



Regulatory Capital Disclosures

30 June 2020

Regulatory Capital Disclosures

PD 1: Post 1 January 2019 disclosure template

US\$ million

Basel III Common Disclosure Template	PIR as on 30 June 2020	Reference
Common Equity Tier 1 capital: instruments and reserves		
1 Directly issued qualifying common share capital plus related stock surplus	3,104	a
2 Retained earnings	1,053	b
3 Accumulated other comprehensive income (and other reserves)	(430)	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)	215	d
6 Common Equity Tier 1 capital before regulatory adjustments	3,942	
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)	17	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	32	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	52	
29 Common Equity Tier 1 capital (CET1)	3,890	

Regulatory Capital Disclosures

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

US\$ million

Basel III Common Disclosure Template	PIR as on 30 June 2020	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)	83	g
35 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36 Additional Tier 1 capital before regulatory adjustments	83	
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)	83	
45 Tier 1 capital (T1 = CET1 + AT1)	3,973	
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)	69	i
49 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50 Provisions	165	h
51 Tier 2 capital before regulatory adjustments	234	
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 June 2020	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)	234	
59 Total capital (TC = T1 + T2)	4,207	
60 Total risk weighted assets	24,355	
<u>Capital ratios and buffers</u>		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	16.0%	
62 Tier 1 (as a percentage of risk weighted assets)	16.3%	
63 Total capital (as a percentage of risk weighted assets)	17.3%	
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)	7.0%	
<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	21	
74 Mortgage servicing rights (net of related tax liability)	-	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	323	
<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)	165	<i>h*</i>
77 Cap on inclusion of provisions in Tier 2 under standardised approach	263	
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 June 2020	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	1,960	-
Cash and balances at central banks	-	1,538
Placements with banks and similar financial institutions	2,259	4,151
Reverse repurchase agreements and other similar secured lending	1,467	-
Financial assets at fair value through P&L	582	582
Non-trading investments	5,873	-
Investments at Amortized Cost	-	884
Investments at FVOCI	-	5,012
Loans and advances	14,583	14,754
Investment properties	-	-
Interest receivable	-	345
Other assets	2,712	2,329
Investments in associates and joint ventures	-	21
Goodwill and intangible assets	-	17
Property, plant and equipment	187	187
TOTAL ASSETS	29,623	29,820
Deposits from banks	3,876	7,689
Deposits from customers	15,989	12,176
Certificate of deposits issued	283	283
Repurchase agreements and other similar secured borrowing	1,276	1,276
Interest payable	-	268
Taxation	168	-
Other liabilities	2,154	2,028
Borrowings	1,885	1,798
Subordinated liabilities	-	-
Additional Tier 1 Instrument	-	87
TOTAL LIABILITIES	25,631	25,605
Paid-in share capital	3,110	3,110
Treasury shares	(6)	(6)
Reserves	533	533
Non - controlling interest	355	355
Expected credit losses	-	223
TOTAL SHAREHOLDERS' EQUITY	3,992	4,215

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	1,960	-	
Cash and balances at central banks	-	1,538	
Placements with banks and similar financial institutions	2,259	4,151	
Reverse repurchase agreements and other similar secured lending	1,467	-	
Financial assets at fair value through P&L	582	582	
Loans and advances	14,583	14,754	
Non-trading investments	5,873	5,896	
<i>Of which investment NOT exceeding regulatory threshold</i>	-	5,896	
Interest receivable	-	345	
Other assets	2,712	2,329	
<i>Of which deferred tax assets arising from carryforwards of unused tax losses, unused tax credits and all other</i>	-	3	<i>f</i>
<i>Of which deferred tax assets arising from temporary differences</i>	-	323	
Investments in associates and joint ventures	-	21	
<i>Of which Significant investment exceeding regulatory threshold</i>	-	-	
<i>Of which Significant investment NOT exceeding regulatory threshold</i>	-	21	
Goodwill and intangible assets	-	17	
<i>Of which goodwill</i>	-	-	
<i>Of which other intangibles (excluding MSRs) phased in at 100%</i>	-	17	<i>e</i>
<i>Of which MSRs</i>	-	-	
Property, plant and equipment	187	187	
TOTAL ASSETS	29,623	29,820	

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	3,876	7,689	
Deposits from customers	15,989	12,176	
Certificate of deposits issued	283	283	
Repurchase agreements and other similar secured borrowing	1,276	1,276	
Interest payable	-	268	
Taxation	168	-	
Other liabilities	2,154	2,028	
Borrowings	1,885	1,798	
Subordinated liabilities	-	-	
<i>Of which amount eligible for TII</i>	-	-	
<i>Of which amount Ineligible</i>	-	-	
Additional Tier 1 Instrument	-	87	
<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>	-	40	
TOTAL LIABILITIES	25,631	25,605	
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	533	533	
<i>Of which form part of CET1</i>			
Retained earnings/(losses) brought forward	1,053	1,053	b
Net profit for the current year	(67)	(9)	c1
Legal reserve	520	520	c2
General (disclosed) reserves	100	100	c3
Fx translation adjustment	(928)	(928)	c4
Cumulative changes in fair value	(113)	(113)	c5
Pension fund reserve	(32)	(32)	c6
Non - controlling interest	355	355	
<i>Of which amount eligible for CET1</i>	-	215	d
<i>Of which amount eligible for AT1</i>	-	45	g
<i>Of which amount eligible for TII</i>	-	60	i
<i>Of which amount ineligible</i>	-	35	
Expected credit losses	-	223	
<i>Of which amount eligible for TII (Maximum 1.25% of Credit RWA)</i>	-	223	h
<i>Of which amount Ineligible</i>	-	-	
TOTAL SHAREHOLDERS' EQUITY	3,992	4,215	

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 513 (of which US\$ 38 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	~3.0735 times the Selic Rate[1], (at current levels: 6,6080%/2,15% 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	N/A
37	If yes, specify non-compliant features	N/A	N/A