



The Pakistan Credit Rating Agency Limited

Rating Report

BankIslami Pakistan Limited | ADT-1 Modaraba Sukuk I | PKR 2 Bln | Apr-20

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Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
28-Jun-2024	A	-	Stable	Maintain	-
28-Dec-2023	A	-	Stable	Maintain	-
24-Jun-2023	A	-	Stable	Upgrade	-
25-Jun-2022	A-	-	Positive	Maintain	-
25-Jun-2021	A-	-	Stable	Maintain	-
30-Jun-2020	A-	-	Stable	Initial	-
08-Oct-2019	A-	-	Stable	Maintain	-
30-Apr-2019	A-	-	Stable	Preliminary	Yes

Rating Rationale and Key Rating Drivers

BankIslami Pakistan Limited (BIPL) is the first Islamic commercial bank to receive an Islamic banking license in Pakistan. The Bank has demonstrated remarkable growth over the last couple of years in areas crucial to the risk profiling of any commercial bank. During CY23, the Bank underwent a significant change in ownership, JS Bank Limited, one of the sponsor shareholders of the Bank, elevated its shareholding to 75.12% and became the Parent company of the Bank, making BankIslami an integral part of the JS Group. At end-Dec23, the deposit base of the bank grew by 26% to stand at PKR 522.5bln (end-Dec22: PKR 415.9bln) with a large contribution from current and term deposits. The deposit growth is in line with the Bank's strategy to bring the sticky deposits and firm up the balance sheet. BIPL's net advances have increased by 14% to stand at PKR 230bln (end-Dec22: 201bln) with the intact infection ratio, reflective of sustained asset quality. During CY23, the profit after taxation strengthened to PKR 11bln (CY22: PKR 4.4bln) attributable to enhanced gross return witnessing an increase of 100% YoY to stand at PKR 92.8bln (CY22: PKR 46.3bln). The Bank is actively working on growing the trade business which would ultimately facilitate in CA growth. At end-Dec23, the CAR of the bank enhanced to 23.8% (end-Dec22: 17.9%) indicating sufficient growth cushion for the bank.

The rating incorporates the bank's ability to strengthen its market position in its peers with improved risk management. The recent transformation in the ownership structure adds value to the ratings. However, the improvement in the asset quality will remain significant.

Disclosure

Name of Rated Entity	BankIslami Pakistan Limited ADT-1 Modaraba Sukuk I PKR 2 Bln Apr-20
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology Financial Institution Rating(Oct-23),Methodology Debt Instrument Rating(Dec-23),Methodology Rating Modifiers(Apr-24)
Related Research	Sector Study Commercial Banks(Jun-24)
Rating Analysts	Muhammad Usman Ameer usman.ameer@pacra.com +92-42-35869504



Issuer Profile

Profile BankIslami Pakistan Limited (BIPL), incorporated in Oct-04, was the first bank in Pakistan to receive an Islamic Banking license, in Mar-05, under the Islamic Banking Policy of 2003. The bank, after being declared a scheduled Islamic bank by the State Bank of Pakistan in Mar-05, commenced its operations on April 07, 2006. The Bank was established with a vision to be recognized as the leading authentic Islamic bank with its mission to create value for its stakeholders by offering authentic Shariah-compliant and technologically advanced products and services. BIPL is currently operating with 440 branches as of December 31, 2023, across the country. The bank is engaged in corporate, commercial, consumer, retail banking, and investment activities by offering a wide range of Sharia-compliant products and services.

Ownership BIPL is a subsidiary (75.12%) of JS Bank Limited (JSBL), part of JS Group. Mr. Ali Hussain holds 12.53% of the stake including 1.95% Shares of BIPL held through SAJ Capital Management Ltd.; while the remaining stake is widely spread. BIPL ownership is backed by a strong sponsor, i.e. JS Group, and it is expected to remain the same in the foreseeable future. The business acumen of sponsors is considered strong as sponsors have diversified interests and long associations with the markets. The ability to support in case of financial need is considered good.

Governance The change in ownership has led to notable changes in governance and management. Mr. Suleman Lalani, Group President of Jahangir Siddiqui & Co. Limited, is now the Chairman of the Board, succeeding Mr. Ali Hussain. Mr. Rizwan Ata has become the President & CEO of BIPL, replacing Mr. Syed Amir Ali. The board comprises eight members including three independent directors, four non-executive directors, and one executive director. BIPL's Shariah board comprises four leading Islamic scholars of the country, namely (i) Mufti Irshad Ahmad Aijaz, (ii) Mufti Javed Ahmad, (iii) Mufti Muhammad Husain, and (iv) Mufti Syed Hussain Ahmad. Mr. Suleman Lalani, Chairman of the Board of Directors, has a rich experience of over three decades. The BoD exercises close monitoring of the management's policies and governs the bank's operations through its four committees namely i) Audit Committee, ii Human Resource & Remuneration Committee, (iii) Risk Management Committee, and (iv) IT Committee. KPMG Taseer Hadi & Co., Chartered Accountants are the external auditors of the Bank and they have expressed an unqualified opinion for the financial statements for the year ended on December 31, 2023.

Management BIPL's organizational structure is divided into fourteen functional departments i) Distribution, ii) Corporate Banking, iii) Consumer, iv) Treasury/ FIs, v) Risk Management, vi) Product and Shariah Structuring, vii) Human Resource, viii) Legal, ix) Finance, x) Operations, xi) Security and Govt. Relations, xii) IT, xiii) Internal Audit and xiv) Compliance. All department heads have significant relevant professional experience and report to the CEO & Deputy CEO currently. The bank also has an internal audit department, reporting directly to the Board's Audit Committee. During CY23, Mr. Rizwan Ata was appointed as the CEO & President of the bank after Mr. Syed Amir Ali. Mr. Rizwan has a rich experience of over three decades in several leadership roles in different local and international banks. Moreover, during CY24, Mr. Imran Haleem Shaikh joined as the deputy CEO of BIPL. Mr. Imran has served as the Chief Operating Officer at JS Bank Limited and in various positions at JS Group. The bank has eight committees at the management level: (i) Business Strategy & Review Committee (BSRC), (ii) Compliance & Controls Committee (CCM), (iii) Information Technology Steering Committee (ITSC), (iv) Asset and Liability Committee (ALCO), (v) Management Credit Committee (MCC), (vi) Service Excellence Committee (SEC), (vii) Procurement & Disposal Committee (PDC) & (viii) Disciplinary Action Committee (DAC). The bank operates using a comprehensive Islamic Banking application that has inbuilt Shariah compliance features – iMal, a core banking software. For enhanced customer experience, the bank is in the process of upgrading its core banking application. The internal Risk Rating Module is being used by the bank. The module supports the bank in its Obligor Risk Rating (ORR) process by adding more objectivity to the credit appraisal process.

Business Risk CY23 remained a challenging year for the economy inclusive of a drop in exchange reserves, currency devaluation, and peak inflation. To combat inflation and curb aggregate demand, the Central Bank maintained a tight monetary policy stance. Despite these challenges, CY23 was a remarkably successful year for the banking industry. The sector outperformed historical statistics, with two-thirds of net markup income coming from investments in government securities and the remainder from advances. During the year, Pakistan's banking sector's total assets posted growth of ~30% YoY whilst investments surged by ~42% to PKR ~25.6trln (end-Dec22: PKR ~18trln). Gross Advances of the sector recorded growth of ~4% to stand at PKR ~13.101trln (end-Dec22: PKR ~12.645trln). Non-performing loans witnessed an increase of 8.3% YoY to PKR ~881bln (end-Dec22: ~812bln). The CAR averaged at 18.5% (end-Dec22: 15.5%). Looking ahead, with the expected monetary rate cut, banks are likely to sustain some dilution in profitability by CY24. BIPL, a small-sized Bank, holds a deposit base of PKR 522.5bln (end-Dec22: PKR 415.9bln). The deposit share of the Bank remained intact at 1.8% (end-Dec22: 1.8%). During CY23, BIPL's net return increased by 97% YoY to stand at PKR 40.2bln (CY22: PKR 20.4bln) with gross return witnessing an increase of 100% YoY to stand at PKR 92.8bln (CY22: PKR 46.3bln). Subsequently, the Asset yield of the bank inclined to 19.2% (CY22: 12.4%). Whereas, the Bank's cost of funds inclined to 10.2% (CY22: 6.4%). Consequently, the Bank's spread increased to 8.9% (CY22: 6%). During CY23, the other income of the bank reported at PKR 3.3bln (CY22: PKR 3.6bln) with a major contribution of fee and commission income (CY23: PKR 1.8bln; CY22: PKR 1.5bln). The other expenses inclined by 39% YoY to PKR 16.6bln (CY22: PKR 11.96bln). The profit after taxation strengthened to PKR 11bln (CY22: PKR 4.4bln). Going forward, the Bank remains committed to achieving sustainable growth in its balance sheet, profitability, and customer base through efficient marketing, branch expansion, and process improvement by leveraging technology, expanding its digital footprint, garnering trade business, and introducing customer-centric and competitive Shariah-compliant products. In pursuit of this, the Bank has formulated a comprehensive long-term Strategic Business Plan covering the period from 2024 to 2026.

Financial Risk At end-Dec23, BIPL's net advances have increased by 14% to stand at PKR 230bln (end-Dec22: 201bln). The bank's net ADR was reported at 44.1% (end-Dec22: 48.4%). The infection ratio remained stagnant at 9% (end-Dec22: 9%). At end-Dec23, BIPL's investment portfolio witnessed an increase to PKR 314bln (end-Dec22: PKR 179.7bln). Portfolio increased mainly due to an increase in Federal Government Securities to PKR 308.7bln (end-Dec22: PKR 172bln). The investment composition remained tilted towards government securities. At end-Dec23, the Liquid assets to Deposits & Borrowing ratio was increased to 59.8% (end-Dec22: 48.5%). The deposit base grew by 26% to stand at PKR 522.5bln (end-Dec22: PKR 415.9bln) with a major contribution of current deposits clocking in at PKR 194.9bln (end-Dec 2022: PKR 170.6bln) and term deposits clocking in at PKR 197.6bln (end-Dec22: PKR 137.7bln). Furthermore, CA and SA ratios stood at 37.3% and 24.9% respectively. At end-Dec23, the equity base increased to PKR 36.466bln (end-Dec22: PKR 26.450bln) owing to healthy profitability. The CAR increased to 23.79% (end-Dec22: 17.92%) with Tier I CAR at 17.78% (end-Dec22: 13.60%).

Instrument Rating Considerations

About The Instrument BIPL issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible listed modaraba Sukuk certificates ("Sukuk"). The issue amounts to PKR 2bln. The tenor of the instrument is perpetual and carries a profit rate of 3MK + 2.75%. The profit is being paid monthly in arrears on the outstanding principal amount on a non-cumulative basis. The amount raised is part of BIPL's Additional Tier 1 Capital for capital adequacy ratio as per guidelines set by SBP. The funds are being utilized in the bank's financing and investing activities. BIPL may exercise a call option on the Sukuk after five years from the issuance date.

Relative Seniority/Subordination Of Instrument The Sukuk holders are a part of the general pool. The claims of the investors will rank a) superior to the claims of ordinary shareholders in case of going concern as well as a gone concern (in case the Sukuk are not already converted into the common share of the Bank), and b) pari passu without preference amongst Sukuk holders. The Sukuk is also subject to the lock-in clause i.e. the profit payment to the Sukuk holders will be subject to the condition that any such payment should not result in noncompliance with the applicable regulatory requirement of MCR, CAR, and leverage ratio (LR) as determined by SBP from time to time. Any inability to exercise the lock-in clause or non-cumulative feature will subject these Sukuk certificates to mandatory conversion into common shares at the discretion of SBP

Credit Enhancement The instrument is unsecured.



PKR mln

BankIslami Pakistan Limited
Listed Public Limited

Dec-23	Dec-22	Dec-21	Dec-20
12M	12M	12M	12M

A BALANCE SHEET

1 Total Finances - net	235,846	206,458	186,246	134,988
2 Investments	309,418	173,788	117,617	87,785
3 Other Earning Assets	17,876	25,924	38,637	53,948
4 Non-Earning Assets	92,712	80,245	63,738	56,947
5 Non-Performing Finances-net	(986)	824	2,151	2,629
Total Assets	654,866	487,239	408,390	336,297
6 Deposits	522,541	415,912	344,788	283,641
7 Borrowings	63,509	23,902	23,193	18,128
8 Other Liabilities (Non-Interest Bearing)	32,350	20,975	17,898	14,633
Total Liabilities	618,400	460,789	385,879	316,402
Equity	36,466	26,450	22,511	19,895

B INCOME STATEMENT

1 Mark Up Earned	92,756	46,345	23,235	25,744
2 Mark Up Expensed	(52,573)	(25,943)	(12,303)	(13,255)
3 Non Mark Up Income	3,311	3,599	2,119	1,635
Total Income	43,494	24,001	13,052	14,124
4 Non-Mark Up Expenses	(16,580)	(11,961)	(9,623)	(8,764)
5 Provisions/Write offs/Reversals	(6,391)	(3,812)	(32)	(2,601)
Pre-Tax Profit	20,523	8,228	3,397	2,759
6 Taxes	(9,478)	(3,788)	(1,266)	(1,056)
Profit After Tax	11,045	4,440	2,131	1,703

C RATIO ANALYSIS

1 Performance

Net Mark Up Income / Avg. Assets	7.0%	4.6%	2.9%	3.7%
Non-Mark Up Expenses / Total Income	38.1%	49.8%	73.7%	62.0%
ROE	35.1%	18.1%	10.1%	8.6%

2 Capital Adequacy

Equity / Total Assets (D+E+F)	5.6%	5.4%	5.5%	5.9%
Capital Adequacy Ratio	23.8%	17.9%	14.1%	16.1%

3 Funding & Liquidity

Liquid Assets / (Deposits + Borrowings Net of Repo)	59.8%	48.5%	38.9%	39.6%
(Advances + Net Non-Performing Advances) / Deposits	44.1%	48.4%	52.5%	45.9%
CA Deposits / Deposits	37.3%	41.0%	38.4%	32.7%
SA Deposits / Deposits	24.9%	25.9%	29.7%	30.1%

4 Credit Risk

Non-Performing Advances / Gross Advances	9.0%	9.1%	8.7%	12.1%
Non-Performing Finances-net / Equity	-2.7%	3.1%	9.6%	13.2%

Credit Rating

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Scale	Long-term Rating Definition
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+	
AA	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
AA-	
A+	
A	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
A-	
BBB+	
BBB	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BBB-	
BB+	
BB	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
BB-	
B+	
B	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
B-	
CCC	
CC	Very high credit risk. Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.
C	
D	Obligations are currently in default.

Scale	Short-term Rating Definition
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.



*The correlation shown is indicative and, in certain cases, may not hold.

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.

Rating Watch Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.

Suspension It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.

Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults, or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.

Harmonization A change in rating due to revision in applicable methodology or underlying scale.

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening.

Note. This scale is applicable to the following methodology(s):

- a) Broker Entity Rating
- b) Corporate Rating
- c) Debt Instrument Rating
- d) Financial Institution Rating
- e) Holding Company Rating
- f) Independent Power Producer Rating
- g) Microfinance Institution Rating
- h) Non-Banking Finance Companies Rating

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Rating Team Statements

(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) Conflict of Interest

- i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
- ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
- iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions

- (3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
- (4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
- (5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business

- (6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
- (7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
- (8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
- (9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
- (10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
- (11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

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- (12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA's opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
- (13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
- (14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
- (15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
- (16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
- (17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review

- (18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
- (19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
- (20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
- (21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument; | Chapter III | 17-(d)

Probability of Default

(22) PACRA's Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA's transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA's Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)

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Regulatory and supplementary Disclosure

Nature of Instrument	Size of issue	Date of Issue	Years	Security	Quantum of security	Nature of Assets	Book value of Assets (PKR mln)	Trustee
Modaraba Sukuk - ADT I	2bln	Apr-20	Perpetual	Unsecured and subordinated to all other obligations of the bank.	N/A	N/A	N/A	Pak Brunei Investment Company Limited

BankIslami Pakistan Limited / Modaraba Sukuk

Due Date Principle*	Opening Principal	Principal Repayment*	Due Date Markup/ Profit*	Markup/Profit Rate (3MK + 2.75%)	3M Kibor	Markup/Profit Payment	Installment Payable	Principal Outstanding
	PKR in mln					PKR in mln		

Redemption Schedule not applicable since its a perpetual Modaraba Sukuk whereby there is no fixed or final redemption date. Profit will be payable monthly in arrears, on a non-cumulative basis, on the outstanding Sukuk amount. The first such profit payment will fall due at the end of 1st calender month from the Issue Date and subsequently every month end thereafter.

The instrument carries a call option which may be exercised after Apr-25 (5 years), subject to approval of the SBP.