



STATE BANK OF PAKISTAN
ISLAMIC BANKING DEPARTMENT
I.I. CHUNDRIGAR ROAD
KARACHI

Subkha
21/11/08 Copy: Head of Services.
** 21/11*
 November 21, 2008

No. BPRD(LD)/850-FBL/2008-8683

The Chief Executive Officer
 Faysal Bank Limited
 Faysal House
 ST-02, Sharah-e-Faisal
 Karachi.

Dear Sir,

Approval In Principle for Opening of IBBs

Please refer to your letter dated October 31, 2008 and subsequent correspondence regarding the captioned subject.

It is advised that, in principle, we have no objection to your starting Islamic banking operations. However, your request for approval of Islamic Banking Branches (IBBs) will be considered along with Annual Branch Expansion Plan and decision taken in this regard will be communicated to you before December 31, 2008. This approval is subject to the following terms and conditions, in addition to the requirements laid down in IBD Circular No.2 of 2004 and other instructions issued from time to time:

1. The bank will raise the PLS deposits in line with Section 26A of BCO, 1962, as amended from time to time.
2. The bank will ensure to develop strong systems and controls regarding Islamic Banking Division (IBD) and IBBs right from the commencement of operations of the IBBs.
3. The bank will ensure to impart Islamic banking training to key staff at the IBD and IBBs.
4. The bank will submit the following information before start of operations of the IBBs:
 - (I) Comprehensive PLS mechanism.
 - (II) Approval of BoD for Islamic Banking Fund.
 - (III) Terms of Reference of the Shariah Advisor duly approved by BoD.

This In Principle Approval should not be construed as a licence to open IBBs as branch licence(s) will be issued against application(s) submitted on prescribed format subject to approval by the competent authority.

President & CEO Office

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FBL Head Office,
 Karachi

Yours truly,

 (Syed Irfan Ali)
 Director

Phone: 021-9212509

UAN: 111-727-111

Fax: 021-9212472