

FREQUENTLY ASKED QUESTIONS (FAQS) AL-WADI'AH ACCOUNTS

Q1. What is an al-Wadi'ah account?

A1. An Al-Wadi'ah Savings or Current Account is an alternative depository account for Muslims or non Muslims since Islam does not allow the paying and receiving of interest. The existing conventional bank savings account pays interest. The Al-Wadi'ah accounts are developed under the Shari'ah concept of Al-Wadi'ah Yad Dhamanah (Guaranteed Safe Custody). The customer's deposits are managed in accordance with the guidelines approved by the Shari'ah Advisory Council. Instead of interest, the Bank's profits may be awarded to the account holders, subject to the discretion of the Bank.

Q2. What is the difference between the conventional deposit accounts and Al-Wadi'ah accounts?

A2. The differences are as follows:

1. The conventional depository accounts promise a fixed rate of returns (interest) to depositors. Interest is not permissible in Islam. Al-Wadi'ah accounts do not promise a fixed rate of returns to customers. Instead, returns are based on the bank's profits and at the sole discretion of the bank. Profits are permissible in Islam.
2. Deposits of conventional accounts are not utilized in accordance with the guidelines approved by the Shari'ah Advisory Council. The conventional deposits are utilized in the forms of conventional loans which charge interest. Deposits of Al-Wadi'ah accounts are utilized in accordance with the guidelines approved by the Shari'ah Advisory Council.

Q3. Is Al-Wadi'ah account an investment account?

A3. The Al-Wadi'ah account is not an investment account. Instead it is a deposit account which you may use to perform your usual banking transactions such as making a deposit and withdrawal at any OCBC branch through the use of an ATM card or cheques.

Q4. There is no interest on al-Wadi'ah accounts, what returns will I obtain?

Under the Al-Wadi'ah concept, the Al-Wadi'ah accounts do not promise a fixed rate of returns or interest since interest is not permissible in Islam. However, based on past returns, the returns paid from the Bank's profits are normally similar to the conventional accounts at the sole discretion of the Bank. This is permissible in Islam.

Q5. What are the other benefits of al-Wadi'ah accounts?

A5. Al-Wadi'ah account holders can also enjoy the following services :

1. Zakat (Islamic tax on savings) auto-deduction service on your Al-Wadi'ah accounts (Opt-in)
2. OCBC Internet Banking & Phone Banking Services
3. GIRO standing instructions
4. 24-Hour ATM & ADM (Automated Deposit Machine) Services

Q6. What are the existing charges to operate an Al-Wadi'ah account?

A6. The charges to operate a personal Al-Wadi'ah account are as follows:

For Al-Wadi'ah Savings Account

- **Monthly Service Fee** : S\$2 for account with monthly average balance of less than S\$1,000

For Al-Wadi'ah Current Account

- **Monthly Service Fee** : S\$7.50(personal account)/\$15(non-personal account) for account with monthly average balance of less than \$3,000
- **Transaction Fee** : S\$2 per cheque from the 11th cheque onwards if monthly average balance falls below S\$1,000

Q7. Is there a minimum initial deposit required?

A7. Yes, a minimum initial deposit of S\$1,000 applies upon account opening.

Q8. I wish to open the al-Wadi'ah account with a joint account holder. What must i do?

A8. Simply complete and mail back the mail-in application form which is available at www.ocbc.com or visit any of our 62 branches together with your joint account holder. Both you and your joint account holder must bring along your NRIC/Passport.

Q9. Will OCBC inform me of the status of my account opening?

A9. Yes, we will inform you in writing whether your application is accepted or rejected.