

Key Risks of Wealth Lending



Market Risks

Declining market conditions may cause the value of your collateralised assets to fall. If your collateral value declines below your loan amount, a margin call will be triggered and you are required to top up the collateral value or cash within the stipulated timeline. If you are unable to do so, the Bank may need to liquidate some or all of the assets in your account without notification. You would remain liable for any amounts still owing.



Foreign Exchange Currency Risks

Adverse market fluctuations in the currency of your collateralised asset may result in a decline in its values and trigger margin calls. If your loan is in a different currency from your investments, your loan repayment amount may increase if the loan currency appreciates against the investment currency.



Interest Rate Risks

Movements in interest rates upwards will result in higher borrowing costs incurred on your loan.



Regulatory Risks

Change in financing regulations imposed by the regulatory bodies may result in your collateralised assets being no longer eligible, or a need to reduce or cancel your loan facility with the Bank.



Loan Payments and Collateral

You will have to ensure that you have sufficient funds to service your loan and bear all necessary fees, charges and interests payable in respect of the loan.

A deterioration in the credit quality of your collateralised assets may result in a reduction in the Loan-to-Value (LTV) of such assets. You will be required to provide additional collateral to secure your loan or have sufficient liquidity to repay your outstanding loan.

All risks stated above are non-exhaustive. Please read and evaluate each risk carefully and assess if it matches your risk appetite. Please seek independent advice if you so wish.



Why Bank with Maybank?



Priority Services

As an active partner in your quest for wealth creation, you will receive personalised attention and advice. All this to foster a relationship that benefits you and befits your wealth management needs.



Comprehensive Solutions

We understand that your financial undertakings go beyond the average. That is why our array of products and services are tailored to ensure your wealth reaches its full potential.



Preferential Treatment

Receive preferential rates, faster processing for credit facilities, and priority service in Maybank branches in Singapore, Malaysia, and Indonesia. What's more, be invited to exclusive events that complement your lifestyle.



Recognised for Excellence

Maybank is listed as one of the World's Strongest Banks by Bloomberg Markets. We also hold the Singapore Quality Class Star and are the first and only bank to receive the People Excellence Award at enterprise level.

This brochure does not purport to identify all the risks which may be associated with Wealth Lending. You may wish to seek advice from a licensed or an exempt financial advisor before making a commitment to purchase any of the investment using the Wealth Lending. In the event that you choose not to seek advice from a licensed or an exempt financial advisor, you should carefully consider whether this product is suitable for you.

It is your own responsibility for your investment decision including monitoring the Wealth Lending and the value of the Investment at all times. The products/services involved are not principal-protected and depending on market conditions, which include but are not limited to movement in interests rates and/ or other valuation methodologies used, the value of your investment fall, sometimes drastically and suddenly which you may lose all or part of your original investment amount.

You should note that income from such investment products, if any, may fluctuate and that each product's price or value may rise or fall. Accordingly, investors may receive back less than what they have originally invested or they may also not receive back anything at all from what they have originally invested.

Buying an insurance policy is a long-term commitment, and an early termination of the policy usually involves high costs and the surrender value, if any that is payable to you may be less than the total premiums paid. You should independently evaluate and assess this policy and consider the suitability of this policy taking into account your specific financial situation or particular needs and consult an independent financial advisor or a qualified financial consultant, as necessary, before committing.

All investments involve an element of risk, including capital and principal loss. The interest rate and the dividend payout stated in this brochure is subject to change without notice.

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Cast your line further to reel in bigger and better investment opportunities

Wealth Lending #ForYou

Letting you enjoy financial flexibility to invest deeper and maximise your returns. This is how we are Humanising Financial Services.



What Is Wealth Lending?

Wealth Lending is a credit facility that gives you the option to unlock the value of your existing investment assets and provides you liquidity to take full advantage of potential investments opportunities that may arise.

Key Features and Benefits



Wide Range of Investment Assets Accepted

From collaterals ranging from unit trust funds, bonds, structured deposits, and cash/fixed deposits.



Multi-Currency Loans

To hedge against your foreign currency investments exposure and flexibility to switch between currencies.



Flexible Loans

Flexible loan drawdowns and repayments to ensure timely investment opportunities can be captured.



Maximise Cost Savings





Attractive interest rates applicable only to the amounts you have utilised to maximise cost savings.



How It Works

Capital Gains

Assuming you have S\$300,000 invested into a unit trust, which pays a dividend of 4.50% per annum, and achieves a capital gain of 5.00%. Assuming the invested unit trust has a Loan-To-Value ratio (LTV) of 70.00%, a credit facility of S\$210,000 is secured against the unit trust investment pledged (at an interest rate of 3.50% per annum).

Without Wealth Lending		With Wealth Lending		
 S\$300,000		 Pledged for Wealth Lending S\$210,000	 Reinvested into same Unit Trust Investment S\$510,000	
Unit Trust Investment		Credit Facility		Total Unit Trust Investment
Dividend at 4.50% S\$13,500	Capital Gain at 5.00% S\$15,000	Interest at 3.50% -\$7,350		Dividend at 4.50% S\$22,950 Capital Gain at 5.00% S\$25,500
Total Return = S\$28,500		Total Net Return = S\$48,450 - S\$7,350 = S\$41,100		

This example is for illustrative purposes only and is not drawn to scale. Shortfall level might differ from client to client.



Capital Losses

However, there are downside risks to Wealth Lending. In market downturns, losses could be magnified. Here are some scenarios:

Scenario 1

Annual dividend of 4.50%; capital loss of 5.00%; interest rate remains unchanged at 3.50% p.a.

Scenario 2

Annual dividend of 4.50%; capital loss of 5.00%; interest rate increases to 4.50% p.a.

Without Wealth Lending		
Scenario 1		
Dividend	Capital Gains/Losses	Total Returns/Losses
S\$13,500 +4.50% of S\$300,000	-\$15,000 -5.00% of S\$300,000	-\$1,500
Scenario 2		
Dividend	Capital Gains/Losses	Total Returns/Losses
S\$13,500 +4.50% of S\$300,000	-\$15,000 -5.00% of S\$300,000	-\$1,500

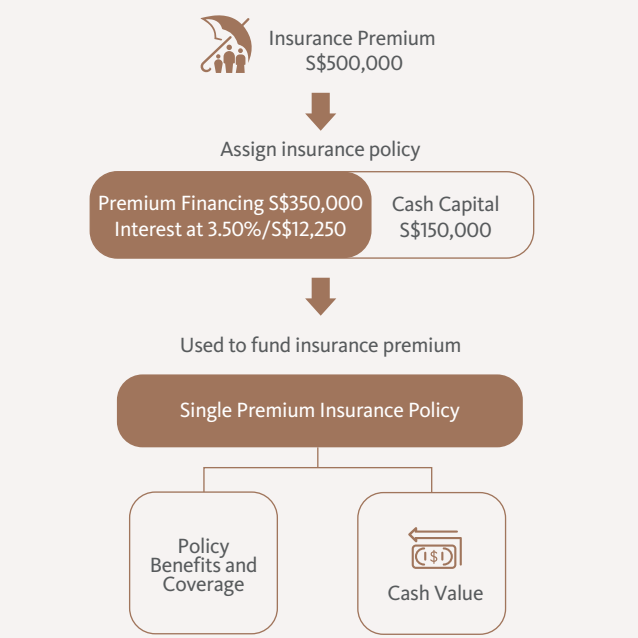
With Wealth Lending			
Scenario 1			
Dividend	Capital Gains/Losses	Interest Cost	Total Returns/Losses
S\$22,950 +4.50% of S\$510,000	-\$25,500 -5.00% of S\$510,000	-\$7,350 -3.50% of S\$210,000	-\$9,900
Scenario 2			
Dividend	Capital Gains/Losses	Interest Cost	Total Returns/Losses
S\$22,950 +4.50% of S\$510,000	-\$25,500 -5.00% of S\$510,000	-\$9,450 -4.50% of S\$210,000	-\$12,000

This example is for illustrative purposes only and is not drawn to scale. Shortfall level might differ from client to client.

Insurance Premium Financing

Premium Financing allows you to purchase a single premium insurance policy without having to set aside the whole amount of cash to pay upfront for the insurance premiums. By assigning the insurance policy to the Bank, a credit facility will be used to partially fund the insurance premium, reducing your cash capital outlay while still enjoying the full insurance coverage and benefits of the policy.

Assuming insurance premium of S\$500,000, 70.00% LTV



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Learn more about Wealth Lending.

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