

In the name of Allah, the Most Gracious, the Most Merciful

ISLAMIC XTRASAVER ACCOUNT BY STANDARD CHARTERED BANK
PRONOUNCEMENT OF THE INTERNAL SHARIAH SUPERVISION COMMITTEE (ISSC)

All praise is due to Allah, the Cherisher of the World, and peace and blessing be upon the Prophet of Allah on his family and all his companions

Islamic XtraSaver Account is based on the concept of Mudarabah. The idea behind the Islamic XtraSaver Account product is to provide a Shariah compliant avenue for the customers to earn a higher permissible return in case he keeps his funds with the bank for a longer period and with minimum withdrawals. The product has been structured in the following manner to be offered in UAE:

1. Islamic XtraSaver Account will work in the same manner as the Saadiq Savings account works.
2. The profit will be distributed amongst various customers based on predetermined weightages announced at the beginning of the month based on their respective categories.
3. In addition to the returns generated through the Mudarabah structure, bank may also gift an extra amount as Hiba stated as a percentage of the average balance for e.g. Mudarabah profit amount + hiba equaling 1%, based on the following criteria. In the following illustration, the mudarabah profit rate is assumed at 0.20% and all other rates are also indicative and the actual may vary:

Scenario	Debit Transactions* (within each Calendar Month)	Hiba Application**		Total Return To The Customer	
		Month	Rate	Month	Rate
1	One or more Debit Transaction(s) during a month	No Hiba (It shall not be considered a valid category for Hiba)		0.20%	
2	No Debit Transaction(s) for 1 month and then a debit transaction	Month 1	0.80%	Month 1	1.00%
3	No Debit Transaction(s) for 2 consecutive months and then a debit transaction	Month 1	0.80%	Month 1	1.00%
		Month 2	1.80%	Month 2	2.00%
4	No Debit Transaction(s) for 3 consecutive months***	Month 1	0.80%	Month 1	1.00%
		Month 2	1.80%	Month 2	2.00%
		Month 3	1.80%	Month 3	2.00%

*Debit transactions include all withdrawals from the customer account initiated by the customer and the actual offering may vary and may allow up to one debit transaction

**Hiba proportion may vary for each period and scenario and will be paid over and above the regular mudarabah rate.

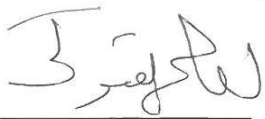
***There will be a maximum rate, so beyond three months until the customer withdraws the maximum total return will be 2% until the there is a debit transaction.




Based on this concept, ISSC has reviewed the Terms & Conditions and hereby rules that Islamic XtraSaver product offered by SCB – Saadiq is in accordance with the principles of Shariah and customers can invest their funds in the product and earn permissible return. If there is no murabaha profit or (there is) loss (this type of) hiba will not be extended.

Note: the language used by the documents must make it clear that it is by the Bank's discretion, and not an obligation e.g., if the Bank decides to give hiba, the following criteria might be used.

And Allah knows the best.



Sheikh Nizam Yaquby
ISSC Member



Dr. Mohamed Ali Elgari
ISSC Member

Internal Shariah Supervision Committee
February 2019