

Habib Metropolitan Bank Limited
Capital Adequacy and Leverage Ratio - Consolidated
As at December 31, 2025

1. CAPITAL ASSESSMENT AND ADEQUACY

Scope of Applications

The State Bank of Pakistan (SBP) through its BPRD Circular No 6 dated August 15, 2013 has issued Basel III Capital instructions for Banks / DFIs. The revision to the previously applicable Capital Adequacy regulations pertain to components of eligible capital and related deductions. The amendments have been introduced with an aim to further strengthen the existing capital related rules. Basel III instructions have become effective from December 31, 2013; however, there is a transitional phase during which the complete requirements would become applicable with full implementation by December 31, 2019. This Capital Adequacy framework is applicable to the Bank.

The Bank's capital adequacy is reported using the rules and ratios provided by the State Bank of Pakistan. The capital adequacy ratio is a measure of the amount of a Bank's capital expressed as a percentage of its risk weighted assets (RWAs). Banking operations are categorized as either Trading Book or Banking Book and RWAs are determined according to specific treatments as per the requirement of SBP that measure the varying levels of risk attached to on balance sheet and off-balance sheet exposures. Under the current capital adequacy regulations, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach. Credit risk mitigants are also applied against the Bank's exposures based on eligible collateral.

Capital Management

The objective of managing capital is to safeguard the Bank's ability to continue as a going concern. It is the policy of the Bank to maintain a strong capital base so as to maintain investor, depositor and market confidence and to sustain future development of the business. The Bank aims to maintain an optimum level of capital along with maximizing shareholders' return.

Statutory minimum capital requirement and Capital Adequacy Ratio

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs.10 billion by the year ending December 31, 2013. The paid-up capital of the Bank for the year ended December 31, 2024 stood at Rs. 10,478 million (2023: Rs. 10,478 million) and is in compliance with SBP requirements.

Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 11.50% of the risk weighted exposures of the Bank. Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.00% and 7.50%, respectively, as at December 31, 2025. As at December 31, 2025 the Bank was fully compliant with prescribed ratios as the Bank's CAR was 16.57% whereas CET 1 was 14.16% and Tier 1 was 14.17%. The Bank and its individually regulated operations have complied with all capital requirements throughout the year.

Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.

CET 1 capital includes fully paid-up capital, balance in share premium account, general reserves as per the financial statements, net un-appropriated profits meeting the eligibility criteria.

AT 1 capital includes instruments meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares.

The deductions from Tier 1 capital include mainly;

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

Tier 2 capital includes general provisions for loan losses, surplus on the revaluation of assets - net of tax and subordinated debts (meeting the revised eligibility criteria).

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1.1 Capital Structure

	<i>Note</i>	31 December 2025	31 December 2024	Source based on reference number from Note 42.4.2
----- (Rupees in '000) -----				
Common Equity Tier 1 capital (CET1): Instruments and reserves				
Fully Paid-up Capital/ Capital deposited with SBP		10,478,315	10,478,315	(t)
Balance in Share Premium Account		2,550,985	2,550,985	
Reserve for issue of Bonus Shares		-	-	
Discount on Issue of shares		-	-	
General/ Statutory Reserves		37,032,473	34,306,536	(v)
Deficit on account of Revaluation from Bank's holding fixed assets / AFS Securities		-	-	
Unappropriated/unremitted profits/ (losses)		62,271,555	54,342,480	(w)
Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)		342,523	292,452	
		-	-	(x)
CET 1 before Regulatory Adjustments		112,675,851	101,970,768	
Total regulatory adjustments applied to CET1	<i>1.2.1</i>	917,834	1,064,124	
Common Equity Tier 1		111,758,017	100,906,644	
Additional Tier 1 (AT 1) Capital				
Qualifying Additional Tier-1 instruments plus any related share premium		-	-	
of which: Classified as equity		-	-	(t)
of which: Classified as liabilities		-	-	(m)
Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1)		60,446	51,609	(y)
of which: instrument issued by subsidiaries subject to phase out		-	-	
AT1 before regulatory adjustments		60,446	51,609	
Total regulatory adjustment applied to AT1 capital	<i>1.2.2</i>	-	-	
Additional Tier 1 capital after regulatory adjustments		-	-	
Additional Tier 1 capital recognized for capital adequacy		60,446	51,609	
Tier 1 Capital (CET1 + admissible AT1) (11+20)		111,818,463	100,958,253	
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 III Rules		-	-	
Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)		100,742	86,015	(z)
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		4,819,569	5,931,382	(g)
Revaluation Reserves (net of taxes)		-	-	
of which: Revaluation reserves on fixed assets		4,650,912	4,777,844	portion of (aa)
of which: Unrealized Gains/Losses on AFS		9,370,024	7,498,341	
Foreign Exchange Translation Reserves		-	-	
Undisclosed/Other Reserves (if any)		-	-	
T2 before regulatory adjustments		18,941,247	18,293,582	
Total regulatory adjustment applied to T2 capital	<i>1.2.3</i>	-	-	
Tier 2 capital (T2) after regulatory adjustments		18,941,247	18,293,582	
Tier 2 capital recognized for capital adequacy		18,941,247	18,293,582	
Portion of Additional Tier 1 capital recognized in Tier 2 capital		-	-	
Total Tier 2 capital admissible for capital adequacy		18,941,247	18,293,582	
TOTAL CAPITAL (T1 + admissible T2)	<i>(21+37)</i>	130,759,710	119,251,835	
Total Risk Weighted Assets (RWA)	<i>1.5</i>	789,165,939	631,491,512	
Capital Ratios and buffers (in percentage of risk weighted assets)				
CET1 to total RWA		14.16%	15.98%	
Tier-1 capital to total RWA		14.17%	15.99%	
Total capital to total RWA		16.57%	18.88%	
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)		6.00%	6.00%	
of which: capital conservation buffer requirement		-	-	
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)		8.16%	9.98%	
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		11.50%	11.50%	

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1.2 Regulatory adjustments & additional information

	31 December 2025	Amounts subject to Pre- Basel III treatment	31 December 2024	Source based on reference number from Note 42.4.2
	----- (Rupees in '000) -----			
1.2.1 Common Equity Tier 1 capital: Regulatory adjustments				
Goodwill (net of related deferred tax liability)	-	-	-	(j) - (o)
All other intangibles (net of any associated deferred tax liability)	692,789	-	552,076	(h) - (p)
Shortfall in provisions against classified assets	-	-	-	(f)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	{(i) - (r)} * x%
Defined-benefit pension fund net assets	-	-	-	{(l) - (q)} * x%
Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	225,045	-	512,048	(d)
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	-	-	-	(ab)
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)
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)
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-	(j)
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	-	-	-	
Investment in TFCs of other banks exceeding the prescribed limit	-	-	-	
Any other deduction specified by SBP	-	-	-	
Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-	-	
Total regulatory adjustments applied to CET1 (sum of 1 to 21)	917,834	-	1,064,124	
1.2.2 Additional Tier 1 Capital: regulatory adjustments				
Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	-	-	
Investment in own AT1 capital instruments	-	-	-	
Reciprocal cross holdings in Additional Tier 1 capital instruments	-	-	-	
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	60,445	-	51,609	
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-	
Portion of deduction applied 50:50 to Tier 1 and Tier 2 capital 1 based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-	-	-	
Adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	(60,445)	-	(51,609)	
Total of Regulatory Adjustment applied to AT1 capital (sum of 23 to 29)	-	-	-	
1.2.3 Tier 2 Capital: regulatory adjustments				
Portion of deduction applied 50:50 to Tier 1 and Tier 2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	-	-	
Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-	-	
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	-	-	-	
Amount of Regulatory Adjustment applied to T2 capital (sum of 31 to 35)	-	-	-	
	31 December 2025		31 December 2024	
1.2.4 Additional Information				
Risk weighted assets in respect of amounts 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	7,391,118		4,932,410	
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)	4,819,569		5,931,382	
Cap on inclusion of provisions in Tier 2 under standardized approach	7,273,526		5,931,382	
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	-	-	-	

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1.3 Capital Structure Reconciliation

1.3.1 Step 1

The accounting consolidation is identical to the scope of regulatory consolidation.

1.3.2 Step 2

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	
	31 December 2025		
	(Rupees in '000)		Ref.
Assets			
Cash and balances with treasury banks	89,075,960	89,075,960	
Balances with other banks	13,571,386	13,571,386	
Lendings to financial institutions	45,950,890	45,950,890	
Investments	859,675,397	859,675,397	
<i>of which: Non-significant investments in capital instruments of banking, financial and insurance entities exceeding 10% threshold</i>	-	-	a
<i>of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold</i>	-	-	b
<i>of which: Mutual Funds exceeding regulatory threshold</i>	-	-	c
<i>of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)</i>	225,045	225,045	d
<i>of which: others</i>	-	-	e
Advances	551,696,111	551,696,111	
<i>shortfall in provisions/ excess of total EL amount over eligible provisions under IRB</i>	-	-	f
<i>general provisions reflected in Tier 2 capital</i>	4,819,569	4,819,569	g
Fixed Assets	27,354,248	27,354,248	
<i>of which: Intangibles</i>	692,789	140,407	h
Deferred Tax Assets	-	-	
<i>of which: DTAs that rely on future profitability excluding those arising from temporary differences</i>	-	-	i
<i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>	-	-	j
Other assets	104,358,100	104,358,100	
<i>of which: Goodwill</i>	-	-	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	1,691,682,092	1,691,682,092	
Liabilities & Equity			
Bills payable	29,736,142	29,736,142	
Borrowings	298,634,511	298,634,511	
Deposits and other accounts	1,118,287,222	1,118,287,222	
Sub-ordinated loans	-	-	m
<i>of which: eligible for inclusion in AT1</i>	-	-	n
<i>of which: eligible for inclusion in Tier 2</i>	-	-	
Liabilities against assets subject to finance lease	11,313,588	11,313,588	
Deferred tax liabilities	4,677,042	4,677,042	o
<i>of which: DTLs related to goodwill</i>	-	-	p
<i>of which: DTLs related to intangible assets</i>	-	-	q
<i>of which: DTLs related to defined pension fund net assets</i>	41,731	41,731	r
<i>of which: other deferred tax liabilities</i>	-	-	
Other liabilities	94,959,176	94,959,176	
Total liabilities	1,557,607,681	1,557,607,681	
Share capital	13,029,300	13,029,300	s
<i>of which: amount eligible for CET1</i>	13,029,300	13,029,300	t
<i>of which: amount eligible for AT1</i>	-	-	
Reserves	37,032,473	37,032,473	u
<i>of which: portion eligible for inclusion in CET1 (statutory reserve, special reserve & revenue reserve)</i>	37,032,473	37,032,473	v
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	
Unappropriated profit/ (losses)	62,271,555	62,271,555	w
Minority Interest	5,199,447	5,199,447	x
<i>of which: portion eligible for inclusion in CET1</i>	342,523	342,523	y
<i>of which: portion eligible for inclusion in AT1</i>	-	-	z
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	
Surplus on revaluation of assets	16,541,636	16,541,636	aa
<i>of which: Revaluation reserves on Fixed Assets</i>	4,650,912	5,400,607	
<i>of which: Unrealized Gains/Losses on AFS-Recognised</i>	9,370,024	9,370,024	aaa
<i>of which: Unrealized Gains/Losses others</i>	2,095,111	2,095,111	
<i>In case of Deficit on revaluation (deduction from CET1)</i>	-	-	
Total Equity	134,074,411	134,074,411	
Total liabilities and Equity	1,691,682,092	1,691,682,092	

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1.4 Main features template of regulatory capital instruments

1	Issuer	Habib Metropolitan Bank Ltd.
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	HMB
3	Governing law(s) of the instrument	Capital Market Law
	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 thousand, as of reporting date)	130,759,710
9	Par value of instrument	PKR 10
10	Accounting classification	Shareholder equity
11	Original date of issuance	1992
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	Not Applicable
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	Non-convertible
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)	Not Applicable
36	Non-compliant transitioned features	Not Applicable
37	If yes, specify non-compliant features	Not Applicable

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1.5 Risk Weighted Assets

The risk weighted assets to capital ratio, calculated in accordance with the SBP's guidelines on capital adequacy is as follows:

	Capital Requirements		Risk Weighted Assets	
	2025	2024	2025	2024
Credit risk	----- (Rupees in '000) -----			
Portfolios subject to standardised approach (<u>Simple</u>)				
On-Balance Sheet				
Cash and cash equivalents	-	-	-	-
Government of Pakistan and SBP	536,209	604,661	5,362,089	6,046,610
Public Sector Entities	604,702	93,853	6,047,020	938,526
Banks	1,882,083	1,080,662	18,820,828	10,806,622
Corporate	35,012,480	26,296,758	350,124,801	262,967,583
Retail	3,509,284	1,704,165	35,092,844	17,041,654
Residential mortgage finance	515,904	500,918	5,159,043	5,009,183
Past due loans	33,766	70,640	337,663	706,398
Operating fixed assets	2,666,146	2,585,135	26,661,459	25,851,351
Other assets	1,037,635	630,038	10,376,353	6,300,380
	45,798,209	33,566,830	457,982,100	335,668,307
Off-Balance Sheet				
Non market related	10,381,664	12,192,654	103,816,637	121,926,540
Market related	405,752	309,347	4,057,523	3,093,471
	10,787,416	12,502,001	107,874,160	125,020,011
Equity Exposure Risk in the Banking Book				
Under simple risk weight method e.g. Listed, Unlisted	1,602,582	1,382,223	16,025,824	13,822,229
Under Internal models approach	-	-	-	-
	1,602,582	1,382,223	16,025,824	13,822,229
Total Credit Risk	58,188,207	47,451,054	581,882,084	474,510,547
Market risk				
Capital requirement for portfolios subject to <u>Standardised Approach</u>				
Interest rate risk	2,138,465	408,160	26,730,815	5,102,001
Equity position risk	664,636	55,480	8,307,950	693,501
Foreign exchange risk	230,501	269,042	2,881,263	3,363,025
Total market risk	3,033,602	732,682	37,920,028	9,158,527
Operational risk				
Capital requirement for operational risks subject to <u>Basic Indicator Approach</u>	13,549,106	11,825,795	169,363,827	147,822,438
Total Risk Weighted Assets	74,770,915	60,009,531	789,165,939	631,491,512
Capital adequacy ratio	31 December 2025		31 December 2024	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	14.16%	6.00%	15.98%
Tier-1 capital to total RWA	7.50%	14.17%	7.50%	15.99%
Total capital to total RWA	11.50%	16.57%	11.50%	18.88%

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0.1 Credit risk - General disclosures

The Bank uses the 'Standardised Approach' in calculation of credit risk and capital requirements.

The Bank uses reputable and SBP approved rating agencies for deriving risk weight to specific credit exposures. These are applied consistently across the Bank credit portfolio for both on - balance sheet and off - balance sheet exposures. The methodology applied for using External Credit Assessment Institutions (ECAI's) inclusive of the alignment of alpha numerical scale of each agency used with risk bucket is as per SBP guidelines as is given below:

Types of Exposures and ECAI's used

Exposures	2025				
	JCR - VIS	PACRA	S & P	Fitch	Moody's
Corporate	√	√	-	-	-
Banks	√	√	√	√	√
Sovereigns	-	-	-	-	-
SME's	√	√	-	-	-
Securitisation	-	-	-	-	-
Others	-	-	-	-	-

0.2 Credit exposures subject to Standardized Approach

Exposures	Rating Category	2025			2024		
		Amount Outstanding	Deduction CRM	Net Amount	Amount Outstanding	Deduction CRM	Net Amount
----- (Rupees in '000) -----							
Corporate	1	158,974,536	65,593,097	93,381,439	201,089,585	68,569,368	132,520,217
	2	109,293,777	5,161,218	104,132,559	142,905,465	3,893,584	139,011,881
	3,4	13,451,655	-	13,451,655	20,005,906	-	20,005,906
	5,6	391	-	391	110	-	110
Claims on banks with original maturity of 3 months or less		47,667,353	8,000,000	39,667,353	5,671,094	-	5,671,094
Retail		67,909,281	9,465,333	58,443,948	35,092,591	5,895,875	29,196,716
Public sector entities	1	23,347,016	15,568,422	7,778,594	21,053,910	12,649,658	8,404,252
	2,3	-	-	-	-	-	-
Others		867,702,634	20,000,000	847,702,634	938,171,033	6,963,750	931,207,283
Unrated		375,778,035	52,576,546	323,201,489	286,178,289	51,545,290	234,632,999

The forms of collateral that are deemed eligible under the 'Simple Approach' to credit risk mitigation as per SBP guidelines are used by the Bank and primarily includes cash, government and rated debt securities.

The Bank applies SBP specified haircut to collateral for credit risk mitigation. Collateral management is embedded in the Bank's risk taking and risk management policy and procedures. A standard credit granting procedure exists which has been well-disseminated down the line, ensuring proper pre-sanction evaluation, adequacy of security, pre-examination of charge / control documents and monitoring of each exposure on an ongoing basis.

Collateral information is recorded diligently in the Bank's main processing systems by type of collateral, amount of collateral against relevant credit exposures. A cohesive accounting / risk management system facilitates effective collateral management for Basel II reporting.

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2 Leverage Ratio

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage. As at 31 December 2023 the Bank's Leverage ratio stood at 4.79% (2022: 4.14%) which is well above the minimum requirement of 3.0%.

	<i>Note</i>	December 31, 2025	December 31, 2024
		(Rupees in '000)	
Tier-1 Capital (B)	<i>1.1</i>	<u>111,818,463</u>	<u>100,958,253</u>
Total exposures (B)		<u>2,126,298,395</u>	<u>1,974,617,349</u>
Leverage Ratio (B/A)		<u>5.26%</u>	<u>5.11%</u>