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Always together to ensure every
moment of happiness ”



TO OUR STAKEHOLDERS

Tenger Insurance continued to play the role it has always played – reducing fear and enabling the future – but only by partnering with clients, collaborating and encouraging diversity of thought, recognizing trends and investing in innovation, and using data to help clients achieve better outcomes.

The Company's insights-driven relationships with customers and fast and efficient claim handling service are regarded as the best in the market, with compulsory driver's liability claims settled in one working day. In 2017, Tenger Insurance settled a substantially larger claim, ceded by reinsurer for one fire incident, which is the largest and the first in the local insurance market. The claims team took immediate and efficient actions in an exceptionally short period of time; overall the Company achieved the targeted claims settlement period of three days.

A solid risk appetite framework and disciplined approach positioned Tenger Insurance to take advantage of a more favorable operating environment. Income from interest-earning assets increased by 18% from a prior year and claim expenses reduced by 11% YoY largely contributed to generate MNT 2.36 billion net profit in 2017. Net profit increased by 57% and over-performed the budget by 31%. The result has been consistently higher net income than the average for the Mongolian insurance market for last three years.

The Company's gross written premium rose by 35% to MNT 12.2 billion while net written premium increased by 20% to MNT 7.7 billion. Total assets grew by 16% percent and return on equity was 30.2% percent. The insurance claims loss ratio remained stable, closing the year at 36.2%. Continued low loss ratio and low acquisition cost resulted in an improved combined ratio of 96.2%, making Tenger Insurance the most profitable insurer in 2017.

Tenger Insurance has made considerable efforts to develop the insurance sector, while ensuring our insurance services meet international standards including the quality and financial reliability of reinsurance protection. During the last three years, Tenger Insurance's reinsurance capacity increased from USD 2 million in 2015 to USD 15 million by the end of year 2017. Tenger Insurance is setting the standards for other insurance companies in terms of technical underwriting ability and innovations in the insurance field, including its on-line insurance platform.

Various marketing events were conducted during 2017 for our clients, putting the client, as our partner, at the center of everything we do. More than 80 companies attended the 2nd annual Financial Lines Forum. The Forum featured expert speakers on topics of cyber-crime, directors' and officers' liability, and professional indemnity insurances and latest trends in financial risk management. Tenger Insurance organized a networking event for AmCham in Mongolia. Along with AmCham members, executives of premium hotels were invited for the launch of a comprehensive insurance product for hospitality industry.

In September, the product development unit was re-created to improve the standards and competitiveness of insurance products. The team prepared 12 insurance questionnaire standard forms, improved 16 existing insurance policy standard agreements, and created three new insurance policies such as product liability, professional indemnity, and a hotel comprehensive policy, all while generating tailored/customized insurance proposals to support the sales force.

The risk management team has received guidance and advice from the Group CRO and now is in the process of improving own risk management. Additionally, the team has completed the Risk Management Framework and received approval by the Board of Directors.

Tenger Insurance is still considered the Best Insurance Company in Mongolia by many, especially due to our best-in-class risk management practices, reinsurance reliability, and claims efficiency proven by a large-scale fire loss recovery of a major national manufacturer. We are glad to receive the Best Insurance Company Award by the Mongolian Chamber of Commerce and to be recognized by the International Finance Magazine as the Best in Mongolia once again in 2017.

Oybek N. Khalilov CEO

A handwritten signature in black ink, appearing to read 'Oybek', is written over a large, stylized circular graphic element that resembles a globe or a sphere with latitude and longitude lines.