

PRODUCT DISCLOSURE SHEET [\(Versi Bahasa Malaysia\)](#)

Kindly read this Product Disclosure Sheet before you decide to take up the Hong Leong ASB Financing-i. Be sure to also read the terms and conditions of the Hong Leong ASB Financing-i.

Seek clarification from Hong Leong Islamic Bank ("the Bank") if you do not understand any part of this document or the terms and conditions.



Hong Leong ASB Financing-i

Date:

1. What is this product about?

This is a term financing facility secured by Amanah Saham Bumiputera (ASB) / Amanah Saham Bumiputera 2 (ASB 2) units. It is a variable profit rate facility with a fixed ceiling profit rate. The maximum financing amount allowed for this facility is RM200,000 per customer per fund (excluding takaful, will writing services and applicable stamp duty charges).

The effective profit rate charged is pegged against the Standardised Base Rate (SBR). Under this product, the risk of you being charged a higher effective profit rate due to an increase in the SBR is mitigated by having the ceiling profit rate i.e. the Contracted Profit Rate (CPR) where the Selling Price is capped at CPR. No matter how high the SBR fluctuates, you will not be charged more than the CPR.

2. What is the Shariah contract applicable?

The Shariah contract used is Tawarruq. 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 Facility Amount on a spot basis;
2. The Bank now owns the commodity;
3. The Bank sells the commodity to the customer at the Selling Price\*\* on deferred payment (instalments). As the owner of the commodity, the customer may opt to take physical delivery/possession at his own expense;
4. Next, as the owner of the commodity, the customer appoints the Bank as an agent to sell the commodity;
5. The Bank (as the agent of the customer) sells the commodity at the Facility Amount on the spot to a third party for cash;
6. The Bank disburses the proceeds (Facility Amount) i.e. HLISB purchases the ASB / ASB 2 units from ASNB on behalf of the Customer.

\*Commodity:-

- (a) The commodity is in the form of Crude Palm Oil or any Shariah compliant commodities to be traded under the Facility shall be acceptable to the parties and as approved by the Shariah Committee of the Bank;
- (b) The trading is carried out on a commodity trading platform which facilitates Tawarruq transactions and has been approved by the Shariah Committee of the Bank.
- (c) The commodity aims to facilitate the customer to obtain cash by selling it to the commodity market. The sale proceeds will be used specifically for the purpose intended by the customer.
- (d) Notwithstanding the above, the Bank may, under exceptional circumstances including but not limited to any operational and/or system challenges faced by the Bank, carry out the commodity trading after the disbursement of the Facility Amount to the Customer provided that such commodity trading is in accordance with Shariah principles.

\*\*Selling Price:-

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

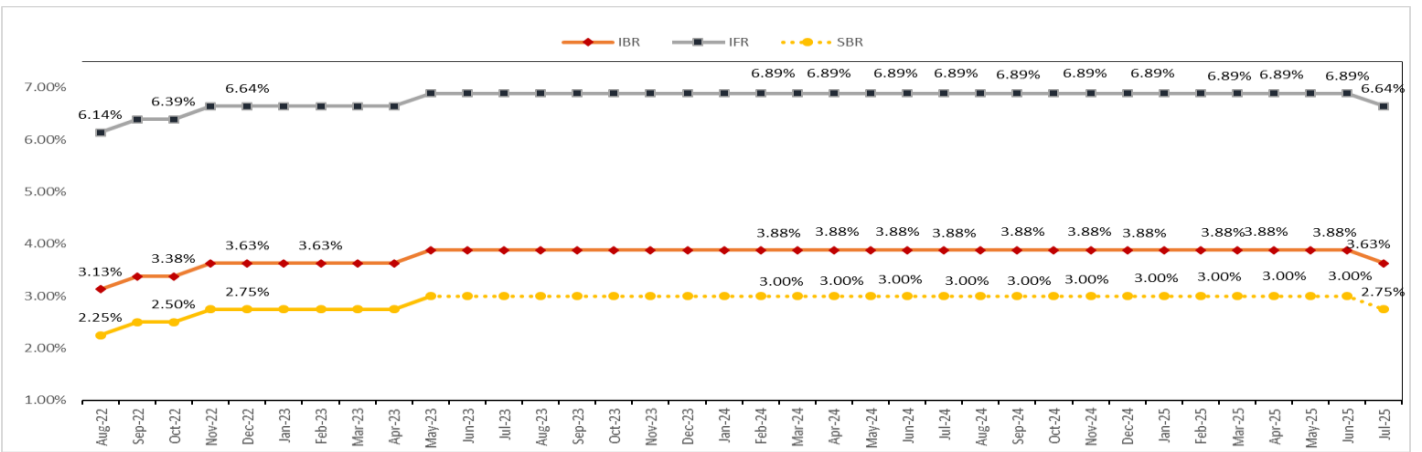
3. What is the Standardised Base Rate (SBR)?

The SBR is based on the benchmark rate specified by Bank Negara Malaysia (BNM). The current benchmark rate is the Overnight Policy Rate (OPR), which reflects the monetary policy stance as decided by the Monetary Policy Committee of BNM.

4. What are the possible scenarios that may trigger a change in the SBR?

The SBR can rise or fall due to changes in the benchmark rate, i.e. changes in the OPR.

5. Historical SBR for the past 3 years



The SBR was introduced on 1 August 2022. The dotted line shows the historical series of the OPR, which is the benchmark rate of the SBR. For a longer historical series, please refer to our website.

## 6. What do I get from this product?

### Illustration

Item	Description								
Total Amount Financed	RM								
Margin of Financing	< >%								
Tenure	months								
Profit Rate / Effective Profit Rate	<table><tr><th>Profit Rate</th><th>Effective Profit Rate</th></tr><tr><td>Year 1 : SBR + &lt; &gt;%</td><td>&lt; &gt;%</td></tr><tr><td>Year 2-3 : SBR + &lt; &gt;%</td><td>&lt; &gt;%</td></tr><tr><td>Thereafter : SBR + &lt; &gt;%</td><td>&lt; &gt;%</td></tr></table>	Profit Rate	Effective Profit Rate	Year 1 : SBR + < >%	< >%	Year 2-3 : SBR + < >%	< >%	Thereafter : SBR + < >%	< >%
Profit Rate	Effective Profit Rate								
Year 1 : SBR + < >%	< >%								
Year 2-3 : SBR + < >%	< >%								
Thereafter : SBR + < >%	< >%								
Contracted Profit Rate	< >% p.a.								
Selling Price	RM								

- **Note:** Standardised Base Rate (SBR) is currently at <2.75>.

## 7. What are my obligations?

Your monthly instalment is RM [x]

Total payment amount at the end of [xx] months is RM [x]

**Important:** Your monthly instalment and total payment amount will vary if the SBR changes.

### Illustration

Rate	Today (SBR=<b>%)	If SBR increases to (SBR= <b+1>%)	If SBR increases to (SBR=<b+2>%)
Monthly instalment	RM	RM	RM
Total profit at the end of [xx] months	RM	RM	RM
Total payment amount at the end of [xx] months	RM	RM	RM

### Important:

- Rebate shall be provided to you if there is a difference between the CPR and the EPR.
- The Bank may, from time to time, subject to the CPR, vary the SBR. If and whenever the EPR is varied as a consequence of variations to the SBR, the Bank may make the following adjustment consequent upon such variation with prior notification to Customer, namely, either: -
  - by varying the amount of any Monthly Instalments; or
  - by varying the number of the Monthly Instalments.

## 8. What other charges do I have to pay?

For the full list of fees and charges, please visit our website at <https://www.hlisb.com.my> or scan here



## 9. What if I fail to fulfil my obligations?

Should you fail to adhere to your payment obligations in a timely manner, the following shall apply:

- **Compensation Charges**
  - For default payment during facility tenure = 1% p.a. on the overdue instalment amount;
  - For default causing the facility to be terminated or brought to court = 1% p.a. on the outstanding balance (outstanding principal plus accrued profit);
  - For default payment after expiry of facility tenure = BNM Islamic Interbank Money Market (IIMM) rate on the outstanding balance (outstanding principal plus accrued profit);
  - For default payment post judgment = IIMM rate on the basic judgment sum.

### Note:

- Compensation charges shall not be compounded and become more than the outstanding principal.
- Compensation charges method and rate are subject to changes as may be prescribed by BNM.
- Compensation charges are computed on a daily basis from the payment due date/maturity date/judgement date.

- **Right to dispose**

The Bank is entitled to dispose your pledged ASB/ASB 2 units in the event of default monthly instalment payments (in arrears for 2 consecutive months).

- **Right to set-off**

The Bank may set-off any credit balance in any account maintained with the Bank against any outstanding balance of this Facility with issuance of a seven (7) days' prior written notice to you.

- **Legal Action**

Legal action will be taken if you fail to respond to reminder notices given by the Bank and to settle the outstanding balance in this financing account after your ASB/ASB 2 units have been liquidated.

- **Credit Rating Deterioration**

Legal action against you may affect your credit rating leading to credit/financing being more difficult or expensive for you.

#### 10. 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 the following formula:

Rebate on early settlement = Remaining Unearned Profit

Note:

- (a) *Remaining Unearned Profit = Total Profit – Accrued Profit*
- (b) *Total Profit = Selling Price – Financing Amount*
- (c) *Accrued Profit is calculated based on Effective Profit Rate on the outstanding Financing Amount that has been disbursed*

#### 11. Do I need a guarantor / collateral?

No guarantor is required. Your ASB/ASB 2 units will be used as collateral.

#### 12. Do I need any Takaful coverage?

ASB Reducing Term Takaful (ARTT) is optional and can be financed as part of this financing facility. ARTT helps to settle your outstanding Financing Amount in the event of Death or Total Permanent Disability (TPD).

#### 13. What are the major risks?

The EPR is a variable rate and may change according to change(s) in the SBR. An increase in EPR may result in higher monthly payment. However, the EPR increase is capped at the CPR stated above.

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

It is important that you inform the Bank of any changes in your contact details at the earliest possible opportunity to ensure that all correspondences reach you in a timely manner. To update your correspondence details, please contact the Bank at +603-7626 8899 or visit any of our branches nationwide.

#### 15. Where can I get assistance and redress?

- If you have any difficulties in making payments, you should contact us earliest possible to discuss payment alternatives. You may contact our Consumer Collection Centre at:  
Level 2, PJ City Development,  
No. 15A, Jalan 219, Section 51A,  
46100 Petaling Jaya, Selangor  
Tel: +603-7959 1888 Fax: +603-7873 8228  
Email: [MCC2@hlbb.hongleong.com.my](mailto:MCC2@hlbb.hongleong.com.my)
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by BNM to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. You can contact AKPK at:  
Level 5 and 6, Menara Aras Jaya (Formerly Known as Menara Bumiputra Commerce), Jalan Raja Laut, 50350 Kuala Lumpur  
Tel: +603-2616 7766 E-mail: [akpk.org.my/contact-us](mailto:akpk.org.my/contact-us)
- POWER! (Pengurusan Wang Ringgit Anda) Programme, offered by AKPK, promotes prudent money management and financial discipline to individual customers. To register and for further information, kindly call 03-2616 7766 or visit the website at [akpk.org.my/contact-us](http://akpk.org.my/contact-us)
- **For any enquiries, you may contact us at:**  
Contact Centre: 03-7626 8899 E-mail: [HLOnline@hlbb.hongleong.com.my](mailto:HLOnline@hlbb.hongleong.com.my)
- **To make a complaint on products or services offered, you may contact us at:**  
Customer Advocacy  
Level 13A, Menara Hong Leong, No 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur.  
Phone: +603-7626 8821 / 7626 8802 / 7626 8812 E-mail: [customerservice@hlbb.hongleong.com.my](mailto:customerservice@hlbb.hongleong.com.my)
- If your query or complaint is not satisfactorily resolved by us, you may contact BNMLINK at:  
4<sup>th</sup> Floor, Podium Bangunan AICB, No.10, Jalan Dato'Onn, 50480 Kuala Lumpur.  
Web: [bnmlink.bnm.gov.my](http://bnmlink.bnm.gov.my) Tel: 1-300-88-5465 or 03-2174-1717 (for overseas calls)

#### 16. Where can I get further information?

Should you require additional information about taking ASB Financing-i, you can log on to HLISB website [www.hlisb.com.my](http://www.hlisb.com.my) or scan here to view the ASB Financing Brochure



<b>17. Other similar financing packages available</b>
<ul style="list-style-type: none"><li>• Nil</li></ul>
<p style="text-align: center;"><b>IMPORTANT NOTE:</b> <b>YOUR ASB/ASB 2 UNITS MAY BE LIQUIDATED IF YOU DO NOT KEEP UP WITH YOUR FINANCING PAYMENTS.</b></p>



The information provided in this disclosure sheet is valid as at\_\_\_ / \_\_\_ / \_\_\_

## Appendix 1- Illustrative Payment Schedule

Customer	Customer 1
CPR (%)	10.60
EPR (%)	4.80
Financing Terms	120 months
Installment (EPR)	1,577.00

Selling Price	243,891.60
Financing Amount	150,000.00
Total Profit	93,891.60
Disbursement Date	7 Dec 17

EPR = SBR + 1.60%

SBR is 3.20%

No	Date	At Effective Profit Rate				OS Financing Amount	OS Selling Price	Remaining Unearned
		Instalment	Principal Paid	Billed Profit	Profit Rate			
0	7-Dec-17					150,000.00	243,891.60	93,891.60
1	1-Jan-18	1,577.00	1,083.75	493.25	4.80%	148,916.25	242,314.60	93,398.35
2	1-Feb-18	1,577.00	970.02	606.98	4.80%	147,946.23	240,737.60	92,791.37
3	1-Mar-18	1,577.00	1,032.12	544.88	4.80%	146,914.11	239,160.60	92,246.49
4	1-Apr-18	1,577.00	978.08	598.92	4.80%	145,936.03	237,583.60	91,647.57
5	1-May-18	1,577.00	1,001.30	575.7	4.80%	144,934.73	236,006.60	91,071.87
6	1-Jun-18	1,577.00	986.14	590.86	4.80%	143,948.59	234,429.60	90,481.01
7	1-Jul-18	1,577.00	1,009.10	567.9	4.80%	142,939.49	232,852.60	89,913.11
8	1-Aug-18	1,577.00	994.2	582.8	4.80%	141,945.29	231,275.60	89,330.31
9	1-Sep-18	1,577.00	998.23	578.77	4.80%	140,947.06	229,698.60	88,751.54
10	1-Oct-18	1,577.00	1,020.80	556.2	4.80%	139,926.26	228,121.60	88,195.34
11	1-Nov-18	1,577.00	1,006.60	570.4	4.80%	138,919.66	226,544.60	87,624.94
12	1-Dec-18	1,577.00	1,028.90	548.1	4.80%	137,890.76	224,967.60	87,076.84

**Disclaimer:** This Schedule indicates the payment of instalments by customer. The value illustrated above may change according to a number of variables such as promptness of payment by customers, prepayments, movement of SBR, differing disbursement amount and number of days in the month.

Profit is calculated daily based on daily outstanding principal balance, as follows:-

Daily Profit (1<sup>st</sup> month) = 150,000.00 X 4.80% X 1/365  
= 19.7260  
= 19.73 (round up to two decimals)

01/01/2018 Billed Profit = Daily Profit X No of days (from 7<sup>th</sup> Dec 17 to 31<sup>st</sup> Dec 17)  
= 19.73 X 25 days = RM 493.25

### Early Settlement of Financing

Customer requested for early settlement as at **17/10/2022** (58<sup>th</sup> instalment not paid). Extract of the payment schedule:

No	Date	At Effective Profit Rate				OS Financing Amount	OS Selling Price	Remaining Unearned
		Instalment	Principal Paid	Billed Profit	Profit Rate			
0	7-Dec-17					150,000.00	243,891.60	93,891.60
1	1-Jan-18	1,577.00	1,083.75	493.25	4.80%	148,916.25	242,314.60	93,389.35
2	1-Feb-18	1,577.00	970.02	606.98	4.80%	147,946.23	240,737.60	92,791.37
57	1-Sep-22	1,577.00	1,215.54	361.46	4.80%	87,458.77	154,002.60	66,543.83
58	1-Oct-22	1,577.00	1,232.00	345.00	4.80%	86,226.77	152,425.60	66,198.83
59	1-Nov-22	1,577.00	1,225.46	351.54	4.80%	85,001.31	150,848.60	65,847.29

Current month profit = Daily profit X No of days  
= (Outstanding Financing Amount X Profit Rate X 1/365) X 16 days (1/10/22 to 17/10/22)  
= (87,458.77 X 4.8% X 1/365) (round to 2 decimals) X 16 days / 365  
= 11.5014  $\approx$  11.50 X 16 = 184.00

Remaining Unearned at 17/10/22 = Remaining Unearned (at 1/10/22) – Current Month Profit (from 1/10/22 to 17/10/22)  
= 66,198.83 – 184.00  
= 66,014.83

Rebate at Settlement = Remaining Unearned (at 17/10/22)  
= 66,014.83

Outstanding Selling Price at Settlement = Scheduled Outstanding Selling Price at 01/10/22 + Instalment Due Not Paid, if any (for 01/10/22 Due Date)  
= 152,425.60 + 1,577.00  
= 154,002.60

Settlement Amount as at 17/10/22 = Outstanding Selling Price (at Settlement) – Undisbursed Financing Amount (if any)  
+ Compensation Charges (if any) + Misc Cost (if any) + Other Charges (if any)  
– Rebate at settlement  
= 154,002.60 – 0.00 + 0.00 + 0.00 + 0.00 – 66,014.83  
= **RM 87,987.77**