

TAIB Announces Financial Results for 2008 Key Shareholder Commitment to Face Financial Turmoil

TAIB Bank B.S.C.(c) (“TAIB” or “the Bank”) in Bahrain, announced its financial results for 2008 – reporting a net loss of US\$ 65 million on the back of mark-to-market losses resulting from the global financial crisis. The bank had reported a profit of US\$ 15 million in 2007.

Bank’s leverage ratio stood at a healthy 1.7. Capital Adequacy Ratio of the Bank stood at 23%, well above the BIS requirement of 8% and the Central Bank of Bahrain’s requirement of 12%. TAIB continued to maintain comfortable levels of liquidity with cash and placement with Banks aggregating to US\$ 165 million as against bank borrowings of US\$ 52 million and deposit from customers of US\$ 156 million.

TAIB’s fee income increased by 45% from US\$ 12.8 million in 2007 to US\$ 18.5 million in 2008, and net interest income also showed an increase of 4% from US\$ 4.3 million in 2007 to US\$ 4.5 million in 2008. During the last quarter of 2008 TAIB reported a loss of US\$ 53 million.

TAIB Securities W.L.L, the brokerage arm of TAIB Bank B.S.C.(c) achieved a record turnover of US\$ 2.4 billion in 2008, increasing the brokerage revenue by 10% from US\$ 5.6 million in 2007 to US\$ 6.2 million in 2008.

Soud Ba’alawy Executive Chairman of Dubai Group and Chairman of TAIB Bank said “The world today is facing unprecedented financial crisis affecting both global and regional banks such as TAIB. TAIB recorded significant growth in the operating income during 2008 but suffered due to severe decline in the valuation of certain assets of the bank. The fundamentals of the bank are still strong and I am confident that TAIB will excel in 2009.”

Mohamed Saleh, Acting CEO said, “The Bank’s performance in key areas during 2008 was commendable with a rise in operating income and record turnover in our brokerage division. However, the past year also proved quite challenging as the Bank suffered a setback on the mark-to-market losses – mostly unrealized in nature – on its investment portfolio due to severe decline in the world markets, resulting from unprecedented global financial crisis. We remain well capitalized and continue to operate from a position of strength to weather this financial storm.”