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October 16, 2019

**Mr. Mudassir Khan**  
Chief Executive Officer  
Pakistan Mortgage Refinance Company  
6<sup>TH</sup> Floor, Bahria Complex-I  
M.T. Khan Road, Karachi-74000  
**PAKISTAN**

Dear *Mudassir*

**REF: APPRECIATION: KENYA MORTGAGE REFINANCE COMPANY (KMRC)  
STUDY MISSION TO PAKISTAN ON 30<sup>TH</sup> SEPTEMBER TO 4<sup>TH</sup> OCTOBER 2019**

On behalf of the Kenya Mortgage Refinance Company (KMRC), I would like to express our sincere gratitude to you and your staff for facilitating the recent study visit to Pakistan Mortgage Refinance Company (PMRC) in which four senior KMRC management attended. I wish to especially thank your Head of Risk Mr. Malik Mansoor and the Group Business and Products Development Mr. Zulfiqar Alam who not only gave the team a warm reception and provided logistic support for the PMRC visit but also organized separate visits and meetings with senior management of the State Bank of Pakistan (SBP); Securities Exchange Commission (SECP); Pakistan Stock Exchange (PSEX); Primary Mortgage Lenders-Alfalah Commercial Bank, Bank Islami and HBFC as well as Escort Investment Bank and site visits to Naya Nazimabad and Bahria Town. The warm and exceptional courtesies extended to us by all the institutions visited made our visit memorable.

Some of the key lessons learnt included the fact that Pakistan and Kenya have striking similarities in both opportunities and challenges in the Housing sector. Our Governments have ambitious plans for ameliorating the swirling housing shortage with a view to provide affordable homes in the wake of rapid urbanization and high population growth. There are supply constraints in production of adequate stock of housing units especially in urban areas and financing hindrances for off-takers. Nonetheless, while PMRC is in its nascent stage, its efforts so far have had a noticeable impact in the Housing market.

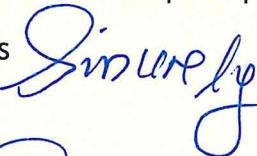
It was impressive to note the Government of Pakistan has facilitated concessionary funding for PMRC from development partners while the State Bank of Pakistan has been playing a greater role in the operationalization of PMRC including granting regulatory relaxations. We noted that the capital markets regulator SECP was equally committed to support PMRC in its corporate bond issuance processes. The listing incentives by PSEX in support of PMRC is commendable.

The discussions with you and your team on the PMRC operating framework, Governance and institutional arrangement was very enlightening. This provided a unique opportunity to gather lessons that will be considered as we develop our institution and the mortgage market in Kenya.

Our site visit to large scale, modern planned urban developments-Naya Nazimabad and Bahria Town is a clear testament of the overarching need for extension of incentives to developers of housing units to enhance affordability. The strengthening by PMRC of strategic partnerships with the property developers with a view to promote home ownership is impressive.

The laudable success of this first ever study visit demonstrates the potential for a greater scope for further initiatives in the future. This will certainly translate to greater benefit to KMRC as we shall be implementing the lessons learnt for purposes of developing our new institution and the mortgage market in Kenya generally. It is my sincere hope that you will facilitate other programs of such kind for more of our staff in the near future.

Please convey to your colleagues and the institutions visited our sincere appreciation for the invaluable opportunity granted to the KMRC team and the continued commitment to peer-peer engagements.

Yours 



**Johnstone Oltetia**  
**Ag. Chief Executive Officer**