

Frequently Asked Question (FAQ): MDB Saalam Special Notice Deposit (SND) Account

1. What is MDB Saalam Special Notice Deposit (SND) Account?

The MDB Saalam Special Notice Deposit (SND) Account is a Shariah-compliant deposit account offered by Midland Bank PLC. It provides monthly profit earnings and half-yearly profit sharing and is open to Bangladeshi citizens.

2. What are the key features and benefits of the MDB Saalam SND Account?

The MDB Saalam SND Account includes:

- Shariah-compliant account with a facility to withdraw funds;
- Monthly profit calculation based on balance;
- Free debit card for the first year;
- Free internet banking and SMS banking (first year only);
- Cheque book and online banking access;
- Seven (7) days' notice required prior to withdrawal;
- backdated notices are not accepted;

3. How is the profit distributed in the MDB Saalam SND Account?

The MDB Saalam SND Account follows the Weightage method. Profits are based on returns from Shariah-approved investments by the bank.

4. How does the IISR/Weightage method work for profit distribution?

The IISR or Weightage method is used to calculate profit-sharing:

- Customers and the bank agree on a pre-set profit-sharing ratio at account opening;
- Profits come from investment returns and include income from profits, dividends, capital gains, rent, exchange gains, etc.;
- Monthly adjustments may occur, as determined by the bank's ALCO committee.

5. How often can the profit-sharing ratio or weightage be changed?

The bank may adjust the profit-sharing ratio before the start of any calendar month based on ALCO's monthly decisions.

6. What types of income are shared with depositors in the MDB Saalam SND Account?

Mudaraba depositors share in all funded income, including profit, dividends, capital gains, rent, and exchange gains.

7. Can the profit rate change periodically?

Yes, the profit rate or weightage can be reset periodically based on the bank's review and is then updated in the **Deposit Rate Sheet**.

8. What happens if there is any doubtful or unearned income?

Any doubtful or unearned income is adjusted, and if needed, provisions for a Depositors' Profit Equalization fund may be deducted before distribution.

9. Is there a minimum holding period or restrictions on withdrawals?

Yes, a seven-day notice is required for withdrawals from the MDB Saalam SND Account, and backdated notices are not accepted.

10. Is the profit rate scheduled or based on actual investment returns?

The profit rate is not scheduled. It is based on actual returns from Shariah-compliant investments, so it may vary each period.