

Ithmaar Bank B.S.C (C)

PD 2 & PD 4 Disclosures for the period ended 30 September 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	1,509,392	115,474	67	67	Pakistan	Banking	Aggregation
Sakana Holistic Housing Solutions B.S.C. (C) (Sakana)	2,489	2,476	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	3,017,136
FAS 30 Transitional impact	42,384
Aggregation	58,930
Balance sheet as in Regulatory Return	3,118,450

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

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Cash and balances with banks and central banks	249,900	249,900	
Commodity and other placements with banks, financial and other institutions	30,476	30,476	
Murabaha and other financings	1,817,265	1,817,265	
Musharaka financing	171,865	171,865	
Sukuk and investment securities	404,432	404,432	
Restricted investment accounts	27,183	27,183	
Assets acquired for leasing	156,604	156,604	
Investment in real estate	3,594	3,594	
Other assets	78,053	78,053	
Fixed assets	19,438	19,438	
Intangible assets	58,326	58,326	
FAS 30 Transitional impact	-	42,384	
Aggregation	-	58,930	
Total Assets	3,017,136	3,118,450	-

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

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Liabilities & Unrestricted Investment Accounts (URIA)			
Unrestricted Investment Accounts	1,006,772	1,006,772	
Other liabilities	1,871,007	1,871,007	
Total Liabilities & URIA	2,877,779	2,877,779	-
Minority Interest			
	43,213	43,213	
Owners' Equity			
Share capital	100,000	100,000	A
Reserves	24,642	24,642	
of which eligible for CET1	-	25,778	E
Accumulated losses	(28,498)	(28,498)	
of which eligible for CET1	-	(14,472)	B
FAS 30 Transitional impact	-	42,384	D
Aggregation	-	58,930	
Total Owners' Equity	96,144	197,458	
Total Liabilities + Owners' Equity	3,017,136	3,118,450	

Step 3: Composition of Capital Common Template (transition) as at 30 September 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	(14,472)	B	
Expected Credit Losses (ECL) Stages 1 & 2	(52,761)	C	
of which FAS 30 Transitional impact	42,384	D	
Reserves	25,778	E	
Aggregation & deductions	72,362		
Total CET1 capital	173,291		
FAS 30 Transitional impact	10,377	F=C-D	
Aggregation & deductions	13,790		
Total T2 Capital	24,167		
Total Capital	197,458		
Total Risk Weighted Assets (RWA)	1,531,260		
Capital Adequacy Ratio (CaR)	12.90%		