

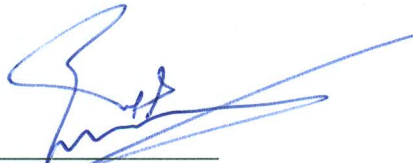
In the name of Allah, the Beneficent, the Merciful
Report of Shari'ah Board
31 December 2017

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 2017, 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 submitting this report based on the review of the overall Shari'ah compliance environment as conducted by the Bank's Shari'ah Compliance Department.

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

- the Bank has overall complied with the specific Fatwas, guidelines and rulings issued by the SBP and by its Shari'ah Board.
- the Bank needs improvement in its documentation protocols, implementation of Shari'ah process flows and physical inspections. Furthermore greater enhancement of controls and Internal Shari'ah Audit is still needed.
- the Bank has undertaken to give to charity all income earned from Non-Shari'ah Compliant transactions detected in our sample.
- the Bank has complied with the SBP instructions on profit and loss distribution and pool management.



Sheikh Esam Ishaq
Chairman Shariah Board



Mufti Abdullah Siddiqi
Resident Shariah Board Member



Mufti Bilal Ahmed Qazi
Shariah Board Member

Dated: 27 February 2018
11 Jamadi-Al-Sani 1439