Car Loan - Key Fact Statement

Description:

Auto Loan	A loan facility provided to customers for the purpose of purchasing a car. The car remains mortgaged in favor of Arab Bank until the loan is fully settled. Loan is granted based on the customer's income and does not require salary transfer to Arab Bank.
	Loan tenor up to 60 months.
	Available with or without salary transfer.
	Reducing balance interest calculation.
	Full coverage insurance on the car is required during the loan tenor.
	Interest starts accruing from the date of loan withdrawal and is calculated daily on the outstanding balance (365 days per year).
	Down payment proof required before disbursal.
	Loan repayment through monthly installments.
	Early settlement option available (subject to fee).
	No compounded interest; interest is only calculated on the outstanding principal.
	Multiple repayment and rescheduling options are available as per bank policy.
	If any monthly payment is deferred, interest accrued during the deferred period will be deducted

Products Features:

- Competitive interest rates starting 2.49%
- Convenient repayment tenure up to 5 years
- Loan amount up to AED 365,000
- Flexible down payments options
- Finance facility for more than one car
- Quick loan processing time
- A dedicated sales team ready to serve you at your convenience

Interest Rate:

- Interest is calculated on a reducing balance basis.
- Interest rate and APR are shown in the tables below.
- Interest begins to accrue from the date of loan withdrawal.

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Auto Loan	
Processing Fees	1% of loan amount, Min AED 500, Max AED 2,500
Loan Cancellation Fee	Free
Early Settlement for Auto Loan	1% of remaining loan balance
NOC to Traffic Department	Free
Replacement of existing Post-Dated Cheques with new Post-Dated Cheques	Free
Advance Payment of Installment	1% of the installment
Change of Due Date on Standing Instructions	AED 25
Installment Deferment Fees	AED 100 per deferment
Loan Rescheduling Fee	AED 250
Late Payment Fees	4% of delayed amount, min AED 300, max AED 500
Insurance Fee	Customer to provide own insurance (no bank charge)
Manager Cheque Fees (if requested)	AED 75

Certificates	
Liability Certificate	AED 50

* 5% VAT applies on all fees and charges mentioned above.

WARNING!

- The car remains mortgaged to Arab Bank until the loan is fully repaid.
- Failure to pay three consecutive or six non-consecutive installments without approval will result in the loan balance and all dues becoming immediately payable.
- If the borrower's employment is terminated, or salary is transferred elsewhere without bank approval (if salary assignment applies), the loan becomes due immediately.
- Providing incorrect information or invalid documents may result in the loan becoming immediately payable.
- Additional interest will accrue during any payment deferment or grace periods.
- Interest rates, fees, and charges are subject to change. Please check the Bank's website regularly.

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- The cooling-off period allows you to cancel the product within five (5) business days of signing the application and the Bank will not be able to proceed until this period expires, unless you waive this right.

To cancel within this period you must give the Bank notice by sending an email to Info.ConsumerBanking@arabbank.ae

Additional Information:

- Arab Bank reserves the right to amend its Terms and Conditions, with 60 days prior notice in accordance with applicable laws and regulations.
- Security cheques will not be released unless a formal written request and consent are received from the customer.
- Funds will be credited within up to 10 working days upon completion of all required documentation and conditions.
- You can contact the Bank for any enquiries, assistance at any of its branches or by visiting its website. In case of any complaints, you may refer to the customer complaints unit: ComplaintsUAE@Arabbank.ae

Example Table: Car Loan Illustration

Loan Amount	180,000
Interest Rate (Annual Interest Rate) (Reducing)	7.36%
Tenor (months)	60
Monthly installment will be	3,587.00
Related Fees:	
Processing Fees	1,800.00
Insurance fee (customer to provide his own insurance)	-
Manager cheque fees (if cheque issuance is requested)	75.00
Early Settlement Fees* (if loan balance was AED 120,000 at the time of request)	1,200.00
Total interest to be paid at loan maturity	35,220.00
APR (based on above fees)	7.56%

*1% of the remaining loan balance at the time of submitting the request Example of monthly payment allocation

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Monthly Installment	3,587.00
Interest for first 30 days	1,104.00
Payment toward principle	2,483.00

* Refer to the loan repayment schedule for full details of the payment allocation

The Bank does not charge compounded interest. Interest is calculated on the outstanding principal amount only, in accordance with applicable regulations.

Acknowledgement
I acknowledge receiving the Key Facts Statement of this product, and have also read and understood the product's key features, risks and fees at the time of signing the application/offer document.
I acknowledge that the interest rate, fees, and costs are subject to change which I will check on the Bank's website on a regular Basis.