Standalone Capital Adequacy & Liquidity Disclosures

MCB Bank Limited

December 31, 2020

MCB
Bank for Life

1. CAPITAL ASSESSMENT AND ADEQUACY

1.1 Scope of Applications

The Basel-III Framework is applicable to the bank both at the consolidated level (comprising of wholly/partially owned subsidiaries & associates) and on a stand alone basis. Subsidiaries are included while calculating Consolidated Capital Adequacy for the Bank using full consolidation method whereas associates in which the bank has significant influence on equity method. Standardized Approach is used for calculating the Capital Adequacy for Credit and Market risk, whereas, Basic Indicator Approach (BIA) is used for Operational Risk Capital Adequacy purposes.

1.2 Capital Management

Objectives and goals of managing capital

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

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

Statutory minimum capital requirement and Capital Adequacy Ratio

The State Bank of Pakistan through its BSD Circular No. 07 of 2009 dated April 15, 2009 requires the minimum paid up capital (net of losses) for all locally incorporated banks to be raised to Rs. 10 billion by the year ended on December 31, 2013. The raise was to be achieved in a phased manner requiring Rs. 10 billion paid up capital (net of losses) by the end of the financial year 2013. The paid up capital of the Bank for the year ended December 31, 2020 stands at Rs. 11.851 billion and is in compliance with the SBP requirement.

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

Phase-in arrangement and full implementation of the minimum capital requirements:

Sr. No	Ratio	Year End							As of Dec 31
		2013	2014	2015	2016	2017	2018	2019	2020
1	CET1	5.00%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
2	ADT-1	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
3	Tier 1	6.50%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
4	**Total Capital**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**	**10.00%**
5	*CCB	-	-	0.25%	0.65%	1.275%	1.90%	2.50%	1.50%
6	**Total Capital plus CCB**	**10.00%**	**10.00%**	**10.25%**	**10.65%**	**11.275%**	**11.90%**	**12.50%**	**11.50%**

- *Capital Conservation Buffer (CCB) Consisting of CET1 only; The CCB has been revised downwards from 2.5% to 1.5% during the year as per BPRD Circular No. 12 dated March 26, 2020.

Bank's regulatory capital is analysed into three tiers.

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

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

The deduction from Tier 1 Capital include mainly:

i) Book value of goodwill / intangibles;
ii) Deficit on revaluation of available for sale investments
ii) Defined-benefit pension fund net assets
iv) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;
v) Investment in mutual funds above a prescribed ceiling;
vi) Threshold deductions applicable from 2014 on deferred tax assets and certain investments.

– Tier 2 capital, which includes Subordinated debt/ Instruments, share premium of issuance of Subordinated debt/ Instruments, general provisions for loan losses (up to a maximum of 1.25 % of credit risk weighted assets), Net of tax reserves on revaluation of fixed assets and investments and foreign exchange translation reserves after all regulatory adjustments applicable on Tier-2

The deductions from Tier 2 include mainly:

i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies.

The required capital adequacy ratio including CCB (11.50% of the risk-weighted assets) is achieved by the Bank through retention of profit, improvement in the asset quality at the existing volume level, ensuring better recovery management and composition of asset mix with low risk. Banking operations are categorized as either trading book or banking book and risk-weighted assets are determined according to specified requirements of the State Bank of Pakistan that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. The total risk-weighted exposures comprise of the credit risk, market risk and operational risk.

Basel-III Framework enables a more risk-sensitive regulatory capital calculation to promote long term viability of the Bank. As the Bank conducts business on a wide area network basis, it is critical that it is able to continuously monitor the exposure across entire organization and aggregate the risks so as to take an integrated view. Maximization of the return on risk-adjusted capital is the principal basis to be used in determining how capital is allocated within the Bank to particular operations or activities.

The Bank remained compliant with all regulatory capital requirements through out the year.

		2020	2019
		(Rupees in '000)	
1.3	**Capital Adequacy Ratio**		
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid-up Capital	11,850,600	11,850,600
2	Balance in Share Premium Account	23,751,114	23,751,114
3	Reserve for issue of Bonus Shares	–	–
4	Discount on Issue of shares	–	–
5	General/ Statutory Reserves	53,160,421	50,256,691
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits	69,834,602	55,777,489
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**	**158,596,737**	**141,635,894**
10	Total regulatory adjustments applied to CET1 (Note 1.3.1)	5,695,309	5,379,123
11	**Common Equity Tier 1**	**152,901,428**	**136,256,771**

		2020	2019
		(Rupees in '000)	
	Additional Tier 1 (AT 1) Capital		
12	Qualifying Additional Tier-1 capital instruments plus any related share premium	–	–
13	of which: Classified as equity	–	–
14	of which: Classified as liabilities	–	–
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**	**–**	**–**
18	Total regulatory adjustment applied to AT1 capital (Note 1.3.2)	–	–
19	Additional Tier 1 capital after regulatory adjustments	–	–
20	**Additional Tier 1 capital recognized for capital adequacy**	–	–
21	**Tier 1 Capital (CET1 + admissible AT1) (11+20)**	**152,901,428**	**136,256,771**
	Tier 2 Capital		
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	–	–
23	Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel 3 rules	–	–
24	Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	–	–
25	of which: instruments issued by subsidiaries subject to phase out	–	–
26	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	5,465,459	1,423,921
27	Revaluation Reserves (net of taxes)		
28	of which: Revaluation reserves on fixed assets	18,925,536	19,037,215
29	of which: Unrealized gains/losses on AFS	8,239,633	4,217,747
30	Foreign Exchange Translation Reserves	2,876,483	2,675,131
31	Undisclosed/Other Reserves (if any)	–	–
32	**T2 before regulatory adjustments**	**35,507,111**	**27,354,014**
33	Total regulatory adjustment applied to T2 capital (Note 1.3.3)	–	–
34	Tier 2 capital (T2) after regulatory adjustments	35,507,111	27,354,014
35	Tier 2 capital recognized for capital adequacy	35,507,111	27,354,014
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	–	–
37	**Total Tier 2 capital admissible for capital adequacy**	**35,507,111**	**27,354,014**
38	**TOTAL CAPITAL (T1 + admissible T2) (21+37)**	**188,408,539**	**163,610,785**
39	**Total Risk Weighted Assets (RWA) {for details refer Note 1.6}**	897,938,127	867,656,268
	Capital Ratios and buffers (in percentage of risk weighted assets)		
40	**CET1 to total RWA**	**17.03%**	**15.70%**
41	**Tier-1 capital to total RWA**	**17.03%**	**15.70%**
42	**Total capital to total RWA**	**20.98%**	**18.86%**
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	7.50%	8.50%
44	of which: capital conservation buffer requirement	1.50%	2.50%

		2020	2019
		(Rupees in '000)	
45	of which: countercyclical buffer requirement	–	–
46	of which: D-SIB or G-SIB buffer requirement	–	–
47	CET1 available to meet buffers (as a percentage of risk weighted assets)	9.53%	7.20%
	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 minimum ratio plus CCB**	**11.50%**	**12.50%**
	Regulatory Adjustments and Additional Information		
1.3.1	**Common Equity Tier 1 capital: Regulatory adjustments**		
1	Goodwill (net of related deferred tax liability)	–	–
2	All other intangibles (net of any associated deferred tax liability)	938,458	958,020
3	Shortfall in provisions against classified assets	–	–
4	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–	–
5	Defined-benefit pension fund net assets	2,190,617	2,343,328
6	Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	2,004,967	1,525,502
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	–	–
12	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	–
13	Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	–
14	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	–
15	Amount exceeding 15% threshold	–	–
16	of which: significant investments in the common stocks of financial entities	–	–
17	of which: deferred tax assets arising from temporary differences	–	–
18	National specific regulatory adjustments applied to CET1 capital	–	–
19	Investments in TFCs of other banks exceeding the prescribed limit	561,267	552,273
20	Any other deduction specified by SBP (mention details)	–	–
21	Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	–	–
22	**Total regulatory adjustments applied to CET1**	**5,695,309**	**5,379,123**

		2020	2019
		(Rupees in '000)	
1.3.2	**Additional Tier-1 & Tier-1 Capital: regulatory adjustments**		
23	Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	–	–
24	Investment in own AT1 capital instruments	–	–
25	Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	–	–
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***	**–**	**–**
1.3.3	**Tier 2 Capital: regulatory adjustments**		
31	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier-2 capital	–	–
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	–	–
33	Investment in own Tier 2 capital instrument	–	–
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	–
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	–
36	**Total regulatory adjustment applied to T2 capital**	**–**	**–**
1.3.4	**Additional Information**		
	Risk Weighted Assets subject to pre-Basel III treatment		
37	Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)	–	–
(i)	of which: deferred tax assets	–	–
(ii)	of which: Defined-benefit pension fund net assets	–	–
(iii)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	–	–
(iv)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	–	–
	Amounts below the thresholds for deduction (before risk weighting)		

		2020	2019
		(Rupees in '000)	
38	Non-significant investments in the capital of other financial entities	–	–
39	Significant investments in the common stock of financial entities	–	–
40	Deferred tax assets arising from temporary differences (net of related tax liability)	–	–
	Applicable caps on the inclusion of provisions in Tier 2		
41	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	5,465,459	1,423,921
42	Cap on inclusion of provisions in Tier 2 under standardized approach	7,944,990	7,981,158
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	–	–

	Step 1	Balance sheet as per published financial statements	Under regulatory scope of consolidation
		As at 31-12- 2020	As at 31-12- 2020
		(Rupees in '000)	
1.4	**Capital Structure Reconciliation**		
	Assets		
	Cash and balances with treasury banks	122,180,839	122,180,839
	Balances with other banks	24,030,328	24,030,328
	Lendings to financial institutions	17,139,453	17,139,453
	Investments - net	1,015,869,448	1,015,869,448
	Advances - net	462,941,787	462,941,787
	Fixed assets including intangible	58,966,362	58,966,362
	Deferred tax assets	–	–
	Other assets - net	56,334,253	56,334,253
	Total assets	**1,757,462,470**	**1,757,462,470**
	Liabilities & Equity		
	Bills payable	23,980,692	23,980,692
	Borrowings	164,001,533	164,001,533
	Deposits and other accounts	1,289,502,304	1,289,502,304
	Liabilities against assets subject to finance lease	–	–
	Subordinated debt	–	–
	Deferred tax liabilities - net	6,975,158	6,975,158
	Other liabilities	82,900,828	82,900,828
	Total liabilities	**1,567,360,515**	**1,567,360,515**
	Share capital	11,850,600	11,850,600
	Reserves	80,696,335	80,696,335
	Surplus on revaluation of assets - net of tax	27,720,418	27,720,418
	Unappropriated profit	69,834,602	69,834,602
		190,101,955	190,101,955
	Total liabilities & equity	**1,757,462,470**	**1,757,462,470**

Step 2	Balance sheet as per published financial statements	Under regulatory scope of consolidation	Ref
	As at 31-12- 2020	As at 31-12- 2020	
	(Rupees in '000)		
Assets			
Cash and balances with treasury banks	122,180,839	122,180,839	
Balanced with other banks	24,030,328	24,030,328	
Lending to financial institutions	17,139,453	17,139,453	
Investments	1,015,869,448	1,015,869,448	
of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold	–	–	a
of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold	561,267	561,267	b
of which: Mutual Funds exceeding regulatory threshold	–	–	c
of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)	2,004,967	2,004,967	d
of which: others	–	–	e
Advances	462,941,787	462,941,787	
shortfall in provisions/ excess of total EL amount over eligible provisions under IRB	–	–	f
general provisions reflected in Tier 2 capital	5,465,459	5,465,459	g
Fixed Assets	58,966,362	58,966,362	
of which: Intangibles	938,458	938,458	k
Deferred Tax Assets	–	–	
of which: DTAs that rely on future profitability excluding those arising from temporary differences	–	–	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	–	–	i
Other assets	56,334,253	56,334,253	
of which: Goodwill	–	–	j
of which: Defined-benefit pension fund net assets	3,370,179	3,370,179	l
Total assets	**1,757,462,470**	**1,757,462,470**	
Liabilities & Equity			
Bills payable	23,980,692	23,980,692	
Borrowings	164,001,533	164,001,533	
Deposits and other accounts	1,289,502,304	1,289,502,304	
Sub-ordinated loans	–	–	
of which: eligible for inclusion in AT1	–	–	m
of which: eligible for inclusion in Tier 2	–	–	n
Liabilities against assets subject to finance lease	–	–	
Deferred tax liabilities	6,975,158	6,975,158	
of which: DTLs related to goodwill	–	–	o
of which: DTLs related to intangible assets	–	–	p
of which: DTLs related to defined pension fund net assets	1,179,562	1,179,562	q
of which: other deferred tax liabilities	5,795,596	5,795,596	r
Other liabilities	82,900,828	82,900,828	
Total liabilities	**1,567,360,515**	**1,567,360,515**	
Share capital	35,601,714	35,601,714	
of which: amount eligible for CET1	35,601,714	35,601,714	s
of which: amount eligible for AT1	–	–	t

Step 2	Balance sheet as per published financial statements	Under regulatory scope of consolidation	Ref
	As at 31-12- 2020	As at 31-12- 2020	
	(Rupees in '000)		
Reserves	56,945,221	56,945,221	
of which: portion eligible for inclusion in CET1 (general reserve & statutory reserve)	53,160,421	53,160,421	u
of which: portion eligible for inclusion in Tier 2	2,876,483	2,876,483	v
Unappropriated profit	69,834,602	69,834,602	w
Minority Interest	–	–	
of which: portion eligible for inclusion in CET1	–	–	x
of which: portion eligible for inclusion in AT1	–	–	y
of which: portion eligible for inclusion in Tier 2	–	–	z
Surplus on revaluation of assets	27,720,418	27,720,418	
of which: Revaluation reserves on fixed assets	18,925,536	18,925,536	aa
of which: Unrealized Gains/Losses on AFS	8,239,633	8,239,633	
of which: Revaluation reserves on Non-banking assets	555,249	555,249	
In case of Deficit on revaluation (deduction from CET1)	–	–	ab
Total Equity	**190,101,955**	**190,101,955**	
Total liabilities & Equity	**1,757,462,470**	**1,757,462,470**	

	Step 3	Component of regulatory capital reported by bank	Source based on reference number from step 2
		(Rupees in '000)	
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid-up Capital	11,850,600	
2	Balance in Share Premium Account	23,751,114	(s)
3	Reserve for issue of Bonus Shares	–	
4	General/ Statutory Reserves	53,160,421	(u)
5	Gain/(Losses) on derivatives held as Cash Flow Hedge	–	
6	Unappropriated/unremitted profits/(losses)	69,834,602	(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**	**158,596,737**	
	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)	938,458	(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)	–	
13	Defined-benefit pension fund net assets	2,190,617	{(l) - (q)} * 100%
14	Reciprocal cross holdings in CET1 capital instruments	2,004,967	(d)
15	Cash flow hedge reserve	–	
16	Investment in own shares/ CET1 instruments	–	
17	Securitization gain on sale	–	
18	Capital shortfall of regulated subsidiaries	–	

		Component of regulatory capital reported by bank (Rupees in '000)	Source based on reference number from step 2
19	Deficit on account of revaluation from bank's holdings of property/ AFS	–	(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)	–	
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)	–	
22	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	(i)
23	Amount exceeding 15% threshold	–	
24	of which: significant investments in the common stocks of financial entities	–	
25	of which: deferred tax assets arising from temporary differences	–	
26	National specific regulatory adjustments applied to CET1 capital	–	
27	Investment in TFCs of other banks exceeding the prescribed limit	561,267	(b)
28	Any other deduction specified by SBP	–	
29	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	–	
30	**Total regulatory adjustments applied to CET1**	**5,695,309**	
31	**Common Equity Tier 1**	**152,901,428**	
	Additional Tier 1 (AT 1) Capital		
32	Qualifying Additional Tier-1 instruments plus any related share premium	–	
33	of which: Classified as equity	–	(t)
34	of which: Classified as liabilities	–	(m)
35	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	–	(y)
36	of which: instrument issued by subsidiaries subject to phase out	–	
37	**AT1 before regulatory adjustments**	–	
	Additional Tier 1 Capital: regulatory adjustments		
38	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	–	
39	Investment in own AT1 capital instruments	–	
40	Reciprocal cross holdings in Additional Tier 1 capital instruments	–	
41	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	
42	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	

		Component of regulatory capital reported by bank (Rupees in '000)	Source based on reference number from step 2
43	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	–	
44	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–	
45	Total of Regulatory Adjustment applied to AT1 capital	–	
46	Additional Tier 1 capital	–	
47	**Additional Tier 1 capital recognized for capital adequacy**	–	
48	**Tier 1 Capital (CET1 + admissible AT1) (31+47)**	**152,901,428**	
	Tier 2 Capital		
49	Qualifying Tier 2 capital instruments under Basel III	–	(n)
50	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	–	
51	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	–	(z)
52	of which: instruments issued by subsidiaries subject to phase out	–	
53	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	5,465,459	(g)
54	Revaluation Reserves eligible for Tier 2	27,165,169	
55	of which: Revaluation reserves on fixed assets	18,925,536	portion of (aa)
56	of which: Unrealized Gains/Losses on AFS	8,239,633	
57	Foreign Exchange Translation Reserves	2,876,483	(v)
58	Undisclosed/Other Reserves (if any)	–	
59	**T2 before regulatory adjustments**	**35,507,111**	
	Tier 2 Capital: regulatory adjustments		
60	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier-2 capital	–	
61	Reciprocal cross holdings in Tier 2 instruments	–	
62	Investment in own Tier 2 capital instrument	–	
63	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	
64	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	
65	Amount of Regulatory Adjustment applied to T2 capital	–	
66	Tier 2 capital (T2)	**35,507,111**	
67	Tier 2 capital recognized for capital adequacy	**35,507,111**	
68	Excess Additional Tier 1 capital recognized in Tier 2 capital	–	
69	Total Tier 2 capital admissible for capital adequacy	**35,507,111**	
70	**TOTAL CAPITAL (T1 + admissible T2) (48+69)**	**188,408,539**	

1.5 Main Features Template of Regulatory Capital Instruments

		Common Shares
1	Issuer	MCB Bank Limited
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	MCB
3	Governing law(s) of the instrument	Relevant Capital Market Laws
	Regulatory treatment	
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	Group & standalone
7	Instrument type	Common Shares
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	11,850,600
9	Par value of instrument	PKR 10 per share
10	Accounting classification	Shareholder equity
11	Original date of issuance	1947
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	Not applicable
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	Coupons / dividends	
17	Fixed or floating dividend/ coupon	Not applicable
18	coupon rate and any related index/ benchmark	Not applicable
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	Not applicable
	Convertible or non-convertible	
23	If convertible, conversion trigger (s)	Not applicable
24	If convertible, fully or partially	Not applicable
25	If convertible, conversion rate	Not applicable
26	If convertible, mandatory or optional conversion	Not applicable
27	If convertible, specify instrument type convertible into	Not applicable
28	If convertible, specify issuer of instrument it converts into	Not applicable
	Write-down feature	
29	If write-down, write-down trigger(s)	Not applicable
30	If write-down, full or partial	Not applicable
31	If write-down, permanent or temporary	Not applicable
32	If temporary write-down, description of write-up mechanism	Not applicable
33	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Common equity ranks after all creditors and depositors
34	Non-compliant transitioned features	No
35	If yes, specify non-compliant features	Not applicable

1.6 Risk Weighted Assets

The risk weighted assets to capital ratio, calculated in accordance with the State Bank of Pakistan's guidelines on capital adequacy was as follows:

	Capital Requirements		Risk Weighted Assets	
	2020	2019	2020	2019
	(Rupees in '000)			
Credit Risk				
Portfolios subject to standardized approach (simple or comprehensive)				
On-Balance Sheet				
Corporate portfolio	36,468,402	40,699,406	281,726,765	288,339,263
Banks / DFIs	2,591,732	2,714,517	20,021,723	19,231,286
Public sector entities	378,775	670,572	2,926,124	4,750,741
Sovereigns / cash & cash equivalents	1,238,722	818,827	9,569,411	5,801,069
Loans secured against residential property	494,136	464,691	3,817,313	3,292,155
Retail	4,147,492	4,126,912	32,040,324	29,237,549
Past due loans	853,714	1,054,804	6,595,136	7,472,873
Operating fixed assets	7,511,480	8,224,985	58,027,904	58,270,777
Other assets	1,830,341	2,241,016	14,139,808	15,876,715
	55,514,794	61,015,730	428,864,507	432,272,428
Off-Balance Sheet				
Non-market related	20,675,450	22,256,199	159,722,592	157,676,400
Market related	582,513	615,776	4,500,049	4,362,532
	21,257,963	22,871,975	164,222,640	162,038,932
Equity Exposure Risk in the Banking Book				
Listed	604,788	653,048	4,672,129	4,626,588
Unlisted	4,898,225	5,583,189	37,839,909	39,554,697
	5,503,013	6,236,237	42,512,038	44,181,285
Total Credit Risk	**82,275,770**	**90,123,942**	**635,599,185**	**638,492,645**
Market Risk				
Capital requirement for portfolios subject to standardized approach				
Interest rate risk	6,936,382	6,182,636	86,704,775	77,282,950
Equity position risk	2,827,000	2,386,100	35,337,500	29,826,250
Foreign exchange risk	44,926	93,383	561,575	1,167,286
Total Market Risk	9,808,308	8,662,119	122,603,850	108,276,486
Operational Risk				
Capital requirement for operational risks	11,178,807	9,670,971	139,735,092	120,887,137
Total	103,262,885	108,457,032	897,938,127	867,656,268

	2020		2019	
	Required	Actual	Required	Actual
	%	%	%	%
Capital Adequacy Ratios				
CET1 to total RWA	6.00%	17.03%	6.00%	15.70%
Tier-1 capital to total RWA	7.50%	17.03%	7.50%	15.70%
Total capital to total RWA	10.00%	20.98%	10.00%	18.86%
Total capital plus CCB to total RWA	11.50%	20.98%	12.50%	18.86%

* As SBP capital requirement plus CCB of 11.50% (12.50% in 2019) is calculated on overall basis therefore, capital charge for credit risk is calculated after excluding capital requirements against market and operational risk from the total capital required.

1.7 Credit Risk - General Disclosures

The Bank has adopted Standardized approach of Basel for calculation of capital charge against credit risk in line with SBP's requirements.

Credit Risk: Disclosures for portfolio subject to the Standardized Approach

Under standardized approach, the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. Bank utilizes, wherever available, the credit ratings assigned by the SBP recognized ECAIs, viz. PACRA (Pakistan Credit Rating Agency), JCR-VIS (Japan Credit Rating Company– Vital Information Systems), Fitch, Moody's and Standard & Poors . Credit rating data for advances is obtained from recognized External Credit Assessment Institutions and then mapped to State Bank of Pakistan's Rating Grades.

Type of Exposures for which the ratings from the External Credit Rating Agencies are used by the Bank.

Exposures	JCR-VIS	PACRA	Other (S&P / Moody's / Fitch)
Corporate	Yes	Yes	-
Banks	Yes	Yes	Yes
Sovereigns	-	-	Yes
SME's	Yes	Yes	-

The criteria for transfer of public issue ratings onto comparable assets in the banking book and the alignment of the alphanumerical scale of each agency used with risk buckets is the same as specified by the banking regulator SBP.

Long - Term Ratings Grades Mapping

SBP Rating Grade	PACRA	JCR-VIS	Fitch	Moody's	S&P	ECA Scores
1	AAA AA+ AA AA-	AAA AA+ AA AA-	AAA AA+ AA AA-	Aaa Aa1 Aa2 Aa3	AAA AA+ AA AA-	1
2	A+ A A-	A+ A A-	A+ A A-	A1 A2 A3	A+ A A-	2
3	BBB+ BBB BBB-	BBB+ BBB BBB-	BBB+ BBB BBB-	Baa1 Baa2 Baa3	BBB+ BBB BBB-	3
4	BB+ BB BB-	BB+ BB BB-	BB+ BB BB-	Ba1 Ba2 Ba3	BB+ BB BB-	4
5	B+ B B-	B+ B B-	B+ B B-	B1 B2 B3	B+ B B-	5, 6
6	CCC+ and below	CCC+ and below	CCC+ and below	Caa1 and Below	CCC+ and below	7

Short - Term Ratings Grades Mapping

SBP Rating Grade	PACRA	JCR-VIS	Fitch	Moody's	S&P
S1	A-1	A-1	F1	P-1	A-1+, A-1
S2	A-2	A-2	F2	P-2	A-2
S3	A-3	A-3	F3	P-3	A-3
S4	Others	Others	Others	Others	Others

Credit Exposures subject to Standardized approach

		2020			2019		
Exposures	Rating	Amount Outstand-ing	Deduction CRM	Net amount	Amount Outstand-ing	Deduction CRM	Net amount
Corporate	1	58,695,435	-	58,695,435	70,105,855	-	70,105,855
	2	66,254,476	-	66,254,476	78,445,282	-	78,445,282
	3,4	16,930,646	-	16,930,646	12,448,487	-	12,448,487
	5,6	-	-	-	-	-	-
	Unrated	205,251,995	13,236,031	192,015,964	208,480,463	12,645,649	195,834,814
Bank	1	42,515,585	4,909,806	37,605,779	35,930,527	-	35,930,527
	2,3	4,992,297	-	4,992,297	6,717,463	-	6,717,463
	4,5	4,308,024	-	4,308,024	7,020,674	-	7,020,674
	6	1,356,908	-	1,356,908	1,213	-	1,213
	Unrated	14,751,856	-	14,751,856	3,412,491	-	3,412,491
Public Sector Entities in Pakistan	1	11,162,655	-	11,162,655	14,313,853	-	14,313,853
	2,3	-	-	-	1,882,965	-	1,882,965
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	33,537,526	32,150,341	1,387,186	37,322,349	35,429,373	1,892,976
Sovereigns and on Government of Pakistan or provincial governments or SBP or Cash		127,650,406	29,476,299	98,174,108	151,581,952	34,392,773	117,189,179
	1	-	-	-			-
	2	20,501,783	-	20,501,783	21,659,339	-	21,659,339
	3	-	-	-	-	-	-
	4,5	-	-	-	-	-	-
	6	3,837,671	-	3,837,671	5,801,069	-	5,801,069
	Unrated	3,821,160	-	3,821,160	-	-	-
		-		-	-	-	-
Mortgage		10,906,894	-	10,906,894	9,406,156	-	9,406,156
Retail		42,754,535	34,104	42,720,432	39,006,659	23,260	38,983,398

Credit Risk: Disclosures with respect to Credit Risk Mitigation for Standardized Approach

The Bank does not make use of on and off-balance sheet netting in capital charge calculations under Basel's Standardized Approach for Credit Risk.

Credit Risk: Disclosures for portfolio subject to the Standardized Approach

The Bank has strong policies and processes for collateral valuation and collateral management thus ensuring that collateral valuation happens at regular defined intervals. Collaterals are normally held for the life of exposure. Regular monitoring of coverage of exposure by the collateral and lien/ charge registered over the collaterals is carried out besides ensuring that collateral matches the purpose, nature and structure of the transaction and also reflect the form and capacity of the obligor, its operations, nature of business and economic environment. The Bank mitigates its risk by taking collaterals that may include assets acquired through the funding provided, as well as cash, government securities, marketable securities, current assets, fixed assets, and specific equipment, commercial and personal real estate.

The Standardized Approach of Basel-II guidelines allows the Bank to take benefit of credit risk mitigation of financial collaterals against total exposures in the related loan facilities. As a prudent and conservative measure while calculating capital charge for credit risk of on balance sheet activities, bank has taken only the benefit of Sovereign guarantees and Defence Saving Certificates.

MCB manages limits and controls concentrations of credit risk as identified, in particular, to individual counterparties and groups, and also reviews exposure to industry sectors and geographical regions on a regular basis. Limits are applied in a variety of forms to portfolios or sectors where MCB considers it appropriate to restrict credit risk concentrations or areas of higher risk, or to control the rate of portfolio growth.

2. Leaverge Ratio

The leverage ratio is the ratio of Tier1 capital to total exposure, including off balance sheet exposures adjusted by regulatory credit conversion factors. The Bank's current leverage ratio of 7.03% (2019: 7.07%) is above the current minimum requirement of 3.00% set by the SBP.

	2020	2019
	(Rupees in '000)	
Eligible Tier-1 Capital	152,901,428	136,256,771
Total Exposures	2,174,932,446	1,928,383,315
Leverage Ratio	7.03%	7.07%

3. Basel III Liquidity Requirement

The Basel Committee for Banking Supervision (BCBS) has introduced Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) under its BASEL III reforms. As part of Basel III implementation in Pakistan, SBP issued guidelines on June 23, 2016 to implement Liquidity standards in line with BCBS timelines, keeping in view the conditions as applicable in Pakistan. The Bank is maintaining both the liquidity ratios, under Basel III, with a considerable cushion over and above the regulatory requirement to mitigate any liquidity risk.

Liquidity Coverage Ratio

Liquidity Coverage Ratio (LCR) aims to ensure that bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) which can easily be converted into cash at little or no loss of value in private markets, to withstand an acute liquidity stress scenario lasting for a period of 30 days horizon. LCR is defined as ratio of stock of HQLA to the total net Cash Outflows estimated for the next 30 calendar days.

All banks are required to maintain LCR at least on 100% on an ongoing basis. The Bank has been computing its LCR on monthly basis as per the instructions set out in SBP's guidelines issued on June 23, 2016. Average has been reported as simple averages of quarterly values of LCR of the financial year ended 2020. The quarterly values have been computed as simple averages of monthly observations of the previous quarter, as required by aforementioned SBP guidelines.

Governance of Liquidity risk management

Liquidity and related risks are managed through standardized processes established in the Bank. Board and senior management are appraised about liquidity profile of the Bank on periodic basis so as to ensure proactive liquidity management and to avoid abrupt shocks. The management of liquidity risk within the Bank is undertaken within limits and other policy parameters set by ALCO, which meets monthly and reviews compliance with policy parameters. Day to day monitoring is done by the treasury while overall compliance is monitored and coordinated by the ALCO and includes reviewing the actual and planned strategic growth of the business and its impact on the statements of financial position and monitoring the Bank's liquidity profile and associated activities. Bank's treasury function has the primary responsibility for assessing, monitoring and managing bank's liquidity and funding strategy. Market Risk Management Division being part of Risk management group is responsible for the independent identification, monitoring & analysis of risks inherent in treasury exposures. The Bank has in place duly approved Treasury policy along with risk tolerance/appetite levels. These are communicated at various levels so as to ensure effective liquidity management for the Bank.

Funding Strategy

Bank's prime source of liquidity is the customer's deposits base. Within deposits, Bank strives to maintain a healthy core deposit base in form of current and saving deposits and avoid concentration in particular products, tenors and dependence on large fund providers. Further, Bank relies on interbank borrowing for stop gap funding arrangements but, it is less preferred source of liquidity. Within borrowing, source of funding are also diversified to minimize concentration. Usually interbank borrowing is for short term. The Bank follows centralized funding strategy so as to ensure achievement of strategic and business objectives of the Bank.

Liquidity Risk Mitigation techniques

Various tools and techniques are used to measure and monitor the possible liquidity risk. These include monitoring of different liquidity ratios like cash to deposits, financing to deposit ratio, liquid assets to total deposits, interbank borrowing to total deposits and large deposits to total deposits which are monitored and communicated to senior management and to ALCO forum regularly. Further, the Bank also prepares the maturity profile of assets and liabilities to monitor the liquidity gaps over different time buckets. For maturity analysis, behavioral study techniques are also used to determine the behavior of non-contractual assets and liabilities based on historic data and statistical techniques. The Bank also ensures to maintain statutory cash and liquidity requirements all times.

Liquidity Stress Testing

As per SBP BSD Circular No. 1 of 2012, Liquidity stress testing is being conducted under various stress scenarios. Shocks include the withdrawals of deposits and increase in assets, withdrawals of wholesale/large deposits & interbank borrowing and utilization of undrawn credit lines etc. Results are escalated at the senior level to enable the senior management to take proactive actions to avoid any possible liquidity risk challenges for the Bank.

Contingency Funding Plan

Contingency Funding Plan (CFP) is a part of liquidity management framework of the Bank which identifies the triggers events that could cause a liquidity crises and describes the actions to be taken to manage the crises. At MCB, a comprehensive liquidity contingency funding plan is prepared which highlights liquidity management chain that needs to be followed. Responsibilities and crises management phases are also incorporated in order to tackle the liquidity crises. Moreover, CFP highlights possible funding sources, in case of a liquidity crises.

Main drivers of LCR Results

Main drivers of LCR Results are High Quality Liquid Assets and Net cash outflows. Net cash outflows are mainly expected deposit outflows net of cash inflows which consist of inflows from financing and fully performing exposure up to 1 month. The inputs for calculation of LCR are prescribed by the regulator.

Composition of High Quality Liquid Asset-HQLA

High Quality Liquid Assets composed of Level-1 Asset which can be included in the stock of liquid assets at 100% of their market value. The Bank maintained average HQLA of Rs. 934.509 billion (2019: Rs 713.965 billion) against the average liquidity requirement of Rs. 393.110 billion (2019: Rs. 362.188 billion) at prescribed minimum regulatory LCR requirement of 100% (2019: 100.0%). Bank's total HQLA constituted on Level 1 & Level 2B assets. Average level 1 assets of the Bank primarily include Cash & Treasury Balances (including balances held with SBP) and unencumbered investment in Government Securities. The Bank's average level 2b assets primarily include non-financial publically traded common equity shares of the Bank.

Concentration of Funding Sources

At December 31, 2020, top liability products/instruments and their percentage contribution to Total Liabilities of the Bank were Current & Saving Deposits 76.48%, Term Deposits 5.79%, and borrowings 9.53%.

Currency Mismatch in the LCR

The Bank predominately operates in the Pakistani Rupee. FCY exposures are maintained within pre-defined thresholds and liquidity for each foreign currency is managed by utilizing interbank market through currency swaps.

Intra-Period Changes (In LCR) as well as changes in Liquidity Risk over time

Bank's average LCR during the year 2020 remained 237.72% (2019: 197.13%).

Centralization Of Liquidity Management & Interaction Between The Groups' Units

Overall responsibility for Liquidity risk management of the bank lies with the ALCO, which comprises representatives from all business groups and relevant support groups. The Bank maintains adequate liquidity at all times to meet all obligations as and when they become due. For overseas branches, decentralized approach is followed for day to day liquidity management by taking into consideration both respective host country's and SBP's regulations.

Other Inflows & Outflows

There are no other inflows & outflows in the calculations of LCR other than those that are already covered in the disclosure of LCR.

Derivative exposures and potential collateral calls

The Bank has no exposure to any counter party that could lead to a potential collateral call arising out of derivative transactions.

	2020		2019	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	(Rupees in '000)			
High quality liquid assets				
Total high quality liquid assets (HQLA)		934,508,535	–	713,965,089
Cash outflows				
Retail deposits and deposits from small business customers of which:	878,771,891	87,864,144	779,258,114	77,907,727
stable deposit	260,901	13,045	361,682	18,084
Less stable deposit	878,510,990	87,851,099	778,896,432	77,889,643
Unsecured wholesale funding of which:	360,284,754	272,024,251	328,538,876	255,675,219
Operational deposits (all counterparties)	330,134	45,272	231,653	26,264
Non-operational deposits (all counterparties)	146,626,067	58,650,427	121,097,113	48,438,845
Unsecured debt	213,328,553	213,328,553	207,210,110	207,210,110
Secured wholesale funding	–	2,991,098	–	2,270,173
Additional requirements of which:	51,332,785	7,955,349	59,266,083	9,533,428
Outflows related to derivative exposures and other collateral requirements	2,188,426	2,188,426	2,723,946	2,723,946
Outflows related to loss of funding on debt products				
Credit and Liquidity facilities	49,144,359	5,766,923	56,542,137	6,809,482
Other contractual funding obligations	33,029,876	33,029,876	36,259,026	36,259,026
Other contingent funding obligations	850,849,426	16,299,656	860,821,197	15,726,844
Total Cash outflows		420,164,375		397,372,417
Cash inflows				
Secured lending	6,487,638	-	44,275,149	-
Inflows from fully performing exposures	34,337,413	17,929,496	50,724,325	26,325,159
Other Cash inflows	23,129,509	9,125,093	17,281,027	8,858,999
Total Cash inflows		27,054,589		35,184,158
Total high quality liquid assets (HQLA)		934,508,535		713,965,089
Total Net Cash outflows		393,109,786		362,188,259
Liquidity Coverage Ratio		237.72%		197.13%

4. **Net Stable Funding Ratio (NSFR)**

The objective of Net Stable Funding Ratio (NSFR) is to reduce funding risk over a longer time horizon by requiring banks to fund their activates with sufficiently stable sources of funding on ongoing basis. Banks are required to maintain NSFR requirement of at least 100% on an ongoing basis from December 31,2017.

	2020				
	Unweighted value by residual maturity				weighted value
	No Maturity	Below 6 months	6 months to below 1 year	1 year and above 1 year	
	(Rupees in '000)				
Available stable funding (ASF) Item					
Capital:					**194,103,848**
Regulatory capital	158,596,737	-	-	-	158,596,737
Other capital instruments	35,507,111	-	-	-	35,507,111
Retail deposits and deposit from small business customers:					**821,635,517**
Stable deposits	251,833	-	-	-	239,241
Less stable deposits	893,402,004	11,346,342	6,846,659	1,067,524	821,396,276
Wholesale funding:					**77,807,247**
Operational deposits	422,855	-	-	-	211,427
Other wholesale funding	102,076,220	31,290,203	18,881,268	2,943,948	77,595,819
Other liabilities:					**36,754,749**
NSFR derivative liabilities	-			4,998,645	-
All other liabilities and equity not included in other categories	450,958,501	-	4,235,743	34,636,878	36,754,749
Total Available Stable Funding ASF					**1,130,301,361**
Required stable funding (RSF) Item					
Total NSFR high-quality liquid assets (HQLA)	994,397,561	-	-	-	-
Deposits held at other financial institutions for operational purposes	19,838,860	-	-	-	**9,919,430**
Performing loans and securities:					**144,625,135**
Performing loans to financial institutions secured by Level 1 HQLA	-	6,137,258	-	-	613,726
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	17,709,258	-	-	2,656,389
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: with a risk weight of greater than 35% under the Basel II Standardised Approach for credit risk	-	-	-	93,680,734	79,628,624
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	54,513,242	35,433,607
Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-	-	-	28,520,639	26,292,789
Other assets:					**446,366,236**
Physical traded commodities, including gold	-			-	-
Assets posted as initial margin for derivative contracts	-			-	-
NSFR derivative assets				5,371,561	372,915
NSFR derivative liabilities before deduction of variation margin posted				4,998,645	999,729
All other assets not included in the above categories	441,195,248	92,279,556	4,191,468	-	444,993,591
Off-balance sheet items					**45,506,706**
Total Required stable funding (RSF)					**646,417,507**
Net Stable Funding Ratio (%)					**174.86%**

	2019				
	Unweighted value by residual maturity				weighted value
	No Maturity	Below 6 months	6 months to below 1 year	1 year and above 1 year	
	(Rupees in '000)				
Available stable funding (ASF) Item					
Capital:					**168,989,908**
Regulatory capital	141,635,894	-	-	-	141,635,894
Other capital instruments	27,354,014	-	-	-	27,354,014
Retail deposits and deposit from small business customers:					**722,190,449**
Stable deposits	330,493	-	-	-	313,969
Less stable deposits	758,184,377	31,438,495	9,767,981	2,694,125	721,876,480
Wholesale funding:					**65,055,588**
Operational deposits	294,964	-	-	-	147,482
Other wholesale funding	64,016,194	47,121,304	14,640,649	4,038,065	64,908,106
Other liabilities:					**27,128,429**
NSFR derivative liabilities	-			5,875,498	-
All other liabilities and equity not included in other categories	377,853,160	-	7,083,345	23,586,757	27,128,429
Total AFS					**983,364,374**
Required stable funding (RSF) Item					
Total NSFR high-quality liquid assets (HQLA)	784,703,857	-	-	-	-
Deposits held at other financial institutions for operational purposes	6,985,190				**3,492,595**
Performing loans and securities:					**108,223,749**
Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	7,457,679	-	-	1,118,652
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: with a risk weight of greater than 35% under the Basel-II standardized approach for credit risk.	-	-	-	72,350,186	61,497,658
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	46,529,163	30,243,956
Securities that are not in default and do not qualify as HQLA including exchange-traded equities.			2,191,972	16,076,631	15,363,483
Other assets:					**535,039,832**
Physical traded commodities, including gold	-			-	-
Assets posted as initial margin for derivative contracts	-			-	-
NSFR derivative assets				5,112,198	-
NSFR derivative liabilities before deduction of variation margin posted				5,875,498	1,175,100
All other assets not included in the above categories	532,105,541	36,082,548	5,557,050	-	533,864,732
Off-balance sheet items					**52,287,215**
Total RSF					**699,043,391**
Net Stable Funding Ratio (%)					**140.67%**