

Corporate Credit Rating

New Update

Sector: Insurance

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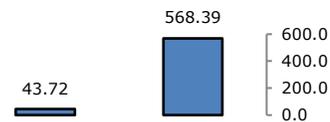
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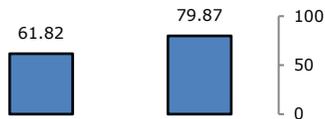
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AAA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Negative	-
	International LC ICR	BB	-
ISRs (Issue Specific Rating Profile)	International LC ICR Outlooks	Negative	-
	National ISR	-	-
	International FC ISR	-	-
Sovereign*	International LC ISR	-	-
	Foreign Currency	BB (Negative)	-
	Local Currency	BB (Negative)	-

* Assigned by JCR on Aug 18, 2022

Asset Growth Rate (%)



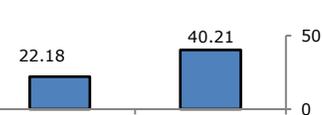
Cash and Cash Similar/Total Assets (%)



Receivables from Operating Act./Total Assets (%)



Equity/Total Assets (%)



Özel Riskler Yönetim Merkezi

JCR Eurasia Rating has evaluated "Özel Riskler Yönetim Merkezi" in the highest investment level category and affirmed the Long-Term National Issuer Credit Rating at 'AAA (tr)' and the Short-Term National Issuer Credit Rating at 'J1+ (tr)' with 'Stable' outlooks. On the other hand, the Long-Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as 'BB/ Negative' as parallel to international ratings and outlooks of Republic of Türkiye.

Özel Riskler Yönetim Merkezi's (hereinafter referred to as "ÖRYM" or 'the Company') roots are back to Olağandışı Riskler Yönetim Merkezi, whose foundations "Article 33/A" added to the "Insurance Law No. 5684" on March 29, 2011. The name of Olağandışı Riskler Yönetim Merkezi was changed to ÖRYM with the amendment in the law article and ÖRYM became a legal entity on May 25, 2021.

ÖRYM, which is a legal entity, was established to provide coverage, to establish or coordinate insurance or reinsurance pools, to ensure cooperation between insurance and reinsurance companies, and to carry out the pool, organization or cooperation mechanisms to be created for risks that do not have insurance or reinsurance coverage from domestic or international markets, or for which it is difficult to provide coverage, for risks that are peculiar, such as nuclear risks, and for risks that are in the public interest to be insured.

Based on the above-mentioned law article, the following pools have been established until the report date; Compulsory Liability Insurance for Medical Malpractice, Mining Employees Mandatory Personal Accident Insurance, State Supported Trade Receivables Insurance for SMEs.

Türk Reasürans A.Ş. has been appointed as the "Technical Operator" by the Republic of Türkiye Ministry of Treasury and Finance for a period of 5 years as of July 30, 2021 has been commissioned.

Key rating drivers, as strengths and constraints, are provided below.

Strengths

- Low and decreasing level of loss ratio in the period under review,
- Diverse sectors and low risk of customer concentration to minimize risk in the field of receivables insurance,
- Diversification of risks and strengthening of the financial structure by investing the collected premiums,
- Customer growth supported by product diversification,
- Capability to transfer the risk to internationally recognized reinsurers and Republic of Türkiye Ministry of Treasury and Finance in a certain extent,
- Strong support of the Republic of Türkiye Ministry of Treasury and Finance, ensuring the continuity of ÖRYM's activities,
- Operating in a highly regulated market.

Constraints

- The limited financial resources of SMEs compared to large enterprises and the increased risk of debt collection due to the unfavorable investment climate,
- Risks such as cyber risk, climate change risk and legal regulations effecting the insurance industry,
- Limited analysis due to financial statements starting in 2021,
- Global economic growth slows down evidenced by commodity prices and trade figures on the back of rapid monetary tightening, whereas domestic restrictive financial conditions limit access to finance.

Considering the aforementioned points, the ÖRYM's Long-Term National Issuer Credit Rating has been affirmed at 'AAA (tr)'. Taking into account the ÖRYM's net income generation capacity, public support, experienced and qualified organizational structure, as well as, Russia-Ukraine crisis, European recession concerns and geopolitical risks-driven uncertainties; have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. A maintaining the Company's sustainability, loss/premium ratio, debt ratio, profit margins and regulations, as well as market conditions regarding the sector will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.