

FAQs for HLB / HLISB SMEs LOANS / FINANCING DEFERMENT PROGRAM
(Version 4 May 2020)

No.	Question	Answer				
1.	Is HLB / HLISB offering an automatic moratorium on loan and financing repayments / payments for customers during the COVID-19 outbreak?	Yes, as part of the additional measures to assist borrowers / customers affected by the COVID-19 outbreak, HLB & HLISB will grant individuals and SME customers an automatic moratorium . The automatic moratorium is applicable to loans / financing that are: a) Not in arrears exceeding 90 days as at 1 st April 2020, and b) Denominated in Malaysian Ringgit (MYR)				
2.	a) Who qualifies for the Program? b) I am not an SME, can I still apply for the Program?	The Program is only applicable for individuals and SME customers (as per BNM definition) whom meets the qualifying criteria mentioned in item 1 above. Corporate / Non-SME customers are not included in the Program but have the option of applying for a rescheduled and restructured (R&R) program, which the Bank will evaluate on a case-by-case basis. Please contact your Relationship Manager to initiate the discussion.				
3.	What type of loan / financing facilities are covered under this Program?	All types of MYR denominated loan / financing facilities (excluding credit card) extended to our SME customers. Non-MYR facilities (OFCL, FCY RC / RC-i, and FCY TL / TF) will not be included in the automatic moratorium and requests for R&R for any of these facilities should be discussed with your Relationship Manager.				
4.	a) Does the Program apply to new loans / financing applied / approved / disbursed as at 1 st April 2020? b) Does this apply to progressive release facilities?	The automatic moratorium does not apply to new facilities / trade bills which are applied / approved / disbursed / drawdown as at 1 st April 2020. Yes, the Program covers loans / financing under progressive release. However, the deferred monthly progressive interest / profit accumulated must be settled before the loan / financing is fully released. Otherwise, payments meant for monthly instalment once the loan / financing is fully released, will go towards settling the outstanding progressive interest / profit, resulting in instalment payment arrears.				
5.	How does the moratorium /	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Term loan /</td> <td style="width: 25%;">IHP / IHP-i Financing</td> <td style="width: 25%;">Overdraft /</td> <td style="width: 25%;">Revolving Credit /</td> </tr> </table>	Term loan /	IHP / IHP-i Financing	Overdraft /	Revolving Credit /
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	deferral of repayments / payments work?	<p>Term financing-i</p> <p>Monthly or quarterly principal and interest / profit payments due will be eligible for 6 months moratorium.</p> <p>The interest / profit will continue to accrue during this period. However, interest / profit will not be compounded during the moratorium period.</p> <p>For conventional term loan, the deferred interest amount will be added on to the total amount due at the end of the moratorium period and will be amortized throughout the remaining tenure of the loan.</p> <p>For Islamic term financing-i facilities, instalments paid after the moratorium will be first used to off-set the deferred profit.</p> <p>For term loan / financing, the monthly / quarterly repayment / payment</p>	<p>Cashline-i</p> <p>Loan / financing repayments / payments due will be eligible for 6 months moratorium.</p> <p>For IHP / IHP-i, the monthly repayment / payment amounts will remain the same. The Bank will maintain the instalment amount by adjusting / lengthening the loan / financing tenure.</p> <p>Interest / profit will be charged on the deferred amount after the moratorium period and will continue to accrue until the deferred amount is fully settled. The interest / profit rate is equivalent to the Contractual Rate of the facility. The accrued interest / profit on the deferred amount will become due and payable at the end of the extended loan / financing maturity with the final instalment.</p>	<p>Revolving Credit -i / Trade/ Trade-i Financing</p> <p>Interest / profit will continue to be billed monthly during this period but payments due will be eligible for 6 months moratorium and will become due and payable on 1st October 2020.</p> <p>The moratorium applies to the balances in excess of the approved limit as the excess amount is contractually due for repayment / payment.</p> <p>Overdrafts / Cashline-i secured by shares will be eligible for the Program subject to topping up arrangements as per current but interest / profit billed can be deferred during the moratorium period and will become payable in 6 months.</p>	<p>For revolving credit / revolving credit-i facilities and trade /trade financing-i transactions such as BA / AB-i, IVF / IVF-i and TR / TR-i, the payment of bills which fall due during the moratorium period will be extended by 6 months from original due date or up to 31st December 2020, whichever is earlier.</p> <p>Interest / profit to be charged on the rollover / extension will be calculated based on the BLR / IFR or 3-month Cost of Funds for the relevant product on the date of the rollover / extension plus agreed margin.</p> <p>USD denominated LCs which mature during the moratorium period are not covered under the Program. Any restructuring or conversion of these instruments will need to</p>

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		amounts will remain the same. The Bank will maintain the instalment amount by adjusting / lengthening the loan / financing tenure.		be discussed with your Relationship Manager.
6.	My facilities are currently on scheduled limit reduction. Will this be covered under the moratorium program?	<p>The scheduled limit reduction(s) for the following facilities will be deferred by 6 months during the moratorium period:-</p> <ul style="list-style-type: none"> • Overdraft / Cashline-i • Revolving Credit / Revolving Credit-i • Trade / Trade-i Financing 		
7.	I am an SME. If any of my Bank Guarantees are called upon during the moratorium period, can payment be delayed until the end of the moratorium period?	The guarantees are payable based on the terms of the guarantee. Should you face difficulty in paying your obligation of the guarantee, you are advised to check with your Relationship Manager on your options.		
8.	Will the monthly or quarterly repayment / payment amount change after the moratorium period?	<p>For term loan / financing, the monthly / quarterly repayment / payment amounts will remain the same. The Bank will maintain the instalment amount by adjusting / lengthening the loan / financing tenure.</p> <p>For IHP / IHP-i, the monthly repayment / payment amounts will remain the same. The Bank will maintain the instalment amount by adjusting / lengthening the loan / financing tenure. The accrued interest / profit on the deferred amount will become due and payable at the end of the extended loan / financing maturity with the final instalment.</p>		
9.	Are there any hidden charges,	There will be no late penalty charges / compensation charges on the deferred amount.		

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	extra interest / profit rates etc.?	
10.	What supporting documents are required to apply for this loan / financing deferment Program?	No supporting documents are required as the Program applies automatically to eligible SME customers – refer to item 1 above.
11.	a) How do I opt out from the Program? b) Can I ask for more than 6 months deferment?	If you wish to opt out from the Program, please write in your request to the Bank (sample request template can be found at our website hlb.com.my/srf) and email to sme@hlbb.hongleong.com.my or your Relationship Manager. For further enquiries on how to opt out please call our contact center 03-7626 8899 or your Relationship Manager. The automatic deferment is only for 6 months. Should you require more assistance after this period, you can contact your Relationship Manager and request for a restructure of your loan / financing repayments / payments, which will be evaluated on a case-by-case basis.
12.	Can customers still make payments during the moratorium period?	Yes, customers can continue to make payments during the deferment period. Whether they are full installments or part installment, we will accept any amounts that customers feel they can afford to make. For Term loan / financing payments, these will be treated as an advance payment, and will be applied to the reduction of the loan / financing balance at the end of the moratorium period. For Conventional trade facilities, prepayments can be made to fully or partially settle the financing amount. For prepayments of Islamic trade bills per trade bills basis, please contact your Relationship Manager. Overdraft / Cashline-i facilities may be reduced or pre-paid at any time during this period.
13.	How will my existing Standing Instructions (SI) be impacted by the deferment of payments?	The Bank will suspend all SIs for repayment / payment of facilities for all clients during the moratorium period, unless the client has decided to opt-out from the Program. Please note that this suspension is only on the SIs applied to Hong Leong Bank / Hong Leong Islamic Bank accounts. If for whatsoever reason, the SIs is not suspended, you may inform us and request for a refund. Customer is responsible for the removal / suspension of the SIs put in place with banks other than Hong Leong Bank / Hong Leong Islamic Bank.

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14.	Will I be able to continue to utilize my existing trade or revolving credit facilities during the moratorium period?	Yes. Please note that utilization of the facility will be subject to the availability of existing limits and to normal rules of drawdown / disbursement and repayment / payment. The new drawdown / disbursement will not be covered under the Program hence the terms of repayment / payment of the facility will be as agreed between the customer and Bank under the loan/financing agreement for drawdown / disbursement of these facilities.
15.	Would my loans / financing with other non-bank credit providers qualify for this Program?	No, the Program is only applicable to loans / financing offered by banks and development financial institutions regulated by Bank Negara Malaysia.
16.	Will the Bank pursue any recovery action against the customer during the moratorium period?	No. There will be no reminders, notices, repossession, and legal action etc. during the moratorium period for customers that participate in this Program.
17.	Will there be any negative financial record impact, especially on credit history (CCRIS) from this Program?	No. There will not be any adverse effect to your CCRIS record during the moratorium period. However, if your account is 1 month in arrears and above at the point the deferment Program starts, your CCRIS will maintain the same record during deferment period.
Existing COVID-19 Relief Plans		
18.	Is HLB / HLISB Customer Financial Relief Plan still valid since there is a new deferment Program? For customer currently enjoying the HLB / HLISB Financial Relief Plan, will this replace the HLB / HLISB Financial Relief Plan?	For our SME customers - this Program will supersede any previously negotiated restructuring plans that have been put in place prior to the introduction of the automatic deferment Program.

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19.	Can I still apply for the BNM Special Relief Fund Program?	Yes. SMEs can still apply for the BNM Special Relief Fund. Please visit hlb.com.my/srf to find out more, or contact us and / or your Relationship Manager to discuss an application with us.
Loan / Financing Deferment for Corporate Banking Customers		
20	How can Corporate Customers apply for the Deferment Program?	The general automatic deferment Program is not applicable to Corporate customers. Please reach out to your Relationship Manager for help in applying for an R&R Program that may suits your particular situation. The existing loans / financing must not exceeding 90 days past due as at 1 st April 2020.

Following the people movement restrictions during the MCO period, we would encourage you to contact us to discuss any of these items via the contact details provided hereunder:

1. For general enquiries on HLB / HLISB Loans/Financing Moratorium/Deferment Programs:

HLB Customer Hotline: 603-7626 8899 (9.00am – 6.00pm, Mon-Sat)

Email: sme@hlbb.hongleong.com.my

2. For Bank Negara Malaysia Special Relief Fund for SME Affected by Covid-19:

HLB Customer Hotline: 603-7626 8899 (9.00am – 6.00pm, Mon-Sat)

Email: sme@hlbb.hongleong.com.my

Thank you for kind patience and cooperation.