	A	B	C	D
1	**Arab Bank Australia Limited**			
2	**Disclosure of Prudential information under APS 330**			
3	**Attachment A - Common disclosure template**			
4	**As at 31 December 2020**			
5				
6	The capital disclosures detailed in the template below represents the post 1 January 2018 Basel III common disclosure requirements. This attachment should be read in conjuction with the reconciliation to the Regulatory Balance Sheet and the notes to the reconciliation of the Regulatory Balance Sheet.			
8	**Common Equity Tier 1 capital: instruments and reserves**		**$m**	**Note reference**
9	1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	119.31	
10	2	Retained earnings	40.46	
11	3	Accumulated other comprehensive income (and other reserves)	0.00	3
12	*4*	*Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)*	0.00	
13	5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0.00	
14	6	**Common Equity Tier 1 capital before regulatory adjustments**	159.77	
15	**Common Equity Tier 1 capital : regulatory adjustments**			
16	7	Prudential valuation adjustments	0.00	
17	8	Goodwill (net of related tax liability)	0.00	
18	9	Other intangibles other than mortgage servicing rights (net of related tax liability)	0.00	
19	10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	5.12	2
20	11	Cash-flow hedge reserve	0.00	3
21	12	Shortfall of provisions to expected losses	0.00	
22	13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	0.00	
23	14	Gains and losses due to changes in own credit risk on fair valued liabilities	0.00	
24	15	Defined benefit superannuation fund net assets	0.00	
25	16	Investments in own shares (if not already netted off paid- in capital on reported balance sheet)	0.00	
26	17	Reciprocal cross-holdings in common equity	0.00	
27	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 ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	0.00	
28	19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	0.00	
29	20	Mortgage service rights (amount above 10% threshold)	0.00	
30	21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0.00	
31	22	Amount exceeding the 15% threshold	0.00	
32	23	of which: significant investments in the ordinary shares of financial entities	0.00	
33	24	of which: mortgage servicing rights	0.00	
34	25	of which: deferred tax assets arising from temporary differences	0.00	
35	26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	4.62	
36	26a	of which: treasury shares	0.00	
37	26b	of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	0.00	
38	26c	of which: deferred fee income	(0.24)	
39	26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	0.00	
40	26e	of which: deferred tax assets not reported in rows 10, 21 and 25	0.00	2
41	26f	of which: capitalised expenses	4.85	1
42	26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	0.00	
43	26h	of which: covered bonds in excess of asset cover in pools	0.00	
44	26i	of which: undercapitalisation of a non-consolidated subsidiary	0.00	
45	26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	0.00	
46	27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.00	
47	28	**Total regulatory adjustments to Common Equity Tier 1**	9.74	
48	29	**Common Equity Tier 1 Capital (CET1)**	150.04	

	A	B	C	D
1	**Arab Bank Australia Limited**			
2	**Disclosure of Prudential information under APS 330**			
3	**Attachment A - Common disclosure template**			
4	**As at 31 December 2020**			
5				
49	**Additional Tier 1 Capital: instruments**		**$m**	**Note reference**
50	30	Directly issued qualifying Additional Tier 1 instruments	-	
51	31	of which: classified as equity under applicable accounting standards	-	
52	32	of which: classified as liabilities under applicable accounting standards	-	
53	*33*	*Directly issued capital instruments subject to phase out from Additional Tier 1*	-	
54	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)	-	
55	35	*of which: instruments issued by subsidiaries subject to phase out*	-	
56	36	**Additional Tier 1 Capital before regulatory adjustments**	-	
57	**Additional Tier 1 Capital: regulatory adjustments**			
58	37	Investments in own Additional Tier 1 instruments	-	
59	38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
60	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 ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
61	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)	-	
62	41	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	-	
63	41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	-	
64	41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	-	
65	41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	-	
66	42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
67	43	**Total regulatory adjustments to Additional Tier 1 capital**	-	
68	44	**Additional Tier 1 capital (AT1)**	-	
69	45	**Tier 1 Capital (T1=CET1+AT1)**	150.04	
70	**Tier 2 Capital: instruments and provisions**			
71	46	Directly issued qualifying Tier 2 instruments	-	
72	*47*	*Directly issued capital instruments subject to phase out from Tier 2*	-	
73	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 T2)	-	
74	*49*	*of which: instruments issued by subsidiaries subject to phase out*	-	
75	50	Provisions	6.14	3
76	51	**Tier 2 Capital before regulatory adjustments**	6.14	
77	**Tier 2 Capital: regulatory adjustments**			
78	52	Investments in own Tier 2 instruments	-	
79	53	Reciprocal cross-holdings in Tier 2 instruments	-	
80	54	Investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
81	55	Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	-	
82	56	National specific regulatory adjustments (sum of rows 56a, 56b and 56c)	-	
83	56a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	-	
84	56b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	-	
85	56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	-	
86	57	**Total regulatory adjustments to Tier 2 capital**	-	
87	58	**Tier 2 capital (T2)**	6.14	
88	59	**Total capital (TC=T1+T2)**	156.18	
89	60	**Total risk-weighted assets based on APRA standards**	663.37	

	A	B	C	D
1	**Arab Bank Australia Limited**			
2	**Disclosure of Prudential information under APS 330**			
3	**Attachment A - Common disclosure template**			
4	**As at 31 December 2020**			
5				
90		**Capital ratios and buffers**		**Note reference**
91	61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	22.62%	
92	62	Tier 1 (as a percentage of risk-weighted assets)	22.62%	
93	63	Total capital (as a percentage of risk-weighted assets)	23.54%	
94	64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	-	
95	65	*of which: capital conservation buffer requirement*	-	
96	66	*of which: ADI-specific countercyclical buffer requirements*	-	
97	67	*of which: G-SIB buffer requirement (not applicable)*		
98	68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	-	
99	**National minima (if different from Basel III)**		**$m**	
100	69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) different from Basel III minimum)	-	
101	70	National Tier 1 minimum ratio (if different from Basel III minimum)	-	
102	71	National total capital minimum ratio (if different from Basel III minimum)	-	
103	**Amount below thresholds for deductions (not risk-weighted)**			
104	72	Non-significant investments in the capital of other financial entities	-	
105	73	Significant investments in the ordinary shares of financial entities	-	
106	74	Mortgage servicing rights (net of related tax liability)	-	
107	75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	2
108	**Applicable caps on the inclusion of provisions in Tier 2**			
109	76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-	
110	77	Cap on inclusion of provisions in Tier 2 under standardised approach	-	
111	78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
112	79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
113	**Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)**			
114	*80*	*Current cap on CET1 instruments subject to phase out arrangements*	-	
115	*81*	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities*	-	
116	*82*	*Current cap on AT1 instruments subject to phase out arrangements*	-	
117	*83*	*Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)*	-	
118	*84*	*Current cap on T2 instruments subject to phase out arrangements*	-	
119	*85*	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	-	

Arab Bank Australia Limited
Disclosure of Prudential Information under APS 330
Attachment C - risk exposure and assessment
As at 31 Dec 2020

Table 3: Capital adequacy		31-Dec-20	30-Sep-20
		$m	$m
a.	Capital requirement (in terms of risk weighted assets) for		
	Credit risk (excluding securitisation) by portfolio		
	residential mortgages	156.06	148.12
	other retail and corporates	294.53	295.66
	ADIs	88.23	100.48
	Government	0.00	0.00
	commitment & other off balance sheet exposure	53.37	68.24
b.	Capital Requirement for equity exposures in the IRB approach	N/A	N/A
c.	Capital Requirement for market risk (in terms of risk weighted assets)	0.02	0.05
d.	Capital requirement for operational risk (in terms of risk weighted assets)	64.99	64.22
e.	Capital requirement for IRRBB (IRB/AMA - approved Australian owned ADIs only)	N/A	N/A
f1.	Total capital ratio	23.54%	23.22%
f2.	Tier 1 capital ratio	22.62%	22.32%
f3.	Common Equity Tier 1	22.62%	22.32%

Table 4: Credit Risk		31-Dec-20		30-Sep-20	
		$m		$m	
		Gross exposure	Average Gross Exposure	Gross exposure	Average Gross Exposure
a.	Total Gross credit risk exposure				
	Loans				
	residential mortgages	445.21	435.63	419.01	415.21
	other retail and corporates	297.70	300.35	298.50	300.55
	ADIs	288.10	279.11	328.00	302.01
	Government	12.00	10.67	10.00	10.00
	Commitments & other non-market off balance sheet exposure	104.92	106.88	120.51	116.63
	Direct credit substitutes	2.61	2.61	2.62	2.68
	Trade related contingencies	-	-	-	-
	Performance related contingencies	-	-	-	-
	Other commitments (including loans)	102.31	104.27	117.88	113.95
	over-the-counter derivatives	-	-	-	-

		31-Dec-20	30-Sep-20
		$m	$m
b1.	Impaired facilities	6.09	5.02
	residential mortgages	4.44	3.46
	other retail and corporates	1.66	1.56
b2.	Past due facilities	2.21	3.12
	residential mortgages	-	0.92
	other retail and corporates	2.21	2.20
b3.	Quarterly movement in specific provision account		
	Opening balance	0.74	0.71
	Add provision created	0.12	0.03
	deduct write back of provision not required	- 0.00	-
	deduct bad debts written off	0.00	0.00
	deduct bad debts recovered	0.00	0.00
	Closing balance	**0.86**	**0.74**
b4.	specific provision - charge for the quarter	**0.12**	**0.03**
b5.	Bad debts Written off (against the provision)	**0.00**	**0.00**
c.	The general reserve for credit losses	6.14	6.14

Arithmatic addition might differ from reported numbers due to rounding.

Table 5: Securitisation exposures		Exposure securitised		Recognised gain or (loss) on sale	
		31-Dec-20	30-Sep-20	31-Dec-20	30-Sep-20
		$m	$m	$m	
5a.	**Summary of securitisation activity for the period**				
	Residential mortgages	9.8	8.2	-	-
	Other	-	-	`	-
	Total exposures securitised during the period	**9.8**	**8.2**	**-**	**-**

		31-Dec-20	30-Sep-20
		$m	$m
5b(i).	**Aggregate of on-balance sheet securitisation exposures by exposure type**		
	Debt securities	83.10	83.10
	Total on-balance sheet securitisation exposures	**83.10**	**83.10**

		31-Dec-20	30-Sep-20
		$m	$m
5b(ii).	**Aggregate of off-balance sheet securitisation exposures by exposure type**		
	Liquidity facilities	-	-
	Total off-balance sheet securitisation exposures	**-**	**-**

Arab Bank has self-securitised a portfolio of Australian prime loans backed by residential mortgages originated by the Bank. The total amount of mortgages securitised under this transaction as at 31 December 2020 is $75.39m (30 September 2020: $70.46m). The Bank has established a special purpose entity "The Petra Trust" for this purpose. The Bank holds all the notes issued by this trust.

The self-securitisation transaction of residential mortgages has been completed to allow re-purchase transactions with the Reserve Bank of Australia as a liquidity contingency.

Arab Bank Australia Limited

Disclosure of Prudential Information under APS 330

Reconciliation of Group Balance Sheet to Level 1 Regulatory Balance Sheet

As at 31 Dec 2020

The following table provides details on Arab Bank Australia Limited Group's statement of financial position and the Level 1 Regulatory Balance Sheet as at 31 December 2020.

	Group Balance Sheet	Adjustment (1)	Level 1 Regulatory Balance Sheet	Notes
	$m	$m	$m	
Assets				
Cash and cash equivalents	15.39		15.39	
Receivables from other financial institutions	62.70		62.70	
Loans and advances to customers, net	739.34		739.34	
Financial assets – amortised cost	237.75		237.75	
Shares in controlled entity	0.00	0.07	0.07	
Property and equipment	1.15		1.15	
Right-of-use asset	2.71		2.71	
Intangible assets	1.69		1.69	1
Deferred tax assets	5.12	0.05	5.17	2
Other assets	4.55	0.00	4.55	1
Total assets	**1,070.41**	**0.12**	**1,070.53**	
Liabilities				
Deposits	833.90		833.90	
Payables to other financial institutions	63.96	0.34	64.30	
Financial derivatives- negative fair value	0.00		0.00	
Lease Liabilities	2.96		2.96	
Provisions for employee entitlements	1.99		1.99	
Other liabilities	1.67	0.00	1.67	
Total liabilities	**904.49**	**0.34**	**904.83**	
Net assets	**165.92**	**-0.22**	**165.70**	
Equity				
Share capital	119.31		119.31	
Reserves	6.14		6.14	3
Retained earnings	40.46	-0.22	40.24	
Total equity	**165.92**	**-0.22**	**165.70**	

(1) The adjustment relates to Arab Capital Markets Limited, which are classified as non-consolidated entities for APS 330 disclosure purposes.

Arab Bank Australia Limited

Disclosure of Prudential Information under APS 330

Notes to the reconciliation

As at 31 Dec 2020

The following notes provide additional information on the differences between the detailed capital disclosures in the audited financial statements and the Regulatory Balance Sheet.

	$m	Common disclosure template row reference
1. Intangible assets/other assets		
Intangible assets	1.69	
Other capitalised expenses (reported as part of other assets)	3.16	
Capitalised expenses as reported on attachment A	**4.85**	26f
2. Deferred tax asset		
Deferred tax asset arising from temporary differences	0.00	
Less: Deferred tax liability arising from temporary differences	0.00	
Net deferred tax asset arising from temporary differences	0.00	26e & 75
Deferred tax that rely on future profitability	5.12	10
Deferred tax assets net of deferred tax liability	**5.12**	