

Ithmaar Bank B.S.C (C)**PD 2 Disclosures for the period ended 30 September 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	1,693,233	136,065	67	67	Pakistan	Banking	Aggregation
Sakana Holistic Housing Solutions B.S.C. (C) (Sakana)	3,293	3,058	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	3,243,091
General Provision	7,069
Aggregation	52,273
Balance sheet as in Regulatory Return	3,302,433

Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 30 September 2017

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Cash and balances with banks and central banks	218,329	218,329	
Commodity and other placements with banks, financial and other institutions	100,937	100,937	
Murabaha and other financings	1,807,581	1,807,581	
Musharaka financing	130,926	130,926	
Investment in associates	95	95	
Sukuk and investment securities	686,100	686,100	
Restricted investment accounts	27,183	27,183	
Assets acquired for leasing	110,103	110,103	
Investment in real estate	3,869	3,869	
Other assets	72,798	72,798	
Fixed assets	22,421	22,421	
Intangible assets	62,749	62,749	
General Provision	-	7,069	
Aggregation	-	52,273	
Total Assets	3,243,091	3,302,433	-

Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 30 September 2017

Assets	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
Liabilities & Unrestricted Investment Accounts (URIA)			
Unrestricted Investment Accounts	1,064,738	1,064,738	
Other liabilities	1,974,490	1,974,490	
Total Liabilities & URIA	3,039,228	3,039,228	-
Minority Interest			
	45,559	45,559	
Owners' Equity			
Share capital	100,000	100,000	A
Reserves	35,294	35,294	
of which eligible for CET1	-	34,556	C
Retained earnings	23,010	23,010	
of which eligible for CET1	-	(6,637)	B
General Provision	-	7,069	D
Aggregation	-	52,273	
Total Owners' Equity	158,304	217,646	
Total Liabilities + Owners' Equity	3,243,091	3,302,433	

Step 3: Composition of Capital Common Template (transition) as at 30 September 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	(6,637)	B	
Reserves	34,556	C	
Aggregation & deductions	70,168		
Total CET1 capital	198,087		
General Provision	7,069	D	
Aggregation & deductions	12,490		
Total T2 Capital	19,559		
Total Capital	217,646		
Total Risk Weighted Assets (RWA)	1,551,251		
Capital Adequacy Ratio (CaR)	14.03%		