

BOOK BUILDING OF PIA SUKUK- I

Pakistan International Airlines Corporation Limited (the “**Issuer**”), a public sector company majority owned by the Government of Pakistan (GoP) intends to issue a GoP Guaranteed, SLR eligible, Shariah compliant Secured Sukuk up to Rs.20 billion inclusive of Rs. 5 billion green shoe option, with subsequent listing (Privately Placed Listing) on the Pakistan Stock Exchange (“**PIA Sukuk –I**” or “**Sukuk Issue**”). The tenor of the Sukuk Issue is ten (10) years inclusive of a two (02) year grace period. Rental payments shall be paid monthly in arrears and the purchase of the investors / Investment Agent’s (i.e. BankIslami Pakistan Limited) Musharakah co-ownership share (i.e. the principal repayments) shall be made in ninety-six (96) equal monthly payments starting from 25th month of the issue date. The purpose of the Sukuk Issue is to fulfill the Issuer’s financing requirements including *inter alia* meeting its permanent working capital requirements and settlement of its existing conventional/ Islamic financing facilities. The Sukuk Issue will be secured by a Government of Pakistan Guarantee and shall also be secured by a lien on the Facility Payment Account and Escrow Account, with assignment / routing of identified Non- IATA cash flows with minimum coverage of 1.25x of the upcoming monthly installment amount, by way of an escrow arrangement between the Issuer and BankIslami Pakistan Limited, in its capacity as Investment Agent and Trustee of the Sukuk Issue.

Book Building Mechanism will be used to determine the Spread (-/+) in basis points (bps) over **1 Month KIBOR Rate** that the Issuer will pay on monthly basis to the respective Investors. The issue shall be privately placed to the eligible investors listed below at a profit rate that shall be determined through the Book Building method. Eligible Investors include:

- A Scheduled Bank as defined in Banking Companies Ordinance, 1962; Financial Institution; a Company or a Body Corporate as defined in the Companies Act, 2017;
- Mutual Funds, Voluntary Pension Schemes and Private fund being managed by NBFC;
- Insurer registered under the Insurance Ordinance, 2000.
- A Securities Broker; and
- A fund and trust as defined in the Employees Contributory funds (Investment in listed securities) Regulations, 2018.

Interested eligible investors shall be required to register themselves with the branches of National Bank of Pakistan and BankIslami Pakistan Limited (list of branches shared at National Bank, BankIslami Pakistan Limited and BIPL Securities Limited’ respective webpages) from **July 9, 2021 to July 12, 2021 (during banking hours)** by filling in the **Bid Registration Form**. Further; those eligible investors who wish to remit funds through RTGS may register up **till 01:00 pm on July 13, 2021**. No third-party cheques will be accepted. National Bank of Pakistan, BankIslami Pakistan Limited and BIPL Securities Limited are acting as Joint Book runners to the Issue. **Intended Bidders shall not submit/disclose the spread to the Joint Book Runners or to any other person**. The bid for spread and quantity shall be placed by the bidders themselves online on the Book Building System which can be accessed through their specific user IDs and passwords from **July 13, 2021 to July 14, 2021 from 09:00 am till 05:00 pm** through the Book Building System.

All eligible investors are required to have a bank account with any scheduled bank in Pakistan. The detailed Book Building process and Term Sheet can be accessed through following link

www.nbp.com.pk; www.bankislami.com.pk/; www.biplsec.com; www.psx.com.pk

For any further details you can contact on below mentioned numbers: NBP:

021-99220769, 021-99062119 & 021-99062124

BankIslami: 111-247-111 Ext: 3832/3834-3835 3835

BIPL Securities Ltd: 111-222-000

PSX: 021-35274401-8