

PRODUCT DISCLOSURE SHEET

(Please read and understand this Product Disclosure Sheet together with the terms and conditions governing the Share Margin Financing (SMF) before you decide to take up this product. Seek assistance from RHB Bank Berhad if you need further clarification on any part of this document or the terms used.)

SHARE MARGIN FINANCING (SMF)

Date: _____
[to be filled by Dealer Representative]

1. What is this product about?

Share Margin Financing (SMF or the Facility) is a secured financing facility for the purpose of purchasing securities listed on Bursa Malaysia.

2. What do I get from this product?

Minimum/ Maximum Facility Limit		IPO/ ESOS	Single Counter	Multiple Counter		
	Minimum	RM50,000	RM100,000	RM50,000		
	Maximum	Based on the merits of the application				
Trading Multiples		IPO/ ESOS	Single Counter		Multiple Counter	
	No Trading Multiples allowed	Trading limit for purchase of stocks listed on Bursa Malaysia	Cash Disbursement / Refinancing	Trading limit for purchase of stocks listed on Bursa Malaysia	Cash Disbursement / Refinancing	
		<ul style="list-style-type: none"> Fixed Deposit or Cash :2X of MYR cash value Listed Shares :1X of listed shares value 	0.5X of listed shares value	<ul style="list-style-type: none"> Fixed Deposit or Cash :2.5X of MYR cash value Listed Shares :1.5X of listed shares value 	0.6X of listed shares value	
Interest Rate	:	*Standardised Base Rate (SBR) + **Spread Rate *SBR may vary from time to time. Please refer to RHB Group website for the latest rate ** Spread Rate is provided by Business Unit based on the credit assessment and customer's credit rating				
Collateral Type	:	ESOS/ IPO/ Single Counter/ Multiple Counter Shares				

3. What is the Standardised Base Rate (SBR)

The SBR we offer on this product is made up of two parts, our benchmark cost of funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia. Our benchmark COF reflects the internal funding cost comprising the cost of raising new funds at market rates as well as the promotional rates and is based on the rolling 12 months average composite of our customers' current and savings account deposits, fixed and money market term deposits with tenure up to 12 months.

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

Our SBR can rise or fall due to changes in the benchmark COF and changes in the SRR. Changes in the benchmark COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as RHB deposits' promotional rates and funding strategies

5. Historical SBR for the past 3 years:

HISTORICAL STANDARDISED BASE RATE (SBR) FOR THE PAST 3 YEARS



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6. What is Margin of Financing (MOF)?

Margin of Financing is the ratio of outstanding balance against the equity.
Outstanding balance means the amount owed after deducting any cash deposit available.
Equity means the sum of the value of securities pledged and purchased or carried in the Facility.
i.e. 50% of MOF means the client has to maintain an equity value of not less than 2 times of the outstanding balance.

7. What are my obligations?

i. You are required to promptly regularize the account position whenever there is margin call due to breach of Margin Call Threshold.

Margin Threshold	Call	Where the market value of the security falls below the threshold of the outstanding balance, you shall within three (3) market days' grace period to regularize the account by either cash/shares top-up or sell down so as to bring the security coverage to not less than the threshold.				
		<table border="1" style="width: 100%;"> <tr> <th style="width: 50%;">IPO/ ESOS</th> <th style="width: 50%;">Single / Multiple Counter</th> </tr> <tr> <td>MOF > 80%</td> <td>MOF >67%</td> </tr> </table>	IPO/ ESOS	Single / Multiple Counter	MOF > 80%	MOF >67%
IPO/ ESOS	Single / Multiple Counter					
MOF > 80%	MOF >67%					
Failure to bring the security coverage to the required margin of financing shall result in force selling of your securities on the fourth market day after the date of the margin call. You shall be suspended from buying any further securities under the Facility upon a margin call being made until the required margin of financing is regularized to the satisfaction of the Bank.						

- ii. No fixed monthly payment is required. You may make any payment as and when you wish throughout the financing tenure by way of cash top-up or sale proceeds from shares disposal.
- iii. The Interest Rate on this financing is pegged to the SBR which may fluctuate from time to time. An increase in the SBR may result in higher interest charge.
- iv. You are to pay the outstanding sums of the Facility including principal, interest or any other monies due to the Bank upon cancellation or termination of the Facility.

Note: If you have problems meeting your obligations, contact us early to discuss payment alternatives.

8. What other charges do I have to pay?

Fees and Charges	IPO/ ESOS	Single Counter	Multiple Counter
Nominee charges	For dividend collection, rights issues subscription, take-over offers acceptance and warrants/ financing stocks conversion, as charged by Custodian.		
Margin Withdrawal	Cash	Standard Bank charges apply	
Margin Withdrawal	Shares	Standard Central Depository System (CDS) transfer fee apply	
Rollover fee, annual renewal fee	N/A		
Stamp Duty/Facility Limit	0.50% of Facility limit		
Legal Fees on Financing Documentations	You are required to pay all legal fees and incidental expenses in relation to the Facility (including but not limited to the preparation, stamping and registration of any security documents and the lodgment and withdrawal of caveats).		
Upfront Payment	Upfront payment of RM30 (for Individual Account) or RM40 (For Corporate Account) Note: i. RM10 for minimum balance in Current Account (opening of account) ii. RM10 upfront fee to Bursa Malaysia iii. RM10 Nominal Stamp Duty for Letter of Offer iv. RM10 Nominal Stamp Duty for Guarantee Letter – for Corporate Accounts only		
Upfront Fee	0.25% of the approved funding amount *Applicable for IPO/ESOS only.		

For the avoidance of doubt, you shall bear all professional fees, taxes (including but not limited to services tax [where applicable] and or any applicable taxes imposed from time to time), out-of-pocket expenses incurred and any other fees, expenses or recourse in respect of this product.

Please request from your Relationship Manager for the Bank's Standard Charges for SMF or retrieve it from our website at <http://www.rhbgroupp.com/>

If there are any changes in fees and charges that are applicable to your financing facility, the Bank will notify you at least 21 calendar days prior to the effective date of implementation.

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9. What if I fail to fulfill my obligations?

Forced Sale Trigger	<ul style="list-style-type: none"> You will be required to deposit additional cash /shares or dispose existing shares in the SMF account to regularize the account within the time stipulated by the Bank, failing which, your collaterals may be force-sold to regularize your account position to the required margin. If your MOF exceeds the Forced Sale Trigger as determined by the Bank, the Bank will have the right to force sell the security provided without prior notice to you. 	
	IPO/ ESOS	Single Counter / Multiple Counter
	<ul style="list-style-type: none"> MOF > 85% Shortfall must be regularized within the same day 	<ul style="list-style-type: none"> MOF > 77% Shortfall must be regularized within the same day
Interest On Excess Amount/ Default Rate	The Bank will not permit any excess/temporary overdrawn over and above the limit approved herein. However, in the event that an excess is created in your account, the Bank shall have the right to impose at the Bank's discretion an interest rate at three point five (3.50%) per annum over the Bank's BLR on the amount in excess of the limit until the date of normalization.	
Right to set-off	The Bank is entitled to set-off any outstanding amount due in this SMF account from any of your deposit accounts maintained with the Bank, which we will notify you at least 7 calendar days in advance.	
Right to commence recovery or Legal action	<ul style="list-style-type: none"> Legal action will be taken if you fail to respond to reminder notices. Your shares may be foreclosed and you will have to bear all costs. You are also responsible to settle any shortfall after your shares is sold. 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. Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you 	

10. Do I need a guarantor or collateral?

Requirement for a Guarantor is subject to individual credit assessment. Your shares will be pledged to the Bank as collateral.

11. What are the major risks?

- The major risk factors are the fluctuations in share prices and uncertain market conditions. The Bank has the right to liquidate part or the entire portion of the securities provided in the SMF account in the event you fail to regularize the account position, even if there is a major loss in the value of shares that you have pledged.
- If you do not keep making payments on the financing facility, recovery processes including of legal action may be taken against you. If you have problems meeting your financing obligations, contact us early to discuss payment alternatives.
- Legal action will be taken if you fail to respond to the reminder notices. You will have to bear all costs and responsible to settle any shortfall after legal action has been taken against you.
- Legal action against you may affect your credit rating, leading to credit being more difficult or expensive for you.

12. 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 to your contact details to ensure that all correspondences reach you in a timely manner.
- You may inform the Bank such changes via various channels of communication such as the website, branches or call center.

13. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact us immediately to discuss payment alternatives. You may contact us at:
RHB Investment Bank Call Centre
 Telephone : 03 - 2113 8118
 E-mail : support@rhbgroup.com
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit ("AKPK"), an agency established by Bank Negara Malaysia ("BNM") to provide free services on money management, credit counselling, financial education and debt restructuring for individuals and you may also join "Program Pengurusan Wang Anda" ("POWER"). You can contact AKPK at:
Agensi Kaunseling dan Pengurusan Kredit (AKPK)
 Tingkat 5 dan 6, Menara Aras Jaya
 (formerly known as, Menara Bumiputra Commerce)
 Jalan Raja Laut, 50350 Kuala Lumpur
 Telephone : 03-2616 7766
 E-mail : enquiry@akpk.org.my

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c) If you wish to complain on the products or services provided by us, you may contact us through any of the following channels:
Via the Complaints Form which is available at any RHB Investment Bank branches. You may request the Form from the Branch Head of Operations or Head of Branch
Via e-mail to rhbib.po.klm.complaints@rhbgroup.com
Speak to our Branch Head of Operations or Head of Branch at any RHB Investment Bank branches
Contact our Call Centre staff at 03-2113 8118 or
Write/call to the respective Complaints Officers whose contact details are available on RHB TradeSmart website, [Professional Support page](#) and click "Locate Us"

d) If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK at:

BNMLINK

4th Floor, Podium Bangunan AICB,
No. 10, Jalan Dato' Onn,
50480 Kuala Lumpur
Web form : bnmlink.bnm.gov.my
Telephone : 1-300-88-5465 or +603-2174-1717 (for overseas calls)
Fax : +603-2174-1515

e) Alternatively, you may seek the services of Ombudsman for Financial Services (OFS) (Formerly known as Financial Mediation Bureau), a non-profit organization and functions as an alternative dispute resolution channel to resolve disputes between OFS Members who are the Financial Service Providers (FSPs), licensed or approved by BNM and financial consumers you may contact OFS at:

Level 14, Main Block,
Menara Takaful Malaysia,
No 4, Jalan Sultan Sulaiman,
50000 Kuala Lumpur
Telephone : 03-2272 2811 / 03 2272 1577
E-mail : enquiry@ofs.org.my
Website : <https://www.ofs.org.my>

14. Where can I get further information?

If you have any enquiries, please contact us at:
RHB Investment Bank Call Centre
Telephone : 03 - 2113 8118
E-mail : support@rhbgroup.com

Disclaimer: This Product Disclosure Sheet is for information purposes only and does not constitute any advice on any matter discussed. All information and materials including those on services, products, financial information, data, text or other items are provided strictly 'as is' and 'as available' and is so provided for your information and reference only. RHB Bank does not guarantee the usefulness or adequacy of the information provided and shall not be liable for any errors and will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission. The precise terms and conditions of this Facility are specified in the Bank's Letter of Offer (including the appendixes / annexures) and the Legal Documents for the Banking Facilities.

The information provided in this product disclosure sheet is valid as of 31 July 2024