

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take out the Overdraft Facility. Be sure to also read the terms in the letter of offer. Seek clarification from your institution if you do not understand any part of this document or the general terms

Overdraft Secured by Unit Trust

Date: <Date Letter of Offer issued>

1. What is this product about?

This is a secured overdraft facility granted to individuals for personal advances purposes.

It is a revolving credit facility that is repayable on demand. You are offering your pledged securities acceptable by the Bank for Overdraft Financing (“the Facility”). Interest shall be charged on the utilized portion of your overdraft facility.

2. What do I get from this product?
Product Features

Item	Description												
Facility Limit	<ul style="list-style-type: none"> Minimum RM100,000.00 Maximum credit limit is subject to management approval 												
Margin of Advanced (“MOA”)	<ul style="list-style-type: none"> Up to 60% <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Margin of Advanced} = \frac{\text{Total Outstanding Balance}}{\text{Total Collateral Value} *}$ </div> <p>Example:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Total Outstanding Balance</td> <td>=</td> <td>RM35,000.00</td> </tr> <tr> <td>Total Collateral Value</td> <td>=</td> <td>RM100,000.00</td> </tr> <tr> <td>MOA</td> <td>=</td> <td>RM35,000.00 / RM100,000.00</td> </tr> <tr> <td></td> <td>=</td> <td>35%</td> </tr> </table> <p>*Collateral value is determined by the Bank</p>	Total Outstanding Balance	=	RM35,000.00	Total Collateral Value	=	RM100,000.00	MOA	=	RM35,000.00 / RM100,000.00		=	35%
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	=	35%											
Margin Call	<ul style="list-style-type: none"> Triggered when MOA ≥ 65% 												
Force Selling	<ul style="list-style-type: none"> Triggered when MOA ≥ 80% 												
Prescribed Rate / Effective Lending Rate	<ul style="list-style-type: none"> Prescribed rate : BR +0.47% p.a (Effective Lending Rate at 3.10% p.a where the Base Rate (“BR”) is currently at 2.63% p.a.) <p>Note:</p> <ul style="list-style-type: none"> Interest is calculated on daily rest basis The final prescribed interest rate will be stated in Letter Offer that will be given to you upon loan acceptance. Subject to yearly review at the discretion of the Bank where the Bank reserves the right to suspend, recall, cancel or terminate the Facility at any time by giving a prior written notice of the same. 												

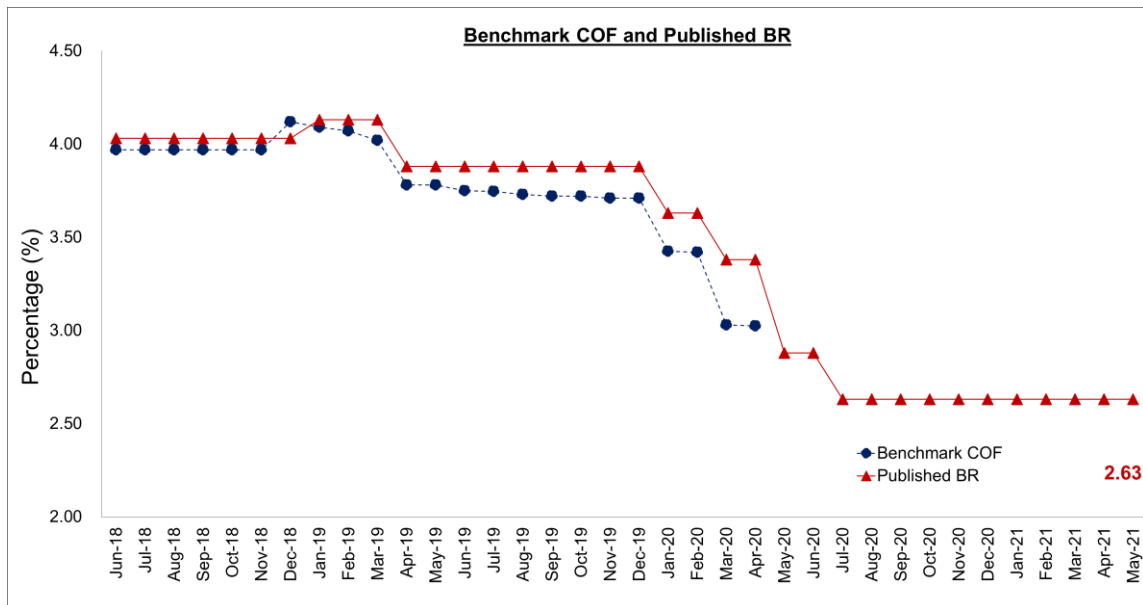
3. What is the Base Rate (BR)?

The BR we offer on this product is made up of two parts, our benchmark cost of funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia. Our benchmark COF reflects the cost of raising new funds in prevailing market funding conditions based on the 3-month Kuala Lumpur Interbank Offering Rate (KLIBOR) and customer deposit rates.

4. What are the possible scenarios to trigger a change in the BR?

Our BR can rise or fall due to changes in the benchmark COF and changes in the SRR. Changes in the benchmark COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as market funding conditions, future interest rate expectations and industry deposits trend.

5. Historical benchmark COF since June 2018.



6. What are my obligations?

- You are to service interest on a monthly basis, based on your utilised amount. The interest payable amount may vary based on your utilisation of the Facility.
- Upon demand, you are to repay all financing amount outstanding / loan outstanding under the Facility, including the principal sum, interest and any other fees and charges.
- Interest is calculated on daily rest basis commencing from the date of first advance and calculated on the daily outstanding balance of the Facility.
- Formula used to calculate the interest charge (Daily Rest):

$$\text{Daily Interest Charge} = \frac{\text{Total Outstanding Balance of the day} \times i}{T}$$

Where,

i = Interest rate

T = Number of days in a year

Example:

Total Outstanding Balance	=	RM35,000.00
Daily Interest Charge	=	$\frac{RM35,000.00 \times 3.80\%}{365 \text{ days}}$
	=	RM3.64

- You shall maintain the security margin at all times.
- In the event you exceed the approved MOA by 5%, there will be a Margin Call and you are to regularise account position to the approved financing ratio within 48 hours.

- The MOA ratio on your account may fluctuate according to the market value of your pledged unit trusts.
- If the outstanding balance is in excess of Approved Facility Limit, you are to make repayment(s) to reduce the outstanding balance.
The interest on any principal sum including additional and capitalised interest will be capitalised monthly and added to the principal sum then owing at the Prescribed Rate.

7. What other charges do I have to pay?

For full list of fees and charges, please visit our website www.hlb.com.my/loan1 or scan here:



8. What if I fail to fulfil my obligations?

- When the loan outstanding amount exceeds the Facility Limit, default interest of 1% per annum is charged on the excess portion above the Facility Limit.
- In the event of failure to regularise the account position during margin call, the Bank will proceed to liquidate part or entire portion of pledged unit trusts to restore the financing ratio.
- Right to set-off: The Bank has the right to set-off credit balance in your account(s) maintained with us towards full settlement or to reduce the outstanding loan in your Overdraft account(s) by providing seven (7) calendar days' written notice to you.
- Further legal action may be taken against you if you have shortfall in your account.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

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

- You can make a full settlement on your loan at any time with no penalty charged.

10. Do I need any insurance / takaful coverage?

- Not Applicable.

11. Do I need a guarantor or collateral?

- The requirement of any guarantor is subject to the credit assessment by the Bank.
- Examples of acceptable collaterals are selected Unit Trusts distributed by Hong Leong Bank Berhad

12. 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 such as telephone numbers, mailing address and email address to ensure that all correspondences reach you in a timely manner. To update your correspondence details, please contact the Bank at +603-7626 8899 or visit any of our branches nationwide.

13. Where can I get assistance and redress?

- If you have difficulties in making repayments, you may contact us as early as possible to discuss alternatives. You may contact our Share Financing Centre at:

Hong Leong Bank Berhad, Level 13 Hong Leong Tower, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur.

Tel : +603-2081 2890, 03-2081 2886

Fax : +603-2081 8930

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

- Alternatively, you may also seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara to provide free services on money management, credit counseling, financial education and debt restructuring for individuals. You can contact AKPK at:

Tingkat 5 and 6, Menara Bumiputra Commerce, Jalan Raja Laut, 50350 Kuala Lumpur.

Tel : +603-2616 7766 .

E-mail: enquiry@akpk.org.my

- If you wish to complain on the products or services provided by the Bank, you may contact us at:

Customer Advocacy,

Hong Leong Bank Berhad, Level 13A, Hong Leong Tower, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur.

Tel : +603-7626 8801/ +603-7626 8802/ +603-7626 8812.

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

- If your query or complaint is not satisfactorily resolved by the Bank, you may contact: Bank Negara Malaysia LINK/TELELINK at Block D, Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur.

Tel: 1-300-88-5465 Fax: +603-2174 1515 E-mail: bnmtelelink@bnm.gov.my

- If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to:

Securities Industry Dispute Resolution Center ("SIDREC") at Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar, No. 5 Jalan Bangsar Utama 1, 59000 Kuala Lumpur.

Tel: +603-2282 2280 Fax: +603-2282 3855 E-mail: info@sidrec.com.my

14. Where can I get further information?

Should you require additional information on Hong Leong Bank Overdraft Secured Against Unit Trust, please visit any of our nearest branches nationwide and our website at www.hlb.com.my

If you have any enquiries, please contact us at:

Hong Leong Bank Berhad

Level 16, Hong Leong Tower,

No.6, Jalan Damanlela, Bukit Damansara
50490 Kuala Lumpur
Tel : +603-2081 1674 / +603-2081 1677 / +603-2081 1672

15. Other loan packages available

- Share Margin Financing

IMPORTANT NOTE: THE BANK MAY PROCEED TO LIQUIDATE YOUR PLEDGED COLLATERAL IF YOU DO NOT REGULARISE MARGIN CALL WITHIN GRACE PERIOD OF 48 HOURS.

The information provided in this disclosure sheet is valid as at **31 May 2021**.