

PRESS RELEASE

PAKISTAN'S FIRST OF ITS KIND MUSHARAKAH BASED SUKUK OF PKR 3.1 BILLION

Pakistan Mortgage Refinance Company (PMRC) has issued a first of its kind Sukuk of PKR 3.1 billion for the promotion of housing finance in Pakistan.

PMRC and its Partner Financial Institutions (PFIs) have joined hands to strengthen and promote the housing finance market by participating in a Privately Placed Sukuk of PKR 3.1 Billion. The Sukuk was jointly led by Pak Kuwait Investment Company (PKIC) and the Bank of Punjab (BOP). The investors included HBL (Islamic Banking), Askari Commercial Bank (Islamic Banking), Bank Islami, PKIC, BOP and Karandaz Pakistan. PMRC's Shariah Advisor Mufti Ehsan Waqar and PMRC team and Meezan Bank jointly structured this unique Sukuk. The Sukuk is the first of its kind and is based on Shirkah-tul-'Aqd. Issued at a profit rate of 8.25% for 3 Years, this Sukuk will enable Pakistan to ensure affordable housing for low- and middle-income groups.

PMRC will utilize the proceeds of this Sukuk for further development of Shariah Compliant housing/residential mortgage financing as well as Housing Finance Portfolio (HFP) of eligible Islamic Financial Institutions.

Mudassir H. Khan, Managing Director/ CEO PMRC remarked, "I am delighted to say that we have brought innovation in Islamic financing and for the capital markets with this Sukuk. It opens doors and will provide opportunities for Shariah Compliant financing both for consumer as well as the corporate sector. I feel proud that PMRC is becoming an important player in development of affordable housing finance particularly low-income housing."

The Bank of Punjab (BOP) has played a very important role in the issuance of this Sukuk and is one of the largest participants in the issue. Zafar Masud, President & CEO BOP said, "Extremely proud to be the Joint Lead Arrangers for one of its kind Sukuk offering for PMRC. This will not only help in creating fixed rate Sukuk offering for capital markets but also promote low-cost housing, particularly for the borrowers in informal sector, in Pakistan. BOP remains committed to supporting non-conventional initiatives for commercial banks traditionally which are important for the future of country, industry and bank and long term sustainable growth."

Pakistan Kuwait (Private) Limited Company (PKIC) is also an important participant in the issue. Mabashar Maqbool, MD PKIC remarked, "PKIC is proud to act as a joint lead arranger of this innovative Shariah compliant financing instrument issued by PMRC to promote the development of affordable housing finance market in Pakistan. Earlier, PKIC also structured and financed Pakistan's first secured fixed-rate mortgage refinance bond of PKR 1 billion issued by PMRC for the same purpose."