

**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

<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	177,643
2	Retained earnings	19,099
3	Accumulated other comprehensive income (and other reserves)	69,893
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>266,635</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)	1,210
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	170
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: [INSERT NAME OF ADJUSTMENT]	-
	Of which: [INSERT NAME OF ADJUSTMENT]	-
	Of which: [INSERT NAME OF ADJUSTMENT]	-
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>1,380</b>

29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>265,255</b>
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<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: [INSERT NAME OF ADJUSTMENT]	-
	Of which: [INSERT NAME OF ADJUSTMENT]	-
	Of which: [INSERT NAME OF ADJUSTMENT]	-
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>	<b>-</b>

44	<b>Additional Tier 1 capital (AT1)</b>	<b>-</b>
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45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>265,255</b>
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Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	
47	Directly issued capital instruments subject to phase out from Tier 2	39,767
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	of which: instruments issued by subsidiaries subject to phase out	-
50	Provisions	23,640
51	Tier 2 capital before regulatory adjustments	63,407

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	-
	Of which: [INSERT NAME OF ADJUSTMENT]	
	Of which: [INSERT NAME OF ADJUSTMENT]	
	Of which: [INSERT NAME OF ADJUSTMENT]	
57	Total regulatory adjustments to Tier 2 capital	-

58	Tier 2 capital (T2)	63,407
59	Total capital (TC = T1 + T2)	328,662

Risk Weighted Assets		
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	-
	Of which: [INSERT NAME OF ADJUSTMENT]	
	Of which: [INSERT NAME OF ADJUSTMENT]	
	Of which: [INSERT NAME OF ADJUSTMENT]	

60	Total risk weighted assets (60a+60b+60c)	2,354,814
60a	Of which: Credit risk weighted assets	2,173,541
60b	Of which: Market risk weighted assets	50,938
60c	Of which: Operational risk weighted assets	130,335

Capital Ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	11.26
62	Tier 1 (as a percentage of risk weighted assets)	11.26
63	Total capital (as a percentage of risk weighted assets)	13.96
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)	0.02

National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	7.000
70	National Tier 1 minimum ratio (if different from Basel 3 minimum)	9.000
71	National total capital minimum ratio (if different from Basel 3 minimum)	12.000

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)	23,441
77	Cap on inclusion of provisions in Tier 2 under standardised approach	27,169
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 subject to phase out arrangements	-
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)	-

**BANK SOHAR SAOG**

**RECONCILIATION TEMPLATE - AS OF Dec'2016**

**Step 1 :**

( RO '000 )

	<b>Balance sheet as in published financial statements</b>	<b>Under regulatory scope of consolidation</b>
	<b>As at Dec'16</b>	<b>As at Dec'16</b>
<b>Assets</b>		
Cash and balances with Central Bank of Oman	119,613	138,859
Certificates of deposit	-	-
Due from banks	98,642	79,539
Loans and advances	1,913,286	1,913,138
Investments in securities	351,271	351,271
Loans and advances to banks	-	-
Property and equipment	18,624	18,624
Deferred tax assets	-	-
Other assets	18,665	18,670
<b>Total assets</b>	<b>2,520,101</b>	<b>2,520,101</b>
<b>Liabilities</b>		
Due to banks	575,547	575,547
Customer deposits	1,531,689	1,531,689
Certificates of deposit	18,513	18,513
Current and deferred tax liabilities	-	-
Other liabilities**	29,046	37,069
Subordinated Debts	86,615	86,615
Compulsory Convertible bonds	4,805	4,805
<b>Total liabilities</b>	<b>2,246,215</b>	<b>2,254,238</b>
<b>Shareholders' Equity</b>		
Paid-up share capital	160,450	160,450
Share premium	17,193	17,193
Legal reserve	18,905	18,905
General reserve	988	988
Retained earnings*	27,122	19,100
Cumulative changes in fair value of investments	(772)	(772)
Subordinated debt reserve	50,000	50,000
<b>Total shareholders' equity</b>	<b>273,886</b>	<b>265,864</b>
<b>Total liability and shareholders' funds</b>	<b>2,520,101</b>	<b>2,520,101</b>

\* As per IAS 10, Proposed cash dividend of 5% of OMR 8.023 Million is included in retained earnings in the financial statements

\*\* Proposed cash dividend of OMR 8.023 Million included in Other liabilities for regulatory scope of consolidation

Proposed cash dividend

8,023

**BANK SOHAR SAOG**

**RECONCILIATION TEMPLATE - AS OF Dec'2016**

Step 2 :

( RO '000 )

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at Dec'16	As at Dec'16	
<b>Assets</b>			
Cash and balances with CBO	119,613	138,859	
Balance with banks and money at call and short notice	98,642	79,539	
<b>Investments :</b>	<b>351,271</b>	<b>351,271</b>	
Of which Held to Maturity	60,271	60,271	
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	237,784	237,784	
Out of investments in Available for Sale :	NA	NA	
Investments in Subsidiaries	NA	NA	
Investments in Associates and Joint Ventures	NA	NA	
Held for Trading	53,216	53,216	
<b>Loans and advances</b>	<b>1,913,286</b>	<b>1,913,138</b>	
<b>Of which :</b>			
Loans and advances to domestic banks	-	-	
Loans and advances to non-resident banks	-	-	
Loans and advances to domestic customers	1,720,658	1,720,658	
Loans and advances to non-resident Customers for domestic operations	-	-	
Loans and advances to non-resident Customers for operations abroad	53,423	53,423	
Loans and advances to SMEs	42,369	42,369	
Financing from Islamic banking window	96,836	96,836	
<b>Fixed assets</b>	<b>18,624</b>	<b>18,624</b>	
<b>Other assets</b>	<b>18,665</b>	<b>18,670</b>	
of which:			
Goodwill and intangible assets			
Out of which:			
goodwill	-	-	
Other intangibles (excluding MSRs)	-	-	
Deferred tax assets	170	170	
Goodwill on consolidation	-	-	
Debit balance in Profit & Loss account	-	-	
<b>Total Assets</b>	<b>2,520,101</b>	<b>2,520,101</b>	
<b>Capital &amp; Liabilities</b>			
Paid-up Capital	160,450	160,450	
Of which:			
Amount eligible for CET1	160,450	160,450	
Amount eligible for AT1	-	-	
Reserves & Surplus	113,436	105,414	
Out of which			
Retained earnings*	27,122	19,100	<b>b</b>
Other Reserves	87,086	87,086	
Cumulative changes in fair value of investments	(772)	(772)	
Out of which :			
Losses from fair value of investments			<b>a</b>
Gains from fair value of investments			
Haircut of 55% on Gains		-	
Total Capital	273,886	265,864	
Deposits :	1,531,689	1,531,689	
Of which:			
Deposits from banks	-	-	
Customer deposits	1,433,280	1,433,280	
Deposits of Islamic Banking window	98,409	98,409	
Other deposits(please specify)	-	-	
Borrowings	594,060	594,060	
Of which: From CBO	-	-	
From banks	575,547	575,547	
From other institutions & agencies	18,513	18,513	
Borrowings in the form of bonds, Debentures and sukus	4,805	4,805	
Others (Subordinated debt)	86,615	86,615	
Other liabilities & provisions**	29,046	37,069	
Of which:			
Out of which : DTLs related to Investments		306	
Out of which : DTAs related to Investments		(266)	
Out of which : DTLs related to Fixed Assets		130	
DTLs related to goodwill	-	-	
DTLs related to intangible assets	-	-	
<b>TOTAL</b>	<b>2,520,101</b>	<b>2,520,101</b>	

\* As per IAS 10, Proposed cash dividend of 5% of OMR 8.023 Million is included in retained earnings in the financial statements

\*\* Proposed cash dividend of OMR 8.023 Million included in Other liabilities for regulatory scope of consolidation

**BANK SOHAR SAOG**

**RECONCILIATION TEMPLATE - AS OF Dec'2016**

**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	160,450	
2	Retained earnings	27,122	<b>b</b>
3	Accumulated other comprehensive income (and other reserves)	87,086	
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>274,658</b>	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Losses from fair value of investments	-	<b>a</b>
10	DTA related to Investments	170	
11	<b>Common Equity Tier 1 capital (CET1)</b>	<b>274,828</b>	

**BANK SOHAR SAOG**
**MAIN FEATURES TEMPLATE OF CAPITAL INSTRUMENTS - as of December 2016**

1	Issuer	BANK SOHAR	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	Banking Law of Oman / Commercial Companies Law
4	Transitional Basel III rules	NA	NA	NA	NA
5	Post-transitional Basel III rules	Tier 2	Tier 2	Tier 2	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Debt	Subordinated Debt	Compulsorily Convertible Bond	Equity Shares
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	OMR 50.0	OMR 35.0	OMR 4.767 Million	OMR 160.450 Million
9	Par value of instrument	OMR 50,000,000/=	OMR 35,000,000/=	OMR 4,767,000/=	OMR 160.450 Million
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Shareholder's Equity
11	Original date of issuance	Started issuance from 20th Jul 2010	Started issuance from 25th May 2016	28-Apr-13	03-Jan-07
12	Perpetual or dated	Dated	Dated	Dated	Perpetual
13	Original maturity date	7 years from date of allotment First maturity on 20th Jul 2017	7 years from date of allotment First maturity on 25th Jul 2023	28-Apr-2017/28-Apr-2018	NA
14	Issuer call subject to prior supervisory approval	No	No	Yes	NA
15	Optional call date, contingent call dates and redemption amount	Not callable	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	Not callable	As in point 15 above	NA
<b>Coupons / dividends</b>					
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	NA
18	Coupon rate and any related index	6.50% p.a.	7.00% p.a.	4.5% p.a.	NA
19	Existence of a dividend stopper	No	No	NO	NO
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Partially discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No	NO	NO
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	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	NA	Fully	NA
26	If convertible, conversion rate	NA	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	NA	Mandatory	NA
28	If convertible, specify instrument type convertible into	NA	NA	Common Equity Tier 1	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	Bank Sohar	NA
30	Write-down feature	No	No	NO	NO
31	If write-down, write-down trigger(s)	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	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 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	NO
37	If yes, specify non-compliant features	NA	NA	NA	NA