

When opportunity knocks again,
don't think twice.

Meethaq Sukuk Programme
Second Issuance
of OMR 25 Million*

Profit Rate 5.5% p.a. (Indicative)
Tenure 5 years (Due 2024)

ISSUE OPENS
29 April 2019

ISSUE CLOSES
15 May 2019

*The size may be increased to a maximum of OMR 55 million by way of over-allotment of Sukuk Certificates in case of oversubscription

Pioneer of Islamic Banking in Oman

Issue Manager



Collecting Banks



Legal Advisor





When opportunity knocks again, don't think twice.

Following the successful issuance of Sukuk Series 1, Meethaq is offering yet another opportunity for you to invest in our continued success. With OMR 1.4 billion in assets, we are growing stronger with a wider range of products, more branches and an increasing customer base.

Invest and grow with Meethaq Islamic Banking.

Meethaq Sukuk Series 2 under Meethaq Sukuk Program

Under the Program, Meethaq plans to issue Sukuk certificates in several tranches over a period of time which will be listed on the Bond and Sukuk market of the Muscat Securities Market (MSM). The Second Sukuk issuance will be of OMR 25 million* 5 year certificates due 2024.



*The size may be increased to a maximum of OMR 55 million by way of over-allotment of Sukuk Certificates in case of oversubscription

Key terms of the Sukuk Series 2

| | |
|---------------------------------------|---|
| Issuer & Trustee | Meethaq Sukuk Company LLC |
| Obligor | Meethaq Islamic Banking, bank muscat S.A.O.G. |
| Issue Manager | Al Madina Investment SAOG |
| Issue Size | OMR 25 million (the amount may be increased in case of oversubscription) |
| Issue Price | OMR 1.002 per Certificate (inclusive of Issue Expenses of baisa 2 per Certificate) |
| Tenure | 5 years from the Date of Issue |
| Issue Value | OMR 1 per Certificate (face value) |
| Expected Profit Rate | 5.5% p.a. (indicative) |
| Profit Payment | Semi-annually in arrears on each Periodic Distribution Date |
| Minimum Application Amount | OMR 1,002 (inclusive of Issue Expenses) for subscribing for 1,000 Certificates |
| Structure | Sukuk Al Musharaka |
| Listing | Bond and Sukuk Market of MSM |
| Collecting Banks |    |

Offer opens on 29 April 2019 and closes on 15 May 2019

Important notice to investors

THE PURCHASE OF THE SUKUK CERTIFICATES MAY INVOLVE RISKS. BEFORE MAKING AN INVESTMENT DECISION, APPLICANTS SHOULD CONSIDER CAREFULLY, IN THE LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, ALL OF THE INFORMATION IN THE BASE PROSPECTUS (AS SUPPLEMENTED BY THE PROSPECTUS FOR SERIES 2). FOR A DISCUSSION OF THE PRINCIPAL RISK FACTORS THAT MAY AFFECT THE ABILITY OF THE TRUSTEE TO FULFILL ITS OBLIGATIONS UNDER THE CERTIFICATES, SEE "RISK FACTORS" IN THE BASE PROSPECTUS (AS SUPPLEMENTED BY THE PROSPECTUS FOR SERIES 2) WHICH WILL BE AVAILABLE ON THE WEBSITES OF THE CMA (www.cma.gov.om), THE MSM (www.msm.gov.om) AND THE OBLIGOR (www.meethaq.om).

Investment Highlights



Market leader in Islamic banking with a share of 32% of Islamic Financing as well as Total Assets in the Sultanate

Positioned to benefit from the growth of Oman economy and diversification plans as well as the growth of Islamic banking

Most profitable bank in Oman with strong and robust financial position. Strong capitalization levels with CAR of 19% at the Group level and CAR of 14% at Meethaq level

Strong government support in the form of significant direct and indirect ownership through various entities

Meethaq's experienced management team which includes seasoned Islamic bankers with vast knowledge and Islamic transaction structuring skills

Strong Shari'a Supervisory Board and compliance framework under the guidance of well respected and renowned Shari'a scholars

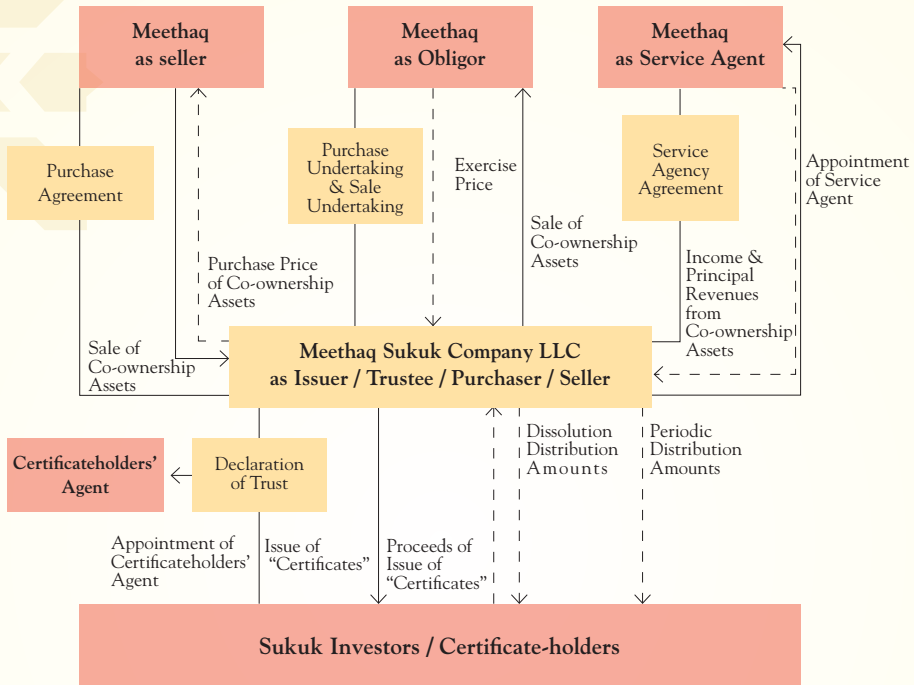
Shari'a compliant fixed income investment opportunity with stable return and backing of Meethaq

Attractive return of 5.5% per annum (indicative) payable semi-annually over a 5 year period

Listed on MSM Bond and Sukuk Market. Tradable instrument allowing investors to buy / sell in the market during the Tenure of the Sukuk

Small ticket size catering to the savings and investment needs of the Retail segment

Meethaq Sukuk Structure Diagram



Notes:

----- = Cashflows

Subscription Process

Who can apply?

- All Omani and non-Omani individuals and juristic persons can apply
- You can also apply on behalf of minor children who are below 18 years of age
- The following are not permitted:
 - Sole proprietorship
 - Trust accounts
 - Multiple Applications
 - Joint Applications

Subscription Period

The Sukuk subscription will be open from 29 April 2019 to 15 May 2019 (which may be extended with the approval of CMA) during which the collecting banks will accept Sukuk applications

Minimum Application Size

The minimum application size is OMR 1,002 per applicant for subscription of minimum 1,000 certificates of OMR 1.002 each (inclusive of Issue Expenses of baisa 2 per certificate) and thereafter in multiples of 100 certificates. Applications for subscription of certificates below 1,000 will not be accepted.

How to apply

- Obtain Sukuk Application Form from the branches of Meethaq, Bank Muscat or Bank Nizwa
- Fill the Sukuk Application Form and provide all the required details
- Please bring your original civil card and a copy at the time of submitting the application
- Provide Investor Number with Muscat Clearing & Depository Company (MCD). If you don't have an account with MCD, go to their website www.mcd.gov.om, go to 'Publications and Forms' and click on 'Open new shareholder account'. Download the form, fill it and submit it to their head office in Ruwi and obtain your Investor Number
- Submit the Sukuk Application Form along with the amount for Sukuk subscription applied for in one of the collecting banks during the official bank hours during the subscription period
- You can pay by cash (upto max of OMR 5,010), or by cheque or demand draft or instruct an account transfer for the amount payable at the time of submission of the Application Form in favour of "Meethaq Sukuk Series 2"
- You must also provide your own bank account details in the Sukuk Application Form. If the same bank account is registered with MCD, you will receive Sukuk Profit in this account. Otherwise, this account will be used to refund application money only
- If your bank account is with a bank other than the Collecting Bank, you will be required to submit a document to confirm the details of your bank account such as your bank account statement or a letter from your bank

Know more about Sukuk

1. What is Sukuk?

Sukuk (plural of the word 'sak') are certificates of investment structured according to the principles of Shari'a. They represent an undivided proportionate ownership interest in an asset or its usufruct with a corresponding right to the income stream generated by such asset or usufruct.

2. What is the difference between Sukuk and Conventional Bonds?

| Sukuk | Conventional Bond |
|---|---|
| Sukuk are based on Islamic financing contracts structured according to the principles of Shari'a. | Bond is an interest bearing debt obligation which is not permissible according to the principles of Shari'a. |
| Profit on Sukuk is linked to the income generated from the underlying assets. | Interest is paid against a debt instrument on predetermined dates. |
| Tradability of Sukuk depends on the nature of underlying assets. Most Sukuk are tradable according to Shari'a principles as they represent ownership of asset, its usufruct or service. | Fully negotiable financial paper representing sale of debt which is not permissible according to most Shari'a scholars. |
| Obligor is seller or manager of assets with payment obligations linked to usage or management of assets. | Obligor is a borrower with respect to a debt instrument. |
| Redemption of Sukuk is linked to the value of underlying assets. | Issuer is obligated to redeem at par value of the bond since it is a debt obligation. |
| Sukuk issuances typically involve creation of an SPV to ring fence underlying Sukuk assets and to represent the interests of the Sukuk holders and issue the Sukuk. | Bond can be issued directly by obligor as a debt obligation. |

3. How do I get returns on a Sukuk?

As interest is not permitted under Shari'a principles, the contracts are structured such that the Sukuk investor has a share in the profits or rentals generated from the use of the underlying asset or its usufruct. Returns on Sukuk certificates are typically distributed as profit or rental payments on pre-determined dates similar to coupon payments in the context of conventional bonds.

4. How do I trade Sukuk?

Sukuk are traded and listed as conventional bonds are. However, trading of debt (Bay Al Dayn) is not permissible from a Shari'a perspective. Accordingly, in order to enable tradability of Sukuk in the secondary market in accordance with Shari'a principles, the Sukuk must represent an interest in physical assets rather than representing debts or obligations.

5. Who ensures the Shari'a compliance of Sukuk?

The Shari'a Board comprising of Shari'a scholars of the Obligor has to approve the Sukuk structure before it is issued to ensure that it is compliant with the principles of Shari'a. However, since Shari'a scholars differ in their view and interpretation of Shari'a principles, each prospective investor is advised to seek advice from its own Shari'a advisor.