



**Regulatory Capital Disclosures**

**31 December 2023**

## Regulatory Capital Disclosures

### PD 1: Post 1 January 2019 disclosure template

US\$ million

| Basel III Common Disclosure Template   | PIR as on 31<br>December<br>2023 | Reference          |
|--|----------------------------------|--------------------|
| <b><u>Common Equity Tier 1 capital: instruments and reserves</u></b>   |                                  |                    |
| 1 Directly issued qualifying common share capital plus related stock surplus   | 3,104                            | a                  |
| 2 Retained earnings  | 1,118                            | b                  |
| 3 Accumulated other comprehensive income (and other reserves)  | (232)                            | c1+c2+c3+c4<br>+c5 |
| 4 <i>Not applicable</i>  | -                                |                    |
| 5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)   | 292                              | d                  |
| <b>6 Common Equity Tier 1 capital before regulatory adjustments</b>  | <b>4,282</b>                     |                    |
| <b><u>Common Equity Tier 1 capital: regulatory adjustments</u></b>   |                                  |                    |
| 7 Prudential valuation adjustments   | -                                |                    |
| 8 Goodwill (net of related tax liability)  | 41                               |                    |
| 9 Other intangibles other than mortgage-servicing rights (net of related tax liability)  | 116                              | e                  |
| 10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)   | 13                               | f                  |
| 11 Cash-flow hedge reserve   | -                                |                    |
| 12 Shortfall of provisions to expected losses  | -                                |                    |
| 13 Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)   | -                                |                    |
| 14 Not applicable  | -                                |                    |
| 15 Defined-benefit pension fund net assets   | 33                               | c6                 |
| 16 Investments in own shares   | -                                |                    |
| 17 Reciprocal cross-holdings in common equity  | -                                |                    |
| 18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | -                                |                    |
| 19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)   | -                                |                    |
| 20 Mortgage servicing rights (amount above 10% threshold)  | -                                |                    |
| 21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)   | -                                |                    |
| 22 Amount exceeding the 15% threshold  | -                                |                    |
| 23 of which: significant investments in the common stock of financials   | -                                |                    |
| 24 of which: mortgage servicing rights   | -                                |                    |
| 25 of which: deferred tax assets arising from temporary differences  | -                                |                    |
| 26 CBB specific regulatory adjustments   | -                                |                    |
| 27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions   | -                                |                    |
| <b>28 Total regulatory adjustments to Common equity Tier 1</b>   | <b>203</b>                       |                    |
| <b>29 Common Equity Tier 1 capital (CET1)</b>  | <b>4,079</b>                     |                    |

## Regulatory Capital Disclosures

### PD 1: Post 1 January 2019 disclosure template (continued)

US\$ million

| Basel III Common Disclosure Template  | PIR as on 31<br>December<br>2023 | Reference |
|---|----------------------------------|-----------|
| <b>Additional Tier 1 capital: instruments</b>   |                                  |           |
| 30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus  | 358                              |           |
| 31 of which: classified as equity under applicable accounting standards   | 358                              |           |
| 32 of which: classified as liabilities under applicable accounting standards  | -                                |           |
| 33 <i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>   | -                                |           |
| 34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in Group AT1)  | 106                              | g         |
| 35 <i>of which: instruments issued by subsidiaries subject to phase out</i>   | -                                |           |
| <b>36 Additional Tier 1 capital before regulatory adjustments</b>   | <b>464</b>                       |           |
| <b>Additional Tier 1 capital: regulatory adjustments</b>  |                                  |           |
| 37 Investments in own Additional Tier 1 instruments   | -                                |           |
| 38 Reciprocal cross-holdings in Additional Tier 1 instruments   | -                                |           |
| 39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)     | -                                |           |
| 40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)   | -                                |           |
| 41 CBB specific regulatory adjustments  | -                                |           |
| 42 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions   | -                                |           |
| <b>43 Total regulatory adjustments to Additional Tier 1 capital</b>   | <b>-</b>                         |           |
| <b>44 Additional Tier 1 capital (AT1)</b>   | <b>464</b>                       |           |
| <b>45 Tier 1 capital (T1 = CET1 + AT1)</b>  | <b>4,543</b>                     |           |
| <b>Tier 2 capital: instruments and provisions</b>   |                                  |           |
| 46 Directly issued qualifying Tier 2 instruments plus related stock surplus   | -                                |           |
| 47 <i>Directly issued capital instruments subject to phase out from Tier 2</i>  | -                                |           |
| 48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in Group Tier 2)   | 89                               | i         |
| 49 <i>of which: instruments issued by subsidiaries subject to phase out</i>   | -                                |           |
| 50 Provisions   | 236                              | h         |
| <b>51 Tier 2 capital before regulatory adjustments</b>  | <b>325</b>                       |           |
| <b>Tier 2 capital: regulatory adjustments</b>   |                                  |           |
| 52 Investments in own Tier 2 instruments  | -                                |           |
| 53 Reciprocal cross-holdings in Tier 2 instruments  | -                                |           |
| 54 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | -                                |           |

## Regulatory Capital Disclosures

### PD 1: Post 1 January 2019 disclosure template (continued)

US\$ million

| Basel III Common Disclosure Template   | PIR as on 31<br>December<br>2023 | Reference |
|--|----------------------------------|-----------|
| <b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)</b> |                                  |           |
| 80 <i>Current cap on CET1 instruments subject to phase out arrangements</i>                                      | N/A                              |           |
| 81 <i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>                | N/A                              |           |
| 82 <i>Current cap on AT1 instruments subject to phase out arrangements</i>                                       | N/A                              |           |
| 83 <i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>                 | N/A                              |           |
| 84 <i>Current cap on T2 instruments subject to phase out arrangements</i>  | N/A                              |           |
| 85 <i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>                  | N/A                              |           |

## Regulatory Capital Disclosures

### PD 1: Post 1 January 2019 disclosure template (continued)

US\$ million

| Basel III Common Disclosure Template   | PIR as on 31<br>December<br>2023 | Reference |
|--|----------------------------------|-----------|
| <b>Tier 2 capital: regulatory adjustments (continued)</b>  |                                  |           |
| 55 Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)   | -                                |           |
| 56 National specific regulatory adjustments  | -                                |           |
| 57 <b>Total regulatory adjustments to Tier 2 capital</b>   | -                                |           |
| 58 <b>Tier 2 capital (T2)</b>  | <b>325</b>                       |           |
| 59 <b>Total capital (TC = T1 + T2)</b>   | <b>4,868</b>                     |           |
| 60 <b>Total risk weighted assets</b>   | <b>30,226</b>                    |           |
| <b>Capital ratios and buffers</b>  |                                  |           |
| 61 Common Equity Tier 1 (as a percentage of risk weighted assets)  | 13.5%                            |           |
| 62 Tier 1 (as a percentage of risk weighted assets)  | 15.0%                            |           |
| 63 Total capital (as a percentage of risk weighted assets)   | <b>16.1%</b>                     |           |
| 64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets) | 2.5%                             |           |
| 65 of which: capital conservation buffer requirement   | 2.5%                             |           |
| 66 of which: bank specific countercyclical buffer requirement  | N/A                              |           |
| 67 of which: G-SIB buffer requirement  | N/A                              |           |
| 68 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)  | 4.5%                             |           |
| <b>National minima including CBB (where different from Basel III)</b>  |                                  |           |
| 69 CBB Common Equity Tier 1 minimum ratio  | 9%                               |           |
| 70 CBB Tier 1 minimum ratio  | 10.5%                            |           |
| 71 CBB total capital minimum ratio   | 12.5%                            |           |
| <b>Amounts below the thresholds for deduction (before risk weighting)</b>  |                                  |           |
| 72 Non-significant investments in the capital of other financials  | 8                                |           |
| 73 Significant investments in the common stock of financials   | 33                               |           |
| 74 Mortgage servicing rights (net of related tax liability)  | -                                |           |
| 75 Deferred tax assets arising from temporary differences (net of related tax liability)   | 268                              |           |
| <b>Applicable caps on the inclusion of provisions in Tier 2</b>  |                                  |           |
| 76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)  | 250                              | <i>h*</i> |
| 77 Cap on inclusion of provisions in Tier 2 under standardised approach  | 345                              |           |
| 78 N/A   |                                  |           |
| 79 N/A   |                                  |           |

\* As adjusted based on CBB circular OG/226/2020

## Regulatory Capital Disclosures

### PD 2 : Reconciliation of regulatory capital

#### i) Step 1: Disclosure of Balance Sheet under Regulatory scope of Consolidation

US\$ million

|   | Balance sheet<br>as in published<br>financial<br>statements | Consolidated<br>PIR data |
|---|---|--------------------------|
| Liquid funds  | 4,466   | -                        |
| Cash and balances at central banks                              | -   | 4,280                    |
| Placements with banks and similar financial institutions        | 2,231   | 4,609                    |
| Reverse repurchase agreements and other similar secured lending | 2,191   | -                        |
| Financial assets at fair value through P&L                      | 1,070   | 1,070                    |
| Non-trading investments   | 11,368  | -                        |
| Investments at Amortized Cost                                   | -   | 5,978                    |
| Investments at FVOCI  | -   | 5,405                    |
| Loans and advances  | 19,096  | 19,309                   |
| Investment properties   | -   | -                        |
| Interest receivable   | -   | 581                      |
| Other assets  | 3,210   | 2,439                    |
| Investments in associates and joint ventures                    | -   | 33                       |
| Goodwill and intangible assets                                  | -   | 157                      |
| Property, plant and equipment                                   | 260   | 260                      |
| <b>TOTAL ASSETS</b>   | <b>43,892</b>   | <b>44,121</b>            |
| Deposits from banks   | 4,135   | 7,681                    |
| Deposits from customers   | 23,705  | 20,159                   |
| Certificate of deposits issued                                  | 142   | 142                      |
| Repurchase agreements and other similar secured borrowing       | 6,933   | 6,933                    |
| Interest payable  | -   | 1,074                    |
| Taxation  | 146   | -                        |
| Other liabilities   | 2,724   | 1,775                    |
| Borrowings  | 1,303   | 1,205                    |
| Subordinated liabilities  | -   | -                        |
| Additional Tier 1 Instrument                                    | 390   | 488                      |
| <b>TOTAL LIABILITIES</b>  | <b>39,478</b>   | <b>39,457</b>            |
| Paid-in share capital   | 3,110   | 3,110                    |
| Treasury shares   | (6)   | (6)                      |
| Reserves  | 806   | 806                      |
| Non - controlling interest                                      | 504   | 504                      |
| Expected credit losses  | -   | 250                      |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                               | <b>4,414</b>  | <b>4,664</b>             |

## Regulatory Capital Disclosures

### PD 2 : Reconciliation of regulatory capital (continued)

#### ii) Step 2: Expansion of the Balance Sheet under Regulatory scope of Consolidation

US\$ million

| <b>ASSETS</b>   | <b>Balance sheet<br/>as in<br/>published<br/>financial<br/>statements</b> | <b>Consolidated<br/>PIR data</b> | <b>Reference</b> |
|---|---|----------------------------------|------------------|
| Liquid funds  | 4,466   | -                                |                  |
| Cash and balances at central banks  | -   | 4,280                            |                  |
| Placements with banks and similar financial institutions  | 2,231   | 4,609                            |                  |
| Reverse repurchase agreements and other similar secured lending   | 2,191   | -                                |                  |
| Financial assets at fair value through P&L  | 1,070   | 1,070                            |                  |
| Loans and advances  | 19,096  | 19,309                           |                  |
| Non-trading investments   | 11,368  | 11,383                           |                  |
| <i>Of which investment NOT exceeding regulatory threshold</i>   | -   | 11,383                           |                  |
| Interest receivable   | -   | 581                              |                  |
| Other assets  | 3,210   | 2,439                            |                  |
| <i>Of which deferred tax assets arising from carryforwards of unused tax losses, unused tax credits and all other</i> | -   | 13                               | <i>f</i>         |
| <i>Of which deferred tax assets arising from temporary differences</i>  | -   | 268                              |                  |
| Investments in associates and joint ventures  | -   | 33                               |                  |
| <i>Of which Significant investment exceeding regulatory threshold</i>   | -   | -                                |                  |
| <i>Of which Significant investment NOT exceeding regulatory threshold</i>   | -   | 33                               |                  |
| Goodwill and intangible assets  | -   | 157                              |                  |
| <i>Of which goodwill</i>  | -   | 41                               |                  |
| <i>Of which other intangibles (excluding MSRs) phased in at 100%</i>  | -   | 116                              | <i>e</i>         |
| <i>Of which MSRs</i>  | -   | -                                |                  |
| Property, plant and equipment   | 260   | 260                              |                  |
| <b>TOTAL ASSETS</b>   | <b>43,892</b>   | <b>44,121</b>                    |                  |

## Regulatory Capital Disclosures

### PD 2 : Reconciliation of regulatory capital (continued)

#### ii) Step 2: Expansion of the Balance Sheet under Regulatory scope of Consolidation (continued)

US\$ million

| LIABILITIES & SHAREHOLDERS' EQUITY                                    | Balance sheet<br>as in<br>published<br>financial<br>statements | Consolidated<br>PIR data | Reference |
|---|--|--------------------------|-----------|
| Deposits from banks   | 4,135  | 7,681                    |           |
| Deposits from customers   | 23,705   | 20,159                   |           |
| Certificate of deposits issued  | 142  | 142                      |           |
| Repurchase agreements and other similar secured borrowing             | 6,933  | 6,933                    |           |
| Interest payable  | -  | 1,074                    |           |
| Taxation  | 146  | -                        |           |
| Other liabilities   | 2,724  | 1,775                    |           |
| Borrowings  | 1,303  | 1,205                    |           |
| Subordinated liabilities  | -  | -                        |           |
| <i>Of which amount eligible for TII</i>                               | -  | -                        |           |
| <i>Of which amount Ineligible</i>                                     | -  | -                        |           |
| Additional Tier 1 Instrument  | 390  | 488                      |           |
| <i>Of which amount eligible for AT1</i>                               | -  | 45                       | g         |
| <i>Of which amount eligible for TII</i>                               | -  | 11                       | i         |
| <i>Of which amount Ineligible</i>                                     | -  | 432                      |           |
| <b>TOTAL LIABILITIES</b>  | <b>39,478</b>  | <b>39,457</b>            |           |
| Paid-in share capital   | 3,110  | 3,110                    |           |
| Treasury shares   | (6)  | (6)                      |           |
| <i>Of which form part of CET1</i>                                     |  |                          |           |
| Ordinary Share Capital  | 3,110  | 3,110                    | a         |
| Treasury shares   | (6)  | (6)                      | a         |
| Reserves  | 806  | 806                      |           |
| <i>Of which form part of CET1</i>                                     |  |                          |           |
| Retained earnings/(losses) brought forward                            | 1,048  | 1,072                    | b         |
| Net profit for the current year                                       | 235  | 235                      | c1        |
| Legal reserve   | 569  | 545                      | c2        |
| General (disclosed) reserves  | 100  | 100                      | c3        |
| Fx translation adjustment   | (1,126)  | (1,126)                  | c4        |
| Cumulative changes in fair value                                      | 13   | 13                       | c5        |
| Pension fund reserve  | (33)   | (33)                     | c6        |
| Non - controlling interest  | 504  | 504                      |           |
| <i>Of which amount eligible for CET1</i>                              | -  | 292                      | d         |
| <i>Of which amount eligible for AT1</i>                               | -  | 61                       | g         |
| <i>Of which amount eligible for TII</i>                               | -  | 79                       | i         |
| <i>Of which amount ineligible</i>                                     | -  | 72                       |           |
| Expected credit losses  | -  | 250                      |           |
| <i>Of which amount eligible for TII (Maximum 1.25% of Credit RWA)</i> | -  | 250                      | h         |
| <i>Of which amount Ineligible</i>                                     | -  | -                        |           |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                     | <b>4,414</b>   | <b>4,664</b>             |           |

## Regulatory Capital Disclosures

### PD 3 : Main features of regulatory capital instruments

| Disclosure template for main features of regulatory capital instruments |   |  |  |   |
|---|---|--|--|---|
| 1   | Issuer  | Arab Banking Corporation                           | Arab Banking Corporation                                   | Banco ABC Brasil  |
| 2   | Unique identifier   | ABC  | XS2426192261   | LFSC19000 (series with various suffixes)  |
| 3   | Governing law(s) of the instrument  | Laws of Bahrain                                    | English and Bahrain Law                                    | Laws of the Federative Republic of Brazil   |
| Regulatory treatment  |   |  |  |   |
| 4   | Transitional CBB rules  | Common Equity Tier 1                               | N/A  | N/A   |
| 5   | Post-transitional CBB rules   | Common Equity Tier 1                               | Additional Tier 1  | Additional Tier 1   |
| 6   | Eligible at solo/group/group & solo   | Group & Solo                                       | Group& Solo  | Group   |
| 7   | Instrument type (types to be specified by each jurisdiction)                                | Common equity shares                               | Perpetual NC 6 Additional Tier 1 Capital Securities        | Perpetual NC 5, Sub-ordinated to all except Shareholders' Equity                                |
| 8   | Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date) | US\$ 3,110   | US\$ 390   | BRL 502 million (of which US\$ 45 million equivalent eligible for AT1)                          |
| 9   | Par value of instrument   | 1  | 1  | 300,000   |
| 10  | Accounting classification   | Shareholders equity                                | Shareholders equity  | Liability- Amortized cost   |
| 11  | Original date of issuance   | Various  | 28th March 2022  | Various   |
| 12  | Perpetual or dated  | Perpetual  | Perpetual  | Perpetual   |
| 13  | Original maturity date  | No maturity  | No maturity  | No maturity   |
| 14  | Issuer call subject to prior supervisory approval   | Yes  | Yes  | Yes   |
| 15  | Optional call date, contingent call dates and redemption amount                             | N/A  | 28th March 2028 and every interest payment date thereafter | Yes   |
| 16  | Subsequent call dates, if applicable  | N/A  | Every interest payment date after the first call date      | N/A   |
| Coupons / dividends   |   |  |  |   |
| 17  | Fixed or floating dividend/coupon   | Floating (Dividend as decided by the shareholders) | Fixed  | Floating  |
| 18  | Coupon rate and any related index   | N/A  | N/A  | Average market yield of 13,124%, equivalent to 1,13 times the current Selic Rate of 11,65% p.a. |
| 19  | Existence of a dividend stopper   | N/A  | Yes  | No  |

## Regulatory Capital Disclosures

### PD 3 : Main features of regulatory capital instruments (continued)

| Disclosure template for main features of regulatory capital instruments |   |  |   |   |
|---|---|--|---|---|
| 20  | Fully discretionary, partially discretionary or mandatory   | Fully discretionary  | Partly discretionary (Insufficiency of profits)   | Partly discretionary (Insufficiency of profits) |
| 21  | Existence of step up or other incentive to redeem   | No   | No  | No  |
| 22  | Non-cumulative or cumulative  | N/A  | Non-cumulative  | Non-cumulative                                  |
| 23  | Convertible or non-convertible  | N/A  | Convertible   | Non convertible                                 |
| 24  | If convertible, conversion trigger (s)  | N/A  | Non-Viability Event   | N/A   |
| 25  | If convertible, fully or partially  | N/A  | Fully   | N/A   |
| 26  | If convertible, conversion rate   | N/A  | Conversion Price as defined   | N/A   |
| 27  | If convertible, mandatory or optional conversion  | N/A  | Mandatory   | N/A   |
| 28  | If convertible, specify instrument type convertible into  | N/A  | Ordinary Shares   | N/A   |
| 29  | If convertible, specify issuer of instrument it converts into   | N/A  | ABC   | N/A   |
| 30  | Write-down feature  | No   | No  | Yes   |
| 31  | If write-down, write-down trigger(s)  | N/A  | N/A   | CET 1 at 5.125% or below                        |
| 32  | If write-down, full or partial  | N/A  | N/A   | Fully discretionary                             |
| 33  | If write-down, permanent or temporary   | N/A  | N/A   | Permanent                                       |
| 34  | If temporary write-down, description of write-up mechanism  | N/A  | N/A   | N/A   |
| 35  | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Subordinated to all depositors and creditors (including subordinated debt) of the Bank | Subordinated to all senior obligations of the bank and in priority to the Junior obligations (such as equity shares). | AT1 capital bills                               |
| 36  | Non-compliant transitioned features   | No   | No  | No  |
| 37  | If yes, specify non-compliant features  | N/A  | N/A   | N/A   |