

## **TERMS & CONDITIONS FOR MIB ACCOUNTS**

In consideration of Maldives Islamic Bank (referred to as 'MIB' or 'the Bank') opening (and/or continuing to maintain) any Current, Savings, General investment account, or any other accounts in my/our name(s) (referred to as 'the Account') and providing banking facilities to me/us, I/We ('the Customer' or 'the Accountholder') agree to be bound by the Terms & Conditions (referred to as the 'Terms') stated below, and I/We agree, acknowledge and understand that:

1. All Accounts are opened/maintained/placed with the Bank under MIB Rules & Regulations which may be subject to change from time to time at MIB's sole discretion without any notice, and are governed by, and subject to, all applicable laws of Maldives.

2. Any information advised/provided by me/us to the Bank shall be deemed to be correct and binding on me/us unless the Bank receives from me/us.

3. The Bank may, at its discretion, disallow/restrict the operations of my/our Account, in the event of non-fulfilment of any account opening requirements.

4. The Bank reserves the ABSOLUTE right of closing an account or refusal to open an account in my/our name, and the Bank shall not be subject to the provision of any justification towards the same.

5. The Bank may accept cheques, drafts or other instruments under clearing or collection arrangements, entirely at the Accountholder's own risk for loss, claims, dishonour, non-payment, loss/ delay in transit, etc. The value of the uncleared/unrealized items, if credited, but returned unpaid later, may be debited again to my/our account by the Bank, and I/We shall be responsible to pay its full value back to the Bank, if withdrawn from the Account wholly or partially.

6. In Savings and General Investment Accounts, I/ We understand and agree that the Bank will employ/ invest the funds deposited by me/us with due diligence in Shariah compliant investment, and that the Bank in doing so may incur losses or gain profits. The allocation of such profits/losses as determined by the Bank's policies will be acceptable to us without contestation or proof beyond the general statements of accounts published by the Bank

7. All Customer Deposits with the Bank shall be managed by the Bank in strict compliance of Shariah principles as determined by the Shariah Board of the Bank.

8. The Accounts of the Bank are to be operated as follows:

a. Current Accounts under the Shariah contract of Qard, under which the Bank guarantees the deposited amount for the customer. The deposited amount MUST be paid back to the customer in full upon demand based on agreed reasonable duration.

b. Savings and General Investment Accounts (GIA) under the Shariah contract of Mudharabah. The Bank shall share the returns from investing the Saving and GIA deposits with Accountholders on a Profit-Sharing basis at a pre-agreed ratio.

9. In calculating Profit applicable to Investment Accounts, the Bank shall be entitled to deduct proportionate administrative costs at actual and a profit share of the Bank as Mudharabah, based on the Profit-Sharing Ratio (PSR) as quoted by the Bank and agreed upon by the Accountholder

10. In the event of loss in business/investments, arising without any fault or negligence on part of the Bank, all Investment Accountholders in the Investment Pool shall share the losses in their capacity as Rabbul Mal, on a pro rata basis. The Bank bears the loss of income for in its capacity as Mudharib.

11. Withdrawal may not be made in a fixed term General Investments Account prior to the maturity date. If the Bank approves the withdrawal request by a client for an urgent reason, no profit shall be paid on premature encashment of the deposit.

12. Unless specifically advised by the Accountholder to the contrary, on maturity, a General Investment deposit, instructed for renewal or reinvestment, will be renewed/re-invested for the same period, on whichever terms applicable for the time being in force.

13. The Profit on the amount of the deposit will cease to accrue at the expiration of the period of notice terminating the deposit given by me/us or the Bank and in this case the whole amount of deposit including profit will be transferred to my/our designated Current or Saving account immediately.

14. The Terms & Conditions contained herein shall be deemed to be, and construed as, a part of my/our original account opening application/agreement as if it were agreed between me/us and the Bank ab initio.

15. Advances and statements of Account in respect of my/our Accounts will be provided/ sent by hand or by mail upon request.

16. Notices, advices, statements etc, delivered/posted to my/our address recorded with the Bank, will be assumed to have been rightly/duly served on or sent to me/us.

17. The Bank shall have the right to debit my/our Account with all the expenses and fees and other transaction costs related to my/our dealings and commitments towards the Bank at any time, at its sole discretion, as per its schedule of charges.

18. The Bank shall have the right of lien and set-off and /or disposal in respect of any of my/our rights, funds, profits or assets that are in the custody of the Bank, against any liability on my/our part in favour of the Bank at any time. As a result of exercise of such a right through set-off, merger, combination, consolidation etc. of accounts with any of its branches, if there is a shortfall in clearing my/our liability, I/We undertake to make good any such difference at the Bank's first demand.

19. Subject to MIB Regulations and if permitted by MIB, the Bank may prescribe minimum balance requirements for opening and/or maintaining any Accounts and it shall be my/our responsibility to comply with such minimum balance requirement.

20. In general, my/our signature on the account opening application shall mean acceptance of all the applicable terms, conditions and regulations of the Bank in connection with my/our dealings with the Bank.

21. In accordance with normal banking practice, the Bank will not meet payment of cheques presented for payment more than six months from the date stated in the cheque.

22. It shall be my /our responsibility to verify/approve all correspondence or instructions given by me/us over telephone or send by me/us to the Bank by fax or e-mail in connection with all my/our various accounts and dealings with the Bank and all matters and issues relate d thereto. I/We also acknowledge that the Bank would normally act only on my/our written/ signed instructions and that it would be the Bank's discretion to accept/reject any verbal/telephonic/fax/ email instructions.

23. The Bank would carry out all my/our instructions bearing my/our signatures as recorded with the Bank, regardless of how I/We 'actually' sign on any other documents/record.

24. It shall be my/our responsibility to indemnify the Bank against any loss, legal action, damages or claims suffered by the Bank owing to any incorrect/ incomplete information provided by me/us to the Bank or for any loss, legal action, damages or claims arising out of the Bank agreeing to open/operate an account for me/us in its books.

25. It shall be my/our responsibility to use the account opened with the Bank only for legitimate/ legal/allowed and Shariah-compliant personal or business purposes and not for money laundering purpose or any purpose that violates any rules/laws in force.

26. The Bank, in its ABSOLUTE discretion, may issue me a cheque book for withdrawals from my/ our account and may, at its discretion, withdraw or recall the same. The Bank may also refuse to allow withdrawals except through such cheques.

27. I/We would be completely responsible for the safe custody of any cheque book and shall immediately notify the Bank, in writing, if a cheque book or any leaf from it, is lost/stolen. In such a case, the Bank may, at its discretion, accept/place a 'stop payment' instruction from me/us against such cheques. Stop payment instructions given over the telephone shall have to be supported by a written request to be sent within 24 hours. Further, I/We undertake to indemnify the Bank and hold it harmless against any loss, claims or legal action arising out of any accidental payment of such cheques due to rush of work or any other legitimate reason.

28. The Bank is authorized to reverse any incorrect entries and the amount of profit/loss thereon, accidentally/mistakenly posted to my/our account(s). In case I/We have withdrawn all or part of sum wrongly/mistakenly credited to my/our account, I/ We

undertake to re-deposit that sum immediately on being notified of the wrong credit to my/our account, without contestation or delay.

29. The Bank shall be fully authorized to deduct/ withhold any duties/taxes/levies in any form and provide any information, as required under any applicable rules/ laws in force, without referring to me/us.

30. In case of conflicting instructions received from two authorized signatories to my/our Account or relating to my/our joint account, the Bank would be authorized to act at its discretion or stop operations in the account until such time as the dispute is resolved to the satisfaction of the Bank.

31. In the event of my/our death, it is the presumption of the Bank for all practical purposes that the accountholder is alive until the Bank is presented with a valid death certificate issued by the relevant official authorities in Maldives. Upon receipt of the said death certificate, the bank is entitled to freeze my/our

account, after which the credit balances in my/our accounts shall be released by the Bank only against a valid succession certificate, order of the court, letter of administration probate, has been provided, where operating instructions are 'legal administrative' The account may be operated by the Account holder.

32. Cash withdrawals from my/our accounts foreign currency, would be subject to availability of foreign currency notes with the Bank at the time of withdrawal.

33. Withdrawals from, or deposits to, my/our foreign currency accounts would be subject to foreign exchange rules and regulations of the Maldives Islamic Bank or the Government of Maldives, currently in force and as amended from time to time. I/We agree further that, the Bank's interpretation/ determination of whether or not it is able to allow any such deposits/ withdrawals, shall be final and binding on me/us.

34. The Bank may stop/suspend operations in my/our accounts or close/freeze my/our accounts in pursuance of any court or administrative order, without reference to me/us.

35. The Bank, its Head Office, subsidiary offices, branches or any of its officers shall not be liable for unavailability of funds credited to my/our accounts due to any legal restrictions imposed by relevant government agencies, involuntary transfer, acts of war, civil strife, industrial action, acts of nature or other causes beyond the control of the Bank.

36. The Bank is authorized by me/us to respond, at its discretion, to any or all enquiries received from authorized government agencies, domestic and international, where in so far obligated under any law for the time being in force, concerning my/our accounts, without reference to me/us.

37. In case I/We request the Bank to 'hold my/our mail', i.e. not to mail any notices, advices, statements etc. to my/our given address, without any responsibility obligations on part of the Bank, so that I/We may collect it myself/ourselves at my/our convenience, such notice, advice or statements will be considered as having been duly delivered to me, while being held by the Bank and I/We shall hold the Bank harmless against any liability/consequences of non-delivery to me/us of such notice, advice or statement on time.

38. Generally, all the services/facilities provided by the Bank shall be subject to the Bank's Schedule of Charges, currently in force and may be amended from time to time and available on request.

39. The profit-sharing ratio between the Bank and the Account holder, along with weightages if any, will be announced by the bank at the beginning of each financial term relevant for profit calculation which will be available on the Bank's website and on the notice board of the Bank's branch premises.

40. All saving and GIA account holders will enter into a partnership of Shariah contract shirka al Aqd by signing this Account Opening Application.

41. The Bank reserves the right to modify these Terms from time to time. The revised or modified Terms will become effective upon notice being given to me/us, such notice being deemed to have been properly given, if made through any means of general notice decided by the Bank.