

PRODUCT DISCLOSURE SHEET

Dear Customer,
This Product Disclosure Sheet (PDS) provides you with key information on **Wealth Leveraging**
Other customers have read this PDS and found it helpful; **you should read it too.**



Date:

1 What is Wealth Leveraging?

- (a) This facility allows customer to utilize Overdraft facility for purchase of Unit Trust or Retail Bond based on Margin of Advance (MoA). This facility is offered in Ringgit Malaysia (MYR).
- (b) The Margin of Advance (MoA) is used to determine the contribution from the borrower. Margin of Advance will be used to define the limit of overdraft that borrower can use for purchase of Unit Trust and Bond based on the risk class category.

Risk Class*	Margin of Advance (MOA)	Contribution from Borrower
1	100%	-
2	90%	10%
3	80%	20%
4	70%	30%
5	60%	40%
6	50%	50%

*Please refer to the Relationship Manager or Premier Relationship Director for the respective risk class for the collateral.

2 Know Your Obligations

For this loan, as an illustration:

- Your loan amount: **RM1,000,000**
- Overdraft Utilization: **100%**
- Repayment: Payable on demand
- Standardised base rate (SBR)*: **2.75% p.a.**
- Effective lending rate (ELR): **4.50% p.a.**

Interest on the Overdraft facility is computed on daily rests basis. It is charge base on the amount utilized, subject to a minimum charge of RM 5.00.

Assuming a 100% utilization of the Overdraft facility, your minimum repayment amount is RM 3,288.

You also have to pay the following fees and charges:

- Letter of Offer: stamp duty shall be RM5.00 for every RM1,000 or 0.5% of facility limit
- 1st Party Memorandum of Deposit: Stamp duty of RM10
- Commitment Fees on unutilized limit: 1% per annum for OD limit above MYR 250k or equivalent only
- Processing/ Late Payment Fees: Nil

For the avoidance of doubt, you will bear all professional fees, taxes (including but not limited to sales and service tax and/or any applicable taxes imposed from time to time), and out-of-pocket expenses incurred and any other fees, expenses or recourse in respect of this banking facility.

All fees and charges are non-refundable and may be updated by the Bank on its website from time to time.

*The SBR is set as the Overnight Policy Rate (OPR) decided by Bank Negara Malaysia.
The SBR can rise or fall due to changes in the OPR.

3 Know Your Risks

What if I fail to fulfill my obligations?

1. Excess of limit:

In the event that an excess over limit in your account due to, for example, interest accumulation or the expiry of the Overdraft facility, the Bank shall have the right to impose additional interest at one per cent (1%) per annum over the Bank's prescribed rate on the amount in excess of the limit until the date of normalization.

It is your responsibility to:



Read and understand the **key terms** in the contracts before your sign it.



Pay your due amount timely upon demand.



Contact us immediately, if you are unable to pay your monthly instalment.

2. Right to set-off:

We have the right to set off any credit balance in your account maintained with us against any outstanding balance in this facility. Advance notice of 7 calendar days will be given.

3. Right to commence recovery legal action:

Legal action will be taken if you fail to respond to reminder notices. Your pledged collateral(s) may be force-sold and you will have to bear all costs. You are also responsible to settle any shortfall after the force selling of your pledged collateral(s). The Bank has a right to commence recovery activities (including engaging third-party debt collection agencies and selling non-performing loan to a third party), and bankruptcy proceedings.

What are the major risks?

1. Leveraging Risk:

The value of your collateral may fall, depending on market condition. You will be called upon to “top up” your account by funding the shortfall amount or to pledge more collateral. If you fail to do so, the Bank may have to force sell your collateral at a loss to repay any amount outstanding and you would be liable for any amounts still owing subsequently.

2. Interest Rate Risk:

The interest rate of your facility may increase, resulting in a higher interest payment amount for the facility.

3. Market Risk:

If a collateral loan is taken out for investment purposes, the equity risk will increase in view of the uncertainty of investment return. In the market situation where interest of the facility is higher than the investment returns, you will need to have sufficient liquidity to repay your outstanding credit loan or pledge additional collateral for the credit facility.

Your monthly payment may increase during the tenure of your loan.

The SBR may increase due to a rise in the OPR set by Bank Negara Malaysia. An increase in SBR means that you have to pay a higher monthly payment.

Today (SBR = 2.75%)	If SBR goes up 1%	If SBR goes up 2%
RM3,698.63	RM4,520.55	RM5,342.47

Any excess amount above the stipulated minimum repayment amount will be used to offset the principal balance/utilized amount, and therefore will lower the interest charged for the subsequent months.

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Other Key Terms

- Margin of Finance is a daily monitor on the Borrower’s OD utilization and its collateral performance.

If you have any questions or require assistance on your housing loan, you can:



Call us at:
03-9206 8118



Visit us at:
<https://www.rhbgroup.com/other/contact-us/index.html>



Email us at:
customer.service@rhbgroup.com



Scan the QR code above

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