CREDIT RATING RATIONALE

INSURER FINANCIAL STRENGTH RATINGS

Credit Guarantee and Investment Facility

- Insurer Financial Strength Rating
- ASEAN Insurer Financial Strength Rating
- Global Insurer Financial Strength Rating

December 2017

CREDIT RATING RATIONALE
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Credit Guarantee and Investment Facility
Rating Review

Ratings

Insurer Financial Strength Ratings:

National Scale	**AAA/Stable/P1**	[Reaffirmed]
ASEAN Scale	**$_{sea}$AAA/Stable/$_{sea}$P1**	[Reaffirmed]
Global Scale	**$_{g}$AAA/Stable/$_{g}$P1**	[Reaffirmed]

Last Rating Action
20 December 2016

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Related Criteria, Methodologies and Publications
i. Methodology for Insurance & Takaful Companies (Update), September 2016
ii. Rating Methodology for Government-linked Financial Institutions, June 2015
iii. Leverage Guidelines for Financial Guarantee Insurance Companies, January 2014
iv. Rating Approach for Government-Linked Entities, August 2011

Rating Action Basis

- The reaffirmation of Credit Guarantee and Investment Facility's (CGIF or the Fund) ratings reflects its conservative leverage, its role in developing the regional bond market, as well as sponsorship and support from key contributors, which includes operational ties with Asian Development Bank (ADB). CGIF's leverage is expected to remain within the rating threshold, supported by the Fund's planned capital expansion. Its liquidity profile has also stayed strong.

Rating Drivers

\+ **Government sponsorship and developmental role.** CGIF was established as part of the Asian Bond Markets Initiative (ABMI), an ASEAN+3 initiative supported by ADB. With a mandate to develop and promote the integration of local-currency bond markets in the ASEAN+3 region, the Fund provides credit enhancement to creditworthy corporates to enable them to tap regional local-currency bond markets. Given its mandate and as the only government-sponsored financial guarantee insurer (FGI) in the Asian region, we expect support from the Fund's key capital contributors to be forthcoming, if required. CGIF is also expected to continue to benefit from its operational ties to ADB, which also acts as the Fund's trustee.

\+ **Conservative leverage.** CGIF's leverage ratio[1] stayed unchanged at 0.9 times as at end-September 2017 (end-December 2016: 0.9 times) amid subdued portfolio growth. The ratio is projected to increase to around 1.2-1.3 times by end-2018 after taking into account CGIF's pipeline deals and a future US$500 million capital augmentation exercise. This is still within the 2.0-time limit for its $_{g}$AAA rating. The Fund's capital base remains fully funded by equity, with no debt leverage.

\+ **Strong liquidity, low-risk investments.** CGIF maintains a conservative investment strategy with the objective of preserving capital and liquidity. As at end-September 2017, about 97% of its invested assets comprised fixed-income securities of highly rated financial institutions and government-linked entities, while deposits made up the rest of the portfolio. The Fund's investment portfolio is globally diversified, with 96% of invested assets rated at least AA on an international scale. Meanwhile, its liquid assets of about US$738 million as at end-September 2017 provide a comfortable buffer to meet liquidity needs should claims arise.

\- **Concentration risk.** A relatively small portfolio of 11 issuers as at end-November 2017 renders CGIF inherently exposed to concentration risk as well as the economic and business stress of issuers in its portfolio. Despite the Fund's exposure to issuers in lower-rated countries, we note that many are leading corporates with sizeable market shares in their respective markets. We also take comfort in the Fund's comprehensive risk management practices which include limits to monitor sector, industry and country concentration.

\- **Slow business traction.** CGIF's net earned premiums declined an annualised 11.7% y-o-y in 9M FY Dec 2017, amid a more subdued deal flow. The Fund's guarantee business has been slow to gain traction, with CGIF providing guarantees to an average of 2-3 new issuers per year since its inception. Business momentum was tepid in the first 11 months of 2017, with only 3 new guarantee facilities issued by 2 issuers. While CGIF has a healthy pipeline of deals for 2018, the

[1] Defined as the notional value of total sum insured (net of reinsurance) over total available capital.

progress of new deals is expected to remain measured, particularly in emerging ASEAN economies, where bond market infrastructure is limited.

Rating Outlook: Stable

- The stable rating outlook reflects our expectation that CGIF's leverage will stay within levels supportive of its current ratings and that backing from key contributors will remain forthcoming. It is also anticipated to continue to uphold its prudent underwriting and risk management practices as it pursues business growth.

Rating Triggers

- Upside potential: Not applicable as CGIF's ratings are already the highest on RAM's rating scales.

- Downward pressure: Negative rating triggers include an increase in leverage that exceeds the 2.0-time limit for its $_{g}$AAA rating, heightened portfolio credit risk or adverse claims, and/or the reduced propensity of key capital contributors to extend support. The Fund's inability to further expand its portfolio to a meaningful size to support business operations and overheads would be another rating concern.

Company Profile

Established in November 2010 under the ABMI, CGIF is mandated to facilitate the development of local-currency bond markets in the ASEAN+3 region. The Fund's credit enhancement enables viable investment-grade companies – based on local credit rating standards – to issue local-currency bonds, and regional investors to subscribe to them. Key contributors to the Fund's US$700 million capital base are Japan[2] and the People's Republic of China (28.6% each), ADB (18.6%) and the Republic of Korea (14.3%). The 10 ASEAN countries collectively hold the remaining 10.0% share.

As a trust fund of the ADB, CGIF is exempt from national laws and regulations that govern insurance companies in their respective home countries. ADB holds in trust and manages all CGIF's funds and other properties.

In December 2017, CGIF's contributors approved a US$500 million capital increase which will augment the Fund's paid in capital to US$1.2 billion. While all existing contributors have been invited to subscribe to the new shares in proportion to their current shareholding, subscription is not compulsory and any unsubscribed quota will be reallocated to other contributors. Contributors have up to end-2023 to complete payment for their subscribed portions, although some have indicated their intention to fully pay up by end-2019.

[2] via Japan Bank for International Cooperation.

Peer Comparison

Table 1: Peer Comparison

	CGIF		Danajamin Nasional Berhad^	
Rating	$_{g}$AAA/Stable/$_{g}$P1 $_{sea}$AAA/Stable/$_{sea}$P1 AAA/Stable/P1		AAA/Stable/P1	
FY	Dec 2016	9M 2017	Dec 2016	6M 2017
Net earned premiums (US$ mil)	7.2	4.7	21.7	8.9
Pre-tax profit/(loss) (US$ mil)	10.1	8.2	30.3	13.3
Total assets (US$ mil)	772.0	781.4	466.4	491.2
Claims ratio (%)	0.0	0.0	0.0	0.0
Management expenses ratio (%)	100.0	122.8	41.3	36.8
Combined ratio (%)	100.0	122.8	41.3	36.8
Investment yield (%)	1.5	1.7	4.2	3.9
Net insurance contract liabilities / net earned premiums (%)	584.0	571.2	502.2	591.0
Liquid assets / net insurance contract liabilities (times)	16.2	20.4	2.9	2.4
Leverage ratio (times)	0.9	0.9	3.6	3.8

Sources: CGIF, Danajamin

^ Figures translated from reporting currency using exchange rates for the respective financial periods, to facilitate a comparison.

Business Risk Profile

- **Developmental role.** CGIF was established to develop and strengthen local-currency and regional bond markets in the ASEAN+3 region to facilitate an efficient allocation of savings within the region. The Fund is mandated to provide credit enhancement to creditworthy corporates to give them access to regional bond markets, promote debt securities with longer maturities, and match regional Asian investors with these issuers. As a pioneer regional FGI in Asia, CGIF's key focus is to establish a sturdy franchise for future sustainability, prioritising transactions that have a developmental impact.

- **Business traction slower than expected.** CGIF's guarantee business has been slow to gain traction, with the Fund providing guarantees to an average of 2-3 new issuers per year since its inception. This may be due to limited market awareness of the Fund's guarantee facility and mechanism in the early years of operation as well as the constraints imposed by its capital and internal exposure limits and policies, including strict adherence to ADB's environmental and social safeguards. The progress of new deals is expected to remain measured, particularly in emerging ASEAN economies, where bond market infrastructure is limited. Since the commencement of its business in 2012, CGIF has guaranteed 14 issuers[3] from 8 countries.

- **Other initiatives to catalyse bond market development.** To further deepen the regional bond market, CGIF expects to introduce securitisation transactions and promote the use of project bonds in the ASEAN region. In May 2017, the Fund entered into a collaboration agreement with Surbana Jurong Private Limited to boost the use of local currency-denominated project bonds to finance greenfield infrastructure projects. Over the longer term, the Fund's objective is also to develop local-currency debt markets in Cambodia, the Lao People's Democratic Republic (Lao PDR) and Myanmar. In the past, CGIF has collaborated with Danajamin Nasional Berhad – Malaysia's sole FGI – and ADB in providing guarantees to issuers from Malaysia and the

[3] The bond facilities of 3 issuers have been redeemed to date.

Philippines, respectively.

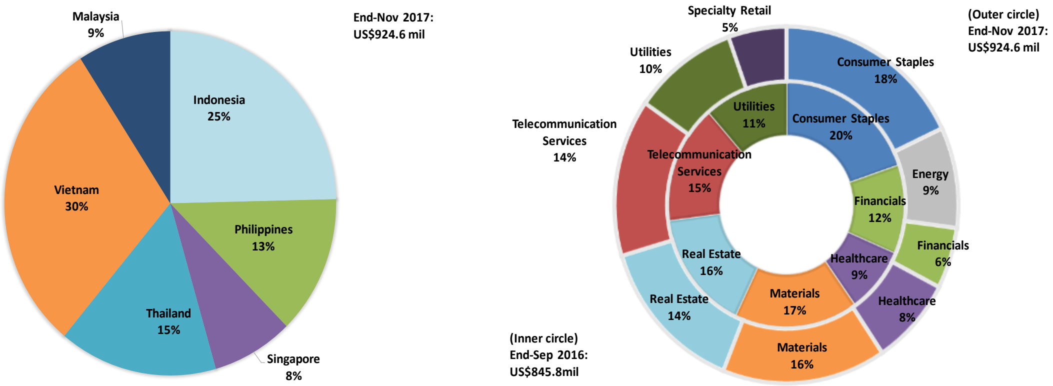
Insured Portfolio

Table 2: CGIF's guarantee portfolio

(US$ mil)	FY Dec 2013	FY Dec 2014	FY Dec 2015	FY Dec 2016	End-Nov 2017
Issued during the period	111.8	364.4	137.5	394.5	72.3
Redemptions during the period	-	-	-	103.3	53.1
Outstanding as at end of period	**111.8**	**475.2**	**580.1**	**864.7**	**924.6**
Number of issuers	**2**	**6**	**7**	**11**	**11**

Figures translated using exchange rates as at end-December for each financial period.
Sources: RAM Ratings, CGIF

Figure 1: Breakdown of total insured portfolio by country of issuers and sector



Source: CGIF

- **Portfolio growth remains modest.** As at end-November 2017, CGIF's guarantee portfolio had increased 6.9% to US$924.6 million (end-December 2016: US$864.7 million) while guarantee exposure (after reinsurance) stood at US$693.5 million. In the first 11 months of 2017, the Fund extended guarantees to only 2 new issuers while 2 bond issues were fully redeemed. This brought CGIF's portfolio to a total of 11 issuers as at end-November 2017. The Fund's portfolio is spread out across 9 sectors (Figure 1), with issuers from Indonesia and Vietnam making up 55% of its insured portfolio by outstanding guarantee value. Going forward, CGIF's healthy deal pipeline partly reflects the longer-than-expected gestation period of deals which were originally anticipated to be completed this year. Taking into account upcoming maturities and pipeline transactions which may materialise in 2018, the Fund's portfolio could increase to about US$1.9 billion by end-2018.

- **Moderate credit risk.** CGIF assigns an internal risk rating (IRR) to each guaranteed issuer. The IRR has a 1 to 10 scale, with 1 being the best credit. Under CGIF's underwriting guidelines, the maximum acceptable risk rating is 7. The Fund's portfolio quality has remained relatively steady, with an average IRR of 6.5 as at end-September 2017 (end-September 2016: 6.4 times), parallel to an international rating of BB. Although CGIF's O&G portfolio has seen some deterioration amid the challenging operating environment, the Fund's O&G exposure stayed relatively low at 10% of its total guarantee portfolio. As CGIF's portfolio comprises issuers from ASEAN countries, some of their IRR ratings are constrained by low sovereign ratings. However, we note that most of the issuers are leading corporates with sizeable market shares in their respective markets. To date, the Fund has not faced a claim on any of its guarantees.

- **Concentration risk.** Given its relatively small portfolio, CGIF is inherently exposed to concentration risk as well as the economic and business stress of issuers in its portfolio. The Fund's comprehensive risk management practices, which include various country and sector limits, moderate this risk to some extent.

Capital Adequacy and Leverage

- **Leverage ratio remains within rating limit.** Leverage and capital adequacy are key rating considerations in our assessment of CGIF's financial strength, in view of its monoline focus and portfolio risk profile. The Fund's leverage ratio remained unchanged at 0.9 times as at end-September 2017 (end-December 2016: 0.9 times) amid subdued portfolio growth. The planned capital increase of US$500 million will boost the Fund's guarantee capacity. Notwithstanding the potential doubling of its guarantee portfolio, CGIF's leverage is projected to stay well within the 2.0-time limit for its $_g$AAA rating, with a leverage ratio of around 1.2-1.3 times by end-2018.

- **Sturdy capitalisation.** The Fund measures and monitors a risk-based capital adequacy ratio (CAR) that is adjusted for concentration risk. As at end-September 2017, CGIF's CAR stood at 28% (end-September 2016: 20%), which is above the Fund's internal floor limit of 8.8%. CGIF also maintains a capital reserve, where 100% of net profits of each financial year have been allocated to the reserve since inception. As at end-September 2017, the Fund's capital reserve stood at US$34.8 million. Although not likely, a concurrent default by 3 of the lowest-rated issuers (IRR of 7 and above) in its portfolio is estimated to deplete about 40% of CGIF's capital.

Risk Management

- **Prudent underwriting standards.** CGIF's risk management framework entails a well-defined risk-governance structure. The Fund's underwriting process is prudent, involving internal credit assessments by the Deal Operations Department, that are independently validated at several levels including the Risk Management Department, the Guarantee and Investment Committee and an external advisory panel, after which the final approval of the Board is required. This applies for all deals except those with a transaction amount of up to US$50 million, which have tenures of up to 5 years and an IRR of 6 or less. These deals may be approved by the Guarantee and Investment Committee. Elsewhere, the Fund also obtains a bilateral risk rating from an independent third party if the potential issuer does not have an existing rating. Operational measures to monitor credit and market risks are in place.

- **Compliant with limits.** CGIF is in adherence with the various limits in place to monitor the Fund's exposure. Guarantee exposure to any country[4] and currency is capped at 20% and 40% of the Fund's maximum guarantee capacity (MGC), respectively, where the MGC[5] is approximately US$1.8 billion. On the other hand, aggregate guarantee exposure to any one sector and industry is limited to 40% and 20% of the MGC, respectively. Single-obligor or group exposure may not exceed 20% of CGIF's paid-in capital, which is US$140 million based on its capital of US$700 million.

[4] Refers to an issuer's country of origin.
[5] MGC is the product of a) CGIF's total paid-in capital plus retained earnings less credit loss reserves and foreign exchange loss reserves, less all illiquid investments and b) the maximum leverage ratio of 2.5 times.

- **Reinsurance with highly rated reinsurers.** CGIF's internal policy permits the use of reinsurance and other forms of unfunded risk participation to manage and/or transfer its credit risks, where counterparties must be rated at least A- on a global scale. In October 2016, the Fund entered into a quota-share reinsurance arrangement with a syndicate of reinsurers rated between AA- and A, to cede out 25% of all principal and interest of guarantees in force as of 1 October 2016 as well as all guarantees to be issued up to end-2017. The reinsurance treaty with the existing panel of reinsurers has been extended to include guarantees to be issued in 2018. The key parameters for the new treaty is similar to the existing agreement.

Financial Performance

- **Improved earnings despite lower net earned premiums.** CGIF's net earned premiums declined 11.7% y-o-y (annualised) for 9M FY Dec 2017 after accounting for reinsurance expense, amid a more subdued deal flow. That said, the Fund's pre-tax profit held up, rising 8.9% y-o-y (annualised), having benefited from higher investment income. Investment income continued to account for the larger part of the Fund's revenue. With no guarantee calls since its inception, the Fund has yet to record claims liabilities. Based on CGIF's average premium rate of 1.0% and estimated yearly expenses, we expect the Fund to require a guarantee portfolio of about US$1.3 billion to register an underwriting profit.

Investment Assets & Liquidity Profile

+ **Conservative investment strategy.** CGIF maintains a conservative investment strategy with the objective of preserving capital and liquidity. As at end-September 2017, about 97% of CGIF's invested assets comprised fixed-income securities of highly rated financial institutions and government-linked entities, while deposits made up the rest of the portfolio. The Fund's investment portfolio is globally diversified, with 96% of invested assets rated at least AA on an international scale. CGIF's investment yield, which has averaged 1.4% for the last 5 years, is commensurate with its low-risk investment strategy.

- **Strong liquidity.** CGIF's liquidity position stayed strong, supported by liquid assets amounting to US$738 million as at end-September 2017 – a comfortable buffer to meet liquidity needs should claims arise. To monitor and manage liquidity, CGIF performs quarterly stress tests on its portfolio. As at end-September 2017, these tests indicated sufficient liquidity in the event of concurrent defaults by 2 of its largest issuers.

Corporate Information

Date of Incorporation	12 November 2010	
Commencement of Business	1 May 2012	
Capital Contributors	People's Republic of China	28.57%
	Japan Bank for International Cooperation	28.57%
	Asian Development Bank	18.57%
	Republic of Korea	14.28%
	ASEAN countries	10.0%
Directors	Mr Jian Li (People's Republic of China) (Chairperson)	
	Ms Li Hongxia (People's Republic of China)	
	Mr Yasuo Takamura (Japan)	
	Mr Hitoshi Nagano (Japan)	
	Mr Sun-joon Jun (Republic of Korea)	
	Mdm Siti Zauyah binti Mohd Desa (ASEAN)	
	Mr Stefan Hruschka (ADB)	
	Mr Kiyoshi Nishimura (CGIF)	
Auditor	Deloitte & Touche LLP	
Listing	n.a.	
Key Management	Mr Kiyoshi Nishimura	Chief Executive Officer
	Mr Aarne Dimanlig	Chief Risk Officer
	Mr Boo Hock Khoo	Vice President, Operations
	Mr Dong Woo Rhee	Chief Financial Officer
	Mr Gene Soon Park	General Counsel & Board Secretary
	Mr Hou Hock Lim	Corporate Planner & Head of Budget, Personnel & Management Systems
	Ms Jackie Bang	Internal Auditor
Major Subsidiaries	n.a.	

Financials

STATEMENT OF FINANCIAL POSITION (USD million)	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	30-Sep-17 *unaudited*
Property, Plant & Equipment	0.56	0.20	0.21	0.20	0.20
Investment Properties	0.00	0.00	0.00	0.00	0.00
Goodwill & Intangibles	0.21	0.30	0.34	0.50	0.35
Investments in Subsidiaries/Associates/Jointly-Controlled Entities	0.00	0.00	0.00	0.00	0.00
Financial Investments at Fair Value Through Profit or Loss	0.00	0.00	0.00	0.00	0.00
Financial Investments Available-For-Sale	704.60	681.34	714.90	721.34	722.84
Financial Investments Held-To-Maturity	0.00	0.00	0.00	0.00	0.00
Loans & Receivables^	8.00	35.66	6.80	7.71	19.78
Reinsurance Assets	0.00	0.00	0.00	0.00	0.00
Insurance Receivables	1.18	20.73	25.53	38.57	33.66
Other Assets	0.37	0.34	0.60	1.48	0.76
Cash & Cash Equivalents	3.05	1.91	3.18	2.21	3.81
Total Assets	**717.97**	**740.49**	**751.57**	**772.00**	**781.40**
Insurance Contract Liabilities	1.77	22.50	27.84	41.80	36.10
Insurance Payables	0.00	0.00	0.00	0.00	0.00
Senior Debt	0.00	0.00	0.00	0.00	0.00
Subordinated Debt	0.00	0.00	0.00	0.00	0.00
Other Borrowings	0.00	0.00	0.00	0.00	0.00
Other Liabilities	0.98	1.49	1.17	2.68	6.93
Total Liabilities	**2.74**	**23.99**	**29.01**	**44.48**	**43.03**
Equity Share Capital	700.00	700.00	700.00	700.00	700.00
Share Premium Reserve	0.00	0.00	0.00	0.00	0.00
Capital Reserve	0.00	0.00	0.00	0.00	0.00
Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
Available-For-Sale Reserve	1.87	(0.41)	(2.13)	(7.25)	(4.64)
Other Reserves	10.64	13.36	16.91	24.69	34.77
Retained Profits/(Accumulated Losses)	2.72	3.55	7.78	10.08	8.23
Non-Controlling Interests	0.00	0.00	0.00	0.00	0.00
Total Equity	**715.23**	**716.50**	**722.56**	**727.52**	**738.37**
Total Liabilities + Total Equity	**717.97**	**740.49**	**751.57**	**772.00**	**781.40**

^ Comprises time deposits

Financials

STATEMENT OF COMPREHENSIVE INCOME (USD million)	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	30-Sep-17 *unaudited*
Gross Premiums	0.42	1.32	4.66	7.70	6.41
Premiums Ceded to Reinsurers	0.00	0.00	0.00	(0.54)	(1.67)
Net Premiums	**0.42**	**1.32**	**4.66**	**7.16**	**4.74**
Change in Premium Liabilities	0.00	0.00	0.00	0.00	0.00
Net Earned Premiums	**0.42**	**1.32**	**4.66**	**7.16**	**4.74**
Net Benefits and Claims Paid	0.00	0.00	0.00	0.00	0.00
Net Change in Contract Liabilities	0.00	0.00	0.00	0.00	0.00
Net Fees and Commission Income/(Expenses)	0.00	0.00	0.00	0.00	0.00
Management Expenses	(4.70)	(5.84)	(5.86)	(7.16)	(5.30)
Underwriting Profit/(Loss)	**(4.28)**	**(4.52)**	**(1.19)**	**(0.00)**	**(0.56)**
Investment Income	7.65	8.31	9.27	10.43	9.11
Realised Gains/(Losses) on Financial Investments	0.00	0.49	0.22	0.51	0.03
Fair Value Gains/(Losses) on Financial Investments	0.00	0.00	0.00	0.00	0.00
Finance Costs	0.00	0.00	0.00	0.00	0.00
Other Revenue/(Expenses)	(0.65)	(0.73)	(0.51)	(0.86)	(0.35)
Operating Profit/(Loss) before Tax	**2.72**	**3.55**	**7.78**	**10.08**	**8.23**
Non-Recurring Items	0.00	0.00	0.00	0.00	0.00
Share of Associates/Jointly-Controlled Entities Profits/(Losses)	0.00	0.00	0.00	0.00	0.00
Pre-Tax Profit/(Loss)	**2.72**	**3.55**	**7.78**	**10.08**	**8.23**
Taxation	0.00	0.00	0.00	0.00	0.00
Net Profit/(Loss)	**2.72**	**3.55**	**7.78**	**10.08**	**8.23**
Other Comprehensive Income	(1.35)	(2.28)	(1.72)	(5.12)	2.62
Total Comprehensive Income/(Loss)	**1.37**	**1.27**	**6.06**	**4.96**	**10.85**
Additional Disclosure:					
Net Profit Attributable to Non-Controlling Interests	0.00	0.00	0.00	0.00	0.00
Dividends - Ordinary Shares & Preference Shares	0.00	0.00	0.00	0.00	0.00

Financials

KEY RATIOS	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	30-Sep-17 *unaudited*
PROFITABILITY (%):					
Gross Underwriting Margin	100.00%	100.00%	100.00%	100.00%	100.00%
Net Underwriting Margin	(1,021.72%)	(341.98%)	(25.58%)	(0.03%)	(22.79%)
Claims Ratio	0.00%	0.00%	0.00%	0.00%	0.00%
Commissions Ratio	0.00%	0.00%	0.00%	0.00%	0.00%
Management Expenses Ratio	1,121.72%	441.98%	125.58%	100.03%	122.79%
Combined Ratio	1,121.72%	441.98%	125.58%	100.03%	122.79%
Operating Ratio	(703.58%)	(223.45%)	(77.83%)	(52.82%)	(69.84%)
Pre-Tax Profit Margin	648.69%	268.38%	166.83%	140.85%	173.63%
CAPITALISATION AND LEVERAGE (TIMES):					
Net Premiums Written / Equity	0.00	0.00	0.01	0.01	0.01 *
Net Leverage	0.00	0.04	0.05	0.07	0.06
Financial Leverage Ratio (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Fixed Charge/Interest Coverage	n.a.	n.a.	n.a.	n.a.	n.a.
INVESTMENT RISK PROFILE (%):					
Investment Yield	1.07%	1.23%	1.32%	1.51%	1.65% *
Deposits / Total Invested Assets	1.12%	4.97%	0.94%	1.06%	2.66%
Debt Securities / Total Invested Assets	98.42%	94.46%	98.58%	98.49%	96.86%
Equity Securities / Total Invested Assets	0.00%	0.00%	0.00%	0.00%	0.00%
LIQUIDITY (TIMES):					
Cash & Cash Equivalents / Net Insurance Contract Liabilities	1.73	0.08	0.11	0.05	0.11
Liquid Assets / Net Insurance Contract Liabilities	195.23	20.58	16.87	16.22	20.44
RESERVES ADEQUACY (%):					
Net Claims Reserves / Net Claims Incurred	n.a.	n.a.	n.a.	n.a.	n.a. *
Net Insurance Contract Liabilities / Net Earned Premiums	421.24%	1,701.89%	596.93%	584.02%	571.15% *
OTHERS (%):					
Retention Ratio	100.00%	100.00%	100.00%	92.99%	73.98%

Notes:

* annualised

n.a. = not available / not applicable

Financials

KEY FINANCIAL RATIOS	FORMULAE
PROFITABILITY (%):	
Gross Underwriting Margin	(Net Earned Premiums - Net Claims Incurred) / Net Earned Premiums
Net Underwriting Margin	[Net Earned Premiums - Net Claims Incurred - Net Fees and Commission Income/(Expenses) - Management Expenses] / Net Earned Premiums
Claims Ratio	Net Claims Incurred / Net Earned Premiums
Commissions Ratio	Net Fees and Commission Income/(Expenses) / Net Earned Premiums
Management Expenses Ratio	Management Expenses / Net Earned Premiums
Combined Ratio	Claims Ratio + Commissions Ratio + Management Expenses Ratio
Operating Ratio	Combined Ratio - [(Investment Income + Realised Gains/(Losses) on Financial Investments + Fair Value Gains/(Losses) on Financial Investments) / Net Earned Premiums]
Pre-Tax Profit Margin	Pre-Tax Profit/(Loss) / Net Earned Premiums
CAPITALISATION AND LEVERAGE (TIMES):	
Net Leverage	(Net Premiums Written + Total Liabilities - Reinsurance Asset) / Total Equity
Financial Leverage Ratio (%)	Total Debts / (Total Equity + Total Debts)
Fixed Charge/Interest Coverage	Operating Profit/(Loss) before Depreciation, Interest & Tax / Finance Costs
INVESTMENT RISK PROFILE (%):	
Total Invested Assets	Financial Investments + Loans & Receivables + Investment Properties
Investment Yield	(Investment Income + Realised Gains/(Losses) on Financial Investments + Fair Value Gains/(Losses) on Financial Investments) / Average Total Invested Assets
LIQUIDITY (TIMES):	
Liquid Assets / Net Insurance Contract Liabilities	(Cash & Cash Equivalents + Deposits + Quoted Financial Investments (excluding Financial Investments Held-to-Maturity) + Government Securities) / Net Insurance Contract Liabilities
OTHERS (%):	
Retention Ratio	Net Premiums / Gross Premiums

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