

# Corporate Credit Rating Update

# Insurance Trade

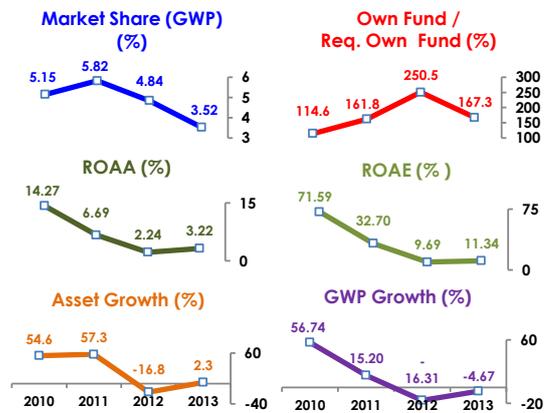
SEGURE insurance Ltd.		Long Term	Short Term
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC	Stable
LC		Stable	Stable
National	Local Rating	A (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		AB	-
Sovereign*	Foreign Currency	BBB-	-
	Local Currency	BBB-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

SEGURE SIGORTA LTD. (Segure Insurance Ltd.)						
Financial Data	1H(E)2014	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	2,835	3795	4445	5026	3926	2626
Total Assets (000 TRY)	6,018	8084	7,902	9,493	6,036	3,905
Equity (000 TRY)	1,625	2473	2,070	1,956	1,220	762
Net Profit (000 TRY)	-526	189	142	387	523	131
Technical Profit (000 TRY)	-147	1038	1,284	1,659	1,349	762
Premium Income (000 TRY)	3,500	5,784	6,068	7,250	6,294	4,015
Market Share - Premium ** (%)	n.a	4.06	4.84	5.82	5.15	3.52
Market Share - Asset Size ** (%)	n.a	3.87	4.68	6.60	5.56	3.61
ROAA (%)	n.a	3.22	2.24	6.69	14.27	5.18
ROAE (%)	n.a	11.34	9.69	32.70	71.59	25.89
Solvency Ratio (%)	n.a	170.81	238.26	97.96	66.16	39.74
Own Fund / Req. Own Fund (%)	n.a	167.34	250.49	161.80	114.59	79.65
Asset Growth Rate (%)	-25.56	2.30	-16.76	57.27	54.57	27.96
Gross Written Premium Growth (%)	n.a	-4.67	-16.31	15.20	56.74	-33.55

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

\*Affirmed by Japan Credit Rating Agency, JCR on July 11, 2014

Senior Analyst: Zeki M ÇOKTAN  
+90 212 352 56 73 [zekic@jcrer.com.tr](mailto:zekic@jcrer.com.tr)



## 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 the registered capital amount of TRY2.66 mn during FY2014.

The Company, by utilizing 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, pursues its vision of rearranging its business mix when needed and offering non-life insurance services to underserved market segments.

Segure Insurance Ltd. ranked 11<sup>th</sup> in terms of total gross written premium and other income amongst the 29 non-life insurance companies operating in TRNC as at the end of FY2013.

## Strengths

- Capital injections realized as planned having strengthened the capitalization level and met the legal requirements
- Partial restoration of maintenance of net profitability indicators
- Market risk exposure level kept to minimum
- Room for growth for the underpenetrated insurance industry regarding low levels of insurance density and penetration
- 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

- Demoted market influence through asset and premium growth lagging behind the sector averages
- Prolonged doubtful receivables continuing to deteriorate asset quality though in a more pronounced process of settlement
- Aggravating political turmoil and unrest in the surrounding region
- Reluctance in the implementation of some regulations regarding the new Insurance Services Law together with lack of supervision and deficiency in the publication of relevant national statistics
- Fierce price competition particularly regarding the motor vehicle branch exerting pressure on the profitability of the sector
- Share of liquid assets declining despite midyear improvement
- Decline in transfer rate of losses to reinsurer

Publication Date: August 20, 2014

"Global Knowledge supported by Local Experience"