

## Gulf Insurance Group continues its excellent ratings profile

Standard & Poor's affirms Group's Ratings, Outlook upgraded to Positive

**Kuwait City, 14 September, 2021** - Gulf Insurance Group, one of the leading insurance service providers in the Middle East and North Africa, announced that Standard & Poor's Global Rating Agency has affirmed financial strength rating and issuer credit rating of GIG at "A-" and revised the outlook to Positive from Developing. The positive outlook indicates that the agency considers AXA Gulf transaction could be transformational for GIG over the outlook horizon.

The affirmation and the outlook revision have resulted from GIG's latest developments; completion of the acquisition of AXA's operations in the Gulf region for US \$474.75 million, after obtaining necessary regulatory approvals and KD 50 million rights issue execution.

The agency disclosed that the successful integration of AXA operations will materially strengthen GIG's competitive position in the MENA region and overall business risk profile, giving it economies of scale and greater geographical diversification in insurance markets that have strong attributes. Additionally, the agency expects improvement of the credit quality of the Group's combined investment portfolio. Following a KD 50 million capital increase, the immediate pressure on GIG's capital adequacy and leverage from the acquisition has been removed.

The rating agency expects that the acquisition and integration of AXA operations in the Gulf will position the Group among the top 3 players in the region, with gross premium income of US\$ 2.3 billion, enabling the Group to reduce its concentration risk in Kuwait. This will strengthen GIG's overall business risk profile and lower the exposure to countries that have higher industry risk.

**Mr. Khalid Al Sanousi, Group Executive Manager** - Corporate Communications & Investor Relations, said:

"We are pleased with the ratings affirmation with revised outlook to positive by S&P. Thanks to the Group's well-established and comprehensive Enterprise Risk Management Framework with appropriate tools and techniques that help to identify measure and aptly manage risks on a Group level. The completion of AXA transaction and rights issue clearly manifest the progress of the Group's strategic execution in the right direction. We strive to explore innovative approaches for the Group to provide an exciting customer experience of world-class offerings with the presence of a strong and unified GIG brand across the markets we operate in."

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**About GIG:**

GIG 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. GIG has become one of the largest insurance networks in the Middle East and North Africa with companies in Kuwait, Bahrain, Jordan, Egypt, Turkey, Algeria, UAE, KSA, Oman, Qatar, Syria, Iraq and Lebanon. Its reported consolidated assets stand at US\$ 2.66 billion as at 30 June 2021.

KIPCO – Kuwait Projects Company – is Gulf Insurance Group’s largest shareholder, followed by the Canadian-based Fairfax Financial Holdings 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’ having an outlook Under Review with Developing implications from A.M. Best Europe – Rating Services Limited, a Financial Strength Rating of A- with Positive outlook from Standard & Poor’s and an Insurance Financial Strength Rating (IFSR) of ‘A3’ from Moody’s Investors Service carrying a negative outlook.

**Further information:**

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