



# **Regulatory Capital Disclosures**

## **30 June 2018**

## 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	988	-
Cash and balances at central banks	-	969
Placements with banks and similar financial institutions	2,262	3,447
Reverse repurchase agreements and other similar secured lending	1,163	-
Financial assets at fair value through P&L	1,224	1,224
Non-trading investments	5,292	-
Investments at Amortized Cost		1,191
Investments at FVOCI		4,121
Loans and advances	15,053	15,224
Investment properties	-	-
Interest receivable	499	499
Other assets	1,280	1,249
Investments in associates and joint ventures	-	18
Goodwill and intangible assets	-	13
Property, plant and equipment	121	121
<b>TOTAL ASSETS</b>	<b>27,882</b>	<b>28,076</b>
Deposits from banks	2,945	6,878
Deposits from customers	16,181	12,248
Certificate of deposits issued	37	37
Repurchase agreements and other similar secured borrowing	1,106	1,106
Interest payable	375	375
Taxation	62	-
Other liabilities	842	849
Term notes, bonds and other term financing	2,110	1,975
Subordinated liabilities	-	135
<b>TOTAL LIABILITIES</b>	<b>23,658</b>	<b>23,603</b>
Paid-in share capital	3,110	3,110
Treasury stock	(1)	(1)
Reserves	683	683
Non - controlling interest	432	432
Expected Credit losses	-	249
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,224</b>	<b>4,473</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 as in published financial statements</b>	<b>Consolidated PIR data</b>	<b>Reference</b>
Liquid funds	988	-	
Cash and balances at central banks	-	969	
Placements with banks and similar financial institutions	2,262	3,447	
Reverse repurchase agreements and other similar secured lending	1,163	-	
Financial assets at fair value through P&L	1,224	1,224	
Loans and advances	15,053	15,224	
Non-trading securities	5,292	5,312	
<i>Of which investment NOT exceeding regulatory threshold</i>	-	5,312	
Interest receivable	499	499	
Other assets	1,280	1,249	
<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>	-	150	
Investments in associates and joint ventures	-	18	
<i>Of which Significant investment exceeding regulatory threshold</i>	-	-	
<i>Of which Significant investment NOT exceeding regulatory threshold</i>	-	18	
Goodwill and intangible assets	-	13	
<i>Of which goodwill</i>	-	-	
<i>Of which other intangibles (excluding MSRs) phased in at 80%</i>	-	10	<i>e</i>
<i>Of which MSRs</i>	-	-	
Property, plant and equipment	121	121	
<b>TOTAL ASSETS</b>	<b>27,882</b>	<b>28,076</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		
	Balance sheet as in published financial statements	Consolidated PIR data	Reference
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>			
Deposits from banks	2,945	6,878	
Deposits from customers	16,181	12,248	
Certificate of deposits issued	37	37	
Repurchase agreements and other similar secured borrowing	1,106	1,106	
Interest payable	375	375	
Taxation	62	-	
Other liabilities	842	849	
Term notes, bonds and other term financing	2,110	1,975	
Subordinated liabilities	-	135	
<i>Of which amount eligible for TII</i>	-	54	<i>h</i>
<i>Of which amount Ineligible</i>	-	81	
<b>TOTAL LIABILITIES</b>	<b>23,658</b>	<b>23,603</b>	
Paid-in share capital	3,110	3,110	
Treasury stock	(1)	(1)	
<i>Of which form part of CET1</i>			
Ordinary Share Capital	3,110	3,110	<i>a</i>
Treasury stock	(1)	(1)	<i>a</i>
Reserves	683	683	
<i>Of which form part of CET1</i>			
Retained earnings/(losses) brought forward	782	782	<i>b</i>
Net profit for the current period	113	113	<i>c1</i>
Legal reserve	481	481	<i>c2</i>
General (disclosed) reserves	100	100	<i>c3</i>
Fx translation adjustment	(735)	(735)	<i>c4</i>
Cumulative changes in fair value	(25)	(25)	<i>c5</i>
Pension fund reserve	(33)	(33)	<i>c6</i>
Non - controlling interest	432	432	
<i>Of which amount eligible for CET1</i>	-	226	<i>d</i>
<i>Of which amount eligible for AT1</i>	-	47	<i>g</i>
<i>Of which amount eligible for TII</i>	-	-	
<i>Of which amount ineligible</i>	-	159	
Expected credit losses	-	249	
<i>Of which amount eligible for TII (Maximum 1.25% of RWA)</i>	-	249	<i>i</i>
<i>Of which amount Ineligible</i>	-	-	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,224</b>	<b>4,473</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	Banco ABC Brasil
2	Unique identifier	ABC	EI2084396 - USP0763MBW03; Brazilian Central Bank CMN Resolution 3444
3	Governing law(s) of the instrument	Laws of Bahrain	Laws of the Federative republic of Brazil
<b>Regulatory treatment</b>			
4	Transitional CBB rules	Common Equity Tier 1	N/A
5	Post-transitional CBB rules	Common Equity Tier 1	Tier 2
6	Eligible at solo/group/group & solo	Group & Solo	Group
7	Instrument type (types to be specified by each jurisdiction)	Common equity shares	Subordinated debt
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	US\$ 3,110	US\$ 54
9	Par value of instrument	1	1000
10	Accounting classification	Shareholders equity	Liability- Amortised cost
11	Original date of issuance	Various	4-Aug-10
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	4-Aug-20
14	Issuer call subject to prior supervisory approval	Yes	No
15	Optional call date, contingent call dates and redemption amount	N/A	No
16	Subsequent call dates, if applicable	N/A	N/A
<b>Coupons / dividends</b>			
17	Fixed or floating dividend/coupon	Floating (Dividend as decided by the shareholders)	Fixed
18	Coupon rate and any related index	N/A	7.875
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	Mandatory
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	No
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
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	Subordinated to all depositors and creditors of the bank
36	Non-compliant transitioned features	No	Yes
37	If yes, specify non-compliant features	N/A	Non Viability Loss Absorption

## Regulatory Capital Disclosures

### PD 4: Capital composition disclosure template

US\$ million

Basel III Common disclosure template (For transition period from 1 January 2015 to 31 December 2018)		PIR as on 30 June 2018	Amounts Subject To Pre-2015 Treatment	Reference
<b><u>Common Equity Tier 1 capital: instruments and reserves</u></b>				
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	3,109	-	a
2	Retained earnings	782	-	b
3	Reserves	(67)	-	c1+c2+c3+c4+c5
4	Not applicable	-	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	226	36	d
6	Common Equity Tier 1 capital before regulatory adjustments	<b>4,050</b>		
<b><u>Common Equity Tier 1 capital: regulatory adjustments</u></b>				
7	Prudential valuation adjustments	-	-	
8	Goodwill (net of related tax liability)	-	-	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	10	3	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	33	-	c6
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	-	
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	-	-	

## Regulatory Capital Disclosures

### PD 4: Capital composition disclosure template (continued)

US\$ million

Basel III Common disclosure template (For transition period from 1 January 2015 to 31 December 2018)		PIR as on 30 June 2018	Amounts Subject To Pre-2015 Treatment	Reference
<b><u>Common Equity Tier 1 capital: regulatory adjustments (continued)</u></b>				
24	of which: mortgage servicing rights	-	-	
25	of which: deferred tax assets arising from temporary differences	-	-	
26	National specific regulatory adjustments	-	-	
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	-	-	
	<i>OF WHICH:</i>	-	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-	
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>47</b>		
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>4,003</b>		
<b><u>Additional Tier 1 capital: instruments</u></b>				
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	Directly issued capital instruments subject to phase out from Additional Tier 1	-	-	
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)	47	4	g
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	4	4	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>47</b>		
<b><u>Additional Tier 1 capital: regulatory adjustments</u></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	National specific regulatory adjustments	-	-	
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	-	-	



## Regulatory Capital Disclosures

### PD 4: Capital composition disclosure template (continued)

US\$ million

Basel III Common disclosure template (For transition period from 1 January 2015 to 31 December 2018)		PIR as on 30 June 2018	Amounts Subject To Pre-2015 Treatment	Reference
<b>Additional Tier 1 capital: regulatory adjustments (continued)</b>				
	<i>Of Which:</i>	-	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-	-	
44	<b>Additional Tier 1 capital (AT1)</b>	<b>47</b>		
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>4,050</b>		
<b>Tier 2 capital: instruments and provisions</b>				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-	
47	Directly issued capital instruments subject to phase out from Tier 2	-	-	
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)	54	-	h
49	of which: instruments issued by subsidiaries subject to phase out	-	-	
50	ECL Provisions & Reserves	249	-	i
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>303</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)	-	-	
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	-	-	
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	-	-	
	<i>Of which</i>	-	-	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	-	-	
58	<b>Tier 2 capital (T2)</b>	<b>303</b>		
59	<b>Total capital (TC = T1 + T2)</b>	<b>4,353</b>		
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
	<i>Of Which: Intangible assets (RW @ 100%)</i>	3		e
	<i>Of Which: Non Significant Investments (RW @ 100%)</i>	-		
	<i>Of Which: Non Significant Investments (RW @ 150%)</i>	-		
	<i>Of Which: Significant Investments (RW @ 250%)</i>	-		
60	<b>Total risk weighted assets</b>	<b>24,063</b>		

## Regulatory Capital Disclosures

### PD 4: Capital composition disclosure template (continued)

US\$ million

Basel III Common disclosure template (For transition period from 1 January 2015 to 31 December 2018)		PIR as on 30 June 2018
<b>Capital ratios</b>		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	16.6%
62	Tier 1 (as a percentage of risk weighted assets)	16.8%
63	Total capital (as a percentage of risk weighted assets)	<b>18.1%</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	<i>Of Which: capital conservation buffer requirement</i>	2.5%
66	<i>Of Which: bank specific countercyclical buffer requirement (N/A)</i>	N/A
67	<i>Of Which: G-SIB buffer requirement (N/A)</i>	N/A
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	7.6%
<b>National minima (if different from Basel 3)</b>		
69	CBB Common Equity Tier 1 minimum ratio (including buffers)	9%
70	CBB Tier 1 minimum ratio (including buffers)	10.5%
71	CBB total capital minimum ratio (including buffers)	12.5%
<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
72	Non-significant investments in the capital of other financials	4
73	Significant investments in the common stock of financials	18
74	Mortgage servicing rights (net of related tax liability)	-
75	Deferred tax assets arising from temporary differences (net of related tax liability)	150
<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)	249
77	Cap on inclusion of provisions in Tier 2 under standardised approach	262
78	N/A	
79	N/A	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2020 and 1 Jan 2024)</b>		
80	Current cap on CET1 instruments subject to phase out arrangements	N/A
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A
82	Current cap on AT1 instruments subject to phase out arrangements	N/A
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A
84	Current cap on T2 instruments subject to phase out arrangements	N/A
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A