

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Praise is to Allah Almighty, and prayers on Prophet Muhammad and his family and followers;

To the Shareholders of Bank Nizwa,

Assalam 'Alaykum Wa Rahmatul-Allah,

In compliance with the letter of appointment, we are required to submit the following report for the operations of Bank Nizwa during the year 2016 for the period from 01/01/2016 to 31/12/2016.

We have reviewed the applied principles and contracts relating to the products and services as well as transactions and applications introduced by Bank Nizwa during the mentioned period. We have also conducted our required review to form an opinion as to whether Bank Nizwa has complied with Sharia rules and principles, and also with specific Sharia rulings, resolutions and guidelines issued by the Sharia Supervisory Board.

We conducted our review directly, or through the Sharia Compliance Department, which included examining, on sample basis of each type of transactions, the relevant documentation and procedures adopted by Bank Nizwa. 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 establish reasonable assurance that Bank Nizwa has not violated Islamic Sharia rules and principles.

Our responsibility is restricted to provide an independent opinion, based on our review of the operations of Bank Nizwa, and report to you. The management at Bank Nizwa is responsible to ensure that Bank Nizwa conducts its business in accordance with Islamic Sharia rules and principles.

Based on the above, the Sharia Supervisory Board discloses the following opinion:

- 1) The contracts, transactions and operations concluded by Bank Nizwa during the year 2016 for the period from 01/01/2016 to 31/12/2016, which we have reviewed, are in compliance with Islamic Sharia rules and principles;

- 2) The allocation of profit and charging of losses relating to investment accounts conform to the basis that have been approved by the Sharia Supervisory Board and in accordance with Islamic Sharia rules and principles;
- 3) All earnings which have been realized from sources or by means not in compliance to Islamic Sharia rules have been disbursed to the charity account under the supervision and guidelines of the Sharia Supervisory Board; and
- 4) Calculation and disbursement of Zakat is the responsibility of Shareholders and not the responsibility of the Bank.

We pray to Allah the Almighty to grant us all, success and obedience to Sharia.



Sheikh Dr. Abdul Sattar Abou Ghuddah
Chairman of Sharia Supervisory Board



Dr. Sheikh Mohammad Bin Rashed Al-Gharbi
Member of Sharia Supervisory Board



Sheikh Ibrahim Bin Nasser Al-Sawwafi
Member of Sharia Supervisory Board

Place and Date: Muscat, 2nd of Rabie al Akhir, 1438H;
Corresponding to 31st December 2016.