

	Risk Weighted Assets	
	December 31, 2021	December 31, 2020
	(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	244,581	416,533
Claims on Public Sector Entities in Pakistan	-	563,282
Claims on Banks	-	-
Claims, denominated in foreign currency, on banks with original maturity of 3 months or less	119,292	1,161,500
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in PKR	3,418,601	1,149,732
Claims on Corporate (excluding equity exposures)	32,169,827	28,927,722
Claims categorized as retail portfolio	6,019,023	4,783,119
Claims fully secured by residential property	1,396,548	1,078,178
Past Due loans:		
where specific provisions are less than 20 per cent of the outstanding amount of the past due claim	4,985,820	3,255,465
where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim.	321,246	373,714
where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.	40,698	31,288
Loans and claims fully secured against eligible residential mortgage that are past due by 90 days and /or impaired	119,755	16,506
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.	8,966	2,831
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)	3,017,338	1,606,843
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	11,712,107	10,177,685
	63,573,801	53,544,398
Off- Balance Sheet - Non Market related Exposures		
Direct Credit Substitutes / Lending of securities or posting of securities as collateral	4,481,307	2,765,096
Performance related Contingencies	6,890,156	4,883,392
Trade Related contingencies / Other Commitments with original maturity of one year or less	737,962	400,673
	12,109,425	8,049,161
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*	458,711	209,957
	458,711	209,957
Total Credit Risk (A)	76,141,937	61,803,516
Market Risk		
Capital Requirement for portfolios subject to Standardized Approach		
Interest rate risk	12,766,369	13,828,310
Equity position risk etc.	2,968,490	1,382,439
Foreign exchange risk etc.	154,605	657,494
Total Market Risk (B)	15,889,464	15,868,243
Operational Risk		
Basic Indicator Approach-Total of operational risk (C)	13,301,652	12,082,254
Total (A + B + C)	105,333,053	89,754,013
Capital Adequacy Ratio		
Total eligible regulatory capital held	(a) 15,530,077	17,364,612
Total Risk Weighted Assets	(b) 105,333,053	89,754,013
Capital Adequacy Ratio	(a) / (b) 14.74%	19.35%

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

Rows #		December 31, 2021	December 31, 2020
		Amount	Amount
Common Equity Tier 1 capital (CET1): Instruments and reserves			
1	Fully Paid-up Capital/ Capital deposited with SBP	10,502,710	10,002,524
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on Issue of shares	-	-
5	General/ Statutory Reserves	3,555,774	3,335,048
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	2,160,774	3,267,017
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	16,219,258	16,604,589
10	Total regulatory adjustments applied to CET1 (Note 40.2.1)	970,750	1,054,424
11	Common Equity Tier 1	15,248,508	15,550,165
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)	15,248,508	15,550,165
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	63,519	772,544
27	Revaluation Reserves (net of taxes)	301,090	1,118,224
28	of which: Revaluation reserves on fixed assets	787,200	786,102
29	of which: Unrealized gains/losses on AFS	(486,110)	332,122
30	Foreign Exchange Translation Reserves	-	-
31	Undisclosed/Other Reserves (if any)	-	-
32	T2 before regulatory adjustments	364,609	1,890,768
33	Total regulatory adjustment applied to T2 capital (Note 40.2.3)	83,040	76,321
34	Tier 2 capital (T2) after regulatory adjustments	281,569	1,814,447
35	Tier 2 capital recognized for capital adequacy	281,569	1,814,447
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	Total Tier 2 capital admissible for capital adequacy	281,569	1,814,447
38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	15,530,077	17,364,612
39	Total Risk Weighted Assets (RWA) {for details refer Note 40.5}	105,333,053	89,754,013
Capital Ratios and buffers (in percentage of risk weighted assets)			
40	CET1 to total RWA	14.48%	17.33%
41	Tier-1 capital to total RWA	14.48%	17.33%
42	Total capital to total RWA	14.74%	19.35%
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%

December 31, 2021

December 31, 2020

		Rupees in '000			
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)	450,239		532,167	
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	-		-	
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		7,009	
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	509,714		515,248	
22	Total regulatory adjustments applied to CET1 (sum of 1 to 21)	970,750		1,054,424	
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	-		-	
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)	-		-	
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)	83,040.22		76,321	

* 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

		December 31, 2021	December 31, 2020
		Rupees in '000	
Note 41.2.4	Additional Information	Amount	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	1,576,902	1,607,242
39	Significant investments in the common stock of financial entities	214,520	182,838
40	Deferred tax assets arising from temporary differences (net of related tax liability)	992,415	459,899
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)	63,519	1,181,125
42	Cap on inclusion of provisions in Tier 2 under standardized approach	951,774	772,544
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, 2021	December 31, 2021
Assets	(1)	(2)
Cash and balances with treasury banks	17,375,313	17,375,313
Balanced with other banks	12,114,583	12,114,583
Lending to financial institutions	4,982,294	4,982,294
Investments	184,398,949	184,398,949
Advances	124,549,195	124,549,195
Operating fixed assets	5,587,441	5,587,441
Deferred tax assets	992,415	992,415
Other assets	8,605,861	8,605,861
Total assets	358,606,051	358,606,051
Liabilities & Equity	(1)	(2)
Bills payable	874,567	874,567
Borrowings	110,068,928	110,068,928
Deposits and other accounts	221,875,898	221,875,898
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	9,216,780	9,216,780
Total liabilities	342,036,173	342,036,173
Share capital/ Head office capital account	10,502,710	10,502,710
Reserves	3,555,774	3,555,774
Unappropriated/ Unremitted profit/ (losses)	2,160,774	2,160,774
Minority Interest	-	-
Surplus on revaluation of assets	350,620	350,620
Total liabilities & equity	358,606,051	358,606,051

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, 2021	December 31, 2021	
Assets	(1)	(2)	(3)
Cash and balances with treasury banks	17,375,313	17,375,313	
Balanced with other banks	12,114,583	12,114,583	
Lending to financial institutions	4,982,294	4,982,294	
Investments	184,398,949	184,398,949	
<i>of which: Non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold</i>	603,551	-	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	124,549,195	124,549,195	
<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>	63,519	30,872	g
Fixed Assets	5,587,441	5,587,441	
Deferred Tax Assets	992,415	992,415	
<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	8,605,861	8,605,861	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	450,239	100,898	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	358,606,051	358,606,051	
Liabilities & Equity			
Bills payable	874,567	874,567	
Borrowings	110,068,928	110,068,928	
Deposits and other accounts	221,875,898	221,875,898	
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	9,216,780	9,216,780	
Total liabilities	342,036,173	342,036,173	
Share capital	10,502,710	10,502,710	
<i>of which: amount eligible for CET1</i>	10,502,710	10,502,710	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	3,555,774	3,555,774	
<i>of which: portion eligible for inclusion in CET1 (provide breakup)</i>	3,555,774	3,555,774	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	v
Unappropriated profit/ (losses)	2,160,774	2,160,774	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	350,620	350,620	
<i>of which: Revaluation reserves on Fixed Assets</i>	787,200	774,199	aa
<i>of which: Unrealized Gains/Losses on AFS</i>	(486,110)	683,115	
<i>In case of Deficit on revaluation (deduction from CET1)</i>	-	-	ab
Total liabilities & Equity	358,606,051	358,606,051	

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	10,502,710	(s)
2 Balance in Share Premium Account	-	
3 Reserve for issue of Bonus Shares	-	
4 General/ Statutory Reserves	3,555,774	(u)
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	(w)
6 Unappropriated/unremitted profits/ (losses)	2,160,774	
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	16,219,258	
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)	450,239	(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	-	(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)	10,797	(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	509,714	
30 Total regulatory adjustments applied to CET1 (sum of 9 to 29)	970,750	
31 Common Equity Tier 1	15,248,508	

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	-	(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	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)	509,714	(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)	509,714	
46	Additional Tier 1 capital		
47	Additional Tier 1 capital recognized for capital adequacy	-	
48	Tier 1 Capital (CET1 + admissible AT1) (31+47)	15,248,508	
	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	63,519	(g)
54	Revaluation Reserves	301,090	
55	of which: Revaluation reserves on fixed assets	787,200	portion of (aa)
56	of which: Unrealized Gains/Losses on AFS	(486,110)	
57	Foreign Exchange Translation Reserves	-	(v)
58	Undisclosed/Other Reserves (if any)	-	
59	T2 before regulatory adjustments	364,609	
	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)	83,040	(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)	83,040	
66	Tier 2 capital (T2)	281,569	
67	Tier 2 capital recognized for capital adequacy	281,569	
68	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69	Total Tier 2 capital admissible for capital adequacy	281,569	
70	TOTAL CAPITAL (T1 + admissible T2) (48+69)	15,530,077	

Note 41.4 Main Features Template of Regulatory Capital Instruments

Set out below is the template that banks must use to ensure that the key features of all regulatory capital instruments are disclosed. Banks will be required to complete all of the cells for each outstanding regulatory capital instrument (please insert "NA" if the question is not applicable). Banks are required to report each regulatory capital instrument in a separate column of the template, such that the completed template would provide a "main features report" that summaries all of the regulatory capital instruments of the bank/ banking group.

Disclosure template for main features of regulatory capital instruments					
	Main Features	Common Shares	Instrument - 2	Inst.- 3 & so on ...	Explanation
1	Issuer	The Bank of Khyber			Identifies issuer legal entity.
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	BOK			
3	Governing law(s) of the instrument	Companies Ordinance 1984, KSE Regulations, The Bank of Khyber Act, 1991			Specify the governing law(s) of the instrument
	Regulatory treatment				
4	Transitional Basel III rules	Common Equity Tier I			Specifies the regulatory capital treatment during Basel III transitional phase (i.e. the component of capital that the instrument is being phased-out from). Enter: [Common Equity Tier 1] [Additional Tier 1] [Tier 2]
5	Post-transitional Basel III rules	Common Equity Tier I			Specifies regulatory capital treatment under Basel III rules not taking into account transitional treatment. Enter: [Common Equity Tier 1] [Additional Tier 1] [Tier 2] [Ineligible]
6	Eligible at solo/ group/ group&solo	Solo			Specifies the level(s) within the group at which the instrument is included in capital. Enter: [Solo] [Group] [Solo and Group]
7	Instrument type	Ordinary Shares			Enter: [Ordinary shares] [Perpetual non-cumulative preference shares] [perpetual debt instruments] [Other Tier 2] (others: please specify)
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	10,502,710			Specifies amount recognized in regulatory capital.
9	Par value of instrument	Rs. 10/-			Par value of instrument
10	Accounting classification	Shareholders' equity			Specifies accounting classification. Helps to assess loss absorbency. Enter: [Shareholders' equity] [Liability - amortized cost] [Liability - fair value option] [Non-controlling interest in consolidated subsidiary]
11	Original date of issuance	25.02.2006			Specifies date of issuance.
12	Perpetual or dated	Perpetual			Specifies whether dated or perpetual. Enter: [Perpetual/ no Maturity] [Dated]
13	Original maturity date	No Maturity			For dated instrument, specifies original maturity date.
14	Issuer call subject to prior supervisory approval	No			Specifies whether there is an issuer call option. Helps to assess permanence. Enter: [Yes] [No]
15	Optional call date, contingent call dates and redemption amount	N-A			For instrument with issuer call option, specifies first date of call if the instrument has a call option on a specific date (day, month and year) and in addition mention if the instrument has a tax and/or regulatory event call. Also specifies the redemption price. Helps to assess permanence
16	Subsequent call dates, if applicable	N-A			Specifies subsequent call dates, if applicable. Helps to assess permanence.
	Coupons / dividends				
17	Fixed or floating dividend/ coupon	Floating			Enter [fixed], [floating], [fixed to floating], [floating to fixed]
18	coupon rate and any related index/ benchmark	N-A			
19	Existence of a dividend stopper	No			Specifies whether the non payment of a coupon or dividend on the instrument prohibits the payment of dividends on common shares (i.e. whether there is a dividend stopper) Enter: [yes], [no]
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary			Enter: [fully discretionary] [partially discretionary] [mandatory]
21	Existence of step up or other incentive to redeem	No			Specifies whether there is a step-up or other incentive to redeem. Enter: [Yes] [No]
22	Noncumulative or cumulative	Non-cumulative			Specifies whether dividends / coupons are cumulative or noncumulative. Enter: [Noncumulative] [Cumulative]
23	Convertible or non-convertible	Non-Convertible			Specifies whether instrument is convertible or not. Helps to assess loss absorbency. Enter: [Convertible] [Nonconvertible]
24	If convertible, conversion trigger (s)	N-A			Specifies the conditions under which the instrument will convert, including point of non-viability. Where one or more authorities have the ability to trigger conversion, the authorities should be listed. For each of the authorities it should be state whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger conversion (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach)

25	If convertible, fully or partially	N-A			Specifies whether the instrument will: (i) always convert fully, (ii) may convert fully or partially, or (iii) will always convert partially Enter: one of the options
26	If convertible, conversion rate	N-A			Specifies rate of conversion into the more loss absorbent instrument. Helps to assess the degree of loss absorbency.
27	If convertible, mandatory or optional conversion	N-A			For convertible instruments, specifies whether conversion is mandatory or optional. Helps to assess loss absorbency. Enter: [Mandatory] [Optional] [NA]
28	If convertible, specify instrument type convertible into	N-A			For convertible instruments, specifies instrument type convertible into. Helps to assess loss absorbency. Enter: [Common Equity Tier 1] [Additional Tier 1] [Tier 2]
29	If convertible, specify issuer of instrument it converts into	N-A			If convertible, specify issuer of instrument into which it converts.
30	Write-down feature	N-A			Specifies whether there is a write down feature. Helps to assess loss absorbency. Enter: [Yes] [No]
31	If write-down, write-down trigger(s)	N-A			Specifies the trigger at which write-down occurs, including point of non-viability. Where one or more authorities have the ability to trigger write-down, the authorities should be listed. For each of the authorities it should be state whether it is the terms of the contract of the instrument that provide the legal basis for the authority to trigger write-down (a contractual approach) or whether the legal basis is provided by statutory means (a statutory approach)
32	If write-down, full or partial	N-A			For each write-down trigger separately, specifies whether the instrument will (i) always be written-down fully, (ii) may be written down partially; or (iii) will always be written down partially. Help assess the level of loss absorbency at write-down
33	If write-down, permanent or temporary	N-A			For write down instrument, specifies whether write down is permanent or temporary. Helps to assess loss absorbency. Enter: [Permanent] [Temporary] [NA]
34	If temporary write-down, description of write-up mechanism	N-A			For instrument that has a temporary write-down, description of write-up mechanism.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N-A			Specifies instrument to which it is most immediately subordinate. Helps to assess loss absorbency on gone-concern basis.
36	Non-compliant transitioned features	No			Specifies whether there are non-compliant features. Enter: [Yes] [No]
37	If yes, specify non-compliant features	N-A			If there are non-compliant features, specify which ones. Helps to assess instrument loss absorbency.

41.5 Liquidity risk

LCR Disclosure

Average Values of four quarters
March 31- December 31, 2021Average Values of four quarters
March 31- December 31, 2021

<i>(in local currency)</i>		TOTAL UNWEIGHTED ^a VALUE (average)	TOTAL WEIGHTED ^b VALUE (average)
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)	101,848	101,641
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:		
2.1	stable deposit		
2.2	Less stable deposit	54,533	5,453
3	Unsecured wholesale funding of which:	-	-
3.1	Operational deposits (all counterparties)	3,167	791
3.2	Non-operational deposits (all counterparties)		
3.3	Unsecured debt	143,309	63,403
4	Secured wholesale funding	18,511	-
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	103,202	2,781
8	TOTAL CASH OUTFLOWS	334,967	72,429
CASH INFLOWS			
9	Secured lending		
10	Inflows from fully performing exposures	7,352	5,708
11	Other Cash inflows	9,493	2,830
12	TOTAL CASH INFLOWS	16,845	8,539
TOTAL ADJUSTED VALUE			
21	TOTAL HQLA		101,636
22	TOTAL NET CASH OUTFLOWS		64,356
23	LIQUIDITY COVERAGE RATIO		157.93%

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

LR IX

		unweighted value by residual maturity				weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
<i>(Amount in PKR in thousands) as of December 31, 2017</i>						
ASF Item						
1	Capital:					
2	Regulatory capital	16,219,258	-	-	-	16,219,258
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposit from small business customers:					
5	Stable deposits	12,463,501	-	-	-	11,840,325
6	Less stable deposits	36,994,119	-	-	-	33,294,707
7	Wholesale funding:					
8	Operational deposits	11,722,731	-	-	-	5,861,366
9	Other wholesale funding	-	-	98,212,081	-	49,106,041
10	Other liabilities:					
11	NSFR derivative liabilities				28,231,381	-
12	All other liabilities and equity not included in other categories	118,049,756	-	4,290,962	60,653,643	62,799,124
13	Total ASF					179,120,821
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)				179,196,426	4,750,992
15	Deposits held at other financial institutions for operational purposes	12,114,583	-	-	-	6,057,292
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA	1,982,294	-	-	-	198,229
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	3,000,000	-	-	450,000
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:					
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	43,561,402	37,027,191
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-	-	-	4,216,447	3,583,980
22	Other assets:					
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets				27,951,845	-
26	NSFR derivative liabilities before deduction of variation margin posted				5,646,276	5,646,276
27	All other assets not included in the above categories		21,091,307	52,183,927	5,331,972	52,515,243
28	Off-balance sheet items		91,405,647			4,570,282
29	Total RSF					138,152,486
30	Net Stable Funding Ratio (%)					129.65%

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					
		2021			2020		
		Amount Outstanding	Deduction CRM	Net Amount	Amount Outstanding	Deduction CRM	Net Amount
-----Rupees in '000-----							
Corporate	1	4,176,533	-	4,176,533	1,982,857	-	1,982,857
	2	24,163,082	4,500	24,158,582	20,476,488	38,816	20,437,672
	3 & 4	1,636,515	-	1,636,515	3,259,134	-	3,259,134
	5 & 6	-	-	-	-	-	-
	Unrated-I	29,969,019	1,305,707	28,663,312	23,355,133	1,680,352	21,674,781
	Unrated-II	7,250,346	40,113	7,210,233	5,783,253	137,818	5,645,435
Banks	1	17,950,142	17,682,630	267,512	23,407,511	23,224,116	183,394
	2 & 3	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
With maturity 3 months or less (PKR)		30,622,828	13,529,825	17,093,003	27,233,038	21,414,435	5,818,603
With maturity 3 months or less (FCY)	1,2,3	376,820	-	376,820	2,971,655	-	2,971,655
	4,5	4,564	-	-	4,116	-	-
	6	-	-	-	-	-	-
	Unrated	208,229	-	208,229	2,825,555	-	2,825,555
Retail		11,980,080	486,783	11,493,296	10,343,592	713,128	9,630,464
Claims subject to Residential Mortgage		3,990,136	-	3,990,136	3,080,509	-	3,080,509
Public Sector Entities	1	-	-	-	-	-	-
	2 & 3	668,533	668,533	-	707,837	-	707,837
	Unrated	34,941,801	33,965,341	976,460	38,705,434	36,916,889	1,788,546
Past Due		3,864,208	-	3,864,208	2,628,767	-	2,628,767
Others		138,415,060	-	138,415,060	93,561,304	-	93,561,304
CRM = Credit Risk Mitigation		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.