

**Corporate Credit Rating**
**Insurance**
*Annual Review*

creditwest Creditwest Insurance Kıbrıs		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	Positive	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

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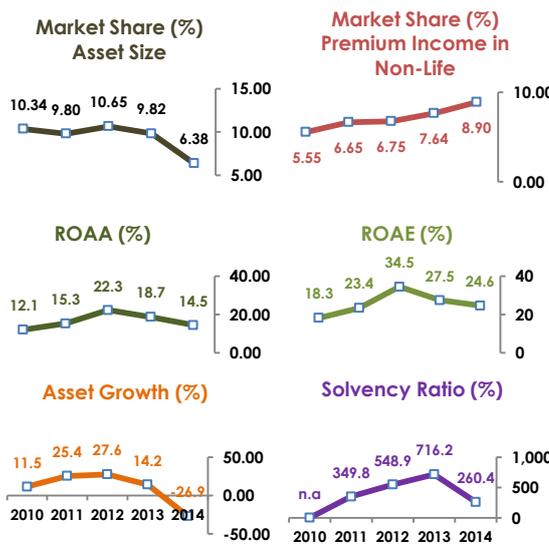
CreditWest Insurance Ltd.							
Financial Data		1H2015	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)		5,120	6,474	9,637	10,118	7,464	7,309
Total Assets (000 TRY)		13,748	15,013	20,530	17,985	14,098	11,238
Equity (000 TRY)		5,591	6,452	14,484	11,733	9,005	7,534
Net Profit (000 TRY)		1,104	1,968	2,751	2,729	1,470	984
Technical Profit (000 TRY)		1,793	3,705	3,928	3,625	2,417	1,965
GWP & Oth. Tech. Income (000 TRY)		7,403	13,270	10,890	9,846	8,275	7,754
Market Share in Asset Size (%) **		n.a.	6.38	9.82	10.65	9.80	10.34
Market Share in Premium Income (%) ***		n.a.	8.90	7.64	6.75	6.65	5.55
ROAA (%)		n.a.	14.51	18.71	22.28	15.30	12.07
ROAE (%)		n.a.	24.63	27.49	34.47	23.44	18.27
Solvency Ratio (%) ****		296.26	260.36	716.22	548.88	394.84	n.a.
Asset Growth (%) *****		-8.42	-26.88	14.15	27.57	25.45	11.48
GWP & Oth. Tech. Income Growth (%)		n.a.	21.85	10.61	18.98	6.72	16.67

(\*) 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 founded and began providing **non-life insurance** services in 1996. The Company, wholly owned by the **Altınbaş Group** (Creditwest Bank and Creditwest Finance) and Altınbaş family members, is one of the leading and most prominent non-life insurance companies operating in the **Turkish Republic of Northern Cyprus (TRNC)** with a wide product range covering 25 products. The Company held market shares of approximately 6.38% and 8.90% as of FYE2014 regarding asset size and GWP including other technical income, respectively. 60% of 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%.

The Company provides services to a customer portfolio of over 40,000 through its headquarters and 23 agents, 14 of which are Creditwest Bank branches, and a work force of 19 as of FYE2014. The Company maintained its position in the top four of the sector regarding 'gross written premiums (GWP)' including other net technical income and led the sector in profitability indicators. The Company carries out its activities via the cooperation of Aditya Birla Reinsurance Brokerage in Turkey.


**Strengths**

- Reputable and steady ownership structure along with benefits arising from being a bank affiliate regarding market recognition, customer base, network externalities, liquidity, funding costs and sport level
- Continuous and persistent GWP and other technical income growth together with steadily improving conversion ratio contributing to profit generation capacity
- Above sector standing of profitability ratios over the years despite deteriorations in the last two years
- Continuing evolutionment in portfolio structure in favor of segments with relatively low loss ratio levels
- Stable and experienced management team

**Constraints**

- Suppressed equity level and liquidity related ratios due to comparatively high dividend payment in the last year with their effects absorbed via robust shareholding structure
- Sector-wide need for progress in corporate governance practices and obtaining and compiling relevant sector data
- Highly competitive market conditions derived from the structure of TRNC non-life insurance sector, highlighted by a number of insurance companies and the high concentration of motor own damage and third party liability insurance segments
- Sector-wide issue of negative non-technical income level suppressing profitability

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