

<b>PRODUCT DISCLOSURE SHEET</b>  (Read this Product Disclosure Sheet before you decide to take up the Letter of Credit-i. Be sure to also read the general <u>terms in the letter of offer</u> . Seek clarification from the Bank if you do not understand any part of this document or the general terms.)	<b>PUBLIC ISLAMIC BANK BERHAD</b> 197301001433 (14328-V)  <b>LETTER OF CREDIT-i</b>  <b>DATE:</b>						
<b>1. What is the product about?</b> <ul style="list-style-type: none"> <li>Letter of Credit-i is a written undertaking given by the Bank on behalf of the customer to the seller (normally known as beneficiary), to the effect that the Bank will pay the seller a certain amount, as stipulated in the Letter of Credit-i, provided that the seller complies with the terms and conditions of the Letter of Credit-i.</li> <li>LC-i is to be fully secured by way of marginal (cash) deposit, earmarking of Current Account-i/ Current Account or Term Deposit-i/Fixed Deposit.</li> </ul>							
<b>2. What is the Shariah concept applicable?</b> <ul style="list-style-type: none"> <li>Wakalah - An agency relationship where the Bank acts as an agent on behalf of a company or individual. This arrangement is used for LC-i.</li> <li>Wa'd - A unilateral promise which refers to an expression of commitment given by one party to another to perform certain action(s) in the future.</li> </ul>							
<b>3. What do I get from this product?</b> <ul style="list-style-type: none"> <li>The Bank issues the LC-i and pays the proceeds to the negotiating Bank using your deposits placed with the Bank and subsequently releases the documents to you.</li> </ul> <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <th colspan="2" style="text-align: left; padding: 2px;">Trade Bills-i - Letter of Credit-i (Payable on demand)</th> </tr> <tr> <td style="padding: 2px;">Amount Limit</td> <td style="padding: 2px;">: RM_____</td> </tr> <tr> <td style="padding: 2px;">Commission Rate for Letter of Credit-i</td> <td style="padding: 2px;">: _____% per month</td> </tr> </table>		Trade Bills-i - Letter of Credit-i (Payable on demand)		Amount Limit	: RM_____	Commission Rate for Letter of Credit-i	: _____% per month
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Commission Rate for Letter of Credit-i	: _____% per month						
<b>4. What are my obligations?</b> <ul style="list-style-type: none"> <li>Letter of Credit-i is payable on demand.</li> <li>Total amount you must pay back is inclusive of charges.</li> </ul>							
<b>5. What are the fees and charges I have to pay?</b> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="width: 70%; text-align: center; padding: 5px;">Fees and charges</th> <th style="width: 30%; text-align: center; padding: 5px;">Amount (RM)</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> <b>Commission</b> <ul style="list-style-type: none"> <li>Issuance of Letter of Credit (LC-i)</li> <li>Amendment of LC-i (Extension of LC-i validity/increase of amount)</li> </ul> </td> <td style="vertical-align: top; padding: 5px;">                     0.10% per month Min. RM75.00                      0.10% per month Min. RM50.00                 </td> </tr> <tr> <td style="padding: 5px;"> <b>Stamp duty</b> <ul style="list-style-type: none"> <li>Letter of Offer</li> <li>Other Security Document                             <ul style="list-style-type: none"> <li>✓ Letter of Set-Off</li> <li>✓ Letter of Pledge</li> </ul> </li> <li>Original LC-i</li> <li>Application of LC-i</li> </ul> </td> <td style="vertical-align: top; padding: 5px;">                     RM10.00                       Ad valorem                      Ad valorem                      Waived                      RM10.00                 </td> </tr> </tbody> </table>		Fees and charges	Amount (RM)	<b>Commission</b> <ul style="list-style-type: none"> <li>Issuance of Letter of Credit (LC-i)</li> <li>Amendment of LC-i (Extension of LC-i validity/increase of amount)</li> </ul>	0.10% per month Min. RM75.00 0.10% per month Min. RM50.00	<b>Stamp duty</b> <ul style="list-style-type: none"> <li>Letter of Offer</li> <li>Other Security Document                             <ul style="list-style-type: none"> <li>✓ Letter of Set-Off</li> <li>✓ Letter of Pledge</li> </ul> </li> <li>Original LC-i</li> <li>Application of LC-i</li> </ul>	RM10.00  Ad valorem Ad valorem Waived RM10.00
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**5. What are the fees and charges I have to pay?, cont.**

Fees and charges	Amount (RM)
<b>Handling Fee</b>	
<ul style="list-style-type: none"> <li>• Other amendments of LC-i</li> <li>• LC-i Discrepancy Fee:               <ul style="list-style-type: none"> <li>✓ Foreign</li> <li>✓ Local</li> </ul> </li> </ul>	RM50.00 flat  RM100.00 equivalent  RM50.00

For full list of fees and charges, please visit our website at [www.publicislamicbank.com.my](http://www.publicislamicbank.com.my).

**6. What if I fail to fulfil my obligations?**

- The security which is earmarked for LC-i facility will be uplifted on maturity for the full amount inclusive of charges (if any).
- Unless otherwise stipulated under the respective type of facility, in the event of default the Bank reserves the right to impose the following:
  - a) For failure to pay any instalments and which failure continues beyond the maturity date of the facility(ies), the compensation rate that shall be applied is the Bank's Average Financing Rate\* (AFR) on the outstanding balance or any such rate as approved by Bank Negara Malaysia.

The formula for late payment charge after maturity is as follows:

$$\frac{\text{Outstanding Balance} \times \text{AFR} \times \text{No. of Overdue Day(s)}}{365}$$

- Also known as "Combined Rate" which consist of two (2) elements namely *ta'widh* and *gharamah*. *Ta'widh* refers to the amount that may be compensated to the Bank based on actual loss incurred due to default while *gharamah* refers to the penalty charged on the defaulters over and above the *ta'widh*.
- b) The Bank shall not compound the compensation payable to the principal amount/financing amount.
- The Bank has the right at any time without notice to you to debit your current/savings account with us towards payment of the monthly payment of the financing and any other charges and/or fees incurred in the granting of the financing including Takaful contribution, quit rent, assessment, cost of an updated/revised valuation reports, fees for searches, legal fees for preparation and perfection of security documents by Bank's solicitors, legal costs incurred in relation to enforcement of security/recovery cost and any other cost or expenses incidental thereto.
- If the financing tenure extends into retirement, you are to advise us on your plans to service the monthly payment after your retirement.
- You are to furnish us all relevant information regarding financing taken from all financial institutions, cooperatives, building societies, credit companies and merchants that provide credit sales etc. and to fully and accurately disclose material information that has a bearing on our financing decision. Failure by you to disclose essential and correct information in the financing application as well as the consequences of providing incomplete or incorrect information may lead to a higher financing rate or rejection of your financing application.
- Legal action will be taken if you fail to respond to reminder notices. Your property may be foreclosed and you will have to bear all legal costs. You are also responsible to settle any shortfall after your property is sold. Legal action against you may affect your credit rating leading to financing being more difficult or expensive to you.

**6. What if I fail to fulfil my obligations?, cont.**

- Under specific circumstances where the customer is not contactable, the Bank's obligation is considered to be fulfilled if such notice has been sent to the last known address of the customer at least 7 calendar days in advance.

**7. What are the major risks?**

You will be exposed to the risk that the goods received are not in accordance to sales contract as under UCP 600 (the international rules governing Letters of Credit):

- Banks only deal in documents and not in goods in Letters of Credit.
- Letters of Credit are separate transactions from the sales contract although the Letters of Credit are issued based on the sales contract.

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

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

**9. Where can I get assistance and redress?**

- If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives.
- If you wish to complain on the products or services provided by us, you may contact us at:

**Public Islamic Bank Berhad**  
**25th Floor, Menara Public Bank**  
**146 Jalan Ampang**  
**50450 Kuala Lumpur**

Telephone : 1-800-22-5555  
Fax : 03-2162 2224  
E-mail : [islamicbkg@publicislamicbank.com.my](mailto:islamicbkg@publicislamicbank.com.my)  
Website : <https://www.publicislamicbank.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 individuals. You can contact AKPK at:

**Tingkat 8, Maju Junction Mall**  
**1001, Jalan Sultan Ismail**  
**50250 Kuala Lumpur**

Telephone : 03-2616 7766  
E-mail : [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my)

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

**Customer Contact Centre (BNMTELELINK)**  
**Bank Negara Malaysia**  
**P.O. Box 10922**  
**50929 Kuala Lumpur**

Telephone : 1-300-88-5465 (1-300-88-LINK)  
Overseas : 603-2174 1717  
Operating Hours : 9:00 a.m. – 5:00 p.m. (Monday – Friday except public holiday)  
Web Form : [telelink.bnm.gov.my](http://telelink.bnm.gov.my)

**10. Where can I get further information?**

- Should you require additional information about taking a 'Letter of Credit-i', please refer to the *bankinginfo* website at [www.bankinginfo.com.my](http://www.bankinginfo.com.my).

**11. Other Facilities Available?**

- Bankers Guarantee-i
- Shipping Guarantee-i
- Trust Receipt-i
- Accepted Bill-i

**IMPORTANT NOTE: YOUR COLLATERAL MAY BE FORECLOSED IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FACILITY.**

The above is for illustration purposes only, profit sharing ratio and charges may vary and is subject to the Bank's current term and conditions.

Signature/Date : .....

Officer/SME Name : .....

- I confirm a copy of this disclosure form has been provided and briefed to the applicant.
- The information provided in this disclosure sheet is valid as at date hereof.