As mentioned in Note 47.1 of Financial Statements, Full Disclosure on the Capital Adequacy, leverage Ratio & liquidity Requirements as per SBP Instructions has been placed below

1 CAPITAL ASSESSMENT AND ADEQUACY

1.1 Scope of Applications

Amounts subject to Pre - Basel III treatment

The Basel-III Framework is applicable to the bank both at the Standalone and Group level (comprising of wholly/partially owned subsidiaries & associates). While calculating Group level Capital Adequacy Ratio subsidiaries are included using full consolidation method, whereas associates in which the Bank has significant influence, are included on equity method. Standardized Approach is used for calculating the Capital Adequacy for Credit and Market risks, whereas, higher of Alternate Standardized Approach (ASA) or 70% of Basic Indicator Approach (BIA) is used for Operational Risk Capital Adequacy purpose.
Furthermore, with reference to BPRD Circular no 03 to 2025 issued vide September 24, 2025, Bank has implemented the Revised Instructions for Credit Risk (Standardized Approach) on parallel run basis, with submission of results to State Bank of Pakistan on a quarterly basis.

1.2 Capital Management

1.2.1 Objectives and goals of managing capital

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

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

1.2.2 Statutory Minimum Capital Requirement and Capital Adequacy Ratio

The State Bank of Pakistan through its BSD Circular No.07 of 2009 dated April 15, 2009 requires the minimum paid up capital (net of losses) of all locally incorporated banks to be raised to PKR. 10 billion. The paid up capital of the Bank for the year ended **December 31, 2025** stands at **PKR. 15.771 billion** and is in compliance with the SBP requirement.

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

Existing Minimum Capital Requirements:

Sr. No	Ratio	2025
1	CET 1	6.0%
2	ADT 1	1.5%
3	Tier 1	7.5%
4	Total Capital	10.0%
5	*CCB	1.50%
6	Total Capital Plus CCB	11.50%

**Starting March 2020, Capital Conversation Buffer (CCB) as prescribed vide BPRD Circular No. 6 of August 15, 2013 has been reduced from its existing level of 2.50% to 1.50%, till further instructions; thereby resulting in CAR requirement of 11.50%.*

In accordance with the transitional arrangement allowed by the SBP circular BPRD/BA&CP/881411/2025 dated 16 May 2025, the Bank is progressively reclassifying its FVOCI portfolio from the Banking Book to the Trading Book for Capital Adequacy Ratio calculations. As of December 2025, 27% of FVOCI portfolio has been reclassified, with cumulative targets of 50% by December 2026 and 100% by December 2027.

Bank's regulatory capital is analyzed into three tiers:

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

As per SBP in BPRD circular letter no 02 of 2025; banks are allowed to recoginize Foreign Exchange Translation reserves as part of Common Equity Tier-1 (CET-1) Capital with effect from December 31, 2024.

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

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

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

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

1.23 IFRS 9 - 'Financial Instruments'

As per SBP BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, IFRS 9 is applicable on banks with effect from January 01, 2024. IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of accounting for financial liabilities. To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments, to be assessed based on combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The adoption of IFRS 9 has also fundamentally changed the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

Impact of IFRS /9 on Regulatory Capital:

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has reduced their lending capacity and ability to support their clients. In order to mitigate the impact of ECL models on capital, SBP has determined that it may be appropriate for the banks to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP has detailed the transitional arrangement.

The transitional arrangement applies only to provisions for stage 1 and stage 2 financial assets. The transitional arrangement must adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon adoption of an ECL accounting model, the decline in CET1 capital (the "transitional adjustment amount") must be partially included (i.e., added back) to CET1 capital over the "transition period" of five years.

Moreover, SBP has allowed banks to adjust the amount of Stage 1 and Stage 2 provisions in Tier 2 Capital that have not been added back to CET 1 and vice versa over "transition period of five years as per Annexure-B of BPRD Circular no 16 of 2024.

1.2.4 Leverage Ratio

Leverage ratio is defined as ratio of Bank's Eligible Tier 1 Capital to Total Exposure, including off-balance sheet exposures adjusted by regulatory credit conversion factors For BAFL, the ratio as at December 31, 2025 stands 3.99% (2024: 3.86%), that is above the current minimum requirement of 3.00% set by the SBP The ratio has been computed as prescribed by State Bank of Pakistan through Instructions for Basel-III Implementation in Pakistan and subsequent FAQs issued in this regard.

As on December 31, 2025; Total Tier 1 capital of the Bank amounts to PKR 165.121 billion (2024: PKR 157.092 billion) whereas the average total exposure measure amounts to PKR 4 ,137.781 billion (2024: PKR 4,071.667 billion).

1.2.5 Risk Appetite

Risk Appetite (RA) defines the maximum level of risk the Bank is willing to accept in pursuit of its strategic and business objectives, as set by the Board of Directors. In establishing RA—including tolerance levels and limits—the Bank ensures that resources, including capital, are effectively allocated, and risk exposures remain within the boundaries of the risk management framework. The Risk Appetite Statement (RAS) maintains a balance between the Bank’s strategic ambitions, growth objectives, operational plans, capital adequacy, and material risks, in line with regulatory requirements.

The RAS is reviewed periodically, taking into account historical trends, regulatory expectations, stress test outcomes, and senior management’s assessment of economic conditions in relation to business objectives. To enhance the adaptability of the RA framework, the Bank has defined various economic zones based on the country risk matrix, assigning distinct tolerance thresholds and limits to key risk parameters for each zone.

The Bank’s Risk Appetite Statement has been formally approved by the Board and is monitored on a quarterly basis.

1.2.6 Stress Testing

Stress testing examines the sensitivity of Bank's Capital under a number of scenarios and ensures that emerging risks stemming into its portfolio are appropriately accounted. The scope of this exercise has been expanded to incorporate internally developed scenarios based on macroeconomic situation & portfolio composition as well.

1.2.7 Capital Adequacy

Bank's approach for assessing the adequacy of the capital to support current and future business operations is based on the following:

a. Capital Adequacy plays key consideration for not only arriving at the business projections / plans but it is well monitored while undertaking transactions.

b. The bank continues to remain sufficiently capitalized institution with the capital base above regulatory limits. Bank's total Capital Adequacy Ratio stands at **15.87%** against the requirement of 11.50% (including CCB of 1.50%); while supporting credit growth and steady dividend payout stream.

c. The capital base forms the fundamental constituent of Bank's business plans; which is at sufficient level to support the envisaged business growth and this would be monitored regularly.

d. In line with enhanced Supervisory requirements under Domestic Systematically Important Bank framework by State Bank of Paksitan, Bank also performs ICAAP exercise on annual basis in order to assess the adequacy of capital internally which yields surplus capital, inclusive of stress testing and pillar 2 risks.

e. The Bank continues to hold strong sponsor support from Abu Dhabi Group , leading to increased investor confidence

1.3 Capital Adequacy Ratio as at Dec 31, 2025

		Note	2025	2024
			(Rupees in '000)	
	Common Equity Tier 1 capital (CET1): Instruments and reserves			
1	Fully Paid-up Capital/ Capital deposited with SBP		15,771,651	15,771,651
2	Balance in Share Premium Account		4,731,049	4,731,049
3	Reserve for issue of Bonus Shares		-	-
4	Discount on Issue of shares		-	-
5	General/ Statutory Reserves		37,635,307	38,735,876
6	Gain/(Losses) on derivatives held as Cash Flow Hedge		-	-
7	Unappropriated/unremitted profits/ (losses)		98,495,980	88,085,349
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**		**156,633,987**	**147,323,926**
10	Total regulatory adjustments applied to CET1 **(Note 1.3.1)**		5,063,241	3,781,841
11	**Common Equity Tier 1**		**151,570,746**	**143,542,085**
	Additional Tier 1 (AT 1) Capital			
12	Qualifying Additional Tier-1 capital instruments plus any related share premium		14,000,000	14,000,000
13	of which: Classified as equity		-	-
14	of which: Classified as liabilities		14,000,000	14,000,000
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**		14,000,000	14,000,000
18	Total regulatory adjustment applied to AT1 capital **(Note 1.3.2)**		450,000	450,000
19	Additional Tier 1 capital after regulatory adjustments		**13,550,000**	**13,550,000**
20	**Additional Tier 1 capital recognized for capital adequacy**		**13,550,000**	**13,550,000**
21	**Tier 1 Capital (CET1 + admissible AT1) (11+20)**		**165,120,746**	**157,092,085**
	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	Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)		-	-
25	of which: instruments issued by subsidiaries subject to phase out		-	-
26	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets		4,638,678	10,358,295
27	Revaluation Reserves (net of taxes)	c=a+b	**42,835,004**	**33,464,072**
28	of which: Revaluation reserves on fixed assets	a	17,362,733	17,553,045
29	of which: Unrealized gains/losses on FVOCI	b	25,472,271	15,911,027
30	Foreign Exchange Translation Reserves		-	-
31	Undisclosed/Other Reserves (if any)		-	-
32	**T2 before regulatory adjustments**		**47,473,682**	**43,822,367**
33	Total regulatory adjustment applied to T2 capital **(Note 1.3.3)**		-	-
34	Tier 2 capital (T2) after regulatory adjustments		47,473,682	43,822,367
35	Tier 2 capital recognized for capital adequacy		47,473,682	43,822,367
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital		-	-
37	**Total Tier 2 capital admissible for capital adequacy**		**47,473,682**	**43,822,367**
38	**TOTAL CAPITAL (T1 + admissible T2) (21+37)**		**212,594,427**	**200,914,452**
39	**Total Risk Weighted Assets (RWA) {for details refer Note 1.6}**		**1,339,698,488**	**1,118,936,923**
	Capital Ratios and buffers (in percentage of risk weighted assets)			
40	**CET1 to total RWA**		**11.31%**	**12.83%**
41	**Tier-1 capital to total RWA**		**12.33%**	**14.04%**
42	**Total capital to total RWA**		**15.87%**	**17.96%**
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)		7.50%	7.50%
44	of which: capital conservation buffer requirement		1.50%	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)		5.31%	6.83%
	National minimum capital requirements prescribed by SBP			
48	**CET1 minimum ratio**		**6.00%**	**6.00%**
49	**Tier 1 minimum ratio**		**7.50%**	**7.50%**
50	**Total capital minimum ratio [Inclusive of 1.5% CCB for 2025 (2024:1.50%)]**		**11.50%**	**11.50%**

	Regulatory Adjustments and Additional Information	Note	2025 Amount	2025 Amounts subject to Pre-Basel III treatment*	2024 Amount	2024 Amounts subject to Pre-Basel III treatment*
			(Rupees in '000)			
1.3.1	**Common Equity Tier 1 capital: Regulatory adjustments**					
1	Goodwill (net of related deferred tax liability)		-		-	
2	All other intangibles (net of any associated deferred tax liability)		1,723,556		1,543,109	
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		2,713,892		1,331,990	
6	Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities		625,793		906,742	
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/ FVOCI		-		-	
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)**		**5,063,241**		**3,781,841**	
1.3.2	**Additional Tier-1 & Tier-1 Capital: regulatory adjustments**					
23	Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]		-		-	
24	Investment in own AT1 capital instruments		-		-	
25	Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities		450,000		450,000	
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)**		**450,000**		**450,000**	
1.3.3	**Tier 2 Capital: regulatory adjustments**					
31	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital		-	-	-	
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities		-		-	
33	Investment in own Tier 2 capital instrument		-		-	
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		-		-	
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation		-		-	
36	**Total regulatory adjustment applied to T2 capital (sum of 31 to 35)**		**-**		**-**	

		2025	2024
		Amount (Rupees in '000)	
1.3.4	**Additional Information**		
	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	8,810,003	4,819,770
39	Significant investments in the common stock of financial entities	1,499,483	1,199,483
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)	4,638,678	10,358,295

42	Cap on inclusion of provisions in Tier 2 under standardized approach	12,265,553	10,358,295
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	-	-

*The amount respresents regulatory deductions that are still subject to pre-Basel-III treatment during the transitional period.

1.4 Capital Structure Reconciliation

Table: 1.4.1	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	2025	
	(Rupees in '000)	
Assets		
Cash and balances with treasury banks	227,463,156	227,463,156
Balances with other banks	24,109,552	24,109,552
Lending to financial institutions	19,674,292	19,674,292
Investments	2,173,446,680	2,173,446,680
Advances	1,104,923,835	1,104,923,835
Operating fixed assets	97,478,010	97,478,010
Intangible assets	1,723,556	1,723,556
Deferred tax assets	-	-
Assets held for sale	-	-
Other assets	181,108,039	181,108,039
Total assets	**3,829,927,120**	**3,829,927,120**
Bills payable	56,957,969	56,957,969
Borrowings	832,127,882	832,127,882
Deposits and other accounts	2,496,208,099	2,496,208,099
Sub-ordinated loans	14,000,000	14,000,000
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	24,345,073	24,345,073
Liabilities directly associated with the assets held for sale	-	-
Other liabilities	208,776,041	208,776,041
Total liabilities	**3,632,415,064**	**3,632,415,064**
Share capital/ Head office capital account	15,771,651	15,771,651
Reserves	42,366,356	42,366,356
Unappropriated/ Unremitted profit/ (losses)	96,170,189	96,170,189
Minority Interest	-	-
Surplus on revaluation of assets	43,203,860	43,203,860
Total equity	**197,512,056**	**197,512,056**
Total liabilities & equity	**3,829,927,120**	**3,829,927,120**

Table: 1.4.2	**Balance sheet as in published financial statements**	**Under regulatory scope of consolidation**	**Reference**
	2025		
	(Rupees in '000)		
Assets			
Cash and balances with treasury banks	227,463,156	227,463,156	
Balances with other banks	24,109,552	24,109,552	
Lending to financial institutions	19,674,292	19,674,292	
Investments	2,173,446,680	2,173,446,680	
of which: Non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold	9,734,961	9,734,961	a
of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold	1,499,483	1,499,483	b
of which: Mutual Funds exceeding regulatory threshold	-	-	c
of which: reciprocal crossholding of capital instrument			
CET1	625,793	625,793	d
AT1	450,000	450,000	
T2	-	-	
of which: others (mention details)		-	e
Advances	1,104,923,835	1,104,923,835	
shortfall in provisions/ excess of total EL amount over eligible provisions under IRB	-	-	f
general provisions reflected in Tier 2 capital	4,638,678	4,638,678	g
Fixed Assets	97,478,010	97,478,010	
of which: Intangibles	1,723,556	1,723,556	k
Deferred Tax Assets	-	-	
of which: DTAs that rely on future profitability excluding those arising from temporary differences	-	-	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	-	-	i
Assets held for sale	-	-	
Other assets	181,108,039	181,108,039	
of which: Goodwill	-	-	j
of which: Defined-benefit pension fund net assets	2,713,892	2,713,892	l
Total assets	**3,829,927,120**	**3,829,927,120**	

Liabilities & Equity			
Bills payable	56,957,969	56,957,969	
Borrowings	832,127,882	832,127,882	
Deposits and other accounts	2,496,208,099	2,496,208,099	
Sub-ordinated loans	14,000,000	14,000,000	
of which: eligible for inclusion in AT1	13,550,000	13,550,000	m
of which: eligible for inclusion in Tier 2	-	-	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	24,345,073	24,345,073	
of which: DTLs related to goodwill	-	-	o
of which: DTLs related to intangible assets	-	-	p
of which: DTLs related to defined pension fund net assets	-	-	q
of which: other deferred tax liabilities	-	-	r
Liabilities directly associated with the assets held for sale	-	-	
Other liabilities	208,776,041	208,776,041	
Total liabilities	**3,632,415,064**	**3,632,415,064**	
Share capital	**15,771,651**	**15,771,651**	
of which: amount eligible for CET1	15,771,651	15,771,651	s
of which: amount eligible for AT1	-	-	t
Reserves			
of which: portion eligible for inclusion in CET1	**42,366,356**	**42,366,356**	
General Reserve	37,635,307	37,635,307	u
Reserve For Employee Stock Option Scheme	-	-	
Share Premium	4,731,049	4,731,049	
of which: portion eligible for inclusion in Tier 2	**-**	**-**	v
Unappropriated profit/ (losses)	**96,170,189**	**96,170,189**	w
Minority Interest	**-**	**-**	
of which: portion eligible for inclusion in CET1	-	-	x
of which: portion eligible for inclusion in AT1	-	-	y
of which: portion eligible for inclusion in Tier 2	-	-	z
Surplus on revaluation of assets	**43,203,860**	**43,203,860**	
of which: Revaluation reserves on Fixed Assets	17,362,733	17,362,733	
of which: Non-banking assets acquired in satisfaction of claim	368,856	368,856	aa
of which: Unrealized Gains/Losses on FVOCI	25,472,271	25,472,271	
In case of Deficit on revaluation (deduction from CET1)	-	-	ab
Total equity	**155,145,700**	**155,145,700**	
Total liabilities & Equity	**3,787,560,764**	**3,787,560,764**	

	Table: 1.4.3	Component of regulatory capital reported 2025 Rupess in '000	Source based on reference number from
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid-up Capital/ Capital deposited with SBP	15,771,651	
2	Balance in Share Premium Account	4,731,049	(s)
3	Reserve For Employee Stock Option Scheme	-	
4	General/ Statutory Reserves	37,635,307	(u)
5	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
6	Unappropriated/unremitted profits/ (losses)	98,495,980	(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**	**156,633,987**	
	Common Equity Tier 1 capital: Regulatory adjustments		
9	Goodwill (net of related deferred tax liability)	-	(j) - (o)
10	All other intangibles (net of any associated deferred tax liability)	1,723,556	(k) - (p)
11	Shortfall of provisions against classified assets	-	(f)
12	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	{(h) - (r} * 100%
13	Defined-benefit pension fund net assets	2,713,892	{(l) - (q)} * 100%
14	Reciprocal cross holdings in CET1 capital instruments	625,793	(d)
15	Cash flow hedge reserve	-	
16	Investment in own shares/ CET1 instruments	-	
17	Securitization gain on sale	-	
18	Capital shortfall of regulated subsidiaries	-	
19	Deficit on account of revaluation from bank's holdings of fixed assets/ FVOCI	-	(ab)
20	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
21	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
22	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	(i)
23	Amount exceeding 15% threshold	-	
24	of which: significant investments in the common stocks of financial entities	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments applied to CET1 capital	-	
27	of which: Investment in TFCs of other banks exceeding the prescribed limit	-	
28	of which: Any other deduction specified by SBP (mention details)	-	
29	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	
30	**Total regulatory adjustments applied to CET1 (sum of 9 to 29)**	**5,063,241**	
31	**Common Equity Tier 1**	**151,570,746**	

	Additional Tier 1 (AT 1) Capital		
32	Qualifying Additional Tier-1 instruments plus any related share premium		
33	of which: Classified as equity	-	(t)
34	of which: Classified as liabilities	14,000,000	(m)
35	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
36	of which: instrument issued by subsidiaries subject to phase out	-	
37	**AT1 before regulatory adjustments**	**14,000,000**	
	Additional Tier 1 Capital: regulatory adjustments		
38	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
39	Investment in own AT1 capital instruments	-	
40	Reciprocal cross holdings in Additional Tier 1 capital instruments	450,000	
41	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)
42	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
43	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	-	
44	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
45	**Total of Regulatory Adjustment applied to AT1 capital (sum of 38 to 43)**	**450,000**	
46	**Additional Tier 1 capital**	**13,550,000**	
47	**Additional Tier 1 capital recognized for capital adequacy**	**13,550,000**	
48	**Tier 1 Capital (CET1 + admissible AT1) (31+47)**	**165,120,746**	

	Tier 2 Capital		
49	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	
50	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	(n)
51	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
52	of which: instruments issued by subsidiaries subject to phase out	-	
53	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	4,638,678	(g)
54	Revaluation Reserves	**42,835,004**	
55	of which: Revaluation reserves on fixed assets	17,362,733	portion of (aa)
56	of which: Unrealized Gains/Losses on FVOCI	25,472,271	
57	Foreign Exchange Translation Reserves	-	(v)
58	Undisclosed/Other Reserves (if any)	-	
59	**T2 before regulatory adjustments**	**47,473,682**	
	Tier 2 Capital: regulatory adjustments		
60	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	
61	Reciprocal cross holdings in Tier 2 instruments	-	
62	Investment in own Tier 2 capital instrument	-	
63	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ae)
64	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
65	**Amount of Regulatory Adjustment applied to T2 capital (sum of 60 to 64)**	**-**	
66	Tier 2 capital (T2)	47,473,682	
67	Tier 2 capital recognized for capital adequacy	47,473,682	
68	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69	**Total Tier 2 capital admissible for capital adequacy**	**47,473,682**	
70	**TOTAL CAPITAL (T1 + admissible T2) (48+69)**	**212,594,427**	

1.5 Main Features Template of Regulatory Capital Instruments

Main Features	Common Shares	ADT 1 (TFC 6)	ADT 1 (TFC 8)
Issuer	Bank Alfalah Limited	Bank Alfalah Limited	Bank Alfalah Limited
Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	Bank Alfalah Limited	BAFL TFC 6	BAFL TFC 8
Governing law(s) of the instrument	Laws of Islamic Republic of Pakistan	Laws of Islamic Republic of Pakistan	Laws of Islamic Republic of Pakistan
Regulatory treatment			
Transitional Basel III rules	Commom Equity Tier 1	Additional Tier 1	Additional Tier 1
Post-transitional Basel III rules	Commom Equity Tier 1	Additional Tier 1	Additional Tier 1
Eligible at solo/ group/ group&solo	Standalone & Group	Standalone & Group	Standalone & Group
Instrument type	Ordinary shares	Subordinated debt	Subordinated debt
Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	15,771,651	7,000,000.00	6,550,000.00
Par value of instrument	Rs. 10	Rs. 5,000	Rs. 5,000
Accounting classification	Share holders' equity	Liability	Liability
Original date of issuance	Jun-92	Mar-18	Dec -22
Perpetual or dated	Perpetual	Perpetual	Perpetual
Original maturity date	not applicable	not applicable	not applicable
Issuer call subject to prior supervisory approval	not applicable	Yes	Yes
Optional call date, contingent call dates and redemption amount	not applicable	Mar - 23	Dec - 27
Subsequent call dates, if applicable	not applicable	On any date after 60 months from the date of issuance, subject to regulatory approval	On any date after 60 months from the date of issuance, subject to regulatory approval
Coupons / dividends	not applicable		
Fixed or floating dividend/ coupon	not applicable	Floating	Floating
Coupon rate and any related index/ benchmark	not applicable	- 6-Months KIBOR (ask side) plus 150 bps per annum	- 6-Months KIBOR (ask side) plus 200 bps per annum
Existence of a dividend stopper	No	Yes	Yes
Fully discretionary, partially discretionary or mandatory	not applicable	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	not applicable	No	No
Noncumulative or cumulative	not applicable	Non-Cumulative	Non-Cumulative
Convertible or non-convertible	not applicable	Convertible	Convertible
If convertible, conversion trigger (s)	not applicable	Upon occurrence of the PONV Trigger Event, CET 1 Trigger Event or Lock-in Clause, if directed by the SBP, the TFCs shall be converted into ordinary shares or permanently written off. 1. Point of Non-Viability Trigger Event (PONV Trigger Event) shall be earlier of: a. A decision made by the SBP that a conversion or permanent write-off is necessary without which the Issuer would become nonviable; or b. The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become nonviable, as determined by SBP The SBP will have full discretion in declaring the PONV Trigger Event. 2. CET 1 Trigger Event: The pre-specified trigger for loss absorption through conversion shall be the Issuer's Shareholders Equity Tier 1 ratio falling to or below 6.625% of Risk Weighted Assets ("CET 1 Trigger Event"). The Issuer shall immediately notify the SBP upon the occurrence of the CET 1 Trigger Event 3. Lock-in Clause: any inability to exercise the lock-in clause or non-cumulative feature will subject these TFCs to mandatory conversion into ordinary shares/write off at the discretion of SBP Based on the above contingent events, SBP may ask the Bank to convert the TFCs into ordinary shares	Upon occurrence of the PONV Trigger Event, CET 1 Trigger Event or Lock-in Clause, if directed by the SBP, the TFCs shall be converted into ordinary shares or permanently written off. 1. Point of Non-Viability Trigger Event (PONV Trigger Event) shall be earlier of: a. A decision made by the SBP that a conversion or permanent write-off is necessary without which the Issuer would become nonviable; or b. The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become nonviable, as determined by SBP The SBP will have full discretion in declaring the PONV Trigger Event. 2. CET 1 Trigger Event: The pre-specified trigger for loss absorption through conversion shall be the Issuer's Shareholders Equity Tier 1 ratio falling to or below 6.625% of Risk Weighted Assets ("CET 1 Trigger Event"). The Issuer shall immediately notify the SBP upon the occurrence of the CET 1 Trigger Event 3. Lock-in Clause: any inability to exercise the lock-in clause or non-cumulative feature will subject these TFCs to mandatory conversion into ordinary shares/write off at the discretion of SBP Based on the above contingent events, SBP may ask the Bank to convert the TFCs into ordinary shares
If convertible, fully or partially	not applicable	May convert fully or partially	May convert fully or partially
If convertible, conversion rate	not applicable	To be determined in the case of trigger event	To be determined in the case of trigger event
If convertible, mandatory or optional conversion	not applicable	To be determined as per Basel III guidelines	To be determined as per Basel III guidelines
If convertible, specify instrument type convertible into	not applicable	Common Equity Tier 1	Common Equity Tier 1
If convertible, specify issuer of instrument it converts into	not applicable	Bank Alfalah Limited	Bank Alfalah Limited
Write-down feature	not applicable	Yes	Yes
If write-down, write-down trigger(s)	not applicable	The Issuer shall, if directed by the SBP, write-off the Relevant Amount of the TFCs (i) upon the PONV Trigger Event; (ii) upon the CET 1 Trigger Event; (iii) upon the Lock-In Event; or (iv) if it is not possible to convert the TFCs into ordinary shares upon the CET 1 Trigger Event. A write off due to PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.	The Issuer shall, if directed by the SBP, write-off the Relevant Amount of the TFCs (i) upon the PONV Trigger Event; (ii) upon the CET 1 Trigger Event; (iii) upon the Lock-In Event; or (iv) if it is not possible to convert the TFCs into ordinary shares upon the CET 1 Trigger Event. A write off due to PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.
If write-down, full or partial	not applicable	Fully and Partially both	Fully and Partially both
If write-down, permanent or temporary	not applicable	Permanent	Permanent
If temporary write-down, description of write-up mechanism	not applicable	not applicable	not applicable
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument	not applicable	Depositors and general creditors	Depositors and general creditors
Non-compliant transitioned features	not applicable	No	No
If yes, specify non-compliant features	not applicable	not applicable	not applicable

1.6 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	
	2025	2024	2025	2024
	(Rupees in '000)			
Credit Risk				
On-Balance sheet				
Portfolios subject to standardized approach (Simple or Comprehensive)				
Cash & cash equivalents	-	-	-	-
Sovereign	8,393,965	7,450,484	72,991,007	64,786,822
Public Sector entities	3,007,374	2,395,846	26,151,079	20,833,450
Banks	2,883,506	2,548,475	25,073,966	22,160,653
Corporate	39,223,803	37,536,505	341,076,551	326,404,394
Retail	22,394,084	16,194,944	194,731,169	140,825,606
Residential Mortgages	3,030,077	2,286,371	26,348,499	19,881,495
Past Due loans	215,498	193,140	1,873,897	1,679,484
Operating Fixed Assets	11,209,971	10,215,920	97,478,010	88,834,091
Other assets	5,293,091	3,590,877	46,026,883	31,225,018
	95,651,369	**82,412,562**	**831,751,061**	**716,631,013**
Portfolios subject to Internal Rating Based (IRB) Approach				
e.g. Corporate, Sovereign, Corporate, Retail, Securitization etc.	-	-	-	-
Off-Balance sheet				
Non-market related				
Financial guarantees	6,943,704	5,136,025	60,380,043	44,661,090
Acceptances	-	-	-	-
Performance Related Contigencies	2,199,093	1,694,070	19,122,556	14,731,045
Trade Related Contigencies	2,372,098	2,353,721	20,626,940	20,467,146
	11,514,895	**9,183,816**	**100,129,539**	**79,859,281**
Market related				
Foreign Exchange contracts	278,476	167,009	2,421,531	1,452,253
Derivatives	116,847	65,751	1,016,066	571,755
	395,323	**232,760**	**3,437,597**	**2,024,008**
Equity Exposure Risk in the Banking Book				
Under simple risk weight method				
Listed Equity Investment	3,259,787	1,991,682	28,345,974	17,318,980
Unlisted Equity Investment	2,021,710	1,475,487	17,580,091	12,830,327
	5,281,497	**3,467,169**	**45,926,065**	**30,149,307**
Under Internal models approach	-	-	-	-
	112,843,084	**95,296,307**	**981,244,262**	**828,663,610**
Market Risk				
Capital Requirement for portfolios subject to Standardized Approach				
Interest rate risk	3,097,111	3,204,813	38,713,888	40,060,163
Equity position risk	822,480	565,140	10,281,000	7,064,250
Foreign Exchange risk	608,378	54,533	7,604,725	681,663
	4,527,969	**3,824,486**	**56,599,613**	**47,806,075**
Capital Requirement for portfolios subject to Internal Models Approach				
Operational Risk *[70% of BIA or ASA whichever is higher is taken as capital charge]**				
Capital Requirement for operational risks	**24,148,369**	**19,397,379**	**301,854,613**	**242,467,238**
Total Risk Weighted Exposures	**141,519,422**	**118,518,172**	**1,339,698,488**	**1,118,936,923**

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

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

Capital Adequacy Ratios	2025		2024	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	11.31%	6.00%	12.83%
Tier-1 capital to total RWA	7.50%	12.33%	7.50%	14.04%
Total capital to total RWA	11.50%	15.87%	11.50%	17.96%

Basel III Liquidity Requirement:

As part of Basel III implementation in Pakistan, SBP issued guidelines on June 23, 2016, to implement Liquidity standards, The Bank Alfalah is maintaining both the liquidity ratios, under Basel III, with a considerable cushion over and above the regulatory requirement to mitigate any short term and long-term liquidity risk.

Governance of Liquidity risk management:

The Bank manages and controls liquidity risk through a detailed risk management framework, which includes BoD approved policy, the management level procedural document and Asset & Liability Committee (ALCO) level guidelines. Under this framework, various liquidity metrics are implemented and monitored on a regular basis.The Board approves the Bank's overall liquidity risk appetite and broad liquidity risk strategy through Annual Business Plan. The Bank's ALCO is primarily responsible for the implementation of Board's strategy through oversight of the asset liability function including liquidity management. Treasury front office manages the Bank's liquidity on day to day basis and is the Bank's first line of defence against liquidity risk. Under Risk Management Division, Market & Liquidity Risk Department is responsible for independent monitoring of the overall liquidity risk in line with regulatory requirements and bank's own risk appetite.

Funding Strategy:

The Bank's overall funding strategy is based on the principles of diversification and stability of funding sources. The Bank has a diverse funding base, which includes stable funding in the form of equity, sub-ordinated loans, retail and small business deposits and non-stable funding in the form Corporate and FI depositor's The Bank has in place internally approved limits to monitor and manage risk emanating from volatile funding concentration. Moreover, the Bank is fully compliant with Basel III LCR and NSFR, which ensure sufficient stock of high-quality liquidity assets & required stable funding source in relation to its liability profile.

Liquidity Risk Mitigation Techniques:

Liquidity risk is managed through market and liquidity risk policy of the Bank. Bank uses internal limits and various tools to monitor liquidity risk. These include monitoring of different liquidity ratios like Advance to Deposit ratio (ADR), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), Large Volume Deposits (LVD) / Total Deposit. Bank also monitors weekly stress testing of maximum deposit withdrawal on available stock of liquid assets. Further the Bank also prepares Contractual maturity profile of assets and liabilities over different time buckets to monitor liquidity gaps. For that bank perform behavioral analysis for non-contractual deposits like CASA using historical data and statistical techniques. ALCO reviews the liquidity gap analysis to ensure that it is aligned with Bank's liquidity risk appetite, ALCO also approve behavioral maturity assumptions on periodic basis.

Liquidity Stress Testing:

Stress testing is used to highlight the vulnerability of the Bank's balance sheet to plausible stress events and scenarios. Based on the scenarios, liquidity risk factors are given shocks and their resulting impact on the balance sheet is calculated. The Bank carries out the stress testing based on SBP stress tests BSD Circular No. 1 of 2012 and internally defined scenarios to gauge the potential impacts of different liquidity stress scenarios and share the results with the senior management, the BoD and the regulator.

Contingency Funding Plans:

At the Bank, Contingency Funding Plans (CFPs), are in place for all jurisdictions to address liquidity issues in times of stress / crises situations. The Treasury group prepares the CFPs for all operations on annual basis for identifying the stress scenarios and the funding plan for such scenarios along with early warning indicators. These plans are reviewed by the Risk Management Division and are approved by the ALCO annually.

Main drivers of LCR Results:

Main drivers of LCR Results are High Quality Liquid Assets and Net cash outflows. Net cash outflows are mainly expected deposit outflows from retail, SME, corporate and FI depositors and net of cash inflows which consist of inflows from financing and Placements up to 1 month.

Intra-Period Changes in LCR:

Bank's average LCR during the year 2025 remained 180% (2024: 191%).

Composition of High-Quality Liquid Asset–HQLA:

High Quality Liquid Assets composed of Level 1 Asset which can be included in the stock of liquid assets at 100% of their market value. The Bank maintained average HQLA of PKR. 1,120,162 billion in 2025 (2024: PKR 1,197,167 billion) against the average liquidity requirement of PKR 621,925 billion in 2025 (2024: Rs. 626,057 billion) at prescribed minimum regulatory LCR requirement of 100% Bank's total HQLA constituted of Level 1 & Level 2A & 2B assets. Average level 1 assets of the Bank primarily include Cash & Treasury Balances (including balances held with SBP) and unencumbered investment in LCY and FCY sovereign bonds with RW of 0%. The Bank's average level 2A assets consist of FCY bonds with of RW of 20% & 2B assets primarily include non–financial listed equity shares that the Bank had invested in and Investment grade corporate bonds.

Concentration of Funding Sources:

At December 31, 2025, top liability products/instruments and their percentage contribution to total Liabilities of the Bank were Current & Saving Deposits 50.13%, Term Deposits 19.06%%, and Borrowings 23.06%.

Currency Mismatch in LCR:

The Bank predominately operates in local Currency. FCY exposures are maintained within pre–defined threshold.

Derivative exposures and potential collateral calls:

The Bank manages a portfolio of derivative exposures, with no risk of potential collateral call as the bank have trusted and bilateral relationship with counterparties.

1 Liquidity Coverage Ratio for the year 2025

Liquidity Coverage Ratio (LCR) is short term liquidity ratio which aims to ensure that bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) which can easily be converted into cash at little or no loss of value in private markets, to withstand an acute liquidity stress scenario lasting for a period of 30 days horizon. Minimum regulatory requirement for LCR is 100%.

		2025		2024	
		TOTAL UNWEIGHTED[a] VALUE (average)	TOTAL WEIGHTED[b] VALUE (average)	TOTAL UNWEIGHTED[a] VALUE (average)	TOTAL WEIGHTED[b] VALUE (average)
High Quality Liquid Assets		(Rupees in '000)		(Rupees in '000)	
1	Total high quality liquid assets (HQLA)		1,120,160,986		1,197,167,258
Cash Outlflows					
2	Retail deposits and deposits from small business customers of which:	1,224,650,009	107,103,808	1,083,598,944	97,988,696
2.1	Stable deposit	307,223,860	15,361,193	207,423,970	10,371,199
2.2	Less stable deposit	917,426,149	91,742,615	876,174,973	87,617,497
3	Unsecured wholesale funding of which:	1,002,512,266	572,621,862	1,035,456,861	559,896,791
3.1	Operational deposits (all counterparties)	5,785,200	1,405,387	460,740	112,178
3.2	Non-operational deposits (all counterparties)	979,360,212	553,849,622	1,023,475,874	548,264,366
3.3	Unsecured debt	17,366,854	17,366,854	11,520,247	11,520,247
4	Secured wholesale funding	-	7,950,206	-	10,061,453
5	Additional requirements of which:	34,809,161	6,400,290	18,287,451	4,383,614
5.1	Outflows related to derivative exposures and other collateral requirements	3,243,749	3,243,749	2,838,743	2,838,743
5.2	Outflows related to loss of funding on debt products	-	-	-	-
5.3	Credit and Liquidity facilities	31,565,412	3,156,541	15,448,708	1,544,871
6	Other contractual funding obligations	9,343,406	9,343,406	16,388,331	16,388,331
7	Other contingent funding obligations	1,349,059,593	21,699,797	987,710,978	18,509,745
8	**TOTAL CASH OUTFLOWS**	-	725,119,369	-	707,228,630
Cash Inflows					
9	Secured lending	31,844,814	-	35,787,586	-
10	Inflows from fully performing exposures	152,550,819	99,835,153	111,021,105	75,067,425
11	Other Cash inflows	19,236,435	3,359,668	19,807,076	6,104,400
12	**TOTAL CASH INFLOWS**		103,194,820		81,171,825
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE	
13	**Total HQLA**		1,120,160,986		1,197,167,258
14	**Total Net Cash Outflows**		621,924,548		626,056,805
15	**Liquidity Coverage Ratio**		180%		191%

a Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

b Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

c Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on level 2B and level 2 assets for HQLA and cap on Inflows).

2 Net Stable Funding Ratio for the year 2025

NSFR requires banks to maintain stable funding profile over a long term horizon it limits excessive reliance on short-term wholesale funding to reduce liquidity risk.

(Rupees. In '000)

		Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Item						
1	Capital:					
2	Regulatory capital	218,107,668	-	-	-	218,107,668
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposit from small business customers:					
5	Stable deposits	322,925,303	-	-	-	306,779,038
6	Less stable deposits	917,089,396	94,909,838	11,366,060	663,142	921,691,907
7	Wholesale funding:					
8	Operational deposits	7,041,965	-	-	-	3,520,982
9	Other wholesale funding	351,837,312	285,239,344	111,848,848	8,967,648	383,430,400
10	Other liabilities:					
11	NSFR derivative liabilities				1,879,898	-
12	All other liabilities and equity not included in other categories	473,324,298	909,863,854	49,137,947	57,952,682	82,521,656
13	**Total ASF**					1,916,051,651
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)					26,636,187
15	Deposits held at other financial institutions for operational purposes	24,117,756				12,058,878
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA	-	16,327,830	-	-	1,632,783
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	12,595,161	367,600	-	2,073,074
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:	-	512,419,658	81,228,219	332,666,348	579,590,334
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	167,291,262	108,739,320
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-	-	2,306,436	27,736,719	24,729,429
22	Other assets:					
23	Physical traded commodities, including gold					-
24	Assets posted as initial margin for derivative contracts					-
25	NSFR derivative assets				3,438,637	-
26	NSFR derivative liabilities before deduction of variation margin posted				1,879,898	1,934,719
27	all other assets not included in other categories	318,561,207	1,394,485,843	-	162,614,014	539,248,033
28	Off-balance sheet items		157,262,514	244,784,098	970,677,251	68,636,193
29	Total RSF					1,365,278,952
30	Net Stable Funding Ratio (%)					140%

3 Net Stable Funding Ratio for the year 2024

(Rupees. In '000)

		Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Item						
1	Capital:					
2	Regulatory capital	205,146,292	-	-	-	205,146,292
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposit from small business customers:					
5	Stable deposits	280,934,885	-	-	-	266,888,140
6	Less stable deposits	741,082,634	96,476,916	11,576,738	1,173,838	765,396,498
7	Wholesale funding:					
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	430,743,879	255,639,640	11,530,111	7,350,615	356,307,429
10	Other liabilities:					
11	NSFR derivative liabilities				1,159,938	-
12	All other liabilities and equity not included in other categories	452,691,075	1,084,155,449	62,551,994	65,740,092	97,016,089
13	**Total ASF**					1,690,754,449
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)					36,323,056
15	Deposits held at other financial institutions for operational purposes	18,475,498				9,237,749
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA	-	98,703,967	-	-	9,870,397
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	15,640,667	201,000	-	2,446,600
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:	-	389,543,729	365,162,914	208,358,388	554,457,952
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	156,164,602	101,506,991
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-	3,378,761	70,189,486	29,823,535	62,134,128
22	Other assets:					
23	Physical traded commodities, including gold					-
24	Assets posted as initial margin for derivative contracts					-
25	NSFR derivative assets				4,417,319	-
26	NSFR derivative liabilities before deduction of variation margin posted				1,159,938	3,489,369
27	all other assets not included in other categories	261,596,908	1,902,992,433	82,327,281	199,526,671	508,986,649
28	Off-balance sheet items		158,188,911	195,265,653	697,325,597	52,539,008
29	Total RSF					1,340,991,900
30	Net Stable Funding Ratio (%)					126%