

# Corporate Credit Rating Update

# Insurance Trade

SEGURE insurance Ltd.		Long Term	Short Term	
International	Foreign Currency	BBB-	A-3	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating	A (Trk)	A-1 (Trk)	
	Outlook	Stable	Stable	
Sponsor Support		2	-	
Stand Alone		AB	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

SEGURE SIGORTA LTD. (Segure Insurance Ltd.)						
Financial Data	1H(E)2013	2012*	2011*	2010*	2009*	2008*
Total Assets (000 USD)	2,271	4,445	5,071	3,906	2,590	2,018
Total Assets (000 TRY)	4,371	7,902	9,493	6,036	3,905	3,052
Equity (000 TRY)	1,831	2,070	1,956	1,220	762	631
Net Profit (000 TRY)	-239	142	387	523	131	52
Technical Profit (000 TRY)	110	1,284	1,659	1,349	762	420
Premium Income (000 TRY)	3,344	6,068	7,250	6,294	4,015	6,043
Market Share - Premium (%)	n.a	4.64	4.82	4.25	2.47	4.83
Market Share - Asset Size ** (%)	n.a	4.68	6.60	5.56	3.61	3.28
ROAA (%)	n.a	2.24	6.69	14.27	5.18	3.92
ROAE (%)	n.a	9.69	32.70	71.59	25.89	13.16
Solvency Ratio (%)	n.a	238.26	97.96	66.16	39.74	14.44
Liability Coverage Ratio (%)	n.a	250.49	161.80	114.59	79.65	46.05
Asset Growth Rate (%)	n.a	-16.76	57.27	54.57	27.96	200.69
Gross Written Premium Growth (%)	n.a	-16.31	15.20	56.74	-33.55	229.88

\*Assigned by Japan Credit Rating Agency, JCR on May 23, 2013

\*End of year \*\*Non-life only

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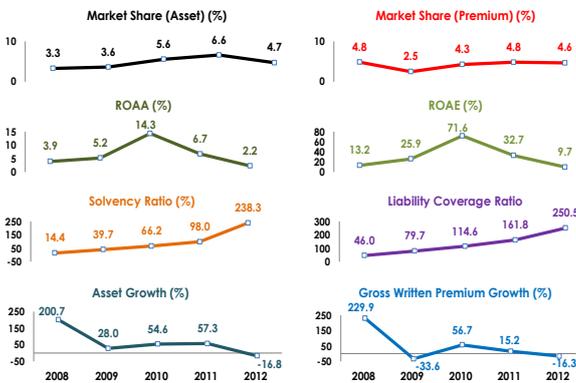
## Overview

**Segure Insurance Ltd.** (Segure Sigorta Ltd., hereinafter to be referred as 'Segure', 'Segure Insurance' or 'the Company') was established in the Turkish Republic of Northern Cyprus (TRNC) in 1996 to operate as a non-life insurance company and has a focus on four main branches of MVPD, fire, accident and marine.

The major controlling shareholders of Segure are Mr. Sedat GÜRKAN and Mr. Safa GÜRKAN. The Company increased its paid-in share capital amount to TRY1,927,024 during FY2012 within the registered capital amount of TRY2.66 mn.

In a vision to rearrange its business mix when needed and to offer non-life insurance services to underserved market segments, the Company utilizes its worldwide business engagements with some of major international players in the insurance and reinsurance brokerage fields and a widespread delivery channel of its agents.

Segure Insurance Ltd. ranked 9<sup>th</sup> in terms of total gross written premium and other income amongst the 27 insurance companies operating in TRNC as at the end of FY2012.



## Strengths

- Expected capital injection during FY2013 to further strengthen the capitalization level
- Maintenance of some of the core liquidity indicators
- Steady improvement in indicators of transfer of risks to reinsurer
- Room for growth for the underpenetrated insurance industry regarding low levels of insurance density and penetration
- Continuing efforts in decoupling itself from the sector through developing products for the underserved market segments
- Promulgation of new Insurance Services Law and some relevant regulations therein
- Improvement in organizational procedures, managerial reporting, on-the-job training for its agents and transparency issues
- Executive team with high level of relevant experience in the sector
- Maintenance of collaborative and strategic partnerships with major reinsurance institutions

## Constraints

- Deterioration in net profitability indicators impeding the internal equity generation trend
- High level of claims having been exposed to by past deficiencies in credit risk management through burdening agreements
- Aggravating political turmoil and unrest in the surrounding region
- Protracted stagnancy in advanced economies and debt crisis in EU peripheral countries to impose adversities on the global insurance industry
- Reluctance in the implementation of some regulations regarding the new Insurance Services Law together with lack of supervision
- Price competition particularly regarding the motor vehicle branch exerting pressure on the profitability of the sector

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