



Regulatory Capital Disclosures
30 September 2019

Regulatory Capital Disclosures

PD 1: Post 1 January 2019 disclosure template

US\$ million

Basel III Common Disclosure Template	PIR as on 30 September 2019	Reference
Common Equity Tier 1 capital: instruments and reserves		
1 Directly issued qualifying common share capital plus related stock surplus	3,105	a
2 Retained earnings	874	b
3 Accumulated other comprehensive income (and other reserves)	(4)	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)	238	d
6 Common Equity Tier 1 capital before regulatory adjustments	4,213	
Common Equity Tier 1 capital: regulatory adjustments		
7 Prudential valuation adjustments	-	
8 Goodwill (net of related tax liability)	-	
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	19	e
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2	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	30	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	51	
29 Common Equity Tier 1 capital (CET1)	4,162	

Regulatory Capital Disclosures

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

US\$ million

Basel III Common Disclosure Template	PIR as on 30 September 2019	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)	91	g
35 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36 Additional Tier 1 capital before regulatory adjustments	91	
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)	91	
45 Tier 1 capital (T1 = CET1 + AT1)	4,253	
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)	76	i
49 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50 Provisions	171	h
51 Tier 2 capital before regulatory adjustments	247	
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 2019	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)	247	
59 Total capital (TC = T1 + T2)	4,500	
60 Total risk weighted assets	24,927	
<u>Capital ratios and buffers</u>		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	16.7%	
62 Tier 1 (as a percentage of risk weighted assets)	17.1%	
63 Total capital (as a percentage of risk weighted assets)	18.1%	
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)	7.7%	
<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	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)	112	
<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)	171	<i>h</i>
77 Cap on inclusion of provisions in Tier 2 under standardised approach	271	
78 N/A		
79 N/A		

Regulatory Capital Disclosures

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

US\$ million

Basel III Common Disclosure Template	PIR as on 30 September 2019	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	1,455	-
Cash and balances at central banks	-	1,303
Placements with banks and similar financial institutions	2,073	3,673
Reverse repurchase agreements and other similar secured lending	1,445	-
Financial assets at fair value through P&L	851	851
Non-trading investments	5,914	-
Investments at Amortized Cost	-	913
Investments at FVOCI	-	5,019
Loans and advances	15,225	15,347
Investment properties	-	-
Interest receivable	-	398
Other assets	1,941	1,506
Investments in associates and joint ventures	-	18
Goodwill and intangible assets	-	19
Property, plant and equipment	171	171
TOTAL ASSETS	29,075	29,218
Deposits from banks	3,711	7,592
Deposits from customers	16,072	12,191
Certificate of deposits issued	325	325
Repurchase agreements and other similar secured borrowing	884	884
Interest payable	-	364
Taxation	45	-
Other liabilities	1,571	1,224
Borrowings	2,078	1,842
Subordinated liabilities	-	127
Additional Tier 1 Instrument	-	109
TOTAL LIABILITIES	24,686	24,658
Paid-in share capital	3,110	3,110
Treasury shares	(5)	(5)
Reserves	840	840
Non - controlling interest	444	444
Expected Credit losses	-	171
TOTAL SHAREHOLDERS' EQUITY	4,389	4,560

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	1,455	-	
Cash and balances at central banks	-	1,303	
Placements with banks and similar financial institutions	2,073	3,673	
Reverse repurchase agreements and other similar secured lending	1,445	-	
Financial assets at fair value through P&L	851	851	
Loans and advances	15,225	15,347	
Non-trading investments	5,914	5,932	
<i>Of which investment NOT exceeding regulatory threshold</i>	-	5,932	
Interest receivable	-	398	
Other assets	1,941	1,506	
<i>Of which deferred tax assets arising from carryforwards of unused tax losses, unused tax credits and all other</i>	-	2	<i>f</i>
<i>Of which deferred tax assets arising from temporary differences</i>	-	112	
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	-	19	
<i>Of which goodwill</i>	-	-	
<i>Of which other intangibles (excluding MSRs) phased in at 100%</i>	-	19	<i>e</i>
<i>Of which MSRs</i>	-	-	
Property, plant and equipment	171	171	
TOTAL ASSETS	29,075	29,218	

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	3,711	7,592	
Deposits from customers	16,072	12,191	
Certificate of deposits issued	325	325	
Repurchase agreements and other similar secured borrowing	884	884	
Interest payable	-	364	
Taxation	45	-	
Other liabilities	1,571	1,224	
Borrowings	2,078	1,842	
Subordinated liabilities	-	127	
<i>Of which amount eligible for TII</i>	-	-	
<i>Of which amount Ineligible</i>	-	127	
Additional Tier 1 Instrument	-	109	
<i>Of which amount eligible for AT1</i>	-	41	g
<i>Of which amount eligible for TII</i>	-	10	i
<i>Of which amount Ineligible</i>	-	58	
TOTAL LIABILITIES	24,686	24,658	
Paid-in share capital	3,110	3,110	
Treasury shares	(5)	(5)	
<i>Of which form part of CET1</i>			
Ordinary Share Capital	3,110	3,110	a
Treasury shares	(5)	(5)	a
Reserves	840	840	
<i>Of which form part of CET1</i>			
<i>Retained earnings/(losses) brought forward</i>	874	874	b
<i>Net profit for the current period</i>	161	161	c1
<i>Legal reserve</i>	501	501	c2
<i>General (disclosed) reserves</i>	100	100	c3
<i>Fx translation adjustment</i>	(777)	(777)	c4
<i>Cumulative changes in fair value</i>	11	11	c5
<i>Pension fund reserve</i>	(30)	(30)	c6
Non - controlling interest	444	444	
<i>Of which amount eligible for CET1</i>	-	238	d
<i>Of which amount eligible for AT1</i>	-	50	g
<i>Of which amount eligible for TII</i>	-	66	i
<i>Of which amount ineligible</i>	-	90	
Expected credit losses	-	171	
<i>Of which amount eligible for TII (Maximum 1.25% of RWA)</i>	-	171	h
<i>Of which amount Ineligible</i>	-	-	
TOTAL SHAREHOLDERS' EQUITY	4,389	4,560	

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	Banco ABC Brasil
2	Unique identifier	ABC	EI2084396 - USP0763MBW03; Brazilian Central Bank CMN Resolution 3444	LFSC19000 (series with various suffixes)
3	Governing law(s) of the instrument	Laws of Bahrain	Laws of the Federative Republic of Brazil	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	Tier 2	Additional Tier 1
6	Eligible at solo/group/group & solo	Group & Solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Common equity shares	Subordinated debt	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\$ nil	BRL 455 (of which US\$ 41 equivalent eligible for AT1)
9	Par value of instrument	1	1,000	500,000
10	Accounting classification	Shareholders equity	Liability- Amortized cost	Liability- Amortized cost
11	Original date of issuance	Various	04-Aug-10	Various during 2019
12	Perpetual or dated	Perpetual	Dated	Perpetual
13	Original maturity date	No maturity	04-Aug-20	No maturity
14	Issuer call subject to prior supervisory approval	Yes	No	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	No	No
16	Subsequent call dates, if applicable	N/A	N/A	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	7.875	~1.24 times the Selic Rate
19	Existence of a dividend stopper	N/A	No	No

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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	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	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	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 depositors and creditors of the bank	AT1 capital bills
36	Non-compliant transitioned features	No	Yes	No
37	If yes, specify non-compliant features	N/A	Non Viability Loss Absorption	N/A