PRODUCT DISCLOSURE SHEET

Date: ______________

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your Wealth Portfolio Lending (WPL).
Other customers have read this PDS and found it helpful; we encourage **you to read it too**.

1 What is Wealth Portfolio Lending (WPL)?

Wealth Portfolio Lending is a loan secured by Eligible Assets acceptable to the Bank for the purpose of investment in Unit Trust and/or Bond/Sukuk. This product is offered to eligible HSBC Premier customers only. The loan is uncommitted, repayable on demand and callable at any time by the Bank, and is subject to annual review by the Bank. Eligible Assets are assets which you can charge, pledge and assign to the Bank as security for the loan, for example: MYR/foreign currency Time Deposit/Term Deposit-i, Bond/Sukuk and Unit Trust. This is a secured overdraft facility denominated in foreign currency with maximum facility limit of up to MYR 10 million equivalent in foreign currency, upon due assessment and approval by the Bank.

For more details, please refer to the accompanying Terms and Conditions.

2 Know Your Obligations

It is your responsibility to read these key terms:

You are required to pay us the amount due in accordance with the letter of offer. Your account outstanding is the total amount that consists of all the followings:

1. The loan amount you have drawn down and that remains outstanding; and
2. Any fees, charges, costs and/or expenses incurred in connection with your loan.

- You may repay all or part of your loan, and any other amounts due, such as interest and fees, at any time by transferring money to your Wealth Portfolio Lending Account or by selling any Secured Asset (Eligible Assets that have been charged, pledged or assigned to us as security for the loan). Please note that any money transferred to your Wealth Portfolio Lending Account will be used to repay what you owe us, unless you tell us otherwise in advance.
- The proceeds from the sale of any Secured Asset will automatically be credited to your WPL loan account(s).
- You must monitor your Loan to ensure it is secured by sufficient collateral, i.e. Secured Assets.
- If you wish to replace your existing Secured Assets with other Eligible Assets, please engage your Relationship Manager.
- Read more on your tax obligation in the accompanying Terms & Conditions.

Fees & Charges	Description
Stamp Duty	Stamp duty is payable on the WPL loan documentation. The amount of stamp duty payable is subject to the Stamp Act 1949 and its amendments, including any applicable stamp duty exemption or remission orders, if any, as may be granted from time to time.
Stamping Fees	Stamping fees will be levied by the appointed stamping agent who submit the WPL loan documentation for stamping.
Commitment Fee	For loan limit above MYR 250,000 or equivalent in foreign currency, commitment fee of 1% per annum (or such other rate as informed by HSBC Bank from time to time with prior notice) will be charged on unutilized portion.
Overdraft Excess Fee	If your loan drawdown exceeds the effective credit limit of the facility, 1% per annum (or such other rate as informed by the Bank from time to time with prior notice) on top of the Interest Rate as fee for the overlimit will be charged.
Overdue Interest	In event there is overdue payment for your loan, the Overdue Interest of 1% per annum will be charged on any overdue payment for your Loan.

3 Know Your Risks

There are risks associated with WPL. Read the risks disclosure in the accompanying Terms and Conditions.

4 Other Key Terms

A. Net Margin Ratio (NMR)

This is the ratio of the available margin to the required margin expressed as a percentage. It determines your margin status and ensures there is an appropriate margin or difference between:-

(a) the Collateral Value of your Secured Assets with us; and

(b) the total amount you owe us under your loan.

Your Net Margin Ratio must be 100% or more at all times. In the event your account's NMR declined lower than 100%, you must regularize your account within the specific timeline, failing which the Bank may proceed with force liquidation of your secured assets to regularize your account NMR.

Net Margin Ratio (NMR) Calculation: Net Margin Ratio = Available Margin / Required Margin

Read more from the accompanying Terms and Conditions.

B. Eligible Investment Amount, Minimum Loan Amount and Minimum Investment Amount:

Please refer to the below table with regard to the Eligible Investment products that may be purchased with WPL, Minimum Loan Amount, Minimum Investment Amount and Requirements / Conditions for Wealth Portfolio Lending

Eligible Investment products	Minimum Loan Amount	Minimum Investment Amount
Unit Trust/ Bond/Sukuk	MYR100,000 equivalent in Foreign Currency.	Please refer to the product highlight sheet for the relevant investment.
Requirements/Conditions		
o Subscribed/purchased investments are automatically placed in your existing Unit Trust and/or Bond/Sukuk Investment Accounts. o Subscribed/purchased investments using a Loan cannot be pledged as collateral to increase your credit limit. o Your dividends for Unit Trust are reinvested into the respective Unit Trust holdings. This does not apply to Bond/ Sukuk coupon payments. o Upon obtaining the Bank's approval, you may sell your investments placed in your existing Unit Trust and/or Bond/Sukuk Investment Accounts that have been pledged to the Bank. The sales proceeds shall be converted at the prevailing exchange rate, and credited into your Wealth Portfolio Lending Account (WPLA), to offset any outstanding balance in your WPLA. o The effective credit limit will automatically be reduced or cancelled accordingly upon the sale of the secured assets held in your existing Unit Trust and/or Bond/Sukuk Investment Accounts.		

C. Credit Limit:

- The maximum credit limit is capped at RM10 million or its equivalent in foreign currencies.
- The maximum credit limit that could be granted to a customer is capped at the lower of your net worth or your maximum credit limit net-off against your outstanding foreign currency borrowing.

D. Effective Credit Limit:

- Your "Effective Credit Limit" is the total Collateral Value (CV) of your Loan, or the Credit Limit, whichever is lower.
- Your Effective Credit Limit and your margin status are updated on a daily basis. You can find your Effective Credit Limit in your account statement. Collateral Value is the monetary amount derived from the Advance Ratio and Market Value of assets held as collateral.

Collateral Value = Market Value x Advance Ratio

E. Available Limit:

The Credit Limit or the Collateral Value of all assets held as Collateral, whichever is LOWER, minus any Outstanding Liabilities.

F. Product Currency:

- Loan currency is available in USD, CHF, JPY, SGD, AUD, GBP and EUR
- The currency of each Loan need not be the same as the currency of the eligible assets pledged to the Loan.
- However, cross currency haircut will be applicable for any mismatch in currencies between eligible assets pledged against Loan facility.

G. Interest Rate:

- Interest rate is calculated on a daily rest basis and it will be charged and compounded based on the currency you drawdown. We will debit the interest into your Loan account every month on the 26th of each month, or if that date is a Saturday, Sunday or public holiday in Malaysia, interest will be deducted on the business day before that date. The currency of each Loan need not be the same as the currency of the eligible assets pledged to the Loan.
- Interest Rate Formula: Risk Free Rate (RFR) / Central Bank Base Rate (CBBR) + Spread (LP + Profit Margin)

If you have any questions or require assistance regarding Wealth Portfolio Lending, you may:

Call us at
03-88942811

Visit us at:
https://www.hsbc.com.my/investments/products/wealth-portfolio-lending/

Email us at:
complaints@hsbc.com.my

Customer's Acknowledgment*

Ensure that you complete this section yourself and understand what you are signing.

☐ I acknowledge that HSBC Bank has provided me with a copy of this PDS.

☐ I have read and understood the key information contained in this PDS and from HSBC public website https://www.hsbc.com.my/investments/products/wealth-portfolio-lending/.

**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: