



**Regulatory Capital Disclosures**

**30 September 2020**

## Regulatory Capital Disclosures

### PD 1: Post 1 January 2019 disclosure template

	US\$ million	
Basel III Common Disclosure Template	PIR as on 30 September 2020	Reference
<b><u>Common Equity Tier 1 capital: instruments and reserves</u></b>		
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)	(390)	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)	209	d
<b>6 Common Equity Tier 1 capital before regulatory adjustments</b>	<b>3,976</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)	58	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	-	
<b>28 Total regulatory adjustments to Common equity Tier 1</b>	<b>93</b>	
<b>29 Common Equity Tier 1 capital (CET1)</b>	<b>3,883</b>	

## Regulatory Capital Disclosures

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

Basel III Common Disclosure Template		PIR as on 30 September 2020	US\$ million Reference
<b>Additional Tier 1 capital: instruments</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	<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)	78	g
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>78</b>	
<b>Additional Tier 1 capital: regulatory adjustments</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	CBB specific regulatory adjustments	-	
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>	<b>-</b>	
44	<b>Additional Tier 1 capital (AT1)</b>	<b>78</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>3,961</b>	
<b>Tier 2 capital: instruments and provisions</b>			
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)	66	i
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50	Provisions	221	h
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>287</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)	-	

## Regulatory Capital Disclosures

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

US\$ million

Basel III Common Disclosure Template	PIR as on 30 September 2020	Reference
<b><u>Tier 2 capital: regulatory adjustments (continued)</u></b>		
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	-	
<b>57 Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>	
<b>58 Tier 2 capital (T2)</b>	<b>287</b>	
<b>59 Total capital (TC = T1 + T2)</b>	<b>4,248</b>	
<b>60 Total risk weighted assets</b>	<b>23,955</b>	
<b><u>Capital ratios and buffers</u></b>		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	16.2%	
62 Tier 1 (as a percentage of risk weighted assets)	16.5%	
63 Total capital (as a percentage of risk weighted assets)	<b>17.5%</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 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)	7.2%	
<b><u>National minima including CBB (where different from Basel III)</u></b>		
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%	
<b><u>Amounts below the thresholds for deduction (before risk weighting)</u></b>		
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)	248	
<b><u>Applicable caps on the inclusion of provisions in Tier 2</u></b>		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	221	<i>h*</i>
77 Cap on inclusion of provisions in Tier 2 under standardised approach	261	
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 2020	Reference
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)</b>		
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	1,666	-
Cash and balances at central banks	-	1,308
Placements with banks and similar financial institutions	2,239	4,129
Reverse repurchase agreements and other similar secured lending	1,528	-
Financial assets at fair value through P&L	460	460
Non-trading investments	5,998	-
Investments at Amortized Cost	-	1,036
Investments at FVOCI	-	4,976
Loans and advances	14,895	15,076
Investment properties	-	-
Interest receivable	-	346
Other assets	2,533	2,108
Investments in associates and joint ventures	-	21
Goodwill and intangible assets	-	58
Property, plant and equipment	190	190
<b>TOTAL ASSETS</b>	<b>29,509</b>	<b>29,708</b>
Deposits from banks	3,536	7,194
Deposits from customers	16,449	12,791
Certificate of deposits issued	378	378
Repurchase agreements and other similar secured borrowing	1,122	1,121
Interest payable	-	247
Taxation	247	-
Other liabilities	1,962	1,941
Borrowings	1,788	1,704
Subordinated liabilities	-	-
Additional Tier 1 Instrument	-	84
<b>TOTAL LIABILITIES</b>	<b>25,482</b>	<b>25,460</b>
Paid-in share capital	3,110	3,110
Treasury shares	(6)	(6)
Reserves	571	571
Non - controlling interest	352	352
Expected credit losses	-	221
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,027</b>	<b>4,248</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	1,666	-	
Cash and balances at central banks	-	1,308	
Placements with banks and similar financial institutions	2,239	4,129	
Reverse repurchase agreements and other similar secured lending	1,528	-	
Financial assets at fair value through P&L	460	460	
Loans and advances	14,895	15,076	
Non-trading investments	5,998	6,012	
<i>Of which investment NOT exceeding regulatory threshold</i>	-	6,012	
Interest receivable	-	346	
Other assets	2,533	2,108	
<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>	-	248	
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	-	58	
<i>Of which goodwill</i>	-	-	
<i>Of which other intangibles (excluding MSRs) phased in at 100%</i>	-	58	<i>e</i>
<i>Of which MSRs</i>	-	-	
Property, plant and equipment	190	190	
<b>TOTAL ASSETS</b>	<b>29,509</b>	<b>29,708</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	3,536	7,194	
Deposits from customers	16,449	12,791	
Certificate of deposits issued	378	378	
Repurchase agreements and other similar secured borrowing	1,122	1,121	
Interest payable	-	247	
Taxation	247	-	
Other liabilities	1,962	1,941	
Borrowings	1,788	1,704	
Subordinated liabilities	-	-	
<i>Of which amount eligible for TII</i>	-	-	
<i>Of which amount Ineligible</i>	-	-	
Additional Tier 1 Instrument	-	84	
<i>Of which amount eligible for AT1</i>	-	35	g
<i>Of which amount eligible for TII</i>	-	8	i
<i>Of which amount Ineligible</i>	-	41	
<b>TOTAL LIABILITIES</b>	<b>25,482</b>	<b>25,460</b>	
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	571	571	
<i>Of which form part of CET1</i>			
Retained earnings/(losses) brought forward	1,053	1,053	b
Net profit for the current year	(56)	4	c1
Legal reserve	520	520	c2
General (disclosed) reserves	100	100	c3
Fx translation adjustment	(943)	(943)	c4
Cumulative changes in fair value	(71)	(71)	c5
Pension fund reserve	(32)	(32)	c6
Non - controlling interest	352	352	
<i>Of which amount eligible for CET1</i>	-	209	d
<i>Of which amount eligible for ATI</i>	-	43	g
<i>Of which amount eligible for TII</i>	-	58	i
<i>Of which amount ineligible</i>	-	42	
Expected credit losses	-	221	
<i>Of which amount eligible for TII (Maximum 1.25% of Credit RWA)</i>	-	221	h
<i>Of which amount Ineligible</i>	-	-	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,027</b>	<b>4,248</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	LFSC19000 (series with various suffixes)
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	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 476 million (of which US\$ 35 million 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
<b>Coupons / dividends</b>			
17	Fixed or floating dividend/coupon	Floating (Dividend as decided by the shareholders)	Floating
18	Coupon rate and any related index	N/A	Average market yield of 7,569%, equivalent to 3,983 times the current Selic Rate [1] of 1,90% 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