

Profit Equalization Reserve (PER) Policy

The Bank may, at its sole discretion, create and maintain, Profit Equalization Reserve (PER) from Net Income of Pool i.e. the gross income less direct expenses and losses if any.

The monthly contribution into PER will not exceed 2% of Net Income, and the accumulated balance of PER shall not exceed 30% of Islamic Banking Fund (IBF) of Islamic Banking Services Division.

50% of the balance available in PER shall be reflected as liability and remaining 50 % as reserve in the books of the Bank.

The funds of PER shall only be invested in Shariah compliant SLR eligible securities and the returns earned on these funds will also be credited into the PER account. The profit sharing ratio for the Bank, as *Mudarib*, shall not be more than 10% for managing PER.

The Bank may fully or partly utilize the amount of PER to improve the returns to the depositors during periods when the pool's profits are below market expectations.

The clauses related to PER (if any) shall be made part of account opening form or any other document for this purpose.