

THE OFFERING

KEY TERMS OF THE OFFERING

Issuer	Oman Arab Bank SAOC
Commercial Registration	1/22351/8
Registered Office	PO Box 2010, PC 112, Ruwi, Sultanate of Oman
Issued & Paid-up Capital	RO 100 million (as on 7th March 2012)
Credit Rating of Issuer	Moody's : A2 Capital Intelligence: BBB+
Instrument Offered	Unsecured Non-Convertible Subordinated Bonds (Tier II Capital)
Use of Proceeds	To fund general financing requirement of the Bank and increase its Tier II capital
Denomination	Omani Rial
Tenor of the Bonds	5 (five) years and 1 (one) month
Offer Size	50,000,000 (fifty million) Bonds
Nominal Value	RO 1.000 per bond
Offer Price	RO 1.002 per Bond, comprising nominal value of RO 1/- and Baizas 2 (two) towards issue towards issue expenses, payable in full on subscription
Interest Rate	5.50% per annum on face value of the Bond.
Interest Payment Record Dates	Semi-annual interest, on 10 th April and 10 th October, between the year 2012 and the Maturity Date (both years inclusive). The first interest payment record date will be on 10 th October 2012.
Maturity Date	10th May 2017
Redemption Value	RO 1.000 per bond
Listing	The Issuer will list the bonds on the Muscat Securities Market
Eligible Subscribers	<p>The Bonds are offered on a private placement basis. The table below shows the names of the proposed investors, who have given an undertaking for subscription of this issue by private placement.</p> <p>In line with the regulations of CBO, Local Banks are prohibited from investing in the Bonds.</p>
Subscription Period	The subscription opening date is Sunday, 8 th April

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2012 and the subscription closing date is Wednesday, Tuesday 10th April 2012

The Issuer may extend the subscription closing date with the approval of CMA.

Allotment

The Bonds will be allotted on the next day of closing of subscription ("Allotment Date"). Validity of the allotment shall be subject to the approval of all relevant authorities.

If any investors withdraws or does not subscribe to the full amount, the Board of Directors shall allocate the unsubscribed Bonds to one or more of the other investors subject to their maximum bonds commitment.

In the event the Bond Issue is not subscribed in full by the proposed Investors the Board of Directors may accept subscription only to the extent it is subscribed and accordingly the Bond issue size will be reduced.

Status of the Bonds

The Bonds are subordinated to the claims of other creditors as regards both principal and interest. The Bonds are not redeemable at the holder's initiative or without the consent of CBO.

The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference amongst themselves and equally with any other present or future, unsecured subordinated indebtedness of the Issuer save for such obligations that may be preferred by provisions of law that are mandatory and of general application. The Issuer may incur further borrowings or indebtedness and may create or permit other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital). Any security interests so created will rank in priority to the Bonds for so long as such security interests remain in effect.

Issue Manager

Oman Arab Bank SAOC – Investment Management Group
P.O. Box 2010, P.C. 112, Ruwi, Muscat, Sultanate of Oman.
Tel: +968 24 827 399 Fax: +968 24 827 367
www.oabinvest.com

Trustee & Registrar

Muscat Clearing and Depository Company SAOC
PO Box 952, PC 112, Ruwi, Sultanate of Oman
Tel: 24822222, Fax: 24817491
Website : <http://www.csdoman.co.om>

Collecting Bank

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Legal Advisor	Said Al Shahry & Partners Advocates & Legal Consultants P.O. Box 1288, P.C.112, Ruwi, Sultanate of Oman Ernst & Young P O Box 1750, PC 112, Sultanate of Oman
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AUTHORIZATION OF THE OFFERING

- The CBO vide their letter No. BDD/IBS/OAB/2012/3273 dated 18th March 2012 approved the Issue.,
 - The issue of the Bonds was authorized by the Shareholders of the Issuer at an Extra-ordinary General Meeting held on 28th March 2012.
 - The CMA has approved the prospectus as per details stated on the first page.
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