

“CURRENT ACCOUNT VALUE PROPOSITION” Terms and Conditions

These terms and conditions (“**T&Cs**”) apply to and govern the utilisation by the Customer of the Customer Valuation Proposition Programme (as further defined below) offered by the Habib Bank Limited (the “**Bank**”) to Eligible Customers (“**Programme**”):

1. Definitions

1.1. The following capitalised terms used in these T&Cs shall have the following meaning:

- (a) “**Auto Finance**” means the [name of auto finance product] extended to the Customer by the Bank in accordance with the terms and conditions of the [name of the auto finance product];
- (b) “**Auto Finance Documents**” means the documents entered into between the Bank and the Customer in respect of the Auto Finance;
- (c) “**Average Monthly Balance**” means the monthly aggregate amount required to be maintained by the Customer in the Designated Account.
- (d) “**Customer**” means any person that has applied for and been granted an Auto Finance and maintains a current account with the Bank;
- (e) “**Default**” means the occurrence of an Event of Default under the Auto Finance Documents, howsoever the same may be defined;
- (f) “**Designated Account**” means the Customer’s current account bearing such number, wherein the Average Monthly Balance shall be required to be maintained by the Customer;
- (g) “**Effective Date**” [Date of commencement of finance facility];
- (h) “**Eligible Customers**” means the customers that fulfil the eligibility criteria as set out in these T&Cs;
- (i) “**Preferential Rate**” means the mark-up / profit rate applicable to the Auto Finance during the Term, in accordance with these T&Cs, as communicated by the Bank to the Customer, from time to time;
- (j) “**Standard Rate**” means the applicable rate according to the Auto Finance Documents;
- (k) “**Term**” means the period commencing on the Effective Date and ending on the Termination Date;
- (l) “**Termination Date**” means the earlier to occur of: (a) the date on which all amounts due and payable by the Customer in respect of the Auto Finance have been paid to the entire satisfaction of the Customer; (b) the occurrence of a Default; or (c) any breach by the Customer of the T&Cs.

2. Programme Overview

2.1. The Programme comprises the Bank’s offering, of the Preferential Rate to the Eligible Customers, in accordance with these T&Cs, subject to the maintenance of the Required Balance in the Designated Account. Provided however, in the event at any time during the Term the Customer fails to maintain the Required Balance (“**Shortfall**”) and such

Shortfall continues for a period of consecutive two months, the same shall constitute a breach of the Eligibility Criteria, and immediately upon the occurrence thereof (“**Ineligibility Trigger**”), the Customer shall cease to be eligible for the Programme and shall no longer have benefit of the Preferential Rate. Upon the occurrence of the Ineligibility Trigger, the Standard Rate shall become applicable to the Auto Finance for the remaining term of the Auto Finance.

2.2. The Programme shall only be available to the Customer till such time as the Customer fulfils the Eligibility Criteria.

2.3. The Bank shall notify the Customer in writing of the Shortfall and request the Customer to deposit the amounts required to meet the Shortfall in the Designated Account.

3. Eligibility Criteria

3.1. The Eligibility Criteria for the programme is as follows:

- (a) PKR 10 Mn monthly average balance
- (b) Non Individual customers under:
 - i. Current Account (Freedom Account)
 - ii. Islamic Current Account;
- (c) Subject to internal credit policy approvals

3.2. Notwithstanding anything contained in these T&Cs and / or any other document, communication or correspondence between the Bank and the Customer, the Bank reserves the right to amend, modify and alter the Eligibility Criteria at its sole discretion. The Bank shall notify the Customer of any change in the Eligibility Criteria.

3.3. The Customer’s eligibility to participate in the Programme is personal to the Customer and cannot be assigned or transferred to any other person.

4. Average Monthly Balance

4.1. The Average Monthly Balance shall be determined by the Bank in accordance with its internal policies and calculation methodology, and the Bank’s determination in this regard shall be final and binding on the Customer.

4.2. The Bank has the right to review the Designated Account on a monthly basis

5. Customer’s Acknowledgment

5.1. The Customer understands and acknowledges that:

- (a) the Programme is a conditional preferential rate benefit offered to the Customer by the Bank at its discretion; and the Bank may at any time, with or without notice discontinue the Programme;
- (b) the Bank shall determine, at its sole discretion, whether the Customer meets or continues to meet the Eligibility Criteria, and the Bank’s determination in this regard shall be final and binding on the Customer;

- (c) the availability of the Programme to the Customer is subject at all times, to the Customer's compliance with these T&Cs and there being no default or continuing default in respect of the Auto Finance and any other facility or product availed by the Customer from the Bank. Any such breach may result in the withdrawal of the Preferential Rate and the application of the Standard Rate; and
- (d) the Customer shall have no claim, right or entitlement to the Preferential Rate or to the continuation of the Programme; and the Bank has no obligation to renew or offer any similar benefit to the Customer.

6. General Provisions

- 6.1. The Bank reserves the right to amend, modify or cancel the Programme at any time, at its sole discretion.
- 6.2. These T&Cs are supplementary to and shall be read in conjunction with the Auto Finance Documents and the terms and conditions applicable to the Designated Account. In case of any conflict, the Auto Finance Documents shall prevail.
- 6.3. The Bank's decision in all matters pertaining to the Programme shall be final and binding on the Customer.
- 6.4. Any notice or communication by the Bank under these T&Cs shall be in accordance with the Bank's standard mode of communication as reflected in the Auto Finance Documents and the terms and conditions of the Designated Account.
- 6.5. Any applicable taxes, duties or levies arising in connection with the Programme shall be borne solely by the Customer.
- 6.6. Nothing in these T&Cs shall be construed as an amendment, modification and / or novation of the Auto Finance or the Auto Finance Documents, except to the limited extent of giving effect to the application of the Preferential Rate, as set out herein. The Auto Finance shall continue to be governed by the Auto Finance Documents.

7. Islamic Provisions

- 7.1 **Wakalah Bil Istithmar** based deposits with HBL Islamic Banking will also follow the following Terms and Condition:
- 7.2 **Consent Letter** as acceptance for offer: Deposits to be invested on the basis of Wakalah Bil Istithmar by Wakil Bil Istithmar (HBL Islamic Banking) under attached Consent Letter signed by Muwakkil Bil Istithmar (depositor/customer).
- 7.3 **Portfolio of Investment:** The Wakalah Bil Istithmar deposits will be invested in Shari'ah Compliant assets' portfolio being managed by Wakil Bil Istithmar (HBL Islamic Banking).
- 7.4 **Management of Deposits:** The deposits will be managed under Special Pool of Unrestricted Wakalah Bil Istithmar.
- 7.5 **Fee for Wakil Bil Istithmar** (HBL Islamic Banking): PKR 1000 Fee for Wakil Bil Istithmar (HBL Islamic Banking) is fixed for the entire tenure of Wakalah Bil Istithmar, regardless of

the profit generated under Special Pool of Unrestricted Wakalah Bil Istithmar.

- 7.6 **Performance incentive:** Wakil Bil Istithmar (HBL Islamic Banking) will be incentivized to retain any profit generated by Special Pool of Unrestricted Wakalah Bil Istithmar over and above expected profit for Muwakkil Bil Istithmar (depositors/customers) which will be communicated by Wakil Bil Istithmar (HBL Islamic Banking) to Muwakkil Bil Istithmar (depositor/customer), on six monthly basis via Notice Board of each Islamic Banking Branch of HBL and Webpage of Islamic Banking, on the Website of HBL.

- 7.7 **Profit Distribution of expected profit:** Principally profit at pre-announced expected profit rate, earned by all customers under separate Special Pool of Wakalah Bil Istithmar needs to be credited however as per Shariah Board approval, bank will set off profit payable to customer at expected profit rate with profit receivable from customer under Islamic Car Finance facility and any profit over and above expected profit rate will be held by bank as good performance incentive being Wakil Bil Istithmar

- 7.8 Loss (if any) of Special Pool of Unrestricted Wakalah Bil Istithmar: Each Muwakkil Bil Istithmar (depositor/customer) shall bears loss (if any) of Unrestricted Wakalah Bil Istithmar up to proportionate to the investment ratio of the total deposit/investment of all Muwakkil Bil Istithmar (depositors/customers) pooled in the Special Pool of Unrestricted Wakalah Bil Istithmar unless the loss is a result of negligence by Wakil Bil Istithmar (HBL Islamic Banking).

- 7.9 No Guarantee of Principal or Profit: Wakil Bil Istithmar (HBL Islamic Banking) cannot guarantee the profit and the principal of deposit/investment of Each Muwakkil Bil Istithmar (depositor/customer)

Applicant's Name: XXX
CNIC No.: XXX