

Letter of Credit Product Disclosure Sheet

<p>PRODUCT DISCLOSURE SHEET</p> <p>Read this Product Disclosure Sheet (PDS) before you decide to take up the Letter of Credit. Be sure to also read the terms in the letter of offer. Seek clarification from your Relationship Manager / Business Manager if you do not understand any part of this document or the general terms.</p>	<p>Alliance Bank Malaysia Berhad (“ABMB” or “Bank”)</p> <p>LETTER OF CREDIT (LC)</p> <p>Date: _____</p>
<p>1. What is this product about?</p>	
<p>Letter of Credit is a payment instrument that gives the beneficiary (Seller) an assurance of payment. The applicant (Buyer) will be assured that payments will only be released upon presentation of stipulated documents that comply with all the terms and conditions in the LC. This is applicable for import or local purchase of goods only.</p> <p>This product is available via:</p> <p>(a) The Letter of Credit Limit granted to you under your Trade Finance Credit Facility; or</p> <p>(b) The Over-the-Counter Letter of Credit against 100% cash margin.</p> <p>With commission of 0.1% per month or part thereof on the amount of the LC. Minimum RM100.00 plus actual cost and correspondent charges, if any.</p> <p>Additional commission on the usance LC. Commission of 0.1% per month or part thereof on the amount of the bill from the date of acceptance until the maturity of the bill. Minimum RM100.00</p>	
<p>2. What do I get from this product?</p>	
<ul style="list-style-type: none"> • The Bank will issue Letter of Credit (LC) to your suppliers upon your request for your local purchases and/or imports. • Facilitate the payment to your local and/or foreign suppliers and subsequent financing of the trade transaction by the Bank, where necessary. 	
<p>3. What are my obligations?</p>	
<ul style="list-style-type: none"> • Full settlement of the LC drawdown amount upon acceptance of documents received from the negotiating bank 	
<p>4. What are the fees and charges I have to pay?</p>	
<p>Postage RM10.00.</p>	
<p>5. What if I fail to fulfill my obligations?</p>	
<p>Failure to take up compliant documents presented:</p> <ul style="list-style-type: none"> • Overdue Interest Rate at Base Lending Rate (BLR) + 3.50% on overdue amount. • Right to set-off: ABMB has right to set-off any credit balance in one account to regularise the arrears in the Trade Facilities account. • ABMB has right to commence legal action against you and guarantor (if any) and liquidate/foreclose the collateral provided (if any). 	
<p>6. What if I fully settle the Letter of Credit before its expiry date?</p>	
<ul style="list-style-type: none"> • Confirmation/consent from the beneficiary must be obtained prior to cancellation. 	
<p>7. Do I need any insurance/takaful coverage?</p>	
<ul style="list-style-type: none"> • Depending on the incoterms negotiated on the sales contract, insurance coverage to be arranged for good under LC accordingly. 	
<p>8. What are the major risks?</p>	
<ul style="list-style-type: none"> • Goods: Non-delivery, short shipment and shipment of inferior goods, loss of or damage to goods in transit. 	

- Documents: goods may arrive before the documents under the LC are received.
- Foreign Exchange Risk if LC is in foreign currency.

9. Do I need a collateral or guarantor?

- Collateral: Yes
- Guarantor: Subject to discretion and credit evaluation by ABMB

10. What do I need to do if there are changes to my contact details?

- It is important that you inform us any change in your contact details to ensure that all correspondences reach you in a timely manner.

11. Where can I get assistance and redress?

- Should you require additional information about trade finance facilities and services, you may contact our business relationship managers at the business banking centres or refer to our website at www.alliancebank.com.my. If you have any queries, please contact us at:

Alliance Bank Malaysia Berhad
Customer Care Unit
Level 7, Menara Multi-Purpose, Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: +603 5624 3888 (Overseas) / 1-300-80-3388 (Malaysia)
Email: info@alliancebg.com.my

- Alternatively, you may seek the services of Agensi Kaunseling Dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individual. You may contact AKPK at:

Menara Bumiputra-commerce,
Tingkat 5 dan 6, Jalan Raja Laut,
50350 Kuala Lumpur
Tel: 03-2616 7766
Email: enquiry@akpk.org.my

- If your query or complaint is not satisfactory resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur
Tel: 1-300-88-5465
Fax: +603-21741515
Email: bnmtelelink@bnm.gov.my

12. Where can I get further information?

- If you have any enquiries or require further clarification, please contact our business relationship managers at the business banking centres.

13. Other loan/financing packages available?

- Bankers Acceptance
- Trust Receipt
- Export Bill Purchased/Discounted
- Foreign Currency Trade Loan
- Export Credit Refinancing

- Export Negotiation
- Promissory Notes
- Shipping Guarantee
- Bank Guarantee
- Vendor Financing

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOUR FAIL TO FULFILL YOUR OBLIGATIONS

The information provided in this disclosure sheet is valid as at the date herein or until _____. All calculations and information above are for illustration purpose only.

Disclaimer: The actual amount of financing, tenure and interest rate to be provided by ABMB is dependent upon credit evaluation by ABMB. The transmission of the Product Disclosure Sheet to you does not create any obligation by ABMB to grant you any facilities.