

## THE HONGKONG AND SHANGHAI CORPORATION LIMITED (HSBC) PRODUCT DISCLOSURE SHEET - LOANS

The HSBC Commercial Banking team helps internationally focused businesses in Brunei to ascertain any funding and financing requirements through careful assessment of their financial statements, trade cycle and growth aspirations.

### What is this product about?

This product is designed as medium or long term general business finance with a flexible repayment schedule to meet your business cash flows.

### What are the features of this product?

- The loan amount is subject to HSBC's Credit Assessment criteria, carried out with your Relationship Manager's (RM) assistance
- Tailor your repayment schedule up to 7 years
- Depending on the financing and repayment requirements, loan installment options are monthly reducing or fixed

### What is the interest rate charged for this product?

With the assistance of your RM, the interest rate shall be determined by:

- a) the type of security used to secure the loan;
- b) the sector for which the loan is secured for;
- c) your credit history; and
- d) HSBC's Credit Assessment criteria.

In accordance with the Regulation of Interest Rates (s 4.1.1 Notice No.1/2013), the **maximum** Effective Interest Rate (EIR) per annum can range from between 5% and 8% depending on the type of security and the sectors for which the loan is secured for, as seen in the table below:

	Type of Security	EIR per annum
A	Credit Facilities against fixed deposits under lien to the bank (excluding credit cards)	5.00%
B	Non-property credit facilities against property charged (mortgage)	5.25%
C	Corporate credit facilities against the joint and several guarantees of directors (corporate guarantees)	6.00%
D	Credit facilities against direct debit to salary/pension assigned to the bank (excluding overdrafts)	7.50%

	Sector	EIR per annum
A	Oil & gas-related small & medium enterprises *	5.50%
B	Credit facilities for national infrastructure projects **	5.50%
C	Small & medium enterprises ***	8.00%


\* against the award of contract/subcontractors from primary producers of oil & gas or oil & gas products

\*\*against the award of contract/subcontracts

\*\*\*subject to project viability and for borrowers who meet the Ministry of Industry and Primary Resources' definition of small & medium enterprises

### What fees and charges are incurred under this product?





Customers will be subject to fees and charges as per HSBC's Corporate Tariff. For more information, please visit [www.hsbc.com.bn](http://www.hsbc.com.bn)

**What documents should the customer bring in for a consultation?**

- Profit & Loss , Balance Sheet of the past 3 years (audited / certified management) – a minimum of 2 full years and latest financials not more than 6 months old from date of application
- Projected Profit & Loss and cash flow for the current financial year
- Company bank statements from the past 6 months
- Latest debtors and creditors aging report
- Organisation chart of management team and ownership structure
- Brief write-up of company profile / background
- Contract / job confirmations

\* Please note that the above requested documents are the minimum requirement for credit assessment purposes. Customers may be required to provide other documentation post consultation with their Relationship Manager.

**What is a monthly repayment?**

Monthly repayment refers to the fixed amount (which includes principal amount and interest) that the customer is required to make each month towards the repayment of the loan upon successful application. The value of the monthly repayment will depend on the loan amount, interest rate and loan tenor.

The below scenario is provided for illustrative purposes only, and does not reflect on the complete calculation of the monthly repayment of the loan

Scenario 1:-

Repayment scheme = Reducing balance

Loan amount: BND 1,500,000

Interest rates: 6.25% per annum (EIR)

Loan Tenor: 36mths

Monthly repayment:

Term	P	I	No of Days between	Repayment	O/S
0					\$1,500,000.00
1	\$ 41,666.67	\$ 7,962.33	31	\$ 41,667	\$ 1,458,333.33
2	\$ 41,666.67	\$ 6,992.01	28	\$ 41,667	\$ 1,416,666.67
3	\$ 41,666.67	\$ 7,519.98	31	\$ 41,667	\$ 1,375,000.00
4	\$ 41,666.67	\$ 7,063.36	30	\$ 41,667	\$ 1,333,333.33
5	\$ 41,666.67	\$ 7,077.63	31	\$ 41,667	\$ 1,291,666.67
6	\$ 41,666.67	\$ 6,635.27	30	\$ 41,667	\$ 1,250,000.00
7	\$ 41,666.67	\$ 6,635.27	31	\$ 41,667	\$ 1,208,333.33
8	\$ 41,666.67	\$ 6,414.10	31	\$ 41,667	\$ 1,166,666.67
9	\$ 41,666.67	\$ 5,993.15	30	\$ 41,667	\$ 1,125,000.00
10	\$ 41,666.67	\$ 5,971.75	31	\$ 41,667	\$ 1,083,333.33
11	\$ 41,666.67	\$ 5,565.07	30	\$ 41,667	\$ 1,041,666.67
12	\$ 41,666.67	\$ 5,529.39	31	\$ 41,667	\$ 1,000,000.00
13	\$ 41,666.67	\$ 5,308.22	31	\$ 41,667	\$ 958,333.33
14	\$ 41,666.67	\$ 4,594.75	28	\$ 41,667	\$ 916,666.67
15	\$ 41,666.67	\$ 4,865.87	31	\$ 41,667	\$ 875,000.00
16	\$ 41,666.67	\$ 4,494.86	30	\$ 41,667	\$ 833,333.33
17	\$ 41,666.67	\$ 4,423.52	31	\$ 41,667	\$ 791,666.67
18	\$ 41,666.67	\$ 4,066.78	30	\$ 41,667	\$ 750,000.00
19	\$ 41,666.67	\$ 3,981.16	31	\$ 41,667	\$ 708,333.33
20	\$ 41,666.67	\$ 3,759.99	31	\$ 41,667	\$ 666,666.67
21	\$ 41,666.67	\$ 3,424.66	30	\$ 41,667	\$ 625,000.00
22	\$ 41,666.67	\$ 3,317.64	31	\$ 41,667	\$ 583,333.33
23	\$ 41,666.67	\$ 2,996.58	30	\$ 41,667	\$ 541,666.67
24	\$ 41,666.67	\$ 2,875.29	31	\$ 41,667	\$ 500,000.00
25	\$ 41,666.67	\$ 2,654.11	31	\$ 41,667	\$ 458,333.33
26	\$ 41,666.67	\$ 2,197.49	28	\$ 41,667	\$ 416,666.67
27	\$ 41,666.67	\$ 2,211.76	31	\$ 41,667	\$ 375,000.00
28	\$ 41,666.67	\$ 1,926.37	30	\$ 41,667	\$ 333,333.33
29	\$ 41,666.67	\$ 1,769.41	31	\$ 41,667	\$ 291,666.67
30	\$ 41,666.67	\$ 1,498.29	30	\$ 41,667	\$ 250,000.00
31	\$ 41,666.67	\$ 1,327.05	31	\$ 41,667	\$ 208,333.33
32	\$ 41,666.67	\$ 1,105.88	31	\$ 41,667	\$ 166,666.67
33	\$ 41,666.67	\$ 856.16	30	\$ 41,667	\$ 125,000.00
34	\$ 41,666.67	\$ 663.53	31	\$ 41,667	\$ 83,333.33
35	\$ 41,666.67	\$ 428.08	30	\$ 41,667	\$ 41,666.67
36	\$ 41,666.67	\$ 221.18	31	\$ 41,667	\$ (0.00)

Scenario 2:-

Repayment scheme = Straight Line

Loan amount: BND 200,000

Interest rates: 7.50% per annum (EIR)

Loan Tenor: 84mths

Monthly repayment:

Term	P	I	Repayment	O/S
0				\$ 200,000.00
1	\$ 1,817.68	\$ 1,249.94	\$ 3,068	\$ 198,182.32
2	\$ 1,829.04	\$ 1,238.58	\$ 3,068	\$ 196,353.28
3	\$ 1,840.47	\$ 1,227.15	\$ 3,068	\$ 194,512.81
4	\$ 1,851.97	\$ 1,215.65	\$ 3,068	\$ 192,660.84
5	\$ 1,863.55	\$ 1,204.07	\$ 3,068	\$ 190,797.29
6	\$ 1,875.19	\$ 1,192.42	\$ 3,068	\$ 188,922.09
7	\$ 1,886.91	\$ 1,180.71	\$ 3,068	\$ 187,035.18
8	\$ 1,898.71	\$ 1,168.91	\$ 3,068	\$ 185,136.47
9	\$ 1,910.57	\$ 1,157.05	\$ 3,068	\$ 183,225.90
10	\$ 1,922.51	\$ 1,145.11	\$ 3,068	\$ 181,303.39
11	\$ 1,934.53	\$ 1,133.09	\$ 3,068	\$ 179,368.86
12	\$ 1,946.62	\$ 1,121.00	\$ 3,068	\$ 177,422.24
13	\$ 1,958.78	\$ 1,108.83	\$ 3,068	\$ 175,463.46
14	\$ 1,971.03	\$ 1,096.59	\$ 3,068	\$ 173,492.43
15	\$ 1,983.34	\$ 1,084.27	\$ 3,068	\$ 171,509.09
16	\$ 1,995.74	\$ 1,071.88	\$ 3,068	\$ 169,513.35
17	\$ 2,008.21	\$ 1,059.41	\$ 3,068	\$ 167,505.14
18	\$ 2,020.76	\$ 1,046.86	\$ 3,068	\$ 165,484.37
19	\$ 2,033.39	\$ 1,034.23	\$ 3,068	\$ 163,450.98
20	\$ 2,046.10	\$ 1,021.52	\$ 3,068	\$ 161,404.88
21	\$ 2,058.89	\$ 1,008.73	\$ 3,068	\$ 159,345.99
22	\$ 2,071.76	\$ 995.86	\$ 3,068	\$ 157,274.24
23	\$ 2,084.70	\$ 982.92	\$ 3,068	\$ 155,189.53
24	\$ 2,097.73	\$ 969.89	\$ 3,068	\$ 153,091.80
25	\$ 2,110.84	\$ 956.78	\$ 3,068	\$ 150,980.96
26	\$ 2,124.03	\$ 943.58	\$ 3,068	\$ 148,856.93
27	\$ 2,137.31	\$ 930.31	\$ 3,068	\$ 146,719.62
28	\$ 2,150.67	\$ 916.95	\$ 3,068	\$ 144,568.95
29	\$ 2,164.11	\$ 903.51	\$ 3,068	\$ 142,404.84
30	\$ 2,177.63	\$ 889.99	\$ 3,068	\$ 140,227.21
31	\$ 2,191.24	\$ 876.38	\$ 3,068	\$ 138,035.97
32	\$ 2,204.94	\$ 862.68	\$ 3,068	\$ 135,831.03
33	\$ 2,218.72	\$ 848.90	\$ 3,068	\$ 133,612.32
34	\$ 2,232.58	\$ 835.04	\$ 3,068	\$ 131,379.73
35	\$ 2,246.54	\$ 821.08	\$ 3,068	\$ 129,133.20
36	\$ 2,260.58	\$ 807.04	\$ 3,068	\$ 126,872.62
37	\$ 2,274.70	\$ 792.92	\$ 3,068	\$ 124,597.92
38	\$ 2,288.92	\$ 778.70	\$ 3,068	\$ 122,309.00
39	\$ 2,303.23	\$ 764.39	\$ 3,068	\$ 120,005.77
40	\$ 2,317.62	\$ 750.00	\$ 3,068	\$ 117,688.15
41	\$ 2,332.10	\$ 735.52	\$ 3,068	\$ 115,356.05

42	\$ 2,346.68	\$ 720.94	\$ 3,068	\$ 113,009.37
43	\$ 2,361.34	\$ 706.27	\$ 3,068	\$ 110,648.03
44	\$ 2,376.10	\$ 691.52	\$ 3,068	\$ 108,271.92
45	\$ 2,390.95	\$ 676.67	\$ 3,068	\$ 105,880.97
46	\$ 2,405.90	\$ 661.72	\$ 3,068	\$ 103,475.08
47	\$ 2,420.93	\$ 646.69	\$ 3,068	\$ 101,054.15
48	\$ 2,436.06	\$ 631.56	\$ 3,068	\$ 98,618.08
49	\$ 2,451.29	\$ 616.33	\$ 3,068	\$ 96,166.80
50	\$ 2,466.61	\$ 601.01	\$ 3,068	\$ 93,700.19
51	\$ 2,482.02	\$ 585.60	\$ 3,068	\$ 91,218.17
52	\$ 2,497.53	\$ 570.09	\$ 3,068	\$ 88,720.64
53	\$ 2,513.14	\$ 554.48	\$ 3,068	\$ 86,207.49
54	\$ 2,528.85	\$ 538.77	\$ 3,068	\$ 83,678.65
55	\$ 2,544.65	\$ 522.97	\$ 3,068	\$ 81,133.99
56	\$ 2,560.56	\$ 507.06	\$ 3,068	\$ 78,573.44
57	\$ 2,576.56	\$ 491.06	\$ 3,068	\$ 75,996.88
58	\$ 2,592.66	\$ 474.96	\$ 3,068	\$ 73,404.22
59	\$ 2,608.87	\$ 458.75	\$ 3,068	\$ 70,795.35
60	\$ 2,625.17	\$ 442.45	\$ 3,068	\$ 68,170.18
61	\$ 2,641.58	\$ 426.04	\$ 3,068	\$ 65,528.61
62	\$ 2,658.09	\$ 409.53	\$ 3,068	\$ 62,870.52
63	\$ 2,674.70	\$ 392.92	\$ 3,068	\$ 60,195.82
64	\$ 2,691.41	\$ 376.21	\$ 3,068	\$ 57,504.41
65	\$ 2,708.23	\$ 359.39	\$ 3,068	\$ 54,796.17
66	\$ 2,725.16	\$ 342.46	\$ 3,068	\$ 52,071.02
67	\$ 2,742.19	\$ 325.43	\$ 3,068	\$ 49,328.82
68	\$ 2,759.33	\$ 308.29	\$ 3,068	\$ 46,569.50
69	\$ 2,776.57	\$ 291.05	\$ 3,068	\$ 43,792.92
70	\$ 2,793.93	\$ 273.69	\$ 3,068	\$ 40,998.99
71	\$ 2,811.39	\$ 256.23	\$ 3,068	\$ 38,187.61
72	\$ 2,828.96	\$ 238.66	\$ 3,068	\$ 35,358.65
73	\$ 2,846.64	\$ 220.98	\$ 3,068	\$ 32,512.01
74	\$ 2,864.43	\$ 203.19	\$ 3,068	\$ 29,647.58
75	\$ 2,882.33	\$ 185.29	\$ 3,068	\$ 26,765.25
76	\$ 2,900.34	\$ 167.27	\$ 3,068	\$ 23,864.91
77	\$ 2,918.47	\$ 149.15	\$ 3,068	\$ 20,946.44
78	\$ 2,936.71	\$ 130.91	\$ 3,068	\$ 18,009.73
79	\$ 2,955.06	\$ 112.56	\$ 3,068	\$ 15,054.66
80	\$ 2,973.53	\$ 94.09	\$ 3,068	\$ 12,081.13
81	\$ 2,992.12	\$ 75.50	\$ 3,068	\$ 9,089.01
82	\$ 3,010.82	\$ 56.80	\$ 3,068	\$ 6,078.20
83	\$ 3,029.63	\$ 37.99	\$ 3,068	\$ 3,048.57
84	\$ 3,048.57	\$ 19.05	\$ 3,068	\$ 0.00

\*Please note that the interest charged is an indicative amount as there are other assumptions such as rounding of numbers interest rate and number of days and months to consider.

For more information about making an appointment for financing consultation with our Kuala Belait or Bandar Seri Begawan team, please contact our Commercial Banking helpdesk at 2252 321 or email us on [commercialbanking@hsbc.com.bn](mailto:commercialbanking@hsbc.com.bn).