PRESS RELEASE

PAKISTAN STOCK EXCHANGE LIMITED

First GoP Ijarah Sukuk Auction at PSX Results in Resounding Success

Karachi, December 11, 2023 – The first primary market auction of the Government of Pakistan one-year Ijarah Sukuk at Pakistan Stock Exchange (PSX) has resulted in a resounding success. This is for the first time in Pakistan's history that an auction of a Government Debt Security (GDS) took place through the state-of-the-art, fully automated and efficient system of the Exchange with settlement and custodial services being provided by the other members of the capital market ecosystem, namely the NCCPL and CDC. It is a remarkable addition to the product suite offered by PSX.

The auction which took place on December 8, 2023, via the Exchange, heralds a new beginning for raising the GDS. Against the target of the Rs 30 billion Sukuk, bids accepted amounted to Rs 36.068 billion whereas the total bids received amounted to Rs 481.307 billion. As many as 172 investors participated in the bidding process with 132 being the successful number of bidders, resulting in a diversified investor base for the GoP. The subscription amount totalled Rs 30.191 billion with a cut off rental rate being 19.5199% and a price of Rs 83.7055.

Speaking about the primary market auction of the first Ijarah Sukuk through the capital market, the (Caretaker) Federal Minister for Finance, Revenue & Economic Affairs, Dr. Shamshad Akhtar, stated, "We are truly proud of this remarkable achievement which was in the back burner for a long time. We have now succeeded in implementing the Government Debt Securities issue through the Stock Exchange with the first primary market auction of this GoP Ijarah Sukuk held on December 8, 2023. This will substantially benefit the GoP by diversifying the investor base, as well as providing new investment opportunities to investors. My compliments to SECP and congratulations to PSX, NCCPL and CDC for this monumental development".

The Chairman SECP, Mr. Akif Saeed, added that government securities are an important tool for the development of the capital market and that the launch of GDS at PSX is just the beginning. He urged PSX, brokers, insurance companies, and asset managers to concentrate their efforts on marketing in order to attract new investors to the capital market.

Speaking about the successful primary auction of the first GoP Ijara Sukuk, Mr. Farrukh H. Khan, MD & CEO PSX, stated, "We at PSX are very proud of this landmark achievement whereby the first primary market auction of the GoP Ijara Sukuk took place through the state of the art mechanism available at the Exchange. The numbers have unveiled the tremendously successful primary market auction which has resulted in generating interest from a large number of investors totaling 172. The government realised a competitive cut off rental rate of 19.5199 percent and the Sukuk was oversubscribed by 16 times.

This defines a watershed moment for the capital markets and indeed for Pakistan's economy. I extend my congratulations to the market participants including NCCPL and CDC. On behalf of PSX, I thank the Ministry of Finance, particularly the Debt Management Office, for enabling this possibility. I also thank the SECP who provided appropriate guidance and support to execute this primary market auction of the first phase of the one year GoP Ijarah Sukuk".