

VCBank to launch first of a kind US\$250 million venture capital fund for investment in small and medium-sized enterprises in GCC & MENA

Venture Capital Bank (VCBank), the first dedicated Islamic venture capital investment bank, today announced the upcoming launch of a US\$250 million venture capital fund - the first of its kind - focusing on investment in small and medium-sized enterprises (SMEs) in the GCC and MENA regions.

Bahrain: Sunday, November 27 - 2005

The Fund, which will be jointly established and co managed by Global Emerging Markets (GEM) Group, a leading US-based private investment firm with offices in New York, London and Paris, will target fundamentally sound and undervalued finance-seeking companies across a diverse range of industry sectors. Specifically, investee companies will possess strong management teams, proven track records and outstanding potential for revenue growth and market leadership.

The Fund will be launched and marketed during the first quarter of 2006 and VCBank and GEM Group will together seek to raise capital from high net worth individuals and institutions from across the GCC region and internationally.

Through the Fund, investors can take advantage of significant and untapped opportunities in the region offered through this alternative asset class, which have not previously been made available to them by other regional financial institutions.

In doing so, the Fund will be structured and managed so as to ensure maximum efficiency in terms of tax benefits for international investors as well as superior rates of return, with IRR expected at approximately 25% percent over the anticipated three to four year investment period.

Commenting on the announcement, Abdul-Latif Janahi, Chief Executive Officer of VCBank, said,

"We are delighted to announce the upcoming launch of this Fund, which will enable us to begin to identify and invest in promising small and medium-sized enterprises throughout the GCC and MENA region. With a well seasoned management team in place and in conjunction with GEM, a world-wide leader with considerable expertise in emerging markets, we stand poised to take a leadership role in the growth of the regional venture capital industry and to deliver superior-risk adjusted returns through this Fund and what we believe to be a niche asset class."

"Together with VCBank, we see a tremendous opportunity in the GCC and MENA region for venture capital and are confident that this pioneering Fund will enable us to provide investors with a unique investment product and strong performance through the provision of funding and support for well managed, entrepreneurial companies that lack the necessary financial resources for further expansion and growth," said, Chris Brown, Executive Director of GEM Group.

"Combining the expertise and track record of GEM Group and the strength of VCBank's management team and regional expertise, we anticipate this to be a highly successful Fund and one that will set the benchmark for the region's developing venture capital industry."

In addition to the co management of the Fund, GEM Group and VCBank have concluded a strategic partnership whereby GEM Group will play a critical role in supporting VCBank as it works towards the creation of a sustainable venture capital culture at the Bank and across the region, leveraging GEM's position as one of North America's leading deal origination, advisory, M&A, corporate finance and turn-around firms.

Related Information:

About VCBank:

Venture Capital Bank (VCBank) - the first dedicated Islamic venture capital investment bank - is licensed and regulated by the Bahrain Monetary Agency (BMA), the region's leading regulator. The Bank has paid in capital of \$66 million (authorised capital of \$500 million) and its shareholders are comprised of 80 prominent high net worth individuals and institutions from across the GCC region and internationally.

It is the mission of VCBank to assume a leadership role in the development of the regional venture capital and private equity industry in conjunction with its strategic partner Global Emerging Markets (GEM)

Group, a leading international private investment group with offices in New York, London and Paris.

The primary focus of the Bank is on investment in the GCC and MENA regions alongside selected investment internationally. Specially, VCBank targets fundamentally sound and well managed small and medium-sized enterprises (SMEs) across multiple industry sectors with strong growth potential in addition to select themed real estate projects. Through such investments, it is the aim of the Bank to offer investors superior risk-adjusted returns and co-investment opportunities that are in full compliance with Islamic Shari'ah principles.

© 1996-2005 by AME Info FZ LLC. All rights reserved.
This story was posted by Janeta Novakovic, Assistant News Editor
Sunday, November 27 - 2005 at 10:23 UAE local time (GMT+4)

Print Date: Monday, November 28 - 2005 - 19:54:17 GMT+4

Find this article at:
<http://www.ameinfo.com/news/Detailed/72705.html>

"AME Info", "AME Info/fn", "the ultimate Middle East business resource" and "the news you choose" are trademarks of AME Info FZ LLC. All other products and brandnames mentioned are trademarks or registered trademarks of their respective companies. Replication or redistribution in whole or in part is expressly prohibited without the prior written consent of AME Info FZ LLC.

Clancy Nolan
Reporter
Dow Jones *VentureWire*
Office: 201-938-4288
Cell: 646-489-9750
clancy.nolan@dowjones.com