

Ithmaar Bank B.S.C (C)**PD 2 & PD 4 Disclosures for the period ended 31 March 2018**

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	1,570,285	116,054	67	67	Pakistan	Banking	Aggregation
Sakana Holistic Housing Solutions B.S.C. (C) (Sakana)	3,405	3,144	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	3,113,840
FAS 30 Transitional impact	42,384
Aggregation	63,210
Balance sheet as in Regulatory Return	3,219,434

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

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Cash and balances with banks and central banks	218,985	218,985	
Commodity and other placements with banks, financial and other institutions	167,600	167,600	
Murabaha and other financings	1,789,336	1,789,336	
Musharaka financing	147,711	147,711	
Sukuk and investment securities	466,630	466,630	
Restricted investment accounts	27,183	27,183	
Assets acquired for leasing	144,989	144,989	
Investment in real estate	3,821	3,821	
Other assets	65,756	65,756	
Fixed assets	21,603	21,603	
Intangible assets	60,226	60,226	
FAS 30 Transitional impact	-	42,384	
Aggregation	-	63,210	
Total Assets	3,113,840	3,219,434	-

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

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Liabilities & Unrestricted Investment Accounts (URIA)			
Unrestricted Investment Accounts	1,063,265	1,063,265	
Other liabilities	1,905,116	1,905,116	
Total Liabilities & URIA	2,968,381	2,968,381	-
Minority Interest			
	44,304	44,304	
Owners' Equity			
Share capital	100,000	100,000	A
Reserves	30,384	30,384	
of which eligible for CET1	-	29,465	E
Accumulated losses	(29,229)	(29,229)	
of which eligible for CET1	-	(10,472)	B
FAS 30 Transitional impact	-	42,384	D
Aggregation	-	63,210	
Total Owners' Equity	101,155	206,749	
Total Liabilities + Owners' Equity	3,113,840	3,219,434	

Step 3: Composition of Capital Common Template (transition) as at 31 March 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	(10,472)	B	
Expected Credit Losses (ECL) Stages 1 & 2	(52,761)	C	
of which FAS 30 Transitional impact	42,384	D	
Reserves	29,465	E	
Aggregation & deductions	72,996		
Total CET1 capital	181,612		
FAS 30 Transitional impact	10,377	F=C-D	
Aggregation & deductions	14,760		
Total T2 Capital	25,137		
Total Capital	206,749		
Total Risk Weighted Assets (RWA)	1,539,236		
Capital Adequacy Ratio (CaR)	13.43%		