

# HLB@SCHOOL

classroom  
adventures...  
EXPLORE • ENGAGE • EMPOWER

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**ISSUE 3**







# CREDIT CARD OR DEBIT CARD

## HOW TO MAKE A CHOICE?

**START** ▶

Are you ready to start managing your money like a pro?  
Let's dive into the world of debit and credit cards to understand  
how they work and how you can make smart choices.

### DIFFERENCE BETWEEN DEBIT AND CREDIT CARDS

A debit card is a convenient tool linked to your bank account. When you use a debit card to buy something, the money is instantly deducted from your bank account. You can use a debit card to buy things without the hassle of going to the bank to withdraw cash.

A credit card is like borrowing money from the bank. When you use a credit card, you're actually borrowing money that you have to pay back later. It's a handy tool for buying things now and paying for them over time, but remember, you have to pay back what you borrow!

### HOW DO THEY WORK?

Imagine you're at the store with your friends, and you spot the perfect game console. If you use a debit card, the money to buy it will come directly from your bank account, just like if you were paying with cash. But if you use a credit card, you can buy the game console now and pay for it later when you get your allowance or money from doing chores.



## DEBIT CARD VS CREDIT CARD

### PROS

- Helps you manage your spending.
- No need to carry cash.
- Easy to use.

### CONS

- No option for borrowing money.
- Doesn't build your credit score.

### PROS

- Can make bigger purchases.
- Builds a positive credit score when repayments are done on time, which is helpful for loans and mortgages.

### CONS

- Debt Accumulation.
- High interest rates.
- Fees such as annual fees, late payment fees, and cash advance fees.

Are you searching for a Debit card made for kids? Take a look at the 3-in-1 HLB Junior Debit Card from Hong Leong Bank! It's specially designed for you, with features that make managing your money fun and simple. With this card, you can save, spend, and earn rewards all at once!



Remember, whether you choose a debit or credit card, the most important thing is to use it wisely. Understanding how they work can help you make smart choices about your money. So, go ahead, explore the world of debit and credit cards, and start managing your money like a pro!