MCB Islamic Bank Limited

Capital Adequacy & Liquidity Disclosures

As at December 31, 2024

MCB ISLAMIC BANK LIMITED
CAPITAL ADEQUACY AND LIQUIDITY DISCLOSURES
AS AT DECEMBER 31, 2024

CAPITAL ASSESSMENT AND ADEQUACY

Scope of Applications

The Basel-III Framework is applicable to the bank. 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.

Capital management

Objectives and goals of managing capital

The Bank manages its capital to attain the 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 (CAR)

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 are effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019.

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

	Ratio	Year End December 31,						As at Dec 31,
		2013	2014	2015	2016	2017	2018	2019
1	CET1	5.00%	5.50%	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%
3	Tier 1	6.50%	7.00%	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%**
5	*CCB	-	-	0.25%	0.65%	1.275%	1.90%	2.50%
6	**Total Capital plus CCB**	**10.00%**	**10.00%**	**10.25%**	**10.65%**	**11.275%**	**11.90%**	**12.50%**

* Capital Conservation Buffer (CCB) Consisting of CET1 only

SBP vide its BPRD Circular Letter No. 12 of 2020 dated March 26, 2020 has reduced the Capital Conservation Buffer (CCB) from 2.50% to 1.50%. The Minimum Capital Requirement of the Bank stands at Rs.10 Billion at the respective reporting dates and is in compliance with the required capital adequacy ratio including CCB (11.50% of the risk-weighted assets). 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.

The Bank has adopted Standardized Approach to measure Credit risk regulatory capital charge in compliance with Basel-III requirements. The Bank measures and manages Market Risk by using conventional methods i.e. notional amounts, sensitivity and combinations of various limits. Beside conventional methods, the Bank also uses VaR (Value at Risk) technique for market risk assessment of positions assumed by its Treasury and FX Group. In-house based solutions are used for calculating mark to market value of positions and generating VaR (value at risk) and sensitivity numbers. Thresholds for different positions are established to compare the expected losses at a given confidence level and over a specified time horizon. Currently, the bank is reporting operational risk capital charge under Basic Indicator Approach (BIA).

MCB Islamic

Capital Adequacy Ratio

The capital to risk weighted assets ratio, calculated in accordance with the SBP guidelines on capital adequacy under Basel III treatment is presented below:

	2024	2023
	Rupees in '000	
Common Equity Tier 1 capital(CET1): Instruments and reserves		
Fully Paid-up Capital / Capital deposited with SBP	15,550,000	15,550,000
Balance in Share Premium Account	-	-
Reserve for issue of Bonus Shares	-	-
Discount on Issue of shares	-	-
General/ Statutory Reserves	2,276,220	1,428,486
Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
Unappropriated/unremitted profits/ (losses)	6,602,056	4,123,122
Minority Interests arising from CET1 capital instruments	-	-
issued to third parties by consolidated bank subsidiaries		
(amount allowed in CET1 capital of the consolidation group)	-	-
CET 1 before Regulatory Adjustments	**24,428,277**	**21,101,608**
Total regulatory adjustments applied to CET1	1,044,088	532,846
Common Equity Tier 1	**23,384,189**	**20,568,762**
Additional Tier 1 (AT 1) Capital		
Qualifying Additional Tier-1 capital instruments plus		
any related share premium	-	-
of which: Classified as equity	-	-
of which: Classified as liabilities	-	-
Additional Tier-1 capital instruments issued to third parties by		
consolidated subsidiaries (amount allowed in group AT 1)	-	-
of which: instrument issued by subsidiaries subject to phase out	-	-
AT1 before regulatory adjustments	-	-
Total regulatory adjustment applied to AT1 capital	-	-
Additional Tier 1 capital after regulatory adjustments	-	-
Additional Tier 1 capital recognized for capital adequacy	-	-
Tier 1 Capital (CET1 + admissible AT1)	23,384,189	**20,568,762**
Tier 2 Capital		
Qualifying Tier 2 capital instruments under Basel III plus		
any related share premium	-	-
Tier 2 capital instruments subject to phase-out arrangement issued		
under pre-Basel 3 rules	-	-
Tier 2 capital instruments issued to third parties by consolidated subsidiaries		
(amount allowed in group tier 2)	-	-
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	1,147,607	542,951
Revaluation Reserves (net of taxes)	1,517,729	934,644
of which: Revaluation reserves on fixed assets	458,601	466,553
of which: Unrealized gains/losses on AFS	1,059,128	468,091
Foreign Exchange Translation Reserves	-	-
Undisclosed/Other Reserves (if any)	-	-
T2 before regulatory adjustments	2,665,336	**1,477,595**
Total regulatory adjustment applied to T2 capital	-	-
Tier 2 capital (T2) after regulatory adjustments	2,665,336	1,477,595
Tier 2 capital recognized for capital adequacy	2,665,336	1,477,595
Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
Total Tier 2 capital admissible for capital adequacy	2,665,336	**1,477,595**
TOTAL CAPITAL (T1 + admissible T2)	**26,049,525**	**22,046,357**
Total Risk Weighted Assets (RWA)	127,145,709	92,660,045

	2024	2023
Capital Ratios and buffers (in percentage of risk weighted assets)		
CET1 to total RWA	**18.39%**	**22.20%**
Tier-1 capital to total RWA	**18.39%**	**22.20%**
Total capital to total RWA	**20.49%**	**23.79%**
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	7.50%	7.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB or G-SIB buffer requirement	-	-
CET1 available to meet buffers (as a percentage of risk weighted assets)	10.89%	14.70%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	**6.00%**	**6.00%**
Tier 1 minimum ratio	**7.50%**	**7.50%**
Total capital minimum ratio	**10.00%**	**10.00%**
Total capital minimum ratio plus CCB	**11.50%**	**11.50%**

	2024	2023
	Rupees in '000	
Regulatory Adjustments and Additional Information	**Amount**	**Amount**
Common Equity Tier 1 capital: Regulatory adjustments		
Goodwill (net of related deferred tax liability)	-	-
All other intangibles (net of any associated deferred tax liability)	1,044,088	532,846
Shortfall in provisions against classified assets	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Defined-benefit pension fund net assets	-	-
Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-	-
Cash flow hedge reserve	-	-
Investment in own shares/ CET1 instruments	-	-
Securitization gain on sale	-	-
Capital shortfall of regulated subsidiaries	-	-
Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-	-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
Amount exceeding 15% threshold	-	-
of which: significant investments in the common stocks of financial entities	-	-
of which: deferred tax assets arising from temporary differences	-	-
National specific regulatory adjustments applied to CET1 capital	-	-
Investments in TFCs of other banks exceeding the prescribed limit	-	-
Any other deduction specified by SBP (mention details)	-	-
Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-
Total regulatory adjustments applied to CET1	**1,044,088**	**532,846**

Regulatory Adjustments and Additional Information	2024 Rupees in '000 Amount	2023 Amount
Additional Tier-1 & Tier-1 Capital: regulatory adjustments		
Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	-	-
Investment in own AT1 capital instruments	-	-
Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	-	-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-
Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-	-
Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
Total regulatory adjustment applied to AT1 capital	-	-
Tier 2 Capital: regulatory adjustments		
Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	-
Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-
Investment in own Tier 2 capital instrument	-	-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-
Total regulatory adjustment applied to T2 capital	-	-
Risk Weighted Assets subject to pre-Basel III treatment		
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	-	-
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financial entities	-	-
Significant investments in the common stock of financial entities	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Applicable caps on the inclusion of provisions in Tier 2		
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-	-
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	-	-

Capital Structure Reconciliation

Step 1	Balance sheet as per published financial statements	Under regulatory scope of consolidation
	As at December 31, 2024	
	Rupees in '000	
Assets		
Cash and balances with treasury banks	18,114,511	18,114,511
Balances with other banks	962,093	962,093
Due from financial institutions	2,000,000	2,000,000
Investments - net	146,596,201	146,596,201
Islamic financing and related assets - net	119,353,143	119,353,143
Fixed assets	5,191,117	5,191,117
Right-of-use of assets	2,355,818	2,355,818
Intangible assets	1,044,088	1,044,088
Deferred tax assets - net	30,797	30,797
Other assets - net	11,695,860	11,695,860
Total assets	307,343,628	307,343,628
Liabilities and Equity		
Bills payable	11,594,493	11,594,493
Due to financial institutions	48,422,293	48,422,293
Deposits and other accounts	209,108,581	209,108,581
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	3,018,262	3,018,262
Deferred tax liabilities - net	-	-
Other liabilities	9,253,993	9,253,993
Total liabilities	281,397,622	281,397,622
Share capital	15,550,000	15,550,000
Reserves	2,276,220	2,276,220
Accumulated profit	6,602,057	6,602,057
Minority Interest		-
Total Equity	24,428,277	24,428,277
Surplus / (deficit) on revaluation of assets - net of tax	1,517,729	1,517,729
Total liabilities and equity	25,946,006	25,946,006

Step 2	Balance sheet of the published financial statements	Under regulatory scope of consolidation	Ref
	As at December 31, 2024		
	Rupees in '000		
Assets			
Cash and balances with treasury banks	18,114,511	18,114,511	
Balances with other banks	962,093	962,093	
Due from financial institutions	2,000,000	2,000,000	
Investments	146,596,201	146,596,201	
of which: non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold	-	-	a
of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold	-	-	b
of which: Mutual Funds exceeding regulatory threshold	-	-	c
of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)	-	-	d
of which: others	-	-	e

Step 2	Balance sheet of the published financial statements	Under regulatory scope of consolidation	Ref
	As at December 31, 2024		
	Rupees in '000		
Islamic financing and related assets	119,353,143	119,353,143	
shortfall in provisions/ excess of total EL amount		-	
over eligible provisions under IRB	-	-	f
general provisions reflected in Tier 2 capital	1,147,607	1,147,607	g
Operating fixed assets	6,235,205	6,235,205	
of which: Intangibles	1,044,088	1,044,088	k
Deferred tax assets	30,797	30,797	
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	11,695,860	11,695,860	
of which: Goodwill	-	-	j
of which: Defined-benefit pension fund net assets	-	-	l
Total assets	**304,987,810**	**304,987,810**	
Liabilities and Equity			
Bills payable	11,594,493	11,594,493	
Due to financial institutions	48,422,293	48,422,293	
Deposits and other accounts	209,108,581	209,108,581	
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	3,018,262	3,018,262	
Deferred tax liabilities	-	-	
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	-	-	q
of which: other deferred tax liabilities	-	-	r
Other liabilities	9,253,993	9,253,993	
Total liabilities	**281,397,622**	**281,397,622**	
Share capital	15,550,000	15,550,000	
of which: amount eligible for CET1	15,550,000	15,550,000	s
of which: amount eligible for AT1	-	-	t
Reserves	2,276,220	2,276,220	
of which: portion eligible for inclusion in CET1	2,276,220	2,276,220	u
of which: portion eligible for inclusion in Tier 2	-	-	v
Accumulated Profit	6,602,057	6,602,057	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 / (deficit) on revaluation of assets	1,517,729	1,517,729	
of which: revaluation reserves on fixed assets	458,601	458,601	aa
of which: unrealized loss on AFS	1,059,128	1,059,128	
In case of deficit on revaluation (deduction from CET1)	-	-	ab
Total liabilities and Equity	**307,343,628**	**307,343,628**	

	Step 3	Component of regulatory capital reported by bank	Source based on reference number from step 2
		As at December 31, 2024	
		Rupees in '000	
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid-up Capital	15,550,000	
2	Balance in share premium account	-	(s)
3	Reserve for issue of bonus shares	-	
4	General / Statutory Reserves	2,276,220	(u)
5	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
6	Unappropriated profit	6,602,057	(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	-	
	Common Equity Tier 1 capital: Regulatory adjustments	24,428,277	
9	Goodwill (net of related deferred tax liability)	-	(j) - (o)
10	All other intangibles (net of any associated deferred tax liability)	1,044,088	(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) * 40%
13	Defined-benefit pension fund net assets	-	(l) - (q) * 40%
14	Reciprocal cross holdings in CET1 capital instruments	-	(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 fixed assets/ 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)	-	(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)	-	(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	of which: Investment in TFCs of other banks exceeding the prescribed limit		
28	of which: 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	**1,044,088**	
31	**Common Equity Tier 1**	23,384,189	
	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**	-	

	Step 3	Component of regulatory capital reported by bank	Source based on reference number from step 2
		As at December 31, 2024	
		Rupees in '000	
	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)	-	(ac)
42	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
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)**	23,384,189	
	Tier 2 Capital		
49	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	(n)
50	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	(z)
51	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	
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	1,147,607	(g)
54	Revaluation Reserves		
55	of which: Revaluation reserves on fixed assets	458,601	
56	of which: Unrealized Gains/Losses on AFS	1,059,128	portion of (aa)
57	Foreign Exchange Translation Reserves	-	(v)
58	Undisclosed/Other Reserves (if any)	-	
59	**T2 before regulatory adjustments**	2,665,336	
	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)	-	(ae)
64	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
65	Amount of Regulatory Adjustment applied to T2 capital	-	

	Step 3	Component of regulatory capital reported by bank	Source based on reference number from step 2
		As at December 31, 2024	
		Rupees in '000	
66	Tier 2 capital (T2)	2,665,336	
67	Tier 2 capital recognized for capital adequacy	2,665,336	
68	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69	Total Tier 2 capital admissible for capital adequacy	2,665,336	
70	**TOTAL CAPITAL (T1 + admissible T2)**	**26,049,525**	

Main Features Template of Regulatory Capital Instruments

1	Issuer	MCB Islamic Bank Limited
2	Unique identifier (e.g. PSX Symbol)	MCBIBL
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	Standalone
7	Instrument type	Common Shares
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	15,550,000
9	Par value of instrument	PKR 10 per share
10	Accounting classification	Shareholder equity
11	Original date of issuance	2015
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
23	Convertible or non-convertible	Not applicable
24	If convertible, conversion trigger (s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	Not applicable
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument	Common equity ranks after all creditors and depositors
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable

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:

		2024		2023	
	Risk-weighted exposures	**Risk weighted assets**	**Capital requirement**	**Risk weighted assets**	**Capital requirement**
		Rupees in '000			
	Credit risk				
	Portfolios subject to standardised approach (Simple Approach)				
	On-Balance sheet				
	Corporate portfolio	52,636,746	6,762,323	31,903,288	4,083,316
	Banks / DFIs	593,781	76,284	1,325,878	169,700
	Public sector entities	-	-	213,416	27,315
	Sovereigns / cash & cash equivalents	94,834	12,183	72,143	9,234
9569085	Loans secured against residential property	907,835	116,631	946,619	121,158
11145240	Retail	5,637,734	724,288	5,656,637	723,995
11145240	Past due loans	914,328	117,465	1,292,514	165,429
	Operating fixed assets	7,546,935	969,566	5,783,193	740,193
	Other assets	6,257,587	803,922	8,921,020	1,141,805
74589777		74,589,777	9,582,662	56,114,708	7,182,146
	Off-Balance sheet				
17152694	Non-market related	17,152,694	2,203,633	11,145,240	1,426,484
	Market related	66,051	8,486	318,139	40,719
		17,218,745	2,212,119	11,463,379	1,467,203
	Equity Exposure Risk in the Banking Book				
	Listed	-	-	-	-
	Unlisted	-	-	-	-
		-	-	-	-
	Total Credit Risk	91,808,522	11,794,781	67,578,087	8,649,349
	Market Risk				
	Capital Requirement for portfolios subject to Standardized Approach				
	Interest rate risk	5,057,422	404,594	3,962,525	317,002
	Equity position risk	-	-	-	-
	Foreign Exchange risk	185,731	14,859	162,140	12,971
	Total Market Risk	5,243,153	419,452	4,124,665	329,973
	Operational Risk				
OR-1	Capital Requirement for operational risks	30,094,034	2,407,523	20,957,292	1,676,583
	TOTAL	127,145,709	14,621,756	92,660,045	10,655,906

	2024		2023	
	Required	**Actual**	**Required**	**Actual**
	%	**%**	**%**	**%**
Capital Adequacy Ratios				
CET1 to total RWA	6.00%	18.39%	6.00%	22.20%
Tier-1 capital to total RWA	7.50%	18.39%	7.50%	22.20%
Total capital to total RWA	10.00%	18.39%	10.00%	22.29%
Total capital plus CCB to total RWA	11.50%	20.49%	11.50%	23.79%

* As SBP capital requirement of 11.50 % (2023: 11.50%) 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.

MCB Islamic

Credit Risk - General Disclosures

The Bank has adopted Standardized approach of Basel II 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 counter parties by the External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. The 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 financing 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

Exposure Type	SBP Grade	Risk Weight	2024			2023		
			Amount Outstanding Credit Equivalent	Deduction CRM	Net Amount	Amount Outstanding Credit Equivalent	Deduction CRM	Net Amount
			------------------------------Rupees in '000----------------------------------					
Cash and Cash Equivalents		0%	4,848,453	-	4,848,453	4,102,644	-	4,102,644
Claims on Government of Pakistan (Federal or Provincial Governments) and SBP, denominated in PKR		0%	41,210,120	-	41,210,120	81,933,612	30,882,891	51,050,721
Foreign Currency claims on SBP arising out of statutory obligations of banks in Pakistan		0%	788,575	-	788,575	881,097	-	881,097
Claims on other sovereigns and on Government of Pakistan or provincial governments or SBP denominated in currencies other than PKR	1	0%	-	-	-	-	-	-
	2	20%	-	-	-	-	-	-
	3	50%	-	-	-	-	-	-
	4,5	100%	-	-	-	-	-	-
	6	150%	63,223	-	63,223	48,095	-	48,095
	Unrated	100%	-	-	-	-	-	-
Claims on Bank for International Settlements, International Monetary Fund, European Central Bank, and European Community		0%	-	-	-	-	-	-
Claims on Multilateral Development Banks		0%	-	-	-	-	-	-
	1	20%	-	-	-	-	-	-
	2,3	50%	-	-	-	-	-	-
	4,5	100%	-	-	-	-	-	-
	6	150%	-	-	-	-	-	-
	Unrated	50%	-	-	-	-	-	-
Claims on Public Sector Entities in Pakistan		0%		-	-		-	-
	1	20%	-	-	-	-	-	-
	2,3	50%	-	-	-	-	-	-
	4,5	100%	-	-	-	-	-	-
	6	150%	-	-	-	-	-	-
	Unrated	50%	410,689	410,689	-	5,660,612	5,233,781	426,831
Claims on Banks		0%		-	-		-	-
		10%	-	-	-	-	-	-
	1	20%	-	-	-	-	-	-
	2,3	50%	-	-	-	-	-	-
	4,5	100%	-	-	-	-	-	-
	6	150%	-	-	-	-	-	-
	Unrated	50%	-	-	-	-	-	-
Claims, denominated in foreign currency, on banks with original maturity of 3 months or less		0%		-	-		-	-
	1,2,3	20%	785,073	-	785,073	2,536,042	-	2,536,042
	4,5	50%	-	-	-	-	-	-
	6	150%	-	-	-	211,544	-	211,544
	unrated	20%	153,759	-	153,759	-	-	-
Claims on banks with original maturity of 3 months or less denominated in PKR and funded in funded in PKR			-	-	-	-	-	-
		20%	2,030,070	-	2,030,070	2,506,768	-	2,506,768
Claims on Corporates (excluding equity exposures)		0%		-	-		-	-
		10%	-	-	-	-	-	-
	1	20%	51,068,296	22,847,027	28,221,269	5,787,341	-	5,787,341
	2	50%	29,956,799	5,157	29,951,642	20,919,991	4,942	20,915,049
	3,4	100%	9,263,312	3,607,997	5,655,315	3,624,738	6,694	3,618,044
	5,6	150%	-	-	-	-	-	-
	Unrated-1	100%	9,035,471	74,440	8,961,031	9,160,354	72,927	9,087,427
	Unrated-2	125%	13,942,352	22,092	13,920,260	6,210,535	144,276	6,066,259
Claims categorized as retail portfolio		0%		-	-		-	-
		20%		-	-		-	-
		50%		-	-		-	-
		75%	8,415,435	898,457	7,516,978	8,229,828	687,645	7,542,183
Claims fully secured by residential property (Residential Mortgage Fiance as defined in Section 2.1)		35%	2,861,485	267,672	2,593,813	2,704,626	-	2,704,626
Claims against Low Cost Housing Finance		25%	-	-	-	-	-	-
Past Due loans:			-	-	-	-	-	-
1. The unsecured portion of any claim (other than loans and claims secured against eligible residential mortgages as defined in section 2.1 of circular 8 of 2006) that is past due for more than 90 days and/or impaired:			-	-	-	-	-	-
1.1 where specific provisions are less than 20 per cent of the outstanding amount of the past due claim.		150%	551,883	2,110	549,773	659,097	242	658,855
1.2 where specific provisions are no less than 20 per cent of the outstanding amount of the past due claim.		100%	34,608	172	34,436	13,264	-	13,264
1.3 where specific provisions are more than 50 per cent of the outstanding amount of the past due claim.		50%	18,810	109	18,701	496,955	-	496,955
2. Loans and claims fully secured against eligible residential mortgages that are past due for more than 90 days and/or impaired		100%	42,958	-	42,958	41,736	-	41,736
3. Loans and claims fully secured against eligible residential mortgage that are past due by 90 days and /or impaired and specific provision held thereagainst is more than 20% of outstanding amount		50%	9,838	3,992	5,846	1,505	-	1,505
Investment in the equity of commercial entities (which exceeds 10% of the issued common share capital of the issuing enitity) or where the entity is an unconsolidated affiliate.		1000%	-	-	-	-	-	-
Significant investment and DTAs above 15% threshold (refer to Section 2.4.10 of Basel III instructions)		250%	-	-	-	-	-	-
Listed Equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in the banking book.		100%	-	-	-	-	-	-
Unlisted equity investments (other than that deducted from capital) held in banking book		150%	-	-	-	-	-	-
Investments in venture capital		150%	-	-	-	-	-	-
Investments in premises, plant and equipment and all other fixed assets		100%	7,546,935	-	7,546,935	5,783,193	-	5,783,193
Claims on all fixed assets under operating lease		100%	-	-	-	-	-	-
All other assets		100%	6,257,587	-	6,257,587	8,921,020	-	8,921,020

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-II's Standardized Approach for Credit Risk.

Credit Risk: Disclosures for portfolio subject to the Standardized Approach

Credit risk arises from our dealings with individuals, corporate clients, financial institutions, sovereigns etc. The Bank is exposed to credit risk through its financing and investment activities. It stems from the Bank's both, on and off-balance sheet activities. Credit risk makes up the largest part of the Bank's exposure. Purpose of Credit Risk Management function is to identify, measure, manage, monitor and mitigate credit risk. Organizational structure of this function ensures pre and post-facto management of credit risk. While, Credit Review function provides pre-fact evaluation of counterparties, the Credit Risk Control (CRC) performs post-fact evaluation of financing facilities and reviews clients' performance on an ongoing basis.

The Bank has adopted Standardized Approach to measure Credit risk regulatory capital charge in compliance with Basel-III requirements. The approach mainly takes into account the assessment of external credit rating agencies. In line with SBP guidelines on Internal Credit Risk Rating Systems, the Bank has developed rating systems and all its corporate and commercial financing customers are internally rated. The Bank is in the process of continuously improving the system and bringing it inline with the Basel framework requirements.

In order to manage the Bank's credit risk, following policies and procedures are in place:

- Individuals who take or manage risks clearly understand them in order to protect the Bank from avoidable risks;
- Credit facility or material change to the credit facility is allowed subject to credit review;
- Approval and review process is reviewed by RM&PRC and internal audit;

As a part of credit assessment the Bank uses an internal rating framework as well as the ratings assigned by the external credit rating agencies, wherever available.

In compliance to State Bank of Pakistan instructions, the bank has developed an indigenous model to calculate score of an obligor based on trade based money laundering risk during the year. The model covers various risk parameters to assess risk. The bank also has in place a scoring model to capture environmental risk.

Ongoing administration of the credit portfolio is an essential part of the credit process that supports and controls extension and maintenance of credit. The Bank's Credit Risk Control, being an independent function from the business and operations group, is responsible for performing the following activities:

- Credit disbursement authorization;
- Collateral coverage and monitoring;
- Compliance of loan covenants/ terms of approval;
- Maintenance/ custody of collateral and security documentation.

Credit Risk Monitoring is based on a comprehensive reporting framework. Continuous monitoring of the credit portfolio and the risks attached thereto are carried out at different levels including businesses, Audit & Risk Assets Review, Credit Risk Control, Credit Risk Management Division, etc.

To ensure a prudent distribution of asset portfolio, the Bank manages its lending and investment activities within an appropriate limits framework. Per party exposure limit is maintained in accordance with SBP Prudential Regulation R-1.

The Bank creates specific provision against Non- Performing Financings (NPFs) in accordance with the Prudential Regulations and other directives issued by the State Bank of Pakistan (SBP) and charged to the profit and loss account. Provisions are held against identified as well as unidentified losses. Provisions against unidentified losses include general provision against consumer, small entities and micro financings made in accordance with the requirements of the Prudential Regulations issued by SBP on financings.

Leverage Ratio (LR):

In order to avoid building-up excessive on and off-balance sheet leverage in the banking system, monitoring of Leverage Ratio is in place as per SBP directives with the following objectives:

- constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and
- reinforce the risk based requirements with an easy to understand and a non-risk based measure.

A minimum Tier 1 leverage ratio of 3% has been prescribed both at solo and consolidated level.

	2024	2023
	Rupees in '000	
Leverage Ratio (LR):		
Eligiblle Tier-1 Capital	23,384,189	20,568,762
Total Exposures	340,543,011	283,260,917
Leverage Ratio	**6.87%**	**7.26%**

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 (LCR)

The objective of Liqudiity Coverage Ratio (LCR) is to ensure short-term resilience of the liqudity risk profile of the bank by ensuring availability of adequate High Quality Liquid Assets to survive a significant stress scenario lasting for 30 calendar days. All banks are required to maintain LCR at least 100% on an ongoing basis.

		Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
		2024		2023	
		a	b	a	b
		Rupees in '000		Rupees in '000	
HIGH QUALITY LIQUID ASSETS					
1	Total high quality liquid assets (HQLA)	-	**115,376,414**	-	**84,205,536**
CASH OUTLFLOWS					
2	Retail deposits and deposits from small business customers of which:	93,686,145	9,368,614	85,990,796	8,599,080
2.1	Stable deposit	-	-	-	-
2.2	Less stable deposit	93,686,145	9,368,614	85,990,796	8,599,080
3	Unsecured wholesale funding of which:	136,143,755	76,345,175	94,030,049	48,543,243
3.1	Operational deposits (all counterparties)	-	-	-	-
3.2	Non-operational deposits (all counterparties)	99,664,300	39,865,720	75,811,343	30,324,537
3.3	Unsecured debt	36,479,454	36,479,454	18,218,706	18,218,706
4	Secured wholesale funding		-		-
5	Additional requirements of which:	89,804,945	10,500,182	80,176,839	8,376,554
5.1	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
5.2	Outflows related to loss of funding on debt products	-	-	-	-
5.3	Credit and Liquidity facilities	1,687,215	168,722	1,038,966	103,897
6	Other contractual funding obligations	8,439,212	8,439,212	6,403,632	6,403,632
7	Other contingent funding obligations	79,678,517	1,892,249	72,734,241	1,869,025
8	**TOTAL CASH OUTFLOWS**		**96,213,971**		**65,518,876**
CASH INFLOWS					
9	Secured lending	-		-	
10	Inflows from fully performing exposures	16,554,785	8,298,143	19,215,282	9,636,529
11	Other Cash inflows	8,119,850	3,552,091	10,962,766	5,282,061
12	**TOTAL CASH IN FLOWS**		**11,850,234**		**14,918,589**
21	**TOTAL HQLA**		**115,376,414**		**84,205,536**
22	**TOTAL NET CASH OUTFLOWS**		**84,363,737**		**50,600,287**
23	**LIQUIDITY COVERAGE RATIO**		**136.76%**		**166.41%**

Governance of Liquidity Risk Management

Liquidity risk is the potential for loss to the Bank arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring an unacceptable cost. The Bank's Board of Directors sets Bank's policy for managing liquidity risk and entrusts accountability for supervision of the implementation of this strategy to senior management. Senior management exercises its responsibilities for managing market & liquidity risk through various committees including the Asset & Liability Management Committee (ALCO). Treasury department manages the Bank's liquidity position on a daily basis. The Bank's main approach of managing the liquidity risk is to make certain that it will always have adequate liquidity to meet its liabilities when they are due in normal and stressed scenarios without incurring any untoward expenditure or risking reputational harm. ALCO monitors the maintenance of liquidity ratios, depositor's concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual deposits. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. There is an Asset Liability Management Framework in place for focused handling of Liquidity. This framework also incorporates early warning indicators.

Liquidity Gap Reporting

Regarding behaviour of non-maturity deposits (non-contractual deposits), the Bank conducted a behavourial study using value at risk methodology. On the basis of its findings 7.96% of current accounts and saving accounts are bucketed into Upto 1- year maturity while 92.04% of current accounts saving accounts are bucketed in over 1 year maturity.

Net Stable Funding Ratio (NSFR)

The objective of Net Stable Funding Ratio (NSFR) is to reduce funding risk over a longer time horizion by requiring banks to fund their activites 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.

		2024				
		Unweighted value by residual maturity				
		No Maturity	Less than 6 months	6 months to greater than 1year	Greater than or equal to 1year	
		Rupees in '000				
ASF Items						
1	Capital:					**25,946,006**
2	Regulatory capital	25,946,006				25,946,006
3	Other capital instruments					-
4	Retail deposits and deposit					-
	from small business customers:					**89,555,559**
5	Stable deposits					-
6	Less stable deposits	88,675,239	6,979,826	3,706,109	145,003	89,555,559
7	Wholesale funding:	-	-	-	-	**45,331,040**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	57,709,048	26,846,179	6,056,852	50,000	45,331,040
10	Other liabilities:		24,339	65,596,491	3,203,649	**36,001,895**
11	NSFR derivative liabilities		123,365			-
12	All other liabilities and equity not included in othercategories		22,281,522			
13	**Total ASF**	-	-	-	-	**196,834,500**
RSF Items						
14	Total NSFR high-quality liquid					
	assets (HQLA)					-
15	Deposits held at other					
	financial institutions for					
	operational purposes	936,318				468,159
16	Performing loans and					
	securities:	-	-	-	-	-
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 financail institutions	-		-	-	
19	Performing loans to non-					
	financial corporate clients,					
	loans to retail and small					
	business customers, and					
	loans to sovereigns, central					
	banks and PSEs, of which:	-	-	-	46,619,488	39,626,565
20	With a risk weight of less					
	than or equal to 35% under					
	the Basel II Standardised					
	Approach for credit risk		-	-	999,423	649,625
21	Securities that are not in					
	default and do not qualify as					
	HQLA including exchange-					
	traded equities.	-	-	-		
22	Other assets:	-	-	-	-	-
23	Physical traded commodities,					
	including gold	-	-	-	-	-
24	Assets posted as initial margin	-				
	for derivative contracts	-				
25	NSFR derivative assets	9,006				-
26	NSFR derivative liabilities					
	before deduction of					
	variation margin posted	24,673				24,673
27	All other assets not included	-			-	
	in the above categories	57,463,399	2,027,636	69,523,982		92,529,536
28	Off-balance sheet items		57,371,244		49,143,801	5,325,752
29	**Total RSF**	-	-	-	-	**138,624,310**
30	**Net Stable Funding Ratio (%)**	-	-	-	-	**141.99%**

		2023				
		Unweighted value by residual maturity				
		No Maturity	Less than 6 months	6 months to greater than 1year	Greater than or equal to 1year	
				Rupees in '000		
ASF Items						
1	Capital:					**22,036,252**
2	Regulatory capital	22,036,252				22,036,252
3	Other capital instruments					-
4	Retail deposits and deposit					-
	from small business customers:					**100,120,280**
5	Stable deposits					-
6	Less stable deposits	84,781,371	13,886,221	12,429,400	147,765	100,120,280
7	Wholesale funding:	-	-	-	-	**36,369,183**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	48,199,134	19,920,232	1,513,000	3,106,000	36,369,183
10	Other liabilities:		21,837	21,646,821	6,281,423	**11,045,012**
11	NSFR derivative liabilities				33,301	
12	All other liabilities and equity not included in othercategories		32,431,645			
13	**Total ASF**	-	-	-	-	**169,570,727**
RSF Items						
14	Total NSFR high-quality liquid					
	assets (HQLA)					-
15	Deposits held at other					
	financial institutions for					
	operational purposes	2,746,434				1,373,217
16	Performing loans and					
	securities:	-	-	-	-	-
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 financail institutions	-		-	-	
19	Performing loans to non-					
	financial corporate clients,					
	loans to retail and small					
	business customers, and					
	loans to sovereigns, central					
	banks and PSEs, of which:	-	-	-	48,594,366	41,305,211
20	With a risk weight of less					
	than or equal to 35% under					
	the Basel II Standardised					
	Approach for credit risk		-	-	1,307,849	850,102
21	Securities that are not in					
	default and do not qualify as					
	HQLA including exchange-					
	traded equities.	-	-	-		
22	Other assets:	-	-	-	-	-
23	Physical traded commodities,					
	including gold	-	-	-	-	-
24	Assets posted as initial margin					
	for derivative contracts	247,841				
25	NSFR derivative assets	42,499				42,499
26	NSFR derivative liabilities					
	before deduction of					
	variation margin posted	41,068			-	41,068
27	All other assets not included	-			-	
	in the above categories	48,757,816	2,501,845	47,545,200		72,905,692
28	Off-balance sheet items		50,780,246		40,813,518	4,579,688
29	**Total RSF**	-	-	-	-	**121,097,477**
30	**Net Stable Funding Ratio (%)**	-	-	-	-	**140.03%**