

Capital Adequacy Ratio (CAR) & Liquidity disclosure: Consolidated

As at December 31st, 2018

1 CAPITAL ADEQUACY

	2018	2017
	Rupees in '000	
	Amount	Amount
Common Equity Tier 1 capital (CET1): Instruments and reserves		
1 Fully Paid-up Capital/ Capital deposited with SBP	12,602,602	12,602,602
2 Balance in Share Premium Account	234,669	234,669
3 Reserve for issue of Bonus Shares	-	-
4 Discount on Issue of shares	-	-
5 General/ Statutory Reserves	15,044,864	11,781,405
6 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7 Unappropriated/unremitted profits/ (losses)	3,710,867	2,703,887
8 Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
9 CET 1 before Regulatory Adjustments	31,593,002	27,322,563
10 Total regulatory adjustments applied to CET1 (Note 1.2.1)	2,556,125	1,931,799
11 Common Equity Tier 1	29,036,877	25,390,764
Additional Tier 1 (AT 1) Capital		
12 Qualifying Additional Tier-1 capital instruments plus any related share premium	6,000,000	-
13 of which: Classified as equity	-	-
14 of which: Classified as liabilities	6,000,000	-
15 Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1)	-	-
16 of which: instrument issued by subsidiaries subject to phase out	-	-
17 AT1 before regulatory adjustments	6,000,000	-
18 Total regulatory adjustment applied to AT1 capital (Note 1.2.2)	107,155	-
19 Additional Tier 1 capital after regulatory adjustments	5,892,845	-
20 Additional Tier 1 capital recognized for capital adequacy	5,747,573	-
21 Tier 1 Capital (CET1 + admissible AT1) (11+20)	34,784,449	25,390,764
Tier 2 Capital		
22 Qualifying Tier 2 capital instruments under Basel III plus any related share premium	3,988,800	3,990,400
23 Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel 3 rules	-	249,240
24 Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	-	-
25 of which: instruments issued by subsidiaries subject to phase out	-	-
26 General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	857,589	684,515
27 Revaluation Reserves (net of taxes)	-	2,886,128
28 of which: Revaluation reserves on fixed assets	-	2,520,898
29 of which: Unrealized gains/losses on AFS	-	365,230
30 Foreign Exchange Translation Reserves	309,161	123,847
31 Undisclosed/Other Reserves (if any)	-	-
32 T2 before regulatory adjustments	5,155,550	7,934,130
33 Total regulatory adjustment applied to T2 capital (Note 1.2.3)	236,626	340,066
34 Tier 2 capital (T2) after regulatory adjustments	4,918,924	7,594,064
35 Tier 2 capital recognized for capital adequacy	4,918,924	7,594,064
36 Portion of Additional Tier 1 capital recognized in Tier 2 capital	145,411	-
37 Total Tier 2 capital admissible for capital adequacy	5,064,335	7,594,064
38 TOTAL CAPITAL (T1 + admissible T2) (21+37)	39,848,785	32,984,828
39 Total Risk Weighted Assets (RWA) (for details refer Note 1.5)	318,241,320	272,659,657
Capital Ratios and buffers (in percentage of risk weighted assets)		
40 CET1 to total RWA	9.12%	9.31%
41 Tier-1 capital to total RWA	10.93%	9.31%
42 Total capital to total RWA	12.52%	12.10%
43 Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	7.900%	7.275%
44 of which: capital conservation buffer requirement	1.900%	1.275%
45 of which: countercyclical buffer requirement	0.00%	0.00%
46 of which: D-SIB or G-SIB buffer requirement	0.00%	0.00%
47 CET1 available to meet buffers (as a percentage of risk weighted assets)	1.22%	2.04%
National minimum capital requirements prescribed by SBP		
48 CET1 minimum ratio	6.00%	6.00%
49 Tier 1 minimum ratio	7.50%	7.50%
50 Total capital minimum ratio	10.00%	10.00%
51 Total Capital plus CCB* ratio	11.900%	11.275%
*CCB: Consisting of CET1 Only		

		2018	Rupees in '000	2017
		Amount	Amounts subject to Pre- Basel III treatment*	Amount
1.2	Regulatory Adjustments and Additional Information			
1.2.1	Common Equity Tier 1 capital: Regulatory adjustments			
1	Goodwill (net of related deferred tax liability)	-	-	-
2	All other intangibles (net of any associated deferred tax liability)	741,361	-	840,834
3	Shortfall in provisions against classified assets	-	-	-
4	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-
5	Defined-benefit pension fund net assets	-	-	-
6	Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	575,824	-	1,018,618
7	Cash flow hedge reserve	-	-	-
8	Investment in own shares/ CET1 instruments	-	-	-
9	Securitization gain on sale	-	-	-
10	Capital shortfall of regulated subsidiaries	-	-	-
11	Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	447,948	-	-
12	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
13	Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-
14	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	790,992	-	-
15	Amount exceeding 15% threshold	-	-	-
16	of which: significant investments in the common stocks of financial entities	-	-	-
17	of which: deferred tax assets arising from temporary differences	-	-	-
18	National specific regulatory adjustments applied to CET1 capital	-	-	-
19	Investments in TFCs of other banks exceeding the prescribed limit	-	-	-
20	Any other deduction specified by SBP (mention details)	-	-	-
21	Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-	72,347
22	Total regulatory adjustments applied to CET1	2,556,125		1,931,799
1.2.2	Additional Tier-1 & Tier-1 Capital: regulatory adjustments			
23	Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	107,155	-	72,347
24	Investment in own AT1 capital instruments	-	-	-
25	Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-	-
26	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
27	Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
28	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-	-	-
29	Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	-
30	Total regulatory adjustment applied to AT1 capital	107,155		-
1.2.3	Tier 2 Capital: regulatory adjustments			
31	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	-	-
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	236,626	-	340,066
33	Investment in own Tier 2 capital instrument	-	-	-
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	-
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
36	Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	236,626		340,066

		2018	2017
		Rupees in '000	
1.2.4	Additional Information	Amount	Amount
Risk Weighted Assets subject to pre-BaseI III treatment			
37	Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-BaseI III Treatment)	2,157,982	913,015
(i)	of which: deferred tax assets	-	-
(ii)	of which: Defined-benefit pension fund net assets	-	-
(iii)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	2,157,982	913,015
(iv)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-
Amounts below the thresholds for deduction (before risk weighting)			
38	Non-significant investments in the capital of other financial entities	1,835,261	1,044,496
39	Significant investments in the common stock of financial entities	-	-
40	Deferred tax assets arising from temporary differences (net of related tax liability)	2,982,787	100,755
Applicable caps on the inclusion of provisions in Tier 2			
41	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	857,589	684,515
42	Cap on inclusion of provisions in Tier 2 under standardized approach	3,363,847	2,718,777
43	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
44	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-

1.3 Capital Structure Reconciliation

(in thousand PKR)	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	2018	2018
Assets		
Cash and balances with treasury banks	49,187,645	49,187,645
Balanced with other banks	4,093,402	4,093,402
Lending to financial institutions	-	-
Investments	260,233,987	260,233,987
Advances	343,107,147	343,107,147
Operating fixed assets	13,533,188	13,533,188
Deferred tax assets	3,773,779	3,773,779
Other assets & Assets Held for Sale	32,736,931	32,736,931
Total assets	706,666,079	706,666,079
Liabilities & Equity		
Bills payable	15,512,880	15,512,880
Borrowings	52,702,323	52,702,323
Deposits and other accounts	573,596,926	573,596,926
Sub-ordinated loans	9,993,600	9,993,600
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	21,259,989	21,259,989
Total liabilities	673,065,718	673,065,718
Share capital/ Head office capital account	12,602,602	12,602,602
Reserves	15,588,694	15,588,694
Unappropriated/ Unremitted profit/ (losses)	3,710,867	3,710,867
Minority Interest	43,278	43,278
Surplus on revaluation of assets	1,654,920	1,654,920
Total liabilities & equity	706,666,079	706,666,079

1.3 Capital Structure (contd)

Table: 44.3

	Balance sheet as in published financial statements		Reference
	2018	2018	
Assets			
Cash and balances with treasury banks	49,187,645	49,187,645	
Balanced with other banks	4,093,402	4,093,402	
Lending to financial institutions	-	-	
Investments	260,233,987	260,233,987	
<i>of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold</i>	-	-	a
<i>of which: significant capital investments in financial sector entities exceeding regulatory threshold</i>	-	-	b
<i>of which: Mutual Funds exceeding regulatory threshold</i>	107,155	107,155	c
<i>of which: reciprocal crossholding of capital instrument CET 1</i>	575,824	575,824	d
<i>of which: reciprocal crossholding of capital instrument AT 1</i>	-	-	d
<i>of which: reciprocal crossholding of capital instrument Tier II</i>	236,626	236,626	d
<i>of which: others</i>	259,314,381	259,314,381	e
Advances	343,107,147	343,107,147	
<i>shortfall in provisions/ excess of total EL amount over eligible provisions under IRB</i>	-	-	f
<i>general provisions reflected in Tier 2 capital</i>	857,589	857,589	g
Fixed Assets	13,533,188	13,533,188	
<i>of which: Intangibles</i>	741,361	741,361	
Deferred Tax Assets	3,773,779	3,773,779	
<i>of which: DTAs excluding those pertaining to temporary differences</i>	-	-	h
<i>of which: DTAs arising from temporary differences below the threshold</i>	2,982,787	2,982,787	i
<i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>	790,992	790,992	i
Other assets & Assets Held for Sale	32,736,931	32,736,931	
<i>of which: Goodwill</i>	-	-	j
<i>of which: Intangibles</i>	-	-	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	706,666,079	706,666,079	
Liabilities & Equity			
Bills payable	15,512,880	15,512,880	
Borrowings	52,702,323	52,702,323	
Deposits and other accounts	573,596,926	573,596,926	
Sub-ordinated loans	9,993,600	9,993,600	
<i>of which: eligible for inclusion in AT1</i>	6,000,000	6,000,000	m
<i>of which: eligible for inclusion in Tier 2</i>	3,988,800	3,988,800	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	-	-	
<i>of which: DTLs related to goodwill</i>	-	-	o
<i>of which: DTLs related to intangible assets</i>	-	-	p
<i>of which: DTLs related to defined pension fund net assets</i>	-	-	q
<i>of which: other deferred tax liabilities</i>	-	-	r
Other liabilities	21,259,989	21,259,989	
Total liabilities	673,065,718	673,065,718	
Share capital	12,602,602	12,602,602	
<i>of which: amount eligible for CET1</i>	12,602,602	12,602,602	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	15,588,694	15,588,694	
<i>of which: portion eligible for inclusion in CET1-Balance in Share Premium Account</i>	234,669	234,669	u
<i>of which: portion eligible for inclusion in CET1-General/ Statutory Reserves (as disclosed on Balance Sheet)</i>	15,044,864	15,044,864	u
<i>of which: portion eligible for inclusion in CET1-Reserve for issue of Bonus Shares</i>	-	-	
<i>of which: portion eligible for inclusion in Tier 2</i>	309,161	309,161	v
Unappropriated profit/ (losses)	3,710,867	3,710,867	w
Minority Interest	43,278	43,278	
<i>of which: portion eligible for inclusion in CET1</i>	-	-	x
<i>of which: portion eligible for inclusion in AT1</i>	-	-	y
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	z
Surplus on revaluation of assets	1,654,920	1,654,920	
<i>of which: Revaluation Reserves on Property</i>	-	-	aa
<i>of which: Unrealized Gains/Losses on AFS</i>	-	-	
<i>In case of Deficit on revaluation (deduction from CET1)</i>	447,948	447,948	ab
<i>of which on Non-Banking Assets</i>	2,097,145	2,097,145	
Total liabilities & Equity	706,666,079	706,666,079	

1.3 Capital Structure (contd)

Basel III Disclosure

Table: 44.3

Component of regulatory capital reported by bank
(amount in thousand PKR)

Source based on reference number

	Component of regulatory capital reported by bank (amount in thousand PKR)	Source based on reference number
Common Equity Tier 1 capital (CET1): Instruments and reserves		
1 Fully Paid-up Capital/ Capital deposited with SBP	12,602,602	
2 Balance in Share Premium Account	234,669	(s)
3 Reserve for issue of Bonus Shares	-	
4 General/ Statutory Reserves	15,044,864	(u)
5 Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
6 Unappropriated/unremitted profits/(losses)	3,710,867	(w)
7 Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	(x)
8 CET 1 before Regulatory Adjustments	31,593,002	
Common Equity Tier 1 capital: Regulatory adjustments		
9 Goodwill (net of related deferred tax liability)	-	(j) - (o)
10 All other intangibles (net of any associated deferred tax liability)	741,361	(k) - (p)
11 Shortfall of provisions against classified assets	-	(f)
12 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	{(h) - (r)} * x%
13 Defined-benefit pension fund net assets	-	{(l) - (q)} * x%
14 Reciprocal cross holdings in CET1 capital instruments	575,824	(d)
15 Cash flow hedge reserve	-	
16 Investment in own shares/ CET1 instruments	-	
17 Securitization gain on sale	-	
18 Capital shortfall of regulated subsidiaries	-	
19 Deficit on account of revaluation from bank's holdings of property/ AFS	447,948	(ab)
20 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
21 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
22 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	790,992	(i)
23 Amount exceeding 15% threshold	-	
24 of which: significant investments in the common stocks of financial entities	-	
25 of which: deferred tax assets arising from temporary differences	-	
26 National specific regulatory adjustments applied to CET1 capital	-	
27 Investment in TFCs of other banks exceeding the prescribed limit	-	
28 Any other deduction specified by SBP	-	
29 Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 cover deductions	-	
30 Total regulatory adjustments applied to CET1	2,556,125	
Common Equity Tier 1	29,036,877	

Additional Tier 1 (AT 1) Capital

31	Qualifying Additional Tier-1 instruments plus any related share premium	6,000,000	
32	of which: Classified as equity	-	(t)
33	of which: Classified as liabilities	6,000,000	(m)
34	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
35	of which: instrument issued by subsidiaries subject to phase out	-	
36	AT1 before regulatory adjustments	6,000,000	
	Additional Tier 1 Capital: regulatory adjustments		
37	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	107,155	
38	Investment in own AT1 capital instruments	-	
39	Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
40	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)
41	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
42	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	-	
43	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
44	Total of Regulatory Adjustment applied to AT1 capital	107,155	
45	Additional Tier 1 capital	5,892,845	
46	Additional Tier 1 capital recognized for capital adequacy	5,747,573	
	Tier 1 Capital (CET1 + admissible AT1)	34,784,449	
	Tier 2 Capital		
47	Qualifying Tier 2 capital instruments under Basel III	3,988,800	
48	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	(n)
49	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
50	of which: instruments issued by subsidiaries subject to phase out	-	
51	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	857,589	(g)
52	Revaluation Reserves eligible for Tier 2	-	
53	of which: portion pertaining to Property	-	portion of (aa)
54	of which: portion pertaining to AFS securities	-	
55	Foreign Exchange Translation Reserves	309,161	(v)
56	Undisclosed/Other Reserves	-	
57	T2 before regulatory adjustments	5,155,550	
	Tier 2 Capital: regulatory adjustments		
58	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	
59	Reciprocal cross holdings in Tier 2 instruments	236,626	
60	Investment in own Tier 2 capital instrument	-	
61	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ae)
62	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
63	Amount of Regulatory Adjustment applied to T2 capital	236,626	
64	Tier 2 capital (T2)	4,918,924	
65	Tier 2 capital recognized for capital adequacy	4,918,924	
66	Excess Additional Tier 1 capital recognized in Tier 2 capital	145,411	
67	Total Tier 2 capital admissible for capital adequacy	5,064,335	
	TOTAL CAPITAL (T1 + admissible T2)	39,848,785	

1.4 Main Features of Regulatory Capital Instruments

Disclosure for main features of regulatory capital instruments

	Main Features	Common Shares	Instrument (PPTFC TFC V)	Instrument (PPTFC TFC VI)
1	Issuer	Askari Bank - Public Limited Company	Askari Bank - Public Limited Company	Askari Bank - Public Limited Company
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	AKBL	NA	NA
3	Governing law(s) of the instrument	The Companies Ordinance 1984 & Stock Exchange Regulations	The Companies Ordinance 1984	The Companies Ordinance 1984
	Regulatory treatment			
4	Transitional Basel III rules	NA	Tier 2	Additional Tier 1
5	Post-transitional Basel III rules	NA	NA	NA
6	Eligible at solo/ group/ group&solo	Solo and Group	Solo and Group	Solo and Group
7	Instrument type	Ordinary shares	Subordinated Debt Instrument	Perpetual Debt Instrument
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	12,602,602	3,988,800	6,000,000
9	Par value of instrument	Rs. 10 per Share	Rs. 5,000 per Instrument	Rs. 1,000 per Instrument
10	Accounting classification	Shareholder's equity	Liability - amortized cost	Liability - amortized cost
11	Original date of issuance	Year 1992	September 30, 2014	July 03, 2018
12	Perpetual or dated	Perpetual/ no Maturity	Dated	Perpetual
13	Original maturity date	NA	September 30, 2024	NA
14	Issuer call subject to prior supervisory approval	NA	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	September 30, 2019, Call would be subject to SBP approval and not less than 30 days notice to	July 03, 2023, Call would be subject to SBP approval and not less than 30 days notice to investors and
16	Subsequent call dates, if applicable	NA	Yes	Yes
	Coupons / dividends			
17	Fixed or floating dividend/ coupon	NA	Floating	Floating
18	coupon rate and any related index/ benchmark	NA	Average Ask 6 month KIBOR + 1.2 %	Average Ask 6 month KIBOR + 1.5 %
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	NA	Mandatory	Full Discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Noncumulative	Cumulative	Non Cumulative

23	Convertible or non-convertible	NA	Convertible	Convertible
24	If convertible, conversion trigger (s)	NA	As deemed to be triggered by SBP	As deemed to be triggered by SBP
25	If convertible, fully or partially	NA	Fully or as deemed appropriate by SBP	Fully or as deemed appropriate by SBP
26	If convertible, conversion rate	NA	Dependent on target market value of equity per share on or before the date of trigger.	Dependent on target market value of equity per share on or before the date of trigger.
27	If convertible, mandatory or optional conversion	NA	Mandatory	Mandatory
28	If convertible, specify instrument type convertible into	NA	Common Equity Tier 1	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	NA	Askari Bank Ltd	Askari Bank Ltd
30	Write-down feature	NA	Yes	Yes
31	If write-down, write-down trigger(s)	NA	As deemed to be triggered by SBP. Legal basis is provided to authorities to set trigger as part of the terms of contract.	As deemed to be triggered by SBP. Legal basis is provided to authorities to set trigger as part of the terms of contract.
32	If write-down, full or partial	NA	As deemed to be appropriate by SBP. Legal basis is provided to authorities to decide as part of the terms of contract.	As deemed to be appropriate by SBP. Legal basis is provided to authorities to decide as part of the terms of contract.
33	If write-down, permanent or temporary	NA	As deemed to be appropriate by SBP. Legal basis is provided to authorities to decide as part of the terms of contract.	As deemed to be appropriate by SBP. Legal basis is provided to authorities to decide as part of the terms of contract.
34	If temporary write-down, description of write-up mechanism	NA	As deemed to be appropriate by SBP. Legal basis is provided to authorities to decide as part of the terms of contract.	As deemed to be appropriate by SBP. Legal basis is provided to authorities to decide as part of the terms of contract.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	3rd, Subordinated Debt being senior	2nd, Lenders and Depositors being senior	2nd, Lenders and Depositors being senior
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA

1.5 Risk-weighted exposures

	Capital Requirement		Risk Weighted Assets	
	2018	2017	2018	2017
----- Rupees in '000 -----				
Credit risk				
i) On-Balance Sheet				
Portfolios subject to standardised approach (comprehensive approach for CRM)				
Claims on:				
Sovereigns other than PKR claims	1,382,588	892,193	13,825,877	8,921,927
Public Sector Entities (PSEs)	1,090,538	600,731	10,905,380	6,007,310
Banks	572,682	412,964	5,726,818	4,129,645
Corporates	12,277,046	10,013,390	122,770,465	100,133,899
Retail portfolio	2,117,533	1,819,265	21,175,330	18,192,650
Residential mortgage finance	527,080	486,505	5,270,801	4,865,046
Listed equities and regulatory capital instruments issued by others banks	151,254	117,598	1,512,539	1,175,977
Unlisted equity investments	45,000	2,754	450,000	27,540
Investment in the equity of commercial entities	-	-	-	-
Significant investment and DTAs	745,697	25,189	7,456,967	251,888
Fixed Assets	1,279,183	988,799	12,791,827	9,887,993
Other Assets	810,354	788,863	8,103,540	7,888,631
Past Due Exposures	213,185	216,889	2,131,845	2,168,893
ii) Off-Balance Sheet				
Non-market related	5,577,468	5,274,975	55,774,675	52,749,754
Market Related	121,169	110,103	1,211,689	1,101,028
Market risk				
Portfolios subject to standardised approach				
Interest rate risk	89,138	1,244,445	891,384	12,444,447
Equity position risk	821,173	655,915	8,211,731	6,559,154
Foreign exchange risk	66,876	24,848	668,759	248,485
Operational risk	3,936,169	3,590,539	39,361,691	35,905,392
TOTAL	31,824,133	27,265,965	318,241,320	272,659,657
GROSS TOTAL (including CCB)	37,870,717	30,742,376	318,241,320	272,659,657
Capital adequacy ratio				
Capital Adequacy Ratio	Required		Actual	
	2018	2017	2018	2017
CET1 to total RWA	6.00%	6.00%	9.12%	9.31%
Tier-1 capital to total RWA	7.50%	7.50%	10.93%	9.31%
Total capital to total RWA	10.00%	10.00%	12.52%	12.10%
Gross Total Capital to total RWA (including CCB)	11.900%	11.275%	12.52%	12.10%

3 LEVERAGE RATIO

SBP vide BPRD Circular No. 06 dated August 15, 2013 introduced leverage ratio (Tier 1 Capital to total exposure) under Basel III Framework. Banks are required to maintain minimum leverage ratio of 3% and to disclose the same from December 31, 2015. The leverage ratio is the ratio of Tier1 capital to total exposure, including off-balance sheet exposures adjusted by regulatory credit conversion factors.

The Group's position under Basel III's third capital standard is as under:

	2018	2017
	Rupees in '000	
Tier I Capital	34,784,449	25,390,764
Total Exposure	1,157,947,222	1,064,541,996
Leverage Ratio	3.00%	2.39%

4 LIQUIDITY STANDARDS

The SBP has introduced two liquidity standards through its guidelines on BaselIII:LiquidityStandards. These are the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The objective of the 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 the 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.

4.1 Liquidity Coverage Ratio

(Amount in PKR in thousands) Local Currency

	2018		2017	
	Total Unweighted ¹ Value (average)	Total Weighted ² Value (average)	Total Unweighted ¹ Value (average)	Total Weighted ² Value (average)
HIGH QUALITY LIQUID ASSETS	-	-	-	-
1 Total high quality liquid assets (HQLA)	-	278,917,759	-	283,558,343
CASH OUTFLOWS	-	-	-	-
2 Retail deposits and deposits from small business customers of which:	244,000,385	17,467,122	187,978,905	18,797,890
3 stable deposit	138,658,333	6,932,917	-	-
4 Less stable deposit	105,342,052	10,534,205	187,978,905	18,797,890
5 Unsecured wholesale funding of which:	333,622,494	145,552,880	328,898,351	139,713,173
6 Operational deposits (all counterparties)	-	-	-	-
7 Non-operational deposits (all counterparties)	316,880,670	128,811,056	320,879,596	131,694,417
8 Unsecured debt	16,741,825	16,741,825	8,018,756	8,018,756
9 Secured wholesale funding	-	7,262,267	-	7,624,225
10 Additional requirements of which:	14,975,146	1,734,444	17,710,638	1,776,097
11 Outflows related to derivative exposures and other collateral requirements	324,004	324,004	96,914	96,914
12 Outflows related to loss of funding on debt products	-	-	-	-
13 Credit and Liquidity facilities	14,651,142	1,410,440	17,613,725	1,679,183
14 Other contractual funding obligations	-	-	-	-
15 Other contingent funding obligations	525,984,883	16,668,933	511,188,740	14,757,113
16 TOTAL CASH OUTFLOWS		188,685,646		182,668,499
CASH INFLOWS				
17 Secured lending	14,752,033	-	395,833	-
18 Inflows from fully performing exposures	62,633,446	33,626,023	46,799,267	25,027,936
19 Other Cash inflows	4,290,267	928,033	6,732,087	3,827,779
20 TOTAL CASH INFLOWS		34,554,057		28,855,715
		Total Adjusted Value³		Total Adjusted Value³
21 TOTAL HQLA		278,917,759		283,558,343
22 TOTAL NET CASH OUTFLOWS		154,131,589		153,812,783
23 LIQUIDITY COVERAGE RATIO		180.96%		184.84%

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)

4.2 Net Stable Funding Ratio

2018

(Amount in PKR in thousands)

ASF Item

	unweighted value by residual maturity				weighted value
	No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
1 Capital:	31,550,549	-	-	9,988,800	41,539,349
2 Regulatory capital	31,550,549	-	-	9,988,800	41,539,349
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposit from small business customers:	-	33,539,979	4,564,857	181,393,786	217,593,381
5 Stable deposits	-	33,539,979	4,564,857	-	36,199,595
6 Less stable deposits	-	-	-	181,393,786	181,393,786
7 Wholesale funding:	-	138,313,165	19,711,807	248,814,584	325,785,719
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	138,313,165	19,711,807	248,814,584	325,785,719
10 Other liabilities:	1,958,358	17,286,819	9,467,314	9,942,023	-
11 NSFR derivative liabilities	-	-	-	464,966	-
12 All other liabilities and equity not included in other categories	1,958,358	17,286,819	9,467,314	9,942,023	-
13 Total ASF	-	-	-	-	584,918,449

RSF item

14 Total NSFR high-quality liquid assets (HQLA)					2,739,071
15 Deposits held at other financial institutions for operational purposes	-	4,093,111	-	-	2,046,556
16 Performing loans and securities:	-	169,482,635	38,860,059	135,120,848	207,227,983
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	6,552,978	919,250	4,090,903	5,533,474
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:	-	162,929,657	37,940,810	131,029,945	183,332,404
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	47,511,013	6,696,084	28,249,392	18,362,105
21 Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-	127,246	26,367	310,229	394,266
22 Other assets:	-	42,253,064	(2,330,003)	40,799,056	65,197,558
23 Physical traded commodities, including gold	-	-	-	-	-
24 Assets posted as initial margin for derivative contracts	-	-	-	-	-
25 NSFR derivative assets	-	-	-	780,086	315,120
26 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	92,993	92,993
27 All other assets not included in the above categories	-	42,253,064	(2,330,003)	40,799,056	64,789,445
28 Off-balance sheet items	-	318,986,292	233,548,137	139,591,669	34,606,305
29 Total RSF					312,211,738
30 Net Stable Funding Ratio (%)					187.35%

Net Stable Funding Ratio

2017

(Amount in PKR in thousands)

ASF Item

	<i>unweighted value by residual maturity</i>				weighted value
	No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
1 Capital:	27,277,048	-	-	4,139,944	31,416,992
2 Regulatory capital	27,277,048	-	-	4,139,944	31,416,992
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposit from small business customers:	-	31,030,928	4,588,187	162,996,129	195,053,333
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	-	31,030,928	4,588,187	162,996,129	195,053,333
7 Wholesale funding:	-	156,774,010	17,423,906	225,435,316	310,147,070
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	156,774,010	17,423,906	225,435,316	310,147,070
10 Other liabilities:	5,158,444	10,096,430	6,571,789	5,216,240	-
11 NSFR derivative liabilities	-	-	-	329,221	-
12 All other liabilities and equity not included in other categories	5,158,444	10,096,430	6,571,789	5,216,240	-
13 Total ASF					536,617,394

RSF item

14 Total NSFR high-quality liquid assets (HQLA)					1,914,273
15 Deposits held at other financial institutions for operational purposes	-	2,193,683	-	-	1,096,841
16 Performing loans and securities:	-	125,069,484	29,607,508	104,927,987	160,252,984
17 Performing loans to financial institutions secured by Level 1 HQLA	-	1,500,000	-	-	225,000
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	2,832,168	1,483,861	2,123,854	3,290,610
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:	-	120,737,316	28,123,646	102,804,133	140,238,359
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	25,520,283	4,271,066	25,383,100	16,499,015
21 Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-	125,711	26,049	306,487	389,511
22 Other assets:	-	55,420,790	1,522,275	38,273,169	51,663,568
23 Physical traded commodities, including gold	-	-	-	-	-
24 Assets posted as initial margin for derivative contracts	-	-	-	-	-
25 NSFR derivative assets	-	-	-	941,339	612,118
26 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	65,844	65,844
27 All other assets not included in the above categories	-	55,210,525	1,687,542	38,418,922	51,086,361
28 Off-balance sheet items	-	246,892,399	200,117,420	113,014,979	28,001,240
29 Total RSF					243,419,172
30 Net Stable Funding Ratio (%)					220.45%