

NEWS RELEASE

CGIF signs its first reinsurance treaty with world leading reinsurers

This ground breaking reinsurance treaty marks another stage in the evolution of CGIF in its unique role in developing the ASEAN local currency bond market.

6 December 2016

The Credit Guarantee and Investment Facility (“CGIF”) is pleased to announce that it has executed its inaugural reinsurance treaty, with a panel of market leading private reinsurers, led by the specialist credit reinsurance team of Munich Re. This treaty, which incepted on 1 October 2016, covers all guarantees issued up to the end of 2017.

CGIF’s highly rated reinsurance partners are among the world’s largest and most reputable, with ratings ranging from S&P AA- to A.

Under this treaty, CGIF has reinsured a portion of its guarantee portfolio allowing CGIF to issue more guarantees, thereby enhancing its ability to perform its unique catalytic role for the development of ASEAN local currency bond markets.

“The successful inception of this treaty demonstrates the attractiveness of CGIF’s guarantee portfolio to private reinsurers”, said Kiyoshi Nishimura, CEO of CGIF. “It also validates the strength of CGIF’s guarantee operations in terms of its selection, assessment and monitoring of the region’s local currency corporate bond exposures”, he added.

Thomas Lallinger, Munich Re’s Head of Financial Risk Division, said “We do very much appreciate closely supporting CGIF as it is a very professional trust fund of ADB with the special mandate to develop local Asian bond markets. This perfectly goes along with Munich Re’s strategic ambition to further expand business opportunities in the Asian region.”

This innovative reinsurance treaty was brokered by Guy Carpenter and heralds a new beginning for specialty reinsurance in Asia.

“We are truly proud and privileged to have worked with CGIF to help deliver a unique solution that brings together different areas of the financial sector for the benefit of the Asian community”, said Peter Hearn, President and CEO of Guy Carpenter.

This significant step serves as a strong endorsement of CGIF as a growing multilateral regional bond guarantor with less than 5 years of operations. Ultimately, CGIF’s success will inspire investors to appreciate ASEAN local currency bonds as a viable asset class, one of the cornerstones of CGIF’s establishment.

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