



Regulatory Capital Disclosures

30 September 2023

Regulatory Capital Disclosures

PD 1: Post 1 January 2019 disclosure template

US\$ million

Basel III Common Disclosure Template	PIR as on 30 September 2023	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	1,112	b
3 Accumulated other comprehensive income (and other reserves)	(316)	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)	274	d
6 Common Equity Tier 1 capital before regulatory adjustments	4,174	
<u>Common Equity Tier 1 capital: regulatory adjustments</u>		
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)	113	e
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	17	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	-	
28 Total regulatory adjustments to Common equity Tier 1	204	
29 Common Equity Tier 1 capital (CET1)	3,970	

Regulatory Capital Disclosures

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

US\$ million

Basel III Common Disclosure Template	PIR as on 30 September 2023	Reference
Additional Tier 1 capital: instruments		
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	362	
31 of which: classified as equity under applicable accounting standards	362	
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)	101	g
35 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36 Additional Tier 1 capital before regulatory adjustments	463	
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)	463	
45 Tier 1 capital (T1 = CET1 + AT1)	4,433	
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)	84	i
49 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50 Provisions	251	h
51 Tier 2 capital before regulatory adjustments	335	
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 2023	Reference
Tier 2 capital: regulatory adjustments (continued)		
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)	335	
59 Total capital (TC = T1 + T2)	4,768	
60 Total risk weighted assets	28,878	
Capital ratios and buffers		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	13.7%	
62 Tier 1 (as a percentage of risk weighted assets)	15.4%	
63 Total capital (as a percentage of risk weighted assets)	16.5%	
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)	4.7%	
National minima including CBB (where different from Basel III)		
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%	
Amounts below the thresholds for deduction (before risk weighting)		
72 Non-significant investments in the capital of other financials	8	
73 Significant investments in the common stock of financials	32	
74 Mortgage servicing rights (net of related tax liability)	-	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	225	
Applicable caps on the inclusion of provisions in Tier 2		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	269	<i>h*</i>
77 Cap on inclusion of provisions in Tier 2 under standardised approach	329	
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 2023	Reference
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)		
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	2,586	-
Cash and balances at central banks	-	2,163
Placements with banks and similar financial institutions	2,765	4,911
Reverse repurchase agreements and other similar secured lending	1,721	-
Financial assets at fair value through P&L	1,191	1,191
Non-trading investments	11,463	-
Investments at Amortized Cost	-	6,124
Investments at FVOCI	-	5,351
Loans and advances	17,598	17,830
Investment properties	-	-
Interest receivable	-	598
Other assets	3,680	2,894
Investments in associates and joint ventures	-	32
Goodwill and intangible assets	-	155
Property, plant and equipment	257	257
TOTAL ASSETS	41,261	41,506
Deposits from banks	4,340	7,859
Deposits from customers	20,914	17,395
Certificate of deposits issued	201	201
Repurchase agreements and other similar secured borrowing	6,735	6,735
Interest payable	-	896
Taxation	122	-
Other liabilities	2,962	2,164
Borrowings	1,298	1,203
Subordinated liabilities	-	-
Additional Tier 1 Instrument	390	485
TOTAL LIABILITIES	36,962	36,938
Paid-in share capital	3,110	3,110
Treasury shares	(6)	(6)
Reserves	717	717
Non - controlling interest	478	478
Expected credit losses	-	269
TOTAL SHAREHOLDERS' EQUITY	4,299	4,568

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	2,586	-	
Cash and balances at central banks	-	2,163	
Placements with banks and similar financial institutions	2,765	4,911	
Reverse repurchase agreements and other similar secured lending	1,721	-	
Financial assets at fair value through P&L	1,191	1,191	
Loans and advances	17,598	17,830	
Non-trading investments	11,463	11,475	
<i>Of which investment NOT exceeding regulatory threshold</i>	-	11,475	
Interest receivable	-	598	
Other assets	3,680	2,894	
<i>Of which deferred tax assets arising from carryforwards of unused tax losses, unused tax credits and all other</i>	-	17	<i>f</i>
<i>Of which deferred tax assets arising from temporary differences</i>	-	225	
Investments in associates and joint ventures	-	32	
<i>Of which Significant investment exceeding regulatory threshold</i>	-	-	
<i>Of which Significant investment NOT exceeding regulatory threshold</i>	-	32	
Goodwill and intangible assets	-	155	
<i>Of which goodwill</i>	-	41	
<i>Of which other intangibles (excluding MSRs) phased in at 100%</i>	-	113	<i>e</i>
<i>Of which MSRs</i>	-	-	
Property, plant and equipment	257	257	
TOTAL ASSETS	41,261	41,506	

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	4,340	7,859	
Deposits from customers	20,914	17,395	
Certificate of deposits issued	201	201	
Repurchase agreements and other similar secured borrowing	6,735	6,735	
Interest payable	-	896	
Taxation	122	-	
Other liabilities	2,962	2,164	
Borrowings	1,298	1,203	
Subordinated liabilities	-	-	
<i>Of which amount eligible for TII</i>	-	-	
<i>Of which amount Ineligible</i>	-	-	
Additional Tier 1 Instrument	390	485	
<i>Of which amount eligible for AT1</i>	-	43	g
<i>Of which amount eligible for TII</i>	-	10	i
<i>Of which amount Ineligible</i>	-	432	
TOTAL LIABILITIES	36,962	36,938	
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	717	717	
<i>Of which form part of CET1</i>			
Retained earnings/(losses) brought forward	1,067	1,067	b
Net profit for the current year	183	183	c1
Legal reserve	545	545	c2
General (disclosed) reserves	100	100	c3
Fx translation adjustment	(1,146)	(1,146)	c4
Cumulative changes in fair value	1	1	c5
Pension fund reserve	(33)	(33)	c6
Non - controlling interest	478	478	
<i>Of which amount eligible for CET1</i>	-	274	d
<i>Of which amount eligible for AT1</i>	-	58	g
<i>Of which amount eligible for TII</i>	-	74	i
<i>Of which amount ineligible</i>	-	72	
Expected credit losses	-	269	
<i>Of which amount eligible for TII (Maximum 1.25% of Credit RWA)</i>	-	269	h
<i>Of which amount Ineligible</i>	-	-	
TOTAL SHAREHOLDERS' EQUITY	4,299	4,568	

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 515 million (of which US\$ 43 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 13,901%, equivalent to 1,10 times the current Selic Rate of 12,65% 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