

## 41.2

## SUMMIT BANK LIMITED

## CAPITAL ADEQUACY, LEVERAGE AND LIQUIDITY DISCLOSURES - UNCONSOLIDATED

	December 31, 2018	December 31, 2017
	(Restated)	
	----- (Rupees in '000) -----	
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>		
1 Fully paid-up capital / capital deposited with SBP	26,381,510	26,381,510
2 Balance in Share Premium Account	1,000,000	1,000,000
3 Reserve for issue of Bonus Shares	-	-
4 Discount on issue of shares	(5,881,316)	(5,881,316)
5 General / statutory reserves	(1,425,043)	(1,425,043)
6 Gain / (losses) on derivatives held as Cash Flow Hedge	-	-
7 Unappropriated / unremitted profits / (losses)	(19,899,372)	(11,328,979)
8 Minority interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of	-	-
<b>9 CET 1 before regulatory adjustments</b>	<b>175,779</b>	<b>8,746,172</b>
10 Total regulatory adjustments applied to CET1 (Note 41.2.1)	(8,137,883)	(4,791,297)
<b>11 Common Equity Tier 1</b>	<b>(7,962,104)</b>	<b>3,954,874</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)	-	-
16 of which: instrument issued by subsidiaries subject to phase out	-	-
<b>17 AT1 before regulatory adjustments</b>	<b>-</b>	<b>-</b>
18 Total regulatory adjustment applied to AT1 capital (Note 41.2.2)	-	(25,500)
19 Additional Tier 1 capital after regulatory adjustments	-	(25,500)
<b>20 Additional Tier 1 capital recognized for capital adequacy</b>	<b>-</b>	<b>-</b>
<b>21 Tier 1 Capital (CET1 + admissible AT1) (11+20)</b>	<b>(7,962,104)</b>	<b>3,954,874</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 phase-out 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/ reserves for loan losses-up to 1.25% of Credit Risk Weighted Assets	46,988	30,250
27 Revaluation Reserves (net of taxes)		
28 of which: Revaluation reserves on fixed assets	3,403,840	1,785,236
29 of which: Unrealized gains/losses on AFS	(1,089,528)	(705,926)
30 Foreign Exchange Translation Reserves	-	-
31 Undisclosed/Other Reserves (if any)	-	-
<b>32 T2 before regulatory adjustments</b>	<b>2,361,300</b>	<b>1,109,560</b>
33 Total regulatory adjustment applied to T2 capital (Note 41.2.3)	-	(25,500)
34 Tier 2 capital (T2) after regulatory adjustments	2,361,300	1,084,060
35 Tier 2 capital recognized for capital adequacy	-	1,084,060
36 Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
<b>37 Total Tier 2 capital admissible for capital adequacy</b>	<b>-</b>	<b>1,084,060</b>
<b>38 TOTAL CAPITAL (T1 + admissible T2) (21+37)</b>	<b>(7,962,104)</b>	<b>5,038,934</b>
<b>39 Total Risk Weighted Assets (RWA) (for details refer Note 41.5)</b>	<b>99,242,216</b>	<b>121,526,856</b>

	December 31, 2018	December 31, 2017	
	(Restated)		
	----- (Rupees in '000) -----		
<b>Capital Ratios and buffers (in percentage of risk weighted assets)</b>			
40	<b>CET1 to total RWA</b>	-8.02%	3.25%
41	<b>Tier-1 capital to total RWA</b>	-8.02%	3.25%
42	<b>Total capital to total RWA</b>	-8.02%	4.15%
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	7.900%	7.275%
44	of which: capital conservation buffer requirement	1.900%	1.275%
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)	-	-
<b>National minimum capital requirements prescribed by SBP</b>			
48	CET1 minimum ratio	6.00%	6.00%
49	Tier 1 minimum ratio	7.50%	7.50%
50	Total capital minimum ratio	11.900%	11.275%

<b>Regulatory Adjustments and Additional Information</b>		<b>Amount</b>	<b>Amount (Restated)</b>
		----- (Rupees in '000) -----	
<b>41.2.1 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)	204,912	197,639
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)	3,811,924	3,282,843
5	Defined-benefit pension fund net assets	-	-
6	Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities.	-	16,937
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)	294,630	-
13	Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
14	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	3,544,418	1,064,372
15	Amount exceeding 15% threshold	-	-
16	of which: significant investments in the common stocks of financial entities	281,999	-
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)	-	204,006
21	Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	25,500
22	<b>Total regulatory adjustments applied to CET1 (sum of 1 to 21)</b>	<b>8,137,883</b>	<b>4,791,297</b>
<b>41.2.2 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-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-	25,500
29	Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
30	<b>Total regulatory adjustment applied to AT1 capital (sum of 23 to 29)</b>	<b>-</b>	<b>25,500</b>

Amount

Amount  
(Restated)**41.2.3 Tier 2 Capital: regulatory adjustments**

31	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	25,500
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	<b>Total regulatory adjustment applied to T2 capital (sum of 31 to 35)</b>	-	25,500

		December 31, 2018	December 31, 2017
		----- (Rupees in '000) -----	
<b>41.2.4</b>	<b>Additional Information</b>		<b>Restated</b>
	<b>Risk Weighted Assets subject to pre-Basel III treatment</b>		
37	Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment)	-	2,602,255
(i)	of which: deferred tax assets	-	2,306,722
(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	-	295,533
(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	-	-
	<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
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)	-	1,486,011
	<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
41	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	46,988	30,250
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	-	-

**41.3 Capital Structure Reconciliation**

**Table: 41.3.1**

		December 31, 2018	
		Balance sheet of the published financial statements	Under regulatory scope of consolidation
		----- (Rupees in '000) -----	
	<b>Assets</b>		
	Cash and balances with treasury banks	5,043,089	5,043,089
	Balances with other banks	996,982	996,982
	Lendings to financial institutions	-	-
	Investments	19,256,375	19,256,375
	Advances	61,245,877	61,245,877
	Fixed assets	8,708,878	8,708,878
	Intangible assets	204,912	204,912
	Deferred tax assets	7,214,989	7,214,989
	Other assets	11,956,890	11,956,890
	<b>Total assets</b>	<b>114,627,992</b>	<b>114,627,992</b>
	<b>Liabilities and Equity</b>		
	Bills payable	1,881,107	1,881,107
	Borrowings	19,491,854	19,491,854
	Deposits and other accounts	84,676,090	84,676,090
	Liabilities against assets subject to finance lease	-	-
	Subordinated debt	1,495,515	1,495,515
	Deferred tax liabilities	-	-
	Other liabilities	4,330,823	4,330,823
	<b>Total liabilities</b>	<b>111,875,389</b>	<b>111,875,389</b>
	Share capital	20,500,194	20,500,194
	Reserves	(425,043)	(425,043)
	Accumulated losses	(19,899,372)	(19,899,372)
	Minority interest	-	-
	Surplus on revaluation of assets - net of deferred tax	2,576,824	2,576,824
		<b>2,752,603</b>	<b>2,752,603</b>
	<b>Total liabilities and equity</b>	<b>114,627,992</b>	<b>114,627,992</b>

Table: 41.3.2

	December 31, 2018	
	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	----- (Rupees in '000) -----	
<b>Assets</b>		
Cash and balances with treasury banks	5,043,089	5,043,089
Balances with other banks	996,982	996,982
Lendings to financial institutions	-	-
Investments	19,256,375	19,256,375
<i>of which: Non-significant investments in the capital instruments of banking, financial and insurance entities exceeding 10% threshold</i>	294,630	294,630
<i>of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold</i>	281,999	281,999
<i>of which: Mutual Funds exceeding regulatory threshold</i>	-	-
<i>of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)</i>	-	-
<i>of which: others (PIBs, T-Bills, Shares etc.)</i>	18,679,746	18,679,746
Advances	61,245,877	61,245,877
<i>of which: shortfall in provisions / excess of total EL amount over eligible provisions under IRB</i>	-	-
<i>of which: general provisions reflected in Tier 2 capital</i>	46,988	46,988
Fixed assets	8,708,878	8,708,878
Intangibles	204,912	204,912
Deferred tax assets	7,214,989	7,214,989
<i>of which: DTAs that rely on future profitability excluding those arising from temporary differences</i>	3,811,924	3,811,924
<i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>	3,403,065	3,403,065
Other assets	11,956,890	11,956,890
<i>of which: Goodwill</i>	-	-
<i>of which: Defined-benefit pension fund net assets</i>	-	-
<b>Total assets</b>	<b>114,627,992</b>	<b>114,627,992</b>
<b>Liabilities and equity</b>		
Bills payable	1,881,107	1,881,107
Borrowings	19,491,854	19,491,854
Deposits and other accounts	84,676,090	84,676,090
Sub-ordinated loans	1,495,515	1,495,515
<i>of which: eligible for inclusion in AT1</i>	-	-
<i>of which: eligible for inclusion in Tier 2</i>	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
<i>of which: DTLs related to goodwill</i>	-	-
<i>of which: DTLs related to intangible assets</i>	-	-
<i>of which: DTLs related to defined pension fund net assets</i>	-	-
<i>of which: other deferred tax liabilities</i>	-	-
Other liabilities	4,330,823	4,330,823
<b>Total liabilities</b>	<b>111,875,389</b>	<b>111,875,389</b>
Share capital	26,381,510	26,381,510
<i>of which: amount eligible for CET1</i>	26,381,510	26,381,510
<i>of which: amount eligible for AT1</i>	-	-
Reserves	(6,306,359)	(6,306,359)
<i>of which: portion eligible for inclusion in CET1 - Balance of share premium</i>	1,000,000	1,000,000
<i>of which: portion eligible for inclusion in CET1 - Statutory reserves</i>	154,162	154,162
<i>of which: portion eligible for inclusion in CET1 - Discount on issue of shares</i>	(5,881,316)	(5,881,316)
<i>of which: portion eligible for inclusion in CET1 - Reserve arising on amalgamation</i>	(1,579,205)	(1,579,205)
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-
Unappropriated profit / (losses)	(19,899,372)	(19,899,372)
Minority Interest	-	-
<i>of which: portion eligible for inclusion in CET1</i>	-	-
<i>of which: portion eligible for inclusion in AT1</i>	-	-
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-
Surplus on revaluation of assets - net of deferred tax	2,576,824	2,576,824
<i>of which: Revaluation reserves on Fixed Assets</i>	3,403,840	3,403,840
<i>of which: Unrealized Gains/Losses on AFS</i>	(1,089,528)	(1,089,528)
<i>In case of Deficit on revaluation (deduction from CET1)</i>	-	-
<b>Total liabilities and equity</b>	<b>114,627,992</b>	<b>114,627,992</b>

Table: 41.3.3		Component of regulatory capital reported by bank (Rupees in '000)	Source based on reference number from step 2
<b>Common Equity Tier 1 capital (CET1): Instruments and reserves</b>			
1	Fully paid-up capital / capital deposited with SBP	26,381,510	
2	Balance in Share Premium Account	1,000,000	(s)
3	Reserve for issue of bonus shares	-	
4	General / statutory reserves	(7,306,359)	(u)
5	Gain / (losses) on derivatives held as Cash Flow Hedge	-	
6	Unappropriated / unremitted profits / (losses)	(19,899,372)	(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	<b>CET 1 before Regulatory Adjustments</b>	<b>175,779</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)	(204,912)	(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)	(3,811,924)	{{(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 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)	(294,630)	(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 (that are not common shares)	-	(b) - (ad) - (af)
22	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	(3,544,418)	(i)
23	Amount exceeding 15% threshold	-	
24	of which: significant investments in the common stocks of financial entities	(281,999)	
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 - Investment in Subsidiary	-	
29	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	
30	Total regulatory adjustments applied to CET1 (sum of 9 to 29)	<b>(8,137,883)</b>	
31	<b>Common Equity Tier 1</b>	<b>(7,962,104)</b>	

Table: 41.3.3		Component of regulatory capital reported by bank (Rupees in '000)	Source based on reference number from step 2
<b>Additional Tier 1 (AT 1) Capital</b>			
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	<b>AT1 before regulatory adjustments</b>	-	
<b>Additional Tier 1 Capital: regulatory adjustments</b>			
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 (sum of 38 to 44)	-	
46	Additional Tier 1 capital	-	
47	<b>Additional Tier 1 capital recognized for capital adequacy</b>	-	
48	<b>Tier 1 Capital (CET1 + admissible AT1) (31+47)</b>	<b>(7,962,104)</b>	
<b>Tier 2 Capital</b>			
49	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	-	
50	Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	-	(n)
51	Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
52	of which: instruments issued by subsidiaries subject to phase out	-	
53	General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	<b>46,988</b>	(g)
54	Revaluation Reserves	<b>3,403,840</b>	
55	of which: Revaluation reserves on fixed assets	<b>(1,089,528)</b>	portion of (aa)
56	of which: Unrealized Gains/Losses on AFS	-	
57	Foreign Exchange Translation Reserves	-	(v)
58	Undisclosed/Other Reserves (if any)	-	
59	<b>T2 before regulatory adjustments</b>	<b>2,361,300</b>	
<b>Tier 2 Capital: regulatory adjustments</b>			
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 (sum of 60 to 64)	-	
66	Tier 2 capital (T2)	<b>2,361,300</b>	
67	Tier 2 capital recognized for capital adequacy	<b>2,361,300</b>	
68	Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
69	Total Tier 2 capital admissible for capital adequacy	<b>2,361,300</b>	
70	<b>TOTAL CAPITAL (T1 + admissible T2) (48+69)</b>	<b>(7,962,104)</b>	



41.4 Main Features Template of Regulatory Capital Instruments

Disclosure template for main features of regulatory capital instruments

	Main features	Common shares	Sub-ordinated debt
1	Issuer	Summit Bank Limited	Summit Bank Limited
2	Unique identifier (e.g. KSE Symbol or Bloomberg identifier etc.)	SMBL	SMBLTCF
3	Governing law(s) of the instrument	Capital Market Law	Capital Market Law
	<b>Regulatory treatment</b>		
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	-
6	Eligible at solo / group / group & solo	Solo and Group	Solo and Group
7	Instrument type	Ordinary share	Sub-ordinated Debt
8	Amount recognized in regulatory capital (Currency in PKR thousands)	26,381,510	-
9	Par value of instrument	PKR 10	PKR 5,000
10	Accounting classification	Shareholders' equity	Liability - amortized cost
11	Original date of issuance	2005	October 27, 2011
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	October 26, 2019
14	Issuer call subject to prior supervisory approval	No	No
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable
16	Subsequent call dates, if applicable	Not applicable	Not applicable
	<b>Coupons / dividends</b>		
17	Fixed or floating dividend / coupon	Not applicable	Floating
18	Coupon rate and any related index / benchmark	Not applicable	6M KIBOR +325BPS
19	Existence of a dividend stopper	Not applicable	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Partially Discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Not applicable	Cumulative
23	Convertible or non-convertible	Not applicable	Non-Convertible
24	If convertible, conversion trigger (s)	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable
30	Write-down feature	Not applicable	Not applicable
31	If write-down, write-down trigger(s)	Not applicable	Not applicable
32	If write-down, full or partial	Not applicable	Not applicable
33	If write-down, permanent or temporary	Not applicable	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable	Common shares
36	Non-compliant transitioned features	Not applicable	No
37	If yes, specify non-compliant features	Not applicable	Not applicable

#### 41.5 Risk weighted assets

The capital requirements for the banking group as per the major risk categories should be indicated in the manner given below:

	Capital requirements		Risk weighted assets	
	2018	2017	2018	2017
	Restated		Restated	
	----- (Rupees in '000) -----			
<b>Credit risk</b>				
<b>On balance sheet</b>				
Portfolios subject to standardized approach (Simple or Comprehensive)				
Cash and cash equivalents	-	-	-	-
Sovereign	-	-	-	-
Public sector entities	-	-	-	-
Banks	108,753	442,234	963,266	3,922,256
Corporate	3,572,865	6,179,060	31,646,276	54,803,195
Retail	514,852	977,894	4,560,247	8,673,119
Residential Mortgages	128,988	114,192	1,142,494	1,012,785
Past due loans	1,881,391	256,088	16,664,225	2,271,288
Operating fixed assets	983,232	1,405,648	8,708,878	12,466,945
Other assets	904,025	749,215	8,007,303	6,644,923
Portfolios subject to Internal Rating Based (IRB) Approach				
	-	-	-	-
<b>Off balance sheet</b>				
Non-market related				
Direct Credit Substitutes	418,111	475,135	3,703,377	4,214,054
Performance related contingencies	700,258	632,233	6,202,458	5,607,388
Trade Related contingencies	101,643	243,851	900,288	2,162,761
Market related				
Foreign Exchange contracts / derivatives etc.	5,585	12,532	49,468	111,150
<b>Equity Exposure Risk in the Banking Book</b>				
	-	-	-	-
<b>Market Risk</b>				
Capital Requirement for portfolios subject to Standardized Approach				
Interest rate risk	347,343	670,011	3,076,556	5,942,446
Equity position risk	339,842	509,634	3,010,113	4,520,038
Foreign Exchange risk	230,589	26,281	2,042,416	233,088
Capital Requirement for portfolios subject to Internal Models Approach				
	-	-	-	-
<b>Operational Risk</b>				
Capital requirement for operational risks	966,972	1,008,145	8,564,851	8,941,421
<b>Total</b>	<b>11,204,449</b>	<b>13,702,153</b>	<b>99,242,217</b>	<b>121,526,856</b>
<b>Capital Adequacy Ratios</b>				
	2018		2017	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	-8.02%	6.00%	3.25%
Tier-1 capital to total RWA	7.50%	-8.02%	7.50%	3.25%
Total capital to total RWA	11.90%	-8.02%	11.275%	4.15%

**SUMMIT BANK LIMITED**  
**LIQUIDITY COVERAGE RATIO**

		2018	
		Total unweighted value (average)	Total weighted value (average)
		----- (Rupees in '000) -----	
<b>HIGH QUALITY LIQUID ASSETS</b>			
1	Total High Quality Liquid Assets (HQLA)		27,495,384
2	Retail Deposits and Deposits from Small Business Customers of Which:		
2.1	Stable Deposit	4,284,233	214,212
2.2	Less Stable Deposit	64,374,032	6,437,403
3	Unsecured Wholesale funding of which:		
3.1	Operational deposits (all counterparties)	983,170	245,762
3.2	Non-operational deposits (all counterparties)	48,000,801	24,322,538
3.3	Unsecured debt		
4	Secured wholesale funding	1,843,400	34,569
5	Additional requirements of which:		
5.1	Outflows related to derivative exposures and other collateral requirements	105,275	105,275
5.2	Outflows related to loss of funding on debt products		
5.3	Credit and Liquidity facilities	1,980,515	249,805
6	Other contractual funding obligations	5,140,026	5,140,026
7	Other contingent funding obligations	42,006,919	1,616,623
8	<b>TOTAL CASH OUTFLOWS</b>		<b>38,366,213</b>
<b>CASH INFLOWS</b>			
9	Secured lending		
10	Inflows from fully performing exposures	4,963,188	2,745,556
11	Other Cash inflows	5,544,718	4,575,951
12	<b>TOTAL CASH INFLOWS</b>		<b>7,321,508</b>
		<b>Total Adjusted Value</b>	
TOTAL HQLA			27,495,384
TOTAL NET CASH OUTFLOWS			31,044,705
<b>LIQUIDITY COVERAGE RATIO</b>			<b>88.57%</b>

**SUMMIT BANK LIMITED**  
**LIQUIDITY COVERAGE RATIO**

		<b>2017 Restated</b>	
		<b>Total unweighted value (average)</b>	<b>Total weighted value (average)</b>
		----- (Rupees in '000) -----	
<b>HIGH QUALITY LIQUID ASSETS</b>			
1	Total High Quality Liquid Assets (HQLA)		45,312,100
2	Retail Deposits and Deposits from Small Business Customers of Which:		
2.1	Stable Deposit	-	-
2.2	Less Stable Deposit	64,676,124	6,467,612
3	Unsecured Wholesale funding of which:		
3.1	Operational deposits (all counterparties)	56,917	14,229
3.2	Non-operational deposits (all counterparties)	73,404,203	34,262,690
3.3	Unsecured debt	-	-
4	Secured wholesale funding	-	-
5	Additional requirements of which:		
5.1	Outflows related to derivative exposures and other collateral requirements	32,631	32,631
5.2	Outflows related to loss of funding on debt products	-	-
5.3	Credit and Liquidity facilities	15,293,407	1,668,734
6	Other contractual funding obligations	369,304	369,304
7	Other contingent funding obligations	36,742,931	1,779,530
8	<b>TOTAL CASH OUTFLOWS</b>		44,594,730
<b>CASH INFLOWS</b>			
9	Secured lending	-	-
10	Inflows from fully performing exposures	6,394,491	3,869,663
11	Other Cash inflows	3,096,267	683,860
12	<b>TOTAL CASH INFLOWS</b>		4,553,523
		<b>Total Adjusted Value</b>	
TOTAL HQLA			45,312,100
TOTAL NET CASH OUTFLOWS			40,041,207
<b>LIQUIDITY COVERAGE RATIO</b>			<b>113.16%</b>

**SUMMIT BANK LIMITED**  
**NET STABLE FUNDING RATIO**

2018				
unweighted value by residual maturity				weighted value
No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	

----- (Rupees in '000) -----

**ASF Item**

1	Capital:				
2	Regulatory capital	175,779	-	-	175,779
3	Other capital instruments	-	-	-	-
4	Retail deposits and deposit from small business customers:				
5	Stable deposits	44,545,058	1,836,954	2,040,991	46,001,853
6	Less stable deposits	15,840,842	996,602	592,558	15,687,001
7	Wholesale funding:				
8	Operational deposits	-	6,350	-	3,175
9	Other wholesale funding	7,534,284	270,000	418,038	4,111,161
10	Other liabilities:				
11	NSFR derivative liabilities	-	20,794	-	-
12	All other liabilities and equity not included in other categories	5,751,575	12,498,648	1,517,322	6,456,292
13	<b>Total ASF</b>				72,435,261

**RSF item**

14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	1,286,121
15	Deposits held at other financial institutions for operational purposes	388,745	-	-	194,373
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 financial institutions	-	150,000	314,920	179,960.23
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:	-	17,645,173	2,313,596	29,559,477.82
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	3,264,727
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-	-	-	294,630
22	Other assets:				
23	Physical traded commodities, including gold	-	-	-	-
24	Assets posted as initial margin for derivative contracts	-	-	-	-
25	NSFR derivative assets	-	-	-	12,000
26	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-
27	All other assets not included in the above categories	-	27,444,677	2,508,468	17,219,683
28	Off-balance sheet items	-	27,633,523	11,915,690	3,658,194
29	<b>Total RSF</b>				82,307,865
30	<b>Net Stable Funding Ratio (%)</b>				<b>88%</b>

**SUMMIT BANK LIMITED**  
**NET STABLE FUNDING RATIO**

2017 Restated				
unweighted value by residual maturity				weighted value
No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	

----- (Rupees in '000) -----

**ASF Item**

1	Capital:				
2	Regulatory capital	9,853,894	-	-	9,853,894
3	Other capital instruments	-	-	544,859	544,859
4	Retail deposits and deposit from small business customers:				
5	Stable deposits	-	-	-	-
6	Less stable deposits	72,794,183	-	-	65,514,765
7	Wholesale funding:				
8	Operational deposits	33,331	-	-	16,656
9	Other wholesale funding	63,207,544	-	-	31,603,772
10	Other liabilities:				
11	NSFR derivative liabilities	-	-	1,495,860	747,930
12	All other liabilities and equity not included in other categories	-	-	101,330	-
13	<b>Total ASF</b>	<b>9,291,721</b>	<b>13,159,524</b>	<b>1,918,351</b>	<b>2,213</b>
					<b>108,281,876</b>

**RSF item**

14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	2,397,305
15	Deposits held at other financial institutions for operational purposes	1,791,643	-	-	-	895,822
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 financial institutions	-	7,018,523	82,500	-	1,094,028
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:					
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	30,223,428	27,265,145	20,895,328	46,505,316
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-	-	-	2,895,349	1,881,977
22	Other assets:					
23	Physical traded commodities, including gold	-	-	-	-	-
24	Assets posted as initial margin for derivative contracts	-	-	-	-	-
25	NSFR derivative assets	-	-	-	188,284	107,220
26	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
27	All other assets not included in the above categories	-	14,600,183	1,785,986	14,887,651	31,273,820
28	Off-balance sheet items	-	28,910,444	24,166,621	3,658,194	2,836,763
29	<b>Total RSF</b>					<b>87,257,481</b>
30	<b>Net Stable Funding Ratio (%)</b>					<b>124%</b>