AED 100,000, Bank shall grant a facility of AED 100,000 (1:1) Important: Client will only be allowed to Trade in Shares and not transfer/withdraw Shares or Cash. Client will only be allowed to withdraw Capital Gains, subject that the "Finance to Value" is below 50% and with the Bank's prior approval to do so.
Facility Structure	Commodity Murabaha on DMCC Platform
Finance Amount	Min Finance Amount: (AED) 500,000 Max Finance Amount: (AED) 250,000,000

Profit Rates	<p>Respective EIBOR + 4 % Spread (Profit rate will be agreed at the time of contract and will be fixed till maturity of the Murabaha Contract)</p> <p>(Minimum profit rate to be 5% per annum)</p> <p>Illustration</p> <p>Scenario 1</p> <table border="1"> <thead> <tr> <th>12 Months EIBOR</th> <th>Spread</th> <th>Total Profit rate</th> </tr> </thead> <tbody> <tr> <td>2.5 % p.a</td> <td>4 %</td> <td>2.5 % + 4 % = 6.5 % per annum</td> </tr> </tbody> </table> <p>Profit rate Calculation</p> <table border="1"> <thead> <tr> <th>Murabaha Amount</th> <th>Murabaha Tenure</th> <th>Profit rate</th> <th>Net Profit to be charged per annum</th> </tr> </thead> <tbody> <tr> <td>AED 1,000,000</td> <td>1 Year</td> <td>6.5% per annum</td> <td>AED1,000,000*6.5 % = AED 65,000</td> </tr> </tbody> </table>	12 Months EIBOR	Spread	Total Profit rate	2.5 % p.a	4 %	2.5 % + 4 % = 6.5 % per annum	Murabaha Amount	Murabaha Tenure	Profit rate	Net Profit to be charged per annum	AED 1,000,000	1 Year	6.5% per annum	AED1,000,000*6.5 % = AED 65,000								
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Processing Fees (One-time)	<p><u>Illustration</u></p> <p>Scenario 2</p> <table border="1"> <thead> <tr> <th>12 Months EIBOR</th> <th>Spread</th> <th>Total Profit rate</th> </tr> </thead> <tbody> <tr> <td>0.5 %</td> <td>4 %</td> <td>0.5 % + 4 % = 4.5 % per annum</td> </tr> </tbody> </table> <p>Note: In above scenario, profit rate to be 5% to comply with minimum profit requirements.</p> <p>Profit rate Calculation</p> <table border="1"> <thead> <tr> <th>Murabaha Amount</th> <th>Murabaha Tenure</th> <th>Profit rate</th> <th>Net Profit to be charged(Per annum)</th> </tr> </thead> <tbody> <tr> <td>AED 1,000,000</td> <td>1 Year</td> <td>5% per annum</td> <td>1,000,000*5 % = AED 50,000</td> </tr> </tbody> </table> <p>Important: This figures are estimates / examples only. They are not reliable guide to the future performance of this product</p> <p>Up to 1% from the Financed amount</p> <p>Processing Fees to be collected up-front upon Disbursement</p> <p><u>Illustration</u></p> <table border="1"> <thead> <tr> <th>Murabaha Amount</th> <th>Murabaha Tenure</th> <th>Processing Fee</th> <th>Net Processing Fee</th> </tr> </thead> <tbody> <tr> <td>AED 1,000,000</td> <td>1 Year</td> <td>1%</td> <td>AED 1,000,000*1 % = AED 10,000</td> </tr> </tbody> </table>	12 Months EIBOR	Spread	Total Profit rate	0.5 %	4 %	0.5 % + 4 % = 4.5 % per annum	Murabaha Amount	Murabaha Tenure	Profit rate	Net Profit to be charged(Per annum)	AED 1,000,000	1 Year	5% per annum	1,000,000*5 % = AED 50,000	Murabaha Amount	Murabaha Tenure	Processing Fee	Net Processing Fee	AED 1,000,000	1 Year	1%	AED 1,000,000*1 % = AED 10,000
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Facility Tenor																							

	1 Year on Revolving Basis with the facility to be utilized within 3 months. (subject to the Bank's approval)
Initial Collateral	<ul style="list-style-type: none"> a) Selected Sharia-Complaint Shares listed in Dubai Financial Market (DFM) or Abu Dhabi Stock Exchange (ADX) when converted into Drawing Power. b) Client's Cash Deposit in non-withdrawal account with Ajman Bank or Client's sub-account with the Brokerage Firm(s). c) Combination of (a) & (b)
Finance to Value (FTV)	$FTV = \frac{\text{Net Outstanding Facility}}{\text{Market Value of Shares} + \text{Cash Available for Trading} + \text{Additional cash under lien}} \times 100$ <p>Finance to Value (FTV): FTV is the finance to value equation that calculates the percentage of the Net Outstanding Financed Amount to the Value of all Collateral</p>
Margin Call	<p>Margin Call FTV: 70%</p> <p>Margin Call: Client to top up his portfolio within 5 business days from the date of notification by the Broker and/or the Bank, otherwise the Bank has the right to liquidate.</p> <p>Trading account will be restricted till Client can regularize the margin call and reach to cure FTV</p>
Cure FTV	FTV: 65% (FTV level to clear the shortfall).
Liquidation	FTV: 80% means immediate liquidation of the portfolio without Client consent/notice.
Coverage/ Securities	All Shares purchased by the Client using the approved limit will also be treated as security i.e., will be registered in Ajman Bank's name. Client will be allowed to trade on these Shares (buy & sell) but will not be allowed to transfer the Shares or Cash out of the margin trading account
Method of Repayment (Variable) Note: Depending on selected Murabaha tenure.	<p>Client Shares brought in as initial security will be registered under Ajman Bank's name.</p> <p>Client will have the option to choose between Murabaha repayment modes at the time of utilization:</p> <ul style="list-style-type: none"> o 3 Months o 6 Months o 9 months o Bullet Payment at the Maturity of the Murabaha, i.e. 12 Months.
PRODUCT BENEFITS	
<ul style="list-style-type: none"> ■ Maximizing Client investment capacity in Dubai Financial Market (DFM) and/ or Abu Dhabi Stock exchange (ADX) ■ 100% Sharia-Compliant Product under Murabaha structure. ■ Offering facility against Shares holding portfolio and/or Cash Deposit with Ajman Bank. ■ Client will be allowed to trade in holding and financed Shares freely in accordance to the facility terms and conditions. ■ Wide selection of top traded Sharia-Compliant Shares listed in DFM and ADX. ■ Flexibility on the Murabaha tenor. ■ Flexibility on repayment frequency. ■ Competitive profit and fee structure. 	

YOU SHOULD KNOW

Important: Secured Share Finance could result in Partial or, in extreme cases, total loss of your own contribution for the Investment underlying the Finance. At maturity you will have to make payment for all your obligations under Finance even if the performance of the Finance is Negative.

Failure to meet your payment obligations on time may negatively affect your credit rating, which will limit your access financing in the future.

The decline in Market Value of Investment underlying the Finance can lead to erosion of your capital to a point of Margin Call Scenario which could result in significant capital losses.

Rising Inter-Bank rates or charge in Inter-Bank rate benchmark will increase the quarterly profit payments payable by you under floating rate structure.

You may not be able to sell your Investment in the event of Margin Call Scenario, due to Illiquid market conditions and may have to fund your shortfall using other sources including cash and Deposits.

In the event of the aggregate value of the Islamic Assets reaching the Margin Call Level with no action taken by the Client to fulfill any Client Obligations within the agreed period, or in the event of the aggregate value of the Islamic Assets reaching the Liquidation Level, the Bank shall sell the Islamic Assets in part or in full and this may lead to losses exceeding the Client's Initial Collateral Asset.

You must maintain adequate funding to service profit payments as per the terms and conditions of the Contract on a quarterly basis.

If any dues on the availed finance outstanding for more than sixty calendar days, you will be reported to the Central Bank and Al Etihad Credit Bureau (AECB) which could impact your creditworthiness assessment within UAE.

Investment Product Finance is determined as Sharia compliant by the Bank's Internal Sharia Supervisory Committee (ISSC).

The Financing including profit rates or any other related charges shall be subject to a periodic review by the Bank, and the Bank shall have the right to withdraw, change or cancel the Agreement or any part thereof at any time subject to providing a written notice of 60 calendar days.

Customer should be aware about the risks involved in trading / investing in Islamic Assets and accept any possible losses resulting from such trading and/or investment, without any liability on the part of the Bank.

Granted Islamic Finance Facility may be reviewed from time to time by the Bank. Before, on or after such a review, the Bank may, by giving sixty (60) calendar days' prior written notice, suspend the Islamic Finance Facilities in whole or in part, terminate the Islamic Finance Facilities, demand repayment of the outstanding Islamic Finance Facilities, amend the Islamic Facilities and/or continue the Islamic Finance Facilities.

On expiry of the said sixty (60) calendar days' notice period unless the Client has accepted the amendments, the Bank shall be entitled to suspend, terminate or demand repayment of, all or part of, the Islamic Finance Facilities.

Any continuation of the Islamic Finance Facilities shall be the rights of the Bank to demand repayment or to terminate or amend the Islamic Finance Facilities at any time thereafter.

The Client shall remain liable to the Bank for all liabilities (with actual or contingent) under this Agreement before, on or after such review.

If an approved facility is not utilized by a client in 90 days, then the bank has the right to cancel / amend the facility by providing a written notice to the client.

PRODUCT SPECIFIC RISK FACTORS

Client shall be liable for any and all fines and/or penalties levied and imposed by regulatory/ authorities as a result of investing into Islamic Assets.

The Client shall reimburse the Bank for any additional costs, expenses, or losses it might have incurred or may incur for reasons outside the control of the Bank.

After serving a notice on the Client, Bank may deduct from any of the client account and sell any securities, Islamic Assets or anything of material value owned by the client and held by the Bank under its control, and apply such proceeds to settle any and all obligations payable and due from the Client.

The Bank's Sharia Internal Sharia Supervision Committee (in its absolute discretion) may determine that the Islamic Assets are no longer Shari'a-compliant, the Bank will notify the Client accordingly and then the Clients Obligations to the Bank shall become due and payable after a notice period of ninety (90) calendar days.

The Bank has the right to add or remove any of the Eligible Islamic Assets at its sole discretion away from the Islamic Asset shari'a – compliant, the Bank will notify the Client accordingly and the Client's Obligations to the Bank shall become due and payable after a notice period of ninety (90) calendar days.

COOLING OFF PERIOD

Khiyar Al-Shart (Cooling off Period) is defined as a period of time after a contract is agreed during which the buyer can cancel the contract without incurring a penalty. Bank provides a 'Cooling Off Period' of 5 complete business days from the date of signing this KFS for you to decide in continuing to proceed with your Investment. Customers may waive the cooling-off period of complete 5 business days by signing a written waiver provided by Ajman Bank .

WARNING

In the event of a Consumer's failure to meet the Bank's terms and conditions before and during the Consumer's relationships with the Bank, the bank may initiate appropriate action as deemed necessary as a consequence of non-repayment or non-fulfillment of signed approval terms and conditions.

The actions taken may include the following:

- Negative rating in the AECB bureau or Central Bank, due to which it may prove difficult to avail facilities from any other bank in UAE
- Legal Proceedings via Court
- Collection measures including presenting security cheques for clearing and claim on guarantees
- In case additional securities in terms of pledge collaterals, guarantors, post-dated cheques etc. are obtained, these securities can be utilized or be enforced in case of any default in payment or non-fulfillment of any terms and conditions of facility offer letter or any other signed contract

COMPLAINTS AND SUGGESTIONS

For Complaints and suggestions, you may visit any of our Branches and submit in writing or verbally to our Customer service officer. You can also call our Phone Banking on 80022 and we will be happy to assist. Alternatively, you may also use our website (www.ajmanbank.ae) or Email address (investment@ajmanbank.ae)

IMPORTANT NOTE FOR THE CUSTOMER AND THE BANK

This Key Facts Statement is available in English / Arabic in all our Branches and through the dedicated Relationship Managers.

This Key Facts Statement must be duly signed by the Customer, prior to availing the financial product and/or service. A duplicate copy of the signed documents would be provided for your information and records at any point of time during the relationship tenure and/or based on your request. In an instance of joint relationship, the Key Facts Statement copy need to be agreed and signed by the joint party as well and same has to be physically handed over to all the account holders.

Please note the T&C of this Key Facts statement and Investment related documents may not be changed unless and until otherwise agreed by you as a Client and the Bank.

MARKETING AND PROMOTIONAL - COMMUNICATION

I agree to receive promotional/marketing/product communication from the bank - Yes No

If you wish to "Opt in / Opt out" of receiving marketing / promotional communication, you may call us any time at 800 22

Preferred mode of communication (if Yes) - email SMS

Please Specify how you want to receive Documentation / Communication from Ajman Bank – Digital Copy via Email Hard copy

ACKNOWLEDGEMENT

Customer Name		Date	
Product Chosen			
Land Line Number		Mobile Number	
Email address			
Customer Signature		Signature Verified	
RM / SSO Signature		RM / SSO Signature	