BEST'S
National Scale Rating
An Overview

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ABOUT AM BEST

Founded in 1899, AM Best is the world's largest global credit rating agency specializing in insurance.

Best's Credit Ratings are a forward looking, independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness.

We provide ratings on 3,600 companies of all sizes in more than 100 countries, including over 200 alternative risk transfer entities and more than 450 mutual companies.

Headquartered in the United States, we have regional offices in Amsterdam, Dubai, Hong Kong, London, Mexico City and Singapore.

WHAT IS A NATIONAL SCALE RATING (NSR)?

A Best's National Scale Rating (NSR) is a relative opinion of financial strength among companies within a country.

NSRs were created to address country-specific limiting factors within each country—including economic, political, and financial system risks, and other insurance industry factors.

All insurers that enter Best's NSR process are first assigned a global Issuer Credit Rating (ICR), which is an independent opinion of an entity's ability to meet its ongoing financial obligations and is the basis for the NSR.

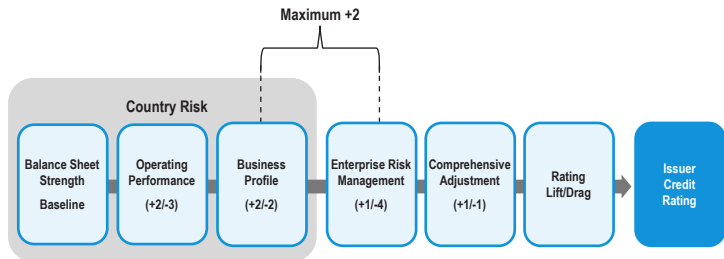An NSR is then mapped from a corresponding ICR using a transition chart.

BEST'S CREDIT RATING PROCESS

The foundation of AM Best's Credit Rating process is an ongoing interaction between the rated company's management and AM Best analysts. Best's Credit Ratings are determined and updated through a rating committee process.

This approach ensures rating consistency and maintains the integrity of the rating process.

Our process to determine a global Issuer Credit Rating (ICR) includes a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management.

Maximum +2

Country Risk

| Balance Sheet Strength Baseline | Operating Performance (+2/-3) | Business Profile (+2/-2) | Enterprise Risk Management (+1/-4) | Comprehensive Adjustment (+1/-1) | Rating Lift/Drag | Issuer Credit Rating |

BEST'S CREDIT RATING PROCESS

The initial Best credit rating timeline from signed contract to ratings completion is typically about eight to twelve weeks.

1 **Compile Information**
The assigned analyst collects public and proprietary financial information and data to develop a tailored meeting agenda.

2 **Perform Analysis**
AM Best incorporates a host of qualitative and quantitative measures to evaluate the organization's financial health.

3 **Determine Best's Credit Rating**
The AM Best rating committee ensures rating consistency and maintains the integrity of the rating process and methodology.

4 **Disseminate Best's Credit Rating**
Once accepted, the Best's Credit Rating is distributed via the AM Best website, press releases and print/digital publications. Private BCRs are disseminated to the rated entity only.

5 **Monitor Best's Credit Rating**
AM Best regularly monitors the rating by continually analyzing the organization's creditworthiness.

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Mapping Global ICRs to NSRs

The evaluation of financial strength in a country is assessed through nine individual factors:

1. **Reported Capital & Surplus**

2. **Ratio of Cash & Fixed Income Investments to Total Investments**

3. **Gross Leverage Ratio**

4. **Gross Premiums Written**

5. **Return on Equity**

6. **Return on Assets**

7. **Retention Ratio**

8. **Combined Ratio**

9. **Reported Assets**

India and Indonesia National Scale Mapping

Global ICR Scale	India National Scale
bbb	aaa.IN
bbb-	aa+.IN
bb+	aa.IN
bb	aa-.IN to a+.IN
bb-	a.IN to a-.IN
b+	bbb+.IN to bbb.IN
b	bbb-.IN to bb+.IN
b-	bb.IN to bb-.IN
ccc+	b+.IN
ccc	b.IN to b-.IN
ccc-	ccc+.IN to ccc.IN
cc	ccc-.IN to cc.IN
c	c.IN

Global ICR Scale	Indonesia National Scale
bbb+	aaa.ID
bbb	aa+.ID
bbb-	aa.ID
bb+	aa-.ID to a+.ID
bb	a.ID to a-.ID
bb-	bbb+.ID
b+	bbb.ID to bbb-.ID
b	bb+.ID to bb.ID
b-	bb-.ID
ccc+	b+.ID to b.ID
ccc	b-.ID
ccc-	ccc+.ID to ccc.ID
cc	ccc-.ID to cc.ID
c	c.ID

Philippines and Vietnam National Scale Mapping

Global ICR Scale	Philippines National Scale
bbb+	aaa.PH
bbb	aa+.PH
bbb-	aa.PH
bb+	aa-.PH to a+.PH
bb	a.PH to a-.PH
bb-	bbb+.PH
b+	bbb.PH to bbb-.PH
b	bb+.PH to bb.PH
b-	bb-.PH
ccc+	b+.PH to b.PH
ccc	b-.PH
ccc-	ccc+.PH to ccc.PH
cc	ccc-.PH to cc.PH
c	c.PH

Global ICR Scale	Vietnam National Scale
bbb-	aaa.VN
bb+	aa+.VN
bb	aa.VN to aa-.VN
bb-	a+.VN to a.VN
b+	a-.VN to bbb+.VN
b	bbb.VN to bbb-.VN
b-	bb+.VN to bb.VN
ccc+	bb-.VN to b+.VN
ccc	b.VN to b-.VN
ccc-	ccc+.VN to ccc.VN
cc	ccc-.VN to cc.VN
c	c.VN
cc	ccc-.ID to cc.ID
c	c.ID