



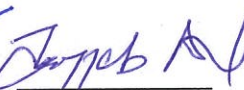


PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

| | Note | (Un-audited) March 31, 2025 -----Rupees in '000'----- | (Audited) December 31, 2024 |
|---------------------------------------|------|--|-----------------------------------|
| ASSETS | | | |
| Cash and balances with treasury banks | 7 | 38,044 | 5,338 |
| Balances with other banks | 8 | 494,220 | 1,238,218 |
| Lendings to financial institutions | 9 | - | 3,998,264 |
| Investments | 10 | 30,710,092 | 27,396,823 |
| Advances | 11 | 39,662,003 | 34,456,076 |
| Property and equipment | 13 | 124,184 | 67,525 |
| Right-of-use assets | 14 | 15,601 | 21,452 |
| Intangible assets | 15 | 28,125 | 30,379 |
| Deferred tax assets | | - | - |
| Other assets | 16 | 1,198,227 | 1,042,418 |
| Total assets | | 72,270,496 | 68,256,493 |
| LIABILITIES | | | |
| Bills payable | | - | - |
| Borrowings | 17 | 42,642,319 | 41,437,458 |
| Deposits and other accounts | 18 | 3,000,000 | - |
| Lease liability | 19 | 16,038 | 23,800 |
| Subordinated debt | 20 | 2,886,000 | 2,839,356 |
| Deferred tax liabilities | | - | - |
| Other liabilities | 21 | 10,620,337 | 10,544,707 |
| Total liabilities | | 59,164,694 | 54,845,321 |
| NET ASSETS | | 13,105,802 | 13,411,172 |
| REPRESENTED BY | | | |
| Share capital | | 6,237,759 | 6,237,759 |
| Reserves | | 2,242,974 | 2,085,272 |
| Surplus on revaluation of assets | 22 | 64,792 | 223,010 |
| Unappropriated profit | | 4,560,277 | 4,865,131 |
| | | 13,105,802 | 13,411,172 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 23 | | |

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

| | | | | |
|---|---|--|---|---|
|  |  |  |  |  |
| Managing Director / Chief Executive Officer | Chief Financial Officer | Director | Director | Director |

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2025

| | | Quarter Ended | |
|---|------|---------------------------|-------------------|
| | Note | March 31, 2025 | March 31, 2024 |
| | | -----Rupees in '000'----- | |
| Mark-up / return / interest / profit earned | 24 | 2,253,189 | 1,933,551 |
| Mark-up / return / interest / profit expensed | 25 | 1,358,828 | 766,522 |
| Net mark-up / return / interest / profit earned | | <u>894,361</u> | <u>1,167,029</u> |
| Non mark-up / interest income | | | |
| Fee and commission income | 26 | 7,465 | 6,238 |
| Dividend income | | - | - |
| Foreign exchange income / (loss) | | - | - |
| Income / (loss) from derivatives | | - | - |
| Gain on securities | 27 | 85,813 | 623 |
| Other income | | 8 | 253 |
| Total non-markup / interest income | | <u>93,286</u> | <u>7,114</u> |
| Total income | | <u>987,647</u> | <u>1,174,143</u> |
| Non mark-up / interest expense | | | |
| Operating expenses | 28 | 181,544 | 201,846 |
| Workers' Welfare Fund | | 16,091 | 19,895 |
| Other charges | | - | - |
| Total non-markup / interest expenses | | <u>197,635</u> | <u>221,741</u> |
| Profit before provisions | | <u>790,012</u> | <u>952,402</u> |
| Provisions / credit loss allowance and write offs - (charge) / reversal | 12 | (1,500) | 22,389 |
| Extraordinary / unusual items | | - | - |
| Profit before taxation | | <u>788,512</u> | <u>974,791</u> |
| Taxation | 29 | - | - |
| Profit after taxation | | <u>788,512</u> | <u>974,791</u> |
| | | ------(Rupees)----- | |
| Basic and diluted earnings per share | 30 | <u>1.26</u> | <u>1.56</u> |

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



Managing Director /
Chief Executive Officer



Chief Financial Officer



Director



Director



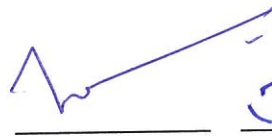

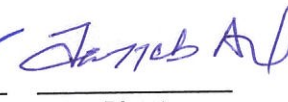


Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2025

| | | Quarter ended | |
|--|------|---------------------------|-------------------|
| | Note | March 31, 2025 | March 31, 2024 |
| | | -----Rupees in '000'----- | |
| Profit after taxation for the period | | 788,512 | 974,791 |
| Other comprehensive income / (loss) | | | |
| <i>Items that may be reclassified to profit and loss account in subsequent periods:</i> | | | |
| Movement in (deficit) / surplus on revaluation of asset at Fair Value through Other Comprehensive Income (FVOCI) | | (72,405) | 18,964 |
| Debt securities carried at FVOCI reclassified to profit and loss | 27 | (85,813) | (623) |
| Total comprehensive income for the period | | 630,294 | 993,132 |


The annexed notes 1 to 35 and the 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 QUARTER ENDED MARCH 31, 2025

| | Share capital | Statutory reserve | Surplus/ (deficit) on revaluation of investments (Rupees in '000) | Unappropriated profit | Total |
|---|---------------|-------------------|---|--------------------------|------------|
| 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 | - | - | - | 13,579 | 13,579 |
| Balance as at January 01, 2024 (audited) | 6,237,759 | 1,519,513 | (353,565) | 3,540,884 | 10,944,591 |
| Total comprehensive income for the period | - | - | - | 974,791 | 974,791 |
| Profit after taxation for quarter ended March 31, 2024 | - | - | - | 974,791 | 974,791 |
| Other comprehensive Income (OCI) | - | - | - | - | - |
| Movement in surplus / (deficit) on revaluation of asset | - | - | 18,964 | - | 18,964 |
| Debt securities carried at FVOCI reclassified to profit and loss | - | - | (623) | - | (623) |
| Total comprehensive income for the three months ended March 31, 2024 | - | - | 18,341 | 974,791 | 993,132 |
| Transfer to statutory reserve | - | 194,958 | - | (194,958) | - |
| Transactions with owners, recorded directly in equity | - | - | - | - | - |
| Final dividend for the year ended December 31, 2023 @ Rs. 1.50 per share declared on March 05, 2024 | - | - | - | (935,664) | (935,664) |
| Balance as at March 31, 2024 (un-audited) | 6,237,759 | 1,714,471 | (335,224) | 3,385,053 | 11,002,059 |
| Total comprehensive income for the period | - | - | - | 1,854,002 | 1,854,002 |
| Profit after taxation for the nine months ended December 31, 2024 | - | - | - | 1,854,002 | 1,854,002 |
| OCI | - | - | - | - | - |
| Remeasurement loss on defined benefit plan | - | - | - | (3,123) | (3,123) |
| Movement in surplus / (deficit) on revaluation of asset | - | - | 584,886 | - | 584,886 |
| Debt securities carried at FVOCI reclassified to profit and loss | - | - | (26,652) | - | (26,652) |
| Total comprehensive income for the nine months ended December 31, 2024 | - | - | 558,234 | 1,850,879 | 2,409,113 |
| Transfer to statutory reserve | - | 370,801 | - | (370,801) | - |
| Balance as at December 31, 2024 (audited) | 6,237,759 | 2,085,272 | 223,010 | 4,865,131 | 13,411,172 |
| Total comprehensive income for the period | - | - | - | 788,512 | 788,512 |
| Profit after taxation for quarter ended March 31, 2025 | - | - | - | 788,512 | 788,512 |
| OCI | - | - | - | - | - |
| Movement in surplus / (deficit) on revaluation of asset | - | - | (72,405) | - | (72,405) |
| Debt securities carried at FVOCI reclassified to Profit and loss | - | - | (85,813) | - | (85,813) |
| Total comprehensive income for quarter ended March 31, 2025 | - | - | (158,218) | 788,512 | 630,294 |
| Transfer to statutory reserve | - | 157,702 | - | (157,702) | - |
| Transactions with owners recorded directly in equity | - | - | - | - | - |
| Final dividend for the year ended December 31, 2024 @ Rs. 1.50 per share declared on February 25, 2025 | - | - | - | (935,664) | (935,664) |
| Balance as at March 31, 2025 (un-audited) | 6,237,759 | 2,242,974 | 64,792 | 4,560,277 | 13,105,802 |

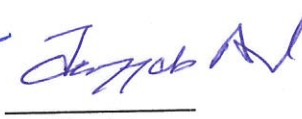
The annexed notes 1 to 35 and the annexure form an integral part of these condensed interim financial statements.


Managing Director /
Chief Executive Officer


Chief Financial Officer


Director





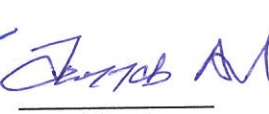

Director


Director

PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2025

| | Note | Quarter ended | |
|---|------|------------------------------|-------------------|
| | | March 31, 2025 | March 31, 2024 |
| | | ----- (Rupees in '000) ----- | |
| CASH FLOW FROM OPERATING ACTIVITIES | | 788,512 | 974,791 |
| Profit for the period before taxation | | | |
| Adjustments for: | | | |
| Net mark-up / return / interest / profit earned | 28 | (894,361) | (1,167,029) |
| Depreciation | 28 | 8,371 | 6,836 |
| Depreciation on right-of-use assets | 28 | 5,851 | 5,851 |
| Amortisation of intangible assets | 28 | 2,254 | 1,565 |
| Amortisation of transaction cost | | 2,454 | 4,811 |
| Provision for Workers' Welfare Fund | | 16,091 | 19,895 |
| Gain on sale of property and equipment | | (8) | (3) |
| Gain on sale of securities | | (85,813) | (623) |
| Provision for defined benefit obligation | 25 | 4,113 | 3,427 |
| Interest expense on lease liability against right-of-use assets | 12 | 468 | 1,129 |
| Credit loss allowance and write offs - net charge / (reversal) | | 1,500 | (22,389) |
| | | (939,080) | (1,146,530) |
| | | (150,568) | (171,739) |
| Increase in operating assets | | | |
| Lendings to financial institutions | | 3,998,408 | (7,497,417) |
| Advances | | (5,207,465) | 364,486 |
| Other assets (excluding advance taxation and mark-up accrued) | | (5,836) | (65,588) |
| | | (1,214,893) | (7,198,519) |
| Increase in operating liabilities | | | |
| Borrowings | | 16,307,337 | 1,743,531 |
| Deposits and other accounts | | 3,000,000 | - |
| Other liabilities (excluding payable to defined benefit plan and mark-up payable) | | (38,180) | 77,210 |
| | | 19,269,157 | 1,820,741 |
| Mark-up / return / interest / profit earned - received | | 2,100,580 | 2,175,532 |
| Mark-up / return / interest / profit expensed - paid | | (1,147,842) | (481,883) |
| Contribution paid to defined benefit obligation | | (6,549) | - |
| Income tax paid | | (25) | (11) |
| Net cash generated from/ (used in) operating activities | | 18,849,860 | (3,855,879) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Net investments in securities classified as FVOCI | | (3,385,674) | (2,246,652) |
| Net investments in securities classified as Fair Value through Profit and Loss (FVPL) | | - | - |
| Investments in property and equipment | | (76,980) | (6,243) |
| Investments in intangible assets | | - | (1,447) |
| Proceeds from sale of property and equipment | | 11,963 | 3 |
| Net cash used in investing activities | | (3,450,691) | (2,254,339) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Dividend paid | 19 | (935,664) | - |
| Lease rentals paid against right-of-use assets | | (8,230) | - |
| Repayment of long term loan | | (166,667) | - |
| Repayment of short term loan | | (15,000,000) | - |
| Repayment of sukuk certificates | | - | (3,100,000) |
| Net cash used in financing activities | | (16,110,561) | (3,100,000) |
| Net decrease in cash and cash equivalents | | (711,392) | (9,210,218) |
| Cash and cash equivalents at the beginning of the period | | 1,243,556 | 10,656,706 |
| Opening net credit allowance on cash and cash equivalents | | 167 | - |
| Cash and cash equivalents at the beginning of the period - net credit loss allowance | | 1,243,723 | 10,656,706 |
| Credit loss allowance on cash and cash equivalents during the period | | (67) | (167) |
| Cash and cash equivalents at the end of the period - net credit loss allowance | | 532,264 | 1,446,321 |

The annexed notes 1 to 35 and the 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 QUARTER ENDED MARCH 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Pakistan Mortgage Refinance Company Limited (the Company) is an unlisted public limited company incorporated in Pakistan on May 14, 2015 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company has been notified as a Development Financial Institution (DFI) by the Finance Division of Government of Pakistan on October 27, 2017. The State Bank of Pakistan (SBP) granted the certificate for commencement of business with effect from June 12, 2018.
- 1.2** The Company's objectives inter alia include promoting, developing and improving the housing finance market of Pakistan by providing financing facilities to banks and financial institutions against their conventional and Islamic housing finance portfolios and other eligible securities and promote the development of capital markets in Pakistan. The Company is also engaged in providing Trustee services to the Government owned Credit Guarantee Scheme for housing finance. The registered office of the Company is situated at Finance and Trade Center, Block-A, Shahrah-e-Faisal, Karachi.
- 1.3** The Company has been assigned a rating of 'AAA' by VIS Credit Rating Company Limited dated April 9, 2024 (December 31, 2023: 'AAA' dated April 14, 2023). The rating reflects the highest possible credit quality rating with the lowest expectation of default risk.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain new and amended standards, issued by IASB, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or do not have any material effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

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

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

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2024.

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, liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by the management in the application of its accounting policies 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, 2024.

5 BASIS OF MEASUREMENT

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

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

5.1 Functional and presentation currency

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

6 FINANCIAL RISK MANAGEMENT POLICIES

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

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|--|------|-----------------------------------|-----------------------------------|
| -----Rupees in '000'----- | | | |
| 7 CASH AND BALANCES WITH TREASURY BANKS | | | |
| With State Bank of Pakistan in: | | | |
| Local currency current account | 7.1 | 38,000 | 5,295 |
| With National Bank of Pakistan in: | | | |
| Local currency current accounts | 7.2 | 31 | 31 |
| Local currency deposit account | | 13 | 12 |
| | | 44 | 43 |
| Cash and balances with treasury banks - net of credit loss allowance | | 38,044 | 5,338 |

- 7.1 This represents the minimum cash reserve required to be maintained with SBP in accordance with the requirements of BSD Circular No. 4 dated May 22, 2004.
- 7.2 This represents deposit account maintained with National Bank of Pakistan. This carries mark-up at the rate of 10.5% (December 31, 2024: 13.50%) per annum.

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|--|----------------------------------|-----------------------------------|-----------------------------------|
| | | -----Rupees in '000'----- | |
| 8 | BALANCES WITH OTHER BANKS | | |
| In Pakistan | | | |
| In current accounts | | 5,115 | 1,579 |
| In deposit accounts | 8.1 | 489,172 | 1,236,806 |
| | | 494,287 | 1,238,385 |
| Less: Credit loss allowance | 8.2 | (67) | (167) |
| Balances with other banks - net of credit loss allowance | | 494,220 | 1,238,218 |

- 8.1 These represent deposit accounts in local currency maintained with other banks. These carry mark-up / profit at rates ranging from 7.03% to 10.50% (December 31, 2024: 5.87% to 13.50%) per annum.

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|-------------------------|---|-----------------------------------|-----------------------------------|
| | | -----Rupees in '000'----- | |
| 8.2 | Movement in credit loss allowance held against balances with other banks – Stage 1 | | |
| Opening balance | | 167 | - |
| Charge for the period | | - | 1,444 |
| Reversal for the period | | (100) | (1,277) |
| Closing balance | | 67 | 167 |

9 LENDINGS TO FINANCIAL INSTITUTIONS

| | | | |
|---|-----|---|-----------|
| Reverse repurchase agreements | 9.1 | - | 3,998,408 |
| Less: Credit loss allowance | 9.3 | - | (144) |
| Lendings to financial institutions - net of credit loss allowance | | - | 3,998,264 |

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

9.2 Particulars of lending

| | | |
|----------------------------------|---|-----------|
| In local currency - Domestic | - | 3,998,408 |
| In foreign currencies - Overseas | - | - |
| | - | 3,998,408 |

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

| | | |
|-------------------------|-------|-----|
| Opening balance | 144 | - |
| Charge for the period | - | 144 |
| Reversal for the period | (144) | - |
| Closing balance | - | 144 |

10 INVESTMENTS

10.1 Investments by type

| | (Un-audited) March 30, 2025 | | | | (Audited) December 31, 2024 | | | |
|--------------------------------|--------------------------------|--------------------------|---------|-------------------|--------------------------------|--------------------------|---------|-------------------|
| | Cost/ amortised cost | Credit loss allowance | Surplus | Carrying value | Cost/ amortised cost | Credit loss allowance | Surplus | Carrying value |
| Rupees in '000' | | | | | | | | |
| Classified / Measured at FVOCI | | | | | | | | |
| Federal government securities | 30,258,166 | - | 64,792 | 30,322,958 | 26,774,180 | - | 223,010 | 26,997,190 |
| Non-government debt securities | 87,500 | (6) | - | 87,494 | 100,000 | (7) | - | 99,993 |
| | 30,345,666 | (6) | 64,792 | 30,410,452 | 26,874,180 | (7) | 223,010 | 27,097,183 |
| Classified / Measured at FVPL | | | | | | | | |
| Non-government debt securities | 299,640 | - | - | 299,640 | 299,640 | - | - | 299,640 |
| Total investments | 30,645,306 | (6) | 64,792 | 30,710,092 | 27,173,820 | (7) | 223,010 | 27,396,823 |

10.2 Investments given as collateral

| | (Un-audited) March 31, 2025 | | | (Audited) December 31, 2024 | | |
|-----------------------------|--------------------------------|------------------------|-------------------|--------------------------------|------------------------|-------------------|
| | Cost / amortised cost | (Deficit) / surplus | Carrying value | Cost / amortised cost | (Deficit) / surplus | Carrying value |
| Rupees in '000' | | | | | | |
| Pakistan Investment | - | - | - | 1,003,029 | (17,429) | 985,600 |
| Bonds (PIB) | - | - | - | - | - | - |
| Market Treasury Bills (MTB) | 5,350,000 | (349,676) | 5,000,324 | 15,486,109 | 123,624 | 15,609,733 |
| | 5,350,000 | (349,676) | 5,000,324 | 16,489,138 | 106,195 | 16,595,333 |

10.3 Movement in credit loss allowance held against investment – Stage 1

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|-------------------------|-----------------------------------|-----------------------------------|
| Rupees in '000' | | |
| Opening balance | 7 | - |
| Charge for the period | - | 7 |
| Reversal for the period | (1) | - |
| Closing balance | 6 | 7 |

10.4 Particulars of credit loss allowance against debt securities

| | (Un-audited) March 31, 2025 | | (Audited) December 31, 2024 | |
|----------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
| | Outstanding amount | Credit loss allowance held | Outstanding amount | Credit loss allowance held |
| Rupees in '000' | | | | |
| Domestic | | | | |
| Performing - Stage 1 | 87,500 | (6) | 100,000 | (7) |

11 ADVANCES

| | | Performing | | Non-performing | | Total | |
|--|----|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| | | (Un-audited) | (Audited) | (Un-audited) | (Audited) | (Un-audited) | (Audited) |
| | | March 31, 2025 | December 31, 2024 | March 31, 2025 | December 31, 2024 | March 31, 2025 | December 31, 2024 |
| | | Note | | | | | |
| Rupees in '000' | | | | | | | |
| Loans, cash credits, running finances, etc. | | 20,146,050 | 15,109,674 | 1,288,707 | 1,288,707 | 21,434,757 | 16,398,381 |
| Islamic financing and related assets | | 19,177,117 | 19,006,028 | - | - | 19,177,117 | 19,006,028 |
| Advances - gross | | 39,323,167 | 34,115,702 | 1,288,707 | 1,288,707 | 40,611,874 | 35,404,409 |
| Credit loss allowance / provision against advances | | | | | | | |
| - Stage 1 | 11 | 22,058 | 20,520 | - | - | 22,058 | 20,520 |
| - Stage 3 | 11 | - | - | 579,918 | 579,918 | 579,918 | 579,918 |
| - General | 11 | 347,895 | 347,895 | - | - | 347,895 | 347,895 |
| | | 369,953 | 368,415 | 579,918 | 579,918 | 949,871 | 948,333 |
| Advances - net of credit loss allowance / provision | | 38,953,214 | 33,747,287 | 708,789 | 708,789 | 39,662,003 | 34,456,076 |

| | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| | -----Rupees in '000'----- | |
| 11.1 Particulars of advances (gross) In local currency | 40,611,874 | 35,404,409 |
| 11.2 Advances include Rs. 1,288.707 million (December 31, 2024: 1,288.707) which have been placed under non-performing status as detailed below: | | |

| Category of classification | (Un-audited) March 31, 2025 | | (Audited) December 31, 2024 | |
|----------------------------|--------------------------------|-----------------------|--------------------------------|-----------------------|
| | Non-performing loans | Credit loss allowance | Non-performing loans | Credit loss allowance |
| | -----Rupees in '000'----- | | | |
| Domestic | 1,288,707 | 579,918 | 1,288,707 | 579,918 |
| Substandard - Stage 3 | | | | |

11.3 Particulars of credit loss allowance / provision against advances

| | (Un-audited) | | | | | Audited | | | | |
|-------------------------|----------------------|---------|---------|---------|---------|----------------------|---------|---------|---------|---------|
| | March 31, 2025 | | | | | December 31, 2024 | | | | |
| | Expected Credit Loss | | | General | Total | Expected Credit Loss | | | General | Total |
| | Stage 1 | Stage 2 | Stage 3 | | | Stage 1 | Stage 2 | Stage 3 | | |
| | Rupees in '000' | | | | | Rupees in '000' | | | | |
| Opening balance | 20,520 | - | 579,918 | 347,895 | 948,333 | - | - | - | 347,895 | 347,895 |
| Charge for the period | - | - | - | - | - | 20,520 | - | 579,918 | - | 600,438 |
| Reversal for the period | 1,538 | - | - | - | 1,538 | - | - | - | - | - |
| Closing balance | 22,058 | - | 579,918 | 347,895 | 949,871 | 20,520 | - | 579,918 | 347,895 | 948,333 |

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

11.5 Advances - particulars of credit loss allowance / provision against advances

| | (Un-audited) | | | | | Audited | | | | |
|---|----------------------|---------|---------|---------|---------|----------------------|---------|---------|---------|---------|
| | March 31, 2025 | | | | | December 31, 2024 | | | | |
| | Expected Credit Loss | | | General | Total | Expected Credit Loss | | | General | Total |
| | Stage 1 | Stage 2 | Stage 3 | | | Stage 1 | Stage 2 | Stage 3 | | |
| | (Rupees in '000) | | | | | (Rupees in '000) | | | | |
| Opening balance | 20,520 | - | 579,918 | 347,895 | 948,333 | - | - | - | 347,895 | 347,895 |
| New advances | 2,020 | - | - | - | 2,020 | 8,812 | - | - | - | 8,812 |
| Advances derecognised or repaid | (1,720) | - | - | - | (1,720) | (2,104) | - | - | - | (2,104) |
| Transfer to stage 3 | - | - | - | - | - | (886) | - | - | - | (886) |
| Charge for the period | 1,238 | - | - | - | 1,238 | 14,765 | - | 579,918 | - | 594,683 |
| | 1,538 | - | - | - | 1,538 | 20,587 | - | 579,918 | - | 600,505 |
| Changes in risk parameters (PDs/LGDs/EADs) | - | - | - | - | - | (67) | - | - | - | (67) |
| Closing balance | 22,058 | - | 579,918 | 347,895 | 949,871 | 20,520 | - | 579,918 | 347,895 | 948,333 |

11.6 Advances - Category of classification

Domestic

Performing - Stage 1

General provision

Non-performing - Stage 3

Substandard

Total

| (Un-audited) | | (Audited) | |
|--------------------|--|--------------------|--|
| March 31, 2025 | | December 31, 2024 | |
| Outstanding amount | Credit loss allowance / provision held | Outstanding amount | Credit loss allowance / provision held |
| Rupees in '000' | | | |
| 39,323,167 | 22,058 | 34,115,702 | 20,520 |
| - | 347,895 | - | 347,895 |
| 39,323,167 | 369,953 | 34,115,702 | 368,415 |
| 1,288,707 | 579,918 | 1,288,707 | 579,918 |
| 40,611,874 | 949,871 | 35,404,409 | 948,333 |

12 Provisions / credit loss allowance and write offs - net

(Charge) / reversal for credit loss allowance / provision on:

Balances with other banks

Lendings to financial institutions

Investments

Advances

Other assets

Reversal for General Provision on advances

| Note | Quarter Ended | |
|------|-----------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| | Rupees in '000' | |
| 8.2 | 100 | 6,535 |
| 9.3 | 144 | (848) |
| 10.3 | 1 | 208 |
| 11.3 | (1,538) | 17,424 |
| 16.2 | (207) | 864 |
| | (1,500) | 24,183 |
| | - | (1,794) |
| | (1,500) | 22,389 |

13 PROPERTY AND EQUIPMENT

Property and equipment

| (Un-audited) | (Audited) |
|-----------------|-------------------|
| March 31, 2025 | December 31, 2024 |
| Rupees in '000' | |
| 124,184 | 67,525 |

13.1 Additions to property and equipment

The following additions have been made to property and equipment during the period:

Furniture and fixtures

Leasehold improvements

Vehicle

Electrical, office and computer equipment

Total

| Quarter Ended | |
|-----------------|----------------|
| March 31, 2025 | March 31, 2024 |
| Rupees in '000' | |
| - | 2,451 |
| 183 | 4,336 |
| 74,996 | - |
| 1,801 | 2,773 |
| 76,980 | 9,560 |
| 76,980 | 9,560 |

13.2 Disposal of property and equipment

The net book value of property and equipment disposed of during the period is as follows:

Vehicles

| | |
|--------|---|
| 11,955 | - |
|--------|---|

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---|------|------------------------------------|-----------------------------------|
| | | -----Rupees in '000'----- | |
| 14 RIGHT-OF-USE ASSETS | | | |
| At January 1 | | | |
| Cost | | 117,010 | 117,010 |
| Accumulated depreciation | | (95,558) | (72,156) |
| Net carrying amount at January 1 | | 21,452 | 44,854 |
| Depreciation charge for the period / year | | (5,851) | (23,402) |
| Closing net carrying amount | | 15,601 | 21,452 |
| 15 INTANGIBLE ASSETS | | | |
| Computer software | | 28,125 | 30,379 |
| 15.1 Additions to intangible assets | | | |
| The following additions have been made to intangible assets during the period: | | | |
| | | Quarter Ended March 31, 2025 | March 31, 2024 |
| | | -----Rupees in '000'----- | |
| Computer software | | - | 6,022 |
| | | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
| | | -----Rupees in '000'----- | |
| 16 OTHER ASSETS | | | |
| Mark-up / return / interest / profit accrued in local currency | | 1,013,041 | 860,432 |
| Advances, deposits and prepayments | | 55,811 | 55,803 |
| Advance taxation | | 27,831 | 27,806 |
| Prepaid Staff Cost | | 102,130 | 98,756 |
| | | 1,198,813 | 1,042,797 |
| Less: Credit loss allowance | 16.1 | (586) | (379) |
| Other assets - net of credit loss allowance | | 1,198,227 | 1,042,418 |
| 16.1 Credit loss allowance held against other assets | | | |
| Mark-up / return / interest / profit accrued in local currency | 16.2 | 586 | 379 |
| 16.2 Movement in credit loss allowance held against other assets - Stage 1 | | | |
| Opening balance | | 379 | - |
| Charge for the period | | 207 | 421 |
| Reversal for the period | | - | (42) |
| Closing balance | | 586 | 379 |
| 17 BORROWINGS | | | |
| Secured | | | |
| Term Finance Certificates (TFC) | 17.2 | 13,162,500 | 13,162,500 |
| Repurchase agreement borrowings | 17.3 | 4,994,166 | 456,286 |
| Long Term Loan | 17.4 | 2,833,333 | 3,000,000 |
| Short Term Loan | 17.5 | - | 15,000,000 |
| Total secured | | 20,989,999 | 31,618,786 |
| Unsecured | | | |
| Borrowings from Government of Pakistan under | | | |
| World Bank - Housing Finance Project | 17.6 | 4,274,170 | 4,209,979 |
| Bai Muajjal | 17.7 | 17,378,150 | 5,608,693 |
| | | 42,642,319 | 41,437,458 |
| 17.1 Particulars of borrowings with respect to currencies | | | |
| In local currency - Domestic | | 42,642,319 | 41,437,458 |

- 17.2 These certificates have maturity of three to ten years and carry rate of interest ranging from 9.35% to 18.30% (2024: 9.35% to 19.87%) per annum. The principal is payable annually or at maturity whereas interest is payable semi-annually and are due to mature latest by June 24, 2025.
- 17.3 This represent borrowing at mark-up rate ranging from 12.30% to 12.50% (December 31, 2024: 13.10%) per annum and are due to mature latest by April 3, 2025. The market value of securities given as collateral against these borrowings is given in note 10.2 to these financial statements.
- 17.4 Long Term borrowing carry interest rate of 12.35% per annum (December 31, 2024: 18.36%) and will mature on August 25, 2027.
- 17.5 Short Term borrowing for the year ended December 2024, carried interest rate of 10.24% per annum and matured in February 2025. The market value of securities given as collateral against these borrowings is given in note 10.2 to these condensed interim financial statements.
- 17.6 This represents borrowing from Government of Pakistan under World Bank - Housing Finance Project for 30 years at fixed rate of 3% per annum. The interest and the principal are payable semi-annually, whereby the principal is repayable in fifty installments, the repayment of which has commenced from April 15, 2023.
- 17.7 Bai Muajjal borrowings carry profit rate ranging from 11.35% to 11.68% per annum (December 31, 2024: 11.95%) and are due to mature latest by April 15, 2025.

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|---------------------------------------|------|-----------------------------------|-----------------------------------|
| -----Rupees in '000'----- | | | |
| 18 DEPOSITS AND OTHER ACCOUNTS | | | |
| Financial institutions | | | |
| Others - In local currency | 18.1 | 3,000,000 | - |
| | | <u>3,000,000</u> | <u>-</u> |

- 18.1 This represents interest bearing Certificate Of Investments (COIs) issued at markup ranging from 11.52% to 11.70% (December 31, 2024: Nil) and are due to mature latest by September 09, 2025.

19 LEASE LIABILITY

| | | |
|-----------------------------------|----------------|-----------------|
| Opening balance | 23,800 | 53,162 |
| Interest expense | 468 | 3,556 |
| Lease payments including interest | <u>(8,230)</u> | <u>(32,918)</u> |
| Closing balance | <u>16,038</u> | <u>23,800</u> |

19.1 Liabilities outstanding

| | | |
|-------------------------|---------------|---------------|
| Not later than one year | <u>16,038</u> | <u>23,800</u> |
|-------------------------|---------------|---------------|

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

20 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) March 31, 2025 | (Audited) December 31, 2024 |
|--|------|--------------------------------|--------------------------------|
| Issue amount Rs. in '000' | | 7,050,716 | 7,050,716 |
| Outstanding principal Rs. in '000' (at fair value) | 20.1 | 2,886,000 | 2,839,356 |
| Issue date | | February 22, 2019 | February 22, 2019 |
| Maturity date | | October 15, 2047 | October 15, 2047 |
| Rating | | Not applicable | Not applicable |
| Security | | Unsecured | Unsecured |
| Profit payment frequency | | Semi-annually | Semi-annually |
| Principal redemption | | Semi-annually | Semi-annually |
| Mark-up | | 3% per annum | 3% per annum |

- 20.1 The actual outstanding amount as at March 31, 2025 is Rs. 6,585.368 million. Please refer to Note 21.1 for explanation.

| | Note | (Un-audited) March 31, 2025 | (Audited) December 31, 2024 |
|------|--|-----------------------------------|------------------------------------|
| | | -----Rupees in '000'----- | |
| 21 | OTHER LIABILITIES | | |
| | Mark-up / return / interest / profit payable in local currency | 876,402 | 665,416 |
| | Deferred Government Grant | 21.1 | 9,034,882 |
| | Unearned income | 230,162 | 237,628 |
| | Provision for government levies | 229,003 | 212,908 |
| | Provision for employees' benefit | 168,914 | 228,694 |
| | Accrued expenses | 36,908 | 38,595 |
| | Withholding tax payable | 39,953 | 9,188 |
| | Payable to defined benefit plan | 4,113 | 6,549 |
| | Payable to defined contribution plan | - | 12 |
| | | <u>10,620,337</u> | <u>10,544,707</u> |
| 21.1 | This represents the difference between outstanding amount and fair value under IFRS 9, of subordinated debt and borrowings from Government of Pakistan under Housing Finance Project. It is being recognized in profit and loss account in line with the recognition of borrowing expense, which the Government grant is compensating. | | |
| 22 | SURPLUS ON REVALUATION OF ASSETS | | |
| | Surplus on revaluation of FVOCI | 10.1 | <u>64,792</u> |
| | | | <u>223,010</u> |
| 23 | CONTINGENCIES AND COMMITMENTS | | |
| | There were no contingencies and commitments outstanding as at March 31, 2025 and December 31, 2024. | | |
| 24 | MARK-UP / RETURN / INTEREST / PROFIT EARNED | Note | Quarter Ended March 31, 2025 |
| | On: | | March 31, 2024 |
| | | | -----Rupees in '000'----- |
| | Loans and advances | | 1,097,015 |
| | Investments | | 971,933 |
| | Lendings to financial institutions | | 68,103 |
| | Deferred Grant Income | | 110,835 |
| | Balances with banks | | 5,303 |
| | | 24.1 | <u>2,253,189</u> |
| 24.1 | Interest income calculated using Effective Interest Rate (EIR) method recognised on: | | |
| | Financial assets measured at amortised cost | | 1,170,421 |
| | Financial asset measured at FVPL | | 10,484 |
| | Financial asset measured at FVOCI | | 961,449 |
| | Deferred Grant Income | | 110,835 |
| | | | <u>2,253,189</u> |
| 25 | MARK-UP / RETURN / INTEREST / PROFIT EXPENSED | | |
| | On: | | |
| | Borrowings from Government of Pakistan under Housing Finance Project | | 136,633 |
| | Subordinated debt | | 94,001 |
| | Repurchase agreements | | 66,975 |
| | TFC | | 358,752 |
| | Long Term Loan | | 118,945 |
| | Short Term Loan | | 190,646 |
| | COI | | 12,079 |
| | Clean borrowing | | - |
| | Bai Muajjal | | 376,574 |
| | Sukuk certificate | | - |
| | | | <u>1,354,605</u> |
| | Amortization of staff cost | | 3,755 |
| | Lease liability against right-of-use assets | | 468 |
| | | 25.1 | <u>1,358,828</u> |
| 25.1 | Interest expense calculated using EIR method | | |
| | Other financial liabilities | | |
| | Amortization of staff cost | | 3,755 |
| | Lease liability against right-of-use assets | | 468 |
| | | | <u>4,223</u> |
| | | | <u>1,358,828</u> |

| | Note | Quarter Ended | | |
|------|---|---------------------------|-------------------|-------|
| | | March 31, 2025 | March 31, 2024 | |
| | | -----Rupees in '000'----- | | |
| 26 | FEE AND COMMISSION INCOME | | | |
| | Trustee fee | 26.1 | 7,465 | 6,238 |
| 26.1 | This represents fee for trustee services rendered to Credit Guarantee Trust. The Company is entitled to a trustee fee at 0.25 times of the premium received by the scheme for Low Income and Mera Pakistan Mera Ghar scheme (MPMG). | | | |
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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.

| | | Quarter Ended | |
|--|--|--------------------|-------------------|
| | | March 31, 2025 | March 31, 2024 |
| | | Rupees in '000' | |
| 30 BASIC AND DILUTED EARNINGS PER SHARE | | | |
| Profit for the period | | 788,512 | 974,791 |
| | | (Number of shares) | |
| Weighted average number of ordinary shares | | 623,775,900 | 623,775,900 |
| | | (Rupees) | |
| Basic earnings per share | | 1.26 | 1.56 |

30.1 Diluted earnings per share

Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at March 31, 2025 and March 31, 2024.

31 FAIR VALUE MEASUREMENTS

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

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

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

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

31.1 Fair value of financial assets

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); 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:

| (Un-audited) | | | |
|-----------------|---------|---------|-------|
| March 31, 2025 | | | |
| Level 1 | Level 2 | Level 3 | Total |
| Rupees in '000' | | | |

On balance sheet financial instruments

Financial assets - measured at fair value

| | | | | |
|--------------------------------|---|------------|---------|------------|
| Investments | - | 30,322,958 | - | 30,322,958 |
| Federal government securities | - | 387,134 | - | 387,134 |
| Non-government debt securities | - | - | 149,882 | 149,882 |
| Advances to staff | - | - | - | - |

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

On balance sheet financial instruments

Financial assets - measured at fair value

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

Valuation techniques and inputs used in determination of fair values

| Item | Valuation approach and input used |
|-------------------|--|
| PIB | Fair value of fixed and floater PIB are derived using the PKRV and PKFRV rates respectively available on Mutual Funds Association of Pakistan (MUFAP). |
| MTB | Fair value of MTB are derived using the PKRV rates available on MUFAP. |
| TFC | Investment in TFC are valued based on the debt instrument prices as published at the close of each business day by MUFAP. |
| Advances to staff | Advances are measured at fair value based on discounted future cashflows using market rate prevailing at the time of disbursement. |

32 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

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

| (Un-audited) | | | (Audited) | | |
|----------------|--------------------------|-----------------------|-------------------|--------------------------|-----------------------|
| March 31, 2025 | | | December 31, 2024 | | |
| Directors | Key management personnel | Other related parties | Directors | Key management personnel | Other related parties |

Rupees in '000'

Statement of financial position

Cash and balances with treasury banks

| | | | | | | |
|---------------------------------|---|---|----|---|---|----|
| Local currency current accounts | - | - | 31 | - | - | 31 |
| Local currency deposit account | - | - | 13 | - | - | 12 |
| | - | - | 44 | - | - | 43 |

Balances with other banks

| | | | | | | |
|---------------------|---|---|--------|---|---|---------|
| In current account | - | - | 5,115 | - | - | 1,579 |
| In deposit accounts | - | - | 13,104 | - | - | 199,303 |
| | - | - | 18,219 | - | - | 200,882 |

Credit loss allowance held against balances with other banks

| | | | | | | |
|--|---|---|---|---|---|----|
| | - | - | 2 | - | - | 27 |
|--|---|---|---|---|---|----|

Lendings to financial institutions

| | | | | | | |
|------------------------------|---|---|--------------|---|---|--------------|
| Opening balance | - | - | - | - | - | - |
| Addition during the period | - | - | 12,003,689 | - | - | 25,637,796 |
| Repayments during the period | - | - | (12,003,689) | - | - | (25,637,796) |
| Closing balance | - | - | - | - | - | - |

Advances

| | | | | | | |
|--------------------------------|---|---------|------------|---|----------|-------------|
| Opening balance | - | 98,015 | 12,594,487 | - | 91,273 | 8,828,836 |
| Movement to prepaid staff cost | - | - | - | - | (37,205) | - |
| Addition during the period | - | - | 2,500,000 | - | 51,190 | 5,500,000 |
| Repayments during the period | - | (6,937) | (373,982) | - | (7,243) | (1,734,349) |
| Closing balance | - | 91,077 | 14,720,505 | - | 98,015 | 12,594,487 |

Credit loss allowance held against advances

| | | | | | | |
|--|---|----|-------|---|----|-------|
| | - | 12 | 6,491 | - | 13 | 5,535 |
|--|---|----|-------|---|----|-------|

| (Un-audited) | | | (Audited) | | |
|----------------|--------------------------|-----------------------|-------------------|--------------------------|-----------------------|
| March 31, 2025 | | | December 31, 2024 | | |
| Directors | Key management personnel | Other related parties | Directors | Key management personnel | Other related parties |

Rupees in '000'

| | | | | | | |
|----------------------------|---|---|---------|---|---|---------|
| Other assets | - | - | 505,558 | - | - | 355,924 |
| Interest / mark-up accrued | - | - | - | - | - | - |

| | | | | | | |
|---|---|---|-----|---|---|-----|
| Credit loss allowance held against other assets | - | - | 195 | - | - | 147 |
|---|---|---|-----|---|---|-----|

| (Un-audited) | | | (Audited) | | |
|----------------|--------------------------|-----------------------|-------------------|--------------------------|-----------------------|
| March 31, 2025 | | | December 31, 2024 | | |
| Directors | Key management personnel | Other related parties | Directors | Key management personnel | Other related parties |

Rupees in '000'

| | | | | | | |
|-----------------------------|---|---|-----------|---|---|---|
| Deposits and other accounts | - | - | - | - | - | - |
| Opening balance | - | - | - | - | - | - |
| Received during the period | - | - | 3,000,000 | - | - | - |
| Withdrawn during the period | - | - | - | - | - | - |
| Closing balance | - | - | 3,000,000 | - | - | - |

| | | | | | | |
|------------------------------|---|---|-------------|---|---|--------------|
| Borrowings | - | - | 8,662,500 | - | - | 11,500,000 |
| Opening balance | - | - | 13,664,135 | - | - | 15,459,773 |
| Borrowings during the period | - | - | (8,439,733) | - | - | (18,297,273) |
| Settled during the period | - | - | 13,886,902 | - | - | 8,662,500 |
| Closing balance | - | - | - | - | - | - |

| | | | | | | |
|--------------------------------------|---|---|---------|---|---|---------|
| Other liabilities | - | - | 280,140 | - | - | 298,515 |
| Interest / mark-up payable | - | - | 4,111 | - | - | 6,549 |
| Payable to defined benefit plan | - | - | - | - | - | 12 |
| Payable to defined contribution plan | - | - | 227,783 | - | - | 235,249 |
| Unearned income | - | - | 512,034 | - | - | 540,325 |

| (Un-audited) | | | (Un-audited) | | |
|----------------|--------------------------|-----------------------|----------------|--------------------------|-----------------------|
| March 31, 2025 | | | March 31, 2024 | | |
| Directors | Key management personnel | Other related parties | Directors | Key management personnel | Other related parties |

Rupees in '000'

Statement of profit and loss account

| | | | | | | |
|---|--------|---------|---------|-------|---------|---------|
| Income | - | 4,006 | 450,942 | - | 1,149 | 369,865 |
| Mark-up / return / interest / profit earned | - | - | 7,465 | - | - | 6,238 |
| Fee and commission income | - | - | - | - | - | - |
| Expense | - | 2,448 | 504,851 | - | - | 303,324 |
| Mark-up / return / interest / profit expensed | 14,840 | - | - | 9,200 | - | - |
| Directors' fees and allowances | - | 126,211 | - | - | 116,376 | - |
| Remuneration of key management personnel | - | - | 4,352 | - | - | 3,791 |
| Contribution to defined contribution plan | - | - | 4,113 | - | - | 3,427 |
| Charge for defined benefit plan | - | - | - | - | - | - |

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

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

33 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital

6,237,759 6,237,759

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

13,012,885 13,157,783

Eligible Additional Tier 1 (ADT 1) Capital

- -

Total Eligible Tier 1 Capital

13,012,885 13,157,783

Eligible Tier 2 Capital

174,948 329,714

Total Eligible Capital (Tier 1 + Tier 2)

13,187,833 13,487,497

Risk Weighted Assets (RWAs):

Credit Risk

8,812,501 8,536,285

Market Risk

- -

Operational Risk

6,098,580 6,098,580

Total

14,911,081 14,634,865

Common Equity Tier 1 Capital Adequacy Ratio

87.27% 89.91%

Tier 1 Capital Adequacy Ratio

87.27% 89.91%

Total Capital Adequacy Ratio

88.44% 92.16%

Leverage Ratio (LR):

Eligible Tier-1 Capital

13,012,885 13,157,783

Total Exposure

75,475,662 65,184,641

Leverage Ratio

17.24% 20.19%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

25,362,899 14,569,371

Total Net Cash Outflow

8,026,167 11,632

Liquidity Coverage Ratio

316% 125.278%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

44,016,742 44,305,761

Total Required Stable Funding

32,105,571 26,916,069

Net Stable Funding Ratio

137.10% 164.61%

34 GENERAL

34.1 These condensed interim financial statements have been prepared in accordance with the format as prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and related clarifications / modifications.

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

34.3 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 condensed interim financial statements during the current period.

35 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 29th April, 2025 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 QUARTER ENDED MARCH 31, 2025

The Company is managing the operations of its Shariah Compliant products through its Head Office. The statement of financial position and profit and loss account for the three months ended March 31, 2025 are as follows:

| (A) | Statement of financial position | Note | (Un-audited) | (Audited) |
|-----|--|------|----------------------------|----------------------|
| | | | March 31, 2025 | December 31, 2024 |
| | | | ----- Rupees in '000 ----- | |
| | ASSETS | | | |
| | Balances with other banks | | 280,237 | 909,352 |
| | Islamic financing and related assets - net | 1 | 21,063,900 | 18,976,964 |
| | Other assets | | 388,359 | 420,652 |
| | | | 21,732,496 | 20,306,968 |
| | LIABILITIES | | | |
| | Due to financial institutions | | - | - |
| | Due to head office | | 19,506,007 | 18,255,228 |
| | Other liabilities | | 143,569 | 148,056 |
| | | | 19,649,576 | 18,403,284 |
| | NET ASSETS | | 2,082,920 | 1,903,684 |
| | REPRESENTED BY | | | |
| | Islamic banking fund | | 150,000 | 150,000 |
| | Reserves | | 389,061 | 353,214 |
| | Unappropriated profit | | 1,543,859 | 1,400,470 |
| | | | 2,082,920 | 1,903,684 |

| | (Un-audited) Quarter Ended | |
|---|-------------------------------|-------------------|
| | March 31, 2025 | March 31, 2024 |
| | ----- Rupees in '000 ----- | |
| (B) Statement of profit and loss account | | |
| Profit / return earned | 621,032 | 634,721 |
| Profit / return expensed | 436,158 | 431,968 |
| Net profit / return | 184,874 | 202,753 |
| Other income | | |
| Fee and commission income | 3,691 | 3,348 |
| Dividend income | - | - |
| Foreign exchange income | - | - |
| Income / (loss) from derivatives | - | - |
| Gain / (loss) on securities | - | - |
| Other income | - | - |
| | 3,691 | 3,348 |
| Total income | 188,565 | 206,101 |
| Other expenses | | |
| Operating expenses | 5,444 | 8,794 |
| Workers' Welfare Fund | 3,667 | 3,959 |
| Total other expenses | 9,111 | 12,753 |
| Profit before provisions / credit loss allowance | 179,454 | 193,348 |
| Provisions / credit loss allowance and write offs - (charge) / reversal | (217) | 665 |
| Profit before taxation | 179,237 | 194,013 |
| Taxation | - | - |
| Profit after taxation | 179,237 | 194,013 |

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 19.03% (2024: 6.50% to 19.03%) per annum.