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IN OUR NATION'S FUTURE



SECURITY | STEADY AND ATTRACTIVE RETURNS | LIQUIDITY

Auction of **R.O. 150 million**,
7 years, @ 5.75% p.a.

Sultanate of Oman Government Development Bonds



PROSPECTUS



OPENS ON TUESDAY, SEPTEMBER 11th, 2018.

CLOSES ON THURSDAY, SEPTEMBER 20th, 2018.

Government Development Bonds

58th Issue Terms of Issue

The Development Bonds are financial instruments issued by the Government of the Sultanate of Oman, to provide an investment outlet for the surplus resources available in the economy and also to finance capital expenditure of various development projects envisaged in the Five Year Development Plans. The Central Bank of Oman issues the Bonds on behalf of the Government of the Sultanate, under the following terms and conditions.

1. Security

The Bonds will be direct and unconditional obligations of the Government of the Sultanate of Oman.

2. Date of Issue (Settlement Date)

25th September 2018

3. Size of the Issue

The size of the issue is fixed at RO 150 million

4. Denomination

The Bonds are being offered in the denomination of RO 100/- and in multiples thereof .

5. Term

The Bonds will be repaid after the expiry of 7 years from the date of issue.

6. Coupon Rate

The Bonds will offer 5.75% coupon rate per annum.

7. Payment of Interest

Interest shall be effective from the date of issue, and will be paid semi-annually each 25th March & 25th September every year until maturity. The first interest payment will be paid on 25th March 2019. The interest payment will cease once the Bond matures. Interest will be calculated on a 365 days basis. Interest will be credited to the holder's respective accounts maintained with commercial licensed banks. All Applicants must indicate their banker details in their application forms for this purpose.

8. Duration of the Offer

a. Submission of Application

Applications for the bonds will be received by commercial licensed banks in the period from 11th September to 20th September 2018 during their working hours.

b. Auction day

Auction will be held on 23rd September 2018

9. Method of Issuance

The Bonds will be issued by the auction method.

10. Type of Auction

There will be only competitive type of auction for this issue.

a) Competitive Bids: Bidders will bid for bonds on a yield basis. The minimum bid accepted for the competitive auction will be RO 500 and in multiples of RO 100 thereof.

The maximum bid will be equivalent to 25% of the total amount offered (i.e. RO 37,500,000). Bidders will state their desired yield in comparison to the offered coupon of 5.75%. For example, they can bid for a yield of 5.70 % or 5.80% etc., up to two decimal places. Bids will be accepted in ascending order of yield, until the full amount of the issue is allotted.

b) Amount to be covered: Investors must cover and authorize their banks (Agents) to block the full purchase price of their bids based on their selected yields.

11. Issue Price

Each bid shall state the yield to maturity to two decimal places. The purchase price for each accepted bid will be determined on the basis of the annual return derived from the coupon rate on the bond , carried to three decimal places and rounded to the nearest five Baiza.

12. Number of Bids

Tenders may consist of one or more bids, up to a maximum number of five bids.

13. Rejection of Bids

The Ministry of Finance and the Central Bank reserve the right to accept or reject any or all tenders, in whole or in part, without providing any reason thereof.

14. Form of Issue

A Bond Advice will be issued in respect of each holder in the name of the individual person(s) or institutions. The details of the Bonds allotted will be recorded in the Register maintained by Muscat Clearing and Depository Co. S.A.O.C.(MCD)

15. Redemption

The Bonds will be redeemed at par on maturity. The Bonds are not subject to optional redemption prior to maturity (i.e. 25th September 2025). However, it would be possible to sell and trade Bonds in the secondary market in accordance with the laid down procedures at Muscat Securities Market (MSM).

16. Submission of Applications

Commercial Licenced Banks will bid for themselves and on behalf of their clients through GDB electronic system. Non-bank investors (i.e., institutions and individuals) making competitive bids of RO 1 million and above can, if they wish so, submit the applications for the Bonds directly to CBO after getting them endorsed by their banks. All other applications of less than RO 1 million must be submitted through their commercial banks.

17. Method of Payment

CBO will debit the clearing account of the submitting bank for the total purchase price of the allotted amount (bank own bid and its client allotted bids) .

18. Announcement of Auction Results

Auction results will be announced within two days after the auction date.

19. Allotment of Bonds

a) On allotment of Bonds, the Bond advice will be issued to the investors through their respective selling Banks. Investors are required to collect their Bond allotment

advices from their selling banks one week after the issue date.

b) In the case of joint applications of two or more parties, the names of all the claimants get incorporated in the Bond Register. For lack of space, only the name of the first party will be printed on the Bond advice.

20. Secondary Market

The trading of bonds can take place at the floors of the MSM. Prices of Bonds in the secondary market will be determined by the prevailing market forces.

21. Payment of Redemption Value

On maturity, the par value of the Bonds allotted will be credited to the holders' respective accounts maintained with their nominated banks.

22. Transfer of Bonds

The Bond advices will be issued for the consolidated amount allotted. The Bond holders are permitted to trade their Bonds in full or in parts (RO 100/- and in multiples thereof) through Agents of the Muscat Securities Market (MSM) . A sale or transfer will be effected by means of an instrument of transfer as per the procedures followed in the MSM.

23. Eligible Investors

The 58th issue of Govt. Bond is offered to all types of investors, residents and non-residents (irrespective of their nationalities).

24. MSM Investor Code

Investor code must be provided in the application. If you do not have the code, you can obtain it from Muscat Clearing and Depository Co. S.A.O.C.(MCD) through their website at least one day prior to submitting the application to the bank. (www.csdoman.co.om) or through their contact numbers Tel.: 24822222 / 280 / 260 / 235, Fax: 24810555 / 24817491

25. Bank Account Details

An investor must provide same account details registered with (MCD) .