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ISSUE 1



SIMPLE

BANKING

TERMS

Banking might seem a bit complicated at first, but knowing a few basic terms can make it much easier to understand and feel confident about managing your money.

Let's check out some of these terms together!



Bank Account

A bank account is a safe place where you can keep your money and watch it grow over time. It's sort of like having a special savings jar at the bank! Instead of keeping your money in a jar at home, you can save it in a bank account. So whenever you get money from your parents, like birthday gifts or allowances, you can put it in your bank account to keep it safe and even earn some extra money called interest.

Interest

Banks might give you extra money called interest for keeping your money in your savings account. It's like a little reward they give you for saving your money instead of spending it all right away.

A debit card is a special piece of plastic that lets you pay for things and take out money from your bank account. It's not like a credit card where you borrow money. With a debit card, you're using the money you already have in your account, just like using money from your own wallet or purse. Go cashless with a debit card!

Debit Card



Credit Card

A credit card is a bit like having a helpful friend who lets you borrow money to buy things. But remember, you have to give the money back later! With a credit card, you can buy things even if you don't have the money right away. But it's super important to be responsible and only spend what you're sure you can pay back. Before you can get a credit card, the bank will want to see that you have a job and earn money so they know you can pay them back for what you spend.

You may have seen your parents paying for things with a credit card.



Credit Limit

Every credit card comes with a maximum amount you can borrow, which is a credit limit, kind of like how an essay has a set number of words you can use. If you go over this limit, it can lead to trouble, so it's important to keep an eye on how much you're spending. And don't forget, you have to pay back every bit of money you use with your credit card. If you're late paying it back, the bank might add extra charges called interest.

Loan

A loan is when you borrow a big amount of money from a bank or another place and then pay it back in smaller amounts (instalments) over time. People usually take out loans for big things like buying a car or a house. For example, if your parents want to buy something but they don't have all the money, they might borrow some money from the bank and then pay it back bit by bit.



Installments

Installments are the small payments you make when you're paying back a loan. It's like breaking up the total amount into smaller, more manageable parts.

Credit Score

Your credit score is like a report card for how responsible you are with your money. It shows how well you've been handling things like loans and credit cards. Having a good credit score can help you get better deals on things like loans in the future. In Malaysia, banks refer to credit rating reports like CTOS and CCRIS.

Online and Mobile Banking

Online and mobile banking are awesome because they let you handle your money from anywhere using your phone or computer. It's like having a tiny bank right in your pocket! With just a few taps, you can check how much money you have, send money to friends or family, and even pay your bills. Guess what? HLB Connect App is the mobile banking app for grown-ups at Hong Leong Bank. And for kids like you, they have a special mobile banking app called **HLB Pocket Connect**. Cool, right?

Islamic Banking

Islamic Banking follows Islamic principles and doesn't use interest like traditional banks. Instead, it uses profit sharing models, which might be a good option for people who want to follow Islamic principles in their finances.



Learning about these terms can help you become smarter with your money. Keep asking questions and exploring, and you'll be a banking expert before you know it!