

Arab African International Bank, IFC, EBRD, and BII Launch US\$500 Million Sustainability Bond to Support Climate Finance and Boost Micro, Small, and Medium-Sized Enterprises

Cairo, Egypt, November 24, 2024 – Arab African International Bank (AAIB) today issued a \$500 million sustainability bond, with investments from IFC, the European Bank for Reconstruction and Development (EBRD), and British International Investment (BII), to advance Egypt's green transition and micro, small, and medium-sized enterprises (MSMEs).

The sustainability bond is the first in Egypt - and the largest issued by a private bank in Africa - and will support green and sustainable projects in Egypt. IFC has subscribed in the bond with US\$300 million alongside US\$100 million from EBRD and US\$100 million from BII – with 75 percent of the bond's proceeds allocated to green financing, such as industrial energy-efficiency, small-scale renewable energy projects, and green buildings; and 25 percent allocated for social assets including inclusive finance and MSMEs.

To support the move to a greener, climate-resilient economy, in 2023 Egypt's government announced its aim to reduce greenhouse gas emissions by 37 percent by 2030. The sustainability bond will help Egypt advance towards this target by increasing access to finance to businesses and projects that help reduce greenhouse gas emissions or otherwise protect the environment. The bond will also help address the country's growing financing needs for MSMEs.

This achievement underscores the international financial community's confidence in AAIB's exceptional financial strength, Egypt's attractive investment opportunities and the Egyptian economy potential at large said **Tamer Waheed, AAIB's Vice Chairman & Managing Director**. "This bond is more than just a financial instrument; It is a strategic extension of our core business model, designed to seamlessly integrate sustainability into our business strategy. We believe that responsible growth is crucial to create a sustainable future for generations to come. We are ensuring that AAIB remains at the forefront of both financial innovation and environmental stewardship by directing capital toward projects that advance ESG."

"This investment is a milestone in extending more financial inclusion, while unlocking the potential of sustainable finance in Egypt," said **Sérgio Pimenta, IFC's Vice President for Africa**. "As the largest investor in the country's first sustainability bond issued by AAIB, we are empowering a greener, more climate-resilient future for Egypt and contributing to the country's climate commitments."

"We are very proud to invest in this first sustainability bond in Egypt, which opens the path for more such issuances and sets a benchmark for others to follow," said **Francis Malige, EBRD's**

Managing Director for Financial Institutions. "This landmark investment will increase capital market flows towards green and social projects and demonstrates the importance of ingraining green and social criteria in capital markets transactions. Moreover, this project contributes to the resilience of the economy by providing long-term hard currency funding."

"Egypt is a key market for BII. As of 2023, the company's portfolio in Egypt was valued at \$707.5 million, with investments in 70 companies that support over 91,000 jobs. BII's current development focus in Egypt includes financial services, renewable energy, healthcare, and infrastructure," said **Sherine Shohdy, BII's Regional Director for North Africa.** "The AAIB bond will provide a vital source of finance to businesses to take steps towards the transition. Over the last two years BII has committed over £1.2 billion in climate finance and we will continue to deploy our capital in support of the transition towards net zero and climate resilient economies."

About AAIB

With a legacy dating back to 1964, Arab African International Bank was Egypt's first multi-national bank established by Special Law as a Joint Venture between the Central Bank of Egypt (CBE) and Kuwait Investment Authority (KIA). AAIB has evolved into a fully-fledged regional banking institution with an extensive portfolio of innovative products and services covering retail and corporate banking, SMEs, transaction banking solutions, investment banking, brokerage services, asset management, private equity, leasing, mortgage financing and micro-enterprise solutions. AAIB's commitment to sustainable development dates to 2005. AAIB collaborated with the United Nations Environmental Program Finance Initiative (UNEP FI) and 29 other leaders of the global banking industry to establish the Principles for Responsible Banking (PRB).

About IFC

IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2024, IFC committed a record \$56 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet. For more information, visit www.ifc.org.

About EBRD

The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 36 economies across three continents. The Bank is owned by 73 countries as well as the EU and the EIB. EBRD investments are aimed at making the economies in its regions competitive, inclusive, well governed, green, resilient and integrated.

About BII

British International Investment is the UK's development finance institution and impact investor. As a trusted investment partner to businesses in Africa, Asia and the Caribbean, BII invests to

create productive, sustainable and inclusive economies in our markets. Between 2022-2026, at least 30 per cent of BII's total new commitments by value will be in climate finance. BII is also a founding member of the [2X Challenge](#) which has raised over \$33.6 billion to empower women's economic development. The company has investments in over 1,580 businesses across 65 countries and total net assets of £8.5 billion. For more information, visit: www.bii.co.uk | [watch here](#). Follow British International Investment on [LinkedIn](#) and [X](#).