

NBP Investor Advantage– FAQ's

Q1. What is NBP Investor Advantage?

Ans: NBP Investor Advantage is the finance facility for retail investor for investment in Karachi Stock Exchange, designed to relieve them from financial obligations arising out of equity trading.

- ✓ Comfortable and secure environment for trading
- ✓ NBP financing at very easy terms requiring minimum documentation
- ✓ Minimum turn around time
- ✓ No security requirement from the customer except for the customer's equity
- ✓ Customer's equity freely available for investment.
- ✓ Equity acceptable in cash or approved shares.

Q2. How does it work?

Ans: It's a result of partnership between NBP and the broker(s) (Presently M/s. Taurus Securities Ltd as our partner). First you open a NBP Investor Advantage financing facility account at NBP selected branches and then you do trading from one the partner brokers by opening a trading account. Your financial obligations arising out of trading transactions are settled between broker and client by NBP with out any hassle.

Q3. How will I benefit from it (Book Capital Gain)?

Ans: Capital gain from trading transactions will be transferred to your current / PLS account after settling all outstanding in NBP Investor Advantage financing account.

Q4. What if I incurred Loss in trading?

Ans: The loss will be adjusted from financing facility account. If cushion in financing account is not sufficient to set off loss then you will be asked to pay excess amount

Q5. How I will get Margin Call?

Ans: The day you have margin call in your account a margin call letter will be send to you through courier. You have to deposit the required margin in the form of shares in NBP CDC account or cash in margin finance account with in 24 hour after receipt of margin call letter.

Q6. What will be my trading limit?

Ans: Trading limit available for the amount of equity + bank financing.

Q7. What is financing amount?

Ans: Financing Amount is from Rs.500,000/- To Rs.10,000,000/-.

Q8. What is minimum margin (equity from customer)?

Ans: 30 % Minimum Margin / equity is required in the form of cash or shares or both (Currently Minimum Rs.215,000/- @ 30%). Shares in physical form not acceptable

Q9. List of shares allowed for Margin Financing?

Ans: As per NBP approved list available. Available on website and selected branches.

Q10. How will I do trading?

Ans: **Trading** is allowed only through trading centers created by NBP and operated By selected brokers. Presently Taurus Securities Limited (A Subsidiary of NBP)

Q11. What is mark-up rate?

Ans: Fixed Price at the time of facility sanction, currently 6 Month Kibor + 3% (Per Annum)

Q12. What are the other charges?

Ans:

- ✓ On Time Application Processing Fee of 0.5% of the loan amount or Rs.5,000/- (Whichever is lower)
- ✓ Brokerage Charges / Fees/ Taxes etc. Charged At Actual On Brokerage Invoices
- ✓ Documentation Fee Would Be Charged On Actual

Q13. Can I avail it?

Ans: Yes if, you

- ✓ Are Pakistani National with valid computerized national ID Card
- ✓ Are over 21 years of age
- ✓ Have a PLS / Current account with NBP designated branch
- ✓ Have equity in the form of cash or NBP approved shares
- ✓ Have no default with any financial institution

Q14. What is the application procedure?

Ans:

- ✓ Obtain facility application form from the NBP Investor Advantage Desk at designated Branches.
- ✓ Fill in the application form and submit it to the branch
- ✓ On application approval, deposit equity as cash in the margin financing account at the bank. Alternately NBP approved shares can also be deposited in the NBP CDC Account (CDC A/c No. 06460)
- ✓ Start trading through comfortable & friendly trading centers established for you (Presently in collaboration with Taurus Securities Limited a subsidiary of NBP)
- ✓ Trading limit available for the amount of equity + bank financing.