



Date: 31st of December 2019

التاريخ: ٣١ من ديسمبر ٢٠١٩ م

**Subject: Update regarding
OMINVEST Subsidiary - Oman Arab
Bank S.A.O.C Proposed Merger
with Alizz Islamic Bank S.A.O.G**

الموضوع: تطورات بخصوص إمكانية اندماج
شركة تابعة لشركة أومنيفيست - بنك عُمان
العربي ش.م.ع.م مع بنك العز الإسلامي
ش.م.ع.م

Further to Oman International Development and Investment Company S.A.O.G ("OMINVEST") disclosure regarding its subsidiary Oman Arab Bank S.A.O.C ("OAB") dated 4th October 2018; OMINVEST would like to disclose that OAB has sent an Offer Letter to Alizz Islamic Bank S.A.O.G ("AIB").

إحافاً إلى إفصاح الشركة العمانية العالمية للتنمية والاستثمار ش.م.ع.م ("أومنيفيست") بتاريخ ٤ من أكتوبر ٢٠١٨ م بخصوص شركتها التابعة بنك عُمان العربي ش.م.ع.م، تود أومنيفيست الإفصاح بأنه قام بنك عُمان العربي ش.م.ع.م بإرسال خطاب عرض إلى بنك العز الإسلامي ش.م.ع.م.

The Offer Letter proposes a Swap Ratio of around 81% : 19% for the shareholders of OAB and AIB, respectively. The proposed offer will be subject to approvals from the respective Board of Directors and shareholders; and all other relevant regulators and authorities.

يحتوي خطاب العرض على مقترح نسبة مبادلة الأسهم بحوالي ٨١٪ : ١٩٪ لكل من مساهمي بنك عُمان العربي وبنك العز الإسلامي. ويخضع مقترح العرض إلى موافقات مجلس الإدارة ومساهمي الشركتين، بالإضافة إلى موافقات كل من الجهات التنظيمية والمعنية.

A signed copy of the Offer Letter is attached.

تجدون مرفقاً نسخة موقعة من خطاب العرض.


**FOR/ Oman International
Development and Investment
Company S.A.O.G**

عن / الشركة العمانية العالمية للتنمية
والاستثمار ش.م.ع.م.



Page 1 of 1
OMINVEST

SKU

OMAN ARAB BANK (S.A.O.C.)

Head Office North Al Ghoubra
Sultanate of Oman



بنك عُمان العربي (ش.م.ع.م.)
الإدارة العامة الغبرة الشمالية
سلطنة عمان

Ref: CHO/83/2019

Date: 30/12/2019

Mr. Saleh Nasser Juma Al Arami
Chairman
Alizz Islamic Bank SAOG
PO Box 753
Ruwi, Postcode 112
Sultanate of Oman

After Compliments:

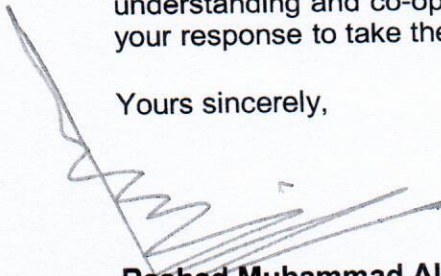
**Subject: Offer for the Proposed Merger between Alizz Islamic Bank (AIB)
and Oman Arab Bank (OAB)**

Further to our discussions, the due diligence reports from the consultants and mutual understanding between OAB and AIB management teams, it is expected that the Swap Ratio for the Merger will be around 81%:19% for OAB and AIB, respectively. We understand that the Swap Ratio for the Merger will be based on audited Year-end 2019 Net Book Values of both the Banks, as approved by the CBO and the respective Shareholders. As part of the transaction structure, OAB will issue its shares to the shareholders of AIB based on the agreed Swap Ratio. Appropriate price adjustments will be made in relation to movements in both the banks' financials between 31 Dec 2019 (the Cut-Off Date) and the actual Transaction Date.

The Proposed Transaction will be completed based on mutually agreed Structure in consultation with the legal consultants, reporting accountants and tax consultants, subject to the approvals by the regulators and the shareholders of the banks. The final structure will result in OAB becoming a listed holding company and AIB becoming an SAOC and a fully owned Islamic Banking subsidiary of OAB.

We sincerely thank you, members of AIB's Board and the management team for the understanding and co-operation extended during the entire process. We look forward to your response to take the transaction forward and to a mutually beneficial conclusion.

Yours sincerely,


Rashad Muhammad Al-Zubair
Chairman
Oman Arab Bank

cc: H.E. Tahir Salim Abdullah Al Amri, Executive President – CBO
H.E. Abdullah bin Salim Al Salmi, Executive President – CMA