

# MUDARABA TERM DEPOSIT APPLICATION

Date:

Note: Please complete in BLOCK Letters and sign in the appropriate space after reading the Terms and Conditions which forms an integral part of this application.

## Account and Account Holder(s) Details

Account Number:

Account Type:  Savings  Current  Dual

Primary Account Holder:

(1) Title:  Mr.  Ms.  Mrs. Other: \_\_\_\_\_

Name: \_\_\_\_\_  
*First Middle Last*

Joint-Account Holder(s) (if any):

- 1.
- 2.

(2) Title:  Mr.  Ms.  Mrs. Other: \_\_\_\_\_

Name: \_\_\_\_\_  
*First Middle Last*

(3) Title:  Mr.  Ms.  Mrs. Other: \_\_\_\_\_

Name: \_\_\_\_\_  
*First Middle Last*

(4) Title:  Mr.  Ms.  Mrs. Other: \_\_\_\_\_

Name: \_\_\_\_\_  
*First Middle Last*

## Term Deposit Details

Date of Placement:

Tenor:  1 Month  3 Months  6 Months  
 9 Months  12 Months

Currency:  AED  USD  GBP  EURO

Principal Deposit Amount:

In Figures: \_\_\_\_\_

In Words: \_\_\_\_\_

Roll-over and Profit Payout Option:

Note: Please select only one of the following options

Do not roll-over Principal Deposit Amount and Profit on the Maturity Date. Please transfer the Principal to the following account details and also transfer the profit as per the following selected option:

Monthly  Quarterly  on Maturity

Account Number:

Automatic roll-over of Principal Deposit Amount and Profit on the Maturity Date for the same tenor as specified above

Automatically roll-over only the Principal Deposit Amount for the same tenor as specified above and transfer the Profit to the following account details as per the following selected option:

Monthly  Quarterly  on Maturity

Account Number:

**Consent and Declaration**

I/We hereby declare that the information given above is true and complete, and that I/we have read and agree to the Bank’s Terms and Conditions and specifically for the Mudaraba Term Deposit - Booking, Profit Declaration, Calculation and Payout, and Deposit Liquidation on or before maturity date, chosen by me/us. I/We hereby authorize Noor Islamic Bank to debit the Principal Deposit Amount from the aforementioned Account Number.

**Primary Account Holder:**

(1) Signature: \_\_\_\_\_

**Joint-Account Holder(s) (if any):**

(2) Signature: \_\_\_\_\_

(3) Signature: \_\_\_\_\_

(4) Signature: \_\_\_\_\_

**For Bank use only**

**Signature Verified by:**

Name: \_\_\_\_\_

Code: \_\_\_\_\_ Date: \_\_\_\_\_

Signature & Stamp: \_\_\_\_\_

**Processed by:**

Name: \_\_\_\_\_

Code: \_\_\_\_\_ Date: \_\_\_\_\_

Signature & Stamp: \_\_\_\_\_

**Approved by:**

Name: \_\_\_\_\_

Code: \_\_\_\_\_ Date: \_\_\_\_\_

Signature & Stamp: \_\_\_\_\_

**Terms and Conditions**

These Terms and Conditions (the “Terms and Conditions”) as amended from time to time shall, in conjunction with additional specific terms and conditions (if any), apply to the Accounts and govern the relationship between the Bank and the Customer. The Bank shall have the sole discretion to amend, add to, or delete any provision of these Terms and Conditions at any time and to such extent as permitted by law, by displaying a notice to such effect at the branch where the Account is opened, and/or by any other reasonable means of notification of such changes. Unless provided to the contrary in these Terms and Conditions, the Customer shall be deemed to have accepted such changes if the Customer continues transacting in respect of the Accounts after receipt of such notification.

**Mudaraba Accounts**

**1.1 Qualifying Accounts**

Only Accounts (excluding the Current Account) which satisfy the minimum balance requirements as prescribed by the Bank from time to time shall qualify and be treated as Mudaraba Accounts. To the extent and for the period any Accounts (excluding the Current Account) do not meet the minimum balance requirements, such Accounts will:

- (a) be treated as a Current Account and will be subject to the Bank’s normal charges and fees; and
- (b) not be entitled to any returns of whatsoever nature (including profit).

**1.2 Accounts**

(a) Under a Mudaraba Account, the Customer (being the owner of funds (the “Mudaraba Funds” or “Rab-al-Maal”) authorizes the Bank (being the “Mudarib” or fund manager) to invest the Customer’s funds in the Mudaraba Account according to the principles of Islamic Sharia’a in such manner as the Bank, in its absolute discretion, deems fit.

(b) The Mudaraba Accounts may be in such denominations as approved by the Bank from time to time.

**1.3 Investment and Profits**

(a) The outstanding balance in the Mudaraba Accounts (the “Mudaraba Deposits”) maintained by the Customer shall be invested by the Bank in a joint investment pool (the “Mudaraba Pool”) together with funds from the Bank’s equity and other depositors and shall be managed and invested by the Bank in certain assets (the “Mudaraba Assets”) on an unrestricted (or restricted, if applicable) basis in accordance with the principles of the Islamic Sharia’a.

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(b) The profits (“**Mudaraba Profits**”) realized as a result of the Bank’s investment activity under sub-clause (a) above, shall be allocated between the Bank and the Customer, as follows:

(i) in consideration of the services provided by the Bank hereunder, the Bank shall be entitled to a predetermined percentage share of the Mudaraba Profits, for the corresponding Investment Period (the “**Mudarib’s Profit Share**”);

(ii) the remaining Mudaraba Profit, after deduction of the Mudarib’s Profit Share (the “**Profit Amount**”), shall be allocated amongst the depositors by reference to the Weightings in accordance with Clause 1.3(e). The Customer’s share of the profit will be determined in accordance with the per annum rate (the “**Profit Rate**”) applicable to the relevant Category to which the Customer’s Mudaraba Deposits belongs and shall be paid on the relevant Profit Payment Date;

(iii) the Mudarib’s Profit Share and the Weightings applicable to each Category shall be determined by the Bank.

(iv) the updated and prevailing Mudarib’s Profit Share and Weightings applicable to each Category will be displayed in the Bank’s branches, may be obtained from the Bank or otherwise in accordance with the Bank’s prevailing practices. The Bank reserves the right to vary the Mudarib’s Profit Share and/or the Weightings from time to time in accordance with the prevailing regulations and/or directives applicable to it and such variation shall be deemed to be effective upon the commencement of the Profit Calculation Period immediately succeeding such variation. The Customer shall be deemed to have accepted such variation if the Bank does not receive any notice to the contrary within seven (7) days from the issuance of such notice.

(c) The Customer acknowledges that nothing in these Terms and Conditions shall be construed as being a warranty or a representation by the Bank of any guaranteed profits, or any guaranteed repayment of any part or the entire portion, in respect of the Mudaraba Deposits. The Customer is aware that all balance in the Mudaraba Accounts (including the original Mudaraba Deposits) are exposed to potential losses arising out of a loss incurred in respect of a Mudaraba Assets and that such losses may even affect the principal amount of the funds deposited by the Customers in the Mudaraba Savings Account.

(d) Any losses incurred on the Mudaraba Deposits during a Profit Calculation Period shall be borne solely by the Customer. If, however, the Bank has also invested a certain sum in the Mudaraba Assets (whether from the Bank’s equity funds or otherwise) then such losses shall be shared between the Customer and the Bank proportionately in accordance with the respective amounts invested by the Customer and the Bank in the Mudaraba Assets. However, the Bank (as Mudarib) shall bear any loss attributable to its negligence or violation in the carrying out of its duties as a Mudarib under these Terms and Conditions. In the event that such losses occur during an

Investment Period, the Bank shall not be entitled to the Mudarib’s Profit Share for such Investment Period.

(e) The Profit Amount for:

(i) a Savings Account shall be calculated on the monthly average balance of the Savings Account for the relevant Investment Period and the Profit Calculation Period is deemed to be three (3) calendar months;

(ii) a Hybrid Account shall be calculated on the monthly average balance of the Hybrid Account for the relevant Investment Period and the Profit Calculation Period is deemed to be three (3) calendar months;

(iii) an Investment Deposit Account shall be calculated at the end of every calendar month shall be credited to the linked Mudaraba Account at monthly intervals on each Profit Payment Date or, as the case may be, on the last day of the relevant Investment Period, as shall be mutually agreed between the Customer and the Bank.

(f) In cases where a Mudaraba Account is closed prior to the applicable Profit Payment Date, the Customer agrees that it shall not be entitled to receive the profits accrued on the Mudaraba Funds for the relevant Investment Period.

(g) If the balance in the Mudaraba Account, on any day during the month, falls below such minimum balance requirement as may be prescribed by the Bank from time to time, then the entire balance in the Mudaraba Account shall not participate in the Mudaraba Pool during that relevant calendar month.

(h) The Bank, as Mudarib, reserves the right to deduct, if required, a certain percentage of the Mudaraba Profit due to the depositors of the Mudaraba Pool as Profit Equalization Reserves, for the purposes of:

(i) maintaining consistency in profit payouts over a period of time in respect of Mudaraba Accounts, by retaining part of the Mudaraba Account holders’ profit, which is earned through participation in the Mudaraba Pool; and

(ii) making profit payments for the portion of the Investment Period in which profit is not yet realized, to Mudaraba Account holders whose deposits mature and/or are liquidated between two Profit Payment Dates. Such payment will be made on the basis of the previously declared Profit Amount for the last completed Profit Calculation Period. The Bank shall, upon realization of profits for the Profit Calculation Period, replenish the Profit Equalization Reserves with actual Profit Amount accrued for the relevant number of days elapsed during such Profit Calculation Period during which profit was paid but unrealized. In consideration of receiving the profit payments ahead of the applicable Profit Payment Date under this Clause 1.3(h)(ii), the Customer shall waive its entitlement to the difference between the actual profit amount paid to the

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Customer and the profit amount that the Customer would have otherwise been entitled to had the Profit Amount been paid on the Profit Payment Date, the utilization of which is solely for the benefit of Mudaraba Account holders and is overseen by Bank's Sharia'a board. The Bank reserves the right to invest the Profit Equalization Reserve in any Sharia'a compliant products; provided that such investments shall be made at the Bank's own risk and that the Customer shall not be liable for any losses incurred by the Bank as a result of such investments.

(i) The Customer may withdraw the Mudaraba Funds from the Mudaraba Accounts prior to expiry of the applicable Investment Period, subject to the following conditions:

(i) a minimum of one month has elapsed from the date that the relevant Mudaraba Funds were deposited into the Mudaraba Account ("**Deposit Date**") in order for the Customer to be eligible for the share in the Mudaraba profits. In all other cases, the Customer shall be entitled to profit for the completed months as per the declared rate for the corresponding term, taking into consideration provisions of 1.3(h);

(ii) only the whole (and not part of) the Mudaraba Funds may be withdrawn; and

(iii) 20% of the profit payable or applicable profit payable to the Customer will be deducted and placed with the "**Mudaraba Pool**" for premature termination of the Investment Period.

### 1.4 Investment Deposit Accounts

(a) Subject to Clause 1.1(a), in the case of a Investment Deposit Account the Customer shall enter into a Mudaraba on the terms and conditions stipulated in the investment Mudaraba agreement ("the "**Mudaraba Agreement**") to be provided if such Account is required by the Customer.

Together with the Mudaraba Agreement the following additional conditions shall apply:

(i) in relation to a Investment Deposit Account, the Customer shall select a fixed Investment Period (or such other periods approved by the Bank), provided that the minimum fixed Investment Period shall be one calendar month;

(ii) the profit on the Investment Deposit Account shall be calculated at the end of each calendar month on an accrual basis and shall be paid to the Customer either:

(aa) on the first Profit Payment Date falling immediately after the expiry of the Investment Period; or

(bb) on Profit Payment Dates at such intervals as may be mutually agreed to between the Customer and the Bank; and

(iii) unless otherwise instructed to the Bank by a depositor 15 days before the expiry of Investment Period, the deposit will be renewed automatically on the same terms and conditions.

(b) The minimum limit for accepting the Mudaraba funds equivalent to that in other currencies shall be defined by the Bank from time to time. Except for the investment term of deposits in AED, the Bank is not bound to repay deposits in the same currency deposited, but undertakes payment by issuing a demand draft or transfer of the same currency deposited at the exchange rate prevailing as on the day of repayment of the said deposit.

(c) These Terms and Conditions are subject at all times and are to be read in conjunction with the Mudaraba Agreement.

The Mudaraba Agreement may comprise unrestricted investment Accounts for investments in all Sharia'a compliant investments, or restricted investment Accounts for investment in specific Sharia'a compliant investments.

I/We hereby declare that I/we have read and agree to the above mentioned Terms and Conditions.

### Primary Account Holder:

(1) Signature: \_\_\_\_\_

### Joint-Account Holder(s) (if any):

(2) Signature: \_\_\_\_\_

(3) Signature: \_\_\_\_\_

(4) Signature: \_\_\_\_\_