


**Report of Shari'ah Board**  
**(September 14, 2015 to December 31, 2015)**  
**In the name of Allah, the Beneficent, the Merciful**

While the Board of Directors and Executive Management are solely responsible to ensure that the operations of MCB Islamic Bank Ltd (MCB-IBL) are conducted in a manner that comply with Shari'ah principles at all times, we are required to submit a report on the overall Shari'ah compliance environment of MCB-IBL.

To form our opinion as expressed in this report, the Shari'ah Compliance Department of MCB-IBL carried out reviews, of each class of transactions, products, process flows/modus operandi and concepts. In order to enhance the Islamic banking knowledge and expertise, Islamic banking trainings, in general as well as product wise, were made mandatory for all staff of the Bank with the coordination of HR department. The Shari'ah Board of the MCB-IBL has issued Four (4) Instructions & Guidelines & Two (2) Fatawas during the period. We are of the view that:

- i. MCB-IBL has complied with Shari'ah rules and principles in the light of Fatawa, Instructions and Guidelines issued by Shari'ah Board.
- ii. MCB-IBL has complied with directives, regulations, instructions and guidelines related to Shari'ah compliance issued by SBP in accordance with the rulings of SBP's Shari'ah Board.
- iii. MCB-IBL has a comprehensive mechanism in place to ensure Shari'ah compliance in their overall operations.
- iv. During the course of Shari'ah Compliance of the transactions, it was realized that MCB-IBL did not earn any Non Shari'ah compliant income and not collected the Charity on account of late payment and thus no income was credited to Charity account.
- v. MCB-IBL has complied with the SBP instructions on profit and loss distribution and pool management.
- vi. The level of awareness, capacity and sensitization of the staff, management and the BOD was found upto mark Shari'ah compliance for the products and processes of MCB-IBL.
- vii. The Shari'ah Board has been provided adequate resources enabling it to discharge its duties effectively.



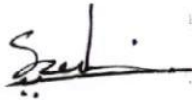
Further, the following are the significant Shari'ah related issues of the bank which have been taken up with its management; however, these are still outstanding.

- i. Medical Facilities through Non Shari'ah Compliant resources / Insurance Companies
- ii. Proper implementation of Dress code

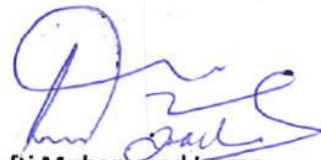
Shari'ah Board would like to take this opportunity to offer praise to Almighty ALLAH and seek His guidance and tawfeeq, and to express its wishes for further progress, development and prosperity of the Bank, under the sincere efforts of senior management and Islamic Banking industry in Pakistan as a whole.



Prof. Mufti Munib-ur-Rehman  
Chairman Shari'ah Board



Mufti Syed Sabir Hussain  
Resident Shari'ah Board Member



Mufti Muhammad Imran  
Member Shari'ah Board

Dated: January 27, 2016