



Regulatory Capital Disclosures

30 September 2016

REGULATORY CAPITAL DISCLOSURES

PD 2 : Reconciliation Of Regulatory Capital

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

	<i>US\$ millions</i>	
	<i>Balance sheet as in published financial statements</i>	<i>Consolidated PIR data</i>
Liquid funds	1,187	-
Cash and balances at central banks	-	1,579
Placements with banks & similar financial institutions	4,730	
Reverse repurchase agreements and other similar secured lending	1,715	6,053
Financial assets at fair value through P&L	688	688
Non-trading securities	6,116	6,116
Loans and advances	14,819	15,015
Investment properties	-	-
Interest receivable	428	428
Other assets	1,070	1,046
Investments in associates and joint ventures	-	20
Goodwill and intangible assets	-	4
Property, plant and equipment	115	115
TOTAL ASSETS	30,868	31,064
Deposits from banks and other financial institutions	7,304	10,952
Deposits from customers	13,488	9,840
Certificate of deposits issued	37	37
Repurchase agreements and other similar secured borrowing	203	203
Interest payable	341	341
Taxation	112	
Other liabilities	711	823
Term notes, bonds and other term financing		3,631
Subordinated liabilities	4,337	706
TOTAL LIABILITIES	26,533	26,533
Paid-in share capital	3,110	3,110
Reserves	796	796
Non - controlling interest	429	429
Collective impairment provision	-	196
TOTAL SHAREHOLDER'S EQUITY	4,335	4,531

REGULATORY CAPITAL DISCLOSURES

PD 2 : Reconciliation Of Regulatory Capital (continued)

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

	<i>US\$ Millions</i>		
Assets	<i>Balance sheet as in published financial statements</i>	<i>Consolidated PIR data</i>	<i>Reference</i>
Liquid funds	1,187	-	
Cash and balances at central banks	-	1,579	
Placements with banks & similar financial institutions	4,730		
Reverse repurchase agreements and other similar secured lending	1,715	6,053	
Financial assets at fair value through P&L	688	688	
Loans and advances	14,819	15,015	
Non-trading securities	6,116	6,116	
<i>of which investment NOT exceeding regulatory threshold</i>	6,116	6,116	
Interest receivable	428	428	
Other assets	1,070	1,046	
<i>of which deferred tax assets arising from carryforwards of unused tax losses, unused tax credits and all other</i>	-	3	f
<i>of which deferred tax assets arising from temporary differences</i>	-	100	
Investments in associates and joint ventures	-	20	
<i>of which Significant investment exceeding regulatory threshold</i>	-	-	
<i>of which Significant investment NOT exceeding regulatory threshold</i>	-	20	
Goodwill and intangible assets	-	4	
of which goodwill	-	-	
of which other intangibles (excluding MSRs) phased in at 40%	-	1	e
of which MSRs	-	-	
Property, plant and equipment	115	115	
TOTAL ASSETS	30,868	31,064	

REGULATORY CAPITAL DISCLOSURES

PD 2 : Reconciliation Of Regulatory Capital (continued)

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

	<i>US\$ Millions</i>		
<i>Balance sheet as in published financial statements</i>	<i>Consolidated PIR data</i>		<i>Reference</i>
<i>Liabilities & Shareholder's equity</i>			
Deposits from banks and other financial institutions	7,304	10,952	
Deposits from customers	13,488	9,840	
Certificate of deposits issued	37	37	
Repurchase agreements and other similar secured borrowing	203	203	
Interest payable	341	341	
Taxation	112	823	
Other liabilities	711		
Term notes, bonds and other term financing		3,631	
Subordinated liabilities	4,337	706	
<i>Of which amount eligible for TII</i>	-	195	h
<i>Of which amount Ineligible</i>	-	511	
TOTAL LIABILITIES	26,533	26,533	
Paid-in share capital	3,110	3,110	
<i>Of which form part of CET1</i>			
Ordinary Share Capital	3,110	3,110	a
Reserves	796	796	
<i>Of which form part of CET1</i>			
Retained earnings/(losses) brought forward	694	694	b
Net profit for the current period	150	150	c1
Legal reserve	444	444	c2
General (disclosed) reserves	100	100	c3
Fx translation adjustment	(536)	(536)	c4
Cumulative changes in fair value	(33)	(33)	c5
Pension fund reserve	(23)	(23)	c6
Non - controlling interest	429	429	
<i>Of which amount eligible for CET1</i>	-	278	d
<i>Of which amount eligible for ATI</i>	-	52	g
<i>Of which amount eligible for TII</i>	-	-	
<i>Of which amount ineligible</i>	-	99	
Collective impairment provision	-	196	
<i>Of which amount eligible for TII (Maximum 1.25% of RWA)</i>	-	196	i
<i>Of which amount Ineligible</i>	-	-	
TOTAL SHAREHOLDER'S EQUITY	4,335	4,531	

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	EG2959302 - XS0293688304; CBB FIL 64/2006	EI2084396 - USP0763MBW03; Brazilian Central Bank CMN Resolution 3444
3	Governing law(s) of the instrument	Laws of Bahrain	Laws of Bahrain	Laws of the Federative republic of Brazil
	<i>Regulatory treatment</i>			
4	Transitional CBB rules	Common Equity Tier 1	Not applicable	Not applicable
5	Post-transitional CBB rules	Common Equity Tier 1	Tier 2	Tier 2
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	Subordinated debt	Subordinated debt
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	US\$ 3,110	US\$ nil	US\$ 195
9	Par value of instrument (US\$ each)	1	1000	1000
10	Accounting classification	Shareholders equity	Liability- Amortised cost	Liability- Amortised cost
11	Original date of issuance	Various	4-Apr-07	4-Aug-10
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No maturity	4-Apr-17	4-Aug-20
14	Issuer call subject to prior supervisory approval	Yes	Yes	No
15	Optional call date, contingent call dates and redemption amount	NA	7 April 15 @ 100	No
16	Subsequent call dates, if applicable	NA	NA	NA
	<i>Coupons / dividends</i>			
17	Fixed or floating dividend/coupon	Floating (Dividend as decided by the shareholders)	Floating	Fixed
18	Coupon rate and any related index	NA	3M Libor+135bps	7.875
19	Existence of a dividend stopper	NA	No	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	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	NA	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
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	Subordinated to all depositors and creditors of the Bank
36	Non-compliant transitioned features	No	Yes	Yes
37	If yes, specify non-compliant features	NA	Non Viability Loss Absorption	Non Viability Loss Absorption

REGULATORY CAPITAL DISCLOSURES

PD 4 : Capital Composition Disclosure Template

<i>Basel III Common disclosure template (For transition period from 1 January 2015 to 31 December 2018)</i>	<i>US\$ Millions</i>		<i>Reference</i>
	<i>PIR as on 30 September 2016</i>	<i>Amounts Subject To Pre-2015 Treatment</i>	
<u>Common Equity Tier 1 capital: instruments and reserves</u>			
1 Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	3,110	-	a
2 Retained earnings	694	-	b
3 Reserves	124	-	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)	278	135	d
6 Common Equity Tier 1 capital before regulatory adjustments	4,206		
<u>Common Equity Tier 1 capital: regulatory adjustments</u>			
7 Prudential valuation adjustments	-	-	
8 Goodwill (net of related tax liability)	-	-	
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	1	3	e
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3	-	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	23	-	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	-	-	
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	-	-	
OF WHICH:	-	-	

REGULATORY CAPITAL DISCLOSURES

PD 4 : Capital Composition Disclosure Template (continued)

<i>Basel III Common disclosure template (For transition period from 1 January 2015 to 31 December 2018)</i>	<i>US\$ Millions</i>		<i>Reference</i>
	<i>PIR as on 30 September 2016</i>	<i>Amounts Subject To Pre-2015 Treatment</i>	
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	27		
29 Common Equity Tier 1 capital (CET1)	4,179		
<u>Additional Tier 1 capital: instruments</u>			
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)	52	13	g
35 of which: instruments issued by subsidiaries subject to phase out	13	13	
36 Additional Tier 1 capital before regulatory adjustments	52		
<u>Additional Tier 1 capital: regulatory adjustments</u>			
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	-	-	
OF WHICH:	-	-	
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)	52		
45 Tier 1 capital (T1 = CET1 + AT1)	4,231		
<u>Tier 2 capital: instruments and provisions</u>			
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)	195	23	h
49 of which: instruments issued by subsidiaries subject to phase out	23	23	
50 Provisions & Reserves	196	-	i
51 Tier 2 capital before regulatory adjustments	391		

REGULATORY CAPITAL DISCLOSURES

PD 4 : Capital Composition Disclosure Template (continued)

<i>Basel III Common disclosure template (For transition period from 1 January 2015 to 31 December 2018)</i>	US\$ Millions		<i>Reference</i>
	<i>PIR as on 30 September 2016</i>	<i>Amounts Subject To Pre-2015 Treatment</i>	
<u>Tier 2 capital: regulatory adjustments</u>			
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 Total regulatory adjustments to Tier 2 capital	-	-	
58 Tier 2 capital (T2)	391		
59 Total capital (TC = T1 + T2)	4,622		
RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
<i>Of Which: Intangible assets (RW @ 100%)</i>		3	
<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 Total risk weighted assets		24,438	

REGULATORY CAPITAL DISCLOSURES

PD 4 : Capital Composition Disclosure Template (continued)

<i>Basel III Common disclosure template (For transition period from 1 January 2015 to 31 December 2018)</i>	<u>US\$ Millions</u> <u>PIR as on 30</u> <u>September</u> <u>2016</u>
<u>Capital ratios</u>	
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	17.1%
62 Tier 1 (as a percentage of risk weighted assets)	17.3%
63 Total capital (as a percentage of risk weighted assets)	18.9%
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>	NA
67 <i>Of Which: G-SIB buffer requirement (N/A)</i>	NA
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	8.1%
<u>National minima (if different from Basel 3)</u>	
69 CBB Common Equity Tier 1 minimum ratio (including buffers)	9.0%
70 CBB Tier 1 minimum ratio (including buffers)	10.5%
71 CBB total capital minimum ratio (including buffers)	12.5%
<u>Amounts below the thresholds for deduction (before risk weighting)</u>	
72 Non-significant investments in the capital of other financials	22
73 Significant investments in the common stock of financials	20
74 Mortgage servicing rights (net of related tax liability)	-
75 Deferred tax assets arising from temporary differences (net of related tax liability)	100
<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)	196
77 Cap on inclusion of provisions in Tier 2 under standardised approach	267
78 N/A	
79 N/A	
<u>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2020 and 1 Jan 2024)</u>	
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