Key Fact Document
Gold Loan and Gold Plan

Criteria	Description
Product / Service	Gold Loans and Gold Plan
Nature of the Product	HNB Finance PLC offers the "Gold Loan" facilities to individuals as well as businesses to obtain instant loans secured against gold articles for immediate cash needs. "Gold Plan" provides people with the opportunity to buy gold jewelry of their choice by paying in installments. This gold loan scheme allows buy any gold jewelry the customer desires, at the present-day value and pay it in installments at the customer's convenience,
Benefits to the customer	✓ Higher value to be borrowed for Gold ✓ Quick Service ✓ Flexible / Short Term Credit Facility ✓ Ability to make partial payments ✓ Able to redeem articles at any given time (office hours) & may redeem 1 one article at a time (in the event many articles have been placed) ✓ Easy repayment schemes to select from 15 days, 1, 3, 6, and 12 months. Free insurance cover for customer's gold. ✓ Any person can make repayments ✓ Redeeming can also be done by a 3rd party with the written consent of the original borrower ✓ Ability to redeem items even prior to the auction ✓ Reminders are sent to customers for notifying the redemption or renewal.
Interest Rates	✓ Effective Rate of Interest: 17% and upwards (Fixed interest rates are applicable for this product.
Fees/ charges commissions,	**Gold Loan** Service Charge from 0.75 to 1.25% of the facility amount. Postage Rs. 300 A default interest rate ranging from 0.75% to 1.50% per month will be charged on capital instalment arrears representing the contractual bullet payment from the due date until the arrears are settled. **Gold Plan** Service Charge ranges from Rs 500 to 1000 Postage Rs. 300 A default interest rate of 0.50% per month will be charged on any instalment remaining unpaid for more than five (5) days after its due date, until the arrears are settled. Note: Charges and fees will be revised from time to time based on the market condition and product.
Procedure to be followed to obtain	**Obtaining Advance** ✓ Customer visits Branch ✓ Produces Gold Article

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product/ service	✓ Assistant Manager Gold Loans or Gold Assessor checks & suggests an amount ✓ If the Customer agrees; NIC / DL / PP is obtained ✓ Gold Valuation Report (GVR) to be filled by Assistant Manager Gold Loans or Gold Assessor ✓ NIC / DL / PP & GVR to be given to CRO or SC ✓ CRO or SC double checks & enters to System ✓ Ticket & Bond generated by System to be signed by Customer & taken to Assistant Manager ✓ Gold Loans or Gold Assessor ✓ Assistant Manager Gold Loans or Gold Assessor double checks & hands over documentation& Money to CRO or SC ✓ CRO or SC checks all in order and hands over to the Customer (Ticket Copy & Bond to be retained)
Legal Provision	Mortgage Act No. 06 of 1949 as amended **Redeeming Articles** • Customer arrives with the Gold Loan Ticket • Customer Identity to be verified • Customer to be informed of settlement balance • Customer settles with Cash • CRO or SC issues settlement receipt & obtain a signature from Customer • Cash, Original Gold Loan Ticket & Settlement receipt to be given to Assistant • Manager Gold Loans or Gold Assessor who completes the settlement • Original settlement receipt handed over to Customer • Office Copy to be attached to the original gold loan ticket & given to Storekeeper • Storekeeper to check & verify & open the safe and obtain the item & hand it over to CRO / Gold Assessor or Assistant Manager Gold Loans • CRO / Gold Assessor or Assistant Manager Gold Loans to issue items **Reminders** • 1st Reminder (SMS) sent at the time of maturity giving 7 days (to pay the Interest portion) • 2nd Reminder (Notice of Demand) sent 7 days after the deadline offering one more month • 3rd Reminder (Notice of Auction) sent after that one month has lapsed to redeem before the auction. • Auctions will be held thereafter on a preferred date and location. **Renewals** Customers have the option to renew a Gold Loan by paying off the accumulated interest portion up until the particular date. However, the new loan will also have a similar time period as the original. The customer should produce NIC / DL / PP & Gold Loan ticket **Part Payments** • The customer has the option to make payments from time to time and when the payment is more than the interest due, the remaining will be set off against the

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	capital outstanding. • The customer should produce NIC / DL / PP & Gold Loan ticket **Lost Gold Loan Tickets** In the event the Customer loses the Gold Loan Ticket, an affidavit should be obtained from a Justice of Peace prior to attempting to redeem articles.
Main Terms & Conditions	• Should provide a valid National Identity Card (NIC)/Driving License/passport. • Applicants should be Sri Lankan citizens and over 18 years of age. • HNB Finance Limited reserves the right to sell items left on security as per the Mortgage Act. • The Gold Loan Sheet should be returned in recovering the items so kept on security. • Company reserves absolute discretion primarily to charge fines for interest payable, if any, and to recover government levies paid by the Company on the facility and to apply the balance, if any, on loan installments. • The sum of money so granted to him/her as credit and advances should be fully repaid in terms of the repayment methodology along with interest. • Any default in payment on the due date will result in calculating an additional interest. • In case of default, the Company reserves the right to request to pay forthwith the said full sum of Money outstanding.

Complaint Procedure

The following methods are available to customers to lodge complaints

- Through the Branch manager
- Through our Complaint Handling Officer at **+94 71 029 4848** or info@hnbfinance.lk
- Through our call center **011-2024848 (operation in 365 days: Week days – 7.00am to 8.30pm and Weekend 8.30am to 5.30pm)**
- Write to: **The Manager, Call Center, HNB Finance PLC, No 168, Nawala Road, Nugegoda.**

- In the event a satisfactory solution is not provided by the company, the customer can escalate his/her complaint to the office of the Financial Ombudsman of Sri Lanka and Financial Consumer Relations Department of the CBSL.

  - **The Financial Ombudsman, Financial Ombudsman Office of the Financial Ombudsman, No.01, Bethesda Place, Milagiriya, Colombo 05**
    - Contact number: +94 11 259 5624
    - Tele Fax: +94 11 259 5625
    - Email: fosril@sltnet.lk
    - Website: http://www.financialombudsman.lk/

  - **Financial Consumer Relations Department of the CBSL - Director, Financial Consumer Relations Department (FCRD), Central Bank of Sri Lanka, No. 30, Janadhipathi Mawatha, Colombo 01**
    - Contact Number: 0112 477966
    - Hotline: 1935
    - Fax: 0112 4777444
    - Email: fcrd@cbsl.lk
    - Online Complaint Management System of FCRD: https://reachus.cbsl.lk/