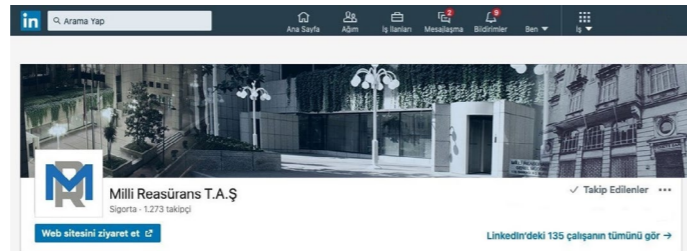


Milli Re launched its LinkedIn Account

You can follow Milli Re for the latest posts and updates on our LinkedIn page.

To view the posts, please use the below link:

<https://www.linkedin.com/company/milli-reas-rans-t.a.-/about/>



General Management

Chairperson : Ebru Özşuca
Director & General Manager : F. Utku Özdemir
Assistant General Manager : Özlem Civan (International Portfolio/ ECO-FAIR Pool/Retrocession/Financial Analysis&Rating/ Enterprise Architecture&Compliance)
: V. Kaan Acun (Local Portfolio/Singapore Branch Office)
: Şule Soylu (Financial Accounting & Administration)
: Şebnem Kurhan Ünlü (Internal Control&Risk Management/Information Technology)

Contacts

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Milli Re Providing Reinsurance Capacity in 55 Countries, is one of Europe's Oldest Reinsurance Companies that has Completed 91 Years of Operation as of 2019

How do you evaluate the year 2019 for Milli Re and the market in general?

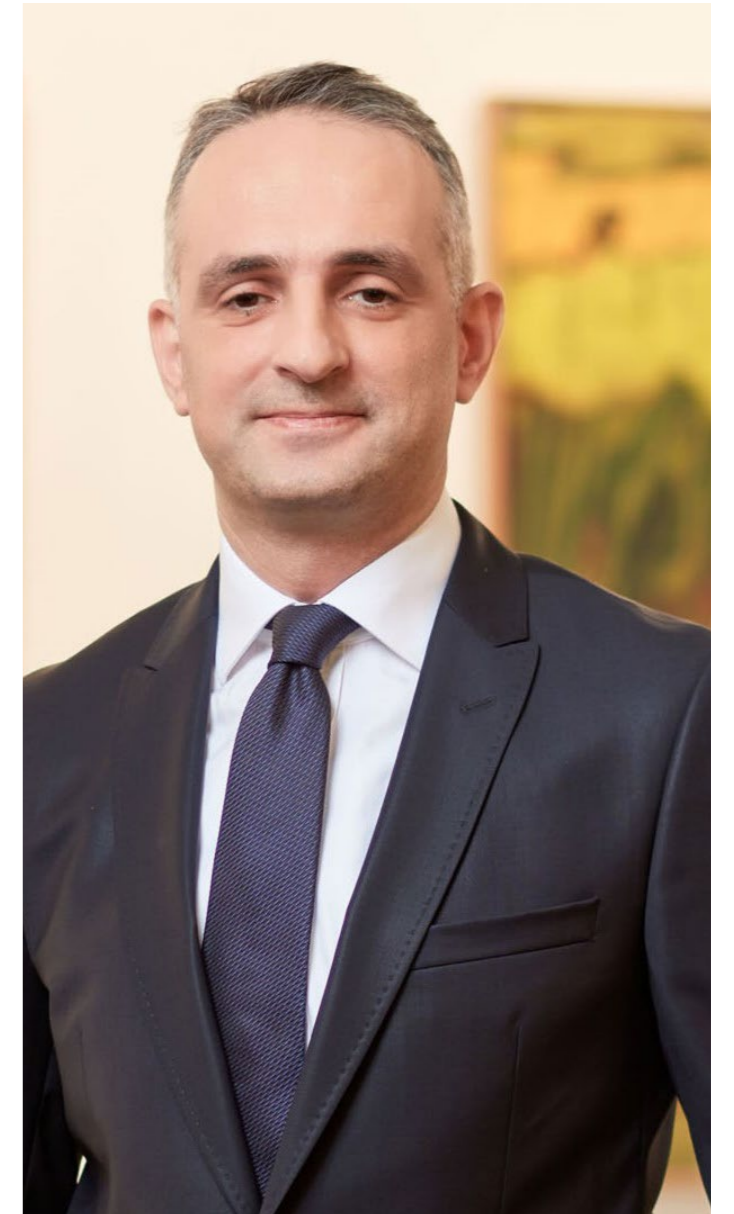
Economic slowdown, volatility in the currency and inflation, combined with the high interest rate environment which significantly hampered economic activities during 2018 and in the first half of 2019, have had adverse impact on the insurance industry, reducing the growth potential especially in lines such as life, motor own damage, motor liability, construction and residential risks. On the other hand, existing portfolios of corporate commercial and industrial risks of insurers have been largely maintained.

Signs of recuperation in the second half of 2019 were to some extent reflected to the insurance industry. It is anticipated that the growth in insurance industry will accelerate with the upturn in the economy in 2020.

According to 2019 year-end figures released by the Insurance Association of Turkey, insurance industry in Turkey has produced TL 69,2 billion premium with an increase of 27% over the previous year. This amount reflects the double counting effect emanating from the "Risky Insureds' Pool" for Land Vehicles Compulsory Liability Insurance on sectoral data. 84% of the total premium was generated by Non-Life and 16% from Life insurance. The share of Life in the market premium increased from 13% in 2018 to 16% in 2019, due to around 64% growth in this line, owing to the impact of the reductions made in interest rates in the second half of 2019 on consumer and mortgage loans.

Most companies operating in the Turkish insurance market continue to protect their risk portfolios by proportional treaties. Milli Re provides capacity to 22 companies that utilize proportional treaties with a 27% market share, leading 17 bouquets in 2020. Milli Re participates in the programs of 5 of the 7 companies that solely utilize gross excess of loss agreements to cover their risk portfolios.

Milli Re's premium income increased by 26% vis-à-vis the previous year, reaching TL 1,659 million. 64% of total premium





emanated from the domestic market and the remaining 36% from international operations. Our Company completed 2019 with a net profit of TL 312,5 million, total assets standing at TL 4,532 million and equity at TL 2,136 million.

Can you tell us about Milli Re's overseas activities?

With the aim of diversifying the portfolio in line with its profit-oriented and sustainable growth approach, Milli Re has been more active in international reinsurance markets since 2006.

As a company that prioritizes long-term and well-grounded business relations and quickly adapts to market dynamics focused on changing technologies, Milli Re's priorities concerning international business include continuity of services provided to existing business partners and taking necessary steps towards controlled growth by seizing opportunities in order to make a positive contribution to portfolio diversity.

Business written from emerging markets, which currently comprises of 54% of the premium generated from the international markets, was preserved stably in 2019. Despite important factors such as abundance of reinsurance capacity and resultant competitive conditions, political instability and finally compulsory reinsurance cessions in order to protect national markets, quality of our services and strong relations with the clients have resulted in the retention of this portfolio.

On the other hand, as a part of our international expansion strategy, Milli Re has been writing business from developed markets by participating in conventional reinsurance contracts of leading global reinsurers as well as providing capacity to a few Lloyd's syndicates. This has been expanding our Company's geographical reach as well as increasing our product diversity. Corresponding to 46% of total international premium generated in 2019, our developed markets portfolio consists of a limited number of well-balanced retrocession accounts, reaching 274 million TL in our overall premium volume of 598 million TL.

In accordance with the changes in our business acceptance policy for emerging markets, reduction in the catastrophic losses and regression of the major risk frequencies in our international business portfolio reflected positively in our 2019 results.

Can you please inform us about Milli Re's targets, expectations and strategies for the upcoming years?

As the world's first and only privately-owned company that managed a compulsory reinsurance system for all lines of business,

Milli Re has played an important role in the development of Turkish insurance business.

Accepting business from Turkish insurance market since 1929, our Company began underwriting business from international markets since 2006 in line with our strategy of international expansion, which resulted in the opening of our Singapore Branch in 2008. Milli Re is one of Europe's oldest reinsurance companies that has completed 91 years of operation as of 2019. Today, our Company provides reinsurance capacity to insurance companies in 55 countries. Focusing on the targets of profit-oriented risk management and sustainable growth, our Company has initiated new reinsurance practice at the Head Office and Singapore Branch as of 2020; while digitalizing some of its processes within the scope of digital transformation project which was road-mapped in 2018.

Having completed 91 years of operation as of 2019, Milli Re has now become one the most important players in the nearby

geography with a team that has proved its expertise and a deep-rooted corporate culture. Our Company continues to enhance its contributions to Turkish economy every year and aims to maintain its successful performance and achieve sustainable development by growing profitably in the future.

Supported by its robust capital structure, our Company achieves sustainable growth thanks to its competence in accurate perception and reception of market demands, as well as its capability of accurate risk management; unwavering from its targets to maintain and further strengthen its leadership position in the local market and being a preferred reinsurance company in the international markets thanks to our long years of market experience and know-how.

Milli Re, providing reinsurance capacity in 55 countries, is one of Europe's oldest reinsurance companies that has completed 91 years of operation as of 2019.

13th India Rendezvous

The 13th India Rendezvous hosted approximately 650 delegates from 40 countries, between 22-24 January 2020 at the Taj Lands End Hotel in Mumbai, India, with the theme "A New Insurance Model for India".

This year Indian Rendezvous focused on the impact of the climate change, growth opportunities in agriculture and health areas as well as sustainable profitability. During the conference the recent

regulatory changes like risk-based capital, IFRS17 and the big loss events have been discussed.

Milli Re was represented at this year's Indian Rendezvous in Mumbai by Mr. Gökhan Aktas (Foreign Inward Business Manager - Milli Re), Mr. Tolga Ureyen (Deputy Head / MENA & Indian Subcontinent - Milli Re), Ms. Aylin Kocatürk (Manager, FAIR Non-Life Reinsurance Pool) and Mr. Onur Sarpel (Underwriter, FAIR Non-Life Reinsurance Pool).

