1. **Murabaha** is the sale of commodities and assets at cost plus an agreed profit mark up whereby the seller informs the purchaser of the price at which he purchases the product and also stipulates an amount of profit. Under murabaha financing, funds disbursed for purchase of goods are recorded as 'advance for murabaha'. On culmination of murabaha i.e. sale of goods to customers, murabaha financings are recorded at the deferred sale price net of profit. Goods purchased but remaining unsold at the statement of financial position date are recorded as inventories.

2. **Istisna** is a sale contract between a contract owner and contractor whereby the contractor based on a order from the contract owner undertakes to manufacture or otherwise acquire the subject matter of the contract according to specifications, and sells it to the contract owner for an agreed upon price and method of settlement whether that be in advance, by installments or deferred to a specific future time.

3. **Ijarah** is a contract in which the Bank buys and rents a productive asset to person short of funds and in need of that asset. Ijarah financing booked on or after 01 January 2009 is accounted for as per the requirements of IFAS 2, whereby assets leased out under ijarah are recorded as fixed assets and depreciated over the term of ijarah and the related rental income is recognised in the profit and loss account on an accrual basis. Ijarah financing booked before 01 January 2009 is accounted for as a finance lease whereby assets under ijarah arrangements are presented as a receivable at an amount equal to net investment in ijarah. Unearned income i.e. excess of aggregate rentals over the cost of the asset is recorded at the inception of the ijarah and is amortised over the term of the ijarah so as to produce a constant rate of return on net investment in ijarah.

4. **Diminishing Musharaka** represents an asset in joint ownership whereby a partner promises to buy the equity share of the other partner until the title to the equity is totally transferred to him.

5. **Musharaka/ Modaraba** are different types of partnership agreement in business with distribution of profit in agreed ratio and distribution of loss in the ratio of capital invested

6. **Tijarah**

   This is a working capital solution especially for those customers who sell their inventory on credit and require funds for operations during the credit period. In Tijarah, the Bank purchases the finished goods from the customer and after taking the delivery, sells the goods in the market.

7. **Running Musharakah.**

   This is a Shirkul-aqd based financing facility offered to the customers where the Bank participates in the operating activities of the customer and shares profit and loss as per the actual performance of the business. This product is also used as a viable financing solution for Service Industry and Travel Agents whose financing needs are generally not addressed by other Asset backed products.