

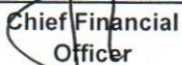
Pakistan Mortgage Refinance Company Limited
Condensed Interim Statement of Financial Position
As at March 31, 2019

		(Unaudited) March 31, 2019	(Audited) December 31, 2018
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		73,925	653
Balances with other banks		1,606,660	504,566
Lendings to financial institutions		1,878,694	912,000
Investments	6	1,991,556	1,009,632
Advances	7	5,198,887	1,200,000
Fixed assets	8	44,375	45,067
Intangible assets	8	10,547	11,112
Deferred tax assets		-	-
Other assets		121,637	66,648
		10,926,281	3,749,678
LIABILITIES			
Bills payable		-	-
Borrowings		-	-
Deposits and other accounts		-	-
Liabilities against assets subject to finance lease		-	-
Advance against share capital		-	-
Subordinated debt	9	7,050,716	-
Deferred tax liabilities		-	-
Other liabilities		64,742	36,588
		7,115,458	36,588
NET ASSETS			
		3,810,823	3,713,090
REPRESENTED BY			
Share capital	10	3,658,506	3,658,506
Reserves		30,576	11,007
Surplus / (deficit) on revaluation of assets		(114)	-
Unappropriated profit		121,855	43,577
		3,810,823	3,713,090
CONTINGENCIES AND COMMITMENTS			
	11		

The annexed notes 1 to 21 form an integral part of these financial statements.



President /
Chief Executive




Chief Financial
Officer



Director



Director



Director

Pakistan Mortgage Refinance Company Limited

Condensed Interim Profit and Loss Account

For the three months ended March 31, 2019

	Note	for the three months ended March 2019	for the three months ended March 2018
----- (Rupees in '000) -----			
Mark-up / return / interest earned	12	170,347	22,239
Mark-up / return / interest expensed	13	22,021	-
Net mark-up / interest income		<u>148,326</u>	<u>22,239</u>
NON MARK-UP / INTEREST INCOME			
Fee and commission income		-	-
Dividend income		-	-
Foreign exchange income		-	-
Income / (loss) from derivatives		-	-
Gain on securities		6	-
Other income		-	-
Total non-markup / interest income		<u>6</u>	<u>-</u>
Total income		<u>148,332</u>	<u>22,239</u>
NON MARK-UP / INTEREST EXPENSES			
Operating expenses		50,485	25,312
Workers welfare fund		-	-
Other charges		-	-
Total non-markup / interest expenses		<u>50,485</u>	<u>25,312</u>
Profit / (loss) before provisions		<u>97,847</u>	<u>(3,073)</u>
Provisions and write offs - net		-	-
Extra ordinary / unusual items		-	-
PROFIT / (LOSS) BEFORE TAXATION		<u>97,847</u>	<u>(3,073)</u>
Taxation		-	1,037
PROFIT / (LOSS) AFTER TAXATION		<u>97,847</u>	<u>(2,036)</u>
----- (Rupees in '000) -----			
Basic and diluted earnings / (loss) per share	14	<u>0.27</u>	<u>(0.14)</u>

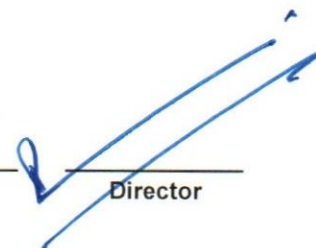
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 President /
 Chief Executive


 Chief Financial
 Officer


 Director


 Director


 Director

Pakistan Mortgage Refinance Company Limited
 Condensed Interim Statement of Changes in Equity
 For the three months ended March 31, 2019


	Share capital	Statutory reserve	Surplus / (deficit) on revaluation of		Unappropriated profit/(loss)	Total
			Investments	Fixed / non banking assets		
(Rupees in '000)						
Balance as at 01 January 2018	150,001	-	-	-	343	150,344
Loss after taxation for the three months ended March 31, 2018	-	-	-	-	(2,036)	(2,036)
Other comprehensive income - net of tax	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Transactions with owners, recorded directly in equity						
Issue of share capital	-	-	-	-	-	-
Amount received against issue of shares	-	-	-	-	-	-
Balance as at 01 April 2018	150,001	-	-	-	(1,693)	148,308
Profit after taxation for the nine months ended December 31, 2018	-	-	-	-	57,073	57,073
Other comprehensive income - net of tax	-	-	-	-	(796)	(796)
Transfer to statutory reserve	-	11,007	-	-	(11,007)	-
Transactions with owners, recorded directly in equity						
Issue of share capital	3,508,505	-	-	-	-	3,508,505
Balance as at 01 January 2019	3,658,506	11,007	-	-	43,577	3,713,090
Profit after taxation for the three months ended March 31, 2019	-	-	-	-	97,847	97,847
Other comprehensive income - net of tax	-	-	(114)	-	-	(114)
Transfer to statutory reserve	-	19,569	-	-	(19,569)	-
Transactions with owners, recorded directly in equity						
Surplus / (deficit) on revaluation of assets	-	-	-	-	-	-
Balance as at 31 March 2019	3,658,506	30,576	(114)	-	121,855	3,810,823

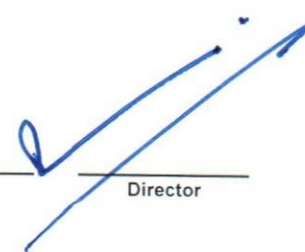
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 President / Chief Executive


 Chief Financial Officer


 Director


 Director


 Director


Pakistan Mortgage Refinance Company Limited
Condensed Interim Statement Of Comprehensive Income (Un-Audited)
For the three months ended March 31, 2019

	for the three months ended March 2019 ----- (Rupees in '000) -----	for the three months ended March 2018 ----- (Rupees in '000) -----
Profit / (loss) after taxation for the period	97,847	(2,036)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branches	-	-
Movement in surplus / (deficit) on revaluation of investments - net of tax	(114)	-
	(114)	-
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement loss on defined benefit obligations - net of tax	-	-
Movement in surplus on revaluation of operating fixed assets - net of tax	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-
	-	-
Total comprehensive income/ (loss)	<u>97,733</u>	<u>(2,036)</u>

The annexed notes 1 to 21 form an integral part of these financial statements.



 President /
 Chief Executive



 Chief Financial
 Officer



 Director



 Director

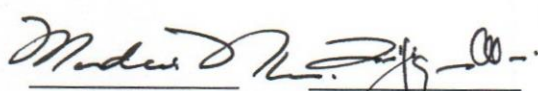


 Director

Pakistan Mortgage Refinance Company Limited
Condensed Interim Cash Flow Statement (Un-Audited)
For the three months ended March 31, 2019

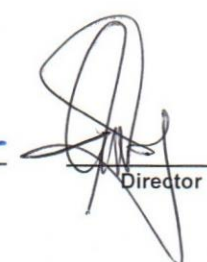
	Note	for the three months ended March 2019	for the three months ended March 2018
----- (Rupees in '000) -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		97,847	(3,073)
Less: Dividend income		-	-
		<u>97,847</u>	<u>(3,073)</u>
Adjustments:			
Depreciation		2,251	1,305
Amortization		753	-
Provision and write-offs		-	-
Gain on sale of fixed assets		-	-
Finance charges on leased assets		-	-
Others		-	-
		<u>3,004</u>	<u>1,305</u>
		<u>100,851</u>	<u>(1,768)</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		(966,694)	-
Held-for-trading securities		-	-
Advances		(3,998,887)	-
Others assets (excluding advance taxation)		(52,610)	(10,796)
		<u>(5,018,191)</u>	<u>(10,796)</u>
Increase / (decrease) in operating liabilities			
Bills payable		-	-
Borrowings from financial institutions		-	-
Deposits		-	-
Other liabilities (excluding current taxation)		28,154	(2,333)
		<u>28,154</u>	<u>(2,333)</u>
Payments against off-balance sheet obligations		-	-
Income tax paid		(2,379)	(1,463)
<i>Net cash flow used in operating activities</i>		<u>(4,891,565)</u>	<u>(16,359)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(1,991,670)	-
Net divestments in held-to-maturity securities		1,009,632	-
Dividends received		-	-
Investments in operating fixed assets		(1,747)	(2,370)
Proceeds from sale of fixed assets		-	-
Effect of translation of net investment in foreign branches		-	-
<i>Net cash flow used in investing activities</i>		<u>(983,785)</u>	<u>(2,370)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts / payments of subordinated debt		7,050,716	-
Receipts / payments of lease obligations		-	-
Issue of share capital		-	1,810,840
Dividend paid		-	-
Remittances (made to) / received from head office		-	-
<i>Net cash flow from financing activities</i>		<u>7,050,716</u>	<u>1,810,840</u>
Effects of exchange rate changes on cash and cash equivalents		-	-
Increase in cash and cash equivalents		<u>1,175,366</u>	<u>1,792,111</u>
Cash and cash equivalents at beginning of the period		<u>505,219</u>	<u>1,254,658</u>
Cash and cash equivalents at end of the period		<u><u>1,680,585</u></u>	<u><u>3,046,769</u></u>

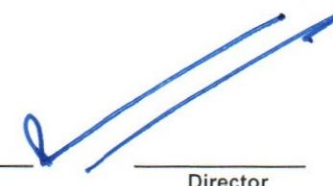
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 President /
 Chief Executive


 Chief Financial
 Officer


 Director


 Director


 Director

Pakistan Mortgage Refinance Company Limited

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the three months ended March 31, 2019

1 STATUS AND NATURE OF BUSINESS

Pakistan Mortgage Refinance Company Limited (PMRC), "the Company" is an unlisted public limited company incorporated in Pakistan on 14 May 2015 under repealed Companies Ordinance, 1984. The Company has been notified as a Development Financial Institution (DFI) by the Finance Division - Government of Pakistan on 27 October 2017. State Bank of Pakistan (SBP) issued Certificate of Business Commencement on 12 June 2018.

The Company is engaged in promoting, developing and improving the housing finance market of Pakistan, to provide refinance facilities to banks and financial institutions against their existing conventional and Islamic housing finance portfolios and to develop and promote the capital market in Pakistan. Its registered office and principal office is situated at Bahria Complex I, MT Khan Road, Karachi.

SBP has allowed the Company to operate with an Initial Paid Up Capital (net of losses) - Minimum Capital Requirement (MCR) level of at least Rs. 3.5 billion subject to MCR compliance with applicable paid up capital requirement within a period of five years from the commencement of its operations/business. Furthermore, during the forbearance period of five years, the Company will not be allowed to declare and make any cash dividend payment to its shareholders.

2 BASIS OF PRESENTATION

2.1 Separate financial statements

These condensed interim financial statements of the Company have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BSD Circular No. 02, dated 25 January 2018, International Accounting Standard (IAS) 34, 'Interim Financial Reporting', and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statement should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2018.

2.2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of International Accounting Standard - 34 - "interim Financial Reporting" as applicable in Pakistan, the requirements of the Companies Act, 2017 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and SBP. In case where requirements differ, the provisions of Companies Act, 2017 and the directives issued by the SECP and SBP have been followed. Moreover SBP has notified a new format of financial statements vide BPRD circular No.2 of 2018 which would be effective from accounting year ended December 31, 2018.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated 26 August 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' through its notification S.R.O 411(I)/2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

2.3 Standards, interpretations of and amendments to published accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations of accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after 01 January 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of assessing the impact of this standard on the financial statements of the Company and expects that the amendments are not likely to have an impact on the Company's financial statements.

Pakistan Mortgage Refinance Company Limited
Notes to the Condensed Interim Financial Statements (Un-Audited)
For the three months ended March 31, 2019

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The application of this amendment is not likely to have impact on the Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Company for the year ended December 31, 2018.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as those applied in the preparation of the financial statements of the Company for the year ended 31 December 2018.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with that disclosed in the financial statements of the Company for the year ended 31 December 2018.

6 INVESTMENTS

6.1	Investments by type:	Note	March 31, 2019 (Unaudited)				December 31, 2018 (Audited)			
			Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----										
Available-for-sale securities										
	Federal Government Securities	6.3	1,991,670	-	(114)	1,991,556	-	-	-	-
			1,991,670	-	(114)	1,991,556	-	-	-	-
	Total Investments		1,991,670	-	(114)	1,991,556	-	-	-	-

Held-to-maturity securities										
	Federal Government Securities		-	-	-	-	1,009,632	-	-	1,009,632
			-	-	-	-	1,009,632	-	-	1,009,632
	Total Investments		-	-	-	-	1,009,632	-	-	1,009,632

6.2	Investments by segments:	March 31, 2019 (Unaudited)				December 31, 2018 (Audited)				
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	
----- (Rupees in '000) -----										
Federal Government Securities:										
	Market Treasury Bills		1,991,670	-	(114)	1,991,556	1,009,632	-	-	1,009,632
			1,991,670	-	(114)	1,991,556	1,009,632	-	-	1,009,632
	Total Investments		1,991,670	-	(114)	1,991,556	1,009,632	-	-	1,009,632

6.3	Available-for-sale securities are as follows:	Cost	
		(Unaudited) March 31, 2019	(Audited) December 31, 2018
----- (Rupees in '000) -----			
	Federal Government Securities - Government guaranteed		
	Market Treasury Bills	1,991,556	-
6.4	Held to Maturity securities are as follows:		
	Federal Government Securities - Government guaranteed		
	Market Treasury Bills	-	1,009,632

6.3.1 The market value of securities classified as Available to Sale as at 31 March 2019 amounted to Rs. 1,991 million (2018 : nil).

6.4.1 The market value of securities classified as Held to Maturity as at 31 March 2019 is nil (2018 : Rs. Rs. 1,017 million).

7 ADVANCES

	Performing		Non Performing		Total	
	(Unaudited) March 31, 2019	(Audited) December 31, 2018	(Unaudited) March 31, 2019	(Audited) December 31, 2018	(Unaudited) March 31, 2019	(Audited) December 31, 2018
----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	5,198,887	1,200,000	-	-	5,198,887	1,200,000
Advances - gross	5,198,887	1,200,000	-	-	5,198,887	1,200,000
Provision against advances						
- Specific	-	-	-	-	-	-
- General	-	-	-	-	-	-
Advances - net of provision	5,198,887	1,200,000	-	-	5,198,887	1,200,000

7.1	Particulars of advances (Gross)	Note	Cost	
			(Unaudited) March 31, 2019	(Audited) December 31, 2018
----- (Rupees in '000) -----				
	In local currency		5,198,887	1,200,000
	In foreign currencies		-	-
			5,198,887	1,200,000

8	FIXED ASSETS	(Unaudited) March 31, 2019	(Audited) December 31, 2018
		(Rupees in '000)	
	Capital work-in-progress	-	-
	Property and equipment	44,375	45,067
	Intangible assets	10,547	11,112
		<u>54,922</u>	<u>56,179</u>

8.1	Additions to operating fixed assets	(Unaudited) for the three months ended	
		March 31, 2019	March 31, 2018
		(Rupees in '000)	
	The following additions have been made to operating fixed assets during the period		
	Computers	527	209
	Furniture & fixtures	978	-
	Office Equipment	163	2,161
		<u>1,668</u>	<u>2,370</u>

9 SUBORDINATED DEBT

On 22 February 2019, the Government of Pakistan lend Rs. 7.051 billion under World Bank - Housing Finance Project for 30 years at fixed rate of 3% pa. This has been disbursed in one tranche as a Sub-ordinated Loan, and if needed, can be converted into non-participatory Additional Tier 1 Capital.

10 SHARE CAPITAL

10.1 Authorized Capital

(Unaudited) March 31, 2019	(Audited) December 31, 2018		(Unaudited) March 31, 2019	(Audited) December 31, 2018
(Number of shares)			(Rupees in '000)	
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs.10 each	<u>10,000,000</u>	<u>10,000,000</u>

10.2 Issued, subscribed and paid up

(Unaudited) (Number of shares)	(Audited) (Number of shares)		(Unaudited) (Rupees in '000)	(Audited) (Rupees in '000)
<u>365,850,600</u>	<u>365,850,600</u>	Ordinary shares of Rs.10 each Fully paid in cash	<u>3,658,506</u>	<u>3,658,506</u>

10.2.1 Major shareholdings of the Company are:

Number of shares held		Name of Shareholder	Percentage of Shareholding	
March 31, 2019	December 31, 2018		March 31, 2019	December 31, 2018
120,000,000	120,000,000	Ministry of Finance – Islamic Republic of Pakistan	32.80	32.80
60,000,000	60,000,000	National Bank of Pakistan	16.40	16.40
50,000,000	50,000,000	Habib Bank Limited	13.67	13.67
50,000,000	50,000,000	United Bank Limited	13.67	13.67
30,000,000	30,000,000	Askari Bank Limited	8.20	8.20
30,000,000	30,000,000	Bank Alfalah Limited	8.20	8.20
20,000,000	20,000,000	Allied Bank Limited	5.47	5.47
5,000,000	5,000,000	Bank AL Habib Limited	1.37	1.37
667,500	667,500	House Building Finance Company Limited	0.18	0.18
183,000	183,000	Summit Bank Limited	0.05	0.05
100	100	Directors	0.00	0.00

11 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 31 March 2019 (31 December 2018 : nil).

12 MARK-UP / RETURN / INTEREST EARNED

	(Unaudited)	
	March 31, 2019	March 31, 2018
	(Rupees in '000)	
on Loans and advances	52,914	-
on Investments	39,940	-
on Lendings to financial institutions	11,150	-
on Balances with banks	<u>66,343</u>	<u>22,239</u>
	<u>170,347</u>	<u>22,239</u>

13 MARK-UP / RETURN / INTEREST EXPENSED

	(Unaudited)	
	March 31, 2019	March 31, 2018
	(Rupees in '000)	
on		
- Long-term borrowing	<u>22,021</u>	-
	<u>22,021</u>	-

14 BASIC & DILUTED EARNINGS/ (LOSS) PER SHARE

Profit / (loss) for the period	<u>97,847</u>	<u>(2,036)</u>
Weighted average number of ordinary shares	<u>365,850,600</u>	<u>150,001</u>
Basic earnings / (loss) per share	<u>0.27</u>	<u>(0.14)</u>

14.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2019 which would have any effect on the earnings per share.

15 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

15.1 Total Compensation Expense

	Chief Executive (Unaudited)		Directors (Unaudited)		Executives (Unaudited)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)					
Fees / remuneration	-	-	1,070	660	-	-
Managerial remuneration	6,236	4,776	-	-	13,334	9,792
Medical	43	93	-	-	26	31
Utilities	-	-	-	-	-	-
Membership fee	-	-	-	-	-	-
Others	-	-	-	-	-	-
	6,279	4,869	1,070	660	13,360	9,823
Number of persons	1	1	9	10	10	6

15.2 Chief Executive and an Executive are entitled to Company's maintained cars with fuel in accordance with the terms of their employment and are entitled to medical and life insurance benefits in accordance with the policy of the Company. In addition, the Chief Executive are also provided with drivers, club memberships, security arrangements and payment of travel bills in accordance with their terms of employment.

15.3 Executive means employees other than managing director and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

16 FAIR VALUE MEASUREMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Fair value of financial instruments is based on:

Federal Government Securities	PKRV rates (Reuters page)
Non Government Debt Securities	Market prices
Foreign Securities	Market prices / Mashreq
Listed securities	Market prices
Mutual funds	Net asset values
Unlisted equity investments	Break - up value as per latest available audited financial statements

Fair value of fixed term advances of over one year of over one year cannot be calculated with sufficient reliability due to non - availability of relevant active market for similar assets and liabilities.

17 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).
- 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:

	(Unaudited) March 31, 2019			Total
	Level 1	Level 2	Level 3	
On balance sheet financial instruments	(Rupees in '000)			
Financial assets - measured to fair value				
Investments	-	1,991,556	-	1,991,556
Financial assets - disclosed but not measured at fair value				
Investments	-	-	-	-
Off-balance sheet financial instruments - measured at fair value				
	-	-	-	-
	(Audited) December 31, 2018			
On balance sheet financial instruments	(Rupees in '000)			
Financial assets - disclosed but not measured at fair value				
Investments	-	1,009,632	-	1,009,632
Off-balance sheet financial instruments - measured at fair value				
	-	-	-	-

In the opinion of the management, the fair value of the remaining financial assets and liabilities is not significantly different from their carrying values.

18 RELATED PARTY TRANSACTIONS

Related parties of the Company comprise major shareholders, directors, retirement benefit funds and key management personnel and their close family members.

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 transactions with employees of the Company are carried out in accordance with the terms of their employment.

Transactions with related parties, other than those disclosed in note 15 are summarised as follows:

	(Unaudited)			(Unaudited)		
	March 31, 2019			March 31, 2018		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
----- (Rupees in '000) -----						
Balances with other banks						
In current accounts	-	-	184	-	-	1,051
In deposit accounts	-	-	6,803	-	-	3,045,718
	-	-	6,987	-	-	3,046,769
Other Assets						
Interest / mark-up accrued	-	-	36,858	-	-	10,911

RELATED PARTY TRANSACTIONS

	(Unaudited)			(Unaudited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
----- (Rupees in '000) -----						
Income						
Mark-up / return / interest earned	-	-	36,897	-	-	21,530
Expense						
Remuneration paid	1,070	13,334	-	660	9,792	-
Post employment benefits	-	1,335	-	-	-	-

19 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Capital adequacy

As per requirements of SBP, the DFI is required to comply with the capital adequacy framework which comprises the following capital standards:

i) Minimum Capital Requirement (MCR):

The MCR standard sets the paid - up capital that the DFI is required to hold at all times.

As of the statement of financial position date, the Company's paid - up capital stands at Rs. 3.65 billion. SBP has allowed the Company to operate with an Initial Paid Up Capital (net of losses) - Minimum Capital Requirement (MCR) level of at least Rs. 3.5 billion subject to MCR compliance with applicable paid up capital requirement within a period of five years from the commencement of its operations/business.

On 22 February 2019, the Government of Pakistan lent Rs. 7.051 billion under World Bank - Housing Finance Project. This has been disbursed in one tranche as a Sub-ordinated Loan, and if needed, can be converted into non-participatory Additional Tier 1 Capital.

ii) Capital Adequacy Ratio:

The Capital Adequacy Ratio (CAR) assesses the capital requirement based on the risks faced by the DFI. The DFI are required to comply with the CAR as specified by SBP.

During the year 2013, SBP issued revised instructions on the computation of CAR based on Basel III Capital Reform as issued by the Basel Committee on Banking Supervision. These instructions became effective from 31 December 2013 with full implementation intended by 31 December 2019. These instructions also specify the transitional arrangements from 2013 to 2019.

Accordingly, the DFI has assessed and reported its Capital Adequacy Ratio in the financial statements on the basis of Basel III requirements as prescribed by SBP.

	(Unaudited) March 31, 2019	(Audited) December 31, 2018
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>3,658,506</u>	<u>3,658,506</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	3,800,275	3,701,981
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>3,800,275</u>	<u>3,701,981</u>
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>3,800,275</u>	<u>3,701,981</u>
Risk Weighted Assets (RWAs):		
Credit Risk	1,279,368	462,937
Market Risk	-	-
Operational Risk	220,106	220,106
Total	<u>1,499,474</u>	<u>683,043</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>253.44%</u>	<u>541.98%</u>
Tier 1 Capital Adequacy Ratio	<u>253.44%</u>	<u>541.98%</u>
Total Capital Adequacy Ratio	<u>253.44%</u>	<u>541.98%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	3,800,275	3,701,981
Total Exposures	8,503,239	3,728,972
Leverage Ratio	<u>44.69%</u>	<u>99.28%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	2,065,481	653
Total Net Cash Outflow	375	463
Liquidity Coverage Ratio	<u>5,507.95</u>	<u>1.41</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	10,850,991	3,701,981
Total Required Stable Funding	5,402,657	1,689,582
Net Stable Funding Ratio	<u>200.85%</u>	<u>219.11%</u>

19.1 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time have been placed on the website. The link to the full disclosure is available at <http://www.pmr.com.pk>.

20 GENERAL

Captions, as prescribed by BPRD Circular No.2 of 2018 issued by SBP, in respect of which there are no amounts, have not been reproduced in these financial statements, except for captions of the statement of financial position and profit and loss account.


21 DATE OF AUTHORISATION

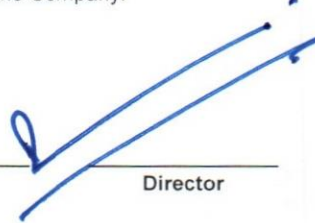
These financial statements were authorised on April 26, 2019 by the Board of Directors of the Company.


 President /
 Chief Executive


 Chief Financial
 Officer


 Director


 Director


 Director

