



HSBC Bank Middle East Limited

Key Facts Statement - UAE Personal Loans (Unsecured)

PRODUCT/SERVICE DESCRIPTION AND KEY FEATURES	
Description	Personal loans are granted to customers to finance their personal needs for example annual rent, home improvement, education...etc.
Key Features	<ul style="list-style-type: none"> ▶ Fixed rate loan with monthly instalments comprising principal and interest ▶ No credit life insurance is required to apply for the loan ▶ Top-up option available after 12 months of successful repayments ▶ Buy-out facilities to HSBC from another financial institution ▶ Flexible tenures from 6 to 48 months, 60 months in case of UAE Armed forces ▶ Early settlements and partial Payments are allowed subject to applicable fees and charges as listed under Schedule of Services and Tariffs ▶ Option to take two payment holidays per year subject to applicable fees as listed under Schedule of Services and Tariffs. <p>Types of Personal Loans we offer:</p> <ul style="list-style-type: none"> ▶ Unsecured Personal Loan (Salary Transfer): To finance personal needs for example annual rent, home improvement, education etc. ▶ Unsecured Personal Loan (Non-Salary Transfer): To finance immediate needs for example rental and medical expenses etc. This type of loan charges higher amount of interest as will be recorded under your Loan Agreement. ▶ Loan AsYouGo with GEMS Education: Flexible borrowing solution that splits a loan into tranches to match school tuition fees per each term. ▶ Energy Efficient Loans: to finance purchase of solar panels for your home from an empaneled provider. <p>Eligibility</p> <p>You can apply for a Personal Loan if you:</p> <ul style="list-style-type: none"> ▶ are a UAE national or resident ▶ are between 21 and 65 year's old ▶ earn at least AED 7500 a month for a Salary Transfer Loan and AED 15,000 for a Non-Salary Transfer Loan ▶ have a current account with HSBC (For both Salary & Non-Salary Transfer Loans) and credit your salary to that account (Only for Salary Transfer Loan) <p>Final approval of your loan facility is subject to meeting other internal policies, satisfactory documentation and credit bureau checks.</p>
WHAT YOU PAY - INTEREST, FEES AND CHARGES	
Annual Percentage Rate (APR) <small>(The figures are examples for guidance and illustration purposes only)</small>	<p>APR is the Annual Percentage Rate which is inclusive of the annual interest rate based on reducing balance plus the processing fees which is divided on the maximum tenure permissible for the product as per the applicable terms and conditions.</p> <p>Example on APR: APR for reducing balance rate: 6.99% + 0.25% (1% processing fee / 48 month's loan) = 7.24% Final offering may vary depending on the customer's eligibility and internal policy.</p>
Interest you pay <small>(The figures are examples for guidance and illustration purposes only)</small>	<ul style="list-style-type: none"> ▶ APR is quoted on a reducing rate which is fixed throughout the loan tenor. ▶ Interest is calculated on the basis of 365-day calendar year and accrues daily. ▶ We apply the interest rate to your loan balance daily as it reduces each month (i.e. as you pay each scheduled instalment). Interest is payable monthly. <p>Below is an example, if you are a Premier customer working for an HSBC listed company applying for a loan amount of AED 150K and you have taken a Salary Transfer Loan.</p>

Interest you pay (The figures are examples for guidance and illustration purposes only)	Interest Rate:	6.99% p.a.
	Annual Percentage Rate (APR):	7.24%
	Total Interest Payable:	AED 22,380
	Total Amount Payable:	AED 172,380
For a Non-Salary Transfer Loan, the interest rates will differ but the APR calculation methodology remains the same.		
Fees and Charges (the figures are for guidance and illustration purposes only)	The following fees and charges are payable in connection with this Product:	
	<p><u>Arrangement Fee (New Loan & Top Up):</u> 1% (1.05% inclusive of VAT) of loan amount with a minimum of AED 500 (AED 525 inclusive of VAT) and maximum AED 2,500 (AED 2,625 inclusive of VAT).</p> <p><u>Late Payment Charge:</u> 2% (2.10% inclusive of VAT) of the delayed amount with a minimum of AED 50 (AED 52.5 inclusive of VAT) and maximum AED 140 (AED 147 inclusive of VAT).</p> <p><u>Payment Holiday Administration Fee:</u> AED 100 (AED 105 inclusive of VAT) for each Payment Holiday.</p> <p>WHAT IF YOU REPAY YOUR LOAN EARLY?</p> <p>If you want to repay your loan early you may have to pay an Early Settlement Fee.</p> <p><u>Early Settlement Fee:</u> 1% (1.05% inclusive of VAT) of outstanding loan amount or a maximum of AED 10,000 (AED 10,500 inclusive of VAT), whichever is lower*</p> <p>Example for Early Settlement Fee:</p> <p>If an outstanding loan amount of AED 100,000 is settled, then the Early Settlement Fee will be 1.05% of AED100,000 = AED 1,050 (inclusive of VAT).</p> <p><i>*Early Settlement of Loan Fee is not applicable to employees of the UAE Armed Forces or Ministry of Defense employees</i></p> <p>For all other applicable fees and charges, please refer to the <u>Schedule of Services and Tariffs</u> under page number 8.</p> <p>For a Non-Salary Transfer Loan, the interest rates will differ but the APR calculation methodology remains the same.</p>	

YOUR RIGHT TO CANCEL

If you change your mind about the Loan, then you may cancel it. You have a 5 Working Day cooling-off period starting on the next Working Day after you sign the Personal Loan Terms and Conditions. This means that you may cancel the Loan Agreement during this period, without having to pay an Early Settlement Fee and we will refund the Arrangement Fee. Before exercising your right to cancel, you must repay your Loan balance in full and any other amounts outstanding in connection with your Loan. This means that you will not be able to cancel the Loan Agreement if the Loan has an outstanding balance.

If you are using your Loan to pay off an existing loan with another financial institution (Buy Out), or this Loan Agreement is a top up of an existing Loan (Top Up), then we will not advance the loan funds to another financial institution(s) (in case of a Buy Out) or to you (in case of a Top Up) until the first to occur of: (i) the expiry of the cooling off period or (ii) your waiver of the cooling off period. If you waive your cooling off period, the terms of the Loan Agreement will be immediately effective and binding. If you choose to cancel the Loan Agreement early but after the expiry or waiver of the cooling-off period, the terms described in the Personal Loan Terms section 19 – Early Settlement will apply, including any applicable early settlement charges.

Before deciding whether to enter into this agreement you should consider seeking independent financial, taxation and legal advice.

ENDING YOUR AGREEMENT EARLY

You may end your agreement with us (after the cooling-off period) by, for example, settling the total outstanding amount due on your loan account, at any time but there may be penalties to pay if you are settling your loan early (see above Fees and Charges for early settlement/withdrawal). If you do wish to end your agreement you should contact us on +9714 331 4496 (from inside and outside UAE) or visit any of the nearest branches. You will be expected to repay all outstanding balances and to pay any fees or charges that have accrued.

WHAT ARE YOUR PRIMARY OBLIGATIONS?

If you have taken a Non-Salary Transfer Loan, you must transfer your monthly Instalment before the agreed Instalment date. You must further maintain standing instructions with your Primary Bank (where salary is getting transferred to) in a form and substance accepted to HSBC to ensure transfer of the monthly Instalments throughout your Loan duration before each Instalment date.

The Terms and Conditions applicable to your Agreement with us, which will be provided to you for review before you sign, set out the terms of the contract between us including your obligations to us and ours to you. In this section we describe the primary obligations applicable to this Product.

- ▶ You must continue to ensure there is sufficient balance each month in your account for the monthly repayments to be collected successfully. Persistent late or missed payments could affect your credit rating, which can make getting credit more difficult. In the worst case it may lead to legal action to recover the debt.
- ▶ Pay fees and charges when they fall due.
- ▶ You authorize us to apply any salary payment or other payment credited to your Salary Account or Payment Account towards your instalments when they are due and payable.
- ▶ You agree to notify us if any of the information that you have given us in respect of your Loan application changes before or during the Loan period and to provide us with any additional or updated information that we may require, which may include evidence to support your proposed purpose for use of the Loan funds. You must also pay our reasonable costs and expenses if we have to enforce the Personal Loan Terms against you. This includes fees and charges of lawyers and collection agencies.
- ▶ You unconditionally and irrevocably assign any end of service gratuity entitlement, final salary payment, pay in lieu of notice, pay in lieu of accrued but unused leave, redundancy or severance payment and any other amounts which become due to you as a result of the termination of your employment for any reason, whether under statute, contract or otherwise, (collectively your "End of Service Benefits") to us as continuing security for the balance owed to us in respect of the Loan. This condition does not apply to you if you have taken a Non-Salary Transfer Loan.
- ▶ Keep bank account details/passwords/stationery, etc. secure and not share with anybody else.
- ▶ You agree that we can share information with credit reference agencies/bureaus and use information available from public sources to verify your identity and suitability for a Loan.
- ▶ In case of default, you agree that we may provide appointed collection agents and other third parties (inside the UAE or abroad) any information or documents relating to your accounts and products held with us.
- ▶ If you have money in a Sole Account or Joint Account with us; and owe us money on your Loan that is due and payable but remains unpaid, we can use all the money you have with us to reduce or repay the amount or debt you owe us. This is our right of "set-off".

This is not a comprehensive list of your obligations, for fuller details refer to your [Personal Loan Terms & Conditions](#). You will be expected to meet all of your obligations throughout the duration of your Agreement.

- ▶ It is important that you meet the terms and conditions of your Personal loan before and during the term of your loan. The following consequences may apply in case you do not:
 1. We will not disburse your loan;
 2. Where you do not keep up with your repayments, we, or debt collection agents, may take legal action to recover your outstanding amount. We may also enforce any other security you have provided to us, for example encashing your security cheque. Your personal loan account will also go into arrears and we will report this to credit references agencies which may impact your credit rating and therefore limit your ability to access financing in the future. We are also entitled to use any monies in accounts you hold with us, or the End of Service Benefit assigned to us, to meet your payment obligations;
 3. Fees and charges may be applicable, for example we may charge you penalties if you fully settle your loan early. Further details can be found in the Schedule of Services and Tariffs;
 4. We may demand immediate repayment of your loan and no further amounts will be disbursed. Interest, fees and charges will continue to accrue until you have fully repaid us and this will result in you paying more on your Loan.

For more information, please refer to your [Personal Loan Terms & Conditions](#) and Schedule of Services and Tariffs.

SECURITY/GUARANTEES/COLLATERAL/CO-SIGNATORY – WHAT DO WE REQUIRE?

One security cheque covering 120% of the total Loan amount must be provided to the Bank. If you write a Security Cheque and you do not have sufficient funds in the relevant account when that Security Cheque is presented for payment (or your account is closed or blocked – see the [General Terms](#) for more information) you could face civil and/or criminal liability under UAE Law.

CHANGES TO YOUR TERMS AND CONDITIONS

We reserve the right to make certain changes to your Agreement Terms and Conditions after you have signed them. These are permissible changes. We will always give you at least 60 days' notice before we make a permissible change unless the change is required by law or regulation to take effect sooner. Refer to your [Personal Loan Terms and Conditions](#) for fuller details of what is a permissible change and how we will notify you.

WHAT ARE THE KEY TERMS?

KEY LIMITATIONS	<ul style="list-style-type: none">▶ You should be:<ul style="list-style-type: none">▶ a UAE national or resident▶ between 21 and 65 years old by the time loan▶ earn at least AED 7500 a month for a Salary Transfer Loan and AED 15,000 for a Non-Salary Transfer Loan▶ have a current account with HSBC (For both Salary & Non-Salary Transfer Loans) and credit your salary to that account (Only for Salary Transfer Loan)
KEY EXCLUSIONS	<ul style="list-style-type: none">▶ Blacklisted Customers▶ Delinquent customers▶ Non-resident customers

WARNING

KEY RISKS

Please refer to your Terms & Conditions for a detailed overview of the conditions which will result in an event of default. In case there is an event of default, HSBC will make a formal demand for payment from you in writing;

- ▶ Late or missed payments could affect your credit rating, which can make getting credit more difficult. This may lead to legal action to recover the debt.
- ▶ We will have the right to demand immediate payment of the entire unpaid balance of the total amount of the Loan or in the event of your death we may file a claim against your heirs for recovery of the entire unpaid balance and/or apply our right of set-off.
- ▶ We may present the Security Cheque for payment and/or to enforce our rights under any security that we hold in respect of your debt under the Loan Agreement. If the Security Cheque does not cover the full amount owed to us (i.e. if there is a shortfall after presentation of the Security Cheque for payment) then you still must pay us additional sums that are owed and you may be subject to civil and/or criminal proceedings against you.
- ▶ If we reasonably suspect that the Loan funds and/or any other facility or account you have with us is/are being used in relation to fraud, money laundering, violation of international sanctions or any other criminal activity (including financial crime), we will have the right to demand the immediate payment of the entire unpaid balance of the total amount of the Loan.

YOUR RIGHT TO COMPLAIN

The easiest way to make a complaint is by emailing us at contactus.me@hsbc.com or by completing the form available online.

If you are unhappy with the response you've received, you can escalate your complaint to our Customer Experience team, who will look into the matter further for you. You can also contact our Customer Experience team by email at customerexperienceuae@hsbc.com or write to Customer Experience Team, HSBC Bank Middle East Limited, PO Box 66, Dubai, UAE.

If we are unable to resolve your complaint to your satisfaction you may complain to our regulator: Central Bank of the UAE (www.centralbank.ae).

Electronic Signature Disclaimer

By signing below you acknowledge and agree the following:

- ▶ that where you provide acceptance or consent in an electronic form¹ ("**Electronic Consent**"), this shall constitute your legal acceptance as if you had provided your acceptance and/or signature in writing;
- ▶ that all relevant laws and regulations applicable to the acceptance of contracts via electronic methods will apply and you acknowledge that the Bank's records as to any such form of Electronic Consent shall be binding and you will not challenge them on the basis that they are available only in electronic or digital format; and
- ▶ that no certification authority or other third party verification is necessary to validate your Electronic Consent and that the lack of such certification or third party verification will not in any way affect the enforceability of your Electronic Consent or the validity of terms and conditions between you and the Bank.

¹ including the use of digital or electronic signatures and, indications of acceptance by ticking a check box on electronic forms or digital platforms.

Name:

Signature:

Date: