

21 Rajab 1444
12 February 2023

In the name of Allah, The Beneficent, The Merciful, Ever Merciful

**Unified Shari'a Supervisory Board Report
AlBaraka Group B.S.C.
For the year ended 31 December 2022**

Praise be to Allah and peace be upon our Prophet Mohamed, His Apostles and Companions

To: Al Baraka Group Shareholders

May peace and Allah's Mercy and Blessings Be upon You

In accordance with Article (58) of the Articles of Association of Al Baraka Group, we are required to submit the following report:

First: Meetings of the Unified Shari'a and its Executive Committee

The Unified Shari'a and its Executive Committee conducted five meetings during 2022 in which we studied Shari'a audit reports prepared by the Group's Shari'a Audit for the year ended 31 December 2022 and gave few Shari'a related comments on those reports. These reports were rectified through coordination between Shari'a Audit and the relative local subsidiaries' Shari'a Boards. In addition, the Unified Shari'a Supervisory Board replied to requests for fatwa from the Group and subsidiaries and studies the contracts entered into by the Group during the year 2022.

Second: Monitoring

We have reviewed the principles applied by the Group and reviewed the 2022 Shari'a reports issued by the Group Units' Shari'a Supervisory Boards. We have also reviewed their financial statements when needed. In addition, we examined the Group's financial position as of 31 December 2022 and Statement of Income and their notes for the year then ended. We have queried from some of the Technical's on the points that need explanation and statement. We have also reviewed the process of calculating Zakah in accordance with the Shari'a Standard number (35) and the Financial Accounting Standard number (9) issued by the Accounting and Auditing Organization for Islamic financial Institutions and according to what was approved by Al Baraka Symposium1/31 and by the Unified Shari'a Supervisory Board.



Third: Responsibilities of the Unified Shari'a

The Group and Units' management are responsible for the execution and implementation of the Unified Shari'a Supervisory Board resolutions and to bring to the attention of the Unified Shari'a Supervisory Board any transactions or issues that require Shari'a approval. The Unified Shari'a Supervisory Board is responsible for supervising the implementation of the resolution from a Shari'a point of view and issue opinion based on the Group and Units' Shari'a reports and financial statements.

The Unit's Shari'a Supervisory Boards, as is clear from their report, have supervised the Units' business activities including examining on test basis documentations and procedures applied by the Group and its Units.

The Units' Shari'a Supervisory Boards, as is clear from their reports, planned and performed reviews so as to obtain all the information and explanations they considered necessary in order to provide them with sufficient evidence to provide reasonable assurance that the Group and its Units have not violated Shari'a Rules and Principles.

In our opinion:

1. The Contracts, transactions and dealings entered into by the Group and its Units during the year ended 31 December 2022 are made in compliance with Shari'a Rules and Principles.
2. The allocation of profit and charging of losses relating to investment accounts conform to the basis that have been approved by the Units' Shari'a Supervisory Boards in accordance with Shari'a Rules and Principles.
3. All earnings realized from sources or by means prohibited by Islamic Shari'a Rules and Principles have been committed by the Management to dispose it off to Charitable Causes.
4. The attached Zakah calculation was prepared in accordance with the provisions and principles of Islamic Shari'a according to the Net Invested Fund Method in accordance to the Shari'a Standard number (35) and the Financial Accounting Standard number (9) issued by the Accounting and Auditing Organization for Islamic financial Institutions and according to what was approved by the Unified Shari'a Supervisory Board.

The General Assembly, in its regular meeting held on March 30, 2022, had authorized the executive management of Al Baraka Group to pay an amount of money amounting to three hundred forty six thousand nine hundred sixty seven (346,967) US dollars as Zakah on behalf of all shareholders for the year 2021, where it to be directly deducted from the shareholders' profits. This amount was paid to those worthy of Zakah in accordance with the Shariah regulations established, approved and certified by the Unified Shariah Board. The Unified Shariah Board monitored, through the reports of the Shariah observer, the amounts paid from the Zakah to ascertain how it was distributed, as it made sure it was directed towards the eligible recipients as stipulated in the honorable verse No. (60) of Surat Al-Ma'idah.



The Group's Zakah dues is USD 5 cents for each 100 share after excluding the Zakah from the Units which they pay their Zakah directly. The Group is not authorized to pay Zakah without obtaining an authorization from the shareholders in the general assembly, accordingly the shareholders must pay the Zakah themselves in case of not authorizing the Group to pay it on their behalf. Noting that Zakah dues, in the event of lack of the necessary liquidity, can be postponed as a whole or part, so that it becomes a debt until liquidity is available.

Praise be to Allah.

Chairman and Members

Shaikh Dr. Abdulla Al Mannea
Chairman

Shaikh Dr. Abdullatif Al Mahmood
Vice Chairman

Shaikh Dr. Saad Al Shithry
Member

Shaikh Yousif Hassan Khilawy
Member

Shaikh Dr. Layachi Feddad
Member



Zakah Calculation for the year ended 31 December 2022

US\$ '000

Equity Attributable to Shareholders	1,263,227
Less: Investment of the parent on the shareholding of Al Baraka Bank Egypt, Al Baraka Bank Sudan and Al Baraka Islamic Bank	(385,470)
Perpetual tier 1 capital	<u>(400,000)</u>
Net Zakatable Equity Attributable to Shareholders	477,757
<u>Less:</u>	
Musharaka underlined by unzakatable assets	(92,749)
Investment in Islamic Sukuk underlined by unzakatable assets	(27,822)
Ijarah Muntahia Bittamleek	(178,254)
long-term investment in real estate	(19,900)
Properties and equipment	(123,428)
Intangible assets	(40,312)
Investment in Associates	(4,625)
Prepayments	(6,227)
Deferred tax asset	(27,225)
<u>Add:</u>	
Shareholders share on Zakatable Assets by Associates	36,099
Borrowing to finance Unzakatable Assets	1,316
Sale of long-term investment in real estate during the year	880
Deferred tax liability	5,506
Employees' end of services benefit	<u>22,636</u>
Zakatable amount	23,652
Zakah Percentage	<u>2.5770%</u>
Total Zakah due	<u>610</u>
Number of Shares (thousands)	<u>1,227,879</u>
Zakah per share (US\$ cents)	<u>0.05</u>