



CREDIT RATING REPORT

DATE: 31.12.2024

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ISSUER: TRUST CAPITAL REINSURANCE LTD.

ISSUE: -

CORE BUSINESS

INSURANCE/REINSURANCE

NEW:

UPDATE:

	RATINGS*					
	ISSUER RATING		OUTLOOK	ISSUE RATING		OUTLOOK
	LONG TERM	SHORT TERM		LONG TERM	SHORT TERM	
Trust Capital Reinsurance Ltd Şehit Mustafa Ahmet Ruso Caddesi, Muhtar Yusuf Galeria Kat:2 No: 202, K. Kaymaklı / Lefkoşa / KKTC Tel: (0392) 444 22 65 www.trustcapitalreinsurance.com	-	-	-	-	-	-
INTERNATIONAL FOREIGN CURRENCY	-	-	-	-	-	-
INTERNATIONAL LOCAL CURRENCY	-	-	-	-	-	-
NATIONAL RATING	TR A- TR A-	TR A-2 TR A-2	Positive Positive			

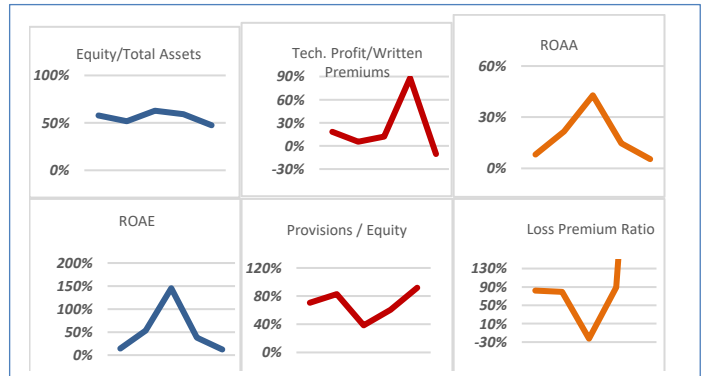
*Previous ratings are at the bottom right of the cells. **NR:** Not rated by DRC RATING. **Outlook:** Positive, Negative, Stable, Developing.

SUMMARY: Trust Capital Reinsurance Ltd. (hereafter TCR or the Company) has been affirmed a long-term national credit rating of “TR A-“ a short-term national credit rating of “TR A-2” and Outlook “Positive”.

Credit ratings reflects our opinion on; continued growth of the Company, which started operating in 2018, and that the partners’ financial strength and desire to support the Company; strong equity, high liquidity ratios, positive relations with ceding companies, retrocession agreements, the existence of knowledgeable and experienced management staff, the improvement of risk management policies and practices, the narrowness of the insurance market in Turkish Republic of Northern Cyprus (TRNC).

Key Financial Data (€ Million)

	2020	2021	2022	2023	2024/9
Total Assets	27.6	46.5	65.1	73.3	101.5
Reinsurance Receivables	4.6	4.5	6.7	3.3	45.7
Technical Profit/Loss(-)	0.8	1.9	23.6	1.2	-3.0
Provisions	11.2	19.9	15.8	26.3	44.3
Equity	15.9	24.0	40.9	43.4	48.2
Net Profit	1.9	8.0	23.9	9.5	4.7





Istanbul, December 31st, 2024

Financial Data

September 30th, 2024

(Million ₺)

Total Assets	101.5
Reinsurance Receivables	45.7
Provisions	44.3
Written Premiums (Gross)	32.0
Technical Revenues	157.7
Technical Expenses	160.6
Equity	48.2
Net Profit/Loss	4.7

Financial Ratios

ROAA (%)	5.4
ROAE (%)	12.3
Tech. Prof./Writ. Premi. (%)	-9.3
Writ. Premi. /Equity (%)	66.4
Net Profit/ Writ. Premi. (%)	14.8

Ratings Rationale, Outlook and Important Factors for the Future:

The credit ratings reflects our opinion on; continued growth of the Company which started operating in 2018, the shareholders' financial strength and desire to support the Company, strong equity structure, high liquidity ratios, positive relations developed with ceding companies, the existence of knowledgeable and experienced management staff, the improvement of risk management policies and practices, the narrowness of the insurance market in TRNC and retrocession agreements made with four companies rated A, A- by the international insurance companies rating agency AM Best. While providing reinsurance support to ceding companies in life and non-life insurance classes, TCR has produced all its reinsurance premiums from non-life group branches so far. Insurance and Reinsurance sector in TRNC is regulated by the Money and Exchange and Development Fund Affairs Department of the Country and financial statements are prepared in accordance with the Uniform Chart of Accounts. Our report is based on the independently audited financial statements of the Company dated 31.12.2023 and 30.09.2024. Despite the technical loss as of 30.09.2024 due to the high amount of claim payments made in 2024, the operating profit was close to the same period of the previous year and maintained its positive level. As of the 9th month of 2024, compared to the end of 2023, the Company's total assets increased by 38.5% to ₺101.5 million and equity increased by 10.9% to ₺48.2 million. As of the third quarter of 2024, the Company's cash assets are higher than its shareholders' equity as in previous periods. In the comparison period of 30 September 2023 - 30 September 2024, technical loss increased from ₺2.6 million to ₺3.0 million as a result of the increase in the provision for

outstanding claims in technical expenses from ₺23.4 million to ₺42.4 million and the claim payment of ₺91.4 million due to unexpected fire losses. With the contribution of financial income from foreign exchange gains, profit for the 9-month period of 2024 decreased by 6.5% compared to the same period of the previous year and totalled ₺4.7 million. In the first week of January 2024, ₺17.8 million cash capital increase was made and the paid-in capital of ₺12.2 million was first increased to ₺30 million and then increased by ₺3 million more from retained earnings to ₺33 million, which was evaluated positively in terms of credit ratings.

DRC RATING has confirmed the outlook of TCR's National Long-Term Credit Rating as "**Positive**". The shareholding structure consisting of leading businesspeople in TRNC, operational support received from group companies, existence of foreign currency deposits held in banks against high exchange rate risk, the fact that the ceding companies working with TCR have the right to withdraw from the agreements they have signed as per the legislation, integration with international standards in the sector is not yet at the desired level, uncertainties in the region and macroeconomic indicators have been taken into consideration and positive / negative factors have been evaluated in determining the outlook.

Factors to consider for the future change in rating and outlook are:

Positive:

- Increase in the number of ceding companies,
- Developing risk management policies and practices,
- Improvement of corporate governance principles.

Negative:

- The Company's profitability may be affected by unfavorable macroeconomic indicators,
- Unexpected increase in the amount of damage and compensation paid.



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