





PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	(Un-Audited) March 31, 2024	(Audited) December 31, 2023
	.....'(Rupees in '000).....	
ASSETS		
Cash and balances with treasury banks	9,442	5,173
Balances with other banks	1,436,880	10,651,533
Lendings to financial institutions	7,497,417	-
Investments	15,931,381	13,804,680
Advances	34,059,823	34,401,920
Property and equipment	48,898	49,492
Right-of-use assets	62,406	68,256
Intangible assets	35,587	35,705
Deferred tax assets	-	-
Other assets	1,361,273	1,542,299
	60,443,107	60,559,058
LIABILITIES		
Bills payable	-	-
Borrowings	40,292,923	41,649,392
Deposits and other accounts	-	-
Liabilities against assets subject to finance lease	-	-
Subordinated debt	6,818,042	6,818,042
Deferred tax liabilities	-	-
Other liabilities	2,464,235	1,160,612
	49,575,200	49,628,046
NET ASSETS	10,867,907	10,931,012
REPRESENTED BY		
Share capital	6,237,759	6,237,759
Reserves	1,714,471	1,519,513
Deficit on revaluation of assets	(335,224)	(353,565)
Unappropriated profit	3,250,901	3,527,305
	10,867,907	10,931,012
CONTINGENCIES AND COMMITMENTS	21	

The annexed notes 1 to 34 and annexure form an integral part of these condensed interim financial statements.




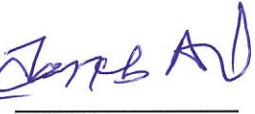



Managing Director / Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Note	Quarter Ended		
	January - March 2024	January - March 2023	
	.....'(Rupees in '000).....		
Mark-up / Return / Interest / Profit earned	22	1,933,551	1,534,146
Mark-up / Return / Interest/ Profit expensed	23	766,522	884,214
Net Mark-up / Return / Interest / Profit earned		1,167,029	649,932
NON MARK-UP / INTEREST INCOME			
Fee and commission income	24	6,238	-
Dividend income		-	-
Foreign exchange income / (loss)		-	-
Income / (Loss) from derivatives		-	-
Gain / (Loss) on securities		623	-
Other income		253	9
Total non-markup / interest income		7,114	9
Total income		1,174,143	649,941
NON MARK-UP/INTEREST EXPENSES			
Operating expenses	25	201,846	117,870
Workers' Welfare Fund		19,895	10,641
Other charges		-	-
Total non-markup / interest expenses		221,741	128,511
Profit before provision and credit loss allowance		952,402	521,430
Provision, credit loss allowance and write offs - net	12	(22,389)	-
PROFIT BEFORE TAXATION		974,791	521,430
Taxation	26	-	-
PROFIT AFTER TAXATION		974,791	521,430
Basic & Diluted earnings per share	27	1.56	0.84



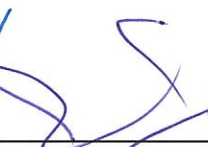
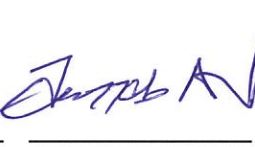
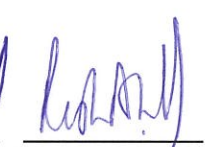
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Managing Director / Chief Executive Officer	Chief Financial Officer	Director	Director	Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Quarter ended	
	January - March 2024	January - March 2023
	.....'(Rupees in '000).....	
Profit after taxation for the period	974,791	521,430
Other comprehensive income		
Items that may be reclassified to the profit and loss account in subsequent periods		
Movement in surplus/(deficit) on revaluation of investments	18,341	(185,002)
Total comprehensive income	<u>993,132</u>	<u>336,428</u>


The annexed notes 1 to 34 and annexure form an integral part of these condensed interim financial statements.

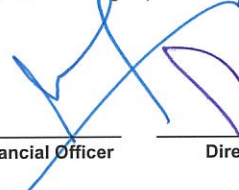
				
Managing Director / Chief Executive Officer	Chief Financial Officer	Director	Director	Director


PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2024


	Share capital	Statutory reserve	Surplus / (deficit) on revaluation of investments	Unappropriated profit	Total
.....(Rupees in '000).....					
Balance as at December 31, 2022 (Audited)	6,237,759	1,007,773	(448,961)	1,948,368	8,744,939
Profit for the three months ended March 31, 2023	-	-	-	521,430	521,430
Other comprehensive income					
- Movement in surplus/(deficit) on revaluation of investments	-	-	(185,002)	-	(185,002)
Total comprehensive income for the three months ended March 31, 2023	-	-	(185,002)	-	(185,002)
Transfer to statutory reserve	-	104,286	-	(104,286)	-
Transactions with owners, recorded directly in equity					
Final cash dividend-Re 0.75 per share for the year 2022				(467,832)	(467,832)
Balance as at March 31, 2023 (Un-audited)	6,237,759	1,112,059	(633,963)	1,897,680	8,613,535
Profit after taxation for the nine months ended December 31, 2023	-	-	-	2,037,268	2,037,268
Other comprehensive income					
- Remeasurement gain on defined benefit obligations	-	-	-	(189)	(189)
- Movement in surplus/(deficit) on revaluation of investments	-	-	280,398	-	280,398
Total comprehensive income for the nine months ended December 31, 2023	-	-	280,398	(189)	280,209
Transfer to statutory reserve	-	407,454	-	(407,454)	-
Balance as at December 31, 2023 (Audited)	6,237,759	1,519,513	(353,565)	3,527,305	10,931,012
Impact of first time adoption of IFRS 9				(120,573)	(120,573)
Profit after taxation for the three months ended March 31, 2024	-	-	-	974,791	974,791
Other comprehensive income					
- Movement in surplus/(deficit) on revaluation of investments	-	-	18,341	-	18,341
Total comprehensive income for the three months ended March 31, 2024	-	-	18,341	-	18,341
Transfer to statutory reserve	-	194,958	-	(194,958)	-
Transactions with owners, recorded directly in equity					
Final cash dividend-Re 1.50 per share for the year 2023	-	-	-	(935,664)	(935,664)
Balance as at March 31, 2023 (Un-audited)	6,237,759	1,714,471	(335,224)	3,250,901	10,867,907

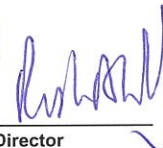
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 Managing Director /
Chief Executive Officer


 Chief Financial Officer


 Director

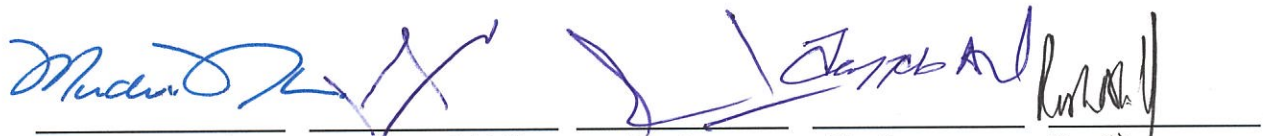

 Director


 Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Note	Quarter Ended	
	March 31, 2024	March 31, 2023
	.....'(Rupees in '000).....	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before taxation	974,791	521,430
Adjustment for:		
Depreciation	25 6,836	6,398
Depreciation right-of-use assets	14 5,851	5,851
Amortisation of intangible assets	25 1,565	2,030
Amortisation of transaction cost	4,811	5,610
Provision for Workers' Welfare Fund	19,895	10,641
Gain on sale of fixed assets	(3)	(9)
Gain on sale of securities	(623)	-
Provision for defined benefit obligation	3,427	3,591
Interest expense on lease liability against right-of-use assets	23 1,129	1,626
Provision, credit loss allowance and write offs	(22,389)	-
	20,499	35,738
	995,290	557,169
Increase/(Decrease) in operating assets		
Lendings to financial institutions	(7,497,417)	-
Advances	364,486	(269,614)
Others assets (excluding advance taxation)	176,226	52,797
	(6,956,705)	(216,817)
Increase in operating liabilities		
Borrowings	1,743,531	466,511
Other liabilities (excluding lease liability)	361,849	146,745
	2,105,380	613,256
Income tax paid	(11)	-
Net cash flows (used in)/ generated from operating activities	(3,856,046)	953,607
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities classified as FVOCI	(2,246,652)	1,650,968
Investments in property and equipment	(6,243)	(4,237)
Investments in intangible assets	(1,447)	(15,342)
Proceeds from sale of property and equipment	3	47
Net cash flows (used in)/ generated from investing activities	(2,254,339)	1,631,436
CASH FLOW FROM FINANCING ACTIVITIES		
Lease rentals paid against right-of-use assets	-	6,592
Payments on maturity of Sukuk	(3,100,000)	-
Net cash (Used in)/generated from financing activities	(3,100,000)	6,592
Net (decrease)/increase in cash and cash equivalents	(9,210,385)	2,591,635
Cash and cash equivalents at the beginning of the period	10,656,706	226,103
Cash and cash equivalents at the end of the period	1,446,321	2,817,738

The annexed notes 1 to 34 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 THREE MONTHS ENDED MARCH 31, 2024

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 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, 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 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 SBP and 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 SBP vide BPRD Circular Letter No. 02, dated Feb 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, 2023.

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, 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.

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, 2024 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 except for adoption of IFRS 9 as disclosed in note 3.2 of the condensed interim financial statements.

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

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, 2024. 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, 2023, except that the classification, recognitions, measurement and impairment of financial instruments are now accounted for under IFRS 9 Financial Instruments.

3.2 Impact of Adoption of IFRS 9

On January 1, 2024, the Company has adopted IFRS 9 in its entirety with modified retrospective approach for restatement. The cumulative impact of initial application is recorded as an adjustment to equity at the beginning of the accounting period.

3.2.1 Classification and Measurement of Financial Instrument

IFRS 9 contains three classification categories: Amortised Cost (AC), Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through Profit and Loss (FVTPL). The classification and measurement of financial assets depends on the company's business model and their contractual cash flow characteristics.

The Company measures advances at AC since both of the following conditions are met:

- The financial asset is held with the objective to hold to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that meet Solely Payments of Principal and Interest (SPPI) criteria.

Investments which were previously classified as Available-for-Sale (AFS) and those that meet the SPPI criteria, are measured at FVOCI as the Company's business model is to hold the assets to collect contractual cash flows, but also to sell those investments.

The following table shows the measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial asset and financial liabilities:

	Original classification under IAS 39	New classification under IFRS 9
Financial Assets		
Cash and balances with treasury banks	AC	AC
Balances with other banks	AC	AC
Lendings to Financial Institutions	AC	AC
Investments	AFS	FVOCI
Advances	AC	AC
Other assets	AC	AC
Financial Liabilities		
Borrowings	AC	AC
Subordinated Debt	AC	AC
Other Liabilities	AC	AC

3.2.2 Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets from Prudential Regulations issued by SBP with a forward-looking Expected Credit Loss (ECL) approach. The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments).

ECLs are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information that is forward looking. The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

After classification of financial assets, IFRS 9 provides three stages for calculation of ECL, which are as follows:

- Stage 1 - Financial Assets are performing;
- Stage 2 - Financial Assets are under-performing;
- Stage 3 - Financial Assets are non-performing

Currently, all financial assets of the company are recognised under Stage 1.

3.2.3 Financial Impact of adoption of IFRS 9

		----- Rupees in '000 -----				
	Note	Balances with other banks	Investments	Advances	Other Assets	Total Impact - Equity
As at December 31, 2023		10,651,533	13,804,680	34,401,920	1,542,299	10,931,012
IFRS 9 Impact						
Credit Loss Allowances	8.2 & 10.2 & 11.2 & 15.2	9,146	1,617	107,000	2,820	120,583
As at January 01, 2024		<u>10,642,387</u>	<u>13,803,063</u>	<u>34,294,920</u>	<u>1,539,479</u>	<u>10,810,429</u>

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, 2023.

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;
- Investments classified as FVOCI are carried at fair value; and
- Right-of-use assets and their related lease liability are carried at present value of future lease rentals adjusted for any lease payments made at or before the commencement date of the lease.

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, 2023. 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.

	Note	(Un-Audited) March 31, 2024 .....'(Rupees in '000).....	(Audited) December 31, 2023 .....'(Rupees in '000).....
7 CASH AND BALANCES WITH TREASURY BANKS			
With State Bank of Pakistan in Local currency current account	7.1	9,400	5,132
		9,400	5,132
With National Bank of Pakistan in Local currency current accounts Local currency deposit accounts (NIDA)	7.2	31 11	31 10
		42	41
		<u>9,442</u>	<u>5,173</u>

7.1 This represents the balance maintained with SBP against minimum cash reserve requirements pursuant 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/profit at the rate of 20.50% (2023: 19.00%) per annum.

	Note	(Un-Audited) March 31, 2024 .....'(Rupees in '000).....	(Audited) December 31, 2023 .....'(Rupees in '000).....
8 BALANCES WITH OTHER BANKS			
In Pakistan current accounts deposit accounts	8.1	10,438 1,429,053	3,595 10,647,938
Less: Credit loss allowance held against balances with other banks		(2,611)	-
Balances with other banks - net of credit loss allowance		<u>1,436,880</u>	<u>10,651,533</u>

8.1 This include deposit accounts in local currency maintained with other banks. These carry mark-up/profit at rates ranging from 8.35% to 20.50% (2023: 8.76% to 22.50%) per annum.

	Note	(Un-Audited) March 31, 2024 .....'(Rupees in '000).....	(Audited) December 31, 2023 .....'(Rupees in '000).....
8.2 Credit loss allowance for diminution in value of balances with other bank			
Impact of adoption of IFRS 9 on opening balance		9,146	-
Reversal during the period		(6,535)	-
Closing Balance		<u>2,611</u>	<u>-</u>

9 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	(Un-Audited) March 31, 2024 .....'(Rupees in '000).....	(Audited) December 31, 2023 .....'(Rupees in '000).....
Clean Lending	9.1	7,498,265	-
Less: Credit loss allowance held against lending to financial institutions		(848)	-
Lendings to financial institutions - net of credit loss allowance		<u>7,497,417</u>	<u>-</u>

9.1 These carry markup rated ranging from 22.00% to 22.02% (2023: Nil) per annum and will mature in April 2024.

		(Un-Audited) 31/03/2024	(Audited) 31/12/2023
9.2 Lending to FIs- Particulars of credit loss allowance	Lending	7,498,265	-
	Credit loss allowance held	(848)	-
	Total	<u>7,498,265</u>	<u>-</u>

9.3 Credit loss allowance for diminution in value of lendings to financial institutions

		(Un-Audited) March 31, 2024 .....'(Rupees in '000).....	(Audited) December 31, 2023 .....'(Rupees in '000).....
Impact of adoption of IFRS 9 on opening balance		-	-
Charge for the period		848	-
Closing Balance		<u>848</u>	<u>-</u>

10 INVESTMENTS

10.1 Investments by type:

(Un-Audited) 31-Mar-24				(Audited) 31-Dec-23			
Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
.....(Rupees in '000).....							
Available for Sale							
Federal Government securities	15,868,254	-	(335,224)	15,533,030	-	(353,565)	13,404,920
Non-government debt securities	399,760	(1,409)	-	398,351	-	-	399,760
Total Investments	16,268,014	(1,409)	(335,224)	15,931,381	-	(353,565)	13,804,680

10.1.1 Investments given as collateral

(Un-Audited) 31-Mar-24			(Audited) 31-Dec-23			
Cost / Amortised cost	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Surplus / (Deficit)	Carrying Value	
.....(Rupees in '000).....						
Pakistan Investment Bonds	1,003,366	(20,566)	982,800	1,003,469	(19,769)	983,700
Market Treasury Bills	9,660,170	(28,630)	9,631,540	7,955,380	2,556	7,957,936
	10,663,536	(49,196)	10,614,340	8,958,849	(17,213)	8,941,636
				(Un-Audited) March 31, 2024	(Audited) December 31, 2023	
				.....(Rupees in '000).....		

10.2 Credit loss allowance for diminution in value of investments

Impact of adoption of IFRS 9 on opening balance	1,617	-
Reversal during the period	(208)	-
Closing Balance	<u>1,409</u>	<u>-</u>

10.3 Particulars of credit loss allowance against debt securities

		(Un-Audited) 31/03/2024		(Audited) 31/12/2023	
Performing	Slage 1	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
.....(Rupees in '000).....					
Performing		16,268,014	1,409	-	-
Total		<u>16,268,014</u>	<u>1,409</u>	<u>-</u>	<u>-</u>

11 ADVANCES

	Performing		Non Performing		Total	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
.....(Rupees in '000).....						
Loans, cash credits, running finances, etc., Islamic financing and related assets	14,040,488	16,015,981	-	-	14,040,488	16,015,981
Advances - gross	20,458,600	18,733,834	-	-	20,458,600	18,733,834
	34,499,088	34,749,815	-	-	34,499,088	34,749,815
Credit loss allowance against advances -Stage 1	89,576	-	-	-	89,576	-
Specific Provision	-	-	-	-	-	-
General Provision	349,689	347,895	-	-	349,689	347,895
Advances - net of provision	34,059,823	34,401,920	-	-	34,059,823	34,401,920

11.1 Particulars of advances (gross)

In local currency	(Un-Audited) March 31, 2024	(Audited) December 31, 2023
	<u>34,499,088</u>	<u>34,749,815</u>

11.2 Credit loss allowance for diminution in value of advances

	(Un-Audited)				(Audited)			
	31-Mar-24				31-Dec-23			
	Stage 3	Stage 2	Stage 1	Total	Stage 3	Stage 2	Stage 1	Total
	.....(Rupees in '000).....							
Impact of adoption of IFRS 9 on opening balance	-	-	107,000	107,000	-	-	-	-
Reversal during the period	-	-	(17,424)	(17,424)	-	-	-	-
Closing balance	-	-	89,576	89,576	-	-	-	-

11.3 Particulars of provision against advances

	(Un-audited)			(Audited)		
	March 31, 2024			December 31, 2023		
	Specific	General	Total	Specific	General	Total
	.....(Rupees in '000).....					
Opening balance	-	347,895	347,895	-	94,502	94,502
Charge for the period	-	1,794	1,794	-	253,393	253,393
Closing balance	-	349,689	349,689	-	347,895	347,895

11.4 The Company has maintained a general provision of Rs 349.69 million (December 31, 2023: 347.89 million) against its financing portfolio. The rationale for creating general provision is fully explained in note 8.3.1 of the annual audited financial statements of the company for the year ended December 31, 2023.

	Note	(Un-Audited)	
		January - March 2024	January - March 2023
		.....(Rupees in '000).....	
12 Provision, credit loss allowance and write offs - net			
<i>Charge/(reversal) for Credit loss allowance</i>			
On Balances with other banks	8.2	(6,535)	-
On Lendings to financial institutions	9.3	848	-
On investments	10.2	(208)	-
On Advances	11.2	(17,424)	-
On Income/markup/profit accrued	16.2	(864)	-
		(24,183)	-
<i>Charge for General provision on advances</i>	11.3	1,794	-
		(22,389)	-
		(Un-Audited) March 31, 2024	(Audited) December 31, 2023
		.....(Rupees in '000).....	

13 PROPERTY AND EQUIPMENT

Property and equipment	48,898	46,171
Capital work-in-progress	-	3,321
	<u>48,898</u>	<u>49,492</u>
	(Un-Audited) March 31, 2024	(Audited) March 31, 2023
	.....(Rupees in '000).....	

13.1 Additions to Property and equipment

Property and equipment	2,451	-
Furniture, fixtures	4,336	-
Leasehold improvements	2,773	2,620
Electrical office and computer equipment		
	<u>9,560</u>	<u>2,620</u>

14 RIGHT-OF-USE ASSETS

	(Un-audited)			(Audited)		
	March 31, 2024			December 31, 2023		
	Buidlings	Others (to be specified)	Total	Buidlings	Others (to be specified)	Total
	.....(Rupees in '000).....					
At January 1, 2024						
Cost	117,010	-	117,010	117,010	-	117,010
Accumulated Depreciation	(48,754)	-	(48,754)	(25,352)	-	(25,352)
Net Carrying amount at January 1, 2024	68,256	-	68,256	91,658	-	91,658
Depreciation Charge for the period	(5,850)	-	(5,850)	(23,402)	-	(23,402)
Net Carrying amount at March 31, 2024	62,406	-	62,406	68,256	-	68,256

14.1 This disclosure has been added in pursuant to the new format prescribed by SBP. Accordingly, comparative numbers have been restated for property and equipment and Right-of-use-assets.

	Note	(Un-Audited) March 31, 2024 .....(Rupees in '000).....	(Audited) December 31, 2023
15 INTANGIBLE ASSETS			
Computer software		26,022	21,565
Capital work-in-progress		9,565	14,140
		<u>35,587</u>	<u>35,705</u>
15.1 Additions to intangible assets			
During the period, Auto Risk software has been capitalized amounting to Rs: 6 million.			
16 OTHER ASSETS			
Income / Mark-up accrued in local currency		1,023,065	1,265,046
Advances, deposits, advance rent and other prepayments		231,578	66,930
Advance taxation		27,110	27,099
Receivable from Credit Guarantee Trust - net		81,476	183,224
		<u>1,363,229</u>	<u>1,542,299</u>
Less: Credit loss allowance held against other assets	16.1	(1,956)	-
Other Assets (Net of credit loss allowance)		<u>1,361,273</u>	<u>1,542,299</u>
16.1 Credit loss allowance held against other assets			
Income / Mark-up accrued in local currency		1,956	-
16.2 Credit loss allowance for diminution in value of balances with other bank			
Impact of adoption of IFRS 9 on opening balance		2,820	-
Reversal		(864)	-
Closing Balance		<u>1,956</u>	<u>-</u>
17 BORROWINGS			
<i>Secured</i>			
Term finance certificates	17.1	18,700,000	18,700,000
Sukuk certificate	17.2	1,000,000	4,100,000
Repurchase agreement borrowings	17.3	10,643,710	8,900,179
Total secured		<u>30,343,710</u>	<u>31,700,179</u>
<i>Unsecured</i>			
Borrowings from Government of Pakistan under World Bank - Housing Finance Project		<u>9,949,213</u>	<u>9,949,213</u>
		<u>40,292,923</u>	<u>41,649,392</u>

17.1 These Term Finance Certificates have maturity of three to ten years and carry rate of interest ranging from 8.41% to 20.89% (2023: 8.41% to 20.89%) per annum. The principal is payable at maturity whereas interest is payable semi-annually.

17.2 This sukuk certificate has a maturity of three years and carry fixed rate of profit 8.63% (2023: 8.25% to 8.63%) per annum. The principal is payable at maturity whereas profit is payable semi-annually.

17.3 These represent borrowings from various financial institutions at mark-up rate 20.28% (2023: 22.12% to 22.15%) per annum and are due to mature latest by April 05, 2024. The market value of securities given as collateral against these borrowings is given in note 10.1.1 to these financial statements.

18 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.

	Note	(Un-Audited) March 31, 2024 .....(Rupees in '000).....	(Audited) December 31, 2023
Issue amount (Rupees in '000)		7,050,716	7,050,716
Outstanding principal (Rupees in '000)		6,818,042	6,818,042
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
Redemption		Semi-annually	Semi-annually
Mark-up (percentage)		3% per annum	3% per annum

19 OTHER LIABILITIES

Mark-up / return / interest payable in local currency		856,862	572,223
Dividend Payable	18.1	935,664	-
Accrued expenses		65,331	44,622
Withholding tax payable		38,190	5,365
Unearned income		220,197	165,310
Lease liability against right-of-use assets		54,292	53,162
Provision for government levies		175,132	155,145
Payable to defined benefit plan		9,196	3,780
Provision for employees' benefit		109,371	161,005
		<u>2,464,235</u>	<u>1,160,612</u>

18.1 Final cash dividend for the year ended December 31, 2023, approved by the shareholders in March 2024.

20 DEFICIT ON REVALUATION OF ASSETS

Deficit on revaluation of Available for sale securities	10.1	<u>(335,224)</u>	<u>(353,565)</u>
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21 CONTINGENCIES AND COMMITMENTS

There are no contingent assets, contingencies and commitments as at March 31, 2024 (December 31, 2023: nil).

	Note	(Un-Audited)	
		January - March 2024	January - March 2023
.....'(Rupees in '000).....			
22 MARK-UP / RETURN / INTEREST /PROFIT EARNED			
On:			
Loans and advances		1,068,559	822,858
Investments		594,941	679,445
Lendings to financial institutions		214,217	4,088
Balances with banks		55,834	27,755
		1,933,551	1,534,146

23 MARK-UP / RETURN / INTEREST/PROFIT EXPENSED			
On:			
Borrowings from Government of Pakistan under Housing Finance Project		72,224	77,890
Repurchase agreement borrowings		62,092	196,554
Clean Borrowing		62	11,911
Term Finance Certificate		501,702	458,046
Sukuk certificate		77,157	86,031
		713,237	830,432
Subordinated debt		52,156	52,156
Lease liability against right-of-use assets		1,129	1,626
		766,522	884,214

24 FEE AND COMMISSION INCOME			
Trustee fee	24.1	6,238	-

24.1 This represents fee for trustee services rendered to Credit Guarantee Trust. The Company, vide the Addendum First Supplemental to the Trust Deed executed between the Government of Pakistan and the Company, is entitled to a Trustee fee at 0.25 times of the premium received by the trust from the guarantees issued under the Low Income Scheme. The aggregate Trustee fee charged by the Company has been amortised over the period of the guarantees issued under the Low Income Scheme.

	(Un-Audited)	
	January - March 2024	January - March 2023
.....'(Rupees in '000).....		
25 OPERATING EXPENSES		
Total compensation expense	126,283	84,972
Property expense		
Insurance	178	132
Utilities cost	1,199	398
Security	184	145
Repair & maintenance	84	32
Depreciation	5,851	5,851
	7,496	6,558
Information technology expenses		
Software maintenance	3,375	3,057
Website maintenance	52	-
Hardware maintenance	77	113
Depreciation	2,364	2,342
Amortization	1,565	2,030
Network charges	727	848
Rent-Disaster Recovery Site	550	367
	8,710	8,757

(Un-Audited)

January - January -
March 2024 March 2023

.....'(Rupees in '000).....

Directors' fees and allowances	9,200	5,170
Fee and Subscription	653	574
Legal & professional charges	34,953	1,565
Outsourced services costs	1,822	1,472
Travelling & conveyance	1,296	1,652
Vehicle Repair Maintenance	57	54
Depreciation	4,472	4,056
Training & development	407	-
Postage & courier charges	69	82
Communication	383	246
Entertainment	186	48
Stationery & printing	167	53
Marketing, advertisement & publicity	55	193
Research and Development	1,695	-
Auditors remuneration	1,376	559
Insurance	1,746	1,392
Others	820	467
	59,357	17,583
	201,846	117,870

26 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 is placed under Table I, whereby the Company has been granted unconditional exemption.

(Un-Audited)

January - January -
March 2024 March 2023

.....'(Rupees in '000).....

27 BASIC EARNINGS PER SHARE

Profit for the period

974,791 521,430

(Number of Shares)

Weighted average number of ordinary shares

623,775,900 623,775,900

Basic earnings per share

.....'(Rupees).....
1.56 0.84

28 DILUTED EARNINGS/ (LOSS) PER SHARE

Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at March 31, 2024.

29 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 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.

29.1 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 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 categorised:

(Un-Audited)					
March 31, 2024					
On balance sheet financial instruments	Level 1	Level 2	Level 3	Total	
.....'(Rupees in '000).....					
Financial assets - measured at fair value					
Investments					
Federal government securities	-	15,533,030	-	15,533,030	
Non-government debt securities	-	398,351	-	398,351	

(Audited)					
December 31, 2023					
On balance sheet financial instruments	Level 1	Level 2	Level 3	Total	
.....'(Rupees in '000).....					
Financial assets - measured at fair value					
Investments					
Federal government securities	-	13,404,920	-	13,404,920	
Non-government debt securities	-	399,760	-	399,760	

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

Valuation of techniques and inputs used in determination of fair values

Pakistan Investment Bonds / Market Treasury Bills	Fair value of fixed and floater Pakistan Investment Bonds are derived using the PKRV and PKFRV rates respectively available on Mutual Funds Association of Pakistan (MUFAP).
Market Treasury Bills	Fair value of Market Treasury Bills are derived using the PKRV rates available on MUFAP.
Term finance certificates	Investment in term finance certificates are valued based on the debt instrument prices as published at the close of each business day by MUFAP.

30 RELATED PARTY TRANSACTIONS

The Company has related party relationship with its major shareholders, directors, key management personnel and their close family members 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. 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 '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, other than those which have been disclosed elsewhere in these financial statements, are as follows:

(Un-Audited)			(Audited)		
March 31, 2024			December 31, 2023		
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 accounts	-	-	11	-	-	10
	-	-	42	-	-	41

Balances with banks

In current accounts	-	-	10,438	-	-	3,595
In deposit accounts	-	-	5,532	-	-	6,414,924
	-	-	15,970	-	-	6,418,519

Lendings to financial institutions

Opening balance	-	-	-	-	-	-
Addition during the period	-	-	15,515,463	-	-	16,784,084
Repaid during the period	-	-	(12,800,568)	-	-	(16,784,084)
Closing balance	-	-	2,714,895	-	-	-

Advances

Opening balance	-	91,273	8,828,836	-	100,645	7,135,712
Addition during the period	-	23,098	-	-	5,739	5,386,921
Repaid during the period	-	(2,096)	(155,754)	-	(15,111)	(3,693,797)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	112,275	8,673,082	-	91,273	8,828,836

Other Assets

Interest / mark-up accrued	-	-	501,956	-	-	299,885
Other receivable	-	-	249,908	-	-	183,224
	-	-	751,864	-	-	483,109

Borrowings

Opening balance	-	-	11,500,000	-	-	11,500,000
Borrowings during the period	-	-	1,597,396	-	-	46,121,332
Settled during the period	-	-	(2,597,396)	-	-	(46,121,332)
Closing balance	-	-	10,500,000	-	-	11,500,000

Other Liabilities

Interest / mark-up payable	-	-	277,631	-	-	221,839
Payable to defined benefit plan	-	-	7,206	-	-	3,780
Unearned income	-	-	220,197	-	-	159,751
Closing balance	-	-	505,034	-	-	385,370

(Un-Audited)			(Un-Audited)		
March 31, 2024			March 31, 2023		
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	-	1,149	369,865	-	905	153,121
Fee and commission income	-	-	6,238	-	-	-

Expense

Mark-up / return / interest / profit paid	-	-	303,624	-	-	-
Operating expenses	9,200	116,376	7,218	4,070	91,188	6,285

30.1 In addition to the above, the Company has sub-ordinated loan amounting to Rs. 6,818.04 million and borrowing under World Bank - Housing Finance Project amounting to Rs. 9,949.21 million respectively from the Ministry of Finance.

(Un-Audited) (Audited)
 March 31, 2024 December 31, 2023
(Rupees in '000).....

31 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

10,832,320 10,895,307

Eligible Additional Tier 1 (ADT 1) Capital

- -

Total Eligible Tier 1 Capital

10,832,320 10,895,307

Eligible Tier 2 Capital

110,718 133,806

Total Eligible Capital (Tier 1 + Tier 2)

10,943,039 11,029,113

Risk Weighted Assets (RWAs):

Credit risk

8,857,448 10,704,506

Market risk

- -

Operational risk

4,389,725 4,389,725

Total

13,247,173 15,094,231

Common Equity Tier 1 Capital Adequacy Ratio

81.77% 72.18%

Tier 1 Capital Adequacy Ratio

81.77% 72.18%

Total Capital Adequacy Ratio

82.61% 73.07%

Leverage Ratio (LR):

Eligible Tier-1 Capital

10,832,320 10,895,307

Total Exposure

63,097,785 65,935,065

Leverage Ratio

17.17% 16.52%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

14,724,258 4,468,457

Total Net Cash Outflow

435,031 17,781

Liquidity Coverage Ratio

3385% 25131%

Net Stable Funding Ratio (NSFR):

Total available stable funding

41,388,903 41,349,463

Total required stable funding

30,116,131 31,453,613

Net Stable Funding Ratio

137.43% 131.46%

32 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

There were no non-adjusting events after balance sheet date.

33 GENERAL

33.1 These condensed interim financial statements have been prepared in accordance with the revised format for financial statements issued by the SBP through BPRD Circular Letter No. 02 dated Feb 09, 2023 and related clarifications / modifications.

33.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

33.3 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 financial statements during the current period.

34 DATE OF AUTHORISATION FOR ISSUE

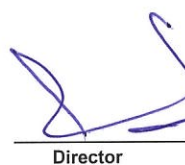
These condensed interim financial statements were authorised on April 30, 2024 by the Board of Directors of the Company.



 Managing Director /
 Chief Executive Officer



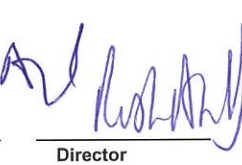
 Chief Financial Officer



 Director



 Director



 Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
ANNEXURE TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024

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 three months ended March 31, 2024 are as follows:

Statement of financial position	Note	(Un-Audited)	(Audited)
		March 31, 2024	December 31, 2023
.....'(Rupees in '000).....			
Assets			
Balances with other banks		1,014,139	130,191
Islamic financing and related assets - net	1	20,444,304	18,718,206
Other assets		639,352	821,918
		22,097,795	19,670,315
Liabilities			
Due to financial institutions	2	1,000,000	4,100,000
Due to head office		19,618,654	14,258,765
Other liabilities		178,178	204,602
		20,796,832	18,563,367
Net Assets		1,300,963	1,106,948
Represented By			
Islamic banking fund		150,000	150,000
Reserves		230,193	191,390
Unappropriated profit		920,770	765,558
		1,300,963	1,106,948
(Unaudited)			
Quarter Ended			
		January -	January -
		March 2024	March 2023
.....'(Rupees in '000).....			
Profit and loss account			
Profit / return earned		634,721	403,479
Profit / return expensed		431,968	275,866
Net profit / return		202,753	127,613
Other income			
Fee and commission income		3,348	-
Dividend income		-	-
Foreign exchange income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		-	-
Other income		-	-
		3,348	-
Total income		206,101	127,613
Other expenses			
Operating expenses		8,794	3,998
Workers' Welfare Fund		3,959	2,472
Total other expenses		12,753	6,470
Profit before provisions		193,348	121,143
Provisions and write offs - net		(665)	-
Profit before taxation		194,013	121,143
Taxation		-	-
Profit after taxation		194,013	121,143

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 6.50% to 21.76% (2023: 6.50% to 21.76%) 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, 2023: 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.