

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
 CAPITAL ADEQUACY, LEVERAGE AND LIQUIDITY DISCLOSURES
 AS AT DECEMBER 31, 2018

CAPITAL ADEQUACY RETURN

		2018	2017
		(Rupees in '000)	
Rows #		Amount	Amount
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid-up Capital/ Capital deposited with SBP	6,000,000	6,000,000
2	Balance in Share Premium Account		
3	Reserve for issue of Bonus Shares		
4	Discount on Issue of shares		
5	General/ Statutory Reserves	8,193,002	7,431,389
6	Gain/(Losses) on derivatives held as Cash Flow Hedge		
7	Unappropriated/unremitted profits/ (losses)	12,189,004	10,696,759
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	26,382,006	24,128,148
10	Total regulatory adjustments applied to CET1	11,447,842	9,278,808
11	Common Equity Tier 1	14,934,164	14,849,340
	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		
19	Additional Tier 1 capital after regulatory adjustments		
20	Additional Tier 1 capital recognized for capital adequacy	-	-
21	Tier 1 Capital (CET1 + admissible AT1)	14,934,164	14,849,340
	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		
27	Revaluation Reserves (net of taxes)		
28	of which: Revaluation reserves on fixed assets		
29	of which: Unrealized gains/losses on AFS	167,303	604,878
30	Foreign Exchange Translation Reserves		
31	Undisclosed/Other Reserves (if any)		
32	T2 before regulatory adjustments	167,303	604,878
33	Total regulatory adjustment applied to T2 capital	167,303	604,878
34	Tier 2 capital (T2) after regulatory adjustments	-	-
35	Tier 2 capital recognized for capital adequacy		
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital		
37	Total Tier 2 capital admissible for capital adequacy	98,800	14,849,340
38	TOTAL CAPITAL (T1 + admissible T2)	15,032,964	14,849,340
39	Total Risk Weighted Assets (RWA)	35,333,019	35,990,412
	Capital Ratios and buffers (in percentage of risk weighted assets)		
40	CET1 to total RWA	42.27%	41.26%
41	Tier-1 capital to total RWA	42.27%	41.26%
42	Total capital to total RWA	42.55%	41.26%
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)		
44	of which: capital conservation buffer requirement	7.90%	7.28%
45	of which: countercyclical buffer requirement	1.90%	1.28%
46	of which: D-SIB or G-SIB buffer requirement		
47	CET1 available to meet buffers (as a percentage of risk weighted assets)	36.27%	35.26%
	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	11.900%	11.28%

(Rupees in '000)

Regulatory Adjustments and Additional Information	Amount	Amounts subject to Pre- Basel III treatment*	Amount	Amounts subject to Pre- Basel III treatment*
Common Equity Tier 1 capital: Regulatory adjustments				
1 Goodwill (net of related deferred tax liability)			4,178	
2 All other intangibles (net of any associated deferred tax liability)	13,210			
3 Shortfall in provisions against classified assets				
4 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)				
5 Defined-benefit pension fund net assets				
6 Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities				
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)	107,453			
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)	11,244,684	11,242,502	7,903,606	1,975,902
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				
20 Any other deduction specified by SBP (mention details)				
21 Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	82,494		1,371,024	
22 Total regulatory adjustments applied to CET1 (sum of 1 to 21)	11,447,841		9,278,808	
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)	82,494			
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	-		987,951	
29 Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		383,073	
30 Total regulatory adjustment applied to AT1 capital (sum of 23 to 29)	82,494		1,371,024	
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			987,951	
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)	68,503			
35 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation				
36 Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	68,503		987,951	
2018				
(Rupees in '000)				
			Amount	Amount
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			-	1,975,902
Amounts below the thresholds for deduction (before risk weighting)				
38 Non-significant investments in the capital of other financial entities			2,626,835	1,801,781
39 Significant investments in the common stock of financial entities			2,626,134	2,412,397
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)				
42 Cap on inclusion of provisions in Tier 2 under standardized approach				
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				

Capital Structure Reconciliation

Step 1		
	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	2018	2018
	(Rupees in '000)	
Assets		
Cash and balances with treasury banks	60,901	60,901
Balances with other banks	9,690	9,690
Lending to financial institutions	1,071,204	1,071,204
Investments	25,815,300	25,815,300
Advances	2,698,181	2,698,181
Operating fixed assets	204,172	204,172
Deferred tax assets	-	-
Other assets	117,778	117,778
Total assets	29,977,226	29,977,226
Liabilities & Equity		
Bills payable	-	-
Borrowings	1,371,474	1,371,474
Deposits and other accounts	35,000	35,000
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	1,462,940	1,462,940
Other liabilities	558,503	558,503
Total liabilities	3,427,917	3,427,917
Share capital	6,000,000	6,000,000
Reserves	8,193,002	8,193,002
Unappropriated profits	12,189,004	12,189,004
Minority Interest	-	-
Surplus on revaluation of assets	167,303	167,303
Total liabilities & equity	29,977,226	29,977,226

Step 2			
	Balance sheet as in published	Under regulatory scope of	Reference
	financial statements	consolidation	
	2018	2018	
(Rupees in '000)			
Assets			
Cash and balances with treasury banks	60,901	60,901	
Balanced with other banks	9,690	9,690	
Lending to financial institutions	1,071,204	1,071,204	
Investments	25,815,300	25,815,300	
<i>of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold</i>			a
<i>of which: significant capital investments in financial sector entities exceeding regulatory threshold</i>	11,327,178	11,327,178	b
<i>of which: Mutual Funds exceeding regulatory threshold</i>			c
<i>of which: reciprocal crossholding of capital instrument</i>			d
<i>of which: others (mention details)</i>			e
Advances	2,698,181	2,698,181	
<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>			g
Fixed Assets	204,172	204,172	
Deferred Tax Assets	-	-	
<i>of which: DTAs excluding those arising from temporary differences</i>			h
<i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>			i
Other assets	117,778	117,778	
<i>of which: Goodwill</i>			j
<i>of which: Intangibles</i>	13,210	13,210	k
<i>of which: Defined-benefit pension fund net assets</i>			l
Total assets	29,977,226	29,977,226	
Liabilities & Equity			
Bills payable	-	-	
Borrowings	1,371,474	1,371,474	
Deposits and other accounts	35,000	35,000	
Sub-ordinated loans			
<i>of which: eligible for inclusion in AT1</i>			m
<i>of which: eligible for inclusion in Tier 2</i>			n
Liabilities against assets subject to finance lease			
Deferred tax liabilities	1,462,940	1,462,940	
<i>of which: DTLs related to goodwill</i>			o
<i>of which: DTLs related to intangible assets</i>			p
<i>of which: DTLs related to defined pension fund net assets</i>			q
<i>of which: other deferred tax liabilities</i>			r
Other liabilities	558,503	558,503	
Total liabilities	3,427,917	3,427,917	
Share capital	6,000,000	6,000,000	
<i>of which: amount eligible for CET1</i>	6,000,000	6,000,000	s
<i>of which: amount eligible for AT1</i>	6,000,000	6,000,000	t
Reserves	8,193,002	8,193,002	
<i>of which: portion eligible for inclusion in CET1 (provide breakup)</i>	8,193,002	8,193,002	u
<i>of which: portion eligible for inclusion in Tier 2</i>	8,193,002	8,193,002	v
Unappropriated profit/ (losses)	12,189,004	12,189,004	w
Minority Interest			
<i>of which: portion eligible for inclusion in CET1</i>			x
<i>of which: portion eligible for inclusion in AT1</i>			y
<i>of which: portion eligible for inclusion in Tier 2</i>			z
Surplus on revaluation of assets	167,303	167,303	
<i>of which: Revaluation reserves on Property</i>			
<i>of which: Unrealized Gains/Losses on AFS</i>	167,303	167,303	aa
<i>In case of Deficit on revaluation (deduction from CET1)</i>	167,303	167,303	ab
Total liabilities & Equity	29,977,226	29,977,226	

Step 3			
Basel III Disclosure Template (with added column)			
		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/ Capital deposited with SBP	6,000,000	
2	Balance in Share Premium Account		(s)
3	Reserve for issue of Bonus Shares		
4	General/ Statutory Reserves	8,193,002	(u)
5	Gain/(Losses) on derivatives held as Cash Flow Hedge		
6	Unappropriated/unremitted profits/(losses)	12,189,004	(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	26,382,006	
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)	13,210	(k) - (p)
11	Shortfall of provisions against classified assets		(f)
12	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	{ (h) - (r) } * x%
13	Defined-benefit pension fund net assets		{ (l) - (q) } * x%
14	Reciprocal cross holdings in CET1 capital instruments		(d)
15	Cash flow hedge reserve		
16	Investment in own shares/ CET1 instruments		
17	Securitization gain on sale		
18	Capital shortfall of regulated subsidiaries		
19	Deficit on account of revaluation from bank's holdings of property/ AFS		(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)	107,453	(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)	11,244,684	(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	Investment in TFCs of other banks exceeding the prescribed limit		
28	Any other deduction specified by SBP (mention details)		
29	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	82,494	
30	Total regulatory adjustments applied to CET1	11,447,841	
	Common Equity Tier 1	14,934,165	

		Component of regulatory capital reported by bank	Source based on reference number from step 2
		(Rupees in '000)	
	Additional Tier 1 (AT 1) Capital		
31	Qualifying Additional Tier-1 instruments plus any related share premium		(l)
32	of which: Classified as equity		(m)
33	of which: Classified as liabilities		
34	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)		(y)
35	of which: instrument issued by subsidiaries subject to phase out		
36	AT1 before regulatory adjustments		
	Additional Tier 1 Capital: regulatory adjustments		
37	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)		
38	Investment in own AT1 capital instruments		
39	Reciprocal cross holdings in Additional Tier 1 capital instruments		
40	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		(ac)
41	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation		(ad)
42	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from tier-1 capital		
43	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
44	Total of Regulatory Adjustment applied to AT1 capital		-
45	Additional Tier 1 capital		-
46	Additional Tier 1 capital recognized for capital adequacy		-
	Tier 1 Capital (CET1 + admissible AT1)	14,934,165	
	Tier 2 Capital		
47	Qualifying Tier 2 capital instruments under Basel III		
48	Capital instruments subject to phase out arrangement from tier 2 (Pre-BaseI III instruments)		(n)
49	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)		(z)
50	of which: instruments issued by subsidiaries subject to phase out		
51	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets		(g)
52	Revaluation Reserves eligible for Tier 2		
53	of which: portion pertaining to Property		
54	of which: portion pertaining to AFS securities		portion of (aa)
55	Foreign Exchange Translation Reserves		(v)
56	Undisclosed/Other Reserves (if any)		
57	T2 before regulatory adjustments	14,934,165	
	Tier 2 Capital: regulatory adjustments		
58	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from tier-2 capital		
59	Reciprocal cross holdings in Tier 2 instruments		
60	Investment in own Tier 2 capital instrument		
61	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	(ae)	
62	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(af)	
63	Amount of Regulatory Adjustment applied to T2 capital		
64	Tier 2 capital (T2)	-	
65	Tier 2 capital recognized for capital adequacy	-	
66	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
67	Total Tier 2 capital admissible for capital adequacy	98,800.00	
	TOTAL CAPITAL (T1 + admissible T2)	15,032,965	

Main Features Template of Regulatory Capital Instruments

Disclosure template for main features of regulatory capital instruments		
	Main Features	Common Shares
1	Issuer	Pakistan Kuwait Investment Company (Private) Limited
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	NA
3	Governing law(s) of the instrument	Government of Pakistan
	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	Solo
7	Instrument type	Ordinary Shares
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	6,000,000
9	Par value of instrument	PKR 25,000 per share
10	Accounting classification	Share Holder's Equity
11	Original date of issuance	1979
12	Perpetual or dated	NA
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend/ coupon	NA
18	coupon rate and any related index/ benchmark	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA

Capital Adequacy Ratio

	Capital Requirements		Risk Weighted Assets	
	2018	2017	2018	2017
Rupees in '000				
Credit Risk on On-Balance Sheet				
PSE's	99	173	985	1,733
Banks	21,621	54,145	216,214	541,453
Corporates	228,215	290,827	2,282,147	2,908,268
Retail portfolio	459	660	4,588	6,604
Secured by residential property	2,778	2,681	27,780	26,809
Past due loans	-	82	-	823
Commercial Entity	1,057,824	1,064,733	10,578,240	10,647,330
Significant Investment & DTA	656,534	603,098	6,565,336	6,030,992
Listed equity investments	159,999	78,904	1,599,988	789,039
Unlisted equity investments	124	81	1,237	810
Investments in fixed assets	20,417	19,235	204,172	192,355
Other assets	24,444	9,890	24,438	98,895
	2,172,514	2,124,510	21,505,125	21,245,111
Credit risk on Off-Balance Sheet				
Non market related	18,750	64,250	187,500	642,500
Market Risk				
Interest rate risk		-		-
Equity position risk	524,049	614,088	6,550,608	7,676,100
	524,049	614,088	6,550,608	7,676,100
Operational Risk				
	567,183	514,136	7,089,787	6,426,701
TOTAL	3,282,496	3,316,984	35,333,020	35,990,412

Capital Adequacy Ratio		2018		2017	
		(Rupees in '000)			
Total eligible regulatory capital held	(e)	15,032,964		14,849,340	
Total Risk Weighted Assets	(i)	35,333,020		35,990,412	
Capital Adequacy Ratio	(e) / (i)	42.55%		41.26%	

Leverage Ratio		2018		2017	
		Tier 1 Capital	(f)	14,934,164	
Total Exposure	(g)	18,800,049		20,700,356	
Leverage Ratio	(f) / (g)	79.44%		71.73%	

Capital Adequacy Ratios	2018		2017	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	42.27%	6.00%	41.26%
Tier-1 capital to total RWA	7.50%	42.27%	7.50%	41.26%
Total capital to total RWA	11.90%	42.55%	11.28%	41.26%
Leverage Ratio	3.00%	79.44%	3.00%	71.73%

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Liquidity Coverage Ratio (LCR)

State Bank of Pakistan implemented two liquidity standards under its Basel III reforms i.e. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). LCR aims to augment the short-term resilience of the liquidity risk profile of banks/DFIs by ensuring that they have sufficient stock of unencumbered high-quality liquid assets (HQLA) to endure a significant stress scenario for 30 calendar days. While, NSFR aims to decrease the funding risk over a longer time horizon by requiring banks to fund their activities with adequately stable funding sources on continuing basis.

PKIC maintains a Contingency Funding Plan which outlines response to liquidity stress and uses stress tests across multiple scenarios across various time horizons to set forth a course of action. Notably, In order to maintain adequate liquidity, PKIC maintains sufficient stock of High Quality Liquid Assets which primarily consists of Unencumbered Government Securities.

<i>(Amount in PKR in thousands)</i>		TOTAL UNWEIGHTED^a VALUE (average)	TOTAL WEIGHTED^b VALUE (average)
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)		6,672,303
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:		
2.1	stable deposit		
2.2	Less stable deposit		
3	Unsecured wholesale funding of which:		418,500
3.1	Operational deposits (all counterparties)	1,833	733
3.2	Non-operational deposits (all counterparties)	416,667	416,667
3.3	Unsecured debt	-	-
4	Secured wholesale funding	-	-
5	Additional requirements of which:		
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		
6	Other contractual funding obligations	737,500	73,750
7	Other contingent funding obligations	512,442	512,442
8	TOTAL CASH OUTFLOWS		1,003,592
CASH INFLOWS			
9	Secured lending		
10	Inflows from fully performing exposures	134,346	67,173
11	Other Cash inflows		
12	TOTAL CASH INFLOWS		
		TOTAL ADJUSTED VALUE	
21	TOTAL HQLA		6,672,303
22	TOTAL NET CASH OUTFLOWS		937,519
23	LIQUIDITY COVERAGE RATIO		712%

- a unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)
- b Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)
- c Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e cap on level 2B and level 2 assets for HQLA and cap on inflows)

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Net Stable Funding Ratio (NSFR)

Net Stable Funding Ratio "NSFR" ensures that PKIC reduces funding risk over a longer time horizon by requiring the company to fund its activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress.

The NSFR limits overreliance on short-term funding, encourages better assessment of funding risk across all on-and-off balance sheet items and promotes funding stability. The ratio is defined as the amount of available stable funding (ASF), relative to the amount of required stable funding (RSF). NSFR reporting to SBP commenced from March 31, 2017 on a quarterly basis. Minimum requirement is set at 100% by SBP, effective from December 31, 2017 onwards. Notably, PKIC's remained well in compliance as at December 31, 2018.

(Amount in PKR in thousands)		UNWEIGHTED VALUE BY RESIDUAL MATURITY				Weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF item						
1	Capital:					
2	Regulatory capital					-
3	Other capital instruments	26,382,006				26,382,006
4	Retail deposits and deposit from small business customers:					-
5	Stable deposits					-
6	Less stable deposits					-
7	Wholesale funding:					-
8	Operational deposits		35,000			17,500
9	Other wholesale funding				1,163,354	1,163,354
10	Other liabilities:					-
11	NSFR derivative liabilities					-
12	All other liabilities and equity not included in other categories		-	970,726	1,306,233	1,791,596
13	Total ASF					29,354,456
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)					6,624,036
15	Deposits held at other financial institutions for operational purposes					
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA		1,071,204			160,681
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial 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:				1,322,289	1,123,946
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				512,802	333,321
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	2,544,886				1,272,443
22	Other assets:					
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets					
26	NSFR derivative liabilities before deduction of variation margin posted					
27	All other assets not included in the above categories	18,941,880		114,416		18,999,088
28	Off-balance sheet items		150,000			7,500
29	Total RSF					21,896,979
30	Net Stable Funding Ratio (%)					134%