

In the name of Allah, the Beneficent, the Merciful
Report of Shari'ah Board
31 December 2016

We have reviewed on a sample basis the banking business, transactions and operations conducted by Al Baraka Bank Pakistan Limited during the year ended 31 December 2016, so as to be able to give opinion on the compliance of the Bank with the Principles, 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 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:

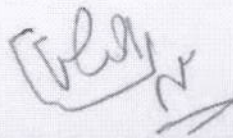
- That Bank has overall complied with the specific Fatwa, guidelines and rulings issued by the SBP and by its Shariah Board
- Although the Bank has noticeably improved in its documentation protocols, however betterment in this area and in that of the implementation of Shariah process flows, physical inspections and greater enhancement of Internal Shariah Audit is still needed.
- 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.
- The Bank has complied with the SBP instructions on profit and loss distribution and pool management.



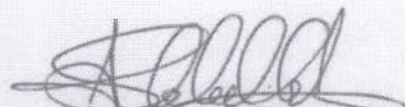
Justice (R) Khalil Ur Rehman
Chairman Shariah Board



Sheikh Esam Ishaq
Shariah Board Member



Mufti Bilal Ahmed Qazi
Shariah Board Member



Mufti Abdullah Siddiqi
Resident Shariah Board Member

Dated: 27-01-2017
28 Rabi Us Sami 1438