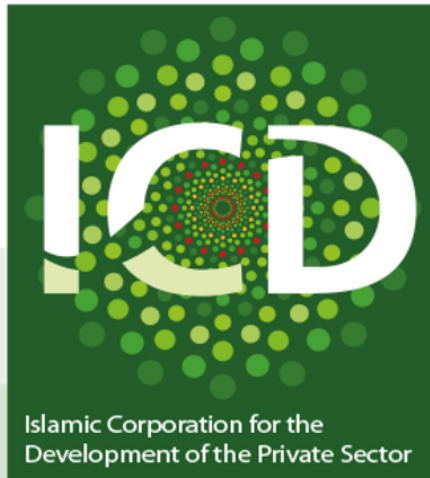


February 2021



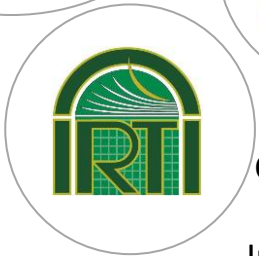
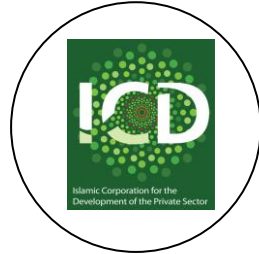
# ISLAMIC CORPORATION FOR THE DEVELOPMENT OF THE PRIVATE SECTOR (ICD)

Member of the Islamic Development Bank (IsDB) Group



Islamic Corporation for the  
Development of the Private Sector

# ICD - The Private Sector Arm of the IsDB Group



International Islamic Trade Finance Corporation

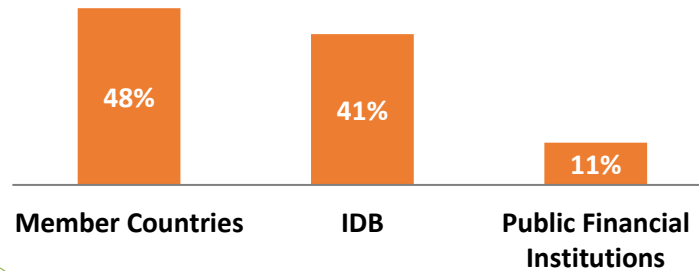
Islamic Research and Training Institute

Islamic Corporation for Insurance of Investments and Export Credits



**1 ICD Group Organization** ICD is the private sector arm of IsDB

**2 Capital Base and Shareholding** ICD was established in 1999, and has authorized capital of USD 4bn, capital available for subscription of USD 2bn and paid-up capital of USD 1.3 bn



**3 Strong Credit Rating** ICD is rated A2' by Moody's, 'A+' by Fitch, and 'A-' by S&P.



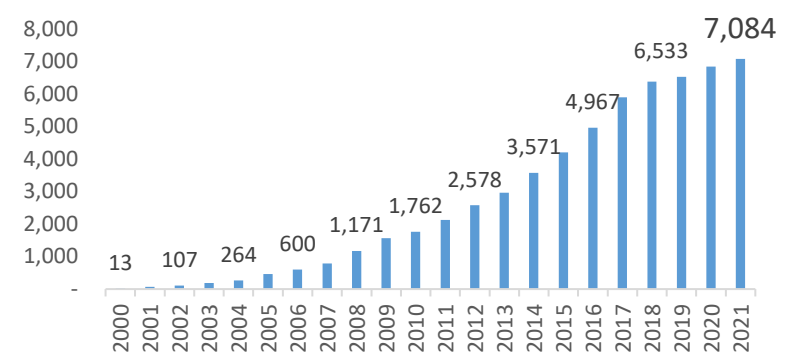
# Milestone Achievements in Operations (as of end of 2021)

## Highlights of ICD's Achievements

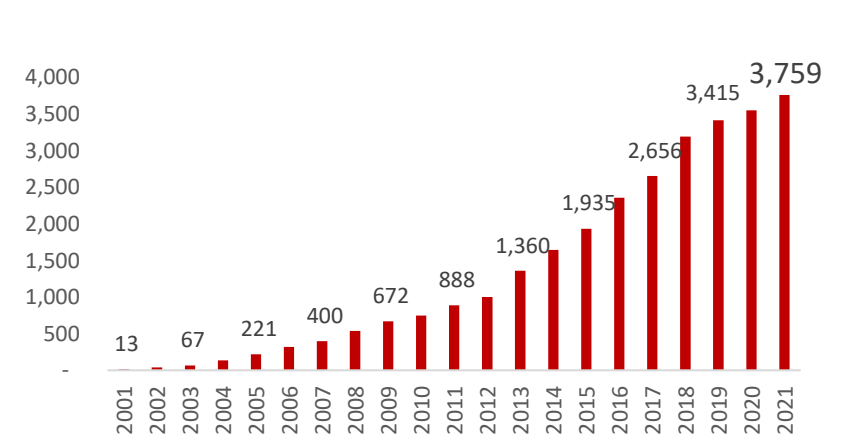
<p>CUMULATIVE DISBURSEMENT OF</p> <p><b>\$3.8 Billion</b></p> <p>SINCE INCEPTION</p>	<p>CUMULATIVE APPROVAL OF</p> <p><b>\$7.1 Billion</b></p> <p>SINCE INCEPTION</p>	<p>ACCESS TO</p> <p><b>55</b></p> <p>MEMBER COUNTRIES</p>
<p>DISBURSEMENT/ APPROVAL RATIO</p> <p><b>81%</b></p> <p>IN THE LAST 3 YEARS (AVERAGE)</p>	<p>CAGR OF Cumulative APPROVALS</p> <p><b>4%</b></p> <p>IN THE LAST 3 YEARS</p>	<p>APPROVALS FOR</p> <p><b>~500</b></p> <p>Projects</p>



## Cumulative Gross Approvals (\$ Million)

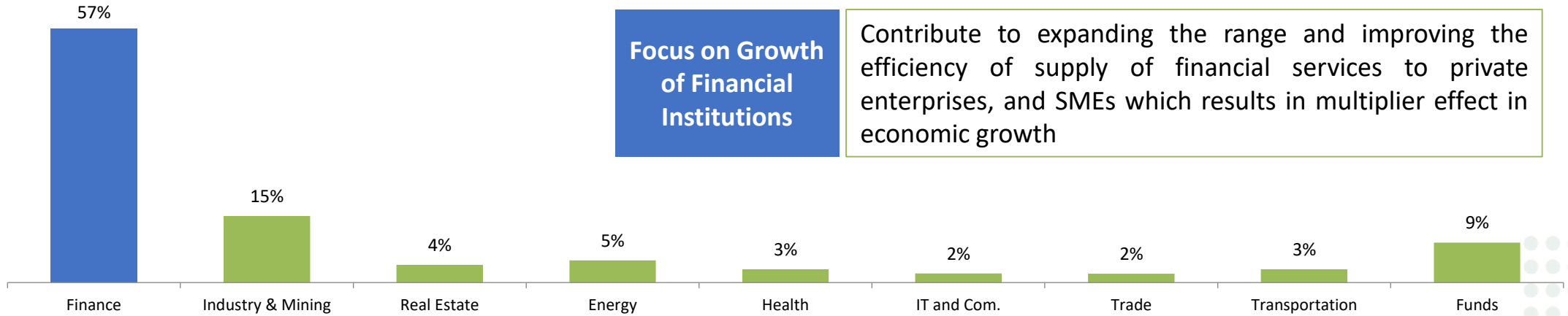


## Cumulative Disbursements (\$ Million)



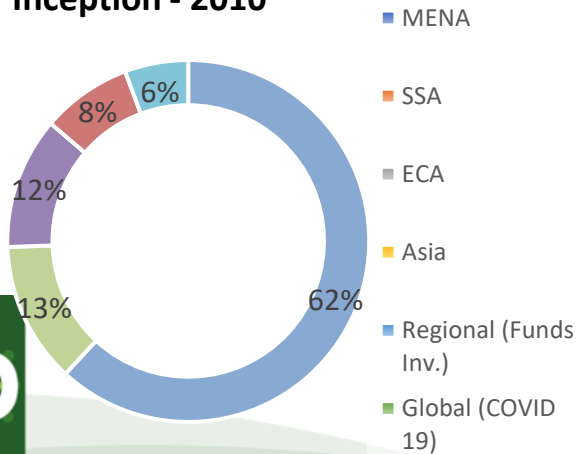
# Regional & Sectorial Breakdown of ICD Operations

## Approvals since inception, by sectors (%)

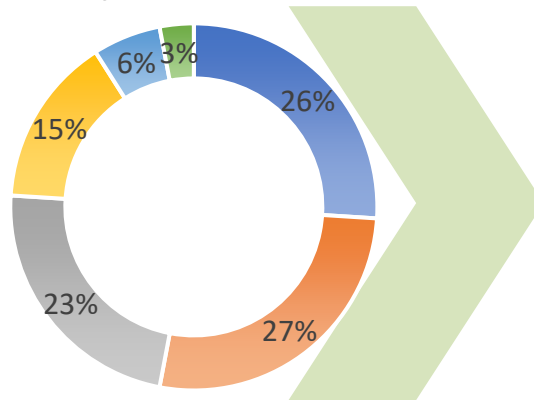


## Approvals since inception, by regions (%)

Inception - 2010



Inception-2021



- Focus shifting away from pure MENA region investments
- Central Asian and Sub Sahara Countries offering high growth opportunities
- Increased focus on developing and acquisition of regional expertise in Asia, ECA and SSA region

# ICD's 5 Pillar Strategy & Key Targets

Overview of 10-year strategic ambition



**Focus**

Focus **core offering on Financial Institutions** with clear **client segmentation**

- *Allocate +60% of new disbursements to FIs*



**Innovation**

Launch **innovative products** and build **digital platform**

- *Utilize Bridge Platform*



**Financial Sustainability**

Ensure **financial sustainability** and **grow fee business**

- *Return on Equity: 2% in 2024 & reaching to ~4-5% by 2030*



**Development Impact**

Serve member countries based on their **development needs**

- *Support +500,000 jobs by 2030*



**IsDB Group Collaboration**

**Deepen collaboration** within IsDB group, FIs and partners

- *Achieve intra-group (IsDBG) synergies*

# ICD's Development Impact & Contribution to SDGs



**Directly and indirectly target SDGs** through ICD investment in the real economy



**Improve enabling environment** and facilitate interaction between key stakeholders



**Achieve indirect impact** in selected SDGs based on investment and engagement



## Targets 2019-2029

**~550,000**  
...new jobs supported

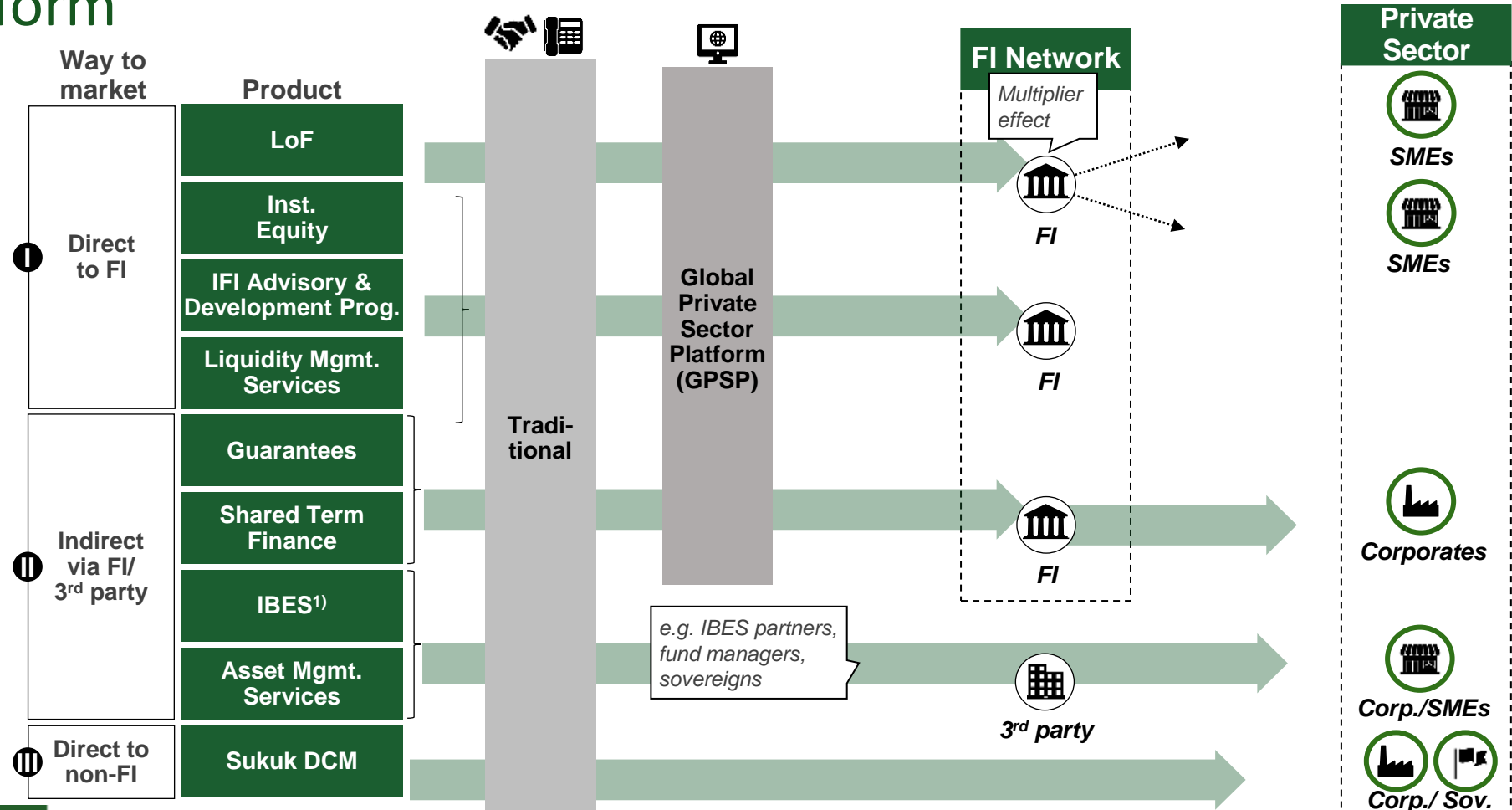
**~95,000**  
...MSMEs<sup>1)</sup> funded

**~1,000,000**  
...people provided with access to Islamic finance



• 1) Micro, Small and Medium Enterprises

# ICD's market approach combines three ways to market – complementation of traditional channel with digital GPSP platform





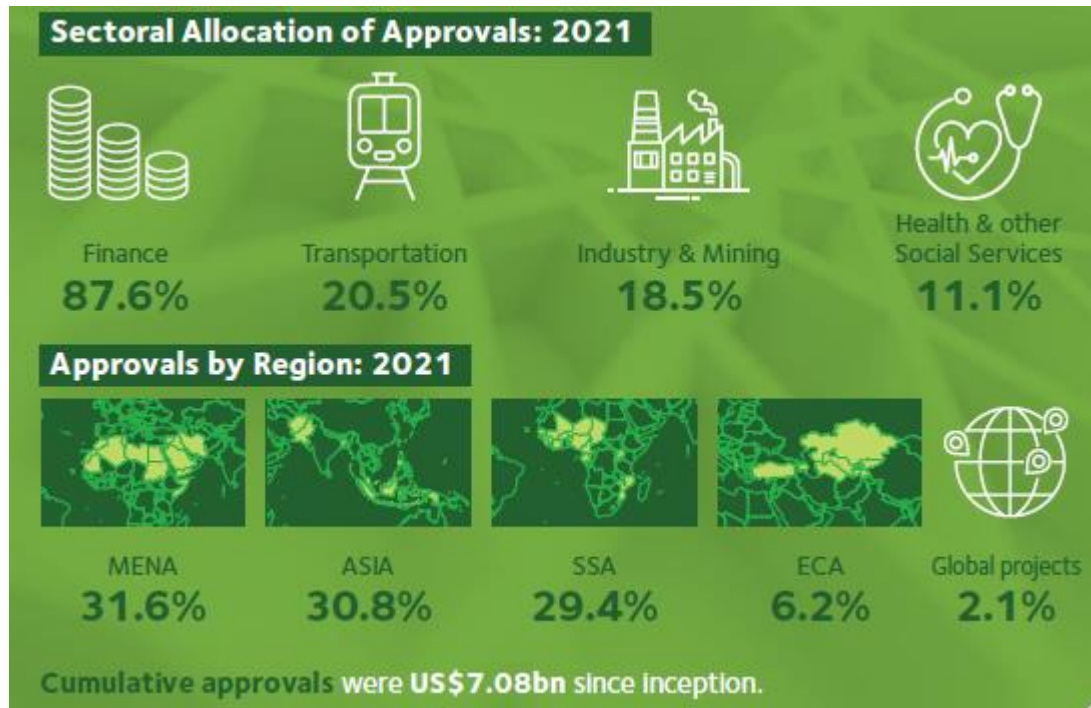
# ICD`s Operations in Transportation Sector

## ICD`s Investments:

- Total invested amount is around \$166mn
- 53% of the investments are through project financing and for 47% ICD intervened as equity investor.

Country	Regions	Project Name	Gregorian Year	Financing Mode	Product	Approved US\$
Sudan	MENA	Project 1	2004	Murabaha	Term Finance	2,000,000
Iran	MENA	Project 2	2005	Instal. Sale	Term Finance	27,000,000
Kuwait	MENA	Project 3	2005	Equity	Corporate Equity	5,137,866
Yemen	MENA	Project 4	2007	Equity	Corporate Equity	60,000,000
Saudi Arabia	MENA	Project 5	2008	Leasing	Term Finance	10,000,000
Kuwait	MENA	Project 6	2008	Equity	Corporate Equity	2,992,187
Yemen	MENA	Project 7	2012	Equity	Corporate Equity	9,000,000
Yemen	MENA	Project 8	2014	Equity	Corporate Equity	400,000
Kuwait	MENA	Project 9	2021	Murabaha	Term Finance	50,000,000

# 2021 Approvals Sectoral Allocation



## ICD's Investments in 2021:

- 20% of total approvals were allocated to transportation Sector

# Case Study: Aviation Sector Market Outlook, Key Outcomes

## ICD's Key Considerations for Its Recent Investment In Aviation Sector and Lessons Learned

- **Recovery will be quicker than currently anticipated:** Three forces will drive recovery in 2021: vaccines, fiscal stimulus, and monetary easing.
- **Two-thirds (2/3) of new passenger aircraft deliveries will be financed by lessors:** The airline funding gap will be closed through lessor placements and sale leasebacks.
- **A decade without a new 'clean-sheet' aircraft:** Competitive dynamics between the manufacturers have changed. With no new programs to obsolete existing types, aircraft residual values will be protected in the long-term.
- **Major airlines survive, Low-Cost Carriers thrive:** Government support has assured survival for most flag carriers, but low-cost carriers are best positioned in most markets to thrive as the recovery takes shape.
- **There will be more start-up airlines in 2021 than failures in 2020:** Not all will get off the ground but some of the highest growth airlines in the next decade will get their start this year and next, following the airline playbook of past downturns.
- **The environment re-surfaces as the major challenge of the decade:** Disruptive technology will play a key role in reducing aviation's carbon footprint, but the power of incremental improvement must not be overlooked. Lessors accelerate technology adoption.



# Investing in Transportation Infra-structure and Economic Development

- **Direct impacts.** The outcome of improved capacity and efficiency where transport provides employment, added value, larger markets, as well as time and costs improvements. The overall demand of an economy is increasing.
- **Indirect impacts.** The outcome of improved accessibility and economies of scale. Indirect value-added and jobs are the result of local purchases by companies directly dependent upon transport activity. Transport activities are responsible for a wide range of indirect value-added and employment effects, through the linkages of transport with other economic sectors (e.g., office supply firms, equipment and parts suppliers, maintenance and repair services, insurance companies, consulting, and other business services).
- **Induced impacts.** The outcome of the economic multiplier effects where the price of commodities, goods, or services drops, and their variety increases. For instance, the steel industry requires the cost-efficient import of iron ore and coal for the blast furnaces and export activities for finished products such as steel booms and coils. Manufacturers, retail outlets, and distribution centers handling imported containerized cargo rely on efficient transport and seaport operations.

# Extensive Partnership Network of Leading MDBs and DFIs





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