

ICIEC Staff Retreat and 30th Anniversary Celebration

19 - 20 December 2023

Structured Solutions

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1 | ROLE & DEFINITION



- Structuring, is the process of designing and creating innovative and tailored insurance solutions to address the unique challenges and needs of member countries
- The unit's responsibilities is to enhance operations teams' capabilities by adding complementary resources, thus enabling them to package and underwrite a greater volume of business at lower risk levels.
- Through the creation of innovative financial structures, SOL facilitates access to funding sources.
- One of the other core functions of structuring at ICIEC is to serve as a platform for bringing in funding from international lenders to support vital development projects
- In the long run, SOL's goal is to create a robust platform (through the establishment of a vehicle) managed by ICIEC that can attract liquidity from various sources, similar to ECAs.

2| Updates



3| Recommendations From The Special Committee

1

Separate SOL from Climate Unit

2

Designate SOL as a standing Member of the PDC

3

Role and cooperation interface with other departments to be documented

4

Institute the KPI and Business Plan Recommendation

5

Leadership and recruitment plan to be expedited

4 | KPIs

Objective	KPIs
Volume of structured business	• Structuring transactions across diverse channels • Number of Term-sheets submitted jointly with partners • Number of RFPs answered
Product Development	• Exploring new market opportunities • Understanding client needs • Innovate to design cutting-edge insurance products and financial structures
Transaction Underwriting Efficiency	• Streamline the underwriting processes • Minimize turnaround times • Maintain a consistent high-quality standard for risk assessment
Revenue Contribution	• Quantifying the revenue generated through successful transactions • Maximize the revenue through a balanced risk approach
Product Adoption Rate	• Communicate well our value proposition to clients and partners • Address specific challenges • Fulfill market demand • Design customer-centric solutions

5| Business Plan

Year	Key Objectives
2024G (Implementation and Recognition)	• Business Insured • Development of new insurance products: One new product • Structuring of Transactions and Projects: USD 100-150 million • Premium Revenue from structuring: USD 10.5 million • Key Objectives • Product Development and Structuring • International Recognition • Staffing
2025G (Growth and Market Penetration)	• Business Insured • Development of new insurance products: 2 new products • Structuring of transactions and projects: USD 300-400 million • Premium Revenue from structuring: USD 30-40 million • Key Objectives • Market Expansion • Innovation • Operational Efficiency

5| Business Plan

Year	Key Objectives
2026G (Consolidation and Global expansion)	• Business Insured • Development of new insurance products: 4 new products • Structuring of transactions and projects: USD 500-800 million • Premium Revenue from structuring: USD 50-60 million • Key Objectives • Global Expansion • Product Diversification • Profitability

Action Plan

Client engagement: Deepen relationships with existing clients and organize roadshows.

Engage with Shariah: For the adoption of new structured insurance products.

Establishment of the ICIEC ESG Vehicle: The platform will provide a comprehensive financial solution (insurance + financing), strategically designed to meet the specific ESG needs.

6| Market Sounding And Findings

MARKET SOUNDING

- Active engagement with numerous financial institutions in the UAE and in Europe, as well as institutional investors and exporters
- Concept of establishing a dedicated team for structured insurance products was met with appreciation by all
- Opportunities for financing of structured projects were presented
- More than 15 Institutional Investors engaged through financial institutions for Sukuk and Repackaging, particularly Investment and Treasury desks
- Engagement with Governments to see the potential for being included in RFPs and generate Structuring fees

FINDINGS

- Institutional investors welcomed the engagement of ICIEC on a more structured approach
- A very large pool of funding is ready to be channeled into development projects by these entities which need a mix of traditional and structured insurance products for their hedging and regulatory requirements
- The collaboration with such institutions will empower our Member Countries to access a broader pool of liquidity at more favorable rates
- Rising rates, Downgrading of several Member Countries' rating environment justifies even more the commencement of this initiative
- One rating agency is not very familiar with the rating of insured notes
- A majority of investors have a preferred tenor of 5 years for Sukuk issuances
- Some Investors prefer tenors of minimum 12 years with bullet or balloon repayments
- As ICIEC will be a new Sukuk issuance insurer in the market, a New Issue Premium (NIP) is expected to be charged
- Demands for REPOs and Swaps are increasing especially in the MENA region and in Sub Saharan Africa

7| Achievements

TRANSACTIONS/PIPELINE

Transactions	Stage	Status
Construction of Coastal road in CDI	Completed	• Origination done by Rabat Office (MENA BDD) • Structuring support done by SOL • Financier was presented the case and successfully disbursed the funds • EUR 9.4 m premium (upfront)
Construction of professional schools in Senegal	TUC approved	• Origination from Dubai office in collaboration with Dakar office (SSAE BDD) • SOL's structuring revived nearly-dead transaction • Premium expected EUR 1 m (first year)
Construction of a highway in Uganda	DD	• Origination done by Dubai office in collaboration with Istanbul office (SSAE BDD) • SOL structured and packaged the deal presented to the bank • Term sheet signed by the Government • Expected premium EUR 12 m (upfront)
Rural electrification: 50,000 solar streetlamps in Senegal	Completed	• Origination done by Dubai office in collaboration with Istanbul & Dakar Offices (SSAE BDD) • SOL structured and packaged the deal presented to the bank • Premium generated EUR 7.9 m (upfront)
VCC backed financing in Benin	NBI (advanced)	• Origination by Dubai office in collaboration with Dakar office (SSAE BDD) • Structuring of a rated note • Expected premium EUR 21 m (upfront)

THANK YOU



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