

# ICD - PERFORMANCE

---

**1421 - Mid 1425H**

# Contents

---

A- Background

B- Developing core Business Activities.

C- Expanding & Deepening Market Presence.

D- Building up Internal Capacity

E- Financial Performance

---

# A - Background

---

- The rational behind establishing ICD
  - Beginnings
-

# A - Background

---

## ***The rationale behind establishing ICD.***

- The trend towards greater efficiency and cost control gave a greater role to the private sector in IDB member countries
  - Several IDB member countries undertook policy reforms to create a more favorable environment for the private sector
  - These trends increased the demand for financing to build infrastructure in IDB member countries and put more pressure on the public budget
-

# A - Background

---

- Development finance institutions, having realized that their structure needed reviewing to adopt to the new economic trends and was not suitable for all of their financing needs, established a separate entity for the private sector
    - The **World Bank** created the International Finance Corporation (**IFC**) in 1956
    - The **Inter-American Development Bank** (IADB) created the Inter-American Investment Corporation (**IIC**) in 1989
    - The **Asian Development Bank** (AsDB) created the Asian Finance and Investment Corporation (**AFIC**) in 1989.
    - The **African Development Bank** (AfDB) created the African EXIM Bank in 1993
    - The **Arab Fund** have established a special purpose fund of US\$ 500 million dedicated to the private sector
-

# A - Background

---

## **Beginnings**

- ICD was established in Rajab 1420H (Nov 1999) with an authorized capital of USD 1 Billion.
  - ICD started operations on 6<sup>th</sup> Rabie II, 1421H (July 8<sup>th</sup>, 2000).
  - ICD 's actions and initiatives were conducted within the framework of a three pronged strategy formulated during its start-up year namely:
    - Developing **core business activities**.
    - Expanding and deepening **market presence**.
    - Building up **internal capacity**
-

# B - Core Business Activities

---

- Portfolio Diversification.
  - New Initiatives.
  - Projects status by mid of 1425H.
-

# B - Core Business Activities

---

## *Portfolio Diversification*

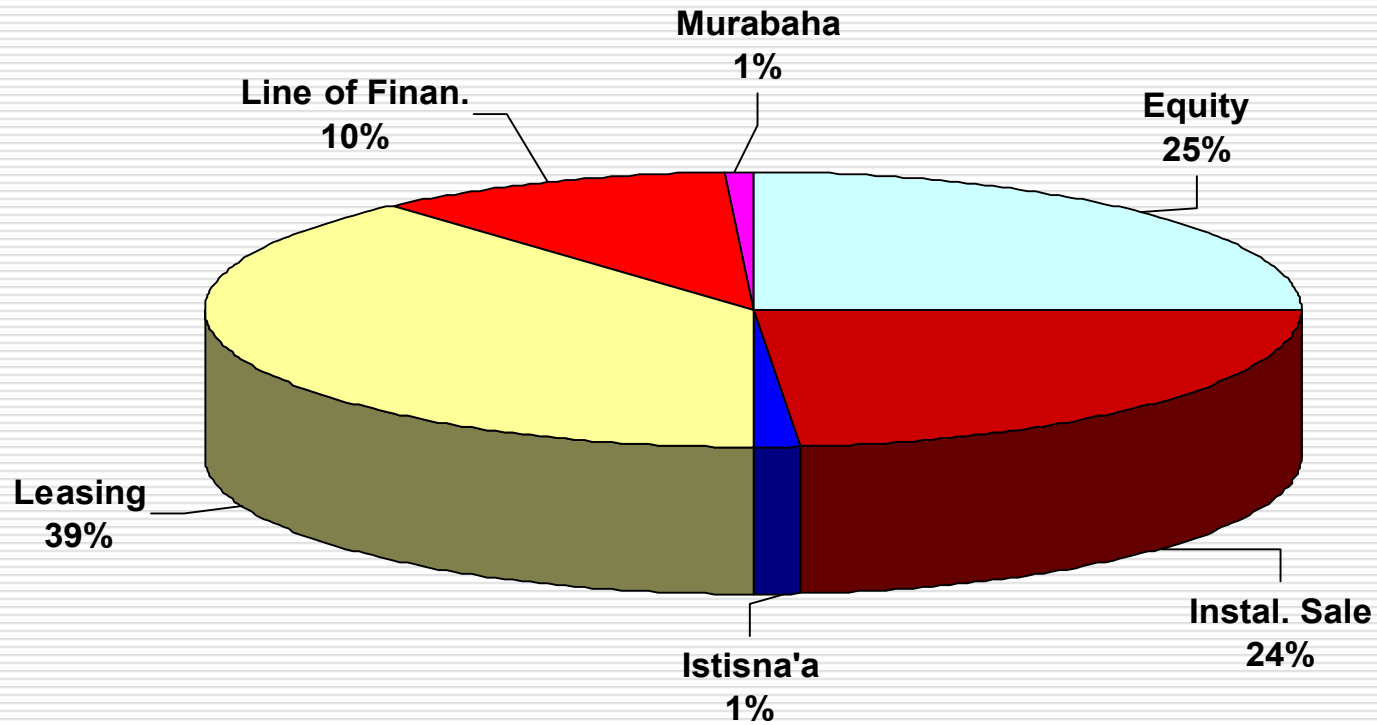
ICD created a diversified portfolio in terms of

- Modes of Finance (Fig. I)
  - Sectors (Fig. II)
  - Geographic coverage (13 Countries)& 4 regions (Fig. III)
-



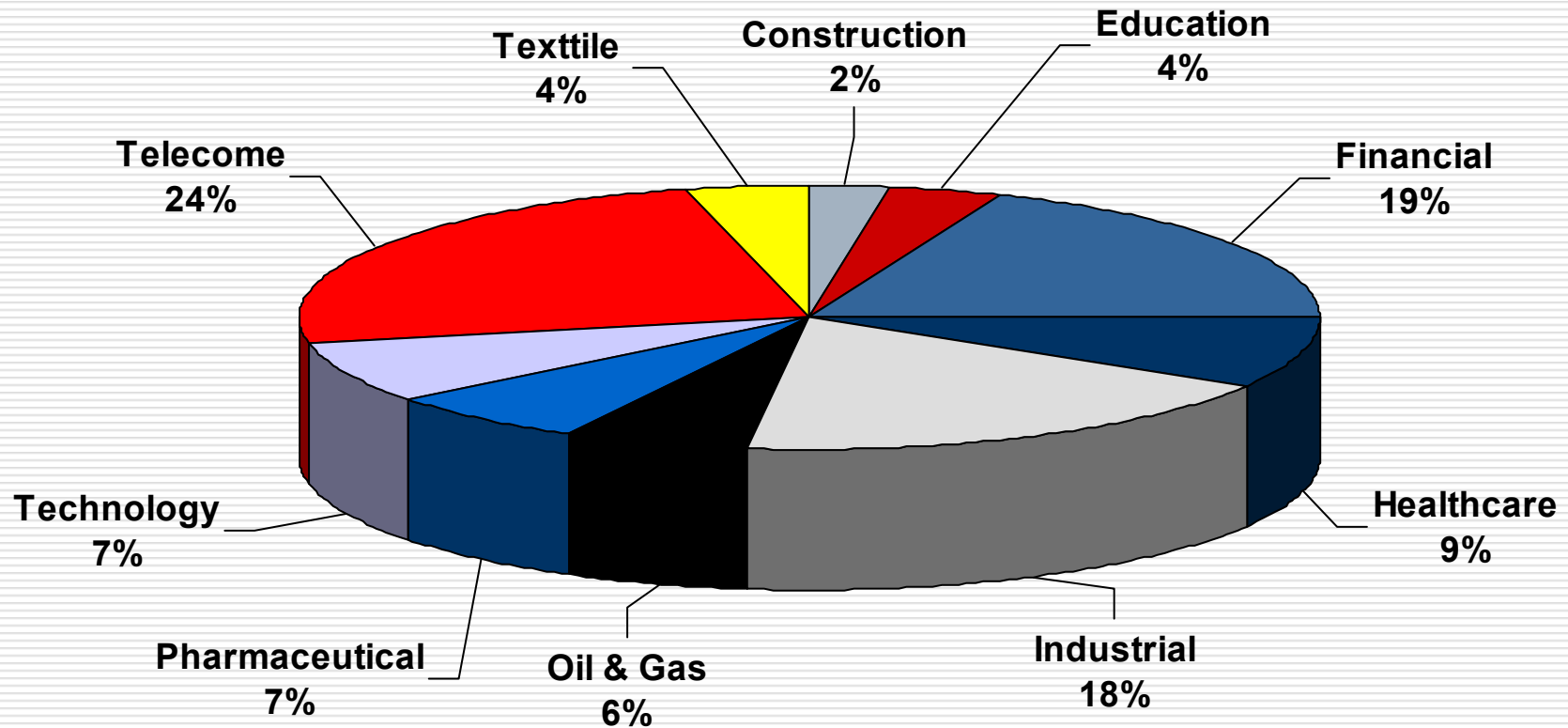
(Fig. I)

## Portfolio by Mode of Finance – Mid 1425H



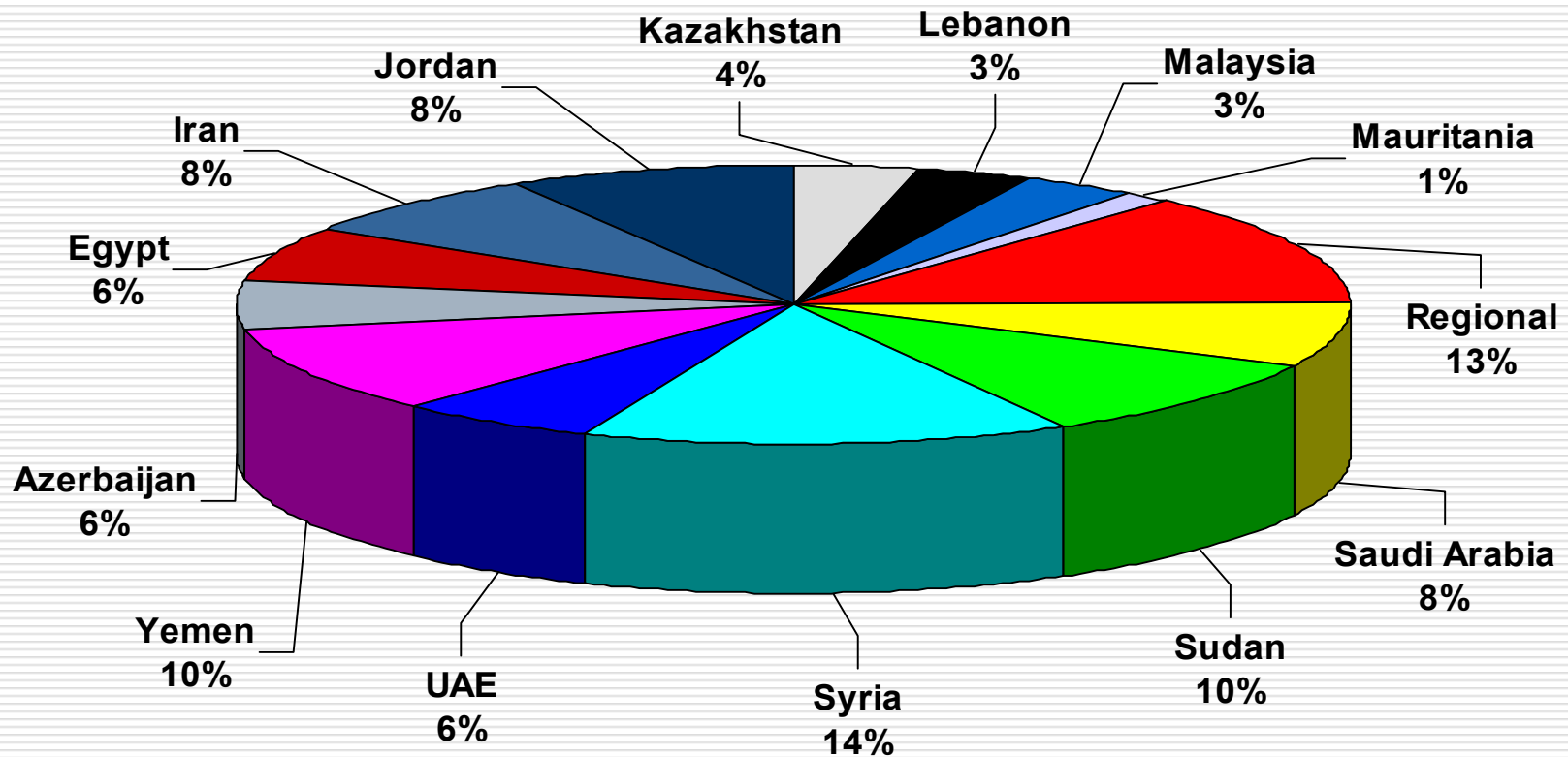
(Fig. II)

## Portfolio by Sector – Mid 1425H

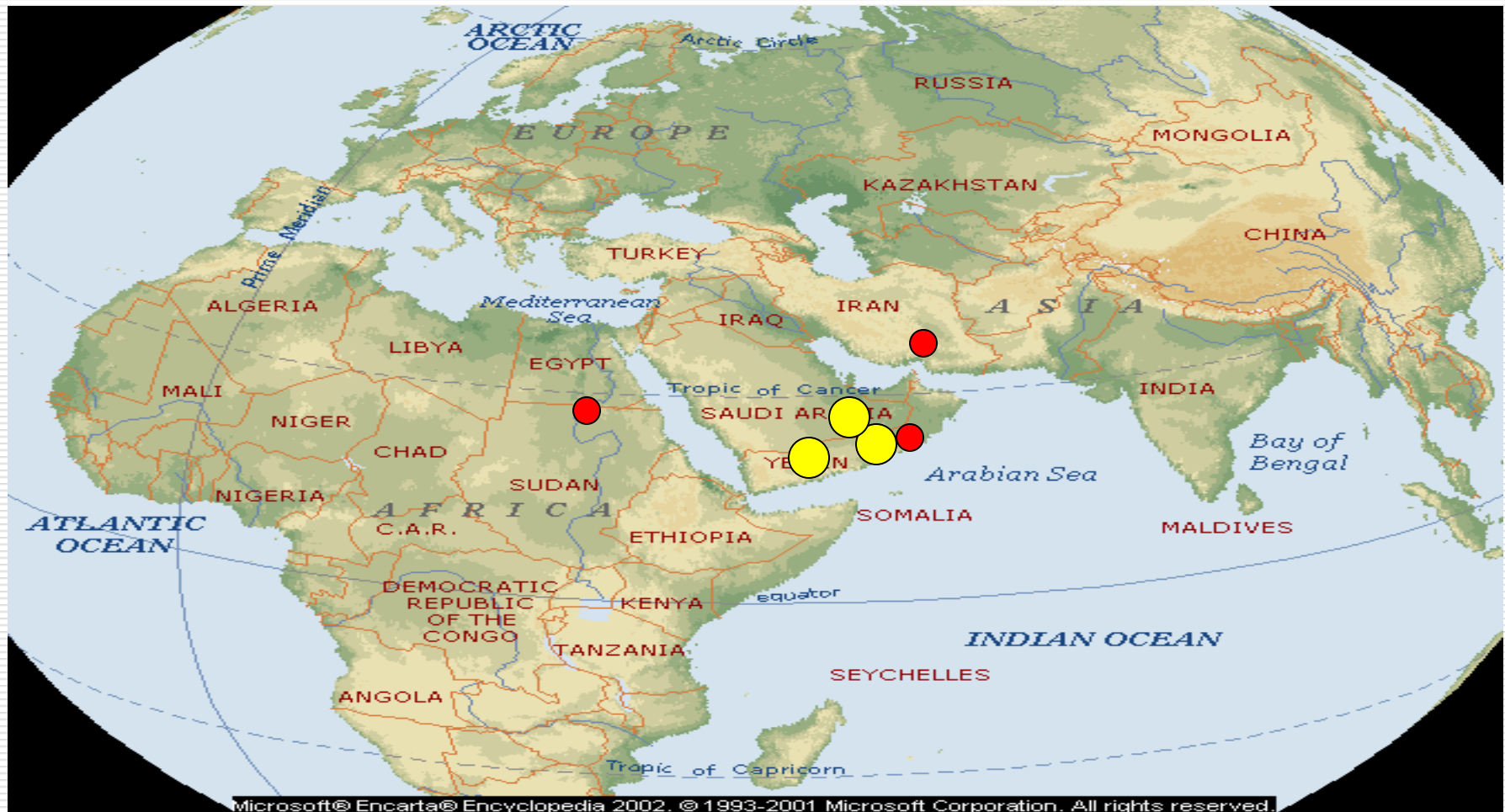


(Fig. III)

## Portfolio by Country – Mid 1425



# In 1421H, operations were mainly in Middle East

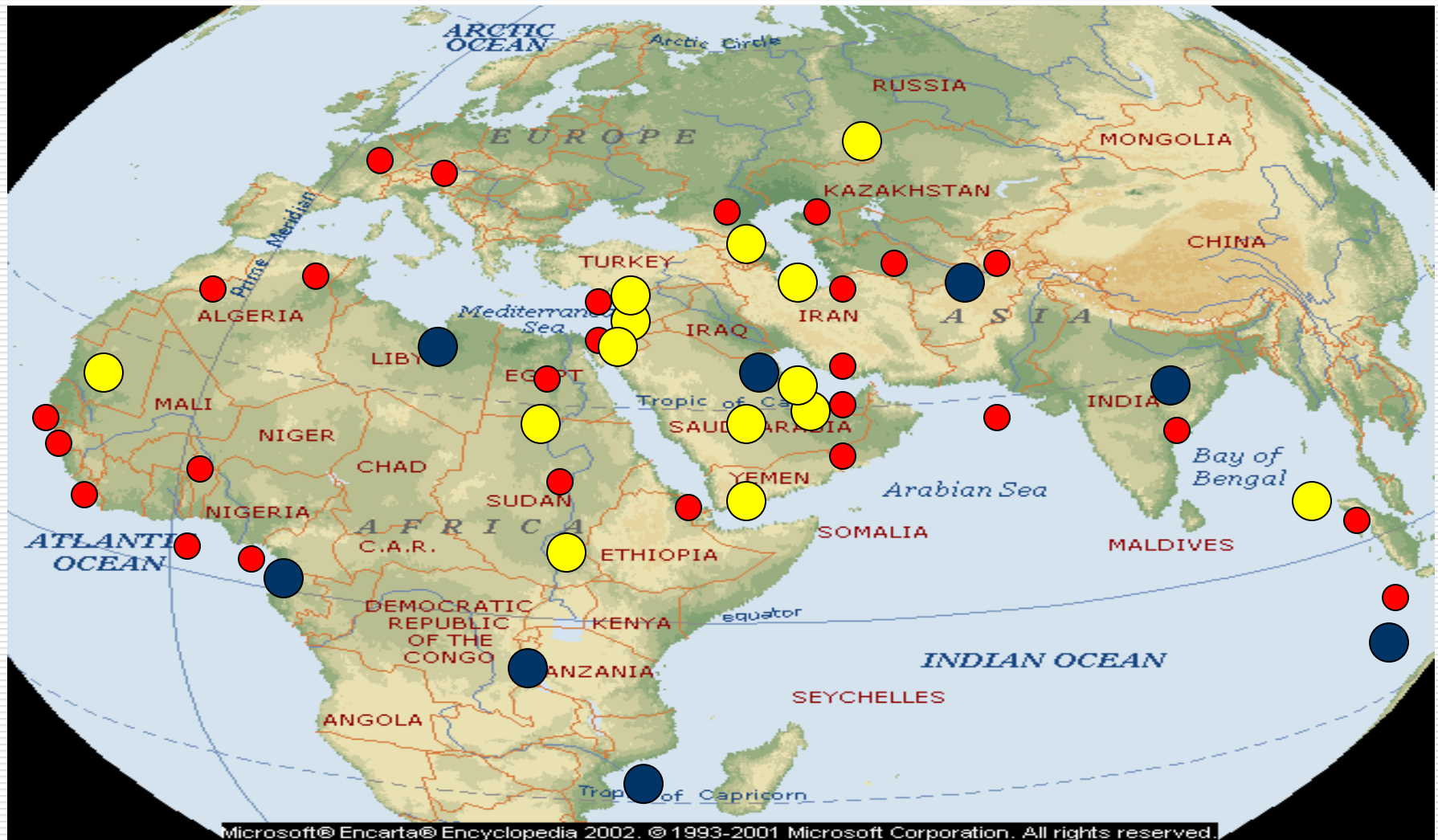


**Marketing**



**Operations**

# In 1424H, operations were diversified



Marketing



Operations



Targets

# B - Core Business Activities

---

## ***New Initiatives***

- Establishing Injazat Technology Fund (ITF).
  - Adopting new modes of financing for SME's through providing ***Lines of financing*** in:
    - Azerbaijan .
    - Lebanon.
    - Mauritania.
  - - Participating in a regional fund providing support to SME's in the CIS countries (Kazakhstan, Tajakstan, Turkmenistan, Kyrgyz Republic) through a ***financial facility***.
  - Bank Byblos Africa.
  - Mellat investment .
-

## B - Core Business Activities

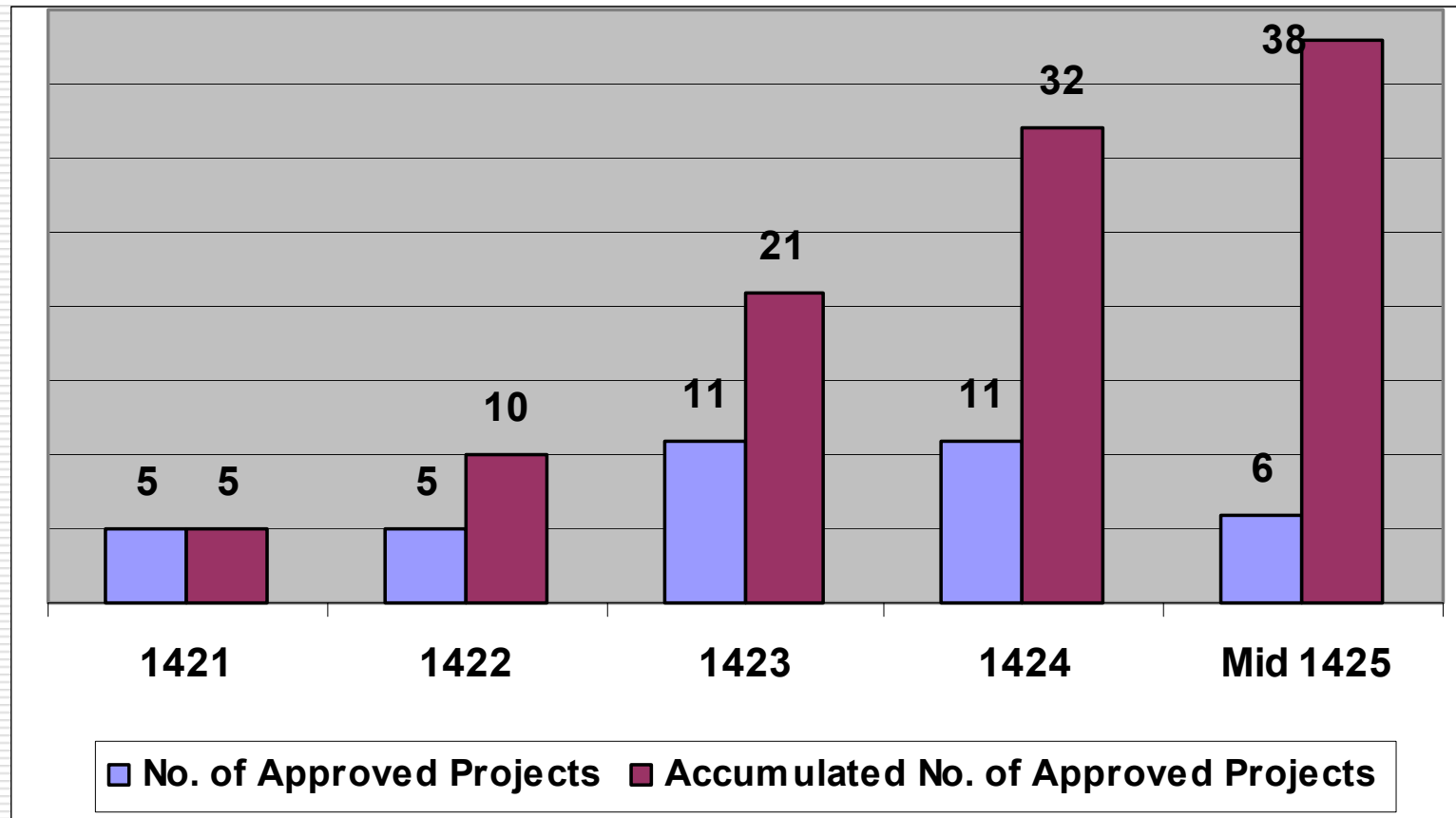
---

### **Projects Status by mid of 1425H**

- Total projects approved were 38 projects (Fig IV), amount USD 233.06.
  - Net projects approved (total less cancelled) 34 projects, amount USD 211.4 million.
  - Disbursement increased by 404% from USD 20.5mM in 1422H to USD 103.3M mid 1425H(Fig. VI)
-

(Fig. IV)

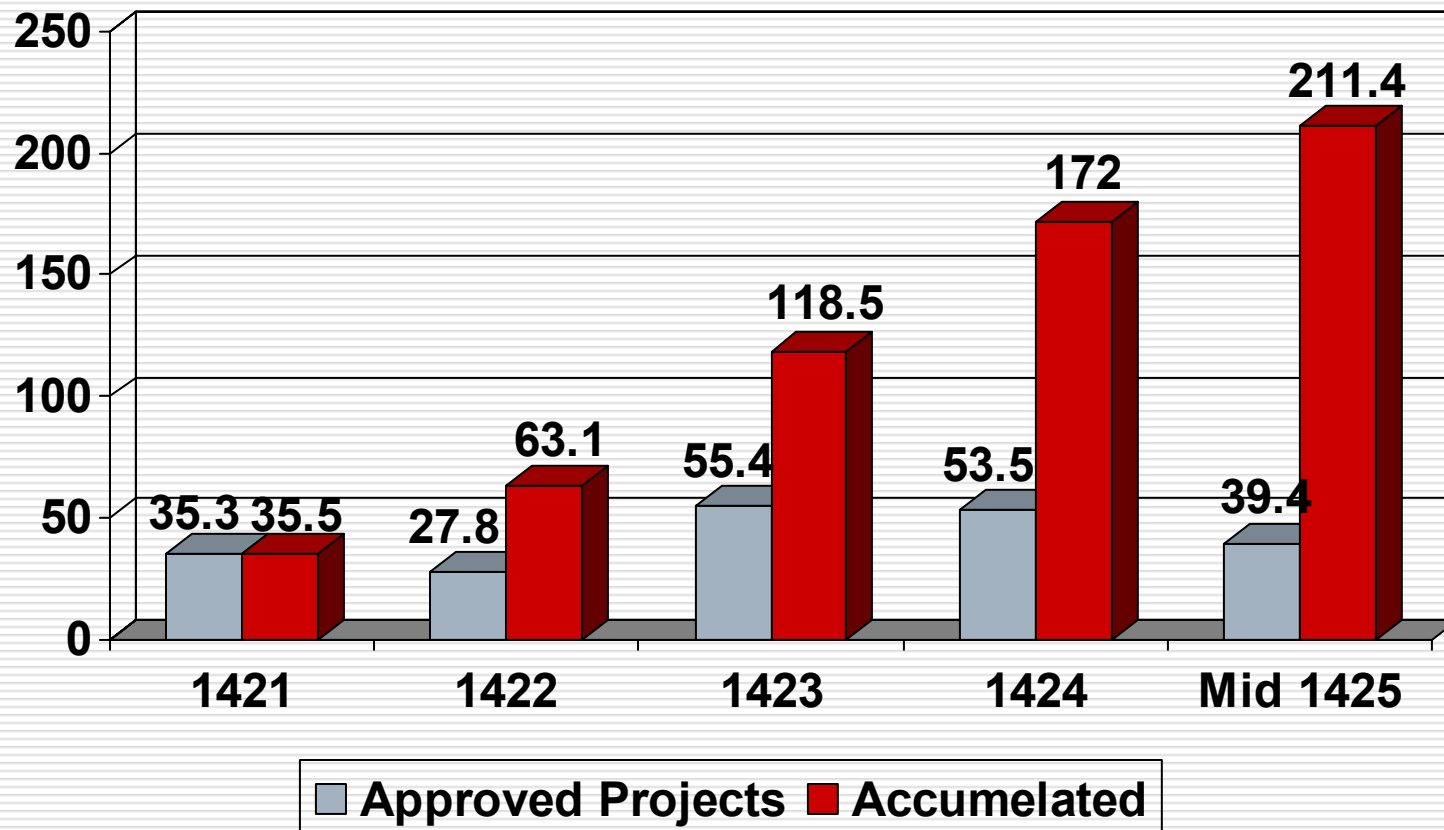
## Number Total of Approved Projects





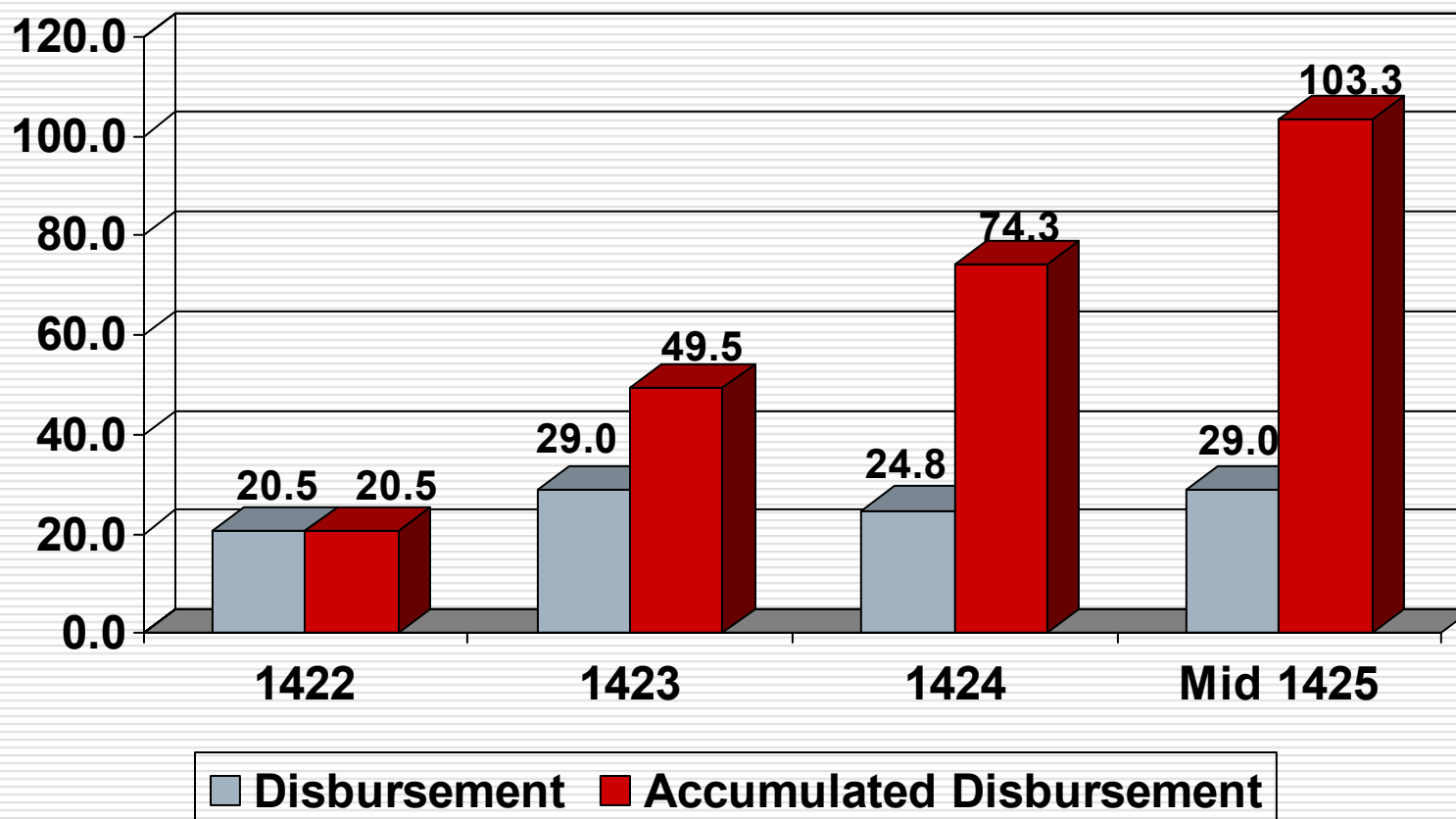
(Fig. V)  
**Approved projects (Net) – (Million USD)**

---



(Fig. VI)  
**Disbursements - (Million USD)**

---



# C - Expanding & Deepening Market Presence

---

- Marketing effort.
  - Marketing Seminars.
  - Partnership with development Inst.
  - Other related activities.
  - Marketing impact.
-

# C - Expanding & Deepening Market Presence

---

## **Marketing Efforts**

- A yearly average of 115 man days were spent on marketing activities inside and outside the Middle East.
  - A yearly average of 19 days were spent attending international conferences.
  - Several articles in local and international publications.
  - Participation with several papers and presentations on SMEs, ICT, private sector, BOT.
-

# C - Expanding & Deepening Market Presence

---

## Marketing Seminars

ICD conducted a number of seminars in the following places:

- Aleppo and Damascus (Syria).
  - Isfahan and Tehran (Iran).
  - Abu Dhabi and Dubai (UAE).
  - Cairo (with ESCWA), (Egypt).
  - Dammam and Riyadh, (Saudi Arabia).
  - Kuwait.
  - Almaty, (Kazakhstan).
  - Tunis, (Tunisia).
  - Amman, (Jordan).
-

# C - Expanding & Deepening Market Presence

---

## Marketing Seminars

- Brunei
  - Ouagadougou, (Burkina Faso).
  - Dakar, (Senegal).
  - Sana'a, (Yemen).
  - Tajikistan
  - Maldives
  - Lahore, (Pakistan)
  - Bangladesh
-

# C - Expanding & Deepening Market Presence

---

## Partnership with Development Inst.

ICD created a wide network of development partners including:

- OPEC Fund.
  - Arab Fund for Economic & Social Development.
  - Arab Bank for Economics Development in Africa (BADEA).
  - IFC
-

# C - Expanding & Deepening Market Presence

---

## Other Related Activities

- Sponsoring a workshop in Cairo about the private sector and its role in development.
  - Participating in National & Regional Conferences.
  - Initiating a study for Leasing Co. in Syria.
  - Providing Advisory Services.
  - Signing agreements with Regional & National Consultants .
-



# C - Expanding & Deepening Market Presence

---

## Marketing Impact

- 15 projects out of the 37 approved projects were generated directly from marketing efforts either through visits to member countries or attendance of seminars.
  - Co-financing opportunities with OPEC Fund, IFC, TAIC, Arab Fund, etc.
  - Participation in about 15 seminars in member countries.
  - Created a better visibility of ICD in member countries despite competition.
  - Improvement in the project pipeline and quality of project received.
-

## D - Building Internal Capacity

---

- Completed ICD Organizational Charts
  - Recruited 36 people with adequate skills & experience from 20 member countries, in addition to the 7 core staff that were present when ICD started operations.
  - Instituted a number of ICD Policies & Procedures.
  - Created four main committees :
    - The Management Group Committee.
    - The Investment Committee.
    - The Budget Committee.
    - The HR Committee.
  - Strengthened Legal, IT & Back up Services
-

# E - Financial Performance

---

- **Increasing**

- Revenue from Core Investment
  - Revenue from Services
  - Total Assets
  - Total Equity
-

# ICD Revenue (1421-1424H)

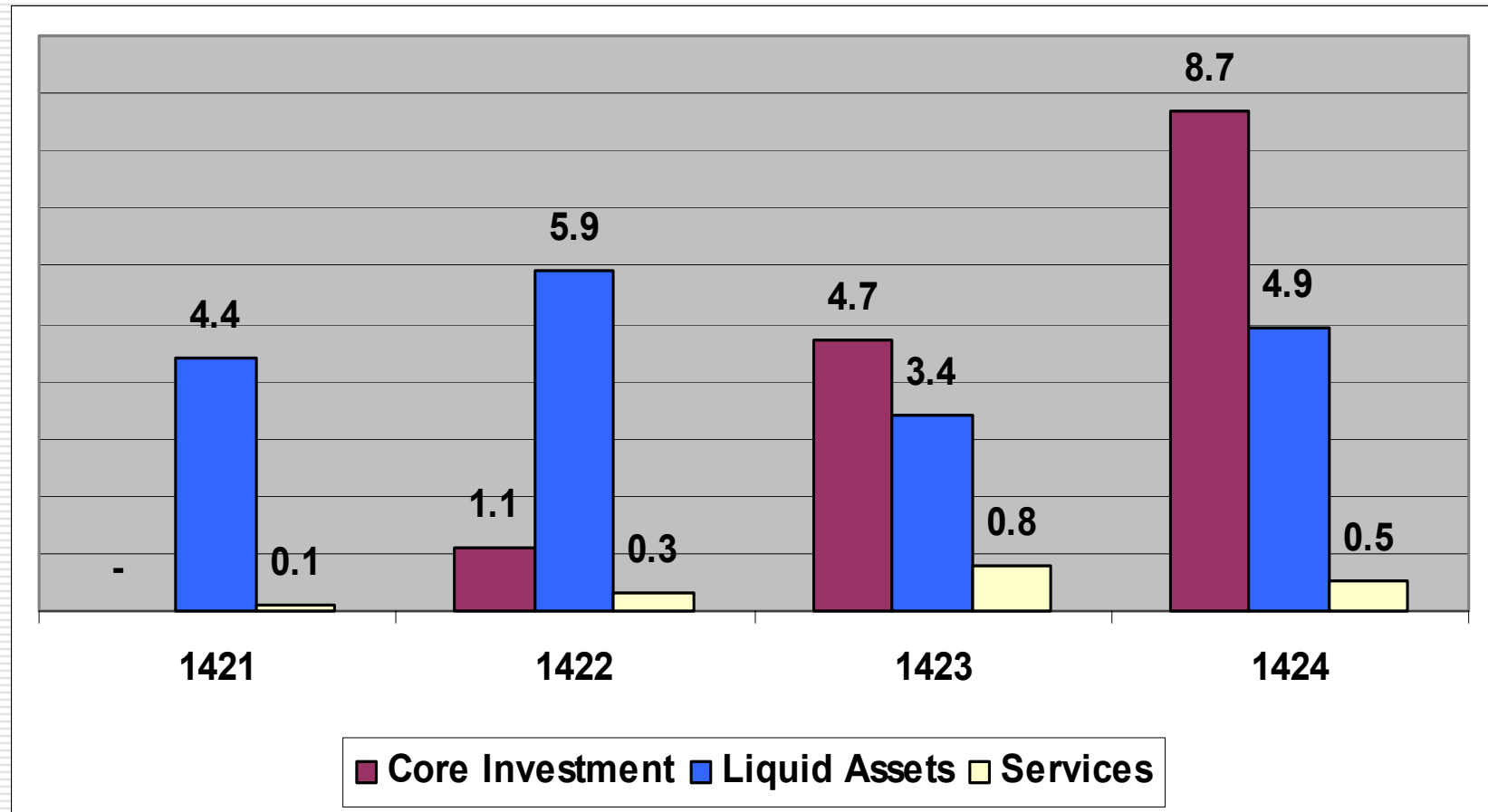
---

|                                  | 1421 | 1422 | 1423 | 1424 |
|----------------------------------|------|------|------|------|
| <b>Revenue – Core Investment</b> | -    | 1.1  | 4.7  | 8.7  |
| <b>Revenue – Liquid Assets</b>   | 4.4  | 5.9  | 3.4  | 4.9  |
| <b>Revenue - Services</b>        | 0.1  | 0.3  | 0.8  | 0.5  |
| <b>Total Revenue</b>             | 4.5  | 7.3  | 8.9  | 14.1 |
| <b>Expenses</b>                  | 1.8  | 1.9  | 3.9  | 4.7  |
| <b>Depreciation</b>              | 0    | 1.0  | 4.0  | 6.9  |
| <b>Total Expenses</b>            | 1.8  | 2.9  | 7.9  | 11.6 |
| <b>Net Profit</b>                | 2.7  | 4.4  | 0.9  | 2.5  |
| <b>Non – Halal Income</b>        | -    | -    | 0.8  | 0.2  |

---

(Fig. VII)

## Changes in Revenue Sources (1421-1424H) million USD



## Statement of Financial Position (Million) USD.

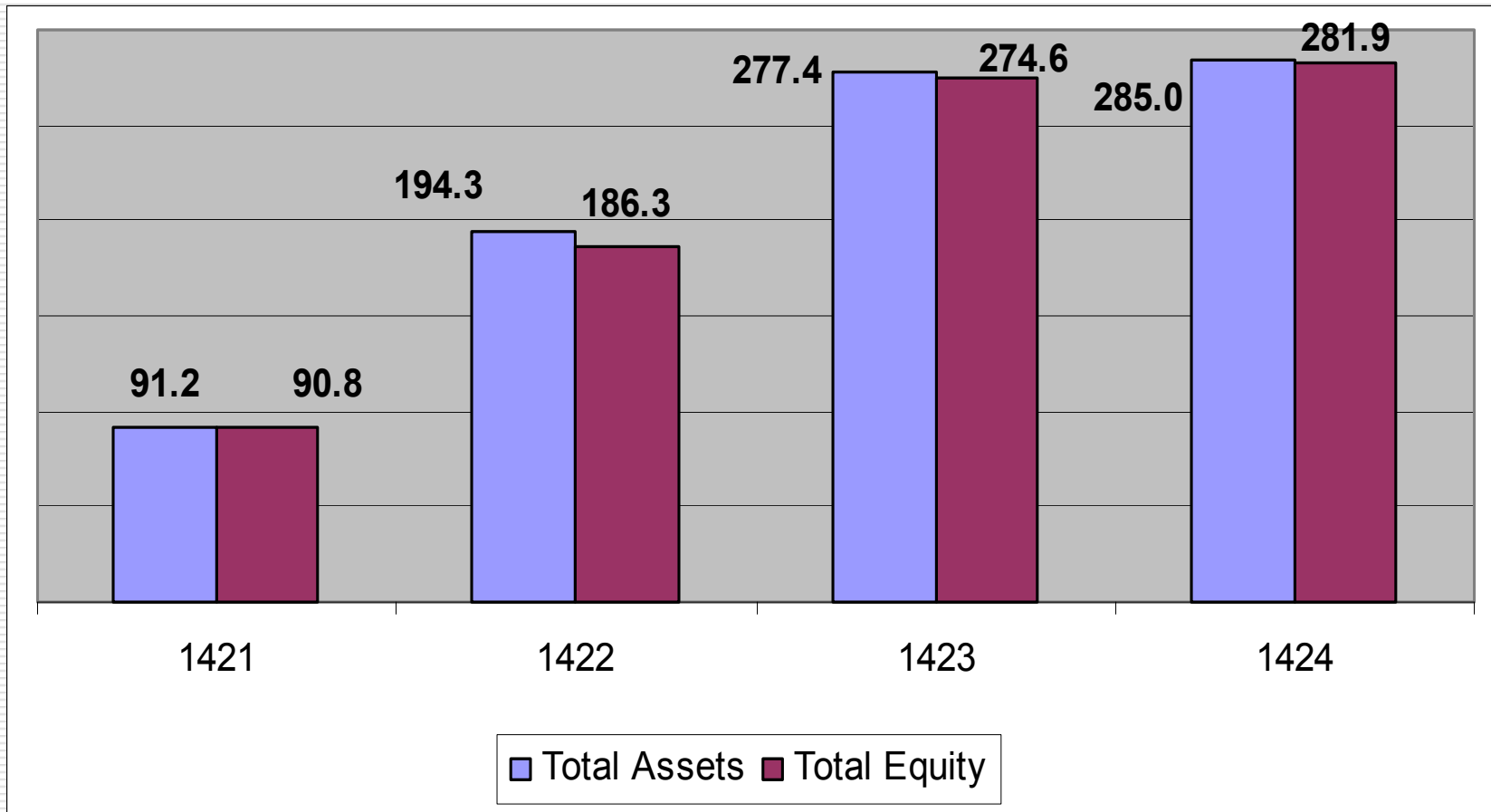
---

|                                  | 1421 | 1422  | 1423  | 1424  |
|----------------------------------|------|-------|-------|-------|
| <b>Core Investment Portfolio</b> | -    | 26.1  | 44.1  | 65.7  |
| <b>Liquid Assets Portfolio</b>   | 87.1 | 165.3 | 223.5 | 204.3 |
| <b>Other Assets</b>              | 4.2  | 2.9   | 9.8   | 15.0  |
| <b>Total assets</b>              | 91.2 | 194.3 | 277.4 | 285.0 |
| <b>Total Liabilities</b>         | 0.5  | 8.0   | 2.8   | 3.1   |
| <b>Total Equity</b>              | 90.8 | 186.3 | 274.6 | 281.9 |

---

(Fig. IX)

# Changes in ICD's Total Assets & Equity (1421-1424H) Million USD



---

*The End*