

## **Gulf Insurance Group continues to be distinguished by its strong financial strength ratings for 2019**

**Kuwait City, 10 September 2019** - Gulf Insurance Group, one of the leading insurance service providers in Middle East and North Africa region, announced that Standard and Poor's Global rating agency has affirmed the credit rating of gig at 'A-' and revised the outlook to stable from negative. In addition, A.M. Best rating agency affirmed the group's financial strength rating at "A" Excellent and revised the outlook from stable to negative.

The ratings of Gulf Insurance Group reflect its excellent regional business profile, good risk-adjusted capitalization, the continued strong profitability and the capability of generating diverse income streams from its operating subsidiaries and associates as well as its own activities to meet its ongoing payment obligations under essentially all foreseeable circumstances. An offsetting rating factor is the execution risk associated with Group's inorganic expansion strategy, acquiring large accounts and the decline in gig's capital adequacy.

The two agencies disclosed that over the past 12 months, gig has taken adequate corrective steps to improve its liquidity position, strengthen its capital adequacy ratio and address its rising exposure to countries carrying high industry and country risk. They also clarified that Group has a track record of solid results, underpinned by robust underwriting profitability and stable investment returns. Despite the elevated levels of competition in its operating markets, in 2018, gig grew its gross written premium by 10% to KD 335.7 million (USD 1,105 million).

The group's forecasted capital adequacy ratio remains moderately strong and will improve in line with business growth, while the group maintains positive operating performance and adequate liquidity. Both agencies assessed the group's liquidity as strong. They continued to view gig's management and governance as satisfactory and finally they assessed the group's enterprise risk management (ERM) as adequate. ERM is assuming a much stronger role in the group's direction and this partly eases their concerns about its regional expansion program and ongoing business growth.

Mr. Khalid Al Sanousi, Group Senior Manager said,

“We are pleased with the outstanding results of the group’s financial strength ratings from A.M. Best and S&P. These results are driven by the Group’s well-established and comprehensive Enterprise Risk Management Framework with appropriate tools and techniques helps to identify, measure and manage risks on a Group level. We are the first insurance company in Kuwait to be triple- rated from international credit rating agencies – A.M Best, S&P and Moody’s (A3) enabling the Group to provide world-class offerings with the presence of a strong and unified gig Brand across the markets we operate in”.

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**Notes to Editors:**

Gulf Insurance Group is the largest insurance Group in Kuwait in terms of written and retained premiums, with operations in life and non-life as well as Takaful insurance. Gulf Insurance has become one of the largest insurance networks in the Middle East and North Africa with companies in Kuwait, Jordan, Bahrain, Egypt, Turkey, Algeria, Syria, Iraq, Lebanon, Saudi Arabia and Emirates. Its reported consolidated assets stand at US\$ 2.13 billion as at 30 June 2019.

KIPCO – Kuwait Projects Company – is Gulf Insurance Group’s largest shareholder, followed by the Canadian-based Fairfax Financial Holding Ltd.

Gulf Insurance Group enjoys the privilege of being the first triple-rated insurance group in Kuwait. The group holds a Financial Strength Rating of ‘A’ (Excellent) and issuer credit rating of ‘a’ with negative outlook from A.M. Best Europe – Rating Services Limited, a Financial Strength Rating of A- with stable outlook from Standard & Poor’s and an Insurance Financial Strength Rating (IFSR) of ‘A3’ from Moody’s Investors Service carrying a stable outlook.

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