

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your trade facility. Other customers have read this PDS and found it helpful, you should read it too.

1 WHAT IS BANK GUARANTEE-i (BG-i)

BG-i facility (Guarantee) is an irrevocable written obligation issued by Bank Islam to assure payment in case of demand made by beneficiary. Bank Islam, in essence, acts as a guarantor and guarantees performance required from the customer. The operation of BG-i is guided by the Uniform Rules for Demand Guarantees (URDG).

Generally, there are two types of BG-i:

- **Non-Financial Guarantee** is an issuance of a commitment letter on behalf of Bank Islam's customer to a third party (beneficiary) pledging to cover financial loss caused by the act of default of Bank Islam's customer (as applicant). The guarantee is generally issued to cover performance obligations, as opposed to financial obligations.
- **Financial Guarantee** is an issuance of a promise letter on behalf of Bank Islam's customer that payment will be made to a third party (beneficiary) in the event Bank Islam's customer does not make good his obligation to pay. The Guarantee is generally to give assurance of financial, rather than performance obligation.

The applicable Shariah contract used is Kafalah (Guarantee) with Ujah (Fee), a contract where Bank Islam (guarantor) guarantees any claim, debt or obligation that should be fulfilled by the customer and will charge a fee for the issuance of BG-i. The guarantor shall have the legal right of recourse against the customer subsequent to the payment made to the beneficiary.

2 KNOW YOUR OBLIGATIONS

For Financial Guarantee, as an illustration:

- BG-i Amount = RM100,000 (up to 100% of the contract value)
- Tenure = 12 months (or any other period acceptable to Bank Islam from issuance or contract date)
- Bank's effective Commission rate = 0.75% p.a.
- BG-i Commission = RM750

It is your responsibility to:



Read and understand the **key terms** in the **contract** before you sign.



Provide fund to us to **pay the claim amount** immediately upon we receipt of a claim from the **Beneficiary** on the Bank Guarantee.



Contact us immediately if you have difficulties in making settlement of the facility.

You have to pay the following fees and charges:

- Stamp duty:** as per Stamp Duty Act 1949 [Revised 1989] (if applicable).
- Fees and Commission.
- Other charges (if applicable).
- Postage and Courier (if any).

Note: Please refer to our website at www.bankislam.com for further details on fees and charges.

3 KNOW YOUR RISKS

What happens if you ignore your obligations:

- We may debit your account and/or liquidate your collateral to honor the claim upon receipt of a claim from the Beneficiary, should you fail to perform your obligations to them.
- You **pay more in total** due to late payment charges (compensation charges/ Ta`widh).
Note:
 - Ta`widh is applicable on BG-i once it is converted to Past Due Obligation – Bank Guarantee-i (PDO BG-i).
 - The imposition of Ta`widh shall be in such manner as approved by Bank Negara Malaysia from time to time.
- We may **deduct** money from any account you have with us to set off your overdue payment under this facility.
- We may **take legal action** against you and exercise all remedies available under security arrangement.
- Your credit score may be affected leading to credit being more difficult or expensive to you.
- Cross default of other facilities with Bank Islam may be triggered.

4 OTHER KEY TERMS

- To inform us of any change in your contact details.
- It is optional, however you or your supplier is advised to subscribe to any appropriate Takaful protection.
- If you do not meet the minimum credit requirement, Bank Islam may require guarantor(s) or collateral in order for you to proceed with the submission.
- Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individual, sole proprietor and small and medium enterprise.

If you have any questions or require assistance on our product, you can:

 Call us at +603-26 900 900	 Visit us at https://www.bankislam.com	 Email us at contactcentre@bankislam.com.my
---	--	---

Customer's Acknowledgment

(A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions).

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that Bank Islam has provided me with a copy of the PDS.
- I have read and understood the key information contained in this PDS.

Name:
Date:

CONFIDENTIAL