

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)

Name of the Product : Overdraft secured by Unit Trust
Date : <Date LO Printed>

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 this facility. Interest is charged against the utilized portion of your overdraft.

2. What do I get from this product?

- Facility limit : RM _____ (Total Amount Borrowed)
- Interest rate : BR* + 0.47% p.a. (Effective Rate at **4.35%** p.a.)
- Base Rate ("BR") is currently at 3.88% p.a.
- Interest is calculated on daily rest basis
- Margin of advance: Up to 60%
- Subject to yearly review at the discretion of the Bank where the Bank reserves the right to suspend, recall, cancel or terminate the overdraft facility at any time by giving a written notice of the same.
- Note:
 - i) 0% p.a. interest rate for first 6 months, 7th month onwards BR* + 0.47% p.a. Minimum loan of RM100,000-00 (under Supreme Zero Promotion, valid from 18 June 2019 to 30 September 2019).
 - ii) The final prescribed interest rate will be stated in Letter Offer that will be given to you upon loan acceptance.

3. What is the Base Rate (BR)?

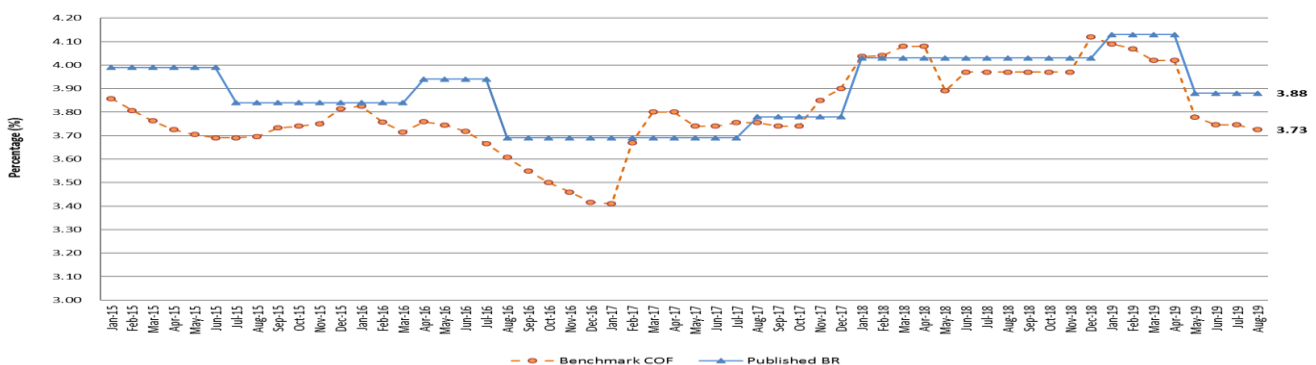
The BR we offer on this product is made up of two parts, our benchmark cost of funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia. Our benchmark COF reflects the cost of raising new funds in prevailing market funding conditions based on the 3-month KLIBOR and 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 Jan 2015.

Benchmark COF and Published BR



6. What are my obligations?

- To pay monthly interest charge based on your utilization amount of the overdraft.
- To pay the outstanding sums of the facility including principal, interest, and any other monies owing to the Bank upon cancellation or termination of the overdraft facility.
- To regularise account position to the approved financing ratio within 48 hours in the event of margin call where you exceed the approved margin of financing by 5%.
- The financing ratio on your account may fluctuate according to the market value of your pledged unit trusts.
- The interest rate on this loan is pegged to the Base Rate which may fluctuate from time to time. An increase in the Base Rate may result in higher interest charge.
- **Interest Calculation Formula:**

$$\frac{\text{Outstanding Balance} \times \text{Interest Rate} \times \text{No.of Day}}{365}$$

If you have problems meeting your loan obligations, contact us early to discuss repayment alternatives.

7. What other charges do I have to pay?

- | | |
|--|------------------------|
| • Stamp Duty on Letter Offer | 0.5% of facility limit |
| • Stamp Duty on Memorandum of Deposit | RM10 |
| • Statutory Declaration - Attestation fees | Per charged |

Commitment fee: A commitment fee of 1% p.a. on the unutilized portion of the Facility is payable if the overdraft facility limit granted to you is more than RM 250,000.

Excess fee: An excess fee of 1% p.a. is charged on the amount drawn in excess of the granted facility limit.

Note: i) Effective 1st June 2018, fees and charges is subject to Government Tax, if applicable.

ii) Refer to www.hlb.com.my for the non-exhaustive list of fees and charges, or visit any of our branches for further information.

8. What if I fail to fulfil my obligations?

- Outstanding interest charge will be capitalized as part of the outstanding balance.
- Excess interest of 1% p.a. over and above prescribed rate is charged on any amount in excess of your approved 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:** Bank has the right to set-off any credit balance in your accounts maintained with us against any outstanding sums in your Overdraft account.
- You are responsible to settle the shortfall, if any, or legal action may be taken against you if you fail to repay the outstanding sums when the Bank demands it.
- 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 a guarantor or collateral?

No guarantor is required, however unit trust is required as collateral for this facility.

11. 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.

12. 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, 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 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur. Tel: 03-2616 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:
Service Recovery & Complaint Resolution - Customer Experience, Hong Leong Bank Berhad, Level 13A, Hong Leong Tower,
No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur. Tel: +603-7626 8899 Fax: +603-7946 8888.
E-mail: HLOnline@hlbb.hongleong.com.my

• If your query or complaint is not satisfactorily resolved by the Bank, you may contact:
Bank Negara Malaysia LINK or 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 ("SIRDEC") 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, E-mail: info@sidrec.com.my

13. Where can I get further information?

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 1678

IMPORTANT NOTE

**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 1/Sept /19