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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings of Orient Insurance PJSC

LONDON, 27 May 2016—A.M. Best has affirmed the financial strength rating of A (Excellent) and the issuer credit rating of “a” of **Orient Insurance PJSC** (Orient) (United Arab Emirates). The outlook for each rating remains stable.

The ratings reflect Orient’s track record of excellent technical performance, very strong risk-adjusted capitalisation, strong domestic business profile and robust enterprise risk management (ERM).

Orient has consistently reported excellent technical results over the past five years. The company’s non-life operation has generated an exceptional five-year average combined ratio of 66.6% (2011 to 2015). Orient’s life business also has reported good profits in each of the past five years. Excellent underwriting performance has been maintained despite prevailing competitive market conditions in the United Arab Emirates (UAE), with significant pressure on premium rates across most lines of business. Orient’s prudent approach to risk selection and focus on profitability over top-line growth is expected to support continued strong technical performance.

Orient’s risk-adjusted capitalisation remained very strong in 2015. The company’s capital requirements, as measured by Best’s Capital Adequacy Ratio, continue to be driven by a single strategic equity holding, which accounted for approximately 45% of total invested assets at year-end 2015. Although this investment may create volatility in Orient’s prospective risk-adjusted capitalisation, A.M. Best believes that the company has a more-than-sufficient buffer in capital adequacy to absorb fluctuations in the market value of this holding.

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—2—

Orient maintains a strong business profile and a market leading position in the UAE. The company's premium base surpassed AED 2.3 billion (USD 635 million) in 2015, ranking it as the second largest listed insurer in the UAE. Orient's profile continues to benefit from its multi-channel distribution network and its affiliation with the Al-Futtaim group. Going forward, the company is expected to increase its penetration in the life segment of the UAE, as well as grow its regional footprint in line with the Al-Futtaim group's expansion.

Orient's ERM capability has seen notable improvement over the past three years. Strengthening in the identification and quantification of key risks, as well as improvements in the company's approach to controlling and mitigating these exposures has been a focus point of Orient's management team.

This press release relates to rating(s) that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's [Recent Rating Activity](#) web page.

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