



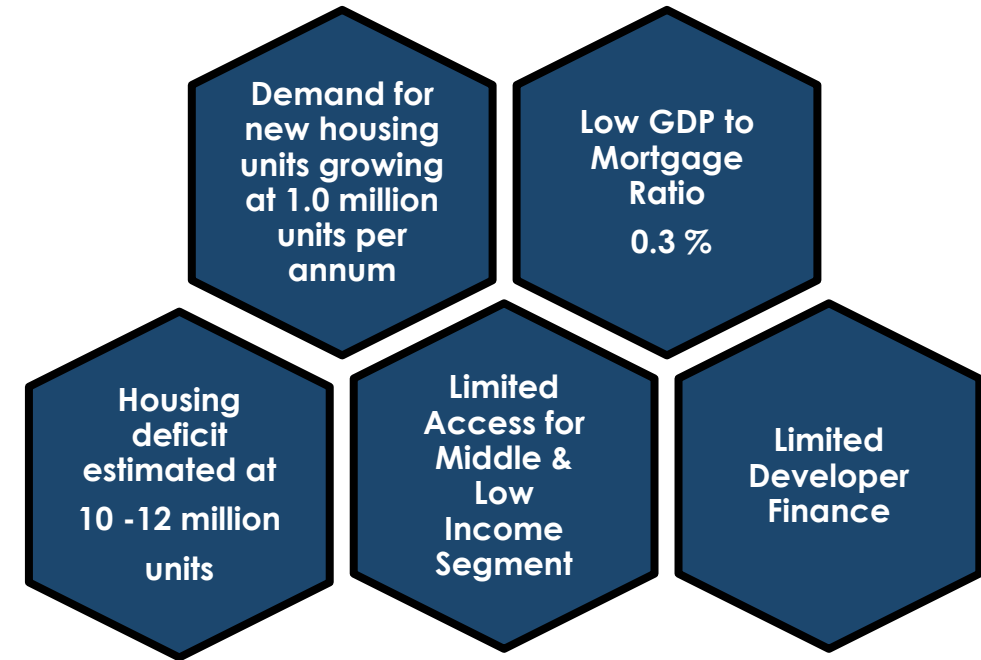
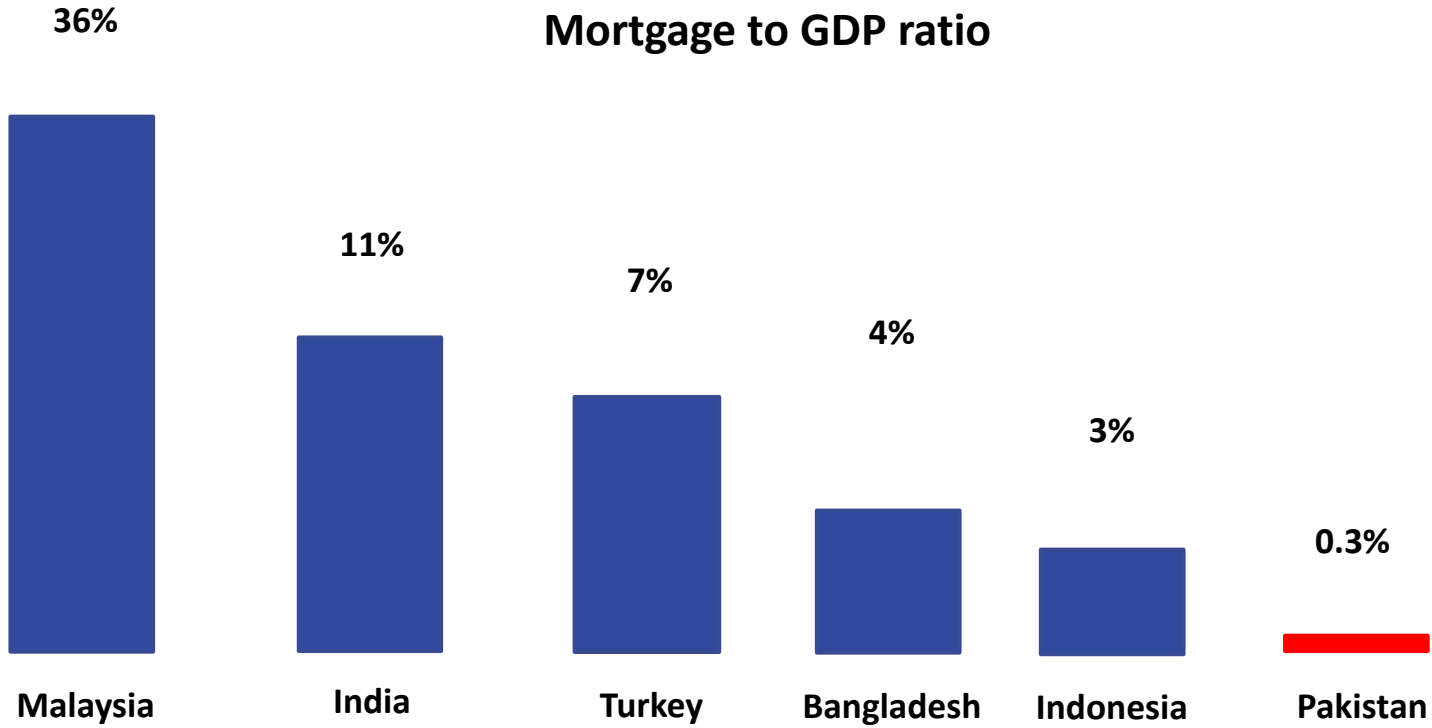
PMRC

PAKISTAN MORTGAGE REFINANCE
COMPANY LIMITED

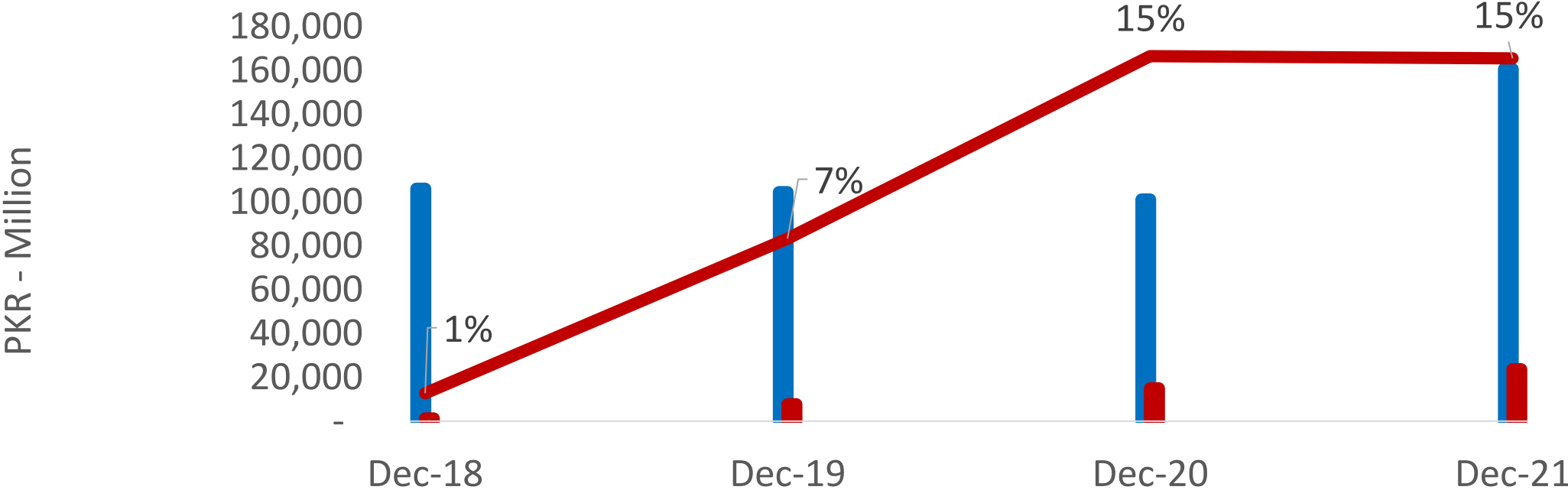
**Making housing finance accessible
and affordable**

Mortgage Sector in Pakistan

Mortgage to GDP ratio



PMRC Market Share



	Dec-18	Dec-19	Dec-20	Dec-21
Outstanding Mortgages	106,052	104,445	101,078	160,677
PMRC	1,200	7,729	14,967	23,642
PMRC Share	1%	7%	15%	15%

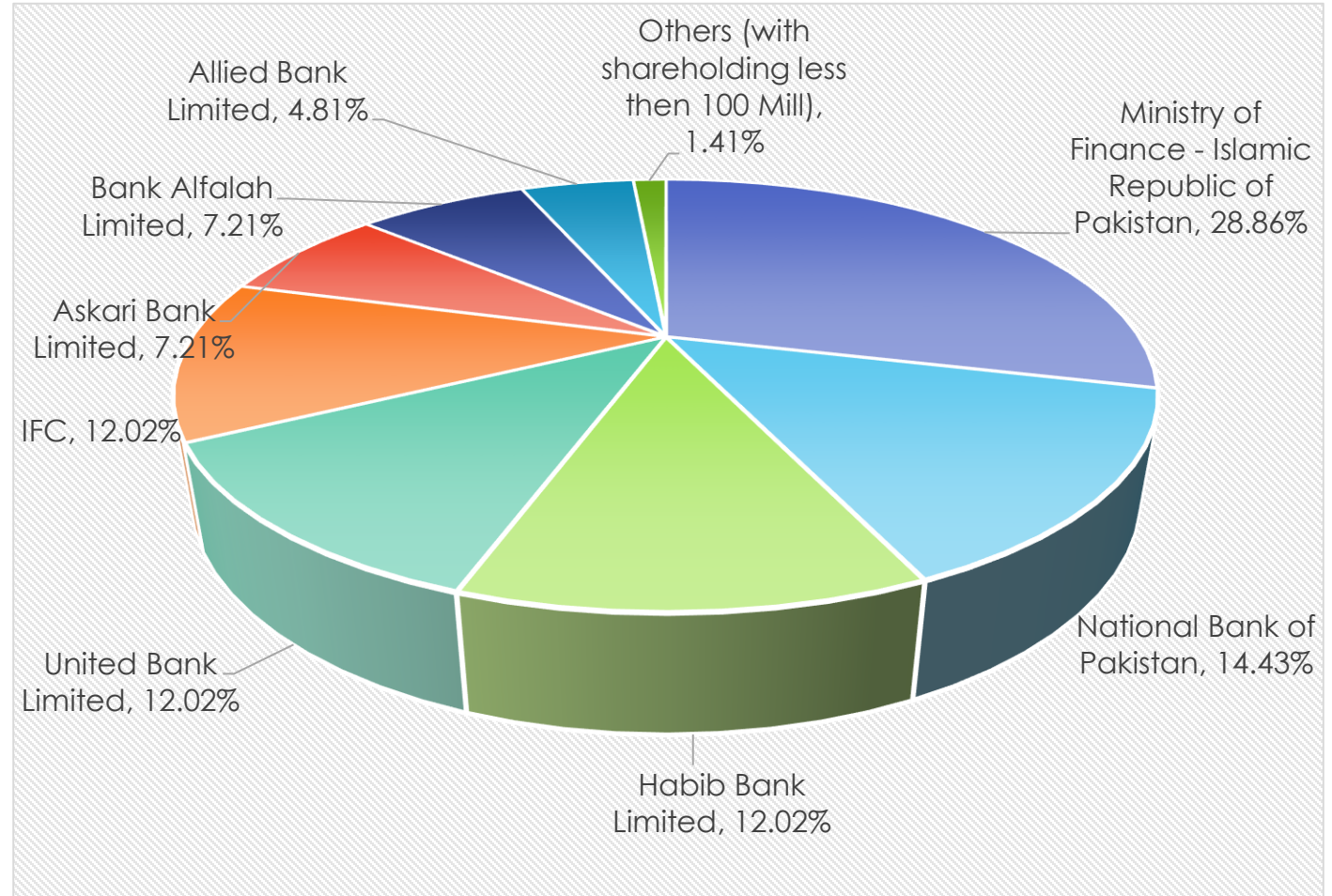


PMRC Structure

Public Sector - (43.3%)



Private Sector - (56.7%)





Sponsor

Shareholder's Equity



Regulator



PMRC
PAKISTAN MORTGAGE REFINANCE
COMPANY LIMITED

Refinancing
Conventional / Islamic



First Islamic mortgage refinance facility in **MENASA** region

Credit Guarantee Trust

Bonds/ Sukuk

Long term funds via GOP



WORLD BANK

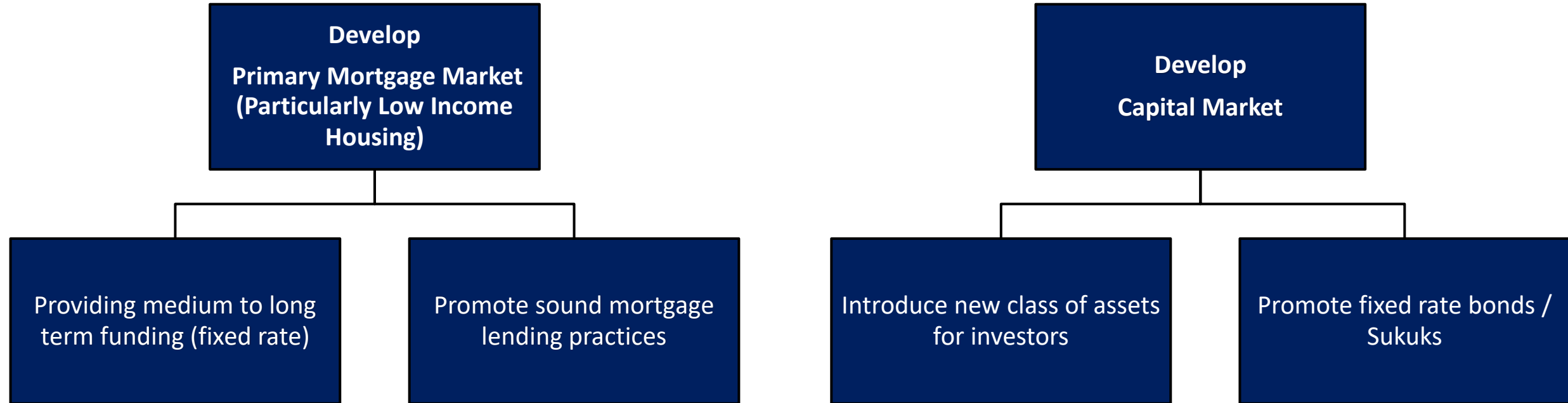


Lenders

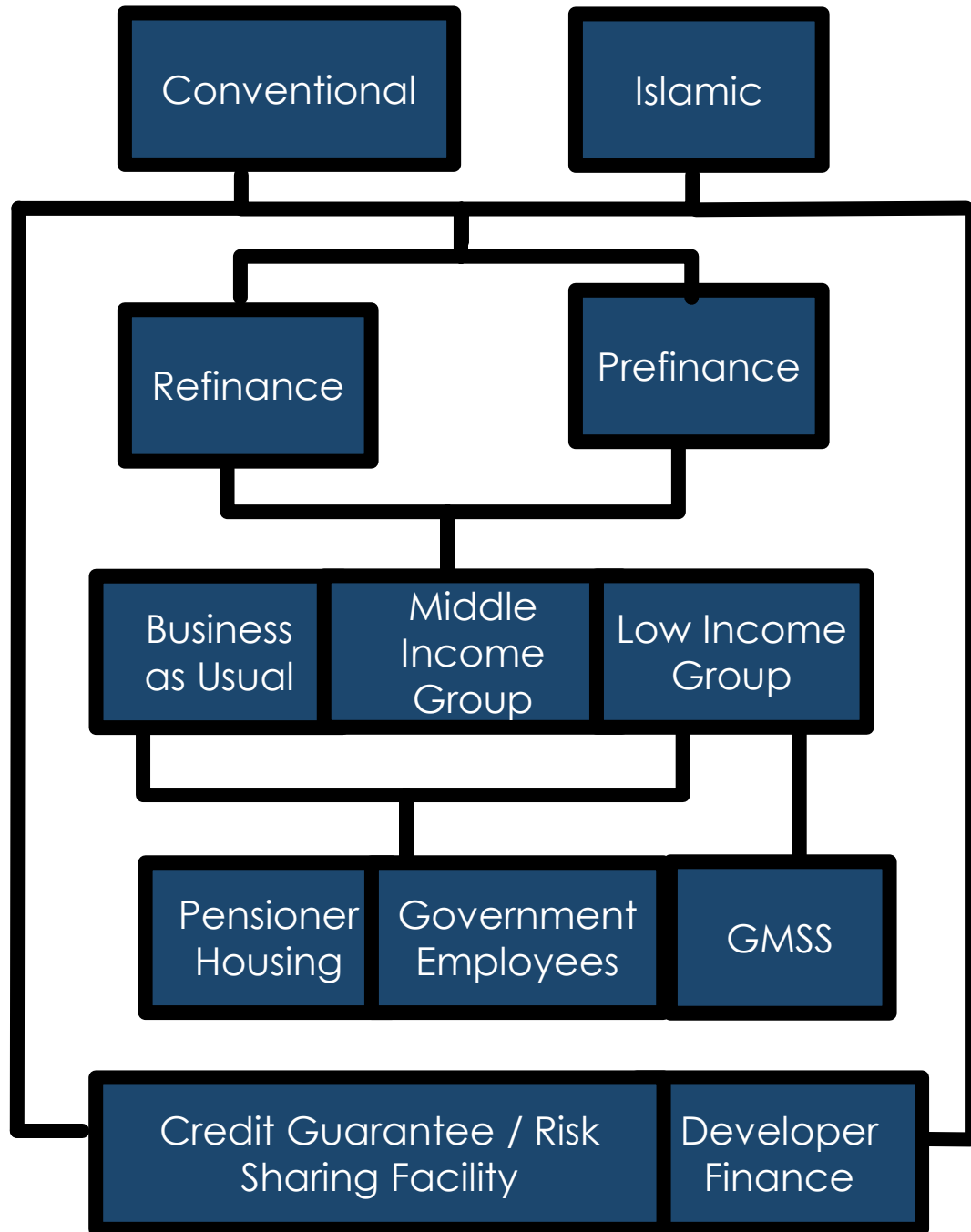
Country's first

Credit Guarantee for mortgages, specifically designed for **Low Cost Housing**

Role of Pakistan Mortgage Finance Company



Products



PMRC's Islamic Products

PMRC's Islamic business model is based on Diminishing Musharakah (DM) – Shirkat-ul-'Aqd. It is a Business Partnership between two or more parties to combine their assets, labour or liabilities for the purpose of making profits and bearing loss (if any).

Credit Guarantee/ Risk Sharing Facility

- It is a product of Guarantee Trust established by Federal Govt. and PMRC as Trustee.
- World Bank has given US\$ 10 million for the purpose.
- It will provide up to 40% guarantee cover on first loss basis on low-cost housing portfolio

PMRC Role in Market Development

**Capital Market
Development**

Issued 13 fixed rate bond and sukuk worth PKR 23.8 Billion, providing a new and secure asset class.

**International
Engagements**

Member of ISMMA and ASMMA. As knowledge partner provided advisory for product development to MRCs of Kenya, Saudi Arabia, Tajikistan and Uzbekistan.

E&S

Introduced Mortgage E&S standards for Primary Mortgage Lenders (PMLs).

**Housing Finance
Companies**

Roundtable conferences across Pakistan along with SECP and IFC for promotion of Housing Finance Companies.

Documentation

Actively participated with PBA and SBP for development of standardization of mortgage documents.

Capacity Building

Assisted PMLs with product design, market research and trainings.

**Market
Development**

Assisted with regulatory framework for NBFCs and HFCs. Collaborated with the World Bank to organize housing finance conference and seminars for local and international market players.

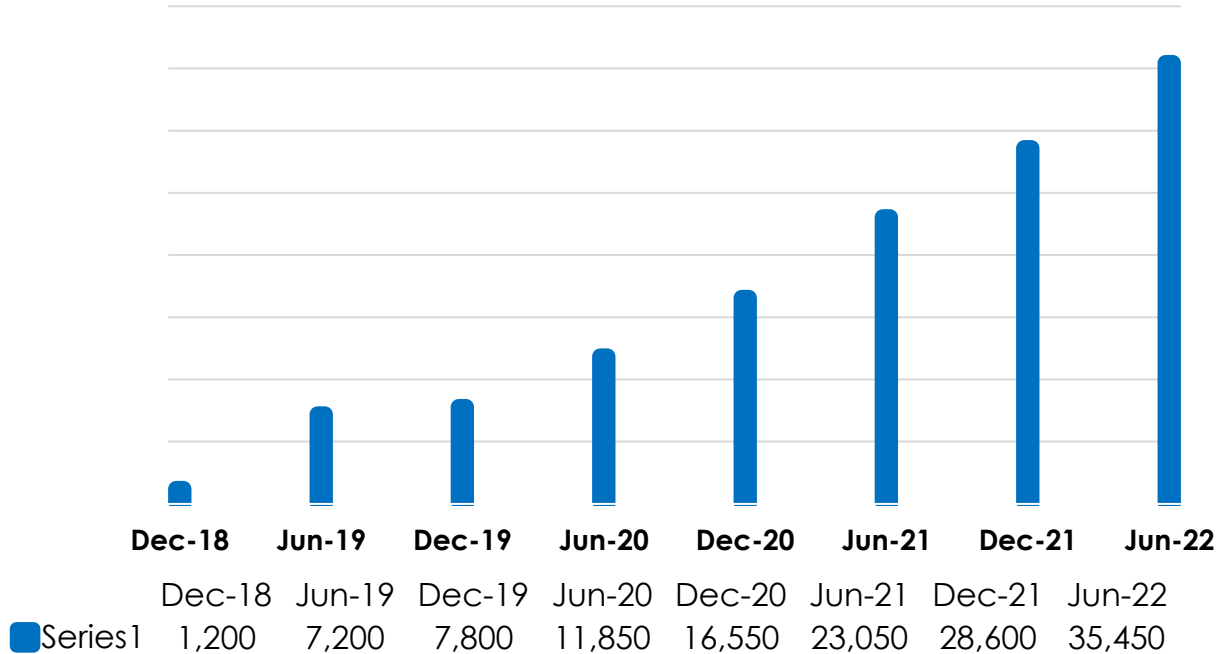
**Naya Pakistan
Housing Program**

Collaboration with Naya Pakistan Housing Development Authority for low income housing.

PMRC Business Performance



Cumulative Disbursement – PKR Million



Outstanding Advances – Q2, 22 is PKR 27.65 Billion

Conventional PKR 17.97 Billion		Islamic PKR 9.67 Billion	
Commercial Banks	Microfinance Banks	NBFCs	DFI
10 Clients	4 Clients	2 Clients	2 Client
PKR 19.26 Bn	PKR 4.32 Bn	PKR 0.66 Bn	PKR 3.39 Bn

Among DFIs, PMRC holds the largest advances portfolio, built within a short period of 4 years.

Diversified portfolio consisting of 18 clients

Experienced Team



Mudassir H. Khan
MD / CEO
Over 30 Years of
Corporate Banking
Experience



M. Shahzad Khan
Head of Business
Over 18 Years of
Investment Banking
Experience



Omair Y. Farooqi
CFO / GH Operations
Over 23 Years of
Corporate Banking
Experience



Farrukh Zaheer
Head of Treasury & FIs
Over 10 Years of Treasury
& Capital Market
Experience

Detailed profile of management team can be viewed at <https://pmrc.com.pk/management/>

Board member details can be viewed at <https://pmrc.com.pk/board-of-directors/>

Financial performance and annual reports can be viewed at <https://pmrc.com.pk/investor-relations/>

SHARIAH STRUCTURE OF REFINANCE OF ISLAMIC BUSINESS PRODUCT OF PMRC

PRODUCT STRUCTURE:

- First Islamic Refinance scheme in MENASA Region
- Islamic Mortgage Business of PMRC is based on Shirka-tul-'Aqd.

SHIRKAT-UL-AQD (BUSINESS PARTNERSHIP):

- Shirkat-ul-'Aqd (Business Partnership) means an agreement between two or more parties to combine their assets, labour or liabilities for the purpose of making profits and bearing loss (if any).

MUSHARAKA MORTGAGE POOL CREATION:

- PMRC shall purchase mortgage.
- Customer shall create special pool and comingle his share.
- Risk and Reward of these assets will be shared proportionately.

PROFIT & LOSS SHARING MECHANISM

- The profit-sharing ratio will be pro-rata or any other ratio agreed at the time of contract.
- Loss will be shared as per their proportionate sharing (If any).
- In addition, profit realized more than the Desired Rate will be given to client as incentive.

Credit Risk Sharing Facility

The overall Islamic Credit Risk Sharing Guarantee scheme is based on the concept of Kafalah and Conditional Tabarru/Gift.

- The Trust shall provide loss guarantee/coverage to the financial institutions against any overdue rental/profit (as guarantee) or default by the customers in making promised unit purchase/buy-out payments (as conditional Tabarru’).
- In order to cover the actual administrative cost related to the aforesaid Guarantee provided for the overdue profit/rental (and not to Tabarru), estimated at 2% of the outstanding finance of the covered housing portfolio.
- The Trust shall not utilize this amount in the claim settlement of upcoming losses of Islamic financial institutions.
- The Trust shall keep it in a separate Shariah Compliant Bank Account/ in separate Shariah compliant investment avenues.
- External Auditors shall provide a certificate assuring that the Trust has utilized this Administrative Cost of Guarantee to cover the actual administrative cost related to the guarantee.

Sukuk

Musharaka (Shirkah tul Aqd)

- **Issue Agent (on behalf of the Investors) and PMRC enters into Musharaka Agreement to create Musharaka in the Housing Finance Portfolio Pool by acquiring partial share of PMRC in the Housing Finance Portfolio.**
- **Profit Sharing is agreed upon by investors at the time of issuance of each Sukuk instruments.**
- **PMRC is be responsible on behalf of the Musharaka to operate and maintain the assets of the Musharaka Portfolio Pool.**
- **Issuer creates Special Reserve (SR) from the Musharaka Profits (as agreed in the Musharaka Agreement) at the end of First and Second year before allocation of profit to any of the Parties which serves to cover losses as well as any decrease in expected Musharaka Profit in coming periods.**
- **Special Reserves capping is decided at each instruments issuance.**

PMRC has done two Sukuk, amounting to 4.1 Bln.

Financial Highlights



	PKR - "000"				
Financial Highlights	2018	2019	2020	2021	2022 (Q2)
Total Assets	3,749,678	19,576,545	28,835,374	50,211,026	54,040,908
TFC / Sukuk Issued	-	-	1,000,000	16,800,000	22,700,000
Advances	1,200,000	7,729,232	14,967,077	23,714,838	27,671,969
Investments	1,009,632	8,821,820	10,202,696	10,238,557	13,943,742
Net Interest Income	223,605	1,192,579	1,793,691	1,438,250	890,882
Profit After Tax	55,037	901,842	1,436,338	1,066,433	653,456

Thank
You

