

25th September, 2003

NON-COMPETITIVE BID OPTION IN PIBs
WILL BENEFIT RETAIL INVESTORS

With a view to provide investment opportunity to the small investors in Pakistan Investment Bonds (PIBs), the State Bank of Pakistan has introduced the non- competitive bid option with a cap of Rs.10 million as these bonds carry lucrative yields, can easily be traded in secondary market and are credible for raising funds as collateral. The non-competitive bid option is available to the retail investors only. Commercial Banks/DFIs & Non-Bank Financial Institutions do not enjoy the facility of non-competitive bid option.

It may be pointed out that previously the retail investors were unable to access PIBs, as they were not aware of its pricing mechanism. Therefore, non-competitive bid option will provide a great opportunity to retail investors to invest in Pakistan Investment Bonds.

As per procedure already announced, retail investors may submit their bid with a ceiling of Rs. 10 million to the State Bank of Pakistan before the auction date to be held on 4th October 2003 through Primary Dealers. Primary dealers are HBL, NBP, ABN Amro, Union Bank, American Express Bank, Pak Oman Investment Bank, Jahangir Siddiqui & Co. Ltd., Standard Chartered Bank, UBL, Bank Al Falah & Citibank. One investor can furnish only one bid in a single tenor.

The bids may be furnished with amount mentioned but without indicating any price against 3 years, 5 years and 10 years tenor separately.