

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take the **Bank Guarantee (BG)** with Affin Bank Berhad ("the Bank"). Be sure to also read the terms and conditions in the Letter of Offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms in particular the terms affecting your obligations.



1. What is this product about?

Bank Guarantee (BG) is an irrevocable undertaking by the Bank (the guarantor) to pay an agreed sum to the beneficiary in the event that the party (applicant) requesting the guarantee fails to perform its obligations or liability upon presentation of a written demand. The type of guarantee that can be offered to you are summarized as follows:

- a) Tender/ Bid Guarantee/ Bond
This Guarantee/Bond is issued when you are going to bid for a tender of a contract and usually short term in nature.
- b) Performance Guarantee/ Bond
Performance Guarantee / Performance Bond is issued in relation to the performance of the contractor against their obligations / works under the contract. The BG amount is normally about 2.5% or 5% of the contract value and valid until the completion of the contract / work or until the expiry of the defect liability / warranty period.
- c) Advance Payment Guarantee
Issued to cover the advances made by the beneficiary to the applicant in which if the applicant fails to perform the contract, such advances made earlier will be claimed upon.
- d) Security Deposit Guarantee
Security Deposit Guarantee is used as a deposit by the applicant to cover payment such as to Tenaga Nasional, Telekom, and Customs and also for the supply of goods on credit term.

2. What do I get from this product?

- Provide security to your counterparty thus facilitate your business expansion into new markets.
- Support your financial commitments for your performance under a contractual obligation.

3. What are my obligations?

- Pay the Bank immediately for the full guaranteed amount plus charges should there be a demand made by the beneficiary on the BG irrespective of whether the Bank has made or has yet to make payment under the BG.
- Pay the Bank all fees and charges pursuant to the issuance of the BG together as may be prescribed by the Bank from time to time.
- Authorize the Bank to debit your account in the Bank for any amount demanded by the Bank and any charges, interests, costs or expenses in respect of payment made by the Bank under the BG issued.

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

Fees and charges	Amount (RM)
Issuance	Prescribed rate as per Letter of Offer terms per month (or part of month thereof). Minimum RM100.00
Amendment (extend validity/ increase of amount)	Prescribed rate as per Letter of Offer terms per month (or part of month thereof). Minimum RM100.00
Amendment (others)	RM50.00
BG Format Vetting	RM250.00
BG Assignment	RM250.00
Stamp Duty	
• BG	RM10.00
• Letter of Indemnity	RM10.00
Cost of SWIFT	
• Issuance of Foreign BG	RM30.00
• Amendment of Foreign BG	RM15.00
Postage	RM10.00

Note: Base Lending Rate (BLR) is subject to change from time to time as published on <https://www.affinways.com/en/rates-and-pricing>

5. What if I fail to fulfill my obligations?

- Default / Penalty interest at 3.5% p.a. above the Bank's Base Lending Rate or rate as stated in the Letter of Offer will be imposed on such sum advance by the Bank to honor the BG demand and shall be computed from the date of payment of BG demand until full and final settlement of sum advanced.
- The Bank will suspend your BG facility and all your other facilities when you default in your repayment on sum advanced.
- The Bank may exercise its rights and start its recovery process and / or legal action if you fail to respond to reminder notices. You will have to bear all legal costs.
- For other obligations, please refer to the Bank's Letter of Offer.

6. What are the major risks?

- BG issued is independent of the underlying contract where demand for the payment cannot be disputed and thus will subject the applicant to risk of fraudulent claim by the beneficiary.
- Issuance of open dated BG will subject the applicant to indefinite liability period unless receipt of a written confirmation from beneficiary discharging the Bank from all its liabilities and obligations under the BG.

7. Where can I get assistance and redress?

- If you have difficulties in making payments, please contact us at your earliest convenience to discuss on the payment alternatives.
- If you wish to make a complaint on the products or services provided by us, you may contact us at:
Customer Feedback & Resolution Management
Level 9, Menara Affin,
Lingkar TRX, Tun Razak Exchange,
55188 Kuala Lumpur
Contact Centre : 03-8230 2222
E-mail : yourvoice@affingroup.com
Website : <https://www.affinalways.com>
- 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 individuals. You can contact AKPK at:
Agensi Kaunseling dan Pengurusan Kredit (AKPK)
Level 5 and 6,
Menara Aras Raya (Formerly known as Menara Bumiputra-Commerce),
Jalan Raja Laut, 50350 Kuala Lumpur
Hotline : 03-2616 7766
E-mail : enquiry@akpk.org.my
Website : www.akpk.org.my
Operation Hours : 9.00 am – 5.00 pm (Monday – Friday)
- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia (BNM) LINK or TELELINK at:
BNMLINK
Bank Negara Malaysia
P.O. Box 10922
50929 Kuala Lumpur
Telephone : 1-300-88-5465
eLINK : <https://bnmlink.bnm.gov.my/>

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

It is important that you inform us (via a written notice sent to the account holding branch) of any changes in your contact information to ensure that all correspondences reach you in a timely manner.

9. Where can I get further information?

Should you require additional information, please contact us at the nearest branch to you or call our Contact Centre at 03-8230 2222 or visit our web site www.affinalways.com

10. Other facilities available.

The Bank offers other trade bills facilities such as Bankers Acceptance (BA), Bills Negotiation (BN), Bills Purchased (BEP), Letter of Credit (LC), Shipping Guarantee (SG), Flexi Trade Loan (FTL) and Trust Receipt (TR).

Disclaimer:

This Product Disclosure Sheet is for information purposes only and does not constitute any advice on any matter discussed. All information and materials including those on services, products, financial information, data, text or other items are provided strictly 'as is', and 'as available' and is so provided for your information and reference only. Affin Bank Berhad does not guarantee the usefulness or adequacy of the information provided and shall not be liable for any errors and will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission. This Product Disclosure Sheet is confidential and may not be reproduced (in whole or in part) to any other person without the prior written permission of Affin Bank Berhad.

Product Transparency and Disclosure:

Affin Bank Berhad is committed in ensuring customer is being treated and guided under the prevailing BNM's **Fair Treatment of Financial Consumers** and **Prohibited Business Conduct**.

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR FACILITIES.

The information provided in this disclosure sheet is valid as at 30 September 2023.

I / We hereby acknowledge that the key terms of this product disclosure sheet, in particular, the terms affecting my / our obligations, have been adequately explained to me / us by the Bank's staff, representative or agent.

Signature : _____

Name : _____

NRIC No : _____

Date : _____