



Affordable Private Sector Housing Finance – the Case of Saudi Home Loans Company (SHL)

***IREF 2007
London – November 6-7, 2007***

OVERVIEW

- IFC and IFC's approach in housing sector in Emerging Markets
- Why establish a specialized housing entity in KSA
- The Saudi Home Loans Company (SHL)
 - its founding shareholders
 - value proposition of SHL

INTERNATIONAL FINANCE CORPORATION

- Private sector arm of the World Bank Group supporting Emerging Market Economies
- IFC in Housing Sector takes a programmatic approach to support housing value chain

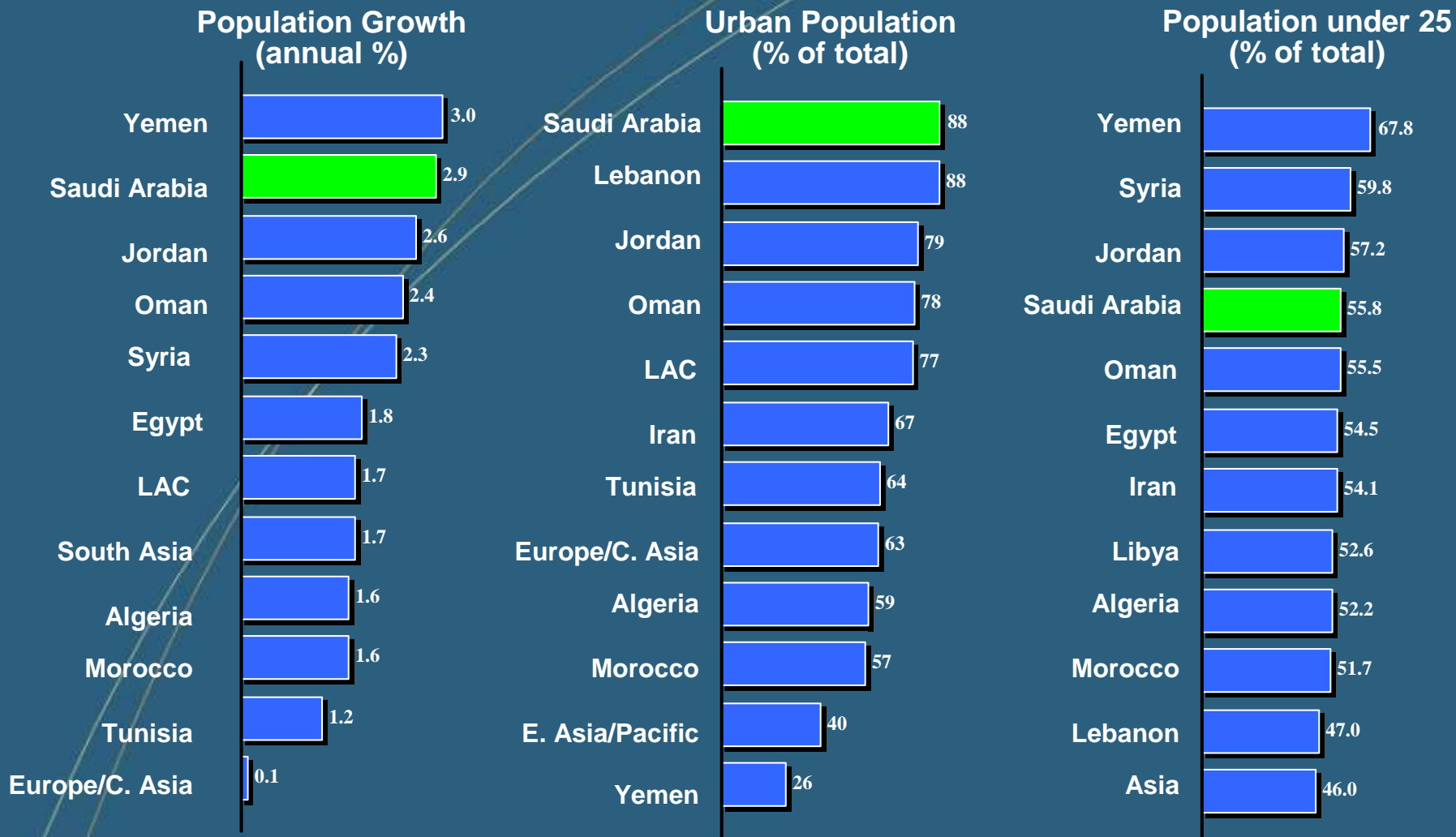
- on Supplier side



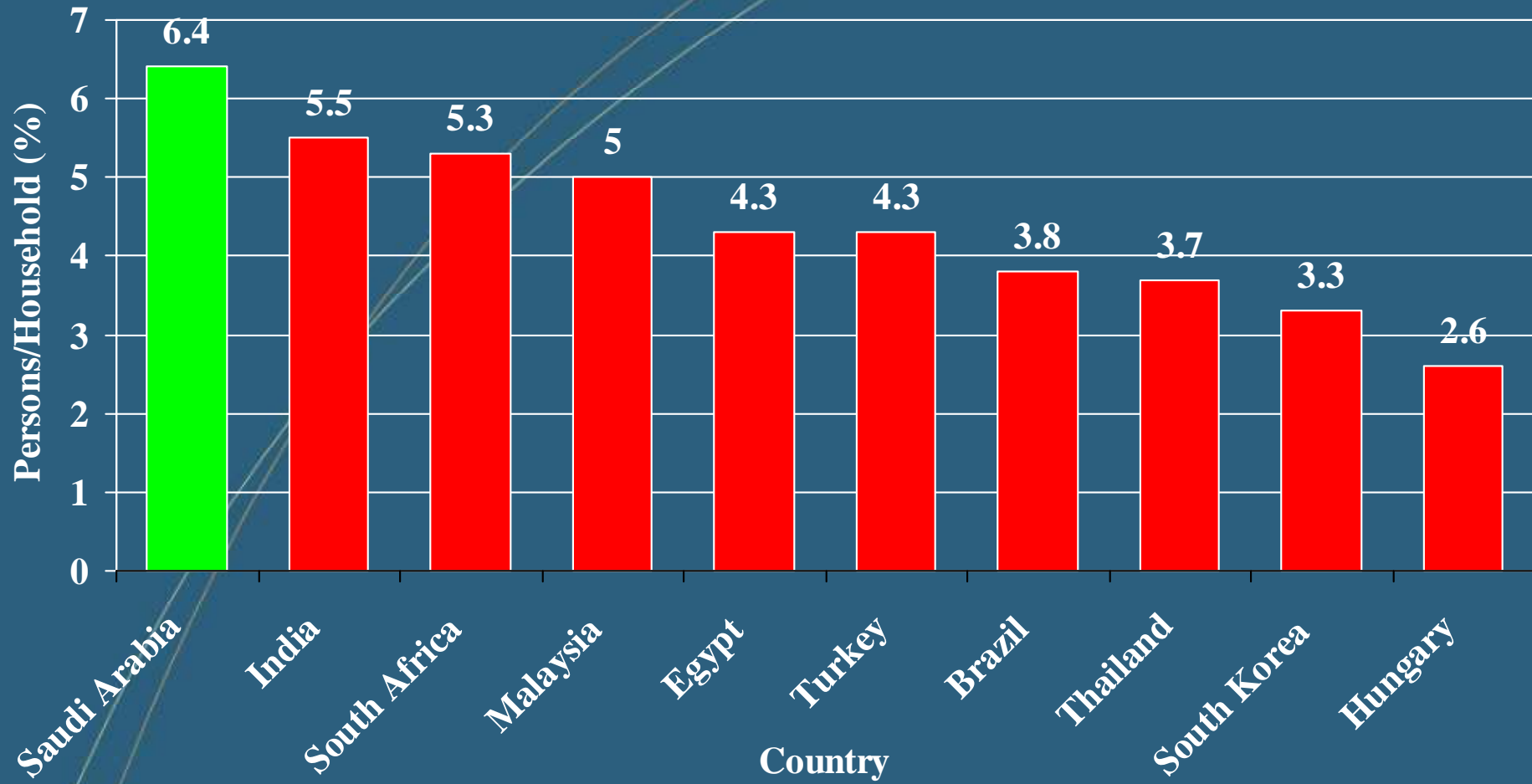
- on Demand Side



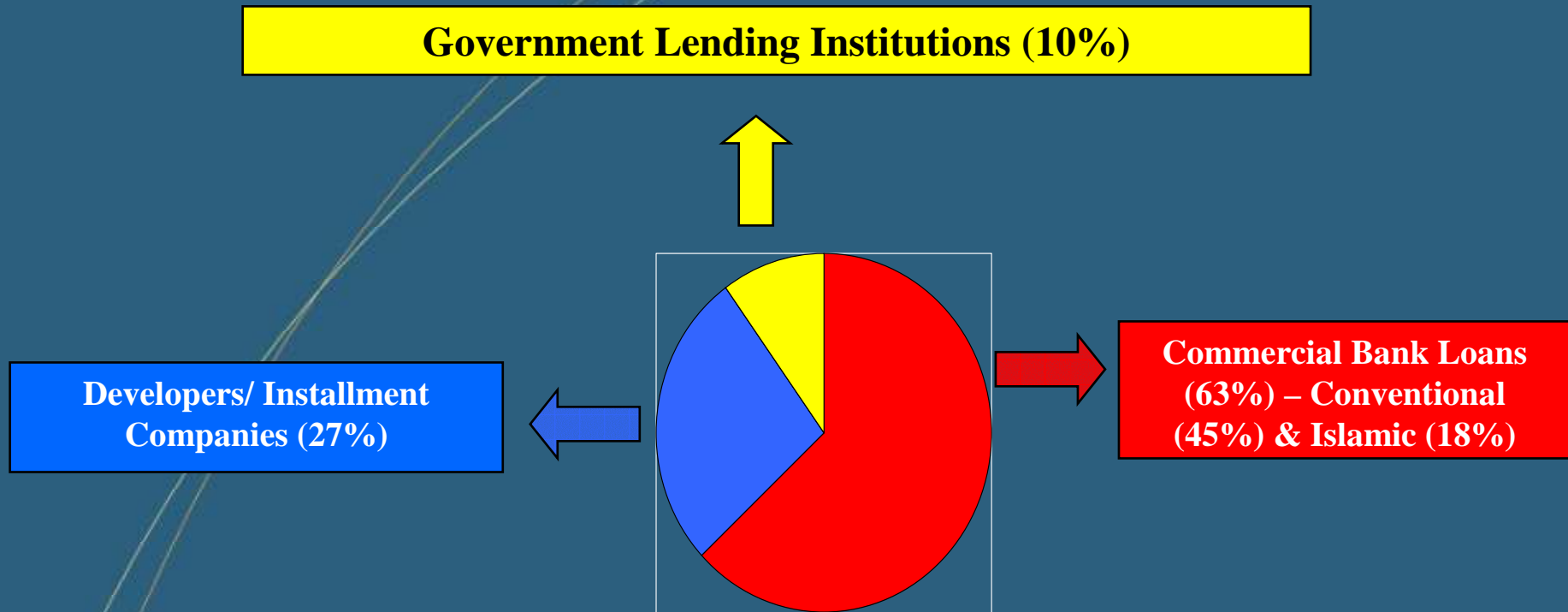
KSA: Why NewCo for Housing - Demographics



KSA: Why NewCo for Housing – Density



KSA: Why NewCo for Housing - Limited Sources

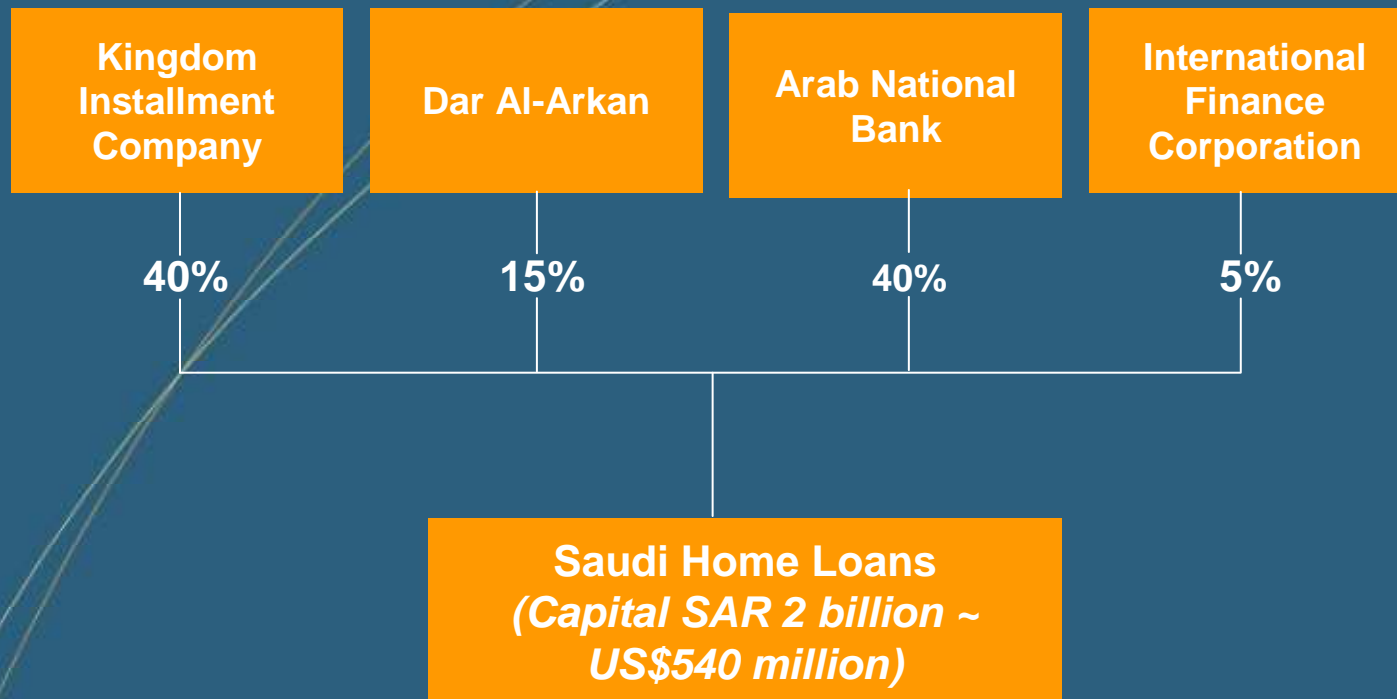


NewCo - Saudi Home Loans Co. (SHL)

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SHL is the largest specialized Islamic housing finance Co within MENA Region

SHL - Ownership



SHL - Shareholder Value Addition

- ANB is a solid Saudi bank - S&P long term counterparty credit rating of 'A'; track record in consumer banking.
- KIC established as largest private sector instalment finance company in Saudi Arabia; pioneer of Shari'ah compliant housing finance.
- DAAR is a leading real estate developer in KSA with international strategic alliances . Strong track record
- IFC brings global experience in housing finance and securitization to SHL

SHL – Other Features

- SHL is acquiring KIC's existing real estate housing finance portfolio - providing SHL with scale from day one.
- SHL utilizing ANB branch network for originations = a distribution channel from day one.
- Non-competition among Shareholders (KIC and ANB won't engage in any activity which is competitive with any aspect of SHL business).
- HDFC, India is SHL's technical partner

SHL – Value Proposition

- Provide housing finance (Shari'ah compliant) in KSA for the purchase of apartments, villas and land.
- Provide mortgages with a fixed interest (profit) rate and maturities of up to 25 years.
- Originate, underwrite and service real-estate financing (not limited to properties constructed by DAAR).
- Use mortgage backed securities and other financing structures to optimize cost structure and funding process.

THE END

