

## **Fitch Upgrades TAIB Bank to 'BBB+'; Removed from Rating Watch Positive**

Fitch Ratings-London-13 December 2007: Fitch Ratings has today upgraded the Bahrain-based TAIB Bank's Long-term Issuer Default rating (IDR) to 'BBB+' from 'BB', Short-term IDR to 'F2' from 'B', and Support rating to '2' from '5'. All ratings are removed from Rating Watch Positive where they were placed on 22 June 2007. A Stable Outlook is assigned to TAIB Bank's Long-term IDR. At the same time, Fitch has affirmed TAIB Bank's Individual rating at 'C/D'. The Support Rating Floor is withdrawn in line with Fitch's treatment of institutional support.

The rating actions follow the completion by Dubai Financial Group of the acquisition of 60% of TAIB Bank's shares. TAIB Bank's IDRs and Support rating reflect the high probability that TAIB Bank could rely on support from Dubai Financial Group, part of the financially strong Dubai Holding. Dubai Financial Group is a wholly-owned subsidiary of Dubai Holding, which is effectively 100%-owned by the ruler of Dubai. TAIB Bank's board of nine directors now has five directors appointed by its new majority shareholder, four of whom also hold senior positions within entities wholly-owned by Dubai Holding; this reconstituted board will guide TAIB Bank's new strategic direction.

Established in 1979, TAIB Bank is a financial institution that has repositioned itself as a private bank. TAIB Bank is focused on wealth management, providing real estate investment, asset management, private equity investment, brokerage and trust services. TAIB Bank holds a wholesale bank licence from its regulator, the Central Bank of Bahrain. It was listed on the Bahrain Stock Exchange in 1994 and has subsidiaries in the UK, the US, India, Turkey and Kazakhstan.

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