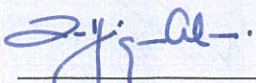
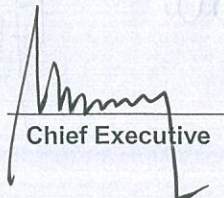


Pakistan Mortgage Refinance Company Limited  
Condensed Interim Statement of Financial Position  
As at 30 September 2018

		30 September 2018 (Un-audited)	31 December 2017 (Audited)
	Note	(Rupees)	
<b>ASSETS</b>			
Cash and balances with treasury banks		5,153,179	14,083,055
Balances with other banks	7	3,553,037	1,240,574,763
Lendings to financial institutions	8	1,001,622,205	-
Investments	9	2,588,825,040	-
Advances		-	-
Operating fixed assets	10	36,531,065	32,740,083
Deferred tax assets	11	-	1,720,616
Other assets	12	72,567,074	31,601,804
		<b>3,708,251,600</b>	<b>1,320,720,321</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings		-	-
Deposits and other accounts		-	-
Sub-ordinated loans		-	-
Advance against share capital	13	-	1,159,905,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities	14	14,194,702	10,471,216
		<b>14,194,702</b>	<b>1,170,376,216</b>
<b>NET ASSETS</b>		<b>3,694,056,898</b>	<b>150,344,105</b>
<b>REPRESENTED BY</b>			
Share capital	15	3,658,506,000	150,001,000
Reserves		7,051,386	-
Unappropriated profit		28,548,647	343,105
		<b>3,694,106,033</b>	<b>150,344,105</b>
Deficit on revaluation of assets - net of deferred tax		(49,135)	-
		<b>3,694,056,898</b>	<b>150,344,105</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	16		

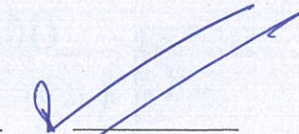
The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive

  
Director

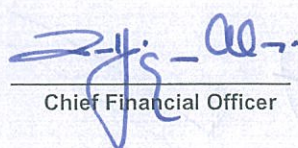
  
Director

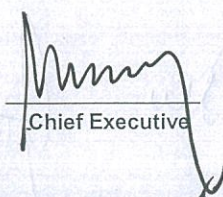
  
Chairman

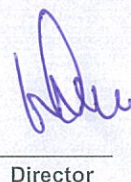
Pakistan Mortgage Refinance Company Limited  
Condensed Interim Profit and Loss Account (Un-audited)  
For the quarter and period ended September 30, 2018

	Note	Period ended		Quarter ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
----- (Rupees) -----					
Mark - up / return / profit / interest earned	17	142,020,692	53,754,805	66,388,011	18,429,771
Mark - up / return / profit / interest expensed		-	-	-	-
<b>Net mark - up / return / profit / interest income</b>		<b>142,020,692</b>	<b>53,754,805</b>	<b>66,388,011</b>	<b>18,429,771</b>
Provision against non-performing loans and advances		-	-	-	-
Provision for diminution in the value of investments		-	-	-	-
Bad debts written off directly		-	-	-	-
<b>Net mark - up / return / profit / interest income after provisions</b>		<b>142,020,692</b>	<b>53,754,805</b>	<b>66,388,011</b>	<b>18,429,771</b>
<b>NON MARK-UP / INTEREST INCOME</b>					
Fees, commission and brokerage income		-	-	-	-
Dividend income		-	-	-	-
Income from dealing in foreign currencies		-	-	-	-
Gain on sale / redemption of securities - net		-	-	-	-
Unrealised gain / (loss) on revaluation of investments classified as held for trading		-	-	-	-
Other income		29,925	-	29,925	-
<b>Total non mark - up / interest income</b>		<b>29,925</b>	<b>-</b>	<b>29,925</b>	<b>-</b>
		<b>142,050,617</b>	<b>53,754,805</b>	<b>66,417,936</b>	<b>18,429,771</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Administrative expenses	18	105,073,073	53,703,354	40,230,439	21,762,727
Other provisions / write - offs		-	-	-	-
Other charges		-	-	-	-
<b>Total non mark - up / interest expenses</b>		<b>105,073,073</b>	<b>53,703,354</b>	<b>40,230,439</b>	<b>21,762,727</b>
<b>Profit / (loss) before extra - ordinary / unusual items</b>		<b>36,977,544</b>	<b>51,451</b>	<b>26,187,497</b>	<b>(3,332,956)</b>
Extra - ordinary / unusual items		-	-	-	-
<b>PROFIT/ (LOSS) BEFORE TAXATION</b>		<b>36,977,544</b>	<b>51,451</b>	<b>26,187,497</b>	<b>(3,332,956)</b>
<b>Taxation</b>					
-Current		-	(171,195)	-	1,412,599
-Prior		-	-	-	-
-Deferred		(1,720,616)	168,689	-	(58,254)
		<b>(1,720,616)</b>	<b>(2,506)</b>	<b>-</b>	<b>1,354,345</b>
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<b>35,256,928</b>	<b>48,945</b>	<b>26,187,497</b>	<b>(1,978,611)</b>
<b>Basic and diluted earnings/ (loss) per share</b>		<b>0.27</b>	<b>0.00</b>	<b>0.20</b>	<b>(0.13)</b>

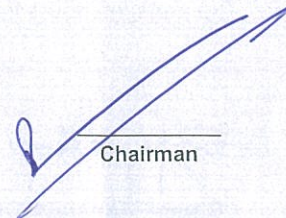
The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive

  
Director

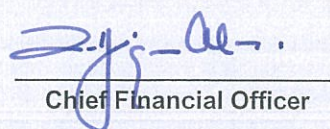
  
Director

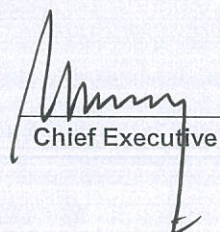
  
Chairman

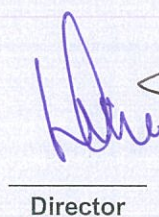
Pakistan Mortgage Refinance Company Limited  
 Condensed Interim Statement of Comprehensive Income (Un-audited)  
 For the period ended September 30, 2018


	Period ended		Quarter ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
	----- (Rupees) -----			
Profit / (loss) after taxation	35,256,928	48,945	26,187,497	(1,978,611)
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit and loss account	-	-	-	-
<b>Comprehensive income / (loss) transferred to equity</b>	<u>35,256,928</u>	<u>48,945</u>	<u>26,187,497</u>	<u>(1,978,611)</u>
<b>Component of comprehensive income not transferred to equity</b>				
Surplus / (deficit) on revaluation of investments - available for sale	-	-	-	-
Deferred tax on revaluation of investments - available for sale	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<u><u>35,256,928</u></u>	<u><u>48,945</u></u>	<u><u>26,187,497</u></u>	<u><u>(1,978,611)</u></u>

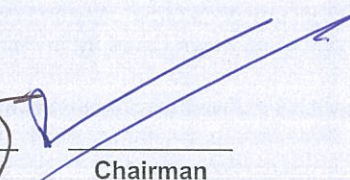
The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
 Chief Financial Officer

  
 Chief Executive

  
 Director

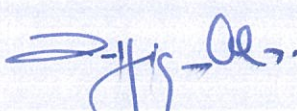
  
 Director

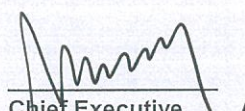
  
 Chairman

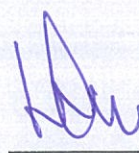
Pakistan Mortgage Refinance Company Limited  
Condensed Interim Cash Flow Statement (Un-audited)  
For the period ended September 30, 2018

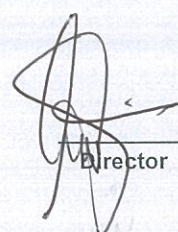
	30 September 2018	30 September 2017
Note	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	36,977,544	51,451
Less: Dividend income	-	-
	36,977,544	51,451
<b>Adjustments for:</b>		
Depreciation	4,426,702	508,154
Amortization	-	-
Provision against non-performing advances	-	-
Provision for diminution in the value of investments / other assets	-	-
Loss / (gain) on sale of fixed assets	-	-
	4,426,702	508,154
	41,404,246	559,605
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(1,001,622,205)	-
Held-for-trading securities	-	-
Advances	-	-
Others assets (excluding advance taxation)	8,378,411	(2,374,236)
	(993,243,794)	(2,374,236)
<b>(Decrease) / Increase in operating liabilities</b>		
Bills payable	-	-
Borrowings	-	-
Deposits	-	-
Other liabilities (excluding current taxation)	-	(2,706,396)
	-	(2,706,396)
	(951,839,548)	(4,521,027)
Payments of provision against off-balance sheet obligations	-	-
Income tax paid	(10,099,027)	(7,417,532)
<b>Net cash flows (used in) / from operating activities</b>	(961,938,575)	(11,938,559)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments	(2,588,874,175)	-
Dividend income	-	-
Investments in operating fixed assets	(8,256,544)	(6,395,918)
Sale proceeds of property and equipment disposed-off	-	-
<b>Net cash flows (used in) investing activities</b>	(2,597,130,719)	(6,395,918)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts / (payments) of sub-ordinated loan	-	-
Issue of share capital	2,348,600,000	-
Dividend paid	-	-
Advance against issued share capital	-	-
<b>Net cash flow from financing activities</b>	2,348,600,000	-
<b>Increase in cash and cash equivalents during the period</b>	(1,210,469,294)	(18,334,477)
Cash and cash equivalents at beginning of the period	1,240,574,763	1,265,597,422
Cash and cash equivalents at end of the period	30,105,469	1,247,262,945

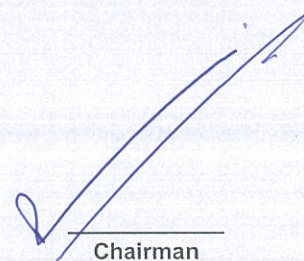
The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive

  
Director

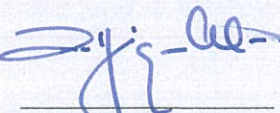
  
Director


  
Chairman

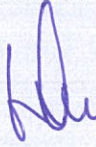
Pakistan Mortgage Refinance Company Limited  
 Condensed Interim Statement of Changes in Equity (Un-audited)  
 For the period ended September 30, 2018

	Share Capital	Amount available for issue of shares	Reserves  (Rupees)	Unappropriated profit/ (loss)	Total
Balance as at 31 December 2016	1,000	150,000,000	-	(467,405)	149,533,595
<b>Total comprehensive income</b>	-	-	-	-	-
Net profit after tax for the nine months ended 30 September 2017	-	-	-	48,945	48,945
Other comprehensive income	-	-	-	-	-
	-	-	-	48,945	48,945
Transfer to statutory reserve	-	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>					
Issue of share capital	150,000,000	-	-	-	150,000,000
Amount received against issue of shares	-	(150,000,000)	-	-	(150,000,000)
Cash dividend	-	-	-	-	-
Balance as at 30 September 2017	150,001,000	-	-	(418,460)	149,582,540
<b>Total comprehensive profit</b>					
Net profit after tax for the three months ended 31 December 2017	-	-	-	761,565	761,565
Other comprehensive income	-	-	-	-	-
	-	-	-	761,565	761,565
Transfer to statutory reserve	-	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>					
Issue of share capital	-	-	-	-	-
Amount received against issue of shares	-	-	-	-	-
Cash dividend	-	-	-	-	-
Balance as at 31 December 2017	150,001,000	-	-	343,105	150,344,105
<b>Total comprehensive income</b>					
Net profit after tax for the nine months ended 30 September 2018	-	-	-	35,256,928	35,256,928
Other comprehensive income	-	-	-	-	-
	-	-	-	35,256,928	35,256,928
Transfer to statutory reserve	-	-	7,051,386	(7,051,386)	-
<b>Transactions with owners, recorded directly in equity</b>					
Issue of share capital	-	-	-	-	-
Cash dividend	-	-	-	-	-
Balance as at 30 September 2018	150,001,000	-	7,051,386	28,548,647	185,601,033

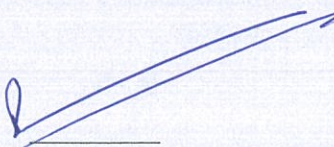
The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
 Chief Financial Officer

  
 Chief Executive

  
 Director

  
 Director

  
 Chairman

# Pakistan Mortgage Refinance Company Limited

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the period ended September 30, 2018

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Mortgage Refinance Company (PMRC), "the Company" is an unlisted Public Limited Company incorporated in Pakistan on 14 May 2015 under the Companies Ordinance, 1984. The Company has been notified as a Development Financial Institution (DFI) by the Finance Division - Government of Pakistan on 27 October 2017. State Bank of Pakistan (SBP) issued Certificate of Business Commencement on 12 June 2018.

The Company is engaged in promoting, developing and improving the housing finance market of Pakistan, to provide refinance facilities to banks and financial institutions against their existing conventional and Islamic housing finance portfolios, and to develop and promote the capital market in Pakistan. Its registered office and principal office is situated at Bahria Complex I, MT Khan Road, Karachi.

SBP has allowed the Company to operate with an Initial Paid Up Capital (net of losses) - Minimum Capital Requirement (MCR) level of at least Rs 3.5 billion subject to MCR compliance with applicable paid up capital requirement within a period of five years from the commencement of its operations/business. Furthermore, during the forbearance period of five years, the Company will not be allowed to declare and make any cash dividend payment to its shareholders.

### 2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with the format prescribed by the SBP vide BSD Circular Letter No. 2, dated 12 May 2004, International Accounting Standard (IAS) 34, 'Interim Financial Reporting', and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2017.

### 3. STATEMENT OF COMPLIANCE

The condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard - 34 - "Interim Financial Reporting" as applicable in Pakistan, the requirements of the Companies Act, 2017 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and SBP. In case where requirements differ, the provisions of Companies Act, 2017 and the directives issued by the SECP and SBP have been followed. Moreover SBP has notified a new format of financial statements vide BPRD circular No. 2 of 2018 which would be effective from accounting year ended December 31, 2018.

The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 39 'Financial Instruments: Recognition and Measurement' and IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. Further, SECP has deferred the implementation of IFRS 7 'Financial Instruments: Disclosures' through SRO 411(1)/2008. Accordingly, the requirements of these International Financial Reporting Standards (IFRSs) and their respective interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC), have not been considered in preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP

These condensed interim financial statements has been prepared under the historical cost convention.

#### 3.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

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

##### - IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The amendments are not likely to have any significant impact on Company's financial statements.

- IFRS 15 'Revenue from contracts with customers'

IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The amendments are not likely to have any significant impact on Company's financial statements.

- 'IFRS 16 'Leases'

IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. This amendment would not have any likely impact on the financial statements of the Company.

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the financial statement for the year ended December 31, 2018.

#### 5 ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2017.

#### 6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with that disclosed in the financial statements of the Company for the year ended December 31, 2017.

#### 7 BALANCES WITH OTHER BANKS

	<i>Note</i>	30 September 2018 (Un-audited)	31 December 2017 (Audited)
(Rupees)			
In Pakistan			
Current accounts		177,608	274,809
Deposit accounts	7.1	3,375,429	14,383,009
Term deposit receipt		-	1,240,000,000
		<u>3,553,037</u>	<u>1,254,657,818</u>
Outside Pakistan:			
Current accounts		-	-
Deposit accounts		-	-
		<u>3,553,037</u>	<u>1,254,657,818</u>

7.1 These carry mark-up at the rate of 3.70 to 7.80 (2017: 3.70) percent per annum.

8	Lendings to financial institutions	Note	30 September 2018 (Un-audited)	31 December 2017 (Audited)
			(Rupees)	
	In Pakistan	8.1	<u>1,001,622,205</u>	<u>-</u>

8.1 This represents clean lendings to a financial institution amounting to Rs. 1,001 million (December 31, 2017: Nil) maturing between July 01, 2018 to July 16, 2018. These carry mark-up at the rate of 7.00 percent per annum.

8.2	Particulars of lendings	30 September 2018 (Un-audited)	31 December 2017 (Audited)
		(Rupees)	
	In local currency	<u>1,001,622,205</u>	<u>-</u>

9	Investments	September 30, 2018 (Un-audited)			December 31, 2017 (Audited)		
		Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
		-----Rupees-----					
	Available for sale securities						
	T-Bills	491,247,500	-	491,247,500	-	-	-
	Held to Maturity						
	T-Bills	2,097,626,675	-	2,097,626,675	-	-	-
		<u>2,588,874,175</u>	<u>-</u>	<u>2,588,874,175</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Provision for diminution/ impairment in the value of investment	-	-	-	-	-	-
	Deficit on revaluation of 'available for sale' securities	(49,135)	-	(49,135)	-	-	-
	Total Investments	<u>2,588,825,040</u>	<u>-</u>	<u>2,588,825,040</u>	<u>-</u>	<u>-</u>	<u>-</u>

10	OPERATING FIXED ASSETS	30 September 2018 (Un-audited)	31 December 2017 (Audited)
		(Rupees)	
	Property and equipment	<u>36,531,065</u>	<u>32,740,083</u>

10.1 During the period additions to operating fixed assets were as follows:

		30 September 2018 (Un-audited)	31 December 2017 (Audited)
		(Rupees)	
	Office Equipments	6,929,472	1,386,073
	Computer equipment	1,327,072	945,845
	Furniture	-	4,694,246
	Fixtures	-	20,461,030
	Vehicles	-	5,235,050
		<u>8,256,544</u>	<u>32,722,244</u>

10.1 During the period, a disposal was made to the operating fixed assets having book value of Rs 38,860 (2017: Nil).

11	DEFERRED TAX ASSETS / (LIABILITIES)	Note	30 September 2018 (Un-audited)	31 December 2017 (Un- Audited)
			(Rupees)	
	Deductible temporary differences arising in respect of:			
	Compensated absences		-	462,768
	Carry forward tax losses		-	2,581,630
			<u>-</u>	<u>3,044,398</u>
	Taxable temporary differences arising in respect of:			
	Accelerated tax depreciation allowances		-	(1,323,782)
		11.1	<u>-</u>	<u>1,720,616</u>



11.1 Reconciliation of deferred tax

	Balance as at 01 January 2018	Recognised in profit and loss account	Recognised in other comprehensive income	Balance as at 30 September 2018
(Rupees)				
<b>Deductible temporary differences arising in respect of:</b>				
Compensated absences	462,768	(462,768)	-	-
Carry forward tax losses	2,581,630	(2,581,630)	-	-
	<u>3,044,398</u>	<u>(3,044,398)</u>	-	-
<b>Taxable temporary differences arising in respect of:</b>				
Accelerated tax depreciation allowances	1,323,782	(1,323,782)	-	-
	<u>1,720,616</u>	<u>(1,720,616)</u>	-	-
(Rupees)				
	Balance as at 01 January 2017	Recognised in profit and loss account	Recognised in other comprehensive income	Balance as at 31 December 2017
<b>Deductible temporary differences arising in respect of:</b>				
Compensated absences	462,768	-	-	462,768
Carry forward tax losses	-	2,581,630	-	2,581,630
	<u>462,768</u>	<u>2,581,630</u>	-	<u>3,044,398</u>
<b>Taxable temporary differences arising in respect of:</b>				
Accelerated tax depreciation allowances	1,323,782	-	-	1,323,782
	<u>(861,014)</u>	<u>2,581,630</u>	-	<u>1,720,616</u>

11.2 During the period, the Company has been exempted from income tax as the Company is included in Second Schedule of Finance Act 2018. Accordingly, the Company has reversed deferred tax in the current period.

12 OTHER ASSETS

	Note	30 September 2018 (Un-audited)	31 December 2017 (Audited)
(Rupees)			
Income / mark-up / profit / interest accrued in local currency		35,410,989	2,850,240
Security deposits		3,386,480	5,386,480
Advances and prepayments		5,457,621	3,431,512
Advance taxation (payments less provisions)		28,311,983	19,933,572
		<u>72,567,074</u>	<u>31,601,804</u>

13 ADVANCE AGAINST SHARE CAPITAL

Ministry of Finance – Islamic Republic of Pakistan	13.1	-	1,159,905,000
		<u>-</u>	<u>1,159,905,000</u>

13.1 During the period, shares were issued against advance from Ministry of Finance - Islamic Republic of Pakistan.

14 OTHER LIABILITIES

	30 September 2018 (Un-audited)	31 December 2017 (Audited)
(Rupees)		
Compensated absence payable	2,161,119	1,542,560
Define contribution plan payable	9,962,030	2,782,579
Accrued expenses	1,746,307	2,450,029
Payable against purchase of fixed assets	325,246	3,696,884
	<u>14,194,702</u>	<u>10,471,216</u>

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

15.1 Authorized Capital

30 September 2018 (Un-audited) (Number of shares)	31 December 2017 (Audited)	Note	30 September 2018 (Un-audited) (Rupees)	31 December 2017 (Audited)
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs.10 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>

15.2 Issued, subscribed and paid-up

		Ordinary shares of Rs. 10 each		
15,000,100	15,000,100	- Fully paid in cash	150,001,000	150,001,000
<u>350,850,500</u>	-	Issuance of right shares	<u>3,508,505,000</u>	-
<u>365,850,600</u>	<u>15,000,100</u>		<u>3,658,506,000</u>	<u>150,001,000</u>

15.3 During the period, the Company has made a right share offer of 350,850,500 shares at a price of Rs. 10 each to its existing shareholders in proportion to their shareholdings. Right Share offer was subscribed by the shareholders as per the shareholding agreement dated April 12, 2018.

15.4 Major shareholders of the Company are:

Number of shares held		Name of Shareholder	Percentage of Shareholding	
30 September 2018 (Un-audited)	31 December 2017 (Audited)		30 September 2018 (Un-audited)	31 December 2017 (Audited)
120,000,000	4,009,500	Ministry of Finance – Islamic Republic of Pakistan	32.80	26.73
60,000,000	2,673,000	National Bank of Pakistan	16.40	17.82
50,000,000	1,530,000	Habib Bank Limited	13.67	10.20
50,000,000	1,530,000	United Bank Limited	13.67	10.20
30,000,000	1,836,000	Askari Bank Limited	8.20	12.24
30,000,000	1,224,000	Bank Alfalah Limited	8.20	8.16
20,000,000	1,224,000	Allied Bank Limited	5.47	8.16
5,000,000	123,000	Bank AL Habib Limited	1.37	0.82
667,500	667,500	House Building Finance Company Limited	0.18	4.45
183,000	183,000	Summit Bank Limited	0.05	1.22
100	100	Directors	0.00	0.00

16 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at September 30, 2018 and December 31, 2017.

17 MARK-UP / RETURN / PROFIT / INTEREST EARNED

	For the nine months ended	
	30 September 2018 (Un-audited) (Rupees)	30 September 2017 (Un-audited) (Rupees)
On deposit with banks and financial institutions	<u>142,020,692</u>	<u>53,754,805</u>
	<u>142,020,692</u>	<u>53,754,805</u>

18 ADMINISTRATIVE EXPENSES

Salaries, allowances and employees' benefits	52,840,099	25,387,121
Non-executive directors' fee / remuneration	2,977,150	978,300
Chief executive's remuneration	14,018,982	14,886,199
Traveling and lodging	1,496,369	470,504
Rent, utilities and taxes	11,185,843	7,254,703
Communications	1,170,975	184,386
Advertisement and business promotion	351,000	268,500
Fees and subscriptions	12,596,704	2,483,688
Printing, stationery and periodicals	340,988	433,650
Depreciation	4,426,702	508,154
Auditors' remuneration	369,153	190,966
Legal and professional charges	-	206,559
Repairs and maintenance	979,453	367,754
Insurance	1,459,699	-
Others	859,957	82,870
	<u>105,073,073</u>	<u>53,703,354</u>

## 19 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Fair value of financial instruments is based on:

Fair value of other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to non - availability of relevant active market for similar assets and liabilities.

In the opinion of management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits are frequently repriced.

19.1 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 categorised:

Note	30 September 2018 (Un-audited)					Fair value				
	Held for Trading	Available for Sale	Held to Maturity	Loans and Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)									
	Financial assets not measured at fair value									
7	-	-	-	3,553,037	-	-	3,553,037			
12	-	-	-	70,382,555	-	-	70,382,555			
	-	-	-	73,935,592	-	-	73,935,592			
	Financial liabilities not measured at fair value									
13	-	-	-	-	-	-	-			
14	-	-	-	-	-	14,194,702	14,194,702			
	-	-	-	-	-	14,194,702	14,194,702			
	On balance sheet financial instruments									
	31 December 2017 (Audited)									
	Financial assets not measured at fair value									
7	-	-	-	1,240,574,763	-	-	1,240,574,763			
12	-	-	-	9,415,512	-	-	9,415,512			
	-	-	-	1,249,990,275	-	-	1,249,990,275			
	Financial liabilities not measured at fair value									
13	-	-	-	-	-	1,159,905,000	1,159,905,000			
14	-	-	-	-	-	10,471,216	10,471,216			
	-	-	-	-	-	1,170,376,216	1,170,376,216			

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 input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

19.1.1 The Company has not disclosed the fair values for these financial assets and liabilities, as these are for short term or repriced over short term. Therefore their carrying amounts are reasonable approximation of fair value.

## RELATED PARTY TRANSACTIONS

The related parties comprised of Ministry of Finance, Habib Bank Limited, National Bank of Pakistan, Askari Bank Limited, United Bank Limited, Allied Bank Limited, House Building Finance Company Limited, Summit Bank Limited, Bank AL Habib Limited, directors and key management personnel.

Transactions with related parties of the Company are carried out on agreed terms. The transactions with key management personnel of the Company are carried out in accordance with the terms of their employment.

Transactions with related parties, other than those disclosed elsewhere in these financial statements are summarised as follows:

	2018				Total
	Members	Directors	Chief Executive	Key Management Personnel	
<b>Transactions during the period from January 1, 2018 to September 30, 2018</b>					
Mark-up earned	45,086,253	-	-	-	45,086,253
Rental paid	-	-	-	-	-
CEO salary	-	-	14,018,982	-	14,018,982
Key personal salary	-	-	-	35,857,887	35,857,887
Director fee paid	-	2,977,150	-	-	2,977,150
Issue of right shares	3,459,735,000	-	-	-	3,459,735,000
<b>Balances as at September 30, 2018</b>					
Compensated absences payable	-	-	586,735	1,372,344	1,959,079
Provident Fund Payable	-	-	2,280,000	2,338,047	4,618,047
Paid up capital	3,600,000,000	-	-	-	3,600,000,000
Cash and bank balances	3,553,037	-	-	-	3,553,037
Accrued income	35,410,989	-	-	-	35,410,989

	2017				Total
	Members	Directors	Chief Executive	Key Management Personnel	
<b>Transactions during the period from January 1, 2017 to September 30, 2017</b>					
Mark-up earned	53,754,805	-	-	-	53,754,805
Rental paid	513,000	-	-	-	513,000
CEO salary	-	-	15,966,199	-	15,966,199
Key personal salary	-	-	-	21,757,079	21,757,079
Director fee paid	-	1,428,300	-	-	1,428,300
<b>Balances as at December 31, 2017</b>					
Compensated absences payable	-	-	590,982	889,668	1,480,650
Provident Fund Payable	-	-	1,380,000	1,311,192	2,691,192
Paid up capital	150,001,000	-	-	-	150,001,000
Cash and bank balances	1,240,574,763	-	-	-	1,240,574,763
Advance against share capital	1,159,905,000	-	-	-	1,159,905,000
Accrued income	2,850,240	-	-	-	2,850,240

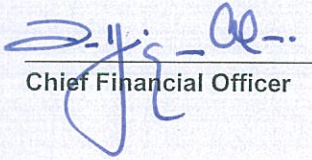
21 GENERAL

21.1 Amounts in these financial statements have been rounded off to the nearest rupee except stated otherwise.

21.2 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements for the purposes of comparison and better presentation.

22 DATE OF AUTHORISATION

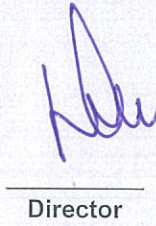
These financial statements were authorised on 25<sup>th</sup> OCTOBER 2018 by the Board of Directors of the Company.



Chief Financial Officer



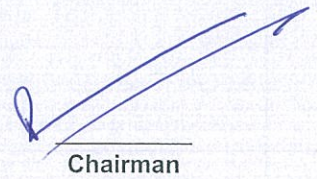
Chief Executive



Director



Director



Chairman

