

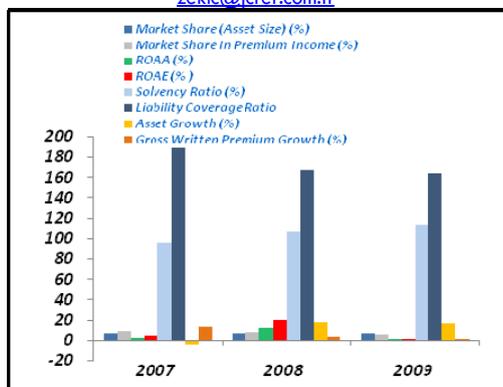
## Corporate Credit Rating Update

## Insurance Trade

		Long-Term	Short-Term
International	Foreign currency	BB	B
	Local currency	BB-	B
	Outlook	Positive	Stable
National	Local Rating	A (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
Sponsored Support		3	-
Stand-alone		B	-
Sovereign*	Foreign currency	BB	B
	Local currency	BB	B
	Outlook	Stable	Stable

\*Assigned by Japan Credit Rating Agency, JCR on February 1, 2010

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### Strengths

- Dominant public institutions amongst its shareholders
- Having high level of equity and adequacy to meet its obligations
- Having liquidity ratios compatible with international reference values and compliant with local regulations
- Low loss ratios in all branches except that of motor vehicles
- Investment and underwriting policies designated so as to eliminate direct influences of global economic crisis
- Recognition by international insurance associations (i.e., F.A.I.R. membership) and having a worldwide reinsurance network
- High level of customer satisfaction

### Constraints

- Persisting currency risk leading to high volatility of non-technical profitability
- Absence of income-generating investments and activities in the non-technical fields
- Economic contraction proceeding indirectly as an impediment for sectoral growth in terms of premium generation
- Risk imposed by the low amounts ceded to reinsurers
- High level of unfair price competition in the sector
- Gradual deterioration in market share during the last five years
- National and sectoral data is not timely shared or disclosed to the public in detail by the sovereign and subsovereign institutions

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“Global Knowledge supported by Local Experience”

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KIBRIS SİGORTA ŞTİ.LTD. Cyprus Insurance Co.Ltd.				
Financial Data	2009*	2008*	2007*	2006*
Total Assets (000 USD)	4,345	3,683	4,088	3,494
Total Assets (000 TL)	6,542	5,605	4,739	4,911
Equity (000 TL)	3,436	3,442	2,977	3,009
Net Profit (000 TL)	-6	465	72	1,004
Technical Profit (000 TL)	1,218	1,760	1,385	1,645
Premium Income (000 TL)	9,099	9,093	8,790	7,777
Market Share in Premium Income (%)	5.60	7.85	8.43	9.92
Market Share in Asset Size (%)	6.04	6.03	6.61	8.13
ROAA (%)	0.29	12.18	2.68	33.28
ROAE (%)	0.52	19.63	4.33	62.14
Solvency Ratio (%)	113.45	106.99	96.50	91.48
Liability Coverage Ratio (%)	163.89	167.02	189.20	144.25
Asset Growth Rate (%)	16.70	18.29	-3.50	19.44
Gross written premium Growth (%)	0.07	3.45	13.02	9.96

\*End of year

### Overview

KIBRIS SİGORTA ŞTİ.LTD. (Kıbrıs Sigorta or Cyprus Insurance Co.Ltd.), established in 1995, is an institution offering non-life insurance services in the Turkish Republic of Northern Cyprus (TRNC). State Development Bank, E.T.I. Enterprises Ltd. and Vakıflar Bank Ltd. are its main qualified shareholders.

Apart from the 2 firms that Kıbrıs Sigorta primarily cooperates with, the company also has ad hoc business relations with many foreign reinsurance firms.

Kıbrıs Sigorta is the third biggest amongst 32 insurance companies operating in TRNC in terms of written premiums. It has 50 agents (corporate: 21, individual: 29) spread throughout the 5 cities; Lefkoşa, Gazi Magusa, Güzelyurt, Yeni İskele and Girne. Besides, Kıbrıs Sigorta is one of the 194 members of the Federation of Afro-Asian Insurers and Reinsurers (F.A.I.R.), which promotes cooperation among insurance and reinsurance companies in 52 states of Africa and Asia.