



Shareholders Booklet 2022



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Invitation

For an Extraordinary General Meeting and an Ordinary General Meeting of the Shareholders of the Bank

Bank Muscat "SAOG" takes pleasure in inviting all its shareholders to an Extraordinary General Meeting and an Ordinary General Meeting at 4 pm on Wednesday, 9th November 2022, through the electronic platform to hold the general meetings, which can be accessed via the Muscat Clearing and Depository's website (www.mcd.gov.om). If the quorum for this meeting is not met, a second meeting will be convened at 4 pm on Thursday, 10th November 2022, through the same electronic platform. The meeting will consider and decide on the following Agenda:

First: The Agenda for the Extraordinary General Meeting:

1. To consider and approve the proposed increase of the authorized share capital of the Bank from RO. 450,000,000/- to RO. 800,000,000/- and amend the Articles of Association, accordingly. The proposed amendments shall not, however, be effective and valid unless have been approved by the regulatory bodies, as explained in annexure (1).
2. To approve the issuance (by way of dividend) of 375,319,853 subordinated, perpetual bonds to the Bank's shareholders list as on the meeting date and that is in accordance to the conditions, as explained in annexure (2).
3. To authorise the Board of Directors or whoever they delegate to take all necessary actions and approvals to complete the aforesaid transaction.

Second: The Agenda for the Ordinary General Meeting:

1. To approve the distribution of bonus shares at the rate of 1 bonus share for every 1 share held by the shareholders of the Bank on the meeting date, from the share premium reserves of the Bank for the financial year ended 31st December 2021. The approval of the distribution of bonus shares will result in an increase in the issued share capital of the Bank from 3,753,198,531 shares (aggregating to R.O. 375,319,853) to 7,506,397,062 shares (aggregating to R.O. 750,639,706), as explained in annexure (2).
2. To authorise the Board of Directors or whoever they delegate to take all necessary actions and approvals to complete the aforesaid transaction.

In accordance with the Articles of Association of the Bank and the regulations for holding general meetings using modern technology issued by the Capital Market Authority, we would like to draw your attention to the following:

- (a) A Juristic person, exclusively, has the right to delegate a natural person to attend the general meetings and vote on its behalf through the electronic platform, provided that this natural person has an investor number at Muscat Clearing and Depository Company.
- (b) Voting on any of the agenda items begins no more than three days before the date of the meetings until the end of the voting process during the meeting, in the event that the shareholder's shareholding balance is changed by increase or decrease, the voting process will be canceled, and he will have to vote again on the day of the meetings.

For any clarifications in respect of the agenda of the above meetings, please contact Ms. Fatma Malallah Mohamed Al Lawati, at the Secretariat to the Board of Directors, Tel. No. (24768345) or E-mail (fmallalah@bankmuscat.com).

Khalid bin Mustahail Al Mashani
Chairman of the Board of
Directors

Ernst & Young
Statutory Auditors of the Bank and External
Independent Sharia Auditors for Meethaq, the
Islamic banking window

Legal Advisor

Annexure No. (1) of the Extraordinary General Meeting of the Shareholders of the Bank on 9th November 2022

Proposed Amendment of Article (5) of the Articles of Association increasing authorized share capital from RO. 450,000,000/- to RO. 800,000,000/-. The proposed amendments shall not, however, be effective and valid unless have been approved by the regulatory bodies

Existing Article (5)	Proposed Amendment of Article (5)
The Capital of the Bank	The Capital of the Bank
<p>That the authorized share capital of the Bank is RO. 450,000,000/- (Omani Rials Four hundred fifty million) divided into (4,500,000,000) shares (four billion five hundred million) with a nominal value of 100 Baiza each. The issued share capital is RO. 375,319,853/-, (three hundred and seventy-five million, three hundred and nineteen thousand and eight hundred and fifty-three Rial Omani) divided into (3,753,198,531) shares (three billion, seven hundred fifty three million, one hundred ninety eight thousand and five hundred thirty one) shares with a nominal value of 100 Baiza each.</p>	<p>That the authorized share capital of the Bank is RO. 800,000,000/- (Omani Rials Eight hundred million) divided into (8,000,000,000) shares (eight billion). The issued share capital is RO. 750,639,706/-, (seven hundred and fifty million, six hundred and thirty nine thousand and seven hundred and six Rial Omani) divided into (7,506,397,062) shares (seven billion, five hundred and six million, three hundred and ninety seven thousand and sixty two shares) after the issuance of proposed bonus shares for the year 2022.</p>

Khalid bin Mustahail Al Mashani
Chairman of the Board of Directors

Ayman Hassan Ambusaidi
Secretary to the Board

Annexure No. (2) of the Extraordinary General Meeting of the Shareholders of the Bank on 9th November 2022

Explanatory Note

Bank Muscat SAOG (the "Bank") proposes to issue bonus shares ("Bonus Shares") and perpetual subordinated bonds ("Bond" or "Bonds") to the Bank's shareholders in order to optimize the Bank's capital structure. The shares will be issued from the share premium reserve of the Bank and the bonds will be issued from the retained earnings of the Bank for the financial year ended 31st December 2021. The Bank shall not receive any proceeds from the issue. The details of the proposed distribution are presented below.

- 1) The Bank proposes distribution of Bonus Shares at the rate of 1 shares for every 1 share held by the shareholders of the Bank on the meeting date, from the share premium reserve of the Bank for the financial year ended 31st December 2021. The approval of the distribution of bonus shares will result in an increase in the issued share capital of the Bank from 3,753,198,531 shares (aggregating to RO 375,319,853) to 7,506,397,062 shares (aggregating to RO 750,639,706). For the sake of clarity, it is specified that the Bonus Shares issued on the date of the Ordinary General Meeting would not be considered for determining the allotment of the Bonds.
- 2) Furthermore, the Bank also proposes to issue 375,319,853 Bonds with a nominal value of RO 1 (aggregating to RO 375,319,853). This issuance is in accordance to the criteria mentioned in the prospectus, the following is a summary of the key features:
 - (a) The Bonds will bear interest rate at 4.25% p.a. and will constitute Additional Tier 1 Capital of the Bank i.e. the capital qualifying as, and approved by the Central Bank of Oman ("CBO") as, additional tier 1 capital in accordance with the CBO regulations;
 - (b) The interest rate will be reset on the first call date (which falls on fifth anniversary of the issue date) and every 24 months thereafter, (each referred as a reset interest rate) . Each reset interest rate will be the aggregate of the reset reference rate and the relevant margin on the determination date, as determined by the Bank;
 - (c) The Bonds will rank subordinated to the claims of the Bank's depositors, general creditors, the holders of other subordinated debt / bonds/ sukuk of the Bank, and to all unsubordinated payment obligations of the Bank and all subordinated payment obligations (if any) of the Bank to which the obligations rank, or are expressed to rank, junior;
 - (d) Rank in priority only to claims of the holders of ordinary equity shares;
 - (e) The bonds are neither secured nor guaranteed by any entity;
 - (f) Interest payments in respect of the Bonds will be made semi-annually in Omani Rials to the Bondholder appearing in the Bondholders' register as per Muscat Clearing and Depository Company ("MCD") on each interest payment record date;
 - (g) Bank may in its sole discretion elect that interest payment amount shall not be paid to the bondholders on any interest payment date (each a "Non-Payment Election"). For the avoidance of doubt, the Bank will have the right to otherwise use any interest payment amounts not paid to the Bondholders and such non-payment will not impose any restriction on the Bank. Such Non-Payment Election is not considered an Event of Default and the Bank is under no obligation to pay any such due interest due to Non-Payment Election in the future;

- (h) The Bonds are perpetual subordinated securities in respect of which there is no fixed or final redemption date or maturity date. Further, the Bonds do not have any step-up features or other incentives for the Bank to redeem the Bonds. The Bank may, by giving not less than 30 Business Days prior written notice to the Bondholders and to the MCD redeem the Bonds (either in full or in part in multiples of 100 Bzs per Bond);
- (i) The Bonds shall be cancelled (in the case of a write-down in whole) or written-down in part on a pro rata basis (in the case of a Write-down in part) as determined by the Bank in conjunction with CBO in accordance with the CBO regulations. If a Non-Viability Event occurs, a Write-down will take place. A Non-Viability Event means:
 - i. The CBO having notified the Bank in writing that it has determined that the Bank is, or will become, Non-Viable without a Write-down; or
 - ii. A decision having been taken to make a public sector injection of capital or equivalent support, without which the Bank is, or will become, Non- Viable.

The Bonds will be allotted on the Issue Date (as defined in the Prospectus). Validity of the allotment shall be subject to the approval of all relevant authorities.

For further details on the terms and conditions of the Bonds, please refer to the Prospectus which would be uploaded on Capital Market Authority website: www.cma.gov.om and Bank's website: www.bankmuscat.com.

Khalid bin Mustahail Al Mashani
Chairman of the Board of Directors

Ayman Hassan Ambusaidi
Secretary to the Board



