

# PRODUCT DISCLOSURE SHEET

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your share trading services and account provided by Public Bank Berhad.



**PUBLIC BANK**

Other customers have read this PDS and found it helpful, **you should read it too.**

Date : \_\_\_\_\_

## KNOW YOUR PRODUCT

<b>Product Name &amp; Description</b>	<b>PB SHARELINK ("PBS")</b>	
	A product designed to facilitate your trading and investment in shares listed on Bursa Malaysia Securities Berhad ("BURSA").	
<b>Product Class &amp; Description</b>	<b>SHARE MARGIN FACILITY ("SMF")</b>	
	<ul style="list-style-type: none"> <li>SMF is a credit facility provided by Public Bank ("the Bank") to you as an investor for the purpose of financing the purchase of shares listed on BURSA.</li> <li>It is a facility secured with shares, cash and/or fixed deposit pledged by you to the Bank. This allows you to leverage your existing assets to increase your purchasing power basing on the daily assigned Trading Limit and capitalize on emerging opportunities in the stock market.</li> </ul>	
<b>Product Type &amp; Description</b>	<b>Margin - Special Pricing ("MASP")</b>	<b>Margin plus Trading – Special Pricing ("MTSP")</b>
	Trading limit is assigned based on the margin multiplier of your collateral pledged.	Trading limit is assigned based on a combination of margin and trading multipliers of your collateral pledged.
<b>Credit Limit</b>	Minimum - RM50,000 Maximum – Subject to credit assessment	
<b>Acceptable Collateral &amp; Adopted Multiplier (See Note 1 of Schedule I for illustrations)</b>	<u>Margin Multiplier</u> Cash <sup>1</sup> / FD <sup>2</sup> : 2.5 times Shares <sup>3</sup> : 1.5 times	<u>Margin &amp; Trading Multipliers</u> Cash <sup>1</sup> / FD <sup>2</sup> : 2.5 + 1 = 3.5 times Shares <sup>3</sup> : 1.5 + 1 = 2.5 times
	<sup>1</sup> Credit balance in PBS Current Account. <sup>2</sup> Fixed Deposit maintained with the Bank and pledged as collateral for the SMF facility. <sup>3</sup> Shares pledged as collateral for the SMF facility shall be subject to Bank's assigned value.	
<b>Pricing/ Prescribed Rate (% per annum)</b>	Individual : SBR + 1.22% Company : BLR – 2.50% SBR = Standardised Base Rate. BLR = Base Lending Rate. Visit <a href="https://pbebank.com">https://pbebank.com</a> for latest SBR & BLR information. Interest is calculated on daily rest and capitalised monthly. The SBR is set as the Overnight Policy Rate (OPR) decided by Bank Negara Malaysia. The SBR can rise or fall due to changes in the OPR. The prescribed rate and interest amount charged to your account will be adjusted accordingly.	
<b>Commitment Fee (% per annum)</b>	At the rate of 1.0% per annum on the undrawn portion of the approved credit limit.	
<b>Loan to Security Ratio (LSR)</b>	$\frac{\text{Outstanding Balance} - \text{FD}}{\text{Bank's Value of Shares Pledged}} = 60\%$	
<b>Margin Call</b>	When LSR is $\geq$ 70%. You must cover the shortfall within 3 trading days from the date of Margin Call.	
<b>Force-Selling</b>	When LSR is $\geq$ 80% or upon the expiry of the Margin Call, whichever earlier. Immediate force-selling of your shares will be instituted.	
<b>Excess of Credit Limit</b>	When the outstanding balance in your PB Sharelink Current Account exceeded the Approved Credit Limit. You must cover the shortfall within 3 trading days from the date of Excess of Credit Limit. Default interest rate of 1% will be charged on the amount in Excess of Credit Limit.	

The following accounts will be opened for you upon approval of your PB Sharelink – SMF application:

<b>PBS Current Account</b>	<b>Trading Account</b>	<b>Central Depository System ("CDS") Account</b>
Account to be opened with the Bank. This account is used for funding and settling your Buy & Sell contracts and for subscribing to corporate action entitlements. <b>PROTECTED BY PIDM UP TO RM250,000 FOR EACH DEPOSITOR</b>	Account to be opened with PIVB or the respective panel stockbroker/ Investment Bank (for E-SMF) under the name of Public Nominees (Tempatan) / (Asing) Sdn Bhd ("PNOM") as the registered owner and you as the beneficial owner of the shares. The account is to facilitate your share trading activities.	Account to be opened with PIVB and maintain with Bursa Malaysia Depository Sdn Bhd ("BMD") under the name of PNOM as the registered owner and you as the beneficial owner of the shares. This is a Nominees Pledged Securities Account. This account is for the safekeeping of shares held by you. <b>SHARES HELD/ PLEDGED – NOT PROTECTED BY PIDM</b>

## KNOW YOUR OBLIGATIONS

1. The following minimum fees & charges are payable upon acceptance to activate your approved PBS SMF account:

<b>Ad-valorem Stamp Duty for Share Margin Agreement ("SMFA")</b>	0.5% of the Approved Credit Limit
<b>Nominal Stamping Fees for:</b>	-
• <b>Nominee Agreement</b>	RM10
• <b>Memorandum of Deposit</b>	RM10
• <b>Letter of Offer</b>	RM10
• <b>Duplicate SMFA</b>	RM10
<b>Opening of CDS Account with BMD</b>	RM10 *
<b>Processing Fee</b>	RM50 *

Visit <https://pbebank.com> for the complete list of applicable fees & charges for PB Sharelink products.

Note (\*) - Subject to provision of Service Tax (ST) Regulations, this Fee might be subject to ST.

2. Always stay informed about the health of your PB Sharelink – SMF account and promptly regularize it within the timeframe given if it falls into a Margin Call, Force-Sell, or Excess of Credit Limit position. The Bank may force-sell your shares, use funds from other accounts with the Bank, or take legal action to recover the outstanding balance.
3. Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.
4. Entire amount outstanding balance, including the principal sum, interest and any other fees & charges must be repaid upon demand.
5. Always stay informed about any corporate action entitlements. Promptly notify us of your decision to avoid any lapses.
6. Always keep us informed of any changes to your contact details. This ensures all communication and correspondence reaches you in a timely manner.

## KNOW YOUR RISKS & BENEFITS

### RISKS

Your PB Sharelink SMF account and investment in shares may subject to the following key risks:

- Leverage Risk
- Market Risk
- Liquidity Risk
- Company Risk
- Regulatory Risk
- Inflation Risk

See Note 2 of Schedule 1 for definition of these risks

### BENEFITS

- Attractive interest rate charged.
- Earn interest on credit balance in your PBS Current Account if you are an individual.
- Free access to online share trading platforms with real-time stock prices & information.
- Convenient and easy ways to deposit funds and auto-updating of account balance and trading limit upon deposit (excluding cheque deposit).
- Seamless support from the Bank's Share Investment Units ("SIUs") for all your investment and account needs.

## OTHER KEY TERMS

- ✓ Opening a PB Sharelink account is subject to the Bank's approval. The operations of the account and trading of shares are governed by Malaysian laws and policies of the Bank, the appointed stockbroker/ investment bank, PIVB as well as regulatory authorities.
- ✓ Your PB Sharelink MASP or MTSP account cannot be used for Initial Public Offering (IPO) application.
- ✓ Shares pledged and purchased are subject to the Bank's valuation/ capping and other controls e.g. Single Counter Exposure Limit ("SCEL") and Counter Spread Limit ("CSL"). If the SCEL and/or CSL is breached, your shares will be classified as "non-marginable" and no value will be assigned to these shares. Should your account hits margin call or force-selling due to the classification or due to the reduction in the Bank's assigned value of the shares, you are required to rectify the margin breach within the timeframe given.
- ✓ This document is a product disclosure sheet and is for informational purposes only. It is not an agreement or a substitute for the product's full terms and conditions.

## HOW TO GET HELP & SEEK REDRESS?

**If you have any questions, feedback, complaint or require assistance on PB Sharelink products or our services, you can:**



Visit/ Contact any of our Share Investment Units. List of addresses & contact numbers can be obtained through [www.pbebank.com.my](http://www.pbebank.com.my)



E-mail us at [shareinvest@publicbank.com.my](mailto:shareinvest@publicbank.com.my) or [customerservice@publicbank.com.my](mailto:customerservice@publicbank.com.my)



Call us through our Customer Service hotline 03-2170 8000



Provide information in the Contact Us section of our website at [www.pbebank.com.my](http://www.pbebank.com.my).

**If your query or complaint is not satisfactory resolved by us, you may contact:**

Bank Negara Malaysia ("BNM")  
Block D, Bank Negara Malaysia,  
Jalan Dato' Onn 50480, Kuala Lumpur  
Telephone : 1-300-88-5465 or  
through web form at [bnmlink.bnm.gov.my](http://bnmlink.bnm.gov.my)

Financial Markets Ombudsman Service ("FMOS")  
Level 14, Main Block, Menara Takaful Malaysia  
No. 4 Jalan Sultan Sulaiman 50000  
Kuala Lumpur.  
Telephone : 03-2272 2811  
Website : [www.fmos.org.my](http://www.fmos.org.my)

**Repayment difficulties and alternatives**

To contact the above or alternatively, to contact Agensi Kaunseling dan Pengurusan Kredit ("AKPK") – an agency established by BNM to provide free services on money management, credit counselling and debt restructuring for individuals. You may access to [www.akpk.org.my](http://www.akpk.org.my) for more information.

### Customer's Acknowledgement (\*)

Ensure you are filling this section yourself and are aware of what you are placing your signature for:

[ ] I acknowledge that Public Bank Berhad has provided me with a copy the PDS and its Schedule.

[ ] I have read and understood the key information contained in the PDS and its Schedule.

(\*) A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.

Signature

Name :

Date :

## SCHEDULE I

### Note 1 : Illustrations on Computation of Trading Limit & LSR

	MA or E-SMF			MT		
	CB	FD	BSV	CB	FD	BSV
Approved Credit Limit ("ACL")	100,000			100,000		
Value (a)	10,000 CR	5,000	50,000	10,000 CR	5,000	50,000
Margin Multiplier (b)	2.5x (including CB value)	2.5x	1.5x	2.5x (including CB value)	2.5x	1.5x
Value x Margin Multiplier (c) = (a) x (b)	10,000 + 15,000 = 25,000	12,500	75,000	10,000 + 15,000 = 25,000	12,500	75,000
Cash/ Margin Balance (d)	(A)	25,000 + 12,500 + 75,000 = 112,500		(A)	25,000 + 12,500 + 75,000 = 112,500	
	(B)	ACL + CB = 100,000 + 10,000 = 110,000		(B)	ACL + CB = 100,000 + 10,000 = 110,000	
	Therefore, Cash / Margin Balance = (A) or (B), whichever is lower = 110,000			Therefore, Cash / Margin Balance = (A) or (B), whichever is lower = 110,000		
LSR computation	$\frac{[(\text{Outstanding Balance} - \text{FD}) / \text{BSV}] \times 100}{100}$ $= \frac{[(110,000 - 10,000 - 5,000) / 50,000 + 110,000] \times 100}{100}$ $= \frac{[95,000 / 160,000] \times 100}{100}$ $= 59.38\%$					
Assumption:	<ul style="list-style-type: none"> <li>• Entire Cash/ Margin Balance of RM110,000 is utilised to purchase shares.</li> <li>• The Bank's value of the shares purchased is RM1.00 per share, thus, RM110,000 is to be added as BSV.</li> </ul>					
Trading Multiplier (e)	-	-	-	1x	1x	1x
Value x Trading Multiplier (f) = (a) x (e)	-	-	-	10,000	5,000	50,000
Trading Balance (g)	-			65,000 (#)		
Total Available Balance (h) = (d) + (g)	110,000			175,000		
<b>Notes</b>						
CB	Actual balance in the PB Sharelink Current Account after factoring in the pending trade settlement amount for Buy and/or Sell contract(s) which is inclusive of transaction cost charged by BURSAs and contract stamp duty.					
FD	Total value of Fixed Deposit Receipt(s) pledged as collateral to secure the SMF.					
BSV	Bank's assigned value on the shares in your share portfolio.					
#	Customer to deposit to settle the contracts purchased under "Trading Balance" on settlement due date – T+2 day.					

### Note 2 : Definition of Risks

Leverage Risk	This is the risk from you investing using borrowed money. This includes potential inability to pay back the loan or interest, as well as the risk of having to add more cash or securities to your account if your investments lose value and trigger a margin call or force-sell. Leverage risk doesn't exist in a vacuum; it's often a magnified result of other risks such as Market Risk, Liquidity Risk, Company Risk and Regulatory Risk.
Market Risk	This is the risk that your investments will lose value due to overall market movements. A market downturn can significantly decrease the value of your leveraged investments, quickly leading to a margin call. With leverage, a small market correction can have a disproportionately large impact on your portfolio's value.
Liquidity Risk	This is the risk that you won't be able to sell your investments quickly enough without taking a significant loss. If you get a margin call during a period of low market liquidity, it can be hard to sell assets to raise cash. This makes you more vulnerable to forced selling by the financier, as you can't satisfy the margin call on your own terms.
Company Risk	This is the risk that a specific company's stock will decline due to factors unique to that company, such as poor earnings, management issues, or a product failure. If you've heavily leveraged your position in a single company, and it underperforms, this risk is significantly amplified and can quickly lead to a margin call and force-selling.
Regulatory Risk	This refers to the risk of changes in laws or regulations that could impact your investments. For example, a change in margin requirements could increase the maintenance margin, making it easier for you to receive a margin call, even if your portfolio's value hasn't changed. This adds another layer of unpredictability to leveraged investing.
Inflation Risk	Lower customer spending and high interest rate charged on company's borrowing could result in decline in profit that could adversely affect the company's share price.