

**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

|   |      | (Un-Audited)      | (Audited)            |
|---|------|-------------------|----------------------|
|   | Note | March 31,<br>2022 | December 31,<br>2021 |
| (Rupees in '000)                                    |      |                   |                      |
| <b>ASSETS</b>                                       |      |                   |                      |
| Cash and balances with treasury banks               | 6    | 2,428             | 4,057                |
| Balances with other banks                           | 7    | 15,072,614        | 15,486,065           |
| Lendings to financial institutions                  |      | -                 | -                    |
| Investments   | 8    | 11,727,519        | 10,238,557           |
| Advances  | 9    | 25,243,973        | 23,714,838           |
| Fixed assets  | 10   | 172,191           | 183,072              |
| Intangible assets                                   | 11   | 23,558            | 23,643               |
| Deferred tax assets                                 |      | -                 | -                    |
| Other assets  | 12   | 548,099           | 560,794              |
|   |      | <u>52,790,382</u> | <u>50,211,026</u>    |
| <b>LIABILITIES</b>                                  |      |                   |                      |
| Bills payable                                       |      | -                 | -                    |
| Borrowings  | 13   | 37,260,697        | 35,187,449           |
| Deposits and other accounts                         |      | -                 | -                    |
| Liabilities against assets subject to finance lease |      | -                 | -                    |
| Subordinated debt                                   | 14   | 7,050,716         | 7,050,716            |
| Deferred tax liabilities                            |      | -                 | -                    |
| Other liabilities                                   | 15   | 851,540           | 605,662              |
|   |      | <u>45,162,953</u> | <u>42,843,827</u>    |
| <b>NET ASSETS</b>                                   |      | <u>7,627,429</u>  | <u>7,367,199</u>     |
| <b>REPRESENTED BY</b>                               |      |                   |                      |
| Share capital                                       |      | 6,237,759         | 6,237,759            |
| Reserves  |      | 750,128           | 691,930              |
| (Deficit) / Surplus on revaluation of assets        | 16   | (278,125)         | (247,362)            |
| Unappropriated profit                               |      | 917,667           | 684,872              |
|   |      | <u>7,627,429</u>  | <u>7,367,199</u>     |
| <b>CONTINGENCIES AND COMMITMENTS</b>                |      |                   |                      |
|   | 17   |                   |                      |

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

  
 Managing Director /  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Director

  
 Director

**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**

| Note  | Quarter ended                |                         |         |
|---|------------------------------|-------------------------|---------|
|   | January -<br>March 2022      | January -<br>March 2021 |         |
|   | ----- (Rupees in '000) ----- |                         |         |
| Mark-up / return / interest / profit earned   | 18                           | 970,293                 | 560,661 |
| Mark-up / return / interest / profit expensed | 19                           | 566,244                 | 183,179 |
| Net Mark-up / interest income                 |                              | 404,049                 | 377,482 |
| <b>NON MARK-UP / INTEREST INCOME</b>          |                              |                         |         |
| Fee and commission income                     |                              | -                       | -       |
| Dividend income                               |                              | -                       | -       |
| Foreign exchange income                       |                              | -                       | -       |
| Income / (loss) from derivatives              |                              | -                       | -       |
| Gain on securities                            |                              | -                       | -       |
| Other income                                  |                              | 862                     | 107     |
| Total non-markup / interest income            |                              | 862                     | 107     |
| Total income                                  |                              | 404,911                 | 377,589 |
| <b>NON MARK-UP / INTEREST EXPENSE</b>         |                              |                         |         |
| Operating expenses                            | 20                           | 92,979                  | 80,784  |
| Workers' Welfare Fund                         |                              | 5,939                   | 5,936   |
| Other charges                                 |                              | -                       | -       |
| Total non-markup / interest expenses          |                              | 98,918                  | 86,720  |
| Profit before provisions                      |                              | 305,993                 | 290,869 |
| Provisions and write offs - net               |                              | 15,000                  | -       |
| <b>PROFIT BEFORE TAXATION</b>                 |                              | 290,993                 | 290,869 |
| Taxation                                      | 21                           | -                       | -       |
| <b>PROFIT AFTER TAXATION</b>                  |                              | 290,993                 | 290,869 |
|   |                              | ----- (Rupees) -----    |         |
| Basic and diluted earnings per share          | 22                           | 0.47                    | 0.47    |

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

  
 Managing Director /  
 Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**

|  | Quarter ended           |                         |
|--|-------------------------|-------------------------|
|  | January -<br>March 2022 | January -<br>March 2021 |
|  | (Rupees in '000)        |                         |
| Profit after taxation for the period   | 290,993                 | 290,869                 |
| <b>Other comprehensive income</b>  |                         |                         |
| <b>Items that may be reclassified to the profit and loss account in subsequent periods</b> |                         |                         |
| Movement in (deficit) / surplus on revaluation of investments                              | (30,763)                | (60,591)                |
| <b>Total comprehensive income</b>  | <u>260,230</u>          | <u>230,278</u>          |

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

|   |   |  |  |  |
|---|---|--|--|--|
|  |  |  |  |  |
| _____<br>Managing Director /<br>Chief Executive Officer                             | _____<br>Chief Financial Officer  | _____<br>Director  | _____<br>Director  | _____<br>Director  |

**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**

|   | Share capital    | Statutory reserve | Surplus / (deficit) on revaluation of investments | Unappropriated profit | Total            |
|---|------------------|-------------------|---|-----------------------|------------------|
|   | (Rupees in '000) |                   |   |                       |                  |
| Balance as at December 31, 2020 (Audited)                                     | 3,658,506        | 478,643           | 83,356  | 1,917,858             | 6,138,363        |
| Profit after taxation for the three months ended March 31, 2021               | -                | -                 | -   | 290,869               | 290,869          |
| <b>Other comprehensive income</b>   |                  |                   |   |                       |                  |
| - Remeasurement gain on defined benefit obligations                           | -                | -                 | -   | -                     | -                |
| - Movement in surplus on revaluation of investments                           | -                | -                 | (60,591)  | -                     | (60,591)         |
| <b>Total comprehensive income for the three months ended March 31, 2021</b>   | -                | -                 | (60,591)  | -                     | (60,591)         |
| Transfer to statutory reserve   | -                | 58,174            | -   | (58,174)              | -                |
| <b>Balance as at March 31, 2021 (Un-audited)</b>                              | <b>3,658,506</b> | <b>536,817</b>    | <b>22,765</b>                                     | <b>2,150,553</b>      | <b>6,368,641</b> |
| Profit after taxation for the nine months ended December 31, 2021             | -                | -                 | -   | 775,564               | 775,564          |
| <b>Other comprehensive income</b>   |                  |                   |   |                       |                  |
| - Remeasurement gain on defined benefit obligations                           | -                | -                 | -   | (6,879)               | (6,879)          |
| - Movement in (deficit) on revaluation of investments                         | -                | -                 | (270,127)   | -                     | (270,127)        |
| <b>Total comprehensive income for the nine months ended December 31, 2021</b> | -                | -                 | (270,127)   | (6,879)               | (277,006)        |
| Transfer to statutory reserve   | -                | 155,113           | -   | (155,113)             | -                |
| <b>Transactions with owners, recorded directly in equity</b>                  |                  |                   |   |                       |                  |
| Issue of share capital  | 500,000          |                   |   |                       | 500,000          |
| Issue of bonus shares   | 2,079,253        |                   |   | (2,079,253)           | -                |
| <b>Balance as at December 31, 2021 (Audited)</b>                              | <b>6,237,759</b> | <b>691,930</b>    | <b>(247,362)</b>                                  | <b>684,872</b>        | <b>7,367,199</b> |
| Profit after taxation for the three months ended March 31, 2022               | -                | -                 | -   | 290,993               | 290,993          |
| <b>Other comprehensive income</b>   |                  |                   |   |                       |                  |
| - Remeasurement gain on defined benefit obligations                           | -                | -                 | -   | -                     | -                |
| - Movement in (deficit) on revaluation of investments                         | -                | -                 | (30,763)  | -                     | (30,763)         |
| <b>Total comprehensive income for the three months ended March 31, 2022</b>   | -                | -                 | (30,763)  | -                     | (30,763)         |
| Transfer to statutory reserve   | -                | 58,199            | -   | (58,199)              | -                |
| <b>Balance as at March 31, 2022 (Un-audited)</b>                              | <b>6,237,759</b> | <b>750,128</b>    | <b>(278,125)</b>                                  | <b>917,667</b>        | <b>7,627,429</b> |

The annexed notes from 1 to 28 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 THREE MONTHS ENDED MARCH 31, 2022**

|   | March 31,<br>2022        | March 31,<br>2021       |
|---|--------------------------|-------------------------|
|   | (Rupees in '000)         |                         |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                            |                          |                         |
| Profit before taxation  | 290,993                  | 290,869                 |
| <b>Adjustments:</b>   |                          |                         |
| Depreciation  | 11,792                   | 8,374                   |
| Amortisation  | 4,696                    | 1,122                   |
| Gain on sale of fixed assets  | -                        | (1)                     |
| Interest expense - lease liability against right-of-use assets        | 2,043                    | 2,425                   |
|   | <u>18,531</u>            | <u>11,920</u>           |
|   | 309,524                  | 302,789                 |
| <b>Increase in operating assets</b>                                   |                          |                         |
| Advances  | (1,529,135)              | (2,445,626)             |
| Others assets (excluding advance taxation)                            | 8,659                    | 71,615                  |
|   | <u>(1,520,476)</u>       | <u>(2,374,011)</u>      |
| <b>Increase in operating liabilities</b>                              |                          |                         |
| Borrowings from financial institutions                                | (826,752)                | (722,011)               |
| Other liabilities   | 237,243                  | 81,255                  |
|   | <u>(589,509)</u>         | <u>(640,756)</u>        |
| Income tax paid   | (56)                     | (5)                     |
| <b>Net cash flows (used in) from operating activities</b>             | <u>(1,800,517)</u>       | <u>(2,711,983)</u>      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                            |                          |                         |
| Net investments in available-for-sale securities                      | (1,514,175)              | 940,671                 |
| Net investments in held-to-maturity securities                        | (5,550)                  | (4,964)                 |
| Investments in operating fixed assets and intangible assets           | (1,440)                  | (18,497)                |
| Proceeds from sale of fixed assets                                    | 10                       | 1                       |
| <b>Net cash flows (used in) / generated from investing activities</b> | <u>(1,521,155)</u>       | <u>917,211</u>          |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                            |                          |                         |
| Issue of share capital  | -                        | 500,000                 |
| Payment of lease liability against right of use assets                | 6,592                    | 6,592                   |
| Receipts from issuance of Bonds - net                                 | 2,900,000                | -                       |
| Receipts from issuance of Sukuks                                      | -                        | 3,100,000               |
| <b>Net cash flows generated from financing activities</b>             | <u>2,906,592</u>         | <u>3,606,592</u>        |
| <b>Increase in cash and cash equivalents</b>                          | <u>(415,080)</u>         | <u>1,811,820</u>        |
| Cash and cash equivalents at the beginning of the period              | <u>15,490,122</u>        | <u>3,141,844</u>        |
| <b>Cash and cash equivalents at the end of the period</b>             | <u><u>15,075,042</u></u> | <u><u>4,953,664</u></u> |

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

|   |   |   |   |   |
|---|---|---|---|---|
|  |  |  |  |  |
| Managing Director /<br>Chief Executive Officer                                      | 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, 2022**

**1. STATUS AND NATURE OF BUSINESS**

Pakistan Mortgage Refinance Company Limited (the Company) is an unlisted public limited company incorporated in Pakistan on May 14, 2015 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company has been notified as a Development Financial Institution (DFI) by the Finance Division of Government of Pakistan on October 27, 2017. The State Bank of Pakistan (SBP) granted the certificate for commencement of business with effect from June 12, 2018.

The Company's objectives interalia include promoting, developing and improving the housing finance market of Pakistan by providing pre-finance / re-finance facilities to banks and financial institutions against their conventional and Islamic housing finance portfolios and other eligible securities and promote the development of capital markets in Pakistan. The Company is also engaged in providing Trustee services to the Government owned Credit Guarantee Scheme for housing finance. The registered office of the Company is situated at Finance and Trade Center, Block-A, Shahrah-e-Faisal, Karachi.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- 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 the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP);
- Provisions of and directives issued under the Banking Companies Ordinance, 1962; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017.

Whenever the requirements of the Companies Act, 2017, the Banking Companies Ordinance, 1962 or the directives issued by the SBP and the SECP differ with the requirements of IFRSs, the requirements of the Companies Act, 2017, the Banking Companies Ordinance, 1962 and the said directives shall prevail.

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 / DFIs in Pakistan through BSD Circular Letter No.10 dated August 26, 2002, till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures', through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

- 2.2** 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 BPRD Circular Letter No. 05, dated March 22, 2019, and International Accounting Standard (IAS) 34, 'Interim Financial Reporting', and do not include all the information and disclosures required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2021.

**3. SIGNIFICANT ACCOUNTING POLICIES**

- 3.1** The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2021.

### 3.2 Amendments to approved accounting standards that are effective in the current period

There are certain amendments to existing accounting standards that have become applicable to the Company for accounting periods beginning on or after January 01, 2022. These are considered either not to be relevant or not to have any significant impact on the Company's financial statements.

The IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement and includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss (ECL) model for calculating impairment on financial assets. The detailed guidelines are awaited on implementation of this standard and accordingly, its impacts have not been incorporated in these financial statements and being reported to the SBP in pro-forma financial statements with complete disclosures of changes in accounting policies, provision calculated based on ECL model and its related impacts on financial statements and Regulatory capital requirements.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2021.

| 6. CASH AND BALANCES WITH TREASURY BANKS  | Note      | (Un-Audited)      | (Audited)            |
|---|-----------|-------------------|----------------------|
|   |           | March 31,<br>2022 | December 31,<br>2021 |
| (Rupees in '000)  |           |                   |                      |
| With State Bank of Pakistan in<br>Local currency current account  |           | 2,388             | 4,017                |
| With National Bank of Pakistan in<br>Local currency current accounts<br>Local currency deposit account - NIDA |           | 31<br>9<br>40     | 31<br>9<br>40        |
|   |           | <u>2,428</u>      | <u>4,057</u>         |
| <b>7. BALANCES WITH OTHER BANKS</b>   |           |                   |                      |
| In Pakistan   |           |                   |                      |
| In current accounts   |           | 2                 | 16                   |
| In deposit accounts   | 7.1 & 7.2 | <u>15,072,612</u> | <u>15,486,049</u>    |
|   |           | <u>15,072,614</u> | <u>15,486,065</u>    |

7.1 These include term deposit receipts (TDRs) amounting to Rs. 12,000 million (2021: Rs. 11,617 million) and are due to mature latest by May 05, 2022 (2021: January 28, 2022). These carry mark-up at rates ranging from 12% to 12.50% (2021: 12% to 12.25%) per annum.

7.2 These include deposit accounts in local currency maintained with other banks. These carry mark-up at rates ranging from 5.75% to 11.6% (2021: 5.75% to 11%) per annum.

### 8. INVESTMENTS

#### 8.1 Investments by type:

|                                      | (Un-Audited)                |                             |                        |                   | (Audited)                   |                             |                        |                   |
|--------------------------------------|-----------------------------|-----------------------------|------------------------|-------------------|-----------------------------|-----------------------------|------------------------|-------------------|
|                                      | March 31, 2022              |                             |                        |                   | December 31, 2021           |                             |                        |                   |
|                                      | Cost /<br>amortised<br>cost | Provision for<br>diminution | Surplus /<br>(deficit) | Carrying<br>value | Cost /<br>amortised<br>cost | Provision for<br>diminution | Surplus /<br>(deficit) | Carrying<br>value |
| (Rupees in '000)                     |                             |                             |                        |                   |                             |                             |                        |                   |
| <b>Available-for-sale securities</b> |                             |                             |                        |                   |                             |                             |                        |                   |
| Non Government Debt Securities       | 300,000                     | -                           | -                      | 300,000           | 300,000                     | -                           | -                      | 300,000           |
| Federal Government Securities        | 10,716,549                  | -                           | (278,125)              | 10,438,424        | 9,202,374                   | -                           | (247,362)              | 8,955,012         |
|                                      | 11,016,549                  | -                           | (278,125)              | 10,738,424        | 9,502,374                   | -                           | (247,362)              | 9,255,012         |
| <b>Held-to-maturity securities</b>   |                             |                             |                        |                   |                             |                             |                        |                   |
| Federal Government Securities        | 989,095                     | -                           | -                      | 989,095           | 983,545                     | -                           | -                      | 983,545           |
|                                      | 989,095                     | -                           | -                      | 989,095           | 983,545                     | -                           | -                      | 983,545           |
| <b>Total Investments</b>             | <u>12,005,644</u>           | <u>-</u>                    | <u>(278,125)</u>       | <u>11,727,519</u> | <u>10,485,919</u>           | <u>-</u>                    | <u>(247,362)</u>       | <u>10,238,557</u> |

- 8.2 The market value of securities classified as held-to-maturity as at March 31, 2022 amounted to Rs. 985.093 million (December 31, 2021: Rs. 984.123 million).

|                                     |      | (Un-Audited)<br>March 31,<br>2022 | (Audited)<br>December<br>31, 2021 |
|-------------------------------------|------|-----------------------------------|-----------------------------------|
| 8.3 Investments given as collateral | Note | (Rupees in '000)                  |                                   |
| Pakistan Investment Bonds           | 8.4  | 7,375,662                         | 8,323,472                         |
|                                     |      | <u>7,375,662</u>                  | <u>8,323,472</u>                  |

- 8.4 The market value of securities given as collateral is Rs. 7,271.52 million (2021: Rs. 8,128.08 million).

## 9. ADVANCES

|   | Performing                        |                                   | Non-Performing                    |                                   | Total                             |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   | March 31,<br>2022<br>(Un-Audited) | December 31,<br>2021<br>(Audited) | March 31,<br>2022<br>(Un-Audited) | December 31,<br>2021<br>(Audited) | March 31,<br>2022<br>(Un-Audited) | December 31,<br>2021<br>(Audited) |
|   | (Rupees in '000)                  |                                   |                                   |                                   |                                   |                                   |
| Loans, cash credits, running finances, etc. | 17,137,291                        | 18,388,280                        | -                                 | -                                 | 17,137,291                        | 18,388,280                        |
| Islamic financing                           | 8,121,882                         | 5,328,558                         | -                                 | -                                 | 8,121,882                         | 5,328,558                         |
| Advances - gross                            | <u>25,258,973</u>                 | <u>23,714,838</u>                 | -                                 | -                                 | <u>25,258,973</u>                 | <u>23,714,838</u>                 |
| Provision against advances                  |                                   |                                   |                                   |                                   |                                   |                                   |
| - Specific                                  | -                                 | -                                 | -                                 | -                                 | -                                 | -                                 |
| - General                                   | 15,000                            | -                                 | -                                 | -                                 | 15,000                            | -                                 |
|   | <u>15,000</u>                     | <u>-</u>                          | <u>-</u>                          | <u>-</u>                          | <u>15,000</u>                     | <u>-</u>                          |
| Advances - net of provision                 | <u>25,243,973</u>                 | <u>23,714,838</u>                 | <u>-</u>                          | <u>-</u>                          | <u>25,243,973</u>                 | <u>23,714,838</u>                 |

|                                     | (Un-Audited)<br>March 31,<br>2022 | (Audited)<br>December<br>31, 2021 |
|-------------------------------------|-----------------------------------|-----------------------------------|
| 9.1 Particulars of advances (Gross) | (Rupees in '000)                  |                                   |
| In local currency                   | <u>25,258,973</u>                 | <u>23,714,838</u>                 |

- 9.2 The Company has taken a general provision on advances book considering potential impact of changes in Regulations for maintaining provisions.

## 10. FIXED ASSETS

|                        |      |                |                |
|------------------------|------|----------------|----------------|
| Property and equipment | 10.1 | <u>172,191</u> | <u>183,072</u> |
|------------------------|------|----------------|----------------|

- 10.1 This includes right-of-use asset amounting to Rs. 85.80 million (December 31, 2021: Rs. 91.65 million).

### 10.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

|  | (Un-Audited)<br>March 31,<br>2022 | (Un-Audited)<br>March 31,<br>2021 |
|--|-----------------------------------|-----------------------------------|
|  | (Rupees in '000)                  |                                   |
| Property and equipment                         |                                   |                                   |
| Furniture, fixtures and leasehold improvements | -                                 | 852                               |
| Electrical office and computer equipments      | 921                               | 2,193                             |
|  | <u>921</u>                        | <u>3,045</u>                      |
| Total  | <u>921</u>                        | <u>3,045</u>                      |



**10.3 Disposal of fixed assets**

The net book value of fixed assets disposed off during the period is as follows:

|  | (Un-Audited)<br>March 31,<br>2022 | (Un-Audited)<br>March 31,<br>2021 |
|--|-----------------------------------|-----------------------------------|
|  | (Rupees in '000)                  |                                   |
| Furniture and fixtures - cost                    | -                                 | 19,647                            |
| Accumulated depreciation                         | -                                 | (6,775)                           |
|  | -                                 | 12,872                            |
| Electrical office and computer equipments - cost | 298                               | 633                               |
| Accumulated depreciation                         | (288)                             | (402)                             |
|  | 10                                | 231                               |
| <b>Total book value</b>                          | <b>10</b>                         | <b>13,103</b>                     |

(Un-Audited)                      (Audited)  
March 31,                              December  
2022                                      31, 2021  
(Rupees in '000)

**11. INTANGIBLE ASSETS**

|                                   |      |               |               |
|-----------------------------------|------|---------------|---------------|
| Advance against computer software | 11.1 | 18,913        | 18,913        |
| Computer Software                 | 11.2 | 4,645         | 4,730         |
| <b>Total</b>                      |      | <b>23,558</b> | <b>23,643</b> |

11.1 This includes an advance amounting to Rs. 18.461 million paid to AutoSoft Dynamics (Private) Limited against deployment of loan and credit system.

**11.2 Additions to intangible assets**

The following additions have been made to intangible assets during the period:

|                               | (Un-Audited)<br>March 31,<br>2022 | (Un-Audited)<br>March 31,<br>2021 |
|-------------------------------|-----------------------------------|-----------------------------------|
|                               | (Rupees in '000)                  |                                   |
| Directly purchased - Software | 519                               | 108                               |

(Un-Audited)                      (Audited)  
March 31,                              December  
2022                                      31, 2021  
(Rupees in '000)

**12. OTHER ASSETS**

|  |                |                |
|--|----------------|----------------|
| Mark-up / return / interest / profit accrued in local currency | 444,372        | 456,313        |
| Advances, deposits, advance rent and other prepayments         | 76,702         | 77,512         |
| Advance taxation (payments less provisions)                    | 27,025         | 26,969         |
|  | 548,099        | 560,794        |
| Less: Provision held against other assets                      | -              | -              |
| <b>Other assets - net of provision</b>                         | <b>548,099</b> | <b>560,794</b> |

|  | Note | (Un-Audited)<br>March 31,<br>2022 | (Audited)<br>December<br>31, 2021 |
|--|------|-----------------------------------|-----------------------------------|
| (Rupees in '000)   |      |                                   |                                   |
| <b>13. BORROWINGS</b>  |      |                                   |                                   |
| <b>Secured</b>   |      |                                   |                                   |
| - Term Finance Certificates  | 13.1 | 15,600,000                        | 12,700,000                        |
| - Sukuks   | 13.2 | 4,100,000                         | 4,100,000                         |
| - Repurchase agreement borrowings  |      | 7,271,956                         | 8,098,708                         |
| Total secured  |      | <u>26,971,956</u>                 | <u>24,898,708</u>                 |
| <b>Unsecured</b>   |      |                                   |                                   |
| - Borrowings from Government of Pakistan under<br>World Bank - Housing Finance Project | 13.3 | <u>10,288,741</u>                 | <u>10,288,741</u>                 |
|  |      | <u>37,260,697</u>                 | <u>35,187,449</u>                 |

- 13.1 The Company has issued Term Finance Certificates amounting to Rs. 3,900 million (December 31, 2021: Rs. 12,700 million) during the period with maturity of 5 to 10 years at a fixed rate ranging from 10% to 11.32% (December 31, 2021: 8.41% to 9.35%) per annum. The principal is payable at maturity whereas interest is payable in six half yearly instalments.
- 13.2 This represents redeemable capital under the Islamic Mode of Musharakah (Shirkat-ul-Aqd), in the form of Shariah Compliant Sukuk certificates amounting to Rs. 4,100 million (December 31, 2021: Rs. 4,100 million) at desired profit rate ranging from 8.25% to 8.63% per annum by way of private placement, pursuant to the provisions of section 66 of the Companies Act, 2017.
- 13.3 This represents borrowing from Government of Pakistan under World Bank - Housing Finance Project for 30 years at fixed rate of 3% per annum. The interest is payable semi-annually and the principal will be payable semi-annually commencing from April 15, 2023 in fifty equal installments.

#### 14. SUBORDINATED DEBT

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

|                          | (Un-Audited)<br>March 31,<br>2022 | (Audited)<br>December<br>31, 2021 |
|--------------------------|-----------------------------------|-----------------------------------|
| (Rupees in '000)         |                                   |                                   |
| Issue amount             | 7,050,716                         | 7,050,716                         |
| Issue date               | February 22, 2019                 | February 22, 2019                 |
| Maturity date            | February 21, 2047                 | February 21, 2047                 |
| Rating                   | Not applicable                    | Not applicable                    |
| Security                 | Unsecured                         | Unsecured                         |
| Profit payment frequency | Semi-annually                     | Semi-annually                     |
| Redemption               | Not applicable                    | Not applicable                    |
| Mark-up rate             | 3% per annum                      | 3% per annum                      |

|  | Note | (Un-Audited)<br>March 31,<br>2022 | (Audited)<br>December<br>31, 2021 |
|--|------|-----------------------------------|-----------------------------------|
| <b>15. OTHER LIABILITIES</b>   |      |                                   |                                   |
|  |      | (Rupees in '000)                  |                                   |
| Mark-up / return / interest / profit payable in local currency         |      | 542,849                           | 306,123                           |
| Provision for employees' benefit                                       |      | 81,928                            | 61,274                            |
| Provision for Government levies  |      | 76,579                            | 70,640                            |
| Accrued expenses   |      | 30,129                            | 38,277                            |
| Lease liability against right-of-use assets                            |      | 89,513                            | 94,062                            |
| Payable against transaction cost for term finance / sukuk certificates |      | 27,650                            | 22,478                            |
| Payable to defined benefit plan  |      | 2,892                             | 9,901                             |
| Payable against purchase of fixed assets                               |      | -                                 | 2,907                             |
|  |      | 851,540                           | 605,662                           |

|   |     |           |           |
|---|-----|-----------|-----------|
| <b>16. (DEFICIT) ON REVALUATION OF ASSETS</b>             |     |           |           |
| (Deficit) on revaluation of Available for sale securities | 8.1 | (278,125) | (247,362) |

**17. CONTINGENCIES AND COMMITMENTS**

There are no contingent assets, contingencies and commitments as at March 31, 2022 (December 31, 2021: nil).

|  | (Un-Audited)       |                   |
|--|--------------------|-------------------|
|  | Three months ended |                   |
|  | March 31,<br>2022  | March 31,<br>2021 |
| <b>18. MARK-UP / RETURN / INTEREST / PROFIT EARNED</b> |                    |                   |
|  | (Rupees in '000)   |                   |
| On:  |                    |                   |
| Loans and advances                                     | 453,363            | 294,809           |
| Investments  | 266,843            | 239,540           |
| Lendings to financial institutions                     | 44,891             | 1,687             |
| Balances with banks                                    | 205,196            | 24,625            |
|  | 970,293            | 560,661           |

|  | Note | (Un-Audited)      |                   |
|--|------|-------------------|-------------------|
|  |      | Nine months ended |                   |
|  |      | March 31,<br>2022 | March 31,<br>2021 |
| <b>19. MARK-UP / RETURN / INTEREST / PROFIT EXPENSED</b>             |      |                   |                   |
|  |      | (Rupees in '000)  |                   |
| On:  |      |                   |                   |
| Borrowings from Government of Pakistan under Housing Finance Project |      | 77,890            | 77,166            |
| Repurchase agreement borrowings                                      |      | 60,268            | 20,281            |
| Term Finance Certificate   | 19.1 | 287,966           | 20,219            |
| Sukuk certificate  | 19.2 | 85,921            | 10,208            |
|  |      | 512,045           | 127,874           |
| Subordinated debt  |      | 52,156            | 52,880            |
| Lease liability against right-of-use assets                          |      | 2,043             | 2,425             |
|  |      | 566,244           | 183,179           |

19.1 This includes amortisation of issuance cost of Term Finance Certificates amounting Rs. 2.37 million (March 31, 2021: nil).

19.2 This includes amortisation of issuance cost of Sukuks amounting Rs. 1.58 million (March 31, 2021: Rs. 0.40 million).

|  | (Un-Audited)       |                   |
|--|--------------------|-------------------|
|  | Three months ended |                   |
|  | March 31,<br>2022  | March 31,<br>2021 |
|  | (Rupees in '000)   |                   |
| <b>20. OPERATING EXPENSES</b>          |                    |                   |
| Total compensation expense             | 65,406             | 58,958            |
| <b>Property expense</b>                |                    |                   |
| Rent                                   | -                  | 1,374             |
| Insurance                              | 175                | 121               |
| Utilities cost                         | 588                | 462               |
| Security                               | 145                | 145               |
| Repair and maintenance                 | 49                 | 13                |
| Depreciation - Right-of-Use Assets     | 5,851              | 5,851             |
|  | 6,808              | 7,966             |
| <b>Information technology expenses</b> |                    |                   |
| Software maintenance                   | 1,278              | 1,205             |
| Rent-Disaster Recovery Site            | 212                | 212               |
| Hardware maintenance                   | 84                 | 28                |
| Depreciation                           | 1,707              | 1,752             |
| Amortisation                           | 604                | 586               |
| Network charges                        | 441                | 413               |
|  | 4,326              | 4,196             |
| <b>Other operating expenses</b>        |                    |                   |
| Directors' fees and allowances         | 2,890              | 3,465             |
| Legal and professional charges         | 2,156              | 441               |
| Fees and subscription                  | 564                | 223               |
| Outsourced services costs              | 1,235              | 1,020             |
| Travelling and conveyance              | 495                | 464               |
| Depreciation                           | 4,234              | 771               |
| Training and development               | 109                | 1,074             |
| Postage and courier charges            | 38                 | 13                |
| Communication                          | 300                | 155               |
| Printing and stationery                | 383                | 237               |
| Marketing, advertisement and publicity | 756                | 196               |
| Donations                              | 500                | -                 |
| Auditors' remuneration                 | 820                | 398               |
| Insurance                              | 1,202              | 409               |
| Vehicle repair and maintenance         | 106                | 211               |
| Entertainment                          | 34                 | 177               |
| Others                                 | 617                | 410               |
|  | 16,439             | 9,664             |
|  | <u>92,979</u>      | <u>80,784</u>     |
| <b>21. TAXATION</b>                    |                    |                   |

The Company had been exempted from income tax under clause 66 of the part I of Second Schedule of the Income Tax Ordinance.

**22. BASIC EARNINGS PER SHARE**

|  | (Un-Audited)           |                   |
|--|------------------------|-------------------|
|  | Three months ended     |                   |
|  | March 31,<br>2022      | March 31,<br>2021 |
|  | (Rupees in '000)       |                   |
| Profit for the period                      | 290,993                | 290,869           |
|  | (Number of shares)     |                   |
| Weighted average number of ordinary shares | 623,775,900            | 621,553,678       |
|  | (Rupees)<br>(Restated) |                   |
| Basic and diluted earnings per share       | 0.47                   | 0.47              |

**22.1 Diluted earnings per share**

Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue as at March 31, 2022.

**23. FAIR VALUE MEASUREMENTS**

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available financial statements.

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.

**23.1 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).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

|  | (Un-Audited)      |            |         |            |
|--|-------------------|------------|---------|------------|
|  | March 31, 2022    |            |         |            |
|  | 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  |                   |            |         |            |
| Federal Government Securities                                      | -                 | 10,438,424 | -       | 10,438,424 |
| Non-Government Debt Securities                                     | -                 | 300,000    | -       | 300,000    |
| <b>Financial assets - disclosed but not measured at fair value</b> |                   |            |         |            |
| Federal Government Securities                                      | -                 | 985,093    | -       | 985,093    |
|  | (Audited)         |            |         |            |
|  | December 31, 2021 |            |         |            |
|  | 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  |                   |            |         |            |
| Federal Government Securities                                      | -                 | 8,955,012  | -       | 8,955,012  |
| Non-Government Debt Securities                                     | -                 | 300,000    | -       | 300,000    |
| <b>Financial assets - disclosed but not measured at fair value</b> |                   |            |         |            |
| Federal Government Securities                                      | -                 | 984,123    | -       | 984,123    |

## 24. RELATED PARTY TRANSACTIONS

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

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

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

|   | (Un-Audited)   |                          |                       | (Audited)         |                          |                       |
|---|----------------|--------------------------|-----------------------|-------------------|--------------------------|-----------------------|
|   | March 31, 2022 |                          |                       | December 31, 2021 |                          |                       |
|   | Directors      | Key management personnel | Other related parties | Directors         | Key management personnel | Other related parties |
| (Rupees in '000)                            |                |                          |                       |                   |                          |                       |
| <b>Statement of financial position</b>      |                |                          |                       |                   |                          |                       |
| <b>Balances with banks</b>                  |                |                          |                       |                   |                          |                       |
| In current accounts                         | -              | -                        | 33                    | -                 | -                        | 47                    |
| In deposit accounts                         | -              | -                        | 12,000,081            | -                 | -                        | 13,140,743            |
|   | -              | -                        | 12,000,114            | -                 | -                        | 13,140,790            |
| <b>Lendings to financial institutions</b>   |                |                          |                       |                   |                          |                       |
| Opening balance                             | -              | -                        | -                     | -                 | -                        | -                     |
| Addition during the period                  | -              | -                        | 10,662,678            | -                 | -                        | 6,903,367             |
| Repaid during the period                    | -              | -                        | (10,662,678)          | -                 | -                        | (6,903,367)           |
| Closing balance                             | -              | -                        | -                     | -                 | -                        | -                     |
| <b>Advances</b>                             |                |                          |                       |                   |                          |                       |
| Opening balance                             | -              | 44,700                   | 5,918,270             | -                 | 89,624                   | 4,627,769             |
| Addition during the period                  | -              | 16,000                   | -                     | -                 | 8,174                    | 3,050,000             |
| Repaid during the period                    | -              | (1,198)                  | (152,852)             | -                 | (53,565)                 | (1,759,499)           |
| Closing balance                             | -              | 59,502                   | 5,765,418             | -                 | 44,233                   | 5,918,270             |
| <b>Other Assets</b>                         |                |                          |                       |                   |                          |                       |
| Interest / mark-up accrued                  | -              | -                        | 122,319               | -                 | -                        | 99,848                |
| Other receivable                            | -              | -                        | 2,793                 | -                 | -                        | 24,071                |
|   | -              | -                        | 125,112               | -                 | -                        | 123,917               |
| <b>Borrowings</b>                           |                |                          |                       |                   |                          |                       |
| Opening balance                             | -              | -                        | 16,884,693            | -                 | -                        | 2,960,000             |
| Borrowings during the period                | -              | -                        | 25,013,012            | -                 | -                        | 135,864,346           |
| Settled during the period                   | -              | -                        | (29,033,008)          | -                 | -                        | (121,939,653)         |
| Closing balance                             | -              | -                        | 12,864,697            | -                 | -                        | 16,884,693            |
| <b>Other Liabilities</b>                    |                |                          |                       |                   |                          |                       |
| Interest / mark-up payable                  | -              | -                        | 172,808               | -                 | -                        | 78,289                |
| Payable to staff retirement fund            | -              | -                        | 2,892                 | -                 | -                        | 9,901                 |
|   | -              | -                        | 175,700               | -                 | -                        | 88,190                |
| (Rupees in '000)                            |                |                          |                       |                   |                          |                       |
| <b>Profit and loss account</b>              |                |                          |                       |                   |                          |                       |
| <b>Income</b>                               |                |                          |                       |                   |                          |                       |
| Mark-up / return / interest / profit earned | -              | 596                      | 221,181               | -                 | 878                      | 115,533               |
| <b>Expense</b>                              |                |                          |                       |                   |                          |                       |
| Mark-up / return / interest / profit paid   | -              | -                        | 211,175               | -                 | -                        | 19,533                |
| Operating expenses                          | 2,890          | 26,006                   | 5,027                 | 3,465             | 72,367                   | 4,394                 |

24.1 In addition to the above, the Company has sub-ordinated loan amounting to Rs. 7,050.716 million and borrowing under World Bank - Housing Finance Project amounting to Rs. 10,288.741 million respectively from the Ministry of Finance.

|  | (Un-Audited)<br>March 31,<br>2022 | (Audited)<br>December 31,<br>2021 |
|--|-----------------------------------|-----------------------------------|
|  | (Rupees in '000)                  |                                   |
| <b>25. 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                            | 7,603,871                         | 7,343,556                         |
| Eligible Additional Tier 1 (ADT 1) Capital                               | -                                 | -                                 |
| Total Eligible Tier 1 Capital  | 7,603,871                         | 7,343,556                         |
| Eligible Tier 2 Capital  | -                                 | -                                 |
| Total Eligible Capital (Tier 1 + Tier 2)                                 | 7,603,871                         | 7,343,556                         |
| <b>Risk Weighted Assets (RWAs):</b>                                      |                                   |                                   |
| Credit Risk  | 11,422,628                        | 11,104,652                        |
| Market Risk  | -                                 | -                                 |
| Operational Risk   | 2,725,189                         | 2,725,189                         |
| Total  | 14,147,817                        | 13,829,841                        |
| Common Equity Tier 1 Capital Adequacy Ratio                              | 53.75%                            | 53.10%                            |
| Tier 1 Capital Adequacy Ratio (%)  | 53.75%                            | 53.10%                            |
| Total Capital Adequacy Ratio (%)   | 53.75%                            | 53.10%                            |
| <b>Leverage Ratio (LR):</b>  |                                   |                                   |
| Eligible Tier-1 Capital  | 7,603,871                         | 7,343,556                         |
| Total Exposure   | 48,364,941                        | 46,112,354                        |
| Leverage Ratio (%)   | 15.72%                            | 15.93%                            |
| <b>Liquidity Coverage Ratio (LCR):</b>                                   |                                   |                                   |
| Total High Quality Liquid Assets   | 3,169,323                         | 830,984                           |
| Total Net Cash Outflow   | 87,028                            | 7,881                             |
| Liquidity Coverage Ratio (%)   | 3642%                             | 10544%                            |
| <b>Net Stable Funding Ratio (NSFR):</b>                                  |                                   |                                   |
| Total Available Stable Funding   | 44,642,952                        | 40,483,014                        |
| Total Required Stable Funding  | 32,686,340                        | 30,293,422                        |
| Net Stable Funding Ratio (%)   | 136.58%                           | 133.64%                           |

**26. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

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

**27. GENERAL**

27.1 These condensed interim financial statements have been prepared in accordance with the revised format for financial statements issued by the SBP through BPRD Circular Letter No. 05 dated March 22, 2019 and related clarifications / modifications.

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

27.3 Comparative figures have been re-arranged for comparison purposes.

**28. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised on APRIL 20, 2022 by the Board of Directors of the Company.

  
 Managing Director /  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Director

  
 Director

**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**

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 period ended March 31, 2022 are as follows:

| <b>Statement of financial position</b>     | Note | (Unaudited)       | (Audited)            |
|--|------|-------------------|----------------------|
|  |      | March 31,<br>2022 | December 31,<br>2021 |
| ———— Rupees in '000 ————                   |      |                   |                      |
| <b>ASSETS</b>                              |      |                   |                      |
| Balances with other banks                  |      | 1,000,043         | 1,642,363            |
| Islamic financing and related assets - net | 1    | 8,121,682         | 5,328,558            |
| Other assets                               |      | 101,751           | 67,098               |
|  |      | <u>9,223,476</u>  | <u>7,038,019</u>     |
| <b>LIABILITIES</b>                         |      |                   |                      |
| Due to financial institutions              | 2    | 4,100,000         | 4,100,000            |
| Due to head office                         |      | 4,754,170         | 2,563,385            |
| Other liabilities                          |      | 49,741            | 97,655               |
|  |      | <u>8,903,911</u>  | <u>6,761,040</u>     |
| <b>NET ASSETS</b>                          |      | <u>319,565</u>    | <u>276,979</u>       |
| <b>REPRESENTED BY</b>                      |      |                   |                      |
| Islamic banking fund                       |      | 150,000           | 150,000              |
| Reserves                                   |      | 33,913            | 25,396               |
| Unappropriated profit                      |      | 135,652           | 101,583              |
|  |      | <u>319,565</u>    | <u>276,979</u>       |

| <b>Profit and loss account</b>  | (Unaudited)                                     |                   |
|---------------------------------|---|-------------------|
|                                 | For the three months ended<br>March 31,<br>2022 | March 31,<br>2021 |
| ———— Rupees in '000 ————        |   |                   |
| Profit / return earned          | 158,315   | 66,335            |
| Profit / return expensed        | 112,939   | 33,195            |
| Net profit / return             | <u>45,376</u>                                   | <u>33,140</u>     |
| <b>Total income</b>             | <u>45,376</u>                                   | <u>33,140</u>     |
| <b>Other expenses</b>           |   |                   |
| Operating expenses              | 1,883   | 1,458             |
| Workers' Welfare Fund           | 908   | 663               |
| Total other expenses            | <u>2,791</u>                                    | <u>2,121</u>      |
| Profit before provisions        | 42,586  | 31,019            |
| Provisions and write offs - net | -   | -                 |
| Profit before taxation          | <u>42,586</u>                                   | <u>31,019</u>     |
| Taxation                        | -   | -                 |
| Profit after taxation           | <u>42,586</u>                                   | <u>31,019</u>     |



**1 ISLAMIC FINANCING AND RELATED ASSETS - NET**

This represents Islamic refinancing under Musharakah Facility amounting to Rs. 8,121 million (December 31, 2021: Rs. 5,328 million) . The period of these financing facilities varies from 3 to 13 years with profit rates ranging from 5.33% to 11.21% per annum.

**2 DUE TO FINANCIAL INSTITUTION**

This represents redeemable capital under the Islamic mode of musharakah (Shirkat-ul-Aqd), in the form of Shariah compliant sukuk certificates amounting to Rs. 4,100 million (December 31, 2021: Rs. 4,100 million) at expected rates of profit ranging from 8.25% to 8.63% per annum by way of private placement, pursuant to the provisions of section 66 of the Companies Act, 2017.