

Mudarabah Deal Confirmation

Mudarabah Financing Facility (SBP's Shariah Compliant Standing Ceiling Facility/ Open Market Operations (OMO -Injections)

The Chief Manager,
SBP BSC Karachi Office,
Karachi.

Dear Sir,

With reference to the Master Mudarabah Financing Facility (MFF) Agreement – Ceiling dated _____, **OR** Master Mudarabah Financing Facility (MFF) Agreement - Open Market Operation (OMO) Injections dated _____, we, i.e. IBI confirm having accepted funds from you on the following terms and conditions:

Rab-ul-Maal (Partner 1): State Bank of Pakistan

Mudarib (Partner 2): [name of Islamic Banking Institution (IBI)]

Details of the Collateral (SLR eligible Shariah compliant security/instrument):

- Security Type:
- Custodian (SBP/CDC):
- Issue Date:
- Maturity Date:
- Days to Maturity (Outstanding):
- Applicable haircut (%), if any
- Amount [Face Value] of Collateral provided to SBP:
- Security Code:

Amount of SBP financing under Mudarabah:

Amount in Words:

Profit Sharing Ratio:

No. of days for which Mudarabah Financing Facility is provided:

Expected rate on SBP's financing:

Expected Profit Amount¹:

Sum of Financing amount +Expected Profit amount:

¹ Based on expected profit rate

[On IBIs letter head]

By providing financing to IBI, SBP will participate in assets pool on Mudarabah basis (Special MFF Pool as defined in the Master MFF Agreement - Ceiling, or Master MFF Agreement - OMO Injections, whichever is applicable); where SBP will be assigned a profit sharing ratio of [Insert percentage] corresponding to the above mentioned expected profit rate.

The collateral shall be transferred to SBP's account and/or pledged/lien marked in favor of SBP; so that IBI will exclude that from its SLR securities.

For securities in the custody of SBP offered as collateral; SBP is hereby authorized to transfer/lien mark collateral from our SGLA² account no. [IBI SGLA account number] in favor of SBP, as per details provided above.

AND/OR

For Securities in the custody of CDC offered as collateral; it is hereby confirmed that the [IBI] has pledged the sufficient amount of securities, as per details provided above, in the Central Depository System (CDS) in favor of SBP.

Further, we hereby authorize SBP (BSC) Karachi Office to debit our current account on the date of maturity by PKR _____ (Amount of Financing + expected profit).

In case the balances in our current accounts held with SBP are insufficient to cover the outstanding amount due from us to SBP under this transaction, we hereby authorize SBP at its sole discretion to sell the collateral i.e. securities transferred to SBP's account and/or pledged/ lien marked in favor of SBP, without requiring a court decree.

Notwithstanding any other provision contained in Master MFF Agreement- Ceiling, or Master MFF Agreement-OMO Injections, all costs, charges, liabilities, expenses, fees, and losses whatsoever arising out of or in connection therewith including, without limitation, any legal expenses incurred in connection with actions associated with creating, maintaining, and releasing the pledge on the GIS, transfer of pledged securities to SBP's investor account in case of default or any other violation of the aforementioned Master MFF Agreements, and any costs related to the disposal of such securities or any actions incidental thereto whatsoever, shall be exclusively borne by the Islamic Banking Institution (IBI).

Please confirm the above deal by returning a copy of this letter duly signed by the authorised person.

(Authorised Signatory)
SBP

(Authorised Signatory)
IBI

² Subsidiary General Ledger Account