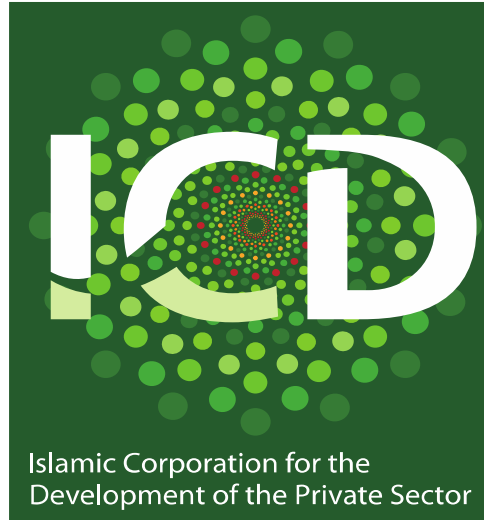




ICD's Progress Report

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Section 1: Brief Information about ICD

The Year of Establishment	1999
Headquarters	Jeddah, Saudi Arabia
Member	The Islamic Development Bank Group
Mandate	Our Vision: <i>To become a leading Islamic multilateral financial institution for the development of the private sector.</i> Our Mission: <i>To develop and promote the private sector, to boost economic growth and prosperity.</i>
Authorized Capital	US\$ 4 Billion
Paid-up Capital	US\$ 1.59 Billion
Cumulative Approved Projects Since Inception	US\$ 7.2 Billion
Cumulative Disbursements Since Inception	US\$ 5.9 Billion
Cumulative Approvals by Sector	Finance Sector (SME Financing) = 58% Industry and Mining = 16% Energy Sector = 7% Funds = 5% Other Sectors = 13%
Total Number of Member Countries	56

1. The Islamic Corporation for the Development of the Private Sector (ICD), a member of the Islamic Development Bank (IsDB) Group, has an authorized capital of US\$ 4 billion, of which US\$ 2 billion is open for subscription. Its shareholder base comprises the IsDB, 56 OIC member states and 5 public financial institutions. ICD's mandate is to promote economic development in its member countries by providing financing, advisory, and technical assistance to private sector projects, all in full alignment with the principles of Shariah.
2. With more than twenty-six years of proven achievement and a strong developmental and operational footprint, ICD continues to deliver innovative private sector solutions and acts as a vital bridge between private investment and sustainable development across its 56 member countries. As of June 2026, ICD's gross cumulative approvals have reached US\$ 7.2 billion, with cumulative disbursements amounting to US\$ 5.9 billion.

Section 2: Institutional Progress Update – 2025 and First Half of 2026

Strategic Orientation and Operations Plan

3. ICD delivered its 2025 Operations Plan around three strategic pillars (the Triple Es): Endurance (business and financial resilience), Efficiency (process efficiency and excellence in delivery), and Effectiveness (inclusive and innovative operations), and designed its 2026 Operations Plan as a bridge year sustaining delivery momentum while the next strategic cycle was formulated.
4. In April 2026, ICD's Board of Directors approved the new ICD Corporate Strategy 2026–2030, aligned with the IsDB Group 10-Year Strategic Framework and the “In Riyadh at Fifty” Declaration. The strategy aims to position ICD as a leading Islamic multilateral platform for private sector development.
5. In 2025, ICD approved US\$ 555.6 million in new operations and disbursed US\$ 584.5 million, the highest annual disbursements in ICD's history and in line with ambitions communicated to the 41st Session of the COMCEC.
6. During the first half of 2026, ICD approved a further US\$ 94.7 million and disbursed US\$ 257.2 million, bringing gross cumulative approvals to US\$ 7.2 billion and cumulative disbursements to US\$ 5.9 billion as of June 2026.

Financing Approvals by Product and Region

7. In 2025, Lines of Financing accounted for US\$ 397.6 million (71.6%) of approvals, channeled through partner financial institutions to reach small and medium-sized enterprises (SMEs), while term financing of US\$ 158.0 million (28.4%) supported real-economy investments in transportation (10.8%), industry and mining (9.2%) and energy (8.5%).
8. Regionally, in 2025, 47.9% of approved financing was allocated to Europe and Central Asia, 21.5% to Sub-Saharan Africa, 18.0% to the Middle East and North Africa, and 12.6% to Asia. While in the first half of 2026, approvals of US\$ 94.7 million comprised US\$ 64.7 million in Lines of Financing to partner banks in Sub-Saharan Africa and Asia and US\$ 30 million in direct corporate financing in the Middle East and North Africa.

Disbursement Performance

9. ICD disbursed US\$ 584.5 million in 2025, of which 65.5% supported Lines of Financing and 34.5% supported term and direct financing; the finance sector received the largest share (65.5%), followed by energy (11.2%), transportation (9.0%), industry and mining (8.0%), oil & gas 4%, and health & other social sectors 2.3%.
10. Disbursement momentum continued into 2026: US\$ 257.2 million was disbursed in the first six months of the year, including US\$ 197.7 million under Lines of Financing

and US\$ 59.5 million under term and corporate financing, with Europe and Central Asia (48%), the Middle East and North Africa (39%) and Asia (13%) as the main destinations.

Partnership Development

11. ICD worked closely with other IsDB Group affiliates– IsDB, ITFC and ICIEC – to foster intra-group cooperation. In 2025, ICD chaired both the Technical Coordination Committee (TCC) Entities Meetings and the TCC CEOs Forum, focusing on joint Lines of Financing, syndications, insurance-backed transactions and coordinated country missions. Important examples demonstrating Group synergy included the ICD-ICIEC operational integration advanced through joint client onboarding and pipeline-sharing procedures, as well as ICD’s referral of a cross-border energy transaction with The Arab Energy Fund (TAEF), which positioned ICIEC to provide a US\$ 250 million insurance policy.
12. In the first half of 2026, ICD contributed to eight Member Country Partnership Strategies and Country Engagement Frameworks, shared several deal opportunities and mandates with IsDB and other Group affiliates and organized numerous pipeline and knowledge-sharing workshops with strategic partners. Beyond the Group, ICD advanced co-financing pipelines with the African Development Bank, explored renewable energy financing in Africa with partner institutions, and provided technical support on sovereign sukuk structuring to member country issuers.

Credit Rating and Sukuk Developments

13. ICD maintains strong investment-grade ratings with a stable outlook from all three agencies. In 2025, S&P Global Ratings upgraded ICD’s long-term rating to ‘A’ (from ‘A-’), while Fitch Ratings and Moody’s affirmed their ratings at ‘A+’ and ‘A2’ respectively.
14. In 2025, ICD issued a 5-year US\$ 500 million public sukuk that was oversubscribed four times, with participation from central banks and institutional investors providing stable medium-term resources for on-going operations in the private sector.
15. In the 2026 annual review cycle, Fitch Ratings affirmed ICD’s ‘A+’ rating with a Stable Outlook in July 2026 and Moody’s affirmed its ‘A2’ rating; the 2026 annual review by S&P Global Ratings is in progress.

Portfolio Quality, Financial Performance and Risk Management

16. ICD maintained a strong focus on portfolio quality and on optimizing its legacy portfolio. In 2025, the risk management function established and revised a comprehensive set of policies, guidelines and procedures covering credit risk, capital adequacy, expected credit loss, liquidity management, internal controls over financial

reporting and fraud risk management. These efforts supported the improvement of overall financial results.

Governance, Sustainability and Organizational Excellence

17. ICD continued to strengthen its governance and institutional frameworks. In March 2025, ICD launched its Sustainability Framework, structured around five pillars and a phased implementation roadmap, anchored by the Sustainability Impact Unit, and initiated a Double Materiality Assessment with technical assistance from the International Development Finance Club (IDFC). Development impact tools including the Development and Anticipation Reporting Tool (DART) were applied more broadly across the investment lifecycle, and supervisory evaluation missions were conducted in three member countries.

Consolidated Achievements and Development Results

18. Across 2025 and the first half of 2026, ICD continued advancing its strategic agenda in line with its core mandate, delivering operational growth, strengthening governance, and fostering organizational excellence. According to ICD's Annual Development Effectiveness Report 2025, ICD-supported institutions financed 2,381 SMEs with US\$ 661.9 million during 2025, including 585 women-led or managed SMEs; 100,044 new clients – 19,240 of them women – gained access to Islamic finance; and ICD-supported projects sustained 347,216 jobs (77,178 for women) and created 23,531 new jobs, of which 7,288 for women.

Outlook

19. Looking ahead, ICD remains focused on scaling up its operations to contribute towards meeting the Sustainable Development Goals (SDGs) amid global economic and geopolitical conditions.

Section 3: ICD Success Stories

A. SME and Agribusiness Line of Finance, Europe and Central Asia (ECA), US\$ 30 Million.

ICD's US\$ 30 million Shariah-compliant Line of Finance (Commodity Murabaha) to a participation (Islamic) bank in a large ECA member country provided medium-term resources for onward financing to SMEs and larger firms, notably in food production and agribusiness. The facility has been fully disbursed, and a follow-on US\$ 30 million Line of Finance to the same partner was fully disbursed in 2025, reflecting a repeat partnership.

- **Reach and Sectors:** The facility channeled financing to SMEs and corporates in agribusiness and food processing, sectors critical for food security, rural livelihoods and regional economic stability.
- **Illustrative Beneficiary:** A dairy processor founded in 1978 used the financing to secure its core input – fresh milk from small-scale producers – stabilising sourcing, improving processing efficiency and scaling operations to 10,000 litres of milk per day across multiple collection points.
- **Employment and Value Chains:** The operation sustained employment across processing facilities and among small-scale milk producers, strengthening agribusiness and food-processing value chains.
- **Islamic Finance Development:** The facility deepened the country's participation-banking segment, promoting financial inclusion and diversification of the financial sector; funds were channeled on asset-based Islamic finance principles, ensuring a direct link between financing and productive activity.

SDG Linkages:

- **SDG 2 (Zero Hunger)** – strengthening agrifood value chains and the sourcing of small-scale producers.
- **SDG 8 (Decent Work and Economic Growth)** – sustaining jobs in food processing and SME growth.
- **SDG 9 (Industry, Innovation, and Infrastructure)** – expanding access to finance for productive enterprises.
- **SDG 17 (Partnerships for the Goals)** – a repeat partnership with a participation bank channeling Islamic finance to the real economy.

This transaction demonstrates ICD's ability to combine Islamic financing structures with tangible development outcomes, while reinforcing its role as a **promoter of Islamic finance and sustainable private sector growth** across its member countries.

B. Unlocking Priority Sectors through a Line of Finance, Sub-Saharan Africa (SSA), US\$ 30 Million.

ICD's first Line of Finance operation in an East African member country – a US\$ 30 million long-term Commodity Murabaha facility to the country's state-owned national development bank – was fully disbursed in 2025. The facility channels medium and long-term Shariah compliant resources to local SMEs for productive investments in agribusiness, education, manufacturing, healthcare and fixed assets, in line with the country's National Development Plan.

Developmental Impact and Measurable Results

The facility expands access to longer-tenor Islamic finance for SMEs that face constraints in funding capital expenditure and growth, driving job creation, productivity gains and improved service delivery in priority sectors. It also establishes a replicable model for partnering with state-owned development banks and for integrating Islamic finance into a conventional development finance institution framework.

The operation directly supports **SDG 8 (Decent Work and Economic Growth)**, **SDG 9 (Industry, Innovation and Infrastructure)** and **SDG 17 (Partnerships for the Goals)**, with knock-on effects for SDG 1, SDG 2 and SDG 4 through the sectors financed.

C. Sustainable Manufacturing Growth, Middle East and North Africa (MENA), US\$ 20 Million.

In 2025, ICD approved and fully disbursed a US\$ 20 million Shariah compliant term financing facility to a leading manufacturer of non-woven fabrics in a MENA member country – fabrics used in hygiene products, healthcare personal protective equipment and agriculture. The facility finances advanced spun-lace production equipment and a new manufacturing line, expanding capacity, efficiency and product diversification and strengthening the company's competitiveness in regional and international markets.

The financing supports the modernization of the country's manufacturing sector through sustainable, value-added industrial growth, while ensuring that a private enterprise can access long-term funding in a challenging financial environment. By addressing capital constraints, it contributes to economic diversification and export potential and supports value creation across the supply chain.

The project is expected to generate over 400 new job opportunities, including 80 positions dedicated to women, contributing to gender inclusion and local employment. It advances **SDG 8 (Decent Work and Economic Growth)**, **SDG 9 (Industry, Innovation and Infrastructure)** and **SDG 17 (Partnerships for the Goals)**.

Section 4: Proposed Resolutions:

1. The Committee **commends** ICD for its efforts in promoting private sector development and aiding the economic progress of OIC member states by offering financial support and advisory services to the private sector.
2. The Committee **acknowledges with appreciation the progress achieved** by ICD as of end of June 2026, where ICD's gross cumulative approvals stand at US\$ 7.2 billion, and cumulative disbursements total US\$ 5.9 billion.
3. The Committee **welcomes and appreciates** the dedicated cooperation efforts of ICD, which chaired the IsDB Group Technical Coordination Committee in 2025, partnered with IsDB Group entities IsDB, ITFC and ICIEC on joint lines of financing, syndications and insurance-backed transactions, and coordinated eight Member Country Partnership Strategies and Country Engagement Frameworks in the first half of 2026, to capture synergies across Islamic Development Bank Group Entities.
4. The Committee **took note of the contribution of ICD** to private sector development including Lines of Finance, Direct Finance, and Equity projects in OIC member countries through its approvals of US\$ 555.6 million and disbursements of US\$ 584.5 million in 2025, and takes note with appreciation of its outstanding accomplishments during this period.
5. The Committee **took note with appreciation** of the approval of ICD's Corporate Strategy 2026–2030 by its Board of Directors in April 2026, and of the affirmation of ICD's credit ratings in 2026 by Fitch Ratings ('A+') and Moody's ('A2'), both with a Stable Outlook, following the upgrade by S&P Global Ratings to 'A' in 2025 and ICD's successful US\$ 500 million public sukuk issuance in 2025.
6. The Committee **recognizes** the crucial role of private sector financing in mobilizing private investments and ensuring sustainable economic growth of the Member States and invites the Member States to better utilize the facilities of the ICD through the solid projects aimed at creating entrepreneurship and employment opportunities.
7. The Committee **encourages** ICD to continue its growth momentum for its financing activities during 2027 and following years under its Corporate Strategy 2026–2030, in order to address the ever-increasing challenges facing the private sector of OIC member countries including access to finance and access to affordable infrastructure.