

NO.	ITEM	INFORMATION
1.	<b>Product Name</b>	<b>Bank Guarantee-i (BG-i)</b>
2.	<b>Type of Facility</b>	Trade Bills-i Facility
3.	<b>What is BG-i?</b>	<p>Bank Guarantee-i is an undertaking by the Bank to pay the beneficiary the amount specified in the guarantee if the events (usually a default) have occurred.</p> <p>The Bank Guarantee-i should only be issued where the customer is granted a Bank Guarantee-i facility according to Letter of Offer.</p>
4.	<b>Shariah Concept</b>	Kafalah can be defined as a surety given by the first party who agrees to discharge a liability of a third party in case the second party defaults in fulfilling his obligation.
5.	<b>Modus Operandi</b>	<ol style="list-style-type: none"> <li>1. The customer approaches and requests the Bank to issue the Bank Guarantee in favour of the beneficiary on their behalf.</li> <li>2. The customer may place a deposit for the full amount of the Bank Guarantee or apply a blanket line for the facility. Subsequently, the Bank will issue the Bank Guarantee under the concept of kafalah, which later will be forwarded to the beneficiary.</li> <li>3. The Bank will then charge the customer certain amount of fee for its service. Upon receipt of claim (if any), the Bank will pay the beneficiary the guaranteed amount.</li> </ol>
6.	<b>Tenor</b>	<p>The period of Bank Guarantee-i must not exceed one year except in the following cases:</p> <ul style="list-style-type: none"> <li>○ Guarantees to cover government contracts – expiry of the guarantees must not exceed 12 months after the expiry of the original contract.</li> <li>○ Guarantees in respect of import and export of capital goods</li> <li>○ Guarantees in respect of contracts for a specific period.</li> <li>○ Guarantees in lieu of earnest money/security deposit for licenses issued by the government for a specified period.</li> </ul>

NO.	ITEM	INFORMATION				
7.	<b>Commission</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">Bank Guarantee-i facility</td> <td style="width: 40%;">1% - 2% per annum</td> </tr> <tr> <td>Ad Hoc Bank Guarantee-i</td> <td>1.5% per annum, min RM250-00</td> </tr> </table> <p>Commission is calculated from the effective date of lapse of claim period date. All commission is to compute on per annum or per month basis as per approval.</p>	Bank Guarantee-i facility	1% - 2% per annum	Ad Hoc Bank Guarantee-i	1.5% per annum, min RM250-00
Bank Guarantee-i facility	1% - 2% per annum					
Ad Hoc Bank Guarantee-i	1.5% per annum, min RM250-00					
8.	<b>Payment</b>	<p>Bank Guarantee-i is payable on demand. Total amount payable to the Bank is inclusive fees and charges.</p>				
9.	<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Sole Proprietors</li> <li>• Partnerships</li> <li>• SME's</li> <li>• Private &amp; Public Limited Companies / Institutions</li> <li>• Government/Statutory Bodies</li> </ul> <p><i>Nature of business must be Shariah compliant</i></p>				
10.	<b>Fees and charges</b>	As per existing fees and charges tariff				
11.	<b>Cash Margin</b>	<ul style="list-style-type: none"> <li>○ Ensure that the Current Account has been debited or cash deposit is received before the BG-i is issued to Beneficiary</li> <li>○ The cash margin should not be refunded until the original BG-i is returned to the Trade Finance Centre for cancellation or proper written confirmation obtained to confirm that no claim is made on the guarantee</li> <li>○ Other securities that may be considered for BG-i issuance are as follows:               <ul style="list-style-type: none"> <li>a. Land &amp; Building</li> <li>b. Term Deposit-i</li> <li>c. Acceptable shares as approved by Security Commission</li> <li>d. Acceptable Guarantees as approved by the Bank</li> </ul> </li> </ul>				

NO.	ITEM	INFORMATION
12.	<b>Extension of BG-i</b>	<ul style="list-style-type: none"> <li>○ If the extension period including the period of the existing BG-i is one year or less, a letter confirming the extension can be sent to the beneficiary.</li> <li>○ If the extension period including the period of the existing BG-i exceeds one year, then a new BG-i should be issued instead of an extension letter given. However on case to case basis, extension letter may be issued even though if the extension period plus the period of the BG-i is more than one year.</li> </ul>
13.	<b>3<sup>rd</sup> Party BG-i</b>	<ul style="list-style-type: none"> <li>○ The Bank must be fully indemnified by the customer and third party for issuance of BG-i by the followings:               <ul style="list-style-type: none"> <li>a. Letter of Indemnity for BG-i – executed by the customer</li> <li>b. Letter of Indemnity for BG-i – executed by third party</li> </ul> </li> <li>○ Utilisation of BG-i facility by a third party, subject to the approval by the relevant approving authority and subject following conditions:               <ul style="list-style-type: none"> <li>a. It does not contravene Section 133A of the Companies Act 1965.</li> <li>b. The sub-contractor is a turnkey contractor who undertakes the overall management of the contract/project.</li> <li>c. The facilities are 100% secured.</li> <li>d. There must be a request from the customer accompanied with a Board Resolution.</li> <li>e. The customer shall indemnify the Bank against all losses and/or liabilities which may be incurred.</li> </ul> </li> </ul>
14.	<b>Documentation</b>	<p>Documents required by the Bank under BG-i:-</p> <ul style="list-style-type: none"> <li>○ Application for Bank Guarantee-i</li> <li>○ Letter of Indemnity for Bank Guarantee-i</li> <li>○ Letter of Indemnity for third party guarantee (to be filled in by our customer)</li> <li>○ Letter of Indemnity for third party guarantee (to be filled in by the third party)</li> <li>○ Letter of Set-Off (LOSO)</li> <li>○ Memorandum of Deposit (MOD)</li> <li>○ Charge Over Cash Deposit (COCD)</li> </ul>

NO.	ITEM	INFORMATION																													
15.	Facility Code	<table border="1"> <thead> <tr> <th data-bbox="561 296 797 348">Facility Code</th> <th colspan="2" data-bbox="797 296 1523 348">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="561 348 797 401">870</td> <td colspan="2" data-bbox="797 348 1523 401">Bank Guarantee-i</td> </tr> <tr> <td data-bbox="561 401 797 453">871</td> <td colspan="2" data-bbox="797 401 1523 453">Adhoc Bank Guarantee-i</td> </tr> <tr> <td data-bbox="561 453 797 506">872</td> <td colspan="2" data-bbox="797 453 1523 506">Bank Guarantee-i (security deposit)</td> </tr> <tr> <td data-bbox="561 506 797 558">874</td> <td colspan="2" data-bbox="797 506 1523 558">Bank Guarantee-i (performance guarantee)</td> </tr> <tr> <td data-bbox="561 558 797 611">875</td> <td colspan="2" data-bbox="797 558 1523 611">Bank Guarantee-i (tender)</td> </tr> <tr> <td data-bbox="561 611 797 663">876</td> <td colspan="2" data-bbox="797 611 1523 663">Bank Guarantee-i (advance payment)</td> </tr> <tr> <td data-bbox="561 663 797 716">877</td> <td colspan="2" data-bbox="797 663 1523 716">Standby Letter of Credit-i (Non-Financial)</td> </tr> <tr> <td data-bbox="561 716 797 768">878</td> <td colspan="2" data-bbox="797 716 1523 768">Standby Letter of Credit-i (Financial)</td> </tr> </tbody> </table>			Facility Code	Description		870	Bank Guarantee-i		871	Adhoc Bank Guarantee-i		872	Bank Guarantee-i (security deposit)		874	Bank Guarantee-i (performance guarantee)		875	Bank Guarantee-i (tender)		876	Bank Guarantee-i (advance payment)		877	Standby Letter of Credit-i (Non-Financial)		878	Standby Letter of Credit-i (Financial)	
		Facility Code	Description																												
		870	Bank Guarantee-i																												
		871	Adhoc Bank Guarantee-i																												
		872	Bank Guarantee-i (security deposit)																												
		874	Bank Guarantee-i (performance guarantee)																												
		875	Bank Guarantee-i (tender)																												
		876	Bank Guarantee-i (advance payment)																												
		877	Standby Letter of Credit-i (Non-Financial)																												
878	Standby Letter of Credit-i (Financial)																														
16.	Contact Person and Number	<table border="1"> <thead> <tr> <th data-bbox="578 800 824 863">Name</th> <th data-bbox="824 800 1049 863">Telephone Number</th> <th data-bbox="1049 800 1484 863">Email Address</th> </tr> </thead> <tbody> <tr> <td data-bbox="578 863 824 926">Siti Sarah Lukman</td> <td data-bbox="824 863 1049 926">03 2786 6705</td> <td data-bbox="1049 863 1484 926">ssarahlukman@affinbank.com.my</td> </tr> <tr> <td data-bbox="578 926 824 993">Ashmal Hafiz Ahmad Suhaimi</td> <td data-bbox="824 926 1049 993">03 2055 9823</td> <td data-bbox="1049 926 1484 993">ashmal@affinbank.com.my</td> </tr> </tbody> </table>			Name	Telephone Number	Email Address	Siti Sarah Lukman	03 2786 6705	ssarahlukman@affinbank.com.my	Ashmal Hafiz Ahmad Suhaimi	03 2055 9823	ashmal@affinbank.com.my																		
		Name	Telephone Number	Email Address																											
		Siti Sarah Lukman	03 2786 6705	ssarahlukman@affinbank.com.my																											
Ashmal Hafiz Ahmad Suhaimi	03 2055 9823	ashmal@affinbank.com.my																													

*The information provided in this Quick Product Guide is valid as at 10 May 2019*