HSBC

The Hongkong and Shanghai Banking Corporation Limited

Incorporated In Hong Kong With Limited Liability

Retail Loans Terms and Conditions

Wealth & Personal Banking

HSBC, Bangladesh

The following terms and conditions shall be generally applicable to all secured and unsecured loan or credit facilities, namely Personal Installment Loans (PIL), Personal Secured Loan (PSL), Personal Secured Credit (PSC), Home Loan (HML) and Home Equity Loan (HEL), availed by the Borrower(s), unless any of those terms & conditions are expressly and specifically stated to cover a particular loan/credit facility hereunder.

1. General Conditions

a. The Borrower(s) is to ensure that the banking facility granted to the Borrower(s) is used only for the purpose declared by the Borrower;.

b. A legal mortgage on property is required to be executed by the Borrower(s) in favour of the Bank. (Applicable for HEL and HML).

c. The Bank reserves the right and discretion without any further reference or notification to the Borrower(s) to:

i. Review the basis on which the facility has been provided (including interest rates, fees, and the timing of the charging thereof at any time during the term of such facilities).

ii. Withdraw and recall the facilities by termination if, in the opinion/discretion of the Bank, (x) there has been material change in the Borrower's financial condition which affects or raises the risk of the credit facility offered by the Bank and/or (y) Default or breach of the applicable terms and conditions, laws and regulations by the Borrower and/or (z) Misrepresentation of facts/information or withholding of information/documents reasonably requested by the Bank, such right to termination or withdrawal being without prejudice to any rights and entitlement of the Bank or any other applicable terms and conditions

iii. Call for cash cover on demand for existing, prospective and contingent liabilities.

iv. In the event of default within the meaning of the respective offer letter, prohibit the Borrower(s) from using the property for which the loan was granted and repossess the premises/property and for this purpose, enter and take possession of the mortgaged premises and the Borrower(s) shall be liable for all expenses incurred in the repossession process. (Applicable for HML and HEL only).

d. The facility is uncommitted and shall be repayable on demand but unless and until demanded shall be repayable in accordance with the terms and repayment arrangements applicable to the facility. A demand constitutes any formal written notice addressed to the Borrower(s) at their correspondence address registered with the Bank and may be delivered personally by leaving it at such address, by post, facsimile transmission, email or telex, and shall be deemed to have been delivered to the Borrower, at the time of personal delivery or on leaving it as such address or on the second day following the day of posting or on the day of dispatch, if sent by facsimile transmission or telex, and/or if collected by the customer from any offices of the Bank on the day of actual receipt.

e. All payments required to be made in respect to the facility shall be made by the Borrower(s) on the respective due date. The Borrower(s) hereby is/are liable to include interests, charges and expenses at such time as the same shall become or be due and payable and transfer such sum to the loan repayment account for adjustment. In any case, the Borrower shall always remain liable to the Bank and agree to make payment in full of all such sums to the Bank, where the amount is due and payable, and aggregate amount of the Borrower's account(s) is/are insufficient to make such payment.

f. The Bank reserves the right at any time in its sole discretion without assigning any reason to discontinue relations with any customer with immediate effect, including but not limited to closing Loans & Overdraft Facilities, discontinuing wholly or partly banking and other services and facilities with a Customer. The instances of Dormant and/or Inactive accounts will be treated as per the Bank's internal policy and regulatory requirements.

g. Any correspondence relating to the loan facility will be sent by the Bank to the mailing addressed as instructed by the Borrower(s) from time to time. The Borrower(s) is responsible to notify the Bank of any changes in the mailing address & contact details at the earliest.

h. The Borrower(s) shall hereby agree to indemnify, save, defend and hold the Bank harmless from any loss, cost, expense, or liability, including payments i.e. any reasonable attorney's fees or any other fees arising out of or in connection with the loan provided by the bank.

i. All laws relating to Financial Crime which includes but not limited to Penal Code 1860, Money Laundering Prevention Act 2012, Anti-Terrorism Act 2009 amended from time to time or any other rules for combating financial crime as issued by Bangladesh Bank from time to time will be complied with by HSBC to tackle any financial crime. HSBC reserves the right to regularly check for any money laundering or terrorist financing issues prior to encashment of any foreign currency.

j. The Borrower must be aged between 23 years (30 years for self-employed applicants applying for HEL/HML) or above and 60 years at the time of maturity of loan. For PSL and PSC borrower's maximum age can be 70 years at the time of loan maturity.

k. Interest will accrue on daily basis on the outstanding principal amount of the Loan (provided no more than 30 days' interest will be charged in each month).

l. If a payment is due on a day that is not a banking day, the Borrower(s) is required to make payment on the following banking day. The term "banking day" means any day from Sunday to Thursday unless it is a public holiday.

2. Security Items

The following security and charge documents ("Security Documentation") will be legally enforceable by the Bank and will remain lodged within the Bank :

a. Demand promissory note

b. Irrevocable letter of authority

c. Letter of set-off in respect of Deposits/Credit Balances/Margin Deposits
d. Charge Over Securities
e. Authorization to Encash Securities
f. Post-dated cheque(s).
g. Undated cheque(s).
h. Letter of Authority to fill in the blank dated cheques
i. Letter of Continuation
j. Letter of undertaking renewal of annual comprehensive insurance policy (Applicable for HML & HEL)
k. Deed of Mortgage duly executed and registered with the Office of the Sub-Registrar (Applicable for HEL and HML)
l. Letter of Agreement signed and accepted by the Borrower(s) (Applicable for HEL and HML)
m. Letter of Undertaking by the Borrower(s) (Applicable for HEL and HML)
n. Irrevocable General Power of Attorney (Applicable for HEL and HML)
o. Memorandum of deposit of title deeds (Applicable HEL and HML)
p. Eligible Insurance policy over the property (Applicable for HML and HEL)

3. Conditions Precedent

The Bank shall not be obliged to make the facility or any part available until it has received each of the following:

a. Facility Offer Letter (FOL) signed and accepted by the Borrower(s).
b. Completion of the security documentation as specified above.
c. Legal vetting of the property documents and satisfactory valuation of the property to be financed
d. Clean CIB Report in the name of the Borrower(s) from Bangladesh Bank.

4. Interests, Fees, Costs, Expenses, and Liabilities

The following interests, fees, costs, expenses, and liabilities are to be borne by the Borrower(s).

a. The Borrower(s) will repay the loan with interest as decided and applied by the Bank from time to time, and other applicable costs, and charges and expenses. The Bank reserves the right to reset the interest rate any point in time at its sole discretion subject to prevailing laws and regulations. Without prejudice to the foregoing, in the event the rate of interest as per the terms of the facility is calculated with reference to a published benchmark interest rate or a reference rate prescribed by regulation and the said benchmark/reference rates at the time of calculation of interest is below zero , the applicable rate of interest shall be deemed to be zero percent.

b. All stamp duties, registration fees, and other governmental charges or duties incurred or assessed on in respect of the facility and Security Documentation.

c. The Bank reserves the right to debit any bank account of the Borrower(s) for renewal premiums and associated cost in regards to the comprehensive insurance policy which is required for HML and HEL. In the event that the Bank does not receive any renewed insurance policy (for HML and HEL) from the customer at least two weeks (02) before expiry of the insurance policy, the Bank will debit the Borrower's current/savings account to obtain a fresh insurance cover and pay the premium thereon. In case of unavailability of sufficient fund in the Borrower's current/savings account, the amount will be overdrawn from the current account and relevant interest will be accrued. The Borrower(s) will remain liable to pay the overdrawn amount and associated interest amount which may accrue.

d. In the event of the Borrower(s) death, the entire outstanding amount of the loan shall become due and payable at once and the legal heirs shall be liable to pay the same to the Bank forth with.

e. All reasonable costs, charges, expenses, and legal costs incurred in relation the facility and in the preparation and execution of this letter and any security and charge documents or the enforcement by the Bank thereof.

f. The loan facility may be liquidated prior to the end of the tenure of the facility and partial prepayment is also permitted. However, fees will be charged for both full and partial settlement as applicable at the time of full and partial settlement. The minimum amount of partial prepayment and the applicable charges for full or partial prepayment will be governed by the latest version of 'Retail Banking and Wealth Management Fees and Charges' and where applicable, as per latest CEPS agreement (if any) which will be in effect at the time of such full or partial prepayment.

g. During the period of the loan, all maintenance cost (including document collection, renewal or update) of the property are to be borne by the Borrower(s) (applicable for HEL and HML).

h. In the event of default within the meaning of respective offer letter, any cost incurred as a result of the enforcement, recovery, collection and repossession process will be charged to the Borrower(s) and the proceeds from liquidating the security (sales of mortgage property or encashment of collateral) will be used to offset the outstanding amount together with the costs involved in the repossession. Any shortfall will have to be borne by the Borrower(s).

i. In the event of that any property cannot be repossessed or sold as provided under clause (h) above, the Borrower(s) shall still in all sense be responsible to adjust the entire outstanding due along with all interests, charges, fees etc.

j. subject to the approval of the application of the Borrower(s) a further-non-refundable fee will be charged for valuation of the property, legal vetting of the property documents and obtaining of title deed documentation (applicable for HEL and HML).

k. Apart from the above mentioned Interests, Fees, Costs, Expenses and Liabilities, all other cost and charges will be borne by the Borrower(s) as per the latest 'Retail Banking and Wealth Management Fees and Charges' booklet or as per the latest CEPS Agreement (if any) which the Bank reserves the right to change from time to time.

5. Covenants (Applicable for HEL and HML)

The Borrower(s) hereby covenants:

a. To utilize the loan for purchasing and acquiring the said flat/apartment and for no other purpose.

b. To sign and execute a legal mortgage on the said property.

c. To not sell, assign transfer, mortgage, charge, pledge, or otherwise dispose of the said flat/apartment or the right to the use, occupation, possession and enjoyment of the said flat/apartment without the Bank's previous consent in writing and let, demise, give license of deal with the said flat/apartment in any other manner until the home loan is fully repaid.

d. To keep the aforesaid flat/apartment in a good state of repair.

e. To insure the flat/apartment against loss or damage by fire, earthquake, flood, cyclone with an Insurance Company approved by the Bank to the extent of the full insurable value of the flat and to obtain the policies for such insurance and to deliver the premium receipts to the Bank.

f. To pay all taxes, assessments, outgoings and discharge all the liabilities to the Builder/Developer and also to the Government, Municipal or other local or public body of authority in respect of the said flat/apartment. In addition to this, to not to do, omit or suffer to be done or omitted to be done anything whereby the right of occupation and possession of the flat/apartment may be avoided, forfeited and extinguished. The Borrower(s) shall also keep the Bank indemnified against all costs, actions, suits, expenses and claims as may be incurred or sustained on account of the non-observance and non-performance of any of the terms and conditions stipulated by the Builders/Developers of the premises and non-payment of the said maintenance charges, outgoing rates or taxes.

g. To authorize any of the Bank's representatives to inspect at any time, or times, the interior of the premises of the said flat/apartment.

h. To not assign, transfer, pledge, hypothecate, encumber of otherwise dispose of the property or any part thereof or lend the property to a third party.

i. Not to utilize HSBC Personal loans for "Down payment" of HML from HSBC.

j. Not to issue any notice under Section 11 of the Power of Attorney Act 2012 and acknowledges that issuance of such notice shall amount to an event of default and that the Bank, in such a case, would be at liberty to exercise the rights granted under the Irrevocable General Power of Attorney before the revocation becomes effective. (Applicable for HEL and HML)

6. Representations and Warranties:

In availing the facility, the following representations and warranties are made by the Borrower(s):

a. The acceptance of terms and conditions of the application by the Borrower(s) constitutes a legal and binding obligation upon the Borrower(s).

b. The Borrower(s) shall exercise due and reasonable care as a bonafide custodian in taking custody and usage of the flat/apartment (applicable for HML/HEL).

c. The Borrower(s) will at all times maintain a current insurance policy for the secured property against risk of Fire, Flood, Earthquake and Cyclone (applicable for HML and HEL). The insurance policy will have to be provided by an insurer acceptable to the Bank, and the Bank's interest in the secured property as mortgagee (applicable for HML and HEL), will have to be noted on the policy schedule. Also, the Borrower(s) shall provide to the Bank annual renewal of the insurance policy, along with money receipt, at least two (02) weeks before expiry of the insurance policy.

d. Upon the occurrence of any event for which an insurance claim may be lodged, the Borrower(s) will immediately notify the Bank and will deliver to the Bank without delay all documents necessary for receipt of the insurance proceeds by the Bank.

e. Except as notified to the Bank in writing prior to the acceptance/applicability of these terms and conditions, no judgment of decree has been passed by any court of tribunal against the Borrower(s) which would have a material or adverse effect on the security offered by the Borrower.

f. Where the declaration below is signed by more than one person as Borrower, the liability of each such person there under shall be joint and several as per the terms and conditions.

g. The terms and conditions are to be governed by the laws of Bangladesh and shall be subject to the exclusive jurisdiction of the courts of Bangladesh only.

h. Except as notified to the Bank in writing prior to the acceptance of the terms of this application, the Borrower(s) is not entering into the facility as a trustee for any trust (applicable for PIL, PSC and PSL).

i. The Bank's statements and records shall be binding on the Borrower(s) and constitute evidence of debt for all purpose (applicable for PSC, PSL and PIL).

j. The Bank will not be held liable for monitoring the maturity dates of the Borrower's securities and will thereof not be held responsible for any interest foregone as a consequence of the Borrower's failure to renew such (applicable for PSC and PSL).

k. The Bank has no responsibilities in regard to the securities. In the event that the assurer defaults on payment of the securities, the Borrower(s) will be liable for any debts outstanding with the Bank (applicable for PSC and PSL).

l. To the extent permitted by law, upon settlement of the loan, Bank will arrange to destroy undated and post-dated cheques kept in Bank's custody against loans.

7. Reserve Requirement (Applicable for all products except HEL and HML)

In the event that any reserve requirement, statutory reserved deposit, special deposit, borrowing limitation, gearing constraint, capital adequacy requirement, supplementary tax or other similar restriction, tax (other than a tan on net income in the normal course of the Bank's business) or control applicable to borrowing/facilities of the nature contemplated herein, in addition to those currently applying is imposed by Bangladesh Bank, any Government or Governmental authority in Bangladesh (or equivalent bodies in overseas countries), the effect of which is directly or indirectly to increase the cost to the Bank of providing or maintaining the facility, or providing funds under them, or to reduce the effective rate of return to the Bank (whether on capital, assets, deposits or otherwise) on the facility then the Borrower(s) shall pay to the Bank such additional amount on demand and as when demanded, the amount by which that cost is so increased or reduction has been incurred. In each instance, the amount payable by the Borrower(s) will be calculated from the date on which the Bank first incurred the additional cost or reduction, as the case may be.

8. Borrower Data, Records and Information

The Borrower(s) irrevocably agree that the Bank may at its discretion for any purpose, including but not limited to, in connection with its banking operations, administration and business, for data information, transaction, document and records collection, processing and storage, inside and outside its country of operation, fraud detection or prevention, suspicious activities, audit, inspection, provision of services by any third party, debt collection, or if required by any applicable judicial order or statutory provision, or governmental, statutory or regulatory authority with jurisdiction over the Bank or the member of HSBC Group, share any information, details, data, identification information or document relating to the customer or customer's account or transactions, with any member or associate member of the HSBC Group of companies.

The Borrower(s) irrevocably agree that the Bank may transfer or sub-contract the provision of any part of the services provided to the customer to any third party including to another member of the HSBC Group whether or not that third party operates in another jurisdiction or territory. The Borrower(s) agree and understand that such transfer shall entail sharing any information, details, data or document relating to your Account or transactions. The Bank shall remain liable to you for any recoverable loss or damage incurred or suffered by you as a result of the negligence, breach or default of any such third party, and will require that any such third party maintain the confidentiality of any such information to the same extent as the Bank.

The Bank shall and third parties with permitted access to customer information shall observe customary bank-customer confidentiality duties. Notwithstanding the foregoing, the Bank may from time to time disclose information and documents relating to a customer and accounts to any governmental or regulatory authority with jurisdiction over the Bank or member of HSBC Group pursuant to any judicial order or laws and regulations prevailing from time to time.

To the extent any information, records or documents provided by the Borrower(s) contain any personal data or identification information of any other person or entity, the Borrower(s) shall ensure his/her lawful authority to share such data or information.

9. Applicability and Overriding Effect of Personal Account Terms and Conditions

Banking facilities are subject to the terms and conditions of Personal Account Terms and Conditions. In the event of any conflict or inconsistency between any loan agreement/Facility Offer Letter and the Personal Account Terms and Conditions, the terms of the Personal Account Terms and Conditions shall prevail. Any capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Personal Account Terms and Conditions.

10. Declaration

A. I/We have applied for the credit facility detailed in this application, I/we read, accepted, and fully understood the above terms and conditions including the assignment therein mentioned and its application to the facility granted to me/us by the bank.

B. I/We shall collect all property documents from the Bank within 10 working days upon full settlement of the loan. In the case of registered mortgage, we shall arrange all necessary formalities for revocation/redemption of mortgage in the concerned sub-registry office within 10 working days from the date of full settlement of the loan. All costs incurred as a result shall be borne by me/us and we shall keep the Bank indemnified from any liabilities or obligations which may arise from any illegal activity in which the property is directly or indirectly involved throughout the duration of the loan till final settlement of the loan (applicable for HML and HEL).

C. I/We hereby declare that, all the information provided in this application is true, complete and accurate. I/We confirm that, no information is reasonably likely to affect the Bank's determination to provide finance has been withheld, I/we understand that the Bank may in its sole and absolute discretion and in order to verify any or all of the information given herein by itself or through authorized personnel, lawyers agencies, credit bureaus or other third party service providers, make enquiries or obtain credit reports or contact my/our solicitor, and/or my/our accountant, and each of those people are is authorized to provide personal and financial information about me/us to HSBC for that purpose.

D. I/We hereby declare that, I/We have met, and will continue to meet tax obligations of the appropriate tax authorities and also acknowledge that the Bank will meet any related reporting or withholding obligation in accordance with applicable legal and regulatory considerations.

E. In the event HSBC at its discretion agrees to receive any information, forms, instruction, records or documents (whether scanned or other electronic/digital form) pertaining to the facility by e-mail or any other electronic or digital form from me/us, HSBC is entitled to rely on any such information, forms, instruction, records or documents submitted from my registered/recorded e-mail address (unless otherwise agreed) as duly issued, provided, verified and authenticated by me/us, without any obligation upon HSBC to verify the source or authenticity and the same shall be fully binding upon me/us (and my/our successors, heirs, executors, administrators, legal representatives and permitted assigns). The above will not however, preclude HSBC from exercising any rights to undertake reasonable steps for any verification as deemed appropriate at its discretion.

F. I/We acknowledge the rights of the Bank to collect overdue and/or over-limit balances, and permitting the appointment of another HSBC group entity, external debt collecting agency or other third party, as the collection agent subject to local regulations related to the use of personal data and privacy regulation or legislation.

G. I/We understand that, any credit information obtained by HSBC and exchanged with another credit provider may be used for the following purposes:

- To assess this application by me/us for credit and subsequent reviews thereof;
- To access me/us to avoid defaulting on my/our credit obligations;
- To notify other credit providers of a default by me/us;
- To allow another credit provider to ascertain the status of my/our financial arrangements with HSBC where I am/we are default with one or more other credit providers; and
- Generally to access my/our credit worthiness.

H. I/we understand that to meet the purposes stated above, it is Bank's discretion to select verifying agencies, lawyers, credit bureaus etc. and the Bank will not be liable to me/us for disclosing the name of such parties and/or their assessment reports. I/We also confirm that, I/we have read and understood all the Terms and Conditions mentioned in the Personal Account Terms and Conditions and hereby agree to be bound by such Terms and Conditions and any changes that the Bank may make effective from time to time, I/we am/are aware that a copy of the Personal Account Terms and Conditions and a copy of the Retail Loans Terms and Conditions are available on the public website of HSBC Bangladesh: www.hsbc.com.bd

I. I/we declare and acknowledge that I/we am/are responsible for the accuracy of any information and data provided by me/us to the Bank and veracity/authenticity of documents or records provided by me/us in relation to the facility.

J. I/we further agree, confirm and acknowledge that this declaration is being signed by me/us with complete understanding of its contents and the aforesaid terms and conditions shall be fully binding upon and enforceable against me (and my successors, heirs, executors, administrators, legal representatives and permitted assigns). I/we shall be fully responsible to comply with the above terms and conditions and any laws and regulations as applicable to me/us and I/we undertake to indemnify HSBC on demand (on a full indemnity basis) and to hold HSBC harmless from and against any loss, damage, liability, costs and expenses, which HSBC may incur by reason of or due to any breach of any of the applicable terms and conditions, laws and regulations by us/me or in relation to the enforcement of any rights of HSBC.

Signature of 1st Applicant
Name:
Date:

Signature of 2nd Applicant
Name:
Date:

Witness 1

Name:

Signature and Date: D D M M Y Y Y Y

Witness 2

Name:

Signature and Date: D D M M Y Y Y Y