

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED  
CAPITAL ADEQUACY, LEVERAGE AND LIQUIDITY DISCLOSURES-CONSOLIDATED  
AS AT DECEMBER 31, 2024

CAPITAL ADEQUACY RETURN

		2024	2023
		(Rupees in '000)	
Rows #		Amount	Amount
	<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>		
1	Fully Paid-up Capital/ Capital deposited with SBP	16,000,000	16,000,000
2	Balance in Share Premium Account		
3	Reserve for issue of Bonus Shares		
4	Discount on Issue of shares		
5	General/ Statutory Reserves	17,424,549	14,935,338
6	Gain/(Losses) on derivatives held as Cash Flow Hedge		
7	Unappropriated/unremitted profits/ (losses)	61,226,782	40,897,186
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)	8,854	7,638
9	<b>CET 1 before Regulatory Adjustments</b>	<b>94,660,185</b>	<b>71,840,162</b>
10	Total regulatory adjustments applied to CET1	57,941,309	57,343,937
11	<b>Common Equity Tier 1</b>	<b>36,718,876</b>	<b>14,496,225</b>
	<b>Additional Tier 1 (AT 1) Capital</b>		
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)	263,930	1,348
16	of which: instrument issued by subsidiaries subject to phase out		
17	<b>AT1 before regulatory adjustments</b>		
18	Total regulatory adjustment applied to AT1 capital		
19	Additional Tier 1 capital after regulatory adjustments	-	-
20	<b>Additional Tier 1 capital recognized for capital adequacy</b>		
21	<b>Tier 1 Capital (CET1 + admissible AT1)</b>	<b>36,982,806</b>	<b>14,497,573</b>
	<b>Tier 2 Capital</b>		
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)	-	2,246
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	1,521,813	861,672
27	Revaluation Reserves (net of taxes)		
28	of which: Revaluation reserves on fixed assets		
29	of which: Unrealized gains/losses on AFS	8,580,352	5,354,271
30	Foreign Exchange Translation Reserves		
31	Undisclosed/Other Reserves (if any)		
32	<b>T2 before regulatory adjustments</b>	<b>10,102,165</b>	<b>6,218,189</b>
33	Total regulatory adjustment applied to T2 capital		
34	Tier 2 capital (T2) after regulatory adjustments	10,102,165	6,218,189
35	Tier 2 capital recognized for capital adequacy		
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital		
37	<b>Total Tier 2 capital admissible for capital adequacy</b>	<b>10,102,165</b>	<b>5,317,621</b>
38	<b>TOTAL CAPITAL (T1 + admissible T2)</b>	<b>47,084,971</b>	<b>19,815,194</b>
39	<b>Total Risk Weighted Assets (RWA)</b>	<b>197,371,037</b>	<b>115,595,617</b>
	<b>Capital Ratios and buffers (in percentage of risk weighted assets)</b>		
40	<b>CET1 to total RWA</b>	<b>18.60%</b>	<b>12.54%</b>
41	<b>Tier-1 capital to total RWA</b>	<b>18.74%</b>	<b>12.54%</b>
42	<b>Total capital to total RWA</b>	<b>23.86%</b>	<b>17.14%</b>
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)		
44	of which: capital conservation buffer requirement		
45	of which: countercyclical buffer requirement		
46	of which: D-SIB or G-SIB buffer requirement		
47	CET1 available to meet buffers (as a percentage of risk weighted assets)	12.60%	6.54%
	<b>National minimum capital requirements prescribed by SBP</b>		
48	<b>CET1 minimum ratio</b>	<b>6.00%</b>	<b>6.00%</b>
49	<b>Tier 1 minimum ratio</b>	<b>7.50%</b>	<b>7.50%</b>
50	<b>Total capital minimum ratio</b>	<b>11.500%</b>	<b>11.500%</b>

(Rupees in '000)

Regulatory Adjustments and Additional Information	Amount	Amounts subject to Pre- Basel III treatment*	Amount	Amounts subject to Pre- Basel III treatment*
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>				
1 Goodwill (net of related deferred tax liability)				
2 All other intangibles (net of any associated deferred tax liability)	460,143		13,211	
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)	4,284,169		2,355,887	
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)				
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)	50,421,418		51,244,233	
14 Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)				
15 Amount exceeding 15% threshold	2,775,580		3,730,607	
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	-		-	
22 Total regulatory adjustments applied to CET1 (sum of 1 to 21)	<b>57,941,309</b>		<b>57,343,938</b>	
<b>Additional Tier-1 &amp; Tier-1 Capital: regulatory adjustments</b>				
23 Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]				
24 Investment in own AT1 capital instruments				
25 Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities				
26 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)				
27 Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation				
28 Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital				
29 Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
30 Total regulatory adjustment applied to AT1 capital (sum of 23 to 29)	-		-	
<b>Tier 2 Capital: regulatory adjustments</b>				
31 Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from tier-2 capital				
32 Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities				
33 Investment in own Tier 2 capital instrument				
34 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)				
35 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation				
36 Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	-		-	

2024      2023  
(Rupees in '000)

**Additional Information**

Amount      Amount

**Risk Weighted Assets subject to pre-BaseI III treatment**

37 Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-BaseI III Treatment)		
(i) of which: deferred tax assets		
(ii) of which: Defined-benefit pension fund net assets		
(iii) of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity		
(iv) of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity		

**Amounts below the thresholds for deduction (before risk weighting)**

38 Non-significant investments in the capital of other financial entities		
39 Significant investments in the common stock of financial entities		
40 Deferred tax assets arising from temporary differences (net of related tax liability)		

**Applicable caps on the inclusion of provisions in Tier 2**

41 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)		
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		

\* This column highlights items that are subject to Pre-BaseI III treatment during the transitional period

**Capital Structure Reconciliation**

Step 1		
	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	2024	2024
(Rupees in '000)		
<b>Assets</b>		
Cash and balances with treasury banks	878,917	878,917
Balances with other banks	265,721	265,721
Lending to financial institutions	21,140,182	21,140,182
Investments	527,156,144	527,156,144
Advances	51,290,871	51,290,871
Operating fixed assets	1,566,262	1,566,262
Deferred tax assets	-	-
Other assets	23,928,398	23,928,398
<b>Total assets</b>	<b>626,226,496</b>	<b>626,226,496</b>
<b>Liabilities &amp; Equity</b>		
Bills payable		
Borrowings	456,002,911	456,002,911
Deposits and other accounts	39,006,034	39,006,034
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	15,802,064	15,802,064
Other liabilities	11,849,443	11,849,443
<b>Total liabilities</b>	<b>522,660,452</b>	<b>522,660,452</b>
Share capital	16,000,000	16,000,000
Reserves	17,424,549	17,424,549
Unappropriated profits	61,226,782	61,226,782
Minority Interest	334,361	334,361
(Deficit) / surplus on revaluation of assets	8,580,352	8,580,352
<b>Total liabilities &amp; equity</b>	<b>626,226,496</b>	<b>626,226,496</b>

Step 2			
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	2024	2024	
(Rupees in '000)			
<b>Assets</b>			
Cash and balances with treasury banks	878,917	878,917	
Balanced with other banks	265,721	265,721	
Lending to financial institutions	21,140,182	21,140,182	
Investments	527,156,144	527,156,144	
<i>of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold</i>			a
<i>of which: significant capital investments in financial sector entities exceeding regulatory threshold</i>			b
<i>of which: Mutual Funds exceeding regulatory threshold</i>			c
<i>of which: reciprocal crossholding of capital instrument</i>			d
<i>of which: others (mention details)</i>			e
Advances	51,290,871	51,290,871	
<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	1,566,262	1,566,262	
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	23,928,398	23,928,398	
<i>of which: Goodwill</i>			j
<i>of which: Intangibles</i>			k
<i>of which: Defined-benefit pension fund net assets</i>			l
<b>Total assets</b>	<b>626,226,496</b>	<b>626,226,496</b>	
<b>Liabilities &amp; Equity</b>			
Bills payable			
Borrowings	456,002,911	456,002,911	
Deposits and other accounts	39,006,034	39,006,034	
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	15,802,064	15,802,064	
<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	11,849,443	11,849,443	
<b>Total liabilities</b>	<b>522,660,452</b>	<b>522,660,452</b>	
Share capital	16,000,000	16,000,000	
<i>of which: amount eligible for CET1</i>	16,000,000	16,000,000	s
<i>of which: amount eligible for AT1</i>	16,000,000	16,000,000	t
Reserves	17,424,549	17,424,549	
<i>of which: portion eligible for inclusion in CET1 (provide breakup)</i>	17,424,549	17,424,549	u
<i>of which: portion eligible for inclusion in Tier 2</i>	17,424,549	17,424,549	v
Unappropriated profit/ (losses)	61,226,782	61,226,782	w
Minority Interest	334,361	334,361	
<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
(Deficit) / surplus on revaluation of assets	8,580,352	8,580,352	
<i>of which: Revaluation reserves on Property</i>			aa
<i>of which: Unrealized Gains/Losses on AFS</i>			
<i>In case of Deficit on revaluation (deduction from CET1)</i>			ab
<b>Total liabilities &amp; Equity</b>	<b>626,226,496</b>	<b>626,226,496</b>	

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)	
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>			
1	Fully Paid-up Capital/ Capital deposited with SBP	16,000,000	
2	Balance in Share Premium Account		(s)
3	Reserve for issue of Bonus Shares		
4	General/ Statutory Reserves	17,424,549	(u)
5	Gain/(Losses) on derivatives held as Cash Flow Hedge		
6	Unappropriated/unremitted profits/(losses)	61,226,782	(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)	8,854	(x)
8	<b>CET 1 before Regulatory Adjustments</b>	<b>94,660,185</b>	
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>			
9	Goodwill (net of related deferred tax liability)		(j) - (o)
10	All other intangibles (net of any associated deferred tax liability)	460,143	(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)	4,284,169	{(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)	-	(a) - (ac) - (ac)
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)	50,421,418	(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	2,775,580	
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	-	
30	Total regulatory adjustments applied to CET1	57,941,309	
	<b>Common Equity Tier 1</b>	<b>36,718,876</b>	

		Component of regulatory capital reported by bank	Source based on reference number from step 2
		(Rupees in '000)	
	<b>Additional Tier 1 (AT 1) Capital</b>		
31	Qualifying Additional Tier-1 instruments plus any related share premium		
32	of which: Classified as equity		(t)
33	of which: Classified as liabilities		(m)
34	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	263,930	(y)
35	of which: instrument issued by subsidiaries subject to phase out		
36	<b>AT1 before regulatory adjustments</b>	263,930	
	<b>Additional Tier 1 Capital: regulatory adjustments</b>		
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-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital		
43	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
44	Total of Regulatory Adjustment applied to AT1 capital	263,930	
45	Additional Tier 1 capital		
46	<b>Additional Tier 1 capital recognized for capital adequacy</b>	263,930	
	<b>Tier 1 Capital (CET1 + admissible AT1)</b>	<b>36,982,806</b>	
	<b>Tier 2 Capital</b>		
47	Qualifying Tier 2 capital instruments under Basel III		(n)
48	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)		
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	1,521,813	(g)
52	Revaluation Reserves eligible for Tier 2		
53	of which: portion pertaining to Property		
54	of which: portion pertaining to AFS securities	8,580,352	portion of (aa)
55	Foreign Exchange Translation Reserves		(v)
56	Undisclosed/Other Reserves (if any)		
57	<b>T2 before regulatory adjustments</b>	10,102,164	
	<b>Tier 2 Capital: regulatory adjustments</b>		
58	Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital		
59	Reciprocal cross holdings in Tier 2 instruments		
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)	-	(ac)
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	10,102,164	
64	Tier 2 capital (T2)	-	
65	Tier 2 capital recognized for capital adequacy	5,317,621	
66	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
67	Total Tier 2 capital admissible for capital adequacy	47,084,971	
	<b>TOTAL CAPITAL (T1 + admissible T2)</b>	<b>47,084,971</b>	

**Main Features Template of Regulatory Capital Instruments**

<b>Disclosure template for main features of regulatory capital instruments</b>		
	<b>Main Features</b>	<b>Common Shares</b>
1	Issuer	Pakistan Kuwait Investment Company (Private)
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	Limited 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	group
7	Instrument type	Ordinary Shares
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	16,000,000
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	
	2024	2023	2024	2023
	Rupees in '000			
<b>Credit Risk on On-Balance Sheet</b>				
PSE's	-	-	-	-
Banks	428,150	63,035	4,281,499	630,355
Corporates	2,344,522	2,418,846	23,445,224	24,188,457
Retail portfolio	1,067	827	10,669	8,274
Secured by residential property	8,185	7,072	81,853	70,723
Past due loans	7,875	-	78,750	-
Commercial Entity	1,817,810	1,845,325	18,178,100	18,453,250
Significant Investment & DTA	6,229,880	804,125	62,298,805	8,041,249
Listed equity investments	465,643	458,986	4,656,428	4,589,861
Unlisted equity investments	68,169	65,439	681,685	654,387
Investments in fixed assets	110,612	107,490	1,106,119	1,074,903
Other assets	84,027	26,366	840,266	263,657
	<u>11,565,940</u>	<u>5,797,512</u>	<u>115,659,399</u>	<u>57,975,114</u>
<b>Credit risk on Off-Balance Sheet</b>				
Non market related	608,565	1,095,861	6,085,652	10,958,613
<b>Market Risk</b>				
Interest rate risk				
Equity position risk	1,772,029	629,337	22,150,358	7,866,710
	<u>1,772,029</u>	<u>629,337</u>	<u>22,150,358</u>	<u>7,866,710</u>
<b>Operational Risk</b>				
	4,278,050	3,103,614	53,475,629	38,795,180
TOTAL	<u>18,224,584</u>	<u>10,626,324</u>	<u>197,371,037</u>	<u>115,595,617</u>

Capital Adequacy Ratio		2024	2023
		(Rupees in '000)	
Total eligible regulatory capital held	(e)	<u>47,084,971</u>	<u>19,815,194</u>
Total Risk Weighted Assets	(i)	<u>197,371,037</u>	<u>115,595,617</u>
Capital Adequacy Ratio	(e) / (i)	<u>23.86%</u>	<u>17.14%</u>

Leverage Ratio		2024	2023
Tier 1 Capital	(f)	<u>36,982,806</u>	<u>14,497,573</u>
Total Exposure	(g)	<u>591,689,917</u>	<u>1,064,441,355</u>
Leverage Ratio	(f) / (g)	<u>6.25%</u>	<u>1.36%</u>

Capital Adequacy Ratios	2024		2023	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	18.60%	6.00%	12.54%
Tier-1 capital to total RWA	7.50%	18.74%	7.50%	12.54%
Total capital to total RWA	11.50%	23.86%	11.50%	17.14%
Leverage Ratio	2.00%	6.25%	1.00%	1.36%



**PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED**  
**CAPITAL ADEQUACY, LEVERAGE AND LIQUIDITY DISCLOSURES-CONSOLIDATED**  
**AS AT DECEMBER 31, 2024**

**Liquidity Coverage Ratio (LCR)**

During the Year, 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.

To manage its liquidity risk considering its level of liquidity, PKIC uses various tools / risk management procedures including Cash Flow Projections/ Maturity Gap, Liquidity Ratios/Limits and Stress Testing apart from SBP defined limits of CRR/SLR and LCR/NSFR.

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>		<b>TOTAL UNWEIGHTED<sup>a</sup> VALUE (average)</b>	<b>TOTAL WEIGHTED<sup>b</sup> VALUE (average)</b>
<b>HIGH QUALITY LIQUID ASSETS</b>			
1	Total high quality liquid assets (HQLA)		<b>60,791,572</b>
<b>CASH OUTFLOWS</b>			
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:		<b>23,143,492</b>
3.1	Operational deposits (all counterparties)	26,806,034	10,722,413.60
3.2	Non-operational deposits (all counterparties)		
3.3	Unsecured debt	14,000,000	14,000,000
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	2,417,142	2,417,142
7	Other contingent funding obligations	19,130,318	1,744,915
8	<b>TOTAL CASH OUTFLOWS</b>		<b>28,884,470</b>
<b>CASH INFLOWS</b>			
9	Secured lending		
10	Inflows from fully performing exposures	2,276,278	1,138,139
11	Other Cash inflows		
12	<b>TOTAL CASH INFLOWS</b>		<b>1,138,139</b>
		<b>TOTAL ADJUSTED VALUE</b>	
21	<b>TOTAL HQLA</b>		<b>60,791,572</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>27,746,331</b>
23	<b>LIQUIDITY COVERAGE RATIO</b>		<b>219.10%</b>

- 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)

**PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED**  
**CAPITAL ADEQUACY, LEVERAGE AND LIQUIDITY DISCLOSURES-CONSOLIDATED**  
**AS AT DECEMBER 31, 2024**

**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.

(Amount in PKR in thousands)		UNWEIGHTED VALUE BY RESIDUAL MATURITY				Weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
<b>ASF Item</b>						
1	Capital:					
2	Regulatory capital	94,651,331				94,651,331
3	Other capital instruments					-
4	Retail deposits and deposit from small business customers:					-
5	Stable deposits					-
6	Less stable deposits					-
7	Wholesale funding:					-
8	Operational deposits			-		-
9	Other wholesale funding			26,806,034	180,332,883	193,735,900
10	Other liabilities:			156,062,503		78,031,251.50
11	NSFR derivative liabilities					-
12	All other liabilities and equity not included in other categories	152,571,681	3,038,422	(130,430)	12,894,072	12,828,857
13	<b>Total ASF</b>					<b>379,247,340</b>
<b>RSF Item</b>						
14	Total NSFR high-quality liquid assets (HQLA)					148,003,124
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	21,140,182	-	157,616,446	148,463,390	229,385,631
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:				21,972,925	18,676,986
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				17,690,986	11,499,141
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					
26	NSFR derivative liabilities before deduction of variation margin posted					
27	All other assets not included in the above categories	88,447,945	-	-	22,891,497	99,893,694
28	Off-balance sheet items		19,130,318			956,516
29	<b>Total RSF</b>					<b>360,411,968</b>
30	<b>Net Stable Funding Ratio (%)</b>					<b>105.23%</b>