CREDIT RATING RATIONALE

INSURER FINANCIAL STRENGTH RATINGS

RAM
RATINGS

Credit Guarantee and Investment Facility

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

January 2019

CREDIT RATING RATIONALE
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January 2019

Credit Guarantee and Investment Facility
Rating Review

Ratings

Insurer Financial Strength Ratings:

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

Last Rating Action
18 December 2017

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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 improved business traction, conservative leverage and strong liquidity. Despite lower net earned premiums due to the full-year impact of reinsurance arrangements, the Fund's business traction was better y-o-y, with nine guarantees issued in the 2018 year to date. The ratings also consider CGIF's developmental role in the regional bond market as well as sponsorship and support from key contributors, including operational ties with Asian Development Bank (ADB).

Rating Drivers

\+ **Government sponsorship and developmental role.** CGIF was established as part of the Asian Bond Markets Initiative (ABMI), 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. In view of CGIF's mandate and given that it is the only government-sponsored financial guarantee insurer (FGI) in Asia, we expect support from the Fund's key capital contributors to be forthcoming, if required. A USD500 million capital increase was approved by its contributors on 6 December 2017 to allow for business expansion. As at end-December 2018, a total of USD159 million had been received from four countries, led by Japan[1] (USD143 million).

\+ **Conservative leverage.** Due to a larger capital base, CGIF's leverage stayed unchanged at 0.9 times as at end-December 2018 despite better portfolio growth; comfortably within the 2.0-time limit for its $_g$AAA rating. Notably, the Fund's capital base remains fully funded by equity, with no debt leverage.

\+ **Low-risk and liquid investments.** As at end-September 2018, about 87% of the Fund's investment assets comprised fixed-income securities of highly rated financial institutions and government-linked entities, while deposits made up the rest of the portfolio. Excluding covered bonds, approximately 90% of these assets were rated AA- and above on an international scale with the rest comprising A-rated as at end-September 2018. Its investment strategy remains conservative, with the objective of preserving capital and liquidity. CGIF's liquidity position stayed strong, supported by liquid assets amounting to USD894 million as at end-September 2018 – a comfortable buffer to meet liquidity needs should claims arise.

\- **Portfolio size still below potential.** Although 2018 will be a record year for CGIF in terms of number of transactions, its outstanding portfolio size of USD1.1 billion, is still below potential as at end-December, given its 6.5 years of operations. Up to December 2018, nine guarantee transactions totalling USD302 million were recorded (FY Dec 2017: USD72 million in guarantees issued for three guarantee transactions). That said, CGIF's deal pipeline appears promising, given efforts on product innovations such as project bonds, securitisation and green bonds. Recently introduced bond regulation in Cambodia and Laos may also facilitate CGIF's growth in previously untapped markets.

\- **Concentration risk.** A relatively small portfolio renders CGIF inherently susceptible to concentration risk as well as the economic and business stress of issuers in its portfolio. While

[1] Via Japan Bank for International Cooperation.

its guarantee portfolio is sufficiently diversified by sector, geographically, the Fund has a large exposure to companies in Vietnam (37%) and Thailand (24%). Guarantees extended to companies in Vietnam grew 56% y-o-y to USD417 million as at end-December 2018, almost reaching the Fund's country limit. Mitigating the higher concentration, many of the underlying issuers are leading corporates with sizeable market shares in their respective markets.

Rating Outlook: Stable

- The stable rating outlook reflects our expectation that CGIF's leverage will remain within levels supportive of its current ratings and that its liquidity will stay strong. Backing from its contributors is anticipated to continue to be forthcoming, while the Fund is envisaged to uphold its prudent underwriting and risk management practices in pursuit of business growth.

Rating Triggers

- Upside potential: CGIF's ratings are already the highest on RAM's rating scales.

- Downward pressure: The Fund's ratings would come under pressure should its leverage exceed the 2.0-time limit for its $_{g}$AAA rating. Other negative rating triggers include heightened portfolio credit risk or adverse claims and a reduced propensity on the part of key capital contributors to extend support. The Fund's inability to further expand its portfolio to a meaningful size in the mid-term to support business operations and overheads would also warrant a rating reassessment.

Company Profile

Established in November 2010 under the ABMI, CGIF has a mandate 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 rating standards, to issue local-currency bonds, and regional investors to subscribe to them. At inception, its initial capital contribution of USD700 million was contributed by Japan and the People's Republic of China (28.6% each), ADB (18.6%), the Republic of Korea (14.3%) and 10 ASEAN countries (collectively, a 9.9% share).

In December 2017, CGIF's board approved a USD500 million increase in the Fund's capital to USD1.2 billion, to boost its future guarantee capacity. The capital contribution will, however, be made in stages, with the full USD500 million expected to be received by 2023. All existing contributors have been invited to subscribe to the new shares in proportion to their current shareholding. As the subscription of shares offered are not compulsory, any unsubscribed quota will be reallocated to other contributors. No further capital injections from contributors are anticipated.

As at end-December 2018, a total of USD159.2 million had been received from Japan (USD142.8 million), Singapore (USD9.0 million), the Philippines (USD7.3 million) and Cambodia (USD0.1 million). Meanwhile, the People's Republic of China, the Republic of Korea, Malaysia, Indonesia, Thailand and Laos have submitted their contribution schedule to CGIF, indicating the amount to be subscribed and the timeline for payment. The contribution schedule of the remaining four countries are still pending to be received. Although the capital augmentation exercise may change the Fund's shareholding structure in the interim, the influence of its larger government sponsors is envisaged to remain intact. The final shareholding structure will only be known by May 2019. Key contributors to the Fund's USD859.2 million capital base as at end-November 2018 are Japan (39.9%), the People's Republic of China (23.3%), ADB (15.1%) and the Republic of Korea (11.6%). The remaining 10 ASEAN countries collectively hold a 10.1% share.

As a trust fund of the ADB, CGIF is exempt from national jurisdiction and regulations that govern insurance companies in their respective home countries. ADB holds in trust and manages all CGIF's funds and other properties. CGIF applies ADB's ESG policies, which aim to ensure the environmental soundness and sustainability of projects and to integrate environmental considerations into decision-making processes. The Fund's investing and guarantee decisions require a careful evaluation of environmentally sensitive industries and other social considerations. CGIF's governance standard is viewed as generally strong as it mimics ADB's.

Peer Comparison

Table 1: Peer Comparison

	Credit Guarantee and Investment Facility		Danajamin Nasional Berhad	
Rating	$_{g}$AAA/Stable/$_{g}$P1 $_{sea}$AAA/Stable/$_{sea}$P1 AAA/Stable/P1		AAA/Stable/P1	
FY	Dec 2017	9M 2018	Dec 2016	Dec 2017
Net earned premiums (USD mil)	8.4	6.1	21.7^	19.0^
Pre-tax profit/(loss) (USD mil)	10.8	12.2	29.2^	26.6^
Total assets (USD mil)	778.9	932.6	466.8^	673.9^
Claims ratio (%)	0.0	0.0	0.0	0.0
Management expenses ratio (%)	116.7	133.9	41.3	47.6
Combined ratio (%)	116.7	133.9	41.3	47.6
Investment yield (%)	1.7	2.4*	4.2	3.7
Net insurance contract liabilities / net earned premiums (%)	601.3	608.5	502.2	616.7
Liquid assets / net insurance contract liabilities (times)	19.9	24.8	2.9	3.5
Leverage ratio (times)	0.9	0.9	3.6	3.6

Source: CGIF, Danajamin

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

** Annualised*

Business Risk Profile

- **Developmental role.** CGIF was established to develop and strengthen local-currency and regional bond markets in the ASEAN+3 region and to facilitate an efficient allocation of savings within the region. The Fund is mandated to provide credit enhancement to creditworthy corporates to enable them access to regional bond markets to promote debt securities with longer maturities, and to 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.

- **Improved business traction in fiscal 2018.** CGIF's guarantee business has shown significantly better traction, recording nine guarantee transactions summing up to USD302 million in guarantee amount as at end December 2018. This was an improvement from previous years, when the Fund had recorded an average of 2-3 new issuers per year since its business commenced. CGIF's pipeline of deals for 2019 remains healthy with efforts to work on product innovations such as project bonds, securitisation and green bonds. Bond regulation recently introduced in Cambodia and Laos may also facilitate CGIF's growth in previously untapped markets, although it would materialise over the medium to long term. An additional capital contribution of USD500 million to be fully received by 2023 will increase CGIF's guarantee capacity to approximately USD3 billion.

- **Other initiatives to catalyse bond market development.** To further deepen the regional bond market, CGIF is currently working on new product innovations such as securitisation transactions as well as promoting the use of project bonds in the ASEAN region by educating companies on the benefits and structure of a project finance bond. CGIF is also moving towards self-originated transactions, reducing its reliance on bond arrangers for deal flow. Although the Fund's main market is the ASEAN 6 market, it will slowly shift its focus to help develop local-currency debt markets in Brunei, Cambodia, Laos and Myanmar.

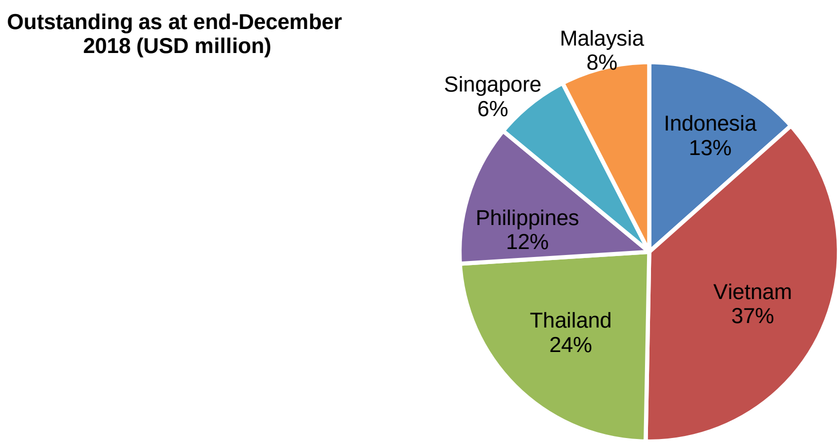
Insured Portfolio

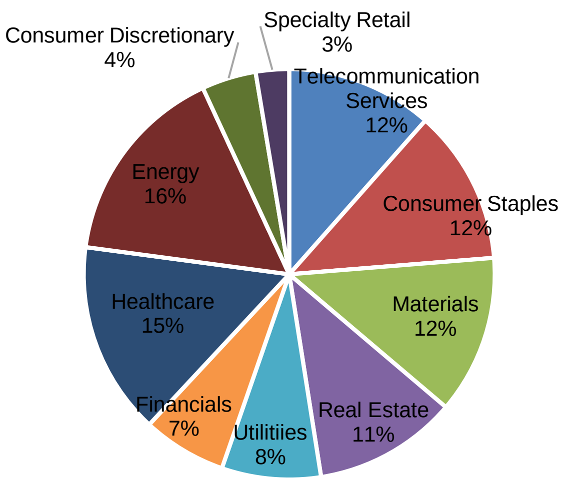
Table 2: CGIF's guarantee portfolio

(US$ mil)	FY Dec 2014	FY Dec 2015	FY Dec 2016	FY Dec 2017	End- Dec 2018
Issued during the period	364.4	137.5	394.5	72.3	302.0
Redemptions during the period	-	-	103.3	127.9	0
Outstanding as at end of period^	**475.2**	**580.1**	**864.7**	**858.2**	**1,126.5**
Number of issuers	**6**	**7**	**11**	**10**	**15**

Figures translated using exchange rates as at end-December for each financial period.
^ Running balances do not add up due to exchange rate differences.
Sources: RAM Ratings, CGIF

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





End-December 2018: USD1.1 billion

Source: CGIF

- **Better portfolio growth.** As at end-December 2018, CGIF's guarantee portfolio had increased to USD1.1 billion (end-December 2017: USD858 million) on a gross basis. In the 2018 year-to-date, the Fund supported five issuers and nine transactions. CGIF's outstanding portfolio comprised a total of 15 issuers spread across 10 sectors as at end-December 2018. By country, Vietnam and Thailand made up 61% of the Fund's outstanding portfolio, followed by Indonesia (13%) and the Philippines (12%).

- **Moderate credit risk.** CGIF uses an internal credit risk model which rates an entity on a scale of 1 to 10, with 1 being the best credit[2]. During the review period, CGIF changed its internal risk rating (IRR) policies to cap an obligor's rating at the sovereign rating of its country of domicile[3]. This had resulted in some downward rating movement in the Fund's portfolio. That said, the Fund's portfolio quality has remained relatively steady, with three companies having been upgraded and three downgraded. The Fund's average IRR was 6.7 as at end-November 2018, close to its end-September 2017 IRR of 6.5. This is equivalent to an international rating of BB-, reflecting its exposure to emerging countries in ASEAN. We note that most of the issuers are market leaders in their respective countries, exhibiting satisfactory financial profiles. To date, the Fund has not faced a claim on any of its guarantees.

- **Concentration risk.** Given its relatively small portfolio, CGIF is inherently susceptible to concentration risk and the economic and business stress of issuers in its portfolio. Although the portfolio is sufficiently diversified by sector, geographically, the Fund has a large exposure to companies in Vietnam (35%) and Thailand (27%). Guarantees issued to companies in Vietnam grew significantly to USD417 million as at end-December 2018 (end-December 2017: USD268 million), almost reaching CGIF's country limit threshold of USD451 million. Mitigating the higher concentration, many of the underlying issuers are leading corporates with sizeable market shares in their respective markets. The Fund's comprehensive risk management practices, which include adhering to various country and sector limits, also moderate this risk to some extent.

[2] Under CGIF's underwriting guidelines, the maximum acceptable risk rating is 7, which is approximately BB- on S&P's international rating scale.
[3] CGIF issuers from countries whose sovereign rating exceeds 7.0 are, however, eligible for CGIF guarantees if their IRR or financial risk score is 7 or better, or if their IRR before the sovereign cap is 7.5 or better.

Financial Performance

- **Underwriting loss in FY Dec 2017.** Despite an increased deal flow, CGIF's net earned premiums declined 13.4% to USD6.2 million in FY Dec 2017 after accounting for the full-year impact of reinsurance. This resulted in an underwriting loss of USD1.0 million in FY Dec 2017 although CGIF may record underwriting profit in FY Dec 2019, with a larger portfolio size. Based on CGIF's average premium rate of 1% and estimated yearly expenses, a minimum portfolio of at least USD1.0 billion is required for an underwriting profit.

- **Earnings anchored by investment income.** Notwithstanding lower net earned premiums, the Fund registered better pre-tax earnings of USD10.8 million in FY Dec 2017 (FY Dec 2016: USD10.1 billion) and USD12.2 million in 9M FY Dec 2018, due mainly to higher investment income. With no guarantee calls since its inception, CGIF has yet to record claims liabilities.

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. Although 2018 saw a record number of new issuers and guarantees, the Fund's leverage ratio remains similar to that of previous year at 0.9 times due to an increased capital base. The leverage ratio is expected to remain well within the 2.0-time limit for its $_{g}$AAA rating.

- **Sturdy capitalisation.** The Fund measures and monitors a risk-based capital adequacy ratio (CAR) that is adjusted for concentration risk. CGIF's CAR stayed robust at 28% as at end-September 2018 – well above the Fund's internal capital threshold of 8.8%. As at end-September 2018, CGIF maintains a capital reserve of USD46 million, funded by 100% of annual net profits since inception. In the event of concurrent defaults by issuers with IRRs of more than 7.5, 25% of CGIF's capital would be depleted. This would be significant although only likely be a worst-case scenario.

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. Deals with transaction amounts of USD50 million or less, with a tenure of up to five years and an issuer IRR of 6.5 or less can be approved by the Fund's management[4].

- **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. Under its existing

[4] To date, only one transaction has been approved by the management (Mobile World Investment Corporation). Meanwhile, all other guaranteed programmes were approved by the Board.

reinsurance agreement, 25% of both principal and interest guaranteed will be ceded to a panel of reinsurers through a treaty arrangement. Risks ceded are limited to principal and interest of USD150 million and USD75 million, respectively, per issuer.

- **Compliant with exposure limits.** CGIF is in adherence with various set limits to monitor the Fund's exposure. Guarantee exposure to any country[5] and currency is capped at 20% and 40% of the Fund's maximum guarantee capacity, which is approximately USD2.2 billion. As at end-November 2018, Vietnam's insured portfolio stood at USD417 million, almost reaching CGIF's country limit of USD451 million. Meanwhile, within each country, the aggregate exposure to any one sector and industry is capped at 40% and 20% while single-obligor or group exposure is capped at 20% of CGIF's paid-in capital.

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 2018, about 87% of its investment 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 approximately 90% of assets rated AA- and above on an international scale excluding covered bonds. This was lower than the previous year's level of 96% due to a change in investment guidelines which reduced the minimum credit rating criteria to A+ for financial instruments with a maturity period of one year or longer, if they are issued by government-related entities of CGIF contributor countries. As a result, the Fund's investment yield improved to 2.4% (annualised) as at end-September 2018 (end-December 2017: 1.7%).

- **Strong liquidity.** CGIF's liquidity position stayed strong, supported by liquid assets amounting to USD894 million as at end-September 2018 – 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 2018, these tests indicated sufficient liquidity in the event of concurrent defaults by three of the Fund's largest issuers.

[5] Refers to an issuer's country of origin.

Corporate Information

Date of Incorporation	12 November 2010	
Commencement of Business	1 May 2012	
Capital Contributors (as at end-November 2018)	Japan Bank for International Cooperation	39.9%
	People's Republic of China	23.3%
	Asian Development Bank	15.1%
	Republic of Korea	11.6%
	ASEAN countries	10.1%
Directors	Mr Yuchuan Feng (People's Republic of China) (Chairperson)	
	Ms Li Hongxia (People's Republic of China)	
	Mr Kenichi ASO (Japan)	
	Mr Mitsutoshi Kajikawa (Japan)	
	Mr Sun-joon Jun (Republic of Korea)	
	Mdm Azah Hanim Ahmad (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-14	31-Dec-15	31-Dec-16	31-Dec-17	30-Sep-18 *unaudited*
Property, Plant & Equipment	0.20	0.21	0.20	0.20	0.18
Investment Properties	0.00	0.00	0.00	0.00	0.00
Goodwill & Intangibles	0.30	0.34	0.50	0.30	0.19
Investments in Subsidiaries/Associates/Jointly-Controlled Entities	0.00	0.00	0.00	0.00	0.00
Financial Investments	681.34	714.90	721.34	702.17	829.04
Loans & Receivables	35.66	6.80	7.71	34.58	63.14
Reinsurance Assets	0.00	0.00	0.00	0.00	0.00
Insurance Receivables	20.73	25.53	38.57	34.42	32.69
Other Assets	0.34	0.60	1.48	0.62	0.75
Cash & Cash Equivalents	1.91	3.18	2.21	6.60	6.64
Total Assets	**740.49**	**751.57**	**772.00**	**778.90**	**932.63**
Insurance Contract Liabilities	22.50	27.84	41.80	37.28	36.00
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	1.49	1.17	2.68	2.61	1.47
Total Liabilities	**23.99**	**29.01**	**44.48**	**39.89**	**37.47**
Equity Share Capital	700.00	700.00	700.00	703.00	859.20
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	(0.41)	(2.13)	(7.25)	(9.39)	(21.63)
Fair Value Through Other Comprehensive Income Reserve	0.00	0.00	0.00	0.00	0.00
Other Reserves	13.36	16.91	24.69	34.77	45.62
Retained Profits/(Accumulated Losses)	3.55	7.78	10.08	10.64	11.97
Non-Controlling Interests	0.00	0.00	0.00	0.00	0.00
Total Equity	**716.50**	**722.56**	**727.52**	**739.02**	**895.16**
Total Liabilities + Total Equity	**740.49**	**751.57**	**772.00**	**778.90**	**932.63**

Financials

					unaudited
STATEMENT OF COMPREHENSIVE INCOME (USD million)	**31-Dec-14**	**31-Dec-15**	**31-Dec-16**	**31-Dec-17**	**30-Sep-18**
Gross Premiums	1.35	4.78	8.04	9.12	6.90
Premiums Ceded to Reinsurers	0.00	0.00	(0.54)	(2.20)	(1.70)
Net Premiums	**1.35**	**4.78**	**7.50**	**6.92**	**5.21**
Change in Premium Liabilities	0.00	0.00	0.00	0.00	0.00
Net Earned Premiums	**1.35**	**4.78**	**7.50**	**6.92**	**5.21**
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	(5.84)	(5.86)	(7.08)	(7.24)	(5.94)
Underwriting Profit/(Loss)	**(4.50)**	**(1.08)**	**0.42**	**(0.32)**	**(0.73)**
Investment Income	8.29	9.15	10.09	11.81	13.54
Realised Gains/(Losses) on Financial Investments	0.49	0.22	0.51	0.03	0.00
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)	(0.73)	(0.51)	(0.93)	(0.67)	(0.63)
Operating Profit/(Loss) before Tax	**3.55**	**7.78**	**10.08**	**10.84**	**12.18**
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)	**3.55**	**7.78**	**10.08**	**10.84**	**12.18**
Taxation	0.00	0.00	0.00	0.00	0.00
Net Profit/(Loss)	**3.55**	**7.78**	**10.08**	**10.84**	**12.18**
Other Comprehensive Income	(2.28)	(1.72)	(5.12)	(2.14)	(12.23)
Total Comprehensive Income/(Loss)	**1.27**	**6.06**	**4.96**	**8.70**	**(0.05)**
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

Note : Gross premiums is inclusive of guarantee fees and a portion of interest income related to adjustments for the discounted value of guarantee liabilities.

Financials

KEY RATIOS	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	*unaudited* 30-Sep-18	
PROFITABILITY (%):						
Gross Underwriting Margin	100.00%	100.00%	100.00%	100.00%	100.00%	
Net Underwriting Margin	(334.42%)	(22.48%)	5.59%	(4.58%)	(14.03%)	
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	434.42%	122.48%	94.41%	104.58%	114.03%	
Combined Ratio	434.42%	122.48%	94.41%	104.58%	114.03%	
Operating Ratio	(217.92%)	(73.36%)	(46.95%)	(66.45%)	(145.88%)	
Pre-Tax Profit Margin	263.79%	162.71%	134.52%	156.73%	233.81%	
CAPITALISATION AND LEVERAGE (TIMES):						
Net Premiums Written / Equity	0.00	0.01	0.01	0.01	0.01	*
Net Leverage	0.04	0.05	0.07	0.06	0.05	
Financial Leverage Ratio (%)	0.00%	0.00%	0.00%	0.00%	0.00%	
Capital Adequacy Ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	
Fixed Charge/Interest Coverage	n.a.	n.a.	n.a.	n.a.	n.a.	
Solvency Margin (RM million)	716.50	722.56	727.52	739.02	895.16	
INVESTMENT RISK PROFILE (%):						
Investment Yield	2.45%	1.30%	1.46%	1.61%	2.22%	*
Deposits / Total Invested Assets	4.97%	0.94%	1.06%	4.69%	7.08%	
Debt Securities / Total Invested Assets	94.46%	98.58%	98.49%	94.85%	92.36%	
Equity Securities / Total Invested Assets	0.00%	0.00%	0.00%	0.00%	0.00%	
LIQUIDITY (TIMES):						
Cash & Cash Equivalents / Net Insurance Contract Liabilities	0.08	0.11	0.05	0.18	0.18	
Liquid Assets / Net Insurance Contract Liabilities	20.58	16.87	16.22	19.85	24.83	
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	1,672.79%	582.20%	557.76%	538.76%	518.30%	*
OTHERS (%):						
Retention Ratio	100.00%	100.00%	93.28%	75.89%	75.45%	

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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