

General Terms and Conditions for Secured Overdraft and Secured Loan

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මෙම ලේඛනයේ ඉංග්‍රීසි හෝ දමිළ භාෂා පරිවර්තනයක පිටපතක් ඔබට අවශ්‍ය වේ නම්, කරුණාකර අපගේ නිල පොදු වෙබ්අඩවිය වන www.hsbc.lk වෙත පිවිසෙන්න, නැතිනම් අපගේ ඕනෑම ශාඛාවකින් ඉල්ලා සිටින්න.

இந்த ஆவணத்தின் ஆங்கில மற்றும் சிங்கள மொழிபெயர்ப்பு தேவைப்படின் தயவுசெய்து www.hsbc.lk என்ற எமது இணையத்தளத்தை நாடவும் அல்லது எமது கிளை ஒன்றில் கேட்டுப் பெறவும்.

Terms and Conditions for Secured Overdraft and Secured Loan

In consideration of The Hongkong and Shanghai Banking Corporation Limited (hereinafter referred to as “the Bank”) offering to grant me/us (hereinafter referred to as the “Borrower/s”) a Smart Money Facility by way of an Overdraft or an Installment Loan for an amount not exceeding 90% of my/our total rupee Time Deposit account(s) and/or 80% against my/our foreign currency Time Deposit account(s) or an Installment Loan for an amount not exceeding 95% of my/our total rupee Time Deposit account(s) and/or 85% against my/our foreign currency Time Deposit account(s) as stated above, with the Bank (in this context the term or expression “Borrower/s” shall where the context requires or admits mean and include the Borrower and his/her heirs, executors, administrators and assigns and the term “Borrowers” shall be construed accordingly) the Borrower/s hereby undertake and agree to the following terms and conditions applicable for both Overdrafts and Installment Loans (hereinafter referred to as the “facility / facilities or “Smart Money Facility Loan or Smart Money Facility Overdraft ”);

Part A - General

1. The Borrower/s acknowledge(s) that the facility/ facilities shall only be granted to the Borrower/s by the Bank subsequent to an internal credit verification.
2. All amounts of interest, commission, expenses or charges debited to the Borrower/s current or savings account shall become part of the Borrower/s liability to the Bank and if the debiting of such amounts to the Borrower/s current account causes the limit (above stated) or such other limit as may be fixed at the discretion of the Bank to be exceeded, the Borrower/s undertake to repay the excess immediately.
3. No interest shall be due to the Borrower/s in respect of any credit balances in the Borrower/s current account(s) during the period of the/these facility /facilities except as may be agreed from time to time in writing in respect of specific sums or accounts.
4. The Bank may apply preferential interest rates as determined by the Bank on overdrafts and installment loans granted to HSBC Premier customers under Smart Money Facility.
5. The Borrower/s hereby undertake(s) to pay to the Bank on first demand all sums due plus interest, expenses and any other charges which may be levied in accordance with the Bank’s requirements and standing regulations in force from time to time. The Bank has the option to claim settlement of all the liabilities of the Borrower/s to the Bank and to modify or cancel facilities granted and/or to determine whether or not to permit drawings in relation to the facilities granted to the Borrower/s at its discretion (whether for breach of the terms and conditions hereof or otherwise), without any obligation to state reason or justification for such measures by delivery of 14 days prior written notice or by any electronic communication channel/medium the Bank deems fit to the Borrower/s. No extension, waiver or indulgence granted by the Bank or any of its officers shall prejudice the rights of the Bank hereunder. The Borrower/s agree(s) that the facility/facilities are also subject to the Bank’s overriding right of payment on demand in Colombo, including the right to call for cash cover on demand for prospective and contingent liabilities.
6. Any claim, summons, advice or notice relating to these facilities which the Bank may desire to convey to the Borrower/s shall be deemed to have been duly given to the Borrower/s if given in writing by post to the address of the Borrower/s last known to the Bank or to the email address of the Borrower/s registered email address held with the Bank by using any electronic communication channel/medium the Bank deems fit.

7. Notice of changes in interest rates may also be given either by letter and/or messages in statements of accounts and/or by displaying the changes on notice boards at branch offices of the Bank and/ or by displaying the changes on the official website of the Bank at www.hsbc.lk and/or by any electronic communication channel/medium Bank deem fits.
8. The facility/ facilities outstanding in excess of the permitted limit will be considered as over limit/overdue and shall be subject to the Bank's prevailing penal interest rates.
9. The Borrower/s agree(s) that arrangement fees, early repayment fees, charges on lump sum payments and any other fees and charges that may be introduced or amended from time to time will be debited to the account of the Borrower/s and be reflected in the account statement and will be specified in the Bank tariff. Early repayment/part payments are accepted at a fee which will be decided by the Bank from time to time at its discretion.
10. The Borrower/s agree(s) that fees and charges that may be introduced or amended from time to time will be debited to the account of the Borrower/s and be reflected in the account statement and will be specified in the Bank tariff.
11. The Borrower/s further agree(s) that the Bank shall have a lien and right of setoff (or similar right) over any of the property rights and interest belonging to the Borrower/s which are in the Bank's custody and control, which rights may be exercised by the Bank, and the Bank may at any time and without previous notice combine and consolidate all or any of the accounts held in the name/s of the Borrower/s irrespective of the titles they come under, and/or setoff against any outstanding amounts of the facilities and/or overdrawn accounts all or any monies whatsoever and whether on Current Account, Savings Account or Term Deposit Account and in whatsoever currency which the Bank may at any time hold to the account of the Borrower/s at any of its offices.
12.
 - (i) The Borrower/s understand(s) and agree(s) that a condition of this advance is that, if the Borrower/s exceed the authorised limit or fail to settle the facility installment, the Bank may uplift/debit the Borrower/s fixed deposit(s) credit balances , partially or fully and exercise its rights of appropriation as provided in Clause 12(iii) below without previous notice and demand and reduce or cancel the facility with notice to the Borrower/s. In such an instance penalty charges will be applicable as per the Terms and Conditions governing Time Deposit Accounts as if the Time Deposit was prematurely withdrawn at the Borrower/s instructions.
 - (ii) A certificate by an officer of the Bank as to the amount due and owing to the Bank by the Borrower/s shall be sufficient and conclusive evidence for all purposes as to the actual amount due and owing by the Borrower/s under the facilities.
 - (iii) The Borrower/s hereby declare that this authority to the Bank is irrevocable and shall continue to be in full force and virtue until expressly revoked with the Bank's consent. The Bank shall at any time and at all times have the power and authority to exercise the right of appropriation without previous notice to the Borrower/s and without any previous demand whatsoever made from the Borrower/s for payment of any moneys due by the Borrower/s to the Bank notwithstanding anything to the contrary contained in any written or other law or any contract or writing executed or to be executed hereafter by the Borrower/s or by the Bank.

- (iv) The Borrower/s hereby further undertake(s) to hold the Bank indemnified and saved harmless from and against all losses, claims damages, interests, costs, charges, expenses and any detriment of whatsoever kind of nature consequent on or attributable to the Bank's acting or purporting to act in the exercise of any right of set-off or lien or appropriation in terms hereof and thereby or otherwise dishonoring any cheque or other such like document or orders for payment of money.
13. If the Borrower/s has multiple overdue facilities, the Borrower/s hereby authorize(s) the Bank to recover any sums of money credited to any of his/her savings/current accounts in a manner deemed necessary by the Bank, and that the Borrower shall not make any claims whatsoever to dispute such recovery.
14. The Borrower/s hereby agree(s) and authorize(s) the Bank to appoint third party collection agents for recovery of outstanding amounts. The Borrower/s shall pay all the costs of collections of the outstanding amount with interest, legal expense should it become necessary, to take legal action to enforce payment.
15. The Borrower/s hereby consent(s) and acknowledge(s) that the Bank at its own discretion is entitled to report the Borrower/s to the Credit Information Bureau (CRIB) of Sri Lanka and/or any other Credit Information Bureau, local or international, of the Borrower/s loan conduct. No delay or omission of the Bank in exercising or enforcing (whether wholly or in part only) any right or remedy hereunder shall impair such right or remedy of the Bank and shall not be construed as a waiver of such right or remedy.
16. The Borrower/s acknowledge(s) that partial upliftment of Time Deposits pledged against the facility/ these facilities at maturity or prematurely will be permitted by the Bank only if the remaining Time Deposits are sufficient to cover the outstanding balance in the Current Account or Loan Account as the case may be.
17. The Borrower/s agree(s) that the Borrower's(s') joint local/foreign currency Time Deposit(s) will be linked to the Borrower's(s') current account where the instructions in the mandate given to the Bank states that either party could request for an overdraft facility
18. The Borrower/s undertake(s) to carefully check all statements of accounts received from the Bank. If within one month of the date of dispatch of a statement of account to the Borrower/s address as it appears in the records of the Bank, no objection has been received from the Borrower/s then the balance shown therein will be considered correct and the fact that no communication has been received from the Borrower/s will be interpreted as a confirmation of the correctness of the account and the Borrower/s may not raise any objection in respect of any such statement of account. The Borrower/s acknowledge(s) that should the Borrower/s not receive a statement of account for any period, it is solely and entirely the Borrower/s responsibility to demand a statement from the Bank.
19. The Borrower/s shall if the Bank may at any time so require, place as collateral security with the Bank and to its order all moneys, and other documents of value that now or may in the future in the Borrower/s name/s be deposited with the Bank. The Bank acting reasonably is entitled to regard these as security for the settlement of the total amounts owed by the Borrower/s to the Bank under these facilities or other Banking facilities including interest charges and expenses.
20. No delay or omission of the Bank in exercising or enforcing (whether wholly or in part only) any right or remedy hereunder shall impair such right or remedy of the Bank and shall not be construed as a waiver of such right or remedy.

21. In the event of the facilities being granted or continued to be granted to two or more of the Borrowers, they undertake to be jointly and severally liable to the Bank in respect of all moneys due thereon.
22. Payments by the Borrower/s shall be made to the Bank without any setoff, counter claim, withholding or condition of any kind except that if the Borrower/s is/are compelled by law to make such withholding, the sum payable by the Borrower/s shall be increased so that the amount actually received by the Bank is the amount it would have received if there had been no withholding.
23. The Bank reserves the right to reject any application for facility/facilities without assigning any particular reason.
24. The Borrower/s hereby agree(s) that the Borrower/s shall notify the Bank in writing forthwith upon the Borrower/s holding and/or acquiring ten per centum (10%) or more shares in any listed or unlisted company in Sri Lanka.
25. The Bank reserves the right to add, change and rescind any of these Terms and Conditions. Such changes to these Terms and Conditions will be communicated to the Borrower/s either by letter, messages in statements of account/s, by displaying the changes on notice boards at branch offices of the Bank and or by displaying on the official website of the Bank at www.hsbc.lk and/or, Bank by any electronic/digital communication means the Bank deems fit and shall be binding on the Borrower/s.
26. I agree that the Bank may assign or transfer all or any part of its rights, benefits and/or obligations under the facility/facilities to any group office of the Bank, another bank or financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets, by delivering to the Borrower/s a notice in writing. Such assignment or transfer shall take effect as from the effective date specified in the notice and the Bank shall thereafter be released from such rights, benefits and/or obligations which shall be assumed by the assignee/transferee set out in the notice. No assignment or transfer of any right, benefit or obligation under the facility/facilities shall be made by the Borrower/s.
27. These Terms and Conditions shall be construed and take effect in accordance with the laws of Sri Lanka and proceeding shall be brought in Colombo in the Courts of Sri Lanka, provided always that the Bank may if it so desires take proceeding in any other court in Sri Lanka or in any other court in any other country or jurisdiction if it thinks fit in which event the laws applicable to such courts shall apply and the Borrower/s shall agree to submit to such courts and such other laws. The Borrower/s undertake(s) to be jointly and severally liable to the Bank in respect of all monies due.
28. The Borrower/s agree and undertake to be bound by the laws and regulations of Sri Lanka, including but not limited to pertaining to foreign exchange, currently in force and as amended from time to time.
29. The Borrower/s confirm that as required by applicable laws and regulations prevailing from time to time, the Borrower/s have reported, and will continue to report, to all relevant competent tax authorities the assets and/or cash deposited on all his/their account(s) held with the Bank, as well as the income and gains generated by those assets and/or cash.

DISCLOSURE OF INFORMATION

30. The Borrower/s authorize(s) the Bank to disclose information concerning the Borrower/s to any third party service provider/s appointed by the Bank or by to any of the offices of the HSBC group, to any party acquiring an interest in or assuming risk in or in connection with the facility/facilities, to any party in connection with any business transfer, disposal, merger or acquisition of the Bank, to any of the offices of the HSBC group, to government entities and/or regulators as the Bank deems appropriate. This consent shall be effective even when the Borrower/s no longer hold(s) the facility/facilities with the Bank.

Part B - Applicable for Smart Money overdraft Facility

1. The Bank may refuse to honour any drawings which if honoured would cause the account(s) to exceed the authorized limit(s). The Bank has no obligation to inform the Borrower/s that such drawings have been refused. No extension, waiver or indulgence granted by the Bank or any of its officers shall prejudice the rights of the Bank hereunder. In the event of the authorized limit being exceeded the Borrower/s acknowledge that any excess is subject to these Terms and Conditions.
2. The Borrower/s agree(s) that any item credited by the Bank to the Borrower/s account(s) including items drawn payable at the Bank are subject to clearance through the normal channels. Until such items are cleared, the Bank is entitled to exclude the value of items so credited for the purposes of calculating the overdraft interest.
3. The Borrower/s hereby agree(s) that in the case of Smart Money overdraft Facility against foreign currency Time Deposits, the overdraft limit is subject to change, with every change in the exchange rate of the relevant foreign currency. Similarly, the overdraft limit will be automatically adjusted at each maturity of deposit(s) taking to account the increase in deposits, due to re-investment of the interest paid at maturity of deposit(s), if any.
4. In case the overdrawn balance in the Smart Money overdraft Facility is secured by foreign currency deposits and due to an adverse change in the exchange rate the credit limit granted may be reduced and the Borrower/s undertake(s) to repay the excess immediately on receipt of notification of such excess or provide adequate deposit(s) to secure such excess.
5. Interest on Smart Money overdraft Facility will be charged based on monetary policy rates and/or Treasury Bill (TB) interest rate published by the Central Bank of Sri Lanka and are subject to change from time to time as determined by the Bank
6. Overdraft facility Interest and principal will be charged to the debit of the Borrower/s current account specified above together with statutory dues and any other relevant charges thereon. The Bank may charge interest on any overdrawn account in the name/s of the Borrower/s at the rate calculated on the daily balances outstanding or at such other rate as the Bank may at any time advice in the manner set out in Clause 9 above.

Part C - Applicable terms for Smart Money Facility Loans

1. The applicable interest rate will be fixed for the entire repayment period (maximum 3 years) of the Smart Money Facility loan.

2. Installment loan Interest calculated in the manner customary to the Bank may be debited to the account of the Borrower/s each month or at such intervals as the Bank may decide. Any commission, expenses or charges due or incurred in respect of these facilities or any other credit facilities extended to the Borrower/s or of any transaction of any kind carried out at the order of the Borrower/s on behalf of the Borrower/s whether or not by written order may be debited to the account of the Borrower/s in the Bank.
3. Loan installments are payable by the assigned due date each month, and the Borrower/s authorize(s) the Bank to debit the loan repayment account specified in the application form with the loan installment on the assigned due date.
4. In the event cleared funds are not available by that date, any credits to the accounts will be accrued and appropriated against the overdue installment/s and default interest, which will be recovered by the assigned due date of the following month or as and when sufficient funds are available to cover such installment/s which may be overdue. Default interest is applicable on the overdue installment/s and interest.
5. The following shall be event of defaults in respect of Loans granted under the Smart Money Facility Loan:
 - a. The nonpayment of any one monthly repayment of principal or interest or installment outstanding for a particular month as determined by the Bank
and/or;
 - b. Bankruptcy/Insolvency.

Other Conditions

In consideration of the Bank granting or continuing to grant the Borrower/s a Smart Money Facility, of either an Overdraft or an Installment Loan;

1. The Borrower/s agree(s) that any Time Deposit account opened by the Borrower/s in the future and linked under the Smart Money Facility at the Borrower's(s') request shall also be deemed pledged in favour of the Bank without the necessity of any further concurrence on the Borrower's/ (s') part and for the purpose of these facilities the term 'Time Deposit(s)' will include any renewals of such Time Deposit and/or new deposits if such Time Deposit(s) is uplifted and replaced.
2. The Borrower/s agree(s) that in the event the Time Deposit/s specified in the section "Collateral Details" above are withdrawn/uplifted either pre-maturely or at maturity of the said Time Deposit/s and the proceeds thereof are re-invested in new Time Deposit/s, all such new Time Deposit/s, irrespective of the Account Number of the Time Deposit they come under, shall be held and/or continue to be held as collateral.
3. The Borrower/s authorise(s) the Bank to automatically renew the deposit(s) on the due dates for an identical period unless instructions to the contrary from the Borrower/s is/are received by the Bank prior to maturity.
4. The Borrower/s acknowledge(s) that any claims to the deposit(s) by the Department of Inland Revenue or any other regulatory authority or non regulatory authority will rank subordinate to the extent of the advance by the Bank holding the deposit(s) as security.
5. The Borrower/s acknowledge(s) that the Smart Money Facility will only be made available after internal credit verification and approval has taken place.

6. The Borrower/s acknowledge(s) that the Bank has the right to reject the Smart Money application, at its sole discretion without stating any reasons.
7. The Borrower/s agree(s) that in the event all his/her/their Time Deposit(s) pledged against the facility is uplifted on maturity, prematurely or set off by the Bank, the Smart Money Facility will be automatically cancelled.
8. In the event foreign currency term deposit(s) are uplifted by the Bank to set off the total outstanding in the Smart Money Facility, the Borrower/s acknowledge(s) that the Bank who is governed by foreign exchange regulations will not re-convert the uplifted Time Deposit(s) to foreign currency at a later date.

CARDHOLDER SATISFACTION & FEEDBACK

Head Office 24 Sir Baron Jayathilake Mawatha Colombo 1

Branches

Premier center Bambalapitya	No 123 Bauddhaloka Mawatha , Colombo 4
Nugegoda	No 171 Nawala Road Nugegoda
Kandy	No 27 Cross Street Kandy
Premier center Pelawatte	No 418 Pannipitiya Road Pelawatte
Union Place	No 163 Union Place Colombo 2
Negombo	No 186 Colombo Road, Negombo
Moratuwa	No 198, Galle Road, Idama, Moratuwa
Jaffna	No 145, Kankasanthurai Road, Jaffna
Premier Center – Flower Road:	No 31, Sir Ernest De Silva Mawatha, Colombo 07

In the event you are not entirely satisfied in the manner in which you have been served, or if our products do not meet your expectations, please contact us at your earliest using one of the following options;

- Contact the Customer Solutions hotline on + 94 114 511 566
- E-mail your concerns to customersolutions@hsbc.com.lk
- Write to us: The Manager Customer Experience, Retail Banking and Wealth Management, HSBC Centre, No. 24, Sir Baron Jayathilake Mawatha, Colombo 01

While we prefer to always resolve any concerns raised with us to your complete satisfaction, you can also write to the Office of the Financial Ombudsman and request redress. Contact details of the Ombudsman are;

- The Office of the Financial Ombudsman - Sri Lanka, 143A, Vajira Road, Colombo 5
- Tel : + 94 112 595 625
- Fax : + 94 112 595 624
- E-mail : info@financialombudsman.lk
- Web : www.financialombudsman.lk

Please visit our website www.hsbc.lk for further information.

“I/We hereby confirm and agree that in the event of any discrepancy in the English, Sinhala and Tamil versions of these Terms and Conditions the English version shall prevail.”

The Hongkong and Shanghai Banking Corporation Limited – Sri Lanka is a licensed commercial bank supervised by the Central Bank of Sri Lanka

Issued by The Hongkong and Shanghai Banking Corporation Limited – Sri Lanka

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