



Shariah Approval for Islamic Housing Finance (Easy Home – Build/Renovate)

Ramadan 23, 1427 H / October 17, 2006

باسمہ تعالیٰ

Meezan Bank's "EasyHome - Islamic Housing Finance" has been structured to comply with the tenets of Shariah and has been developed in consultation with our Shariah Advisor, Dr. Muhammad Imran Usmani & Shariah Supervisory Board. All the principles and the rules pertaining to Diminishing Musharakah are strictly adhered to. It is therefore, a facility, which is free of Riba.

This scheme has the following basic features:

1. Meezan Bank (MBL) and Customer will enter into an **Islamic Housing Finance Agreement** (based on Shirkat – ul – Milk) by virtue of which both parties will invest/hold joint interest in the Musharakah Property (building &/or Land).
2. MBL will purchase Musharakah Property share in tranches and MBL's share will increase with disbursement of each tranche. The purchase of MBL's share in the Musharakah Property will be recorded through "Unit Purchase Receipt".
3. MBL's & Customer's share in the Musharakah property will be defined in the Islamic Housing Finance Agreement.
4. Musharakah Units will represent MBL's share in the Musharakah Property.
5. The Customer will undertake to purchase MBL's Musharakah Units over the transaction tenure through **Undertaking to Purchase Musharakah Units**.
6. MBL & the Customer will enter into a **Monthly Payment Agreement** (Ijarah Agreement) under which the customer will make monthly payments to the Bank for use of Bank's share in the Musharakah Property.
7. The amount of monthly payments to be made by the Customer will be calculated according to a pre-agreed formula linked to a known benchmark.
8. The Customer will undertake that in case of pre-payment of the facility the Customer will buy the remaining Musharakah Units of the Bank at a mutually agreed price.
9. MBL will also undertake to sell Musharakah Units in case the Customer requests to acquire further units in advance through **Undertaking to Sell Musharakah Units**.
10. In case MBL has purchased the share in the Musharakah Property from the Customer - a twelve months grace period in unit purchase will be given in order to avoid Buy Back (Bai Inah) issue.
11. The Housing Finance facility will be made available in different tenures.
12. Meezan Bank will conduct the Easy Home transactions under Agreements approved by its Shariah Advisor / Shariah Supervisory Board.

"..... Resolved that the modus operandi defined above for Housing Finance is according to the dictates of Shariah....."

Dr. Muhammad Imran Ashraf Usmani
Shariah Advisor & Member Shariah Supervisory Board



Meezan Bank

The Premier Islamic Bank

Islamic Housing Finance (Home Buying & Replacement)

Meezan Bank's "Housing Finance" has been structured to comply with the tenets of Shariah and has been developed in consultation with our Shariah Advisor, Dr. Muhammad Imran Usmani. All the principles and rules pertaining to Diminishing Musharakah are strictly adhered to. It is, therefore, a facility, which is free of Riba.

This scheme has the following basic features:

1. The Housing Finance facility will be made available in different tenors.
2. Meezan Bank & the Customer will enter into an Islamic Housing Finance agreement (Diminishing Musharakah) by virtue of which they will jointly hold interest in the property in a specified ratio.
3. Ownership in the property will be divided into Musharakah Units and the customer will undertake to buy Meezan Bank's Musharakah Units over the transaction tenure.
4. Meezan Bank & the Customer will enter into a Monthly Payment Agreement under which the customer will make monthly payments to the bank for use of bank's share in the Joint Property.
5. The amount of monthly payments to be made by the customer will be calculated according to a pre-agreed formula linked to a known benchmark.
6. The customer will undertake that in case of pre-payment of the facility the customer will buy the remaining Musharakah units of the bank at a mutually agreed price.
7. Meezan Bank will conduct the transactions under Agreements approved by its Shariah Supervisory Board.

"...Resolved that the modus operandi defined above for Housing Finance is according to the dictates of Shariah...."

Justice (Retd.) Muhammad Taqi Usmani

Sheikh Ezzam M. Ishaq

Dr. Abdul Sattar Abu Ghuddah

Dr. Muhammad Imran Ashraf Usmitni