

MUDARABA AGREEMENT SAVINGS ACCOUNT

This Mudaraba Investment Agreement is made and entered into on this day of 20..... at by and between of hereinafter referred to as the 'Investor/s' (which expression where the context shall so admit, mean and include the said his/her/their heirs executors administrators successors in interest and assigns) of the ONE PART.

AND

Amāna Bank PLC (hereinafter sometimes referred to as the 'Mudarib' or the 'Bank') a company duly incorporated under the Companies Act No. 7 of 2007 and a Licensed Commercial Bank having its registered office at No.480, Galle Road, Colombo 03. (which expression where the context shall so admit mean and include Amāna Bank PLC its successors in interest and assigns) of the OTHER PART.

AND WHEREAS the Investor/s is/are desirous of opening a savings account with the Bank for the purpose of investing from time to time in the Mudaraba Fund of the Bank to invest in the Bank's business activities that are expected to generate profits.

AND WHEREAS the Bank is willing to accept such funds for investment in the Bank's business activities that are expected to generate profits and share such profits on the following Terms and Conditions.

NOW, THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. In this Agreement unless the context otherwise requires,

"Investment" - means the sum or sums of money that the Investor will entrust to the Bank on an agreed Profit sharing basis between the Investor and the Bank
 "Mudaraba Fund" - means the pool of funds managed by the Bank entrusted by Customers of the Bank for investments in Sharia Compliant business ventures
 "Profit" - means the surplus that accrues on investments made by the Mudaraba Fund, which at the end of a specified period (monthly/quarterly/biannually) is available for distribution among Investors of the fund and the Bank
 "Loss" means the deficit resulting from investments made by the Mudaraba Fund at the end of a specified period (monthly/quarterly/biannually) to be borne by the Investors of the fund.

2. Profit and Loss:

Any Profit made by the Fund will be shared in accordance with the Profit Sharing Ratio (PSR) applicable at the time of profits being distributed. The Investor hereby acknowledges that the PSR will change from time to time, which will be informed at the beginning of a profit crediting cycle.

In case of Losses the Investor will bear the loss up to the maximum value not exceeding the Investor's capital in the fund.

The Bank will not be entitled to any return as the Fund Manager in case of activities that makes Losses.

3. Investing in Mudaraba Investment Fund:

Every Investor shall be issued with a Savings Account passbook. The passbook shall be prima facie evidence of his investment with the Bank. It will be the responsibility of the Investor/s to ensure that the passbook is kept properly updated at all times.

4. Determination of Profit:

It is clearly understood and agreed between the Investor/s and the Bank that the Bank cannot and does not guarantee a specific rate of return on investment but only agree to share the Actual Profits made by the Mudaraba Fund based on the PSR pre agreed and applicable at the time of distribution of profits. The PSR ratios offered from time to time will be published by the Bank.

The profit on the investment will be calculated daily and distributed monthly/quarterly/biannually or as determined by the Bank from time to time.

5. Withdrawals:

The Investor may withdraw the funds from the investment at his discretion.

6. Expenses:

The Bank is empowered to charge expenses directly connected with the administration of the Mudaraba fund, to the fund.

7. Suspensions:

Upon receipt of valid notice of insanity, insolvency, bankruptcy or death of the Investor, all transactions will be suspended and the monies lying to the credit of the Investor/s in the Mudaraba Fund as at the date of receipt of such notice, will be held by the Bank without any further right of withdrawal until a court order is issued to the Bank specifying disposal arrangements of the proceeds of investments in the account.

8. Joint Account Holder

In the case of death of any joint holders where two or more persons are jointly holding the account the Bank will have the right to hold investments amount to the order of the survivor(s) without any prejudice to the Bank's right of lien and set-off of whatsoever nature and the right to take any steps to comply with the provisions of the Bank's rules governing Mudaraba investments or other connected laws and regulations applicable from time to time. In the case of death of one of the account holders, the survivor/s do hereby undertake to advise the Bank in writing forthwith.

9. Provision:

The Bank as the Manager of the Mudaraba Fund is authorised, using its experience, knowledge and expertise to charge amounts from the profit of the Mudaraba Fund, before any other charge to the profits, to set aside estimated losses that would be necessary to meet possible losses arising from non performing Murabahas, Musharakas or similar facilities at the time of profit distribution. At the time of winding up the Mudaraba Fund, any excess or shortfall in the provisions created, are to be enjoyed or absorbed by the participants of the Mudaraba Fund at that time.

Profit Sharing Ratio

Amāna Bank : %
 Customer : %

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Signature of Investor/s

Signed for and on behalf of Amāna Bank PLC

Witnesses :

Signature

Name

Date

1.			
2.			