

Corporate Credit Rating

Annual Review

Insurance

creditwest Creditwest Insurance Kibris		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	Stable	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	1H2014	2013*	2012*	2011*	2010*	2009*
Total Assets (000 USD)	5,917	9,637	10,118	7,464	7,309	6,778
Total Assets (000 TRY)	12,589	20,530	17,985	14,098	11,238	10,081
Equity (000 TRY)	4,484	14,484	11,733	9,005	7,534	6,550
Net Profit (000 TRY)	1,104	2,751	2,729	1,470	984	1,560
Technical Profit (000 TRY)	1,793	3,928	3,625	2,417	1,965	2,396
GWP & Oth. Tech. Income (000 TRY)	4,941	10,890	9,846	8,275	7,754	6,646
Market Share in Asset Size (%) **	n.a.	9.82	10.65	9.80	10.34	9.31
Market Share in Premium Income (%) ***	n.a.	7.64	6.75	6.65	5.55	5.83
ROAA (%)	n.a.	18.71	22.28	15.30	12.07	22.34
ROAE (%)	n.a.	27.49	34.47	23.44	18.27	35.09
Solvency Ratio (%) ****	354.77	716.22	548.88	394.84	n.a.	n.a.
Asset Growth (%) *****	-38.68	14.15	27.57	25.45	11.48	25.32
GWP & Oth. Tech. Income Growth (%)	n.a.	10.60	18.98	6.72	16.67	6.19

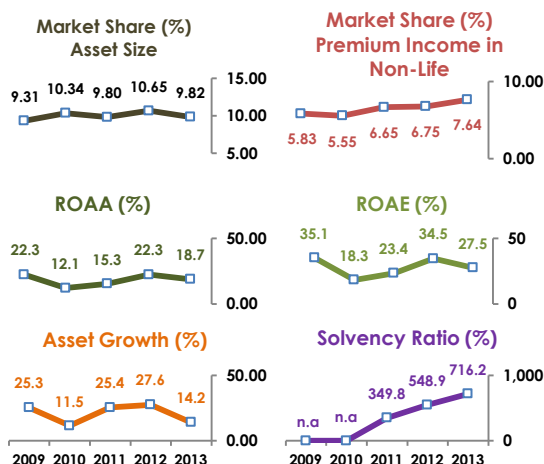
(*) FYE, (**) In Non-Life Sector, (***) In Non-Life Sector Regarding GWP and Other Technical Income, (****) Risk Based, (*****) 1H2014 Figure is Semi-Annual

Overview

Creditwest Insurance Ltd. (hereinafter Creditwest Insurance or the Company) was established in Lefkoşa and commenced operations in 1996. The Company is one of the leading non-life insurance companies operating in the Turkish Republic of Northern Cyprus (TRNC) with a market share of 7.64% regarding GWP including other technical income. 60% of the 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%.

Creditwest Insurance, with a total of 26 agents, including 14 Creditwest Bank's branches, is ranked third in terms of 'gross written premiums (GWP)' including other net technical income and ninth regarding claims amount paid amongst the 29 non-life insurance companies operating in the TRNC.

The Company carries out its activities via the cooperation of AON RE Benfield Insurance and Reinsurance Brokerage in Turkey.


Strengths

- Above sector average six year cumulative asset growth despite the last year figure that falls short of the sector average along with upward trend in market share during the last six years
- Continuous improvement in GWP over the years and three times higher six-year cumulative growth than that of the sector despite the below sector last year figure
- Remarkably above sector profitability ratios over the years despite relatively high deterioration in the last year
- Continuously improving loss and conversion ratios contributing to profit generation capacity
- Absence of doubtful receivables contributing to asset quality
- Reputable shareholding structure along with privileges of being a bank related company in the sense of market recognition, clientele, network, liquidity and funding costs

Constraints

- High amount of dividend payment in the current year deteriorating equity and liquidity levels
- Sector-wide issue of negative non-technical income level suppressing profitability
- Sector-wide issue of need for progress in corporate governance practices
- Redundancy in the number of companies together with motor own damage and third party liability insurance weighted structure of TRNC non-life insurance sector, leading to fierce competition throughout the sector

Publication Date: August 21, 2014
"Global Knowledge supported by Local Experience"

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1. Rating Rationale

Creditwest Insurance is one of the leading companies operating in the Turkish Republic of Northern Cyprus (TRNC) non-life insurance sector, with a 9.82% market share regarding asset size. The sector covers 29 non-life companies, two of which were established in 2014. The Company ranked 3rd in premium production and 9th in paid losses as of FYE2013.

The TRNC declared its independence in 1983 and is only recognized by Turkey. The Republic of Turkey provided support and established strong collaborative ties with the TRNC concerning economic, political, commercial and military matters since its independence.

JCR Eurasia Rating has equalized the sovereign risk assessment of the TRNC with that of the Republic of Turkey due to the strong collaboration between TRNC and the Turkish Republic in many fields.

The Company's independent audit report prepared in conformity with local regulations, non-life insurance sector statistical data of the Insurance and Reinsurance Association of the TRNC along with some difficulties in obtaining and compiling them, JCR Eurasia Rating's own studies and records, information and clarifications provided by the Company and non-financial figures constitute the major basis of Creditwest Insurance's ratings. Moreover, the life segment data was not received as of the report date.

In addition to the Company's profitability and performance figures, asset size and quality, equity level and structure, liquidity profile, market shares, growth rates and expected support, the main shareholders' financial and non-financial positions, corporate governance and risk management practices, the growth potential of the sector, level of exposure to risks, the development of internal and external risks in the market were also taken into consideration while determining the risk assessment of the long-term international local currency and foreign currency grades as well as national grades.

Prominent Rating Considerations are;

Above Sector Cumulative Asset Growth Leading to Upward Trend in Market Share despite Deterioration in the Last Year

The Company's cumulative asset growth exhibited a slightly but continuously above sector average pattern with a cumulative increase of 212.15% during the last six years between 2007 and 2013 while the sector's cumulative growth rate was 191.78% for the same period. Accordingly, its market share regarding asset size performed an upward trend. On the other hand, its 2013 asset growth of 14.15% stayed remarkably below the non-life sector average of 23.82%.

Remarkably Above Sector Equity Level Along With a High Amount of Dividend Payment in the Current Year

Equity to total assets ratio of the Company exhibited a continuously and remarkably above sector average pattern over the years and stood at 70.55% against the sector figure of 52.82% as of FYE2013. The Company's ongoing retention policy of profits was the main factor of it. On the other hand,

the stated ratio decreased to 35.62% due to TRY 10mn dividend payment in 1H2014.

Continuously Improving and Remarkably Above Sector Growth Performance in GWP Production

The Company outperformed the non-life sector in the growth of gross written premium (GWP) over the last six years. The six-year growth of the Company's GWP and other technical income stood remarkably above the non-life sector average (36.74%) with a ratio of 124.08% as of FYE2013. On the other hand, the last year's GWP and other technical income growth performance of 10.60% stayed below the sector figure of 20.21%.

Above Sector Profitability Ratios Along With a Deterioration in the Last Year

Both the Company's profitability ratios ROAA and ROAE exhibited a remarkably above sector pattern over the years. The stated ratios exercised the 2013 year-end values of 18.71% and 27.49%, respectively, against the sector values of 8.39% and 16.11%, respectively. On the other hand, while the sector figures improved, the Company figures deteriorated in the last year due mainly to a 157% increase in other expenses.

Continuously Improving Loss and Conversion Ratios Contributing to Profit Generation Capacity

The Company's loss ratios exhibited a continuously improving trend over the years and decreased to 12.82% in 2013 from 68.74% in 2009 regarding net premiums and net incurred losses. Moreover, in line with the Company's management strategy regarding preferred balance level between profitability and risk avoidance, the conversion ratio, the ratio of 'net premiums to gross premiums', exhibited an increasing trend over the years. This figure represented in lower premiums ceded to the reinsurer and contributed to profit generation capacity in the periods of decreasing loss ratio.

Reputable Shareholder Structure along with Privileges of Being a Bank Related Company

Creditwest Bank, a leading commercial bank in TRNC, is the at most shareholder of **Creditwest Insurance** with a 30.00% stake. Moreover, the real person shareholders of the Company hold the majority shares of **Altınbaş Holding**, a prominent conglomerate in Turkey. The Company uses its advantages as a bank-related company under the roof of a robust group regarding liquidity, funding term and costs, customer portfolio base and access network.

Fierce Competition Derived From Excess Number of Companies and High Product Concentration in the Sector

The TRNC Insurance Sector covers 31 companies, two of which were licensed in 2014 and two operating in the life-segment. Moreover, the insurance sector of TRNC was based on motor own damage and accident, including compulsory motor third party liability insurance (MTPL), segments holding an approximately 80% share in the sector. Accordingly, the above stated issues have led to fierce competition in the sector.

Deteriorated 1H2014 Equity and Liquidity Levels through High Amount of Dividend Payment

The Company exercised a TRY 10mn dividend payment in 1H2014. Accordingly, the above sector equity level of the Company decreased remarkably to 35.62% as of June 2014 from 70.55% year-end value. Moreover, the Company's year-end above sector (47.46%) liquid assets level of 63.71% deteriorated to 42.17% as of 1H2014. Although the stated deteriorations in equity and liquidity levels pushed up the Company's risk level, the robust shareholding structure of the Company including Creditwest Bank and Altınbaş Family members absorbed the effects of the stated deteriorations.

With respect to the above mentioned factors, JCR Eurasia Rating has affirmed the long term international foreign currency and local currency ratings as '**BBB-**', the same as that of the sovereign ratings of the Republic of Turkey, and affirmed the long term national local rating as '**A+ (Trk)**' in JCR Eurasia Rating's notation system, which denotes a high investment grade.

2. Outlook

A '**Stable**' outlook has been assigned for the Company's short and long term national grades with the expectation of minimal changes in existing conditions, state of affairs and development trends due to exhibited trends in the main financial performance indicators, changing trend in the portfolio structure on behalf of branches with relatively low loss ratio levels, continuing improvement in GWP production, as well as the below sector profitability and GWP growth figures in the last year, deteriorating equity and liquidity levels due to dividend payment in the current year along with robust shareholding structure absorbing effects on risk level, improvement needs in corporate governance principals both in the sector and the Company and high competition in the sector.

Additionally, JCR Eurasia Rating has affirmed and assigned '**Stable**' outlooks on the international long and short term local currency rating perspectives of Creditwest Insurance. The outlook regarding the long-term is that of the sovereign rating's outlook of the Republic of Turkey.

The main driving forces that can call forth a revision in the current outlook status include Company related issues affecting asset quality and liability profile, along with Turkey's sovereign rating which is highly responsive to domestic and foreign political and economic uncertainties, tensions and developments. The management of additional risks combined with the growth and improvement in Turkey, the Turkish Republic of Northern Cyprus and the global financial climate are the substantial factors that may be taken into consideration for any future change in ratings and outlook status.

3. Sponsor Support and Stand Alone

Sponsor support grades and their risk estimations reflect the financial and non-financial states and expected support of the main shareholders of Creditwest Insurance. It is considered that the Company's real person shareholders, the Altınbaş Family members, have the capacity to provide financial and operational support as and when required. The Altınbaş

Family's business activities are principally based in Turkey, the Turkish Republic of Northern Cyprus, Albania and Ukraine in the field of finance, jewelry, logistics and energy.

The Stand Alone Grade has been constituted particularly with respect to Creditwest Insurance's asset quality, premium generation capacity, equity level, liquidity level, profitability ratios and growth potential and the development of existing risks in the markets and business environment.

Under these assessments, JCR Eurasia Rating has affirmed the Sponsor Support Grade as '**2**', reflecting the financial and non-financial states and expected support by the shareholders, and a Stand Alone Grade of '**A**' with the opinion that Creditwest Insurance has reached the level of adequate experience and facilities to manage the incurred risks on its balance sheet successfully without any assistance from its shareholders, on condition that it maintains the current customer level and efficiency in the market. Group company synergy and support are forceful components behind the Company's effectiveness.

The following table provides the Company's 2013 year-end shareholder structure and realized changes over the last four years. There was no change in either the shareholding structure or paid-capital amount over the last three years.

CreditWest Insurance Ltd. Shareholders Structure	Share %			
	2013	2012	2011	2010
Creditwets Bank Ltd.	30.00	30.00	30.00	30.00
Creditwest Finance Ltd.	10.00	10.00	10.00	10.00
Ali ALTINBAŞ	10.00	10.00	10.00	10.00
Aliye ALTINBAŞ	10.00	10.00	10.00	10.00
Hüseyin ALTINBAŞ	10.00	10.00	10.00	10.00
Sofu ALTINBAŞ	10.00	10.00	10.00	10.00
İmam ALTINBAŞ	10.00	10.00	10.00	10.00
Nusret ALTINBAŞ	10.00	10.00	10.00	10.00
TOTAL	100.00	100.00	100.00	100.00
Paid Capital (TRY/000)	4,000	4,000	4,000	1,100

• Creditwest Bank Ltd.

Creditwest Bank Limited, fully owned by members of the Altınbaş Family, was incorporated under the name Altınbaşbank in 1994 and renamed Creditwest Bank in 2006. The Bank is fully licensed to carry out all banking operations in the TRNC. The Bank provides a wide range of banking services, including deposit acceptance, the granting of corporate and personal loans as well as other banking services through its fourteen branches. Creditwest Bank had a market share of 8.62% as of FYE2013 (FYE2012: 7.59%) with total asset size of TRY 1,152mn and was the 3th largest bank (5th in 2012) among the 22 banking institutions in the TRNC.

• Creditwest Finance Ltd.

Creditwest Finance Limited was established in 1994 to offer services in the consumer financing sector. It focuses on providing finances through leasing. 48.91% of shares of Creditwest Finance Limited are owned by Creditwest Bank Limited.

• **Altınbaş Group**

The Altınbaş Group, one of the most prominent groups in Turkey, has operations in seven countries on three continents. Prime business activities are based in Turkey, the Turkish Republic of Northern Cyprus, Albania and Ukraine. The Group established Turkey's first gold jewelry factory and currently leads the Turkish jewelry sector through its 111 concept stores. The Group has diversified its geographical and business risks by holding interests in seven different sectors i.e. energy, finance, jewelry, logistics, real estate, education and sports. The Group owns the well-known brand names of Altınbaş, Alpet and Assos.

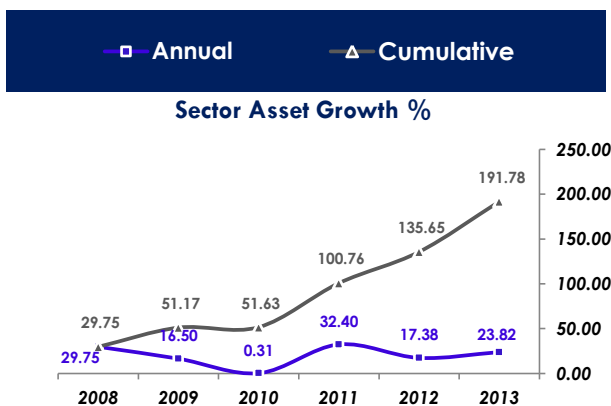
4. Sector Overview & Operational Environment

The TRNC Insurance Sector began a process of restructuring with the implementation of Insurance Services Act comes into force on December 31, 2010. The sector covers 31 companies, two of which were licensed in 2014. Two operate in the life-segment.

The TRNC Insurance Sector is based on the motor own damage and the accident, including compulsory motor third party liability insurance (MTPL), segments which hold an approximately 80% share of the sector. The fire segment, with a small share compared to the stated segments, ranks third through the conscious sectors such as universities and hotels. The delivery channels of the sector had an agent-weighted distribution and only one registered insurance broker exists in the sector.

Deficiencies in sectoral data processing, the sheer number of insurance companies leading to price-based intense competition, the need for improvement in regulations of the regarding company mergers and deficiencies in the number of experts and actuaries are the main structural issues facing the TRNC Insurance Sector.

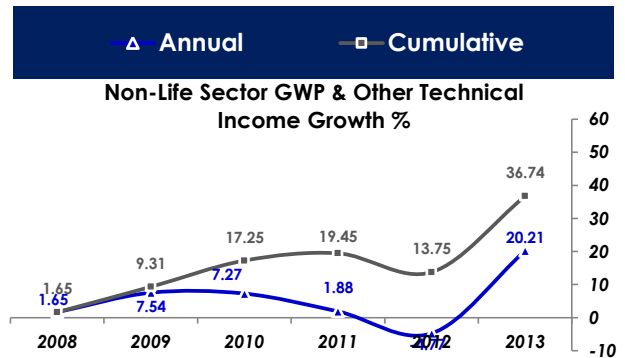
Within the issue of deficiencies in sectoral data processing, the consolidated 2013 year-end sectoral data was obtained by JCR Eurasia Rating in August 2014. With the exception of 2010, the year of great flood disaster, the sector exhibited an ongoing assets size growth since 2007 and a six-year cumulative growth of 191.78% as of FYE2013.



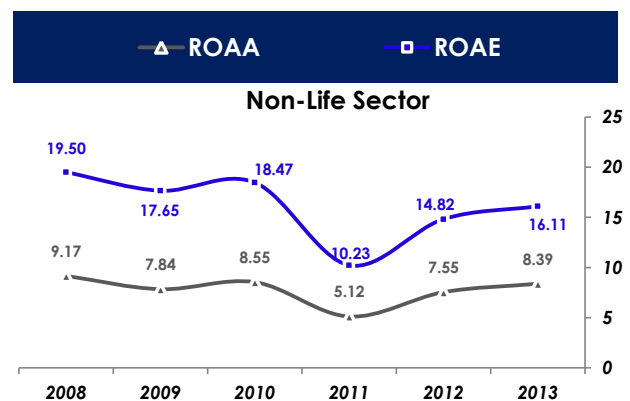
The 2013 year-end premium production data of the TRNC life insurance sector could not be reviewed due to non-

availability. While the non-life insurance sector's premium production volume exhibited a decreasing trend following 2009, it exhibited a steep recovery and increased by 20.21% to TRY 142.54mn from TRY 118.57mn in 2013.

Although the 2013 premium production volume of the life segment could not be achieved, its share in the total 2012 premium volume was almost 5%. During FY2012 the non-life and life insurance companies wrote total premiums of TRY 118.57mn and TRY 5.34mn, respectively, including administrative charges.

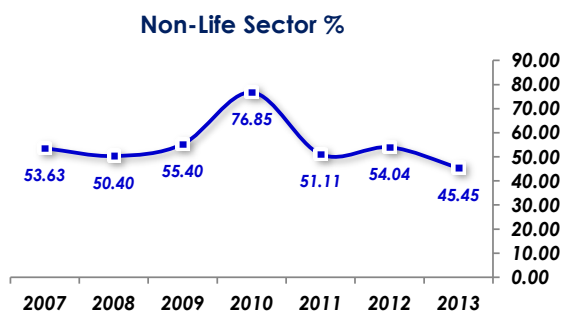


As for the profitability of the non-life insurance sector, the high catastrophe losses in 2011 adversely affected the underwriting profitability while the low interest rates impeded the generation of investment activity returns. On the other hand, both the ROAA and ROAE ratios recorded an almost 50% improvement in 2012 due to a 82.59% increase in pre-tax profit derived from a 47.34% increase in technical profit against a 10.71% increase in overhead expenses. The stated ratios maintained their improvements in 2013 through 34.34% increase in pre-tax profit along with 20.86% and 23.60% increases in average total assets and equity, respectively.



2013 year-end GWP and paid losses data of the non-life insurance sector was available as of the report date. Accordingly, the ratio of 'paid & outstanding losses to GWP and other technical income' improved in 2013 and stood at the lowest value of 45.45% over the last seven years, contributing to profit generation capacity of the sector.

—■ Paid Losses to GWP %



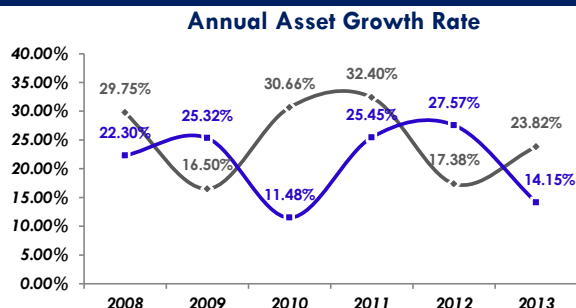
The TRNC Insurance Sector is regulated by the Insurance Services (Regulation and Supervision) Law no.60/2010 effectuated on January 01, 2012, with a view to improve the harmonization level with EU regulations.

It is expected that the sector's effectiveness and accountability will improve and the destructive competition will reduce through the capital adequacy and licence requirements and the regular supervision and compliance monitoring activities envisaged by the Law. Moreover, the recently established traffic information centre, which needs to improve its effectiveness, aims to increase the effectiveness, traceability and formality of the motor own damage and MTPL segments holding an approximately 80% share in the TRNC insurance sector. Additionally, the new approaches and practices of local authorities such as filling a complaint against unlicensed agents as well as insurance companies working with unlicensed agents and notification of three-month traffic insurance tariffs to authorities by the companies would contribute to the sector's competition and confidence levels.

5. Financial Analysis

Both the Company and sector figures exhibited an oscillating pattern during the review period between 2007 and 2013. The Company posted its highest annual asset growth in the last year. On the other hand, its 2013 asset growth of 14.15% stayed remarkably below the non-life sector average of 23.82%.

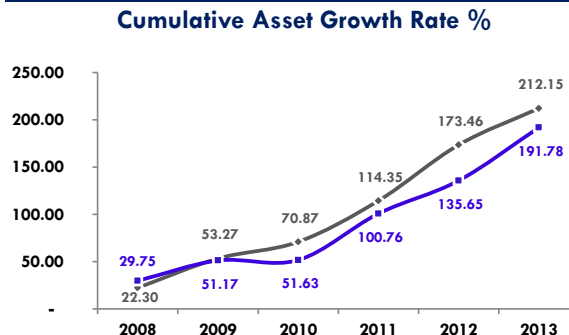
—◇ Sector —■ CreditWest



The Company's cumulative asset growth rate exhibited a slightly but continuously above sector average pattern with a cumulative increase of 212.15% during the last six years

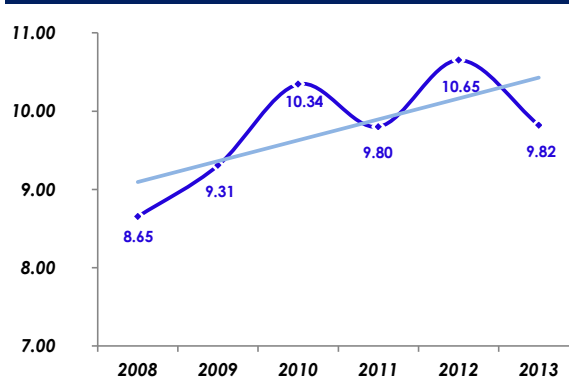
between 2007 and 2013 while the sector's cumulative growth rate was 191.78 % for the same period.

—◇ Credit West Insurance —■ Sector

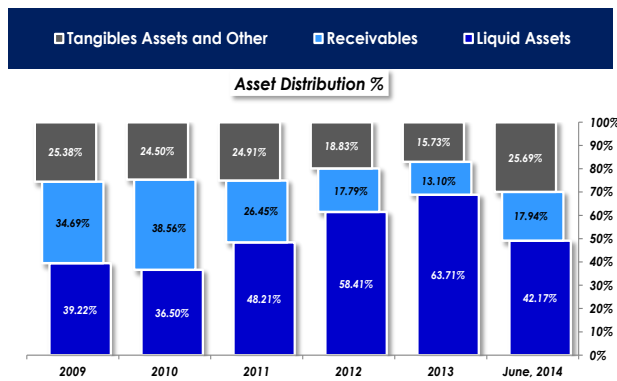


As a natural consequence of the above stated performance, the Company's market share in terms of asset size also exhibited an increasing trend throughout the same period. Creditwest Insurance's asset base market share displayed a fluctuating pattern over the period under review and decreased to 9.82% in 2013 from 10.65% in 2012.

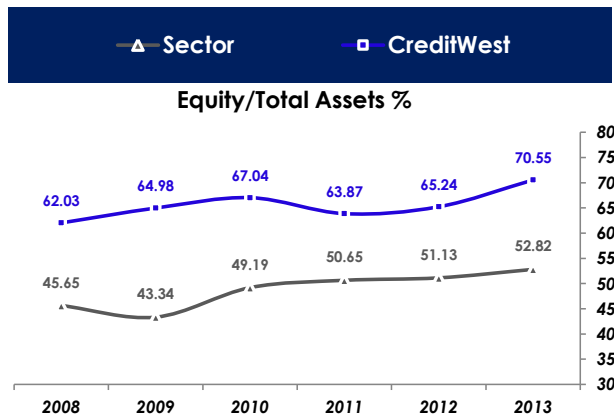
—◇ Asset Market Share % — trend line



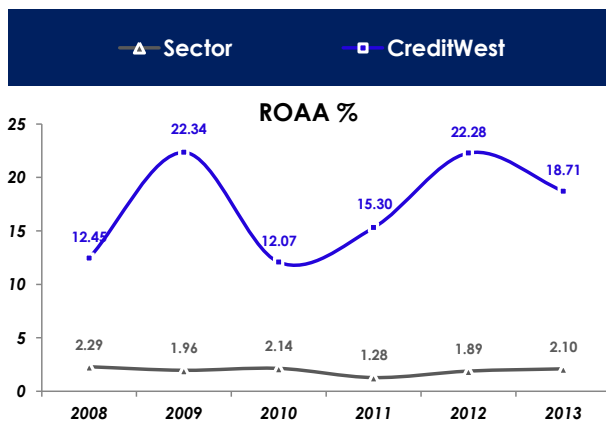
The Company's financial statements had a total assets size of TRY 20.53mn with a dispersion of 63.71% cash and cash equivalent assets, 13.10% receivables with a high collection capacity from agencies and insurance holders and 15.73% tangible and other assets as of FYE2013. The continuing increase in liquid assets from 48.21% in 2011 to 63.71% in 2013 along with decreases in receivables and tangible assets contributed to the Company's risk level and liquidity management. On the other hand, the TRY 10mn dividend payment in 1H2014 resulted with remarkable change in the Company's asset distribution eliminating the above-mentioned contributions.



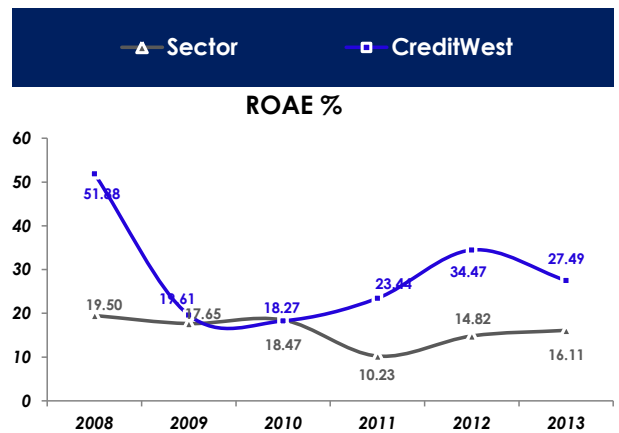
The Company's equity to total assets ratio exhibited a continuously and remarkably above sector average pattern over the years and stood at 70.55% against the sector figure of 52.82% as of FYE2013. The Company's ongoing retention policy of profits contributed to its equity level over the years. On the other hand, the stated ratio decreased to 35.62% due to the TRY 10mn dividend payment in 1H2014.



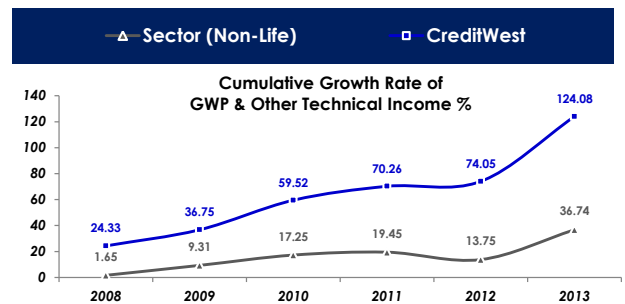
One of the principal profitable ratios, ROAA, was markedly above the sector averages for the entire period under review despite deteriorating 18.71% from 22.28% in 2013. The stated Company ratio was approximately nine times higher than that of the sector figure as of FYE2013.



While the sector's return on average equity (ROAE) figure improved, the Company's stated ratio decreased in 2013. On the other, it maintained its above sector standing with a year-end value of 27.49% against the sector figure of 16.11%.



The Company outperformed the non-life sector in the growth of gross written premium (GWP) over the last six years. Moreover, the related figure of the Company exhibited a higher improvement than that of the sector over the last two years, increasing the spread. The six-year growth of the Company's GWP and other technical income stood remarkably above the non-life sector average (36.74%) with a ratio of 124.08% as of FYE2013.

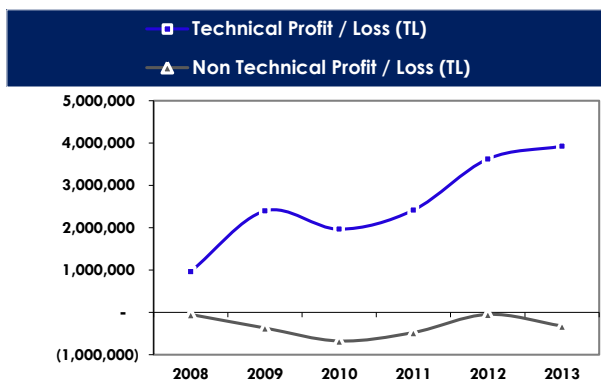


Creditwest Insurance operates in the non-life segments of fire, transportation, motor own damage, accident including MPTL and engineering. The Company's GWP demonstrated an 11.05% growth at the end of FY2013 on a year-on-year basis. While the GWP of motor own damage segment continues to contribute the largest share, its portion decreased to 45.35% from 51.18% FYE2013. In the same period the contribution of the accident segment increased to 44.57% from 34.09% FYE2013 and took the second largest share in GWP. A paid loss to written premium ratio of the motor own damage segment was 65.50% FYE2013 while the ratio of the accident including MTPL segment was 8.84%, demonstrating that the increase in the accident share of total GWP will contribute to future profitability levels.

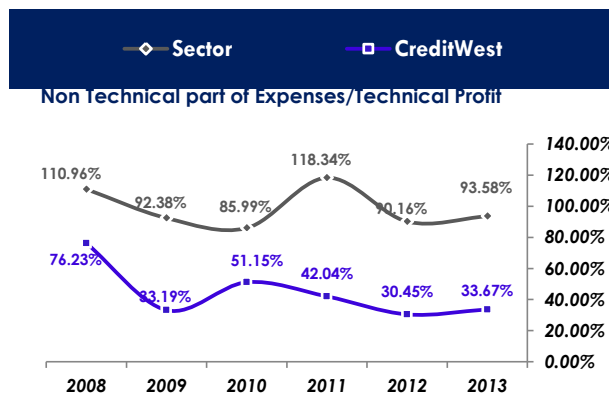
Distribution of GWP %	Premium (CreditWest)					
	2008	2009	2010	2011	2012	2013
Fire	58.63	8.77	9.11	9.09	11.27	9.68
Transportation	0.05	3.55	3.77	2.34	3.29	0.33
Motor Own Damage	32.22	78.22	72.28	62.07	51.18	45.35
Accident (Incl. MTPL)	1.48	9.37	14.89	26.36	34.09	44.57
Engineering	7.62	0.09	-0.04	0.14	0.17	0.06
Health	-	-	-	-	-	-
Total Non-Life	100.00	100.00	100.00	100.00	100.00	100.00
Life	-	-	-	-	-	-
Total	100.00	100.00	100.00	100.00	100.00	100.00

Gross Written Premium (GWP) of Creditwest Insurance followed an increasing trend over the years, particularly in 2011 and 2012, and the Company generated continuous profit from its operations. The Company's net profit amounted to TRY 2.75mn as of FYE2013 (FYE2012: TRY 2.73mn) with a negligible increase of 0.81% compared to the previous year due to a 157.58% increase in operating expenses.

Creditwest Insurance recorded a TRY 3.93mn technical profit (FY2012: TRY 3.62mn) and faced a non-technical loss of TRY 324.65k as of FY2013 (FYE2012: TRY 50.13k). Under the reviewed period, the technical profit of the Company exhibited an upward trend with a fluctuating pattern. Moreover, the Company did not achieve a non-technical profit between 2008 and 2013.

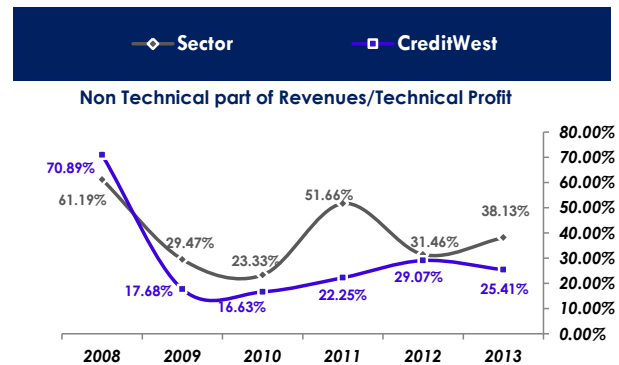


The non-technical part expenses, which are generally comprised of personnel and administrative expenses, to technical profits ratio was 33.67% FY2013, remarkably below the sector figure of 93.58%. The pressure of non-technical expenses on technical profit has exhibited a decreasing trend over the years, contributing to the Company's profitability. The stated figures indicate that the Company keeps personnel and administrative expenses under control and generates profits from its main activities.

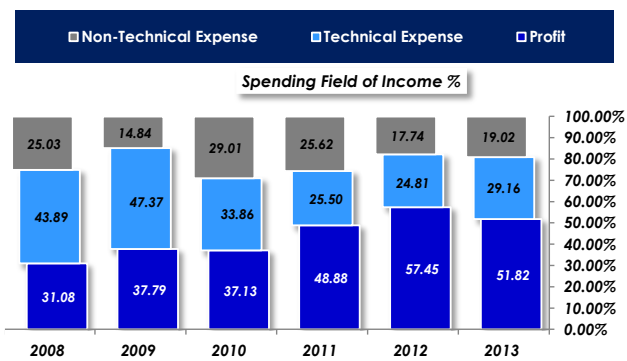


The Company's ratio of 'non-technical part revenues/ technical profit' exhibited an increasing trend over the two years before the last year. On the other hand, while the stated ratio of the Company decreased to 25.41%, the sector figure increased to 38.13% in 2013. The decrease in the Company figure is an outcome of a 5.29% decrease in non-technical part of revenues against an 8.36% increase in technical profit. The figure of 25.41% implies that 74.59% of the

Company's profits were generated through its main operations.



The profit generation capacity of the Company's total income decreased to 51.82% following a two-year period of remarkable improvement due to higher increases in both technical and non-technical expenses than that of the total income figure, suppressing the Company's profitability. Accordingly, the 2013 year-end net profit of the Company (TRY 2.75mn) realized an almost equal value with the previous year figure of TRY 2.73mn.



6. Risk Management

The Insurance Services Act effectuated in 2010 contains the provision stipulating the establishment of internal control, internal audit and risk management systems by insurance and reinsurance companies. On the other hand, the related regulations have not yet been set up by authorities. Accordingly, internal control, internal audit and risk management systems have not yet been established by the Company.

The liquidity ratios of the Company maintained its improving trend starting in 2010 as of FYE2013. A continuing and noteworthy increase in current assets, particularly in cash and cash equivalents, relieved the liquidity management and contributed to the Company's liquidity risk exposure level. A higher increase in current assets (15.06%) than increase in short term liabilities (1.79%) and a 24.50% increase in cash and similar assets against a 14.15% increase in total assets led to these remarkable improvements in the stated ratios. Accordingly, the Company continued to advance its ability to meet future liabilities as of FYE2013. On the other hand, the TRY 10mn dividend payment in 1H2014 resulted with deteriorations in 'current assets to total assets' and 'current assets to short term

liabilities' ratios from 76.81% to 60.12% and from 3,447.84% to 597.31%, respectively. Although the stated ratios decreased remarkably in 1H2014, they are still at levels that do not pose liquidity risk.

Some selected financial and operational ratios of Creditwest Insurance are provided in the table below for comparison.

%	2008	2009	2010	2011	2012	2013
Loss Ratio (Gross)	76.94	111.33	80.76	67.76	57.48	45.03
Loss Ratio (Net)	69.26	68.74	43.21	27.77	20.46	12.82
Technical Profit & Loss Ratio (Gross)	19.12	43.97	33.37	38.33	51.83	50.57
Technical Profit & Loss Ratio (Net)	70.25	152.59	89.43	82.94	109.04	93.10
Combined ratio (Gross)	77.23	111.42	80.76	67.76	62.65	56.88
Combined ratio (Net)	70.12	68.91	43.21	27.77	29.23	31.12
Conversion Ratio = Reinsurance Retention Ratio	27.21	28.82	37.32	46.22	47.53	54.32
Loss and Paid Ratio	33.37	29.18	33.29	30.45	33.54	31.10
Premiums Ceded to Reinsurer/Total Premium	66.64	51.29	57.62	48.23	40.99	35.25
Incurred Losses (Gross) Ceded to Reinsurer/Incurred Losses	8.46	69.93	41.21	41.78	43.22	42.87
Solvency Ratio = Net Assets/ Written Net Premiums	339.11	367.47	320.5	283.8	311.93	310.72

The solvency ratio, one of the most essential ratios of the insurance sector, indicates the financial soundness of the Company as well as shows its capability to meet payment claims. Creditwest Insurance's solvency ratio was quite high, indicating that the Company has a high capability to meet payment claims.

The conversion ratio is an indicator of the amount of risks carried by the Company rather than being passed to the reinsurer and illuminates the Company's strategic management decision on the preferred balance level between profitability and risk avoidance. The stated ratio followed an upward trend over the years with a 2013 year-end ratio of 54.32, indicating a continuously lower level transfer to the reinsurer, supporting the profit generation capacity. On the other hand, the Company's loss and payment risk will increase subsequently in the event that probable claims are incurred.

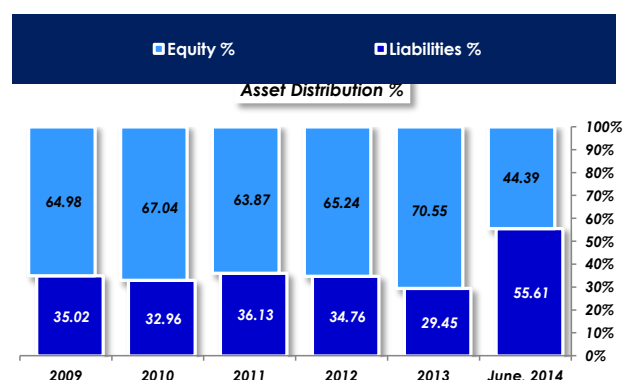
The Company's loss and paid ratios increased to 31.10% from 33.54% as of FYE2013 and was remarkably lower than the sector figure of 70.18%, indicating the Company's cautious policy as well as lower claim payments.

The combined ratio which is the sum of loss and expense ratios measures the profitability level of a company. A ratio of less than 100% means the company generates profit from its activities. The Company's stated ratio exhibited an ongoing decreasing trend since 2009 mainly due to continuous improvement in loss ratio and stood at 56.88% as of FYE2013.

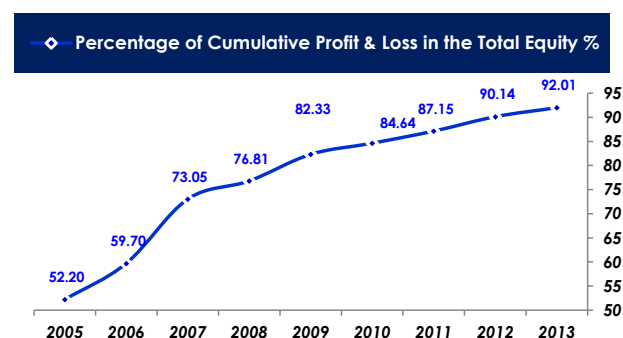
Creditwest Insurance had no doubtful receivables as of FYE2013, the same as the previous years. The sector's liquid assets comprised 47.46% of the total assets while the Company's comprised 76.81%. Accordingly, the Company

maintained its asset quality as of FYE2013 through a sound equity base, high liquid assets level and absence of doubtful receivables.

Creditwest Insurance maintained its high equity level and improved its 'equity to total assets' ratio to the above sector average figure (52.82%) of 70.55% as of FYE2013. On the other hand, the stated ratio decreased to 44.39% as of 1H2014 following the dividend payment of TRY 10mn.



With the 2005 net profit figure taken as the starting point, 92.01% of the Company equity was generated via profit from its activities. The cumulative Profit and Loss to Total Equity Ratio maintained its increasing trend over the years, indicating the efficiency of the Company in expanding its equity base without a cash equity injection. Accordingly, the Company exercised a dividend payment of TRY 10mn in 1H2014.



8. Corporate Governance

As the Company is not a publicly traded company, the corporate governance principle is not a field that is required to be taken into consideration. However the TRNC Insurance Sector in which the Company operates is under the regulation of the Insurance Services (Regulation and Supervision) Law no.60/2010 entered into force on January 01, 2012. The Law imposed new obligations such as the establishment of internal control, internal audit and risk management systems, a BoD including a minimum of five members, enhancement of the BoD and top management qualifications and transparent reporting. However, all regulations have not yet been set up by the authorities and the establishment of the Company's stated systems is in progress accordingly.

The Board of Creditwest Insurance consists of six members, including the general manager. Five of these board members are from the Altınbaş family and have a 10% stake each in the Company.

Board of Directors	Representing
Sofu ALTINBAŞ	Chairman
Aliye ALTINBAŞ	Member
Hüseyin ALTINBAŞ	Member
İmam ALTINBAŞ	Member
Ali ALTINBAŞ	Member
Mehmet UZUN	Member and CEO

As of December 31, 2013 and the report date, the Company employed a total of 18 employees under the management of Mr. Mehmet UZUN, who has been at the helm of affairs since 1996. The Company is divided into three divisions: customer services, loss claims and operation.

The Company's web site provides information and disclosed documentation such as the mission and vision, quality policy, board of directors, financial statements and growth and customer relations policies. On the other hand, the non-disclosure of the Company's articles of association, annual reports and independent audit reports of the last three years, the shareholder structure, organization chart and documents related to the general meetings as well as the absence of independent directors among the Company's Board significantly weakens the transparency level of the Company. Moreover, the dividend and disclosure policies, code of conduct, and remuneration policy regarding board members and executive managers should be disclosed to the public via the website to realize the principles of corporate governance. In the context of best practices of corporate governance principles, the sector's practices are far behind international standards. The lack of readiness of 2013 year-end sector data before August results from this deficiency. Thus, improvements are needed in both the sector and the Company. Within the scope of social responsibility, the Company was involved in social responsibility projects organized in the TRNC. On the other hand, the Company does not have a written social responsibility policy.



CREDITWEST INSURANCE LTD. BALANCE SHEET - ASSET	FYE 2013 USD (Converted)	FYE 2013 TRY (Original)	FYE 2013 TRY (Average)	FYE 2012 TRY (Original)	FYE 2012 TRY (Average)	FYE 2011 TRY (Original)	FYE 2011 TRY (Average)	FYE 2010 TRY (Original)	As % of 2013 Assets (Original)	As % of 2012 Assets (Original)	As % of 2011 Assets (Original)	FYE 2013 Growth Rate %	FYE 2012 Growth Rate %	FYE 2011 Growth Rate %
	A) CASH AND SIMILAR ASSETS	6,139,591.06	13,079,784.80	11,792,885.15	10,505,985.50	7,634,603.35	4,763,221.20	4,032,856.60	3,302,492.00	63.71	58.41	33.79	24.50	120.56
B) FINANCIAL ASSETS AND INVESTMENTS	0.00	0.00	0.00	0.00	1,016,984.50	2,033,969.00	1,416,984.50	800,000.00	n.a	n.a	14.43	n.a	-100.00	154.25
a) Financial Assets	0.00	0.00	0.00	0.00	1,016,984.50	2,033,969.00	1,416,984.50	800,000.00	n.a	n.a	14.43	n.a	-100.00	154.25
b) Company's Shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
c) Net Property for Investment and operational usage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
d) Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
e) Financial Assets and Financial Investments at Policyholder's Risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
f) Participations & Subsidiaries & Joint Venture and Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
g) Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
h) Reserves (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
i) Provision for Depreciation of Financial Assets (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
j) Capital Commitments for Participations & Others (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
C) RECEIVABLES FROM OPERATING ACTIVITIES	452,338.86	963,662.70	1,025,481.00	1,087,299.30	964,181.85	841,064.40	747,851.70	654,639.00	4.69	6.05	5.97	-11.37	29.28	28.48
a) Insurance, Reinsurance, Pension and other Activities	452,338.86	963,662.70	1,025,481.00	1,087,299.30	964,181.85	841,064.40	747,851.70	654,639.00	4.69	6.05	5.97	-11.37	29.28	28.48
b) Doubtful Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
c) Provisions for Receivables From Operating Activities (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
d) Reserves (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
e) Provisions For Doubtful Receivables (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
D) RECEIVABLES FROM RELATED PARTIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
E) OTHER RECEIVABLES	810,363.64	1,726,398.70	1,919,199.75	2,112,000.80	2,499,640.30	2,887,279.80	3,283,154.40	3,679,029.00	8.41	11.74	20.48	-18.26	-26.85	-21.52
a) Receivables	810,363.64	1,726,398.70	1,919,199.75	2,112,000.80	2,499,640.30	2,887,279.80	3,283,154.40	3,679,029.00	8.41	11.74	20.48	-18.26	-26.85	-21.52
b) Doubtful Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
c) Provisions for Receivables From Other Receivable (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
d) Reserves (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
e) Provisions For Doubtful Receivables (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
F) EXPENSE RELATING TO FUTURE MONTHS/YEARS AND INCOME ACCRUALS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
G) OTHER ASSETS	718,432.31	1,530,548.20	1,212,109.70	893,671.20	476,890.10	60,109.00	54,554.50	49,000.00	7.45	4.97	0.43	71.27	1,386.75	22.67
a) Other Current Assets	718,432.31	1,530,548.20	1,212,109.70	893,671.20	476,890.10	60,109.00	54,554.50	49,000.00	7.45	4.97	0.43	71.27	1,386.75	22.67
b) Reserves (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
H) TANGIBLE ASSETS Net	1,516,195.13	3,230,102.10	3,308,293.85	3,386,485.60	3,449,507.25	3,512,528.90	3,132,840.95	2,753,153.00	15.73	18.83	24.91	-4.62	-3.59	27.58
I) INTANGIBLE ASSETS Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
TOTAL ASSETS	9,636,921.00	20,530,496.50	19,257,969.45	17,985,442.40	16,041,807.35	14,098,172.30	12,668,242.65	11,238,313.00	100.00	100.00	100.00	14.15	27.57	25.45



CREDITWEST INSURANCE LTD. BALANCE SHEET LIABILITIES & SHAREHOLDERS' EQUITY	FYE 2013	FYE 2013	FYE 2013	FYE 2012	FYE 2012	FYE 2011	FYE 2011	FYE 2010	As % of 2013	As % of 2012	As % of 2011	FYE 2013	FYE 2012	FYE 2011
	USD (Converted)	TRY (Original)	TRY (Average)	TRY (Original)	TRY (Average)	TRY (Original)	TRY (Average)	TRY (Original)	(Original)	(Original)	(Original)	Growth Rate %	Growth Rate %	Growth Rate %
A) FINANCIAL PAYABLES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
B) OPERATING ACTIVITY PAYABLES	214,693.34	457,382.70	453,365.95	449,349.20	410,495.00	371,640.80	551,947.40	732,254.00	2.23	2.50	2.64	1.79	20.91	-49.25
a) Total Operational Activity Payables	214,693.34	457,382.70	453,365.95	449,349.20	410,495.00	371,640.80	551,947.40	732,254.00	2.23	2.50	2.64	1.79	20.91	-49.25
b) Rediscount on Notes Payable from Other Op. Activities (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
C) DUE TO RELATED PARTIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
D) OTHER PAYABLES	209,866.79	447,100.20	455,045.90	462,991.60	231,495.80	0.00	0.00	0.00	2.18	2.57	n.a	-3.43	n.a	n.a
a) Other payables (Total)	209,866.79	447,100.20	455,045.90	462,991.60	231,495.80	0.00	0.00	0.00	2.18	2.57	n.a	-3.43	n.a	n.a
b) Rediscount (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
E) TOTAL TECHNICAL PROVISIONS	2,413,595.71	5,141,924.30	5,240,862.75	5,339,801.20	5,030,908.05	4,722,014.90	3,846,876.45	2,971,738.00	25.05	29.69	33.49	-3.71	13.08	58.90
F) TAXES AND OTHER LIABILITIES TO BE PAID AND PROVISIONS THEREOF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
G) PROVISIONS RELATED OTHER RISKS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
H) INCOME RELATING TO FUTURE MONTHS& YEARS AND EXPENSE ACCRUALS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
I) OTHER LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n.a	n.a	n.a	n.a	n.a	n.a
J) EQUITY CAPITAL	6,798,765.16	14,484,089.30	13,108,694.85	11,733,300.40	10,368,908.50	9,004,516.60	8,269,418.80	7,534,321.00	70.55	65.24	63.87	23.44	30.30	19.51
a) Prior year's equity	5,507,557.92	11,733,301.40	10,368,909.00	9,004,516.60	8,269,419.75	7,534,322.90	7,042,303.95	6,550,285.00	57.15	50.07	53.44	30.30	19.51	15.02
b) Equity (Added from internal & external resources at this year)	0.00	0.00	0.00	0.00	-0.50	-1.00	-0.50	0.00	n.a	n.a	-0.00	n.a	100.00	n.a
c) Profit & Loss	1,291,207.24	2,750,787.90	2,739,785.85	2,728,783.80	2,099,489.25	1,470,194.70	1,227,115.35	984,036.00	13.40	15.17	10.43	0.81	85.61	49.40
TOTAL LIABILITIES	9,636,921.00	20,530,496.50	19,257,969.45	17,985,442.40	16,041,807.35	14,098,172.30	12,668,242.65	11,238,313.00	100.00	100.00	100.00	14.15	27.57	25.45
	USD Rates 1=TRY	2.1304		1.7776		1.8889		1.5376						

CREDITWEST INSURANCE LTD. INCOME STATEMENT TRY	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
TECHNICAL INCOME (Life & Non-Life)	5,955,605.70	5,168,534.80	3,427,640.50	3,138,212.00	4,934,082.00
A) WRITTEN PREMIUMS (NET)	4,218,778.90	3,324,094.70	2,913,799.80	2,197,307.00	1,570,200.00
a) Written Premiums (Gross)	7,766,555.20	6,993,677.70	6,304,755.60	5,888,145.00	5,448,992.00
b) Premiums Ceded to Reinsurer (-)	-3,547,776.30	-3,669,583.00	-3,390,955.80	-3,690,838.00	-3,878,792.00
c) Premiums transferred to SSI (-)	0.00	0.00	0.00	0.00	0.00
B) TOTAL PROVISIONS FOR UNEARNED PREMIUMS (NET) (-)	2,298,333.60	1,959,114.80	726,613.00	517,614.00	2,112,895.00
a) Provisions (Gross) (-)	2,298,333.60	1,959,114.80	726,613.00	517,614.00	2,112,895.00
b) Provisions (Reinsurer's share)	0.00	0.00	0.00	0.00	0.00
c) Provisions (SSI's share)	0.00	0.00	0.00	0.00	0.00
C) CHANGE IN PROVISION FOR UNEXPIRED RISKS	-2,471,042.10	-2,298,333.60	-1,959,114.80	-726,615.00	-517,613.00
D) INVESTMENT INCOME TRANSFERRED FROM NON-TECHNICAL SECTION	0.00	0.00	0.00	0.00	0.00
E) LIFE BRANCH INVESTMENT INCOME	0.00	0.00	0.00	0.00	0.00
F) UNREALIZED PROFITS IN INVESTMENT	0.00	0.00	0.00	0.00	0.00
G) OTHER NET TECHNICAL INCOMES	3,123,800.60	2,851,846.30	1,969,881.70	1,865,736.00	1,197,250.00
NET COMMISSION INCOME or EXPENSE	-1,214,265.30	-668,187.40	-223,539.20	-715,830.00	571,350.00
ACCRUED INCOME FROM SUBROGATION AND RECOVERY	0.00	0.00	0.00	0.00	0.00
TECHNICAL EXPENSES	-2,027,910.00	-1,544,025.40	-1,011,028.20	-1,173,239.00	-2,538,131.00
A) PAID LOSSES (NET) (-)	-975,583.30	-1,118,882.60	-925,032.20	-1,019,344.00	-743,312.00
a) Paid Losses (Gross) (-)	-2,682,291.00	-3,155,007.00	-2,735,661.70	-3,230,505.00	-2,456,918.00
b) Paid Losses (Reinsurer's share)	1,706,707.70	2,036,124.40	1,810,629.50	2,211,161.00	1,713,606.00
B) PROVISION FOR OUTSTANDING LOSSES (Brought Forward)(NET) (-)	140,264.00	37,850.00	-85,996.00	-153,895.00	-1,788,618.00
a) Provisions for Outstanding Losses (Gross) (-)	-5,941,646.00	-6,250,524.00	-6,247,200.00	-6,475,042.00	-5,962,058.00
b) Provisions for Outstanding Losses Brought Forward (Gross)+	4,091,249.00	4,259,864.00	4,218,691.00	4,532,529.00	0.00
c) Provisions (Reinsurer's share)	1,990,661.00	2,028,510.00	1,942,513.00	1,788,618.00	4,173,440.00
D) TOTAL MATHEMATICAL RESERVES (NET) (-)	0.00	0.00	0.00	0.00	0.00
a) Mathematical Reserves (Gross) (-/+)	0.00	0.00	0.00	0.00	0.00
b) Mathematical Reserves (Reinsurer's share) (- +)	0.00	0.00	0.00	0.00	0.00
F) CHANGE IN Total PROVISION	0.00	0.00	0.00	0.00	0.00
I) OPERATING Expenses & in investment Loss (-)	-1,192,590.70	-462,992.80	0.00	0.00	-6,201.00
L) INVESTMENT COSTS TRANSFERRED TO NON-TECHNICAL SECTION (-)	0.00	0.00	0.00	0.00	0.00
OTHER TECHNICAL EXPENSES (-)	0.00	0.00	0.00	0.00	0.00
TECHNICAL PROFIT/LOSS	3,927,695.70	3,624,509.40	2,416,612.30	1,964,973.00	2,395,951.00
II- NON-TECHNICAL PART PROFIT/LOSS	-324,647.20	-50,130.70	-478,312.10	-678,325.00	-371,472.00
INVESTMENT INCOME Net	973,908.60	1,030,817.50	479,669.00	286,725.00	421,227.00
a) Total Investment Income	997,878.80	1,053,651.00	537,599.60	326,820.00	423,694.00
b) Total Investment Expense	-23,970.20	-22,833.50	-57,930.60	-40,095.00	-2,467.00
PROFIT & LOSS ARISING FROM OTHER OPERATIONS (+/-)	-1,298,555.80	-1,080,948.20	-957,981.10	-965,050.00	-792,699.00
a) Reserve & Discount Accounts (+/-)	0.00	0.00	0.00	0.00	0.00
b) Other Income	0.00	0.00	0.00	0.00	0.00
c) Other Expense	-1,298,555.80	-1,080,948.20	-957,981.10	-965,050.00	-792,699.00
PRE TAX PROFIT & LOSS	3,603,048.50	3,574,378.70	1,938,300.20	1,286,648.00	2,024,479.00
Taxation	-852,260.60	-845,594.90	-468,105.50	-302,612.00	-464,089.00
NET PROFIT & LOSS	2,750,787.90	2,728,783.80	1,470,194.70	984,036.00	1,560,390.00
TECHNICAL PROFIT/LOSS	3,927,695.70	3,624,509.40	2,416,612.30	1,964,973.00	2,395,951.00
NON TECHNICAL PROFIT/LOSS	-324,647.20	-50,130.70	-478,312.10	-678,325.00	-371,472.00
PRE TAX PROFIT & LOSS	3,603,048.50	3,574,378.70	1,938,300.20	1,286,648.00	2,024,479.00
Total Non - Technical Income	997,878.80	1,053,651.00	537,599.60	326,820.00	423,694.00
Total Non - Technical Expense	1,322,526.00	1,103,781.70	1,015,911.70	1,005,145.00	795,166.00

CREDITWEST INSURANCE LTD.	FY	FY	FY
FINANCIAL RATIOS (%)	2013	2012	2011
I. PROFITABILITY & PERFORMANCE			
1. ROA - Pre-tax Profit / Total Assets (av.)	18.71	22.28	15.30
2. ROE- Pre-tax Profit / Equity (av.)	27.49	34.47	23.44
3. Total Non-Technical Income / Equity (av.)	7.61	10.16	6.50
4. Total Non-Technical Income / Total Assets (av.)	5.18	6.57	4.24
5. Provision / Total Non-Technical Income	0.00	0.00	0.00
6. Total Non-Technical Expense / Total Liabilities (av.) %	6.87	6.88	8.02
7. Net Profit for the Period / Total Asset (av.) %	14.28	17.01	11.61
8. Non-Technical Income / Non-Technical Expense %	75.45	95.46	52.92
9. Pre-tax Profit & Loss / Net Written Premium	85.41	107.53	66.52
10. Loss Ratio (Gross)	45.03	57.48	67.76
11. Loss Ratio (Net)	12.82	20.46	27.77
12. Technical Profit & Loss Ratio (Gross)	50.57	51.83	38.33
13. Technical Profit & Loss Ratio (Net)	93.10	109.04	82.94
14. Expenses Ratio (Gross)	11.85	5.17	0.00
15. Expenses Ratio (Net)	18.30	8.76	0.00
16. Combined ratio (Gross)	56.88	62.65	67.76
17. Combined ratio (Net)	31.12	29.23	27.77
18. Conversion Ratio = Reinsurance Retention Ratio	54.32	47.53	46.22
20. Loss and Paid Ratio	31.10	33.54	30.45
21. Net Profit & Loss/Total Liabilities	44.73	48.10	33.42
22. Premiums Ceded to Reinsurer/Total Premium	35.25	40.99	48.23
23. Incurred Losses (Gross) Ceded to Reinsurer/Incurred Losses	42.87	43.22	41.78
II. CAPITAL ADEQUACY			
1. Equity Generation/Prior Year's Equity	0.00	0.00	-0.00
2. Internal Equity Generation/Prior Year's Equity	23.44	30.30	19.51
3. Equity/Total Assets %	70.55	65.24	63.87
4. Free Equity/Total Assets %	60.70	53.35	45.61
5. Solvency Ratio I (*)	716.22	548.88	349.84
6. Gross Premiums/Equity	59.25	67.45	76.24
7. Net Premiums/Equity	32.18	32.06	35.24
8. Solvency Ratio = Net Assets/ Written Net Premiums	310.72	311.93	283.80
III. LIQUIDITY			
1. Current Asset/Non-Current Asset	331.25	320.21	294.62
2. Current Asset/Total Asset	76.81	76.20	74.66
3. Current Asset/Short Term Liabilities	3,447.84	3,050.03	2,832.18
4. Cash and Similar Asset/Total Asset	63.71	58.41	33.79
5. Cash and Similar Asset and Bond-Bill-Equities/Total Asset	63.71	58.41	48.21
IV. ASSET QUALITY			
1. (NCA-Long Term Liabilities)/Equity	5.72	12.98	12.76
2. Doubtful Receivable/Total Receivable	0.00	0.00	0.00
3. Provision/Doubtful Receivable	0.00	0.00	0.00
4. Receivables/Total Assets	13.10	17.79	26.45
5. Receivables from Operating Activities/Total Asset	4.69	6.05	5.97
6. Doubtful Receivables / Total Receivables from Operating Activities	0.00	0.00	0.00
7. Doubtful Receivables /Equity %	0.00	0.00	0.00
8. Total Foreign Currencies Position/Asset	0.14	0.07	0.32
9. Total Foreign Currencies Position/Equity	0.20	0.11	0.50
10. Market Share	9.82	10.65	9.80
11. Asset Growth Rate	14.15	27.57	25.45

The Historical Development of the Company's Credit Rating Notes															
 Creditwest Insurance Kibris		December 14, 2009		August 16, 2010		July 27, 2011		July 27, 2012		May 29, 2013		August 27, 2013		August 20, 2014	
		Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
International	Foreign Currency	BB-	B	BB-	B	BB-	B	BB	B	BBB-	A-3	BBB-	A-3	BBB-	A-3
	Local Currency	BB-	B	BB-	B	BB-	B	BB	B	BBB-	A-3	BBB-	A-3	BBB-	A-3
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Stable	Stable	Stable	Stable	Stable	Stable
National	Local Rating	A (Trk)	A-1 (Trk)	A (Trk)	A-1 (Trk)	A (Trk)	A-1 (Trk)	A (Trk)	A-1 (Trk)	A (Trk)	A-1 (Trk)	A+ (Trk)	A-1 (Trk)	A+ (Trk)	A-1 (Trk)
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Stable	Positive	Stable	Stable	Stable	Stable	Stable
Sponsor Support		2	-	2	-	2	-	2	-	2	-	2	-	2	-
Stand Alone		AB	-	A	-	A	-	A	-	A	-	A	-	A	-
Sovereign*	Foreign Currency	BB-	-	BB	B	BB	B	BB	B	BBB-	-	BBB-	-	BBB-	-
	Local Currency	BB-	-	BB	B	BB	B	BB	B	BBB-	-	BBB-	-	BBB-	-
	Outlook	Stable	-	Stable	Stable	Stable	Stable	Stable	Stable	Stable	-	Stable	-	Stable	-
		(*): Affirmed by JCR on June 04, 2009		(*): Affirmed by JCR on February 01, 2010		(*): Affirmed by JCR on February 21, 2011		(*): Affirmed by JCR on June 28, 2012		(*): Affirmed by JCR on May 23, 2013		(*): Affirmed by JCR on May 23, 2013		(*): Affirmed by JCR on July 11, 2014	