

2017 First Quarter

Financial Results

Earnings Call Presentation



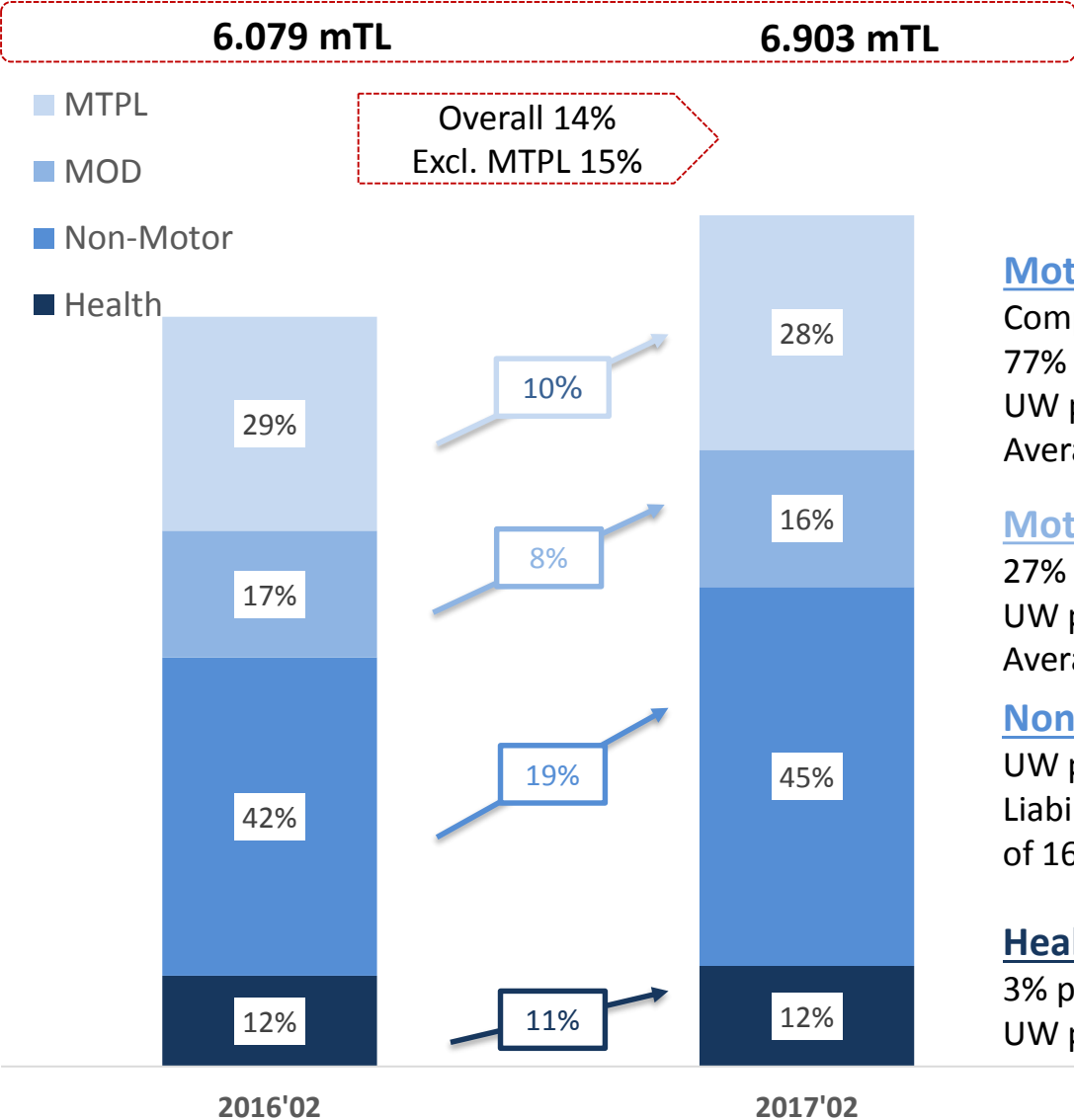
AKSigorta
Think well, live well!

2017 March Statutory Financial Results



Non-Motor is the driver of the growth YoY based

Premiums in the Market



Motor Third Party Liability

Compulsory motor product
77% penetration in 21m motor vehicles
UW profit margin -42% as of 15 YE, -5% as of 16 YE
Average price is at the same level with 2016.

Motor Own Damage

27% penetration in 21m motor vehicles
UW profit margin +8% as of 15 YE, +12% as of 16 YE
Average price is 5% higher than 2016

Non Motor

UW profit margin +31% as of 15YE, +29% as of 16 YE
Liability, single unprofitable LoB with -13% margin as of 16 Q4

Health

3% penetration in 79m population
UW profit margin +11% at 2015YE, +10% at 2016 Q4

Bank channel gained 2 pp portfolio share

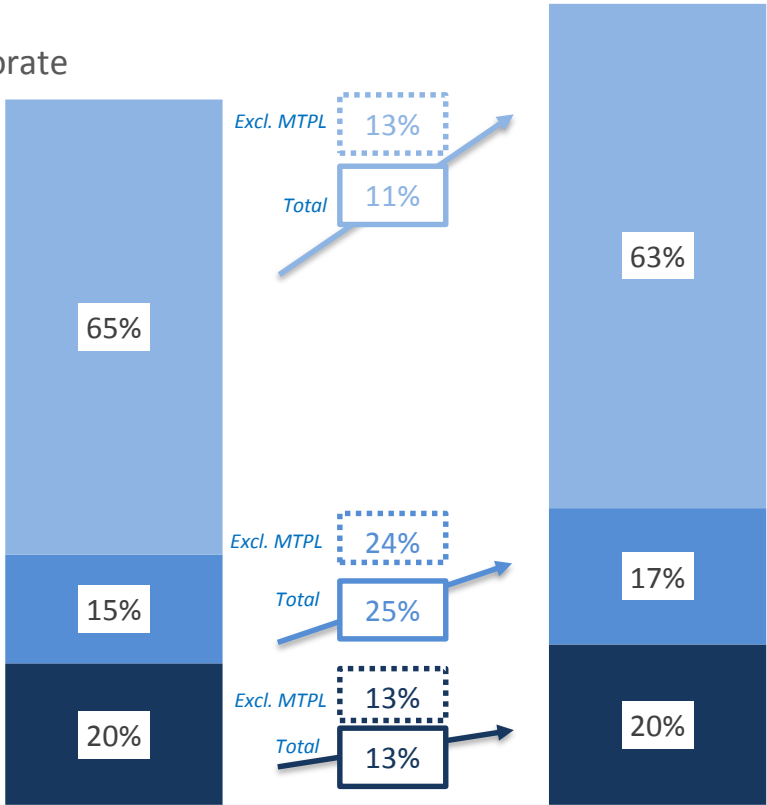
Premiums in the Market

6.079 mTL

6.903 mTL

- Agency
- Bank
- Corporate

Overall 14%
Excl. MTPL 15%



Agency

Driven by Motor products, especially by MTPL:
➤ 40% MTPL, 30% Non Motor, 21% MOD and 9% Health.

Bank

Driven by Non Motor products:
➤ 77% Non Motor, 11% Health, 9% MOD, and 3% MTPL.

Corporate

Driven by corporate risks and group health products:
➤ 64% Non Motor, 22% Health, 9% MTPL and 6% MOD

2016'02

2017'02



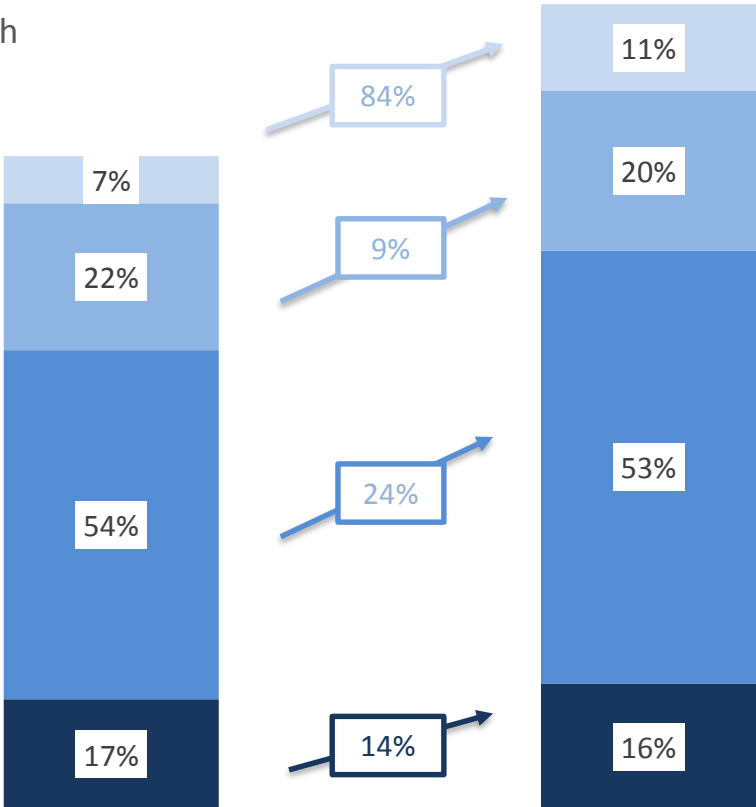
Premiums in Aksigorta

499 mTL

615 mTL

- MTPL
- MOD
- Non-Motor
- Health

Overall 23%
Excl. MTPL 19%



2016'Q1

2017'Q1

Motor Third Party Liability

Aksigorta MS, Excluding MTPL is 7,7% as of 17 YtD.
Aksigorta MS in MTPL is 1,8% as of 17 YtD.

Motor Own Damage

Aksigorta MS in MOD is 8% as of 17 YtD.
Gained 0,5pp MS as a result of a focused strategy

Non Motor

Aksigorta MS is 7,6% in Non Motor lines and 11,3% in Fire Business as of 17 YtD.
Portfolio Breakdown: 59% Fire, 27% General Losses and Other Accident, 8% Liability, 6% Marine

Health

Aksigorta MS is 8% in Health as of 17 YtD.

Aksigorta has balanced product & channel mix

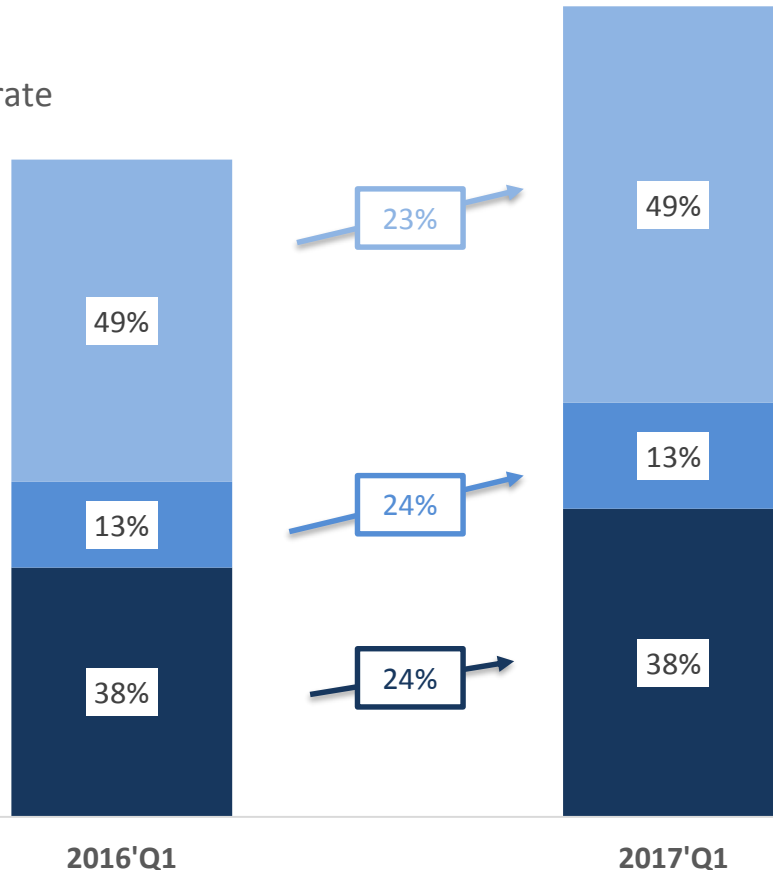
Premiums of Aksigorta

499 mTL

615 mTL

Overall 23%
Excl. MTPL 19%

- Agency
- Bank
- Corporate



Agency

Driven by Motor products, especially by MOD product (MOD and MTPL constitute 35% and 19% of total premiums in agency channel respectively).

Bank

Fire, Health and G.Losses are the main drivers of Bank channel. Together they represent 70% of Bank's total production.

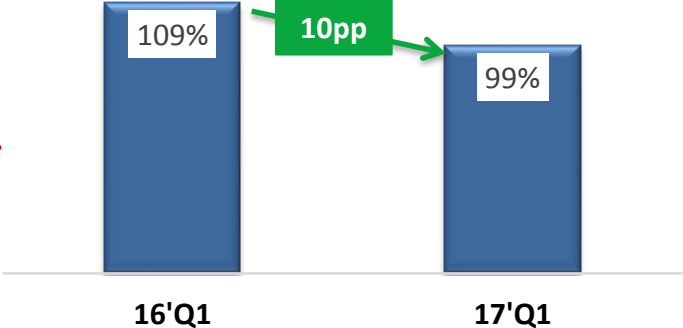
Corporate

Driven by Fire, G.Losses and Health. Compared to 2016'Q1, strong growth in Fire and Marine has been achieved.



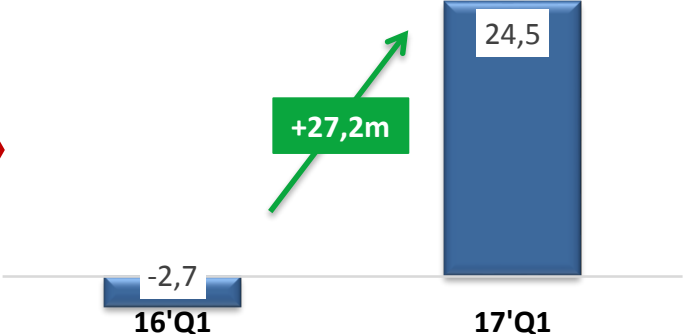
Excellent Performance in 2017 First Quarter

Combined Ratio



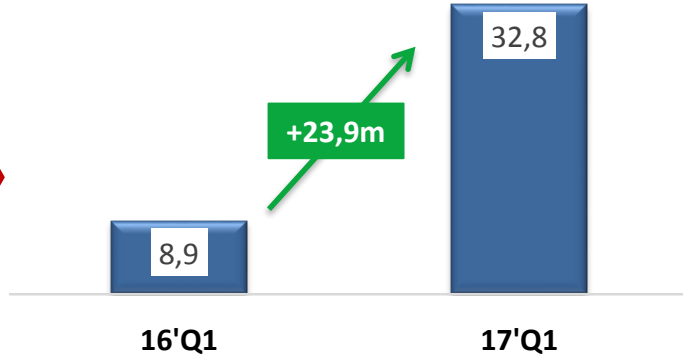
- CoR is 99% as of 2017'Q1 indicating 10pp improvement YoY.

Net Income/Loss (million TL)



- Net Profit realized as 24,5m in 2017'Q1.

UWR (million TL)

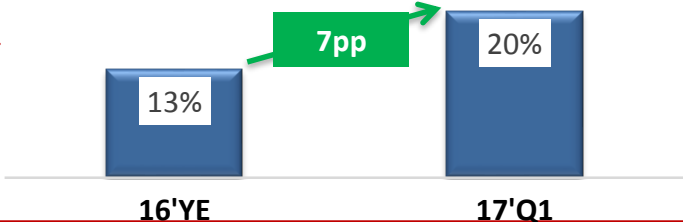


- UW Profit realized as 32,8m in 2017'Q1.



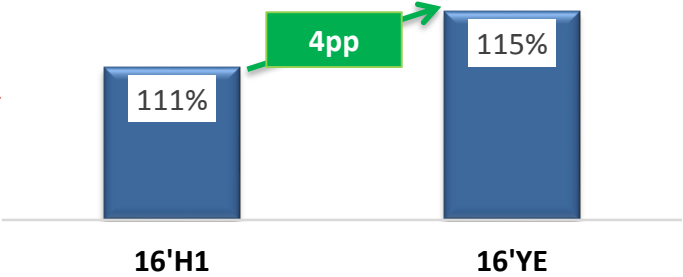
Excellent Performance in 2017 First Quarter

ROE



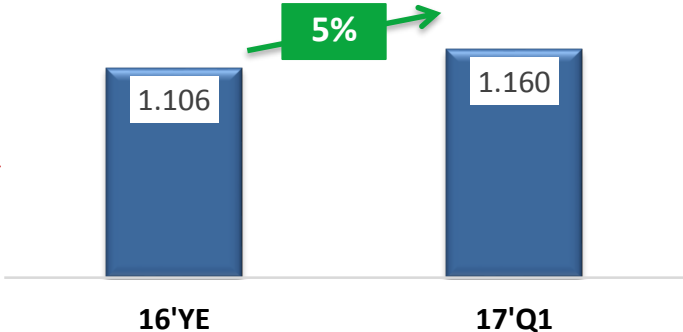
- Positive bottomline boosting ROE.

Capital Adequacy



- Strong Balance Sheet reflected by Capital Adequacy.

AUM



- Investment Portfolio increased by 5%.

Strong Balance Sheet Compared to Market

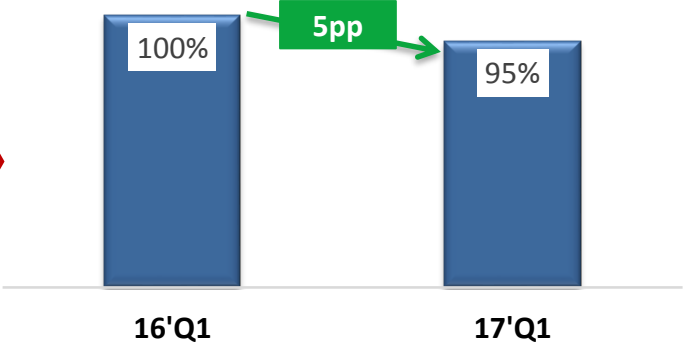
Statutory Results as of 2016'12 (m TL)	TOTAL	Deferred IBNR due to Gradual Booking	Discount Income for Litigation Win Ratio	Discount Income for Cash Flow of O/S Claims
MARKET	2.185,2	716,6	722,0	746,6
Aksigorta	0	0	0	0

No deferred claims' reserve & no discount income in claims' reserve for Aksigorta, whereas the market has over 2 billion TL to be booked as loss in the future

2017 First Quarter Financial Results in IFRS

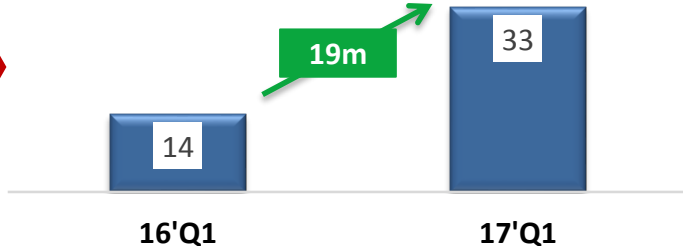
Excellent Performance in 2017 First Quarter

Combined Ratio



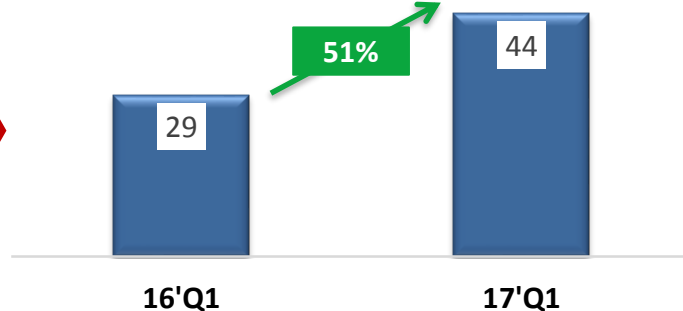
- Combined ratio improved 5pp in 2017'Q1 YoY.

Net Income/Loss (million TL)



- Aksigorta realized 33m Net Profit in 2017'Q1.

UW Result (million TL)



- Aksigorta generated 44m UW Result in 2017'Q1 indicating 51% development YoY.

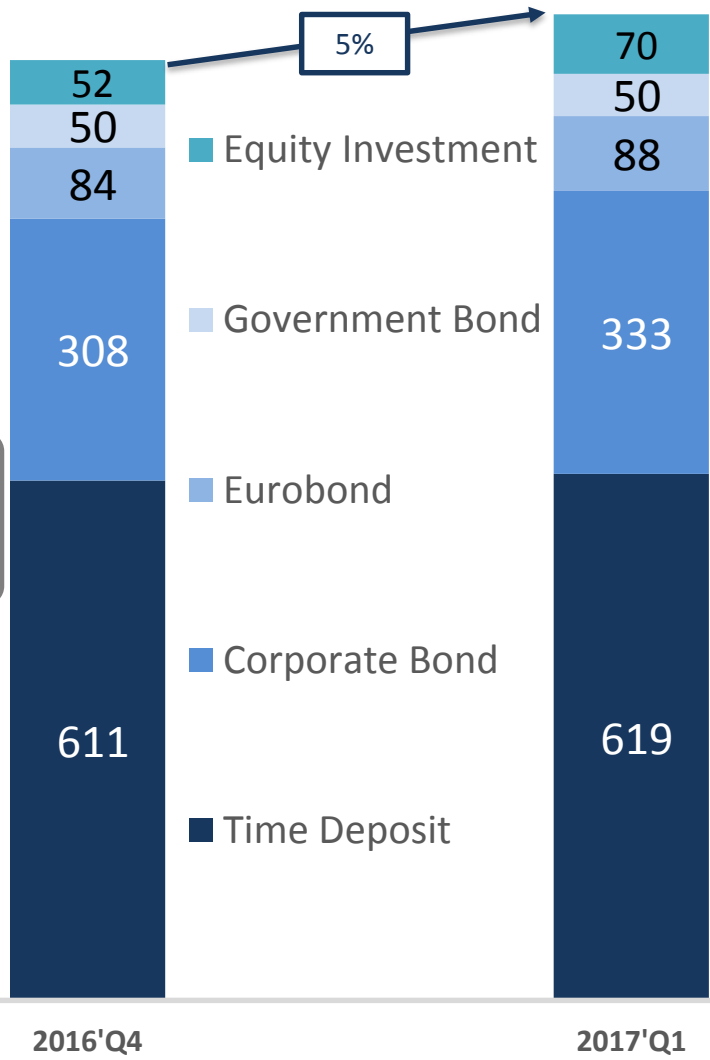
Statutory and IFRS Reconciliation as of March 2017

as of 31.03.2017	Equity	P&L
M TL		
SFRS Result	431	25
IBNR		
EQUALIZATION	63	3
URR	-14	7
ULAE	-8	0
Deferred Tax	-8	-2
IFRS Result	464	33

2017 March Investment Portfolio

Investment Portfolio

1.106 mTL 1.160 mTL



2016 YE

- Total AUM: TL 1.106m
- Average Yield: 12,2%*
- Duration: 11 months*

2017 Q1

- Total AUM: TL 1.160m
- Average Yield: 12,6%*
- Duration: 9 months*

*Average Yield represents short/mid term Fixed Income instruments that represents appr. 80% of total AUM.



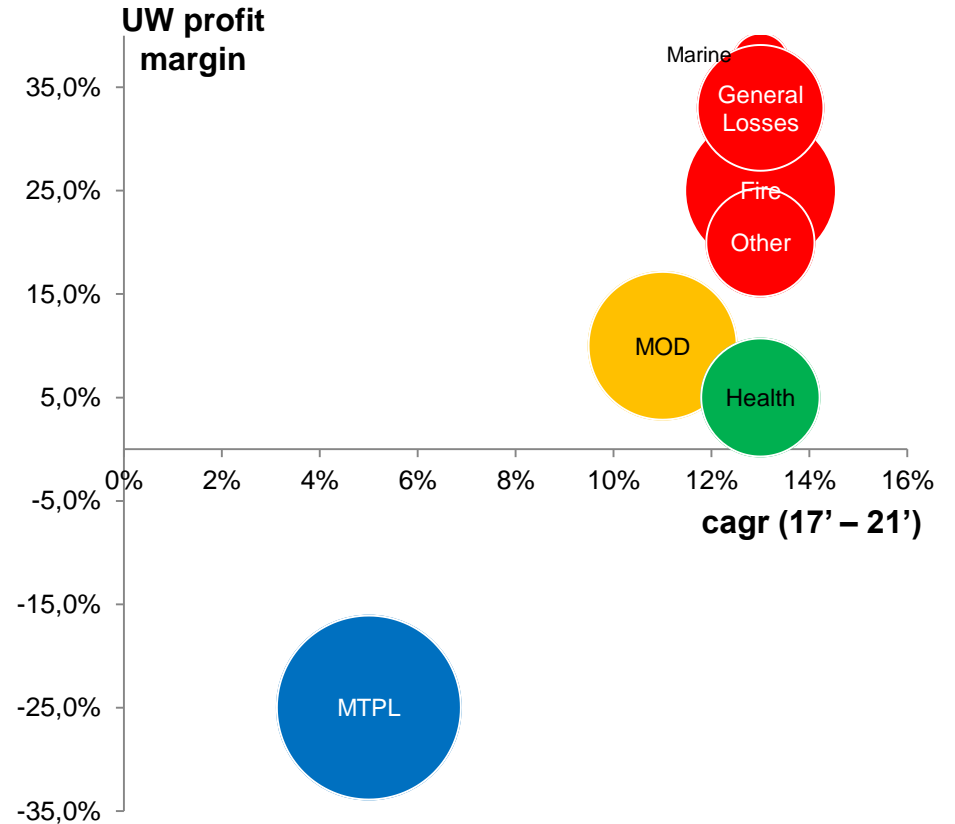
2017 Year End Guidance

Non-motor and MOD is expected to continue to be the profitable growth engines of the market.

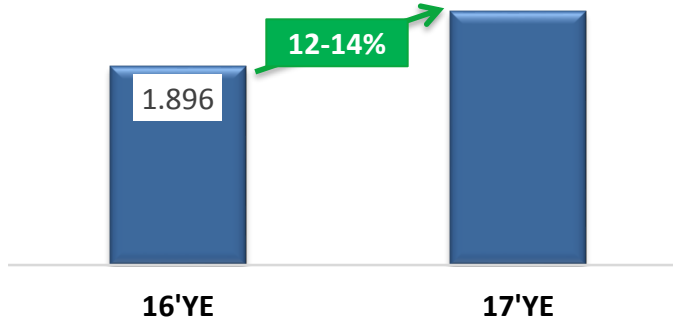
Market UW Margin

Line of Business		16YE	21E
motor	MOD	12%	max 10%
	MTPL	-5%	-25%
non-motor	Fire	15%	20-25%
	Marine	53%	35-40%
	Other	32%	20-25%
	General Losses	40%	30-35%
health	Health	10%	5-10%

2021 Market Profitability & Growth Outlook

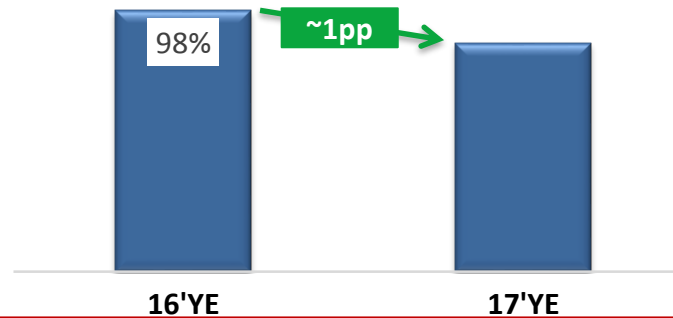


Premium Production (million TL)



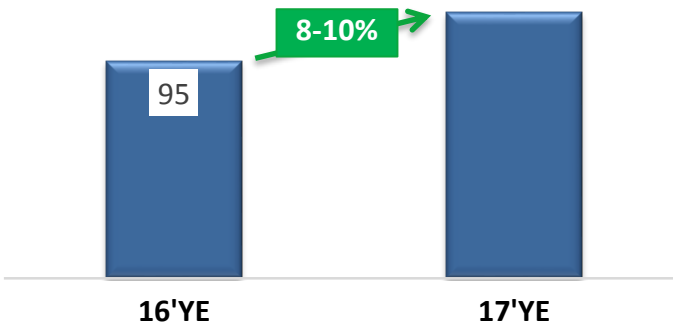
- Aksigorta GWP is expected to grow by 12-14%

Combined Ratio



- Combined Ratio in 2017 is expected to improve around 1pp

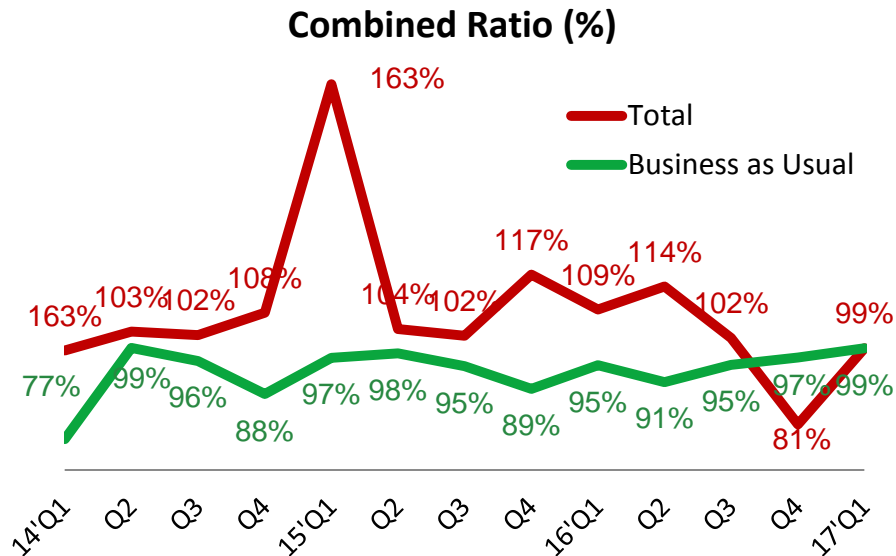
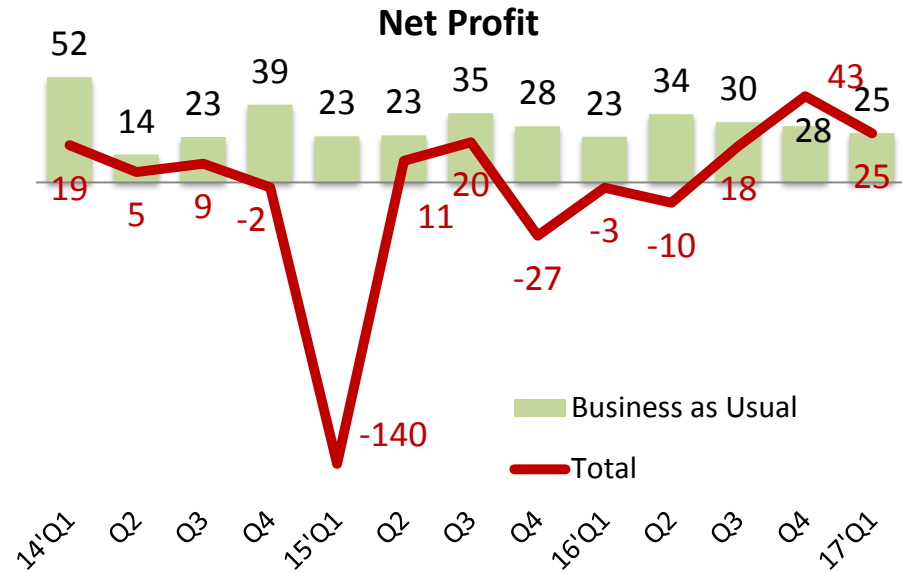
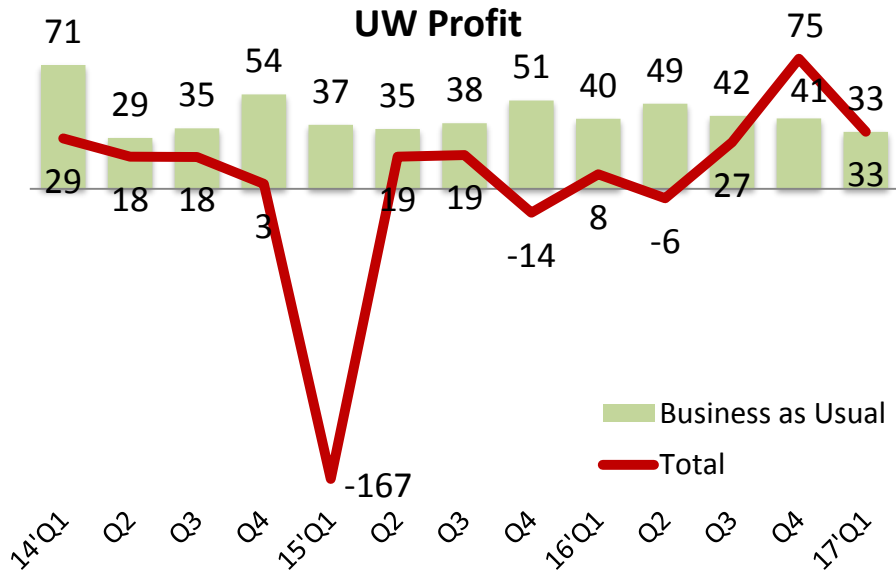
Net Income/Loss (million TL)



- Net Profit in 2017 is expected to grow by 8-10%

Appendix

Sustainable Profitability Trend Continues with Positive Bottomline - SFRS



- 35-50m TL UW result per each quarter
- 90-97% Combined Ratio per each quarter
- 25-35m TL Net profit per each quarter

Statutory Results – Technical Results and Margins continue to improve

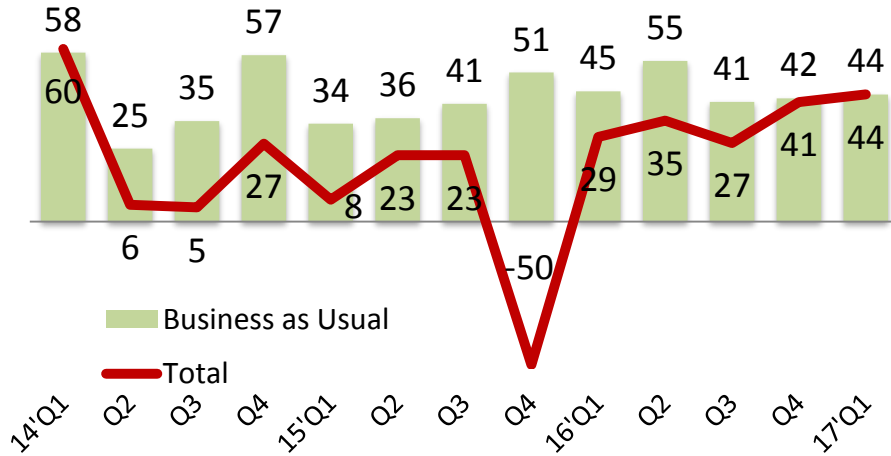
<i>Income Statement (million TL)</i>	16Q1	16Q2	16Q3	16Q4	2016 YE	17Q1	17Q1/ 16Q1	17Q1/ 16Q4
Gross Written Premiums	499	471	407	518	1.896	615	23%	19%
Net Earned Premiums	245	246	262	273	1.026	286	17%	5%
Claims (net)	-190	-207	-185	-191	-729	-201	6%	5%
Commissions (net)	-47	-45	-50	-51	-193	-52	11%	3%
Underwriting Result (net)	8	-6	27	31	104	33	297%	6%
G&A Expenses	-34	-35	-33	-31	-132	-31	-9%	0%
Net Financial Income	22	28	29	9	88	36	65%	284%
Profit Before Tax	-4	-12	23	53	60	31	-914%	-42%
Tax	1	2	-5	-10	-12	-7	-686%	-37%
Net Profit	-3	-10	18	43	48	25	1010%	-43%
Combined Ratio	109%	114%	102%	97%	101%	99%	-10pp	2pp
Loss Ratio	77%	84%	71%	70%	71%	70%	-7pp	0pp
Commission Ratio	19%	18%	19%	19%	19%	18%	-1pp	-1pp
Expense Ratio	12%	12%	12%	9%	11%	11%	-1pp	2pp
UW Margin	3%	-2%	10%	11%	10%	11%	8pp	0pp

Statutory Balance Sheet

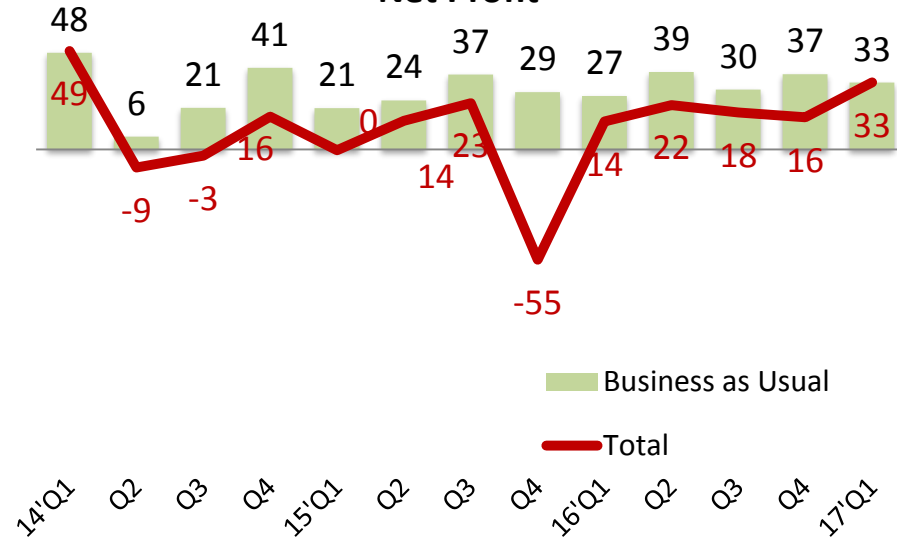
<i>(TL Million)</i>	16Q1	16Q2	16Q3	16Q4	17'Q1	17Q1/ 16Q1	17Q1/ 16Q4
Cash and Marketable Securities	959	1.000	1.067	1.106	1.160	21%	5%
Receivables	632	656	583	654	748	18%	14%
Other Assets	205	219	204	197	222	8%	13%
Participations	8	8	8	0	0	-100%	
Fixed Assets	59	62	63	69	67	13%	-3%
Total Assets	1.863	1.945	1.926	2.025	2.197	18%	8%
Payables	310	297	228	228	335	8%	47%
Technical Reserves	1.103	1.196	1.240	1.262	1.292	17%	2%
Other Liabilities	104	111	100	133	139	34%	5%
Total Shareholders' Equity	346	340	358	403	431	24%	7%
Total Liabilities and Equity	1.863	1.945	1.926	2.025	2.197	18%	8%

Sustainable Profitability Trend Continues with Positive Bottomline - IFRS

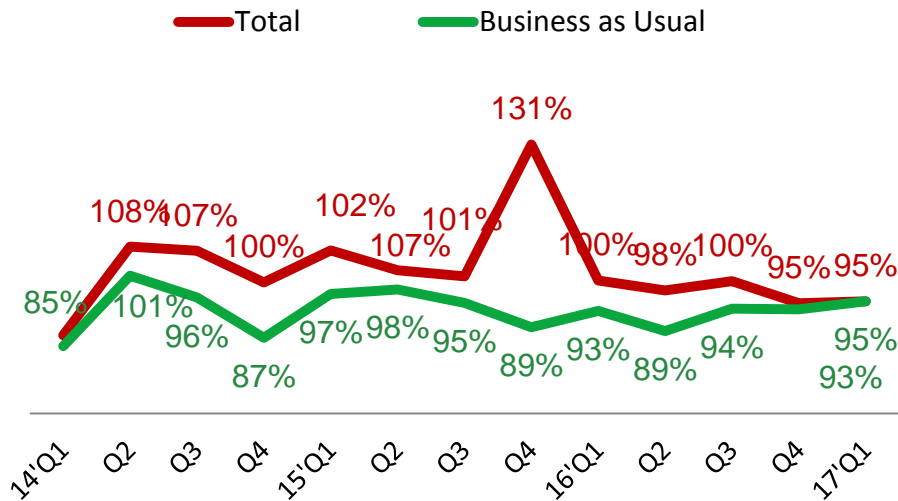
UW Profit



Net Profit



Combined Ratio (%)



- 35-50m TL UW result per each quarter
- 90-95% Combined Ratio per each quarter
- 30-40m TL Net profit per each quarter

IFRS Results – Technical Results and Margins continue to improve

<i>Income Statement (million TL)</i>	16Q1	16Q2	16Q3	16Q4	2016 YE	17Q1	17Q1/ 16Q1	17Q1/ 16Q4
Gross Written Premiums	499	471	407	518	1.896	615	23%	19%
Net Earned Premiums	245	246	262	273	1.026	286	17%	5%
Claims (net)	-169	-167	-185	-181	-701	-190	13%	5%
Commissions (net)	-47	-45	-50	-51	-193	-52	11%	3%
Underwriting Result (net)	29	35	27	41	132	44	50%	6%
G&A Expenses	-34	-34	-32	-30	-131	-30	-10%	0%
Net Financial Income	22	28	28	9	87	35	64%	294%
Profit Before Tax	17	28	23	20	88	42	147%	114%
Tax	-3	-6	-5	-4	-18	-9	188%	139%
Net Profit	14	22	18	16	71	33	138%	108%
Combined Ratio	100%	98%	100%	95%	98%	95%	-5pp	0pp
Loss Ratio	69%	68%	70%	66%	68%	66%	-3pp	0pp
Commission Ratio	19%	18%	19%	19%	19%	18%	-1pp	-1pp
Expense Ratio	12%	12%	10%	10%	11%	11%	-1pp	1pp
UW Margin	12%	14%	10%	15%	13%	15%	3pp	0pp

IFRS Balance Sheet

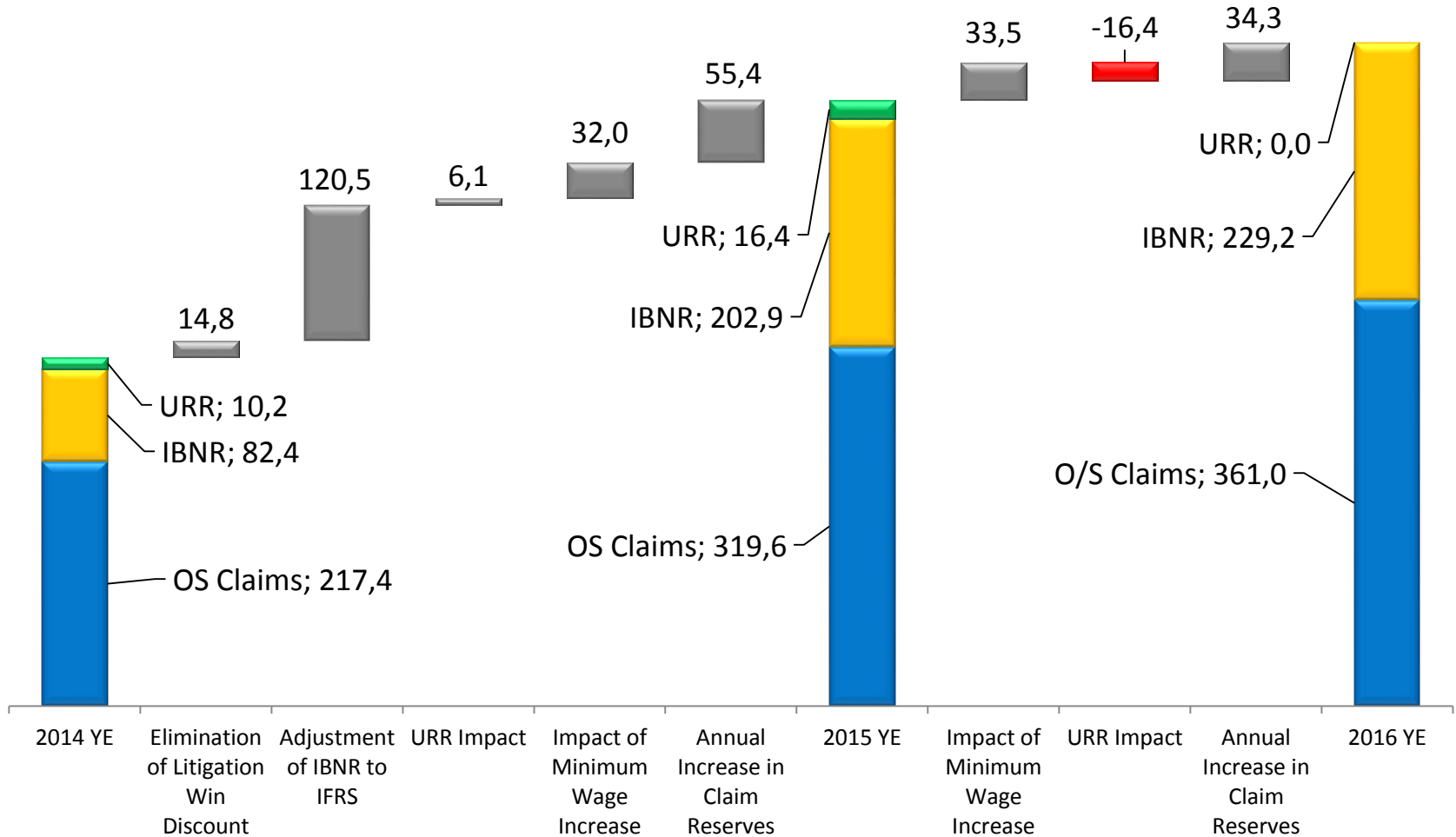
<i>(TL Million)</i>	16Q1	16Q2	16Q3	16Q4	17'Q1	17Q1/ 16Q1	17Q1/ 16Q4
Cash and Marketable Securities	959	1.000	1.067	1.106	1.160	21%	5%
Receivables	632	656	583	654	748	18%	14%
Other Assets	201	206	191	190	214	6%	12%
Participations	8	8	8	0	0	-100%	
Fixed Assets	59	62	63	69	67	13%	-3%
Total Assets	1.859	1.932	1.913	2.019	2.188	18%	8%
Payables	310	297	228	228	335	8%	47%
Technical Reserves	1.080	1.132	1.176	1.231	1.250	16%	2%
Other Liabilities	104	111	100	133	139	34%	5%
Total Shareholders' Equity	365	391	409	427	464	27%	9%
Total Liabilities and Equity	1.859	1.932	1.913	2.019	2.188	18%	8%

Worst is over, claim reserves have doubled in 2 years

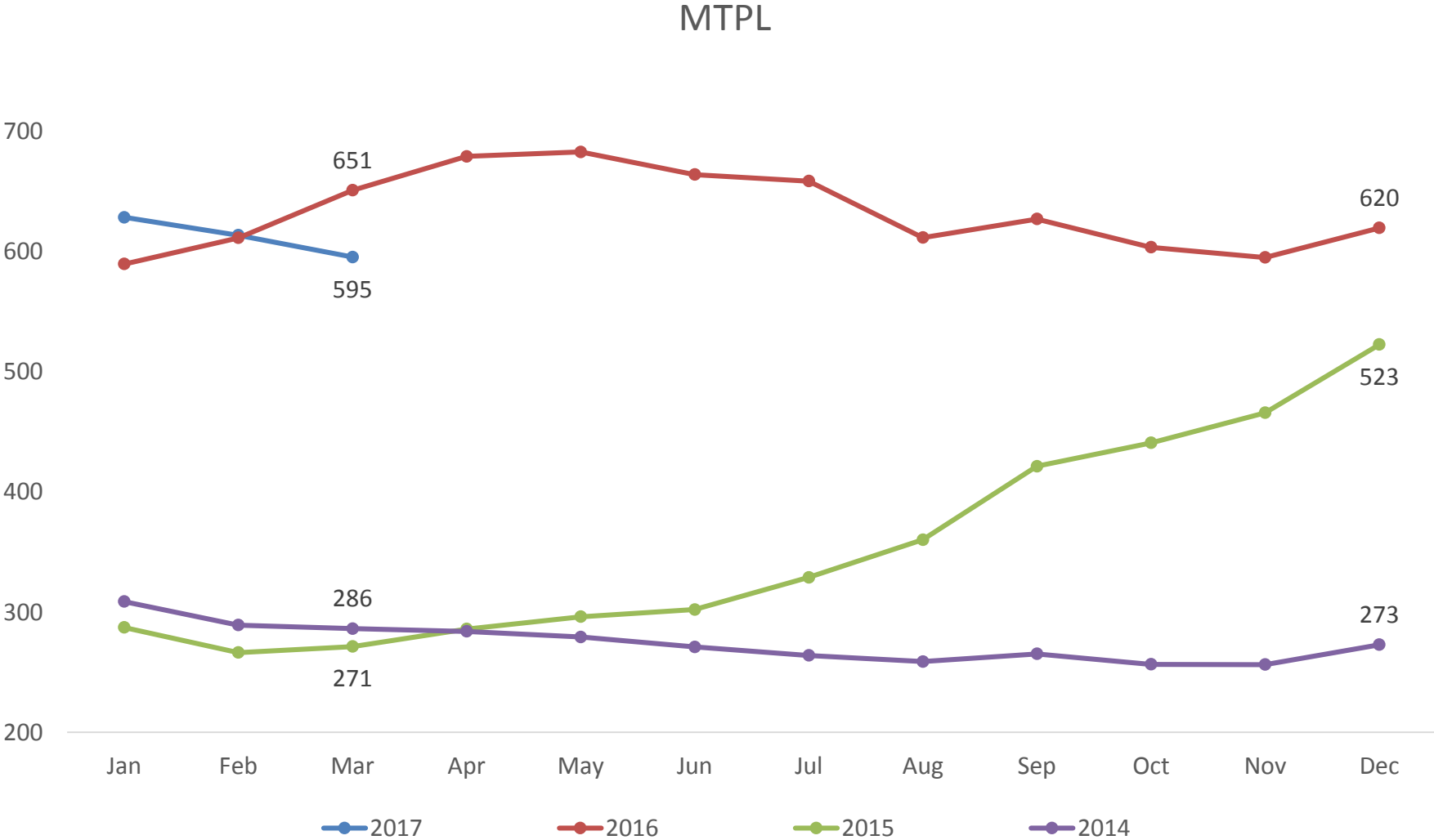
310,1 mTL

538,9 mTL

590,2 mTL

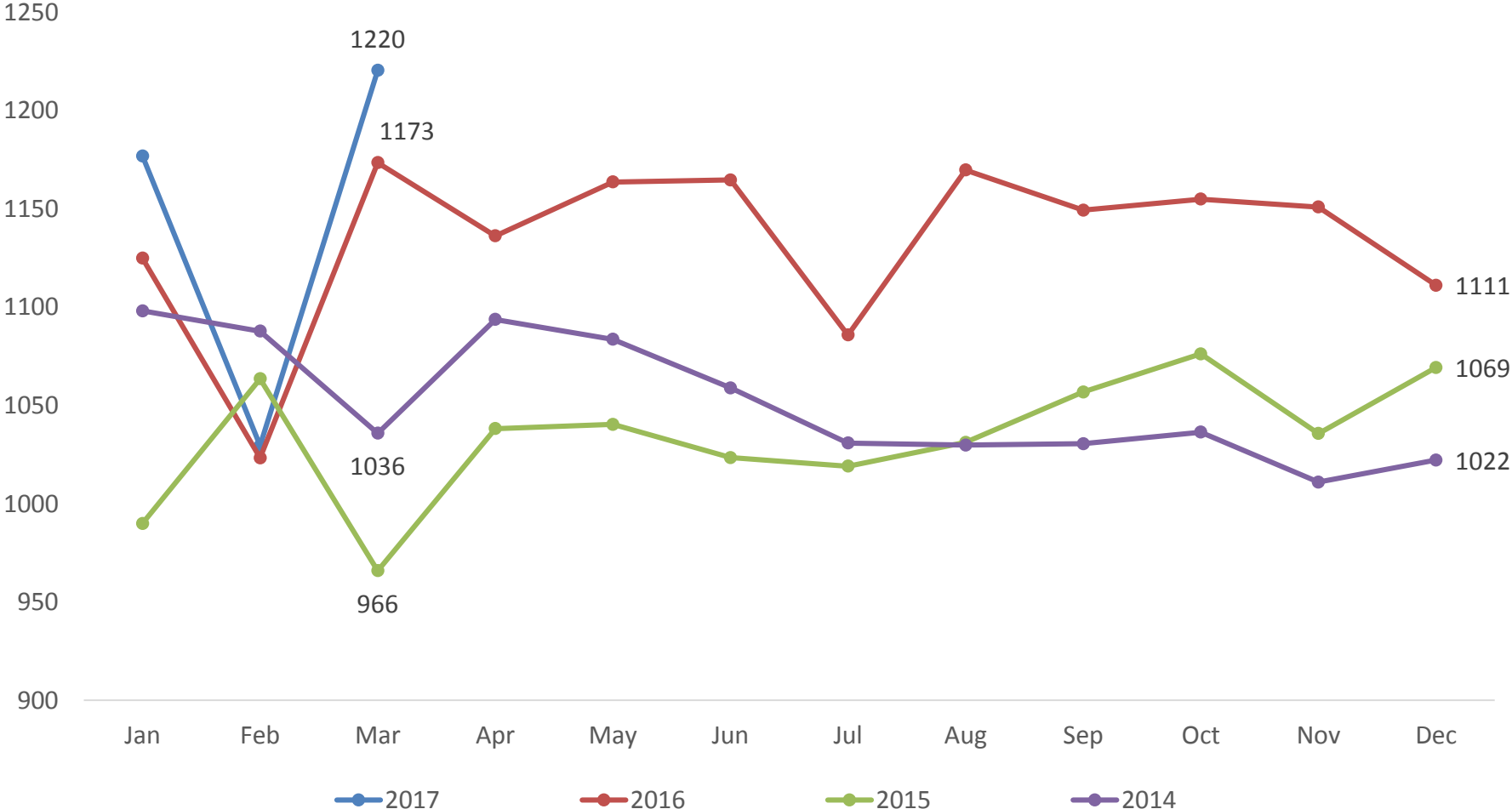


MTPL Price Trends



MOD Price Trends

MOD



Contact Information & Disclaimer

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