



Twenty Second

ANNUAL REPORT

YEAR 2005

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INTRODUCTION TO BEST BANK

BANK ETTAMWIL TOUNSI SAUDI

Aims : to mobilize resources for profitable investments in Tunisia and in other countries

Encourages : trade among countries in its areas of intervention

Participates : in the structuring and financing of profitable development projects

Offers : an ideal base for joint business ventures in its geographic area.

LEGAL FRAMEWORK

Founded in 1983, Bank Ettamouil Tounsi Saoudi (B.E.S.T BANK) is established under Tunisian legislation, notably law N° 76/63 of July 12, 1976, later amended by law N°85/108 of December 6, 1985, regulating financial and banking institutions that operate mainly with non residents.

CAPITALISATION

US\$ 50 million subscribed and paid up, distributed as follows :

10 %	Tunisian State, Republic of Tunisia
10 %	National Social Security Office of Tunisia
78,4 %	Al Baraka Banking Group - Kingdom of Bahrain.
1,6 %	Private Investors – Kingdom of Saudi Arabia



BOARD OF DIRECTORS

Sheikh SALAH ABDULLAH KAMEL	: Honorary Chairman
Mr Abdulilah SABBAHI	: Chairman
Mr Aïssa HIDOUSSE	: Vice President and General Manger
Mr Hedi BENCHEIKH	: Member
Mr Adnan Ahmed YOUSSEF	: Member
Mr Abderrahmen RUWAITAH	: Member
Mr Farid BENBOUZID	: Member

SHARIAA ADVISOR

Sheikh Mohamed Mokhtar SELLAMI

AUDITOR

Mr Noureddine HAJJI - AMC - ERNST & YOUNG - TUNIS

BEST BANK BRANCHES

- Head office Branch 88, Avenue Hédi Chaker - Tunis 1002
Tél 216 71 790 000
Fax 216 71 780 235 - 216 71 791 613
- Zitouna Branch 106 -108 Rue Jemaa Zitouna Tunis 1008
Tél 216 71 200 954 Fax 216 71 200 948
- Lac Branch Les lilas Building Al Bouhaira Tunis 1053
Tél 216 71 860 131 Fax 216 71 861 543
- Sfax Branch 6, Rue Dag Hammarsjoeld Sfax 3000
Tél 216 74 296 401 Fax 216 74 296 402
- Sfax Al Jadida Branch Avenue des martyrs Im.Palmarium Sfax 3000
Tél 216 74 404 990 - 216 74 404 991
Fax 216 74 296 402
- Sousse Branch Korniche 67, Ave.Abdelhamid Khadhi.4001 Sousse
Tél 216 73 201 023 - 216 73 201 021
Fax 216 73 201 022
- Megrine Ryadh Branch Creation in process

**BEST BANK belongs to ALBaraka Banking Group established in Kingdom of Bahrain
P.O.Box 1882 – Manama-Tel : 97317 541 122 – Fax : 97317 536 533
and which owns 10 banks:**

<p>AL AMIN BANK P.O.BOX 3190 MANAMA – KINGDOM OF BAHRAIN TEL : 97317 540 000 FAX : 97317 537 551 Site web : www.aminbank.com</p>	<p>ALBARAKA ISLAMIC BANK BAHRAIN ALBARAKA TOWER P.O. BOX 1882 MANAMA – KINGDOM OF BAHRAIN TEL : 97317 535300 FAX : 97317 530695 Site web : www.barakaonline.com Nb. Branches : 2 Bahrain & 9 Pakistan</p>
<p>BANQUE ALBARAKA D'ALGERIE 32, RUE DES FRERES DJILLALI BIRKHADEM – ALGERIA TEL : 21321 916450-5 FAX : 21321 916457/8 Nb.Branches : 11</p>	<p>ALBARAKA TURKISH FINANCE HOUSSE BUYUKDERE CAD N°.78 80290 MECIDIYEKOY - ISTANBUL – TURKEY TEL : 90212 2749900 FAX : 90212 2724470 Site web : www.albarakaturk.com.tr Nb.Branches : 29</p>
<p>ALBARAKA BANK LTD. 1ST FLOOR,134 COMMERCIAL ROAD DURBAN – SOUTH AFRICA TEL : 2731 3072 972 FAX : 2731 3052 631 Site web : www.albaraka.co.za Nb.Branches : 6</p>	<p>ALBARAKA BANK – LEBANON VERDUN COMMERCIAL CENTER,VEDUN STREET BEIRUT – LEBANON TEL : 9611 808 008 FAX : 9611 806 499 Site web: www.al-baraka.com Nb.Branches : 5</p>

JORDAN ISLAMIC BANK

P.O.BOX 926225

AMMAN – JORDAN

TEL : 9626 5677377

FAX : 9626 5666326

Site web : www.islamicbank.com.jo

Nb.Branches : 66

BANK ETAMWIL TOUNSI SAUDI

88 AVENUE HEDI CHAKER

1002 TUNIS - TUNISIA

TEL :21671 790000

FAX : 21671 780235

Site Web : www.bestbank.com.tn

Nb.Branches : 6

THE EGYPTIAN SAUDI FINANCE BANK

60 Mohie El-Deen Abou El-Ezz Str.

P.O.BOX 455 DOKKI CAIRO – EGYPT

TEL : 202 7481 222

FAX : 202 7611 436

Nb.Branches : 15

ALBARAKA BANK SUDAN

ALBARAKA – KASR

P.O BOX 2583 KHARTOUM – SUDAN

TEL : 249183780288

FAX : 249183788585

Nb.Branches : 22

THE INTERNATIONAL ECONOMIC SITUATION

In 2005 the International environment was marked by :

- The slowdown of the world economies and trade exchange. The deceleration would have been stronger without the good performances of countries like China, now a world economic power, and India, as well as oil exporter countries.
- The price increase of basic products, especially oil which broke new records.
- Acceleration of inflation in industrialised countries especially the US, where the federal reserve increased its base rate several times during the year to reach 4.25% at the end of 2005.
- Appreciation of the US Dollar against the Euro (+14%) and against the yen (+15%) and the fluctuation of the main exchange indices.

THE NATIONAL ECONOMIC SITUATION

In 2005 the national economic situation was marked by :

- A good agricultural harvest following a good raining season .
- Progressive increase in the industrial activity, especially the manufacturing and the food industries, as well as electrical and mechanical industries, and construction materials.
- The record level reached by the tourist industry .
- Control of the consumer prices, in spite of the increase of the energy prices world wide.
- A dynamic stock market activity .
- An improvement of the general balance of payments, due to a diminishing of the current deficit.
- The Tunisian Dinar depreciation against the US Dollar and the Euro.
- An increase in the volume of the foreign exchange operation in the exchange market due to an increase in foreign currencies transactions.

The Statement of the Chairman of the Board



Dear Shareholders,

In the name of the Board of Directors, I am pleased to present to you the Bank's activity report for 2005, as well as the audited financial report as at 31/12/2005.

Briefly, the most important results realised , thank God, concerned the reorganisation of the Bank's structure , and financing policy, with a view of improving the Bank's operation and the profitability of its investment portfolio, while managing the risk and diversifying the income.

The Board of Directors has also prepared a development plan for the coming year with the goal to raise to the highest levels of similar institutions.

Also, the Bank ordered from an external cabinet to prepare a procedures and accounting manual in the french and english languages, to be ready by the end of 2006.

And now, after this brief exposition , allow me to present to you the financial figures of the Bank, as at 31/12/2005.

FINANCIAL HIGHLIGHTS

The total balance reached USD 248,80 million against USD 207,80 million at end of 2004, while the deposits reached USD 186,95 million against USD 145,10 in 2004.

Total incomes was USD 12,52 million compared to the previous year's USD 10,85 while the net income reached USD 7,80 million against USD 6,53 million in 2004.

RESOURCES

Apart from the bank's equity, the other resources reached USD 187,27 million representing 75,27 % of the balance sheet. They include in foreign currencies the countervalue of USD 81,83 million, and Tunisian dinars 144,30 million, the equivalent of USD 105,44 million.

FINANCINGS

The total amount representing the bank's financing, investments, participations, reached USD 229,72 million compared to USD 199 million in 2004.

RESULTS

The Bank's net profits reached USD 3,971million against USD 2,627 million in 2004, an increase of 51,16 % thanks to an improvement of the quality of assets diminishing the needs for provisions. The return on Equity (ROE) also increased from 5,25 % to 7,9 %.

Activity in foreign currency

Financing and investments in foreign currency at end 2005 were at USD 136,26 million, against USD 107,86 in 2004. At the same time, deposits increased to USD 81,5 million from USD 54,3 million the previous year.

Million USD

	2004	2005
Customers deposits	14,4	20,26
Investments accounts	39,9	61,24

Profits distributions to investors (USD) were as follow :

	2004	2005
Saving accounts	1,039 %	1,36 %
Investment accounts 3 months	1,42 %	1,61 %
Investment accounts 6 months	1,53 %	1,85 %
Investment accounts 1 year plus	1,61 %	2,02 %

Activity in Tunisian Dinars

As regards the bank's activity in Tunisian Dinars, financings and Investments reached TND 139,71million in 2005, against TND 108,8 million in 2004 while deposits were at TND108,4 in 2004, against TND 144,3 in 2005.

TND million

	2004	2005
Customers deposits	15,63	23,70
Investments accounts	92,77	120,60

Profits distributions to investors (TND) were as follows :

	2004	2005
Tawfir accounts	4,01 %	2,86 %
Investment accounts 3 months	2,76 %	2,86 %
Investment accounts 6 months	3,76 %	3,43 %
Investment accounts 1 year plus	4,51 %	4,00 %

May God help us
The Chairman / Abdulilah SABBAHI

APPENDICIES

BALANCE SHEET
(expressed in thousands of USD)

31/12/ 2005

31/12/ 2004

ASSETS

Cash and balances at CBT, Post Office and TGT	4 437	3 104
Banks and financial institutions balances	49 129	47 820
Clients receivables	115 216	107 697
Trading securities	51 464	20 677
Investment securities	22 709	22 999
Fixed assets	4 481	4 062
Other assets	1 347	1 440
TOTAL ASSETS	248 783	207 799

LIABILITIES

Central Bank	132	22
Banks and financial institutions Deposits	591	259
Customer Deposits	186 945	145 099
Loans and special funds	325	32
Interests to be liquidated	36	27
Other liabilities	1 826	2 273
TOTAL LIABILITIES	147 712	189 855

SHAREHOLDERS' EQUITY

Capital	50 000	50 000
Reserves	4 428	6 868
Other equity	491	550
Retained earning	38	42
Net income (loss) for the year	3 971	2 627
TOTAL SHAREHOLDERS' EQUITY	58 928	60 087
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	248 783	207 799

OFF BALANCE-SHEET
(expressed in thousands of USD)

31/12/ 2005

31/12/ 2004

Contingent Liabilities

Guarantees	5 413	5 268
Letters of credit	10 632	9 894
Total Contingent Liabilities	16 045	15 162

Commitments Granted

Financing commitments to customers	37 810	44 733
Total Commitments Granted	37 810	44 733

Commitments Received

Guarantees received	50 903	43 393
Total Commitments Received	50 903	43 393

Income Statement
(expressed in thousands of USD)

	2005	2004
<u>Operating income</u>		
Profits and assimilated revenues	7 727	6 564
Commission income	1 882	2 018
Gains (less losses) arising from trading securities and financial operations	1 831	1 350
Income from investment securities	1 082	926
Total Operating Income	12 522	10 858
<u>Operating Expenses</u>		
Profits to depositors and assimilated charges	(4 085)	(3 757)
Commission expenses	(635)	(575)
Losses (less gains) on trading securities and financial operations	-	-
Total Operating expenses	(4 720)	(4 332)
NET BANKING INCOME	7 802	6 526
Provisions and adjustments for doubtful loans, contingent liabilities, commitments and liabilities	109	(66)
Provisions and adjustments on investment securities	154	98
Other operating income	30	29
Staff costs	(2 725)	(2 474)
General administrative expenses	(764)	(847)
Depreciation and amortisation	(646)	(631)
Operating Income	3 960	2 635
Gains (losses) from other ordinary activities	18	13
Income tax	(7)	(21)
Income On Ordinary Activities	3 971	2 627
Net Income (Loss) For The Year	3 971	2 627

Cash-Flow Statement
(expressed in Thousands of USD)

<u>Operating Activities</u>	2005	2004
NET PROFIT	3 971	2 627
Adjustments for :		
Amortizations	646	635
Provisions	(1 262)	(82)
Changes in:		
Clients and financial institution receivables	(9 114)	1 815
Clients Deposits	42 140	11 988
Other assets	94	(156)
Other liabilities	(613)	439
Trading securities	(30 767)	(15 381)
Net Cash Flows from operating activities	5 095	1 885
<u>Investment Activities</u>		
Acquisitions / Transfer on investment portfolio	498	(1 931)
Acquisitions / Transfer on fixed assets	(1 065)	36
Net Cash Flows for investment activities	(567)	(1 895)
<u>Financing Activities</u>		
Dividends paid	(2 380)	(2 120)
Net Cash Flows for financing activities	(2 380)	(2 120)
Net increase in cash and cash equivalents during the year	(2 148)	(2 130)
Cash and cash equivalents at the beginning of the year	10 373	12 503
Cash and cash equivalents at the end of the year	12 521	10 373

THE AUDITOR'S REPORTS

GENERAL REPORT

To the Shareholders of Bank Ettamwil Tounsi Saoudi

In our capacity as statutory auditors, we present below our report on the Financial statements of Bank Ettamwil Tounsi Saoudi for the year ended December 31st, 2005 and on the specific procedures as prescribed by law and professional standards.

1 . Opinion on the financial statements

We have audited the accompanying financial statements of Bank Ettamwil Tounsi Saoudi as at December 31, 2005. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Tunisian Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bank Ettamwil Tounsi Saoudi as at December 31, 2004 and of the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in Tunisia.

GENERAL REPORT (continued)

2. Specific examinations

We have also carried out the specific procedures prescribed by law and professional standards.

We have nothing to report on with respect to the consistency of the financial information included in the Board of Directors' report with the financial statements.

We have also reviewed, in connection with our audit, the internal control procedures related to the financial information processing and reporting. We report, based on our review and as required by the article 3 of the law n° 94-117 dated November 14th, 1994 as amended by the law n° 2005-96 dated October 18th, 2005 that we have not pointed out major weaknesses which might affect our opinion on the financial statement.

Furthermore, in accordance with the article 19 of the decree 2001-2728 dated November 20, 2001, we have performed the required examination and have no observation regarding the conformity of BEST Bank with the regulatory requirements relating to securities accounts.

Tunis, February 22nd, 2006

AMC Ernst & Young

Noureddine HAJJI

SPECIAL REPORT

To the Shareholders of Bank Ettamwil Tounsi Saoudi,

In accordance with the article 29 of the Law n° 2001-65 dated July 10th, 2001, relating to credit institutions and articles 200 and followings of the Companies Law, we inform you that we have not been informed of any operations relating to these articles.

Furthermore, our audit has not revealed the existence of such operations.

Tunis, February 22nd, 2006

**AMC Ernst & Young
Noureddine HAJJI**

THE SHARIAA ADVISOR'S REPORT

In the name of God the Merciful ,
Mr. Abdulilah SABBAHI / Chairman
Mr. Aïssa HIDOUSSE / Vice Chairman and General Manager
Gentlemen, Members of the General Assembly ,

It is my pleasure to present to you the annual shariaa report on BEST Bank's activity for the year ending 31/12/2005, and wish to declare to the assembly, the following :

Firstly :

This year's activity of the bank, and the shariâa advises, and the renewal of many contracts represent a larger activity than the previous years and we have managed to direct the bank's activity to realise two items :

To respect the islamic shariâa in the geeration and to provide larger opportunities for the Bank's management in their work and achievements.
and I thank Mr. Aïssa Hidoussi for the positive results he and his team, realised for the year, and which I expected in my previous report on the Bank's activity, and which now makes us hopeful on the Bank's orientation with the help of God.

I record in my report that all the contracts referred to me were executed in respect of the islamic shariâa, with close follow up with the Bank's staff.

THE SHARIAA ADVISOR'S REPORT (continued)

Secondly :

The financial figures for 2005

The Bank's auditor's have worked in respect of the shariâa criterias and the law . The financial report was clear and the notes precise.

Thirdly :

As mentioned hereabove, my report is based on the requests for advice from the Bank's management, as well as analysing the financial and the auditor's reports. It is not enough to be satisfied with that, to assure a healthy management , but the follow up in necessary. And I have audited a number of operations referred to my review, and I reported to the Vice President and General Manager all the discrepancies in the shariâa procedures that could nullity these operations.

Therefore I reiterate my recommendation to assure a strict shariâa control, and its application by the operation personnel .

Pray that God help us for always improving results, may peace be with us.

GENERAL ASSEMBLY RESOLUTIONS

FIRST RESOLUTION

After reviewing the report of the Board of Directors on the Bank's activity and its financial situation for the year 2005, and after reviewing the balance sheets, and the profits and loss, accounts as at 31 December 2005, and after listening to the Auditor's Report on the 2005 accounts, the Ordinary General Assembly agreed on all the above, and released all the members of the Board of Directors, including the President and the Vice President from any responsibility without any reserve, for the year 2005.

The resolution is adopted unanimously.

SECOND RESOLUTION

The Ordinary General Assembly has reviewed the special report of the Auditors, regarding the operation subject to articles 200 and 203 concerning the commercial companies.

The resolution is adopted unanimously.

THIRD RESOLUTION

The Ordinary General Assembly has reviewed the Shariaa Advisor's Report, addressed to the shareholders, by the respected Cheikh Mohamed Mokhtar SELLAMI, the Bank's Shariaa Advisor, on the Bank's 2005 activity, and it thanks him for his efforts and advises , enabling the Bank to act in conformity with the shariaa.

The resolution is adopted unanimously.

FOURTH RESOLUTION

The Ordinary General Assembly has decided, upon proposal from the Board of Directors, the distribution of the profits resulted from the activity of 2005, amounting to USD 3 971,226, plus the previous profits not distributed amounting of USD 37 826 , all totalling USD 4 009 052, as follows :

- Legal provision (5%)	: USD	198 561
- Profits to distribute to shareholders	: USD	2 000 000
- Additional profits to Shareholders	: USD	500 000
- General provisions	: USD	1 100 000
- Social Fund	: USD	100 000
- Provision for social services	: USD	70 000
- Undistributed profits	: USD	40 491

The Ordinary General Assembly has delegated the General Management to decide the date of distribution of the profits to the shareholders.

The resolution is adopted unanimously.

FIFTH RESOLUTION

The Ordinary General Assembly has decided upon proposal from the Board of Directors, to reserve USD 470 386 from the investment portfolio provisions, which are now awned by the shareholders , and to save them as additional provisions for Tunisie Golfe touristic project.

The resolution is adopted unanimously.

SIXTH RESOLUTION

The Ordinary General Assembly has decided to increase the Board of Directors members attendance fee from USD 1000 to USD 3000, as from 01/01/2006.

The resolution is adopted unanimously.

SEVENTH RESOLUTION

Election of the Board Members

As per article 21 of the articles of association of Bank Ettamwil Tounsi Saudi, the tunisian shareholding presents 2 members to represent him at the board of directors, and the Al Baraka Banking Group presents 4 members to represent it at the Board of Directors.

Therefore the General Assembly elects the members of the Board of Directors of BEST BANK for the years 2006 – 2007 – 2008, till the review of the financial year 2008, the following members :

Tunisian party : Mr. Aïssa HIDOUSSE

Mr. Hedi BECHEIKH

Saudi party : Mr. Abdulilah SABBAHI

Mr. Adnan Ahmed YOUSSEF

Mr. Chedly OUNIS

Mr. Moncef ZAAFRANE

The resolution is adopted unanimously.

EIGHTH RESOLUTION

As per article 51 of the articles of association of the Bank, the General Assembly decides the designation of Mr. Nouredine Hajji, ERNST& YOUNG – AMC as auditors of BEST Bank for the year 2006-2007-2008
The resolution is adopted unanimously.

NINTH RESOLUTION

As per article 13 of the law n° 96 dated 18/10/2005, the General Assembly decides to designate CMC – DFK International represented by Mr. Cherif Ben Zina, as second auditor of BEST Bank for the year 2006-2007-2008
The resolution is adopted unanimously.

TENTH RESOLUTION

The Ordinary General Assembly delegates all the powers to the holder of the copies of these resolutions to affect all the registration and publishing required by law.
The resolution is adopted unanimously.