



Regulatory Capital Disclosures

30 September 2021

Regulatory Capital Disclosures

PD 1: Post 1 January 2019 disclosure template

US\$ million

Basel III Common Disclosure Template	PIR as on 30 September 2021	Reference
<u>Common Equity Tier 1 capital: instruments and reserves</u>		
1 Directly issued qualifying common share capital plus related stock surplus	3,104	a
2 Retained earnings	1,009	b
3 Accumulated other comprehensive income (and other reserves)	(170)	c1+c2+c3+c4 +c5
4 <i>Not applicable</i>	-	
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	224	d
6 Common Equity Tier 1 capital before regulatory adjustments	4,167	
<u>Common Equity Tier 1 capital: regulatory adjustments</u>		
7 Prudential valuation adjustments	-	
8 Goodwill (net of related tax liability)	86	
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	57	e
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4	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	40	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	-	
28 Total regulatory adjustments to Common equity Tier 1	187	
29 Common Equity Tier 1 capital (CET1)	3,980	

Regulatory Capital Disclosures

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

US\$ million

Basel III Common Disclosure Template	PIR as on 30 September 2021	Reference
Additional Tier 1 capital: instruments		
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31 of which: classified as equity under applicable accounting standards	-	
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)	85	g
35 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36 Additional Tier 1 capital before regulatory adjustments	85	
Additional Tier 1 capital: regulatory adjustments		
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	-	
43 Total regulatory adjustments to Additional Tier 1 capital	-	
44 Additional Tier 1 capital (AT1)	85	
45 Tier 1 capital (T1 = CET1 + AT1)	4,065	
Tier 2 capital: instruments and provisions		
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)	71	i
49 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50 Provisions	199	h
51 Tier 2 capital before regulatory adjustments	270	
Tier 2 capital: regulatory adjustments		
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 30 September 2021	Reference
<u>Tier 2 capital: regulatory adjustments (continued)</u>		
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 Total regulatory adjustments to Tier 2 capital	-	
58 Tier 2 capital (T2)	270	
59 Total capital (TC = T1 + T2)	4,335	
60 Total risk weighted assets	26,742	
<u>Capital ratios and buffers</u>		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	14.9%	
62 Tier 1 (as a percentage of risk weighted assets)	15.2%	
63 Total capital (as a percentage of risk weighted assets)	16.2%	
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)	5.9%	
<u>National minima including CBB (where different from Basel III)</u>		
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%	
<u>Amounts below the thresholds for deduction (before risk weighting)</u>		
72 Non-significant investments in the capital of other financials	3	
73 Significant investments in the common stock of financials	36	
74 Mortgage servicing rights (net of related tax liability)	-	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	202	
<u>Applicable caps on the inclusion of provisions in Tier 2</u>		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	241	<i>h*</i>
77 Cap on inclusion of provisions in Tier 2 under standardised approach	286	
78 N/A		
79 N/A		

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

Regulatory Capital Disclosures

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

US\$ million

Basel III Common Disclosure Template	PIR as on 30 September 2021	Reference
<u>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)</u>		
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 2 : Reconciliation of regulatory capital

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

US\$ million

	Balance sheet as in published financial statements	Consolidated PIR data
Liquid funds	2,262	-
Cash and balances at central banks	-	1,621
Placements with banks and similar financial institutions	2,911	4,433
Reverse repurchase agreements and other similar secured lending	880	-
Financial assets at fair value through P&L	791	791
Non-trading investments	7,961	-
Investments at Amortized Cost	-	1,518
Investments at FVOCI	-	6,457
Loans and advances	16,417	16,620
Investment properties	-	-
Interest receivable	-	288
Other assets	2,842	2,375
Investments in associates and joint ventures	-	36
Goodwill and intangible assets	-	143
Property, plant and equipment	308	308
TOTAL ASSETS	34,372	34,590
Deposits from banks	3,698	7,402
Deposits from customers	20,183	16,480
Certificate of deposits issued	908	907
Repurchase agreements and other similar secured borrowing	1,360	1,360
Interest payable	-	244
Taxation	90	-
Other liabilities	2,300	2,123
Borrowings	1,604	1,517
Subordinated liabilities	-	-
Additional Tier 1 Instrument	-	88
TOTAL LIABILITIES	30,143	30,121
Paid-in share capital	3,110	3,110
Treasury shares	(6)	(6)
Reserves	756	756
Non - controlling interest	369	369
Expected credit losses	-	241
TOTAL SHAREHOLDERS' EQUITY	4,229	4,470

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

ASSETS	Balance sheet as in published financial statements	Consolidated PIR data	Reference
Liquid funds	2,262	-	
Cash and balances at central banks	-	1,621	
Placements with banks and similar financial institutions	2,911	4,433	
Reverse repurchase agreements and other similar secured lending	880	-	
Financial assets at fair value through P&L	791	791	
Loans and advances	16,417	16,620	
Non-trading investments	7,961	7,975	
<i>Of which investment NOT exceeding regulatory threshold</i>	-	7,975	
Interest receivable	-	288	
Other assets	2,842	2,375	
<i>Of which deferred tax assets arising from carryforwards of unused tax losses, unused tax credits and all other</i>	-	4	<i>f</i>
<i>Of which deferred tax assets arising from temporary differences</i>	-	202	
Investments in associates and joint ventures	-	36	
<i>Of which Significant investment exceeding regulatory threshold</i>	-	-	
<i>Of which Significant investment NOT exceeding regulatory threshold</i>	-	36	
Goodwill and intangible assets	-	143	
<i>Of which goodwill</i>	-	86	
<i>Of which other intangibles (excluding MSRs) phased in at 100%</i>	-	57	<i>e</i>
<i>Of which MSRs</i>	-	-	
Property, plant and equipment	308	308	
TOTAL ASSETS	34,372	34,591	

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 as in published financial statements	Consolidated PIR data	Reference
Deposits from banks	3,698	7,402	
Deposits from customers	20,183	16,480	
Certificate of deposits issued	908	907	
Repurchase agreements and other similar secured borrowing	1,360	1,360	
Interest payable	-	244	
Taxation	90	-	
Other liabilities	2,300	2,123	
Borrowings	1,604	1,517	
Subordinated liabilities	-	-	
<i>Of which amount eligible for TII</i>	-	-	
<i>Of which amount Ineligible</i>	-	-	
Additional Tier 1 Instrument	-	88	
<i>Of which amount eligible for AT1</i>	-	38	g
<i>Of which amount eligible for TII</i>	-	9	i
<i>Of which amount Ineligible</i>	-	41	
TOTAL LIABILITIES	30,143	30,121	
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	756	756	
<i>Of which form part of CET1</i>			
<i>Retained earnings/(losses) brought forward</i>	966	1,009	b
<i>Net profit for the current year</i>	80	80	c1
<i>Legal reserve</i>	520	520	c2
<i>General (disclosed) reserves</i>	100	100	c3
<i>Fx translation adjustment</i>	(929)	(929)	c4
<i>Cumulative changes in fair value</i>	59	59	c5
<i>Pension fund reserve</i>	(40)	(40)	c6
Non - controlling interest	369	369	
<i>Of which amount eligible for CET1</i>	-	224	d
<i>Of which amount eligible for AT1</i>	-	47	g
<i>Of which amount eligible for TII</i>	-	62	i
<i>Of which amount ineligible</i>	-	36	
Expected credit losses	-	241	
<i>Of which amount eligible for TII (Maximum 1.25% of Credit RWA)</i>	-	241	h
<i>Of which amount Ineligible</i>	-	-	
TOTAL SHAREHOLDERS' EQUITY	4,229	4,470	

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	Banco ABC Brasil
2	Unique identifier	ABC	LFSC19000 (series with various suffixes)
3	Governing law(s) of the instrument	Laws of Bahrain	Laws of the Federative Republic of Brazil
Regulatory treatment			
4	Transitional CBB rules	Common Equity Tier 1	N/A
5	Post-transitional CBB rules	Common Equity Tier 1	Additional Tier 1
6	Eligible at solo/group/group & solo	Group & Solo	Group
7	Instrument type (types to be specified by each jurisdiction)	Common equity shares	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	BRL 487 million (of which US\$ 38 million equivalent eligible for AT1)
9	Par value of instrument	1	300,000
10	Accounting classification	Shareholders equity	Liability- Amortized cost
11	Original date of issuance	Various	Various
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	Yes
16	Subsequent call dates, if applicable	N/A	N/A
Coupons / dividends			
17	Fixed or floating dividend/coupon	Floating (Dividend as decided by the shareholders)	Floating
18	Coupon rate and any related index	N/A	Average market yield of 12,457%, equivalent to 2,03 times the current Selic Rate [1] of 6,15% p.a.
19	Existence of a dividend stopper	N/A	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)
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	N/A	Non-cumulative
23	Convertible or non-convertible	N/A	Non convertible
24	If convertible, conversion trigger (s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	N/A	CET 1 at 5.125% or below
32	If write-down, full or partial	N/A	Fully discretionary
33	If write-down, permanent or temporary	N/A	Permanent
34	If temporary write-down, description of write-up mechanism	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	AT1 capital bills
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A