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ICD ESTABLISHES FINANCIAL COMPANY FOR REAL ESTATE MORTGAGE IN SAUDI ARABIA



The Islamic Corporation for the Development of the Private Sector (ICD) has entered into a joint venture agreement with Capitas Group, LLC, a US financial services firm specializing in developing and managing Shari'ah compliant finance companies, to form a management company dedicated to the global development of the Shari'ah compliant finance industry. The new company, Capitas Group International, will be based in Jeddah, Saudi Arabia and will combine the experience of Capitas Group in developing Shari'ah compliant financial service platforms with ICD's comprehensive access to Islamic finance markets. Formed with the objective of providing Islamic finance solutions to support the

growing mortgage sector in the Kingdom of Saudi Arabia as well as other OIC member countries, the firm will incubate and manage start up mortgage companies and specialty finance firms in the region by assuming management and overseeing technical responsibilities. Additionally, it will provide strategic planning and technical expertise to public and private sector institutions to support the region's growing mortgage industry. Speaking about the new joint venture, Khaled Al-Aboodi, Chief Executive Officer of ICD said, "We are very pleased to be partnering with Capitas Group in this joint venture and believe that the new enterprise will provide innovative solutions to support the growth of mortgage finance in the region. Our long experience of operating in Islamic markets ideally complements Capitas Group's success in the field of Shari'ah compliant mortgage finance. Given the highly favourable market fundamentals prevailing in the region, especially in Saudi Arabia, we look forward to fulfilling the aspirations of homeowners-to-be now and for many generations to come." "There is a huge demand for mortgage finance in Saudi Arabia and the broader region," said Naveed Siddiqui, Chief Executive Officer of Capitas Group, LLC. "Saudi Arabia's population has tripled over the past two decades and will grow 25 percent by 2020, creating a demand for housing that is estimated at more than 150,000 units a year for the next 10 years. By providing buying power to market through affordable Shari'ah compliant financing options, we will be able to bridge the gap between the demand for homes and developers' supply of housing units."