

In the name of Allah, the Beneficent, the Merciful

## Report of Shari'ah Board

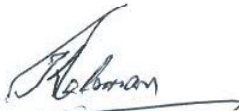
31 December 2015

We have examined the banking business, transactions and operations conducted by Al Baraka Bank Pakistan Limited during the year ended 31 December 2015, so as to be able to give opinion as to whether the Bank has complied with the Principles and rules of Shari'ah, the guidelines issued by SBP and the rulings issued by the Shari'ah Board.

While the responsibility to ensure that the operations of the Bank are conducted in a manner that comply with Shari'ah principles at all times, lies solely with the management, we are required to submit a report based on a review of overall Shari'ah compliance environment conducted by the Bank's Shari'ah Compliance Department.

To enable us to form our opinion as expressed in this report, Resident Shariah Board Member (RSBM) along with the Shari'ah Compliance Department has carried out reviews, on a test check basis, of each class of transactions, the relevant documentation and process flows etc. Further, we have also reviewed the work carried out by the Internal Shari'ah Audit. Based on the above, we are of the view that:

- i. The Bank has overall complied with the specific Fatawa, guidelines and rulings issued by the SBP and by its Shariah Board.
- ii. The Bank however needs to improve its documentation protocols, better implementation of Shariah process flows and more physical inspections to strengthen its Shariah compliance further.
- iii. In the cases where the transactions have been found to be non-compliant with Shariah, the Bank has undertaken to give all income earned to charity.
- iv. The Bank has complied with the SBP instructions on profit and loss distribution and pool management.



Justice (R) Khalil Ur Rehman  
Chairman Shariah Board



Mufti Abdullah Siddiqi  
Resident Shariah Board Member



Sheikh Esam Ishaq  
Shariah Board Member

Date of Report: 27 January 2016