

PRODUCT DISCLOSURE SHEET

Dear Customer,

Please read this Product Disclosure Sheet (PDS) before you decide to take up this product. Be sure to also read the terms in the letter of offer. Please seek clarification from your Relationship Manager/Business Manager if you have any queries.



ALLIANCE BANK

Alliance Bank Malaysia Berhad 198201008390 (88103-W)

Letter of Credit

Date: _____

1. What is this product about?

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.

This product is available via:

- (a) The Letter of Credit Limit granted to you under your Trade Finance Credit Facility; or
- (b) The Over-the-Counter Letter of Credit against 100% cash margin.

2. What do I get from this product?

- The Bank will issue a 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.

3. What are my obligations?

Full settlement of the LC drawdown amount upon acceptance of documents received from the negotiating bank.

4. What are the fees and charges I have to pay

Commission	<p>(a) Letter of Credit</p> <ul style="list-style-type: none"> • Issuance Commission 0.1% per month or part thereof on the amount of the LC plus actual cost and correspondent charges, if any. Minimum: RM100.00 • Usance LC Commission 0.1% per month or part thereof on the amount of the bill from the date of acceptance until the maturity of the bill and correspondent charges, if any. Minimum: RM100.00 <p>(b) Over-the-Counter Letter of Credit 0.125%* per month or part thereof on the LC amount plus actual cost and correspondent charges, if any. *Minimum of RM100.00 chargeable and non-refundable (to be collected upfront)</p> <p>Handling fees (per transaction) SME : RM100.00, Non-SME: RM200.00</p>
Postage	RM10.00
Other Fees and Charges	Please refer to the Bank's corporate website https://www.alliancebank.com.my/fees-and-charges for details. Kindly note that the fees and charges on the Bank's website are updated from time to time.

*Subject to 8% SST

5. What if I fail to fulfill my obligations?

Failure to take up compliant documents presented:

- Overdue Interest Rate at Base Lending Rate (BLR) + 3.50% on overdue amount.
- Right to set off: ABMB has the right to set off any credit balance in one account to regularise the arrears in the Trade Facilities account.
- ABMB has the right to commence legal action against you and guarantor (if any) and liquidate/foreclose the collateral provided (if any).

6. What if I fully settle the Letter of Credit before its maturity?

Confirmation/consent from the beneficiary must be obtained prior to cancellation.

7. Do I need any insurance/takaful coverage?

Depending on the incoterms negotiated on the sales contract, insurance coverage to be arranged for good under LC accordingly.

8. What are the major risks?

- 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 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 of any change in your contact details to ensure that all correspondence reaches you in a timely manner.

11. Where can I get assistance and redress?

- If there are any service-related queries or complaints, you may call us at +603 5516 9988 (Malaysia), available 8:00 a.m. to 10:00 p.m. daily.
- If your query or complaint is not satisfactorily resolved by us, you may contact BNMLINK at:

BNMLINK

4th Floor, Podium Bangunan AICB,
No. 10, Jalan Dato' Onn,
50480 Kuala Lumpur

Tel.: 1-300-88-5465 (Malaysia) or
+603 2174 1717 (Overseas)
Operating Hours: 9:00 a.m. – 5:00 p.m.
(Monday – Friday except public holiday)
Website: bnm.gov.my/BNMLINK

- 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 counseling, financial education and debt restructuring for individual. You may contact AKPK at:

Agensi Kaunseling Dan Pengurusan Kredit (AKPK)

Menara Aras Raya (formerly known as Menara
Bumiputra-Commerce),
Tingkat 1, Jalan Raja Laut,
50350 Kuala Lumpur

Tel.: +603 2616 7766
Operating Hours: 9.00 a.m. – 5.00 p.m.
(Monday – Friday except public holiday)
Website: www.akpk.org.my

12. Where can I get further information?

For further assistance, please call our Business Banking Contact Centre or visit any Alliance Bank branches.

Business Banking Contact Centre

Tel.: 1300-80-3388 (Malaysia) / +603 5624 3888 (Overseas)
Operating hours: 9:00am to 6:00pm
(Monday – Friday except for public holiday)
Email: bbcc@alliancefg.com

Bank Branches

Operating Hours:
9:15am to 4:15pm (Peninsular Malaysia)
9:00am to 4:00pm (East Malaysia)
(Monday – Friday except for public holiday)

13. Other loan/financing packages available?

- | | | |
|------------------------------------|-----------------------------|--------------------|
| • Bankers Acceptance | • Export Credit Refinancing | • Bank Guarantee |
| • Promissory Note | • Export Negotiation | • Vendor Financing |
| • Export Bill Purchased/Discounted | • Shipping Guarantee | |
| • Foreign Currency Trade Loan | • Trust Receipt | |

IMPORTANT NOTE:

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