



## PRESS RELEASE

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# TAIB reports six month profit of US\$ 11.4 million

MANAMA, BAHRAIN – 16 July 2006: TAIB Bank B.S.C. (c) has reported a net profit of US\$ 11.4 million for the six month period ended June 30, 2006, as against a net profit of US\$ 9.4 million for the same period last year.

Announcing this 21% increase today, Mr. Iqbal G Mamdani, Vice Chairman and CEO said, “We are extremely delighted that the Bank has been showing steady progress after its repositioning as a private bank in 2004. The June 2006 result is an indication of this progress. Our Total Operating Income (TOI) as of June 30, 2006 stood at US\$ 20.5 million, representing an increase of about 15% over the TOI for the corresponding period of 2005. The Bank’s Capital Adequacy Ratio currently stands at 46%, substantially above the regulatory minimum of 12%. Furthermore, Return on Average Equity (Annualised) and Return on Average Assets (Annualised) stand at 14.6% and 5.1% respectively. Earnings per share were 12 US cents and book value per share stood at US\$ 1.58.

We are also pleased that Capital Intelligence Limited, the Cyprus-based rating agency, has upgraded our Long Term and Short Term Foreign Currency Ratings to BBB – (Triple B minus) and A3 respectively. These are investment grade ratings,” added Mamdani. TAIB’s Financial Strength has been rated at ‘BBB-’, its Support Rating is ‘4’, and the Outlook is ‘Stable’.

Needless to say, we will strive to improve our performance even more during the second half of 2006, as several new transactions are in the pipeline,” Mr. Mamdani concluded.

At the end of June 30, 2006, TAIB Bank’s total assets stood at US\$ 452 million while total shareholders’ equity stood at US\$ 163 million after payment of a US\$ 4.6 million cash dividend for the year 2005.

During 2006,TAIB exited from three of its real estate investments -- two in Europe and one in the U.S.-- of an aggregate value of approximately US\$ 192 million; the Bank also made an investment, with co-investors, in a new property in the U.K. valued at approximately US\$ 168 million. The total turnover of its real estate portfolio thus amounted to nearly US\$ 360 million.

Nine out of the ten TAIB funds performed equal to or better than their benchmark indices, as well.

TAIB Securities W.L.L., the Bank's Bahrain-based brokerage subsidiary, registered an impressive growth in trading volume of US\$ 449 million and a net profit of US\$ 1.8 million during the same period.

TAIB Bank B.S.C. ( c ), an international investment bank focused on private banking and wealth management, is listed on the Bahrain Stock Exchange. While headquartered in Bahrain, it conducts business in the Gulf's regional markets, Europe, India, Kazakhstan, the U.K. and U.S.

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