Early Warning System

IFC-43061

DCM CIB Green Bond

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Quick Facts

Countries	Egypt
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2020-07-15
Borrower	COMMERCIAL INTERNATIONAL BANK SAE
Sectors	Finance
Ring Fence	Climate
Investment Type(s)	Loan
Investment Amount (USD)	$ 65.00 million

Project Description

According to bank provided information, the proposed project comprises of IFC's subscription of up to US$65 million in the first tranche of Commercial International Bank's (CIB or the "Bank") first senior green bond program of US$100 million in Egypt, with 5 years maturity (the "Project"). IFC will subscribe to the first tranche which will take place through a private placement. Subsequently, IFC will work with stakeholders on listing future bond issuances. In addition, up to US$1.5 million from blended concessional finance could potentially be used to help incentivize and accelerate construction of green buildings in Egypt. This SII will be updated to reflect the details of the blended concessional finance component, once those are confirmed and become available.

Early Warning System Project Analysis

The IFC categorized the project risk as FI-2.

Investment Description

- International Finance Corporation (IFC)

The project involves IFC's subscription of up to US$65 million in the first tranche in a senior green bond US$100 million program issued by CIB in Egypt, with the first tranche being privately placed with IFC.

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.

- Commercial International Bank (Financial Intermediary)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

CIB is listed on the Egyptian Exchange (EGX) and has a free float of 93.45%. The Bank’s largest and only strategic shareholder is Fairfax Financial Holdings Ltd (“Fairfax”), which owns –through its wholly-owned subsidiaries- a total of 6.55%, as of April 2020. Fairfax has one representation on CIB’s Board of Directors through a non-executive Director. CIB has a Global Depository Receipts (“GDRs”) program and an American Depository Receipts (“ADRs”) program, and is listed on London Stock Exchange (LSE), and traded OTCQX International Premier through the level 1 ADR program.

Fairfax Financial Holdings Ltd. is a financial service holding company headquartered in Toronto, Canada and is engaged (via its subsidiaries) in property and casualty insurance and reinsurance and investment management. Founded in 1985 by its present chairman and chief executive officer, V. Prem Watsa, Fairfax has been under the same management since established.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Abraaj Invest Mgmt Ltd	Parent Company	Industry and Trade	owns	Egyptian Fertilizers Co SAE	Client	Industry and Trade
Amiral	Parent Company	Transport	owns	Sokhna Port Bunkering Phase 3 PPP	Client	Transport
Attijariwafa Bank	Parent Company	Energy	owns	Ras Ghareb Wind Farm (262.5MW)	Client	Energy
Commercial International Bank	Investor	Finance	invests in	Abraaj Invest Mgmt Ltd	Parent Company	Industry and Trade
Commercial International Bank	Investor	Finance	invests in	Amiral	Parent Company	Transport
Commercial International Bank	Investor	Finance	invests in	Attijariwafa Bank	Parent Company	Energy
Commercial International Bank	Investor	Finance	invests in	Dp World Sokhna	Parent Company	Water and Sanitation
Commercial International Bank	Investor	Finance	invests in	Egyptian Electricity Holding	Parent Company	Energy
Commercial International Bank	Investor	Finance	invests in	Egyptian Fertilizers Co SAE	Client	Industry and Trade
Commercial International Bank	Investor	Finance	invests in	Egyptian Gen Petro Corp	Parent Company	Mining
Commercial International Bank	Investor	Finance	invests in	Egyptian General Petroleum Corporation	Parent Company	Transport
Commercial International Bank	Investor	Finance	invests in	ENGIE	Parent Company	Energy
Commercial International Bank	Investor	Finance	invests in	Ministry of Finance (Egypt)	Parent Company	Transport
Commercial International Bank	Investor	Finance	invests in	Mizuho Financial Group	Parent Company	Energy
Commercial International Bank	Investor	Finance	invests in	Orascom Construction Industries	Parent Company	Energy
Commercial International Bank	Investor	Finance	invests in	Ras Ghareb Wind Energy Sae	Client	Energy
Commercial International Bank	Investor	Finance	invests in	Ras Ghareb Wind Farm (262.5MW)	Client	Energy
Commercial International Bank	Investor	Finance	invests in	Societe Generale	Parent Company	Energy
Commercial International Bank	Investor	Finance	invests in	Sokhna Port Bulk Liquid	Parent Company	Mining
Commercial International Bank	Investor	Finance	invests in	Sokhna Port Bunkering Phase 3 PPP	Client	Transport

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Commercial International Bank	Investor	Finance	invests in	Toyota Group	Parent Company	Energy
Commercial International Bank	Investor	Finance	invests in	Toyota Tsusho Corp	Parent Company	Energy
Egyptian General Petroleum Corporation	Parent Company	Transport	owns	Sokhna Port Bunkering Phase 3 PPP	Client	Transport
ENGIE	Parent Company	Energy	owns	Ras Ghareb Wind Farm (262.5MW)	Client	Energy
Ministry of Finance (Egypt)	Parent Company	Transport	owns	Sokhna Port Bunkering Phase 3 PPP	Client	Transport
Mizuho Financial Group	Parent Company	Energy	owns	Ras Ghareb Wind Farm (262.5MW)	Client	Energy
Orascom Construction Industries	Parent Company	Energy	owns	Ras Ghareb Wind Farm (262.5MW)	Client	Energy
Societe Generale	Parent Company	Energy	owns	Ras Ghareb Wind Farm (262.5MW)	Client	Energy
Toyota Group	Parent Company	Energy	owns	Ras Ghareb Wind Farm (262.5MW)	Client	Energy
Toyota Tsusho Corp	Parent Company	Energy	owns	Ras Ghareb Wind Energy Sae	Client	Energy

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

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/