

As mentioned in Note 46.1 of Financial Statements, Full Disclosure on the Capital Adequacy, leverage Ratio & liquidity Requirements as per SBP Instructions has been placed below:

1 CAPITAL ASSESSMENT AND ADEQUACY

1.1 Scope of Applications

Amounts subject to Pre - Basel III treatment

The Basel-III Framework is applicable to the Group at the consolidated level (comprising of wholly/partially owned subsidiaries & associates) and also on stand alone basis. While calculating Consolidated Capital Adequacy for the Group, Subsidiaries are included using full consolidation method whereas associates in which the Group has significant influence, are included on equity method. Standardized Approach is used for calculating the Capital Adequacy for Credit and Market risks, whereas, higher of Alternate Standardized Approach (ASA) or 70% of Basic Indicator Approach (BIA) is used for Operational Risk Capital Adequacy purpose.

1.2 Capital Management

1.2.1 Objectives and goals of managing capital

The Group manages its capital to attain following objectives and goals:

- an appropriately capitalized status, as defined by Banking regulations;
- acquire strong credit ratings that enable an optimized funding mix and liquidity sources at lesser costs;
- cover major risks underlying business activities; and
- retain flexibility to harness future investment opportunities, build and expand even in stressed times.

1.2.2 Statutory Minimum Capital Requirement and Capital Adequacy Ratio

The State Bank of Pakistan through its BSD Circular No.07 of 2009 dated April 15, 2009 requires the minimum paid up capital (net of losses) of all locally incorporated Banks to be raised to PKR 10 billion. The paid up capital of the Bank for the year ended December 31, 2020 stands at PKR 17.77 billion and is in compliance with the SBP requirement for the said year.

The capital adequacy ratio of the Group is subject to the Basel III capital adequacy guidelines stipulated by the State Bank of Pakistan through its BPRD Circular No. 06 of 2013 dated August 15, 2013. These instructions are effective from December 31, 2013 in a phased manner with full implementation by December 31, 2019. Under Basel III guidelines Banks are required to maintain the following ratios on an ongoing basis:

Phase-in arrangement and full implementation of the minimum capital requirements:

| Sr. No | Ratio | 2016 | 2017 | 2018 | 2019 | 2020* |
|--------|------------------------|--------|--------|--------|--------|--------|
| 1 | CET 1 | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| 2 | ADT 1 | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |
| 3 | Tier 1 | 7.5% | 7.5% | 7.5% | 7.5% | 7.5% |
| 4 | Total Capital | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| 5 | CCB | 0.65% | 1.28% | 1.90% | 2.50% | 1.50% |
| 6 | Total Capital Plus CCB | 10.65% | 11.28% | 11.90% | 12.50% | 11.50% |

In light of COVID-19 situation the Capital Conversation Buffer (CCB) as prescribed vide BPRD Circular No. 6 of August 15, 2013 has been reduced, for the time being, from its existing level of 2.50% to 1.50%, till further instructions; thereby resulting in CAR requirement of 11.50%.

Group's regulatory capital is analysed into three tiers

Common Equity Tier 1 capital (CET1), which includes fully paid up capital (including the bonus shares), balance in share premium account, general reserves, statutory reserves as per the financial statements and net unappropriated profits after all regulatory adjustments applicable on CET1.

Additional Tier 1 Capital (AT1), which includes perpetual non-cumulative preference shares and share premium resulting from the issuance of preference shares balance in share premium account after all regulatory adjustments applicable on AT1.

Tier 2 capital, which includes Subordinated debt/ Instruments, share premium on issuance of Subordinated debt/ Instruments, general provisions for loan losses (up to a maximum of 1.25% of credit risk weighted assets), net reserves on revaluation of fixed assets, equity investments and foreign exchange translation reserves after all regulatory adjustments applicable on Tier-2.

The required capital adequacy ratio was achieved by the Group through improvement in the capital base, asset quality, ensuring better recovery management and composition of asset mix with low risk. Banking operations are categorized as either trading book or banking book and risk-weighted assets are determined according to specified requirements of the State Bank of Pakistan that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. The total risk-weighted exposures comprise of the credit risk, market risk and operational risk.

Basel-III Framework enables a more risk-sensitive regulatory capital calculation to promote long term viability of the Group. As the Group carry on the business on a wide area network basis, it is critical that it is able to continuously monitor the exposure across entire organization and aggregate the risks so as to take an integrated approach/view. Maximization of the return on risk-adjusted capital is the principal basis to be used in determining how capital is allocated within the Group to particular operations. The Group remained compliant with all externally imposed capital requirements through out the year. Further, there has been no material change in the Group's management of capital during the year.

1.2.3 Leverage Ratio

Leverage ratio is defined as ratio of Group's Eligible Tier 1 Capital to Total Exposure. The leverage ratio of the Group as at December 31, 2020 is 4.29 % (2019: 5.67%). The ratio has been computed as prescribed by State Bank of Pakistan through Instructions for Basel-III Implementation in Pakistan.

As on December 31, 2020: Total Tier 1 capital of the Group amounts to PKR 78.81 billion (2019: PKR 74.64 billion) whereas the total exposure measure amounts to PKR 1,836.89 (2019: PKR 1,315.45 billion).

| 1.3 | Capital Adequacy Ratio as at December 31, 2020 | Note | 2020 | 2019 |
|-----|--|-------|------------------------------|-------------|
| | | | ----- (Rupees in '000) ----- | |
| | Common Equity Tier 1 capital (CET1): Instruments and reserves | | | |
| 1 | Fully Paid-up Capital/ Capital deposited with SBP | | 17,771,651 | 17,771,651 |
| 2 | Balance in Share Premium Account | | 4,731,050 | 4,731,050 |
| 3 | Reserve for issue of Bonus Shares | | - | - |
| 4 | Discount on Issue of shares | | - | - |
| 5 | General/ Statutory Reserves | | 15,590,149 | 14,542,658 |
| 6 | Gain/(Losses) on derivatives held as Cash Flow Hedge | | - | - |
| 7 | Unappropriated/unremitted profits/ (losses) | | 36,572,971 | 33,996,703 |
| 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) | | 70,834 | 77,768 |
| 9 | CET 1 before Regulatory Adjustments | | 74,736,655 | 71,119,830 |
| 10 | Total regulatory adjustments applied to CET1 (Note 46.4.1) | | 2,942,305 | 3,494,811 |
| 11 | Common Equity Tier 1 | | 71,794,350 | 67,625,018 |
| | Additional Tier 1 (AT 1) Capital | | | |
| 12 | Qualifying Additional Tier-1 capital instruments plus any related share premium | | 7,000,000 | 7,000,000 |
| 13 | of which: Classified as equity | | - | - |
| 14 | of which: Classified as liabilities | | 7,000,000 | 7,000,000 |
| 15 | Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1) | | 12,500 | 11,045 |
| 16 | of which: instrument issued by subsidiaries subject to phase out | | - | - |
| 17 | AT1 before regulatory adjustments | | 7,012,500 | 7,011,045 |
| 18 | Total regulatory adjustment applied to AT1 capital (Note 46.4.2) | | - | - |
| 19 | Additional Tier 1 capital after regulatory adjustments | | 7,012,500 | 7,011,045 |
| 20 | Additional Tier 1 capital recognized for capital adequacy | | 7,012,500 | 7,011,045 |
| 21 | Tier 1 Capital (CET1 + admissible AT1) (11+20) | | 78,806,851 | 74,636,064 |
| | Tier 2 Capital | | | |
| 22 | Qualifying Tier 2 capital instruments under Basel III plus any related share premium | | - | 997,000 |
| 23 | Tier 2 capital instruments subject to phaseout 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) | | 20,834 | 3,477 |
| 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 | | 5,412,207 | 1,103,370 |
| 27 | Revaluation Reserves (net of taxes) | c=a+b | 10,460,344 | 11,163,610 |
| 28 | of which: Revaluation reserves on fixed assets | a | 7,197,353 | 7,109,145 |
| 29 | of which: Unrealized gains/losses on AFS | b | 3,262,991 | 4,054,465 |
| 30 | Foreign Exchange Translation Reserves | | 7,358,823 | 6,772,311 |
| 31 | Undisclosed/Other Reserves (if any) | | - | - |
| 32 | T2 before regulatory adjustments | | 23,252,207 | 20,039,768 |
| 33 | Total regulatory adjustment applied to T2 capital (Note 46.4.3) | | - | - |
| 34 | Tier 2 capital (T2) after regulatory adjustments | | 23,252,207 | 20,039,768 |
| 35 | Tier 2 capital recognized for capital adequacy | | 23,252,207 | 20,039,768 |
| 36 | Portion of Additional Tier 1 capital recognized in Tier 2 capital | | - | - |
| 37 | Total Tier 2 capital admissible for capital adequacy | | 23,252,207 | 20,039,768 |
| 38 | TOTAL CAPITAL (T1 + admissible T2) (21+37) | | 102,059,057 | 94,675,832 |
| 39 | Total Risk Weighted Assets (RWA) {for details refer Note 46.7} | | 623,526,025 | 567,362,817 |
| | Capital Ratios and buffers (in percentage of risk weighted assets) | | | |
| 40 | CET1 to total RWA | | 11.51% | 11.92% |
| 41 | Tier-1 capital to total RWA | | 12.64% | 13.15% |
| 42 | Total capital to total RWA | | 16.37% | 16.69% |
| 43 | Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement) | | 7.50% | 8.50% |
| 44 | of which: capital conservation buffer requirement | | 1.50% | 2.50% |
| 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) | | 5.51% | 5.92% |
| | National minimum capital requirements prescribed by SBP | | | |
| 48 | CET1 minimum ratio | | 6.00% | 6.00% |
| 49 | Tier 1 minimum ratio | | 7.50% | 7.50% |
| 50 | Total capital minimum ratio (Inclusive of 1.275% CCB for 2017 (2016: 0.65%)) | | 11.50% | 12.50% |

| Regulatory Adjustments and Additional Information | 2020 | 2019 |
|---|---|---|
| | Amount | Amount |
| | Amounts subject to Pre-Basel III treatment* | Amounts subject to Pre-Basel III treatment* |
| | ------(Rupees in '000)----- | |
| 1.3.1 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) | 1,287,735 | 1,513,804 |
| 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 | 692,399 | 1,019,177 |
| 6 Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities | 896,402 | 896,038 |
| 7 Cash flow hedge reserve | - | - |
| 8 Investment in own shares/ CET1 instruments | 65,769 | 65,792 |
| 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) | 2,942,305 | 3,494,811 |
| 1.3.2 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) | - | - |
| 1.3.3 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) | - | - |
| *The amount represents regulatory deductions that are still subject to pre-Basel-III treatment during the transitional period. | | |
| 1.3.4 Additional Information | 2020 | 2019 |
| | Amount | |
| | ------(Rupees in '000)----- | |
| 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) | 535,632,669 | 493,722,320 |
| (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 | 896,207 | 949,334 |
| (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 | 896,207 | 949,334 |
| 39 Significant investments in the common stock of financial entities | 958,089 | 797,190 |
| 40 Deferred tax assets arising from temporary differences (net of related tax liability) | - | - |
| 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) | 5,412,207 | 1,103,370 |
| 42 Cap on inclusion of provisions in Tier 2 under standardized approach | 6,706,611 | 6,183,396 |
| 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 | - | - |

1.4 Capital Structure Reconciliation

Table: 1.4.1

| | Balance sheet as in published financial statements | Under regulatory scope of consolidation |
|---|---|---|
| | 2020 | |
| | ------(Rupees in '000)----- | |
| Assets | | |
| Cash and balances with treasury banks | 99,348,862 | 99,348,862 |
| Balance with other banks | 6,373,472 | 6,373,472 |
| Lending to financial institutions | 77,305,535 | 77,305,535 |
| Investments | 549,358,553 | 549,358,553 |
| Advances | 577,317,776 | 577,317,776 |
| Operating fixed assets | 30,994,793 | 30,994,793 |
| Intangible assets | 1,287,734 | 1,287,734 |
| Deferred tax assets | - | - |
| Assets held for sale | - | - |
| Other assets | 45,687,678 | 45,687,678 |
| Total assets | 1,387,674,403 | 1,387,674,403 |
| Liabilities & Equity | | |
| Bills payable | 22,571,122 | 22,571,122 |
| Borrowings | 315,054,817 | 315,054,817 |
| Deposits and other accounts | 881,750,162 | 881,750,162 |
| Sub-ordinated loans | 7,000,000 | 7,000,000 |
| Deferred tax liabilities | 2,235,254 | 2,235,254 |
| Liabilities directly associated with the assets held for sale | - | - |
| Other liabilities | 66,402,548 | 66,402,548 |
| Total liabilities | 1,295,013,903 | 1,295,013,903 |
| Share capital/ Head office capital account | 17,771,651 | 17,771,651 |
| Reserves | 27,680,022 | 27,680,022 |
| Unappropriated/ Unremitted profit/ (losses) | 36,572,971 | 36,572,971 |
| Minority Interest | 107,437 | 107,437 |
| Surplus on revaluation of assets | 10,528,419 | 10,528,419 |
| Total equity | 92,660,500 | 92,660,500 |
| Total liabilities & equity | 1,387,674,403 | 1,387,674,403 |

Table: 1.4.2

| | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
|--|---|---|-----------|
| | 2020 | | |
| | ------(Rupees in '000)----- | | |
| Assets | | | |
| Cash and balances with treasury banks | 99,348,862 | 99,348,862 | |
| Balanced with other banks | 6,373,472 | 6,373,472 | |
| Lending to financial institutions | 77,305,535 | 77,305,535 | |
| Investments | 549,358,553 | 549,358,553 | |
| <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</i> | - | - | |
| CET1 | 896,402 | 896,402 | d |
| AT1 | - | - | |
| T2 | - | - | |
| <i>of which: others (mention details)</i> | - | - | e |
| Advances | 577,317,776 | 577,317,776 | |
| <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> | 5,266,170 | 5,266,170 | g |
| Fixed Assets | 30,994,793 | 30,994,793 | |
| <i>of which: Intangibles</i> | 1,287,734 | 1,287,735 | k |
| Deferred Tax Assets | - | - | |
| <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 |
| Assets held for sale | - | - | |
| Other assets | 45,687,678 | 45,687,678 | |
| <i>of which: Goodwill</i> | - | - | j |
| <i>of which: Defined-benefit pension fund net assets</i> | 692,399 | 692,399 | l |
| Total assets | 1,387,674,403 | 1,387,674,404 | |

| | | | |
|--|---------------|---------------|----|
| Liabilities & Equity | | | |
| Bills payable | 22,571,122 | 22,571,122 | |
| Borrowings | 315,054,817 | 315,054,817 | |
| Deposits and other accounts | 881,750,162 | 881,750,162 | |
| Sub-ordinated loans | 7,000,000 | 7,000,000 | |
| <i>of which: eligible for inclusion in AT1</i> | 7,012,500 | 7,012,500 | m |
| <i>of which: eligible for inclusion in Tier 2</i> | - | - | n |
| Liabilities against assets subject to finance lease | - | - | |
| Deferred tax liabilities | 2,235,254 | 2,235,254 | |
| <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 |
| Liabilities directly associated with the assets held for sale | - | - | |
| Other liabilities | 66,402,548 | 66,402,548 | |
| Total liabilities | 1,295,013,903 | 1,295,013,903 | |
| Share capital | 17,771,651 | 17,771,651 | |
| <i>of which: amount eligible for CET1</i> | 17,771,651 | 17,771,651 | s |
| <i>of which: amount eligible for AT1</i> | - | - | t |
| Reserves | 27,680,022 | 27,680,022 | |
| <i>of which: portion eligible for inclusion in CET1</i> | 20,321,199 | 20,321,199 | |
| General Reserve | 15,590,149 | 15,590,149 | u |
| Reserve For Employee Stock Option Scheme | - | - | |
| Share Premium | 4,731,050 | 4,731,050 | |
| <i>of which: portion eligible for inclusion in Tier 2</i> | 7,358,823 | 7,358,823 | v |
| Unappropriated profit/ (losses) | 36,572,971 | 36,572,971 | w |
| Minority Interest | 107,437 | 107,437 | |
| <i>of which: portion eligible for inclusion in CET1</i> | 70,834 | 70,834 | x |
| <i>of which: portion eligible for inclusion in AT1</i> | 12,500 | 12,500 | y |
| <i>of which: portion eligible for inclusion in Tier 2</i> | 20,834 | 20,834 | z |
| Surplus on revaluation of assets | 10,528,419 | 10,528,419 | |
| <i>of which: Revaluation reserves on Fixed Assets</i> | 7,197,353 | 7,197,353 | |
| <i>of which: Non-banking assets acquired in satisfaction of claims</i> | 68,077 | 68,077 | aa |
| <i>of which: Unrealized Gains/Losses on AFS</i> | 3,262,991 | 3,262,991 | |
| <i>In case of Deficit on revaluation (deduction from CET1)</i> | - | - | ab |
| Total equity | 92,660,500 | 92,660,500 | |
| Total liabilities & Equity | 1,387,674,403 | 1,387,674,403 | |

| Table: 1.4.3 | Component of regulatory capital reported by bank 2020 Rupees in '000 | 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 | 17,771,651 | |
| 2 Balance in Share Premium Account | 4,731,050 | (s) |
| 3 Reserve for issue of Bonus Shares | - | |
| 4 General/ Statutory Reserves | 15,590,149 | (u) |
| 5 Gain/(Losses) on derivatives held as Cash Flow Hedge | - | |
| 6 Unappropriated/unremitted profits/ (losses) | 36,572,971 | (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) | 70,834 | (x) |
| 8 CET 1 before Regulatory Adjustments | 74,736,655 | |
| 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) | 1,287,735 | (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)} * 100% |
| 13 Defined-benefit pension fund net assets | 692,399 | {{(l) - (q)} * 100% |
| 14 Reciprocal cross holdings in CET1 capital instruments | 896,402 | (d) |
| 15 Cash flow hedge reserve | - | |
| 16 Investment in own shares/ CET1 instruments | 65,769 | |
| 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) | 2,942,305 | |
| 31 Common Equity Tier 1 | 71,794,350 | |

| | | | |
|---|--|-------------------|-----------------|
| Additional Tier 1 (AT 1) Capital | | | |
| 32 | Qualifying Additional Tier-1 instruments plus any related share premium | 7,000,000 | |
| 33 | of which: Classified as equity | - | (t) |
| 34 | of which: Classified as liabilities | 7,000,000 | (m) |
| 35 | Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1) | 12,500 | (y) |
| 36 | of which: instrument issued by subsidiaries subject to phase out | - | |
| 37 | AT1 before regulatory adjustments | 7,012,500 | |
| 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 43) | - | |
| 46 | Additional Tier 1 capital | 7,012,500.17 | |
| 47 | Additional Tier 1 capital recognized for capital adequacy | 7,012,500.17 | |
| 48 | Tier 1 Capital (CET1 + admissible AT1) (31+47) | <u>78,806,851</u> | |
| 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) | 20,834 | (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 | 5,412,207 | (g) |
| 54 | Revaluation Reserves | 10,460,344 | |
| 55 | of which: Revaluation reserves on fixed assets | 7,197,353 | portion of (aa) |
| 56 | of which: Unrealized Gains/Losses on AFS | 3,262,991 | |
| 57 | Foreign Exchange Translation Reserves | 7,358,823 | (v) |
| 58 | Undisclosed/Other Reserves (if any) | - | |
| 59 | T2 before regulatory adjustments | 23,252,207 | |

| | | | |
|----|--|--------------------|------|
| | 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) | 23,252,207 | |
| 67 | Tier 2 capital recognized for capital adequacy | 23,252,207 | |
| 68 | Excess Additional Tier 1 capital recognized in Tier 2 capital | - | |
| 69 | Total Tier 2 capital admissible for capital adequacy | <u>23,252,207</u> | |
| 70 | TOTAL CAPITAL (T1 + admissible T2) (48+69) | <u>102,059,057</u> | |

1.5 Main Features Template of Regulatory Capital Instruments

Disclosure template for main features of regulatory capital instruments

| S. No. | Main Features | Common Shares | ADT 1 |
|--------|---|--------------------------------------|--|
| 1 | Issuer | Bank Alfalah Limited | Bank Alfalah Limited |
| 2 | Unique identifier (eg KSE Symbol or Bloomberg identifier etc.) | BAFL | BAFL TFC 6 |
| 3 | Governing law(s) of the instrument | Laws of Islamic Republic of Pakistan | Laws of Islamic Republic of Pakistan |
| | Regulatory treatment | | |
| 4 | Transitional Basel III rules | Common Equity Tier 1 | Additional Tier 1 |
| 5 | Post-transitional Basel III rules | Common Equity Tier 1 | Additional Tier 1 |
| 6 | Eligible at solo/ group/ group&solo | Standalone & Group | Standalone & Group |
| 7 | Instrument type | Ordinary shares | Subordinated debt |
| 8 | Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date) | 17,771,651 | 7,000,000 |
| 9 | Par value of instrument | Rs. 10 | Rs. 5,000 |
| 10 | Accounting classification | Share holders' equity | Liability |
| 11 | Original date of issuance | Jun-92 | Mar-18 |
| 12 | Perpetual or dated | Perpetual | Perpetual |
| 13 | Original maturity date | Not applicable | Not applicable |
| 14 | Issuer call subject to prior supervisory approval | Not applicable | Yes |
| 15 | Optional call date, contingent call dates and redemption amount | Not applicable | 26-Mar-23 |
| 16 | Subsequent call dates, if applicable | Not applicable | On any date after 60 months from the date of issuance, subject to regulatory approval |
| | Coupons / dividends | | |
| 17 | Fixed or floating dividend/ coupon | Not applicable | Floating |
| 18 | Coupon rate and any related index/ benchmark | Not applicable | 6-Months KIBOR (ask side) plus 150 bps per annum |
| 19 | Existence of a dividend stopper | No | Yes |
| 20 | Fully discretionary, partially discretionary or mandatory | Not applicable | Fully discretionary |
| 21 | Existence of step up or other incentive to redeem | Not applicable | No |
| 22 | Noncumulative or cumulative | Not applicable | Non-Cumulative |
| 23 | Convertible or non-convertible | Not applicable | Convertible |
| 24 | If convertible, conversion trigger(s) | Not applicable | <p>Upon occurrence of the PONV Trigger Event, CET 1 Trigger Event or Lock-in Clause, if directed by the SBP, the TFCs shall be converted into ordinary shares or permanently written off.</p> <p>1. Point of Non-Viability Trigger Event (PONV Trigger Event) shall be earlier of: a. A decision made by the SBP that a conversion or permanent write-off is necessary without which the Issuer would become nonviable; or b. The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become nonviable, as determined by SBP The SBP will have full discretion in declaring the PONV Trigger Event.</p> <p>2. CET 1 Trigger Event: The pre-specified trigger for loss absorption through conversion shall be the Issuer's Shareholders Equity Tier 1 ratio falling to or below 6.625% of Risk Weighted Assets ("CET 1 Trigger Event"). The Issuer shall immediately notify the SBP upon the occurrence of the CET 1 Trigger Event</p> <p>3. Lock-in Clause: any inability to exercise the lock-in clause or non-cumulative feature will subject these TFCs to mandatory conversion into ordinary shares/write off at the discretion of SBP</p> <p>Based on the above contingent events, SBP may ask the Bank to convert the TFCs into ordinary shares.</p> |
| 25 | If convertible, fully or partially | Not applicable | May convert fully or partially |
| 26 | If convertible, conversion rate | Not applicable | To be determined in the case of trigger event |
| 27 | If convertible, mandatory or optional conversion | Not applicable | To be determined as per Basel III guidelines |
| 28 | If convertible, specify instrument type convertible into | Not applicable | Common Equity Tier 1 |
| 29 | If convertible, specify issuer of instrument it converts into | Not applicable | BAFL |
| 30 | Write-down feature | Not applicable | Yes |
| 31 | If write-down, write-down trigger(s) | Not applicable | The Issuer shall, if directed by the SBP, write-off the Relevant Amount of the TFCs (i) upon the PONV Trigger Event; (ii) upon the CET 1 Trigger Event; (iii) upon the Lock-In Event; or (iv) if it is not possible to convert the TFCs into ordinary shares upon the CET 1 Trigger Event. A write off due to PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. |
| 32 | If write-down, full or partial | Not applicable | Fully and Partially both |
| 33 | If write-down, permanent or temporary | Not applicable | Permanent |
| 34 | If temporary write-down, description of write-up mechanism | Not applicable | Not applicable |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Not applicable | Depositors and general creditors |
| 36 | Non-compliant transitioned features | Not applicable | No |
| 37 | If yes, specify non-compliant features | Not applicable | Not applicable |

43.7 Risk Weighted Assets

The capital requirements for the banking group as per the major risk categories should be indicated in the manner given below:-

| Capital Requirements | | Risk Weighted Assets | |
|----------------------|------|----------------------|------|
| 2020 | 2019 | 2020 | 2019 |

------(Rupees in '000)-----

Credit Risk**On-Balance sheet****Portfolios subject to standardized approach (Simple or Comprehensive)**

| | | | | |
|-------------------------|------------|------------|-------------|-------------|
| Cash & cash equivalents | - | - | - | - |
| Sovereign | 4,867,272 | 3,721,778 | 42,324,103 | 29,774,222 |
| Public Sector entities | 590,665 | 737,786 | 5,136,214 | 5,902,286 |
| Banks | 2,140,397 | 2,811,491 | 18,612,148 | 22,491,926 |
| Corporate | 29,982,500 | 32,512,788 | 260,717,387 | 260,102,304 |
| Retail | 8,240,050 | 6,990,027 | 71,652,612 | 55,920,213 |
| Residential Mortgages | 651,704 | 574,271 | 5,666,989 | 4,594,166 |
| Past Due loans | 734,555 | 668,516 | 6,387,438 | 5,348,126 |
| Operating Fixed Assets | 3,595,247 | 3,670,150 | 31,263,017 | 29,361,201 |
| Other assets | 1,452,197 | 870,288 | 12,627,801 | 6,962,304 |
| | 52,254,587 | 52,557,095 | 454,387,709 | 420,456,748 |

Portfolios subject to Internal Rating Based (IRB) Approach

e.g. Corporate, Sovereign, Corporate, Retail, Securitization etc.

- - - - -

Off-Balance sheet**Non-market related**

| | | | | |
|-----------------------------------|-----------|-----------|------------|------------|
| Financial guarantees | 3,449,399 | 3,487,548 | 29,994,774 | 27,900,384 |
| Acceptances | - | - | - | - |
| Performance Related Contingencies | 1,081,559 | 1,168,969 | 9,404,862 | 9,351,749 |
| Trade Related Contingencies | 1,711,934 | 1,157,336 | 14,886,379 | 9,258,691 |
| | 6,242,892 | 5,813,853 | 54,286,014 | 46,510,824 |

Market related

| | | | | |
|----------------------------|---------|---------|-----------|-----------|
| Foreign Exchange contracts | 111,447 | 210,752 | 969,106 | 1,686,014 |
| Derivatives | 8,092 | 14,605 | 70,367 | 116,838 |
| | 119,539 | 225,357 | 1,039,473 | 1,802,852 |

Equity Exposure Risk in the Banking Book**Under simple risk weight method**

| | | | | |
|----------------------------|-----------|-----------|------------|------------|
| Listed Equity Investment | 632,625 | 899,957 | 5,501,088 | 7,199,658 |
| Unlisted Equity Investment | 2,451,178 | 2,337,697 | 21,314,591 | 18,701,573 |
| | 3,083,803 | 3,237,654 | 26,815,679 | 25,901,231 |

Under Internal models approach

61,700,821 61,833,959 536,528,875 494,671,655

Market Risk**Capital Requirement for portfolios subject to Standardized Approach**

| | | | | |
|-----------------------|---------|---------|------------|-----------|
| Interest rate risk | 789,611 | 399,153 | 9,870,138 | 4,989,413 |
| Equity position risk | 79,316 | 86,066 | 991,450 | 1,075,825 |
| Foreign Exchange risk | 76,778 | 81,978 | 959,725 | 1,024,725 |
| | 945,705 | 567,197 | 11,821,313 | 7,089,963 |

Capital Requirement for portfolios subject to Internal Models Approach

*Operational Risk [70% of BIA or ASA whichever is higher is taken as capital charge (2017-70%)]**

Capital Requirement for operational risks 6,014,067 5,248,096 75,175,838 65,601,200

Total Risk Weighted Exposures 68,660,593 67,649,252 623,526,025 567,362,817

* SBP has accorded approval to the bank vide SBP letter No. BPRD/ BA&CP/ 614/ 17838/2013 dated December 03, 2013 for adoption of ASA based on the following capital floor i.e. operational risk charge under ASA should not fall below a certain percentage of operational risk capital charge calculated under Basic Indicator Approach (BIA)

| Capital Floor (for operational risk capital charge only) | | |
|---|-----------|------------------------|
| Year 2013 & 2014 | Year 2015 | From Year 2016 onwards |
| 90% | 80% | 70% |

| Capital Adequacy Ratios | 2020 | | 2019 | |
|-----------------------------|----------|--------|----------|--------|
| | Required | Actual | Required | Actual |
| CET1 to total RWA | 6.00% | 11.51% | 6.00% | 11.92% |
| Tier-1 capital to total RWA | 7.50% | 12.64% | 7.50% | 13.15% |
| Total capital to total RWA | 11.50% | 16.37% | 12.50% | 16.69% |

2 Liquidity Coverage Ratio for the year 2020

| | TOTAL UNWEIGHTED ^a VALUE (average) | TOTAL WEIGHTED ^b VALUE (average) |
|--|--|--|
| High Quality Liquid Assets | ------(Rupees in '000)----- | |
| 1 Total high quality liquid assets (HQLA) | | 285,456,439 |
| Cash Outflows | | |
| 2 Retail deposits and deposits from small business customers of which: | 514,690,497 | 47,771,474 |
| 2.1 Stable deposit | 73,951,518 | 3,697,576 |
| 2.2 Less stable deposit | 440,738,979 | 44,073,898 |
| 3 Unsecured wholesale funding of which: | 321,836,816 | 169,598,023 |
| 3.1 Operational deposits (all counterparties) | - | - |
| 3.2 Non-operational deposits (all counterparties) | 312,976,186 | 160,737,393 |
| 3.3 Unsecured debt | 8,860,630 | 8,860,630 |
| 4 Secured wholesale funding | | 6,436,467 |
| 5 Additional requirements of which: | 34,256,700 | 6,667,600 |
| 5.1 Outflows related to derivative exposures and other collateral requirements | 3,602,144 | 3,602,144 |
| 5.2 Outflows related to loss of funding on debt products | - | - |
| 5.3 Credit and Liquidity facilities | 30,654,556 | 3,065,456 |
| 6 Other contractual funding obligations | 703,226 | 703,226 |
| 7 Other contingent funding obligations | 797,387,417 | 8,415,269 |
| 8 TOTAL CASH OUTFLOWS | | 239,592,058 |
| Cash Inflows | | |
| 9 Secured lending | 21,173,858 | - |
| 10 Inflows from fully performing exposures | 52,765,780 | 37,814,737 |
| 11 Other Cash inflows | 8,825,698 | 2,461,035 |
| 12 TOTAL CASH INFLOWS | | 40,275,772 |
| | TOTAL ADJUSTED VALUE | |
| 13 Total HQLA | | 372,270,246 |
| 14 Total Net Cash Outflows | | 199,316,286 |
| 15 Liquidity Coverage Ratio | | 187% |

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 (i.e. cap on level 2A and level 2B assets for HQLA and cap on inflows).

Liquidity Coverage Ratio for the year 2019

| | TOTAL UNWEIGHTED ^a VALUE (average) | TOTAL WEIGHTED ^b VALUE (average) |
|--|--|--|
| High Quality Liquid Assets | ----- (Rupees in '000) ----- | |
| 1 Total high quality liquid assets (HOLA) | | 285,456,439 |
| Cash Outflows | | |
| 2 Retail deposits and deposits from small business customers of which: | 471,254,204 | 43,559,624 |
| 2.1 Stable deposit | 71,315,921 | 3,565,796 |
| 2.2 Less stable deposit | 399,938,283 | 39,993,828 |
| 3 Unsecured wholesale funding of which: | 284,880,928 | 155,742,902 |
| 3.1 Operational deposits (all counterparties) | - | - |
| 3.2 Non-operational deposits (all counterparties) | 273,231,663 | 144,093,637 |
| 3.3 Unsecured debt | 11,649,265 | 11,649,265 |
| 4 Secured wholesale funding | | 6,114,158 |
| 5 Additional requirements of which: | 35,595,563 | 6,120,542 |
| 5.1 Outflows related to derivative exposures and other collateral requirements | 2,845,539 | 2,845,539 |
| 5.2 Outflows related to loss of funding on debt products | - | - |
| 5.3 Credit and Liquidity facilities | 32,750,024 | 3,275,002 |
| 6 Other contractual funding obligations | 331,765 | 331,765 |
| 7 Other contingent funding obligations | 512,542,005 | 7,270,054 |
| 8 TOTAL CASH OUTFLOWS | | 219,139,046 |
| Cash Inflows | | |
| 9 Secured lending | 68,701,293 | - |
| 10 Inflows from fully performing exposures | 54,060,146 | 40,533,659 |
| 11 Other Cash inflows | 11,027,793 | 3,990,458 |
| 12 TOTAL CASH INFLOWS | | 44,524,117 |
| | TOTAL ADJUSTED VALUE | |
| 13 Total HOLA | | 285,456,439 |
| 14 Total Net Cash Outflows | | 174,614,928 |
| 15 Liquidity Coverage Ratio | | 163% |

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 HOLA) 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 (i.e. cap on level 2A and level 2B assets for HOLA and cap on inflows).

3 Net Stable Funding Ratio for the year 2020

| (Rupees. In '000) | | unweighted value by residual maturity | | | | weighted value |
|-------------------|---|---------------------------------------|-------------|--------------------|-------------|----------------|
| | | No Maturity | < 6 months | 6 months to < 1 yr | ≥ 1 yr | |
| ASF Item | | | | | | |
| 1 | Capital: | | | | | |
| 2 | Regulatory capital | 103,507,491 | | | | 103,507,491 |
| 3 | Other capital instruments | | | | | |
| 4 | Retail deposits and deposit from small business customers: | | | | | |
| 5 | Stable deposits | 75,429,621 | - | - | - | 71,658,140 |
| 6 | Less stable deposits | 423,470,062 | 41,606,278 | 9,018,538 | 2,162,478 | 428,847,868 |
| 7 | Wholesale funding: | | | | | |
| 8 | Operational deposits | - | - | - | - | - |
| 9 | Other wholesale funding | 146,836,952 | 78,607,161 | 47,736,284 | 900,745 | 137,490,944 |
| 10 | Other liabilities: | | | | | |
| 11 | NSFR derivative liabilities | | | | 3,068,199 | - |
| 12 | All other liabilities and equity not included in other categories | 127,731,591 | 219,307,771 | 4,061,145 | 106,841,443 | 108,872,016 |
| 13 | Total ASF | | | | | 850,376,458 |
| RSF item | | | | | | |
| 14 | Total NSFR high-quality liquid assets (HOLA) | | | | | 60,332,271 |
| 15 | Deposits held at other financial institutions for operational purposes | 5,667,840 | | | | 2,833,920 |
| 16 | Performing loans and securities: | | | | | |
| 17 | Performing loans to financial institutions secured by Level 1 HOLA | | 51,833,504 | | | 5,183,350 |
| 18 | Performing loans to financial institutions secured by non-Level 1 HOLA and unsecured performing loans to financial institutions | | 5,224,262 | 473,858 | - | 1,020,568 |
| 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: | | 239,671,726 | 91,980,830 | 175,790,438 | 315,248,150 |
| 20 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | | - | - | 61,898,796 | 40,234,217 |
| 21 | Securities that are not in default and do not qualify as HOLA including exchange-traded equities. | | - | 2,100,546 | 27,996,113 | 24,846,969 |
| 22 | Other assets: | | | | | |
| 23 | Physical traded commodities, including gold | | | | | - |
| 24 | Assets posted as initial margin for derivative contracts | | | | - | - |
| 25 | NSFR derivative assets | | | | 1,319,187 | - |
| 26 | NSFR derivative liabilities before deduction of variation margin posted | | | | 3,068,199 | 613,640 |
| 27 | All other assets not included in the above categories | 89,214,293 | 167,742,265 | 8,920,958 | 18,101,933 | 124,957,489 |
| 28 | Off-balance sheet items | | 73,700,610 | 83,664,121 | 862,622,214 | 50,999,347 |
| 29 | Total RSF | | | | | 626,269,922 |
| 30 | Net Stable Funding Ratio (%) | | | | | 136% |

Net Stable Funding Ratio for the year 2019

| (Rupees. In '000) | | unweighted value by residual maturity | | | | weighted value |
|-------------------|---|---------------------------------------|-------------|--------------------|-------------|----------------|
| | | No Maturity | < 6 months | 6 months to < 1 yr | ≥ 1 yr | |
| ASF Item | | | | | | |
| 1 | Capital: | | | | | |
| 2 | Regulatory capital | 95,918,049 | | | 997,000 | 96,915,049 |
| 3 | Other capital instruments | | 1,000 | 1,000 | 3,988,000 | 3,988,000 |
| 4 | Retail deposits and deposit from small business customers: | | | | | |
| 5 | Stable deposits | 68,950,614 | - | - | - | 65,503,083 |
| 6 | Less stable deposits | 393,639,582 | 15,569,392 | 8,690,941 | 1,654,033 | 377,763,956 |
| 7 | Wholesale funding: | | | | | |
| 8 | Operational deposits | - | - | - | - | - |
| 9 | Other wholesale funding | 118,368,787 | 89,864,041 | 20,876,157 | 2,242,300 | 116,796,793 |
| 10 | Other liabilities: | | | | | |
| 11 | NSFR derivative liabilities | | | | 3,693,707 | - |
| 12 | All other liabilities and equity not included in other categories | 117,257,767 | 89,167,712 | 15,581,575 | 19,205,016 | 26,995,804 |
| 13 | Total ASF | | | | | 687,962,685 |
| RSF item | | | | | | |
| 14 | Total NSFR high-quality liquid assets (HOLA) | | | | | 13,570,569 |
| 15 | Deposits held at other financial institutions for operational purposes | 4,709,968 | | | | 2,354,984 |
| 16 | Performing loans and securities: | | | | | |
| 17 | Performing loans to financial institutions secured by Level 1 HOLA | | 24,931,724 | | | 2,493,172 |
| 18 | Performing loans to financial institutions secured by non-Level 1 HOLA and unsecured performing loans to financial institutions | | 9,313,005 | 854,273 | - | 1,824,087 |
| 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: | | 281,541,506 | 24,944,172 | 143,939,831 | 280,197,749 |
| 20 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | | - | - | 46,960,933 | 30,524,606 |
| 21 | Securities that are not in default and do not qualify as HOLA including exchange-traded equities. | | - | 4,061,090 | 13,052,185 | 13,124,902 |
| 22 | Other assets: | | | | | |
| 23 | Physical traded commodities, including gold | | | | | - |
| 24 | Assets posted as initial margin for derivative contracts | | | | - | - |
| 25 | NSFR derivative assets | | | | 2,457,277 | - |
| 26 | NSFR derivative liabilities before deduction of variation margin posted | | | | 3,693,707 | 738,741 |
| 27 | All other assets not included in the above categories | 75,692,591 | 75,016,723 | 6,394,331 | 39,031,092 | 124,969,215 |
| 28 | Off-balance sheet items | | 109,224,036 | 14,540,103 | 460,392,615 | 29,207,838 |
| 29 | Total RSF | | | | | 499,005,864 |
| 30 | Net Stable Funding Ratio (%) | | | | | 138% |