

General Announcement::News Release - A.M. Best Affirms Credit Ratings of ECICS Limited

Issuer & Securities

Issuer/ Manager	IFS CAPITAL LIMITED
Securities	IFS CAPITAL LIMITED - SG1A35000706 - I49
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Announcement Details

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Submitted By (Co./ Ind. Name)	Chionh Yi Chian
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the attached news release by A.M. Best on the credit ratings of ECICS Limited (a wholly-owned subsidiary of IFS Capital Limited).
Attachments	News Release_A.M. Best Rating on ECICS 2017.pdf Total size =174K

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A.M. Best Affirms Credit Ratings of ECICS Limited

SINGAPORE, February 17, 2017—A.M. Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of “a-” of ECICS Limited (ECICS) (Singapore). The outlook of these Credit Ratings (ratings) is negative.

The rating affirmations reflect ECICS’ strong balance sheet, underpinned by low underwriting leverage and a prudent investment portfolio.

The negative outlooks reflect the company’s continued losses and diminished business profile. Since 2014, ECICS has been working to grow outside of its core bond insurance business, which is a small and cyclical market segment. Although the company has made some inroads into other general insurance segments, notably motor, this line remains loss-making. The resulting strain on profitability has been greater than expected, and ECICS’ operating performance has fallen below the industry average.

Positive rating actions could occur if ECICS is able to achieve consistent profitability while strengthening its business profile. A significant reduction of ECICS’ risk-adjusted capitalization or deterioration in operating performance could result in negative rating actions.

Ratings are communicated to rated entities prior to publication. Unless stated otherwise, the ratings were not amended subsequent to that communication.

This press release relates to Credit Ratings that have been published on A.M. Best’s website. For all

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rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's Recent Rating Activity web page. For additional information regarding the use and limitations of Credit Rating opinions, please view Understanding Best's Credit Ratings.

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