

HBL-ISLAMIC BANKING (HBL-IB) BUSINESS PRODUCTS

1. HBL Murabaha

Definition

Murabaha is a sale where the seller (Bank) expressly mentions the cost of the goods it has incurred and sells it to another person (Customer) by adding some profit thereon. In Murabaha, the cost price is explicitly disclosed to the customer.

Purpose

HBL Islamic-Banking (HBL-IB) offers Murabaha which allows the Customer to purchase goods/raw materials/finished goods for use of business from time to time, up to the specific limit, according to business needs.

Basic Rules of Murabaha

- The subject of sale must exist at the time of the sale
- The subject matter should be in the ownership of the seller at the time of sale
- HBL-IB will make available the customer's requested amount of funds from pre-approved limit for a specific period of time
- HBL-IB will purchase the required asset and sells it to the customer at an agreed price
- The transaction can either be on spot where customer will make payment in lump sum or it can be on deferred payment where customer will make periodic installments

Target Market

Murabaha is targeted towards corporate/SME customers. These businesses should have a satisfactory and proven track record, good reputation, financial standing and a business line not in conflict with Shariah and/or any regulatory injunctions.

Documents Required

- Customer's Basic Fact Sheet
 - Request Letter
 - Last three years Audited Financial Statements
 - Company's Profile
- Other documents as per bank's policy

Difference between Murabaha and Conventional Loan

Murabaha	Conventional Loan
The subject matter of contract is the asset	The subject matter of the contract is the loan
The relationship between parties is of buyer (customer) and seller (bank)	The relationship between parties is of borrower (customer) and lender (bank)
The buyer (customer) becomes the owner of the asset, and at the same time becomes liable to pay the full price (cost plus profit) to the seller (bank)	The lender (bank) lends funds, while the borrower (customer) becomes liable for the amount of loan in addition to mark-up
Income on Murabaha is based on profit from the sale of asset	Income on Conventional Loan is based on markup on the loan

The customer allows bank to pay an amount to charity in case of late payment	A penalty is charged in case of late payment
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Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

2. HBL Diminishing Musharakah

Definition

Musharakah is a partnership in which the customer and Bank both invest to jointly own an asset. HBL Diminishing Musharakah (DM) is a form of 'Musharakah' in which the ownership of the asset is divided in units. The customer periodically purchases the units under the ownership of the Bank, increasing his own share until all the units of the bank are purchased by him so as to become the sole owner of the asset.

Purpose

HBL Islamic-Banking (HBL-IB) offers Diminishing Musharakah to businesses to finance different projects and capital investments.

Basic Rules of Diminishing Musharakah

- Musharakah creates a joint ownership in the Musharakah Asset (Shirkat-al-Milk)
- Share of the Bank is given to the client on rent (Ijarah)
- Client agrees to purchase the units of Bank's share of the asset
- Adjustment of rental takes place according to the remaining share of the Bank in the property

Target Market

Diminishing Musharakah is targeted towards corporate/SME customers. These businesses should have a satisfactory and proven track record, good reputation, financial standing and a business line not in conflict with Shariah and/or any regulatory injunctions.

Documents Required

- Customer's Basic Fact Sheet
- Request Letter
- Last three years Audited Financial Statements
- Company's Profile
- Other documents as per bank's policy

Difference between Diminishing Musharakah and Conventional Loan

Diminishing Musharakah	Conventional Loan
The subject matter of contract is the asset which is divided into units of ownership	The subject matter of the contract is the loan
The relationship between parties is of partnership	The relationship between parties is of borrower (customer) and lender (bank)
The installments are based on <ol style="list-style-type: none">1. Rent on leasing the bank's proportion of assets to the customer and2. The purchase of units of bank by the customer	The installments are based on <ol style="list-style-type: none">1. Mark-up on principal amount lent2. Repayment of principal amount lent
Rentals start after delivery of leased portion to lessee	Installments are payable on the payment date after disbursement
The customer allows bank to pay an amount to charity in case of late payment	A penalty is charged in case of late payment

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

3. HBL Ijarah

Definition

Ijarah literally means to give something on rent. In Ijarah, the asset is in the ownership of the Bank and the Bank transfers to the customer the right to use the asset in exchange for a rental.

Purpose

HBL Islamic-Banking (HBL-IB) offers asset financings such as plant, machinery and vehicle on the basis of Ijarah.

Basic Rules of Ijarah

- HBL-IB (lessor) provides asset on rent to customer (lessee) for an agreed period at an agreed rental
- The customer shall be liable to compensate HBL-IB for any damage to the leased asset caused by misuse or negligence on the part of the customer
- The rental must be determined at the time of contract for the whole period of lease
- At the end of the Ijarah tenure, the Bank can sell the asset to the customer at an agreed consideration or may also gift the asset to the customer

Target Market

Ijarah is targeted towards corporate/SME customers. These businesses should have a satisfactory and proven track record, good reputation, financial standing and a business line not in conflict with Shariah and/or any regulatory injunctions.

Documents Required

- Customer's Basic Fact Sheet
- Request Letter
- Last three years Audited Financial Statements
- Company's Profile
- Other documents as per bank's policy

Difference between Ijarah and Conventional Lease

Ijarah	Conventional Lease
All ownership related rights and liabilities lie with lessor while usage related lie with lessee	No clear demarcation between rights and liabilities of lessor and lessee
Rentals start after delivery of asset to lessee	Installments may start prior to delivery of asset to lessee
Asset is insured based on Takaful model	Asset is insured primarily on conventional insurance model
The customer allows bank to pay an amount to charity in case of late payment of rentals	A penalty is charged in case of late payment of rentals

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

4. HBL Salam

Definition

Salam is a sale whereby the seller (Customer) undertakes to supply some specific goods to the buyer (Bank) at a future date in exchange of an advanced price fully paid in advance. The contract of Salam creates a moral obligation on the seller to deliver the goods.

Purpose

Salam is used to cater to the working capital needs of agricultural sector and manufacturers/exporters of homogenous commodities that are of standardized nature and readily available in the market.

Basic Rules of Salam

- Only those goods can be sold through a Salam contract in which the quantity and quality can be exactly specified
- It is necessary that the buyer pay the price in full to the seller in advance. The exact date and place of delivery must be specified in the contract.

Target Market

Salam is targeted towards corporate/SME customers. These businesses should have a satisfactory and proven track record, good reputation, financial standing and a business line not in conflict with Shariah and/or any regulatory injunctions.

Documents Required

- Customer's Basic Fact Sheet
- Request Letter
- Last three years Audited Financial Statements
- Company's Profile
- Other documents as per bank's policy

Difference between Salam and Conventional Loan

Salam	Conventional Loan
The subject matter of contract is the asset	The subject matter of the contract is the loan
The relationship between parties is of buyer (bank) and seller (customer)	The relationship between parties is of borrower (customer) and lender (bank)
Financing is arranged by paying the price of asset at spot. The funds received by seller can be used for working capital requirements.	Financing is arranged by extending a loan to customer to cater to the customer's business needs
The customer (seller) delivers the asset at the future date	The customer (borrower) repays the loan at a future date
Income on Salam is based on profit from the subsequent sale of asset by the bank	Income on Conventional Loan is based on mark-up received on the loan

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

5. HBL Istisna

Definition

Istisna is sale of specified items to be manufactured or constructed, with an obligation on the part of the manufacturer to deliver them to the Customer upon completion.

Purpose

HBL Islamic Banking (HBL-IB) offers Istisna financing to business for manufacturing machines, plants, equipment and goods for sale in local and international market.

Basic rules of Istisna

- Price must be fixed with the consent of the parties
- Istisna price can either be paid in advance, or in installments or at the time of delivery of goods.
- The amount paid out as Istisna price to the manufacturer can be used by the manufacturer for any business related activity

Target Market

Istisna is targeted towards corporate/SME customers. These businesses should have a satisfactory and proven track record, good reputation, financial standing and a business line not in conflict with Shariah and/or any regulatory injunctions.

Documents Required

- Customer's Basic Fact Sheet
- Request Letter
- Last three years Audited Financial Statements
- Company's Profile
- Other documents as per bank's policy

Difference between Istisna and Conventional Loan

Istisna	Conventional Loan
The subject matter of contract is the asset	The subject matter of the contract is the loan
The relationship between parties is of buyer (bank) and seller (customer)	The relationship between parties is of borrower (customer) and lender (bank)
Financing is arranged by paying the price of asset in advance, in installments or at a future date. The funds received by seller can be used for the manufacture or construction of goods.	Financing is arranged by extending a loan to customer to cater to the customer's business needs
The customer (seller) delivers the asset on a future date	The customer (borrower) repays the loan at a future date
Income on Istisna is based on profit from the subsequent sale of asset by the bank	Income on Conventional Loan is based on mark-up received on the loan

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

6. HBL Running Musharaka

Definition

The concept of Running Musharakah is based on 'Shirkat-ul-Amwal', where in the bank invests in the company's core operations.

Purpose

Running Musharka is offered to cater working capital needs of customer, especially those who want to exit conventional Running Finance

Basic Rules of Musharaka

- The inventory of customer must present on balance sheet
- The customer should have the enough inventory and receivables, so that partnership (Shirkatul Aqd) may be established
- HBL-IB will make available the customer's requested amount of funds from pre-approved limit for a specific period of time
- HBL-IB will enter into Musaharaka as per average inventory and receivables of last four years' balance sheet

Target Market

The target customers for "HBL Running Musharakah" consist of Multinational and/or large local Corporate/Commercial/SME clients whose nature of business is Shariah compliant and who have a sustainable track record.

Documents Required

- Last 4 years Audited Annual Accounts
- Copy of Title documents (Sale Deeds, Transfer Letter, etc.) and other supporting documents of property offered to the bank as security
- Copy of latest payment receipt for Property Tax and duties, levies paid in respect of the property offered to the bank as security, if applicable.
- Client's Basic Fact Sheet
- Certified copy of Certificate of Incorporation
- Certified copy of Memorandum and Articles of Association
- Latest Form 29
- e-CIB report
- Valuation report from approved valuers
- Projections of proposed facility tenor
- Other documents as per bank's policy

Difference between Musharakah and Conventional Loan

Running Musharakah	Running finance
Partnership based: It is based on shirkat-ul-aqd which is the preferable mode of financing in Shariah	Loan Based: The underlying contract is a revolving loan facility.
Participation in business risk: The Bank participates in the risk of the business to the extent of the operating activities of the Customer.	Lack of participation in business risk: The Bank is mainly concerned about the credit risk of the company.
Income in Running Musharaka is based on profit from business of customer	Income on Running Finance is based on mark-up on the loan

Note: Terms and Conditions apply. Charges to be applied as per effective Islamic Schedule of Banking Charges (I-SOBC)

7. HBL Tijarah

Introduction

Tijarah is a short term trade based financing facility designed to meet the working capital requirements of customers involved in manufacturing/ trading of goods. This is a sale and agency based financing facility extended to customers against purchase of the identified finished goods.

Purpose

Tijarah product provides flexibility to the Customers who deal with ready-to-sell items, and need a financing facility for liquidity requirements. It is pertinent to clarify that the customer can utilize the amount, received as sale price against the sale of Finished Goods, as per its requirements.

Basic Rules of Tijarah

- Only those goods can be sold under a Tijarah contract in which the quantity and quality can be exactly identified
- Buyer can pay the price in full or partially as per agreed in between buyer & seller.
- The exact place of delivery must be specified in the contract.

Target Market

Tijarah is targeted towards corporate/SME customers. These businesses should have a satisfactory and proven track record, good reputation, financial standing and a business line not in conflict with Shariah and/or any regulatory injunctions.

Documents Required

- Customer's Basic Fact Sheet
- Facility Application Form
- Last three years Audited Financial Statements
- Company's Profile
- Other documents as per bank's policy

Difference between Tijarah and Conventional Loan

Tijarah	Conventional Loan
The subject matter of contract is the ready inventory	The subject matter of the contract is the loan
The relationship between parties is of buyer (bank) and seller (customer)	The relationship between parties is of borrower (customer) and lender (bank)
Financing is arranged by paying the price of asset at spot. The funds received by seller can be used for working capital requirements.	Financing is arranged by extending a loan to customer to cater to the customer's business needs
The customer (seller) delivers the asset immediately against the disbursement	The customer (borrower) repays the loan at a future date
Income on Tijarah is based on profit from the subsequent sale of asset by the bank	Income on Conventional Loan is based on mark-up received on the loan

Note: Terms and Conditions apply. Charges to be applied as per effective Islamic Schedule of Banking Charges (I-SOBC)

8. HBL-IB Musawama Definition

Musawamah is a general kind of sale in which price of the commodity is stipulated between seller and buyer without any reference to the price paid or cost incurred by the former. Musawamah can be used where the seller does disclose the costs of commodities that he is offering to sell.

Purpose

HBL Islamic-Banking (HBL-IB) offers Musawama financing for Trade based product where customer avail funded line through Letter of Credit.

Basic Rules of Musawama

- The subject matter of sale must exist and owned by the seller at the time of sale
- The sale must be instant and absolute.
- The subject matter should be an asset having value.
- The delivery of the sold good to the buyer must be certain and should not depend on a contingency or chance.
- Certainty of price is a necessary condition for the validity of sale.
- Musawamah can only be affected on tangible/ intangible goods

Target Market

Musawama is targeted towards corporate/SME customers. These businesses should have a satisfactory and proven track record, good reputation, financial standing and a business line not in conflict with Shariah and/or any regulatory injunctions.

Documents Required

- Customer's Basic Fact Sheet
- Request Letter
- Last three years Audited Financial Statements
- Company's Profile
- Other documents as per bank's policy

Difference between Musawama and Conventional Loan

Musawama	Conventional Loan
The transaction is based on sale and purchase of the goods	The transaction is based on mere contract of loan
The relationship between parties is of buyer (customer) and seller (bank)	The relationship between parties is of borrower (customer) and lender (bank)
The buyer (customer) becomes the owner of the goods, and at the same time becomes liable to pay the full price to the seller (bank)	The lender (bank) lends funds, while the borrower (customer) becomes liable for the amount of loan in addition to mark-up
Income on Musawama is based on profit from the sale of asset	Income on Conventional Loan is based on mark-up on the loan
The customer allows bank to pay an amount to charity in case of late payment	A penalty is charged in case of late payment
In case of trade (letter of credit) banks stands as owner of import goods	Conventional bank open Letter of Credit as agent without any ownership

Note: Terms and Conditions apply. Charges to be applied as per effective Islamic Schedule of Banking Charges (I-SOBC)

HBL-ISLAMIC BANKING (HBL-IB) PERSONAL PRODUCTS

I. Accounts

A. Current:

1. HBL Islamic Basic Banking Account (BBA)

A secure and convenient account with minimum transactional requirements to cater your basic banking needs

Features

- Non-profit bearing account
- Offered in PKR only
- Minimum account opening requirement of PKR 1,000/- No minimum balance requirement
- Two free customer-initiated, over the counter debit transactions, through branches (for more transactions, charges applicable as per Schedule of Bank Charges)
- 24/7 access to ATMs
- Debit Card Facility
- Online banking services
- Cheque book facility
- E-statement facility
- SMS Alerts facility
- Internet Banking facility
- Phone Banking facility

Underlying Islamic Mode for Current Account

Qard: In a Qard contract, HBL Islamic Banking (HBL-IB) is liable to pay the customer his / her funds back on demand. Meanwhile, HBL-IB can use these funds for investment and other purposes provided these activities comply with Shariah principles.

Difference between Islamic and Conventional Current account

Conventional Current Account	Islamic Current Account
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant-avenues
May charge customer for not maintaining minimum balance	Cannot charge customer for not maintaining minimum balance since account is on Qard basis

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

2. HBL Islamic Current Account

A simple and safe way to accumulate funds, HBL's current account allows you to deposit money and withdraw funds anytime

Features

- Non-profit bearing deposit account
- Flexibility to open your account in PKR, USD, EUR and GBP
- Minimum account opening requirement of PKR 1,000/- or equivalent currency
- No minimum balance requirement
- 24/7 access to ATMs
- Debit Card Facility
- Online banking services
- Cheque book facility
- E-statement facility
- SMS Alerts facility
- Internet Banking facility
- Phone Banking facility

Underlying Islamic Mode for Current Account

Qard: In a Qard contract, HBL Islamic Banking (HBL-IB) is liable to pay the customer his / her funds back on demand. Meanwhile, HBL-IB can use these funds for investment and other purposes provided these activities comply with Shariah principles.

Difference between Islamic and Conventional Current account

Conventional Current Account	Islamic Current Account
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant-avenues
May charge customer for not maintaining minimum balance	Cannot charge customer for not maintaining minimum balance since account is on Qard basis

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

3. HBL Islamic Asaan Account

A convenient and hassle-free personal account with minimal account opening requirements (for unbanked customers)

Features

- Minimum account opening balance requirement of PKR 100/- Offered in PKR only
- Simple 1 page account opening form
- Non-profit bearing account
- No minimum account balance requirement
- Maximum account balance up to PKR 500,000/-
- Four free withdrawal transactions from branches every month
- Unlimited debit, up to PKR 500,000/- per month
- Free Debit card (Master or UnionPay)
- 24/7 access to ATMs
- Debit Card Facility
- Online banking services
- Cheque book facility
- E-statement facility
- SMS Alerts facility
- Internet Banking facility
- Phone Banking facility

Underlying Islamic Mode for Current Account

Qard: In a Qard contract, HBL Islamic Banking (HBL-IB) is liable to pay the customer his/her funds back on demand. Meanwhile, HBL-IB can use these funds for investment and other purposes provided these activities comply with Shariah principles.

Difference between Islamic and Conventional Current account

Conventional Current Account	Islamic Current Account
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant-avenues

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

B. Saving:

1. HBL Islamic PLS Account

A safe and convenient way to attain attractive profit rates while fulfilling your everyday banking needs

Features

- Semi-annual profit payout as per weightages
- Profit Calculation on daily average balance
- Flexibility to open account in PKR, USD, EUR and GBP
- Minimum account opening requirement of PKR 1,000/- or equivalent currency
- Receive biannual account statements
- No minimum account balance requirement
- 24/7 access to ATMs
- Debit Card Facility
- Online banking services
- Cheque book facility
- E-statement facility
- SMS Alerts facility
- Internet Banking facility
- Phone Banking facility

Underlying Islamic Mode for Saving Account

Mudaraba: Mudaraba is a partnership in which one partner gives money to another for investing in a commercial enterprise. The partner who gives money is called the "Rab-ul-Maal" (i.e. account holders) while the funds are managed by the other partner, who is called "Mudarib" (i.e. HBL Islamic-Banking). The profit generated is shared in a predetermined ratio between the partners while loss is borne by the "Rabul-Maal." Profit is not guaranteed by the bank.

Difference between Islamic and Conventional Saving Account

Conventional Saving Account	Islamic Saving Account
Bank and account holder's relationship is based on Debtor and Creditor	Bank and account holder's relationship is Mudaraba basis whereby depositor (Rab ul Maal) provides funds and Bank (Mudarib) invests funds in Shariah-compliant modes
Mark-up is predetermined	Profit rates are not predetermined. Profit from mudaraba is distributed on pre-agreed ratio of weightages
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant avenues
Pays mark-up to account holders even if Bank incurs a loss	Loss is borne by Rab-ul-Maal proportionate to their investments

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

2. HBL Al-Mukhtar Account

A convenient way to access funds and avail a host of unmatched free services to facilitate your banking transactions

Features

- Semi-annual profit payout as per weightages
- Offered in PKR only
- Profit Calculation on daily average balance
- Minimum account opening requirement of PKR 25,000/- Unlimited cash withdrawal and deposit transactions
- Free online funds transfer from branches/ATMs/Internet Banking
- Free Banker's Cheques
- Free HBL cheque deposit transactions
- Free cheque books
- Free duplicate account statements
- Free Debit Card (for individuals and sole proprietors)
- Free SMS alerts on all over-the-counter transactions above Rs. 25,000.

Underlying Islamic Mode for Saving Account

Mudaraba: Mudaraba is a partnership in which one partner gives money to another for investing in a commercial enterprise. The partner who gives money is called the "Rab-ul-Maal" (i.e. account holders) while the funds are managed by the other partner, who is called "Mudarib" (i.e. HBL Islamic-Banking). The profit generated is shared in a predetermined ratio between the partners while loss is borne by the "Rabul-Maal." Profit is not guaranteed by the bank.

Difference between Islamic and Conventional Saving Account

Conventional Saving Account	Islamic Saving Account
Bank and account holder's relationship is based on Debtor and Creditor	Bank and account holder's relationship is Mudaraba basis whereby depositor (Rab ul Maal) provides funds and Bank (Mudarib) invests funds in Shariah-compliant modes
Mark-up is predetermined	Profit rates are not predetermined. Profit from mudaraba is distributed on pre-agreed ratio of weightages
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant avenues
Pays mark-up to account holders even if Bank incurs a loss	Loss is borne by Rab-ul-Maal proportionate to their investments

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

3. HBL Irtifa Account

A convenient and high potential profit paying account to meet everyday banking needs

Features

- Monthly profit payout as per weightages
- Offered in PKR only
- Minimum account opening requirement of PKR 500,000/- Profit Calculation on daily average balance
- No minimum balance requirement
- 24/7 access to ATMs
- Debit Card Facility
- Online banking services
- Cheque book facility
- E-statement facility
- SMS Alerts facility
- Internet Banking facility
- Phone Banking facility

Underlying Islamic Mode for Saving Account

Mudaraba: Mudaraba is a partnership in which one partner gives money to another for investing in a commercial enterprise. The partner who gives money is called the "Rab-ul-Maal" (i.e. account holders) while the funds are managed by the other partner, who is called "Mudarib" (i.e. HBL Islamic-Banking). The profit generated is shared in a predetermined ratio between the partners while loss is borne by the "Rabul-Maal." Profit is not guaranteed by the bank.

Difference between Islamic and Conventional Saving Account

Conventional Saving Account	Islamic Saving Account
Bank and account holder's relationship is based on Debtor and Creditor	Bank and account holder's relationship is Mudaraba basis whereby depositor (Rab ul Maal) provides funds and Bank (Mudarib) invests funds in Shariah-compliant modes
Mark-up is predetermined	Profit rates are not predetermined. Profit from mudaraba is distributed on pre-agreed ratio of weightages
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant avenues
Pays mark-up to account holders even if Bank incurs a loss	Loss is borne by Rab-ul-Maal proportionate to their investments

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

C. Term Deposit

1. HBL Al-Samarat Account

A PKR term deposit offering high expected returns with the flexibility to choose from different profit payout frequencies and tenures

Features

- Offered in PKR only
- Minimum investment of PKR 25,000/-
- Availability of multiple profit payout frequencies i.e. monthly, quarterly, semi-annual, annual, maturity
- Choose from a tenure ranging from 3 months to 10 years
- Profits can be withdrawn through cheques or ATMs

Underlying Islamic Mode for Term Deposit

Mudaraba: Mudaraba is a partnership in which one partner gives money to another for investing in a commercial enterprise. The partner who gives money is called the "Rab-ul-Maal" (i.e. account holders) while the funds are managed by the other partner, who is called "Mudarib" (i.e. HBL Islamic-Banking). The profit generated is shared in a predetermined ratio between the partners while loss is borne by the "Rabul-Maal." Profit is not guaranteed by the bank.

Difference between Islamic and Conventional Term Deposit

Conventional Term Deposit	Islamic Term Deposit
Bank and account holder's relationship is based on Debtor and Creditor	Bank and term-depositor's relationship is Mudaraba basis whereby depositor (Rab ul Maal) provides funds and Bank (Mudarib) invests funds in Shariah-compliant modes
Mark-up is predetermined	Profit rates are not predetermined. Profit from mudaraba is distributed on pre-agreed ratio of weightages
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant avenues
Pays mark-up to account holders even if Bank incurs a loss	Loss is borne by Rab-ul-Maal proportionate to their investments

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

2. HBL Islamic High Yield Foreign Currency Investment Deposit

A foreign currency term deposit offering high expected returns with the flexibility to choose from different profit payout frequencies and tenures

Features

- Offered in USD, Euro & Pound
 - Minimum investment of 1,000 in each currency
 - Profit payment on maturity
 - Choose from a tenure ranging from 1 month to 12 months
- Profits can be withdrawn through cheques or ATMs

Underlying Islamic Mode for Term Deposit

Mudaraba: Mudaraba is a partnership in which one partner gives money to another for investing in a commercial enterprise. The partner who gives money is called the "Rab-ul-Maal" (i.e. account holders) while the funds are managed by the other partner, who is called "Mudarib" (i.e. HBL Islamic-Banking). The profit generated is shared in a predetermined ratio between the partners while loss is borne by the "Rabul-Maal." Profit is not guaranteed by the bank.

Difference between Islamic and Conventional Term Deposit

Conventional Term Deposit	Islamic Term Deposit
Bank and account holder's relationship is based on Debtor and Creditor	Bank and term-depositor's relationship is Mudaraba basis whereby depositor (Rab ul Maal) provides funds and Bank (Mudarib) invests funds in Shariah-compliant modes
Mark-up is predetermined	Profit rates are not predetermined. Profit from mudaraba is distributed on pre-agreed ratio of weightages
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant avenues
Pays mark-up to account holders even if Bank incurs a loss	Loss is borne by Rab-ul-Maal proportionate to their investments

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

D. HBL at Work

1. HBL at Work (Islamic Basic Banking Account)

HBL at Work is an employee banking solution for corporate customers with a purpose to address the financial needs & salary disbursal for employees with salaries less than PKR 50,000/-

Features

- Non-profit bearing account
- Offered in PKR only
- No minimum balance requirement
- No initial deposit required
- Two deposit and two chequing withdrawals free of charge, through cash/clearing per month
- 24/7 access to ATMs
- Debit Card Facility
- Online banking services
- Cheque book facility
- E-statement facility
- SMS Alerts facility
- Internet Banking facility
- Phone Banking facility

Underlying Islamic Mode for Current Account

Qard: In a Qard contract, HBL Islamic Banking (HBL-IB) is liable to pay the customer his/her funds back on demand. Meanwhile, HBL-IB can use these funds for investment and other purposes provided these activities comply with Shariah principles.

Difference between Islamic and Conventional Current account

Conventional Current Account	Islamic Current Account
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant-avenues
May charge customer for not maintaining minimum balance	Cannot charge customer for not maintaining minimum balance since account is on Qard basis

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

2. HBL at Work (Islamic Premium)

HBL at Work is an employee banking solution for corporate customers with a purpose to address the financial needs & salary disbursal for employees.

Features

- Semi-annual profit payout as per weightages
- Offered in PKR only
- Profit Calculation on daily average balance
- No initial deposit requirement
- No minimum balance requirement
- Free Debit Card issuance
- Waiver on Annual Debit Card fee
- Free SMS alerts
- Free Cheque Book Issuance
- Free Banker's Cheque issuance
- Free Intercity Funds transfer
- Free bank statements, duplicate and certificate
- Free ATM cash withdrawals from other banks ATM
- Free funds transfer from HBL ATM & Internet Banking
- No stop payment charges

Underlying Islamic Mode for Saving Account

Mudaraba: Mudaraba is a partnership in which one partner gives money to another for investing in a commercial enterprise. The partner who gives money is called the "Rab-ul-Maal" (i.e. account holders) while the funds are managed by the other partner, who is called "Mudarib" (i.e. HBL Islamic-Banking). The profit generated is shared in a predetermined ratio between the partners while loss is borne by the "Rabul-Maal." Profit is not guaranteed by the bank.

Difference between Islamic and Conventional Saving Account

Conventional Saving Account	Islamic Saving Account
Bank and account holder's relationship is based on Debtor and Creditor	Bank and account holder's relationship is Mudaraba basis whereby depositor (Rab ul Maal) provides funds and Bank (Mudarib) invests funds in Shariah-compliant modes
Mark-up is predetermined	Profit rates are not predetermined. Profit from mudaraba is distributed on pre-agreed ratio of weightages
No Shariah based restriction on investment of funds	Funds are invested in Shariah compliant avenues
Pays mark-up to account holders even if Bank incurs a loss	Loss is borne by Rab-ul-Maal proportionate to their investments

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)

II. Financing

HBL Car Ijarah

HBL Car Ijarah allows you to get your dream car with ease and flexibility

Features

- Fixed monthly rentals
- Choose from new, imported, used or domestically manufactured car
- Tenor from between 3 to 6 years
- Get financing up to 85% of car price
- Takaful arrangement from reputed companies
- Initiation of rentals only after delivery of vehicle

Underlying Islamic Mode for Car Ijarah

Ijarah: Ijarah means 'to give something on rent'. In Ijarah, the asset is in the ownership of the Bank and the Bank transfers to the customer the right to use the vehicle in exchange for a rental.

Difference between Ijarah and Conventional Lease

Ijarah	Conventional Lease
All ownership related rights and liabilities lie with lessor while usage related lie with lessee	No clear demarcation between rights and liabilities of lessor and lessee
Rentals start after delivery of asset to lessee	Installments may start prior to delivery of asset to lessee
Asset is insured based on Takaful model	Asset is insured primarily on conventional insurance model
The customer allows bank to pay an amount to charity in case of late payment of rentals	A penalty is charged in case of late payment of rentals

Target Market

Salaried individuals, businesspersons, professionals

Note: Terms and Conditions apply. Charges to be applied as per effective Schedule of Banking Charges (SOBC)