



ALLIANCE ISLAMIC BANK

# Islamic Deposit Terms and Conditions

***Applicable for Basic Current Account-i/ Current Account-i/ Alliance Hybrid Account-i/ Alliance Elite Account-i/ Basic Savings Account-i/ Savings Account-i/ Alliance My eSavings Account-i/ Alliance SavePlus Account-i/ Junior Smart Saver-i/ Alliance Term Deposit-i/Junior Smart Term Deposit-i/ Islamic Debit Card***

**Applicable Law**

All of the abovementioned products are governed by the applicable laws of Malaysia, rulings of the Shariah Advisory Council of Bank Negara Malaysia, Terms and Conditions of Alliance Islamic Bank Berhad (“the Bank”), rulings of the Bank’s Shariah Committee and banking regulations effective from the date of opening of the account or as amended, enacted or adopted thereafter. Any such change shall be effective upon notification to the depositor by advertisement, display of notice in the Bank’s branches or any other means that the Bank deems fit.

**Applicable Shariah Contracts**

1. Qard

*Qard* refers to a contract of lending money by a customer (lender) to a Bank (borrower) where the Bank has an obligation to repay an equivalent replacement amount to the customer. The Bank has the right to utilise the money for its banking activities and is entitled to the benefits or revenues gained from the money that was borrowed.

For current and savings accounts, a *qard* contract is established when the customer (lender) transfers or deposits funds into an account with the Bank. Upon entering into the *qard* contract, the customer authorises the Bank (borrower) to deal with the whole or any part of the monies standing to the credit of their account in any banking business (including but not limited to financing or investment) which does not contradict with Shariah principles. Any profit generated by the Bank from the use of such funds shall belong to the Bank. The Bank may at its discretion provide a token of appreciation to the customer for maintaining funds with the Bank in the form of *hibah* (gift). The offer and acceptance of the *qard* contract for a current or savings account(s) product is completed when the account opening application form is signed by both the customer and the Bank.

For overdrawn accounts, a *qard* contract is established when the customer draws funds in excess of the available balance in the account. The Bank (lender) may exceptionally allow the account of the customer (borrower) to be temporarily overdrawn subject to repayment of the overdrawn amount to the Bank within a stipulated period. The customer shall ensure that funds temporarily advanced by the Bank to the customer on an exceptional basis with prior approval are not used for purposes that contravene Shariah principles.

2. Murabahah via Tawarruq (also known as Commodity Murabahah)

The Shariah principle of *Murabahah via Tawarruq* involves the sale and purchase of an asset (Shariah compliant commodities “Commodity”) with disclosure on the cost of the asset and the profit rate.

The process flows based are as following:

- a) The customer (“Depositor”) appoints the Bank as an agent to purchase commodities from a supplier;
- b) The customer sells the commodities to the Bank on a deferred payment basis;
- c) The Bank then resells the commodities to a third party; and
- d) Upon maturity of the term deposit, the Bank will return the deposit with the agreed profit rate to the Depositor.

The purchase and sale of commodities will be completed by the Bank within two (2) business days from the date of the deposit placement.

Funds received through this account will be utilised by the Bank without restrictions for investments and provision of financing that are permissible by Shariah Law.

3. Wakalah

The Bank will act on behalf of the customer(s) as the absolute and undisclosed agent for the purchase and sale of the commodities. The appointment of the Bank as agent will take effect when

the customer has signed the account opening form or acknowledged acceptance via any other means at the time of account opening at the Bank's branch or via the AllianceOnline platform or Alliance BizSmart platform.

The appointment of the Bank as agent for the customer (via "Agency Agreement") to carry out the purchase and sale of commodities shall be in accordance with the above Terms and Conditions. The Bank will only act as the Depositor's agent and will not assume, or be deemed to have assumed any additional obligations or have any special relationship with the Depositor other than those for which specific provisions have been made in this Islamic Deposit Terms and Conditions. The Bank shall not be held liable except in the event of *ta'addi* (misconduct), *taqsir* (negligence) or *mukhalafah al-shurut* (breach of specified terms) for any of the appointment as stated above, and in such a case, the Bank shall be liable and shall compensate for loss or damage including any actual cost suffered by the customer.

As the Depositor's agent, the Bank shall, during the tenure of the deposit or any renewal thereof, have the following authority:

- a) to do and execute all acts with respect to the purchase of the commodities on a cash basis ("Purchase Transaction(s)") through purchase agreements, certificates and/or other instruments and to negotiate with commodity traders or suppliers on behalf of the Depositor in relation thereto; and
- b) to sell the commodities on deferred payment basis to the Bank at cost plus profit ("Murabahah Sale Price") on behalf of the Depositor and to do and execute all acts in relation thereto ("Sale Transaction(s)").

#### 4. Ujrah

*Ujrah* refers to fees and commission charged for services rendered.

### Opening of Account

#### 1. Basic Current Account-i/Current Account-i

This account is based on the Shariah principle of *Qard*.

*Basic Current Account-i* is available for individuals (Malaysian citizens and permanent residents) and small and medium enterprises (SMEs). Individuals who have attained the age of at least 18 years and of sound mind are eligible to open an account in their personal name.

*Current Account-i* is available for corporations, partnerships, sole proprietorship, associations, clubs, societies and individuals (Malaysian citizens, permanent residents and foreigners). Each individual or SME shall only be entitled to open one *Basic Current Account-i* with the Bank.

In order to open a *Basic Current Account-i/Current Account-i*, the customer is required to obtain a suitable introduction from a person or firm already known to the Bank with an initial deposit of not less than RM500.00 or an amount to be advised from time to time by the Bank.

#### 2. Alliance Hybrid Account-i/Alliance Elite Account-i

This account is based on the Shariah principle of *Qard*.

Only individuals (Malaysian citizens and permanent residents or \*foreigners with valid working permit) who have attained at least 18 years of age and are of sound mind are eligible to open either a Personal or Joint *Alliance Hybrid Account-i/Alliance Elite Account-i*. Companies, partnerships, associations and clubs are not eligible.

In order to open an *Alliance Hybrid Account-i/Alliance Elite Account-i*, the customer is required to deposit a minimum sum of RM250.00 for an account without cheque book facilities or RM500.00 for an account with cheque book facilities or such amount advised by the Bank from time to time.

An introducer is not required when opening an *Alliance Hybrid Account-i/Alliance Elite Account-i*. Other current and/or savings accounts can be maintained alongside the *Alliance Hybrid Account-i/Alliance Elite Account-i*.

\*Applicable for *Alliance Hybrid Account-i* only.

3. Basic Current Account-i/Current Account-i/Alliance Hybrid Account-i/Alliance Elite Account-with cheque book facilities

Upon opening any of the above accounts, the Bank is empowered to honour and comply with all cheques, promissory notes and other orders drawn and all bills accepted on behalf of the account holder(s), to comply with all instructions given for or in respect of any such accounts of any kind whatsoever on behalf of the account holder(s) upon receipt of monies deposited with the Bank on any account(s) in the name of the account holder(s), provided that such cheques, promissory notes, orders, bills or instructions are signed by the account holder(s), partners, director or by the authorised signatory(ies) notwithstanding whether the account has a credit or debit balance.

4. Basic Savings Account-i/Savings Account-i

This account is based on the Shariah principle of *Qard*.

The *Basic Savings Account-i* is only available for individuals (Malaysian citizens and permanent residents). Any application to open a *Basic Savings Account-i* for a minor (child aged below 18 years old) is deemed as consented when the parent or legal guardian signs the application form consenting to the same. A child who has attained the age of at least 12 years old and has been issued with a valid MyKad is allowed to open a *Basic Savings Account-i* in his/her personal name. The individual shall only be entitled to open one *Basic Savings Account-i* with the Bank.

A *Basic Savings Account-i* may be opened with an initial deposit of not less than RM20.00 or such amount as advised by the Bank from time to time. A minimum of RM20.00 or such other amount as may be determined by the Bank must be maintained in the account.

The *Savings Account-i* is available for individuals, associations, clubs and societies. Any application to open a *Savings Account-i* for a minor (child aged below 18 years old) is deemed as consented when the parent or legal guardian signs the application form consenting to the same. A child who has attained the age of at least 12 years old and has been issued with a valid MyKad is allowed to open a *Basic Savings Account-i* in his/her personal name. The individual shall only be entitled to open one *Basic Savings Account-i* with the Bank.

A *Savings Account-i* may be opened with an initial deposit of not less than RM250.00 or such amount as advised by the Bank from time to time. A minimum of RM20.00 or such other amount as may be determined by the Bank must be maintained in the account.

Clear instructions on the operation of the account must be provided to the Bank. The acceptance and continuance of the *Savings Account-i* shall be entirely at the discretion of the Bank.

5. Alliance My eSavings Account-i

This account is based on the Shariah principle of *Qard*.

The *Alliance My eSavings Account-i* is only available for individuals. Individuals who have attained the age of at least 18 years are eligible to open an *Alliance My eSavings Account-i* in their personal name. An *Alliance My eSavings Account-i* may be opened with an initial deposit of not less than RM250.00 or such amount advised by the Bank from time to time. A minimum of RM20.00 or such other amount as may be determined by the Bank must be maintained in the account.

The acceptance and the continuance of the *Alliance My eSavings Account-i* shall be entirely at the discretion of the Bank.

Opening of the *Alliance My eSavings Account-i* can be done via **allianceonline**. Alternatively, account opening can be done at any of our branches. Opening of Joint Account is only available at branches.

6. Alliance SavePlus Account-i

This account is based on the Shariah principle of *Qard*.

*Alliance SavePlus Account-i*, may be opened with an initial deposit of not less than RM250.00 for an account without cheque book facilities or such other amount as advised by the Bank from time to time.

Only individuals (Malaysian citizens, permanent residents and foreigners) who have attained at least 18 years of age and are of sound mind are eligible to open either a *Personal* or *Joint Alliance SavePlus Account-i*. Companies, partnerships, associations, societies, unions and clubs are not eligible.

An introducer is not required when opening an *Alliance SavePlus Account-i*. Other current and/or savings accounts can be maintained alongside the *Alliance SavePlus Account-i*.

7. *Junior Smart Saver-i*

This account is based on the Shariah principle of *Qard*.

*Junior Smart Saver-i (JSS-i)* is an account available for children below the age of 18 years old with an additional optional benefit of an Islamic Debit Card. A JSS-i account will be opened in the joint names of the parent or legal guardian as the primary accountholder and the child as the beneficiary to the said account.

An individual who has attained the age of at least 12 years old and has been issued with a valid MyKad is eligible to open a *JSS-i* in his/her own name as primary accountholder. A debit card can be issued to an individual aged from 13 years (with MyKad) to 17 years old subject to the parent or legal guardian of the individual signing an Indemnity Letter for issuance of the Islamic Debit Card.

The application for account opening must be made by the parent or legal guardian who consents to the account opening by signing the application form as the account is being opened for a minor aged below 18 years old. For JSS-i account, only one (1) parent or legal guardian and one (1) beneficiary per account are permitted.

A *JSS-i* account may be opened with an initial deposit of RM100.00 or such amount advised by the Bank from time to time. A minimum of RM10.00 or such other amount as may be determined by the Bank must be maintained in the account at all times.

The acceptance and continuance of a *JSS-i* account shall be entirely at the discretion of the Bank.

8. *Alliance Term Deposit-i*

This product is based on the Shariah principle of *Murabahah via Tawarruq*.

*Alliance Term Deposit-i (ATD-i)* is open to individual customers and any business or non-business organisation. Individuals who have attained the age of at least 18 years are eligible to open an *ATD-i* account in their personal name or on a joint account basis.

The *ATD-i* shall be available for tenures of 1 to 60 months.

The minimum placement amounts are RM5,000.00 for 1 month tenure and RM500.00 for tenures of 2 to 60 months.

In opening the *ATD-i* account, you would have agreed to the Terms and Conditions governing the *ATD-i* account. The acceptance and continuance of the account shall be entirely at the discretion of the bank.

9. *Junior Smart Term Deposit-i*

This product is based on the Shariah principle of *Murabahah via Tawarruq*.

*JSTD-i* is only available for individual customers aged below 18 years. The account must be opened jointly with a parent/legal guardian where the parent/legal guardian is the primary accountholder while the child is the beneficiary. The application to open an account must be made by the primary accountholder.

Only one (1) parent or legal guardian and one (1) beneficiary per account are allowed. Companies, partnerships, associations and clubs are not eligible for *JSTD-i*.

The *JSTD-i* is available for tenures of 12 to 60 months with a minimum placement of RM500.00.

By opening *JSTD-i*, the customer agrees to the Terms and Conditions governing the *JSTD-i* account. The acceptance and continuance of the account shall be entirely at the discretion of the bank.

#### 10. Islamic Debit Card

The Islamic Debit Card is based on the Shariah principle of ujah (fee).

The customer will be charged fees for the usage of the Islamic Debit Card in view of the services, benefits and privileges provided by the Bank. Such services include payment facility for goods and services and cash withdrawal from the customer's account via automated teller machine.

Only one (1) Islamic Debit Card of such category and type as may be determined by the Bank in its discretion shall be issued for each account. In the case of joint accounts, only the person identified as the principal accountholder shall be issued the Islamic Debit Card. The customer shall indemnify the Bank against all actions, proceedings, claims, demands, losses, damages, costs and expenses (including legal fees on a solicitor-client basis) which the Bank may sustain or incur arising out of or in connection with the use of the Islamic Debit Card by the principal accountholder. For issuance of an Islamic Debit Card to a child between the ages of 13 to 17 years old who has opened an account with the Bank in his/her name, the parent or legal guardian of the child must sign a letter of indemnity before the Islamic Debit Card is issued. Please refer to 'Withdrawals' for terms of usage of the Islamic Debit Card issued to a minor with a *JSS-i* account.

Usage of the Islamic Debit Card shall be governed by and subject to the terms and conditions contained herein, including conditions for **alliance** online service and any other relevant terms and conditions in respect to the account, as well as other rules and regulations as may be binding on and/or applicable to the Bank from time to time.

For Islamic Debit Card, the parent or legal guardian is required to sign a Letter of Indemnity to facilitate utilisation of the debit card by the child/account beneficiary.

#### 11. Joint Account

You authorise the Bank to place all monies received by the Bank from the account of either one or both of you to the credit of the joint account and deliver any documents and securities the Bank may hold on your joint account to either one or both of you.

The Joint Account that is:

- without in any way limiting the foregoing general request to make at the request of either one of you any advance to you by way of financing or Cashline Facility-i or in any other manner howsoever with or without security and you will be jointly and severally responsible for the payment of any monies advanced to either one of you on the said account or accounts together with profit thereon:
- at any time to either one of you to combine or consolidate any or all of the banking accounts whether in any of your individual names or in your joint names with liabilities to the Bank and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of your liabilities to the Bank on any other account or in any other respect, and whether such liabilities be actual or contingent, primary or collateral or several or joint:
- operated with a single signing authority, instructions from any one of the Joint Account holders will be accepted by the Bank and such instructions will be binding on the other Joint Account holders. If, prior to acting on instructions received from one Joint Account holder, the Bank receives contradictory instructions from another Joint Account holder, the Bank may choose to act thereafter only on the mandate of all the Joint Account holders of the Joint Account, notwithstanding that the Joint Account requires single signing authority.

#### 12. External Account

An External Account is allowed to be opened for customers in accordance with the Foreign Exchange Administration Rules (FEA Rules or any other relevant regulation in force.

#### 13. Guardian Account

Guardian accounts are accounts maintained by parents or legal guardians for minors.

#### 14. Executors And Administrators Account

An executor may be defined as a person who has been appointed by a testator (the deceased person) for the purpose of winding up the testator's estate in accordance with the instructions contained in the testator's last will.

An administrator is appointed by the court when a person dies wholly intestate (without a will) or where no executor is named in the will or the named executors are dead or they renounce their appointment or are incapable of acting.

Islamic Debit Card is strictly prohibited for this type of account.

## Deposits

All cheques etc. sent to the Bank by post for the credit of your account must be "crossed" with two parallel lines across the face of a cheque and be accompanied by a letter or completed deposit slip so that there can be no doubt as to how the cheques are to be applied.

Deposits of cash/cheques and other instruments should be made by completing our prescribed deposit slips, which are available at the Bank. When you make a deposit to your account, you will receive a copy of the deposit slips, which must bear the initial of an Authorised Officer of the Bank, or be validated by a teller machine. Cheques are received for collection only and the temporary receipt should not be construed to mean that the cheque deposited into your account has been cleared. You may only draw against it after sufficient time has elapsed for dishonoured items to be returned.

Although every endeavor is made to process all deposit slips on the day of receipt, cheques, drafts, money orders etc. that are lodged in the afternoon may not be in time for clearing to other banks on the same day and will be forwarded for clearance on the following business day. The relevant times applicable to each office vary and we shall be pleased to supply you with further information upon request. Notice of dishonour of cheques will be given as soon as possible once received by the Bank.

Cheques and other instruments deposited and subsequently dishonoured will be returned to your last known address by prepaid ordinary post at your own risk and expense. You must immediately notify the Bank in writing of any change in the mailing address, electronic mail address or mobile phone number.

## Withdrawals

1. *For Basic Current Account-i/Current Account-i/Alliance Hybrid Account-i/Alliance Elite Account-i with cheque book facilities*

Withdrawals can be made (i) through encashment of cash cheques at the Bank's teller counter; or (ii) at any of the Bank's Automatic Teller Machines (ATM); or (iii) any other ATM network (MEPS) of which the Bank is a member; or (iv) via **alliance**online for transfer of funds; or (v) through a withdrawal slip which must be completed and signed by customer (only applicable for selected categories of customers).

2. *For Basic Savings Account-i/Savings Account-i/Alliance Hybrid Account-i/Alliance Elite Account-i without cheque book facilities*

Cash withdrawals can be made (i) personally at the branch where the account is maintained; or (ii) personally at any of the branches; or (iii) at any of the Bank's ATM or any ATM network (MEPS) of which the Bank is a member; or (iv) via **alliance**online for transfer of funds. For *Basic Savings Account-i/Savings Account-i*, customer must bring along the savings account passbook and a withdrawal slip must be completed and signed when making an over the counter withdrawal. The Bank reserves the right to request for identification papers from the customer before making payment.

3. *For Alliance My eSavings Account-i*

Withdrawals can be made (i) personally at any of the Bank's ATM or any ATM network (MEPS) of which the Bank is a member; or (ii) personally at any branch of the Bank in Malaysia with an over the counter transaction charge of RM5.00 per transaction; or (iii) via **alliance**online for transfer of funds.

The Bank reserves the right to request for identification papers from the customer before making any payment.

4. For Alliance SavePlus Account-i

Withdrawals can be made through (i) any of the Bank's ATM or any ATM network (MEPS) of which the Bank is a member; or (ii) via allianceonline for transfer of funds; or (iii) a withdrawal slip which must be completed and signed by customer (only applicable for selected categories of customers).

The Bank reserves the right to request for identification papers before making any payment.

5. For Junior Smart Saver-i

The accountholder is allowed to make cash withdrawals at any of the Bank's branches provided that there is available balance in the account. A withdrawal form must be completed and signed when making any withdrawal.

For withdrawals via the Islamic Debit Card, withdrawals are subject to the maximum limit set during account opening.

The maximum limit for the Islamic Debit Card withdrawal per month is RM500.00 and the withdrawal limit may be changed to a lower limit through the bank's counter at any of the Bank's branches. Only the parent or the legal guardian is allowed to change the limit.

Withdrawals via debit card can be made at any of the Bank's ATM or any ATM network (MEPS) of which the Bank is a member and limited to the monthly maximum amount set up as per the accountholder's request. The limit is inclusive of point-of-sale (POS) transaction limit.

Any cash withdrawal that exceeds the monthly maximum limit can be performed at any of the Bank's branches over the counter or via **allianceonline** for transfer of funds.

The Bank reserves the right to request for identification papers before making any payment.

## **Placement**

1. For Alliance SavePlus Account-i

*Alliance SavePlus Account-i* becomes effective upon placement of cash, receipt of funds from account transfer or clearance of local/outstation cheques.

2. For ATD-i and JSTD-i

*ATD-i and JSTD-i* becomes effective upon placement of cash, receipt of funds from account transfer or clearance of local/outstation cheques.

Funds received through this account will be utilised by the Bank without restrictions for investments and provision of financing that are permissible by Shariah Law.

You are required to inform the Bank at the time of placement on the treatment of the deposit on its due date. In the absence of any instructions by you, the Bank may renew the deposit for the same term.

## **Renewal and Withdrawal**

### For ATD-i/JSTD-i

You are required to produce the duly endorsed receipt/certificate for *ATD-i/JSTD-i* in order to renew or withdraw the *ATD-i /JSTD-i* certificate.

The parties hereby agree that each placement is renewable automatically upon the expiration of the prevailing placement period. The customer shall give the Bank prior written notification should the customer intend to uplift the placement.

Any changes to the profit rates shall be communicated to the customer by the Bank via notice posted at the branches or in any manner as the Bank deems fit. The revised profit rate will only take effect upon expiry of the prevailing placement period. If the customer does not agree with the proposed changes, the customer can uplift the placement so that the account will be closed on maturity date or pre-arrange for the Bank to close the account upon maturity.



The customer reserves the right to withdraw the deposit placement amount on the maturity date. For withdrawals other than on maturity dates (premature withdrawals), the Bank reserves its right to honour such requests subject to the availability of funds yet to be utilised for investments and receipt of a notice from the customer in accordance with its prevailing practices. In view of the premature withdrawal, the customer shall provide rebate (ibra') on the profit that was agreed at the time of placement and no profit shall be paid by the Bank for the placement. The same terms shall apply for premature withdrawals of *ATD-i* opened via **allianceonline** and the Alliance Bizsmart platform.

*ATD-i* and *JSTD-i* placements originally made at branches can only be withdrawn at branches. *ATD-i* placements originally made via **allianceonline** or the Alliance BizSmart platform can only be withdrawn via **allianceonline** or the Alliance BizSmart platform respectively. The *ATD-i* receipt/certificate is deemed cancelled after the placement tenure has expired, regardless of whether the original *ATD-i* receipt/certificate is returned to the Bank.

Partial withdrawal of the deposit is not allowed during the tenure of the *ATD-i/JSTD-i*. If the deposit is withdrawn before its maturity date, then the profit payable, if any, will be in accordance with the rules of the Association of Islamic Banking Institution in Malaysia currently in force.

The customer may request for auto renewal of his/ her *JSTD-i* account. Once the customer has reached the maximum age allowed of 18 years old and upon maturity of the placement, the principal and profit will be credited into a savings account of the customer. Crediting of the principal amount and profit to a third party account is strictly not allowed.

### **Murabahah Sale Price**

- a) Murabahah Sale Price refers to the principal amount plus profit.

The formula for deriving the Murabahah Sale Price for *ATD-i* and *JSTD-i* is as follows:

$$\frac{\text{Principal Amount} \times \text{Rate} \times \text{No. of Days}}{365/366}$$

- b) The formulas to derive the Murabahah Sale Price for current accounts and savings accounts are as follows:

- (i) Day 1 (date of account opening – Current Date)

$$\text{Ceiling Profit} = \text{End of day Balance} \times \text{Ceiling Rate} \times [\text{Maturity date}^* - \text{Current Date}] / 365$$

$$\text{Murabahah Sale Price} = \text{End of day balance} + \text{Ceiling Profit}$$

\*Note: Maturity Date for all *CASA-i* Tawarruq contract is as at 31 December each year.

- (ii) Subsequent days

$$\text{Ceiling Profit} = \text{End of day net deposit amount} \times \text{Ceiling Rate} \times 1/365$$

$$\text{Murabahah Sale Price} = \text{End of day net deposit amount} + \text{Profit}$$

*\*End of day net deposit amount refers to the difference between the end of day balance of the previous day and the end of day balance of the current day*

### **Profit**

1. For Basic Current Account-i/Current Account-i/Alliance Hybrid Account-i/Alliance Elite Account-i

The Bank shall pay profit to the account holder at such rate determined by the Bank from time to time which shall be credited at the end of each month. In the event that your average monthly balance falls below RM1,000.00, a half-yearly fee of RM10.00 or an amount to be stipulated from time to time by the Bank will be levied.

2. For Basic Savings Account-i/Savings Account-i/Alliance My eSavings Account-i

The Bank shall pay profit to the account holder at such rate determined by the Bank from time to time which shall be credited **half-yearly** or at such other intervals as may be determined by the Bank. Profit will be computed based on the daily balance or on any other basis which the Bank may at its discretion determine. You must present your passbook to obtain a record of the posting of profit paid by the Bank.

3. For ATD-i and JSTD-i

The profit payable depends on the agreed profit rate as set out in the *ATD-i* and *JSTD-i* placement receipt which is computed based on the following formula:

$$\frac{\text{Principal Amount} \times \text{Profit Rate} \times \text{No. of Days}}{365/366}$$

The Bank will credit the profit (if any) from the *ATD-i* account to the customer's *ATD-i* or savings or current account with the Bank on the maturity date. For *JSTD-i*, the Bank will credit the profit (if any) from the *JSTD-i* account to the customer's *JSTD-i* or savings with the Bank on the maturity date. Payment of profit must be credited to an account owned by the customer.

4. For Alliance SavePlus Account-i

The Bank shall pay profit to the account holder at such rate determined by the bank from time to time. Profit will be computed based on balances or on any other basis which the Bank may at its discretion determine.

## Cheques

You shall only use cheques supplied by the Bank at all times to draw on your account. When you draw cheques, please ensure that the amount, both in words and figures is written clearly and in such a way that the insertion of any words or figures can be prevented. A line drawn "—————" or the word "only" or "sahaja" should be added after the amount is expressed in words.

The Bank restricts the deposit of cheques payable to the account holder(s) only. Only cheques payable to the account holder as per the account holder's name maintained in the Bank may be deposited into the account. Third party cheques are strictly not allowed to be deposited into the account. You shall ensure that sufficient funds are maintained in your account at all times for payment of cheques issued. A charge of RM150.00 will be imposed for every returned cheque owing to insufficient funds in your current account. A warning will be issued after the first cheque is returned due to insufficient funds.

The Bank shall have the right to refuse to honour cheques where the signature(s) of any of the account holder(s) and/or authorised signatory (ies) differs from the specimen signature provided to the Bank. No alterations whatsoever shall be made on the cheques. The Bank reserves the right to dishonour and return cheques that in the Bank's opinion bears any form of alteration (whether countersigned by you or otherwise).

If you wish to stop payment of a cheque, you must give us the full particulars of the cheque to be countermanded in writing and sign the letter in the same manner as per the cheque drawn on your account. Instructions to stop payment may be made through **allianceonline**. As a particular risk exists where cheques may get lost before they have been completed, please keep your cheque book in safe custody.

The Bank reserves the right to levy a service charge of RM15.00 or such other amount as may be determined by the Bank from time to time for executing each and every stop payment instruction. For every post-dated cheque returned, RM10.00 per cheque will be collected from the payee.

Application for new cheque books shall be made through the Bank's printed application forms or the Bank's **allianceonline** facility. It is important to ensure that all cheques are accounted for in the new cheque book when you receive it from us and trustworthy messengers should be sent to collect a cheque book if you are unable to collect the same personally. Please do not give cheques from your cheque book to another person, or borrow cheques from somebody else, as there is a chance that these items may be applied to the wrong account.

When the Bank accepts or incurs liability for or at your request, any funds and/or securities and/or other valuables belonging to you deposited with the Bank shall automatically become security to the Bank and the Bank shall have the right to retain such funds, securities and/or other valuables and/or any part thereof and even dishonour cheques issued by you until the liability is settled.

Cheques should only be issued exclusively for purposes that do not contravene Shariah Principles. However, the Bank is not obligated to check and/or to ensure that the cheque is issued exclusively for the purpose as mentioned and your obligations shall not in any way be prejudiced or affected or diminished by reason that the cheque is issued for some other purpose (whether or not the Bank has notice of that fact).

You will indemnify the Bank, as collecting banker, in respect of any loss which the Bank may incur by reason of its guaranteeing any endorsements or discharges, on any cheque presented at your express request in every case.

### **Savings Passbook**

The passbook which is neither transferable nor assignable must be presented at the counter for every transaction. The amounts of each deposit and withdrawal will be entered in the passbook. Any payments made by the Bank upon the production of the passbook shall have the same effect as if the payment has been made to you personally and the Bank will not be responsible for any loss suffered by you or by any other party.

The passbook shall not be tampered or altered with respect to matters relating to the transactions either by you or any other party.

You should examine your passbook to confirm that the correct entries have been made before leaving the Bank. The passbook should be presented to the Bank as and when required by the Bank for any profit/dividend or unposted items to be credited. The passbook is for your reference and does not necessarily indicate the correct balance of the account as deposits may have been made or items charged without an entry having been posted in the passbook. Entries in the passbook are not valid unless entered by the machine print or otherwise should bear the signatures of the Bank's authorised officers.

*For Basic Savings Account-i*

*Effective 16 March 2020, the Bank will no longer be issuing passbook for new Basic Saving Account-i opened. You will be issued with an Islamic Debit Card and you can check the transactions via ATM or **allianceonline**.*

### **Depositor's Capacity to Contract**

You must have the capacity to contract. Under the Bank's policy, an individual who has attained the age of 18 may only open an account under his/her own name. A minor may also open an account but the account shall be opened jointly with and operated only by the parent/legal guardian.

*Basic Savings Account-i/Savings Account-i* can be closed at the request of the customer, by operation of law or at the discretion of the Bank.

An account can be stopped in the event of death, bankruptcy or insanity of the account holder.

### **Duties of Depositors**

The cheque book/passbook/term deposit-i receipt or certificate should be kept in safely in your own custody and the Bank shall not accept responsibility for any loss caused through your own negligence, or if any person shall obtain possession of the cheque book/passbook/term deposit-i receipt or certificate and fraudulently obtain payment of any sum belonging to you.

### **Loss of Passbook**

Upon the loss or destruction of this passbook, you shall immediately give notice in writing to the Bank of such loss or destruction. Upon production of such evidence and execution of an indemnity and payment of a sum specified by the Bank, the Bank may close your existing account and open a new account.

### **Replacement of Passbook**

If a passbook is worn out or defaced, the Bank may, on delivery of such passbook and payment of a sum specified by the Bank, replace the defaced passbook or issue to you a new passbook.

### **Loss of Certificate**

You should immediately inform the Bank on the loss of the *ATD-i/JSTD-i* certificate by giving notice in writing to the Bank. Upon execution of an indemnity and payment for the stamp duty charges based on the prevailing rate, the Bank will issue a receipt to you.

### **Overdrawn Account**

Please ensure that your account does not become overdrawn unless you have made prior special arrangements with the Bank. Where special arrangements have been made, the amount advanced by the Bank ("Overdrawn Amount") shall be treated as a loan from the Bank (lender) to you (borrower) based on the Shariah contract of *Qard*.

The Overdrawn Amount shall be temporary in nature and shall be payable by you on the same day or upon demand from the Bank.

A fee of RM150.00 or any other amount as shall be announced by the Bank from time to time will be levied on each cheque that is dishonoured owing to insufficient funds.

A Cashline Facility-i is available for non-temporary advances and can be applied for separately.

### **Statement of Account**

1. *For Current Account-i/Alliance Hybrid Account-i/Alliance Elite Account-/Alliance SavePlus Account-i*

A statement of account setting out all the transactions on the account will be sent to you once a month via electronic medium unless we receive an instruction to the contrary from you. You are to examine the entries in the statement of account and to report immediately to the Bank in writing if any error is found therein. In the absence of any objection within fourteen (14) days from the date of the statement of account, it shall be deemed that all entries therein are correct. The Bank reserves the right to make corrections as and when necessary if the error is discovered by the Bank.

2. *For Alliance My eSavings Account-i/Junior Smart Saver-i*

A statement of account setting out all the transactions on the account can be viewed via **allianceonline**. Statements are available for a period of 6 months only

### **Withholding Tax**

Withholding tax or any form of tax charge or fee, which may be imposed by the relevant authorities from time to time, will be deducted at the time of payment of dividend.

### **Closure of Account**

1. *For Current Account-i/ Alliance Hybrid Account-i/ Alliance Elite Account-i*

The Bank reserves the right to close your account by serving a notice by ordinary mail addressed to your usual or last known address or in such form and manner as determined by the Bank and shall not be bound to disclose any reason thereof.

Upon closure of your account by you or by the Bank, all unused cheques shall become the property of the Bank and should be returned to the Bank.

2. For Alliance My eSavings Account-i

For closure of account within 6 months from the date the account was opened, a closure fee of RM20.00 will be imposed.

3. For Alliance SavePlus Account-i

The Bank reserves the right to close your account by serving a notice by ordinary mail addressed to your usual or last known address or in such form and manner as determined by the Bank and shall not be bound to disclose any reasons thereof.

Any request to close the joint account must be confirmed by all accountholders.

For closure of account within 3 months from the date of account was opened, a closure fee of RM20.00 will be imposed. For closure of account after 3 months, a closure fee of RM10.00 will be imposed.

### **Closure of Joint Account**

• Savings Account-i

Any request to close the joint account must follow the conditions for the operation of the account as stated in the Personal/Joint Account Application Form.

• Current Account-i

Any request to close the joint account must be confirmed with by all accountholders.

### **Automatic Closure of Accounts**

1. For Basic Savings Account-i/Savings Account-i

When you withdraw the whole of your account balance, or if at any time the balance in your account is RM10.00 or less and the account has been dormant for one (1) year, then, upon notice being given, your account will automatically be closed. The amount remaining will be treated as service charges or dealt with in any manner as the Bank may deem fit.

2. For Alliance My eSavings Account-i

When you withdraw the whole of your account balance, or if at any time the balance in your account is RM10.00 and the account has been dormant for sixty (60) days, then, upon notice being given, your account will automatically be closed. The amount remaining will be treated as service charges or dealt with in any manner as the Bank may deem fit.

3. For Junior Smart Saver-i

When you withdraw the whole of your account balance, or if at any time the balance in your account is RM10.00 or less and the account has been dormant for **one (1) year**, then, upon notice being given, your account will automatically be closed. The amount remaining will be treated as service charges or dealt with in any manner as the Bank may deem fit.

### **Conversion of Accounts**

For Junior Smart Saver-i only

When you as accountholder (for those aged 12 years old (with MyKad) to 17 years old) or as beneficiary of a JSS-i account have attained the age of 18 years old, all benefits extended under JSS-i will be revoked accordingly in the following month upon attaining the age of 18 years old. The JSS-i account will automatically be converted into an adult Alliance My eSavings Account-i according to the original name in the JSS-i account and the JSS-i account number will be retained accordingly for the Alliance My eSavings Account-i. Thereafter upon conversion of the said account to an adult savings account, the terms and conditions of the Alliance My eSavings Account-i shall govern the operation of the account accordingly.

## Collection of Negotiable Instruments

### For Basic Savings Account-i/Savings Account-i

The proceeds of all bills, notes, cheques and other instruments sent to the Bank for collection may not be drawn against until they have been realised notwithstanding any entry posted in the passbook by the Bank. In case of any collection item being dishonoured or in the event of any dispute and adverse claim arising out of such collection, you shall be personally liable for the settlement thereof. Where collection items are returned to the Bank unpaid, the Bank reserves the right to debit the item to your account.

## Specific terms for commodity murabahah deposit products

### 1. Request for Quotation of Commodity Price

The customer may request for quotation on the price of commodities at any Alliance Bank branch. Upon receipt of such quotation from the Bank, the customer shall provide confirmation to the Bank (if several quotations were provided) by electronic mail or telephone on the preferred price prior to the Bank purchasing the Commodity on the customer's behalf. The quotations are subject to market changes in the prices of commodities on a daily basis.

### 2. Underlying asset

The types of commodities traded are crude palm oil and London Metal Exchange (LME) metals i.e. primary aluminium, platinum, LME special high grade zinc, LME copper grade A palladium.

Commodity trading is carried out via a third party service provider appointed by the Bank (Bursa Malaysia Islamic Services Sdn. Bhd. or Eiger Trading Advisors Ltd.).

### 3. Issuance of trading certificate

The trading transactions will be supported by certificates indicating the ownership of the transacted asset and details of the asset such as its location, quality and quantity. Request for Delivery of Commodities

The customer may request for delivery of the Commodity at any Alliance Bank branch with prior notification given to the Bank and before the Bank sells the commodity to itself. Upon receipt of the customer's request, the Bank as the customer's agent shall liaise with the commodity trade service provider for the said delivery. The delivery of the Commodity shall be in accordance with the procedures of the respective commodity trade service providers engaged by the Bank. The delivery process fee and all other delivery charges shall be borne by the customer. Upon taking delivery of the Commodity, the customer shall make payment to the Bank for the cost of the Commodity including the fees and delivery charges on a spot basis and the Bank shall immediately be discharged from all further liabilities in relation to the Agency Agreement including its obligation to sell the Commodity to the Bank on behalf of the customer. The Bank will thereafter utilize the funds received from the customer to make payment to the supplier for the Commodity on behalf of the customer through the commodity trade service provider. In view of the delivery request by the customer, there will be no placement of ATD-i or JSTD-i with the Bank.

If a defect in the Commodity existed prior to the sale by the Bank and is discovered after the execution of the sale contract, the customer is entitled to *khiyar al-'ayb* (defect option), whereby the customer has the right to:

- a) terminate the sale contract;
- b) vary the terms of the sale contract as to be mutually agreed with the contracting parties; or
- c) continue with the sale contract on an "as-is" basis.

Any defect in the Commodity which is discovered and consented by the customer at the time of entering into each sale and purchase contract shall disqualify the customer from entitlement to the defect option.

The Bank and the customer may mutually agree for the Bank to waive liability for any defect on the asset before entering into the sale and purchase contract.

The customer may agree to waive the Bank's liability for any defect on the Commodity that existed prior to the sale and purchase contract between the Bank and the customer.

Any dispute with regard to the quality of the Commodity shall be dealt with in accordance with the procedures of the respective commodity trade service providers engaged by the Bank.

The sale and purchase contract between the Bank and the customer is dissolved when:

- a) the customer exercises the defect option to terminate the sale and purchase contract;
- b) either the Bank or the customer exercises mutually agreed options to terminate the sale and purchase contract within the agreed time period;
- c) either the Bank or the customer exercises the option to terminate the sale and purchase contract due to breach of the terms and conditions for the facility; or
- d) both contracting parties mutually agree to terminate the sale and purchase contract.

Upon dissolution of the sale and purchase contract, the asset shall be returned to the Bank if it has not been sold to a third party and the price paid shall be returned to the customer. The dissolution of the sale and purchase contract shall be effective provided that the asset can be returned to the Bank, failing which the Bank shall be entitled to the value of the asset which shall be payable by the customer.

The changes in prices of commodities are subject to market changes and the deposit amount will not be affected. The Bank shall sell and purchase London Metal Exchange metals via Eiger Trading Advisors Ltd., crude palm oil via Bursa Suq Al-Sila' ("BSAS") or any other Shariah compliant commodity through other commodity trade service providers engaged by the Bank.

#### **Communication, Notices and Alerts Policy**

The Bank may send statements, notices, alerts and such other forms of communication to your correspondence address or via electronic medium such as email or sms to your contact particulars as per the Bank's latest records.

Subject to proper verification, the Bank may rely and act upon any verbal or written instructions received from the customer through any mode acceptable to the Bank as it may deem fit in its discretion including but not limited to, by telephone, online or facsimile. The Bank shall not be held liable to the customer in any way for acting in good faith upon such instructions notwithstanding that it is subsequently shown that the same was not given by the customer, or for any misunderstanding or any error, loss, delay, or damages suffered as a consequence of the Bank acting on or acceding to any such instruction or request.

#### **Notice of Address and Signature Change**

All statements, correspondences and communications sent to your last known address, email, phone, fax or such other forms of contact as per the Bank's record shall be deemed to have been duly delivered. Any changes in your address, email, phone, fax or such other forms of contact must be made in writing and signed by you in accordance with the Specimen Signature lodged with the Bank and promptly notified to the Bank in writing. Such changes may also be made through **alliance**online or through the Bank's Contact Centre.

Please use the same signature on all cheques, documents and correspondences with the Bank, as per the Specimen Card lodged with us at the time you opened the account. If you wish to change your signature, kindly contact the Bank to arrange for affecting the same.

#### **Unclaimed Monies Act 1965**

You are advised to keep your account active as it is a requirement under the Unclaimed Moneys Act 1965 that any monies to the credit of an account which has not been operated for a period of seven (7) years must be gazetted as "Unclaimed Monies", and twelve (12) months thereafter will be remitted to the Consolidated Trust Account maintained by the Government.

### **Banking Charges**

The Bank shall be entitled to charge a fee for any of its services provided to you at the rates as notified by the Bank at least twenty-one (21) days before the changes are made. All banking charges when due shall be debited to your account. For updates to the applicable fees and charges, the customer (depositor) is required to refer to the Bank's public website.

### **Taxation**

Unless otherwise specified herein, the Bank's fees exclude any current and future taxes (if any) that may be imposed, under the relevant legislation. Upon the effective date of implementation of any such taxes in the future and wherever applicable, the Bank shall be entitled to recover such taxes from you.

### **Right to Set-Off**

The Bank, in addition to any general lien or other similar right to which it is entitled by law, may at any time, combine or consolidate any or all of the banking accounts with your liabilities to the Bank and set-off or transfer any sum or sums standing in the credit of any one or more of the banking accounts in or towards satisfaction of any of your liabilities to the Bank whether such liabilities to the Bank be primary or collateral or joint and several.

### **In The Event of Death (Survivor Provision)**

Subject to any legislation applicable thereto, on the death of any one joint account holder the Bank may hold any credit balance or balances now or hereafter standing to any account or accounts in your joint names and any securities held in your joint names to the order of the survivor or survivors without prejudice to the Bank's right of consolidation and set-off contained herein or the Bank's rights in respect of such balance or securities arising out of any lien charge pledge counter-claim or otherwise whatsoever or to any step which the Bank may deem it desirable to take in view of any claim by any person other than the survivor(s).

If a Muslim account holder or Joint account holder(s) of the account dies, the survivor or survivors shall receive the funds of the deceased as the appointed administrator (wasi') and will then be responsible to distribute the credit balance in accordance with the law of inheritance (fara'id). The bank is not responsible to ensure whether the legal heir of the administrator (wasi) has distributed the asset according to any substantive law or law of inheritance (fara'id).

### **Liability for Loss**

You shall not hold the Bank liable in any way for any loss whatsoever incurred by the operation of any account opened by you with the Bank save where such loss is directly attributed to the willful negligence of the Bank.

### **Indemnity**

You hereby agree to indemnify and keep the Bank fully indemnified at all times from and against all claims, actions, proceedings, demands, losses, damages, costs, charges and expenses whatsoever including solicitors fees (on "solicitor-client" basis) that may be suffered, sustained and/or incurred by the Bank in connection with or arising out of the Bank agreeing to your request and allowing you to maintain and/or access to the facilities/services applied for.

### **Modification and Amendment of the Rules & Regulations**

Subject to any legal or regulatory requirement, the Bank reserves the right to revise any of its requirements in terms of value or figures including account balances, charges, fees, the number of transactions and any other value that has been quantified as indicated in the applicable clauses and brochures by providing at least twenty one (21) calendar days notice prior to implementing the changes.

The Bank reserves the right to add, vary and/ or modify or amend any of these Terms and Conditions at any time at its discretion with prior notice; and such additions, variations and modifications shall be



posted from time to time in the Bank and/or advertised in the press and the website at least twenty one (21) calendar days notice.

If customer (depositor) disagrees with any of the variation and/or modification and/or amendment of these Terms and Conditions, customer is advised to contact the Bank for another solution and/or option.

#### **Perbadanan Insurans Deposit Malaysia (PIDM)**

All Islamic deposits are protected by PIDM up to RM250,000 for each depositor.

#### **Disclosure of Information**

You irrevocably consent to and authorise the Bank and its officers and employees to disclose and furnish all information concerning your particulars and affairs (financial or otherwise), account details, relationship with the Bank, the terms of agreement and any other matters relating to you or your business and operations to the following classes of persons in such manner and to such extent as the Bank at its discretion may consider necessary:

- (a) the Bank's related companies by virtue of Section 7 of the Companies Act 2016 or any associated company of the Bank (the Bank together with the aforesaid related/associated companies are collectively referred as "Alliance Bank Group") and their assignees and successors-in-title. For avoidance of doubt, disclosure to the Alliance Bank Group shall be for facilitating the operations, businesses, cross-selling and other purposes of the Bank and/or the Alliance Bank Group provided always that disclosure for cross-selling purposes shall not be effected if such disclosure is objected by you upon written notification to the Bank;
- (b) any person for or in connection with any action or proceeding taken to recover monies due and payable by you to the Bank;
- (c) regulatory bodies, government agencies, tax authorities, the police, law enforcement bodies and courts, both within and outside Malaysia including pursuant to the Foreign Account Tax Compliance Act of the United States;
- (d) Cagamas Berhad, Credit Guarantee Corporation (Malaysia) Berhad (if applicable) and any other relevant authority as may be authorised by law to obtain such information, or such authorities/agencies established by Bank Negara Malaysia, or any agency established by the Association of Banks in Malaysia / Association of Islamic Banks in Malaysia;
- (e) Central Credit Reference Information System, credit bureaus, credit reporting agencies and corporations set up for the purposes of collecting and providing credit information;
- (f) the Bank's accountants, auditors, solicitors, advisors, consultants and/or other authorised agents as may be required for the proper performance of their functions, duties and obligations to the Bank and the Alliance Bank Group;
- (g) the Bank's service providers, nominees, agents, contractors or third party service providers engaged by the Bank and its related or associated companies to carry out the Bank's functions and activities in relations to this accounts only ;
- (h) the security parties/guarantors or any party providing security in respect of the Facility(ies);
- (i) an external party as may be required for any corporate exercises/due diligence activities undertaken by the Bank and/or the Alliance Bank Group;
- (j) any party which in the future may express intention to acquire an interest/shareholding in the Bank/pursuant to any proposed arrangement, composition, merger, acquisition/restructuring between the Bank and such parties; and
- (k) any other persons or entities with your prior consent upon verbal or written or any mode acceptable to the Bank.

You hereby irrevocably consent to such disclosure and confirm that the Bank, Alliance Bank Group, its officers and employees shall not be liable for furnishing such information or for the consequences of any reliance which may be placed on the information so furnished in accordance with the Terms and Conditions contained herein.

#### **Suspension/Freeze of Account**

The Bank reserves the right in its discretion at any time to suspend and/or freeze the operations of and/or terminate one or more of your accounts, facilities, and/or services maintained with and/or applied for from the Bank at such time and for such duration as the Bank may deem fit.

### **Foreign Account Tax Compliance Act (FATCA)**

The requirements under Foreign Account Tax Compliance Act (FATCA) forms part of the Terms and Conditions governing your relationship with the Bank and shall be binding on you to the fullest extent.

#### Definitions

The term U.S. person or United States person means a person described in section 7701(a)(30) of the Internal Revenue Code:

- a) a citizen or resident of the United States,
- b) a United States partnership,
- c) a United States corporation,
- d) any estate (other than an estate the income of which, from sources without the United States which is not effectively connected with the conduct of a trade or business within the United States, is not includible in gross income under the Internal Revenue Code), and
- e) any trust if
  - i. A court within the United States is able to exercise primary supervision over the administration of the trust.
  - ii. One or more United States persons have the authority to control all substantial decisions of the trust.

You consent and authorise/agree that;

- a) Alliance Islamic Bank Berhad, or any of its affiliates, including branches (collectively “the Bank”) to report your information to domestic or foreign authorities and/or tax authorities (where necessary) in accordance with the requirements of U.S. Foreign Account Tax Compliance Act as may be stipulated by applicable laws, regulations, agreement or regulatory guidelines or directives.
- b) That the Bank may withhold from my account(s) such amounts as may be required by domestic or foreign regulatory authorities and/or tax authority according to the requirements of U.S. Foreign Account Tax Compliance Act as may be stipulated by applicable laws, regulations, agreement or regulatory guidelines or directives.

In the event of any change in information provided to the Bank that makes me a U.S. person or recalcitrant (person who fails to comply with reasonable requests for information to determine if this account belongs to a U.S. person), the Bank has the right to terminate, suspend, cancel and/or recall your account(s) and/or facilities granted to you.

### **Opening/operation of Account for the Visually Impaired**

Blind Person (Account Holder) who is literate/illiterate can open a Deposit Account to be operated individually/jointly with the presence of a sighted companion/friend/relative of the blind person.

At the time of account opening, the signature/thumbprint input by the Account Holder must be witnessed by sighted companion/friend/relative of the blind person as Witness 1 and witnessed by an Officer of the Bank as Witness 2.

For the operation of account done over the counter, the Account Holder should affix his/her thumb impression or mark in the presence of the authorised officer who should verify the identity of the person.

The Bank official shall explain the Terms and Conditions governing the account to the blind person.

### **Fees and Charges**

You are required to refer to the Bank’s website <https://www.alliancebank.com.my/general/fees-and-charges.aspx> for the applicable fees and charges.