

PRODUCT DISCLOSURE SHEET (PDS)
(Versi Bahasa Malaysia)

Read this Product Disclosure Sheet before you decide to take out the **Overdraft** facility ("Product") with Hong Leong Bank Bhd.

The information provided within this PDS are general information of the product. Be sure to read the final term and conditions that will be stipulated in the letter of offer and facility agreement.

Please seek clarification from the Bank if you do not understand any part of this PDS.



Business and Corporate Banking

Overdraft

< **Date** >

1. What is this product about?

- Overdraft is a revolving line of credit that is available via a current account up to an authorized limit approved by the Bank and is repayable on demand. Periodic review will be conducted by the Bank to determine whether to renew or recall the facility.
- The facility provides flexibility – utilization of any amount up to the authorized limit and to repay at any time via current account maintained with the Bank.

2. What do I get from this product?

▪ Overdraft Limit	<RM xx >
▪ Tenure	Revolving basis, subject to periodic review and is repayable on demand i.e. amount becomes due and repayable immediately.
▪ Reference Rate	Pegged to the Base Lending Rate (BLR).
▪ Interest Rates	From BLR + 0.50% p.a. to BLR + 3.00% p.a. The interest charged is calculated on the daily balance of overdraft (utilized amount) and will be reflected in the bank statement at the end of every month.
▪ Total Interest Charged	Based on Interest Charged on Overdraft Utilized Amount <i>plus</i> Commitment Fee on Unutilized Amount. Formula for calculating the Total Interest Charged is: [Overdraft Utilized Amount x Interest Rate x Utilization Days / 365 days] + [Commitment Fee x Unutilized Amount]

Example:

- Overdraft Limit : RM 100,000
- Overdraft Utilized Amount : RM 20,000
- No. of Utilization Days : 31 days in May

- Base Lending Rate (current rate) : **6.89% p.a. (as at May 2023)**
- Interest Rates : BLR + 1.00% p.a.
- Effective Lending Rate : **7.89% p.a.**
- Commitment Fee : 1.00% p.a. on unutilized amount
- Total Interest Charged for May : **RM 201.97**

Interest on Overdraft Utilized Amount:
RM134.02 = (RM 20,000 x 7.89% x 31 / 365)

Commitment Fee on Unutilized Amount:
RM67.95 = (RM80,000 x 1.00% x 31 / 365)

Note: Please note the above-mentioned rates are indicative only. The final approved amount of your overdraft limit and interest rate are subject to the Bank's approval and may differ from the above. For actual rates, please refer to letter of offer.

3. What are my obligations?

- To pay monthly interest charged based on your utilization amount of the facility.
- To pay the outstanding amount (principal sum plus interest charged or any other monies) owing to the Bank upon cancellation or termination or recall of the facility.

IMPORTANT NOTE: Your monthly interest on overdraft utilized amount charged and total interest charged amount will vary if the interest rates change (i.e. BLR changes).

Example:

Overdraft Limit	:	RM 100,000
Overdraft Utilized Amount	:	RM 20,000
No. of Utilization Days	:	31 days in May
Interest Rate	:	BLR + 1.00% p.a.
Commitment Fee	:	1.00% p.a. on unutilized amount

Table below depicts example of the variation of monthly interest charged and total interest charged amount if the BLR changes:

Rate	Current BLR	If BLR goes up by 1.00%	If BLR goes down by 1.00%
BLR	6.89% p.a.	7.89% p.a.	5.89% p.a.
Effective Lending Rate	7.89% p.a.	8.89% p.a.	6.89% p.a.
Interest on Overdraft Utilized Amount*	RM 134.02	RM 151.01	RM 117.04
Commitment fee*	RM 67.95	RM 67.95	RM 67.95
Total interest charged	RM 201.97	RM 218.96	RM 184.99

*Calculation is based on the example of utilization days within the month of May

4. What other fees and charges do I have to pay?

▪ Stamp Duties	As per the Stamp Duty Act 1949 (Revised 1989)
▪ Legal Fees (where applicable)	As per scale in the Solicitors Remuneration Order (SRO)
▪ Disbursement Fees (where applicable)	Include fees and charges for registration of charge and land search, Government taxes and other taxes or levy as per scale fees charged by respective authorities and bankruptcy search.
▪ Commitment Fees	A commitment fee of 1% p.a. shall be levied on the unutilized portion of the overdraft authorized limit
▪ Overdraft Limit Excess	4.00% p.a. above the reference rate (or any other rate*) will be levied on all amounts drawn or utilized in excess of the approved overdraft limit, calculated from the date of such drawing or utilization in excess of the overdraft limit until the date of payment of the amount thereof. The interest is calculated on the daily balance basis and is payable monthly in arrears. *Note: If there are any changes to the rates, prior notice will be provided to you by the Bank
▪ Facility Fees	Not applicable for Small and Medium Enterprise (SMEs)

For full list of Business and Corporate Banking fees and charges, please visit our website www.hlb.com.my

5. What if I fail to fulfil my obligations?

IMPORTANT NOTE: Please read the final terms and conditions as stipulated in the letter of offer and facility agreements for further information.

▪ Late Payment Penalty Charges	In the event of late payment, the Bank will charge 1.00% p.a. (or any other rate*) on the amount in arrears from the time of default up to the time of actual payment of such amount in arrears. *Note: If there are any changes to the late payment penalty charges rate, prior notice will be provided to you by the Bank.
▪ Default Rate	In the event of default in the payment (whether principal or interest or any sum payable to the Bank, including a default where the Bank had made a demand or recalled the facility), the Bank will charge 1.00% p.a. in addition to the prescribed rate, from the time of default up to the time of actual payment.

<ul style="list-style-type: none"> ▪ Right to set-off 	<p>The Bank has the right to set-off any credit balance in any account(s) maintained with us against any outstanding balance as agreed per facility agreement and where applicable prior notice will be provided to you by the Bank.</p>
<ul style="list-style-type: none"> ▪ Right to commence recovery or legal action 	<p>Legal action will be taken if you fail to respond to reminder notices. Your asset may be foreclosed and you will have to bear all costs. You are also responsible to settle any shortfall after your asset is sold.</p> <p>The Bank has a right to commence recovery activities (including engaging third party debt collection agencies), foreclosure and bankruptcy proceedings.</p> <p>Note: Legal action against you may affect your credit rating leading to difficulty in obtaining financing and / or financing being more expensive.</p>
<p>6. What if I fully settle the loan before its maturity?</p>	
<ul style="list-style-type: none"> ▪ Not applicable 	
<p>7. Do I need any insurance or takaful coverage?</p>	
<ul style="list-style-type: none"> ▪ In the event a property is taken as collateral or security for the facility, the following insurance policies are recommended to be taken from panel or non-panel insurance company: <ul style="list-style-type: none"> a) Mortgage Reducing Term Assurance (MRTA) or Mortgage Reducing Term Takaful (MRTT) to cover the borrower(s) in the event of death or permanent disability. b) Fire insurance or home owner's insurance to cover the property 	
<p>8. What do I need to do if there are changes to my contact details?</p>	
<ul style="list-style-type: none"> ▪ It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you may visit any of our branches or inform us in writing at: <p style="margin-left: 40px;">Hong Leong Bank Berhad, Commercial and SME Banking Address : Level 9, Menara Hong Leong, No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur E-mail : SME@hlbb.hongleong.com.my</p> 	
<p>9. Where can I get assistance and redress?</p>	
<ul style="list-style-type: none"> ▪ If you have difficulties in making repayments, you should contact us earliest possible to discuss repayment alternatives. You may contact us at: <p style="margin-left: 40px;">Hong Leong Bank Berhad, Commercial and SME Banking Address : Level 9, Menara Hong Leong, No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Telephone : 03-7661 7777 E-mail : SME@hlbb.hongleong.com.my Website : www.hlb.com.my</p> 	

- Alternatively, you may seek the services of:

- a) Khidmat Nasihat Pembiayaan (KNP), a service formalized by Bank Negara Malaysia in collaboration with Credit Guarantee Corporation Malaysia Berhad (CGC) and Agensi Kaunseling & Pengurusan Kredit (AKPK) via MyKNP@CGC that provides financial advisory and recommendations to Small and Medium Enterprises (SMEs) who were unsuccessful in obtaining business financing from banks. You may contact KNP at:

MyKNP@CGC Advisory Unit under CGC

Address : CGC Advisory at any of CGC branches nationwide. Please refer to CGC website for the branch location at <https://www.cgc.com.my/cgc-branches/>

Telephone : 03- 7880 0088

E-mail : myknp@cgc.com.my

Website : <https://www.bnm.gov.my/MyKNP>

- b) Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia as a one-stop platform for both individuals and SMEs seeking debts restructuring services, as well as financial education and credit advisory. You may contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)

Address : Tingkat 8, Maju Junction Mall 1001, Jalan Sultan Ismail 50250 Kuala Lumpur

Telephone : 03- 2616 7766

E-mail : enquiry@akpk.org.my

Website : <https://www.akpk.org.my/smehelpdesk>

- To make a complaint on products or services offered, you may contact us at:

Customer Advocacy

Address : Level 13A Floor, Menara Hong Leong, No 6, Jalan Damanela, Bukit Damansara, 50490 Kuala Lumpur.

Telephone : 03-7626 8821 / 03-7626 8802 / 03-7626 8812

E-mail : customerservice@hlbb.hongleong.com.my

- If your query or complain is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK at:

Address : 4th Floor, Podium Bangunan AICB, No.10, Jalan Dato' Onn, 50480 Kuala Lumpur.

Telephone : 1-300-88-5465 or 03-2174-1717 (for overseas calls)

Web Form : bnmlink.bnm.gov.my/

10. Where can I get further information?

- Should you require additional information about taking an overdraft facility, please refer to www.hlb.com.my

11. Other similar products available

- Revolving Credit

IMPORTANT NOTE

THE BANK HAS THE RIGHT TO PROCEED WITH LEGAL ACTION AND FORECLOSURE OF YOUR ASSET FINANCED BY THE BANK OR CHARGED AS COLLATERAL TO THE BANK SHOULD YOU FAIL TO PAY YOUR MONTHLY INTEREST PAYMENTS PROMPTLY.

The information provided in this product disclosure sheet is valid as at <dd/mm/yy>