



A.M. Best Affirms the Credit Ratings of Kuwait Re at A- (Excellent)

On Friday, April 27, 2018, A.M. Best Rating Services has affirmed the Financial Strength Rating of **A- (Excellent)** and the Long-Term Issuer Credit Rating of "a-" of **Kuwait Reinsurance Company K.S.C.P.** (Kuwait Re). The outlook of these Credit Ratings (ratings) remains **stable**.

In their rating rationale, A.M. Best comments on Kuwait Re balance sheet strength, which A.M. Best categorised as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management.

Kuwait Re's balance sheet strength is supported by risk-adjusted capitalisation, prudent reserving practices and good levels of liquidity.

A.M. Best highlight that the company benefits from a track record of adequate operating performance, and that the implementation of strategic decisions to enhance Kuwait Re's operations, including a shift to more profitable business, is expected to translate into improved technical performance. They also commented that the Operating performance is continued to be supported by stable investment returns

A.M. Best describes Kuwait Re as a well-established, international composite reinsurer, offering facultative protection, proportional treaties and excess of loss reinsurance across the Middle East and North Africa, Asia Pacific and Eastern Europe. The business strategy implemented by the management team is on track and has already resulted in an improvement in the business mix, with a significant shift in the portfolio from proportional treaties towards facultative protection. In addition, whilst Kuwait Re has predominantly been a non-life reinsurer, increased diversification has arisen from the significant growth in the company's life reinsurance operations in 2017.

A.M. Best also concluded that Kuwait Re's risks are adequately identified and monitored through a solid ERM framework, and its operations are supported by well-documented policies and procedures, strong underwriting and investment guidelines and clear governance structure.

A copy of A.M. Best press release is attached for your reference.

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