

Fitch Ratings affirms Etihad Credit Insurance at AA- (Very Strong) with stable outlook for third consecutive year

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- ECI was assigned a high score due to its systemic importance to the promotion of UAE's non-oil exports, trade, investments, and strategic sector development in line with the economic agenda of the UAE's Vision 2021
- Fitch cites ECI's capitalisation as very strong, supported by a strong capital base with a total paid-in capital of AED250 million, with a further AED750 million committed by the shareholders

His Excellency Mohammed bin Hadi Ahmed Abdullah Al Hussaini, UAE Minister of State for Financial Affairs, Chairman of the Board of Directors of ECI, commended the efforts of Etihad Credit Insurance (ECI), the UAE Federal export credit company, after it has been assigned with Insurance Financial Strength (IFS) Rating and an Issuer Default Rating (IDR) of AA- (Very Strong) with Stable Outlook from Fitch Ratings, for the third year in a row.

Fitch views ECI's systemic importance to the UAE as the main driver of the IFS Rating. ECI was founded to insure UAE-based non-oil export companies against non-payment. The company also protects investments outside of the UAE against political risks and supports corporate bidding for international tenders. ECI plays a significant role in the promotion of UAE's non-oil exports, trade, investments and strategic sector development in line with the economic agenda of the UAE.



H.E. Mohamed Hadi Al Hussaini, Minister of State for Financial Affairs and Chairman of Etihad Credit Insurance (ECI) Board of Directors

H.E. Mohammed bin Hadi Ahmed Abdullah Al Hussaini said: "I take this opportunity to congratulate His Excellency Dr. Thani Ahmed Al Zeyoudi, UAE Minister of State for Foreign Trade and Deputy Chairman of ECI, the Board of Directors and the entire executive management team of ECI for receiving AA- rating with a stable outlook from Fitch Ratings for the third consecutive year. A very strong credit rating a financial institution can receive, not just in the UAE but in the whole region. This high ranking reflects the Federal export credit company's unwavering commitment to helping UAE businesses gain a competitive edge in the international market through providing them protection and trade confidence, thereby bolstering the UAE's non-oil economy in line with the vision and the principles stated by our Nation wise leadership for the next 10 decades. This tremendous achievement is a testament to the Federal export credit company's commitment to constantly improving and innovating in order to help position the country further as the global hub for trade and business."

Though only in its fourth year of operation, the UAE's export credit agency has already made solid contributions to employment and to the economy of the country. As of September 2021, ECI recorded a new milestone by issuing AED 3.4 billion worth of revolving credit guarantees, which is three times higher than the same period of the previous year, equivalent the AED 10 billion supported UAE non-oil trade (50 per cent of which are exports) targeted for the 2021.

As per the rating agency, ECI's ownership by the UAE authorities, coupled with the extremely high probability of additional support if needed, is supportive of the ratings. ECI is owned by the UAE federal government and the governments of five out of the seven emirates, including the governments of Abu Dhabi and Dubai.

Commenting on this achievement, ECI CEO Massimo Falcioni, said: "On behalf of ECI Management, I am immensely grateful to ECI Board of Directors for their continued trust and inspiration and would like to congratulate the ECI management team and employees for their committed efforts, which led to receiving this high rating for the third consecutive year. It reiterates ECI's important role in the diversification of the country's economy and confirms the federal agency's strong financial position and capability to protect UAE's exporters and investors in the international marketplace. Fitch underscored ECI's significant role in the promotion of UAE's non-oil exports, trade, investments and strategic sectors development in line with the economic agenda of the UAE."

According to Fitch, ECI's capitalisation is very strong, supported by a strong capital base with a total paid-in capital of AED250 million, with a further AED750 million committed by the shareholders. ECI uses treaty, facultative and quota-share agreements placed through brokers to cede 65% of its credit, surety, and political risk business to 'A'- and 'AA'-rated reinsurance companies with a limit of AED100 million per reinsurer.

In addition, ECI has achieved an ESG Relevance Score of '4' for Governance Structure due to its ownership by and its strong ties to the sovereign, reflecting the high governance ESG relevance scores of the UAE sovereign rating.

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