

**HABIB BANK LIMITED**  
**CAPITAL ADEQUACY AND LIQUIDITY DISCLOSURES - UNCONSOLIDATED**  
**AS AT DECEMBER 31, 2024**

**1 CAPITAL ADEQUACY**

**1.1 Risk-Weighted Exposures**

	Capital Requirements		Risk Weighted Assets	
	2024	2023	2024	2023
----- <b>(Rupees in '000)</b> -----				
<b>Credit Risk</b>				
<b>On-balance sheet</b>				
Sovereigns	23,257,789	29,553,161	186,062,312	218,912,306
Public Sector Entities	5,064,483	4,736,725	40,515,867	35,086,852
Multilateral Development Banks	-	-	-	-
Banks	15,611,319	9,657,920	124,890,553	71,540,145
Corporates	62,849,536	70,564,355	502,796,286	522,698,924
Retail	33,267,839	29,427,473	266,142,710	217,981,283
Residential mortgages	2,211,326	1,769,352	17,690,609	13,106,314
Low Cost Housing	222,652	259,474	1,781,213	1,922,030
Past due loans	603,680	1,699,230	4,829,440	12,586,891
Listed equity investments	733,038	1,157,121	5,864,302	8,571,270
Unlisted equity investments	72,699	960,796	581,595	7,117,007
Significant investments and others	9,607,966	12,410,178	76,863,725	91,927,248
Operating fixed assets	18,788,147	18,315,687	150,305,172	135,671,758
Other assets	4,185,053	3,826,774	33,480,427	28,346,474
	176,475,527	184,338,246	1,411,804,211	1,365,468,502
<b>Off-balance sheet</b>				
Non-market related	16,693,958	15,663,040	133,551,660	116,022,517
Market related	510,082	352,906	4,080,655	2,614,115
	17,204,040	16,015,946	137,632,315	118,636,632
<b>Market Risk</b>				
Interest Rate Risk	5,723,865	5,502,336	71,548,312	68,779,200
Equity Position Risk	2,949,848	1,371,506	36,873,100	17,143,825
Foreign Exchange Risk	6,134,109	6,113,249	76,676,363	76,415,613
	14,807,822	12,987,091	185,097,775	162,338,638
<b>Operational Risk</b>				
	29,390,766	22,917,581	367,384,573	286,469,768
	<u>237,878,155</u>	<u>236,258,864</u>	<u>2,101,918,874</u>	<u>1,932,913,540</u>

**Capital Adequacy Ratio**

	2024	2023
	(Rupees in '000)	
Total eligible regulatory capital held	383,412,882	334,011,885
Total risk weighted assets	2,101,918,874	1,932,913,540
Capital adequacy ratio	18.24%	17.28%

**1.2 Capital structure**

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

	Note	2024	2023
		(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		82,636,883	49,362,791
Gain/(Losses) on derivatives held as Cash Flow Hedge		-	-
Unappropriated profit		229,803,398	206,491,645
<b>CET 1 before Regulatory Adjustments</b>		<u>327,108,806</u>	<u>270,522,961</u>
Total regulatory adjustments applied to CET1	1.3.1	(30,452,317)	(25,979,767)
<b>Common Equity Tier 1</b>		<u>296,656,489</u>	<u>244,543,194</u>

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	Note	2024 (Rupees in '000)	2023
<b>Additional Tier 1 (AT 1) Capital</b>			
Qualifying Additional Tier-1 instruments plus any related share premium		18,874,000	18,874,000
of which: Classified as equity		-	-
of which: Classified as liabilities		18,874,000	18,874,000
Total of Regulatory Adjustment applied to AT1 capital	1.3.2	<u>(5,354,097)</u>	<u>(3,664,189)</u>
<b>Additional Tier 1 capital recognized for capital adequacy</b>		13,519,903	15,209,811
<b>Tier 1 Capital (CET1 + admissible AT1)</b>		310,176,392	259,753,005
<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		-	-
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		19,367,957	16,032,464
Revaluation Reserves (net of taxes)		57,277,864	26,187,947
of which: Revaluation reserves on fixed assets		41,914,808	42,339,948
of which: Unrealized gains/losses on FVOCI		15,363,056	(16,152,001)
Foreign Exchange Translation Reserves		-	36,876,909
<b>Tier 2 before regulatory adjustments</b>		<u>76,645,821</u>	<u>79,097,320</u>
Total regulatory adjustment applied to T2 capital	1.3.3	<u>(3,409,331)</u>	<u>(4,838,440)</u>
Tier 2 after regulatory adjustments		73,236,490	74,258,880
Tier 2 capital not recognized for capital adequacy		-	-
Tier 2 capital recognized for capital adequacy		73,236,490	74,258,880
Portion of Additional Tier 1 capital recognized in Tier 2 capital		-	-
Total Tier 2 capital admissible for capital adequacy		<u>73,236,490</u>	<u>74,258,880</u>
<b>TOTAL CAPITAL (Tier 1 + admissible Tier 2)</b>		<u><b>383,412,882</b></u>	<u><b>334,011,885</b></u>
<b>Total Risk Weighted Assets</b>		<b>2,101,918,874</b>	<b>1,932,913,540</b>
<b>Capital Ratios and buffers (in percentage of risk weighted assets)</b>			
CET1 to total RWA		<u>14.11%</u>	<u>12.65%</u>
Tier-1 capital to total RWA		<u>14.76%</u>	<u>13.44%</u>
Total capital to RWA		<u>18.24%</u>	<u>17.28%</u>
Bank specific buffer requirement (minimum CET1 requirement plus CCB plus any other buffer requirement)		8.50%	9.00%
of which: capital conservation buffer requirement		1.50%	1.50%
of which: countercyclical buffer requirement		-	-
of which: D-SIB buffer requirement		1.00%	1.50%
CET1 available to meet buffers (as a percentage of risk weighted assets)		8.11%	6.65%
<b>Other information:</b>			
<b>Minimum capital requirements prescribed by SBP</b>			
CET1 minimum ratio		8.50%	9.00%
Tier 1 minimum ratio		10.00%	10.50%
Total capital minimum ratio		12.50%	13.00%

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1.3 Regulatory Adjustments and Additional Information	<u>2024</u>	<u>2023</u>
1.3.1 Common Equity Tier 1 capital: Regulatory adjustments	----- (Rupees in '000) -----	
Goodwill (net of related deferred tax liability)	-	-
All other intangibles (net of any associated deferred tax liability)	17,022,673	14,988,816
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)	-	-
Defined-benefit pension fund net assets	-	-
Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	2,631,231	1,883,555
Cash flow hedge reserve	-	-
Investment in own shares / CET1 instruments	-	-
Securitization gain on sale	-	-
Capital shortfall of regulated subsidiaries	-	-
Deficit on account of revaluation from bank's holdings of fixed assets/ FVOCI	-	-
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)	10,798,413	9,107,397
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>30,452,317</u>	<u>25,979,767</u>
1.3.2 Additional Tier-1 Capital: regulatory adjustments		
Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	-	-
Investment in own AT1 capital instruments	-	-
Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	340,197	-
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	5,013,900	3,664,189
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	-	-
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>5,354,097</u>	<u>3,664,189</u>
1.3.3 Tier 2 Capital: regulatory adjustments		
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	66,731	46,808
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	3,342,600	4,791,632
Total regulatory adjustment applied to T2 capital	<u>3,409,331</u>	<u>4,838,440</u>

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1.3.4 Additional Information	2024	2023
	(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	6,259,968	6,388,850
Significant investments in the common stock of financial entities	30,745,490	25,365,059
Deferred tax assets arising from temporary differences (net of related tax liability)	-	11,405,839
<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)	23,175,179	16,032,464
Cap on inclusion of provisions in Tier 2 under standardized approach	19,367,957	18,551,314
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal rating-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 published financial statements</b>	<b>Under regulatory scope of consolidation</b>
	(Rupees in '000)	
<b>Assets</b>		
Cash and balances with treasury banks	421,135,641	421,135,641
Balances with other banks	42,050,611	42,050,611
Lendings to financial institutions	84,293,922	84,293,922
Investments	2,398,928,165	2,398,928,165
Advances	2,254,964,431	2,254,964,431
Fixed assets	150,305,172	150,305,172
Intangible assets	17,022,673	17,022,673
Deferred tax assets	3,213,765	3,213,765
Other assets	287,889,450	287,889,450
<b>Total assets</b>	<u>5,659,803,830</u>	<u>5,659,803,830</u>
<b>Liabilities &amp; Equity</b>		
Bills payable	94,853,624	94,853,624
Borrowings	787,746,499	787,746,499
Deposits and other accounts	4,091,168,379	4,091,168,379
Subordinated loan	18,874,000	18,874,000
Liabilities against assets subject to finance lease	30,788,980	30,788,980
Deferred tax liability	-	-
Other liabilities	258,587,052	258,587,052
<b>Total liabilities</b>	5,282,018,534	5,282,018,534
Share capital	14,668,525	14,668,525
Reserves	82,636,883	82,636,883
Unappropriated profit	222,991,000	222,991,000
Surplus on revaluation of assets	57,488,888	57,488,888
<b>Total liabilities &amp; equity</b>	<u>5,659,803,830</u>	<u>5,659,803,830</u>

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1.4.1 Detail of capital structure reconciliation

	As per published financial statements	Under regulatory scope of consolidation (Rupees in '000)	Reference
<b>ASSETS</b>			
<b>Cash and balances with treasury banks</b>	421,135,641	421,135,641	
<b>Balances with other banks</b>	42,050,611	42,050,611	
<b>Lendings to financial institutions</b>	84,293,922	84,293,922	
<b>Investments</b>	2,398,928,165	2,398,928,165	
<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>	19,154,913	19,154,913	(a)
<i>of which: Mutual Funds exceeding regulatory threshold</i>	-	-	
<i>of which: reciprocal crossholding of capital instrument</i>	3,038,159	3,038,159	(b)
<i>of which: investment in own shares</i>	-	-	
<b>Advances</b>	2,254,964,431	2,254,964,431	
<i>Shortfall in provisions/ excess of total EL amount over eligible provisions under IRB</i>	-	-	
<i>General provisions reflected in Tier 2 capital</i>	19,367,957	19,367,957	(c)
<b>Operating fixed assets</b>	167,327,845	167,327,845	
<i>of which: Goodwill</i>	-	-	
<i>of which: Intangibles</i>	17,022,673	17,022,673	(d)
<b>Deferred Tax Assets</b>	3,213,765	3,213,765	
<i>of which: DTAs excluding those arising from temporary differences</i>	-	-	
<i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>	-	-	(e)
<b>Other assets</b>	287,889,450	287,889,450	
<i>of which: Goodwill</i>	-	-	
<i>of which: Intangibles</i>	-	-	
<i>of which: Defined-benefit pension fund net assets</i>	-	-	
<b>Total assets</b>	<u>5,659,803,830</u>	<u>5,659,803,830</u>	
<b>LIABILITIES &amp; EQUITY</b>			
<b>Bills payable</b>	94,853,624	94,853,624	
<b>Borrowings</b>	787,746,499	787,746,499	
<b>Deposits and other accounts</b>	4,091,168,379	4,091,168,379	
<b>Subordinated loans</b>	18,874,000	18,874,000	
<i>of which: eligible for inclusion in AT1</i>	18,874,000	18,874,000	
<i>of which: eligible for inclusion in Tier 2</i>	-	-	(f)
<b>Liabilities against assets subject to finance lease</b>	30,788,980	30,788,980	
<b>Deferred tax liabilities</b>	-	-	
<i>of which: DTLs related to goodwill</i>	-	-	
<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>	-	-	
<b>Other liabilities</b>	258,587,052	258,587,052	
<b>Total liabilities</b>	5,282,018,534	5,282,018,534	
<b>Share capital</b>	14,668,525	14,668,525	
<i>of which: amount eligible for CET1</i>	14,668,525	14,668,525	(g)
<i>of which: amount eligible for AT1</i>	-	-	
<b>Reserves</b>	82,636,883	82,636,883	
<i>of which: portion eligible for inclusion in CET1</i>	82,636,883	82,636,883	(h)
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	(i)
<b>Unappropriated profit</b>	222,991,000	222,991,000	(j)
<b>Surplus on revaluation of assets</b>	57,488,888	57,488,888	
<i>of which: Revaluation reserves on Property eligible for inclusion in Tier 2</i>	41,914,808	41,914,808	(k)
<i>of which: Unrealized Gains/Losses on FVOCI eligible for inclusion in Tier 2</i>	15,363,056	15,363,056	(l)
<b>Total liabilities &amp; Equity</b>	<u>5,659,803,830</u>	<u>5,659,803,830</u>	

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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	(g)
Balance in Share Premium Account	-	
Reserve for issue of Bonus Shares	-	
General/ Statutory Reserves	82,636,883	(h)
Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
Unappropriated profit	229,803,398	(j)*
<b>CET 1 before Regulatory Adjustments</b>	<u>327,108,806</u>	
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>		
Goodwill	-	
All other intangibles	17,022,673	(d)
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)	-	
Defined-benefit pension fund net assets	-	
Reciprocal cross holdings	2,631,231	portion of (b)
Cash flow hedge reserve	-	
Investment in own shares	-	
Securitization gain on sale	-	
Capital shortfall of regulated subsidiaries	-	
Deficit on account of revaluation from bank's holdings of property/ FVOCI	-	
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)	10,798,413	portion of (a)
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
Amount exceeding 15% threshold	-	(e)
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	-	
Total regulatory adjustments applied to CET1	<u>(30,452,317)</u>	
<b>Common Equity Tier 1</b>	<u>296,656,489</u>	
<b>Additional Tier 1 (AT 1) Capital</b>		
Qualifying Additional Tier-1 instruments plus any related share premium	18,874,000	(f)
of which: Classified as equity	-	
of which: Classified as liabilities	18,874,000	
of which: instrument issued by subsidiaries subject to phase out	-	
<b>AT1 before regulatory adjustments</b>	<u>18,874,000</u>	

\*Note (j): Includes IFRS-9 Transitional Impact as per SBP BPRD Circular No. 03 of 2022

	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)	-	
Investment in own AT1 capital instruments	-	
Reciprocal cross holdings in Additional Tier 1 capital instruments	340,197	portion of (b)
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	5,013,900	portion of (a)
Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III	-	
Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
Total of Regulatory Adjustment applied to AT1 capital	(5,354,097)	
Additional Tier 1 capital	13,519,903	
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>13,519,903</b>	
<b>Tier 1 Capital (CET1 + admissible AT1)</b>	<b>310,176,392</b>	
<b>Tier 2 Capital</b>		
Qualifying Tier 2 capital instruments under Basel III	-	
Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	
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	19,367,957	(c)
Revaluation Reserves eligible for Tier 2	57,277,864	
of which: portion pertaining to Property	41,914,808	(k)
of which: portion pertaining to FVOCI securities	15,363,056	(l)
Foreign Exchange Translation Reserves	-	(i)
Undisclosed/Other Reserves (if any)	-	
<b>Tier 2 before regulatory adjustments</b>	<b>76,645,821</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 instruments	66,731	portion of (b)
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	3,342,600	portion of (a)
Amount of Regulatory Adjustment applied to Tier 2 capital	(3,409,331)	
Tier 2 capital	73,236,490	
Tier 2 capital not recognized for capital adequacy	-	
Tier 2 capital recognized for capital adequacy	73,236,490	
Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
Total Tier 2 capital admissible for capital adequacy	73,236,490	
<b>TOTAL CAPITAL (Tier 1 + admissible Tier 2)</b>	<b>383,412,882</b>	

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**1.5 Main Features of Regulatory Capital Instruments**

	<b>Common Shares</b>	<b>Debt Instruments</b>	<b>Debt Instruments</b>
<b>Issuer</b>	Habib Bank Limited	Habib Bank Limited	Habib Bank Limited
<b>Unique identifier</b>	HBL	HBL	HBL
<b>Governing law(s) of the instrument</b>	Relevant Capital Market Laws	Laws applicable in Pakistan	Laws applicable in Pakistan
<b>Regulatory treatment</b>			
Transitional Basel III rules	Common Equity Tier I	Additional Tier I Capital	Additional Tier I Capital
Post-transitional Basel III rules	Common Equity Tier I	Additional Tier I Capital	Additional Tier I Capital
Eligible at solo / group / group & solo	Group and Standalone	Group and Standalone	Group and Standalone
Instrument type	Ordinary shares	Term Finance Certificates	Term Finance Certificates
Amount recognized in regulatory capital (Currency in PKR thousands)	14,668,525	12,374,000	6,500,000
Par value of instrument	Rs. 10 per share	PKR 100,000 and in multiples thereof	PKR 100,000 and in multiples thereof
Accounting classification	Shareholders' equity	Subordinated loan	Subordinated loan
Original date of issuance	1947	September 26, 2019	December 28, 2022
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	Anytime after five years from the issue date	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.	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	Floating
Coupon rate and any related index/benchmark	Not applicable	3 months KIBOR + 1.60% per annum	3 months KIBOR + 2.00% per annum
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Not applicable	Noncumulative	Noncumulative
<b>Convertible or non-convertible</b>			
	Not applicable	Convertible	Convertible
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").	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.	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)	To be determined in case of trigger event(s)
If convertible, mandatory or optional conversion	Not applicable	Mandatory	Mandatory
If convertible, specify instrument type convertible into	Not applicable	Common Shares	Common Shares
If convertible, specify issuer of instrument it converts into	Not applicable	Habib Bank Limited	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.	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	May be written down fully or partially
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
<b>Position in subordination hierarchy in liquidation</b>			
	Subordinated to loans	Subordinated to all other indebtedness to the Bank including depositors except common shares	Subordinated to all other indebtedness to the Bank including depositors except common shares
Non-compliant transitioned features	No	None	None
If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable



**CAPITAL ADEQUACY AND LIQUIDITY DISCLOSURES - UNCONSOLIDATED**

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**1.6 Credit exposures subject to Standardized Approach**

Exposures	Rating category / risk weights	2024			2023		
		(Rupees in '000)			(Rupees in '000)		
		Amount outstanding	Deduction CRM	Net amount	Amount outstanding	Deduction CRM	Net amount
Cash and cash equivalents	-	79,578,325	-	79,578,325	71,189,553	-	71,189,553
Claims on Federal and Provincial Governments and SBP, denominated in PKR	-	1,603,322,669	36,317,134	1,567,005,535	1,418,933,628	43,298,045	1,375,635,583
Foreign currency claims on SBP arising out of statutory obligations in Pakistan	-	37,743,848	-	37,743,848	37,267,375	-	37,267,375
Claims on other sovereigns and on Government of Pakistan or provincial governments or SBP denominated in currencies other than PKR	1	12,838,765	-	12,838,765	12,837,376	-	12,837,376
	2	88,410,185	-	88,410,185	87,721,487	-	87,721,487
	3	-	-	-	6,374,849	-	6,374,849
	4,5	46,379,887	-	46,379,887	65,145,882	-	65,145,882
	6	78,604,952	-	78,604,952	87,824,113	-	87,824,113
	Unrated	4,092,960	-	4,092,960	1,298,532	-	1,298,532
		230,326,749	-	230,326,749	261,202,239	-	261,202,239
Corporates	1	408,613,779	27,964,055	380,649,724	348,782,711	8,557,001	340,225,710
	2	216,916,183	11,568,508	205,347,675	245,236,705	15,271,744	229,964,961
	3,4	6,184,764	669,455	5,515,309	8,525,313	672,292	7,853,021
	5,6	-	-	-	-	-	-
	Unrated-1	236,181,010	36,871,660	199,309,350	233,707,094	16,265,773	217,441,321
	Unrated-2	165,916,252	70,581,977	95,334,275	114,786,003	23,284,435	91,501,568
		1,033,811,988	147,655,655	886,156,333	951,037,826	64,051,245	886,986,581
Claims on banks with maturity less than 3 months and denominated in foreign currency	1,2,3	4,303,560	-	4,303,560	39,658,247	-	39,658,247
	4,5	48,403	-	48,403	5,545,275	-	5,545,275
	6	-	-	-	945,705	-	945,705
	Unrated	(1)	-	(1)	3,293,494	-	3,293,494
		4,351,962	-	4,351,962	49,442,721	-	49,442,721
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in funded in PKR	20%	82,793,937	74,792,556	8,001,381	83,598,160	66,576,986	17,021,174
Banks - others	1	274,894,196	184,017,446	90,876,750	95,098,406	-	95,098,406
	2,3	42,992,151	-	42,992,151	7,647,263	-	7,647,263
	4,5	26,266,051	-	26,266,051	15,095,876	-	15,095,876
	6	1,826,127	-	1,826,127	-	-	-
	Unrated	107,457,389	-	107,457,389	34,830,353	-	34,830,353
		453,435,914	184,017,446	269,418,468	152,671,898	-	152,671,898
Public Sector Entities	1	174,586,213	42,773,003	131,813,210	158,590,292	52,099,182	106,491,110
	2,3	-	-	-	15,482	-	15,482
	4,5	-	-	-	-	-	-
	6	4,326,772	-	4,326,772	2,986,900	-	2,986,900
	Unrated	401,580,991	386,254,856	15,326,135	195,347,787	176,746,708	18,601,079
		580,493,976	429,027,859	151,466,117	356,940,461	228,845,890	128,094,571
Retail portfolio	75%	359,095,079	4,238,132	354,856,947	293,352,857	2,711,146	290,641,711
Claims Fully Secured by Residential Mortgages	35%	50,544,598	-	50,544,598	37,446,612	-	37,446,612
Low Cost Housing	25%	7,124,850	-	7,124,850	7,688,119	-	7,688,119
Past due loans	50% - 150%	9,230,756	950,409	8,280,347	14,286,939	1,181,492	13,105,447
Equity investments	100% - 150%	6,252,032	-	6,252,032	13,315,941	-	13,315,941
Significant investments	250%	30,745,490	-	30,745,490	36,770,899	-	36,770,899
Fixed assets	100%	150,305,172	-	150,305,172	135,671,758	-	135,671,758
Others	100%	33,480,427	-	33,480,427	28,346,474	-	28,346,474
		4,752,637,772	876,999,191	3,875,638,581	3,949,163,460	406,664,804	3,542,498,656

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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 4.56% (2023: 4.45%) is above the current minimum requirement of 3.00% set by the SBP.

	2024	2023
	(Rupees in '000)	
Eligible Tier-1 Capital	310,176,392	259,753,005
Total Exposures	6,802,909,769	5,834,019,080
<b>Leverage Ratio (%)</b>	<b>4.56%</b>	<b>4.45%</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**

	2024		2023	
	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)		2,320,570,154		1,879,073,951
2 Retail deposits and deposits from small business customers of which:				
2.1 Stable deposits	-	-	-	-
2.2 Less stable deposits	2,814,216,152	281,421,615	2,325,953,622	232,595,362
3 Unsecured wholesale funding of which:				
3.1 Operational deposits (all counterparties)	-	-	-	-
3.2 Non-operational deposits (all counterparties)	1,375,535,406	592,401,794	1,168,093,916	508,520,702
3.3 Unsecured debt	100,961,003	100,961,003	84,562,149	84,562,149
4 Secured wholesale funding	-	-	-	-
5 Additional requirements of which:				
5.1 Outflows related to derivative exposures and other collateral requirements	9,430,609	9,430,609	7,021,512	7,021,512
5.2 Outflows related to loss of funding on debt products	-	-	-	-
5.3 Credit and Liquidity facilities	-	-	-	-
6 Other contractual funding obligations	22,861,009	2,286,101	11,896,223	1,189,622
7 Other contingent funding obligations	1,646,009,458	32,915,240	1,642,986,439	31,270,893
8 <b>TOTAL CASH OUTFLOWS</b>		1,019,416,362		865,160,240
<b>CASH INFLOWS</b>				
9 Secured lending	-	-	-	-
10 Inflows from fully performing exposures	210,656,249	119,790,571	258,687,993	143,517,437
11 Other Cash inflows	84,308,026	30,390,419	149,612,531	27,782,127
12 <b>TOTAL CASH INFLOWS</b>		150,180,991		171,299,564
		<b>Total Adjusted Value<sup>3</sup></b>		<b>Total Adjusted Value<sup>3</sup></b>
AVERAGE HIGH QUALITY LIQUID ASSETS		2,320,570,154		1,879,073,951
AVERAGE NET CASH OUTFLOWS		869,235,371		693,860,676
<b>LIQUIDITY COVERAGE RATIO</b>		<b>266.97%</b>		<b>270.81%</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 outflows)

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**

	2024				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	327,108,806	-	-	-	327,108,806
3 Other capital instruments	18,874,000	-	-	-	18,874,000
4 Retail deposits and deposit from small business customers:					
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	-	1,151,553,912	302,401,968	1,450,228,111	2,758,788,403
7 Wholesale funding:					
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	470,657,685	123,596,307	592,730,396	889,857,391
10 Other liabilities:					
11 NSFR derivative liabilities	-	-	-	6,871,162	-
12 All other liabilities and equity not included in other categories		975,096,142	35,383,342	161,496,671	161,496,671
<b>13 Total ASF</b>					<b>4,156,125,272</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	-	122,286,587	-	-	14,602,906
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	-	371,690,115	277,587,957	704,295,730	606,259,347
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	353,111,839	229,522,696
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	-	1,639,051,195	232,835,331	1,958,945,075	1,779,014,276
28 Off-balance sheet items	-	1,185,810,781	518,922,211	364,322,877	103,452,793
<b>29 Total RSF</b>					<b>2,732,852,018</b>
<b>30 Net Stable Funding Ratio (%)</b>					<b>152.08%</b>

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

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**3.2 Net Stable Funding Ratio**

	2023				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	270,522,970	-	-	-	270,522,970
3 Other capital instruments	18,874,000	-	-	-	18,874,000
4 Retail deposits and deposit from small business customers:					
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	-	1,050,904,947	329,168,158	1,171,565,677	2,413,631,470
7 Wholesale funding:					
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	543,047,632	170,095,297	605,398,203	961,969,667
10 Other liabilities:					
11 NSFR derivative liabilities	-	-	-	12,213,701	-
12 All other liabilities and equity not included in other categories	-	800,007,241	31,715,775	147,114,826	147,114,826
<b>13 Total ASF</b>					<b>3,812,112,933</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	-	85,626,385	-	-	9,389,050
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	-	66,905,364	53,533,683	753,946,376	644,463,591
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	472,878,596	307,371,088
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	-	1,236,789,572	680,015,921	1,851,975,266	1,335,574,968
28 Off-balance sheet items	-	523,922,675	471,363,544	280,953,327	87,939,977
<b>29 Total RSF</b>					<b>2,384,738,674</b>
<b>30 Net Stable Funding Ratio (%)</b>					<b>159.85%</b>

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