

**BANK SOHAR SAOG**  
**Basel III common disclosure template - March 2015**

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from 1 January 2013 to 1 January 2018) (RO '000)		AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	121,264	
2	Retained earnings	38,818	
3	Accumulated other comprehensive income (and other reserves)	38,970	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
	Public sector capital injections grandfathered until 1 January 2018	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>199,052</b>	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
7	Prudential valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-	-
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(5,357)	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(12)	-
11	Cash-flow hedge reserve	-	-
12	Shortfall of provisions to expected losses	-	-
13	Securitisation gain on sale (as set out in paragraph 14.9 of CP-1)	-	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities.	-	-
15	Defined-benefit pension fund net assets	-	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	-
17	Reciprocal cross-holdings in common equity	-	-
18	Investments in the capital of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
19	Significant investments in the common stock of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	-
20	Mortgage Servicing rights (amount above 10% threshold)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
22	Amount exceeding the 15% threshold	-	-
23	of which: significant investments in the common stock of financials	-	-
24	of which: mortgage servicing rights	-	-
25	of which: deferred tax assets arising from temporary differences	-	-
26	National specific regulatory adjustments	-	-
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	-	-
	Of which:	-	-
	Of which:	-	-
	Of which:	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>(5,369)</b>	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>193,683</b>	
<b>Additional Tier 1 capital: instruments</b>			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31	of which: classified as equity under applicable accounting standards 5	-	
32	of which: classified as liabilities under applicable accounting standards 6	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>-</b>	
<b>Additional Tier 1 capital: regulatory adjustments</b>			
37	Investments in own Additional Tier 1 instruments	-	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-
39	Investments in the capital of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
40	Significant investments in the capital of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
41	National specific regulatory adjustments	-	-
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	-	-
	Of which:	-	-
	Of which:	-	-

42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-	
44	<b>Additional Tier 1 capital (AT1)</b>	-	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	193,683	
<b>Tier 2 capital: instruments and provisions</b>			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	32,983	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50	Provisions	18,822	
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>51,805</b>	
<b>Tier 2 capital: regulatory adjustments</b>			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments in the capital banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments	-	
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT.	-	
	<i>Of which:</i>	-	
	<i>Of which:</i>	-	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	-	
58	<b>Tier 2 capital (T2)</b>	51,805	
59	<b>Total capital (TC = T1 + T2)</b>	245,488	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	-	
	<i>Of which:</i>	-	
	<i>Of which:</i>	-	
60	<b>Total risk weighted assets (60a+60b+60c)</b>	1,865,621	
60a	Of which : Credit risk weighted assets	1,738,774	
60b	Of which : Market risk weighted assets	24,588	
60c	Of which : Operational risk weighted assets	102,259	
<b>Capital Ratios</b>			
61	Common Equity Tier 1 ratio	10.38%	
62	Tier 1 ratio	10.38%	
63	Total capital ratio	13.16%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB/D-SIB buffer requirement expressed as a percentage of risk weighted assets)	7.63%	
65	of which : capital conservation buffer requirement	0.63%	
66	of which : bank specific countercyclical buffer requirement	-	
67	of which : D-SIB/G-SIB buffer requirement	-	
68	Common Equity Tier 1 available to meet buffers	0.53%	
<b>National minima (if different from Basel III)</b>			
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	7.63%	
70	National Tier 1 minimum ratio (if different from Basel 3 minimum)	9.63%	
71	National total capital minimum ratio (if different from Basel 3 minimum)	12.63%	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Non-significant investments in the capital of other financials	-	
73	Significant investments in the common stock of financials	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			
80	Current cap on CET1 instruments <i>subject to phase out arrangements</i>	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

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**RECONCILIATION TEMPLATE - AS OF MAR ' 2015**

**Step 1 :**

( RO '000 )

	<b>Balance sheet as in published financial statements</b>	<b>Under regulatory scope of consolidation</b>
	<b>As at Mar ' 15</b>	<b>As at Mar ' 15</b>
<b>Assets</b>		
Cash and balances with Central Bank of Oman	94,098	94,096
Certificates of deposit	-	-
Due from banks	135,168	135,168
Loans and advances	1,450,459	1,449,844
Investments in securities	261,299	261,299
Loans and advances to banks	-	-
Property and equipment	15,757	15,757
Deferred tax assets	-	-
Other assets	30,299	30,916
<b>Total assets</b>	<b>1,987,080</b>	<b>1,987,080</b>
<b>Liabilities</b>		
Due to banks	219,856	219,856
Customer deposits	1,483,859	1,483,859
Current and deferred tax liabilities	-	-
Other liabilities	31,685	31,685
Subordinated Debts	50,404	50,404
Compulsory Convertible bonds	7,287	7,287
<b>Total liabilities</b>	<b>1,793,091</b>	<b>1,793,091</b>
<b>Shareholders' Equity</b>		
Paid-up share capital	121,264	121,264
Share premium	-	-
Legal reserve	13,815	13,815
General reserve	988	988
Retained earnings*	38,992	38,992
Cumulative changes in fair value of investments	(5,237)	(5,237)
Subordinated debt reserve	24,167	24,167
<b>Total shareholders' equity</b>	<b>193,989</b>	<b>193,989</b>
<b>Total liability and shareholders' funds</b>	<b>1,987,080</b>	<b>1,987,080</b>

**BANK SOHAR SAOG**

**RECONCILIATION TEMPLATE - AS OF MAR ' 2015**

**Step 2 :**

( RO '000 )

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at Mar ' 15	As at Mar ' 15	
<b>Assets</b>			
Cash and balances with CBO	94,098	94,096	
Balance with banks and money at call and short notice	135,168	135,168	
<b>Investments :</b>	261,299	261,299	
Of which Held to Maturity	6,813	6,813	
Out of investments in Held to Maturity:			
Investments in subsidiaries	NA	NA	
Investments in Associates and Joint Ventures	NA	NA	
Of which Available for Sale	188,788	188,788	
Out of investments in Available for Sale :	NA	NA	
Investments in Subsidiaries			
Investments in Associates and Joint Ventures	NA	NA	
<u>Held for Trading</u>	44,911	44,911	
<b>Loans and advances</b>	1,450,459	1,449,844	
<b>Of which :</b>			
Loans and advances to domestic banks	-	-	
Loans and advances to non-resident banks	-	-	
Loans and advances to domestic customers	1,334,452	1,334,452	
Loans and advances to non-resident Customers for domestic operations		-	
Loans and advances to non-resident Customers for operations abroad	56,918	56,918	
Loans and advances to SMEs	19,582	19,582	
Financing from Islamic banking window	39,507	39,507	
<b>Fixed assets</b>	15,757	15,757	
<b>Other assets</b>	30,299	30,916	
of which:			
Goodwill and intangible assets			
Out of which:			
goodwill	-	-	
Other intangibles (excluding MSRs)	-	-	
Deferred tax assets	-	-	

Goodwill on consolidation	-	-	
Debit balance in Profit & Loss account	-	-	
<b>Total Assets</b>	<b>1,987,080</b>	<b>1,987,080</b>	
<b>Capital &amp; Liabilities</b>			
Paid-up Capital	121,264	121,264	
Of which:			
Amount eligible for CET1	121,264	121,264	
Amount eligible for AT1	-	-	
Reserves & Surplus	72,725	72,725	
Out of which			
Retained earnings	38,992	38,992	
Other Reserves	38,970	38,970	
Cumulative changes in fair value of investments	(5,237)	(5,237)	
Out of which :			
Losses from fair value of investments		(5,357)	a
Gains from fair value of investments		120	
Haircut of 55% on Gains		(66)	
Total Capital	193,989	193,989	
Deposits :	1,483,859	1,483,859	
Of which:			
Deposits from banks	-	-	
Customer deposits	1,450,105	1,450,105	
Deposits of Islamic Banking window	33,754	33,754	
Other deposits(please specify)	-	-	
Borrowings	219,856	219,856	
Of which: From CBO	-	-	
From banks	219,856	219,856	
From other institutions & agencies	-	-	
Borrowings in the form of bonds, Debentures and sukuks	7,287	7,287	
Others (Subordinated debt)	50,404	50,404	
Other liabilities & provisions	31,685	31,685	
Of which:			
Out of which : DTAs related to Investments		182	
Out of which : DTLs related to Investments		(12)	b
Out of which : DTLs related to Fixed Assets		-	
DTLs related to goodwill	-	-	
DTLs related to intangible assets	-	-	
<b>TOTAL</b>	<b>1,987,080</b>	<b>1,987,080</b>	

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**RECONCILIATION TEMPLATE - AS OF MAR ' 2015**

**Step 3 :**

<b>Common Equity Tier 1 capital: instruments and reserves</b>			
		<b>Component of regulatory capital reported by bank</b>	<b>Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2</b>
1	Directly issued qualifying common share (and equivalent for non- joint stock companies) capital plus related stock surplus	121,264	
2	Retained earnings	38,992	
3	Accumulated other comprehensive income (and other reserves)	38,970	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>199,226</b>	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Losses from fair value of investments	(5,357)	<b>a</b>
10	DTL related to Investments	(12)	<b>b</b>
11	<b>Common Equity Tier 1 capital (CET1)</b>	<b>193,857</b>	

## BANK SOHAR SAOG

## MAIN FEATURES TEMPLATE OF CAPITAL INSTRUMENTS - as of March 2015

1	Issuer	BANK SOHAR	BANK SOHAR	BANK SOHAR
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Bloomberg ID EK0076787	ISIN OM 0000004628	ISIN OM0000003398
3	Governing law(s) of the instrument <i>Regulatory treatment</i>	Banking Law of Oman	Banking Law of Oman	Banking Law of Oman / Commercial Companies Law
4	Transitional Basel III rules	NA	NA	NA
5	Post-transitional Basel III rules	Tier 2	Tier 2	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Debt	Compulsorily Convertible Bond	Equity Shares
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	OMR 35.833	OMR 7.15 Million	OMR 121.264 Million
9	Par value of instrument	OMR 50,000,000/=	OMR 7,150,000/=	OMR 121.264 Million
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Shareholder's Equity
11	Original date of issuance	Started issuance from 20th Jul 2010	28-Apr-13	3-Jan-07
12	Perpetual or dated	Dated	Dated	Perpetual
13	Original maturity date	7 years from date of allotment First maturity on 20th Jul 2017	28-Apr-2016/28-Apr-2017/28-Apr-2018	NA
14	Issuer call subject to prior supervisory approval	No	Yes	NA
15	Optional call date, contingent call dates and redemption amount	Not callable	Anytime, at bank's sole discretion, or if directed to do so by the CBO	NA
16	Subsequent call dates, if applicable	Not callable	As in point 15 above	NA
<b>Coupons / dividends</b>				
17	Fixed or floating dividend/coupon	Fixed	Fixed	NA
18	Coupon rate and any related index	6.50% p.a.	4.5% p.a.	NA
19	Existence of a dividend stopper	No	NO	NO
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Partially discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	NO	NO
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	At the end of 3rd, 4th and 5th year from date of listing. Also convertible anytime, at bank's sole discretion or if directed by the CBO to do so.	NA
25	If convertible, fully or partially	NA	Fully	NA
26	If convertible, conversion rate	NA	At a price which shall be at a 20% discount to the weighted average market price of the shares of the Banktraded during 3 months immediately preceding the record date to be set for each conversion.	NA
27	If convertible, mandatory or optional conversion	NA	Mandatory	NA
28	If convertible, specify instrument type convertible into	NA	Common Equity Tier 1	NA
29	If convertible, specify issuer of instrument it converts into	NA	Bank Sohar	NA
30	Write-down feature	No	NO	NO
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to all Senior liabilities. Currently, subordinated to fixed deposits	Subordinated to the Subordinated debt issued by the Bank	Subordinated to the Compulsorily Convertible bonds issued by the Bank
36	Non-compliant transitioned features	NO	NO	NO
37	If yes, specify non-compliant features	NA	NA	NA