

Consumer Loan Key Facts Statement

Features:

- Loan is granted to finance the purchase of home appliances, furniture and computers from merchants with whom special arrangement have been made.
- Loan is granted in USD & LBP and payable on monthly basis.
- Loan to value: based on credit committee decision & the applicant reimbursement capacity, it varies between:
 - In USD: Minimum USD 450 & Maximum USD 25,000.
 - In LBP: Minimum LBP 675,000 & Maximum LBP 37,500,000.
- Loan Tenor: Maximum Loan period of 3 years for Private Sector and 4 years for Public Sector with salary domiciliation
- Debt servicing to Income: Total monthly installments for the total obligations of the Applicant including loans in all Banks should not exceed 33% of the Family income for Private Sector & Public Sector with no salary domiciliation and 35% for Public Sector with salary domicilaition. This ratio can be increased up to maximum of 45% at the sole discretion of the bank in case the Applicant benefits from a Housing Loan, providing that the monthly installments related to the Housing Loan shall not exceed 35% of the family income.
Family income is defined as a total net income of the Applicant and Spouse

Requirements:

- Lebanese Resident except for UNRWA employees with salary domiciliation.
- Borrower must be aged between 21 & 61 years, provided that at the loan maturity the age is not over 64 years.
- Applicant should have completed the probationary period with the employer and has completed at least 1 year of employment with the same employer
- Self-Employed Applicant, in business since more than 1 year, are eligible if they provide adequate financial statements and information, as requested by the Bank, including Banks' Statement of Account for the last 6 months.

Guarantees / Collaterals:

- Life / Total or Permanent Disability insurance for the Borrower and the Guarantor(s) (if applicable), for the full loan period covering 100% of the Total loan amount, assigned in favor of the Bank offered by the Bank.
- Based on the Credit Committee decision, additional collateral or guarantee(s) could be required, such as:
 - Salary domiciliation
 - Co-Signature or Guarantor(s) which should fulfill the same eligibility criteria of the Borrower, as detailed above.
 - Cash collateral

Target Market:

- Salaried
- Self-Employed with proof of income.
- Stores or Merchant Clients

Interest:

Consumer Loan:

- Loans in USD: Fixed (Flat) interest rate which varies between 7% and 10% according to agreement with the merchant.
- Loans in LBP: Fixed (Flat) interest rate which varies between 9% and 11% according to agreement with the merchant.

Annual Percentage Rate (APR):

- APR represents the real cost of a loan or any credit product. APR for Consumer Loan includes in addition to the loan amount & interests: Commissions fees payable to the dealer (if applicable) and stamps fees. It excludes the Life insurance fees, the late payment fees and the early settlement fees.

Fees, Charges & Commissions:

- No File fees.
- Fiscal Stamps:
 - 1- LBP 10,000 on the loan agreement for each contractual year
 - 2- 1.5 ‰ on the Bills or Promissory Note

- Interest refund in case of prepayment:
In case of Prepayment of the Consumer Loan where the remaining loan period is greater than one year (remaining number of bills is>12), the Bank may consider the refund of a certain percentage of the accrued interests (max 40%), at its sole discretion.
- Delay interest rate: 12% p.a. on unpaid Consumer Loan installments in USD and 17% p.a. on unpaid Consumer Loan installments in LBP.
- Additional commission of USD 3 or LBP 5,000 payable on each unpaid Consumer Loan installment.

Obligations:

- The Borrower should open a Loan settlement Account with the Bank and keep available funds for the automatic monthly settlement of the monthly installments of the Consumer loan.
- In case of delinquency, an official and registered Warning letter will be sent to the Borrower (s) and Guarantor(s) (if applicable) and their names shall be classified under BDL Blacklist and advised to the Central Bank, as non performing Borrowers / Guarantor (s).

Risks:

At least the following risks can arise from contracting a Consumer Loan:

- Risk of Default on settlement of installments and interests:
 - In case of discontinuation or change in the employment conditions or reduction of the monthly income of the Borrower and Guarantor(s).
 - Reputational risk due to the classification of the Borrower or Guarantor(s) (if any) as non performing borrowers in case of default and advising the Central Bank.

Terms & Conditions:

The Bank reserves the right at its sole discretion, to amend all the above terms and conditions at any time, without any advise to the Borrower / Guarantor(s).

The product or service is granted at the full discretion of the Bank and subject to the Banking suitability criteria as well as the financial and personal eligibility of the Borrower(s) and/or the guarantor(s).

Any deviation of the above mentioned conditions is subject to Credit Committee decision.

Example:

Loan Amount in USD	Down payment in USD	Period (in years)	Interest Rate (%)	Loan monthly installment in USD	APR (%)
6,000	0	2	7%	286	14.37%

Loan Amount in LBP	Down payment in LBP	Period (in years)	Interest Rate (%)	Loan monthly installment in LBP	APR (%)
5,500,000	0	3	9%	195,000	18.56%