



شركة الشرق الأوسط للتأمين
Middle East Insurance Co.

عمان في : ٢٠٠٩/١٢/٧

إشارتنا : ٩٤١/١/٣١/٢٠/١١٠

DISCLOSURE - MEIN - 7/12/2009

إشارتكم :

السادة/ هيئة الأوراق المالية المحترمين

دائرة الإفصاح

عمان - الاردن

تحية طيبة وبعد،

يسرنا ان نرفق لكم الاعلان الصادر عن وكالة التصنيف العالمية المعروفة Standard & Poor's وبموجبه حصلت شركة الشرق الأوسط للتأمين على تصنيف **BBB (outlook: stable)** وهو أعلى تصنيف تمنحه هذه الوكالة في الاردن.

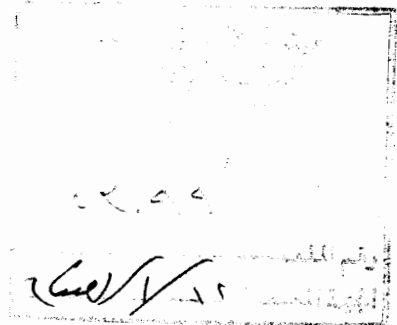
وفيما يلي بعض العناوين التي جاءت في تقييم وكالة S&P للمستوى الرفيع الذي وصلت له الشركة.

- **Corporate Profile:**
MEICO is a leading Jordanian Insurer, writing domestic life and non life business.
- **Competitive Position:**
Leading domestic insurer with particular strength in commercial and life business.
- **Management and corporate strategy:**
Well – established , highly professional management with a challenging future.
- **Enterprise Risk Management:**
Adequate risk management processes.
- **Accounting :**
Accounts are prepared to IFRS standards
- **Operating Performance:**
Very good performance given a highly competitive marketplace and economic downturn.
- **Liquidity :**
Strong Operational Liquidity reinforced by liquid investment strategies.
- **Operational Management :**
The company has a competitive advantage particularly when underwriting major or complex industrial risks
- **Overall Net Income :**
Positive in every one of the previous 45 years.

وتفضلوا بقبول فائق الاحترام ،،

شركة الشرق الأوسط للتأمين
المدير العام

نجاح
الخاميرة



November 18, 2009

Research Update:

Jordan-Based Middle East Insurance Co. Assigned 'BBB' Long-Term Ratings; Outlook Stable

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Table Of Contents

Overview

Rating Action

Rationale

Outlook

Related Research

Ratings List

Research Update:

Jordan-Based Middle East Insurance Co. Assigned 'BBB' Long-Term Ratings; Outlook Stable

Overview

- We are assigning our 'BBB' long-term counterparty credit and insurer financial strength ratings to Middle East Insurance Co. of Jordan (MEICO).
- The ratings reflect a good business profile in its domestic market, and a very good financial profile.
- The stable outlook reflects our expectation that MEICO will maintain its good commercial and financial profiles despite the increasing competitive and macro-economic issues that continue to affect many Jordanian insurers.

Rating Action

On Nov. 18, 2009, Standard & Poor's Ratings Services assigned its 'BBB' long-term counterparty credit and insurer financial strength ratings to Middle East Insurance Co. of Jordan (MEICO). The outlook is stable.

Rationale

The ratings on Jordan-based Middle East Insurance Co. (MEICO) reflect the good business position of the company in its domestic market, as well as its very good financial profile relative to its liabilities and investment risks. MEICO has a long track record of good gross and net underwriting profitability, while overall net income has been positive in every one of the previous 45 years. Meanwhile, Standard & Poor's expects capitalization and financial flexibility to remain at least good even if, as expected, the company bids to acquire some of its smaller local competitors.

Nevertheless, in our opinion, MEICO may be to some extent dependent on the ongoing availability of external reinsurance support to provide capacity for its good quality, profitable commercial underwriting, and it routinely cedes over half of its total gross premiums to a pool of generally strongly rated reinsurers. Additionally, management's investment strategies have remained somewhat aggressive in their emphasis on property and equities, although returns have proven satisfactory in most years. Indeed, even 2008's end of year downturn in equity values was absorbed by a Jordanian dinar (JOD) 6.8 million or 17.2% reduction in shareholders' equity by end-2008. However, despite this decline, the capital base still appears strong when subjected to risk-based capital analysis, although it is modest in absolute terms relative to global norms at JOD32.8 million (\$46.3 million) as at the start of 2009.

MEICO was established in 1962 as a composite (life and non-life) insurer writing all lines of business. Nevertheless, the company's technical expertise and service quality is particularly recognized in the area of commercial and

industrial lines, where it is a leader in marine and transport and also group life, property, liability and, to a more limited extent, group medical. In the somewhat overcrowded, highly competitive but nonetheless in our view effectively regulated Jordanian domestic market of 28 licensed insurers, MEICO is the country's second-largest insurer by capital, and the fourth-largest by gross premium income (JOD21.8 million), enjoying a 6.5% market share.

Outlook

The stable outlook reflects Standard & Poor's expectation that MEICO will maintain its good commercial and financial profiles despite the increasing competitive and macro-economic issues that continue to affect many Jordanian insurers. In particular, we expect MEICO to maintain its position as one of the leading domestic insurers with an approximately 12% year-on-year increase in net premium volumes and sustainable underwriting profits reflected in net combined ratios in, at worst, the low-to-mid 90% range. Overall, we expect satisfactory technical results across all lines combined with some recovery in investment income and values relative to 2008 to lead to return on revenue ratios at around 15%, with return on equity of approximately 10%. Meanwhile, we expect to see some reduction in the company's exposure to equities and property, and also expect capitalization to remain good overall, with at least strong adjusted risk-based capital outcomes, even if small local competitors are periodically acquired.

Given the currently challenging macro-economic environment in Jordan, any upward rating action is unlikely in the short term. Meanwhile, although MEICO's intrinsic business and financial profiles appear both good and stable, any significant increase in the economic and industry risks relating to Jordan could lead to negative pressure on our assessment of the company.

Related Research

Interactive Ratings Methodology, April 22, 2009

Ratings List

New Rating

Middle East Insurance Company

Counterparty Credit Rating BBB/Stable/--

Insurer Financial Strength Rating BBB/Stable/--

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Complete ratings information is available to RatingsDirect on the Global