CREDIT RATING RATIONALE

INSURER FINANCIAL STRENGTH RATINGS

Credit Guarantee and Investment Facility

- Global Insurer Financial Strength Ratings
- ASEAN Insurer Financial Strength Ratings
- Insurer Financial Strength Ratings

January 2021

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Credit Guarantee and Investment Facility

Rating Review

Entity Rating(s)

Insurer Financial Strength Ratings:

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

Last Rating Action
30 January 2020

Analysts
Hafiz Abdul Aziz
03 33852534
hafiz@ram.com.my

Tan Shu Xuan
03 33852497
shuxuan@ram.com.my

Related Criteria, Methodologies and Publications

i. Methodology for Insurance & Takaful Companies (Update), September 2016
ii. Leverage Guidelines for Financial Guarantee Insurance Companies, January 2014

Rating Action Basis

- The reaffirmation of Credit Guarantee and Investment Facility's (CGIF or the Fund) ratings reflects the Fund's conservative leverage, which is expected to be at 1.1 times as at end-December 2020, well below our threshold of 2.0 times for its ratings. The ratings are also premised on the Fund's strong liquidity profile and prudent investment appetite. To date, the Fund has not seen a claim on any of its guarantees. While the COVID-19 pandemic will put pressure on CGIF's guaranteed portfolio, the impact is likely to be manageable given its vigilant monitoring process.

- In addition, we have considered the Fund's policy mandate to develop bond markets in the ASEAN region and the sponsorship and continued support of its contributors – the governments of China, Japan, Korea and the 10 ASEAN countries (collectively, ASEAN+3) as well as the Asian Development Bank (ADB). CGIF is accorded the same supranational status as ADB[1], as a trust fund of the latter. Operationally, CGIF continues to receive strong support from 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 and, in the process, aspires to boost cross-border transactions and facilitate greater intra-regional capital flows. The Fund's capital contributors have demonstrated support for its cause, as evidenced by a recently planned USD500 mil capital increase. To date, CGIF has received commitments for the subscription of USD449 mil of additional capital contributions, which will be made in stages up to end-2023[2].

\+ **Low-risk and liquid investments.** CGIF maintains a conservative investment strategy with the objective of preserving capital and liquidity. As at end-June 2020, 91% of its invested assets comprised fixed-income securities issued by financial institutions and government-linked entities rated A+ or higher on the international scale. Deposits made up the rest. The Fund's investment portfolio is spread across Europe, Asia Pacific and North America. CGIF's liquidity position remains strong, backed by USD1.2 bil of highly liquid assets as at end-June 2020 – a comfortable buffer to meet liquidity needs should claims arise.

\+ **Conservative leverage.** In the year to date, CGIF guaranteed four new deals, which led to a slightly larger guarantee portfolio of USD1.8 bil (end-December 2019: USD1.6 bil). Accordingly, CGIF's leverage ratio climbed to 1.1 times as at end-September 2020 (end-December 2019: 1.0 times). We expect its leverage to remain comfortable at 1.1 times as at end-December 2020, considering new issuance in 4Q 2020 and additional capital contributions in FY Dec 2020. Notably, the Fund's capital base remains fully funded by equity, with no debt leverage.

\- **Inherent concentration.** CGIF's small portfolio renders it inherently susceptible to concentration

[1] This is incorporated in the Articles of Agreement which states that "the privileges, immunities and exemptions accorded to ADB pursuant to the Agreement Establishing the Asian Development Bank shall apply to (i) the trustee, and (ii) the property, assets, archives, income, operations and transactions of CGIF.

[2] USD405 mil received to date.

risk. While sufficiently diversified by sector, geographically the Fund has a large exposure to companies in Vietnam (38%) and Thailand (22%) as at end-September 2020. However, many of the underlying issuers are leading corporates with a sizeable presence in their respective markets and are local investment grade issuers. This mitigates the risk to some extent. Going forward, the Fund will shift its focus to countries such as Indonesia and the Philippines as well as those with underdeveloped bond markets like Brunei, Cambodia, Laos and Myanmar – albeit subject to the needs of issuers in these markets. We expect the Fund's comprehensive underwriting and risk management practices to be upheld as it pursues new business growth in developing debt markets.

Rating Outlook: Stable

- The stable rating outlook reflects our expectation that CGIF's leverage and liquidity will stay commensurate with its ratings and that support from capital contributors will remain forthcoming. The impact of the pandemic is envisaged to remain manageable owing to the Fund's active portfolio monitoring process.

Rating Triggers

- Upside potential: None, as CGIF's ratings are already the highest on RAM's rating scales.

- Downward pressure: The ratings would come under pressure should the Fund's leverage exceed the 2.0-time limit. Other negative rating triggers include heightened portfolio credit risk or adverse claims. The Fund's inability to further expand its portfolio to a meaningful size could also be a concern in view of the importance of its role and mandate.

Insurer Profile

CGIF is a trust fund of the ADB, established in November 2010 under the ABMI. The Fund's mandate is to facilitate the development of local-currency bond markets in the ASEAN+3 region. As a trust fund of the ADB, CGIF is exempt from national jurisdiction rules 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 accordance with the Articles of Agreement.

The Fund's initial capital of USD700 mil at inception was contributed by Japan and the People's Republic of China (28.6% each), ADB (18.6%), the Republic of Korea (14.3%) and the 10 ASEAN countries (collectively, a 9.9% share). In December 2017, CGIF's board approved a USD500 mil increase in the Fund's capital to USD1.2 billion, to boost its future guarantee capacity. To date, CGIF has received commitments for the subscription of USD449 mil[3] of additional capital contributions, USD405 mil of which has been paid. The remaining contributions will be made in stages up to end-2023[4]. Based on capital contributions received as at end-September, China and Japan will stay CGIF's

[3] As at end-September 2020, USD402 mil had been contributed by Japan and China (USD142.8 mil each), Singapore and the Philippines (USD9.0 mil each), Cambodia and Laos (USD0.1 mil each), Vietnam (USD0.8 mil), Korea (USD47.6 mil) and ADB (USD50 mil). Brunei and Myanmar will not take up their allotted shares.
[4] Indonesia (USD6 mil), Thailand (USD9 mil) and Malaysia (USD5 mil) have submitted contribution schedules to CGIF, including amounts subscribed for. All payments are expected to be completed by end-2023.

key capital contributors (each 31.1%), followed by ADB (16.3%).

ESG Risk Assessment

- **Strong commitment to sustainability.** CGIF's Environmental, Social and Governance (ESG) initiatives are aligned with ADB's policies. The Fund has formalised the adoption of ADB's safeguard policies in its institutional risk framework. CGIF's investment and guarantee decisions require a careful evaluation of deals involving environmentally sensitive industries and other social considerations. We did not observe any material ESG risk during the review.

Peer Comparison

Table 1: Peer Comparison

	CGIF		Danajamin Nasional Berhad	
Ratings	AAA/Stable/P1 ${}_{sea}$AAA/Stable/${}_{sea}$P1 ${}_{g}$AAA/Stable/${}_{g}$P1		AAA/Stable/P1	
FY	Dec 2018	Dec 2019	Dec 2018	Dec 2019
Net earned premiums (USD mil)	7.3	10.0	20.3^	10.2^
Pre-tax profit/(loss) (USD mil)	16.9	23.2	29.16^	3.1^
Total assets (USD mil)	957.8	1,255.1	681.4^	682.7^
Claims ratio (%)	0	0	0	190.0
Management expenses ratio (%)	112.1	108.5	52.6	102.4
Combined ratio (%)	102.5	87.4	52.6	292.4
Investment yield (%)	2.3	2.4	4.2	4.6
Leverage ratio (times)	0.9	1.1	2.8	2.4

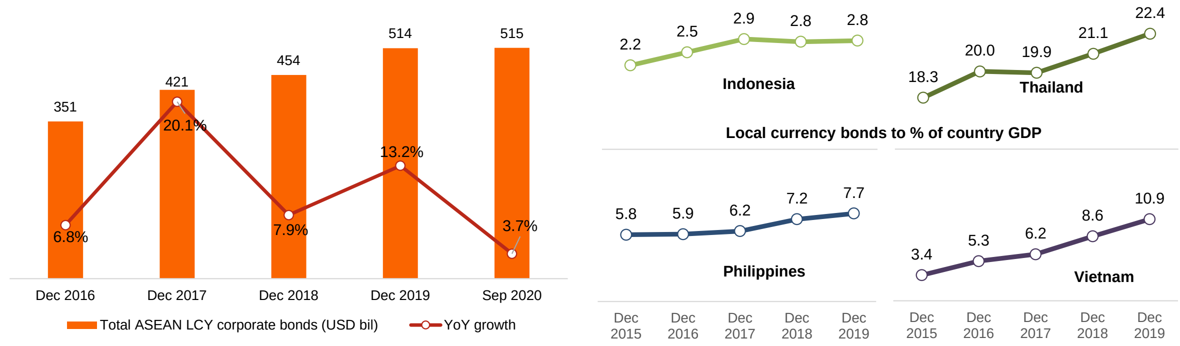
Source: CGIF, Danajamin

^ 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 and 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 financial guarantee institution in Asia, CGIF prioritises transactions that have a developmental impact.

Figure 1: (LHS) Corporate bond market across ASEAN expected to see continued growth; (RHS) Strong growth potential for Indonesian and Philippine bond markets



Source: AsianBondsOnline
LCY = local currency
LHS chart: Total ASEAN LCY corporate bonds is the sum of all such bonds outstanding in Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam, reflected in USD.

Table 3: Portfolio growth picked up momentum before COVID-19 outbreak

(US$ mil)	FY Dec 2016	FY Dec 2017	FY Dec 2018	FY Dec 2019	FY Dec 2020
Issued during the period	394.5	72.3	302.4	492.0	311.4
Redemptions during the period	103.3	127.9	-	20.6	-
Outstanding at the end of the period^	864.7	858.2	1,131.0	1,642.9	1,914.0
Number of issuers	**11**	**10**	**15**	**20**	**25**

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

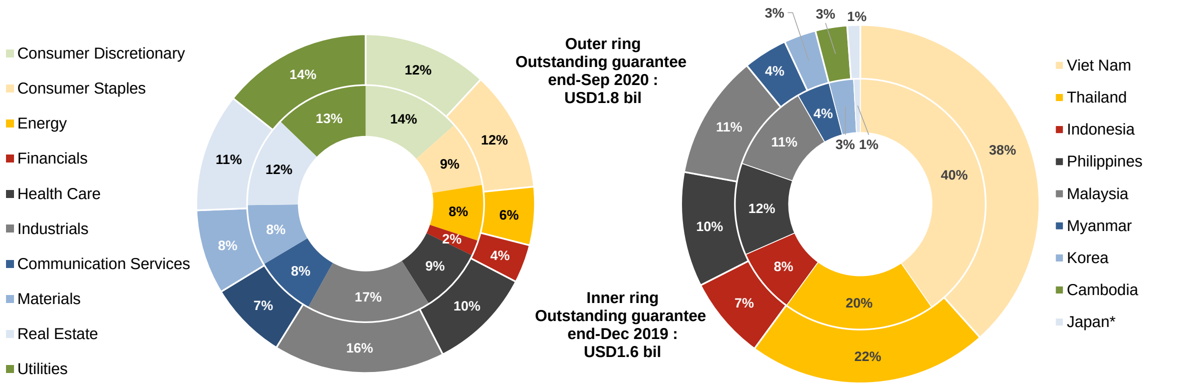
- **Shifting focus to diversify portfolio.** In FY Dec 2019, CGIF issued seven new guarantee issuances amounting to USD491 mil (FY Dec 2018: +USD302 mil). This was reflective of the healthy growth in bond markets in which CGIF operates – local-currency corporate bond issuance grew 13% to USD514 bil in fiscal 2019 (fiscal 2018: +8%; USD454 bil). As bond guarantees from Vietnamese corporates are nearing the Fund's internal country limit[5], diversification efforts are underway. Going forward, the Fund intends to prioritise issuances with a greater developmental impact or markets that are under-penetrated such as Indonesia, the Philippines, Brunei, Cambodia, Laos and Myanmar. In FY Dec 2020, the Fund guaranteed five new issuances[6] with a combined value of USD311 mil.

[5] Country limit is set at 20% of maximum guarantee capital (MGC), net of reinsurance. MGC = (total paid-in capital + retained earnings - credit loss reserves - foreign exchange loss reserves - all illiquid investments) x 2.5 times. The maximum leverage ratio of 2.5 times is the threshold agreed in the Articles of Agreement for the Fund's guarantee operations. MGC stood at USD2.98 bil as at end-September 2020.
[6] Issuers from the following segments: food products (USD63 mil), independent power producer (USD47 mil), specialty retail (USD20 mil) and consumer finance (USD31 mil). In December 2020, the Fund guaranteed a new issuance amounted to JPY15.4 bil (approximately USD150 mil).

- **Pandemic may slow down growth momentum.** CGIF's portfolio expansion in fiscal 2019 and fiscal 2020 was partly attributable to initiatives such as the ASEAN+3 Multi-currency Bond Issuance Framework[7] and participation in ADB's investment in green bonds for renewable energy in Cambodia. That said, the Fund's growth momentum moderated in 2020 amid the pandemic as it tightened credit evaluation and adopted stricter assessments for guarantee applications. In addition, issuances from approved guarantees may be delayed, subject to the market conditions of the respective countries.

Insured Portfolio

Figure 2: Fairly diversified sectoral exposure, large exposure to Vietnam and Thailand

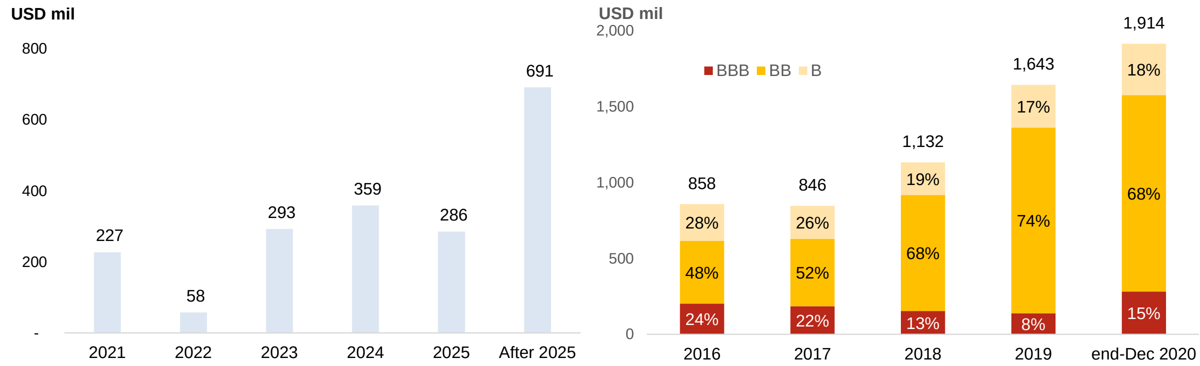


Source: CGIF, RAM Ratings
**reclassified in FY 2020*

- **Country concentration risk.** CGIF's modest portfolio renders it inherently susceptible to concentration risk as well as the economic and business stress of issuers in its portfolio. While its guarantee portfolio is sufficiently diversified by sector, geographically the Fund has a large exposure to companies in Vietnam (38%) and Thailand (22%). CGIF's comprehensive risk management practices, which include the imposition of various country and sector limits[8], moderate concentration risk to some extent. In line with its diversification efforts, CGIF guaranteed its maiden issuance in Cambodia (amounting to USD19 mil) in FY Dec 2020.

[7] A policy framework to help facilitate intraregional transactions through standardised bond and note issuances as well as investment processes. The framework was developed to facilitate investments in the bond market among Asian countries.
[8] Guarantee exposures to a single currency or sector are capped at 40% of MGC.

Figure 3: (LHS) Maturity profile of guaranteed issuances well spread out; (RHS) BB rating (international scale) concentration due to country rating cap



Source: CGIF, RAM

- **Most issuers are established corporates in their home markets.** CGIF uses an internal credit risk model which rates an entity on a 1 to 10 scale, with 1 being the best credit[9]. Given a larger proportion of guarantees extended to corporates in lower-rated countries, the Fund's exposure to non-investment-grade obligors has increased over time. That said, CGIF's internal risk rating (IRR) remained steady at 6.7 as at end-September 2020 (end-December 2019: 6.6), parallel with an international rating of BB. Portfolio credit risks are mitigated by the profile of the obligors, most of which are market leaders or established players in their respective industries and have relatively satisfactory financial profiles. As a consequence, we expect these entities to be more resilient during the current economic downturn. To date, the Fund has not seen a claim on any of its guarantees.

- **Heightened credit risk from guaranteed portfolio but manageable.** Amid the more adverse operating environment, CGIF had observed some financial[10] and collateral[11] covenant breaches in its portfolio. Waivers had been granted and CGIF is vigilantly monitoring the situation. In assessing potential repayment risk, the total principal payments due from issuers in 2H2020 and 1H2021 are approximately USD90 mil which only USD7 mil stemmed from high-risk borrowers identified by GCIF. The USD7 mil largely relates to the amortizing bond of a microfinance company that has been affected by the pandemic. We also draw some comfort that CGIF holds the right to accelerate or retain the original interest or principal payment schedule in the event of non-payment on an insured bond, hence cushioning the risk of liquidity shortfall.

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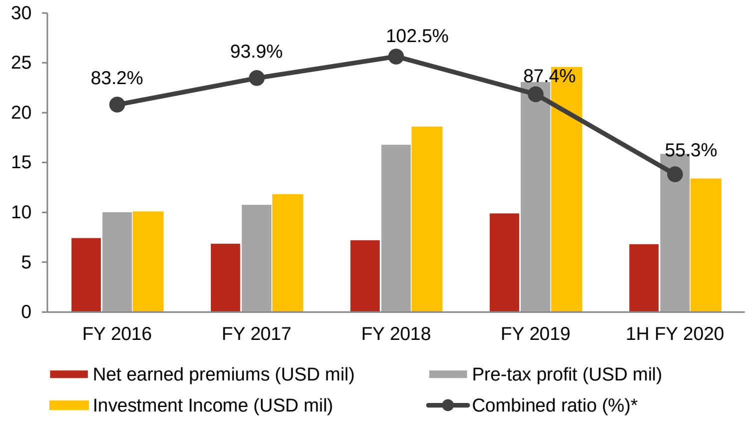
[9] The internal credit risk ratings are mapped to S&P's international-scale ratings. Under CGIF's underwriting guidelines, the maximum acceptable risk rating (MARR) is 7, which is approximately BB- on S&P's international rating scale.

[10] Financial covenant breaches may include but are not limited to the failure to meet required profitability ratios, leverage ratios and liquidity ratios.

[11] Collateral breaches may include a decline in the market value of the shares pledged as collateral.

Financial Performance

Figure 4: Improved operating performance underscored by portfolio expansion and healthy investment returns



Source: CGIF
** annualised*

- **Strong portfolio growth lifted earnings.** CGIF's gross premiums ascended to USD14.5 mil in FY Dec 2019 (FY Dec 2018: USD9.8 mil) on the back of stronger portfolio growth. With an improved combined ratio of 87% (FY Dec 2018: 103%), the Fund recorded USD1.3 mil in underwriting profit (FY Dec 2018: -USD0.2 mil). Robust investment income further lifted its earnings to USD23.2 mil in FY Dec 2019 from USD16.9 mil previously. The better profit growth momentum continued into 1H FY Dec 2020, resulting in the Fund's profit climbing to USD15.9 mil (1H FY Dec 2019: USD12.4 mil). Barring any claims, we expect CGIF's improved financial performance to be sustained for full-year fiscal 2020.

Insurance Risk Management

- **Prudent underwriting standards and enhanced risk monitoring measures.** 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 final approval of the Board is required[12]. The Fund also obtains a bilateral risk rating from an independent third party[13] if the potential issuer does not have an existing rating. In view of the health crisis, the Fund has intensified its monitoring processes and risk assessments while actively engaging with clients.

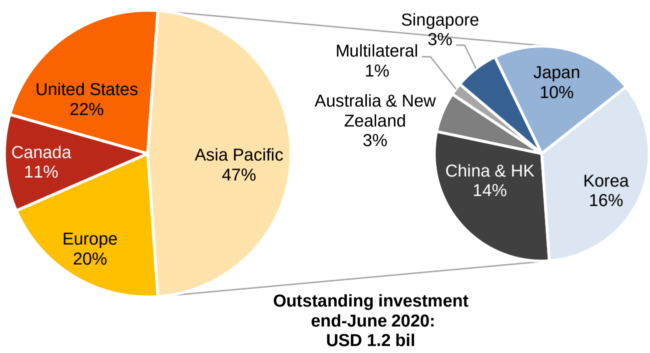
- **Reinsurance with highly rated reinsurers.** CGIF's internal policy permits the use of reinsurance and other forms of unfunded risk participation to manage and/or transfer its credit risks, where a reinsurer must be rated at least A- on a global scale or equivalent. CGIF has renewed its annual reinsurance agreement, under which 25% of both principal and interest

[12] This applies for all deals except for those with transaction amounts of USD50 million or less, a tenure of up to five years and an internal risk rating of 6.5 (equivalent to a BB rating) or better. Deals which meet these conditions can be approved by CGIF's in-house Guarantee ad Investment Committee or chief risk officer.
[13] S&P Global Market Intelligence

guaranteed will be ceded to a panel of reinsurers through treaty arrangement.[14] Risks ceded are limited to USD150 million and USD75 million per issuer for principal and interest, respectively.

Investment Assets & Liquidity Profile

Figure 5: Liquidity profile still robust



Source: CGIF
HK = Hong Kong

- **Conservative investment strategy.** CGIF maintains a conservative investment strategy with the objective of preserving capital and liquidity. As at end-June 2020, 91% of its invested assets comprised fixed-income securities issued by financial institutions and government-linked entities rated A+ or higher on the international scale. Deposits made up the remainder. The Fund's investment portfolio is spread across Europe (19%), Asia Pacific (47%) and North America (34%). Its investment yields stayed sound at an annualised 2.2% for 1H FY Dec 2020 (FY Dec 2019: 2.4%).

- **Strong liquidity.** CGIF's liquidity position remains strong, supported by highly liquid assets amounting to USD1.2 bil as at end-June 2020 – 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 2020, these tests indicated sufficient liquidity to absorb concurrent defaults by five of the Fund's largest issuers.

Capitalisation

- **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. Including a deal closed in December 2020 and additional capital contributions in FY Dec 2020, the Fund's leverage is estimated to reach 1.1 times as at end-December 2020 (end-September 2020: 1.1 time), well below RAM's threshold of 2.0 times for its ratings. The Fund's capital base is still fully funded by equity, with no debt leverage.

- **Sturdy capitalisation.** CGIF measures and monitors a risk-based capital adequacy ratio (CAR)

[14] The Fund may also increase the cession of the reinsurance up to 49%, but on a case-by-case basis.

that is adjusted for concentration risk. Its CAR stayed at 29% as at end-September 2020 (end-September 2019: 30%), above the Fund's internal limit of 8.8%. CGIF also maintains a capital reserve, to which 100% of net profits of each financial year have been allocated since inception. As at end-June 2020, the capital reserve stood at USD85.5 mil (end-December 2019: USD62.3 mil).

Insurer Information

Incorporation Date	12 November 2010	
Commencement Date	1 May 2012	
Major Shareholders as at [end-September 2020]	Japan Bank for International Cooperation People's Republic of China Asian Development Bank Republic of Korea ASEAN countries	31.1% 31.1% 16.3% 13.4% 8.1%
Directors	Mr Kenichi Aso (Japan) Mr Yuchuan Feng (People's Republic of China) Ms Zhang Zhengwei (People's Republic of China) Ms Mina Kajiyama (Japan) Ms Jessica Ja Young Gu (Republic of Korea) Mr Stefan Hruschka (ADB) Mr Mark Dennis Y. C. Jovenn (Philipines/ASEAN) Ms Guiying Sun (CGIF)	
Auditor	Deloitte & Touche LLP	
Listing Date	n.a.	
Key Management	Ms Guiying Sun Mr Mitsuhiro Yamawaki Mr Aarne Dimanlig Mr Anuj Awasthi Mr Dong Woo Rhee Mr Gene Soon Park Mr Hou Hock Lim Ms Jackie Bang	Chief Executive Officer Deputy Chief Executive Officer (Chief Risk Officer) Chief Credit Risk Officer Vice President Operations Chief Financial Officer General Counsel & Board Secretary Corporate Planner & Head of Budget, Personnel & Management Systems Internal Auditor
Major Subsidiaries	n.a.	

Financials

					unaudited
STATEMENT OF FINANCIAL POSITION (USD million)	**31-Dec-16**	**31-Dec-17**	**31-Dec-18**	**31-Dec-19**	**30-Jun-20**
Property, Plant & Equipment	0.20	0.20	0.16	0.39	0.28
Investment Properties	0.00	0.00	0.00	0.00	0.00
Goodwill & Intangibles	0.50	0.30	0.16	0.03	0.01
Investments in Subsidiaries/Associates/Jointly-Controlled Entities	0.00	0.00	0.00	0.00	0.00
Financial Investments	721.34	702.23	850.27	1,107.20	1,201.99
Loans & Receivables	7.71	34.63	59.41	76.20	40.21
Reinsurance Assets	0.00	0.00	0.00	0.00	0.00
Insurance Receivables	38.57	34.53	39.94	65.65	66.06
Other Assets	1.48	0.62	0.77	1.86	0.99
Cash & Cash Equivalents	2.21	6.60	7.04	3.74	3.63
Total Assets	**772.00**	**779.11**	**957.76**	**1,255.07**	**1,313.17**
Insurance Contract Liabilities	41.80	37.28	44.36	73.20	74.94
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	2.68	2.61	2.41	3.43	2.49
Total Liabilities	**44.48**	**39.89**	**46.76**	**76.64**	**77.43**
Equity Share Capital	700.00	703.00	859.20	1,077.60	1,077.60
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	-7.25	-9.39	-10.54	15.34	56.70
Fair Value Through Other Comprehensive Income Reserve	0.00	0.00	0.00	0.00	0.00
Other Reserves	24.69	34.77	45.62	62.33	85.50
Retained Profits/(Accumulated Losses)	10.08	10.84	16.72	23.16	15.94
Non-Controlling Interests	0.00	0.00	0.00	0.00	0.00
Total Equity	**727.52**	**739.22**	**910.99**	**1,178.43**	**1,235.74**
Total Liabilities + Total Equity	**772.00**	**779.11**	**957.76**	**1,255.07**	**1,313.17**

Financials

STATEMENT OF COMPREHENSIVE INCOME (USD million)	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	*unaudited* 30-Jun-20
Gross Premiums	8.04	9.12	9.82	14.54	9.73
Premiums Ceded to Reinsurers	-0.54	-2.20	-2.54	-4.57	-2.86
Net Premiums	**7.50**	**6.92**	**7.29**	**9.97**	**6.87**
Change in Premium Liabilities	0.00	0.00	0.00	0.00	0.00
Net Earned Premiums	**7.50**	**6.92**	**7.29**	**9.97**	**6.87**
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)	0.15	0.60	0.70	2.10	0.78
Management Expenses	-6.38	-7.10	-8.17	-10.82	-4.57
Underwriting Profit/(Loss)	**1.26**	**0.42**	**-0.18**	**1.26**	**3.07**
Investment Income	10.09	11.81	18.62	24.56	13.40
Realised Gains/(Losses) on Financial Investments	0.51	0.03	0.00	0.01	0.03
Fair Value Gains/(Losses) on Financial Investments	0.00	0.00	0.00	0.00	0.00
Finance Costs	-0.05	-0.06	-0.07	-0.09	-0.04
Other Revenue/(Expenses)	-1.72	-1.35	-1.51	-2.58	-0.51
Operating Profit/(Loss) before Tax	**10.08**	**10.84**	**16.86**	**23.16**	**15.94**
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)	**10.08**	**10.84**	**16.86**	**23.16**	**15.94**
Taxation	0.00	0.00	0.00	0.00	0.00
Net Profit/(Loss)	**10.08**	**10.84**	**16.86**	**23.16**	**15.94**
Other Comprehensive Income	-5.12	-2.14	-1.16	25.88	41.37
Total Comprehensive Income/(Loss)	**4.96**	**8.70**	**15.70**	**49.04**	**57.31**

Financials

					unaudited
KEY RATIOS	**31-Dec-16**	**31-Dec-17**	**31-Dec-18**	**31-Dec-19**	**30-Jun-20**
PROFITABILITY (%):					
Gross Underwriting Margin	100.00%	100.00%	100.00%	100.00%	100.00%
Net Underwriting Margin	16.80%	6.11%	(2.53%)	12.58%	44.75%
Claims Ratio	0.00%	0.00%	0.00%	0.00%	0.00%
Commissions Ratio	(1.97%)	(8.73%)	(9.58%)	(21.10%)	(11.30%)
Management Expenses Ratio	85.18%	102.62%	112.11%	108.51%	66.55%
Combined Ratio	83.20%	93.89%	102.53%	87.42%	55.25%
Operating Ratio	(58.16%)	(77.15%)	(153.11%)	(158.98%)	(140.20%)
Pre-Tax Profit Margin	134.52%	156.73%	231.39%	232.25%	232.08%
CAPITALISATION AND LEVERAGE (TIMES):					
Net Premiums Written / Equity	0.01	0.01	0.01	0.01	0.01 *
Net Leverage	0.07	0.06	0.06	0.07	0.07
Financial Leverage Ratio (%)	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT RISK PROFILE (%):					
Investment Yield	1.46%	1.61%	2.26%	2.35%	2.21% *
Deposits / Total Invested Assets	1.06%	4.70%	6.53%	10.24%	8.87%
Debt Securities / Total Invested Assets	98.49%	94.84%	92.92%	89.17%	90.47%
Equity Securities / Total Invested Assets	0.00%	0.00%	0.00%	0.00%	0.00%
LIQUIDITY (TIMES):					
Cash & Cash Equivalents / Net Insurance Contract Liabilities	0.05	0.18	0.16	0.05	0.05
Liquid Assets / Net Insurance Contract Liabilities	16.22	19.85	20.55	15.72	16.11
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	557.76%	538.76%	608.89%	734.02%	545.38% *
OTHERS (%):					
Retention Ratio	93.28%	75.89%	74.16%	68.59%	70.58%

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)
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 or Financial Investments at Amortised Cost) + Government Securities) / Net Insurance Contract Liabilities
OTHERS (%):	
Retention Ratio	Net Premiums / Gross Premiums

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RAM Rating Services Berhad
Level 8, Mercu 2
KL Eco City
No.3, Jalan Bangsar
59200, Kuala Lumpur
Malaysia

T: (603) 3385 2488
F: (603) 3385 2582
E: ramratings@ram.com.my
W: www.ram.com.my

RATINGS

RAM Rating Services Berhad
Level 8, Mercu 2
KL Eco City
No.3, Jalan Bangsar
59200, Kuala Lumpur
Malaysia

T: +603 3385 2488
F: +603 3385 2582
E: ramratings@ram.com.my
W: www.ram.com.my