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## **AM Best Affirms Credit Ratings of Arab Reinsurance Company SAL**

**LONDON, 13 October 2026**—AM Best has affirmed the Financial Strength Rating (FSR) of B (Fair) and the Long-Term Issuer Credit Rating (Long-Term ICR) of “bb” (Fair) of Arab Reinsurance Company SAL (Arab Re) (Lebanon). The outlook of the FSR is stable, and the outlook of the Long-Term ICR is positive.

These Credit Ratings (ratings) reflect Arab Re’s balance sheet strength, which AM Best assesses as strong, as well as its adequate operating performance, limited business profile and marginal enterprise risk management (ERM).

The positive outlook on the Long-Term ICR reflects the positive pressures across Arab Re’s balance sheet strength and ERM assessments following the decision by the company’s management to de-risk its investment portfolio. In December 2025, Arab Re signed an agreement to sell its material land holding in Lebanon, with the transaction expected to be completed by December 2028. In AM Best’s view, the sale of this land, which comprised 24% of Arab Re’s total investments at year-end 2025, will materially reduce the company’s asset risk and significantly benefit its risk-adjusted capitalisation over the medium term, as measured by Best’s Capital Adequacy Ratio (BCAR). The sale of this land should also contribute to further insulating Arab Re from the challenging economic and political conditions in Lebanon.

Arab Re has recorded profitable operating results in each of the last five years (2025-2021), evidenced in 2025 by a return-on-equity ratio of 6.1%. The company reported positive underwriting results in each year since 2021, which reflects portfolio remediation actions taken by Arab Re’s management, including exiting under-

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performing risks and the revision of underwriting guidelines. Investment income is expected to remain a strong contributor toward overall earnings, resulting from the company's relatively low underwriting leverage and the favourable global interest rate environment.

Arab Re has a niche position in its core markets in the Middle East and North Africa regions, built upon its original role as a reinsurer for Arab insurance markets and long-standing relationships with cedants. Despite the company's geographic reach, its growth potential is limited, as reinsurance markets in these regions remain highly competitive.

**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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