



THE ISLAMIC CORPORATION FOR  
THE INSURANCE OF INVESTMENT  
AND EXPORT CREDIT



OIC  
Business  
Intelligence  
Center  
(OBIC)

**“Transforming core business  
Operations into a Data Driven  
engine that supports  
Business Strategic Decisions”**

IsDB Executive Management Committee  
26 January 2020

# Global trends of Big Data

1) Rapidly increasing the amount of data available



2) Accelerating data storage capacity and computing power at low cost



3) Evolution in Machine Learning approach to analyze convoluted datasets :

- Accessible AI
- Rise in Predictive analytics

# 4<sup>th</sup> Revolution

The Fourth Industrial Revolution is putting the **Banking, Finance and Credit Insurance** industries at the heart of the Artificial Intelligence dynamic propelled by innovative technologies solutions including **Blockchain technology solutions providers.**

## Digitally generated

- Data is created digitally, not digitized manually, and can be manipulated by computers / BI tools

## Passively Produced

- Data is a by-product of interactions with digital services

## Automatically collected

A system in place that automatically extracts and stores

the relevant data is generated

## Geographically or temporally trackable

- For instance, this is the case in mobile phone location data or call duration time

## Continuously analyzed

Information is relevant to human well-being and

development, and can be analyzed in real-time

# AI-powered analytics advantages

These new AI-powered analytics do not only predict what will happen, but they also provide clear rationale for predictions



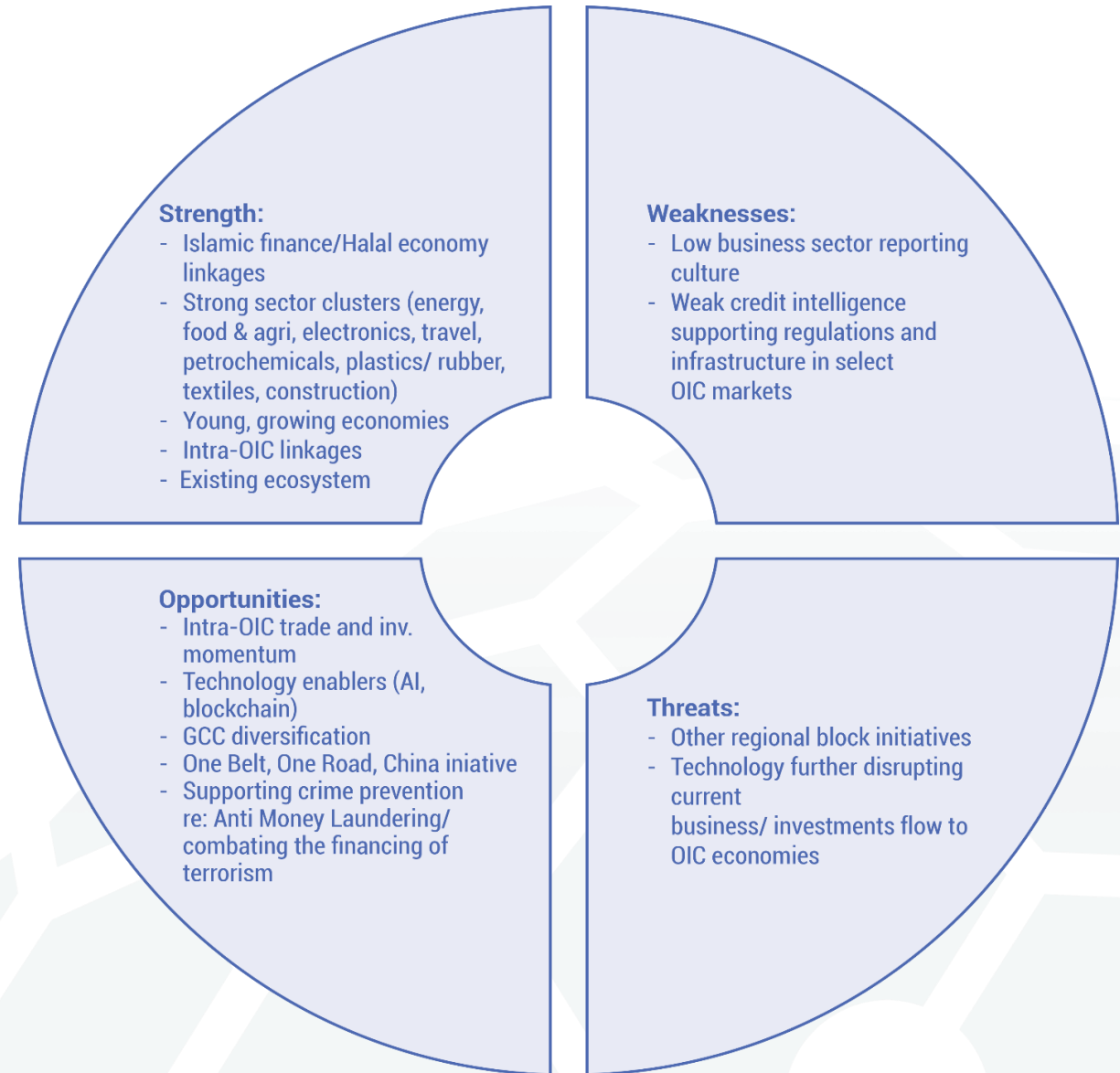
The enormous progression in analytics and BI tools indicates that businesses are still requiring **more mature decision-making supporting tools**. Recent developments in business digitization is driving the development of **prescriptive analytics**



AI-powered BI systems will certainly transform **business data into simple, accurate, real-time narratives and reports**.

# OIC Credit Intelligence SWOT

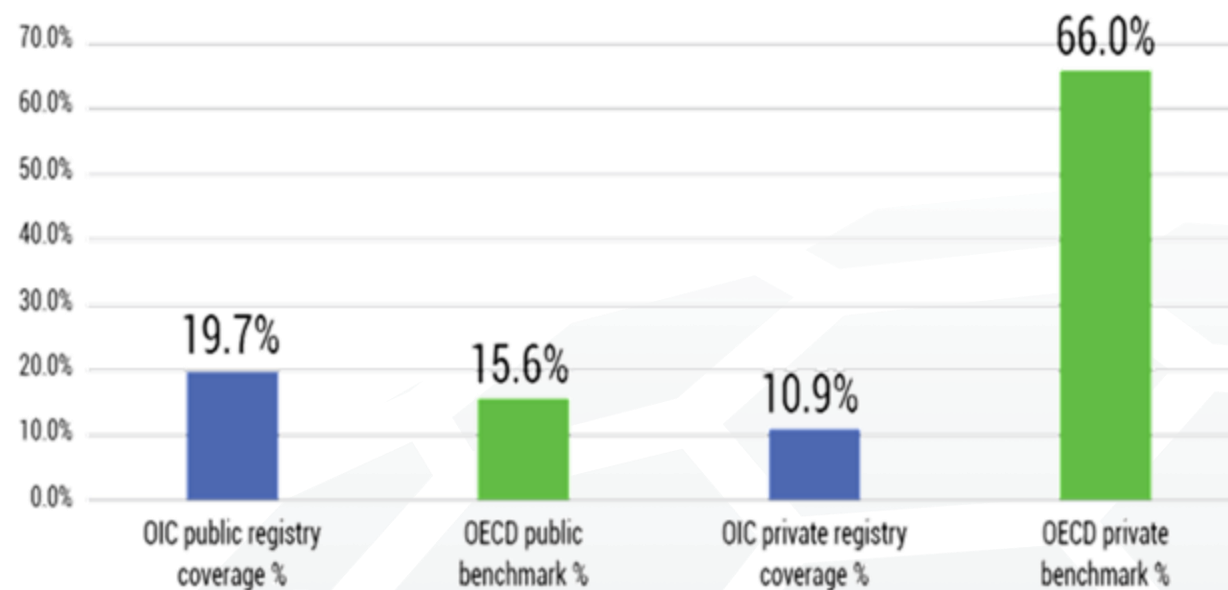
There is a strong need to build an OIC credit intelligence ecosystem, and capabilities.



## OIC Markets Behind

When it comes to the private involvement, the **OIC regions private registry coverage is at only 11% of the adult population in 2016\***, relative to **66% coverage across the OECD.**

Chart: OIC coverage of adult population, relative to OECD benchmark, 2016



# OIC Member Country Segmentation

Based on OIC countries adoption of credit registries and credit bureaus, a **four-quadrant segmentation** of the different OIC markets maturity levels were identified

Table: OIC Business Intelligence Maturity Quadrants

Tier A	Tier B	Tier C	Tier D
Turkey	Albania	Cameroon	Djibouti
Malaysia	Azerbaijan	Comoros	Burkina Faso
Brunei Darussalam	Tajikistan	Nigeria	Niger
UAE	Kuwait	Syria	Guinea-Bissau
Kazakhstan	Kyrgyzstan	Mauritania	Mali
Indonesia	Qatar	Uganda	Gambia
Iran	Uzbekistan	Mozambique	Guinea
Gabon	Tunisia	Algeria	Iraq
Saudi Arabia	Bahrain	Jordan	Somalia
	Morocco	Chad	Suriname
	Oman	Cote d'Ivoire	Turkmenistan
	Maldives	Sudan	
	Lebanon	Sierra Leone	
	Egypt	Yemen	
	Guyana	Bangladesh	
	Pakistan	Afghanistan	
	Palestine	Benin	
		Senegal	
		Libya	
		Togo	

Four-quadrant segmentation of the different OIC markets maturity levels:

- *Tier A* represents countries with >50% population covered in public registry or private bureaus.
- *Tier B* represents 10%-50%.
- *Tier C* represents 1%-9%.
- *Tier D* represents 0%.



## IsDB Group Strategic Initiative: OIC Business Intelligence Centre



ICIEC has initiated a study on the possibility to create an OIC Credit Information Bureau where the main goal was to expand upon the experience of the Aman Union database.

Taking into account the mandate of ICIEC as stipulated in its Articles of Agreements “The objective of the Corporation shall be to enlarge the scope of trade transactions and flow of investments among Member States”



After consultations with stakeholders, ICIEC has taken the initiative to propose to widen the initial scope of Credit Information so to include the setting up of an OIC Business Intelligence Centre where it will tackle, across the OIC region, the deficiencies of available Business Intelligence Data.





***AMAN UNION***

## The Long road from Aman Union to OBIC

The cross-OIC database credit registry and infrastructure will be a hallmark of the Centers offerings, providing both the technology platform as well as credit data infrastructure that can be leveraged at a country level

Building on the Aman Union success story, was an important first step in establishing an OIC-wide business intelligence ecosystem, established for the benefit of national export credit insurance agencies in the region.

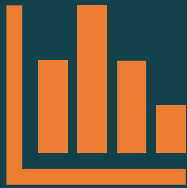
OBIC project will enable member Export Credit Agencies (ECAs) to obtain valid, timely and cost-effective credit information.

# Impact of the OBIC on the economic and commercial development of the MCs

Credit information systems boost **lending by up to 50% of GDP**, reduce costs substantially and can financially **assimilate the USD 2 billion unbanked**, with an observable impact on FDI.

OBIC once it is operational could boost **private-sector lending in the least developed OIC member states** by increasing an estimated **\$670 bill a year**

# It will also.....



**Availability of comprehensive credit information can increase lending volumes by 11%, based on empirical evidence in the US**



**Reduce the rates of non-performing loans by 7.75 percentage points, based on empirical evidence in Latin America.**



**High 97% correlation between foreign direct investment and financial market development.**

# Technological Drivers Solutions

In collecting and packaging relevant data from various sources, OBIC will perform the following activities:

- **Data collection and design**
  - Legal protocol
  - Data collection and sanitization:
- Data packaging
- Data storage and dissemination
  - Data storage and accuracy
  - Dissemination
  - Disputes
- **Information governance**
- **Technology customization**
  - Database scale
  - Data security and next-generation capabilities



# Global Gains for P5P and for the IsDB Group

IsDB Group could play an important role to make investment and trade a reality, through providing the following:

- Financing facility;
- Guarantee Financing;
- Credit Insurance facilities;
- Investment Insurance facility;
- Bonding facilities ( these services which take a number of forms such as bid bonds, performance bonds);
- Re-insurance services;
- Advisory services; and
- Training services.

Exploitation and preservation of organizational investments in technology at the IsDB Group

Better and increased abilities for informed decision-making at the IsDB Top Management

Better user adoption across IsDB Group BI capabilities

Increased likelihood of successful project execution and overall reduced risk at the IsDB Group

## At the MCs level, OBIC will:



Develop the technology and credit data infrastructure that can be copied and shared with smaller OIC countries to implement at low cost.

Provide deeper support to selected OIC countries with very limited credit reporting capabilities to set up, and in select cases, operate, credit registries, with the help of external partners.



Deliver cost-effective advance and adapted Technology for select countries, where the cost of having a standalone operation is not feasible,



# OBIC - Vision & Strategic Pillars

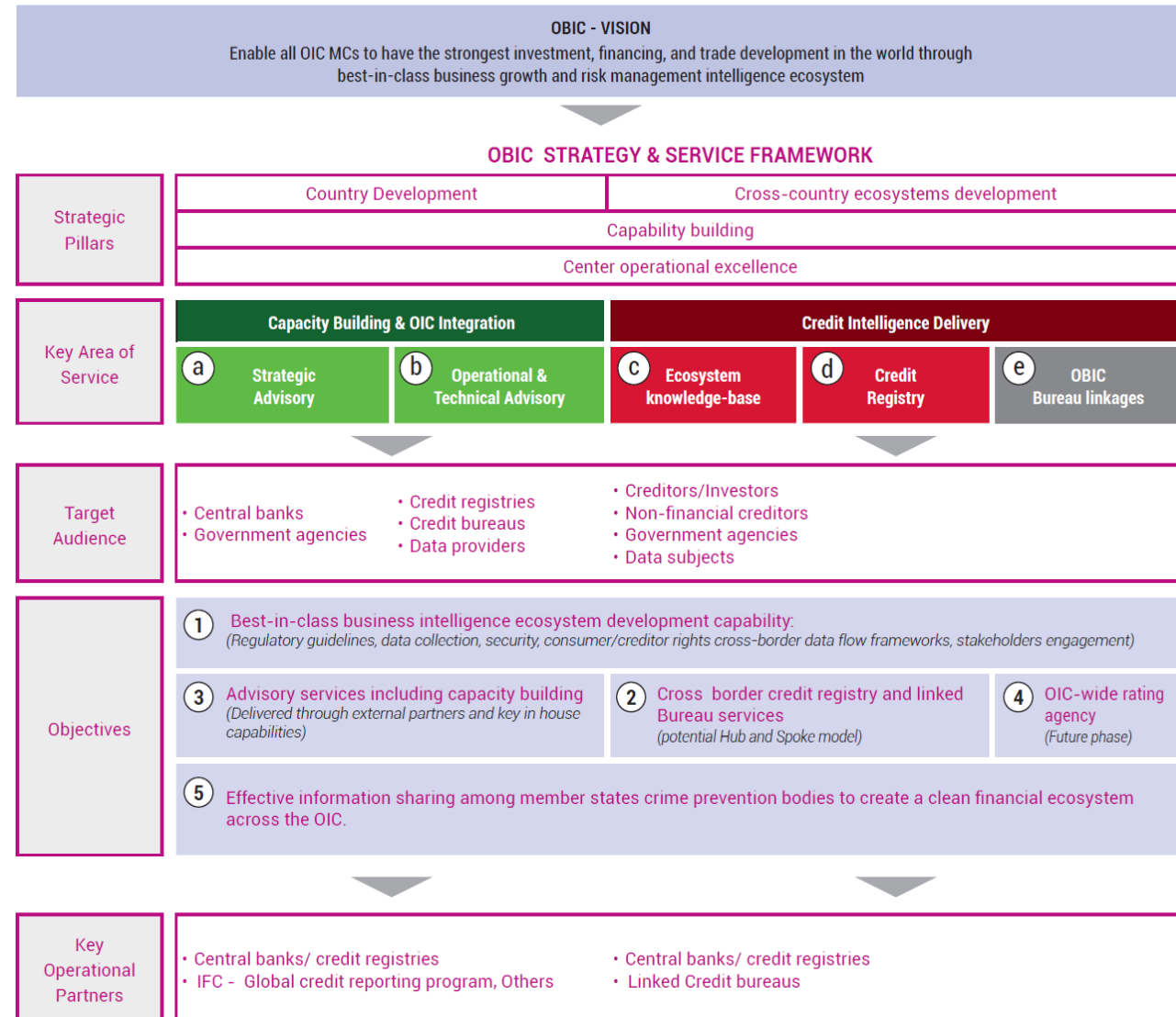
There is a clear need to drive exponential improvement in OIC credit intelligence ecosystem, which has been acknowledged and supported by stakeholders. Accordingly, we have laid out the vision and strategic pillars that underpin OBIC establishment.



# OBIC – Solution Framework

Aligned to the strategic plan and objectives, the OBIC will provide **five core areas of services** for key public and private target audiences.

## Vision, Services Framework , Strategic Objectives of the OBIC



# OBIC Operational Model

OBIC operational model is based on **four key pillars** that will enable the Centre to **deliver world-class BI offerings**

Setting the business intelligence Strategic Plan for OBIC

## OBIC - VISION

Enable all OIC MCs to have the strongest investment, financing, and trade development in the world through best-in-class business growth and risk management intelligence ecosystem



## OBIC - MISSION

To deliver the vision set out, establish a pan -OIC coordination business intelligence center that drives credit maturity in each of the OIC MCs



## STRATEGIC PILLARS

### Country Development:

Driving credit maturity within each MC

### Cross-Country:

Driving pan-OIC credit accountability and trade

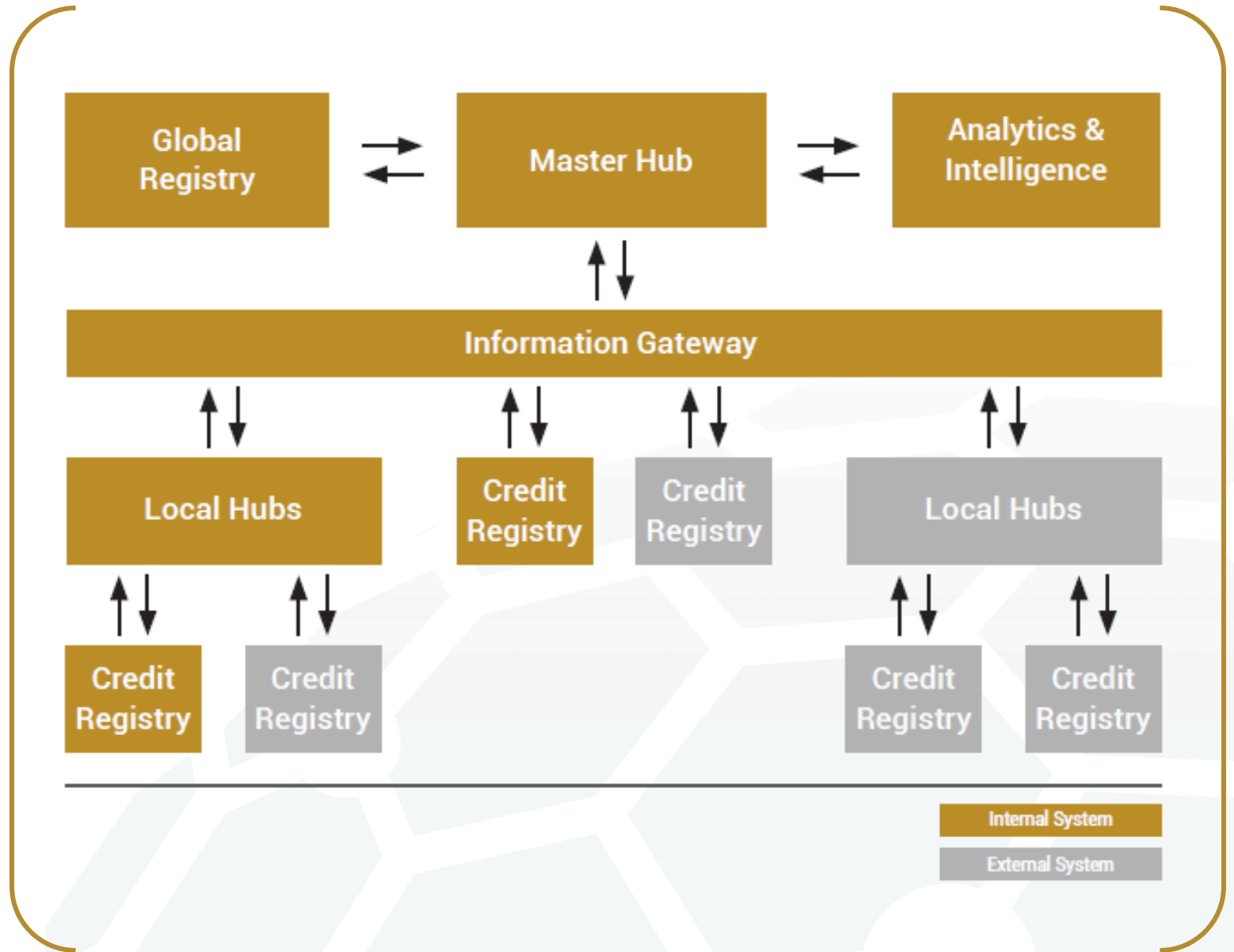
### Operational excellence:

Creating a leading operational model

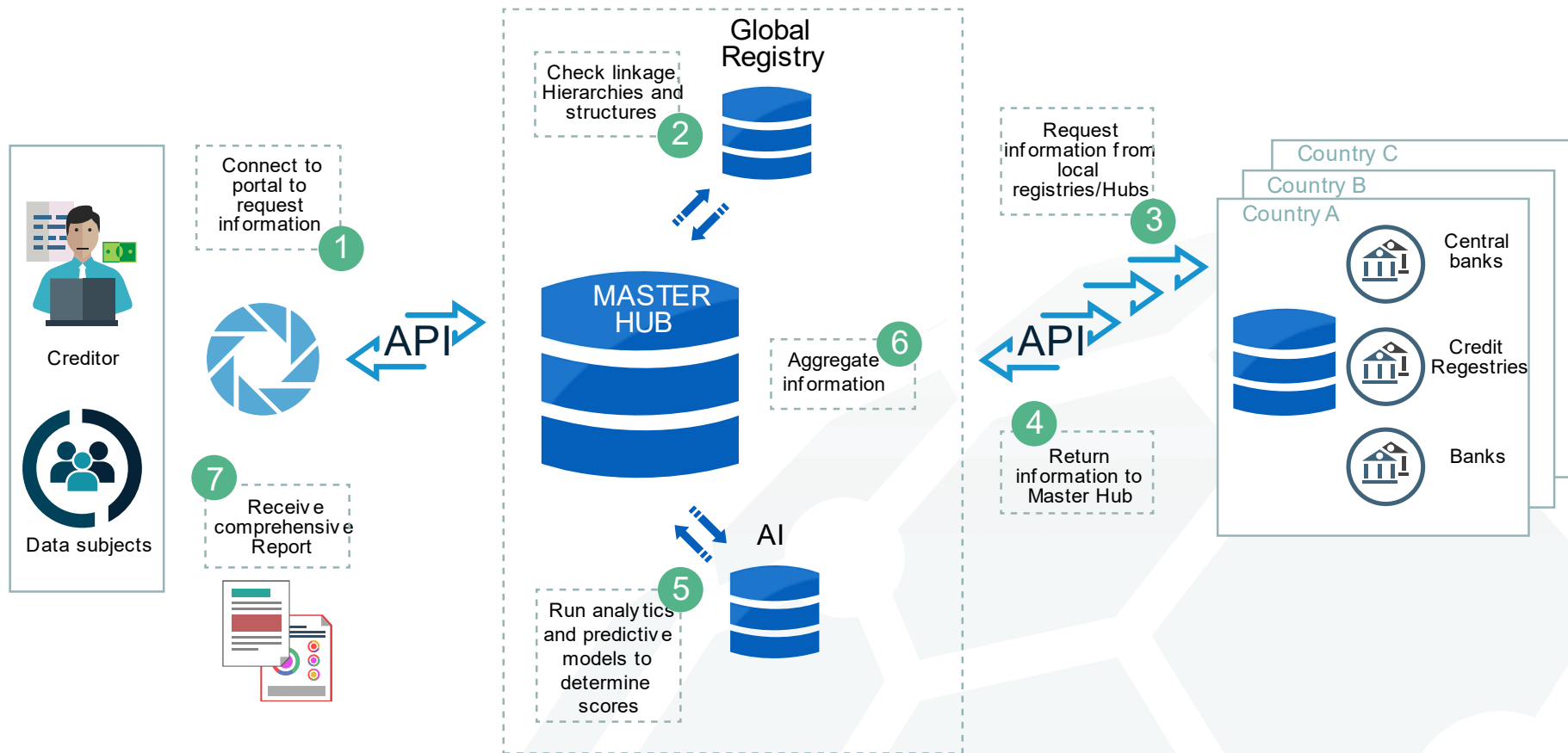
### Capability building:

Creating the best practice tools for effective self-governance

# OBIC – Business Architecture



# OBIC – Information Architecture



# OBIC – Financial Projection

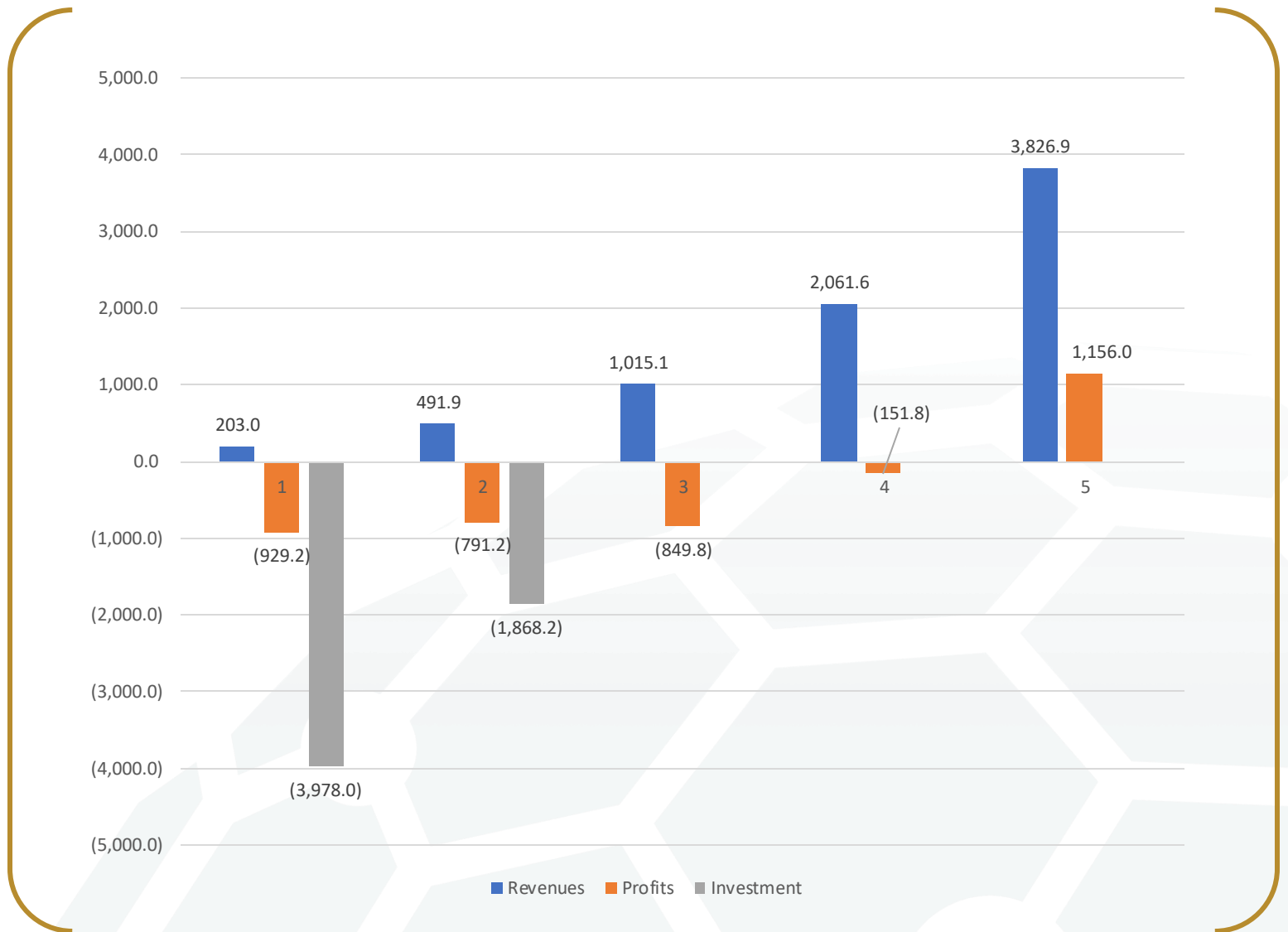
## CBIC 5 year financial projections

\$ 000s	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenues</b>						
Strategy advisory		139.8	286.7	440.8	753.0	1,080.5
Operational and technical advisory		63.2	129.6	265.6	408.4	697.6
Platform licensing		0.0	25.6	52.5	80.8	110.4
Cross OIC platform revenues		0.0	50.0	256.3	819.5	1,938.4
<b>Total revenues</b>		<b>203.0</b>	<b>491.9</b>	<b>1,015.1</b>	<b>2,061.6</b>	<b>3,826.9</b>
<b>Direct costs</b>						
Project external direct costs		(81.2)	(124.9)	(197.8)	(313.6)	(444.5)
Data acquisition costs		0.0	(8.0)	(52.5)	(144.0)	(375.0)
<b>Total direct costs</b>		<b>(81.2)</b>	<b>(132.9)</b>	<b>(250.3)</b>	<b>(457.6)</b>	<b>(819.5)</b>
		-40%	-27%	-25%	-21%	
<b>Costs of operation</b>						
Personnel	(142.0)	(389.5)	(432.9)	(831.4)	(958.1)	(1,018.3)
Technology	0.0	(420.0)	(420.0)	(420.0)	(420.0)	(420.0)
Marketing	0.0	(101.5)	(147.6)	(203.0)	(206.2)	(229.6)
Other operating costs	0.0	(140.0)	(149.8)	(160.3)	(171.5)	(183.5)
<b>Total indirect costs</b>	<b>(142.0)</b>	<b>(1,051.0)</b>	<b>(1,150.2)</b>	<b>(1,614.7)</b>	<b>(1,755.8)</b>	<b>(1,851.4)</b>
<b>Operating profit</b>	<b>(142.0)</b>	<b>(929.2)</b>	<b>(791.2)</b>	<b>(849.8)</b>	<b>(151.8)</b>	<b>1,156.0</b>
<b>Platform investment costs</b>	<b>(2,998.0)</b>					
Working capital (half of first year)	(50.8)					
Working capital (ongoing)		(4.1)	(9.8)	(20.3)	(41.2)	(76.5)
<b>Net cash flow</b>	<b>(3,190.8)</b>	<b>(933.3)</b>	<b>(801.1)</b>	<b>(870.1)</b>	<b>(193.0)</b>	<b>1,079.4</b>

### Total investment needed, \$000s

Platform investment costs	(2,998.0)					<b>Total</b>	(2,998.0)
Working capital needs	(50.8)	(75.4)					(126.2)
Operational losses/ shortfall	(929.2)	(1,792.8)					(2,722.0)
<b>Investment</b>	<b>(3,978.0)</b>	<b>(1,868.2)</b>					<b>(5,846.2)</b>

# OBIC – Financial Projection



# 34<sup>th</sup> & 35<sup>th</sup> The Sanding Committee for Economic and Commercial Cooperation (COMCEC) Ministerial

November 2018 and 2019 Istanbul (TURKEY)

During the 34th Ministerial Session of the COMCEC, the resolution 68 was adopted: **Takes note with appreciation of the IDB Group's initiative called "OIC Business Intelligence Center" led by the ICIEC and requests the IDB Group, in particular the ICIEC, to start operationalization of this initiative as an OIC Program under one of the IDB Regional Hub, in close partnership with SESRIC and other relevant OIC institutions as required".**

During the 35th of the COMEC Ministerial Session in 2019, ICIEC has provided **a full detailed five years business plan with its strategic plan and IT platform solutions.** The **OIC MCs have expressed their support to the global initiative have requested to ensure proper operationalization in due course.**

## SESRIC recent engagement in April 2019



SESRIC has allocated the **OBIC Project with the offices** at the SESRIC Headquarter in Ankara (Turkey)



SESRIC will **financially and technically provide assistance** to the OBIC Project.

# 2019-2020 Roadmap

- **In 2019, SESRIC has allocated space for OIC Business Intelligence Programme.**
- **A survey will be finalized to assess the legal and commercial data and credit information sharing systems of the Member Countries in order to ensure the operationalization of the Programme in line with the priorities and regulations of the Member Countries.**
- **In 2020, ICIEC under the Chairmanship of the President of IsDB Group remain committed to launch the OBIC after the endorsement of Legal Documents such as the Articles of Agreements between the States Parties namely MCs, IsDB, ICIEC and SESRIC as well as Charter including operating procedures and operations regulations and Delegation of Authority (DOA).**

## IsDB Management is kindly requested to:

### Request

To financially and technically support the OBIC Project

### Request

To support ICIEC in securing adequate funds from STI Fund through the STI Engage Platform

# Thank You

Please visit

