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السادة / بورصة عمان المحترمين

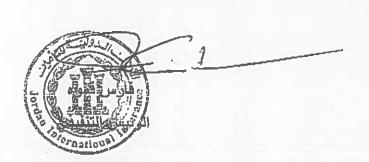
تحية طيبة وبعد،

الموضوع: التصنيف الانتماني للشركة

بالإشارة الى الموضوع أعلاه يسر شركة الأردن الدولية للتأمين أعلامكم بالتصنيف الإنتماني الشركة حسب التصنيف الذي صدر عن وكالة التصنيف الائتماني العالمية (AM Best) حسب التالى:-

- (B) درجة القوة المالية Financial Strength Rating .1
- (bb+) التصنيف الإنتماني الطويل الأجل (Long-Term Issuer Credit Rating .2

مع وافر الإحترام



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مرفق نسخة عن التصنيف



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FOR IMMEDIATE RELEASE

CONTACTS: Martina Seydoux

Financial Analyst +44 20 7397 0308

martina.seydoux@ambest.com

Salman Siddiqui, ACA

Director, Analytics +44 20 7397 0331

salman.siddiqui@ambest.com

Christopher Sharkey
Manager, Public Relations
+1 908 439 2200, ext. 5159
christopher.sharkey@ambest.com

Jim Peavy

Director, Public Relations +1 908 439 2200, ext. 5644 james.peavy@ambest.com

AM Best Downgrades Credit Ratings of Jordan International Insurance Company

LONDON, 25 October 2019—AM Best has downgraded the Financial Strength Rating to B (Fair) from B+ (Good) and the Long-Term Issuer Credit Rating to "bb+" from "bbb-" of Jordan International Insurance Company (newton) (Jordan). The outlooks of these Credit Ratings (ratings) have been revised to stable from negative.

The ratings reflect newton's balance sheet strength, which AM Best categorises as very strong, as well as its adequate operating performance, limited business profile and marginal enterprise risk management (ERM).

The rating downgrades reflect a revision in AM Best's assessment of the company's ERM to marginal from appropriate. Recent earnings volatility, in part stemming from a large underperforming contract, has raised concerns over newton's risk management capabilities, notably with regard to the management of concentration risk and underwriting controls.

The company's technical operations have underperformed relative to its peers and relative to AM Best's expectation in recent years, mainly due to the single underperforming contract. As calculated by AM Best, newton delivered combined ratios of 122% in 2018 and 117% in 2017. Management has taken corrective actions, including the cancellation of loss-making contracts, and AM Best expects the underwriting performance to recover partially; however, unfavorable market conditions, coupled with newton's lack of scale, as well as



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expense strain in the short-term emanating from the setup of its regional reinsurance operations, may dampen any improvement.

The company's balance sheet strength assessment is underpinned by risk-adjusted capitalisation at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR). The company's balance sheet benefits from its robust liquidity, with cash and equivalents comfortably covering net claims reserves. Offsetting factors include newton's weak asset quality arising from investment holdings in highly concentrated equities and real estate and its dependence on reinsurance, which is mitigated partly by the good credit quality of its reinsurance panel.

The company maintains a mid-tier position in Jordan's relatively small insurance market. The company's insurance operations are concentrated in medical business, which in 2018 accounted for 68% and 92% of its gross and net written premiums, respectively. To improve its geographical diversification, newton established a new platform in 2018 to underwrite facultative reinsurance business from the wider Middle East region, although this is expected to remain a small contributor to premium volume over the medium term.

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 sec AM Best's Recent Rating Activity web page. For additional information regarding the use and limitations of Credit Rating opinions, please view Understanding Best's Credit Ratings. For information on the proper media use of Best's Credit Ratings and AM Best press releases, please view Guide for Media - Proper Use of Best's Credit Ratings and AM Best Rating Action Press Releases.

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