



ICIEC

THE ISLAMIC CORPORATION FOR
THE INSURANCE OF INVESTMENT
AND EXPORT CREDIT



MEMBER OF THE
ISLAMIC DEVELOPMENT
BANK GROUP

magazine

Special Edition

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TUNIS TO HOST 25TH ANNUAL MEETING OF ICIEC BOARD OF GOVERNORS



2018
TUNIS تونس
43rd ANNUAL MEETING
ISLAMIC DEVELOPMENT BANK GROUP



ICIEC Member Countries

ICIEC Supports Trade & Investment Flows in 44 Member Countries



East & Central Africa

Cameron, Chad, Comores, Djibouti, Gabon, Mozambique, Uganda



West Africa

Benin, Burkina Faso, Côte d'Ivoire, Gambia, Guinea, Mali, Niger, Nigeria, Senegal



North Africa

Algeria, Egypt, Libya, Mauritania, Morocco, Sudan, Tunisia



Central Asia & Europe

Albania, Kazakhstan, Turkey



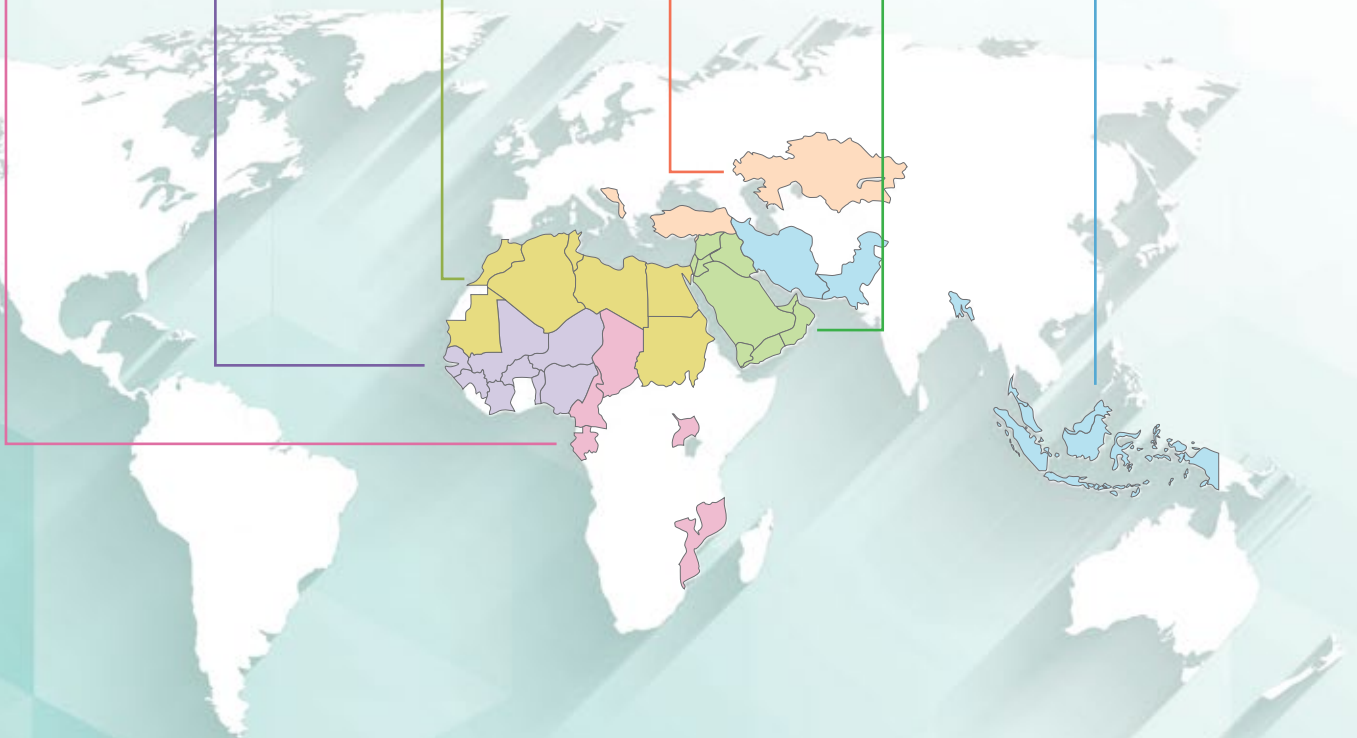
Arab Asian Countries

Bahrain, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, UAE, Yemen



Southeast Asia

Bangladesh, Brunei, Indonesia, Iran, Malaysia, Pakistan





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KINGDOM OF SAUDI ARABIA-ICIEC COOPERATION SCALES NEW HEIGHTS

As one of the first countries to join ICIEC in 1992, the Kingdom of Saudi Arabia plays a pivotal role in its success in fulfilling its mandate of trade expansion among member countries and facilitating direct foreign investments flows through the provision of Shariah-compliant insurance services. The Kingdom's current contribution to ICIEC capital is 60,000 shares valued at ID 60 million, representing 20.92% of the corporation's total subscribed capital.

ICIEC in return aspires to play a greater role in cooperation with Saudi exporters, importers, banks and investors to help them expand the scope of their business by accessing new markets supported by the services of credit and political risk insurance provided by ICIEC.

To date, the Kingdom of Saudi Arabia is on top of the list of countries benefiting from ICIEC services. **The total actual operations covered by ICIEC in support of exporters, importers, investors and banks in the Kingdom of Saudi Arabia, since inception, aggregates to about US\$ 12.4 billion**, or 22% of the total operations of ICIEC in favor of all member countries combined. In addition, as of the end of the above-mentioned period, **ICIEC has issued 162 insurance policies for exporters, banks and investors from the Kingdom of Saudi Arabia.**

The volume of actual insurance coverage provided by ICIEC to Saudi exports to date has reached US\$ 8 billion. While the volume of coverage provided by ICIEC to commodity imports into the Kingdom of Saudi Arabia has reached US\$ 4.3 billion in favor of 1,789 buyers from small and medium enterprises in the Kingdom enabling them to obtain credit facilities for their imports through ICIEC's acceptance to cover them for the benefit of exporters from other countries or insurance of letters of documentary credit opened by Saudi banks in favor of importing companies in the Kingdom of Saudi Arabia.

As well, **ICIEC contributed to the insurance coverage for the Riyadh Metro project through providing reinsurance support for an amount of US\$ 306 million.**

ICIEC paid US\$ 17.2 million in compensations to its Saudi policyholders due to the default of importers

In addition, ICIEC paid compensations to companies and banks reacting US\$5.014 million due to the default of Saudi companies.

Within the framework of the foreign investment insurance service, **ICIEC issued insurance approvals aggregating US\$ 1.23 billion to cover investment projects for investors and financing institutions in the Kingdom of Saudi Arabia.**

ICIEC aspires to play a great role in the insurance of political risks associated with Saudi investments abroad, particularly in agriculture and food security projects, which enjoy great support from the Government of the Kingdom of Saudi Arabia. ICIEC has been receiving numerous requests from Saudi investors for the insurance of political risks related to their investments in other countries.

Within the framework of its support for member countries' exports, ICIEC supports banks and financial institutions in member countries in export finance operations conducted by these banks while

providing insurance coverage for direct financing provided by banks for these operations or through insurance and promotion of documentary credits linked with export operations conducted by these banks.

In the framework of its support of the national guarantee agencies in member countries, ICIEC established close cooperation with the Saudi Export Programme of the Saudi Development Fund with a view to enhancing growth and export capacities of Saudi companies and industries so that they may access international markets, providing financial solutions, insurance coverage and guarantees that would put those companies and industries on the road to export markets and global expansion.

ICIEC also accorded reinsurance to numerous operations within the framework of this cooperation, the total amount of which has reached to date US\$ 327 million. In addition, ICIEC is currently considering a joint programme with the Saudi Export Programme aimed at providing Saudi exporters with a package of integrated insurance and financing services.

Going forward, ICIEC is keen to play an important role in developing new initiatives to support the ambitious plan of the Saudi Government articulated in the Vision 2030 and National Transformation Plan 2020.

The Vision 2030 is based on three main pillars:

- Saudi Arabia being in the heart of the Arab and the Islamic World.
- Saudi Arabia to become a global investment powerhouse
- Saudi Arabia to use advantage of its unique strategic location into a global hub, connecting three continents, Asia, Europe and Africa, to become an epicenter of trade and the gateway to the world.

The Vision 2030 encompasses strategic objectives, targets, outcome-oriented indicators, and commitments that are to be achieved by the public, private, and nonprofit sectors. There are several initiatives pertaining to enhancement of trade

and investments KPIs. As far as ICIEC is concerned, two relevant targets are set in Vision 2030.

- To increase Foreign Direct Investment from 3.8% to the international level of 5.7% of GDP.
- To raise the share of non-oil exports in non-oil GDP from 16% to 50%. In a shorter span, the NTP 2020 pinpoints clear targets for 2020.
- To increase foreign direct investment from SR 30 billion to SR 70 Billion.
- To increase Saudi non-oil exports from SR 195 billion to SR 330 Billion.

In its 2018-2020 business plan, ICIEC capitalizes on the business opportunities expected to emerge in order to meet the above targets. We will work closely with concerned entities such as the Saudi Export Development Authority, the Saudi Export Program and the national financial institutions to develop programs that support the government effort to boost Saudi exports as well as incoming and outgoing investments.

Given the government direction to position the country as a trade and gateway to Asia, Europe and Africa, ICIEC will encourage Saudi exporters to open new destination for Saudi goods in untapped markets such as the African market. ICIEC will share its experience in Africa and will provide exporters and export financing banks with risk mitigation tools to reduce the perceived risks in such markets. Jointly with COMESA, Common Market for Eastern & Southern Africa, ICIEC will create penetration channels for Saudi exports, which have been traditionally focusing on European and Eastern markets.

ICIEC, through its Investment Insurance Products, will encourage Saudi investors to invest in Member Countries and meet the government goals aiming at transforming at least 10 Saudi companies to international corporates. With a view to contributing to the most effective use of power sources, Saudi Arabia is giving priority to Renewable Energy projects. Such projects are usually financed by international banks and ECAs. ICIEC will utilize its partnership with international ECAs to facilitate financing to such projects in the Kingdom. It will also encourage specialized Saudi companies to invest in renewable energy projects in Africa in coordination with COMESA. In conclusion, Saudi Arabia is witnessing a dramatic change in all economic aspects. The vision 2030 is challenging, yet achievable with the determination of all stakeholders. We are all responsible to contribute to the ambitious dream of the Host Country and leave a footprint for ICIEC and IDB Group.

"We have all the means to achieve our dreams and ambitions. There are no excuses for us to stand still or move backwards"

HE. Mohammad Bin Salman Bin Abdulaziz Al-Saud.
Crown Prince of Saudi Arabia, Chairman of the Council of Economic and Development Affairs.

Source: ("Saudi Vision 2030"
<http://vision2030.gov.sa/en/foreword>)

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2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

Special Edition





ORDER OF MERIT

THE TUNISIAN PRESIDENT AWARDED DR. BANDAR HAJJAR, PRESIDENT OF THE ISLAMIC DEVELOPMENT BANK,

WITH THE HIGHEST ORDER OF MERIT

Tunisia – 7th of March 2018

The Honorable Tunisian President Beji Caid Essebsi awarded His Excellency Dr. Bandar Hajjar, President of the Islamic Development Bank Group, with the Highest Order of Merit, in recognition of his efforts in supporting the economic and social development in Tunisia and the Member States. This occurred during the Honorable President's reception of His Excellency Dr. Bandar Hajjar at the Carthage Palace in Tunisia today, at the beginning of his visit to Tunisia in the context of preparing for the 43rd Annual Meeting of the Bank, which is hosted by Tunisia in the period between the 1st and the 5th of April 2018.



Dr. Hajjar thanked the Tunisian President for this honor and stated that, in turn, he will provide it as a gift to all the Bank employees who contributed to supporting and sponsoring the Bank's projects in Tunisia. Dr. Hajjar highlighted the activities of the IDB Group and the portfolio of projects currently implemented by the Group in Tunisia, along with the plans and programs designed to strengthen the partnership between the Bank and Tunisia in the next phase through the Second Country Partnership Program implemented by the Bank with the Tunisian Government. He also reviewed the preparations for 43rd Annual Meeting, hosted by Tunisia in the period between the 1st and 5th of April 2018, and His Excellency called for the Honorable President to grace the opening of the Annual Meeting.

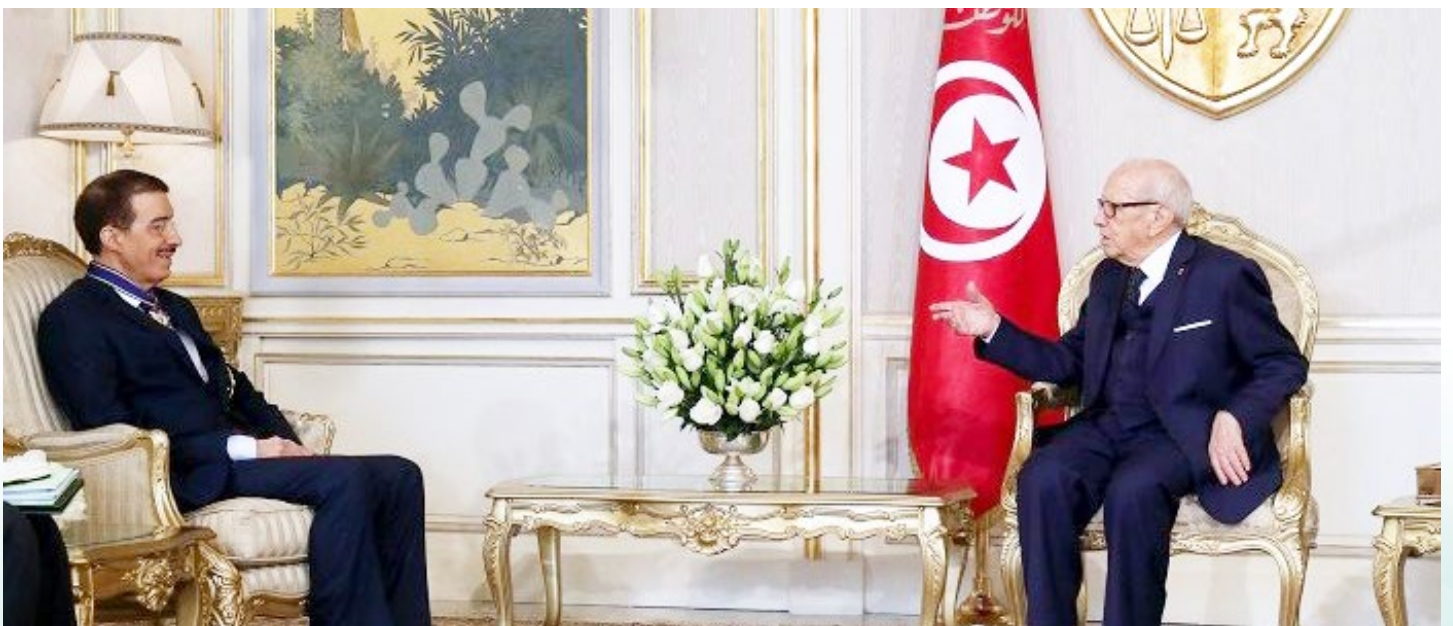
The Tunisian President showed great keenness to develop the relationship between the Bank and Tunisia, and he welcomed the organization of the 43rd Annual Meeting of the Board of Governors of the Bank in Tunisia, confirming the acceptance of the invitation to attend the Annual Meeting, as he believed in the strength of his country's relations with the Bank and the importance of moving it towards broader horizons in the next phase. The president explained that Tunisia's hosting of the Annual Meeting represents a very important link in the evolution of this relationship.

After the meeting, Dr. Bandar Hajjar told the reporters that the Annual Meeting is the most important event of the Bank throughout the year, in which Ministers of Finance, Economy, Planning and Governors of the Islamic Development Bank representing 57 member

states participate. He said that the Annual Meeting in Tunisia, which is organized under the slogan of "Partnerships for Sustainable Development, Work Together to Advance Human Development, Innovation and Digital Transformation", is considered a confirmation of the Bank Group's commitment to supporting the country's economic and social development, and the Group's commitment to the priorities of the Tunisian government, foremost of which is the provision of job opportunities, and this is reflected in the Second Country Strategic Partnership document between the Bank Group and the Tunisian Republic (2018-2020), which will stimulate the economic development in Tunisia. Finally, Dr. Hajjar confirmed that the memorandum of understanding on this document will be signed during the Annual Meeting.

It is worth mentioning that Tunisia had joined the Islamic Development Bank on the 12th of August 1974 as a founding member; and it is also a member in all the entities of the Islamic Development Bank Group, namely the International Islamic Trade Finance Corporation (ITFC), the Islamic Corporation for the Development of the Private Sector, the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), the Islamic Research and Training Institute (IRTI), and the Islamic Solidarity Fund for Development (ISFD).

The total finance provided by the Islamic Development Bank Group to Tunisia to date amounts to 3.2 billion US dollars, including project financing from the Islamic Development Bank (IDB) for 1.5 billion US dollars, in addition to other finances provided by institutions belonging to the Bank Group.



ICIEC SEEKS NEW BODY TO ELEVATE GROWTH IN OIC



"The new initiative by ICIEC to establish a COMCEC Business Intelligence Center will support public and private stakeholders and partners in making strategic business decisions"

H.E. Dr. Bandar Hajjar,
the President of IDB Group

H.E. Dr. Bandar Hajjar, the President of IDB Group, addressed the opening session of the 33rd Ministerial Session of COMCEC, and noted that "The new initiative by ICIEC to establish a COMCEC Business Intelligence Center will support public and private stakeholders and partners in making strategic business decisions".

"The scarcity of reliable credit information in OIC member countries is a major obstacle to both financing institutions and credit/insurance providing entities", Oussama KAISSI, CEO of ICIEC, said at the 33rd Ministerial Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC) held on November 20-23, 2017 in Istanbul, Turkey. He also said that a good credit information would lead to a high economic growth, as it will facilitate financing of trade and investments locally and internationally.

In this regard, ICIEC submitted its proposal for the creation of COMCEC's Business Intelligence Center (CBIC) under its mandate to increase

the scope of trade flows between the Member Countries of the Organization of the Islamic Cooperation (OIC) as well as to facilitate intra-investments between OIC countries.

Speaking at the Session, Mr. KAISSI underscored the need for such body that will enable the OIC public and private stakeholders to improve the timelines and quality of information as well as access, gather, store and analyze corporate data to guide the policymakers in taking accurate and opportune business decisions.

"ICIEC believes that such initiative will allow the OIC MCs to gain competitive advantage through utilization of Business Support Decisions Models and Data," Mr. KAISSI remarked.

He also said the OIC market of credit information remains generally underdeveloped with the lowest levels of credit penetration in the world. With the exception of certain countries such Turkey, UAE and Malaysia that have developed the capacity to put in place efficient systems in terms of business intelligence models, and have enlarged the scope of current Credit Information



Bureaus (CIBs), “twenty-five countries of the OIC are in the Least Developed Countries.” “They share a number of weaknesses such as the high informal economy (nearly 50% in some cases), low use of technology and communications, educational challenges, weak legal framework, low financial capacity and weak intermediation, among others,” he pointed out.

The CBIC, as proposed, will allow private and public stakeholders to access, gather, store and analyze corporate data to assist them in taking accurate and timely business decisions. It will cover data collection and analysis, credit risk assessment, customer credit risk profile, debt restructure analysis, involved party exposure, non-performing loan analysis, outstanding analysis, portfolio credit exposure, security analysis and data mining (Data mining and knowledge retrieval which are also important segments of the business).

Moreover, the use of CBIC will assist sellers to identify good buyers; therefore, they reduce the default rate of financing parties and their insurers. By default, the reduction of (commercial) risk associated with buyers, will automatically increase the volume of trade between these parties. The same is applicable to banks financing trade and insurers. “Developing a CBIC will help OIC banks, leasing firms, and factoring firms to expand credit to SMEs.”

In addition, CBIC will also help domestic economy growth better as borrowers obtain more financing. According to the IFC (World Bank), “higher economic growth rates and a lower likelihood of financial crisis are additional benefits associated with greater credit reporting.”

During the 33rd Session of COMCEC, ICIEC launched its first collective publication under the theme of “The State of Investment in OIC MCs and the Role of Export Investment and Promotion Agencies” jointly with the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC),

and the World Association of Investment Promotion Agencies (WAIPA). The publication mainly focuses on the state of the investment in the OIC Member Countries with the view to address the hindrances that affect attracting FDIs and enhancing the intra-OIC’s flows of investment and trade.

ICIEC ENGAGES WITH SAUDI START-UPS



On November 4-6, 2017, ICIEC participated in the three-day “Start-up Saudi Arabia Forum” that was held under the patronage of Prince Khalid Al-Faisal, Governor of Makkah Region.

The Forum, in which a series of start-up presentations, workshops, seminars and consultancies were organized, served as a networking venue for entrepreneurs, start-up owners and venture capitalists to discuss and assess the viability of the projects in the furtherance of the economic development through technological creativity and innovation in line with the Kingdom’s Vision 2030 initiative.

ICIEC introduced exhibited during the workshop its services and mandate in supporting the small and medium enterprises in member countries.



A FRUITFUL 2017 DRAWS TO A CONCLUSION

Despite the challenging business environment in 2017, the Corporation together with its strategic partners has been able to support a business volume of USD 7.5 billion and issued a total Premium of USD 40.9 million.

During the fourth quarter of 2017, ICIEC and Albaraka Turk Participation Bank, (a leading participation bank in Turkey), signed a Documentary Credit Insurance Policy (DCIP). The policy will help Albaraka Turk in mitigating risks related to the non-payment of Letters of Credit confirmed by Albaraka Turk Bank and, thereby, help Albaraka Turk Bank expand their trade transactions and ultimately increase exports from member countries.

Besides, in an initiative from the Arab Bank for Economic Development in Africa (BADEA), in collaboration with ICIEC, the International Islamic Trade Finance Corporation (ITFC), the Arab Investment and Export Credit Guarantee (DHAMAN), the Saudi Export Program (SEP) and Al-Iktissad Wal-Aamal organized the Afro-Arab Trade Finance Forum which focused on the new mechanisms of developing the trade exchange between the Arab and African regions

During 2017, ICIEC supported a number of development projects including the coverage of USD 190.4 million to Turk Eximbank against the risk of non-honouring of sovereign financial obligations (NHSO) related to their financing of Doala-Japoma project in Cameroon. In addition, a DCIP has been signed with BRED, France, which will cover the export and import of strategic and capital goods from Europe to ICIEC's African member countries.

Various other initiatives have also been undertaken. An MOU was signed between ICIEC and the Bangladesh Bank (The Central Bank of Bangladesh), which aims to boost cooperation in promoting trade and investment in Bangladesh. This MOU comes within the framework of ICIEC's mandate to support the development of its member countries by providing export credit and political risk insurance for investment projects.

During the fourth quarter of 2017, the eighth Annual meeting of the AMAN UNION took place in Istanbul-Turkey in which the union members discussed issues of importance to the insurance and reinsurance sector, export credit and trade finance and to tackle the challenges faced in these areas. On the sidelines of AMAN UNION Annual Meeting, the Secretary General of AMAN UNION signed an MOU with the Secretary General of the Berne UNION, which aims at increasing the cooperation between the two entities through capacity building of the staff of the common members. In addition, and after two years of servicing the UNION and its members, ICIEC has handed over its responsibility and the Chairmanship of the General Assembly to Turkish Exim Bank.

I am confident that building on its robust performance in 2017, ICIEC will continue to meet its stakeholders' expectations and will remain well placed to play its role as a catalyst in promoting trade and foreign direct investments.

I conclude by congratulating ICIEC's staff for the accomplishments of the Corporation i, and indeed a successful 2017.

Oussama A. Kaissi
The Chief Executive Officer

"I am confident that building on its robust performance in 2017, ICIEC will continue to meet its stakeholders' expectations and will remain well placed to play its role as a catalyst in promoting trade and foreign direct investments."



COTUNACE,

THE TUNISIAN NATIONAL
EXPORT CREDIT AGENCY:



MORE THAN 32 YEARS OF EXPERTISE SUPPORTING TUNISIAN COMPANIES

Despite a difficult economic situation that characterized the year 2017 both nationally and internationally, COTUNACE was able to manage the impact of this economic situation on its business and recorded excellent performances in 2017 with an increase turnover of 16.5%; the technical result reached about 2,2 Millions dinars, an increase of 47% and the net result about 3,8 Millions dinars, so an increase of 41%.

Those results have never been achieved since the establishment of COTUNACE in 1985 and are the fruit of a new dynamic development strategy adopted since 2012, with the appointment of Mrs. Souheila CHABCHOUB, head of COTUNACE at the end of 2011, which has put its long experience and confirmed expertise as an insurer to develop the activity of COTUNACE and to forge solid partnerships both with regional and international credit insurers.

This new strategy is mainly focused on the continuous innovation of the product offering (average: 02 new products per year) and on a more aggressive and more efficient commercial policy in B to B.

Likewise, the COTUNACE new strategy is based on the support of the Tunisian company so that it serenely develops its activity and that it can seize all the opportunities to strengthen and develop its position with its customers and to encourage it to face with new markets by insuring against the risk of non-payment on its foreign or local buyer.

This support role is further strengthened by

expanding COTUNACE's field of intervention to provide domestic credit insurance (Local market) in addition to export insurance, following the merger operation that it was achieved in 2014, with its subsidiary Assurcrédit, specialized in domestic credit insurance.

2017: Exceptional performances

This new strategy, adopted since 2012, was crowned in 2017 by the election of COTUNACE as "Best Credit Insurer in Tunisia 2017". This honorific award was assigned to COTUNACE on March 28, 2017 by the famous international magazine "Global Banking & Finance Review".

Global Banking & Finance Review is a London-based magazine and financial portal leader in its field. It provides up-to-date information, analysis, opinions on the financial sector: banks, insurance companies, financial institutions, etc.

The award for the "Best Credit Insurance Company in Tunisia 2017" of the London review of the year 2017 has been awarded to COTUNACE for its management strategy and its performance, judged by international experts in Finance, in relationship with its results, market share, growth and innovation.

Also, another performance achieved during 2017 was that COTUNACE succeeded during the month of June 2017 in recovering all of a substantial claim of about **13,5 Millions USD** relating to an affair which goes back to 2001/2002, when an insured delivered to a Cuban company of important quantities of phosphatic products but no payment has been made since.

COTUNACE entered into a long and hard process of recovering the unpaid claim

that lasted more than 15 years, alternating diplomatic, parajudicial and direct negotiation channels and which were crowned by the signing of a settlement agreement. On June 7th, 2017, the total amount of the claim 13,5 millions USD, is effectively transferred to the accounts of COTUNACE.

In the same year 2017, COTUNACE also succeeded in recovering a claim of approximately **7 millions USD** on Malaysia related to a case that dates back to 2016, when a COTUNACE customer entered into a business relationship with a well-known Malaysian company in the sector of dates.

Being the credit insurer of this case, COTUNACE tried to recover the claim amicably to safeguard the commercial relationship between the two parties, including a visit of a Tunisian delegation chaired by **Mrs. Souheila CHABCHOUB, COTUNACE CEO**, in September 2017

COTUNACE has succeeded to sign a memorandum of understanding with the Malaysian buyer who agrees to pay his claim. The commitment is respected and the Tunisian asset is recovered on Malaysia.

This amicable recovery operation is a new success and a confirmed performance for COTUNACE and has avoided the complexity of Malaysia's judiciary process.

The year 2017 was also characterized by the capital increase of the COTUNACE of 21,5 millions dinars to **26,5 millions dinars** by incorporation of the optional reserves belonging from the profits of the previous years having recorded since 2012 a continuous increase with an annual average of 26%.

These performances once again confirm the strategic role that COTUNACE leads in the national economy, which starts with guaranteeing exports and goes as far as to recover national assets.

www.cotunace.com.tn



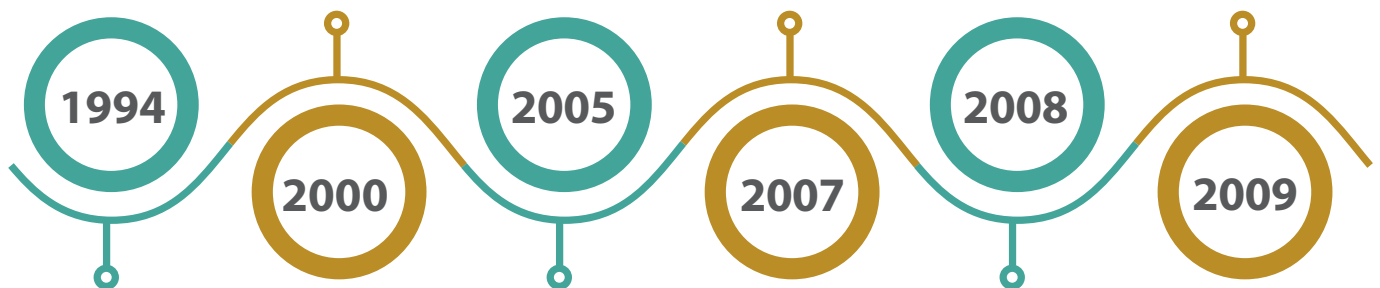
Vision

“To be recognized as the preferred enabler of trade and investment for sustainable economic development in Member Countries”

The ICIEC Representative Office in Dubai is registered with Dubai International Finance Centre (DIFC) and becomes operational. It plays a major role in promoting ICIEC service centre in the UAE and neighbouring countries and in scoring medium-time and foreign investment business

Moody's Investors Service assigns ICIEC an Aa3 "Insurer Financial Strength" rating. This rating has been consecutive years

The board of governors amend the Articles of Agreement allowing ICIEC to cover exports to any destination in the world



ICIEC was established as a multilateral export credit and investment insurance entity, with initial membership of 18 countries and with an authorised capital of ID 100 million (about US\$140 million)

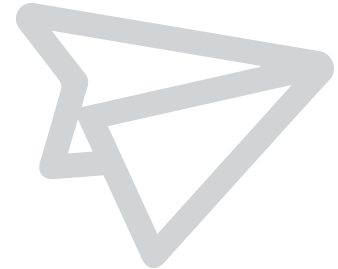
The Board of Governors amend the articles of Agreement allowing ICIEC to cover political risk insurance (PRI) to cover investors from non-member countries investing into member countries

ICIEC accedes as a full member of the Berne Union, an association of ECAs primarily from the Organisation of Economic Cooperation and Development (OECD)



Mission

“To facilitate trade and investment between member countries and the world through Sharia-compliant risk mitigation tools”

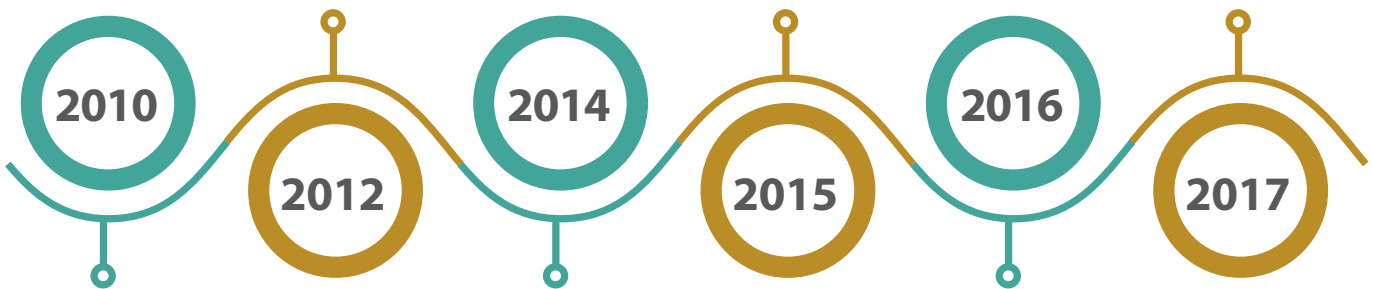


The Board of Governors increase the Authorised Capital of ICIEC to ID400 million (US\$613 million)

IDB Subscribed Capital reaches ID231.5 million (US\$354.5 million), of which ID110.86 million (US\$ 169.81 million) is paid up

Mr Oussama Abdul Rahman Kaissi appointed as the Chief Executive Officer of ICIEC.

ICIEC maintained the Aa3 rating for the tenth consecutive year.



The board of governors amend the articles of Agreement to cover domestic sales (as long as they are part of an exporter’s portfolio of sales) and imports (primarily strategic goods such as food and capital goods) form non-member countries

ICIEC’s membership reaches 42, comprising 18 Arab countries, 15 African countries and 9 Asian and other countries.

Dr. Bandar Hajjar, elected as the new President of IDB Group.





TUNIS HOSTS ICIEC'S BOARD OF GOVERNORS ANNUAL MEETING FOR 2018

The Board of Governors of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) will hold its 25th Annual Meeting on April 1-5, 2018 in Tunis, the capital of Tunisia, in conjunction with the 43rd Annual Meeting of the Board of Governors of the Islamic Development Bank (IDB).

"The Annual Meeting is an important forum where the Governors, ICIEC's Top Management, Partners and other Stakeholders discuss last year's performance and ways to enhance efforts for resource mobilization to further advance ICIEC's mandate in member

Countries," said ICIEC Chief Executive Officer Oussama Abdel Rahman Kaissi.

"During this Annual Meeting, ICIEC will highlight the vital role that the Export Credit and Investment Insurance plays to enhance trade and attract investment. Credit insurance solutions for instance, strengthen the credit worthiness of exporters so that they can secure adequate financial facilities from banks, the effect will without a doubt have a positive impact on the economic condition and livelihood of people across the Muslim world," he further said.

The 43rd Annual Meeting of the IDB Board of Governors is an opportunity to provide strategic guidance on IDBG strategic, administrative, financial, and operational directions, aside from the approval of the financial results of the Corporation for the financial year 2017, and selection of external auditors for the financial year 2018.

ICIEC will be organizing on the 3rd of April, 2018 in coordination with key Partners from the Public and Private Sectors, two high

level panel discussions, on *"Public - Private Dialogue: Pooling effort of Governments, MDBs and ECAs in mitigating the Medium and Long Term Investment's decisions"* and *"The role of ECAs and Banks in securing domestic and regional Trade flows"*.

These two sessions will provide a comprehensive overview on the state of investment and trade in the OIC Countries with a view of identifying existing opportunities and challenges that adversely affect the overall investment climate, deteriorate perceptions of investors and traders. Key emphasis will highlight the role of Governments, MDBs, ECAs and Private Sector Business Partners by identifying the linkages and drivers of investment and trade. It will as well address holistically the specific role of the public and private sectors in bringing the much-needed improvements at legal, institutional and policy framework.

ICIEC's annual meetings have become a premier forum for the discussion of economic and social development issues in member countries.

ICIEC COOPERATION WITH TUNISIA



COOPERATION WITH TUNISIAN PARTNERS TO SUPPORT TUNISIAN EXPORTS AND IMPORTS

Since inception, the cumulative trade business supported by ICIEC in collaboration with its Tunisian partners COTUNACE (the Tunisian National Export Credit Agency) and Al Baraka Bank has reached more than USD 1 billion.



PROJECTS SUPPORTED BY ICIEC FOR TUNISIAN INVESTORS



Electrification Project in Rwanda

ICIEC, reinsured COTUNACE on a turnkey rural electrification project in Rwanda. This project was implemented by STEG International Services (SIS), a Tunisian based company, in

favor of the Electricity, Water and Sanitation Authority of Rwanda. The project involves the planning, study, supply and installation of electric materials for the construction of medium/low voltage network. It connects 50,000 new subscribers in 5 districts in the Eastern Province of Rwanda. The cost of the contract is USD 68 Million, the support of ICIEC and its partners allowed the Tunisian company to export its knowhow and to source most of the equipment from Tunisia.

In 2018, ICIEC will strengthen its business relation activities in Tunisia

- Supporting Tunisian exports through the existing partnership with COTUNACE and Baraka Bank Tunisia. ICIEC will help Tunisian export to explore new destinations especially in Sub-Saharan countries. ICIEC will work jointly with its partner COUTUNACE to pursue banks financing to Tunisian Policyholders.
- Providing investment insurance coverage for projects flowing into Tunisia. ICIEC will encourage foreign investors to invest in key target investments in Tunisia and will provide the political insurance coverage to potential investors
- Helping the Tunisian contractors/investors to penetrate the Sub Saharan African (SSA) countries all providing all required insurance/reinsurance/advisory support.

Tunisia is a member country of ICIEC since 22 February 1993



"The support provided to our Tunisian partner is a crucial part of ICIEC's mandate to facilitate the flow of Foreign Direct Investment (FDI) to member countries, as well supporting ECAs",

Oussama KAISSI,
CEO of ICIEC



MEMBER COUNTRY KEY FIGURES (TUNISIA)

Official Name	The Republic of Tunisia			
Capital and Largest City	Tunis			
Official Language	Arabic, French (commercial and educational)			
National Currency	Tunisian dinar (TND)			
Independence Day	March 20			
GDP Per Capita	\$12,065			
Population Estimate	10,982,754			
Area	163,610 km2(63,170 sq mi)			
Date of Joining IDB	12/08/1974			
Subscribed Capital in IDB	mn ID (Islamic Dinar)			
Date of Joining ICIEC	22/02/1993			
Subscribed Capital in ICIEC	mn ID (Islamic Dinar)			
Export Goods	clothing, semi-finished goods and textiles, agricultural products, mechanical goods, phosphates and chemicals, hydrocarbons, electrical equipment			
Import Goods	textiles, machinery and equipment, hydrocarbons, chemicals, foodstuffs			
Major Trading Partners	France, Italy, Germany, Libya, China, Spain, Turkey			

*Islamic Dinar (ID) is the unit of account of the Corporation. It is the equivalent to the Special Drawing Rights (SDR) of the International Monetary Fund (ID 1.00 = USD 1.42 as of the end of 2017). Sources: www.isdb.org , www.wikipedia.org

THE SME SECTOR IN EGYPT SUPPORTED BY ICIEC

The Corporation insured a USD 150 million financing facility from the African Export-Import Bank (Afreximbank), a Cairo-based African regional trade-financing bank, to the National Bank of Egypt (NBE). The purpose of the facility was to fund SMEs operating in the field of light manufacturing in Egypt.

The three of the facility and hence ICIEC's insurance policy is three years. The National Bank of Egypt is the oldest bank in Egypt and it is fully owned by the Government of Egypt.

This transaction is in line with the Egyptian Government's strategy and it is within the context of the Central Bank of Egypt (CBE)' Initiative to Support Small and Medium Enterprises. The Initiative aims at creating jobs, reducing youth unemployment and providing financing services to SME entities, with an emphasis on supporting craftsmen and other SMEs in the Egyptian market.

A result of this Initiative, the number of SME customers of NBE increased to 50,000 by the end of December 2016.



ICIEC RECEIVES GLOBAL ISLAMIC EXPORT CREDIT AND POLITICAL RISK INSURANCE AWARD 2017

ICIEC received "the Global Islamic Export Credit and Political Risk Insurance Award 2017" during the 7th Global Islamic Finance Awards Ceremony (GIFA Ceremony) held in Kazakhstan on September 06, 2017.

The ceremony was attended by heads of state and government, ministers, ambassadors and Islamic financial fraternity from around the world. The distinguished guests included HE. Nursultan Nazarbayev, President of Kazakhstan, and HE. Ismail Omar Guelleh, President of Djibouti.

Global Islamic Finance Awards (GIFA) is the most prestigious Islamic finance awards programme in the world, which was founded in 2011 by Edbiz Corporation as part of its advocacy for Islamic banking and finance. Since then it has annually been offering its top award - Global Islamic Finance Leadership Award - to heads of state or government (or equivalent) for their leadership and advocacy roles in promoting Islamic banking and finance in their respective jurisdictions or globally.

Commenting on the award having been conferred on ICIEC, its Chief Executive Officer, Mr Oussama Abdel Rahman Kaissi said "It is indeed an honor to receive again this year the prestigious "Global Islamic Export Credit and Political Risk Insurance Award

2017". "We are committed to facilitate trade and promote investment between ICIEC's member countries and the rest of the world by providing Shariah-compliant risk mitigation insurance solutions". "Receiving this award enforces our belief in the need to further expand our products' offering in order to meet the evolving risk mitigation requirements of our clients", he added.



"Our excellent performance did not go unnoticed globally, with no less than the Moody's Investors Service reaffirming in July 2017 the Aa3 insurance financial strength rating (IFSR) for the tenth consecutive year which recognizes our strong financial and operating leverage," he pointed out.

ICIEC continues its high performance in terms of Business Insured, along with the increasing demand of the market on Investment and Credit Insurance services. The cumulated Business Insured volume has reached USD 18.15 billion within the period of 2014-2016, including Investment Insurance of USD 3.12 billion and Credit Insurance short and Medium term amounted to USD 15 billion.

ICIEC SUPPORTS TURKISH CONTRACTORS IN EXECUTING PROJECTS IN MALI AND UZBEKISTAN

ICIEC issued two insurance policies to Kinza Yapi, Turkey for their projects in Mali and Uzbekistan.

Kinza Yapi had contracted with a local group from Côte d'Ivoire for the interior design and refurbishment of Sheraton Hotel in Bamako, Mali. African Export-Import Bank was the financier of the project and Coris Bank was the agent bank. Coris Bank issued a revolving Letter of Credit (L/C) for USD 25 million in favor of the contractor.

As Kinza Yapi didn't have experience with the issuing bank, it contacted several banks in Turkey for the confirmation of the L/C, nevertheless they did not succeed to establish limits. Kinza Yapi subsequently approached ICIEC for a solution. ICIEC issued a Specific Transaction Policy (STP) to Kinza Yapi insuring the non-payment risk of the L/C due to commercial and/or political reasons.

The second insurance cover is related to the interior design and decoration of Hilton Hotel Tashkent in Uzbekistan. Kinza Yapi was awarded the project by the Government of Uzbekistan and National Bank for Foreign Economic Activity of the Republic of Uzbekistan (NBU) issued an L/C which was confirmed by Kuveyt Turk Participation Bank. ICIEC extended insurance support to the confirming bank under the Documentary Credit Insurance Policy (DCIP) allowing it to confirm the total L/C amount

"ICIEC's products came at the right time to support us" commented Mr Kayhan Kalfazade, Vice Chairman of the Board of Directors of Kinza Yapi. He further added "ICIEC is a tailor-made service provider and we are very lucky to have ICIEC's support right beside us". Moreover, he added that they would continue to use ICIEC's products in their new projects in ICIEC member countries.

Both STP and DCIP are trade credit insurance products of ICIEC. ICIEC covered both transactions to enhance intra OIC economic integration, which is part of the IDB Group's ten-year strategy.

"ICIEC is a tailor-made service provider and we are very lucky to have ICIEC's support right beside us."

**Mr Kalfazade,
Kinza Yapi,**

Vice Chairman of the Board of Directors of Kinza Yapi



ICIEC SUPPORTS THE DEVELOPMENT OF KONYA KARATAY INTEGRATED HEALTHCARE CAMPUS IN TURKEY



ICIEC provided EUR 30 million insurance to Siemens Bank GmbH, a leading German bank, covering their participation in the financing of the construction of a Healthcare Campus facility in Turkey against the risk of Non-Honoring of Sovereign Financial Obligation (NHSO) for 18 years. The overall financing package was provided by a number of multilateral development banks such as the Islamic Development Bank (IsDB), European Bank for Reconstruction and Development (EBRD), Black Sea Trade and Development Bank (BSTDB), and international banks including Siemens Bank GmbH.

The transaction involves construction and facilities management of a new Healthcare Campus in the historic central Anatolian city of Konya, Turkey. Konya Karatay Integrated Healthcare Campus will have a total of 838 beds, 420 of which will be in the General Hospital and 418 will be in the Maternity and Child Hospital. The campus will serve to the city of Konya with 2.2 million population as well as surrounding cities of Karaman, Aksaray, Nigde, Isparta and Afyon.

ATM Saglik Konya Yatirim ve Isletme A.S., an SPV, is going to construct the hospital buildings within a 3-year period and then manage the facilities for a period of another 25 years. The Ministry of Health, Turkey will make availability payment to the SPV upon SPV meeting certain quality requirements. The transaction is executed under the Turkish Healthcare PPP law.

ICIEC extended the same type of cover to financing banks for Adana, Yozgat and Bursa PPP Hospitals amounting to EUR 122 million.

Turkey, a member of ICIEC since 1997, has been undertaking substantial reforms in the healthcare sector (Healthcare Transformation Program) since 2003. Turkey is planning to invest USD 10 billion in the healthcare infrastructure in the coming years creating a capacity of 40,000 beds. ICIEC's support to the transaction is in line with its strategy of supporting member countries' infrastructure development and increasing human welfare.



ICIEC BOOST TRADE TO ITS AFRICAN MEMBER COUNTRIES



ICIEC signed a new Documentary Credit Insurance Policy (DCIP) with BRED, France. The policy will cover the export and import of strategic and capital goods from Europe to ICIEC's African member countries.

The DCIP will enable BRED to enlarge its capacity and appetite of confirming Letters of Credit (L/Cs) received from different LCs' issuing African banks, which will increase the bank's access to more trade financing transactions. These commodities are mainly machineries and heavy equipments enabling African countries to develop their manufacturing and industrial infrastructure sectors, having a positive impact on the development of these countries.

BRED Banque Populaire S.A., a co-operative bank, provides commercial banking services in France.

The company provides various deposits, loans, and investment products and services; and payment, e-commerce, and private wealth management services, as well as access to the products and services of its trading desk. It also offers insurance, personal protection funds, asset management, etc.

The company is based in Paris, France. BRED Banque Populaire S.A. is a subsidiary of Groupe Banques Populaire.



ISDB GROUP CELEBRATES THE INAUGURATION OF THE BLAISE DIAGNE INTERNATIONAL AIRPORT (AIBD), SENEGAL

The Blaise Diagne International Airport (AIBD) is inaugurated on December 7th, 2017, by the President of Senegal Macky Sall. The ceremony was attended by the President of the IDB Group Dr. Bandar Hajjar, the President of Gambia Adama Barrow, the President of Gabon Ali Bongo, the President of Gine-Bissau Jose Mario Vaz and Minister of Transport, Maritime Affairs and Communications, Turkey Mr. Emin Arslan representing the President of Turkey Recep Tayyip Erdogan.

President Macky Sall has granted the highest national honour of Senegal to Dr. Bandar Hajjar. The honour is in recognition of the contribution of the IDB Group to the development of Senegal. IDB Group is one of the largest development partner for Senegal.

AIBD is a state-of-the-art international airport that will transform the aviation industry in West Africa. In addition to Commercial Banks, IDB and its development partners provided the financing, namely, African Development Bank,

French Agency for Development, Industrial Development Cooperation of South Africa, OPEC Fund for International Development and Saudi Fund for Development.

ICIEC extended insurance cover to one of the lenders, for its EUR 50 million financing of the project.

Located 47 km. from the capital Dakar, AIBD is linked to Senegal's toll motorway and it will be connected to the capital by high-speed train in 2019. The airport is part of a wider plan to decongest Dakar and turn Senegal into a major air-hub for West Africa.

The total cost of the project is EUR 575 million. The airport occupies a total of 45 million square meters of land. The terminal building is twice the size of the one in the old airport. The new terminal building occupies 42,000 square meters with 44 check-in counters, 20 passport control cabins, 4 luggage bands, 6 boarding bridges and a 700 car capacity parking lot. There is a 2,500 square meters of commercial area and 3 CIP lounges. Airport apron is 260,000 square meters big and has a parking capacity for 79 airplanes. 80,000 planes are expected to land and take-off annually. In the first phase, the airport is expected to host 3 million passengers and in 2023 and 2035, 5 million and 10 million respectively. AIBD has a 5,600 square meter cargo area with 50,000 tons capacity to support the export of goods from Senegal.

The airport was completed by Limak-Summa consortium, both well-known Turkish contractors. A joint venture company of Limak, Summa and AIBD SA (LAS) has signed a 25-year concession agreement with the State of Senegal for the operation of the new airport.



ICIEC & THE BANGLADESH BANK SIGN MOU TO PROMOTE TRADE AND INVESTMENT IN BANGLADESH

ICIEC and the Bangladesh Bank (The Central Bank of Bangladesh) signed a Memorandum of Understanding (MOU), which aims to boost cooperation in promoting trade and investment in Bangladesh.

The MOU was signed on behalf of ICIEC by Mr. Oussama A. Kaissi, ICIEC's Chief Executive Officer (CEO) and, on behalf of the Bank of Bangladesh, Mr. Ahmed Jamal, Executive Director. The objective of the MOU is to establish a basis for the exchange of information between the two institutions on Bangladesh's banking industry and operating performance. It will serve as means of better managing ICIEC's exposures in Bangladesh.

The signing ceremony, which took place at the Bangladesh Bank Head quarters was attended by H.E Mr. Fazle Kabir, Governor, Bangladesh Bank, and several senior Bangladesh Bank officials.

ICIEC has short and medium term exposures in excess of USD 150 million in Bangladesh and an equivalent amount in the pipeline. The insurance cover primarily helps mitigate



the risk of non-honoring of Letters of Credit (LCs) issued by major public and private banks in Bangladesh. ICIEC has so far helped facilitate the trade of strategic goods, Telecom & Ready Made Garments (RMG) sector-related capital equipment in excess of US\$ 1.6 billion in Bangladesh.

ICIEC plans to work closely with the various investment, regulatory, and trade bodies in Bangladesh to work towards providing Bangladeshi exporters access to export credit insurance services, with the ultimate objective of boosting Bangladeshi exports.

Commenting on the MOU, Mr. Kaissi, said, "The signing of this MOU comes within the framework of ICIEC's mandate to support the development of its member countries by providing export credit and political risk insurance for investment projects". He added, "We foresee an enormous potential in Bangladesh and ICIEC remains dedicated to achieving its objectives under the IDB Group Member Country Partnership Strategy (MCPS) for Bangladesh through enhanced letter of credit (LC) coverage and support in terms of political risk insurance coverage of Foreign Direct Investments (FDI)".



ICIEC PARTICIPATED IN AFRO-ARAB TRADE FINANCE FORUM IN DUBAI-UAE

An initiative from the Arab Bank for Economic Development in Africa (BADEA) and in partnership with ICIEC, the International Islamic Trade Finance Corporation (ITFC), and Al-Iktissad Wal-Aamal, the Afro-Arab Trade Finance Forum has been organized and took place on 21 December 2017, Dubai, United Arab Emirates.

The forum focused on the new mechanisms and programs related to trade finance and export credit insurance between the Arab and African countries, the role of banks, regional financial institutions and commercial banks in developing trade exchange between the two regions.

Since its inception, ICIEC has supported worth of business USD 5.8 billion in Sub-Saharan Africa, of which USD 2.4 billion is related to investments and USD 3.4 billion is related to trade credit (imports of strategic goods). The landmark projects include the Dakar new Airport, Djibouti Container terminal and electrification projects (Sudan, Ethiopia and Rwanda). The

"Our gathering in this forum is the testimony of our common objective to boost the trade and investment flows between the Arab and African regions"

Mr. Oussama KAISSI, CEO of ICIEC



Corporation has been able to support trade transactions between Arab Countries and Sub-Saharan Africa countries for a global amount of USD 2.2 billion since inception.

ICIEC is envisaging a major's initiatives with its key partners to increase the lending scope to MCs in SSA and Arab regions. One of which, maximizing the synergy with its strategic partners in the banking and export credit insurance industries in order to support their off-balance sheet financing through providing the insurance of their financing for trade and investment. In addition, building on its success on the Bank Master Policy with ITFC, ICIEC will continue to use the Arab Africa Trade Bridge framework to enhance the business between the two regions. Besides, the Corporation together with its strategic partners will attempt to support Sector or Country Funds with PRI wrap to enhance the marketability of such funds.





PM of Turkey, Minister of Economy – Turkey, Ambassadors, AMAN UNION Members, Business Councils, Business People gathered to discuss challenges and opportunities in the Credit Insurance, Finance and Reinsurance

DEVELOPING THE CREDIT INSURANCE INDUSTRY THROUGH AMAN UNION



The eighth Annual meeting of the AMAN UNION took place this year in Istanbul, Turkey, from October 31st to November 2nd, 2017. The meeting was organized by the AMAN UNION Secretariat (managed by ICIEC) in coordination with Turk Eximbank (the ECA of the Host country).

The Meeting brought together the AMAN UNION Members as well as prominent guests from the industry to discuss issues of importance to the insurance and reinsurance sector, export credit and trade finance and to tackle the challenges faced in these areas.



The two-day meeting discussed the latest development and updates in the industry, member's expectations for the year 2018, and impact of the global current credit crunch on the AMAN UNION members, as well as global trade as a whole.

The AMAN UNION's 2016 Annual Report reveals that the year 2016 has been in general a good year with an increase in business insured by 22% (from USD 26.6 B in 2015 to USD 32.6b in 2016) and an increase by 28% of the premium (from USD 116.6 m in 2015 to USD 149.5m in 2016). However, as witnessed by Berne Union members, the total claims have increased by 19% (from USD 71.2m in 2015 to USD 85m in 2016) but the loss ratio slightly reduced from 61% in 2015 to 56.9% in 2016.

After two years of servicing with loyalty and devotion the UNION and its members, ICIEC has handed over its responsibility and the Chairmanship of the General Assembly to Turkish Exim Bank.

"I am confident that the trend of transformation and modernization will continue under the leadership of our Br. Adnan Yildirim and his devoted team. We wish Turkish Exim Bank more success".

Mr. Oussama KAISSI,
CEO of ICIEC and
Chairman of AMAN UNION

During the Annual Meeting, the Secretariat General of AMAN UNION organized the eighth technical training about Claims and Recovery in coordination with Recovery Advisors (UAE). The course was hosted by Turk Eximbank during the period of November 1st – 2nd, 2017. More than 20 trainees from different AMAN UNION members benefited from this training.

On the sideline of the Annual Meeting, the Secretary General of AMAN UNION signed an MOU with the Secretary General of the Berne UNION, which aims at increasing the cooperation between the two entities through capacity building of the staff of the common members. The MOU also seeks to further the co-organization of workshops and joint activities aimed at increasing the awareness about credit insurance.





The AMAN UNION 8th Annual Meeting concluded with the General Assembly of the AMAN UNION where plans for the coming years were presented, along with the introduction of the new members of AMAN UNION. The Executive Council also adopted the request of ECGE to host the Ninth Annual Meeting in Egypt during the last quarter of 2018.

The Aman Union is a professional forum bringing together Commercial & Non-commercial Risk Insurers & Reinsurers in the Member Countries

of the Organization of the Islamic Cooperation (OIC) and those of the Arab League. The Aman Union was launched on 28 October 2009, following an agreement between the Arab Investment and Export Credit Guarantee Corporation (DHAMAN) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) to join their efforts for establishing a union for credit and political risk Insurers and Reinsurers in their respective Member Countries. The Union serves as a forum for exchanging critical industry information.

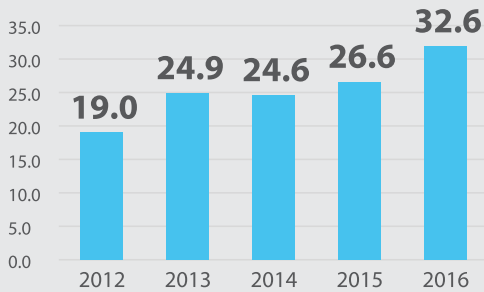
It also enables members to collaborate on a range of topics including credit information, the creation of databases and providing training programs to their staff members.

During the two years 2016 & 2017, ICIEC with a full support of AMAN UNION Members has achieved remarkable results, which witnessed:

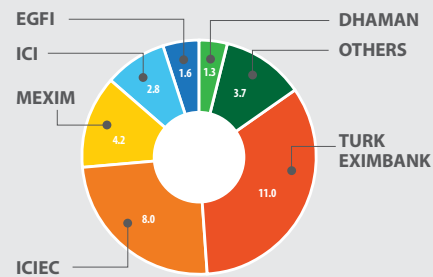
- An increasing in the number of memberships by 11 new members.
- Revamping of AMAN UNION charter.
- Launching AMAN UNION Online Course Certificate project.
- Providing technical training to more than 60 trainees from the union and;
- Establishing a technical committee in charge of the Database project.

PERFORMANCE ANALYSIS OF AMAN UNION MEMBERS 2015-2016

Evolution of total insured business in the last 5 Years (in USD billion)



Member's contribution in insured business in 2016 (in USD billion)



- Increase in customer base (from 5,581 to 5,696): 2.0%
- Increase in buyer's database (from 106,422 to 128,091): 20%
- Increase in total insured business (from USD 26.6B to 32.6B): 22%
- Increase in total premium (from USD 116.6m to USD 149.5m): 28%
- Increase in total claims paid (from USD 71.2m to USD 85m): 19%
- Decline in total recoveries (from USD 19.9m to USD 10.7m): 47%
- Decline in the loss ratio (from 61% to 56.9%) : 7%

AMAN UNION members supported an amount of USD 32.6 billion of trade and paid USD 85.0 million claims during 2016

New Members of AMAN UNION

 EXIM Bank Pakistan Pakistan Eximbank PAKISTAN Full member	 شركة التأمين الإسلامية المصرية (السوداني) Islamic Insurance Company Ltd. Sudan Islamic Insurance SUDAN Associate member	 UCS UNIFIED CREDIT SOLUTIONS Unified Credit Solutions DMCC UAE Associate member	 I D InDate ZURICH Observer	 RFIB RFIB UNITED KINGDOM Observer	 itfc International Islamic Trade Finance Corporation ITFC SAUDI ARABIA Observer
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EXPORT CREDIT AGENCIES SEE SUSTAINED BUSINESS VOLUMES



berneunion 

ICIEC continued to leverage on its membership of the Berne Union, the largest association of export credit agencies in the world, in addition to getting up to date on the latest developments in the credit and political risk insurance industry. The union provides an opportunity to enhance cooperation among its members, which include national export credit agencies, multilateral credit and political risk insurers as well as private credit and political risk insurers.

ICIEC attended the Annual General Meeting of the Berne Union, which took place in Belgrade, Serbia on October 1-5, 2017, where ICIEC participated in the Investment Committee, the Short Term Committee and the Prague Club Meetings. Based on the request of the Berne Union Secretariat, ICIEC also made a presentation to the Union members on Islamic Finance & Insurance.

In 2017, ICIEC has been accepted as a new member of the Investment Technical Panel of the Berne Union and participated in its annual meeting, which took place in Washington, DC, in September 2017. This is an important forum where technical matters related to the investment insurance are discussed.

The 82 Export Credit and Investment Insurance Companies from 68 countries that composed the Berne Union recorded robust growth in new business in 2017 which signaled a turnaround from continuous declining volumes registered since 2011.

Although the business environment remains challenging amid concerns on the regulatory environment, sanctions, unresolved conflicts and regionally rising debt, an aura of optimism prevails in the majority of Union members with regard to global economic growth in 2018 that would translate to sustained business volumes ahead.

In its annual meeting, Berne Union members showed marked improvement in their medium-to long-term export credits which had increased by 35% in the first half of 2017 compared to the same period of the preceding year.

Moreover, Export Credit Agencies (ECAs) remain key players on the market, in which Union members insured about 10% of world trade. In the first 6 months of 2017, Union members extended short-term credit limits amounting to \$1,188 billion, new medium-to long-term (MLT) exports reached \$66 billion, and \$56 billion for new foreign direct investments.

Claims have risen too in 2017, a continuation of the high claims seen in 2016. MLT increased 13% in first half of 2017.

One notable trend is the vast majority of MLT claims relate to commercial (as opposed to political) risks. In 2016, 90% of MLT claims paid related to commercial risks and 2017 is showing a similar ratio for the first half.

The annual general meeting of the Berne Union discussed business developments, current challenges and other relevant industry topics.

ICIEC & EULER HERMES HOLD WORKSHOP FOR FUTURE COOPERATION

On December 5-6, 2017 at the ICIEC headquarters in Jeddah, ICIEC organized a workshop on "Medium-Term Underwriting" in collaboration with Germany's official export credit agency Euler Hermes.

Mr. Jan von Allworden Director, International Business Development, Euler Hermes, highlighted the various challenges and risks involved in providing cover for a project, and where possible discussions and ways of future cooperation with the ICIEC evolve. He cited what the German credit insurer considers in accepting the cover for a project such as its potential impact, the high portion of foreign elements and local costs; and finding risk

mitigation like possible joint undertaking with ICIEC to reinsuring parts of the risk.

Various cases studies were presented to further expound Euler Hermes' strategy in accepting a project. "ECA-coverage is essential for the project. Environmental and social aspects have to be analyzed later," he noted.

Countries and regions of mutual interest to both Germany and ICIEC member countries were also discussed.

In day two, a Knowledge sharing session on "The German Export Credit Agency Euler Hermes experience in supporting infrastructure projects" "was organized whereby the latter has shared its experiences in supporting infrastructure projects.

Euler Hermes has a current portfolio of €88 billion fully underwritten by the Federal Republic of Germany with AAA Rating. Its total cover volume in 2016 reached EUR 20.7 billion. Its Short-term volume coverage amounted to EUR 11.4 billion, whereas long-term totaled EUR 9,2 billion, with EUR 3,3 billion thereof in MENA region.

Euler Hermes enables the procurement of products and services from Germany international customers. They offer strong credit support to German exporters and their banks, indirectly allowing the customer to benefit from Germany's top AAA-credit rating.

MOODY'S REAFFIRMS 'Aa3 STABLE' RATING FOR ICIEC

Moody's Investor Service reaffirmed the "Aa3 stable" rating for ICIEC, reflecting ICIEC's financial strength.

In its latest credit report on July 31, 2017, Moody's says "on a standalone basis, the rating reflects ICIEC's legal structure and business nature as the only multilateral export credit and investment insurance corporation in the world that provides Shariah compatible insurance and reinsurance products, as well as its enhanced regional knowledge based on its experience of operating in the region."

The ICIEC's Aa3 for insurance financial strength (stable outlook) is several notches higher than

the adjusted rating indicated by the Moody's insurance financial strength rating Scorecard. The rating differential reflects the company's key role as the facilitator of trade among Islamic countries and the consequent support that the rating incorporates from a variety of highly rated sovereigns in addition to its main owner IDB.

Moody's noted that ICIEC maintains a strong position in its core market of providing export credit insurance and reinsurance to its member countries. With total gross premiums written (GPW) of ID27.7 million in fiscal 2016 and a large proportion of its premiums in relation to contracts written in markets such

as Saudi Arabia, GCC countries and other nations, ICIEC is seen as one of the leaders in its market segment.

Besides, the stable demand for political risk policies in ICIEC's member countries led to continued stable new commitments in fiscal 2016. ICIEC has also won some major new clients in fiscal 2016 in countries like Germany, Kenya, Saudi Arabia, Jordan, Denmark, Japan and Singapore.

Furthermore, the company's exposure by the buyer is relatively concentrated by country and by sector, reflecting ICIEC's strategic goal to facilitate the trade of its member countries, Moody's said.





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