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

**ISLAMIC XTRASAVER ACCOUNT BY STANDARD CHARTERED BANK**

**PRONOUNCEMENT OF THE SCB SHARIAH SUPERVISORY COMMITTEE**

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:

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.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Debit Transactions* (within each Calendar Month)</th>
<th>Hiba Application**</th>
<th>Total Return To The Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>One or more Debit Transaction(s) during a month</td>
<td>No Hiba</td>
<td>0.20%</td>
</tr>
<tr>
<td>2</td>
<td>No Debit Transaction(s) for 1 month and then a debit transaction</td>
<td>Month 1 0.80%</td>
<td>Month 1 1.00%</td>
</tr>
<tr>
<td>3</td>
<td>No Debit Transaction(s) for 2 consecutive months and then a debit transaction</td>
<td>Month 1 0.80%  Month 2 1.80%</td>
<td>Month 1 1.00%  Month 2 2.00%</td>
</tr>
<tr>
<td>4</td>
<td>No Debit Transaction(s) for 3 consecutive months***</td>
<td>Month 1 0.80%  Month 2 1.80%  Month 3 1.80%</td>
<td>Month 1 1.00%  Month 2 2.00%  Month 3 2.00%</td>
</tr>
</tbody>
</table>

*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 there is a debit transaction.
Based on this concept, the Committee has reviewed the Terms & Conditions and the committee 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 mudaraba profit or loss, then there will be no hiba.

And Allah knows the best.

Dr. Abdul Sattar Abu Ghuddah  
Shariah Advisor

Sheikh Nizam Yaqub  
Shariah Advisor

Dr. Mohamed Ali Elgami  
Shariah Advisor

SCB Shariah Supervisory Committee  
February 2018

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

28.2.2017