



## **IFC, AAIB Support Small Businesses and Sustainable Energy Projects in Egypt**

**Cairo, Egypt, March 27, 2017**— IFC, a member of the World Bank Group, provides a \$100 million loan to the Arab African International Bank (AAIB), to help the bank scale up its lending operations to small and medium enterprises and build its sustainable energy finance portfolio in response to increased energy bills for many companies and SMEs.

About \$50 million will be earmarked for SMEs to support the bank's strategy to significantly increase its lending to smaller businesses. The remaining \$50 million will be earmarked for introducing credit lines that support energy efficiency, helping businesses that need to make capital investments to refurbish or renovate existing operations to reduce energy costs.

Hassan Abdalla, CEO and Vice Chairman of AAIB said: "Small and medium enterprises are at the heart of driving economic growth so we are delighted to be able to continue to expand our lending to these businesses." "We are also looking forward to expand our services by offering new SEF products to help our clients reduce energy costs, improve their competitiveness, and help mitigate climate change," Abdalla added.

The SME sector accounts for approximately 25 percent of Egypt's GDP and about 75 percent of total private sector employment. Despite this, a significant number of SMEs remain outside formal channels, with SMEs loans representing only around 5-10 percent of total lending.

"While micro, small and medium enterprises (MSMEs) continue to play a dominant and increasing role in creating jobs in Egypt, access to finance remains a significant challenge for many," said Mouayed Makhoulouf, IFC Regional Director for the Middle East and North Africa. "This loan will help a strong bank increase its reach to smaller businesses and encourage other financial institutions to follow suit, while also helping to boost energy efficiency in Egypt."

Between fiscal years 2011 and 2016, IFC's investments in Egypt totaled close to \$1.5 billion, including financing mobilized from other investors. IFC's investments have been designed to support Egypt's private sector, create jobs, and spur growth, all considered vital in the country.

The loan complements AAIB's efforts in the field of sustainable finance. Being a trendsetter in the Egyptian banking sector in embedding sustainability policies and practices in its daily banking traditions. This loan further strengthens AAIB's products efficiency in this emerging field.

### **About IFC**

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with 2,000 businesses worldwide, we use our six decades of experience to create opportunity where it's needed most. In FY16, our long-term investments in developing countries rose to nearly \$19 billion, leveraging our capital, expertise and influence to help the private sector end extreme poverty and boost shared prosperity. For more information, visit [www.ifc.org](http://www.ifc.org)

### **About AAIB**

Established in 1964 with solid shareholders, strong dollar based equity, AAIB is Egypt's only private-sector bank with a full-fledged presence in the Gulf Region. Enacting its vision to become a leading financial group extending innovative services into the entire region; AAIB established five subsidiaries; Arab African Investment Holding (AAIH), Arab African Investment Management (AAIM), Arab African International Securities (AAIS), Arab African International Mortgage Finance (AAIMF) and Arab African International Leasing (AAIL). The establishment of which transformed AAIB from a Bank to a full-fledged Financial Group. A trendsetter in instilling sustainability in Egypt, AAIB established MOSTADAM for capacity building and policy advocacy to drive sustainable practices in the Egyptian banking sector.

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