

**HABIB BANK LIMITED**  
**CAPITAL ADEQUACY AND LIQUIDITY DISCLOSURES - CONSOLIDATED**  
**AS AT DECEMBER 31, 2021**

**1 CAPITAL ADEQUACY**

**1.1 Risk-Weighted Exposures**

|                                    | Capital Requirements |             | Risk Weighted Assets |               |
|------------------------------------|----------------------|-------------|----------------------|---------------|
|                                    | 2021                 | 2020        | 2021                 | 2020          |
| ------(Rupees in '000)-----        |                      |             |                      |               |
| <b>Credit Risk</b>                 |                      |             |                      |               |
| <b>On-balance sheet</b>            |                      |             |                      |               |
| Sovereigns                         | 15,484,402           | 11,431,247  | 134,646,975          | 99,402,152    |
| Public Sector Entities             | 3,983,449            | 2,071,268   | 34,638,689           | 18,011,023    |
| Multilateral Development Banks     | 71,666               | 84,017      | 623,184              | 730,585       |
| Banks                              | 11,477,364           | 7,428,286   | 99,803,166           | 64,593,794    |
| Corporates                         | 59,469,941           | 49,750,905  | 517,129,917          | 432,616,561   |
| Retail                             | 25,033,377           | 20,396,294  | 217,681,533          | 177,359,081   |
| Residential mortgages              | 802,629              | 565,395     | 6,979,380            | 4,916,475     |
| Low Cost Housing                   | 59,676               | -           | 518,924              | -             |
| Past due loans                     | 802,669              | 1,150,490   | 6,979,726            | 10,004,257    |
| Listed equity investments          | 431,279              | 366,866     | 3,750,255            | 3,190,141     |
| Unlisted equity investments        | 825,891              | 744,149     | 7,181,663            | 6,470,858     |
| Significant investments and others | 5,927,439            | 5,337,530   | 51,542,950           | 46,413,300    |
| Operating fixed assets             | 11,347,779           | 10,256,874  | 98,676,342           | 89,190,210    |
| Other assets                       | 1,906,975            | 1,595,638   | 16,582,392           | 13,875,115    |
|                                    | 137,624,536          | 111,178,959 | 1,196,735,096        | 966,773,552   |
| <b>Off-balance sheet</b>           |                      |             |                      |               |
| Non-market related                 | 14,455,316           | 8,337,789   | 125,698,401          | 72,502,514    |
| Market related                     | 731,130              | 363,204     | 6,357,655            | 3,158,297     |
|                                    | 15,186,446           | 8,700,993   | 132,056,056          | 75,660,811    |
| <b>Market Risk</b>                 |                      |             |                      |               |
| Interest Rate Risk                 | 2,458,374            | 2,885,797   | 30,729,675           | 36,072,462    |
| Equity Position Risk               | 1,299,062            | 1,235,632   | 16,238,275           | 15,445,400    |
| Foreign Exchange Risk              | 5,576,947            | 6,402,929   | 69,711,838           | 80,036,613    |
|                                    | 9,334,383            | 10,524,358  | 116,679,788          | 131,554,475   |
| <b>Operational Risk</b>            |                      |             |                      |               |
|                                    | 17,926,821           | 16,262,098  | 224,085,265          | 203,276,223   |
|                                    | 180,072,186          | 146,666,408 | 1,669,556,205        | 1,377,265,061 |

**Capital Adequacy Ratio**

|  | 2021             | 2020          |
|--|------------------|---------------|
|  | (Rupees in '000) |               |
| Total eligible regulatory capital held | 260,917,929      | 237,432,937   |
| Total risk weighted assets             | 1,669,556,205    | 1,377,265,061 |
| Capital adequacy ratio                 | 15.63%           | 17.24%        |

**1.2 Capital structure**

The capital to risk weighted assets ratio is calculated in accordance with the SBP's guidelines on capital adequacy.

|   | Note  | 2021             | 2020         |
|---|-------|------------------|--------------|
|   |       | (Rupees in '000) |              |
| <b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>  |       |                  |              |
| Fully Paid-up Capital   |       | 14,668,525       | 14,668,525   |
| Balance in Share Premium Account  |       | -                | -            |
| Reserve for issue of Bonus Shares   |       | -                | -            |
| Discount on Issue of shares   |       | -                | -            |
| General and Capital Reserves  |       | 42,549,449       | 38,453,786   |
| Gain/(Losses) on derivatives held as Cash Flow Hedge  |       | -                | -            |
| Unappropriated profit   |       | 158,441,418      | 138,208,223  |
| Non-controlling interest arising from CET1 capital instruments issued to third parties by consolidated banking subsidiaries (amount allowed in CET1 capital of the consolidation group) |       | -                | -            |
|   |       | 2,699,363        | 3,219,566    |
| <b>CET 1 before Regulatory Adjustments</b>  |       | 218,358,755      | 194,550,100  |
| Total regulatory adjustments applied to CET1  | 1.3.1 | (25,893,674)     | (21,619,675) |
| <b>Common Equity Tier 1</b>   |       | 192,465,081      | 172,930,425  |

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|  | Note  | 2021<br>(Rupees in '000)  | 2020                      |
|--|-------|---------------------------|---------------------------|
| <b>Additional Tier 1 (AT 1) Capital</b>  |       |                           |                           |
| Qualifying Additional Tier-1 instruments plus any related share premium  |       | 12,374,000                | 12,374,000                |
| of which: Classified as equity   |       | -                         | -                         |
| of which: Classified as liabilities  |       | 12,374,000                | 12,374,000                |
| Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1) |       | 413,111                   | 496,877                   |
| of which: instrument issued by subsidiaries subject to phase out   |       | -                         | -                         |
| <b>AT1 before regulatory adjustments</b>   |       | <u>12,787,111</u>         | <u>12,870,877</u>         |
| Total of Regulatory Adjustment applied to AT1 capital  | 1.3.2 | (180,351)                 | (337,593)                 |
| Additional Tier 1 capital after regulatory adjustments   |       | <u>-</u>                  | <u>-</u>                  |
| <b>Additional Tier 1 capital recognized for capital adequacy</b>   |       | <u>12,606,759</u>         | <u>12,533,284</u>         |
| <b>Tier 1 Capital (CET1 + admissible AT1)</b>  |       | 205,071,840               | 185,463,709               |
| <b>Tier 2 Capital</b>  |       |                           |                           |
| Qualifying Tier 2 capital instruments under Basel III plus any related share premium   |       | -                         | -                         |
| Tier 2 capital instruments subject to phase out arrangement issued under pre-Basel 3 rules   |       | -                         | -                         |
| Tier 2 capital instruments issued to third parties by consolidated banking subsidiaries (amount allowed in tier 2)                 |       | 506,005                   | 650,546                   |
| of which: instruments issued by subsidiaries subject to phase out  |       | -                         | -                         |
| General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets                       |       | 11,008,308                | 11,063,284                |
| Revaluation Reserves (net of taxes)  |       | 24,913,722                | 35,849,576                |
| of which: Revaluation reserves on fixed assets   |       | 27,213,335                | 27,291,734                |
| of which: Unrealized gains/losses on AFS   |       | (2,299,613)               | 8,557,842                 |
| Foreign Exchange Translation Reserves  |       | 38,826,070                | 33,608,239                |
| <b>Tier 2 before regulatory adjustments</b>  |       | <u>75,254,105</u>         | <u>81,171,645</u>         |
| Total regulatory adjustment applied to T2 capital  | 1.3.3 | <u>(380,625)</u>          | <u>(122,359)</u>          |
| Tier 2 after regulatory adjustments  |       | 74,873,480                | 81,049,286                |
| Tier 2 capital not recognized for capital adequacy   |       | <u>(19,027,391)</u>       | <u>(29,080,058)</u>       |
| Tier 2 capital recognized for capital adequacy   |       | 55,846,089                | 51,969,228                |
| Portion of Additional Tier 1 capital recognized in Tier 2 capital  |       | -                         | -                         |
| Total Tier 2 capital admissible for capital adequacy   |       | <u>55,846,089</u>         | <u>51,969,228</u>         |
| <b>TOTAL CAPITAL (Tier 1 + admissible Tier 2)</b>  |       | <u><b>260,917,929</b></u> | <u><b>237,432,937</b></u> |
| <b>Total Risk Weighted Assets</b>  |       | <b>1,669,556,205</b>      | <b>1,377,265,061</b>      |
| <b>Capital Ratios and buffers (in percentage of risk weighted assets)</b>  |       |                           |                           |
| CET1 to total RWA  |       | <u>11.53%</u>             | <u>12.56%</u>             |
| Tier-1 capital to total RWA  |       | <u>12.28%</u>             | <u>13.47%</u>             |
| Total capital to RWA   |       | <u>15.63%</u>             | <u>17.24%</u>             |
| Bank specific buffer requirement (minimum CET1 requirement plus CCB plus any other buffer requirement)                             |       | 9.50%                     | 9.50%                     |
| of which: capital conservation buffer requirement  |       | 1.50%                     | 1.50%                     |
| of which: countercyclical buffer requirement   |       | -                         | -                         |
| of which: D-SIB buffer requirement   |       | 2.00%                     | 2.00%                     |
| CET1 available to meet buffers (as a percentage of risk weighted assets)   |       | 5.53%                     | 6.56%                     |
| <b>Other information:</b>  |       |                           |                           |
| <b>Minimum capital requirements prescribed by SBP</b>  |       |                           |                           |
| CET1 minimum ratio   |       | 7.50%                     | 7.50%                     |
| Tier 1 minimum ratio   |       | 9.00%                     | 9.00%                     |
| Total capital minimum ratio  |       | 11.50%                    | 11.50%                    |

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| 1.3 Regulatory Adjustments and Additional Information  | <u>2021</u>                  | <u>2020</u>       |
|--|------------------------------|-------------------|
| <b>1.3.1 Common Equity Tier 1 capital: Regulatory adjustments</b>  | ----- (Rupees in '000) ----- |                   |
| Goodwill (net of related deferred tax liability)   | 3,008,399                    | 2,813,922         |
| All other intangibles (net of any associated deferred tax liability)   | 9,334,062                    | 7,361,217         |
| Shortfall in provisions against classified assets  | -                            | -                 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)  | 431,976                      | 469,486           |
| Defined-benefit pension fund net assets  | -                            | -                 |
| Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities   | 3,596,705                    | 2,851,179         |
| Cash flow hedge reserve  | -                            | -                 |
| Investment in own shares / CET1 instruments  | 111,525                      | 47,164            |
| Securitization gain on sale  | -                            | -                 |
| Capital shortfall of regulated subsidiaries  | -                            | -                 |
| Deficit on account of revaluation from bank's holdings of fixed assets/ AFS  | -                            | -                 |
| Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | -                            | -                 |
| Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)  | 9,411,007                    | 8,076,707         |
| Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)  | -                            | -                 |
| Amount exceeding 15% threshold   | -                            | -                 |
| of which: significant investments in the common stocks of financial entities   | -                            | -                 |
| of which: deferred tax assets arising from temporary differences   | -                            | -                 |
| National specific regulatory adjustments applied to CET1 capital   | -                            | -                 |
| Investments in TFCs of other banks exceeding the prescribed limit  | -                            | -                 |
| Any other deduction specified by SBP (mention details)   | -                            | -                 |
| Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions  | -                            | -                 |
| Total regulatory adjustments applied to CET1   | <u>25,893,674</u>            | <u>21,619,675</u> |
| <b>1.3.2 Additional Tier-1 Capital: regulatory adjustments</b>   |                              |                   |
| Investment in mutual funds exceeding the prescribed limit [SBP specific  | -                            | -                 |
| Investment in own AT1 capital instruments  | -                            | -                 |
| Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities  | 180,351                      | 337,593           |
| Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | -                            | -                 |
| Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation   | -                            | -                 |
| Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital   | -                            | -                 |
| Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions  | -                            | -                 |
| Transfer to CET1 due to insufficient AT1 to cover deductions   | -                            | -                 |
| Total regulatory adjustment applied to AT1 capital   | <u>180,351</u>               | <u>337,593</u>    |
| <b>1.3.3 Tier 2 Capital: regulatory adjustments</b>  |                              |                   |
| Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital  | -                            | -                 |
| Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities   | 380,625                      | 122,359           |
| Investment in own Tier 2 capital instrument  | -                            | -                 |
| Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | -                            | -                 |
| Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation  | -                            | -                 |
| Total regulatory adjustment applied to T2 capital  | <u>380,625</u>               | <u>122,359</u>    |

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| 1.3.4 Additional Information   | 2021<br>(Rupees in '000)  | 2020<br>(Rupees in '000)                                   |
|--|---|--|
| <b>Risk Weighted Assets subject to pre-Basel III treatment</b>   |   |  |
| Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)                                 | -   | -  |
| of which: deferred tax assets  | -   | -  |
| of which: Defined-benefit pension fund net assets  | -   | -  |
| of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity | -   | -  |
| of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity | -   | -  |
| <b>Amounts below the thresholds for deduction (before risk weighting)</b>  |   |  |
| Non-significant investments in the capital of other financial entities   | 4,673,322   | 3,464,666  |
| Significant investments in the common stock of financial entities  | 20,187,609  | 18,100,713   |
| Deferred tax assets arising from temporary differences (net of related tax liability)  | -   | -  |
| <b>Applicable caps on the inclusion of provisions in Tier 2</b>  |   |  |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)   | 11,008,308  | 11,063,284   |
| Cap on inclusion of provisions in Tier 2 under standardized approach   | 16,609,889  | 13,030,430   |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)                                       | -   | -  |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  | -   | -  |
| <b>1.4 Capital structure reconciliation</b>  |   |  |
|  | <b>As per<br/>published<br/>financial<br/>statements<br/>(Rupees in '000)</b> | <b>Under<br/>regulatory<br/>scope of<br/>consolidation</b> |
| <b>Assets</b>  |   |  |
| Cash and balances with treasury banks  | 441,252,246   | 441,252,246  |
| Balances with other banks  | 64,438,075  | 64,438,075   |
| Lendings to financial institutions   | 93,742,432  | 93,742,432   |
| Investments  | 1,948,955,978   | 1,948,955,978  |
| Advances   | 1,507,047,097   | 1,507,047,097  |
| Fixed assets   | 98,676,342  | 98,676,342   |
| Intangible assets  | 12,630,475  | 12,630,475   |
| Deferred tax assets  | -   | -  |
| Other assets   | 150,725,500   | 150,725,500  |
| <b>Total assets</b>  | <b>4,317,468,145</b>  | <b>4,317,468,145</b>                                       |
| <b>Liabilities &amp; Equity</b>  |   |  |
| Bills payable  | 44,196,984  | 44,196,984   |
| Borrowings   | 436,258,005   | 436,258,005  |
| Deposits and other accounts  | 3,381,998,398   | 3,381,998,398  |
| Subordinated loan  | 12,374,000  | 12,374,000   |
| Liabilities against assets subject to finance lease  | -   | -  |
| Deferred tax liability   | 5,082,602   | 5,082,602  |
| Other liabilities  | 153,872,354   | 153,872,354  |
| <b>Total liabilities</b>   | <b>4,033,782,343</b>  | <b>4,033,782,343</b>                                       |
| Share capital  | 14,668,525  | 14,668,525   |
| Reserves   | 81,375,519  | 81,375,519   |
| Unappropriated profit  | 158,441,418   | 158,441,418  |
| Non-controlling interest   | 4,040,969   | 4,040,969  |
| Surplus on revaluation of assets   | 25,159,371  | 25,159,371   |
| <b>Total liabilities &amp; equity</b>  | <b>4,317,468,145</b>  | <b>4,317,468,145</b>                                       |

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**1.4.1 Detail of capital structure reconciliation**

|   | As per<br>published<br>financial<br>statements | Under<br>regulatory<br>scope of<br>consolidation<br>(Rupees in '000) | Reference |
|---|--|--|-----------|
| <b>ASSETS</b>   |  |  |           |
| <b>Cash and balances with treasury banks</b>  | 441,252,246                                    | 441,252,246  |           |
| <b>Balances with other banks</b>  | 64,438,075                                     | 64,438,075   |           |
| <b>Lendings to financial institutions</b>   | 93,742,432                                     | 93,742,432   |           |
| <b>Investments</b>  | 1,948,955,978                                  | 1,948,955,978  |           |
| <i>of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold</i>               | -  | -  |           |
| <i>of which: significant capital investments in financial sector entities exceeding regulatory threshold</i>                          | 9,411,007                                      | 9,411,007  | (a)       |
| <i>of which: Mutual Funds exceeding regulatory threshold</i>  | -  | -  | (b)       |
| <i>of which: reciprocal crossholding of capital instrument</i>  | 4,157,681                                      | 4,157,681  | (c)       |
| <i>of which: investment in own shares</i>   | -  | -  | (d)       |
| <b>Advances</b>   | 1,507,047,097                                  | 1,507,047,097  |           |
| <i>shortfall in provisions/ excess of total EL amount over eligible provisions under IRB</i>  | -  | -  |           |
| <i>General provisions reflected in Tier 2 capital</i>   | 11,008,308                                     | 11,008,308   | (e)       |
| <b>Operating fixed assets</b>   | 111,306,817                                    | 111,306,817  |           |
| <i>of which: Goodwill</i>   | 3,296,413                                      | 3,296,413  | (f)       |
| <i>of which: Intangibles</i>  | 9,334,062                                      | 9,334,062  | (g)       |
| <b>Deferred Tax Assets</b>  | -  | -  |           |
| <i>of which: DTAs excluding those arising from temporary differences</i>  | -  | -  |           |
| <i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>   | -  | -  |           |
| <b>Other assets</b>   | 150,725,500                                    | 150,725,500  |           |
| <i>of which: Goodwill</i>   | -  | -  |           |
| <i>of which: Intangibles</i>  | -  | -  |           |
| <i>of which: Defined-benefit pension fund net assets</i>  | -  | -  |           |
| <b>Total assets</b>   | <b>4,317,468,145</b>                           | <b>4,317,468,145</b>   |           |
| <b>LIABILITIES &amp; EQUITY</b>   |  |  |           |
| <b>Bills payable</b>  | 44,196,984                                     | 44,196,984   |           |
| <b>Borrowings</b>   | 436,258,005                                    | 436,258,005  |           |
| <b>Deposits and other accounts</b>  | 3,381,998,398                                  | 3,381,998,398  |           |
| <b>Subordinated loans</b>   | 12,374,000                                     | 12,374,000   |           |
| <i>of which: eligible for inclusion in AT1</i>  | 12,374,000                                     | 12,374,000   | (h)       |
| <i>of which: eligible for inclusion in Tier 2</i>   | -  | -  | (i)       |
| <i>Liabilities against assets subject to finance lease</i>  | -  | -  |           |
| <b>Deferred tax liabilities</b>   | 5,082,602                                      | 5,082,602  |           |
| <i>of which: DTLs related to goodwill</i>   | 288,014  | 288,014  | (j)       |
| <i>of which: DTLs related to intangible assets</i>  | -  | -  |           |
| <i>of which: DTLs related to defined pension fund net assets</i>  | -  | -  |           |
| <i>of which: DTAs that rely on future profitability excl. those arising from temporary differences (net of related tax liability)</i> | 431,976  | 431,976  | (k)       |
| <b>Other liabilities</b>  | 153,872,354                                    | 153,872,354  |           |
| <b>Total liabilities</b>  | 4,033,782,343                                  | 4,033,782,343  |           |
| <b>Share capital</b>  | 14,668,525                                     | 14,668,525   |           |
| <i>of which: amount eligible for CET1</i>   | 14,668,525                                     | 14,668,525   | (l)       |
| <i>of which: amount eligible for AT1</i>  | -  | -  |           |
| <b>Reserves</b>   | 81,375,519                                     | 81,375,519   |           |
| <i>of which: portion eligible for inclusion in CET1</i>   | 42,549,449                                     | 42,549,449   | (m)       |
| <i>of which: portion eligible for inclusion in Tier 2</i>   | 38,826,070                                     | 38,826,070   | (n)       |
| <b>Unappropriated profit</b>  | 158,441,418                                    | 158,441,418  | (o)       |
| <b>Non-controlling interest</b>   | 4,040,969                                      | 4,040,969  |           |
| <i>of which: portion eligible for inclusion in CET1</i>   | 2,699,363                                      | 2,699,363  | (p)       |
| <i>of which: portion eligible for inclusion in AT1</i>  | 413,111  | 413,111  | (q)       |
| <i>of which: portion eligible for inclusion in Tier 2</i>   | 506,005  | 506,005  | (r)       |
| <b>Surplus on revaluation of assets</b>   | 25,159,371                                     | 25,159,371   |           |
| <i>of which: Revaluation reserves on Property eligible for inclusion in Tier 2</i>  | 27,213,335                                     | 27,213,335   | (s)       |
| <i>of which: Unrealized Gains/Losses on AFS eligible for inclusion in Tier 2</i>  | (2,299,613)                                    | (2,299,613)  | (t)       |
| <b>Total liabilities &amp; Equity</b>   | <b>4,317,468,145</b>                           | <b>4,317,468,145</b>   |           |

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| 1.4.2 Component of capital reported by the Group   | Rupees in '000     | Source based on reference number |
|--|--------------------|----------------------------------|
| <b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>   |                    |                                  |
| Fully Paid-up Capital  | 14,668,525         | (l)                              |
| Balance in Share Premium Account   | -                  |                                  |
| Reserve for issue of Bonus Shares  | -                  |                                  |
| General/ Statutory Reserves  | 42,549,449         | (m)                              |
| Gain/(Losses) on derivatives held as Cash Flow Hedge   | -                  |                                  |
| Unappropriated profit  | 158,441,418        | (o)                              |
| Non-controlling interest   | <u>2,699,363</u>   | (p)                              |
| <b>CET 1 before Regulatory Adjustments</b>   | <b>218,358,755</b> |                                  |
| <b>Common Equity Tier 1 capital: Regulatory adjustments</b>  |                    |                                  |
| Goodwill   | 3,008,399          | (f) - (j)                        |
| All other intangibles  | 9,334,062          | (g)                              |
| Shortfall of provisions against classified assets  | -                  |                                  |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)  | 431,976            | (k)                              |
| Defined-benefit pension fund net assets  | -                  |                                  |
| Reciprocal cross holdings in Common Equity Tier 1 Capital instruments  | 3,596,705          | portion of (c)                   |
| Cash flow hedge reserve  | -                  |                                  |
| Investment in own shares   | 111,525            | (through Mutual Funds)           |
| Securitization gain on sale  | -                  |                                  |
| Capital shortfall of regulated subsidiaries  | -                  |                                  |
| Deficit on account of revaluation from bank's holdings of property/ AFS  | -                  |                                  |
| Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | -                  |                                  |
| Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)   | 9,411,007          | (a)                              |
| Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)  | -                  |                                  |
| Amount exceeding 15% threshold   | -                  |                                  |
| of which: significant investments in the common stocks of financial entities   | -                  |                                  |
| of which: deferred tax assets arising from temporary differences   | -                  |                                  |
| National specific regulatory adjustments applied to CET1 capital   | -                  |                                  |
| Investment in TFCs of other banks exceeding the prescribed limit   | -                  |                                  |
| Any other deduction specified by SBP (mention details)   | -                  |                                  |
| Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions  | -                  |                                  |
| <b>Total regulatory adjustments applied to CET1</b>  | <b>25,893,674</b>  |                                  |
| <b>Common Equity Tier 1</b>  | <b>192,465,081</b> |                                  |
| <b>Additional Tier 1 (AT 1) Capital</b>  |                    |                                  |
| Qualifying Additional Tier-1 instruments plus any related share premium  | 12,374,000         | (h)                              |
| of which: Classified as equity   | -                  |                                  |
| of which: Classified as liabilities  | 12,374,000         |                                  |
| Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)   | 413,111            | (q)                              |
| of which: instrument issued by subsidiaries subject to phase out   | -                  |                                  |
| <b>AT1 before regulatory adjustments</b>   | <b>12,787,111</b>  |                                  |

|  | Rupees in '000     | Source based on reference number |
|--|--------------------|----------------------------------|
| <b>Additional Tier 1 Capital: regulatory adjustments</b>   |                    |                                  |
| Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)  | -                  | (b)                              |
| Investment in own AT1 capital instruments  | -                  |                                  |
| Reciprocal cross holdings in Additional Tier 1 capital instruments   | 180,351            | portion of (c)                   |
| Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | -                  |                                  |
| Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation  | -                  |                                  |
| 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   | -                  |                                  |
| Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions  | -                  |                                  |
| Adjustment in AT1 in respect of NCI share of excess capital held by subsidiaries   | -                  |                                  |
| Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions   | -                  |                                  |
| Total of Regulatory Adjustment applied to AT1 capital  | 180,351            |                                  |
| Additional Tier 1 capital  | 12,606,759         |                                  |
| Additional Tier 1 capital not recognized for capital adequacy  | -                  |                                  |
| Transfer to CET1 due to insufficient AT1 to cover deductions   | -                  |                                  |
| <b>Additional Tier 1 capital recognized for capital adequacy</b>   | <b>12,606,759</b>  |                                  |
| <b>Tier 1 Capital (CET1 + admissible AT1)</b>  | <b>205,071,840</b> |                                  |
| <b>Tier 2 Capital</b>  |                    |                                  |
| Qualifying Tier 2 capital instruments under Basel III  | -                  | (i)                              |
| Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)   | -                  |                                  |
| Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)   | 506,005            | (r)                              |
| of which: instruments issued by subsidiaries subject to phase out  | -                  |                                  |
| General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets   | 11,008,308         | (e)                              |
| Revaluation Reserves eligible for Tier 2   | 24,913,722         |                                  |
| of which: portion pertaining to Property   | 27,213,335         | (s)                              |
| of which: portion pertaining to AFS securities   | (2,299,613)        | (t)                              |
| Foreign Exchange Translation Reserves  | 38,826,070         | (n)                              |
| <b>Tier 2 before regulatory adjustments</b>  | <b>75,254,105</b>  |                                  |
| <b>Tier 2 Capital: regulatory adjustments</b>  |                    |                                  |
| 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   | -                  |                                  |
| Reciprocal cross holdings in Tier 2 Capital instruments  | 380,625            | portion of (c)                   |
| Investment in own Tier 2 capital instrument  | -                  |                                  |
| Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | -                  |                                  |
| Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation  | -                  |                                  |
| Amount of Regulatory Adjustment applied to Tier 2 capital  | 380,625            |                                  |
| Tier 2 capital after regulatory adjustments  | 74,873,481         |                                  |
| Tier 2 capital not recognized for capital adequacy   | (19,027,391)       |                                  |
| Tier 2 capital recognized for capital adequacy   | 55,846,089         |                                  |
| Excess Additional Tier 1 capital recognized in Tier 2 capital  | -                  |                                  |
| Total Tier 2 capital admissible for capital adequacy   | 55,846,089         |                                  |
| <b>TOTAL CAPITAL (Tier 1 + admissible Tier 2)</b>  | <b>260,917,930</b> |                                  |

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**1.5 Main Features of Regulatory Capital Instruments**

|   | <b>Common Shares</b>         | <b>Debt Instruments</b>  |
|---|------------------------------|--|
| <b>Issuer</b>   | Habib Bank Limited           | Habib Bank Limited   |
| <b>Unique identifier</b>  | HBL                          | HBL  |
| <b>Governing law(s) of the instrument</b>                           | Relevant Capital Market Laws | Laws applicable in Pakistan  |
| <b>Regulatory treatment</b>   |                              |  |
| Transitional Basel III rules  | Common Equity Tier I         | Additional Tier I Capital  |
| Post-transitional Basel III rules                                   | Common Equity Tier I         | Additional Tier I Capital  |
| Eligible at solo / group / group & solo                             | Group and Standalone         | Group and Standalone   |
| Instrument type   | Ordinary shares              | Term Finance Certificates  |
| Amount recognized in regulatory capital (Currency in PKR thousands) | 14,668,525                   | 12,374,000   |
| Par value of instrument   | Rs. 10 per share             | PKR 100,000 and in multiples thereof   |
| Accounting classification   | Shareholders' equity         | Subordinated loan  |
| Original date of issuance   | 1947                         | September 26, 2019   |
| Perpetual or dated  | Perpetual                    | Perpetual  |
| Original maturity date  | Not applicable               | Not applicable   |
| Issuer call subject to prior supervisory approval                   | Not applicable               | Yes  |
| Optional call date, contingent call dates and redemption amount     | Not applicable               | Anytime after five years from the issue date   |
| Subsequent call dates, if applicable                                | Not applicable               | On any coupon payment date after 5th anniversary from the date of issue.   |
| <b>Coupons/dividends</b>  |                              |  |
| Fixed or floating dividend/coupon                                   | Not applicable               | Floating   |
| Coupon rate and any related index/benchmark                         | Not applicable               | 3 months KIBOR + 1.60% per annum   |
| Existence of a dividend stopper                                     | No                           | No   |
| Fully discretionary, partially discretionary or mandatory           | Fully discretionary          | Fully discretionary  |
| Existence of step up or other incentive to redeem                   | No                           | No   |
| Noncumulative or cumulative   | Not applicable               | Noncumulative  |
| <b>Convertible or non-convertible</b>                               |                              |  |
| If convertible, conversion trigger (s)                              | Not applicable               | The TFCs are subject to the the loss absorbency clause as stipulated in the Basel III guidelines under which the TFCs shall, if so directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event ; (ii) the Point of No Viability (PONV) Event; or (iii) failure by the Issuer to comply with the Lock-In Clause or the Non-Cumulative Feature of the TFCs ("Lock-In Event"). |
| If convertible, fully or partially                                  | Not applicable               | To be determined in case of trigger event, at the discretion of the SBP.   |
| If convertible, conversion rate                                     | Not applicable               | To be determined in case of trigger event(s)   |
| If convertible, mandatory or optional conversion                    | Not applicable               | Mandatory  |
| If convertible, specify instrument type convertible into            | Not applicable               | Common Shares  |
| If convertible, specify issuer of instrument it converts into       | Not applicable               | Habib Bank Limited   |
| <b>Write-down feature</b>   |                              |  |
| If write-down, write-down trigger(s)                                | Not applicable               | The TFCs are subject to the the loss absorbency clause as stipulated in the Basel III guidelines under which the TFCs shall, if so directed by the SBP, be written off upon: (i) the PONV Trigger Event; (ii) the CET 1 Trigger Event; (iii) the Lock-In Event; or (iv) if it is not possible to convert the TFCs into ordinary shares upon the CET 1 Trigger Event.   |
| If write-down, full or partial                                      | Not applicable               | May be written down fully or partially   |
| If write-down, permanent or temporary                               | Not applicable               | Permanent  |
| If temporary write-down, description of write-up mechanism          | Not applicable               | Not Applicable   |
| <b>Position in subordination hierarchy in liquidation</b>           |                              |  |
|   | Subordinated to loans        | Ranks junior to all other claims except common shares.   |
| Non-compliant transitioned features                                 | No                           | None   |
| If yes, specify non-compliant features                              | Not applicable               | Not applicable   |



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**1.6 Credit exposures subject to Standardized Approach**

| Exposures  | Rating category / risk weights | 2021                 |                    |                      | 2020                 |                    |                      |
|--|--------------------------------|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|
|  |                                | (Rupees in '000)     |                    |                      | (Rupees in '000)     |                    |                      |
|  |                                | Amount outstanding   | Deduction CRM      | Net amount           | Amount outstanding   | Deduction CRM      | Net amount           |
| Cash and cash equivalents  | -                              | 54,802,681           | -                  | 54,802,681           | 59,351,535           | -                  | 59,351,535           |
| Claims on Federal and Provincial Governments and SBP, denominated in PKR   | -                              | 1,209,811,940        | 58,680,547         | 1,151,131,393        | 1,235,995,637        | 43,428,520         | 1,192,567,117        |
| Foreign currency claims on SBP arising out of statutory obligations in Pakistan  | -                              | 26,742,915           | -                  | 26,742,915           | 20,557,004           | -                  | 20,557,004           |
| Claims on other sovereigns and on Government of Pakistan or provincial governments or SBP denominated in currencies other than PKR | 1                              | 44,206,342           | -                  | 44,206,342           | 30,453,991           | -                  | 30,453,991           |
|  | 2                              | 31,834,738           | -                  | 31,834,738           | 17,144,541           | -                  | 17,144,541           |
|  | 3                              | 4,812,402            | -                  | 4,812,402            | 6,269,991            | -                  | 6,269,991            |
|  | 4,5                            | 73,807,110           | -                  | 73,807,110           | 64,056,317           | -                  | 64,056,317           |
|  | 6                              | 34,711,144           | -                  | 34,711,144           | 19,187,954           | -                  | 19,187,954           |
|  | Unrated                        | -                    | -                  | -                    | -                    | -                  | -                    |
|  |                                | 189,371,736          | -                  | 189,371,736          | 137,112,794          | -                  | 137,112,794          |
| Corporates   | 1                              | 257,291,311          | 8,953,464          | 248,337,847          | 224,883,050          | 8,456,822          | 216,426,228          |
|  | 2                              | 173,846,323          | 8,592,217          | 165,254,106          | 117,605,015          | 2,651,910          | 114,953,105          |
|  | 3,4                            | 8,117,631            | 513,061            | 7,604,570            | 10,663,112           | 200,038            | 10,463,074           |
|  | 5,6                            | -                    | -                  | -                    | -                    | -                  | -                    |
|  | Unrated-1                      | 242,004,150          | 11,113,911         | 230,890,239          | 196,867,003          | 10,215,688         | 186,651,315          |
|  | Unrated-2                      | 129,062,019          | 11,989,630         | 117,072,389          | 122,915,883          | 15,123,584         | 107,792,299          |
|  |                                | 810,321,434          | 41,162,283         | 769,159,151          | 672,934,063          | 36,648,042         | 636,286,021          |
| Claims on banks with maturity less than 3 months and denominated in foreign currency   | 1,2,3                          | 11,049,421           | -                  | 11,049,421           | 6,187,561            | -                  | 6,187,561            |
|  | 4,5                            | 5,733,388            | -                  | 5,733,388            | 7,748,742            | -                  | 7,748,742            |
|  | 6                              | 524,340              | -                  | 524,340              | 632,766              | -                  | 632,766              |
|  | Unrated                        | 8,176,234            | -                  | 8,176,234            | 4,495,454            | -                  | 4,495,454            |
|  |                                | 25,483,383           | -                  | 25,483,383           | 19,064,523           | -                  | 19,064,523           |
| Claims on banks with original maturity of 3 months or less denominated in PKR and funded in funded in PKR                          | 20%                            | 89,570,659           | 64,948,926         | 24,621,733           | 17,896,835           | 17,894,101         | 2,734                |
| Banks - others   | 1                              | 79,731,896           | -                  | 79,731,896           | 65,217,170           | 6,999,700          | 58,217,470           |
|  | 2,3                            | 28,974,659           | -                  | 28,974,659           | 23,193,891           | -                  | 23,193,891           |
|  | 4,5                            | 22,569,217           | -                  | 22,569,217           | 16,572,979           | -                  | 16,572,979           |
|  | 6                              | 48,175               | -                  | 48,175               | 290,225              | -                  | 290,225              |
|  | Unrated                        | 69,856,957           | -                  | 69,856,957           | 36,229,903           | -                  | 36,229,903           |
|  |                                | 201,180,904          | -                  | 201,180,904          | 141,504,168          | 6,999,700          | 134,504,468          |
| Public Sector Entities   | 1                              | 129,516,048          | 51,030,666         | 78,485,382           | 77,801,669           | 27,380,360         | 50,421,309           |
|  | 2,3                            | 10,537,501           | 1,463,211          | 9,074,290            | 2,987,489            | 1,783,130          | 1,204,359            |
|  | 4,5                            | 3,437,111            | -                  | 3,437,111            | -                    | -                  | -                    |
|  | 6                              | -                    | -                  | -                    | -                    | -                  | -                    |
|  | Unrated                        | 156,427,061          | 134,492,346        | 21,934,715           | 196,315,188          | 181,666,027        | 14,649,161           |
|  |                                | 299,917,721          | 186,986,223        | 112,931,498          | 277,104,346          | 210,829,517        | 66,274,829           |
| Retail portfolio   | 75%                            | 300,065,018          | 9,822,974          | 290,242,044          | 246,195,118          | 9,716,343          | 236,478,775          |
| Claims Fully Secured by Residential Mortgages  | 35%                            | 19,941,085           | -                  | 19,941,085           | 14,047,070           | -                  | 14,047,070           |
| Low Cost Housing   | 25%                            | 2,075,694            | -                  | 2,075,694            | -                    | -                  | -                    |
| Past due loans   | 50% - 150%                     | 8,043,272            | 1,066,062          | 6,977,210            | 11,267,632           | 1,068,001          | 10,199,631           |
| Equity investments   | 100% - 150%                    | 8,538,030            | -                  | 8,538,030            | 7,504,046            | -                  | 7,504,046            |
| Significant investments  | 250%                           | 20,617,180           | -                  | 20,617,180           | 18,565,320           | -                  | 18,565,320           |
| Fixed assets   | 100%                           | 98,676,342           | -                  | 98,676,342           | 89,190,210           | -                  | 89,190,210           |
| Others   | 100%                           | 16,582,392           | -                  | 16,582,392           | 13,875,115           | -                  | 13,875,115           |
|  |                                | <u>3,381,742,386</u> | <u>362,667,015</u> | <u>3,019,075,371</u> | <u>2,982,165,416</u> | <u>326,584,224</u> | <u>2,655,581,192</u> |

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**2 LEVERAGE RATIO**

The leverage ratio is the ratio of Tier 1 capital to total exposure, including off-balance sheet exposures adjusted by regulatory credit conversion factors. The Bank's current leverage ratio of 4.38% (2020: 4.25%) is above the current minimum requirement of 3.00% set by the SBP.

|                                | 2021             | 2020          |
|--------------------------------|------------------|---------------|
|                                | (Rupees in '000) |               |
| Eligible Tier-1 Capital        | 205,071,840      | 185,463,709   |
| Total Exposures                | 4,687,343,787    | 4,364,466,103 |
| <b>Leverage Ratio (%)</b>      | <b>4.38%</b>     | <b>4.25%</b>  |
| <b>Minimum Requirement (%)</b> | <b>3.00%</b>     | <b>3.00%</b>  |

**3 LIQUIDITY STANDARDS**

The SBP has introduced two liquidity standards through its guidelines on Basel III: Liquidity Standards. These are Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The objective of LCR is to ensure that banks have an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant stress scenario. The objective of NSFR is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding on an ongoing basis.

**3.1 Liquidity Coverage Ratio**

|  | 2021  |   | 2020  |   |
|--|---|---|---|---|
|  | Total unweighted <sup>1</sup> value (average) | Total weighted <sup>2</sup> value (average) | Total unweighted <sup>1</sup> value (average) | Total weighted <sup>2</sup> value (average) |
|  | (Rupees in '000)                              |   |   |   |
| <b>HIGH QUALITY LIQUID ASSETS</b>  |   |   |   |   |
| 1 Total high quality liquid assets (HQLA)                                      |   | 1,477,650,149                               |   | 1,343,833,391                               |
| 2 Retail deposits and deposits from small business customers of which:         |   |   |   |   |
| 2.1 Stable deposits  | -   | -   | -   | -   |
| 2.2 Less stable deposits   | 1,542,770,187                                 | 154,277,019                                 | 1,392,208,580                                 | 139,220,858                                 |
| 3 Unsecured wholesale funding of which:  |   |   |   |   |
| 3.1 Operational deposits (all counterparties)                                  | -   | -   | -   | -   |
| 3.2 Non-operational deposits (all counterparties)                              | 1,130,382,033                                 | 551,834,420                                 | 943,172,398                                   | 432,077,348                                 |
| 3.3 Unsecured debt   | 31,656,625                                    | 31,656,625                                  | 32,156,462                                    | 32,156,462                                  |
| 4 Secured wholesale funding  | -   | -   | -   | -   |
| 5 Additional requirements of which:  |   |   |   |   |
| 5.1 Outflows related to derivative exposures and other Collateral requirements | 1,625,207                                     | 1,625,207                                   | 2,224,274                                     | 2,224,274                                   |
| 5.2 Outflows related to loss of funding on debt products                       | -   | -   | -   | -   |
| 5.3 Credit and Liquidity facilities  | -   | -   | -   | -   |
| 6 Other contractual funding obligations  | 20,631,617                                    | 2,063,162                                   | 3,243,168                                     | 324,317                                     |
| 7 Other contingent funding obligations   | 1,108,229,631                                 | 24,752,153                                  | 887,605,991                                   | 16,695,836                                  |
| 8 <b>TOTAL CASH OUTFLOWS</b>   |   | 766,208,587                                 |   | 622,699,095                                 |
| <b>CASH INFLOWS</b>  |   |   |   |   |
| 9 Secured lending  | -   | -   | -   | -   |
| 10 Inflows from fully performing exposures                                     | 208,846,467                                   | 115,982,845                                 | 166,081,295                                   | 86,264,867                                  |
| 11 Other Cash inflows  | 84,017,390                                    | 11,859,718                                  | 46,447,521                                    | 10,807,387                                  |
| 12 <b>TOTAL CASH INFLOWS</b>   |   | 127,842,563                                 |   | 97,072,254                                  |
|  |   | <b>Total Adjusted Value</b>                 |   | <b>Total Adjusted Value</b>                 |
| TOTAL HIGH QUALITY LIQUID ASSETS   |   | 1,477,650,149                               |   | 1,343,833,391                               |
| TOTAL NET CASH OUTFLOWS  |   | 638,366,023                                 |   | 525,626,841                                 |
| <b>LIQUIDITY COVERAGE RATIO</b>  |   | <b>231.47%</b>                              |   | <b>255.66%</b>                              |

1 Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

2 Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflow)

3 Adjusted values are 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)

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**3.2 Net Stable Funding Ratio**

|  | 2021                                    |                |                          |                         | Weighted Value       |
|--|---|----------------|--------------------------|-------------------------|----------------------|
|  | Unweighted Value By Residual Maturity * |                |                          |                         |                      |
|  | No Maturity                             | Below 6 months | 6 months to below 1 year | 1 year and above 1 year |                      |
| ----- (Rupees in '000) -----   |   |                |                          |                         |                      |
| <b>ASF Item</b>  |   |                |                          |                         |                      |
| 1 Capital:   |   |                |                          |                         |                      |
| 2 Regulatory capital   | 203,651,486                             | -              | -                        | -                       | 203,651,486          |
| 3 Other capital instruments  | 12,374,000                              | -              | -                        | -                       | 12,374,000           |
| 4 Retail deposits and deposit from small business customers:   |   |                |                          |                         |                      |
| 5 Stable deposits  | -                                       | -              | -                        | -                       | -                    |
| 6 Less stable deposits   | -                                       | 644,052,650    | 218,585,859              | 827,191,160             | 1,603,565,818        |
| 7 Wholesale funding:   |   |                |                          |                         |                      |
| 8 Operational deposits   | -                                       | -              | -                        | -                       | -                    |
| 9 Other wholesale funding  | -                                       | 569,579,529    | 193,310,330              | 731,541,359             | 1,112,986,289        |
| 10 Other liabilities:  |   |                |                          |                         |                      |
| 11 NSFR derivative liabilities   | -                                       | -              | -                        | 798,189                 | -                    |
| 12 All other liabilities and equity not included in other categories   | -                                       | 398,075,196    | 70,900,303               | 151,048,910             | 114,333,864          |
| <b>13 Total ASF</b>  |   |                |                          |                         | <b>3,046,911,457</b> |
| <b>RSF item</b>  |   |                |                          |                         |                      |
| 14 Total NSFR high-quality liquid assets (HQLA)  | -                                       | -              | -                        | -                       | -                    |
| 15 Deposits held at other financial institutions for operational purposes  | -                                       | -              | -                        | -                       | -                    |
| 16 Performing loans and securities:  |   |                |                          |                         |                      |
| 17 Performing loans to financial institutions secured by Level 1 HQLA  | -                                       | 46,978,525     | -                        | -                       | 5,227,981            |
| 18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                         | -                                       | -              | -                        | -                       | -                    |
| 19 Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of | -                                       | 364,182,621    | 98,888,886               | 456,030,917             | 604,920,035          |
| 20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk  | -                                       | 179,197,273    | 29,279,355               | 88,902,077              | 255,926,696          |
| 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   | -                                       | 710,235,214    | 264,106,959              | 1,836,786,381           | 1,029,358,648        |
| 28 Off-balance sheet items   | -                                       | 374,718,352    | 448,901,313              | 293,692,272             | 69,138,366           |
| <b>29 Total RSF</b>  |   |                |                          |                         | <b>1,964,571,726</b> |
| <b>30 Net Stable Funding Ratio (%)</b>   |   |                |                          |                         | <b>155.09%</b>       |

\* The unweighted value by residual maturity is based on working prepared by Assets and Liabilities Management Committee (ALCO) of the Bank.

**CAPITAL ADEQUACY AND LIQUIDITY DISCLOSURES - CONSOLIDATED  
AS AT DECEMBER 31, 2021**

|                 |  | 2020                                    |                |                          |                         |                      |
|-----------------|--|---|----------------|--------------------------|-------------------------|----------------------|
|                 |  | Unweighted Value By Residual Maturity * |                |                          |                         | Weighted Value       |
|                 |  | No Maturity                             | Below 6 months | 6 months to below 1 year | 1 year and above 1 year |                      |
|                 |  | (Rupees in '000)                        |                |                          |                         |                      |
| <b>ASF Item</b> |  |   |                |                          |                         |                      |
| 1               | Capital:   |   |                |                          |                         |                      |
| 2               | Regulatory capital   | 172,940,364                             | -              | -                        | -                       | 172,940,364          |
| 3               | Other capital instruments  | 22,356,000                              | -              | -                        | -                       | 22,356,000           |
| 4               | Retail deposits and deposit from small business customers:   |   |                |                          |                         |                      |
| 5               | Stable deposits  | -                                       | -              | -                        | -                       | -                    |
| 6               | Less stable deposits   | -                                       | 529,827,098    | 167,154,729              | 782,272,878             | 1,409,556,522        |
| 7               | Wholesale funding:   |   |                |                          |                         |                      |
| 8               | Operational deposits   | -                                       | -              | -                        | -                       | -                    |
| 9               | Other wholesale funding  | -                                       | 427,977,890    | 135,022,404              | 627,235,718             | 908,735,865          |
| 10              | Other liabilities:   |   |                |                          |                         |                      |
| 11              | NSFR derivative liabilities  | -                                       | -              | -                        | 3,904,469               | -                    |
| 12              | All other liabilities and equity not included in other categories  | -                                       | 545,797,154    | 15,662,876               | 152,865,601             | 124,376,598          |
|                 |  | -                                       | -              | -                        | -                       | -                    |
| <b>13</b>       | <b>Total ASF</b>   |   |                |                          |                         | <b>2,637,965,349</b> |
| <b>RSF item</b> |  |   |                |                          |                         |                      |
| 14              | Total NSFR high-quality liquid assets (HQLA)   | -                                       | -              | -                        | -                       | -                    |
| 15              | Deposits held at other financial institutions for operational purposes   | -                                       | -              | -                        | -                       | -                    |
| 16              | Performing loans and securities:   |   |                |                          |                         |                      |
| 17              | Performing loans to financial institutions secured by Level 1 HQLA   | -                                       | 31,012,091     | -                        | -                       | 3,756,972            |
| 18              | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                                | -                                       | -              | -                        | -                       | -                    |
| 19              | Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: |   |                |                          |                         |                      |
| 20              | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk   | -                                       | 304,618,528    | 71,148,740               | 445,295,734             | 380,770,004          |
| 21              | Securities that are not in default and do not qualify as HQLA including exchange-traded equities   | -                                       | 22,802         | 30,860                   | 158,866,258             | 103,263,068          |
| 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  | -                                       | -              | -                        | -                       | -                    |
|                 |  | -                                       | 1,325,798,988  | 450,575,833              | 1,867,336,897           | 908,160,343          |
| 28              | Off-balance sheet items  | -                                       | 478,847,680    | 261,470,204              | 258,643,606             | 52,301,976           |
| <b>29</b>       | <b>Total RSF</b>   |   |                |                          |                         | <b>1,448,252,363</b> |
| <b>30</b>       | <b>Net Stable Funding Ratio (%)</b>  |   |                |                          |                         | <b>182.15%</b>       |

\* The unweighted value by residual maturity is based on working prepared by Assets and Liabilities Management Committee (ALCO) of the Bank.