

## **The annual report of the Internal Shariah Supervision Committee of the Saudi National Bank, UAE Branch**

**For the ending of the financial year 31 December 2022**

Praise be to God, Lord of the worlds, and prayers and peace be upon our Master and Prophet Muhammad and his family and companions.

Issued on Wednesday 24 Rajab 1444 AH, corresponding to 15 February 2023 AD

To the shareholders of Saudi National Bank, UAE Branch (the bank)

Peace be upon you and God's mercy and blessings be upon you:

The Internal Shariah Supervision Committee of the Saudi National Bank, UAE Branch (the Committee), in accordance with the requirements stipulated in the relevant laws, regulations and standards (regulatory requirements), submits its report related to the bank's business and activities that are compatible with Islamic Shariah for the ending of the financial year on 31 December 2022 AD (financial year).

### **1- The responsibility of the committee**

The responsibility of the committee, in accordance with the regulatory requirements and its regulation, is determined in the Shariah control of all business, activities, products, services, contracts, documents, bank work charters, policies, accounting standards, operations and activities in general, the Memorandum of Association, and the Articles of Association. And the financial statements of the bank, the distribution of profits, bearing the losses, expenses and expenses between the shareholders and the owners of investment accounts (the bank's business), and the issuance of Shariah decisions in this regard. And setting the Shariah controls necessary for the bank's business and its commitment to Islamic Shariah within the framework of the rules, principles and standards set by the Supreme Shariah Board (the Board) to ensure its compatibility with the provisions of Islamic Shariah.

The senior management bears the responsibility of the bank's commitment to Islamic legitimacy in accordance with the decisions and fatwas, the opinions of the board, and the decisions of the committee within the framework of the rules, principles and standards set by the board (commitment to Islamic legitimacy) in all its work and ensuring that, and the board of directors bears the ultimate responsibility in this matter.

### **2- Legal standards**

The Committee relies on the Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as standards for the minimum requirements of Shariah, and adheres to them in everything it issues fatwas, approvals, approvals, or recommendations in relation to

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the bank's business during the fiscal year ending here. An exception according to the Commission's decision No. 3/18/2018.

### **3- Activities carried out by the committee during the financial year**

The committee has carried out Shariah supervision of the Bank's business by reviewing and monitoring the Bank's business through the Internal Shariah Supervision Department and the Internal Shariah Audit in accordance with the committee's powers, responsibilities and regulatory requirements in this regard. Among the activities carried out by the Committee are the following:

- a. Hold four meetings during the year.
- B. Issuing fatwas and expressing legal opinions regarding the bank's business that were presented to the committee.
- c. Review policies, criminal regulations, product structures, contracts, documents, and other documents submitted by the bank to the committee for approval.
- d. Overseeing, through the Internal Shariah Supervision Department and the Internal Shariah Audit, the Bank's business, and reviewing the reports submitted in this regard.
- h. Providing directives to the concerned authorities in the bank to correct what can be corrected from the observations contained in the reports submitted by the Internal Shariah Control Department and the Internal Shariah Audit.
- i. Adopting corrective or preventive measures in relation to errors that have been detected to prevent their occurrence again.

The Committee, through the Department of Internal Shariah Control, sought to obtain all the information and interpretations it deemed necessary to ensure the Bank's compliance with Islamic Shariah.

### **4- Commission independence**

The committee confirms that it has fulfilled its responsibilities and carried out all its work with complete independence, and has obtained the necessary facilities from the bank, its senior management and its board of directors to view all documents and data, and to discuss amendments and legal requirements.

### **5- The opinion of the committee regarding the commitment of the (bank) to Islamic law**

Based on the information and clarifications we obtained, and what we learned about through the internal Shariah audit report in order to ascertain the Bank's commitment to Islamic Shariah, the committee has concluded with an acceptable degree of reassurance that the Bank's business during the fiscal year is in line with the provisions of Islamic Shariah. Except for the observed violations, reports were submitted about them, and the committee directed that the appropriate measures be taken in this regard.

