

## FIRST ISLAMIC ANNOUNCES RECORD RESULTS FOR 2004

February 15, 2005

First Islamic Investment Bank B.S.C.(c), a leading Bahrain-based investment bank, announced today that the Bank generated a net income of \$70.5 million for the year ended December 31, 2004, which represents a 57 percent increase over the \$44.8 million achieved in 2003. Since commencing its operations in 1998, the Bank's net income has grown at a compounded annual growth rate of more than 45 percent and its balance sheet has grown twelvefold to more than \$1.2 billion as of December 31, 2004.

The Bank paid a dividend of \$30.8 million, representing a return of 20 percent on the Bank's paid-in capital, for the year ended December 31, 2004 and generated a return on average total equity of 27.5 percent for 2004, compared with 25.5 percent in 2003.

During 2004, the Bank strengthened its balance sheet by increasing its equity capital base to \$325 million through a rights offering and a third party share offering and increased the maturity profile of its liabilities by completing a €75 million Euro *Sukuk* issuance.

During 2004, First Islamic completed three corporate investment transactions, including its first corporate investment in Europe, and six real estate and asset-based investment transactions including its first investment transactions in the Middle East.

Mohammed Abdulaziz Aljomaih, the Bank's Chairman, said: "We are pleased to report another record year for the Bank, the seventh in succession. We are grateful for the confidence that the Government of Bahrain, the Bahrain Monetary Agency and our valued clients and business partners have shown in the Bank since its inception."

Abdulaziz Hamad Aljomaih, Vice Chairman of First Islamic, said: "This past year has seen the fulfillment of the Bank's original business plan, which envisaged expansion of our investment activities to the Middle East. We will continue to offer distinctive investment opportunities which generate superior returns for our investors."

Atif A. Abdulmalik, the Bank's Chief Executive Officer, said: "The past year has been marked by strong growth across each of our business lines and markets of operation. During the year, we were particularly focused on expanding our asset-based investment line of business and expansion in Europe. We have recruited a number of new executives in our three offices and are well placed to significantly increase our deal flow and execute the next phase of our expansion."

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