

Dear Shareholder,

I am writing to you with some important news about al khaliji. In line with our plans to develop a regional presence and deliver Next Generation banking from the Gulf, we are in advanced negotiations to buy the entirety of the assets of BLC Bank (France) SA in the UAE.

We have signed a Memorandum of Understanding which includes an exclusivity period and hope to be able to conclude a deal by the end of October 2007, subject to regulatory approval.

The BLC network of branches in the UAE will give us an immediate presence in the Emirates of Abu Dhabi, Dubai, Ras Al Khaimah, and Sharjah. Should our negotiations progress successfully, we will be able to invest our capital and management expertise in integrating the branches and staff into the al khaliji Brand, a process we aim to complete during next year.

This is a very exciting development both for BLC's existing employees in UAE and for all stakeholders in al khaliji and we are very proud to have been able to seize this opportunity at the same time as ramping up our activities in Qatar.

This marks another milestone in the bank's journey since our incorporation earlier this year. It follows our successful IPO and listing on the Doha Securities Market, and demonstrates our Bold and Swift values.

Yours sincerely

Tariq Al Malki  
Chairman and Managing Director  
al khaliji