

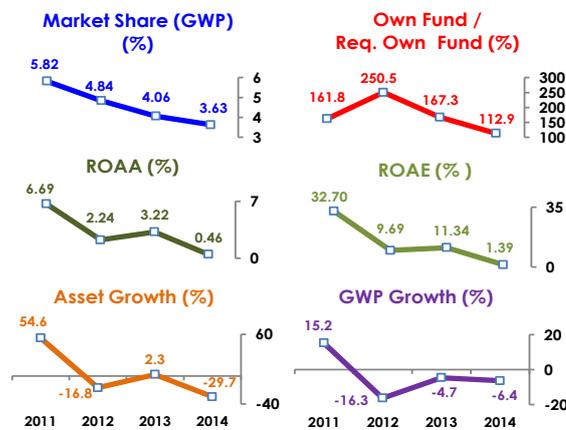
## Corporate Credit Rating Update

## 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	-

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

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### Strengths

- Capitalization level still above the required limits and equity compared to its assets increasing
- Market risk exposure level kept to minimum
- Sectorial assessments particularly room for growth regarding low levels of insurance density and penetration continuing to support the ratings
- Improved organizational procedures, managerial reporting, on-the-job training for its agents and transparency issues
- Executive team with long business track record in the sector
- Continuation of strategic partnerships bolstering international ratings
- Promulgation of new Insurance Services Law and some relevant regulations therein

### Constraints

- Market influence further weakened in terms of asset and premium growth compared to sector averages
- Level of profitability inadequate to contribute to internal equity generation
- Prolonged doubtful receivables and asset contraction continuing to deteriorate asset quality
- 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
- Downward path of share of liquid assets and solvency indicators

SEGURE SIGORTA LTD. (Segure Insurance Ltd.)						
Financial Data	1Q(E)2015	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	1,797	2,450	3,788	4,433	5,026	3,926
Total Assets (000 TRY)	4,695	5,681	8,084	7,902	9,493	6,036
Equity (000 TRY)	1,870	2,115	2,473	2,070	1,956	1,220
Net Profit (000 TRY)	-245	13	189	142	387	523
Technical Profit (000 TRY)	104	1,041	1,038	1,284	1,659	1,349
Premium Income (000 TRY)	1,805	5,414	5,784	6,068	7,250	6,294
Market Share - Premium ** (%)	n.a	3.63	4.06	4.84	5.82	5.15
Market Share - Asset Size ** (%)	n.a	2.42	3.87	4.68	6.60	5.56
ROAA (%)	n.a	0.46	3.22	2.24	6.69	14.27
ROAE (%)	n.a	1.39	11.34	9.69	32.70	71.59
Solvency Ratio (%)	n.a	103.08	170.81	238.26	97.96	66.16
Own Fund / Req. Own Fund (%)	n.a	112.87	167.34	250.49	161.80	114.59
Asset Growth Rate (%)	-17.34	-29.73	2.30	-16.76	57.27	54.57
GWP Growth*** (%)	n.a	-6.39	-4.67	-16.31	15.20	56.74

\*End of year \*\*Non-life only \*\*\*Incl. other technical income

### 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 Company, the major controlling individual shareholders of which are Mr. Sedat GÜRKAN and Mr. Safa GÜRKAN, had 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. has maintained its small scale in terms of total gross written premium and assets amongst the 29 non-life insurance companies operating in TRNC also during FY2014.