



ICIEC

THE ISLAMIC CORPORATION FOR
THE INSURANCE OF INVESTMENT
AND EXPORT CREDIT



COMMERCIAL AND POLITICAL RISK MITIGATION AND CREDIT ENHANCEMENT SOLUTIONS



مجموعة البنك الإسلامي للتنمية
Islamic Development Bank Group



Expanding export and investment
opportunity in our member countries



1

TRADE CREDIT INSURANCE OFFERINGS

Insurance of Letters of Credit / Buyer Credit Insurance

KEY OBJECTIVES

- De-risking cross border trade
- Helping member countries to bolster exports



COVERED RISKS

- Insolvency of the obligor.
- Failure or refusal of the obligor to pay on due date.
- Currency inconvertibility and transfer restrictions imposed by the obligor's country.
- Expropriation, confiscation or adverse government intervention in the business of the obligor.
- War or civil disturbance in the obligor's country.

KEY BENEFITS

- Protects balance sheet against losses due to commercial and non-commercial (i.e. political) risks.
- Improves capital adequacy via capital relief.
- Optimizes Balance Sheet by de-risking a portion of the portfolio.
- Better reflection in ICAAP and CRM techniques.
- Provides additional headroom capacity.
- Reduces portfolio cost using the credit rating of a highly rated multilateral institution.
- Minimizes non-performing assets.
- Enhances business volume.
- Helps in structuring Shariah compliant financing facilities.



ELIGIBILITY

- Banks/Financial Institutions domiciled in ICIEC Member Countries.
- Banks/Financial Institutions domiciled in ICIEC Non-member Countries owned not less than 50% by the IsDB or by nationals of a Member Country.
- Banks/Financial Institutions offering Shariah compliant products.
- Banks that finance strategic exports to member countries.



TENOR OF COVER

Up to 7 years



CREDIT INSURANCE PRODUCTS

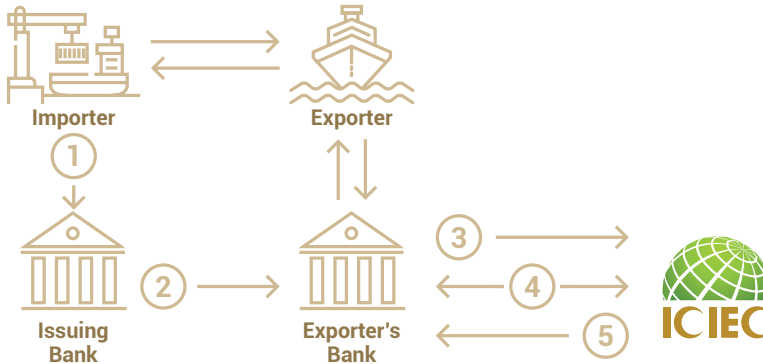
- **Documentary Credit Insurance Policy (DCIP)**
- **Bank Master Policy (BMP)**



HOW IT WORKS

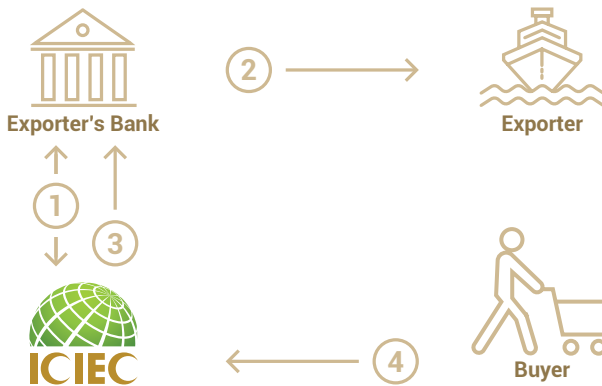


Documentary Credit Insurance Policy (DCIP)



1. Importer arranges issuance of L/C.
2. The issuing bank issues an LC to the exporter's bank.
3. The exporter's bank applies to ICIEC to insure the LC. ICIEC insures the LC up to a certain percentage (e.g. 90%). The Insured is required to keep the uninsured amount on its own account.
4. In case of non-payment by issuing bank, the exporter's bank submits claim and ICIEC pays compensation (90% of the loss).
5. ICIEC recovers from the issuing bank and pays 10% back to the exporter's bank.

Bank Master Policy (BMP)



1. The exporter's bank concludes an insurance contract (Bank Master Policy) with ICIEC up to a certain insured percentage (e.g. 90%) and pays the premium.
2. The bank provides Islamic financing to the exporter or importer with the purchase contract as security.
3. In case the buyer fails to pay, the bank files a claim with ICIEC, which indemnifies the bank for up to 90% of the loss.
4. ICIEC recovers from the buyer and returns the 10% uninsured share to the bank.



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POLITICAL RISK INSURANCE AND CREDIT ENHANCEMENT OFFERINGS

(Investment Insurance)

KEY OBJECTIVES

- De-risking Foreign Direct Investment for investors, sponsors and lenders.
- Facilitating cross-border Investments (Equity, Debt and Loan Guarantees).
- Scaling up developmental impact for member countries.



a. Political Risk Insurance for Equity Investments, Debt Finance and Loan Guarantees

COVERED RISKS

- Currency inconvertibility and transfer restrictions.
- Expropriation.
- War or civil disturbance.
- Breach of contract.



b. Non-Honoring of Sovereign Financial Obligations / Political Risk Insurance of Cross-Border Loans

COVERED RISKS

Non-Honoring of Sovereign Financial Obligations

- Non-Honoring of Financial Obligations by the sovereign / sub-sovereign / State-owned Enterprises (SOEs).



KEY BENEFITS

- Facilitates access to finance.
- Protects balance sheet against losses due to non-commercial (i.e. political) risks.
- Attracts additional project capital.
- Enables the penetration of high-risk markets.
- Reduces cost of funding.



ELIGIBILITY

- New investments, acquisition or expansion of existing investments/projects.
- Investment not prohibited by Shariah.
- Investments being undertaken in a Member Country.



TENOR OF COVER

Up to 20 years

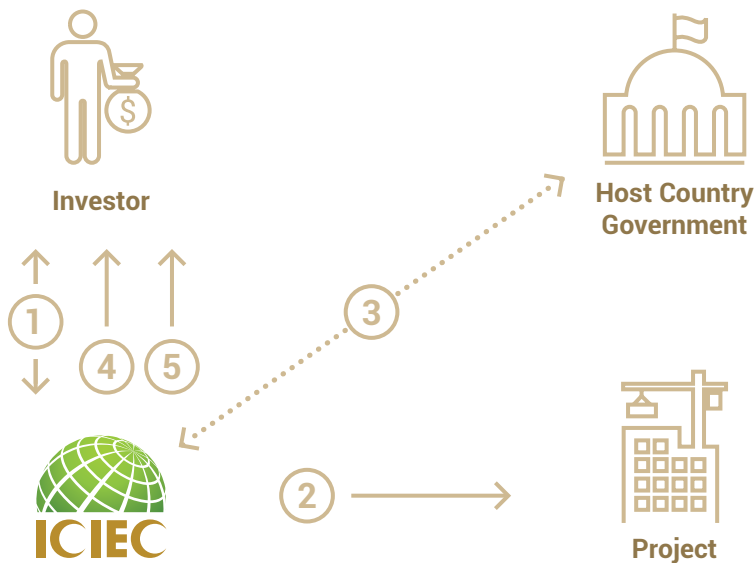


INVESTMENT INSURANCE PRODUCTS

- Non-Honoring of Sovereign Financial Obligations.
- Foreign Investment Insurance Policy (FIIP) for Financing Facility.
- Foreign Investment Insurance Policy (FIIP) for Loan Guarantee Facility.



HOW IT WORKS



1. Investor submits a preliminary application to ICIEC, ICIEC gives its initial 'in-principle' approval and requests a full detailed application and payment of applicable fees.
2. Applicant submits completed Main Application. On the basis of the detailed application, ICIEC will assess the project/country risks.
3. Should ICIEC management approve the insurance, ICIEC will issue an investment insurance policy to the investor.
4. ICIEC will obtain the non-objection of the government of the host country.
5. In case of risk occurrence, the investor submits a claim to ICIEC and ICIEC pays the compensation.



1

TRADE CREDIT INSURANCE OFFERINGS

Insurance of Supplier Credit

KEY OBJECTIVES

- De-risking cross border trade
- Helping member countries to bolster exports



COVERED RISKS

- Insolvency of the buyer/ Issuing bank.
- Failure or refusal of the buyer to pay.
- Refusal of the buyer to accept goods after shipment.
- Arbitrary cancellation of the contract by the buyer.
- Currency transfer restrictions by the buyer's country/issuing bank's country.
- Expropriation by the government of the buyer.
- War or civil disturbance in the buyer/ issuing bank's country.



KEY BENEFITS

- Protects balance sheet against non-payment of export receivables.
- Enhances competitiveness.
- Increases international sales by offering flexible payment terms to overseas customers.
- Offers to customers open account credit terms while protecting the insured against credit risk.
- Helps access working capital facilities from banks by assigning the insurance policy to the banks as security.



ELIGIBILITY

- Nationals of a Member Country.
- Corporations or other juridical entities located in ICIEC member countries or owned at least 50% by the IsDB or by a Member Country if located in Non-member countries.
- Goods should have at least 20%-30% value-added from one or more Member Countries.
- In case of capital goods or strategic commodities, the above criteria are not applicable. However, the buyer should be in a Member Country.
- Goods not prohibited by Islamic Shariah.



TENOR OF COVER

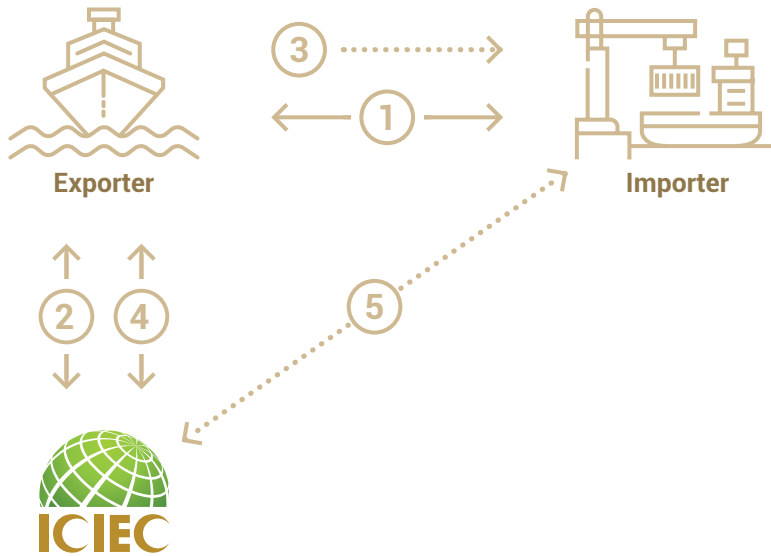
Up to 7 years



CREDIT INSURANCE PRODUCTS

- Comprehensive Short –Term Policy (CSTP)
- Specific Transaction Policy (STP)
- Specific Transaction Policy (STP) (Contract Frustration)

HOW IT WORKS



1. Exporter enters into a sale contract with importers/buyers.
2. The exporter concludes an insurance contract with ICIEC to cover non-payment risks of up to a certain percentage (e.g. 90%) and pays the premium
3. The exporter ships the goods to the buyers and declares the shipments to ICIEC
4. In case one of the buyers fails to pay, the exporter submits a claim to ICIEC which indemnifies the exporter for up to 90% of the covered amount.
5. ICIEC recovers from the buyer and pays 10% share to the exporter



2

POLITICAL RISK INSURANCE AND CREDIT ENHANCEMENT OFFERINGS

(Investment Insurance)

KEY OBJECTIVES

- De-risking Foreign Direct Investment for investors, sponsors and lenders.
- Facilitating cross-border Investments (Equity, Debt and Loan Guarantees).
- Scaling up developmental impact for member countries.



COVERED RISKS

- Currency inconvertibility and transfer restrictions.
- Expropriation.
- War and civil disturbance.
- Breach of contract.



KEY BENEFITS

- Protects balance sheet against losses due to non-commercial risks.
- Attracts additional project capital.
- Enables the penetration of high-risk markets
- Involvement in a project of a multilateral institution (such as ICIEC) is itself a risk mitigant.
- Acts as a deterrence against adverse government action against the project.



ELIGIBILITY

- Foreign investment/project in Member Countries.
- New investment, acquisition or expansion of existing investments/projects.
- Investments should not be prohibited by the Islamic Shariah.



TENOR OF COVER

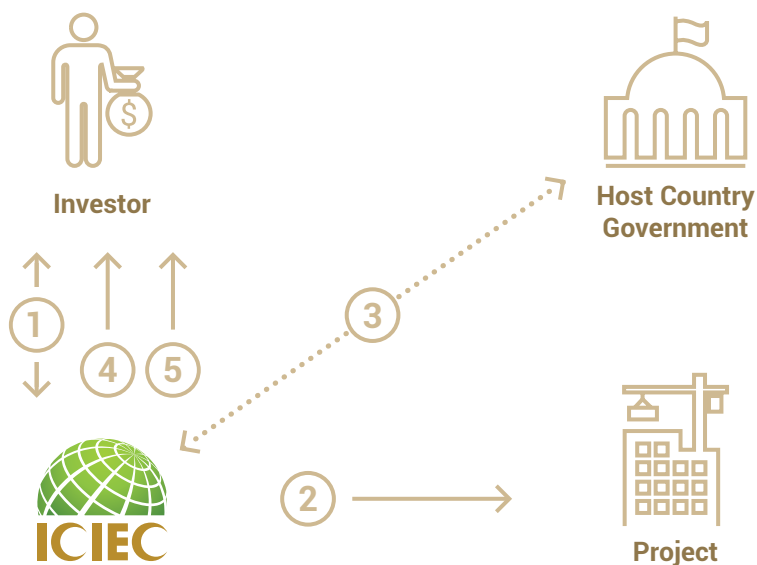
Up to 20 years



INVESTMENT INSURANCE PRODUCTS

- Foreign Investment Insurance Policy (FIIP) for Equity

HOW IT WORKS



1. The investor submits a preliminary application to ICIEC. ICIEC provides its initial 'in-principle' approval and requests a full detailed application and the payment of applicable fees.
2. Applicant submits a completed Main Application. On the basis of the detailed application, ICIEC will assess the project/country risks.
3. Should ICIEC management approve the insurance, ICIEC will then issue an investment insurance policy to the investor.
4. ICIEC will obtain the non-objection of the government of the host country.
5. In case of risk occurrence, the investor submits a claim to ICIEC and ICIEC pays the compensation.



EXPORT CREDIT AND INVESTMENT INWARD REINSURANCE

Reinsurance / Co-insurance / Fronting

COVERED RISKS

- Commercial and Political Risks.



KEY BENEFITS

- Provide capacity-building support for ECAs in Member Countries.
- Provide technical assistance in the establishment of ECAs in Member Countries.
- Provide credit information services.
- Joint marketing and technical assistance to the ECAs of Member Countries.
- Help ECAs in non-Member Countries to cover projects in Member Countries.



ELIGIBILITY

- Exports from ICIEC Member Countries to any country in the world.
- The inflow of capital and investments from the world into ICIEC Member Countries.
- Domestic sales of exporters in ICIEC Member Countries.
- Import of strategic and capital goods from the rest of the world to ICIEC Member Countries.
- Insured goods should not be prohibited by Islamic Shariah and should have at least 30% value-added in any ICIEC Member Countries.



TENOR OF COVER

- 2 years short term
- 7 years medium term
- 20 years foreign investment



PRODUCTS

- **Quota Share Treaty**
- **Excess of Loss**
- **Reinsurance Facultative Agreement**






ICIEC AT A GLANCE

ICIEC is the only multilateral export credit and investment insurance Corporation in the world that provides Shariah Compliant insurance and reinsurance solutions




Established in 1994 in Jeddah - Saudi Arabia as a multilateral institution and member of the Islamic Development Bank Group



Owned by AAA rated Islamic Development Bank and 47 countries which are members of the Organization of Islamic Cooperation



Authorized Capital Islamic Dinar (ID) 400 million (equivalent to USD 552 million) (1 ID=USD 1.38)



Rated Aa3 by Moody's with a Stable Outlook.



Pioneer of Shariah-compliant export credit and investment insurance and reinsurance solutions.



OUR VISION

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



OUR MISSION

To facilitate trade and investment between member countries and the world through Shariah-compliant risk mitigation tools.



ICIEC STRATEGY

- To enhance economic development in member countries and ensure financial sustainability.
- To be the preferred enabler of economic and social development in member countries, using trade credit and investment insurance solutions as a tool.

ICIEC Mandate is to Expand Commercial Transactions and Encourage Investment Flows into OIC Member Countries

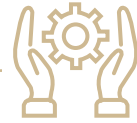
MANDATE



ICIEC mandate is to promote cross-border trade and foreign direct investment (FDI) in its member countries.



ICIEC serves its mandate by providing risk mitigation & credit enhancement solutions to member countries' exporters selling to buyers across the world, and to investors from across the world investing in member countries.



ICIEC also supports international exporters selling to member countries, if the transactions are for capital goods or strategic commodities.

CREDIT INSURANCE



To facilitates member countries' exports to the rest of the world.



To facilitates import of strategic and capital goods by member countries from non-member countries.

INVESTMENT INSURANCE



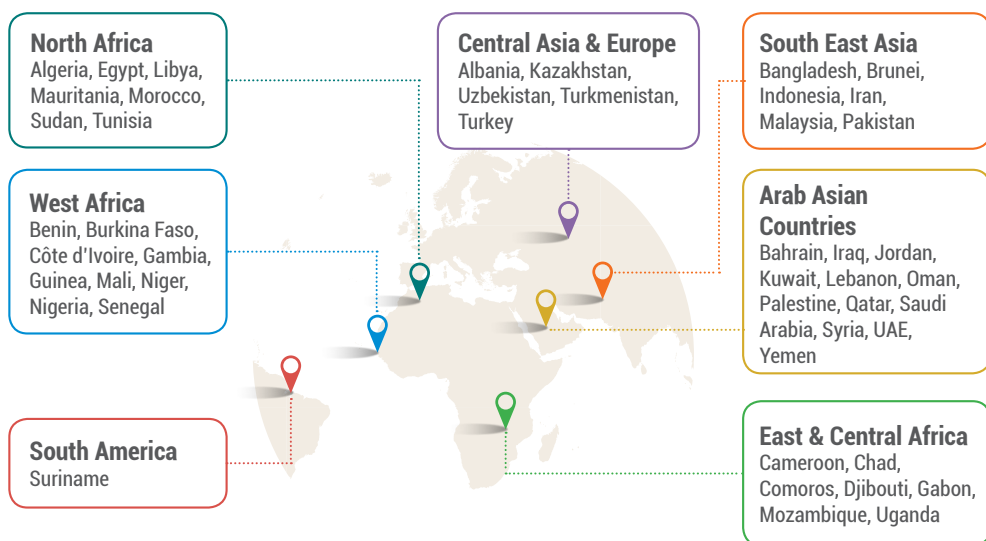
To facilitates the flow of foreign direct investment into member countries.

INTRA-OIC COOPERATION



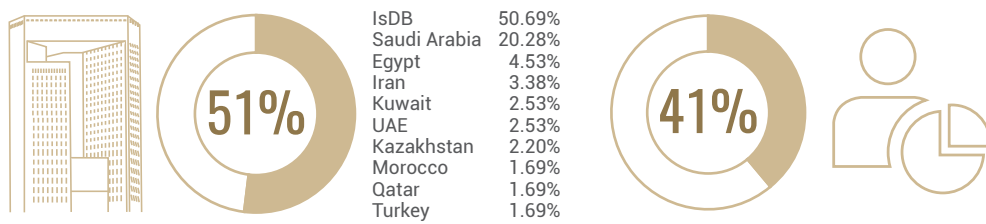
Facilitate trade, investment and information sharing between OIC member countries.

ICIEC Supports Trade & Investment Flows in 47 Member Countries

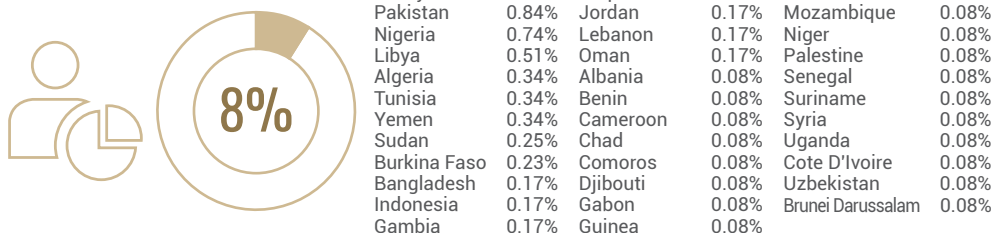


SHAREHOLDING

Top 10 shareholders



Other shareholders





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