



Dear Mr. El-lebban;

The Ministry of Social Development of the Kingdom of Bahrain and the United Nations Development Programmed (UNDP) would like to thank you and the management of Al Ahli United Bank for your efforts and contributions to economic and social development in Bahrain.


More specifically we thank you for your agreement to contribute an amount of US\$ 500,000 (US dollar five hundred thousand) towards the micro finance initiative that is jointly implemented by UNDP and the Ministry of Social Development. Both UNDP and the Ministry of Social Development will also contribute funds to this initiative.

Building on our previous success, we plan to launch the second phase of the project work with a number of Non-Governmental Organizations to provide small loans to about 6,000 needy citizens with particular focus on youth group and women. In line with the priorities of the government of Bahrain, this project will not only address the need of the population but will also provide employment to a large number of people.

Attached please find a detailed project document for your review and agreement. The document is outlining key objectives of the project; its management and implementation strategies; and monitoring and reporting arrangements. As you will note, the project will be guided by a Steering Committee comprised of key national stakeholders headed by the MOSD and Al Ahli United Bank is kindly requested to be a member of this Steering Committee.

Our plan is to launch this project during the fourth quarter of 2007. We would highly appreciate to receive your feedback in order to finalize and sign an agreement as soon as possible.

Sincerely,


Dr. Fatima Bint Mohammed Al Balooshi
Minister of Social Development
Kingdom of Bahrain


Sayed Aqa
Resident Representative UNDP
Kingdom of Bahrain

Mr. Adel A El-lebban
Group Chief Executive Officer and
Managing Director
Al Ahli United Bank
Manama Kingdom of Bahrian



September 30, 2007

Dear Mr. El-Labban;

Subject: Micro Start Project Phase II

The Ministry of Social Development of the Kingdom of Bahrain and the United Nations Development Programmed (UNDP) would like to thank you for confirming the approval of the Al Ahli United Bank Board of Directors of \$500,000 commitment to the Micro Start Project Phase II.

We are fully committed to fulfilling all the conditions outlined by in your letter dated September 26. Point (ii) in the letter requires a satisfactory review of the Micro Start Project audited accounts for 2003 – 2006. We have already provided you with all partners audited accounts we do have. As our aim was full sustainability, we have no contractual arrangements with these implementing organizations at this moment. We are, however, contacting these organizations to provide us with their audited accounts as soon as possible.

In order that we may launch this project at the earliest, UNDP and the Ministry of Social Development propose to agree on a date within the next two weeks to formally sign the contract in order to receive the first tranche of payment from AUB in the fourth quarter of 2007.

We welcome you and Mr. Shafqat Memon to the steering committee and look forward to a successful partnership.

Sincerely,

Dr. Fatima Bint Mohammed Al Balooshi
Minister of Social Development
Kingdom of Bahrain

Sayed Aqa
Resident Representative UNDP
Kingdom of Bahrain

Mr. Adel A. El-Labban
Group Chief Executive Officer and
Managing Director
Al Ahli United Bank
Manama
Kingdom of Bahrain