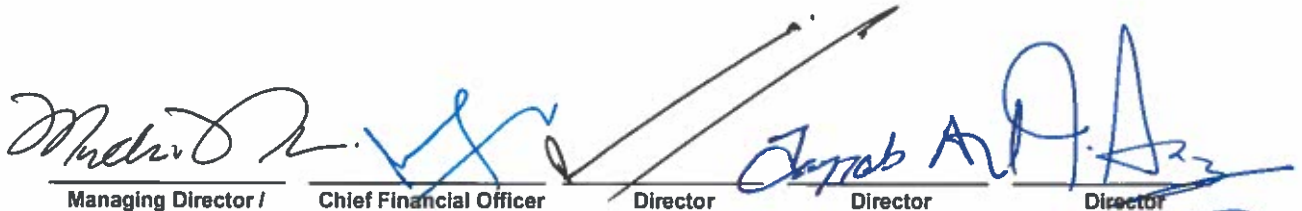


PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2022

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks	7	3,602	4,057
Balances with other banks	8	8,116,041	15,486,065
Lendings to financial institutions	9	3,000,000	-
Investments	10	15,740,676	10,238,557
Advances	11	26,684,935	23,714,838
Fixed assets	12	151,269	183,072
Intangible assets	13	34,285	23,643
Deferred tax assets		-	-
Other assets	14	713,808	560,794
		54,444,616	50,211,026
LIABILITIES			
Bills payable		-	-
Borrowings	15	37,757,161	35,187,449
Deposits and other accounts		-	-
Liabilities against assets subject to finance lease		-	-
Subordinated debt	16	7,050,716	7,050,716
Deferred tax liabilities		-	-
Other liabilities	17	1,189,848	605,662
		45,997,725	42,843,827
NET ASSETS		<u>8,446,891</u>	<u>7,367,199</u>
REPRESENTED BY			
Share capital		6,237,759	6,237,759
Reserves		918,404	691,930
Deficit on revaluation of assets	18	(300,038)	(247,362)
Unappropriated profit		1,590,766	684,872
		<u>8,446,891</u>	<u>7,367,199</u>
CONTINGENCIES AND COMMITMENTS	19		

The annexed notes from 1 to 30 and annexure form an integral part of these condensed interim financial statements.

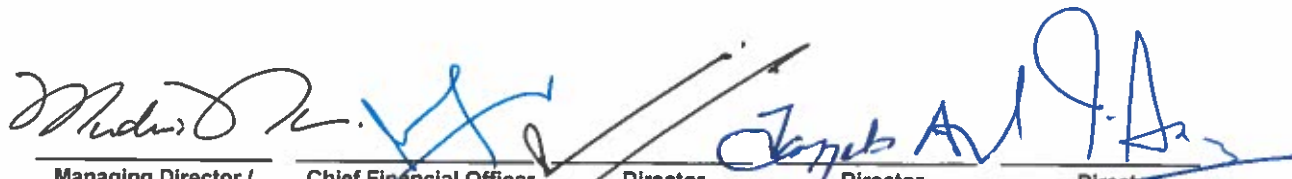


 Managing Director / Chief Executive Officer Chief Financial Officer Director Director Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2022

Note	Nine months ended		Quarter ended		
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	
----- (Rupees in '000) -----					
Mark-up / return / interest / profit earned	20	3,571,646	2,004,954	1,406,194	771,468
Mark-up / return / interest / profit expensed	21	2,084,202	927,580	809,632	442,043
Net mark-up / interest income		1,487,444	1,077,374	596,562	329,425
Non mark-up / interest income					
Fee and commission income		-	-	-	-
Dividend income		-	-	-	-
Foreign exchange income		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain on securities	22	4,901	118	1,603	-
Other income		1,318	107	1	-
Total non-markup / interest income		6,219	225	1,604	-
Total income		1,493,663	1,077,599	598,166	329,425
Non mark-up / interest expense					
Operating expenses	23	305,880	246,155	109,480	84,218
Workers' Welfare Fund		23,110	16,315	9,774	4,590
Other charges		-	-	-	-
Total non-markup / interest expenses		328,990	262,470	119,254	88,808
Profit before provisions		1,164,673	815,129	478,912	240,617
Provisions and write offs - net		32,305	-	-	-
Extraordinary / unusual items		-	-	-	-
Profit before taxation		1,132,368	815,129	478,912	240,617
Taxation	24	-	-	-	-
Profit after taxation		1,132,368	815,129	478,912	240,617
----- (Rupees) ----- (Restated)					
Basic and diluted earnings per share	25	1.82	1.31	0.77	0.39

The annexed notes from 1 to 30 and annexure form an integral part of these condensed interim financial statements.



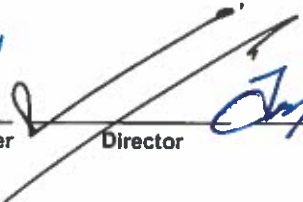




Managing Director / Chief Executive Officer Chief Financial Officer Director Director Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2022

	Nine months ended		Quarter ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees in '000)			
Profit after taxation for the period	1,132,368	815,129	478,912	240,617
Other comprehensive (loss)/income				
Items that may be reclassified to the profit and loss account in subsequent periods:				
Movement in (deficit)/surplus on revaluation of investments	(52,676)	(139,665)	57,689	(53,951)
Total comprehensive income	<u>1,079,692</u>	<u>675,464</u>	<u>536,601</u>	<u>186,666</u>

The annexed notes from 1 to 30 and annexure form an integral part of these condensed interim financial statements.




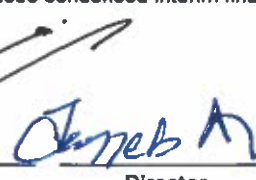
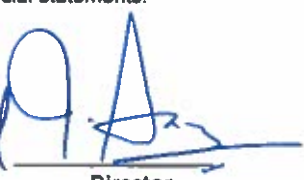






Managing Director / Chief Executive Officer Chief Financial Officer Director Director Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Share capital	Statutory reserve	Surplus / (deficit) on revaluation of investments	Unappropriated profit	Total
	(Rupees in '000)				
Opening Balance as at January 1, 2021 (audited)	3,658,506	478,643	83,356	1,917,858	6,138,363
Total comprehensive income for the period					
Profit after taxation for the nine months ended September 30, 2021	-	-	-	815,129	815,129
Other comprehensive loss					
Remeasurement gain on defined benefit plan	-	-	-	-	-
Movement in surplus on revaluation of investments	-	-	(139,665)	-	(139,665)
Total comprehensive income for the nine months ended September 30, 2021	-	-	(139,665)	815,129	675,464
Transfer to statutory reserve	-	163,026	-	(163,026)	-
Transactions with owners recorded directly in equity					
Issue of share capital	500,000	-	-	-	500,000
Opening Balance as at September 30, 2021 (un-audited)	4,158,506	641,669	(56,309)	2,569,961	7,313,827
Total comprehensive income for the period					
Profit after taxation for the three months ended December 31, 2021	-	-	-	251,304	251,304
Other comprehensive loss					
Remeasurement loss on defined benefit plan	-	-	-	(6,879)	(6,879)
Movement in deficit on revaluation of investments	-	-	(191,053)	-	(191,053)
Total comprehensive income for the three months ended December 31, 2021	-	-	(191,053)	244,425	53,372
Transfer to statutory reserve	-	50,261	-	(50,261)	-
Transactions with owners recorded directly in equity					
Issue of bonus shares	2,079,253	-	-	(2,079,253)	-
Balance as at December 31, 2021 (audited)	6,237,759	691,930	(247,362)	684,872	7,367,199
Total comprehensive income for the period					
Profit after taxation for the nine months September 30, 2022	-	-	-	1,132,368	1,132,368
Other comprehensive income					
Remeasurement gain on defined benefit plan	-	-	-	-	-
Movement in deficit on revaluation of investments	-	-	(52,676)	-	(52,676)
Total comprehensive income for the nine months ended September 30, 2022	-	-	(52,676)	1,132,368	1,079,692
Transfer to statutory reserve	-	226,474	-	(226,474)	-
Balance as at September 30, 2022 (un-audited)	6,237,759	918,404	(300,038)	1,590,766	8,446,891

The annexed notes from 1 to 30 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 CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	Nine months ended	
		September 30, 2022	September 30, 2021
----- (Rupees in '000) -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,132,368	815,129
Adjustments for:			
Depreciation	23	35,550	28,133
Amortisation of intangible assets	23	1,891	1,773
Amortisation of transaction cost		13,828	5,166
Provision for Workers' Welfare Fund		23,110	16,315
Gain on securities		(4,901)	(118)
Gain on fixed assets		(6)	(1)
Provisions and write offs		32,305	-
Interest expense on lease liability against right-of-use assets	21	5,874	7,056
		<u>107,651</u>	<u>58,324</u>
		1,240,019	873,453
Increase in operating assets			
Lendings to financial institutions		(3,000,000)	-
Advances		(3,002,402)	(6,537,558)
Other assets (excluding advance taxation)		(166,760)	(24,963)
		<u>(6,169,162)</u>	<u>(6,562,521)</u>
(Decrease) / Increase in operating liabilities			
Borrowings		(3,430,288)	3,356,169
Other liabilities (excluding lease liability)		574,977	275,481
		<u>(2,855,311)</u>	<u>3,631,650</u>
Income tax paid		(82)	(184)
Net cash used in operating activities		<u>(7,784,536)</u>	<u>(2,057,602)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(6,533,439)	(567,116)
Net investments in held-to-maturity securities		983,545	(15,452)
Investments in operating fixed assets		(3,852)	(26,410)
Investments in intangible assets		(12,534)	(25,127)
Proceeds from sale of fixed assets		112	1,617
Net cash used in investing activities		<u>(5,566,168)</u>	<u>(632,488)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of share capital		-	500,000
Lease rentals paid against right-of-use assets		(19,775)	(19,775)
Receipts from issuance of term finance certificates		7,000,000	6,700,000
Payments on maturity of term finance certificates		(1,000,000)	-
Receipts from issuance of sukuk certificates		-	4,100,000
Net cash generated from financing activities		<u>5,980,225</u>	<u>11,280,225</u>
Net (decrease) / increase in cash and cash equivalents		<u>(7,370,479)</u>	<u>8,590,135</u>
Cash and cash equivalents at the beginning of the period		15,490,122	3,141,844
Cash and cash equivalents at the end of the period		<u>8,119,643</u>	<u>11,731,979</u>

The annexed notes from 1 to 30 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 NINE MONTHS ENDED SEPTEMBER 30, 2022

1 STATUS AND NATURE OF BUSINESS

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 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.

The Company's objectives inter alia include promoting, developing and improving the housing finance market of Pakistan by providing pre-finance / re-finance 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, Block-A, Shahrah-e-Faisal, Karachi.

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, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017;
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP);
- Provisions of and directives issued under the Banking Companies Ordinance, 1962; 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 Banking Companies Ordinance, 1962 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34, the requirements of the Companies Act, 2017, the Banking Companies Ordinance, 1962 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 State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 05, dated March 22, 2019, and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. 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, 2021.

2.3 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (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 International Financial Reporting Standard (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. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

2.4 Standards, interpretations and amendments to the accounting and reporting standards that are effective in the current period

There are certain new standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

2.5 Standards, interpretations and amendments to the accounting and reporting standards that are not yet effective

2.5.1 The SBP vide its BPRD Circular No. 3 dated July 5, 2022 has notified the effective date of IFRS 9, 'Financial Instruments' as January 1, 2023. IFRS 9, 'Financial Instruments' has replaced IAS 39, 'Financial Instruments: recognition and measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has impact on all the assets of the Company which are exposed to credit risk. Moreover, the SBP has also issued application instructions on IFRS 9 for banks / DFIs in Pakistan along with the requirements to conduct quarterly parallel run reporting for the financial year 2022 and the Company is in the process of complying with the same.

2.5.2 There are certain other new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Company's annual accounting periods beginning on or after January 1, 2023. However, these will not have any significant impact on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant 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, 2021.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of 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 and liabilities and 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 and the related estimates and judgments are the same as those applied to the annual audited financial statements of the Company for the year ended December 31, 2021.

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 benefits is carried at present value of defined benefit obligation;
- Lease liability against right-of-use assets are carried at present value of minimum lease payments; and
- Investments classified as available-for-sale are carried at fair value.

5.1 Functional and presentation currency

Items included in the 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, 2021. 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)	(Audited)
			September 30, 2022	December 31, 2021
----- (Rupees in '000) -----				
	With State Bank of Pakistan in:			
	Local currency current account	7.1	3,562	4,017
	With National Bank of Pakistan in:			
	Local currency current accounts	7.2	31	31
	Local currency deposit account		9	9
	Prize bonds		40	40
			3,602	4,057

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 13.50% (December 31, 2021: 7.50%) per annum.

8	BALANCES WITH OTHER BANKS	Note	(Un-audited)	(Audited)
			September 30, 2022	December 31, 2021
----- (Rupees in '000) -----				
	In Pakistan			
	In current account		395	16
	In deposit accounts	8.1 & 8.2	8,115,646	15,486,049
			8,116,041	15,486,065

8.1 These include Term Deposit Receipts (TDRs) amounting to Rs. 3,024 million (December 31, 2021: Rs. 11,617 million) and are due to mature latest by October 19, 2022 (December 31, 2021: January 28, 2022). These carry mark-up at rates ranging from 14.25% to 16.40% (December 31, 2021: 12% to 12.25%) per annum.

8.2 These include deposit accounts in local currency maintained with other banks. These carry mark-up at rates ranging from 11% to 16.00% (December 31, 2021: 5.75% to 11%) per annum.

9	LENDINGS TO FINANCIAL INSTITUTIONS		(Un-audited)	(Audited)
			September 30, 2022	December 31, 2021
----- (Rupees in '000) -----				
	Certificates of investment	9.1	1,000,000	-
	Clean Lending	9.2	2,000,000	-
			3,000,000	-

9.1 These carry mark-up at the rate of 17.50% (December 31, 2021: nil) per annum and will mature on July 3, 2023.

9.2 These carry mark-up at the rate of 15.15% (December 31, 2021: nil) per annum and will mature on October 3, 2022.

10 INVESTMENTS

10.1 Investments by type:

	(Un-audited)				(Audited)			
	September 30, 2022				December 31, 2021			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
Available-for-sale securities								
Federal government securities	15,740,774	-	(314,027)	15,426,747	9,202,374	-	(247,362)	8,955,012
Non-government debt securities	299,940	-	13,989	313,929	300,000	-	-	300,000
	16,040,714	-	(300,038)	15,740,676	9,502,374	-	(247,362)	9,255,012
Held-to-maturity securities								
Federal government securities	-	-	-	-	983,545	-	-	983,545
	-	-	-	-	983,545	-	-	983,545
Total investments	16,040,714	-	(300,038)	15,740,676	10,485,919	-	(247,362)	10,238,557

10.2 Investments given as collateral

(Un-audited)			(Audited)			
September 30, 2022			December 31, 2021			
Cost / amortised cost	Deficit	Carrying value	Cost / amortised cost	Deficit	Carrying value	
----- (Rupees in '000) -----						
Pakistan Investment Bonds	4,667,899	(14,730)	4,653,169	8,323,472	(195,387)	8,128,085

11 ADVANCES

	Performing		Non-performing		Total	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	17,373,481	18,386,280	-	-	17,373,481	18,386,280
Islamic financing and related assets	9,343,759	5,328,558	-	-	9,343,759	5,328,558
Advances - gross	26,717,240	23,714,838	-	-	26,717,240	23,714,838
Provision against advances						
- Specific	-	-	-	-	-	-
- General	32,305	-	-	-	32,305	-
	32,305	-	-	-	32,305	-
Advances - net of provision	26,684,935	23,714,838	-	-	26,684,935	23,714,838

11.1 Particulars of advances (gross)

In local currency	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	26,717,240	23,714,838

11.2 Particulars of provision against advances

	(Un-audited)			(Audited)		
	September 30, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	-	-	-	-	-	-
Charge for the period	-	32,305	32,305	-	-	-
Reversals during the period	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-
Closing balance	-	32,305	32,305	-	-	-

11.2.1 The Company has maintained a general provision of Rs 32.305 million (December 31, 2021: nil) against financing made on prudent basis, in view of prevailing economic conditions, including recent inflationary pressure.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	77,163	91,414
	74,106	91,658
	151,269	183,072

12.1 Additions to fixed assets

The following additions have been made to fixed assets during the period

		(Un-audited)	
		Nine months ended	
		September 30, 2022	September 30, 2021
		----- (Rupees in '000) -----	
	Property and equipment		
	Furniture, fixtures	348	14,724
	Leasehold improvements	-	31,494
	Electrical office and computer equipment	3,504	3,555
	Total	<u>3,852</u>	<u>49,773</u>
		<u>3,852</u>	<u>49,773</u>
12.2	Disposal of fixed assets		
	The net book value of fixed assets disposed of during the period is as follows:		
	Furniture and fixtures - cost	-	19,647
	Accumulated depreciation	-	(6,775)
		-	12,872
	Electrical office and computer equipment - cost	904	743
	Accumulated depreciation	(798)	(453)
		106	290
	Total net book value	<u>106</u>	<u>13,162</u>
		<u>106</u>	<u>13,162</u>
		(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		----- (Rupees in '000) -----	
13	INTANGIBLE ASSETS		
	Computer software	4,261	4,730
	Capital work-in-progress	30,024	18,913
		<u>34,285</u>	<u>23,643</u>
		<u>34,285</u>	<u>23,643</u>
13.1	Additions to intangible assets		
	The following additions have been made to intangible assets during the period:		
		(Un-audited)	
		Nine Months ended	
		September 30, 2022	September 30, 2021
		----- (Rupees in '000) -----	
	Computer software	1,423	216
		<u>1,423</u>	<u>216</u>
		<u>1,423</u>	<u>216</u>
13.2	This represents an advance paid to AutoSoft Dynamics (Private) Limited against deployment of credit system.		
		(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		----- (Rupees in '000) -----	
14	OTHER ASSETS		
	Mark-up / return / interest / profit accrued in local currency	601,882	456,313
	Advances, deposits, advance rent and other prepayments	84,875	77,512
	Advance taxation (payments less provisions)	27,051	26,969
		713,808	560,794
	Less: Provision held against other assets	-	-
		<u>713,808</u>	<u>560,794</u>
		<u>713,808</u>	<u>560,794</u>
15	BORROWINGS		
	Secured		
	Term finance certificates	18,700,000	12,700,000
	Sukuk certificates	4,100,000	4,100,000
	Repurchase agreement borrowings	4,668,420	8,098,708
	Total secured	<u>27,468,420</u>	<u>24,898,708</u>
		<u>27,468,420</u>	<u>24,898,708</u>
	Unsecured		
	Borrowings from Government of Pakistan under World Bank - Housing Finance Project	10,288,741	10,288,741
		<u>37,757,161</u>	<u>35,187,449</u>
		<u>37,757,161</u>	<u>35,187,449</u>

- 15.1 The Company has issued term finance certificates amounting to Rs. 7,000 million (December 31, 2021: Rs. 11,700 million) during the period. These certificates have maturity of three to ten years and carry rate of interest ranging from 8.41% to 14.33% (December 31, 2021: 8.41% to 9.94%) per annum. The principal is payable at maturity whereas interest is payable semi-annually. Further, term finance certificates amounting to Rs. 1,000 million matured during the period on March 17, 2022.
- 15.2 These sukuk certificates have a maturity of three years and carry fixed rate of profit ranging from 8.25% to 8.63% (December 31, 2021: 8.25% to 8.63%) per annum. The principal is payable at maturity whereas profit is payable semi-annually.
- 15.3 These represent borrowings from various financial institutions at mark-up rates ranging from 15.15% to 15.20% (December 31, 2021: 10.10% to 10.50%) per annum and are due to mature latest by October 14, 2022. The market value of securities given as collateral against these borrowings is given in note 10.2.
- 15.4 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 is payable semi-annually and the principal payments will commence from April 15, 2023 in fifty equal installments on semi annual basis.

16 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.

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
Issue amount (Rupees in '000)		7,050,716	7,050,716
Issue date		February 22, 2019	February 22, 2019
Maturity date		February 21, 2047	February 21, 2047
Rating		Not applicable	Not applicable
Security		Unsecured	Unsecured
Profit payment frequency		Semi-annually	Semi-annually
Redemption		Not applicable	Not applicable
Mark-up		3% per annum	3% per annum
	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
17 OTHER LIABILITIES		----- (Rupees in '000) -----	
Mark-up / return / interest / profit payable in local currency		878,554	306,123
Lease liability against right-of-use assets		80,161	94,062
Provision for government levies		93,778	70,640
Provision for employees' benefit		64,196	61,274
Accrued expenses		38,821	38,277
Payable against transaction cost for term finance / sukuk certificates		14,100	22,478
Payable against purchase of fixed assets		11,563	2,907
Payable to defined benefit plan		8,675	9,901
		<u>1,189,848</u>	<u>605,662</u>
18 DEFICIT ON REVALUATION OF ASSETS			
Deficit on revaluation of Available for sale securities	10.1	<u>(300,038)</u>	<u>(247,362)</u>
19 CONTINGENCIES AND COMMITMENTS			

There were no contingencies and commitments outstanding as at September 30, 2022 and December 31, 2021.

	Note	(Un-audited)	
		Nine months ended	
		September 30, 2022	September 30, 2021
----- (Rupees in '000) -----			
20 MARK-UP / RETURN / INTEREST / PROFIT EARNED			
On:			
Loans and advances		1,580,555	1,021,409
Investments		1,278,816	735,866
Lendings to financial institutions		113,840	11,106
Balances with banks (including term deposit receipts)		598,435	236,573
		<u>3,571,646</u>	<u>2,004,954</u>
21 MARK-UP / RETURN / INTEREST / PROFIT EXPENSED			
On:			
Borrowings from Government of Pakistan under Housing Finance Project		231,497	231,497
Repurchase agreement borrowings		278,769	146,201
Clean Borrowing		-	2,081
Term finance certificates		1,149,096	196,903
Sukuk certificates		260,325	185,201
		1,919,687	761,883
Subordinated debt		158,641	158,641
Lease liability against right-of-use assets		5,874	7,056
		<u>2,084,202</u>	<u>927,580</u>
22 GAIN / (LOSS) ON SECURITIES			
Realised	22.1	<u>4,901</u>	<u>118</u>
22.1 These Includes gain/(loss) on sale of federal government securities.			
23 OPERATING EXPENSES			
Total compensation expense		211,713	173,515
Property expense			
Rent		-	1,374
Insurance		409	403
Utilities cost		2,339	1,635
Security		436	436
Repair and maintenance		233	397
Depreciation		17,552	17,552
		20,969	21,797
Information technology expenses			
Software maintenance		5,110	4,080
Rent-disaster recovery site		636	424
Hardware maintenance		218	162
Depreciation		5,317	5,303
Amortisation		1,891	1,773
IT Security		-	125
Network charges		1,485	1,218
		14,657	13,085
Other operating expenses			
Directors' fees and allowances		9,550	5,785
Legal and professional charges		9,634	5,388
Fees and subscription		2,241	1,718
Outsourced services costs		3,874	3,303
Travelling and conveyance		2,971	1,460
Depreciation		12,681	5,278
Training and development		984	2,640
Postage and courier charges		150	51
Communication		891	984
Printing and stationery		1,149	2,001
Marketing, advertisement and publicity		3,342	2,650
Donations		3,500	1,500
Auditors' remuneration		1,981	1,036
Insurance		3,517	1,797
Vehicle repair and maintenance		188	524
Entertainment		333	301
Others		1,555	1,342
		58,541	37,758
		<u>305,880</u>	<u>246,155</u>

24 TAXATION

The income of the Company is exempt from income tax under Clause 66 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 whereby the entities are placed in two tables, namely Table I and Table II. The entities placed in Table I are granted unconditional exemption whereas entities placed in Table II are granted conditional exemption from income tax. The Company was initially placed under Table II, however, the name of the Company was moved to Table I vide Tax Laws (Third Amendment) Ordinance, 2021.

25 BASIC AND DILUTED EARNINGS PER SHARE

	(Un-audited)	
	Nine months ended	
	September 30, 2022	September 30, 2021
	----- (Rupees in '000) -----	
Profit for the period	1,132,368	815,129
	(Number of shares)	
	(Restated)	
Weighted average number of ordinary shares	623,775,900	623,043,299
	----- (Rupees) -----	
	(Restated)	
Basic earnings per share	1.82	1.31

25.1 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 September 30, 2022.

26 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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.

26.1 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); and

Level 3: Fair value measurements using input 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 categorised:

On balance sheet financial instruments	(Un-audited)			
	September 30, 2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
Federal government securities	-	15,426,747	-	15,426,747
Non-government debt securities	-	313,929	-	313,929
Financial assets - disclosed but not measured at fair value				
Federal government securities	-	-	-	-

	(Un-audited)			(Audited)		
	September 30, 2022			December 31, 2021		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
(Rupees in '000)						
Advances						
Opening balance	-	44,233	5,918,270	-	89,624	4,627,769
Addition during the period	-	67,442	1,200,000	-	8,174	3,050,000
Repaid during the period	-	(11,775)	(413,473)	-	(53,565)	(1,759,499)
Closing balance	-	99,900	6,704,797	-	44,233	5,918,270
Other assets						
Interest / mark-up accrued	-	-	151,191	-	-	99,846
Other receivable	-	-	2,485	-	-	24,071
	-	-	153,676	-	-	123,917
Borrowings						
Opening balance *	-	-	14,184,693	-	-	2,960,000
Borrowings during the period	-	-	71,676,466	-	-	135,864,346
Settled during the period	-	-	(72,861,956)	-	-	(121,939,653)
Closing balance	-	-	12,999,203	-	-	16,884,693
Other liabilities						
Interest / mark-up payable	-	-	332,273	-	-	78,289
Payable to defined benefit plan	-	-	8,675	-	-	9,901
Payable to defined contribution plan	-	-	-	-	-	-
	-	-	340,948	-	-	88,190

* Allied Bank Limited has been excluded from the above analysis as it is no longer a related party as at September 30, 2022. Allied Bank Limited was a related party as at December 31, 2021 having a balance of Rs. 2,700 million.

	(Un-audited)			(Un-audited)		
	September 30, 2022			September 30, 2021		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
(Rupees in '000)						
Profit and loss account						
Income						
Mark-up / return / interest / profit earned	-	2,378	782,817	-	2,445	459,052
Expensed						
Mark-up / return / interest / profit expensed	-	-	774,289	-	-	331,011
Operating expenses	9,550	174,342	15,878	5,785	119,818	13,364

27.1 In addition to the above, the Company has sub-ordinated loan amounting to Rs. 7,050.716 million and borrowing under World Bank - Housing Finance Project amounting to Rs. 10,288.741 million respectively from the Ministry of Finance.

	(Un-audited)	(Audited)
	September 30, 2022	December 31, 2021
----- (Rupees in '000) -----		
28 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	8,412,606	7,343,556
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,412,606	7,343,556
Eligible Tier 2 Capital	32,305	-
Total Eligible Capital (Tier 1 + Tier 2)	8,444,911	7,343,556

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
Risk Weighted Assets (RWAs):		
Credit Risk	11,070,466	11,104,652
Market Risk	-	-
Operational Risk	2,725,189	2,725,189
Total	<u>13,795,655</u>	<u>13,829,841</u>
Common Equity Tier 1 Capital Adequacy Ratio	<u>60.98%</u>	<u>53.10%</u>
Tier 1 Capital Adequacy Ratio	<u>60.98%</u>	<u>53.10%</u>
Total Capital Adequacy Ratio	<u>61.21%</u>	<u>53.10%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	8,412,606	7,343,556
Total Exposure	<u>57,140,246</u>	<u>46,112,354</u>
Leverage Ratio	<u>14.72%</u>	<u>15.93%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	8,428,130	830,984
Total Net Cash Outflow	<u>87,001</u>	<u>7,881</u>
Liquidity Coverage Ratio	<u>9687%</u>	<u>10544%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	48,409,242	40,483,014
Total Required Stable Funding	<u>31,523,824</u>	<u>30,293,422</u>
Net Stable Funding Ratio	<u>153.56%</u>	<u>133.64%</u>

29 GENERAL

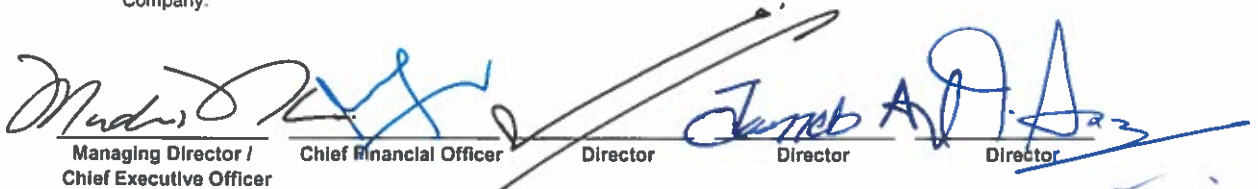
29.1 These condensed interim financial statements have been prepared in accordance with the format as prescribed by the SBP through BPRD Circular Letter No. 05 dated March 22, 2019 and related clarifications / modifications.

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

29.3 Comparative figures have been rearranged for comparison purposes.

30 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 20, 2022 by the Board of Directors of the Company.



 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 NINE MONTHS ENDED SEPTEMBER 30, 2022

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 nine months ended September 30, 2022 are as follows:

(A)	Statement of financial position	Note	(Un-audited)	(Audited)
			September 30, 2022	December 31, 2021
			----- Rupees in '000 -----	
ASSETS				
	Balances with other banks		24,627	1,642,363
	Islamic financing and related assets - net	1	9,343,759	5,328,558
	Other assets		77,753	67,098
			9,446,139	7,038,019
LIABILITIES				
	Due to financial institutions	2	4,100,000	4,100,000
	Due to head office		4,874,346	2,563,385
	Other liabilities		51,507	97,655
			9,025,853	6,761,040
NET ASSETS				
			420,286	276,979
REPRESENTED BY				
	Islamic banking fund		150,000	150,000
	Reserves		54,057	25,396
	Unappropriated profit		216,228	101,583
			420,286	276,979
(Un-audited)				
For the Nine months ended				
(B)	Profit and loss account		September 30, 2022	September 30, 2021
			----- Rupees in '000 -----	
	Profit / return earned		588,271	311,421
	Profit / return expensed		433,004	277,064
	Net profit / return		155,267	34,357
Other expenses				
	Operating expenses		8,855	6,397
	Workers' Welfare Fund		3,105	687
	Total other expenses		11,960	7,084
	Profit before provisions		143,307	27,273
	Provisions and write offs - net		-	-
	Profit before taxation		143,307	27,273
	Taxation		-	-
	Profit after taxation		143,307	27,273

1 ISLAMIC FINANCING AND RELATED ASSETS - NET

This represents Islamic financing under musharakah financing facility. The tenure of this financing facility varies from 3 years to 13 years with profit rates ranging from 5.33% to 11.21% per annum.

2 DUE TO FINANCIAL INSTITUTIONS

The Company has issued redeemable capital under the Islamic mode of musharakah (Shirkat-ul-Aqd), in the form of Shariah compliant sukuk certificates amounting to Rs. 4,100 million (December 31, 2021: 4,100 million) at expected rates of profit ranging from 8.25% to 8.63% per annum by way of private placement, pursuant to the provisions of section 66 of the Companies Act, 2017.