

Shari'a Compliance Report

In the name of Allah, The Beneficent, The Merciful

To the Shareholders and Board of Directors of Oman Arab Bank S.A.O.C

Assalam Alaikum Wa Rahmat Allah Wa Barakatuh

In compliance with the letter of appointment, we are required to submit the following report:

We have reviewed the principles and the contracts relating to the transactions and applications introduced by Al Yusr Islamic Banking Window of Oman Arab Bank S.A.O.C ("Al Yusr") during the period ended 31 December 2014. We have also conducted our review to form an opinion as to whether the Al Yusr has complied with Shari'a principles and also with the specific Fatawa, rulings and guidelines issued by us.

Al Yusr's management is responsible for ensuring that Al Yusr conducts its business in accordance with Shari'a principles. It is our responsibility to form an independent opinion, based on our review of the operations of Al Yusr, and to report to you.

We conducted our review which included examining, on a test basis, of each type of transaction, the relevant documentation and procedures adopted by Al Yusr. We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that Al Yusr has not violated Shari'a principles.

In our opinion:

- a) the contracts, transactions and dealings entered into by Al Yusr during the year ended 2014 that we have reviewed are in compliance with Shari'a principles;
- b) the allocation of profit and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with Shari'a principles;
- c) During year 2014, there were no earnings that have been realized from sources or by means prohibited by Sharia principles.

Wassalam Alaikum Wa Rahmat Allah Wa Barakatuh

Muscat, Sultanate of Oman
January 15th 2015

Shari'a Supervisory Board
Al Yusr Islamic Banking – Oman Arab Bank S.A.O.C

Dr. Essam Al-Enezi
Chairman



Dr. Ahmad Ayyadi
Member



Dr. AbdulAziz Al-Qassar
Member





Annexure - Shari'a Supervisory Board Approvals during 2014

1. **Products:**
 - i. Al Yusr Commercial Vehicle Finance
 - ii. Al Yusr Personal Finance based on Bai Al Manfa'a
2. **Policy**
 - i. Al Yusr Charity Policy
 - ii. Al Yusr Schedule of Charges
 - iii. Risk Management Policy
3. **Others:**
 - i. Interbank Wakala Agreement
 - ii. Wakala Agreements for Customer
 - iii. Account Pledge Document
 - iv. Personal Guarantee Document
 - v. Commercial Mortgage Agreement
 - vi. Master Wakala Agreement for Documentary Collection
 - vii. Commercial Vehicle Finance (Purchase of new/used vehicles and BTF)
 - viii. Commercial Real Estate Finance (Ready property & BTF)