



	Risk Weighted Assets	
	December 31, 2022	December 31, 2021
	----- (Rupees in '000) -----	
Credit Risk		
Portfolio subject to standardized approach (simple or comprehensive)		
On-balance sheet		
Claims on other Sovereigns and on Government of Pakistan or Provincial Government or SBP denominated in currencies other than PKR	101,317	244,581
Claims on Public Sector Entities in Pakistan	775,253	-
Claims on Banks	-	-
Claims, denominated in foreign currency, on banks with original maturity of 3 months or less	470,779	119,292
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in PKR	1,252,403	3,418,601
Claims on Corporate (excluding equity exposures)	30,499,526	32,169,827
Claims categorized as retail portfolio	6,714,369	6,019,023
Claims fully secured by residential property	1,696,252	1,396,548
Past Due loans:		
where specific provisions are less than 20 per cent of the outstanding amount of the past due claim	5,509,539	4,985,820
where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim.	204,709	321,246
where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.	193,144	40,698
Loans and claims fully secured against eligible residential mortgage that are past due by 90 days and /or impaired	115,013	119,755
Loans and claims fully secured against eligible residential mortgage that are past due by 90 days and /or impaired and specific provision held there against is more than 20% of outstanding amount.	2,011	8,966
Investment in the equity of commercial entities (which exceeds 10% of the issued common share capital of the issuing entity) or where the entity is an unconsolidated affiliate.	-	-
Significant investment and DTAs above 15% threshold (refer to Section 2.4.10 of Basel III instructions)	4,069,971	3,017,338
Listed Equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in the banking book.	-	-
Unlisted equity investments (other than that deducted from capital) held in banking book	-	-
All other assets	7,613,121	11,712,107
	59,217,407	63,573,801
Off- Balance Sheet - Non Market related Exposures		
Direct Credit Substitutes / Lending of securities or posting of securities as collateral	6,907,406	4,481,307
Performance related Contingencies	10,641,897	6,890,156
Trade Related contingencies / Other Commitments with original maturity of one year or less	1,120,513	737,962
	18,669,816	12,109,425
Off- Balance Sheet - Market related Exposures		
Foreign Exchange Contracts with SBP	-	-
Foreign Exchange Contract (with original maturity of less than 14 days)	-	-
Foreign Exchange Contracts*	91,579	458,711
	91,579	458,711
Total Credit Risk (A)	77,978,803	76,141,937
Market Risk		
Capital Requirement for portfolios subject to Standardized Approach		
Interest rate risk	13,922,450	12,766,369
Equity position risk etc.	409,813	2,968,490
Foreign exchange risk etc.	362,325	154,605
Total Market Risk (B)	14,694,592	15,889,464
Operational Risk	15,132,319	13,301,652
Basic Indicator Approach-Total of operational risk (C)	15,132,319	13,301,652
Total (A + B + C)	107,805,714	105,333,053
Capital Adequacy Ratio		
Total eligible regulatory capital held	(a) 16,043,118	15,530,077
Total Risk Weighted Assets	(b) 107,805,714	105,333,053
Capital Adequacy Ratio	(a) / (b) 14.88%	14.74%
Leverage Ratio	December 31, 2022	December 31, 2021
	-- (Rupees in '000) --	
Total Exposure		
On Balance Sheet Exposure	284,224,868	330,541,855
On-Balance Sheet Exposure (Excluding Derivatives)	-	-
Derivative	-	-
Total On Balance Sheet Exposure (A)	284,224,868	330,541,855
Off Balance Sheet Exposure	112,374,112	32,856,933
Off-Balance Sheet Exposure (Excluding Derivatives)	-	-
Derivative in respect of Commitments	250,852	499,970
Total Off Balance Sheet Exposure (B)	112,624,964	33,356,903
Total Exposure (A+B)	396,849,832	363,898,758
Tier-1 Capital	15,958,762	15,248,508
Leverage Ratio	4.02%	4.19%
Regulatory Requirement for Leverage Ratio	3.00%	3.00%

41.2 Capital Adequacy Ratio (CAR) disclosure template:
CAPITAL ADEQUACY RETURN AS OF DECEMBER 31, 2021

Rows #		December 31, 2022	December 31, 2021
		Amount	Amount
Rupees in '000			
Common Equity Tier 1 capital (CET1): Instruments and reserves			
1	Fully Paid-up Capital/ Capital deposited with SBP	11,027,905	10,502,710
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on Issue of shares	-	-
5	General/ Statutory Reserves	3,646,746	3,555,774
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	1,982,705	2,160,774
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	16,657,356	16,219,258
10	Total regulatory adjustments applied to CET1 (Note 40.2.1)	698,595	970,750
11	Common Equity Tier 1	15,958,761	15,248,508
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 (Note 40.2.2)	-	-
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)	15,958,762	15,248,508
Tier 2 Capital			
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	-
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	84,356	63,519
27	Revaluation Reserves (net of taxes)	-	301,090
28	of which: Revaluation reserves on fixed assets	-	787,200
29	of which: Unrealized gains/losses on AFS	-	(486,110)
30	Foreign Exchange Translation Reserves	-	-
31	Undisclosed/Other Reserves (if any)	-	-
32	T2 before regulatory adjustments	84,356	364,609
33	Total regulatory adjustment applied to T2 capital (Note 40.2.3)	-	83,040
34	Tier 2 capital (T2) after regulatory adjustments	84,356	281,569
35	Tier 2 capital recognized for capital adequacy	84,356	281,569
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	Total Tier 2 capital admissible for capital adequacy	84,356	281,569
38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	16,043,118	15,530,077
39	Total Risk Weighted Assets (RWA) {for details refer Note 40.5}	107,805,714	105,333,053
Capital Ratios and buffers (in percentage of risk weighted assets)			
40	CET1 to total RWA	14.80%	14.48%
41	Tier-1 capital to total RWA	14.80%	14.48%
42	Total capital to total RWA	14.88%	14.74%
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	-	-
44	of which: capital conservation buffer requirement	-	-
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)	-	-
National minimum capital requirements prescribed by SBP			
48	CET1 minimum ratio	6.00%	6.00%
49	ADT-1 minimum ratio	1.50%	1.50%
50	Tier 1 minimum ratio	7.50%	7.50%
51	Total capital minimum ratio	10.00%	10.00%
52	CCB (Consisting of CET1 only)	1.50%	1.50%
	Total Capital plus CCB	11.50%	11.50%

Regulatory Adjustments and Additional Information		Amount	Amounts subject to Pre- Basel III treatment*	Amount	Amounts subject to Pre- Basel III treatment*
Note 41.2.1 Common Equity Tier 1 capital: Regulatory adjustments					
1	Goodwill (net of related deferred tax liability)	-			
2	All other intangibles (net of any associated deferred tax liability)	443,058		450,239	
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	-		-	
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	255,318		-	
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 10% threshold)	-		10,797	
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)	-		-	
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	219		509,714	
22	Total regulatory adjustments applied to CET1 (sum of 1 to 21)	698,595		970,750	
41.2.2 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	219.00		-	
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 10% threshold)	-		-	
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)	219		-	
41.2.3 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	-		-	
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 10% threshold)	-		-	
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-		-	
36	Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	84,355.79		83,040	

* This column "Amounts subject to pre-Basel III treatment" has been added for reporting the amount of each regulatory deduction item that is still subject to the pre-Basel III treatment during the transitional period. The portion of the amount which has already been transitioned to the Basel III rules would be reported in the main column.
 Example: Consider that currently banks apply risk weights of 100% on defined benefit pension fund net assets and in Dec 2014, a bank has PKR50 million of these assets. The transitional arrangements require this bank to deduct 20% of the assets in 2014. This means that the bank will report PKR10 million in the first empty cell in Sr.# 5 and PKR40 mn in the second dotted cell (the total of the two cells therefore equals the total Basel III regulatory adjustment). The amount of dotted cells will be risk weighted and will be disclosed at Sr.# 37 (ii) as shown on next page.

Note: Rows which are not applicable for any institution should be left blank

Note 41.2.4	Additional Information	December 31, 2022	December 31, 2021
		Rupees in '000	Amount
	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	1,427,738	1,576,902
39	Significant investments in the common stock of financial entities	22,836	214,520
40	Deferred tax assets arising from temporary differences (net of related tax liability)	1,387,049	992,415
	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)	84,356	63,519
42	Cap on inclusion of provisions in Tier 2 under standardized approach	84,356	951,774
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	-	-

Note: Rows which are not applicable for any institution should be left blank

NOTE 41.3 Capital Structure Reconciliation

Illustration of the 3 Step approach to Balance Sheet Reconciliation

All banks/ DFIs are required to follow a 3 step approach to ensure that the Basel III requirement to provide a full reconciliation of all regulatory capital elements back to the published financial statements is done in a consistent manner. Under this process all banks/ DFIs need to show the link between their published balance sheet and the figures reported for the calculation of regulatory capital.

Step 1: Under Step 1, banks are required to use their balance sheet of the published financial statements based on the accounting scope of consolidation (numbers reported in the 2nd column below) as a starting point and report the numbers for each item in the published financial statements based on regulatory scope of consolidation (3rd column below). If there are rows in the regulatory consolidation balance sheet that are not present in the published financial statements, banks are required to add these and give a value of zero in the 2nd column. In case the accounting consolidation is identical to the scope of regulatory consolidation then banks are not required to undertake Step-1. Instead, the bank should disclose this fact and move to Step-2.

Table: 41.3.1		
	Balance sheet of the published financial statements	Under regulatory scope of consolidation
(in thousand PKR)	December 31, 2022	December 31, 2022
Assets	(1)	(2)
Cash and balances with treasury banks	16,273,825	16,273,825
Balanced with other banks	3,556,532	3,556,532
Lending to financial institutions	7,641,077	7,641,077
Investments	173,668,614	173,668,614
Advances	127,515,211	127,515,211
Operating fixed assets	6,086,999	6,086,999
Deferred tax assets	1,367,841	1,367,841
Other assets	8,873,921	8,873,921
Total assets	344,984,020	344,984,020
Liabilities & Equity		
Bills payable	2,102,234	2,102,234
Borrowings	66,263,168	66,263,168
Deposits and other accounts	248,905,981	248,905,981
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	11,285,139	11,285,139
Total liabilities	328,556,522	328,556,522
Share capital/ Head office capital account	11,027,905	11,027,905
Reserves	3,646,746	3,646,746
Unappropriated/ Unremitted profit/ (losses)	1,982,704	1,982,704
Minority Interest	-	-
Surplus on revaluation of assets	(229,857)	(229,857)
Total liabilities & equity	344,984,020	344,984,020

Step 2: Under Step 2 banks are required to expand the balance sheet under the regulatory scope of consolidation (revealed in Step 1) to identify all the elements that are used in the **capital adequacy disclosure template** set out in Note 44.2. Each element must be given a reference number/letter in the 4th column that will be used as a cross reference in Step-3. Given below are some examples of elements (in italic font) that may need to be expanded. However, the more complex the balance sheet of the bank, the more items would need to be disclosed.

Table: 41.3.2	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	December 31, 2022	December 31, 2022	
(1)	(2)	(3)	(4)
Assets			
Cash and balances with treasury banks	16,273,825	16,273,825	
Balanced with other banks	3,556,532	3,556,532	
Lending to financial institutions	7,641,077	7,641,077	
Investments	173,668,614	173,668,614	
<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>	-	219	d
<i>of which: others (mention details)</i>	-	-	e
Advances	127,515,211	127,515,211	
<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>	84,356	84,356	g
Fixed Assets	6,086,999	6,086,999	
Deferred Tax Assets	1,367,841	1,367,841	
<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>	-	-	i
Other assets	8,873,921	8,873,921	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	443,058	443,058	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	344,984,020	344,984,020	
Liabilities & Equity			
Bills payable	2,102,234	2,102,234	
Borrowings	66,263,168	66,263,168	
Deposits and other accounts	248,905,981	248,905,981	
Sub-ordinated loans	-	-	
<i>of which: eligible for inclusion in AT1</i>	-	-	m
<i>of which: eligible for inclusion in Tier 2</i>	-	-	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	11,285,139	11,285,139	
Total liabilities	328,556,522	328,556,522	
Share capital	11,027,905	11,027,905	
<i>of which: amount eligible for CET1</i>	11,027,905	11,027,905	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	3,646,746	3,646,746	
<i>of which: portion eligible for inclusion in CET1 (provide breakup)</i>	3,646,746	3,646,746	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	v
Unappropriated profit/ (losses)	1,982,704	1,982,704	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	-	-	
<i>of which: Revaluation reserves on Fixed Assets</i>	-	(1,042,518)	aa
<i>of which: Unrealized Gains/Losses on AFS</i>	-	787,200	
<i>In case of Deficit on revaluation (deduction from CET1)</i>	(229,857)	(255,318)	ab
Total liabilities & Equity	344,984,020	344,958,559	

Step 3: Under Step 3, a column is added to the capital adequacy disclosure template given at Note 41.2 (including sub-notes 41.2.1 to 41.2.3) and banks will cross reference figures of this column with the expanded balance sheet of Step-2. For example, the template includes the line "goodwill net of related deferred tax liability". The bank will put "(j) - (o)" to show that row 9 of the template has been calculated as the difference between component "(j)" and component "(o)" of the regulatory scope balance sheet, illustrated in step 2. Since the following table 41.3.3 is repetition of Note 41.2 with the addition of the last column, therefore to reduce duplication, the bank may adopt any of the two options: (1) Use the table 41.3.3 as proposed below, or (2) just add the last column of table 41.3.3 to Note 41.2 (including sub-notes 41.2.1 to 41.2.3).

Basel III Disclosure Template (with added column)		
Table: 41.3.3	Component of regulatory capital reported by bank	Source based on reference number from step 2
Common Equity Tier 1 capital (CET1): Instruments and reserves		
1 Fully Paid-up Capital/ Capital deposited with SBP	11,027,905	(s)
2 Balance in Share Premium Account	-	
3 Reserve for issue of Bonus Shares	-	
4 General/ Statutory Reserves	3,646,746	(u)
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	(w)
6 Unappropriated/unremitted profits/ (losses)	1,982,704	
7 Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	(x)
8 CET 1 before Regulatory Adjustments	16,657,355	
Common Equity Tier 1 capital: Regulatory adjustments		
9 Goodwill (net of related deferred tax liability)		(j) - (o)
10 All other intangibles (net of any associated deferred tax liability)	443,058	(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	255,318	(ab)
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)	-	(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	219	
30 Total regulatory adjustments applied to CET1 (sum of 9 to 29)	698,595	
31 Common Equity Tier 1	15,958,762	

where 'x' depends on transitional arrangement for capital deduction (e.g. 0%, 20% etc.), Section 2.4.11

Portion of amount above the threshold that is to be deducted from CET1, whereas "ac" is the portion to be deducted from AT1 and "ae" is the portion to be deducted from T2
Portion of amount above the threshold that is to be deducted from CET1, whereas "ad" is the portion to be deducted from AT1 and "af" is the portion to be deducted from T2

	Additional Tier 1 (AT 1) Capital		
32	Qualifying Additional Tier-1 instruments plus any related share premium	-	
33	of which: Classified as equity	-	(l)
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	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	219	
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	-	
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)	219	
46	Additional Tier 1 capital		
47	Additional Tier 1 capital recognized for capital adequacy	-	
48	Tier 1 Capital (CET1 + admissible AT1) (31+47)	15,958,762	
	Tier 2 Capital		
49	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	
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	84,356	(g)
54	Revaluation Reserves	-	
55	of which: Revaluation reserves on fixed assets	-	portion of (aa)
56	of which: Unrealized Gains/Losses on AFS	-	
57	Foreign Exchange Translation Reserves	-	(v)
58	Undisclosed/Other Reserves (if any)	-	
59	T2 before regulatory adjustments	84,356	
	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	-	
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)	84,356	
67	Tier 2 capital recognized for capital adequacy	84,356	
68	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69	Total Tier 2 capital admissible for capital adequacy	84,356	
70	TOTAL CAPITAL (T1 + admissible T2) (48+69)	16,043,118	

42 Credit Risk - General Disclosures

The Bank is following standardized approach for all its Credit Risk Exposures.

Exposures	Rating Category Number	Credit Exposures subject to Standardized approach					
		2022			2021		
		Amount Outstanding	Deduction CRM	Net Amount	Amount Outstanding	Deduction CRM	Net Amount
-----Rupees in '000-----							
Corporate	1	4,905,593	-	4,905,593	4,176,533	-	4,176,533
	2	22,385,017	-	22,385,017	24,163,082	4,500	24,158,582
	3 & 4	1,405,722	-	1,405,722	1,636,515	-	1,636,515
	5 & 6	-	-	-	-	-	-
	Unrated-I	11,874,144	-	11,874,144	29,969,019	1,305,707	28,663,312
	Unrated-II	4,036,827	-	4,036,827	7,250,346	40,113	7,210,233
Banks	1	-	-	-	17,950,142	17,682,630	267,512
	2 & 3	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
With maturity 3 months or less (PKR)		9,336,286	3,074,274	6,262,013	30,622,828	13,529,825	17,093,003
With maturity 3 months or less (FCY)	1,2,3	930,547	-	930,547	376,820	-	376,820
	4,5	108,016	-	108,016	4,564	-	-
	6	-	-	-	-	-	-
	Unrated	1,153,308	-	1,153,308	208,229	-	208,229
Retail		8,952,492	-	8,952,492	11,980,080	486,783	11,493,296
Claims subject to Residential Mortgage		4,846,434	-	4,846,434	3,990,136	-	3,990,136
Public Sector Entities	1	-	-	-	-	-	-
	2 & 3	869,189	-	869,189	668,533	668,533	-
	Unrated	21,047,983	20,366,667	681,317	34,941,801	33,965,341	976,460
Past Due		4,383,059	-	4,383,059	3,864,208	-	3,864,208
Others		79,833,497	-	79,833,497	138,415,060	-	138,415,060
		176,068,113	-	152,627,173	310,217,897	-	242,529,900
CRM = Credit Risk Mitigation		0	0	0			

42.1 Equity position risk in the banking book-Basel II Specific

Investments in equity were classified as trading book as Market related exposure.

41.5 Liquidity risk
LCR Disclosure

 Average Values of Four quarters
 December 31, 2022

 Average Values of Four quarters
 December 31, 2022

<i>(in local currency)</i>		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)	97,117,507	97,117,507
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:		
2.1	stable deposit	19,408,797	970,440
2.2	Less stable deposit	43,832,100	4,383,210
3	Unsecured wholesale funding of which:	-	-
3.1	Operational deposits (all counterparties)	2,782,405	516,638
3.2	Non-operational deposits (all counterparties)	-	-
3.3	Unsecured debt	152,702,973	68,444,787
4	Secured wholesale funding	75,050,547	-
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		
6	Other contractual funding obligations		
7	Other contingent funding obligations	131,997,419	1,665,216
8	TOTAL CASH OUTFLOWS	425,774,241	75,980,291
CASH INFLOWS			
9	Secured lending	3,042,246	-
10	Inflows from fully performing exposures	4,727,369	3,222,018
11	Other Cash inflows	11,748,563	6,315,255
12	TOTAL CASH INFLOWS	19,518,178	9,537,273
TOTAL ADJUSTED VALUE			
21	TOTAL HQLA		97,117,507
22	TOTAL NET CASH OUTFLOWS		66,443,018
23	LIQUIDITY COVERAGE RATIO		146.17%

Net Stable Funding Ratio (NSFR)

It focuses on long-term measurement and management of funding risk by creating additional incentives for banks to fund their activities with more stable sources of funding on an ongoing structural basis. The Net Stable Funding Ratio has been developed to capture structural issues related to funding choices.

NSFR Disclosure PKR in Thousand

LR IX

(Amount in PKR in thousands) as of December 31, 2022	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	16,661,769	-	-	16,661,769
3	Other capital instruments	-	-	-	-
4	Retail deposits and deposit from small business customers:				
5	Stable deposits	20,928,285	-	-	19,881,871
6	Less stable deposits	46,686,734	-	-	42,018,060
7	Wholesale funding:				
8	Operational deposits	4,452,101	-	-	2,226,050
9	Other wholesale funding	136,367,181	-	-	77,037,984
10	Other liabilities:				
11	NSFR derivative liabilities			3,233,375	9,736,284
12	All other liabilities and equity not included in other categories	79,866,920	-	-	19,113,550
13	Total ASF				178,322,676
RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)			244,479,198	33,368,050
15	Deposits held at other financial institutions for operational purposes	-	-	-	-
16	Performing loans and securities:	3,841,077	-	-	384,108
17	Performing loans to financial institutions secured by Level 1 HQLA	-	3,997,739	2,424,148	1,880,943
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-
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:	-	-	38,280,955	32,538,811
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	27,695,405	-	-	18,002,013
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-	-	3,486,220	2,963,287
22	Other assets:				
23	Physical traded commodities, including gold	-			-
24	Assets posted as initial margin for derivative contracts				-
25	NSFR derivative assets			8,573,513	-
26	NSFR derivative liabilities before deduction of variation margin posted			1,947,257	1,947,257
27	All other assets not included in the above categories	17,958,309	-	-	2,854,488
28	Off-balance sheet items		9,972,899	100,192,586	7,122,639
29	Total RSF				119,019,906
30	Net Stable Funding Ratio (%)				149.83%