

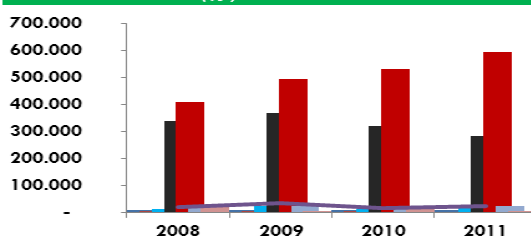
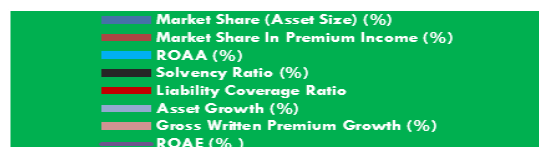
## Corporate Credit Rating Update

## Insurance

creditwest Creditwest Insurance Kıbrıs		Long Term	Short Term
International	Foreign currency	BB	B
	Local currency	BB	B
	Outlook	FC	Stable
		LC	Positive
National	Local Rating	A(Trk)	A-1 (Trk)
	Outlook	Positive	Stable
Sponsor Support		2	-
Stand-Alone		A	-
Sovereign*	Foreign currency	BB	B
	Local currency	BB	B
	Outlook	FC	Stable
		LC	Positive

\*Assigned by Japan Credit Rating Agency, JCR on June 28, 2012

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### Strengths

- Achieved higher cumulative asset and GWP growth rates than the sector in the last seven year period,
- Retention of the Company profits policy contributes to the equity base and financial strength,
- Outstanding ROAA and ROAE figures compared to the sector,
- High capital adequacy and liability coverage level, well above authorized limits,
- Lower loss and paid ratio compared to the sector,
- High asset quality, sufficient liquidity and no doubtful receivables,
- Low level insurance density and synergy with parent companies encourage high prospective growth,
- Continuity of the management

### Constraints

- The policy for higher provisioning for outstanding losses exerts pressure on profit and profitability ratios,
- A significant portion of the total assets were allocated to non-interest bearing tangibles,
- Net premium to equity ratio below sector averages,
- Needed improvement in corporate governance practices in both the company and sector,
- Strong competition amongst sector players,
- Prevalent sector-wide inadequacy of non-technical income level

CreditWest Insurance Ltd.						
Financial Data	2011*	2010*	2009*	2008*	2007*	2006*
Total Assets (000 USD)	7,531	7,272	6,695	5,319	5,647	3,127
Total Assets (000 TRY)	14,098	11,238	10,081	8,044	6,577	4,396
Equity (000 TRY)	9,005	7,534	6,550	4,990	4,294	2,872
Net Profit (000 TRY)	1,470	984	1,560	696	1,422	670
Technical Profit (000 TRY)	2,417	1,965	2,396	962	1,851	1,052
Premium Income (000 TRY)	8,275	7,754	6,646	6,259	4,860	3,555
Market Share in Asset Size (%)	9.80	10.34	9.31	8.65	9.18	7.27
Market Share in Premium income (%)	5.36	5.24	4.09	4.83	4.66	4.13
ROAA (%)	15.30	12.07	22.34	12.45	33.88	23.21
ROAE (%)	23.44	18.27	35.09	19.61	51.88	36.02
Solvency ratio (%)	283.80	320.50	367.47	339.11	250.12	256.87
Liability Coverage Ratio (%)	594.60	532.18	497.16	408.23	496.69	490.87
Asset Growth Rate (%)	25.45	11.48	25.32	22.30	49.62	38.75
Gross written premium Growth (%)	6.72	16.67	6.19	28.78	36.70	8.79

\*End of year

### Overview

Creditwest Insurance Ltd. (hereinafter Creditwest Insurance or the Company) was set up in Lefkoşa and commenced operation in 1996. The company, wholly owned by the Altınbaş Group (Creditwest Bank and Creditwest Finance) and Altınbaş family members, is one of the largest and most prominent non-life insurance companies operating in the Turkish Republic of Northern Cyprus (TRNC) with a market share of 9.8%.

Currently, Creditwest Insurance carries out operations through 23 agents (at the end of FY2011: 21), 14 of which are exclusive. Creditwest Bank's branches are utilized as the insurance company's major delivery channels.

Creditwest Insurance achieved one-third of the total pre-tax profit of the TRNC Insurance Sector in FY2011 and enjoys a first place position in technical profit/loss field for the first time. Meanwhile, the company was ranked 4<sup>th</sup> in asset size market share and written premium production. The Company's sound equity base, asset quality and high solvency and liability coverage ratios provide advantages against its competitors.

Publication Date: July 27, 2012

"Global Knowledge supported by Local Experience"

## 1. Rating Rationale

Creditwest Insurance is one of the most prominent amongst the 27 non-life insurance companies operating in the Turkish Republic of Northern Cyprus (TRNC) with a 9.80% (FY2010: 10.34%) asset size market share. The Company ranked 1st in technical profit loss, 4<sup>th</sup> in premium productions, 9<sup>th</sup> in claim payments and 2<sup>nd</sup> in outstanding losses fields.

The Company carries out its operations in the TRNC, which declared its independence in 1983 and is only recognized by Turkey. The Republic of Turkey provides support and has developed strong collaborative ties with the TRNC with respect to economic, political, commercial and military matters since its independence.

As of FY2011;

- Creditwest Insurance's pre-tax profit comprised 33.68% of the total sector's pre-tax profit,
- The company's pre-tax profit increased by 50.65% while that of the sector decreased by 37.95% on a year-on-year basis,
- The Company outperformed the sector in the indices of ROAA and ROAE,
- Premium production increased by 6.72% while the Sector's increased by 3.18%,
- The asset size growth of the company was 25.45% while the sector's asset size growth was 32.40%,
- Doubtful receivables to total receivables ratio of the sector was 2.88%, while the company had no doubtful receivables,
- Equity to total asset ratio decreased to 63.87% from 67.04% in FY2010, although the ratio was still much higher than the sector's 50.65% (FY2010: 49.19%),
- Net premium to Equity ratio was 35.24%, which was below the sector's average of 107.78%,
- Solvency ratio was 283.80% while the Sector's was 92.78%,
- Loss and paid ratio was 30.45% while the sector's was 70.82%
- 22.38% of the total assets was allocated to tangible assets (non-interest bearing assets) while the sector's 3.28%,

The Company's International Foreign Currency and Local Currency notes were upgraded to 'BB' from 'BB-' in the long term and the short term ratings were affirmed as 'B' with a 'Stable' outlook. National Local rating notes have been affirmed as 'A' and its outlook changed to 'Positive' from 'Stable'. The Company's International Long Term Local

Currency note's outlook changed to "Positive" from "Stable" in line with the change in the outlook of the sovereign rating of Turkey.

JCR-ER recognizes that the sovereign risk of the TRNC is the same as that of the Republic of Turkey; the rating rationale of the Company has been developed based on this assumption.

The assigned ratings are supported by (i) continuous growth in asset base and written premiums, (ii) high return on equity and assets, (iii) a higher internal equity generating capacity, (iv) high asset quality and liquidity level, (v) high liability coverage capacity, (vi) lower loss and paid ratios, and (vii) financial and nonfinancial attributes of shareholders.

On the contrary, (i) approximately one-fourth of total assets were allocated in non-interest bearing tangibles, which was markedly higher than the sector, (ii) lower net premium to equity ratio than the sector, (iii) prevalent sector-wide inadequacy of non-technical income level, (iv) insufficiencies of corporate governance best practices, and (v) possible adversities due to enduring laxity of the European sovereign debt crisis contribute to underpin the ratings to their current levels.

JCR-ER's rating activities are based on independent auditors' reports prepared in conformity to local regulations. Additionally, JCR-ER's own and statistics provided by the Insurance and Reinsurance Association of TRNC are used studies for analysis purposes.

## 2. Outlook

FY2011 outcomes figures were in line with the projections, displaying the success of the management and accurate identification of the targets. For the ongoing year, Creditwest Insurance projected a growth of 18% in total assets, 10% in net profit, 12% in written premium income and 21% in claim payments.

As of June 30, 2012, the Company's assets, GWP and claim payments displayed a growth of 24.60%, 6.98% and 15.61%, respectively, compared to same period of FY2011. In the first half of FY2012, the Company recorded a net profit of TRY 1.36mn, which comprised 92.20% of the previous year's annual net profit. For the first time, thanks to rental income in the amount of TRY 342k, the Company recorded a non-technical income of TRY 203k. As a result, the Company's 2012 targets are considered to be achievable.

JCR-ER has assigned a “**Positive**” outlook on the long term national rating and affirmed a “**Stable**” outlook on the short term national and international ratings perspective of Creditwest Insurance, considering its premium generating capacity, level of its profitability, sufficient liquidity level, high capital adequacy ratio, high asset quality, financial strength of its group companies and shareholders, continuity of growth and lower claim payments.

The constraining factors of the ratings are a downgrading in the sovereign rating of Turkey, probable adversities due to increasing tension in international politics concerning Turkey’s neighbouring countries, slower recovery in developed countries as well as an on-going laxity in the European debt crisis and recession concerns all over the world.

Upgrades in Turkey’s country ceiling ratings, the level of generating premium and profit in the future, 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

The Sponsor Support and Stand Alone Notes of Creditwest Insurance have been determined as “**2**” and “**A**”, respectively. A Sponsor Support Note of “**2**” denotes a moderate external support possibility where a sponsor has a sufficient credit rating note and a tendency to support the company. A Stand Alone Note “**A**” signifies sustainable profitability, sound balance sheet composition, successful management, convenient operating environment and future expectations.

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, jewellery, logistics and energy. JCR-ER expects that the Company will be supported by its shareholders-Altınbaş Family as and when required in the event any liquidity needs arise in either the short or long term horizon, considering business volume of the Company.

The Stand Alone Note is based mainly on asset quality, premium generation capacity, equity level, liquidity level, profitability and growth potential. JCR-ER believes that when the Company’s liquidity position and balance sheet composition are taken into consideration, even if the parent company is unwilling to provide financial support, Creditwest Insurance will be able to manage its balance sheet risks successfully. However, synergy and supports of the group companies are the forceful power of the effectiveness of the Company.

## 4. Company Background

### a) History

Creditwest Insurance Ltd., which is owned by Altınbaş Family members and group companies, initiated operation in 1996. The company is one of the largest insurance companies in the TRNC and operates in the non-life insurance sector.

As of December 31, 2011 Creditwest Insurance carried out its operation through 21 agents, of which 13 are branches of Creditwest Bank and one of Credit west Finance.

All insurance transactions are conducted via the cooperation of AON RE Benfield Insurance and Reinsurance Brokerage. At the end of FY2011, TRY 3.4mn premium and TRY 1.8mn loss were transferred to AON Benfield and the Company received TRY 756k (FY2010:661k) commission from Reinsurance.

### b) Organization & Employees

Creditwest Insurance has six directors on its Board. 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, 2011, the Company employed a total of 10 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: marketing, loss claims and operation.

### c) Shareholders, Subsidiaries and Affiliates

The paid-up capital of Creditwest Insurance was increased to TRY 4mn from TRY 1.1mn through internal resources (from the reserves) in FY2011. This increase will not generate any additional liquidity for the Company as it will only be an accounting increase of equity. Details of the shareholding pattern are given in the table below:

Shareholders	Share %	TRY Paid -Capital
Creditwest Bank Ltd.	30	1,200,000
Creditwest Finance	10	400,000
Ali ALTINBAŞ	10	400,000
Aliye ALTINBAŞ	10	400,000
Hüseyin ALTINBAŞ	10	400,000
Sofu ALTINBAŞ	10	400,000
İmam ALTINBAŞ	10	400,000
Nusret ALTINBAŞ	10	400,000
<b>Total</b>	<b>100</b>	<b>4,000,000</b>

- **Creditwest Bank Ltd.**

Creditwest Bank Limited, fully owned by members of the Altınbaş Family, was incorporated under the name Altınbaşbank in 1994 and was 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 6.61% at the end of FY2011 and is the 6<sup>th</sup> largest bank among the 22 banking institutions in the TRNC.

- **Creditwest Finance Limited:**

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 nine countries on three continents. Prime business activities are based in Turkey, the Turkish Republic of Northern Cyprus, Albania and Ukraine. The Group has diversified its geographical and business risks by holding interests in seven different sectors i.e. energy, finance, jewellery, logistics, real estate, education and sports.

## 5. Stability of the Financial System

Although total global premiums (nearly USD 4.6 trillion) fell by 0.8% during 2011, the non-life global insurance premium volume (nearly to reach USD 2 trillion of which the United States had a share of 33.89%) rose by 1.9% (2010: 2.1%) partly thanks to the hardening prices. The increase in the non-life premium volume in emerging

markets was 9.1% while that in advanced economies was 0.5%. In Turkey the non-life insurance sector registered a growth rate of 3.6% in 2010 and 14% in 2011 following a period of decline for two consecutive years in 2008 and 2009.

In terms of insurance density, the world average non-life premium per capita was USD 283 in 2011 (2010: 263) while this figure was USD 4,777 for the Netherlands, USD 3,591 for Switzerland, USD 2,130 for the United States, USD 115 for Turkey and USD 250 for the TRNC. In terms of insurance penetration, the world average non-life premium as a percentage of GDP slightly declined to 2.8% in 2011 from 2.9% in 2010. The highest penetration level was recorded in the Netherlands (9.5%) followed by New Zealand (5.2%) and South Korea (4.6%). Turkey's penetration level stood at 1.1% while that of the TRNC was 1.9%.

The robust growth in emerging economies during 2011 had minimal affect on the total premium growth as the recession in Europe persisted and the growth in the United States was weak – resulting in a growth rate of 1.5% (2010: 2.8%) of the advanced economies. Additionally, non-life insurance industry performance was significantly affected by historically huge natural catastrophe events – total economic losses estimated to reach USD 370bn (2010: USD 226bn) of which the earthquake in Japan accounted for more than half. Although the capital position of the industry remains strong, the continuing balance sheet exposure to European banking sector and sovereign debt still poses threats.

On the other hand, in advanced economies these catastrophic events resulted in increases in rates and balanced the adversities of these events and the sluggish economic growth rates while increases in non-life premiums in emerging economies might be explained through high economic growth rates.

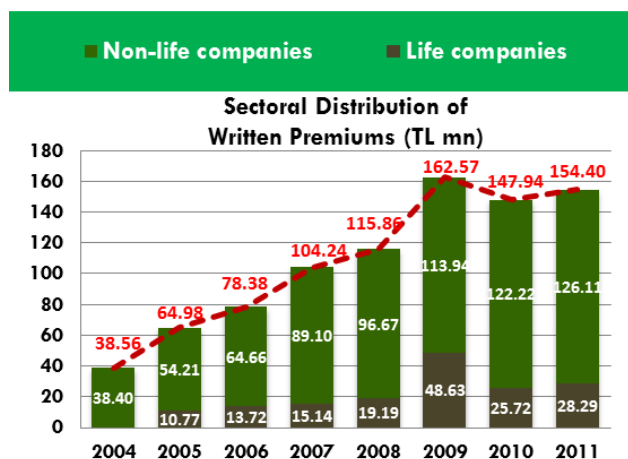
As for the profitability of the non-life industry, the high catastrophe losses during 2011 adversely affected the underwriting profitability while the low interest rates impeded the generation of investment activity returns.

As of FY2011, 27 companies operated in the non-life insurance business in the TRNC (FYE2010: 28). Sector data and information is provided below:

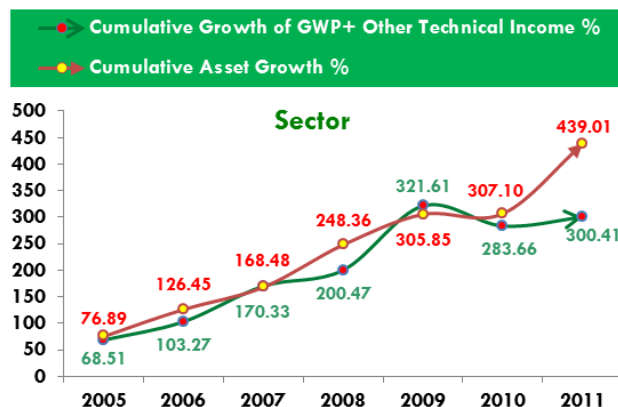
Premium (Sector) %	2004	2005	2006	2007	2008	2009	2010	2011
Fire	13,63	10,73	11,64	10,65	12,78	9,89	10,89	12,26
Marine	6,03	4,35	3,39	2,97	2,48	1,97	2,13	1,70
Motor Vehicle Physical Damage	75,03	67,55	62,77	65,57	62,10	50,46	60,00	56,50
Accident(incl MTPL)	3,98	3,14	3,39	4,31	4,58	6,16	7,04	8,32
Engineering	0,51	1,36	0,48	1,12	0,85	0,68	2,57	0,75
Health	0,82	0,87	0,83	0,86	0,65	0,93	-	2,16
<b>Total Non-Life (%)</b>	<b>100</b>	<b>88</b>	<b>82,50</b>	<b>85,48</b>	<b>83,44</b>	<b>70,09</b>	<b>82,62</b>	<b>81,68</b>
Life (%)		12	17,50	14,52	16,56	29,91	17,38	18,32
<b>Total (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total Premium (TRYmn)</b>	<b>38.56</b>	<b>64.98</b>	<b>78.38</b>	<b>104.24</b>	<b>115,86</b>	<b>162,57</b>	<b>147,94</b>	<b>154.40</b>

During FY2011 the non-life insurance companies wrote a total premium of TRY 126.11mn (FY2010: TRY 122.22mn) including administrative charges. Of the sector wide total written premiums, 81.68% was realized by non-life insurance and 18.32% by life insurance transactions. Of the total premiums, 56.50% was written by the Motor Vehicle Physical Damage branch (FY2010: 60.00%), 12.26% by the Fire branch (FY2010: 10.89%) and the remaining 12.92% by Marine, Accident, Engineering and Health branches (FY2010: 11.74%).

Following a contraction period of written premiums during FY2010, the growth continued its upward trend during FY2011. The chart below depicts the distribution of yearly written premiums by the life and non-life insurance companies:

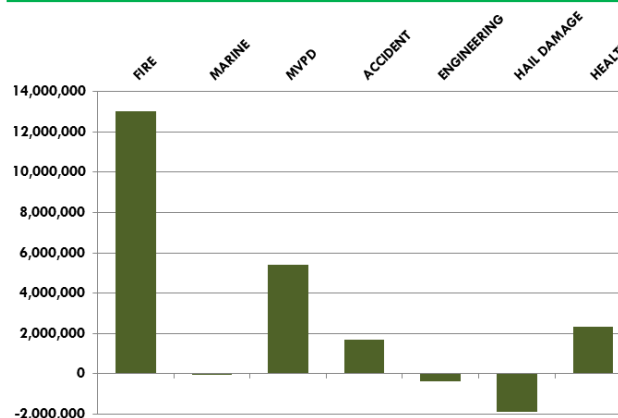


Affected to a limited extent by the adversities of the global crisis, the insurance sector in the TRNC was able to maintain its upward growth trend during FY2011 in terms of both GWP + other technical income and asset size with 5.39% and 32.40% Y.o.Y. increases, respectively. For the period between FY2004 and FY2011 the industry experienced a three-fold growth in total premiums and a more than four-fold growth in asset size in cumulative terms.



The ratio of paid & outstanding losses/GWP + other income decreased to 72.36% in FY2011 (FY2010: 87.97%). The large increase in incurred claims during FY2010 was due to the natural catastrophes (flood, hail and fire). Sector profitability was restored during FY2011.

Changes in Difference between GWP+Other Income and Paid & Outstanding Losses during FY2010 and FY2011



Differences between GWP & other income and paid & outstanding losses increased by TRY 20.16mn during FY2011 compared with a decrease of TRY 9.29mn during FY2010. The fire, MVPD and health branches contributed most to this improvement while the marine, engineering and hail damage branches resulted in negative values.

Following the promulgation of the Insurance Services (Regulation and Supervision) Law no.60/2010 at the end of 2010 with a view to improving the harmonization level with EU regulations, some advances envisaged by the Law could not be put into full effect. However, the following regulatory statutes were published under the Law no.60/2010; (i) insurance agencies regulation dated August 12, 2011, (ii) regulation on the establishment and operating

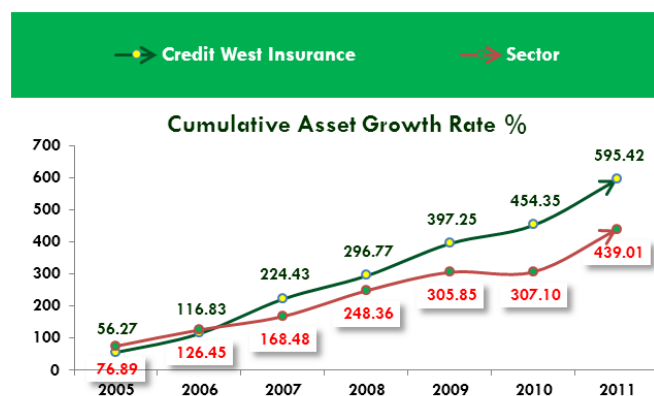
principles of insurance and reinsurance companies, (iii) regulation on insurance information center dated March 5, 2012, (iv) regulation on the assets of insurance and reinsurance companies to be invested as technical provisions and (v) regulation on the capital adequacy requirements of insurance and reinsurance companies.

Further regulatory initiatives and development of technical framework with a view to complying with the main principles of the Association of Insurance Supervisors (IAIS) and 'Solvency II' rules which will enter into force on January 1, 2013 remains as a priority of the TRNC insurance industry.

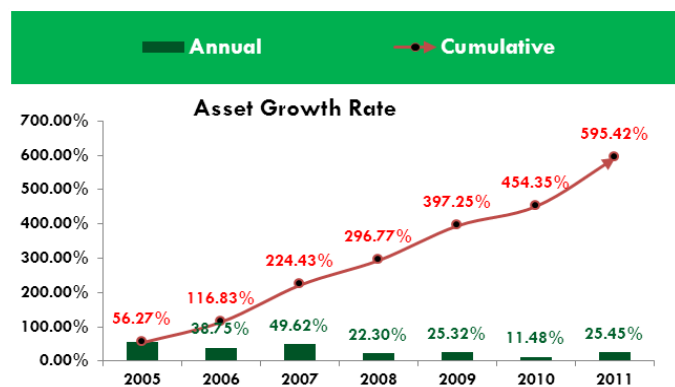
**6. Financial Indicators**

**• Indices Relating to Size**

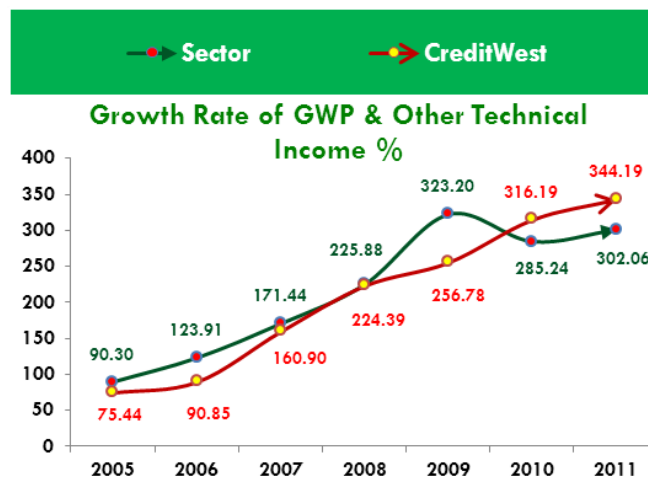
During the last seven year period, Creditwest Insurance demonstrated much better performance than the sector and exhibited a 595.42% cumulative asset size growth, which was 1.36 times the sector's growth. The graph below displays the Company's cumulative asset base growth in comparison to that of the sector.



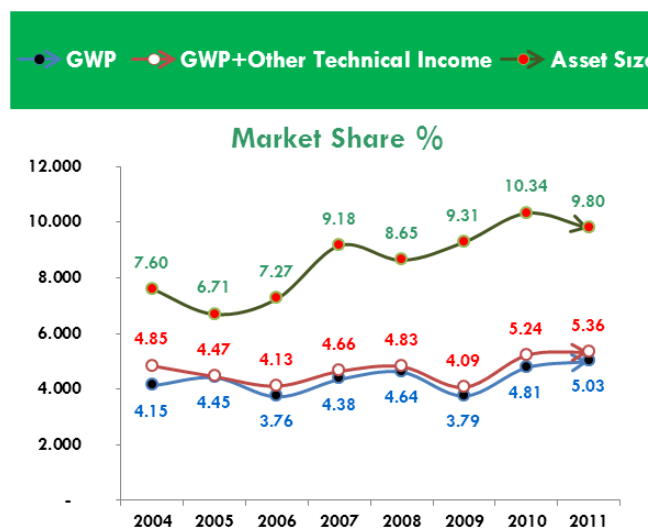
The Company posted a growth of 25.45% in TRY based total asset size which was below the sector's 32.40% growth at the end of FY2011.



The Company exceeded the sector's performance and maintained its increasing trend in the gross written premium (GWP) rate while the Sector fluctuated over the last three years in particular.



Creditwest Insurance asset base market share displayed a fluctuating pattern over the period under reviewed and decreased to 9.80% FY2011 from 10.34% FY2010. However, the company succeeded in expanding its GWP and GWP plus other technical income market shares compared to the previous year.



Creditwest Insurance operates in non-life segments of fire, transportation, accident, engineering and motor vehicle. GWP demonstrated a 7.08% growth at the end of FY2011 on a year-on-year basis. The GWP of motor vehicle physical damage segment still contributes the largest share although its portion decreased to 62.07% from 72.28% FY2010. In the

same period the contribution of the accident segment increased to 26.36% from 14.89% FY2010 and took the second largest share in GWP. A paid loss to written premium ratio of the motor vehicle physical damage segment was 67.06% FY2011 while the ratio of the accident segment was 8.80%, demonstrating that the increase in the accident share of total GWP will contribute to future profitability levels.

Distribution of GWP %	Premium (CreditWest)						
	2005	2006	2007	2008	2009	2010	2011
Fire	4.56	5.79	15.69	58.63	8.77	9.11	9.09
Marine	15.78	10.39	2.60	0.05	3.55	3.77	2.34
Motor Vehicle Physical Damage	77.29	80.86	81.12	32.22	78.22	72.28	62.07
Accident(Incl. MTPL)	2.37	2.96	0.50	1.48	9.37	14.89	26.36
Engineering	-	-	0.10	7.62	0.09	-0.04	0.14
Health	-	-	-	-	-	-	-
<b>Total Non-Life</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Life	-	-	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

In terms of total gross written premium and other income, Creditwest Insurance ranked fourth during FY2011 and FY2010 amongst the 27 non-life insurance companies in the sector. Depending on the remarkable growth of GWP in the accident segment, the Company took first position in the accident field of the sector.

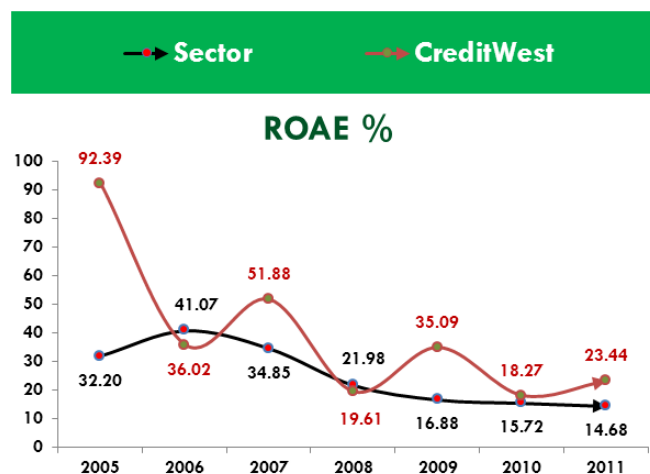
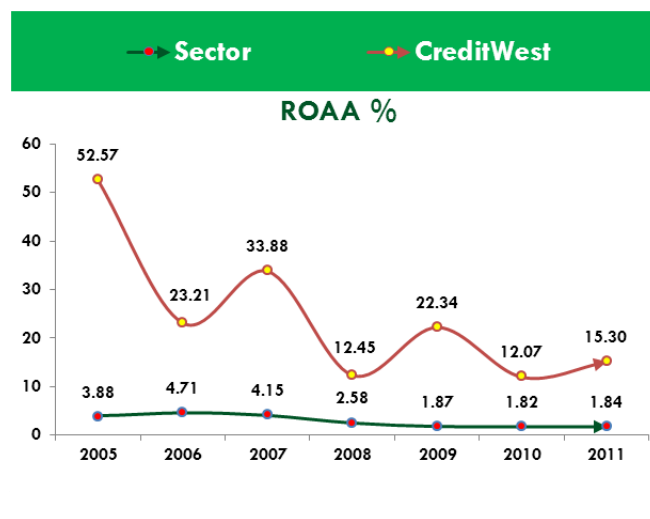
The table below lists the business-wise ranking of Creditwest Insurance for premium production.

Ranking for size of Total Premium	2005	2006	2007	2008	2009	2010	2011
Fire	23	15	15	14	7	9	11
Marine	2	4	4	4	3	4	4
Motor Vehicle Physical Damage	7	8	6	4	3	4	8
Accident(Incl. MTPL)	8	9	3	5	4	3	1
Engineering	-	-	-	-	-	24	14
Health	-	-	-	-	-	-	-
<b>Total Non-Life</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>
Life	-	-	-	-	-	-	-
<b>Total</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>

• **Indices relating to profitability**

One of the principal profitable ratios, ROAA, was markedly above the sector's average for the entire period under review, despite demonstrating a fluctuating pattern.

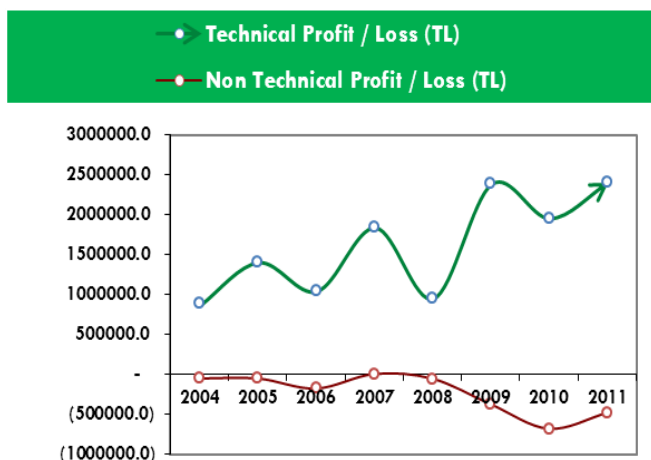
The Company's ratio was approximately eight times higher than the sector average at the end of FY2011. Creditwest Insurance also performed much better than the sector in return on equity, particularly in the last three years. Resultantly, the Company's ROAE ratio stood at almost 1.6 times that of the insurance sector as of FY 2011.



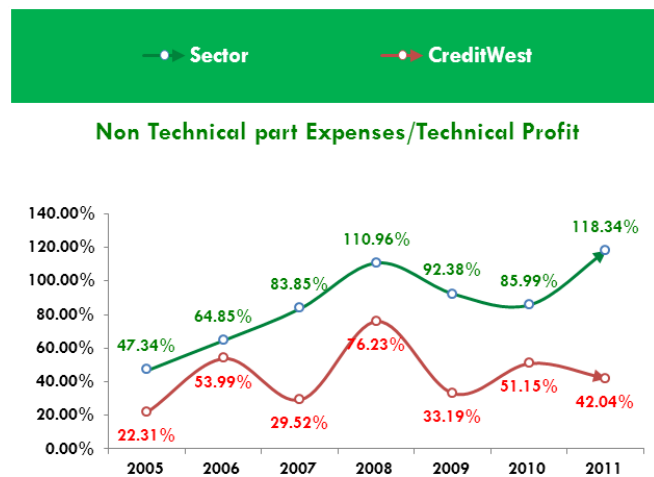
Gross Written Premium (GWP) of Creditwest followed an increasing trend over the last six year period and the Company generated continuous profit from its operations. The company recorded a net profit of TRY 1.47mn by the end of FY2011 with a significant increase of 49.40% compared to the previous year. The net profit and technical profit figures alternate year by year.

Creditwest Insurance recorded a TRY 2.42mn technical profit at the end of FY2011 (FY2010: TRY 1.96mn) and faced a non-technical loss of TRY478k. Under the reviewed period, the technical profit of the company fluctuated, but improved overall. On the other hand,

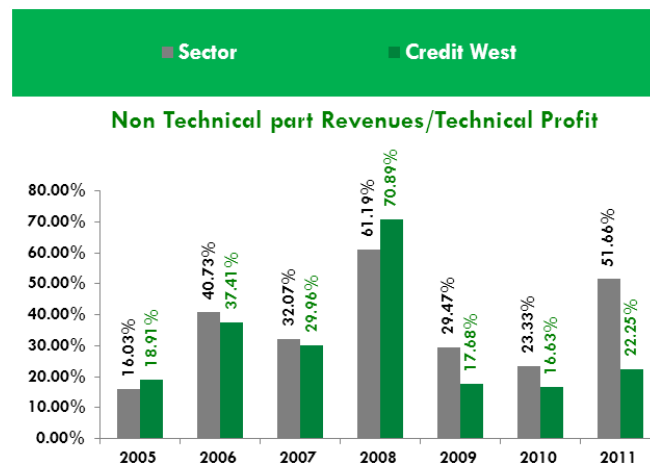
the company did not achieve a non-technical profit between 2004 and 2011.



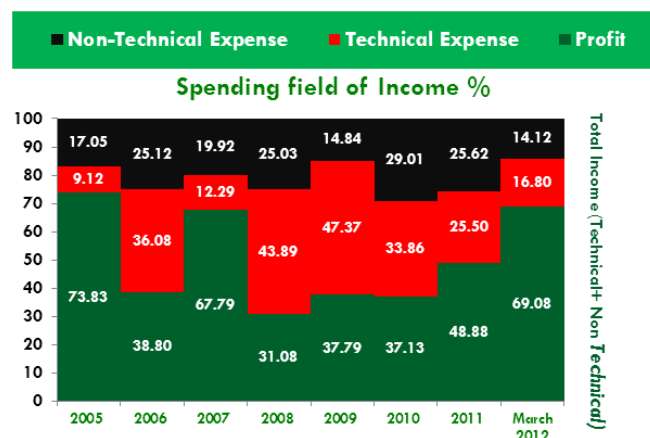
The Non-technical part expenses, which are generally comprised of personnel and administrative expenses, to technical profits ratio was 42.04% FY2011, significantly lower than the sector's ratio of 118.34%. These figures indicate that the Company keeps personnel and administrative expenses under control and generates profits from its main activities.



Creditwest Insurance's non-technical revenues to technical profit ratio increased to 22.25% FY2011 from 16.63% FY2010, while the sector's increased to 51.66% at the end of FY2011 from 23.33%. The figure of 22.25% implies that 77.75% of the Company's profits were generated through main operations. Compared to the sector's 51.66%, this figure demonstrates the Company's high level of efficiency.



The share of non -technical expense in total income has followed a fluctuating trend and remained at acceptable levels as presented in the following chart. During FY2011, the portion of non -technical expense in total income decreased to its lowest level.



## 7. Risk and Risk Management, Organization

The Insurance Services (Regulation and Supervision) Law no.60/2010 stipulates that Insurance and Reinsurance companies should establish internal control, internal audit and risk management systems. However, regulations are not yet set up by authorities. Thus, internal control, internal audit and risk management systems have not yet been established by the company.

### a) Liquidity Risk

Creditwest Insurance's liquidity ratios showed improvement during FY2011, were compliant to internationally accepted reference values and the Company is expected to retain its ability to cover its debts and losses in the future.



Current assets to short term liabilities ratio was 2,832% in FY2011, more than two times that of the previous year's ratio of 1,152%.

The company encounters the obligation of maintaining the required minimum cash balance as stipulated by TRNC regulators. The Liquid assets to total asset ratio stood at 48.21% at the end of FY2011 (FY2010: 36.50%), comparable with the sector's ratio.

**b) Ratio Analysis**

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

%	2006	2007	2008	2009	2010	2011
Loss Ratio (Gross)	61.87	47.56	76.94	111.33	80.76	67.76
Loss Ratio (Net)	62.48	18.68	69.26	68.74	43.21	27.77
Technical Profit & Loss Ratio (Gross)	37.47	46.86	19.12	43.97	33.37	38.33
Technical Profit & Loss Ratio (Net)	110.91	129.18	70.25	152.59	89.43	82.94
Expenses Ratio (Gross)	0.62	0.29	0.29	0.08	-	-
Expenses Ratio (Net)	1.52	0.71	0.86	0.17	-	-
Combined ratio (Gross)	62.49	47.85	77.23	111.42	80.76	67.76
Combined ratio (Net)	64.00	19.39	70.12	68.91	43.21	27.77
Reinsurance retention ratio	33.78	36.28	27.21	28.82	37.32	46.22
Loss and Paid Ratio	42.02	43.24	33.37	29.18	33.29	30.45
Premiums Ceded to Reinsurer/Total Premium	59.32	59.14	66.64	51.29	57.62	48.23
Incurred Losses (Gross) Ceded to Reinsurer/Incurred Losses	58.92	83.95	69.97	69.93	77.32	78.78
Solvency Ratio = Net Assets/ Written Net Premiums	256.87	250.12	339.11	367.47	320.50	283.80

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 claims payment. Creditwest Insurance's solvency ratio was much higher than the sector's average of 92.78%, indicating that the Company has a high capability to meet claims payment.

The reinsurance retention ratio is an indicator of the amount of risks carried by cedent 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. This ratio increased to 46.22% at the end of FY2011 from 37.32% FY2010, indicating that risks were transferred to the reinsurer at low levels. Though this appears to favor profitability, the Company's loss and payment risk will increase subsequently in the event probable claims are incurred.

The Company's loss and paid ratios decreased to 30.45% at the end of FY2011 from 33.29% FY2010 and was remarkably lower than the sector's 70.82% FY2011. This

ratio indicates the Company's cautions policy as well as lower claim payments.

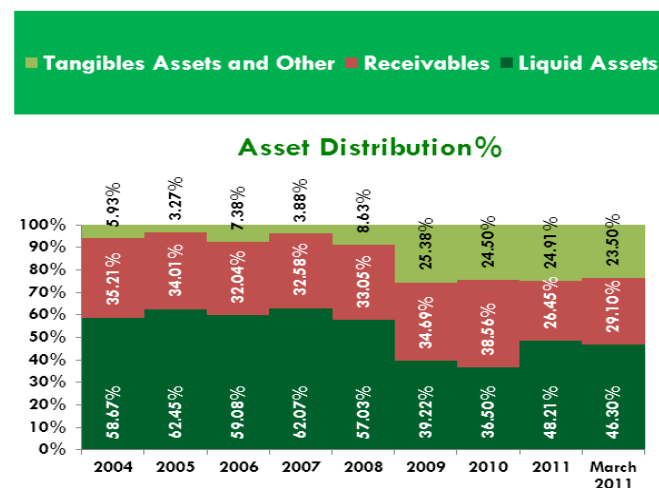
Combined ratio measures the profitability level of the company. A ratio of less than 100% means the company generates profit from its activities. Combined ratio of the company demonstrated an improvement during last two year period and stood at 67.76% at the end of FY2011.

**c) Asset Quality**

Creditwest Insurance had no doubtful receivables at the end of FY2011, the same as the previous year. In line with its investment strategy, the company has never held sub-prime securities or assets based on derivative instruments. The avoidance of risky instruments in its investment also contributes to asset quality and keeps risk exposure lower.

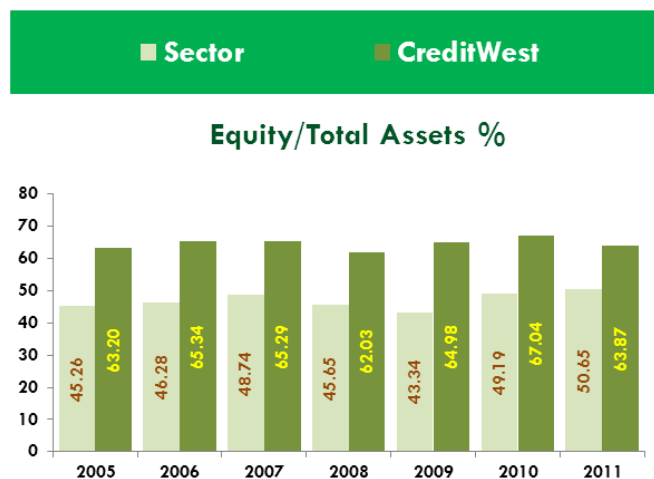
Creditwest's ratio of tangible assets to equity was 24.91% FY2011 while the sector's was 5.84%. The high non-earning assets assert pressure on company profitability.

The Company's cash and cash equivalent assets consisted of 48.21% of total assets, an increase from 36.50% FY2010. 26.45% of the remaining assets were receivables with a high collection capacity from agencies and insurance holders.



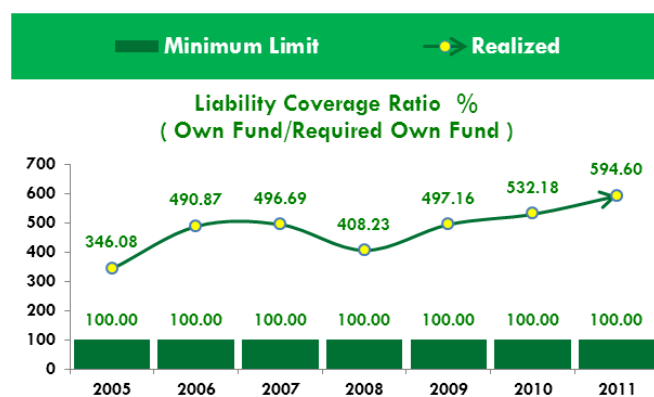
Equity to total assets ratio, although demonstrating a decrease in FY2011, remained much higher than the sector's average. The Sector's liquid assets comprised 51.38% of the total assets while the company's comprised a comparable 48.21%. As a result of the sound equity base with high liquid assets along with no

doubtful receivables, the asset quality of Creditwest Insurance is considered high at present.



**d) Funding and Adequacy of Capital**

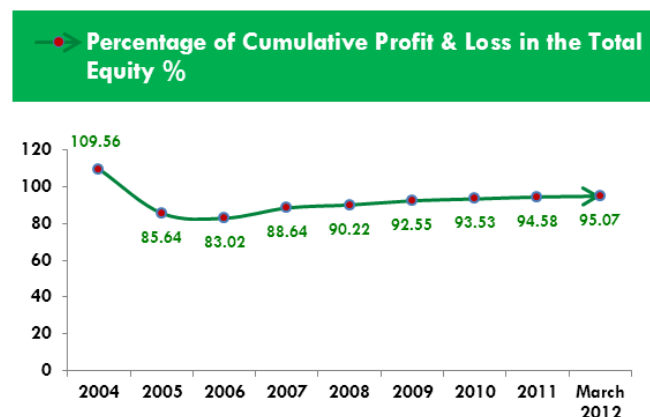
Creditwest Insurance's liability coverage ratio was well above the limits set by TRNC insurance authorities through the period under review and followed an increasing trend. If the minimum legal requirement level is accepted as 100%, the Company's liability coverage ratio was 594.60% at the end of FY2011, approximately six times higher than the requirement level.



Over the last seven year period, Creditwest Insurance's equity to assets ratios retained its higher level, which stood at around 65%, while the liabilities to assets ratio were approximately 35%. These ratios indicate strong equity base of the company.



As seen in the graph below, 95.07% of the Company's equity was generated via profit from its activities. The cumulative Profit and Loss to Total Equity Ratio maintained its increasing trend over the last six year period, indicating the efficiency of the company in expanding its equity base without a cash equity injection.



**8. Corporate Governance**

Although Creditwest Insurance is not a publicly traded company, its operations are carried out under the regulation of the Insurance Services (Regulation and Supervision) Law no.60/2010. The Law imposed some new obligations such as the establishment of internal control, internal audit and risk management systems, enhancement of the BoD and top management qualifications and transparent reporting. However, all regulations have not yet been set up by the authorities and Companies licensed before the Law come in force are exempt from some of new implementations.

The Company has disclosed its vision, mission, strategy, board of directors, financial statements and quality and

customer relations policies on its web site. On the other hand, the non-disclosure of the Company's articles of association, annual reports, independent audit reports, current financial statements and disclosure and social responsibility policies as well as the absence of independent directors among the Company's Board and organizational chart reduce the level of transparency and accountability.

In the context of best practices of corporate governance principles, the sector's practices are far behind international standards. Thus, improvements are needed in both the sector and the company.

CREDITWEST INSURANCE LTD.		(Year-end)	(Year-end)	(Year-end)	(Year-end)	(Year-end)	(Year-end)	(Year-end)	As % of	As % of	As % of	2011	2010	2009	
		2011	2011	2011	2010	2010	2009	2009	2008	2011	2010				2009
		USD	TRY	TRY	TRY	TRY	TRY	TRY	TRY	Assets	Assets				Assets
		(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)				(Original)
												Rate	Rate	Rate	
<b>A)</b>	<b>CASH AND SIMILAR ASSETS</b>	<b>2,544,455.96</b>	<b>4,763,221.55</b>	<b>4,032,856.87</b>	<b>3,302,492.18</b>	<b>3,627,864.90</b>	<b>3,953,237.61</b>	<b>4,270,256.93</b>	<b>4,587,276.25</b>	<b>33.79</b>	<b>29.39</b>	<b>39.22</b>	<b>44.23</b>	<b>-16.46</b>	<b>-13.82</b>
<b>B)</b>	<b>FINANCIAL ASSETS AND INVESTMENTS</b>	<b>1,086,521.93</b>	<b>2,033,969.05</b>	<b>1,416,984.53</b>	<b>800,000.00</b>	<b>400,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	14.43	7.12	n.a	154.25	n.a	n.a
a)	Bonds & Bill	1,086,521.93	2,033,969.05	1,416,984.53	800,000.00	400,000.00		0.00		14.43	7.12	n.a	154.25	n.a	n.a
b)	Equities	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
a)	Property	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		n.a	n.a	n.a	n.a	n.a	n.a
e)	Participations & Subsidiaries & Others	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
f)	Other	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
g)	Reserves (-)	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
h)	Provision for Depreciation of Financial Assets (-)	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
i)	Capital Commitments for Participations & Others (-)	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
<b>C)</b>	<b>RECEIVABLES FROM OPERATING ACTIVITIES</b>	<b>449,286.55</b>	<b>841,064.43</b>	<b>747,851.98</b>	<b>654,639.52</b>	<b>639,764.52</b>	<b>624,889.51</b>	<b>523,465.05</b>	<b>422,040.59</b>	<b>5.97</b>	<b>5.83</b>	<b>6.20</b>	<b>28.48</b>	<b>4.76</b>	<b>48.06</b>
a)	Insurance, Reinsurance, Pension and other Activities	449,286.55	841,064.43	747,851.98	654,639.52	639,764.52	624,889.51	523,465.05	422,040.59	5.97	5.83	6.20	28.48	4.76	48.06
b)	Doubtful Receivables	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
a)	Provisions for Receivables From Operating Activities (-)	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		n.a	n.a	n.a	n.a	n.a	n.a
b)	Provisions For Doubtful Receivables (-)	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
<b>D)</b>	<b>RECEIVABLES FROM RELATED PARTIES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	n.a	n.a	n.a	n.a	n.a	n.a
<b>E)</b>	<b>OTHER RECEIVABLES</b>	<b>1,542,350.34</b>	<b>2,887,279.83</b>	<b>3,283,154.77</b>	<b>3,679,029.71</b>	<b>3,275,555.84</b>	<b>2,872,081.96</b>	<b>2,554,433.62</b>	<b>2,236,785.27</b>	<b>20.48</b>	<b>32.74</b>	<b>28.49</b>	<b>-21.52</b>	<b>28.10</b>	<b>28.40</b>
a)	Receivables	1,542,350.34	2,887,279.83	3,283,154.77	3,679,029.71	3,275,555.84	2,872,081.96	2,554,433.62	2,236,785.27	20.48	32.74	28.49	-21.52	28.10	28.40
b)	Doubtful Receivables	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
a)	Provisions for Receivables From Other Receivable (-)	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		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		n.a	n.a	n.a	n.a	n.a	n.a
<b>F)</b>	<b>EXPENSE RELATING TO FUTURE MONTHS/YEARS AND INCOME ACCRUALS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	n.a	n.a	n.a	n.a	n.a	n.a
<b>G)</b>	<b>OTHER ASSETS</b>	<b>32,109.49</b>	<b>60,108.97</b>	<b>54,554.89</b>	<b>49,000.81</b>	<b>60,657.51</b>	<b>72,314.20</b>	<b>88,066.35</b>	<b>103,818.49</b>	<b>0.43</b>	<b>0.44</b>	<b>0.72</b>	<b>22.67</b>	<b>-32.24</b>	<b>-30.35</b>
a)	Other Current Assets	32,109.49	60,108.97	54,554.89	49,000.81	60,657.51	72,314.20	88,066.35	103,818.49	0.43	0.44	0.72	22.67	-32.24	-30.35
b)	Reserves (-)	0.00		0.00		0.00		0.00		n.a	n.a	n.a	n.a	n.a	n.a
<b>H)</b>	<b>TANGIBLE ASSETS Net</b>	<b>1,876,350.89</b>	<b>3,512,528.87</b>	<b>3,132,841.13</b>	<b>2,753,153.38</b>	<b>2,655,657.27</b>	<b>2,558,161.15</b>	<b>1,625,994.45</b>	<b>693,827.75</b>	<b>24.91</b>	<b>24.50</b>	<b>25.38</b>	<b>27.58</b>	<b>7.62</b>	<b>268.70</b>
<b>I)</b>	<b>INTANGIBLE ASSETS Net</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	n.a	n.a	n.a	n.a	n.a	n.a
<b>J)</b>	<b>TOTAL ASSET</b>	<b>7,531,075.16</b>	<b>14,098,172.70</b>	<b>12,668,244.15</b>	<b>11,238,315.60</b>	<b>10,659,500.02</b>	<b>10,080,684.43</b>	<b>9,062,216.39</b>	<b>8,043,748.35</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>25.45</b>	<b>11.48</b>	<b>25.32</b>

CREDITWEST INSURANCE LTD.		(Year-end)	(Year-end)	(Year-end)	(Year-end)	(Year-end)	(Year-end)	(Year-end)	As % of	As % of	As % of	2011	2010	2009	
		2011	2011	2011	2010	2010	2009	2009	2008	2011	2010	2009	2011	2010	2009
		USD	TRY	TRY	TRY	TRY	TRY	TRY	Assets	Assets	Assets	Growth	Growth	Growth	
		(Converted)	(Original)	(Average)	(Original)	(Average)	(Original)	(Average)	(Original)	(Original)	(Original)	Rate	Rate	Rate	
A)	<b>FINANCIAL PAYABLES</b>	0.00		0.00		0.00		0.00	n.a	n.a	n.a	n.a	n.a	n.a	
B)	<b>OPERATING ACTIVITY PAYABLES</b>	198,526.04	371,640.75	551,947.47	732,254.19	978,210.61	1,224,167.03	1,082,561.64	940,956.24	2.64	6.52	12.14	-49.25	-40.18	30.10
a)	Total Operational Activity Payables	198,526.04	371,640.75	551,947.47	732,254.19	978,210.61	1,224,167.03	1,082,561.64	940,956.24	2.64	6.52	12.14	-49.25	-40.18	30.10
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)	<b>DUE TO RELATED PARTIES</b>	0.00		0.00		0.00		0.00	n.a	n.a	n.a	n.a	n.a	n.a	
D)	<b>OTHER PAYABLES</b>	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	
a)	Other Payables (Total)	0.00		0.00		0.00		0.00	n.a	n.a	n.a	n.a	n.a	n.a	
b)	Rediscount (-)	0.00		0.00		0.00		0.00	n.a	n.a	n.a	n.a	n.a	n.a	
E)	<b>TOTAL TECHNICAL PROVISIONS</b>	2,522,443.86	4,722,014.91	3,846,876.93	2,971,738.95	2,638,985.13	2,306,231.31	2,209,563.03	2,112,894.74	33.49	26.44	22.88	58.90	28.86	9.15
F)	<b>TAXES AND OTHER LIABILITIES TO BE PAID AND PROVISIONS THEREOF</b>	0.00		0.00		0.00		0.00	n.a	n.a	n.a	n.a	n.a	n.a	
G)	<b>PROVISIONS RELATED OTHER RISKS</b>	0.00		0.00		0.00		0.00	n.a	n.a	n.a	n.a	n.a	n.a	
H)	<b>INCOME RELATING TO FUTURE MONTHS&amp; YEARS AND EXPENSE ACCRUALS</b>	0.00		0.00		0.00		0.00	n.a	n.a	n.a	n.a	n.a	n.a	
I)	<b>OTHER LIABILITIES</b>	0.00		0.00		0.00		0.00	n.a	n.a	n.a	n.a	n.a	n.a	
J)	<b>EQUITY CAPITAL</b>	4,810,105.04	9,004,516.63	8,269,419.79	7,534,322.95	7,042,304.57	6,550,286.18	5,770,091.82	4,989,897.46	63.87	67.04	64.98	19.51	15.02	31.27
a)	a) Prior Year's Equity	4,024,745.17	7,534,322.95	7,042,304.57	6,550,286.18	5,770,091.82	4,989,897.46	4,642,024.48	4,294,151.49	53.44	58.29	49.50	15.02	31.27	16.20
b)	b) Equity (Added from Internal & External Resources at this year)	0.00		0.00		-0.50	-1.00	-0.50		n.a	n.a	0.00	n.a	-100.00	n.a
c)	h) Profit & Loss	785,359.87	1,470,193.68	1,227,115.23	984,036.77	1,272,213.25	1,560,389.72	1,128,067.85	695,745.97	10.43	8.76	15.48	49.40	-36.94	124.28
K)	<b>TOTAL LIABILITIES</b>	7,531,074.94	14,098,172.29	12,668,244.19	11,238,316.09	10,659,500.31	10,080,684.52	9,062,216.48	8,043,748.44	100.00	100.00	100.00	25.45	11.48	25.32
		USD 1 = TRY	1.872	1.872	USD 1 = TRY	1.5455	USD 1 = TRY	1.5057	1.5123						

CREDITWEST INSURANCE LTD.							
INCOME STATEMENT	2010	2010	2009	2008	2007	2006	2005
<b>TECNICAL INCOME (Life % Non-Life)</b>							
<b>WRITTEN PREMIUMS (NET)</b>							
Written Premiums (Gross)	3,427,640.52	3,138,211.83	4,934,080.95	2,247,193.00	2,187,614.00	1,868,679.00	1,582,419.00
Premiums Ceded to Reinsurer (-)	2,913,799.79	2,197,306.99	1,570,200.01	1,368,872.00	1,432,539.00	948,820.00	1,049,155.00
<b>TOTAL PROVISIONS FOR UNEARNED PREMIUMS (NET) (-)</b>	6,304,755.60	5,888,145.26	5,448,992.59	5,030,639.00	3,948,928.00	2,808,917.00	2,600,426.00
Provisions (Gross) (-)	-3,390,955.81	-3,690,838.27	-3,878,792.58	-3,661,767.00	-2,516,389.00	-1,860,097.00	-1,551,271.00
Provisions (Reinsurer's share)	726,612.96	517,613.80	2,112,894.74	464,293.00	305,753.00	326,603.00	177,386.00
<b>CHANGE IN PROVISION FOR UNEXPIRED RISKS</b>	726,612.96	517,613.80	2,112,894.74	464,293.00	305,753.00	326,603.00	177,386.00
<b>INVESTMENT INCOME TRANSFERRED FROM NON-TECHNICAL SECTION</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>LIFE BRANCH INVESTMENT INCOME</b>	-1,959,114.75	-726,614.56	-517,613.80	-655,361.00	-464,293.00	-305,752.00	-326,602.00
<b>UNREALIZED PROFITS IN INVESTMENT</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>OTHER net TECHNICAL INCOMES</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>NET COMMISSION INCOME or EXPENSE</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TECHNICAL EXPENSES</b>	1,969,881.70	1,865,735.89	1,197,250.22	1,228,175.00	911,192.00	746,382.00	667,718.00
<b>PAID LOSSES (NET) (-)</b>	-223,539.18	-715,830.29	571,349.78	-158,786.00	2,423.00	152,626.00	14,762.00
Paid Losses (Gross) (-)	-1,011,028.19	-1,173,238.79	-2,538,131.26	-1,285,492.00	-337,087.00	-816,298.00	-168,658.20
Paid Losses (Reinsurer's share)	-925,032.20	-1,019,344.27	-743,312.29	-829,505.00	-398,805.00	-332,931.00	-276,848.00
<b>PROVISION FOR OUTSTANDING LOSSES (Brought Forward)(NET) (-)</b>	-2,735,661.72	-3,230,505.28	-2,456,918.19	-2,643,827.00	-1,248,368.00	-1,090,903.00	-913,918.00
Provisions (Gross) (-)	1,810,629.52	2,211,161.01	1,713,605.90	1,814,322.00	849,563.00	757,972.00	637,070.00
Provisions (Reinsurer's share)	-85,995.99	-153,894.52	-1,788,617.51	-440,174.00	74,085.00	-463,997.00	139,682.80
<b>TOTAL MATHEMATICAL RESERVES (NET) (-)</b>	-2,028,509.01	-1,942,512.03	-5,962,058.36	-1,583,878.00	-775,054.00	-849,140.00	-443,983.20
Mathematical Reserves (Gross) (-/+)	1,942,513.02	1,788,617.51	4,173,440.85	1,143,704.00	849,139.00	385,143.00	583,666.00
Mathematical Reserves (Reinsurer's Share) (-/+)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>CHANGE IN total PROVISION</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>OPERATING Expenses &amp; in investment Loss (-)</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>INVESTMENT COSTS TRANSFERRED TO NON-TECHNICAL SECTION (-)</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TECHNICAL PROFIT/LOSS</b>	0.00	0.00	-6,201.46	-15,813.00	-12,367.00	-19,370.00	-31,493.00
<b>II- NON-TECHNICAL PART PROFIT/LOSS</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>INVESTMENT INCOME Net</b>	2,416,612.33	1,964,973.04	2,395,949.69	961,701.00	1,850,527.00	1,052,381.00	1,413,760.80
Total Investment Income	-478,312.19	-678,324.30	-371,471.44	-51,360.88	8,251.25	-174,473.74	-48,088.44
Total Investment Expense	479,668.97	286,725.45	421,227.09	679,351.48	550,170.03	393,625.08	267,311.19
<b>PROFIT &amp; LOSS ARISING FROM OTHER OPERATIONS (+/-)</b>	537,599.55	326,820.20	423,694.13	681,745.81	554,442.36	393,741.99	267,311.19
Reserve & Discount Accounts (+/-)	-57,930.58	-40,094.75	-2,467.04	-2,394.33	-4,272.33	-116.91	
Other Income	-957,981.16	-965,049.75	-792,698.53	-730,712.36	-541,918.78	-568,098.82	-315,399.63
Other Expense						-172,873.13	
<b>PRE TAX PROFIT &amp; LOSS</b>							0.05
Taxation	-957,981.16	-965,049.75	-792,698.53	-730,712.36	-541,918.78	-395,225.69	-315,399.68
Dividend	1,938,300.14	1,286,648.74	2,024,478.25	910,340.12	1,858,778.25	877,907.26	1,365,672.36
Minority Interest	-468,105.46	-302,611.97	-464,088.53	-214,594.15	-436,725.73	-208,319.60	-320,543.71
<b>NET PROFIT &amp; LOSS</b>		0.00	0.00	0.00	0.00	0.00	0.00

<b>CREDITWEST INSURANCE LTD.</b>					
<b>FINANCIAL RATIO</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>I. PROFITABILITY &amp; PERFORMANCE</b>					
1. ROA - Pre-tax Profit/Total Assets (av.)	15.30	12.07	22.34	12.45	33.88
2. ROE - Pre-tax Profit/Equity (av.)	23.44	18.27	35.09	19.61	51.88
3. Total Non-Technical Income/Equity (av.)	6.50	4.64	7.34	14.69	15.47
4. Total Non-Technical Income /Total Assets (av.)	4.24	3.07	4.68	9.33	10.11
5. Provision/Total Non-Technical Income	-	-	-	-	-
6. (Total Non-Technical Expense/Total Liabilities (av.)	8.02	9.43	8.77	10.03	9.96
7. Net Profit for the Period/ Total Asset (av.)	11.61	9.23	17.22	9.52	25.92
8. Non-Technical Income/ Non-Technical Expense	52.92	32.51	53.28	92.99	101.51
9. Pre-tax Profit & Loss/Net written Premium	66.52	58.56	128.93	66.50	129.75
10. Loss Ratio (Gross)	67.76	80.76	111.33	76.94	47.56
11. Loss Ratio (Net)	27.77	43.21	68.74	69.26	18.68
12. Technical Profit & Loss Ratio (Gross)	38.33	33.37	43.97	19.12	46.86
13. Technical Profit & Loss Ratio (Net)	82.94	89.43	152.59	70.25	129.18
14. Expenses Ratio (Gross)	-	-	0.08	0.29	0.29
15. Expenses Ratio (Net)	-	-	0.17	0.86	0.71
16. Combined Ratio (Gross)	67.76	80.76	111.42	77.23	47.85
17. Combined Ratio (Net)	27.77	43.21	68.91	70.12	19.39
18. Reinsurance Retention Ratio	46.22	37.32	28.82	27.21	36.28
20. Loss and Paid Ratio	30.45	33.29	29.18	33.37	43.24
21. Net Profit& Loss/Total Liabilities	33.42	27.20	47.40	26.07	74.71
22. Premiums Ceded to Reinsurer/Total Premium	48.23	57.62	51.29	66.64	59.14
23. Incurred Losses (Gross) Ceded to Reinsurer/Incurred Losses	78.78	77.32	69.93	69.97	83.95
24. Technical Profit & Loss/ Non-Technical Profit & Loss Ratio	505.24	289.68	644.99	1,872.44	- 22,432.67
<b>II. CAPITAL ADEQUACY (year-end)</b>					
1. Equity Generation/Prior Year's Equity	-	-	-	-	0.00
2. Internal Equity Generation/Prior Year's Equity	19.51	15.02	31.27	16.20	49.51
3. Equity/Total Assets	63.87	67.04	64.98	62.03	65.29
4. Free Equity/Total Assets	53.13	54.44	51.91	46.84	50.69
5. Requisite Own Fund/Own Fund	16.82	18.79	20.11	24.50	22.36
6. Gross Premiums/Equity	76.24	83.61	94.44	108.37	110.21
7. Net Premiums/Equity	35.24	31.20	27.21	29.49	39.98
8. Solvency Ratio = Net Assets/Written Net Premiums	283.80	320.50	367.47	339.11	250.12
<b>III. LIQUIDITY (year-end)</b>					
1. Current Assets/Non-Current Assets	294.62	301.06	283.23	908.44	1,770.48
2. Current Assets/Total Assets	74.66	75.07	73.91	90.08	94.65
3. Current Assets/Short Term Liabilities	2,832.18	1,152.08	608.59	770.08	596.54
4. Cash and Similar Assets/Total Assets	33.79	29.39	39.22	57.03	65.91
5. Cash and Similar Assets and Bond-Bill-Equities/Total Assets	48.21	36.50	39.22	57.03	65.91
<b>IV. ASSET QUALITY and OTHERS</b>					
3. (NCA-Long Term Liabilities)/Equity	12.76	2.25	11.59	26.36	20.67
4. Doubtful Receivable/Total Receivable	-	-	-	-	-
5. Provision/Doubtful Receivable	-	-	-	-	-
6. Receivable/Total Assets	31.82	36.73	33.96	32.84	32.37
7. Receivables from Operating Activities/Total Assets	5.90	6.00	5.78	17.54	32.37
8. Doubtful Receivables /Total Receivables from Operating Activities	-	-	-	-	-
9. Doubtful Receivables /Equity	-	-	-	-	-
10. Solvency Margin Ratio	0.05	0.05	0.05	0.05	0.05
11.Total Foreign Currencies Position/Assets	0.21	0.71	0.94	1.18	3.55
12.Total Foreign Currencies Position/Equity	0.32	1.06	1.45	1.91	5.44
13. Market Shares	9.80	10.34	9.31	8.65	9.18
14. Growth Rates	25.45	11.48	25.32	22.30	49.62