

**Basel III common disclosure template to be used during the transition of regulatory adjustments
(31 March 2019)**

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	216,302
2	Retained earnings	32,368
3	Accumulated other comprehensive income (and other reserves)	32,363
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) <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	281,033

Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	2,643
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	Total regulatory adjustments to Common equity Tier 1	2,643

29	Common Equity Tier 1 capital (CET1)	278,390
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Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	200,000
31	of which: classified as equity under applicable accounting standards 5	200,000
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	200,000

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)	200,000
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45	Tier 1 capital (T1 = CET1 + AT1)	478,390
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Tier 2 capital: instruments and provisions		
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46	Directly issued qualifying Tier 2 instruments plus related stock surplus	
47	Directly issued capital instruments subject to phase out from Tier 2	28,000
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	24,666
51	Tier 2 capital before regulatory adjustments	52,666

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)	52,666
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59	Total capital (TC = T1 + T2)	531,056
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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)	2,842,656
60a	Of which: Credit risk weighted assets	2,577,524
60b	Of which: Market risk weighted assets	107,213
60c	Of which: Operational risk weighted assets	157,920

Capital Ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.79
62	Tier 1 (as a percentage of risk weighted assets)	16.83
63	Total capital (as a percentage of risk weighted assets)	18.68
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)	2.78

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)	13.500

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)	24,666
77	Cap on inclusion of provisions in Tier 2 under standardised approach	32,219
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 on 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)	-

SOHAR INTERNATIONAL SAOG

RECONCILIATION TEMPLATE - AS OF March'19

Step 1 :

(RO '000)

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at Mar'19	As at Mar'19
Assets		
Cash and balances with Central Bank of Oman	99,564	99,564
Certificates of deposit	-	-
Due from banks	43,545	43,545
Loans and advances	2,336,882	2,336,882
Investments in securities	540,360	540,360
Loans and advances to banks	-	-
Property and equipment	30,768	30,768
Deferred tax assets	-	-
Other assets	36,459	36,459
Total assets	3,087,578	3,087,578
Liabilities		
Due to banks	679,873	679,873
Customer deposits	1,818,147	1,818,147
Certificates of deposit	503	503
Current and deferred tax liabilities	-	-
Other liabilities	74,274	74,274
Subordinated Debts	35,645	35,645
Compulsory Convertible bonds	-	-
Total liabilities	2,608,442	2,608,442
Shareholders' Equity		
Paid-up share capital	198,265	198,265
Share premium	18,037	18,037
Legal reserve	24,375	24,375
General reserve	988	988
Retained earnings	32,368	32,368
Cumulative changes in fair value of investments	(2,634)	(2,634)
Subordinated debt reserve	7,000	7,000
Impairment reserve	737	737
Special Reserve	-	-
Perpetual Tier 1 Capital Securities	200,000	200,000
Total shareholders' equity	479,136	479,136
Total liability and shareholders' funds	3,087,578	3,087,578

SOHAR INTERNATIONAL SAOG

RECONCILIATION TEMPLATE - AS OF March'19

Step 2 :

(RO '000)

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at Mar'19	As at Mar'19	
Assets			
Cash and balances with CBO	99,564	99,564	
Balance with banks and money at call and short notice	43,545	43,545	
Investments :	540,360	540,360	
Of which Held to Maturity	147,838	147,838	
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	292,782	292,782	
Out of investments in Available for Sale :	NA	NA	
Investments in Subsidiaries			
Investments in Associates and Joint Ventures	NA	NA	
Held for Trading	99,740	99,740	
Loans and advances	2,336,882	2,336,882	
Of which :			
Loans and advances to domestic banks	-	-	
Loans and advances to non-resident banks	-	-	
Loans and advances to domestic customers	2,075,353	2,075,353	
Loans and advances to non-resident Customers for domestic operations		-	
Loans and advances to non-resident Customers for operations abroad	33,946	33,946	
Loans and advances to SMEs	33,322	33,322	
Financing from Islamic banking window	194,261	194,261	
Fixed assets	30,768	30,768	
Other assets	36,459	36,459	
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	-	-	
Total Assets	3,087,578	3,087,578	
Capital & Liabilities			
Paid-up Capital	216,302	216,302	
Of which:			
Amount eligible for CET1	216,302	216,302	
Amount eligible for AT1	200,000	200,000	
Reserves & Surplus	62,834	62,834	
Out of which			
Retained earnings*	32,368	32,368	b
Other Reserves	33,100	33,100	
Cumulative changes in fair value of investments	(2,634)	(2,634)	
Out of which :			
Losses from fair value of investments		-	a
Gains from fair value of investments		-	
Haircut of 55% on Gains		-	
Total Capital	279,136	279,136	
Deposits :	1,818,147	1,818,147	
Of which:			
Deposits from banks	-	-	
Customer deposits	1,644,841	1,644,841	
Deposits of Islamic Banking window	173,306	173,306	
Other deposits(please specify)	-	-	
Borrowings	680,376	680,376	
Of which: From CBO	-	-	
From banks	679,873	679,873	
From other institutions & agencies	503	503	
Borrowings in the form of bonds, Debentures and sukuks	-	-	
Others (Subordinated debt)	35,645	35,645	
Other liabilities & provisions**	74,274	74,274	
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	-	-	
TOTAL	2,887,578	2,887,578	

SOHAR INTERNATIONAL SAOG

RECONCILIATION TEMPLATE - AS OF March'19

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	216,302	
2	Retained earnings	32,368	b
3	Accumulated other comprehensive income (and other reserves)	33,100	
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	281,770	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Losses from fair value of investments	-	a
10	DTA related to Investments	-	
11	Common Equity Tier 1 capital (CET1)	281,770	

SOHAR INTERNATIONAL SAOG
MAIN FEATURES TEMPLATE OF CAPITAL INSTRUMENTS - as of March 2019

1	Issuer	SOHAR INTERNATIONAL	SOHAR INTERNATIONAL	SOHAR INTERNATIONAL	SOHAR INTERNATIONAL
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	Banking Law of Oman / Commercial Companies Law	Banking Law of Oman / Commercial Companies Law	Banking Law of Oman / Commercial Companies Law
4	Transitional Basel III rules	NA	NA	NA	NA
5	Post-transitional Basel III rules	Tier 2	Common Equity Tier 1	Additional Tier 1	Additional 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	Equity Shares	Perpetual Capital Securities	Perpetual Capital Securities
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	OMR 35.0	OMR 198.265 Million	OMR 100 Million	OMR 100 Million
9	Par value of instrument	OMR 35,000,000/=	OMR 198.265 Million	OMR 100 Million	OMR 100 Million
10	Accounting classification	Liability - amortised cost	Shareholder's Equity	Shareholder's Equity	Shareholder's Equity
11	Original date of issuance	Started issuance from 25th May 2016	03-Jan-07	25-Sep-17	14-Mar-19
12	Perpetual or dated	Dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	7 years from date of allotment First maturity on 25th Jul 2023	NA	NA	NA
14	Issuer call subject to prior supervisory approval	No	NA	Yes	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	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	Every fifth anniversary thereafter after the first call date
Coupons / dividends					
17	Fixed or floating dividend/coupon	Fixed	NA	Floating coupon	Floating coupon
18	Coupon rate and any related index	7.00% p.a.	NA	7.75% & every 5 year reset	7.50% & every 5 year reset
19	Existence of a dividend stopper	No	NO	NO	NO
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Fully discretionary	Fully discretionary, payable out of distributable items	Fully discretionary, payable out of distributable items
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	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	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 the Compulsorily Convertible bonds issued by the Bank	Subordinated to the Compulsorily Convertible bonds issued by the Bank & subordinated loans	Subordinated to the Compulsorily Convertible bonds issued by the Bank & subordinated loans
36	Non-compliant transitioned features	NO	NO	NO	NO
37	If yes, specify non-compliant features	NA	NA	NA	NA