



Wealth and Personal Banking of HSBC Amanah Malaysia Berhad

Notification of Amendment to the Terms of the Additional Deferment 2 (“Additional Deferment 2”)

We are making changes to the terms and conditions following speech by the Prime Minister on 31 May 2021 and requirements by the Bank Negara Malaysia (BNM) Shariah Advisory Council (SAC). Details as outlined below:-

Area of Change	Original Terms (version 1)	Revised Terms (version 2)
A longer deferment period includes extension of Additional Deferment 2 for eligible customers	<p>3. On exceptional case basis, we may approve and you will be notified on:</p> <ul style="list-style-type: none"> (i) a longer deferment period, and/or (ii) the commencement of the Additional Deferment 2 to begin in the same month as we received your application. 	<p>3. On case basis, we may approve and you will be notified on:</p> <ul style="list-style-type: none"> (i) a longer deferment period (including extended deferment period), and/or (ii) the commencement of the Additional Deferment 2 to begin in the same month as we received your application.
Added the word ‘other’ to clarify that Clause 4 applies when customers switch from a different programme to Additional Deferment 2	<p>4. If you are currently on any temporary financial relief or targeted assistance programme with us, the existing temporary financial relief or targeted assistance programme will be cancelled prior to the Additional Deferment 2 taking effect. The treatment of accrued profit / lease rental (if any) and extension of facility tenure pursuant to these programmes up to the date of cancellation will follow Clauses 7 and 8 below.</p>	<p>4. If you are currently on any other temporary financial relief or targeted assistance programme with us, the existing other temporary financial relief or targeted assistance programme will be cancelled prior to the Additional Deferment 2 taking effect. The treatment of accrued profit / lease rental (if any) and extension of facility tenure pursuant to these programmes up to the date of cancellation will follow Clauses 7 and 8 below.</p>

<p>Changes to payment schedule for the monthly instalment, after the end of the Additional Deferment Period</p> <p>*Refer also to Explanatory note on the last page</p>	<p>7. Upon expiry of the deferment period, your revised monthly payment will be applied and allocated to pay off total accrued profit / lease rental first. Once all accrued profit / lease rental is settled, your monthly payment will be applied to pay off the principal / purchase and profit / lease rental as usual.</p>	<p>7. Your monthly instalment will resume in the month immediately after the end of the Additional Deferment 2 Period and the monthly instalment will be allocated towards principal reduction and monthly profit/lease rental of your existing account ("First Account") as usual.</p> <p>Your accrued profit/lease rental, which includes all profit/lease rental accrued during the initial Deferment Period and Additional Deferment 2 Period will be segregated to a new second account ("Second Account") which requires separate instalment payments and will commence at a later date. You will receive notification letter from us on the details.</p> <p>By having a separate First Account and Second Account, this will help reduce total amount payable for your facility as principal reduction in the First Account starts immediately after the end of the Additional Deferment Period 2 when you resume paying your full monthly instalment.</p>
<p>Notification of Second Account details</p>	<p>10. We will notify you of the revised monthly instalment at a later date.</p>	<p>10. We will notify you of the revised monthly instalments (if applicable) for your First Account and details of your Second Account at a later date.</p>

Notification of Amendment to the **Terms of the Payment Reduction 2 (“Payment Reduction 2”)**

We are making changes to the terms and conditions following speech by the Prime Minister on 31 May 2021 and requirements by the Bank Negara Malaysia (BNM) Shariah Advisory Council (SAC). Details as outlined below:-

Area of Change	Original Terms	Revised Terms
Added the word ‘other’ to clarify that Clause 2 applies when customers switch from a different programme to Payment Reduction 2	2. If you are currently on any temporary financial relief or targeted assistance programme with us, the existing temporary financial relief or targeted assistance programme will be cancelled prior to the Additional Deferment 2 taking effect. The treatment of accrued profit / lease rental (if any) and extension of facility tenure pursuant to these programmes up to the date of cancellation will follow Clauses 7 and 8 below.	2. If you are currently on any other temporary financial relief or targeted assistance programme with us, the existing other temporary financial relief or targeted assistance programme will be cancelled prior to the Additional Deferment 2 taking effect. The treatment of accrued profit / lease rental (if any) and extension of facility tenure pursuant to these programmes up to the date of cancellation will follow Clauses 7 and 8 below.
Payment Reduction 2 period may be extended for eligible customers	4. The Payment Reduction 2 is for a period of six (6) months, during which you will pay a lower revised monthly payment (consists of principal / purchase price and profit / lease rental) of an amount we notify you upon your successful application. The difference in respect of the profit / lease rental amount between the original monthly payment and the revised monthly payment will be accrued but will not be compounded. In addition, the accrued profit / lease rental will not be considered as overdue profit / lease rental.	4. The Payment Reduction 2 is for a period of six (6) months unless extended (which you will be notified), during which you will pay a lower revised monthly payment (consists of principal / purchase price and profit / lease rental) of an amount we notify you upon your successful application. The difference in respect of the profit / lease rental amount between the original monthly payment and the revised monthly payment will be accrued but will not be compounded. In addition, the accrued profit / lease rental will not be considered as overdue profit / lease rental.
Changes to payment schedule for the monthly instalment, after the end of the Additional Deferment Period *Refer also to the Explanatory note on the last page	5. Upon expiry of the deferment period, your revised monthly payment will be applied and allocated to pay off total accrued profit / lease rental first. Once all accrued profit / lease rental is settled, your monthly payment will be applied	5. Your monthly instalment will resume in the month immediately after the end of the Payment Reduction 2 Period and the monthly instalment will be allocated towards principal reduction and monthly profit/lease

	to pay off the principal / purchase and profit / lease rental as usual.	<p>rental of your existing account ("First Account") as usual.</p> <p>Your accrued profit/lease rental, which includes all profit/lease rental accrued during the initial Deferment Period and Payment Reduction 2 Period will be segregated to a new second account ("Second Account") which requires separate instalment payments and will commence at a later date. You will receive a notification letter from us on the details.</p> <p>By having a separate First Account and Second Account, this will help reduce total amount payable for your facility as your principal reduction in the First Account starts immediately after the end of the Additional Deferment Period when you resume paying your full monthly instalment.</p>
Notification of Second Account details	Not specified	8. We will notify you of the revised monthly instalments (if applicable) for your First Account and details of your Second Account at a later date.

***Explanatory Note for First Account and Second Account:**

BNM SAC's requirement on Restructuring and Rescheduling of Islamic Financing Facility during COVID-19 Crisis prohibits the compounding of profit to avoid amplification of profit on debts (compounded profit) that will worsen the financial position of customers who are already badly affected by the COVID-19 pandemic. Islamic financial institutions are to exercise the principle of beneficence (*ihsan*) in alleviating unprecedented social and financial hardship faced by the customers caused by the COVID-19 pandemic. The principle of *ihsan* is fundamental value in Islamic finance and in line with the objectives of Shariah (*maqasid Shariah*). In line with this, we are making changes on your payment schedule to help you reduce the total amount payable for your facility with us.

Under the original Terms of the Additional Deferment 2 / Payment Reduction 2 (version 1), the monthly instalment when you resume to pay will be first utilized to pay off the accrued profit/lease rental in full. This means principal reduction will not occur until all accrued profit/lease rental have been settled in full, resulting in a higher total amount payable for your facility.

Effective 15 April 2021, if you have had a deferment programme with the Bank, there will be a total of two (2) accounts for your facility with the Bank where applicable. Your existing account of your facility will be your First Account. A new Second Account will be created to segregate the accrued profit/lease rental which includes all profit/lease rental accrued during the initial Deferment Period and Additional Deferment Period, which requires separate instalment payments and will commence at a later date. We will provide you the details in due course.

By having separate First Account and Second Account for your facility with the Bank, when you resume your original payments after the end of Additional Deferment Period 2/ Reduce Repayment 2, your monthly instalment paid to your First Account will be allocated towards principal reduction and monthly profit/lease rental as usual, whilst separate payment schedule will apply to your Second Account. These changes are better for you as they help to reduce the total amount payable for your facility.