

Dear al khaliji shareholder,

I thought I'd take the opportunity of our end of year financials to run through the many things we've achieved at al khaliji in the one year we've been established.

There is much more there is to growing a bank than just numbers and graphs – though, of course, we're very proud of those too.

So where have we got to?

- In January 2007 we incorporated as a business in Doha – Since moving into our headquarters building in West Bay 12 months ago, we have passed many milestones.
- A highly successful private placement launched in the first quarter of 2007 was followed by our oversubscribed Initial Public Offering – attracting over 86,000 Qatari investors such as yourself – and our shares listed on the Doha Securities Market in the summer.
- Our team has grown at a phenomenal rate over the course of last year. Since hiring the first employee 12 months ago, the al khaliji family is now almost 250 strong – and the speed with which we have built a team stands as another of our major achievements.
- But it's not just about speed. We are working with people of an exceptional calibre. Our team is drawn from 30 countries worldwide; more than 20% of them hold Masters Degrees and 10 have doctorates.
- Fully capitalised; ahead of schedule our corporate team set about delivering a string of major financing deals that has seen your bank partner with the world's leading financial institutions on deals that underwrite Qatar's physical transformation and its emergence on the world stage as one of the most dynamic economies in the world.
- Our first major corporate transaction, a \$135mln loan to QTel, came ahead of schedule in September 2007 and the very next month we provided \$85mln as senior lead arranger in a \$5bln syndicated term loan for Dubai World, and QAR 100mln of bilateral working capital to the Al Mana Group.
- In November, it was our privilege to be invited to join a select number of companies, listed on the DSM, to participate in a road show at the London Stock Exchange. This put our bank – your bank – on an international platform as one of the new breed of public companies operating in Qatar (and the Gulf) today.
- Today we announce our second set of results, covering the end of period from 9th January 2007 until 31 December 2007 which are subject to Qatar Central Bank approval. Our results of net income of QR 74.3 mln increasing shareholder's equity to QR 4.561 bln on 31 December 2007 reflect the achievement of our commercial banking team in establishing itself as a key source of funding for some of Qatar's leading companies. The results presented is for December 31, 2007. According to our Memorandum and Articles of Association, al khaliji's first reporting period is 31 December 2008. Accordingly, our next Annual General Meeting (AGM) will take place in 2009".
- We also announce our first Islamic banking transaction ahead of schedule, contributing \$75mln as mandated lead arranger in a syndicated deal for Barwa Real Estate Company, one of the largest publicly listed real estate developers in the region.

We now continue at pace behind the scenes, focusing our efforts on building our retail operations in Qatar, and I look forward to welcoming you into your next generation branches very soon.

Yours faithfully
Tariq Al Malki
Chairman & Managing Director

