

SEAF LAUNCHES NEW SME FINANCE COMPANY FOR BANGLADESH

Small Enterprise Assistance Funds (SEAF), in partnership with the International Finance Corporation (IFC), launched a new finance company to invest in small and medium enterprises (SME) in Bangladesh. SEAF Bangladesh Ventures LLC (Ventures) will provide SMEs in Bangladesh with structured capital of less than USD 500,000 per investment. This is the first finance company to focus exclusively on providing growth and working capital to promising companies of this size in Bangladesh.

Ventures has been established by an initial commitment of USD 12 million, with the IFC as the anchor investor. SEAF will seek an additional USD 10-15 million in commitments for Ventures over the next 12 months. Ventures will provide medium to long-term mezzanine financing to entrepreneurs in Bangladesh, acting in partnership with Ventures Investment Partners Bangladesh (VIPB), a local venture capital firm and technical services provider.

SEAF's first finance company, Ventures comes at an ideal time for Bangladesh's SMEs. Bangladesh currently boasts a large employable workforce, with a median age of 23 years and a growing middle-class that is driving strong domestic consumer demand. Additionally, a decades-long track record in microfinance has led to an emerging entrepreneurial class of small business owners and managers in Bangladesh. These entrepreneurs represent Bangladesh's largest employers and contributors to GDP but they are chronically underinvested.

Ventures will provide financing solutions for this "missing middle", accompanied by pre and post-investment business assistance to bolster portfolio companies' business and management operations and assist them in achieving financial stability and global viability. The expansion of the SME sector brings significant development benefits to local communities, as companies grow and formalize. SEAF's analysis of its more than 330 investments world-wide shows that SME investments increase local employment, expand and catalyze business opportunities for local suppliers and contribute to local governments and infrastructure through tax revenues. With stable and secure jobs and growing incomes, families can begin to plan for their futures, investing in improved housing, preventive health care and education for their children that can help end the cycle of poverty.

"We are excited to partner with IFC to address the growing needs of Bangladeshi entrepreneurs," SEAF co-founder and executive chairman Bert van der Vaart said. "This type of medium-and-long term financings is crucial for SMEs to transform themselves into international competitors. We look forward to maximizing growth in various sectors of the Bangladeshi economy as these SMEs come into their own."

"We look forward to combining our regional expertise with SEAF's international experience to help Bangladeshi companies reach their growth potential," VIPB Chairman, Zia Ahmed said.

About IFC: IFC fosters sustainable economic growth in developing countries by supporting private sector development, mobilizing capital for private enterprise, and providing advisory and risk mitigation services to businesses and governments. A member of the World Bank Group, IFC's new investments in 2009 totaled \$14.5 billion, helping channel capital into developing countries during the financial crisis.

About SEAF: SEAF is a not-for-profit global fund management group specializing in providing growth capital and business support to SMEs in developing countries that are underserved by traditional sources of capital. Headquartered in Washington, D.C., SEAF manages private equity funds in emerging markets through a network of offices around the world. For over 20 years SEAF has supported the sustainable growth of SMEs through structured debt and equity growth capital and extensive post-investment business development assistance. SEAF's experience investing in more than 330 small businesses has allowed it to identify and invest in promising companies that deliver both positive financial results, as well as significant economic and social benefits to their employees and their communities.

For more information on Ventures, SEAF, or SEAF's other international investments please visit www.SEAF.com