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FOR IMMEDIATE RELEASE

CONTACTS: Ben Diaz-Clegg
Senior Financial Analyst
+44 20 7397 0293
ben.diaz-clegg@ambest.com

Ghislain Le Cam, CFA, FRM
Director, Analytics
+44 20 7397 0268
ghislain.lecam@ambest.com

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

Al Slavin
Senior Public Relations Specialist
+1 908 439 2200, ext. 5098
al.slavin@ambest.com

AM Best Comments on Credit Ratings of Milli Reasurans Turk Anonim Sirketi

LONDON, 28 February 2023—AM Best has commented that the Financial Strength Rating of C (Weak) and the Long-Term Issuer Credit Rating of “ccc” (Weak) of Milli Reasurans Turk Anonim Sirketi (Milli Re) (Türkiye), both with a negative outlook, remain unchanged following the devastating earthquakes in Türkiye and Northern Syria.

On 6 February 2023, two powerful earthquakes of more than 7.5 magnitude struck several south-eastern Turkish provinces. The earthquakes rank among the worst tremors in the country’s history and resulted in widespread devastation, as well as the loss of thousands of lives in Türkiye and northern Syria. Turkish authorities have widely estimated that economic losses will run into the tens of billions of dollars. Elevated levels of political and economic risk in Türkiye are expected to increase further as a consequence of the catastrophe.

While there is significant uncertainty in respect of the insured loss relating to the earthquakes, AM Best expects Milli Re’s exposure to be covered largely by its comprehensive retrocession programme, backed by counterparties of robust credit quality. As a result, the company’s net exposure should be contained and risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR), is not expected to fall below AM Best’s previous expectations.

AM Best will continue to monitor closely events in Türkiye and their impact on Milli Re’s creditworthiness.

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—2—

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