

**SAMBA BANK LIMITED**

**1 Capital Adequacy Ratio (CAR) disclosure**

Particulars	2019	2018
	Amount	
	Rupees in '000	
<b>1.1 Common Equity Tier 1 capital (CET1): Instruments and reserves</b>		
Fully paid-up capital / capital deposited with the SBP	10,082,387	10,082,387
Balance in share premium account	-	-
Reserve for issue of bonus shares	-	-
Discount on issue of shares	-	-
General / Statutory Reserves	829,289	691,997
Gain / (Losses) on derivatives held as Cash Flow Hedge	-	-
Unappropriated profits	2,938,552	2,389,385
Minority Interests arising from CET1 capital Instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
<b>CET 1 before Regulatory Adjustments</b>	<b>13,850,228</b>	<b>13,163,770</b>
<b>Total regulatory adjustments applied to CET1</b>	<b>(133,464)</b>	<b>(500,663)</b>
<b>Common Equity Tier 1</b>	<b>13,716,764</b>	<b>12,663,107</b>
<b>Additional Tier 1 (AT 1) Capital</b>		
Qualifying Additional Tier-1 capital instruments plus any related share premium of which:		
- classified as equity	-	-
- classified as liabilities	-	-
Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties	-	-
- of which: instrument issued by subsidiaries subject to phase out	-	-
<b>AT1 before regulatory adjustments</b>	<b>-</b>	<b>-</b>
<b>Total of Regulatory Adjustment applied to AT1 capital</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 capital after regulatory adjustments</b>	<b>-</b>	<b>-</b>
<b>Tier 1 Capital (CET1 + admissible AT1)</b>	<b>13,716,764</b>	<b>12,663,107</b>
<b>Tier 2 Capital</b>		
Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	-
Capital instruments subject to phase out arrangement Issued	-	-
Tier 2 capital Instruments Issued to third parties by consolidated subsidiaries	-	-
- 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	63,518	49,942
Revaluation Reserves (net of taxes) of which:		
- Revaluation reserves on fixed assets	-	-
- Unrealized gains / losses on AFS	329,259	-
Foreign Exchange Translation Reserves	-	-
Undisclosed/Other Reserves (if any)	-	-
<b>T2 before regulatory adjustments</b>	<b>392,777</b>	<b>49,942</b>
<b>Total regulatory adjustment applied to T2 capital</b>	<b>-</b>	<b>-</b>
<b>Tier 2 capital (T2) after regulatory adjustments</b>	<b>392,777</b>	<b>49,942</b>
<b>Tier 2 capital recognized for capital adequacy</b>	<b>392,777</b>	<b>49,942</b>
Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
<b>Total Tier 2 capital admissible for capital adequacy</b>	<b>392,777</b>	<b>49,942</b>
<b>TOTAL CAPITAL (T1 + admissible T2)</b>	<b>14,109,541</b>	<b>12,713,049</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>78,480,764</b>	<b>66,761,206</b>
<b>Capital Ratios and buffers (in percentage of risk weighted assets)</b>		
CET1 to total RWA	17.48%	18.97%
Tier-1 capital to total RWA	17.48%	18.97%
Total capital to total RWA	17.98%	19.04%
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement) of which:		
- capital conservation buffer requirement	2.50%	1.90%
- countercyclical buffer requirement	-	-
- D-SIB or G-SIB buffer requirement	-	-
CET1 available to meet buffers (as a percentage of risk weighted assets)	11.48%	12.97%
<b>National minimum capital requirements prescribed by SBP</b>		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
CCB (Consisting of CET 1 only)	2.50%	1.90%
Total capital minimum ratio	12.50%	11.90%

\* This column highlights items that are still subject to Pre Basel III treatment during the transitional period

1.2 Regulatory Adjustments and Additional information

Particulars	2019		2018	
	Amount	Pre-BaseI III treatment*	Amount	Pre-BaseI III treatment*

Rupees in '000

1.2.1 Common Equity Tier 1 capital: Regulatory adjustments

Goodwill (net of related deferred tax liability)	-	-	-	-
All other intangibles (net of any associated deferred tax liability)	133,464	-	120,648	-
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 in CET1 capital instruments	-	-	-	-
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 property / AFS	-	-	380,015	-
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)	-	-	-	-
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	-	-	-	-
- 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	-	-	-	-
Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-	-	-
<b>Total regulatory adjustments applied to CET1</b>	<b>133,464</b>	<b>-</b>	<b>500,663</b>	<b>-</b>

1.2.2 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	-	-	-	-
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-BaseI III treatment which, during transitional period, remain subject to deduction from tier-1 capital	-	-	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-	-
<b>Total of Regulatory Adjustment applied to AT1 capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* This column highlights items that are still subject to Pre Basel III treatment during the transitional period

Particulars	2019		2018	
	Amount	Pre-Basel III treatment*	Amount	Pre-Basel III treatment*
----- Rupees in '000 -----				
<b>1.2.3 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	-	-	-	-
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	-	-	-	-
<b>Amount of Regulatory Adjustment applied to T2 capital</b>	-	-	-	-

\* This column highlights items that are still subject to Pre Basel III treatment during the transitional period

Particulars	2019	2018
	----- Rupees in '000 -----	
<b>1.2.4 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	378,438	232,354
Significant investments in the common stock of financial entities	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	327,484	700,767

Particulars	2019	2018
	----- Rupees in '000 -----	
<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)	63,518	49,942
Cap on inclusion of provisions in Tier 2 under standardized approach	-	-
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	-	-

### 1.3 Capital structure reconciliation

#### 1.3.1 Reconciliation of each financial statement line item to item under regulatory scope of reporting - Step 1

Particulars	Balance sheet as in published financial statements	Under regulatory scope of reporting
	----- (Rupees in '000) -----	
<b>Assets</b>		
Cash and balances with treasury banks	5,544,027	5,544,027
Balances with other banks	1,154,197	1,154,197
Lending to financial and other institutions	2,274,405	2,274,405
Investments	51,278,029	51,278,029
Advances	61,356,143	61,356,143
Operating fixed assets	2,029,971	2,029,971
Deferred tax assets	327,484	327,484
Other assets	5,613,151	5,613,151
<b>Total assets</b>	<b>129,577,407</b>	<b>129,577,407</b>

Particulars	Balance sheet as in published financial statements	Under regulatory scope of reporting
------(Rupees in '000)-----		
<b>Liabilities and Equity</b>		
Bills payable	783,478	783,478
Borrowings	36,114,488	36,114,488
Deposits and other accounts	71,881,880	71,881,880
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	6,618,074	6,618,074
<b>Total liabilities</b>	<b>115,397,920</b>	<b>115,397,920</b>
Share capital	10,082,387	10,082,387
Discount on issue of shares	-	-
Reserves	829,289	829,289
Unappropriated profit	2,938,552	2,938,552
Surplus on revaluation of assets - net of tax	329,259	329,259
<b>Total liabilities and equity</b>	<b>129,577,407</b>	<b>129,577,407</b>

1.3.2 Reconciliation of balance sheet to eligible regulatory capital - Step 2

Particulars	Reference	Balance sheet as in published financial statements	Under regulatory scope of reporting
------(Rupees in '000)-----			
<b>Assets</b>			
Cash and balances with treasury banks		5,544,027	5,544,027
Balances with other banks		1,154,197	1,154,197
Lending to financial and other Institutions		2,274,405	2,274,405
Investments		51,278,029	51,278,029
of which:			
- non-significant capital investments in capital of other financial institutions exceeding 10% threshold	a	-	-
- significant capital investments in financial sector entities exceeding regulatory threshold	b	-	-
- mutual Funds exceeding regulatory threshold	c	-	-
- reciprocal crossholding of capital instrument	d	-	-
- others	e	-	-
Advances		61,356,143	61,356,143
- shortfall in provisions / excess of total EL amount over eligible provisions under IRB	f	-	-
- general provisions reflected in Tier 2 capital	g	63,518	63,518
Operating fixed assets		2,029,971	2,029,971
- of which: Intangibles	k	133,464	133,464
Deferred tax assets		327,484	327,484
of which:			
- DTAs that rely on future profitability excluding those arising from temporary differences	h	-	-
- DTAs arising from temporary differences exceeding regulatory threshold	l	-	-
Other assets		5,613,151	5,613,151
of which:			
- goodwill	j	-	-
- defined-benefit pension fund net assets	l	-	-
<b>Total assets</b>		<b>129,577,407</b>	<b>129,577,407</b>

Particulars	Reference	Balance sheet as in published financial statements	Under regulatory scope of reporting
----- (Rupees in '000) -----			
<b>Liabilities and Equity</b>			
Bills payable		783,478	783,478
Due from financial institutions		36,114,488	36,114,488
Deposits and other accounts		71,881,880	71,881,880
Sub-ordinated loans of which:		-	-
- eligible for inclusion in AT1	m	-	-
- eligible for inclusion in Tier 2	n	-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities of which:		-	-
- DTLs related to goodwill	o	-	-
- DTLs related to intangible assets	p	-	-
- DTLs related to defined pension fund net assets	q	-	-
- other deferred tax liabilities	r	-	-
Other liabilities		6,618,074	6,618,074
<b>Total liabilities</b>		<b>115,397,920</b>	<b>115,397,920</b>
<b>Share capital</b>			
- of which: amount eligible for CET1	s	10,082,387	10,082,387
- of which: amount eligible for AT1	t	-	-
Reserves of which:		829,289	829,289
- portion eligible for inclusion in CET1 - Statutory reserve	u	829,289	829,289
- portion eligible for inclusion in CET1 - General reserve		-	-
- portion eligible for inclusion in Tier 2 General reserve	v	-	-
Discount on issue of shares		-	-
Unappropriated profit	w	2,938,552	2,938,552
Minority Interest of which:		-	-
- portion eligible for inclusion in CET1	x	-	-
- portion eligible for inclusion in AT1	y	-	-
- portion eligible for inclusion in Tier 2	z	-	-
Surplus on revaluation of assets of which:		-	-
- Revaluation reserves on Fixed Assets		-	-
- Unrealized Gains/Losses on AFS	aa	329,259	329,259
- In case of Deficit on revaluation (deduction from CET1)	ab	-	-
<b>Total liabilities and Equity</b>		<b>129,577,407</b>	<b>129,577,407</b>

1.3.3 Basel III Disclosure (with added column) - Step 3

Particulars	Source based on reference number from step 2	Component of regulatory capital reported by bank
(Rupees in '000)		
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>		
1 Fully Paid-up Capital		10,082,387
2 Balance in share premium account		-
3 Discount on issue of shares	(s)	-
4 Reserve for issue of bonus shares		-
5 General / Statutory Reserves		829,289
6 Gain / (Losses) on derivatives held as Cash Flow Hedge	(u)	-
7 Unappropriated / unremitted profits	(w)	2,938,552
8 Minority interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	(x)	-
9 <b>CET 1 before Regulatory Adjustments</b>		<b>13,850,228</b>

Particulars	Source based on reference number from step 2	Component of regulatory capital reported by bank
(Rupees in '000)		
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>		
10 Goodwill (net of related deferred tax liability)	(j) - (s)	-
11 All other Intangibles (net of any associated deferred tax liability)	(k) - (p)	133,464
12 Shortfall of provisions against classified assets	(r)	-
13 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(h) - (r) * x%	-
14 Defined-benefit pension fund net assets	(i) - (q) * x%	-
15 Reciprocal cross holdings in CET1 capital instruments	(d)	-
16 Cash flow hedge reserve		-
17 Investment in own shares / CET1 instruments		-
18 Securitization gain on sale		-
19 Capital shortfall of regulated subsidiaries		-
20 Deficit on account of revaluation from bank's holdings of property / AFS	(ab)	-
21 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	(a) - (ac) - (ae)	-
22 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	(b) - (ad) - (af)	-
23 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	(i)	-
24 Amount exceeding 15% threshold of which:		-
- significant investments in the common stocks of financial entities		-
- deferred tax assets arising from temporary differences		-
25 National specific regulatory adjustments applied to CET1 capital		-
26 Investment in TFCs of other banks exceeding the prescribed limit		-
27 Any other deduction specified by SBP (mention details)		-
28 Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions		-
29 Total regulatory adjustments applied to CET1		133,464
<b>Common Equity Tier 1</b>		<b>13,716,764</b>
<b>Additional Tier 1 (AT 1) Capital</b>		
30 Qualifying Additional Tier-1 Instruments plus any related share premium of which:		-
31 - Classified as equity	(t)	-
32 - Classified as liabilities	(m)	-
33 Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties	(y)	-
34 - of which: instrument issued by subsidiaries subject to phase out		-
35 AT1 before regulatory adjustments		-
<b>Additional Tier 1 Capital: regulatory adjustments</b>		
36 Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)		-
37 Investment in own AT1 capital instruments		-
38 Reciprocal cross holdings in Additional Tier 1 capital instruments		-
39 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	(ac)	-

Particulars		Source based on reference number from step 2	Component of regulatory capital reported by bank
			(Rupees in '000)
40	Significant investments in the capital Instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(ad)	-
41	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		-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		-
43	Total of Regulatory Adjustment applied to AT1 capital		-
44	Additional Tier 1 capital		-
45	Additional Tier 1 capital recognised for capital adequacy		-
<b>Tier 1 Capital (CET1 + admissible AT1)</b>			<b>13,716,764</b>
<b>Tier 2 Capital</b>			
46	Qualifying Tier 2 capital Instruments under Basel III		-
47	Capital instruments subject to phase out arrangement from Tier 2	(n)	-
48	Tier 2 capital instruments issued to third party by consolidated subsidiaries - of which: instruments issued by subsidiaries subject to phase out	(z)	-
49	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	(g)	63,518
50	Revaluation Reserves eligible for Tier 2 of which:		-
51	- portion pertaining to Fixed Asset		-
52	- portion pertaining to AFS securities		-
53	Foreign Exchange Translation Reserves	100% of (aa) (v)	329,259
54	Undisclosed / Other Reserves (if any)		-
55	T2 before regulatory adjustments		392,777
<b>Tier 2 Capital: regulatory adjustments</b>			
56	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		-
57	Reciprocal cross holdings in Tier 2 instruments		-
58	Investment in own Tier 2 capital instrument		-
59	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	(ae)	-
60	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(af)	-
61	Amount of Regulatory Adjustment applied to T2 capital		-
62	Tier 2 capital (T2)		-
63	Tier 2 capital recognised for capital adequacy		-
64	Excess Additional Tier 1 capital recognised in Tier 2 capital		-
65	Total Tier 2 capital admissible for capital adequacy		392,777
<b>TOTAL CAPITAL (T1 + admissible T2)</b>			<b>14,109,541</b>

## Risk-weighted exposures

## Credit risk

Portfolios subject to standardised approach  
(Comprehensive Approach)

## On-Balance Sheet Items:

Cash and Cash Equivalent  
Sovereign and central banks  
Public Sector Entities (PSEs)  
Banks and securities firms  
Corporate portfolio  
Retail non mortgages  
Mortgages – Residential  
Past Due Loans  
Operating Fixed Assets  
Other assets

## Off balance sheet items:

## Non-Market Related:-

Direct credit substitutes  
Performance-related contingencies  
Trade-related contingencies

## Risk-weighted exposures

## Market related:-

Outstanding interest rate contracts  
Outstanding foreign exchange contracts

## Equity Exposure Risk in the Banking Book

Listed equity investments held in banking book  
Unlisted equity investments held in banking book  
Recognised portion of significant investment

## Total credit risk exposures

## Market Risk

## Capital Requirement for portfolios subject to Standardized Approach

Interest rate risk  
Equity position risk  
Foreign exchange risk  
Position in options

## Total market risk exposures

## Operational Risk

## Capital Requirement for operational risks

## TOTAL

## Capital Adequacy Ratio

CET1 to total RWA  
Tier-1 capital to total RWA  
Total capital to total RWA

	2019		2018	
	Capital Requirement	Risk adjusted value	Capital Requirement	Risk adjusted value
	Rupees in '000		Rupees in '000	
	-	-	-	-
	8,801	88,008	520	5,204
	102	1,024	57,314	573,136
	83,149	831,491	211,019	2,110,187
	4,861,001	48,610,006	4,126,871	41,268,714
	184,457	1,844,570	132,584	1,325,841
	19,246	192,455	18,452	184,518
	3,887	38,868	13,242	132,424
	189,651	1,896,507	106,456	1,064,563
	443,573	4,435,729	540,992	5,409,924
	5,793,867	57,938,658	5,207,450	52,074,511
	-	-	-	-
	178,472	1,784,721	204,563	2,045,634
	76,276	762,762	77,963	779,625
	254,748	2,547,483	282,526	2,825,259
	-	-	-	-
	203,075	2,030,753	105,997	1,059,965
	203,075	2,030,753	105,997	1,059,965
	72,730	727,301	72,837	728,368
	72,672	726,723	80,629	806,289
	-	-	-	-
	145,402	1,454,024	153,466	1,534,657
	6,397,092	63,970,918	5,749,439	57,494,392
	450,947	4,509,471	175,786	1,757,857
	317,586	3,175,862	170,649	1,706,487
	19,196	191,958	31,974	319,738
	-	-	-	-
	787,729	7,877,291	378,409	3,784,082
	663,255	6,632,555	548,273	5,482,732
	7,848,076	78,480,764	6,676,121	66,761,206
	Required	Actual	Required	Actual
	2019		2018	
	6.00%	17.48%	6.00%	18.97%
	7.50%	17.48%	7.50%	18.97%
	12.50%	17.98%	11.90%	19.04%



1.5 Main Features of Regulatory Capital Instruments

	Main Features	Common Shares
1	Issuer	Samba Bank Limited
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	SBL
3	Governing law(s) of the instrument Regulatory treatment	Laws applicable in Pakistan
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo/ group/ group & solo	Solo
7	Instrument type	Ordinary shares
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	10,082,387
9	Par value of instrument	10
10	Accounting classification	Shareholders' equity
11	Original date of issuance	January 13, 2006
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/ coupon	Floating dividend
18	coupon rate and any related index/ benchmark	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible
24	If convertible, conversion trigger (s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Residual interest
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

## 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. SBL's current leverage ratio of 10.60% (2017: 9.78%) is above the current minimum requirement of 3.00% set by the SBP.

	(Rupees in '000)	
	2019	2018
Eligible Tier-1 Capital	13,716,764	12,663,107
Total Exposures	146,462,648	119,449,382
Leverage Ratio (%)	9.37%	10.60%
Minimum Requirement	3.00%	3.00%

## 3 Liquidity Standards

The SBP has introduced two liquidity standards through its guidelines on Basel III: Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The objective of the LCR is to ensure that bank have an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant a significant liquidity stress scenario over a 30-days horizon. 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 in order to mitigate the risk of future funding stress.

### 3.1 Liquidity Coverage Ratio

	(Rupees in '000)			
	2019		2018	
	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)
	Average			
<b>HIGH QUALITY LIQUID ASSETS</b>		26,409,897		20,748,795
1 Total high quality liquid assets (HQLA)	-	-	-	-
2 Retail deposits and deposits from small business customers of which:				
2 stable deposit	-	-	-	-
2 Less stable deposit	46,830,605	4,683,061	41,269,034	4,126,903
3 Unsecured wholesale funding of which:				
3 Operational deposits (all counterparties)	1,067,483	266,871	973,914	243,479
3 Non-operational deposits (all counterparties)	21,564,551	8,625,820	15,546,678	6,218,671
3 Unsecured debt	5,648,094	5,648,094	2,395,985	2,395,985
4 Secured wholesale funding	17,469,839	-	25,686,861	-
5 Additional requirements of which:				
5 Outflows related to derivative exposures and other collateral requirements	-	-	-	-
5 Outflows related to loss of funding on debt products	-	-	-	-
5 Credit and Liquidity facilities	11,644,256	-	12,487,584	-
6 Other contractual funding obligations	11,744,786	587,239	9,259,861	462,993
7 Other contingent funding obligations	-	-	277,654	13,883
8 TOTAL CASH OUTFLOWS		19,811,085		13,461,914
<b>CASH INFLOWS</b>				
9 Secured lending	12,062,944	6,031,472	9,149,270	4,574,635
10 Inflows from fully performing exposures	373,081	186,540	282,967	141,484
11 Other Cash inflows	1,721,537	60,188	2,658,716	2,015,188
12 TOTAL CASH INFLOWS	-	6,278,200	-	6,731,306
<b>TOTAL HQLA</b>		26,409,897		20,748,795
<b>TOTAL NET CASH OUTFLOWS</b>		13,532,885		6,730,607
<b>LIQUIDITY COVERAGE RATIO</b>		195%		308%
Minimum Requirement		100%		100%

3.2 Net Stable Funding Ratio

2019

unweighted value by residual maturity				weighted value
No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	

(Rupees in '000)

ASF Item

- 1 Capital:
- 2 Regulatory capital
- 3 Other capital instruments
- 4 Retail deposits and deposit from small business customers:
- 5 Stable deposits
- 6 Less stable deposits
- 7 Wholesale funding:
- 8 Operational deposits
- 9 Other wholesale funding
- 10 Other liabilities:
- 11 NSFR derivative liabilities
- 12 All other liabilities and equity not included in other categories
- 13 Total ASF

13,716,764	-	-	-	13,716,764
392,777	-	-	-	392,777
-	-	-	-	-
-	-	20,381,715	-	31,013,649
-	-	34,459,610	-	10,190,857
-	-	-	-	-
783,478	-	-	-	391,739
-	-	34,202,844	-	17,101,422
-	-	-	-	-
-	-	-	-	-
-	6,665,119	-	18,975,100	18,975,100
				91,782,309

RSF item

- 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
- Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured
- 18 performing loans to financial institutions
- Performing loans to non-financial corporate clients, loans to retail and small business
- 19 customers, and loans to sovereigns, central banks and PSEs, of which:
- With a risk weight of less than or equal to 35% under the Basel II Standardised
- 20 Approach for credit risk
- Securities that are not in default and do not qualify as HQLA including exchange-
- 21 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
- 28 Off-balance sheet items
- 29 Total RSF

			51,768,899.12	1,851,975
-	-	44,272,187	-	26,126,053
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	9,816,242	6,667,853
630,889	-	-	-	1,107,212
-	-	-	-	35,753,092
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,457,564	-	-	-	13,995,566
-	-	21,832,908	-	1,268,100
				51,016,758

30 Net Stable Funding Ratio (%)

180%

Minimum Requirement

100%

2018

unweighted value by residual maturity				weighted value
No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	

(Rupees in '000)

## ASF Item

1 Capital:					
2 Regulatory capital	12,663,107	-	-	-	12,663,107
3 Other capital instruments	49,942	-	-	-	49,942
4 Retail deposits and deposit from small business customers:	-	-	-	-	-
5 Stable deposits	-	-	30,928,531	-	27,835,678
6 Less stable deposits	-	-	15,731,866	-	7,865,933
7 Wholesale funding:	-	-	-	-	-
8 Operational deposits	877,017	-	-	-	438,509
9 Other wholesale funding	-	-	38,646,572	-	19,323,286
10 Other liabilities:	-	-	-	-	-
11 NSFR derivative liabilities	-	-	-	-	-
12 All other liabilities and equity not included in other categories	-	4,098,160	-	19,698,687	19,698,687
13 Total ASF	-	-	-	-	87,875,142

## RSF Item

14 Total NSFR high-quality liquid assets (HQLA)				55,587,705.57	1,916,331
15 Deposits held at other financial institutions for operational purposes	-	-	44,272,187	-	22,136,094
16 Performing loans and securities:	-	-	-	-	-
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured	-	-	-	-	-
18 performing loans to financial institutions	-	-	-	-	-
Performing loans to non-financial corporate clients, loans to retail and small business	-	-	-	-	-
19 customers, and loans to sovereigns, central banks and PSEs, of which:	-	-	-	-	-
With a risk weight of less than or equal to 35% under the Basel II Standardised	-	-	-	-	-
20 Approach for credit risk	-	-	-	9,816,242	6,380,557
Securities that are not in default and do not qualify as HQLA including exchange-	-	-	-	-	-
21 traded equities.	630,889	-	-	-	536,256
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	12,457,564	-	-	-	12,457,564
28 Off-balance sheet items	-	-	21,832,908	-	1,091,645
29 Total RSF	-	-	-	-	44,518,447

30 Net Stable Funding Ratio (%)

197%

Minimum Requirement

100%