

Ithmaar Bank B.S.C (C)

PD 2 & PD 4 Disclosures for the period ended 31 December 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	1,648,724	117,917	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	3,242,419
General Provision	6,005
Aggregation	51,845
Balance sheet as in Regulatory Return	3,300,269

Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 31 December 2017

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Cash and balances with banks and central banks	263,819	263,819	
Commodity and other placements with banks, financial and other institutions	98,545	98,545	
Murabaha and other financings	1,808,841	1,808,841	
Musharaka financing	139,252	139,252	
Sukuk and investment securities	617,156	617,156	
Restricted investment accounts	27,183	27,183	
Assets acquired for leasing	131,106	131,106	
Investment in real estate	3,994	3,994	
Other assets	69,150	69,150	
Fixed assets	22,252	22,252	
Intangible assets	61,121	61,121	
General Provision	-	6,005	
Aggregation	-	51,845	
Total Assets	3,242,419	3,300,269	-

Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 31 December 2017

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Liabilities & Unrestricted Investment Accounts (URIA)			
Unrestricted Investment Accounts	1,064,898	1,064,898	
Other liabilities	1,978,377	1,978,377	
Total Liabilities & URIA	3,043,275	3,043,275	-
Minority Interest			
	44,541	44,541	
Owners' Equity			
Share capital	100,000	100,000	A
Reserves	31,902	31,902	
of which eligible for CET1	-	31,764	C
Retained earnings	22,701	22,701	
of which eligible for CET1	-	(8,551)	B
General Provision	-	6,005	D
Aggregation	-	51,845	
Total Owners' Equity	154,603	212,453	
Total Liabilities + Owners' Equity	3,242,419	3,300,269	

Step 3: Composition of Capital Common Template (transition) as at 31 December 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	(8,551)	B	
Reserves	31,764	C	
Aggregation & deductions	68,134		
Total CET1 capital	191,347		
General Provision	6,005	D	
Aggregation & deductions	15,101		
Total T2 Capital	21,106		
Total Capital	212,453		
Total Risk Weighted Assets (RWA)	1,526,186		
Capital Adequacy Ratio (CaR)	13.92%		