

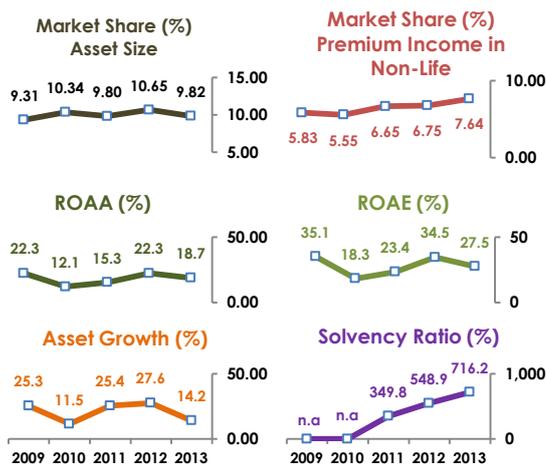
Corporate Credit Rating

Annual Review

Insurance

creditwest Creditwest Insurance Kibris		Long Term	Short Term
International	Foreign currency	BBB-	A-3
	Local currency	BBB-	A-3
	Outlook	Stable	Stable
National	Local Rating	A+ (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
Sponsor Support		2	-
Stand Alone		A	-
Sovereign*	Foreign currency	BBB-	-
	Local currency	BBB-	-
	Outlook	Stable	-

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

 Senior Analyst: Gökhan İYİĞÜN/ +90 212 352 56 73
gokhan.iyigun@jcrer.com.tr

Strengths

- Above sector average six year cumulative asset growth despite the last year figure that falls short of the sector average along with upward trend in market share during the last six years
- Continuous improvement in GWP over the years and three times higher six-year cumulative growth than that of the sector despite the below sector last year figure
- Remarkably above sector profitability ratios over the years despite relatively high deterioration in the last year
- Continuously improving loss and conversion ratios contributing to profit generation capacity
- Absence of doubtful receivables contributing to asset quality
- Reputable shareholding structure along with privileges of being a bank related company in the sense of market recognition, clientele, network, liquidity and funding costs

Constraints

- High amount of dividend payment in the current year deteriorating equity and liquidity levels
- Sector-wide issue of negative non-technical income level suppressing profitability
- Sector-wide issue of need for progress in corporate governance practices
- Redundancy in the number of companies together with motor own damage and third party liability insurance weighted structure of TRNC non-life insurance sector, leading to fierce competition throughout the sector

CreditWest Insurance Ltd.						
Financial Data	1H2014	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	5,917	9,637	10,118	7,464	7,309	6,778
Total Assets (000 TRY)	12,589	20,530	17,985	14,098	11,238	10,081
Equity (000 TRY)	4,484	14,484	11,733	9,005	7,534	6,550
Net Profit (000 TRY)	1,104	2,751	2,729	1,470	984	1,560
Technical Profit (000 TRY)	1,793	3,928	3,625	2,417	1,965	2,396
GWP & Oth. Tech. Income (000 TRY)	4,941	10,890	9,846	8,275	7,754	6,646
Market Share in Asset Size (%) **	n.a.	9.82	10.65	9.80	10.34	9.31
Market Share in Premium Income (%) ***	n.a.	7.64	6.75	6.65	5.55	5.83
ROAA (%)	n.a.	18.71	22.28	15.30	12.07	22.34
ROAE (%)	n.a.	27.49	34.47	23.44	18.27	35.09
Solvency Ratio (%) ****	354.77	716.22	548.88	394.84	n.a.	n.a.
Asset Growth (%) *****	-38.68	14.15	27.57	25.45	11.48	25.32
GWP & Oth. Tech. Income Growth (%)	n.a.	10.60	18.98	6.72	16.67	6.19

(*) FYE, (**) In Non-Life Sector, (***) In Non-Life Sector Regarding GWP and Other Technical Income, (****) Risk Based, (*****) 1H2014 Figure is Semi-Annual

Overview

Creditwest Insurance Ltd. (hereinafter Creditwest Insurance or the Company) was established in Lefkoşa and commenced operations in 1996. The Company is one of the leading non-life insurance companies operating in the Turkish Republic of Northern Cyprus (TRNC) with a market share of 7.64% regarding GWP including other technical income. 60% of the Company shares are held by six Altınbaş Family members. The remaining shares belong to the Altınbaş Group companies of Creditwest Bank and Creditwest Finance, with respective stakes of 30% and 10%.

Creditwest Insurance, with a total of 26 agents, including 14 Creditwest Bank's branches, is ranked third in terms of 'gross written premiums (GWP)' including other net technical income and ninth regarding claims amount paid amongst the 29 non-life insurance companies operating in the TRNC.

The Company carries out its activities via the cooperation of AON RE Benfield Insurance and Reinsurance Brokerage in Turkey.

Publication Date: August 21, 2014
"Global Knowledge supported by Local Experience"

Copyright © 2007 by JCR Eurasia Rating. 19 Mayıs Mah., 19 Mayıs Cad., Nova Baran Plaza No:4 Kat: 12 Şişli-İSTANBUL Telephone: +90.212.352.56.73 Fax: +90.212.352.56.75
 Reproduction is prohibited except by permission. All rights reserved. All of the information has been obtained from sources JCR-ER believes are reliable. However, JCR-ER does not guaranty the truth, accuracy, adequacy of this information. A JCR-ER Rating is an objective and independent opinion as to the creditworthiness of a security and issuer, not a recommendation to buy, hold, sell any security and to issue a loan. This rating report has been composed within the methodologies registered with and certified by SPK (Capital Markets Board of Turkey), BDDK (Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by the NRSRO regulations. <http://www.jcrer.com.tr>