

NEWS RELEASE

AM Best Affirms Credit Ratings and Assigns National Scale Rating to Misr Insurance Company

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LONDON--(BUSINESS WIRE)-- **AM Best** has affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of "bbb" (Good) of Misr Insurance Company (MIC) (Egypt). Additionally, AM Best has assigned the Egypt National Scale Rating (NSR) of aaa.EG (Exceptional) to MIC. The outlook of these Credit Ratings (ratings) is stable. MIC is the non-life insurance subsidiary of Misr Insurance Holding Company (MIHC).

The ratings reflect MIC's balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management. The ratings also benefit, in the form of lift, from MIHC's financial strength, due to MIC's strategic importance to the group.

MIC's balance sheet strength is underpinned by its risk-adjusted capitalisation at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR). AM Best expects the company's BCAR scores to remain comfortably above the minimum level required for the strongest assessment, supported by good internal capital generation and low underwriting leverage. The balance sheet strength assessment factors in the company's high dependence on reinsurance and Egypt's high economic and political risks, and very high financial system risk.

MIC has a track record of robust operating performance, demonstrated by a five-year (2018-2022) weighted average return on equity and combined ratio of 12.3% and 93.9% (as calculated by AM Best), respectively. The company's investment results remain the primary contributor to earnings, supported by Egypt's high interest rate environment.

MIC has a market-leading position in Egypt's non-life insurance sector with a share of approximately 40% of the 2022 non-life gross written premium.

This press release relates to Credit Ratings that have been published on AM 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 AM Best's **Recent Rating Activity** web page. For additional information regarding the use and limitations of Credit Rating opinions, please view **Guide to Best's Credit Ratings**. For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view **Guide to Proper Use of Best's Ratings & Assessments**.

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