



EDBS/KH/0318/2011
10th July 2011

Chief Executive Officer
All Locally Incorporated Retail and Wholesale Banks
Manama
Kingdom of Bahrain

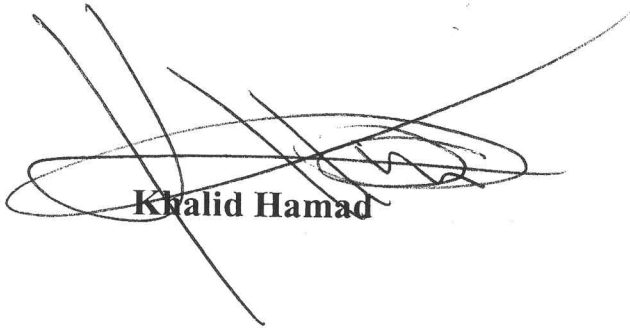
Dear Sir,

Re: Appointment of Independent Director

With the introduction of the Code of Corporate Governance introduced by the Ministry and Industry and Commerce and endorsed by the Central Bank of Bahrain ('CBB') in its Rulebook, the definition of 'independent director' was significantly amended.

The CBB appreciates that the appointment of independent directors in line with the new definition has proven to be difficult for several banks. The CBB is in the process of reviewing this issue and shall consult with you on a new criteria.

Yours faithfully,



Khalid Hamad