

Fixed Deposits

Risks:

- **Mudarabah Investment Deposits:**

1. If Boubyan approves the cancellation of the deposit before the agreed term, the principal amount of the deposit shall be returned to the customer with saving account profits calculation.
2. Funds will not be transferred to the saving account at maturity if account is dormant.
3. If a loss occurs the client will bare his share from the principle amount used.

- **Wakala Investment Deposits:**

1. The depositor is entitled to the deposit amount and the earned profits upon the agreed maturity date. The term of the deposit can be extended for a similar period (s) unless the bank receives written instructions from the depositor at least two business days before the maturity date.
2. The bank may cancel the deposit and return its amounts to the holders thereof along with the earned profits. The bank may further freeze all or part of the deposit as per the legal needs for the same, especially if there is doubt about any money laundering transaction. In which case, the bank may be vested with the right to take all the arrangements and procedures provided for in Law no. 35 of 2002 Pertinent to Combating Money Laundering without any liability to be borne by the bank.
3. The customer authorizes Boubyan Bank to perform set-off and to settle the debts due from the customer to the bank by debiting the customer's investment deposits and the profits thereof. The customer further agrees that all his/her accounts opened in his/her name or to be opened in the future with the bank or any of its branches stand as a back-to-back security, regardless of the types thereof, insomuch as this entitles the bank to deduct the debit balance from any of such accounts. The bank shall further be vested with

- the right to merge or combine such accounts, fully or partially, and to freeze the debit balance in any of such accounts until the customer fulfills all his/her liabilities owed to the bank.
4. The agreed term of the deposit is an obligatory condition to which the customer shall commit. The customer may not request the cancellation before the expiry of such a term except with the approval of Boubyan Bank.
 5. Funds will not be transferred to the saving account at maturity if account is dormant.

Benefits:

- **Mudarabah Investment Deposits:**

Boubyan Bank invests the deposits' funds on a Mudarabah Mutlaqah basis. Accordingly, the depositor authorizes Boubyan Bank, being a *mudarib* partner to have a freed hand and do all that it sees fit to achieve the common interest including the determination of the methods & areas of investments as well as mixing such funds with third party funds or the bank's funds and the inclusion thereof in the bank's financial position.

The credit balance allocated for investment in the fixed unlimited investment deposits is considered the customer's capital as per the Mudarabah Contract with the bank, where the customer authorizes the bank by virtue of the said contract to invest the amount fully or partially in Mudarabah transactions as the bank sees fit for the interest of both parties, i.e., the customer and the bank, provided that the bank shall earn a specific percentage agreed in the Mudarabah Contract with the earned profits up to 50%.

The credit balance in this account, which is not included in the investment deals, is considered Qardh Hassan (interest free loan) from the customer to the bank.

- **Wakala Investment Deposits:**

In its capacity as Wakil (investment agent) to invest such funds in special portfolios, the depositor authorizes Boubyan Bank to have free hand in doing all that it sees best to achieve the common interest including the methods and areas of investment as well as determining the proper investment portfolio in addition to mixing the funds of such deposits with third party funds and the bank's funds in addition to including them in the bank's financial position (in accordance with Paragraph 9/B of the First Section of Chapter 3 of the CBK Instructions for Supervision of Islamic Banks). The bank is committed not to invest the funds of depositors in projects that yield profit below the agreed expected profit rate – this shall be made voluntarily by the bank. The Bank shall be entitled only to the portion in excess of the aforesaid rate, as incentive fees.

The Bank secures the invested principal amount and gains thereon if events are established on infringement, omission or breach of the terms and conditions of the agency.

Ending – Closing Product:

1. The customer is entitled to close the account at any time by virtue of a written notice to be submitted at any branch during business hours while noting the reason for closing the account.
2. If Boubyan approves the premature cancellation of the deposit before the agreed term, the deposit's principal amount shall be returned to the customer without any profits, if any, and this shall stand as a waiver on part of the depositor while the depositor shall bear his percentage of loss, if any.