

Preference Share Funding



RMB
PRIVATE BANK

Traditional values. Innovative ideas

Gear up or diversify your current share portfolio

LEVERAGE YOUR EXISTING PORTFOLIO TO BEST MEET YOUR UNIQUE REQUIREMENTS

The RMB Private Bank Preference Share Funding solution is designed for the sophisticated client, whose investment company is looking to gear up or diversify its current share portfolio by purchasing listed shares at preferential non-compounding rates, which are typically lower than loan rates. This provides your company with the opportunity to efficiently meet its funding obligations, while using its existing portfolio and newly purchased shares as security.

This product is specifically structured for investors looking to borrow a minimum of R40 million, with a current share portfolio of R80 million or more.

ADVANTAGES OF PREFERENCE SHARE FUNDING

- A preferential non-compounding funding rate below prime
- Your company is not subject to the 15% dividends tax on dividends received. The dividends tax will be payable when your company declares a dividend to shareholders who are not companies, i.e. individuals and trusts
- The combination of a non-compounding funding rate and the receipt of tax-free dividends, enhances your cash flow
- The ability to acquire additional shares, or service the funding faster
- A larger and more diversified investment portfolio

DETERMINING YOUR INDIVIDUAL LENDING NEEDS

We review your portfolio alongside your company's credit profile to determine a facility amount that is realistic, manageable and tailored to your company's lending profile. When determining your facility size, we consider a number of factors including:

- The liquidity and diversity of your company's stocks
- The market value of your company's portfolio
- Your company's ability to make consistent repayments

The maximum facility amount you can qualify for will depend on how well your portfolio is diversified.

Portfolio diversification	Loan value
Top 40 JSE-listed single counter portfolio	Up to 50%
Balanced portfolio	Up to 50% provided: <ul style="list-style-type: none">• There are a minimum of five counters• No counter has more than a 25% weighting• No more than 70% of the counters are in one industry

Should your company's needs exceed the maximum facility value, you can speak directly to your Private Banker, who can tailor your facility account to include the additional amount using alternative security channels such as a traditional loan.

CONTACT US FOR MORE INFORMATION

As an RMB Private Bank client, you can use a channel that best suits your needs in order to apply for this innovative and customised solution:

- Call your Private Banker directly
- Contact the Service Suite on 087 575 9411 available 24 hours a day 7 days a week
- Visit www.rmbprivatebank.com
- Download the RMB Private Bank app

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