

## ICIEC and MIGA Will Continue To Share Knowledge And Generate Business In The Region

**“I am certain that ICIEC and MIGA will continue to communicate on a regular basis to advance common objectives and generate business in the region together”**

**Keiko Honda**

EVP & CEO of MIGA, a member of the World Bank Group



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### Moody's Reaffirms ICIEC Aa3 Rating for 8th Consecutive Year

Moody's Investors Service, a leading global provider of credit ratings, research, and risk analysis, has reaffirmed recently the Aa3 Insurance Financial Strength Rating (IFSR).

**05**



### ICIEC Participates in 31st Annual Meeting of COMCEC

ICIEC delegation headed by Mr. Oussama Kaissi, the Chief Executive of ICIEC and Hussein Khalif Jama, the Advisor to the CEO, participated in the 31st Annual Meeting of COMCEC which was held in Istanbul during November 23 -26, 2015.

**06**



### AMAN UNION's 6th Annual General Meeting

ICIEC attended the 6th Annual AMAN UNION Meeting which took place in Muscat, Oman between the 7th and 9th of December 2015. The meeting was hosted by ECGA of Oman.

## Editorial



### ICIEC Undergoes Reforms

Recently, Moody's affirmed its Aa3 rating of ICIEC for the 8th consecutive year which helps in ICIEC's efforts to continue supporting its 43 member countries in facing the global economic challenges to attract direct investments and expand exports. The outcome is indicative of the strong support that ICIEC is receiving from its shareholders.

The second achievement is the business plan and budget for financial year ending 31 December 2016 approved by the honorable Board of Directors of ICIEC during their recent meeting in Jeddah, which includes a leaner organization with the objective of enhancing operational efficiency and ensuring financial sustainability.

We are aware of the critical need to reinvigorate both the strategic and operational paradigms of the Corporation. In this context, we look forward to make changes in the way ICIEC has been operating in the past two decades, with a view to making it a leaner organization.

ICIEC introduced reforms with the ultimate goal of improving the efficiency and the cost effectiveness of the organization. We are here to provide first class service to our constituents to realize their aspirations of economic development and social progress through trade and foreign direct investment. These changes are, indeed, unavoidable. We need to embrace them.

I firmly believe that ICIEC will be stronger in the coming years. Needless to say that the Corporation enjoys the full support of its Board of Directors, under the able leadership of our Chairman, the President of the IDBG, His Excellency Dr. Ahmad Mohamed Ali.

**Oussama Kaissi**  
Chief Executive Officer

## ICIEC Board Approves 2016 Business Plan and Budget

Under the chairmanship of H.E. Dr. Ahmad Mohamed Ali, ICIEC held its 82nd Board of Directors meeting at the IDB Headquarters, Jeddah, on December 28, 2015. The Honorable Board of Directors of ICIEC approved the business plan and budget for the financial year ending December 31, 2016.

During the meeting, ICIEC presents its Progress Report on the implementation of the 10 years strategy. The report shows an achievement of 45% growth rate in insurance premium income in 1436H (2015) while the premium income under Medium-term and Finance Investment Insurance business lines has witnessed an increase of 25% to reach USD 11.23 Million compared to USD 8.95 million in 1435H (2014).



## Moody's Reaffirms ICIEC Aa3 Rating for 8<sup>th</sup> Consecutive Year

Moody's Investors Service, a leading global provider of credit ratings, research, and risk analysis, has reaffirmed recently the Aa3 Insurance Financial Strength Rating (IFSR) of ICIEC, a member of the Islamic Development Bank Group, for the 8<sup>th</sup> consecutive year.

In its report, Moody's noted that ICIEC's rating reflects both the stand-alone fundamentals as well as potential support from its shareholders/IDB Group member countries.

ICIEC's rating reflects the strong ability and potentially high willingness of ICIEC's main ultimate shareholders, and in particular the IDB (Aaa Stable), and its Member Countries, to support the corporation in times of financial distress.

Furthermore, the rating reflects ICIEC's legal structure and business nature as the only multilateral export credit and investment insurance corporation in the world that provides Shariah-compatible insurance and reinsurance products, as well as its knowledge through its experience gained by operating in the region. Furthermore, Moody's view positively ICIEC's full membership in Berne Union of export credit insurers, which ensures that ICIEC meets the legal, risk management and capitalization requirements for full membership.

Oussama Abdul Rahman Kaissi, the Chief Executive Officer of ICIEC, said "The affirmation of Aa3 rating by Moody's helps ICIEC's efforts to continue supporting its 43 member countries in facing the world economic challenges to attract direct investments by providing the necessary risk mitigation tools for investors worldwide, especially to those who are willing to invest in the renewable energy sector in Africa."



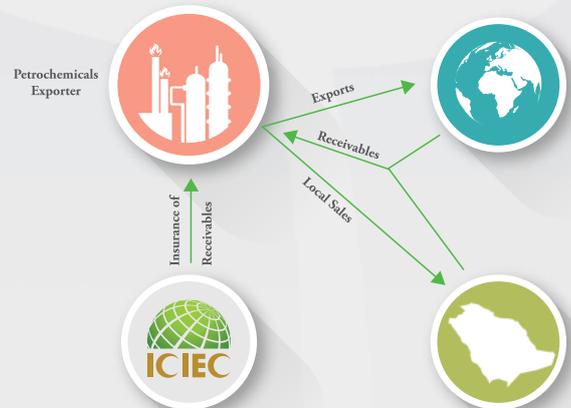
## ICIEC Protects Saudi Petrochemicals Exporters

ICIEC has signed a new Comprehensive Short Term Policy (CSTP) for its continuous support to the Saudi petrochemicals exporters in enlarging their scope of business, one of the main Saudi beneficiaries of this kind of policies.

The policy will cover a big part of the Saudi exporters' turnover amounting to \$45 million per year intended to 10 different countries, including GCC and Asian countries. This policy covers their sales from the risk of non-payment and mitigate the risk of doubtful receivables.

In addition, it will increase their exports to the existing clients, or penetrate into new international markets by offering credit facilities to their clients and facilitating the export process.

Around 70% of the products manufactured by the policyholder are being exported and the remaining sales are domestic, which made the company one of the targets of ICIEC to avail of CSTP.



## ICIEC Reinsures KazExportGarant

ICIEC has reinsured KazExportGarant (ECA of the Republic of Kazakhstan) covering export of 10 diesel locomotives to Azerbaijan. The total transaction amounted to \$29 million and ICIEC took \$21 million for a tenor of 7 years. The buyer is Azerbaijan State Railways, 100% owned by the Government of Azerbaijan. This is the first reinsurance support provided to KazExportGarant, which is in line with ICIEC's mandate to support ECA of member countries.



## ICIEC Backs Financing Facility for PIA's Engine Maintenance

ICIEC has recently issued a \$75 million insurance policy in support of Abu Dhabi Islamic Bank's Financing Facility, which was extended to Pakistan International Airlines (PIA) to be used for the overhaul of 14 GE aircraft engines, which are fitted on PIA's Boeing 777s.

The total size of the contract was roughly \$150 million, of which around \$75 million was supported by US Eximbank (which supported US-sourced components and services), with ICIEC covering the balance. The overhaul and repair work is being undertaken by GE at its facility in Wales, UK.

The tenor of the facility was 4 years. The overhaul is part of the regularly scheduled maintenance.

The financing was provided under an Islamic Structure to PIA, and was backed by the Ministry of Finance of Pakistan. The MoF's involvement in the transaction came about since PIA is a crucial national asset for Pakistan. ICIEC's cover was against the non-honoring of a Sovereign Financial Obligation (NHSO), and protects ADIB against non-payment risks.

ICIEC worked closely with its reinsurance syndication partners in London to provide a significant portion of the deal.

The transaction is proof of a positive developmental role ICIEC can play in mobilizing capital and technological services in support of obligors in its member countries.

In recent years, ICIEC has supported port and rail infrastructure, and with this deal, is proud to have supported the aviation sector in its member countries as well.

## Rahimafrooz Globatt Avails of ICIEC Policy for Growth

ICIEC has signed a Comprehensive Short Term Policy with Rahimafrooz Globatt Ltd (RGL), a Bangladesh-based automotive batteries company, to cover the latter's global business portfolio amounting to \$30 million spread in several countries supplying batteries to 70+ partners and distributors in 50+ countries.

The ICIEC insurance policy will help Rahimafrooz to expand its business in many countries and benefit from financing facilities owing to ICIEC large network of banks and privileged relation with relevant regulatory authorities in ICIEC member countries. The policy will also facilitate the inflow of generic products to a number of least developed or high-risk countries which might have been difficult to benefit from without ICIEC insurance policy.

RGL is a private company limited by shares incorporated in Bangladesh in 2007. A joint venture company formed by Rahimafrooz Batteries Limited, Bangladesh, and Globatt Holdings Limited, Marshall Island, the company has set up a 100% export-oriented battery manufacturing plant in the Ishwardi Export Processing zone, Pabna and started its commercial production in July 2009.



# MIGA's Benchmarks in Managing Financial Risk

The EVP & CEO of Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, whose mission is to promote and facilitate foreign direct investment (FDI) into developing countries to help support economic growth, reduce poverty, and improve people's lives, highlighted the five indicators to manage its financial risk during her address at the Sixth Sharing Knowledge Event of ICIEC held on December 10, 2015 at the ICIEC premises.

Mrs. Keiko Honda said MIGA's risk management framework has five indicators to manage its financial risk: financial stability, capital adequacy, concentration risk, credit risk and liquidity risk. Each of the political risk is measured and rated separately, she noted.

Moreover, she said Economic Capital (EC) model is the basis of MIGA's risk management framework. EC model, which is similar to credit risk models, defines the amount of capital MIGA should maintain to be able to sustain larger than expected losses with a high degree of certainty over a year horizon. Among other things, she pointed out, the EC has provisioning levels that define the size and breakdown of reserve components.

Mrs. Honda remarked that similar to ICIEC, MIGA covers the four standard political risks namely: transfer restrictions, expropriation, war & civil disturbance, breach of contract, and the more recently introduced non-honoring of sovereign obligations). The latter is for credit enhancement as it covers sovereign and sub-sovereign borrowings.

"Because of the fact that MIGA's shareholders are countries who are also host countries of investment, only a small portion of MIGA-supported projects encounters difficulties," she explained.

MIGA has a capital of \$1.38 billion and an overall exposure of \$12.38 billion with a net exposure of \$7.48 billion. MIGA uses reinsurance to protect its



"I look forward to seeing more exchanges of knowledge between the managers of ICIEC and MIGA similar to the successful session held today"

**Keiko Honda**

EVP & CEO of MIGA, a member of the World Bank Group

core capital, with every \$1 of its capital supporting \$5.6 of business in its books, and \$9.3 of total coverage.

MIGA's Director of Finance and Risk Management Mr. Santiago Assalini made a presentation on MIGA's risk management framework.

The meeting was chaired by ICIEC's CEO Oussama Kaissi, and was attended by about 40 participants from IDB Group.



"MIGA team will work with ICIEC to propose a diverse portfolio of projects that could potentially meet ICIEC's requirements and help advance your vision for growth"

**Keiko Honda**

EVP & CEO of MIGA, a member of the World Bank Group

## ICIEC Participates in 31<sup>st</sup> Annual Meeting of COMCEC

ICIEC delegation headed by Mr. Oussama Kaissi, the Chief Executive of ICIEC and Hussein Khalif Jama, the Advisor to the CEO, participated in the 31<sup>st</sup> Annual Meeting of COMCEC which was held in Istanbul during November 23 -26, 2015.

In conjunction with IDB group delegation, ICIEC participated in the Senior Officials meeting, and the subsequent ministerial meeting opened by the President of Turkey, who delivered a passionate speech. IDB group president also made a speech among other speakers.

During the mission, the CEO of ICIEC and the deputy CEO of ITFC met with the management of Eximbank of Turkey and discussed areas of potential cooperation.



The CEO also met with a number of private companies and banks in Istanbul.

## ICIEC's Insurance Vital to Lift Kuwait Exports

The Kuwaiti Ministry of Finance and the Chamber of Commerce and Industry of Kuwait, in collaboration with the Islamic Development Bank Group, organized a workshop for the Islamic Development Bank Group, in the presence of HE Anas Khalid Al-Saleh, the Minister of Finance of Kuwait and Governor of the Islamic Development Bank Group on December 16, 2015.

The workshop, which involved the government and the private sector and financial institutions, aims to introduce programs and financing activities provided by the Islamic Development Bank Group for the public and private sectors. It also addresses the partnership between the State of Kuwait and the Bank Group, which focuses on the transition from the implementation of provided projects into a broad partnership, including a harmonized strategy and a clear action plan between the Kuwaiti development plan and strategic priorities of the Islamic Development Bank Group.

ICIEC's delegation delivered a speech on the role of ICIEC and the importance of insurance for the lifting of Kuwaiti exports, especially the non-oil and the importance of insurance investments outside Kuwait against political risk.

On the sidelines of the workshop, ICIEC representative visited the Arab Investment Guarantee Corporation and Export Credit (DHAMAN) in order to develop the partnership between the two institutions and agree on a common agenda for the 2016 plan.

**“This workshop is being held in the framework of strengthening the existing cooperation between the State of Kuwait, and the Islamic Development Bank Group, praise the strong support that the bank group finds from State of Kuwait,”**

Dr. Ahmad Mohamed Ali,  
President of the IDBG



## ICIEC and EXIAR Sign Deal to Boost Business



ICIEC and the Russian Agency for Export Credit and Investment Insurance (EXIAR) have signed a reciprocal reinsurance agreement aimed at expanding mutual business opportunities.

The agreement was signed by Mr. Alexey Tyupanov, Chief Executive Officer of EXIAR and Mr. Oussama Kaissi, Chief Executive Officer of ICIEC, on the sidelines of Berne Union/Prague Club Annual General Meetings, November 2-6, 2015 in Shanghai.

Under the agreement, the signatories will share the expertise and capabilities to improve and support various transactions in a wide range of sectors, and eventually become a platform for mutually beneficial cooperation in export credit and investment insurance between Russia and ICIEC's member countries. The agreement foresees the promotion of Russian capital goods and services and investments into ICIEC's member countries, as well as joint potential projects between and among ICIEC's member countries, with Russian participation in third markets.

## ICIEC Attends Aman Union's 6<sup>th</sup> Annual Assembly



ICIEC attended the 6<sup>th</sup> Annual AMAN UNION Meeting which took place in Muscat, Oman between the 7<sup>th</sup> and 9<sup>th</sup> of December 2015. The meeting was hosted by ECGA of Oman. ICIEC delegation was led by the CEO, Mr. Oussama Kaissi.

The Meeting addressed topics of common interest amongst the members and allowed the participants to share the latest updates about the credit insurance industry in light of the current world economic changes marked by the slump in oil prices and the political changes faced by some of our member countries.

It also presented an excellent forum for networking opportunities in the insurance and reinsurance business. In addition to AMAN UNION's members, the annual general meeting was attended by experts from various industries such as credit and political risk insurance, reinsurance, banking, debt collection and credit information.

The meeting included multiple presentations as well as panels that tackled the following areas of discussion:

- Awareness of insuring trade default risk in the market

- The Role of Risk Management in ECAs
- Managing Policyholder Engagement into the Recovery Process
- Risk Appetite for MENA Region Markets: Credit & PRI Trends in 2015

During the meetings, ICIEC delegation arranged business meetings with many key partners including DHAMAN, Saudi Export Program, ASEI (Indonesia), Turkish Eximbank, CAGEX, CUTONACE, Munich Re, Kazexportgarant, Garant and COFACE. Follow-up actions has been agreed and implemented with most of these entities to revamp the relationship and increase the business cooperation in the insurance and reinsurance areas.

From another hand and as per 6<sup>th</sup> AMAN UNION annual meeting resolutions, ICIEC has taken over the management of the Secretariat General of the Union for the next couple of years. In this regard, a smooth hand over of the relation was made from DHAMAN to ICIEC team. During 2016, ICIEC will jointly organize the 7<sup>th</sup> AMAN UNION annual meeting in Lebanon in coordination with LCI (Lebanon).

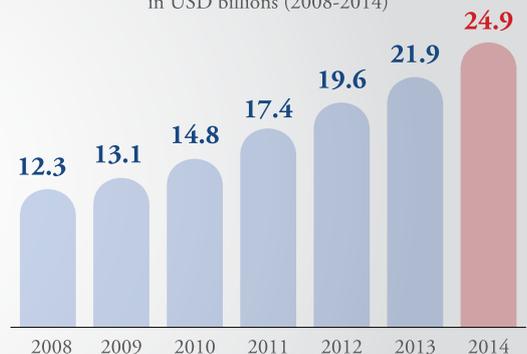
More information about this Event is available in AMAN UNION website ([www.amanunion.net](http://www.amanunion.net)).

### EVOLUTION OF BUSINESS INSURED



Total Business Insured of  
**Aman Union**  
 Full members reached  
**US \$24.9 billion,**  
 up by **14%** from 2013  
 figure and CAGR of **12.5%**  
 during for the period 2008 to 2014.

in USD billions (2008-2014)



## Turkey Fosters Investment Climate Reform



ITAP Group Investment Promotion Program (ITAP), in partnership with the Ministry of Economy of Turkey, organized a capacity building program for the officials of IDB member countries' investment promotion agencies in Istanbul and Konya on October 5-8, 2015.

The program was attended by 25 officials from 20 countries of IDB members and it comprised two main components. The first component of the

program was attending OECD Global Forum on International Investment held in Istanbul, while the second component was a familiarization program on Turkey's Investment Climate Reforms. The familiarization component included presentations, lecture and site visits to industrial and technology parks as well as cultural and historic venues. The Investment Support and Promotion Agency of Turkey (ISPAT) and the local authorities in Konya actively supported the program.

## ITAP Marks 10 Years of Partnership with MIDA



ITAP and Malaysian Investment Development Agency (MIDA) celebrated 10 years of fruitful cooperation in providing training for IDB member countries investment promotion officials by jointly organizing their tenth program on Malaysian Model.

The program was held on November 17-27, 2015 in Kuala Lumpur and Negeri Sembilan and was attended by 16 investment promotion officials from 14 IDB member countries. The program included presentations, seminars, case studies, sites visits and cultural activities. The participants were

also given the opportunity to present their countries' investment climate and opportunities to Malaysian Investors. The program was also supported by the Malaysian Technical Cooperation Program (MTCP) and Negeri Sembilan State.

ITAP-MIDA capacity building program is ITAP's first and long-standing activity and it is an evidence of successful intra-IDB member countries cooperation and knowledge sharing.

## Congratulations



Our colleague, **Khalid Khalafalla**, Lead Underwriter, has successfully completed full-time MBA Program from the reputable Henley Business School, University of Reading, UK.

ICIEC would like to congratulate Khalid for his outstanding achievement and wish him continued success in his career.

Our colleagues **Hafedh Ben Afia**, **Bessem Soua** and **Rafi Panalam** have successfully completed MBA Program from one of the best Business School worldwide, IE Business School, Madrid, Spain.

ICIEC would like to congratulate them for their achievements and wish them a continued success in both academic and professional lives.



## MEMBER COUNTRY KEY FIGURES

### Malaysia



<b>Official Name</b>	Malaysia		
<b>Capital and Largest City</b>	Kuala Lumpur		
<b>Official Language</b>	Bahasa Malaysia		
<b>National Currency</b>	(Ringgit (RM)) (MYR)		
<b>National Holiday</b>	August 31 <sup>st</sup>		
<b>GDP Per Capita</b>	\$25,833		
<b>Population Estimate</b>	30,944,000		
<b>Area</b>	330,803 km <sup>2</sup>		
<b>Date of Joining IDB</b>	12-Aug-1974		
<b>Subscribed Capital in IDB</b>	ID (Islamic Dinar) 823.08 mn		
<b>Date of Joining ICIEC</b>	01-Aug-1994		
<b>Subscribed Capital in ICIEC</b>	ID (Islamic Dinar) 2.75 mn		
<b>Major Exports</b>	Electronic equipment, Petroleum and liquefied natural gas, Wood and wood products, Palm oil, Rubber, Textiles and Chemicals		
<b>Major Imports</b>	Electronics, Machinery, Petroleum products, Plastics, Vehicles, Iron and steel products and Chemicals		
<b>Major Trading Partners</b>	China, Japan, US, Singapore, Thailand, Indonesia, South Korea, Germany and Taiwan		

\* Islamic Dinar (ID) is the unit of account of the Corporation. It is the equivalent to the Special Drawing Rights (SDR) of the International Monetary Fund (ID 1.00 = USD 1.41 as of the end of 1436H). **Sources:** [www.isdb.org](http://www.isdb.org), [www.wikipedia.org](http://www.wikipedia.org), <http://www.economywatch.com>



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