

## **LOAN AGREEMENT (FUNDING) CUSTOMER INFORMATION FORM**

This form has been created to inform customers within the scope of the BRSA Communiqué.<sup>1</sup>

1. Type of Contract: Loan (Consumer Loan)

### **2. Basic Features of the Contract:**

Loan is a customer loan. It means lending money or a fungible good without demanding more.

With the Loan agreement, the lender (bank) can claim the loan they have given at any time.

It is not appropriate for the loan borrower (customer) to offer a surplus amount of goods or benefits other than the amount borrowed to the creditor within the specified period just because of the loan it has received.

### **3. Compliance of the Goods or Service with the Principles and Standards of Interest-Free Banking:**

The legitimacy of the Loan agreement is based on the fundamental principles of Islamic law. Within this framework, the transactions made by participation banks are in accordance with the principles and standards of interest-free banking.

### **4. The Position of Customer in the Contractual Framework:**

In the loan agreement; the participation bank is the lender of the loan (consumer loan), and the customer is the recipient.

### **5. Process and Functioning:**

The customer submits the loan request to the participation bank. The participation bank allocates a limit to the customer. After the request is found appropriate, the loan is given to the customer, provided that it is paid back in the term determined in accordance with the customer's request.

In cases where there is inflation, it can be decided that the difference in inflation during the maturity period will be added to the amount received when paying back during a loan agreement made on money.

### **6. Rights and Obligations Enforced on the Parties by the Contract:**

Participation bank does not demand any return from its customer within the framework of loan transactions. (According to the principles and standards of interest-free banking, the difference in inflation is not considered a return.)

The costs that may arise related to the loan transaction belong to the loan receiver (customer).

### **7. Bank Practice in Case of Delayed Payment:**

The inclusion of a clause in the contract stating that the participation bank will receive a delay penalty in case the debts are not paid on the specified dates is in accordance with the principles and standards of interest-free banking, however, the participation bank may not benefit from the portion of the amount it receives as a delay penalty above the inflation rate and the compulsory expenses incurred for the collection of its receivables. These amounts collected are classified according to the Uniform Accounting Plan of the participation banks and put into good use in accordance with the principles and standards of interest-free banking.

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<sup>1</sup> Communiqué on Procedures and Principles Regarding Informing Customers and the Public Within the Scope of Interest-Free Banking Principles and Standards that was published by the Banking Regulation and Supervision Agency (BRSA) and in the Official Gazette dated 30 November 2021 and numbered 31675

