

Bank Soahr SAOG

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

RO 000

| 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 | 175,260 |
| 2 | Retained earnings | 24,083 |
| 3 | Accumulated other comprehensive income (and other reserves) | 57,982 |
| 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 | Common Equity Tier 1 capital before regulatory adjustments | 257,325 |

| 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) | 7,350 |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | 311 |
| 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 | Total regulatory adjustments to Common equity Tier 1 | 7,661 |

| | | |
|----|--|----------------|
| 29 | Common Equity Tier 1 capital (CET1) | 249,664 |
|----|--|----------------|

| 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 | 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 | 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 | - |
| | 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 | Total regulatory adjustments to Additional Tier 1 capital | - |

| | | |
|----|--|----------|
| 44 | Additional Tier 1 capital (AT1) | - |
|----|--|----------|

| | | |
|----|---|----------------|
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 249,664 |
|----|---|----------------|

| 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 | 17,150 |
| 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 | 21,279 |
| 51 | Tier 2 capital before regulatory adjustments | 38,429 |

| 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) | 38,429 |
|----|---------------------|--------|

| | | |
|----|------------------------------|---------|
| 59 | Total capital (TC = T1 + T2) | 288,093 |
|----|------------------------------|---------|

| 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) | 2,153,603 |
| 60a | Of which: Credit risk weighted assets | 1,960,711 |
| 60b | Of which: Market risk weighted assets | 76,950 |
| 60c | Of which: Operational risk weighted assets | 115,943 |

| Capital Ratios | | |
|----------------|--|-------|
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | 11.59 |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 11.59 |
| 63 | Total capital (as a percentage of risk weighted assets) | 13.38 |
| 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) | 0.01 |

| 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) | 21,241 |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | 24,509 |
| 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 Mar'2016

Step 1 :

(RO '000)

| | Balance sheet as in published financial statements | Under regulatory scope of consolidation |
|---|---|--|
| | As at Mar'16 | As at Mar'16 |
| Assets | | |
| Cash and balances with Central Bank of Oman | 92,782 | 106,255 |
| Certificates of deposit | - | - |
| Due from banks | 119,379 | 106,054 |
| Loans and advances | 1,698,242 | 1,698,085 |
| Investments in securities | 261,605 | 261,605 |
| Loans and advances to banks | - | - |
| Property and equipment | 16,301 | 16,301 |
| Deferred tax assets | - | - |
| Other assets | 20,481 | 20,490 |
| Total assets | 2,208,790 | 2,208,790 |
| Liabilities | | |
| Due to banks | 425,512 | 425,512 |
| Customer deposits | 1,424,311 | 1,424,311 |
| Certificates of deposit | 18,187 | 18,187 |
| Current and deferred tax liabilities | - | - |
| Other liabilities | 33,016 | 33,016 |
| Subordinated Debts | 50,412 | 50,412 |
| Compulsory Convertible bonds | 7,288 | 7,288 |
| Total liabilities | 1,958,726 | 1,958,726 |
| Shareholders' Equity | | |
| Paid-up share capital | 158,558 | 158,558 |
| Share premium | 16,702 | 16,702 |
| Legal reserve | 16,994 | 16,994 |
| General reserve | 988 | 988 |
| Retained earnings | 24,085 | 24,085 |
| Cumulative changes in fair value of investments | (7,263) | (7,263) |
| Subordinated debt reserve | 40,000 | 40,000 |
| Total shareholders' equity | 250,064 | 250,064 |
| Total liability and shareholders' funds | 2,208,790 | 2,208,790 |

BANK SOHAR SAOG

RECONCILIATION TEMPLATE - AS OF Mar'2016

Step 2 :

(RO '000)

| | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
|--|--|---|-----------|
| | As at Mar'16 | As at Mar'16 | |
| Assets | | | |
| Cash and balances with CBO | 92,782 | 106,255 | |
| Balance with banks and money at call and short notice | 119,379 | 106,054 | |
| Investments : | 261,605 | 261,605 | |
| Of which Held to Maturity | 47,132 | 47,132 | |
| 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 | 164,954 | 164,954 | |
| Out of investments in Available for Sale : | NA | NA | |
| Investments in Subsidiaries | | | |
| Investments in Associates and Joint Ventures | NA | NA | |
| Held for Trading | 39,376 | 39,376 | |
| Loans and advances | 1,698,242 | 1,698,085 | |
| Of which : | | | |
| Loans and advances to domestic banks | - | - | |
| Loans and advances to non-resident banks | - | - | |
| Loans and advances to domestic customers | 1,561,583 | 1,561,583 | |
| Loans and advances to non-resident Customers for domestic operations | | - | |
| Loans and advances to non-resident Customers for operations abroad | 30,863 | 30,863 | |
| Loans and advances to SMEs | 27,080 | 27,080 | |
| Financing from Islamic banking window | 78,716 | 78,716 | |
| Fixed assets | 16,301 | 16,301 | |
| Other assets | 20,481 | 20,490 | |
| of which: | | | |
| Goodwill and intangible assets | | | |
| Out of which: | | | |
| goodwill | - | - | |
| Other intangibles (excluding MSRs) | - | - | |
| Deferred tax assets | 311 | 311 | |
| Goodwill on consolidation | - | - | |
| Debit balance in Profit & Loss account | - | - | |
| Total Assets | 2,208,790 | 2,208,790 | |
| Capital & Liabilities | | | |
| Paid-up Capital | 158,558 | 158,558 | |
| Of which: | | | |
| Amount eligible for CET1 | 158,558 | 158,558 | |
| Amount eligible for AT1 | - | - | |
| Reserves & Surplus | 91,506 | 91,506 | |
| Out of which | | | |
| Retained earnings* | 24,085 | 24,085 | b |
| Other Reserves | 74,684 | 74,684 | |
| Cumulative changes in fair value of investments | (7,263) | (7,263) | |
| Out of which : | | | |
| Losses from fair value of investments | | (7,350) | a |
| Gains from fair value of investments | | 87 | |
| Haircut of 55% on Gains | | (48) | |
| Total Capital | 250,064 | 250,064 | |
| Deposits : | 1,424,311 | 1,424,311 | |
| Of which: | | | |
| Deposits from banks | - | - | |
| Customer deposits | 1,355,121 | 1,355,121 | |
| Deposits of Islamic Banking window | 69,190 | 69,190 | |
| Other deposits (please specify) | - | - | |
| Borrowings | 443,699 | 443,699 | |
| Of which: From CBO | - | - | |
| From banks | 425,512 | 425,512 | |
| From other institutions & agencies | 18,187 | 18,187 | |
| Borrowings in the form of bonds, Debentures and sukuks | 7,288 | 7,288 | |
| Others (Subordinated debt) | 50,412 | 50,412 | |
| Other liabilities & provisions** | 33,016 | 33,016 | |
| Of which: | | | |
| Out of which : DTLs related to Investments | | 6 | |
| Out of which : DTAs related to Investments | | (554) | |
| Out of which : DTLs related to Fixed Assets | | 237 | |
| DTLs related to goodwill | - | - | |
| DTLs related to intangible assets | - | - | |
| TOTAL | 2,208,790 | 2,208,790 | |

BANK SOHAR SAOG

RECONCILIATION TEMPLATE - AS OF Mar'2016

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 | 158,558 | |
| 2 | Retained earnings | 24,085 | b |
| 3 | Accumulated other comprehensive income (and other reserves) | 74,684 | |
| 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 | 257,327 | |
| 7 | Prudential valuation adjustments | - | |
| 8 | Goodwill (net of related tax liability) | - | |
| 9 | Losses from fair value of investments | (7,350) | a |
| 10 | DTA related to Investments | (311) | |
| 11 | Common Equity Tier 1 capital (CET1) | 249,666 | |

BANK SOHAR SAOG

MAIN FEATURES TEMPLATE OF CAPITAL INSTRUMENTS - as of March 2016

| 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 158.558 Million |
| 9 | Par value of instrument | OMR 50,000,000/= | OMR 7,150,000/= | OMR 158.558 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 | 03-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 |
| Coupons / dividends | | | | |
| 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 |