



	December 31, 2025	December 31, 2024
	----- (Rupees in '000) -----	
Credit Risk		
Portfolio subject to standardized approach (simple or comprehensive)		
<u>On-balance sheet</u>		
Claims on other Sovereigns and on Government of Pakistan or Provincial Government or SBP denominated in currencies other than PKR	-	-
Claims on Public Sector Entities in Pakistan	634,645	9,538,486
Claims on Banks	-	-
Claims, denominated in foreign currency, on banks with original maturity of 3 months or less	376,405	716,564
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in PKR	1,515,891	746,460
Claims on Corporate (excluding equity exposures)	28,020,438	28,717,567
Claims categorized as retail portfolio	7,332,204	9,463,825
Claims fully secured by residential property	995,219	1,161,042
Past Due loans:		
where specific provisions are less than 20 per cent of the outstanding amount of the past due claim	442,299	436,581
where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim.	147,578	22,240
where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.	622,985	782,188
Loans and claims fully secured against eligible residential mortgage that are past due by 90 days and /or impaired	15,246	11,151
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.	24,472	12,718
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)	3,930,093	3,623,780
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	475	-
Investment in premises and plant, and all other fixed assets	6,422,700	6,353,144
All other assets	5,245,490	3,562,209
	55,726,140	65,147,955
<u>Off- Balance Sheet - Non Market related Exposures</u>		
Direct Credit Substitutes / Lending of securities or posting of securities as collateral	1,388,196	9,049,432
Performance related Contingencies	13,792,975	9,555,310
Trade Related contingencies / Other Commitments with original maturity of one year or less	2,065,172	1,359,582
	17,246,344	19,964,324
<u>Off- Balance Sheet - Market related Exposures</u>		
Foreign Exchange Contracts with SBP	-	-
Foreign Exchange Contract (with original maturity of less than 14 days)	-	-
Foreign Exchange Contracts*	9,514	16,482
	9,514	16,482
Total Credit Risk (A)	72,981,998	85,128,759
Market Risk		
<u>Capital Requirement for portfolios subject to Standardized Approach</u>		
Interest rate risk	12,059,277	14,565,000
Equity position risk etc.	153,344	120,688
Foreign exchange risk etc.	285,353	261,500
Total Market Risk (B)	12,497,974	14,947,188
Operational Risk	34,362,037	26,704,795
Basic Indicator Approach-Total of operational risk (C)	34,362,037	26,704,795
Total (A + B + C)	119,842,009	126,780,739
Capital Adequacy Ratio		
Total eligible regulatory capital held	(a) 24,146,287	22,575,352
Total Risk Weighted Assets	(b) 119,842,009	126,780,739
Capital Adequacy Ratio	(a) / (b) 20.15%	17.81%
Leverage Ratio	December 31, 2025	December 31, 2024
	--(Rupees in '000)--	
Total Exposure		
On Balance Sheet Exposure	420,427,855	437,967,114
On-Balance Sheet Exposure (Excluding Derivatives)	-	-
Derivative	-	-
Total On Balance Sheet Exposure (A)	420,427,855	437,967,114
Off Balance Sheet Exposure	86,372,786	115,224,007
Off-Balance Sheet Exposure (Excluding Derivatives)	-	-
Derivative in respect of Commitments	9,567	23,848
Total Off Balance Sheet Exposure (B)	86,382,352	115,247,855
Total Exposure (A+B)	506,810,207	553,214,969
Tier-1 Capital	21,938,809	19,861,157
Leverage Ratio	4.33%	3.59%
Regulatory Requirement for Leverage Ratio	3.00%	3.00%

44.1 Capital Adequacy Ratio (CAR) disclosure template:
CAPITAL ADEQUACY RETURN AS OF DECEMBER 31, 2025

Rows #	Common Equity Tier 1 capital (CET1): Instruments and reserves	December 31, 2025	December 31, 2024
		Amount	Amount
		Rupees in '000	
1	Fully Paid-up Capital/ Capital deposited with SBP	11,579,360	11,579,360
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on Issue of shares	-	-
5	General/ Statutory Reserves	6,229,177	5,066,025
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	4,509,299	3,577,135
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	22,317,836	20,222,520
10	Total regulatory adjustments applied to CET1	379,027	361,363
11	Common Equity Tier 1	21,938,809	19,861,157
	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	-	-
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)	21,938,809	19,861,158
	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	901,012	1,064,109
27	Revaluation Reserves (net of taxes)	1,306,466	1,650,086
28	of which: Revaluation reserves on fixed assets	900,120	900,120
29	of which: Unrealized gains/losses on AFS	406,346	749,966
30	Foreign Exchange Translation Reserves	-	-
31	Undisclosed/Other Reserves (if any)	-	-
32	T2 before regulatory adjustments	2,207,478	2,714,195
33	Total regulatory adjustment applied to T2 capital	-	-
34	Tier 2 capital (T2) after regulatory adjustments	2,207,478	2,714,195
35	Tier 2 capital recognized for capital adequacy	2,207,478	2,714,195
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	Total Tier 2 capital admissible for capital adequacy	2,207,478	2,714,195
38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	24,146,287	22,575,353
39	Total Risk Weighted Assets (RWA)	119,842,009	126,780,739
	Capital Ratios and buffers (in percentage of risk weighted assets)		
40	CET1 to total RWA	18.31%	15.67%
41	Tier-1 capital to total RWA	18.31%	15.67%
42	Total capital to total RWA	20.15%	17.81%
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%

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 44.2.1	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)	379,027	-	361,363	-
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	-	-	-	-
22	Total regulatory adjustments applied to CET1 (sum of 1 to 21)	379,027	-	361,363	-
44.2.2	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)	-	-	-	-
44.2.3	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, 2025 December 31, 2024
Rupees in '000

Note 44.2.4	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	1,552,278	1,049,541
39	Significant investments in the common stock of financial entities	539,126	153,599
40	Deferred tax assets arising from temporary differences (net of related tax liability)	1,032,911	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)	901,012	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: 44.3.1		
(in thousand PKR)	Balance sheet of the published financial statements	Balance sheet of the published financial statements
	December 31, 2025	December 31, 2024
Assets	(1)	(2)
	(2)	(3)
Cash and balances with treasury banks	25,398,116	23,993,095
Balances with other banks	3,217,067	3,252,274
Lendings to financial institutions	3,438,549	133,574
Investments	274,956,627	282,766,597
Advances	126,705,821	146,881,971
Property and equipment	4,796,539	4,293,173
Right-of-use assets	1,626,161	2,059,970
Intangible assets	379,645	361,363
Deferred tax assets	1,032,911	1,193,562
Other assets	11,748,178	12,628,288
Total assets	453,299,614	477,563,867
Liabilities & Equity		
Bills payable	3,212,340	21,951,353
Borrowings	35,697,978	133,531,771
Deposits and other accounts	378,123,220	277,641,989
Lease liabilities	1,757,104	2,147,700
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	10,832,282	20,391,835
Total liabilities	429,622,924	455,664,648
Share capital	11,579,360	11,579,360
Reserves	6,229,178	5,066,025
Surplus on revaluation of assets	1,358,853	1,676,698
Unappropriated profit	4,509,299	3,577,136
Total liabilities & equity	453,299,614	477,563,867

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: 44.3.2	Balance sheet as in published financial statements	Balance sheet as in published financial statements	Reference
	December 31, 2025	December 31, 2024	
(1)	(2)	(3)	(4)
Assets			
Cash and balances with treasury banks	25,398,116	23,993,095	
Balanced with other banks	3,217,067	3,252,274	
Lending to financial institutions	3,438,549	133,574	
Investments	274,956,627	282,766,597	
<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	126,705,821	146,881,971	
<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>	901,012	1,064,109	g
Operating Fixed Assets	6,422,700	6,353,143	
Deferred Tax Assets	1,032,911	1,193,562	
<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	11,748,178	12,628,288	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	379,645	361,363	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	453,299,614	477,563,867	
Liabilities & Equity			
Bills payable	3,212,340	21,951,353	
Borrowings	35,697,978	133,531,771	
Deposits and other accounts	378,123,220	277,641,989	
Sub-ordinated loans	1,757,104	2,147,700	
<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	10,832,282	20,391,835	
Total liabilities	429,622,924	455,664,648	
Share capital	11,579,360	11,579,360	
<i>of which: amount eligible for CET1</i>	11,579,360	11,579,360	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	6,229,178	5,066,025	
<i>of which: portion eligible for inclusion in CET1 (provide breakup)</i>	6,229,178	5,066,025	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	v
Unappropriated profit/ (losses)	4,509,299	3,577,136	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>	406,346	749,966	
<i>In case of Deficit on revaluation (deduction from CET1)</i>	1,358,853	1,676,698	ab
Total liabilities & Equity	453,299,614	477,563,867	

Step 3: Under Step 3, a column is added to the capital adequacy disclosure template given at Note 44.2 (including sub-notes 44.2.1 to 44.2.3) 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 44.3.3 is repetition of Note 44.2 with the addition of the last column, therefore to reduce duplication, the bank may adopt any of the two options: (1) Use the table 44.3.3 as proposed below, or (2) just add the last column of table 44.3.3 to Note 44.2 (including sub-notes 44.2.1 to 44.2.3).

Basel III Disclosure Template (with added column)		
Table: 44.3.3	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	-	(s)
3 Reserve for issue of Bonus Shares	-	
4 General/ Statutory Reserves	6,229,177	(u)
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
6 Unappropriated/unremitted profits/ (losses)	4,509,299	(w)
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	22,317,836	
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)	379,027	(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)	379,027	
31 Common Equity Tier 1	21,938,809	

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 (AT1) 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)	-	(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)	21,938,809	
	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	901,012	(g)
54	Revaluation Reserves	1,306,466	
55	of which: Revaluation reserves on fixed assets	900,120	
56	of which: Unrealized Gains/Losses on AFS	406,346	portion of (aa)
57	Foreign Exchange Translation Reserves	-	(v)
58	Undisclosed/Other Reserves (if any)	-	
59	T2 before regulatory adjustments	2,207,478	
	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)	-	(ac)
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)	2,207,478	
67	Tier 2 capital recognized for capital adequacy	2,207,478	
68	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69	Total Tier 2 capital admissible for capital adequacy	2,207,478	
70	TOTAL CAPITAL (T1 + admissible T2) (48+69)	24,146,287	

44.4 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					
		2025			2024		
		Amount Outstanding	Deduction CRM	Net Amount	Amount Outstanding	Deduction CRM	Net Amount
Rupees in '000							
Corporate	1	15,179,139	655,872	14,523,267	9,915,313	-	9,915,313
	2	30,382,695	4,797,855	25,584,841	96,159,519	60,126,283	36,033,236
	3 & 4	575,569	-	575,569	148,495	-	148,495
	5 & 6	-	-	-	-	-	-
	Unrated-I	12,686,596	5,289,304	7,397,292	4,689,264	-	4,689,264
	Unrated-II	3,780,802	599,846	3,180,956	3,104,102	-	3,104,102
Banks	1	-	-	-	-	-	-
	2 & 3	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
With maturity 3 months or less (PKR)		7,579,456	-	7,579,456	3,732,300	-	3,732,300
With maturity 3 months or less (FCY)	1,2,3	820,266	-	820,266	846,465	-	846,465
	4,5	-	-	-	9,219	-	9,219
	6	-	-	-	270,628	-	270,628
	Unrated	1,061,759	-	1,061,759	683,595	-	683,595
Retail		10,099,907	667,548	9,432,359	12,618,918	485	12,618,433
Claims subject to Residential Mortgage		3,191,549	34,547	3,157,002	3,317,263	-	3,317,263
Public Sector Entities	1	-	-	-	-	-	-
	2 & 3	321,444	-	321,444	519,754	-	519,754
	Unrated	48,578,815	48,578,815	-	18,557,217	-	18,557,217
Past Due		1,752,604	-	1,752,604	1,914,257	-	1,914,257
Others		52,308,358	11,836	52,296,522	51,284,789	-	51,284,789
		188,318,960	60,635,622	127,683,338	207,771,098	60,126,768	147,644,330

CRM = Credit Risk Mitigation

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

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

44.5. 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, 2025	(Audited) December 31, 2024
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	257,620,116	210,120,866
Total net cash outflow	110,482,513	100,596,138
LCR	233.18%	208.88%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	255,767,794	204,889,233
Total required stable funding	116,739,966	138,223,557
NSFR	219.09%	148.23%