

Islamic banking - United Arab Bank Internal Shari'ah Control Committee Report Submitted to General Assembly for the Financial Year of 2017 and 2018

Praise be to Allah, Peace and Blessings upon our Prophet Muhammad, his family and his companions, hereafter...

To the General Assembly of United Arab Bank,
Peace and blessings upon all of you

In line with the resolution made by the General Assembly, were we appointed as the Internal Shari'ah Control Committee of the Islamic Banking of United Arab Bank, we submit the following report to you:

The ISCC has conducted its work in monitoring and auditing the Islamic window of UAB for the period 01-01-2017 till 31-12-2018 fully independently and with full freedom without any constraints, obstacles or pressures from the Board of Directors or Executive management of the Bank. We have monitored the applied principles, contracts related to transaction, and the application that were rolled out by the Islamic Banking during the financial year ending 31st December 2017 & 31st December 2018 to aim of giving an opinion on whether the Islamic Banking Department complied with Islamic shari'ah laws and principles in accordance with the Fatwas, resolution and guidance issued by us.

The management of the Bank is responsible for compliance to laws and principles of shari'ah in all Islamic Banking actions. It is also held responsible to guarantee such compliance. Our responsibility as a Shari'ah Board is limited to giving an independent opinion on the extent of the Islamic Banking's compliance to Islamic Shari'ah law based on monitoring and then reporting to you on that matter.

Our monitoring included inspecting documentation and procedures of the Islamic Banking on the basis of testing all type of transaction (processes).

We planned and executed our monitoring, to obtain all information and explanations deemed necessary by us to provide us with sufficient evidence that the Islamic Banking did not contravene (breach) the laws and principles of Islamic shari'ah.

Therefore, the Internal Shari'ah Control Committee states the following:

- A. Based on the decision of the Higher Shari'ah Authority, the Internal Shari'ah Control Committee has adapted the AAOIFI standards in all the FATWAS starting 01.09.2018.
- B. Contracts, transaction and processes entered into by the Islamic Banking during the year ending 31st December 2017 and 31st December 2018, which we reviewed, were conducted in accordance with the laws and principles of Islamic shari'ah.
- C. Distribution of profits and losses according the balance sheet of Islamic Banking is in accordance with the laws and principle of shari'ah law.
- D. All gains made through sources or by means which were forbidden by the laws and principle of shari'ah were spent in charity.
- E. The investment of all funds deposited into the Investment Accounts were in accordance with the laws and principle of Islamic shari'ah.
- F. The concern Department has calculated the due zakat for the period covered by the report, and the sharholders will be informed accordingly, as they are responsible for paying it out.