



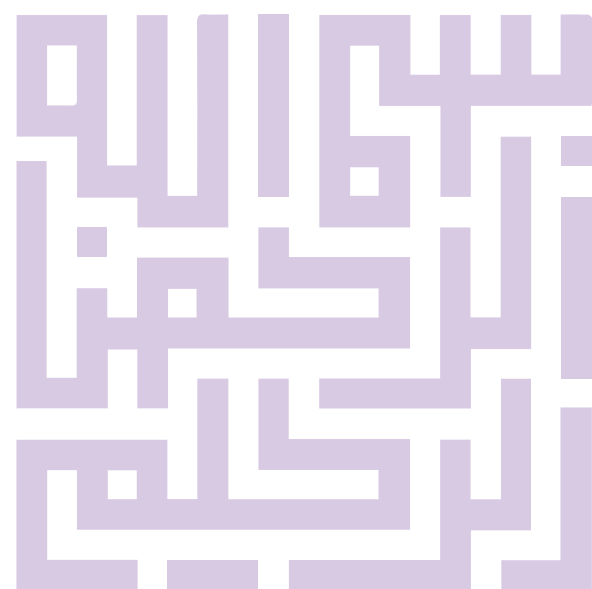
THE ISLAMIC CORPORATION FOR  
THE INSURANCE OF INVESTMENT  
AND EXPORT CREDIT



# GROWTH AND REGENERATION IN THE NEW PARADIGM

2022 ANNUAL REPORT  
VOLUME-I

**Note:** This Annual Report of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) is presented in two volumes. The First Volume provides a review of ICIEC activities, operations, and financial performance during the year. It also provides an overview of key initiatives undertaken by ICIEC to fulfil its mission and a brief overview of its human resources, governance structure, and risk management framework. The Second Volume comprises the Audited Financial Statements of the Corporation, which provides detailed information regarding the Income Statement, Balance Sheet, and related notes and disclosures. Both volumes are available online at <https://iciec.isdb.org>





# Growth and Regeneration in the New Paradigm



# Contents

01	MESSAGE FROM THE CHAIRMAN	8	05	BUSINESS PERFORMANCE	42	08	PROPELLING PARTNERSHIPS	58	10	AN ENTREPRENEURIAL ORGANIZATION	68
	BOARD OF DIRECTORS	10		Summary of 2022 Operations	43		Asia	59		ICIEC At a Glance	69
	MESSAGE FROM THE CEO	12		Business Insured	44		Europe	61		ICIEC Leadership, Communication, Learning, Welfare and Training	74
02	EXECUTIVE SUMMARY	14	06	FINANCIAL PERFORMANCE	48	09	ICIEC MID-TERM 10 YEAR STRATEGIC PRIORITIES	64	ANNEXES	79	
	ICIEC Since its Inception	15			ICIEC 10-Year Strategic Framework 2015-2025		65	ICIEC International Network		80	
	ICIEC in 2022	16			ICIEC Mid-Term Strategic Priorities 2021-2025		65	IsDB Group		81	
03	ICIEC INTRODUCTION	20	07	ICIEC IMPACT	52	Implementation Updates of ICIEC Strategy within the IsDB Strategic Realignment 2023-2025	66	IsDB Group Impact	81		
	GLOBAL TRENDS AND OUTLOOK	22			SDG Impact		53		Audited Financial Statements	82	
	Global Economic Outlook	23			Enhancing Impact		56				
04	Top Risk in ICIEC Operating Environment	25	Enhancing Efficiency	57	Enhancing Resilience	57	IsDB Group Synergy	57			
	2022 ANNUAL HIGHLIGHTS	26									
	2022 Key Results	28									
	ICIEC COVID-19 Response	32									
	Major Project Impacts	34									



# Acronyms and Abbreviations

AATB	Arab Africa Trade Bridge
ADER	Annual Development Effectiveness Report
AFC	Africa Finance Corporation
AFCFTA	African Continental Free Trade Agreement
AFDB	African Development Bank
AOA	Articles of Agreement
ARC	Audit and Risk Committee
ASEAN	Association of Southeast Asian Nations
ATI	African Trade Insurance Agency
AUDA-NEPAD	African Union Development Agency
AUM	Assets Under Management
BMP	Bank Master Policy
BOD	Board of Directors
BOG	Board of Governors
CBI	Central Bank of Iraq
CCGT	Combined Cycle Power Plant
CESCE	Compania Espanola de Seguros de Credito a la Exportacion, S.A. Compania de Seguros y Reaseguros SME
CGF	IsDB Group COVID Guarantee Facility
CGP	Africa Co-Guarantee Platform
CIB	Commercial International Bank
CPRI	Credit and Political Risk Insurance
CRA	Country Risk Assessment
DCIP	Documentary Credit Insurance Policy
DFI	Development Financial Institution
ECA	Export Credit Agency
EMDEs	Emerging Markets and Developing Economies
ERM	Enterprise Risk Management

FAIR	Federation of Afro-Asian Insurers and Reinsurers
FDI	Foreign Direct Investment
FEI	Federation of Egyptian Industries
FII	Foreign Investment Insurance
FSRP	Food Security Response Program
GDP	Gross Domestic Product
GSIP	Green Sukuk Insurance Policy
GWP	Gross Written Premium
HCM	Human Capital Management
ICCIA	Islamic Chamber of Commerce, Industry and Agriculture
ICD	Islamic Corporation for the Development of the Private Sector
ICDT	Islamic Centre for Development of Trade
ICERI	ICIEC-ISFD COVID-19 Emergency Response Initiative
ICIEC	The Islamic Corporation for the Insurance of Investment and Export Credit
ID	Islamic Dinar
IFRP	Inward Facultative Reinsurance Policy
IFSR	Insurance Financial Strength Rating
IGP	InsuResilience Global Partnership
IIRA	Islamic International Rating Agency
IMF	International Monetary Fund
IPGR	Insurance Portfolio General Reserve
IsDB	Islamic Development Bank
IsDBG	Islamic Development Bank Group
IsDBI	Islamic Development Bank Institute
ISFD	Islamic Solidarity Fund for Development
ITFC	International Islamic Trade Finance Corporation
LC	Letter of Credit

LDMSs	Least-Developed Member States
LIMS	Low Income Member States
MENA	Middle East and North Africa
MoU	Memorandum of Understanding
MSs	Member States
MT	Medium-Term
NEXI	Nippon Export and Investment Insurance
NHSFO	Non-Honouring of Sovereign Financial Obligation
NMMC	Navoi Mining and Metallurgical Company
OIC	Organization of Islamic Cooperation
PHF	Policyholders' Fund
PRI	Political Risk Insurance
RA	Reinsurance Agreement
RAII	Al-Rajhi International Investment Company
RAS	Risk Appetite Statement
RMP	Risk Management Perception
SDG	Sustainable Development Goal
SHF	Shareholders' Fund
SME	Small and Medium Sized Enterprise
SMI	Specialized Multilateral Insurer
SPRP	Strategic Preparedness and Response Program
SSA	Sub-Saharan Africa
SSAE	Sub-Saharan Africa and Europe
ST	Short-Term
STP	Specific Transaction Policy
TFEB	The State Bank for Foreign Economic Affairs - Turkmenistan
UAE	United Arab Emirates
UN	United Nations



# Message from the Chairman





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

Date: 02 / 04 / 2023

H. E. The Chairman,  
Board of Governors of the Islamic Corporation for the Insurance of  
Investment and Export Credit (ICIEC)

Dear Mr. Chairman,

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 honour 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 2022.

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



**Dr. Muhammad Al Jasser**

Chairman of the Board of Directors

# Board of Directors

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**H.E. Dr. Muhammad Al Jasser**  
*Chairman, IsDB Group*



**Hon. Abdul Ghaffar Aqeel Al-Awadhi**  
*Kuwait*



**Hon. Dr. Ammar Hamad Khalaf Ibrahim**  
*Jordan, Syria, Iraq, Palestine*



**Hon. Hamed Arabi Elhouderi**  
*Libya*



**Hon. Hassan Jaafar Abdulrahman**  
*Yemen, Sudan, Oman, Bahrain*



**Hon. Dr. Mahmoud Isa-Dutse**  
*Nigeria*



**Hon. Malick BA**  
*Senegal, Burkina Faso, Togo,  
The Gambia, Mali, Niger*



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



**Hon. Eric Mbaihasra**  
*Uganda, Chad, Gabon, Djibouti, Comoros,  
Mozambique, Somalia*



**H.E. Dr. Hamad Bin Suleiman Al Bazai**  
*Saudi Arabia*



**Hon. Hamad Madi Al-Hajri**  
*Qatar*



**Hon. Issa Jandi**  
*Benin, Guinea, Guinea Bissau, Sierra Leone,  
Cameron, Côte D'Ivoire*



**Hon. Dr. Kazim Niaz**  
*Pakistan, Bangladesh, Maldives,  
Afghanistan*



**Hon. Khalaf Sultan Al Dhaheri**  
*United Arab Emirates*



**Hon. Laaziz Faid**  
*Algeria, Morocco, Mauritania, Tunisia*



**Hon. Murat Zaman**  
*Türkiye*



**Hon. Dr. Nada Massoud**  
*Egypt*



**Hon. Dr. Seyed Abbas Hosseini**  
*Iran*



**Hon. Tamerlan Taghiyev**  
*Albania, Azerbaijan, Kyrgyzstan,  
Kazakhstan, Turkmenistan, Uzbekistan*



# Message from the CEO

ICIEC continued to thrive in 2022. We delivered outstanding results for our clients, partners and shareholders with energy transition and resilience high on the corporate agenda. In this Annual Report of ICIEC, we highlight the Corporation's key achievements, provide information on our financial performance, introduce some team members contributing to delivering our mandates to our stakeholders, and spotlight ICIEC's most fruitful partnerships and impactful projects for the year.



Over 2022, the war in Ukraine, continuing COVID-19 pandemic, rising inflation, the energy crisis, supply chain disruption, food insecurity, and pressing need to address climate change have combined to present the most challenging global situation in recent memory. Managing such tough global challenges is possible only when we come together: when people with diverse skills combine forces to solve complex problems and when businesses 'step up' to take responsibility for the impact of their activities on societies.

ICIEC spent the year 2022 working tirelessly to help support the tumultuous post-pandemic recovery for its MSs. This included supporting the SPRP, in cooperation with the IsDB Group, for which ICIEC provided USD 1.4 billion in insurance coverage in support of MSs post-pandemic and recovery efforts, which included support of USD 528 million for the Healthcare sector, USD 824 million towards the import of essential commodities, and USD 62 million to support SMEs recovering from the pandemic's economic impacts.

Amidst the unfolding impacts of the pandemic and war in Ukraine, ICIEC's gross business insured in support of trade and investment in 2022 amounted to USD 11.6 billion. This increases the Corporation's cumulative business insured across our 48 MSs since inception to USD 95 billion, comprising USD 75.8 billion support for trade and USD 19.2 billion support for foreign direct investment.

Achieving long-term sustainable development across MSs will only be realized by supporting impactful and socially responsible projects that contribute to achieving the UN SDGs. At the end of 2022, amidst a raft of other sustainability-linked projects in Turkmenistan and Egypt, ICIEC supported essential Ugandan infrastructure projects across Water, Electrification, Education, Agriculture, and Health sectors. Uganda's Ministry of Finance tapped a EUR 196 million (USD 155 million) ECA-backed loan with 95% cover from ICIEC to finance those schemes and bridge the project funding needs of Uganda following COVID-19.

Furthermore, ICIEC forged new partnerships and signed a multitude of MoUs and framework agreements. This included an MoU with the Federation of Afro-Asian Insurers and Reinsurers (FAIR) to encourage business collaboration among their members and an agreement with Egypt's Elsewedy Electric to accelerate climate action in MSs by promoting climate and water projects in line with the ICIEC Climate



**USD 1.4 billion**  
support of  
MSs post-pandemic  
& recovery efforts



**USD 528 million**  
support of  
Healthcare  
sector



**USD 824 million**  
support of  
import essential  
commodities



**USD 62 million**  
support of SMEs  
for pandemic's  
economic impacts

" ICIEC's gross business insured in support of trade and investment in 2022 amounted to USD 11.6 billion. This increases the Corporation's cumulative business insured across our 48 MSs since inception to USD 95 billion, comprising USD 75.8 billion support for trade and USD 19.2 billion support for foreign direct investment "

Action Guidelines and Elsewedy Electric's Sustainability Strategy 2020-2023. Crucial MoU agreements were signed with Nippon Export and Investment Insurance (NEXI) to boost cooperation on ESG-related and climate action infrastructure projects, with a particular focus on green-field projects and as well as inking an MoU with the Central Bank of Iraq (CBI) to boost trade and investment in Iraq. These partnerships lay the foundations to propel international cooperation and provide project sponsors, exporters, Export Credit Agencies (ECAs), Development Financial Institutions (DFIs) and banks with a more holistic approach to project and export finance deals.

ICIEC supports transactions ranging from covering investments in large infrastructure projects (in traditional energy or renewable energy, transport, and healthcare industries), imports of essential products, pharmaceutical supplies, and enhancing food security of its MSs. With the war in Ukraine amplifying food security challenges globally, as Russia and Ukraine account for the two largest exporters of wheat globally, ICIEC increased support for MSs deals related to improving food security. ICIEC also pledged USD 500 million in insurance capacity from July 2022 to December 2025 to IsDB Group FSRP USD 10.5 billion packages aimed at supporting MSs. During the first FSRP period (H2-2022), ICIEC total approvals reached USD 159 million, achieving double the respective target for the period.

The financial strength of the Corporation is also being strengthened following approving a substantial increase in capital of ID 600 million (USD 805 million) at its 29th Annual Meeting held in Egypt in June 2022. This represents the most significant increase in capital in its history, with a 150% increase in the authorized capital to ID 1 billion

(USD 1.35 billion) and reflects strong shareholders support for ICIEC strategic growth plans.

ICIEC successfully maintained its "Aa3" insurance financial strength credit rating from Moody's for the 15th consecutive year, ranking it amongst the top-rated entities in the Credit and Political Risk Insurance (CPRI) Industry. The strong credit rating reflects ICIEC's financial standing, resilience, standalone fundamentals, strong risk governance, as well as the continued support from its parent- the IsDB (AAA rated) and shareholders MSs.

ICIEC organized various key events at COP27 in November 2022 in Egypt, including a panel discussion with CIB to discuss 'Impactful projects and climate mitigation': and a Forum with Bonn-based InsuResilience Global Partnership to highlight the importance of partnerships in accelerating climate action, mitigation, adaptation, and finance, including de-risking credit and political risk solutions.

ICIEC also signed an agreement to use the landmark online climate risk screening software solution "Aware for Projects", which helps identify potential climate change risks to investments. Moreover, ICIEC was honoured by Global Brands Magazine as the inaugural winner in the category 'Best Multilateral Insurance Corporation Brand for Global Brand Awards 2022'. This award recognizes ICIEC's commitment to excellence and innovation within the CPRI industry sector and serves as a testament to our dedication towards providing superior solutions for our clients. We will continue striving towards our mandate with innovative solutions for Member States' development while maintaining high standards of quality across all areas of operations.

The year ahead is very critical – both economically and environmentally. Decarbonization remains at the core of what will help drive the global economy in the coming years. Islamic finance has, and will, play a crucial role in assisting OIC countries to transform and mitigate climate risks. As the world's sole Shariah-compliant multilateral insurer, we take our multiple roles of promoting both ESG-related finance, sustainable investment, and Islamic finance very seriously and believe that a combination of all will be important for achieving climate mitigation and a smooth energy transition.

Lastly, I would like to take this opportunity to thank the dedicated ICIEC team, whose hard work has been the backbone of its continued success. My appreciation goes to His Excellency, the Chairman of ICIEC BOD, along with the Honourable 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 another challenging year for ICIEC.

**Oussama Abdul Rahman Kaissi**  
Chief Executive Officer

## CHAPTER 01

# Executive Summary

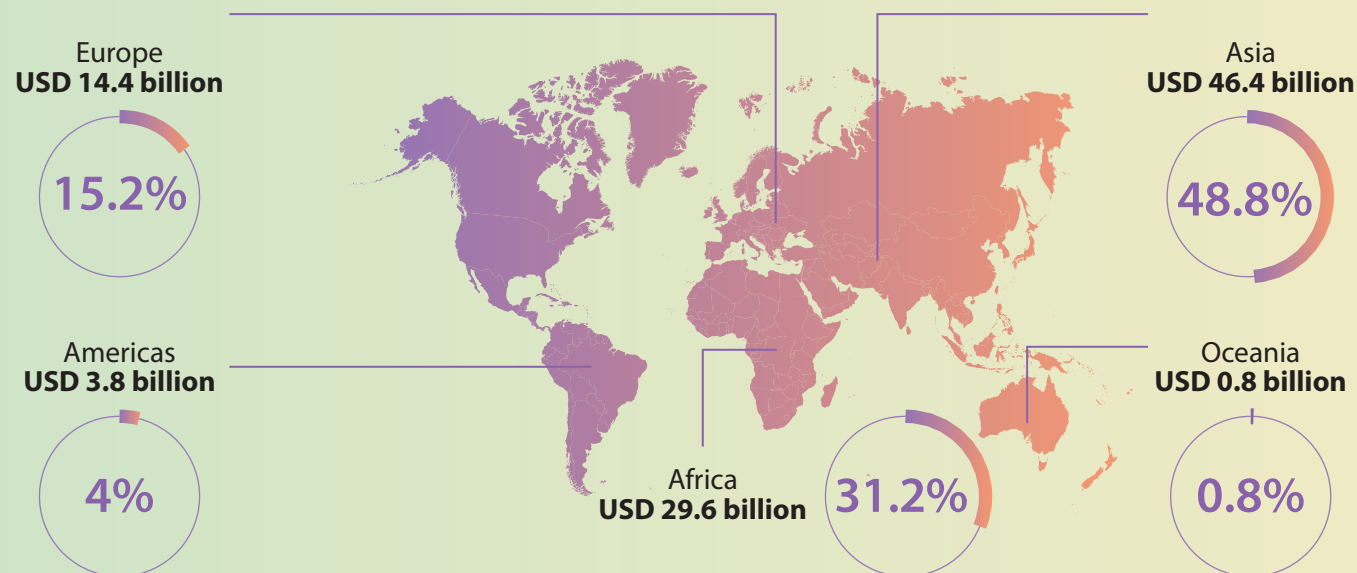




## ICIEC Since its Inception

Over 29 years, ICIEC has insured USD 95 billion in trade and investment – comprising USD 19.2 billion in investments and USD 75.8 billion for trade.

- ICIEC has extended insurance cover to the tune of USD 1.5 billion in the Agriculture and Fishery products sector, USD 2.3 billion in Healthcare, USD 26.8 billion in Manufacturing support, USD 38.3 billion to the Energy sector, USD 6.5 billion related to infrastructure, USD 8.6 billion to Services, USD 4 billion for the Mining and quarrying sector, USD 1.6 billion in Retail and Distribution sector and USD 5.3 billion across other sectors.
- The cumulative insured business in Asia totals a volume of USD 46.4 billion (48.8% of total business insured), followed by USD 29.6 billion in Africa (31.2%), USD 14.4 billion in Europe (15.2%), USD 3.8 billion in the Americas (4%), and USD 0.8 billion across Oceania (0.8%).
- The volume of intra-Organization of Islamic Cooperation (OIC) exports totalled USD 37.5 billion: insured intra-OIC investments totalled USD 7.3 billion, USD 5 billion of investments insured in Least-Developed Member States (LDMS)/Low Income Member States (LIMS), and USD 0.5 billion of exports insured from LDMS/LIMS.
- ICIEC has established more than 164 partnerships with national Export Credit Agencies (ECAs), Reinsurers, Banks, and Multilateral Development Banks.



Agriculture & Fishery products  
**USD 1.5 billion**

Healthcare  
**USD 2.3 billion**

Manufacturing support  
**USD 26.8 billion**

Energy  
**USD 38.3 billion**

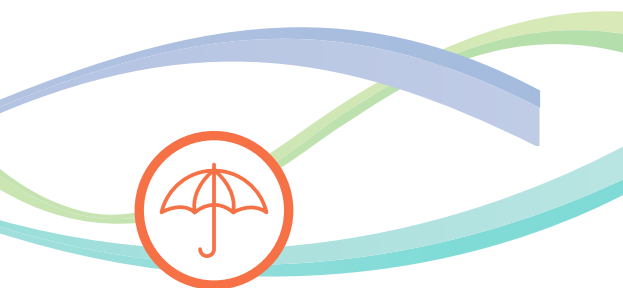
Infrastructure  
**USD 6.5 billion**

Services  
**USD 8.6 billion**

Mining & Quarrying  
**USD 4 billion**

Retail & Distribution  
**USD 1.6 billion**

Across Other Sectors  
**USD 5.3 billion**



### Agriculture

**USD 51 million**

### Retail & Distribution

**USD 361 million**

### Energy

**USD 6,638 million**

### Healthcare

**USD 264 million**

### Infrastructure

**USD 427 million**

### Manufacturing

**USD 2,473 million**

### Mining & Quarrying

**USD 95 million**

### Services

**USD 936 million**

### Others

**USD 398 million**

## ICIEC in 2022

### 2022 Annual Highlights:

The total business insured in trade and investment in 2022 reached USD 11.6 billion, a year-on-year increase of 19% compared to 2021, with new commitments increasing by 27% to USD 4.0 billion compared to USD 3.1 billion in 2021.

- ICIEC supported various sectors, including Agriculture to the tune of USD 51 million: Retail and distribution with USD 361 million: Energy with USD 6,638 million, Healthcare with USD 264 million: Infrastructure with USD 427 million: Manufacturing with USD 2,473 million: Mining and quarrying with USD 95 million: Services with USD 936 million: and Others with USD 398 million.
- ICIEC provided cover for financing landmark ESG-related projects in Uganda across the Water, Electrification, Education, Agriculture, and Healthcare sectors. Other key infrastructure projects in Member States (MSs) covered by ICIEC include the Procurement of Power Equipment (Uzbekistan), a Metals and Mining transaction (Indonesia), and a Transport Scheme (Turkmenistan).
- ICIEC has contributed to IsDB Group's Food Security Response Program (FSRP) through a pledge of USD 500 million in insurance capacity over three and a half years (July 2022 to End-2025).
- ICIEC contributed to the implementation of the Strategic Preparedness and Response Program (SPRP), in cooperation with the IsDB Group, providing cover amounting to USD 1.4 billion to support efforts of MSs in the COVID-19 pandemic, including USD 528 million for the Healthcare sector, USD 824 million towards Supporting imports of essential commodities, and USD 62 million to Support recovery of Small and Medium-Sized Enterprises (SMEs) from the economic impacts of the pandemic.
- ICIEC has been working on developing bankable projects and programs, serving the OIC Member States' climate agenda. For instance, ICIEC's Green Sukuk Insurance Policy will enhance the capacity of Sukuk issuers to attract capital for sustainable 'green' projects.
- ICIEC signed an agreement to use the landmark online climate risk screening software solution "Aware for Projects", which helps identify potential climate change risks to investments.



ICIEC has contributed to IsDB Group's Food Security Response Program (FSRP) through a pledge of USD 500 million in insurance capacity over three and a half years (July 2022 to End-2025).

## Business Performance:

ICIEC insured USD 11.6 billion in total business in 2022, compared to USD 9.8 billion in 2021, reflecting an increase of 19% and achievement of 128% of its approved Business Plan target for 2022.

- New Commitments (new insurance approvals) during 2022 reached USD 4.0 billion compared to USD 3.1 billion in 2021, registering an increase of 27%.
- Gross Exposure at the end of 2022 reached USD 4.6 billion compared to USD 4.2 billion at the end of 2021, reflecting an increase of 8%. The breakdown of Exposure for Short-Term (ST), Medium-Term (MT), and Foreign Investment Insurance (FI) business lines comprises USD 1.5 billion, USD 0.3 billion, and USD 2.9 billion, equating to 32%, 5% and 63% of total exposure, respectively.
- Gross written premium during 2022 amounted to USD 92.4 billion compared to USD 78.9 billion during 2021, reflecting an increase of 17% and achieving 108% of its approved target for 2022.

New Commitments  
**USD 4.0 billion**

compared to USD 3.1 billion in 2021, registering an increase of



Gross Exposure  
**USD 4.6 billion**

compared to USD 4.2 billion at the end of 2021, reflecting an increase of



Gross Written Premium  
**USD 92.4 billion**

compared to USD 78.9 billion during 2021, reflecting an increase of





## Surplus USD 11 million

Policyholders' Fund (PHF)  
increase in

36%

Shareholders' Fund (SHF)  
USD 7.5 million

39%

ICIEC provided over USD 2 billion in insurance coverage to support LDMS imports and exports as well as inward investment into labour-intensive industries.



## Financial Performance:

Despite challenging market conditions during the year, ICIEC produced strong results for both Policyholders' and Shareholders' Funds.

- Corporate Net Results for 2022 registered a surplus of USD 11 million compared to a surplus of USD 9 million in 2021. Furthermore, remarkable improvement in Equity and Asset growth was observed across all key areas.
- Policyholders' Fund (PHF) results were positively impacted in 2022 by an increase in Net Earned Premiums and Ceding Commission by 36% over 2021, while Gross written premium (GWP) for 2022 was 5% higher than in 2021.
- Shareholders' Fund (SHF) continued to contribute positively to overall results, with a net income of USD 7.5 million for 2022, representing a 39% increase over 2021.

## ICIEC Impact:

### UN Sustainable Development Goals (SDGs) Impact:

- In 2022, ICIEC provided over USD 2 billion in insurance coverage to support LDMS imports and exports as well as inward investment into labour-intensive industries. Additionally, it insured USD 51 million for the Agricultural sector, USD 264 million for the Healthcare sector, USD 379 million for Clean energy projects, and investments related to Infrastructure totalling USD 427 million. It has also established 164 partnerships with ECAs, Reinsurers, Banks, and Multilateral institutions.

### Enhancing Resilience

- ICIEC undertook a technical study of its capital requirements and secured a capital increase, which has succeeded in enhancing capacity and its credit rating.

### Enhancing Impact

- ICIEC signed an agreement with "Aware for Projects", a landmark online climate-risk screening tool to help the Corporation identify potential climate change risks and develop a consistent approach to assessing them.
- Within the IsDB Group Regional Hub, ICIEC opened a new regional office in Cairo, Egypt in 2022. This is an important milestone as it will expand ICIEC's reach and better serve the needs of clients in this region.

### Enhancing IsDB Group Synergy

- During 2022, ICIEC supported IsDB Group FSRP through a pledge of USD 500 million in insurance capacity over three and half years (July 2022 to End-2025).

### Enhancing Efficiency

- The Corporation is committed to providing a best-in-class client experience through various initiatives, including:
  - Comprehensive update of the Operations Manual.
  - Automating and streamlining the end-to-end business solution. This is expected to Go-live in Q2-2023.
- The Corporation's goal is to provide clients with an efficient, optimized system that will enable them to maximize productivity while minimizing time spent on manual processes.

## Propelling Partnership:

### Asia:

- ICIEC signs a Memorandum of Understanding (MoU) with Nippon Export and Investment Insurance (NEXI) to combat the climate crisis
- ICIEC concludes MoU with Central Bank of Iraq (CBI) to boost Credit and Political Risk Insurance (CPRI) deals in the country
- Saudi EXIM Bank and ICIEC seal reinsurance agreement to help facilitate the flow of trade finance into and out of the Kingdom of Saudi Arabia.
- Tabarak Investment Capital and ICIEC agree on insurance coverage for Shariah-compliant goods
- Export Bahrain and ICIEC ink an MoU for export credit and investment insurance
- ICIEC and Al-Rajhi International Investment Company sign a MoU for agri-food security to MSs
- MoU signed with Islamic Chamber of Commerce, Industry and Agriculture (ICCIA) to support trade and green finance in MSs tapping ICIEC de-risking solutions
- ICIEC organized two high-level events at IsDB Group Private Sector Forum in Egypt focused on 'Climate Action' and 'Digital Transformation'.

### Europe:

- ICIEC and Compania Espanola de Seguros de Credito a la Exportacion, S.A. Compania de Seguros y Reaseguros SME (CESCE) ink reinsurance agreement.
- ICIEC joined the InsuResilience Global Partnership (IGP) for climate disaster risk finance and disaster solutions; positioning itself at the forefront of its peers to meet the Climate Action needs of its MSs.
- ICIEC and IGP convene a high-level forum during COP27 to stress the importance of Partnerships in accelerating climate action, mitigation, adaptation, and finance, including de-risking credit and political risk solutions.

### Africa:

- ICIEC and Elsewedy Electric accelerate climate action.
- ICIEC, African Development Bank (AfDB), African Trade Insurance Agency (ATI), African Union Development Agency (AUDA-NEPAD), GuarantCo, and Afreximbank partnered to boost trade
- ICIEC and the Federation of Egyptian Industries (FEI) signed a cooperation MoU for Egyptian industries
- ICIEC, the Ministry of Trade and Industry, Egypt, and the Arab Africa Trade Bridge (AATB) program ink a partnership agreement to boost growth
- ICIEC and the Federation of Afro-Asian Insurers and Reinsurers (FAIR) agree on new cooperation in trade and investment
- ICIEC and Commercial International Bank (CIB) hosted a COP27 panel discussion on climate adaption and food security.
- ICIEC signed a landmark cooperation MoU with Africa Finance Corporation (AFC) to Promote the Origination, Financing and Execution of Climate Action Projects in African MSs.
- ICIEC partnered with AFC to convene Timely Forum at COP27 in Sharm El Sheikh on the roles of renewable energy projects and credit and political risk insurance in climate change mitigation.
- ICIEC hosted three fireside chats with high-level speakers during COP27 discussing Renewable energy, clean energy transition, the Middle East Green Initiative, and the Role of technology and finance. Guests included Mr. Paddy Padmanathan (Vice Chairman and CEO of ACWA Power – KSA), Lord Adair Turner (Chair of the Energy Transitions Commission and Chairman of Chubb Europe – UK), and H.H. Noura Turki Al Saud and H.H. Mashal Alshalan (Funding Partners of AEON Strategy - Saudi Arabia).



## CHAPTER 02

# ICIEC Introduction





## The Unique Shariah-Compliant multilateral credit and political risk insurer in the world

ICIEC is a specialized multilateral insurer provides Shariah-compliant trade credit and investment insurance to reduce the risk of doing business for prospective trade partners, businesses, and investors across its 48 Member States (MSs) and globally. Since commencing operation in 1994, ICIEC has been committed to supporting the development of its MSs through facilitating trade and investment transactions, including exports from MSs to the rest of the world and bringing leading international companies to support them.

This is at the heart of the Corporation's mandate, and it harnesses its deep understanding of doing business in these countries to support existing ventures and promote new opportunities. ICIEC thus serves as a transformative catalyst for promoting trade and investment into its MSs and has supported trade and foreign direct investments with a cumulative amount of USD 95 billion. Of this figure, USD 75.8 billion represents support for trade, while USD 19.2 billion of foreign direct investments is insured. ICIEC cover has been provided to the benefit of its 48 MSs, enhancing their economic prosperity, development, and diversification.

In 2022, ICIEC worked ceaselessly to navigate through the patchy recovery from the COVID-19 pandemic. Not only continued supporting trade and investment in the OIC countries through the challenging days of the crisis, but it has also stepped up its capacity and responded to the more recent and urgent demands from its MSs. Through collaborative efforts amongst member institutions, IsDB Group has also been able to leverage complementary strengths and enhance the impact of the Group's response to the crisis. This support has enabled MSs to achieve long-term sustainable development by catalysing ESG-related transactions and projects that contribute towards achieving 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 six goals

that are directly related to its mandate. For example, ICIEC's response to the Climate Crisis (SDG 7) and World hunger (SDG 2) has been to support MSs transactions related to food security and energy transition. Furthermore, growing ESG awareness from shareholders across MSs has increased ICIEC's push towards supporting more sustainable projects.

As the trusted partner of many international exporters, financial institutions, and investors, ICIEC's reputation has afforded its stakeholders, the communities, and institutions in MSs, the opportunity to undertake business with partners that otherwise may not have been available to them. ICIEC covers transactions ranging from investments in large infrastructure projects (energy/renewable energy, transport, and healthcare sectors) and import of essential products (pharmaceutical supplies, agricultural inputs, and equipment) to enhancing the food security of its MSs. ICIEC has made significant strides since its establishment 29 years ago. Its number of MSs, partners and the volume of business insured per year has expanded significantly during the past decade. The Corporation's performance remained strong through 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 IsDB Group and the hardworking businesses in its MSs that continue pushing impact boundaries beyond their respective borders and that has continued to provide the Corporation with insightful market needs analysis.



ICIEC has supported trade and foreign direct investments with a cumulative amount of **USD 95 billion**. Of this figure, **USD 75.8 billion** represents support for trade, while **USD 19.2 billion** of foreign direct investments is insured. ICIEC cover has been provided to the benefit of its **48 MSs**, enhancing their economic prosperity, development, and diversification.

## CHAPTER 03

# Global Trends and Outlook



## Global Economic Outlook

Global economic growth will be held back by two main factors in 2023: the ongoing effects of the war in Ukraine and global monetary tightening. The war in Ukraine is affecting the global economy, which is already weakened by the COVID-19 pandemic via the weaponization of energy supplies, higher commodity prices, and supply-chain disruptions. This situation is expected to persist throughout 2023 as the war becomes a protracted frontier conflict. However, the Chinese government's abrupt transition away from its zero-covid policy will support global economic activity and trade demand, notably in the second half of 2023.

The global GDP growth forecast for 2023 is expected at 2.9% (3.4% in 2022), reflecting positive surprises and greater-than-expected resilience in numerous economies. Growth in the Eurozone is projected to slow at 0.7% in 2023 before rising to 1.6% in 2024. Growth is expected to pick up to 5.2% in China, with the full reopening in 2023 compared to 3.0% in 2022.

Oil prices will remain elevated for as long as the Ukraine war rages on. Commodity prices are to continue to ease back from their 2022 peaks but remain high by pre-war standards (particularly for natural gas), which will keep a floor under inflation. Global inflation to subside only gradually, from an estimated 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, as global demand softens and supply-chain constraints start to ease.

While major central banks are raising rates aggressively to try to contain inflation, currently, policy rates are expected to peak in the first half of 2023 and remain high in 2023-24.

### Trade

In 2023, growth in global trade volumes will slow to their slowest pace of expansion in over a decade. Still-elevated levels of consumer price inflation will erode household propensity to spend, and low investor sentiment—stemming from worsening geopolitical strains and global economic uncertainty—will weigh negatively on business investment.

Recessions in the US and the EU in early 2023, alongside economic uncertainty in China as the government navigates the end of its zero-covid policy, will keep growth in global trade flows under pressure over the first half of next year.

### Investments

Gross investment in Emerging Markets and Developing Economies (EMDEs) is projected to grow by just 3.5% on average from 2022 through 2024. That's less than half the average rate in the previous two decades and less than the rate needed to maintain capital stocks. Amid sharply rising global interest rates, the large fiscal demand for global capital by the governments of advanced economies points to a channelling of critical resources away from EMDEs. The global environment for international business and cross-border investment changed dramatically in 2022 with the onset of the war in Ukraine. Investor uncertainty and risk adversity could put significant downward pressure on global FDI in 2023 (Global Economic Prospects – January 2023).

### Supply Chain Disruptions

The supply-chain restructuring will remain an important theme globally, as challenging business conditions—alongside worsening geopolitical anxieties—encourage diversification in investment among multinationals. Investors are not expected to exit the Chinese market in



The global GDP growth expected in 2023

2.9%

Growth in the Eurozone expected in 2024

1.6%

Growth is expected to pick up in China

5.2%



Global inflation to subside only gradually, from an estimated 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, as global demand softens and supply-chain constraints start to ease.





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mass, given that country's importance in global value chains. However, the "China+1" strategies are increasingly expected to guide regional investment strategies as multinational companies hedge against uncertainty by expanding their resources in adjacent markets. This will narrow the differential in foreign investment flows between China and other regions in 2023-27, with associated capital and technology transfers steadily enhancing the competitiveness of emerging Asian markets (such as Vietnam) over that five-year period.

### Risks to the Outlook

The downside risks to the outlook are overwhelming. The war in Ukraine could lead to a sudden stop of European gas imports from Russia; inflation could be harder to bring down than anticipated; tighter global financial conditions could induce debt distress in emerging markets and developing economies; renewed COVID-19 outbreaks and lockdowns, and geopolitical fragmentation could impede global trade and cooperation. There is a very high probability that key risks will materialize, including inflation rising further.

## ICIEC Operating Countries

### Sub-Saharan Africa

The real GDP growth in Sub-Saharan Africa (SSA) is expected to remain largely the same at 3.8% in 2023 compared to 2022 before increasing to 4.1% in 2024. Resilience in the growth of non-resource-dependent economies like Ethiopia, Senegal, and Côte d'Ivoire will partly offset the lower growth performances for resource-dependent economies (including oil exporters) such as South Africa, Nigeria, and Angola during 2023. Senegal will become a liquefied natural gas (LNG) exporter in 2023 as LNG trade with EU partners is scaled up to meet the supply gap emanating from sanctions against Russia. Senegal follows closely in the footsteps of Mozambique, which commenced LNG exports in November 2022 from its newly inaugurated Coral South FLNG offshore plant. Large-scale LNG project development, particularly in Mozambique, Senegal, and Tanzania, is expected to accelerate in the medium term.

SSA will continue to attract green energy financing, with South Africa taking the lead after the USD 8.5 billion acquisition in green energy financing during COP26/COP27. The Democratic Republic of the Congo, together with Brazil and Indonesia, formally launched a climate



The real GDP growth in Sub-Saharan Africa (SSA) is expected in 2023

3.8%

GDP growth in the Middle East and Central Asia is expected in 2023

3.2%

Growth in emerging and developing Asia is expected to rise in 2023

5.3%

partnership during COP27 to work together on the conservation of the largest rainforest in the world. Gabon, one of the most densely forested countries in the world, will be one of the first SSA nations to start trading its carbon offset credits in late 2022 and 2023.

### Middle East and Central Asia

GDP growth in the Middle East and Central Asia is expected to decline to 3.2% in 2023 from an estimated at 5.3%, undermined by a steeper-than-expected growth slowdown in Saudi Arabia, from an estimated 8.7% in 2022 to just 2.6% in 2023. The expected slowdown in Saudi Arabia's prospects for 2023 reflects mainly lower oil production in line with an agreement through OPEC+ (Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters), while non-oil growth is expected to remain robust.

### Other Emerging Markets

Growth in emerging and developing Asia is expected to rise in 2023 and 2024 to 5.3% and 5.2%, respectively, compared to a slowdown of 4.3% in 2022, hampered by the slowdown in China's economy. China's real GDP slowdown in the fourth quarter of 2022 was mainly attributable to

the zero COVID closedowns on the unexpected re-emergence of the virus in the country. In 2023, China's growth is projected to rise to 5.2%, bolstered by rapidly improving mobility. Growth in India is set to decline from an estimated 6.8% in 2022 to 6.1% in 2023 before picking up to a level at 6.8% in 2024, with resilient domestic demand despite external headwinds. Growth in the ASEAN-5 countries (Indonesia, Malaysia, Philippines, Singapore, Thailand) is similarly projected to slow to 4.3% in 2023 and then pick up to 4.7% in 2024.

Growth in emerging and developing Europe is projected to have levelled off at 0.7% in 2022. This risk is largely attributable to a contraction of 2.2%. Russia's economic prospects are expected to rebound, registering modest growth in 2023. At the current oil price cap level of the Group of Seven, Russian crude oil export volumes are not expected to be significantly affected, with Russian trade continuing to be redirected from sanctioning to non-sanctioning countries.

## Top Risk in ICIEC Operating Environment

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.

### Inflation

According to IMF Economic Outlook January 2023, global economic activity will be negatively impacted by the war in Ukraine, policy tightening by major Central banks, and high inflation. The cost-of-living crisis, tightening financial conditions in most regions, the war in Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from an estimated 3.4% in 2022 and 2.9% in 2023, then rise to 3.1% in 2024.

### 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, social and geopolitical conflicts.

### War in Ukraine

The war in Ukraine and deepening cuts to supplies of gas to Europe have amplified pre-existing vulnerabilities in global commodity markets, driving natural gas prices higher once more. Continued uncertainty over energy supplies has contributed to slower real economic activity in Europe, particularly in manufacturing, dampening consumer and, to a lesser extent, business confidence.

### Inflationary Pressure

Global inflation was forecast to fall from 8.8% in 2022 to 6.6% in 2023 and to 4.3% by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy.

### 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), and digital supply chain solutions are all driving trade efficiencies.

IMF=<https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>



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## CHAPTER 04

# 2022 Annual Highlights







**USD 11.64 billion**  
Support for trade and  
investments



**USD 9.62 billion**  
Support for trade



**USD 2.02 billion**  
Support for foreign  
direct investments



ICIEC cover has been provided to its  
**48 Member States**  
across the world!

In 2022, ICIEC outperformed many of its ambitious targets in terms of business insured and its international profile. This strong performance was made possible through initiatives undertaken to improve operational performance and enhance capital strength, reflected in the Corporation's solid credit rating (Aa3). In particular, the shareholders demonstrated their support for ICIEC's strategic growth plans by approving a substantial increase in capital of ID 600 million (about USD 805 million) at its 29th Annual Meeting held in Egypt in June 2022. This represents a 150% increase in the authorized capital of ICIEC to bring it to ID 1 billion (about USD 1.35 billion), being the largest in its history.

Based on this approval for a capital increase, the subscribed capital will be increased by 168% from ID 297 million (about USD 398 million) to ID 797 million (about USD 1.08 billion). In addition, a Special Share Class comprising ID 100 million (about USD 135 million) was allocated for subscription by financial institutions owned by the Member States of ICIEC.

The approval of the capital increase underscored the strong support enjoyed by ICIEC from its MSs and demonstrated their endorsement of its strategic growth plans in delivering the objectives of sustainable development to its MSs. Moreover, the approval highlighted the diversification of capital resources, including financial institutions, while prioritizing the mandate to MSs.

For a multilateral insurer like ICIEC, the capital increase is significant because it determines its ability to underwrite more business and boost reinsurance capacity in support of MSs to carry out

their developmental mandates more effectively. Furthermore, the capital increase scales up ICIEC's financial strength, enhances its loss-bearing equity resources, and improves its competitive position in the marketplace and its internal capital generation capacity, thus strengthening its credit fundamentals.

ICIEC contributed to the implementation of the SPRP, in cooperation with the IsDB Group, providing cover amounting to USD 1.4 billion in support of MSs pandemic recovery efforts. These include USD 528 million for the healthcare sector, USD 824 million towards supporting imports of essential commodities, and USD 62 million to support SMEs from the economic fallout following the pandemic. Furthermore, ICIEC also contributed to the IsDB Group's FSRP – endorsed by a USD 10.5 billion package aimed at supporting MSs – by pledging USD 500 million in insurance capacity from July 2022 to December 2025. During the first FSRP period of H2-2022, ICIEC total approvals reached USD 159 million, representing double the target of USD 80 million.

There were also key ESG-related infrastructure projects supported by ICIEC, in Senegal, Uganda, Türkiye and Turkmenistan, which will be key to accelerating climate mitigation and promoting sustainability. Landmark events also took place at COP27 between ICIEC and InsuResilience, as well as Egypt's largest and leading private sector bank, CIB, in ICIEC's bid to move the dial on the race to net zero.

ICIEC was also honoured in the insurance industry Global Brand Awards 2022 as the inaugural winner in the category 'Best Multilateral Insurance Corporation Brand – Global', given by Global Brands Magazine. This year's award demonstrates how ICIEC's market engagements enable public and private enterprises through enhancing credit and closing the financial gap.

*Note: ID = Islamic Dinar, the unit of accounting of the IsDB Group: One ID = One SDR (Special Drawing Right) of the International Monetary Fund: One SDR = USD1.33 on 31 December 2022.*

## 2022 Key Results

**Aa3** Insurance  
Financial Strength  
Credit rating by

**Moody's**  
for the 15<sup>th</sup> consecutive year



**USD 11.64 billion**  
Business Insured

### Business Insured by Sector

Agriculture

**USD 51 million**

Health

**USD 264 million**

Energy

**USD 6,638 million**

Infrastructure

**USD 427 million**

Manufacturing

**USD 2,473 million**

Mining and Quarrying

**USD 95 million**

Distribution and Retail

**USD 361 million**

Others

**USD 1,334 million**



### Business Insured by Region 2022



Africa

**USD 3.26 billion**

Asia

**USD 6.01 billion**

Europe

**USD 1.96 billion**

Americas

**USD 0.4 billion**

Oceanic

**USD 0.01 billion**

**Key Results (Cumulative)**

Agriculture

**USD 1.47 billion**

Health

**USD 2.35 billion**

Energy

**USD 38.34 billion**

Infrastructure

**USD 6.45 billion**

Manufacturing

**USD 26.79 billion**

Mining and Quarrying

**USD 4.01 billion**

Distribution and Retail

**USD 1.62 billion**

Others

**USD 13.91 billion****Financial Performance**

Corporate net results

**10.9**  
**USD million**

Technical results

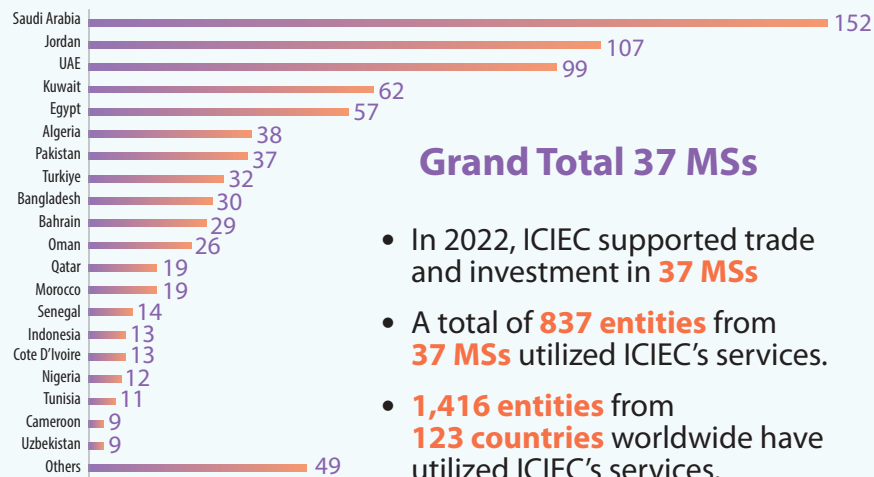
**3.4**  
**USD million**
**New Member State**

ICIEC  
welcomes the Republic  
of Maldives as its

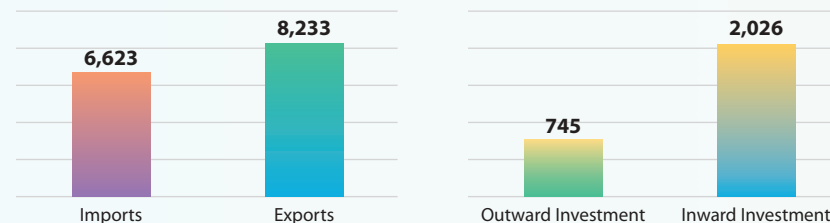
**48<sup>th</sup>** Member  
State



### Number of Entities Utilizing ICIEC's Services during 2022



### ICIEC Support provided to its Member States in 2022 (USD Million)



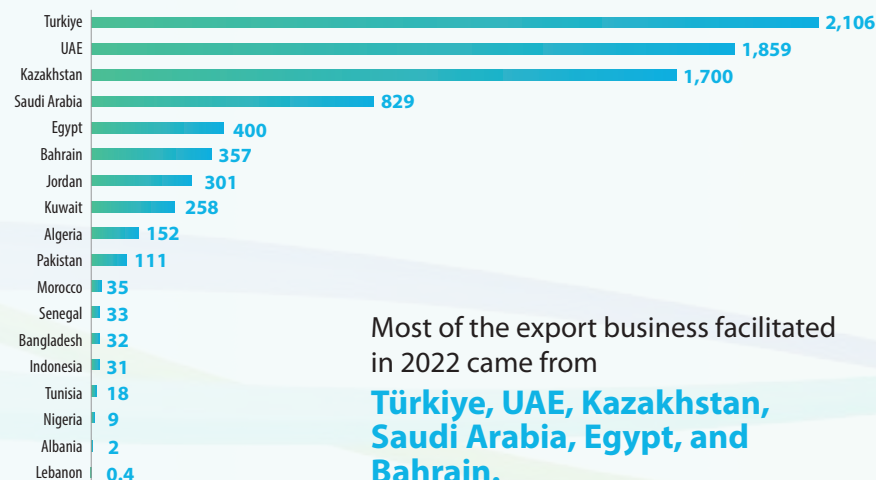
**Total 17,627**

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



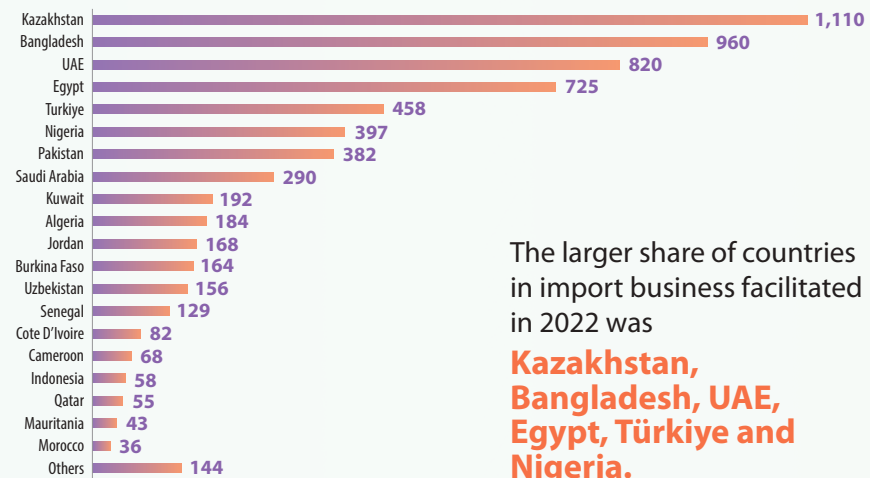
A key priority of ICIEC is supporting intra-trade and intra-investment among OIC Member States. In 2022, ICIEC supported a combined **USD 6.11 billion** of intra-trade and intra-investment among OIC states, representing a **36%** increase as compared to the previous year. Out of that figure, **USD 5.34 billion** represented intra-OIC trade among OIC states, and **USD 0.77 billion** represented intra-investment among OIC states.

### Major Member States by Export Business Facilitated (USD Million)



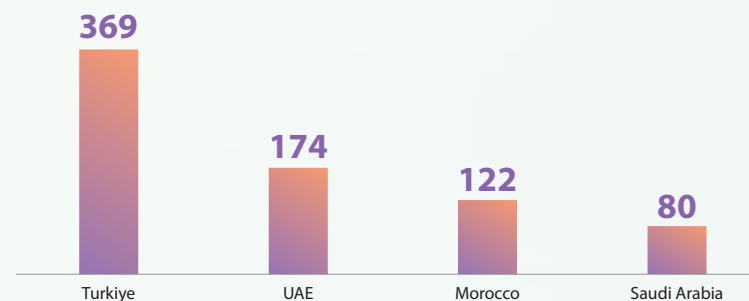
Most of the export business facilitated in 2022 came from

**Türkiye, UAE, Kazakhstan, Saudi Arabia, Egypt, and Bahrain.**

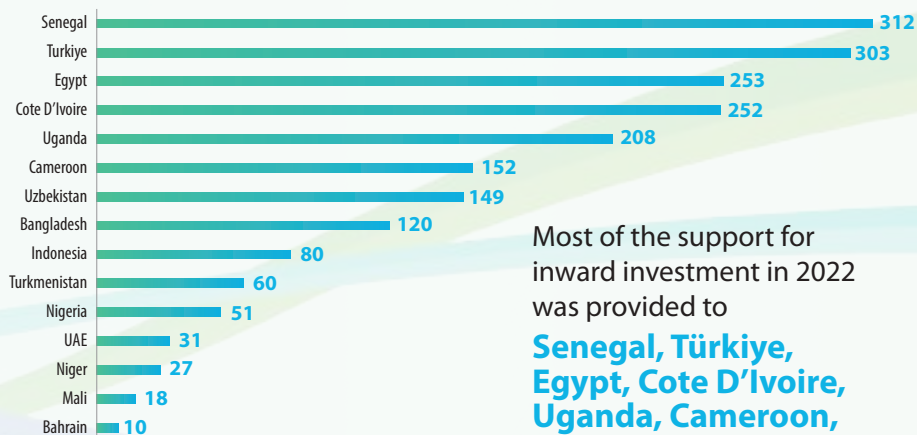
**Major Member States by Import Business Facilitated (USD Million)**

The larger share of countries in import business facilitated in 2022 was

**Kazakhstan, Bangladesh, UAE, Egypt, Türkiye and Nigeria.**

**Major Member States by Outward Investment Facilitated (USD Million)**

In 2022, ICIEC supported outward investments, predominately to **Türkiye, UAE, Morocco, and Saudi Arabia.**

**Major Member States by Inward Investment Facilitated (USD Million)**

Most of the support for inward investment in 2022 was provided to

**Senegal, Türkiye, Egypt, Cote D'Ivoire, Uganda, Cameroon, and Uzbekistan.**

## ICIEC COVID-19 Response

The economic fallout from the COVID-19 pandemic across OIC states was amplified by the war in Ukraine in 2022. ICIEC and its partners have been charting a sustainable course and strategic direction to manoeuvre the unforeseen global developments as political risk and instabilities rise – particularly in ICIEC’s MSs. In short, the pandemic and heightened geopolitical instability will further increase the demand for risk mitigation solutions for MSs to restore trade and investment flows.

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

### Business Continuity Management

ICIEC and the IsDB Group implemented Business Continuity Management measures to ensure the safety of ICIEC staff and the seamless continuity of operations through remote and allied means.

### New Measures

ICIEC introduced new measures, including regular Member State vulnerability tests and portfolio stress tests, tracked over dues at the portfolio level, exchanged early-warning exposure experiences amongst IsDB Group entities, and implemented a cautiously responsive operational approach, coupled with a defensive investment strategy

### Strategic Preparedness and Response Program

ICIEC contributed to the implementation of the SPRP in cooperation with the IsDB Group, providing insurance coverage



ICIEC contributed to the implementation of the SPRP in cooperation with the IsDB Group, providing insurance coverage amounting to **USD 1.4 billion** to support the efforts of Member States in combating the pandemic.



amounting to USD 1.4 billion to support the efforts of Member States in combating the pandemic.

### Synergy-Based Initiatives

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 CGF was expected to provide de-risking solutions to Member States and to support USD 4.2 billion in business over a period of five years. However, this Initiative did not materialize due to member states finding its conditions to be not favourable, especially the point regarding the repurposing of the Cumulative Undisbursed Commitments (CUCs).

The ICERI – which is prioritized for import-dependent IsDB member countries to preserve the flow of essential imports to OIC Countries – has contributed to meeting the health, food and energy needs of LDMSs. Based on the ICERI program, ICIEC enabled competitive financing rates to LDMSs for procuring medical items and essential food and energy commodities. ISFD has allocated a grant to ICIEC to support up to USD 400 million to procure urgent product needs. A total of USD 271 million emergency trade transactions has been approved under efficient collaboration from ISFD.

### Member States Recovery Support by Sector Under SPRP

ICIEC has supported Member States' recovery from the pandemic, including USD 528 million for the healthcare sector, USD 824 million toward supporting imports of essential commodities, as well as USD 62 million for supporting the recovery of SMEs from the pandemic impact.



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## Major Project Impacts

### Infrastructure



### ICIEC Backs ESG-Related Ugandan Infrastructure Projects

Country:



Uganda

Volume:

**EUR 196 million**  
(USD 155 million)

Tenor:

**10 Year**

Client:

**Uganda's  
Ministry of Finance**

Product:

**Non-Honouring Sovereign Financial  
Obligation (NHSFO)**

ICIEC supported essential ESG-related infrastructure projects in Uganda across water, energy, education, agriculture, and healthcare sectors. Uganda's Ministry of Finance, Planning and Economic Development tapped a 10-year EUR196 million (USD 155 million) ECA-backed murabaha facility from Standard Chartered Bank with 95% cover from ICIEC's Non-Honouring Sovereign Financial Obligation (NHSFO) insurance to finance those schemes.

#### Development Impact:

All selected projects are ESG-related with significant developmental impact in Uganda and will, upon completion, immediately improve the lives of millions of people. The ICIEC-backed financing will support agriculture, solar energy, a fundamental source of power generation to mitigate climate change, water infrastructure and healthcare. Other key impacts of the projects comprise: improved living conditions, increased access to safe drinking water, increased life expectancy and health-adjusted life expectancy, improved food security conditions, increased agriculture productivity, and driving green economic growth.

#### SDGs



## Agriculture



### ICIEC Aids Agriculture Modernization in Turkmenistan

Country:



**Turkmenistan**

Volume:

**USD 40 million**

Tenor:

**7 Year**

Client:

**State Bank for Foreign  
Economic Affairs (TFEB)**

Product:

**Non-Honouring Sovereign Financial  
Obligation (NHSFO)**

ICIEC covered two key transactions in the agriculture sector across its MSs. First, ICIEC supported a landmark seven-year USD 40 million ECA-backed facility to finance the procurement of Komatsu Machinery for the agriculture sector in Turkmenistan. ING Bank provided the NHSFO-covered facility to the government of Turkmenistan through the State Bank for Foreign Economic Affairs (TFEB).

#### Development Impact:

The deal will support government policies aimed at reducing Turkmenistan's exposure to volatile commodity prices and diversifying the economy and export range. The project will improve the food self-sufficiency of the country while also helping to improve the efficiency of the agriculture sector by using the latest technology in irrigation equipment. The project is also related to water resources and will have a positive contribution, including provision of clean water and socio-economic development through the creation of additional farms while upping yield in agricultural output.

#### SDGs





## Major Project Impacts

### Agriculture



### ICIEC Boosts Agri Commodities Trade in Member States

Volume:

**USD 95 million**

Client:

**FIM Bank, Malta, Incomlend Singapore  
& Bank of Africa UK**

Product:

**Bank Master Policy for  
Conventional Financing (BMP-C)**

The second agribusiness-related deal involved support to three non-MS banks on their revolving trade credit facilities extended to various obligors for the purchase and supply of strategic agricultural and related commodities by MSs. Under the Bank Master Policy (BMP), ICIEC insured FIM Bank (Malta), Incomlend (Singapore) and Bank of Africa (UK) for their facilities totalling USD 95 million to support trade transactions in various MSs. The BMP being offered to non-MS banks is expected to increase strategic exports/imports from MSs for fertilizer, petrochemicals, steel and agri commodities.

### Development Impact:

Promoting MSs exports and investments amongst all MSs is key to realizing the green growth and the SDGs. Strategic goods will positively impact the green industrial revolution and will be a boon for large-scale projects and trade across MSs. This project supports SDG 2, 8 and 13. The support of the steel trade will promote key infrastructure projects and the delivery of fertilizers will be crucial to promoting agri-business across MSs. The project shall also improve the food self-sufficiency of the country while also helping to enhance the efficiency of the agriculture sector by using the latest technology in irrigation equipment. The financing will assist to upgrade and improve efficiency of petrochemical projects across MSs.

### SDGs



## Transport



### ICIEC Facilitates the Development of Transportation Infrastructure in Turkmenistan

Country:



**Turkmenistan**

Volume:

**USD 20 million**

Tenor:

**7 Year**

Client:

**State Bank for Foreign Economic Affairs (TFEB)**

Product:

**Non-Honouring Sovereign Financial Obligation (NHSFO)**

ICIEC covered a seven-year USD 20 million ECA-backed facility to finance the procurement of Toyota taxis, buses, and minibuses supplied by Sumitomo Corporation in Turkmenistan. ING Bank provided the NHSFO-covered facility to the government of Turkmenistan through TFEB. The deal will enable intra/inter-city transportation in Ashgabat and Turkmenistan.

#### Development Impact:

The transport infrastructure is an important part of the development of Turkmenistan's economy contributing around 4.5% to the country's GDP, with road transport constituting roughly 86% of total freight volume and about 60% of total passengers in 2020. The transport sector plays a vital role in Turkmenistan, which is becoming a key transit country in Central Asia and the Central Asia Regional Economic Cooperation program. The efforts to provide better linkages within Turkmenistan are expected to generate more jobs, higher incomes, and alleviate poverty in the country.

Direct benefits of the project include an increase in the quality of municipal services provided to the population: job creation in the services sector: and an increase in tax revenues. The proceeds will increase the availability and competitiveness of urban and intercity transport in Turkmenistan and ease overcrowding in the local transport network, especially during rush hours. This project will greatly contribute to a more efficient "sharing-economy" of Turkmenistan as compared to when ordinary citizens import such vehicles in their private capacity, inevitably exposing the country to an increasing outflow of capital and cars are exposed to longer idle times of maintenance.

**SDGs**



## Major Project Impacts

### Energy



### ICIEC Bolsters Power Sector in Uzbekistan

Country:



Uzbekistan

Volume:

**USD 40 million**

Client:

**MSs. Hidro Enerji**

Product:

**Foreign Insurance Policy (FIIP)  
for Equity Investments**

ICIEC's support to the power sector is crucial to boosting economic growth in MSs. Hidro Enerji tapped ICIEC's Foreign Insurance Policy (FIIP) for Equity Investments of USD 40 million in Odas Energy, an SPV for the purpose of engineering and construction of a 1745 MW Combined-Cycle Gas Turbine (CCGT) power plant in Uzbekistan. The cover also extends to the revenues of USD 20 million to be generated under a Power Purchase Agreement signed between Odas Energy and the government of Uzbekistan.

#### Development Impact:

Electricity supply security has been pushed further up the agenda for governments, project developers and operators across MSs. This project will help secure baseload power for Uzbekistan at a time when energy security concerns are ballooning across MSs. Energy is also a key source of economic growth, and this project will contribute significantly towards the government's industrialization and import substitution drive. Given the role of natural gas as a transition fuel, in the wake of the pandemic and the war in Ukraine, such power procurement support will be key to realizing the race to net zero emissions in MSs. The coverage of this project by ICIEC has provided a precedent for future such deals in Uzbekistan and will promote more efficient carbon-intensive assets down the project pipeline.

#### SDGs





## Oil and Gas



### ICIEC Supports Egypt's Energy Needs During the COVID-19 Pandemic

Country:



**Egypt**

Volume:

**USD 200 million**

Client:

**Saudi National Bank**

Product:

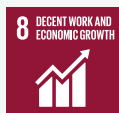
**Bank Master Policy (BMP)**

ICIEC played a crucial role in raising additional funds for the government of Egypt to mitigate the impact of the COVID-19 pandemic by providing Bank Master Policy cover for the Saudi National Bank syndicated Murabaha financing of USD 200 million. This contributed to enhancing energy supply in Egypt, and proceeds will be used to purchase crude oil, refined petroleum products, and gas products, which are essential for the country and its population.

#### Development Impact:

The government of Egypt adopted several actions in response to the adverse effects of the COVID-19 pandemic. These significant actions have very rapidly and clearly — after having already adopted a budget — led to a substantial increase in fiscal and socio-economic funding requirements for the government of Egypt to counteract the impact of COVID-19. The deal also demonstrates the role of Islamic finance in realizing energy transition, with gas as a transition fuel. The financing holds promise for scaling up such projects in the future.

#### SDGs



## Major Project Impacts

### Metals and Mining



### ICIEC Supports Navoi Mining and Metallurgical Company's Expansion Program in Uzbekistan

Country:



Uzbekistan

Volume:

USD 75 million

Tenor:

5 Year

Client:

ICBC Standard Bank, UK

Product:

Non Honoring of a Financial Obligation of a State-Owned Enterprise (NHFO-SOE)

Navoi Mining and Metallurgical Company (NMMC), an enterprise of strategic importance for the economy and leading gold producer in Uzbekistan, sealed a landmark five-year USD 75 million ICIEC-backed facility from ICBC Standard Bank (UK) for financing the capital equipment and expenditures in line with the NMMC's expansion program. ICIEC provided cover in the form of an NHFO-SOE insurance solution, and the deal will serve as a financial template for future such deals in the Central Asian country.

#### Development Impact:

Mining is a crucial source of economic growth for the country. This project considerably supports the government's industrialization and import substitution drive. Part of the proceeds of the projects will be deployed to social and ESG projects, that would allow to optimize business practices and processes and improve operational efficiency.

NMMC's payment of taxes and dividends to the government contributes to 20% of the GDP and helps the country narrow the national budget deficit. For Uzbekistan, the need for stronger industries is fundamental and the project's contribution towards boosting gold production will support industries' expansion, modern mining, and increase trade. Uzbekistan will also benefit from this project by creating direct and indirect jobs and transferring know-how. The success of NMMC will also send a positive signal to foreign investors seeking to enter the Uzbek economy. Critical minerals and metals are nascent sectors for ECA support, given the role of future-facing commodities in accelerating the energy transition. Mining is a key source of economic growth for the country, and this project shall contribute significantly towards the Uzbek government's industrialization and trade resilience.

#### SDGs



## Metals and Mining



### ICIEC Provides PRI Cover to Support Indonesia's Mining Sector and Nickel Trading

Country:



Indonesia

Volume:

**USD 80 million**

Tenor:

**5 Year**

Client:

**Sidra Capital**

Product:

**Non-Honouring Sovereign Financial Obligation (NHSFO)**

The second transaction ICIEC backed in the metals and mining sector was in Indonesia, where ICIEC supported Sidra Capital in securing a USD 80 million loan facility to Indonesia's PT MCT to finance suppliers and operators in the mining sector and nickel trading. ICIEC covered the non-payment due to political risks only. Proceeds of the facility will help SME miners get access to funding while also upping the flow of FDI and foreign exchange into Indonesia thereby improving the balance of payment of Indonesia.

#### Development Impact:

Metals and mining as a sector are central to accelerating the energy transition, given the role nickel, copper and lithium play in battery-making. This project will provide crucial future-facing metals and critical minerals to traders across MSs. The deal is another boon for Islamic finance as the financial instrument proves crucial towards the race to net zero emissions in MSs. The facility will help bridge the financing gap for local mining operators and promote Islamic mode of finance in the country. Furthermore, the scheme will support economic integration between Member States. The scheme will boost employment in Indonesia while supporting SMEs, which will be integral to driving transition and baking SDGs into the supply chains in Indonesia.

#### SDGs





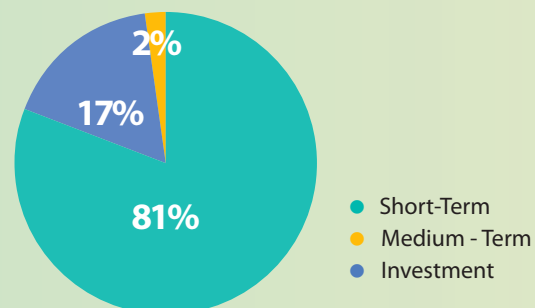
## CHAPTER 05

# Business Performance



## Summary of 2022 Operations

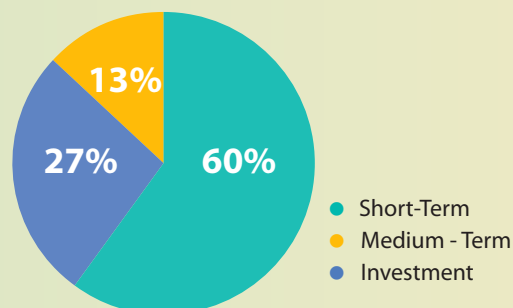
### Total Business Insured



**USD 11.6 billion**

↑ 19% YOY change

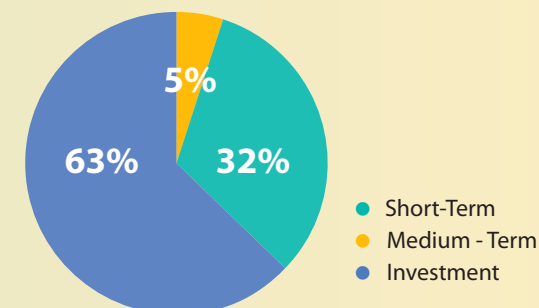
### New Insurance Commitments



**USD 4.0 billion**

↑ 27% YOY change

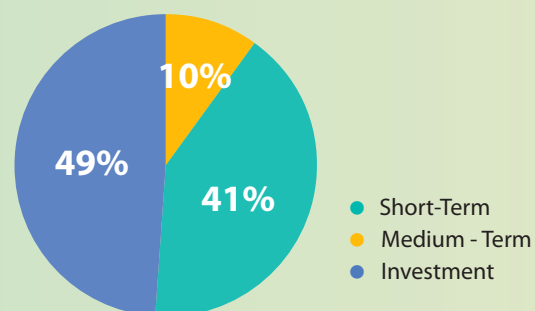
### Total Exposure



**USD 4.6 billion**

↑ 8% YOY change

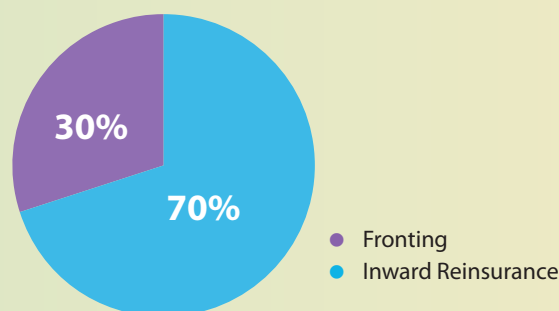
### Total Gross Written Premium



**USD 83.3 million**

↑ 5% YOY change

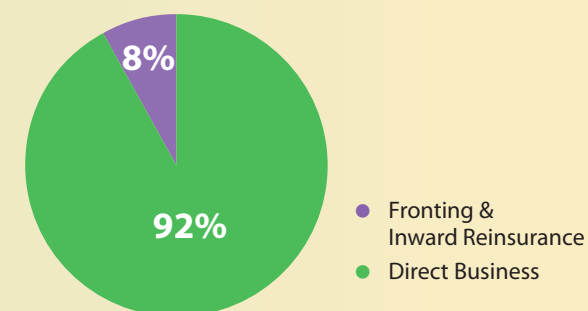
### Claims Paid



**USD 4.0 million**

gross claims paid

### Recoveries



**USD 0.4 million**

amount recovered



Total Business Insured

**USD 11.6 billion**  
compared to USD 9.8 billion  
in 2021, an increase of

**19%**

## Business Insured

Business insured (actual utilization of insurance commitments) by ICIEC during 2022 totaled **USD 11.6 billion** compared to USD 9.8 billion in 2021, an increase of **19%** and achievement of 128% of the approved Business Plan target for 2022.



**USD 9.4 billion**

**Short-Term  
business totalled**

↑ 27% YOY change



**USD 2.2 billion**

**Medium-Term and Foreign Investment  
insurance business totalled**

↓ - 6% YOY change

**Individual business lines:** In terms of the three business lines, during 2022 and compared to 2021, the short-term business insured increased by 27% from USD 7.5 billion to USD 9.4 billion. While the combined medium-term and foreign investment insurance business insured decreased by 6% from USD 2.4 billion in 2021 to USD 2.2 billion in 2022. The Short-term business line has achieved 146% of its target for the reporting period in terms of Business Insured, while the combined Medium-Term and Foreign Investment Insurance lines of business have realized 84% of the target for the period.



## New Commitments

New Commitments (new insurance approvals) during 2022 reached **USD 4.0 billion** compared to USD 3.1 billion in 2021, registering an increase of **28%**.



**USD 2.4 billion**

**Short-term  
New Commitments totalled**

↑ 20% YOY change



**USD 532 million**

**Medium-term  
New Commitments totalled**

↑ 565% YOY change



**USD 1.1 billion**

**Foreign investment insurance  
business totalled**

↑ 1% YOY change

**Individual business lines:** In terms of the three business lines, during 2022 and compared to 2021, the new commitments in the short-term business increased by 20% to USD 2.4 billion. New Commitments in medium-term business increased by 565% to USD 532 million in 2022, and foreign investment insurance increased by 1% to USD 1.1 billion.

**Portfolio mix:** The new commitments are distributed across the lines of business as follows: short-term business represents 60%, the medium-term business represents 13%, and foreign investment insurance represents 27% in 2022.

*All premium figures in this chapter are related to Invoices (billed) revenue only. The billed GWP presented in this chapter includes the due diligence fees.*



New Commitments

**USD 4.0 billion**

compared to USD 3.1 billion  
in 2021, an increase of

**28%**



The Gross Exposure  
**USD 4.6 billion**  
 compared to USD 4.2 billion  
 in 2021, an increase of

**8%**

## Gross Exposure and Net Exposure

The Gross Exposure at the end of 2022 reached **USD 4.6 billion** compared to USD 4.2 billion as of the end of 2021, reflecting an increase of **8%**. The breakdown of Exposure into the Short Term, Medium Term, and FII business is USD 1.5 billion, USD 0.3 billion, and USD 2.9 billion, respectively, or 32%, 5% and 63% of the total exposure, respectively.



**USD 1.5 billion**

**Short-term  
exposure totalled**

↑ 19% YOY change



**USD 254 million**

**Medium-term  
exposure totalled**

↓ -31% YOY change



**USD 2.9 billion**

**Foreign investment insurance  
exposure totalled**

↑ 9% YOY change

**Individual business lines:** Gross exposure of Short-term business increased by 19% from USD 1.2 billion in 2021 to USD 1.5 billion. Medium-term business decreased by 31% from USD 368 million in 2021 to USD 254 million in 2022, and foreign investment insurance increased by 9% from USD 2.6 billion in 2021 to USD 2.9 billion in 2022.

**Portfolio mix:** The gross exposure composition changed during 2022 compared to 2021. Short-term increased from 29% to 32%, medium-term business decreased from 9% to 5%, while the foreign investment insurance's share of the exposure increased from 62% to 63%.

**Net Exposure:** To maximize capacity and to properly manage risk on its books, ICIEC transfers part of its exposure to the international reinsurance market. The net exposure at the end of 2022 stood at USD 1.4 billion, which represents 30% of the total gross exposure. This reflects a reinsurance cession (transfer to International Reinsurers) of USD 3.2 billion or 70% of the total gross exposure, compared to 33% of net exposure and 67% reinsurance cession at the end of 2021. The overall net exposure of the Corporation has witnessed a decrease of 2% and stood at 1.4 billion at the end of the reporting period.

### Distribution of gross and net exposure figures by lines of business (2022)

USD Million	Gross Exposure	Exposure ceded to Reinsurers	ICIEC Net Exposure	Net/Gross (%)
Short Term	1,450	833	617	43%
Medium Term	254	161	94	37%
Investments	2,858	2195	663	23%
Total	4,562	3,189	1,374	30%

## Premium Income

Invoices (billed) Gross written premium during 2022 amounted to **USD 83.3 million** compared to USD 78.9 million at the end of 2021, reflecting an increase of **5%** and achieving 98% of the approved target for 2022.



**USD 34.0 million**

**Invoiced GWP from Short-Term business totalled**

↑ 32% YOY change



**USD 49.3 million**

**Invoiced GWP from Medium-Term and Foreign Investment Insurance business totalled**

↓ -4% YOY change

**Individual business lines:** Invoiced (billed) GWP from short-term business increased by 32%, from USD 25.7 million in 2021 to USD 34.0 million in 2022. In contrast, the combined medium-term and foreign investment insurance business insured decreased by 4% from USD 51.1 million in 2021 to USD 49.3 million in 2022.

The short-term business line has achieved 160% of its set target for 2022, while the medium-term and foreign investment insurance lines of business were able to realize 77% of their targets during the year, reflecting the challenging business environment.

**Portfolio mix:** The Invoiced GWP composition changed in 2022 compared to 2021. Short-term business increased from 33% to 41%, while combined medium-term business and foreign investment insurance's share of the premium income decreased from 67% to 59%.

## Claims and Recoveries

### Claims Paid

ICIEC paid only one claim in 2022 for an amount of USD 140,589 (ICIEC Net: USD 14,059) under its directly underwritten business. Under the Fronting and Inward Reinsurance Arrangements, however, ICIEC paid a gross amount of USD 3.8 million (ICIEC Net: USD 2.4 million) during 2022. In 2021, no claim was paid under ICIEC's direct underwritten business, whereas a gross amount of USD 3.9 million (ICIEC Net: 2.1 million) was paid under the Fronting and Inward Reinsurance Arrangements.

### Recoveries

In 2022, ICIEC recovered a total amount of USD 0.7 million (ICIEC Net: USD 0.2 million). In 2021 a total amount of USD 6.0 million was recovered, comprising USD 5.5 million under direct business (ICIEC Net USD 5.5 million) and USD 0.5 million (ICIEC Net: USD 0.1 million) under the Fronting Arrangement and Reinsurance Arrangement.





## CHAPTER 06

# Financial Performance



## 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 1444H (2022G) and are published separately as Volume Two on the ICIEC website. An extract comprised of the Audit Report, Balance Sheet, Statement of Income and Notes to the Financial Statements are 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)1.33.

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)	2022	2022	%	2021	%
	Actual	Plan	Achieved	Actual	Growth
Policyholders' Fund Result	3,439	2,023	170%	3,834	-10%
Shareholders' Fund Result	7,540	4,810	157%	5,419	39%
Corporate Net Result	10,979	6,833	161%	9,253	19%

The turnaround in the Technical Result, which has consistently been positive since 2016 has continued in 2022. Timely loss-minimization actions taken by the Corporation, including implementation of stringent underwriting guidelines, successfully cushioned the insurance operational technical result from the full impact of the global market conditions. Furthermore, higher claim reserves were taken to preserve the resilience of the Corporation over this challenging period.

Policyholders' Fund (PHF) results were positively impacted in 2022 by an increase in Net Earned Premiums and Ceding Commission which increased by 40% over 2021, while the Gross Written Premium (GWP) for 2022 was 17% higher than 2021. While conservatism was used for claim reserves, the expenses were strictly in line with the budget, overall, the total claims and expenses increased by 18% on 2021. The year end 2021 results benefited from an exceptional claim recovery of USD 5.5 million (net), however the claim recoveries in 2022 was USD 0.2 million. The PHF results amounted to a surplus of USD 3.4 million for 2022 (2021: USD 3.8 million surplus).

Shareholders' Fund (SHF) continued to contribute positively to overall results with a net income of USD 7.5 million surplus for 2022 representing a 39% increase over 2021.

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 (PHF)**  
increased in 2022

40%

**Gross Written Premium (GWP)**  
increased in 2022

17%

**Total claims and expenses**  
increased in 2022

18%

**Shareholders' Fund (SHF)**  
increased in 2022

39%



## Policyholders' Fund

Aggressive business development efforts succeeded in achieving a Gross Written Premium for YE-2022 amounted to USD 92.4 million (2021: USD 78.9 million) equating to 108% achievement of the Plan. In line with revenue recognition and cut-off requirements of the accounting standards, the GWP comprises of billed GWP of USD 83.1 million and un-billed GWP of USD 9.3 million.

The Corporation continues to employ a strategy to cede out higher levels of exposure for some large transactions to mitigate heightened risks in the face of global economic, geopolitical and COVID-19 related risks. The average gross cession for 2022 was 69% (2021: 64%). Net Earned Premium, Commissions & Fees for YE-2022 amounted to USD 35 million equating to 112% of the plan and 37% higher than 2021.

Prudent underwriting and tight cost control contributed to efficient operational ratios. The Gross Paid Loss Ratio for YE-2022 stood at an extremely efficient level of 4.3% (2021: 4.9%). Expense ratio and Combined ratio for 2022 was 25.1% and 29.3% respectively (2021: 30.6% & 35.5% respectively). The Gross Claims paid for the period from 2022 amounted to USD 4 million, the Net Claim Expense for the period (after adjusting for provision for NPLs, Reported Claims and Insurance Portfolio General Reserve (IPGR)) amounted to USD 8.6 million. Technical Reserves required in accordance with the actuarial model at year-end 2022 amounted to USD 26.6 million. This increased considerably compared to YE-2021 level of USD 20.6 million driven by post pandemic recovery, risk perception, East European conflict, and use of scientific approach to the internal stress test of exposure.

Acquisition costs amounted to USD 3.3 million in 2022 (2021: USD 3.8 million). Employee related costs are at 93% of plan, amounted to USD 15.5 million and 8% lower than in 2021. A reduction in lower pension costs during the year contributed to lower Employee related costs. Marketing and Admin costs amounted to USD 4.3 million in 2022 (2021: USD 3.5 million) and are 91% of the planned amount for 2022.

## Shareholders' Fund

ICIEC SHF generated USD 7.5 million in net income during the year, representing 157% of the 2022 Plan and a staggering 39% above the prior year.

Investment returns for YE-2022 amounted to USD 8.3 million (for SHF), achieving 131% 2022 plan and 48% above the 2021 returns, which amounted to USD 5.6 million. SHF Fund Management and Administration Expenses amounted to USD 0.7 million, equating to 93% of the approved budget. The main driver for the strong investment performance is Management approving a more active investment approach during 2022, considering interest rate hikes resulting in investing in higher-yielding asset classes.

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

## Investment Portfolio

In addition to unrealized fair value gains of USD 1.4 million for the year, realized investment income in 2022 amounted to USD 8.5 million, as summarized in the table below.

(USD' million)	2022	2021	% Change
Invested Funds*	292	276	6.0%
Total AUM*	351	331	6.0%
Investment Income	8.5	5.7	48.6%
Return on Invested Funds (%)	2.89%	2.07%	40.1%
Return of Total AUM (%)	2.41%	1.72%	40.1%

\* Average during the year

## Investment Returns

The breakdown of gross investment income below highlights Sukuk as the primary contributor to investment income with 65%. The Corporation has also benefited from the interest rate hikes during 2022 and generated USD 1.7 million income from money market placements representing 21% of the total investment income.

Gross Income	2022		2021	
	USD'000	%	USD'000	%
Equity and Funds	748	9%	495	9%
Money Market Placements	1,749	21%	286	5%
Sukuk	5,483	65%	4,510	79%
Syndications	484	6%	406	7%
Total Investment Income	8,464	100%	5,698	100%

As part of its efforts to diversify its sources of income and enhance its investment performance, the Corporation commenced in 2020 investing in Shariah-compliant alternative investments. Since then,



the Corporation has strengthened its portfolio by investing USD 19 Million in Real estate and Sukuk funds. Participation in a new private equity fund was approved during 2021, with an initial capital call happened during the last quarter of 2022.

## Portfolio Composition

In accordance with its newly adopted Investment Strategy and Takaful operating model, the Corporation is only permitted to invest in Shariah-Compliant investments and is 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:

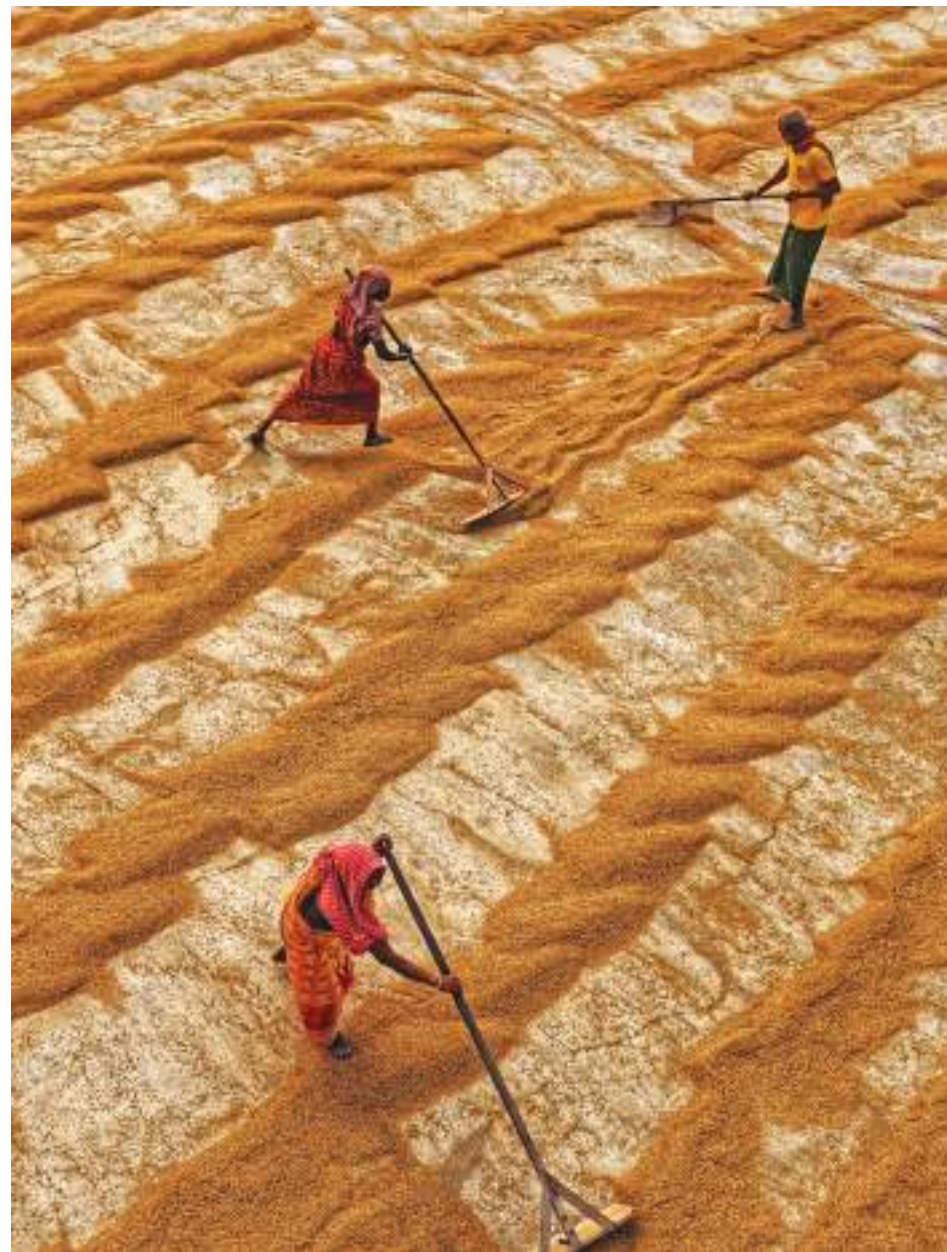
Asset Class	2022	2021
Cash	17%	17%
Equity and Funds	5%	6%
Money Market Placements	23%	24%
Sukuk	53%	50%
Syndications	2%	4%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

Following Management approval to relax the defensive investment strategy adopted in 2020-2021, the Corporation ramped up investments in Sukuk, Syndications and Funds in 2022 and reduced investments 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 2020-2021, denting investment income. While continuing to maintain high liquidity buffers, a relative improvement in the investment climate during 2022 enabled the Corporation to ramp up Sukuk investments boosting portfolio 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.





## CHAPTER 07

# ICIEC Impact



## SDG Impact

The United Nations Sustainable Development Goals 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 achieving 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 with the SDGs. Second, the ICIEC mandate is to support sustainable economic development in its Member States through the provision of its services. Third, ICIEC acts as a catalyst for mobilizing private sector capital 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 – from ESG-related schemes in Uganda across water, health, and social infrastructure – the events the Corporation participates in, such as COP27 and the COMCEC Sessions, Work Groups and Committees, the corporate initiatives it pursues, and the products and services it provides. ICIEC also 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.

ICIEC ensures that its commitment to reaching the SDGs is thoroughly embedded in everything it does, both internally and externally.







## Zero Hunger

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

In 2022, ICIEC supported over

**USD 51 million**

in trade and investment in the agricultural sector.



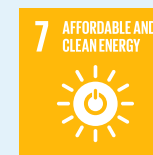
## Good Health and Well-being

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.

In 2022, ICIEC insured upwards of

**USD 264 million**

in trade and investment in the health sector.



## Affordable and Clean Energy

Expanding insurance support for developing modern and sustainable energy services through mitigating political and commercial risks associated with required infrastructure investments and exports.

In 2022, ICIEC supported

**USD 379 million**

in trade and investment related to the clean energy sector.



## Decent Work and Economic Growth

Advancing economic growth, increased economic productivity and employment creation by facilitating strategic investments in the LDMSs and promoting export businesses to grow internationally.

In 2022, ICIEC insured over

**USD 2,079 million**

for imports, exports outward and inward investment in least- development Member States and

**USD 73 million**

in labour-intensive industries.



## Industry, Innovation, and Infrastructure

Mobilizing funds for large capital-intensive infrastructure projects in the 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.

In 2022, ICIEC supported

**USD 427 million**

in trade and investment related to infrastructure sector.



## Partnerships for the Goal

Collaborating with Member States, banks, investors, corporates, national ECAs, and other development finance institutions. Transactions that would otherwise be deemed too risky are realized through ICIEC's strong network of partners.

In 2022, ICIEC established more than

**164 partnerships**

with national ECAs, reinsurers, banks and other multilateral institutions.

## Partnering for Islamic Finance Impact: ICIEC

ICIEC's role in support for trade and investment has helped its Member States in their ambitions to achieve long-term sustainable development. ICIEC catalyzes impact by supporting transactions and projects contributing to the 17 SDGs adopted by the United Nations in 2015. Through these SDGs, a call to action has been established to eradicate poverty, protect the environment, and improve the lives of everyone on Earth. ICIEC is prominently committed to six goals that are directly related to its mandate.

As the only Shariah-Compliant multilateral credit and investment insurer in the world and a member of the IsDB Group, ICIEC plays a crucial role in Islamic Impact Finance. For instance, Green Finance and Green bonds/Sukuk are vital. ICIEC's Green Sukuk Insurance Policy (GSIP) allows issuers to attract capital for 'green' projects better. The GSIP is valuable for issuers in low-income and developing Member States, which are below investment grade rated and, consequently, attract less private capital for climate action. In short, Islamic finance will be paramount to promoting and realizing the SDGs across MSs, as Shariah-Complaint facilities become key tools in corporate exporters and importers' financial toolkits.

ICIEC serves as a transformative catalyst for promoting trade and investment into its MSs and has supported exports, imports, and foreign direct investments with a cumulative amount of USD 95 billion. Of this figure, USD 75.8 billion represents support for trade, while USD 19.2 billion is for foreign direct investments. ICIEC cover has been provided to the benefit of its 48 MSs, enhancing their economic prosperity, development, and diversification. ICIEC's support for intra-OIC trade and investment was highlighted in the OIC/COMCEC's implementation strategy in 2022 in its bid to build an interdependent Islamic world.

ICIEC's impact in supporting key sectors to realize the SDGs and ESG-compliance can be seen by the scale and range of cover. The total business insured in trade and investment in 2022 reached USD 11.64 billion, a year-on-year increase of 19% compared to 2021, with new commitments at USD 4.01 billion compared to USD 3.14 billion in 2021. In 2022, ICIEC supported agriculture to the tune of USD 0.05 billion: distribution and retail with USD 0.36 billion: energy with USD 6.64 billion, health with USD 0.26 billion: infrastructure with USD 0.43 billion: manufacturing with USD 2.47 billion: mining and quarrying with USD 0.1 billion: Services with USD 0.9 billion: and others with USD 0.4 billion.

The need for out-of-the-box thinking involving partnerships and risk mitigation solutions such as credit and political risk insurance has become increasingly important. The supply chain disruptions due to the continuing conflict in Ukraine have seriously impacted the food security of grain-importing countries in the OIC Member States, especially in Africa, and on structural Energy Poverty globally.

ICIEC has thus contributed to the IsDB Group's Food Security Response Program by pledging USD 500 million in insurance capacity over three and a half years (July 2022/YE-2025). And on the climate mitigation front, ICIEC held key events at COP27 in November: the first was a panel organized with CIB to discuss impactful projects and climate mitigation: and the second was with Bonn-based InsuResilience Global Partnership to highlight the importance of partnerships in accelerating climate action, mitigation, adaptation and finance, including de-risking credit and political risk solutions and the third was with AFC where the event spotlighted on the role of renewable energy in climate change mitigation and the experiences of multilateral financial institutions investing in such projects and how ICIEC's risk mitigation strategies can support them.



**ICIEC has thus contributed to the IsDB Group's Food Security Response Program by pledging USD 500 million in insurance capacity over three and a half years (July 2022/YE-2025).**

## ICIEC Annual Development Effectiveness Report

ICIEC published the 5<sup>th</sup> edition of the Annual Development Effectiveness Report (ADER) in 2022. 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 LDMSs, presents key projects in the Corporation's history and gives an overview of the Corporation's development results since inception.



## Enhancing Impact

Product innovation, membership growth, strengthening of ESG and partnerships and systemizing development effectiveness monitoring have enhanced ICIEC's impact across MSs. For instance, ICIEC has been working diligently to help the OIC Member States meet their climate agenda goals. One of the innovative initiatives taken by ICIEC is its Green Sukuk Insurance Policy, which provides a unique way for Sukuk issuers to attract capital for green projects.

ICIEC is in the process of developing a Climate Change Policy, and ESG Guidelines Change policy that will institutionalize its commitments to climate action and green finance while also welcoming two new Member States over the past two years, including Azerbaijan, at the beginning of 2023 and the Maldives in 2022.

## New Regional Offices

Within the IsDB Group Regional Hub, ICIEC opened a new regional office in Cairo, Egypt, in 2022. The Corporation has established six additional offices across the OIC region since 2015. Member State-based business development officers were recruited at each hub. ICIEC pursues the strategy of increasing its local staff members. Through their local knowledge, ICIEC seeks to develop solutions targeted to the specific needs, requirements, and circumstances of host and neighbouring MSs.





ICIEC has also signed an agreement with "Aware for Projects", a landmark online climate risk screening software solution. This new tool will help the Corporation identify potential climate change risks and develop a consistent approach to assessing them.

## Enhancing Efficiency

### Advancements in Technology

Trends in technology continue to be highly positive for ICIEC's growth outlook, as technological innovation and implementation have the potential to vastly improve ICIEC's reach and operations. The adoption of certain technologies, such as the increased automation of business processes from end-to-end, lowers the cost of business transactions while increasing efficiency and effectiveness, particularly in the underwriting process and claims management. ICIEC has been exploring ways to implement the latest industry technology to enhance operational efficiency.

### Business Process Optimization and Automation

Recently the Corporation undertook a comprehensive update of its Operations Manual and is currently automating and streamlining its end-to-end business solution. The system is expected to go live in early 2023.

From an operational perspective, ICIEC is exploring opportunities to integrate InsurTech with ITS as well as its scope, coverage, cost, and benefits to deliver more value in the areas of business development, customer relations management, underwriting and reinsurance, claims management, exposure management and pricing.

## Enhancing Resilience

Strengthen enterprise risk management processes, grow reinsurance capacity, and consider alternative reinsurance treaty structures, undertake a technical study of capital requirements, establish a contingency funding plan, and enhance profitability and its credit rating. The strategy identifies tangible short and medium-term actions and addresses opportunities for shared services, upstream programs with IsDB Group entities and a heightened focus on LDMSs.

## IsDB Group Synergy

The strategy identifies tangible short and medium-term actions and addresses opportunities for shared services, upstream programs with IsDB Group entities and a heightened focus on LDMSs. ICIEC is also aligned with the IsDB Realigned Strategy 2023-2025. ICIEC has also contributed to the IsDB Group's FSRP by pledging USD 500 million in insurance capacity over three and half years (July 2022/ YE-2025).

### ICIEC AWARD

ICIEC was also honoured in the insurance industry Global Brand Awards 2022 as the inaugural winner in the category 'Best Multilateral Insurance Corporation Brand – Global'. The international insurance brand honours are given by Global Brands Magazine and have been awarded to participants in the insurance industry sector since 2013. The 2022 award demonstrates how ICIEC's market engagements enable public and private enterprises to enhance credit and closing the financial gap.



## CHAPTER 08

# Propelling Partnerships





ICIEC's place in the IsDB Group means that partnerships with its sister organizations have been at the forefront of its activities since its foundation in 1994. Its partnership relationships also extend beyond the IsDB Group, both geographically and across industry sectors, with other public-sponsored agencies and associations, and increasingly with a wide range of private companies across the commercial and industrial spectrum through the Private Sector Forum.

In 2022, ICIEC signed landmark agreements and formal Memoranda of Understanding to develop new relationships and to provide the foundations for future co-operations and formal partnerships.

## Asia



### ICIEC Signs MoU with NEXI to Combat Climate Crisis

ICIEC inked an MoU with Nippon Export and Investment Insurance (NEXI) to boost cooperation on ESG-related and climate action infrastructure projects, with a particular focus on greenfield projects. NEXI, Japan's official export credit agency and wholly owned by the Government of Japan, and ICIEC are already cooperating in the reinsurance of NEXI's underwritten projects in Asia.



### ICIEC Seals MoU with Central Bank of Iraq to Boost CPRI Deals

ICIEC signed an MoU with the Central Bank of Iraq to boost trade and investment between the two parties in Iraq. The MoU is consistent with ICIEC's mandate in supporting exports and imports of strategic goods of Iraq and by encouraging the flow of trade and investments to the country by providing credit and political risk insurance.



### ICIEC and Tabarak Investment Capital Agree on Insurance Cover for Shariah-Compliant Goods

ICIEC and Tabarak Investment Capital (UAE) signed an insurance policy to cover the export and import of Shariah-compliant goods and services. The policy covers the confirmation of Irrevocable Letters of Credit (ILC) by Tabarak in the ICIEC MSs for commercial and political risks of the issuing banks, thereby increasing the capacity of Tabarak to expand its trade finance support in the United Arab Emirates. The approved limit for the policy is USD 100 million over a 12-month tenure.



### Saudi EXIM Bank and ICIEC Seal Reinsurance Agreement

ICIEC and Saudi EXIM Bank agreed to help facilitate the flow of trade finance into and out of the Kingdom of Saudi Arabia. ICIEC will provide reinsurance to Saudi EXIM Bank to cover documentary credits confirmed by Bank AlBilad and Arab National Bank (the original policyholders) and will create additional capacity for Saudi EXIM Bank to support exporters and importers of essential goods and services in Saudi Arabia. ICIEC's reinsurance will provide protection against commercial and political risks of issuing banks in the ICIEC MSs. The combined approved limit is USD138 million over a 12-month tenure.



## Asia



### ICIEC and Export Bahrain ink MoU for Export Credit and Investment Insurance

ICIEC signed an MoU with Export Bahrain, the flagship initiative of the Kingdom's National SME Development Board, to provide export credit insurance from ICIEC's range of de-risking solutions to cover various commercial and non-commercial risks, including buyer bankruptcies, currency, and political risks.

ICIEC and Export Bahrain will enhance their working relationship by exchanging financial and trade information and statistics. ICIEC will also organize technical training courses in export credit and investment insurance for Bahraini officials and exporters.

Export Bahrain has facilitated more than USD 100 million in SME exports and has helped strategically to export more than 51 different product and service categories across ten sectors to more than 55 markets across the GCC, Asia, Africa, Europe, Australia, UK, and the US.



### ICIEC - Al-Rajhi International Investment Company MoU for Agri-Food Security to Member State

ICIEC inked an MoU with Al-Rajhi International Investment Company (RAII) of Saudi Arabia to bolster agricultural production by focusing on developing agriculture technologies and farm management services to maximize such productivity in the ICIEC Member States.

The agreement – which will promote cooperation in synergizing coordination, business development and efficient implementation of agricultural and food security projects – contributes to achieving food self-sufficiency in Saudi Arabia and MSs, where RAI is already engaged.

From the advanced SME and rural farming levels to co-financing and technical consultancy opportunities with ICIEC clients and partners using the Corporation's risk mitigation and credit enhancement solutions, the synergy will increase new agri-business opportunities. Thirty-six of ICIEC and IsDB Group's Member States are net food importers, and total IsDB Group financing support for agriculture and food security amounts to USD 20.6 billion.



### MoU with ICCIA to Support Trade and Green Finance in MSs Tapping ICIEC's De-Risking Solutions

ICIEC signed an MoU with ICCIA to co-operate in promoting trade and investment. The MoU establishes a framework of cooperation between the two institutions for the furtherance of their respective mandates, especially in promoting intra-OIC trade, attracting investment flows into Member States, supporting green and sustainable financing, and developing the Halal industry worldwide.

ICCIA, headquartered in Karachi, Pakistan, is an International Non-Governmental Organization affiliated with the Organization of Islamic Cooperation (OIC), and represents the private sector of the OIC's 57 Member States.

## Europe



### ICIEC-CESCE Ink Reinsurance Agreement

ICIEC signed a significant Reinsurance Agreement (RA) with the Compania Espanola de Seguros de Credito a la Exportacion, S.A. Compania de Seguros y Reaseguros SME (CESCE), the official Spanish export credit agency (ECA). The RA was signed by Mr. Oussama Kaissi, Chief Executive Officer of ICIEC, and MSs. Beatriz Reguero Naredo, Chief Operating Officer, State Account Business, CESCE, in a virtual ceremony between Jeddah and Madrid. ICIEC will provide Shariah-compliant reinsurance solutions covering CESCE's exposure in ICIEC Member States originating from Spanish companies and banks. The agreement consolidates the long relationship with CESCE in supporting export development and Foreign Direct Investment (FDI) in ICIEC countries.



### ICIEC and InsuResilience Global Partnership Meet at COP For Climate Action

Bonn-based IGP and ICIEC held a High-Level Forum during COP27 to highlight the importance of Partnerships in accelerating climate action, mitigation, adaptation, and finance, including de-risking credit and political risk solutions.

InsuResilience is the world's leading platform for inclusive, integrated collaboration, shared learning and delivery for Climate and Disaster Risk Finance and Insurance Solutions. ICIEC became a member of InsuResilience in September 2022, and its membership was formalized at a signing ceremony at the Forum.

IGP plays a key role in bringing together many of ICIEC's Member States, 13 of whom are members of the V20 Group of Ministers of Finance of the Climate Vulnerable Forum and the G20, as well as donors, the private sector, international organizations, and civil society groups for the achievement of wider Climate Action goals.

## Africa



### ICIEC and Elsewedy Electric Accelerate Climate Action

ICIEC entered into an agreement with Elsewedy Electric to accelerate climate action in MSs to provide a framework for joint action in promoting climate and water projects, in line with the ICIEC Climate Action Guidelines and Elsewedy Electric's Sustainability Strategy 2020-2023.

Elsewedy Electric is a leading global energy solutions provider with a footprint across electric, engineering and construction, digital solutions, and infrastructure investments. Its climate cooperation with ICIEC will lead to stronger coordination and more efficient implementation of its activities to benefit the Egyptian economy. The agreement will also bolster Member States' drive towards the UN Sustainable Development Goals, the Paris Agreement, Egypt's 2030 Vision, and National Renewable Energy Strategy 2035.

## Africa



### ICIEC and Federation of Afro-Asian Insurers and Reinsurers Agree on New Cooperation on Trade and Investment

ICIEC signed an MoU with FAIR to promote increased cooperation to stimulate business collaboration among its members. The MoU covers increased technical assistance, training, and capacity building, sharing insurance and reinsurance information, regulatory guidelines, emerging insurance needs and market gaps, risk mitigation, and credit enhancement.



### ICIEC and FEI Sign Co-operation MoU for Egyptian industries

The Arab Republic of Egypt and the Federation of Egyptian Industries (FEI), and ICIEC sealed an MoU to facilitate co-operation and promote trade and investment opportunities for Egyptian industries.

The framework cooperation on trade and investment provides for professional representation and advocacy of Egyptian industries' interests – both locally and globally – together with a regular exchange of essential information, knowledge, advisory, and consultation services. It also extends to training and capacity-building opportunities to create awareness of ICIEC's added value in risk mitigation and credit enhancement, organizing joint seminars, conferences, and workshops.



### ICIEC Signs Landmark Cooperation MoU with AFC to Promote the Origination, Financing and Execution of Climate Action Projects in African Member States

ICIEC signed MoU with the AFC to co-operate in promoting joint action in the origination, financing, and execution of Climate Action projects through ICIEC's credit and investment insurance support in the African Member States common to both.

Promoting climate action through capacity development, resilient financing, and policy support in climate adaptation infrastructure and through the provision of risk mitigation and credit enhancement covers the mandates of both ICIEC and AFC. Another mandate of ICIEC is to promote trade and FDI flows, in this case to its 23 African Member States, in partnership with peer and specialized institutions.

During COP27, held in Sharm El-Sheikh, ICIEC partnered with the AFC in high-level panel discussion to highlight the role of renewable energy in Climate Change Mitigation and the experiences of multilateral financial institutions in investing in such projects and credit and political risk insurers in providing de-risking solutions to the estimated Climate Action funding gap of USD 1.35 trillion.

Africa has immense renewable energy potential in wind, solar, tidal, hydro, and geothermal energy, but the continent continues to suffer from structural energy poverty that poses a systemic obstacle to socio-economic development and sustainable growth. Blended finance, which combines concessional funding with commercial financing, may provide a very important solution to addressing Africa's renewable energy needs, and ICIEC has established a growing footprint in underwriting renewable energy projects in Egypt, Senegal, the UAE, and Türkiye.





### ICIEC, the Ministry of Trade and Industry, Egypt, and AATB Ink Partnership Agreement to Boost Growth

The Arab Republic of Egypt (the Ministry of Trade and Industry) and Tunisia and Nigeria, two partners of the AATB Program, alongside ICIEC, signed a two-year agreement to increase economic integration and support sustainable growth in all Arab and African countries.

The framework will focus specifically on sectors where significant added value is created and in industries that rely on a more skilled workforce. The agreement also supports the African Continental Free Trade Agreement (AfCFTA).

The conclusion of deals and contracts with commercial partners from across Africa will also be realized in participation with the African Export-Import Bank (Afreximbank), International Islamic Trade Finance Corporation (ITFC), including finance and guarantees for several African countries, and a share in an annual seminar to fund trading in Africa.



### ICIEC, AfDB, ATI, AUDA-NEPAD, GuarantCo, Afreximbank Partner to Boost Trade

ICIEC, AfDB, ATI, AUDA-NEPAD, GuarantCo (part of PIDG, the Private Infrastructure Development Group), and Afreximbank, the six partners of the Africa Co-Guarantee Platform (CGP) affirmed commitments to better leverage guarantee and insurance products to de-risk investment, resulting in more trade and investment across Africa. The CGP was created in 2018 to overcome Africa's risk perception gap and increase financing for trade and investment projects.

The partners pledged to extend direct transaction support for specific projects, including infrastructure development and optimizing balance sheets by sharing risk. The objective is to develop new and hybrid products to address issues such as intra-regional trade, food and fertilizer crises. Their co-operation will enhance coverage for infrastructure investments, public-private partnerships, and fragile/transition states and situations. The CGP will also work with stakeholders to build capacity in the use of risk mitigation instruments to strengthen project preparation and bankability. The CGP's current pipeline includes trade and investment projects in energy, agriculture, health, and infrastructure across Africa.



### ICIEC and CIB Host COP27 Panel Discussion on Climate Adaption and Food Security

ICIEC and Egypt's largest and leading private sector bank, CIB, organized a critical Panel Discussion on 9 November 2022 in Sharm El Sheikh during COP27.

The need for out-of-the-box thinking involving partnerships and risk mitigation solutions such as credit and political risk insurance becomes ever more urgent amid the climate crisis. The supply chain disruptions due to the ongoing Ukraine and Russia conflict have seriously impacted the food security of grain-importing countries in the OIC MSs, especially in Africa, and to structural Energy Poverty globally.

The launch of COP27 Host Country, Egypt's comprehensive National Water, Food and Energy (NWFE) Programme provides a valuable playbook on the involvement of private sector investment, the bankability of Climate Adaptation projects, and the credit enhancement de-risking tools of multilateral institutions such as ICIEC. NWFE is underpinned by the bold Egypt Vision 2030 agenda, which has Climate Change Adaptation at its heart.

## CHAPTER 09

# ICIEC Mid-Term 10 Year Strategic Priorities





ICIEC continued to make progress under each of the three strategic pillars in implementing the 10-Year Strategic Framework 2015- 2025 despite the unprecedented impact of COVID-19 on the global economy, the war in Ukraine and other economic challenges.

## ICIEC 10-Year Strategic Framework 2015-2025

ICIEC's 10YSF was guided by IsDB's 10-Year Strategic Framework (10YSF), with careful consideration of the Corporation's Vision and Mission statements, in pursuit of two primary objectives:

- To achieve short- and long-term development impacts in the Member States that can be both clearly seen and tangibly felt by those they benefit.
- To maintain financial sustainability to ensure long-term support and investment for Member State citizens, businesses, and institutions.

To achieve these objectives, ICIEC established three strategic pillars that constitute the cornerstones of ICIEC's enhanced business model: Market Impact, Capital Optimization, and Organizational Strength.

## ICIEC Mid-Term Strategic Priorities 2021-2025

ICIEC is unique in being a specialized multilateral insurer, and its competitive landscape is, therefore, multifaceted and composed of a wide range of institutions. In many of ICIEC's MSs, economic growth gains are reflected in new market entries requiring ICIEC to reassess its role and value proposition in the credit and political risk insurance market.

ICIEC's implementation of the 10YSF has had a considerable market impact. It reflects its ambitions to be a widely recognized brand that goes in and beyond its current MSs and its traditional clients. ICIEC aspires to have a globally diversified portfolio of policyholders, clients, and businesses insured and has made significant progress in achieving these aspirations. In addition, ICIEC has refined the 10YSF to take account of changes and circumstances to reflect input from IsDB Group members and external consultations with industry peers such as other 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 a cross-cutting pillar.

## IsDB Strategic Realignment 2023-2025

Guided by the need for IsDB and entities to repurpose their engagements and developmental interventions, the IsDB Strategic Realignment 2023-2025 was approved in June 2022 by the Board of Governors. The core themes are: (i) Boosting recovery; (ii) Tackling poverty and building resilience; and (iii) Driving green economic growth. The Board of Governors further called upon IsDBG entities to harmonize the implementation of their respective strategies in line with the IsDB Strategic Realignment 2023-2025.



Put differently, from a loss on insurance operations of USD 16.7 million in 2016; the Corporation realized consecutive surpluses over the last six years, with a record surplus of USD 11 million in 2022.



## Implementation Updates of ICIEC Strategy within the IsDB Strategic Realignment 2023-2025

The alignment between IsDB Strategic Realignment and ICIEC's strategy is viewed from the joint focus areas of ICIEC's first pillar of "Enhancing Impact". The core focus areas of 'Enhancing Impact' cuts across the three strategic objectives of IsDB Strategic Realignment of (i) Boosting recovery; (ii) Tackling poverty and building resilience; and (iii) Driving green economic growth. The impact pillar of ICIEC will be reported in harmony with the IsDB's 3 realigned Strategic Objectives.

The ICIEC's pillars of enhancing resilience and organizational strength find expression in the IsDB's strategic enablers and cross-cutting themes. This is further strengthened by the overarching theme of IsDB Group synergy that acts as the internal capacity tool for enabling the expanded impact of the Group's developmental intervention efforts in the Member States.

In addition, two key enablers are added in ICIEC's realigned strategic framework, namely (i) Enhancing Partnerships and (ii) Enhancing Innovation, to give more focus on these two enablers given their critical role in ICIEC's delivering on its mandate. Partnership and innovation were embedded earlier under the pillar of "Enhancing Impact".

### ICIEC'S 2023-2025 Realigned Strategic Framework



#### VISION

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



#### MISSION

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

#### 10-Year Strategic Objectives

To achieve short- and long-term development impacts in Member Countries that can be clearly seen and tangibly felt by those they benefit

To maintain financial sustainability to ensure long-term support and investment for Member State citizens, businesses, and institutions

#### 2023-2025 Strategic Objectives

Boosting Recovery

Building Resilience & Tackling Poverty

Driving Green Economic Growth

#### Member States-focus Pillar

Enhancing Impact

#### Institutional Pillars

Enhancing Efficiency

Enhancing Resilience

#### Cross-cutting Pillar

Enhancing IsDB Group Synergy

#### Key Enablers

Enhancing Partnership

Enhancing Innovation

**Enhancing Impact** – The progress achieved, related to the deliverables toward the MSs, is mapped towards the three strategic objectives of IsDB's Realigned Strategy. Some of the key achievements include the facilitation of intra-OIC trade and investment; contributing towards the IsDB Group Strategic Preparedness and Response Program (SPRP); supporting IsDB Group Food Security Response Program (FSRP); promoting green economic growth through mainstream ESG-linked initiatives, building 'green' expertise, developing 'green' products and forging 'green' partnerships.

**Enhancing Resilience** – The progress achieved under this pillar is related to enhancing ICIEC institutional capabilities toward the MSs. The Corporation's achievements under this pillar include the approval of the 3rd GCI; strategic developments in risk management that have ensured the Corporation maintained a strong and healthy portfolio; improvement in investment returns through an efficient investment strategy; and consistently positive technical and corporate net results. One of the most critical strategic achievements identified is the financial turnaround of the Corporation from consistent deficits since inception to positive technical results. Put differently, from a loss on insurance operations of USD 16.7 million in 2016; the Corporation realized consecutive surpluses over the last six years, with a record surplus of USD 11 million in 2022.

**Enhancing Efficiency** – The progress achieved under this pillar encompasses business process optimization; improvement in the organizational structure; leadership development and succession planning; and enhancing post-COVID-19 work habits.

**Enhancing IsDB Group Synergy** – ICIEC's progress under this cross-cutting pillar includes the active contribution towards IsDB Group-wide initiatives and programs intended to support MSs and strengthening the cooperation with ITFC, ICD and ISFD to support various transactions and initiatives aimed at supporting the MSs.

**Enhancing Partnerships** – ICIEC established impactful partnerships with most of the Export Credit Agencies (ECAs) in MSs as well as many ECAs from non-member states. Through reinsurance partnerships, ICIEC support to ECAs in MSs expanded from USD 400 million in 2015 to USD 1.8 billion in 2022. Similarly, ICIEC supported the establishment of EXIM banks in Member States, including Saudi Arabia and Pakistan. ICIEC has also enhanced its partnership with Development Financial Institutions (DFIs) and Multilateral Development Banks (MDB) to scale up its intervention in Member States. ICIEC continued to leverage its membership in various platforms, such as the Arab Africa Trade Bridge, the Arab Coordination Group, and the Africa Co-Guarantee Platform.

**Enhancing Innovation** – A Product Development Committee was established and has been empowered to lead the product development process across the Corporation. Several innovative structures and solutions have been explored, such as repacking, blending Partial Risk Guarantee with ICIEC insurance, establishing the "Arab Africa Guarantee Fund," and coverage for financial products.



## CHAPTER 10

# An Entrepreneurial Organization





## ICIEC At a Glance

Commenced operations in 1994 in Jeddah - Saudi Arabia, as a multilateral institution and member of the Islamic Development Bank Group.

- Owned by the AAA-rated Islamic Development Bank and 48 countries which are members of the OIC.
- Authorized Capital Islamic Dinar ID 400 million (equivalent to USD 532 million) (1 ID=USD 1.33).
- Rated Aa3 by Moody's with a stable outlook for the 15th consecutive year.
- Pioneer of Shariah-compliant export credit and investment insurance and reinsurance solutions.



### VISION

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



### MISSION

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

## Mandate



ICIEC's mandate is to promote cross-border trade and 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.

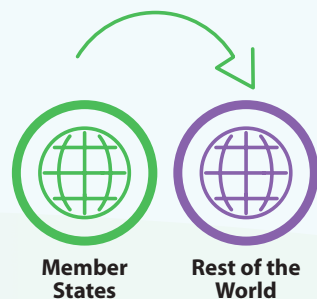


ICIEC also supports international exporters selling to Member States if the transactions are for capital goods or strategic commodities.



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

### Credit Insurance

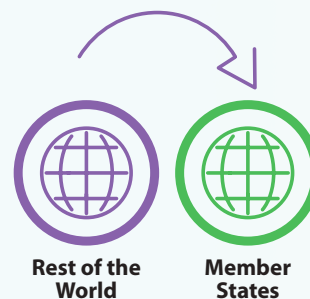


Facilitates Member States' exports to the rest of the world.



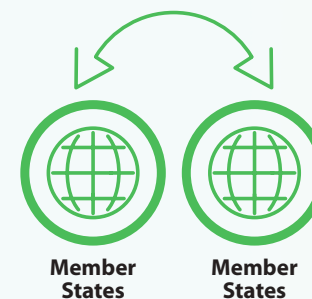
Facilitates import of strategic and capital goods by Member States from non-Member States.

### 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



#### Banks and Financial Institutions

Credit Insurance Solutions



Insurance of confirmed Letters of Credit



Buyer Credit Insurance

Investment Insurance Solutions



Non-Honouring of Sovereign Financial Obligations



Political Risk Insurance of Cross-Border financing



#### Corporates

Credit Insurance Solutions



Insurance of Supplier Credit

Investment Insurance Solutions



Political Risk Insurance for Equity investments/ Projects



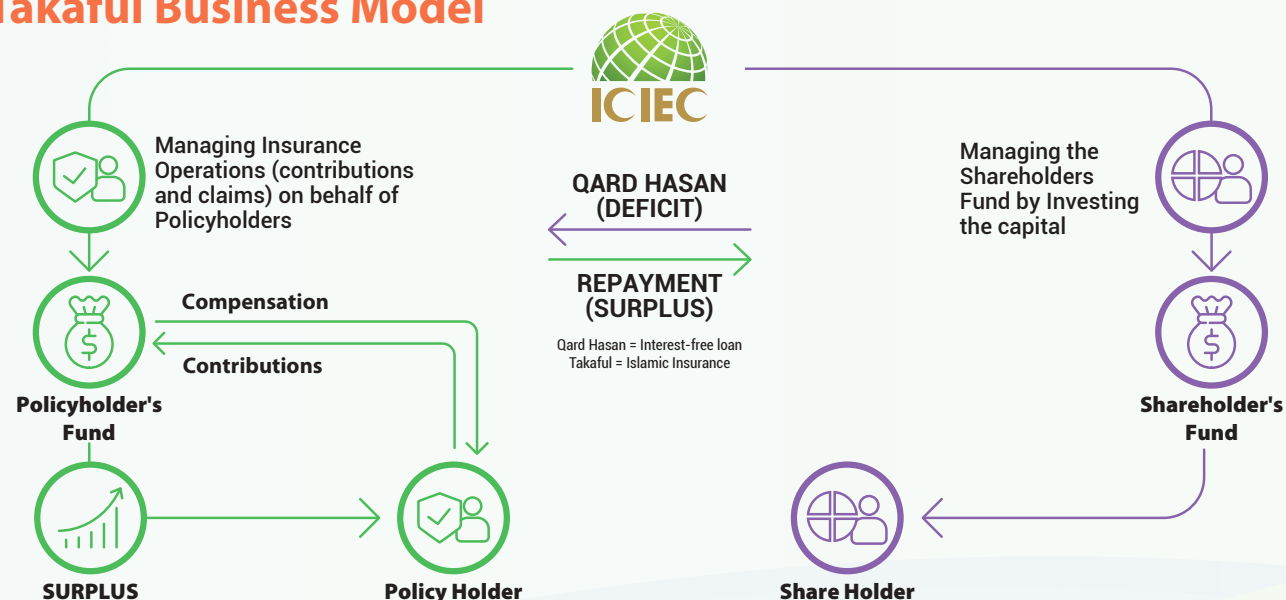
#### Export Credit Agencies/ Insurers/Exim banks

Export Credit and Investment Reinsurance



Reinsurance / Co-insurance

## Takaful Business Model



## Member States Utilization of ICIEC Services (Since Inception)

(USD billions)

Inception to 2022	Imports	Exports	Outward Investment	Inward Investment
South East Asia	10.369	1.704	0.441	1.994
Arab Asian Countries	17.978	40.429	2.646	1.533
Central Asia and Europe	5.773	13.749	3.466	3.861
East and Central Africa	0.791	0.212	-	1.751
North Africa	10.497	5.996	0.695	4.210
West Africa	4.219	0.142	-	5.853
<b>Grand Total</b>	<b>49.627</b>	<b>62.232</b>	<b>7.248</b>	<b>19.202</b>



Gross utilization of ICIEC support since inception reached **USD 189.90 billion** from 138 countries: of which ICIEC MSs reached **USD 138.31 billion.**

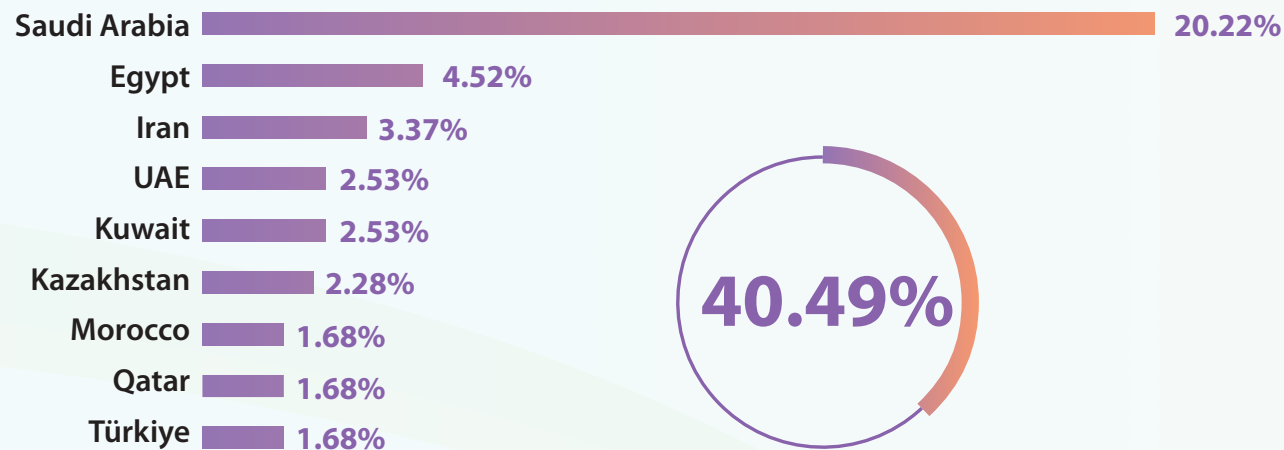


## Shareholding

### Top 10 Shareholders

Islamic Development Bank (IsDB)

50.52%



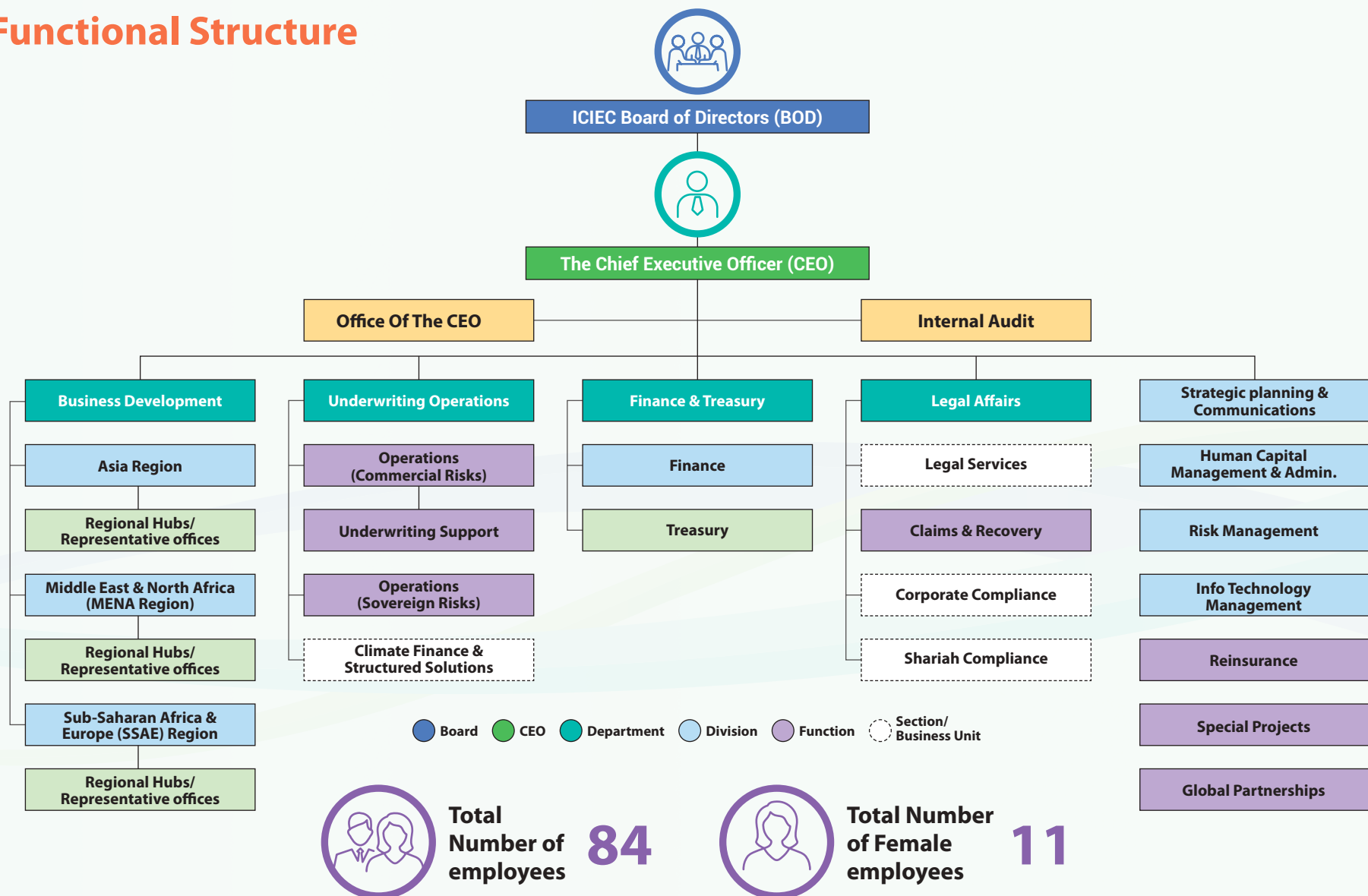
40.49%

### Other Shareholders

8.99%

Kingdom of Bahrain	1.27%	Republic of Suriname	0.08%
Malaysia	0.92%	Republic of Niger	0.08%
Islamic Republic of Pakistan	0.84%	Republic of Senegal	0.08%
Federal Republic of Nigeria	0.74%	Republic of Albania	0.08%
State of Libya	0.51%	Republic of Benin	0.08%
Democratic and People's Republic of Algeria	0.34%	Republic of Cameroon	0.08%
Republic of Tunisia	0.34%	Republic of Chad	0.08%
Republic of Yemen	0.34%	Republic of Côte d'Ivoire	0.08%
Burkina Faso	0.32%	Republic of Guinea	0.08%
Republic of Sudan	0.25%	Republic of Maldives	0.08%
Republic of the Gambia	0.17%	Republic of Mali	0.08%
Republic of Lebanon	0.17%	Islamic Republic of Mauritania	0.08%
Republic of Indonesia	0.17%	State of Palestine	0.08%
People's Republic of Bangladesh	0.17%	Brunei Darussalam	0.08%
Republic of Iraq	0.17%	Republic of Uzbekistan	0.08%
Sultanate of Oman	0.17%	Republic of Uganda	0.08%
Hashemite Kingdom of Jordan	0.17%	Syrian Arab Republic	0.08%
Turkmenistan	0.17%	Union of Comoros	0.08%
Republic of Gabon	0.08%	Republic of Djibouti	0.08%
Republic of Mozambique	0.08%		

## Functional Structure



## Governance and Institutional Development

ICIEC's corporate governance structure comprises essential authority layers that guide the operations of the Corporation governed by its Articles of Agreement (AoA). 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 MSs of ICIEC. Each MSs appoints a governor and one alternate. The BOG delegates most of its powers to the Board of Directors (BOD), which plays a pivotal role in providing corporate direction and oversight to ICIEC executive management. The BOD has established the Audit and Risk Committee (ARC) with streamlined responsibilities on audit, risk, and financial matters as set out in its charter. The BOD and ARC meet at least quarterly to review and decide on key strategies, policy matters and general oversights 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 and procedures, efficient structures, systems and procedures, compliance monitoring, risk management, as well as BOD oversight.

The BOD has 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 and risk governance. This includes robust due diligence in the underwriting and investment functions as the 'first line of defense', supported by strong risk management and compliance as the 'second line of defense', with audit acting as the 'third line of defense'.

## ICIEC Leadership, Communication, Learning, Welfare and Training

### Leadership

ICIEC aims to promote an inclusive culture of teamwork and collaboration. The Corporation's objective is to ensure that it fulfils its role as the world's only Shariah-compliant credit and investment insurer by providing high-performing teams of creative people who can identify, analyze, and solve problems.

These teams enjoy the benefits of a clear corporate strategy set by the Boards of Governors and Directors and detailed business plans formulated and monitored by senior management. They can work together across disciplines, exploiting synergies with all the IsDB Group entities, and reach out to external partners to provide solutions for the emerging concerns of clients in the Member States.

ICIEC encourages a participative management style. Individual management committees review and approve transactions. Senior management and team leaders inspire creativity among staff members to implement strategies and thus achieve incremental and sustainable results.

Those results have a clear and tangible developmental impact on Member States by providing trade credit, investment, and sovereign finance insurance solutions. They are made possible only by having a solid financial position and by achieving yearly business targets. Capital strength ensures the first and business volume and profitability targets, determined annually, provide a measure of KPIs at corporate and individual levels to 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.

### Communication

ICIEC promotes a culture of open and direct communication because it recognizes that effective communication is one of the most critical factors in achieving our goals as an organization. Both top-down and bottom-up communication styles encourage inclusivity, co-operation, and transparency in accordance with the Shariah principles of humility and dignity.

ICIEC's leaders clearly and effectively communicate their vision, their ideas, and their expectations which are critical for successful leadership. Staff can communicate their own views and experiences with clients and partners to provide valuable feedback in assessing the effectiveness and improving future performance.

### Learning

ICIEC believes in a culture of continuous learning and development and cultivates this through programs of personalized in-house training for its own staff and extends them to its Member States' partners in other countries. 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 ensure the business is operating within the risk appetite of the Corporation.

### Welfare

ICIEC places great emphasis on the well-being and welfare of its people. Morale and motivation mean that staff can derive considerable personal satisfaction from their contribution to the economic development and welfare of ICIEC's Member States and work more productively.

Training, career development, staff engagement, and retention are all key enablers in employee welfare. The Corporation provides different types of managerial and technical training, which enhance confidence and work satisfaction. Open communication with managers and fair evaluations during the performance evaluation also make a substantial contribution to employee motivation.



Human Capital Management works to build employee self-esteem through recognition and rewards and by giving each individual new resources to invest in themselves and in the Corporation and its objectives.

## Training and Development

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 to encourage them to progress and advance in the Corporation. The key priority of the HCM division is to achieve a lean organization that can provide more cost-effective and efficient services.

ICIEC seeks to enhance its competency-based approach to human capital and improve the recruitment, training, and performance management processes. To achieve the said objectives, HCM develops annual training and development plans following the needs analysis sessions conducted by HCM with all Managers and Heads of Departments/Functions. The outcome of the needs analysis sessions is translated into training plans and knowledge-sharing events to cover various topics, including but not limited to:

- 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
- Risk Management and Credit Rating
- Exchange programs in Credit and Political Risk and Underwriting
- Reporting and Business Writing Skills
- General Management and soft Skills
- Information Technology

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. Risk Management and Control Environment.

## Risk Management

Following the downturns shocks in the world economy emanated by the COVID-19 pandemic, the war in Ukraine has added high uncertainties about the global outlook, which negatively impacted on insurance operations across the world. Despite the dampened conditions, however, ICIEC continues to tackle the economic consequences of the war and the lingering impact of the pandemic as the Corporation's business model has proven robust across different economic cycles. Undoubtedly, the pivotal role of Risk Management is one of the most important factors that enabled the Corporation to navigate successfully through the crisis period while upholding its strong credit profile. 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 paradigm is akin to safeguarding business continuity, achieving sustainability, optimizing capital allocation and utilization with a forward-looking risk-based capital planning while enhancing the overall performance of the Corporation through a tailored Enterprise Risk Management (ERM) architecture.

ICIEC's core risk stems from (i) underwriting of trade credit and political risks through the PHF; (ii) investment operations of its 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 multilateral insurer (SMI).

In recent years, ICIEC has made significant progress in strengthening its risk management paradigm and achieved appreciable milestones. The Corporation developed and implemented a Risk Appetite Statement (RAS) which has been approved by the BOD. The RAS articulates in written form the aggregate level and types of risk that the Corporation is willing to accept, or to avoid, to achieve its business objectives.

ICIEC has adopted a balanced approach to support MSs' developmental needs amid crises whilst maintaining a sound portfolio with robust risk management, prudent underwriting, and loss minimization efforts. This has been 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.

## Key Achievements of ICIEC from a 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 framework viz: Risk Management Framework, Risk Capital Model, Exposure Management Framework, and Portfolio Reserving. The plans of Risk Management for coming years are- the development of Risk Based Pricing Model, the development of the Stress Testing Framework, and the Implementation of IFRS-9 as part of the approved Portfolio Reserving Framework.

Other policies and initiatives that have enhanced the Corporation's risk management processes and practices include, amongst others, the introduction of RAS to define risk limits; the 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; 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 with 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 reflects strong ingredients for underwriting assessment and risk measurements by different commercial and political risk perils.

## Rating

Moody's affirmed ICIEC's Aa3 Insurance Financial Strength Rating (IFSR) with a stable outlook for the 15th consecutive year. The affirmation of the rating reflects the strong fundamentals- ICIEC's financial position, risk governance and continued support from its parent - IsDB (AAA rated) and shareholders MSs.

Moody's Credit Opinion highlights that the standalone credit quality of ICIEC has strengthened over the recent past years with improved profitability, strong core market positions, diversified operations, and a very liquid invested portfolio. Moody's acknowledges the establishment of ICIEC's Enterprise Risk Management Framework as a strong factor for continued success.

Moody's has assigned, for the first time, ICIEC's ESG Credit Impact Score as neutral-to-low (CIS-2), reflecting a limited impact from environmental and social factors on the rating to date. The Corporation's strong governance and predominant focus on trade credit insurance with a diversified portfolio mitigate its exposure to environmental risks. Moody's acknowledges the establishment of ICIEC's Enterprise Risk Management Framework.

## An Entrepreneurial Organization: Meet the Team

As the CEO, it is my honour to lead a dynamic and forward-thinking team at ICIEC. It is a team that has taken great pride in being resilient and entrepreneurial in the face of unprecedented global challenges.

We remain steadfast despite those challenges not only because we are committed to meeting our mandate, but because we know that the challenges of yesterday pale in comparison to the opportunities of tomorrow. The opportunity to combat food insecurity and tackle climate change; the opportunity to deliver for every single Member State, the opportunity to safeguard coverage across geographies spanning from South America to Asia and from Eurasia to Sub-Saharan Africa; and the opportunity to realize development goals and contribute to best-in-class ESG practices.

Our team thrives on its ability to contribute to Member States' economic development and positive human and social impact. It is this material change in societies that gives the team great satisfaction from their duties.

Moreover, satisfaction is also earned through a series of personal and professional developments at key milestones in their careers. Our learning and training programme caters to the needs of our staff and ensures strong retention statistics. We have also implemented a thorough Leadership Development Programme to further boost the retention of top talent as well as train future leaders. This is in keeping with our determination to always look to the future and build it brightly on the solid foundations of the present. Every single day, we also learn from one another in a space that is inclusive, participatory, and welcoming, where all ideas are valued, and everyone has the chance to succeed.

Yet we know that the task is far from complete. We constantly strive for improvement, to find new ways of being more efficient, nimbler, and agile, all with a view to serving the collective interests of Member States and the shared mandate ever more effectively.

I am proud to introduce my team to you and would like to take this opportunity to thank them for their continued hard work and commitment.

**Oussama Abdul Rahman KAISSI**

Chief Executive Officer



#### **Mohamud Hussein Khalif, Senior Manager - Underwriting**

The communication style of the senior management of ICIEC is direct engagement through periodic meetings and corporate, group and individual platforms. Our biggest achievement was meeting, even exceeding, our targets for the year in all the key business indicators, despite the deteriorating global economic environment.

#### **Hassan Idris, Manager - Legal Affairs**

We have a value-based, trust-based, and mission-driven communication style. The top-level communication approach builds connections, manages conflicts, engenders decision-making, and organization for accomplishing goals.

#### **Mohamed El Sayed, Manager - IT**

We have open trusted professional communication through multiple platforms (one-to-one meetings, organizational periodical meetings, emails, telephone calls, WhatsApp messages, etc.) with a focus on mission, values, and results.

Information Technology is not only a partner but also an “enabler” for ICIEC Business units. This means daily and continuous communications to enable and support them in undertaking their daily tasks and processes efficiently and effectively.

#### **Hassan El Amrani, Head of Internal Audit**

In the ICIEC spectrum, different communication styles are used based on the context. However, the predominant style is the assertive style which doesn't resort to manipulation or pushing limits. Instead, it seeks to compromise and find consensus through active listening and clearly expressing wants or needs.

#### **Bessem Soua, Manager – Business Development, Sub-Saharan Africa and Europe**

The greatest achievement of last year was getting key ESG-related infrastructure projects across the financial line, with significant positive impacts on each of the respective Member States. These deals also make an important contribution to our corporate performance.



Members of my team try to adapt to new challenges and to find solutions on their own before they seek support from others. Complex challenges are discussed individually or collectively with the team members, depending on the case.

#### **Jalal Marwai, Administration**

Adaptive leadership means resolving and eliminating differences to increase and strengthen positive job opportunities. Team members show flexibility in all areas where everyone provides support as and when needed. Each team member demonstrates the ability to solve problems and differences through open communication in all channels.

#### **Mourad Ali Mizouri, Manager – Business Development MENA**

Leadership's main success factors include, in my view, having soft skills, fairness and being visionary to be able to shape the future.

There is a great synergy between the teams in business development to benefit from the expertise of each champion in his/her respective countries or with the products where he/she is considered as the subject matter expert. There is an ongoing verbal and relaxed communication style between my team members in the MENA region which resulted in a higher contribution to ICIEC results and success this year.

#### **Rahmatnor Bin Mohamad, Head of Reinsurance**

We have good interactions through team meetings and informal discussions. There are no partitions nor barriers when we reach out to other teams in the Organization.

#### **Teif Aldoairem, Underwriting Support**

My team is very supportive, and we have weekly meetings face to face and technology to communicate with regional hubs.

#### **Yasser Alaqi, Senior Manager - Business Development**

We enjoy open channels of discussion with management and there is an open-door policy across the entire corporation. And ICIEC's seamless technology has facilitated communications better than ever. We use virtual calls and hi-tech chat platforms.

#### **Muhammad Iftikhar Afsar, CEO Office Manager**

IT sharing across ICIEC and teamwork in an enhanced working environment mean the achievement of annual targets.

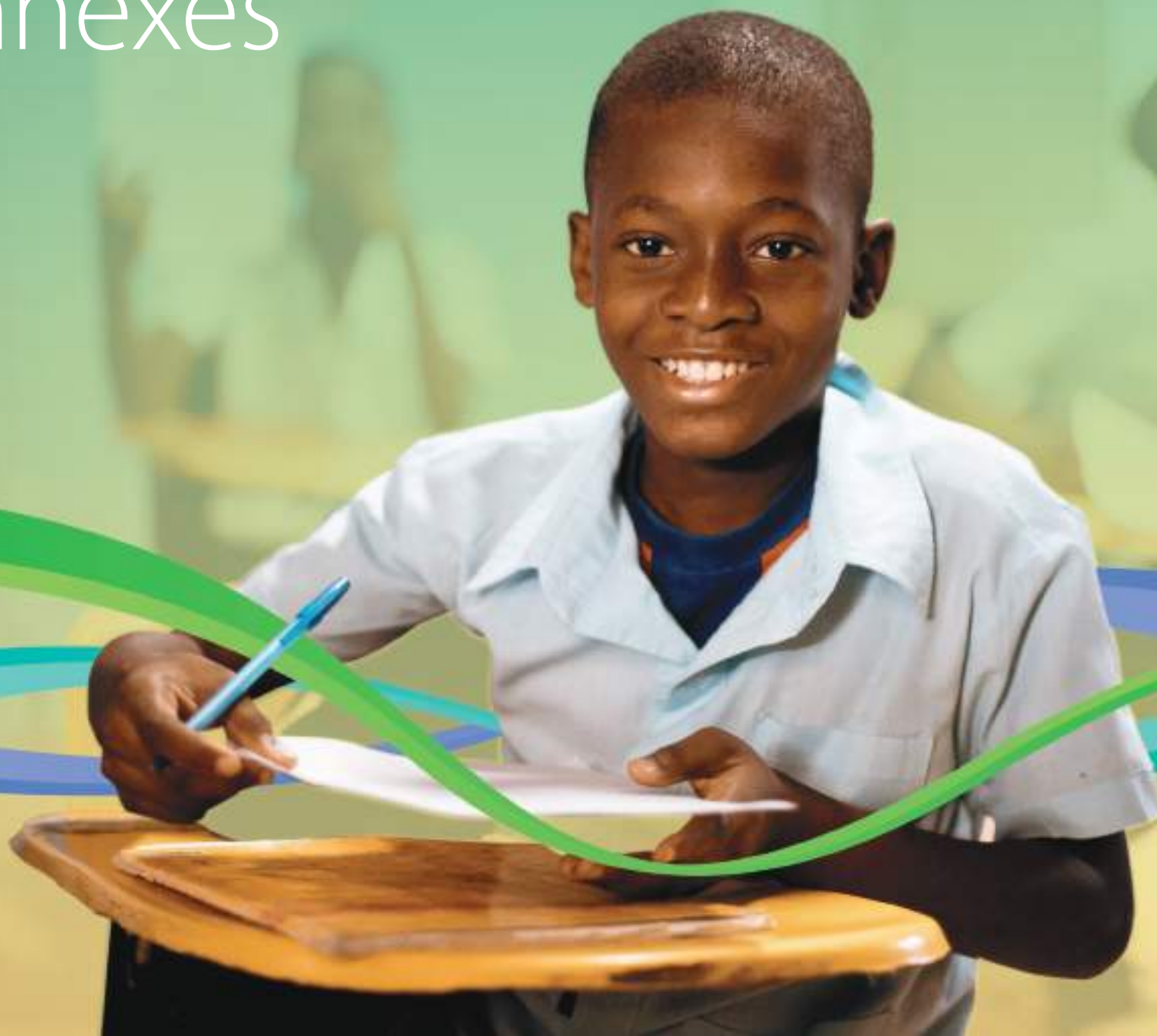
#### **Rania Yousif Binhimd, Communication Planner**

Our team works collaboratively to produce innovative solutions to the latest challenges, drawing on our collective knowledge and expertise combined with cutting-edge trends and technology. We embrace creative and critical thinking to find the best possible outcome to every situation.

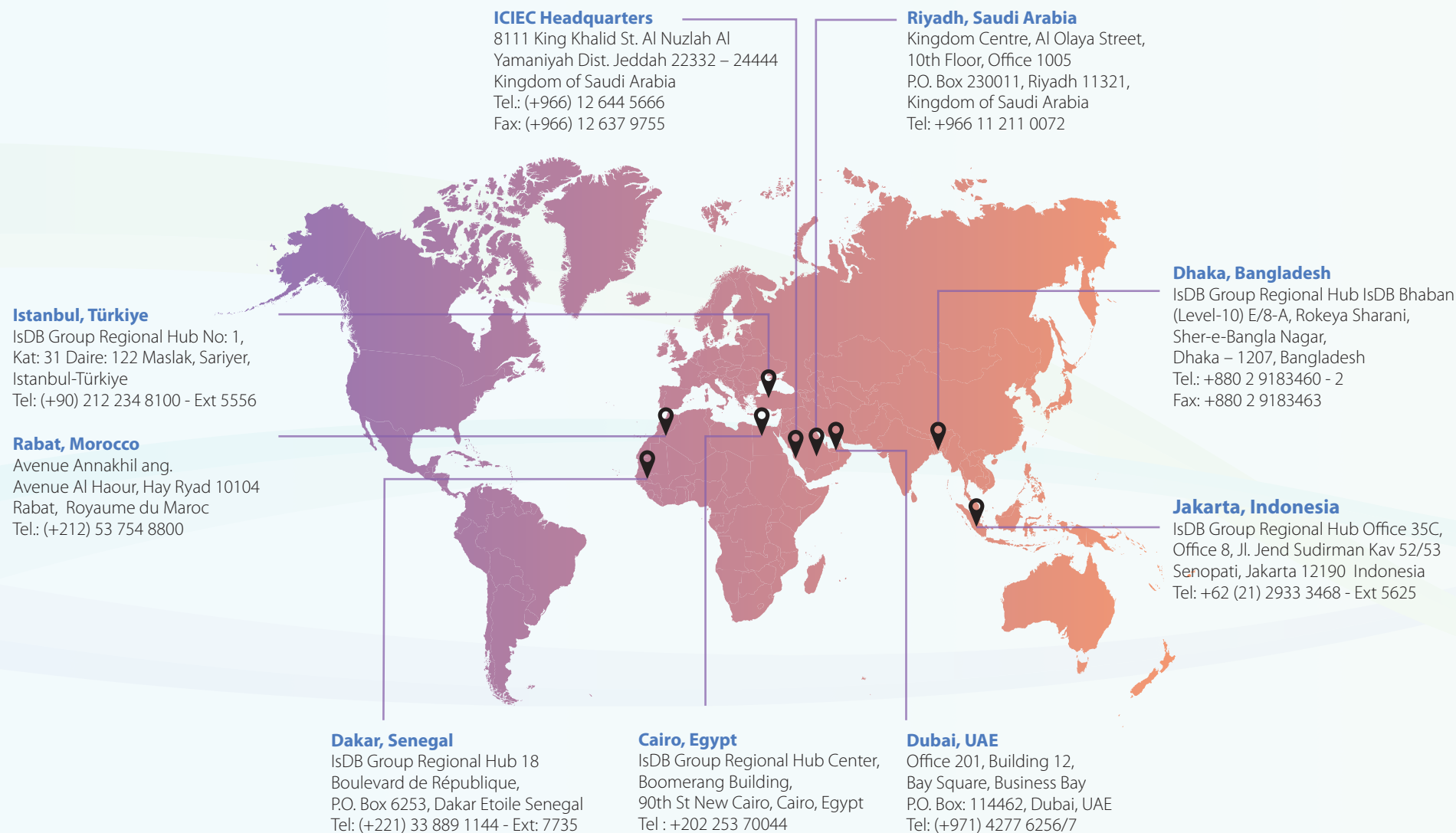
#### **Dalia Jabir, HR Recruitment Specialist**

We need a high level of communication skills to manage the performance, accountability, and growth of the individual. We can think outside the box and be opened to receiving feedback, building confidence in individuals, applying feedback, and being committed to corporation objectives.

# Annexes



## ICIEC International Network





## 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 the 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 Insurance of Investment and Export Credit (ICIEC), the Islamic Corporation for the Development of the Private Sector (ICD), and International Islamic Trade Finance Corporation (ITFC).



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



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 Countries. 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.

## IsDB Group Impact



### IsDB Group Approvals

2022

**USD 10.5 billion**

Since inception

**USD 170.5 billion**



### IsDB Group Disbursements

2022

**USD 9.86 billion**

Since inception

**USD 105.45 billion**



### No. of Projects/Operations

2022

**315**

Since inception

**11,378**

# Audited Financial Statements



## INDEPENDENT AUDITOR'S REPORT

**Deloitte and Touche & Co.**  
**Chartered Accountants**  
 Jeddah branch office  
 License #323/11/96/1  
 Date 24/4/1419  
[www.deloitte.com](http://www.deloitte.com)

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, 2022 (7 Jumada-II 1444H), 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 and supplementary financial information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 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 Information included in the Corporation's 2022 Annual Report

Other information consists of the information included in the Corporation's 2022 annual report, other than the financial statements and our auditor's report thereon. The Board of 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.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### 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 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.

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

26 Ramadan 1444  
April 17, 2023





**THE ISLAMIC CORPORATION FOR THE INSURANCE OF INVESTMENT AND EXPORT CREDIT**
**STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 (7 JUMAD AL-THANI 1444H)**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

	Notes	2022	2021
<b>ASSETS</b>			
Cash and cash equivalents	5	83,647	58,602
Murabaha investments, net	6	30,648	51,255
Held to maturity investments	7	130,347	111,465
Available for sale investments	8	24,808	26,241
Premium receivable, net	9	22,220	6,982
Advances, prepaid expenses and other assets	10	4,975	4,070
Due from affiliates	11	436	238
Reinsurance share of outstanding claims reserves	12	41,930	23,631
Reinsurance share of unearned premiums	13	69,426	59,916
Property and equipment	14	1,605	1,511
<b>TOTAL ASSETS</b>		<b>410,042</b>	<b>343,911</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity</b>			
Share capital	18	147,442	147,519
General reserve	19	84,012	78,380
Fair value reserve		(1,371)	1,386
Foreign exchange reserve		6,974	(4,689)
		<b>237,057</b>	<b>222,596</b>
Accumulated deficit in policyholder's fund		(36,738)	(39,302)
Pension liability actuarial losses		(167)	(8,196)
Foreign exchange reserve		(1,323)	1,132
		<b>(38,228)</b>	<b>(46,366)</b>
<b>Total equity</b>		<b>198,829</b>	<b>176,230</b>
<b>Liabilities</b>			
Unearned premiums	13	87,918	74,410
Unearned reinsurance commission	13	17,956	15,399
Outstanding claims reserves	12	61,809	38,364
Accounts payable and accruals	15	37,359	24,921
Due to affiliates	11	1,152	2,056
Claims payable	16	270	257
Employee benefits liabilities	17	4,749	12,274
<b>Total liabilities</b>		<b>211,213</b>	<b>167,681</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>410,042</b>	<b>343,911</b>

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on April 02, 2023.

The accompanying notes 1 to 23 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, 2022 (7 JUMAD AL-THANI 1444H)**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

	Notes	2022	2021
Gross written premiums	13	68,995	55,420
Premiums ceded to reinsurers	13	(47,955)	(44,336)
		21,040	11,084
Net movement in unearned premiums		(4,055)	(1,274)
Net earned premiums	13	16,985	9,810
Outward reinsurance commission income, earned	13.1	8,960	7,554
Recoveries of previously settled claims, net		89	3,829
Policy fees earned & Others		124	581
<b>Total underwriting revenue</b>		<b>26,158</b>	<b>21,774</b>
Gross claims paid	16	(2,952)	(2,712)
Reinsurance share of claims paid	12	1,065	1,240
Net claim paid		(1,887)	(1,472)
Change in net outstanding claims and other reserves	12	(4,506)	(445)
Net claim expense		(6,393)	(1,917)
Policy acquisition costs		(2,480)	(2,676)
Employees' related costs		(11,597)	(11,806)
Sales and marketing expenses		(731)	(390)
General and administrative expenses		(2,489)	(2,069)
Loss on foreign exchange translation		(63)	(314)
<b>Total underwriting expense</b>		<b>(23,753)</b>	<b>(19,172)</b>
<b>Net underwriting gain</b>		<b>2,405</b>	<b>2,602</b>
Investment income		6,323	4,001
Investment management fees	11	(306)	(178)
Impairment on available for sale investments	8	-	140
General and administrative expenses		(222)	(77)
(Loss)/income on foreign exchange translation		(4)	8
<b>Net investment gain</b>		<b>5,791</b>	<b>3,894</b>
<b>NET CORPORATE GAIN</b>		<b>8,196</b>	<b>6,496</b>

The accompanying notes 1 to 23 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, 2022 (27 JUMAD AL-AWWAL 1444H)**

(Expressed in thousands of Islamic Dinars unless otherwise stated)

	Notes	2022	2021
<b>NET CORPORATE GAIN</b>		<b>8,196</b>	6,496
<i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i>			
Unrealized (loss)/gain on investments measured at fair value	8	<b>(2,757 )</b>	691
<i>Other comprehensive income not to be reclassified to statement of income in subsequent periods:</i>			
Remeasurement gain on employee benefits liabilities related to policyholders	17	<b>8,029</b>	4,835
Changes in foreign exchange reserves relating to:			
Shareholder's funds		<b>11,663</b>	6,079
Policyholder's funds		<b>(2,455 )</b>	(1,511 )
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>22,676</b>	16,590

The accompanying notes 1 to 23 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, 2022 (7 JUMAD AL-THANI 1444H)**

(Expressed in thousands USD unless otherwise stated)

	2022			2021		
	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	45,267	66,053	111,320	45,376	36,642	82,018
Murabaha investments, net	9,971	30,816	40,787	10,535	61,203	71,738
Held to maturity investments	-	173,471	173,471	-	156,006	156,006
Available for sale investments	-	33,016	33,016	-	36,727	36,727
Premium receivable, net	29,571	-	29,571	9,772	-	9,772
Advances, prepaid expenses and other assets	4,445	2,176	6,621	4,182	1,514	5,696
Due from affiliates	580	-	580	333	-	333
Reinsurance share of outstanding claims	55,801	-	55,801	33,075	-	33,075
Reinsurance share of unearned premiums	92,394	-	92,394	83,859	-	83,859
Property and equipment	2,207	-	2,207	2,089	-	2,089
<b>TOTAL ASSETS</b>	<b>240,236</b>	<b>305,532</b>	<b>545,768</b>	<b>189,221</b>	<b>292,092</b>	<b>481,313</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
Unearned premiums	117,004	-	117,004	104,144	-	104,144
Unearned reinsurance commission	23,896	-	23,896	21,552	-	21,552
Outstanding claims reserves	82,258	-	82,258	53,694	-	53,694
Employee benefits liabilities	6,320	-	6,320	17,179	-	17,179
Accounts payable and accruals	47,419	2,301	49,720	32,931	1,950	34,881
Due to affiliates	1,423	110	1,533	2,961	(84)	2,877
Qard (Loan) to Policyholders' Fund	-	(12,381)	(12,381)	-	(21,342)	(21,342)
Qard (Loan) from Shareholders' Fund	12,381	-	12,381	21,342	-	21,342
Claims payable	360	-	360	360	-	360
<b>TOTAL LIABILITIES</b>	<b>291,061</b>	<b>(9,970)</b>	<b>281,091</b>	<b>254,163</b>	<b>(19,476)</b>	<b>234,687</b>

**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, 2022 (7 JUMAD AL-THANI 1444H)**

(Expressed in thousands USD unless otherwise stated)

	2022			2021		
	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
<b>EQUITY</b>						
Share capital	-	201,011	201,011	-	200,954	200,954
Reserves	-	116,167	116,167	-	108,601	108,601
Fair value reserve	-	(1,676)	(1,676)	-	2,013	2,013
Accumulated deficit	(49,961)	-	(49,961)	(53,393)	-	(53,393)
Actuarial losses on employee benefits	(864)	-	(864)	(11,549)	-	(11,549)
<b>TOTAL EQUITY</b>	<b>(50,825)</b>	<b>315,502</b>	<b>264,677</b>	<b>(64,942)</b>	<b>311,568</b>	<b>246,626</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>240,236</b>	<b>305,532</b>	<b>545,768</b>	<b>189,221</b>	<b>292,092</b>	<b>481,313</b>

**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, 2022 (CORRESPONDING TO 7 JUMAD AL-THANI 1444H)**  
(Expressed in thousands of Islamic Dinars unless otherwise stated)

	2022			2021		
	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
Investment income	213	8,251	8,464	127	5,571	5,698
Gross written premiums	92,353	-	92,353	78,930	-	78,930
Premiums ceded to reinsurers	(64,190)	-	(64,190)	(63,143)	-	(63,143)
	28,376	8,251	36,627	15,914	5,571	21,485
Net movement in unearned premiums	(5,428)	-	(5,428)	(1,815)	-	(1,815)
<b>Net earned premiums/investment Income</b>	<b>22,948</b>	<b>8,251</b>	<b>31,199</b>	<b>14,099</b>	<b>5,571</b>	<b>19,670</b>
Outward reinsurance commission	11,994	-	11,994	10,758	-	10,758
Recoveries of previously settled claims	120	-	120	5,453	-	5,453
Policy fees earned	166	-	166	827	-	827
<b>Total revenue</b>	<b>35,228</b>	<b>8,251</b>	<b>43,479</b>	<b>31,137</b>	<b>5,571</b>	<b>36,708</b>
Gross claims paid	(3,952)	-	(3,952)	(3,862)	-	(3,862)
Reinsurance share of claims paid	1,426	-	1,426	1,767	-	1,767
Net claims paid	(2,526)	-	(2,526)	(2,095)	-	(2,095)
Change in net outstanding claims and other reserves	(6,032)	-	(6,032)	(634)	-	(634)
<b>Net claims incurred</b>	<b>(8,558)</b>	<b>-</b>	<b>(8,558)</b>	<b>(2,729)</b>	<b>-</b>	<b>(2,729)</b>



**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, 2022 (CORRESPONDING TO 7 JUMAD AL-THANI 1444H)**  
 (Expressed in thousands of Islamic Dinars unless otherwise stated)

	2022			2021		
	Policyholders' Fund	Shareholders' Fund	Total	Policyholders' Fund	Shareholders' Fund	Total
Investment management fees	-	(410)	(410)	-	(254)	(254)
Policy acquisition cost	(3,320)	-	(3,320)	(3,811)	-	(3,811)
Employee related costs	(15,524)	-	(15,524)	(16,814)	-	(16,814)
Sales and marketing expenses	(978)	-	(978)	(555)	-	(555)
General and administrative expenses	(3,331)	(297)	(3,628)	(2,947)	(110)	(3,057)
Impairment on Investments measured at fair value	-	-	-	-	200	200
<b>Total claims &amp; expenses</b>	<b>(31,711)</b>	<b>(707)</b>	<b>(32,418)</b>	<b>(26,856)</b>	<b>(164)</b>	<b>(27,020)</b>
<b>Net income before exchange results</b>	<b>3,517</b>	<b>7,544</b>	<b>11,061</b>	<b>4,281</b>	<b>5,407</b>	<b>9,688</b>
Income/(loss) on foreign exchange translation	(84)	(5)	(89)	(447)	12	(435)
<b>NET CORPORATE GAIN</b>	<b>3,433</b>	<b>7,539</b>	<b>10,972</b>	<b>3,834</b>	<b>5,419</b>	<b>9,253</b>



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