

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

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- Rupees in '000 -----			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	165,961	5,338
Balances with other banks	8	6,310,352	1,238,218
Lendings to financial institutions	9	-	3,998,264
Investments	10	35,536,257	27,396,823
Advances	11	45,926,408	34,456,076
Property and equipment	12	108,331	67,525
Right-of-use assets	13	3,900	21,452
Intangible assets	14	25,060	30,379
Deferred tax assets		-	-
Other assets	15	1,278,505	1,042,418
<b>Total assets</b>		<b>89,354,774</b>	<b>68,256,493</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings	16	45,854,025	41,437,458
Deposits and other accounts	17	15,000,550	-
Lease liabilities	18	-	23,800
Subordinated debt	19	2,811,208	2,839,356
Deferred tax liabilities		-	-
Other liabilities	20	11,034,133	10,544,707
<b>Total liabilities</b>		<b>74,699,916</b>	<b>54,845,321</b>
<b>NET ASSETS</b>		<b>14,654,858</b>	<b>13,411,172</b>
<b>REPRESENTED BY</b>			
Share capital		6,237,759	6,237,759
Reserves		2,529,466	2,085,272
Surplus on revaluation of assets	21	181,391	223,010
Unappropriated profit		5,706,242	4,865,131
		<b>14,654,858</b>	<b>13,411,172</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

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







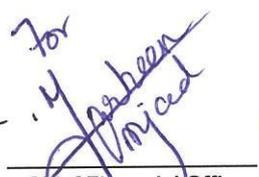
Managing Director / Chief Executive Officer      Chief Financial Officer      Director      Director      Director

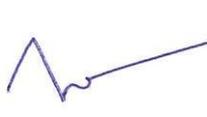
PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2025

Note	Nine months ended		Quarter ended		
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	
----- Rupees in '000 -----					
		(Restated)	(Restated)		
Mark-up / return / interest / profit earned	23	7,126,191	5,712,782	2,476,591	1,715,981
Mark-up / return / interest / profit expensed	24	4,610,653	2,521,960	1,674,035	723,520
Net mark-up / return / interest / profit earned		<u>2,515,538</u>	<u>3,190,822</u>	<u>802,556</u>	<u>992,461</u>
<b>Non mark-up / interest income</b>					
Fee and commission income	25	22,396	21,508	7,465	7,636
Dividend income		-	-	-	-
Foreign exchange income / (loss)		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain on securities	26	110,213	7,384	24,400	6,712
Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income		24	423	5	140
Total non-markup / interest income		<u>132,633</u>	<u>29,315</u>	<u>31,870</u>	<u>14,488</u>
Total income		<u>2,648,171</u>	<u>3,220,137</u>	<u>834,426</u>	<u>1,006,949</u>
<b>Non mark-up / interest expense</b>					
Operating expenses	27	437,773	529,327	193,977	181,867
Workers' Welfare Fund		45,326	42,205	13,378	17,694
Other charges		-	-	-	-
Total non-markup / interest expenses		<u>483,099</u>	<u>571,532</u>	<u>207,355</u>	<u>199,561</u>
<b>Profit before provisions / credit loss allowance</b>		<u>2,165,072</u>	<u>2,648,605</u>	<u>627,071</u>	<u>807,388</u>
Provisions / credit loss allowance and write offs - net (reversal) / charge	28	(55,897)	575,404	(28,426)	(77,376)
Extraordinary / unusual items		-	-	-	-
<b>Profit before taxation</b>		<u>2,220,969</u>	<u>2,073,201</u>	<u>655,497</u>	<u>884,764</u>
Taxation	29	-	-	-	-
<b>Profit after taxation</b>		<u>2,220,969</u>	<u>2,073,201</u>	<u>655,497</u>	<u>884,764</u>
----- (Rupees) -----					
<b>Basic and diluted earnings per share</b>	30	<u>3.56</u>	<u>3.32</u>	<u>1.05</u>	<u>1.41</u>

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

  
Managing Director /  
Chief Executive Officer

*For*  
  
Chief Financial Officer

  
Director

  
Director

  
Director

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

Note	Nine months ended		Quarter ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2025
	----- Rupees in '000 -----			
	(Restated)		(Restated)	
Profit after taxation for the period	2,220,969	2,073,201	655,497	884,764
Other comprehensive income / (loss)				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
Movement in surplus on revaluation of asset at Fair Value through Other Comprehensive Income (FVOCI)	68,594	522,034	(73,055)	458,515
Debt securities carried at FVOCI reclassified to profit and loss account	(110,213) (41,619)	(7,384) 514,650	(24,400) (97,455)	(6,712) 451,803
<b>Total comprehensive income for the period</b>	<u>2,179,350</u>	<u>2,587,851</u>	<u>558,042</u>	<u>1,336,567</u>

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





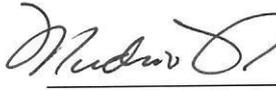
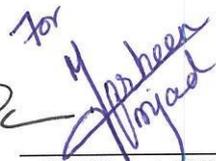
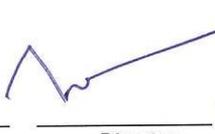
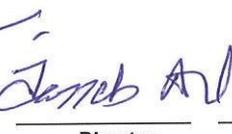
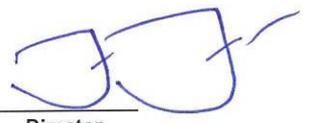


Managing Director / Chief Executive Officer      Chief Financial Officer      Director      Director      Director

**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**

	Share capital	Statutory reserve	Surplus/ (deficit) on revaluation of investments	Unappropriated profit	Total
	Rupees in '000				
Balance as at December 31, 2023 (audited)	6,237,759	1,519,513	(353,565)	3,527,305	10,931,012
Impact of adoption of IFRS 9	-	-	-	13,579	13,579
Balance as at January 01, 2024 (audited)	6,237,759	1,519,513	(353,565)	3,540,884	10,944,591
Total comprehensive income for the period					
Profit after taxation for the nine months ended September 30, 2024 (restated)	3.1	-	-	2,073,201	2,073,201
Other Comprehensive Income (OCI)					
Movement in surplus on revaluation of asset at FVOCI	-	-	522,034	-	522,034
Debt securities carried at FVOCI reclassified to profit and loss account	-	-	(7,384)	-	(7,384)
Total comprehensive income for the nine months ended September 30, 2024 - restated	-	-	514,650	2,073,201	2,587,851
Transfer to statutory reserve	-	414,640	-	(414,640)	-
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 September 30, 2024 (un-audited) - restated	6,237,759	1,934,153	161,085	4,263,781	12,596,778
Total comprehensive income for the period					
Profit after taxation for the three months ended December 31, 2024	-	-	-	755,592	755,592
OCI					
Remeasurement loss on defined benefit plan	-	-	-	(3,123)	(3,123)
Movement in surplus on revaluation of asset at FVOCI	-	-	81,816	-	81,816
Debt securities carried at FVOCI reclassified to profit and loss account	-	-	(19,891)	-	(19,891)
Total comprehensive income for the three months ended December 31, 2024	-	-	61,925	752,469	814,394
Transfer to statutory reserve	-	151,119	-	(151,119)	-
Balance as at December 31, 2024 (audited)	6,237,759	2,085,272	223,010	4,865,131	13,411,172
Total comprehensive income for the period					
Profit after taxation for the nine months ended September 30, 2025	-	-	-	2,220,969	2,220,969
OCI					
Movement in surplus on revaluation of asset at FVOCI	-	-	68,594	-	68,594
Debt securities carried at FVOCI reclassified to profit and loss account	-	-	(110,213)	-	(110,213)
Total comprehensive income for the nine months ended September 30, 2025	-	-	(41,619)	2,220,969	2,179,350
Transfer to statutory reserve	-	444,194	-	(444,194)	-
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 September 30, 2025 (un-audited)	6,237,759	2,529,466	181,391	5,706,242	14,654,858

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

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

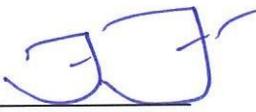
**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**

Note	Nine months ended	
	September 30, 2025	September 30, 2,024
----- Rupees in '000 -----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	2,220,969	2,073,201
		(Restated)
<b>Adjustments:</b>		
Net mark-up / return / interest / profit earned	(2,515,538)	(3,190,822)
Depreciation	27 27,738	21,449
Depreciation on right-of-use assets	27 17,552	17,552
Amortisation of intangible assets	27 6,896	5,094
Amortisation of transaction cost	7,070	10,754
Amortisation of prepaid staff cost	24 11,127	8,122
Provision for Workers' Welfare Fund	45,326	42,205
Gain on sale of property and equipment	(24)	(106)
Gain on sale of securities	26 (110,213)	(7,384)
Provision for defined benefit obligation	22,498	10,281
Finance charges on leased assets	24 889	2,919
Credit loss allowance and write offs - net (reversal) / charge	28 (55,897)	575,404
	<u>(2,542,576)</u>	<u>(2,504,532)</u>
	(321,607)	(431,331)
<b>(Increase) / Decrease in operating assets</b>		
Lendings to financial institutions	3,998,408	-
Advances	(11,413,945)	140,755
Other assets (excluding advance taxation and mark-up accrued)	(35,126)	51,514
	<u>(7,450,663)</u>	<u>192,269</u>
<b>Increase / (Decrease) in operating liabilities</b>		
Borrowings	18 18,145,275	7,039,834
Deposits and other accounts	15,000,550	-
Other liabilities (excluding payable to defined benefit plan and mark-up payable)	(251,330)	208,113
	<u>32,894,495</u>	<u>7,247,947</u>
Mark-up / return / interest / profit - received	6,907,382	5,754,513
Mark-up / return / interest / profit - paid	(3,620,449)	(2,258,235)
Contributions paid to defined benefit scheme	(17,194)	(10,634)
Income tax paid	(308)	(459)
<b>Net cash flow from operating activities</b>	<u>28,391,656</u>	<u>10,494,070</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities classified as FVOCI	(8,070,895)	(7,685,352)
Net investments in securities classified as Fair Value through Profit and Loss (FVPL)	60	60
Investments in property and equipment	(80,527)	(20,568)
Investments in intangible assets	(1,577)	(2,032)
Disposal of property and equipment	12,012	552
<b>Net cash used in investing activities</b>	<u>(8,140,927)</u>	<u>(7,707,340)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(935,664)	(935,664)
Payments of lease obligations against right-of-use assets	18 (24,689)	(24,689)
Repayment of Term Finance Certificates (TFC) and sukuk certificates	(1,437,500)	(9,975,000)
Net receipts from long term loan	2,666,667	3,000,000
Payment of short term loan	(15,000,000)	-
Payment of loan of World Bank - Housing Finance Project	(169,764)	(169,764)
Payment of subordinated debt	(116,337)	(116,337)
<b>Net cash used in financing activities</b>	<u>(15,017,287)</u>	<u>(8,221,454)</u>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<u>5,233,442</u>	<u>(5,434,724)</u>
Cash and cash equivalents at the beginning of the period	1,243,556	10,658,156
Opening net credit allowance on cash and cash equivalents	167	(1,450)
Cash and cash equivalents at the beginning of the period - net of credit loss allowance	1,243,723	10,656,706
Credit loss allowance on cash and cash equivalents during the period	(852)	740
<b>Cash and cash equivalents at the end of the period - net of credit loss allowance</b>	<u>6,476,313</u>	<u>5,222,722</u>

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







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

**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

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

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

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

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

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

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

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

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

### 3.1 IFRS 9 - 'Financial Instruments'

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

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

Therefore the condensed interim statement of profit and loss account (un-audited) for the nine months ended September 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the nine months ended September 30, 2024 would have been lower by Rs. 5.147 million. The details are tabulated below:

Head		(Rupees in '000)	Description
Mark-up / return / interest / profit earned	Increase	4,152	Fair value impact of advances
Mark-up / return / interest / profit earned	Increase	8,122	Fair value impact on staff loans
Mark-up / return / interest / profit earned	Increase	220,071	Amortisation of Deferred Grant Income
		232,345	
Mark-up / return / interest / profit expensed	Increase	130,173	Fair value impact of Borrowings from Government of Pakistan under World Bank - Housing Finance Project
Mark-up / return / interest / profit expensed	Increase	89,898	Fair value impact of Subordinated debt
Mark-up / return / interest / profit expensed	Decrease	(995)	Fair value impact of TFC
Mark-up / return / interest / profit expensed	Increase	8,122	Fair value impact on staff loans
		227,198	

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

## 5 BASIS OF MEASUREMENT

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

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

### 5.1 Functional and presentation currency

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

## 6 FINANCIAL RISK MANAGEMENT

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

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----			
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
With SBP in:			
Local currency current account	7.1	165,916	5,295
With National Bank of Pakistan in:			
Local currency current accounts	7.2	31	31
Local currency deposit account		14	12
		45	43
Less: Credit loss allowance held against cash and balances with treasury banks	7.3	-	-
Cash and balances with treasury banks - net of credit loss allowance		165,961	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 7.24% (December 31, 2024: 13.50%) per annum.

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----			
<b>7.3 Movement in credit loss allowance held against Cash and Balances With Treasury Banks - Stage 1</b>			
Opening balance		-	-
Charge for the period / year		-	6
Reversal for the period / year		-	(6)
Closing balance		-	-

## 8 BALANCES WITH OTHER BANKS

In Pakistan			
In current account		1,704	1,579
In deposit accounts	8.1	6,309,500	1,236,806
		6,311,204	1,238,385
Less: Credit loss allowance held against balances with other banks	8.2	(852)	(167)
Balances with other banks - net of credit loss allowance		6,310,352	1,238,218

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- 8.1 These represent deposit accounts in local currency maintained with other banks. These carry mark-up / profit at rates ranging from 6.63% to 11.00% (December 31, 2024: 5.87% to 13.50%) per annum.

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----			
<b>8.2 Movement in credit loss allowance held against balances with other banks – Stage 1</b>			
Opening balance		167	-
Charge for the period / year	28	685	1,444
Reversal for the period / year		-	(1,277)
Closing balance		<u>852</u>	<u>167</u>

## 9 LENDINGS TO FINANCIAL INSTITUTIONS

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

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

	(Un-audited) September 30, 2025		(Audited) December 31, 2024	
	Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
-----Rupees in '000-----				
<b>9.2 Lendings to financial Institutions- particulars of credit loss allowance</b>				
<b>Domestic</b>				
Performing - Stage 1	-	-	3,998,408	(144)

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----			
<b>9.3 Movement in credit loss allowance held against lending to financial Institutions – Stage 1</b>			
Opening balance		144	-
Charge for the period / year		-	144
Reversal for the period / year	28	(144)	-
Closing balance		<u>-</u>	<u>144</u>

## 10 INVESTMENTS

### 10.1 Investments by type

	(Un-audited) September 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) -----								
<b>FVOCI</b>								
Federal government securities	34,992,788	-	181,391	35,174,179	26,774,180	-	223,010	26,997,190
Non-government debt securities	62,500	(2)	-	62,498	100,000	(7)	-	99,993
	<u>35,055,288</u>	<u>(2)</u>	<u>181,391</u>	<u>35,236,677</u>	<u>26,874,180</u>	<u>(7)</u>	<u>223,010</u>	<u>27,097,183</u>
<b>FVPL</b>								
Non-government debt securities	299,580	-	-	299,580	299,640	-	-	299,640
<b>Total investments</b>	<u>35,354,868</u>	<u>(2)</u>	<u>181,391</u>	<u>35,536,257</u>	<u>27,173,820</u>	<u>(7)</u>	<u>223,010</u>	<u>27,396,823</u>

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### 10.1.1 Investments given as collateral

	(Un-audited)			(Audited)		
	September 30, 2025			December 31, 2024		
	Cost / amortised cost	Surplus / (deficit)	Carrying value	Cost / amortised cost	Surplus / (deficit)	Carrying value
	----- Rupees in '000 -----					
Pakistan Investment Bonds (PIB)	-	-	-	1,003,029	(17,429)	985,600
Market Treasury Bills (MTB)	1,974,646	3,858	1,978,504	15,486,109	123,624	15,609,733
	<u>1,974,646</u>	<u>3,858</u>	<u>1,978,504</u>	<u>16,489,138</u>	<u>106,195</u>	<u>16,595,333</u>

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

### 10.2 Movement in credit loss allowance held against investment – Stage 1

Opening balance		7	-
Charge for the period / year		-	7
Reversal for the period / year	28	(5)	-
Closing balance		<u>2</u>	<u>7</u>

### 10.3 Particulars of credit loss allowance against debt securities

	(Un-audited)		(Audited)	
	September 30, 2025	Credit loss allowance held	December 31, 2024	Credit loss allowance held
	-----Rupees in '000-----			
Domestic Performing - Stage 1	62,500	(2)	100,000	(7)

### 11 ADVANCES

	Performing		Non-performing		Total		
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	
	----- Rupees in '000 -----						
Loans, cash credits, running finances, etc.	19,057,510	15,109,674	1,060,391	1,288,707	20,117,901	16,398,381	
Islamic financing and related assets	26,700,453	19,006,028	-	-	26,700,453	19,006,028	
Advances - gross	<u>45,757,963</u>	<u>34,115,702</u>	<u>1,060,391</u>	<u>1,288,707</u>	<u>46,818,354</u>	<u>35,404,409</u>	
Credit loss allowance / provision against advances							
- Stage 1	11.3	13,855	20,520	-	-	13,855	20,520
- Stage 3	11.3	-	-	530,196	579,918	530,196	579,918
- General	11.3	347,895	347,895	-	-	347,895	347,895
		<u>361,750</u>	<u>368,415</u>	<u>530,196</u>	<u>579,918</u>	<u>891,946</u>	<u>948,333</u>
Advances - net of credit loss allowance / provision		<u>45,396,213</u>	<u>33,747,287</u>	<u>530,195</u>	<u>708,789</u>	<u>45,926,408</u>	<u>34,456,076</u>

### 11.1 Particulars of advances (gross)

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
In local currency	<u>46,818,354</u>	<u>35,404,409</u>

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- 11.2 Advances include Rs. 1,060.391 million (December 31, 2024: Rs.1,288.707 million) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited)		(Audited)	
	September 30, 2025		December 31, 2024	
	Non-performing loans	Credit loss allowance	Non-performing loans	Credit loss allowance
----- Rupees in '000 -----				
<b>Domestic</b>				
Doubtful - Stage 3	1,060,391	530,196	1,288,707	579,918

- 11.3 Particulars of credit loss allowance / provision against advances

	(Un-audited)					(Audited)				
	September 30, 2025					December 31, 2024				
	Expected Credit Loss			General	Total	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
----- Rupees in '000 -----										
Opening balance	20,520	-	579,918	347,895	948,333	-	-	-	347,895	347,895
(Reversal) / charge for the period / year	(6,665)	-	(49,722)	-	(56,387)	20,520	-	579,918	-	600,438
Closing balance	13,855	-	530,196	347,895	891,946	20,520	-	579,918	347,895	948,333

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

- 11.4 Advances - particulars of credit loss allowance

	(Un-audited)					(Audited)				
	September 30, 2025					December 31, 2024				
	Expected Credit Loss			General	Total	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
----- Rupees in '000 -----										
Opening balance	20,654	-	579,918	347,895	948,467	-	-	-	347,895	347,895
New advances	3,586	-	-	-	3,586	8,812	-	-	-	8,812
Advances derecognised or repaid	(7,770)	-	(92,813)	-	(100,583)	(2,104)	-	-	-	(2,104)
Transfer to stage 3	-	-	-	-	-	(886)	-	-	-	(886)
Charge for the period / year	-	-	43,091	-	43,091	14,765	-	579,918	-	594,683
	(4,184)	-	(49,722)	-	(53,906)	20,587	-	579,918	-	600,505
(Reversal) / changes in risk parameters (PDs/LGDs/EADs)	(2,615)	-	-	-	(2,615)	67	-	-	-	67
Closing balance	13,855	-	530,196	347,895	891,946	20,654	-	579,918	347,895	948,467

- 11.5 Advances - Category of classification

	(Un-audited)		(Audited)	
	September 30, 2025		December 31, 2024	
	Outstanding amount	Credit loss allowance / provision held	Outstanding amount	Credit loss allowance / provision held
----- Rupees in '000 -----				
<b>Domestic</b>				
Performing - Stage 1	45,757,963	13,855	34,115,702	20,520
General provision	-	347,895	-	347,895
	45,757,963	361,750	34,115,702	368,415
Non-performing - Stage 3				
Doubtful	1,060,391	530,196	1,288,707	579,918
<b>Total</b>	46,818,354	891,946	35,404,409	948,333

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	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
<b>12 PROPERTY AND EQUIPMENT</b>		
Property and equipment	108,331	67,525
	<u>108,331</u>	<u>67,525</u>
	(Un-audited)	
	Nine months ended	
	September 30, 2025	September 30, 2024
	-----Rupees in '000-----	
<b>12.1 Additions to property and equipment</b>		
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	-	923
<b>Property and equipment</b>		
Furniture and fixtures	342	2,543
Leasehold improvements	183	4,336
Vehicles	74,996	-
Electrical, office and computer equipment	5,006	16,084
	80,527	22,963
<b>Total</b>	<u>80,527</u>	<u>23,886</u>
<b>12.2 Disposal of property and equipment</b>		
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixtures	-	115
Leasehold improvements	-	122
Vehicles	11,955	-
Electrical, office and computer equipment	33	209
<b>Total</b>	<u>11,988</u>	<u>446</u>
	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
<b>13 RIGHT-OF-USE ASSETS</b>		
Cost	117,010	117,010
Accumulated depreciation	(95,558)	(72,156)
<b>Net carrying amount - opening</b>	21,452	44,854
Depreciation charge for the period / year	(17,552)	(23,402)
<b>Net carrying amount - closing</b>	<u>3,900</u>	<u>21,452</u>
<b>14 INTANGIBLE ASSETS</b>		
Computer software	25,060	30,379
	<u>25,060</u>	<u>30,379</u>

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		(Un-audited)	
		Nine months ended	
		September 30, 2025	September 30, 2024
		-----Rupees in '000-----	
<b>14.1</b>	<b>Additions to intangible assets</b>		
	The following additions have been made to intangible assets during the period:		
	Computer software	1,577	6,022
		<u>1,577</u>	<u>6,022</u>
		(Un-audited)	(Audited)
		September 30,	December 31,
		2025	2024
		-----Rupees in '000-----	
<b>15</b>	<b>OTHER ASSETS</b>		
	Mark-up / return / interest / profit accrued in local currency	1,079,241	860,432
	Advances, deposits and prepayments	52,714	55,803
	Advance taxation	28,114	27,806
	Prepaid staff cost	118,769	98,756
		<u>1,278,838</u>	<u>1,042,797</u>
	Less: Credit loss allowance held against other assets	(333)	(379)
	Other assets - net of credit loss allowance	<u>1,278,505</u>	<u>1,042,418</u>
		(Un-audited)	(Audited)
		September 30,	December 31,
		2025	2024
		-----Rupees in '000-----	
<b>15.1</b>	<b>Credit loss allowance held against other assets</b>		
	Mark-up / return / interest / profit accrued in local currency	333	379
		<u>333</u>	<u>379</u>
<b>15.1.1</b>	<b>Movement in credit loss allowance held against other assets - Stage 1</b>		
	Opening balance	379	-
	Charge for the period / year	-	421
	Reversal for the period / year	(46)	(42)
	Closing balance	<u>333</u>	<u>379</u>
<b>16</b>	<b>BORROWINGS</b>		
	<b>Secured</b>		
	TFC	11,725,000	13,162,500
	Repo	1,978,040	456,286
	Long term loan	5,666,667	3,000,000
	Short term loan	-	15,000,000
	<b>Total secured</b>	<u>19,369,707</u>	<u>31,618,786</u>
	<b>Unsecured</b>		
	Borrowings from Government of Pakistan under		
	World Bank - Housing Finance Project	4,167,854	4,209,979
	Bai Muajjal	22,316,464	5,608,693
	<b>Total unsecured</b>	<u>26,484,318</u>	<u>9,818,672</u>
	<b>Total</b>	<u>45,854,025</u>	<u>41,437,458</u>
<b>16.1</b>	These certificates have maturity of five to ten years and carry at mark-up rate ranging from 9.35% to 10.84% (December 31, 2024: 9.35% to 19.87%) per annum. The principal is payable annually or at maturity whereas mark-up is payable semi-annually. Further, TFCs amounting to Rs. 1,100 million have matured during the period.		

- 16.2 This represents Repo borrowing at mark-up rate ranging from 11.90% to 11.95% (December 31, 2024: 13.10%) per annum and are due to mature latest by October 1, 2025. The market value of securities given as collateral against these borrowings is given in note 10.1.1 to these condensed interim financial statements.
- 16.3 These long term loans carry mark-up rates of 11.55% and 11.25% (December 31, 2024: 18.36%) per annum and will mature on August 26, 2027 and May 20, 2028 respectively.
- 16.4 The short term loans carry mark-up at Nil (December 31 2024: 10.24% per annum) and were matured on February 14, 2025 and February 17, 2025.
- 16.5 This represents borrowing from Government of Pakistan under World Bank - Housing Finance Project for 30 years at fixed rate of 3% per annum. The mark-up and the principal are payable semi-annually, whereby the principal is repayable in fifty installments, the repayment of which has commenced from April 15, 2023. The loan has been recorded at fair value.
- 16.6 Bai Muajjal borrowings carry profit rate ranging from 10.45% to 10.75% (December 31, 2024: 11.95%) per annum and are due to mature latest by February 26, 2026.

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----			
<b>17 DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Others - In local currency	17.1	550	-
<b>Financial institutions</b>			
Others - In local currency	17.2 & 17.3	15,000,000	-
		<u>15,000,550</u>	<u>-</u>

- 17.1 This represents non mark-up bearing Certificate of Investments (COI) issued to the employees of the Company and are due to mature latest by July 23, 2026.
- 17.2 This includes COIs issued at mark-up rate of 10.90% (December 31, 2024: Nil) per annum and are due to mature latest October 16, 2025.
- 17.3 This also includes Certificate of Investments - Islamic (COII) issued at a profit rate ranging from 10.50% to 11.40% (December 31, 2024: Nil) per annum and are due to mature latest by January 15, 2026.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----		
<b>18 LEASE LIABILITIES</b>		
Outstanding amount at the start of the period / year	23,800	53,162
Interest expense	889	3,556
Lease payments including interest	<u>(24,689)</u>	<u>(32,918)</u>
Outstanding amount at the end of the period / year	<u>-</u>	<u>23,800</u>
<b>18.1 Liabilities outstanding</b>		
Not later than one year	<u>-</u>	<u>23,800</u>

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

## 19 SUBORDINATED DEBT

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

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

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

Note	(Un-audited)	(Audited)
	September 30, 2025	December 31, 2024
<b>20 OTHER LIABILITIES</b>	-----Rupees in '000-----	
Mark-up / return / interest / profit payable in local currency	1,655,620	665,416
Deferred Government Grant	8,728,151	9,145,717
Provision for government levies	258,236	212,908
Provision for employees' benefit	120,378	228,694
Accrued expenses	35,646	38,595
Withholding tax payable	8,549	9,188
Unearned income	215,700	237,628
Payable to defined contribution plan	-	12
Payable to defined benefit plan	11,853	6,549
	<u>11,034,133</u>	<u>10,544,707</u>

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

Note	(Un-audited)	(Audited)
	September 30, 2025	December 31, 2024
<b>21 SURPLUS ON REVALUATION OF ASSETS</b>	-----Rupees in '000-----	
Surplus on revaluation of investments measured at FVOCI	<u>181,391</u>	<u>223,010</u>

## 22 CONTINGENCIES AND COMMITMENTS

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

Note	(Un-audited)	
	September 30, 2025	September 30, 2024
<b>23 MARK-UP / RETURN / INTEREST / PROFIT EARNED</b>	-----Rupees in '000----- (Restated)	
Loans and advances	3,661,776	3,329,110
Investments	2,882,355	1,560,132
Lendings to financial institutions	150,145	522,738
Deferred grant income	417,567	220,071
Balances with banks (including Term Deposit Receipts)	14,348	80,731
	<u>7,126,191</u>	<u>5,712,782</u>

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		(Un-audited)	
		Nine months ended	
		September 30, 2025	September 30, 2024
		-----Rupees in '000-----	
		(Restated)	
<b>23.1</b>	<b>Interest income (calculated using Effective Interest Rate (EIR) method) recognised on:</b>		
	Financial assets measured at amortised cost	3,826,269	3,932,579
	Financial assets measured at FVPL	21,067	35,004
	Financial assets measured at FVOCI	2,861,288	1,525,128
	Deferred Grant Income	417,567	220,071
		<u>7,126,191</u>	<u>5,712,782</u>

**24 MARK-UP / RETURN / INTEREST / PROFIT EXPENSED**

	Borrowings from Government of Pakistan under World Bank - Housing Finance Project	555,848	351,224
	Subordinated debt	221,504	241,423
	Repo	200,389	426,737
	TFC	987,956	1,335,943
	Clean borrowings	26,356	6,281
	Long term loan	414,719	54,325
	Short term loan	191,460	-
	COI / COII	728,201	-
	Bai Muajjal	1,272,204	10,744
	Sukuk certificates	-	84,242
		4,598,637	2,510,919
	Amortization of prepaid staff cost	11,127	8,122
	Lease liability against right-of-use assets	889	2,919
		<u>4,610,653</u>	<u>2,521,960</u>

<b>24.1</b>	Interest expense calculated using EIR method	4,598,637	2,510,919
	Other financial liabilities		
	Amortization of prepaid staff cost	11,127	8,122
	Lease liabilities against right-of-use assets	889	2,919
		<u>12,016</u>	<u>11,041</u>
		<u>4,610,653</u>	<u>2,521,960</u>

**25 FEE AND COMMISSION INCOME**

	Trustee fee	25.1	<u>22,396</u>	<u>21,508</u>
<b>25.1</b>	This represents fee for trustee services rendered to Credit Guarantee Trust. The Company is entitled to a trustee fee at 0.25 times of the premium received by the schemes for Low Income Housing and Low Income Housing - Mera Pakistan Mera Ghar (MPMG).			

		(Un-audited)	
		Nine months ended	
		September 30, 2025	September 30, 2024
		-----Rupees in '000-----	
<b>26</b>	<b>GAIN ON SECURITIES</b>		
	Realised - net	<u>110,213</u>	<u>7,384</u>
<b>26.1</b>	Realised gain on Federal Government Securities	<u>110,213</u>	<u>7,384</u>
<b>26.2</b>	Net gain on debt instruments measured at FVOCI	<u>110,213</u>	<u>7,384</u>

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(Un-audited)	
Nine months ended	
September 30, 2025	September 30, 2024
-----Rupees in '000-----	

**27 OPERATING EXPENSES**

<b>Total compensation expense</b>	264,695	355,353
<b>Property expense</b>		
Insurance	705	602
Utilities cost	4,918	5,005
Security	904	845
Repairs and maintenance	486	473
Depreciation	17,552	17,552
	24,565	24,477
<b>Information technology expenses</b>		
Software maintenance	15,820	11,418
Rent - disaster recovery site	1,496	1,496
Website maintenance	280	268
Hardware maintenance	838	279
Depreciation	8,481	7,662
Amortisation	6,896	5,094
Network charges	2,258	2,327
	36,069	28,544
<b>Other operating expenses</b>		
Directors' fees and allowances	32,340	19,770
Fees and allowances to Shariah Board	9,802	8,484
Legal and professional charges	5,436	10,190
Fees and subscription	4,770	4,171
Outsourced services costs	4,958	4,864
Travelling and conveyance	4,317	5,196
Depreciation	19,257	13,787
Training and development	1,808	4,455
Postage and courier charges	140	225
Communication	1,189	1,079
Printing and stationery	2,119	679
Marketing, advertisement and publicity	2,674	2,079
Research and development	-	1,695
Donations	8,900	4,500
Auditors' remuneration	3,565	30,461
Insurance	5,312	4,975
Vehicle repairs and maintenance	156	290
Entertainment	1,629	874
Brokerage expenses	1,561	1,109
Others	2,511	2,070
	112,444	120,953
	<u>437,773</u>	<u>529,327</u>

**28 PROVISIONS / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET**

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

Cash and Balances with treasury banks	7.3	-	(6)
Balances with other banks	8.2	685	(740)
Lendings to financial institutions	9.3	(144)	-
Investments	10.2	(5)	(1)
Advances	11.3	(56,387)	576,281
Other assets	15.1.1	(46)	(130)
		<u>(55,897)</u>	<u>575,404</u>

**29 TAXATION**

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

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		(Un-audited)	
		Nine months ended	
		September 30, 2025	September 30, 2024
		-----Rupees in '000----- (Restated)	
<b>30</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit for the period	2,220,969	2,073,201
		(Number of shares)	
	Weighted average number of ordinary shares	623,775,900	623,775,900
		------(Rupees)----- (Restated)	
	Basic earnings per share	3.56	3.32

### 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 September 30, 2025 and September 30, 2024.

## 31 FAIR VALUE MEASUREMENTS

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

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

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

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

### 31.1 Fair value of financial assets

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

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

					(Un-audited)				
					September 30, 2025				
					Level 1	Level 2	Level 3	Total	
					----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>									
<b>Financial assets - measured at fair value</b>									
Investments									
					-	35,174,179	-	35,174,179	
					-	362,078	-	362,078	

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(Audited)			
December 31, 2024			
Level 1	Level 2	Level 3	Total

**On balance sheet financial instruments**

Rupees in '000

**Financial assets - measured at fair value**

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

**31.2 Valuation techniques and inputs used in determination of fair values**

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

**32 RELATED PARTY TRANSACTIONS AND BALANCES**

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

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

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

(Un-audited)			(Audited)		
September 30, 2025			December 31, 2024		
Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties

Rupees in '000

**Statement of financial position**

**Cash and balances with treasury banks**

In current accounts	-	-	31	-	-	31
In deposit account	-	-	14	-	-	12
	-	-	45	-	-	43

**Balances with other banks**

In current account	-	-	1,704	-	-	1,579
In deposit accounts	-	-	1,314	-	-	199,303
	-	-	3,018	-	-	200,882

**Credit loss allowance held against balances with other banks**

	-	-	-	-	-	27
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**Lendings to financial institutions**

Opening balance	-	-	-	-	-	-
Addition during the period / year	-	-	33,168,325	-	-	25,637,796
Repayments during the period / year	-	-	(33,168,325)	-	-	(25,637,796)
Closing balance	-	-	-	-	-	-

	(Un-audited)			(Audited)		
	September 30, 2025			December 31, 2024		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
Rupees in '000						
<b>Advances</b>						
Opening balance	-	98,014	12,594,487	-	91,273	8,828,836
Movement to prepaid staff cost	-	-	-	-	(37,205)	-
Addition during the period / year	-	17,855	9,975,000	-	51,190	5,500,000
Repayment during the period / year	-	(11,409)	(2,117,460)	-	(7,243)	(1,734,349)
Closing balance	-	104,460	20,452,027	-	98,015	12,594,487
Credit loss allowance held against advances	-	14	5,764	-	13	5,535
<b>Other assets</b>						
Mark-up / return / interest / profit accrued	-	-	566,368	-	-	355,924
Advances, deposits and prepayments	-	74,208	-	-	-	-
Closing balance	-	74,208	566,368	-	-	355,924
Credit loss allowance held against other assets	-	-	137	-	-	147
<b>Deposits and other accounts</b>						
Opening balance	-	-	-	-	-	-
Received during the period / year	-	225	6,000,000	-	-	-
Withdrawn during the period / year	-	(25)	(3,000,000)	-	-	-
Closing balance	-	200	3,000,000	-	-	-
<b>Borrowings</b>						
Opening balance	-	-	8,662,500	-	-	11,500,000
Borrowings during the period / year	-	-	69,133,740	-	-	15,459,773
Settled during the period / year	-	-	(60,840,519)	-	-	(18,297,273)
Closing balance	-	-	16,955,721	-	-	8,662,500
<b>Other liabilities</b>						
Mark-up / return / interest / profit payable	-	-	350,115	-	-	298,515
Payable to defined benefit plan	-	-	11,853	-	-	6,549
Payable to defined contribution plan	-	-	-	-	-	12
Unearned income	-	-	212,853	-	-	235,249
Closing balance	-	-	574,821	-	-	540,325

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

**Statement of profit and loss account**

<b>Income</b>						
Mark-up / return / interest / profit earned	-	11,631	1,466,396	-	3,916	1,127,000
Fee and commission income	-	-	22,396	-	-	21,508
<b>Expense</b>						
Mark-up / return / interest / profit expensed	-	7,079	1,362,422	-	-	822,663
Directors' fees and allowances	32,340	-	-	19,770	-	-
Remuneration of key management personal	-	237,448	-	-	216,498	-
Operating expenses	-	300	-	-	-	-
Credit loss allowance - charge / (reversal)	-	1	191	-	21	118
Contribution to defined contribution plan	-	-	13,036	-	-	11,454
Charge for defined benefit plan	-	-	22,498	-	-	10,281

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

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
<b>33 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital	6,237,759	6,237,759
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	14,448,425	13,157,783
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	14,448,425	13,157,783
Eligible Tier 2 Capital	307,311	329,714
Total Eligible Capital (Tier 1 + Tier 2)	14,755,736	13,487,497
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	10,073,588	8,536,285
Market Risk	-	-
Operational Risk	6,098,580	6,098,580
Total	16,172,167	14,634,865
Common Equity Tier 1 Capital Adequacy Ratio	89.34%	89.91%
Tier 1 Capital Adequacy Ratio	89.34%	89.91%
Total Capital Adequacy Ratio	91.24%	92.16%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	14,448,425	13,157,783
Total Exposure	83,761,153	65,184,641
Leverage Ratio	17.25%	20.19%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	33,144,899	14,569,371
Total Net Cash Outflow	3,450,547	11,630
Liquidity Coverage Ratio	961%	125,278%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	47,305,538	44,305,761
Total Required Stable Funding	40,999,588	26,916,069
Net Stable Funding Ratio	115.38%	164.61%

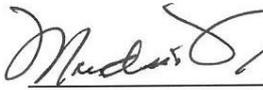
**34 GENERAL**

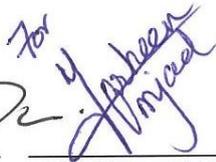
**34.1** Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

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

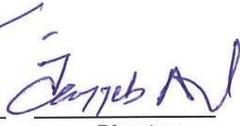
**35 DATE OF AUTHORISATION FOR ISSUE**

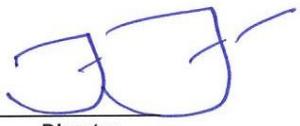
These condensed interim financial statements were authorised for issue on October 28, 2025 by the Board of Directors of the Company.

  
Managing Director /  
Chief Executive Officer

*For*  
  
Chief Financial Officer

  
Director

  
Director

  
Director

**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**ANNEXURE TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 nine months ended September 30, 2025 are as follows:

(A)	Statement of financial position	Note	(Un-audited)	(Audited)
			September 30, 2025	December 31, 2024
			----- Rupees in '000 -----	
	<b>ASSETS</b>			
	Balances with other banks		6,174,944	909,352
	Islamic financing and related assets - net	1	26,679,245	18,976,964
	Other assets		501,908	420,652
			33,356,097	20,306,968
	<b>LIABILITIES</b>			
	Due to head office		18,416,279	18,255,228
	Deposits and other accounts	2	12,000,000	-
	Other liabilities		589,976	148,056
			31,006,255	18,403,284
	<b>NET ASSETS</b>		<u>2,349,842</u>	<u>1,903,684</u>
	<b>REPRESENTED BY</b>			
	Islamic banking fund		150,000	150,000
	Reserves		442,446	353,214
	Unappropriated profit		1,757,396	1,400,470
			<u>2,349,842</u>	<u>1,903,684</u>
	<b>CONTINGENCIES AND COMMITMENTS</b>	3		
			(Un-audited)	
			Nine months ended	
			September 30, 2025	September 30, 2024
			----- Rupees in '000 -----	
			(Restated)	
(B)	Statement of profit and loss account			
	Profit / return earned	4	2,080,695	2,025,804
	Profit / return expensed	5	1,624,801	1,402,269
	<b>Net profit / return</b>		<u>455,894</u>	<u>623,535</u>
	<b>Other income</b>			
	Fee and commission income		11,073	10,479
	Dividend income		-	-
	Foreign exchange income		-	-
	Income / (loss) from derivatives		-	-
	Gain / (loss) on securities		-	-
	Other income		-	-
			11,073	10,479
	<b>Total income</b>		<u>466,967</u>	<u>634,014</u>
	<b>Other expenses</b>			
	Operating expenses		16,588	14,808
	Workers' Welfare Fund		8,914	12,370
	<b>Total other expenses</b>		<u>25,502</u>	<u>27,178</u>
	Profit before provisions / credit loss allowance		441,465	606,836
	Provisions / credit loss allowance and write offs - net reversal		4,693	2,478
	<b>Profit before taxation</b>		<u>446,158</u>	<u>609,314</u>
	Taxation		-	-
	<b>Profit after taxation</b>		<u>446,158</u>	<u>609,314</u>

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
<b>1 ISLAMIC FINANCING AND RELATED ASSETS - NET</b>			
Musharakah financing	1.1	26,700,172	19,005,402
Employee staff loans		281	626
Islamic Financing and related assets - gross		26,700,453	19,006,028
Less: Provision / credit loss allowance		(21,208)	(29,064)
		<u>26,679,245</u>	<u>18,976,964</u>

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

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
<b>2 DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Financial institutions</b>			
Others - In local currency	2.1	12,000,000	-

2.1 This include COIs issued at a profit rate ranging from 10.50% to 11.40% (December 31, 2024: Nil) per annum and are due to mature latest by January 15, 2026.

### 3 CONTINGENCIES AND COMMITMENTS

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

		(Un-audited) Nine months ended	
		September 30, 2025	September 30, 2024
		----- Rupees in '000 ----- (Restated)	
<b>4 PROFIT / RETURN EARNED</b>			
<b>Profit earned on:</b>			
Financing		2,076,006	2,015,852
Balances with banks		4,689	9,952
		<u>2,080,695</u>	<u>2,025,804</u>
<b>5 PROFIT / RETURN EXPENSED</b>			
<b>Profit expenses on:</b>			
Financing		<u>1,624,801</u>	<u>1,402,269</u>