



## **Venture Capital Bank acquires a controlling stake in IT-application solution provider House of Development**

Acquirement will help expand HOD operations and commercialise products and services worldwide

### **Manama**

Venture Capital Bank (VC Bank) successfully completed a transaction, acquiring a controlling stake in Saudi-based IT application solution provider House of Development (HOD) in what is considered an important step in the development of venture capital activities in the region, which have so far remained quite limited.

HOD specializes in providing Document Security Solutions using a unique Electronic Certification & Authentication (EC&A) solution, which currently no other technologies exist that address this market segment, and the only competition to HOD solution is the old and cumbersome method, manual process. HOD's solution has many applications for different sectors, such as the banking industry, e-government, etc.

The move is in line with VC Bank's objective of supporting entrepreneurial small and medium enterprises as the growth capital it will provide will allow HOD to commercialise its products and services worldwide.

"At Venture Capital Bank we are constantly on the look out for rapidly growing companies which have the potential to become major players, but lack the necessary resources for growth and expansion. After conducting the commercial, legal and financial due diligence, Venture Capital Bank decided to invest in HOD to help it go global," said Sharif Monfaradi, Chief Investment Officer, Private Equity and Financial Advisory, VC Bank.

"HOD helps to combat the growing dangers of document fraud and identity thefts through its unique patented technologies. We see huge potential for the company in this market as Internet-based transactions become more and more vital to businesses around the world," added Monfaradi.

HOD's products are already used in the region. In October 2003, it was contracted by the Council of the Saudi Chambers of Commerce and Industry to develop a secure solution for its member chambers kingdom-wide.

"The extra capital which will be pumped into our company as a result of this deal will give us the push we need to take our services worldwide. We believe that we have a unique product that will be recognized by organisations all over the world," said Mohammed Geoffrey Chief Executive Officer of HOD.

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“Businesses are increasingly beginning to realise that investing in IT security provides many long-term benefits, including improved efficiencies, less down-time and cost savings. We see huge potential in this market and hope to be an important part of it down the line.”

### **Note to the Editor**

The venture capital banking concept promoted by VC Bank is the first initiative of its kind that targets such a niche market in the region. Established in October 2005 in the Kingdom of Bahrain with a paid-up capital of US Dollar 66 million and an authorized capital of US Dollar 500 million, Venture Capital Bank (VC Bank) carves a niche in the regional investment banking arena and introduces a visionary approach to business. Rooted in the values of Islamic Shari’ah and founded in the confines of a sound regulatory framework, the Bank brings home pioneering banking practices and cutting-edge investment alternatives in the form of attractive venture capital and private equity opportunities.

Through a robust business model, the Bank is established and operated as a venture capital based investment bank that is active in four principal areas:

- Venture Capital
- Private Equity
- Real Estate
- Financial Advisory

For more information, please contact

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