

## Glossary of Important Terms

S.No	Term	Definition
1.	Accrued Interest	Interest that accumulates on the unpaid principal balance of a loan.
2.	Amortization	Loan payments by equal periodic amounts calculated to pay off the debt at the end of a fixed period, including accrued interest on the outstanding balance.
3.	Amortization Schedule	Information of Equal Monthly Installments (EMI) with breakup of principal & Markup along with loan outstanding.
4.	Annual Fee / Renewal Fee	An annual fee typically charged to customers with credit cards/revolving line facilities for maintenance of their facilities.
5.	Applicable rate	Rate applied on the facility.
6.	Application/Loan application form	A form to be filled in and signed as per the Bank's requirements to avail Banking facilities. Requirement of details to be filled in will vary for each facility. Applications may also require certain specified documents also to be attached.
7.	Billing cycle	Date of a month when bill/statement is generated.
8.	Charges	The amount payable by the customer to the Bank under the Terms and Conditions, including but not limited to any transactions, Annual Membership , Services Fee, late fee and other fees / charges.
9.	Credit History	A financial profile of any person based on how he repays his bills, clears his debt and the amount a person owes to various banks and other financial intuitions.
10.	Credit Limit	It is the maximum amount of money one can draw on his account based on prior sanction or approval from the bank. In other words, borrowing or drawing limit fixed by a bank for a customer depending on his credit history, repaying capacity and relationship with bank.
11.	Credit rating / Score	A credit rating is an evaluation of the credit risk of a prospective debtor (an individual), predicting their ability to pay back the debt, and an implicit forecast of the likelihood of the debtor defaulting
12.	Cross sell	Selling of product to already existing customer.
13.	Current	Customer making all the repayments on time.

14.	Current Balance / Outstanding Balance / Total Outstanding	The total amount that customer owes to the bank for availing facility at a particular point in time which may include all the charges (mark-up, late payment charges, joining charges) fees (annual, renewal) & other liabilities.
15.	Customer	A person who is availing any facility or products of a bank
16.	Debt Ratio/Debt Burden	A ration of amount of money customer owe to banks or credit issuers against total monthly income of a customer. It reflects the percentage of income that goes to paying customer debts every month.
17.	Default/ Delinquency	When a customer fails to make any payment(s) due towards the bank as per the terms and conditions agreed or otherwise is termed as default. Furthermore, a breach of contract/terms and conditions may also be categorized as an event of default. Account is classified as delinquent when loan payments are not paid according to the contractually agreed upon terms or when due.
18.	Desired financing amount	Amount required by the customer.
19.	Desired financing Tenure	Tenure required by the customer.
20.	Direct Debit / Auto Debt Facility	A facility offers by the bank to customer against which monthly full payment or minimum payment will be debited from his/her account on the due date.
21.	Disbursement	Loan pay-out in the name of the customer.
22.	Discrepancy	Incomplete or missing documents or alternatively incomplete, illegible or contradictory information in the customer's loan application or documentation provided by customer.
23.	DPD	Number of days past the due date after the customer's payment became due as per the contractually agreed upon terms and conditions.
24.	Due Date /Payment Due Date /Installment due date	Date specified in the statement of account for monthly repayments/ schedule for the payment of the Minimum Payment Amount, the Current Balance or Installment to be made to the Bank for the facility availed by the customer.
25.	E-Alerts	Electronic Alerts to be sent to customer via email / SMS.
26.	Early Settlement	Payment of entire loan amount before the normal maturity of loan as per repayment schedule.

27.	E-Banking / Internet Banking	Banking transactions which can be conducted on internet after accessing Bank's application with unique password.
28.	e-CIB /Credit Bureau	Electronic Credit Information Bureau-eCIB has been established by the State Bank of Pakistan which requires all banks and financial institutions to report all loans and advances, to the State Bank.
29.	EMI	Equal Monthly Installments.
30.	Facility rate / Pricing / interest rate / Interest	Mark up rate charged on the financed amount.
31.	FED	Federal Excise Duty
32.	Financing agreement	Document used for agreement between the customer and the bank.
33.	Fixed Rate	Facilities where the mark up rate defined at the time of loan disbursement is fixed for the tenure of the loan or until facility is closed.
34.	Installment loan	A loan in which the amount of payment and the number of payments are predetermined
35.	Late payment charges	Penalty levied on late instalment / payments.
36.	Maturity	Loans payment completion.
37.	Minimum Payment Amount	A certain percentage of current outstanding balance which a customer has to pay to avoid the delinquency /default.
38.	Month	Calendar month.
39.	NCCA/ Non Checking Account	A type of account where a customer can only make deposits but cannot withdraw funds from the account. As such, no instruments (debit card, cheque book, internet banking etc.) are provided to the customer when opening this type of account
40.	NOC	No Objection Certificate issued in favor of the customer after loan clearance.
41.	Outstanding loans	Loans payable.
42.	Overdue Payments/ Late payments	Amount of loan and credit card payment(s) which has not been made as of its due date (or maturity) date. All financial arrangements become overdue one business day after their due date. A borrower who is past due may be subject to late fees and other charges.
43.	Partial prepayment	Customer making a deposit, apart from his regular payment/instalment, against his loan to reduce his/her liabilities/monthly instalment.
44.	Payment Facility	To pay any amount(s) to any person / party for any purpose settlement of any bills or for any

		other purpose approved by the Bank from time to time.
45.	Personal Loans	Personal Loans mean the loans to individuals for the payment of goods, services and expenses and include Running Finance/Revolving Credit to individuals.
46.	Pre Payment/ Early Settlement	A one off payment along with FED charges which customer may be asked to make if customer decide to repay loan early before maturity.
47.	Prepayment charges	Financial charges applied on pre payment of loan.
48.	Principal	The amount of debt, exclusive of interest, remaining on a loan.
49.	Processing Fee	One time Fee charged on approved amount only for processing.
50.	Repayment	The process of returning of the borrowed loan amount. The repayment has to be made for the entire tenure of the loan amount. Based on fixed or floating interest rates on the loan amount, the banks or financial institution decides on an EMI which has to be paid on or before a date mentioned in the loan agreement every month.
51.	Repayment period	Tenure of the facility.
52.	Salaried individual	Person employed on a salaried basis.
53.	Schedule of Charges	The document prescribing Service Fee(s), charges and other fee(s) applicable to the Card/ BTF, Card Transactions and / or Card Account, issued by the Bank bi-annually to the Card members.
54.	Self employed professional	Individual having his own professional business.
55.	TAT – Turn Around Time	Time required for application processing.
56.	Tenure	The length of time for which a term loan has been approved and is typically structured in 12-month multiples.
57.	Term Loan	This is a type of loan which is disbursed for a specified time duration after which the loan matures. This type of loan involve reduction of the principal outstanding as and when the customer pay his / her installments.
58.	Withdrawal Facility	To withdraw cash either through the Automated Teller Machines (“ATMs”) or through use of a Debit Card held by the Customer (“Debit Card”).