



بنك عُمان العربي
OMAN ARAB BANK



RIGHTS ISSUE PROSPECTUS



"We shall march forward on this road so that Oman can maintain its prominent place in which late His Majesty Sultan Qaboos bin Said bin Taimour wished to position it, the goal he worked to realise."

His Majesty Sultan Haitham Bin Tarik
Speech on January 2020



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OMAN ARAB BANK

RIGHTS ISSUE PROSPECTUS

**Rights Issue of 333,333,333 shares at a price of Baisa 151 per Offer Share
(with a share price of Baisa 150 per Offer Share plus issue expenses of Baisa 1 per Offer Share)**

RIGHTS TRADING PERIOD

Opening Date: 10 September 2025
Closing Date: 15 September 2025

RIGHTS SUBSCRIPTION PERIOD

Opening Date: 14 September 2025
Closing Date: 18 September 2025

Issue Manager



Ubhar Capital SAOC
P.O. Box 1137, P.C. 111,
CPO,
Sultanate of Oman
Tel: +968 24949041/13/45

Collecting Bank



Oman Arab Bank S.A.O.G.
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Legal Advisor



Al Busaidy Mansoor Jamal & Co.
Muscat International Centre, CBD,
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Tel: +968 24829200

This Prospectus has been prepared in accordance with the requirements as set out by the Financial Services Authority (FSA) of the Sultanate of Oman. This is an unofficial English translation of the original Prospectus prepared in Arabic and approved by the FSA pursuant to Administrative Decision no. KH/33/2025 dated 20 August 2025. If there is any conflict between this unofficial English version of the Prospectus and the official Arabic version, then the official Arabic version of the Prospectus shall prevail.

Although every effort has been made in preparing this English version of the Prospectus, none of the Issuer, Legal Adviser and Issue Manager shall be held responsible for any information interpreted differently from the official Arabic version of the Prospectus.

The FSA assumes no responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus nor shall it have any liability for any damage or loss resulting from the reliance upon or use of any part of the Prospectus by any person. If you do not understand the contents of this Prospectus, then you should seek independent professional advice.

IMPORTANT NOTICE

All prospective Investors should read this notice.

The aim of this Prospectus is to present material information that may assist prospective investors to make an appropriate decision as to whether or not to submit an application for allotment of the shares of Oman Arab Bank SAOG (the "Bank") that are the subject of the rights issue hereunder (the "Offer Shares").

This Prospectus includes all material information and data and does not contain any misleading information or omit any material information that would have a positive or negative impact on an investor's decision as to whether or not to invest in the Offer Shares.

The members of the Board of Directors of the Bank are jointly and severally responsible for the integrity and adequacy of the information contained in this Prospectus and confirm that, to their knowledge, appropriate due diligence had been observed in the preparation of this Prospectus and further confirm that no material information has been omitted, the omission of which would render this Prospectus misleading.

All prospective investors should examine and carefully review this Prospectus in order to decide whether it would be appropriate to submit an application for allotment of Offer Shares by taking into consideration all the information contained in this Prospectus in this context. Prospective investors should not consider this Prospectus to be a recommendation by the Bank to subscribe for the Offer Shares. Each prospective investor is responsible for obtaining his/ her/ its own independent professional advice on an investment in the Offer Shares and should conduct an independent evaluation of the information and assumptions contained herein using whatsoever analysis or projections they see fit as to whether or not to invest in the Offer Shares.

No person has been authorized to make any statement or provide any information in relation to the Bank or the Offer Shares other than the Chief Executive Officer of the Bank, and no person has been authorized to make any such statement or provide any such information which is not contained in, or which is inconsistent with, this Prospectus. Where any person makes any such statement or provides any such information, it must not be relied upon as having been authorized by the Bank or the Issue Manager or the Legal Advisor.

Important Points

This Prospectus includes relevant information that is deemed important and neither includes any misleading information nor excludes any material information, the omission of which may materially influence any prospective investor's decision to submit an application for allotment of Offer Shares.

All market investments carry various risks including market risks to varying degrees. The value of any security can fall as well as rise, depending on the market conditions.

ADDITIONAL IMPORTANT POINTS TO BE NOTED

References to documents

Summaries of documents, or of extracts or provisions thereof, contained in this Prospectus may not provide a complete summary thereof, and statements in this Prospectus relating to such documents or extracts or provisions may not be exact reproductions of such documents, extracts or provisions, and should not be relied upon as being comprehensive summaries/statements in respect of such documents, extracts or provisions.

Scope of information

The information contained in this Prospectus is intended to provide a prospective investor with adequate information relating to the investment opportunity and background information on the rights issue contemplated hereby. However, this Prospectus does not necessarily contain all the information that a prospective investor may consider material. The content of this Prospectus is not to be construed as legal, business or tax advice. Each prospective investor should consult their own lawyer, financial advisor or tax advisor for legal, financial or tax advice in relation to any purchase of or proposed subscription for Offer Shares.

Investor due diligence

Prior to making any decision as to whether to subscribe for Offer Shares or not, prospective investors should read this Prospectus in its entirety. In making an investment decision, prospective investors must rely upon their own examination of the terms of this Prospectus and the risks involved in making an investment.

Restrictions on the distribution of this Prospectus

The distribution of this Prospectus and the issue of the Offer Shares may, in certain jurisdictions, be restricted by law or may be subject to prior regulatory approvals. This Prospectus does not constitute an offer or an invitation by or on behalf of the Bank to any person in any jurisdiction outside Oman to subscribe for any of the Offer Shares where such offer or invitation would be unlawful. The Bank and the Issue Manager require persons into whose possession this Prospectus comes to inform themselves of, and to observe, all such restrictions. Neither the Bank nor the Issue Manager nor any of their respective directors, managers, accountants, advisers, lawyers or employees accepts any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to subscribe for Offer Shares by any person in any jurisdiction outside Oman where such sale, offer to sell or solicitation to subscribe, would be unlawful.

Restrictions on the use of information contained in this Prospectus

The information contained in this Prospectus may not be published, duplicated, copied or disclosed in whole or in part or otherwise used for any purpose other than in connection with the issue of the Offer Shares, without the prior written approval of the Bank and the Issue Manager.

Disclaimer of implied warranties

Save and except as required under applicable Omani law and regulations, no representation or warranty, express or implied, is given by the Bank or the Issue Manager, or any of their respective directors, managers, accountants, advisers, lawyers, employees or any other person as to the completeness of the contents of this Prospectus; or of any other document or information supplied at any time in connection with the Offer Shares; or that this Prospectus or any other such document or information has remained unchanged after the issue thereof.

FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that relate to intentions, future acts, and future events. These statements generally can be classified as forward-looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from the way in which they are presented in this Prospectus. The use of any of the words “aim”, “anticipate”, “continue”, “estimate”, “objective”, “plan”, “schedule”, “intend”, “expect”, “may”, “will”, “project”, “propose”, “should”, “believe”, “will continue”, “will pursue”, and other words of similar import, are intended to identify forward-looking statements. Similarly, statements that describe the Bank’s strategies, objectives, plans or goals are also forward-looking statements. These forward-looking statements are not historical facts but reflect current expectations regarding future results or events, and are based on various estimates, factors and assumptions. No assurance can be given that these expectations will prove to be correct. Moreover, forward-looking statements involve inherent risks, assumptions and uncertainties that could cause actual outcomes (including among other things, the Bank’s result of operations, financial condition, cash flows, liquidity, financial projects and growth) to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements speak only as of the date they are made, and should not be relied upon as reflecting the Bank’s expectations as of any subsequent date.

The Bank draws the attention of prospective investors to a number of important factors that could cause actual results to differ materially from the Bank’s expectations, including but not limited to:

- Level of demand for the Bank’s products and services;
- The competitive environment;
- Political, business, regulatory, monetary, legal and fiscal developments within and outside Oman;
- Fluctuations in foreign exchange rates, equity prices or other rates or prices within and outside Oman;
- Inability to estimate future performance;
- Inability of the Bank to meet its debt service obligations;
- Inability of the Bank to meet its payment obligations;
- Certain financing and/or operational and maintenance risks;
- Access to adequate insurance to cover all potential losses;
- Performance of the Omani economy and financial markets of Oman; and
- Other factors described in the Section titled “Risk Factors and Mitigants” of this Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated.

The Bank cannot provide any assurance that forward-looking statements will materialize. The Bank, the Issue Manager and the Legal Advisor and any of their respective affiliates, disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required by securities laws. For a description of material factors that could cause the Bank’s actual results to differ materially from the forward-looking statements in this Prospectus, see section titled “Risk Factors and Mitigants” of this prospectus. The risk factors described above and in this Prospectus are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the forward-looking statements. The Bank will adhere to the disclosure rules and regulations issued by the FSA, which includes making timely disclosure regarding the Bank’s results of operation. The Bank advises investors to track the information or announcements made by it through the MSX website at www.msx.om.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from the Bank's audited financial statements or its unaudited interim financial statements, in each case prepared in accordance with IFRS. Copies of the Bank's financial statements are available on the MSX website or on the Bank's website. The Bank's Financial Year commences on 1 January and ends on 31 December. In this Prospectus, any discrepancy in any table between the total and the sum of the relevant amounts listed is due to rounding.

Currency of Presentation

In this Prospectus, all references to "RO", "OMR", and "Omani Rials" are to Omani Rials, the official currency of Oman.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from third-party industry publications and/or websites. Although it is believed that industry data used in this Prospectus is reliable, it has not been independently verified; therefore, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Similarly, internal company reports, while believed to be reliable, have not been verified by any independent sources. The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

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1. ABBREVIATIONS AND DEFINITIONS

Additional Shares	Additional Shares mean additional Offer Shares applied for by a Shareholder in addition to such Shareholder's rights entitlement
Allotment Date	The date on which FSA approves the allotment of Offer Shares to successful Applicants
Applicant	Shareholders who are eligible as at the Record Date for subscription to the Rights Issue or a person who has purchased a rights entitlement through the MSX and who submits their completed Application Form to the Collecting Bank on or before the Issue closing date.
Application Form	The application form required to be completed by an Applicant for subscribing to the Issue.
Articles	Articles of Association of the Bank as registered with MOCIIP and FSA, as may be amended from time to time in accordance with the provisions as contained therein.
BAC	Audit committee of the Board of Directors.
Baisa / Baiza	One thousandth of Omani Rial (1000 Baisa= 1 Omani Rial).
Banking Law	The Banking Law of Oman issued pursuant to Royal Decree 2/2025 as may be amended, supplemented or restated from time to time.
BCC	Credit committee of the Board of Directors.
Board / Board of Directors	The Bank's Board of Directors elected in accordance with the Articles, the CCL, the SAOG Regulations and applicable regulations issued by the CBO.
Business Day	A day, other than a Friday, Saturday or a public holiday, on which banks and the MSX are open for general business in Oman.
CBO / Central Bank	Central Bank of Oman.
CCL	Commercial Companies Law of Oman promulgated by Royal Decree 18/2019 and the amendments thereto.
Code of Corporate Governance	The Corporate Governance Code for public listed companies issued vide FSA Circular No. E/2015/4 on 2015/7/22 (The FSA Code of Corporate Governance can be found at the following website www.fsa.gov.om).
CRC	Compliance and Risk Committee of the Board of Directors.
Director	A member of the Board of Directors of the Bank.
Financial Year	The financial year of the Bank commencing from 1 January and ending on 31 December or as may be amended by the Shareholders in accordance with the Articles
FSA	Financial Services Authority of Oman.
Government	Government of Oman.
IFRS	International Financial Report Standards.
Issue/ Rights Issue	The rights issue of the Shares made under this Prospectus.
Issuer / Bank / Oman Arab Bank SAOG / OAB	Oman Arab Bank SAOG.
Issue Manager	Ubhar Capital SAOC.

ITGC	Information Technology Governance Committee of the Board of Directors of the Bank.
Laws of Oman	The laws of Oman in the form of Royal Decrees, Ministerial Decisions, CBO regulations, FSA regulations etc. as the same may have been, or may from time to time be enacted, amended or re-enacted or issued.
MCD	Muscat Clearing and Depository SAOC.
MOCIIP	Ministry of Commerce, Industry and Investment Promotion of Oman.
MSX	Muscat Stock Exchange.
OCCI	Oman Chamber of Commerce and Industry
Offer Shares	The Shares that are the subject of the Rights Issue.
Oman	Sultanate of Oman.
Omani Rial / RO / OMR	The lawful currency of Oman. Each Omani Rial is equal to 1,000 Baisa
Prospectus	Means this Prospectus, as approved by the FSA.
Shareholders	Shareholders of the Bank.
Record Date	The date as of which the Shareholders whose names are registered in the MCD records will be eligible to subscribe to the Rights Issue.
Rights Trading Period	The period during which the rights entitlement may be traded on the MSX, which period shall commence on 10 September 2025 and end on 15 September 2025.
Rights Subscription Period	The period during which the rights entitlement may be exercised through submission of an Application Form for subscription for Shares together with payment for such subscription, which period shall commence on 14 September 2025 and end on 18 September 2025.
RSC	Remuneration and Selection Committee of the Board of Directors of the Bank.
SAOG Regulations	The Regulations for Public Joint Stock Companies FSA Decision 27/2021 issued on 25 February 2021.
Securities Law	The Securities Law promulgated by Royal Decree 46/2022
Shares	The ordinary shares of the Bank.
Shareholders	The shareholders of the Bank.
Subscription Price/ Issue Price	151 Baisa per Offer Share, payable by an Applicant, as stated in this Prospectus.
US\$ / USD / US Dollars	United States Dollars, the lawful currency of the United States of America.

2. SUMMARY OF THE ISSUE

Issuer	Oman Arab Bank SAOG.
Commercial Registration No.	1223518 established on 01 October 1984.
Principal place of business	PO Box 2240, PC 130, North Algubrah, Bousher, Oman.
Bank's duration	Unlimited.
Authorised Share Capital	RO 500,000,000.
Issued & Paid up Capital (pre-issue)	RO 166,941,000 divided into 1,669,410,000 shares
Issued & Paid up Capital (post-issue)	RO 216,941,000 divided into 2,002,743,333 shares (assuming full subscription of the Rights Issue).
Issue size	333,333,333 Shares offered at Baisa 151 per Offer Share, aggregating to RO 50,333,333.
Issue Price	Consisting of issue price Baisa 150 plus Baisa 1 towards issue expenses, payable in full on submission of Application Form.
Purpose of the issue	The purpose of the Rights Issue is to increase the capital of the Bank by increasing its issued capital, to enable business growth and compliance with capital adequacy norms.
Rights Trading Period	Opening Date: 10 September 2025 Closing Date: 15 September 2025
Rights Subscription Period	Opening Date: 14 September 2025 Closing Date: 18 September 2025
Rights Entitlement	Every shareholder as on the Record Date is entitled to 19.9671 Offer Shares for every 100 shares held as on the Record Date i.e.1 Offer Share against about every 5.0082 shares held on Record Date, duly rounded down.
Eligibility for Subscription	<p>Subscription for the Rights Issue is open to the Shareholders whose names appear in the Bank's shareholder register maintained by the MCD as on the Record Date. Persons who purchase the rights entitlement on the MSX within the rights entitlement trading period are also eligible to subscribe for the Offer Shares before the Rights Issue closes.</p> <p>The 'rights' representing ownership rights of Shareholders to subscribe to the Rights Issue may be traded on the MSX during the Rights Trading Period. A Shareholder has the option to either subscribe for Shares offered for subscription in the Rights Issue or sell the rights entitlement on the MSX. The rights entitlement shall lapse in case it is not exercised during the Rights Subscription Period.</p>

Application for Additional Shares	<p>Shareholders as on the Record Date may apply for Additional Shares and shall fill in the required details in the Application Form and submit it to Collecting Bank along with requisite subscription amount.</p> <p>A Shareholder who does not subscribe to his full rights entitlement or sells his rights entitlement (either in part or in full) is not eligible to apply for Additional Shares.</p> <p>A non-shareholder who has bought rights entitlement is also not eligible to apply for Additional Shares.</p> <p>The application and allotment of Additional Shares shall be subject to the terms and conditions stipulated in Chapter 13.</p>
Record date	02 September 2025.
Start of Trading of Rights Entitlement	10 September 2025.
End of Trading of Rights Entitlement	15 September 2025.
Subscription opening date	14 September 2025.
Subscription closing date	18 September 2025.
Allotment	<p>The Offer Shares shall be allotted against valid and approved Application Forms, subject to the provisions of Chapter 13.</p> <p>The Offer Shares shall be allotted, and refunds will be made (if required) within 3 days from the Allotment Date, after obtaining FSA approval for the proposed allotment. The Applicant, after the announcement of the allotment, must verify that the allotted Shares are recorded in his/ her/ its account with the MCD.</p>
Refund of application money	Refund of application money, if any, shall be made to the Applicants, within 3 days of the Allotment
Listing	Since the shares of the Bank are already listed on the MSX, the Offer Shares shall also be listed on the MSX.
Approvals for the Issue	<ul style="list-style-type: none"> • Board approvals through resolutions passed at its meetings held on 03 June 2025 and 12 August 2025 • CBO in principle approval vide its letter no. SD/2025/CPOC/OAB/406 dated 07 August 2025 • FSA approval vide its Administrative Decision KH/33/2025 dated 20 August 2025.

Issue Manager	<p>Ubhar Capital SAOC P.O. Box 1137, P.C. 111, CPO, Sultanate of Oman Tel: +968 24949041/13/45 Email: ubhar-corporatefinance@u-capital.net corporatefinance@u-capital.net</p>
Legal Advisor to the Issue	<p>Al Busaidy, Mansoor Jamal & Co. Barristers & Legal Consultants P.O. Box 686, Postal Code 112, Ruwi Sultanate of Oman Email: info@amjoman.com</p>
Statutory auditor	<p>Deloitte & Touche (M.E.) & Co. LLC Minaret Al Qurum Building, Level 6, Qurum Area, Muscat P.O. Box 258, Ruwi, Postal Code 112, Sultanate of Oman Tel: +968 2235 4300 Email: aalqassabi@deloitte.com</p>
Collecting Bank	<p>Oman Arab Bank S.A.O.G. Al Ghubrah North, PO Box 2240, PC 130, Muscat, Sultanate of Oman Tel: +968 2475 4526, +968 2475 4653 Email: Saker.Al-Harasi@oman-arabbank.com Ghada.AlRaisi@oman-arabbank.com</p>

3. USE OF PROCEEDS AND ISSUE EXPENSES

Use of Proceeds

The purpose of the Rights Issue is to increase the capital of the Bank by increasing its issued capital, to enable business growth and compliance with capital adequacy norms.

Estimated Issue Expenses

The issue expenses of the Rights Issue are estimated at RO 201,950, which is equal to approximately 0.40% of the total gross proceeds of the Rights Issue, assuming full subscription. In case the actual issue expenses exceed the amount collected from successful Applicants towards issue expenses, the remainder will be borne by the Bank. Any surplus of the collection towards issue expenses over the actual expenses incurred will be retained by the Bank and credited to its legal reserve or a special reserve to be established pursuant to Article 126 of the CCL.

The estimated issue expenses under various heads are given in the following table:

Particulars	Amount (RO)*
Issue Manager Fees	40,000
Legal Advisor Fees	6,950
FSA Fees	25,000
Marketing, Advertising, Printing, Postage and Publicity	100,000
Contingency	30,000
Total estimated issue expenses	201,950

**These are estimates and may change as per actuals. The estimates exclude Value Added Tax (VAT).*

4. OVERVIEW OF THE OMAN ECONOMY AND BANKING SECTOR

Oman Budget 2025

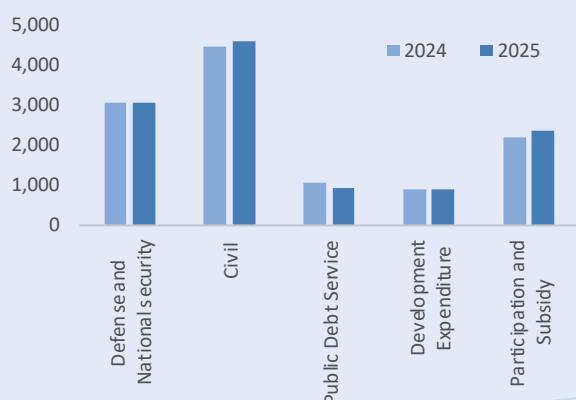
The government of Oman has projected total revenue of RO 11.18bn for 2025, reflecting a 1.5% increase over the 2024 budgeted figure. Within this, oil revenue is expected to decline by 1.4%, based on an average oil price assumption of USD 60/bbl. In contrast, gas revenue is budgeted at RO 1.77bn, up from RO 1.57bn in the previous year's budget.

The government has budgeted total expenditure of RO 11.80bn for 2025, an increase of 1.3% YoY compared to the 2024 budgeted outlay of RO 11.65bn. Current expenditure accounts for the largest share, at 72.5% of the total, followed by investment expenditure at 7.6%, and allocations for government participation and other expenses, which comprise the remaining 19.9%.

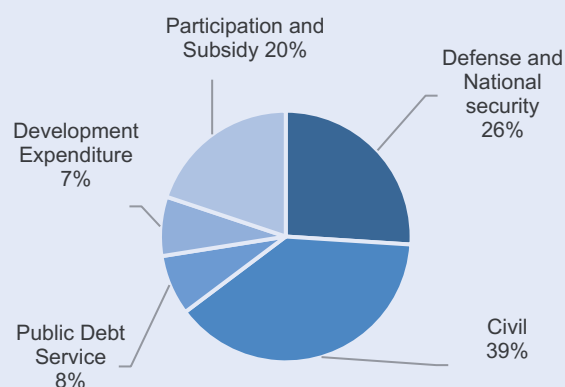
The 2025 budget allocates RO 3.07bn to defence and security, accounting for 35.9% of total current expenditure. Additionally, RO 4.57bn is designated for Civil Ministry expenditures, representing 53.4% of current expenditure and reflecting a 2.6% YoY increase.

The 2025 budget allocates RO 0.9bn for developmental expenditures, reaffirming the government's commitment to infrastructure and economic diversification initiatives. Additionally, RO 2.34bn has been allocated under contributions and other expenses for the continued support of subsidies, social welfare programs, and other strategic commitments.

Expenditure Comparison 2024 / 2025

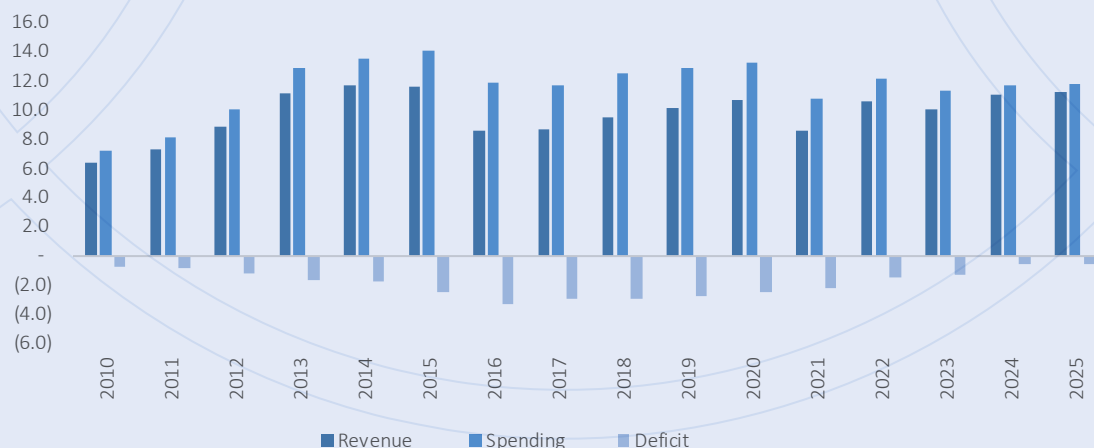


Total Expenditure Composition – 2025



Source: Budget Announcement

Oman General Budget – RObn (Budgeted figures)



Source: Budget Statement

IMF Assessment - June 2025

- Oman's economy continues to grow, and inflation is contained at low levels.
- Real GDP grew by 1.7% in 2024, mainly driven by strong performance in non-oil sectors, particularly manufacturing, logistics, tourism and renewable energy.
- Growth is expected to accelerate to 2.4% in the current year and 3.7% in 2026, driven by the gradual easing of oil production caps under the OPEC+ agreement and the continued momentum of economic diversification efforts.
- Inflationary pressures remain contained, with the annual inflation rate recorded at 0.9% during the first four months of 2025.
- The IMF highlighted the prudent fiscal approach adopted by the government, which resulted in a fiscal surplus of 3.3% of GDP in 2024, despite increased investments in infrastructure and essential public services.
- This surplus is projected to narrow to an average of 0.5% of GDP in 2025 and 2026 due to lower oil prices, with a potential recovery over the medium term.
- IMF also noted a decline in public debt to 35.5% of GDP in 2024, commending the government's commitment to ongoing fiscal reforms and investment in priority sectors, as well as the progress made in strengthening the governance of state-owned enterprises under the leadership of the Oman Investment Authority.
- The external sector also showed positive performance, with the current account posting a surplus of 2.2% of GDP in 2024.

Oman Credit Rating

Agency	Rating	Outlook	Date
S&P	BBB-	Stable	April 2025
Fitch	BB+	Positive	December 2024
Moody's	Baa3	Stable	July 2025

Banking Sector Overview

Total banking sector's total credit stood at RO 33.4bn (+8.5% YoY) at the end of March 2025. Total deposits stood at RO 32.3bn (+6.7% YoY) in March 2025. Loan-to-deposit ratio stood at 103.4% in March 2025.

Conventional Banking - Total conventional credit reached RO 26.3bn (+7.3% YoY). Credit to the private sector accounted for 80.9% of total conventional credit. Conventional deposit grew by +3.6% YoY to reach RO 25.3bn. The share of government and public enterprises' deposits reached 30.8% of total deposits. Loan-to-deposit (LTD) ratio remained at 103.8% compared to the previous month at 102.8%..

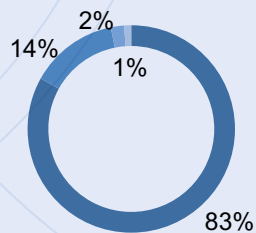
Islamic Banking - At end of March 2025, Islamic banking financing (Banks & Islamic Windows) reached RO 7.1bn (+13% YoY). Islamic deposits reached RO 7bn (+20% YoY). Islamic financing now stands at 21.4% of total Oman banking credit. Islamic deposits represent 21.7% of total bank deposits.

In FY24, the seven listed Omani banks experienced a 7.0% YoY increase in Net Loans and Islamic Financing, indicating steady demand for credit. Customer deposits increased by 9.5% YoY, showing strong liquidity, with an average loan-to-deposit ratio (LDR) of 97.1%. The sector's average cost-to-income ratio was 45.9% and net profits grew 15.0% YoY. As of FY 2024, Bank Muscat maintained its position as the leading bank in Oman, commanding a dominant 34% share of the market in net loans and advances, and a 31% share in total deposits among the seven major listed banks. Sohar International Bank ranked second, holding a 14% share in net loans and advances and an 18% share in total deposits.

In alignment with Oman Vision 2040 and the growing global emphasis on sustainable development, the Central Bank of Oman ("CBO") has introduced a comprehensive regulatory framework to strengthen sustainability and climate risk management within the banking sector. Pursuant to Circular BM1208/2024, all licensed banks are required to incorporate environmental and social considerations into their governance structures, strategic planning, risk management frameworks, and public disclosures. As part of the implementation timeline, banks are expected to submit board-approved sustainability implementation plans to the CBO by 30 June 2025, commence application of enhanced governance and risk management measures from 1 July 2026, and include climate-related financial disclosures in their audited financial statements for the year ending 31 December 2026. Furthermore, in 2025 the CBO became a member of the Network for Greening the Financial System ("NGFS"), thereby aligning domestic regulatory practices with internationally recognised standards in sustainable finance. These regulatory developments are intended to enhance the banking sector's resilience to climate-related risks and to support Oman's transition to a more sustainable and inclusive economy.

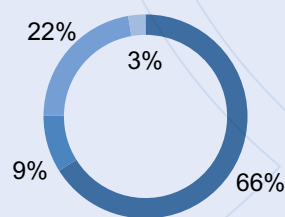


Total Credit Concentration Mar '25



■ Private Sector
■ Public Enterprise
■ Govt
■ Non resident

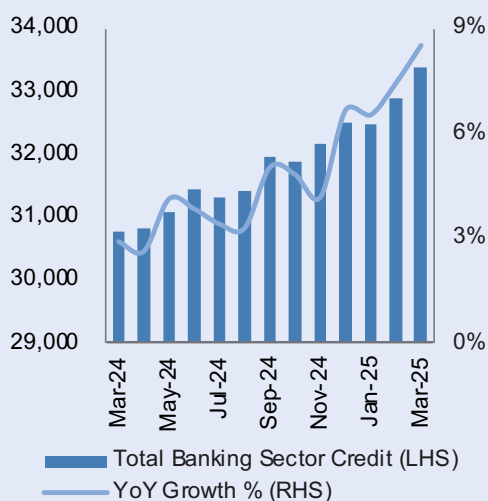
Total Deposits Concentration Mar '25



■ Private Sector
■ Public Enterprise
■ Govt
■ Non resident

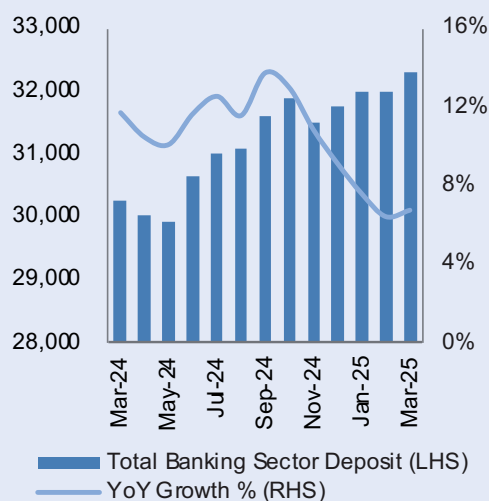
Source: CBO

Omani Banking Sector: Total Credit



■ Total Banking Sector Credit (LHS)
— YoY Growth % (RHS)

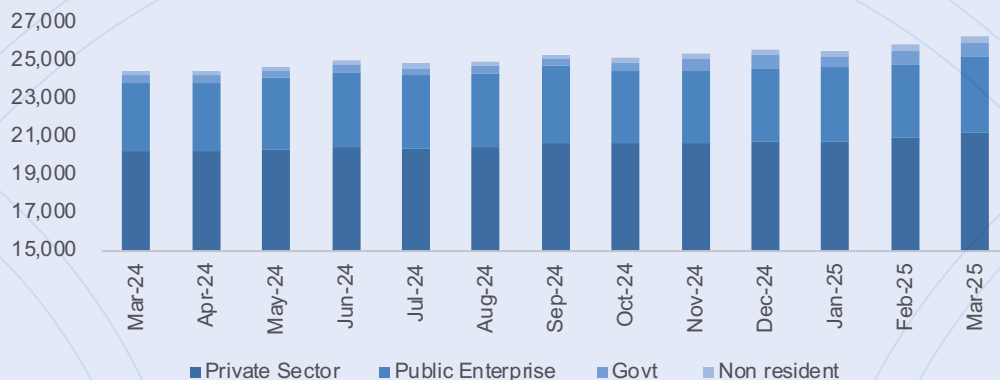
Omani Banking Sector: Total Deposit



■ Total Banking Sector Deposit (LHS)
— YoY Growth % (RHS)

Source: CBO

Conventional Banks: Total Credit



■ Private Sector ■ Public Enterprise ■ Govt ■ Non resident

Source: CBO

5. DESCRIPTION OF THE BANK AND BANK'S OBJECTIVES

5.1 Overview

Oman Arab Bank S.A.O.G. was established in 1984 following the acquisition of Arab Bank's branches in Oman. In 1992, operations were expanded with the acquisition of all retail branches of Omani European Bank, with which OAB merged in 1994. In 2020, OAB completed the acquisition of Alizz Islamic Bank (AIB) merging its Islamic banking window with AIB. As of the 6th of July 2020, OAB became a publicly listed company, with its shares listed in Muscat Stock Exchange (MSX).

Over the past five decades, the Bank has consistently expanded its reach as well as its products and services offering to provide customers in the country with a comprehensive suite of innovative solutions in Retail banking, Corporate and Project finance, trade finance and most recently, Islamic Banking.

The following are the major Shareholders who own more than 5% of the Bank at 30 June 2025:

- Arab Bank Plc (49%); and
- Oman International Development & Investment Co. S.A.O.G. - OMINVEST (30.99%).

As of 31 March 2025, the Bank (including AIB) operated a nationwide network of 68 branches and 163 ATMs & CDMs in high footfall locations across Sultanate of Oman. As of 31 March 2025, the Group's total assets stood at RO 4.4 billion (USD 11.4 billion) and net worth of RO 573 million (USD 1.5 billion).

Further information regarding the Bank including the products and services offered can be accessed in detail from the Bank's website <https://www.oman-arabbank.com/>.

Additionally, the products and services offered by Alizz Islamic Bank can also be accessed at <https://alizzislamic.com/>.

5.2 Objectives of the Bank

The objectives for which the Bank is established are to carry out all commercial banking activities which shall include, but not limited to, the following within the scope of the license granted by the Central Bank of Oman ("Central Bank") in accordance with the Banking Law (Royal Decree 114/2000) and the amendments thereto and the Banking Regulations (together the "Banking Law"):

To carry out all commercial and investment banking activities, activities of investment banks, financial brokerage, to receive money as deposits on demand or time, or saving deposits, open current accounts and credits, offer loans with or without security and extend the time of credit, lend money with a personal or additional or real property guarantee, operation of credit cards, discounting, withdrawal, prepaid and other banking and financial cards, issue and negotiate letters of guarantee and letters of credit, pay and collect cheques, transfers, payment orders, and other negotiable instruments, accept, discount and negotiate securities, promissory notes, bills of exchange and other negotiable tools, sell and employ bills, certificates and other negotiable securities, accept and keep financial instruments, exercise of fiduciary powers, carry out investments activities, commercial banks' operations and other financial activities that may include, but not limited to, financing companies and projects, investment brokerage activities, investment advisory services, managing the investment, undertake to underwrite the issuances of shares and other securities, services of trust and fiduciary, leasing, brokerage, financing buying by lease, and any other similar activities approved by the Board of Governors of the Central Bank to be banking activities, sell, buy and exchange foreign and local currencies or other monetary assets in the form of specie, mints or bullions. The Bank shall have the right to buy, establish and manage branches for it within the Sultanate and/or abroad which shall achieve its interests and objectives, and it may participate in financial or commercial or agricultural or industrial companies, of whatever sort, by which the objective it was established for is achieved.

Without prejudice to the generality of the above objectives, the Bank shall conduct for its own account or for the others within the Sultanate and/or abroad, all types of banking operations and services according to limits permitted to the Bank by the Central Bank, and in accordance with the Banking Law and pursuant to the provisions of the Capital Market Authority Law (Royal Decree 80/1998)., including the following operations:

- i. Open current accounts and receive money, demand deposits and /or time deposit in Omani or other currencies.
- ii. Open saving accounts and similar types of accounts in Omani or other currencies.
- iii. Draw, make, accept, endorse, grant, discount, acquire, buy, sell issue, transfer, hold, invest, negotiate or deal in, honour, pay or secure bills of exchange, promissory notes, treasury bills (wherever applicable), cheques, coupons, drafts, bills of lading, warrants, bonds debentures, and any other sort of bonds and securities.
- iv. Advance or lend money with or without charges, with or without interest, and/or offer other banking facilities and/or guarantees, on any security or without security, and on any other terms and conditions and to renew, reschedule and otherwise vary any such advances, loans and banking facilities
- v. Deal in stocks and debentures for the account of the Bank and/or the customers' account.
- vi. Sell and employ money, bonds, certificates and other negotiable securities.
- vii. Carry out the business of credit cards, and discounting, withdrawing, prepaid and other banking and financial cards
- viii. Deal in debentures and other evidence of an obligation for the payment of money issued or guaranteed by the Omani government or foreign governments or financial Institutions.
- ix. Grant, issue and negotiate letters of credit and /or letters of guarantee, and to advance money on bills of lading, transport certificates and delivery bonds for goods consigned inland and /or abroad.
- x. Own, acquire, buy, sell, exchange and deal in foreign and local currencies, goods and precious metals, and other monetary assets in the form of specie, or mints or bullions.
- xi. Receive, accept, buy, sell or otherwise negotiate and discount money, specie, instruments, securities of any kind, valuables by way of deposit or on loan or for safekeeping and issue evidential receipts and exercise fiduciary powers, in accordance with Article 65 of the Banking Law.
- xii. Obtain credits from governmental institutions, banks and other financial institutions whether local or foreign, and offer credits to any of these institutions and banks.
- xiii. Open accounts in the name of the Bank with local and foreign banks or other financial institutions.
- xiv. Open accounts with the Central Bank and utilize the Central Bank as clearing house either directly or through contractual arrangements, and otherwise utilize any other services offered by the Central Bank.
- xv. Provide deposit boxes, manage it and rent it out the same.
- xvi. Act as manager or agent or correspondent or representative to local and/or foreign banks.
- xvii. Carry out transactions of money transfer to other locations in the Sultanate and/or abroad.
- xviii. Carry out, as principal or agent, operations for collecting money, commercial papers and any documents in the Sultanate of Oman or abroad.
- xix. Construct, operate and manage deposit stores and other stores for storing goods and commodities, and grant loans against such goods and commodities.
- xx. Perform and act as an agent or representative or guardian or contractor or principal or trustee or executor or registrar, or participate in any other form in managing business or money of a natural or juristic person.

- xxi. Collect money due from a third party whether in the Sultanate of Oman and/or abroad by representation or proxy for any other person, natural or juristic, or act as trustee or executor or administrator or transfer agent for shares and bonds, or registrar of shares and bonds or guardian of estates, assignee or receiver or administrator of the estate of a minor, mentally incapacitated or any other person adjudged to be incompetent or in any other fiduciary capacity.
- xxii. Support, float, guarantee, undertake, promote, cover, and participate in managing and executing any public or private issuance, done by the State or any municipality or institution or company, of shares, debentures or payment vouchers, negotiable bills and/or other receivables in the Sultanate of Oman and/or other countries, and subscribe, own, acquire, manage, develop, deal and act with such instruments and finance its investment.
- xxiii. Carry on investment activities, investment management, undertake the underwriting of stocks issuances, the services of deposit and trust accounts, investment brokerage, forming of and managing securities portfolios and investment funds, brokerage in securities, advisory and investment services, and other financial activities.
- xxiv. Act as security agents or financial brokers and consultants for the benefit of the clients of the Bank and provide advice in this regard and sell and promote such services provided that the same shall subject to the approval of the CBO and the necessary approvals of the other regulatory bodies.
- xxv. Without prejudice to the Bank's conventional banking activities referred to above, the Bank may undertake the following business in a manner that does not contradict with the Central Bank's directives:
 - a. Undertake Islamic banking business in all fields and to provide banking services in conformity with the principles of Islamic Sharia.
 - b. Undertake business in conformity with the principles of Islamic Sharia through different types and modes of Islamic finance and investment including, but not limited to, Murabaha, Musharaka, Mudaraba, Ijara, Istisna and Salam.
 - c. Accept zakat and unconditional donations and contribution from third parties for the account of Zakat Fund and interest free loan funding and to spend and utilize such funds for the benefit of others and carry out the Bank's social responsibilities.
- xxvi. Establish subsidiaries, affiliate companies, contribute, cooperate and participate by any means, in companies or authorities whose activities come within the objectives of the Bank or assist them, or unite or join or merge with them or acquire them, all of which are subject to the provisions, rules and regulations of the laws applicable in the Sultanate of Oman, including the Banking Laws.
- xxvii. Manage, sell, use, buy, rent, lease out, own, transfer, acquire, and deal in any money or rights or interest or real property in any tangible or fixed property that may be conveyed to the Bank or possessed or acquired by it in recovery of all or part of its receivables or satisfaction of debts previously contracted or as security for any loans or facilities offered by it or that could in any other way be related to these receivables or debts or security to conduct its banking business within and outside the Sultanate.
- xxviii. Leasing, brokerage and financing purchases on lease within the limits stipulated in the applicable laws.
- xxix. Purchase, acquire, and lease real and personal property necessary to conduct banking business within or outside the Sultanate including such housing finance as may be required for employees of the Bank subject to the applicable laws of the Sultanate relating to ownership of property.
- xxx. Take possession of all the business or part thereof, its moral constituents and the assets of any company or person as a security or payment, in full or part, of any debt or credit facilities offered by the Bank.
- xxxi. Borrow money and conclude loan contracts for any sums that the Bank may need, mortgage the assets of the Bank and offer any other security to repay the loans or fulfil the Bank's commitments, resulting from the loans, to any party within or outside the Sultanate.
- xxxii. Conclude contracts with individuals or companies or establishments or joint bodies or others within and/or outside the Sultanate to manage all or part of its operations and activities or to assist in this management through local and foreign expertise.

xxxiii. Conduct all works or other actions which result in, or could lead to the advancement or expansion of the Bank's business or to achieve its objectives.

xxxiv. Any other activity that the Central Bank (Board of Governors) approves to be considered as banking activity.

For achievement of its objects, the Bank shall have the right to carry out the following:

- i. Own and lease land including for the construction of various types of buildings and to act freely in the disposition of the same according to the provisions of the laws of the Sultanate of Oman and subject to the approval of the Central Bank.
- ii. Acquire shares in any bank or other company whose activities are wholly or partially similar to those of the Bank and to carry out any business that may directly or indirectly benefit the Bank either inside or outside the Sultanate of Oman and to participate in the formation of new companies subject to the approval of the Central Bank and in accordance with the Banking Laws.
- iii. Approach and contact Government bodies to obtain rights, concessions, licenses and other benefits that enable the Bank to achieve its objectives with the conditions that are deemed right and appropriate by the Board of Directors.
- iv. Invest its surplus money in the ways and means that achieve the Bank's objectives as determined by the Board of Directors.
- v. Enter into technical co-operation and commercial joint ventures with local and foreign banking companies.
- vi. Enter into any arrangements with any person, association of persons, firm, company, corporation, governmental body or any local or public authority, that may be conducive to the Bank's objectives or any of them and to obtain from any such person or association of persons, firm, company, corporation, government or local or public authority any rights, privileges or concessions which the Bank may think fit or desirable to obtain and carry out, exercise, and comply with any such arrangements, rights, privileges and concessions subject to the approval of the appropriate authorities.
- vii. Undertake, form and/or execute any trusts, the undertaking of which may seem to the Bank desirable or conducive to all or any of the objectives of the Bank subject to compliance with all applicable rules, regulations and laws of the Sultanate of Oman.
- viii. Extend banking facilities to any governmental body or any corporation, or company or association or individuals with capital, credit facilities, financial facilities, means or resources for the implementation of any works, undertakings, projects which are conducive to all or any of the objects of the Bank.
- ix. Accept payments for any property or rights sold or otherwise disposed off or dealt with by the Bank, either in cash, or by instalments or otherwise, or in fully or partly paid up shares of any company or corporation, with or without preferred or deferred rights in respect of dividends or repayment of capital or otherwise, or in debentures, or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and on such terms as the Bank may determine, and to hold, dispose of or otherwise deal with any shares, stocks or securities so acquired within the limitations imposed by the Central Bank and in accordance with the Banking Law.
- x. Employ experts to investigate and examine the condition, prospects, value, character and circumstances of any business concerns or undertakings and or assets, property or rights.
- xi. Manage land, buildings and other property, other than real estate, not belonging to the Bank and to collect income rents therefrom on such terms as may be acceptable to the Bank subject to the approvals of the concerned regulatory authorities;
- xii. In general the Bank is entitled to undertake all banking business transactions as authorised by the Central Bank for the Bank and conclude all contracts, which it may find suitable to fulfil its objectives.
- xiii. Create and own trademarks in line with the applicable intellectual property laws and trademark regulations of the GCC issued by Royal Decree 33/2017

In general, the Bank may carry out all actions necessary for achieving its objectives associated therewith and complementary thereto provided for in its Articles of Association or decided by its general meetings. The activities of the Bank shall only be restricted by what is prohibited by the laws effective and applicable in the Sultanate of Oman, including in particular the Banking Law.

The above mentioned objects are subject to applicable laws and regulations.

5.3 Licenses

The Bank obtained and maintains valid licenses and memberships from the relevant authorities in order to pursue the activities for which it has been incorporated, which are as follows:

Authority	Purpose of License/ License No.	Issue Date	Expiry Date
MOCIIP	Commercial Registration Number 1223518	1 January 1985	2 December 2025*
OCCI	Membership Certificate Number 516	22 December 2024	31 December 2026
CBO	Commercial Banking License	06 July 2020	Ongoing as per Banking Law

* Renewed every five years

5.4 Changes in Share Capital during 2020-2025

Year	Share Capital (opening) RO 000s	New Issue RO 000s**	Rights Issue RO 000s	Bonus Shares RO 000s	Share Capital (closing) RO 000s
2020	134,620	32,321	-	-	166,941
2021	166,941	-	-	-	166,941
2022	166,941	-	-	-	166,941
2023	166,941	-	-	-	166,941
2024	166,941	-	-	-	166,941
2025*	166,941	-	-	-	166,941

* as at 31 March 2025 ** Issued in relation with the acquisition of AIB

5.5 Outstanding Perpetual Tier 1 Bonds

- On 7 June 2021, the Bank issued unsecured perpetual Tier 1 bonds of USD 250 million equivalent to RO 96.25 million. The bonds are listed on the International Security Market (ISM) of the London Stock Exchange. The bonds carry a fixed coupon rate of 7.625 per cent per annum payable semi-annually in arrears. Interest is treated as a deduction from equity. Interest is non-cumulative and payable at Bank's discretion. The bonds form part of Tier 1 Capital of the Bank and comply with Basel-III and the CBO regulations.
- On 16 October 2023, the Bank issued unsecured perpetual Tier 1 bonds of RO 50 million (50,000,000 units of RO 1 each through private placement). The bonds carry a fixed coupon rate of 7 per cent per annum payable semi-annually in arrears. Interest is treated as a deduction from equity. Interest is non-cumulative and payable at Bank's discretion. The bonds are in pari-passu with earlier issue.
- On 9 October 2024, the Bank issued unsecured mandatory convertible bonds qualifying as additional Tier 1 capital of RO 10 million (10,016,460 units of RO 1 each) as dividend to its Shareholders. The bonds carry a fixed interest rate of 6 per cent per annum payable semi-annually in arrears. Interest is treated as a deduction from equity. Interest is non-cumulative and payable at Bank's discretion. These bonds would be mandatorily converted into equity shares after 2 years (9 October 2026) by means of issuing 8 ordinary shares against each bond at an underlying price of 125 baiza per share. The bonds are in pari-passu with other Tier 1 bonds.

- On 9 December 2024, the subsidiary of the Bank through its SPC issued its first unsecured perpetual Mudaraba additional tier 1 Sukuk with an aggregated face amount of the OMR Certificates and USD Certificates not exceeding OMR 30,000,000 listed in MSX being issued in dual currency with Omani Rial tranche of OMR 26 million and US Dollar tranche of USD 10 million equivalent to approx. OMR 4 million. The Sukuk pays an indicative profit rate of 6.5% p.a payable semi-annually. The Bank has the right not to pay profit and the sukuk holders have no right to claim profit on the sukuk. Event of non-payment is not considered as an event of default. Alizz Sukuk SPC was established as a sole proprietor company, in accordance with Article 239 of the Commercial Companies Law. Alizz Sukuk SPC (in its separate capacities as the Issuer and Trustee) is licensed by the FSA as a special purpose vehicle for the purpose of issuing the Sukuk. The Tier 1 bonds and sukuk constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretion. The bond issued in 2021 has First Call date on 4 June 2026 or on any interest payment date thereafter subject to the prior consent of the regulatory authority. The bond issued in 2023 has First Call date on 16 October 2028 or on any interest reset date thereafter subject to the prior consent of the regulatory authority. The sukuk issued in 2024 has First Call date on 9 December 2029 or on any period distribution date thereafter subject to the prior consent of the regulatory authority.

5.6 Litigation

Litigation, particularly litigation relating to debt recovery, is a common occurrence in the banking industry due to the nature of the business. The Bank has an established protocol for dealing with such legal claims. Once professional advice has been obtained and the amount of dues to be recovered along with interest and/ or damages reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. As of date, the Bank has certain unresolved legal claims which are not expected to have any significant implication on the Bank's financial statements.

5.7 Corporate Governance and Penalties

The Bank has complied with all regulatory requirements except a couple of instances related to prize scheme and delay in submission of a report. In the last three years, the bank paid a total amount of RO 60,000 in penalties to CBO. The Bank has taken immediate corrective action to ensure compliance.

5.8 Human Resources

Omanisation as on 31 December 2024 was 94% at group level (2023: 94% at group level), which was higher than the minimum regulatory requirement of 90%. The total number of staff as at 31 December 2024 was 1456 at group level (2023: 1461 at group level).

Omanisation as on 30 June 2025 was 94% at group level. The total number of staff as at 30 June 2025 was 1436 at group level.

6. BUSINESS OVERVIEW

OAB takes great pride in over 50 years of excellence, serving as a pillar of trust and financial strength in Oman. OAB was one of the first banks established in the country, which goes back to the incorporation of Arab Bank branches in 1973. Through a series of merger and acquisitions, latest of which the acquisition of Alizz Islamic Bank in 2020, OAB emerged as a leading bank in Oman, with its shares listed on the Muscat Stock Exchange. Operating 68 branches nationwide, of which 50 are conventional, OAB provides a comprehensive suite of banking services tailored to meet the needs of individuals, businesses and institutions. As on 30 June 2025, the Bank's major shareholders are Arab Bank Plc, which holds a 49% stake and Oman International Development and Investment Company SAOG(Ominvest), which holds 30.99%.

In 2022, the Board of Directors endorsed a comprehensive strategy designed to ensure the continued growth and long-term success of the Bank. This strategy is anchored in four key pillars: growing Bank's core business, developing people, accelerating digital transformation, and enhancing operational efficiencies to deliver a consistently superior customer experience.

Further information regarding the Bank including the products and services offered can be accessed in detail from the Bank's website <https://www.oman-arabbank.com/>. Additionally, the products and services offered by Alizz Islamic Bank can also be accessed at <https://alizzislamic.com/>.

Business Units

The Bank mainly operates in only one geographical location, the Sultanate of Oman. For management purposes, the conventional operations of the Bank are organised into four operating segments based on products and services. In addition, Islamic banking services are offered through Alizz Islamic Bank. The operating segments are as follows:

Segment	Particulars
Retail banking	Individual personal loan, overdraft, credit card and funds transfer facilities.
Corporate banking	Loans and other credit facilities for corporate and institutional customers
Treasury	Bonds, placements, bank borrowings, foreign exchange.
Islamic Banking	Sharia' compliant Islamic banking products and services including Ijarah, Murabaha, Mudarbah and Diminishing Musharakah.

The Bank is focused to constantly augment its effective governance policies, prudent risk assessment procedures, cost-efficiency strategy and the introduction of new products and services to promote the interests of its stakeholders and ensure its long-term sustainability. Its employees are encouraged to aim high, enabled with a sense of empowerment to achieve their tasks. Coupled with continued training and development, the management aims to continuously build a talent pool that is able to achieve high-quality performance and innovation. Furthermore, the Bank strives to provide its customers with optimal banking propositions through convenient channels in a timely manner with the highest levels of accuracy and reliability. In line with the latest trends in digital banking, it is continuously investing in new and secure technologies in order to provide world-class customer service and experience through a multiple choice of platforms.

Retail Banking:

Retail Banking Division offers a comprehensive suite of financial solutions designed to meet the diverse needs of individuals and families across the Sultanate. Through an extensive branch network, innovative digital platforms, and dedicated customer service, the Bank delivers products that support financial inclusion; encourage disciplined saving and enable access to credit. The Retail Banking portfolio encompasses savings and deposit products, personal and asset financing solutions, insurance partnerships, remittance services, and digital banking tools. With a focus on customer experience and product innovation, Retail Banking continues to be a key growth driver for the Bank.

A. OAB Cards

OAB offers a robust and versatile range of cards, designed to meet the unique needs of every customer segment, from young professionals to high-net-worth individuals. The bank's credit card portfolio includes premium offerings such as the Visa Infinite and Visa Platinum cards, which provide access to exclusive travel and lifestyle benefits, airport lounge access, concierge services, and comprehensive insurance coverage. These are well-suited for affluent and priority banking customers. For mainstream and salaried individuals, Visa Gold and Classic credit cards offer everyday convenience, global acceptance, and flexible repayment options including Easy Payment Plans across partner merchants. In addition, OAB also offers a dedicated Internet Shopping Credit Card specifically for secure online purchases.

OAB's debit cards offer instant access to customer funds, both locally and globally, and are issued with advanced chip and contactless technology for added convenience. Linked directly to the customer's bank account, these cards support POS, ATM, and online transactions, while providing full control through the OAB Mobile App. Prepaid cards complete the suite, offering reloadable options ideal for youth, children, and budget control.

Across all card types, OAB integrates powerful digital card control features. Through the mobile banking app, customers can activate or block cards, set transaction limits, enable or disable international usage, and change PINs instantly. Tokenization further enhances security by replacing sensitive card details with encrypted tokens during digital and contactless transactions, significantly reducing the risk of data breaches or unauthorized use.

Whether it's managing day-to-day expenses, shopping online, traveling globally, or gifting with ease, OAB's suite of credit, debit, and prepaid cards delivers flexibility, control, and peace of mind in every transaction.

B. Deposit Products

1. Saving Basket

The Saving Basket Account is a hybrid savings product combining the stability of fixed-term deposits with the flexibility of accessible funds. It encourages disciplined savings while offering liquidity and additional privileges.

Key Features & Benefits:

- i. Combines fixed and accessible savings components
- ii. Monthly earnings credited to the customer's savings account
- iii. Complimentary overdraft facility and credit card linked to savings
- iv. Liquidity without interrupting the interest-earning capability
- v. Tailored for customers who value flexibility with long-term saving goals

2. Upfront Deposit

This deposit solution caters to individuals looking for immediate returns on their savings. Interest is paid upfront at the time of placing the deposit, offering customers enhanced liquidity and planning advantages.

Key Features & Benefits:

- i. Full interest paid at the time of deposit initiation
- ii. Tenure options aligned with short and medium-term financial goals
- iii. Enables early reinvestment, gifting, or expense coverage

- iv. Available for both new and existing customers
- v. Ideal for customers seeking cash flow optimization

3. High Yield Deposit

Designed for customers maintaining high balances, the High Yield Deposit offers competitive interest rates that increase with the deposit tier, along with flexibility and liquidity.

Key Features & Benefits:

- i. Tiered interest rates linked to minimum balance
- ii. Monthly interest payout
- iii. No fixed-term lock-in, allowing withdrawals when needed
- iv. Encourages higher deposits with incremental returns
- v. Suitable for both short-term and long-term savings strategies

4. Idikhar Savings Plan

The Idikhar Savings Plan fosters financial discipline through monthly contributions and rewards. Customers can choose from plans with or without salary transfers, making it accessible and flexible.

Key Features & Benefits:

- i. Competitive tiered returns based on tenure and contribution amount
- ii. Easy monthly deductions to encourage consistent saving
- iii. Partial withdrawals available with prior notice
- iv. Supports goal-based saving (e.g., home, travel, emergency fund)
- v. Encourages mid-to-long-term wealth accumulation

5. Idikhar – Child Education Plan

A long-term structured savings plan created to help parents plan and save for their child's future education. It also integrates protection benefits to ensure financial continuity.

Key Features & Benefits:

- i. Automated monthly savings from account or salary
- ii. Annual birthday bonus to promote saving milestones
- iii. Complimentary life insurance coverage for the parent
- iv. Educational fund grows with the child's age and academic needs
- v. Empowers families to manage educational expenses confidently

C. Lending Products

1. Housing Loan (Al Dar)

The Al Dar Home Loan offers customers the opportunity to purchase, build, or renovate their home with ease. The product is structured to provide end-to-end support with attractive benefits.

Key Features & Benefits:

- i. Competitive interest rates and repayment flexibility
- ii. Available for completed properties and under-construction homes
- iii. Optional life and property insurance coverage
- iv. Flexible loan coverage including evaluation, title deeds, and insurance
- v. Available to Omanis and expatriates

2. Personal Loan

The Personal Loan is designed to provide financial support for a variety of needs, including education, travel, health expenses, and household improvements.

Key Features & Benefits:

- i. Competitive interest rates and flexible repayment periods
- ii. Salary transfer optional but preferred for faster approvals
- iii. Suitable for both Omanis and Expatriates
- iv. Transparent terms with quick processing
- v. Can be tailored to various life stage needs.

3. Personal Loan-Step-Down Interest Rate

This unique personal loan offering allows customers to enjoy a lower overall interest burden through a declining rate structure after an initial fixed period.

Key Features & Benefits:

- i. Fixed monthly EMI throughout the loan term
- ii. Interest rate steps down after the first 3 years
- iii. Lower effective interest rate across the full loan period
- iv. Improved Debt Burden Ratio allows higher loan eligibility
- v. Designed for long-term borrowers seeking budgeting stability

4. Car Loan (Markabati)

Markabati is a tailored car financing product for both new and used vehicles. With simple eligibility criteria and competitive rates, it supports individual financing needs.

Key Features & Benefits:

- i. Financing up to 100% of vehicle value
- ii. Available to Omanis and Expatriates
- iii. Flexible tenures with competitive interest rates
- iv. Salary transfer-based approvals for expedited processing
- v. Fast-track application process with minimal documentation

D. Other Banking Products & Services

1. Safe Deposit Lockers

The Bank's locker facility provides secure storage options for customers' valuables and documents across selected branches.

Key Features & Benefits:

- i. Lockers available in various sizes
- ii. Annual rentals at competitive rates
- iii. Located at accessible branches: Corporate, Al Khuwair, Salalah
- iv. Enhanced privacy and round-the-clock branch-level security

2. Remittance Services (iSend)

The iSend service enables seamless international remittances via mobile or branch. It ensures speed, affordability, and reliability for expatriates and individuals with global financial obligations.

Key Features & Benefits:

- i. Competitive exchange rates with transfer fees as low as OMR 1
- ii. Transfers to over 50 countries worldwide
- iii. Secure and compliant with global AML and KYC regulations
- iv. 24/7 access via OAB Mobile App

3. Bancassurance

OAB offers a variety of insurance solutions, enabling customers to safeguard their assets and families while also investing for future goals.

Key Offerings:

- i. Life insurance with investment or protection focus
- ii. Health and critical illness coverage
- iii. Education and retirement plans
- iv. Motor, travel, and home insurance options
- v. Sold through OAB's branch network and relationship managers

Corporate Banking: OAB provides tailored services for businesses, including corporate accounts and dedicated online corporate banking platforms designed for efficient financial management and streamlined commercial transactions.

Digital Banking: is a core focus, with OAB having heavily invested in advanced digital channels. These include Mobile Banking, Internet Banking, ATM services, and specialized platforms like Fil Khidma, Tawasul, International Remittances (iSend), IBAN, and Direct Debit facilities. This digital infrastructure ensures accessibility and convenience for its diverse customer base.

OAB continues to strengthen its position in digital innovation by expanding the capabilities of its Digital Banking Channels, which include Mobile and Internet Banking, Full Function ATMs, and Smart Kiosks. These channels are designed to provide customers with a seamless, secure, and convenient banking experience across multiple touchpoints.

Through its modern mobile and internet banking platforms, customers can manage their finances with ease—accessing real-time balances, transferring funds locally and internationally, viewing transaction history, applying for loans and credit cards, opening savings and child accounts, managing PINs, submitting service requests, and paying utility bills—all without visiting a branch. The platform also supports direct debit e-mandates, fixed deposits, and Idikhar saving plan applications. Complementing this, Oman Arab Bank operates a nationwide network of over 145 Full Function ATMs that allow customers to perform a wide range of services, including cash withdrawals and deposits, internal and external fund transfers, bill payments, credit card payments, cheque book requests, mobile number updates, and donation contributions.

The Bank's Smart Kiosks offer an enhanced digital self-service experience, enabling customers to request or renew debit cards, view and email transaction history, manage account details, adjust card spending limits, make bill payments, and update contact information. Kiosks also support PIN management and cheque book applications for eligible users.

These Digital Banking Channels reflect Oman Arab Bank's ongoing commitment to driving digital transformation and delivering customer-centric solutions that offer flexibility, efficiency, and accessibility across the Sultanate.

Treasury: manages the Bank's liquidity, market risks, and funding needs while offering a range of financial solutions to clients, including Spot Foreign Exchange, FX Swaps and Forwards, Money Market Services for short-term funding and investment and Hedging Solutions.

Islamic Banking: a significant and expanding component of OAB's operations is its Islamic Banking segment, delivered through its wholly-owned subsidiary, Alizz Islamic Bank. This segment offers a range of Sharia-compliant financing products, including Ijarah, Murabaha, Mudarbah, and Diminishing Musharakah. The extensive array of products and services across retail, corporate, treasury, and Islamic banking points to a highly diversified business model. This diversification is crucial for mitigating risks associated with over-reliance on any single market segment or revenue stream.

Strategic Initiatives

Digital Transformation is a core strategic pillar for OAB, driving its overall transformation and enabling advancements across various business activities through the development and implementation of state-of-the-art technologies. The bank has made substantial investments in building an advanced digital infrastructure capable of adapting to rapid technological changes and enriching the digital business environment. A key offering is OAB's advanced e-payment gateway, which provides direct connectivity for all types of local and international bank cards, competitive service fees, and 24/7 support, facilitating seamless transactions globally. OAB has introduced innovative products such as the Digital Instant Loan, offering customers quick, easy, and immediate access to loans of up to OMR 25,000 through a fast-automated approval process. Customers can now conveniently update personal data and immediately issue, renew, or replace cards via the mobile app or self-service machines. For corporate and government clients, OAB launched a cutting-edge Corporate Internet Banking platform and a new suite of banking e-services, including a Mobile Commercial Banking Application, Host-to-Host Payment Solutions, and integration with the Global "SWIFTNet" System, enhancing financial control and operational efficiency for businesses. OAB aims to maintain its leadership in digital commercial banking services.

In acknowledgment of the significant contribution of SMEs to Oman's economy, OAB introduced the Tumouhi initiative. The bank announced a new value proposition called Tumouhi ('My Ambition'), designed to provide comprehensive solutions to help budding businesses thrive. The planned capital increase from the rights issue will enhance OAB's lending capability, enabling it to offer larger credit facilities and targeted financial solutions to SMEs, thereby addressing their typical funding challenges. Enhanced digital banking services are expected to streamline operations and promote financial inclusion for emerging businesses, directly contributing to Oman's economic diversification goals under Vision 2040.

Beyond these core strategic areas, OAB is also engaged in various Community Investments and Strategic Partnerships. The bank has signed an agreement with Oman Housing Bank to provide liquidity under the "Iskan" program, aimed at accelerating housing finance for citizens. OAB actively participates in initiatives to inspire future leaders and was honored for its cooperation in digitally collecting Ministry of Labor Revenues.

Oman Arab Bank continues to lead the way in digital innovation and customer-centric banking through a growing portfolio of modern products and services. It also expanded its direct debit service, allowing users to automate regular payments securely and efficiently via mobile and internet banking. These enhancements reflect OAB's strategic shift toward smart, seamless banking experiences. As part of this digital evolution, customers can now apply for a variety of services directly through OAB's online app. These include personal loan requests, home loan requests, car loan requests, credit card and internet shopping card requests, fixed deposit requests, and monthly saving plan requests — all without the need to visit a branch.

Meanwhile, for corporate clients and SMEs, the Bank launched a comprehensive digital suite featuring Host-to-Host integration, SWIFTNet connectivity, and a dedicated Corporate Mobile Banking platform, offering real-time visibility and control over financial operations.

Further strengthening its digital payments landscape, OAB rolled out its innovative SoftPOS solution, turning Android smartphones into contactless payment terminals; a game-changer for small businesses and event vendors.

In addition, OAB revamped "I Send", the digital international remittance service within the Oman Arab Bank App that allows customers to send money abroad (50+ countries) quickly, securely, and conveniently from their mobile devices. For investors and capital market participants, the Bank introduced virtual account solutions and supported the launch of five digital trading platforms on the Muscat Stock Exchange. These developments, along with the Bank's ongoing investment in mobile banking enhancements, POS network expansion.

CSR Policy & Initiatives

Oman Arab Bank maintained a strong commitment to social responsibility throughout the first half of 2025, focusing on inclusion, empowerment, and sustainable development in line with Oman Vision 2040 and the United Nations Sustainable Development Goals. Central to the Bank's CSR approach was the support of vulnerable groups, notably people with disabilities.

In alignment with its dedication to promoting inclusion and national representation, OAB proudly supported the Omani Special Olympics team in their journey to the Special Olympics World Winter Games Torino 2025. This initiative not only empowered athletes with intellectual disabilities but also served to raise awareness around the importance of inclusive sports and national pride on the global stage.

Youth empowerment and financial literacy were also key pillars of the Bank's community engagement. Oman Arab Bank launched "Money Adventures for Young Savers," a pioneering nationwide education programme designed to teach school-aged children the principles of earning, saving, spending wisely, and giving back. The initiative aims to reach 3,000 students across 50 schools, blending experiential learning with curriculum-based content. In parallel, the Bank sponsored the 2025 Safar Tour and hosted the "OAB Inspires Future Leaders" event, bringing together prominent Omani thought leaders to inspire innovation and resilience among young professionals.

Small and medium-sized enterprises (SMEs) remained a strategic priority. Series of SME Development Training Roadshows were conducted, an intensive two-day capacity-building workshop in Nizwa, focusing on financial planning, credit fundamentals, and operational strategy for small business owners. The sessions connected entrepreneurs with financial experts and successful business leaders, equipping them with tools for long-term growth and sustainability. Further supporting the local economy and product visibility, the Bank hosted an SME exhibition, offering small businesses an opportunity to showcase their products and services to the wider public, helping them gain exposure and market access. This aligns directly with OAB's mission to serve as an enabler for the national economic vision and Oman Vision 2040.

During the holy month of Ramadan, Oman Arab Bank reinforced its culture of giving with multiple charitable activities. These included debt relief measures for distressed customers, the distribution of Iftar meals in Muttrah and local hospitals, and the provision of Eid gifts to children and the elderly. The Bank also facilitated donations through its digital channels, making it easier for customers and employees to contribute to various causes. Additionally, collection drives gathered food, clothing, and essential supplies for those in need.

To promote a culture of health and civic responsibility, OAB organized a blood donation drive at its headquarters in Muscat, encouraging employees to contribute to saving lives and addressing the national demand for blood in hospitals. This initiative underscored the Bank's belief in the power of collective employee action and internal volunteering.

Additionally, as part of its objective to encourage knowledge-sharing and support underserved communities, and as mentioned prior, OAB participated in the Muscat International Book Fair, where it introduced a book donation campaign, inviting visitors to contribute books for children and families in need. This initiative aimed to bridge the literacy gap and make reading accessible to all.

Further demonstrating its commitment to bridging the gap between education and employment, the Bank offered 103 internship opportunities to university students and graduates over the two quarters. These placements provided hands-on learning experiences to prepare young talent for future careers. Complementing these efforts, the Bank delivered numerous training programmes and professional development courses to employees and external participants alike.

Through these integrated and purposeful initiatives, Oman Arab Bank continues to reinforce its role as a responsible corporate citizen, committed to driving positive social impact and building a stronger, more inclusive Oman.

Awards and Recognitions

In 2024, the Bank continued to solidify its position as a leading financial institution through numerous prestigious accolades, reflecting its commitment to excellence, innovation, and customer service. One of the most notable achievements was the Bank's consistent recognition with the 'Straight Through Processing' (STP) Excellence Award, received from both the Bank of New York Mellon (BNY Mellon) and Citibank. This prestigious honour, earned annually since 2018, underscores the Bank's dedication to secure, accurate, and efficient transaction processing. Notably, the Bank achieved an exceptional 100% accuracy rate for treasury payments and 99.8% for customer payments, driven by its pioneering adoption of automation and advanced banking technologies. These achievements highlight the Bank's leadership in streamlining operations to deliver faster and more reliable services.

Further enhancing its reputation, the Bank was honoured with two key awards at the 2024 Oman Economic Review "OER" Business Summit Awards, organised by Oman Economic Review. The Bank received the Business Excellence Award in celebration of 50 years of innovative leadership in Oman's banking sector. Additionally, it was awarded the Excellence Award in Human Resources for its contributions to national talent development through initiatives like the 'Ruwad Al Arabi' Programme.

Alizz Islamic Bank additionally received various awards in recognition of its achievements across multiple milestones, including the award for 'Best Islamic Bank in Shari'a Compliance & Governance in Oman for 2024' by the World Union of Arab Bankers. Ali Al Mani, the CEO of Alizz Islamic Bank, was also honoured with the 'CEO of the Year – Islamic Banking' award at the prestigious CXO Awards 2024.

These accolades reaffirm the Bank's strategic commitment to innovation, customer satisfaction, and workforce empowerment, ensuring the Bank remains at the forefront of the financial sector while aligning with the goals of Oman Vision 2040.

Key Awards (2025):

- Best Cybersecurity and Risk Management Implementation in Oman Awarded by MEA Finance.
- Best Brand in Customer Experience for Corporate Banking Awarded by Times of Oman at the CX Awards Event
- Outstanding Commitment to SME Growth and Empowerment Presented by Times of Oman at the CX Awards Event
- Recognition from the Ministry of Labor (Oman)
Honored for OAB's pivotal role in enabling digital revenue collection across government services, enhancing efficiency and user convenience through advanced payment solutions.
- Collaboration Award of our continued support for innovation and progress in the banking and fintech sectors at the Banking & Technology Summit 2025.
- Cybersecurity Excellence in Financial Services Award at the OER DX 2025 event.

7. CORPORATE GOVERNANCE

This section summarises the Bank's corporate structure effective as at the date of this Prospectus and the Articles. The description provided hereafter does not purport to give a complete overview of the Articles, nor of relevant provisions of the Laws of Oman or the FSA circulars; neither should it be considered as legal advice regarding these matters. A copy of the Articles of the Bank is available at its registered office.

7.1 Corporate Governance

The Board is committed to maintain the highest standards of corporate governance. The Board believes that corporate governance is about having a set of values and behaviors that govern the Bank and its subsidiaries' (Alizz Islamic Bank) day-to-day activities, values and behaviors that ensure transparency, fair dealing and protection of the interest of the Bank's stakeholders namely, customers, Shareholders, employees, the regulators and the community. In line with this belief, the Board's approach is to consider corporate governance within the broader framework of corporate responsibility and regulatory oversight.

A Bank's level of governance and responsibility has emerged as a significant indicator of its overall health as a business. Therefore, the Bank is committed to good governance practices for the sustainability of the Bank's business and its performance.

In pursuing its commitment to best practice governance standards, the Board will continue to:

- a. Review and improve the governance practices.
- b. Monitor global developments in best corporate governance practice; and
- c. Contribute to local debates on what represents the best corporate governance practice.

7.1.1 OAB's approach to corporate governance

The Bank attaches considerable importance to the good corporate governance practices and the Board is committed to applying the highest standards of professional competence in all its activities. The Bank ensures compliance with legal requirements, in particular to the letter and spirit of the local governance practices issued by the CBO and the FSA.

7.1.2 OAB's Governance Framework

The Bank has a well-established framework for good corporate governance which provides a solid basis for an effective relationship between the Bank, its Board, its Shareholders and other interest groups. The general framework for corporate governance ensures equitable treatment for all Shareholders and recognizes the established legal rights of both minority and foreign Shareholders.

7.1.3 Role of the Board

The Board is accountable to the Shareholders. The Board's specific responsibilities, among other things, include:

- Ensuring the business is conducted ethically and transparently.
- Providing strategic direction and approving corporate strategies.
- Ensuring availability and adequacy of sound policies, plans and procedures that cover all the Bank's activities in line with governing regulations.
- Ensuring adequate risk management controls and reporting mechanisms.
- Monitoring management and financial performance.
- Reviewing and approving the Bank's quarterly and annual financial reports.
- Approving the business plan and budgets.

- Selecting and evaluating the Chief Executive Officer (CEO) and senior management.
- Planning for executive succession.
- Ensuring adherence to the regulatory requirements.
- Approving the appointment of the Bank's representative(s) to the board of its subsidiary (Alizz Islamic Bank).

Board Independence and Composition

The Board is the highest governing authority in the Bank. It operates independently and consists of nine non-executive directors, of which five are independent.

Meetings of the Board and their Conduct

The Board meets formally at least four times a year. In addition, it meets whenever necessary to address specific matters between scheduled meetings. The Chairman sets meeting agendas in consultation with the CEO to ensure adequate coverage of financial, strategic, and major risk areas throughout the year. The agenda and required materials for the meetings are circulated in advance.

7.2 Board Committees

The Board of directors has specialized sub-committees to deal effectively with complex and specialized issues and to ensure implementation of appropriate and effective risk management and corporate governance practices. The sub-committees are as follows:

7.2.1 Brief description of the Board Committees

a) Audit Committee

The Board Audit Committee (BAC) plays an important role to ensure the adequacy, effectiveness and efficiency of the Bank's governance, risk management and internal audit process. The BAC provides independent oversight of financial reporting, internal controls and underlying environment, the performance of the Internal Audit Division and the Bank's process for monitoring compliance with laws, regulations and the code of conduct. The BAC is responsible for the following activities:

- Financial Reporting Oversight: Review the completeness, consistency and reliability of the Bank's financial statements and disclosures. Ensure they are prepared in accordance with IFRS and other applicable regulations.
- Overseeing Internal Audit Function: Review and approve the structure, plan, budget and performance of the Internal Audit Division to ensure it operates independently, objectively and effectively.
- Interaction with External Auditor: Coordinate and engage with external auditor to align efforts and to ensure comprehensive coverage of key risk areas by reviewing the annual external audit scope of work and audit outcome.
- Monitoring Controls and Compliance: Review findings of regulators, external and internal auditors and ensure compliance with laws, regulations, policies and procedures and implementation of adequate internal controls.
- Reviewing Related Party Transactions: Review proposed related party transactions and provide suitable recommendations to the Board.

b) Credit Committee

The Board Credit Committee (BCC) assists the Board in fulfilling its responsibilities related to credit and lending within BCC's delegated authorities, taking into consideration the Bank's credit policies and business plans. The BCC performs, inter alia, the following activities:

- Review and recommends to the Board on a regular basis or when needed, the credit delegated authorities of the Management Credit Committee (MCC) and the BCC.
- Reviews the Bank's credit portfolio on a regular basis in coordination with the Board Compliance and Risk Committee.

- Reviews and approves credit facilities above the MCC's approval limits.
- Review the MCC's recommendations with respect to facilities write-off or write-down and take the appropriate decisions within the BCC's delegated authorities or escalate to the Board for a decision.
- Considers other matters as delegated by the Board.

c) Compliance and Risk Committee

The Board Compliance and Risk Committee (CRC) assists the Board in fulfilling its responsibilities related to risk management strategy (including credit, liquidity, market, operational and other risks). Moreover, it oversees the compliance function, which identifies and assesses compliance risks, and develops compliance risk framework to manage and mitigate these risks. The CRC performs, inter alia, the following activities:

- Assists the Board in formulation of Bank's Risk Appetite Framework.
- Establish and reviews the risk management framework that covers all risks including strategic, market, liquidity, credit, operational, reputational, information security etc.
- Reviews information security and reputational risks on an ongoing basis.
- Ensures that the risk management framework reflects the Bank's strategy, risk appetite, legal and regulatory requirements.
- Promotes and ensures a high level of awareness of risk management across the Bank.
- Reviews the strategy, budget and plan of Risk Management Division.
- Reviews the outcome of the enterprise risk wide assessment to understand the key risks affecting the Bank and recommends to the Board for approval.
- Reviews and recommends the Internal Capital Adequacy Assessment Process (ICAAP) for Board approval.
- Reviews and recommends the Corporate Governance Framework for Board approval.
- Reviews external auditor and regulatory reports on the adequacy of the Bank's Risk Management Framework.
- Reviews the effectiveness of the Bank's Business Continuity Plan.
- Reviews the adequacy of the Bank's general insurance policies established by management and recommends to the Board the approval of Directors' and Officers' (D&O) insurance.
- Reviews and recommends the Bank's policies for Board approval.
- Reviews the effectiveness of the process for monitoring compliance with all applicable laws and regulations.
- Reviews the Bank's compliance arrangements to ensure they are in accordance with the Bank's objectives and strategies as well as any regulatory or legislative requirements.
- Reviews proposed legislative or regulatory changes to assess their impact on the Bank and the required internal policies and controls that should be introduced to address such changes.
- Reviews and approves the Compliance function's plan.

d) Remuneration and Selection Committee

The Board Remuneration and Selection Committee (BRSC) plays a key role in ensuring effective governance through the oversight of Board composition, succession planning and the remuneration framework. The BRSC operates under the delegated authority of the Board and is guided by regulatory requirements, best practices and the Bank's values. The BRSC performs, inter alia, the following activities:

- Assists the Board in identifying candidates for Board and Senior Management roles, ensuring a diverse and balanced composition.
- Oversees succession planning to maintain leadership continuity.

- Develops and recommends remuneration policies that align with the Bank's performance, strategy and market standards.
- Reviews and approves the remuneration of board members, senior management and Material Risk Takers, who are at the level of AGM and above.
- Oversees annual performance evaluations of the Board and its Committees.
- Oversees the preparation of disclosures related to nominations and remuneration in the Annual Report.

e) Information Technology Governance Committee

The Board Information Technology Governance Committee oversees Information Technology (ITGC) activities to ensure alignment with the Bank's strategic direction. Its primary objective is to ensure the achievement of stakeholder goals, including benefit realization, risk management and resource optimization. The ITGC performs, inter alia, the following activities:

- Evaluates the effectiveness and performance of stakeholders tasked with enterprise IT governance.
- Oversees IT compliance with regulatory requirements, legislation, contractual obligations, internal policies, standards and professional guidelines.
- Reviews the integration and alignment of IT strategies with the Bank's overall strategic objectives to enhance value delivery.
- Monitors IT operations, projects, resource utilization and the realization of expected returns on investments.
- Approves strategic IT/digital projects and initiatives and recommends related budgets to the Board.
- Ensures the existence of an IT Risk Management Framework that aligns with the Enterprise Risk Management Framework (ERMF).
- Reviews IT strategic goals and its organizational structure to align IT resource management with the Bank's HR planning.
- Oversees frameworks for management, control and monitoring of IT and digital projects and resources.
- Guides the implementation of required mechanism to meet mandatory IT projects and reporting requirements.
- Reviews IT audit reports and ensures the implementation of corrective and preventive actions.

7.3 Corporate Governance and Penalties

The Bank is committed to comply with the laws and regulations issued by the CBO, FSA and other local authorities. The Bank also strives to implement global best practices relating to the operations of banks. In this regard, the Bank maintains a strong and transparent relationship with the regulators, Shareholders, customers and other stakeholders. The Bank has developed a governance framework, which includes the governance policy, related party transactions, disclosure policy and the professional code of conduct for both directors and employees. It has also developed various policies and procedures to maintain effective practices for compliance risk management and to build and maintain a strong compliance culture within the Bank

During 2024, the Bank complied with all regulatory requirements except for a couple of instances related to prize scheme and delay in submission of a report. In the last three years, the bank paid a total amount of RO 60,000 in penalties to CBO.

7.4 Controlling and Managing Risk

Approach to Risk Management

Managing an organization's risk is an inherent aspect of any business and is a cornerstone to building shareholder value. Risk Management plays a pivotal role in any business, in particular for financial institutions. The Bank's Risk Management approach is aligned to its vision and values, objectives, strategies, policies, procedures and training. The Bank recognizes four main types of risk:

- Credit risk, being the risk of financial loss from the failure of customers to honor fully/partially the terms of their contracts
- Market risk, being the risk to earnings from changes in market factors such as interest and foreign exchange rates, or liquidity and funding profiles;
- Operational risk being the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The definition encompasses legal risk, but excludes strategic, reputational risk; and
- Information security risk, being the probable frequency of financial, reputational or other damage to information assets, arising from a cyber-attack or breach within the system's/network.

The Board recognizes that these risk categories are interlinked and therefore it takes an integrated approach to manage them. The Bank has comprehensive risk principles/controls that apply to each category of risk.

The Risk Management function aims at ensuring that:

- a. The Bank operates its key risk activities within acceptable risk/reward parameters through establishment as well as maintenance of policies and procedures; and
- b. The trend and magnitude of risk is adequately identified, measured, monitored and controlled.

Overview of Risk Management

The Board is responsible for approving and reviewing the Bank's risk management strategy and policy. Executive management is responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in the conduct of business.

To effectively manage various risks in business, the Bank has set up a Risk Management department. The head of this department is responsible for independently evaluating and managing the risks, with a direct reporting line to the Compliance and Risk Committee of the Board.

7.5 Means of communication with shareholders and investors

The Bank is committed to providing all Shareholders with comprehensive and equal access to information about the Bank's activities and to fulfil its continuous disclosure obligations to the CBO and FSA.

The Bank's website www.oman-arabbank.com includes annual reports, quarterly financial statements, briefings and presentations given by the CEO and other executives, public announcements and economic updates.

The Bank confirms the following:

- a. Availability and accessibility of quarterly results to the Shareholders.
- b. Quarterly results and the annual report are posted on the Bank's website www.oman-arabbank.com.
- c. The website displays all official releases.
- d. The Management Discussion and Analysis (MD&A) is part of the Bank's annual report.
- e. Shareholders, investors and interested parties are invited to attend Discussion Sessions on a regular basis, in coordination with MSX.

7.6 The Board of Directors

The current Board of Directors include the following members:

Sr. No.	Name of Director	Position	Status
1	Mr. Rashad Al Zubair	Chairman	Independent
2	Ms. Randa Sadik	Vice Chairman	non-independent
3	Mr. Mohammed Al Ghanamah	Director	non-independent
4	Mr. Abdulaziz Al Balushi	Director	non-independent
5	Mr. Walid Al Samhouri	Director	non-independent
6	Mr. Imad Sultan	Director	Independent
7	Mr. Nasri Malhamé	Director	Independent
8	Mr. Yasir Badri	Director	Independent
9	Dr. Nabil Qaddumi	Director	Independent

A brief profile of the directors is given below:

1) Mr. Rashad Bin Muhammed Al Zubair - Chairman

Mr. Rashad Al Zubair is the Chairman of The Zubair Corporation ("Z-Corp"), a leading business group in the Sultanate of Oman, with business interests extending to Energy and Natural Resources, Real Estate and Hospitality, Mobility and Equipment, Investments, Smart Electrification and Automation, Education, Industrial and Chemical Solutions, Fast Moving Consumer Goods and Digitization and Information Technology. He steers the affairs of the Board and acts as its representative in major matters and significant business relationships. Before taking over his current position in 2010, he has been President of Zubair Automotive, and thereafter, Group President of The Zubair Corporation for several years.

Mr. Al Zubair has been the Chairman of Oman Arab Bank since June 1999. He is also the Chairman of The Zubair Holding SAOC and Oasis Water Company SAOC as well as Vice Chairman of Barr Al Jissah Resort Co SAOC. He is the Vice Chairman and a founder of Muscat University.

Mr. Al Zubair has held directorships (including the office of Chairman), in numerous prominent joint stock companies. He was the Deputy Chairman of the Oman Business Council and member of its founding Directors and was the founding Chairman of Oman German Friendship Association. He also served as Director of the Financial Service Authority, the regulatory body of the Muscat Stock Exchange and was a member of the Oman Center for Governance and Sustainability.

2) Ms. Randa El Sadek

Ms. Randa Sadik assumed her role as the CEO of Arab Bank in February 2022, prior to which she was the Deputy CEO since 2010. Ms. Sadik previously held various leadership roles during her 24 years at National Bank of Kuwait, the last of which was the General Manager of the International Banking Group in London and Kuwait. Ms. Sadik holds several positions within Arab Bank Group, among which are a Board Member of Oman Arab Bank in Oman, Board Member of Arab National Bank in Saudi Arabia and Chairman of Al Arabia for Finance SAL (Holding Company) in Lebanon.

Ms. Sadik is also the Chairman of Jordan Capital and Investment Fund Company, Board Member of Jordan Capital and Investment Fund Management Company, Board Member of Jordan Payments and Clearing Company, Board Member of the Association of Banks in Jordan and Board Member of Al Hussein Fund for Excellence.

Ms. Randa El Sadek holds an MBA in Finance from the American University of Beirut.

3) Mr. Abdulaziz Al Balushi

Mr. AbdulAziz Mohammed Al Balushi serves as the Group CEO of Oman International Development and Investment Company SAOG (Ominvest). With over 39 years of experience in the financial services sector, he possesses a profound understanding of global market dynamics.

Since joining Ominvest in 2014, Mr. Al Balushi and his management team have successfully implemented a transformative vision articulated by the Board of Directors, reshaping the company's culture, structure and policies. Under his leadership, the team executed the merger between Ominvest and ONIC Holding, establishing Oman's largest publicly listed investment company. His tenure also saw several significant initiatives, including the IPO of the flagship insurance company National Life, the development of the Ominvest Business Center and the merger of National Finance with Orix Leasing Company. Furthermore, he spearheaded capital-raising efforts, including a perpetual bond issuance and played a vital role in the merger of Oman Arab Bank with Alizz Islamic Bank, which facilitated Oman Arab Bank's listing on the Muscat Stock Exchange as an SAOG. He also led NLGIC's acquisition of RSA Middle East, positioning NLGIC among the top ten insurance companies in the region.

Before his role at Ominvest, Mr. Al Balushi served as the CEO of Ahli Bank SAOG from 2007 to 2014, where he was instrumental in transforming a single-product mortgage bank into a comprehensive commercial bank, achieving over US\$ 3 billion in assets and more than US\$ 450 million in equity. In recognition of his achievements, he was named "Second Best CEO in the Arab Banking World" by Forbes Middle East in November 2012 and received the "CEO of the Year" Award at the Oman Banking and Finance Awards in April 2019.

Mr. Al Balushi holds a Master of Science in Finance from the University of Strathclyde (UK) and is a Fellow of the Chartered Institute of Bankers (UK). He has also served on various boards in the Sultanate and was an Advisory Board Member at the College of Agriculture and Marine Services at Sultan Qaboos University and a board member at Financial Service Authority (FSA).

Currently, he holds the position of Chairman of Ubhar Capital, Chairman of Oman Real Estate investment and services LLC, Deputy Chairman of Jabreen International Investment Company SAOC. Additionally, he is a board member of Oman Arab Bank SAOG, National Finance Company SAOG, LIVA Bahrain as well as Injaz Oman.

4) Mr. Walid Samhouri

Mr. Walid Al Samhouri is Executive Vice President – Jordan Country Head at Arab Bank. He has a vast banking experience for more than 35 years with Arab Bank where he worked in different geographies and handled various responsibilities in the Corporate and Institutional Banking, Credit, Banking Operations, Commercial and Trade Finance.

Mr. Al Samhouri is the Chairman of Arab Sudanese Bank, Sudan, and a board member of Arab Tunisian Bank, Tunisia. He is also a board member in Jordan Loan Guarantee Corporation, Jordan. He holds a Master's degree in Economics from the University of Jordan.

5) Mr. Imad Sultan

Mr. Imad Sultan joined the family business at W. J. Towell & Co. LLC, (a major diversified family-owned corporation since 1866) as a Business Development Manager in 1995 and has been in the Towell Group since then. He is currently the Vice Chairman & Managing Director of W. J. Towell LLC, and the Chairman of the Executive Committee of the Group. He is a Board Member of Towell International Holding Company KSCC (Kuwait), Chairman of the Nomination and Remuneration Committee and Member of the Executive Committee.

He is also the Vice Chairman and Member of the Executive Committee and Audit Committee at Muscat Stock Exchange. Formerly, he served as a Director on the Boards of National Bank of Oman, Oman International Development and Investment Company SAOG. (Ominvest), National Hospitality Institute, Savannah Resources PLC and Oman Tennis Association among others.

He holds a Bachelor of Science in Business Administration degree in Marketing from the American University in Washington DC, USA and has been a member of the Young Presidents Organization since 2005.

6) Mr. Nasri Malhamé

Mr. Nasri Malhamé served as the CEO of Arab Bank (Switzerland) from 2009-2017. He is a board member and Board Audit Committee member of TradeXBank – Zurich, Switzerland, Board member and Chairman of Audit Committee of Ubhar Capital, Oman and a Board member in AB Fund Managers-Guernsey.

Mr. Malhamé has previously worked at B.A.I.I. Paris, an affiliate of BNP, after that he joined BNP Paribas-Geneva as an Executive Director in charge of Private Banking and Trade Finance for Southern Europe and the MENA region, and was appointed as a member of the Executive Committee in 2000.

He holds a Ph.D. in Banking and Management from Université Paris Dauphine and has set up his own consultancy firm, NVM Consulting.

7) Mr. Mohammed Al Ghanamah

Mr. Mohammad Al Ghanamah has held the position of Executive Vice President and Head of Credit Division at Arab Bank since 2010. He previously worked in several executive positions at the Bank, where he held the position of Executive Vice President – Global Head of Corporate and Investment Banking from 2007 to 2010.

Mr. Al Ghanamah held several positions between 1976 and 2010 across major regional banks including Saudi American Bank, United Saudi Bank and BanquSaudi Fransi in Saudi Arabia. He also worked at Gulf International Bank in Bahrain and Cairo Amman Bank in Jordan.

Mr. Al Ghanamah has over four decades of experience in the banking and management field. He is a member of several Boards of Directors, including Islamic International Arab Bank, where he holds the position of Deputy Chairman of the Board, Arab National Bank in Saudi Arabia, Arab Bank in Syria and T-Bank in Turkey. He is also the Chairman of the Supervisory Board of Arab National Leasing Company, Jordan and Deputy of Supervisory of AB invest in Jordan. He holds a Bachelor of Science in Mathematics from King Saud University in Riyadh, Saudi Arabia and a Diploma in Computer Programming from London.

8) Mr. Yasir Badri

Mr. Yasir Badri currently serves as Head of Financial Services on the Private Equity Platform at Mubadala Investment Company. He oversees Mubadala's global private equity investment strategy and activities in the financial services space.

Prior to his role with Direct Investments, Mr. Badri was a member of the Mergers and Acquisitions team, responsible for providing transaction execution support to multiple business units at Mubadala. Before that, he worked in the financial risk management department of Mubadala's corporate finance and treasury function. He joined Mubadala in 2009 as an analyst in the healthcare division.

Mr. Badri is a founding member of the financial services' direct investments team. He led several marquee transactions across buyouts and fund investments. Prior to assuming a leadership role in the team, he led the development of Mubadala's insurance investment strategy and deal execution. He also led the expansion of Mubadala's Direct Investments coverage into Asia.

Mr. Badri is also a director on the Boards of Investcorp Holdings and Bermuda-based (re)insurance company (Private). He holds a Bachelor of Science in Finance from the American University of Sharjah (AUS). He is also a certified Chartered Financial Analyst (CFA) since 2013.

9) Dr. Nabil Qaddumi

Dr. Nabil Qaddumi is a seasoned entrepreneur and strategic leader with a distinguished career spanning the energy, banking, and development sectors. He is the Founder and Chairman of SPETCO International Petroleum Company, a prominent oil and gas facilities and services provider in Kuwait and the UAE. He also founded PROJACS International, a leading project management firm later acquired by the global engineering group EGIS.

Dr. Qaddumi has held key roles in the banking industry, including board memberships at Jordan Investment & Finance Bank (2000–2017) and Bank of Palestine (2018–2019). In the public service arena, he serves as Vice Chairman of the Arab Fund for Arts & Culture and is the Founder and Director of the Hani Qaddumi Scholarship Foundation. He previously represented Palestine as Governor at the Arab Fund for Economic and Social Development.

7.7 Management

A brief profile of the senior management team is as follows:

Mr. Sulaiman Al-Harhi

Chief Executive Officer

Mr. Sulaiman Al Harhi joined Oman Arab Bank on 4 January 2023 as Chief Executive Officer. He previously held several leadership positions in leading local banks, including the position of Deputy CEO of Oman Arab Bank and CEO of Alizz Islamic Bank. He currently serves as Chairman of the Board of Directors of Takaful Oman Insurance Company SAOG, a member of the Board of Directors of the College of Banking and Financial Studies and a member of the Board of Directors of the Harvard Business School (HBS) Club.

Mr. Al Harhi graduated from Oman Banking Institute and obtained a Master's degree in Business Administration Finance from the University of Leicester in the United Kingdom. He also completed a program in Executive Management from Harvard Business School as well as from the European Institute of Business Administration (INSEAD).

Mr. CB Ganesh

Deputy Chief Executive Officer

Mr. CB Ganesh joined OAB as Deputy Chief Executive Officer in February 2021 and was appointed Acting Chief Executive Officer from August 2021 until 3 January 2023. Mr. Ganesh is an entrepreneurial and financially astute executive with an exemplary track record of building brands, improving profitability and creating stakeholder value. He has a vast global banking experience of more than 35 years, spanning across India, Hong Kong, UAE and Oman. Mr. Ganesh, an alumnus of MIT-Sloan (USA) and IIM-Calcutta (India), also holds a Master's degree in Bank Management and a Master's degree in Commerce. He is also a Non-Executive Director Diploma holder from Financial Times (FT-NED). Prior to joining OAB, CB Ganesh was the CEO of Ahli United Bank Ltd., Dubai, UAE from 2016 to 2021 and Dy CEO of AhliBank SAOG from 2008 to 2015.

Mr. Sulaiman Al Hinai

Chief Wholesale Banking Officer

Mr. Sulaiman Al Hinai was appointed as Head of Treasury, Investments and Government Relations in July 2017. He is a treasury professional with regional expertise and experience spanning over thirty years in commercial banking and treasury with various local and regional banks including, Doha Bank, (Qatar), Oman International Bank and Ahli Bank SAOG, (Oman). He earned a Banking Diploma in 2001 from Arab Academy for Banking and Financial Sciences in Jordan. He has also been involved in various senior courses and workshops from international training institutions that helped elevate him in his career. He also has an Executive Program in Banking Management from INSEAD, France. He was appointed as Chief Wholesale Banking Officer on 31 May 2023, adding the corporate banking division to his portfolio.

Mr. Ahmed El Damaty

Chief Financial Officer

Mr. Ahmed El Damaty was appointed Chief Financial Officer in October 2021 and brings over 25 years of experience in the banking sector. He has held senior leadership roles across the Middle East with a leading global financial institution. Prior to joining OAB, he served as CFO at a prominent bank in Oman. Mr. El Damaty holds a Bachelor's degree in Accounting and is a Chartered Financial Analyst (CFA) and a member of the CFA Institute. He has also completed executive programs at leading international institutions, including Harvard Business School.

Ms. Asma Al Zadjali

Chief Banking Operations Officer

Ms. Asma Al Zadjali joined Oman Arab Bank in 2016 and currently she is the Chief Banking Operations Officer. She has over 24 years of experience working in the banking industry. Her portfolio includes Central Operations, Payments, Transformation, Project/Change Management, Customer Onboarding, Operational Governance and Control, Retail and Corporate Credit Administration, Trade Finance and Treasury Back Office. She holds a Banking Diploma from the College of Banking and Financial Studies and a Master's degree in Business Administration from the University of Strathclyde. She also has an Executive Leadership from IMD Switzerland as part of the National CEO Program (NCP) which she graduated in May 2018 as the only candidate from the banking sector in Cohort 3.

Mr. Juma Al Fulaiti

Acting Chief Retail Banking Officer

Juma Al Fulaiti is a seasoned Omani executive with over 30 years of experience in the government and banking sectors. He began his career with the Royal Oman Police and moved on to hold leadership roles at the Ministry of Regional Municipalities and Water Resources, including Director General of Municipalities for the Interior Governorate, where he led initiatives in strategic planning, administrative reform, and development management.

Mr. Al Fulaiti later transitioned to the financial sector, bringing valuable public sector insight to Islamic banking. He served as Head of Government Relations and Institutional Sales at Bank Muscat's Meethaq and Alizz Islamic Bank. At Oman Arab Bank, he has held several executive roles before being appointed Deputy Head of Retail Banking. He holds a Bachelor's degree in Business Management and several professional certifications. He has participated in different international and regional programmes in leadership, strategy, Islamic finance, and sustainable development.

Ms. Zahra AbdulAmir

Chief Risk Officer

Ms. Zahra AbdulAmir joined Oman Arab Bank in November 2022 as Head of Credit Review and was appointed as the Chief Risk Officer (CRO) in Nov 2024. She has more than 15 years of banking experience, having worked in local and international banks.

Ms. Zahra holds a BSc. In Mathematics, Operating Research, Statistics and Economics from Warwick University (UK) and Master's in Business Administration from IE Business School (Spain). She received her professional certification of Financial Risk Management (FRM) from the Global Association of Risk Professions (GARP) in 2018 and in 2020 she completed a certification in Data Science and Machine Learning from Massachusetts Institute of Technology (MIT).

Mr. Essam Ali Mohammed Al Busaidi

Chief Human Resources and Administration Officer

Mr. Essam Al Busaidi joined Oman Arab Bank on 24th February 2022 as Chief Human Resources Officer. He is a seasoned HR professional with more than 27 years of working experience in higher education, commercial airline, oil and gas (Upstream and Downstream) and banking sectors. He holds a Master's degree in Public Management with a concentration in (HR) from Carnegie Mellon University, USA.

Mr. Mansoor Al-Raisi

Chief Compliance Officer

Mr. Mansoor Al-Raisi joined the Bank in 2015 as Chief Compliance Officer. He started his career in CBO as a Bank Examiner in 1988. He then went on to become in charge of the Banking Supervision Department in 1996. Mr. Al-Raisi was eventually promoted to Senior Manager, in charge of the Banking Examination Department. In 2008, he joined National Bank of Oman as the Chief Compliance Officer. He earned a B.A. in Business Administration from Rollins College, Florida, USA and a Master's Degree in Development Banking from, the American University, Washington D.C., USA.

Mr. Tariq Al Zadjali

Chief Technology Officer

Mr. Tariq Al Zadjali joined Oman Arab Bank on 30 December 2021 as Chief Technology Officer. He has more than 27 years of banking and IT experience having worked in different banks in Oman. He holds an MSc in Computer Science (Information Management and Security) and other professional qualifications from reputable organizations such as the Wharton School, Queens School of Business and IBM.

Mr. Hamza Moosa Baqer

Chief Audit Executive

Mr. Hamza joined Oman Arab Bank in August 2021 as Chief Audit Executive. He has over 23 years of experience in the field of auditing, where he worked in several sectors, including Big Four auditing firms, banking, aviation, oil and gas sectors and electricity and water sectors. He holds a bachelor's degree with honors in Science in Computers and Internet Applications from the University of Luton. He is a qualified internal auditor, holding the Certified Internal Auditor (CIA) qualification and several other professional qualifications related to the field such as CISA and CRISC.

8. SUMMARY FINANCIALS

The financial statements of the Bank for 1H 2025, FY 2024, FY 2023 and FY 2022 can be viewed from the MSX website at www.msx.om or from the Bank's website (<https://www.oman-arabbank.com/>) or (<https://www.oman-arabbank.com/home/about-us/investor-relations/>).



9. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Bank conducts transactions with its major shareholders and other related parties comprising of Directors, senior management and companies with which they have significant interest, on arm's length basis with the approval of Board of Directors.

For summary of related party transaction, please refer to the financial statements of the Bank from the MSX website at www.msx.om or from the Bank's website (<https://www.oman-arabbank.com/>) or (<https://www.oman-arabbank.com/home/about-us/investor-relations/>).

10. RISK FACTORS AND MITIGANTS

An investment in the Offer Shares is subject to a number of risks. Before deciding whether to invest in the Offer Shares, Applicants should carefully consider and evaluate the risks inherent in the Bank's proposed business, including the risks described below, together with the information contained in this Prospectus. Such risks could have an impact on the Bank's proposed business and anticipated financial conditions or results. In such case, Applicants could lose all or part of their investment. Additional risks and uncertainties may also have an adverse effect on the Bank's proposed business.

The following risk factors are not comprehensive or exhaustive, as additional risks and uncertainties not presently known or that the Bank currently believes not to be of significance may also have an impact on the Bank and its proposed operations. The actual risks and the impact of such risks could be materially different from those mentioned herein. If any of these uncertainties develop into an actual event, the Bank's proposed operations and results could be adversely impacted. It should also be noted that the Bank intends to undertake steps and/or measures necessary in order to mitigate the risks referred to below apart from those that may be caused by factors that are beyond the Bank's control, including, in particular, factors of political and economic nature.

It is to be noted that past performance is not indicative of future results.

Applicants should carefully consider whether subscribing for Offer Shares is suitable for them in light of the information in this Prospectus and their personal circumstances before the investment decision is made. Applicants are advised to make and will be deemed by the Bank to have made, their own investigations in relation to such factors before making any investment decision.

RISK FACTORS RELATING TO THE BANK

Competition risks

The Bank operates in a competitive business environment where it faces competition from other commercial banks, specialized banks and finance companies. This could result in increased pressure on the level of business which could have a negative impact on margins and profitability.

Mitigant: The Bank has been performing satisfactorily over the past in an increasingly competitive market and is confident of doing so in the future.

Regulatory risks

The suspension, cancellation or restrictions on the Bank's banking license would result in the Bank becoming incapable of carrying on its activities, which would have a material adverse effect on the Bank's business and operating results.

Mitigant: The Bank's policies and procedures are aimed at complying with the banking rules and regulations so that there is no cause for any punitive regulatory action.

Banking risks

Banks, including the Issuer, are faced with a number of risks arising from the nature of their business which includes Credit risk (default by borrowers/ counter parties), Interest Rate risk (adverse movement in market rates), Liquidity risk (inability to meet financial obligations when they become due and to obtain required amount of funding at economical rates), Currency risk (adverse movement in forex rates), Price risk (adverse changes in market prices of securities/ investments/ assets), Operational risk (risk of fraud, errors, improper documentation, etc.), Technology risk (data loss, interruptions, obsolescence) and Reputation risk (risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether or not valid, will harm its reputation which may adversely affect its financial position, business and profitability). Any of these risks could affect the Bank causing it to incur financial and business losses.

Mitigant: The Bank has put in place various risk management policies and procedures to manage these risks and conduct its operations in a prudent manner.

Credit Risks

Credit risk is the risk that one party to a financial instrument shall fail to discharge an obligation and cause the other party to incur a financial loss. This risk is inherent in the Bank's business. Credit risks could arise from a deterioration in the credit quality of specific counterparties of the Bank. This could be from a general deterioration in local or global economic conditions or from systemic risks within the financial system. This could affect the recoverability and value of the Bank's assets and require an increase in the Bank's provisions for the impairment of its assets and other credit exposures. This could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Mitigants:

- Detailed underwriting standard and comprehensive policies and procedures covering the Credit Rules, processes, roles and responsibilities across the Bank.
- Identification of target markets and business sectors, preferred levels of diversification and concentration and the cost of capital in granting credit.
- Maximizing the bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.
- Borrower credit rating is an important aspect of credit risk assessment and is considered a mandatory requirement.
- Having a clearly-sent and defined DoA/Authority Matrix for approving credit proposals.
- Proactive management to ensure adequacy of Expected Credit Loss/General & Specific provisions.
- Independent and effective loan review mechanism for constantly evaluating the quality of the loan book and to bring about qualitative improvements in credit processes.
- Periodic reporting, as per the governance structure of the Bank, to the relevant committees.

Market risks

Market risks arise from changes in market rates such as interest rates, foreign exchange rates and equity prices. The Bank's management of market risk is designed to limit the number of potential losses on open positions that may arise due to unforeseen changes in interest rates, foreign exchange rates or equity prices. Notwithstanding that, if there was an unforeseen level of volatility, this could have an adverse effect on the Bank 's business, financial condition, results of operation and prospects.

Mitigant: The Bank conducts several stress tests which encompasses the different subsets falling under Market Risk (i.e. Interest Rate Risk in the Banking Book (IRRBB), Asset Price Risk and Foreign Exchange Risk), along with having other mitigants for each as outlined below.

- **The Bank holds open Foreign Exchange (FX) positions that could suffer losses if currency rates move sharply.**
- While bank may hold open FX positions as part of its normal operations. Treasury continuously monitors Market movement and employs strict Risk management practices to mitigate any potential risk. OAB Treasury strategy is primarily customer driven and ensure that clients related FX transactions are covered back to back which minimizing exposure by actively utilizing a range of market instruments including spot forward and interest rate swaps to manage and hedge risk efficiently. In addition, the team is supported by robust Treasury system that provide real time monitoring and control.
- **The Bank invests in debt securities as of its liquidity buffer. Rising interest rates or widening credit spreads could reduce the market value of these investments, adversely impacting capital or liquidity ratios if large mark-to-market losses occur.**
- The bank maintains a portfolio of debt securities as part of its highly quality liquidity buffer. The bank manages the risk of interest rate through a conservative investment strategy. The Bank focus on high rated instruments- primarily sovereign bonds and top – tier financial institutions. The Treasury closely monitors economy and interest rates trends and credit market to guide investment decisions. The Bank aims to balance return with

risk and stability. The portfolio is also diversified by issuer, tenor and currency to avoid concentration risk. Additionally the Bank regularly conduct stress testing and scenario analysis to assess impact on capital and liquidity which will ensure Bank remains well positioned to absorb shocks.

Operational risk

This is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk.

Mitigants:

- Developing, implementing, and maintaining an Operational Risk Management Framework (ORF) that is fully integrated with the overall risk management processes at the Bank.
- All new products, activities, processes and systems follow a formal approval process for risk assessment, mitigation and acceptance prior to launch as per the Bank's approved Products, Activities, Processes and Systems (PAPS) process in line with CBO requirements.
- The Risk Management Department will conduct periodic Risk & Control Self Assessments (RCSAs), in line with its Annual Plan, to analyze, monitor, follow-up and resolve key risks in the main functions of the Bank.
- Outsourcing either to an affiliate or to third party provider to perform activities on behalf of the bank is permitted within the constraints of the Bank's Outsourcing Risk Management Framework and subject to local regulatory requirements

Business Continuity risks

The Bank's business may be affected by natural disasters and accidents such as fire, which may result in interruption of business, loss of property, records and information. Any interruption or threat, real or perceived, to the Information Technology (IT) system of the Bank could significantly impact its operations. These could have substantial adverse impact on the financial position of the Bank.

Mitigants: The Bank has put in place suitable Business Continuity Plans to mitigate potential business interruptions or loss of information.

Legal risks

The Bank's has a legal risk of losses occurring due to legal or regulatory action that invalidates or otherwise precludes performance by the Bank or any of its counterparties under the terms of its contractual agreements. Any such legal or regulatory action could significantly impact its operations.

Mitigants: The bank has a dedicated in-house legal counsel who is consulted on all major activities conducted by the bank.

Reputational risks

Reputational Risk is the potential damage to the Bank's its reputation or brand value, arising from the consequences of other identified risks. This risk also includes the failure to manage the aftermath of an event that has caused reputational harm.

Mitigant: Comprehensive Risk Management which includes the identification, assessment, control, monitoring, and reporting of reputational risks, all governed by a formal Risk Assessment Framework.

Strategic risks

Also known as Business Risk, is defined by the Bank as the failure to establish and adhere to a well-developed and agreed-upon business strategy.

Mitigant: The Bank continuously evaluates and aligns their strategic objectives with the evolving operating environment.

Critical accounting estimate risks

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Mitigant: The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Interest rate risk

Interest rate risk is the risk of deviations in earnings or economic value due to adverse movement of the yield curve. It is inherent primarily to the banking book mainly through an advances and deposits portfolio. The interest rate exposure of the Bank arises due to mismatches between contractual maturities or re-pricing of on and off-balance sheet assets and liabilities. The sensitivity of the statement of income is the effect of the assumed changes in interest rates on the earnings for one year, based on the variable interest rate, non-trading financial assets and financial liabilities held at the reporting date. If there is a material deviation in earnings or mismatch in contractual liabilities, then this could have a material adverse effect on the Bank 's business, financial condition, results of operation and prospects.

Mitigants:

- The Bank manages its interest rate risk in the banking book by stipulating limits on open interest rate sensitive gaps for maturities up to 1 year and also periodically calculating Earnings at Risk (EaR) impact on Net Interest Income (NII).
- The Risk Management had done the computation of interest rate risk from the 'Economic Value' perspective which is designed for measuring the interest rate risk to measure the impact of interest rate sensitivity on the capital/net worth of the Bank.

Liquidity risk

Liquidity risk is the risk of loss faced by the Bank resulting from its inability to meet its financial obligations on time when they become due. It includes the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Bank's funding activities are based on a range of instruments including deposits, other liabilities and assigned capital. Consequently, funding flexibility is increased and dependence on any one source of funds is reduced.

Disruptions, uncertainty or volatility in the capital and credit markets may limit the Bank's ability to refinance maturing liabilities and increase the cost of such funding. The availability to the Bank of any additional financing it may need will depend on a variety of factors, such as market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, and the Bank's financial condition, credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of the Bank's financial prospects.

- A significant portion of the Bank's liabilities are short-term deposits, while part of its asset book is longer-term. This mismatch could expose the Bank to refinancing risk or rising funding costs if market conditions tightens.
- The Bank actively manages it's liabilities through a well-diversified funding base and a strong focus on liquidity risk management. The Bank follow a strict Net Stable Funding Ratio (NSFR) approach aligned with regulatory and internal risk appetite ensuring long term assets are adequately supported by stable funding. In addition, Bank adhere to best practices under - maturity analyses and liquidity framework. It enables the Bank to monitor any mismatches. The Bank also maintain strong liquidity position supported by high liquid assets and contingency planning, ensuring that the Bank meets funding needs.

- The Bank uses interbank borrowings and FX swaps to meet foreign currency liquidity requirements. Disruptions in these markets whether due to systemic stress or counterparty defaults, could limit the Bank's ability to roll over positions or access foreign currency liquidity.
- The Bank is adopting a well-diversified foreign currency funding strategy that avoids reliance on any single product or market. OAB maintain access to multiple liquidity channels including interbank lines, cross currency swap, customer flows, and placement with high rated institutions. Additionally, OAB manage and monitor concentration risk closely through stress testing liquidity buffers and diversified counterparties. The Bank's liquidity framework ensures resilience and readiness even under adverse market conditions'.

Mitigants: The Bank has a Liquidity Risk Management Framework in-hand which is designed to measure and manage the liquidity position at various levels to ensure that payment obligations can be met at times, under both normal and stressed conditions. The Bank also manages the liquidity and liquidity risk by following two approaches i.e. stock approach (calculates the liquidity ratios) and funds flow approach (measures and monitors its liquidity position by estimating maturities and calculating net inflows/outflows for all the defined periods at the reporting date). The Bank conducts a periodic validation of behavioural analysis of its non-maturity assets and liabilities (Current, Savings & Overdrafts).

Settlement risk

The settlement risk refers to the risk which arises on the day when the foreign exchange contracts are actually due for settlement and the banks are required to settle with each other the underlying currencies. Since this settlement of the underlying currencies is not on real time basis and takes place in two different countries falling under two different time zones the settlement risk could mean total loss of principal amount of the contract.

Mitigant: The Bank manages the settlement risks by allocating limits for inter-bank transactions based on the rating of a bank.

Concentration risk

Credit Concentration risk arises from not having a well-diversified credit portfolio i.e. being significantly exposed to an individual counterparty or group of related counterparties; industry sector or geographic region; credit exposure to counterparties whose financial performance is dependent on the same activity or commodity, etc.

Mitigant: The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, group of borrowers and to geographical and industry segments. Such risks are monitored and reviewed periodically by the relevant committees.

Cyber risk

This risk, a subset of operational risk, arises from potential cyber-attacks, data breaches, or system failures that can impact the integrity, confidentiality, and availability of financial services.

Mitigants:

- The Bank has developed an information security strategy grounded in the Control Objectives for Information and Related Technologies 2019 (COBIT-2019) framework and CBO Cyber Security & Resilience framework, with progress assessable via the Capability Maturity Model Integration (CMMI) scale. This strategy is designed to elevate the Bank's cyber maturity and fortify against cyber threats.
- The Bank conducts periodic assessments and audits, both by internal team and by international cybersecurity consulting firms.
- The Bank maintains PCI-DSS (Payment Card Industry – Data Security Standard) certification, affirming its commitment to protecting sensitive cardholder data, enhancing security measures, gaining customer trust, complying with regulations, and improving operational efficiency.
- Currently, the Bank employs 25 technology controls to mitigate cybersecurity threats.
- The Bank has secured cybersecurity insurance coverage, providing an additional layer of protection.

Failure to maintain adequate regulatory capital, capital adequacy norms

Banks in Oman are subject to capital adequacy requirements imposed by the CBO. The CBO requires all banks to maintain a minimum capital adequacy ratio and a failure by the bank to maintain its minimum capital and capital adequacy ratio may result in administrative actions against it by the CBO which may have a detrimental effect on the Bank's business.

Mitigant: The Bank maintains capital levels above CBO requirements and regularly monitors its capital adequacy on a monthly basis and annually through Internal Capital Adequacy Assessment Process (ICAAP) and stress testing to ensure ongoing compliance and support business resilience.

Risk of dependence on key personnel

The success of the Bank depends, in part, on the Bank's ability to continue to attract, retain and motivate qualified and skilled personnel. The Bank relies on its senior management for the implementation of its strategy and its day-to-day operations. If the Bank were unable to retain key members of its senior management and/or hire new qualified personnel in a timely manner, this could have an adverse effect on the operations of the Bank, its business and profits.

Mitigant: The Bank places high importance on developing conducive human resource policies aimed at achieving employee satisfaction and motivation which help employee retention as well as attracting new talent. The Bank also has in place senior management succession plans to achieve a smooth transition.

RISK FACTORS RELATING TO THE MARKET IN WHICH THE BANK OPERATES

Economic Risk

The global, as well as Oman's, economic performance has a direct impact on the Issuer's performance. Any change in the economic environment could have an impact on the Issuer's operations and performance. Any future credit rating downgrade of Oman may result in increased cost of borrowing or may limit the Issuer's ability to raise further capital at low costs which in turn could have a material adverse effect on its business, financial condition, results of operations or prospects.

Mitigant: The Bank carefully considers the macro-economic outlook and its potential implications when developing and/or modifying the business plan. The Bank follows the key global and national policies and will take appropriate and timely measures to safeguard its interests. Additionally, the Board and management maintain close oversight of the Bank's operations and take appropriate actions to address any unforeseen developments.

Change in Laws, Regulations and Rules

The Issuer is supervised by the CBO, FSA and MOCIIP. The government may implement regulations or fiscal or monetary policies, or otherwise take actions which could have a material adverse effect on the Issuer's business. Any of these factors could adversely affect the economy and growth of Oman and consequently the Issuer's business. Further, any changes to the applicable laws or regulations including the regulations relating to capital adequacy, Basel regulatory framework etc could affect the prospects of the Bank.

Mitigant: The banking regulators are expected to formulate policies that are aimed at improving the banking sector and its long term growth. Further, the Bank has a well-experienced management team to appropriately respond to such developments.

Default by Bank's Clients and Counterparties

Any potential or actual default by the Bank's Clients and Counterparties on account of country, regional and political risks, economic risks, currency crises, etc. may adversely affect the Bank's business and operations.

Mitigant: The Bank mitigates such risks through prudent credit risk assessment, portfolio diversification, and strict exposure limits. Regular monitoring, stress testing, and adequate provisioning help manage potential defaults arising from political or economic disruptions.

Downgrade in Bank's credit rating

The Bank's credit ratings, which are intended to measure its ability to meet its debt obligations as they mature, are an important factor in determining the Bank's cost of borrowing funds. The interest rates of the Bank's borrowings are partly dependent on its credit ratings. As at the date of this Prospectus, the Bank has Long-term Deposit Rating of Baa3 (Outlook – Stable) from Moody's Ratings and Long Term Foreign currency rating of BBB- (Outlook – Stable) from Capital Intelligence Ratings.

A downgrade of the Bank's credit ratings, or being placed on a negative ratings watch, may increase its cost of borrowing and have a material adverse effect on its business, results of operations and financial condition. A downgrade of the Bank's credit ratings (or announcement of a negative ratings watch) may limit its ability to raise capital amongst other things.

Mitigant: The Bank maintains an adequate capital, strong liquidity positions, a conservative risk profile, and sound asset quality to support its credit ratings. It actively engages with rating agencies, monitors rating drivers, and implements measures to address any potential concerns promptly to mitigate the impact of any downgrade.

RISKS RELATING TO INVESTMENTS IN OMAN AND THE GCC REGION

Emerging markets such as Oman are subject to greater risks than more developed markets. Financial volatility in emerging markets could negatively impact the Issuer's business performance.

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Emerging markets such as Oman are subject to rapid change and that the information set out in this Prospectus may become outdated relatively quickly. Financial turmoil in any emerging market country tends to adversely affect confidence in other emerging market countries and may cause investors to move their money to more developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Oman and adversely affect its economy. During such times, companies that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn. Even if Oman's economy remains relatively stable, financial turmoil in any other emerging market could adversely affect the Issuer's business performance, as well as result in a decrease in the price of the Bonds.

Companies located in emerging markets may be particularly susceptible to disruptions in the capital markets and the reduced availability of credit or the increased cost of debt, which could result in them experiencing financial difficulty. The availability of credit to entities operating within the emerging markets is significantly influenced by levels of investor confidence in such markets as a whole and so any factors that impact market confidence (for example, a decrease in credit ratings or state or central bank intervention) could affect the price or availability of funding for entities within any of these markets.

- Specific country risks that may have a material impact on the Issuer's business performance, operating results, cash flows and/or financial condition include:
- regional political instability, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the Middle East and North Africa (MENA) region;
- government intervention, including expropriation or nationalisation of assets or increased levels of protectionism;
- limited overall market liquidity;
- an increase in inflation and the cost of living;
- cancellation of contractual rights, expropriation of assets and/or inability to repatriate profits and/or dividends;

- increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls;
- arbitrary, inconsistent or unlawful government action;
- changing tax regimes, including the imposition or increase of taxes in tax favourable jurisdictions such as Oman;
- difficulties in staffing and managing operations;
- difficulties and delays in obtaining governmental and other approvals for operations or renewing existing ones; and
- potential adverse changes in laws and regulatory practices, including legal structures and tax laws.

Investors should be aware that a worsening of current financial market conditions, instability in certain sectors of the Omani economy could lead to decreased investor and consumer confidence and market volatility, which could have an adverse effect on the Issuer's business performance and prospects.

Mitigant: The Bank continuously evaluates and aligns their strategic objectives, business plan etc with the evolving operating environment including but not limited to the domestic, regional and international macro-economic situations and policies. Additionally, the Board and management maintain close oversight of the Bank's operations and take appropriate actions to address any unforeseen developments.

Oman is located in a region that is subject to ongoing economic concerns

Oman has undergone widespread economic and political reform since the 1970s, resulting in significantly increased stability and economic growth in the country.

The oil and gas industry has traditionally been the basis of the economic development. Economic growth and stability may be impacted by the volatile oil and gas prices globally which could, in turn, have a material adverse effect on the Issuer's business. As part of the government's Vision 2040 programme, the government of Oman's economic targets include continuing the diversification of the Oman economy away from oil and gas. There can be no assurance that such stability and growth shall continue. Any shift in the political priorities within Oman or strife within the region could have a material adverse effect on the Issuer's business.

No assurance can be given that the government shall not implement either regulations or fiscal or monetary policies, or otherwise take actions which could have a material adverse effect on the Issuer's business. The Issuer's business may also be adversely affected by political, economic and related developments both within and outside the countries in which it operates because of such countries' inter-relationships with global financial markets.

Mitigant: The Bank continuously evaluates and aligns their strategic objectives, business plan etc with the evolving operating environment including but not limited to the domestic, regional and international macro-economic situations and policies. Additionally, the Board and management maintain close oversight of the Bank's operations and take appropriate actions to address any unforeseen developments.

Oman's efforts to diversify its economy, decrease government spending and implement more extensive and higher rates of tax collection may not be successful.

The government has a long-term strategy of diversifying Oman's economy away from its reliance on oil as the single major revenue source, but there can be no assurance that Oman's efforts to diversify its economy and reduce its dependence on oil shall be successful. Oman's attempts to diversify may mean that it undertakes projects in areas in which it has little or no previous experience or for which there are significant economic risks. Oman's ability to engage in large-scale infrastructure projects and other large expenditures that support its diversification efforts could be reduced, or the projects themselves made economically unfeasible by reduced oil prices.

Mitigant: The Bank continuously evaluates and aligns their strategic objectives, business plan etc with the evolving operating environment including but not limited to the domestic, regional and international macro-economic situations and policies. Additionally, the Board and management maintain close oversight of the Bank's operations and take appropriate actions to address any unforeseen developments.

RISK FACTORS RELATING TO THE OFFER SHARES POST LISTING

Lack of Trading

All market investments carry various risks including market risks to varying degrees. The value of any security can fall as well as rise, depending on the market conditions. Hence, after the listing of the Offer Shares on the MSX, the price of the Shares may fluctuate for various reasons and may go below the Issue Price.

Liquidity

There are no guarantees that an active market will exist in the Shares on the MSX. To that extent, the Shareholders face the risk of holding shares that may not be actively traded and/or may potentially trade below historical trends/averages.

Future increase of equity capital or capital securities

The Bank, may, in the future, increase its equity capital through further issues of shares and/or may issue other capital securities. Such capital increases could impact the price of the Shares on the MSX and/or potential dividends.

Market fluctuations

Market fluctuations and other factors may adversely affect the trading price of the Shares regardless of the actual operating performance of the Bank. All equity investments carry market risks to varying degrees. The value of any security can fall as well as rise depending on market conditions.

11. SHARE PRICE MOVEMENT AND DIVIDEND POLICY

Share Price Movement (value in RO)

The following table gives the movement in the share price of the Bank for the period from 01 Jan 2022 to 30 June 2025:

Period	Opening Price	High Price	Low Price	Closing Price
2022				
Q1	0.160	0.160	0.116	0.124
Q2	0.125	0.131	0.116	0.118
Q3	0.118	0.129	0.114	0.128
Q4	0.125	0.137	0.116	0.137
2023				
Q1	0.140	0.143	0.113	0.114
Q2	0.113	0.167	0.113	0.151
Q3	0.147		0.150	0.135
Q4	0.138	0.148	0.122	0.142
2024				
Q1	0.130	0.130	0.110	0.120
Q2	0.119	0.157	0.119	0.148
Q3	0.146	0.150	0.135	0.145
Q4	0.145	0.154	0.144	0.154
2025				
Q1	0.154	0.155	0.135	0.147
Q2	0.147	0.150	0.132	0.146

Source: MSX

Dividends

The Bank's Dividend Policy complies with the applicable regulations and seeks to:

- Support the Bank's future and strategic growth.
- Strike a balance between the retention of profits appropriate to the economic conditions and the shareholders' returns.

The dividend details of the Bank for the last three years are given below:

For Year	Cash dividend	Stock dividend	Convertible Bonds
2022	-	-	-
2023	-	-	-
2024	-	-	6%

Source: MSX

Average Share Price *

Period Ending 31 July 2025	Average Closing Price (RO)	Premium of Rights Issue Price to Average Closing Price
1-month average closing price	0.146	3.7%
3-month average closing price	0.147	3.0%
6-month average closing price	0.144	5.0%
1-year average closing price	0.146	3.4%

*Source: MSX. The above calculations/data as on 31 July 2025

The Rights Issue price of 151 Baisa per Offer Share (including issue expense of 1 Baisa per Offer share) is at a premium of 1.3% to closing price of 149 Baisa as on 31 July 2025. It is at a premium of 3.7% to the 1-month average closing price, 3.0% to the 3-month average closing price, 5.0% to the 6-month average closing price and 3.4% to the 1-year average closing price. The Rights Issue price is at a discount of 34.9% to the Bank's book value per share of 232 Baisa as on 31 March 2025.

Peer Comparison

Name	Market Cap (OMR mn)	Last Price (OMR)	P/BV (X)
Oman Arab Bank	248.7	0.149	0.64
Ahli Bank	406.7	0.150	0.96
National Bank of Oman	504	0.310	0.90
Bank Nizwa	232.6	0.104	0.89
Bank Dhofar	386.1	0.127	0.66
Bank Muscat	2236.9	0.298	1.15
Sohar International Bank	939.6	0.142	1.05

TTM: Trailing twelve months

Source: Bloomberg, MSX

Data as on 31 July 2025

12. RIGHTS AND LIABILITIES OF SHAREHOLDERS

This Chapter summarizes the rights and liabilities of shareholders in an Omani public joint stock Company operating as a Bank, effective as at the date of this Prospectus. The description provided hereafter is only a summary and neither purports to give a complete overview of the rights and liabilities of shareholders nor of relevant provisions of Laws of Oman or the FSA circulars. Additionally, this Chapter should not be considered as legal advice regarding these matters. A copy of the Articles is available from the corporate office of the Bank.

Shareholders' Liability

The liability of the shareholder shall be limited to the payment of the value of the shares for which such Shareholder subscribes, and a Shareholder is not responsible for the debts of the Bank except to the extent of the nominal value of the Shares which such shareholder subscribes.

Shareholders' Rights

All the Shares shall enjoy equal and inherent (attached) rights in the ownership thereof which in accordance with the CCL are the right to:

- i. Receive dividends declared by the general meeting;
- ii. Preferential subscription for new Shares;
- iii. Share in the distribution of the Bank's assets upon liquidation;
- iv. Transfer Shares in accordance with the applicable law;
- v. Inspect the Bank's balance sheet, profit and loss statement and register of Shareholders;
- vi. Receive notice of and the right to participate and vote in all general meetings in person or by proxy (each Shareholder will have one vote for each ordinary share owned);
- vii. Apply for annulment of any resolution made by the general meetings or the Board of Directors, which is contrary to law or the Articles or other internal regulations of the Bank;
- viii. Institute actions against the Directors and auditors of the Bank on behalf of the shareholders or on behalf of the Bank pursuant to Article 207 of the CCL; and
- ix. Approach the FSA (provided that the move is supported by Shareholders who own at least 5% of the Shares), to exercise its authority to suspend resolutions of the general meeting which are passed in favour of, or against, any category of Shareholders or in the interests of the members of the Board of Directors or others.

Ownership & Transfer of Shares

Ownership and transfer of Shares shall be entered in the registers of the MCD. In case of the death of a Shareholder the person whose name stands next in the register, where the deceased was a joint holder, shall be deemed by the Bank to be the representative of the joint owners of the Shares. If the deceased was a sole holder, his legal personal representatives shall be the only persons recognized by the Bank as having any title to his Shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been held jointly by him with other persons.

Reports and Statements to be sent to the Shareholders

Within 60 days from the end of the financial year, the Board of Directors shall prepare a report containing the Bank's financial position and the financial position of its subsidiaries as well as any net profits to be distributed to Shareholders, any changes to the business of the Bank or of its subsidiaries, and anything that may have influenced the Bank's position or its ability to continue to practice all of its activities and achieve its objectives, as well as any other data listed in the SAOG Regulation. The report shall also address the Bank's compliance with governance and sustainability requirements and must be signed by the chairman or vice-chairman of the Board of Directors, a member of the Board of Directors and the chief executive officer or general manager of the Bank.

The Bank's auditor shall also prepare a report in accordance with IFRS that states the true financial position of the Bank.

Copies of the above-mentioned financial statements and reports must be submitted to the Annual General Meeting and a copy of such financial statement and reports must be sent to the FSA before approving the agenda of the Annual General Meeting. If such financial statements and reports have not been submitted to the Annual General Meeting, approval of such financial statements reports shall be deemed null and void.

The Board of Directors must send to each Shareholder and anyone who is entitled to attend the Annual General Meeting, along with the invitation for attendance, a summary of the audited financial statements, and copies of the reports of the Board of Directors and the auditor related thereto, at least fifteen (15) days prior to the general meeting. Copies of the aforementioned statements and reports, and the resolution of the general meeting in respect thereof, must be filed with the registrar within seven (7) days of the date of convening the general meeting.

If it appears to the Board of Directors prior to the convening of the Annual General Meeting that there are errors in the financial statements, it shall correct such errors and send a notice thereof to the Shareholders and the persons entitled to attend the general meeting, prior to the convening of the general meeting. If the Board of Directors are unable to make the correction prior to convening of the general meeting, the general meeting shall postpone the consideration of the report to another meeting, unless the error is not material. The Board of Directors shall send a copy of the report after it has been corrected to the FSA and file a copy thereof with the registrar within seven (7) days of the date of sending it to the FSA.

The Board of Directors will also prepare unaudited quarterly financial statements for the first, second and third quarter of each Financial Year. These statements will also be disclosed through the electronic transmission system hosted on the MSX website. The Bank will also publish the un-audited quarterly financial statements as directed by the FSA.

13. SUBSCRIPTION CONDITIONS AND PROCEDURES

ELIGIBILITY FOR SUBSCRIPTION

The subscription for the Rights Issue is open to the Shareholders whose names appear on the shareholder register of the Bank, which is maintained by the MCD as at the Record Date and to those persons who have bought rights entitlement through the MSX during the Rights Trading Period.

Every shareholder as on the Record Date is entitled to about 19.9671 Offer Shares for every 100 shares held as on the Record Date i.e.1 Offer Share against about every 5.0082 shares held on Record Date, duly rounded down.

The rights entitlement will be listed on the MSX and can be sold or purchased through the MSX.

Rights Subscription Period and Issue Price

Issue opens on – 14 September 2025.

Issue closes on – 18 September 2025.

The rights entitlement will lapse if valid application is not made during the Rights Subscription Period.

Issue Price - Baisa 151 per Offer Share (with a share price of Baisa 150 per Offer Share plus issue expenses of Baisa 1 per Offer Share).

Trading of rights

The rights entitlement is tradable on the MSX in accordance with applicable laws and regulations of the FSA and the MSX. Such rights can be traded i.e. bought and sold during its trading period. The buyer of such rights shall contact and co-ordinate with the Issue Manager or Collecting Bank to collect the requisite Application Form, fill it and submit it to the Collecting Bank, together with application money and required documents on or before the Subscription Closing Date in accordance with the terms contained in this Prospectus. Unexercised rights entitlements shall lapse at the end of the Rights Subscription Period.

Application for Subscription to Additional Shares

1. Only Shareholders as at the Record Date are eligible to apply for Additional Shares.
2. A Shareholder who does not subscribe to his full rights entitlement or sells his rights entitlement (either partially or in full) is not eligible to apply for Additional Shares.
3. Any person who buys rights entitlement on the MSX, is not eligible to apply for Additional Shares.
4. Shareholders validly subscribing to their full entitlement of Offer Shares can apply for Additional Shares;
5. Shareholders who want to apply for Additional Shares should indicate it by writing the desired number of Additional Shares in their Application Form and make the required payment with submission of Application Form to Collecting Bank;
6. The minimum Additional Shares that can be applied for is one Offer Share and the maximum up to a number such that the total application (including original entitlement, rights purchased and Additional Shares) does not exceed the entire Rights Issue size;
7. Additional Shares will be allotted simultaneously with the Offer Shares, subject to FSA approval.
8. If the total Additional Shares applied for is more than the under-subscription (before considering Additional Shares) in the Rights Issue, each Applicant that has applied for Additional Shares, will be allotted Additional Shares on a pro-rata basis proportionate to the number of Additional Shares applied for, and the balance subscription amount will be refunded;

9. If the total Additional Shares applied for by Applicants is less than the under-subscription (before considering Additional Shares) in the Rights Issue, each Applicant that has applied for Additional Shares will be allotted the Additional Shares applied for in full;
10. If there is any balance under-subscription even after allotment of Additional Shares, then the Board of Directors as per its decision, shall offer the remaining shares for public or private subscription or close the Rights Issue at the level of total actual subscription received.
11. The decision of the Issue Manager, in consultation with the FSA, shall be final and binding in respect of the allotment of Shares, including Additional Shares.

Note: Applicants should ensure that their post-rights issue shareholding is within the shareholding limits prescribed in the Bank's Articles of Association, Laws of Oman and applicable regulatory requirements.

The following is a working example using illustrative numbers to elaborate the allotment of Additional Shares:

Particulars	Shares
Right Issue Offer	[100,000,000]
Subscription	[90,000,000]
Unsubscribed	[10,000,000]
Additional Shares applications Received	[15,000,000]
Allotment of unsubscribed shares on pro-rata basis based on applications received for Additional Shares	[10,000,000]
Percentage allotment of Additional Shares $(10,000,000/15,000,000=66.67\%)$	
Refund of extra amount for unallotted shares to Shareholders that have applied for Additional Shares equivalent to	[5,000,000]

As per this example a person applying for 3,000 Additional Shares will be allotted 2,000 Shares.

Subscription on behalf of Minor Children

1. An individual of age less than 18 years as on Record Date will be considered a minor.
2. Only a father may subscribe on behalf of his minor child(ren).
3. If a Subscription is made on behalf of a minor by any person other than the minor's father, the person submitting the Subscription shall be required to attach a valid Shari'ah (Legal) Power of Attorney issued by the competent authorities authorizing him to deal in the funds of the minor through sale, purchase and investment.

Minimum and Maximum application

The minimum application can be for one Share and the maximum application cannot exceed the Rights issue size (including original entitlement, rights purchased and Additional Shares).

Particulars of the bank account

1. Each Applicant shall be required to furnish the particulars of his bank account (registered in the name of the Applicant). The Applicant shall not use the bank account number of any other person except in case of minor children only.
2. If the bank account of the Applicant is registered with a bank other than the one receiving the subscription, he shall be required to submit a document in evidence of correctness of the bank account particulars as provided for in the Application Form. This can be done by submitting any document from the Applicant's bank which clearly shows the account number and name of the account holder (Applicant), such as an account statement issued by the bank or a letter/ document issued by the Applicant's bank containing the aforesaid information. The Applicant shall ensure that such evidence submitted is readable in a clear manner. The Applicant is not obliged to submit evidence of his bank account if he is subscribing through the bank wherein he maintains his account. In this case, the bank receiving the subscription shall verify and confirm the Applicant's account details in its specific system and procedure.
3. The bank account provided in the Application Form will be used only for refunds.
4. The Application Form containing the bank account number of a person other than the Applicant shall be rejected.

Documentation Required

1. Copy of Applicant's Civil ID/ Passport/ Commercial Registration certificate, as applicable.
2. Submission of a document confirming correctness of the bank account details written in the Application Form, only if subscription is through a bank other than the one with whom the Applicant has his bank account.
3. Copy of a valid Power of Attorney duly endorsed by the competent legal authorities in the event the subscription is on behalf of another person.
4. In case of applications by non-individuals, which are signed by a person in his/her capacity as an authorized signatory, a copy of adequate and valid documentation should be attached.

Mode of Subscription

1. The Applicant shall be required to fill in the Application Form for the subscription and furnish all his particulars including the investor number available with MCD, Civil ID Number/Passport Number/ Commercial Registration Number or similar details.
2. The Applicant shall be responsible for furnishing all his particulars, ensuring correctness and validity of the information provided in the Application Form. While emphasizing on it, the collecting bank has been instructed to accept only those Application Forms that comply with all requirements provided in the Application Form and Prospectus.
3. Before filling in the Application Form, the Applicant should peruse the Prospectus and carefully read the conditions and procedures governing the subscription.
4. The Applicant shall submit the Application Form to the Collecting Bank along with the payment towards the Offer Shares and also ensure that the documents in support of the information furnished are enclosed.
5. The payment for the subscription should be made by the Applicant in Omani Rials only. Payment in any other currency may cause rejection of the application.
6. In case of payment through bank transfer, the Applicant is responsible for ensuring successful transfer of the subscription amount to the Collecting Bank within the subscription period and attach a copy of the bank transfer confirmation with his Application Form.

7. Payment of the value of the subscription can be made by cash/ cheque/ bank transfer to the following account

Oman Arab Bank SAOG - Rights Issue Collecting Bank Account

A/c no. 3183-919206-152

Swift Code: OMABOMRUXXX

Availability of duplicate application forms

Only the original Application Form sent to eligible Shareholders by the MCD should be used. Photocopy of Application Forms will not be accepted. If any eligible Shareholder does not receive the original Application Form, such person must contact the Issue Manager or the Collecting Bank sufficiently in advance of the Subscription Closing Date to obtain a duplicate Application Form. Applicants submitting duplicate Application Form should not use the original Application Form, even if it is received/found subsequently. In case of violation of this requirement, both the Application Forms may be rejected.

An investor who buys the rights entitlement through the MSX should exercise his right to subscribe to the Offer Shares by submitting his Application Form (which can be obtained from the Collecting Bank or Issue Manager) to the Collecting Bank before the Subscription Closing Date. Such investors are not eligible to apply for Additional Shares.

Collecting Bank

The applications for subscription shall be accepted by the Collecting Bank-Oman Arab Bank SAOG during its official working hours only.

The Collecting Bank shall accept the Application Form for subscription after confirmation of compliance of the procedure and subject matter in line with the requirements as provided for in the Prospectus. Hence, the Collecting Bank must instruct the Applicants to comply and fulfil all requirements stated in the Application Form and the Prospectus.

The Applicant shall be responsible for submission of his/ her/ its Application Form to the Collecting Bank before closing of the period for subscription. In this regard, the Collecting Bank shall have the right not to accept any Application Form that reaches it after its official working hours on Subscription Closing Date.

Acceptance of the applications

The Collecting Bank shall neither receive nor accept the applications for subscription under the following circumstances:

1. If Application Form does not bear the signature and stamp (if applicable) of the Applicant.
2. In case of failure to pay the subscription price relating to the Offer Shares subscribed in accordance with the conditions provided for in the Prospectus.
3. If the value of the Offer Shares subscribed is paid through cheque and it is dishonoured for whatever reason.
4. If Application Form does not bear the Applicant's investor number available with MCD.
5. If the investor account number furnished in the Application Form is incorrect.
6. If there are more than one Application Form with same Applicant name, all of them shall be rejected.
7. If there are more than one Application Form with same investor number, all of them shall be rejected.
8. If supporting documents referred to in the Prospectus are not enclosed with the Application Form.
9. If Application Form does not contain all particulars of the bank account of the Applicant.
10. If bank account details of the Applicant in the Application Form are found to be incorrect.

11. If bank account details provided in the Application Form are found to be not relevant to the Applicant.
12. In case of failure to attach Power of Attorney with Application Form as provided for in the Prospectus in respect of the person who subscribes for Offer Shares and signs on behalf of another person.
13. If the application has not complied with the legal and organizational requirements as provided for in the Prospectus.

If the Collecting Bank observes, after receipt of the Application Form and before expiry of the time schedule prescribed for handing over the Application Forms in final form to the Issue Manager, that the application has not complied with the legal or other requirements as provided in the Prospectus, then the Collecting Bank shall take due efforts to contact the Applicant so as to correct the detected mistake. In case of failure to have the mistake corrected within the period referred to, the Collecting Bank shall return the Application Form to such Applicant together with the subscription amount.

Refusal / Rejection of applications

The Issue Manager may reject subscription application under any of the conditions referred to above, after securing approval of the FSA and submission of a report furnishing the details of the applications that are required to be rejected and reasons behind such rejection.

Enquiry & Complaints

Applicants seeking clarification or to file complaints about allotment or rejected applications or refunds may contact the branch of the Collecting Bank where the Application Form was submitted. In case of absence of response from the branch, the Applicant may contact the person concerned as hereunder-

Mr. Saqar Al-Harrasi

Ms. Ghada Al Raisi

Oman Arab Bank S.A.O.G.

Al Ghubrah North, PO Box 2240, PC 130,

Tel: +968 2475 4526, +968 2475 4653

Email: Saker.Al-Harasi@oman-arabbank.com

Ghada.AlRaisi@oman-arabbank.com

If the Collecting Bank fails to arrive at a solution or settlement with the Applicant, it shall refer it to the Issue Manager, and keep the Applicant updated. The Applicant shall keep in touch only with the Collecting Bank to know the outcome.

Issue Manager's contact -

Corporate Finance and Advisory

Ubhar Capital SAOC

P.O. Box 1137, P.C. 111, CPO, Sultanate of Oman

Tel: +968 24949041/13/45

Email: ubhar-corporatefinance@u-capital.net

corporatefinance@u-capital.net

Restrictions on Shareholding

Applicants are required to comply with the shareholding limits prescribed in the Laws of Oman. In case the post-issue shareholding of any Applicant is likely to exceed the prescribed limits, he must obtain approval for such potential excess shareholding before he submits his Application Form. The Applicant must attach a copy of the relevant approval for excess shareholding along with his Application Form.

The Bank undertakes to comply with the shareholding limits stipulated by the Laws of Oman and the regulations issued by the CBO, particularly CBO Regulation BM/REG/40/96:

- The aggregate holding by an individual and his related parties shall not exceed 15% of the voting shares in a locally incorporated bank;
- The aggregate holding by an incorporated body and its related parties shall not exceed 25% of the voting shares in a locally incorporated bank;
- The aggregate holding by a Joint Stock Company or a Holding Company and its related parties shall not exceed 35% of the voting shares in a locally incorporated bank; and
- No individual, incorporated body or a Joint Stock Company or a Holding Company who, together with any related party already owns 10% or more of the voting shares of a locally incorporated bank shall own by way of investment, more than 15% of the outstanding voting shares of another locally incorporated bank.

Payments for Additional Shares

The payment for Additional Shares that are applied for by an Applicant shall be made at the time of submission of Application Form to the Collecting Bank. If the Applicant fails to pay for any Additional Shares pursuant to the Application Form, the application will be rejected.

Allotment and Refund

The Offer Shares shall be allotted, and refunds will be made (if required) within 3 days from the Allotment, after obtaining FSA approval for allotment. The Applicant, after the announcement of the allotment, must verify that the allotted Shares are recorded in his/ her/ its account with the MCD.

Refunds shall be made net of the bank charges and for refunds in foreign currency, as per the foreign exchange rate between RO and the currency of the respective country, at the date such refund is made.

Responsibilities of Shareholders / Applicants in Rights Issue

A Shareholder who sells his Rights Issue entitlement through the MSX will lose his right to subscribe to the Offer Shares to that extent. Further, such Shareholders cannot apply for Additional Shares.

An investor who buys the rights entitlement through the MSX should exercise his right to subscribe to the Offer Shares by submitting his Application Form (which can be obtained from Issue Manager) to the Collecting Bank before the Subscription Closing Date. Such investors are not eligible to apply for Additional Shares.

Issuer's right

The Issuer reserves the right to withdraw/ cancel the Issue prior to the listing date for any reasons including in the event of any unforeseen development adversely affecting the economic and regulatory environment, any force majeure condition including any change in applicable law, etc. If the Issue is withdrawn/ cancelled, the received subscription amounts will be refunded in full, without any interest or further liability.

Proposed Timetable

The following is only an indicative proposed timetable for the Issue:

ACTIVITY	DATE*
Approval of Prospectus by FSA	20 August 2025
Date of publication of announcement: After approval of the Prospectus, at least five working days before the Record Date, the Bank must publish an advertisement approved by FSA through the electronic publication system and in one daily newspaper at least, one of them to be an Arabic, notifying the Shareholders and other investors of the Rights Issue. The advertisement must include a summary of the Prospectus including the volume and ratio of the increase in the capital, issue price, the Record Date, Collecting Bank, subscription period and the period for the trading of the rights entitlement	25 August 2025
Record Date: Shareholders registered in MCD records as at this date are eligible for subscription to the Rights Issue as holders of the rights.	02 September 2025
Service of Notices on the Shareholders: At least three days before the date set for the Subscription Opening Date, the Issue Manager shall send written notices to each shareholder at its address or to its email or through any other means written in the shareholders' register advising of the Rights Issue together with a summary of the approved Prospectus and an Application Form. The notice must specify the number of shares that may be subscribed, the period of subscription under such Right or the assignment of the rights within no more than 15 days beyond the date of publication of the notice as prescribed in Article 74 of the SAOG Regulations.	09 September 2025
Listing of the rights entitlement: The Issuer and the Issue Manager in collaboration with MCD and MSX carry out the procedures for listing of the rights for trading on MSX within five working days from the date of Record date. A record of holders of the rights shall be prepared for the purposes of the trading of the rights within the specified period. The rights shall be separated from the shares and shall be traded separately.	10 September 2025
Date of commencement of subscription (Subscription Opening Date): This date shall not be less than fifteen days from the date of publication of the notice of the Rights Issue. Application Forms will be issued directly to the Shareholders, but duplicate Application Forms may be obtained from the Collecting Bank or Issue Manager.	14 September 2025
End of trading of the rights	15 September 2025
End of subscription period (Subscription Closing Date): After this date, the Issue Manager shall collect the list of subscription from the Collecting Bank, verify the subscription list, match it with the rights holders' record and process the allotment of shares.	18 September 2025
Allotment Approval: Submission of Subscription results to FSA by Issue Manager to obtain FSA approval on the proposed allotment.	24 September 2025
Submission of allotment list to MCD	28 September 2025

*The actual dates may vary.

Responsibilities & Obligations

The Issuer, Issue Manager, Legal Adviser, Collecting Bank and the MCD shall abide by the responsibilities and duties specified under the regulations issued by the FSA and shall comply with any other responsibilities and obligations set out in the agreements entered into between them. The parties concerned shall be required to take remedial measures with regard to the damages arising from any negligence committed in the performance of the functions and responsibilities assigned to them. In such event the Issue Manager shall liaise with relevant authorities such as FSA and MSX for taking suitable steps and measures for repairing such damages.

14. UNDERTAKINGS

Oman Arab Bank SAOG

The Board of Directors of the Bank jointly and severally undertake that:

- i. The information provided in this Prospectus is true and complete.
- ii. Due diligence was done to ensure that no material information has been omitted, the omission of which would render this prospectus misleading.
- iii. All provisions of the CCL and the rules & regulations issued thereunder have been complied with.

Signed on behalf of the Board of Directors:

Name

Signature

Mr. Rashad Al Zubair

Sd/-

Mr. Walid Al Samhouri

Sd/-

Issue Manager

Pursuant to our responsibilities under the CCL and the SAOG Regulations and the directives issued by FSA, we have reviewed all relevant documents and other material required for the preparation of the Prospectus pertaining to the Rights Issue.

The Board of Directors of the Bank shall bear the responsibility for the validity and correctness of the information provided in this Prospectus, and they have confirmed that no material information has been omitted from it, the omission of which would render this Prospectus misleading.

We do confirm that we have taken necessary due care as required by our profession with regard to the Prospectus that has been prepared under our supervision. On the basis of the review work referred to above and discussions held with the Issuer, its Board of Directors, officials and other related parties with regard to the subject matter of the Issue and contents of the documents submitted to us, we confirm as under:

1. We have taken necessary and reasonable care to ensure that the information given to us by the Issuer and that contained in the Prospectus are consistent with the facts available in the documents and other material pertaining to the Issue.
2. To the best of our knowledge and on the basis of our perusal and information given to us by the Issuer, the Issuer has not omitted any material information, the omission of which would render the Prospectus misleading.
3. The Prospectus and the Issue to which it relates is consistent with all the rules and terms of disclosure stipulated for in the Securities Law, the Executive Regulations of the Capital Market Law (FSA Decision no. 1/2009), and prospectus models applied by FSA and is in conformity with the CCL and SAOG Regulation and decisions issued in this regard.
4. The information contained in this Prospectus in Arabic (with its unofficial translation in English) is correct, reasonable and adequate as per our perusal to assist the investor in taking an appropriate decision whether or not to invest in the securities offered.

Ubhar Capital SAOC

Yasmin Abdullah
Chief Operating Officer

Sd/-

Abhishek Mathur
Chief Investment Banking Officer (Acting)

Sd/-

Legal Advisor to the Issuer

The Legal Advisor, whose name appears below, hereby confirms that all the procedures undertaken with regard to the offering of the securities the subject matter of the Prospectus are in line with the laws and legislations related to the Issuer's business, the CCL and the SAOG Regulation, the Securities Law and the regulations and directives issued pursuant to them, the requirement and rules for the issue of securities issued by the FSA, the Articles of Association of the Issuer and the resolutions of the [general meeting and Board of Directors of the Issuer]. The Issuer has secured all the consents and approvals of the official authorities required to carry out the activities which is the subject matter of the Prospectus.

Sd/-

Al Busaidy, Mansoor Jamal & Co.



بنك عُمان العربي
OMAN ARAB BANK



Oman Arab Bank S.A.O.G.

Al Ghubrah North, PO Box 2240, PC 130, Sultanate of Oman



بنك عُمان العربي
OMAN ARAB BANK

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