

VCBank, UIB set up realty firm

BY OUR BUSINESS BUREAU

Sakani to focus on projects for low, middle income groups

VENTURE Capital Bank (VCBank) and United International Bank (UIB), on Saturday announced the launch of a Shariah compliant real estate development company (Sakani) that will invest in the development of identified residential housing projects in Bahrain, Saudi Arabia and the UAE.

These projects are being targeted at low and middle income groups in the region.

Sakani is expected to raise \$100 million through a private offering to investors in the GCC. VCBank and UIB will commit \$10 million each as their participation in Sakani.

Investment in Sakani is expected to generate an Internal Rate of Return (IRR) in excess of 22 per cent over an investment period of three years.

Announcing the launch of Sakani, Abdul Latif Janahi, Chief Executive and member of the Board of Directors of VCBank, said: "The boom in the real estate sector across the GCC has largely fo-

cused on high-end developments. There is a clear shortage of housing that are targeted at low and middle income groups across all countries in the region."

Janahi said as far as housing developments are concerned, each country in the region has its own challenges.

He pointed out that VCBank has undertaken extensive research in order to identify these challenges and put the appropriate measures to overcome them.

Amongst such measures is the use of international know-how by partnering with developers who have long history and track record in developing low-cost housing.

"We believe that these measures will contribute towards successful implementation and achieving our anticipated returns whilst prudently managing the risks," he added.

UIB General Manager Investment and Treasury Hussain Sarhan said, "We have been working with VCBank team over the



UIB Deputy Chief Investment Officer Dr Raed Sarhan, UIB General Manager (Investment & Treasury) Hussain Sarhan, VCBank Chief Executive Officer Abdul Latif Janahi and VCBank Chief Investment Officer (Real Estate) Khalid Abdul Karim at the signing ceremony.

past months in looking at residential development market in the GCC. We identified a significant gap in housing projects that

cater for the needs of low to middle income home buyers. The focus of Sakani will be to fulfill this gap."

Venture Capital Bank,

is a Bahrain-based Islamic investment bank established in October 2005 with a full investment banking licence from the

CBB, Kingdom of Bahrain, with an authorised capital of \$500 million and paid capital of \$66 million.