



### **2.1.3 Corporate**

“Corporate” refers to any proprietorship, partnership or limited company that is neither a PSE, Bank, DFI, nor borrower within the definition of regulatory retail exposures. For capital adequacy purposes, the term also includes insurance companies and securities firms. Under Standardized Approach, SMEs, as defined in Prudential Regulations for SMEs Financing, not fulfilling the conditions of the regulatory retail portfolio would also be considered as Corporates.

### **2.1.5 Retail**

The exposure to an individual person or persons or to a small business; and is in the form of revolving credits and lines of credit (including credit cards and overdrafts), personal term loans and leases (e.g. installment loans, auto loans and leases, student and educational loans, personal finance) and small business facilities and commitments. Mortgage loans are not included in this category. To be eligible, the total exposure (as defined in Prudential Regulations) to a single counterparty;

- Should not be more than PKR 75 million\* both in cases of consumer loans and small business loans
- Should not be more than 0.2% of total (gross) retail portfolio of bank.

Past due retail loans are to be excluded from the overall regulatory retail portfolio when assessing the granularity criterion of 0.2% specified herein, for risk-weighting purposes. Moreover, all public limited companies incorporated under Companies Ordinance, 1984 or any other statute will not be treated under Retail, regardless of their exposure.

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\* It should not be construed as the consumer finance limit. The limit as defined in Prudential Regulations will remain intact.