



## **Venture Capital Bank announces dividend distribution of 12.5% for the first full year of operations**

**Bank achieves return on equity exceeding 20% as Shareholders approve an increase in capital to fund future growth**

Manama, Kingdom of Bahrain, 26 March 2007: The shareholders of Venture Capital Bank BSC (c) (VC Bank) approved a total dividend of 12.5% at the Bank's first annual general meeting (AGM), held at the Movenpick Hotel, Bahrain, yesterday.

The dividend, which will be distributed as 7.5% in cash and 5% in bonus shares, reinforces a 'blessed and successful' first full year of operations for the Bank, during which it posted a net income of US\$ 13.3 million, and achieved a return on equity of 20.1%.

'We are extremely proud of these results,' VC Bank Chairman Dr. Ghassan Al-Sulaiman told a press conference, 'which constitute a record-breaking performance for the initial start-up period of an investment bank in Bahrain. We are particularly pleased to have been able to distribute dividends to our shareholders in our first year.'

Following the AGM, an extraordinary general meeting of shareholders approved the Board's proposal to increase the Bank's paid up capital by 127%, from US\$ 66 million to US\$ 150 million. 'In today's market environment, a sizeable balance sheet is a major contributor to the success of an investment banking institution,' pointed out Dr. Al-Sulaiman, 'and the increased capital will enable us to pursue our ambitious goals for continued growth and expansion'. Furthermore, Dr. Al-Sulaiman announced that the EGM had approved the allocation of 10% of paid up capital to an employee share option scheme to be set by the Board of Directors.'

From an operational and business point of view, VC Bank Chief Executive Officer Mr. Abdullatif Mohammed Janahi reported that the Bank had made remarkable progress since its establishment in October 2005. 'We have developed a strong institutional capability that is required to support the Bank's strategic objective of becoming the leading Islamic venture capital bank in the MENA region,' he said.

'We have also been successful in executing a number of innovative investment products and deals,' Mr. Janahi added. 'These include the US\$ 250 million MENA SME Private Equity Fund, the US\$ 37 million Park Plaza in Bahrain, the US\$ 80 million ASAS Real Estate Company in Saudi Arabia, and Challenger Limited – an oil drilling contractor in North Africa.'

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Park Plaza, a landmark development in the heart of Bahrain's Diplomatic Area, is scheduled for official opening in May 2007. Comprising a unique combination of office, retail and parking space, Park Plaza will provide a solution to the long-standing need for car parking and retail outlets in this busy area that serves numerous government offices, embassies, financial institutions and commercial organizations, which providing VC Bank's investors with an attractive recurring income investment opportunity.

'These and other business achievements are the result of an excellent deal flow, the Bank's structuring expertise and placement capability, and the strategic alliances and business partnerships that we have developed,' explained Mr. Janahi.

'The Bank has a strong pipeline of future potential business, and we expect to announce a number of major new investment initiatives in the near future. Covering the Middle East and North Africa, these will not only provide superior returns for our shareholders and clients, but also support the growth and development of the largely under-served small-to-medium enterprises (SME) sector, while contributing to the economic and social well-being of the region,' he said.