

Corporate Credit & Issue Rating

New Update

Sector: Insurance

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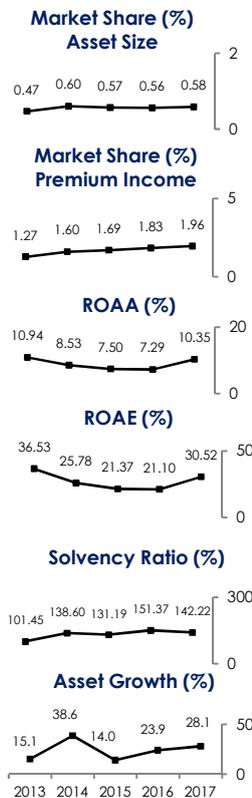
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RATINGS

		Long Term	Short Term	
International	Foreign Currency	BBB	A-3	
	Local Currency	BBB	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
Issue Rating	-	-	-	
National	Local Rating	AA (Trk)	A-1+ (Trk)	
	Outlook	Positive	Stable	
	Issue Rating	AA (Trk)	A-1+ (Trk)	
Sponsor Support	2	-	-	
Stand-Alone	AB	-	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Negative	-
LC		Negative	-	

*Affirmed by JCR on November 27, 2018



Acıbadem Sağlık ve Hayat Sigorta A.Ş. Company Overview

Financial Data	2018Q3**	2017*	2016*	2015*	2014*	2013*
Total Assets (000 USD)	198,027	228,724	191,306	186,885	205,581	137,288
Total Assets (000 TRY)	1,186,221	862,725	673,244	543,388	476,721	292,478
Equity (000 TRY)	339,606	294,662	226,210	194,148	163,788	90,791
Net Profit (000 TRY)	63,129	63,198	32,074	30,764	27,068	23,797
Technical Profit (000 TRY)	47,991	57,411	15,272	4,624	5,926	15,028
Gross Written Premiums (000 TRY)	918,183	913,306	739,720	522,361	416,307	308,020
Asset Market Share 1***	0.70	0.58	0.56	0.57	0.60	0.47
Asset Market Share 2****	1.06	0.88	0.88	0.88	0.94	0.76
Gross Premium Market Share 1***	2.32	1.96	1.83	1.69	1.60	1.27
Gross Premium Market Share 2****	20.57	17.94	17.24	14.83	12.69	9.07
ROAA (%)	N/A	10.35	7.29	7.50	8.53	10.94
ROAE (%)	N/A	30.52	21.10	21.37	25.78	36.53
Solvency Ratio (%)	N/A	142.22	151.37	131.19	138.60	101.45
Asset Growth (%)	37.50	28.14	23.90	13.98	62.99	17.80
GWP Growth (%)	25.55	23.47	41.61	25.47	35.16	29.85

(* End of year audited financial statements, (**) 2018Q3: September-end 2018 financial statements, (***) In the sector, (****) In the life & pension companies, (*****) In the health branch, GWP: Gross Written Premiums, GWP Growth (%) is measured with respect to the same period of the previous period

Acıbadem Sağlık ve Hayat Sigorta A.Ş. (hereinafter "Acıbadem Sigorta" or "the Company") is the second largest health insurance provider in the Turkish insurance market in terms of premium generation and is the only company in the sector specialized in the health insurance branch. The Company also provides life and personal accident policies.

The customer base of the Company is chiefly comprised of group insurance contracts with major domestic and international companies located in Turkey, while a smaller portion of services are provided to individual business lines. As of September-end 2018, the Company employed a total of 318 employees and had 5 district offices, 258 agencies, 62 brokers and 8 liaison offices as of October-end 2018. Acıbadem Sigorta was incorporated under Burau Ventures Sdn Bhd, fully owned by the insurance holding Avicennia Capital Sdn Bhd of Khazanah Nasional Berhad. Although the Company was fully acquired by the **Bupa International Markets Limited (BUPA)** in August 2018, necessary approvals were still pending as of the report date. The acquisition is planned to be completed at the beginning of 2019. Approval of the Competition Authority has already been granted.

Strengths

- Steady and solid growth trend in premium production greater than the market figures
- Robust shareholder, strategic partnerships and rooted brand name in health insurance branch contribute to the Company's national presence and growth
- Strong and improving market position in the health insurance branch supporting the Company's future growth potential
- Robust financial profile stemming from the lack of financial leverage, adequate capitalization and sufficient liquid resources
- Lower combined ratio reflecting improved underwriting profitability
- Rooted customer base primarily composing of prominent domestic and international companies operating in Turkey
- Increasing bottom-line profit generation supporting the equity base
- Competent and well-structured organizational base fostering corporate governance practices along with effective risk management
- Experienced and visionary senior management team

Constraints

- Exposure to concentration risk due to reliance on the health branch and corporate clients
- Ill-diversified distribution channel network pressuring the profit generation capacity of the sector and the Company
- Further increase in competition in health insurance market might pressure profit growth rates in future periods
- Potential decrease in the number of clients for health insurance due to deteriorated economic conditions