

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet together with the attached general terms and conditions (if any) before you decide to take up the Hong Leong Personal Financing-i. Please do not hesitate to contact us for clarification, if required.



Hong Leong Personal Financing-i

Date:

1. What is this product about?

This facility is an unsecured Islamic personal financing facility, which complies with Shariah principles to assist you in meeting your personal consumption needs. It is calculated on a fixed rate basis resulting in a fixed instalment payment throughout the financing tenure.

2. What is the Shariah concept applicable?

The Shariah principle used is Murabahah via Tawarruq arrangement. Murabahah is a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the Customer. Tawarruq refers to two sale and purchase contracts. The first involves the sale of an asset by the Bank to the Customer on a deferred basis. Subsequently the Customer will sell the same asset to a third party to obtain cash. The mechanics involved:

1. The Bank buys the commodity* at Financing Amount on a spot basis;
2. The Bank now owns the commodity;
3. The Bank sells the commodity to the customer at a Selling Price** on deferred payment (instalments). As owner of the commodity, customer may opt to take physical delivery/possession at his own expenses;
4. Next, as the owner of the commodity, the customer appoints Bank as an agent(wakil) to sell the commodity;
5. The Bank (as agent of the customer) sells the commodity at Facility Amount on a spot to a third party for cash;
6. Bank disburses the proceeds (Facility Amount).

*Commodity:-

- (a) The commodity is in the form of Platinum or any other Shariah compliant commodities to be traded under the Facility which shall be acceptable to the parties and as approved by Shariah Committee of the Bank;
- (b) The trading is carried out on multi-commodity trading platform such as Eiger or any other commodity trading platform, which, facilitates Tawarruq transactions and has been approved by the Shariah Committee of the Bank.

**Selling Price (cost plus mark-up – Murabahah):-

- (a) The Selling Price refers to the price to be paid by the customer to the Bank in exchange of the commodity.
- (b) It is a maximum price chargeable to the financing facility subject to further rebate.

3. What do I get from this product?

Selling Price: RM _____

Financing Amount: RM _____

Profit Rate: _____ % per annum flat

Effective Profit Rate: _____ %

Tenure: _____ months

4. What are my obligations?

Fixed monthly instalments throughout the financing tenure.

- Monthly instalments*: RM _____
- The total amount at the end of tenure: RM _____

* Note: The monthly instalment will be rounded up to the nearest RM5.

5. What are the fees and charges I have to pay?

A one-time stamp duty of 0.5% [in accordance with the Stamp Act 1949 (1989)] of approved financing amount will be conducted from the financing amount upon disbursement.

6. What if I fail to fulfill my obligations?

Should you fail to service your payment obligation in a timely manner, the following compensation charges (Ta'widh) shall apply:-

(a) During Facility Tenure

- (i) For default of any payments during the tenure of the Facility, at the compensation rate of one per centum (1%) per annum or such other rates approved by Bank Negara Malaysia on the overdue scheduled payment, calculated from the date immediately following the date of such default until the date of receipt of payment in full;
- (ii) For default causing the Facility to be terminated or brought to court for judgment prior to the expiry of the tenure of the Facility, at the compensation rate of one per centum (1%) per annum or such other rates approved by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit);

(b) After Expiry or Maturity of Facility Tenure

For default of any payment exceeding the tenure of the Facility, at such rate which shall not be more than the Bank Negara Malaysia's prevailing daily overnight Islamic Interbank Money Market ("IIMM") rate or such other rates approved by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit) of the Facility subject to any rebate (Ibra') that may be applicable, calculated from the date immediately following the expiry of the tenure of the Facility until date of receipt of payment in full;

(c) Post Judgment

For default of payment of Facility after court judgment has been obtained against you, at such rate which shall not be more than

the Bank Negara Malaysia's prevailing daily overnight Islamic Interbank Money Market ("IIMM") rate or such other rates approved by Bank Negara Malaysia on the basic judgment sum of the Facility subject to any rebate (Ibra') that may be applicable, calculated from the date the judgment is made until the judgment sum is fully settled.

The compensation amount shall not be added to the outstanding principal and shall not be more than the outstanding principal.

We may set-off/deduct any credit balance in your deposit accounts maintained with the Bank against any outstanding balance in this financing account by giving you seven (7) calendar days prior written notice. Legal action against you will be taken if you fail to respond to reminder notices. Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

7. What if I fully settle the financing before its maturity?

The Bank undertakes to grant you rebate at the point of early settlement. The Rebate shall be calculated in accordance to the formula:

$$R = \frac{n(n+1)}{N(N+1)} \times P \text{ where,}$$

R	Rebate (RM)
n	Remaining number of instalment
N	Financing Tenure (in months)
P	Profit Payable for the whole Financing Terms

8. Do I need a guarantor or collateral?

No guarantor or collateral is required.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any changes in your contact details such as telephone number, mailing address and email address to ensure that all correspondence reach you in a timely manner. To update your correspondence details, please visit any of our branches nationwide.

Note: If you are a Hong Leong Connect (Online Banking) user, your statements are available for viewing and downloading in Hong Leong Connect (Online Banking). If you are not a Hong Leong Connect (Online Banking) user, your statements will be sent to the email address provided by you.

10. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact us as early as possible to discuss payment alternatives. You may contact us at:
Credit Control Dept., Hong Leong Bank Berhad,
Level 2, PJ City Development, No. 15A, Jalan 219, Section 51A, 46100 Petaling Jaya, Selangor.
Tel: +603-7959 1888 Fax: +603-7873 8228
Email: HLBBPFCREDITCONTROLCENTREPERSONALLOAN@hlbb.hongleong.com.my
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counseling, financial education and debt restructuring for individuals. You can contact AKPK at:
Level 5 and 6, Menara Bumiputra Commerce, Jalan Raja Laut, 50350 Kuala Lumpur.
Tel: +603-2616 7766 Fax: +603-2616 7601 E-mail: enquiry@akpk.org.my
- If you wish to provide feedback on the products or services provided by us, you may contact us at:
Customer Advocacy, Hong Leong Bank Berhad,
Level 13A, Menara Hong Leong, No.6, Jalan Damansara, Bukit Damansara, 50490 Kuala Lumpur.
Tel: 03-7626 8801/ 03-7626 8802/ 03-7626 8812 E-mail: customerservice@hlbb.hongleong.com.my
- If your query or complaint is not satisfactorily resolved by us, you may contact:
Bank Negara Malaysia LINK or TELELINK at:
Block D, Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur.
Tel: 1-300-88-5465 Fax: +603-2174 1515 E-mail: bnmtelelink@bnm.gov.my

11. Other Personal Financing packages available:

Nil

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR PERSONAL FINANCING-i.

This information provided in this disclosure sheet is valid as at 1 October 2020.

Applicant's Declaration:

I hereby declare that I have read and understood the contents of the Product Disclosure Sheet contained herein.

Applicant's Name: _____

Applicant's MyKad No. : _____

Applicant's Signature:

Appendix 1- Illustrative Payment Schedule

Financing	55,000.00	Instalment	1,700.00	p.a.
Selling Price	81,400.00	Profit Rate	12.00%	
Total Profit	26,400.00	Tenures	48 months	

Month	Instalment (RM)	Instalment Allocation		Outstanding Principal	O/S Selling Price	Remaining Unearned
		Principal	Profit			
0	0	0	0	55,000.00	81,400.00	26,400.00
1	1,700.00	622.44	1,077.56	54,337.56	79,700.00	25,322.44
2	1,700.00	644.90	1,055.10	53,732.66	78,000.00	24,267.34
3	1,700.00	667.35	1,032.65	53,065.31	76,300.00	23,234.69
4	1,700.00	689.79	1,010.21	52,375.52	74,600.00	22,224.48
5	1,700.00	712.25	987.75	51,663.27	72,900.00	21,236.73
6	1,700.00	734.69	965.31	50,928.58	71,200.00	20,271.42
7	1,700.00	757.15	942.85	50,171.43	69,500.00	19,328.57
8	1,700.00	779.59	920.41	49,391.84	67,800.00	18,408.16
9	1,700.00	802.04	897.96	48,589.80	66,100.00	17,510.20
10	1,700.00	824.49	875.51	47,765.31	64,400.00	16,634.69
11	1,700.00	846.94	853.06	46,918.37	62,700.00	15,781.63
12	1,700.00	869.39	830.61	46,048.98	61,000.00	14,951.02
13	1,700.00	891.83	808.17	45,157.15	59,300.00	14,142.85
14	1,700.00	914.29	785.71	44,242.86	57,600.00	13,357.14
15	1,700.00	936.73	763.27	43,306.13	55,900.00	12,593.87
16	1,700.00	959.19	740.81	42,346.94	54,200.00	11,853.06
17	1,700.00	981.63	718.37	41,365.31	52,500.00	11,134.69
18	1,700.00	1,004.08	695.92	40,361.23	50,800.00	10,438.77
19	1,700.00	1,026.53	673.47	39,334.70	49,100.00	9,765.30
20	1,700.00	1,048.98	651.02	38,285.72	47,400.00	9,114.28
21	1,700.00	1,071.43	628.57	37,214.29	45,700.00	8,485.71
22	1,700.00	1,093.88	606.12	36,120.41	44,000.00	7,879.59
23	1,700.00	1,116.32	583.68	35,004.09	42,300.00	7,295.91
24	1,700.00	1,138.78	561.22	33,865.31	40,600.00	6,734.69
25	1,700.00	1,161.22	538.78	32,704.09	38,900.00	6,195.91
26	1,700.00	1,183.68	516.32	31,520.41	37,200.00	5,679.59
47	1,700.00	1,655.10	44.90	1,477.56	1,500.00	22.44
48	1,700.00	1,477.56	22.44	(0)	0	0

Early Settlement of Financing:-

Customer requested for settlement on 23rd instalment (current month's instalment not paid):-

Rebate (ibra') = Remaining Unearned
= 7,295.91

Settlement Amount = Outstanding Selling Price on 23rd instalment + 23rd instalment – Rebate
= 42,300.00 + 1,700.00 – 7,295.91
= **36,704.09**

