

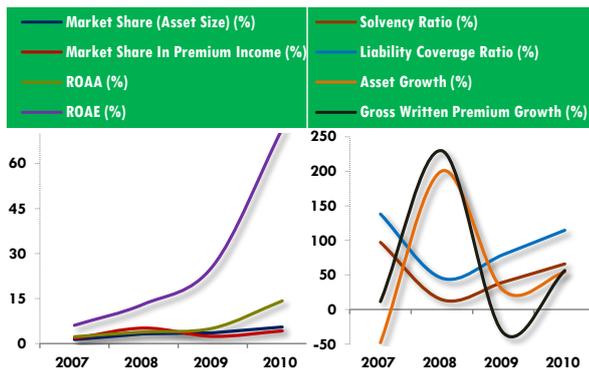
Corporate Credit Rating
Update

Insurance Trade

segure insurance Ltd.		Long Term	Short Term
International	Foreign currency	BB-	B
	Local currency	BB-	B
	Outlook	Stable	Stable
National	Local Rating	A (Trk)	A-1 (Trk)
	Outlook	Stable	Stable
Sponsor Support		3	-
Stand Alone		AB	-
Sovereign*	Foreign currency	BB	B
	Local currency	BB	B
	Outlook	Stable	Stable

*Affirmed by Japan Credit Rating Agency, JCR on February 21, 2011

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Strengths

- Much higher cumulative asset and GWP growth rates than the sector during the last 5 years
- Sector wide maintenance of growth trend by weathering adversities of natural catastrophes with limited detriments
- Steadily increasing trend (upsurge in FY2010) of ROAA and ROAE figures during the last four years under review
- Promulgation of new Insurance Services Law envisaging many advances
- Restored growth trend in global insurance industry
- Low levels of insurance density and penetration promising high potential for growth
- Adequate business agility to reshuffle its operational mix when needed
- Experienced executive team
- Having worldwide sound reinsurance engagements in a diversified manner
- High performance in introducing innovative insurance products and benefiting through providing services for underserved segments of the insurance market
- Low level of exposure to financial risks partly owing to its small-sized balance sheet

Constraints

- Adversities to be imposed on the sector by possible escalation of European sovereign debt crisis and political turmoil in MENA countries
- Sector wide inadequacy of non-technical income level
- Authorities' reluctance in issuing necessary regulatory statutes regarding the implementation of the Insurance Services Law
- Pressure exerted on profitability by intense unfair price competition
- National and sectoral data not disclosed to the public in a timely manner by public authorities and professional organizations
- Inadequacies in the fundamental issues of corporate governance practices
- Absence of institutional shareholders in its shareholding structure
- Ostensible global tendency towards excessive regulation regarding solvency issues
- Though currently meeting the legal requirements to cover its liabilities, need for additional capital injection to further strengthen its capitalization level
- Monolithic customer base with limited cross-selling opportunities regarding restricted geographical coverage
- Currency risk undertaken due to long position which has a potential risk in floating exchange rate system
- Fluctuating pattern of GWP figures

SEGURE SIGORTA LTD. (Segure Insurance Ltd.)					
Financial Data	2010*	2009*	2008*	2007*	2006*
Total Assets (000 USD)	3,906	2,590	2,018	872	1,384
Total Assets (000 TL)	6,036	3,905	3,052	1,015	1,945
Equity (000 TL)	1,220	762	631	579	566
Net Profit (000 TL)	523	131	52	12	32
Technical Profit (000 TL)	1,349	762	420	741	529
Premium Income (000 TL)	4,349	3,875	5,732	1,593	1,445
Market Share in Premium Income (%)	4,25	2,47	5,22	1,93	2,09
Market Share in Asset Size (%) **	5,56	3,61	3,28	1,42	3,22
ROAA (%)	14,27	5,18	3,92	2,39	3,37
ROAE (%)	71,59	25,89	13,16	6,18	10,51
Solvency ratio (%)	66,16	39,74	14,44	97,35	71,95
Liability Coverage Ratio (%)	114,90	79,74	45,60	138,35	208,65
Asset Growth Rate (%)	54,57	27,96	200,69	-47,83	135,31
Gross Written Premium Growth (%)	56,74	-33,55	229,88	11,70	36,98

*End of year **Non-life only

Overview

Segure Insurance Ltd. (Segure Sigorta Ltd., to be referred as 'Segure' or 'Company' hereinafter), operating as a non-life insurance company in the Turkish Republic of Northern Cyprus (TRNC), was incorporated in 1996. Mr. Safa GÜRKAN and Mr. Sedat GÜRKAN are the major controlling holders of Segure's currently with a paid share capital of TL 908,772 within the registered capital amount of TL 2mn.

The Company which does not offer life insurance, offers services to many segments by reshuffling its operational mix in some cases –directing its activities towards underserved market segments or public institutions to name a few. The Company operates in the TRNC through its worldwide business engagements with some of major international players in the insurance and reinsurance brokerage fields.

Segure Insurance Ltd. ranked 5th in terms of total gross written premium and other income amongst the 28 insurance companies operating in TRNC at the end of FY2010.

The Company has been awarded the ISO 9001 Quality System certificate and has 36 agents (exclusive: 10, banks (acting as exclusive agent): 2) as major delivery channels.