

1. CAPITAL MANAGEMENT

Our Treasury function manages our capital at Group level and locally in each region. The allocation of financial resources, in general, and capital, in particular, favours business portfolios with the highest positive impact on the Group's profitability and shareholder value. As a result, Treasury periodically reallocates capital among business portfolios.

Regional capital plans covering the capital needs are presented to the Group Investment Committee. Local Asset and Liability Committees attend to those needs under the stewardship of regional Treasury teams. In developing, implementing and testing our capital and liquidity, we take legal and regulatory requirements into account.

The regulatory and economic capital demand is continuously monitored to adjust the available capital if required. Capital demand forecasts are regularly determined and carried forward based on the planned development of the business volume and results as well as expected risk parameter changes.

1.1 Capital-Assessment and Adequacy Basel III specific

1.1.1 Scope of Applications

The Pakistan Operations currently use Basel III framework for the Capital Assessment and Capital Adequacy purposes. Basel III Standardized Approach is used for calculating the Capital Adequacy for Credit and Market risk, whereas, Basic Indicator Approach (BIA) is used for Operational Risk Capital Adequacy purposes.

1.1.2 Capital Structure

The lead regulator, State Bank of Pakistan (SBP) sets and monitors capital requirements for the banks in Pakistan as a whole. With effect from 31 December 2013, the SBP has advised through its BPRD circular # 6 dated August 15, 2013 that all banks to calculate their capital requirements on Basel III Accord. The amendments have been introduced with an aim to further strengthen the existing capital related rules. Basel III instructions have become effective from 31 December, 2013, however, there was a transitional phase and complete requirements became applicable with full implementation by 31 December, 2019.

In implementing the current capital requirements, SBP requires the Pakistan Operations to maintain a prescribed total capital to total risk weighted assets ratio. As at the year end 2021, the SBP's minimum prescribed capital adequacy ratio is 12.5% (Total Capital 10% and Capital Conservation Buffer 2.5%). Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET1) ratio and Tier 1 ratio of 6% and 7.5% respectively as at 31 December 2024. the Pakistan Operations' ratio is compliant with this minimum benchmark.

The Pakistan Operations of Deutsche Bank calculate requirement for market risk on its portfolio based upon the methodology provided by SBP which takes account of specific and general market risk capital charge for interest rate risk using the maturity method.

Banking operations are categorized as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Pakistan Operations' regulatory capital is analyzed into following tiers:

- Tier I capital: includes Head office capital account, and un-remitted profit.
- Tier II capital: includes general provision not kept against identified debts.

1.1.3 The leverage ratio of the Pakistan Operations as at 31 December 2024 is 16.65% (2023: 17.50%). The ratio has been computed as prescribed by State Bank of Pakistan through Instructions for Basel-III Implementation in Pakistan.

As on 31 December 2024; Total Tier 1 capital of the Bank amounts to Rs. 14,684 million (2023: Rs. 15,335 million); whereas, the total exposure measure amounts to Rs. 88,213 million (2023: Rs. 87,649 million).

1.2 Capital Adequacy Ratio (CAR) disclosure:

CAPITAL ADEQUACY RETURN AS OF 31 DECEMBER 2024

		2024	2023
		Rupees in '000	
		Amount	Amount
Rows # Common Equity Tier 1 capital (CET1): Instruments and reserves			
1	Fully Paid-up Capital/ Capital deposited with SBP	9,297,617	9,984,045
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on Issue of shares	-	-
5	General/ Statutory Reserves	-	-
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	5,419,951	5,390,124
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	14,717,568	15,374,169
10	Total regulatory adjustments applied to CET1	(34,040)	(39,406)
11	Common Equity Tier 1	14,683,528	15,334,763
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)	14,683,528	15,334,763
Tier 2 Capital			
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	-
23	Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel 3 rules	-	-
24	December 2019, the Pakistan Operations' ratio is compliant with this minimum benchmark.	-	-
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	7,684	14,119
27	Revaluation Reserves (net of taxes)	-	-
28	of which: Revaluation reserves on fixed assets	-	-
29	of which: Unrealized gains/losses on AFS	656	-
30	Foreign Exchange Translation Reserves	-	-
31	Undisclosed/Other Reserves (if any)	-	-
32	T2 before regulatory adjustments	8,340	14,119
33	Total regulatory adjustment applied to T2 capital (Note 33.2.3)	-	-
34	Tier 2 capital (T2) after regulatory adjustments	8,340	14,119
35	Tier 2 capital recognized for capital adequacy	8,340	14,119
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	Total Tier 2 capital admissible for capital adequacy	8,340	14,119
38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	14,691,868	15,348,882
39	Total Risk Weighted Assets (RWA)	26,053,830	24,458,374
Capital Ratios and buffers (in percentage of risk weighted assets)			
40	CET1 to total RWA	56.36%	62.70%
41	Tier-1 capital to total RWA	56.36%	62.70%
42	Total capital to total RWA	56.39%	62.76%
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	10.00%	10.00%
44	of which: capital conservation buffer requirement	2.50%	2.50%
45	of which: countercyclical buffer requirement	-	-
46	of which: D-SIB or G-SIB buffer requirement	1.50%	0
47	CET1 available to meet buffers (as a percentage of risk weighted assets)	50.36%	56.70%
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	12.50%	12.50%

		2024	(Rupees in '000)	2023
Regulatory Adjustments and Additional Information		Amount	Amounts subject to Pre- Basel III treatment*	Amount
Note 1.2.1	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)	-		-
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	(34,040)		(34,040)
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	656		(5,366)
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)	(33,384)		(39,406)
Note 1.2.2	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)	-		-
Note 1.2.3	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)	-		-

		2024	2023
		(Rupees in '000)	
Additional Information		Amount	Amount
Note 1.2.4	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	-	-
39	Significant investments in the common stock of financial entities	-	-
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)	-	-
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	-	-

1.3 Capital structure reconciliation

Step 1	Balance sheet	Under regulatory
	as in published	scope of
	financial	consolidation
	statements	
	2024	2024
	----- (Rupees in '000) -----	
Assets		
Cash and balances with treasury banks	13,698,435	13,698,435
Balanced with other banks	1,977,797	1,977,797
Lending to financial institutions	44,982,510	44,982,510
Investments	1,993,678	1,993,678
Advances	2,993,065	2,993,065
Property and equipment	616,268	616,268
Right-of-use assets	332,002	332,002
Deferred tax assets	290,360	290,360
Other assets	2,318,183	2,318,183
Total assets	69,202,299	69,202,299
Liabilities & Equity		
Bills payable	806,811	806,811
Borrowings	-	-
Deposits and other accounts	44,938,069	44,938,069
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	448,092	448,092
Deferred tax liabilities	-	-
Other liabilities	8,291,103	8,291,103
Total liabilities	54,484,075	54,484,075
Share capital / Head office capital account	9,297,617	9,297,617
Reserves	-	-
Unappropriated / unremitted profit	5,419,951	5,419,951
Minority Interest	-	-
Surplus on revaluation of assets	656	656
Total liabilities & equity	69,202,299	69,202,299

Step 2	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	2024	2024	
Assets			
Cash and balances with treasury banks	13,698,435	13,698,435	
Balanced with other banks	1,977,797	1,977,797	
Lending to financial institutions	44,982,510	44,982,510	
Investments	1,993,678	1,993,678	
<i>of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold</i>	-	-	a
<i>of which: significant capital investments in financial sector 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>	-	-	d
<i>of which: others (mention details)</i>	-	-	e
Advances	2,993,065	2,993,065	
<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>	7,684	7,684	g
Fixed Assets	616,268	616,268	
Right-of-use assets	332,002	332,002	
Deferred Tax Assets	290,360	290,360	
<i>of which: DTAs excluding those arising from temporary differences</i>	-	-	h
<i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>	-	-	i
Other assets	2,318,183	2,318,183	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	-	-	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	69,202,299	69,202,299	
Liabilities & Equity			
Bills payable	806,811	806,811	
Borrowings	-	-	
Deposits and other accounts	44,938,069	44,938,069	
Sub-ordinated loans	-	-	
<i>of which: eligible for inclusion in AT1</i>	-	-	m
<i>of which: eligible for inclusion in Tier 2</i>	-	-	n
Liabilities against assets subject to finance lease	448,092	448,092	
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	8,291,103	8,291,103	
Total liabilities	54,484,075	54,484,075	
Share capital / Head office capital account	9,297,617	9,297,617	
<i>of which: amount eligible for CET1</i>	9,297,617	9,297,617	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	-	-	
<i>of which: portion eligible for inclusion in CET1(provide breakup)</i>	-	-	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	v
Unappropriated / Unremitted profit/ (losses)	5,419,951	5,419,951	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	656	656	
<i>of which: Revaluation reserves on Property</i>	-	-	
<i>of which: Unrealized Gains/Losses on AFS</i>	656	656	aa
<i>In case of Deficit on revaluation (deduction from CET1)</i>	-	-	ab
Total liabilities & Equity	69,202,299	69,202,299	

Step 3		Component of regulatory capital reported by bank (amount in thousand PKR)	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	9,297,617	
2	Balance in Share Premium Account	-	(s)
3	Reserve for issue of Bonus Shares	-	
4	General/ Statutory Reserves	-	
5	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	(u)
6	Unappropriated/unremitted profits/(losses)	5,419,951	(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	14,717,568	
Common Equity Tier 1 capital: Regulatory adjustments			
9	Goodwill (net of related deferred tax liability)	-	(j) - (o)
10	All other intangibles (net of any associated deferred tax liability)	-	(k) - (p)
11	Shortfall of provisions against classified assets	-	(f)
12	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	{(h) - (r)} * 40%
13	Defined-benefit pension fund net assets	(34,040)	{(l) - (q)} * 40%
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 property/ 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	Investment in TFCs of other banks exceeding the prescribed limit	-	
28	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 25)	(34,040)	
	Common Equity Tier 1	14,683,528	
Additional Tier 1 (AT 1) Capital			
31	Qualifying Additional Tier-1 instruments plus any related share premium	-	
32	of which: Classified as equity	-	(t)
33	of which: Classified as liabilities	-	(m)
34	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
35	of which: instrument issued by subsidiaries subject to phase out	-	
36	AT1 before regulatory adjustments	-	

Step 3	Component of regulatory capital reported by bank (amount in thousand PKR)	Source based on reference number from step 2
Additional Tier 1 Capital: regulatory adjustments		
37	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	
38	Investment in own AT1 capital instruments	
39	Reciprocal cross holdings in Additional Tier 1 capital instruments	
40	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)	
41	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(ac)
42	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	(ad)
43	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
44	Total of Regulatory Adjustment applied to AT1 capital	
45	Additional Tier 1 capital	
46	Additional Tier 1 capital recognized for capital adequacy	
	14,683,528	
Tier 1 Capital (CET1 + admissible AT1)		
Tier 2 Capital		
47	Qualifying Tier 2 capital instruments under Basel III	
48	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	(n)
49	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	(z)
50	of which: instruments issued by subsidiaries subject to phase out	
51	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	(g)
52	Revaluation Reserves eligible for Tier 2	
53	of which: portion pertaining to Property	
54	of which: portion pertaining to AFS securities	portion of (aa)
55	Foreign Exchange Translation Reserves	(v)
56	Undisclosed/Other Reserves (if any)	
57	T2 before regulatory adjustments	8,340
Tier 2 Capital: regulatory adjustments		
58	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	
59	Reciprocal cross holdings in Tier 2 instruments	
60	Investment in own Tier 2 capital instrument	
61	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)	
62	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(ae)
63	Amount of Regulatory Adjustment applied to T2 capital	
64	Tier 2 capital (T2)	
65	Tier 2 capital recognized for capital adequacy	
66	Excess Additional Tier 1 capital recognized in Tier 2 capital	
67	Total Tier 2 capital admissible for capital adequacy	
	14,691,868	
TOTAL CAPITAL (T1 + admissible T2)		

1.4 Main Features of Regulatory Capital Instruments

Disclosure template for main features of regulatory capital instruments		
	Main Features	Common Shares
1	Issuer	N/A
2	Unique identifier (e.g. KSE Symbol or Bloomberg identifier etc.)	N/A
3	Governing law(s) of the instrument	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Post-transitional Basel III rules	N/A
6	Eligible at solo/ group/ group&solo	N/A
7	Instrument type	N/A
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	N/A
9	Par value of instrument	N/A
10	Accounting classification	N/A
11	Original date of issuance	N/A
12	Perpetual or dated	N/A
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	N/A
17	Fixed or floating dividend/ coupon	N/A
18	coupon rate and any related index/ benchmark	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory	N/A
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative 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 (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

1.5 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	
2024	2023	2024	2023
----- (Rupees in '000) -----			

Credit Risk

Portfolios subject to standardized approach (Simple)

Cash & cash equivalents	-	-	-	-
Sovereign	-	5,614	-	56,144
Public Sector entities	-	-	-	-
Banks	180,712	313,030	1,807,122	3,130,300
Corporate	1,055,494	1,070,847	10,554,939	10,708,470
Retail	1,321	1,826	13,214	18,260
Residential Mortgages	9,952	9,854	99,515	98,539
Past Due loans	-	-	-	-
Operating Fixed Assets	94,204	110,402	942,042	1,104,018
Other assets	77,688	66,094	776,877	660,942
	1,419,371	1,577,667	14,193,709	15,776,673

Market Risk

Capital Requirement for portfolios subject to Standardized Approach

Interest rate risk	-	-	-	-
Foreign Exchange risk	10,591	9,896	132,392	123,705
	10,591	9,896	132,392	123,705

Operational Risk

938,218 684,640 **11,727,729** 8,557,996

Capital Requirement for operational risks

TOTAL	2,368,180	2,272,203	26,053,830	24,458,374
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Capital Adequacy Ratios	2024		2023	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	56.36%	6.00%	62.70%
Tier-1 capital to total RWA	7.50%	56.36%	7.50%	62.70%
Total capital to total RWA	12.50%	56.39%	12.50%	62.76%

1.6 Liquidity Coverage Ratio

Main drivers of LCR Results are High Quality Liquid Assets and Net cash outflows. Outflows are mainly deposit outflows net of cash inflows which consist of inflows from financing and money market placements up to 1 month. The inputs for calculation of LCR are as prescribed by the regulator.

	Total Unweighted ^a Value (average)	Total Weighted ^b Value (average)
	----- (Rupees in '000) -----	
High Quality Liquid Assets		
1 Total high quality liquid assets (HQLA)		46,652,850
Cash Outflows		
2 Retail deposits and deposits from small business customers of which:	26,133	2,039
2.1 stable deposit	11,496	575
2.2 Less stable deposit	14,638	1,464
3 Unsecured wholesale funding of which:	42,872,129	14,104,359
3.1 Operational deposits (all counterparties)	41,716,112	12,948,341
3.2 Non-operational deposits (all counterparties)	-	-
3.3 Unsecured debt	1,156,018	1,156,018
4 Secured wholesale funding		-
5 Additional requirements of which:	25,213,897	2,521,390
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	25,213,897	2,521,390
6 Other contractual funding obligations	2,310,460	2,310,460
7 Other contingent funding obligations	18,161,452	908,073
8 Total Cash Outflows		19,846,319
Cash Inflows		
9 Secured lending	6,754,317	4,543,631
10 Inflows from fully performing exposures	-	-
11 Other Cash inflows	111,824	111,824
12 Total Cash Inflows	-	4,655,455
21 Total HQLA		46,652,850
22 Total Net Cash Outflows		15,190,865
23 Liquidity Coverage Ratio*		307%

33.7 Net Stable Funding Ratio

(Rupees. in '000)		----- (Rupees in '000) -----				weighted value
		unweighted value by residual maturity				
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Item						
1	Capital:					
2	Regulatory capital	14,717,568	-	-	-	14,717,568
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposit from small business customers:	-	-	-	-	-
5	Stable deposits	-	19,426	-	-	18,455
6	Less stable deposits	-	2,621,035	-	-	2,358,932
7	Wholesale funding:	-	-	-	-	-
8	Operational deposits	-	42,295,934	-	-	21,147,967
9	Other wholesale funding	-	-	-	-	-
10	Other liabilities:	-	-	-	-	-
11	NSFR derivative liabilities	#REF!	-	-	-	-
12	All other liabilities and equity not included in other categories	-	9,100,298	-	-	-
13	Total ASF					38,242,922
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)					10,524,050
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
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	-	-	-	-	-
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	-	-	-	-
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	4,035,823	-	-	-	3,253,045
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	-	55,335,131	27,800	10,637,589	7,271,003
28	Off-balance sheet items	-	45,846,803	-	-	2,292,340
29	Total RSF					12,816,390
30	Net Stable Funding Ratio (%)*					298%