



KAUPTHING SINGER & FRIEDLANDER
International

20th November 2007

To all Derbyshire Offshore customers

Kaupthing to acquire The Derbyshire (Isle of Man) Limited ("Derbyshire Offshore")

I am delighted to advise you that Kaupthing in the Isle of Man has entered into an agreement to purchase the entire share capital of Derbyshire Building Society's offshore subsidiary, Derbyshire Offshore. We expect the legal formalities to be completed by the end of 2007 at which time your account(s) will transfer to Kaupthing Singer & Friedlander (Isle of Man) Limited ("the Bank") in accordance with the notice given to you by Derbyshire Offshore. The Bank has operated in the Isle of Man since 1971 and is licensed by the Financial Supervision Commission for Banking and Investment business. I am therefore writing to you today in advance of the completion to welcome you as a customer of the Bank.

The existing Customer Service Team will continue to take your calls and deal with your requests as usual. Please rest assured that (except for the substitution of the Bank for Derbyshire Offshore and the replacement of the parental guarantee mentioned in the next paragraph) the terms and conditions of your existing account(s) will be the same immediately after the transfer as before, and the account(s) will continue to operate as normal.

Kaupthing Bank hf, which has a credit rating from Moody's (Aa3) and from Fitch (A), will provide a full parental guarantee in respect of customer deposits. This guarantee will replace the parental guarantee from Derbyshire Building Society from the date of completion of the transaction, meaning that customers can continue to have peace of mind regarding the full security of their deposits.

I can assure you that we at Kaupthing will provide you with a superb level of service through the personal support and backup of the Customer Service Team. In addition, being a subsidiary of a major European banking group we can bring much more to you in the form of products and services:

- Multi Currency Accounts - Online Banking - International Debit Card -
- Offshore Lending - Investment Management -

Enclosed is a booklet which includes background on the Kaupthing Group, and a "Question & Answer" section which I hope will answer most questions you may have.

Once the transaction has formally completed I will write to you again to keep you fully informed of progress. Meanwhile, if you have any questions regarding your account, please contact the Derbyshire Customer Services Team on +44 (0)1624 663432 or email via info@derbyshire.co.im.

Alternatively, if you would like to discuss anything specifically to do with Kaupthing contact the Kaupthing team on +44 (0) 1624 699 340 or email via international@kaupthing.com.

Yours sincerely

Aidan Doherty
Managing Director

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Registered in the Isle of Man No. 3519
Registered office: Samuel Harris House, 5-11 St Georges Street, Douglas, Isle of Man IM1 1QB
Licensed by the Isle of Man Financial Supervision Commission
to conduct Banking and Investment Business
Authorised and regulated by the Financial Services Authority for UK mortgage business only