

2016 First Quarter

Financial Results

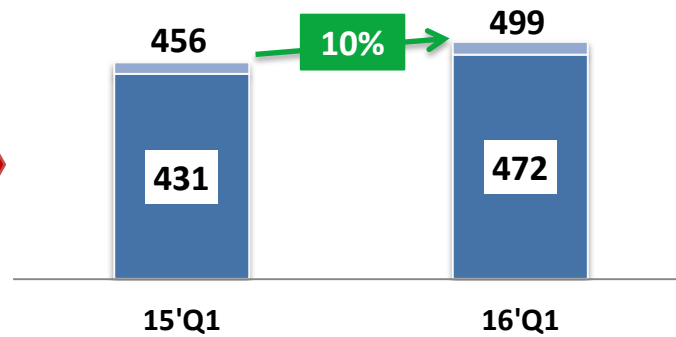
Earnings Call Presentation



AKSigorta
Think well, live well!

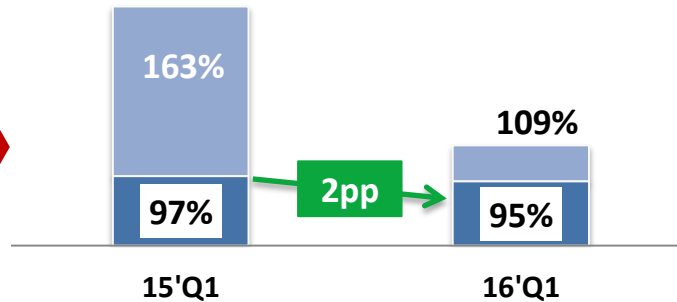
2016 Q1 results (excl. MTPL product) are in line with the strategic plan

Premium Production (million TL)



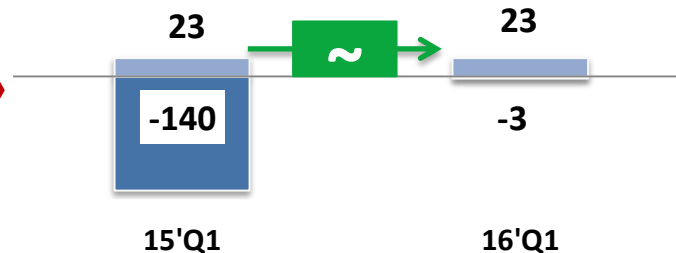
- Excluding MTPL product, Aksigorta GWP growth in 2016 Q1 is 10%
- Excluding MTPL & Agriculture Market growth is 12% Aksigorta growth is 12%

Combined Ratio



- Excluding MTPL product, Combined Ratio in 2016 Q1 is 95%

Net Income/Loss (million TL)

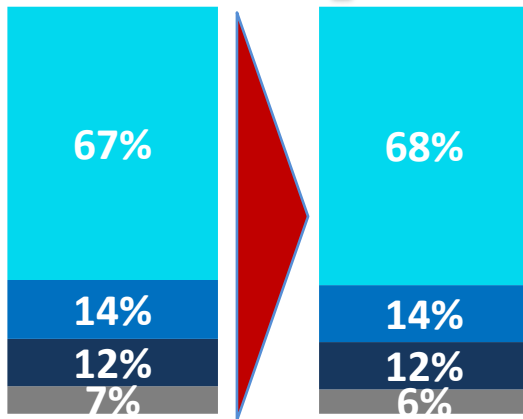


- Excluding MTPL product, Net Profit in 2015 is 23 mTL
- In 16'Q1 it is recognised 15,2m of 33,5m deferred claims reserve, it was coming from minimum wage increase impact

Portfolio shares of bank channel and non-motor lines continue to increase in line with strategy

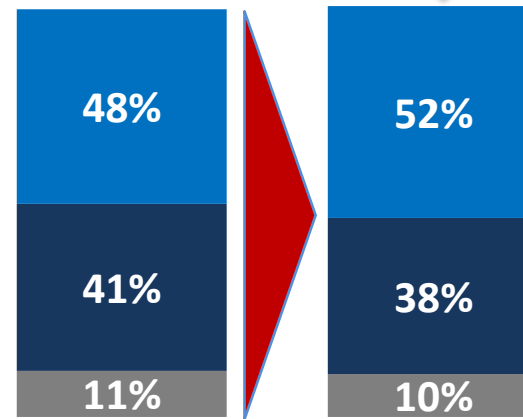
Rolling 12 Months CHANNEL SHARES (%)
Agencies in Market ↑ 1pp

- MARKET**
- Agencies
 - Banks
 - Brokers
 - Direct Sales



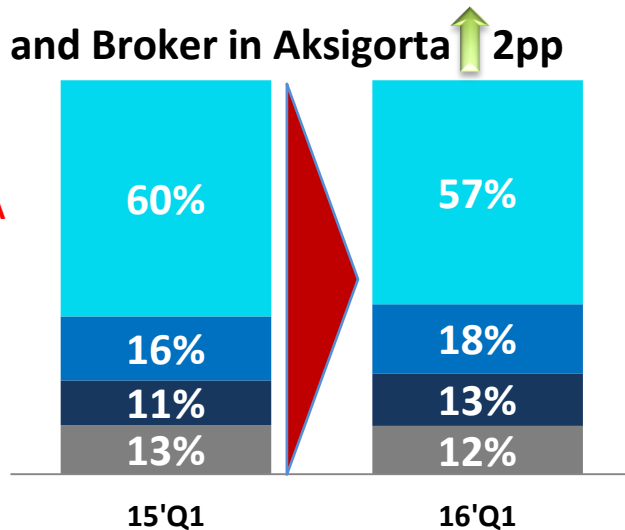
Rolling 12 Months LOB SHARES (%)
Non-motor in Market ↓ 3pp

- MARKET**
- Motor
 - Non-Motor
 - Health



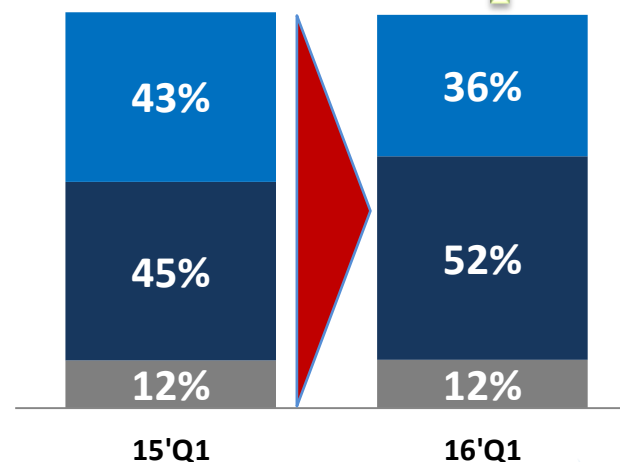
Bank and Broker in Aksigorta ↑ 2pp

- AKSIGORTA**
- Agencies
 - Banks
 - Brokers
 - Direct Sales



Non-motor in Aksigorta ↑ 7pp

- AKSIGORTA**
- Motor
 - Non-Motor
 - Health



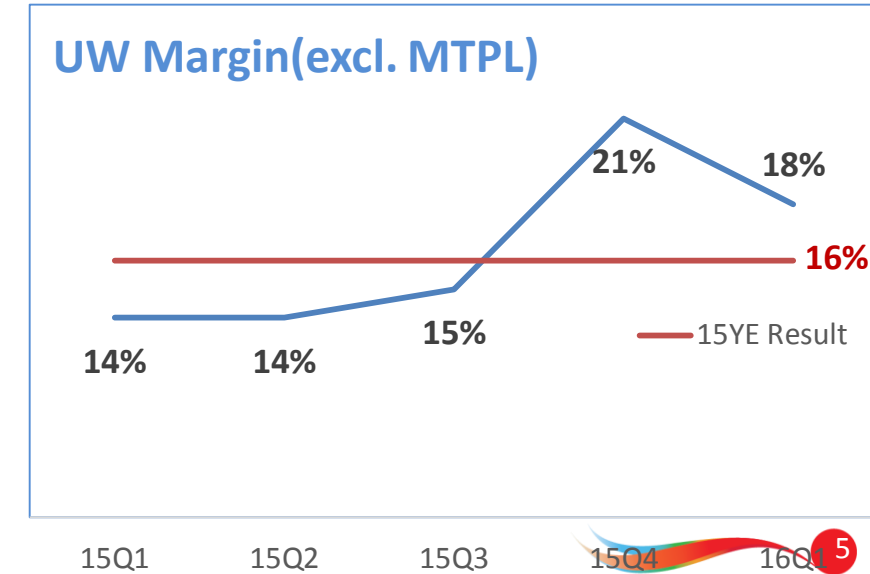
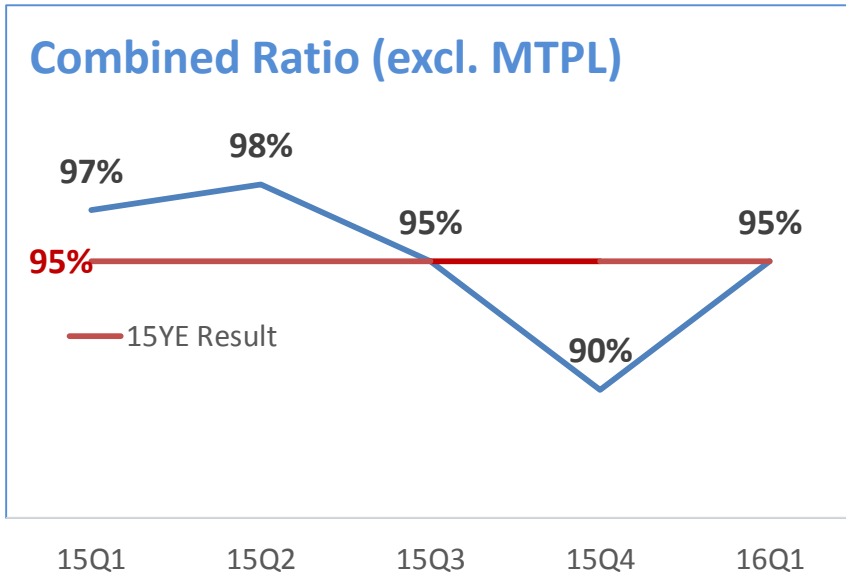
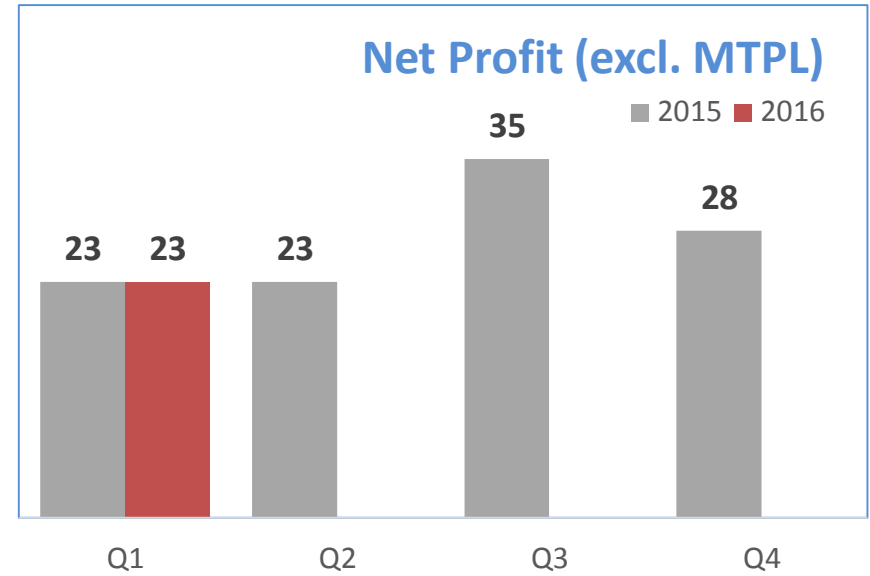
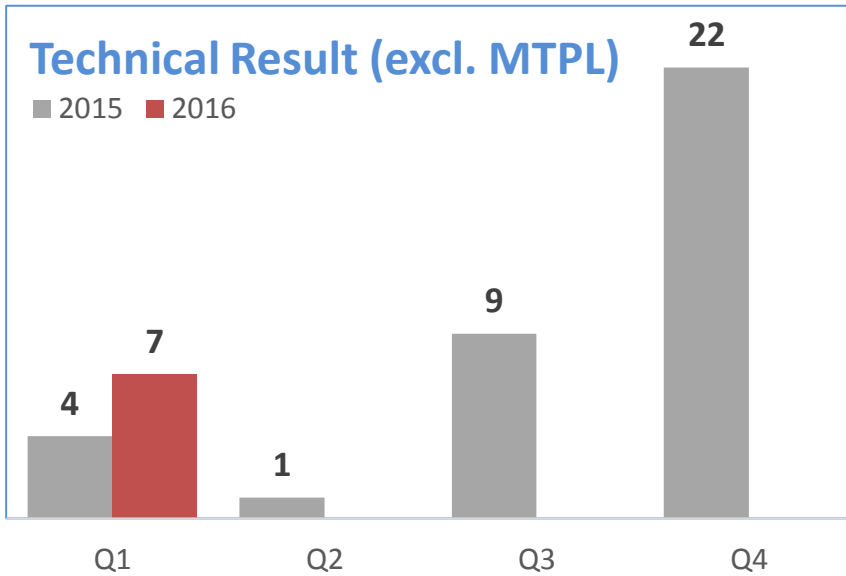
Statutory Results

Excluding MTPL, 2pp improvement in Combined Ratio vs 15Q1

<i>Income Statement (million TL)</i>	15Q1	15Q2	15Q3	15Q4	2015	16Q1	16Q1/ 15Q4	16Q1/ 15Q1
Gross Written Premiums	456	429	351	387	1.622	499	29%	10%
Net Earned Premiums	314	287	272	257	1.129	245	-5%	-22%
Claims (net)	-410	-216	-204	-224	-1054	-190	-15%	-54%
Commissions (net)	-71	-52	-49	-47	-219	-47	0%	-34%
G&A Expenses	-33	-34	-29	-33	-127	-34	4%	3%
Technical Profit	-200	-15	-9	-46	-270	-25	-45%	-87%
Technical Profit (excl. MTPL)	4	1	9	22	36	7	-70%	53%
Net Financial Income	26	29	36	13	104	22	70%	-18%
Profit Before Tax	-174	14	27	-34	-166	-4	-89%	-98%
Tax	33	-3	-7	7	30	1	-84%	-97%
Net Profit	-140	11	20	-27	-136	-3	-90%	-98%
Net Profit (excl. MTPL)	23	23	35	28	109	23	-18%	-1%
Combined Ratio	163%	104%	102%	117%	123%	109%	-8pp	-54pp
Combined Ratio (excl. MTPL)	97%	98%	95%	90%	95%	95%	5pp	-2pp
Loss Ratio	131%	75%	75%	87%	93%	77%	-10pp	-54pp
Commission Ratio	23%	18%	18%	18%	19%	19%	1pp	-4pp
Expense Ratio	9%	10%	9%	12%	10%	12%	0pp	3pp
UW Margin	-53%	6%	7%	-5%	-13%	3%	8pp	56pp
UW Margin (excl. MTPL)	14%	14%	15%	21%	16%	18%	-3pp	4pp

Statutory Results

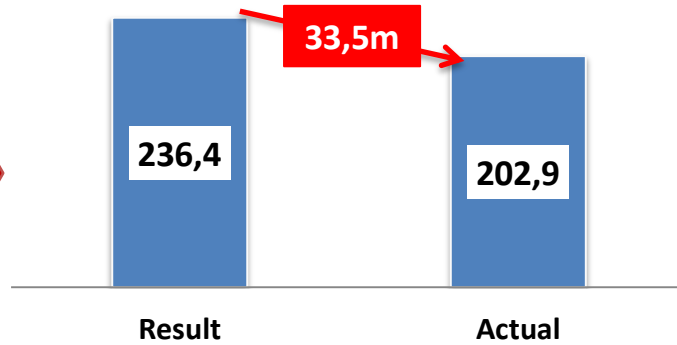
Excluding MTPL, Technical Profitability is increasing



Statutory Results

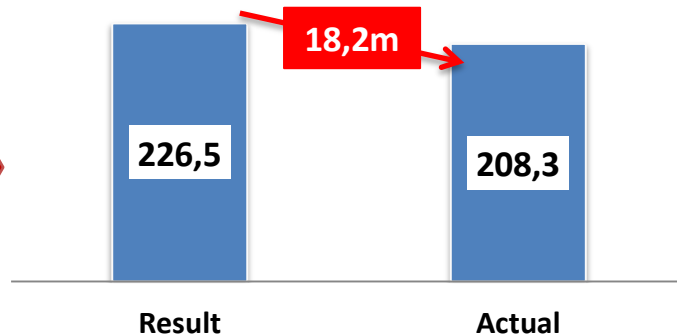
In accordance with gradual booking in IBNR deferred claim reserve reduced to 18,2m

**IBNR (net)
(million TL)
As of 2015 YE**



- 33,5m of 62,9m Minimum Wage increase impact was deferred in 2015 YE financials due to 10% gradual booking in IBNR

**IBNR (net)
(million TL)
As of 2016 Q1**



- 15,3m of 33,5m is recognised in 16Q1 due to 10% gradual booking in IBNR

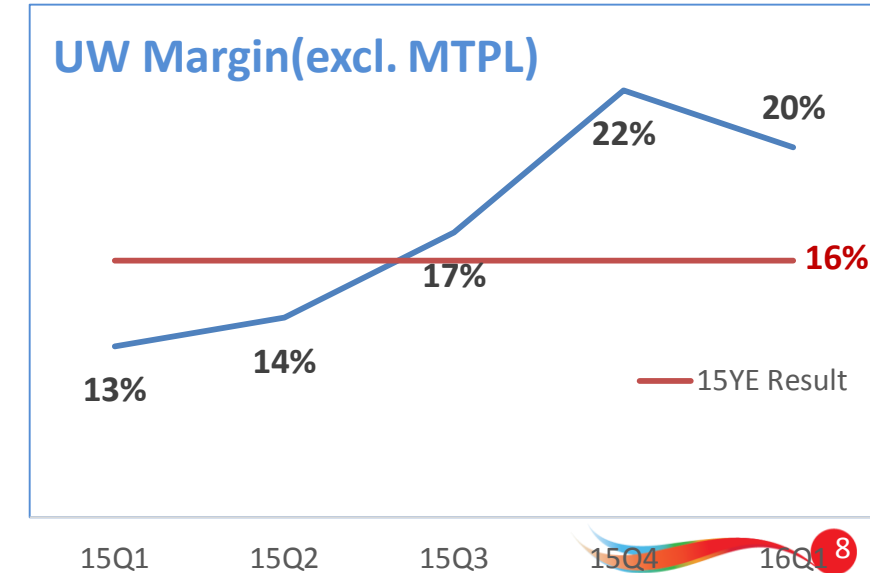
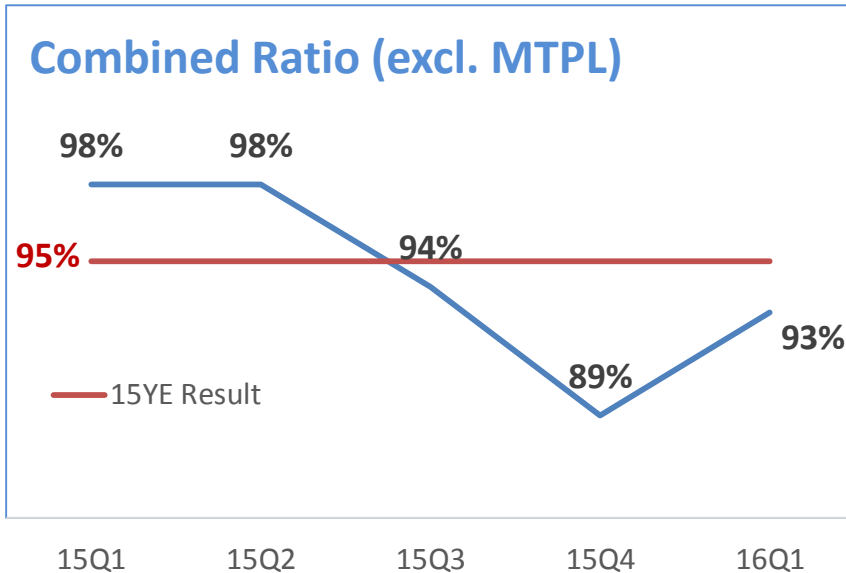
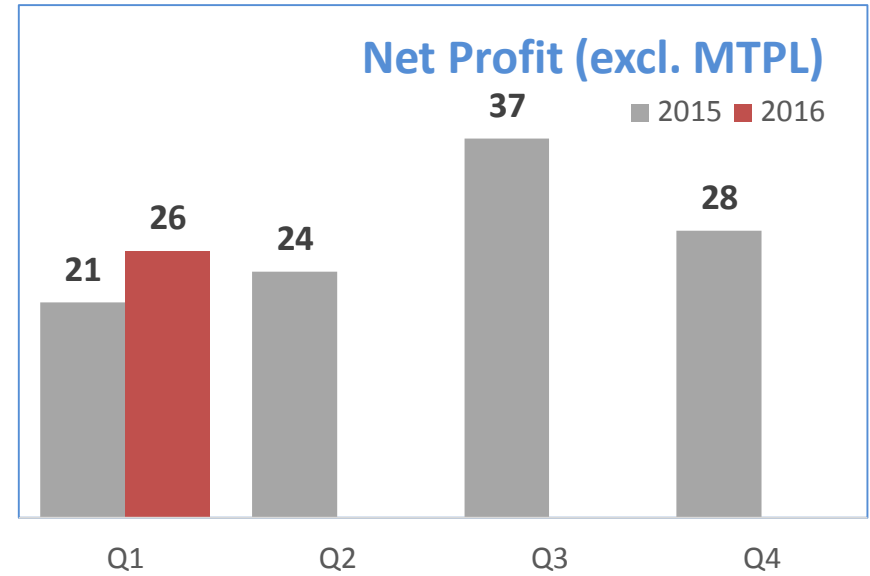
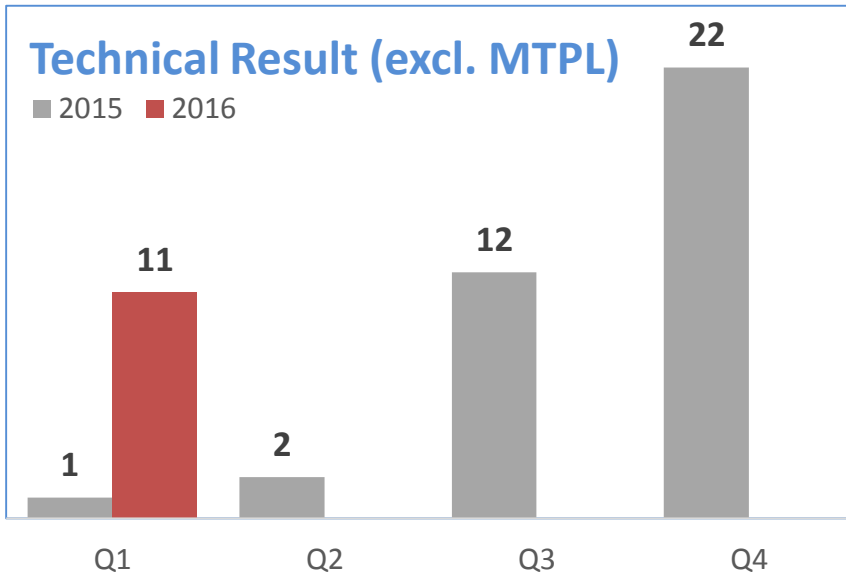
IFRS Results

Excluding MTPL, Net Profit +5m higher than 15Q1

<i>Income Statement (million TL)</i>	15Q1	15Q2	15Q3	15Q4	2015	16Q1	16Q1/ 15Q4	16Q1/ 15Q1
Gross Written Premiums	456	429	351	387	1.622	499	29%	10%
Net Earned Premiums	314	287	272	257	1.129	245	-5%	-22%
Claims (net)	-235	-212	-200	-260	-907	-169	-35%	-28%
Commissions (net)	-71	-52	-49	-47	-219	-47	0%	-34%
G&A Expenses	-33	-34	-28	-33	-127	-34	4%	3%
Technical Profit	-25	-11	-6	-82	-123	-5	-94%	-82%
Technical Profit (excl. MTPL)	1	2	12	22	37	11	-50%	795%
Net Financial Income	26	29	36	13	104	22	70%	-18%
Profit Before Tax	1	18	30	-69	-19	17	-125%	1160%
Tax	-2	-4	-7	14	1	-3	-121%	71%
Net Profit	0	14	23	-55	-18	14	-125%	-3365%
Net Profit (excl. MTPL)	21	24	37	28	110	26	-7%	29%
Combined Ratio	107%	102%	101%	131%	110%	100%	-31pp	-7pp
Combined Ratio (excl. MTPL)	98%	98%	94%	89%	95%	93%	4pp	-5pp
Loss Ratio	75%	74%	74%	101%	80%	69%	-32pp	-6pp
Commission Ratio	23%	18%	18%	18%	19%	19%	1pp	-4pp
Expense Ratio	9%	10%	9%	12%	10%	12%	0pp	3pp
UW Margin	2%	8%	8%	-19%	0%	12%	31pp	10pp
UW Margin (excl. MTPL)	13%	14%	17%	22%	16%	20%	-2pp	7pp

IFRS Results

Excluding MTPL, 7pp improvement in UW Margin vs 15Q1



Statutory Balance Sheet

<i>(TL Million)</i>	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1
Cash and Marketable Securities	902	901	923	970	924	959
Receivables	523	559	615	564	576	632
Other Assets	155	216	199	173	174	205
Participations	8	8	8	8	8	8
Fixed Assets	51	54	58	58	61	59
Total Assets	1.640	1.738	1.803	1.774	1.742	1.863
Payables	134	172	238	230	198	310
Technical Reserves	921	1132	1121	1090	1105	1103
Taxes Payable	8	0	0	0	0	0
Other Liabilities	70	88	90	79	91	104
Total Shareholders' Equity	508	345	355	375	349	346
Total Liabilities and Equity	1.640	1.738	1.803	1.774	1.742	1.863
ROE *	23%	19%	21%	22%	20%	30%
Capital Adequacy Ratio	147%	100%	106%	110%	112%	109%

*Excluding MTPL business and one offs

IFRS Balance Sheet

<i>(TL Million)</i>	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1
Cash and Marketable Securities	902	901	923	970	924	959
Receivables	523	559	615	564	576	632
Other Assets	184	208	192	166	174	201
Participations	8	8	8	8	8	8
Fixed Assets	51	54	58	58	61	59
Total Assets	1.669	1.730	1.796	1.766	1.742	1.859
Payables	134	172	238	230	198	310
Technical Reserves	1065	1100	1085	1051	1102	1080
Taxes Payable	8	0	0	0	0	0
Other Liabilities	70	88	90	79	91	104
Total Shareholders' Equity	392	369	383	405	351	365
Total Liabilities and Equity	1.669	1.730	1.796	1.766	1.742	1.859
ROE *	28%	23%	24%	27%	25%	31%
Capital Adequacy Ratio	147%	100%	106%	110%	112%	109%

*Excluding MTPL business and one offs

Latest Regulation Changes in Insurance related Regulation

- Last week Parliament approved the following changes in Traffic Law:
 - Cancelling the claim payment to the dependents of the deceased faulty drivers
 - Authorising the Treasury for determining the calculation method of indemnity amount of bodily injuries
 - Prohibiting the claimants to apply the court before applying the insurance companies

- The law needs approval of the President to be effective

- Lawyers and bars are expected to apply to the Supreme Court for cancellation of these laws, which will hold these laws till the Supreme Court decision

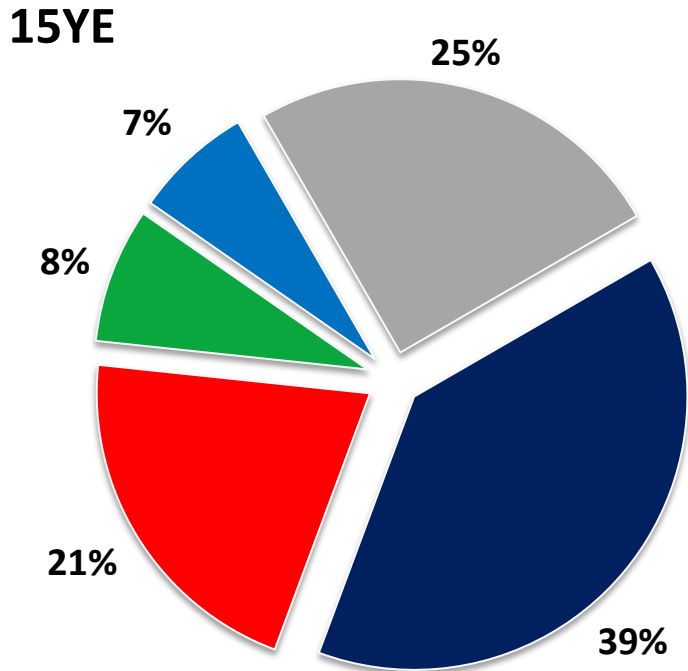
- Treasury seems in an expectation of decrease in price of MTPL in the market

- Treasury is also holding draft regulations for
 - Standardization of the pricing in MTPL
 - Balanced portfolio in compulsory products

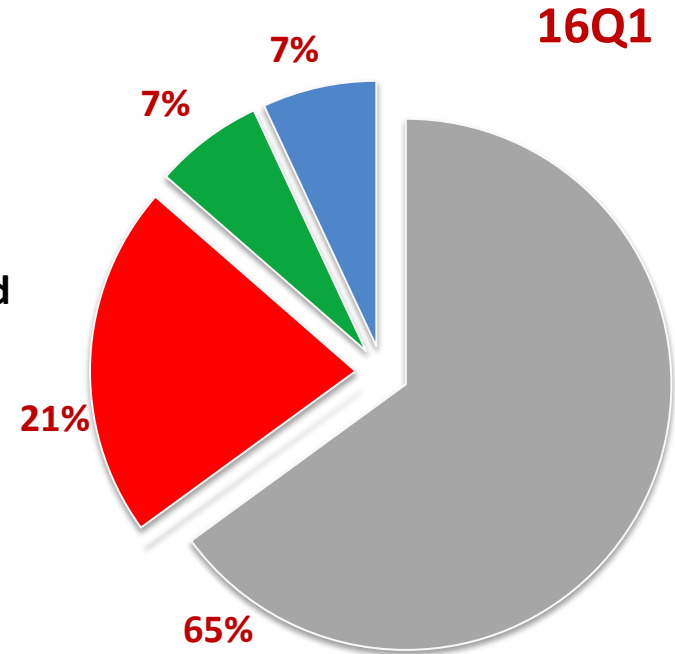
Investigation of the Competition Board

- Competition Board initiated an investigation for 33 non life insurer including Aksigorta and the Insurance Companies' Association
- The scope of the investigation is searching the activities of the companies and the Association in terms of preventing competition and increasing the price in MTPL product
- The Competition Board visited Aksigorta in January and performed an preliminary investigation
- We received an investigation notification in which the Competition Board requested Aksigorta's defense
- We delivered our defense letter to the Competition Board on April 15th

Investment Portfolio



- Time Deposit
- Repo
- Corporate Bond
- Government Bond
- Eurobond



- Total Portfolio: TL 924m
- Average Yield: 11,5%
- Duration: 12 months

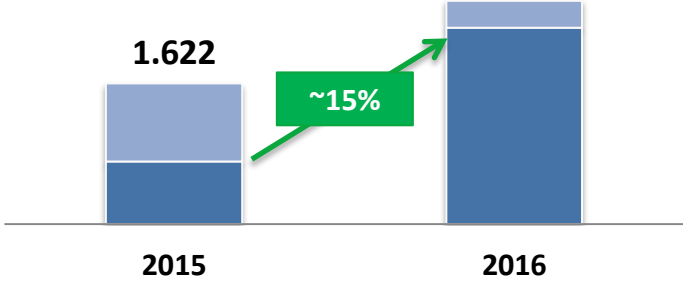
2015 YE

2016Q1

- Total Portfolio: TL 959m
- Average Yield: 12,7%
- Duration: 12 months

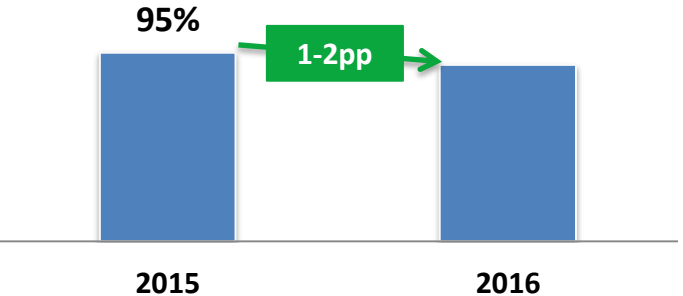
2016 Guidance

Premium Production (million TL)



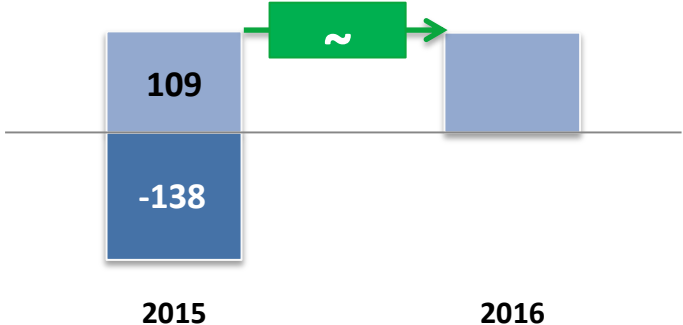
- Excluding MTPL product, Aksigorta GWP growth in 2016 is expected to be around 15%

Combined Ratio



- Excluding MTPL product, Combined Ratio in 2016 is expected to improve around 1-2pp

Net Income/Loss (million TL)



- Excluding MTPL business Net Profit in 2016 is expected to be around the same level as 2015

Contact Information & Disclaimer

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