

A Typical Iranian Bank Balance Sheet

Liabilities	Assets
Unrestricted Inv. Accs.	Facilities & Loans
Qard-al-hasanah Accs.	Qard-al-hasanah Loans
Other Acc.	Other Assets
Equity	
Restricted Inv. Accs.	
Commitments	Commitments

Qard-al-hasanah Deposits & Qard-al-hasanah Loans

Both are absolutely interest/Profit free

Whatever received as deposits will be granted as loans to people in need , after deducting the obligatory requirements.



Facilities & Loans are mostly:

Hire Purchase

Masharekah

Installment Sale

Murabaha

Istisna

Iranian Banking Law:

All unrestricted investment Accs. MUST be channeled to facilities and loans as prescribed by the same law.

Unrestricted Investment Accs. ➡ Facilities & loans

All profits yield from the loan portfolio will be transferred to unrestricted investment Acc. holders, after deducting the fee of the bank.

UIA \leq LP

1) If $UIA = LP$ $\xrightarrow{\text{only}}$ fee received

2) If $UIA < LP$

➔ A fee for the bank as (1)

➔ Profits received from the extra resources to finance the loan portfolio

All Cash Management, Provisions
(for non performing loans) and
other costs are on the shoulder
of bank.

