



JANUARY 25, 2006

## TAIB announces Record profits of US\$ 18.6 million In its 26th year

TAIB Bank B.S.C. (c), in Bahrain today announced its results for 2005: a **Net Profit of US\$ 18.6 million**, as against US\$ 8.4 million in 2004 (restated). **This is the highest profit that the Bank has achieved since its incorporation in 1979, and is 122% above its profits in 2004.**

Mr. Abdulaziz Alrashed, Chairman of the Bank, expressed considerable pleasure with the Bank's 2005 results. "The achievements of 2005 are particularly significant and gratifying, and reflect the innate strengths of the strategies that we have adopted over the last two years. Our strategic shift in 2004 towards relationship banking, as a Private Bank, has paid off in almost all the areas of the Bank's operations. The Bank's shareholders will no doubt be pleased to know that the earnings per share has increased from 9 US cents per share in 2004 to 19 US cents per share in 2005, an increase of 111%. We are proud".

Highlighting the Bank's performance during 2005, Mr Iqbal G. Mamdani, Vice Chairman & CEO of the Bank said: "Our assurance and commitment to our shareholders and partners in 2005 was that we would press forward with zeal in strengthening the several core areas of our business. The success of a Private Bank depends on understanding the needs of our investor-clients, and by focusing on this area we were able to strengthen these core areas of our operations.

"At the macro level, the Total Operating Income of the Bank touched nearly US\$ 44 million in 2005, representing a 63% increase over 2004. The biggest component was the income from the sale of investments which contributed nearly US\$ 30 million, with fees and commissions coming second with US\$ 13 million.

"We achieved this through several of our private banking activities. In the area of Real Estate Investments, we were able to record a turnover of over US\$ 1.3 billion, comprising 5 new and attractive, investments to our investor clients: 1 in the United States, 3 in the United Kingdom, and 1 in China, with a combined total value of US\$ 684 million. Exits from 5 real estate investments in the United Kingdom and 3 in the United States had a total value of US\$ 665 million.

"On the Private Equity front, we were able to offer (and close) an India-dedicated fund, called the **Leverage India Fund**, in partnership with several well-known Indian Financial Institutions and banks. This fund raised US\$ 154 mm, to which Gulf-based High Net Worth Individuals and Institutions contributed US\$ 66 million.

"In its brokerage operations, our Bahrain-based subsidiary was able to achieve a record turnover of nearly US\$ 800 million, spanning nearly 15,000 transactions. This was achieved by significantly expanding the area of its operations to cover 26 capital markets across the globe, and thus meeting the overwhelming expectations of several clients in the region for qualitative brokerage services.

"In the area of Asset Management, we are proud to announce that 7 out of the 10 TAIB Funds performed at, or better than, their respective benchmark indices, with 3 of these funds recording returns of over 30% during 2005. The aggregate Net asset Values of the funds under the TAIB banner also grew during the year," said Mr Mamdani.

"In terms of the Balance Sheet, at the end of 2005, the total assets of TAIB Bank stood at US\$ 435 million. The Bank's liquid assets, including cash and placements with banks, increased from US\$117 million in 2004 to US\$ 189 million in 2005, a positive increase of over 61%. The Balance Sheet continues to be strong, and the Bank's Capital Adequacy Ratio, which now stands at 42%, is more than three times the minimum requirement stipulated by the Bahrain Monetary Agency. The Bank's leverage ratio at the end of 2005 stood at a healthy 1.91."

TAIB Bank B.S.C (c), an international Private Bank based in Bahrain and listed on the Bahrain Stock Exchange, focuses on business activities in the regional markets of the Gulf, Europe, the United States of America, the Indian Sub-Continent, Turkey and Central Asia.