

# Successful beginning

## VC Bank posts \$13.3m profit, announces dividend

### Business Editor

Venture Capital Bank yesterday posted a net profit of \$13.3 million for the period ended 31 December 2006, achieved a return on equity of 20.1 per cent, and is recommending a 12.5 per cent dividend of which 7.5 per cent cash and 5 per cent in bonus shares.

Chairman Dr Ghassan Al Sulaiman said: "In October 2005, the founding shareholders of the bank embarked upon their ambitious mission to create the first Islamic venture capital bank focused on the MENA region. I am delighted to report that 2006 proved to be a blessed and successful first full year of operations for Venture Capital Bank. Our financial results, organisational developments and business achievements have all exceeded expectations.

"This constitutes a record-breaking performance for the initial start-up period of an investment bank in the



### Al Sulaiman and Janahi...excellent results

Kingdom of Bahrain."

Dr Al Sulaiman reported that the bank had rapidly established a robust organisational structure, and had instituted a comprehensive corporate governance and risk management framework in line with industry best practice.

Since its establishment, the bank has been successful in executing a number of

innovative investment products and deals. These include the \$250 million MENA SME Private Equity Fund; the \$30 million Park Plaza in Bahrain; the \$80 million Asas Real Estate Company in Saudi Arabia; and Challenger Limited – an oil drilling contractor in North Africa.

Dr Al Sulaiman added: "These excellent results have

laid the foundations for the future success and prosperity of VC Bank. Due to the rapid growth in the bank's business to date, and in order to support our ambitious strategic goals, the Board of Directors has recommended an increase in the capital of VC Bank to \$150 million for the approval of the shareholders, subject to regulatory approval."

Chief Executive Officer Abdul Latif Mohamed Janahi said: "From an operational point of view, we have successfully established the strong institutional capability that is required to support our strategic objective of becoming the leading Islamic venture capital bank in the MENA region."

Looking ahead, Janahi confirmed that the bank has a strong pipeline of potential business, and added: "We are currently working on a number of major investment projects, which we expect to finalise shortly before launching them as investment products to our clients."