Due diligence & Rating Company

TCR TRUST CAPITAL REINSURANCE

CREDIT RATING REPORT

DATE: 09.01.2026

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ISUER: TRUST CAPITAL REINSURANCE LTD.

İSSUE: -

CORE BUSINESS INSURANCE/REINSURANCE

NEW: ☐ **UPDATE:** ☒

Trust Capital Reinsurance Ltd
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	RATINGS*					
	ISSUER RATING		OUTLOOK	ISSUE RATING		OUTLOOK
	LONG TERM	SHORT TERM		LONG TERM	SHORT TERM	
INTERNATIONAL FOREIGN CURRENCY	- -	- -	- -			
INTERNATIONAL LOCAL CURRENCY	- -	- -	- -			
NATIONAL RATING	**TR A** **TR A-**	**TR A-1** **TR A-2**	**Stable** **Positive**			

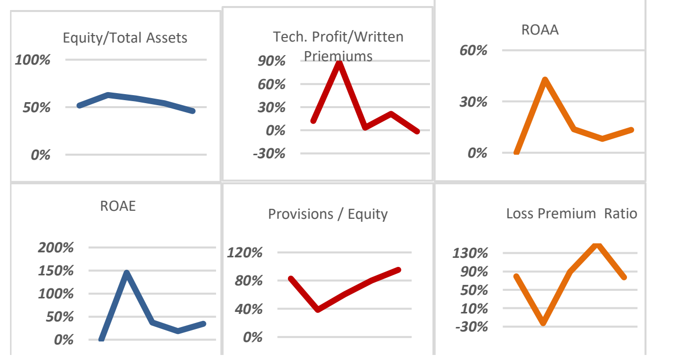
*Previous ratings are at the bottom right of the cells. **NR:** Not rated by DRC RATING. **Outlook:** Positive, Negative, Stable, Developing.

SUMMARY: Trust Capital Reinsurance Ltd. (hereafter TCR or the Company)'s Long-Term National Credit Rating has been upgraded to "**TR A**" and Short-Term National Credit Rating has been upgraded to "**TR A-1**" with Outlook **"Stable"**.

Credit ratings reflect our opinion on; the Company's continued steady growth since commencing operations in 2018, profitability ratios returning to an upward trend from 2025 onwards with the contribution of financial income, the strength and willingness of shareholders to support the Company, strong equity, high liquidity ratios, positive relationships developed with sedan companies, retrocession agreements, the presence of knowledgeable and experienced management teams, advanced risk management policies and practices, the approximation of TRNC insurance legislation to international standards with the comprehensive legislative change made in June of the current year, and the sector's growth potential due to the insurance penetration rate still being at a very low level.

Key Financial Data (₺ Million)

	2021	2022	2023	2024	2025/9
Total Assets	46.5	65.1	73.3	94.9	111.5
Reinsurance Receivables	4.5	6.7	3.3	29.5	36.7
Technical Profit/Loss(-)	1.9	23.6	1.2	9.2	-0.5
Provisions	19.9	15.8	26.3	41.0	48.8
Equity	24.0	40.9	43.4	51.3	51.2
Net Profit	8.0	23.9	9.5	7.9	13.8



İstanbul, January 9th, 2026

Financial Data

September 30th, 2025

(Million ₺)	
Total Assets	111.5
Reinsurance Receivables	36.7
Provisions	48.8
Written Premiums (Gross)	32.5
Technical Revenues	79.0
Technical Expenses	79.5
Equity	51.2
Net Profit/Loss(-)	13.8

Financial Ratios (%)	
ROAA	13.4
ROAE	34.2
Tech. Profit/Writ. Premium	-1.5
Written Premium /Equity	63.4
Net Profit/Written Premium	42.6

Ratings Rationale, Outlook and Important Factors for the Future:

Credit ratings reflect our opinion on; the Company's continued steady growth since commencing operations in 2018, profitability ratios returning to an upward trend from 2025 onwards with the contribution of financial income, the strength and willingness of shareholders to support the Company, strong equity, high liquidity ratios, positive relationships developed with sedan companies, retrocession agreements made with four companies rated A, A- by the international insurance companies rating agency AM Best, the presence of knowledgeable and experienced management teams, advanced risk management policies and practices, the approximation of TRNC insurance legislation to international standards with the comprehensive legislative change made in June of the current year, and the sector's growth potential due to the insurance penetration rate still being at a very low level.

The insurance and reinsurance sector in the TRNC is regulated by the Currency Exchange and Development Fund Affairs Department under the Ministry of Finance, and financial statements are prepared in accordance with the Uniform Accounting Plan. Our report is based on the independently audited financial statements of the Company dated 31.12.2024 and 30.09.2025.

Despite high-value damage payments incurred in 2024 due to fires, the technical loss of ₺3 million as of September 30th, 2024, was offset by an increase in premiums collected in the last three months of the year, resulting in a technical profit of ₺9.2 million by the end of 2024. During the 2023-2024 comparison period, the high rate of increase in general expenses, along with the decrease in the financial income-expense difference, caused non-technical profit to decline from ₺11.5 million to ₺1.2 million. Therefore, the profit for the 2024 period decreased by 17.1% compared to the previous year, amounting to ₺7.9 million. In the first nine months of 2025, the Company's total assets increased by 17.5% compared to the end of 2024, reaching ₺111.5 million while its equity remained unchanged at ₺51.2 million due to the increase in technical provisions set aside. As in previous periods, the Company's cash assets are higher than its equity as of the third quarter of 2025. Due to the increase in the provision for outstanding claims in the fire insurance segment, a technical loss of ₺494 thousand was incurred in the 2025/9 period. Non-technical profit increased by 116.3% from ₺7.7 million to ₺16.7 million in the 2025/9 period, thanks to a significant increase in interest income compared to the same period of the previous year. As a result, net profit for the period increased by 191.2% to ₺13.8 million.

DRC RATING has assigned a "**Stable**" outlook to TCR's National Long-Term Rating. 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, although significant steps have been taken with the comprehensive legislative changes made in the current year, the fact that integration with global standards in the sector is not yet at the desired level, uncertainties in the region, macroeconomic indicators have been taken into account 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,
- Achieving the growth targets set for the coming years,
- Mandatory earthquake and disaster insurance in line with the sector's expectations,

Negative:

- The company's profitability being affected by negative macroeconomic indicators,
- Unexpected increase in the amount of damage and compensation paid,
- Failure to achieve projected growth targets for premium income due to competition.

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