

Ithmaar Bank B.S.C (C)**PD 2 Disclosures for the period ended 31 March 2017**

Expressed in thousands of Bahraini Dinars unless otherwise stated

Appendix PD-2: Reconciliation requirements**Step 1: Disclosure of Balance Sheet under Regulatory scope of Consolidation**

The Bank's subsidiaries (consolidated line by line for accounting purposes) have the following treatment for regulatory purposes

Name	Total assets	Total Equity	% owned		Country of Incorporation	Principal business activity	Regulatory Treatment
			Voting	Economic			
Faysal Bank Limited	1,596,833	130,832	67	67	Pakistan	Banking	Aggregation
Sakana Holistic Housing Solutions B.S.C. (C) (Sakana)	4,122	3,720	63	50	Kingdom of Bahrain	Mortgage finance	Line by line consolidation

The reconciliation from published financial information to regulatory return is as follows:

Balance sheet as per published financial statements	3,107,076
General Provision	9,701
Aggregation	59,912
Balance sheet as in Regulatory Return	3,176,689

Step 2: Reconciliation of published financial balance sheet to regulatory reporting As at 31 March 2017

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Cash and balances with banks and central banks	235,563	235,563	
Commodity and other placements with banks, financial and other institutions	27,270	27,270	
Murabaha and other financings	1,771,050	1,771,050	
Musharaka financing	97,841	97,841	
Investment in associates	135	135	
Sukuk and investment securities	671,410	671,410	
Restricted investment accounts	27,231	27,231	
Assets acquired for leasing	105,086	105,086	
Investment in real estate	3,889	3,889	
Other assets	80,545	80,545	
Fixed assets	21,435	21,435	
Intangible assets	65,621	65,621	
General Provision	-	9,701	
Aggregation	-	59,912	
Total Assets	3,107,076	3,176,689	-

Step 2: Reconciliation of published financial balance sheet to regulatory reporting As at 31 March 2017

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Liabilities & Unrestricted Investment Accounts (URIA)			
Unrestricted Investment Accounts	999,507	999,507	
Other liabilities	1,904,480	1,904,480	
Total Liabilities & URIA	2,903,987	2,903,987	-
Minority Interest	44,489	44,489	
Owners' Equity			
Share capital	100,000	100,000	A
Reserves	36,181	36,181	
of which eligible for CET1	-	34,899	C
Retained earnings	22,419	22,419	
of which eligible for CET1	-	(2,654)	B
General Provision	-	9,701	D
Aggregation	-	59,912	
Total Owners' Equity	158,600	228,213	
Total Liabilities + Owners' Equity	3,107,076	3,176,689	

Step 3: Composition of Capital Common Template (transition) as at 31 March 2017

Composition of Capital and mapping to regulatory reports	Component of regulatory capital	Reference numbers of balance sheet under the regulatory scope of consolidation from step 2	Amount subject to pre- 2015 treatment
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	100,000	A	
Retained earnings	(2,654)	B	
Reserves	34,899	C	
Aggregation & deductions	63,223		
Total CET1 capital	195,468		
General Provision	9,701	D	
Aggregation & deductions	13,343		
Total T2 Capital	23,044		
Total Capital	218,512		
Total Risk Weighted Assets (RWA)	1,587,409		
Capital Adequacy Ratio (CaR)	13.77%		