

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 30, 2025



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan Mortgage Refinance Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pakistan Mortgage Refinance Company Limited** as at June 30, 2025 and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim cash flow statement, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

Pursuant to the requirement of BSD Circular No. 01 of 2004, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2025 and June 30, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: August 28, 2025

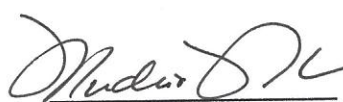
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PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

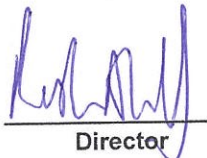
	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	7	112,147	5,338
Balances with other banks	8	1,007,242	1,238,218
Lendings to financial institutions	9	-	3,998,264
Investments	10	31,680,154	27,396,823
Advances	11	45,931,614	34,456,076
Property and equipment	12	115,100	67,525
Right-of-use assets	13	9,751	21,452
Intangible assets	14	27,146	30,379
Deferred tax assets		-	-
Other assets	15	1,152,916	1,042,418
Total assets		80,036,070	68,256,493
LIABILITIES			
Bills payable		-	-
Borrowings	16	42,277,712	41,437,458
Deposits and other accounts	17	10,500,550	-
Lease liabilities	18	8,109	23,800
Subordinated debt	19	2,811,208	2,839,356
Deferred tax liabilities		-	-
Other liabilities	20	10,341,675	10,544,707
Total liabilities		65,939,254	54,845,321
NET ASSETS		14,096,816	13,411,172
REPRESENTED BY			
Share capital		6,237,759	6,237,759
Reserves		2,398,366	2,085,272
Surplus on revaluation of assets	21	278,846	223,010
Unappropriated profit		5,181,845	4,865,131
		14,096,816	13,411,172
CONTINGENCIES AND COMMITMENTS			
	22		


The annexed notes from 1 to 35 and annexure form an integral part of these condensed interim financial statements.


 Managing Director /
Chief Executive Officer


 Chief Financial Officer


 Director



 Director


 Director

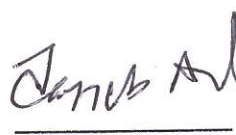
PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2025

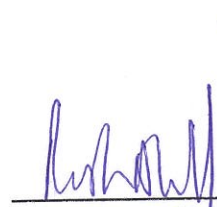
Note	Half year ended		Quarter ended		
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	
----- Rupees in '000 -----					
	(Restated)		(Restated)		
Mark-up / return / interest / profit earned	23	4,649,600	3,996,801	2,396,411	2,063,250
Mark-up / return / interest / profit expensed	24	2,936,618	1,798,440	1,577,790	1,031,918
Net mark-up / return / interest / profit earned		1,712,982	2,198,361	818,621	1,031,332
Non mark-up / interest income					
Fee and commission income	25	14,931	13,872	7,466	7,634
Dividend income		-	-	-	-
Foreign exchange income / (loss)		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain on securities	26	85,813	672	-	49
Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income		19	283	11	30
Total non-markup / interest income		100,763	14,827	7,477	7,713
Total income		1,813,745	2,213,188	826,098	1,039,045
Non mark-up / interest expense					
Operating expenses	27	243,796	347,460	62,252	145,614
Workers' Welfare Fund		31,948	24,511	15,857	4,616
Other charges		-	-	-	-
Total non-markup / interest expenses		275,744	371,971	78,109	150,230
Profit before provisions / credit loss allowance		1,538,001	1,841,217	747,989	888,815
Provisions / credit loss allowance and write offs - net (reversal) / charge	28	(27,471)	652,780	(28,971)	675,169
Extraordinary / unusual items		-	-	-	-
Profit before taxation		1,565,472	1,188,437	776,960	213,646
Taxation	29	-	-	-	-
Profit after taxation		1,565,472	1,188,437	776,960	213,646
----- (Rupees) -----					
Basic and diluted earnings per share	30	2.51	1.91	1.25	0.35

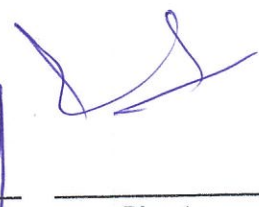
The annexed notes from 1 to 35 and annexure form an integral part of these condensed interim financial statements.


Managing Director /
Chief Executive Officer


Chief Financial Officer


Director



Director



Director

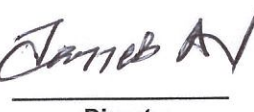
PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2025

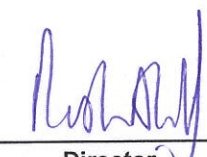
Note	Half year ended		Quarter ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	Rupees in '000			
	(Restated)		(Restated)	
Profit after taxation for the period	1,565,472	1,188,437	776,960	213,646
Other comprehensive income / (loss)				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
Movement in surplus on revaluation of asset at Fair Value through Other Comprehensive Income (FVOCI)	141,649	63,519	214,054	44,555
Debt securities carried at FVOCI reclassified to profit and loss account	(85,813)	(672)	-	(49)
	55,836	62,847	214,054	44,506
Total comprehensive income for the period	1,621,308	1,251,284	991,014	258,152


The annexed notes from 1 to 35 and annexure form an integral part of these condensed interim financial statements.


 Managing Director /
Chief Executive Officer


 Chief Financial Officer


 Director


 Director



 Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

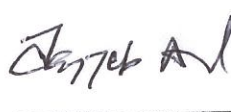
	Share capital	Statutory reserve	Surplus/ (deficit) on revaluation of investments	Unappropriated profit	Total
Note					
	Rupees in '000				
Balance as at December 31, 2023 (audited)	6,237,759	1,519,513	(353,565)	3,527,305	10,931,012
Impact of adoption of IFRS 9	-	-	-	13,579	13,579
Balance as at January 01, 2024 (audited)	6,237,759	1,519,513	(353,565)	3,540,884	10,944,591
Total comprehensive income for the period					
Profit after taxation for the half year ended June 30, 2024 (restated)	3.1	-	-	1,188,437	1,188,437
Other Comprehensive Income (OCI)					
Movement in surplus on revaluation of asset at FVOCI	-	-	63,519	-	63,519
Debt securities carried at FVOCI reclassified to profit and loss account	-	-	(672)	-	(672)
Total comprehensive income for the half year ended June 30, 2024 - restated	-	-	62,847	1,188,437	1,251,284
Transfer to statutory reserve	-	237,687	-	(237,687)	-
Transactions with owners, recorded directly in equity					
Final dividend for the year ended December 31, 2023 @ Rs. 1.50 per share declared on March 05, 2024	-	-	-	(935,664)	(935,664)
Balance as at June 30, 2024 (un-audited) - restated	6,237,759	1,757,200	(290,718)	3,555,970	11,260,211
Total comprehensive income for the period					
Profit after taxation for the half year ended December 31, 2024	-	-	-	1,640,356	1,640,356
OCI					
Remeasurement loss on defined benefit plan	-	-	-	(3,123)	(3,123)
Movement in surplus on revaluation of asset at FVOCI	-	-	540,331	-	540,331
Debt securities carried at FVOCI reclassified to profit and loss account	-	-	(26,603)	-	(26,603)
Total comprehensive income for the half year ended December 31, 2024	-	-	513,728	1,637,233	2,150,961
Transfer to statutory reserve	-	328,072	-	(328,072)	-
Balance as at December 31, 2024 (audited)	6,237,759	2,085,272	223,010	4,865,131	13,411,172
Total comprehensive income for the period					
Profit after taxation for the half year ended June 30, 2025	-	-	-	1,565,472	1,565,472
OCI					
Movement in surplus on revaluation of asset at FVOCI	-	-	141,649	-	141,649
Debt securities carried at FVOCI reclassified to profit and loss account	-	-	(85,813)	-	(85,813)
Total comprehensive income for the half year ended June 30, 2025	-	-	55,836	1,565,472	1,621,308
Transfer to statutory reserve	-	313,094	-	(313,094)	-
Transactions with owners, recorded directly in equity					
Final dividend for the year ended December 31, 2024 @ Rs. 1.50 per share declared on February 25, 2025	-	-	-	(935,664)	(935,664)
Balance as at June 30, 2025 (un-audited)	6,237,759	2,398,366	278,846	5,181,845	14,096,816

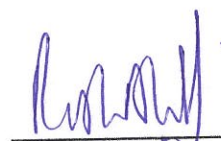
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Managing Director /
Chief Executive Officer


Chief Financial Officer


Director

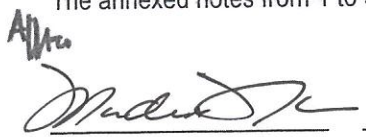
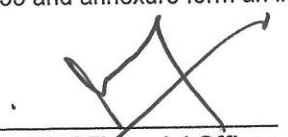
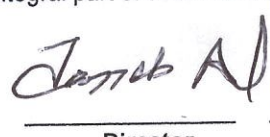
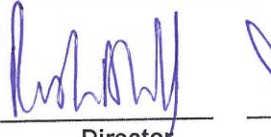


Director


Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	Half year ended	
		June 30, 2025	June 30, 2024
		----- Rupees in '000 -----	
			(Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period before taxation		1,565,472	1,188,437
Adjustments:			
Net mark-up / return / interest / profit earned		(1,712,982)	(2,198,361)
Depreciation	27	17,990	13,955
Depreciation on right-of-use assets	27	11,701	11,701
Amortisation of intangible assets	27	4,554	3,331
Amortisation of transaction cost		4,895	8,300
Amortisation of prepaid staff cost	24	7,290	4,534
Provision for Workers' Welfare Fund		31,948	24,511
(Gain) / loss on sale of property and equipment		(19)	34
Gain on sale of securities	26	(85,813)	(672)
Provision for defined benefit obligation		10,644	6,854
Finance charges on leased assets	24	768	2,107
Credit loss allowance and write offs - net (reversal) / charge	28	(27,471)	652,780
		(1,736,495)	(1,470,926)
		(171,023)	(282,489)
(Increase) / Decrease in operating assets			
Lendings to financial institutions		3,998,408	(11,842,219)
Advances		(11,448,372)	(655,556)
Other assets (excluding advance taxation and mark-up accrued)		(19,224)	57,373
		(7,469,188)	(12,440,402)
Increase / (Decrease) in operating liabilities			
Borrowings		14,402,296	7,981,496
Deposits and other accounts		10,500,550	-
Other liabilities (excluding payable to defined benefit plan and mark-up payable)		(167,261)	84,294
		24,735,585	8,065,790
Mark-up / return / interest / profit - received		4,546,303	3,887,383
Mark-up / return / interest / profit - paid		(2,704,241)	(1,433,387)
Contributions paid to defined benefit scheme		(10,662)	(7,207)
Income tax paid		(40)	(41)
Net cash flow from / (used in) operating activities		18,926,734	(2,210,353)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI		(4,141,738)	2,650,657
Net investments in securities classified as Fair Value through Profit and Loss (FVPL)		60	60
Investments in property and equipment		(77,514)	(16,226)
Investments in intangible assets		(1,323)	(2,031)
Disposal of property and equipment		11,974	202
Net cash (used in) / flow from investing activities		(4,208,541)	2,632,662
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(935,664)	(935,664)
Payments of lease obligations against right-of-use assets		(16,459)	(16,459)
Repayment of Term Finance Certificates (TFC) and sukuk certificates		(1,437,500)	(7,137,500)
Net receipts from long term loan		2,833,333	-
Payment of short term loan		(15,000,000)	-
Payment of loan of World Bank - Housing Finance Project		(169,764)	(169,764)
Payment of subordinated debt		(116,337)	(116,337)
Net cash used in financing activities		(14,842,391)	(8,375,724)
		(124,198)	(7,953,415)
Decrease in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		1,243,556	10,656,706
Opening net credit allowance on cash and cash equivalents		167	(1,450)
Cash and cash equivalents at the beginning of the period - net of credit loss allowance		1,243,723	10,655,256
Credit loss allowance on cash and cash equivalents during the period		(136)	1,086
Cash and cash equivalents at the end of the period - net of credit loss allowance		1,119,389	2,702,927

The annexed notes from 1 to 35 and annexure form an integral part of these condensed interim financial statements.

Managing Director /
Chief Executive Officer
Chief Financial Officer
Director
Director
Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Mortgage Refinance Company Limited (the Company) is an unlisted public limited company incorporated in Pakistan on May 14, 2015 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company has been notified as a Development Financial Institution (DFI) by the Finance Division of Government of Pakistan on October 27, 2017. The State Bank of Pakistan (SBP) granted the certificate for commencement of business with effect from June 12, 2018.
- 1.2 The Company's objectives inter alia include promoting, developing and improving the housing finance market of Pakistan by providing financing facilities to banks and financial institutions against their conventional and Islamic housing finance portfolios and other eligible securities and promote the development of capital markets in Pakistan. The Company is also engaged in providing Trustee services to the Government owned Credit Guarantee Scheme for housing finance. The registered office of the Company is situated at Finance and Trade Center, 4th floor, Block-A, Shahrah-e-Faisal, Karachi.
- 1.3 The Company has been assigned a rating of 'AAA' by VIS Credit Rating Company Limited dated April 24, 2025 (December 31, 2024: 'AAA' dated April 9, 2024). The rating reflects the highest possible credit quality rating with the lowest expectation of default risk.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017;
- Directives issued by SBP and the Securities and Exchange Commission of Pakistan (SECP);
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 (BCO); and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017.

Whenever the requirements of the Companies Act, 2017, the BCO or the directives issued by the SBP and the SECP differ with the requirements of IAS 34, IFRS or IFAS, the requirements of the Companies Act, 2017, the BCO and the said directives shall prevail.

- 2.2 These condensed interim financial statements of the Company do not include all the information and disclosures required in the annual audited financial statements and are limited based on the format prescribed by the SBP vide BPRD Circular No. 02 dated February 09, 2023 and IAS 34. Accordingly, these condensed interim financial statements should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2024.
- 2.3 The SBP has deferred the applicability of IAS 40, 'Investment Property' for banking companies / DFIs in Pakistan through BSD Circular Letter No. 10 dated August 26, 2002, till further instructions. Further, the SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures', through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements.
- 2.4 **Amendments to approved accounting standards that are effective in the current period**

There are certain new and amended standards, issued by IASB, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or do not have any material effect on the Company's operations and are therefore not detailed in these condensed interim financial statements. The comparative figures for the period ended June 30, 2024 in these condensed interim financial statements have been restated to incorporate the impact of adoption of IFRS 9 as disclosed in note 3.1.

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2.5 Standards, interpretations of and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting and reporting standards would be effective from the dates mentioned below against the respective standards, interpretations or amendments:

Standards, interpretations or amendments	Effective date (annual periods beginning on or after)
- IFRS 18 - 'Presentation and Disclosure in Financial Statements'	January 1, 2027
- IFRS 9 - 'Financial Instruments' (amendments)	January 1, 2026

The management is in the process of assessing the impact of these standards and amendments on the condensed interim financial statements of the Company.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2024. However, the impacts of adoption of IFRS 9 on comparative period June 30, 2024 are as follows.

3.1 IFRS 9 - 'Financial Instruments'

The Company had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 13.579 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Company, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 had incorporated certain IFRS 9 related impacts in the last quarter of 2024.

Therefore the condensed interim statement of profit and loss account (un-audited) for the half year ended June 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the half year ended June 30, 2024 would have been higher by Rs. 13.479 million. The details are tabulated below:

Head		(Rupees in '000)	Description
Mark-up / return / interest / profit earned	Decrease	(13,801)	Fair value impact of advances
Mark-up / return / interest / profit earned	Increase	4,534	Fair value impact on staff loans
Mark-up / return / interest / profit earned	Increase	220,071	Amortisation of Deferred Grant Income
		210,804	
Mark-up / return / interest / profit expensed	Increase	130,173	Fair value impact of Borrowings from Government of Pakistan under World Bank - Housing Finance Project
Mark-up / return / interest / profit expensed	Increase	89,898	Fair value impact of Subordinated debt
Mark-up / return / interest / profit expensed	Decrease	(322)	Fair value impact of TFC
Mark-up / return / interest / profit expensed	Increase	4,534	Fair value impact on staff loans
		224,283	
Head		(Rupee)	Description
Basic and diluted earnings per share	Decrease	(0.02)	EPS impact of restatement

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by the management in the application of its accounting policies are the same as those applied to the annual audited financial statements of the Company for the year ended December 31, 2024.

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5 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except for the following:

- Obligation in respect of staff retirement benefit scheme is carried at present value of defined benefit obligation; and
- Investments classified as FVOCI and FVPL are carried at fair value.
- Right-of-use assets and their related lease liability are carried at present value on initial recognition.
- Loans to staff are recorded at their present value on initial recognition.
- Borrowings obtained at lower than market rate are carried at fair value.

5.1 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements have been presented in Pakistani Rupees, which is the Company's functional and presentation currency.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2024. These risk management policies continue to remain robust and the Company is reviewing its portfolio regularly and conducts rapid portfolio reviews in line with emerging risks.

7 CASH AND BALANCES WITH TREASURY BANKS

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
With State Bank of Pakistan in:			
Local currency current account	7.1	112,103	5,295
With National Bank of Pakistan in:			
Local currency current accounts	7.2	31	31
Local currency deposit account		13	12
		44	43
Less: Credit loss allowance held against cash and balances with treasury banks	7.3	-	-
Cash and balances with treasury banks - net of credit loss allowance		112,147	5,338

7.1 This represents the minimum cash reserve required to be maintained with SBP in accordance with the requirements of BSD Circular No. 4 dated May 22, 2004.

7.2 This represents deposit account maintained with National Bank of Pakistan. This carries mark-up at the rate of 9.50% (December 31, 2024: 13.50%) per annum.

7.3 Movement in credit loss allowance held against Cash and Balances With Treasury Banks - Stage 1

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
Opening balance		-	-
Charge for the period / year		-	6
Reversal for the period / year		-	(6)
Closing balance		-	-

8 BALANCES WITH OTHER BANKS

In Pakistan			
In current account	8.1	1,415	1,579
In deposit accounts		1,005,963	1,236,806
		1,007,378	1,238,385
Less: Credit loss allowance held against balances with other banks	8.2	(136)	(167)
Balances with other banks - net of credit loss allowance		1,007,242	1,238,218

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- 8.1 These represent deposit accounts in local currency maintained with other banks. These carry mark-up / profit at rates ranging from 7.09% to 9.50% (December 31, 2024: 5.87% to 13.50%) per annum.

Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	

8.2 Movement in credit loss allowance held against balances with other banks – Stage 1

Opening balance		167	-
Charge for the period / year		-	1,444
Reversal for the period / year	28	(31)	(1,277)
Closing balance		<u>136</u>	<u>167</u>

9 LENDINGS TO FINANCIAL INSTITUTIONS

Reverse Repurchase agreements (Repo)	9.1	-	3,998,408
Less: Credit loss allowance held against lendings to financial institutions	9.3	-	(144)
Lendings to financial institutions - net of credit loss allowance		<u>-</u>	<u>3,998,264</u>

- 9.1 The figures for the year ended December 31, 2024 carried a markup at the rate of 13.75% per annum.

9.2 Lendings to financial Institutions- particulars of credit loss allowance

(Un-audited) June 30, 2025		(Audited) December 31, 2024	
Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
-----Rupees in '000-----			

Domestic
Performing - Stage 1

-	-	3,998,408	(144)
---	---	-----------	-------

9.3 Movement in credit loss allowance held against lending to financial Institutions – Stage 1

Opening balance		144	-
Charge for the period / year		-	144
Reversal for the period / year	28	(144)	-
Closing balance		<u>-</u>	<u>144</u>

10 INVESTMENTS

10.1 Investments by type

(Un-audited) June 30, 2025				(Audited) December 31, 2024			
Cost / amortised cost	Credit loss allowance	Surplus	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus	Carrying value
----- (Rupees in '000) -----							

FVOCI

Federal government securities	31,026,731	-	278,846	31,305,577	26,774,180	-	223,010	26,997,190
Non-government debt securities	75,000	(3)	-	74,997	100,000	(7)	-	99,993
	<u>31,101,731</u>	<u>(3)</u>	<u>278,846</u>	<u>31,380,574</u>	<u>26,874,180</u>	<u>(7)</u>	<u>223,010</u>	<u>27,097,183</u>

FVPL

Non-government debt securities	299,580	-	-	299,580	299,640	-	-	299,640
Total investments	<u>31,401,311</u>	<u>(3)</u>	<u>278,846</u>	<u>31,680,154</u>	<u>27,173,820</u>	<u>(7)</u>	<u>223,010</u>	<u>27,396,823</u>

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10.1.1 Investments given as collateral

	(Un-audited)			(Audited)		
	June 30, 2025			December 31, 2024		
	Cost / amortised cost	Surplus / (deficit)	Carrying value	Cost / amortised cost	Surplus / (deficit)	Carrying value
----- Rupees in '000 -----						
Pakistan Investment Bonds (PIB)	-	-	-	1,003,029	(17,429)	985,600
Market Treasury Bills (MTB)	10,506,639	53,777	10,560,416	15,486,109	123,624	15,609,733
	<u>10,506,639</u>	<u>53,777</u>	<u>10,560,416</u>	<u>16,489,138</u>	<u>106,195</u>	<u>16,595,333</u>

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----			
10.2 Movement in credit loss allowance held against investment – Stage 1			
Opening balance		7	-
Charge for the period / year		-	7
Reversal for the period / year	28	(4)	-
Closing balance		<u>3</u>	<u>7</u>

10.3 Particulars of credit loss allowance against debt securities

	(Un-audited) June 30, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
-----Rupees in '000-----				
Domestic				
Performing - Stage 1	75,000	(3)	100,000	(7)

11 ADVANCES

	Performing		Non-performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
----- Rupees in '000 -----						
Loans, cash credits, running finances, etc.	19,440,332	15,109,674	1,117,790	1,288,707	20,558,122	16,398,381
Islamic financing and related assets	26,294,659	19,006,028	-	-	26,294,659	19,006,028
Advances - gross	<u>45,734,991</u>	<u>34,115,702</u>	<u>1,117,790</u>	<u>1,288,707</u>	<u>46,852,781</u>	<u>35,404,409</u>
Credit loss allowance / provision against advances						
- Stage 1	11.3 14,377	20,520	-	-	14,377	20,520
- Stage 3	11.3 -	-	558,895	579,918	558,895	579,918
- General	11.3 347,895	347,895	-	-	347,895	347,895
	<u>362,272</u>	<u>368,415</u>	<u>558,895</u>	<u>579,918</u>	<u>921,167</u>	<u>948,333</u>
Advances - net of credit loss allowance / provision	<u>45,372,719</u>	<u>33,747,287</u>	<u>558,895</u>	<u>708,789</u>	<u>45,931,614</u>	<u>34,456,076</u>

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----		
11.1 Particulars of advances (gross)		
In local currency	<u>46,852,781</u>	<u>35,404,409</u>

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- 11.2 Advances include Rs. 1,117.790 million (December 31, 2024: Rs.1,288.707 million) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited)		(Audited)	
	June 30, 2025		December 31, 2024	
	Non-performing loans	Credit loss allowance	Non-performing loans	Credit loss allowance
Rupees in '000				
Domestic				
Doubtful - Stage 3	1,117,790	558,895	1,288,707	579,918

11.3 Particulars of credit loss allowance / provision against advances

Particulars of credit loss allowance / provision against advances	(Un-audited)					(Audited)				
	June 30, 2025					December 31, 2024				
	Expected Credit Loss			General	Total	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
	-----Rupees in '000-----									
Opening balance	20,520	-	579,918	347,895	948,333	-	-	-	347,895	347,895
(Reversal) / charge for the period / year	(6,143)	-	(21,023)	-	(27,166)	20,520	-	579,918	-	600,438
Closing balance	14,377	-	558,895	347,895	921,167	20,520	-	579,918	347,895	948,333

- 11.3.1 The Company's financing activities largely belongs to the banking industry which includes Banks, DFIs, Micro Finance Institutions, whose financial health by and large is dependent upon the smooth and timely recovery of loans from their customer. Any adverse implication on the recovery of loans extended by financial institutions may impact the timely recovery of the Company's loans as well. Besides financing banking institutions, the Company has also extended its financial services to Non-Banking Financial Institutions including Housing Financing Companies and Micro Finance Institutions. Generally, these institutions have low / middle income targeted borrowers who are more prone to macroeconomic challenges and may be adversely affected to fulfil their obligations. Considering the aforesaid issues, the Company has also maintained a general provision reserve of Rs. 347.895 million against the micro finance sector, so that any unforeseen losses can be addressed through this reserve.

11.4 Advances - particulars of credit loss allowance /

Advances - particulars of credit loss allowance /	(Un-audited)					(Audited)				
	June 30, 2025					December 31, 2024				
	Expected Credit Loss			General	Total	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
	Rupees in '000					Rupees in '000				
Opening balance	20,520	-	579,918	347,895	948,333	-	-	-	347,895	347,895
New advances	2,816	-	-	-	2,816	8,812	-	-	-	8,812
Advances derecognised or repaid	(6,481)	-	(76,912)	-	(83,393)	(2,104)	-	-	-	(2,104)
Transfer to stage 3	-	-	-	-	-	(886)	-	-	-	(886)
Charge for the period / year	-	-	55,889	-	55,889	14,765	-	579,918	-	594,683
	(3,665)	-	(21,023)	-	(24,688)	20,587	-	579,918	-	600,505
(Reversal) / changes in risk parameters (PDs/LGDs/EADs)	(2,478)	-	-	-	(2,478)	(67)	-	-	-	(67)
Closing balance	14,377	-	558,895	347,895	921,167	20,520	-	579,918	347,895	948,333

11.5 Advances - Category of classification

	(Un-audited)		(Audited)	
	June 30, 2025		December 31, 2024	
	Outstanding amount	Credit loss allowance / provision held	Outstanding amount	Credit loss allowance / provision held
Rupees in '000				
Domestic				
Performing - Stage 1	45,734,991	14,377	34,115,702	20,520
General provision	-	347,895	-	347,895
	45,734,991	362,272	34,115,702	368,415
Non-performing - Stage 3				
Doubtful	1,117,790	558,895	1,288,707	579,918
Total	46,852,781	921,167	35,404,409	948,333

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		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
12	PROPERTY AND EQUIPMENT		
	Property and equipment	115,100	67,525
		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		-----Rupees in '000-----	
12.1	Additions to property and equipment		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress	-	6,015
	Property and equipment		
	Furniture and fixtures	-	2,451
	Leasehold improvements	183	4,336
	Vehicles	74,996	-
	Electrical, office and computer equipment	2,335	6,745
		77,514	13,532
	Total	77,514	19,547
12.2	Disposal of property and equipment		
	The net book value of property and equipment disposed off during the period is as follows:		
	Vehicles	11,955	-
	Furniture and fixtures	-	114
	Leasehold improvements	-	122
	Total	11,955	236
		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
13	RIGHT-OF-USE ASSETS		
	Cost	117,010	117,010
	Accumulated depreciation	(95,558)	(72,156)
	Net carrying amount - opening	21,452	44,854
	Depreciation charge for the period / year	(11,701)	(23,402)
	Net carrying amount - closing	9,751	21,452
14	INTANGIBLE ASSETS		
	Computer software	27,146	30,379

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(Un-audited)	
Half year ended	
June 30, 2025	June 30, 2024
-----Rupees in '000-----	

14.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Computer software

1,323	6,022
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15 OTHER ASSETS

Mark-up / return / interest / profit accrued in local currency
Advances, deposits and prepayments
Advance taxation
Prepaid staff cost

Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----		
	963,729	860,432
	59,279	55,803
	27,846	27,806
	102,315	98,756
	<u>1,153,169</u>	<u>1,042,797</u>
15.1	(253)	(379)
	<u>1,152,916</u>	<u>1,042,418</u>

Less: Credit loss allowance held against other assets
Other assets - net of credit loss allowance

15.1 Credit loss allowance held against other assets

Mark-up / return / interest / profit accrued in local currency

Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----		
15.1.1	<u>253</u>	<u>379</u>

15.1.1 Movement in credit loss allowance held against other assets - Stage 1

Opening balance
Charge for the period / year
Reversal for the period / year
Closing balance

	379	-
	-	421
28	<u>(126)</u>	<u>(42)</u>
	<u>253</u>	<u>379</u>

16 BORROWINGS

Secured

TFC
Repo
Long term loan
Short term loan

16.1	11,725,000	13,162,500
16.2	10,553,963	456,286
16.3	5,833,333	3,000,000
16.4	-	15,000,000
	<u>28,112,296</u>	<u>31,618,786</u>

Total secured

Unsecured

Borrowings from Government of Pakistan under
World Bank - Housing Finance Project
Bai Muajjal

16.5	4,167,854	4,209,979
16.6	9,997,562	5,608,693
	<u>14,165,416</u>	<u>9,818,672</u>

Total unsecured

Total

<u>42,277,712</u>	<u>41,437,458</u>
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16.1 These certificates have maturity of five to ten years and carry rate of interest ranging from 9.35% to 10.84% (December 31, 2024: 9.35% to 19.87%) per annum. The principal is payable annually or at maturity whereas interest is payable semi-annually. Further, TFCs amounting to Rs. 1,100 million have matured during the period.

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- 16.2 This represents Repo borrowing at mark-up rate ranging from 11.16% to 11.90% (December 31, 2024: 13.10%) per annum and are due to mature latest by July 4, 2025. The market value of securities given as collateral against these borrowings is given in note 10.1.1 to these condensed interim financial statements.
- 16.3 These long term loans carry interest rates of 12.35% and 11.52% (December 31, 2024: 18.36%) per annum and will mature on August 26, 2027 and May 20, 2028 respectively.
- 16.4 The short term loans carry interest at Nil (December 31 2024: 10.24% per annum) and were matured on February 14, 2025 and February 17, 2025.
- 16.5 This represents borrowing from Government of Pakistan under World Bank - Housing Finance Project for 30 years at fixed rate of 3% per annum. The interest and the principal are payable semi-annually, whereby the principal is repayable in fifty installments, the repayment of which has commenced from April 15, 2023. The loan has been recorded at fair value.
- 16.6 Bai Muajjal borrowings carry profit at the rate of 10.75% (December 31, 2024: 11.95%) per annum and are due to mature latest by August 22, 2025.

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
17 DEPOSITS AND OTHER ACCOUNTS			
Customers			
Others - In local currency	17.1	550	-
Financial institutions			
Others - In local currency	17.2 & 17.3	10,500,000	-
		<u>10,500,550</u>	<u>-</u>

- 17.1 This represents non-interest bearing Certificate of Investments (COI) issued to the employees of the Company and are due to mature latest by June 19, 2026.
- 17.2 This includes COIs issued at interest ranging from 11.52% to 11.70% (December 31, 2024: Nil) per annum and are due to mature latest by September 24, 2025.
- 17.3 This also includes Certificate of Investments - Islamic (COII) issued at a profit rate of 11.40% (December 31, 2024: Nil) per annum and are due to mature latest by October 21, 2025.

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
18 LEASE LIABILITIES		
Outstanding amount at the start of the period / year	23,800	53,162
Interest expense	768	3,556
Lease payments including interest	<u>(16,459)</u>	<u>(32,918)</u>
Outstanding amount at the end of the period / year	<u>8,109</u>	<u>23,800</u>
18.1 Liabilities outstanding		
Not later than one year	<u>8,109</u>	<u>23,800</u>

For the purpose of discounting, interest rate of 9.26% has been used.

19 SUBORDINATED DEBT

On February 22, 2019, the Government of Pakistan lent Rs. 7,051 million under World Bank - Housing Finance Project with principal repayment starting from April 15, 2023 and maturing on October 15, 2047, at a fixed rate of 3% per annum. This has been disbursed as a sub-ordinated loan, and if needed, can be converted into non-participatory Additional Tier 1 Capital.

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	Note	(Un-audited)	(Audited)
		June 30, 2025	December 31, 2024
Issue amount (Rupees in '000)		7,050,716	7,050,716
Outstanding principal at fair value (Rupees in '000)	19.1	2,811,208	2,839,356
Issue date		February 22, 2019	February 22, 2019
Maturity date		October 15, 2047	October 15, 2047
Rating		Not applicable	Not applicable
Security		Unsecured	Unsecured
Profit payment frequency		Semi-annually	Semi-annually
Principal redemption		Semi-annually	Semi-annually
Mark-up		3% per annum	3% per annum

- 19.1 The actual outstanding amount of subordinated debt as at June 30, 2025 is Rs. 6,469.032 million (December 31, 2024: Rs. 6,585.368 million) and recorded at fair value as explained in note 20.1.

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
20 OTHER LIABILITIES			
Mark-up / return / interest / profit payable in local currency		897,793	665,416
Deferred Government Grant	20.1	8,841,683	9,145,717
Provision for government levies		244,858	212,908
Provision for employees' benefit		84,814	228,694
Accrued expenses		35,252	38,595
Withholding tax payable		5,169	9,188
Unearned income		222,697	237,628
Payable to defined contribution plan		2,878	12
Payable to defined benefit plan		6,531	6,549
		<u>10,341,675</u>	<u>10,544,707</u>

- 20.1 This represents the difference between issue amount and fair value determined at the time of disbursement under IFRS 9, of subordinated debt and borrowings from Government of Pakistan under Housing Finance Project. It is being recognized in profit and loss account in line with the recognition of borrowing expense, which the Government grant is compensating.

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
21 SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of investments measured at FVOCI	10.1	<u>278,846</u>	<u>223,010</u>

22 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 and December 31, 2024.

	Note	(Un-audited) Half year ended June 30, 2025	(Un-audited) Half year ended June 30, 2024
		-----Rupees in '000-----	
23 MARK-UP / RETURN / INTEREST / PROFIT EARNED			(Restated)
Loans and advances		2,349,939	2,137,136
Investments		1,861,784	1,169,941
Lendings to financial institutions		123,846	402,586
Deferred grant income		304,034	220,071
Balances with banks (including Term Deposit Receipts)		9,997	67,067
	23.1	<u>4,649,600</u>	<u>3,996,801</u>

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		(Un-audited)	
		Half year ended	
		June 30,	June 30,
		2025	2024
		-----Rupees in '000-----	
		(Restated)	
Note			
23.1	Interest income (calculated using Effective Interest Rate (EIR) method) recognised on:		
	Financial assets measured at amortised cost	2,483,782	2,606,789
	Financial assets measured at FVPL	21,067	35,004
	Financial assets measured at FVOCI	1,840,717	1,134,937
	Deferred Grant Income	304,034	220,071
		<u>4,649,600</u>	<u>3,996,801</u>
24	MARK-UP / RETURN / INTEREST / PROFIT EXPENSED		
	Borrowings from Government of Pakistan under World Bank	322,346	277,478
	- Housing Finance Project		
	Subordinated debt	221,504	190,885
	Repo	122,551	267,838
	TFC	694,380	971,265
	Clean borrowings	11,124	91
	Long term loan	246,675	-
	Short term loan	190,646	-
	COI / COII	277,023	-
	Bai Muajjal	842,311	-
	Sukuk certificates	-	84,242
		<u>2,928,560</u>	<u>1,791,799</u>
	Amortization of prepaid staff cost	7,290	4,534
	Lease liability against right-of-use assets	768	2,107
		<u>2,936,618</u>	<u>1,798,440</u>
24.1	Interest expense calculated using EIR method	2,928,560	1,791,799
	Other financial liabilities		
	Amortization of prepaid staff cost	7,290	4,534
	Lease liabilities against right-of-use assets	768	2,107
		<u>8,058</u>	<u>6,641</u>
		<u>2,936,618</u>	<u>1,798,440</u>
25	FEE AND COMMISSION INCOME		
	Trustee fee	25.1	<u>14,931</u>
			<u>13,872</u>
25.1	This represents fee for trustee services rendered to Credit Guarantee Trust. The Company is entitled to a trustee fee at 0.25 times of the premium received by the schemes for Low Income Housing and Low Income Housing - Mera Pakistan Mera Ghar (MPMG).		
26	GAIN ON SECURITIES		
	Realised - net	<u>85,813</u>	<u>672</u>
26.1	Realised gain on Federal Government Securities	<u>85,813</u>	<u>672</u>
26.2	Net gain on debt instruments measured at FVOCI	<u>85,813</u>	<u>672</u>

Amr

(Un-audited)	
Half year ended	
June 30, 2025	June 30, 2024
-----Rupees in '000-----	

27 OPERATING EXPENSES

Total compensation expense	132,759	222,397
Property expense		
Insurance	472	357
Utilities cost	3,318	2,544
Security	589	367
Repairs and maintenance	272	257
Depreciation	11,701	11,701
	16,352	15,226
Information technology expenses		
Software maintenance	10,493	7,171
Rent - disaster recovery site	998	998
Website maintenance	182	166
Hardware maintenance	338	169
Depreciation	5,573	4,819
Amortisation	4,554	3,331
Network charges	1,522	1,556
	23,660	18,210
Other operating expenses		
Directors' fees and allowances	24,640	15,010
Fees and allowances to Shariah Board	7,108	6,299
Legal and professional charges	3,190	36,228
Fees and subscription	3,165	2,754
Outsourced services costs	3,377	3,262
Travelling and conveyance	3,019	2,385
Depreciation	12,417	9,136
Training and development	1,119	2,027
Postage and courier charges	103	138
Communication	783	729
Printing and stationery	1,374	262
Marketing, advertisement and publicity	1,632	1,163
Research and development	-	1,695
Donations	-	2,000
Auditors' remuneration	2,619	2,492
Insurance	3,442	3,441
Vehicle repairs and maintenance	101	184
Entertainment	584	614
Brokerage expenses	966	610
Others	1,386	1,198
	71,025	91,627
	<u>243,796</u>	<u>347,460</u>

28 PROVISIONS / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

(Reversal) / charge for credit loss allowance / provision on:

Balances with other banks	8.2	(31)	(1,086)
Lendings to financial institutions	9.3	(144)	342
Investments	10.2	(4)	(1)
Advances	11.3	(27,166)	653,633
Other assets	15.1.1	(126)	(108)
		<u>(27,471)</u>	<u>652,780</u>

29 TAXATION

The income of the Company is exempt from income tax under the Table given for Clause 57(4) of Part 1 of the Second Schedule of the Income Tax Ordinance, 2001.

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		(Un-audited)	
		Half year ended	
		June 30, 2025	June 30, 2024
		-----Rupees in '000-----	
		(Restated)	
30	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit for the period	<u>1,565,472</u>	<u>1,188,437</u>
		(Number of shares)	
	Weighted average number of ordinary shares	<u>623,775,900</u>	<u>623,775,900</u>
		------(Rupees)-----	
		(Restated)	
	Basic earnings per share	<u>2.51</u>	<u>1.91</u>

30.1 Diluted earnings per share

Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024.

31 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under "held to collect" are carried at amortized cost.

The fair value of assets and liabilities at concessional rate are based on market rate at transaction date.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

The management considers that the estimated fair value of the remaining financial assets and liabilities is not significantly different from their respective carrying amounts.

31.1 Fair value of financial assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

(Un-audited)			
June 30, 2025			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments			
Federal government securities	-	31,305,577	-
Non-government debt securities	-	374,577	-
			31,305,577
			374,577

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(Audited)			
December 31, 2024			
Level 1	Level 2	Level 3	Total
Rupees in '000			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Federal government securities	-	26,997,190	-	26,997,190
Non-government debt securities	-	399,633	-	399,633

31.2 Valuation techniques and inputs used in determination of fair values

Items	Valuation techniques and input used
PIB	Fair value of fixed and floater PIB are derived using the PKRV and PKFRV rates respectively available on Mutual Funds Association of Pakistan (MUFAP).
MTB	Fair value of MTB are derived using the PKRV rates available on MUFAP.
TFC	Investment in TFC are valued based on the debt instrument prices as published at the close of each business day by MUFAP.

32 RELATED PARTY TRANSACTIONS AND BALANCES

The Company has related party relationship with its major shareholders, directors, key management personnel and their close family members, Credit Guarantee Trust and staff retirement benefit funds (both defined benefit and defined contribution plan).

Transactions with related parties of the Company are carried out on contractual basis in terms of the policy as approved by the Board of Directors (the Board). Contributions to approved defined benefit and contribution plans are made in accordance with the actuarial valuations / terms of scheme. Transactions with owners have been disclosed in 'Condensed Interim Statement of Changes in Equity'. All other transactions between the Company and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment.

Details of transactions with related parties during the period and balances with them as at period end, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

(Un-audited)			(Audited)		
June 30, 2025			December 31, 2024		
Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
Rupees in '000					

Statement of financial position

Cash and balances with treasury banks

In current accounts	-	-	31	-	-	31
In deposit account	-	-	13	-	-	12
	-	-	44	-	-	43

Balances with other banks

In current account	-	-	1,415	-	-	1,579
In deposit accounts	-	-	2,450	-	-	199,303
	-	-	3,865	-	-	200,882

Credit loss allowance held against balances with other banks

	-	-	1	-	-	27
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Lendings to financial institutions

Opening balance	-	-	-	-	-	-
Addition during the period / year	-	-	21,563,725	-	-	25,637,796
Repayments during the period / year	-	-	(21,563,725)	-	-	(25,637,796)
Closing balance	-	-	-	-	-	-

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(Un-audited)			(Audited)		
June 30, 2025			December 31, 2024		
Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
Rupees in '000					
-	98,014	12,594,487	-	91,273	8,828,836
-	-	-	-	(37,205)	-
-	541	8,000,000	-	51,190	5,500,000
-	(9,071)	(1,682,517)	-	(7,243)	(1,734,349)
-	89,484	18,911,970	-	98,015	12,594,487
-	12	5,433	-	13	5,535
-	-	377,722	-	-	355,924
-	64,378	-	-	-	-
-	64,378	377,722	-	-	355,924
-	-	105	-	-	147
-	-	-	-	-	-
-	225	3,000,000	-	-	-
-	-	-	-	-	-
-	225	3,000,000	-	-	-
-	-	8,662,500	-	-	11,500,000
-	-	42,377,403	-	-	15,459,773
-	-	(41,144,677)	-	-	(18,297,273)
-	-	9,895,226	-	-	8,662,500
-	-	244,428	-	-	298,515
-	-	6,531	-	-	6,549
-	-	2,878	-	-	12
-	-	220,318	-	-	235,249
-	-	474,155	-	-	540,325

Statement of profit and loss account**Income**

Mark-up / return / interest / profit earned	-	7,757	902,834	-	2,414	733,896
Fee and commission income	-	-	14,931	-	-	13,872

Expense

Mark-up / return / interest / profit expensed	-	4,734	898,894	-	-	580,501
Directors' fees and allowances	24,640	-	-	15,010	-	-
Remuneration of key management personal	-	179,781	-	-	167,534	-
Credit loss allowance - charge / (reversal)	-	(1)	(171)	-	10	928
Contribution to defined contribution plan	-	-	8,677	-	-	7,624
Charge for defined benefit plan	-	-	10,644	-	-	6,854

- 32.1 In addition to the above, the Company has outstanding sub-ordinated loan amounting to Rs. 6,469.032 million (December 31, 2024: Rs. 6,585.368 million) and borrowing under World Bank - Housing Finance Project amounting to Rs. 9,439.920 million (December 31, 2024: Rs. 9,609.684 million) respectively from the Ministry of Finance. These balances include unearned Government Grant Income.

(Un-audited) (Audited)
June 30, December 31,
2025 2024
-----Rupees in '000-----

33 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital

6,237,759 6,237,759

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

13,790,824	13,157,783
-	-

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

13,790,824	13,157,783
391,595	329,714
<u>14,182,419</u>	<u>13,487,497</u>

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

9,019,895	8,536,285
-	-
6,098,580	6,098,580
<u>15,118,475</u>	<u>14,634,865</u>

Common Equity Tier 1 Capital Adequacy Ratio

91.22% 89.91%

Tier 1 Capital Adequacy Ratio

91.22% 89.91%

Total Capital Adequacy Ratio

93.81% 92.16%

Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposure

Leverage Ratio

13,790,824	13,157,783
83,761,153	65,184,641
<u>16.46%</u>	<u>20.19%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

19,579,180	14,569,371
1,084,402	11,630
<u>1,806%</u>	<u>125,278%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

47,702,876	44,305,761
38,816,663	26,916,069
<u>122.89%</u>	<u>164.61%</u>

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34 GENERAL

34.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

34.2 Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of compliance with the prescribed format by SBP and for better presentation and comparison and to reflect the substance of the transactions. There have been no significant reclassifications or rearrangements in these condensed interim financial statements during the current period except for the matter disclosed in note 3.1 to these condensed interim financial statements.

35 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26th Aug 2025 by the Board of Directors of the Company.

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Managing Director / Chief Executive Officer	Chief Financial Officer	Director	Director	Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
ANNEXURE TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 30, 2025

The Company is managing the operations of its Shariah Compliant products through its Head Office. The statement of financial position and profit and loss account for the half year ended June 30, 2025 are as follows:

(A)	Statement of financial position	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
			----- Rupees in '000 -----	
	ASSETS			
	Balances with other banks		874,051	909,352
	Islamic financing and related assets - net	1	26,272,772	18,976,964
	Other assets		476,511	420,652
			27,623,334	20,306,968
	LIABILITIES			
	Due to head office		19,097,273	18,255,228
	Deposits	2	6,000,000	-
	Other liabilities		285,693	148,056
			25,382,966	18,403,284
	NET ASSETS		<u>2,240,368</u>	<u>1,903,684</u>
	REPRESENTED BY			
	Islamic banking fund		150,000	150,000
	Reserves		420,551	353,214
	Unappropriated profit		1,669,817	1,400,470
			<u>2,240,368</u>	<u>1,903,684</u>
	CONTINGENCIES AND COMMITMENTS	3		
			(Un-audited) For the half year ended	
			June 30, 2025	June 30, 2024
			----- Rupees in '000 -----	
			(Restated)	
(B)	Statement of profit and loss account			
	Profit / return earned	4	1,322,606	1,327,829
	Profit / return expensed	5	980,437	919,955
	Net profit / return		<u>342,169</u>	<u>407,874</u>
	Other income			
	Fee and commission income		7,382	6,913
	Dividend income		-	-
	Foreign exchange income		-	-
	Income / (loss) from derivatives		-	-
	Gain / (loss) on securities		-	-
	Other income		-	-
			7,382	6,913
	Total income		<u>349,551</u>	<u>414,787</u>
	Other expenses			
	Operating expenses		11,003	9,439
	Workers' Welfare Fund		6,675	8,332
	Total other expenses		<u>17,678</u>	<u>17,771</u>
	Profit before provisions / credit loss allowance		331,873	397,016
	Provisions / credit loss allowance and write offs - net reversal		4,811	1,631
	Profit before taxation		<u>336,684</u>	<u>398,647</u>
	Taxation		-	-
	Profit after taxation		<u>336,684</u>	<u>398,647</u>

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		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
1 ISLAMIC FINANCING AND RELATED ASSETS - NET			
Musharakah financing	1.1	26,294,259	19,005,402
Employee staff loans		400	626
Islamic Financing and related assets - gross		26,294,659	19,006,028
Less: Provision / credit loss allowance		(21,887)	(29,064)
		<u>26,272,772</u>	<u>18,976,964</u>

- 1.1 This represents Islamic financing under musharakah financing facility. The tenure of this financing facility varies from 1 years to 13 years with profit rates ranging from 4.00% to 17.80% (2024: 6.50% to 19.03%) per annum.

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
2 DEPOSITS AND OTHER ACCOUNTS			
Financial institutions			
Others - In local currency	2.1	<u>6,000,000</u>	<u>-</u>

- 2.1 This include COILs issued at a profit rate of 11.40% (December 31, 2024: Nil) per annum and are due to mature latest by October 21, 2025.

3 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 and December 31, 2024.

		(Un-audited) Half year ended	
		June 30, 2025	June 30, 2024
		----- Rupees in '000 -----	
4 PROFIT / RETURN EARNED			(Restated)
Profit earned on:			
Financing		1,320,296	1,317,877
Balances with banks		2,310	9,952
		<u>1,322,606</u>	<u>1,327,829</u>

5 PROFIT / RETURN EXPENSED

Profit expenses on:			
Financing		<u>980,437</u>	<u>919,955</u>

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