

PRODUCT DISCLOSURE SHEET

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

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

Please seek clarification from the Bank if you do not understand any part or the general terms of this disclosure sheet.



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 : 30 days in June
 Base Lending Rate (current rate) : **5.64% p.a. (current rate at Oct 2020)**
 Interest Rates : BLR + 1.00% p.a.
 Effective Lending Rate : **6.64% p.a.**
 Commitment Fee : 1.00% p.a. on unutilized amount

Total Interest Charged for June : **RM174.90**
Interest on Overdraft Utilized Amount :
RM109.15 = (RM 20,000 x 6.64% x 30 / 365)

Commitment Fee on Unutilized Amount :
RM65.75 = (RM80,000 x 1.00% x 30 / 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 changes i.e. BLR changes

Example:
 Overdraft Limit : RM 100,000
 Overdraft Utilized Amount : RM 20,000
 No. of Utilization Days : 30 days in June
 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 (BLR + 1.00% p.a.)	Current BLR	If BLR goes up by 1.00%	If BLR goes down by 1.00%
BLR	5.64% p.a.	6.64% p.a.	4.64% p.a.
Effective Lending Rate	6.64% p.a.	7.64% p.a.	5.64% p.a.
Interest on Overdraft Utilized Amount*	RM 109.15	RM 125.59	RM 92.71
Commitment fee*	RM 65.75	RM 65.75	RM 65.75
Total interest charged	RM 174.90	RM 191.34	RM 158.47

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

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

▪ Stamp Duties	As per the Stamp Duty Act 1949 (Revised 1989)
▪ Legal Fees and Disbursements Fees (where applicable)	Includes solicitor's fees for loan documentation, Government Tax, fees and charges for registration of charge, land search and bankruptcy search.
▪ Facility Fees	Not applicable for Small and Medium Enterprise (SMEs)
▪ Commitment Fees	1.00% p.a. on unutilized portion
▪ Overdraft Excess	1.00% p.a. above the prescribed rate or such other rate as may from time to time be stipulated by the Bank will be levied on the amount in excess of the Overdraft limit from the date of the limit being exceeded to the date the limit ceases to be exceeded. The interest is calculated on the daily balance basis and is payable monthly in arrears.

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	1.00% p.a. on the amount in arrears, causing the total outstanding to increase.
▪ Default Rate	In the event of default (non-payment) on three (3) consecutive payments of interests due during the tenor of facility or on any moneys covenanted to be paid, the Bank shall be entitled to increase the interest rate of 1.00% p.a. in addition to the prescribed rate.
▪ Right to set-off	The Bank has the right to set-off any credit balance in account maintained with us against any outstanding balance.
▪ 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 approval or financing being more expensive.</p>

6. What if I fully settle the loan during the lock-in period?

- Not applicable

7. Do I need any insurance or takaful coverage?

- 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:
 - 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 (Compulsory).

8. What do I need to do if there are changes to my contact details?

- 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:

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

9. Where can I get assistance and redress?

- If you have difficulties in making repayments, you should contact us earliest possible to discuss repayment alternatives. You may contact us at:

Hong Leong Bank Berhad, Commercial and SME Banking

Address : Level 9, Menara Hong Leong,
No. 6, Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur
Telephone No : 03-7661 7777
E-mail : SME@hlbb.hongleong.com.my
Website : www.hlb.com.my

- 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 the 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 <https://www.cgc.com.my/cgc-branches>
Telephone No : 03- 7880 0088
E-mail : myknp@cgc.com.my
Website : www.myknp.com.my

- 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 No : 03- 2616 7766

E-mail : enquiry@akpk.org.my

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

Customer Advocacy

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

Telephone No : 03-7626 8801 / 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 at:

Bank Negara Malaysia LINK or BNMTELELINK at:

Address : Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur.

Telephone No : 1-300-88-5465

Fax : 03-2174 1515

E-mail : bnmtelelink@bnm.gov.my

10. Where can I get further information?

- Should you require additional information about taking an overdraft facility, please refer to the bankinginfo booklet on www.bankinginfo.com.my website.

11. Other similar products available

- Revolving Credit
- Flexi Supplier Credit

IMPORTANT NOTE

THE BANK HAS THE RIGHT TO PROCEED WITH LEGAL ACTION AND FORECLOSURE OF YOUR ASSET FINANCED BY 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>