



**Regulatory Capital Disclosures**

**30 June 2023**

## Regulatory Capital Disclosures

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

		US\$ million	
Basel III Common Disclosure Template	PIR as on 30 June 2023	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	1,119	b
3	Accumulated other comprehensive income (and other reserves)	(382)	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)	280	d
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>4,121</b>	
<b><u>Common Equity Tier 1 capital: regulatory adjustments</u></b>			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	41	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	105	e
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	17	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	-	
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	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>196</b>	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>3,925</b>	

## Regulatory Capital Disclosures

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

Basel III Common Disclosure Template		PIR as on 30 June 2023	US\$ million Reference
<b>Additional Tier 1 capital: instruments</b>			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	367	
31	of which: classified as equity under applicable accounting standards	367	
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)	108	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>475</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>475</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>4,400</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)	88	i
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50	Provisions	242	h
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>330</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 June 2023	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	-	
57 <b>Total regulatory adjustments to Tier 2 capital</b>	-	
58 <b>Tier 2 capital (T2)</b>	<b>330</b>	
59 <b>Total capital (TC = T1 + T2)</b>	<b>4,730</b>	
60 <b>Total risk weighted assets</b>	<b>28,937</b>	
<b><u>Capital ratios and buffers</u></b>		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	13.6%	
62 Tier 1 (as a percentage of risk weighted assets)	15.2%	
63 Total capital (as a percentage of risk weighted assets)	<b>16.3%</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)	4.6%	
<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	9	
73 Significant investments in the common stock of financials	33	
74 Mortgage servicing rights (net of related tax liability)	-	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	326	
<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)	264	<i>h*</i>
77 Cap on inclusion of provisions in Tier 2 under standardised approach	330	
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 2023	Reference
<b><u>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)</u></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	3,231	-
Cash and balances at central banks	-	3,500
Placements with banks and similar financial institutions	2,906	3,960
Reverse repurchase agreements and other similar secured lending	1,321	-
Financial assets at fair value through P&L	975	975
Non-trading investments	10,619	-
Investments at Amortized Cost	-	4,743
Investments at FVOCI	-	5,890
Loans and advances	18,154	18,381
Investment properties	-	-
Interest receivable	-	557
Other assets	3,517	2,780
Investments in associates and joint ventures	-	33
Goodwill and intangible assets	-	147
Property, plant and equipment	258	258
<b>TOTAL ASSETS</b>	<b>40,981</b>	<b>41,224</b>
Deposits from banks	4,564	8,096
Deposits from customers	21,774	18,242
Certificate of deposits issued	356	356
Repurchase agreements and other similar secured borrowing	5,417	5,417
Interest payable	-	867
Taxation	203	-
Other liabilities	2,741	2,056
Borrowings	1,304	1,205
Subordinated liabilities	-	-
Additional Tier 1 Instrument	390	489
<b>TOTAL LIABILITIES</b>	<b>36,749</b>	<b>36,728</b>
Paid-in share capital	3,110	3,110
Treasury shares	(6)	(6)
Reserves	659	659
Non - controlling interest	469	469
Expected credit losses	-	264
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,232</b>	<b>4,496</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	3,231	-	
Cash and balances at central banks	-	3,500	
Placements with banks and similar financial institutions	2,906	3,960	
Reverse repurchase agreements and other similar secured lending	1,321	-	
Financial assets at fair value through P&L	975	975	
Loans and advances	18,154	18,381	
Non-trading investments	10,619	10,633	
<i>Of which investment NOT exceeding regulatory threshold</i>	-	10,633	
Interest receivable	-	557	
Other assets	3,517	2,780	
<i>Of which deferred tax assets arising from carryforwards of unused tax losses, unused tax credits and all other</i>	-	17	<i>f</i>
<i>Of which deferred tax assets arising from temporary differences</i>	-	326	
Investments in associates and joint ventures	-	33	
<i>Of which Significant investment exceeding regulatory threshold</i>	-	-	
<i>Of which Significant investment NOT exceeding regulatory threshold</i>	-	33	
Goodwill and intangible assets	-	147	
<i>Of which goodwill</i>	-	41	
<i>Of which other intangibles (excluding MSRs) phased in at 100%</i>	-	105	<i>e</i>
<i>Of which MSRs</i>	-	-	
Property, plant and equipment	258	258	
<b>TOTAL ASSETS</b>	<b>40,981</b>	<b>41,224</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		
LIABILITIES & SHAREHOLDERS' EQUITY	Balance sheet as in published financial statements	Consolidated PIR data	Reference
Deposits from banks	4,564	8,096	
Deposits from customers	21,774	18,242	
Certificate of deposits issued	356	356	
Repurchase agreements and other similar secured borrowing	5,417	5,417	
Interest payable	-	867	
Taxation	203	-	
Other liabilities	2,741	2,056	
Borrowings	1,304	1,205	
Subordinated liabilities	-	-	
<i>Of which amount eligible for TII</i>	-	-	
<i>Of which amount Ineligible</i>	-	-	
Additional Tier 1 Instrument	390	489	
<i>Of which amount eligible for AT1</i>	-	50	g
<i>Of which amount eligible for TII</i>	-	12	i
<i>Of which amount Ineligible</i>	-	427	
<b>TOTAL LIABILITIES</b>	<b>36,749</b>	<b>36,728</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	659	659	
<i>Of which form part of CET1</i>			
Retained earnings/(losses) brought forward	1,074	1,074	b
Net profit for the current year	121	121	c1
Legal reserve	545	545	c2
General (disclosed) reserves	100	100	c3
Fx translation adjustment	(1,123)	(1,123)	c4
Cumulative changes in fair value	(25)	(25)	c5
Pension fund reserve	(33)	(33)	c6
Non - controlling interest	469	469	
<i>Of which amount eligible for CET1</i>	-	280	d
<i>Of which amount eligible for ATI</i>	-	59	g
<i>Of which amount eligible for TII</i>	-	75	i
<i>Of which amount ineligible</i>	-	55	
Expected credit losses	-	264	
<i>Of which amount eligible for TII (Maximum 1.25% of Credit RWA)</i>	-	264	h
<i>Of which amount Ineligible</i>	-	-	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,232</b>	<b>4,496</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	Arab Banking Corporation	Banco ABC Brasil
2	Unique identifier	ABC	XS2426192261	LFSC19000 (series with various suffixes)
3	Governing law(s) of the instrument	Laws of Bahrain	English and Bahrain Law	Laws of the Federative Republic of Brazil
<b>Regulatory treatment</b>				
4	Transitional CBB rules	Common Equity Tier 1	N/A	N/A
5	Post-transitional CBB rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1
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	Perpetual NC 6 Additional Tier 1 Capital Securities	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\$ 390	BRL 546 million (of which US\$ 50 million equivalent eligible for AT1)
9	Par value of instrument	1	1	300,000
10	Accounting classification	Shareholders equity	Shareholders equity	Liability- Amortized cost
11	Original date of issuance	Various	28th March 2022	Various
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	28th March 2028 and every interest payment date thereafter	Yes
16	Subsequent call dates, if applicable	N/A	Every interest payment date after the first call date	N/A
<b>Coupons / dividends</b>				
17	Fixed or floating dividend/coupon	Floating (Dividend as decided by the shareholders)	Fixed	Floating
18	Coupon rate and any related index	N/A	N/A	Average market yield of 15,428%, equivalent to 1,13 times the current Selic Rate of 13,65% p.a.
19	Existence of a dividend stopper	N/A	Yes	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)	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	Convertible	Non convertible
24	If convertible, conversion trigger (s)	N/A	Non-Viability Event	N/A
25	If convertible, fully or partially	N/A	Fully	N/A
26	If convertible, conversion rate	N/A	Conversion Price as defined	N/A
27	If convertible, mandatory or optional conversion	N/A	Mandatory	N/A
28	If convertible, specify instrument type convertible into	N/A	Ordinary Shares	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	ABC	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 senior obligations of the bank and in priority to the Junior obligations (such as equity shares).	AT1 capital bills
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A