

**Ithmaar Bank B.S.C (C)**

**PD 2 & PD 4 Disclosures for the period ended 31 December 2018 *(draft subject to auditors' review)***

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	1,577,745	104,919	67	67	Pakistan	Banking	Aggregation
Dilmunia Development Fund I L.P.	63,004	51,117	57	57	Cayman Islands	Real estate	Risk weight
Sakana Holistic Housing Solutions B.S.C. (C) (Sakana)	2,272	2,408	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	3,127,795
FAS 30 Transitional impact	42,384
Aggregation	27,518
<b>Balance sheet as in Regulatory Return</b>	<b>3,197,697</b>

**Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 31 December 2018**

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Cash and balances with banks and central banks	217,138	217,138	
Commodity and other placements with banks, financial and other institutions	86,055	86,055	
Murabaha and other financings	1,683,865	1,683,865	
Musharaka financing	186,851	186,851	
Sukuk and investment securities	576,171	576,171	
Restricted investment accounts	-	-	
Assets acquired for leasing	154,859	154,859	
Other assets	79,085	79,085	
Investment in real estate	3,359	3,359	
Development Properties	79,296	79,296	
Fixed assets	17,802	17,802	
Intangible assets	43,314	43,314	
FAS 30 Transitional impact	-	42,384	
Aggregation	-	27,518	
<b>Total Assets</b>	<b>3,127,795</b>	<b>3,197,697</b>	-

**Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 31 December 2018**

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
<b>Liabilities &amp; Unrestricted Investment Accounts (URIA)</b>			
Unrestricted Investment Accounts	994,780	994,780	
Other liabilities	1,978,150	1,978,150	
<b>Total Liabilities &amp; URIA</b>	<b>2,972,930</b>	<b>2,972,930</b>	-
<b>Minority Interest</b>			
	69,480	69,480	
<b>Owners' Equity</b>			
Share capital	100,000	100,000	<b>A</b>
Reserves	14,178	14,178	
of which eligible for CET1	-	20,031	<b>E</b>
Accumulated losses	(28,793)	(28,793)	
of which eligible for CET1	-	(28,234)	<b>B</b>
FAS 30 Transitional impact	-	42,384	<b>D</b>
Aggregation	-	27,518	
<b>Total Owners' Equity</b>	<b>85,385</b>	<b>155,287</b>	
<b>Total Liabilities + Owners' Equity</b>	<b>3,127,795</b>	<b>3,197,697</b>	

**Step 3: Composition of Capital Common Template (transition) as at 31 December 2018**

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	(28,234)	B	
Expected Credit Losses (ECL) Stages 1 & 2	(52,761)	C	
of which FAS 30 Transitional impact	42,384	D	
Reserves	20,031	E	
Aggregation & deductions	53,089		
<b>Total CET1 capital</b>	<b>134,509</b>		
FAS 30 Transitional impact	7,375	F=C-D	
Aggregation & deductions	13,403		
<b>Total T2 Capital</b>	<b>20,778</b>		
<b>Total Capital</b>	<b>155,287</b>		
<b>Total Risk Weighted Assets (RWA)</b>	<b>1,156,222</b>		
<b>Capital Adequacy Ratio (CaR)</b>	<b>13.43%</b>		