

ICIEC Staff Retreat and 30th Anniversary Celebration

20 - 21 December 2023

Underwriting Operations Department Commercial Risks Division

Outline

Performance

Achievements

MT Transactions

Strategic Focus Areas

CRD KPIs & Key Focus Areas

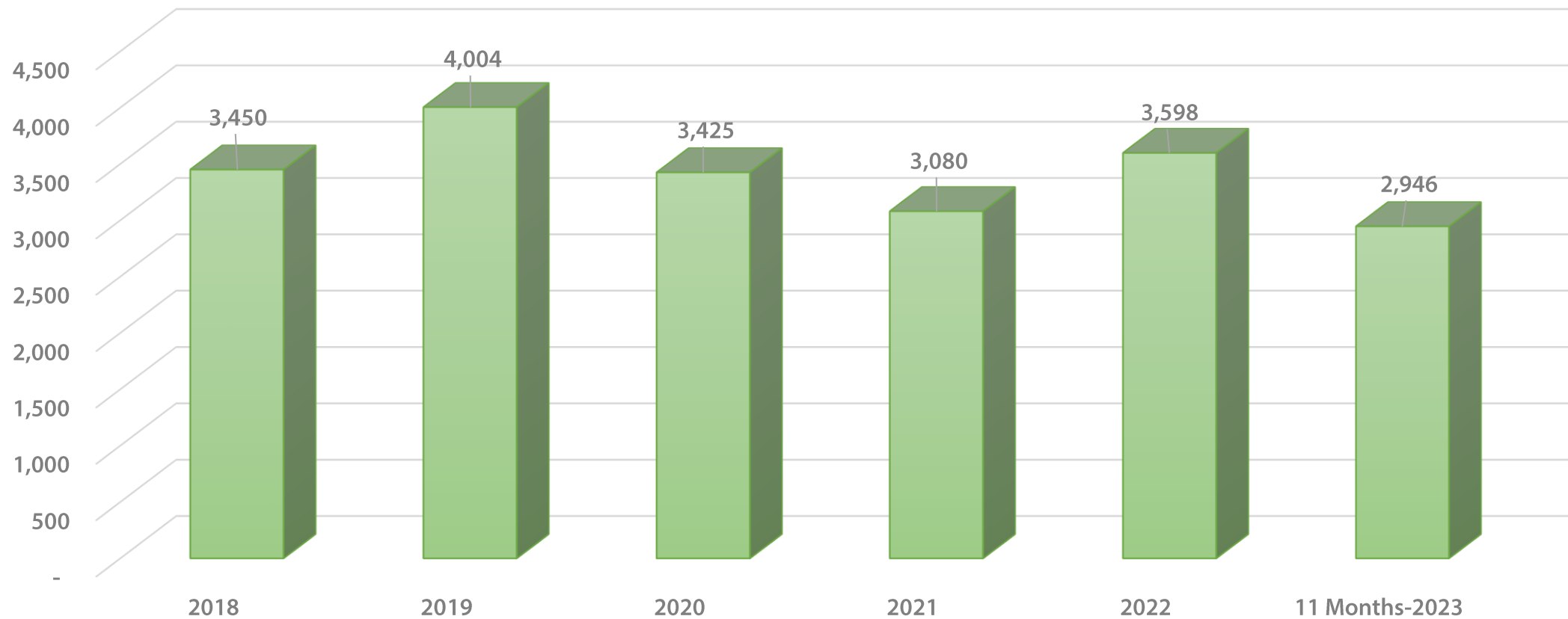
Operational Challenges

CRD Action Plan for 2024

1|2023 Performance (1/2)

(ST Business Insured – YoY Trend - excluding Fronting & IQTP)

**Short Term Business Insured
(Direct Business – m USD)**

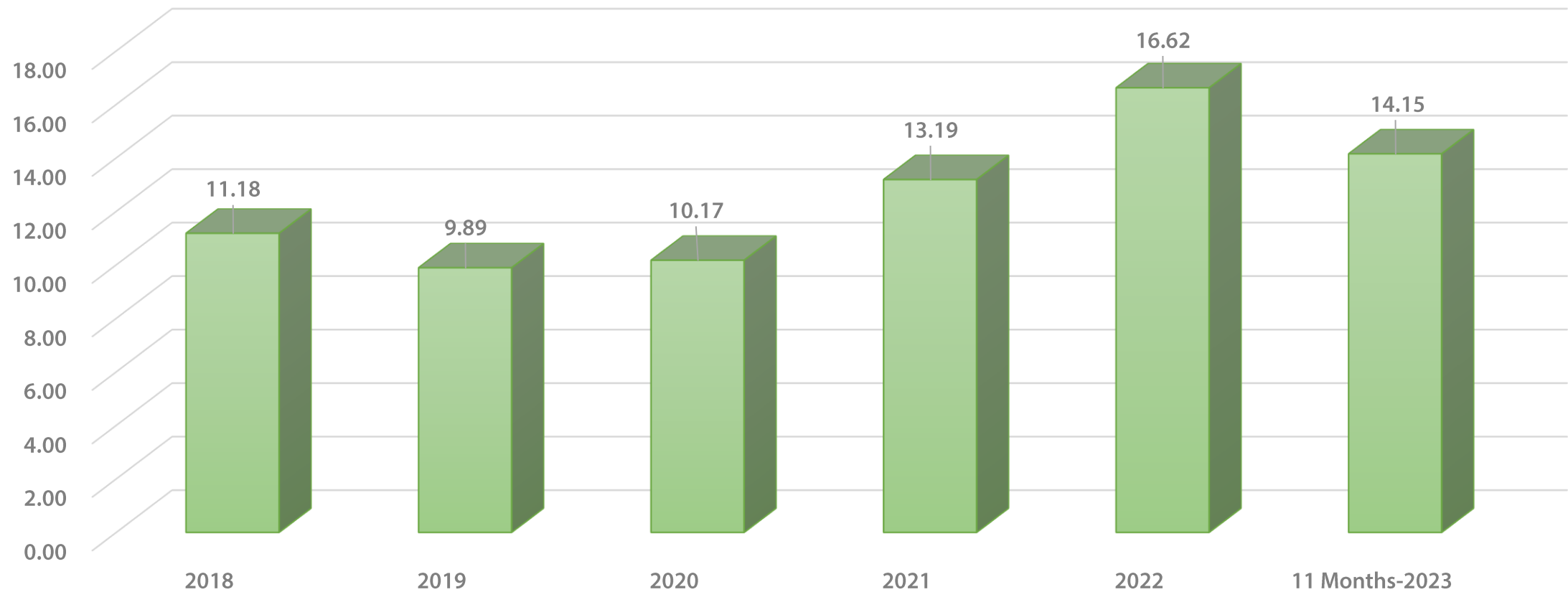


2|2023 Performance (2/2)

(ST Premium – YoY Trend - excluding Fronting & IQTP)



Short Term Premium Earned
(Direct Business – m USD)



3|2023 ACHIEVEMENTS



- **Despite tough market conditions, Acceptance Ratio was maintained at 70% vs target of 70%.**
- **9.5% increase in CRD Total BI: 11 Months 2023 vs SPLY (USD 9.3 b vs 8.5 b).**
- **83% share of CRD BI (ST+MT) Vs Total ICIEC BI : 11 Months 2023.**
- **43.5% increase in CRD MT Premium : 11 Months 2023 vs SPLY (USD 14.0 m vs 7.9 m)**
- **18% increase in CRD Total Premium : 11 Months 2023 vs SPLY (USD 41 m vs 34.7 m)**
- **50% share of CRD Premium (ST+MT) Vs Total ICIEC Premium : 11 Months 2023**

4|MT TRANSACTIONS (1/2)

New Transactions Completed in 2023

No.	Projects	Host Country	Business Insured	Premium
1	Trade Related Loan Agreement – Asakabank (3 Years – Commercial & Political Risk)	Uzbekistan	EUR 50 m	EUR 3.9 m
2	Trade Related Loan Agreement – National Bank of Egypt (5 Years – Commercial & Political Risk)	Egypt	USD 100 m	USD 6.9 m
3	Supply of Mining Equipment's to Kazakhstan – ERG (Eurasian Resources Group) – Kachar Ruda Mine Project (7 Years – Commercial Risk Only)	Kazakhstan	USD 78.8 m	USD 2.4 m
		TOTAL USD:	USD 230.7 m	USD 14.0 m

5|MT TRANSACTIONS (2/2)

Expected in Q4-2023

No.	Projects	Host Country	Business Insured	Premium
1	Financing Facility - Microcreditbank	Uzbekistan	EUR 50 m	EUR 3.4 m
2	Trade Related Loan Agreement - Aloqabank	Uzbekistan	USD 15 m	USD 1.2 m
		TOTAL USD:	USD 67.72 m	USD 4.9 m

6|2024 Strategic Focus Areas (1/3)



Commercial Risks Division:

- 1. Diversify portfolio by exploring emerging opportunities in new markets to minimize country and sector concentrations on a broad market base. Rotate key accounts among underwriting team for afresh perspectives on the risks.**
- 2. Developing, implementing and refining strategies to mitigate risks associated with trade credit, ensuring a proactive approach to potential challenges.**
- 3. Supporting finalization and implementation of the ICIEC Takaful System (ITS).**
- 4. Finalization & implementation of revised Policy General Provisions, Schedules, forms, and memo templates (jointly with LAD for the required docs).**

7|2024 Strategic Focus Areas (2/3)



Commercial Risks Division:

- 5. Enhance the knowledge of the customer support teams about products and ITS to provide timely assistance to policyholders.**
- 6. Establishing strategic partnerships with key stakeholders, such as financial institutions and global trade organizations, to foster collaboration.**
- 7. Increase the use of JIRA and its possible integration with ITS (IT coordination required).**
- 8. Supporting RMD to develop a Pricing Model.**
- 9. Investing in the continuous staff training and development**

8|2024 Strategic Focus areas (3/3)



Underwriting Support Function:

1. Improving quality of Cr. Info. (by identifying new sources and enhancing the existing relationship).
2. Optimizing Cr. Info. costs (by improving internal coordination and utilizing the cost-free sources).
3. Enhancing the response time (through close follow-up with information providers and enhancing the internal processes).
4. Enhancing policy management and documentation protocols and conventions (by automation of the processes).
5. Supporting finalization and implementation of the ICIEC Takaful System (for areas re. credit information and policy administration).

9|CRD KPIs (1/2)

KPI	Metrics	Specific Actions
Underwriting Efficiency	Maximize efficiency and Customers Satisfaction Improving the Response Time	• Improve Response Time and optimize use of credit information sources. • Work closely with IT to facilitate launching of ITS
Portfolio Quality	Improving the Portfolio quality	• Decentralization of Underwriting teams deployed in IsDB Hubs to enhance efficiency & effectiveness of due diligence • Rotate and reassign policyholders/transactions among underwriters to balance workload and gaining new expertise
Policy Management Function	Policy Renewal & Policy Administration	• 100% Policy renewals on time • Timely issuance of premium invoices • Identify new credit sources

10|CRD KPIs (2/2)

KPI	Metrics	Specific Actions
Portfolio Monitoring	Major Transactions Monitoring	• Taking remedial actions where there are delays in payment • Follow-up missions to the existing projects. • Launching/enhancing DCIP parallel Portal for exposure management/monitoring.
Build Underwriting Capacity	Training	• Provide On-The Job training re. PRI risks (via joint underwriting of projects/transactions involving CRD UW with SRD UW)

11|Operational Challenges

Capacity Constraints:



Geopolitical & Economic Challenges:

- Geo-political conflicts and tensions
- Military Coups in some MS
- Continued Inflation
- Rising interest rates
- Continued currency devaluations
- Dropping FX reserves
- Rising debts in MSs

Key relevant countries impacted:

Other Challenges:

- Inadequate Credit Information in certain cases (mainly updated financials)
- Increasing number of extension requests and NPLs



12|CRD Action Plan for 2024



1. Supporting finalization and implementation of the ICIEC Takaful System (ITS) to achieve optimum underwriting and policy management.
2. Finalization & implementation of revised Policy GPs, Schedule, Forms, templates, etc.
3. Inclusion of new products in the ITS (pre-payment policy, Bond insurance, etc.).
4. Continue constant engagement with involvement of BDD team in underwriting (to improve pre-screening of transactions and response time).
5. Training and coaching of staff (in-line with succession planning).
6. Improving quality of Credit Info., Response Time, and Optimizing the costs (by identifying new cost-effective sources, enhancing the existing relationship, and improving internal processes).
7. Supporting RMD to develop a Pricing Model to achieve a robust pricing mechanism.
8. Optimal use of the new DoA in UW and BDD operations.
9. Move all Off-IIMS tasks to JIRA and its *possible* integration with ITS.

THANK YOU



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