



CREDIT RATING AGENCY

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CORPORATE PROFILE



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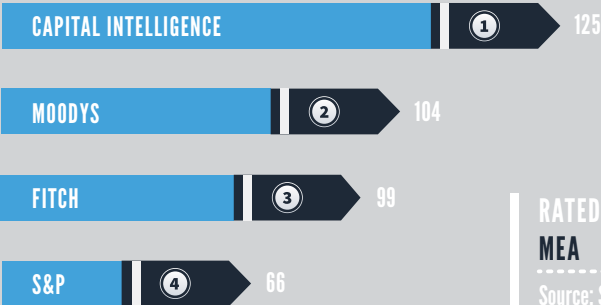


## About Us

*“A Pioneering Credit Rating Agency Offering Diversified Rating Services”*

Capital Intelligence Ratings (CI) is a privately owned, independent, international credit rating agency that has been providing credit risk analysis and independent rating opinions since 1982. We are dedicated to providing high-quality, forward-looking credit ratings and research with integrity, transparency, and consistency. We help our clients make informed credit decisions and our aim is to be the rating agency of choice for both issuers and investors in the markets we cover.

CI is best known historically for its expertise on banks in emerging markets, particularly in the Middle East, and we are the largest bank rating agency in the Middle East & North Africa region. Our initial focus has evolved over the past 20 years and we have developed analytical capabilities in new areas and extended our geographical coverage across continents, including to a growing number of more developed economies in Europe and Asia.



### RATED BANKS MEA

Source: SNL 2016

Today, we maintain ratings and research on over 300 banks, corporates and sovereigns, as well as bonds, sukuk and insurance companies, in more than 39 countries. Our clients are located all over the world and we have offices in Cyprus, Germany, and Hong Kong.



## CI RATINGS GLOBAL COVERAGE



“ESMA Regulated”



## Regulation & Recognition

CI is registered as a credit rating agency in the European Union in accordance with Regulation (EC) No 1060/2009 on Credit Rating Agencies.

Our activities are supervised to the highest international standards by the European Securities and Markets Authority (ESMA), based in France. CI is also recognised as an External Credit Assessment Institution (ECAI) across the European Union and in a number of jurisdictions in the Middle East, particularly in the Gulf Cooperation Council (GCC) region, including Bahrain, Qatar, UAE, and Oman.

We adhere not only to the rigorous requirements of the European Union Regulation, but also apply the International Organization of Securities Commissions' (IOSCO) Code of Conduct Fundamentals for Credit Rating Agencies. We understand that independence and good governance are essential for credible, unconflicted credit ratings and have established strong internal control mechanisms to safeguard the objectivity of our rating process and ensure compliance with regulatory standards.



## Our Clients

CI's clients and subscribers include many of the world's leading commercial and investment banks, central banks, international financial institutions, Islamic financial institutions, export credit agencies and government agencies. We are pleased to have long-term relationships with many of our clients, in some cases for over 25 years.



## Our People & Values

CI's multicultural staff bring with them a blend of skills and expertise which are applied to produce insightful, objective and timely credit rating opinions and related research. Our primary credit analysts, who lead the rating process, generally have more than 20 years of relevant experience in ratings, banking, or in other parts of the financial industry. Our credit analysts value their analytical independence and are committed to acting with fairness and honesty in their dealings with rated entities and clients.



## Credit Rating Services

Credit ratings are a vital element of both public and private debt markets. CI's credit ratings are forward looking opinions about the relative creditworthiness of an obligor, in particular the willingness and capacity of a borrower to honour its financial obligations.

Credit ratings can be issued for many different types of borrowers, such as financial institutions, corporations and municipalities as well as government entities. These are termed Issuer Ratings. Similarly, credit ratings may also be assigned to a specific debt obligation, providing an opinion on the credit quality of that debt issue alone. These are termed Issue Ratings.

CI offers a range of rating services for banks, corporates and governments. These include:

- Sovereign Ratings
- Sub-sovereign Ratings
- Bank Ratings
- Corporate Ratings
- Insurance Ratings
- Bond Ratings
- Sukuk Ratings
- Covered Bond Ratings (2017e)





## Credit Rating Services

Independent credit ratings offer benefits to a wide range of market participants:

- Credit ratings enable Issuers to demonstrate creditworthiness and enable wider access to external funds.
- Counter-parties use credit ratings as part of their risk assessment process and to set credit limits.
- Credit ratings supplement investors own credit evaluation and facilitate entry into new markets.
- Regulators welcome the improved transparency provided by credit ratings and their contribution to the development of capital markets.



## Subscription Services

CI rating reports are highly regarded within the industry and we offer a range of subscription services which provide access to all of our publicly available rating reports in a flexible and affordable manner. Our subscription clients include many of the world's leading financial institutions.

Subscriptions are available at different levels including Global, Regional, Multi-country, Single country and for individual banks and sovereigns. Customised subscriptions and credits which can be applied to any report(s) are also available.



## Professional Development Programme

CI has an established Professional Development Programme (PDP) since 1989. The PDP is a tailored selection of workshops and seminars addressing the most relevant financial topics and challenges facing finance professionals working in Banks, Corporates, Insurance and other financial institutions. The workshops and seminars are aimed at Analysts, Market Specialist, and other Finance Professionals who wish to gain valuable knowledge and insight from CI's highly experienced Credit Analysts (not professional trainers) working with diverse financial institutions everyday.

CI provides both public and in-house seminars, which are conducted at the client location and provide a cost-effective approach to specific client needs.

PDP list of seminars and workshops currently available:

- Advanced Bank Credit Analysis
- Advanced Corporate Credit Analysis Workshop
- Credit Analysis for Credit Relationship Officers
- Basel III Seminar
- Insurance Credit Analysis Workshop
- Introduction to Islamic Finance & Banking
- Islamic Financing and Placements Instruments
- Sukuk I: Theory and Practice of Islamic Fixed Income
- Sukuk II: Islamic Fixed Income Markets; Sukuk Issuance & Footprint in the World
- SUKUK: A complete Seminar on Sukuk
- Islamic Investment: Islamic Funds and Sharia Compliance Screening Methodologies
- Risk Management & Hedging in Islamic Financial Institutions
- Islamic Finance Outlook Report

*\* Consult our PDP catalogue for more details about individual seminars*



## PDP Popular Seminars

### 01 Bank Credit Analysis

Targeted at intermediate level risk management professionals, this 2 day seminar provides participants with a set of structured analytical skills, based on CI processes and methodologies, required for the credit analysis of banks and financial institutions.

### 02 Advanced Bank Credit Analysis

Designed for experienced risk management professionals with a good understanding of the analysis of financial institutions, including those who have attended the Bank Credit Analysis seminar, this 3 day seminar provides participants with an understanding of advanced credit analysis skills and techniques, with extensive use of interactive case studies/work groups.

### 03 Islamic Banking & Risk Management

This modular seminar covers the full spectrum of Islamic finance and banking. Individual modules address Islamic financing and placements, sukuk, the global Islamic market, Islamic funds and investment, Sharia compliance, risk and liquidity management, hedging and corporate governance. Case studies and workshops are an important part of the seminar programme.

### 04 Basel III

The 2 day seminar is targeted at senior risk management, heads of compliance, financial controllers and auditors, and other professionals who require an understanding of capital adequacy and its importance within the institution. Key topics include the Basel reform programme, strengthening the global capital framework, enhancing risk coverage, liquidity and funding ratios, liquidity monitoring tools, capital assessment and planning.

### 05 Corporate Credit Analysis

Designed for finance professionals who will benefit from an understanding of the key elements of the corporate credit rating process, this 2 day seminar addresses qualitative and quantitative analytical factors, strategy evaluation, diversification, organisation, comparative risk factors and corporate governance. Participants benefit from team workshops and case studies.

### 06 Insurance Credit Analysis

The seminar provides participants with a structured approach to the assessment of the financial strength of insurance companies. Designed for insurance practitioners with management responsibility who require an understanding of how to identify, measure and manage the key elements that contribute to financial strength. Key topics include industry trends, operating environment, industry risk, capital market development, regulation, franchise strength, risk profile and mitigation.



## Credit Rating Process

CI analyses the information available on an issuer or borrower, its market and its economic environment in order to evaluate repayment risk, which we summarize in a credit rating. Our credit analysis is based on detailed, sector-specific methodologies and our rating policies and procedures are documented and strictly followed. We only assign ratings when there is sufficient information available to form a credible opinion of future creditworthiness and always seek the co-operation of the rated entity.

CI's credit ratings are assigned and all subsequent rating actions determined by rating committees and not by individual analysts. Rating committees are composed of rating analysts who, individually or collectively, have appropriate knowledge and experience in developing a rating opinion for the type of credit being considered.

The rating process, summarized in the diagram below, typically involves an analysis of financial and non-financial information, the calculation of standardized performance ratios, a client visit, the drafting of a credit report and its consideration and evaluation by a CI Rating Committee.



We pride ourselves on thorough research and market intelligence. During the rating process, CI analysts typically hold lengthy face-to-face meetings with an organisation's senior management and meet with key market participants and observers such as central banking authorities and external auditors.



## Surveillance

Surveillance is an important part of CI's work and rated entities are continuously monitored. All ratings are reviewed at least annually and in some cases more frequently, particularly if the credit profile has altered. While ratings tend to change over time, it should be a source of comfort to long-term investors in high-quality issuers to know that CI's rating trend studies confirm that higher ratings tend to change less frequently than lower ratings, and that investment grade ratings are more stable than speculative grade ratings.



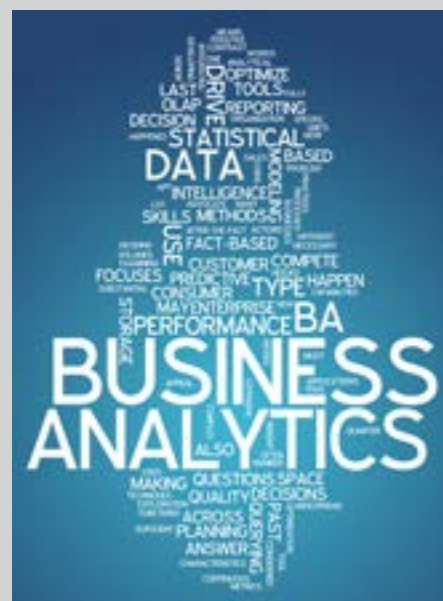
## Analytical Approach

CI's approach to assigning credit ratings is based on fundamental credit analysis and involves a thorough evaluation of the quantitative and qualitative factors that may affect the ability and willingness of a rated entity to meet its financial obligations in full and on time. The focus is usually on the intrinsic financial strength and financial resilience of the rated entity, but external support factors are also taken into consideration. Analysis of each general type of entity (bank, corporate, sovereign) is disaggregated into a number of analytical categories in order to build a rated entity's credit risk profile and facilitate meaningful comparison between rated entities within the same industry or sector.



## Bank Ratings

For banks, we examine key quantitative factors such as asset quality, capital adequacy, liquidity and profitability. Performance ratios relating to the breakdown of the balance sheet and profit and loss account and their rates of growth are analyzed. Calculations are complemented by peer group and trend analysis. We also look at factors that may be important for longer term creditworthiness, such as the bank's market position, business strategy and management capabilities. We also analyze the bank's operating environment, including the degree of economic and political risk in the bank's principal markets and the quality of the regulatory and supervisory regime in which it operates.



## Corporate Rating

In the case of corporates, analytical categories aim to capture key financial and business risks. Financial aspects include cash flow, debt profile, debt service capacity, leverage, and earnings. Non-financial categories include operations, management, strategies and prospects, including an examination of the market and operating environment.



## Bond & Sukuk Rating

Issue-specific ratings, such as bond and sukuk ratings, typically take into account the general creditworthiness of the issuer, as determined by the appropriate issuer methodology (bank rating methodology or corporate rating methodology), but also consider the terms, conditions and other specific features of the financial obligation. These may include factors such as whether the bond is secured, guaranteed or subordinated and the legal enforceability of the bond's provisions.



## Sovereign Ratings

Sovereign ratings capture the default risk of the national government. Central to this assessment is an analysis of the level of political and policy risk, the country's economic growth prospects, and the sustainability of both the public finances and the external position, including the balance of payments and foreign debt.



## Insurance Ratings

The Insurer Financial Strength Rating (IFSR) provides a forward-looking opinion of an insurer's capacity and willingness to pay its valid insurance contract obligations when they become due. IFSRs take into account an insurer's standalone strengths and weaknesses, as well as the likelihood of it receiving extraordinary support from private or public sector owners in the event of financial difficulties. The assessment of standalone credit strength is based on six analytical pillars: operating environment; business model and strategy; ownership and governance; risk profile and risk mitigation; earnings strength and sustainability; and balance sheet strength and financial flexibility.



## Why Do Business With US!



### Specialist Focus

We focus on sectors where we have the requisite expertise to add real value and in regions that we know extremely well, such as the Middle East and North Africa, Europe, and South East Asia. Doing what we know best enables us to consistently deliver insightful analysis and reliable credit opinions to our expanding client base.



### In-depth Experience

CI has been in the ratings business for more than three decades and our analysts have levels of experience which are higher than the industry average. We do not assign junior analysts to lead roles in our credit rating assignments.



### Quality Service

We pride ourselves on delivering high levels of customer service with the explicit aim of developing strong and long-term client relationships. Subscribers enjoy direct access to our analysts via email or telephone, while the banks and corporates we rate are provided with advance notification of rating actions and given the opportunity to review and comment on rating reports prior to publication.



### High Standards

CI is regulated and supervised by the European Securities and Markets Authority (ESMA) and we operate to the same high standards as those of our larger competitors. We never “rate to order”. Our ratings are respected because we are independent and rigorous in our assessment of credit risk.







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