



THE ISLAMIC CORPORATION FOR
THE INSURANCE OF INVESTMENT
AND EXPORT CREDIT



BUILDING RESILIENCE IN TIMES OF UNCERTAINTY

2021 ANNUAL REPORT
VOLUME 1



مجموعة البنك الإسلامي للتنمية
Islamic Development Bank Group



Note: This report is the first of two volumes that constitute the Annual Report of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). The second volume contains the audited financial statements and is published in a separate document titled the Financial Statements. Both volumes are available online at <https://iciec.isdb.org>

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**H.E. Dr. Muhammad
Sulaiman Al Jasser**
Chairman of the Board of
Directors

MESSAGE FROM CHAIRMAN

In the name of Allah, the beneficent, the most merciful

Date: 18 / 04 / 2022

H. E. The Chairwoman,

Board of Governors of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)

Assalaamu alaikum warahmatullahi wabarakatuhu

In accordance with Articles 27 and 44 (2) of the Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), I have the honor to submit for the kind attention of the esteemed Board of Governors, on behalf of the Board of Directors, the Annual Report of ICIEC on the activities, achievements and audited financial statements for the year 2021.

Please accept, Mr. Chairman, the assurances of my highest consideration.

Dr. Muhammad Al Jasser

Chairman of the Board of Directors

BOARD OF DIRECTORS



**H.E. Dr. Muhammad
Sulaiman Al Jasser**
Chairman



Hon. Hamed Arabi Elhouderi
Libya



Hon. Şakir Ercan Gül
Turkey



Hon. Abbas Memar Nejad
Iran



Hon. Abdulghaffar Al Awadhi
Kuwait



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Saudi Arabia



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United Arab Emirates



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Qatar



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Mali, Gambia, Togo



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Sierra Leone,
Cameroon, Côte D'Ivoire



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Algeria, Morocco, Mauritania,
Tunisia



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Jordan, Syria, Iraq, Palestine,
Lebanon



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Yemen, Sudan, Oman,
Bahrain



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Afghanistan, Pakistan,
Bangladesh, Maldives



Hon. Mrs. Anuska Ramdhani
Indonesia, Malaysia,
Brunei Darussalam,
Suriname, Guyana



Hon. Tamerlan Taghiyev
Azerbaijan, Albania, Uzbekistan,
Turkmenistan, Tajikistan, Kazakhstan, Kyrgyz Republic

MESSAGE FROM CEO

It is with great pleasure that I present the 2021 Annual Report of ICIEC, the export credit and investment insurance arm of the Islamic Development Bank (IsDB) Group.

At ICIEC, we are deeply concerned about the tragic human losses, the socio-economic disruptions, and the strain on MSs caused by the COVID-19 pandemic. ICIEC expresses solidarity with our 48 MSs and has been working closely with the IsDB Group and the Corporation's deep network of partners to bolster capacity for MSs recovery. ICIEC provides credit and political risk insurance to boost exports, sustain imports of strategic commodities, ensure in-

vestment protection, and minimize volatility. We also remain committed to the UN's Sustainable Development Goals (SDGs) and helping our MSs achieve these goals. We actively seek out and develop synergies between all aspects of our work and the SDGs, as evidenced by the projects we insure.

Response Program (SPRP) to combat the health and socio-economic effects of COVID-19. ICIEC has actively contributed to the implementation of SPRP in cooperation with the IsDB Group and succeeded in supporting MSs' efforts of combatting the pandemic with a total of USD 770 million in approved transactions in 2021. ICIEC cover facilitates the import of emergency goods and necessities into MSs, such as medical equipment, food, crude oil, and gas. In addition, ICIEC provides insurance cover for critical infrastructure projects to support COVID-19 relief efforts, such as the construction of regional hospitals.

In 2021, ICIEC was able to outperform many of the ambitious targets that were set for the year, whether in terms of business insured or our international footprint. This strong performance was made possible through various initiatives undertaken to improve ICIEC's operational performance and the services provided to its partners and Member States (MSs), as well as our solid credit rating.

vestment protection, and minimize volatility. We also remain committed to the UN's Sustainable Development Goals (SDGs) and helping our MSs achieve these goals. We actively seek out and develop synergies between all aspects of our work and the SDGs, as evidenced by the projects we insure.

In this exceptionally challenging year, and despite the continuing global economic impact of the pandemic, ICIEC was able to insure USD 9.79 billion of business in 2021. Our 2021 business results show a year of unprecedented risks, shifting priorities, and the IsDB Group COVID-19 response initiatives. Despite the repercussions of the COVID-19 pandemic on insurance operations and the steep decline in market rates on investment insurance operations, Corporate Net-Results for 2021 stood strong at USD 9.3 million surplus equating to 182% achievement of the Business Plan target for the year.

ICIEC has developed partnership initiatives with IsDB Group entities to better serve MSs and support their recovery efforts from the negative impact of COVID-19. IsDB Group has allocated USD 2.3 billion of aid to its MSs and to Muslim communities in the non-Member States under the Strategic Preparedness and

During this time of economic uncertainty, ICIEC's relationship with financial institutions, national Export Credit Agencies (ECAs), and international credit and political risk insurers have been critical to our sustained growth. By working jointly, ICIEC and its partners increased the reach and depth of service offerings, enabling both parties to provide the best support possible to our MSs. In 2021, ICIEC has forged new partnerships with MSs, such as Saudi Eximbank and the Islamic Organisation for Food Security (IOFS), and non-MSs such as Nippon Export and Investment Insurance (NEXI). The IsDB Group's 2021 Annual Meetings were crucial in recognizing ICIEC's various partners who supported its success and forged new relationships, signing agreements and MoUs with new and existing partners.

ICIEC's increasing visibility in the Organization of Islamic Cooperation (OIC) is evident in the expansion of its Member States. I am proud to report that ICIEC membership grew to 48 Member States in 2021, welcoming Maldives to the ICIEC community. ICIEC looks forward to assisting exporters, investors and financial institutions reach new markets globally as our solutions allow them to navigate around the political and commercial risks inherent in international trade.

ICIEC has, for the 14th consecutive year, successfully earned an "Aa3" insurance financial strength credit rating from Moody's, ranking it

among the top-rated entities in the Credit and Political Risk Insurance (CPRI) Industry. Our strong credit rating reflects our resilience, standalone fundamentals, as well as the strong willingness of our key shareholders, including the IsDB (AAA stable) and our MSs, to support ICIEC in times of financial distress. Moreover, for the fifth time, ICIEC was awarded the Global Islamic Finance Award (GIFA) for the “Global Islamic Export Credit and Political Risk Insurance 2020”. ICIEC has been the sole winner of this award since its inception – a testament to our competence and competitiveness in the global arena.

I would like to take this opportunity to thank the dedicated ICIEC team, whose hard work has been the backbone of its continued success. I would also like to thank His Excellency the Chairman, along with the Honorable Members of the Board of Governors and Board of Directors. They have been integral in providing guidance through their unparalleled wisdom and experience to navigate through its most challenging year for ICIEC. Their dedication to our success continues to inspire us and our decision-making in pursuit of delivering the best possible development solutions to our MSs.

Like all successful organizations, we have core priorities that give focus to our operations and enable our success. ICIEC priorities include the delivery of development impact, enabling Islamic finance, the development of value-based partnerships, and enabling excellence in both our staff and industry. In times of difficulty and volatility, we stand firmly behind our MSs as the only Shari’ah-compliant multilateral export credit and investment insurance provider in the world.

In this report, we are proud to share how we have supported the communities we serve through the ongoing COVID-19 pandemic and the ensuing devastating economic recession of our times.



Oussama Abdul Rahman KAISSI
Chief Executive Officer

A large, light green, semi-transparent number '2021' is positioned in the background of the page. The '0' contains a solid green square. The '2' and '1' have a 3D effect with vertical lines and a diagonal cut. The text '2021 ANNUAL HIGHLIGHTS' is centered over the '0' and '2' of this large number.

2021 ANNUAL HIGHLIGHTS

1.1. INTRODUCTION



USD 9,797 million

Support for trade and investments



USD 7,556 million

Support for exports and imports



USD 2,241 million

Support for foreign direct investments



ICIEC cover has been provided to its

48 member states

across the Muslim world

As a specialized multilateral insurer, ICIEC provides Shari'ah-compliant export credit and investment insurance to reduce the risk of doing business for prospective trade partners, businesses, and investors across its 48 MSs. Since its inception in 1994, ICIEC has been committed to supporting the development of its MSs. ICIEC facilitates the exports of its MSs to the world and brings leading international companies to its MSs, benefiting from its deep understanding of the risks of doing business in these countries.

ICIEC serves as a transformative catalyst for promoting trade and investment into its MSs and has so far supported exports, imports, and foreign direct investments with a cumulative amount of USD 83.3 billion. Of this figure, USD 66.13 billion represents support for trade, while USD 17.18 billion for foreign direct investments. ICIEC cover has been provided to the benefit of its 48 MSs, enhancing their economic prosperity, development, and diversification.

In 2021, ICIEC relentlessly worked to navigate through the COVID-19 pandemic. ICIEC has not only continued supporting trade and investment in the OIC countries through the implications of the crisis, but it has also stepped up its capacity and responded to the urgent demands from MSs. Through collaborative efforts amongst member institutions, IsDB Group has been able to leverage complementary strengths and

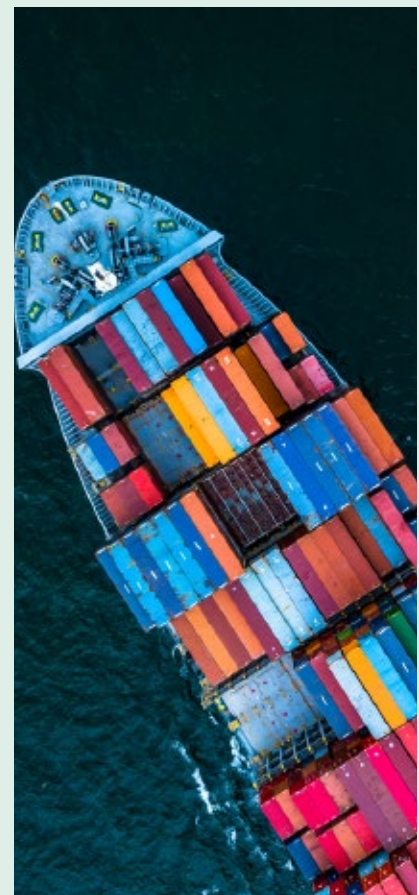
enhance the impact of the Group's response to the crisis in MSs.

ICIEC support for trade and investment has helped MSs to achieve long-term sustainable development. ICIEC catalyzes impact by supporting transactions and projects that contribute to the SDGs. Through these SDGs, a call to action has been established to eradicate poverty, protect the environment, and improve the lives of everyone on Earth. Of the 17 SDGs, ICIEC is prominently committed to 6 goals that are directly related to its mandate.

As the trusted partner of numerous international exporters, financial institutions, and investors, ICIEC's history and reputation have afforded those in its MSs the opportunity to work with partners that otherwise may not have been available to them for business. ICIEC supports transactions ranging from covering investments in large infrastructure projects (in energy or renewable energy, transport, healthcare industries), imports of essential products, pharmaceutical supplies, and enhancing food security of ICIEC MSs. These wide-ranging transactions and projects that ICIEC supports are through the impact of its Takaful services.

ICIEC has made significant strides since its establishment 28 years ago. Its number of MSs, partners, and the volume of business insured per year has expanded significantly during the last decade. The Corporation's performance remains strong des-

pite the challenges of the pandemic. The success that ICIEC has enjoyed is mainly due to its team of committed professionals, the network of organizations within the Islamic Development Bank Group, and the hard-working businesses in its MSs that continue pushing impact boundaries beyond their respective borders, and that have continued to provide the Corporation with insightful market need analysis.



1.2. KEY RESULTS

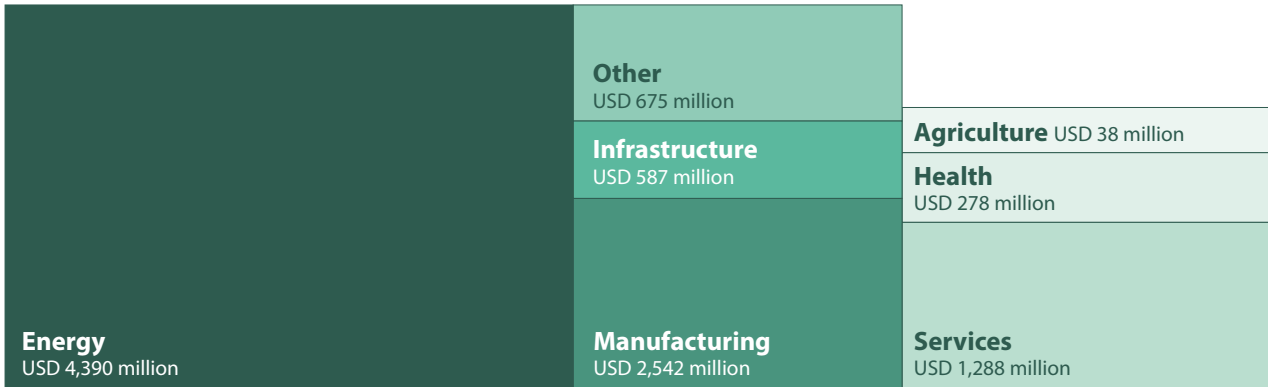


Aa3 Insurance Financial
Strength Credit Rating by
MOODY'S
for the 14th consecutive year

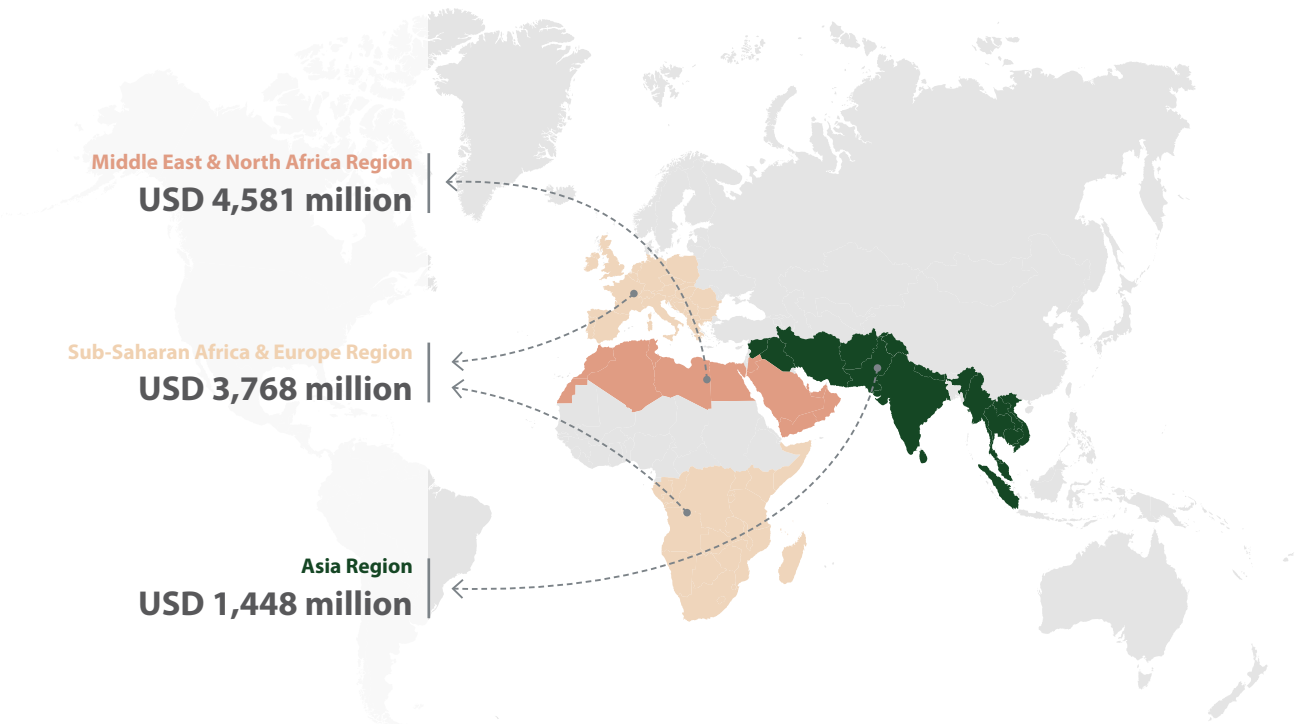


USD 9.79 billion
Business Insured in 2021

Business Insured by Sector



Business Insured by Region



Financial Performance

9.3 Corporate net results

USD million

3.8 Technical results

USD million

New Member State

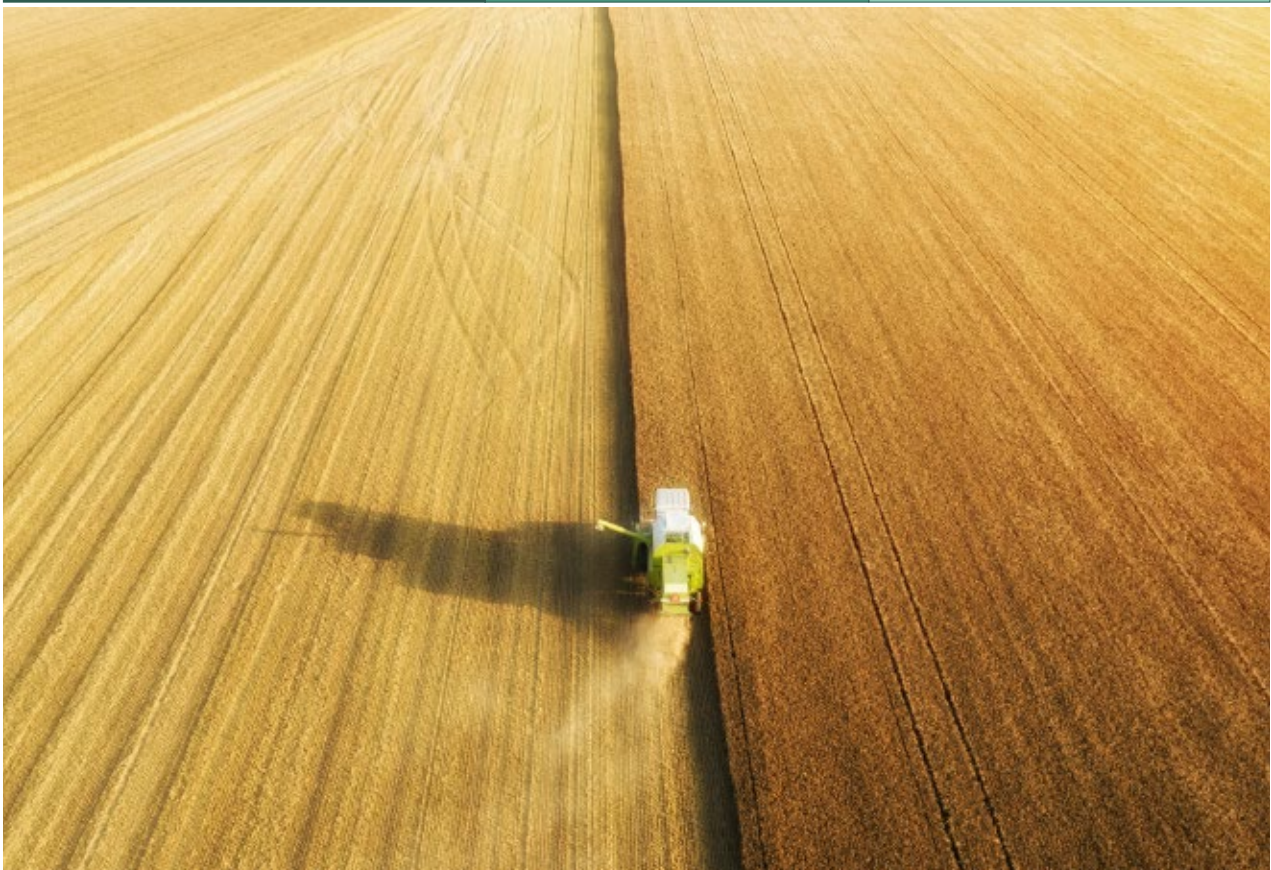


ICIEC welcomes the Republic of Maldives as its

48th member state

Key Results (Cumulative)

	Infrastructure USD 5,298 million	Agriculture USD 1,421 million
		Health USD 2,076 million
		Services USD 7,348 million
		Other USD 10,347 million
		Manufacturing USD 25,093 million
Energy USD 31,726 million		



Number of Entities Utilizing ICIEC's Services During 2021



Grand Total
812

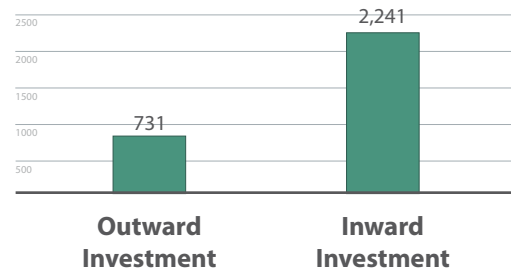
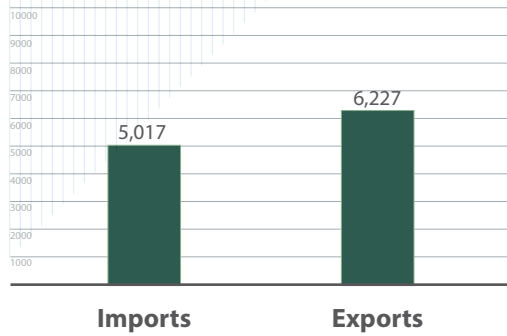
In 2021, ICIEC supported trade and investment in 35 Member States
A total of 812 entities from 35 Member States utilized ICIEC's services
A total of 1,366 entities from 118 countries worldwide have utilized ICIEC's services

Intra-Trade and Intra-Investment Facilitated for OIC Member States (USD Million)



A key priority of ICIEC is supporting intra-trade and intra-investment among OIC Member States. In 2021, ICIEC supported a combined USD 4.48 billion of intra-trade and intra-investment among OIC countries, representing an 11% decrease as compared to the previous year. Of that, USD 3.73 billion represented intra-OIC trade among OIC countries, and USD 0.75 billion represented intra-investment among OIC countries.

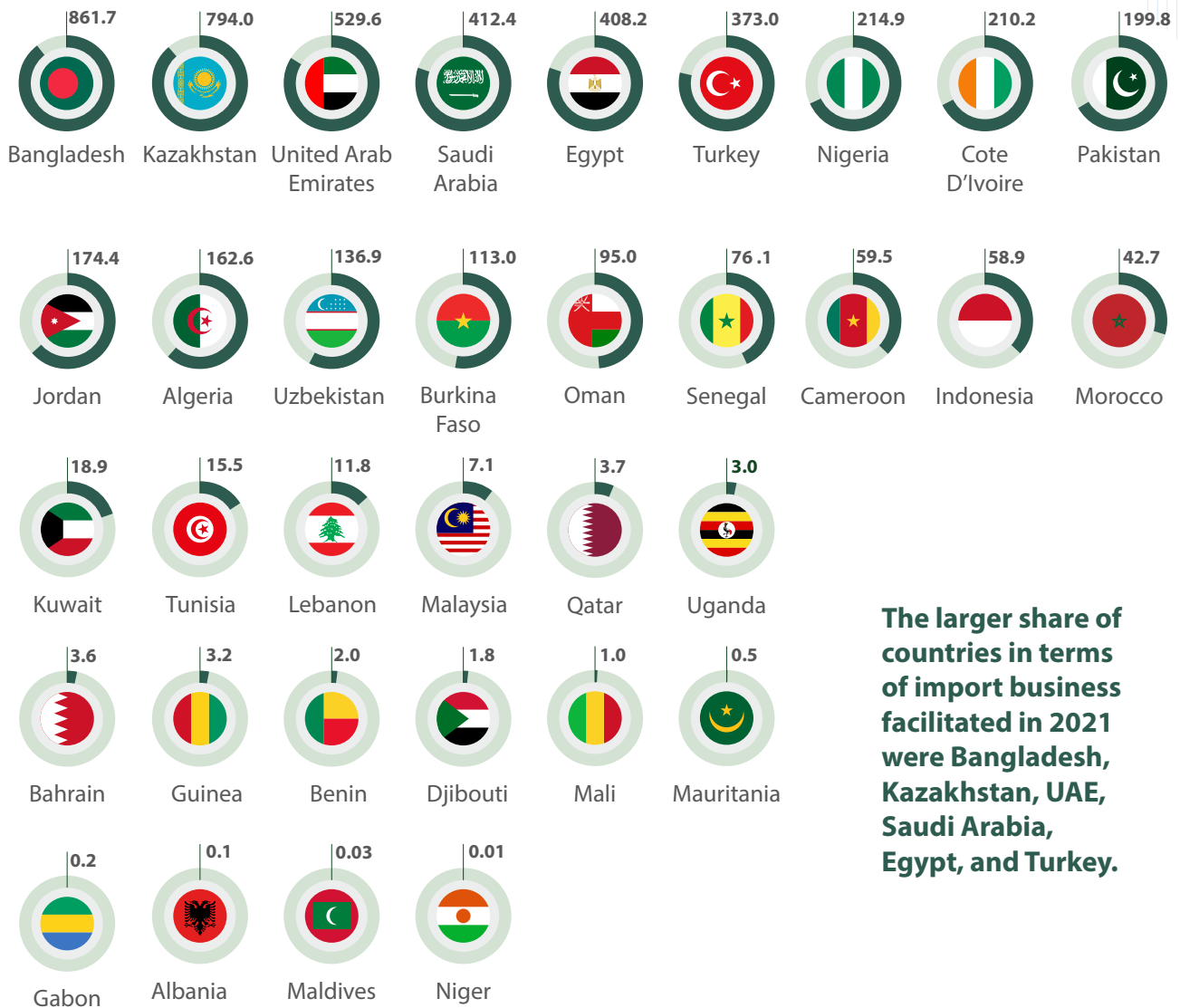
ICIEC Support provided to its Member States in 2021 (USD Million)



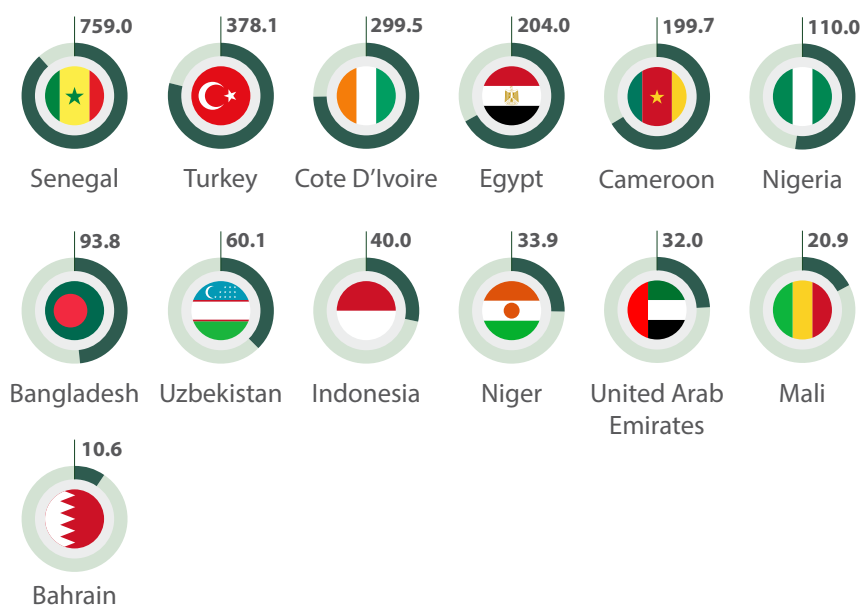
Total : 14,216



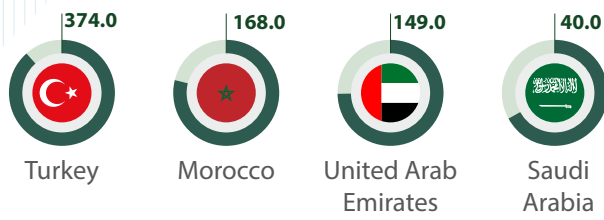
The vast majority of export business facilitated in 2021 came from Turkey, UAE, Kazakhstan, Saudi Arabia, and Bahrain.



The larger share of countries in terms of import business facilitated in 2021 were Bangladesh, Kazakhstan, UAE, Saudi Arabia, Egypt, and Turkey.

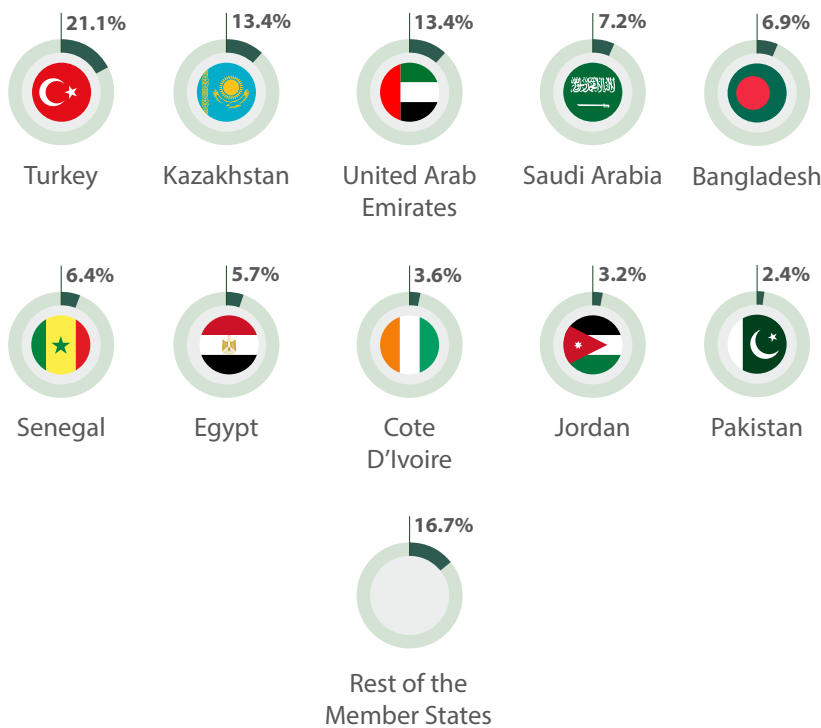


The majority of support for inward investment in 2021 was provided to Senegal, Turkey, Cote D'Ivoire, Egypt, Cameroon, and Nigeria.



ICIEC supported outward investments in 2021, predominately to Turkey, Morocco, UAE, and Saudi Arabia.

Top 10 Member States for Trade and Investment Business Facilitated in 2021



The largest share of countries in terms of trade and investment business facilitated in 2021 were Turkey, Kazakhstan, UAE, Saudi Arabia, Bangladesh, Senegal, and Egypt.

1.3. ICIEC COVID-19 Response

The COVID-19 outbreak has placed the Organization of Islamic Cooperation (OIC) countries' populations' health and economic well-being at risk. ICIEC and its partners have been helping members and their populations since the pandemic started. A worldwide health crisis may be resolved with vaccines, but a global economic recovery may take longer. ICIEC continues to develop and implement ways to decrease risk and aid member nations financially by boosting trade and investment.

To better serve its Member States, ICIEC is working with IsDB Group Entities to assist in them recovering from COVID-19. ICIEC provides financial and political risk insurance to ensure the importation of vital products.

Strategic Preparedness and Response Program (SPRP)

The IsDB Group's Strategic Preparedness and Response Program (SPRP) has pledged USD 2.3 billion to assist Member States and Muslim communities outside of Member States affected by COVID-19. To achieve the IsDB's "3 Rs" of support, Member States must first respond to the infection, restore normalcy, and restart their economy.

In 2021, ICIEC continued its support to its Member States' efforts to address the impact of the COVID-19 pandemic on their economies. At the beginning of the pandemic in 2020, ICIEC pledged USD 150 million in capacity to provide insurance for critical transactions, including the import of emergency medical kits

and food supplies, as part of the IsDB Group's Strategic Preparedness and Response Program (SPRP). Over USD 770 million in insurance capacity has already been deployed in supporting the procurement of medical equipment, food commodities, crude oil, and gas, as well as financial support to SMEs and the development of healthcare infrastructure. This has benefited a number of Member States, including Tunisia, Burkina Faso, Mauritania, Senegal, Cameroon, Côte d'Ivoire, Nigeria, Togo, UAE, Oman, Jordan, Egypt, Pakistan, Bangladesh, Uzbekistan, and Iraq.

As part of its contribution to the IsDB Group program for the support of Member States in combating the pandemic and its impacts, ICIEC collaborated with the IsDB and with the Islamic Solidarity Fund (ISFD) to develop two main initiatives, namely the IsDBG COVID Guarantee Facility (CGF) and the ICIEC-ISFD COVID Emergency Response Initiative (ICERI) respectively.

The IsDB Group's COVID Guarantee Facility (CGF)

IsDB Group's COVID Guarantee Facility ("CGF") is a program developed by IsDB and ICIEC to provide de-risking solutions to Member States. In the context of increased transactions' riskiness occasioned by the decrease in available liquidity due to COVID-19, CGF offers support to

Member States in the form of insurance to the financiers of critical COVID-related infrastructure projects.



ICIEC-ISFD COVID Emergency Response Initiative (ICERI)

In 2021, the ICERI program saw an increase in approvals, and as of February 10th, USD 271 million of trade-related transactions approvals have been issued for the benefit of our Least Developed Member Countries (LDMCs). Bangladesh, Cameroon, Mauritania, Senegal, Tunisia, Benin, and others have benefitted from the support of ICERI, which enabled them to import critical goods at discounted rates and to strengthen their healthcare and food sectors.

About 68% of the program's business insured target of USD 400 mil-

lion has already been reached. For the second and last year of the program, ICERI has shifted its focus to the facilitation of COVID-19 vaccine supply to the LDMCs. Close contacts with Member States and international financiers have been pursued to explore areas of collaboration in this regard. ICERI is expected to support around USD 50 million worth of COVID-19 vaccines imports by year-end 2022. Discussions are ongoing at the level of the IsDB Group to further expand the scope of the program.

1.4. MAJOR TRANSACTIONS IMPACT (SDG MAPPING)

Project: Supporting imports of essential commodities to Pakistan



**01/ Volume
USD 50 million**



**02/ Tenor
1 Year**



**03/ Product
Bank Master
Policy (BMP)**



**04/ Client
The Arab
Investment
Company (TAIC)**



05/ ICIEC Role
Provided insurance cover to TAIC to support Pakistan imports of essential commodities, such as crude oil, refined products, and liquified natural gas.

06/ Development Impact



SDG 7 – Affordable and clean energy



SDG 8 – Decent work and economic growth



SDG 9 – Industry, Innovation, and Infrastructure



The development impact of this project is in supporting energy generation in Pakistan, which is a crucial infrastructure development for its economic growth.

Context

Pakistan faces power shortages as it works to grow its economy and end poverty. Moreover, fuel oil has been costlier compared with electricity produced using LNG and coal, draining foreign exchange reserves and increasing the cost of electricity.

To address this issue, ICIEC has provided USD 50 million in coverage under the Bank Master Policy to TAIC to import essential commodities, such as crude oil, refined products, and liquified natural gas. These commodities are critical to Pakistan’s residential, commercial and industrial sectors for various purposes, including

heating, cooking, generating electricity, and manufacturing a wide variety of products.

The development impact of this project is in supporting energy creation which in turn will help the industrial and economic growth of Pakistan.

Project: Enhancing energy security in Bangladesh



01/ Volume
USD 36.22 million



02/ Tenor
1 Year



03/ Product
**Documentary
Credit Insurance
Policy (DCIP)**



04/ Client
Mashreq Bank



05/ ICIEC Role
Provided insurance coverage to support the import of a liquid petroleum gas tanker into Bangladesh.

06/ Development Impact



SDG 8 – Decent work and economic growth



SDG 9 – Industry, Innovation, and Infrastructure



The development impact of this project is in improving the flow of vital fuel imports to Bangladesh.

Context

The supply of adequate fuel and energy sources have always been a major concern for overpopulated developing countries like Bangladesh, where the number of consumers is significantly high relative to the amount of fossil fuels.

To address this rising concern, ICIEC is extending USD 36.22 million in DCIP coverage to Mashreq Bank in support of importing a liquid petroleum gas tanker into Bangladesh. The tanker will assist Bangladesh in enhancing its liquid petroleum gas infrastructure, thereby aiding Bangladesh

in increasing energy security for its businesses and citizens.

The development impact of this project is the bolstering of Bangladesh's energy infrastructure and furthering progress towards SDGs 8 and 9.

Project: Facilitating access to finance for Indonesia's SME mining sector



01/ Volume
USD 40 million



02/ Tenor
1 Year



03/ Product
Foreign Investment Insurance Policy (FIIP) for Equity



04/ Client
SIDRA Capital



05/ ICIEC Role
Provided USD 40 million in Political risk cover to SIDRA Capital, supporting a loan facility to PT MCT.

06/ Development Impact



SDG 8 – Decent work and economic growth



The development impact of this project is in supporting economic activity and mining jobs for Indonesian citizens in some of the country's most remote locations.

Context

The loan facility is used to fund transactions involving suppliers/ operators in Indonesia's mining sector and nickel trading. ICIEC support for the facility is intended to promote Islamic modes of finance in the country and bridge

the financing gap for local mining operators by helping SME mines gain access to funding. The facility is also expected to contribute to FDI, and foreign exchange flows into the member state.

The development impact of this project stems from ICIEC support for Indonesia's mining industry, supporting the trade and financing for the mining sector.

Project: ICIEC Reinsurance supports the manufacturing sector in Uzbekistan



01/ Volume
EUR 30 million



02/ Tenor
8 Years, 4 months



03/ Product
Inward Facultative Reinsurance Policy (IFRP)



04/ Client
Russian ECA, EXIAR



05/ ICIEC Role
Provided EUR 30 million in reinsurance cover to Russian ECA, EXIAR, for their policy with Russia Exim Bank (Roseximbank) for a loan facility to the Joint Stock Commercial Bank, Sanoat Qurilish Bank (SQB), a state-owned bank in Uzbekistan.

06/ Development Impact



SDG 8 – Decent work and economic growth
SDG 9 – Industry, Innovation, and Infrastructure



The development impact of this project is in supporting the automotive manufacturing industry in Uzbekistan.

Context

The proceeds are used for funding the construction of a Metallurgical Plant in Tashkent to produce cold-rolled metal for use in the automotive industry. Therefore, these products will replace the flat steel imports, thus

improving the country's Balance of Payments. The plant will have an annual production capacity of 500 thousand tons and create 672 new jobs. The transaction was executed under the framework of the Reciprocal Reinsurance

Agreement signed between ICIEC and EXIAR.

The development impact of this project is the fostering of job opportunities and enhancing infrastructure.

Project: Diiori Hamani International Airport



**01/ Volume
EUR 30 million**



**02/ Tenor
10 Years**



**03/ Product
Foreign Investment Insurance Policy (FIIP) for Equity**



**04/ Client
Summa Turizm Yatirimciligi**



05/ ICIEC Role
Provided EUR 30 million coverage to Summa for their equity investment in the renovation and expansion of the Diiori Hamani International Airport, Niamey.

06/ Development Impact

- SDG 8 – Decent work and economic growth**
- SDG 9 – Industry, Innovation, and Infrastructure**



The development impact of this project is in supporting the transport industry in Niger.

Context

The global supply chains and tourism sectors have been largely hit due to the COVID-19 crisis. It has been a greater challenge for the least developing countries as they battle to overcome their already existing economic crisis. The Government of Niger, as part of its strategic plan to upgrade transport infrastructure and enhance the economic develop-

ment of the country, awarded Summa "the Sponsor" a 30-year BOT PPP contract for the renovation and the expansion of the Diiori Hamani International Airport ("DHIA") in Niamey. DHIA will operate all scheduled commercial international and domestic air traffic for Niger, while providing the country with inbound and outbound cargo services. The

airport has employed more than 1,500 people during the construction phase and will be keeping 335 people during the operation phase.

The development impact of this project is in supporting economic activity through job creation and the betterment of transport infrastructure in Niger.

Project: ICIEC Covers AR Commodities Financing for Bank Muamalat Indonesia (KL Branch)



01/ Volume
USD 5.4 million



02/ Tenor
180 days



03/ Product
Bank Master Policy (BMP)



04/ Client
Bank Muamalat Indonesia Tbk (KL Branch)



05/ ICIEC Role

The Corporation issued the first Bank Master Policy (BMP) policy to a commercial bank in Malaysia, involving the Wakalah Bil Ujarah and Qard model under the Account Receivable (AR) financing.

06/ Development Impact

 **SDG 8 - Decent Work and Economic Growth**



The development impact stems from ICIEC support for trade and exports in Indonesia, indirectly supporting jobs and economic growth.

Context

The first transaction with the Bank Muamalat Indonesia (KL) Branch involved the Wakalah Bil Ujarah and Qard model under the Account Receivable financing. The transaction covered USD 5.4 million of export receivables or up to 75 % of losses resulting from commercial and country risks.

ICIEC support on export financing encourages the commodities exported from the Member States. Bank Muamalat Indonesia utilizes export receivables as security for the credit facility extended and backed up by ICIEC BMP. The BMP allows Bank Muamalat to increase its export financing capacity and relieve the financial risks of the

exporters.

The development impact of this project is in providing support to trade and exports, thereby indirectly fostering employment and economic development in Indonesia.

Project: Supporting the Mining Industry in Kazakhstan



Kazakhstan



01/ Volume
USD 7.6 million



02/ Tenor
3 years



03/ Product
Specific Transaction Policy (STP)



04/ Client
Eurasian Machinery B.V., Netherlands



05/ ICIEC Role
Provided four STP policies for USD 7.6 million covering the import of Hitachi excavators by Aluminium of Kazakhstan (AoK) from Japan.

06/ Development Impact



SDG 9 - Industry, Innovation, and Infrastructure



The development impact of this project is in supporting the import of goods for the development of Kazakhstan's mining sector.

Context

Kazakhstan has abundant mineral resources, including iron, coal, aluminium, gold, zinc, lead, manganese, uranium, bauxite, chromite etc. The mining sector's share in exports is estimated to be around 16% and in GDP around 14%. The transactions

were materialized under the scheme of "import of capital goods from non-Member States." New excavators will allow AoK to replace the aging equipment and increase the volume of production, hence will generate more revenues.

The development impact of this project stems from ICIEC support for Kazakhstan's mining industry, supporting the import of capital goods to boost the sector.

Project: Supporting the Green Projects in Egypt



01/ Volume
USD 56 million



02/ Tenor
3 years



03/ Product
Non-Honouring of a Sovereign Financial Obligation (NHSFO)



04/ Client
Sumitomo Mitsui Banking Corporation (SMBC)



05/ ICIEC Role
ICIEC has provided an NHSFO policy for USD 56 million covering the SMBC participation in the syndicated Green Term Loan arranged by Emirates NBD Capital Limited and First Abu Dhabi Bank PJSC, amounting to USD 1.5 billion in favour of the Ministry of Finance (MOF) of Egypt.

06/ Development Impact



SDG 7 - Affordable and Clean Energy



SDG 6 – Clean Water and Sanitation



The development impact of this project is in providing clean water and energy across Egypt.

Context

The Eligible Green Projects are expected to have significant positive impact on the environmental and social programs of Egypt. The projects include seawater desalination plants with the most energy-efficient technologies

that reduce water consumption and improve the efficiency of resources (such as collection, treatment, recycling, or reuse of water).

1.2 million people in four Egyptian governorates expect to have access to better sanitation and sewerage upon completion of the Sanitation and Sewerage Infrastructure Project.

02

**A NURTURING,
PROFESSIONAL
ORGANIZATION**

2.1. ICIEC AT A GLANCE

About ICIEC

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 48 countries which are members of the Organization of Islamic Cooperation (OIC)
- Authorized Capital Islamic Dinar ID 400 million (equivalent to USD 576 million) (1 ID = USD 1.39)
- Rated Aa3 by Moody's with a stable outlook for the 14th consecutive year
- Pioneer of Shari'ah-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 States.

Our Mission



To facilitate trade and investment between Member States and the world through Shari'ah-compliant risk mitigation tools.

Mandate



ICIEC's mandate is to promote cross-border trade and foreign direct investment (FDI) in its Member States.



ICIEC serves its mandate by providing risk mitigation and credit enhancement solutions to Member States' exporters selling to buyers worldwide and to investors from across the world investing in Member States.



ICIEC also supports international exporters selling to Member States if the transactions are for capital goods or strategic commodities.

Credit Insurance



Facilitates Member States' exports to the rest of the world.



Facilitates import of strategic and capital goods by Member States from non-Member States.

Investment Insurance



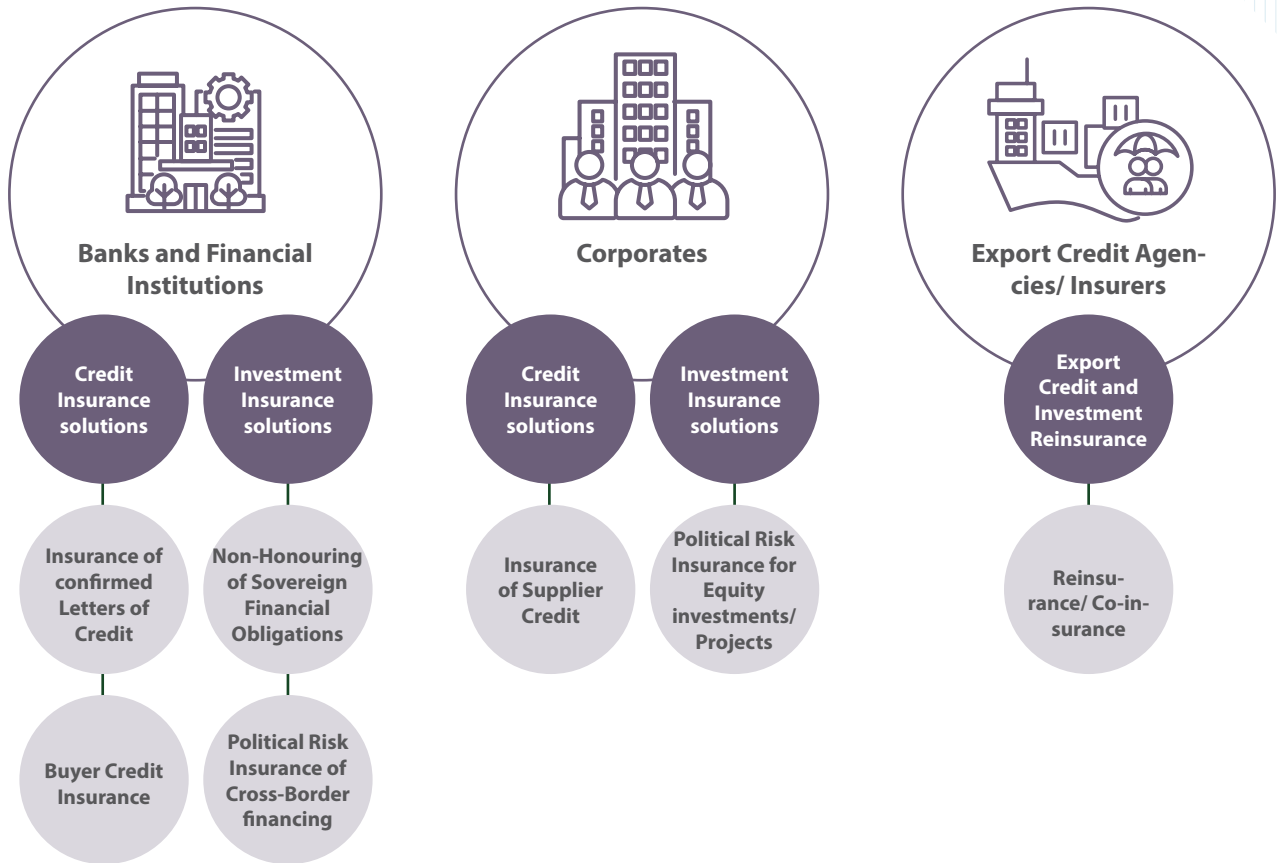
Facilitates the flow of foreign direct investment into Member States.

Intra-OIC Cooperation

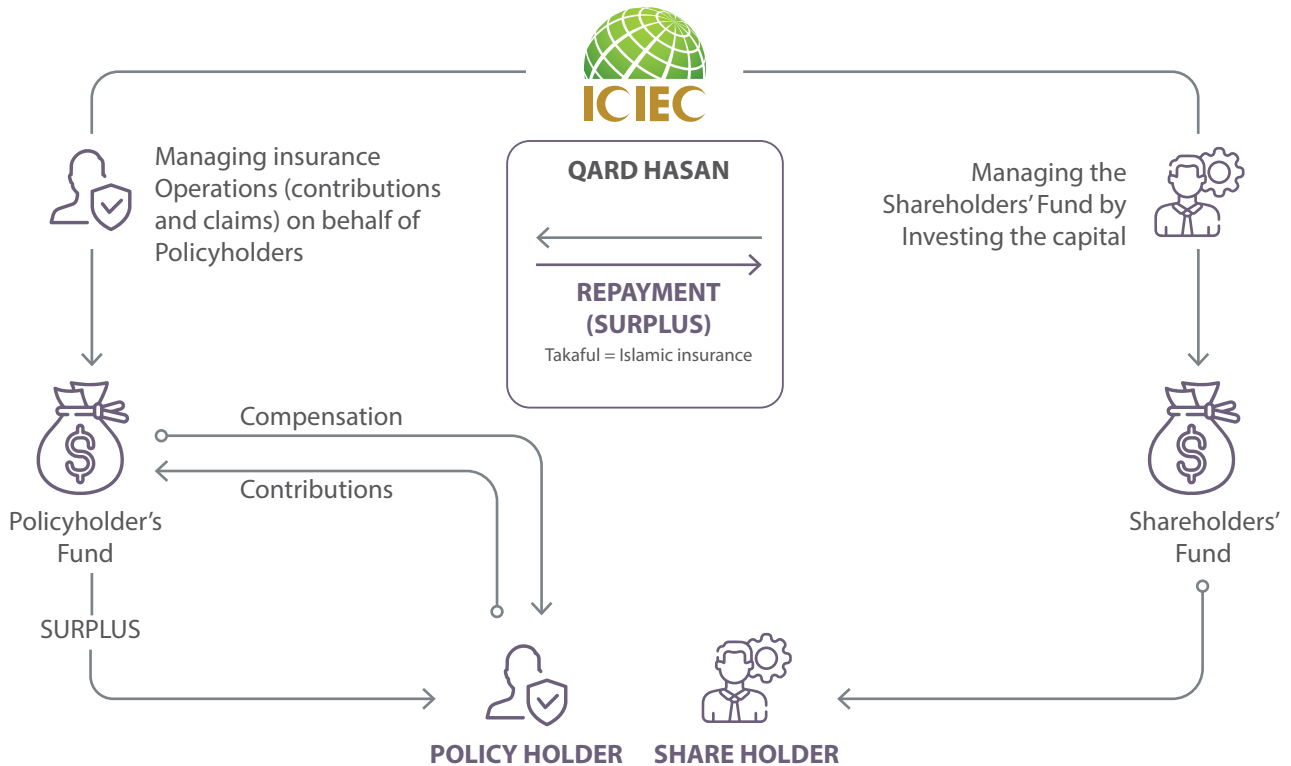


Facilitate trade, investment and information sharing between OIC Member States.

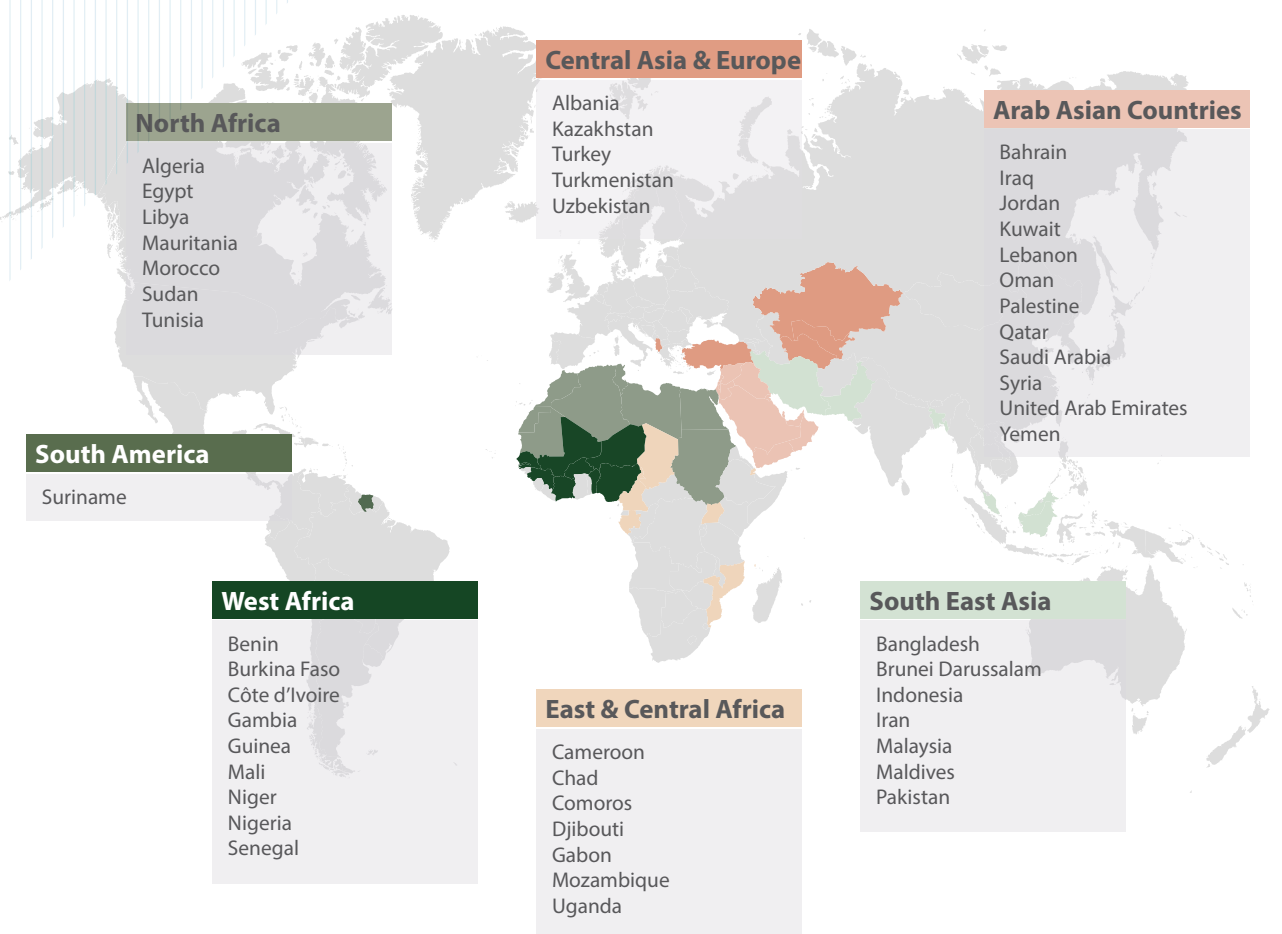
Trade and Investment Insurance Solutions







Takaful Business Model



Member States Utilization of ICIEC Services (Since Inception), Grouped by Region



(USD billion)	 Import	 Export	 Investment Outward	 Investment Inward
Central Asia & Europe	4.049	9.941	3.097	3.349
Southeast Asia	8.938	1.531	0.441	1.794
Arab Asian	16.407	36.824	2.392	1.492
East & Central Africa	0.714	0.212	-	1.391
North Africa	9.477	5.391	0.573	3.957
West Africa	3.421	0.100	-	5.194
South America	0	0	0	0
Total	43.005	53.999	6.502	17.176

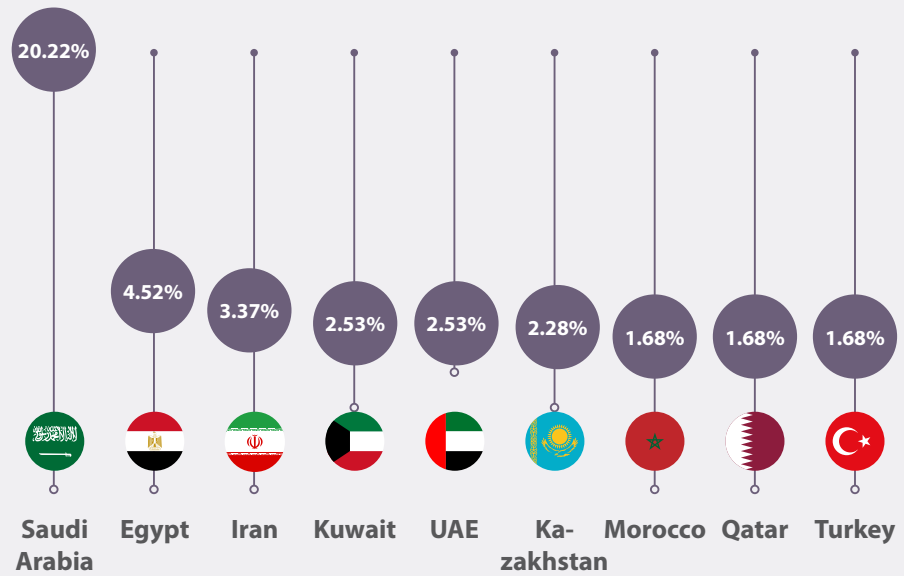
Gross utilization of ICIEC support since inception reached USD 166.62 billion from 134 countries; of which ICIEC MSs reached USD 120.68 billion

Shareholding

TOP 10 SHAREHOLDERS

51%
IsDB

41%



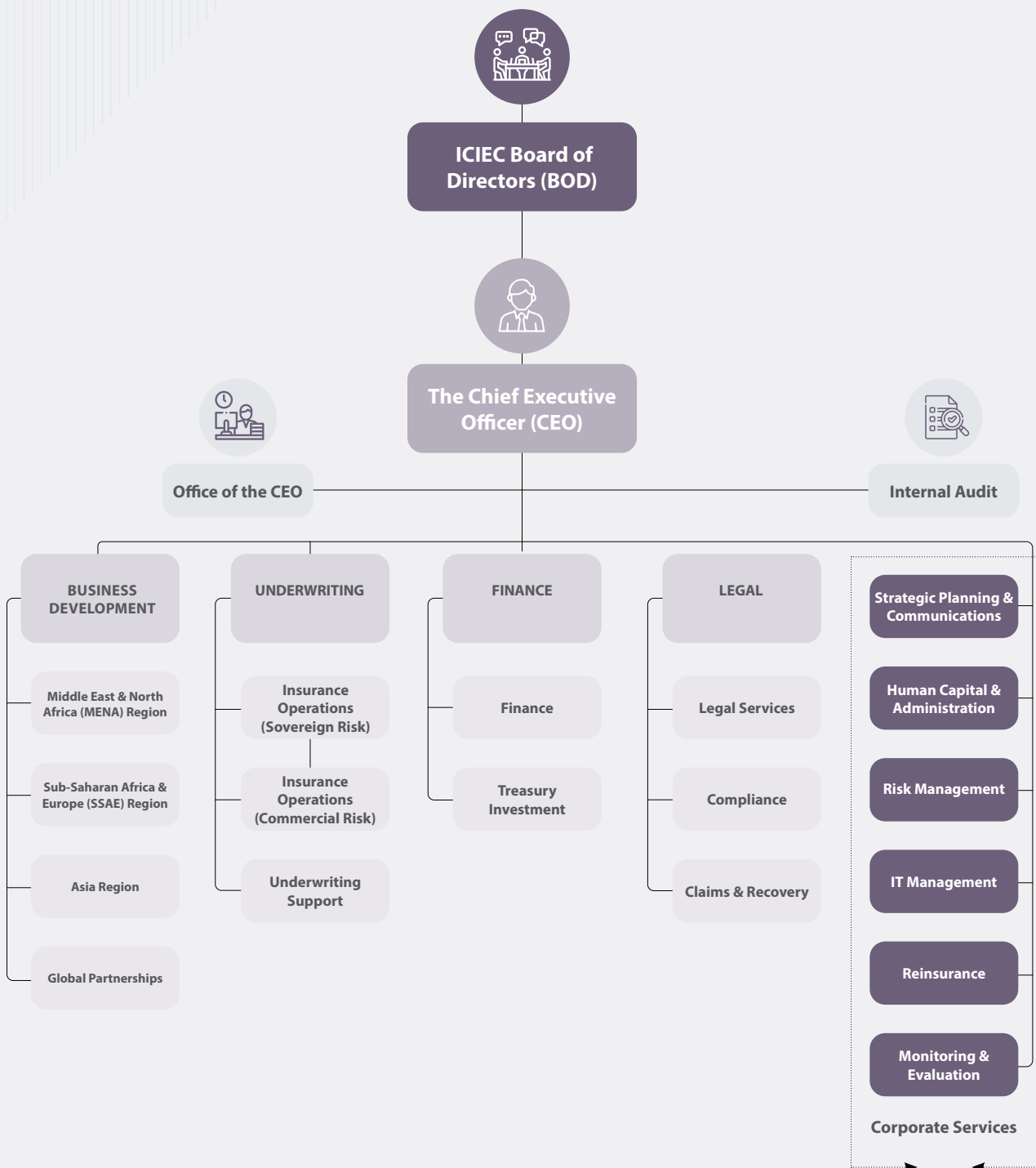
8%

Other Shareholders

Bahrain	1.27%	Turkmenistan	0.17%	Gabon	0.08%
Malaysia	0.92%	Iraq	0.17%	Guinea	0.08%
Pakistan	0.84%	Jordan	0.17%	Maldives	0.08%
Nigeria	0.74%	Lebanon	0.17%	Mali	0.08%
Libya	0.51%	Oman	0.17%	Mauritania	0.08%
Algeria	0.34%	Albania	0.08%	Mozambique	0.08%
Tunisia	0.34%	Benin	0.08%	Niger	0.08%
Yemen	0.34%	Brunei	0.08%	Palestine	0.08%
Burkina Faso	0.32%	Cameroon	0.08%	Senegal	0.08%
Sudan	0.25%	Chad	0.08%	Suriname	0.08%
Bangladesh	0.17%	Comoros	0.08%	Syria	0.08%
Indonesia	0.17%	Côte d'Ivoire	0.08%	Uganda	0.08%
Gambia	0.17%	Djibouti	0.08%	Uzbekistan	0.08%

Organizational Structure

ICIEC FUNCTIONAL STRUCTURE



Total number of employees

84



Number of female employees

12

2.2. CULTURE PEOPLE

This section describes ICIEC's culture and its collaborative and objective-oriented environment.

The top tier management was interviewed, and responses are summarized and quoted in this section.

At ICIEC, we are proud to have an ambitious and forward-thinking team. Our team's diversity is the key driver behind the Corporation's conquering its mandate. ICIEC's mandate resonates well with its staff. Given its positive impact on the Member States' economic and human development, staff members receive great satisfaction from their contributions. They take pride in contributing to our corporate strategy through different facets of our daily work.

We strive to provide our staff with continuous career development and retention programs. A learning culture is created by ensuring the staff members feel a sense of belonging and are valued for their opinions and ideas.

We institute best practices and adopt proven tools to enhance the work culture, including 360-degree feedback, network centrality assessment, and staff satisfaction surveys.

In addition, the annual development plans are tailored based on a well-thought training needs analysis exercise, carefully conducted in coordination with line managers and heads of functions.

We began implementing an ambitious and comprehensive Leadership Development Program to increase talent retention and identify and develop future leaders over the past few years. Those leaders who can be conducive to a positive working environment and contribute to setting the future roadmap of the Corporation.

We continue to foster and improve our collaborative culture and team competency through effective communication and team-building initiatives.

This section is a tribute to honour all our staff at the HQs and Regional Hubs, who continue to excel and achieve in service of our Member States and humanity.

Thank you!

Oussama Abdul Rahman KAISSI
Chief Executive Officer



Leadership

ICIEC's management promotes a culture of teamwork and collaboration across the Corporation. It focuses on building productive, high-performing teams that drive creative problem-solving. The Corporate strategy and business plans always ensure clear objectives for the cross-team collaboration with external and internal partners, including synergizing with all IsDB entities.

ICIEC follows a participative management style, in which the decision process is reinforced by forming management committees to review and approve transactions and find appropriate solutions for emerging concerns.

Success for ICIEC is attained by having inspiring leaders to achieve incremental and sustainable results, implement strategies, and actively engage staff members. The Corporation aims to have a clear and tangible developmental impact on its Member States by providing trade credit, investment, and sovereign finance insurance solutions. Having that footprint requires a solid financial position and achieving yearly business targets. The business volume and profitability targets are annually determined, and the individual targets of the personnel are defined and developed by the management through the KPIs system. KPIs are more than numbers; they enable us to understand the performance and

health of our business so that we can make critical adjustments in our execution to achieve our corporate strategic goals. Guided by ICIEC's vision and mission, teamwork has enabled the Corporation to achieve its defined targets and build strong and sustainable partnerships.

The corporate culture is built around cohesive interdependencies and accountability for results. These matrices are underpinned by openness and mutual respect. Management orientation is participative, fair, and results-driven.

Hassan Idris
Manager (Ag) - Legal Affairs



Teamwork and cooperation have been critical factors for the success of ICIEC during the last few years. With the increased expansion of ICIEC's physical presence in member states and the decentralization of business, systems are put in place to ensure everyone delivers and gets the necessary support on time.

Bessem Soua
Manager - Sub-Saharan Africa & Europe Division

Leadership

The ICIEC culture benefits from the high degree of diversity of the staff, with cumulative experience derived from different cultures and industries. The diversity brings a wealth of onboard knowledge, driving and contributing to the institution's achievements.

Mourad Mizouri
Manager - MENA Division



Success has a broad meaning in ICIEC; it compasses the achievement of the corporation results in the positive impact that ICIEC, as a multi-lateral institution, is having on the economies of MSs and the Muslim World.

Hassan El Amrani
Head - Internal Audit

Success in the ICIEC glossary is a lifestyle. The more successful you are, the more energetic you become to face new challenges. At ICIEC, success is not limited to specific goals, we focus on continuous development, and we strive to create new challenging targets after every milestone we achieve.

Sabah Al Harbi
Country Manager - MENA Division, HQ



Communication

Effective communication is one of the most critical factors in achieving the goals of an organization. ICIEC promotes a culture of open and direct communication. It adopts both top-down and bottom-up communication styles to encourage inclusi-

vity, cooperation, and transparency throughout the Corporation. ICIEC culture is inspired by the Shariah principles of humbleness, transparency, and dignity.

ICIEC's leaders are assertive communicators. They can express their honest thoughts politely and respectfully, considering others' opinions and feelings. They are also effective listeners and problem solvers.

ICIEC's communication style encourages an open-door policy where subordinates can approach their superiors with unfettered access. There are also formal communication channels, including weekly meetings and quarterly reporting.

Mohamud Khalif
Senior Manager, Underwriting



ICIEC is an open environment where all members work as one family, without any borders. The CEO's office is always available for all employees, and there are no layers of restrictions in the organization's structure.

Yasser Alaki
Senior Manager (Ag) - Business Development



ICIEC adopts various methods of communication with the team to benefit from their skills. This practice helps us better understand the team, increase productivity, reduce stress, and create better relationships with co-workers.

Rania Binhimd
Communication Planner

Learning

ICIEC cultivates a culture of continuous learning and development. The Corporation provides personalized in-house training to the ICIEC staff and partners. Annual Meetings and Retreats are organized annually to encourage product innovation, knowledge sharing, and industry best practices.

On-the-job training is one of the most valuable development tools that ICIEC provides to its new staff and colleagues from MSs ECAs, either directly or through the activities organized by the AMAN Union for its member ECAs. ICIEC also partners with specialized training providers and private insurance companies to implement its team training and development plans.

ICIEC's Risk Management Division conducts periodic risk awareness sessions to keep the staff and partners abreast of risk updates and ensuring the business is operating within the risk appetite of the Corporation.



Tailored workshops are conducted for the staff and leaders of the Corporation by external parties during the year. The team is rewarded appropriately based on the performance of the individual staff and the Corporation.

Rahmatnor bin Mohamed
Head - Reinsurance

The Corporation provides key retention programs to all staff members from all career levels, including learning opportunities, rewards, and work-life balance.

At ICIEC, the management makes sure that staff members are engaged, accountable, independent, feeling comfortable and open when they share their opinions and ideas. In close cooperation with a well-known consulting firm in leadership and change management, we have been developing the second line of leadership, discovering hidden talent and building our dream team that shares the same corporate vision.



Mahdi Abulhasana
Manager - Human Capital Management & Administration

Learning

ICIEC staff members continuously seek, share, and apply new knowledge and skills to improve individual and organizational performance. HCM is currently working on the processes to remove barriers and offer support systems to encourage learning and development experiences.

Nouf Ahmed Eid Al Harbi
Specialist - Staff Training & Development



Welfare

ICIEC's work has a positive impact on the morale of its staff. Staff members derive a great deal of satisfaction from the contribution made to the economic development and welfare of ICIEC's Member States. ICIEC exposes its staff to different managerial and technical training types, further increasing work satisfaction

and confidence. The Corporation was also able to efficiently manage and adopt new tools and working habits during the COVID-19 Pandemic.

Open communication with managers and fair evaluations during the performance evaluation contributes

much to employee motivation. Career planning is also one of the things that the Human Capital has been working on to improve staff engagement and retention.



ICIEC's staff members are positively impacted and are in tandem with the activities of the Corporation, as reflected in its developmental mandate. Improving the reward system was essential in bringing the best capabilities of the staff, which in turn enabled ICIEC to benefit significantly from its talent pool.

Tauhidur Rahman
Manager - Risk Management Division

Welfare

I have great satisfaction from my work and being exposed to new experiences unique to ICIEC. We contact many important decision-makers and can advise them on impactful projects. Our work can save many lives since ICIEC is a resource mobilizer for financing channeled towards projects such as the construction of hospitals and clean drinking water.

Huda Z. Hafzah
Business Coordination Specialist - Business Development



I am satisfied with the current work environment that positively impacts my engagement in ICIEC. I aspire to have a productive teamwork and work environment conducive to attracting and retaining the right talent and extracting the best performance and productivity from its staff.

Mohamad El Sayed
Manager - Information Technology Management

The ICIEC management's efforts to encourage female staff members and ensure their voices have increased our determination to work.

Fatma Gamze Sarioglu
Senior Country Manager - ICIEC Istanbul Office



ICIEC Training and Development Programs

The key function of the ICIEC's Human Capital Management (HCM) division is to strengthen staff members' technical skills and capabilities through training and development programs while encouraging them to progress in the

Corporation. In the next five years, the key priority of the HCM division will be to transform the Corporation into a lean organization that can provide more cost-effective and efficient services. ICIEC seeks to enhance the Corporation's compe-

tency-based approach to human capital and improve the recruitment, training, and performance management processes.

Annual Training and Development Plan

HCM will develop the annual training and development plan based on the training needs analysis exercise conducted with all managers and heads of functions. The proposed yearly training and development plan covers various topics, which include:

- Leadership Development Program
- AMAN Union and Berne Union specialized development programs
- Berne Union (Claims and Recoveries/Project Finance/Political Risk)
- Environmental, Social and Governance Risk Assessment
- Islamic Finance and Takaful System
- Compliance and Legal Awareness
- Core Credit and Political Risk Insurance Training program in partnership with renowned global universities
- Risk Management and Credit Rating
- Exchange programs in Credit and Political Risk and Underwriting
- Reporting & Business Writing Skills
- General Management and soft Skills
- Information Technology Technical Courses

As part of ICIEC's staff development program, the Corporation engages with the Aman Union and Offenburg University for professional certifications to develop staff members' as per the industry standards.

Leadership Development Program

One of the strategic goals of ICIEC is to prepare the second generation of leaders to ensure business continuity at the required level of excellence. ICIEC seeks to enhance the efficiency of the Corporation's leadership by implementing the Leadership Development Programs – a series of leadership training and workshops. The Leadership Development Program is part of a broader comprehensive succession planning program that will aid ICIEC in filling critical positions with the most capable top-performing candidates.

The capacity building of the staff at the HQs and regional hubs will be further enhanced through specialized training programs and appropriate coaching to fill any gaps in competencies and be able to handle the additional responsibilities.

2.3. CUSTOMERS/ PARTNERS

EXPORT CREDIT AGENCIES & INSURANCE COMPANIES



MULTILATERAL & INTERNATIONAL FINANCIAL INSTITUTIONS



ASSOCIATIONS



2.4. GOVERNANCE AND RISK MANAGEMENT

ICIEC corporate governance structure comprises key authority layers that guide the operations of ICIEC. All powers of the Corporation are vested in the Board of Governors (BOG), which comprises the ministers in charge of finance or economy of the 48 Member States of ICIEC. Each Member State appoints a governor and one alternate. The BOG delegates most of its powers to the Board of Directors (BOD), which plays a crucial role in providing corporate direction and oversight to ICIEC executive management. The BOD has established the Audit and Risk Committee with streamlined responsibilities on audit, risk, and financial matters as set out in its charter. The BOD and Audit and Risk Committee meet regularly to review and decide on a key strategy, policy matters, and general oversight of the Corporation.

In addition, the executive management team led by the CEO manages the day-to-day operations of ICIEC. The corporate governance architecture in ICIEC is enabled by internal policies, efficient structures, systems and procedures, risk-aware culture, compliance monitoring, risk management, as well as Board oversight.

The Boards have demonstrated commitment and support to ICIEC's mission, strategy and goals through the adoption of best practices, strong internal controls and the maintenance of effective corporate governance. This includes robust due diligence in the underwriting and investment functions as the 'first line of defence', supported by strong risk management and compliance as the 'second line of defence', with audit acting as the 'third line of defence'.

Risk Management

The COVID-19 pandemic continues to create harsh economic and human challenges across ICIEC operating countries and the business environment. Undoubtedly, the pivotal role of risk management helped the corporation to successfully navigate the crisis period while upholding its strong credit profile thus far. ICIEC aims to consolidate the achievements made so far by strengthening the risk management practices and architecture to support the achievement of the 10-year strategy. The Risk Management Division shall be guided by a strategy to safeguard business continuity, achieve sustainability, optimize the utilization of capital with a forward-looking risk-based capital planning while enhancing the overall performance of the corporation through an automated and tailored ERM architecture.

ICIEC's core risk stems from (i) underwriting of trade credit and political risks through the Policyholders' Fund (PHF); (ii) investment operations of its Shareholders Fund (SHF); (iii) counterparty risks arising from outward reinsurance of its insurance exposure. Other risks arise from its

overall activities in diverse and complex forms being a specialized multi-lateral insurer (SMI).

The ICIEC Risk Management function was set up to strengthen the core risk functions by institutionalizing a systematic risk-based approach for the Corporation's strategic direction, the growth trajectory for its business and operations. This balanced risk management process is adopted to ensure long-term financial sustainability, upkeeping its credit fundamentals, and maintaining standard all-time basis solvency.

ICIEC has recently made significant strides to strengthen its risk management paradigm and achieved appreciable milestones. The progress achieved was quite significant and timely with the advent of the COVID-19 pandemic in the spring of 2020, negatively impacting the Credit and Political Risk (CPRI) Industry and heightening credit risk defaults amongst corporates and financial institutions. Throughout the pandemic period, ICIEC took a balanced approach, supporting Member States in combating the pandemic whilst maintaining a sound portfolio with robust risk management, prudent underwriting, and loss minimization efforts. This was further enhanced by the strong follow-up and prudent monitoring using effective risk management capabilities and management's timely intervention in strategic key points supported by IsDB Group synergy.

ICIEC's Strategic Risk Priorities (2021-2024)

The Corporation's target of implementing a fully-fledged Enterprise Risk Management (ERM) architecture, as an enabler to achieving their strategic goals, sets the foundation for the priorities for the coming 5-years risk strategy. The ERM framework will be bespoke and forward-looking, tailored towards ICIEC multilateral status and a self-regulated business model adapted by the COVID-19 paradigm shift and new ways of doing business.

A comprehensive Risk Management Plan was put in place in 2018 to align with the 10-year strategy of the Corporation. The plan has since been revised in consonance with the 5 years mid-term strategy review. The strategic risk priorities of the Corporation for the next five years (2021–2024) includes: the implementation of an ERM framework thereby establishing a structured and integrated approach towards managing risk in the core business processes; embedding the Risk Capital Model as the center of financial risk paradigm; establishment of an Exposure Management Framework as the basis for risk-based limit setting; developing a risk-based pricing model; enhancing risk parameters, recalibrate Probability of Default (PD) and Loss Given Default (LGD) models and create dynamic risk dashboard; implementation of a robust Stress Testing Framework and Own Risk and Solvency Assessment (ORSA) to maintain all-time solvency and strong capitalization aligned with target rating; undertaking Counterparty Credit Risk Assessment for Investments and Reinsurance partners; deployment of extensive digitalization of processes, reporting, quantitative modelling-monitoring tools and Key Risk Indicators (KRIs) to flag emerging risks; strengthening risk governance and role of risk function to implement the transformation agenda in building a robust risk culture across ICIEC; enhancement of Expected Loss (EL)

measurement process and portfolio reserving aligned with IFRS-9 and IFRS-17; development and implementation of an Operational Risk Management (ORM) framework; and enhancement of risk monitoring and reporting to ensure that risks are consistently monitored and reported.

Key Achievements of ICIEC from Risk Management Perspective

In accordance with the plan to strengthen the risk management function, approved by its Board of Directors, ICIEC undertook various initiatives to enhance its risk management practices. Subsequently, several activities and initiatives were embarked upon, which have contributed significantly to the realignment of strategic objectives of the Corporation in managing risks throughout the crisis period and during the recovery phase. Some of the major milestones of ICIEC that have contributed to the strengthening of its risk management include the development and implementation of models and frameworks viz: *Risk Management Framework, Risk Capital Model, Exposure Management Framework, Portfolio Reserving*.

Other policies and initiatives that have enhanced the Corporation's risk management processes and practices include, amongst others, the application, for the first time, a *Risk Appetite Statement (RAS)* which articulates in written form the aggregate level and types of risk that the Corporation is willing to accept, or to avoid, in order to achieve its business objectives; development of *ICIEC Liquidity Policy* towards managing liquidity risk that provides guidelines for identifying, measuring, controlling, monitoring, and reporting liquidity risk in a consistent manner across the Corporation; origination of an internal *Country Risk Rating Model* for Member and Non-Member States; preparation of *Risk Management Perception*





(RMP) as management handbook for all operating countries. The RMP highlights the risk trigger events to provide a quick view of high-level risk management guidelines shaped by the Risk Appetite of the Corporation in the structure of brief country risk analysis reports, and revamp of *Country Risk Assessment (CRA)* report. The CRA report provides the broader aspects of the upside and downside risks relating to trade and investment and its impact on political risk perils idiosyncratically as well as commercial risks of the country.

Moody's affirmation of 'Aa3' Insurance Financial Strength Rating (IFSR) with a 'Stable' outlook for the 14th consecutive year reflects the solid improvements in the financial position and risk governance of the Corporation. Moody's Press Release also highlights that the standalone credit quality of ICIEC has strengthened over the recent years with its highly-liquid invested portfolio and strong capital adequacy. The standalone rating is systematically supported and bolstered by the significant enhancement of ICIEC risk management capabilities through the gradual establishment of its Enterprise Risk Management Framework. Going forward, ICIEC reiterates its endeavor to maintain and bolster its rating through enhancing capitalization levels, further strengthening risk management, improving profitability, and enhancing portfolio quality and diversification.

05

**GLOBAL
TRENDS
AND
OUTLOOK**

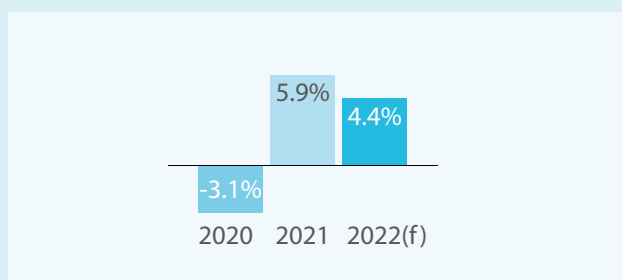
3.1. GLOBAL ECONOMIC GROWTH

The global economy continues to recover, albeit at an imbalanced pattern with slow momentum. While parts of the global economy are rebounding quickly, others are at risk of being left behind, particularly

lower-income countries where vaccination rates are low, including firms and employees in contact-intensive sectors where demand has yet to recover fully. The recovery momentum achieved after reopening is now

easing in many countries amidst persisting supply bottlenecks, rising costs, and the continued impacts of the pandemic. These factors make the outlook more uncertain and raise considerable policy challenges.

Global Economic Growth



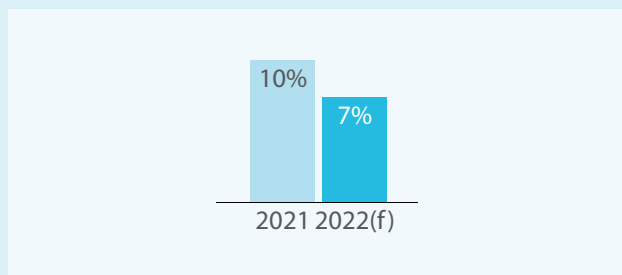
*GDP growth

ICIEC MSs Economic Growth



Most of the ICIEC MSs are expected to grow positively in 2022 with sizeable downside risks and challenges compared to advanced economies.

Global Trade Growth



*Year-on-year growth

Investments Growth



Recovery of investment flows to developing countries is encouraging, but the stagnation of new investment in the least developed countries is a concern.

Global Economic Outlook

IMF's World Economic Outlook (January 2022) expressed the revised outlook about the global economy with projected moderate growth of 4.4% in 2022 after estimated growth of 5.9% in 2021 and a contraction of -3.1% in 2020. The projections of the output growth for advanced economies are expected to be strengthened by 3.9% in 2022, with elevated inflation of 3.9%. In Emerging Markets and Developing Economies (EMDEs), GDP growth is projected at 4.8% in 2022, with inflation of 5.9% in 2022. The IMF has also revised the growth projection for the United States and Chinese economies to 4.0% and 4.8%, respectively, in 2022.

Global Trade Outlook

Despite the COVID-19 imposed disruptions, trade volumes are expected to grow by about 7% in 2022 following the estimated growth of 10% in 2021 in line with the projected broader global recovery.¹

The WTO (November 2021) upgraded its forecasts for trade in 2021 and 2022 as the resurgence of global economic activity in the first half of 2021 lifted merchandise trade above its pre-pandemic peak. Subsequently, the WTO predicted global merchandise trade volume growth of 10.8% in 2021 and a 4.7% rise in 2022. Global FDI rebounded strongly in 2021, up 77% to an estimated USD 1.65 trillion, from USD 929 billion in 2020, surpassing the pre-COVID-19 level.

1. International Monetary Fund (IMF), World Economic Outlook, October 2021

Global Risks

The global risk dynamics continued to be marred by the continuing effects of the COVID-19 pandemic, particularly with the latest emergence of the Omnicom variant, on travel, supply chain disruptions, continued lockdown, and other restrictions measured and the financial effect of the health expenditure on fiscal sustainability. At the same time, other global risks scenarios remained heightened, including geopolitical tensions, ongoing climate emergencies, risks to the financial stability of major corporates, and the already high debt levels and their implications for fiscal space, particularly for emerging and developing countries.

ICIEC's Member States Economic Outlook

It is expected that post-pandemic recovery will continue in 2022. However, this rebound will mask great variations in the pace of recovery across different regions. The uneven divergence in economic prospects across countries remains a major concern for collaboration on global challenges, particularly in emerging-market and developing economies. These economic divergences are a consequence of large disparities in vaccine access and policy support. The latest data reveals that only 12 MSs have administered full vaccination on over 60% of the total population. Global trade, tourism, remittances flow, and volatile oil price are the driving factors contributing to the downside risks. Slow progress in vaccine rollout and the continued spread of new virus mutations in some MSs would result in a weaker recovery, high unemployment, supply-chain disruptions, domestic political conflicts, and rising poverty. Extreme poverty is at critically high levels in some MSs. Tackling rising poverty is a prerequisite for achieving sustainable social and economic development.

3.2. ICIEC GLOBAL 5 MEGATRENDS

ICIEC's review of global trends is summarized into five key megatrends impacting global trade and will be shaping the next year. These are: efforts to curb COVID-19 and its impact on trade, climate change ramifications, widening inequality, global geo-political tensions, and the ever more significant role of technology in trade.

1. Pandemic measures

Despite the COVID-19 imposed disruptions due to containment efforts and lockdowns, are expected to grow by about 7% in 2022 following the estimated growth of 10% in 2021 in line with the projected broader global recovery.²

2. Climate change

There is a long-term risk management problem posed by climate change. Eliminating carbon-intensive businesses, which employ millions of people, would raise economic instability, unemployment, and social and geopolitical conflicts.

3. Widening economic gap

According to IMF Economic Outlook January 2022, there is still a wide disparity in economic prospects across nations, even as recovery continues. Even while the developed economies are expected to get back to pre-pandemic levels of production in 2022, numerous emerging markets and developing nations are expected to suffer significant output losses over the medium term. As many as 70 million people are expected to have been living in severe poverty in 2021, a level that is several years behind the pre-pandemic norm.

4. Global political tensions and global trade impact

- Energy supplies, commerce, and policy collaboration are threatened by geopolitical conflicts in Eastern Europe and East Asia. The spike in food and energy costs is partly to blame for the recent resurgence of social discontent, which had been on the decrease earlier in the epidemic.
- In addition, many of the tariff hikes implemented in 2018–19 are still in effect, and cross-border technological frictions are still an issue. All of these factors raise the possibility of new obstacles in the way of a full recovery.

5. TradeTech and global trade impact

Transactions and interactions between clients, brokers, underwriters, insurers, reinsurers, and claims providers will be seamless at the insurer of the not-too-distant future. TradeTech (digital security, transaction integrity, digital letters of credit), related fintech solutions (cryptocurrencies, digital payment gateways), digital supply chain solutions are all driving trade efficiencies.

Global Mega-trends Shaping Trade in 2022

1. Pandemic measures

2. Climate change measures

3. Widening economic gap

4. Global political tensions

5. TradeTech

2. International Monetary Fund (IMF), World Economic Outlook, October 2021

Key Trade Tech - Current to Long term³

Present

- Letters of credit (LCs) are the conventional paper-based commercial financing method.
- Supply chain and manufacturing optimization for profit.
- The use of paper in traditional trading adds to transaction processing complexity.
- Global trade transactions used to be financed and cleared by banks.

Near Future

- As buyer-seller trust grows, FinTechs, non-bank financial institutions, and institutional investors join the market.
- Digital supply chains' integrated ERP systems connect suppliers and buyers.
- NBFIs and FinTechs platforms connecting ERP systems to financiers.
- Multinational clients build wholly-owned subsidiary that finances retail purchases from the parent firm.

Long Term

- Digital e-commerce exchanges connect the whole trade ecosystem for paperless processing and financing.
- 3D printing and IP will become increasingly important business drivers.
- The digitalization of the industrial supply chain will connect the whole commerce ecosystem.

³. DinarStandard analysis



3.3. GLOBAL TRENDS IMPLICATIONS FOR ICIEC



Supporting Digital Transformation - OIC Business Intelligence Centre (OBIC)

The ICIEC-led OIC Business Intelligence Centre (OBIC) initiative will play a key role in enabling MS digitization of the credit ecosystem that will ultimately facilitate further cross-border financing. Cross-border credit registry connected credit bureau services, data compilation, and coordination are all part of the OBIC initiative's business intelligence database. OIC member nations at various stages of credit reporting maturity will be offered advising and Capacity Building Programs services by OBIC to help them establish contemporary systems of credit reporting in accordance with the OBIC.

Leveraging Trade Finance Resurgence

As the epidemic continues to affect the global economy, there is a vast and persistent trade financing deficit, estimated by some to be as much as USD 6.5 trillion.⁴ The necessity for organizations like ICIEC, which provide exporters, growing companies, and projects with risk management services, will thus continue in the future. ICIEC can employ its full capacity to help companies and investors in times of uncertainty by safeguarding them from economic and political risks.

Enabling New Global Value Chains

Global supply chain shifts are to be expected as enterprises decrease perceived risks by re-shoring manufacturing and shortening supply networks. Rethinking trade ties, global value chains, and supply networks will have a significant impact on the competitiveness of many businesses as well as governments. ICIEC is well-positioned to take advantage of these shifting priorities and support new supply-chain linkages.

Continue Developing Innovative Product Offerings and Strategy

In 2019, new business in the credit and political risk insurance (CPRI) market grew slowly, mirroring the general slowdown in trade and investment. ICIEC is anticipated to utilize its risk management and innovation capabilities to aid in the recovery and diversification of its Member States. It is projected that the need for risk insurance coverage for both stock and medium-term debt will rise as the trade and investment climate continues to improve despite increased risk.

4. <https://www.sc.com/en/feature/global-trade-now-faces-a-us3-4-trillion-financing-gap/>



OIC MEMBER STATE OUTLOOK AND PROJECTIONS

The COVID-19 pandemic has resulted in a mild contraction in the overall economy of OIC Members States, which are predicted to rebound with an estimated GDP growth rate of 9.9% in 2022 from a deceleration of 3.02% in 2021 (from a growth of almost 4% in 2020).⁵ However, OIC countries are facing a bigger strain on trade relative to the world given the pandemic-led trade disruptions resulting in a higher trade deficit than the rest of the world average.

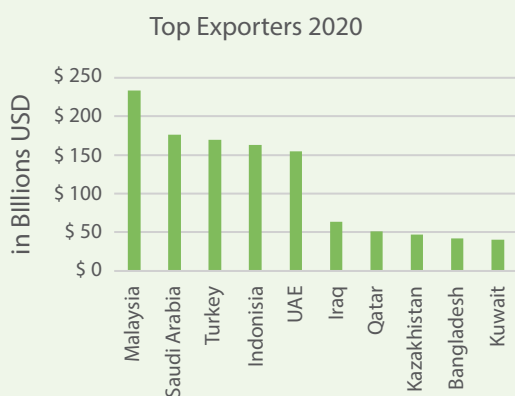
⁵ SESRIC, *OIC Economic Outlook 2021*

4.1. OIC TRADE AND INVESTMENT OUTLOOK

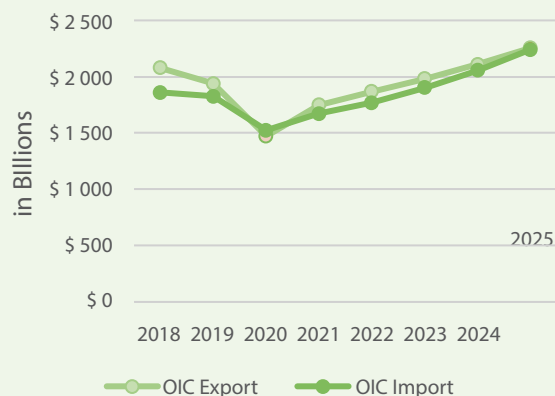
The pandemic had a greater negative impact on exports of OIC countries in 2020 than on the rest of the world-- a decrease by -7.8% for the rest of the world in contrast to -24% for OIC. Further adding to trade deficits was that OIC imports remained high with a decrease of 16.51% (USD 1.52 trillion).⁶

FDI (Foreign Direct Investment) flows to OIC nations also declined, recording USD 100 billion in 2020 (a 12.5% decline) from USD 114 billion in 2019, following a similar trend as the developing countries. OIC countries now account for 10% of global FDI, the highest percentage increase since 2005.⁷

Top 10 OIC Exporting Countries 2020



OIC Import and Export Projections⁸



Top OIC exporters in 2020 were Malaysia (USD 233 billion), followed by Saudi Arabia (USD 176 billion) and Turkey (USD 169 billion). The top 3 exporters accounted for 40% of the aggregate OIC exports. In the context of the top 5 exporters, they account for 62% of the aggregate OIC exports. These top 5 countries are Middle Eastern and South-East Asian countries, and this shows the concentration of OIC exporters in those regions.⁸

DinarStandard's OIC projections show that by 2025, imports will reach USD 2.24 trillion, and exports will reach USD 2.26 trillion.⁹

6. DinarStandard analysis based on WTO, IMF and UNCTAD data

7. SESRIC, *OIC Economic Outlook 2021*

8. DinarStandard analysis

9. DinarStandard analysis

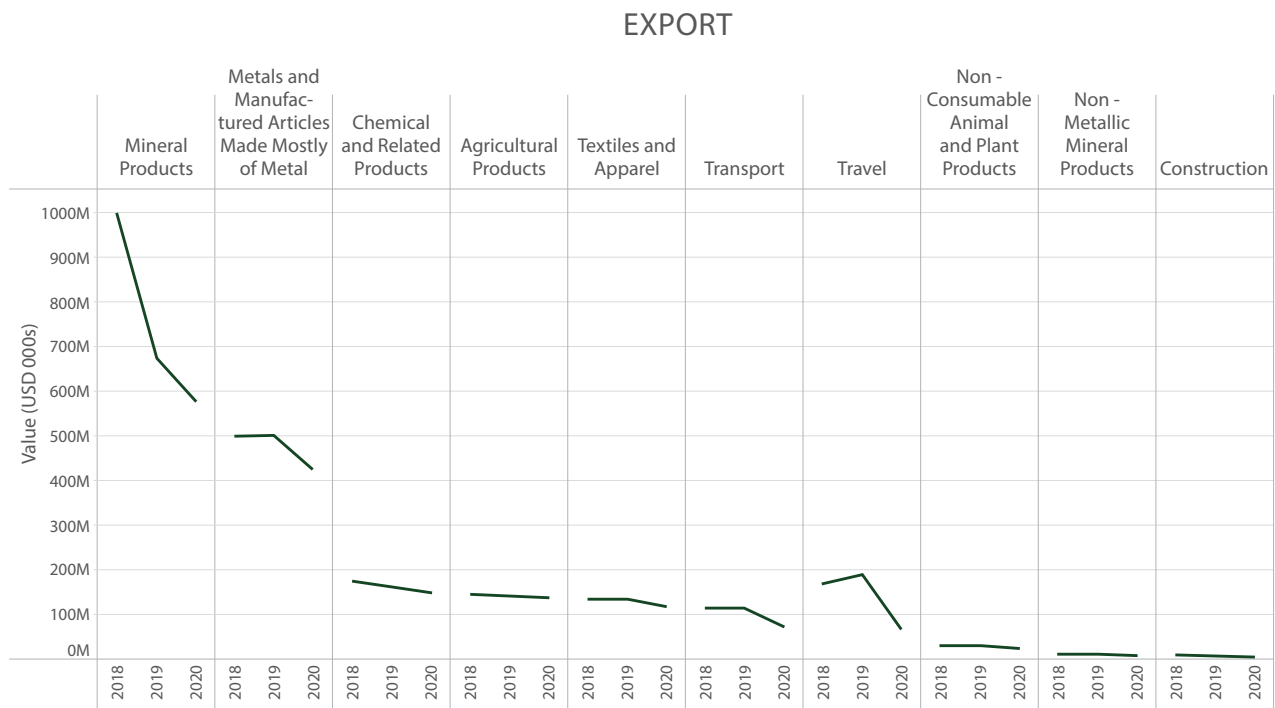
4.2. OIC INDUSTRY CLUSTERS AND OPPORTUNITIES

While OIC countries trade has suffered from the COVID-19 pandemic, its key opportunities are nevertheless anchored around its

strongest performing export industry clusters. Each industry 'cluster' represents several sub sectors and a full value-chain of upstream

to downstream components per sub-sector.

Top 10 OIC Industry Export Clusters



As is evident from the visualization, the top 5 export clusters were Mineral Products, Metals, Chemical and Related Products, Agricultural Products, and Textiles and Apparel. The Agricultural Products industry seems to be the most resilient and promising one even during the pandemic.

ICIEC sees supporting these key OIC Industry clusters growth as a strong opportunity. For instance, given big focus on food security by MSs, tremendous opportunities exist across the related industry cluster working together with other partner entities such as ITFC, IOFS (Islamic Organization of Food Security) and others.

Within the OIC food and agriculture cluster, 9 sub-clusters have a total USD 158 billion current export value (2019), with strong growth momentum. ¹⁰

10. DinarStandard analysis

OIC Food and Agri - 9 Strongest Sub-Clusters with USD 158 Billion Export Value (2019)



158 Total Exports
USD billion

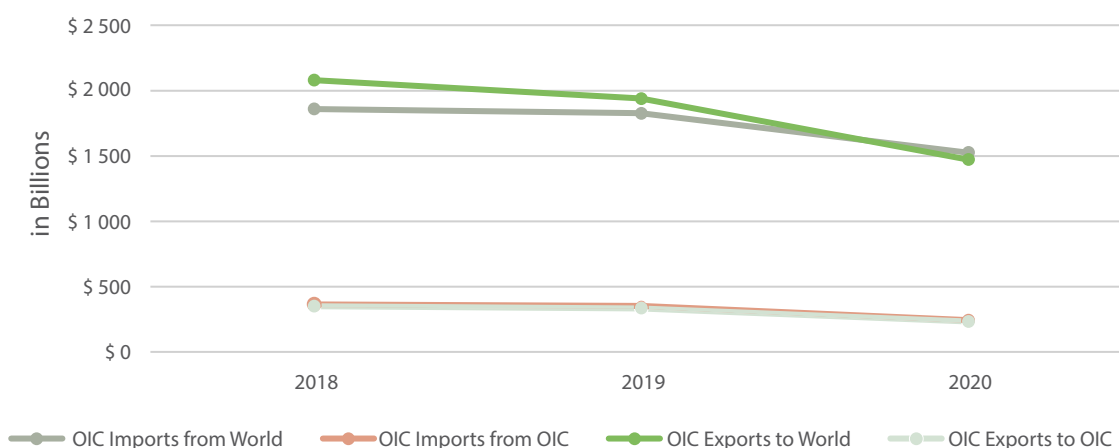
4.3. INTRA OIC TRADE

As expected, OIC trade with rest-of-world is far greater than Intra-OIC trade. Intra-OIC trade comprised of USD 232 billion exports and USD

243 billion imports in 2020.¹¹ Both the OIC exports and imports to the world were affected during the pandemic as they decreased by 24%

and 16.5% respectively. In contrast, Intra-OIC exports and imports recorded a decrease of 30.3% and 30.6% respectively.¹²

OIC Trade Snapshot



For the top 10 OIC importing countries, all of them had China as the main exporter in 2020, except in the case of Morocco. China is followed

by the United States of America in terms of export volume to OIC countries. In terms of Intra-OIC trade, **United Arab Emirates, Saudi Ara-**

bia, Malaysia, Indonesia, and Turkey are the major exporters to top 10 OIC importing countries.¹³

Top 10 OIC Importers and Their Origin of Imports

Importers	1st Top Supplier	2nd Top Supplier	3rd Top Supplier	4th Top Supplier	5th Top Supplier
Turkey	China	Germany	Russia	USA	Italy
Malaysia	China	Singapore	USA	Japan	Taipei
UAE	China	India	USA	Japan	Germany
Indonesia	China	Singapore	Japan	USA	Malaysia
Saudi Arabia	China	USA	UAE	Germany	India
Egypt	China	USA	Saudi Arabia	Germany	Turkey
Nigeria	China	USA	India	Netherlands	Belgium
Bangladesh	China	India	Singapore	Hong Kong	Indonesia
Pakistan	China	UAE	USA	Indonesia	Saudi Arabia
Morocco	Spain	China	France	USA	Turkey

In 2020, Turkey was the biggest Intra-OIC exporter. A total of USD 43.7 billion was exported by the country. UAE came in second with a total market of USD 32.3 billion, followed by the Indonesia (USD 20.2 billion).

In fourth place was Malaysia, with a total of USD 19.2 billion, followed by Saudi Arabia with USD 19.1 billion. Turkey and United Arab Emirates accounted for 32.6% of total intra-OIC exports in 2020. If the other top 3

intra-OIC exporters are included, these top 5 accounted for 57.8% of intra-OIC exports in 2020.¹⁴ These may be indicators of these countries playing anchor role for driving the intra-OIC trade.

11. World Bank, ITC Trade Map data

12. DinarStandard analysis

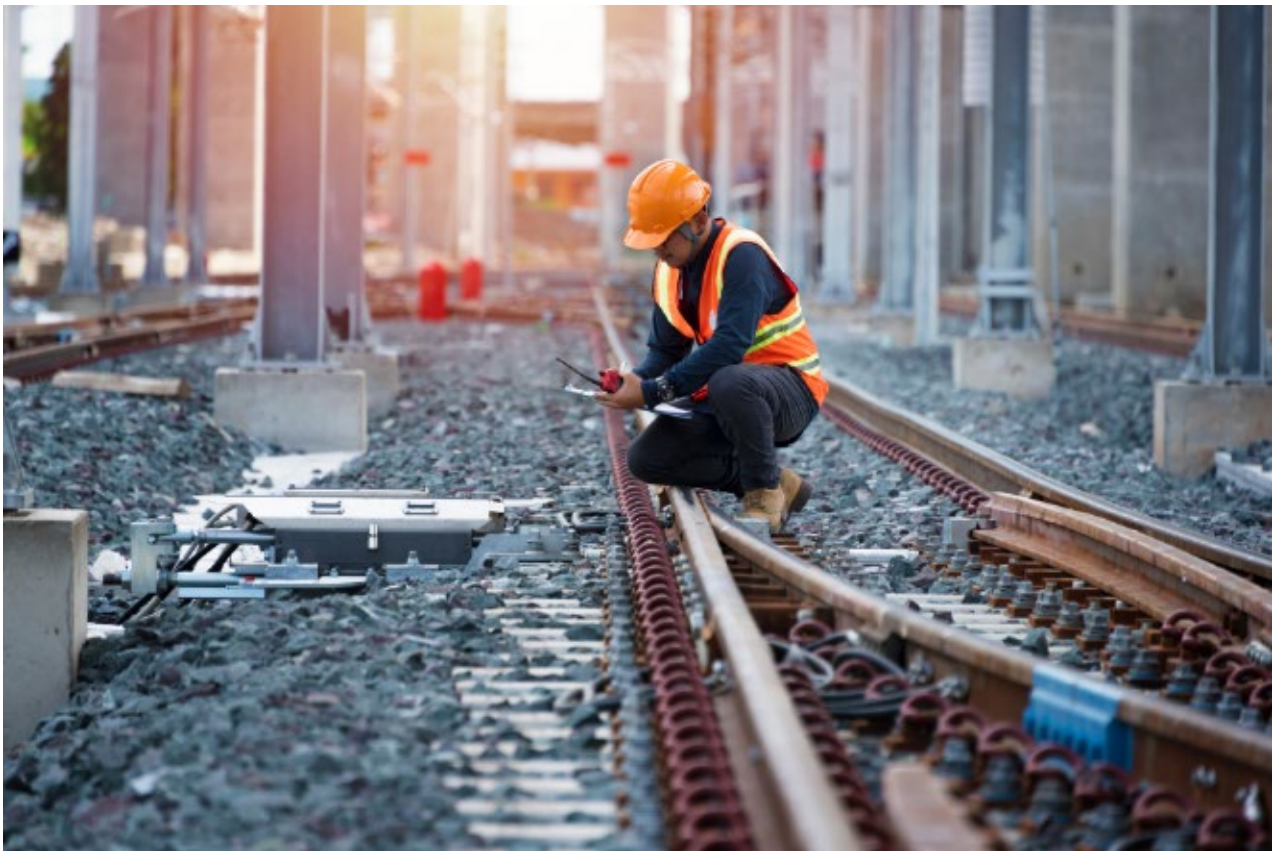
13. DinarStandard analysis

14. DinarStandard analysis

4.4. ICIEC IMPLICATIONS – OIC TRADE/ INTRA-OIC TRADE OPPORTUNITIES:

As OIC Member States suffered a higher net-trade loss relative to the rest of the world past year, ICIEC's contribution in facilitating trade growth becomes ever more critical. This would be especially relevant by focusing on OIC Member States that are struggling with their exports and not just the top 5 exporting countries that represented 62% of OIC exports past year.

Another key area of opportunity for ICIEC is focusing on the top 5 industry clusters of the OIC, especially those which are showing strong signs of resilience, such as food and agriculture.



05

**2021
STRATEGIC
DEVELOPMENTS**

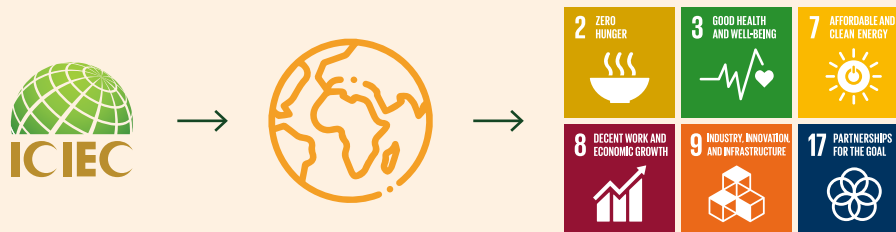
5.1. IMPACT DEVELOPMENTS

SDG Impact

The United Nations Sustainable Development Goals (SDGs) have been a central tenet of ICIEC operations since they were introduced in 2015. ICIEC firmly believes that trade and investment facilitation is an effective vehicle to achieve the SDGs.

ICIEC contributes to the achievement of the SDGs in three keyways. First, it contributes to the Islamic Development Bank Group's 10-Year Strategy (2015–2025), which is aligned to the SDGs. Second, the ICIEC mandate is to support sustain-

able economic development in its Member States through the provision of its services. Third, ICIEC acts as a catalyst for private sector capital to be mobilized and directed towards achieving the SDGs.



The Corporation's dedication to supporting sustainable development is shown through the projects and transactions ICIEC chooses to insure, the events the Corporation participates in, the corporate initiatives it pursues, and the products and ser-

vices it provides. ICIEC ensures that its commitment to reaching the SDGs is thoroughly embedded in everything it does, both internally and externally. The Corporation most prominently supports six SDGs with its activities,

namely SDGs 2-Zero Hunger; 3-Good Health and Well-being; 7-Affordable and Clean Energy; 8-Decent Work and Economic Growth; 9-Industry, Innovation and Infrastructure; and 17-Partnerships for the Goal.



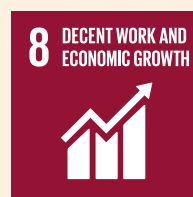
2 ZERO HUNGER
Committed to achieving food security in its Member States through strategic partnerships. Supporting the imports of essential agricultural commodities, imports of modern agricultural machinery, and access to financial services.



3 GOOD HEALTH AND WELL-BEING
Responding to urgent healthcare needs exacerbated by the global pandemic through ensuring foreign investments in health infrastructure and providing cover for the import of strategic health commodities, otherwise deemed too risky.



7 AFFORDABLE AND CLEAN ENERGY
Expanding insurance support for the development of modern and sustainable energy services through mitigating political and commercial risks associated with required infrastructure investments and exports.



8 DECENT WORK AND ECONOMIC GROWTH
Advancing economic growth, increased economic productivity and employment creation by facilitating strategic investments in the Least Developed Member States (LDMSs) and promoting export businesses to grow internationally.



9 INDUSTRY, INNOVATION, AND INFRASTRUCTURE
Mobilizing funds for large capital-intensive infrastructure projects in Member States such as building bridges, airports and state-of-the-art medical facilities. Improving access to finance for SMEs and encouraging infrastructure investments through risk mitigation instruments for banks and medium/long-term financing.



17 PARTNERSHIPS FOR THE GOAL
Collaborating with Member States, banks, investors, corporates, national Export Credit Agencies (ECAs), and other development finance institutions. Transactions that would otherwise be deemed too risky are realized through ICIEC's strong network of partners.

ICIEC's Annual Development Effectiveness Report

ICIEC published the 4th edition of the Annual Development Effectiveness Report (ADER) in 2021. The ADER records and displays the developmental impact of the Corporation's activities. It highlights ICIEC's contribution to the SDGs, outlines its commitment to its Least Developed Member States (LDMSs), presents key projects in the Corporation's history and gives an overview of the Corporation's development results since inception.



Partnering for Impact

ICIEC has forged new partnerships and strengthened existing ones to achieve its SDGs and support Member States' international growth. Demand is growing for guarantees in OIC markets where credit and political risks pose a greater challenge. By working jointly with Export Credit Agencies (ECAs), banks, and the reinsurance market, ICIEC and its partners can increase the reach and depth of service offerings to support Member States. Since its inception, ICIEC has successfully established and maintained over 149 partnerships with ECAs, reinsurers, banks, and other multilaterals (2021). The 46th Annual Meetings of the IsDB Group held in Tashkent, Uzbekistan, from 1-4 September 2021 resulted in several agreements between ICIEC and key global entities.

Member State Partnerships



Reinsurance agreement with Saudi Eximbank

(2nd Sep, 2021)

A Strategic partnership was established with Saudi EXIM Bank through signing two landmark Facultative Reinsurance Agreements (FRA). The agreements aim to support exports development in Member States. Under the FRAs, ICIEC will provide Credit Reinsurance Cover to the Saudi Exim Banks. It will provide Shari'ah-compliant reinsurance covering up to 70% of Saudi Exim Bank exposure under a Documentary Credit Insurance Policy issued to the Saudi Banks. The agreement enables commercial banks to expand their exposure on international banks which will boost Saudi exports. Moreover, the solutions provided by ICIEC open new markets for Saudi exporters and encourage Saudi investments to execute projects in Member States as well. ICIEC's ultimate objective is to effectively contribute to the ambitious Saudi Vision 2030 and its published targets to increase non-oil exports.

Reinsurance agreement with KazakhExport

(28th Oct, 2021)

ICIEC signed a Quota Share Reinsurance Agreement with the State Export Credit Agency of Kazakhstan (KazakhExport). With the Agreement, ICIEC will provide reinsurance capacity to KazakhExport for its increasing number of export credit insurance transactions.



Partnership with Islamic Food Processing Association (IFPA)

(2nd Sep, 2021)

ICIEC signed a Strategic Partnership Agreement (SPA) with the Islamic Food Processing Association (IFPA), a subsidiary of the Islamic Organisation for Food Security (IOFS). The two entities aim to promote OIC agri-food projects, trade, and investments.

The SPA will provide ICIEC and IFPA with a general framework for collaboration including attracting and promoting investment in agribusiness and food security; collecting due diligence, KYC and credit search documentation of prospective customers; referring potential clients; promoting joint marketing and promotion activities; and boosting the involvement of SMEs in agri/food business.



MoU with Islamic Organisation for Food Security (IOFS)

(29th June, 2021)

ICIEC signed an MoU with the Islamic Organisation for Food Security (IOFS). Collaborative efforts will focus on areas of mutual interest with a specific focus on attracting and promoting investment into the agriculture and food sector. A comprehensive MoU was also signed by the two entities in person during the 46th Annual Meetings of the IsDB Group held in Tashkent, Uzbekistan from 1-4 September 2021.

Possible future collaborations may also include the promotion of knowledge sharing, capacity-building workshops, joint research on food security in OIC member states, facilitating South-South or intra-OIC cooperation through the utilization of Reverse Linkage programmes and ICIEC trade credit and investment insurance solutions.



MoU with Uzbekistan Investment Promotion Agency (UzIPA)

(24th June, 2021)

ICIEC signed an MoU with Uzbekistan Investment Promotion Agency (UzIPA), to promote foreign investments that contribute to economic and social development in the Republic of Uzbekistan. The partnership between the institutions follows the signing of a Partnership Strategy for 2018-2021 between the Government of Uzbekistan and ICIEC parent organization, IsDB. The MoU also enhances information exchange efforts, such as foreign investment plans in the country, training, and capacity building.



MoU with BANK OF AFRICA BMCE Group.

(25th Jan, 2021)

ICIEC signed an MoU with BANK OF AFRICA BMCE Group to support trade and investment in Member States. Through this agreement, the two parties have decided to join their efforts in facilitating trade and financing sustainable and social infrastructure projects throughout Africa. This agreement also offers a solid base of collaboration in the private and public sector related projects to consolidate the Moroccan-based bank's positioning as a key player in trade and investment in Africa.

Non-Member State Partnerships



MoU with Nippon Export and Investment Insurance (NEXI)

(29th Nov, 2021)

ICIEC signed a Memorandum of Understanding (MoU) with Nippon Export and Investment Insurance (NEXI). Under the new MoU, ICIEC and NEXI plan to strengthen and expand the strategic partnership in greenfield projects being significant to Japan and the ICIEC Member States, in alignment with ICIEC's mandate and NEXI's strategy. The two entities are particularly interested in jointly supporting greenfield projects in the Middle Eastern, Central Asian, and African countries for which ICIEC may assist NEXI in its due diligence process, including on-site due diligence. The aim is also to leverage ICIEC's extensive local knowledge and networking in Member States in Asia, Sub-Saharan Africa, and the MENA regions..



Reinsurance to EXIAR: First Transaction concluded in Uzbekistan

(4th Sep, 2021)

ICIEC extended a EUR 30 million reinsurance support to EXIAR for the construction of Tashkent Metallurgical Factory, Uzbekistan, which will produce steel for the automotive industry and create over 600 jobs. ICIEC and EXIAR signed a reciprocal reinsurance agreement on 4th Nov 2015 to cooperate in ICIEC's Member States. As one of ICIEC's 48 Member States, Uzbekistan is a country with great potential for trade and investment, sitting in a strategic position between China and Europe and endowed with abundant natural resources.

MoU with KUKE

(28th Jan, 2021)

ICIEC signed an MoU with KUKE, the national Export Credit Agency (ECA) of Poland. The MoU is designed to strengthen the existing collaborative efforts between the two insurance providers, enhancing their capacity to support trade and investment between Poland and ICIEC's 48 Member States. In addition, the MoU encourages further forms of cooperation, including reinsurance and knowledge sharing.

Islamic Finance Impact

ICIEC is the only multilateral Export Credit Agency (ECA) in the world offering and promoting Shari'ah-compliant export credit and investment insurance solutions in the world. ICIEC remains dedicated to growing the Islamic finance industry through its product offerings, partnerships, and participation in international events aimed at deepening the awareness of Islamic finance and its benefits. As one of the pioneers in providing Takaful insurance, ICIEC's commitment to Islamic finance is central to both its operations and mandate.

Partnership with IFN

ICIEC helps to promote awareness of Islamic finance internationally through its partnership with Islamic Finance News (IFN), where ICIEC serves as a Multilateral Strategic Partner for IFN's numerous conferences. These IFN events are integral to the proliferation of Islamic finance globally as they stretch across many continents, bringing together thought leaders, Islamic finance professionals, and parties who are interested in entering the market.

Global Islamic Finance Awards (GIFA)



The Global Islamic Finance Awards (GIFA) honoured ICIEC with the 'Global Islamic Export Credit and Political Risk Insurance Award 2021' for helping the post-COVID recovery of the Corporations' Member States and their economies.



Impactful Projects

ICIEC has actively leveraged its strategic partnerships to support its Member States expanding trade and investments globally through financing and reinsurance. These projects also prove ICIEC's commitment towards achieving the SDGs. This section highlights some of the projects ICIEC is currently supporting to enable its Member States' economic growth and intra-OIC trade.

Construction

Construction of the Eastern Road and 5 Bridges in Côte d'Ivoire

ICIEC insured **USD 45.3 million (EUR 40 million)**, part of USD 129 million (EUR 114 million) of the facility's total value.

Construction

Rehabilitation of a wastewater collector in Dakar, Senegal

ICIEC is providing **USD 56.7 million (EUR 50 million) in guarantee cover** as part of a USD 143 million (EUR 126 million) facility to Société Générale.



Energy

Expanding the telecommunication network in Uzbekistan

ICIEC is insuring a total of **USD 50 million** in Specific Transaction Policy for transactions between two of China's largest telecommunications equipment manufacturers and Uzbekistan's state-owned telecommunication operator.



SME

Supporting SME trade finance in Uzbekistan

ICIEC is extending **USD 50 million in cover** to ICBC Standard Bank Plc for a finance line to Sanoat Qurilish Bank (SQB) in Uzbekistan to strengthen private sector exports. **ICIEC is also providing USD 30 million in Bank Master Policy (BMP)** to Bunge S.A., Switzerland, as part of an effort to support Uzbekistan's SMEs in importing capital goods and equipment.



Social Impact

Supporting rural access to education and medical facilities in Senegal

ICIEC is providing a **USD 92 million (EUR 81 million) Non-Honouring of Sovereign Financial Obligations (NHSFO) policy** to support a leading Moroccan contractor and developer "Jet Contractors" in financing the construction of six university campuses under the Republic of Senegal's Ministry of Education sponsorship.

Social Impact

Facilitating investments into the rehabilitation of a center for disabled individuals in Cameroon

ICIEC is providing **USD 20 million in credit enhancement cover** to its partner, BMCE Bank of Africa, to rehabilitate a center for disabled individuals in Cameroon.



Trade

Promoting exports of coal from Indonesia and other Member States

ICIEC has provided cover for a Bank Master Policy (BMP) to FIM Bank favouring Adani Global, ensuring the procurement of coal from Indonesia and other ICIEC Member States.



Trade

Facilitate the import of strategic goods from Arab countries to ECOWAS member states

The Bank Master Policy (BMP) provided by ICIEC assists BA-DEA's and BMCE Bank of Africa's participation in syndication with the International Islamic Trade Finance Corporation (ITFC) and BMCE Bank of Africa. The policy was issued in 2021.

5.2. EFFICIENCY DEVELOPMENTS

In order to maximize ICIEC development effect, it is critical that it becomes more efficient. Effort is needed to guarantee that the SDGs are met by 2030 and that Member States be helped in their recovery from the epidemic. ICIEC structure, operational procedures, and personnel competencies are all being improved to maximize resources and increase the ability to accomplish the remainder of ICIEC's strategic goals.

Peer Benchmarking

Benchmarking provides insights into how well the Corporation is doing in relation to its competitors. Information on the most recent developments in industry technology and process trends is also gleaned via benchmarking. When it comes to continuous improvement, the ICIEC uses benchmarking to identify areas

where the Corporation falls short of industry best practices, which helps prioritize areas where the Corporation may need to concentrate in order to boost productivity and reduce costs.

Innovating Technology to Improve Productivity

ICIEC's development prospects are being bolstered by technical advancements that offer the ability to expand the organization's reach and enhance its operations. It is possible to reduce the cost of business transactions while simultaneously boosting efficiency and effectiveness by using new technology, such as enhancing the end-to-end automation of business operations. ICIEC has been looking for methods to use the newest industrial technologies to improve operational efficiency. In 2020, the Corporation under-

took a comprehensive update of its Operations Manual and is currently in the process of automating and streamlining its end-to-end business solution. In the second quarter of 2022, the ICIEC Takaful System (ITS) will go live. It is ICIEC's goal to combine InsurTech with ITS in order to offer additional value in areas such as customer interactions, underwriting and reinsurance, claims management, exposure and pricing. ICIEC is examining the operational potential to connect InsurTech with ITS.



5.3. RESILIENCE DEVELOPMENTS

ICIEC has recently made significant strides to strengthen its risk management paradigm and achieved appreciable milestones. The progress achieved was quite significant and timely with the advent of the COVID-19 pandemic in the spring of 2020, negatively impacting the Credit and Political Risk Industry (CPRI) and heightening credit risk defaults amongst corporates and financial institutions. ICIEC is continuing to strengthen the Corporation's resilience by enhancing risk and capital management, to safeguard fiscal sustainability.

Advancements in Risk Management and Reinsurance

Throughout the pandemic period, ICIEC took a balanced approach, supporting the Member States to combat the pandemic while maintaining a sound portfolio with robust risk management, prudent underwriting, and loss minimization efforts. Undoubtedly, the pivotal role of Risk Management helped the Corporation to successfully navi-

gate the crisis period and uphold its strong credit profile thus far.

This was further enhanced by the strong follow-up and prudent monitoring using effective risk management capabilities and the management's timely intervention in strategic key points supported by the IsDB Group Synergy.

Key Achievements of ICIEC from Risk Management Perspective

In accordance with the plan to strengthen the risk management function, approved by its Board of Directors, ICIEC undertook various initiatives to enhance its risk management practices.

Subsequently, several activities and initiatives were embarked upon, which have contributed significant-

ly to the realignment of strategic objectives of the Corporation in managing risks throughout the crisis period and during the recovery phase. Some of the major milestones of ICIEC that have contributed to the strengthening of its risk management include the development and implementation of models and frameworks.

ICIEC Strategic Risk Priorities (2021-2024)

The Corporation's target of implementing a fully-fledged Enterprise Risk Management (ERM) architecture as an enabler to achieving its strategic goals sets the foundation for the priorities for the coming Five-Year Risk Strategy. The ERM framework shall be bespoke and forward-looking, tailored towards ICIEC's multilateral status and self-re-

gulated business model adopted by the COVID-19 paradigm shift and new ways of doing business.

A comprehensive Risk Management Plan was put in place in 2018 to align with the 10-year strategy of the Corporation. The plan has since been revised in consonance with the 5-Year Mid-Term Strategy Review.

Growing Capital – Growing Impact

Timely access to capital is a key determinant of the Corporation's credit rating. This, in turn, is a key enabler for the achievement of its objectives and mandate. Accordingly, ICIEC is

obliged to ensure both strong capitalization and efficient use of capital across its various activities. Despite the disruptions posed by the global pandemic, ICIEC has taken a ba-

lanced approach and has been able to maintain the Corporation's strong credit rating.

Aa3 Moody's Credit Rating for 14th Consecutive Year

Moody's Investor Services (Moody's) affirmed ICIEC Aa3 Insurance Financial Strength Rating (IFSR) rating for the 14th consecutive year with a stable outlook.

The rating affirmation reflects ICIEC's improvements in the stand-alone fundamentals as well as the continued support stemming from its shareholders, the Islamic Development Bank (IsDB, AAA stable), and multiple sovereign members of the Organisation of the Islamic Cooperation (OIC).

Diversifying products

To optimize capital, ICIEC seeks to maintain a relevant product mix that addresses needs and builds on trends. The success of an organization and its long-term impact on beneficiaries and the economy is

shown through how well their products and services are meeting real needs. ICIEC product offerings aim to serve the needs of a wide range of international clients, including banks and development finance ins-

titutions, corporates, peer ECAs, and private insurers. Several innovative products have recently been under development and are currently at various stages of deployment.



5.4. ISDB SYNERGY DEVELOPMENTS

COVID-19 has had a devastating effect on the economies of its Member States, and IsDB Group understands their limited capacity to cope and promises them its unshakable support to overcome the crisis together and create a brighter future.

The ICIEC-ISFD COVID-19 Emergency Response Initiative (ICERI)

In order to better serve the Member States and assist them in recovering from the detrimental effect of COVID-19, ICIEC has created collaboration initiatives with IsDB Group Entities. Credit and political risk insurance is being provided by ICIEC to maintain imports of key commodities, the value of assets, and reduce the degree of turbulence.

How does it Work?



IsDB Group Vaccine Facility

As part of IsDB Group as part of SPRP 2.0, ICIEC is contributing to the IsDB Group Vaccine Initiative (IVAC), supporting Member States in accessing the COVID-19 vaccine. For its part, ICIEC is providing risk mitigation

solutions to international financial institutions through its Credit and Political Risk Insurance products, facilitating additional resource mobilization from the international market.

ICIEC is offering its services throughout all the four phases of the vaccine facility: development, manufacturing, procurement, vaccine delivery.

Webinars

ICIEC has engaged in webinars with key partners to roll out COVID-19 response measures and funding, discuss the impact of COVID-19 on IsDB Member States and make plans for the continued support of those in need.

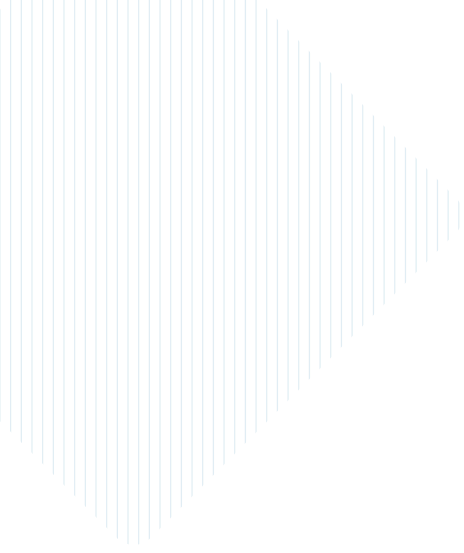
The IsDB Group Private Sector Action Response to COVID-19: The IsDB Group Private Sector entities also presented immediate joint action response and the outlook to combat the COVID-19 pandemic.

Impact of COVID-19 on the Insurance of Investment and Export Credit for Strengthening Intra-OIC Trade and Investment: Discussed the role and experiences of insurance and export credit agencies (ECAs) in OIC countries, as well as the insurance sector response to the COVID-19 pandemic.

Introducing AATB's Investment Pillar to Financial Institutions and Partners: Building Investment Bridges Between Arab and African Countries: Discussed key investment, trade and insurance pillars designed to improve trade between Arab and African countries and activities involving the growth of trade in the two regions.

The Role of Credit and Political Risk Insurance in Resource Mobilization in the Post-COVID-19 Era: Discussed how PRI, in combination with key industry players, can support the recovery of global trade and investment.

The Role of ICIEC in attracting PPP Investments in the Post-COVID-19 Era: Discussed how ICIEC supports sustainable PPP projects and to shed the light on the role of Governments, MDBs, ECAs and Private Sector Business Partners by identifying the linkages and drivers of investment and trade.



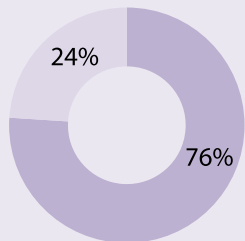


BUSINESS PERFORMANCE

6.1. SUMMARY OF OPERATIONS

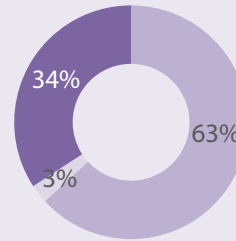
USD 000s, Current Year 2021

Total Business Insured



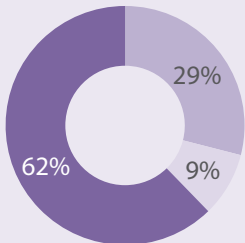
USD 9.79 billion
 ↓ 1% YOY change

New Insurance Commitments



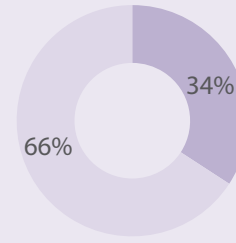
USD 3.08 billion
 ↓ 23% YOY change

Total Exposure



USD 4.21 billion
 ↑ 28% YOY change

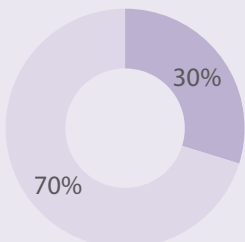
Total Premium Income



USD 79 million
 ↓ 3% YOY change

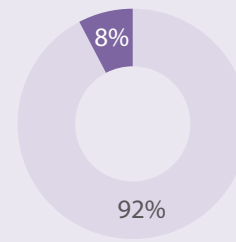
● Short-term ● Medium-term ● Investment

Claims Paid



USD 3.86 million
 gross claims paid

Recoveries



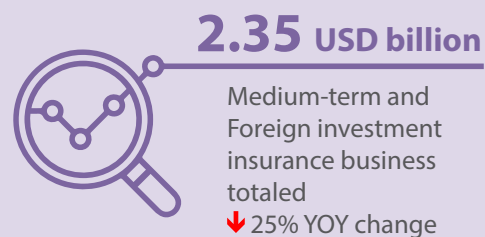
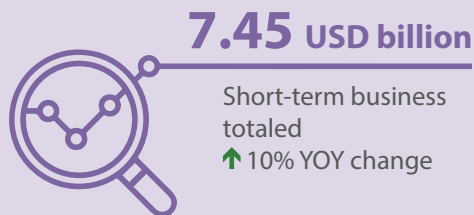
USD 5.98 million
 amount recovered

● Fronting ● Inward Reinsurance

● Direct Business ● Fronting and Inward Reinsurance

6.2. BUSINESS INSURED

Business insured (actual utilization of insurance commitments) by ICIEC during 2021 totaled **USD 9.79 billion** compared to USD 9.86 billion in 2020, a minor 1% decrease. However, ICIEC achieved 117% of the target for business insurance this year, mainly contributed by short-term businesses insured.



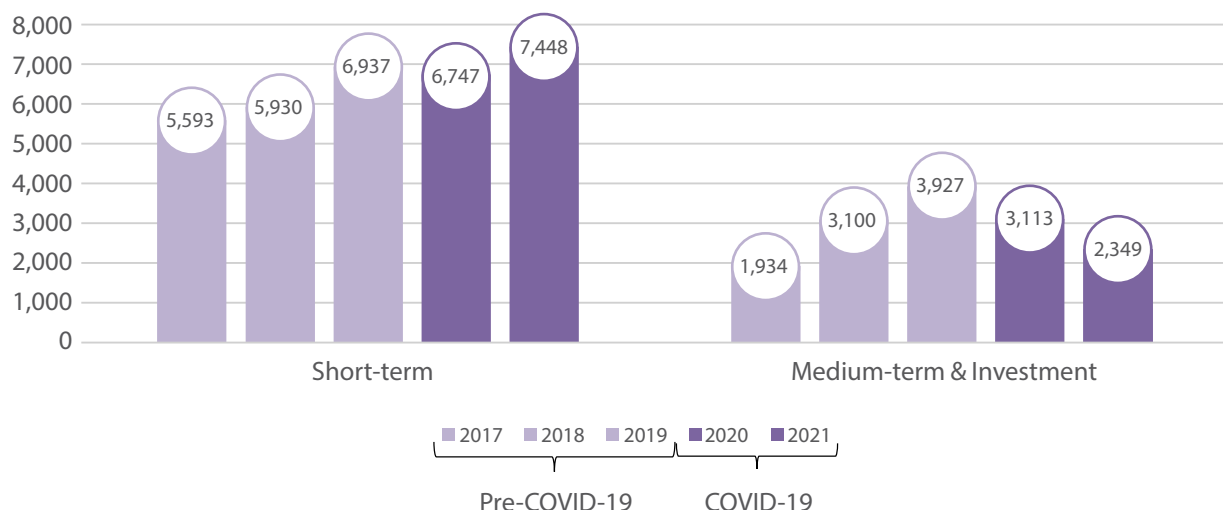
Individual business lines: In terms of the three business lines, during 2021 and compared to 2020, the short-term business insured increased by 10% from USD 6.75 billion to **USD 7.45 billion**. While the combined medium-term and foreign investment insurance business insured decreased by 25% from USD 3.11 billion in 2020 to **USD 2.35 billion** in 2021.

The short-term business line has achieved 139% of its set target for 2021, while the medium-term and foreign investment insurance lines of business were able to realize 78% of their targets for the period.

Portfolio mix: The Short-term business line contributed significantly to achieving a higher target of business insured in 2021, **76%** of the

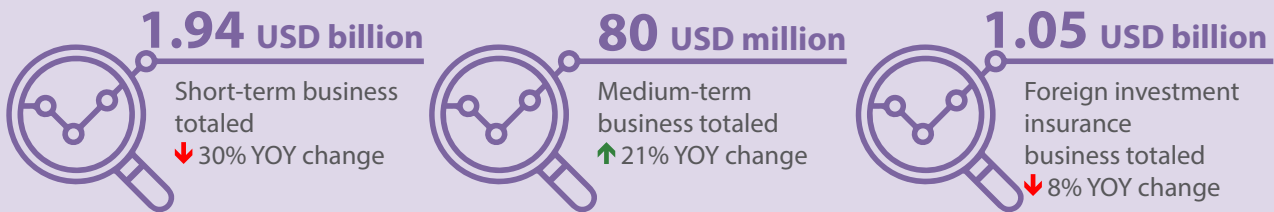
total business insured. The short-term business had an increased share in the portfolio than the same period last year (68% share in the previous period). The share of the medium-term business, on other hand, decreased substantially from 12% to 1%, while the share of the foreign investment insurance increased from 20% in the previous period to **23%** this year.

Business Insured Over the Last 5 Years (USD Million)



6.3. NEW COMMITMENTS

New commitments (new insurance approvals) during 2021 stood at **USD 3.08 billion**, compared to USD 3.98 billion in the same period last year, registering a decrease of 23%.



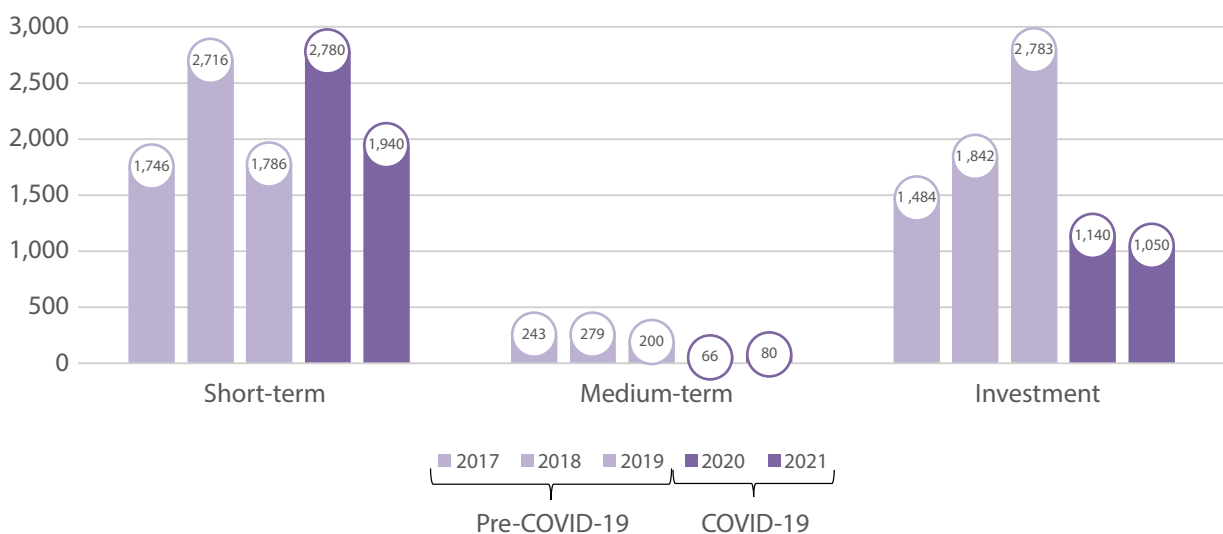
Individual business lines: In terms of the three business lines, during 2021 and compared to 2020, the new commitments in the short-term business decreased by 30% from USD 2.78 billion to **USD 1.94 billion**. New Commitments in Medium-term business increased by 21% from

USD 66 million to **USD 80 million** in 2021, and foreign investment insurance decreased by 8% from USD 1.14 billion to **USD 1.05 billion**.

Portfolio mix: The new commitments are distributed across the various lines of business as follows:

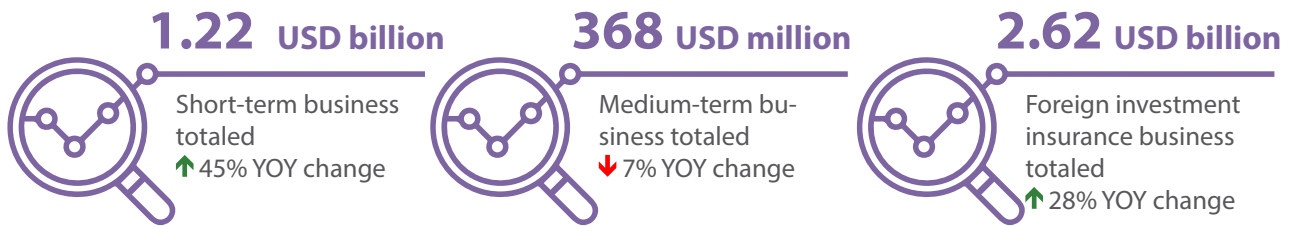
short-term business represents **63%**, the medium-term business represents **3%**, and foreign investment insurance represented **34%** in 2021. A similar trend in the distribution of the three business lines was seen over the same period last year.

New Insured Over the Last 5 Years (USD Million)



6.4. GROSS EXPOSURE NET EXPOSURE

Total exposure comprises of outstanding business insured, arrears, and outstanding claims. It measures the ICIEC portfolio at risk, at a given point in time. At the end of 2021, ICIEC's total exposure reached **USD 4.21 billion** compared to USD 3.28 billion at the end of 2020, a 28% increase. The distribution of exposure among the Short-Term (ST), Medium-Term (MT), and Foreign Investment Insurance (FII) business lines for 2021 was USD **1.22 billion (29%)**, **USD 368 million (9%)**, and **USD 2.62 billion (62%)**, respectively.



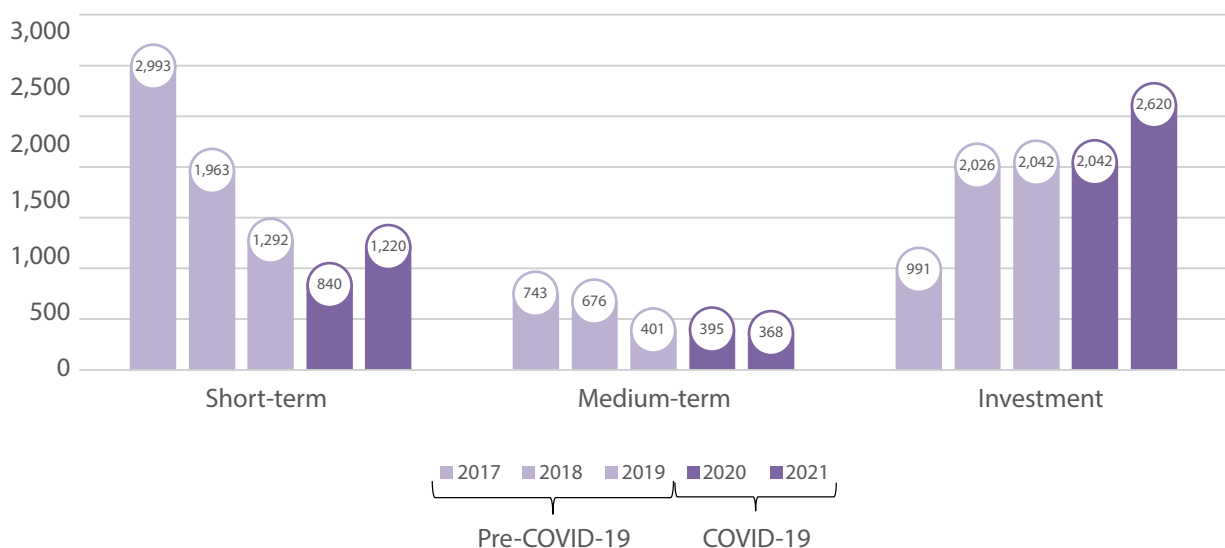
Individual business lines: In terms of the three business lines, during 2021 and compared to 2020, gross exposure of short-term business increased by 45% from USD 840 million to **USD 1.22 billion**. Medium-term business decreased by 7% from USD 395 million in 2020 to

USD 368 million in 2021, and foreign investment insurance increased by 28% from USD 2.04 billion in 2020 to **USD 2.62 billion** in 2021.

Portfolio mix: The gross exposure composition changed during 2021 compared to 2020. Short-term

increased from 26% to **29%**, medium-term business decreased from 12% to **9%**, while the foreign investment insurance's share of the exposure remained at **62%** of the total exposure.

Gross Exposure Over the Last 5 Years (USD Million)



Net Exposure: To maximize capacity, and to properly manage risk on its books, ICIEC transfers part of its exposure to the international reinsurance market. At the end of 2021, the

Corporation's net exposure stood at **USD 1.41 billion**, which covers **34%** of the total exposure. The value of exposure ceded to international reinsurers reached **USD 2.80 billion**,

which covers **66%** of the total gross exposure. Same percentages of 34% net exposure and 66% reinsurance cession were seen in the previous year.

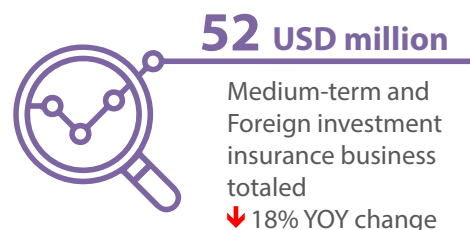
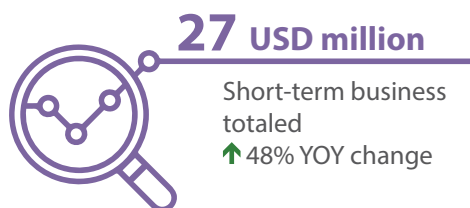
Distribution of gross and net exposure figures, by lines of business (2021)

USD Million	Gross Exposure	Exposure ceded to Reinsurers	ICIEC Net Exposure	Net/Gross (%)
Short Term	1,220	583	637	52%
Medium Term	368	225	143	39%
Investments	2,620	1,986	634	24%
Total	4,208	2,794	1,414	34%



6.5. PREMIUM INCOME

Gross written premium during 2021 amounted to **USD 79 million**, achieving 114% of the target while reflecting a decrease of 3% compared to the prior year.



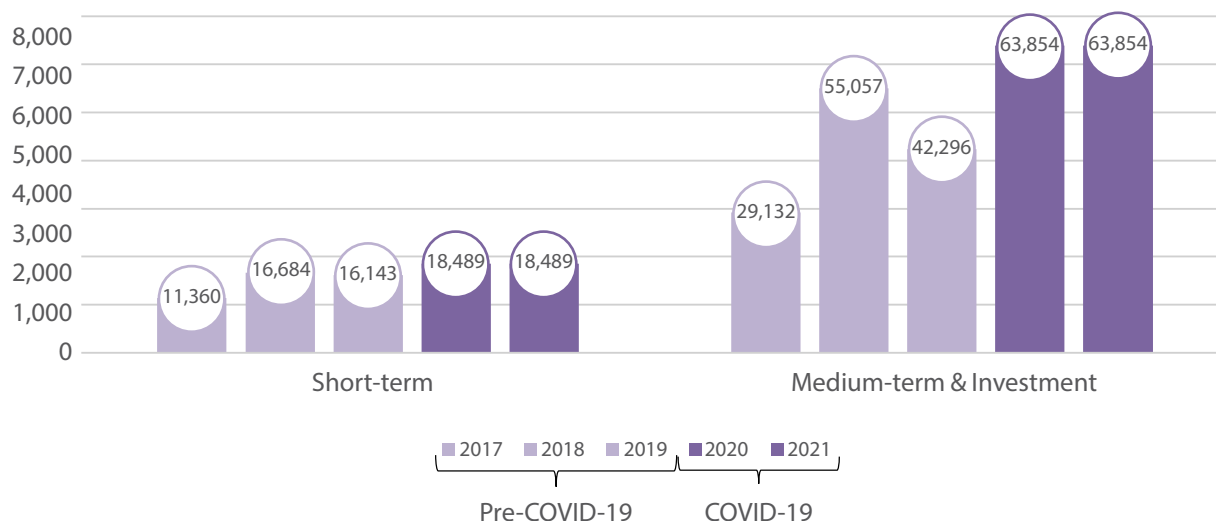
Individual business lines: During 2021 and compared to 2020, gross premium income from short-term business increased by 48%, from USD 18.5 million to **USD 27 million**. While the combined medium-term and foreign investment insurance business insured decreased by 18% from USD 64 million to **USD 52 million** in 2021.

The short-term business line has achieved 180% of its set target for 2021, while the medium-term and foreign investment insurance lines of business were able to realize 96% of their targets during the year.

Portfolio mix: The gross premium income composition changed in 2021 compared to 2020. Short term

business increased from 23% to **34%**, while combined medium-term business and foreign investment insurance's share of the premium income decreased from 77% to **66%**.

The Gross Premium Income Over the Last 5 Years (USD 000s)



Net Premium Income: The net premium invoiced in 2021 (gross written premium during the period minus the premium ceded to the reinsurers) has reached **USD 33.41**

million and witnessed a decrease of 4% from the same period last year (USD 34.86 million). The net premium portfolio comprises of 38% from short-term business and 62%

from combined medium-term and foreign investment insurance transactions.

6.6. CLAIMS AND RECOVERIES

Claims Paid

ICIEC maintained a zero-claim record under its directly underwritten business in 2021. However, ICIEC paid a gross claim of **USD 3.86 million** (ICIEC Net USD 2.1 million) under the Fronting and Inward Reinsu-

rance Arrangements (Fronting USD 1.15 million and Inward Reinsurance USD 2.71 million).

In 2020, gross claims of USD 6.24 million (ICIEC Net USD 3.56 million)

were paid under the Fronting and Inward Reinsurance Arrangements (Fronting USD 2.49 million and Inward Reinsurance USD 3.75 million).

Recoveries

In 2021, ICIEC recovered a total amount of **USD 5.98 million**, consisting of USD 5.53 million under the direct business (ICIEC Net USD 5.50 million) and USD 0.46 million (ICIEC

Net USD 0.02 million) under the Fronting Arrangement.

In 2020, ICIEC recovered USD 2.53 million (ICIEC Net USD 0.73 million),

consisting of USD 2.1 million (ICIEC Net USD 0.57 million) under the direct business and USD 0.46 million (ICIEC Net USD 0.16 million) under the Fronting Arrangement.





FINANCIAL PERFORMANCE

7.1. FINANCIAL RESULTS

Audited Financial Statements

The audited financial statements of the Corporation form an integral part of the Corporation's Annual Report for the year ended 1443H (2021G) and are published separately as Volume Two on the ICIEC website. An extract comprised of the Audit Report, Balance Sheet, and Statement of Income is included in Appendix of this volume.

The Corporation adopted a dual currency approach to financial reporting with the United States Dollar (USD) as the Functional Currency and Islamic Dinar (ID) as the Presentation Currency. The ID is equal to one special drawing right of the IMF and the exchange rate at year-end was (ID) 1 = (USD) 1.40.

Analysis of ICIEC financial performance is presented below in USD, and the audited financial statements (Volume Two) are presented in ID (along with primary financial statements in USD as supplementary financial information).

Corporate Net Results

(USD'000)	2021 Actual	2021 Plan	% Achieved	2020 Actual	% Growth
Policyholders' Fund Result	3,834	732	524%	5,239	-27%
Shareholders' Fund Result	5,419	4,340	125%	3,326	63%
Corporate Net Result	9,253	5,072	182%	8,565	8%

Despite the twin impacts of COVID-19 on Insurance Operations and the current low-rate environment on Investment Activities, strong overall performance was achieved in 2021 with Corporate Net Results of USD 9.3 million surplus. This equates to a

182% achievement of the 2021 Business Plan target and exceeds the prior year despite 2020 benefitting from an exceptional net FX gain of USD 2.2 million (2021 Net FX loss: USD 0.4 million).

The positive technical and investment results reflect the agility of ICIEC Management to proactively respond to global developments and preserve the long-term financial sustainability and resilience of the Corporation.

Policyholders' Fund

ICIEC Policyholders' Fund (PHF) achieved 524% of the plan with a surplus of USD 3.8 million, which trailed 2020 actual by 27%. Sustaining a positive technical result for the fifth consecutive year under challenging economic conditions stemming from the COVID-19 pandemic is commendable. Timely loss-minimization actions taken by the Corporation, including implementation of stringent temporary underwriting guidelines, successfully cushioned the insurance operational technical re-

sult from the full impact of the pandemic. Furthermore, higher claim reserves were taken to preserve the resilience of the Corporation over this challenging period.

Aggressive business development efforts succeeded in achieving a gross written premium of USD 79 million, representing an achievement of 114% of the plan target for the year and 3% below 2020 due to depressed levels of global trade and foreign investment stemming from the ongoing COVID-19 pandemic.

On an accrual basis, after adjusting for reinsurers' share, the net earned premium, commission income and fees for the Policyholder's Fund for the year amounted to USD 25.7 million, equating to 93% of the plan while trailing the 2020 actual by 17%. This reduction from the prior year reflects the earning impact of Management's defensive strategy during 2021 to cede higher levels of exposure on some long-term high-value foreign investment insurance transactions in response to the heightened risk environment.

Additionally, ICIEC's total expenses and claims for 2021 amounted to USD 25.6 million, equivalent to 92% of the 2021 Plan and 7% below 2020 actual (excluding pension actuarial deficit). This reflects the impact of lower re-

ported claims, additional contingency claim loss reserves booked, efficient cost control measures, and prudent underwriting and risk management practices of the Corporation during the year.

Gross claims paid during 2021 were significantly lower than the prior year at USD 3.9 million (2020: USD 6.2 million), with ICIEC net share amounting to USD 2.1 million (2020: USD 3.6 million). This was offset by solid claim recoveries during the year of USD 6.0 million (2020: USD 2.5 million), with ICIEC's net share of recoveries amounting to USD 5.5 million (2020: USD 0.7 million).

Shareholders' Fund

ICIEC Shareholder's Fund (SHF) generated USD 5.4 million in net income during the year, representing 125% of the 2021 Plan and a staggering 63% above prior year despite the low-rate environment persisting throughout the year.

Gross investment income for the year amounted to USD 5.6 million achieving 110% of the Plan target and a healthy 12% growth over 2020. The main driver for the strong investment performance is Mana-






gement approving a more active investment approach during 2021 *(compared to the defensive highly liquid approach adopted during 2020 in response to COVID-19 financial market turmoil)* as well as efforts to diversify into alternative higher-yielding asset classes.

The Corporation developed a new Liquidity Policy and Investment Strategy as well as revised its Investment Guidelines in 2021 as part of the strengthening of its investment

and liquidity risk management framework. Furthermore, the Corporation is planning a significant scale-up in its treasury function, expanding investments in new asset classes (funds, private equity, etc.) including use of external fund managers specialized in Shari'ah-compliant investments. The Corporation actively seeks opportunities to further diversify its investment portfolio across assets classes, geographies, and returns.

7.2. INVESTMENT PORTFOLIO

In addition to unrealized fair value gains of USD 1.4 million, realized investment income for the year amounted to USD 5.6 million as summarized in the table below.

(USD' million)	2021	2020	% Change
 Invested Funds*	275.8	261.4	5.5%
 Total AUM*	330.9	312.9	5.8%
 Investment Income	5.6	4.9	11.6%
 Return on Invested Funds (%)	2.07%	1.91%	8.7%
 Return of Total AUM (%)	1.73%	1.59%	8.5%







* Average during the year

Investment Returns

The breakdown of investment income below highlights Sukuk as the primary contributor to investment

income with 81%, significantly higher than the prior year reflecting the change in strategy to replace

short-term Commodity placements with higher-yielding Sukuk.

Income	2021		2020	
	USD'000	%	USD'000	%
 Sukuk	4,504	81%	3,480	70%
 Murabaha Syndications	296	5%	235	4%
 Commodity Placements	276	5%	1,146	23%
 Real Estate Fund	270	5%	135	3%
 Fixed Income Fund	225	4%	-	-
 Gross Investment Income	5,571	100%	4,996	100%

As part of its efforts to diversify its sources of income and enhance its investment performance, the Corpo-

ration commenced in 2020 investing in Shari'ah-compliant alternative investments. Since then, the Corpora-

tion has strengthened its portfolio by investing USD 18 Million in Real estate and Sukuk funds.






Portfolio Composition

In accordance with its newly adopted Liquidity Policy and Takaful operating-model, the Corporation is only permitted to invest in Sha-

ri'ah-compliant investments and obliged to maintain a portion of its investment funds in cash and short-term/liquid investments to serve as

a liquidity buffer to fund potential claims that may arise under the Policyholders' fund.

The composition of the investment portfolio (PHF and SHF) is as follows:

Asset Class	2021	2020
 Cash	16.8%	16.5%
 Money Market Placements	23.8%	34.1%
 Murabaha Syndications	3.9%	2.1%
 Sukuk	49.9%	45.8%
 Equity and Funds	5.6%	1.5%
TOTAL	100%	100%

Following Management approval to relax the defensive investment strategy adopted in 2020, the Cor-

poration ramped up investments in Sukuk, Syndications and Funds in 2021; and significantly reduced in-

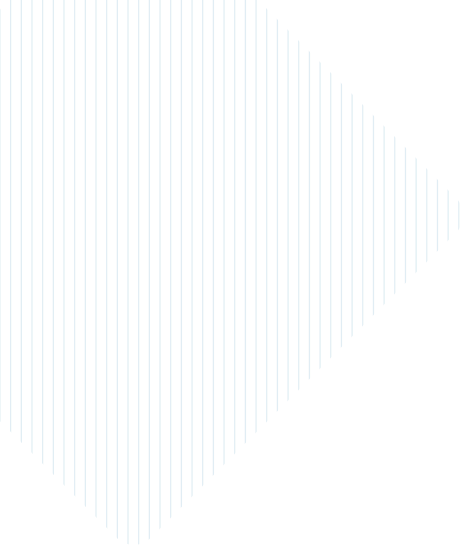
vestments in money market placements.

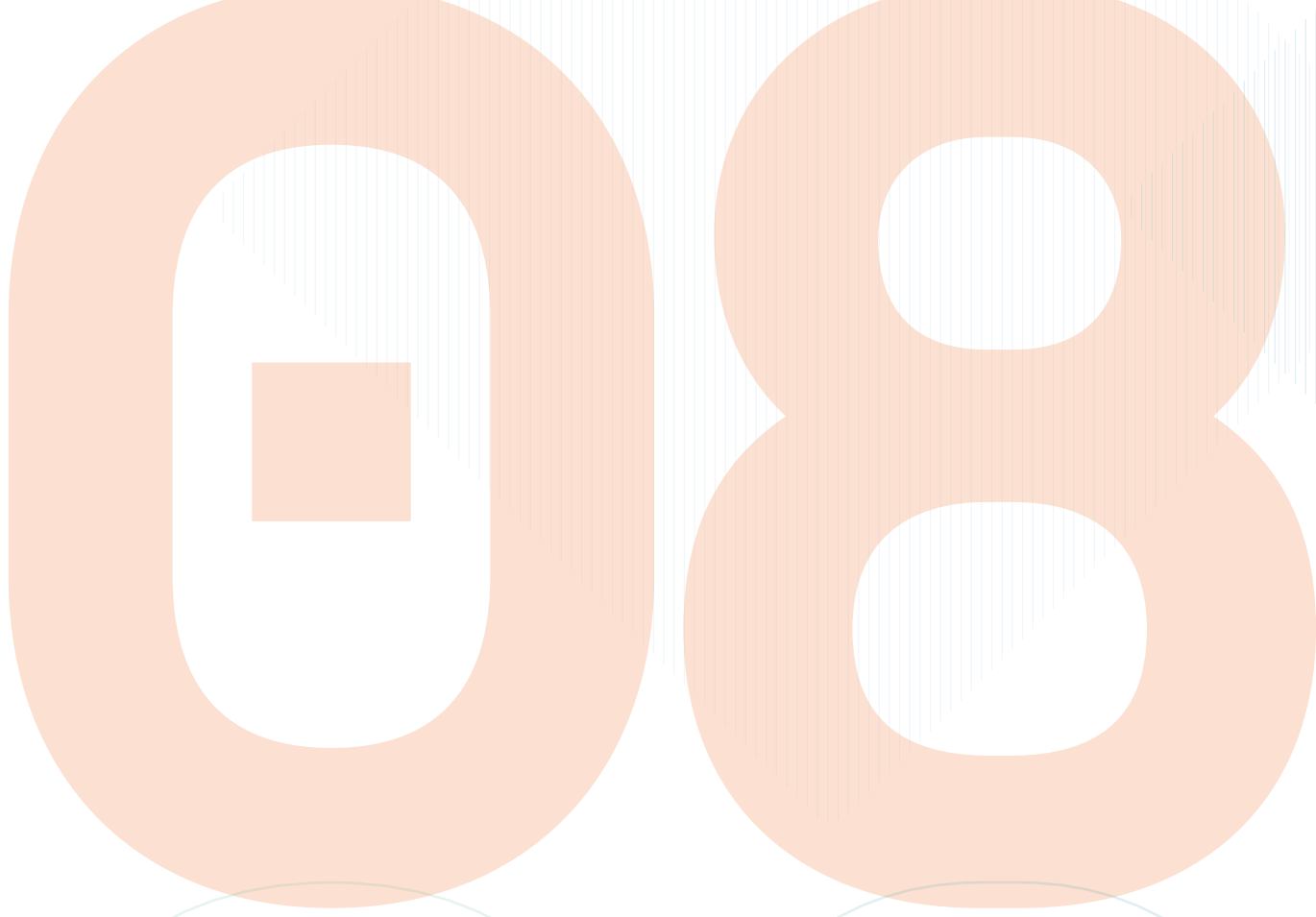
Investment Strategy and Outlook

ICIEC's investment philosophy is guided by the overriding twin objectives of minimizing liquidity risk while prioritizing capital preservation over investment returns. The Corporation has also recently revised its Investment Strategy and Guidelines and is in the process of aligning its portfolio composition to the new strategy and guidelines.

The low market rate environment and uncertain investment climate created by the ongoing COVID-19 pandemic forced the adoption of a defensive investment strategy in 2020 denting investment income. While continuing to maintain high liquidity buffers, improvement in the investment climate during 2021 enabled the Corporation to ramp up Sukuk investments boosting port-

folio returns and the Corporation's equity whilst maintaining a high asset-quality portfolio with improved diversification. The Corporation plans to maintain its investment approach with Sukuk dominating its asset mix while continuing to diversify its portfolio across different asset classes.





ICIEC'S MID-TERM 10 YEAR STRATEGIC PRIORITIES

ICIEC made substantial progress since 2015 under each of the three strategic pillars in implementing the 10-Year Strategic Framework 2015-2025 (10YSF). The market impact

has increased, evidenced by Business Insured increasing significantly across all business lines, driven by increased market presence. Given the impact of COVID-19 on global

economies, ICIEC undertook a mid-term strategy review to reflect on milestones achieved and to identify strategic priorities for 2021-2025.

ICIEC 10-Year Strategic Framework 2015-2025 (10YSF)

ICIEC 10YSF is aligned with the IsDB 10-Year Strategy, aimed at achieving a clear and tangible development impact in Member States and maintaining its financial sustainability. Three strategic pillars were established as drivers of the 10YSF:

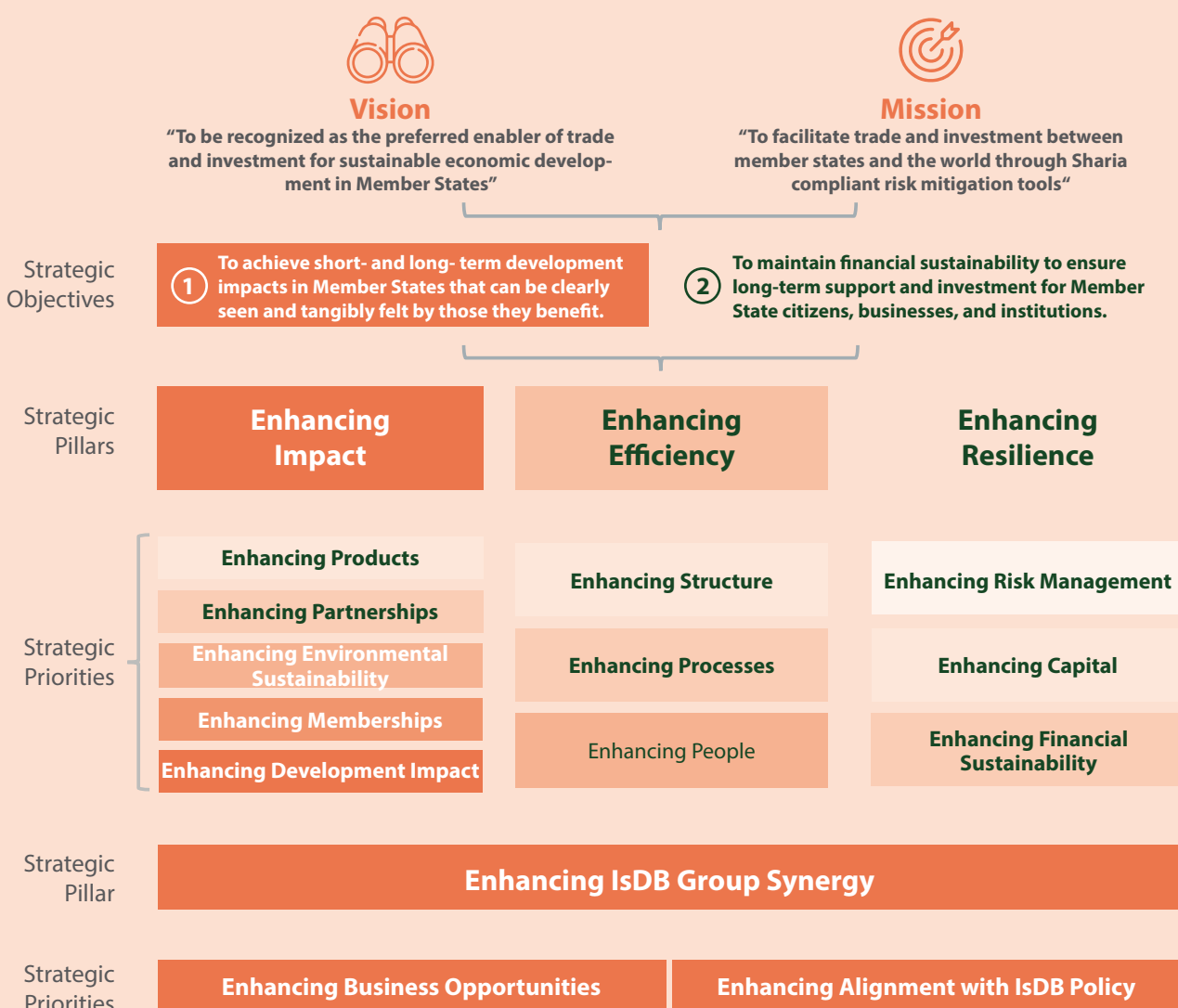
1. Market Impact
2. Capital Optimization
3. Organizational Strength

Internally, ICIEC has made considerable progress toward the 10YSF according to the corporate scorecard. IsDB Group has also implemented a few recent initiatives that have both direct and residual effects on ICIEC’s activities and its 10YSF moving forward. To seize the opportunities and respond to the threats presented in ICIEC’s external and internal developments, the Corpo-

ration needs to enhance the strategic pillars and re-focus the strategic priorities of its 10YSF.

ICIEC Mid-Term Strategic Priorities 2021-2025

ICIEC’s Enhanced 10YSF









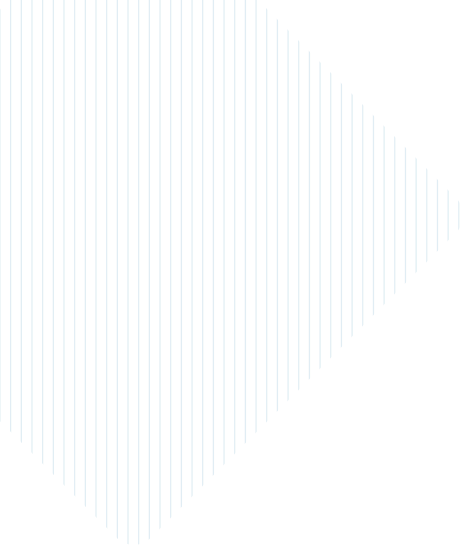
Guided by the performance measurement requirements of ICIEC and against the backdrop of challenging global economic dynamics including the COVID-19 pandemic, an internal task force undertook a mid-term strategy review to reflect on milestones achieved and to identify

strategic priorities for 2021-2025. Input was also obtained from IsDB Group members as well as external consultations (Export Credit Agencies, reinsurers, and brokers).

The mid-term strategy review exercise has resulted in redefining the

strategic pillars as follows; (1) Enhancing Impact, (2) Enhancing Efficiency, (3) Enhancing Resilience, and (4) Enhancing IsDB Group Synergy, which is considered as a cross-cutting pillar.

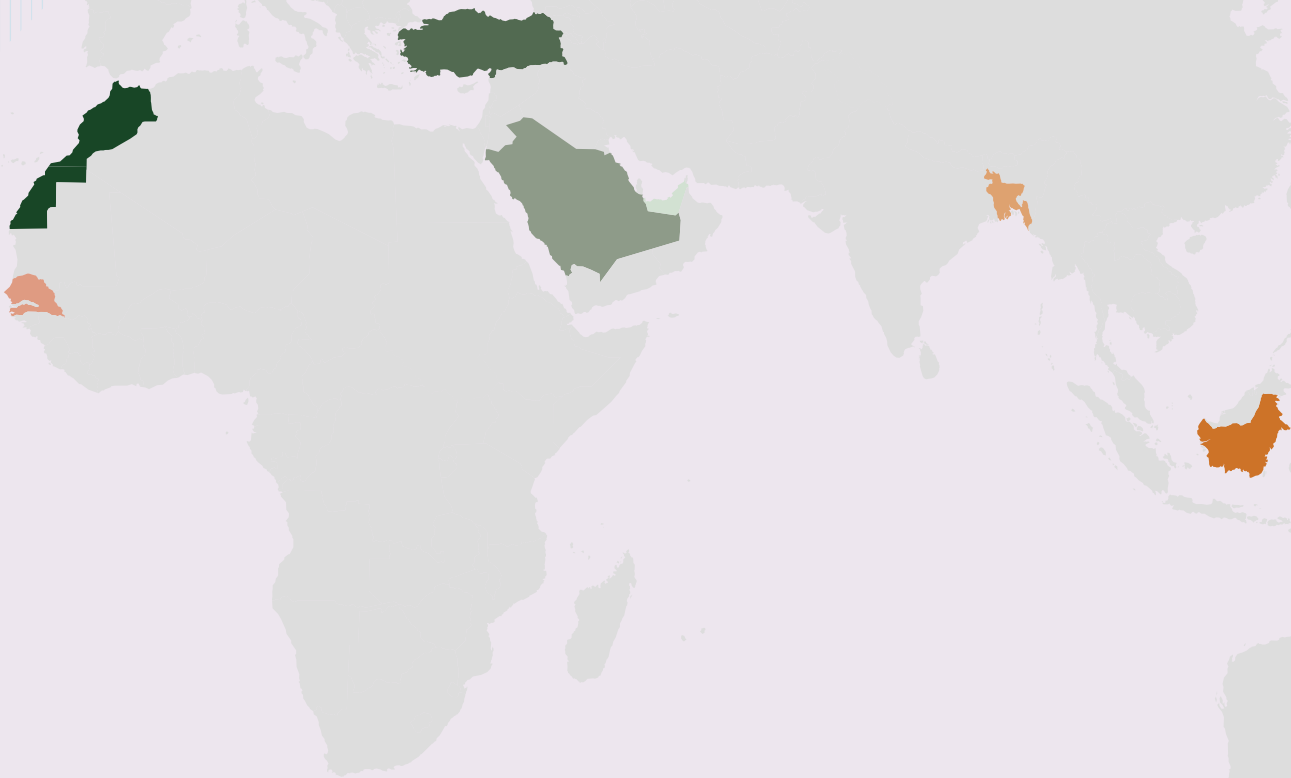
Strategic Pillars	Mid-term Strategic Priorities 2021-2025
 Enhancing Impact	Product innovation, membership growth, strengthening of ESG and partnerships, and systemizing development effectiveness monitoring.
 Enhancing Efficiency	Business process optimization and automation of new operations manual, strengthening organizational structure, leadership development and succession planning, and enhancing post-COVID-19 work habits, and others.
 Enhancing Resilience	Strengthen enterprise risk management processes, grow reinsurance capacity and consider alternative reinsurance treaty structures, undertake technical study of capital requirements, establish a contingency funding plan, and enhance profitability and its credit rating.
 IsDB Group Synergy	The strategy going forward identifies tangible short and medium-term actions and addresses opportunities for shared services, upstream programs with IsDB Group entities and heightened focus on LDMSs.





ANNEX

9.1. ICIEC INTERNATIONAL NETWORK



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Ext 5556

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Fax: (+880) 2 9183463

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ti, Jakarta - 12190,
Indonesia
Tel: +62 (21) 2933 3468 - Ext
5625

A future office in Cairo, Egypt

9.2 ISDB GROUP

The Islamic Development Bank (IsDB) is a multilateral development bank (MDB), working to improve the lives of those we serve by promoting social and economic development in Member States and Muslim communities worldwide, delivering impact at scale.

The IsDB Group (IsDBG) comprises six entities: The Islamic Development Bank (IsDB), the Islamic Development Bank Institute (IsDBI), the Islamic Corporation for the Development of the Private Sector (ICD), the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), International Islamic Trade Finance Corporation (ITFC) and the Islamic Solidarity Fund for Development (ISFD).



Vision

The Islamic Development Bank strives to become a world-class development bank, inspired by Islamic principles, that helps to significantly transform the landscape of comprehensive human development in the Muslim world and to restore its dignity.



Mission

To promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance, and bringing prosperity to the people.



Islamic Development Bank (IsDB)

Provides project financing for infrastructure, social development, and equity participation in strategic corporate and financial institutions.



Islamic Development Bank Institute (IsDBI)

Provides training, research, advisory, and capacity building for the development of the Islamic Financial Service Industry.



The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)

Provides political and commercial risk insurance and reinsurance solutions. ICIEC is rated Aa3 by Moody's.



Islamic Corporation for the Development of the Private Sector (ICD)

Provides project finance solutions to develop the private sector in Member States. ICD is rated A2' by Moody's, 'A-' by S&P, and A+ by Fitch.



International Islamic Trade Finance Corporation (ITFC)

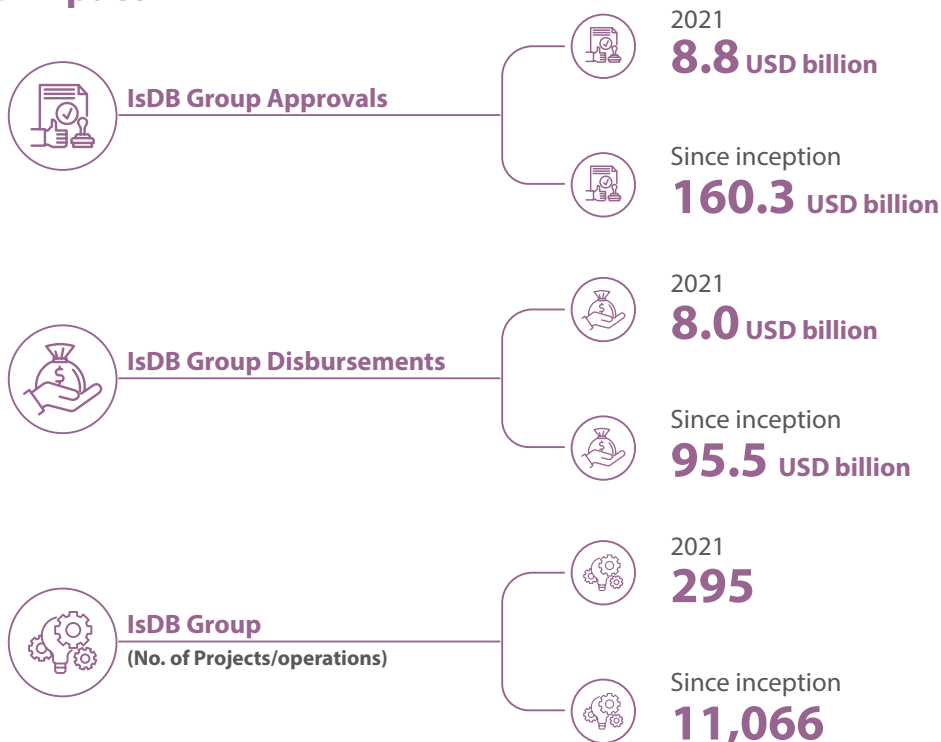
Provides financing and capacity building to encourage intra-trade across OIC Member States. ITFC is rated A1 by Moody's and AA-/A1 by IIRA.



Islamic Solidarity Fund for Development (ISFD)

Provides financial support to enhance the productive capacity and sustainable means of income for the poor.

IsDBG Impact



9.3. ACRONYMS AND ABBREVIATIONS

3Rs	Respond, Restore, Restart
ADER	Annual Development Effectiveness Report
ASEAN	Association of Southeast Asian Nations
BMP	Bank Master Policy
BOD	Board of Directors
BOG	Board of Governors
CPRI	Credit and Political Risk Insurance
DCIP	Documentary Credit Insurance Policy
ECA	Export Credit Agency
FDI	Foreign Direct Investment
FII	Foreign Investment Insurance
GDP	Gross Domestic Product
GWP	Gross Written Premium
ICD	Islamic Corporation for the Development of the Private Sector
ICDT	Islamic Centre for Development of Trade
ICERI	ICIEC-ISFD COVID19- Emergency Response Initiative
ICIEC	The Islamic Corporation for the Insurance of Investment and Export Credit
ID	Islamic Dinar
IFN	Islamic Finance News
IFRP	Inward Facultative Reinsurance Policy
IIRA	Islamic International Rating Agency
IMF	International Monetary Fund
IsDB	Islamic Development Bank
IsDBI	Islamic Development Bank Institute
IsDBG	Islamic Development Bank Group
ISFD	Islamic Solidarity Fund for Development
ITFC	International Islamic Trade Finance Corporation
LC	Letter of Credit
LDMCs	Least Developed Member Countries
MENA	Middle East and North Africa
MOU	Memorandum of Understanding
MS	Member State
MT	Medium Term
NHSFO	Non-Honoring of Sovereign Financial Obligation
NPL	Notification of Probable Loss
OIC	Organization of Islamic Cooperation
PHF	Policyholders' Fund
PRI	Political Risk Insurance
SDG	Sustainable Development Goal
SHF	Shareholders' Fund
SMBC	Sumitomo-Mitsui Banking Corporation
SME	Small and Medium Sized Enterprise
SPRP	Strategic Preparedness and Response Program
SSAE	Sub-Saharan Africa and Europe
ST	Short Term
STP	Specific Transaction Policy
UAE	United Arab Emirates
UN	United Nations

9.4. AUDITED FINANCIAL STATEMENTS



Deloitte and Touche & Co.
Chartered Accountants
Jeddah branch office
License #323/11/96/1
Date 24/4/1419
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

Your Excellencies, The Chairman and Members of the Board of Governors
The Islamic Corporation for the Insurance of Investment and Export Credit
Jeddah, Kingdom of Saudi Arabia

Opinion

We have audited the financial statements of The Islamic Corporation for the Insurance of Investment and Export Credit ("the Corporation"), which comprise the statement of financial position as of December 31, 2021 (27 Jumada-I 1443H), and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISA'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Corporation for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on March 16, 2021.

Other Information included in the Corporation's 2021 Annual Report

Other information consists of the information included in the Corporation's 2021 annual report, other than the financial statements and our auditor's report thereon. The Board of Executive Directors are responsible for the other information in its annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on our work we have performed on the other information that we obtain prior to the date of this audit report, we conclude that there is material misstatement of other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT (Continued)

Your Excellencies, The Chairman and Members of the Board of Governors
The Islamic Corporation for the Insurance of Investment and Export Credit
Jeddah, Kingdom of Saudi Arabia

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS, and the Corporation's Articles of Agreement and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance i.e. Board of Executive Directors are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (Continued)

Your Excellencies, The Chairman and Members of the Board of Governors
The Islamic Corporation for the Insurance of Investment and Export Credit
Jeddah, Kingdom of Saudi Arabia

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants



Waleed Bin Moha'd. Sobahi
Certified Public Accountant
License No. 378



8 Shawwal 1443
May 9, 2022

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 (27 JUMAD AL-AWWAL 1443H)**
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	Notes	December 31, 2021	December 31, 2020 (Restated)	January 1, 2020 (Restated)
ASSETS				
Cash and cash equivalents	5	58,602	77,228	125,949
Murabaha investments, net	6	51,255	39,470	34,324
Held to maturity investments	7	111,465	89,833	39,907
Available for sale investments	8	26,241	15,161	15,059
Premium receivable, net	9	6,982	4,562	5,168
Advances, prepaid expenses and other assets	10	4,070	3,754	3,527
Due from affiliates	11	238	231	1,067
Reinsurance share of outstanding claims reserves	12	23,631	18,890	25,644
Reinsurance share of unearned premiums	13	59,916	52,222	31,967
Property and equipment	14	1,511	1,231	818
TOTAL ASSETS		343,911	302,582	283,430
LIABILITIES AND EQUITY				
Equity				
Share capital	18	147,519	146,917	145,018
General reserve	19	78,468	74,574	72,184
Fair value reserve		1,386	695	25
Foreign exchange reserve		(4,689)	(10,768)	(2,001)
		222,684	211,418	215,226
Accumulated deficit in policyholder's fund		(39,390)	(41,992)	(45,756)
Pension liability actuarial losses		(8,196)	(13,031)	(7,948)
Foreign exchange reserve		1,132	2,643	598
		(46,454)	(52,380)	(53,106)
Total equity		176,230	159,038	162,120
Liabilities				
Unearned premiums	13	74,410	66,908	42,496
Unearned reinsurance commission	13	15,399	12,594	8,051
Outstanding claims reserves	12	38,364	32,766	37,619
Pension liabilities	17	12,274	15,740	10,341
Accounts payable and accruals	15	24,921	14,871	16,536
Due to affiliates	11	2,056	363	6,006
Claims payable	16	257	302	261
Total liabilities		167,681	143,544	121,310
TOTAL LIABILITIES AND EQUITY		343,911	302,582	283,430

The financial statements were authorised for issue in accordance with a resolution of the Board of Executive Directors on April 18, 2022.

The accompanying notes 1 to 24 and supplementary financial information form an integral part of these financial statements

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

STATEMENT OF PROFIT OR LOSS

YEAR ENDED DECEMBER 31, 2021 (27 JUMAD AL-AWWAL 1443H)

(Expressed in thousands of Islamic Dinars unless otherwise stated)

	Notes	2021	2020
Gross written premiums	13	55,420	61,656
Premiums ceded to reinsurers	13	(44,336)	(44,041)
		11,084	17,615
Net movement in unearned premiums		(1,274)	(1,622)
Net earned premiums	13	9,810	15,993
Outward reinsurance commission income, net		7,554	6,115
Recoveries of previously settled claims, net		3,829	529
Policy fees earned & Others		581	207
Total underwriting revenue		21,774	22,844
Gross claims paid	12	(2,712)	(5,015)
Reinsurance share of claims paid	12	1,240	1,931
Net claim paid		(1,472)	(3,084)
Change in net outstanding claims and other reserves	12	(445)	(2,054)
Net claim expense		(1,917)	(5,138)
Policy acquisition costs		(2,676)	(2,140)
Employees' related costs		(11,806)	(10,799)
Sales and marketing expenses		(390)	(410)
General and administrative expenses		(2,069)	(2,140)
Income/(loss) on foreign exchange translation		(314)	1,547
Total underwriting expense		(19,172)	(19,080)
Net underwriting gain		2,602	3,764
Investment income		4,001	3,590
Investment management fees	11	(178)	(166)
Reversal/(impairment) on available for sale investments	8	140	(859)
General and administrative expenses		(77)	(180)
Income on foreign exchange translation		8	5
Net investment gain		3,894	2,390
NET CORPORATE GAIN		6,496	6,154

The accompanying notes 1 to 24 and supplementary financial information form an integral part of these financial statements

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT

STATEMENT OF OTHER COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2021 (27 JUMAD AL-AWWAL 1443H)
 (Expressed in thousands of Islamic Dinars unless otherwise stated)

	Notes	2021	2020
NET CORPORATE GAIN		6,496	6,154
<i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i>			
Unrealized gain on investments measured at fair value	8	691	670
<i>Other comprehensive income not to be reclassified to statement of income in subsequent periods:</i>			
Remeasurement gain/(loss) on pension liability related to policyholders	17	4,835	(5,083)
Foreign exchange reserves related to:			
Shareholder's funds		6,079	(8,767)
Policyholder's funds		(1,511)	2,045
TOTAL COMPREHENSIVE INCOME/(LOSS)		16,590	(4,981)

The accompanying notes 1 to 24 and supplementary financial information form an integral part of these financial statements

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT
SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF FINANCIAL POSITION BY FUND IN FUNCTIONAL CURRENCY (USD)
FOR THE YEAR ENDED DECEMBER 31, 2021 (27 JUMAD AL-AWWAL 1443H)

(Expressed in thousands USD unless otherwise stated)

	2021		2020	
	Policyholders' Fund	Shareholders' Fund	Policyholders' Fund	Shareholders' Fund
EQUITY				
Share capital	-	200,954	-	200,683
Reserves	-	108,601	-	103,183
Fair value reserve	-	2,013	-	1,029
Accumulated deficit	(53,393)	-	(57,226)	-
Pension liability actuarial losses	(11,549)	-	(18,308)	-
TOTAL EQUITY	(64,942)	311,568	(75,534)	304,895
TOTAL LIABILITIES AND EQUITY	189,221	292,092	173,088	262,636
		481,313		435,724

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT
SUPPLEMENTARY FINANCIAL INFORMATION

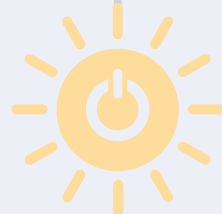
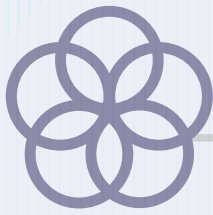
STATEMENT OF INCOME BY FUND IN FUNCTIONAL CURRENCY (USD)
FOR THE YEAR ENDED DECEMBER 31, 2021 (CORRESPONDING TO 27 JUMAD AL-AWWAL 1443H)
(Expressed in thousands USD unless otherwise stated)

	2021			2020		
	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
Investment income	127	5,571	5,698	-	4,996	4,996
Gross written premiums	78,930	-	78,930	85,806	-	85,806
Premiums ceded to reinsurers	(63,143)	-	(63,143)	(61,291)	-	(61,291)
Net movement in unearned premiums	15,914	5,571	21,485	24,515	4,996	29,511
	(1,815)	-	(1,815)	(2,257)	-	(2,257)
Net earned premiums/investment income	14,099	5,571	19,670	22,258	4,996	27,254
Outward reinsurance commission	10,758	-	10,758	8,511	-	8,511
Recoveries of previously settles claims	5,453	-	5,453	669	-	669
Policy fees earned	827	-	827	287	-	287
Total revenue	31,137	5,571	36,708	31,725	4,996	36,721
Gross claims paid	(3,862)	-	(3,862)	(6,244)	-	(6,244)
Reinsurance share of claims paid	1,767	-	1,767	2,688	-	2,688
Net claims paid	(2,095)	-	(2,095)	(3,556)	-	(3,556)
Change in net outstanding claims and other reserves	(634)	-	(634)	(3,527)	-	(3,527)
Net claims incurred	(2,729)	-	(2,729)	(7,083)	-	(7,083)

THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT
SUPPLEMENTARY FINANCIAL INFORMATION

STATEMENT OF INCOME BY FUND IN FUNCTIONAL CURRENCY (USD)
FOR THE YEAR ENDED DECEMBER 31, 2021 (CORRESPONDING TO 27 JUMAD AL-AWWAL 1443H)
(Expressed in thousands USD unless otherwise stated)

	2021			2020		
	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
Investment management fees	-	(254)	(254)	-	(231)	(231)
Policy acquisition cost	(3,811)	-	(3,811)	(2,978)	-	(2,978)
Employee related costs	(16,814)	-	(16,814)	(15,028)	-	(15,028)
Sales and marketing expenses	(555)	-	(555)	(571)	-	(571)
General and administrative expenses	(2,947)	(110)	(3,057)	(2,978)	(251)	(3,229)
Impairment on Investments measured at fair value	-	200	200	-	(1,195)	(1,195)
Total claims & expenses	(26,856)	(164)	(27,020)	(28,638)	(1,677)	(30,315)
Net income before exchange results	4,281	5,407	9,688	3,087	3,319	6,406
Income/(loss) on foreign exchange translation	(447)	12	(435)	2,152	7	2,159
NET CORPORATE GAIN	3,834	5,419	9,253	5,239	3,326	8,565



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