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## GLOSSARY

***Ad-din*** is a complete way of life. Islam provides guidance for man from Allah, the Creator of the Universe. As a complete way of life it gives guidance in respect of conducting man's private, social, political, economic, moral and spiritual affairs.

***Akhlaq*** is the aspect lays the behavioral, attitudinal and ethical patterns upon which Muslims should base their practical actions

***Bai' Bithaman Ajil*** refers to the sale of goods on a deferred payment basis at a price that includes a profit margin agreed upon by both the buyer and the seller.

***Ibadah*** is the ultimate obedience, the ultimate submission, and the ultimate humility to Allah

***Gharar*** is any transaction of probable objects whose existence or description is not certain, due to lack of information and knowledge of the ultimate outcome of the contract or the nature and quality of the subject matter of it

***Ihsan*** (benevolence) means good behavior or an act which benefits other persons without any obligation

***Ijarah*** financing is similar to leasing. A bank buys an asset for a customer and then leases it to the customer for a certain period at a fixed rental charge

***Iman*** refers to the inner aspect of the religion, and denotes a believer's faith in the metaphysical realities of Islam

***Mudharabah*** refers to an agreement where customers deposit capital in the bank, and the bank becomes wholly responsible and liable in the management and investment the

deposits. Profits gained will be divided and distributed accordingly, based on margins agreed upon earlier

***Murabahah*** is a form of sale where the cost of the goods to be sold as well as the profit on the sale is known to both parties. The purchase and selling price and the profit margin must be clearly stated at the time of the sale agreement

***Musyarakah*** is contract that is similar to joint venture agreement, in which a bank and an entrepreneur jointly contribute capital and manage a business project

***Qard Hassan*** refers to an interest-free loan. The borrower is only required to repay the principal amount borrowed, but he may pay an additional amount at his absolute discretion, as a token of appreciation.

***Riba*** is a loan with the condition that the borrower will return to the lender more than and better than the quantity borrowed

***Shariah*** is the Islamic law governing the actions of human beings

***Taqwa*** is the Islamic concept of respect for Allah and His creation

***Tawheed*** is concerned with all forms of faith in Allah and His will that need to be translated into actions

***Wadiah*** is deposit of money allowing somebody to claim the funds in the account

***Wakalah*** is a contract of agency is a contract where one person appoints someone else to perform a certain task on his behalf, usually for a certain fee

***Zakat*** is the giving of a fixed portion of one's wealth to charity, generally to the poor and needy