## 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 volum 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 is a transitional phase during which the complete requirements would become applicable with full implementation by 31 December, 2020.

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 2020, the SBP's minimum prescribed capital adequacy ratio is 11.5% (Total Capital 10% and Capital Conservation Buffer 1.5%). 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 2020. 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 2020 is 13.52% (2019: 14.92%). The ratio has been computed as prescribed by State Bank of Pakistan through Instructions for Basel-III Implementation in Pakistan.

As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: Rs. 7,268 million); whereas the total exposure measure amounts to Rs. 60,831 million (2019: Rs. 48,724 million).

# 1.2 Capital Adequacy Ratio (CAR) disclosure:

## CAPITAL ADEQUACY RETURN AS OF 31 DECEMBER 2020

41       Tier-1 capital to total RWA       53.78%         42       Total capital to total RWA       53.88%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)       7.50%         44       of which: capital conservation buffer requirement       1.50%         45       of which: D-SIB or G-SIB 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)       47.78%         40.22%       National minimum capital requirements prescribed by SBP       -		CAPITAL ADEQUACY RETURN AS OF 31 DECEMBER 2020	2020	2019
Rows & Common Equity Titer 1 capital (CET1): Instruments and reserves		-		
1     Fully Paid-up Capital Capital deposited with SBP     6,302,781     5,556,853       2     Badarce in Share Permit Account     -     -       3     Reserve for issue of Share S     -     -       4     Decount on Issue of Asnees     -     -       5     General Statutory Reserves     -     -       6     General Statutory Reserves     -     -       7     Wapproprinted/urenting arolitat/ instruments issued to third parties by consolidated bank subsidiaries (anount allowed in CET 1 capital instruments issued to third parties by consolidated bank subsidiaries (anount allowed in CET 1 capital instruments plus any related share premium     -       10     Total regulatory adjustments applied to CET 1 (Net 33.2.1)     -     -       11     Common Equity Tier 1     -     -       12     Gondifying Additional Tier 1 capital instruments plus any related share premium     -     -       13     of which: Classified as subject to phase out     -     -       14     of which: Classified as subject to phase out     -     -       15     Additional Tier 1 capital instruments appled to AT1 capital advencey     -     -       16     of which: Classified as subject to phase out     -     -       17     AT1 before regulatory adjustments     -     -       16     Tier 1 capital instruments issued to w	- "		Amount	Amount
2       Balance in Share Premium Account       -         3       Reserve for issue of Bourses Shares       -         4       Discourt on issue of ances       -         5       General Statutor, Reserve and as Cah Flow Hedge       -         6       General Statutor, Reserve and as Cah Flow Hedge       -         7       Uragoprolatedunemine points floases)       1,918,957         7       Uragoprolatedunemine points (floases)       1,918,957         7       Uragoprolatedunemine points (floases)       1,918,957         7       Cef T hedre Regulatory Adjustments       8,221,348         7       Cef T hedre Regulatory Adjustments       8,221,348         7       Cef T hedre Regulatory Adjustments       -         10       Control Classified as tabulities       -         11       Common Equity Ter 1       -         12       Cualifying Additional Ter 1 capital instruments plus any related share premium       -         13       of which: Instrument issued to tabulities sublect to phase out       -         14       of which: Instrument issued by subdiatients       -         15       Orabid: Ter 1 capital instruments under Basel II plus any telated share premium       -         16       Orabid: Ter 1 capital instruments under Basel II plus any telated	Rows #	Common Equity Tier 1 capital (CE11): Instruments and reserves	6 302 781	5 563 663
4       Discourt on Issue of shares       -         6       General Statutor, Reserves       -         7       Unappropriated/unremited profits (Josse)       -         8       Minority Interests arising from CET 1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET 1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET 1 capital instruments [subsidiaries and the consolidated of the consolidated bank subsidiaries (amount allowed in CET 1 capital instruments plus any related share premium       -         10       Total regulatory adjustments       -       -         11       Common Equity Ter 1       8,221,348       7,268,081         12       Orable/tocal Ter 1 capital instruments plus any related share premium       -       -         13       of which, classified as liabilities       -       -         14       of which, classified as liabilities       -       -         15       Additional Ter 1 capital instruments subject to phase out       -       -         16       of which, instrument issued by subsidiaries subject to phase out       -       -         17       ATI before regulatory adjustments       -       -       -         18       Additional Ter 1 capital instruments under Basel UI plus any miated share premium       -       -         <	2		-	-
6       General Statutory Reserves		Reserve for issue of Bonus Shares	-	-
6       Geinr(Losses) on derivatives held as Cash Flow Hedge       -         7       Uragsportated/unsemite optifs/fosses)       1.915,857         8       Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital instruments plated to CET1 (Note 33.21)       -         9       CET 1 before Regulatory Adjustments       8.221,348       7,266,081         10       Total regulatory adjustments applied to CET1 (Note 33.21)       -       -         11       Common Equity Tier 1       8.221,348       7,266,081         12       Of which Classified as tabilities       -       -       -         13       of which Classified as tabilities       -       -       -         14       of which Classified as tabilities is used to hird parties by consolidated subsidiaries (amount allowed in group AT 1)       -       -       -         15       Additional Tier 1 capital instruments is used to third parties by consolidated subsidiaries (amount allowed in group AT 1)       -       -       -         16       of which, instrument is used by subsidiaries subject to phase out       -       -       -       -       -       -       -       -       -       -       -       -			-	-
7     Unappropriated/unremited profiler (losses)     1,918,567       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)			-	-
8       Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subject of phases and the consolidated along orgup)       1         9       CET 1 before Regulatory Adjustments applied to CET1 (Neto 32.1)       -         11       Common Equity Tier 1       6.221,348       -         12       Cualifying Additional Tier 1 capital instruments plus any related share premium       -       -       -         13       of which: Classified as equity       -			-	-
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9       CET 1 before Regulatory Adjustments       8,221,348       7,268,081         11       Common Equity Ter 1       8,221,348       7,268,081         2       Additional Tier 1 (AT 1) Capital       8,221,348       7,268,081         2       Cualifying 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: Classified as duptaments       -       -       -         16       of which: instrument issued to xint capital (Note 33.2)       -       -       -         17       Additional Tier 1 capital recognized for capital adequacy       -       -       -       -         20       Additional Tier 1 capital recognized for capital adequacy       -<	0		-	-
10       Total regulatory adjustments applied to CET1 (Note 33.2.1)       -         11       Common Equity Tier 1       8.221,348         12       Coulifying Additional Tier 1- capital instruments plus any related share premium       -         13       of which: Classified as equity       -         14       of which: Classified as equity       -         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       -         16       Total regulatory adjustments       -         17       Additional Tier 1- capital recognized for capital adequacy       -         18       Total regulatory adjustment splied to A11 capital (Note 33.2.2)       -         19       Additional Tier 1 capital recognized for capital adequacy       -         20       Tier 1 Capital instruments under Basel III plus any related share premium       -         21       Tier 2 Capital       -       -         22       Capital instruments under Basel III plus any related share premium       -       -         23       Tier 2 capital instruments under Basel III plus any related share premium       -       -       -         24       Othich: Instruments subgect to phas	9		8,221,348	7,268,081
Additional Tier 1 (AT 1) Capital         12       Qualifying Additional Tier-1 capital instruments plus any related share premium       -         13       of which: Classified as liabilities       -         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       -         16       of which: instrument sized by subsidiaries subject to phase out       -         17       AT1 before regulatory adjustments       -         18       foolar group adjustments       -         20       Additional Tier 1 capital after cognized for capital adequacy       -         21       Tier 1 Capital (CET1 + admissible AT1) (11+20)       8,221,348         22       Ouslifying Tier 2 capital instruments under Basel III plus any related share premium       -         23       Tier 2 capital instruments subject to phase out       -         24       December 2019. the Pakistan Operations' ratio is compliant with this minimum benchmark.       -         25       of which: Revaluation reserves on fixed assets       -       -         26       of which: Revaluation Reserves       -       -         3	10	Total regulatory adjustments applied to CET1 (Note 33.2.1)	-	-
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20       Additional Tier 1 capital recognized for capital adequacy       -         21       Tier 1 Capital (CET1 + admissible AT1) (11+20)       8,221,348       7,268,081         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 ubusidiaries subject to phase out       -       -         26       General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk       14,119       14,119         28       of which: Revaluation Reserves on fixed assets       -       -       -         30       Foreign Exchange Translation Reserves       -       -       -         31       Undisclosed/Other Reserves (if any)       -       -       -       -         33       Total regulatory adjustments       14,119       14,119       14,119       14,119         34       Tier 2 capital (T2) radjutal decugacy       14,119       14,119       14,119       14,119         34       Tier 2 capital 12,104       Tier 2 capital 12,119       1				
21       Tier 1 Capital (CET1 + admissible AT1) (11+20)       8,221,348       7,268,081         21       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       14,119       14,119         27       Revaluation reserves on fixed assets       -       -       -         29       of which: Nurnealized gains/losses on AFS       -       -       -         21       Total regulatory adjustments       14,119       14,119       -       -         21       Total regulatory adjustment applied to T2 capital (Note 33.2.3)       -       -       -       -         21       Total regulatory adjustments       14,119       14,119       14,119       14,119       14,119       14,119         23       Total regulatory adjustments				
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23       Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel 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       -         27       Revaluation Reserves for loan losses-up to maximum of 1.25% of Credit Risk       -         27       Revaluation Reserves for loan losses on fixed assets       -         29       of which: Increalized qains/losses on AFS       -         30       Foreign Exchange Translation Reserves       -       -         31       Undisclosed/Other Reserves (if any)       -       -         32       Total regulatory adjustments       14,119       14,119         33       Total regulatory adjustments       14,119       14,119         34       Tier 2 capital (Tot capital adequacy       14,119       14,119         35       Total regulatory adjustments       14,119       14,119         36       Total regulatory adjustments       14,119       14,119         37       Total regulatory adjustments       14,119       14,119         38       Total		Tier 2 Capital		
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       14,119         27       Revaluation Reserves (net of taxes)       -         28       of which: Unrealized gains/losses on AFS       -         29       of which: Unrealized gains/losses on AFS       -         30       Foreign Exchange Translation Reserves       -         31       Undisclosed/Other Reserves (if any)       -         32       T2 before regulatory adjustments predied to T2 capital (Note 33.2.3)       -         34       Tier 2 capital (T2) after regulatory adjustments       14,119         36       Total regulatory adjustment adjequacy       14,119         37       Total Tier 2 capital adequacy       14,119         38       Total Tier 2 capital adequacy       14,119         39       Total Tier 2 capital adequacy       14,119         30       Total Tier 2 capital adequacy       14,119         39       Total Tier 4 capital adequacy       14,119         30       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,285,940	22		-	-
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       14,119         27       Revaluation Reserves (net of taxes)       -         28       of which: Unrealized gains/losses on AFS       -         29       of which: Unrealized gains/losses on AFS       -         30       Foreign Exchange Translation Reserves       -         31       Undisclosed/Other Reserves (if any)       -         32       To before regulatory adjustments       14,119         31       Total regulatory adjustment applied to T2 capital (Note 33.2.3)       -         34       Tier 2 capital recognized for capital adequacy       14,119         35       Total regulatory adjustments       14,119         36       Portion of Additional Tier 1 capital recognized in Tier 2 capital       -         39       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,285,940       15,725,161         39       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,285,940       15,725,161         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53,78%       46,22%         41       Tier - capital to total RWA	-		-	-
26       General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets       14,119         27       Revaluation Reserves (net of taxes)       -         28       of which: Revaluation reserves on fixed assets       -         29       of which: Revaluation reserves on fixed assets       -         29       of which: Unrealized gains/losses on AFS       -         20       Foreign Exchange Translation Reserves       -         31       Undisclosed/Other Reserves (if any)       -         32       T2 before regulatory adjustments       14,119         33       Total regulatory adjustments       14,119         34       Tier 2 capital congnized for capital adequacy       14,119         35       Tier 2 capital congnized for capital adequacy       14,119         36       Portion of Additional Tier 1 capital recognized in Tier 2 capital       -         37       Total Tier 2 capital admissible for capital adequacy       14,119         38       Total CAPITAL (T1 + admissible T2) (21+37)       8,235,467       7,282,200         39       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,285,940       15,725,161         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53,78% <td< td=""><td></td><td></td><td></td><td>-</td></td<>				-
Weighted Assets14,11914,11927Revaluation Reserves (net of taxes)-28of which: Revaluation reserves on fixed assets-29of which: Unrealized gains/losses on AFS-20Foreign Exchange Translation Reserves-30Foreign Exchange Translation Reserves-31Undisclosed/UDHer Reserves (if any)-32T2 before regulatory adjustments14,11933Total regulatory adjustment applied to T2 capital (Note 33.2.3)-34Tier 2 capital (T2) after regulatory adjustments144,11935Tier 2 capital (T2) after regulatory adjustments144,11936Portion of Additional Tier 1 capital adequacy144,11937Total Tier 2 capital admissible for capital adequacy144,11938TOTAL CAPITAL (T1 + admissible T2) (21+37)8,235,46739Total Risk Weighted Assets (RWA) (for details refer Note 33.5)15,285,94040As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R53,78%46.22%44Total capital to total RWA53,78%46.31%46.31%43Bank specific buffer requirement1.50%1.90%44of which: D-SIB of G-SIB buffer requirement46of which: D-SIB of G-SIB buffer requirement47CET1 available to meet buffers (as a percentage of risk weighted assets)47,78%48CET1 minimum ratioCF10-48C				
27       Revaluation Reserves (net of taxes)       -         28       of which: Revaluation reserves on fixed assets       -         29       of which: Unrealized gains/losses on AFS       -         30       Foreign Exchange Translation Reserves       -         31       Undisclosed/Other Reserves (if any)       -         32       T2 before regulatory adjustments       14,119         33       Total regulatory adjustment applied to T2 capital (Note 33.2.3)       -         34       Tier 2 capital (T2) after regulatory adjustments       14,119         35       Tier 2 capital recognized for capital adequacy       14,119         36       Portion of Additional Tier 1 capital recognized in Tier 2 capital       -         37       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,285,940         38       Total Ratios and buffers (in percentage of risk weighted assets)       46.22%         41       Tier 1 capital to total RWA       53.78%       46.22%         42       Total capital to total RWA       53.78%       46.22%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement       -         44       of which: conservation buffer requirement       -       -         45<	20		14,119	14.119
28       of which: Revaluation reserves on fixed assets       -       -         29       of which: Unrealized gains/losses on AFS       -       -         20       Foreign Exchange Translation Reserves       -       -         31       Undisclosed/Other Reserves (if any)       -       -         32       T2 before regulatory adjustments applied to T2 capital (Note 33.2.3)       -       -         33       Total regulatory adjustment applied to T2 capital adequacy       14,119       14,119         34       Tier 2 capital recognized for capital adequacy       14,119       14,119         36       Portion of Additional Tier 1 capital recognized in Tier 2 capital       -       -         37       Total Tier 2 capital admissible for capital adequacy       14,119       14,119         38       TOTAL CAPITAL (T1 + admissible T2) (21+37)       8,235,467       7,282,200         39       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,285,940       15,725,161         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019; R       53,78%       46.22%         41       Tier 1 capital to total RWA       53,88%       46.31%       46.31%         42       Total Risk predific buffer requirement (minimum CET1 requirement plus capital conservati	27		,	,
30       Foreign Exchange Translation Reserves       -         31       Undisclosed/Other Reserves (if any)       -         32       T2 before regulatory adjustments       14,119         33       Total regulatory adjustments       14,119         34       Tier 2 capital (T2) after regulatory adjustments       14,119         34       Tier 2 capital recognized for capital adequacy       14,119         36       Portion of Additional Tier 1 capital recognized in Tier 2 capital       -         37       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,285,940         39       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,285,940         39       Total agnital to total RWA       53.78%         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         40       As on 31 December 2020; Total Tier 1 capital to otal RWA       53.78%         42       Total capital to total RWA       53.78%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital co	28	of which: Revaluation reserves on fixed assets	-	-
31       Undisclosed/Other Reserves (if any)       -         32       T2 before regulatory adjustments       14,119         33       Total regulatory adjustment applied to T2 capital (Note 33.2.3)       -         34       Tier 2 capital (T2) after regulatory adjustments       14,119         35       Tier 2 capital (T2) after regulatory adjustments       14,119         36       Portion of Additional Tier 1 capital adeguacy       14,119         37       Total Tier 2 capital admissible for capital adeguacy       14,119         38       TOTAL CAPITAL (T1 + admissible T2) (21+37)       8,235,467         39       Total Risk Weighted Assets (RWA) {for details refer Note 33.5}       15,285,940         30       Total capital to total RWA       53.78%         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019; R       53.78%         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019; R       53.78%         42       Total capital to total RWA       53.88%       46.22%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement       -         44       of which: capital conservation buffer requiremen	29		-	-
32       T2 before regulatory adjustments       14,119         33       Total regulatory adjustment applied to T2 capital (Note 33.2.3)       -         34       Tier 2 capital (T2) after regulatory adjustments       14,119         35       Tier 2 capital recognized for capital adequacy       14,119         36       Portion of Additional Tier 1 capital recognized in Tier 2 capital       -         37       Total Tier 2 capital admissible for capital adequacy       14,119         38       TOTAL CAPITAL (T1 + admissible T2) (21+37)       8,235,467         39       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,285,940         39       Total Risk Weighted Assets (RWA) (for details refer Note 33.5)       15,725,161         Capital Ratios and buffers (in percentage of risk weighted assets)       -         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         42       Total capital to total RWA       53.88%       46.32%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement       -         44       of which: capital to met buffer requirement       -       -         45       of which: D-SIB ouffer requirement       -       -         46			-	-
33       Total regulatory adjustment applied to T2 capital (Note 33.2.3)       -         34       Tier 2 capital (T2) after regulatory adjustments       14,119         35       Tier 2 capital recognized for capital adequacy       14,119         36       Portion of Additional Tier 1 capital recognized in Tier 2 capital       -         37       Total Tier 2 capital admissible for capital adequacy       14,119         38       TOTAL CAPITAL (T1 + admissible T2) (21+37)       8,235,467         39       Total Risk Weighted Assets (RWA) {for details refer Note 33.5}       15,285,940         39       Total Risk Weighted Assets (RWA) {for details refer Note 33.5}       15,285,940         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: F       53.78%         46.22%       41       Tier-1 capital to total RWA       53.78%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement       7.50%         44       of which: capital conservation buffer requirement       -         45       of which: Countercyclical buffer requirement       -         46       of which: D-SiB or G-SiB buffer requirement       -         47       CET1 avaitable to meet buffers (as a percentage of risk weighted assets)       47.78%	-		-	-
34Tier 2 capital (T2) after regulatory adjustments14,11914,11935Tier 2 capital recognized for capital adequacy14,11914,11936Portion of Additional Tier 1 capital recognized in Tier 2 capital37Total Tier 2 capital admissible for capital adequacy14,11914,11938TOTAL CAPITAL (T1 + admissible T2) (21+37)8,235,4677,282,20039Total Risk Weighted Assets (RWA) {for details refer Note 33.5}15,285,94015,725,16140As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R53,78% 53,78% 46.22%46.22%41Tier -1 capital to total RWA53,88% 46.22%46.22%42Total capital to total RWA53,88% 46.31%46.31%43Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement44of which: capital conservation buffer requirement45of which: capital conservation buffer requirement46of which: capital conservation buffer requirement47CET1 available to meet buffers (as a percentage of risk weighted assets)47.78%40.22%48CET1 minimum ratio6.00% 			14,119	14,119
35       Tier 2 capital recognized for capital adequacy       14,119         36       Portion of Additional Tier 1 capital recognized in Tier 2 capital       -         37       Total Tier 2 capital admissible for capital adequacy       14,119       14,119         38       TOTAL CAPITAL (T1 + admissible T2) (21+37)       8,235,467       7,282,200         39       Total Risk Weighted Assets (RWA) {for details refer Note 33.5}       15,285,940       15,725,161         39       Capital Ratios and buffers (in percentage of risk weighted assets)       46.22%       42         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         42       Total capital to total RWA       53.88%       46.22%         42       Total capital to total RWA       53.88%       46.31%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement       -       -         44       of which: contercyclical buffer requirement       -       -       -         45       of which: contercyclical buffer requirement       -       -       -         46       of which: D-SIB or G-SIB buffer requirement       -       -       -       -         47       CET1 available to meet buffers (as a			14 119	14 119
36       Portion of Additional Tier 1 capital recognized in Tier 2 capital       -         37       Total Tier 2 capital admissible for capital adequacy       14,119         38       TOTAL CAPITAL (T1 + admissible T2) (21+37)       8,235,467         39       Total Risk Weighted Assets (RWA) {for details refer Note 33.5}       15,285,940         39       Total Risk Weighted Assets (RWA) {for details refer Note 33.5}       15,285,940         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         46.22%       41       Tier-1 capital to total RWA       53.78%         41       Tier-1 capital to total RWA       53.88%       46.31%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)       7.50%       7.90%         44       of which: countercyclical buffer requirement       -       -       -         45       of which: countercyclical buffer requirement       -       -       -       -         47       CET1 available to meet buffers (as a percentage of risk weighted assets)       47.78%       40.22%       40.22%         48       CET1 minimum ratio       6.00%       6.00%       7.50%       7.50%	-			
38       TOTAL CAPITAL (T1 + admissible T2) (21+37)       8,235,467       7,282,200         39       Total Risk Weighted Assets (RWA) {for details refer Note 33.5}       15,285,940       15,725,161         39       Capital Ratios and buffers (in percentage of risk weighted assets)       15,725,161         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         41       Tier-1 capital to total RWA       53.78%         42       Total capital to total RWA       53.88%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)       7.50%         44       of which: capital conservation buffer requirement       -         45       of which: countercyclical buffer requirement       -         46       of which: D-SIB or G-SIB buffer requirement       -         47       CET1 available to meet buffers (as a percentage of risk weighted assets)       47.78%       40.22%         48       CET1 minimum ratio       6.00%       6.00%         49       Tier 1 minimum ratio       7.50%       7.50%			-	-
39       Total Risk Weighted Assets (RWA) {for details refer Note 33.5}       15,285,940         39       Total Risk Weighted Assets (RWA) {for details refer Note 33.5}       15,285,940         Capital Ratios and buffers (in percentage of risk weighted assets)       15,725,161         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         41       Tier-1 capital to total RWA       53.78%         42       Total capital to total RWA       53.88%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement       7.50%         44       of which: capital conservation buffer requirement       -         45       of which: countercyclical buffer requirement       -         46       of which: D-SIB or G-SIB buffer requirement       -         47       CET1 available to meet buffers (as a percentage of risk weighted assets)       47.78%         48       CET1 minimum ratio       6.00%         49       Tier 1 minimum ratio       7.50%	37			
Capital Ratios and buffers (in percentage of risk weighted assets)         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         41       Tier-1 capital to total RWA       53.78%         42       Total capital to total RWA       53.88%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)       7.50%         44       of which: capital conservation buffer requirement       1.50%         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)       47.78%         48       CET1 minimum ratio       6.00%         49       Tier 1 minimum ratio       7.50%	38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	8,235,467	7,282,200
Capital Ratios and buffers (in percentage of risk weighted assets)         40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%         41       Tier-1 capital to total RWA       53.78%         42       Total capital to total RWA       53.88%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)       7.50%         44       of which: capital conservation buffer requirement       1.50%         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)       47.78%         48       CET1 minimum ratio       6.00%         49       Tier 1 minimum ratio       7.50%			45 005 040	45 705 404
40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%       46.22%         41       Tier-1 capital to total RWA       53.78%       46.22%         42       Total capital to total RWA       53.78%       46.22%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)       7.50%       7.90%         44       of which: capital conservation buffer requirement       1.50%       1.90%         45       of which: contercyclical 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)       47.78%       40.22%         48       CET1 minimum ratio       6.00%       6.00%         49       Tier 1 minimum ratio       7.50%       7.50%	39	Total Risk weighted Assets (RWA) {for details refer Note 33.5}	15,285,940	15,725,161
40       As on 31 December 2020; Total Tier 1 capital of the Bank amounts to Rs. 8,221 million (2019: R       53.78%       46.22%         41       Tier-1 capital to total RWA       53.78%       46.22%         42       Total capital to total RWA       53.78%       46.22%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)       7.50%       7.90%         44       of which: capital conservation buffer requirement       1.50%       1.90%         45       of which: contercyclical 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)       47.78%       40.22%         48       CET1 minimum ratio       6.00%       6.00%         49       Tier 1 minimum ratio       7.50%       7.50%		Capital Ratios and buffers (in percentage of risk weighted assets)		
41       Tier-1 capital to total RWA       53.78%       46.22%         42       Total capital to total RWA       53.88%       46.31%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)       7.50%       7.90%         44       of which: capital conservation buffer requirement       1.50%       1.90%         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)       47.78%       40.22%         National minimum capital requirements prescribed by SBP       6.00%       6.00%         49       Tier 1 minimum ratio       7.50%       7.50%	40		53.78%	46.22%
42       Total capital to total RWA       53.88%       46.31%         43       Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)       7.50%       7.90%         44       of which: capital conservation buffer requirement       1.50%       1.90%         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)       47.78%       40.22%         National minimum capital requirements prescribed by SBP       6.00%       6.00%         49       Tier 1 minimum ratio       7.50%       7.50%				
any other buffer requirement)       7.50%       7.90%         44       of which: capital conservation buffer requirement       1.50%       1.90%         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)       47.78%       40.22%         48       CET1 minimum capital requirements prescribed by SBP       6.00%       6.00%         49       Tier 1 minimum ratio       7.50%       7.50%	42			46.31%
44       of which: capital conservation buffer requirement       1.50%       1.90%         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)       47.78%       40.22%         National minimum capital requirements prescribed by SBP       -       -       -         48       CET1 minimum ratio       6.00%       6.00%       6.00%         49       Tier 1 minimum ratio       7.50%       7.50%       7.50%	43		1[	
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)       47.78%       40.22%         National minimum capital requirements prescribed by SBP       -       -       -         48       CET1 minimum ratio       6.00%       6.00%         49       Tier 1 minimum ratio       7.50%       7.50%				
46       of which: D-SIB or G-SIB buffer requirement       -         47       CET1 available to meet buffers (as a percentage of risk weighted assets)       47.78%         40       Ational minimum capital requirements prescribed by SBP         48       CET1 minimum ratio       6.00%         49       Tier 1 minimum ratio       7.50%			1.50%	
47       CET1 available to meet buffers (as a percentage of risk weighted assets)       47.78%       40.22%         National minimum capital requirements prescribed by SBP       6.00%       6.00%         48       CET1 minimum ratio       6.00%       6.00%         49       Tier 1 minimum ratio       7.50%       7.50%			<u>-</u>  }	
National minimum capital requirements prescribed by SBP         48       CET1 minimum ratio         49       Tier 1 minimum ratio         7.50%				
48         CET1 minimum ratio         6.00%         6.00%           49         Tier 1 minimum ratio         7.50%         7.50%				
49 Tier 1 minimum ratio 7.50% 7.50%				
				6.00%
50 I otal capital minimum ratio 11.50% 12.50%	-			
	50	i otal capital minimum ratio	11.50%	12.50%

		2020	(Rupees in '000)	2019
	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		
1	Goodwill (net of related deferred tax liability)		ו ר	-
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	-	11	-
6	Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-	11	-
7	Cash flow hedge reserve	-	11	-
8	Investment in own shares/ CET1 instruments	-	11	-
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	-	]l	-
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)	-	1	-
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		1	-
17	of which: deferred tax assets arising from temporary differences	-	1	-
18	National specific regulatory adjustments applied to CET1 capital	-	1]	-
19	Investments in TFCs of other banks exceeding the prescribed limit	-	1	-
20	Any other deduction specified by SBP (mention details)	-	1	-
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)	-		-

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	December 2019. the Pakistan Operations' ratio is compliant with this minimum benchmark.	_		_
29	Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	t—	-
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		1	
	period, remain subject to deduction from tier-2 capital	-		-
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	1	-
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		1	
	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		1	
	scope of regulatory consolidation	-		-
36	Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	-	]	-

Note 1.2.4	Additional Information	Amount	A
	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 as in published financial statements	Under regulatory scope of consolidation
	2020	2020
	(Rupees	s in '000)
Assets		
Cash and balances with treasury banks	8,645,015	8,645,015
Balanced with other banks	5,268,843	5,268,843
Landing to financial institutions	20,200,022	20,200,022

Lending to financial institutions	26,209,833	26,209,833
Investments	-	-
Advances	2,505,899	2,505,899
Operating fixed assets	242,064	242,064
Deferred tax assets	29,127	29,127
Other assets	1,419,828	1,419,828
Total assets	44,320,609	44,320,609

# Liabilities & Equity

Bills payable	972,657	972,657
Borrowings	241,047	241,047
Deposits and other accounts	30,965,106	30,965,106
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	3,920,451	3,920,451
Total liabilities	36,099,261	36,099,261
Share capital / Head office capital account	6,302,781	6,302,781
Reserves	-	-
Unappropriated / unremitted profit	1,918,567	1,918,567
Minority Interest	-	-
Surplus on revaluation of assets		
Total liabilities & equity	44,320,609	44,320,609

Step 2	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
Assats	2020	2020	
Assets Cash and balances with treasury banks Balanced with other banks Lending to financial institutions Investments of which: Non-significant capital investments in capital of other financial	8,645,015 5,268,843 26,209,833 -	8,645,015 5,268,843 26,209,833 -	
institutions exceeding 10% threshold of which: significant capital investments in financial sector entities exceeding	-	-	а
regulatory threshold of which: Mutual Funds exceeding regulatory threshold of which: reciprocal crossholding of capital instrument of which: others (mention details) Advances shortfall in provisions/ excess of total EL amount over eligible provisions	- - - - 2,505,899	- - - 2,505,899	b c d e
under IRB general provisions reflected in Tier 2 capital	14,119	14,119	f
Fixed Assets Deferred Tax Assets of which: DTAs excluding those arising from temporary differences	242,064 29,127	242,064 29,127	
of which: DTAs arising from temporary differences exceeding regulatory threshold		-	h
Other assets of which: Goodwill of which: Intangibles of which: Defined-benefit pension fund net assets	1,419,828 - - -	1,419,828 - - -	j k I
Total assets	44,320,609	44,320,609	
Liabilities & Equity			
Bills payable Borrowings	972,657 241,047	972,657 241,047	
Deposits and other accounts Sub-ordinated loans	30,965,106	30,965,106	
of which: eligible for inclusion in AT1 of which: eligible for inclusion in Tier 2 Liabilities against assets subject to finance lease Deferred tax liabilities	-	-	m n
December 2019. the Pakistan Operations' ratio is compliant with this minimum bench of which: DTLs related to intangible assets of which: DTLs related to defined pension fund net assets	-		o p q
of which: other deferred tax liabilities Other liabilities	- 3,920,451	- 3,920,451	r
Total liabilities	36,099,261	36,099,261	
Share capital / Head office capital account of which: amount eligible for CET1 of which: amount eligible for AT1 Reserves	6,302,781 6,302,781 -	6,302,781 6,302,781 -	s t
of which: portion eligible for inclusion in CET1(provide breakup) of which: portion eligible for inclusion in Tier 2			u V
Unappropriated / Unremitted profit/ (losses) Minority Interest of which: portion eligible for inclusion in CET1 of which: portion eligible for inclusion in AT1 of which: portion eligible for inclusion in Tier 2 Surplus on revaluation of assets of which: Revaluation reserves on Property of which: Unrealized Gains/Losses on AFS	1,918,567 	1,918,567 - - - - - - - - -	w x y z aa
In case of Deficit on revaluation (deduction from CET1) Total liabilities & Equity	44,320,609	44,320,609	ab

	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	6,302,781	
2	Balance in Share Premium Account	-	(s)
3	Reserve for issue of Bonus Shares	-	
4	General/ Statutory Reserves	-	(u)
5	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
6	Unappropriated/unremitted profits/(losses)	1,918,567	(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	8,221,348	
	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)	-	(j) (c) (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	-	{(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	-	(ch)
19 20	Deficit on account of revaluation from bank's holdings of property/ AFS Investments in the capital instruments of banking, financial and insurance entities that	-	(ab)
20	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		(b) (ad) (af)
	above 10% threshold)		(b) - (ad) - (af)
00	Defensed Tax Access avising from the second differences (amount charge 100/	-	
22	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		(i)
23	Amount exceeding 15% threshold	_	(1)
24	of which: significant investments in the common stocks of financial entities		
		-	
25 26	of which: deferred tax assets arising from temporary differences	-	
26 27	National specific regulatory adjustments applied to CET1 capital Investment in TFCs of other banks exceeding the prescribed limit		
28	Any other deduction specified by SBP (mention details)		
	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)	-	
	Common Equity Tier 1	8,221,348	
	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		
25	third parties (amount allowed in group AT 1)	-	(y)
35 36	of which: instrument issued by subsidiaries subject to phase out AT1 before regulatory adjustments		
36	ATT DEIVIE regulatory aujustitients	-	

	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) (ad)
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		(40)
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 46	Additional Tier 1 capital Additional Tier 1 capital recognized for capital adequacy	-	
40	Additional their trapical recognized for capital adequacy	_	
	Tier 1 Capital (CET1 + admissible AT1)	8,221,348	
	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	-	(n)
	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	14,119	(a)
52	Revaluation Reserves eligible for Tier 2	-	(g)
53	of which: portion pertaining to Property	-	portion of (aa)
54	of which: portion pertaining to AFS securities	-	
55	Foreign Exchange Translation Reserves	-	(v)
56 57	Undisclosed/Other Reserves (if any) T2 before regulatory adjustments	14,119	
01	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)		(ae)
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)	14,119	
65 66	Tier 2 capital recognized for capital adequacy Excess Additional Tier 1 capital recognized in Tier 2 capital	14,119 -	
66 67	Total Tier 2 capital admissible for capital adequacy	- 14,119	
	TOTAL CAPITAL (T1 + admissible T2)	8,235,467	
		_	

#### Main Features of Regulatory Capital Instruments 1.4

	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	
	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
ns' ratio is	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	
2020	2019	2020	2019
	(Rupee	es in '000)	

# Credit Risk

Portfolios subject to standardized approach (Simple)						
Cash & cash equivalents	-	-	-	-		
Sovereign	2,734	1,827	27,339	18,273		
Public Sector entities	-	-	-	-		
Banks	438,408	207,229	4,384,083	2,072,286		
Corporate	534,698	838,922	5,346,975	8,389,223		
Retail	1,802	2,274	18,023	22,736		
Residential Mortgages	7,886	7,313	78,859	73,130		
Past Due loans	-	-	-	-		
Operating Fixed Assets	24,111	34,536	241,111	345,355		
Other assets	28,581	40,382	285,812	403,822		
	1,038,220	1,132,483	10,382,202	11,324,825		

## Market Risk

Capital Requirement for portfolios subject

to Standardized Approach				
Interest rate risk	-	-	-	-
Foreign Exchange risk	29,817	30,232	372,713	377,900
	29,817	30,232	372,713	377,900
Operational Risk	362,482	3,218,035	4,531,025	40,225,435

Capital Requirement for operational risks

	TOTAL	1,430,519	4,380,750	15,285,940	51,928,161
Capital Adequacy Ratios		2020		2019	
Capital Adequacy Natios		Required Actual		Required	Actual
CET1 to total RWA		6.00%	53.78%	6.00%	46.22%
Tier-1 capital to total RWA		7.50%	53.78%	7.50%	46.22%
Total capital to total RWA		11.50%	53.88%	11.90%	46.31%

#### Liquidity Coverage Ratio 1.6

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 <sup>a</sup> Value (average)	Total Weighted <sup>b</sup> Value (average)
High Qualit	ty Liquid Assets	(Rupees i	
1	Total high quality liquid assets (HQLA) Cash Outflows		24,676,669
2	Retail deposits and deposits from small business customers of which:	25,357	2,078
2.1	stable deposit	9,149	457
2.2	Less stable deposit	16,209	1,621
3	Unsecured wholesale funding of which:	27,898,548	9,544,086
3.1	Operational deposits (all counterparties)	26,610,970	8,256,508
3.2	Non-operational deposits (all counterparties)	-	-
3.3	Unsecured debt	1,287,578	1,287,578
4	Secured wholesale funding		-
5	Additional requirements of which:	17,825,447	1,782,545
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	17,825,447	1,782,545
6	Other contractual funding obligations	781,109	779,721
7	Other contingent funding obligations	17,843,880	893,512
8	Total Cash Outflows		12,326,232
Cash Inflov	vs		
9	Secured lending	7,845,331	5,177,187
10	Inflows from fully performing exposures	-	-
11	Other Cash inflows	368,310	368,310
12	Total Cash Inflows	-	5,545,497
21	Total HQLA		24,676,669
22	Total Net Cash Outflows		7,456,446
23	Liquidity Coverage Ratio*		331%

#### 33.7

Net Stable Funding Ratio December 2019. the Pakistan Operations' ratio is compliant with this minimum benc 

December 2	2019. the Pakistan Operations' ratio is compliant with this minimum benc	c (Rupees in '000) unweighted value by residual maturity				weighted
	in (000)			6 months to <	≥ 1 yr	value
	upees. in '000)		< 6 months	1 yr	,	
ASF Item 1	Capital:					
2	Regulatory capital	8,221,348	-	-	_	8,221,348
3	Other capital instruments	- 0,221,340		-	-	- 0,221,340
4	Retail deposits and deposit from small business customers:			_		
5	Stable deposits	-	24,501	-	-	23,276
6	Less stable deposits		2,558,657		-	2,302,791
7	Wholesale funding:	-	2,000,007		-	2,302,73
8	Operational deposits	-	28,381,859	-	-	14,190,930
9	Other wholesale funding	-	-	-	-	-
10	Other liabilities:	-	-	-	-	-
10	NSFR derivative liabilities	-			230,620	-
10				0.447.400	10 7 11	
12	All other liabilities and equity not included in other categories	-	1,443,391	3,417,403	42,741	1,592,744
13 RSF item	Total ASF					26,331,089
14	Total NSFR high-quality liquid assets (HQLA)	_				6,940,91
<u>15</u> 16	Deposits held at other financial institutions for operational purposes Performing loans and securities:	-	-	-	-	-
10		-	-	-	-	-
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	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	2,635,469	-	-	-	2,240,14
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	-	34,125,477	435,555	7,559,662	4,700,76
28	Off-balance sheet items		33,120,091	-	-	1,656,00
29	Total RSF					8,596,91
30	Net Stable Funding Ratio (%)*	-			-	306