

## Mostakbal Retail Savings Account Opening Agreement

Customer's Name: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Branch's Name: \_\_\_\_\_ Branch's No: \_\_\_\_\_  
 Customer's Identification Code (CIC): \_\_\_\_\_  
 Mostakbal Account No.: \_\_\_\_\_  
 Term (months): \_\_\_\_\_, Monthly Deduction Amount: \_\_\_\_\_  
 Account Currency: \_\_\_\_\_ Saudi Riyal,  
 Purpose of Account Opening: \_\_\_\_\_  
 The date of deduction of the monthly deduction amount: on (\_\_\_\_) day of each Gregorian month.  
 Commencement Date of Monthly Deduction: (\_\_\_\_/\_\_\_\_/\_\_\_\_).  
 Savings Plan Commencement Date: (\_\_\_\_/\_\_\_\_/\_\_\_\_).  
 Savings Plan End Date: (\_\_\_\_/\_\_\_\_/\_\_\_\_).  
 Number of current account linked to the savings plan: \_\_\_\_\_

### 1. Definitions

- 1.1. **Mostakbal Account/The Account:** A closed savings account, where the Customer deposits amounts on a monthly basis as specified (in this Agreement) representing Mudaraba capital, and (ARB) mixes Mudaraba capital with its money and invests it according to the terms and conditions of this Agreement. The withdrawal from and deposit into this Account shall be made in accordance with the terms and conditions of this Agreement.
- 1.2. **Rab-ul-Maal:** Customer
- 1.3. **Mudarib:** Al Rajhi Bank/(ARB)
- 1.4. **Mudaraba Capital:** The amounts deposited by the Customer in the account according to this Agreement.
- 1.5. **Minimum Qualified Capital:** The minimum amount that can be introduced to Mudaraba and to receive profits therefrom; so that no profits shall be calculated in case the account's assets are less than such amount.
- 1.6. **Profit Rate:** The expected profit rate of ARB on its monthly investment, announced periodically to customers, at the ARB e-channels.
- 1.7. **Actual Return:** The return due to the investor after the deduction of (ARB) share as a Mudarib from the investment profit.
- 1.8. **Distributable Profit:** the total of (ARB) investments' returns in which the Customer's money deposited in the Account is used, taking into consideration the provisions of Article (4.8) [Distributable Profit].
- 1.9. **Accrued Profits:** The Customer's profits that are collected and paid at the end of the savings term and deposited in the Customer's current account.
- 1.10. **Profit-sharing Percentage between (ARB) and the Customer:** The percentage agreed upon between (ARB) and the Customer when opening the account based on what is announced or shall be announced by (ARB) periodically to customers on (ARB) e-channels.
- 1.11. **Short-term Savings Plan:** The term ranging from 6 months to 12 months, during which the Customer is committed to deposit the monthly deduction amount.
- 1.12. **Long-term Savings Plan:** The term ranging from 13 months to 60 months, during which the Customer is committed to deposit the monthly deduction amount.
- 1.13. **Constructive Liquidation:** Assessment of the value of investments outstanding in the Account, and accordingly the distribution of Mudaraba profits shall be determined in case of the Agreement termination for any

reason.

**1.14. Reserve Account:** An internal account within (ARB) in which amounts in excess of the expected profits over actual returns are deposited, for the purpose of covering any subsequent decrease in actual returns over the expected profits.

**1.15. Investment Period:** (The investment period agreed upon for investing Customer's money, such that Customer's profit is calculated based on the least available balance throughout this period.

## 2. Mudaraba Agreement or Contract

**2.1.** By signing this Agreement, the Customer agrees to enter into a Mudaraba contract with (ARB) under provisions of Islamic Sharia and in accordance with the terms and conditions of this Agreement. The Customer's signature herein shall be deemed as an offer and the account opening by (ARB) shall be deemed as an acceptance of the Mudaraba Contract.

**2.2.** The contract shall be binding on both parties in accordance with the conditions of this Agreement, or any other conditions agreed upon between both parties.

**2.3.** Customer access to this account shall be deemed as purchase of share in an outstanding Mudaraba and exit therefrom shall be deemed as sale of Customer's share therein, coupled with all respective duties and obligations pursuant to Sharia dependency rules.

## 3. Opening the Account:

**3.1.** The Customer shall have a current account with (ARB). All terms and conditions applicable to the Current Account shall apply to the Account, without contradiction with the terms and conditions of this Agreement.

**3.2.** The Customer shall be committed to deposit at least an amount of SAR 100 on a monthly basis for the short-term savings plan and SAR 300 on a monthly basis for the long-term savings plan.

**3.3.** The Customer shall not be entitled to withdraw any amounts that had been deposited in the Account by the Customer, or by (ARB), prior to the end date of the savings plan. In case of the Customer's desire to withdraw any amount from the Account, then the same shall be deemed as an Early Withdrawal (Termination of Mudaraba Contract), and the provisions of Early Withdrawal as provided in this Agreement shall apply.

## 4. Qualified Capital, Entitlement to Profits, Sharing Ratio and Distributable Profit:

**4.1.** The Account's profits shall be calculated based on the lowest credit balance, provided that the lowest credit balance shall not be less than the minimum qualified capital within the Customer's account during the Georgian month, and (11.59 p.m.) o'clock at the end of last day of the Georgian month shall be approved as the monthly closure time. The legal reserves determined by the Saudi Central Bank (SAMA) for this type of accounts shall be set aside from the original Mudaraba amount.

**4.2.** If the actual return is more than the expected profit rate, then (ARB) shall set aside the excess amount in a reserve account, so these amounts shall be used to cover any decrease of actual profits than the expected profits. In case of liquidating this account, the same shall be presented to ARB's Sharia Board on the due course.

**4.3.** Subject to the above-mentioned paragraph, the Customer, upon expiration or termination of this Agreement for any reason, shall exonerate (ARB) and the rest of investors (savings accounts holders) from any profit not distributed or appeared, and balance of reserve profit rate; and the investors (savings accounts holders) shall exonerate the Customer from any loss that did not appear, and accordingly, the Customer shall not be entitled to any profit, and shall bear the loss only to the extent of the duration during which the amount remained common and shared in the savings pool before recovering the same, and shall not be entitled to any profit and shall not bear the loss of the remaining duration after recovery.

**4.4.** Profits shall be calculated on a monthly basis according to the expected profit return, and shall be added to the account on a quarterly basis.

**4.5.** The Customer shall not be entitled to any profits for the Gregorian month, during which the account is opened, save the case when the account is opened at least two business days prior to commencement of the Gregorian Month.

**4.6.** The Customer shall deposit the agreed monthly amount in Mostakbal Account before the beginning of the

month in order to be entitled to receive profits. The Customer authorizes (ARB) to deduct the monthly deduction amount from the linked current account referred to in this Agreement on the date of deducting the Monthly Deduction Amount in each Gregorian month during the term of the savings plan agreed upon in this Agreement.

- 4.7. The Gregorian calendar months shall prevail in calculating the profits and its due dates for the full month, where no profits shall be calculated for parts of the month.
- 4.8. Distributable Profit Distributable profit is the profit resulting from funds and investments for treasury, companies or any other business sector in which Mostakbal account funds have been involved, less the expenses, expenditure and costs. The share of Mostakbal account holders is determined according to the share of account funds in the total finance and investment portfolio and varies according to their nature, volume and duration.
- 4.9. Profit Sharing Ratio:
- Payable ratio of profit to the customer: 60 %.
  - Payable ratio of profit to (ARB): 40 %.
- 4.10. The Customer (Rab-ul-Maal) shall be entitled to the profit – in case (ARB) (Mudarib) achieves profits from the money deposited in the account – according to the percentage agreed upon between (ARB) and the Customer. The Customer (Rab-ul-Maal) shall share with (ARB) (Mudarib) all risks related to investing the money deposited in the account. In case of loss in the capital, (ARB), as a Mudarib, shall not be responsible for such loss, unless in case of trespass or negligence by (ARB). (ARB) may change this percentage as per its absolute discretion, provided that it shall notify the Customer of the same a month before the month in which the amendment shall apply. If (ARB) did not receive request for account cancellation from the Customer within (30) days, the amendment will be binding on the Customer.
- 4.11. (ARB) may, without referring to the Customer, merge or consolidate the balances of the Customer's opened accounts in any currency in any of (ARB) branches and centers to meet any obligations of the Customer towards (ARB) - provided that the merger or consolidation of savings accounts occurs after the nearest liquidity period - and set-off or transfer any amounts the Customer is entitled to from (ARB) to pay such obligations arising from any account. In addition, (ARB) may debit the Customer's account all the amounts due against guarantees, bills, checks, payment orders or any other negotiable documents or sent for collection either in SAR, other currencies or in precious metals of the same due kind or other kinds; in addition to making any necessary exchange at the current price at the time of exchange. (ARB) may stop withdrawals from any account opened in the Customer's name at any time and demand the Customer to repay any payable debit balance immediately irrespective of any deposits or guarantees of the Customer against its obligations towards (ARB).
- 4.12. (ARB) records, documentation and accounts regarding the Customer relationship with (ARB) are considered valid and binding on the Customer. The Customer may oppose the same (in writing) within (30) days as of the date of notification of the same by (ARB). In addition, the Customer shall be entitled to object any entries or transactions that are proved to be done in such account illegally and neither the Customer nor his/her authorized representative was involved in that entry or transaction directly or indirectly, and the Customer hereby undertakes to inform (ARB) immediately in writing after proving anything in this regard.
- 4.13. (ARB) may at any time change or modify the terms of the Account - after approval of the Sharia Board on the required amendment – provided that the Customer shall be notified of such amendment (30) days prior to the effective date of such amendment. Such change or amendment shall be effective, unless otherwise opposed by the Customer within (30) days from the date of being notified by (ARB). In case the Customer objects amendment, then the same shall be deemed as a Customer's request to terminate this Agreement, while the account and the amounts deposited therein shall be dealt with in accordance with the provisions of Early Withdrawal as provided in this Agreement.
- 4.14. Notifications between the parties shall be exchanged by registered mail or secured means of communication, and their delivery to the Customer and non-response thereto within (30) days shall be considered an approval of the same if it relates to:
- Amending sharing ratio in distributable profit.
  - Amending the minimum qualified capital – If any.
  - Amending any of the account provisions.

- 4.15. Any claim or dispute arising out from the application or interpretation of these terms and conditions shall be subject to the Sharia provisions and the competent judicial authority in Saudi Arabia shall determine it.
- 4.16. (ARB) may, without referring to the Customer, stop the debt movement on the account at the expiry of the Customer's ID or failure of the Customer to update his/her data in General and his/her financial and personal information, addresses, sources of money, signatures and etc. In addition, (ARB) may request the data update at any time.
- 4.17. (ARB) may settle any outstanding obligations on any of the Customer's accounts in (ARB) or correct any errors of financial operations at any time without referring to the Customer.
- 4.18. (ARB) may terminate the Mudaraba Contract and convert the Mostakbal Retail Savings Account into a current account 30 days after informing the Customer through one of the secured means of communication. In such case, the Customer agrees to consider the Account as a current account, where the terms and conditions of current account shall apply to the Account.
- 4.19. The amounts payable to the Customer under this Agreement shall be transferred (30) days after the last monthly deduction date according to the savings plan selected by the Customer, or (30) days after the termination of the Agreement for any other reason. In case the Maturity Date is a holiday, then the payables shall be paid on the next business day.
- 4.20. In case of Customer's failure to deposit any of the monthly payments, then the Customer shall be entitled to deposit the amounts of such payments within a maximum of five days, and in case of the Customer's failure to deposit 3 payments, then (ARB) shall be entitled to terminate this Agreement and the amounts deposited within the account shall be dealt with in accordance with the Early Withdrawal provisions as specified in this Agreement.
- 4.21. The Customer shall not be entitled to deposit or transfer any amounts to the account other than the monthly payments as specified in this Agreement.
- 4.22. (ARB) shall pay Zakat for the account assets on behalf of the Customer, within Zakat it pays for its investments. This depends on the investment period and its proportion of the hawl (one year); for example, if the investment period is only three months, the bank shall be responsible for only a quarter of Zakat, but if the investment period is six months, the bank shall be responsible for half of Zakat, and so on proportionally. In the event of early termination of the investment, the bank shall be responsible for Zakat of the amount for the period it remained in the investment account until the early termination. The Customer shall not be entitled to claim the amount of Zakat from (ARB).

## 5. Termination of Agreement

- 5.1. The Agreement shall terminate in the following cases:
- (a) The end of the savings plans according to the end date of the savings plan as specified in this Agreement, at which point the amounts outstanding in the account shall be transferred to the Customer's current account, or the amounts shall be delivered to the Customer in any manner decided by (ARB).
  - (b) The Customer's failure to deposit 3 monthly payments as agreed upon in this Agreement.
  - (c) The Customer's non-acceptance of any amendments to the terms of this Agreement after notifying the Customer by (ARB) in accordance with this Agreement.
  - (d) The Customer requests Early Withdrawal in accordance with the Early Withdrawal provisions as provided in this Agreement.
  - (e) In case (ARB) – at its absolute discretion – decides to terminate Mudaraba Contract and convert the account into a Current Account, after serving the Customer a (30) day prior notification, through one of the appropriate means of communication.
  - (f) The Customer's death, bankruptcy or incapacity.
  - (g) In case any judicial or supervisory authority decides to terminate the Agreement
- 5.2. In case of terminating the Agreement in accordance with the cases provided in sections ((a), (c), (e), (f) and (g)), then the amounts outstanding in the account and the Accrued Profits shall be transferred to the Customer's current account.

5.3. In case of terminating the Agreement in accordance with the cases provided in sections ((b) and (d)) or for any reason related to the Customer, then the amounts outstanding in the account shall be dealt with in accordance with the provisions of Early Withdrawal.

5.4. As for the profits, they shall be distributed after the constructive liquidity.

5.5. In case of the Customer's death, ARB has the right to cancel Mostakbal Account and return the amounts to the account linked to the investment plan.

## 6. Early Withdrawal Provisions

6.1. The Customer shall be entitled to withdraw from the savings account only at the end of the plan agreed upon with (ARB). Though, in case of expiration or termination of the account upon the Customer's request before the end of the plan for any reason subject to approval of (ARB), this shall occur according to the terms agreed by both parties in the Account Termination Request Form.

6.2. (ARB) shall be entitled to delay in (distributing such profit/loss deduction) until the end of the agreed investment term or until the end of the quarter following the end of the investment term.

6.3. Any withdrawal from the account or a request to withdraw from the account shall be deemed as: a request to withdraw from the savings plan.

6.4. Delay in the Monthly Deduction Amount: In case of the Customer's failure to pay the monthly deduction amount as agreed upon in this Agreement for more than (30) consecutive days for the short-term plan and (90) consecutive days for the long-term plan, (ARB) shall be entitled to cancel the Customer's savings plan, and this shall be considered as an Early Withdrawal from the savings plan, and the Customer's entitlement shall be determined in accordance with the above-mentioned provisions of Early Withdrawal.

### Mostakbal Account Termination Request

Date:

Branch:

Kindly approve Mostakbal Account Termination Request and terminate my Mudaraba Contract, which is due on: ....., For the following reasons: ..... (ARB) and its employees shall bear no responsibility whatsoever, and I shall bear any government fees that may arise as a result of this request.

Customer Name:

Customer Number:

Account Number:

Branch:

Customer Signature:

#### For (ARB) Use

Signature Validation:

Investment Amount to Be Broken:

Investment Duration (...).

The Amount of Profits Accrued During the Investment Period: (.....).

Full Amount Due to Customer: (.....).

For Branch Use

Approvals Required

Branch Manager Approval:

Approval:

Approval: