

For Immediate Release

BankMuscat Adopts the ‘Equator Principles’. First Bank from across the Middle East to take this ‘environment-friendly’ stand.

- Also joins United Nations Environment Programme Finance Initiative (UNEP FI)

Muscat. August 18, 2007: BankMuscat, the nation’s leading bank, has adopted the ‘Equator Principles’, a set of globally recognized, voluntary guidelines established to assess and manage social and environmental risk in project financing, especially in the emerging markets. In adopting these principles, BankMuscat has become the first bank from across the Middle East region to adopt the Equator Principles. The Bank will also ensure that the projects it finances are developed in a socially responsible manner and reflect sound environmental management practices.

The Bank has also joined the United Nations Environment Programme Finance Initiative (UNEP FI), which is a unique global partnership between the United Nations Environment Programme (UNEP) and the global private financial sector. BankMuscat has signed the ‘UNEP Statement by Financial Institutions on the Environment and Sustainable Development’. By signing this statement, BankMuscat will join an elite group of 160 financial institutions, including ABN Amro Holdings N.V, Allianz Dresdner, Bank of America, Barclays, BNP Paribas, Citigroup, Commerzbank AG, Credit Suisse, Deutsche Bank, HSBC, Societe Generale, Standard Chartered Bank and Bank of Tokyo-Mitsubishi, who are co-signatories to the UNEP FI Statements and who work closely with UNEP FI to develop and promote linkages between the environment, sustainability and financial performance.

Speaking on the occasion, AbdulRazak Ali Issa, Chief Executive, BankMuscat said:

“I am delighted that BankMuscat is the first bank from the Sultanate to join a select band of environment-conscious financial institutions. Environmentalists from across the world have lauded the pristine beauty of our beloved country. Given these blessings, and the vision of His Majesty Sultan Qaboos bin Said, to manage the growth and development of the nation while preserving the natural beauty of Oman, we believe it our duty to take meaningful steps in the same direction.

“In addition to our robust corporate and institutional banking risk management infrastructure, we will now work toward setting up significant social and environmental risk management procedures that, are in line with these globally accepted principles. We will also work toward the creation of several sustainable programmes that will make us more environment conscious and friendly as an organization.”

The Equator Principles are intended to serve as a common baseline and framework for the implementation by each of the Equator Principles Financial Institutions (EPFIs) on its own

internal social and environmental policies, procedures and standards related to its project financing activities. The principles apply to all new project financings globally with total capital costs of USD 10 million or more, across all industry sectors. In addition, while the Principles are not intended to be applied retroactively, they are to be applied on all project financings covering expansion or upgrade of an existing facility where changes in scale or scope may create significant environmental and / or social impact, or significantly change the nature or degree of an existing impact.

Globally, financial institutions are under close scrutiny than ever before. Investors and regulators are increasingly asking challenging questions about corporate governance, the social and environmental impacts of operations and investments and how financial institutions support their local communities. Membership to the United Nations Environment Programme Finance Initiative (UNEP FI) has helped signatories since 1992 to better understand and appreciate stakeholder concerns, exchange best practices and stay on top of such issues.

BankMuscat is currently working on action plan of what is required from its management team, employees and applicable stakeholders in order to fully adopt the Principles as well as develop projects that are of a sustainable nature.

...Ends...

About The "Equator Principles"

A financial industry benchmark for determining, assessing and managing social & environmental risk in project financing.

About The Equator Principles Financial Institutions (EPFIs)

The Equator Principles Financial Institutions (EPFIs) have consequently adopted these Principles in order to ensure that the financed projects are developed in a manner that is socially responsible and reflect sound environmental management practices. By doing so, negative impacts on project-affected ecosystems and communities should be avoided where possible, and if these impacts are unavoidable, they should be reduced, mitigated and/or compensated for appropriately. EPFIs believe that adoption of and adherence to these Principles offers significant benefits to themselves, their borrowers and local stakeholders through their borrowers' engagement with locally affected communities. It therefore recognizes that their role as financiers affords them opportunities to promote responsible environmental stewardship and socially responsible development. As such, EPFIs will consider reviewing these Principles from time-to-time based on implementation experience, and in order to reflect ongoing learning and emerging good practice.

These Principles are intended to serve as a common baseline and framework for the implementation by each EPFI of its own internal social and environmental policies, procedures and standards related to its project financing activities.

About UNEP FI

The United Nations Environment Programme Finance Initiative (UNEP FI) is a unique global partnership between the United Nations Environment Programme (UNEP) and the global private financial sector.

UNEP FI works closely with over 160 financial institutions that are signatories to the UNEP FI Statements, and a range of partner organizations to develop and promote linkages between the environment, sustainability and financial performance. Through regional activities, a comprehensive work programme, training programmes and research, UNEP FI carries out its mission to identify, promote, and realize the adoption of best environmental and sustainability practice at all levels of financial institution operations.

About BankMuscat:

With assets worth over USD 8.5 billion, BankMuscat (SAOG) is the largest Bank in Oman today with a strong presence in Corporate Banking, Consumer Banking, Investment Banking, Treasury, Private Banking, Project Finance and Asset Management. The Bank has a network of 100 branches and 230 ATMs in Oman and a representative office in Dubai (UAE). BankMuscat also has a strategic stake in Centurion Bank of Punjab, one of the largest private sector bank in India, and has a 49% stake in BankMuscat International (BMI), an independent banking entity in Bahrain that is focused on becoming a truly GCC regional bank. The Bank has also recently opened its operations in the Kingdom of Saudi Arabia.

For more information, please contact:

Suha Al Raisi, Officer – Corporate Communications
BankMuscat SAOG
Phone: +968 24768595
Email: suhaa@bankmuscat.com

or

Sukanti Ghosh, Head – Corporate Communications
BankMuscat SAOG
Phone: +968 99261325
Email: sukantig@bankmuscat.com