

THE BANK OF PUNJAB (Standalone)



1 Capital adequacy return

	Note	2,018	2,017
Rupees in '000			
Common Equity Tier 1 capital (CET1): Instruments and reserves			
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	-	-
3	Reserve for issue of bonus shares	-	-
4	Discount on issue of shares	-	-
5	General/ Statutory reserves	4,990,570	3,477,831
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Accumulated losses	3,295,643	(2,806,439)
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	CET 1 before Regulatory Adjustments	34,459,979	26,845,158
10	Total regulatory adjustments applied to CET1	1.3.1 5,529,078	6,770,002
11	Common Equity Tier 1	28,930,901	20,075,156
Additional Tier 1 (AT 1) Capital			
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	AT1 before regulatory adjustments	-	-
18	Total regulatory adjustment applied to AT1 capital	1.3.2 -	-
19	Additional Tier 1 capital after regulatory adjustments	-	-
20	Additional Tier 1 capital recognized for capital adequacy	-	-
21	Tier 1 Capital (CET1 + admissible AT1) (11+20)	28,930,901	20,075,156
Tier 2 Capital			
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	7,597,140	3,699,000
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	348,299	425,283
27	Revaluation reserves (net of taxes)	1,898,810	1,681,730
28	of which: Revaluation reserves on fixed assets	1,910,179	1,727,873
29	of which: Unrealized gains/losses on AFS	(11,369)	(46,143)
30	Foreign Exchange Translation Reserves	-	-
31	Undisclosed/Other Reserves (if any)	-	-
32	T2 before regulatory adjustments	9,844,249	5,806,013
33	Total regulatory adjustment applied to T2 capital	1.3.3 (113,207)	(210,336)
34	Tier 2 capital (T2) after regulatory adjustments	-	-
35	Tier 2 capital recognized for capital adequacy	-	-
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	(4,219)
37	Total Tier 2 capital admissible for capital adequacy	9,731,042	5,591,458
38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	38,661,943	25,666,614
39	Total Risk Weighted Assets (RWA)	293,494,783	263,805,172
Capital Ratios and buffers (in percentage of risk weighted assets)			
40	CET1 to total RWA	9.86%	7.61%
41	Tier-1 capital to total RWA	9.86%	7.61%
42	Total capital to total RWA	13.17%	9.73%
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	7.900%	7.275%
44	of which: capital conservation buffer requirement	1.900%	1.275%
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)	1.96%	0.33%
National minimum capital requirements prescribed by SBP			
48	CET1 minimum ratio	6.00%	6.00%
49	Tier 1 minimum ratio	7.50%	7.50%
50	Total capital minimum ratio	11.90%	11.28%

		2,018	2,017
Rupees in '000			
Amount	Amounts subject to Pre- Basel III treatment	Amount	
1.3 Regulatory Adjustments and Additional Information			
1.3.1	Common Equity Tier 1 capital: Regulatory adjustments		
1	Goodwill (net of related deferred tax liability)	762,213	585,770
2	All other intangibles (net of any associated deferred tax liability)	129,279	43,392
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	26,513	55,281
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	-	-
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)	4,611,073	6,081,340
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	-	4,219
22	Total regulatory adjustments applied to CET1 (sum of 1 to 21)	<u>5,529,078</u>	<u>6,770,002</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	-	4,219
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	4,989	210,336
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	108,218	-
36	Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	<u>113,207</u>	<u>214,554</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
	2,018	2,018
	Rupees in '000	
Assets		
Cash and balances with treasury banks	43,589,007	43,589,007
Balances with other banks	5,802,312	5,802,312
Lendings to financial institutions	27,843,153	27,843,153
Investments - net	210,071,483	210,071,483
Advances - net	381,877,256	381,877,256
Operating fixed assets	8,787,928	8,787,928
Intangible	891,489	891,489
Deferred tax assets - net	7,965,267	7,965,267
Other assets - net	27,551,697	27,551,697
Total assets	714,379,592	714,379,592
Liabilities & Equity		
Bills payable	3,577,677	3,577,677
Borrowings	41,793,201	41,793,201
Deposits and other accounts	595,581,962	595,581,962
Sub-ordinated loan	8,797,140	8,797,140
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities - net	-	-
Other liabilities	26,909,321	26,909,321
Total liabilities	676,659,301	676,659,301
Share capital	26,173,766	26,173,766
Reserves	4,990,570	4,990,570
Accumulated losses	3,295,643	3,295,643
Minority Interest	-	-
Surplus on revaluation of assets - net of tax	3,260,312	3,260,312
Total equity	37,720,291	37,720,291
Total liabilities & equity	714,379,592	714,379,592

1.4.1 Detail of Capital structure reconciliation

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	2,018	2,018	
	Rupees in '000		
Assets			
Cash and balances with treasury banks	43,589,007	43,589,007	
Balances with other banks	5,802,312	5,802,312	
Lending to financial institutions	27,843,153	27,843,153	
Investments	210,071,483	210,071,483	
<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>	26,513	26,513	d
<i>of which: others (mention details)</i>	-	-	e
Advances	381,877,256	381,877,256	
<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	8,787,928	8,787,928	
Intangible Assets	891,489	891,489	
Deferred Tax Assets	7,965,267	7,965,267	
<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>	4,611,073	4,611,073	i
Other assets	27,551,697	27,551,697	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	-	-	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	714,379,592	714,379,592	
Liabilities & Equity			
Bills payable	3,577,677	3,577,677	
Borrowings	41,793,201	41,793,201	
Deposits and other accounts	595,581,962	595,581,962	
Sub-ordinated loans	8,797,140	8,797,140	
<i>of which: eligible for inclusion in AT1</i>	-	-	m
<i>of which: eligible for inclusion in Tier 2</i>	7,597,140	7,597,140	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	26,909,321	26,909,321	
Total liabilities	676,659,301	676,659,301	

THE BANK OF PUNJAB



	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	2,018	2,018	
	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	4,990,570	4,990,570	
<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)	3,295,643	3,295,643	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	3,260,312	3,260,312	
<i>of which: Revaluation reserves on Fixed Assets</i>	1,910,719	1,910,719	aa
<i>of which: Unrealized Gains/Losses on AFS</i>	(11,369)	(11,369)	
<i>In case of Deficit on revaluation (deduction from CET1)</i>			ab
Total liabilities & Equity	714,379,592	714,379,592	

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	-	(s)
3 Reserve for issue of bonus shares		
4 General/ Statutory reserves	4,990,570	(u)
5 Gain/(Losses) on derivatives held as Cash Flow Hedge		
6 Accumulated losses	3,295,643	(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 CET 1 before Regulatory Adjustments	34,459,979	
Common Equity Tier 1 capital: Regulatory adjustments		
9 Goodwill (net of related deferred tax liability)	762,213	(j) - (o)
10 All other intangibles (net of any associated deferred tax liability)	129,279	(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	26,513	(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	-	(ab)

	Component of regulatory capital reported by bank	Source based on reference number from step 2
	2,018	
	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)	4,611,073	(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)	5,529,078	
31 Common Equity Tier 1	28,930,901	
Additional Tier 1 (AT 1) Capital		
32 Qualifying Additional Tier-1 instruments plus any related share premium	-	(t)
33 of which: Classified as equity	-	(m)
34 of which: Classified as liabilities	-	
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 AT1 before regulatory adjustments		
Additional Tier 1 Capital: regulatory adjustments		
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
	2,018	
	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 Additional Tier 1 capital recognized for capital adequacy	-	
48 Tier 1 Capital (CET1 + admissible AT1) (31+47)	28,930,901	
Tier 2 Capital		
49 Qualifying Tier 2 capital instruments under Basel III plus any related share premium	7,597,140	
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	348,299	(g)
54 Revaluation Reserves	1,898,810	
55 of which: Revaluation reserves on fixed assets	1,910,179	portion of (aa)
56 of which: Unrealized Gains/Losses on AFS	(11,369)	
57 Foreign Exchange Translation Reserves	-	(v)
58 Undisclosed/Other Reserves (if any)	-	
59 T2 before regulatory adjustments	9,731,042	
Tier 2 Capital: regulatory adjustments		
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	4,989	
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 recognized for capital adequacy	-	
68 Excess Additional Tier 1 capital recognized in Tier 2 capital	108,218	
69 Total Tier 2 capital admissible for capital adequacy	9,731,042	
70 TOTAL CAPITAL (T1 + admissible T2) (48+69)	38,661,943	

1.5 Main features template of regulatory capital instruments

Sr. No.	Main Features	Common Shares	Sub-ordinated Loan-Government	Sub-ordinated Loan-Privately Placed Term Finance Certificates	Sub-ordinated Loan- Privately Placed Term Finance Certificates
1	Issuer	The Bank of Punjab	The Bank of Punjab	The Bank of Punjab	The Bank of Punjab
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	BOP	BOP	BOP- PPTFCs I	BOP- PPTFCs II
3	Governing law(s) of the instrument	Capital Market Law	Relevant rules and	Relevant rules and	Relevant rules and regulations
Regulatory treatment					
4	Transitional Basel III rules	Common equity Tier 1	Tier 2 Capital Instruments	Tier 2 Capital Instruments	Tier 2 Capital Instruments
5	Post-transitional Basel III rules	Common equity Tier 1	Tier 2 Capital Instruments	Tier 2 Capital Instruments	Tier 2 Capital Instruments
6	Eligible at solo/ group/ group & solo	Standalone and group	Standalone and group	Standalone and group	Standalone and group
7	Instrument type	Common shares	Debt	Debt	Debt
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	26,436,924	800,000	2,498,000	4,299,140
9	Par value of instrument	PKR 10	Not applicable	PKR 100,000	PKR 100,000
10	Accounting classification	Shareholder equity	Sub-ordinated Loan	Privately Placed Term	Privately Placed Term Finance
11	Original date of issuance	1990	2014	2016	2018
12	Perpetual or dated	Perpetual	Dated	Dated	Dated
13	Original maturity date	No maturity	07 years from date of	10 years from date of	10 years from date of disbursement
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	After 5 years	After 5 years	After 5 years
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Not applicable
Coupons / dividends					
17	Fixed or floating dividend/ coupon	Not applicable	Floating	Floating	Floating
18	Coupon rate and any related index/ benchmark	Not applicable	Average SBP discount rate	6 months ask side KIBOR plus 100 bps	6 months ask side KIBOR plus 125 bps
19	Existence of a dividend / coupon stopper	No	Yes	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Not applicable	No	No	No
23	Convertible or non-convertible	Non-convertible	May be converted subject to consent of parties and necessary regulatory approvals.	May be converted on discretion of SBP upon occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines.	May be converted on discretion of SBP upon occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines.
24	If convertible, conversion trigger (s)	Not applicable	At the option of issuer after 05 years	Upon occurrence of a point of	Upon occurrence of a point of non-viability ("PONV") event
25	If convertible, fully or partially	Not applicable	Fully	Fully or Partially	Fully or Partially
26	If convertible, conversion rate	Not applicable	Rs. 15 per share	Market value of shares at the date of trigger of PONV as declared by the SBP	Market value of shares at the date of trigger of PONV as declared by the SBP
27	If convertible, mandatory or optional conversion	Not applicable	Optional	Optional	Optional
28	If convertible, specify instrument type convertible into	Not applicable	Ordinary shares	Ordinary shares	Ordinary shares
29	If convertible, specify issuer of instrument it converts into	Not applicable	BOP common shares	BOP common shares	BOP common shares
30	Write-down feature	Not applicable	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable
32	If write-down, full or partial	Not applicable	Not applicable	Not applicable	Not applicable
33	If write-down, permanent or temporary	Not applicable	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable	Ranked inferior to all other debts of the Bank including	Ranked inferior to all other debts of the Bank including	Ranked inferior to all other debts of the Bank including deposits
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	Not applicable

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	
	2,018	2,017	2,018	2,017
Rupees in '000				
Credit Risk				
On-Balance sheet				
<u>Portfolios subject to standardized approach (Comprehensive)</u>				
Cash & cash equivalents	-	-	-	-
Sovereign	4,322	7,660	36,318	67,941
Public Sector entities	418,273	326,473	3,514,895	2,895,544
Banks	570,964	704,005	4,798,015	6,243,950
Corporate	17,156,936	13,232,470	144,175,930	117,361,153
Retail	3,969,247	4,141,488	33,355,018	36,731,598
Residential Mortgages	133,399	86,944	1,121,001	771,121
Past Due loans	609,670	643,828	5,123,278	5,710,222
Deffered Tax Assets	997,874	965,962	8,385,493	8,567,292
Operating Fixed Assets	1,045,763	889,566	8,787,927	7,889,722
Significant Inv (250%) Punjab Mod	10,040	7,134	84,368	63,275
Other assets	3,023,768	2,133,149	25,409,819	18,919,285
	27,940,255	23,138,679	234,792,061	205,221,103
Off-Balance sheet				
Non-market related				
Financial guarantees, acceptances, performance related	2,376,655	2,809,949	19,971,893	24,921,942
Market related				
Foreign Exchange contracts/ derivatives etc.	17,098	11,754	143,681	104,252
	2,393,753	2,821,703	20,115,574	25,026,194
Equity Exposure Risk in the Banking Book				
Under simple risk weight method				
Listed, Unlisted	40,981	78,353	344,378	694,927
Under Internal models approach				
	40,981	78,353	344,378	694,927
Market Risk				
<u>Capital Requirement for portfolios subject to Standardized Approach</u>				
Interest rate risk	11,107	36,923	138,838	461,533
Equity position risk	162,035	192,440	2,025,429	2,405,500
Foreign Exchange risk	13,673	22,748	170,913	284,350
	186,815	252,111	2,335,179	3,151,383
<u>Capital Requirement for portfolios subject to Basic Indicator Approach</u>				
Operational Risk				
<u>Capital Requirement for operational risks</u>	2,872,607	2,356,925	35,907,591	29,711,565
Total	33,434,412	28,647,771	293,494,783	263,805,172
-				
Capital Adequacy Ratios				
	2,018	2,018	2,017	2,017
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	9.86%	6.00%	7.61%
Tier-1 capital to total RWA	7.50%	9.86%	7.50%	7.61%
Total capital to total RWA	11.90%	13.17%	11.275%	9.73%

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, 2018 the Bank's Leverage ratio stood at 3.40% which is well above the minimum requirement of 3.0%

On Balance sheer Assets	2018	2017
	Rs in '000'	
Cash and balances with treasury banks	43,589,007	42,477,950
Balances with other banks	5,802,313	6,077,383
Lendings to financial institutions	27,843,153	24,570,850
Investments - net	210,044,966	242,446,951
Advances - net	381,877,258	295,751,721
Operating fixed assets	9,679,419	7,889,722
Deferred tax assets - net	3,354,197	4,643,185
Financial Derivatives (A.1)	22,174,434	17,467,707
Other assets - net	27,551,697	18,919,285
Total Assets	731,916,444	660,244,754
A.1 Derivatives (On Balance sheet)		
Interest Rate	-	-
Equity	-	-
Foreign Exchange and Gold	22,174,434	17,467,707
Precious Metal (except gold)	-	-
Commodities	-	-
Credit Derivatives (protection bought & sold)	-	-
Any other derivatives	-	-
B. Off-Balance Sheet Items excluding derivatives		
Direct Credit Substitutes	17,317,774	17,385,609
Performance-related Contingent Liabilities (i.e. Guarantees)	35,400,007	37,265,382
Trade-related Contingent Liabilities (i.e. Letter of Credits)	44,307,696	45,477,822
Lending of securities or posting of securities as collaterals	-	-
Undrawn committed facilities (which are not cancellable)	14,675,323	16,297,428
Unconditionally cancellable commitments	7,664,392	4,536,303
Commitments in respect of operating leases	-	-
Commitments for the acquisition of operating fixed assets	218,386	225,051
Other commitments	-	-
Total Off-Balance Sheet Items excluding Derivatives (B)	119,583,578	121,187,595
C. Commitments in respect of Derivatives - Off Balance Sheet Items		
(Derivatives having negative fair value are also included)		
Interest Rate	-	-
Equity	-	-
Foreign Exchange & gold	406,934	211,803
Precious Metals (except gold)	-	-
Commodities	-	-
Credit Derivatives (protection sold and bought)	-	-
Other derivatives	-	-
Total Derivatives (C)	406,934	211,803
Tier-1 Capital	28,930,901	20,075,156
Total Exposures (sum of A,B and C)	851,906,956	781,644,152
Leverage Ratio	3.40%	2.57%

3) Liquidity Coverage Ratio Disclosure

Dec 31, 2018

<i>(in local currency)</i>		TOTAL UNWEIGHTED ^a	TOTAL WEIGHTED ^b VALUE (average)
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)		272,221,864
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:		
2.1	stable deposit		
2.2	Less stable deposit	85,819,962	8,581,996
3	Unsecured wholesale funding of which:		
3.1	Operational deposits (all counterparties)		
3.2	Non-operational deposits (all counterparties)	509,762,000	187,045,400
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	91,325,422	9,015,850
6	Other contractual funding obligations	12,232,569	12,232,569
7	Other contingent funding obligations	102,228,041	4,866,983
8	TOTAL CASH OUTFLOWS		221,742,798
CASH INFLOWS			
9	Secured lending	4,750,000	4,750,000
10	Inflows from fully performing exposures	-	13,453,653
11	Other Cash inflows	-	-
12	TOTAL CASH INFLOWS	4,750,000	18,203,653
TOTAL ADJUSTED VALUE			
21	TOTAL HQLA		272,221,864
22	TOTAL NET CASH OUTFLOWS (after CAP)		203,539,146
23	LIQUIDITY COVERAGE RATIO		133.74%

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

Dec 31, 2018

(All amounts in PKR thousands)

(Amount in PKR in thousands)		Unweighted value by residual maturity				weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Item						
1	Capital:					
2	Regulatory capital	33,959,986				33,959,986
3	Other capital instruments		1,360	-	8,795,780	8,795,780
4	Retail deposits and deposit from small business customers:					
5	Stable deposits					
6	Less stable deposits		150,457,000	4,497,000	871,000	139,458,600
7	Wholesale funding:					
8	Operational deposits					
9	Other wholesale funding		282,800,000	145,056,000	4,999,000	213,928,000
10	Other liabilities:					
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in other categories	19,686,856	44,978,445	749,690	17,527,481	20,867,653
13	Total ASF					417,010,019
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)					-
15	Deposits held at other financial institutions for operational purposes					-
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA		22,093,153			2,209,315
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		5,350,000	3,750,000		2,677,500
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:				287,449,518	244,332,090
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for				88,924,226	57,800,747
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.					
22	Other assets:					
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets					
26	NSFR derivative liabilities before deduction of variation margin posted					
27	All other assets not included in the above categories		261,569,886	702,718	44,540,097	59,853,827
28	Off-balance sheet items				97,339,655	4,866,983
29	Total RSF					371,740,462
30	Net Stable Funding Ratio (%)					112.18%