

THE BANK OF PUNJAB (Standalone)



1 Capital adequacy return

	Note	2,021	2,020
Rupees in '000			
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>			
1	Fully paid-up capital/ capital deposited with SBP	26,173,766	26,173,766
2	Balance in share premium account and share deposit money	2,215,040	2,215,040
3	Reserve for issue of bonus shares	-	-
4	Discount on issue of shares	-	-
5	General/ Statutory reserves	8,302,011	5,813,984
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Accumulated losses	19,510,769	12,103,364
8	Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
9	<b>CET 1 before Regulatory Adjustments</b>	<b>56,201,586</b>	<b>46,306,154</b>
10	Total regulatory adjustments applied to CET1	1.3.1 12,207,847	4,369,594
11	<b>Common Equity Tier 1</b>	<b>43,993,739</b>	<b>41,936,560</b>
<b>Additional Tier 1 (AT 1) Capital</b>			
12	Qualifying Additional Tier-1 capital instruments plus any related share premium	-	-
13	of which: Classified as equity	-	-
14	of which: Classified as liabilities	-	-
15	Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1)	-	-
16	of which: instrument issued by subsidiaries subject to phase out	-	-
17	<b>AT1 before regulatory adjustments</b>	-	-
18	Total regulatory adjustment applied to AT1 capital	1.3.2 -	-
19	Additional Tier 1 capital after regulatory adjustments	-	-
20	<b>Additional Tier 1 capital recognized for capital adequacy</b>	-	-
21	<b>Tier 1 Capital (CET1 + admissible AT1) (11+20)</b>	<b>43,993,739</b>	<b>41,936,560</b>
<b>Tier 2 Capital</b>			
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	6,288,980	6,791,700
23	Tier 2 capital instruments subject to phase-out arrangement issued under pre-Basel 3 rules	-	-
24	Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	-	-
25	of which: instruments issued by subsidiaries subject to phase out	-	-
26	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit risk weighted assets	3,054,945	3,748,493
27	Revaluation reserves (net of taxes)	-	4,830,902
28	of which: Revaluation reserves on fixed assets	-	1,896,639
29	of which: Unrealized gains/losses on AFS	-	2,934,263
30	Foreign Exchange Translation Reserves	-	-
31	Undisclosed/Other Reserves (if any)	-	-
32	<b>T2 before regulatory adjustments</b>	<b>9,343,925</b>	<b>15,371,095</b>
33	Total regulatory adjustment applied to T2 capital	1.3.3 (4,985)	(4,989)
34	Tier 2 capital (T2) after regulatory adjustments	-	-
35	Tier 2 capital Unrecognized for capital adequacy	-	(95,749)
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	<b>Total Tier 2 capital admissible for capital adequacy</b>	<b>9,338,940</b>	<b>15,270,354</b>
38	<b>TOTAL CAPITAL (T1 + admissible T2) (21+37)</b>	<b>53,332,679</b>	<b>57,206,913</b>
39	<b>Total Risk Weighted Assets (RWA)</b>	<b>434,510,029</b>	<b>352,514,041</b>
<b>Capital Ratios and buffers (in percentage of risk weighted assets)</b>			
40	<b>CET1 to total RWA</b>	<b>10.12%</b>	<b>11.90%</b>
41	<b>Tier-1 capital to total RWA</b>	<b>10.12%</b>	<b>11.90%</b>
42	<b>Total capital to total RWA</b>	<b>12.27%</b>	<b>16.23%</b>
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	7.500%	7.500%
44	of which: capital conservation buffer requirement	1.500%	1.500%
45	of which: countercyclical buffer requirement	-	-
46	of which: D-SIB or G-SIB buffer requirement	-	-
47	CET1 available to meet buffers (as a percentage of risk weighted assets)	2.62%	4.40%
<b>National minimum capital requirements prescribed by SBP</b>			
48	<b>CET1 minimum ratio</b>	<b>6.00%</b>	<b>6.00%</b>
49	<b>Tier 1 minimum ratio</b>	<b>7.50%</b>	<b>7.50%</b>
50	<b>Total capital minimum ratio</b>	<b>11.50%</b>	<b>11.50%</b>

		2,021	2,020
Rupees in '000			
	Amount	Amounts subject to Pre-Basel III treatment	Amount
<b>1.3 Regulatory Adjustments and Additional Information</b>			
1.3.1 Common Equity Tier 1 capital: Regulatory adjustments			
1 Goodwill (net of related deferred tax liability)	1,101,012	-	688,508
2 All other intangibles (net of any associated deferred tax liability)	-	-	-
3 Shortfall in provisions against classified assets	-	-	-
4 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-
5 Defined-benefit pension fund net assets	-	-	-
6 Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-	-	425,988
7 Cash flow hedge reserve	-	-	-
8 Investment in own shares/ CET1 instruments	-	-	-
9 Securitization gain on sale	-	-	-
10 Capital shortfall of regulated subsidiaries	-	-	-
11 Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	2,655,310	-	-
12 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above	-	-	-
13 Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-
14 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	8,451,525	-	3,255,098
15 Amount exceeding 15% threshold	-	-	-
16 of which: significant investments in the common stocks of financial entities	-	-	-
17 of which: deferred tax assets arising from temporary differences	-	-	-
18 National specific regulatory adjustments applied to CET1 capital	-	-	-
19 Investments in TFCs of other banks exceeding the prescribed limit	-	-	-
20 Any other deduction specified by SBP (mention details)	-	-	-
21 Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-	-
22 Total regulatory adjustments applied to CET1 (sum of 1 to 21)	<u>12,207,847</u>		<u>4,369,594</u>
1.3.2 Additional Tier-1 & Tier-1 Capital: regulatory adjustments			
23 Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	-	-	-
24 Investment in own AT1 capital instruments	-	-	-
25 Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-
26 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above	-	-	-
27 Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
28 Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-	-	-
29 Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-
30 Total regulatory adjustment applied to AT1 capital (sum of 23 to 29)	<u>-</u>		<u>-</u>
1.3.3 Tier 2 Capital: regulatory adjustments			
31 Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	-	-
32 Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	4,989	-	4,989
33 Investment in own Tier 2 capital instrument	-	-	-
34 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above	-	-	-
35 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
35A Unrecognized portion of Tier 2 Capital	-	-	-
36 Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	<u>4,989</u>		<u>4,989</u>
1.3.4 Additional Information			
Risk weighted assets subject to pre-Basel III treatment			
37 Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)			
(i) of which: deferred tax assets	-	-	-
(ii) of which: Defined-benefit pension fund net assets	-	-	-
(iii) of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	-	-	-
(iv) of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-	-
Amounts below the thresholds for deduction (before risk weighting)	-	-	-
38 Non-significant investments in the capital of other financial entities	-	-	-
39 Significant investments in the common stock of financial entities	-	-	-
40 Deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-
Applicable caps on the inclusion of provisions in Tier 2			
41 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-	-	-
42 Cap on inclusion of provisions in Tier 2 under standardized approach	-	-	-
43 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-	-
44 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-	-

1.4 Capital structure reconciliation

	Balance sheet of the published financial statements	Under regulatory scope of consolidation
	2,021	2,021
	Rupees in '000	
<b>Assets</b>		
Cash and balances with treasury banks	71,318,743	71,318,743
Balances with other banks	8,717,632	8,717,632
Lendings to financial institutions	30,980,388	30,980,388
Investments - net	531,683,056	531,683,056
Advances - net	484,405,376	484,405,376
Operating fixed assets	19,831,970	19,831,970
Intangible	1,101,012	1,101,012
Deferred tax assets - net	13,696,051	13,696,051
Other assets - net	35,217,763	35,217,763
<b>Total assets</b>	<b>1,196,951,991</b>	<b>1,196,951,991</b>
<b>Liabilities &amp; Equity</b>		
Bills payable	10,109,459	10,109,459
Borrowings	71,323,488	71,323,488
Deposits and other accounts	1,002,954,667	1,002,954,667
Sub-ordinated loan	7,788,980	7,788,980
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities - net	-	-
Other liabilities	49,942,521	49,942,521
<b>Total liabilities</b>	<b>1,142,119,115</b>	<b>1,142,119,115</b>
Share capital	26,173,766	26,173,766
Reserves	10,517,051	10,517,051
Accumulated losses	19,510,769	19,510,769
Minority Interest	-	-
Surplus on revaluation of assets - net of tax	(1,368,710)	(1,368,710)
<b>Total equity</b>	<b>54,832,876</b>	<b>54,832,876</b>
<b>Total liabilities &amp; equity</b>	<b>1,196,951,991</b>	<b>1,196,951,991</b>

1.4.1 Detail of Capital structure reconciliation

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	2,021	2,021	
	Rupees in '000		
<b>Assets</b>			
Cash and balances with treasury banks	71,318,743	71,318,743	
Balances with other banks	8,717,632	8,717,632	
Lending to financial institutions	30,980,388	30,980,388	
Investments	531,683,056	531,683,056	
<i>of which: Non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold</i>	-	-	a
<i>of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold</i>	-	-	b
<i>of which: Mutual Funds exceeding regulatory threshold</i>	-	-	c
<i>of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)</i>	-	-	d
<i>of which: others (mention details)</i>	-	-	e
Advances	484,405,376	484,405,376	
<i>shortfall in provisions/ excess of total EL amount over eligible provisions under IRB</i>	-	-	f
<i>general provisions reflected in Tier 2 capital</i>	-	-	g
Fixed Assets	19,831,970	19,831,970	
Intangible Assets	1,101,012	1,101,012	
Deferred Tax Assets	13,696,051	13,696,051	
<i>of which: DTAs that rely on future profitability excluding those arising from temporary differences</i>	-	-	h
<i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>	8,451,525	8,451,525	i
Other assets	35,217,763	35,217,763	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	-	-	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
<b>Total assets</b>	<b>1,196,951,991</b>	<b>1,196,951,991</b>	
<b>Liabilities &amp; Equity</b>			
Bills payable	10,109,459	10,109,459	
Borrowings	71,323,488	71,323,488	
Deposits and other accounts	1,002,954,667	1,002,954,667	
Sub-ordinated loans	7,788,980	7,788,980	
<i>of which: eligible for inclusion in AT1</i>	-	-	m
<i>of which: eligible for inclusion in Tier 2</i>	6,288,980	6,288,980	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	-	-	
<i>of which: DTLs related to goodwill</i>	-	-	o
<i>of which: DTLs related to intangible assets</i>	-	-	p
<i>of which: DTLs related to defined pension fund net assets</i>	-	-	q
<i>of which: other deferred tax liabilities</i>	-	-	r
Other liabilities	49,942,521	49,942,521	
<b>Total liabilities</b>	<b>1,142,119,115</b>	<b>1,142,119,115</b>	

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	2,021	2,021	
	Rupees in '000		
Share capital	26,173,766	26,173,766	
<i>of which: amount eligible for CET1</i>	-	-	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	10,517,051	10,517,051	
<i>of which: portion eligible for inclusion in CET1(provide breakup)</i>	-	-	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	v
Unappropriated profit/ (losses)	19,510,769	19,510,769	w
Minority Interest	-	-	
<i>of which: portion eligible for inclusion in CET1</i>	-	-	x
<i>of which: portion eligible for inclusion in AT1</i>	-	-	y
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	z
Surplus on revaluation of assets	(1,368,710)	(1,368,710)	
<i>of which: Revaluation reserves on Fixed Assets</i>	3,790,856	3,790,856	
<i>of which: Unrealized Gains/Losses on NBA</i>	1,286,608	1,286,608	aa
<i>of which: Unrealized Gains/Losses on AFS</i>	(6,446,166)	(6,446,166)	
<i>In case of Deficit on revaluation (deduction from CET1)</i>	(2,655,310)	(2,655,310)	ab
<b>Total liabilities &amp; Equity</b>	<b>1,196,951,991</b>	<b>1,196,951,991</b>	

**Common Equity Tier 1 capital (CET1): Instruments and reserves**

1 Fully paid-up capital/ capital deposited with SBP	26,173,766	
2 Balance in share premium account, share deposit money and discount on issue of shares	2,215,040	(s)
3 Reserve for issue of bonus shares		
4 General/ Statutory reserves	8,302,011	(u)
5 Gain/(Losses) on derivatives held as Cash Flow Hedge		
6 Accumulated losses	19,510,769	(w)
7 Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	(x)
8 <b>CET 1 before Regulatory Adjustments</b>	<b>56,201,586</b>	
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>		
9 Goodwill (net of related deferred tax liability)	1,101,012	(j) - (o)
10 All other intangibles (net of any associated deferred tax liability)	(0)	(k) - (p)
11 Shortfall of provisions against classified assets	-	(f)
12 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	{(h) - (r)} * x%
13 Defined-benefit pension fund net assets	-	{(l) - (q)} * x%
14 Reciprocal cross holdings in CET1 capital instruments	-	(d)
15 Cash flow hedge reserve	-	
16 Investment in own shares/ CET1 instruments	-	
17 Securitization gain on sale	-	
18 Capital shortfall of regulated subsidiaries	-	
19 Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	2,655,310	(ab)

	Component of regulatory capital reported by bank	Source based on reference number from step 2
	2,021	
	Rupees in '000	
20 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
21 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
22 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	8,451,525	(i)
23 Amount exceeding 15% threshold	-	
24 of which: significant investments in the common stocks of financial entities	-	
25 of which: deferred tax assets arising from temporary differences	-	
26 National specific regulatory adjustments applied to CET1 capital	-	
27 of which: Investment in TFCs of other banks exceeding the prescribed limit	-	
28 of which: Any other deduction specified by SBP (mention details)	-	
29 Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	
30 Total regulatory adjustments applied to CET1 (sum of 9 to 29)	12,207,847	
31 <b>Common Equity Tier 1</b>	43,993,739	
<b>Additional Tier 1 (AT 1) Capital</b>		
32 Qualifying Additional Tier-1 instruments plus any related share premium	-	
33 of which: Classified as equity	-	(t)
34 of which: Classified as liabilities	-	(m)
35 Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
36 of which: instrument issued by subsidiaries subject to phase out	-	
37 <b>AT1 before regulatory adjustments</b>		
<b>Additional Tier 1 Capital: regulatory adjustments</b>		
38 Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
39 Investment in own AT1 capital instruments	-	
40 Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
41 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)
42 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
43 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	-	

	Component of regulatory capital reported by bank	Source based on reference number from step 2
	2,021	
	Rupees in '000	
44 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
45 Total of Regulatory Adjustment applied to AT1 capital (sum of 38 to 44)	-	
46 Additional Tier 1 capital		
47 <b>Additional Tier 1 capital recognized for capital adequacy</b>	-	
<b>48 Tier 1 Capital (CET1 + admissible AT1) (31+47)</b>	<b>43,993,739</b>	
<b>Tier 2 Capital</b>		
49 Qualifying Tier 2 capital instruments under Basel III plus any related share premium	<b>6,288,980</b>	
50 Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	(n)
51 Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
52 of which: instruments issued by subsidiaries subject to phase out	-	
53 General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	<b>3,054,945</b>	(g)
54 Revaluation Reserves	-	
55 of which: Revaluation reserves on fixed assets	-	
56 of which: Unrealized Gains/Losses on AFS	-	portion of (aa)
57 Foreign Exchange Translation Reserves	-	(v)
58 Undisclosed/Other Reserves (if any)	-	
59 <b>T2 before regulatory adjustments</b>	<b>9,338,940</b>	
<b>Tier 2 Capital: regulatory adjustments</b>		
60 Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	
61 Reciprocal cross holdings in Tier 2 instruments	<b>4,985</b>	
62 Investment in own Tier 2 capital instrument	-	
63 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ae)
64 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
65 Amount of Regulatory Adjustment applied to T2 capital (sum of 60 to 64)	-	
66 Tier 2 capital (T2)	-	
67 Tier 2 capital Unrecognized for capital adequacy	-	
68 Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69 Total Tier 2 capital admissible for capital adequacy	<b>9,338,940</b>	
<b>70 TOTAL CAPITAL (T1 + admissible T2) (48+69)</b>	<b>53,332,679</b>	

1.6 Risk Weighted Assets

The capital requirements for the banking group as per the major risk categories should be indicated in the manner given below:-

	Capital Requirements		Risk Weighted Assets	
	2,021	2,020	2,021	2,020
Rupees in '000				
<b>Credit Risk</b>				
<b>On-Balance sheet</b>				
<u>Portfolios subject to standardized approach (Comprehensive)</u>				
Cash & cash equivalents	-	-	-	-
Sovereign	3,495	1,892	30,389	16,448
Public Sector entities	487,285	472,700	4,237,260	4,110,438
Banks	630,473	489,280	5,482,371	4,254,611
Corporate	19,600,899	16,610,581	170,442,597	144,439,831
Retail	4,554,686	3,644,221	39,605,967	31,688,881
Residential Mortgages	433,928	253,186	3,773,284	2,201,621
Low cost Housing	53,056	-	461,357	-
Past Due loans	759,012	1,312,316	6,600,101	11,411,441
Deffered Tax Assets	1,507,802	1,299,260	13,111,318	11,297,915
Operating Fixed Assets	2,280,678	1,703,489	19,831,983	14,812,949
Significant Inv (250%) Punjab Mod	-	-	-	-
Other assets	3,440,475	2,813,987	29,917,173	24,469,456
	<b>33,751,787</b>	<b>28,600,913</b>	<b>293,493,800</b>	<b>248,703,591</b>
<b>Off-Balance sheet</b>				
Non-market related				
Financial guarantees, acceptances, performance related	6,487,435	4,586,495	56,412,481	39,882,568
Market related				
Foreign Exchange contracts/ derivatives etc.	151,407	32,796	1,316,581	285,186
	<b>6,638,842</b>	<b>4,619,292</b>	<b>57,729,062</b>	<b>40,167,754</b>
<b>Equity Exposure Risk in the Banking Book</b>				
Under simple risk weight method				
Listed, Unlisted	103,873	31,420	903,245	273,219
Under Internal models approach				
	<b>103,873</b>	<b>31,420</b>	<b>903,245</b>	<b>273,219</b>
<b>Market Risk</b>				
<u>Capital Requirement for portfolios subject to Standardized Approach</u>				
Interest rate risk	302,963	61,065	3,787,037	763,313
Equity position risk	1,053,181	468,753	13,164,762	5,859,406
Foreign Exchange risk	99,304	19,894	1,241,300	248,675
	<b>1,455,448</b>	<b>549,711</b>	<b>18,193,098</b>	<b>6,871,393</b>
<u>Capital Requirement for portfolios subject to Basic Indicator Approach</u>				
<b>Operational Risk</b>				
<u>Capital Requirement for operational risks</u>	5,135,266	4,519,847	64,190,824	56,498,084
<b>Total</b>	<b>47,085,216</b>	<b>38,321,183</b>	<b>434,510,029</b>	<b>352,514,041</b>
<b>Capital Adequacy Ratios</b>				
	<b>2,021</b>	<b>2,021</b>	<b>2,020</b>	<b>2,020</b>
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	10.12%	6.00%	11.90%
Tier-1 capital to total RWA	7.50%	10.12%	7.50%	11.90%
Total capital to total RWA	11.50%	12.27%	12.5%	16.23%



## 2. Leverage Ratio

The State Bank of Pakistan (SBP) through its BPRD Circular No. 06 of 2013 has issued instructions regarding implementation of parallel run of leverage ratio reporting and its components from December 31, 2013 to December 31, 2017. During this period the final calibration, and any further adjustments to the definition, will be completed, with a view to set the leverage ratio as a separate capital standard on December 31, 2018. Banks are required to disclose the leverage from Dec 31, 2015

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage:

Leverage Ratio = Tier 1 capital (after related deductions) / Total Exposure

As at December 31, 2021 the Bank's Leverage ratio stood at 3.01% which is well above the minimum requirement of 3.0%

On Balance sheer Assets	2021	2020
	Rs in '000'	
Cash and balances with treasury banks	71,318,743	69,271,804
Balances with other banks	8,717,632	2,397,707
Lendings to financial institutions	30,980,388	16,086,867
Investments - net	531,683,056	567,362,635
Advances - net	484,405,376	391,160,612
Operating fixed assets	19,831,970	14,812,949
Deferred tax assets - net	5,244,527	4,519,166
Financial Derivatives (A.1)	1,985,977	47,722,949
Other assets - net	35,217,763	25,464,682
<b>Total Assets</b>	<b>1,189,385,432</b>	<b>1,138,799,371</b>
<b>A.1 Derivatives (On Balance sheet)</b>		
Interest Rate	-	-
Equity	-	-
Foreign Exchange and Gold	1,985,977	47,722,949
Precious Metal (except gold)	-	-
Commodities	-	-
Credit Derivatives (protection bought & sold)	-	-
Any other derivatives	-	-
<b>B. Off-Balance Sheet Items excluding derivatives</b>		
Direct Credit Substitutes	18,341,471	18,515,042
Performance-related Contingent Liabilities (i.e. Guarantees)	62,450,019	46,332,632
Trade-related Contingent Liabilities (i.e. Letter of Credits)	136,560,464	78,976,971
Lending of securities or posting of securities as collaterals		
Undrawn committed facilities (which are not cancellable)	45,923,548	20,393,865
Unconditionally cancellable commitments	6,342,130	3,450,966
Commitments in respect of operating leases		
Commitments for the acquisition of operating fixed assets		
Other commitments	97,839	715,185
<b>Total Off-Balance Sheet Items excluding Derivatives (B)</b>	<b>269,715,471</b>	<b>168,384,661</b>
<b>C. Commitments in respect of Derivatives - Off Balance Sheet Items</b>		
(Derivatives having negative fair value are also included)		
Interest Rate		
Equity		
Foreign Exchange & gold	3,710,470	451,264
Precious Metals (except gold)		
Commodities		
Credit Derivatives (protection sold and bought)		
Other derivatives		
<b>Total Derivatives (C)</b>	<b>3,710,470</b>	<b>451,264</b>
<b>Tier-1 Capital</b>	<b>43,993,739</b>	<b>41,936,560</b>
<b>Total Exposures (sum of A,B and C)</b>	<b>1,462,811,373</b>	<b>1,307,635,296</b>
<b>Leverage Ratio</b>	<b>3.01%</b>	<b>3.21%</b>

**3) Liquidity Coverage Ratio Disclosure**

**Dec 31, 2021**

<i>(in local currency)</i>		TOTAL UNWEIGHTED <sup>a</sup>	TOTAL WEIGHTED <sup>b</sup> VALUE (average)
<b>HIGH QUALITY LIQUID ASSETS</b>			
1	Total high quality liquid assets (HQLA)		566,495,288
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers of which:		
2.1	stable deposit		
2.2	Less stable deposit	111,541,000	11,154,100
3	Unsecured wholesale funding of which:		
3.1	Operational deposits (all counterparties)		
3.2	Non-operational deposits (all counterparties)	893,717,106	362,624,905
3.3	Unsecured debt		
4	Secured wholesale funding		-
5	Additional requirements of which:		
5.1	Outflows related to derivative exposures and other collateral requirements		
5.2	Outflows related to loss of funding on debt products		
5.3	Credit and Liquidity facilities	263,380,426	25,733,508
6	Other contractual funding obligations	17,364,428	17,364,428
7	Other contingent funding obligations	225,689,462	10,867,597
8	<b>TOTAL CASH OUTFLOWS</b>		427,744,538
<b>CASH INFLOWS</b>			
9	Secured lending	1,400,000	1,400,000
10	Inflows from fully performing exposures	24,799,862	12,399,931
11	Other Cash inflows	-	-
12	<b>TOTAL CASH INFLOWS</b>	<b>26,199,862</b>	<b>13,799,931</b>
<b>TOTAL ADJUSTED VALUE</b>			
21	<b>TOTAL HQLA</b>		566,498,287
22	<b>TOTAL NET CASH OUTFLOWS (after CAP)</b>		413,944,607
23	<b>LIQUIDITY COVERAGE RATIO</b>		136.85%

a Unweighted values are calculated as outstanding balances maturing or callable within 30 days ( for inflows and outflows)

b Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates ( for inflows and outflows)

c Adjusted values are calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (ie cap on level 2B and level 2 assets for HQLA and cap on inflows)

**4. Net Stable Funding Ratio Disclosure**

(All amounts in PKR thousands)

(Amount in PKR in thousands)		Total Unweighted Value	weighted value
<b>Available Stable Funding (ASF)</b>			
1	Capital:		
2	Regulatory capital	56,201,592	56,201,592
3	Other capital instruments	6,288,980	6,288,980
4	Retail deposits and deposit from small business customers:		
5	Stable deposits		
6	Less stable deposits	180,950,000	162,855,000
7	Wholesale funding:		
8	Operational deposits		
9	Other wholesale funding	756,542,000	378,271,000
10	Borrowing and Liabilities with effective residual maturity => one year	62,500,000	62,500,000
11	Other liabilities:		
12	NSFR derivative liabilities		
13	Other Liabilities with residual maturity => 6 months to <1 year including funded provided by Central Banks and Fis	3,421,000	1,710,500
14	Any Other Liabilities	131,048,435	-
15	<b>Total ASF</b>	<b>1,196,952,007</b>	<b>667,827,072</b>
<b>Required Stable Funding (RSF)</b>			
16	Total NSFR high-quality liquid assets (HQLA)	546,623,743	-
	Other Securities eligible as Level 1 HQLA for the LCR, of which:	8,383,000	419,150
17	Deposits held at other financial institutions for operational purposes	8,717,632	4,358,816
18	Performing loans and securities:		
19	Performing loans to financial institutions secured by Level 1 HQLA	500,000	50,000
20	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		
21	Level 2 B HQLA- Unencumbered Securities	2,250,000	1,125,000
22	Loans to Financial Institutions (Other than SBP) Maturity 6=> months to <=1 year	-	-
23	All other Assets not included in above categories with residual maturity <1 year	33,735,000	16,867,500
24	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:		
25	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for	119,134,000	77,437,100
26	With a risk weight of greater than 35% under the Basel II Standardized Approach for credit risk	362,997,000	308,547,450
27	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	3,736,000	3,175,600
28	Held Till Maturity with residual maturity => than 1 year	61,299,171	61,299,171
29	Other assets:		
30	Physical traded commodities, including gold		
31	Assets posted as initial margin for derivative contracts		
32	NSFR derivative assets		
33	NSFR derivative liabilities before deduction of variation margin posted		
34	All other assets not included in the above categories	49,576,461	49,576,461
35	<b>Total On Balance sheet RSF</b>	<b>1,196,952,007</b>	<b>522,856,248</b>
36	Off-balance sheet items	330,407,000	16,520,350
37	<b>Total RSF</b>		<b>539,376,598</b>
38	<b>Net Stable Funding Ratio (%)</b>		<b>123.81%</b>

