

BANK SOHAR SAOG

Basel III common disclosure template - Mar 2014

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
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	114,400	
2	Retained earnings	34,837	
3	Accumulated other comprehensive income (and other reserves)	26,057	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	-	
	<i>Public sector capital injections grandfathered until 1 January 2018</i>	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-
6	Common Equity Tier 1 capital before regulatory adjustments	175,294	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-	-
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(1,542)	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(126)	-
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	-	
	<i>Of which:</i>	-	
	<i>Of which:</i>	-	
	<i>Of which:</i>	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	(1,668)	
29	Common Equity Tier 1 capital (CET1)	173,626	
	Additional Tier 1 capital: instruments		
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	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	-	
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	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36	Additional Tier 1 capital before regulatory adjustments	-	

Additional Tier 1 capital: regulatory adjustments			
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	-	-
	<i>Of which:</i>	-	-
	<i>Of which:</i>	-	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET1 + AT1)	173,626	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	42,983	
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	17,529	
51	Tier 2 capital before regulatory adjustments	60,512	
Tier 2 capital: regulatory adjustments			
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	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	60,512	

59	Total capital (TC = T1 + T2)	234,138	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	-	
	<i>Of which:</i>	-	
	<i>Of which:</i>	-	
60	Total risk weighted assets (60a+60b+60c)	1,762,908	
60a	Of which : Credit risk weighted assets	1,645,829	
60b	Of which : Market risk weighted assets	27,375	
60c	Of which : Operational risk weighted assets	89,704	
Capital Ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.85%	
62	Tier 1 (as a percentage of risk weighted assets)	9.85%	
63	Total capital (as a percentage of risk weighted assets)	13.28%	
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)	9.50%	
65	of which : capital conservation buffer requirement	2.50%	
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 (as a percentage of risk weighted assets)	0.85%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	7.00%	
70	National Tier 1 minimum ratio (if different from Basel 3 minimum)	9.00%	

71	National total capital minimum ratio (if different from Basel 3 minimum)	12.00%	
Amounts below the thresholds for deduction (before risk weighting)			
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)	-	
Applicable caps on the inclusion of provisions in Tier 2			
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	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
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	<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	-	
84	Current cap on T2 instruments <i>subject to phase out arrangements</i>	-	

85

*Amount excluded from T2 due to cap
(excess
over cap after redemptions and
maturities)*

-

BANK SOHAR SAOG

RECONCILIATION TEMPLATE - AS OF MARCH ' 2014

Step 1 :

(RO '000)

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at Mar' 14	As at Mar' 14
Assets		
Cash and balances with Central Bank of Oman	142,560	142,560
Certificates of deposit	-	-
Due from banks	324,277	324,277
Loans and advances	1,305,149	1,305,149
Investments in securities	213,189	213,189
Loans and advances to banks	-	-
Property and equipment	16,094	16,094
Deferred tax assets	-	-
Other assets	22,524	22,524
Total assets	2,023,793	2,023,793
Liabilities		
Due to banks	335,123	335,123
Customer deposits	1,409,990	1,409,990
Current and deferred tax liabilities	-	-
Other liabilities	46,858	46,858
Subordinated Debts	50,000	50,000
Compulsory Convertible bonds	7,150	7,150
Total liabilities		

	1,849,121	1,849,121
Shareholders' Equity		
Paid-up share capital	114,400	114,400
Share premium	-	-
Legal reserve	10,827	10,827
General reserve	1,063	1,063
Retained earnings*	34,836	34,836
Cumulative changes in fair value of investments	(621)	(621)
Subordinated debt reserve	14,167	14,167
Total shareholders' equity	174,672	174,672
Total liability and shareholders' funds	2,023,793	2,023,793

BANK SOHAR SAOG

RECONCILIATION TEMPLATE - AS OF MARCH ' 2014

Step 2 :

(RO '000)

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at Mar' 14	As at Mar' 14	
Assets			
Cash and balances with CBO	142,560	142,560	
Balance with banks and money at call and short notice	324,277	324,277	
Investments :	213,189	213,189	
Of which Held to Maturity	9,558	9,558	
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	182,032	182,032	
Out of investments in Available for Sale :			
Investments in Subsidiaries	NA	NA	
Investments in Associates and Joint Ventures	NA	NA	
<u>Held for Trading</u>	21,599	21,599	
Loans and advances	1,305,149	1,305,149	
Of which :			
Loans and advances to domestic banks	-	-	
Loans and advances to non-resident banks	24,206	24,206	

Loans and advances to domestic customers	1,244,209	1,244,209	
Loans and advances to non-resident Customers for domestic operations	-	-	
Loans and advances to non-resident Customers for operations abroad	7,063	7,063	
Loans and advances to SMEs	11,456	11,456	
Financing from Islamic banking window	18,214	18,214	
Fixed assets	16,094	16,094	
Other assets of which:	22,524	22,524	
Goodwill and intangible assets Out of which:			
goodwill	-	-	
Other intangibles (excluding MSRs)	-	-	
Deferred tax assets	-	-	
Goodwill on consolidation	-	-	
Debit balance in Profit & Loss account	-	-	
Total Assets	2,023,793	2,023,793	
Capital & Liabilities			
Paid-up Capital	114,400	114,400	
Of which:			
Amount eligible for CET1	114,400	114,400	
Amount eligible for AT1	-	-	
Reserves & Surplus	60,272	60,272	
Out of which			
Retained earnings	34,836	34,836	
Other Reserves	26,057	26,057	
Cumulative changes in fair value of investments	(621)	(621)	
Out of which :			
Losses from fair value of investments			a

		(1,542)	
Gains from fair value of investments		920	
Haircut of 55% on Gains		(506)	
Total Capital	174,672	174,672	
Deposits :	1,409,990	1,409,990	
Of which:			
Deposits from banks	-	-	
Customer deposits	1,397,069	1,397,069	
Deposits of Islamic Banking window	12,921	12,921	
Other deposits(please specify)	-	-	
Borrowings	335,123	335,123	
Of which: From CBO	-	-	
From banks	335,123	335,123	
From other institutions & agencies	-	-	
Borrowings in the form of bonds, Debentures and sukuks	7,150	7,150	
Others (Subordinated debt)	50,000	50,000	
Other liabilities & provisions	46,858	46,858	
Of which:			
Out of which : DTAs related to Investments		51	
Out of which : DTLs related to Investments		(126)	b
Out of which : DTLs related to Fixed Assets		-	
DTLs related to goodwill	-	-	
DTLs related to intangible assets	-	-	
TOTAL	2,023,793	2,023,793	

BANK SOHAR SAOG

RECONCILIATION TEMPLATE - AS OF MARCH ' 2014

Step 3 :

Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non- joint stock companies) capital plus related stock surplus	114,400	
2	Retained earnings	34,837	
3	Accumulated other comprehensive income (and other reserves)	26,057	
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	Common Equity Tier 1 capital before regulatory adjustments	175,294	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	

9	Losses from fair value of investments	(1,542)	a
10	DTL related to Investments	(126)	b
11	Common Equity Tier 1 capital (CET1)	173,626	

BANK SOHAR SAOG

MAIN FEATURES TEMPLATE OF CAPITAL INSTRUMENTS - as of Mar 2014

_1	Issuer	BANK SOHAR
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN OM0000003398
3	Governing law(s) of the instrument <i>Regulatory treatment</i>	Banking Law of Oman / Commercial Companies Law
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Equity Shares
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	OMR 114.4 Million
9	Par value of instrument	OMR 114.4 Million
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	03-Jan-07
12	Perpetual or dated	Perpetual
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
-	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NO
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NO
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA

29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NO
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to the Compulsorily Convertible bonds issued by the Bank
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	NA

BANK SOHAR SAOG**MAIN FEATURES TEMPLATE OF CAPITAL INSTRUMENTS - as of Mar 2014**

_1	Issuer	BANK SOHAR
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Bloomberg ID EK0076787
3	Governing law(s) of the instrument <i>Regulatory treatment</i>	Banking Law of Oman
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	Tier 2
6	Eligible at solo/group/group & solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Debt
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	OMR 35.833
9	Par value of instrument	OMR 50,000,000/=
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	Started issuance from 20th Jul 2010
12	Perpetual or dated	Dated
13	Original maturity date	7 years from date of allotment First maturity on 20th Jul 2017
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not callable
16	Subsequent call dates, if applicable	Not callable
-	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	6.50% p.a.
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No

31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	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
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	NA

BANK SOHAR SAOG

MAIN FEATURES TEMPLATE OF CAPITAL INSTRUMENTS - as of Mar 2014

_1	Issuer	BANK SOHAR
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN OM 0000004628
3	Governing law(s) of the instrument <i>Regulatory treatment</i>	Banking Law of Oman
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	Tier 2
6	Eligible at solo/group/group & solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Compulsorily Convertible Bond
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	OMR 7.15 Million
9	Par value of instrument	OMR 7,150,000/=
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	28-Apr-13
12	Perpetual or dated	Dated
13	Original maturity date	28-Apr-2016/28-Apr- 2017/28-Apr-2018
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Anytime, at bank's sole discretion, or if directed to do so by the CBO
16	Subsequent call dates, if applicable	As in point 15 above
-	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	4.5% p.a.
19	Existence of a dividend stopper	NO
20	Fully discretionary, partially discretionary or mandatory	Partially discretionary
21	Existence of step up or other incentive to redeem	NO
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Convertible

24	If convertible, conversion trigger (s)	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.
25	If convertible, fully or partially	Fully
26	If convertible, conversion rate	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.
27	If convertible, mandatory or optional conversion	Mandatory
28	If convertible, specify instrument type convertible into	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	Bank Sohar
30	Write-down feature	NO
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to the Subordinated debt issued by the Bank
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	NA