

## LCR Disclosure as of Dec 31, 2022

<i>(Amount in PKR in thousands)</i>		TOTAL UNWEIGHTED <sup>a</sup> VALUE (average)	TOTAL WEIGHTED <sup>b</sup> VALUE (average)
<b>HIGH QUALITY LIQUID ASSETS</b>			
1	Total high quality liquid assets (HQLA)	12,007,270	12,007,270
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers of which:		
2.1	stable deposit	-	-
2.2	Less stable deposit	-	-
3	Unsecured wholesale funding of which:		
3.1	Operational deposits (all counterparties)	-	-
3.2	Non-operational deposits (all counterparties)		
3.3	Unsecured debt	-	-
4	Secured wholesale funding	-	-
5	Additional requirements of which:		
5.1	Outflows related to derivative exposures and other collateral requirements		
5.2	Outflows related to loss of funding on debt products		
5.3	Credit and Liquidity facilities		
6	Other contractual funding obligations	170,976	170,976
7	Other contingent funding obligations		
8	<b>TOTAL CASH OUTFLOWS</b>	<b>170,976</b>	<b>170,976</b>
<b>CASH INFLOWS</b>			
9	Secured lending	-	-
10	Inflows from fully performing exposures	304,312	303,799
11	Other Cash inflows	2,239,975	220,444
12	<b>TOTAL CASH INFLOWS</b>	<b>2,544,287</b>	<b>524,243</b>
<b>TOTAL ADJUSTED VALUE</b>			
21	<b>TOTAL HQLA</b>		12,007,270
22	<b>TOTAL NET CASH OUTFLOWS</b>		42,744
23	<b>LIQUIDITY COVERAGE RATIO</b>		28091%

- a unweighted values must be calculated as outstanding balances maturing or callable within 30 days ( for inflows and outflows)
- b Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates ( for inflows and outflows)
- c Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (ie cap on level 2B and level 2 assets for HQLA and cap on inflows)

## LCR Disclosure as of Dec 31, 2022 (Average)

<i>(Amount in PKR in thousands)</i>		TOTAL UNWEIGHTED <sup>a</sup> VALUE (average)	TOTAL WEIGHTED <sup>b</sup> VALUE (average)
<b>HIGH QUALITY LIQUID ASSETS</b>			
1	Total high quality liquid assets (HQLA)	7,258,215	7,258,215
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers of which:		
2.1	stable deposit	-	-
2.2	Less stable deposit	-	-
3	Unsecured wholesale funding of which:		
3.1	Operational deposits (all counterparties)	-	-
3.2	Non-operational deposits (all counterparties)		
3.3	Unsecured debt	-	-
4	Secured wholesale funding	-	-
5	Additional requirements of which:		
5.1	Outflows related to derivative exposures and other collateral requirements		
5.2	Outflows related to loss of funding on debt products		
5.3	Credit and Liquidity facilities		
6	Other contractual funding obligations	220,707	220,707
7	Other contingent funding obligations		
8	<b>TOTAL CASH OUTFLOWS</b>	<b>220,707</b>	<b>220,707</b>
<b>CASH INFLOWS</b>			
9	Secured lending	-	-
10	Inflows from fully performing exposures	806,983	806,535
11	Other Cash inflows	8,514,976	8,513,388
12	<b>TOTAL CASH INFLOWS</b>	<b>9,321,959</b>	<b>9,319,923</b>
<b>TOTAL ADJUSTED VALUE</b>			
21	<b>TOTAL HQLA</b>		7,258,215
22	<b>TOTAL NET CASH OUTFLOWS</b>		55,177
23	<b>LIQUIDITY COVERAGE RATIO</b>		13154%

- a unweighted values must be calculated as outstanding balances maturing or callable within 30 days ( for inflows and outflows)
- b Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates ( for inflows and outflows)
- c Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (ie cap on level 2B and level 2 assets for HQLA and cap on inflows)

## NSFR Disclosure as of Dec 31, 2022

LR IX

(Amount in PKR in thousands)		unweighted value by residual maturity				weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
<b>ASF Item</b>						
1	Capital:					
2	Regulatory capital	8,706,305				8,706,305
3	Other capital instruments	94,502				94,502
4	Retail deposits and deposit from small business customers:					
5	Stable deposits	-				-
6	Less stable deposits	-				-
7	Wholesale funding:					
8	Operational deposits	-				-
9	Other wholesale funding			-		-
10	Other liabilities:					
11	NSFR derivative liabilities				-	-
12	All other liabilities and equity not included in other categories	6,848,086	-	461,780	39,499,136	39,730,026
13	<b>Total ASF</b>					<b>48,530,833</b>
<b>RSF item</b>						
14	Total NSFR high-quality liquid assets (HQLA)				18,289,166	314,095
15	Deposits held at other financial institutions for operational purposes	3,531	-			1,766
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA	-				-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		3,683,992	4,010,472		2,557,835
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:				6,039	5,134
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				129,088	83,907
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.				-	-
22	Other assets:					
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets				-	-
26	NSFR derivative liabilities before deduction of variation margin posted				-	-
27	All other assets not included in the above categories		28,831,798	599,854	-	29,131,724
28	Off-balance sheet items		-			-
29	<b>Total RSF</b>					<b>32,094,461</b>
30	<b>Net Stable Funding Ratio (%)</b>					<b>151%</b>

## Capital adequacy ratio

The capital to risk weighted assets ratio, calculated in accordance with the SBP guidelines on capital adequacy, under Basel Regime using Standardized Approach for Credit and Market Risks and Basic Indicator Approach for Operational Risk is presented below:

Particulars	2022	2021
	Amount	
	----- Rupees '000 -----	
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>		
- Fully paid-up capital / capital deposited with the SBP	6,237,759	6,237,759
- Balance in share premium account	-	-
- Reserve for issue of bonus shares	-	-
- Discount on issue of shares	-	-
- General / statutory reserves	1,007,773	691,930
- Gain / (losses) on derivatives held as cash flow hedge	-	-
- Unappropriated profit	1,948,367	684,872
- Minority interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
<b>CET 1 before regulatory adjustments</b>	<b>9,193,899</b>	<b>7,614,561</b>
Total regulatory adjustments applied to CET1 (Note 42.1.1)	487,594	271,005
<b>Common Equity Tier 1 (a)</b>	<b>8,706,305</b>	<b>7,343,556</b>
<b>Additional Tier 1 (AT 1) Capital</b>		
- Qualifying Additional Tier-1 instruments plus any related share premium of which:		
- classified as equity	-	-
- classified as liabilities	-	-
- Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties of which:		
- instrument issued by subsidiaries subject to phase out	-	-
<b>AT1 before regulatory adjustments</b>	-	-
Total regulatory adjustment applied to AT1 capital (Note 42.1.2)	-	-
<b>Additional Tier 1 capital after regulatory adjustments</b>	-	-
<b>Additional Tier 1 capital recognised for capital adequacy (b)</b>	-	-
<b>Tier 1 Capital (CET1 + admissible AT1) (c=a+b)</b>	<b>8,706,305</b>	<b>7,343,556</b>
<b>Tier 2 Capital</b>		
- Qualifying Tier 2 capital instruments under Basel III	-	-
- Tier 2 capital instruments subject to phase out arrangement	-	-
- Tier 2 capital instruments issued to third party by consolidated subsidiaries of which:		
- instruments issued by subsidiaries subject to phase out	-	-
- General provisions or general reserves for loan losses-up to maximum of 1.25% of credit risk weighted assets	94,502	-
- Revaluation reserves of which:		
- revaluation reserves on fixed assets	-	-
- unrealized gain / (loss) on AFS	-	-
- Foreign exchange translation reserves	-	-
- Undisclosed / other reserves (if any)	-	-
<b>T2 before regulatory adjustments</b>	<b>94,502</b>	-
Total regulatory adjustment applied to T2 capital (Note 42.1.3)	-	-
<b>Tier 2 capital (T2) after regulatory adjustments</b>	<b>94,502</b>	-
Portion of Tier 1 capital recognised in Tier 2 capital	-	-
<b>Total Tier 2 capital admissible for capital adequacy (d)</b>	<b>94,502</b>	-
<b>TOTAL CAPITAL (T1 + admissible T2) (e=c+d)</b>	<b>8,800,808</b>	<b>7,343,556</b>
<b>Total risk weighted assets (for details refer note 42.4)</b>	<b>13,666,378</b>	<b>13,829,841</b>
Particulars	2022	2021
	Percentage	
<b>Capital ratios and buffers (in percentage of risk weighted assets)</b>		
- CET1 to total RWA (a / i)	63.71%	53.10%
- Tier-1 capital to total RWA (c / i)	63.71%	53.10%
- Total capital to RWA (e / i)	64.40%	53.10%
- Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement) of which:	7.50%	7.50%
- capital conservation buffer requirement	1.50%	1.50%
- counter cyclical buffer requirement	-	-
- Domestic Systemically Important Banks (SIB) or Global SIB buffer requirement	-	-
- CET1 available to meet buffers (as a percentage of risk weighted assets)	56.21%	45.60%
<b>National minimum capital requirements prescribed by SBP</b>		
- CET1 minimum ratio	6.00%	6.00%
- Tier 1 minimum ratio	7.50%	7.50%
- Total capital minimum ratio	11.50%	11.50%

Particulars	2022		2021	
	Amount	Pre - Basel III treatment*	Amount	Pre - Basel III treatment*
<b>Rupees '000</b>				
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>				
Goodwill (net of related deferred tax liability)	-	-	-	-
All other intangibles (net of any associated deferred tax liability)	38,633	-	23,643	-
Shortfall in provisions against classified assets	-	-	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	-
Defined-benefit pension fund net assets	-	-	-	-
Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-	-	-	-
Cash flow hedge reserve	-	-	-	-
Investment in own shares / CET1 instruments	-	-	-	-
Securitization gain on sale	-	-	-	-
Capital shortfall of regulated subsidiaries	-	-	-	-
Deficit on account of revaluation from bank's holdings of fixed assets / AFS	448,961	-	-	-
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)	-	-	-	-
Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-	-
Amount exceeding 15% threshold	-	-	-	-
of which: significant investments in the common stocks of financial entities	-	-	-	-
of which: deferred tax assets arising from temporary differences	-	-	-	-
National specific regulatory adjustments applied to CET1 capital	-	-	-	-
Investments in TFCs of other banks exceeding the prescribed limit	-	-	-	-
Any other deduction specified by SBP (mention details)	-	-	-	-
Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-	-	-
<b>Total regulatory adjustments applied to CET1</b>	<b>487,594</b>	<b>-</b>	<b>23,643</b>	<b>-</b>
<b>Additional Tier-1 &amp; Tier-1 Capital: regulatory adjustments</b>				
Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	-	-	-	-
Investment in own AT1 capital instruments	-	-	-	-
Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-	-
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)	-	-	-	-
Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
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	-	-	-	-
Adjustments to additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
<b>Total regulatory adjustment applied to AT1 capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 2 Capital: regulatory adjustments</b>				
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	-	-	-	-
Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-	-	-
Investment in own Tier 2 capital instrument	-	-	-	-
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)	-	-	-	-
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	-
<b>Total regulatory adjustment applied to T2 capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* This column highlights items that are still subject to Basel II treatment during the transitional period.

## Additional Information

2022 2021

-----Rupees '000-----

### "Risk Weighted Assets" subject to pre-Basel III treatment

Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)		
of which: deferred tax assets	-	-
of which: defined-benefit pension fund net assets	-	-
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	-	-
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)

Non-significant investments in the capital of other financial entities	-	-
Significant investments in the common stock of financial entities	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-

### Applicable caps on the inclusion of provisions in Tier 2

Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-	-
Cap on inclusion of provisions in Tier 2 under standardized approach	-	-
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-

## Capital Structure Reconciliation

### Reconciliation of each financial statement line item to item under regulatory scope of reporting

2022

Particulars	2022	
	Balance sheet	Under regulatory scope of reporting
	-----Rupees '000-----	
<b>Assets</b>		
Cash and balances with treasury banks	4,588	4,588
Balances with other banks	221,515	221,515
Lendings to financial institutions	-	-
Investments	20,564,969	20,564,969
Advances	33,662,362	33,662,362
Operating fixed assets	146,817	146,817
Intangible assets	38,633	
Deferred tax assets - net	-	-
Other assets	915,056	915,056
<b>Total assets</b>	<b>55,553,940</b>	<b>55,515,307</b>
<b>Liabilities and equity</b>		
Bills payable	-	-
Borrowings	38,940,150	38,940,150
Deposits and other accounts	-	-
Sub-ordinated loans	7,050,716	7,050,716
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities - net	-	-
Other liabilities	818,135	818,135
<b>Total liabilities</b>	<b>46,809,001</b>	<b>46,809,001</b>
<b>Represented by:</b>		
Share capital	6,237,759	6,237,759
Reserves	1,007,773	1,007,773
Surplus on revaluation of assets	(448,961)	(448,961)
Unappropriated profit	1,948,367	1,948,367
	<b>8,744,938</b>	<b>8,744,938</b>
<b>Total liabilities and equity</b>	<b>55,553,940</b>	<b>55,553,940</b>

## Reconciliation of balance sheet to eligible regulatory capital

Particulars	Reference	Balance sheet as in published financial statements	Under regulatory scope of reporting
-----Rupees '000-----			
<b>Assets</b>			
Cash and balances with treasury banks		4,588	4,588
Balances with other banks		221,515	221,515
Lendings to financial institutions		-	-
Investments of which:		20,564,969	20,564,969
- non-significant capital investments in capital of other financial institutions exceeding 10% threshold	a	-	-
- significant capital investments in financial sector entities exceeding regulatory threshold	b	-	-
- mutual funds exceeding regulatory threshold	c	-	-
- reciprocal crossholding of capital instrument	d	-	-
- others	e	-	-
Advances		33,662,362	33,662,362
- shortfall in provisions / excess of total EL amount over eligible provisions under IRB	f	-	-
- general provisions reflected in Tier 2 capital	g	-	-
Operating fixed assets of which:		185,450	185,450
- Intangibles	k	38,633	38,633
Deferred tax assets of which:		-	-
- DTAs that rely on future profitability excluding those arising from temporary differences	h	-	-
- DTAs arising from temporary differences exceeding regulatory threshold	i	-	-
Other assets of which:		915,056	915,056
- goodwill	j	-	-
- defined-benefit pension fund net assets	l	-	-
<b>Total assets</b>		<b>55,553,940</b>	<b>55,553,940</b>
<b>Liabilities and Equity</b>			
Bills payable		-	-
Borrowings		38,940,150	38,940,150
Deposits and other accounts		-	-
Sub-ordinated loans of which:		7,050,716	7,050,716
- eligible for inclusion in AT1	m	-	-
- eligible for inclusion in Tier 2	n	-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities of which:		-	-
- DTLs related to goodwill	o	-	-
- DTLs related to intangible assets	p	-	-
- DTLs related to defined pension fund net assets	q	-	-
- other deferred tax liabilities	r	-	-
Other liabilities		818,135	818,135
<b>Total liabilities</b>		<b>46,809,001</b>	<b>46,809,001</b>
<b>Share capital</b>			
- of which: amount eligible for CET1	s	6,237,759	6,237,759
- of which: amount eligible for AT1	t	-	-
Reserves of which:		1,007,773	1,007,773
- portion eligible for inclusion in CET1 - Statutory reserves	u	1,007,773	1,007,773
- portion eligible for inclusion in CET1 - General and other reserves		-	-
- portion eligible for inclusion in Tier 2	v	-	-
Unappropriated profit	w	1,948,367	1,948,367
Minority Interest of which:		-	-
- portion eligible for inclusion in CET1	x	-	-
- portion eligible for inclusion in AT1	y	-	-
- portion eligible for inclusion in Tier 2	z	-	-
Surplus on revaluation of assets of which:		(448,961)	(448,961)
- Revaluation reserves on fixed assets		-	-
- Revaluation reserves on Non-banking assets acquired in satisfaction of claims		-	-
- Unrealized gains / (losses) on AFS securities	aa	(448,961)	(448,961)
- In case of deficit on revaluation (deduction from CET1)	ab	-	-
<b>Total liabilities and equity</b>		<b>55,553,940</b>	<b>55,553,940</b>

**Basel III Disclosure (with added column)**

Particulars		Source based on reference number from 43.2.2	Component of regulatory capital reported by the Bank
			Rupees '000
<b>Common equity Tier 1 capital (CET1): instruments and reserves</b>			
1	Fully paid-up capital		6,237,759
2	Balance in share premium account	(s)	-
3	Reserve for issue of bonus shares		-
4	General / statutory reserves	(u)	1,007,773
5	Gain / (losses) on derivatives held as cash flow hedge		-
6	Unappropriated profit	(w)	1,948,367
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	<b>CET 1 before Regulatory Adjustments</b>		<b>9,193,899</b>
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>			
9	Goodwill (net of related deferred tax liability)	(j) - (s)	-
10	All other intangibles (net of any associated deferred tax liability)	(k) - (p)	38,633
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 securities	(ab)	448,961
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) * x%	-
23	Amount exceeding 15% threshold of which:		-
	- significant investments in the common stocks of financial entities		-
	- deferred tax assets arising from temporary differences		-
24	National specific regulatory adjustments applied to CET1 capital of which:		-
	- investment in TFCs of other banks exceeding the prescribed limit		-
	- any other deduction specified by the SBP		-
25	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions		-
26	Total regulatory adjustments applied to CET1		487,594
	<b>Common equity tier 1</b>		<b>8,706,305</b>
<b>Additional Tier 1 (AT 1) Capital</b>			
27	Qualifying additional Tier-1 instruments plus any related share premium of which:		-
	- classified as equity	(t)	-
	- classified as liabilities	(m)	-
28	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties	(y)	-
	- of which: instrument issued by subsidiaries subject to phase out		-
29	<b>AT1 before regulatory adjustments</b>		<b>-</b>



Particulars	Source based on reference number from 43.2.2	Component of regulatory capital reported by the Bank
		Rupees '000
<b>Additional Tier 1 Capital: regulatory adjustments</b>		
30	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-
31	Investment in own AT1 capital instruments	-
32	Reciprocal cross holdings in additional Tier 1 capital instruments	-
33	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) -
34	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(ad) -
35	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	-
36	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-
37	Total of regulatory adjustment applied to AT1 capital	-
38	Additional Tier 1 capital	-
39	<b>Additional Tier 1 capital recognised for capital adequacy</b>	-
<b>Tier 1 Capital (CET1 + admissible AT1)</b>		<b>8,706,305</b>
<b>Tier 2 Capital</b>		
40	Qualifying Tier 2 capital instruments under Basel III	-
41	Capital instruments subject to phase out arrangement from Tier 2	(n) -
42	Tier 2 capital instruments issued to third party by consolidated subsidiaries - of which: instruments issued by subsidiaries subject to phase out	(z) -
43	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	(g) 94,502
44	Revaluation reserves eligible for Tier 2 of which: - portion pertaining to fixed assets - portion pertaining to AFS securities	- - -
45	Foreign exchange translation reserves	(v) -
46	Undisclosed / other reserves (if any)	-
47	<b>T2 before regulatory adjustments</b>	<b>94,502</b>
<b>Tier 2 Capital: regulatory adjustments</b>		
48	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	-
49	Reciprocal cross holdings in Tier 2 instruments	(d) -
50	Investment in own Tier 2 capital instruments	-
51	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) -
52	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(af) -
53	Amount of regulatory adjustment applied to T2 capital	-
54	Tier 2 capital (T2)	94,502
55	Tier 2 capital recognised for capital adequacy	94,502
56	Excess additional Tier 1 capital recognised in Tier 2 capital	-
57	Total Tier 2 capital admissible for capital adequacy	94,502
<b>TOTAL CAPITAL (T1 + admissible T2)</b>		<b>8,800,808</b>

### Main features of regulatory capital instruments

S.No	Main Features	Common Shares
1	Issuer	Pakistan Mortgage Refinance Company
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	N/A
3	Governing law(s) of the instrument	Laws applicable in Pakistan
	<b>Regulatory treatment</b>	
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo / group / group & solo	Solo
7	Instrument type	Common Shares
8	Amount recognised in regulatory capital (Currency in PKR thousands, as of reporting date)	6,237,759
9	Par value of instrument	Rs 10
10	Accounting classification	Shareholders' equity
11	Original date of issuance	Various
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	<b>Coupons / dividends</b>	
17	Fixed or floating dividend / coupon	N/A
18	Coupon rate and any related index / benchmark	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Non-cumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger (s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

## Risk Weighted Assets

	Capital Requirements		Risk Weighted Assets	
	2022	2021	2022	2021
----- Rupees '000 -----				
<b>Credit risk</b>				
<b>On-Balance sheet</b>				
<i>Portfolios subject to standardized approach (Comprehensive)</i>				
- Sovereign	-	-	-	-
- Public Sector entities	-	-	-	-
- Banks	1,086,376	1,176,217	9,446,751	10,227,977
- Corporate	37,244	31,969	323,860	277,989
- Retail	879	549	7,643	4,772
- Residential Mortgages	5,519	2,923	47,993	25,417
- Past Due loans	-	-	-	-
- Listed equity investments	34,937	34,500	303,800	300,000
- Operating Fixed Assets	16,884	21,053	146,817	183,072
- Other assets	10,818	9,242	94,074	80,363
	1,192,658	1,276,453	10,370,936	11,099,590
<b>Off-Balance sheet</b>				
<b>Non-market related</b>				
- Loan Repayment Guarantees	-	-	-	-
- Repurchase Agreements	-	582	-	5,062
- Performance Bonds etc	-	-	-	-
- Revolving underwriting Commitments	-	-	-	-
- Stand By Letters of Credit	-	-	-	-
<b>Market related</b>				
- Derivative Instruments	-	-	-	-
- Foreign Exchange Contracts	-	-	-	-
	-	582	-	5,062
<b>Equity Exposure Risk in the Banking Book</b>				
<i>Under simple risk weight method</i>				
- Listed Shares	-	-	-	-
- Unlisted Shares	-	-	-	-
	-	-	-	-
<b>Total Credit Risk-Weighted Exposures</b>	1,192,658	1,277,035	10,370,936	11,104,652
<b>Market Risk - capital requirement for portfolios subject to standardised approach</b>				
- Interest rate risk	-	-	-	-
- Equity position risk	-	-	-	-
- Foreign exchange risk	-	-	-	-
Total market risk	-	-	-	-
<b>Operational Risk - Capital requirement for operational risks</b>				
Total operational risk	263,635	218,015	3,295,442	2,725,189
	1,456,293	1,495,050	13,666,378	13,829,841
<b>Capital Adequacy Ratio</b>				
	2022		2021	
Total Eligible Regulatory Capital held		8,800,808		7,343,556
	<b>Required</b>	<b>Actual</b>	<b>Required</b>	<b>Actual</b>
CET1 to total RWA	6.00%	63.71%	6.00%	53.10%
Tier-1 capital to total RWA	7.50%	63.71%	7.50%	53.10%
Total capital to total RWA	11.50%	64.40%	11.50%	53.10%

## Leverage Ratio

The leverage ratio of the Bank for the year ended December 31, 2022 stood at 15.11% (2021: 15.93%).

Particulars	2022	2021
	-----Rupees '000-----	
<b>On balance sheet exposures</b>		
On-balance sheet items (excluding derivatives but including collateral)	53,603,159	42,415,196
Derivatives	-	-
A) Total On balance sheet exposures	<u>53,603,159</u>	<u>42,415,196</u>
<b>Off balance sheet exposures</b>		
Off-balance sheet items (excluding derivatives)	4,004,283	3,697,158
Commitment in respect of derivatives (derivatives having negative fair value are also included)	-	-
B) Total Off balance sheet exposures	<u>4,004,283</u>	<u>3,697,158</u>
<b>Capital and total exposures</b>		
<b>Tier 1 capital</b>	<u>8,706,305</u>	<u>7,343,556</u>
<b>Total Exposure (A+B)</b>	<u>57,607,442</u>	<u>46,112,354</u>
<b>Leverage ratio</b>	<u>15.11%</u>	<u>15.93%</u>