

CREDIT RATING RATIONALE

RAM
RATINGS

INSURER FINANCIAL STRENGTH RATINGS



Credit Guarantee and Investment Facility

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

CREDIT RATING RATIONALE INSURER FINANCIAL STRENGTH RATINGS

December 2016

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	_gAAA/Stable/_gP1	[Reaffirmed]

Last Rating Action

22 November 2015

Analysts

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Related Criteria, Methodologies and Publications

- i. Rating 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) insurer financial strength ratings is premised on the Fund's conservative leverage and solid capitalisation as well as strong liquidity. The ratings also factor in CGIF's government sponsorship and our expectation that support from its ASEAN+3 capital contributors and the Asian Development Bank (ADB) would be forthcoming if needed.

Rating Drivers

- + **Government sponsorship.** 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. Given its mandate and as the only government-sponsored financial guarantee insurer (FGI) in the Asian region, we view the likelihood of extraordinary support from the Fund's key capital contributors (the People's Republic of China, Japan and the Republic of Korea) and ADB (that also acts as the Fund's trustee) as "moderately high", in the event that support is required.
- + **Conservative leverage.** As at end-November 2016, CGIF's leverage ratio¹ increased marginally to 0.9 times despite the growth of its portfolio this year as reinsurance effectively reduced its outstanding exposure by 25%. Current deals in the pipeline may propel CGIF's leverage to 1.4 times by end-December 2017, beyond which significant portfolio growth would require capital augmentation to keep leverage within the 2.0-time limit for its μ AAA rating. The Fund's capital base is fully funded by equity, with no debt leverage.
- + **Low-risk and liquid investments.** CGIF maintains a conservative investment strategy with the objective of preserving capital and liquidity. As at end-September 2016, about 96% 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 96.6% rated at least AA on an international scale. CGIF's liquidity position continued to be strong, supported by highly liquid investments amounting to US\$730.8 million as at end-September 2016 – a level which is more than sufficient to meet its contractual liabilities and any liquidity needs should claims arise.
- **Concentration risk.** As a small and monoline FGI, CGIF is inherently exposed to a relatively higher degree of concentration risk, as well as to the economic and business stress of issuers in its portfolio. Despite the Fund's exposure to lower-rated countries, we note that many of the underlying issuers are leading corporates with sizeable market shares in their respective markets. We also take comfort in the Fund's risk management practices which include prudential limits to monitor sector, industry and country concentration.
- **Slow business traction.** CGIF's guarantee business has been slow to gain traction – with an average of 3 new issuers per year since its business commenced, although issuance has noticeably picked up in 2016. This is due to limited market awareness of the Fund's guarantee facility, as well as the constraints of its capital and internal prudential limits. Full leverage of its

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

initial paid-in capital is expected to be reached in 2017 – some five years after the commencement of the Fund's business.

Rating Outlook: Stable

- The stable rating outlook reflects our expectation that CGIF will maintain its sturdy balance sheet as it pursues new business growth while upholding prudent underwriting and risk management practices.
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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 μ AAA rating without any planned capital augmentation. Other negative rating triggers include any adverse claims development or a change in the likelihood of extraordinary support from key capital contributors. The Fund's inability to further expand its portfolio to a meaningful size to support business operations and overheads would be another rating concern.
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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 in ASEAN+3 countries to issue local-currency bonds, and regional investors to subscribe to them. The Fund's US\$700 million capital base is jointly contributed by Japan² and the People's Republic of China (28.6% each), ADB (18.6%), the Republic of Korea (14.3%) and 10 ASEAN countries (collectively, 9.9%).

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.

² via Japan Bank for International Cooperation.

Peer Comparison

Table 1: Peer Comparison

Ratings	Credit Guarantee and Investment Facility		Danajamin Nasional Berhad [^]	
	AAA/Stable/P1		AAA/Stable/P1	
	Dec 2014	Dec 2015	Dec 2014	Dec 2015
FY				
Net earned premiums (USD mil)	1.3	4.7	27.3	22.1
Pre-tax profit/(loss) (USD mil)	3.6	7.8	34.5	30.6
Total assets (USD mil)	740.5	751.6	555.0	491.2
Claims ratio (%)	0%	0%	0%	0%
Management expenses ratio (%)	442.0%	125.6%	32.5%	36.8%
Combined ratio (%)	442.0%	125.6%	32.5%	36.8%
Investment yield (av.) (%)	1.2%	1.3%	3.6%	3.9%
Net insurance contract liabilities / net earned premiums (%)	1,701.9%	596.9%	503.2%	591.0%
Liquid assets / net insurance contract liabilities (times)	20.6	16.9	2.7	2.4
Leverage ratio (times)	0.7	0.8	4.3	3.8

Sources: CGIF, Danajamin Nasional Berhad

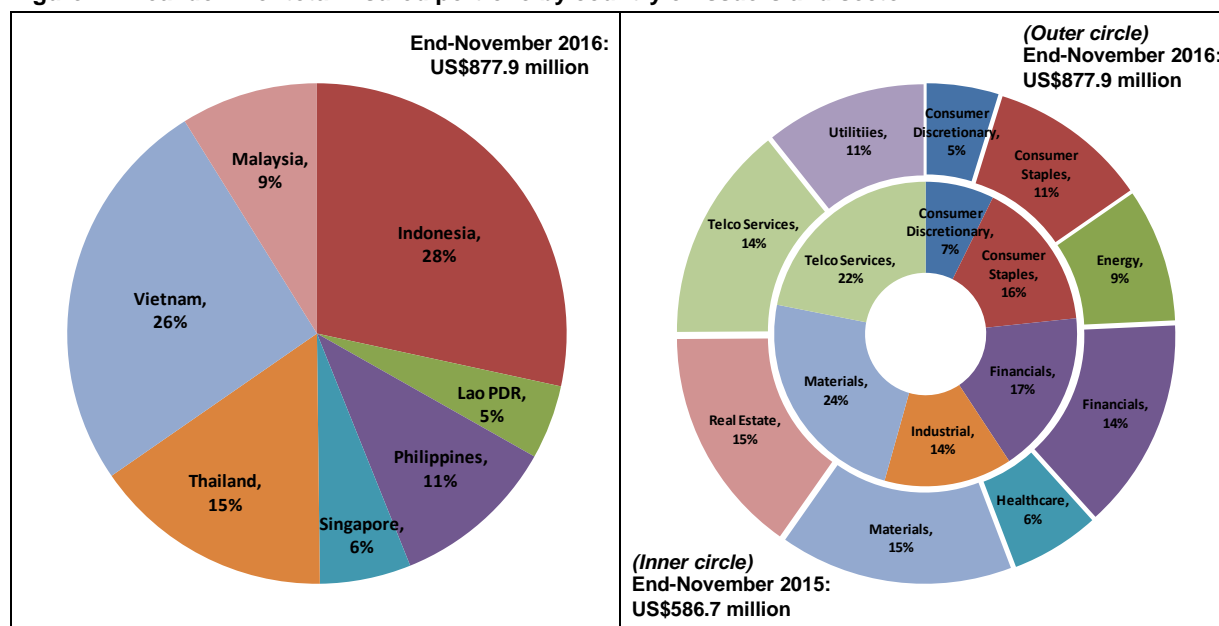
[^] Figures translated from reporting currency using exchange rates for the respective financial periods, to facilitate a comparison.

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 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, 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 an average of 3 new issuers per year since its business commenced. This may be due to limited market awareness of the Fund's guarantee facility and mechanism, as well as the constraints imposed by its capital and internal prudential limits. Since the commencement of its business in 2012, CGIF has guaranteed 12 issuers from 8 countries in the ASEAN, including Vietnam and the Lao People's Democratic Republic (Lao PDR).
- 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. The Fund's longer-term objective is also to develop local-currency debt markets in BCLM countries, namely Brunei, Cambodia, Lao PDR and Myanmar. Meanwhile, CGIF recently collaborated with Danajamin Nasional Berhad – Malaysia's sole FGI – and ADB in providing guarantees to issuers from Malaysia and the Philippines, respectively.

Insured portfolio

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



Source: CGIF

- Five new guarantees in 2016.** As at end-November 2016, CGIF's guarantee portfolio stood at US\$877.9 million (+49.6% y-o-y) while its net outstanding portfolio (less reinsurance) stood at US\$658.4 million. In the first 11 months of 2016, the Fund extended guarantees to 5 new issuers while 1 issuer fully redeemed its bond programme. This brought its portfolio to a total of 11 issuers as at end-November 2016, which further increased its portfolio diversity in terms of country, currency and sector. CGIF's portfolio is fairly diversified across 9 sectors led by the financial services sector, with issuers from Indonesia and Vietnam making up 52% of its insured portfolio by outstanding guarantee value. Constrained by its guarantee capacity as well as internal prudential limits, the Fund has continued to prioritise landmark deals which include facilitating cross-border transactions and first-time issuers, among others. Deals currently under due diligence may further enlarge its portfolio to about US\$1.5 billion by end-December 2017, after taking into account upcoming maturities.
- Moderate credit risk.** The Fund's average internal risk rating (IRR) was 6.4³ as at end-November 2016, approximately equivalent to an international rating of BB (end-November 2015: 6.0/BB+). 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 market leaders in their respective industries and/or countries with relatively satisfactory financial profiles. To date, the Fund has not had a claim on any of its guarantees.
- Concentration risk.** Given its small portfolio size and monoline focus, CGIF is inherently exposed to a higher degree of concentration risk and to the economic and business stress of issuers in its portfolio. The Fund's prudent risk management practices, which include various country and sector limits, moderate this risk to some extent.

³ CGIF's credit risk assessment includes the use of an internal credit risk model which rates an entity on a 1 to 10 scale, with 1 being the best credit. The maximum acceptable risk rating is 7, which is approximately BB- on S&P's international rating scale.

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. As at end-November 2016, the Fund's leverage ratio stayed well within the limit for its ratings at 0.9 times – marginally higher than 0.8 times as at end-December 2015⁴. Deals in the pipeline may propel CGIF's leverage to 1.4 times by end-December 2017, after which further portfolio growth would necessitate capital augmentation to keep the Fund's leverage within the 2.0-time limit for its μ AAA rating. CGIF's management has proposed a capital increase of US\$700 million to its contributors but a decision has been deferred to 2017. In the meantime, management has undertaken a 25% quota-share reinsurance to manage its underwriting capacity.
- **Sturdy capitalisation.** The Fund measures and monitors a risk-based capital adequacy ratio (CAR) that is adjusted for concentration risk. As at end-June 2016, CGIF's CAR stood at 17.5%, which is above the Fund's internal floor limit of 8.8%. CGIF also maintains a capital reserve, which stood at US\$24.7 million as at end-June 2016 – funded by 100% of annual net profit since inception. Although not likely, concurrent defaults by 3 of the lowest-rated issuers in its portfolio are estimated to deplete less than 40% of CGIF's capital.

Risk Management

- **Prudent underwriting standards.** CGIF's risk management framework entails a well-defined risk-governance structure with a prudent underwriting process. The Fund's underwriting process involves 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. The Fund also obtains a bilateral risk rating from an independent third party⁵ if the potential issuer does not have an existing rating. Operational measures to monitor credit risks and market risks are in place.
- **Compliant with prudential limits.** CGIF is in adherence with its internal prudential limits. Guarantee exposure to any country⁶ and currency is capped at 20% and 40% of the Fund's maximum guarantee capacity (MGC) respectively, where MGC 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 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.
- **Reinsurance with highly rated reinsurers.** CGIF's internal policy permits the use of reinsurance, counter-guarantees, 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 gross premiums from its

⁴ Although CGIF's portfolio has grown, the leverage does not show an increase as the Fund's reinsurance programme effectively reduces its net exposure by 25%. Leverage is defined as the notional value of total sum insured (less ceded amount and loss reserves) over available capital – outlined in *Leverage Guidelines for Financial Guarantee Insurance Companies* (published in January 2014).

⁵ S&P Global Market Intelligence.

⁶ Refers to an issuer's country of origin.

portfolio. Management expects to continue the use of reinsurance to manage the Fund's business capacity.

Financial Performance

- **Higher premiums in 2016.** CGIF's pre-tax earnings rose 7.9% y-o-y to US\$4.5 million in 1H FY Dec 2016, supported by higher gross premiums of US\$3.5 million (1H FY Dec 2015: US\$2.2 million). Investment income continued to account for the larger part of revenue although premiums contributed a higher 43.2% in the same period, up from 30.1% in the previous corresponding period. Based on CGIF's average premium rate of 1.0% and projected expenses for FY Dec 2017, we estimate that the Fund would need a guarantee portfolio of at least US\$1.3 billion to operationally break even.
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Investment Assets & Liquidity Profile

- **Conservative investment strategy.** As at end-September 2016, about 96% 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 96.6% rated at least AA on an international scale. Its investment yield averaged 1.2%, which is commensurate with its low-risk investment strategy.
 - **Strong liquidity.** CGIF's liquidity position continued to be strong, supported by highly liquid invested assets amounting to US\$730.8 million as at end-September 2016 – a level which is more than sufficient to meet its contractual liabilities. To monitor and manage liquidity, CGIF performs quarterly stress tests on its portfolio. As at end-June 2016, these tests indicated sufficient liquidity in the event of concurrent defaults by its 2 largest issuers.
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Corporate Information

Date of Incorporation	12 November 2010	
Commencement of Business	1 May 2012	
Capital Contributors	People's Republic of China	28.6%
	Japan Bank for International Cooperation	28.6%
	Republic of Korea	14.3%
	ASEAN countries	9.9%
	Asian Development Bank	18.6%
Directors	Mr Jian Li (People's Republic of China) (Chairperson) Ms Li Hongxia (People's Republic of China) Mr Fumihiko Yamada (Japan) Mr Toshiaki Kitajima (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 TongSop Song	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

	<i>unaudited</i>				
STATEMENT OF FINANCIAL POSITION (USD million)	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	30-Jun-16
Property, Plant & Equipment	0.45	0.56	0.20	0.21	0.20
Investment Properties	0.00	0.00	0.00	0.00	0.00
Goodwill & Intangibles	0.00	0.21	0.30	0.34	0.61
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 ¹	623.98	704.60	681.34	714.90	709.52
Financial Investments Held-To-Maturity	0.00	0.00	0.00	0.00	0.00
Loans & Receivables ²	88.01	8.00	35.66	6.80	27.63
Reinsurance Assets	0.00	0.00	0.00	0.00	0.00
Insurance Receivables	0.00	1.18	20.73	25.53	36.79
Other Assets	0.54	0.37	0.34	0.60	0.52
Cash & Cash Equivalents	1.71	3.05	1.91	3.18	1.38
Total Assets	714.70	717.97	740.49	751.57	776.65
Insurance Contract Liabilities	0.00	1.77	22.50	27.84	39.18
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	0.84	0.98	1.49	1.17	1.33
Total Liabilities	0.84	2.74	23.99	29.01	40.52
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 ³	3.22	1.87	(0.41)	(2.13)	6.93
Other Reserves	6.53	10.64	13.36	16.91	24.69
Retained Profits/(Accumulated Losses)	4.11	2.72	3.55	7.78	4.52
Non-Controlling Interests	0.00	0.00	0.00	0.00	0.00
Total Equity	713.86	715.23	716.50	722.56	736.13
Total Liabilities + Total Equity	714.70	717.97	740.49	751.57	776.65

¹ Include accrued interest income of US\$2.89 million, US\$3.23 million, US\$4.09 million, US\$3.43 million and US\$2.43 million as at 31 Dec 2012, 31 Dec 2013, 31 Dec 2014, 31 Dec 2015, and 30 Jun 2016 respectively.

² Comprises time deposits.

³ Mark-to-market gains of investments classified as available-for-sale.

Financials

	<i>unaudited</i>				
STATEMENT OF COMPREHENSIVE INCOME (USD million)	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	30-Jun-16
Gross Premiums	0.00	0.42	1.32	4.66	3.54
Premiums Ceded to Reinsurers	0.00	0.00	0.00	0.00	0.00
Net Premiums	0.00	0.42	1.32	4.66	3.54
Change in Premium Liabilities	0.00	0.00	0.00	0.00	0.00
Net Earned Premiums	0.00	0.42	1.32	4.66	3.54
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	(3.21)	(4.70)	(5.84)	(5.86)	(3.41)
Underwriting Profit/(Loss)	(3.21)	(4.28)	(4.52)	(1.19)	0.13
Investment Income	8.01	7.65	8.31	9.27	4.98
Realised Gains/(Losses) on Financial Investments	0.00	0.00	0.49	0.22	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)	(0.69)	(0.65)	(0.73)	(0.51)	(0.60)
Operating Profit/(Loss) before Tax	4.11	2.72	3.55	7.78	4.52
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)	4.11	2.72	3.55	7.78	4.52
Taxation	0.00	0.00	0.00	0.00	0.00
Net Profit/(Loss)	4.11	2.72	3.55	7.78	4.52
Other Comprehensive Income	4.27	(1.35)	(2.28)	(1.72)	9.06
Total Comprehensive Income/(Loss)	8.38	1.37	1.27	6.06	13.58
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

	<i>unaudited</i>				
KEY RATIOS	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	30-Jun-16
PROFITABILITY (%):					
Gross Underwriting Margin	n.a.	100.00%	100.00%	100.00%	100.00%
Net Underwriting Margin	n.a.	(1,021.72%)	(341.98%)	(25.58%)	3.73%
Claims Ratio	n.a.	0.00%	0.00%	0.00%	0.00%
Commissions Ratio	n.a.	0.00%	0.00%	0.00%	0.00%
Management Expenses Ratio	n.a.	1,121.72%	441.98%	125.58%	96.27%
Combined Ratio	n.a.	1,121.72%	441.98%	125.58%	96.27%
Operating Ratio	n.a.	(703.58%)	(223.45%)	(77.83%)	(44.44%)
Pre-Tax Profit Margin	n.a.	648.69%	268.38%	166.83%	127.57%
CAPITALISATION AND LEVERAGE (TIMES):					
Net Premiums Written / Equity	0.00	0.00	0.00	0.01	0.01 *
Net Leverage	0.00	0.00	0.04	0.05	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	1.15%	1.07%	1.23%	1.32%	1.37% *
Deposits / Total Invested Assets	12.36%	1.12%	4.97%	0.94%	3.75%
Debt Securities / Total Invested Assets	87.23%	98.42%	94.46%	98.58%	95.92%
Equity Securities / Total Invested Assets	0.00%	0.00%	0.00%	0.00%	0.00%
LIQUIDITY (TIMES):					
Cash & Cash Equivalents / Net Insurance Contract Liabilities	n.a.	1.73	0.08	0.11	0.04
Liquid Assets / Net Insurance Contract Liabilities	n.a.	195.23	20.58	16.87	15.85
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	n.a.	421.24%	1,701.89%	596.93%	553.40% *
OTHERS (%):					
Retention Ratio	n.a.	100.00%	100.00%	100.00%	100.00%

Notes:

* annualised

n.a. = not available / not applicable

Financials

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

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