



A M A N U N I O N

5th Annual Meeting
10 - 12 November 2014
Tehran - Iran

Performance Analysis of Member ECAs

Presented by the Secretariat General



AMAN UNION

METHODOLOGY

- The Secretariat General of AMAN UNION circulated a questionnaire to 18 Full Members.
- 14 out of 18 Members responded to the questionnaire.
- Estimates or past data have been used in order to maintain consistency wherever data was unavailable.

Ownership Structure

18 Full Members

- **2 Multilateral Agencies**



المؤسسة العربية لضمان
الاستثمار وائتمان الصادرات
The Arab Investment & Export
Credit Guarantee Corporation



- **11 State Owned**



- **4 Public / Private**



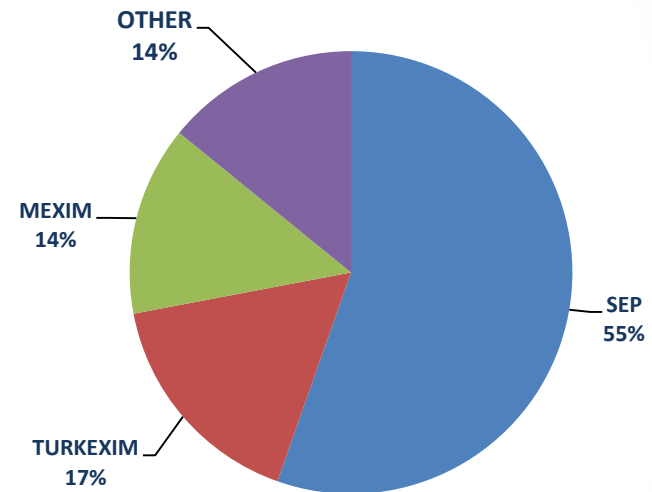
- **1 Private Company**



Capital

- The capital base of the AMAN UNION members in 2013 amounted to USD 7.22 billion, increasing by USD 21m from 2012.
- This growth is mainly attributed to the capital increase made by DHAMAN in 2013.
- In 2013, the capital base of 3 ECAs (i.e. SEP, TURKEXIM and MEXIM) accounted collectively for around 86% of the total capital of AU full members.
- If we exclude the aforementioned ECAs, the average capital base of the remaining ECAs in 2013 amounts to USD 73m

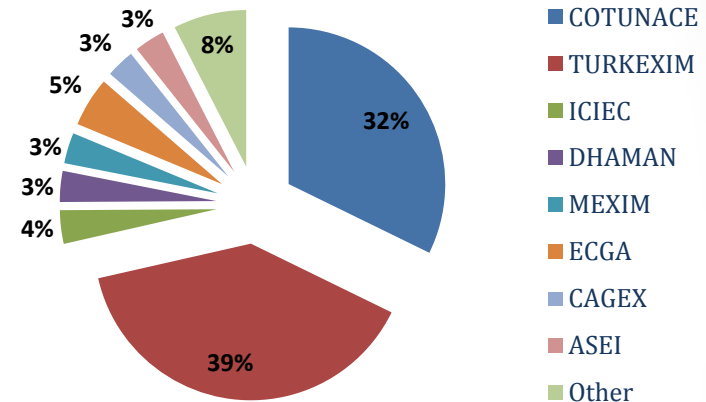
Capital Distribution of AMAN UNION Full Members 2013



Client Base

- AMAN UNION members had 4,917 policyholders in 2013, up from 4,381 declared in 2012 (12% increase). This gives an average of 289 policyholder per ECA in 2013.
- TURKEXIM and COTUNACE collectively represent 71% of total AMAN UNION policyholders with 1,928 and 1,585 policyholder respectively.
- In 2013, we noted a decrease in the policyholder base of 5 ECAs (i.e. ICIEC, EGFI, ECGE, ECIE and MEXIM) whereas TURKEXIM witnessed 29% growth, recording the highest increase in the number of policyholders.

AMAN UNION 2013 Policyholder Distribution

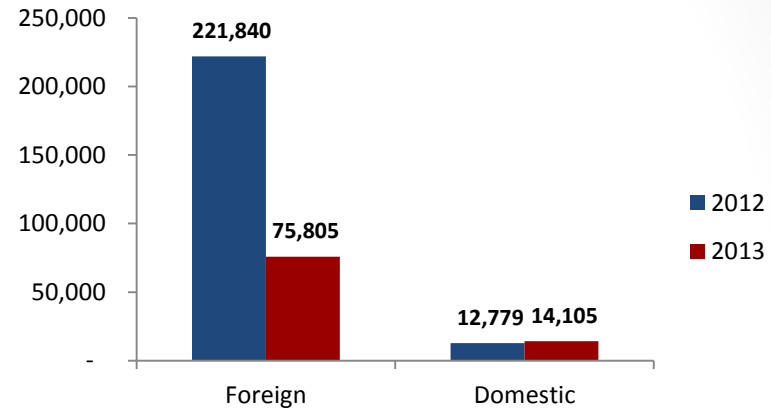


Buyers

- Total number of AMAN UNION buyers has decreased from 235,570 in 2012 to 89,910 in 2013 (62% decrease). This gives an average of 5,289 buyer per ECA.
- The decline was a result of a significant decrease in buyers insured by TURKEXIM. In 2013, the number of TURKEXIM buyers amounted to 31,367 which now only depicts active buyers, compared to 181,195 in 2012 which reflected all the buyers examined by TURKEXIM including those which have no limits.
- If we exclude TURKEXIM, the total number of AMAN UNION buyers in 2013 shows an increase of 8% from the previous year resulting in an average of 3,444 buyer per ECA.

Buyers Cont'd

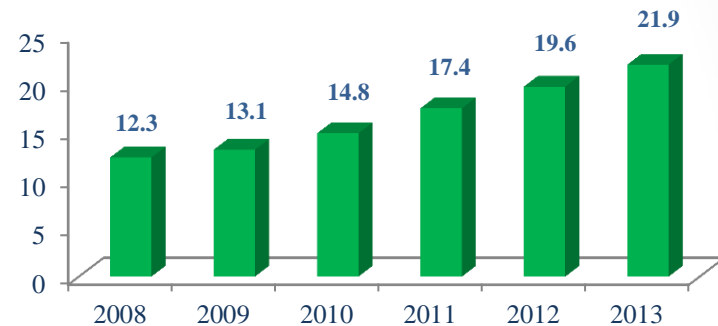
- In spite of the decreased number of buyers, TURKEXIM still has the largest number of buyers (31,367 buyer) amongst AMAN UNION members representing 35% of total buyers.
- It is noted that 84% of total AMAN UNION buyers are foreign buyers, while 16% are domestic.



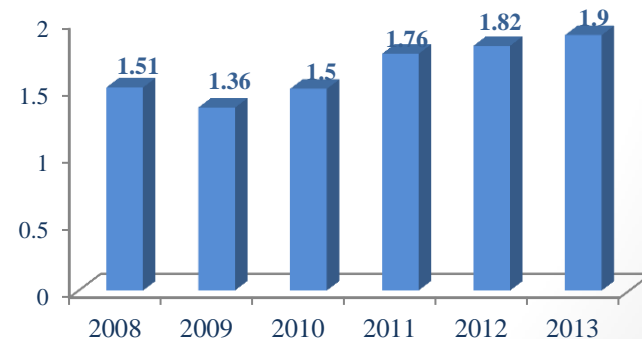
Business Insured

- Total Business Insured of AMAN UNION members reached USD 21.9b in 2013, recording 11.5% Y-o-Y increase, and resulting in a compounded annual growth rate (CAGR) of 12.2% in the last 6 years.
- Comparatively, Berne Union Business insured for 2013, which represents almost 10% of the world global trade volumes, reached USD 1.9 trillion. Business Insured of Berne recorded a Y-o-Y increase of 4.4% in 2013 and a CAGR of 4.7% in the last 6 years.
- The volume of Business Insured of Berne Union members are significantly larger than those of AMAN UNION members and involve products that only few of our members provide (i.e. Medium Term, Investment Insurance and Bonding), therefore, their performance in terms of volume of Business Insured are not exactly comparable.

Evolution of AMAN UNION Business Insured (in USD Billion)



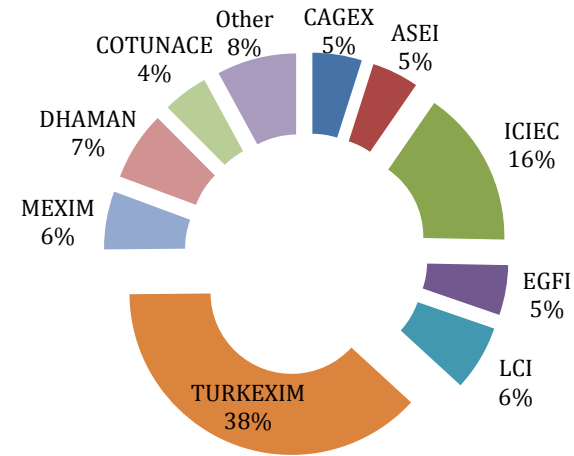
Evolution of Business Insured of Berne Union Members (in USD Trillion)



Business Insured Cont'd

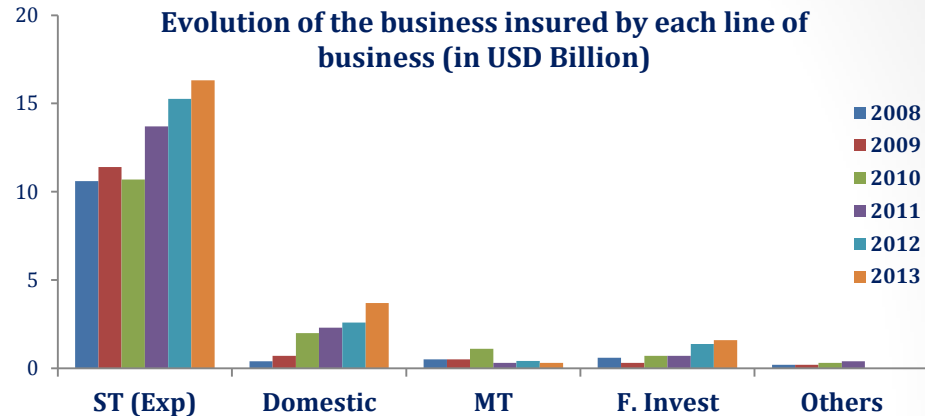
- The average Business Insured per AMAN UNION member in 2013 amounted to USD 1.3b per member compared to an average Business Insured of USD 38.7b per Berne Union member for the same period.
- As in 2012, TURKEXIM still ranks 1st in terms of volume of Business Insured, accounting for 38% of the total business volumes in 2013. ICIEC and DHAMAN rank 2nd and 3rd respectively, with 16% and 7% of the total volumes.
- In 2013, the Business Insured of CAGEX has recorded a remarkable 57% Y-o-Y growth, increasing from USD 686m in 2012 to USD 1.08b in 2013.
- The Business Insured of MEXIM, NAIFE, LCI and TURKEXIM have also increased by 48%, 41%, 23% and 20% respectively.

Breakdown of Business Insured during 2013 (%)

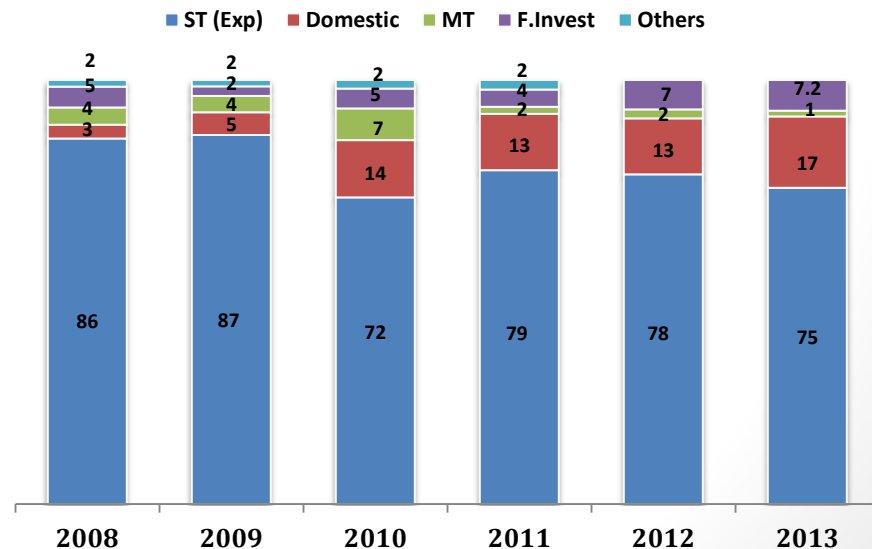


Short-term Business Insured

- Short-term Export Credit Insurance still holds the largest proportion of AMAN UNION Business Insured.
- Nonetheless, Short-term Business weight in the total Business insured over the past 6 years has decreased from 86% in 2008 to 75% in 2013. This is explained by the rise in the shares of “Domestic Business” and “Foreign investments Business” in the total Business Insured from 3% to 17% and from 5 to 7%, respectively during the same period.



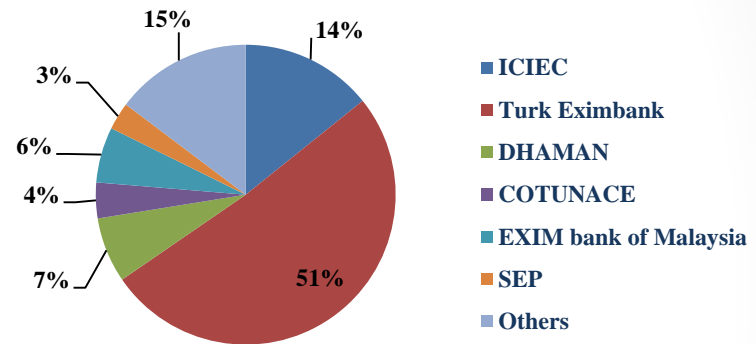
Evolution of the Business Insured by Line of Business (in %)



Short-term Business Insured

- In terms of Short term credit insurance business, there are 6 main active ECAs (TURKEXIM, ICIEC, SEP, DHAMAN, MEXIM, and COTUNACE) which represented around 82% of AMAN UNION short term business insured in 2013.
- TURKEXIM ranks 1st amongst AMAN UNION members in terms of short term business. It accounts in average around 51% of all AMAN UNION members short term business insured in 2013.

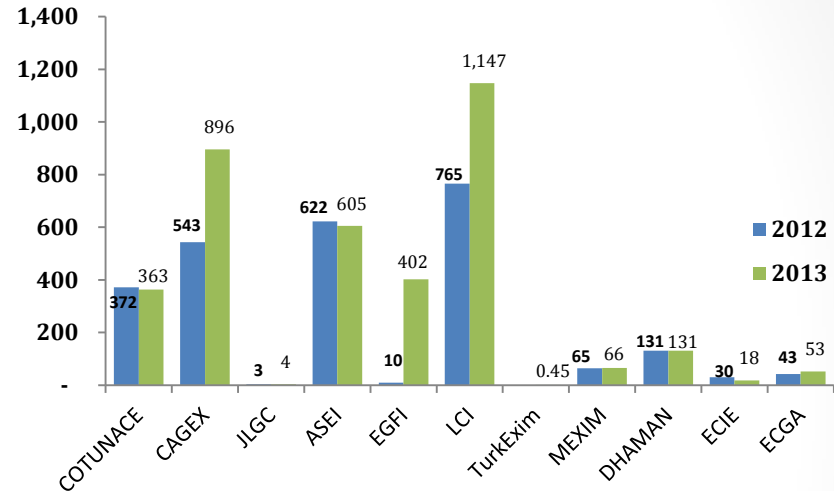
Distribution of Short term business Insured 2013



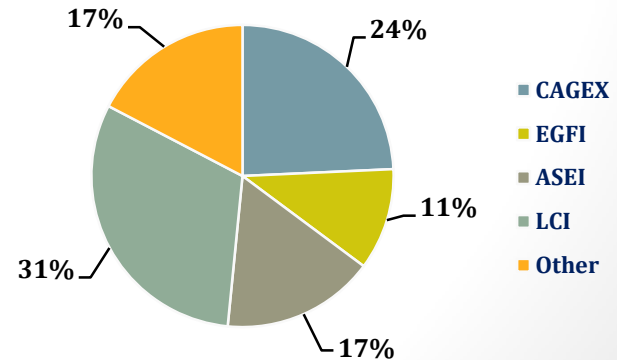
Domestic Business Insured

- Total Domestic Business Insured has increased from USD 2.6b in 2012 to USD 3.7b in 2013 as a result of significant rise in the domestic business activities of EGFI and CAGEX.
- LCI, CAGEX and ASEI are the main ECAs involved in the domestic credit insurance in the last 6 years.
- EGFI's increased Domestic Business Insured activities in 2013 was on par with the performance of the three key players of Domestic Business Insured. Together in 2013, they represent around 83% of Total AMAN UNION Domestic Business Insured.

Domestic Business Insured (in USD millions)



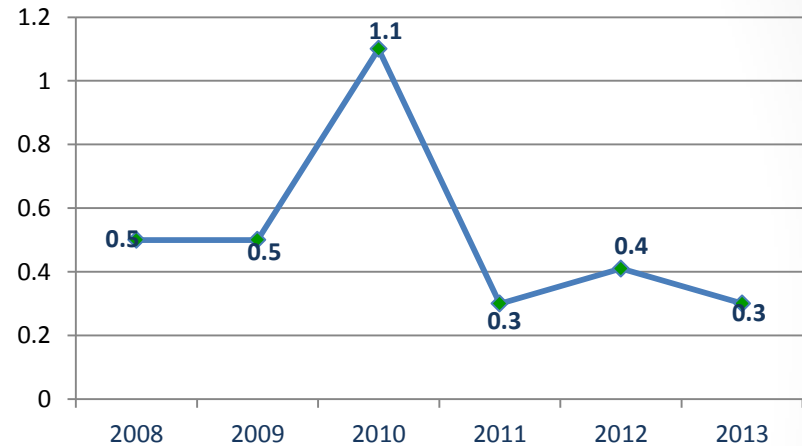
Distribution of Domestic Business Insured in 2013



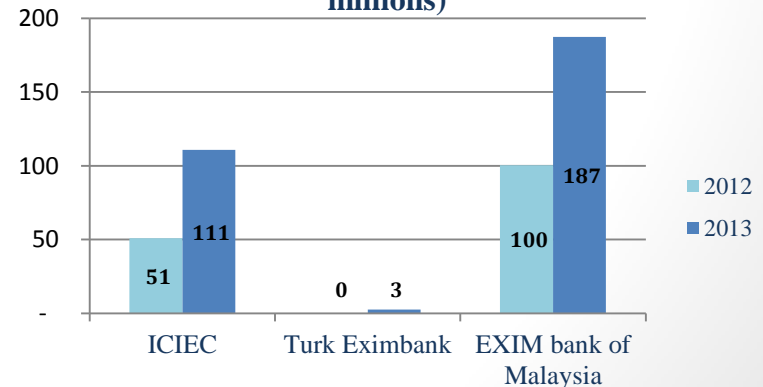
Medium-term Business Insured.

- MT business insured reached USD 300m in 2013 compared to USD 400m in 2012. This decrease in 2013 is mainly due to the drop in MT business of EGFI from USD 258m in 2012 to USD 0.0 in 2013.
- Notwithstanding the overall decrease, MEXIM, ICIEC, and TURKEXIM, the key players in MT business insured in 2013, have witnessed growth.

Evolution of Medium-term Business (in USD billions)



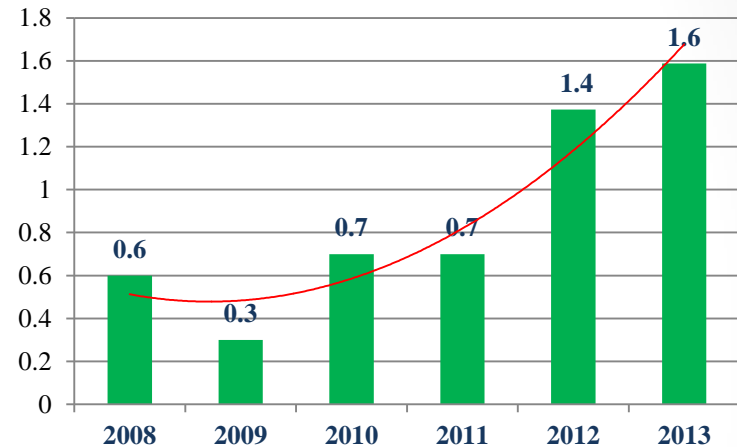
MT Business Insured in 2013 (in USD millions)



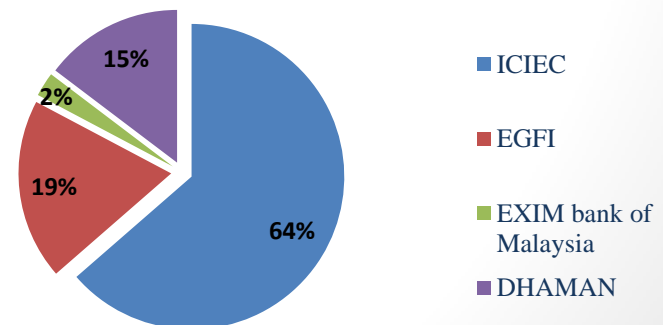
Investment Business Insured

- In 2013, we witnessed a 15% increase in the foreign investment business insured from USD 1.4b in 2012 to USD 1.6b.
- Only 4 ECAs in AMAN UNION full members have been actively involved in the foreign investment business since the last 6 years: ICIEC, EGFI, DHAMAN, and MEXIM.
- ICIEC ranks 1st in terms of foreign investment business in 2013 with 64% share in total AMAN UNION Investment Insured.

Evolution of Foreign Investments Insured
(in USD billions)

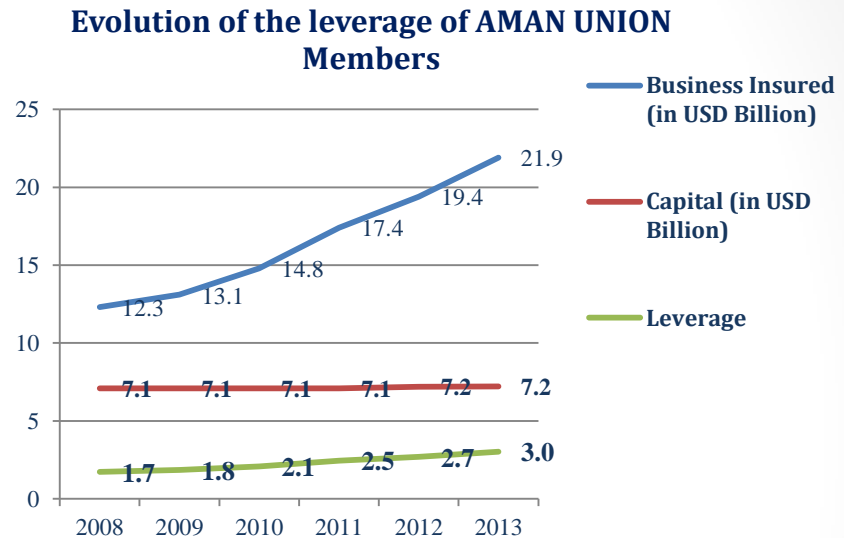


Distribution of Investment Business Insured
2013 in %



Leverage

- The level of leverage of AMAN UNION members has increased by a CAGR of 11.8% during the last 6 years. This was in alignment with the increase in business insured, given that there has been no major increase in AMAN UNION capital during the same period.
- As in 2012, LCI, ECIE, COTUNACE and CAGEX still stand out in 2013 in terms of high leverage position relative to other member ECAs. It should be noted, however, that ECIE's leverage has decreased by 40% in 2013 in correspondence with the decrease of its Business Insured.
- Excluding COTUNACE, bigger ECAs like TURKEXIM and DHAMAN have relatively conservative levels of leverage. SEP has the lowest leverage, on account of its significant capital base

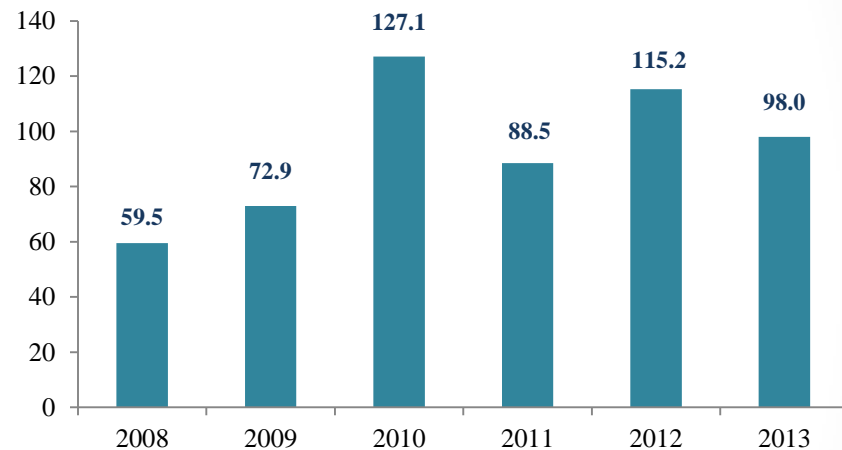


***Leverage is defined as the business insured expressed as a multiple of the capital of the ECA.**

Premiums Written

- Premiums Written have decreased by 15% in 2013, declining to USD 98m.
- The decrease is mainly attributed to a USD 3.0m decline in EGFI's premium earned from ST business, and the absence of its' MT business activities in 2013 which was a key driver of Total Premium growth in the previous year.
- Furthermore, a notable USD 3.5m decrease in MEXIM Premium Written in 2013 has also contributed to the decline in AMAN Union Premium Written.
- In 2013, average premium income per ECA amounts USD 5.8m. This gives an average of USD 4 cents of premium per USD 1.00 insured (i.e. average premium rate of .45%).

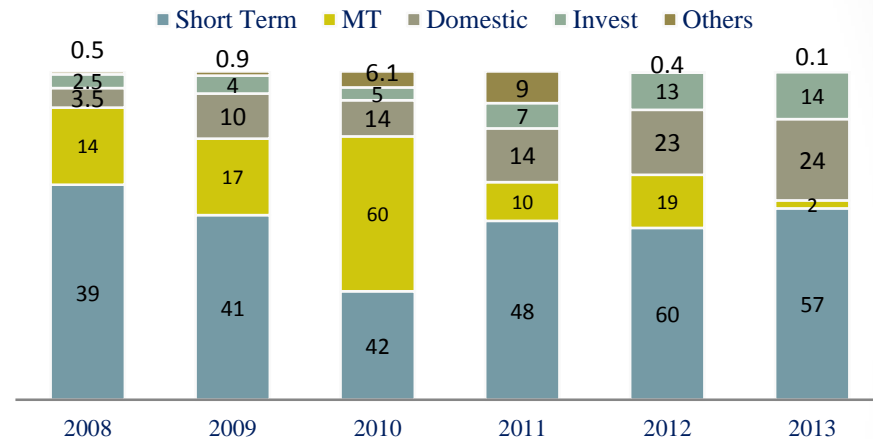
Evolution of Total Premium Earned (in USD million)



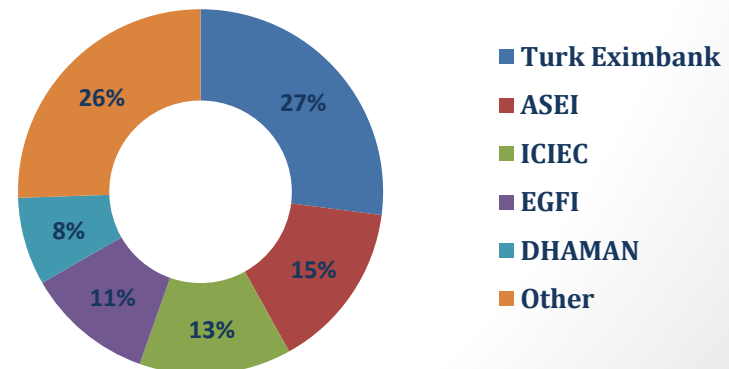
Premiums Written Cont'd

- Although Short Term Business premium has decreased in 2013, it still holds the largest proportion of the overall premium written, as in the Business Insured.
- Premiums earned from Domestic business have increased by USD 1.4m in 2013 due to increased domestic business activities by LCI and CAGEX.
- Investment premiums earned have also witnessed growth in 2013, recording an increase of USD 1.07 which was brought forward by ICIEC and EGFI.
- In 2013 TURKEXIM holds the largest proportion of total AMAN UNION premium written.

Evolution of the Premium Written by Line of Business



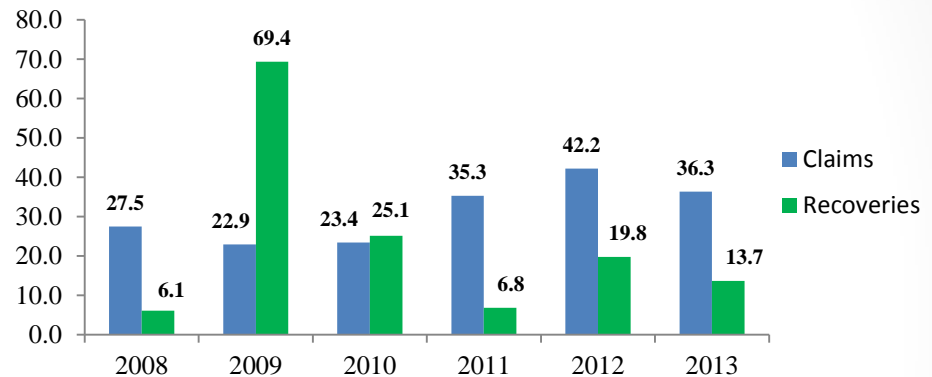
Breakdown of Premium Written in 2013 by ECA



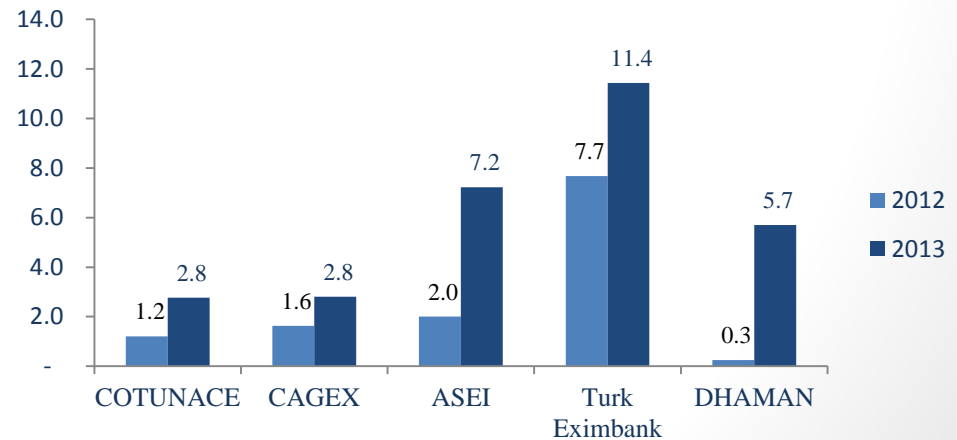
Claims & Recoveries

- The total amount of claims paid in 2013 reached USD 36.4m, recording a 14% decrease from USD 42.2m 2012.
- This improvement was a result of a notable decline in the amount of claims paid by EGFI, MEXIM and ICIEC in 2013.
- Despite the overall decline, amount of claims paid by TURKEXIM, ASEI, DHAMAN, ASEI, COTUNACE, and CAGEX have increased in 2013 compared to 2012.
- The highest incidence of claims paid was recorded by TURKEXIM, given its high volume of business.

Total AU Claims & Recoveries (in USD millions)

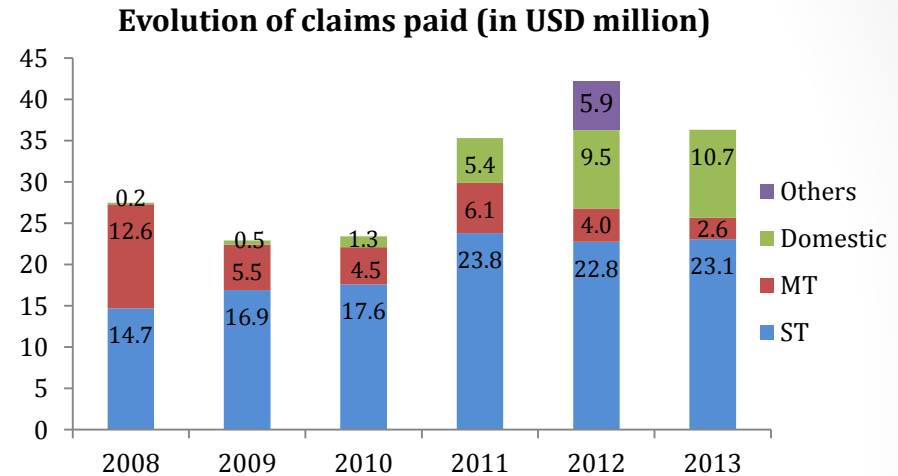


Claims by ECA in USD millions

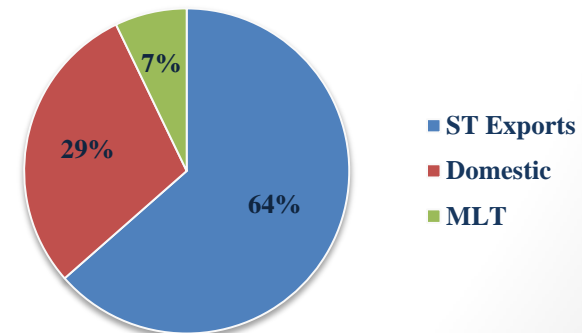


Claims by Line of Business

- The amount of claims paid in ST business has the largest weight given the predominance of ST business among AU members.
- Upward trend in the amount claims paid in Domestic business arising from increased domestic business activities.
- The largest claims paid by business line in 2013 include:
 - **Short Term Business**
(TurkExim - USD 11.4m)
 - **Domestic Business**
(ASEI-USD 6.7 m)
 - **MT Business**
(EGFI - USD 2.6m)



Breakdown of claims paid by business line in 2013



Claims by Geographical Regions

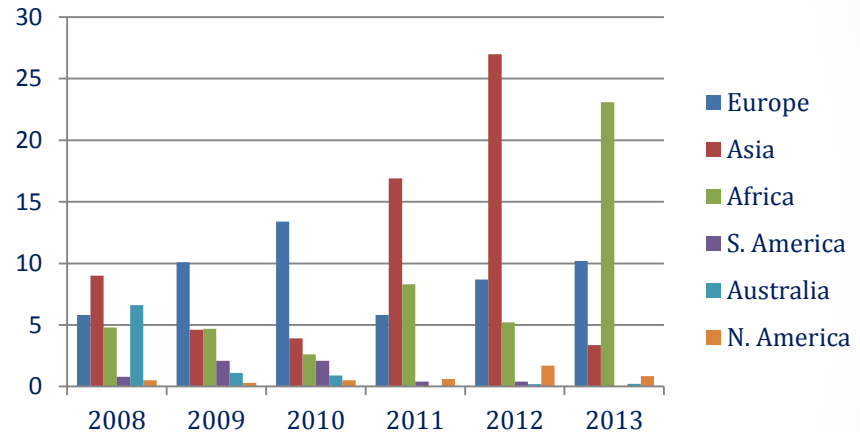


The amount of claims paid in **Africa** (mainly in Algeria, Sudan, and Cote d'Ivoire) were the highest in 2013, followed by claims paid in **Europe** (mainly in Italy, Netherlands, and Spain).

Claims by Geographical Regions

- In 2013, we notice a significant decrease in the amount of claims paid in Asia reaching an all-time-low of USD 3.3m since 2008.

Trend in Claims Paid by Geographical Regions



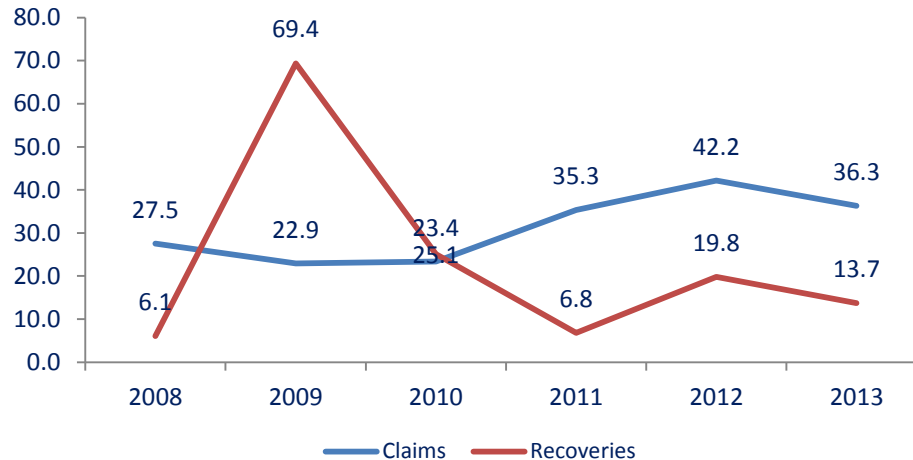
Claims by Sector

- As indicated in the table below, the following sectors recorded highest incidences of claims during the year 2013.

Sector	Amount of Claims (in USD million)
Chemicals & Petrochemicals	17.0
Textile	5.3
Machinery & Equipment	3.7
Industry	3.2
Trading	2.7
Food	1.7
Packaging Materials	1.2
Building Materials	0.8
Pharmaceuticals & Cosmetics	0.5
Plastics and Rubber	0.4

Recoveries

Evolution of Amount of Recoveries

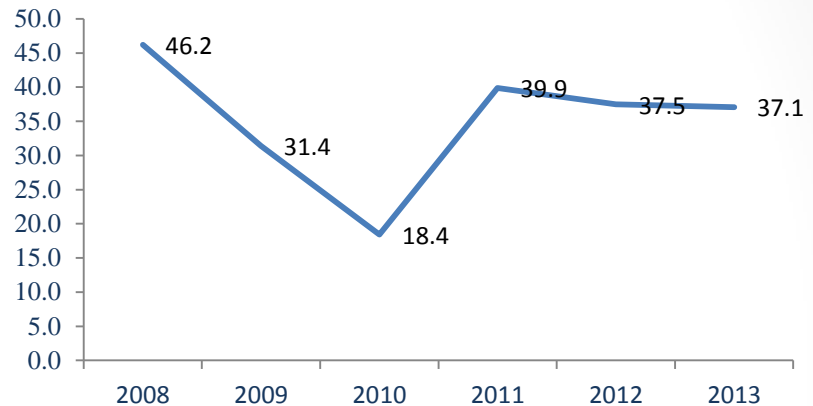


- The total amount of recoveries of AU members has decreased in 2013 in comparison to the year 2012, owing to a decline in the amounts recovered by COTUNACE from USD 4.5m in 2012 to USD 0.32m in 2013
- Despite the overall decrease, there has been slight improvement in the of amounts recovered by MEXIM, ICIEC, and JLGC.
- In 2013, CAGEX recovered USD 10.4m, representing 76% of total amounts recovered by AMAN UNION members.

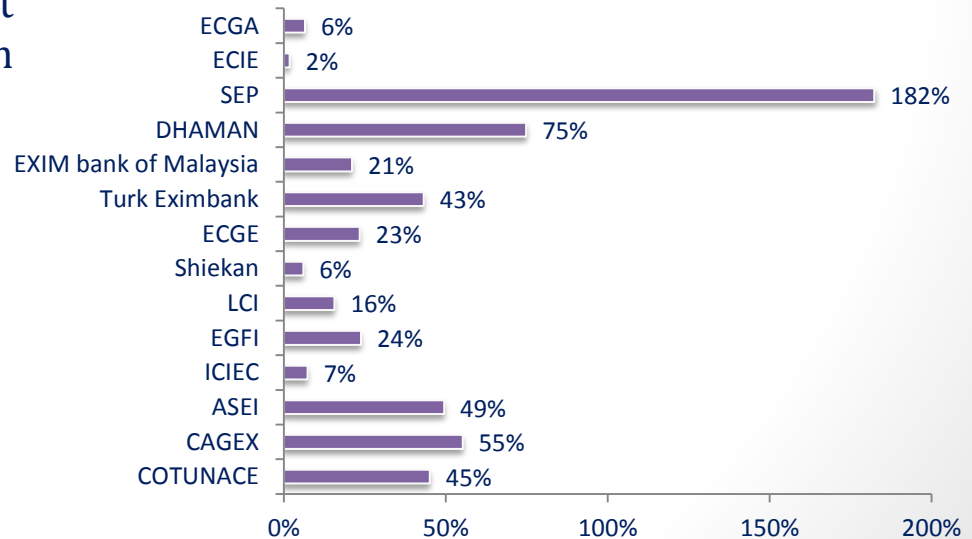
Loss Ratios

- Loss ratio has stagnated in 2013 as premium income and amount of claims paid decreased proportionally.
- If we exclude SEP, we notice that DHAMAN Loss Ratio has reached 75%, recording the highest Loss ratio in 2013 as a result of the significant increase in the amount of claims paid (from USD .25m in 2012 to USD 5.7m in 2013).

Evolution of the loss ratio (in %)



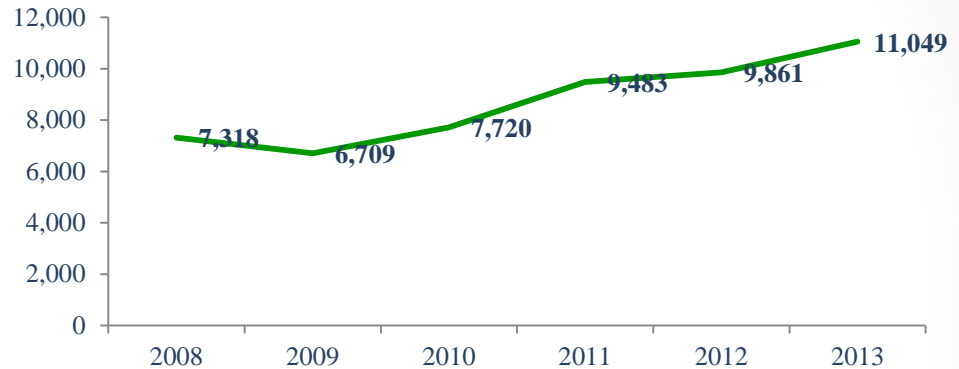
Loss Ratio by ECA 2013



Outward Reinsurance

- The Ceded Volume of Business to the Reinsurance Market has increased from USD 9.8b in 2012 to USD 11.0b in 2013. This is mainly due to the increase of TURKEXIM and ICIEC Ceded Volume of Business by USD 0.75b and USD 0.35b in 2013, respectively.
- TURKEXIM, ICIEC, LCI, COTUNACE and ASEI account for 86% of the ceded business of all AMAN UNION full members in 2013.

Evolution of the ceded volume of business (in USD million)



Breakdown of Outward Reinsurance Business in 2013

