



Risk Weighted Assets	
December 31, 2024	December 31, 2023

------(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	-	137,751
Claims on Public Sector Entities in Pakistan	9,538,486	360,483
Claims on Banks	-	-
Claims, denominated in foreign currency, on banks with original maturity of 3 months or less	716,564	566,577
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in PKR	746,460	1,457,778
Claims on Corporate (excluding equity exposures)	28,717,567	24,887,877
Claims categorized as retail portfolio	9,463,825	6,911,311
Claims fully secured by residential property	1,161,042	1,801,115
Past Due loans:		
where specific provisions are less than 20 per cent of the outstanding amount of the past due claim	436,581	5,299,596
where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim.	22,240	1,311,120
where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.	782,188	116,931
Loans and claims fully secured against eligible residential mortgage that are past due by 90 days and /or impaired	11,151	79,876
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.	12,718	14,431
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)	3,623,780	3,924,241
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	-	-
Investment in premises and plant, and all other fixed assets	6,353,144	-
All other assets	3,562,209	8,652,306
	65,147,955	55,521,393

Off- Balance Sheet - Non Market related Exposures

Direct Credit Substitutes / Lending of securities or posting of securities as collateral	9,049,432	6,646,674
Performance related Contingencies	9,555,310	11,301,037
Trade Related contingencies / Other Commitments with original maturity of one year or less		
	1,359,582	1,506,675
	19,964,324	19,454,386

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*	16,482	33,023
	16,482	33,023
Total Credit Risk (A)	85,128,759	75,008,452

Market Risk

Capital Requirement for portfolios subject to Standardized Approach

Interest rate risk	14,565,000	1,077,433
Equity position risk etc.	120,688	13,850
Foreign exchange risk etc.	261,500	20,203
Total Market Risk (B)	14,947,185	13,893,850

Operational Risk

Basic Indicator Approach-Total of operational risk (C)	26,704,795	20,243,274
Total (A + B + C)	126,780,739	109,145,306

Capital Adequacy Ratio

Total eligible regulatory capital held	(a)	22,575,352	19,920,878
Total Risk Weighted Assets	(b)	126,780,739	109,145,306
Capital Adequacy Ratio	(a) / (b)	17.81%	18.25%

Leverage Ratio

	December 31, 2024	December 31, 2023
	--(Rupees in '000)--	
Total Exposure		
On Balance Sheet Exposure	437,967,114	346,155,031
On-Balance Sheet Exposure (Excluding Derivatives)	-	-
Derivative	-	-
Total On Balance Sheet Exposure (A)	437,967,114	346,155,031
Off Balance Sheet Exposure	115,224,007	109,374,911
Off-Balance Sheet Exposure (Excluding Derivatives)	-	-
Derivative in respect of Commitments	23,848	135,364
Total Off Balance Sheet Exposure (B)	115,247,855	109,510,275
Total Exposure (A+B)	553,214,969	455,665,307
Tier-1 Capital	19,861,157	19,747,849
Leverage Ratio	3.59%	4.33%
Regulatory Requirement for Leverage Ratio	3.00%	3.00%

44.1 Capital Adequacy Ratio (CAR) disclosure template:
CAPITAL ADEQUACY RETURN AS OF DECEMBER 31, 2024

Rows #		December 31, 2024	December 31, 2023
		Amount	Amount
Rupees in '000			
Common Equity Tier 1 capital (CET1): Instruments and reserves			
1	Fully Paid-up Capital/ Capital deposited with SBP	11,579,360	11,027,905
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on Issue of shares	-	-
5	General/ Statutory Reserves	5,066,025	4,343,001
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	3,577,135	4,805,756
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	20,222,520	20,176,662
10	Total regulatory adjustments applied to CET1 (Note 40.2.1)	361,363	428,813
11	Common Equity Tier 1	19,861,157	19,747,849
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)	19,861,158	19,747,849
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	1,064,109	96,130
27	Revaluation Reserves (net of taxes)	1,650,086	76,899
28	of which: Revaluation reserves on fixed assets	900,120	900,120
29	of which: Unrealized gains/losses on AFS	749,966	(823,221)
30	Foreign Exchange Translation Reserves	-	-
31	Undisclosed/Other Reserves (if any)	-	-
32	T2 before regulatory adjustments	2,714,195	173,029
33	Total regulatory adjustment applied to T2 capital (Note 40.2.3)	-	-
34	Tier 2 capital (T2) after regulatory adjustments	2,714,195	173,029
35	Tier 2 capital recognized for capital adequacy	2,714,195	173,029
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	Total Tier 2 capital admissible for capital adequacy	2,714,195	173,029
38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	22,575,353	19,920,878
39	Total Risk Weighted Assets (RWA) (for details refer Note 40.5)	126,780,739	109,145,306
Capital Ratios and buffers (in percentage of risk weighted assets)			
40	CET1 to total RWA	15.67%	18.09%
41	Tier-1 capital to total RWA	15.67%	18.09%
42	Total capital to total RWA	17.81%	18.25%
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, 2024

December 31, 2023

		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)	361,363		428,608	
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)	-		-	
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	-		205	
22	Total regulatory adjustments applied to CET1 (sum of 1 to 21)	361,363		428,813	
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	-		205	
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)	-		205	
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)	-		-	

* 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, 2024 December 31, 2023
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	1,049,541	
39	Significant investments in the common stock of financial entities	153,599	
40	Deferred tax assets arising from temporary differences (net of related tax liability)	1,193,562	
	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)	1,064,109	
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	-	-

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

NOTE 44.3 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, 2024	December 31, 2023
Assets	(1)	(2)
Cash and balances with treasury banks	23,993,095	23,895,690
Balanced with other banks	3,252,274	3,960,115
Lending to financial institutions	133,574	2,000,000
Investments	282,766,597	223,348,499
Advances	146,881,971	101,587,580
Operating fixed assets	6,714,506	7,377,275
Deferred tax assets	1,193,562	1,346,748
Other assets	12,628,288	19,670,577
Total assets	477,563,867	383,186,484
Liabilities & Equity		
Bills payable	21,951,353	3,759,078
Borrowings	133,531,771	50,460,559
Deposits and other accounts	277,641,989	289,291,561
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Lease Liabilities	2,147,700	2,407,066
Deferred tax liabilities	-	-
Other liabilities	20,391,835	16,966,936
Total liabilities	455,664,648	362,885,200
Share capital/ Head office capital account	11,579,360	11,027,905
Reserves	5,066,025	4,343,001
Unappropriated/ Unremitted profit/ (losses)	3,577,136	4,805,756
Minority Interest	-	-
Surplus on revaluation of assets	1,676,698	124,622
Total liabilities & equity	477,563,867	383,186,484

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, 2024	December 31, 2023	
(1)	(2)	(3)	(4)
Assets			
Cash and balances with treasury banks	23,993,095	23,895,690	
Balanced with other banks	3,252,274	3,960,115	
Lending to financial institutions	133,574	2,000,000	
Investments	282,766,597	223,348,499	
<i>of which: Non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold</i>	-	-	a
<i>of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold</i>	-	-	b
<i>of which: Mutual Funds exceeding regulatory threshold</i>	-	-	c
<i>of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)</i>	-	-	d
<i>of which: others (mention details)</i>	-	-	e
Advances	146,881,971	101,587,580	
<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>	1,064,109	1,064,109	g
Fixed Assets	6,714,506	7,377,275	
Deferred Tax Assets	1,193,562	1,346,748	
<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	12,628,288	19,670,577	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	361,363	361,363	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	477,563,867	383,186,484	
Liabilities & Equity			
Bills payable	21,951,353	3,759,078	
Borrowings	133,531,771	50,460,559	
Deposits and other accounts	277,641,989	289,291,561	
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	20,391,835	19,374,002	
Total liabilities	453,516,948	362,885,200	
Share capital	11,579,360	11,027,905	
<i>of which: amount eligible for CET1</i>	11,579,360	11,027,905	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	5,066,025	4,343,001	
<i>of which: portion eligible for inclusion in CET1 (provide breakup)</i>	5,066,025	4,343,001	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	v
Unappropriated profit/ (losses)	3,577,136	4,805,756	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>	900,120	900,120	aa
<i>of which: Unrealized Gains/Losses on AFS</i>	749,966	(823,221)	
<i>In case of Deficit on revaluation (deduction from CET1)</i>	1,676,698	124,622	ab
Total liabilities & Equity	475,416,167	383,186,484	

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	11,579,360
2	Balance in Share Premium Account	-
3	Reserve for issue of Bonus Shares	-
4	General/ Statutory Reserves	5,066,025
5	Gain/(Losses) on derivatives held as Cash Flow Hedge	-
6	Unappropriated/unremitted profits/ (losses)	3,577,136
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)	-
8	CET 1 before Regulatory Adjustments	20,222,521
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)	(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)	(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	-
30	Total regulatory adjustments applied to CET1 (sum of 9 to 29)	361,363
31	Common Equity Tier 1	19,861,157

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	-	
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)	-	
46	Additional Tier 1 capital	-	
47	Additional Tier 1 capital recognized for capital adequacy	-	
48	Tier 1 Capital (CET1 + admissible AT1) (31+47)	19,861,157	
	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	1,064,109	(g)
54	Revaluation Reserves	1,650,086	
55	of which: Revaluation reserves on fixed assets	900,120	
56	of which: Unrealized Gains/Losses on AFS	749,966	portion of (aa)
57	Foreign Exchange Translation Reserves	-	(v)
58	Undisclosed/Other Reserves (if any)	-	
59	T2 before regulatory adjustments	2,714,195	
	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)	2,714,195	
67	Tier 2 capital recognized for capital adequacy	2,714,195	
68	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69	Total Tier 2 capital admissible for capital adequacy	2,714,195	
70	TOTAL CAPITAL (T1 + admissible T2) (48+69)	22,575,352	

45 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					
		2024			2023		
		Amount Outstanding	Deduction CRM	Net Amount	Amount Outstanding	Deduction CRM	Net Amount
-----Rupees in '000-----							
Corporate	1	9,915,313	-	9,915,313	7,964,331	-	7,964,331
	2	96,159,519	60,126,283	36,033,236	20,405,481	-	20,405,481
	3 & 4	148,495	-	148,495	475,435	-	475,435
	5 & 6	-	-	-	-	-	-
	Unrated-I	4,689,264	-	4,689,264	7,894,751	-	7,894,751
	Unrated-II	3,104,102	-	3,104,102	3,777,667	-	3,777,667
Banks	1	-	-	-	-	-	-
	2 & 3	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
With maturity 3 months or less (PKR)		3,732,300	-	3,732,300	7,288,891	-	7,288,891
With maturity 3 months or less (FCY)	1,2,3	846,465	-	846,465	960,454	-	960,454
	4,5	9,219	-	9,219	14,640	-	14,640
	6	270,628	-	270,628	128,028	-	128,028
	Unrated	683,595	-	683,595	875,317	-	875,317
Retail		12,618,918	485	12,618,433	9,215,081	-	9,215,081
Claims subject to Residential Mortgage		3,317,263	-	3,317,263	5,146,043	-	5,146,043
Public Sector Entities	1	-	-	-	-	-	-
	2 & 3	519,754	-	519,754	720,966	-	720,966
	Unrated	18,557,217	-	18,557,217	29,312,887	29,312,887	-
Past Due		1,914,257	-	1,914,257	5,186,604	-	5,186,604
Others		51,284,789	-	51,284,789	63,086,703	-	63,086,804
		207,771,098	-	147,644,330	162,453,280	-	133,140,494
CRM = Credit Risk Mitigation		207,771,098	60,126,768	147,644,330	-	-	-

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

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

45.5. Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. Liquidity risk is governed by the liquidity management policy of the Bank and is managed by Market & Liquidity Risk Management Department under the supervision of ALCO.

The Bank's Asset & Liability Committee (ALCO) manages the liquidity position on a regular basis and is primarily responsible for the formulation of overall strategy and oversight of the asset and liability function. ALCO monitors the maintenance of liquidity ratios, both in terms of the overall funding mix and avoidance of undue reliance on large individual deposits. The BOD has approved comprehensive Liquidity Risk Management Policy which stipulates the early warning indicators (EWI) of liquidity risk and maintenance of various ratios according to comfortable, acceptable, warning, and stress zones. Moreover, Bank also has Contingency Funding Plan (CFP) in place to address liquidity issues in times of stress / crisis situation. In addition, ALCO & BRMC are briefed about various Liquidity Risk standards like Liquidity Coverage Ratio and its monitoring tools on periodic basis. Further the Bank has designed different scenarios of cash outflows to stress test efficiency of its liquid assets and its impact on profit and loss. Bank performs regular liquidity stress tests as part of its liquidity monitoring activities. The purpose of the liquidity stress tests is intended to ensure sufficient liquidity for the Bank under both idiosyncratic and systemic market stress conditions. The results are regularly reviewed by ALCO for taking appropriate measures.

Bank's liquidity risk management approach involves intraday liquidity management, managing funding sources and evaluation of structural imbalances in balance sheet structure. The Bank's large and stable base of customer deposits, along with the Bank's strong capital base supplemented underlying strength and strong liquidity position during the year. Bank also has a substantial portfolio of marketable securities that can be realized in the event of liquidity stress. The level of liquidity reserves as per regulatory requirements also mitigates liquidity risk.

As a part of liquidity management, the Bank maintains borrowing relationships with various financial institutions to ensure the continued access to diverse market of funding sources. The Bank's credit rating together with market reputation has enabled it to secure ample call lines with local and foreign banks and can fulfill its liquidity gap if a need arises.

The experience of Global Financial Crises (GFC) has urged the banks to follow an aggressive approach regarding liquidity and funding risk. State Bank of Pakistan has re-defined the guidelines and mechanism for liquidity risk management for banks in terms of different disclosures and reports. This entire mechanism as directed by SBP Basel III liquidity standards referred by BPRD circular # 08 - 2016 is implemented to ensure the liquidity risk management within regulatory parameters. The main disclosures are consisted of:

Liquidity Coverage Ratio (LCR)

The objective of LCR is focus on short-term liquidity risk measurement and management of the bank by ensuring the preservation of adequate unencumbered High Quality Liquid Assets (HQLA) to survive total cash out flows over the horizon of 30 days. Liquidity Coverage Ratio (LCR) is a quantitative requirement which aims to ensure that a bank maintains an adequate level of unencumbered high quality liquid assets which can easily be converted into cash at little or no loss of value in private markets, to withstand an acute liquidity stress scenario over a 30-day horizon. Minimum requirement for LCR stands at 100%. Main drivers of LCR for the bank remains un-encumbered assets (T-Bills, PIBs, Govt. Sukuks etc.) on assets side whereas deposits generated from sovereigns, PSE, Non-financial corporates on liability side.

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.

	(Audited) December 31, 2024	(Audited) December 31, 2023
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	210,120,866	178,286,835
Total net cash outflow	100,596,138	88,514,877
LCR	208.88%	201.42%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	204,889,233	210,054,766
Total required stable funding	138,223,557	116,062,991
NSFR	148.23%	180.98%