

## **MUDARABAH CONTRACT CUSTOMER INFORMING FORM**

### **(FUND COLLECTION)**

This form was created in order to inform customers within the scope of the BRSA Communiqué<sup>1</sup>

**1. Contract Type:** Mudarabah (Labour-Capital Partnership)

**2. The Contract's Fundamental Properties, and the Rights and Obligations It Has Brought to the Parties:**

Participation accounts can be opened with different contract types, one of which is a mudarabah contract.

Mudarabah is a type of partnership based on the principle of sharing the profit obtained as a result of the operation of the capital invested by one of the parties with the labour of the other party, at the predetermined rate. In short, it is a labour-capital partnership.

The parties may terminate the Mudarabah agreement unilaterally at any time.

The percentage of profit participation in participation accounts established at the beginning of the month may not be changed with legal provisions until the end of the due.

The mudarabah capital held by the participation bank is subject to being held in escrow. As the owner of the capital in the participation accounts, the customer's participation in the loss is one hundred percent. The participation bank loses its labor in case of possible damage.

The profit on the participating account that the customer deserves from the participation bank is calculated by the current unit account value at the time the account expires.

Participation accounts that are not closed at maturity are deemed renewed according to the profit/loss ratio effective at the time of maturity and renewal, pursuant to relevant regulations.

In participation accounts where participation funds are withdrawn by the customer with the approval of the participation bank before the maturity date; if the maturity group to which the account belongs shows a profit on the date the account is closed, the customer will be paid as much as the amount deposited to the account by the customer until that day, and in case of loss, the unit account value will be paid.

The participation bank may set aside a profit balancing reserve for accounts of participation in the profits it will distribute at the end of each period according to the relevant legislation. If the participation bank requests, it may increase the profit to be distributed in favor of the account holders, by using the profit balancing reserve and/or by waiving the profit share accrued in its favor, provided that it is not continuous or it may undertake the losses in favor of the account holders by using the profit balancing reserve in the periods when the loss arises and/or by covering it from its own funds provided that it is not continuous.

**3. Compliance of the Product or Service with Interest-Free Banking Principles and Standards:**

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<sup>1</sup> Communiqué on Procedures and Principles About Informing Customers and the Public within the Scope of Interest-Free Banking Principles and Standards published in the Official Gazette No. 31675 dated 30 November 2021 by the Banking Regulation and Supervision Agency (BRSA)

The participation account is an agreement based on the labor capital partnership, and its legitimacy is based on the basic principles of Islamic law. In this context, the transactions conducted by participation banks are compliant with the principles and standards of interest-free banking.

#### **4. Customer's Position Within the Contract:**

In the established partnership, the Participation Bank is the operator and the customer is the shareholder.

#### **5. Process and Operation:**

Upon the approval of the contract and documents between the customer and the participation bank, a contract regarding the participation account is established.

The customer deposits funds (money or precious metals) to the participation account.

The participation bank utilizes the deposited funds in activities such as murabaha that comply with interest-free banking principles and standards.

The profit from these activities is shared with the customer at a pre-agreed rate at the end of the maturity date. In the event of a loss, the loss shall be covered by the customer as the capital owner. The account holder is not paid any predetermined return and is not guaranteed to be reimbursed the principal in kind.

#### **6. Corporate Website Address for More Comprehensive Product and Service Information:**

For more comprehensive information about our products and services and the approval documents of our Bank, please visit <https://www.albaraka.com.tr> through the website.

Information Form Delivery Date: ... / ... /.....