



بسم الله الرحمن الرحيم

Shari'ah Supervisory Board Declaration/Pronouncement

Date: October 1, 2013

Date: Thul-Qedah 25, 1434

ADCB Islamic Liability Products

الحمد لله رب العالمين والصلاة والسلام على نبينا محمد وعلى آله وصحبه أجمعين

Fatwa and Sharia Supervisory Board (“**Sharia Board**”) of ADCB Islamic has reviewed and approved the underlying Sharia compliant structures, contracts and documentation of corporate and retail liability products which include current account, savings account, special savings account, call investment account and term investment deposits for individual and corporate customers.

In a current account the Bank guarantees the cash deposit thus creating a Wadi'ah Bed-Dhaman contract relationship with the account holder. The deposit is neither entitled to profit nor does it bears risk (other than a credit risk on the bank). A credit balance in the current account is a Qard Hasan (loan without interest).

Mudaraba based savings account, special savings account, call investment account and term investment deposits are conceptually partnership accounts where the bank acts as Mudarib (investment manager), while the client acts as the Rab Al Maal (provider of the finance with no management rights and responsibilities). Deposited funds are invested in attractive business activities that conform to the principles of Shari'ah. The resultant profits are shared according to a predetermined ratio between the bank and the clients based on weighted amounts and tenors of investments and the banking services fees are charged in compliance with the established Sharia guidelines. Profits are declared and paid quarterly to customers. Profits are declared and paid quarterly to the customers. Financial losses, if any, are borne by the client (Rab Al Maal). The Bank (Mudarib) bears the risk of losing its Mudarib share in profit in case of loss.

The Shari'ah Supervisory Board has reviewed the following documents:

- The booklet “Terms and Conditions for Shari'ah Compliant Account Operation”
- Excel Module and Mechanism for Profit Distribution between Shareholders and the Depositors
- Financial Transaction Modules for Liability Products

The Shari'ah Supervisory Board hereby rules that the contract, structure and documentation for the ADCB Islamic Liability Products are in compliance with the rules and principles of Shari'ah.

Sheikh Dr. Hussein Hamid Hassan

Chairman

Fatwa and Shari'ah Supervisory Board

*This Fatwa replaces the Fatwa issued in the subject dated 19 July 2008.