CREDIT RATING RATIONALE

INSURER FINANCIAL STRENGTH RATINGS

RAM RATINGS

Credit Guarantee and Investment Facility

- Insurer Financial Strength Rating

December 2025

CREDIT RATING RATIONALE
INSURER FINANCIAL STRENGTH RATINGS
December 2025

Credit Guarantee and Investment Facility
Rating Review

Entity Rating(s)

Insurer Financial Strength Ratings
AAA/Stable/P1 [Affirmed]

ESG Credit Impact Assessment

Environment Risk	Neutral
Social Risk	Neutral
Governance Risk	Neutral

(See Appendix for definitions and click here for more sustainability insights)

Last Rating Action
13 December 2024

Analysts
Chan Yin Huei
(603) 2708 8296
yinhuei@ram.com.my

Chew Chiang Lim
(603) 2708 8297
chianglim@ram.com.my

Related Criteria, Methodologies and Publications

i. Rating Methodology for Insurance and Takaful Companies, August 2025
ii. Guide to RAM's Disclosure Formats and Financial Measures for Insurers and Takaful Operators, August 2025
iii. Rating Approach for Government-Linked Entities, October 2024

Rating Action Basis

- The affirmation of Credit Guarantee and Investment Facility's (CGIF or the Fund) AAA/Stable/P1 ratings reflects the sustained support of its government contributors and the Fund's strategic importance to the ASEAN+3 region. CGIF benefits from a 'high' likelihood of extraordinary support from its shareholders, given its mandate to deepen regional capital markets, its ownership comprising ASEAN+3 governments and the Asian Development Bank (ADB), and the continued strategic interest of key contributors, particularly China, Japan and South Korea, in strengthening regional financial stability.

- CGIF's contributors have demonstrated their commitment through the approval and completion of the Fund's first capital increase, raising subscribed capital from USD700 mil to USD1.2 bil as of end-2024. Only USD42 mil remains unsubscribed mainly due to ADB not taking up its full allotment. As a trust fund of ADB, CGIF is accorded the same supranational status as the former, further underpinning its credit profile.

- The rating affirmation also incorporates CGIF's disciplined underwriting, conservative portfolio growth, robust liquidity and capitalisation, which is expected to keep leverage below two times in the near term, even as guarantee activities expand.

Rating Drivers

\+ **Robust liquidity backed by high quality investments.** CGIF's liquidity profile is a key credit strength, supported by its globally diversified portfolio of high-quality fixed-income securities, with a significant allocation in the 'AA and above' category. We expect the Fund to comfortably meet potential claims under its guarantees, as evidenced by recent liquidity stress tests indicating the adequacy of total paying resources, providing 1.3 times coverage over the assumed pay-outs[1].

\+ **Conservative leverage with a robust capital base.** Given its conservative underwriting, disciplined portfolio growth and robust capital base, the Fund's leverage is likely to stay well below 2 times in the near term even with the strong traction in guarantee activities. The Fund's capital position is further reinforced by full profit retention and a capital-to-capital charge ratio well above internal thresholds.

\- **High-risk portfolio with some concentration.** The Fund's mandate results in a guarantee portfolio with significant exposure to lower-rated issuers (average portfolio rating of BB), which elevates credit risk. Geographic and sector concentration remain, though partially mitigated by prudential limits on sector, industry, and country exposures, along with reinsurance arrangements. Recent trends show declining exposure to Vietnam, stable exposure to Thailand and increased exposures to Indonesia and Singapore.

[1] CGIF assumed 20% of borrowing entities will default under stressed assumptions, and that payment of principal and one coupon shall be made within 10 business days upon the call of CGIF guarantees. Paying resources comprised US treasuries, financial investments and time deposits, with certain haircuts.

Rating Outlook: Stable

- The stable rating outlook reflects our expectations that CGIF's leverage and liquidity will stay commensurate with its ratings and that support from capital contributors will remain forthcoming.

Rating Triggers

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

- Downward pressure: The ratings may come under pressure if the Fund's leverage exceeds the 5 times threshold for a 'high-risk' guarantee portfolio or if shareholders' support weakens, although this is not our expectation. Material deterioration in portfolio credit quality, sizeable claims and/or substantially weaker liquidity position to the extent that expected loss severity becomes very high, may also weigh on the ratings.

Guarantor Profile

CGIF is a trust fund of the ADB, established in November 2010 under the Asian Bond Markets Initiative (ABMI) to facilitate the development of local-currency bond markets in the ASEAN+3 region. Having the same supranational status as ADB[2], the Fund is exempted from 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 its Articles of Agreement.

CGIF is the pioneer regional financial guarantee institution in Asia. Its core mandate is to foster the growth and resilience of local-currency and regional bond markets across the ASEAN+3 region. By offering credit enhancement, CGIF empowers creditworthy corporates, particularly first-time issuers, to access the regional bond market, supports the issuance of longer-dated debt securities and facilities connections between regional Asian investors and these issuers. As at end-June 2025, CGIF has guaranteed 108 transactions valued at USD4.2 bil in 10 out of the 13 ASEAN+3 countries. The Fund has also guaranteed USD755 mil thematic bonds (comprising 7 green bonds, 3 sustainability-linked bonds, 2 social bonds and 1 blue bond). We anticipate that CGIF will continue to play a meaningful role in deepening the regional bond markets in the next phase of ABMI's developmental roadmap[3].

The Fund's initial capital of USD700 mil at inception was contributed by Japan and China (28.6% each), ADB (18.6%), South Korea (14.3%) and the 10 ASEAN countries (collectively 9.9%). In December 2017, CGIF's board approved to raise the Fund's capital by USD500 mil to USD1.2 bil, boosting its guarantee capacity. Even though USD42 mil remained unsubscribed as at end-December 2024 – ADB did not take up its 100% subscription allotment – the Fund's enlarged paid-in capital of USD1.158 bil is supportive of further growth. CGIF aims to increase the average guarantee size and to participate in more project finance deals and larger syndications, especially in matured markets like Malaysia, Singapore, Thailand and Indonesia.

[2] Incorporated in ADB's Articles of Agreement which state 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".
[3] The current mid-term roadmap will end in 2026.

The Fund has not been notified of any prospective changes to its shareholding structure following Timor Leste's recent inclusion as an ASEAN member. Separately, ongoing initiatives to enhance awareness of its guarantees through expanded market outreach and strategic collaborations with key capital market participants and regulators, are yielding positive results and will continue in 2026.

CGIF's current CEO, Mr Wang Hong Wei, is expected to end his tenure at end-2025. The incoming CEO has not been announced.

ESG Risk Assessment

Figure 1: ESG Credit Risk Assessment

Environmental		
Neutral	**Material E factors**	Counterparty 'E' compliance
Social		
Neutral	**Material S factors**	Counterparty 'S' compliance
Governance		
Neutral	**Material G factors**	Risk Management

- **Exposed to counterparties' ESG risk.** CGIF may be indirectly exposed to environmental, social and governance (ESG) risks or vulnerabilities stemming from its exposure to bond issuers operating in various economic sectors. To mitigate such risks, an ESG risk assessment is integral to CGIF's credit underwriting process. The Fund's ESG initiatives are aligned with ADB's policies and it has formalised the adoption of ADB's Safeguard Policy Statement in its institutional risk framework. The framework requires ESG screening, due diligence procedures and an ongoing ESG risk assessment for the life of the guaranteed bonds. CGIF has supported several thematic bond[4] issuances in the recent years in line with the shifts in market preferences. We assess the ESG risks posed by the Company's exposures to be manageable.

---

[4] Also known as GSS+ (Green, Social, Sustainability, and Sustainability-linked); ESG or sustainable bonds, which are fixed-income securities issued to raise financing for projects and activities related to a specific theme, such as climate change, education, housing, ocean and marine conservation, and the Sustainable Development Goals.

Peer Comparison

Table 1: Peer Comparison

	CGIF		GuarantCo Ltd[1]	
Ratings	AAA/Stable/P1		Fitch: AA-/Stable[2]	
FY	Dec 2023	Dec 2024	Dec 2023	Dec 2024
Insurance Service Result (USD mil)	5.4	8.2	15.3[3]	18.9[3]
Pre-tax profit/(loss) (USD mil)	44.0	49.0	4.2	5.4
Total assets (USD mil)	1,387.4	1,474.5	300.5	330.0
Expense ratio (%)	45.6	50.9	134.9	128.0
Investment yield (%)	2.6	3.0	8.0	7.0
Leverage ratio (times)	1.2	1.3	1.4[4]	1.5[4]

Source: CGIF, GuarantCo Ltd, Fitch Ratings

Note:

[1] *GuarantCo Ltd.'s is a financial guarantor serving to provide local currency guarantees (as credit enhancement) to facilitate investments in infrastructure and development of local capital markets in lower income countries of Africa and Asia. It is owned by government agencies involving United Kingdom, Switzerland, Australia, Sweden, Netherlands, Canada, and France.*

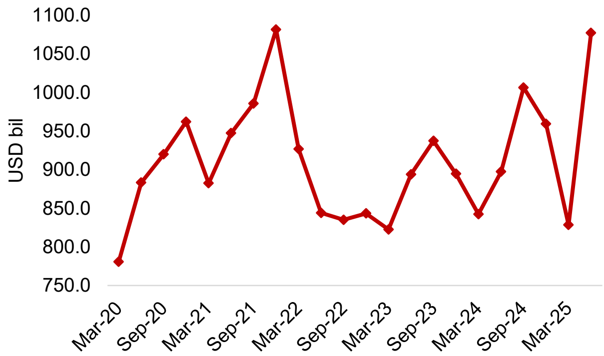
[2] *Ratings are on Fitch's global scale*

[3] *Represents GuarantCo's Net Portfolio Results.*

[4] *Obtained from Fitch's report*

Business Risk Profile

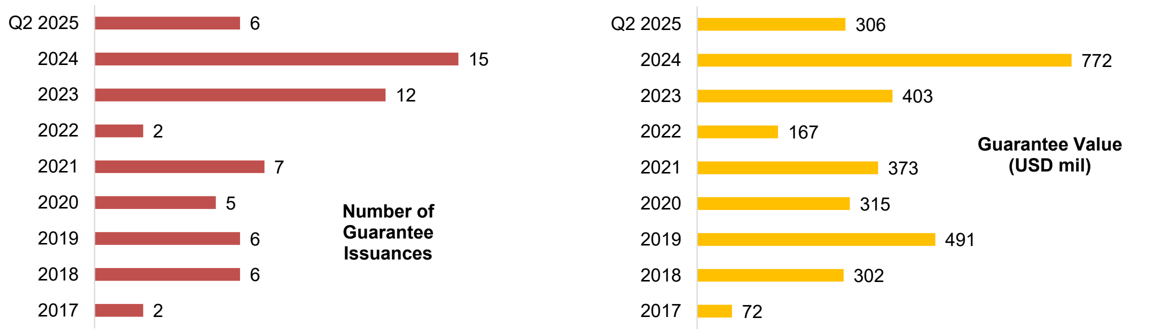
Figure 2: Rising corporate bond issuances in ASEAN+3 to support CGIF's growth



Source: Asian Bond Online

- **Healthy traction expected to sustain.** The growth potential for CGIF is supported by a strong pipeline of corporate issuers particularly in infrastructure and sustainability-linked projects across ASEAN+3. In 2024, CGIF extended 15 new guarantees amounting to USD772 mil, a notable improvement over 2023 (12 guarantees totaling USD403 mil). This has enlarged the Fund's guarantee portfolio to USD2.4 bil as at end-June 2025, a 26% y-o-y increase. Sustained market engagements over the years, including new partnerships with financial institutions and more frequent interactions with regional regulators, have contributed to better understanding of its guarantee mechanism and brand visibility. While bond issuances are largely influenced by market conditions, we believe these initiatives have helped improve both the pipeline and mandate conversion rates.

Figure 3: Annual guarantee issuances (2017 to Q2 2025)



Source: CGIF

- **Cautious approach towards certain high-risk nations.** Issuances in some markets are still anticipated to be slower due to heightened political (Laos, Myanmar) and economic (recently, Thailand due to rising corporate defaults) risks. Although CGIF does not exclude any specific sectors from its origination considerations, it has kept its conservative growth stance and continues to adopt rigorous assessments for guarantee applications.

- **Conservative underwriting and risk management practices.** CGIF maintains a robust risk governance framework, including prudent underwriting practices and multi-level deal validation. The Fund also relies on independent third-party ratings (e.g. S&P Global Market Intelligence) if necessary, to enhance internal risk assessments. Since the Covid-19 pandemic, CGIF has also increased surveillance frequency, it actively monitors credit quality through its 'Monitor-Watch-Worry' framework, where heightened-risk issuers ('Watch' and 'Worry') are reviewed monthly and those under 'Monitor', on a quarterly basis. We believe this structured oversight will help identify emerging stress and support the Fund's early intervention measures. As at end-June 2025, the watchlist remained broadly stable at 8, with only one new issuer added.

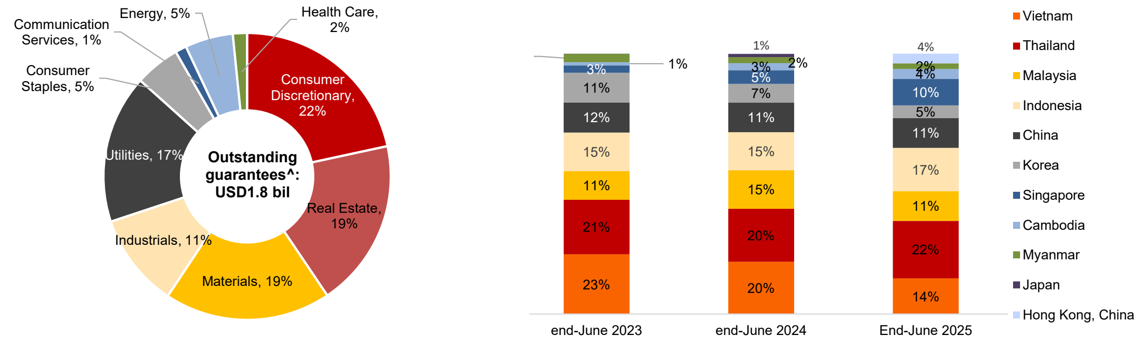
- **Reinsurance arrangements strengthen loss absorption.** CGIF's expansion of its reinsurer panel (all rated at least 'A' on the international scale) and the extension of guarantee tenures to 10 years (restricted to a maximum of 5 guarantees) reflect ongoing efforts to support portfolio growth and manage rising exposure to project finance transactions. The ability to cede up to 49% of principal and interest on a selective basis (generally, 25%[5]), will continue to enhance risk-sharing and loss absorption capabilities.

---

[5] With a guarantee limit of USD150 mil and USD75 mil for principal and coupon, respectively.

Insured Portfolio

Figures 4 and 5: Fairly diversified by sector; more balanced portfolio

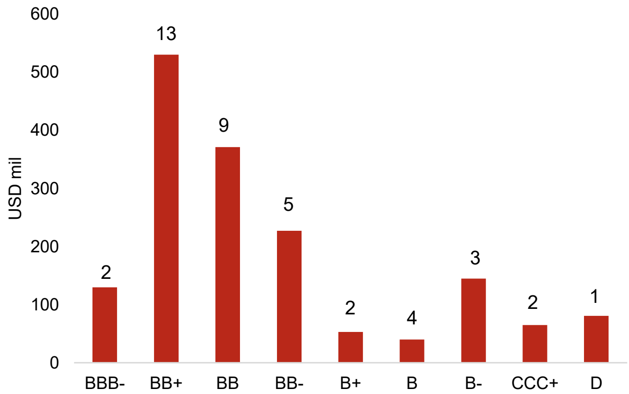


Source: CGIF

^ Net of reinsurance; ceded country exposures are retained if issuer and reinsurer countries are the same.

- **Strategic diversification helps mitigate concentration risk.** CGIF's portfolio continues to carry some concentration risk[6] but ongoing rebalancing efforts should support a progressively more balanced portfolio. Additionally, CGIF's established risk management framework, which includes prudential country and sector limits, should keep sectoral exposures sufficiently diversified. Issuer concentration is also well-managed with no breaches of single group/borrower exposure limit.

Figure 6: BB ratings dominate portfolio (end-December 2024)



Source: CGIF

Note: Guarantee exposures net of reinsurance. Defaulted exposure refers to KNM Group Berhad. Number above bar chart refers to number of issuers.

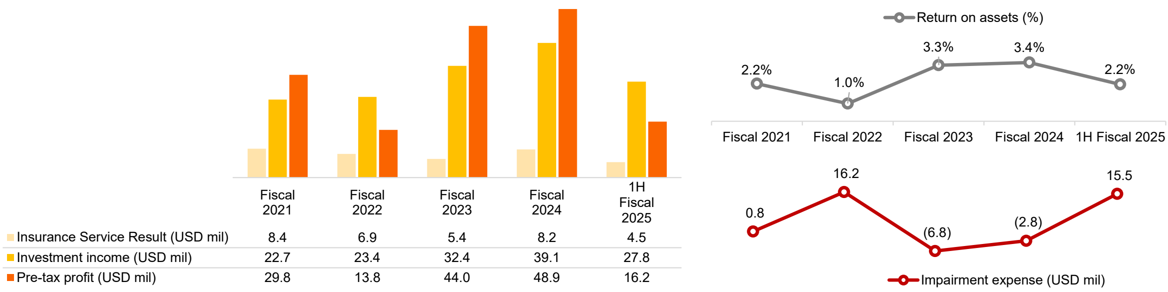
[6] Country limit is set at 20% of maximum guarantee capital (MGC), net of reinsurance. MGC = (total paid-in capital + retained earnings - credit loss reserves - foreign exchange loss reserves - all illiquid investments) x 2.5 times. The maximum leverage ratio of 2.5 times is the threshold agreed in the Articles of Agreement for the Fund's guarantee operations.

- **Stresses in some accounts; overall manageable portfolio credit risk.** CGIF uses an internal credit risk model[7] to assess the credit quality of the guarantee portfolio. The portfolio's weighted average rating remained at BB as at end-June 2025. A few issuers have exhibited idiosyncratic weaknesses, but these exposures are collateralised which help to mitigate potential credit losses. CGIF requires collateral for nearly all guaranteed transactions with rare exceptions[8]. This requirement is more stringent for borrowers with higher risk profiles. Collaterals include land and buildings, movable assets, receivables, inventories, deposits or corporate guarantees.

- **Uncertain recovery prospect for defaulted obligor**. Recovery prospects for CGIF's first defaulted obligor, KNM, remained cloudy. KNM, which missed USD83 million in principal and USD1.5 million in coupon payments in 2021, recently secured shareholders' approval to sell a key subsidiary but unresolved legal matters with the local authorities may deter the prospective buyer. The Fund received USD21.2 million from reinsurance back in 2022.

Financial Performance

Figure 7: Improving performance spurred by portfolio growth and lower impairments



	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	1H Fiscal 2025
Insurance Service Result (USD mil)	8.4	6.9	5.4	8.2	4.5
Investment income (USD mil)	22.7	23.4	32.4	39.1	27.8
Pre-tax profit (USD mil)	29.8	13.8	44.0	48.9	16.2

Source: CGIF
Note: Return on asset for 1H FY 2025 is on an annualised basis.

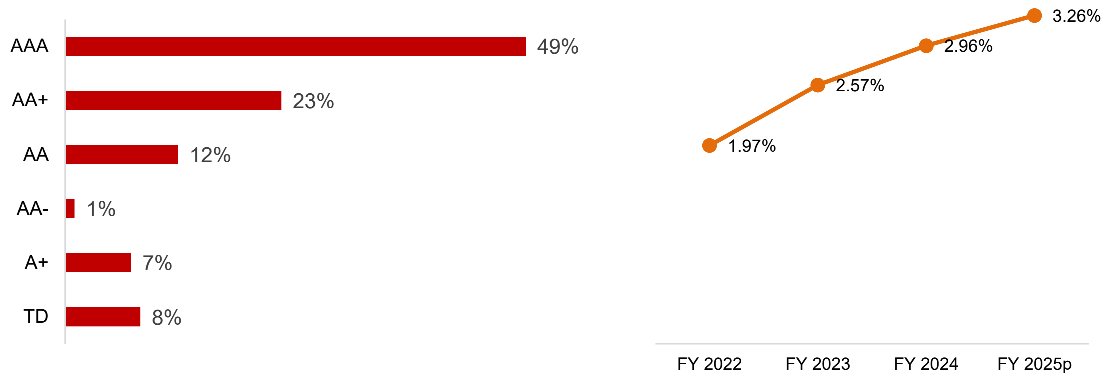
- **Improving profitability outlook.** CGIF's profitability outlook for the near term is positive, underpinned by traction in guarantee volumes and steady investment income. In 1H FY Dec 2025, the Fund booked USD15.5 mil of impairment charges due to credit slippages of some issuers. The Fund posted a higher pre-tax profit of USD49 mil in FY Dec 2024 (+11%) on stronger investment income and write-backs on provisions. The 3-year average return on asset is relatively weak at 2.6% but projected to gradually improve.

---

[7] The internal credit risk rating has a rating scale of 1 to 10 (1 being the best). The ratings are mapped to S&P's international-scale ratings.
[8] Exceptions refer to cases where other pari passu creditors are also unsecured.

Investment Assets & Liquidity Profile

Figure 8: Investment portfolio by credit rating and annual yields



Source: CGIF
p = projection

- **Robust liquidity, conservative investment strategy.** The Fund maintains a disciplined investment approach, developed with ADB, that balances achieving portfolio yields with preserving sufficient liquidity to meet guarantee calls. Portfolio yield is projected at 3.3% for fiscal 2025 (fiscal 2024: 3.0%) as reinvestment yields remain higher than the yields from maturing bonds. As at end-June 2025, invested assets totaled USD1.4 bil, predominantly in high-quality fixed-income securities from financial institutions and government-linked entities, with >90% rated at least AA. The portfolio has an average maturity of 3.3 years. We expect the Fund to be able to comfortably meet any claims under its guarantees. Its latest quarterly stress test estimated that total paying resources provide a comfortable 1.3 times coverage over the assumed pay-outs under stressed assumptions.

Capitalisation

- **Conservative leverage, robust capital base.** CGIF's leverage is anticipated to remain well below RAM's AAA-rating threshold of 5 times for a 'high-risk' guarantee portfolio. Factoring scheduled redemptions and pipeline deals, the leverage is expected to stay under 2 times in the near term. Since inception, the Fund has fully reinvested its annual net profits, resulting in a capital base supported entirely by tier-1 capital. As at end-September 2025, CGIF's capital-to-capital charge[9] stood at a healthy 4.1 times, well above its internal threshold of 1.1 times, and is anticipated to remain strong, ranging between 4.5 times and 4.6 times over the next 3 years.

[9] Defined as total risk-weighted exposures over total paid-in capital.

Guarantor Information

Date of Incorporation	12 November 2010	
Commencement of Business	1 May 2012	
Major Shareholders as at December 2024	Japan	29.6%
	People's Republic of China	29.6%
	Asian Development Bank	15.5%
	Republic of Korea	14.8%
	ASEAN countries	10.5%
Directors	Zhongyuan Li (People's Republic of China) Minwen Zhang (People's Republic of China) Kazuko Sakuma (Japan) Shunichi Takenaka (Japan) Sang Hun Kim (Republic of Korea) Jin-Chyi (Kevin) Shum (ASEAN) Craig Roberts (ADB) Hongwei Wang (CGIF)	
Auditor	Deloitte & Touche LLP	
Listing	Not listed	
Key Management	Hongwei Wang (Chief Executive Officer) Mitsuhiro Yamawaki (Deputy Chief Executive Officer/Chief Risk Officer) Dong Woo Rhee (Chief Financial Officer) Aarne Dimanlig (Chief Credit Risk Officer) Ian Hay (Head Institutional Risk) Anuj Awasthi (Vice President Operations) Gene Soon Park (General Counsel & Board Secretary) Hou Hock Lim (Corporate Planner & Head of Budget, Personnel & Management Systems) Jackie Jeong-Ae Bang (Internal Auditor)	
Major Subsidiaries	N/a	

Financials

STATEMENT OF FINANCIAL POSITION (USD Million)	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	Unaudited 30-Jun-25
Property, Plant & Equipment	0.14	0.14	0.14	1.23	1.02
Right-of-Use Assets	0.34	0.18	0.45	0.31	0.24
Investment Properties	0.00	0.00	0.00	0.00	0.00
Goodwill & Intangibles	0.07	0.08	0.06	0.05	0.06
Investments in Subsidiaries/Associates/Jointly Controlled Entities	0.00	0.00	0.00	0.00	0.00
Financial Investments	1,221.67	1,190.54	1,270.81	1,318.58	1,388.42
Loans & Receivables	0.00	0.00	0.00	0.00	0.00
Insurance Contract Assets	136.65	102.58	108.81	146.02	151.06
Reinsurance Contract Assets	2.58	0.00	0.00	0.00	0.00
Other Assets	2.16	2.15	1.33	1.71	1.07
Cash & Cash Equivalents	9.15	9.34	5.81	6.62	6.25
Total Assets	**1,372.77**	**1,305.00**	**1,387.42**	**1,474.51**	**1,548.13**
Insurance Contract Liabilities	76.20	66.44	65.08	95.49	110.27
Reinsurance Contract Liabilities	0.00	0.00	0.00	0.00	0.00
Subordinated Bonds	0.00	0.00	0.00	0.00	0.00
Hybrid Capital Securities	0.00	0.00	0.00	0.00	0.00
Other Borrowings	0.33	0.15	0.44	0.29	0.23
Other Liabilities	3.88	15.18	19.43	23.32	33.66
Total Liabilities	**80.40**	**81.77**	**84.95**	**119.10**	**144.16**
Share Capital	1,137.00	1,148.90	1,158.00	1,158.00	1,158.00
Share Premium	0.00	0.00	0.00	0.00	0.00
Fair Value through Other Comprehensive Income Reserve	0.00	0.00	0.00	0.00	0.00
Insurance & Reinsurance Finance Reserve	0.00	0.00	0.00	0.00	0.00
Other Reserves	16.11	-78.75	-52.61	-48.56	-16.23
Retained Profits/(Accumulated Losses)	139.25	153.08	197.08	245.97	262.20
Non-Controlling Interests	0.00	0.00	0.00	0.00	0.00
Total Equity	**1,292.36**	**1,223.23**	**1,302.47**	**1,355.41**	**1,403.96**
Total Liabilities + Total Equity	**1,372.77**	**1,305.00**	**1,387.42**	**1,474.51**	**1,548.13**
Additional Disclosure:					
Contractual Service Margin	0.00	0.00	0.00	0.00	0.00

Financials

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (USD Million)	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	Unaudited 30-Jun-25
Insurance Revenue	22.65	23.74	24.66	26.82	14.83
Insurance Service Expenses	-9.91	-10.72	-11.24	-13.64	-7.59
Insurance Service Result before Reinsurance	**12.74**	**13.02**	**13.41**	**13.17**	**7.25**
Net Expenses from Reinsurance Contracts	-4.38	-6.15	-7.99	-5.00	-2.75
Insurance Service Result	**8.36**	**6.87**	**5.42**	**8.17**	**4.50**
Net Investment Income/(Loss)	22.65	23.41	32.42	39.08	27.82
Finance Expenses from Insurance Contracts	0.00	0.00	0.00	0.00	0.00
Finance Income from Reinsurance Contracts Held	0.00	0.00	0.00	0.00	0.00
Net Insurance & Investment Result	**31.01**	**30.28**	**37.84**	**47.25**	**32.31**
Other Income	-0.27	-0.09	-0.52	-1.01	-0.50
Other Operating Expenses	-0.83	-16.24	6.78	2.78	-15.52
Finance Cost	-0.11	-0.10	-0.10	-0.13	-0.06
Non-Recurring Items	0.00	0.00	0.00	0.00	0.00
Share of Profit/(Loss) of Associates/Jointly Controlled Entities	0.00	0.00	0.00	0.00	0.00
Pre-Tax Profit/(Loss)	**29.79**	**13.83**	**43.99**	**48.89**	**16.23**
Taxation	0.00	0.00	0.00	0.00	0.00
Net Profit/(Loss)	**29.79**	**13.83**	**43.99**	**48.89**	**16.23**
Profit/(Loss) from Discontinued Operations	0.00	0.00	0.00	0.00	0.00
Other Comprehensive Income/(Loss)	-36.74	-94.86	26.14	4.05	32.33
Total Comprehensive Income/(Loss)	**-6.95**	**-81.03**	**70.13**	**52.94**	**48.56**
Additional Disclosure:					
Profit/(Loss) 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-21	31-Dec-22	31-Dec-23	31-Dec-24	Unaudited 30-Jun-25	
PROFITABILITY (%):						
Claims Ratio	n.m.	n.m.	n.m.	n.m.	n.m.	
Expense Ratio	63.87%	66.95%	66.93%	70.26%	69.40%	
Net Losses on Onerous Contracts Ratio	n.m.	n.m.	n.m.	n.m.	n.m.	
Combined Ratio	n.m.	n.m.	n.m.	n.m.	n.m.	
Operating Margin	53.92%	42.90%	32.28%	42.07%	41.11%	
Pre-Tax Profit Margin	192.11%	86.44%	261.87%	251.77%	148.41%	
Return on Assets	2.19%	1.03%	3.27%	3.42%	2.15%	*
Return on Equity	2.33%	1.10%	3.48%	3.68%	2.35%	*
Return on Adjusted Equity	2.33%	1.10%	3.48%	3.68%	2.35%	*
CAPITALISATION AND LEVERAGE (%):						
Financial Leverage Ratio	n.m.	n.m.	n.m.	n.m.	n.m.	
Capital Adequacy Ratio (1)	428.00%	435.00%	458.00%	460.00%	406.00%	
Interest Coverage (times)	n.m.	n.m.	n.m.	n.m.	n.m.	
INVESTMENT RISK PROFILE (%):						
Investment Yield	1.81%	1.94%	2.63%	3.02%	4.11%	*
Investment Yield (with Changes in FVOCI Reserve)	(1.13%)	(5.92%)	4.76%	3.33%	8.89%	*
Deposits to Total Invested Assets	4.51%	3.72%	0.39%	2.80%	7.51%	
Debt Securities to Total Invested Assets	94.92%	95.59%	98.89%	96.42%	91.76%	
Equity Securities to Total Invested Assets	0.00%	0.00%	0.00%	0.00%	0.00%	
LIQUIDITY (TIMES):						
Cash & Cash Equivalents to Net Insurance Contract Liabilities	n.m.	n.m.	n.m.	n.m.	n.m.	
Liquid Assets to Net Insurance Contract Liabilities	n.m.	n.m.	n.m.	n.m.	n.m.	
RESERVES ADEQUACY (%):						
Net Claims Reserves to Net Claims Incurred	n.m.	n.m.	n.m.	n.m.	n.m.	*
Net Insurance Contract Liabilities to Insurance Revenue (Net of Reinsurance)	n.m.	n.m.	n.m.	n.m.	n.m.	*
OTHERS (%):						
Retention Ratio	68.48%	67.43%	68.13%	72.42%	73.71%	

Notes:
* annualised
N/A = not available / not applicable
FVOCI = Fair Value through Other Comprehensive Income
(1) Capital Adequacy Ratio is reported in CGIF's annual reports, calculated as capital to total capital charge.

Financials

KEY FINANCIAL RATIOS	FORMULAE
PROFITABILITY (%):	
Claims Ratio	(Incurred Claims + Changes in Liabilities for Incurred Claims - Amounts Recoverable from Reinsurers) / (Insurance Revenue - Allocation of Reinsurance Premiums)
Expense Ratio	(Amortisation of Acquisition Cash Flows + Other Directly Attributable Expense) / (Insurance Revenue - Allocation of Reinsurance Premiums)
Net Losses on Onerous Contracts Ratio	Net Losses on Onerous Contracts / (Insurance Revenue - Allocation of Reinsurance Premiums)
Combined Ratio	Claims Ratio + Expense Ratio + Net Losses on Onerous Contracts Ratio
Operating Margin	Insurance Service Result / (Insurance Revenue - Allocation of Reinsurance Premiums)
Pre-Tax Profit Margin	Pre-Tax Profit/(Loss) / (Insurance Revenue - Allocation of Reinsurance Premiums)
Return on Assets	Pre-Tax Profit/(Loss) / Average of Total Assets - Reinsurance Contract Assets
Return on Equity	Pre-Tax Profit/(Loss) / Average Total Equity
Return on Adjusted Equity	Pre-Tax Profit/(Loss) / Average of Total Equity + Contractual Service Margin
CAPITALISATION AND LEVERAGE (%):	
Financial Leverage Ratio	Total Debts / (Total Debts + Total Equity + Contractual Service Margin)
Capital Adequacy Ratio	Total Capital Available / Total Capital Required
Interest Coverage (times)	Net Insurance & Investment Result / Finance Cost
INVESTMENT RISK PROFILE (%):	
Investment Yield	Net Investment Income/(Loss) / Average Total Invested Assets
Investment Yield (with Changes in FVOCI Reserve)	(Net Investment Income/(Loss) + Changes in FVOCI Reserve) / Average Total Invested Assets
Deposits to Total Invested Assets	Deposits & Placements with Financial Institutions / Total Invested Assets
Debt Securities to Total Invested Assets	(Government Debt Securities + Corporate Debt Securities) / Total Invested Assets
Equity Securities to Total Invested Assets	Equity Securities / Total Invested Assets
Total Invested Assets	Financial Investments + Investment Properties
LIQUIDITY (TIMES):	
Cash & Cash Equivalents to Net Insurance Contract Liabilities	Cash & Cash Equivalents / (Insurance Contract Liabilities + Reinsurance Contract Liabilities - Insurance Contract Assets - Reinsurance Contract Assets)
Liquid Assets to Net Insurance Contract Liabilities	(Cash & Cash Equivalents + Marketable Securities) / (Insurance Contract Liabilities + Reinsurance Contract Liabilities - Insurance Contract Assets - Reinsurance Contract Assets)
Marketable Securities	Deposits + Investment Account Placements + Negotiable Instruments of Deposits + Government Securities + Quasi-Government & Government-Guaranteed Securities + Quoted Equity Securities + Quoted Unit & Property Trust Funds
RESERVES ADEQUACY (%):	
Net Claims Reserves to Net Claims Incurred	(Liabilities for Incurred Claims - Assets In Relation to Incurred Claims) / (Incurred Claims + Changes in Liabilities for Incurred Claims - Amounts Recoverable from Reinsurers)
Net Insurance Contract Liabilities to Insurance Revenue (Net of Reinsurance)	(Insurance Contract Liabilities + Reinsurance Contract Liabilities - Insurance Contract Assets - Reinsurance Contract Assets) / (Insurance Revenue - Allocation of Reinsurance Premiums)
OTHERS (%):	
Retention Ratio	1 - (Allocation of Reinsurance Premiums / Insurance Revenue)

Note:
FVOCI = Fair Value Through Other Comprehensive Income

Appendix 1: Definition of ESG Credit Impact Descriptors

RAM's ESG Credit Impact descriptors summarise our views on the possible impact that the identified ESG considerations have or may potentially have on the credit risk profile of the entity, issuer or transaction over a reasonable timeframe.

Supportive	The entity is in a business that positively and meaningfully contributes to environmental and/or social objectives or ESG factors that have positive credit implications and are likely a positive rating driver.
Neutral	ESG risks have little bearing on the credit profile of the entity due to their limited impact on its business and financial profiles. Any risks are sufficiently and appropriately mitigated and are not likely to impact the current ratings.
Moderate	ESG risks have some bearing on the credit profile of the entity. Mitigation/adaptation efforts only partially diffuse these risks and/or prevailing conditions continue to support the entity's business and financial profiles. An adverse impact may be felt in the medium to longer term.
Sensitive	ESG risks have a considerable bearing on the credit profile of the entity. Mitigation/adaptation efforts are insufficient to diffuse these risks. The risks are expected to alter the entity's business and financial profiles in the short to medium term and may impact the rating in the negative direction.
Vulnerable	ESG risks have a very strong influence over the credit profile of the entity and are already a key negative rating driver or have triggered a rating action.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. This does not include credit estimates or other unsolicited ratings, which have not been commissioned by the rated entity, issuer, or any affiliated party. If RAM Ratings publishes an unsolicited rating, we will identify it separately through a subscript, 'pi' for 'public information'. Any exceptions follow below:

RAM Ratings or any company within RAM Group (RAM Holdings and its subsidiaries) and their Directors, shareholders and/or employees is not responsible for any errors or omissions, completeness or timeliness of the Content, regardless of the cause, for the results obtained from the use of the Content. The Content is provided on an as is basis. In no event shall RAM Ratings or its Directors, shareholders and/or employees be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content.

The Content that includes credit rating is not a recommendation to purchase, sell or hold a security, inasmuch as it does not comment on the security's market price or its suitability for a particular investor, nor does it involve any audit by RAM Ratings. The credit rating also does not reflect the legality and enforceability of financial obligations.

RAM Ratings receives fees for its rating services, normally paid by the issuers of such securities or the rated entity, and sometimes third parties participating in marketing the securities, insurers, guarantors, other obligors, underwriters, etc. The receipt of such fees has no influence on RAM Ratings' credit opinions or other analytical processes. In all instances, RAM Ratings is committed to preserving the objectivity, integrity and independence of its ratings. Rating fees are communicated to clients prior to the issuance of rating opinions. While RAM Ratings reserves the right to disseminate the rating opinions and analyses on its Website at http://www.ram.com.my, it receives no payment for doing so, except for subscriptions to its publications.

RAM Holdings (as the rating holding company for RAM Ratings) may or may not hold investment in the entity rated or its affiliates. However, all rating activities are carried out under RAM Ratings and sufficient policy measures have been established to ensure independence and objectivity of credit rating actions.

RAM Ratings, its rating committee members and the analysts involved in the rating exercise have not encountered and/or are not aware of any conflict of interest relating to the rating exercise. RAM Ratings will adequately disclose all related information in the report if there are such instances.

[The rating fee received for this rating exercise, together with the rating fees from parties related to the rated entity, accounts for 5% or more of our rating revenue.] (To delete if not applicable)

Privacy Notice
RAM Ratings respects your privacy. We use your contact information, such as your name, address, and email ID, to fulfil your request and service your account. For further information, please visit our Website at https://www.ram.com.my/Policies/.

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

T: (603) 2708 8288
F: (603) 2708 8201
E: ramratings@ram.com.my
W: www.ram.com.my

RAM RATINGS

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

T: +603 2708 8288
F: +603 2708 8201
E: ramratings@ram.com.my
W: www.ram.com.my