

PRODUCT DISCLOSURE SHEET

Kindly read and understand this Product Disclosure Sheet together with the general terms and conditions governing the product before you subscribe to the following Interest Free Banking Product: **Kafala -i.**

Bank of Abyssinia SC

Letter of guarantee(Kafala)-i

Date: _____

[To be filled in by Sales/Branch Personnel]

1. What is this product about?

Letter of Guarantee (Kafala) financing is a written promise/irrevocable obligation issued by the Bank to compensate (pay a sum of money) to the beneficiary (local or foreign) in the event that the obligor fails to honor his/her/its obligations in accordance with the terms and conditions of the agreement/contract.

2. What is the Shariah concept applicable?

- ✓ The issued written promise/irrevocable obligation is based on service charge/commissions/

3. What types of financing will you enjoy through this product?

- ✓ Bid bond
- ✓ Performance guarantee
- ✓ Advance payment guarantee
- ✓ Suppliers' credit guarantee
- ✓ Retention guarantee
- ✓ Steamers' guarantees/letters of indemnity for missing documents
- ✓ Customs duty guarantee
- ✓ Customs dispute settlement guarantee

4. What are the other key terms and conditions of this product that I should know?

- ✓ The facility can be availed in the form of one-time or renewable Letter of Guarantee
- ✓ The terms and conditions of the contract concluded between the beneficiary and the obligor, the Bank's Legal Adviser/Officer shall check the document to protect the interest of the Bank
- ✓ The facility shall be availed for one year and shall be reviewed every year unless the Bank's IFB Financing approving team demands it to be reviewed in less than this period for any remedial action when the performance of the account is deteriorating;
- ✓ The facility provides to both local and foreign customers;
- ✓ A foreign-currency permit from the NBE should, however, be obtained for any form of guarantee that the Bank is requested to issue in favor of foreign beneficiaries; and
- ✓ The duration (term) of any guarantee instrument will depend on the contractual agreement signed by the parties involved

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

Customer is required to pay the fees and charges fees as set out in term and tariff of the bank for this product. If there are any changes in fees and charges that are applicable to your facility, the Bank will notify you at least 30 calendar days prior to the effective date of implementation.

6. What are the risks involved?

You are advised to carefully consider the following risk factors before making this financing decision;

- Failure of performing as per the agreement
- Other specific shari'a related concerns.

7. 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 correspondences reach you in a timely manner.

8. Where can I get assistance and redress?

If you wish to get any support or send your feedback on the products or services provided by us, you may contact us at :

Bank of Abyssinia SC

Interest Free Banking

Belay Zeleke Street, Besides Addis Ababa Police Station

Belay Zeleke Building

12947 Addis Ababa, Ethiopia.

Tel: +251-111-264887/+251-111-265728/ +251-111-265229/+251-111-265406

Fax: +251-111-265512

E-mail: interseffreebanking@bankofabyssinia.com

Web: www.bankofabyssinia.com

You may also contact our customer contact center at:

Toll Free Line: 8397 or Tel : +251-116-686140/+251-116-686988

9. Where can I get further information?

If you have any enquiries, please contact us at:

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Ad12947 Addis Ababa, Ethiopia.

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10. Other Financing Products Available

- Murabaha Financing
- Bai' salam financing
- Qard Financing