

Ithmaar Bank B.S.C (C)

PD 2 & PD 4 Disclosures for the period ended 30 June 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	1,703,638	113,411	67	67	Pakistan	Banking	Aggregation
Sakana Holistic Housing Solutions B.S.C. (C) (Sakana)	3,283	3,074	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	3,252,600
FAS 30 Transitional impact	42,384
Aggregation	59,085
Balance sheet as in Regulatory Return	3,354,069

Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 30 June 2018

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Cash and balances with banks and central banks	234,559	234,559	
Commodity and other placements with banks, financial and other institutions	113,150	113,150	
Murabaha and other financings	1,837,514	1,837,514	
Musharaka financing	163,885	163,885	
Sukuk and investment securities	563,971	563,971	
Restricted investment accounts	27,183	27,183	
Assets acquired for leasing	156,267	156,267	
Investment in real estate	3,630	3,630	
Other assets	73,627	73,627	
Fixed assets	20,678	20,678	
Intangible assets	58,136	58,136	
FAS 30 Transitional impact	-	42,384	
Aggregation	-	59,085	
Total Assets	3,252,600	3,354,069	-

Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 30 June 2018

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Liabilities & Unrestricted Investment Accounts (URIA)			
Unrestricted Investment Accounts	1,032,482	1,032,482	
Other liabilities	2,080,059	2,080,059	
Total Liabilities & URIA	3,112,541	3,112,541	-
Minority Interest			
	43,013	43,013	
Owners' Equity			
Share capital	100,000	100,000	A
Reserves	25,733	25,733	
of which eligible for CET1	-	26,717	E
Accumulated losses	(28,687)	(28,687)	
of which eligible for CET1	-	(12,373)	B
FAS 30 Transitional impact	-	42,384	D
Aggregation	-	59,085	
Total Owners' Equity	97,046	198,515	
Total Liabilities + Owners' Equity	3,252,600	3,354,069	

Step 3: Composition of Capital Common Template (transition) as at 30 June 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	(12,373)	B	
Expected Credit Losses (ECL) Stages 1 & 2	(52,761)	C	
of which FAS 30 Transitional impact	42,384	D	
Reserves	26,717	E	
Aggregation & deductions	70,228		
Total CET1 capital	174,195		
FAS 30 Transitional impact	10,377	F=C-D	
Aggregation & deductions	13,943		
Total T2 Capital	24,320		
Total Capital	198,515		
Total Risk Weighted Assets (RWA)	1,565,371		
Capital Adequacy Ratio (CaR)	12.68%		