

Important Notice

Please be advised that as part of our wind down process, this facility is no longer offered and the terms of this facility may be changed for existing customers. Please click [here](#) for more information on the wind down.

What is this product about?

The Overdraft facility is a revolving loan product which provides the customer with standby cash which can be withdrawn through the HSBC ATM network or over the counter at any HSBC branch in Brunei.

Customers have the option of choosing their own repayment amount as there is no minimum repayment amount requirement for the Overdraft facility. Customers can withdraw the remaining balance up to the Overdraft limit following any repayment amount paid into the Overdraft facility.

Who are eligible for this product?

- Brunei Citizens and Permanent Residents
- Aged between 18 and 60 years old
- Minimum gross salary of BND750 to BND1,000, depending on employment sector
- Salary must be credited to an HSBC account by AutoPay, HSBCnet, HSBC Internet Banking, standing instruction from employer's account or from other banks by way of a Cashier's Order

What are the features of this product?

- The loan amount is subject to HSBC's credit assessment criteria
- Provides access to readily available cash
- No fixed or minimum repayment
- Interest is charged on the utilized amount only
- Lower interest rate when overdraft is secured
- Allows the flexibility to utilize any amount up to the overdraft limit

What is the interest rate charged for this product?

Customers will be charged the following interest rates:-

Type of Overdraft	Interest Rate Charged:
Fully secured by cash/term deposit	5% EIR (Effective Interest Rate) per annum
Unsecured	11.5% EIR (Effective Interest Rate) per annum depending on customer's market sector

What are the fees and charges incurred under this product?

Customers will be subject to fees and charges as per HSBC's General Tariff. For more information, please visit www.hsbc.com.bn

What is a monthly repayment?

Monthly repayment refers to the amount that the customer is required to make each month towards the repayment of a loan facility upon successful application. For the Overdraft facility, there is no fixed or minimum required payment for the Overdraft facility as long as the customer's outstanding balance (inclusive of monthly interest charged) is within their approved Overdraft limit. Customers have the flexibility to choose the amount they wish to repay on a monthly basis.

Should the outstanding balance exceed the approved Overdraft limit, the customer will be required to pay off the excess to avoid penalty charges. Please refer to HSBC's General Tariff for the penalty charges.

The below scenarios are provided for illustrative purposes only, and do not reflect the complete calculation of the repayment of the Overdraft facility.

Scenario 1 : The customer has exceeded their loan limit of BND10,000

Loan Limit: BND10,000

Outstanding balance as at 31Jan14: BND11,000

Overdraft excess amount: BND1,000 (BND11,000 – BND10,000)

Interest Rate: 11.5% EIR per annum

*Interest charged for unauthorised excess is 12% per annum

= $\frac{1,000 \times 12\% \times 30 \text{ days}}{365 \text{ days}}$ (according to number of days Debit interest charge)

= BND 9.86

Plus

Interest charge for the month of Jan14

= $\frac{10,000 \times 11.5\% \times 30 \text{ days}}{365 \text{ days}}$

= BND94.52

Customer will have to make a minimum payment of BND 94.52 + Unauthorised interest of BND9.86 + the excess amount of BND1, 000 to avoid any penalty charges to their Overdraft account.

Scenario 2 : The customer has not exceeded their loan limit of BND 10,000

Loan Limit: BND10,000

Outstanding balance as at 31Jan14: BND8, 000

Interest Rate: 11.5% EIR per annum

*Interest charged for Jan14

= $\frac{8,000 \times 11.5\% \times 30 \text{ days}}{365 \text{ days}}$

= BND75.62

Customer has the option to choose to not make any payment since the Overdraft account is still within limit. However, interest charges shall continue to apply.

**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 this product and detailed calculations, please consult our Personal Bankers at your nearest branch or contact our call center at 2252 252. You may also visit our website at www.hsbc.com.bn

Terms and Conditions apply

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