

Product Disclosure Sheet

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your **Portfolio Financing facility ("PF")**.

Other customers have read this PDS and found it helpful; **you should read it too.**

Date : _____

① What is PF?

This is a facility where the approved limit is based on the value of the assets pledged to the Hong Leong Bank Berhad ("HLBB"). The PF is to be secured by eligible assets acceptable to HLBB ("**Secured Assets**") such as Fixed Deposit ("**FD**"), Unit Trust ("**UT**") and bonds and other assets acceptable to HLBB from time to time. The PF is repayable on demand and is subject to annual review by HLBB.

Product features:

Facility Limit	:	<ul style="list-style-type: none"> Minimum RM 200,000 Maximum Facility Limit is subject to HLBB's approval
Margin of Advance ("MOA")	:	<p>MOA is the percentage of the secured assets' market value that the Bank is willing to lend. The Bank determines this value at its discretion on a weighted basis, in accordance with its internal portfolio diversification guidelines. Below are the current maximum MOA by type of asset: -</p> <p>Fixed Deposit : Up to 95%</p> <p>Unit Trusts : Up to 85%</p> <p>Bonds : Up to 90%</p>
Margin Call Level ("MCL") and Force Sell Level ("FSL")	:	<p>MCL/FSL is expressed as a percentage and is calculated based on the Borrower's portfolio as follows:</p> <ol style="list-style-type: none"> Single Asset: The MCL/FSL of that specific Secured Asset. Multiple Assets: The weighted basis of the MCL/FSL for all Secured Assets within the portfolio, or as otherwise determined by the Bank. <p>The MCL/FSL for any individual asset is a percentage of its market value, calculated using the Bank's specified formula. The Bank reserves the right to modify below formula at any time.</p> <p>MCL of a Secured Asset = MOA + [10% x (100% - MOA)]</p> <p>FSL of a Secured Asset = MOA + [20% x (100% - MOA)]</p>
Prescribed Rate / Effective Lending Rate	:	<p>Standardised Base Rate (SBR)* + 1.00% = 3.75% per annum^.</p> <p>^ This is an indicative rate and the final Prescribed Rate will be stated in the Letter of Offer to you upon acceptance.</p>
Interest Payable	:	Interest is calculated on daily rest basis on the financing amount utilised. The interest is to be serviced monthly.

* SBR is currently 2.75% per annum. *The SBR is benchmarked against the Overnight Policy Rate (OPR) as determined by Bank Negara Malaysia. Any adjustment to the OPR will result in a corresponding rise or fall in the SBR.*

② Know Your Obligations

<p>It is your responsibility to:</p> <ul style="list-style-type: none">  Read and understand the key terms in the contractual documents for PF before you sign it.  Repay upon demand by HLBB.  Reduce your outstanding balance to within the approved Facility Limit if it exceeds the approved Facility Limit.  Regularise your account position if it exceeds the MCL/FSL. 	<p>Illustration: Daily Interest Calculation</p> <p>Interest is calculated on daily rest basis. Assuming the current interest rate is 3.75% per annum.</p> <table border="1"> <thead> <tr> <th>Outstanding Balance (RM)</th> <th>Daily Interest Charge (RM)</th> </tr> </thead> <tbody> <tr> <td>150,000</td> <td>15.41</td> </tr> <tr> <td>800,000</td> <td>82.19</td> </tr> </tbody> </table>	Outstanding Balance (RM)	Daily Interest Charge (RM)	150,000	15.41	800,000	82.19
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<p>You also have to pay the following fees and charges</p> <ol style="list-style-type: none"> Attestation Fee for statutory declaration, RM10 (per Secured Asset charged) Stamp Duty <ul style="list-style-type: none"> Letter of Offer and Standard Terms and Conditions calculated at 0.5% of approved Facility Limit Memorandum of Deposit, Letter of Guarantee and Letter of Set Off (if applicable) (RM10 per document) 							

For full list of fees & charges, please scan below QR code:



③ Know Your Risks

1. Secured Assets value may fluctuate due to market conditions. If you fail to regularise your PF account promptly, HLBB may liquidate all or part of the pledged Secured Assets at current market prices, even if their value has significantly declined.
2. An increase in interest rates will raise your borrowing costs and may reduce your overall investment returns.
3. HLBB reserves the right to uplift, set-off, redeem/sell **your pledged Secured Assets** if your PF account is not regularized to restore the MCL or FCL within the stipulated timeframe.
4. For assets denominated in foreign currencies, a depreciation against the loan currency will increase your leverage ratio, potentially triggering a Margin Call event or Force Sell event.
5. HLBB may deduct funds from any of your accounts held with HLBB to settle or reduce outstanding balances by providing you with seven (7) calendar days' written notice.
6. If asset liquidation does not fully cover the outstanding balance, you remain liable for the shortfall. HLBB may initiate legal action to recover the remaining debt.
7. Additional interest at the rate of 1% per annum will be charged on any amount exceeding your approved Facility Limit.
8. Any default or failure to meet repayment obligations would incur default interest at the rate of 1% per annum on the overdue amount, and may adversely affect your **credit score**, making future credit more difficult or expensive to obtain.

Illustration: Margin Call and Force Selling Triggers

Secured Asset	MOA	MCL	FSL	Day 1 (Initial)		Day 2 (Market Drops)		Day 3 (Market Drops Further)	
				Market Value ("MV") (RM)	Collateral Value ("CV") (RM)	MV (RM)	CV (RM)	MV (RM)	CV (RM)
UT 1	80%	82%	84%	25,000	20,000	23,250	18,600	22,500	18,000
UT 2	60%	64%	68%	25,000	15,000	23,250	13,950	22,500	13,500
UT 3	60%	64%	68%	25,000	15,000	23,250	13,950	22,500	13,500
Bond	80%	82%	84%	25,000	20,000	23,250	18,600	22,500	18,000
Total				100,000	70,000	93,000	65,100	90,000	63,000
Total Outstanding				70,000		70,000		70,000	
Available Drawing Limit				0		-4,900		-7,000	
Loan-To-Value				70%		75.27%		77.78%	
Status Trigger				OK		Margin Call		Force Sell	

¹ Weighted average portfolio position: **MCL at 73% and FSL at 76%**.

² Available Drawing Limit Calculation : Total CV minus Total Outstanding

³ LTV Calculation: Total Outstanding divide by Total MV then multiply by 100

④ Other Key Terms

- Commitment Fee: For Facility Limits exceeding RM250,000, a commitment fee of 1% per annum will be charged on the daily unutilised portion of the approved limit.
- The requirement for a guarantor is subject to HLBB's sole discretion and based on an individual credit assessment.
- Agensi Kaunseling dan Pengurusan Kredit (AKPK) was established by Bank Negara Malaysia to provide free services, including money management, credit counselling, financial education and debt restructuring.

If you have any questions or require assistance on your PF, please email us at

HLBBALLPriorityBankingAreaManager@hlbb.hongleong.com.my

If your query or complaint is not satisfactorily resolved by HLBB, you may contact **BNMLINK** at 4th Floor, Podium Bangunan AICB, No. 10, Jalan Dato' Onn, 50480 Kuala Lumpur.

Tel : 1-300-88-5465 Fax : +603-2174 1515

For more information, please visit **bnm.gov.my/BNMLINK**

Customer's Acknowledgement[#]

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that Hong Leong Bank Berhad has provided me with a copy of the PDS.
- I have read and understood the key information contained in this PDS.

[#] A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

Name :

Date :