



In the Name of Allah, The Beneficent, The Merciful

Friday 6 Dec 2024

**SHARIAH PRONOUNCEMENT (FATWA) WITH RESPECT TO HABIB CANADIAN BANK'S SIRAT
ISLAMIC CHEQUING ACCOUNT**

I, Yusuf Talal De Lorenzo the Shariah Advisor ("SA"), have been presented with the proposed new Sirat Islamic Chequing Account (the "Product") of Habib Canadian Bank (the "Bank") for Shariah review and approval.

The Product will be based on the Islamic principle of *qard hasan*, where Bank's clients will be placing funds as a loan to the Bank for whatever lawful purposes the Bank may determine. As it is a charitable loan, the clients will not be entitled to receive any amount in excess of their deposited funds (as otherwise it will be Riba or interest which is prohibited under Shariah principles).

Under the terms of use for this Product, the Bank will be entitled to deploy the funds placed in the clients accounts in Shariah-compliant activities for the Bank's own benefit, but at its own risk. Let it be noted that Canada Deposit Insurance Corporation (CDIC) automatically protects the deposits in case a Canadian bank fails. CDIC insures eligible deposits separately up to \$100,000. Deposit insurance covers savings and chequing accounts, Guaranteed Investment Certificates (GICs) and other term deposits, and foreign currency, e.g., US dollars. For details, refer to www.cdic.ca/depositors/whats-covered.

I, the undersigned, in my capacity as a Shariah Scholar and the Shariah Advisor of the Bank have reviewed the Product structure, its process flow and all related documentation.

Pursuant to the above, I am of the opinion that the Product is in compliance with Shariah principles.

This Fatwa shall be subject to the issuance of an annual Shariah compliance certificate to the Product pursuant to an annual Shariah audit exercise as to be performed of the Product throughout its lifetime.

Allah Almighty knows best.

APPROVED BY:

Shaikh Yusuf Talal De Lorenzo (Shariah Advisor)