



# PRESS RELEASE

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## FOR IMMEDIATE RELEASE

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### **AM Best Downgrades Issuer Credit Rating of Milli Reasurans Turk Anonim Sirketi; Places Credit Ratings Under Review With Negative Implications**

LONDON, 11 March 2022—AM Best has downgraded the Long-Term Issuer Credit Rating (Long-Term ICR) to “bb” (Fair) from “bb+” (Fair) and affirmed the Financial Strength Rating of B (Fair) of Milli Reasurans Turk Anonim Sirketi (Milli Re) (Turkey). Concurrently, AM Best has placed these Credit Ratings (ratings) under review with negative implications.

The ratings reflect Milli Re’s consolidated balance sheet strength, which AM Best assesses as adequate, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management.

The downgrade of the Long-Term ICR follows the publication of Milli Re’s audited financial statements for year-end 2021, and reflects a deterioration in the company’s consolidated risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR). The worsening of economic conditions in Turkey, which resulted in a material devaluation of the Turkish Lira and high levels of inflation, has increased Milli Re’s asset, reserving and underwriting risk significantly.

The ratings have been placed under review with negative implications, as AM Best needs time to assess the full impact of the deteriorating economic conditions in Turkey on Milli Re’s balance sheet strength and its broader credit fundamentals.

**This press release relates to Credit Ratings that have been published on AM Best’s website. For all**

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—2—

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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