Early Warning System

IFC-37076

ADIB - Egypt Sub. Debt

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Quick Facts

Countries	Egypt
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	A
Voting Date	2022-05-04
Borrower	Abu Dhabi Islamic Bank Egypt SAE
Sectors	Construction, Energy, Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million

Project Description

According to bank provided information, the project consists of a subordinated Murabaha financing to Abu Dhabi Islamic Bank Egypt (“ADIBE” or the “Bank”). This Tier 2 capital instrument is intended to add diversity to the Bank’s capital base and long-term growth prospects.

ADIBE is an Egypt based Islamic bank that started its operations after the acquisition of the National Bank for Development (NBD) in 2007 by a consortium between Abu Dhabi Islamic Bank and Emirates International Investment Company. ADIB offers a broad range of banking solutions that cater to the needs of corporate and retail customers through a network of 70 branches and a team of over 2000 employees and experts. In order to integrate further services, the Bank established an Investment Banking arm, ADIB Capital Egypt; a leasing company, ADIFinance; and an asset management arm, ADIB Invest.

The project is a Tier II subordinated financing to ADIBE to increase the capital at the bank level, with relatively high exposure to corporate financing and substantial exposure to business activities with potential adverse environmental and social risks, including oil and gas, petroleum and petrochemicals, pharmaceuticals, construction, real estate development, and building materials and metallurgical industries.

Early Warning System Project Analysis

The IFC categorized the project risk as FI-1.

Investment Description

- International Finance Corporation (IFC)

The project involves a subordinated loan of up to US$50 million to ADIBE for IFC’s own account.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Abu Dhabi Islamic Bank Egypt SAE (Financial Intermediary)

Private Actors Description

ADIBE is listed and trading on the Egyptian stock exchange with a free float of 28.4%. The largest shareholder is Abu Dhabi Islamic Bank PJSC (“ADIB UAE”). ADIB UAE is a United Arab Emirates based bank, established in 1997 as the first Islamic bank in Abu Dhabi, and listed and trading on the Abu Dhabi Stock Exchange. In addition to being a full-fledged financial services provider that offers banking solutions for individuals, corporations and affluent customers, ADIB UAE provides brokerage services, real estate and property management, payment services and insurance coverage. Globally, ADIB UAE has a presence in six strategic markets, being Egypt, the Kingdom of Saudi Arabia, the United Kingdom, Qatar, Sudan and Iraq.

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Community Documents

- STILL BANKROLLING CLIMATE CHANGE: How MDBs Support Fossil Gas through Financial Intermediary Investm