For Murabaha Facility Agreements using SOFR - P S

Sharia Committee Decision Number: (138/104) 20-10-2024

TYPE OF RESOLUTION:	Approved unanimously
PRODUCT RELATED:	Project Finance

All praise is due to Allah, the Cherisher of the World, and Peace and Blessing be upon the Prophet of Allah, his Family and all his Companions.

The Sharia Committee at the Saudi Investment Bank reviewed the Financing agreements using SOFR between SAIB and P S Company, and the terms and conditions they included, and after reviewing Sharia Committee Resolution No. 123-8 concerning the Sharia structures for RFR The Committee found that the structure is based on multiple Murabaha in accordance with the aforementioned Committee resolution, as the price of the first Murabaha consists of the bank's capital plus a fixed profit margin, and a buffer of SOFR price according to the day of financing. The bank also enters into successive Murabaha at the end of each period, according to which the client pays the value of the index as following:

1) In case the actual value of SOFR is equal to or less than first Murabaha buffer, the bank will whether waive the excess profit in favor of the customer, or enter into spot Murabaha to compensate the client.

2) In case the value of SOFR is higher than first Murabaha buffer, the bank enters with customer into a spot Murabaha to cover the additional profit amount.

After reviewing and studying the agreements, the committee approved the documents and did not find any violation to Sharia guidelines.

Allah Knows best.