



**HSBC BANK (SINGAPORE) LIMITED
TERMS AND CONDITIONS FOR WEALTH PORTFOLIO LENDING**

Important! Before you use Wealth Portfolio Lending, please read these Terms and Conditions and all documents referred to herein carefully. We draw your particular attention to the risk disclosures set out in Appendix 2 to these Terms and Conditions.

These Terms and Conditions, together with the other documents mentioned in Clause 2 hereof, form the agreement between you and us for the Wealth Portfolio Lending facility. By submitting a Wealth Portfolio Lending Application Form, you acknowledge and agree that you have read and understood the terms of this Agreement (as defined below) and agree to be bound by them.

1. DEFINITIONS

Unless otherwise defined herein, any terms used in these Terms and Conditions have the same meaning as defined in the HSBC Terms and Conditions Governing Personal Deposits and (as applicable) the HSBC Premier Terms and Conditions or the HSBC Jade Terms and Conditions.

2. YOUR AGREEMENT WITH US

Read these terms together with the following documents:-

Your Wealth Portfolio Lending Product Sheet	Set out important information necessary for your application and acknowledgement of certain risks applicable to Wealth Portfolio Lending	You receive a copy at the time of your application
Wealth Portfolio Lending Application form	Sets out information on your Credit Limit request and Wealth Portfolio Account (WPA) and Wealth Portfolio Investment Account (WPIA) information	You need to complete this form for processing
HSBC's Terms and Conditions Governing Personal Deposits	Sets out the terms that apply to your deposit account held with us.	You receive a copy at the time of your application
HSBC Premier Terms and Conditions or HSBC Jade Terms and Conditions (as applicable)		
Terms and conditions contained in the Investment Account Opening Booklet	Sets out the terms that apply to your investment account held with us.	You receive a copy at the time of your application
Confirmation Advice	Confirms our agreement to grant you the Loan. It sets out key information about your loan limit and annual interest rate. Our agreement with you for your loan will be made when we send you a confirmation advice	We will receive the confirmation advice as our agreement with you for the loan

Together they form our agreement with you for your loan.

3. SUMMARY OF PRODUCT

Loan	This is a secured revolving credit facility ("loan") for a single unitary sum of money that can be drawn down in full or in parts and redrawn when repaid. We have certain rights over assets (all monies and investment products) that you hold with us to the entire value of the greater of your Credit Limit or any outstanding loan (principal and interest). [You must keep your linked investment account/deposit account with adequate assets/ monies which are eligible to use as collateral for your loan]	See section 5
	We will set your Credit Limit and Effective Credit Limit. It is your responsibility to make sure that the amount you borrow does not exceed the lower of your Credit Limit or Effective Credit Limit.	See section 7
	We will charge you interest, fees and other costs	See section 12
	We can change the terms or demand repayment of the loan at any time.	See section 14

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Security	If the value of your eligible investment products used as collateral drops below a certain amount, we may make a margin call. This means that we will require you to make available additional funds or eligible investment products as collateral within 05 business days. If you don't do this, we could sell part or all of your investment products and other assets and demand repayment of the loan.	See section 8
	We may sell the investment products and other assets that you hold with us as collateral in certain situations and use the proceeds to repay what you owe.	See section 10

See appendix 1 for an illustration on how Wealth Portfolio Lending works.

4. HOW AND WHEN WILL WE GIVE YOU THE LOAN

Upon receipt of your completed and signed application, if we decide to grant you a loan, we will send you a Confirmation Advice indicating the Loan amount, annual interest rate and the date you may start drawing the loan from us. We pay any money drawn from us as part of the loan into your WPA.

We may, at our absolute discretion, grant you more than one Loan. However, if we decide to grant you a Loan, this will not constitute any obligation on us to grant you any subsequent Loans.

If we decide not to give you a loan, we will not issue you a Confirmation Advice but will inform you of our decision not to grant you a Loan. However, this will not affect any previous loans that we might have given to you under this Agreement.

All Instructions and Transactions, including, but not limited to, those related to Eligible Assets, are subject to product specifications, offering documents, constitutive documents, information memoranda, prospectus and other documentation in relation to the underlying investment products and other assets.

5. SECURITY FOR YOUR LOAN

As security for your loan, you charge, pledge and assign to us:-

- (i) All monies held with us in your WPA, as defined below) (ii) selected Time deposits and (iii) all eligible investment products held with us (as shown in your WPIA as defined below) ("Eligible Assets"). We reasonably decide from time to time which investment products we accept as Eligible Assets;

as continuing security for the payment by you of your loan and all other amounts owed under these terms.

We have an interest in your Secured Assets until you repay us the loan and all other amounts owed under these terms in full. The amount due at any time under the loan includes the amount you have borrowed (and have not yet repaid) and any interest, fees, and costs for your loan that you have not paid.

If you apply for the loan through a joint account, all monies and investment products held on the joint account would also constitute Secured Assets; the security created in the Secured Assets is to the full extent of the interest held by each of you as account holder.

This means that until you repay us the loan and all other amounts owed under these terms in full:

- you shall maintain monies in your Loan Account (WPA) and Eligible Assets in your (WPIA) as determined by us to be appropriate to secure your loan and all other amounts owed under these terms;
- you must not withdraw, sell or dispose of the Eligible Assets from your WPIA or transfer your Eligible Assets to anyone else (or to any of your other accounts), except in our favor or with our prior written consent;
- you must not withdraw or transfer out the proceeds of the sale of any Eligible Asset, except in our favour or with our prior written consent;
- you must not allow anyone else to have any interest in the Secured Assets; and
- we can sell any of your Eligible Assets and other Secured Assets in certain situations (see section 10 below).

You irrevocably and by way of security appoint us as your attorney to exercise our rights under this section and this agreement. It means that as your attorney we are authorised by you to execute all documents and to do all acts and things without telling you first in your name as we may consider appropriate in connection with the Secured Assets. This power of attorney is coupled with our security interest and you cannot revoke it as long as any amount you owe us under these terms remain outstanding. You ratify and confirm and agree to ratify and confirm each document, act or thing which we may lawfully execute or do as your attorney.

In general, there are two main types of security: floating charges and fixed charges. We prefer fixed charges because they give more certainty. However, there are times when it is not possible for the security we have over your Secured Assets to be a fixed charge, for example, when your Secured Assets change periodically. In these cases, the security will be a floating charge. However, even if the security is a floating charge:

- we have the right to convert the floating charge into a specific fixed charge at any time by sending you a notice in writing; and
- the floating charge will become a fixed charge automatically (we call this process crystallisation of the floating charge) without telling you first if:
 - (i) you allow other people to have an interest in your Secured Assets in breach of this section 5, or
 - (ii) any person takes, or tries to take, action against your Secured Assets.

The security we have over your Secured Assets will not be affected by your death, bankruptcy or incapacity, or repayment of money you owe or any other circumstances.

To the extent permitted by law, we may insist you repay all loans you have with us if you want to repay one of them. This is known as our "right of consolidation" and to the extent permitted by law, any restriction on our right of consolidation does not apply to the security created by this section 5.

6. ACCOUNTS OPENING AND OPERATION

- (a) To use Wealth Portfolio Lending, you must open (by submitting to us a duly completed and executed Wealth Portfolio Lending Application Form) and maintain with us the following accounts and operate them in accordance with this Agreement:
- I. Wealth Portfolio Account (“WPA”) ; and
 - II. Wealth Portfolio Investment Account (“WPIA”)
- (b) You will need separate pairs of WPA and related WPIA for Wealth Portfolio Lending (Non-Purpose Loan) and Wealth Portfolio Lending (Purpose Loan) .
- (c) For Wealth Portfolio Lending (Purpose Loan):-
- I. If you intend to purchase investments in different currencies, you would need to open additional WPA in the corresponding currency(ies) and.
 - II. we will not issue cheque books and will not accept direct debit instructions, autopay or standing instructions in respect of the WPA (Purpose Loan).
- (d) We reasonably decide from time to time which currencies Wealth Portfolio Lending will be available in.

7. HOW MUCH CAN YOU BORROW?

You can borrow up to the lower of your Credit Limit and your Effective Credit Limit.

Credit Limit

Your “**Credit Limit**” is set out in your confirmation advice. It is a static ceiling limit. You can apply to change it by completing the Wealth Portfolio Lending Instruction Form and if we agree, we will send you an updated Confirmation Advice.

We can change your Credit Limit at any time. We can’t predict all of the reasons why we may need to make a change, but when we make, changes we act as a careful and responsible lender. The most common reasons are:

- We change our credit risk appetite and policies towards credit and financial risks,
- We reasonably believe that market conditions will cause you to be exposed to unacceptable risks or heavy losses if we do not make the change,
- We reasonably determine that your credit worthiness has deteriorated, or
- We are required by the law to do so.

Effective Credit Limit

Your “**Effective Credit Limit**” is the aggregate Collateral Value of your Eligible Assets to your loan, capped at the Credit Limit.

We calculate the collateral value of your Eligible Assets as the market value of the relevant Eligible Asset multiplied by the Advance Ratio we assign to that Eligible Asset (“Collateral Value”). The Advance Ratio is expressed as a percentage and applies to the market value of each Eligible Asset. You can find the list of Eligible Assets and the Advance Ratio on our webpage (<https://www.hsbc.com.sg/loans/products/wealth-portfolio-lending/>).

Your Effective Credit Limit and the Net Margin Ratio (see below) will change on a daily basis when any of the following happens:

- the market value of any Eligible Asset changes,
- we change the Advance Ratio applicable to any Eligible Asset (see below),
- we change the list of Eligible Assets which causes some of your investment products to no longer be considered as Eligible (see below) ,
- as for the Effective Credit Limit, a change in your Net Margin Ratio (see below),
- you add additional Eligible Assets to your WPIA or any Eligible Assets are no longer in your WPIA, or
- (only for Wealth Portfolio Lending (Non-Purpose Loan), you deposit cash into or withdraw cash from your WPA.
- (only for Wealth Portfolio Lending (Purpose Loan), you deposit cash into your WPA.

Your Effective Credit Limit and your margin status are updated on a daily basis.

You can find your most up-to-date Effective Credit Limit in your account statement or by using internet banking.

Eligible Assets and Advance Ratio

You can find information about applicable Advance Ratios and the list of Eligible Assets on our webpage (<https://www.hsbc.com.sg/loans/products/wealth-portfolio-lending/>)

We can change the list of Eligible Assets and the Advance Ratios that apply to the Eligible Assets at any time with immediate effect. We can’t predict all of the reasons why we may need to make a change, but when we make changes, we act as a careful and responsible lender. The most common reasons are:-

- we reasonably believe that the quality of some types of Eligible Assets will deteriorate,
- we change our credit risk appetite and policies towards credit and financial risks,
- we reasonably believe that market conditions will cause you to be exposed to unacceptable risk or heavy losses if we do not make the change,
- to make sure your Eligible Assets would be enough to cover the amount you owe us if you are not able to pay us in any other way, or
- we are required by law or regulation to do so.

When setting your Effective Credit Limit, we act reasonably and in compliance with laws and regulations.

Net Margin Ratio

This is the ratio of the available margin to the required margin expressed as a percentage. It determines your margin status and ensures that there is an appropriate margin or difference between:

- (a) the Collateral Value of your Eligible Assets in your WPIA, and
- (b) the total amount you owe us under your loan,

to cover market volatility and losses if you do not take appropriate action in case of shortfall or if you do not pay us what you owe us. Please see Appendix 1 which contains descriptions and examples of how we work out the Net Margin Ratio.

Your Net Margin Ratio must not go below 100% (or any other percentage as specified by us and notified to you).

8. KEEP TRACK OF WHAT YOU OWE AND TAKE APPROPRIATE ACTIONS

Keeping a watch over what you borrow and the value of your assets

You must monitor and make sure that, at all times;

- (a) You don't owe us more than the lower of your Credit Limit and Effective Credit Limit, and
- (b) The Net Margin Ratio is equal to or more than 100% (or any other percentage as specified by us and notified to you).

Margin Status

- **If:**

you owe us more than the lower of your Credit Limit and Effective Credit Limit, or your Net Margin Ratio (NMR) is below 100% (or any other percentage as specified by us and notified to you),

- **Then:**

we may send you a Margin Call notice to cover the shortfall but are not obliged to do so.

You must take,

- (a) within 60 Days for NMR between 80% to below 100%, or
- (b) within 05 business days for NMR between 60% to below 80%,

from the date of the Margin Call notice (or within such other period as stated in such notice), one or more of the following actions to rectify the margin position back to NMR of 100% or more:

- (i) give us instructions to sell your Eligible Assets, and/or
- (ii) deposit additional funds in your WPA, and/or
- (iii) deposit additional Eligible Assets in your WPIA.

The Margin Call notice may be communicated to you through

- (i) a short message ("**SMS**") to the phone number last notified in writing by you. You shall check your phone text messages regularly; or
- (ii) a phone call on the phone number last notified in writing by you; or
- (iii) an e-mail to the e-mail address last notified in writing by you. You shall check your email regularly; or
- (iv) a letter to the address last notified in writing by you.

See below Section 15 about communication.

If you do not take appropriate action, we might exercise our rights over your Eligible Assets and any other Secured Assets (please see Section 16 below).

We will apply the proceeds from the sale of your Eligible Assets or any other funds deposited into your WPA account or any other account maintained with us towards repayment of your Loan so that your Net Margin Ratio is then equal to or more than 100% (or any other percentage as specified by us and notified to you) and what you owe us does not exceed the lower of your Credit Limit and Effective Credit Limit.

9. HOW TO KEEP TRACK OF WHAT YOU OWE US

You can access information about your loan, including your Credit Limit and Effective Credit Limit by:

- where applicable to you, logging in to your internet banking account and consulting your WPA or WPIA and account statement;
- contacting your relationship manager; or
- consulting your periodic account statement.

Information about applicable Advance Ratios and the list of Eligible Assets is available on our webpage <https://www.hsbc.com.sg/loans/products/wealth-portfolio-lending/>

Information about your loan is updated on a daily basis.

If and when your Net Margin Ratio reaches a level between 60% to below 100%, we may send you a margin status notification to inform you about margin shortfall. See Section 8 on Margin Status.

If you don't receive a statement, please tell us. You may ask us for a statement at any time.

10. WHEN WE CAN SELL AND DISPOSE OF YOUR SECURED ASSETS

We may use any money in your WPA and any other account maintained with us, sell any or all of your Eligible Assets and, in case of shortfall after such use of money and sale of Eligible Assets, other Secured Assets, and use any amount we receive from the sale of your Eligible Assets or other Secured Assets to pay the amount you owe us, if any or all of the following happens:

- (a) What you owe us exceeds your Credit Limit or Effective Credit Limit;
- (b) You fail to take appropriate action(s) within 05 business days (or within such other period as stated in the notice) from the

date we send you a Margin Call notice;

- (c) Your Net Margin Ratio is equal or below 60% (or any other percentage as specified by us and notified to you);
- (d) We reasonably believe that market conditions will cause you or us to be exposed to unacceptable risks or heavy losses, including unstable, unfavourable and abnormal market conditions; or
- (e) We end this agreement and you do not repay your loan and all other amounts owed under these terms within the period we tell you to.

We will use money in your WPA or in any other account and sell any of your Eligible Assets held in your WPIA, which we will do in a reasonable order, and use the money we obtain from the sale to pay what you owe us. If the proceeds we obtain from the sale is not enough to cover what you owe us, we may sell or dispose of any other Secured Assets to cover the shortfall. If any shortfall then still remains, you still need to pay us the shortfall. We may take any legal action to recover any shortfall and you may be responsible for our costs of doing so.

Forced Liquidation is the Bank's right to force liquidate (redeem) your investment holdings held with us. We may provide you with a Margin Call notice but are not obliged to do. We have the right to liquidate all or part of your Secured Assets to rectify the margin position irrespective of whether any Margin Call notifications have been sent to you.

Remember that you have to monitor your loan and ensure it is secured by sufficient collateral.

11. WHERE YOU HOLD ASSETS OR TAKE LOANS IN DIFFERENT CURRENCIES

Your Secured Assets might be in different currencies and your loan might be in a different currency from some or all of your Secured Assets. When we work out the figures for values, limits and other figures we use under our agreement, we will use our prevailing exchange rates.

If a Secured Asset is in a currency different from the loan and we exercise our right under this agreement to sell this Secured Asset, we may automatically convert the proceeds of the sale into the currency of the loan and apply this amount in repayment of your loan.

Such conversion of currency will be effected at our prevailing exchange rate at the time of conversion. Any exchange rate provided by us at any other time may differ from the rate at which we effect the conversion and is for reference only.

12. INTEREST, FEES AND OTHER COSTS

- (a) We will work out interest daily on the unpaid amount of your loans. The interest will continue to accrue and be payable until all your loans are repaid in full. We will debit the accrued interest from your WPA on the 24th of each month. If that date falls on a Sunday or a public holiday in Singapore, interest will be debited on the business day following that date. You must ensure that a sufficient amount of cleared and immediately available funds is maintained in the WPA in the relevant currency(ies) for this purpose.

Your annualised Interest Rate for loans is 1 month VLR + spread, whether for SGD, USD, AUD, EUR, GBP or HKD loans.

1 month VLR refers to our Variable Lending Rate in respect of the relevant currency on a daily reset basis, as determined by us taking into consideration various factors including but not limited to cost of borrowing, internal business costs and market conditions.

Drawings which causes the Effective Credit Limit to be exceeded will bear interest at 2.00% above 1 month VLR per annum, subject to changes at our discretion.

We will inform you in your Confirmation Advice the interest rate spread(s) we will charge you.

- (b) For SGD and GBP Loans, interest is calculated based on the actual number of days elapsed and 365 days in a year (or 366 days in a leap year).
For USD, AUD, EUR and HKD Loans, interest is calculated on the basis of actual number of days elapsed and 360 days in a year.
- (c) Should VLR, at any time fall below zero, the VLR rate shall be deemed to be zero or such other rate as notified to you by us as soon as practicable.
- (d) A minimum interest charge of 10.00 (in the respective Loan currency) per month is chargeable on each and any utilisation of the Wealth Portfolio Lending facility. If the Wealth Portfolio Lending facility is not utilized, no interest will be charged.
- (e) We will notify you the custody charges and any other fees incurred for the operation of your WPA or WPIA.
- (f) You agree to pay any costs and expenses (including but not limited to any legal costs, stamp duties and penalty charges (if any)) of perfecting any security, whether voluntary or otherwise, that we may incur or have incurred in connection with any of your liabilities to us, whether as principal or as surety and whether such liabilities be present or future, actual or contingent, primary or collateral, joint or several, and you hereby authorise us to debit the said amounts directly from your WPA or any other account (whether held solely or jointly) with us.
- (g) In the event of a sale or transfer of your Secured Assets (see section 9 above), you will be responsible for paying all related costs.

13. REPAYMENT AND REBORROWING

What you owe us at any time is made up of all of the following that you have not paid:

1. The amount of loan you have drawn down and remains outstanding;
2. Any interest; and

3. Any fees, charges, costs and/or expenses that arise for your loan.

You may repay all or part of your loan, and any other amounts due, such as interest and fees, at any time by transferring money to your WPA or by selling any Eligible Asset. Please note that any money transferred to your WPA will be used to repay what you owe us, unless you tell us otherwise in advance.

The proceeds of the sale of any Eligible Asset will automatically be applied towards repayment of your loan and the related fees and costs which we incur in selling your Eligible Asset(s).

For Wealth Portfolio Lending (Non-Purpose Loan), you may not replace your existing Eligible Assets with other investment products.

For Wealth Portfolio Lending (Purpose Loan), if you wish to replace your existing Eligible Assets with other investment products, may either:-

- (i) transfer into your WPIA new Eligible Assets before transferring your existing Eligible Assets into another investment account; or
- (ii) sell your existing Eligible Assets and after repaying all your loan and any other amounts due, such as interest and fees, purchase new Eligible Assets with any remaining sale proceeds, in each case in accordance with this Agreement.

So long as you stay within the lower of your Credit Limit and your Effective Credit Limit and your Net Margin Ratio is at least 100% (or any other percentage as specified by us and notified to you), after any repayment of a Loan, you may apply for another Loan. Please refer to section 6 above.

14. WE CAN MAKE CHANGES

1. We can change these terms

We can make any change to these terms at any time. We can't predict all of the reasons why we may need to make a change, but the most common reasons are:

- Changes to laws and regulations
- Decisions we have to follow (such as by a court) or new industry guidelines or codes of practice
- Changes to our business, technology, services or facilities

2. We can change our interest rate

We can change our interest rate for any of the reasons set out under "We can change these terms" above or to reflect a change in our costs of doing business.

If we make any change, we will give you:

- (a) at least 30 days' notice in relation to amendments to section 10 (interest, fees and other costs) under these terms, or
- (b) reasonable notice in relation to any other change.

This notice may be given to you by us by, among other things, publishing the changes on our webpage (<https://www.hsbc.com.sg/loans/products/wealth-portfolio-lending/>), by way of mail, email or SMS. The changes will be effective from the date specified in the notice.

15. HOW DO WE COMMUNICATE

How do you contact us?

If you need to contact us, for example to update your contact details or ask for information about your loan, please contact your Relationship Manager or our banking hotline on 1800 472 2669 (in Singapore) or (65) 6472 2669 (from overseas).

How do we contact you?

We may need to contact you from time to time, for example to tell you about changes we make or to give you a margin status notification update or a Margin Call notice. We can either:

- Send a SMS to the phone number last notified in writing by you;
- write to you at the address you last provided to us;
- call you on the phone number last notified in writing by you;
- place a message in the Personal Internet Banking profile mailbox maintained by you with us;
- Send an email to the email address last notified in writing by you;
- make a publication on our webpage (<https://www.hsbc.com.sg/loans/products/wealth-portfolio-lending/>) or any digital platform; or
- publish a notice of changes as indicated in section 14 above.

You will be considered to have received any notice given by us:

- (a) immediately after us sending it to you in a SMS to the phone number last notified in writing by you;
- (b) immediately after us communicating it to you in a telephone call to the phone number last notified in writing by you, or immediately after us leaving a voicemail with that notice on that number;
- (c) immediately after placing it in the Personal Internet Banking profile mailbox maintained by you with us;
- (d) immediately after emailing it to the email address last notified in writing by you;
- (e) immediately after publishing it on our webpage (<https://www.hsbc.com.sg/loans/products/wealth-portfolio-lending/>) or any digital platform;
- (f) at the time of personal delivery or leaving it at the address last notified in writing by you (if delivered personally); or
- (g) twenty-four (24) hours after sending it by prepaid post to the address last notified in writing by you.

16. ENDING THIS AGREEMENT

We may end this agreement if we reasonably believe that we should not continue to provide you with the loan, by writing to you at least 30 days in advance.

We may end our agreement immediately without telling you first if:

- you don't pay what you owe us within the period communicated to you,
- you do not comply with these terms,
- you owe us more than the lower of (i) the Credit Limit and (ii) the Effective Credit Limit,
- your Net Margin Ratio drops below 100% (or any other percentage as specified by us and notified to you) and you did not take the appropriate action(s) to correct this situation within the time period that we gave you,
- your Net Margin Ratio drops below 60% (or any other percentage as specified by us and notified to you),
- we reasonably believe that you or we will be exposed to a larger risk than we expected because of market conditions if we do not end our agreement with you,
- you close your investment account with us,
- you provided us with information which was or has become false, incorrect or misleading,
- you are declared bankrupt or have similar proceedings brought against you,
- you die or become mentally incapable,
- we reasonably suspect there could be fraudulent, illegal, unauthorized or criminal activities in relation to you or your accounts with us,
- you've put us in a position where we or another HSBC group member could be acting outside a law, regulation, court order or an agreement with or guidance from a government, regulator or law enforcement agency,
- we reasonably believe that if we don't end this agreement it could expose us or another HSBC group member to action or censure from any government, regulator or law enforcement agency,
- we believe that it's important as part of our fight against financial crime.

Under the same circumstances listed above, we can also suspend your loan; as a result, you will immediately not be allowed to draw down any available amount on your loan until further notice.

We won't be responsible for any losses this may cause you.

You may end this agreement at any time by giving us prior notice and completing the relevant Wealth Portfolio Lending Instruction Form.

What happens if our agreement ends?

- You will no longer be entitled to draw down any amount under the loan as from the earlier of the date of the notice or the effective date of termination.
- You must, within the period that we tell you to, pay us everything that you owe us. Your obligation to repay your loan and pay us everything else you owe, including interest and fees, will continue until you repay in full. We may take you to court to recover the money if you don't and you may be responsible for our costs of doing so.
- We may use the Secured Assets and any monies you hold with us in your WPA and other accounts to pay what you owe us. This may involve us selling Eligible Assets, which we will do in a reasonable order and using the money we obtain from the sale to pay what you owe us. If the proceeds we obtain from the sale is not enough to cover what you owe us, we may sell any other Secured Assets to cover the shortfall. If any shortfall still remains, you still need to pay us the shortfall. We may take any legal action to recover any shortfall and you may be responsible for our costs of doing so.
- We may deduct the amount you owe us (or any of it) from any other accounts you hold with us.

We'll apply the sale proceeds of your Secured Assets to the amounts you owe in this order:

1. Firstly, the amount you owe us (including principal, interest, fees, costs and expenses) under these terms,
2. Then fees, charges, costs and expenses which we incur in selling your Secured Assets.

17. OTHER PROVISIONS

- (a) Without prejudice to any other provisions limiting our liability under this Agreement, you agree that we are not liable to you for any loss, damage or expense of any kind which you or any other person may incur or suffer arising from or in connection with any set-off or Forced Liquidation if we have acted in good faith. In particular, subject to applicable laws and regulations, you have no right or claim against us for not proceeding with the Forced Liquidation or set-off at a better price or time.
- (b) If we choose not to exercise our rights under this Agreement at any time, we may exercise them later.

18. TAXES, COSTS AND INDEMNITIES

- (a) All sums payable by you under Wealth Portfolio Lending shall be paid free of any restriction or condition and free and clear of any deduction or withholding for or on account of any tax. If you are required by law to make any deduction or withholding, then you shall pay such additional amount as is necessary to ensure that we receive on the due date a net amount equal to what we would have received had no deduction or withholding been made.
- (b) You undertake to inform us of any change in tax residency within 30 days, and to provide a suitably updated Self-Certification Form within 90 days, of such change.

- (c) You are responsible for ensuring compliance with the laws and regulations of your nationality and country/region of residence to allow the acceptance of Wealth Portfolio Lending and the continuation of Wealth Portfolio Lending throughout the term of such facility.
- (d) If there is any change in your tax residency such that it no longer becomes prudent, lawful or commercially viable for us to continue to make Wealth Portfolio Lending available to you, we may terminate Wealth Portfolio Lending by notice to you in accordance with, and with the consequences set out in, in section 16.
- (e) You should be responsible for your own taxes arising from Wealth Portfolio Lending, irrespective of whether under Singapore tax law or overseas tax law. You are responsible for:
 - getting your own tax advice,
 - the payment of any applicable taxes,
 - any other tax obligations that you may have (such as filing requirements), in connection with the Wealth Portfolio Lending facility.

We are not responsible for any of your tax or related reporting obligations.

19. WHAT LAW GOVERNS THIS AGREEMENT AND WHOSE COURTS WILL TAKE CHARGE OF ANY DISPUTE?

This agreement, and everything that happens in relation to this agreement before it is made, are governed by the laws, and subject to the non-exclusive jurisdiction of the courts, of Singapore.

Appendix 1: Examples describing how Wealth Portfolio Lending works

Examples in this Appendix are for illustration purposes only; it is not exhaustive and does not represent all possible real-life scenarios and associated risks.

The below definitions are important terms that are used in the description of how Wealth Portfolio Lending works.

Advance Ratio (AR) is the maximum amount that a customer may borrow against an Eligible Asset, expressed as a percentage of the asset's market value calculated in accordance with the following formula:

$$\frac{\text{Loan amount}}{\text{Eligible Asset value}} \times 100$$

Available Margin is the aggregate market value (MV) of Eligible Assets minus the outstanding loan (principal and interests)

$$\text{Available Margin} = \text{MV} - \text{Loan outstanding}$$

Collateral Value is the maximum credit amount you can borrow against an Eligible Asset, determined by multiplying the market value (MV) of an Eligible Asset by the applicable Advance Ratio.

$$\text{Collateral Value} = \text{MV of an Eligible Asset} \times \text{Advance Ratio}$$

The Collateral Value is calculated for each Eligible Asset and not at a portfolio level.

Net Margin Ratio (NMR) is calculated as the ratio of the Available Margin to the Required Margin expressed as a percentage. The NMR is used to determine your margin status.

$$\text{Net Margin Ratio} = \text{Available Margin} / \text{Required Margin}$$

Required Margin is the required buffer equal to the difference between the aggregate market value (MV) of Eligible Assets and the aggregate Collateral Value calculated in accordance to the following formula:

$$\text{Required Margin} = \text{Latest Market Value of Eligible Assets} \times (1 - \text{AR})$$

Illustration(s)

1. How to determine your Collateral Value and Effective Credit Limit

The Effective Credit Limit is determined as follows based on the aggregate Collateral Value of the Eligible Assets.

Eligible Assets	Market Value in SGD equivalent	Advance Ratio	Collateral Value in SGD equivalent
SGD time deposit	100,000	95%	95,000
Government Bonds	100,000	85%	85,000
SG Listed Securities	100,000	60%	60,000
Unit Trust (Fixed Income)	100,000	80%	80,000
Total	400,000	-	320,000

The Collateral Value is calculated for each Eligible Asset and not at portfolio level. In this example, your Effective Credit Limit is SGD320,000.

2. Examples of margin call, liquidation / force sale of collateral and how we work out the Net Margin Ratio (NMR)

Healthy situation

Assuming that:

- your aggregate market value of Eligible Assets is SGD150,000 with a blended Advance Ratio of 60%,
- you have then a Credit Limit (and an initial Effective Credit Limit) of SGD90,000, and
- you draw down SGD80,000

The Net Margin Ratio would be calculated as below:

NMR IIIUSTRATION		
Aggregate market value of your Eligible Assets		S\$150,000
Aggregate Collateral Value	Aggregate market value x AR (S\$150,000 x 60%)	S\$90,000
Required Margin	Aggregate market value x (1- AR) (S\$150,000 x (1-60%))	S\$60,000
Loan Outstanding		S\$80,000
Interest Cost (yearly)	Outstanding loan x interest rate (S\$80,000 x 2.5%)*	S\$2,000
Available Margin	Aggregate market value – outstanding loan (principal and interests) (S\$150,000 –S\$82,000)	S\$68,000
Net Margin Ratio	Available Margin / Required Margin (S\$68,000/ S\$60,000)	113%

*Assuming the current interest rate is 2.5% p.a., the loan holding period is 1 year.

Scenario of Margin Call in case of drop in market value

Assuming that:

- the blended Advance Ratio of 60% remains unchanged,
- the outstanding principal is still SGD80,000, and
- the market value of your Eligible Assets decreases by 20%

NMR IIIUSTRATION Drop in market value by 20%		
Aggregate market value of your Eligible Assets	Initial market value x (1-decrease) S\$150,000 x (1-20%)	S\$120,000
Aggregate Collateral Value	Aggregate market value x AR (S\$120,000 x 60%)	S\$72,000
Required Margin	Aggregate market value x (1- AR) (S\$120,000 x (1-60%))	S\$48,000
Loan Outstanding		S\$80,000
Interest Cost (yearly)	Outstanding loan x interest rate (S\$80,000 x 2.5%)*	S\$2,000
Available Margin	Aggregate market value – outstanding loan (principal and interests) (S\$120,000 –S\$82,000)	S\$38,000
Net Margin Ratio	Available Margin / Required Margin (S\$38,000/ S\$48,000)	79%

*Assuming the current interest rate is 2.5% p.a., and you did not pay any interest for 1 year.

In this scenario, you may receive a Margin Call notice from us and, in any event, you shall take appropriate action by either selling some of your Eligible Assets or provide additional funds or Eligible Assets to reinstate a NMR of at least 100%. If you fail to do so during the prescribed period, we have the right to sell part or all of your Eligible Assets and other Secured Assets.

Scenario of automated force sale in case of sharp drop in market value

Assuming that:

- the blended Advance Ratio of 60% remains unchanged,
- the outstanding principal is still SGD80,000, and
- the market value of your Eligible Assets decreases by 30%

NMR ILLUSTRATION Drop in market value by 30%		
Aggregate market value of your Eligible Assets	Initial market value x (1-decrease) S\$150,000 x (1-30%)	S\$105,000
Aggregate Collateral Value	Aggregate market value x AR (S\$105,000 x 60%)	S\$63,000
Required Margin	Aggregate market value x (1- AR) (S\$105,000 x (1-60%))	S\$42,000
Loan Outstanding		S\$80,000
Interest Cost (yearly)	Outstanding loan x interest rate (S\$80,000 x 2.5%)*	S\$2,000
Available Margin	Aggregate market value – outstanding loan (principal and interests) (S\$105,000 – S\$82,000)	S\$23,000
Net Margin Ratio	Available Margin / Required Margin (S\$23,000/ S\$42,000)	55%

*Assuming the current interest rate is 2.5% p.a., the loan holding period is 1 year.

In this scenario, your Eligible Assets (and if your Eligible Assets have insufficient value, other Secured Assets) will be automatically sold by us to restate a NMR of at least 100% and repay any outstanding loan (principal and interest).

Appendix 2: Risk disclosures specific to Wealth Portfolio Lending

Below is a non-exhaustive list of the key risks associated with Wealth Portfolio Lending. Prior to applying for Wealth Portfolio Lending, you should read the risk disclosure below, ask questions and seek independent advice if you so wish.

1. General risk of securities trading

The prices of securities vary, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that you will incur losses rather than making a profit when buying or selling securities.

2. Leverage Risks

The securities in the Wealth Portfolio Investment Account is used as collateral for the loan. When the outstanding balance exceeds the Effective Credit limit for example due to a decline in the value of such charged securities, you must take one or more of the following actions: (i) deposit additional funds in your WPA; (ii) add additional Eligible Assets in your WPIA; and/or (iii) provide instructions to sell your Eligible Assets. You need to understand that if you do not take any of the abovementioned actions, we may proceed to force sell any securities in your account immediately without prior notice to, or consent from you.

3. Interest rate risk

Interest rate fluctuations may have an adverse impact on the value of your investments. In addition, where the interest rates by reference to which interest on your Loan is calculated fluctuate, this may adversely affect the return on your investments. In particular, the cost of borrowing may be equal to or exceed the actual return on your investments.

4. Timely investment

We may take up to 5 Business days to transfer your cash to your HSBC account and/or your Eligible Assets to or from your WPIA. This means that such cash and/or assets will not be available for withdrawal/trading/other uses during this period of time and you may not, and we will not act on any instruction to, transfer or withdraw any money or sell any assets which have not been credited into your HSBC account, your WPIA or your investment account

5. Liquidity risk

Investing in certain products may present liquidity risk as under certain market conditions you may have difficulties in selling your investments. In the event we have to force sell your investments, the price at which such sale is concluded may also be affected where there is no or little liquidity in the market for your investments and/or collateral.

6. Commissions, Fees and Charges

There are no service fees or minimum monthly repayment requirements. You should familiarize yourself with commissions, fees and charges which may apply to you when you buy, sell or transfer your investments as they may affect your net profit (if any) or increase your loss.

7. Uncommitted facility

Wealth Portfolio Lending is uncommitted and repayable on demand. We may at our absolute discretion, review, cancel and/or alter the terms of the facility at any time. Upon our demand, the facility shall cease to be available and all monies under the facility shall be repaid in full.

8. Restricted access to cash deposits/assets (investments) for Wealth Portfolio Lending (Purpose Loan)

Cash and/or assets (investments) deposited, and held in the Wealth Portfolio Account (WPA), and Wealth Portfolio Investment Account (WPIA) may only be withdrawn with HSBC's prior written approval.

9. Taxes, costs and indemnities

Any change in tax residency has to be informed within 30 days, and you shall provide a suitably updated Self- Certification Form within 90 days, of such change.

You are responsible for ensuring compliance with the laws and regulations of your nationality and country/region of residence to allow the acceptance of Wealth Portfolio Lending and the continuation of Wealth Portfolio Lending throughout the term of such facility.

You should be responsible for your own taxes arising from Wealth Portfolio Lending, irrespective of whether under Singapore tax law or overseas tax law. You are responsible for:

- getting your own tax advice,
- the payment of any applicable taxes,
- any other tax obligations that you may have (such as filing requirements),

in connection with the Wealth Portfolio Lending facility.

We are not responsible for any of your tax or related reporting obligations.

If there is any change in your tax residency such that it no longer becomes prudent, lawful or commercially viable for us to continue to make Wealth Portfolio Lending available to you, it constitutes an Event of Default under the facility.

10. Other Risks

If there is at any time in our opinion any material adverse change in your financial condition, or if we consider the security presently charged to us for Wealth Portfolio Lending to be unsatisfactory or inadequate, we shall without prejudice to our right to repayment upon demand have the right to reduce the Credit Limit or require you to provide additional cash and assets (investments) to us (in form and substance satisfactory to us) on demand or proceed to sell the assets(investments) charged, apply and set off the proceeds of such sale towards the settlement of any outstanding amounts owing to us under the facility.