

**SOHAR INTERNATIONAL SAOG**
**MAIN FEATURES TEMPLATE OF CAPITAL INSTRUMENTS - as of March 2023**

1	Issuer	SOHAR INTERNATIONAL	SOHAR INTERNATIONAL	SOHAR INTERNATIONAL
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)		ISIN OM0000003398	ISIN OM0000007605
3	Governing law(s) of the instrument <i>Regulatory treatment</i>	Banking Law of Oman	Banking Law of Oman / Commercial Companies Law	Banking Law of Oman / Commercial Companies Law
4	Transitional Basel III rules	NA	NA	NA
5	Post-transitional Basel III rules	Tier 2	Common Equity Tier 1	Additional Tier 1
6	Eligible at solo/group/group & solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Debt	Equity Shares	Perpetual Capital Securities
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	OMR 0.485 Million	OMR 455.355 Million	OMR 100 Million
9	Par value of instrument	OMR 0.485 Million	OMR 455.355 Million	OMR 100 Million
10	Accounting classification	Liability - amortised cost	Shareholder's Equity	Shareholder's Equity
11	Original date of issuance	Started issuance from 29th Dec 2022	03-Jan-07	14-Mar-19
12	Perpetual or dated	Dated	Perpetual	Perpetual
13	Original maturity date	6 Months from date of issuance Maturity on 14th Jun 2023	NA	NA
14	Issuer call subject to prior supervisory approval	No	NA	Yes
15	Optional call date, contingent call dates and redemption amount	Not callable	NA	First call date i.e 5th anniversary from the date of issue, at bank's sole discretion or if directed to do so by the CBO at an early redemption amount
16	Subsequent call dates, if applicable	Not callable	NA	Every fifth anniversary thereafter after the first call date
<b><i>Coupons / dividends</i></b>				
17	Fixed or floating dividend/coupon	Fixed	NA	Floating coupon
18	Coupon rate and any related index	7.00% p.a.	NA	7.50% & every 5 year reset
19	Existence of a dividend stopper	No	NO	NO
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Fully discretionary	Fully discretionary, payable out of distributable items
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	Non-convertible	Non-convertible
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 Compulsorily Convertible bonds issued by the Bank	Subordinated to the Compulsorily Convertible bonds issued by the Bank & subordinated loans
36	Non-compliant transitioned features	NO	NO	NO
37	If yes, specify non-compliant features	NA	NA	NA

## BANK SOHAR SAOG

### RECONCILIATION TEMPLATE - AS OF Mar'23

Step 1 :

( RO '000 )

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at Mar'23	As at Mar'23
<b>Assets</b>		
Cash and balances with Central Bank of Oman	173,209	173,208.000
Certificates of deposit	-	-
Due from banks	440,528	440,528.000
Loans and advances	3,068,683	3,068,683.000
Investments in securities	819,812	819,812.000
Loans and advances to banks	-	-
Property and equipment	51,358	51,358.000
Deferred tax assets	-	-
Other assets	78,406	78,407.000
<b>Total assets</b>	<b>4,631,996</b>	<b>4,631,996.000</b>
<b>Liabilities</b>		
Due to banks	1,102,075	1,102,075.000
Customer deposits	2,775,118	2,775,118.000
Certificates of deposit	-	-
Current and deferred tax liabilities	-	-
Other liabilities	99,829	99,829.000
Subordinated Debts	494	494.000
Compulsory Convertible bonds	-	-
<b>Total liabilities</b>	<b>3,977,516</b>	<b>3,977,516.000</b>
<b>Shareholders' Equity</b>		
Paid-up share capital	455,355	455,355.000
Share premium	18,038	18,038.000
Legal reserve	37,877	37,877.000
General reserve	988	988.000
Retained earnings	36,376	36,376.000
Cumulative changes in fair value of investments	(103)	(103.000)
Subordinated debt reserve	485	485.000
Impairment reserve	5,464	5,464.000
Special Reserve	-	-
Perpetual Tier 1 Capital Securities	100,000	100,000.000
<b>Total shareholders' equity</b>	<b>654,480</b>	<b>654,480.000</b>
<b>Total liability and shareholders' funds</b>	<b>4,631,996</b>	<b>4,631,996.000</b>

**BANK SOHAR SAOG**

**RECONCILIATION TEMPLATE - AS OF Mar'23**

**Step 2 :**

( RO '000 )

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at Mar'23	As at Mar'23	
<b>Assets</b>			
Cash and balances with CBO	173,209	173,208	
Balance with banks and money at call and short notice	440,528	440,528	
<b>Investments :</b>	819,812	819,812	
Of which Held to Maturity	359,178	359,178	
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	366,403	366,403	
Out of investments in Available for Sale :	NA	NA	
Investments in Subsidiaries			
Investments in Associates and Joint Ventures	NA	NA	
Held for Trading	94,230	94,230	
<b>Loans and advances</b>	3,068,683	3,068,683	
<b>Of which :</b>			
Loans and advances to domestic banks	-	-	
Loans and advances to non-resident banks	-	-	
Loans and advances to domestic customers	2,546,889	2,546,889	
Loans and advances to non-resident Customers for domestic operations	-	-	
Loans and advances to non-resident Customers for operations abroad	-	-	
Loans and advances to SMEs	85,468	85,468	
Financing from Islamic banking window	436,326	436,326	
<b>Fixed assets</b>	51,358	51,358	
<b>Other assets</b>	78,406	78,407	
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>4,631,996</b>	<b>4,631,996</b>	
<b>Capital &amp; Liabilities</b>			
Paid-up Capital	473,393	473,393	
Of which:			
Amount eligible for CET1	473,393	473,393	
Amount eligible for AT1	100,000	100,000	
Reserves & Surplus	81,087	81,087	
Out of which			
Retained earnings*	36,376	36,376	<b>b</b>
Other Reserves	44,814	44,814	
Cumulative changes in fair value of investments	(103)	(103)	
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	554,480	554,480	
Deposits :	2,775,118	2,775,118	
Of which:			
Deposits from banks	-	-	
Customer deposits	2,389,600	2,389,600	
Deposits of Islamic Banking window	385,518	385,518	
Other deposits(please specify)	-	-	
Borrowings	1,102,075	1,102,075	
Of which: From CBO	-	-	
From banks	1,102,075	1,102,075	
From other institutions & agencies	-	-	
Borrowings in the form of bonds, Debentures and sukuks	-	-	
Others (Subordinated debt)	494	494	
Other liabilities & provisions**	99,829	99,829	
Of which:			
Out of which : DTLs related to Investments		-	
Out of which : DTAs related to Investments		-	
Out of which : DTLs related to Fixed Assets		-	
DTLs related to goodwill	-	-	
DTLs related to intangible assets	-	-	
<b>TOTAL</b>	<b>4,531,996</b>	<b>4,531,996</b>	

**BANK SOHAR SAOG**

**RECONCILIATION TEMPLATE - AS OF Mar'23**

**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	473,393	
2	Retained earnings	23,092	<b>b</b>
3	Accumulated other comprehensive income (and other reserves)	39,350	
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>535,835</b>	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Losses from fair value of investments	(103)	<b>a</b>
10	DTA related to Investments	-	
11	<b>Common Equity Tier 1 capital (CET1)</b>	<b>535,732</b>	

**Basel III common disclosure template to be used during the transition of regulatory adjustments**

*(Please fill in only the cells highlighted in green with numbers and those in yellow with comments, if any)*

		RO '000	AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	Comments
<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	473,393		
2	Retained earnings	23,092		
3	Accumulated other comprehensive income (and other reserves)	39,350		
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>	535,835		
<b>Common Equity Tier 1 capital: regulatory adjustments</b>				
7	Prudential valuation adjustments	581	-	
8	Goodwill (net of related tax liability)	-	-	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	
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>	581		
29	<b>Common Equity Tier 1 capital (CET1)</b>	535,254		
<b>Additional Tier 1 capital: instruments</b>				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	100,000		
31	of which: classified as equity under applicable accounting standards <sup>5</sup>	100,000		
32	of which: classified as liabilities under applicable accounting standards <sup>6</sup>	-		
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>	100,000		
<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>	-		
44	<b>Additional Tier 1 capital (AT1)</b>	100,000		
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	635,254		
<b>Tier 2 capital: instruments and provisions</b>				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus			
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)	19		
49	of which: instruments issued by subsidiaries subject to phase out			

**Basel III common disclosure template to be used during the transition of regulatory adjustments**

*(Please fill in only the cells highlighted in green with numbers and those in yellow with comments, if any)*

AMOUNTS  
SUBJECT TO  
PRE-BASEL III  
TREATMENT

Comments

		RO '000	
50	Provisions	14,569	
51	Tier 2 capital before regulatory adjustments	14,587	

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)	14,587	
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59	Total capital (TC = T1 + T2)	649,841	
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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)	3,391,003	
60a	Of which: Credit risk weighted assets	2,996,001	
60b	Of which: Market risk weighted assets	179,138	
60c	Of which: Operational risk weighted assets	215,865	

Capital Ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.78	
62	Tier 1 (as a percentage of risk weighted assets)	18.73	
63	Total capital (as a percentage of risk weighted assets)	19.16	
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)	8.25%	
65	of which: capital conservation buffer requirement	1.25%	
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)	7.51	

National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	8.250	
70	National Tier 1 minimum ratio (if different from Basel 3 minimum)	10.250	
71	National total capital minimum ratio (if different from Basel 3 minimum)	12.250	

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)	14,569	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	37,450	
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)	-	

**CA Report 1 (For CBO Use only)**

1 Common Equity Tier 1 Capital (CET1) before Regulatory Adjustments	535,835
2 Regulatory Adjustments to CET1	581
3 CET1	535,254
4 Additional Tier 1 Capital (AT1) before Regulatory Adjustments	100,000
5 Regulatory Adjustments to AT1	-
6 AT1	100,000
7 Tier 1 Capital (7=3+6) (minimum at 0.625%)	635,254
8 Tier 2 Capital before Regulatory Adjustments	14,587
9 Regulatory Adjustments to Tier 2 Capital	-
10 Tier 2 Capital (T2)	14,587
11 Total Capital (11=7+10)	649,841
12 Total Risk Weighted Assets (TRWA) (12=13+14+15)	3,391,003
13 Credit Risk Weighted Assets	2,996,001
14 Market Risk Weighted Assets	179,138
15 Operational Risk Weighted Assets	215,865
16 CET1 (as a percentage of TRWA) (in %) 7.625%	15.78
17 Tier 1 (as a percentage of TRWA) (in %) 9.625%	18.73
18 Total capital (as a percentage of TRWA) (in %) 12.625%	19.16