



Credit Guarantee &  
Investment Facility

An Asian Bond Markets Initiative



**15**  
YEARS  
ANNIVERSARY

**CELEBRATING  
MILESTONES,  
CREATING A  
FUTURE**

**ANNUAL  
REPORT  
2025**





Credit Guarantee &  
Investment Facility

An Asian Bond Markets Initiative

---

**CELEBRATING  
MILESTONES,  
CREATING A  
FUTURE**

---

**ANNUAL  
REPORT  
2025**

---

## ABOUT THE COVER:

### “Celebrating Milestones, Creating a Future”

Marking 15 years since its establishment in 2010, Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank (CGIF), reflects on the progress and outcomes achieved over the years.

In carrying out its mandate to support developmental objectives in the ASEAN+3 region, CGIF has reached key milestones in business growth and risk management. These efforts have strengthened its presence in local currency bond markets, while ensuring business expansion is supported by prudent risk management practices.

CGIF’s achievements through the years have helped create steady, quality, and sustainable growth in the region. And as it honors these achievements that solidified the company’s mission and vision, CGIF remains committed to shaping more resilient and integrated local currency bond markets, taking decisive action in safeguarding stakeholders’ interests, and enhancing the bond market’s confidence in CGIF and its guarantee products.

Guided by its core values of **respect, professionalism, and accountability**, CGIF continues to pursue its long-term vision of a stronger, more inclusive, and resilient ASEAN+3 region.

## TABLE OF CONTENTS

ABBREVIATIONS	vi
CURRENCY UNITS	vii
A. CGIF at a Glance	1
A.1 Summary	2
Background	2
Our Business	3
Our Contributors	4
A.2 Our Strength	5
CGIF Credit Ratings	5
A.3 Milestones	6
A.4 Highlights	8
A.5 Financial Summary	27
B. Message from the Chairperson of the Board of Directors (BOD)	28
C. Message from the Chief Executive Officer (CEO)	30
D. Business and Operational Review	32
D.1 Guarantee Operations	33
D.2 Finance	52
D.3 Risk Management	56
D.4 Staffing and Organization Structure	65
D.5 Institutional Infrastructure	66
D.6 Budget	66
D.7 Financial Highlights	66
E. Our People	68
E.1 Board of Directors	70
E.2 Management Team	72
E.3 Our People	78
F. Governance	80
F.1 Governance	82
F.2 Report of the Meeting of Contributors (MOC)	83
F.3 Report of the Board of Directors (BOD)	84
F.4 Report of the Audit Committee (AC)	86
F.5 Report of the Internal Control and Risk Management Committee (ICRMC)	89
F.6 Report of the Nomination and Remuneration Committee (NRC)	91
G. Appendix	92
Appendix: Report of the External Auditor and Financial Statements	93

## ABBREVIATIONS

ABMI	-	Asian Bond Markets Initiative
AC	-	Audit Committee
ADB	-	Asian Development Bank
AGAP	-	Alternative Guarantee Approval Process
AMBIF	-	ASEAN+3 Multi-Currency Bond Issuance Framework
AoA	-	Articles of Agreement
ASEAN	-	Association of Southeast Asian Nations
ASEAN+3	-	ASEAN plus the People's Republic of China, Japan, and the Republic of Korea
ASEAN6	-	Indonesia, Malaysia, Philippines, Singapore, Thailand, and Viet Nam
BOD	-	Board of Directors
BPPMS	-	Budget, Planning, Personnel and Management Systems
CAP	-	Corrective Action Plan
CAR	-	Capital Adequacy Ratio
CGIF	-	Credit Guarantee and Investment Facility
CRM	-	Credit Risk Mitigant
DOD	-	Deal Operations Department
ESDD	-	Environmental and Social Due Diligence
ESF	-	Environmental and Social Framework
ESG	-	Environmental, Social, and Governance
ESMS	-	Environmental and Social Management System
ESSPR	-	Environmental and Social Safeguards Performance Report
EXIM	-	Export-Import Bank
FVTOCI	-	Fair Value Through Other Comprehensive Income
FX	-	Foreign Exchange
GCB	-	General-Purpose Corporate Bond
GCP	-	Guarantee Concept Proposal
GDP	-	Gross Domestic Product
GIC	-	Guarantee and Investment Committee
GUP	-	Guarantee Underwriting Proposal
ICRMC	-	Internal Control and Risk Management Committee
IFRS	-	International Financial Reporting Standards
IMS	-	Integrity Management System
IRG	-	Institutional Risk Group
IRR	-	Internal Risk Rating
ISDA	-	International Swaps and Derivatives Association
LCY	-	Local Currency
MBS	-	Medium-term Business Strategy

MOC	-	Meeting of Contributors
MOF	-	Ministry of Finance
NRC	-	Nomination and Remuneration Committee
OAI	-	Office of Anticorruption and Integrity
OP	-	Operational Policies
PRC	-	People's Republic of China
RCSA	-	Risk and Control Self-Assessment
RMD	-	Risk Management Department
RMF	-	Risk Management Framework
SAA	-	Strategic Assets Allocation
SCB	-	Specific-Purpose Corporate Bond
SLB	-	Sustainability-linked Bond
S&P	-	Standard & Poor's
TRMG	-	Treasury Risk Management Guidelines

## CURRENCY UNITS

CNH	-	Chinese Yuan Renminbi (Offshore)
CNY	-	Chinese Yuan Renminbi (Onshore)
HKD	-	Hong Kong Dollar
IDR	-	Indonesian Rupiah
JPY	-	Japanese Yen
KHR	-	Cambodian Riel
LAK	-	Lao Kip
MYR	-	Malaysian Ringgit
PHP	-	Philippine Peso
SGD	-	Singapore Dollar
THB	-	Thai Baht
USD	-	United States Dollar
VND	-	Vietnamese Dong

Note: In this report, "\$" refers to US Dollars unless otherwise stated.



**CGIF AT A GLANCE**

# © SUMMARY

## BACKGROUND

The Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank (CGIF), was established by the ASEAN+3<sup>1</sup>, together with the Asian Development Bank (ADB), on 12 November 2010. The facility is part of the Asian Bond Markets Initiative (ABMI), with a goal to develop and strengthen local currency (LCY) and regional bond markets.

CGIF provides guarantees to corporate bonds mainly in local currencies issued by creditworthy ASEAN+3 domiciled corporations. It aims to help these companies secure long-term financing, reduce their dependency on short-term foreign currency borrowing, and address currency and maturity mismatches.

By promoting deep and liquid local currency and regional bond markets, it helps foster economic development, build the resilience of the financial markets, and prevent disruptions to the international financial order. The efficient allocation of savings within the Asia and Pacific region is achieved by facilitating the access of creditworthy entities to local currency and regional markets and pushing the issuance of debt securities with longer-term maturities that match the gestation of investment projects.

ADB is the trustee of CGIF and, as such, in line with the provisions of the Articles of Agreement (AoA), it holds in trust and manages all CGIF funds and other property. In accordance with Article 10.3.2 of the AoA, ADB, as the trustee of CGIF, has delegated the trustee's powers to the Meeting of Contributors (MOC), except for certain limited powers specified therein. The MOC, in turn, has delegated such powers to the Board of Directors (BOD).

This Annual Report includes the Independent Auditor's report and the Financial Statements for 2025.

Note:  
<sup>1</sup>The Association of Southeast Asian Nations (ASEAN) is composed of Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Republic of the Union of Myanmar, Philippines, Singapore, Thailand, and Viet Nam. The ASEAN +3 is composed of the ASEAN nations plus the People's Republic of China, Japan (Japan Bank for International Cooperation), and the Republic of Korea.

## OUR BUSINESS



## OUR CONTRIBUTORS

CGIF is owned by the governments of the ASEAN+3 (the member countries of the ASEAN, the People's Republic of China, Japan, and the Republic of Korea) and ADB. It was established with an initial paid-in capital of \$700.0 million.

On 6 December 2017, the Contributors of CGIF agreed to increase its authorized capital from \$700.0 million to \$1.2 billion.

As of December 2025, the paid-in capital of CGIF is \$1,158.0 million, divided into 11,580 shares, with a nominal value of \$100,000 per share.

Table 1 shows each Contributor's percentage of shareholding in proportion to its capital contribution.

**TABLE 1: 2025 SHAREHOLDING STRUCTURE**

CGIF Contributors	Initial Paid-in Capital (\$)	Additional Paid-in Capital as of 31 December 2025 (\$)	Total Capital Contribution as of 31 December 2025 (\$)	Percentage of Shareholdings
People's Republic of China	200,000,000	142,800,000	342,800,000	29.60%
Japan	200,000,000	142,800,000	342,800,000	29.60%
Republic of Korea	100,000,000	71,400,000	171,400,000	14.80%
Brunei Darussalam	5,600,000		5,600,000	0.48%
Cambodia	100,000	100,000	200,000	0.02%
Indonesia	12,600,000	18,000,000	30,600,000	2.64%
Lao People's Democratic Republic	100,000	100,000	200,000	0.02%
Malaysia	12,600,000	5,000,000	17,600,000	1.52%
Republic of the Union of Myanmar	100,000		100,000	0.01%
Philippines	12,600,000	9,000,000	21,600,000	1.87%
Singapore	12,600,000	9,000,000	21,600,000	1.87%
Thailand	12,600,000	9,000,000	21,600,000	1.87%
Viet Nam	1,100,000	800,000	1,900,000	0.16%
Asian Development Bank	130,000,000	50,000,000	180,000,000	15.54%
<b>Total</b>	<b>700,000,000</b>	<b>458,000,000</b>	<b>1,158,000,000</b>	<b>100.00%</b>

## CGIF CREDIT RATINGS

As a credit guarantor, CGIF unconditionally and irrevocably assumes the liability of its guaranteed-bond issuers that default on obligations to their guaranteed bond investors. The higher CGIF's credit rating, the greater the credit enhancement it can provide, ensuring more security for the guaranteed-bond investors and increasing guarantee business opportunities for CGIF.

The credit strength of a credit guarantor is determined by conditions such as the size and adequacy of its capital relative to outstanding and prospective credit and other risk exposures, the likelihood of the guarantor to remain as a going concern, the credit strength and commitment of the guarantor's principals, the soundness of its risk

management system and governance structure, and the experience of its management.

The credit rating of a guarantor is a composite assessment of the aforementioned factors. The following table summarizes CGIF's most recent credit ratings. In the global rating scale, CGIF is rated AA by Standard & Poor's (S&P). In the national ratings scales, CGIF has the highest possible rating given by RAM, TRIS, Fitch (Indonesia), and PEFINDO. In the ASEAN+3 region, only Singapore has a sovereign rating (AAA from S&P and Fitch; Aaa from Moody's) that is better than CGIF's AA global rating from S&P.

**TABLE 2: CGIF CREDIT RATINGS**

Credit Rating Agency	Scale	Rating	Outlook	Date Issued
Standard & Poor's	Global (Long Term & Short Term)	AA/A-1+	Stable	27 February 2025
RAM Ratings (Malaysia)	National	AAA	Stable	16 December 2025
TRIS Ratings (Thailand)	National	AAA	Stable	12 November 2025
Fitch Ratings (Indonesia)	National	AAA	Stable	20 January 2026
PEFINDO	National	idAAA	Stable	15 August 2025

# ◎ MILESTONES

2010

**CGIF was established on 12 November**

- Articles of Agreement were effectuated
- Operational Policies were adopted

**Mr. Iwan Azis acted as the interim Chair of the Board of Directors (BOD)**

**The office was initially opened**

2011

**Mr. Philip Erquiaga was elected as interim Chair of the BOD**

**Mr. Kiyoshi Nishimura joined as the Chief Executive Officer (CEO)**

**Institutional infrastructure was set**

**Staff recruitment commenced**

2012

**\$700 Million Initial Capital**

**CGIF's initial capital of \$700 million was fully paid-in**

**Mr. Xinqiang Zhu was elected as the first Chair of the BOD**

**Guarantee Operations commenced in May**

- Business Plan and Risk Management Framework were approved by CGIF's BOD
- CGIF started receiving Preliminary Information Packs from potential clients

**CGIF issued its first guarantee offer**

2013

**Mr. Liu Lange became the new Chair of the BOD**

**CGIF successfully issued its first and second guarantees to the bonds<sup>1</sup> issued by Noble and BCAF**

2014

**Guaranteed 5 bonds<sup>1</sup> issued by BCAF, Kolao, Protelindo, Masan, and ASF**

2015

**Mr. Jian Li became the new Chair of the BOD**

**Guaranteed a 10-year bond issued by IVL**

2016



**First Reinsurance Treaty was signed with a panel of world leading private reinsurers**

- The treaty has since been renewed annually to cover all guarantees issued

**Guaranteed 8 bonds<sup>1</sup> issued by Vingroup, MPMF, APRI, Fullerton, and KNM**

2017

**\$1.2 Billion New Authorized Capital**

**Capital Increase Approval**

- The authorized capital of CGIF was increased to \$1.2 billion, as approved by Super Majority of the existing Contributors

**Guaranteed 3 bonds<sup>1</sup> issued by ASA and MWG**

2018

**Mr. Yuchuan Feng became the new Chair of the BOD**

**Guaranteed 9 bonds<sup>1</sup> issued by ASA, Siam Gas, PAN Group, Hoan My, AEON PH, and Boonthavorn**

2019

**Changes in BOD Chair and Key Management**

- Mr. Kenichi Aso became the new Chair of the BOD
- Ms. Guiying Sun joined as the new CEO
- Mr. Mitsuhiro Yamawaki joined as the new Deputy CEO / Chief Risk Officer

**Guaranteed 7 bonds<sup>1</sup> guaranteed issued by YSH, REE, CJLA, NISS, HP1, and GELEX**



**Environmental and Social Safeguards Policy and Integrity Policy were implemented**

2020

**CGIF celebrated its 10th anniversary**



**Guaranteed 5 bonds<sup>1</sup> issued by TFG, EA, RMAC, PRASAC, and GLP, expanding CGIF's guarantee portfolio to a cumulative notional amount of \$2.2 billion 10 years since inception**

2021

**Mr. Noriyasu Matsuda became the new Chair of the BOD**

**Guaranteed 12 bonds and sukuks<sup>1</sup> issued by Triasmitra, SJWD, HSC, Telcotech, HQCL, Polyrama, and TFG**

2023

**Mr. Yasuaki Negishi became the new Chair of the BOD**

**Guaranteed 15 bonds<sup>1</sup> issued by SNC, CEG, Apeiron, Erājaya, HEG, INTI, YSH, ADCP, Phenikaa, CIA FIRST, Tecomen, and Telcotech**

2022

**Mr. Hongwei Wang joined as the new CEO**

**Guaranteed 4 bonds and sukuks<sup>1</sup> issued by Polyrama, CEG, and First REIT**

2024

**Ms. Kazuko Sakuma became the new Chair of the BOD**

**Guaranteed 24 bonds<sup>1</sup> issued by Hektar REIT, Daewoo, THG, RGPSP, Sabana REIT, SPINDO, VSK, PSL, PowerDC, SMG, HRTA, BIWASE, SMIL, and NER, expanding CGIF's guarantee portfolio to a cumulative notional amount of \$3.9 billion**

2025

**CGIF celebrated its 15th anniversary**



**Guaranteed 23 bonds issued by INPP, CWA, CIA FIRST, Schneitec, HRTA, Global Mediacom, MTC, CMC, ALSREIT, Pollux, Tecomen, Asialink, GDFI, and SAFC—expanding CGIF's guarantee portfolio to a cumulative notional amount of \$4.5 billion**

**CGIF catalyzed over \$1.1 billion in thematic bonds**

Note:  
<sup>1</sup>Each bond/sukuk tranche issued is recorded as one bond/sukuk guaranteed

## ◎ HIGHLIGHTS



# PARADISE INDONESIA

### PT INDONESIAN PARADISE PROPERTY TBK

PT Indonesian Paradise Property Tbk (INPP), known as Paradise Indonesia, is a developer and operator of “iconic lifestyle destinations” integrating hospitality, commercial, and residential spaces across Indonesia’s major urban cities such as Jakarta, Bali, Batam, Bandung, Yogyakarta, Makassar, and Semarang. With over 20 years in the industry, INPP has developed a diverse portfolio of 25+ operational assets comprising 13 hotels, 6 shopping centers, and 6 apartments. Landmark properties include Sheraton Bali Kuta Resort – Bali and beachwalk Shopping Center, a key retailer in Kuta area of Bali. Also included in the portfolio are Plaza Indonesia in Jakarta, the country’s first high-end retail landmark, and prominent luxury hotel Grand Hyatt Jakarta. In line with INPP’s vision to build iconic lifestyle destination projects, INPP is currently developing three commercial and mixed-use projects.

INPP successfully had its debut bond issuance totaling IDR500 billion with CGIF’s guarantee on 8 January 2025. The bonds, rated  $id\ AAA_{(cg)}$  by PEFINDO, were issued in two tranches of 3-year and 5-year tenors, drawing strong investor demand and achieving oversubscription of

around two times. INPP’s inaugural bond issuance was awarded “Best Property Deal in Indonesia” in the Finance Asia’s Achievement Awards 2025. This milestone highlights CGIF’s continued efforts to support debut issuers and to contribute to the development of Indonesia’s local bond market.



*“We are grateful for the successful completion of the 2025 Indonesian Paradise Property Bond I offering. This achievement underscores the strong confidence investors have in Paradise Indonesia. The proceeds from the public bond issuance, net of issuance costs, will be directed towards strengthening our capital structure and driving future business growth. With this strong financial foundation, we are confident in our ability to scale our business further and deliver sustainable value to our shareholders and investors.”*

- Mr. Anthony P. Susilo, CEO of INPP



中國水務集團有限公司  
China Water Affairs Group Limited

### CHINA WATER AFFAIRS GROUP LIMITED

Listed on the Main Board of the Hong Kong Stock Exchange, China Water Affairs Group Limited (CWA) is among the largest publicly listed water supply entities in China. CWA provides raw water, tap water, direct drinking water, sewage treatment, and other related value-added services to more than 30 million people across 25 provinces in the country. As of 31 March 2025, its water pipeline network reaches approximately 151,000 km in length.

With CGIF’s external credit enhancement, CWA issued its 5-year CNH1 billion blue bonds on 27 January 2025 under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF).

This transaction is another breakthrough by CGIF as the first-ever CGIF-guaranteed blue bonds in the region. Through CGIF’s 100% credit wrap, CWA was able to diversify its funding and investor base by attracting sovereign wealth funds and government entities, extending debt maturity

profile, and supporting its sustainable water management businesses.

The blue bonds were issued in accordance with CWA’s Green & Blue Finance Framework. Moody’s Ratings provided a Second Party Opinion to confirm that the framework is aligned with the four core components of the International Capital Market Association’s Green Bond Principles 2021, the Loan Market Association, Asia Pacific Loan Market Association, and Loan Syndications & Trading Association’s Green Loan Principles 2023. In addition, the framework is aligned with the IFC Blue Finance Guidelines.



*“The successful issuance of the first-ever offshore RMB bond of China Water Affairs marks another milestone for the group’s overseas financing history, mitigating forex risk in a current volatile market. With CGIF’s AA credit enhancement, the company is able to broaden its investor base, attracting more sovereign and health insurance funds with longer investment tenor and lower financing costs.”*

- Mr. Duan Chuan Liang, Chairman of CWA





**សាលាអន្តរជាតិ  
CIA FIRST  
INTERNATIONAL SCHOOL**

**CIA FIRST INTERNATIONAL SCHOOL CO. LTD.**

CIA FIRST International School Co. Ltd. (CIA FIRST) is one of the largest and leading K-12 bi-curriculum schools in Cambodia, positioned within the mid-priced segment. CIA FIRST currently operates four campuses in Phnom Penh with a total enrollment of over 5,400 students and a total capacity of almost 7,000.

On 7 March 2025, CIA FIRST issued its follow-on second tranche bond of KHR40.1 billion (\$10.0 million) with a 5-year maturity. Proceeds from this issuance are used to finance Phase Two of CIA FIRST's fourth campus in Russey Keo, which will house its high school division.



*"The listing of this Bond Tranche 2 for CIA FIRST International School marks a further milestone in Cambodian K-12 education, whereby investors and the private education sector align in the pursuit of capital for the growth and development of schools. We at CIA FIRST are proud and grateful to have worked hand in hand with the SERC, CSX, CGIF, and Royal Group in making this Bond Tranche 2 listing a reality, and we look forward to utilizing these investment funds in the ongoing expansion of our school's portfolio, specifically regarding our new CIA FIRST International School Russey Keo."*

- Mr. Michael Wilde, CEO of CIA FIRST

The first tranche, issued in December 2023, funded the construction of the pre-school to middle school on the same campus. Together, these two tranches will expand the fourth campus at Russey Keo, increasing CIA FIRST's student capacity by 3,000 and raising its total intake to approximately 10,000 students.

Issued under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF), the first and second tranches have been rated khAAA by the Rating Agency Cambodia. These bonds also represent Cambodia's first education sector bond issuance.



**SCHNEITEC DYNAMIC CO. LTD.**

SchneiTec Dynamic Co., Ltd. (SchneiTec Dynamic) is a project company established for a 60-megawatt solar power project in Cambodia. It is part of the SchneiTec Group, a prominent energy infrastructure company founded by Dr. Heng Socheat in 2015. With a vision to lead the future of renewable energy and support Cambodia's economic growth, SchneiTec Group has been instrumental in the country's energy transition.

The project, located in Kampong Chhnang Province, is a 60 MWac (megawatt alternating



*"It was tough. The bar was very high, and there are many strict requirements. But we finally did it, thanks to the kind support and commitment from CGIF, SERC, CSX, and all parties. We are proud to be a part of this first green project bond, and we believe it's just the beginning of our journey in the capital market and toward our goal to bring the Kingdom to the 70% of renewable energy by 2030 and carbon neutrality by 2050."*

- Mr. Heng Socheat, Chairman and Founder of SchneiTec Group

current) solar photovoltaic (PV) plant with an integrated Battery Energy Storage System (BESS)—marking Cambodia's first utility-scale solar-plus-storage facility. Developed under a Build-Own-Operate (BOO) model, the plant achieved commercial operation on 31 October 2024. It operates under a 20-year, fixed-price, pay-as-produced Power Purchase Agreement (PPA) with Electricité du Cambodge (EDC), backed by the Royal Government of Cambodia.

As a landmark transaction for the Cambodian capital market, SchneiTec Dynamic successfully issued a KHR196.6 billion (~\$49.2 million) green project bond with a 15-year tenor. This issuance represents the first-ever project bond, the longest-tenor bond, and the largest CGIF-guaranteed bond in Cambodia to date.

The bond features an innovative three-tranche structure designed to broaden the investor base:

- Two CGIF-Guaranteed Tranches: KHR60.0 billion (~\$15.0 million) with a floating rate and KHR80.0 billion (~\$20.0 million) with a floating rate featuring a floor and cap
- One Unguaranteed Tranche: A KHR56.6 billion (~\$14.2 million) green bond, successfully placed with investors despite the absence of a guarantee

CGIF's value-add extended beyond credit enhancement. Acting as an anchor creditor, CGIF led the technical and legal due diligence, structuring, and documentation to align the transaction with international project finance standards. This role was critical in instilling confidence among both onshore and offshore investors, enabling the successful placement of the unguaranteed tranche.

The bonds align with SchneiTec's Green Bond Framework, which has been verified by S&P Global Ratings as compliant with the ICMA Green Bond Principles (2021) and the ASEAN Green Bond Standards.



## HARTADINATA ABADI

### PT HARTADINATA ABADI TBK

Founded in 2004, PT Hartadinata Abadi Tbk (HRTA) is a leading gold manufacturing and trading company in Indonesia recognized for its vertically integrated operations spanning gold refining, bullion and jewelry manufacturing, and retail business. As Indonesia's only publicly listed gold jewelry company, HRTA maintains a leading market position with a diversified product portfolio.

On 24 April 2025, HRTA issued the second tranche of IDR100 billion under its Sustainable Bond Program, which brings its total issuance to IDR1 trillion, fully guaranteed by CGIF. This 3-year bond carries a fixed coupon of 7.60% per annum and is listed on the Indonesia Stock Exchange. The CGIF guarantee provides an idAAA(cg) rating, ensuring top-tier credit quality and enhanced investor confidence.

Proceeds from the issuance are allocated to long-term working capital, supporting HRTA's integrated operations across gold refining, jewelry manufacturing, and retail expansion. This tranche builds on the success of the inaugural issuance in 2024, which achieved strong oversubscription, reflecting sustained market confidence in the company's financial strength and growth strategy.

As of the bond issuance date, HRTA operates four factories dedicated to producing premium gold jewelry and bullion, including a precious metal



*"We extend our sincere appreciation to CGIF for their continued and invaluable support in our second tranche bond issuance in 2025. This partnership has been instrumental in enabling HRTA to achieve an all-time high record performance in 2025, reflecting the strength of our strategy and execution. As the industry leader, we remain committed to sustainable growth and operational excellence as well as enhancing our ability to serve customers while contributing meaningfully to the broader economy. Looking ahead, we are driven to become the largest and most integrated gold player in Indonesia, supported by strong fundamentals and long-term partnerships."*

*- Ms. Sandra Sunanto,  
President Director of HRTA*

refining facility. The company's operations remain supported by an extensive distribution network, comprising over 1,000 points of sale including wholesalers, retail shops, and partnerships with leading e-commerce platforms. HRTA continues to strengthen its position in the gold jewelry and bullion markets, driven by a commitment to sustainable growth. Over the last 2 years, HRTA has expanded its global footprint to deliver high-quality jewelry to customers worldwide.



## globalmediacom

### PT GLOBAL MEDIACOM TBK

PT Global Mediacom Tbk. (Global Mediacom) is Indonesia's largest and most diversified media and broadcasting conglomerate, operating across multiple segments, including Free-to-Air (FTA) television, Pay TV, multi-channel networks (MCN), over-the-top (OTT) media, talent management, content production, and other strategic investments. Formerly known as PT Bimantara Citra Tbk., the company rebranded to its current name in 2007 to better reflect its expansive business model focusing on the media industry.

Global Mediacom oversees the largest FTA television network in Indonesia with four TV stations: RCTI, MNCTV, GTV, and iNews. Through their combined primetime audience reach, Global Mediacom remains the most dominant player in the Indonesian media industry. Beyond FTA, Global Mediacom has a strong presence in Pay TV services, operating MNC Vision (postpaid Direct-to-Home or DTH) and K-Vision (prepaid DTH), serving over 14.6 million subscribers. Keeping with the latest technological innovations and shifting media landscape, Global Mediacom also operates two super-apps: RCTI+ (an Advertising-based Video on Demand or AVOD) and Vision+ (a Subscriber-based Video on Demand or SVOD). Its super-apps, along with MCN/social media and content licensing, further contribute to Global Mediacom's growing digital footprint.

CGIF supported the guaranteed bond and sukuk issuance of Global Mediacom amounting to IDR1.4 trillion (IDR850 billion in conventional bond and IDR550 billion in sukuk) issued on 24 June 2025—marking CGIF's largest IDR issuance to date. The



*"We are deeply honored to collaborate with CGIF in this landmark issuance, which not only marks a significant milestone for Global Mediacom but also sets a new precedent in the Indonesian bond and sukuk market. The strong demand and diverse investor participation affirm the market's confidence in our vision and long-term strategy. We sincerely appreciate CGIF's support and remain committed to advancing Indonesia's capital markets through innovative and sustainable financing solutions."*

*- Mr. Hary Tanoesoedibjo,  
President Director of Global Mediacom and  
Executive Chairman of MNC Group*

issuance represents Tranche 1 of the company's Bond Program under CGIF's guarantee. Listed in the Indonesia Stock Exchange, the publicly offered bonds set a strong precedent to CGIF's commitment to be a catalyst for broader market access and empowering more Indonesian issuers to tap local currency financing.

The oversubscribed bond and sukuk, rated <sup>id</sup>AAA<sub>(cg)</sub> by PEFINDO, was successfully issued at a coupon rate of 7.60% p.a. for the 3-year tranche, 7.85% p.a. for the 5-year tranche, and 7.90% p.a. for the 7-year tranche, drawing strong investor demand. This CGIF-backed issuance strengthens Global Mediacom's access to long-term funding for digital growth, supporting Indonesia's growing media ecosystem.



## MUANGTHAI CAPITAL

### MUANGTHAI CAPITAL PCL

Established in 1992 and listed on the Stock Exchange of Thailand in 2014, Muangthai Capital PCL (MTC) is a leading non-bank financial institution in Thailand, specializing primarily in vehicle title loans. The company operates the most extensive branch network among Thailand's Non-Bank Finance Institutions (NBFIs), with over 8,600 branches and 16,000 employees serving more than 3.5 million clients nationwide. MTC primarily caters to low- to middle-income individuals, aiming to enhance access to credit and promote financial inclusion across all 77 provinces of Thailand.

CGIF supported the guaranteed bond issuance of MTC amounting to SGD129 million (equivalent to \$99.8 million) issued on 14 October 2025. The issuance comprises 3-year and 5-year tranches at SGD64 million and SGD65 million, respectively. The offering garnered strong investor demand of more than 3x oversubscription during bookbuilding, with final pricing of 2.15% for the 3-year tranche and 2.28% for the 5-year tranche.

This transaction marks the first publicly offered social bond in Singapore Dollar by an NBFI, setting a new benchmark for sustainable financing in ASEAN's capital markets. Rated AA by S&P Global Ratings, the bonds are listed on the Singapore Exchange. Proceeds from the issuance will be deployed under MTC's Social Bond Framework,

which aims to finance projects that drive positive social impact. Through this, MTC seeks to expand its reach to support financial inclusion and inclusive economic growth in Thailand. Funds will be channeled to enhance financial access for underserved groups who may face limited access to credit, including smallholder farmers, micro-enterprises such as women business owners and self-employed women, and day laborers and employees.



*"Muangthai Capital is proud to be the first non-bank financial institution from Thailand to issue a Singapore Dollar social bond, guaranteed by CGIF. This milestone not only underscores our commitment to advancing financial inclusion and supporting underserved communities but also marks a key step in establishing our presence in new regional capital markets. We sincerely thank CGIF for their partnership and confidence in this pioneering transaction."*

- Mr. Parithad Petampai, CEO of MTC



## CMC CORPORATION

Aspire to Inspire the Digital World

### CMC CORPORATION

CMC Corporation (CMC) is the second-largest listed technology company in Viet Nam. Founded in 1993, CMC operates across four key business areas: Technology & Solutions, Digital Infrastructure, Global Business, and Research & Education. The company is driving initiatives in artificial intelligence (AI) and digital transformation, with a strong presence in Viet Nam and over 30 international markets, supported by a workforce of nearly 6,000 employees.

Through CGIF's support, CMC was able to conduct its debut bond issuance of a 10-year, VND1,250 billion fixed-rate amortizing bond. The bond was issued at a coupon rate of 5.50% per annum and was oversubscribed by 2x, indicating strong investor demand. This transaction represents CMC's first 10-year bond issuance, marking a significant milestone in the corporation's financing strategy. The proceeds of the bond will finance the construction and development of the CMC Creative Spaces Hanoi (CCS Hanoi) project, which comprises a data center and office building and supports Viet Nam's digital infrastructure development.



*"We value CGIF's partnership. The guarantee enables CMC to access long-term VND funding and diversify its investor base; the proceeds will be allocated to the CMC Creative Space Hanoi (CCS Hanoi) project, a modern data center and office complex. CCS Hanoi is designed to meet rising client demand for secure, reliable digital infrastructure and large-scale AI compute. It will also serve as the foundation for CMC to deliver Cloud/AI-as-a-Service, driving AI transformation for enterprises and institutions and making a concrete contribution to Viet Nam's digital economy. CGIF's guarantee and collaboration in this project demonstrate international financial institutions' support for CMC's strategies in digital infrastructure, AI-X, and Go Global, and reflect their confidence in CMC's strong financial capacity—reinforcing our resolve to make CMC a billion-scale global digital company by 2028."*

- Mr. Nguyen Trung Chinh, Chairman of the Board and Executive Chairman of CMC

# al-salām

REAL ESTATE INVESTMENT TRUST

## AL-SALĀM REAL ESTATE INVESTMENT TRUST

Al-Salām Real Estate Investment Trust (ALSREIT) is a Malaysia-based real estate investment trust that invests in a diversified portfolio of income-generating Shariah-compliant properties. These include retail malls, an office building, food and beverage outlets, industrial buildings, and an educational institution. ALSREIT has been listed on Bursa Malaysia since 29 September 2015, initially with 31 properties and a total asset value of MYR903.1 million. Over the years, it has expanded its portfolio to comprise over 50 properties



*"We appreciate the trust from the investors; the support from CGIF; Maybank IB as the Sole Principal Adviser, Sole Lead Arranger, and one of the Joint Lead Managers; and the transaction team. Their partnership was instrumental to the success of our debut market issuance. We now look forward to executing our business strategy and delivering long-term value to our unitholders."*

- Mr. Zulhilmy Bin Kamaruddin,  
CEO of JLG REIT Managers Sdn Bhd  
(ALSREIT REIT Manager)



strategically located in Johor Bahru as well as in major towns throughout Malaysia, equivalent to 2.3 million square feet of net lettable area and an aggregate value of MYR1.2 billion as of 30 September 2025.

On 24 November 2025, ALSREIT issued its 5-year MYR455.0 million 3.95% senior Sukuk Wakalah (Guaranteed Sukuk Wakalah) under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF). Rated AAA by RAM Ratings Services Berhad, the Guaranteed Sukuk Wakalah is the pilot issuance under ALSREIT's MYR3.0 billion Sukuk Wakalah Programme. The sukuk proceeds were earmarked for refinancing and asset enhancement initiatives, facilitating the extension of ALSREIT's average financing tenor via long-term fixed-rate institutional capital.

This landmark transaction is CGIF's first guaranteed MYR sukuk issuance, the largest sukuk CGIF has guaranteed to date in ASEAN, and CGIF's largest transaction to be supported in Malaysia to date, all of which underscores its commitment to catalyze local currency sukuk issuances in the region. The Guaranteed Sukuk Wakalah also injects further diversity in terms of financing options and investment opportunities to the MYR sukuk market, the largest local currency corporate sukuk market in the world.

# POLLUX

HOTELS

## PT POLLUX HOTELS GROUP TBK

PT Pollux Hotels Group Tbk (PHG) was established on 27 August 2009 and listed on the Indonesia Stock Exchange (IDX) under the stock code "POLI" in 2018. PHG mainly engages in commercial property development and operations, with a diverse portfolio of malls, hotels, and service apartments across Semarang and other major cities in Indonesia. The company's largest commercial asset is Pollux Mall Paragon, the largest shopping center in Semarang, which combines a modern shopping center, family recreation area, and a 5-star hotel.

PHG's CGIF-guaranteed bond issuance marks its first entry into the bond market and represents the first Indonesian Rupiah-denominated Sustainability-linked Bond (IDR SLB) from the

commercial real estate sector and the second IDR SLB overall. Rated <sup>id</sup>AAA<sub>(CG)</sub> by PEFINDO, the SLB was successfully issued on 10 December 2025 in two tranches: (a) 3-year tenor of IDR55.0 billion (~\$3.3 million) at 5.85% per annum and (b) 5-year tenor of IDR445.0 billion (~\$27.0 million) at 6.25% per annum. The proceeds from the issuance will be used to refinance existing debts and fund carbon emission reduction initiatives across PHG's properties.



*"CGIF's involvement in this issuance has significantly boosted investor confidence and reinforced our market position. Their guarantee and guidance not only ensured a strong transaction structure but also demonstrated their trust in our business fundamentals and growth strategy. We deeply value this collaboration and believe it will serve as a solid foundation for our future strategic initiatives."*

- Handojo Koentoro Setyadi, S.H.,  
President Director of PHG





## ASIALINK FINANCE CORPORATION

Asialink Finance Corporation (AFC) is a leading non-bank financial institution in the Philippines, specializing in secured Micro, Small and Medium-sized Enterprise (MSME) lending with vehicles as collateral. It is the parent company of the Asialink Group, whose main subsidiaries include Global Dominion Financing, Inc. (GDFI) and South Asialink Financing Corporation (SAFC). Similar to AFC, GDFI, and SAFC focus on vehicle financing and refinancing products for MSMEs.

Asialink Group has a total loan portfolio of about PHP40 billion and over 500 branches nationwide.

On 23 December 2025, AFC issued its 5-year PHP2.0 billion fixed-rate amortizing Social Corporate Notes together with GDFI's 3-year PHP1.0 billion fixed-rate amortizing Social Corporate Notes and SAFC's 3-year PHP1.0 billion fixed-rate amortizing Social Corporate Notes. The Social Corporate Notes were issued under the ASEAN Social Bond Standards by the ASEAN Capital Markets Forum and the Social Bond Principles by the International Capital Markets Association (ICMA).



*“CGIF’s guarantee marks an important milestone for the Asialink Group as it strengthens our funding profile, broadens our investor base, and supports the continued execution of our social finance strategy. These Corporate Notes will enable us to expand financing access for micro, small, and medium enterprises (MSMEs) and underserved segments, reinforcing our commitment to inclusive and sustainable economic growth in the Philippines.”*

*- Robert B. Jordan Jr., Group CEO of Asialink Group of Companies*

As first-time issuers, CGIF’s guarantee enabled GDFI and SAFC to diversify their funding sources, access new investors, and extend the maturity profile of their debt, with AFC benefiting from the same.

Furthermore, the issuances will enhance Asialink Group’s ability to support more MSMEs, which account for a significant portion of businesses and employment in the Philippines, thereby facilitating the fostering of inclusive economic growth, employment, and financing of the underbanked.

The three issuances mark several milestones—they are CGIF’s first PHP transactions since 2018, the first CGIF-guaranteed PHP transactions issued under ASEAN Social Bond Standards and ICMA’s Social Bond Principles, and the largest corporate notes supported thus far by CGIF.



## TECOMEN HOLDING JOINT STOCK COMPANY

Tecomen Holding Joint Stock Company (Tecomen) is a leading manufacturer of water purifiers and related components in Viet Nam, recognized for its quality, technology, features, and design. Tecomen continues to maintain its leading position thanks to its vast distribution network of more than 8,400 stores. Furthermore, Tecomen has continued to expand its footprint overseas with its products being sold to more than 50 countries.

On 24 December 2025, Tecomen issued its 5-year VND300 billion fixed-rate amortizing second tranche bond, a follow-up to the first tranche issued in 2023.

The bond proceeds from the second tranche will be used to finance the investment of the new Long An factory, in addition to upgrading the existing Hung Yen factory and investing in new distribution stores and warehouses. The new factory will enhance Tecomen’s presence and market share in the Southern region of Viet Nam as well as optimize the logistics for deliveries across southern provinces, thereby providing affordable, clean, and safe drinking water to a wider range of consumers.

This transaction solidifies CGIF’s continued support for the VND bond market by promoting mid-sized local champions such as Tecomen, while enabling



*“We are pleased to collaborate with CGIF and Maybank on another successful guaranteed bond issuance. I would like to express my sincere appreciation to all parties involved for their steadfast support and instrumental contributions in bringing this transaction to a successful close. At Tecomen, we remain confident in our strategic direction and, together with our valued partners, are committed to achieving long-term sustainable growth. Expanding access to clean water and enhancing people’s quality of life remain central to our ESG priorities and our broader commitment to sustainable development.”*

*- Mr. Nguyen Thy Phuong, Co-Founder, Chairman, and CEO of Tecomen*

Tecomen to continue its mission of making safe drinking water accessible to households nationwide. Furthermore, strong investor support for the issuance and CGIF’s credit enhancement was exemplified by a lower coupon rate of 6.0% p.a. for the second tranche compared to the first tranche’s coupon rate of 6.5% p.a.

# 2025: A Year of Landmark Achievements and Strategic Partnerships

In 2025, CGIF pushed to explore and develop new markets, maintain market visibility, and cultivate strategic partnerships. Through a record-breaking 42 events and market engagements, CGIF sought to build a more robust bond market ecosystem by focusing on market education and stakeholder engagement. The events focused on furthering local currency issuances, investor education on thematic bonds, development of sukuk markets, and sharing best practices across various ASEAN markets. CGIF's market development efforts are now integral to its origination and execution process as they help us in generating positive momentum with issuers and investors. This is also a channel that helps us understand the specificities of each ASEAN market.



This year, CGIF focused on four operational pillars:

- 1. High-Level Government Partnerships and Regulatory Engagement.** Engaging directly with Ministries of Finance (MOFs) and regulators to align bond market development with national economic priorities and playing an active role in shaping regional financial policy through active memberships in the Investment House Association of the Philippines (IHAP), the Vietnam Bond Market Association (VBMA), the Thailand Bond Market Association (ThaiBMA), and the International Capital Market Association (ICMA).
- 2. Knowledge Publication and Market Education.** Through research and our bond market development workshops, we clarify the guarantee process and share best practices.
- 3. Strategic Events and Market Presence.** Organizing and participating in forums to maintain a constant presence in the minds of regional stakeholders and institutional investors
- 4. Formalized Partnerships.** Collaborations with key regional institutions such as the Credit Guarantee Corporation of Cambodia (CGCC), the Korea Trade Insurance Corporation (KSURE), and the Export-Import Bank of Thailand (currently being finalized) help build a more interconnected financial network.

## MARCH

### CAMBODIA

- Cambodia Sustainable Bond Accelerator Workshop hosted by Securities and Exchange Regulator of Cambodia (SERC)

### PHILIPPINES

- IHAP Board Meeting

## APRIL

### CAMBODIA

- New Mechanisms for Mobilizing through the Issuance of Bonds under MTN Framework hosted by SERC

### THAILAND

- Investing in Sustainable Project Pipelines in Emerging Markets and Networking Reception hosted by UN Economic and Social Commission for Asia and the Pacific

### SINGAPORE

- The Role of Local Currency Bonds and Guarantees Amidst Economic Uncertainties hosted by Singapore Exchange and Oversea-Chinese Banking Corporation

## MAY

### SINGAPORE

- Advancing Sustainable Finance and Climate Transition in Asia hosted by Singapore Exchange and ICMA

### VIET NAM

- Vietnam Credit Conference 2025 hosted by Moody's Ratings and VIS Ratings

### THAILAND

- Sustainable (ESG) Bond Issuance in Practice Workshop hosted by ThaiBMA and Capital Market Development Fund

## JUNE

### INDONESIA

- Navigating the Future: ESG Leadership Amid Uncertainty for a Resilient Capital Market hosted by Indonesian Public Listed Companies Association (AEI)
- Accelerate Your Growth: Secure Capital and Unlock Values with Domestic Bond Markets co-hosted with Indonesia Stock Exchange and PEFINDO
- Guarantees, Growth, and the Year Ahead hosted by Indonesian Life Insurance Association (AAJI)

### JAPAN

- Contemplating Sustainability through the Lens of Millennium-old Capital hosted by Asian Bond Markets Initiative

### PHILIPPINES

- CT Week Philippines: Unleash the Potential of Philippine Treasury hosted by Finance Asia

### SINGAPORE

- 2025 Land-Sea Financial Forum Roundtable hosted by China Construction Bank

- Sustainable Debt Asia 2025 Conference hosted by Environmental Finance



### MALAYSIA

- ESG Festival 4.0 hosted by Taylor's College

**JULY**



**CAMBODIA**

- Launching of Infrastructure Bond Prakas hosted by SERC

• Sustainability-linked Bonds Workshops hosted by SERC



**INDONESIA**

- ESG Roundtable 2025 co-hosted with Sustainable Fitch



**THAILAND**

• Thailand's Corporate Credit Outlook hosted by Fitch Ratings



- Credit Spotlight – Risk and Opportunities in a Changing Global Economy hosted by S&P and TRIS Ratings
- Towards A New Era in Sustainable Bond: Thailand Taxonomy and the Evolving Role of Asset Managers co-hosted with ThaiBMA and Securities and Exchange Commission Thailand

In Thailand, CGIF is partnering with the Ministry of Finance, Securities and Exchange Commission Thailand, and ThaiBMA to identify pathways for accelerating the country's transition toward a resilient and sustainable financial ecosystem. The Thailand Taxonomy Seminar highlighted the taxonomy's purpose as a science-based voluntary tool to classify economic activities and guide the economy toward a low-carbon future and Net Zero goals.



**VIET NAM**

- Vietnam Bonds and Credit Conference Series 2025 co-hosted with VIS Ratings



**AUGUST  
KOREA**

- The Global Knowledge Exchange on Low-Carbon Steel hosted by the UN Industrial Development Organization



**MALAYSIA**

- 8th Global Islamic Finance Summit hosted by *The Asset*



**THAILAND**

- Moody's Credit Conference



**VIET NAM**

- VBMA 2025 Annual Inter-bank Offsite
- Viet Nam Capital Market Forum 2025 co-hosted with FiinRatings
- Fitch on Viet Nam



**SEPTEMBER  
CHINA**

- China International Fair for Investment and Trade (CIFIT) hosted by China Ministry of Commerce



**PHILIPPINES**

- 33rd Asian Credit Supplementation Institution Confederation (ACSIC) Training Program hosted by the Philippine Guarantee Corporation



**OCTOBER**

**BRUNEI DARUSSALAM**

- Brunei Darussalam Sukuk Development Seminar co-hosted with Brunei Ministry of Finance and Economy

In Brunei Darussalam, CGIF has collaborated with the Ministry of Finance and Economy to support the development of the sukuk market as part of the country's broader Islamic finance ecosystem. CGIF hopes to seek more opportunities to support sukuk markets across the region, identifying them as a key vehicle for sustainable development.



**JAPAN**

- 44<sup>th</sup> ASEAN+3 Bond Market Forum (ABMF) Meeting



**MALAYSIA**

- Ratings Agency Malaysia (RAM) Ratings Forum Event



**NOVEMBER  
INDONESIA**

- Indonesia's Investment Horizon: Seizing Opportunities and Unlocking Private Capital in 2026 co-hosted with Indonesia Ministry of Finance



In Indonesia, the collaboration with the Ministry of Finance aims to explore strategies for mobilizing capital through the bond market to finance sustainable infrastructure and drive long-term economic growth. This partnership focuses on using the local bond market to provide the funding needed for infrastructure, supporting Indonesia's shift toward a more sustainable future.



**JAPAN**

- 11th Annual Conference of the Green, Social, Sustainability and Sustainability-linked Bond Principles hosted by ICMA



**SINGAPORE**

- 20th Asian Bond Markets Summit hosted by *The Asset*



**CAMBODIA**

- Investor Roundtable on Sustainable Finance hosted by SERC



**VIET NAM**

- VBMA Annual Meeting



**THAILAND**

- Thailand's Investment Horizon: Seizing Opportunities and Unlocking Private Capital in 2026 co-hosted with ThaiBMA and Securities and Exchange Commission Thailand



**HONGKONG, CHINA**

- ASEAN+3 Finance and Central Bank Deputies Meeting (AFCDM+3)



**DECEMBER  
PHILIPPINES**

- MOU Signing Ceremony with Korea Trade Insurance Corporation (KSURE)



# 2025 Awards



**BIGGEST SUSTAINABLE IMPACT –  
NONBANK FINANCE INSTITUTIONS  
(Indonesian Market)**  
Finance Asia Awards 2025



**BEST CORPORATE BOND  
(Cambodia)**

The Asset Sustainable Capital  
Market Awards 2026

KHR40.1 billion  
senior unsecured bond



**BEST SOCIAL BOND  
(Thailand)**

The Asset Sustainable Capital  
Market Awards 2026

SGD129 million social bond



**BEST CORPORATE BOND  
(Indonesia)**

The Asset Sustainable Capital  
Market Awards 2026

IDR850 billion bond /  
IDR550 billion sukuk



**CMC CORPORATION**  
Aspire to Inspire the Digital World

**BEST NEW BOND  
(Viet Nam)**

The Asset Sustainable Capital  
Market Awards 2026

VND1.25 trillion fixed-rate  
amortizing bond



中國水務集團有限公司  
China Water Affairs Group Limited

**BEST BLUE BOND  
(China Offshore)**

The Asset Sustainable Capital  
Market Awards 2026

CNH1 billion guaranteed blue bond



**FRONTIER MARKETS ISSUE  
(Green Catalyst)**

International Financing Review  
Asia Awards 2025

KHR196.64 billion green project



globalmediacom

**CORPORATE FINANCE DEAL  
OF THE YEAR**

Islamic Finance News Awards 2025

IDR550 million sukuk transaction



**BLUEPRINT AWARD**

RAM League Awards 2025

RM500 million  
guaranteed senior sukuk



**BEST PROPERTY DEAL  
(Indonesia)**

Finance Asia Awards 2025

IDR500 billion bond

## SPECIAL REPORT

# 15 years of Driving the ASEAN+3 Transition Toward Sustainable Finance

Since its inception in 2010, CGIF has been at the forefront of developing the ASEAN+3 bond markets. Over the past 15 years, CGIF has seen a shift in the regional landscape; sustainable finance is no longer a niche interest but a cornerstone of its market development strategy.

### A Landmark Portfolio of Impact

In 2025, CGIF crossed the \$1 billion threshold for guarantees supporting thematic bonds since inception. To date, CGIF has supported \$1.1 billion across 18 groundbreaking deals that have set new benchmarks for innovation.

In 2025 alone, CGIF facilitated \$272 million in thematic bonds in ASEAN+3 local currencies. Its guarantees have supported issuances in Cambodian Riel (KHR), Chinese Yuan (CNH), Indonesian Rupiah (IDR), Malaysian Ringgit (MYR), Philippine Peso (PHP), Singaporean Dollar (SGD), and Thai Baht (THB). These bonds are aligned with recognized frameworks, including the ASEAN Green, Social, and Sustainability Bond Standards and the International Capital Market Association (ICMA) Green and Social Bond Principles.

CGIF's current sustainable portfolio includes:

**1. Seven Green Bonds.** Supporting renewable energy and climate-resilient infrastructure

- 2. Four Sustainability-linked Bonds (SLBs).** Encouraging issuers to meet specific environmental targets
- 3. Six Social Bonds.** Focused on financial inclusion and social infrastructure
- 4. One Blue Bond.** A landmark 2025 issuance in China dedicated to water conservation and accessible clean water

As CGIF looks toward 2026 and beyond, it remains dedicated to helping issuers align their commercial growth with positive environmental and social outcomes. CGIF's goal is to move beyond "first-of-its-kind" transactions and make sustainable instruments the standard for local currency markets. In 2026, CGIF aims to champion local taxonomies, ensuring that sustainability standards are both robust and aligned with regional needs. Through its participation in the Asian Bond Market Initiative (ABMI) and by leveraging programs like the Cambodia Sustainable Bond Accelerator (CSBA) and the GSS+/Sukuku Accelerator Program by Indonesia, CGIF is broadening its reach.

A key priority in the coming year will be supporting first-time issuers by providing capacity building and financial assistance, including exploring cost rebates from CGIF partners to lower the barriers to entry. By turning sustainability goals into successful bond issuances, CGIF is ensuring a more inclusive, stable, and resilient financial future for the entire ASEAN+3 region.

# FINANCIAL SUMMARY

## Blue Bond

### CHINA WATER AFFAIRS

- Issue Size:** \$138 million  
**Country of Issuance:** Hong Kong, China
- First-ever CGIF guaranteed blue bond

## Green Bond

### HANWHA SOLUTIONS CORPORATION

- Issue Size:** \$153 million  
**Country of Issuance:** Singapore
- First green bond guaranteed by CGIF

### SCHNEITEC DYNAMIC CO., LTD.

- Issue Size:** \$35 million  
**Country of Issuance:** Cambodia
- First green project bond in Cambodia
  - 2025 International Financing Review Award for "Frontier Markets Issue"

### ROYAL GROUP PHNOM PENH SEZ PLC

- Issue Size:** \$10 million  
**Country of Issuance:** Cambodia
- 2025 The Asset Sustainable Finance Award for "Best Green Bond"

### HANWHA Q CELLS MALAYSIA SDN. BHD.

- Issue Size:** \$36 million  
**Country of Issuance:** Malaysia

### APEIRON AGROCOMMODITIES PTE. LTD.

- Issue Size:** \$37 million  
**Country of Issuance:** Indonesia

### AP RENEWABLES, INC.

- Issue Size:** \$100 million  
**Country of Issuance:** Philippines
- First climate project bond in Asia

### ENERGY ABSOLUTE PUBLIC COMPANY LIMITED

- Issue Size:** \$50 million  
**Country of Issuance:** Thailand

## Sustainability-linked Bond

### SABANA INDUSTRIAL REIT

- Issue Size:** \$74 million  
**Country of Issuance:** Singapore
- First sustainability-linked bond by a REIT in SGD

### PT STEEL PIPE INDUSTRY OF INDONESIA

- Issue Size:** \$61 million  
**Country of Issuance:** Indonesia
- Indonesia's first corporate sustainability-linked bond
  - 2025 *The Asset* Sustainable Finance Award for "Best Sustainability-linked Bond"

### PRECIOUS SHIPPING PUBLIC COMPANY LIMITED

- Issue Size:** \$42 million  
**Country of Issuance:** Thailand
- 2025 *The Asset* Sustainable Finance Award for "Best Sustainability-linked Transport Bond"

### PT POLLUX HOTELS GROUP TBK

- Issue Size:** \$30.3 million  
**Country of Issuance:** Indonesia
- First sustainability-linked bond by Indonesian property company

## Social Bond

### THAIFOODS GROUP PUBLIC COMPANY LIMITED

- Issue Size:** \$30 million  
**Country of Issuance:** Thailand
- First social bond guaranteed by CGIF
  - First social bond issuance under ASEAN Social Bond Standards by a non-financial corporate issuer

### FIRST REIT

- Issue Size:** \$74 million  
**Country of Issuance:** Singapore
- First social bond by a REIT in Singapore

### MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED

- Issue Size:** \$100 million  
**Country of Issuance:** Singapore
- First social bond in SGD by Non-Bank Finance company

### ASIALINK FINANCE CORPORATION

- Issue Size:** \$34 million  
**Country of Issuance:** Philippines
- First social notes in the Philippines guaranteed by CGIF

### GLOBAL DOMINION FINANCING INC

- Issue Size:** \$17 million  
**Country of Issuance:** Philippines
- First social notes in the Philippines guaranteed by CGIF

### SOUTH ASIALINK FINANCE CORPORATION

- Issue Size:** \$17 million  
**Country of Issuance:** Philippines
- First social notes in the Philippines guaranteed by CGIF

FIGURE 1: NET INCOME

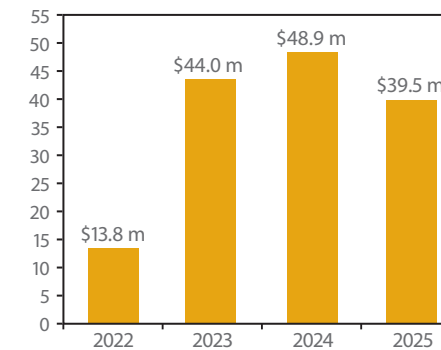


FIGURE 2: INVESTMENT INCOME

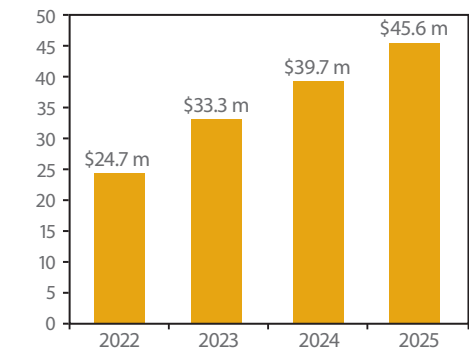


FIGURE 3: GUARANTEE INCOME

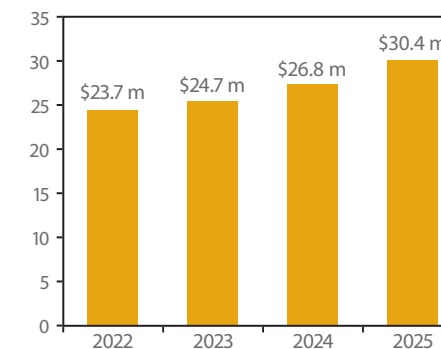
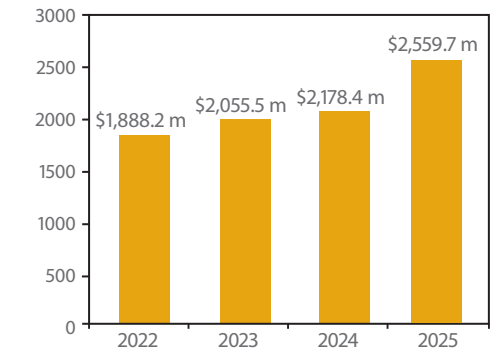
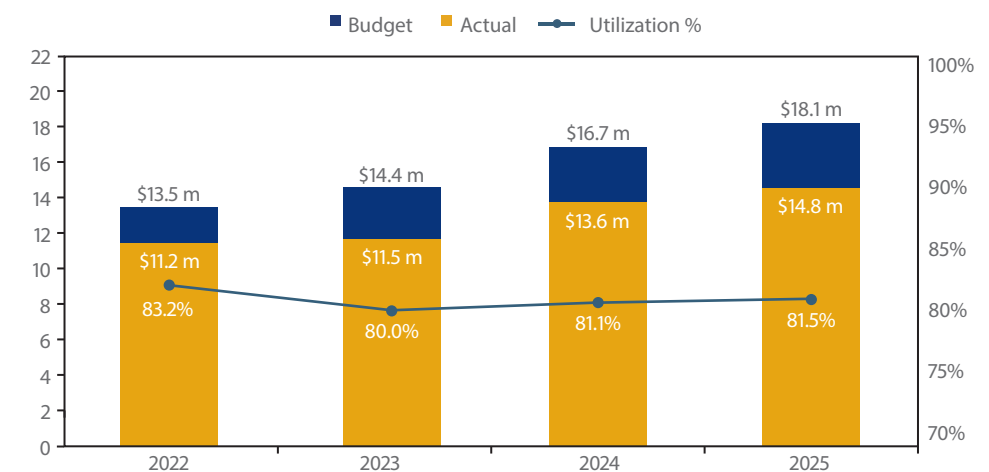


FIGURE 4: OUTSTANDING GUARANTEE ISSUED



Note: Outstanding guarantee obligation on bond principal.

FIGURE 5: ACTUAL VS. BUDGET (OPERATING AND ADMINISTRATIVE EXPENSES)



Notes:  
 (i) Recognition of utilized amount is based on Budgeting Procedures Manual and may not be equal to the reported expenses in the Financial Statements.  
 (ii) Budget figures exclude contingency amounts.

## MESSAGE FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS (BOD)



# MESSAGE

2025 marks the 15th anniversary of CGIF. It has been both a joy and a privilege to witness the growth of the company for the 2 years that I have been serving as Chairperson of the Board of Directors (BOD).

Through the years, CGIF has experienced many great achievements. Management has introduced a great number of initiatives that helped solidify our role in the ASEAN+3 region. Of course, we also faced challenges, most notably during the COVID-19 global pandemic in 2020 and the years of recovery after that.

But through it all, we remained steadfast. We have been very fortunate to have a team who is committed to prioritizing business growth and market development expansion, exercising prudent risk management, and protecting our capital. Even with economic difficulties, challenging foreign policies, and unpredictable market conditions, CGIF continues to thrive.

Our Chief Executive Officer (CEO), Mr. Hongwei Wang, initiated a high-quality growth strategy in the beginning of his term of office. This allowed us to close high-quality deals and transition from single-digit to double-digit in the number of closed deals. We developed marketing plans that enabled us to raise our presence in the local bond markets while growing our business and maintaining our prudent risk management practices. Mr. Wang also championed the cultivation of a strong corporate culture that highlights our core values of respect, professionalism, and accountability.

In 2025, Management introduced a sustainable growth strategy aimed at ensuring the long-term continuity of CGIF's developmental mandate and strengthening the institution's ability to support the market and the region over the years ahead.

The year 2025 was marked by continued economic and market challenges. Despite these conditions, CGIF recorded a net income of \$39.5 million. While this represented a 19% decline from the previous year, the decrease was largely attributable to a \$25.2 million impairment provision, reflecting prudent risk management in a volatile environment. As of end-2025, CGIF maintained a solid financial position, with continued growth in its guarantee portfolio and a strong balance sheet. Outstanding guarantee obligations, net guarantee-related balances, and Members' Equity all increased during the year, reinforcing CGIF's financial resilience and its capacity to support its long-term developmental mandate.

CGIF expanded its operational footprint in 2025, focusing on sustainable finance and the development of local currency bond markets. During the year, CGIF supported 14 guarantee transactions, resulting in 23 individual issuances, reflecting continued growth and diversification of its portfolio. These activities included landmark transactions in thematic finance, such as the institution's first blue bond, a milestone green project bond, and its first sustainability-linked bond in the commercial real estate sector. CGIF also supported longer-tenor issuances, including a landmark 10-year debut bond, contributing to greater market depth and resilience.

I can confidently say that CGIF has built a strong foundation—one that is built with the passion,

determination, and hard work of every team member. We continue making great strides, setting many "firsts," and raising the CGIF profile.

None of this would have been possible without Management's strong leadership, the trust and support of our Contributors, the continued assistance I receive from my fellow Directors, and the teamwork of the whole CGIF staff. I am truly grateful to everyone who has made it their mission to fulfill CGIF's mandate in the region. I would also like to express my sincerest gratitude to Mr. Wang for the leadership he demonstrated in the 3 years that he served as CEO. I also take this opportunity to welcome our new CEO, Noriko Nasu. I am confident that under her leadership, we can continue our work toward a bright future for the market and region.

As Chairperson of the BOD, I remain committed to doing my part in the developmental work in the region, leading the implementation of our Medium-term Business Strategy (MBS), fulfilling the policy objectives set out by the Asian Bond Markets Initiative (ABMI), and protecting the interests of all our partners and stakeholders.

We have more goals for the future, and I humbly ask for your continued support. I look forward to the many exciting prospects and possibilities for CGIF in 2026 and beyond. 15 years after its inception in 2010, CGIF is stronger and better, and the best, really, is yet to come.

A handwritten signature in black ink, consisting of a stylized, flowing cursive script.

**Ms. Kazuko Sakuma**  
Chairperson, Board of Directors

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER (CEO)

It was my incredible honor to assume the position of CGIF Chief Executive Officer in 2022. From Day One, it had been my commitment to build upon CGIF's many remarkable accomplishments since its inception in 2015 and personally contribute to the continued growth of the company.

Over the years, CGIF has seen its fair share of challenges, and through it all, we have shown tremendous resilience. Our ability to perform and deliver, even in the most unfavorable market conditions, is proof that CGIF has grown into a mature institution—one that stands on a strong, solid foundation. This is in large part to the commitment and hard work that every member of the team demonstrates.

Working alongside this team of professionals has given me tremendous pride. Looking back

on the last 3 years, we were able to meet—and often exceed—targets because we took the responsibility in our hands and worked very hard to fulfill our mandate. We worked as a team: we were laser-focused and employed a well-defined, well-thought-out strategy. In the initial years, we focused on proactivity for both risk management and high-quality growth. We maintained a diligent approach to identifying, evaluating, and responding to potential threats. In the last 2 years, we have been very successful in executing deals, moving from one-digit to double-digit in terms of number of closed deals. And in 2024, we closed a total of 15 transactions that supported 14 corporate clients, with the highest volume guaranteed of \$772 million.

We secured growth for the company, but we also worked on other things. We protected our capital so we can ceaselessly perform our tasks and business operations and fulfill our market goals. We carried out a lot of projects and programs to reinforce our core values of respect, professionalism, and accountability. Cultivating this strong corporate culture within CGIF—one that is more action-oriented—greatly benefited the team and also helped win the support of our Board of Directors (BOD) and Contributors. We also initiated a good number of marketing activities and raised the CGIF profile.

In 2025, we implemented a clear and sustainable development strategy that strengthened our business while supporting our people, culture, capital, and market relationships. Through the execution of this strategy, CGIF demonstrated resilience amid highly unpredictable market conditions, particularly during the third quarter of 2025.

CGIF has also mobilized \$670 million across 14 guarantee transactions, resulting in 23 individual issuances. The year's activities were marked by significant diversification, including the support of six first-time issuers in the debt capital markets. A series of landmark deals with key regional partners through a diverse range of financial instruments utilized the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF) to standardize documentation and accelerate cross-border issuances. Major breakthroughs in green and blue

finance include the first blue bond with China Water Affairs Group Limited (CWA) and a milestone green project bond with SchneiTec Dynamic.

CGIF also scaled its presence by deepening the Indonesian market through several "firsts": the first sustainability-linked bond (SLB) in the commercial real estate sector for Pollux Hotels Group (PHG), a record-breaking combined bond and sukuk issuance for Global Mediacom (GMC), and a debut issuance of Indonesian Paradise Property (INPP), which was awarded "Best Property Deal". We likewise facilitated a landmark 10-year debut bond for CMC Corporation, drove cross-border and social innovation through the issuance of the first publicly offered social bond in Singapore Dollars by a Thai non-bank financial institution with Muangthai Capital (MTC), and carried on with the expansion of sukuk and social notes by advancing Islamic finance through ALSREIT Capital's senior Sukuk Wakalah in Malaysia.

CGIF recorded net income of \$39.5 million in 2025, representing a 19% decrease (\$9.4 million) from the previous year. The decline was primarily attributable to a \$25.2 million impairment provision, which was a non-cash charge. Excluding this provision, CGIF delivered a strong operating performance. Gross revenue increased by 29% to \$88.5 million, driven by higher investment and guarantee income. Of the total revenue, \$45.6 million was generated from investment income, while \$30.4 million came from guarantee income. Total expenses, excluding the impairment provision, amounted to \$23.8 million, reflecting a modest 6% increase from the prior year, reflecting the prudent use of resources in supporting expanded operations.

The year 2025 also brought us recognition from the ASEAN+3 government. Our work in the development of the regional bond market was recognized, and we were truly honored by the commendation. This recognition, I believe, is proof of our achievements not only for 2025, but for all the years prior. It is also proof that our well-developed strategy is working and will support CGIF for many years.

As I conclude my term as CEO, I do so with confidence and trust that the company will keep flourishing and growing. I am confident that

our new CEO, Noriko Nasu, will also build upon all our achievements in the last 15 years and remain committed to shaping more resilient and integrated local currency bond markets, taking decisive action in safeguarding stakeholders' interests, and enhancing the bond market's confidence in CGIF and its guarantee products. As our theme for this year's annual report states, we are celebrating milestones and continually creating a future for the ASEAN+3 region.

Moving forward, what we can add to our strategy is strengthening our IT capabilities. We need to invest in IT more and maximize its potential to empower our business—especially with the new sophisticated technologies available these days, among them artificial intelligence (AI).

Looking at the team, I am confident in its capacity and abilities. We can expect CGIF to thrive for many years. We are also very fortunate to have the support of our Contributors, without which CGIF will not be able to achieve any of its goals and fulfill any of its roles. Our BOD also does an exemplary job of guiding the team and monitoring its performance—and it should continue doing so while also applying the appropriate pressure to keep the team motivated and accountable.

Thank you to everyone who became part of my work at CGIF. Any and every success is not to my credit alone. I was fortunate to have worked with a great team, and I hope that this incredible team spirit will live on.

As we marked our 15th anniversary, I am truly proud to have been part of CGIF's journey. I trust that CGIF will remain a vibrant, robust institution—even in difficult times—because it is driven by a desire to do better and to deliver more. CGIF is driven not by profit but by its mandate. And for this reason, Management, BOD, and the whole team need to aim even higher so that CGIF can fly higher. Continue being brave. Continue making brave decisions and meeting the difficulties head on.

Again, my sincerest thanks. I wish CGIF all the best.



**Mr. Hongwei Wang**  
Chief Executive Officer

MESSAGE



# BUSINESS AND OPERATIONAL REVIEW

## GUARANTEE OPERATIONS

### MACROECONOMIC OVERVIEW IN 2025

**T**he Global Economic Prospects of the World Bank estimated that the global economy grew by 2.7% in 2025.<sup>1</sup>

Although global growth still reflected some level of resiliency, the year 2025 brought about significant global macroeconomic and trade changes, which will shape the direction for 2026. The protectionist trade policy of the US indicated the rise of trade barriers and pushed many countries to realign with their trading partners, thus ushering in new trade patterns. The impact of artificial intelligence (AI) on economies and jobs is reshaping how businesses operate to become more efficient and competitive.

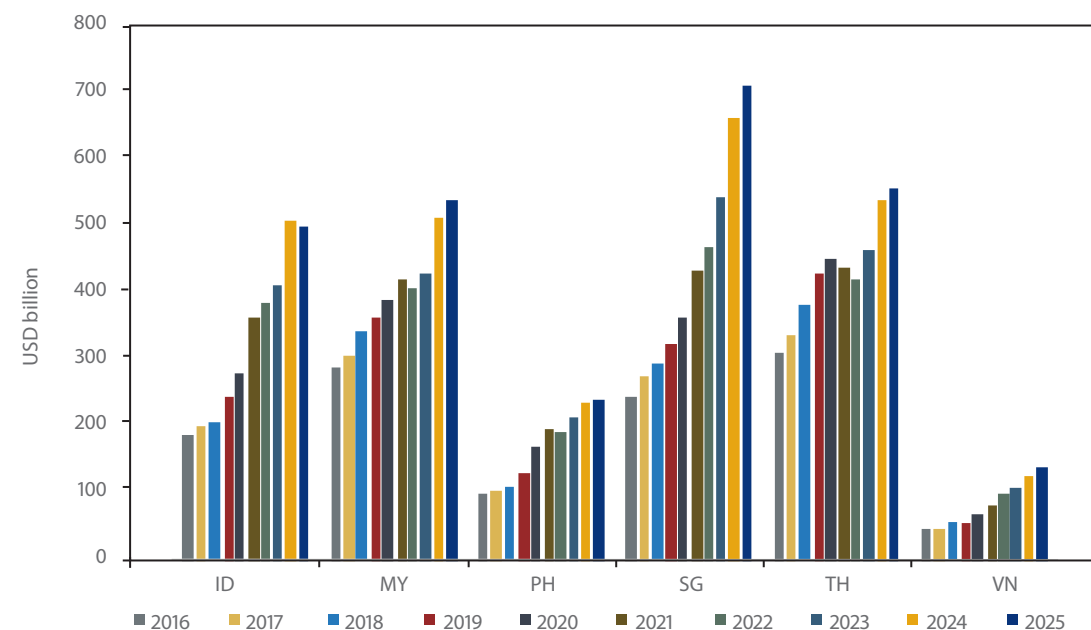
ASEAN paints a different picture of their economic performance in 2025. Viet Nam is the top performing country in the region, as preliminary estimates show an 8% growth rate in 2025. This is one of the highest growth rates recorded by Viet Nam over a 25-year period. Singapore recorded a 4.8% growth rate in 2025, surpassing the earlier estimates for the country. This is due to the robust output and gains from the manufacturing sector as well as improving demand for AI-related products. The preliminary estimates of 4.9% economic growth of Malaysia also show how the country exceeded market expectations and forecasts. Indonesia's economic growth is reported to be within the government's target of 5.2%. On the other hand, with 4.4% recorded growth, the Philippines missed its annual growth targets, due to climate-related disruptions, lower government spending, and weakening business and consumer confidence. Thailand also points to a slower economic growth in 2025, by 2.2%, which was largely due to lower manufacturing output and tourism services.

Note:

<sup>1</sup>The World Bank. Global Economic Prospects (January 2026). <https://www.worldbank.org/en/publication/global-economic-prospects>

## ASEAN6<sup>1</sup> BOND MARKET OVERVIEW

**FIGURE 6: TOTAL LOCAL CURRENCY (LCY) BOND MARKET SIZE<sup>2</sup> PER COUNTRY AND PER YEAR (2016-2025)**



Source: AsianBondsOnline. Data are as of Q3 of every year.

The total local currency (LCY) bond market size of ASEAN6 reached an equivalent of \$2.63 trillion, as of Q3 of 2025. As of Q3 of 2025, the share of government bonds and central bank bills took up 77% of the total bond market in ASEAN6, and the remaining 23% was taken by corporate bonds. In terms of growth, the total bond market of the region grew by 4% y-o-y in Q3 of 2025 in terms of the USD-equivalent issue size.

The LCY government bond markets of countries in ASEAN6 all recorded modest growth in Q3 of 2025, with y-o-y growth rates ranging from 5.9% to 12.6%, in terms of the local currency value. Of the six countries, Viet Nam posted the fastest growth rate in this segment at 12.6%, followed by the Philippines and Singapore with each growing

at 9.5% and 9.2%, respectively. The local currency government bond markets of Indonesia and Malaysia recorded growth rates of 8.8% and 6.6%, respectively.

The corporate bond markets in ASEAN6 have different trends. The LCY corporate bond markets of Viet Nam and Indonesia grew by 25.4% and 13.4%, respectively, from Q3 of 2024 to Q3 of 2025 in terms of local currency value. Within the same period, LCY corporate bond markets of Malaysia and Singapore also grew by 8.5% and 6.5%, respectively. The Philippine peso-denominated corporate bond market also grew by 3.1%. Nevertheless, only Thailand recorded a contraction of 5.4%.

### Notes:

<sup>1</sup>ASEAN6 refers to Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.

<sup>2</sup>Total LCY bond market size refers to the total outstanding value of government bonds, central bank bills, and corporate bonds.

## MARKET OUTLOOK

Various socio-political and economic milestones are set to redefine ASEAN's trajectory in 2026. Thailand's general election on 8 February 2026 serves as a critical juncture; the incoming administration faces the immediate challenge of addressing high household debt and revitalizing consumer purchasing power. Meanwhile, the Philippines is aggressively pursuing recovery, leveraging the "Build Better More" infrastructure program to stimulate output while strengthening governance frameworks.

Viet Nam is arguably the region's most ambitious player, targeting a breakthrough 10% gross domestic product (GDP) growth rate in 2026, with its solid foundations on regulatory reforms. Beyond its manufacturing industry, the country is accelerating its digital economy to meet a 30% GDP contribution goal by 2030. Meanwhile, Indonesia is hopeful on the positive effects of its 2025 reforms, headlined by the Danantara Indonesia, the country's sovereign wealth fund. This entity is tasked with centralizing state asset management to drive national efficiency and long-term fiscal stability.

In Singapore, 2026 marks the first full year of the Wong administration following the 2025 general election. The government is shifting its focus toward "Forward Singapore" social policies, prioritizing reskilling the workforce, while positioning itself to capture the global AI investment upcycle to drive growth in its digital sector and advanced manufacturing industries.

The year 2026 stands as a defining period for ASEAN, testing its resilience and trajectory toward long-term stability. Building on its 2025 track record as a trusted partner to regulators and market participants, CGIF remains steadfast in its core mandate to develop LCY bond markets in

the region. Looking ahead, CGIF is committed to helping issuers further unlock these markets while connecting them to a widening investor base with increasing awareness for high-impact and socially relevant bond products.

## GUARANTEE OPERATIONS 2025

In 2025, global markets experienced slower growth and bigger interest rate volatility due to heightened market uncertainties related to desynchronized monetary policies and US tariff issues. Likewise, CGIF had to finetune its origination strategy toward companies with local earnings and more sound supply chains to align with the market situations.

From an economic standpoint, ASEAN continued benefiting from a stable financial system, lower interest rates, and ample local currency liquidity. These strengths, combined with strong GDP growth in the region, provide a positive outlook for the recovery of the long-term investment cycle, and CGIF is already seeing strong revival of investments in select markets. Nevertheless, geopolitical tensions globally and within ASEAN impacted deal flow in 2025 and will require continued monitoring, as they could influence growth trajectories across the region.

Within this landscape, CGIF expanded its operational footprint reinforcing sustainable finance and the development of local currency bond markets. In 2025, CGIF guaranteed \$670 million in 23 bond issuances for 14 issuers. CGIF assisted 6 first-time issuers from 5 countries to access local currency bond markets and supported a record 7 thematic bonds, the highest annual total since CGIF's inception. CGIF maintained its support to the expansion of sukuk markets in the region, guaranteeing sukuks in Indonesia and Malaysia,

while putting in significant efforts to introduce sukuk guarantee in Brunei. CGIF also supported two cross border issuances in accordance with our mandate to foster regional capital markets integration.

## 2025 STRATEGIC FRAMEWORK: SCALING AND DIVERSIFICATION

CGIF's 2025 market strategy focused on scaling the deal pipeline while upholding disciplined underwriting and its developmental mandate. Its approach emphasized diversification across high-growth sectors, sustainable finance through project bonds and sukuk, and deepening local capital markets through high-quality transactions.

To elevate CGIF's profile and advance local bond markets, CGIF intensified efforts by:

1. engaging extensively through high-speaking roles at regional and local conferences, workshops, and seminars
2. deepening and expanding collaboration with market participants and peer guarantors
3. strengthening relationships with Contributors, regulators, and industry associations

CGIF made significant strides in fortifying relationships with the Cambodia Sustainable Bond Accelerator (CSBA) Program, Vietnam Bond Market Association (VBMA), and Investment House Association of the Philippines (IHAP). It also extended collaborative initiatives to the Thailand Bond Market Association (ThaiBMA) and GSS+ Bonds/Sukuks Accelerator Program for Indonesia.

Furthermore, CGIF expanded its footprint by joining the International Capital Market Association (ICMA) and establishing strategic partnerships with the Korea Trade Insurance Corporation (K-SURE) and the Credit Guarantee Corporation of Cambodia (CGCC). These alliances are already generating new deal inquiries and expanding CGIF's market reach.

Throughout the year, CGIF's profile was amplified through 42 speaking engagements across the region to champion the role of the bond markets and demonstrate the tangible benefits of CGIF guarantees. These increased investor interest in CGIF's guaranteed bonds and added new deal inquiries to its robust pipeline.

Efforts in Thailand focused on the national transition toward a sustainable financial ecosystem through seminars on the Thailand taxonomy. Meanwhile, in Brunei Darussalam, CGIF worked with the Ministry of Finance and Economy to build capacity for a maiden corporate sukuk issuance. In Indonesia and Viet Nam, engagements centered on mobilizing capital for sustainable infrastructure and refining local credit enhancement frameworks. These initiatives were supported by active memberships in ICMA and regional bond market associations, creating feedback loops for regulatory commentary and market insights.



## LANDMARK DEALS AND SEVERAL FIRSTS

The execution of CGIF's 2025 strategy culminated in a series of firsts and landmark transactions that promoted sustainable finance, infrastructure development, financial inclusion, and the deepening sukuk and local markets.

Among CGIF's new milestones is the issuance of the 5-year CNH1.0 billion dim sum bond issued by China Water Affairs Group Limited (CWA), which represents the first-ever CGIF-guaranteed blue bond. The bond was issued under CWA's existing framework, which aligns with International Finance Corporation's (IFC's) Blue Finance Guidelines, ICMA's Green Bond Principles 2021, and the Green Loan Principles 2023 by the Loan Market Association, Asia Pacific Loan Market Association, and Loan Syndications & Trading Association.

In Cambodia, CGIF catalyzed a historic 15-year green project bond for SchneiTec Dynamic Co., Ltd. (SchneiTec Dynamic) under Cambodia's Sustainable Bond Accelerator Program. As CGIF's largest and longest frontier market transaction to date, this KHR-denominated deal was instrumental in attracting long-term local and foreign capital into Cambodia's renewable energy sector. In Indonesia, CGIF's support of PT Pollux Hotels Group Tbk (PHG) enabled the company's first entry in the IDR bond market as the first sustainability-linked bond (SLB) in Indonesia's commercial real estate sector. CGIF's support of PT Global Mediacom Tbk's (Global Mediacom's) conventional and sukuk issuances led to CGIF's largest IDR issuance to date and its first foray into the media sector, broadening the issuer base and further developing the sukuk market in the country.

On the social front, CGIF facilitated the first publicly offered social bond in SGD by a non-banking financial institution, Muangthai Capital (MTC), setting a new benchmark for sustainable financing in ASEAN's capital markets. The proceeds from this cross-border issue will support financial inclusion

and inclusive economic growth in Thailand. In the Philippines, CGIF re-established its presence in the market through the guarantee support extended to the three Social Corporate Notes issued by Asialink Finance Corporation (AFC) and its wholly-owned subsidiaries. These issuances underscore the first CGIF-guaranteed PHP transactions issued under the ASEAN Social Bond Standards and ICMA's Social Bond Principles.

In Malaysia, CGIF expanded its presence by supporting Al-Salām Real Estate Investment Trust's (ALSREIT's) MYR455.0 million Sukuk Wakalah, marking CGIF's first-ever guarantee for an MYR sukuk, the largest sukuk issuance to date, and the largest MYR-denominated transaction overall. The Guaranteed Sukuk Wakalah adds greater diversity to financing options and investment opportunities in the MYR sukuk market.

CGIF reinforced its commitment to Viet Nam's digital infrastructure by supporting CMC Corporation (CMC) in securing long-term, well-structured financing for critical data center infrastructure.

## 2026 OPERATIONAL FOCUS AND OUTLOOK

To sustain 2025's momentum, CGIF's 2026 strategy will prioritize deepening alliances, diversifying risksharing, and executing high-impact transactions across ASEAN+3. In 2026, CGIF will shift toward long-term stability and infrastructure support in its core markets, which are Thailand, Indonesia, Malaysia, Philippines, and Viet Nam.

CGIF is continuing its support of an infrastructure-related bond by a Thailand-domiciled issuer, aligning with its efforts to expand support for other fixed-income instruments, particularly as Thailand is one of CGIF's key markets by portfolio size. Moreover, CGIF will explore cross-border issuance opportunities and pursue growth industries and

government strategic projects in Thailand through collaboration with multilateral development banks and local financial institutions, including via risk-sharing arrangements and other mechanisms.

In Indonesia, CGIF will intensify its focus on refinancing and tenor extension. This effort is complemented by a drive to target government strategic projects and under-tapped sectors while collaborating with major commercial banks.

In Malaysia, where CGIF's presence remains niche and focused amid a highly developed local currency sukuk/bond market, the strategy to deepen CGIF's footprint will focus on leveraging established relationships with large-cap conglomerates and actively supporting infrastructure projects and sukuks/bonds with thematic angle. As of this writing, CGIF is looking to issue its inaugural guarantee for a landmark thematic sukuk deal in 2026, a strategic step aimed at further enhancing market participation and supporting sustainable finance initiatives.

In the Philippines, CGIF's focus will be on supporting Philippine corporates in accessing other debt capital markets, such as SGD, and targeting mid-cap market leaders in select underbanked sectors, including non-banking financial institutions. In addition, CGIF will strengthen partnerships with government financing institutions to broaden its network of opportunities.

For Viet Nam, the goal is to explore "big ticket" transactions while maintaining long-tenor offerings and fixed-rate financing.

CGIF's approach to frontier and emerging markets, which are Brunei Darussalam, Cambodia, and Lao People's Democratic Republic, are characterized by market-first initiatives and expanded issuer pools.

In Cambodia, CGIF plans to expand the potential issuer base to include companies backed by Foreign Direct Investment (FDI) and local leaders in energy, manufacturing, and telecom, while leveraging its partnership with the CGCC to support large-scale projects.

In Singapore, as a premier Asian bond market hub, CGIF will deepen collaborations with the Singapore Exchange (SGX) and the Monetary Authority of Singapore (MAS) to expand its network and leverage subsidies for both domestic and regional bond proceeds.

For +3 (China, Japan, Korea) integration, CGIF will promote bidirectional flows of capital and expertise between +3 and ASEAN. CGIF's overarching +3 strategy involves bringing more issuers from these markets into ASEAN local currency markets and vice versa, while also facilitating large-scale ASEAN infrastructure projects with +3 sponsors. This includes pursuing co-financing or risk-sharing arrangements with national Export Credit Agencies (ECAs) and national guarantee companies to target mid-size companies and support thematic bond issuances in offshore financial hubs.

For securitization, CGIF will prioritize supporting high-growth originators in transitioning from bilateral bank facilities to the institutional capital markets. By collaborating with commercial banks on refinancing solutions, CGIF aims to provide a scalable "take-out" mechanism that optimizes bank balance sheets amid evolving regulatory capital standards. CGIF will also deepen the ecosystem by co-developing standardized asset-backed products with national market makers to broaden investor distribution.

**TABLE 3: GUARANTEE PORTFOLIO AS OF 31 DECEMBER 2025**

Guarantee Issue Date	Bond Issuer	Country of Origin (Issuer)	Bond Issuance Venue (Bond Market)	Bond Issue Size (LCY)	Bond Issue Size (USD equivalent)	Percentage Guaranteed by CGIF	Issue Rating (Agency)	Bond Tenor
24-Dec-25	Tecomen Holding Joint Stock Company	 Viet Nam	 Viet Nam	VND300 billion	\$11 million	100%	Unrated	5 years
23-Dec-25	South Asialink Finance Corporation	 Philippines	 Philippines	PHP1 billion	\$17 million	100%	Unrated	3 years
23-Dec-25	Global Dominion Financing, Inc	 Philippines	 Philippines	PHP1 billion	\$17 million	100%	Unrated	3 years
23-Dec-25	Asialink Finance Corporation	 Philippines	 Philippines	PHP2 billion	\$34 million	100%	Unrated	5 years
10-Dec-25	PT Pollux Hotels Group Tbk	 Indonesia	 Indonesia	IDR445 billion	\$27 million	100%	idAAA (PEFINDO)	5 years
10-Dec-25	PT Pollux Hotels Group Tbk	 Indonesia	 Indonesia	IDR55 billion	\$3 million	100%	idAAA (PEFINDO)	3 years
24-Nov-25	Al-Salam REIT	 Malaysia	 Malaysia	MYR455 million	\$110 million	100%	AAA (RAM Ratings)	5 years
30-Oct-25	CMC Corporation	 Viet Nam	 Viet Nam	VND1.25 trillion	\$47 million	100%	Unrated	10 years
14-Oct-25	Muangthai Capital PCL	 Thailand	 Singapore	SGD65 million	\$51 million	100%	AA (S&P)	5 years
14-Oct-25	Muangthai Capital PCL	 Thailand	 Singapore	SGD64 million	\$51 million	100%	AA (S&P)	3 years
24-Jun-25	PT Global Mediacom Tbk (Sukuk)	 Indonesia	 Indonesia	IDR26 billion	\$2 million	100%	idAAA (PEFINDO)	7 years
24-Jun-25	PT Global Mediacom Tbk (Sukuk)	 Indonesia	 Indonesia	IDR89 billion	\$5 million	100%	idAAA (PEFINDO)	5 years
24-Jun-25	PT Global Mediacom Tbk (Sukuk)	 Indonesia	 Indonesia	IDR435 billion	\$26 million	100%	idAAA (PEFINDO)	3 years
24-Jun-25	PT Global Mediacom Tbk (Bond)	 Indonesia	 Indonesia	IDR90 billion	\$5 million	100%	idAAA (PEFINDO)	7 years
24-Jun-25	PT Global Mediacom Tbk (Bond)	 Indonesia	 Indonesia	IDR481 billion	\$29 million	100%	idAAA (PEFINDO)	5 years

Guarantee Issue Date	Bond Issuer	Country of Origin (Issuer)	Bond Issuance Venue (Bond Market)	Bond Issue Size (LCY)	Bond Issue Size (USD equivalent)	Percentage Guaranteed by CGIF	Issue Rating (Agency)	Bond Tenor
24-Jun-25	PT Global Mediacom Tbk (Bond)	 Indonesia	 Indonesia	IDR279 billion	\$17 million	100%	idAAA (PEFINDO)	3 years
24-Apr-25	PT Hartadinata Abadi Tbk	 Indonesia	 Indonesia	IDR100 billion	\$6 million	100%	idAAA (PEFINDO)	3 years
28-Mar-25	Schneitec Dynamic	 Cambodia	 Cambodia	KHR80 billion	\$20 million	100%	khAAA (Rating Agency Cambodia)	15 years
28-Mar-25	Schneitec Dynamic	 Cambodia	 Cambodia	KHR60 billion	\$15 million	100%	khAAA (Rating Agency Cambodia)	15 years
07-Mar-25	CIA First	 Cambodia	 Cambodia	KHR41 billion	\$10 million	100%	khAAA (Rating Agency Cambodia)	5 years
27-Jan-25	China Water Affairs	 China	 Singapore	CNH1 billion	\$138 million	100%	AA (S&P)	5 years
08-Jan-25	PT Indonesian Paradise Property Tbk	 Indonesia	 Indonesia	IDR487.5 billion	\$30 million	100%	idAAA (PEFINDO)	5 years
08-Jan-25	PT Indonesian Paradise Property Tbk	 Indonesia	 Indonesia	IDR12.5 billion	\$1 million	100%	idAAA (PEFINDO)	3 years
20-Dec-24	North East Rubber Public Company Limited	 Thailand	 Thailand	THB1.5 billion	\$43 million	100%	AAA (Tris)	5 years
10-Dec-24	PT Sarana Mitra Luas Tbk	 Indonesia	 Indonesia	IDR152.9 billion	\$9.6 million	100%	idAAA (PEFINDO)	5 years
10-Dec-24	PT Sarana Mitra Luas Tbk	 Indonesia	 Indonesia	IDR147.1 billion	\$9.2 million	100%	idAAA (PEFINDO)	3 years
27-Nov-24	Biwase - Long An Water Joint Stock Company	 Viet Nam	 Viet Nam	VND700 billion	\$28 million	100%	AAA (FiinRatings)	10 years
27-Nov-24	PowerDC HoldCo Pte. Ltd.	 Singapore	 Hong Kong	HKD300 million	\$39 million	100%	AA (S&P)	3 years
26-Nov-24	PT Hartadinata Abadi Tbk	 Indonesia	 Indonesia	IDR840.5 billion	\$53 million	100%	idAAA (PEFINDO)	5 years
26-Nov-24	PT Hartadinata Abadi Tbk	 Indonesia	 Indonesia	IDR59.5 billion	\$4 million	100%	idAAA (PEFINDO)	3 years

Guarantee Issue Date	Bond Issuer	Country of Origin (Issuer)	Bond Issuance Venue (Bond Market)	Bond Issue Size (LCY)	Bond Issue Size (USD equivalent)	Percentage Guaranteed by CGIF	Issue Rating (Agency)	Bond Tenor
20-Nov-24	Singapore Medical Group Limited	 Singapore	 Singapore	SGD90 million	\$67 million	100%	AA (S&P)	5 years
08-Nov-24	PowerDC HoldCo Pte. Ltd.	 Singapore	 Singapore	SGD100 million	\$76 million	100%	AA (S&P)	5 years
18-Oct-24	Precious Shipping Public Company Limited	 Thailand	 Thailand	THB680 million	\$21 million	100%	AAA (Tris)	10 years
18-Oct-24	Precious Shipping Public Company Limited	 Thailand	 Thailand	THB680 million	\$21 million	100%	AAA (Tris)	5 years
08-Aug-24	Vongsayam Korsang Co., Ltd.	 Thailand	 Thailand	THB489.6 million	\$14 million	100%	AAA (Fitch)	10 years
08-Aug-24	Vongsayam Korsang Co., Ltd.	 Thailand	 Thailand	THB488.5 million	\$14 million	100%	AAA (Fitch)	7 years
08-Aug-24	Vongsayam Korsang Co., Ltd.	 Thailand	 Thailand	THB634.8 million	\$18 million	100%	AAA (Fitch)	5 years
08-Aug-24	Vongsayam Korsang Co., Ltd.	 Thailand	 Thailand	THB342.9 million	\$10 million	100%	AAA (Fitch)	3 years
09-Jul-24	PT Steel Pipe Industry of Indonesia Tbk	 Indonesia	 Indonesia	IDR200 billion	\$12 million	100%	idAAA (PEFINDO)	7 years
09-Jul-24	PT Steel Pipe Industry of Indonesia Tbk	 Indonesia	 Indonesia	IDR766.2 billion	\$47 million	100%	idAAA (PEFINDO)	5 years
09-Jul-24	PT Steel Pipe Industry of Indonesia Tbk	 Indonesia	 Indonesia	IDR33.8 billion	\$2 million	100%	idAAA (PEFINDO)	3 years
25-Jun-24	Sabana Industrial Real Estate Investment Trust	 Singapore	 Singapore	SGD100 million	\$74 million	100%	AA (S&P)	5 years
20-Jun-24	Royal Group Phnom Penh SEZ Public Company Limited	 Cambodia	 Cambodia	KHR41 billion	\$10 million	100%	khAAA (RAC)	5 years
30-May-24	Thonburi Healthcare Group Public Company Limited	 Thailand	 Thailand	THB1 billion	\$28 million	100%	AAA (Fitch)	5 years
30-May-24	Thonburi Healthcare Group Public Company Limited	 Thailand	 Thailand	THB700 million	\$19 million	100%	AAA (Fitch)	3 years

Guarantee Issue Date	Bond Issuer	Country of Origin (Issuer)	Bond Issuance Venue (Bond Market)	Bond Issue Size (LCY)	Bond Issue Size (USD Equivalent)	Percentage Guaranteed by CGIF	Issue Rating (Agency)	Bond Tenor
05-Mar-24	Daewoo Engineering & Construction Co., Ltd.	 Korea	 Singapore	SGD150 million	\$112 million	100%	AA (S&P)	5 years
15-Feb-24	Hektar Real Estate Investment Trust	 Malaysia	 Malaysia	MYR215 million	\$45 million	100%	AAA (RAM)	5 years
29-Dec-23	Telcotech Limited	 Cambodia	 Cambodia	KHR82.1 billion	\$20 million	100%	khAAA (RAC)	5 years
28-Dec-23	Tecomen Holding Joint Stock Company	 Viet Nam	 Viet Nam	VND200 billion	\$8 million	100%	Unrated	5 years
15-Dec-23	CIA FIRST International School Co. Ltd.	 Cambodia	 Cambodia	KHR41.1 billion	\$10 million	100%	khAAA (RAC)	5 years
14-Dec-23	A&A Green Phoenix Group Joint Stock Company	 Viet Nam	 Viet Nam	VND600 billion	\$25 million	100%	Unrated	7 years
14-Dec-23	A&A Green Phoenix Group Joint Stock Company	 Viet Nam	 Viet Nam	VND300 billion	\$12 million	100%	Unrated	7 years
8-Dec-23	PT Adhi Commuter Properti TBK	 Indonesia	 Indonesia	IDR484.2 billion	\$31 million	100%	AAA (Pefindo)	5 years
8-Dec-23	PT Adhi Commuter Properti TBK	 Indonesia	 Indonesia	IDR15.7 billion	\$1 million	100%	AAA (PEFINDO)	3 years
22-Nov-23	Yoma Strategic Holdings Ltd. <sup>1</sup>	 Myanmar	 Thailand	THB425 million	\$12 million	100%	AAA (Tris Rating)	5 years
22-Nov-23	Yoma Strategic Holdings Ltd. <sup>1</sup>	 Myanmar	 Thailand	THB1.3 billion	\$36 million	100%	AAA (Tris Rating)	3 years
2-Nov-23	INTI Universal Holdings SDN. BHD.	 Malaysia	 Malaysia	MYR165 million	\$35 million	100%	AAA (RAM)	5 years
28-Sep-23	Hope Education Group Co., Ltd.	 China	 Thailand	THB1.3 billion	\$36 million	100%	AAA (Tris Rating)	3 years
24-Aug-23	Erajaya Digital Pte. Ltd.	 Indonesia	 Thailand	SGD50 million	\$37 million	100%	AA (S&P)	3 years
23-Jun-23	Apeiron Agrocommodities Pte Ltd.	 Singapore	 Singapore	SGD50 million	\$37 million	100%	AA (S&P)	5 years
19-Apr-23	China Education Group Holdings Limited	 China	 Singapore	CNH500 million	\$73 million	100%	AA (S&P)	3 years

Notes:

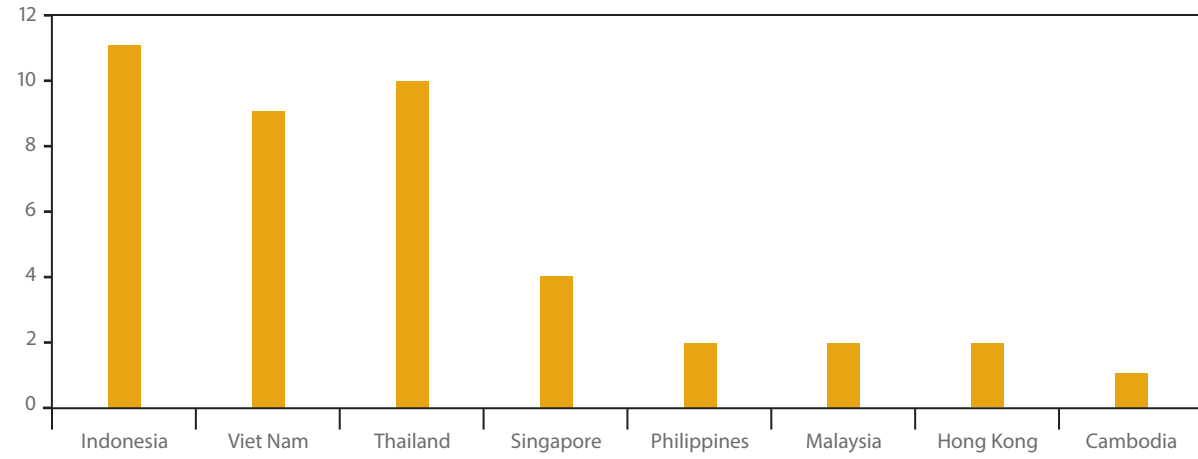
<sup>1</sup> Issuance to refinance its initial bond in 2019.

<sup>2</sup> Refers to Ijarah Sukuk issuances.

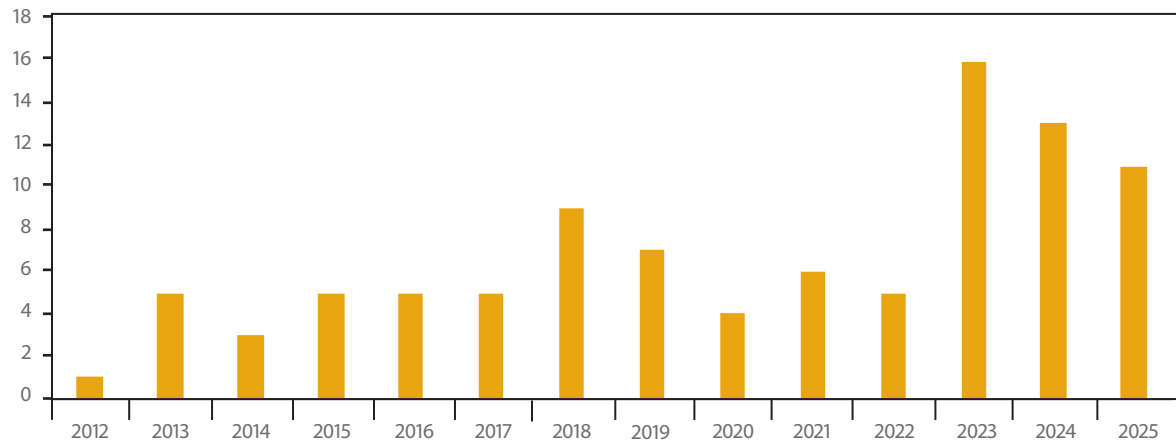
Guarantee Issue Date	Bond Issuer	Country of Origin (Issuer)	Bond Issuance Venue (Bond Market)	Bond Issue Size (LCY)	Bond Issue Size (USD Equivalent)	Percentage Guaranteed by CGIF	Issue Rating (Agency)	Bond Tenor
27-Jan-23	SNC Former Public Company Limited	 Thailand	 Thailand	THB1 billion	\$30 million	100%	AAA (Tris Rating)	5 years
7-Apr-22	First Real Estate Investment Trust	 Singapore	 Singapore	SGD100 million	\$74 million	100%	AA (S&P)	5 years
1-Dec-21	JWD InfoLogistics Public Company Limited	 Thailand	 Thailand	THB1.2 billion	\$36 million	100%	AAA (Fitch)	9 years
11-Nov-21	Thaifoods Group Public Company Limited	 Thailand	 Thailand	THB1 billion	\$30 million	100%	AAA (TRIS Rating)	5 years
8-Sep-21	PT Polytama Propindo	 Indonesia	 Indonesia	IDR223 billion	\$16 million	100%	AAA (PEFINDO)	5 years
8-Sep-21	PT Polytama Propindo	 Indonesia	 Indonesia	IDR56 billion <sup>2</sup>	\$4 million	100%	AAA (PEFINDO)	5 years
25-Aug-21	Telcotech Ltd.	 Cambodia	 Cambodia	KHR80 billion	\$20 million	100%	Unrated	5 years
5-Mar-21	JWD InfoLogistics Public Company Limited	 Thailand	 Thailand	THB700 million	\$23 million	100%	AAA (Fitch)	5 years
8-Jan-21	PT Ketrosden Triasmitra	 Indonesia	 Indonesia	IDR168 billion	\$12 million	100%	AAA (PEFINDO)	5 years
24-Dec-20	GLP Pte. Ltd.	 Singapore	 Japan	JPY15.4 billion	\$149 million	100%	AA (S&P)	9 years
10-Jan-20	Energy Absolute Public Company Ltd <sup>3</sup>	 Thailand	 Thailand	THB3 billion	\$99 million	50% risk participation with ADB	A (TRIS Rating)	7 years
31-Dec-19	Vietnam Electrical Equipment Joint Stock Corporation	 Viet Nam	 Viet Nam	VND1.2 trillion	\$50 million	100%	Unrated	10 years
24-Dec-19	Hong Phong 1 Energy Joint Stock Company	 Viet Nam	 Viet Nam	VND2.2 trillion	\$93 million	100%	Unrated	15 years
03-Dec-19	Nexus International School (Singapore) Pte. Ltd.	 Malaysia	 Singapore	SGD150 million	\$110 million	100%	AA (S&P)	12 years
28-Jan-19	Refrigeration Electrical Engineering Corporation	 Viet Nam	 Viet Nam	VND2.3 trillion	\$100 million	100%	Unrated	10 years
18-Feb-16	Vingroup Joint Stock Company	 Viet Nam	 Viet Nam	VND1 trillion	\$47 million	100%	Unrated	10 years

Note:  
<sup>3</sup> CGIF risk-participated 50% of ADB's investment in Energy Absolute Public Company Ltd.'s green bonds issuance.

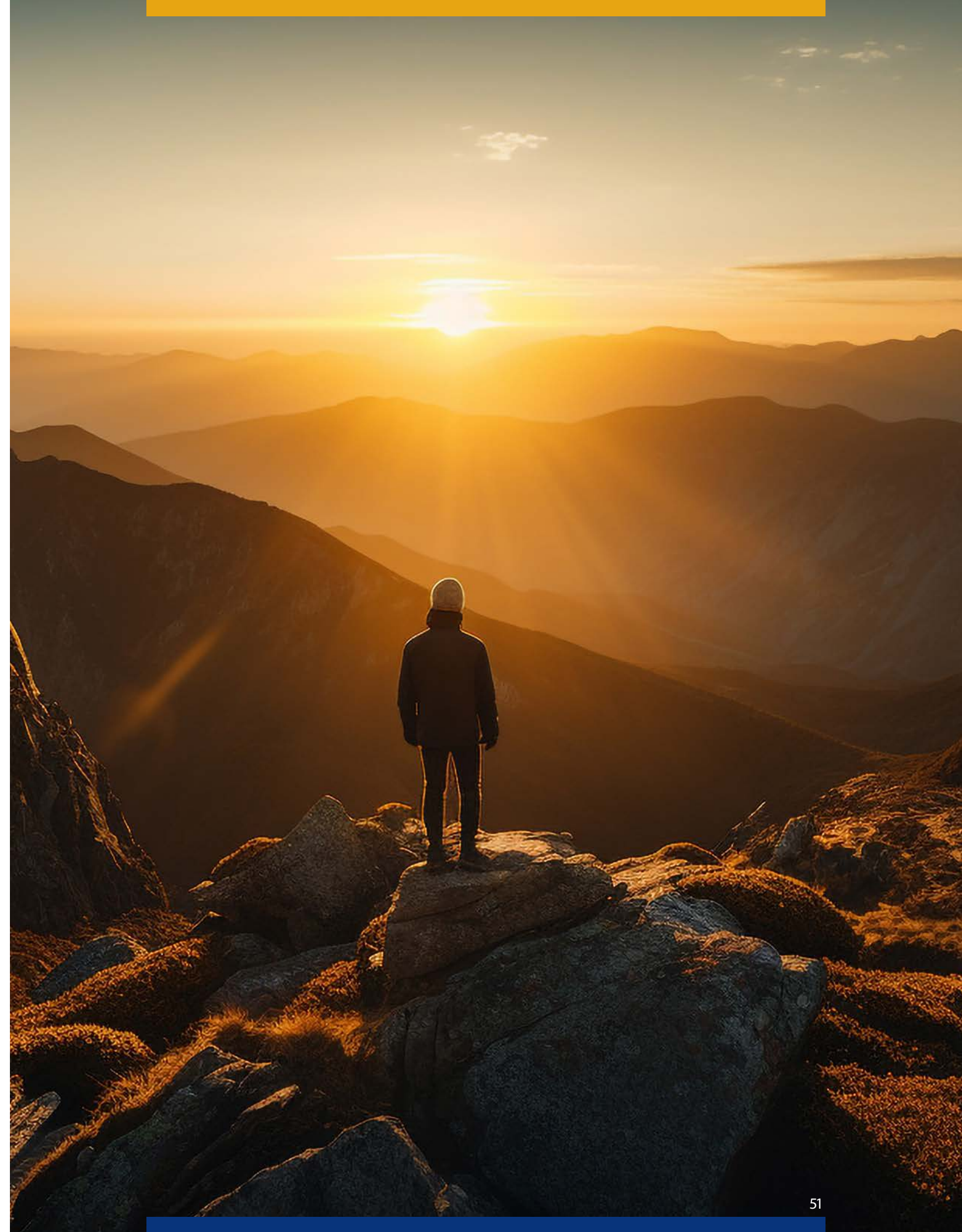
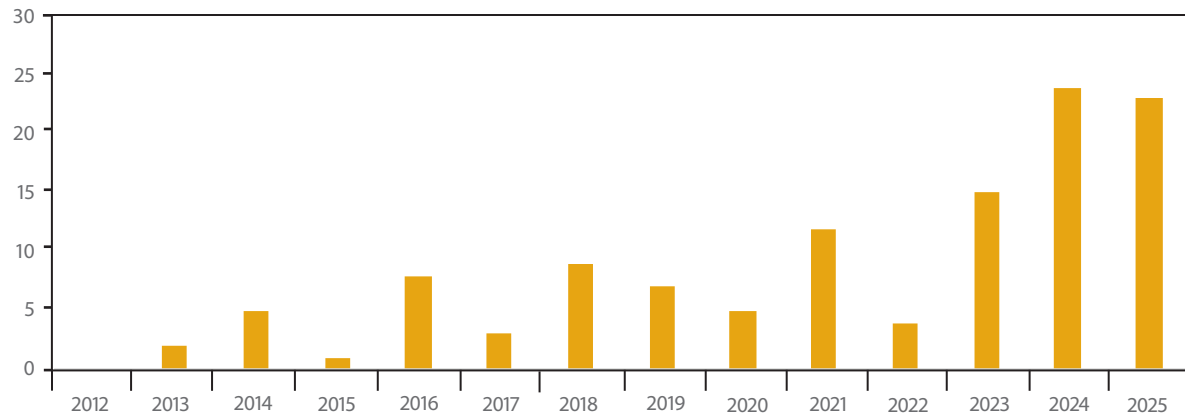
**FIGURE 7: PRELIMINARY INQUIRIES RECEIVED BY DOMICILE (2025)**



**FIGURE 8: GUARANTEE UNDERWRITING PROPOSALS APPROVED BY YEAR (2012-2025)**



**FIGURE 9: GUARANTEED BOND AND SUKUK ISSUANCES BY YEAR (2012-2025)**



## FINANCE

### FINANCIAL CONTROL

The Financial Control Unit provides critical infrastructure necessary to support CGIF's operations. The unit manages the end-to-end financial lifecycle, encompassing the recording of guarantees and investments, payment processing, asset monitoring, and the maintenance of the general ledger system. As CGIF's operations continue to grow, the volume of transactions requiring processing and recording has been increasing. To manage the increased workload, the team successfully implemented in 2025 two key automation initiatives designed to streamline receivables invoicing and travel liquidation process.

The Financial Control Unit is also responsible for the regular preparation of financial reports, including monthly financial reports submitted to Management, quarterly condensed financial statements reported to the Audit Committee (AC) and Board of Directors (BOD). In addition, this unit serves as the central point of contact for external auditors during the annual audit process and the finalization of the annual audited financial statements.

While CGIF continues to rely on ADB's Treasury Department for accounting data related to investments and external treasury transactions, it fully manages other financial control functions. Additionally, CGIF regularly reviews and analyzes the procedures and workflows, ensuring that accounting events are accurately processed from inception to final reflection in the financial records. To align with the evolving nature of CGIF's operations, the accounting manual is continuously updated and enhanced.

### TREASURY

Treasury functions at CGIF include capital management, foreign exchange transactions, liquidity management, and reporting. While ADB manages CGIF's capital, it collaborates with CGIF to discuss specific investment strategies and performance benchmarks. As CGIF provides guarantee to local currency (LCY) bonds and receives LCY guarantee fees, it encounters situations where it receives or pays in LCY. Given that CGIF's functional currency is USD and it holds only minimal LCY balances in its LCY bank accounts, CGIF should conduct foreign exchange transactions when it receives or makes LCY payments. CGIF manages liquidity requirements both for day-to-day operations and for guarantee call situations. In managing liquidity for potential guarantee payments, CGIF leverages early warning signals from the Risk Management Department (RMD). This enables CGIF to secure sufficient liquidity for guarantee payments in advance while optimizing returns under normal circumstances. Investment performance and treasury risk monitoring results are reported monthly to Management and quarterly to the BOD.

### CAPITAL RESOURCES MANAGEMENT

The primary objective of CGIF's capital resource management is to protect capital by maintaining conservative exposure to market, credit, and liquidity risks. Within the constraints set by this primary objective, CGIF strives to maximize returns on its invested asset portfolio while minimizing the volatility of investment income. To achieve these objectives, CGIF capitals are invested into bonds and deposits, which compose CGIF's investment portfolio. This portfolio is managed by ADB, the trustee of CGIF, in compliance with CGIF's Treasury Risk Management Guidelines (TRMG) which were

agreed upon by ADB and approved by CGIF's BOD. In addition, CGIF's investment portfolio is managed in accordance with its strategic asset allocation (SAA), designed to optimize the asset mix in reflection of the characteristics of CGIF's guarantee portfolio. The SAA was also agreed upon by ADB and approved by CGIF's BOD. CGIF's investment portfolio has grown over the years through capital contributions from its Contributors and guarantee fees paid by its clients. As of 31 December 2025, CGIF total investments were valued at \$1,414 million, which includes \$1,158 million of paid-in capital from its Contributors.

**TABLE 4: TRANSITION OF ASSET ALLOCATION OF INVESTMENT PORTFOLIO**

	UST 1-5Y	UST 5-10Y	A+ to AAA	A-1	Duration
SAA	0-30%	0-20%	40-80%	0-40%	2.00-4.00
31 December 2023	5%	9%	65%	21%	3.15
31 December 2024	5%	12%	65%	18%	3.31
31 December 2025	7%	9%	59%	25%	3.28

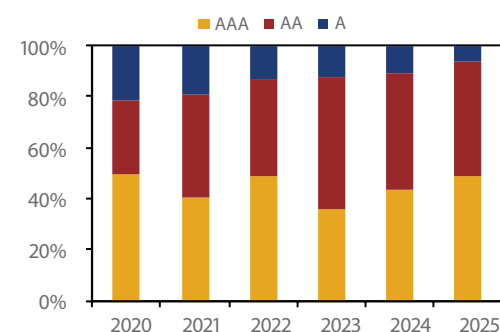
Note: UST refers to U.S. Treasury bonds or notes. A+ to AAA denotes bonds with credit ratings ranging from A+ to AAA on the international rating scale and maturities exceeding one year. A-1 refers to bonds and deposits with remaining maturities of 1 year or less. Duration represents the average effective duration of the investment portfolio.

## EVOLUTION OF THE INVESTMENT PORTFOLIO

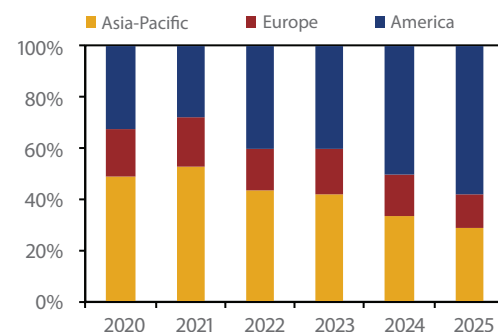
Table 4 shows that the investment portfolio's asset allocation and duration have been in line with the SAA over the past 3 years. Some deviations of the actual investment portfolio from the SAA are inevitable and may be intentional, considering market conditions and guarantee portfolio

situations. In 2025, the investment portfolio duration stood at 3.28 years, remaining above the neutral duration of 3 years. Figures 10, 11, 12, and 13 illustrate the evolution of the investment portfolio over the past 6 years in terms of credit rating distribution, geographical distribution, sector distribution, and maturity distribution.

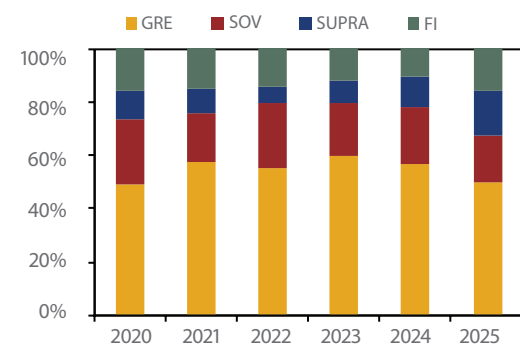
**FIGURE 10: EVOLUTION OF INVESTMENT PORTFOLIO BY CREDIT RATING**



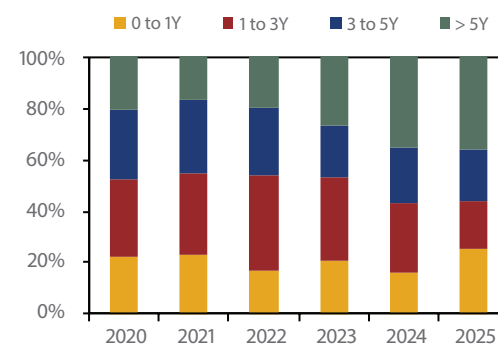
**FIGURE 11: EVOLUTION OF INVESTMENT PORTFOLIO BY GEOGRAPHY**



**FIGURE 12: EVOLUTION OF INVESTMENT PORTFOLIO BY SECTOR**



**FIGURE 13: EVOLUTION OF INVESTMENT PORTFOLIO BY MATURITY**



Note: GRE = Government-related entities; SOV = Sovereign; SUPRA = Supranational; FI = Financial Institution

## INVESTMENT INCOME IN 2025

Total investment income for 2025 was \$45.63 million, representing a yield of 3.27% without the effect of changes in fair value. This yield is higher than the 2.96% achieved in 2024 and the 2025 target of 3.15%. Table 5 provides the annual and quarterly

breakdown of investment income for 2025 and the annual income for 2024. A target yield of 3.50% is set for 2026, as agreed with ADB Treasury Department, considering that reinvestment yields from new bonds are expected to be higher than the yields from maturing bonds in 2026.

**TABLE 5: 2024-2025 INVESTMENT INCOME**

Investment Income (\$'000)	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025
Debt Securities	38,459	10,324	10,470	10,581	10,640	42,015
Term Deposits	1,222	514	815	1,059	1,227	3,615
<b>Total</b>	<b>39,681</b>	<b>10,837</b>	<b>11,285</b>	<b>11,640</b>	<b>11,866</b>	<b>45,629</b>

Note: Numbers may not sum up precisely because of rounding.

## FX TRANSACTIONS

As CGIF's functional currency is USD, CGIF converts to USD whenever it receives guarantee fees or other payments in LCY in its LCY bank accounts. CGIF holds LCY bank accounts in most jurisdictions where it operates. There are instances when CGIF is required to make LCY payments, such as for LCY guarantee payments upon a guarantee call. CGIF can make these payments either through its LCY account or via a nostro account of the bank where its USD account is held. CGIF may engage in derivative transactions to hedge or reduce identified foreign exchange (FX) risks from future LCY receivables, subject to the Guarantee and Investment Committee's (GIC's) approval, when such transactions are deemed practically and economically appropriate. CGIF has three counterparties that executed the International Swaps and Derivatives Association (ISDA) Master Agreement, which enables CGIF to enter into derivative transactions as needed. Under the operational agreement between CGIF and ADB, CGIF is responsible for executing and processing derivative transactions. As of the end of 2025, CGIF has no outstanding derivative positions.

## RESEARCH

In 2025, the Research Unit completed the country reports on ASEAN+3 markets through the publication of corporate bond market research papers on the Republic of Korea and Japan. In addition, the Research Unit led the project on a comprehensive Environmental, Social, and Governance (ESG) gap analysis, which is considered an essential step to be taken before drafting CGIF's own ESG report.

In 2026, the Research Unit will update the corporate bond market research papers on Viet Nam, the BCLM (Brunei Darussalam, Cambodia, Lao PDR, and Myanmar), and Indonesia. Related to this, the Research Unit will prepare a brief regional update paper on the ASEAN+3 corporate bond market. In addition, the Research Unit continues its activities on CGIF's ESG reporting, such as monitoring and preparing materials about recent developments in ESG reporting standards.

## RISK MANAGEMENT

### RISK MANAGEMENT POLICIES

CGIF has a system of internal control and risk management that promotes and facilitates effective and efficient operations. CGIF's system of internal control and risk management may be found in its Operational Policies (OP) and the various manuals and guidelines that are considered part of CGIF's Risk Management Framework (RMF). The system enables CGIF to achieve its objectives; respond to business, financial, and operational risks; safeguard assets from inappropriate or improper use, loss, and fraud; and identify and manage liabilities (pursuant to OP 133). Any proposed amendment of the OP requires the approval of the Board of Directors (BOD). Proposed amendments to the RMF require approval of either the Guarantee and Investment Committee (GIC) or the Internal Control and Risk Management Committee (ICRMC).

### GOVERNANCE

The BOD is the highest internal control and risk management governing body in CGIF. Based on recommendations of its ICRMC, BOD establishes appropriate policies on internal control and assures that CGIF's control and risk management system is functioning effectively (OP 128). The ICRMC ensures that there are sound and effective systems of internal control and risk management to safeguard CGIF's Contributors' investments and CGIF's assets, and that BOD or the GIC approves only sound guarantee and investment proposals (OP 117). The Chief Risk Officer (CRO), who functionally reports to the ICRMC, performs the foregoing responsibilities at managerial and operational levels.

CGIF manages and controls all risks (pursuant to OP 133 and OP 180). In CGIF, internal control and

risk management entail continually identifying, measuring, monitoring, and reporting risk exposures. Being in the guarantee business, CGIF is naturally exposed to credit, market, and liquidity risks. As such, CGIF prioritizes the management of these risks.

The ICRMC is composed of three Directors representing Japan, the Republic of Korea, and the Association of Southeast Asian Nations (ASEAN). The Director representing the Republic of Korea serves as the ICRMC Chair. The Meeting of Contributors (MOC) approves the appointment of the Chairperson of the ICRMC. The GIC reviews and endorses Guarantee Underwriting Proposals (GUPs) for final approval of BOD, unless BOD has delegated its approval authority for such proposals to the GIC.

### CREDIT RISK MANAGEMENT

A major component of CGIF's RMF is the Credit Guarantee Process guidelines. These guidelines specify continual identification, measurement, control, and reporting of credit risk. From the guarantee deal origination stage to the GUP approval stage, and up to the guarantee portfolio management stage, CGIF's Deal Operations Department (DOD) bears the principal responsibility of identifying credit risk factors relating to prospective guaranteed bond issuers and to outstanding guaranteed accounts.

The DOD secures approval of Management's GIC before a borrower may be advised to formally apply for a CGIF credit guarantee. The DOD submits to the GIC a Guarantee Concept Proposal (GCP) that presents (i) a borrower's affirmative eligibility test results; (ii) information on the proposed guaranteed bond issuer; and (iii) the proposed guarantee transaction structure that includes, among others, proposed use of proceeds, guarantee size, tenor, pricing, financial covenants, and security. The internal risk rating

(IRR) of a prospective bond issuer is assessed on an international rating scale and is assessed by the Risk Management Department (RMD) using a credit scoring system developed by one of the major international credit rating agencies.

An issuer that applies for credit guarantee is subjected to a more thorough and in-depth credit risk assessment and a due diligence review before a GUP is submitted to the GIC. Part of the due diligence review is an on-site visit to the issuer. The thorough and diligent review is intended to allow for the derivation of a better-informed borrower IRR and credit profile. CGIF's RMD reviews all GCPs and GUPs and submits its Credit Review Notes for guidance of DOD, GIC, and BOD.

With the endorsement of Management's GIC, BOD deliberates on the GUPs for final approval. The Board delegates to the GIC its authority for final approval of GUPs when BOD-specified conditions relating to credit rating, guarantee amount, tenor, strategic alignment, and safeguards standards, among others, are met.

Each outstanding guarantee account and the quality of the guarantee portfolio are reviewed periodically. Credit rating migrations and the weighted average probability of default of the guarantee portfolio are monitored. Leverage ratio and credit guarantee concentrations are likewise monitored. By policy, CGIF's leverage ratio (the ratio of credit guarantee exposure to CGIF equity) should not exceed 2.5x. CGIF has set limits on, among others, credit guarantee exposures per issuer, country, currency, sector, and industry.

CGIF is in a treaty with a consortium of reinsurers. Under the treaty, 25% of guarantees with tenors of not more than 10 years and amounts of not more than \$150 million that are issued by CGIF during the treaty period are automatically ceded to the consortium. The default cession rate increases to 35% for guarantee issuances in countries where 80% of the country exposure limit has

been utilized. The consortium's approval may be requested for cession of guarantees that do not meet these criteria.

### MANAGEMENT OF MARKET RISK AND CREDIT RISK OF INVESTMENTS

As Trustee, ADB manages CGIF's capital resources, pursuant to CGIF's OP and Treasury Risk Management Guidelines and the ADB's risk management and investment guidelines. CGIF's OP 215 specifies that the primary objective of CGIF capital resources management is the protection of principal by maintaining conservative exposure to market, credit, and liquidity risks. All investments should be marketable within a reasonable time so that liquidity is always available to meet potential calls on the guarantees issued.

CGIF's capital resources are invested in eligible USD-denominated fixed income securities and in bank placements. Investments in fixed income securities are carried at fair value through other comprehensive income (FVTOCI) in CGIF's books. As such, movements in the market value of these securities are not reflected under Net Income but are accounted for in Other Comprehensive Income in the financial statements. CGIF's management action trigger for unrealized loss of the investment portfolio is set at 1% of equity. The investment portfolio's modified duration is limited to not more than 5 years. Pursuant to OP 220, CGIF's long-term investments are restricted to those with international ratings of AA- or better, except for investments in contributor countries' government-related securities that may be rated as low as A+. Ratings of short-term investments should not be lower than A-1. Credit concentration of investments is controlled by policy limits on exposure per issuer, type of issuer, and country.

Credit exposure limits on investments are calculated as a percentage of CGIF's capital.

Limits on investment country exposures are set according to the relevant sovereign rating. Investment exposures are classified according to the type of issuer. The issuer type determines the limit on individual issuer exposures. Limits are also imposed on the aggregate exposures to all issuers of the same type. Investment exposures to the United States are subject to limits on individual issuers and issuer type but are not subject to country limits. Investments in short-term money market instruments are excluded in reckoning country exposures against country exposure limits.

#### **LIQUIDITY RISK MANAGEMENT**

Liquidity risk refers to the possibility that CGIF finds itself short of funds for its short-term operational requirements or unable to fund assets or meet obligations that fall due. CGIF measures its operating liquidity risk by estimating liquidity gaps at each of the next 6 months. This exercise is conducted quarterly. Liquidity stress tests are likewise conducted quarterly to determine CGIF's ability to raise funds required in a stress scenario, defined as calls on guarantees on the largest guaranteed accounts representing 20% of the number of outstanding guarantee accounts.

#### **FOREIGN EXCHANGE RISK MANAGEMENT**

CGIF's Foreign Exchange (FX) risk relates to the risk of loss due to a decrease in the USD value of assets denominated in local currencies or to an increase in USD value of liabilities denominated in local currencies. CGIF's FX risk is mitigated as most of CGIF's assets are investments in USD securities that, in turn, represent Contributors' equity in CGIF.

#### **OPERATING RISK AND COMPLIANCE RISK MANAGEMENT**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Potential loss may be in the form of financial loss, reputational loss, operational downtime or disruptions, and injury or fatality. Guidelines for the management of CGIF's operational risks are articulated in CGIF's Operational Risk Management Manual, which includes guidelines for quarterly Risk and Control Self-Assessment (RCSA).

Compliance risk is the risk of non-compliance with CGIF's various policies and operating guidelines. Such risk is mitigated by internal compliance and disclosure validation audits.

#### **CAPITAL ADEQUACY RISK MANAGEMENT**

CGIF's capacity to undertake its guarantee business is contingent on the adequacy of its capital. Insufficiency of capital puts CGIF at risk of a credit rating downgrade and the consequent loss of business or profitability. CGIF monitors its capital adequacy ratio (CAR), the ratio of capital-to-capital charge, to ensure capital sufficiency. By policy, CGIF's CAR should not fall below 1.0x. Management action is required if CAR falls below 1.1x.

#### **ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) RISK MANAGEMENT**

CGIF integrates environmental, social, and governance (ESG) risk considerations into its overall RMF to ensure that potential ESG risks associated with its guarantee transactions are identified, assessed, and managed. The CGIF Environmental and Social Framework (ESF) became

effective on 1 January 2026, replacing the previous Safeguards Policy and Framework. The ESF (and earlier Safeguards Framework) sets out CGIF's environmental and social objectives, policies, and directives, which are implemented through the Environmental and Social Management System (ESMS), which is an integral part of the RMF. CGIF promotes environmental and social sustainability as a foundation for inclusive and sustainable economic growth and is committed to managing environmental and social risks and impacts in collaboration with issuers through proportionate, transaction-specific measures, including alignment with the goals of the Paris Agreement. These commitments are reflected in requirements applied to guarantee transactions covering impact mitigation, labor and community protections, resource efficiency, biodiversity conservation, non-discrimination, and meaningful stakeholder engagement.

CGIF's ESMS was initially implemented in February 2019 and has since undergone regular annual reviews and enhancements to ensure it remains fit for purpose. In 2025, the new CGIF ESF was developed to include full rewrites of the Environmental and Social Policy and Directives and the underlying ESMS based on ADB's Environmental and Social Framework (approved in December 2024 for adoption commencing 1 January 2026). The revised CGIF ESF including the Environmental and Social Policy and Directives was approved by BOD in September 2025. The revised ESMS was approved by Management in November 2025, to be formally adopted effective 1 January 2026.

The Institutional Risk Group (IRG), under the RMD, is responsible for the implementation and administration of the ESF. The IRG team comprises experienced ESG professionals who are responsible for conducting environmental and social risk assessments, overseeing due diligence, and supporting monitoring and compliance activities across CGIF's guarantee portfolio. Any

material amendments to the ESMS are subject to internal review and endorsement by the CRO with formal approval by GIC.

The ESMS provides a structured and systematic framework for identifying, assessing, and managing environmental and social risks throughout the guarantee lifecycle. During the year, IRG reviewed 28 Preliminary Information Packs (PIPs), processed 36 transactions that reached the GCP stage, and supported the issuance of 14 guarantee transactions.

At the PIP stage, transactions are first subject to preliminary environmental and social screening and initial risk classification based on available information and publicly available sources. This includes screening of the proposed use of proceeds (UOP) against the Prohibited Investment Activities List (PIAL), which was also updated in 2025, in line with ADB's own PIAL. As this assessment is based on preliminary information, the environmental and social assessment may not be complete at this stage. Where a proposed UOP involves a prohibited activity, the Prospective Issuer is advised of its ineligibility for a CGIF guarantee. Further confirmation against the PIAL requirements is undertaken during the environmental and social due diligence (ESDD) process.

Of the 28 PIPs that IRG reviewed in 2025, 19 transactions progressed to the GCP stage while 6 were subsequently dropped for non-ESG related reasons. Three transactions were discontinued at the PIP stage and did not proceed to GCP. Six transactions remained under PIP review at year-end, comprising one received in Q3 and five received in Q4.

IRG undertakes environmental and social screening to determine the appropriate risk classification, considering potential environmental, social, and climate-related risks associated with the proposed use of proceeds. The results of this screening inform the scope of the ESDD. IRG documents the

preliminary assessment and summarizes, as part of the GCP, key environmental, social, and climate considerations, including indicative alignment with the Paris Agreement and the proposed approach to due diligence.

Key to the initial—and ongoing—screening is to ensure issuer’s activities do not fall into the CGIF PIAL. IRG monitors and tracks risks that are specific to matters related to Environmental and Social (E&S) that may cause a breach of the PIAL to avoid exposure to sectors with the highest E&S risks.

In 2025, 22 transactions reached the GCP stage. Of these, seven proceeded to ESDD, with two assessments remaining ongoing at year-end, while seven transactions were dropped prior to progressing to ESDD. Eight transactions remained at the GCP stage, and three transactions advanced through the GUP stage.

All prospective guarantee transactions are subject to ESDD, with the scope and depth of assessment proportionate to the nature and scale of the risks identified. Where required, ESDD is supported by third-party assessments under IRG oversight, with mitigation measures addressed through ESMS requirements and, as applicable, Environmental and Social Management Plans (ESMPs) or Corrective Action Plans (CAPs) being required to be completed by the Issuer.

In 2025, ESDD was initiated for 10 issuers, of which 8 assessments were completed during the year and 2 remained ongoing at year-end. Of the 14 guarantee transactions issued during the year, 9 had completed ESDD in 2024, while 5 completed ESDD in 2025. The majority of ESDD assessments were undertaken by third-party consultants, with two assessments conducted internally by IRG, where both transactions were issued in 2025.

As part of CGIF’s ESMS, each transaction requires the issuer to establish an ESMS for its activities;

in the case of Project Bonds, an Environmental Management Plan (EMP) is required in lieu of an ESMS. Based on ESDD findings, CAPs are developed on an issuer-specific basis and include both pre-issuance and post-issuance conditions to mitigate identified E&S risks. These ESDD findings and proposed mitigation measures are reflected in the GUP for GIC transaction approval. Once a transaction is GUP approved, it progresses to the ESMS (or EMP) development stage where CGIF works with issuers to strengthen environmental and social risk management practices, including the management of climate-related risks, and to address identified gaps over time.

In 2025, 10 issuers commenced the development of ESMS, of which 7 were completed during the year, prior to issuance, while the 3 remaining were still ongoing at year-end. CGIF identifies opportunities to work with issuers to improve their ESG risk management processes and procedures. This is achieved through the development of issuer-level ESMS and the associated underlying management plans that are required to support an ESMS, which since 2025 have included climate risk mitigation and adaptation requirements. In all cases, the issuer-level ESMS is a core requirement of CGIF and can comprise a full ground-up ESMS development or enhancement and expansion of their current systems or procedures and always includes details of E&S risk management monitoring and reporting mechanisms for CGIF purposes.

As part of the ESMS and E&S risk management, greenhouse gas (GHG) quantification and planning is a critical component. In 2024 and 2025, CGIF has worked with clients to identify ways to reduce GHG emissions or improve GHG efficiency, including the early removal of ozone depleting substances from refrigeration systems and the identification of more ozone-friendly refrigerants.

Ongoing compliance monitoring, including the annual submission of Environmental and Social Safeguards Performance Reports (ESSPRs)

and periodic site visits, supports effective risk monitoring and oversight. IRG monitors the timely submission of ESSPRs by outstanding issuers and compliance with applicable CAP requirements or conditions and legal covenants, including the assessment of requests for deferrals or extensions, where necessary. IRG prepares an annual Environmental and Social Safeguards Annual Review (ESSAR) for each outstanding issuer. This reviews the issuer’s environmental and social risk performance, compliance with CAP requirements, and overall ongoing compliance with CGIF’s Environmental and Social Policy requirements. These are submitted and approved by the CRO.

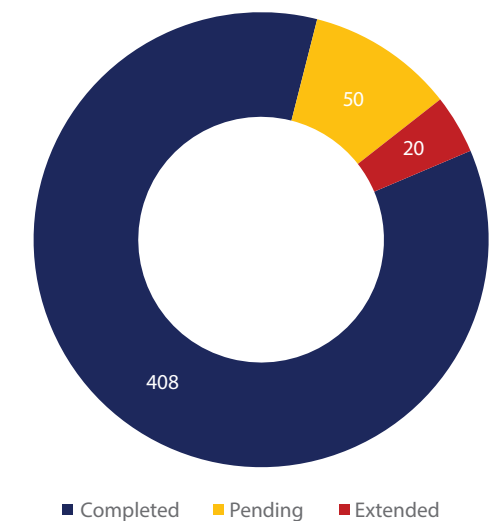
Monthly submission to Management is made by IRG, covering E&S risk management metrics on a portfolio basis and on a transaction basis if E&S risks are increasing. This has been expanded in 2025 to track additional E&S risk metrics across the portfolio and monitor ongoing CAP and legal compliance for issuers with outstanding action plans. IRG also contributes to the monthly risk management briefing (with Management and BOD) that covers any ongoing breaches to E&S Policy, ESMS, or legal agreement conditions that are E&S-related along with action plans for resolving such issues and ultimate closure. In addition, IRG prepares an annual review (at CGIF level) that consolidates portfolio-level environmental and social risk performance and monitoring outcomes. This is submitted to the CRO for sharing with Management.

In 2025, a total of 23 ESSPRs were received, of which four were received after the reporting deadline. All four delayed submissions were assessed as administrative in nature, were promptly rectified by the issuer upon notification, and did not involve underlying E&S-related non-compliance. A total of 41 Annual Reviews (ARs) were completed during the year. Physical site monitoring visits, as part of the annual safeguards assessment process, were conducted in China, Thailand, Myanmar, Singapore, Indonesia, Cambodia, Malaysia,

and Viet Nam. As of end of 2025, there were no outstanding ESSPRs to be produced and no outstanding breaches of CAPs.

The majority of CGIF’s existing issuers had no outstanding breaches of CAP requirements as of end-2025. One issuer submitted CAP documentation late, and this was resolved within 1 month. In 2025, IRG closed 408 individual CAP items across 14 issuers. Where required, issuers have requested extensions to cover unexpected delays in CAP completion. In all cases they provided early notice and formally sought CGIF’s advance approval, which was duly assessed and granted. As of year-end, 16 issuers remain under active monitoring for completion of 70 individual CAPs in 2026, including 5 issuers who have 20 individual CAP items that were approved for extension in 2025. As of end-2025, no material safeguards-related breaches were recorded in the legal documentation between CGIF and its issuers, and there are no material non-compliances with the E&S Policy identified across outstanding issuers in 2025.

**FIGURE 14: 2025 CAP ITEMS**



In 2025, there were no organizational changes to IRG. The enhancement and development of ESG and ESMS skills and expertise, both within IRG and CGIF, have continued through on-the-job and tailored training sessions in conjunction with inputs from subject matter experts from ADB. Training was focused on developing and deepening the knowledge around ESG and integrity risk assessment to enhance understanding and capacity at all levels across the organization. Additionally, the ongoing development of the CGIF ESF, which was based on ADB's ESF, required the attendance of all CGIF E&S staff in specific training, including both face-to-face and multiple online sessions to deepen their knowledge of new ESF requirements. This has been cascaded by IRG within CGIF, and the 2026 training plan is focused on further development of CGIF institutional knowledge of the ESG as this is rolled out from 1 January 2026.

### INTEGRITY RISK MANAGEMENT

CGIF has continued to enhance its Integrity Policy and associated procedures under the Integrity Management System (IMS), which is embedded in its RMF to prevent the misuse of CGIF guarantees for money laundering, terrorism financing, fraud, corruption, or tax evasion. The IMS defines the processes and procedures for integrity risk management and was reviewed in 2025 as being still fit for purpose after the last major change made in November 2024, where it was updated to align with ADB's latest policy and procedure changes.

The Integrity team comprises three experienced integrity professionals to identify, assess, and mitigate integrity and reputational risks and to ensure that prospective and outstanding issuers comply with both CGIF Integrity Policy and global

standards. IRG closely collaborated with the counterparts in the Office of Anticorruption and Integrity (OAI) in providing independent risk rating confirmation and general support on transactions and/or issuers and in reviewing more complex cases. In 2025, refresher training was conducted for all staff on Integrity Risk identification and mitigation, reinforcing CGIF's commitment to strengthening awareness and compliance across the organization.

IRG integrity assessments were carried out across the same prospective and outstanding issuers as noted above for Safeguards. Of the 14 issued guarantees, 4 issuers were rated 'Low' for Integrity risk, 4 were rated 'Low to Medium', and 6 were rated 'Medium.' In cases where higher risks were identified, appropriate risk mitigation conditions were included in the bond guarantee agreement.

During the year, 41 outstanding issuers were assessed as part of the annual review process to identify any significant risk profile changes, including integrity and reputational risks. This process ensures continued compliance with the CGIF Integrity Policy, including adherence to conditions and covenants imposed on each existing issuer. Additionally, eight Credit Risk Mitigant (CRM) providers (re-insurers) were re-assessed as part of the renewal of the Reinsurance Treaty.

In 2025, no non-compliances with the Integrity Policy have been identified across both prospective and outstanding issuers and CGIF's reinsurers. Although in the last week of December 2025, one issuer was downgraded due to the actions of the beneficial owner and major shareholder; the issuer took swift corrective action to minimize this risk. The integrity risk profile of CGIF's existing issuers remains stable overall.

### PORTFOLIO REVIEW

#### ESG Risk Overview

The current guarantee portfolio consists of 50 transactions, comprising 28 General-Purpose Corporate Bonds (GCB) and 15 Specific-Purpose Corporate Bonds (SCB), 4 Financial Institution (FI) transactions, 2 Project Bonds (PB), and 1 Type B categorized transaction.

Of the GCB transactions, 24 are classified as High, 3 as Low, and 1 as Medium, reflecting the level of Safeguards risk present, noting the latter being a legacy classification from the previous rating system. Four FI transactions are classified as Low.

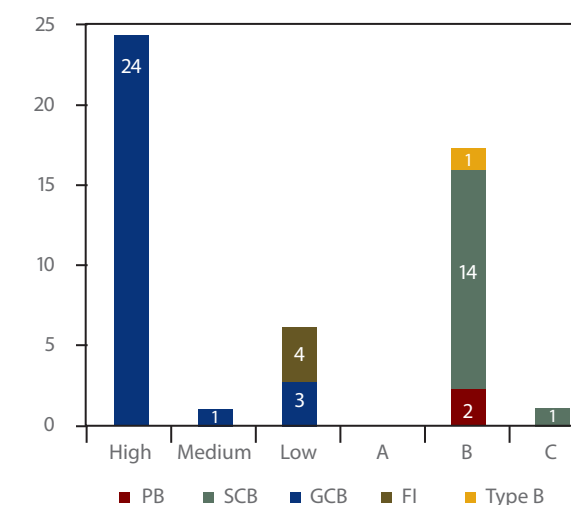
The SCB and PB transactions are primarily categorized as presenting moderate E&S risk (Category B), totalling 14 for SCB and 2 for PB, while 1 SCB transaction falls under Category C (minimal or no E&S risk). No transactions are Category A, which represents the highest E&S risk.

E&S risk classifications are generally determined at the pre-issuance stage, during the GUP

phase. However, these can be re-evaluated for evolving risks throughout the transaction lifecycle. IRG actively monitors all transactions to ensure ongoing effective risk management and compliance with CGIF safeguards standards. This is primarily done on an E&S risk basis, rather than a geographical or sector basis—as these are already assessed by the deals team.

A summary of ongoing E&S risk monitoring is reported monthly to Management. In case of material E&S-related events, downgrades, or incidents, Management is notified, but these are still subject to remedial action plans and reporting from the issuer in response to any negative event. Ongoing monitoring of E&S risks is conducted through issuer disclosure, media searches and tracking, online databases for E&S risk, and the regular issuer monitoring calls and site visits. These ensure that IRG remains able to adjust to E&S-related uncertainties in the portfolio, which may arise and may cause material changes in the E&S risk profile of individual issues or the guarantee portfolio.

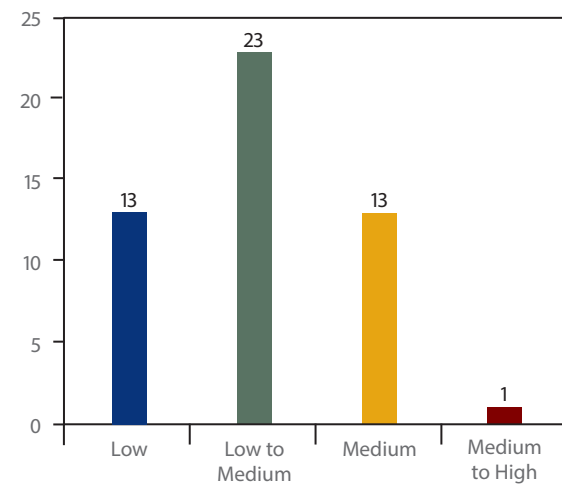
FIGURE 15: ESG RISK OVERVIEW



### Integrity Risk Overview

The integrity risk across the portfolio of 50 issued transactions is illustrated below. Based on the integrity risk assessments undertaken by IRG through both the original approval process or more recent annual reviews, 13 transactions are categorized as Low risk, 23 as Low to Medium risk, 13 as Medium risk, and 1 as Medium to High risk. No transactions are classified as High risk.

**FIGURE 16: INTEGRITY RISK OVERVIEW**



### Portfolio Summary

The current guarantee portfolio maintains a balanced safeguards and integrity risk profile, underpinned by CGIF's structured safeguards and integrity risk management processes. While a portion of the portfolio falls under E&S categories with enhanced risks, these transactions are actively managed through ongoing compliance monitoring and engagement with the issuers. Notably, no transactions were classified under Category A (highest E&S risk).

Reflecting CGIF's commitment to effective E&S risk monitoring, 2025 saw a strong track record of CAP compliance across its portfolio. Several issuers have outstanding CAPs that have been extended with valid justifications but remain on track for completion in 2026. Minor compliance issues, including delayed reporting of E&S incidents and ESSPR submission, were promptly addressed through CGIF's enhanced monitoring and action plans, reinforcing the robustness of CGIF's E&S risk oversight.

From an integrity risk perspective, the portfolio represents an overall low risk, where majority (80%) of transactions were classified as low or low to moderate risk range. The absence of high integrity risk classifications reflects CGIF's rigorous screening and governance controls. However, like safeguards risk assessments, integrity risk classifications were generally determined at the pre-issuance stage and are subject to reclassification during annual review if material risk events occur. Risk mitigation measures applied before issuance, along with continued monitoring, contributed to maintaining a stable risk environment.

Overall, CGIF's risk management framework effectively identifies and manages safeguards and integrity risks, maintaining a well-balanced portfolio. Through regular risk assessments, compliance mechanisms, and due diligence processes, CGIF continues to uphold high governance standards and reinforce its commitment to promoting responsible and sustainable standards within guarantee issuance.

## STAFFING AND ORGANIZATION STRUCTURE

The approved staff number for CGIF in 2025 is 86 staff members, excluding secondees. Table 6 shows the updated staff complement by category as of the end of December 2025.

**TABLE 6: STAFF RESOURCES BY CATEGORY**

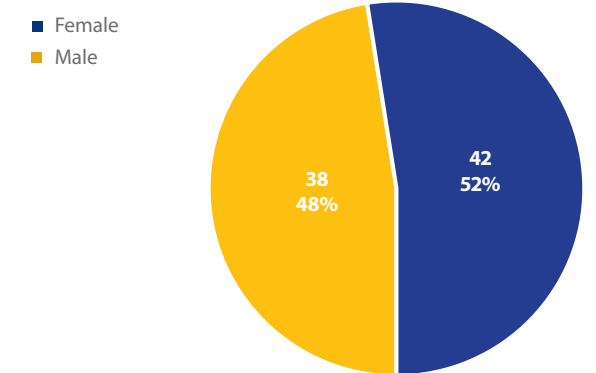
Staff Category	Head Count
Executive Staff	7
Professional Staff	14
National Staff	27
Administrative Staff	32
<b>Total</b>	<b>80</b>

By the end of 2025, a total of 80 positions had been filled, as compared to the 75 positions filled in 2024. In 2025, one executive staff, three national staff members, and seven administrative staff members were recruited. The new personnel were allocated among the Deal Operations Department, Finance Department, Internal Audit Department, Legal Department, and Risk Management Department.

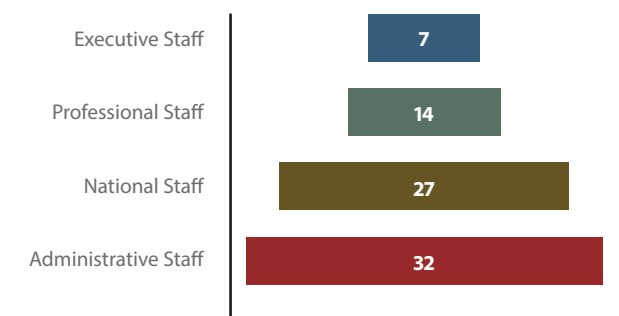
CGIF's organizational structure is subject to periodic evaluations to facilitate the effective recruitment of personnel.

### KEY STAFF DEMOGRAPHICS

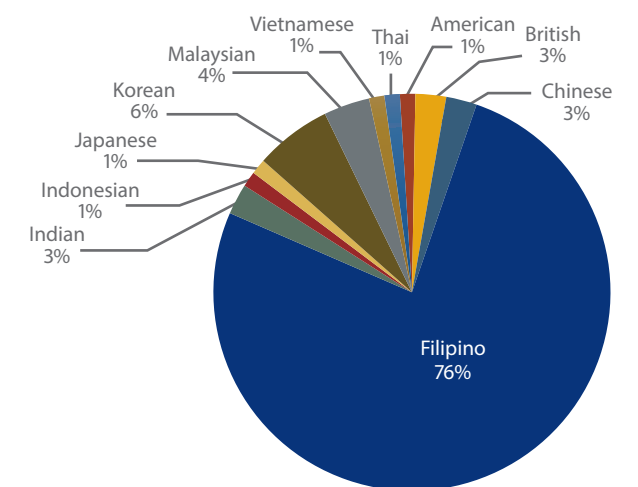
**FIGURE 17: STAFF GENDER**



**FIGURE 18: STAFF CATEGORY**



**FIGURE 19: STAFF NATIONALITIES**



## INSTITUTIONAL INFRASTRUCTURE

In 2025, as CGIF's workforce continued to grow, institutional infrastructure initiatives focused on developing new tools and improving existing systems to enhance workplace efficiency. It also focused on annual activities to test and strengthen CGIF's business resilience capabilities.

- 1. Implementation of the Medium-term Business Strategy (MBS).** Management continued the implementation of the Medium-term Business Strategy approved in August 2017, which is scheduled to conclude in 2026. The MBS remains the primary framework guiding CGIF's strategic direction and institutional objectives.
- 2. Selective IT Hardware Refresh and Modernization.** CGIF regularly refreshed critical IT hardware, including servers, laptops, and communication equipment, to ensure system reliability that supports day-to-day operations.
- 3. Implementation of the Travel Liquidation System (TLS).** CGIF internally developed the Travel Liquidation System (TLS), a web-based platform that automates and streamlines the approval of travel liquidations. The system improves process efficiency; enhances data visibility, reporting, and auditability; and serves as a centralized repository for travel liquidation related documents.
- 4. Systems Enhancements.** CGIF continued to enhance internally developed systems, including the Human Resources Information System (HRIS) and Mission Authorization Requests (MARs). These improvements streamlined workflows and strengthened overall compliance and operational efficiency.
- 5. Business Continuity.** CGIF regularly conducted various business resilience exercises during the year to test preparedness, validate response procedures, and ensure the organization's ability to maintain critical operations during disruptions.

## BUDGET

The budget utilization before contingency for 2025 is 82% (or \$14.8 million) representing minimal increase from 2024's 81% (or \$13.6 million). Nevertheless, this slight increase in utilization reflects CGIF's continued efforts to expand deal origination and strengthen market presence and partnerships, while cautiously spending on enhancing organizational culture, staff engagement, and retention activities. It also accounted for the new initiatives undertaken, including the Key Result Area (KRA) Achievement Pool, website revamp, whistleblowing framework establishment, and Environmental, Social, and Governance (ESG) Reporting Standards gap analysis.

Overall, CGIF's Operational and Administrative Expenses (OAE) in 2025 is composed mainly of staff salaries and benefits, contractual services, travel and marketing, depreciation, financial services, short-term consultants, IT & Communications, legal services, and miscellaneous administrative expenses.

The Board of Directors (BOD), in its November 2025 meeting, approved the 2026 budget of \$20.9 million, committing the necessary resources to support the 2026 Business Plan and Work Programs.

## FINANCIAL HIGHLIGHTS

CGIF recorded a net income of \$39.5 million for 2025. While this represents a 19% decrease (\$9.4 million lower than the previous year's), the decline was primarily driven by a \$25.2 million provision for impairment. This non-cash charge offset the strong performance, where total revenue, including impact of foreign exchange gain, grew by 29% to \$88.5 million. Of this total revenue, \$45.6 million came from investment income, while \$30.4 million was derived from guarantee income. Total expenses excluding impairment provision amounted to \$23.8 million, a modest 6% increase from the prior year.

As of the end of 2025, the outstanding guarantee obligation on bond principal reached \$2,559.7 million, reflecting an 18% increase from last year's \$2,178.4 million. Net guarantee fee receivables recorded amounted to \$77.6 million, while net guarantee liability was \$115.8 million. The guarantee liability includes additional provision of \$23.1 million for the guarantee obligation, reduced by a deferred loss on fair value of \$6.0 million. The revalued amount of the net receivable from the

guarantee that defaulted was recorded at \$63.7 million.

Total Member's Equity strengthened to \$1,439.2 million in 2025, a 6% rise from the previous year's \$1,355.4 million. This includes the net income for the year, bringing CGIF's Retained Earnings and Reserve—representing the accumulated retained earnings since its establishment—to \$285.5 million.

FIGURE 20: REVENUE VS. EXPENSES

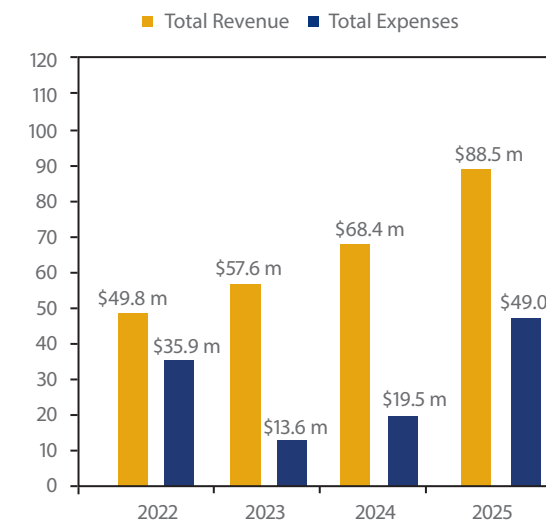


FIGURE 22: GUARANTEE LIABILITY

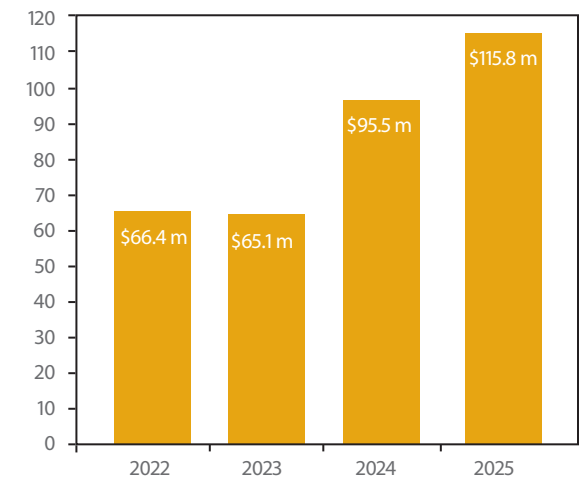


FIGURE 21: ADMINISTRATIVE AND OPERATIONAL EXPENSES

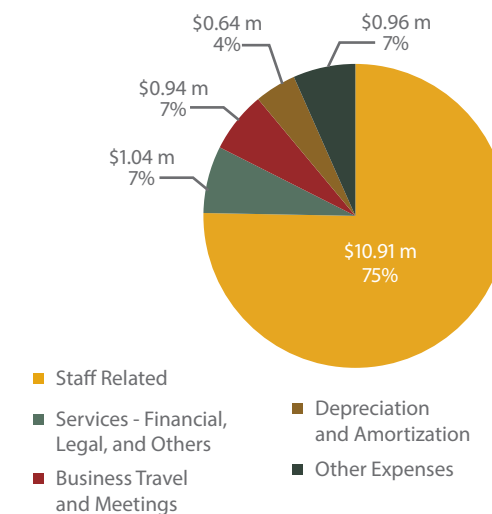
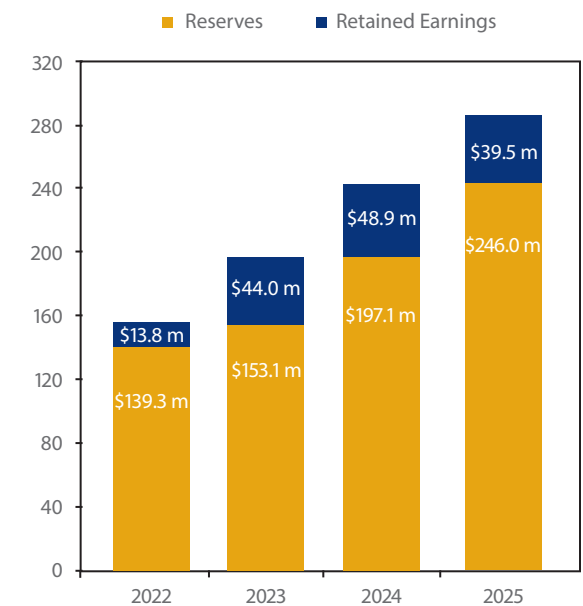


FIGURE 23: RETAINED EARNINGS AND RESERVES



# We are **CGIF**

## Celebrating 15 Years with Our People



# OUR PEOPLE

# ◎ BOARD OF DIRECTORS

As of 31 December 2025



Chairperson  
Board of Directors

**Ms. Kazuko Sakuma**  
Resident Executive Officer  
Regional Head for Asia and the Pacific  
Japan Bank for International Cooperation



Chairperson  
Nomination and Remuneration Committee

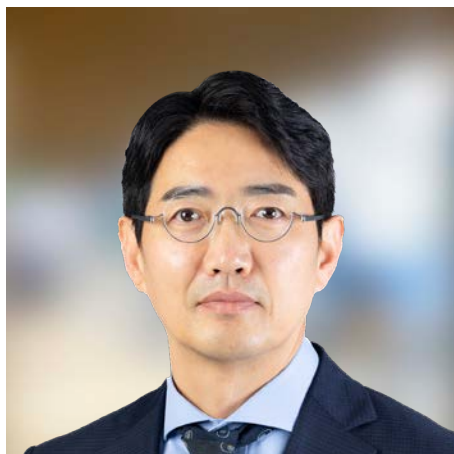
**Ms. Minwen Zhang**  
Deputy Director General  
International Economic Relations Department  
Ministry of Finance PRC



**Mr. Shunichi Takenaka**  
Director  
Promotion of Regional Cooperation  
International Bureau  
Ministry of Finance Japan



**Mr. Zhongyuan Li**  
Credit Risk Officer  
The Export-Import Bank of China



Chairperson  
Internal Control and Risk Management  
Committee

**Mr. Sang Hun Kim**  
Director General  
Financial Investment Department  
The Export-Import Bank of Korea



Chairperson  
Audit Committee

**Mr. Asrul Adrain Ahmad**  
Acting Permanent Secretary (Fiscal I)  
Ministry of Finance and Economy  
Brunei Darussalam



**Mr. Craig Roberts**  
Senior Advisor  
Private Sector Operations Department  
Asian Development Bank



**Mr. Hongwei Wang**  
Chief Executive Officer  
Credit Guarantee and Investment Facility

## © MANAGEMENT TEAM

As of 31 December 2025



**Hongwei Wang**  
Chief Executive Officer

Mr. Hongwei Wang is the Chief Executive Officer (CEO) of CGIF. Prior to joining the company, Mr. Wang was the Deputy General Manager of the Sovereign Business Department of the Export-Import Bank of China. He was involved in the development of CGIF's legal framework, shareholding, and Board of Directors (BOD) structure in its formative years. He also made significant contributions during the negotiation and finalization of CGIF's Articles of Agreement.

Mr. Wang has over 26 years of experience in the financial industry and is well-versed in both

domestic and international, commercial, and policy banking businesses. From 2015 to 2019, he served as General Manager of Chongqing Export-Import Guarantee Financing Company, one of China's most competitive guarantee companies. Prior to this position, he was the CEO of the Advisory Company of the China-Central and Eastern Europe Development Fund from 2013 to 2014, as well as the Chief Operating Officer (COO) of China-ASEAN Capital Advisory Company Ltd. (China-ASEAN Development Fund), a Hong Kong-based fund management firm, from 2010 to 2012. He gained extensive managerial experience in the banking industry throughout his career, particularly in credit guarantee, investment management, corporate lending, and bond issuance, and he remains a firm believer in—and a staunch supporter of—CGIF's strategic objectives.

Drawing on this breadth of experience, Mr. Wang has provided steady and forward-looking leadership at CGIF. Under his leadership, the company has received numerous awards and recognitions and has consistently met—and often exceeded—its targets. He has been instrumental in enabling CGIF to realize its full potential, fostering a high-performance culture that motivates staff to give their best and uphold the organization's standards of excellence.

Mr. Wang graduated from Beijing Foreign Studies University with a Bachelor of Arts in English.



**Aarne Dimanlig**  
Chief Credit-risk Officer/ Acting Chief Risk Officer

Mr. Aarne Dimanlig is the Chief Credit Risk Officer of CGIF. He brings over 3 decades of professional experience to this role, combining deep practical knowledge of banking and credit markets with a background in prominent international institutions and rigorous academic training.

Mr. Dimanlig played a pivotal role in building CGIF's risk management framework, serving as its first Chief Risk Officer from 2011 to 2019. Prior to joining CGIF, he advanced through key positions in risk management at the Bank of the Philippine Islands (BPI) and investment banking at BPI Capital Corporation. His professional history also includes engagements at Columbia University's Graduate School of Business; the International Monetary Fund; and the University of California, Santa Barbara.

He earned his Ph.D. in Economics from the University of California, Santa Barbara. He also holds a Master of Science in Industrial Economics from the University of Asia and the Pacific in Manila, and a Bachelor of Science in Mathematics from the University of the Philippines.



**Hou Hock Lim**  
Corporate Planner and Head of Budget, Planning, Personnel, and Management Systems (BPPMS)

Mr. Hou Hock Lim is CGIF's Corporate Planner and Head of Budget, Planning, Personnel, and Management Systems (BPPMS). Prior to joining the company, Mr. Lim was the General Manager of the Group Finance Division of Hong Leong Bank, one of the major banks in Malaysia. He held various senior positions in OCBC Bank (Malaysia) Bhd; Deloitte Touche Tohmatsu in Melbourne, Australia doing corporate advisory work for regional mergers and acquisitions, regional restructuring, and global transaction services; Danajamin, a bond guarantor in Malaysia as the Director overseeing the functions of Finance, Treasury, Administration, and IT; and Affin Investment Bank Berhad as Chief Financial Officer.

Mr. Lim attended Monash University (Clayton) Australia for his Bachelor of Commerce in Accounting and Finance and the Harvard Business School's Senior Management Development Program. He also completed the Strategic HR Management Program at the National University of Singapore. He also held memberships at the Australian Society of CPAs and the Malaysian Institute of Accountants.



**Gene Soon Park**  
General Counsel & Board Secretary

Mr. Gene Soon Park is the General Counsel and Board Secretary of CGIF. Mr. Park started his legal career as an attorney at the largest law firm in Korea (Kim and Chang), where he gained hands-on experience in capital market transactions, cross-border financial transactions, and project financing. He has served as General Counsel of Korean subsidiaries of global institutions Lehman Brothers Securities/Bank and Citibank. He held the position of General Counsel and Board Secretary for Citibank Korea and Citigroup Korea.

In his more than 10-year career in CGIF, Mr. Park covered all legal matters of bond guarantee, treasury, internal institutions, and human resources, as well as governance and policy issues as Board Secretary, functioning as the middle office keyman. Mr. Park attended the Law School of Seoul National University in Korea for his Bachelor, Master, and Ph.D. in Banking and Securities Regulation and the Law School of Stanford University in California, USA for his Master's Degree in SPILS, the Stanford Program for International Legal Studies.



**Jackie Jeong-Ae Bang**  
Internal Auditor

Ms. Jackie Jeong-Ae Bang is the Head of Internal Audit of CGIF. Ms. Bang was the Senior Vice President of Singapore-based Citibank Internal Audit Department for 9 years, covering ASEAN+3 regions along with the Indian subcontinent and Australia/New Zealand. She has over 20 years of extensive banking experience in audit, credit risk management, client relationship, and securities and funds services in Standard Chartered Bank and Citibank, Seoul and Singapore.

Ms. Bang attended Seoul National University for BA in English Language and Literature, the Graduate School of Yonsei University for MBA, and Thunderbird School of Global Management for Master of International Management. She obtained certificates for Project Management Professional (PMP) and Certified Fraud Examiner (CFE).



**Dong Woo Rhee**  
Chief Financial Officer

Mr. Dong Woo Rhee is CGIF's Chief Financial Officer. He joined the group as its first treasury specialist after having extensive experience in the capital markets with a primary focus on fixed-income securities (and their derivatives) in Samsung Asset Management, Samsung Life, and Credit Suisse. With his good performance and reputation in the regional fixed-income market, he was awarded "The Most Astute G3 Bond Investor" from the 2006 Asset Benchmark Survey.

Mr. Rhee attended Korea Advanced Institute of Science and Technology for his Ph.D. in Finance and has published several papers associated with financial risk management and asset management, including "Strategic Asset Allocation of Credit Guarantors." He holds both CFA (Chartered Financial Analyst) and FRM (Financial Risk Manager) credentials. He is also a certified IFRS (International Financial Reporting Standards) Manager.



**Anuj Awasthi**  
Vice President Operations

As Vice President for Operations, Mr. Anuj Awasthi oversees CGIF's guarantee operations. He was formerly a Managing Director at Societe Generale, heading the financing initiatives for the Global Markets division for ASEAN and South Asia, where he worked on developing the bank's local currency bond origination and structuring business.

Prior to that, he held various positions with Nomura, Merrill Lynch, and HSBC in a career that spans over 20 years in derivatives, hedging, balance sheet management, and local currency financing solutions for corporates and institutions in South Asia and ASEAN.

Mr. Awasthi attended Delhi University for his Bachelor of Engineering in Mechanical and finished his Post Graduation in Management from the Indian Institute of Management, Calcutta.



**Gene Soon Park**  
General Counsel  
& Board Secretary

**Hou Hock Lim**  
Corporate Planner and Head  
of Budget, Planning,  
Personnel, and Management  
Systems (BPPMS)

**Dong Woo Rhee**  
Chief Financial  
Officer

**Jackie Jeong-Ae Bang**  
Internal Auditor

**Aarne Dimanlig**  
Chief Credit-risk Officer/  
Acting Chief Risk Officer

**Hongwei Wang**  
Chief Executive Officer

**Anuj Awasthi**  
Vice President Operations



In 2025, CGIF maintained its resilience and professionalism in advancing the organization's strategic and operational goals amid a dynamic and demanding environment. Drawing strength from a diverse, multicultural workforce representing the ASEAN+3 region, CGIF continues to benefit from a broad range of perspectives, expertise, and experience. This diversity enables teams to approach challenges with sound judgment, collaboration, and innovation.

Throughout the year, CGIF staff worked collaboratively to meet priorities with discipline and accountability, further strengthening CGIF's track record of reliability and effective execution. The commitment and cooperation of employees across functions underscore the importance of trust and shared responsibility in achieving the organization's objectives. These qualities are central to CGIF's ability to remain focused while responding to evolving demands.

Under the leadership of the Chief Executive Officer, the Human Resources and Administration Unit (HRAU) rolled out team-building activities in 2025 that focused on the company's shared values of respect, professionalism, and accountability. These initiatives aimed at cultivating shared understanding and consistent behavioral norms, contributing to a more unified culture and reinforcing CGIF's ability to perform over the long term.

To advance a holistic approach to employee health and wellness, CGIF implemented initiatives designed to promote physical activity among staff. The HRAU launched a 10,000-steps program and organized inclusive bowling tournaments open to employees across departments and age groups. A "Biggest Loser Contest" was likewise conducted to encourage a healthier lifestyle and support overall well-being. Together, these initiatives enhanced employee engagement, strengthened organizational resilience, and contributed to a more cohesive and high-performing workforce.



**GOVERNANCE**

### 14 October 2025

Mr. Zhongyuan Li, Chief Risk Officer of the Export-Import Bank of China (CEXIM), was nominated as Director on behalf of CEXIM, as replacement for Ms. Shou Zhang.

### 22 November 2025

Mr. Asrul Ahmad, Acting Permanent Secretary (Fiscal 1) of the Ministry of Finance and Economy of Brunei Darussalam, was nominated as replacement for Mr. Shun Jin-Chyi Kevin, as the new Director of CGIF representing ASEAN. Following practice, Mr. Ahmad also became the new Chairperson of the Audit Committee (AC).

### MEETING OF CONTRIBUTORS (MOC)

The annual Meeting of Contributors (MOC) for 2025 was held on 22 May 2025 via hybrid format (in-person and video/conference facility) in Bandar Seri Begawan, Brunei Darussalam.

During the Annual MOC for 2025, the Contributors present considered and approved the following recommendations of the Board of Directors (BOD):

1. Minutes of the last MOC held on 28 May 2024 and the Special MOC held on 01 August 2024 and 07 October 2024 via video/teleconference
2. 2024 Audited Financial Statements
3. Allocation of the entire net income for 2024 of \$48,893,847.63 to Reserve
4. Annual Report for 2024
5. Election of the Chairperson of BOD
6. Election of the Chairperson of the Nomination and Remuneration Committee (NRC)

The Contributors also discussed the CGIF Management Report covering 2024 and Q1 of 2025, the reports on the establishment of a Whistleblowing Framework in CGIF, and the analysis on CGIF portfolio over recent changes in US policies.

A Special MOC was held on 03 December 2025 via video/teleconference. The Contributors present unanimously approved the following:

1. Appointment of Ms. Noriko Nasu as the new Chief Executive Officer (CEO) of CGIF and the endorsement of this decision to the Trustee (ADB) for formal appointment pursuant to Article 10.1.8 of the CGIF Articles of Agreement
2. Amendments to Article 8.7 of the CGIF Articles of Agreement

## BOARD OF DIRECTORS (BOD)

In 2025, the Board of Directors (BOD) had a total of three regular meetings and two special meetings held via hybrid format and/or video/teleconference.

In all meetings, BOD provided oversight and supervision of CGIF's management and operations, which Management confirmed have been conducted in accordance with CGIF Operational Policies (OP) and applicable ADB Operational Policies. This ensured BOD's compliance with its key responsibilities in the governance of CGIF.

The key items discussed and approved by BOD in its regular meetings and special meetings for 2025 are summarized below:

### 19-20 March 2025

1. Adoption of the minutes of the BOD meeting held on 04 December 2024 via hybrid format
2. Adoption of the decisions and discussions of the Audit Committee (AC), Internal Control and Risk Management Committee (ICRMC), and Nomination and Remuneration Committee (NRC), as reported by their respective Chairpersons. BOD also had no comments on the following:
  - i. the CGIF proposal for the 2024 Compensation and Benefits Review, which was approved by the NRC on 17 February 2025 via electronic voting
  - ii. the proposed amendment to clause 110 of the CGIF OP, which was approved by BOD on 10 March 2025 under the No Objection Approval procedure.
3. Approval of the Performance Evaluation of Mr. Hongwei Wang, Chief Executive Officer (CEO) of CGIF

4. Extension of Appointment of CGIF Executive Staff
5. Proposal on Promotion of Executive Staff
6. Recommendation to the Meeting of Contributors (MOC) for the Appointment of the Chairperson of the BOD
7. Recommendation to the MOC for the Appointment of the Chairperson of the NRC
8. Approval of the Whistleblowing Framework
9. Approval of the Annual Report for 2024

The Directors also noted and discussed the following:

1. CGIF Management Report covering 2024
2. Review of the Expanded Alternative Guarantee Approval Process (AGAP)

A Special BOD meeting was held on 10 April 2025 via video/teleconference. BOD approved the following:

1. Audited Financial Statements for 2024
2. Allocation of Net Income of \$48,893,847.63 to Reserve

### 28 August 2025

1. Adoption of the minutes of BOD meeting held on 19-20 March 2025 via hybrid format and the Special BOD meeting held on 10 April 2025 via video/teleconference
2. Adoption of the decisions and discussions of the AC and ICRMC, as reported by their respective Chairpersons
3. Approval of the enhancement of the Electronic Voting Process for Non-GUP (guarantee underwriting proposals) matters

4. Approval of the proposed suspension of the Staff Bonus Scheme and amendments to the relevant sections of the CGIF OP
5. Approval of the incremental budget for CAPEX 2025 (Data Warehouse Project)
6. Approval of the OP section of the Environmental and Social Policy<sup>1</sup>

The Directors noted and discussed the CGIF Management Report for Q2 2025 up to July 2025, the projection of CGIF Financials, Capital Adequacy Ratio and Leverage Ratio, the results of the Capital Adequacy Stress Test, and the report on CGIF guaranteeing USD bonds.

The Directors deferred voting on the proposed Swap Guarantee. BOD instructed Management to continue refining the proposal and to engage in further dialogue with BOD.

A Special BOD meeting was convened on 16 October 2025 via video/teleconference. BOD approved the following:

1. The endorsement to the MOC of the selection of Ms. Noriko Nasu as the next CEO of CGIF, and for the Chairperson of the NRC to finalize the remuneration package for the CEO candidate based on the BOD-approved terms of employment and benefits package
2. The appointment of Ms. Xianghong Lu as the new Chief Risk Officer (CRO) of CGIF

### 12 November 2025

1. Adoption of the minutes of BOD meeting held on 28 August 2025 via hybrid format and the Special BOD meeting held on 16 October 2025 via video/teleconference
2. Adoption of the decisions and discussions of the AC, ICRMC, and NRC, as reported by their respective Chairpersons
3. Approval of the Business Plan, Work Program, and Budget 2026

The Directors also noted and discussed the CGIF Management Report for Q3 2025, the Investment Portfolio Strategies for 2026 report, and the report on CGIF Information System and Business Continuity.

In 2025, through electronic voting, BOD also deliberated and approved other Management proposals, including GUPs, as follows:

1. Approval of the Revalidation of the GUP of CIA First International School Co, Ltd. – second tranche on 03 March 2025
2. Approval of the GUP for PT Global Mediacom Tbk on 07 April 2025
3. Approval of the GUP for AI-Salam Real Estate Investment Fund on 17 June 2025
4. Approval of the GUP for CMC Corporation on 03 September 2025
5. Approval of the GUP for Muangthai Capital PCL on 04 September 2025

Out of the 11 GUP approvals, 6 GUPs were approved under AGAP, as follows:

1. PT Mora Telematika Indonesia Tbk
2. First Korat Wind Co., Ltd. (FKW)
3. K.R. Two Co., Ltd. (KR 1)
4. Asialink Finance Corporation
5. Global Dominion Financing, Inc.
6. South Asialink Finance Corporation

<sup>1</sup>On 21 October 2025, BOD approved the proposed revision of terminology and validation of approval of amendments in CGIF's OP under the No Objection Approval procedure. BOD approval was adopted at the 12 November 2025 BOD meeting.

## REPORT OF THE AUDIT COMMITTEE (AC)

The Audit Committee (AC) is tasked by the Board of Directors (BOD) with the oversight, due diligence, and control over the financial aspects of operations and performance of CGIF. The AC performs a critical role in underpinning the assurance that BOD gives to the Contributors as to the integrity of CGIF's audit and internal control processes.

### Purpose

The AC assists BOD in fulfilling its corporate governance and oversight responsibilities, particularly on financial reporting and the internal and external audit functions, to ensure the integrity of financial reporting; the effectiveness of audit mechanisms; the efficient use of resources; the compliance with regulations and business procedures; the effective dialogue among BOD, Management, and auditors; and the culture of effective oversight and ethical standards.

### Structure and Responsibilities

The AC comprises three Directors representing the Association of Southeast Asian Nations (ASEAN), the People's Republic of China, and the Republic of Korea, with the ASEAN Director as Chairman. The Chairman and members are all appointed by BOD.

The AC performs a critical role in assuring the integrity of CGIF's internal control environment and audit mechanism to ensure that gaps are corrected. As an important part of BOD's oversight role and to enhance accountability of Contributors, AC's work is communicated to Contributors by reporting its roles and terms of reference; members' qualifications; number of meetings and attendance; and the report of its findings and discharge of its responsibilities.

CGIF's Operational Policies (OP) empower AC to monitor, review, and make recommendations to ensure:

1. Integrity of the financial statements (FS) and financial reporting
2. Effectiveness of the internal audit function
3. Independence, objectivity, and effectiveness of the external auditor
4. Compliance with international accounting standards, business policies and practices, and applicable laws and regulations
5. Effective communication among BOD, Management, and auditors

The effectiveness of the audit mechanism and any cause for concern or scope for improvement are reviewed and reported to BOD by AC. Where there is disagreement between AC and BOD, which cannot be resolved within a reasonable time, AC has the right to report the issue to Contributors. AC will have explicit authority to investigate any matter within its terms of reference and have full access to available information.

AC reviews its terms of reference and its own effectiveness annually and recommends any necessary changes to BOD.

### Calendar Year 2025 Audit Committee Activities

AC convened three times in 2025 via hybrid setup meetings held on 19 March, 28 August, and 12 November. AC discharged its independent oversight function during its periodic meetings through deliberations, which were reported to BOD by the Chairman and were considered and unanimously adopted by BOD.

## FINANCIAL REPORTING

AC reviewed and approved significant financial reporting issues and judgments that were made in the preparation of FS and disclosures by Management. Considering the view of the external auditor, AC reviewed the accounting and reporting policies adopted by CGIF, the significant estimates and judgments made, and the clarity and completeness of disclosures in accordance with International Financial Reporting Standards.

AC approved CGIF's 2024 Audited FS on 10 April 2025. The external auditor, Deloitte & Touche Singapore (Deloitte), participated in a meeting without Management in attendance to present the opinion of the external auditor on CGIF's FS and to respond to the questions from AC.

Three quarterly unaudited FS were reported to AC for its review on 22 May, 28 August, and 12 November 2025, respectively.

## EXTERNAL AUDIT

AC is responsible for overseeing the work of the external auditor and in making recommendations to BOD and Contributors on its appointment, reappointment, and removal. Deloitte is the external auditor selected by Contributors for another term of 5 fiscal years, from 2024 to 2028, as recommended by AC and BOD.

The engagement terms for the 2025 financial statements audit remain unchanged from those approved by AC, BOD, and Contributors in 2024. These terms outline key responsibilities and requirements, including Deloitte's responsibility for conducting audits in accordance with International Standards on Auditing and maintaining the confidentiality of information acquired during the audit as well as CGIF's responsibility for ensuring sufficient internal accounting controls in place to prepare the FS and obtaining Deloitte's prior

consent for the publication or reproduction of the auditor's report.

## INTERNAL AUDIT

The Internal Auditor (IA), as part of its responsibility and accountability to AC, evaluates and contributes to the improvement of governance, risk management, and control processes by providing risk-based independent and objective assurance.

IA activities are carried out through a systematic and disciplined audit methodology approved by AC. AC reviews and approves the internal audit function's remit and ensures that it has the necessary resources and access to information to fulfill its mandate. It also certifies that the internal audit function is equipped to perform in accordance with appropriate professional standards.

Results of the IA's works are reviewed by AC through the issued audit reports and the reported quarterly audit updates. The audit report includes findings and recommendations for high- and medium-risk observations, with corresponding corrective action plans (CAPs).

In 2025, IA completed and released four audit reports in line with the approved audit plan. The Quarterly Audit Update included (i) quarterly audit refresh exercise for any change in the approved plan, (ii) internal audit activities report, and (iii) CAPs monitoring and validation status.

During its hybrid setup meeting on 12 November 2025, AC reviewed and approved the internal audit plan for 2026. IA also reviewed the Internal Audit Charter, Internal Audit Framework, and Internal Audit Manual and determined that no changes were necessary. Further, the Strategic Audit Plan was reviewed as part of the 2026 annual audit planning process to ensure that audit activities align with internal audit's goals and objectives.

Based on the review, no changes are needed. The Internal Audit Charter was subsequently approved by the AC during the November 2025 AC meeting as part of the internal audit plan.

IA continued to conduct an ongoing monitoring and periodic self-assessment of audit activities to ensure that these conform to Institute of Internal Auditors' definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards), including the Mission and Core Principles of the Standards. Ongoing monitoring was performed and documented in the Audit Review Checklist in each completed engagement in 2025. Periodic self-assessment was conducted in 2025 by monitoring Key Performance Indicators. The results of the periodic self-assessment were reported during the November 2025 AC meeting.

AC reviews and monitors Management's responsiveness to the IA's findings and recommendations through the implementation of CAPs. IA monitors and validates the CAPs, which are reported to AC and BOD through the Quarterly Audit Updates and the Quarterly Management Report, respectively.

### WHISTLEBLOWING FRAMEWORK

During the September 2023 AC meeting, AC Chair urged Management to enhance ethical standards and governance and instill market confidence by adopting best practices from international financial institutions like the ADB, which includes establishing a Whistleblowing Framework within CGIF.

During the December 2024 AC and BOD meetings, the ADB Office of Professional Ethics and Conduct (OPEC) was approved as CGIF's Whistleblowing service provider. During the March 2025 AC and

BOD meetings, the Whistleblowing Framework and Whistleblowing Flowchart were approved. The establishing of Whistleblowing Framework in CGIF was reported at the May 2025 Meeting of Contributors.

Discussions on the implementation of whistleblowing services resumed in September 2025 upon onboarding of the new ADB OPEC Director. As CGIF was advised that ADB OPEC would not provide investigation services, IA explored local service providers for investigation services related to integrity violations and serious misconduct. In addition, a whistleblowing section for the new CGIF website has been drafted and will go live upon implementation of the whistleblowing services. As of December 2025, implementation arrangements with ADB OPEC and external service provider for a full suite of whistleblowing services are ongoing.

## INTERNAL CONTROL AND RISK MANAGEMENT COMMITTEE (ICRMC)

The Internal Control and Risk Management Committee (ICRMC) held virtual and hybrid meetings three times in 2025 (on 19 March, 28 August, and 12 November). Policies for internal control and risk management were deliberated and approved by the ICRMC at its meetings.

Under the guidance of the ICRMC, managerial and operational level responsibilities are implemented by the GIC that is chaired by the Chief Risk Officer (CRO). In 2025, the GIC reviewed 22 Guarantee Concept Proposals (GCPs) and 8 Guarantee Underwriting Proposals (GUPs). Of the eight GUPs reviewed by the GIC, four were granted final approval through the AGAP, and four were approved and endorsed to BOD for final approval. All four GUPs endorsed to BOD were granted final approval within 2025. Of the eight final GUP approvals, three were issued, two were partially issued, two were not yet issued, and one was withdrawn at end-2025. The CRO, as the approving authority per RMF guidelines, approved 40 annual reviews in 2025.

At end-2025, there were 49 issuers (41 at end-2024) whose bonds were guaranteed by CGIF. The gross guarantee portfolio increased from \$2,260 million in 2024 to \$2,649 million in 2025. CGIF issued guarantees to cover 23 tranches of bonds of 14 issuers within 2025. Of the total guarantee portfolio amount at end-2025, \$677 million (\$671 million, if valued at respective guaranteed bond issuance dates) corresponds to new guarantees issued. The redemption of six guarantee accounts within 2025 reduced the portfolio by \$337 million. Principal amortizations and foreign exchange rate movements also contributed, though to a lesser extent, to the change in total portfolio value.

TABLE 7: GUARANTEES

In \$ millions	2024	2025
Guarantee Portfolio <sup>1</sup>	2,260	2,649
Of which, underwritten within the year	775	677
Guarantee Portfolio, Net of Reinsurance	1,642	1,948

Note: <sup>1</sup>Composed of principal amounts only, including KNM exposure.

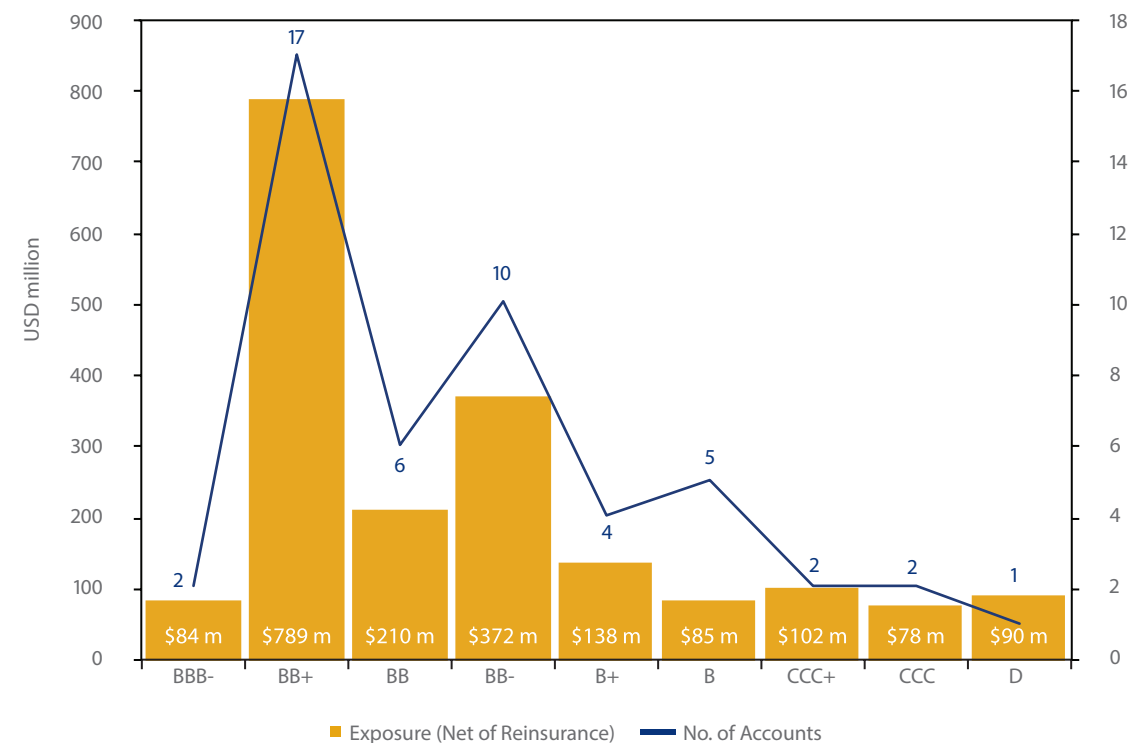
On account of capital infusions by Contributors and retained earnings, CGIF's maximum guarantee capacity increased to \$3,552 million at end-2025 from \$3,468 million at end-2024. At end-2025, CGIF's leverage ratio was at 1.46x versus 1.28x at end-2024, both well below the limit of 2.50x. CGIF's Capital Adequacy Ratio (CAR) at end-2025 decreased to 4.16x from 4.50x at end-2024, both well above the management action trigger of 1.10x. At end-2025, all credit concentration limits were complied with.

TABLE 8: CAPACITY METRICS

	2024	2025
Maximum Guarantee Capacity, \$ Million	3,468	3,552
Leverage Ratio (ceiling, 2.5x)	1.28x	1.46x
Capital Adequacy Ratio (floor, 1.0x)	4.50x	4.16x

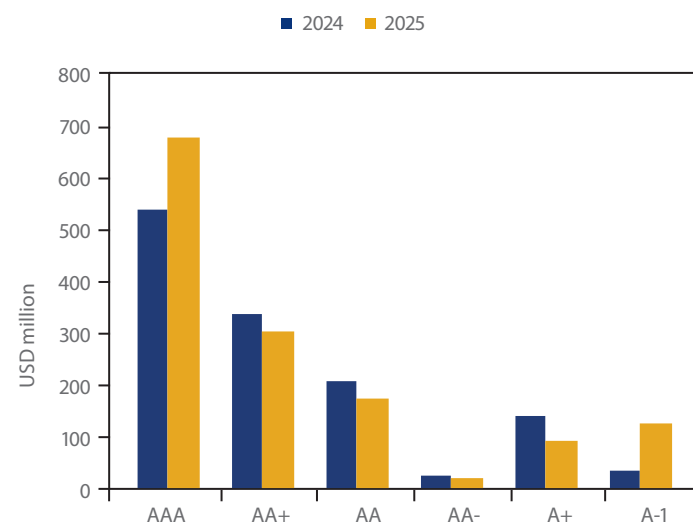
At end-2025, 19 issuers were rated BB+ or better, 6 issuers were rated BB, 10 issuers were rated BB-, 9 issuers were rated at the single B-level, 4 issuers were rated at the CCC-level, and 1 issuer was in default and rated D.

FIGURE 24: RISK RATING DISTRIBUTION



CGIF's investment portfolio duration at end-2025 was 3.28 years versus 3.31 years at end-2024, both within the limit of 5 years. About 48% of CGIF's investment portfolio is rated AAA. At end-2025, 84% of the portfolio was rated AA- or higher versus 86% at end-2024. CGIF's investment portfolio passed adequacy of liquidity tests under normal and stressed conditions and did not breach any investment concentration limit in 2025.

FIGURE 25: INVESTMENT DISTRIBUTION BY RATING GRADE



## THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee (NRC) is composed of three members of the Board of Directors (BOD), representing the People's Republic of China, ADB, and Japan, with the China representative serving as Chairperson. The Chairperson's appointment is approved by the Meeting of Contributors (MOC).

The NRC is responsible for reviewing, assessing, and recommending to BOD and MOC matters related to senior executive remuneration, pensions, and other compensation programs, aligned with the organization's strategy, operating environment, and industry best practices.

The committee's key responsibilities include:

1. Ensuring a succession plan is in place for both the Chief Executive Officer (CEO) and the Chairperson of BOD
2. Recommending to BOD the retention, selection, and appointment of CGIF executives
3. Providing BOD with relevant information for inclusion of executive appointment matters in CGIF's annual report
4. Ensuring the participation of the NRC Chairperson in MOC on matters concerning CEO selection and appointment
5. Submitting an annual report to BOD on its activities and recommendations

### 18 February 2025, NRC, Electronic Voting Only

During the NRC meeting in December 2024, the committee was requested to approve CGIF's proposed review to the compensation and benefits framework. Following discussion and deliberation,

the NRC Chairperson deferred the matter for further review in Q1 2025, pending additional study and analysis to support the proposal. After further discussion with the Committee on 21 January 2025, the NRC approved the proposal, incorporating the corresponding updates and adjustments.

### 19 March 2025, NRC, Hybrid Format, Busan, South Korea

The committee noted the two reporting items presented, namely the proposed salary adjustment for 2025 and the promotion of one executive staff member.

### 27 August 2025, NRC, Electronic Voting Only

NRC approved and recommended to BOD the extension of appointment of one CGIF Executive Staff, for another 3-year term.

### 12 November 2025,

### NRC, Hybrid Format, Manila, Philippines

One item was presented to the committee during the NRC meeting. This pertained to information on the tenure of executive staff whose contracts are set to expire in 2026–2027 as well as those reaching retirement in 2026. The information was shared with the committee to support early planning and timely action, which are important in mitigating potential operational disruptions, ensuring continuity of institutional knowledge and maintaining organizational stability, factors essential to CGIF's sustained competitiveness in attracting and retaining qualified talent.



## **APPENDIX: REPORT OF THE EXTERNAL AUDITOR AND FINANCIAL STATEMENTS**

**CREDIT GUARANTEE AND INVESTMENT FACILITY  
(A Trust Fund of the Asian Development Bank)**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

**APPENDIX**

**CREDIT GUARANTEE AND INVESTMENT FACILITY  
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)**

**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

CONTENTS

	<u>PAGE</u>
Independent auditor's report	1-3
Statement of financial position	4
Statement of net income	5
Statement of comprehensive income	6
Statement of changes in members' equity	7
Statement of cash flows	8
Notes to financial statements	9-34



Deloitte & Touche LLP  
Unique Entity No. T08LL0721A  
6 Shenton Way  
OUE Downtown 2  
#33-00  
Singapore 068809

Tel: +65 6224 8288  
Fax: +65 6538 6166  
www.deloitte.com/sg

**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF CREDIT GUARANTEE AND INVESTMENT FACILITY**

**Opinion**

We have audited the financial statements of Credit Guarantee and Investment Facility ("CGIF"), which comprise the statement of financial position as at 31 December 2025, the statement of net income, the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CGIF as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of CGIF in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as issued by the IASB, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing CGIF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the CGIF or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing CGIF's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CGIF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CGIF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CGIF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Public Accountants and  
Chartered Accountants  
Singapore

15 April 2026

**CREDIT GUARANTEE AND INVESTMENT FACILITY  
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)  
STATEMENT OF FINANCIAL POSITION  
As at 31 December 2025  
Expressed in Thousands of United States Dollars**

	NOTES	2025	2024
<b>ASSETS</b>			
CASH		6,274	6,622
INVESTMENTS	5	1,414,212	1,308,336
ACCRUED INTEREST INCOME	5	10,495	10,240
GUARANTEE FEE RECEIVABLE, NET	6	77,561	71,121
GUARANTEE RECEIVABLE, NET	6	63,698	74,900
RIGHT OF USE – LEASE ASSET, NET	7	171	305
FURNITURE, FIXTURES AND EQUIPMENT, NET	8	801	1,228
INTANGIBLE ASSETS, NET	9	42	45
OTHER ASSETS	10	1,959	1,710
<b>TOTAL ASSETS</b>		<b>1,575,213</b>	<b>1,474,507</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
<b>LIABILITIES</b>			
GUARANTEE LIABILITY, NET	6	115,792	95,491
UNEARNED INTEREST INCOME – GUARANTEES		1,263	941
LEASE LIABILITY	7	149	291
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	11	17,627	21,219
OTHER LIABILITIES	12	1,158	1,158
<b>TOTAL LIABILITIES</b>		<b>135,989</b>	<b>119,100</b>
<b>MEMBERS' EQUITY</b>			
<b>CAPITAL STOCK</b>			
PAID-IN CAPITAL	13	1,158,000	1,158,000
RETAINED EARNINGS		39,509	48,894
RESERVE	14	245,969	197,075
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>			
INVESTMENT REVALUATION RESERVE	5	(4,254)	(48,562)
<b>TOTAL MEMBERS' EQUITY</b>		<b>1,439,224</b>	<b>1,355,407</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>		<b>1,575,213</b>	<b>1,474,507</b>

**CREDIT GUARANTEE AND INVESTMENT FACILITY  
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)  
STATEMENT OF NET INCOME  
For the year ended 31 December 2025  
Expressed in Thousands of United States Dollars**

	NOTES	2025	2024
<b>REVENUE</b>			
GUARANTEE FEES		26,527	22,739
INTEREST INCOME	15	49,479	43,794
INCOME FROM REINSURANCE	18	3,152	2,394
MISCELLANEOUS INCOME	16	102	150
<b>GROSS REVENUE</b>		<b>79,261</b>	<b>69,077</b>
<b>EXPENSES</b>			
ADMINISTRATIVE AND OPERATIONAL EXPENSES	17	14,487	13,644
REINSURANCE EXPENSES	18	7,991	7,395
FINANCIAL EXPENSES		124	128
WRITE OFF EXPENSE		-	131
IMPAIRMENT (REVERSAL OF) LOSSES, NET	5, 6	25,239	(2,913)
MISCELLANEOUS EXPENSES	12	1,158	1,158
<b>TOTAL EXPENSES</b>		<b>48,999</b>	<b>19,543</b>
<b>NET OPERATING INCOME</b>		<b>30,262</b>	<b>49,534</b>
GAIN (LOSS) FROM FOREIGN EXCHANGE		9,247	(640)
<b>NET INCOME</b>		<b>39,509</b>	<b>48,894</b>

**CREDIT GUARANTEE AND INVESTMENT FACILITY  
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)  
STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 31 December 2025  
Expressed in Thousands of United States Dollars**

	NOTES	2025	2024
NET INCOME		39,509	48,894
OTHER COMPREHENSIVE INCOME			
ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME:			
NET UNREALIZED GAIN ON INVESTMENTS MEASURED AT FVTOCI	5	44,308	4,046
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>83,817</b>	<b>52,940</b>

**CREDIT GUARANTEE AND INVESTMENT FACILITY  
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)  
STATEMENT OF CHANGES IN MEMBERS' EQUITY  
For the year ended 31 December 2025  
Expressed in Thousands of United States Dollars**

	Paid-in Capital			Reserve	Investment Revaluation Reserve	Total Members' Equity
	Subscribed Capital	Unpaid Subscription	Retained Earnings			
BALANCE, 1 JANUARY 2024	1,158,000	-	43,992	153,083	(52,608)	1,302,467
NET INCOME FOR THE YEAR	-	-	48,894	-	-	48,894
ALLOCATION OF PRIOR YEAR INCOME TO RESERVE	-	-	(43,992)	43,992	-	-
OTHER COMPREHENSIVE LOSS						
NET UNREALIZED GAIN ON INVESTMENTS MEASURED AT FVTOCI (NOTE 5)	-	-	-	-	4,046	4,046
BALANCE, 1 JANUARY 2025	1,158,000	-	48,894	197,075	(48,562)	1,355,407
NET INCOME FOR THE YEAR	-	-	39,509	-	-	39,509
ALLOCATION OF PRIOR YEAR INCOME TO RESERVE (NOTE 14)	-	-	(48,894)	48,894	-	-
OTHER COMPREHENSIVE LOSS						
NET UNREALIZED GAIN ON INVESTMENTS MEASURED AT FVTOCI (NOTE 5)	-	-	-	-	44,308	44,308
<b>BALANCE, 31 DECEMBER 2025</b>	<b>1,158,000</b>	<b>-</b>	<b>39,509</b>	<b>245,969</b>	<b>(4,254)</b>	<b>1,439,224</b>

**CREDIT GUARANTEE AND INVESTMENT FACILITY  
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)  
STATEMENT OF CASH FLOWS  
For the year ended 31 December 2025  
Expressed in Thousands of United States Dollars**

	NOTES	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
GUARANTEE RELATED INCOME RECEIVED		36,899	26,881
OTHER INCOME RECEIVED		654	270
GUARANTEE PAYMENT RECOVERED		-	88
ADMINISTRATIVE AND OPERATIONAL EXPENSES PAID		(15,049)	(14,141)
REINSURANCE EXPENSES PAID		(5,734)	(5,327)
REINSURANCE CLAIMS (RECOVERED) RECEIVED		(590)	917
PROFIT COMMISSION RETURNED		-	(2,162)
FINANCIAL EXPENSES PAID		(123)	(130)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>16,057</b>	<b>6,396</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
PURCHASES OF INVESTMENTS		(8,966,428)	(4,753,979)
MATURITIES/SALES OF INVESTMENTS		8,909,219	4,715,075
INTEREST RECEIVED ON INVESTMENTS		41,020	34,922
PURCHASE OF FIXED AND INTANGIBLE ASSETS		(83)	(1,412)
DISPOSAL OF FURNITURE AND EQUIPMENT		-	9
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(16,272)</b>	<b>(5,385)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
LEASE LIABILITY PAID		(144)	(134)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(144)</b>	<b>(134)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES IN CASH</b>		<b>11</b>	<b>(66)</b>
<b>NET (DECREASE) INCREASE IN CASH</b>		<b>(348)</b>	<b>811</b>
CASH AT THE BEGINNING OF THE YEAR		6,622	5,811
<b>CASH AT THE END OF THE YEAR</b>		<b>6,274</b>	<b>6,622</b>
<b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
NET INCOME		39,509	48,894
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
DEPRECIATION AND AMORTIZATION – FIXED AND INTANGIBLE ASSETS		507	326
DEPRECIATION – ROU ASSETS		134	146
PROVISION FOR EXPECTED CREDIT LOSSES		25,239	(2,913)
INTEREST INCOME ON INVESTMENTS		(45,629)	(39,681)
LOSS ON DISPOSAL OF FIXED ASSETS		-	11
FX REVALUATION LOSS		(8)	51
CHANGE IN GUARANTEE FEE RECEIVABLE		(6,903)	(17,163)
CHANGE IN GUARANTEE RECEIVABLES		(7,194)	(880)
CHANGE IN GUARANTEE LIABILITY		11,092	19,140
CHANGE IN UNEARNED INTEREST INCOME		322	(218)
CHANGE IN ACCOUNTS PAYABLE AND ACCRUED EXPENSES		(759)	(938)
CHANGE IN OTHER ASSETS		(253)	(385)
CHANGE IN OTHER LIABILITIES		-	6
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>16,057</b>	<b>6,396</b>

**CREDIT GUARANTEE AND INVESTMENT FACILITY  
(A TRUST FUND OF THE ASIAN DEVELOPMENT BANK)**

**NOTES TO FINANCIAL STATEMENTS  
For the year ended 31 December 2025**

**NOTE 1 – GENERAL INFORMATION**

The Credit Guarantee and Investment Facility (CGIF) was established on 12 November 2010. Its main objectives are to promote resilience of the financial markets, and to prevent disruptions to the international financial order, by eliminating currency and maturity mismatches for creditworthy corporations in the region through guarantees to help them access local currency bond markets.

The general principles of organization, management and operations of CGIF are set out in the Articles of Agreement (AoA) as adopted by the Contributors. The Asian Development Bank (ADB) is the Trustee of CGIF and holds in trust and manages CGIF funds and other property only for the purposes of, and in accordance with the provisions of the AoA. Based on the Article 13.2 of the AoA of CGIF, the privileges, immunities and exemption accorded to ADB pursuant to the Agreement Establishing the ADB shall apply to (1) the Trustee, (2) the property, asset, archives, income, operations, and transactions of CGIF.

CGIF will be financed solely from capital contributed by member countries and ADB. CGIF will not borrow from any source to finance its operations except for purposes of cash management.

The Contributors in CGIF are the governments of Association of Southeast Asian Nations, People's Republic of China, Japan, Republic of Korea (ASEAN+3) and ADB. Ownership rights are in proportion to capital contributions. The authorized capital of CGIF is US\$1,200,000,000, divided into 12,000 shares with a nominal value of US\$100,000 each. As of 31 December 2025, \$1,158,000,000 are subscribed and paid in by the Contributors. Details are discussed in Note 13.

The financial statements were approved by the Board of Directors on 15 April 2026 for presentation to the Meeting of Contributors (MOC) scheduled on 21 May 2026. The financial statements are subject to approval at the MOC.

**NOTE 2 – ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

On January 1, 2025, CGIF adopted all the new and revised IFRS pronouncements that are mandatorily effective and relevant to its operations. The adoption of these new/revised IFRS pronouncements does not result in changes to the company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current and prior years.

*Amendments to IAS 21 Lack of Exchangeability*

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity can obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

There is no significant impact on CGIF's Financial Statements in the application of these amendments.

#### ***New and revised IFRS in issue but not yet effective***

At the date of authorization of these financial statements, CGIF has not applied the following new and revised IFRS that has been issued but not yet mandatorily effective for the year ending December 31, 2025. CGIF does not anticipate any significant impact on CGIF's Financial Statements upon the application of these amendments.

#### ***IFRS 18 Presentation and Disclosures in Financial Statements***

In April 2024, IFRS 18 was issued to replace IAS 1 as the primary source of requirement in IFRS accounting standards for financial presentation. While the new standard carried forward many of the requirements in IAS 1, it is complemented with new requirements. The new requirements include the following:

- new categories and defined subtotals in the statement of profit or loss;
- disclosure of management-defined performance measures (MPM); and
- enhanced or improved requirements for aggregation and disaggregation.

In addition, some paragraphs in IAS 1 have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendment to IAS 7 and IAS 33 Earnings per Share.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

### **NOTE 3 – SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The financial statements of CGIF have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies adopted are consistent with those of the previous financial year unless stated otherwise.

These financial statements have been prepared using the historical cost basis except for certain assets and financial instruments that are measured at fair values or revalued amounts at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, CGIF takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

The fair values of CGIF's financial assets and liabilities are categorized as follows:

Level 1: fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities that CGIF can access at the measurement date;  
Level 2: fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and  
Level 3: fair values are based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Inter-level transfers from one year to another may occur due to changes in market activities affecting the availability of quoted market prices or observable market data.

CGIF's policy is to recognize transfers in and transfers out of levels as of the end of the reporting period in which they occur.

#### ***Cash***

Cash represents cash on hand or deposits in a bank account. The carrying amount of these assets is approximately equal to their fair value.

#### ***Financial Instruments***

Financial assets and liabilities are recognized by CGIF once it becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue are added to or deducted from the fair value of the financial assets or financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss), as appropriate, on initial recognition.

#### ***Classification of Financial Assets***

Financial assets are classified and measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL), based on both CGIF's business model for managing the financial assets and the contractual cashflow characteristics of the financial assets.

#### ***Amortized Cost and Effective Interest Method***

The amortized cost and effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts), excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by

discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting any loss allowance.

Interest income on investment securities and money market instruments is recognized as earned and reported net of amortization of premiums and discounts. Interest is accrued, by reference to the principal outstanding at the applicable effective interest rate.

#### *Financial Assets at Amortized Cost*

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortized cost using the effective interest method, less any impairment. This includes cash on hand or deposit in a bank account, time deposits, certificates of deposits, accrued interest income, guarantee fee receivables, reinsurance receivables, and other receivables.

#### *Investments*

All investments in debt securities are considered to be FVTOCI and are reported at fair value. Investment securities are initially recorded at trade dates. Subsequent changes in the carrying amount resulting from foreign exchange gains or losses, impairment gains and losses (see below), and interest income are recognized in the profit or loss. All other changes in the carrying amount arising from change in fair value are recognized and accumulated in other comprehensive income under member's equity. Time deposits and certificates of deposits are also presented under investments and are measured at cost which is considered to approximate their fair values.

#### *Guarantee Fee Receivable*

Guarantee fee receivables are initially recognized at their fair values in the Statement of Financial Position, which are estimated based on the present value of total fees expected to be received under the guarantees. They are subsequently measured at amortized cost net of any loss allowance.

#### *Guarantee Receivable*

Guarantee receivables arise from guarantee obligations on defaulted bonds that have been settled and are expected to be recovered based on guarantee contracts. These receivables are initially recognized as credit impaired in the Statement of Financial Position. Subsequent changes in the lifetime expected credit loss (ECL) since initial recognition are recognized as a loss allowance with corresponding adjustments recorded in the Statement of Net Income. Any favorable change will result in a reversal of impairment loss.

#### *Credit-impaired Financial Assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Financial assets are assessed for credit impairment based on several indicators that are consistent with IFRS 9, among others: (a) credit default, (b) debt restructuring involving concessions granted for credit relief, and (c) significant financial difficulty of the borrower.

#### *Impairment of Financial Assets*

Financial assets that are classified and measured as amortized cost, FVTOCI, and financial guarantee contracts shall recognize loss allowance based on the ECL model. Changes in the carrying amount of the allowance account are recognized in the Statement of Net Income under impairment losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk of each financial instruments since initial recognition.

Loss allowance based on the lifetime ECL is assessed on financial instruments that have experienced a significant increase in credit risk (SICR) since initial recognition. Otherwise, loss allowance is based on the 12-month ECL.

Lifetime ECL represents the expected credit losses from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### *Significant Increase in Credit Risk*

CGIF assesses an SICR on a guarantee account if any of the following conditions are met: (1) credit risk rating drops to B- or lower, but the account is not in default; (2) credit risk rating drops by at least 3 notches in the recent past 36 months, and is at least 3 notches below credit risk rating at inception; or (3) credit risk rating drops by at least 4 notches from inception if the account is in its initial four years after inception, or by at least 5 notches from inception if the account is beyond four years from inception. The date that CGIF becomes a party to a guarantee is the date of initial recognition or inception for the purpose of assessing impairment. Under exceptional cases and subject to GIC approval, the foregoing criteria may be overridden to incorporate additional information and qualitative judgment.

For CGIF's investments, it is assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have a low credit risk (see Notes 4 and 5). A financial instrument is determined to have a low credit risk if (i) it has a low risk of default, (ii) there is a strong capacity for the counterparty to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

#### *Definition of Default*

A default of a financial guarantee contract and guarantee fee receivable arises when an event of default as defined in the relevant Guarantee Agreement has occurred, and CGIF's guarantee has been called. An investment is in default upon declaration by the debt capital market agents, particularly the relevant investors' trustee. Technical defaults, i.e., defaults without missed payments, are not considered defaults unless decided otherwise by the GIC.

#### *Write-off Policy*

A financial asset is written off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Any recoveries made on a financial asset previously written-off are recognized in profit or loss.

#### *Measurement and Recognition of Expected Credit Losses*

ECL is a function of probability of default (PD), loss given default (LGD), and exposure at default (EAD). CGIF generates unbiased probability-weighted ECLs based on point-in-time PDs that are derived from several future scenarios. The Credit Cycle Projection Overlay (CCPO) from S&P Global Market Intelligence (SPGMI) is used in generating these point-in-time PDs. In each future scenario, CGIF uses forecasted or forward-looking values of CCPO's input macroeconomic variables. LGD is currently set at 50%. For defaulted financial instruments, LGD is estimated using additional information and assumptions that reflect the expected recoveries. For CGIF's investments, EAD is the sum of an asset's gross carrying amount and the next unpaid coupon. For financial guarantee contracts, EAD is the sum of a guaranteed bond's unpaid principal and the next unpaid coupon. For guarantee fee receivables, EAD is the sum of future guarantee fees discounted to the reporting date and guarantee fees past due. For a receivable arising from a guarantee payment, EAD is the total book value of the guarantee receivable. EAD in currencies other than USD are translated into USD at the reporting date's exchange rate.

#### *Derecognition of Financial Assets*

CGIF derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

When an FVTOCI is derecognized or disposed of, the unrealized gains or losses previously recognized in accumulated other comprehensive income will be recognized in the Statement of Net Income.

#### *Financial liabilities*

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

However, financial guarantee contracts issued by CGIF are measured in accordance with the specific accounting policies set out below.

#### *Guarantee Liability*

CGIF enters into financial guarantee contracts that requires to make specified payments should the bond issuer fail to make payments due in accordance with the terms of the bond.

Guarantee liabilities recorded in the Statement of Financial Position are measured initially at fair values, and subsequently measured at the higher of the unamortized balance of the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IFRS 15, and the amount of loss allowance determined in accordance with the ECL model.

#### *Derecognition of financial liabilities*

CGIF derecognizes financial liabilities when, and only when, CGIF's obligations are discharged, cancelled, or have expired.

CGIF accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

#### *Revenue Recognition for Guarantee Fee*

Guarantee fees are recognized upon performance of services and is amortized over the term of the guarantee obligation in accordance with the terms and conditions of the agreement.

#### *Leases*

CGIF applies definition of a lease and the related guidance set out in the IFRS for contracts entered into as lease. As lessee, CGIF recognizes right of use asset and lease liability in the Statement of Financial Position.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred and any estimated costs of dismantling and the cost of any removal and restoration of the underlying asset, less any lease incentives received.

Right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of useful life of the asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. It is remeasured when there is a change in discount rate, or if there is a change on CGIF's decision to extend or terminate the lease contract based on assessment.

#### *Furniture, Fixtures and Equipment*

All furniture, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset and bringing it to its working condition.

Subsequent costs incurred for the purpose of enhancement or improvement shall be added to the carrying amount of the asset when it is probable that the expenditure will cause additional future economic benefit to CGIF. Other subsequent costs like maintenance, repairs and minor betterments are charged to expense.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using straight-line method. The estimated useful lives, residual values and depreciation method are reviewed regularly with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives by asset class are as follows:

Asset Class	Useful Life
Office Furniture and Equipment	
Furniture	10 years
Other Office Equipment	4 years
IT and Communication	
Computer	3 years
Server	5 years
Network	4 years
Communication	7 years
Others	4 years
Leasehold Improvement	Over the lease period

An item of furniture, fixtures, and equipment is derecognized upon disposal. Any gain or loss arising on the disposal of an item of furniture, fixtures, and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Net Income.

#### *Intangible Assets*

Intangible assets are composed of acquired information system software licenses that are capitalized based on costs incurred to acquire and bring to use the specific software. These are amortized over a period of 4 years and are carried at cost less accumulated amortization and accumulated impairment losses.

#### *Impairment of Tangible and Intangible Assets*

On regular basis, CGIF reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of asset's fair value less costs of disposal and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but only to the extent of the carrying amount of the asset had no impairment loss been recognized in prior years. A reversal of the impairment loss is recognized immediately in the profit or loss.

#### *Offsetting Arrangements*

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when there is a legally enforceable right to set off the recognized amounts and there is an intention to either settle on a net basis or to realize the asset and settle the liability simultaneously. A right to set-off must be available at the end of the reporting period rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency, or bankruptcy.

#### *Subscribed Capital*

Each contributor subscribed by depositing with the Trustee a duly completed Instrument of Acceptance. Contributions are included in the financial statements at historical cost from the date of the signing of the Instrument of Acceptance.

The increase in the authorized capital of CGIF pursuant to Article 4.2 of the AoA was approved by the MOC. Instrument of Subscription (IOS) submitted to the Board Secretary, who acts on behalf of the Trustee, formally confirms the Contributor's intention to subscribe the number of shares specified. The additional subscription will be effective from the date the Board Secretary notifies the subscribing Contributor that the Instrument of Subscription has been received.

#### *Segment Reporting*

CGIF is a credit guarantee and investment facility established to develop and strengthen local currency and regional bond markets, so that creditworthy corporations can access those markets and avoid currency and maturity mismatches. CGIF's products and services are unique and are structured and distributed in a uniform manner to its clients. Based on CGIF's operations, CGIF has only one reporting segment.

#### *Fair Value of Financial Instruments*

IFRS 13, Fair Value Measurements, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is market-based measurement, not an entity-specific measurement. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market, or in the absence of principal market, in the most advantageous market for the asset or liability.

#### *Functional and Presentation Currency*

CGIF's members are from ASEAN+3 and ADB with the subscriptions and redemptions of the shares denominated in the United States dollars (USD). The primary activity of CGIF is guaranteeing bonds that are denominated in local currencies and issued by creditworthy ASEAN+3 corporations in the ASEAN+3 region. The performance of CGIF is measured and reported to the Contributors in USD. The USD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in USD, which is CGIF's functional and presentation currency.

#### *Translation of Currencies*

CGIF adopts the use of daily exchange rates for accounting and financial reporting purposes. This allows transactions denominated in currencies other than USD to be translated to the reporting currency using the exchange rates applicable at the time of transactions. Contributions included in the financial statements during the period are recognized at applicable exchange rates as of the respective dates of commitment.

At the end of each accounting period, translations of asset and liabilities which are not denominated in USD are adjusted using the applicable rates of exchange at the end of the reporting period. These translation adjustments are accounted for as unrealized foreign exchange gains or losses and are charged to operations in the Statement of Net Income.

*Critical Accounting Judgements and Key Sources of Estimation Uncertainty*

In the application of CGIF's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Since the estimates are based on judgment and available information, actual results may differ and might have a material impact on the financial statement.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are included in Notes 5, 6, and 7. This includes fair value measurements, loss allowances, and valuation processes.

As explained in accounting policies above, loss allowance is equal to 12-month ECL for stage 1 instruments, or to lifetime ECL for stage 2 or stage 3 instruments. An instrument moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether there is a significant increase in credit risk, CGIF accounts for qualitative and quantitative reasonable and supportable forward-looking information, as reflected in internal risk ratings. Credit-impaired financial instruments are classified under stage 3. The assessment of credit impairment is based on several indicators that are consistent with IFRS 9.

Furthermore, in calculating the loss allowance, CGIF uses the Credit Cycle Projection Overlay procured from SPGMI to generate point in time probabilities of default (PIT-PD). For accounts that are in stage 3, PIT-PD will be 100%. LGD shall be set at 50%. For defaulted financial instruments, LGD is estimated based on additional information and realistic assumptions that reflect actual conditions at reporting date.

**NOTE 4 – RISK MANAGEMENT**

CGIF manages all its perceived risk exposures, particularly exposures to credit risk, market risk, liquidity risk, and operational risk. These risks are managed pursuant to CGIF's Operational Policies, and Risk Management Framework (RMF). The Board's Internal Control and Risk Management Committee (ICRMC) and Risk Management Department (RMD) cause the functional units to identify, measure, monitor, control, and report risks. The Board, management's Guarantee and Investment Committee, and the CEO oversee and regulate both risk taking and risk management. Appetite for risk taking as expressed in operational controls and risk exposure limits emanates from the Board.

CGIF endeavors to conform to international best practices in risk management. CGIF subscribes to the idea that informed risk-taking presents opportunities. CGIF takes risks that offer commensurate rewards. Risk-taking roles are independent of risk management roles. A positive risk management culture is fostered – the system clarifies what conduct and procedures are acceptable, and which ones are not; encourages initiatives that improve the management of risks; promotes transparency, individual responsibility, and accountability.

*Categories of Financial Instruments*

Categories of financial instruments at carrying amount as of 31 December 2025 and 2024 are as follows (in \$'000):

	2025	2024
<b>Financial assets</b>		
FVTOCI	1,286,278	1,271,393
Financial assets at amortized cost	287,048	200,603
<b>Financial liabilities</b>		
Financial liabilities at amortized cost	18,785	22,377
Lease liabilities	149	291
Guarantee liability	115,792	95,491

*Credit Risk*

As per CGIF's Treasury Risk Management Guidelines, CGIF's long term investments are restricted to those with international rating of AA- or better, except for investments in contributor countries' government-related securities that may be rated as low as A+. Short-term investments should be rated no lower than A-1. Credit risk in these investments is considered low.

Credit concentration of investments is controlled by policy limits on exposure per issuer, per type of issuer, and per country. Investment in the issuance of any corporation or any private financial institution is capped at 10% of CGIF capital. Total investments in the issuance of corporations and private financial institutions are capped at 10% and 30%, respectively, of CGIF capital. Investment in the issuance of government and government-related entities (GGREs) of the USA: single issuer limit, 50% of CGIF capital; aggregate limit, 85% of CGIF capital. Investment in the issuance of supranational and GGREs of AA- or better rated countries except the US: single issuer limit, 20% of CGIF capital; aggregate limit, 75% of CGIF capital. Investment in the issuance of GGREs of A+ rated countries: single issuer limit, 10% of CGIF capital; aggregate limit, 20% of CGIF capital. Country concentration limits: 25% of CGIF capital for each country rated AAA or AA+ except the US; 30%, 25%, and 20% of CGIF capital for the aggregate exposure to all countries rated AA, AA-, and A+, respectively; 0% of CGIF capital for countries rated A or lower. Country exposures are reckoned on exposures to only GGREs.

CGIF has guarantee eligibility criteria that include, among others, a borrower's credit rating grade, proposed guarantee size and tenor, use of bond proceeds, and compliance to safeguards standards and to credit exposure control limits. Eligible borrowers undergo a stringent due diligence review. Guarantee Underwriting Proposals (GUPs) require approval of management's Guarantee and Investment Committee (GIC) and of the Board of Directors (Board). The Board delegates to the GIC its authority for final approval of GUPs when conditions relating to credit rating, guarantee amount, tenor, strategic alignment, safeguards standards, among others are met. In aid of informed decisions on GUPs, the Board is furnished with credit review notes, safeguards review notes, and integrity review notes from CGIF's RMD. As of 31 December 2025, CGIF's guarantee portfolio, excluding portions ceded to reinsurers and credit risk mitigators, had a weighted average risk rating of BB (no change from 31 December 2024).

CGIF controls concentrations of credit risk. Guarantee exposure to any country and to any currency is capped at 20% and 40%, respectively, of CGIF's Maximum Guarantee Capacity (MGC), where MGC is the product of (a) total paid-in capital of CGIF, plus retained earnings, plus reserves, less net credit loss reserves, less foreign exchange loss reserves, and less all illiquid assets and (b) the maximum leverage ratio. CGIF's maximum leverage ratio, currently 2.5:1, is determined by the MOC with the recommendation

of the CGIF Board. CGIF refers to IMF's list to identify acceptable offshore financial centers (AOFCS). Exposures to AOFCS pertain to guarantee exposures to borrowing entities that are registered through the offshore incorporation process of an AOFCS. Aggregate guarantee exposure to any single AOFCS and aggregate exposure to all AOFCS are limited to 20% and 40%, respectively, of CGIF's MGC. Aggregate Type-B (investor-procured) guarantee exposure is limited to 20% of MGC. Aggregate guarantee exposure to any sector and to any industry is limited to 40% and 20%, respectively, of MGC. In any country, exposure to any industry may not exceed 10% of MGC. Single borrower exposures, and single group exposures, may not exceed 20% of CGIF's paid-in capital. CGIF's leverage ratio and concentration ratios are reported quarterly to the CGIF Board.

CGIF's exposure to credit risk is reckoned on the amount of financial assets recorded in the financial statements and the guarantee obligations disclosed in Note 6.

A reinsurance treaty whereby CGIF cedes to a consortium of reinsurers agreed portions of credit risk from bond issuers reduces CGIF's credit risk exposure from its guarantee portfolio. Please refer to Note 18.

#### Market Risk

Market risk represents the potential loss that could result from adverse market movements. The main components of market risk for CGIF are interest rate risk and foreign exchange risk.

Interest rate risk is primarily the exposure of income on assets to fluctuation in interest rates. An objective of interest rate risk management in CGIF is the generation of overall interest income that is not overly sensitive to changes in interest rates, but responsive to general market trends.

CGIF's Treasury Risk Management Guidelines restrict CGIF's investment portfolio duration to no more than 5 years. The duration of CGIF's portfolio is the market value-weighted average of effective duration of all outstanding investments. As of 31 December 2025, CGIF's investment portfolio had remaining maturities of up to 10.05 years (9.63 years - 31 December 2024), with duration of 3.28 years (3.31 years - 31 December 2024). CGIF's investments are sensitive to interest rate movements. For CGIF's investment portfolio at 31 December 2025, it is estimated that a 100 basis points upward/downward parallel shift in the yield curve would cause an unrealized loss/gain of about \$46.7 million (\$43.5 million - 31 December 2024).

The following tables presents CGIF's foreign exchange exposure of monetary assets and liabilities (in '000) as at the end of the reporting period:

	2025			
	Asset		Liabilities	
	Local Currency	USD Equivalent	Local Currency	USD Equivalent
THB	2,347,647	75,645	1,011,756	32,600
VND	339,755,655	12,922	168,420,751	6,406
IDR	201,079,971	12,008	439,333	26
SGD	15,352	11,955	-	-
MYR	28,687	7,083	-	-
JPY	949,415	6,064	-	-
CNY	38,892	5,552	-	-
PHP	95,940	1,633	21,949	374
LAK	539	-	-	-
TOTAL		<u>132,862</u>		<u>39,406</u>

	2024			
	Asset		Liabilities	
	Local Currency	USD Equivalent	Local Currency	USD Equivalent
THB	3,020,314	88,450	1,033,184	30,257
SGD	21,869	16,092	54	39
VND	302,134,685	11,881	59,878,513	2,355
IDR	140,183,176	8,659	-	-
JPY	1,221,910	7,734	-	-
MYR	13,355	2,988	-	-
PHP	5,150	89	30,400	524
LAK	539	-	-	-
TOTAL		<u>135,893</u>		<u>33,175</u>

CGIF is exposed to foreign exchange risk underlying foreign currency payables and receivables relating mostly to CGIF's guarantee operation. For CGIF's foreign exchange exposure at 31 December 2025, it is estimated that a 10% adverse change in FX rates in the relevant foreign currency exposure will cause an instant loss of \$8.5 million (\$9.4 million - 31 December 2024).

#### Liquidity Risk

Liquidity risk can arise if CGIF is unable to provide funds to meet its financial and operational commitments. CGIF maintains adequate liquidity resources to meet the cash requirements and potential calls on the guarantees issued. CGIF assesses and monitors the availability of its liquid assets on a quarterly basis. CGIF conducts quarterly tests of its liquidity under stress scenarios where CGIF has to meet substantial obligations related to simultaneous claims on guarantees and raise funds from various sources. A liquidity stress test conducted on CGIF's guarantee portfolio as of 31 December 2025 and 2024 indicates that CGIF can generate the liquidity that will be required to meet guarantee payment obligations under the assumed stressed scenario.

The following table details (in '\$'000) the maturity profile of financial instruments. The maturity analysis is based on the remaining period from the end of the reporting date to the contractual maturity date or the expected date the financial asset will be realized, and the financial liability will be settled.

	2025					
	Less than 1 month	1 to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
Financial assets						
FVTOCI	24,979	44,810	158,380	543,286	514,822	1,286,278
Financial assets at amortized cost	136,561	4,615	99,910	53,882	9,591	304,559
Total financial assets	<u>161,540</u>	<u>49,425</u>	<u>258,290</u>	<u>597,169</u>	<u>524,413</u>	<u>1,590,837</u>
Financial liabilities						
Financial liabilities at amortized cost	366	725	17,110	584	-	18,785
Lease liability	12	24	113	-	-	149
Total financial liabilities	<u>378</u>	<u>749</u>	<u>17,223</u>	<u>584</u>	<u>-</u>	<u>18,934</u>
Net maturity gap	<u>161,162</u>	<u>48,676</u>	<u>241,067</u>	<u>596,585</u>	<u>524,413</u>	<u>1,571,903</u>

	2024					Total
	Less than 1 month	1 to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	
Financial assets						
FVTOCI	29,966	13,423	160,017	610,439	457,548	1,271,393
Financial assets at amortized cost	44,710	4,030	90,682	52,273	7,562	199,257
Total financial assets	74,676	17,453	250,699	662,712	465,110	1,470,650
Financial liabilities						
Financial liabilities at amortized cost	435	1,481	19,911	550	-	22,377
Lease liability	11	23	106	151	-	291
Total financial liabilities	446	1,504	20,017	701	-	22,668
Net maturity gap	74,230	15,949	230,682	662,011	465,110	1,447,982

#### Capital Resources

CGIF's capital resources comprise of capital stock, retained earnings and reserves. The primary objective in the management of capital resources is to protect CGIF's capital by maintaining a conservative exposure to market risk, credit risk and liquidity risk. CGIF strives to maximize returns on the invested asset portfolio while minimizing volatility of investment income. CGIF's capital resources are placed with the Trustee, ADB.

#### Capital Adequacy

CGIF deems that it has adequate capital to underwrite credit guarantees for as long as its capital exceeds total capital charge; alternatively, for as long as the capital-to-capital charge ratio – capital adequacy ratio (CAR) – exceeds management action trigger of 1.1. CGIF's CAR at 31 December 2025 was at 4.16 (4.50 – 31 December 2024). CGIF's overall strategy remains unchanged from prior year.

#### Operational Risk

CGIF manages operational risks through quarterly risk and control self-assessments (RCSAs) by each department of the enterprise. Through RCSAs, CGIF's operating units are directed to identify operational risk events and assess the significance of each of these. The significance of an identified operational risk event is a function of two attributes – the likelihood and impact of its occurrence. Measurable risk indicators, and corresponding control limits, are assigned to each operational risk event. Results of RCSAs are reported to the CEO and to the Board's ICRMC.

#### NOTE 5 – INVESTMENTS

This account is composed of the following (in \$'000):

	2025	2024
Time Deposits	127,934	36,943
FVTOCI		
Government-related-entity or government-guaranteed obligations (GGO)	1,191,664	1,147,117
Corporate obligations	94,614	124,276
Total FVTOCI	1,286,278	1,271,393
Total Investment	1,414,212	1,308,336

ADB, as the Trustee, manages capital resources in accordance with CGIF's Treasury Risk Management Guidelines prepared in consultation with ADB and approved by the CGIF Board of Directors.

ADB follows the same process and internal controls to value the investment securities as ADB's portfolio. The data management unit in ADB's treasury department is responsible for providing the valuation in accordance with the business process. In instances where ADB relies primarily on prices from third party pricing information, there are procedures in place to validate the appropriateness of those values in determining the hierarchy levels. This involves evaluating the nature of prices provided by third party pricing sources to determine if they are indicative or binding prices.

The annualized rate of return on the average investments held during the year ended 31 December 2025, based on the portfolio held at the beginning and end of each month without the effect of change in fair value was 3.27% (2.96% - 31 December 2024).

The investment revaluation reserve of negative \$4,254 thousand in the Statement of Financial Position as of 31 December 2025 (negative \$48,562 thousand – 31 December 2024) is composed of the unrealized loss on FV of investments measured at FVTOCI and its credit loss allowance.

The estimated fair value and amortized cost of the investments by contractual maturity as of 31 December 2025 and 2024 are as follows (in \$'000):

	2025		2024	
	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost
Due in less than one year	356,104	358,456	240,349	241,966
Due in one to five years	543,286	550,094	610,439	638,541
Due more than five years	514,822	509,940	457,548	476,416
TOTAL	1,414,212	1,418,490	1,308,336	1,356,923

*Fair Value Disclosure*

The fair value of the investments as of 31 December 2025 and 2024 are as follows (in \$'000):

	2025	Fair Value Measurements		
		Level 1	Level 2	Level 3
Time Deposits	127,934	-	127,934	-
Government-related-entity or GGO	1,191,664	1,172,457	19,207	-
Corporate obligations	94,614	94,614	-	-
	2024	Fair Value Measurements		
		Level 1	Level 2	Level 3
Time Deposits	36,943	-	36,943	-
Government-related-entity or GGO	1,147,117	1,128,641	18,476	-
Corporate obligations	124,276	94,398	29,878	-

If available, active market quotes are used to assign fair values to investment securities. These include government-related-entity/government-guaranteed obligations and corporate obligations. For investments where active market quotes are not available, investments are categorized as Level 2 or Level 3, and valuation is provided by independent valuation services. Time deposits are reported at cost, which approximates fair value.

For the years ended 31 December 2025 and 2024, there were no inter-level transfers.

*Impairment Losses*

For purposes of impairment assessment, the FVTOCI in CGIF's portfolio are considered to have low credit risk as the counterparties of these investments have a minimum A+ credit rating for government related bonds of Contributor countries and AA- for all others. Accordingly, the loss allowance for these financial instruments is measured at an amount equal to 12-month ECL.

Impairment losses do not reduce the carrying amount of the debt instruments at FVTOCI in the Statement of Financial Position, which remains at fair value. The balance at the end of the year reflected below is included in the Investment Revaluation Reserve in Accumulated Other Comprehensive Income.

The movements in the credit loss allowance are as follows (in \$'000):

	2025	2024
Balance at beginning of the year	24	81
Loss allowance recognized in profit or loss under impairment losses during the year on:		
Assets originated	1	4
Reversals	(6)	(24)
Change in credit risk	4	(37)
	(1)	(57)
Balance at end of the year	23	24

During the year, all transactions are classified to Stage 1 and there are no transfers between stages.

*Accrued Interest Income*

The details of accrued interest income including from investments as of 31 December 2025 and 2024 are as follows (in \$'000):

	2025	2024
FVTOCI	10,365	10,219
Time Deposits	105	-
Guarantee	25	21
TOTAL	10,495	10,240

**NOTE 6 – GUARANTEES**

As of 31 December 2025, CGIF has issued guarantees covering bonds denominated in Singapore Dollar, Vietnamese Dong, Thai Baht, Indonesian Rupiah, Malaysian Ringgit, Chinese Yuan, Japanese Yen, Hongkong Dollar, Philippine Peso, and Cambodian Riel. The total outstanding amount of the guarantees issued under the related bonds was \$2,998 million as of 31 December 2025 (\$2,557 million – 31 December 2024). The guarantees are inclusive of coupon payments. The USD guarantee obligation below is for KHR issued bonds where all payments will be in USD converted at a fixed exchange rate agreed at inception.

Below is the summary of the outstanding guarantees by currency (in '000):

	2025			USD Equivalent of Total Obligation
	Principal	Local Currency Coupon	Total Obligation	
SGD	909,000	103,598	1,012,598	788,505
VND	10,018,000,000	2,991,476,629	13,009,476,629	494,807
THB	13,485,800	1,815,916	15,301,716	493,047
IDR	5,473,900,000	1,463,442,483	6,937,342,483	414,293
MYR	835,000	144,865	979,865	241,924
CNH	1,500,000	165,486	1,665,486	237,774
USD	84,069	23,008	107,077	107,077
JPY	15,400,000	338,800	15,738,800	100,522
PHP	4,000,000	615,575	4,615,575	78,567
HKD	300,000	28,800	328,800	42,309
				2,998,827

	2024			USD Equivalent of Total Obligation
	Local Currency		Total Obligation	
	Principal	Coupon		
SGD	980,000	128,418	1,108,418	815,613
THB	15,615,800	2,123,368	17,739,168	519,494
VND	9,868,000,000	3,091,692,034	12,959,692,034	509,602
IDR	3,257,150,000	1,007,457,770	4,264,607,770	263,410
CNY	1,000,000	40,000	1,040,000	142,407
MYR	380,000	71,870	451,870	101,108
JPY	15,400,000	423,500	15,823,500	100,155
USD	52,744	8,575	61,319	61,319
HKD	300,000	43,200	343,200	44,182
				<u>2,557,290</u>

The range of remaining tenor of financial guarantee contracts as of 31 December 2025 are from less than 1 year to 15 years (31 December 2024 – from less than 1 year to 10 years).

As of 31 December 2025, a guarantee liability of \$115.8 million (\$95.5 million - 31 December 2024), net of deferred loss on fair value amounting to \$6.0 million (\$11.5 million – 31 December 2024), was reported on the Statement of Financial Position. Deferred loss on fair value was attributed to one account whose transaction price was smaller than its fair value at initial recognition. As the fair value was estimated by unobservable inputs, the difference between the transaction price and the fair value does not reduce net income by recognizing it as fair value loss but reduces gross guarantee liability in the statement of financial position as deferred loss on fair value. As of 31 December 2025 and 2024, the reported liability is composed of the following (in \$'000):

	2025	2024
Unamortized balance of present value of total guarantee fees	98,625	93,057
Allowance for ECL	23,126	13,917
Gross guarantee liability	121,751	106,974
Less: Deferred loss on fair value	(5,959)	(11,483)
Net guarantee liability	<u>115,792</u>	<u>95,491</u>

The total amount of loss allowance for guarantee obligations determined through ECL amounted to \$35.6 million as of 31 December 2025 (\$27.4 million – 31 December 2024). The unamortized balance of guarantee liabilities is compared against the required ECL on a per instrument basis and the higher between the two will be reflected as the guarantee liability in the Statement of Financial Position. The allowance for ECL on the above table represents the total differences between the higher ECL that was computed vs the unamortized balances of guarantee liabilities. As of 31 December 2025, there are 5 issuers in the portfolio that are classified into stage 2 (7 issuers in 31 December 2024) and 1 issuer in stage 3 (none in 31 December 2024). The terms of the stage 3 account was extended.

The reported guarantee fee receivable of \$77.6 million represents the present value of the stream of total guarantee fees expected to be received for the guarantee outstanding as of 31 December 2025 (\$71.1 million – 31 December 2024) net of allowance for credit losses.

As of 31 December 2025, the credit impaired guarantee receivable resulting from CGIF fulfilling its obligation is reported in the Statement of Financial Position at \$63.7 million (\$74.9 million – 31 December 2024). This amount is net of allowance of \$15.2 million (a negative allowance of \$3.2 million – 31 December 2024).

As of 31 December 2025 and 2024, all of CGIF's future guarantee fee receivables are classified as Level 3 within the fair value hierarchy. Likewise, as of 31 December 2025, the credit impaired guarantee receivable from the default is classified as Level 3 within the fair value hierarchy as well.

The Finance Department is responsible for determining and reporting the fair value of guarantees reported in the Statement of Financial Position. The carrying amount of guarantees approximates its fair value. Future guarantees are stated at discounted present value using significant unobservable inputs such as discount rates applicable to individual guarantee contracts that are internally determined. The valuation technique and significant unobservable quantitative inputs for guarantee fee receivables classified as Level 3 as of 31 December 2025 and 2024 were summarized below:

	Valuation Technique	Unobservable Input	Range	
			2025	2024
Guarantee fee receivable	Discounted cash flows	Discount rates	2.55% to 20.12%	2.55% to 20.12%

There were no inter-level transfers during the year ended 31 December 2025 and 2024.

#### Impairment Losses

The movements in the credit loss allowance for guarantee fees receivable are as follows (in \$'000):

	2025	2024
Balance at beginning of the year	1,211	446
Loss allowance recognized in profit or loss under impairment losses during the year on:		
Assets originated	68	107
Reversals	(83)	(12)
Changes in credit risk	569	(133)
Stage 1 to Stage 2	-	803
Stage 2 to Stage 1	(92)	-
	<u>462</u>	<u>765</u>
Balance at end of the year	<u>1,673</u>	<u>1,211</u>

As of 31 December 2025, 5 issuers in the portfolio were classified as stage 2 (7 issuers – 31 December 2024).

The movements in the credit loss allowance for guarantee receivable are as follows (in \$'000):

	<u>2025</u>	<u>2024</u>
Balance at beginning of the year	(3,159)	16,774
Reversal of loss allowance / Loss allowance recognized in profit or loss under impairment losses during the year on:		
Changes in credit risk	<u>18,396</u>	<u>(19,933)</u>
Balance at end of the year	<u><u>15,237</u></u>	<u><u>(3,159)</u></u>

#### NOTE 7 – LEASES

CGIF recognized right of use lease asset related to the office rental contract with ADB. This is initially measured at cost and is subsequently depreciated on a straight-line basis for three years. In November 2023, CGIF and ADB agreed to extend the lease contract upon expiry for 3 years ending 31 January 2027. Since the extension of lease term did not add the right to use a new underlying asset, it is not accounted for as a separate lease. Accordingly, the lease liability is remeasured on 30 November 2023 and a corresponding adjustment was made to the ROU Lease Asset.

The details of the amount presented in the Statement of Financial Position are as follows:

Cost	
1 January 2024, 31 December 2024 and 2025	<u>1,242</u>
Accumulated depreciation	
1 January 2024	(791)
Depreciation	<u>(146)</u>
31 December 2024	(937)
Depreciation	<u>(134)</u>
31 December 2025	<u>(1,071)</u>
NET, 31 December 2025	<u><u>171</u></u>
NET, 31 December 2024	<u><u>305</u></u>

Depreciation – ROU Lease Asset charged for the period is reported under administrative expenses in the Statement of Net Income.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payment includes fixed payment and in-substance fixed payments for the amortization of alteration cost. The discount rate used is the latest bank average domestic lending rate (annual) published by the Central Bank of the Philippines (BSP) upon date of commencement. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Interest expense is reported under financial expenses in the Statement of Net Income.

#### NOTE 8 – FURNITURE, FIXTURES AND EQUIPMENT - NET

The details of this account are as follows (in \$'000):

	<b>Office Furniture and Equipment</b>	<b>IT and Communications</b>	<b>Building Improvement</b>	<b>TOTAL</b>
Cost				
1 January 2024	370	541	-	911
Additions	318	117	975	1,410
Disposals	<u>(277)</u>	<u>(174)</u>	-	<u>(451)</u>
31 December 2024	411	484	975	1,870
Additions	-	47	3	50
Disposals	-	(26)	-	(26)
Adjustments	-	2	-	2
31 December 2025	<u>411</u>	<u>507</u>	<u>978</u>	<u>1,896</u>
Accumulated Depreciation/Amortization				
1 January 2024	(335)	(438)	-	(773)
Depreciation	(26)	(61)	(213)	(300)
Disposals	<u>257</u>	<u>174</u>	-	<u>431</u>
31 December 2024	(104)	(325)	(213)	(642)
Depreciation	(36)	(75)	(366)	(477)
Disposals	-	26	-	26
Adjustments	-	(2)	-	(2)
31 December 2025	<u>(140)</u>	<u>(376)</u>	<u>(579)</u>	<u>(1,095)</u>
NET, 31 December 2025	<u>271</u>	<u>131</u>	<u>399</u>	<u>801</u>
NET, 31 December 2024	<u>307</u>	<u>159</u>	<u>762</u>	<u>1,228</u>

Depreciation is reported under administrative expenses in the Statement of Net Income.

**NOTE 9 – INTANGIBLE ASSETS - NET**

Intangible assets are composed of Information systems software that is capitalized. The details of this account are as follows (in \$'000):

	<b>Information Systems Software</b>
Cost	
1 January 2024	1,079
Additions	<u>7</u>
31 December 2024	1,086
Additions	26
Disposals	<u>(8)</u>
31 December 2025	<u>1,104</u>
Accumulated Depreciation/Amortization	
1 January 2024	(1,015)
Amortization	<u>(26)</u>
31 December 2024	(1,041)
Amortization	(29)
Disposal	<u>8</u>
31 December 2025	<u>(1,062)</u>
NET, 31 December 2025	<u>42</u>
NET, 31 December 2024	<u>45</u>

The amortization is reported under administrative expenses in the Statement of Net Income.

**NOTE 10 – OTHER ASSETS**

Other assets pertain to commission receivable from reinsurance, advances made by CGIF for staff benefits, prepaid expenses, subscriptions and licenses as well as security deposit.

**NOTE 11 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

This account consists of accounts payable, and accrual of administrative and operating expenses incurred but not yet paid. Aside from accruals for reinsurance expenses on premiums to be ceded, this account includes accrual on provision for expected refund to reinsurers upon recovery of the guarantee receivables.

**NOTE 12 – RELATED PARTY TRANSACTIONS**

CGIF utilizes certain services from ADB including treasury service as may be agreed with the Chief Executive Officer from time to time.

Provision for ADB's administration fee, amounting to \$1.16 million (\$1.16 million – 31 December 2024), recorded in other miscellaneous expense was accrued in other liabilities. ADB's administration fee is equivalent to 10 bps of contributions received. ADB's administration fee for 2025 will be settled subsequently in May 2026. Key management personnel total compensation of short-term employee benefits for 31 December 2025 amounted to \$3.89 million (\$3.81 million – 31 December 2024).

**NOTE 13 – PAID-IN CAPITAL**

The increase in CGIF's authorized capital to 12,000 shares from 7,000 shares at \$100,000 per share was approved by the Contributors on 6 December 2017 per Resolution No. 2017-S-01. Each Contributor shall pay in full or in installments for the number of shares by the date indicated in the IOS. However, in case where payment cannot be made by a Contributor during the subscription payment period, the subscription is renounced and forfeited after one hundred and twenty (120) days following the last due date indicated in the IOS or the end of 2023, as applicable, or such later date as the Board may determine.

The authorized capital stock of CGIF as of 31 December 2025 and 2024 are as follows (in \$'000):

	<b>2025</b>	<b>2024</b>
Authorized capital (12,000 shares)	<u>1,200,000</u>	<u>1,200,000</u>
Subscribed	1,158,000	1,158,000
Unsubscribed	<u>42,000</u>	<u>42,000</u>
Total authorized capital	<u>1,200,000</u>	<u>1,200,000</u>

As of 31 December 2025 and 2024, all subscribed capitals were received.

The AoA prescribe that shares shall be allocated to Contributors only after full payment has been received. Therefore, only paid-in capital shall be taken into account when calculating each Contributor's voting rights.

The details of CGIF capital as of 31 December 2025 and 2024 are as follows (in \$'000 except for number of shares):

<b>Contributor</b>	<b>No. of shares</b>	<b>Subscribed</b>	<b>Amount received</b>
Asian Development Bank	1,800	180,000	180,000
ASEAN Member Countries			
Brunei Darussalam	56	5,600	5,600
Cambodia	2	200	200
Indonesia	306	30,600	30,600
Lao People's Democratic Republic	2	200	200
Malaysia	176	17,600	17,600
Myanmar, Republic of the Union of	1	100	100
Philippines	216	21,600	21,600
Singapore	216	21,600	21,600
Thailand	216	21,600	21,600
Viet Nam	19	1,900	1,900
	<u>1,210</u>	<u>121,000</u>	<u>121,000</u>
Others (non-ASEAN Member Countries)			
China, People's Republic of	3,428	342,800	342,800
Japan	3,428	342,800	342,800
Korea, Republic of	1,714	171,400	171,400
	<u>8,570</u>	<u>857,000</u>	<u>857,000</u>
<b>Total</b>	<u><b>11,580</b></u>	<u><b>1,158,000</b></u>	<u><b>1,158,000</b></u>

#### NOTE 14 – RESERVE

The allocation to Reserve of the 2024 net income in retained earnings was approved by the Contributors on 22 May 2025 at the Meeting of Contributors, per MOC Resolution No. 2025-A-04.

#### NOTE 15 – INTEREST INCOME

Interest income for the period is composed of (in \$'000):

	<b>2025</b>	<b>2024</b>
FVTOCI	42,015	38,459
Time Deposits	3,615	1,222
Guarantee	3,822	4,076
Others	27	37
	<u>49,479</u>	<u>43,794</u>

#### NOTE 16 – MISCELLANEOUS INCOME

Miscellaneous income includes reimbursements of legal and out-of-pocket expenses, gain/loss from disposal of fixed assets, and other income which is not related to the normal operations of CGIF.

#### NOTE 17 – ADMINISTRATIVE AND OPERATIONAL EXPENSE

Administrative and operational expense for the period is composed of (in \$'000):

	<b>2025</b>	<b>2024</b>
Staff Related Expenses	10,909	9,601
Financial and Legal Services	740	1,465
Short Term Staff Consultants	295	646
Business Travel	468	412
Marketing Development	352	337
Depreciation and Amortization – Fixed and Intangible Assets	507	326
IT and Communication Expenses	252	252
Depreciation – ROU Assets	134	146
MOC and BOD Expenses	121	145
Recruitment	333	16
Others	376	298
	<u>14,487</u>	<u>13,644</u>

#### NOTE 18 – REINSURANCE

On 1 October 2016, CGIF has entered a quota share reinsurance treaty with a consortium of reinsurers. The reinsurance treaty was annually renewed to cover 1-year period. In January 2025, a new treaty was signed to cover 2025 guarantees.

Reinsurance expense includes the quota share of the premium to be ceded to the consortium of reinsurers based on the reinsurance treaty. These expenses are accrued in the books over the period it covers. Quarterly statements of account (SOA) for the premium to be ceded are issued within 30 days from the end of each quarter and payments for such are due 15 days after the issuance of SOA.

The commission from reinsurance reported in the Statement of Net Income represents the commission income for the premium ceded and a profit commission on the annual profit derived from all the fees ceded under a treaty. The commission rate for the premium ceded was 27.5% until 2024 and was increased to 28.5% in 2025.

In 2024, CGIF received \$917 thousand from the reinsurers as their share of losses from a guarantee account that defaulted in 2024 and legal expenses incurred during the year from another defaulted account. Since CGIF successfully recovered funds from the defaulted account towards the end of 2024, the reinsurers received their share of the recovery as part of the 2024 fourth quarter SOA, which was settled in February 2025. Additional claims for legal expenses incurred for 2025 were charged to reinsurance during the year.

#### **NOTE 19 – SUBSEQUENT EVENTS**

On 12 February 2026, the Sale, Purchase and Transfer Agreement for an asset of a defaulted account was terminated. This affected the recovery of the outstanding default receivable. On 25 February 2026, a public auction was held in respect of land and buildings mortgaged to CGIF. The assets were sold at THB 172.2 million and CGIF is expected to receive the proceeds net of applicable fees.

The war that broke out in Iran on 28 February 2026 heightened geopolitical tensions across the Middle East. These developments have caused disruptions to regional transportation networks and contributed to significant increases in oil prices and market volatility.

CGIF has initiated assessment on its portfolio and has preliminarily assessed that uncertainties relating to market indices such as shipping routes, freight rates, insurance premiums, and energy prices may still develop, and making a full assessment challenging at this early stage.

**Credit Guarantee and Investment Facility**

Asian Development Bank Building

6 ADB Avenue, Mandaluyong City

1550 Metro Manila, Philippines

Tel: +63 2 5322 7660

Fax: +63 2 5322 7661



---

**CELEBRATING**  
MILESTONES,  
**CREATING**  
A FUTURE

---

