



2018  
SUSTAINABILITY  
REPORT

**Better care.  
Better future.**





“The road is long, and the goal is far. However, we are confident that this dear country has the necessary cultural and historical elements, and hopes and aspirations for the future, that will enable it - God willing - to implement its domestic and foreign policies.”

**His Majesty Sultan Qaboos bin Said  
on the occasion of Opening of the 3rd Term of the Council of Oman**

**Better Everyday**



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## Message from Our Chief Executive Officer

Bank Muscat is proud to present the 2018 Sustainability Report highlighting the impact of its activities on the economy, environment, and society. Continuing to deliver on our commitment to the people and the nation, the year marked the launch of the Bank's dynamic new vision 'To serve you better everyday'

The new vision and redefined values aim at creating, sustaining and delivering real and undiminishing value in customer service through Bank Muscat's key element - its competent people. Reinforcing the foundations for future development and expansion, the Board of Directors approved a new Organisation Structure assigning higher emphasis to customer centricity, whereby the Bank's functions are aligned based on the main customer segments being served.

Setting new benchmarks to sustainable development, the Bank widened the scope of the Sustainability Committee. The mandate of the committee is to ensure that the Bank incorporates sustainable best practices in its core business activities and develops it as an integral part of the corporate culture. The four Sustainability Pillars covering the Bank's activities include Contribution to Economic Performance, Development from within (Human Resources), Empowering Community and Responsible Banking.

We understand the significance of our role in the context of partnership accorded to the private sector to drive economic growth and sustainable development. During the year, the Bank embarked on new initiatives covering various segments such as (Youth, Sports, Education and SMEs). In a unique talent development and youth empowerment initiative, the Bank joined hands with Petroleum Development Oman (PDO) to provide vocational training leading to **Association of Chartered Certified Accountants (ACCA)** qualification and job opportunities to 50 Omani youth.

Scripting new dimensions in social commitment, the Bank extended support to the 'Fak Kurba' initiative by Oman Lawyers Association to resolve 190 cases of insolvent citizens who were unable to clear financial debts. Redefining focus on the country's environment for future generations and aimed at promoting renewable sources of energy, Meethaq Islamic Banking inaugurated Oman's first solar-powered bank branch.

Sustainability is a running theme in all stakeholder engagement initiatives and activities, ensuring lasting positive benefits aimed at strengthening ties with the local community. The ongoing CSR projects covering financial literacy, greening of football fields and The SME Academy training have yielded immense benefits for students, youth and the community.

The corporate values form the DNA of The Bank Muscat Brand and the foundation of corporate culture. The five corporate values – Leadership, Innovation, Partnership, Integrity, and Accountability – represent what the Bank stands for and the very foundation on which Bank Muscat is built. The redefined values position the Bank in line with the requirements of the next phase of development.

Focused on delivering long-term benefits to the community and the nation, all CSR programmes draw from the Bank's values of leadership and partnership. In pursuit of sustainable development, new opportunities are explored. We look forward to witnessing a landmark tourism development project launched in collaboration with the Ministry of Tourism taking shape in Misfat Al Abriyeen in Wilayat Al Hamra, promoting tourism and creating job opportunities for SMEs and the local community. Irshad, a first-of-its-kind free consultation programme to support SMEs, startup companies, entrepreneurs and individuals in financial planning and management, is another initiative gaining momentum.

We recognise that sustainable development is the key to achieving long-term benefits spanning economic, social and environmental dimensions. As the market leader, Bank Muscat sets precedents, and as we introduce sustainable CSR initiatives, we are confident our efforts positively contribute to development in Oman.



**Waleed K. Al Hashar**  
**Chief Executive Officer**

# About Bank Muscat

Bank Muscat is the leading financial institution in Oman with a strong presence in corporate banking, personal banking, investment banking, Islamic banking, treasury, private banking and asset management. The Bank has the largest network of branches and electronic channels in Oman, as well as branches in Saudi Arabia, Kuwait and representative offices in Dubai (UAE), Iran and Singapore. Muscat Capital LLC is a brokerage and investment banking entity of the Bank operating in Saudi Arabia.

The Bank has been closely associated with the progressive march of the nation in all realms, participating in development projects and initiatives aiming at boosting the national economy. We continue to deliver on our commitment to the nation through strategic Corporate Social Responsibility (CSR) and Sustainability programmes covering various segments.

## Our Vision

To serve you better every day

Leading in everything we do by offering simplified & integrated banking solutions.

Bank Muscat maintains a 35% market share, has the largest network of access points, and is the largest employer in the financial sector in Oman.

## 2018 at a glance

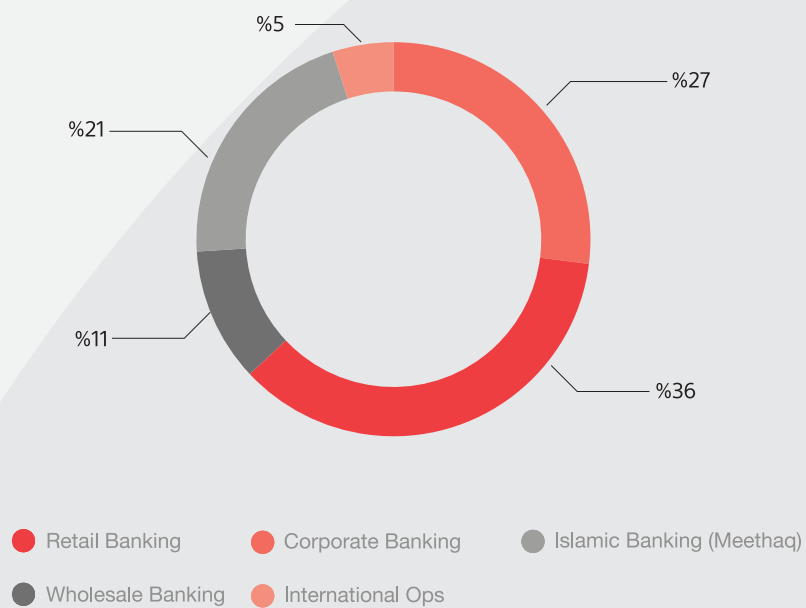
Employees	3779
Branches	148
ATMs	430
CDMs	128
FFMs	134
PoS terminals	19,830
Customers	2,104,162
Customer deposits	2,304,650,000
Lending	3,127,896,184
Net income	179,633,000
CSR spending (profits after tax)	0.75%
Omanisation	94.67%



Shareholders	%
Royal Court Affairs	23.626
Dubai Financial Group LLC	11.767
Civil Service Pension Fund	7.558
Ministry of Defence Pension Fund	6.493
Public Authority for Social Insurance	5.134
Oman National Investment Company	5.041
Others	40.381
Total	100

### Portfolio by Business Segments

(% of total assets)



# 2018 Highlights

<b>250+ families</b> Supported after Cyclone Mekunu	<b>250</b> New graduates joined the Bank
<b>49%</b> Women in middle management positions	<b>15%</b> Women in senior management positions
<b>94.67%</b> Omanisation rate	<b>74.5%</b> Locally-based suppliers
<b>15 new beneficiaries</b> Green Sports	<b>2%</b> Reduction in water consumption
<b>Bank of the Year</b> Awarded by The Banker	<b>Best Corporate Bank in Oman</b> Award by Global Banking & Finance Review
Measured SROI for 6 of Bank Muscat's CSR initiatives	<b>Meethaq wins Best Islamic Banking in Oman</b> Award by Islamic Business & Finance

## Sustainability at Bank Muscat

As the leading financial institution in Oman, the Bank holds an important position in shaping the socio-economic conditions in the Sultanate by contributing to its financial stability and economic growth. Bank Muscat's customers, ranging from individuals to government entities, remain confident about the Bank's services as it provides them with sound advice, enabling them to make informed financial decisions while responsibly managing their investments and lending. As a result, the Bank seeks to proactively manage its material sustainability issues through an integrated management approach.

### Our Sustainability Framework

Bank Muscat's sustainability framework is designed to pave our path towards successful economic, environmental, and social development

<b>Support</b>	We aim to support social and humanitarian activities, events and charitable causes to continue serving local communities.
<b>Accountability</b>	We acknowledge that our activities should support sustainable development through continuous efforts to directly and indirect benefit society, the economy, and the environment. As such, we aim to develop policies to expand our positive reach and incorporate sustainability into our business practices.
<b>Recognition</b>	We believe in encouraging our employees to undertake voluntary activities. We have systems in place to promote participation in such initiatives, thereby benefitting the Society, the environment, and the economy.
<b>Development</b>	We are committed to the growth of the economy through sustainable development of our business. We contribute to this development by working closely with local communities and implementing programmes to benefit society.

## Governance

The Sustainability Committee oversees sustainability management at Bank Muscat and is the supervisory body for all current and future programmes. The Committee comprises senior members of management and is a demonstration of Bank Muscat's commitment to integrating sustainability throughout the company. In collaboration with the CSR and Sustainability Department and the support of our employees, the Sustainability Committee is working to ensure the Bank incorporates sustainable best practices in its core business activities and that sustainability is an integral element of our corporate culture.

### Our Sustainability Committee Members

No	Name	Designation	Role in Committee
1	Sheikha Al Farsi	Chief Strategy & Corporate Services Officer	Chairman
2	Thomas Totton	GM - Risk Management	Alternate Chairman
3	Ahmed Al Ojaily	GDGM - Technology	Member
4	Said Salim Said Al Aufi	GDGM - Human Resources	Member
5	Abdulnasir N. Al Raisi	DGM - Premier Banking	Member
6	Damian O'Riordan	DGM - Internal Audit	Member
7	Saleh Nasser Al Habsi	DGM - Investment Banking	Member
8	Osamah Abdullatif	AGM - Project Finance	Member
9	Taya Eid Awadh Bait- Sabeea	AGM - Interior Regions	Member
10	Ibrahim Khamis Al Bulushi	AGM - Small & Medium Enterprises	Member
11	Intisar Al Araimi	HRM	Secretary

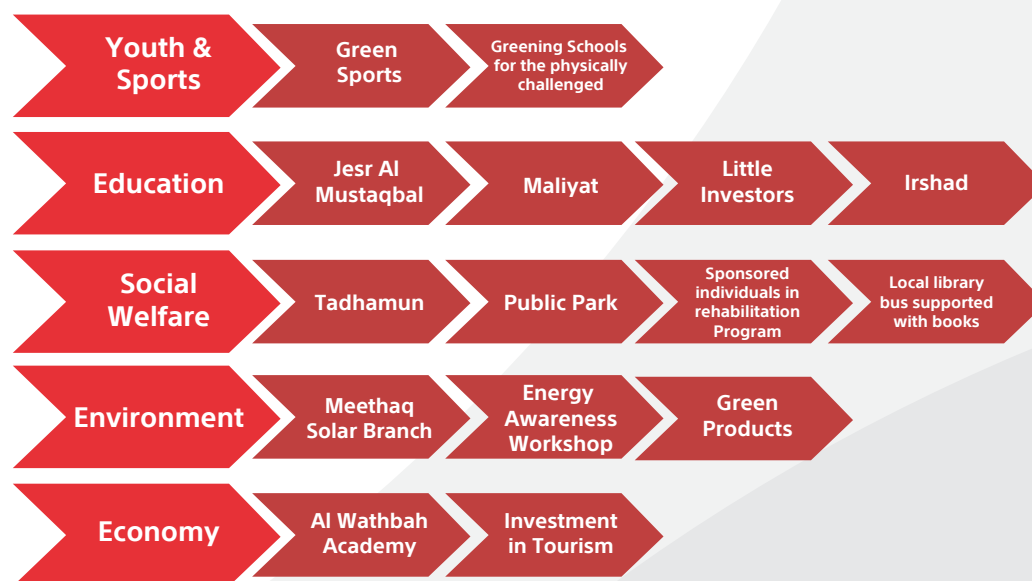
# Better Partnership



## Corporate Social Responsibility (CSR)

Since its establishment, the Bank has had an impact on several segments of society, in line with the Bank's commitment to providing opportunities for the local communities in which it operates. The Bank's programmes have touched the lives of thousands of beneficiaries bringing an overall positive impact to the communities they represent. It is imperative that any initiative taken by the Bank echoes the values of the Bank, as such in 2018, Bank Muscat measured the impact of six of its sustainability programmes, including Green Sports, Al Wathbah Academy, Tadamun, Jesr Al Mustaqbal, Little Investors and Energy Awareness. These initiatives were assessed using Social Return on Investment (SROI) methodology through a combination of in-depth and high-level assessments for three years from 2015 to 2017.

A concurrent theme can be found across the established CSR programmes, in which most of them are in partnership with the local ministries and government bodies. This provides the Bank with a reliable platform on which sound information on the social requirements can be delivered for action.



Further details of the initiatives can be found in the Empowering Communities chapter.

### Social Return on Investment (SROI)

In order to assess the community value creation of our CSR strategy, and the direction it should take moving forward, Bank Muscat decided to measure the impact of six of its CSR initiatives: Green Sports, Al Wathbah Academy, Tadamun, Jesr Al Mustaqbal, Little Investors, and Energy Awareness for the years 2015, 2016 and 2017. This was done using the Social Return on Investment (SROI) methodology, inspired by Social Value International.

In the first phase of the data collection process, we sought to understand what changes beneficiaries experienced as a result of their participation in the programmes. We understood this change through direct interviews with beneficiaries, programme impact reports, and secondary sources. After determining what has changed, the second phase focused on assessing exactly how much has changed. We determined this through direct surveys, focus groups, input from programme coordinators, and secondary sources.

The (SROI) methodology quantifies and monetises the social value of CSR programmes, measuring it against the following three key performance indicators: appropriateness, effectiveness, and efficiency. To assign financial proxies to the values of change, we used the following two approaches: 1) Choice modelling, where key stakeholders and experts assign monetary values; and 2) Secondary sources, which was used when access to direct beneficiaries was not possible.

The SROI framework is important to determine the cost-benefit ratio of our programmes, and to demonstrate how our initiatives have created value in social, environmental and economic spheres. We also believe that this is an important way to involve our stakeholders, prioritise and value the indicators of change that matter the most, and maintain our commitment to transparency.

## Indicators of Change

### Green Sports

The following changes resulted from the Green Sports programme. They were determined through qualitative and quantitative interviews with the stakeholders.

% of Participants	Change Indicated
89%	Increased social cohesion between the community
84%	Increase in sports activities
84%	Improved physical fitness

### Al Wathbah Academy

The graduates have indicated the following changes they and their businesses have experienced as a result of participating in al Wathbah Academy. These changes were determined through qualitative and quantitative interviews with the stakeholders.

% of Participants	Change Indicated	Result
85%	Learned how to manage financial assets and set the company budget	-Helped reduce company's expense -Manage the cash flow
77%	Manages the company more efficiently now	-Increased operational efficiency -Improved management of human resources -Improved business decision making

### Little Investor

The indicators of change were identified after interviewing Ministry of Education, Injaz Oman and the students.

% of Participants	Change Indicated	Result
75%	Increased knowledge of financial matters and the right ways of saving	Increased their savings

### Jesr Al Mustaqbal

The following changes were indicated by the students as a result of receiving the scholarships. These changes were determined through quantitative interviews with the stakeholders.

% of Participants	Change Indicated
86%	Have a sense of pride and self-worth
86%	Increased self confidence

## Tadhamun

The indicators of change were identified after interviewing Ministry of Social Development, families under social welfare, Al Noor Association, and Omani Association for the Hearing Impaired.

% of Participants	Change Indicated
100% Families under social welfare	Eased the financial burden
100% People with hearing impairment	-Being independent and less reliant on others -Feel more safe when they are alone

## Energy Awareness Programme

The indicators of change were identified after interviewing Nafad Energy, SMEs attended the workshops, and reviewing workshops' reports.

% of Participants	Change Indicated
100%	Gained basic technical knowledge

## Stakeholder Engagement

Understanding and balancing the needs, priorities, and expectations of stakeholders is an integral part of maintaining a prosperous business; hence since its establishment in 1982, the Bank has maintained and built on those relationships. Different channels are utilised to allow open communication between the Bank and its stakeholders, allowing Bank Muscat to continuously improve the process and improve its value. More information about the way we engage our stakeholders can be found in Appendix B.

## Corporate Governance

Bank Muscat is dedicated to maintaining strong corporate governance and business ethics, adopting best practices, and ensuring compliance with laws and regulations to protect shareholder value and reduce liabilities. From our whistleblower policy to business continuity plan, we have long standing measures in place to ensure that the Bank acts with ethics, integrity, and transparency.

The Board of Directors (the Board) is the highest governing body and responsible for the strategic oversight and decision making within the Bank, while our Internal Audit Department evaluates compliance with policies and procedures across our operations. For more detailed information on corporate governance at Bank Muscat, please read our 2018 Annual Report.

## Our Quality Policy

Bank Muscat is determined to be an international best practices leader and strives to remain the bank of choice in all our products and services. Behind our drive to be the best financial institution in Oman, and fundamental to this goal, is our Quality Policy. Our Quality Policy outlines key objectives with attention paid to material areas of our business. To achieve these, we have invested in management systems such as ISO 9001:2015 to sustain a reputation for quality in all our markets of operation. As per the standard, Retail branches, Meethaq branches, and Corporate departments were included in the yearly quality audit.

# Enhancing Economic Performance

Bank Muscat's focus is clear: create a sustainable financial platform for society and business and thereby contribute to the Sultanate's economic growth. Committed to sustainable development, the Bank utilises every opportunity to strengthen partnerships to further build the nation by creating opportunities for individuals and businesses to grow and prosper and by aligning itself to the Oman 2020 vision. As a forward-looking financial institution, Bank Muscat is committed to the development and progress of Oman.

## Financial Performance

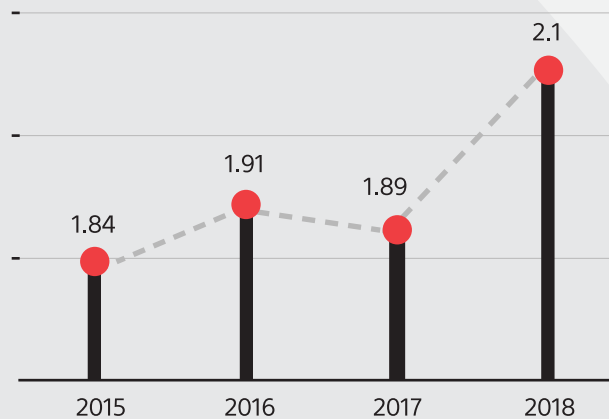
We are proud of our financial performance in 2018. Bank Muscat's net income reached RO 179.633M with operating income reaching RO 446.736m an increase from 1.6% and 2.5% respectively.

Financial Performance and Economic Value Generated and Distributed (RO '000s)	2015	2016	2017	2018
Total assets	12,544,529	10,820,070	11,149,222	12,288,039
Total equity	1,396,959	1,546,740	1,818,333	1,927,742
Net income	175,451	176,560	176,818	179,633
Operating income / Revenues (before recovery & charges)	407,736	416,175	435,966	446,736
Operating costs (including wages and benefits)	(159,871)	(161,357)	(170,857)	(176,984)
Employee wages and benefits	93,979	95,149	99,907	103,794
Payments to providers of capital (dividends)	57,290	62,406	81,281	88,422
Payments to the government (taxes)	(22,067)	(27,813)	(34,228)	(33,518)
Depletion, depreciation & amortisation	(11,185)	(12,721)	(13,222)	(13,359)

## Personal Banking

Our customer base in 2018 increased considerably from 2017 reaching 2.1M customers. This increase represents 11.4% growth rate in our personal banking customer base, with deposits reaching RO 3.1 billion. This reflects an unprecedented and impressive growth, compared to 14.5% increase since 2015.

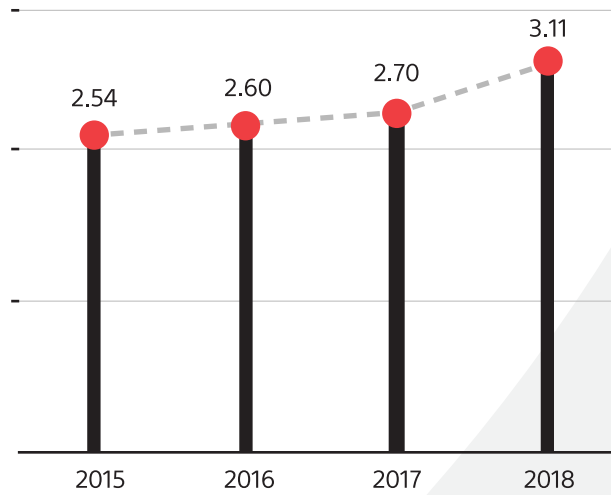
**Personal Banking Customers**  
in Million





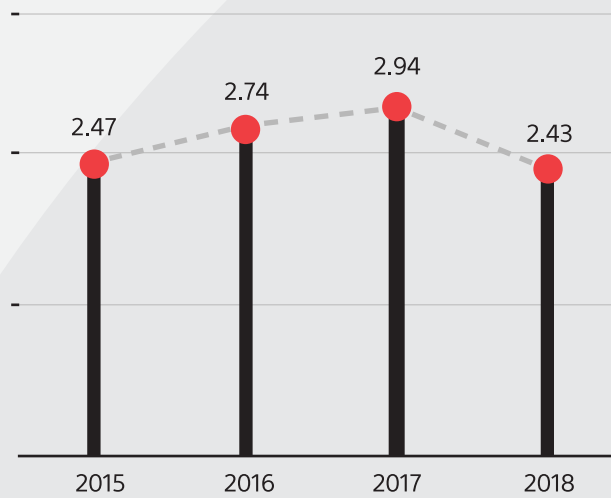
## Total Personal Customer Deposits

in Omani Rial/Billion



## Total Value of Loan Portfolio

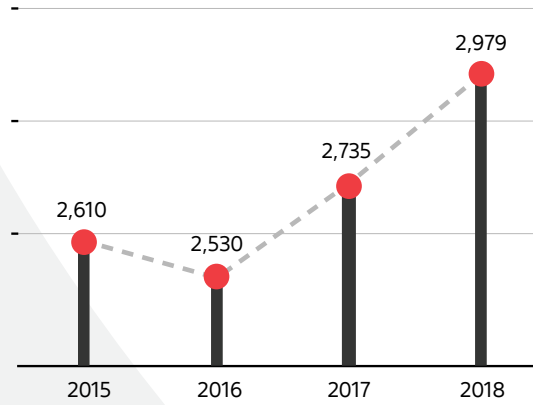
in Omani Rial/Billion



## Corporate Banking

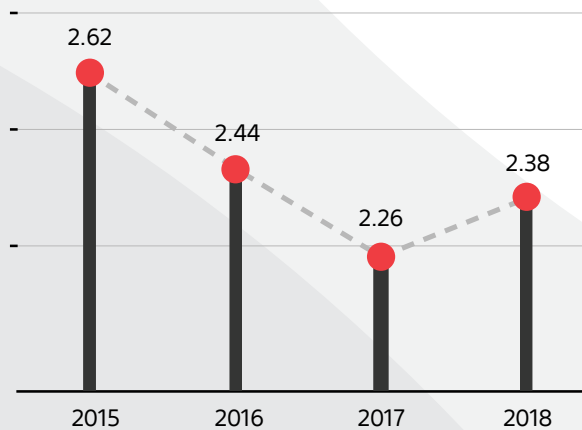
In 2018, we witnessed a substantial increase of 8.9% in our large corporate banking customer base from 2017 and have once again surpassed our 2014 level by 11%. Our aim in 2018 was to increase the large corporate banking customer deposits given the slight drop in customer deposits in 2017. As such, Bank Muscat's large corporate banking customer deposits in 2018 grew by 5.3% from 2017.

### Number of Customers



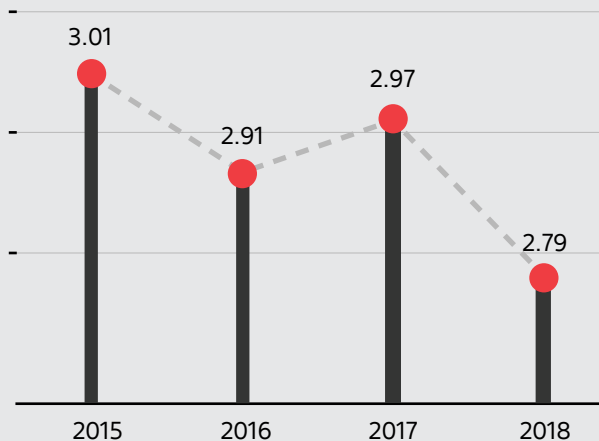
### Customer Deposits

in Omani Rial/Billion



### Value of Loan Portfolio

in Omani Rial/Billion



## Improving Access to Services

At Bank Muscat, we strive to improve access to our services, ensuring our customers' needs are continuously fulfilled. Bank Muscat offers an array of banking channels to ensure the Bank's customers are provided with the best services at all times. In 2018, Bank Muscat invested in improving access to its services, through increasing the number of branches, ATMs and other access points.

### Ways to bank with Bank Muscat

- Branches
- Mobile Banking
- Call Center
- 24/7 ATM/CDM/FFM
- Internet Banking

Bank Muscat access points	2015	2016	2017	2018
Branches	135	141	142	148
ATMs	431	422	416	430
CDMs	156	157	113	128
FFMs	34	58	117	134
PoS Terminals	15,472	18,128	18,325	19,830

## Customer Experience

Bank Muscat aspires to always exceed the expectations of its customers by continually seeking new ways to enhance their experience through constant service improvement. This year, Bank Muscat designed a new organisational structure for its customer experience department based on customer insights the Bank received from surveys, complaints, mystery shopping, and customer focus groups, in addition to, customer experience design through end-to-end customer journeys mapping, pain points, related solutions, and prototypes and research & testing, which include latest trends, benchmarks, testing and validating solutions with customers.

The Bank has also aligned its efforts to enhance customer experience through extending the working hours of its social media department that is in charge of responding to customers' queries. The department used to operate 5 days a week from 8 a.m. until 8 p.m. However, now it operates 7 days a week from 8 a.m. until 11 p.m., reflecting the Bank's commitment to quickly respond to customers' queries.

## Bank Muscat Stakeholder Engagement Activities

The Bank conducted nine customer focus groups with its Personal Banking, Asalah, and Meethaq customer segments. The Bank also completed a Mystery Shopper programme, covering the Bank's products and services in branches and contact centres, to benchmark its products and service with other banks. The feedback received from activities like these as well as others is used to help us identify areas for improvement and the corresponding action plans to enhance our service delivery.

## @bankmuscatcare and Financial Literacy

Bank Muscat was the first bank in Oman to launch a dedicated social media account on Twitter for customer care in 2016. Since then, @bankmuscatcare has been an immensely effective tool for improving turnaround time in addressing customer issues and has also allowed for increased engagement and learning. Through this channel, Bank Muscat launched a campaign on Twitter aimed at improving the public's financial awareness as part of its commitment to sustainable development.

## Fraud Awareness Campaign via @bankmuscatcare

In 2018, @bankmuscatcare continued its effort in educating the public regarding fraudulent behaviour and protecting citizens against financial scams. @bankmuscatcare is a highly proactive channel which aims to assess key financial situations present in Oman. It now has over 12,000 followers, a substantial increase of 76% in the number of followers since 2017.

## Tweeting for @bankmuscatcare's fraud awareness campaign and financial literacy



## Addressing Customer Feedback

In 2018, Bank Muscat resolved 76% of complaints within the service level agreement (SLA) period. The Bank maintains its high standards by ensuring its delivery exceeds the target specified.

Customer Complaints	2015	2016	2017	2018
Complaints resolved within SLA period (%)	79	82	80	76

## Product and Service Innovation

Our ability to provide new products and services that meet the evolving needs and expectations of our customers has been the key element to Bank Muscat's success. We rely on several channels to remain innovative in our product and service offerings and continue to be the Bank of first choice in the Sultanate. Not only does Bank Muscat seek to deliver products and services that directly meet our customers' needs, we also search for ways to address broader social and environmental challenges through our product and service offerings.

## Mekunu Loan

In 2018, Oman was hit by the strongest cyclone to ever affect the Sultanate. Cyclone Mekunu struck Dhofar and Al Wusta regions with near peak intensity. The extremely strong winds and heavy rainfall destroyed homes, cars, boats and public property. As the leading Bank in Oman, Bank Muscat partnered with the Ministry of Social Development and the Omani Bahjah Orphan Society to extend support to the Omani community to help rebuild their lives. We supported over 250 families in rebuilding their homes and purchasing essential home appliances. We also granted the Mekunu Loan to the community residing in Dhofar and Al Wusta regions. This exclusive loan offered competitive rates of 3.25% for 12 months or 3.75% for 24 months and the first loan instalment was also waived. This loan also offered life insurance against death and permanent disability.



## Shahadati Educational Loan

Bank Muscat continued its educational loan which supports youth pursuing higher education. Shahadati, which was launched in 2017, gives a major thrust to higher education. The Shahadati loan stems from the Bank's commitment to the national objective of supporting education for Omani youth at home and abroad. Shahadati covers a student's full expenses, including tuition fees, accommodation, transportation, books, and other education-related expenses.

Shahadati opens a great opportunity for the future of Omani youth. Quality education is key to securing a promising career in today's labour market, and Shahadati helps to make its recipients' dreams become a reality by removing the financial burden while pursuing their degrees.

## Wage Protection System (WPS)

Bank Muscat diligently searches for ways to enhance customers' banking experience. The Wage Protection System (WPS) is an electronic salary transfer system which offers numerous benefits to companies and its employees through ensuring a faster salary processing time and instant credit to employees' salary accounts, streamlining traditional methods of transferring employees' salaries.

## Local Procurement

Bank Muscat prioritises engaging local suppliers to support local economic development, and this preference is clearly stated in our Procurement Policy. Options outside the local market are explored only when a local supplier cannot provide the product or service needed. In 2018, 74.5% of the suppliers we engaged with were locally-based, thus leading to a 2% increase in our locally based suppliers from 2017. Our suppliers are selected based on a set of criteria including; competitive pricing, product quality, timely supply, and post-delivery maintenance.

## Meethaq Islamic Banking

### Financial Planning Initiative

Meethaq continues to demonstrate its unwavering determination to cultivate a savings culture in the Sultanate. In 2018, Meethaq launched its financial planning initiative that aims at spreading awareness on managing personal budgets and planning for future needs. This initiative offered two lectures on financial planning, directed towards improving financial planning for individuals and the methodologies of Islamic financial planning according to societal standards. The financial planning initiative taught people the mechanisms to prioritise financial decisions based on basic needs and wants.

## Meethaq wins Best Islamic Banking in Oman award by Islamic Business & Finance

In recognition of Meethaq's outstanding achievements in Islamic Banking and as a pioneer Islamic Bank in Oman, Meethaq won the Best Islamic Bank award by Islamic Business & Finance.

Meethaq has crossed a milestone of over RO 1 billion in assets and accounts for over 33% market share in terms of assets and is the market leader in Islamic Banking in Oman. Meethaq has many achievements contributing to the growth and development of the Sultanate's economy. Meethaq extends support to all key economic sectors in the Sultanate.



# Developing from Within

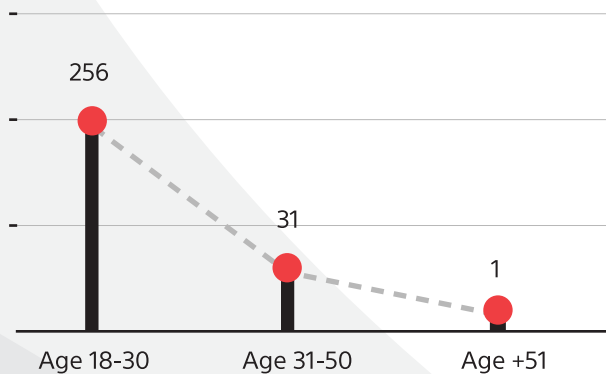
## Largest Employer in the Financial Sector

Since the beginning of operations, Bank Muscat has invested in improving the potential of its workforce, and we are proud of our contribution to human capital development in the Sultanate. We continue to equip our employees with the skills they need to succeed professionally and move into leadership positions through our innovative development opportunities. It is with the unwavering commitment and loyalty of our workforce that the Bank is able to maintain its leadership and pioneering position in the Sultanate.

## Our Workforce

In 2018, our workforce increased by 4.74% to reach 3779 employees. As we seek to realise new growth opportunities, we are keen to improve our impact on the Omani labour market by increasing employment.

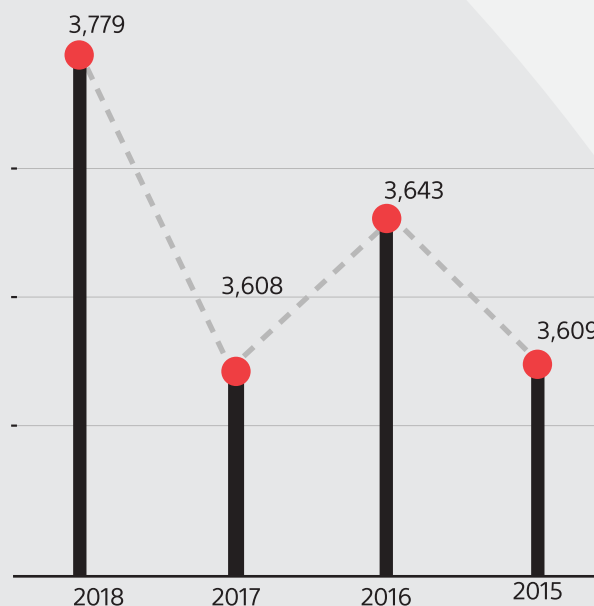
**Workforce by Age  
2018**



## Diversity and Inclusion

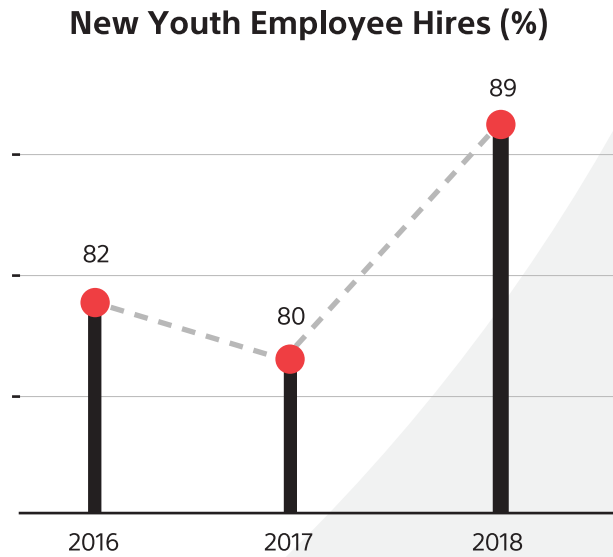
Bank Muscat is focused on attracting the best available talent and follows a meritocratic approach in hiring. The Bank ensures equal opportunity, irrespective of a candidate or employee's gender, marital status, tribe, ethnic origin, or religion. In 2018, zero incidents of the discrimination were identified.

**Full-Time Employees**



## Youth Employment

Providing attractive employment opportunities to youth remains a priority at Bank Muscat. Investing in the future generation is an important aspect of our succession planning and is imperative for the sustainable development of Oman. In 2018, 32.7% of Bank Muscat employees were between the age of 18 and 30, which was slightly lower than in 2017; however, new employee hires aged 18-30 remained high at 88.9%.



# Better Initiatives for the Community

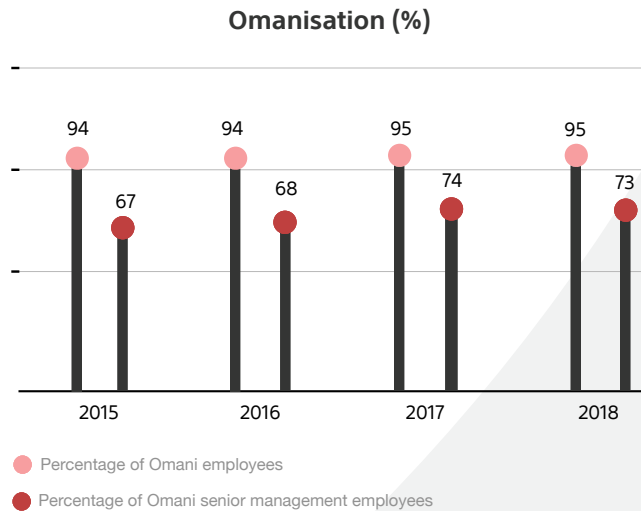




## Omanisation

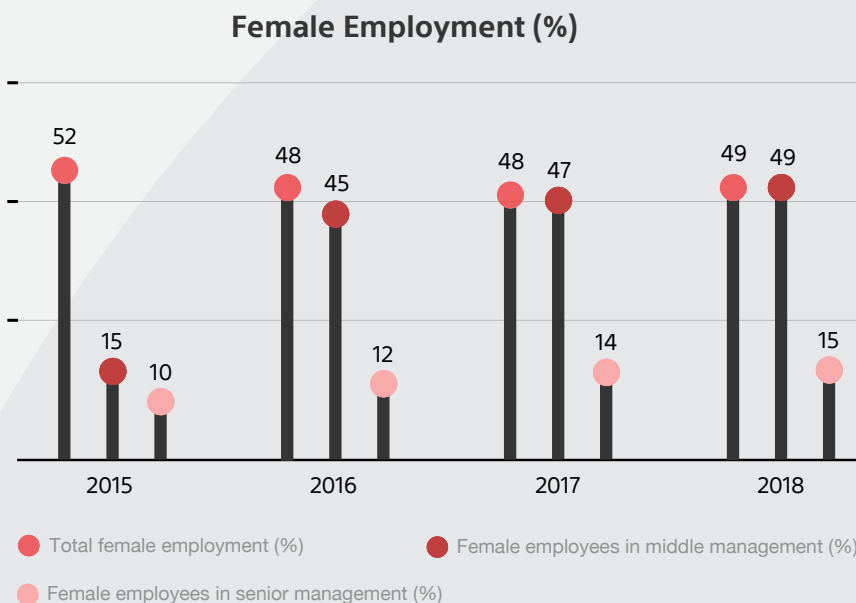
In alignment with Oman's 2020 vision, Bank Muscat announced a new structure committed to the hiring and advancement of Omani nationals. In 2018, Omani nationals represented 73% of senior management, a slight decrease from 2017. However, Bank Muscat sustained its Omanisation rate at 94.67% of all Bank Muscat employees.

In 2018, Bank Muscat continued its support of the Ministry of Manpower's employment initiative, hiring 250 fresh graduates from top performing institutes in Oman and graduates from international universities.



## Female Employment

Ensuring equal opportunity for women in hiring and upward mobility remains a paramount facet of Bank Muscat's commitment to diversity and inclusion. Female employees in Bank Muscat represent around half of our workforce at 48%. In 2018, the percentage of new female hires reached 57%. Women in management positions witnessed a 2% improvement, with 49% of women now in middle management positions, and the proportion of women in senior management has continued to grow from 14% in 2017 to 15% in 2018.



## Learning and Development

Bank Muscat is devoted to supporting its employees by providing them the best career advancement opportunities through customised training and development programmes. In 2018, the Learning and Development Centre was instrumental in organising 617 employee training and education courses, amounting to 19,407 people-days of training in total.

Company-wide training	2017	2018
Total number of training days provided (in people days)	20,167	19,407
Senior management employees	141	330
Middle management employees	14,178	15,768
Non-management employees	5,848	3,309
Male employees	9,825	9,234
Female employees	10,342	10,173
Average number of training days provided per employee	5.59	5.28
Total number of employees trained	14,652	13,008
Omani employees	14,101	12,421
Expatriate employees	551	587
Total number of training and education courses	877	617

## Talent Management and Succession Planning

Through Bank Muscat's Talent Management and Succession Planning initiative, we aim to attract, retain and develop key talent within the Bank. We also seek to maintain business continuity for all critical roles and identify successors to critical roles. Through various evaluation tools and a robust programme that attracts the best Omani graduates in the country, such as the 9-box potential assessment matrix, critical role assessment exercise and High Potential Graduate Development programme, we can identify potential succession candidates for critical roles.

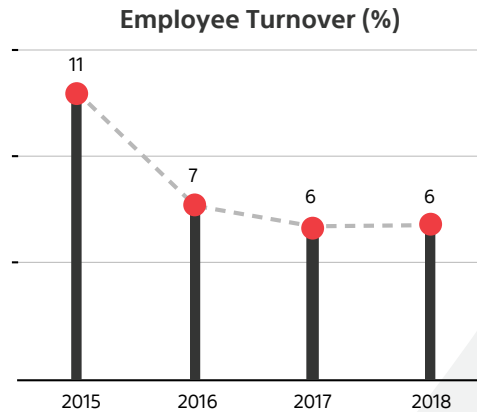
## Jadara

After the successful launch of the Jadara Graduate Development Programme (JGDP), Bank Muscat's multi-faceted talent management programme platform launched in 2018 the Jadara Management Programme (INSEAD) for 34 participants from the Middle Management Programme and Management Team and launched the Jadara Middle Management Programme, the Cambridge Faculty, for 37 participants from various departments.

2018 Employee Education Highlights
17 employees completed the Graduate Development Programme
25 employees participated in the second cycle of the Graduate Development Programme
34 employees completed the Jadara Management Programme (INSEAD)
47 service managers completed the Certified Service Managers Programme
53 branch managers completed the Certified Branch Manager Programme
8 professional certifications were launched, in comparison to 6 last year: <ul style="list-style-type: none"> <li>Islamic Finance Qualification (CISI) – IFQ</li> <li>ICA International Diploma in Anti Money Laundering</li> <li>Certified Ethical Hacking (CEH V9)</li> <li>Certified Information Systems Security Professional (CISSP)</li> <li>Certificate in International Trade and Finance</li> <li>TOGAF for IT Infrastructure</li> <li>International Introduction to Securities and Investment (CISI)</li> <li>Certificate in Risk Management</li> </ul>
617 training and education courses were conducted in 2018
3 new batches of Tatweer Harvard Programmes were launched
Implemented a staff productivity project leading to process efficiencies and cost savings across the bank

## Employment Engagement

Employee engagement and satisfaction is paramount to Bank Muscat's success. We strive to ensure employees are provided with sufficient training programmes and annual performance reviews. This is reflected in the total number of training programmes Bank Muscat provides its employees. In 2018, the average number of training days provided to Bank Muscat's employees reached 5.28. Through Bank Muscat's training, education and engagement programmes, employee turnover rate remained low at 6% in 2018.

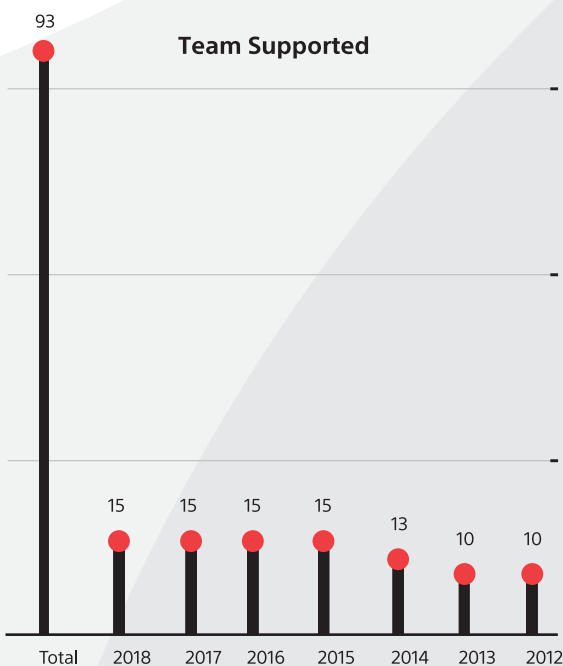


## Empowering Communities

Bank Muscat's Corporate Social Responsibility (CSR) programmes reach most of the Omani community, as part of Bank Muscat's vision 'To serve you better everyday'. We have dedicated considerable resources to address key social issues in the Sultanate as part of our stakeholder engagement to strengthen ties with local communities. Our Sustainability Committee has been instrumental in delivering the Bank's commitment to sustainable development throughout the communities in which we operate.

### Green Sports

Bank Muscat's Green Sports Initiative has benefitted over 93 sports teams since its inception. In 2018, over 79 teams applied for support to enhance the infrastructure of their football fields. The selection of beneficiaries followed extensive field visits by the committee, which reviewed and short-listed eligible sports teams. Ultimately, 15 new sports teams were chosen to benefit from Bank Muscat's Initiative.



## Tadhamun

Bank Muscat's annual CSR programme, implemented in partnership with the Ministry of Social Development, focuses on families under the social welfare umbrella by providing them with basic home electronic appliances for a better quality of life. The Bank distributed air-conditioning units, refrigerators, freezers, and washing machines, to over 1000 families across the Sultanate, touching the lives of thousands of Omanis in the process. The programme also sought to invest in different segments of society, including a charitable organisation, where air conditioning requirements were provided for. In 2018, Bank Muscat donated 54 air-conditioning units to Al Noor Association for the Blind as part of their commitment to reach different segments within the Omani community.

## Jesr Al Mustaqbal

Bank Muscat launched 'Jesr al Mustaqbal' in 2012 in execution of the directive of His Majesty Sultan Qaboos Bin Said to provide relevant educational and training opportunities for Omani youth to develop employable skills. The comprehensive CSR initiative is targeted to benefit young Omanis - both male and female from social welfare families who have not been able to pursue higher education after schooling for various reasons. Till 2018, a total of 40 students have graduated from Jesr Al Mustaqbal scholarships covering diploma, vocational and bachelor degree programmes, while 54 are still studying.

## Imprints

### Little Investors

Over 10,500 students have been trained in financial literacy as part of the Little Investor programme in partnership with the Ministry of Education and Injaz Oman. Empowering the community from a young age, the Little Investor programme is aimed at developing children's knowledge of finance to equip them with the skills to become future entrepreneurs

### Irshad

As part of the bank's Imprints CSR initiative, Irshad is our Financial Coaching Clinic (FCC) which provides financial coaching and guidance to SMEs, startup companies, entrepreneurs, individuals with respect to managing their finances and future financial planning. The bank aims is to provide financial coaching on how to make the most out of earnings. Coaching will be on areas such as managing financial debt, budgeting, importance of saving, challenges for SMEs and how to raise capital.

### Maliyat Financial Literacy Certification

Aimed at equipping citizens in financial planning, Maliyat personal finance certification module will be made available to the public in 2019.

### Investment in Tourism

With the tourism sector set to play an increasingly central role in the Sultanate's economic future, the bank seeks to invest in local communities for sustainable and eco-friendly tourism opportunities in association with the Ministry of Tourism,

### Energy efficient branch (Meethaq)

Aimed at promoting renewable sources of energy in the Sultanate, the solar-powered Al Khoud branch comes as part of the bank's Imprints CSR initiative. Meethaq is the first bank in the Sultanate to operate a branch on green renewable energy. The rooftop solar panel installation at Al Khoud branch has the capacity to produce 50 kw electricity. The solar-powered branch reduces carbon dioxide emissions by 52.56 tonnes per year. Nafath Renewable Energy, a leading SME player in energy conservation, implemented the project.

### Green products

In line with the Sultanate's strategy to adapt and mitigate the effects of climate change, the bank will launch a suite of products aimed at encouraging customers and the public to invest in green homes. Incentives will be provided in line with the products for customers looking to have energy efficient homes with options for renewable sources of energy.

## Renewable energy workshops

Aimed at promoting alternative sources of energy, the bank organised customised workshops on best practices and investment options in alternative energy sources attended by over 1,500 students and SMEs.

## Green space

As a gift to the nation, Bank Muscat, in partnership with Muscat Municipality, is moving forward with the construction of a modern public park. The park is aimed at fostering a sense of belonging and appreciation of green environment among community members

## bank muscat hearts

CSR plays an integral role in Bank Muscat's culture. Bank Muscat Hearts (BM Hearts) is a staff volunteer group committed to channel their passion and goodwill into charity initiatives and activities.

## Fak Kurba

During Eid Al Fitr, Bank Muscat partnered with the Oman Lawyers Association to support Omani citizens who were imprisoned as a result of their failure to comply with their financial commitments. Bank Muscat provided Oman Lawyers Association a cheque that resolved 190 cases of financial debt.

This initiative liberated citizens from serving time in jail and reunited them with their beloved ones during the blessed holiday.



## Association of Chartered Certified Accountants (ACCA)

The ACCA programme Funded by PDO, selected 50 bachelor's degree holders in finance and accounting. Bank Muscat is supporting the students with a monthly stipend to cover their costs during the training period. Once students successfully receive the ACCA certificate, Bank Muscat will offer the certified individuals employment opportunities in various departments across the Bank.

As part of Bank Muscat's commitment towards talent development, retention and youth employment, the Bank signed an agreement with Petroleum Development Oman (PDO) to provide an 18-month training programme to help students attain ACCA qualification, leading to job opportunities for 50 Omani youth. Bank Muscat is focused on supporting youth employment in a challenging and dynamic working environment.



# Better SME Support



## SME Support

Small and Medium Enterprises (SMEs) are a key driver for economic growth and job creation. Bank Muscat has invested its efforts in promoting skill development among SME entrepreneurs through innovative programmes such as Al Wathbah Academy.

### Al Wathbah Academy

Launched in 2013, Al Wathbah Academy continues to gain momentum through its successful SME graduates. The academy equips participants with the skills and knowledge needed to leverage their business ideas and contribute to Oman's economy. In total, 72 entrepreneurs have graduated from the SME Academy since 2014.

Location	Year	Graduates
Muscat	2014	12
Sohar	2015	12
Salalah	2015	12
Muscat	2016	14
Nizwa	2017	12
Sohar	2017	10

### Success Story: Hannah Al Lawati

Hannah has applied the principles that she has learned in Al Wathbah Academy's workshops and coaching to transform her Jewellery design business. Before Al Wathbah Academy she focused on acrylics. Today, and with the support of her coach, she has decided to design jewelry using materials that generate a higher profit margin. These materials include gold and diamonds in lieu of acrylics. In the last two months and since starting Al Wathbah Academy, Hannah has achieved an increase in month to month revenues of more than 350%. We are delighted to have Hannah as part of Al Wathbah Academy as she is a business owner that espouses the principles, character, and values of someone who has the desire to apply what they learn to their growing business.



### Al Wathbah Ramadhan Souq

As part of Bank Muscat's commitment to promote women empowerment and independence, Bank Muscat has been holding Al Wathbah Ramadan Souq since 2013. Al Wathbah Ramadan Souq enables female business owners to sell their products for three consecutive days during the Holy month of Ramadan without incurring any costs such as rental. In 2018, Al Wathbah Ramadan Souq had a total of 155 businesswomen, a slight decrease from 2017 as a result of constructing a kid's area.



Year	Number of participants
2013	96
2014	102
2015	126
2016	140
2017	160
2018	155

# Responsible Banking

## 11-years signatory of the Equator Principles

Bank Muscat has been a pioneer in financial sustainable practices, demonstrated in our commitment to the Equator Principles. We are dedicated to incorporating sustainable best practices into our corporate lending activities by managing environmental and social risks.

Our aim is to safeguard the assets and investments of our shareholders and customers, depicted in our robust risk management approach.

### The Institute of International Finance (IIF)

Bank Muscat is a member of the IIF, a leading global association of financial institutions with close to 500 members from over 70 countries.

The mission of IIF is to support members in managing risks; advocate regulatory financial and economic policies that are in the broad interest of its members; and foster global financial stability and sustainable economic growth.



## Risk Management

Risk management plays an integral role in safeguarding the assets and investments of our shareholders and customers and is at the heart of decision making at the Bank. The Risk Management Department's vision is aligned with the Bank's vision and is committed "To increase shareholder value, instill confidence in the market place and alleviate regulatory constraints through prudent and pro-active risk management in line with global best practices in risk management techniques."

The table below displays some of the key risks identified in 2018 and Bank Muscat's response to proactively manage these risks.

Risk Identified	Bank Muscat's Response
Increase credit risk in view of challenging operating environment due to low oil prices	Proactive steps taken by the Bank such as restructuring credit facilities, implementing risk-based pricing and monitoring accounts to ensure the preservation of asset quality.
Increase in liquidity risk	Dynamic liquidity stress testing under Bank's Liquidity Assessment and Management Process (LAMP) and monitoring to ensure a robust contingency funding plan is available to meet the Bank's liquidity requirements under stress scenarios.
Continuous threat to information security through cyber attacks	Bank Muscat updated its data prevention system to include gateway monitoring and enhance the security incident monitoring and data loss monitoring.



## Equator Principles

We recognise the importance of climate change, biodiversity, and human rights, and believe negative impacts on ecosystems, communities and the climate should be avoided and/or mitigated. Since 2007, the Bank has been one of 92 global signatories of the Equator Principles. The Equator Principles were adopted to ensure that we are financing projects where environmental and social risks are being managed properly.

We believe that adoption and adherence to the Equator Principles offers significant benefits to our clients, stakeholders, business, society and the environment.

## Environmental Protection

Bank Muscat is aware of the importance of protecting the environment, thus we ensure our environmental impact is lessened and mitigated through investing in green-building technologies to improve energy, water efficiency and waste-management programmes.

## Energy Consumption and GHG Emissions

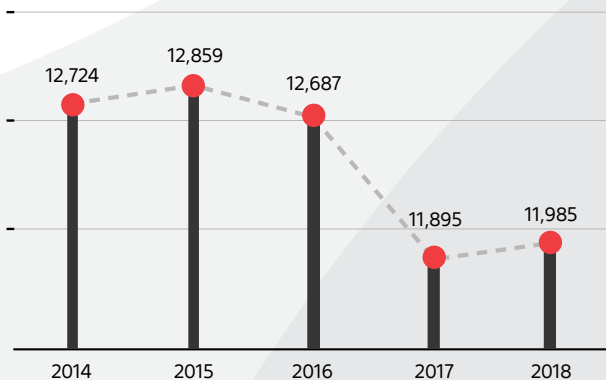
At Bank Muscat we aim to inspire environmental stewardship among our employees and customers. Our head office was designed using green building techniques and technologies. However, with a workforce of over 3,779 individuals, we consume a significant amount of electricity to maintain our office operations and the well-being of our staff. We also use fuel to power our vehicle fleet for travel among our nationwide branch operations.

In 2018, our head office consumed 11,985 mWh of electricity purchased from the national grid, amounting to estimated indirect, Scope 2, emissions of 10,273 tonnes CO<sub>2</sub> equivalent (CO<sub>2</sub>e). Bank Muscat's indirect energy intensity was therefore 3.26 mWh per employee, a slight decrease from 2017.

Bank Muscat is proud to have reduced 38% of its direct, Scope 1 emissions in 2018. Compared to the previous year, Scope 1 emissions amounted to an estimated 24 tonnes CO<sub>2</sub>e.

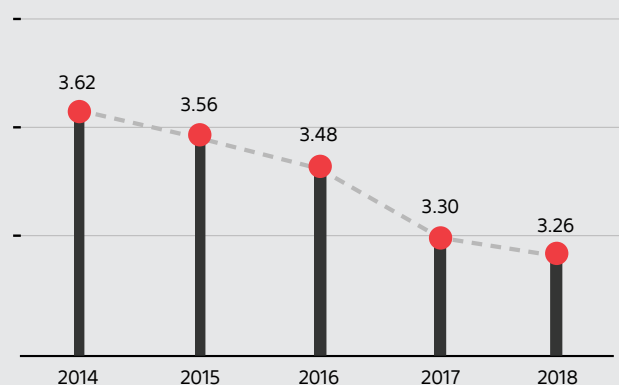
### Building Electricity Consumption

(mWh)



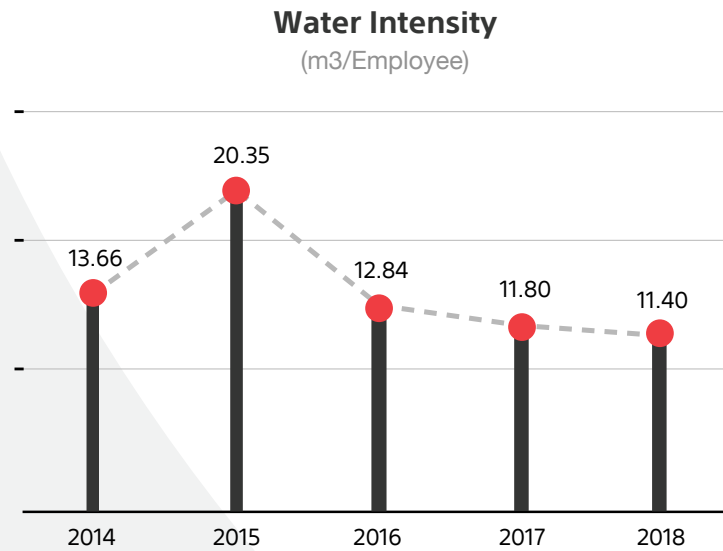
### Energy Intensity

(mWh/Employee)



## Water Consumption

In 2018, our Head Office consumed 41942 m<sup>3</sup> of water, resulting in a water intensity of 11.4 m<sup>3</sup>/employee. From 2017 to 2018, Bank Muscat reduced its water consumption by 1.4%.



## Case study: Disposal of Lead Acid Batteries

Bank Muscat signed an agreement with Oman Environmental Services Holding Company (be'ah) for the safe disposal of lead acid batteries (LAB) and electronic waste from the Bank's head office.

The agreement as part of the Bank's 'Let's Go Green' initiative, collected 560 LAB from Bank Muscat's head office. Be'ah has awarded a contract to Arab Lead Company (ALC) for processing LAB in a sustainable and environment-friendly manner within the Sultanate. ALC has commissioned a lead acid battery treatment plant in Oman with a capacity to treat 15 tonnes daily.

This initiative complements Bank Muscat's commitment to raise environmental awareness and bring about positive behavioural change towards environmental protection.



## Risk Management

A comprehensive Risk Management Framework is in place to assess each investment opportunity. The Investment Policy Manual governs the investment management process and clearly defines the roles and responsibilities. All our investments are screened as per the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) Shariah Screening Criteria which promotes "Socially Responsible Investing (SRI)" by prohibiting investment in the following businesses which are unethical and promote crime and anti-social behaviour: immoral entertainment, alcohol, gambling, weapons, tobacco, and others.

## Product Awareness

Within Islamic Banking, transparency is a central theme. Meethaq regularly uploads important information onto the Bank's website. Information that is updated monthly includes product weightings and the profit rates by which they are derived and the profit-sharing ratio in Mudarabah. The Bank's website also has a section for educating consumers on how Islamic Banking works.

## Awards & Recognition for Bank Muscat In 2018

- Bank Muscat wins Bank of the Year award by The Banker
- Bank Muscat wins Best Frontier Markets Bank for 2018 award by Global Finance
- Bank Muscat wins Best Bank in Oman award by Emeafinance
- Bank Muscat wins Best Consumer Digital Bank in Oman award by Global Finance
- Bank Muscat recognised for Best Data Analytics initiative in the Middle East by Asian Banker
- Bank Muscat wins AIWA Best Performing Company award
- Bank Muscat ranked No. 1 brand in banking category on OER's Most Trusted Brands in Oman
- Bank Muscat wins Oman's Most Trusted Brand Award by Apex Media
- Bank Muscat wins GCC award for innovative CSR initiatives
- Bank Muscat wins 'Quality of Disclosure' award by MSM
- Bank Muscat wins 'Most Improved Corporate for Investor Relations' award for large cap companies in the Middle East
- Bank Muscat tops in Euromoney Cash Management Survey 2018
- Bank Muscat wins Best Corporate Bank in Oman award by Global Banking & Finance Review
- Bank Muscat wins Best Asset Manager in Oman award by Emeafinance
- Bank Muscat wins Best Asset Manager in Oman award by Global Investor
- Bank Muscat wins Best Investment Bank in Oman award by Emeafinance
- Bank Muscat wins Global Investor Broker of the Year for Commodities award
- Bank Muscat wins Best Trade Finance Provider in Oman award by Deutsche Bank
- Bank Muscat wins Best Premier bank in Oman award by World Union of Arab Bankers
- Bank Muscat wins Best Private Bank in Oman award by the Professional Wealth Management and The Banker
- Bank Muscat wins Best Private Bank award by Emeafinance

# About This Report

The report covers the period from January 1, 2018 to December 31, 2018 and is limited to Bank Muscat's Oman operations, unless otherwise indicated. This report has been prepared in accordance with the GRI Standards: Core option. For the GRI Content Index, please see Appendix C.

For any questions or comments on this report, kindly contact Corporate Communications & CSR Department (CSR unit) on 24768595 or visit our website: [www.bankmuscat.com](http://www.bankmuscat.com)

## CSR Unit Time Line

Year	Achievement
2006	CSR unit was established making it the first bank in the Sultanate to establish a CSR Department
2009	Joined the United Nations Environment Program Finance Initiative (UNEP FI)
2010	Inaugurated the new Head Office complete with environmental design features Introduced the Sustainability Training and E-learning Program (STEP)
2012	Published first Sustainability Report Launch of CSR programmes Jesr Al Mustaqbal and Green Sports Became the first bank in the Sultanate to have a Sustainability Committee
2013	Launch of Tadamun CSR department becomes the CSR and Sustainability unit
2014	Launch of Al Wathbah Academy to support SMEs
2016	Launch of Imprints CSR Initiative with 9 CSR & Sustainability projects
2017	The conclusion of the Public Awareness campaign in partnership with The Public Authority for Consumer Protection, an Imprint initiative
2018	The conclusion of The Energy Awareness Workshops, an Imprint initiative The launch of the first solar branch in Oman, an Imprint initiative

# Appendices

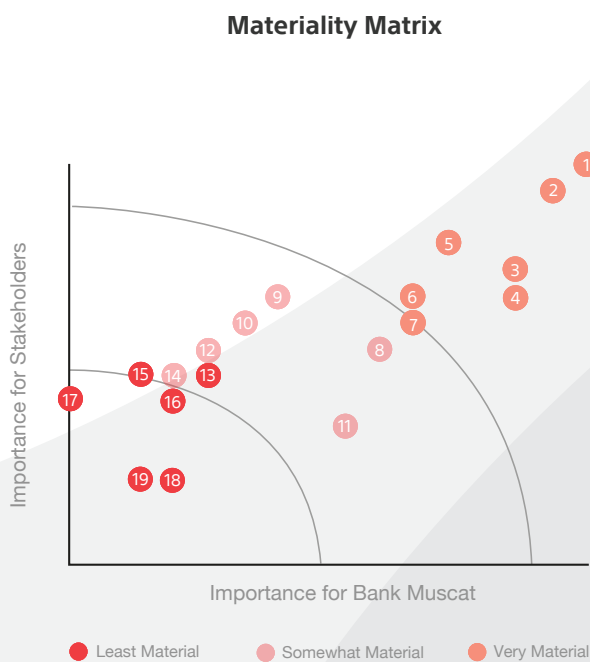
## Appendix A: Report Parameters and Materiality Topic Boundaries

Bank Muscat has presented relevant information available at the time of production of this report. For the purposes of this report, we present relevant performance for Bank Muscat’s Oman operations only. In the future, we aim to expand the scope of our reporting further to include stakeholders and supply chain. Our relationship with stakeholders continues to evolve and impact the content and reporting boundaries.

### Materiality

We continually aim to enhance the value we contribute to Oman. This year we reviewed and updated our materiality analysis which highlights 19 material topics aligned with best practices, as well as national and international guidelines.

The materiality analysis below prioritises the material topics that reflect Bank Muscat’s significant economic, environmental and social impacts, and substantively influence the assessments and decisions of stakeholders. In line with the materiality process set forth by the GRI Standards, we compiled a comprehensive list of relevant sustainability issues based on a detailed review of national and international sustainable development initiatives and guidelines.



Material Topic	Rank
Systemic risk management	1
Alignment to national and global priorities	2
Risk of major and/or rapid regulatory changes	3
Data privacy and security	4
AML and AFT	5
Access to finance	6
responsible lending	7
Responsible investing	8
Customer relationship management	9
Investor demands	10
Integrating ESG in investing	11
Integrating ESG in lending	12
Employee engagement and well-being	13
Audit and internal control systems	14
Product innovation/leadership in high-growth sectors	15
Employee training and development	16
Total impact, and impact investing	17
Going green/environment protection/dematerialisation	18
Product innovation in sustainability	19

## Appendix B: Stakeholder Mapping

Stakeholder Group	How Bank Muscat engages with this stakeholder group	Priority Sustainability Concerns	Bank Muscat's Actions
Employees	<ul style="list-style-type: none"> <li>Annual performance reviews</li> <li>Regular dialogue and interaction with employees</li> <li>Training and education programmes</li> <li>Grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Job satisfaction</li> <li>Fair compensation</li> <li>Fair and transparent appraisal system</li> <li>Staff engagement</li> <li>Providing a stimulating work environment</li> </ul>	<ul style="list-style-type: none"> <li>A state-of-the-art head office to provide best work environment</li> <li>Online HR System</li> <li>Staff engagement function within HR Department</li> <li>Learning and development strategy</li> <li>Internal newsletter (Aloomna) and the Bank Muscat intranet, iShare, Toastmaster Club, team meetings, and periodic one-to-one meetings</li> <li>Jadara</li> <li>CareMore initiative</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Call Centre Feedback Management System (FMS)</li> <li>Company website</li> <li>Focus groups</li> <li>Customer networking events for specific customer segments</li> <li>Branches and access points including ATMs and CDMs</li> <li>Media and social media channels</li> <li>Annual report and sustainability report</li> <li>Other bank publications, including investor presentations</li> </ul>	<ul style="list-style-type: none"> <li>Information security</li> <li>Effective and friendly customer service</li> <li>Innovative and convenient products and services</li> <li>Enhanced use of technology and improved access to banking services</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated customer care unit within Customer Service Department (CSD)</li> <li>Feedback/complaints monitored and reported to management committee for action</li> <li>Mystery shopper programme</li> <li>@bankmuscatcare</li> </ul>
Government (including Regulatory bodies)	<ul style="list-style-type: none"> <li>Government Business Division</li> <li>Investment in the national economy</li> <li>Supporting initiatives of national importance</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to the national economy</li> <li>Alignment to Oman's 2020 vision</li> <li>Regulatory compliance and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Maintain continuous communication with government bodies through the government business unit</li> <li>Continuous dialogue with ministries and other government bodies on sustainability, economic, and social development issues</li> <li>Imprints CSR initiative</li> </ul>

[102-40, 102-43, 102-44]

Correspondent / other banks / international entities	<ul style="list-style-type: none"> <li>• Financial Institutions Group (FIG)</li> <li>• Company website and other publications</li> <li>• Roadshows and presentations</li> </ul>	<ul style="list-style-type: none"> <li>• Normal business transactions</li> <li>• Enhance lines of credit and grow business</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated department to engage with this stakeholder</li> <li>• Annual Report</li> <li>• Follow a relationship-based approach</li> <li>• ISO 9001:2015</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>• Investor Relations Department</li> <li>• Shareholder meetings</li> <li>• Roadshows and presentations</li> <li>• Company website and other publications</li> </ul>	<ul style="list-style-type: none"> <li>• Creating added value services and products for shareholders and investors</li> <li>• Steady net income and asset growth</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting of the shareholders</li> <li>• Extraordinary meeting of the shareholder (when required)</li> <li>• Board of Directors meetings</li> <li>• Annual Report</li> <li>• Periodic investor meetings and presentations</li> <li>• Investor Relations page on company website</li> <li>• Investor roadshows and presentations</li> </ul>
Local community / Non-profit and other charitable organisations	<ul style="list-style-type: none"> <li>• The bank's dedicated sponsorship function</li> <li>• The bank's dedicated CSR and Sustainability Department</li> <li>• Open dialogue with non-profits and other entities</li> <li>• Media, social media and other publications</li> </ul>	<ul style="list-style-type: none"> <li>• Responsibility toward all-round development of society</li> <li>• Work closely with social and voluntary associations and non-government establishments</li> </ul>	<ul style="list-style-type: none"> <li>• CSR programmes e.g. Imprints initiative, Green Sports, Little Investors, etc.</li> <li>• Press releases, social media updates and interviews</li> <li>• Sustainability report</li> </ul>
Local, regional & international media	<ul style="list-style-type: none"> <li>• Media, social media and other publications</li> <li>• Press conferences</li> <li>• Media networking events</li> </ul>	<ul style="list-style-type: none"> <li>• Clear and effective communication</li> <li>• Transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly press conferences open to all media outlets at our head office</li> <li>• Daily updates across all our external communication channels</li> <li>• Annual report and sustainability report</li> </ul>

## Appendix C: GRI Content Index

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission			
			Part Omitted	Reason	Explanation	
GRI 101: Foundation 2016						
General Disclosures						
GRI 102: General Disclosures 2016	Organizational profile					
	102-1 Name of the organization	Bank Muscat SAOG				
	102-2 Activities, brands, products, and services	8				
	102-3 Location of headquarters	8				
	102-4 Location of operations	8				
	102-5 Ownership and legal form	9				
	102-6 Markets served	9				
	102-7 Scale of the organization	8				
	102-8 Information on employees and other workers	22-25				
	102-9 Supply chain	19,20-21				
	102-10 Significant changes to the organization and its supply chain	19				
	102-11 Precautionary Principle or approach	32				
	102-12 External initiatives	29				
	102-13 Membership of associations	32				
	Strategy					
	102-14 Statement from senior decision-maker	6-7				
Ethics and integrity						
102-16 Values, principles, standards, and norms of behavior	6					
Governance						
102-18 Governance structure	Page 8 of 2018 Annual Report					
Stakeholder engagement						
102-40 List of stakeholder groups	38-39					
102-41 Collective bargaining agreements	Bank Muscat employees are not covered by collective bargaining agreements					
102-42 Identifying and selecting stakeholders	37					
102-43 Approach to stakeholder engagement	19, 38-39					
102-44 Key topics and concerns raised	38-39					
Reporting practice						
102-45 Entities included in the consolidated financial statements	Financial statements include the activities of bank muscat and no other entity					



	102-46 Defining report content and topic Boundaries	37			
	102-47 List of material topics	37			
	102-48 Restatements of information	No restatements			
	102-49 Changes in reporting	No significant changes			
	102-50 Reporting period	January 1, 2018 - December 31, 2018			
	102-51 Date of most recent report	2017			
	102-52 Reporting cycle	Annual			
	102-53 Contact point for questions regarding the report	Back cover			
	102-54 Claims of reporting in accordance with the GRI Standards	36			
	102-55 GRI content index	40-43			
	102-56 External assurance	Not assured			
GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 200 Economic Standard Series					
Economic Performance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	16			
	103-2 The management approach and its components	16			
	103-3 Evaluation of the management approach	16 16			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed				
Market Presence					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21			
	103-2 The management approach and its components	21			
	103-3 Evaluation of the management approach	21			
GRI 202: Market Presence 2016	201-1 Direct economic value generated and distributed	Pg. 86 of 2018 Annual Report			
	202-2 Proportion of senior management hired from the local community	22-23			
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	27			
	103-2 The management approach and its components	27			
	103-3 Evaluation of the management approach	27			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	20-21,27-28			

Procurement Practices				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21		
	103-2 The management approach and its components	21		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	21		
	204-2 The management approach and its components	21		
GRI 300 Environmental Standards Series				
Energy				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	33		
	103-2 The management approach and its components	33		
	103-3 Evaluation of the management approach	33		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	33-34		
	302-3 Energy intensity	34		
Emissions				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	33		
	103-2 The management approach and its components	33		
	103-3 Evaluation of the management approach	33		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	33		
	305-2 Energy indirect (Scope 2) GHG emissions	33		
	305-4 GHG emissions intensity	33		
GRI 400 Social Standards Series				
Employment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22-23		
	103-2 The management approach and its components	22-23		
	103-3 Evaluation of the management approach	22-23		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	All bank muscat staff are full-time employees		
Training and Education				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	26		
	103-2 The management approach and its components	26		
	103-3 Evaluation of the management approach	26		

GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	26-29			
	404-3 Percentage of employees receiving regular performance and career development reviews	27			
Diversity and Equal Opportunity					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22			
	103-2 The management approach and its components	22			
	103-3 Evaluation of the management approach	22			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees ng regul	22			
Local Communities					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	27			
	103-2 The management approach and its components	27			
	103-3 Evaluation of the management approach	27-31			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	27-31			
Customer Privacy					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32			
	103-2 The management approach and its components	32			
	103-3 Evaluation of the management approach	32			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero			
Active Ownership					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32			
	103-2 The management approach and its components	32			
	103-3 Evaluation of the management approach	32			
GRI FS11: Active Ownership 2016	FS11 Percentage of assets subject to positive and negative environmental or social screening	32			

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