

# KZN man reveals R3,8 bln Saudi deal

## SHIRLEY JONES

KWAZULU-NATAL-based property finance guru Simon Stockley this week announced a R3,8 billion landmark securitisation deal that has created the largest specialist mortgage finance company in the Middle East.

Stockley, the former chief executive of SA Home Loans, conceived, engineered, and brokered the deal between the International Finance Corporation (IFC), the private sector arm of the World Bank Group, Arab National Bank (ANB), Dar al-Arkan Real Estate Development Company (DAAR) and Kingdom Installment Company (KIC).

He founded South Africa's first non-bank home loan company in 1998 and pioneered the development of South Africa's now burgeoning securitisation industry. His latest project has delivered the first independent, Shariah-compliant housing finance institution in the Kingdom of Saudi Arabia.

"We are delighted with the outcome of some intense and at times, difficult negotiations,"

Stockley said of a challenging 18-month consulting stint in Saudi Arabia.

"We were able to leverage off the experience gained in establishing SA Home Loans. It is extremely gratifying to be able to build on the expertise in our local market and apply these internationally, particularly in a dynamic environment such as Saudi Arabia. The ability of South African Mortgage Bankers to hold their own in the international arena is testament to the level of sophistication and evolution of the local market and our experience in operating in emerging economies," Stockley said.

He said that by increasing the availability and affordability of housing, the new company, Saudi Arabian Home Loans (SAHL) intends making long term mortgage financing available to Saudi locals in a shariah-compliant manner.

This is expected to promote home ownership in the middle-to lower-income groups where there is currently minimal access to housing finance.

Shariah-compliant housing finance (property finance that

conforms to the principles of the Koran) is currently a major growth area with a number of local banks establishing Islamic finance divisions.

"The knowledge and expertise we have acquired as a result of this deal opens up a host of opportunities in South Africa for the structuring of securitisation transactions that are Shariah-compliant. In the rapidly expanding sector of Islamic finance, South Africans are making their presence felt on a global basis. Our flexibility and understanding of emerging markets gives us a competitive advantage over first-world players who tend to be more cautious and risk adverse," he added.

