

Bank Muscat is one of the signatories to the EP, an arrangement by financial institutions worldwide to adhere to the environmental, health and safety standards while financing projects exceeding US\$ 10 Million. To comply with the Principles Bank Muscat has put in place guidelines to evaluate the environmental and associated risks with the projects financed by the Bank. As on 18 August 2009 there are about 68 Financial Institutions which are signatories to the EP. The details of the project finance transactions exceeding US\$10 Million processed during the year 2008 and for the 6 months ended 2009 are given in Table 1 and 2 hereunder:

Table 1:

Category	Transaction processed			Total
	Oman	GCC region Excl. Oman	Asia	
A	---	---	--	--
B	2	1	1	4
C	5	2	--	7
Total	7	3	1	11

Table 2:

Category	Transaction processed		Total
	Oman	Middle East Excl. Oman	
A	---	---	---
B	1	---	1
C	3	---	3
Total	4	---	4

Categorisation of projects:

- **Category A:** Projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented;
- **Category B:** Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures ; and
- **Category C:** Projects with minimal or no social environmental impacts.

Bank Muscat continues its effort to adhere to EP in respect of all the project finance transactions exceeding US\$ 10 Million financed by the bank.