

Date: 16th June 2020

OMINVEST

- **Ominvest disclosure regarding sale of shares in Oman Arab Bank**
- **Oman Arab Bank Disclosure on Signing of Combination Agreement between Alizz Islamic Bank SAOG (AIB) and Oman Arab Bank SAOC**
- **Ominvest's Associate Ubhar Capital acquires 100% stake in Gulf Baader Capital Market**

Ominvest disclosure regarding sale of stake in Oman Arab Bank

- Board of directors of Ominvest resolved to sell a stake of 11.76% of Oman Arab Bank to Arab Bank PLC at 1.3x of OAB new book value at the cut-off date of 31 March 2020. All-inclusive the sale consideration amounts to OMR 46mn.
- The transaction is subject to proposed acquisition of Alizz Islamic Bank by Oman Arab Bank and the related execution of the combination agreement. The shareholders of OAB in their extraordinary general meeting held on 15 June 2020 approved the acquisition of AIB and subsequent to that, both the banks have executed the combination agreement.
- On completion of acquisition, Arab Bank PLC will continue to hold 49% of Oman Arab Bank while Ominvest shareholding in Oman Arab Bank will reduce to 31.64% from 51% resulting in loss of control over Oman Arab Bank.
- Ominvest will reclassify its investment in Oman Arab Bank from subsidiary to an associate.

Outcome of the Sale for Ominvest:

- The transaction as disclosed has been conducted at a price to book multiple of 1.3x and at a value of OMR 46mn. Assuming, Ominvest was carrying this stake at price to book of 1x this will hand a profit of OMR 10.6mn to Ominvest from the sale of stake.
- With sale of stake in Oman Arab Bank, Ominvest will treat Oman Arab Bank as an associate compared to subsidiary earlier.
- Ominvest will classifying OAB as an associate and will continue to record its share of profit from OAB.
- Oman Arab Bank recorded net income of OMR 32.6mn in 2019 compared to OMR 30.14mn in 2018, growth of 8%.
- Oman Arab Bank has been a consistent dividend paying company and in 2019 and 2020 the bank paid dividend of 11 baiza per share (OMR 14.8mn).
- Increase in stake by Arab Bank PLC will result in foreign direct investment (FDI) for Oman and send a strong signal to foreign investors about the stable and growing economic and banking sector outlook of the Sultanate.

Strengths and Opportunities for Ominvest after the Sale of Stake in Oman Arab Bank

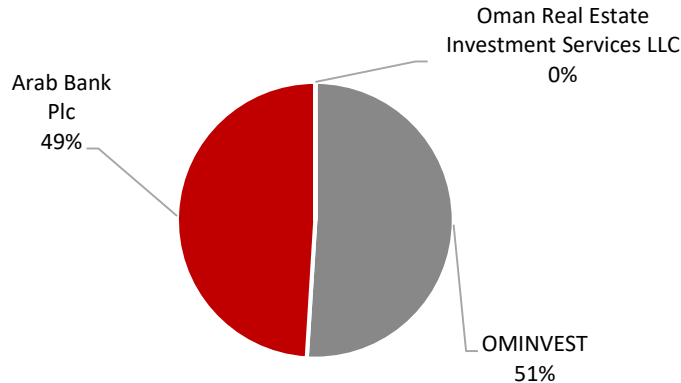
- It will increase the liquidity of the Group further (cash balance as at 1Q20 stood at OMR 29mn).
- Proceeds could be utilized for investment in various new areas which the group intends to focus on such as Logistics, Fintech, Healthcare and Education
- Proceeds could also be utilized to lower the leverage of the Company
- Ominvest can invest in potential new ventures at cheap multiples as many assets are currently trading at lower multiples because of COVID-19

Oman Arab Bank Disclosure on Signing of Combination Agreement between Alizz Islamic Bank SAOG (AIB) and Oman Arab Bank SAOC

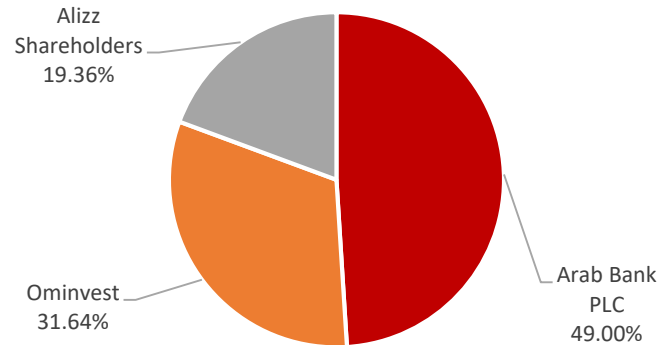
1. OAB has agreed to make an offer to the shareholders of AIB to acquire the entire issued share capital of AIB so that if completed, AIB will become a wholly-owned Islamic banking subsidiary of OAB and converted into a closed joint stock company (SAOC).
2. Following step 1 above, the transfer of assets and liabilities of the Al Yusr Islamic banking window of OAB to AIB will be initiated.
3. Following step 2 above, OAB will be converted into a public joint stock company (SAOG).
4. Following completion of the above, OAB will continue to operate its conventional banking business and AIB, by then a wholly-owned subsidiary of OAB, will operate its Islamic banking business.

OAB Shareholding

Current



Post Business combination and sale of stake by Ominvest



Strengths and Opportunities for Oman Arab Bank

- Arab Bank with its Global expertise will be able to impart and grow the banking service and experience of Oman Arab Bank.
- Merged entity's Islamic banking operations will become the third largest in Oman.
- OAB can potentially extract cost savings through synergies in the medium to long run.
- Merged entity product offering range will improve further.
- With Islamic financing picking pace in the region, BKIZ expertise in Islamic financing offerings will be of advantage.
- BKIZ to benefit from the strength and expertise of its shareholder Arab Bank in the region.
- OAB will benefit from listing on MSM through the proposed structure of the deal; Listing the stock will unlock potential value for the shareholders of the bank.
- With a higher book, the merged entity can finance big ticket infrastructure and development projects.
- Generally, in a bank merger, troubling loans and accumulated losses are wiped off. This will aid in starting from a clean base with better ratios and multiples which will be positively looked at by the investors.
- IMF expects real GDP growth to pick up in 2020, providing a boost to credit growth. OAB can benefit from a wider reach through a larger network of branches.
- Customer perception of the banks will improve as it becomes highly capitalized with a wider reach and greater product offering.
- Merged entity with higher base can bid for projects at competitive rates.

Ominvest Profit up 2% in 1Q20 to OMR 9.35mn

Ominvest recently reported its first quarter numbers.

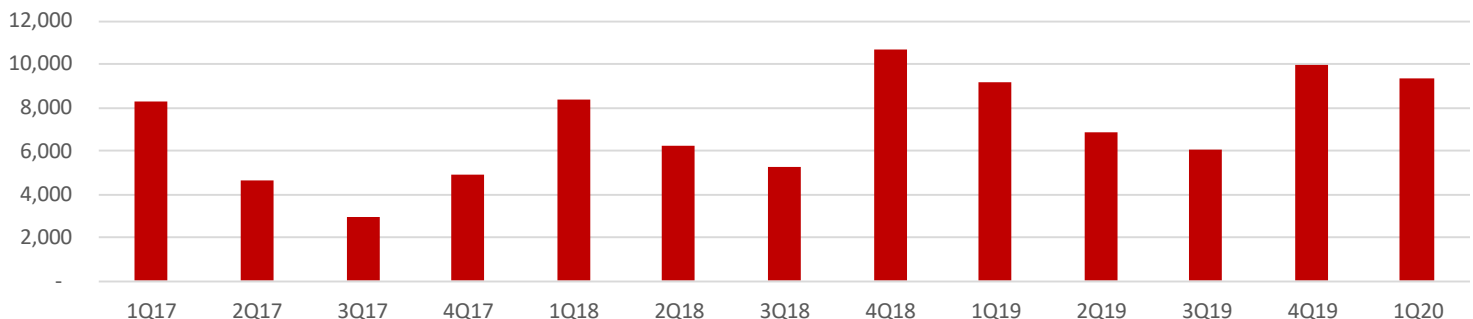
- Ominvest reported profit attributable to shareholders at OMR 9.35mn in 1Q20 compared to OMR 9.20mn in 1Q19, growth of 2%.
- The growth in profit was attributable to strong performance of its key subsidiaries: Jabreen Capital and Oman Real Estate Investment Services (ORIS).
- Jabreen reported net profit of OMR 9.9mn in 1Q20 compared to OMR 8.06mn in 1Q19. Profit growth of Jabreen was mainly attributed by the company to share of profit from key associates and dividend income received Jabreen's public and private equity portfolios. During the period Jabreen sold 6.74% of Ominvest shares it held at a premium of 11% to market price and made new investments in school platforms.
- ORIS, the real estate arm of Ominvest, is now in advanced stages of initiating new large scale commercial and residential projects at attractive locations in Muscat.
- Total revenue during the period stood at OMR 82.2mn for the group, higher by 8%.
- Expenses rose by 11% to OMR 67.9mn in 1Q20 compared to OMR 61.2mn in 1Q19.
- During the period the parent company contributed OMR 0.5mn towards COVID-19 contribution while at consolidated level the contribution stood at OMR 1.17mn in 1Q20.

Ominvest - Consolidated Quarterly Performance

(OMR mn)	1Q19	4Q19	1Q20	YoY	QoQ
Revenue	76.3	77.5	82.2	8%	6%
Expenses	61.2	57.9	67.9	11%	17%
Profit Before Tax	15.0	19.5	14.3	-5%	-27%
Tax	1.7	2.9	1.7	-3%	-42%
Profit After Tax	13.3	16.6	12.6	-5%	-24%
Profit Attributable to Shareholders	9.2	10.0	9.4	2%	-6%

Source: Company Financials

Quarterly Net Income (OMR 000)



Source: MSM

Ominvest's Associate Ubhar Capital acquires 100% stake in Gulf Baader Capital Market

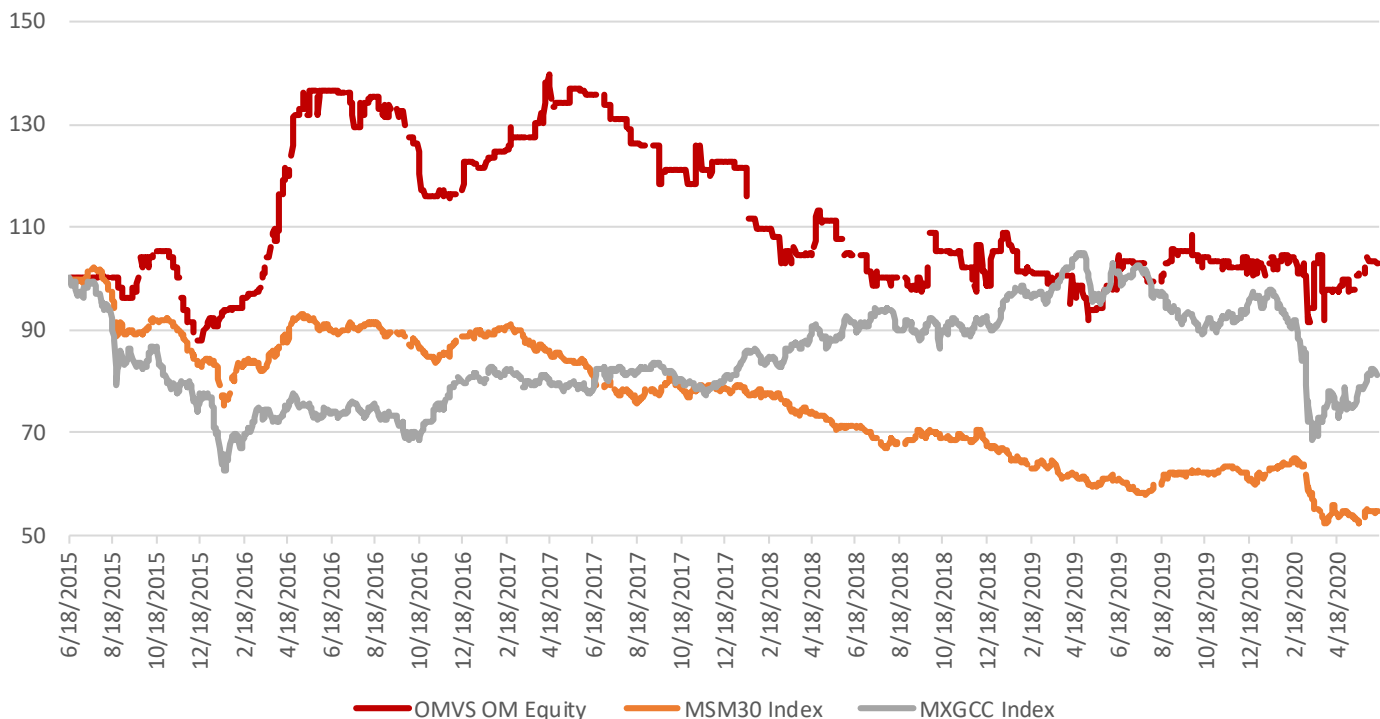
- Ominvest which owns 36% stake in Ubhar Capital acquired 100% stake in Gulf Baader Capital Market (100% subsidiary of Gulf Investment Services Holding) for an amount of OMR 2.136mn.
- Acquisition of the Gulf Baader Capital Market will position Ubhar Capital as one of the biggest investment company of Oman with combined asset under management of USD 1.3bn and a combined brokerage market share of 37.86% as of May 2020.

Dividend History of OMINVEST

Year	Cash	Bonus Share
2020	25%	-
2019	20%	5%
2018	15%	10%
2017	15%	10%
2016	10%	15%
2015	20%	10%
2014	15%	10%
2013	12%	10%

Relative Price Performance of Ominvest

In the last five-year period, Ominvest stock has beaten the performance of MSM30 and MSCI GCC Index.



Source: Bloomberg

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