

2016 Third Quarter

Financial Results

Earnings Call Presentation



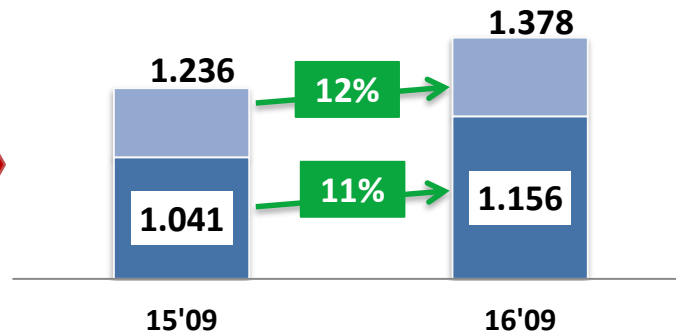
AKSigorta
Think well, live well!

2016 September Statutory Financial Results



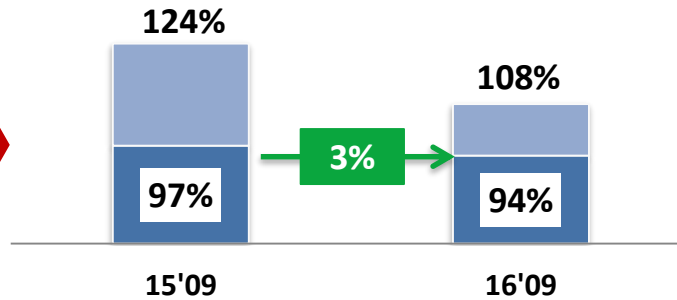
2016 Q3 YTD results (excl. MTPL & Agriculture product) are in line with the strategic plan

Premium Production (million TL)



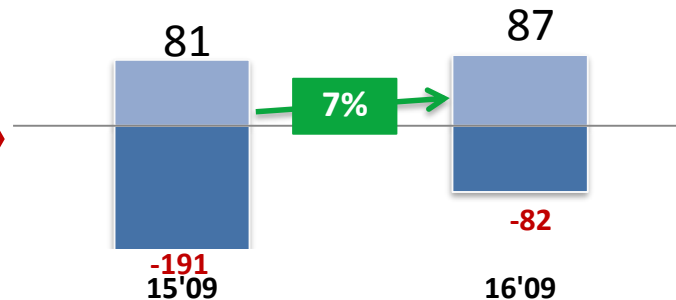
- Excluding MTPL & Agriculture in 2015 Aksigorta's growth is 11%
- Excluding MTPL and Agriculture, Market growth is 9%

Combined Ratio



- Excluding MTPL product & Terror Claims (18,5m), Combined Ratio is 97% as of 2016 YtoD
- Even including terror claims combined ratio is 97%, at the same level with 2015

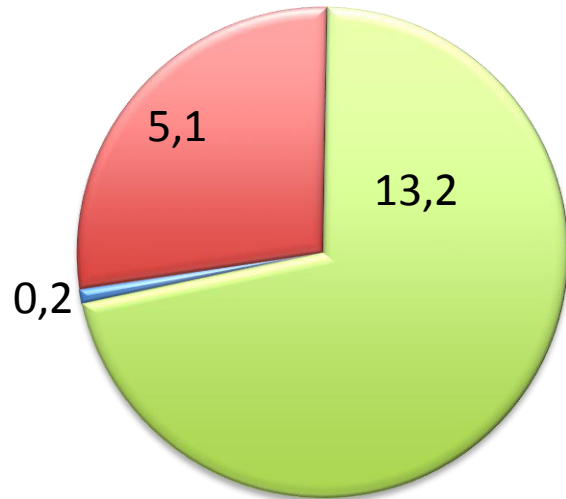
Net Income/Loss (million TL)



- Excluding MTPL product & Terror Claims (15m after tax), Net Profit increased by 7% in 2016 YtoD

Terror Claims (m TL)

■ 16'Q1 ■ 16'Q2 ■ 16'Q3



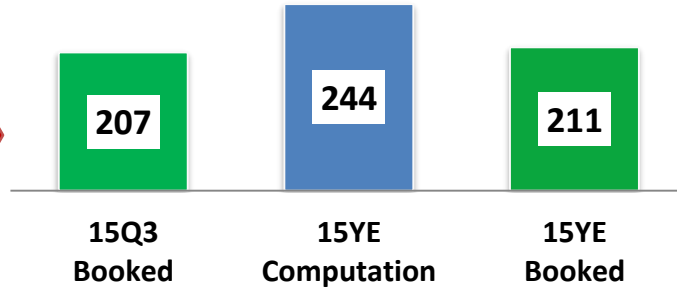
Total amount of 18,5m terror claims include the cases in;

- FETÖ
- PKK
- DAEŞ and others

Terror claims are mainly in fire business like home insurance, business and corporate fire.

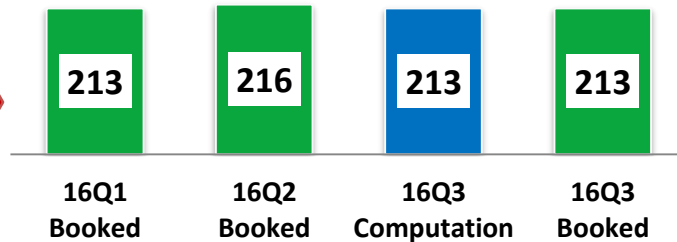
33,5m deferred claim reserve is fully booked in 16H1 due to gradual booking

**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 in MTPL and Liability businesses

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



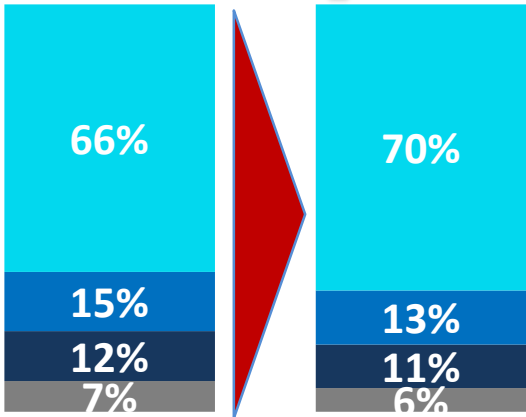
- 15,3m of 33,5m was recognised in 16Q1
- 18,2m of 33,5 was recognised in 16Q2 due to gradual booking in IBNR

Portfolio share of motor business is rebalanced in 2016

YTD CHANNEL SHARES (%)

Agencies in Market ↑ 4pp

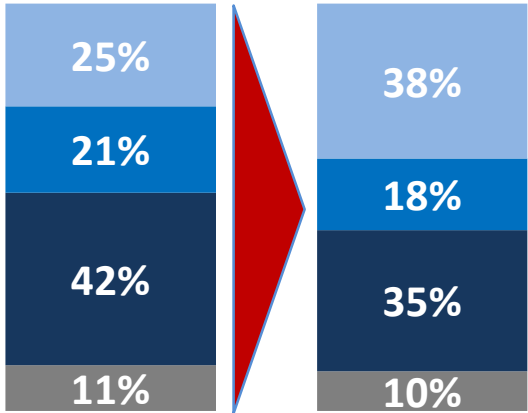
- MARKET**
- Agencies
 - Banks
 - Brokers
 - Direct Sales



YTD LOB SHARES (%)

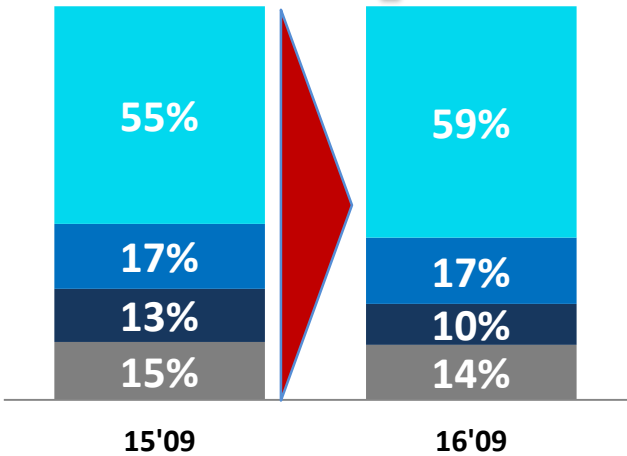
Motor in Market %56

- MARKET**
- MTPL
 - MOD
 - Non-Motor
 - Health



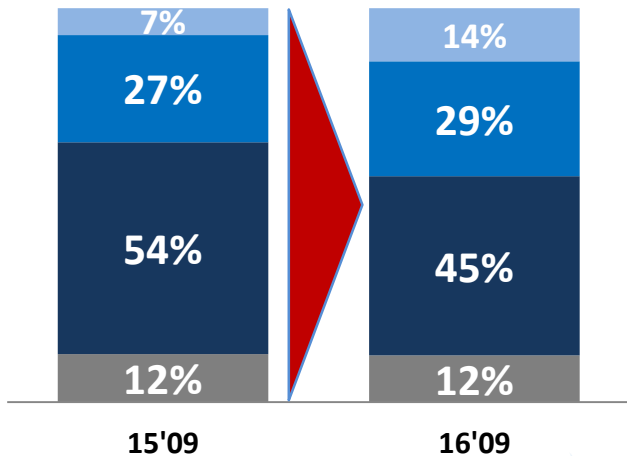
Agencies in Aksigorta ↑ 4pp

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



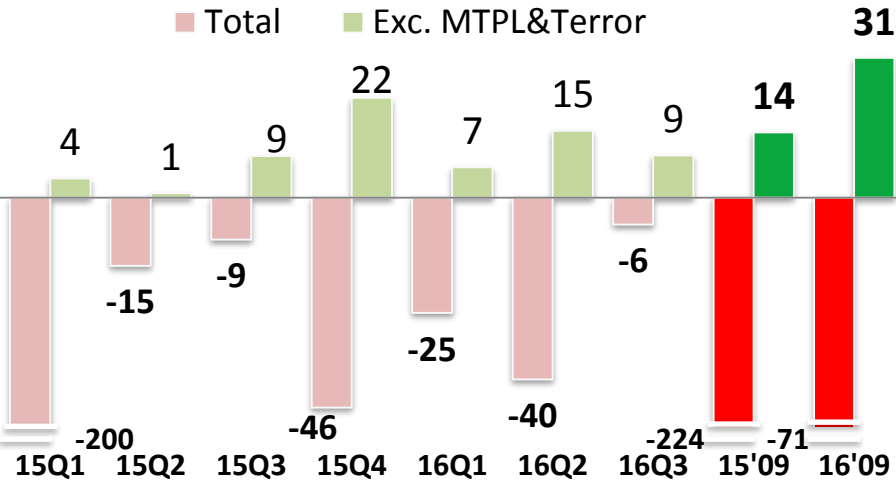
Balanced Portfolio Mix in Aksigorta

- AKSIGORTA**
- MTPL
 - MOD
 - Non-Motor
 - Health



Technical Results and Margins (excluding MTPL & Terror Claims) **AKSigorta** *Think well, live well!* continue to improve

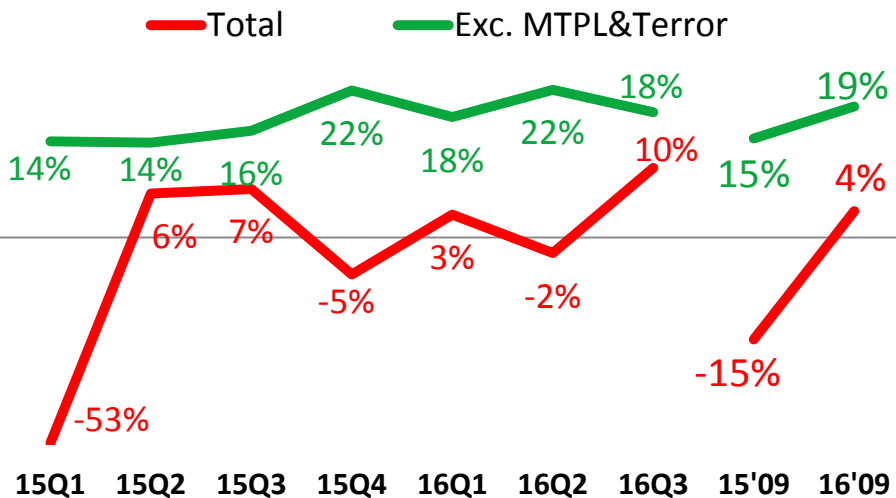
Technical Profit



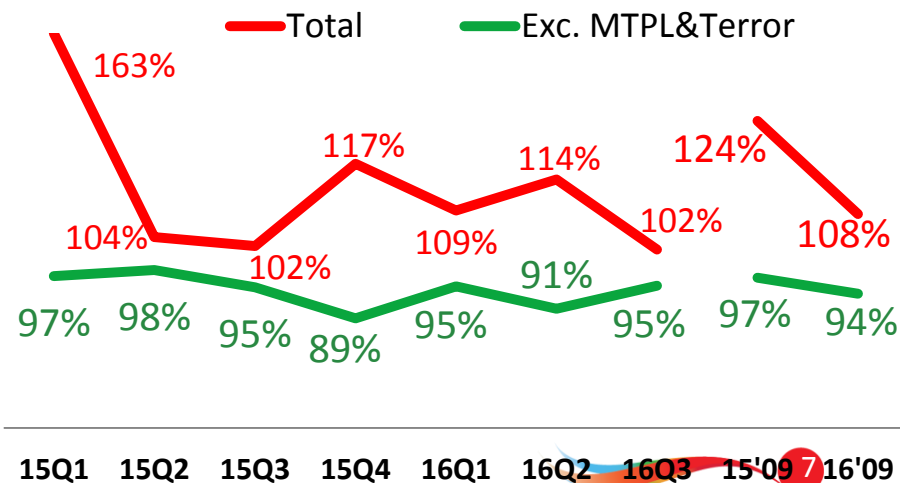
Net Profit



UW Profit Margin (%)

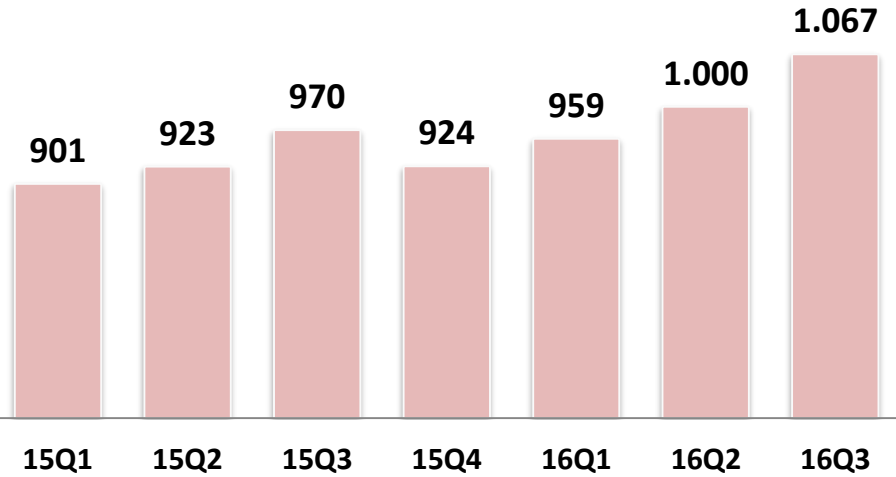


Combined Ratio (%)

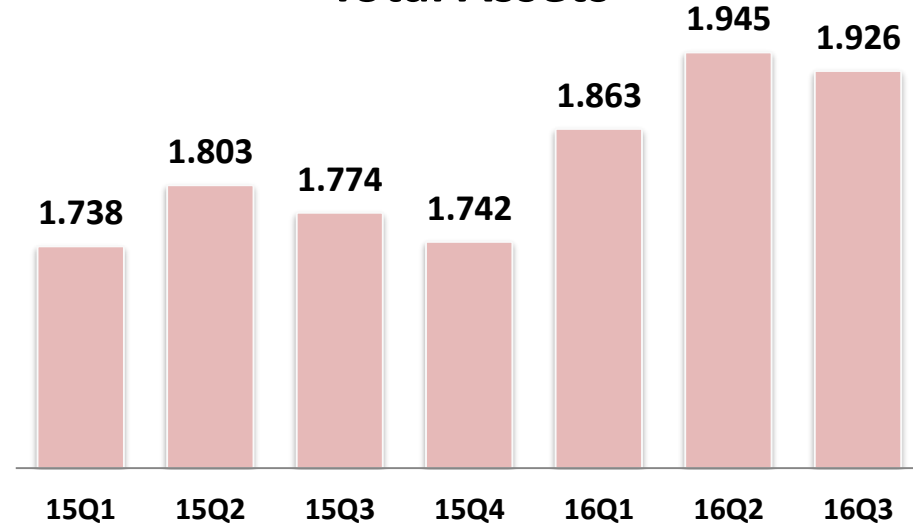


Consistent ROE around 30% in 2016 (excluding MTPL & Terror Claims)

Cash & M. Securities

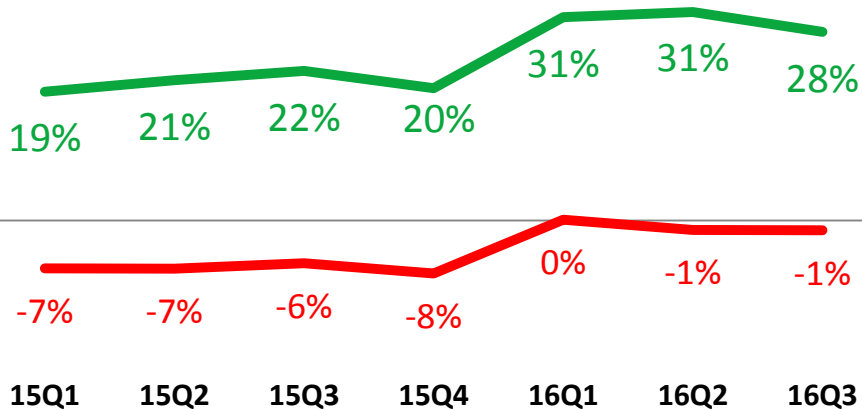


Total Assets

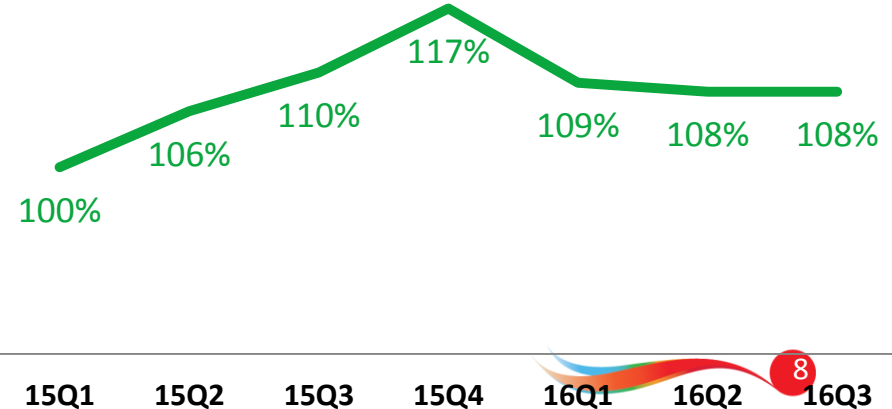


ROE (%)

— Total — Exc. MTPL&Terror



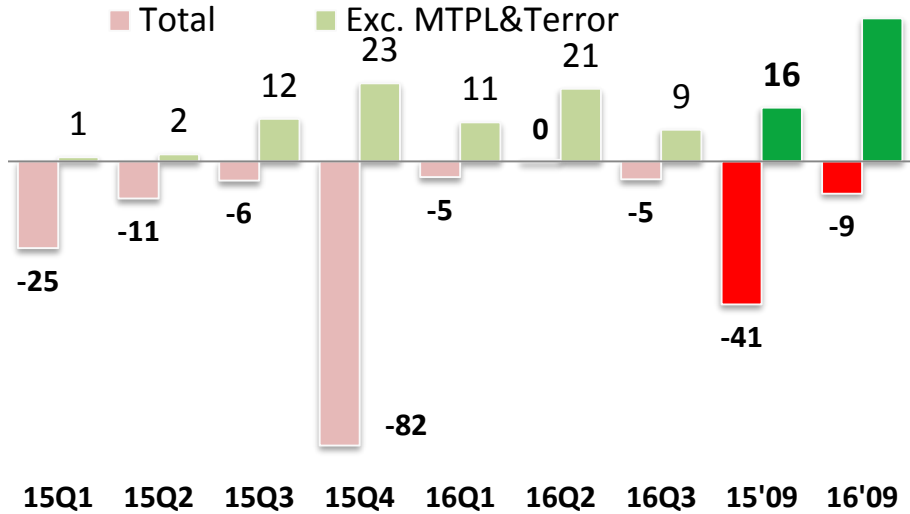
Solvency Ratio



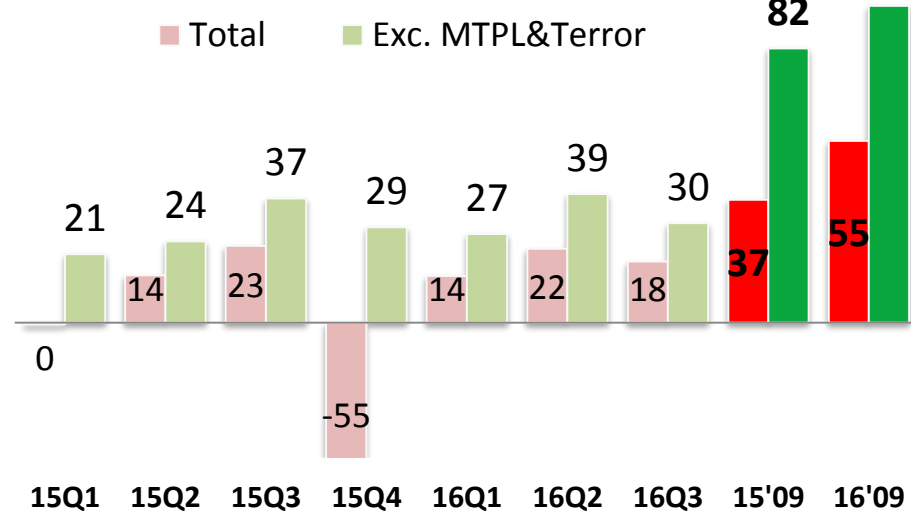
2016 September Financial Results in IFRS

Technical Results and Margins (excluding MTPL & Terror Claims) **AKSigorta** *Think well, live well!* continue to improve

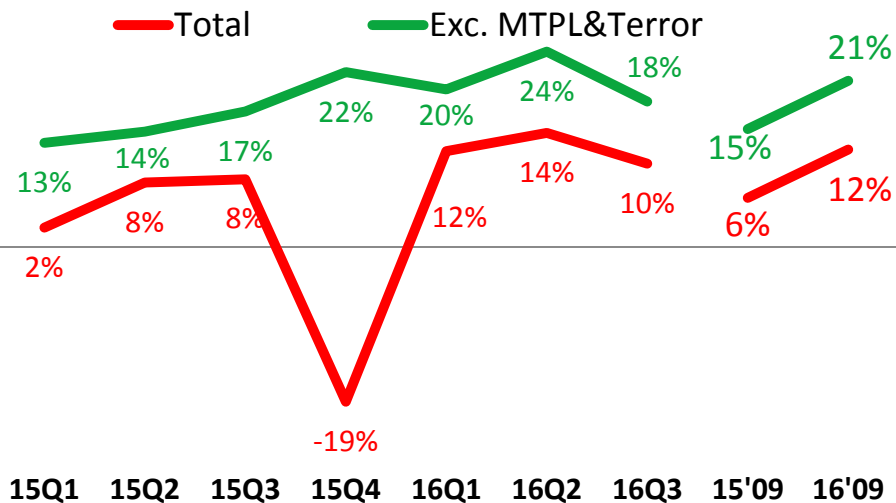
Technical Profit



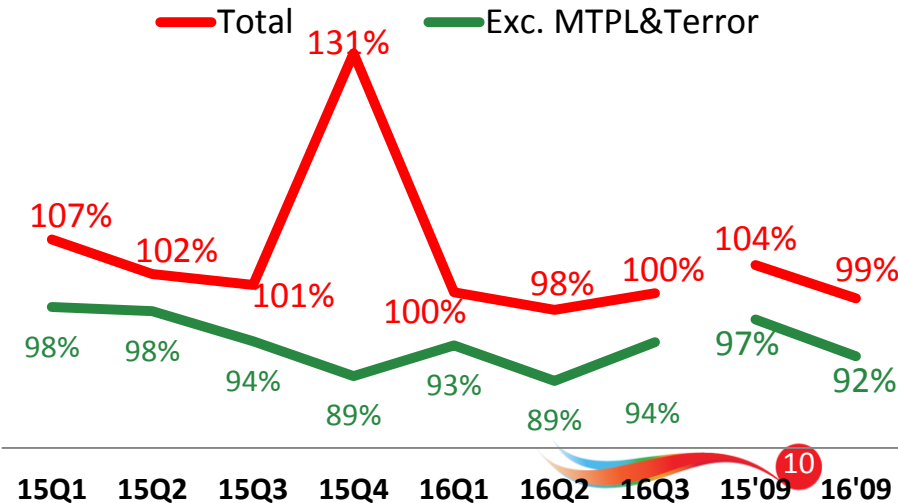
Net Profit



UW Profit Margin (%)

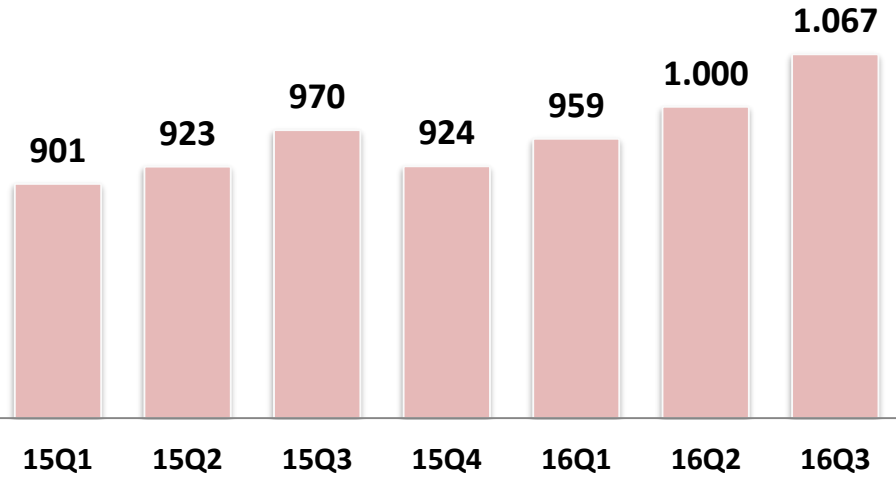


Combined Ratio (%)

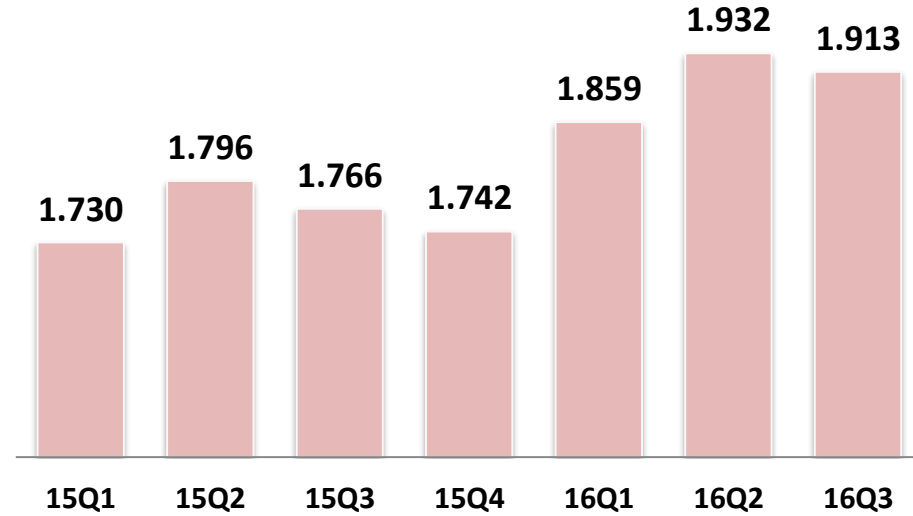


Consistent ROE around 30% in 2016 (excluding MTPL & Terror Claims)

Cash & M. Securities

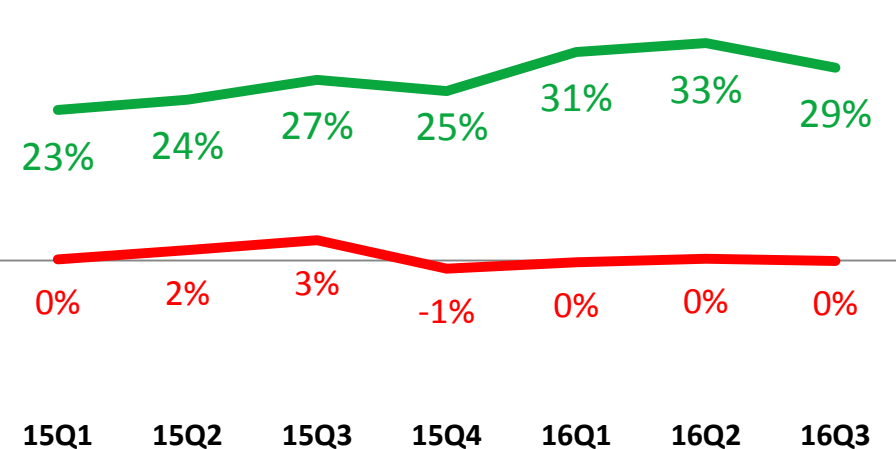


Total Assets

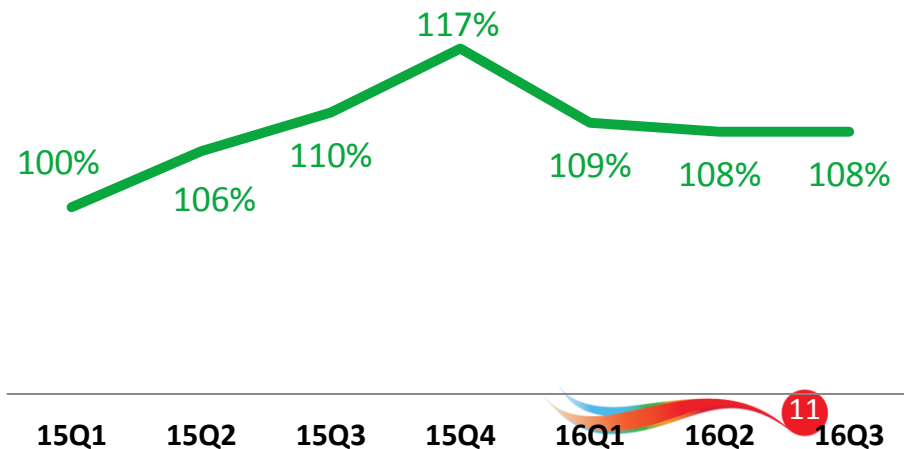


ROE (%)

— Total — Exc. MTPL&Terror



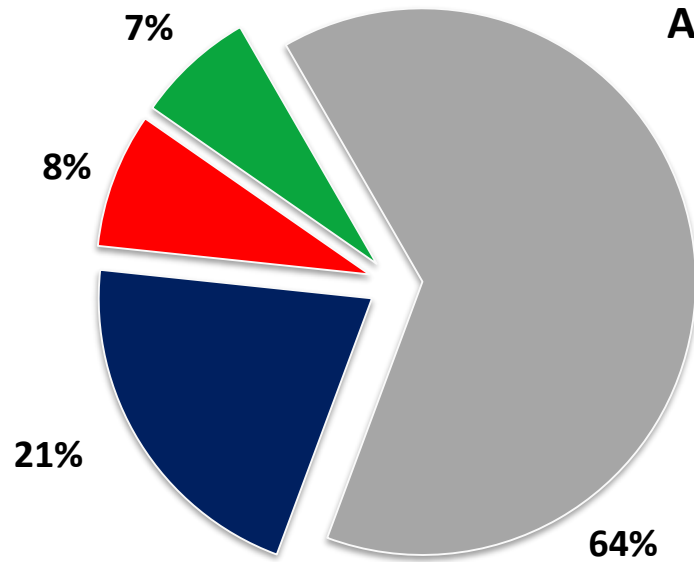
Solvency Ratio



2016 September Investment Portfolio

Investment Portfolio

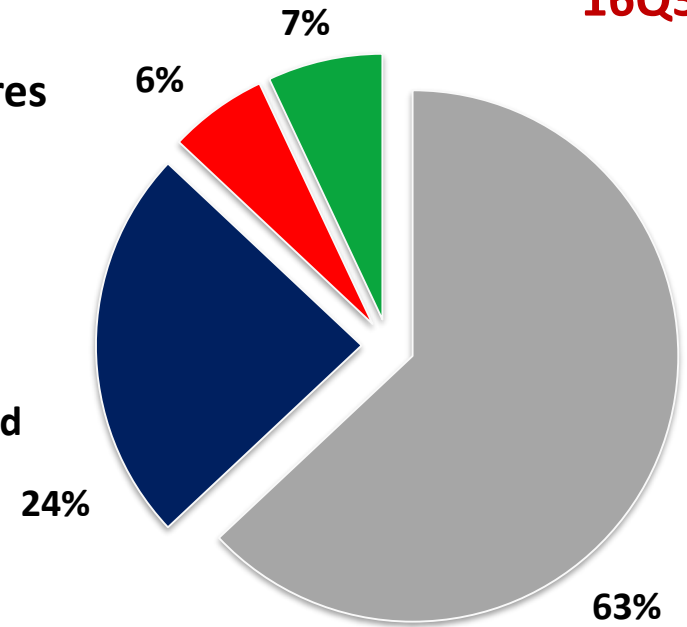
15YE



Average Portfolio Shares

- Time Deposit
- Corporate Bond
- Government Bond
- Eurobond

16Q3



2015 YE

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

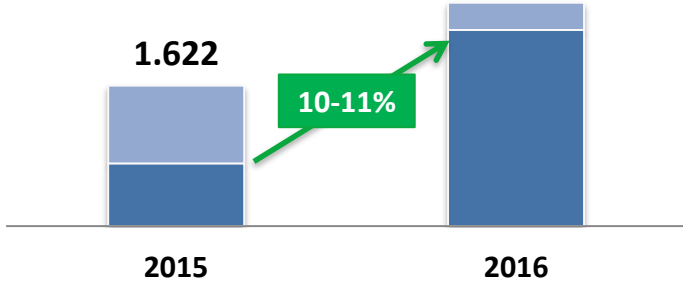
2016Q3

- Total Portfolio: TL 1.067m
- Average Yield: 11,5%
- Duration: 12 months

2016 Year End Guidance

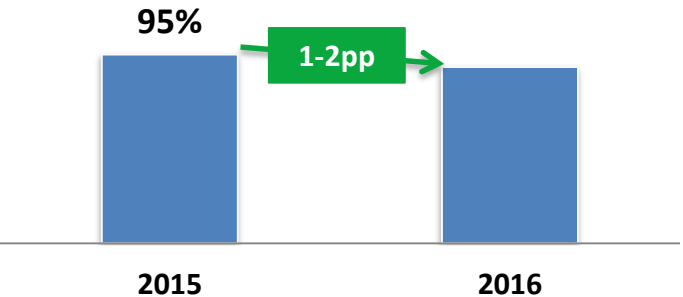
2016 Guidance

Premium Production (million TL)



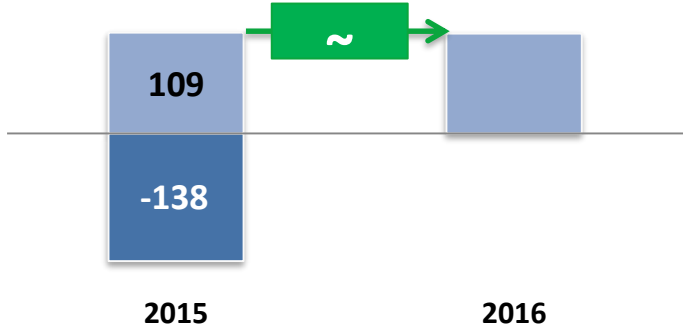
- Excluding MTPL product, Aksigorta GWP growth in 2016 is expected to be around 10-11%

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

Appendix

Statutory Results – Technical Results and Margins (excluding MTPL & Terror Claims) continue to improve

<i>Income Statement (million TL)</i>	15Q1	15Q2	15Q3	15Q3 YtD	16Q1	16Q2	16Q3	16Q3 YtD	16Q3/ 15Q3	16Q3/ 16Q2	16YtD/ 15YtD
Gross Written Premiums	456	429	351	1.236	499	471	407	1.378	16%	-14%	12%
Net Earned Premiums	314	287	272	872	245	246	262	753	-4%	6%	-14%
Claims (net)	-410	-216	-204	-830	-190	-207	-185	-581	-9%	-11%	-30%
Commissions (net)	-71	-52	-49	-172	-47	-45	-50	-142	3%	12%	-17%
G&A Expenses	-33	-34	-29	-95	-34	-35	-33	-101	14%	-6%	6%
Technical Profit	-200	-15	-9	-224	-25	-40	-6	-71	-36%	-85%	-68%
Technical Profit (excl. MTPL&Terror)	4	1	9	14	7	15	9	31	2%	-37%	114%
Net Financial Income	26	29	36	92	22	28	29	78	-21%	1%	-14%
Profit Before Tax	-174	14	27	-133	-4	-12	23	7	-15%	-289%	-105%
Tax	33	-3	-7	23	1	2	-5	-2	-32%	-357%	-107%
Net Profit	-140	11	20	-109	-3	-10	18	5	-10%	-277%	-105%
Net Profit (excl. MTPL)	23	23	35	81	23	34	30	87	-13%	-10%	7%
Combined Ratio	163%	104%	102%	124%	109%	114%	102%	108%	0pp	-12pp	-17pp
Combined Ratio (excl. MTPL)	97%	98%	95%	97%	95%	91%	95%	94%	0pp	4pp	-3pp
Loss Ratio	131%	75%	75%	95%	77%	84%	71%	77%	-4pp	-13pp	-18pp
Commission Ratio	23%	18%	18%	20%	19%	18%	19%	19%	1pp	1pp	-1pp
Expense Ratio	9%	10%	9%	10%	12%	12%	12%	12%	3pp	0pp	2pp
UW Margin	-53%	6%	7%	-15%	3%	-2%	10%	4%	3pp	12pp	19pp
UW Margin (excl. MTPL)	14%	14%	16%	15%	18%	22%	18%	19%	2pp	-4pp	5pp

IFRS Results – Technical Results and Margins (excluding MTPL & Terror Claims) continue to improve

<i>Income Statement (million TL)</i>	15Q1	15Q2	15Q3	15Q3 YtD	16Q1	16Q2	16Q3	16Q3 YtD	16Q3/ 15Q3	16Q3/ 16Q2	16YtD/ 15YtD
Gross Written Premiums	456	429	351	1.236	499	471	407	1.378	16%	-14%	12%
Net Earned Premiums	314	287	272	872	245	246	262	753	-4%	6%	-14%
Claims (net)	-235	-212	-200	-647	-169	-167	-185	-520	-8%	11%	-20%
Commissions (net)	-71	-52	-49	-172	-47	-45	-50	-142	3%	12%	-17%
G&A Expenses	-33	-34	-28	-94	-34	-34	-32	-100	14%	-6%	6%
Technical Profit	-25	-11	-6	-41	-5	0	-5	-9	-6%	-1327%	-77%
Technical Profit (excl. MTPL&Terror)	1	2	12	16	11	21	9	41	-26%	-57%	166%
Net Financial Income	26	29	36	92	22	28	28	78	-21%	1%	-15%
Profit Before Tax	1	18	30	50	17	28	23	69	-24%	-19%	36%
Tax	-2	-4	-7	-13	-3	-6	-5	-14	-37%	-26%	5%
Net Profit	0	14	23	37	14	22	18	55	-20%	-17%	48%
Net Profit (excl. MTPL)	21	24	37	82	27	39	30	95	-20%	-23%	15%
Combined Ratio	107%	102%	101%	104%	100%	98%	100%	99%	-1pp	2pp	-4pp
Combined Ratio (excl. MTPL)	98%	98%	94%	97%	93%	89%	94%	92%	0pp	5pp	-5pp
Loss Ratio	75%	74%	74%	74%	69%	68%	70%	69%	-4pp	2pp	-5pp
Commission Ratio	23%	18%	18%	20%	19%	18%	19%	19%	1pp	1pp	-1pp
Expense Ratio	9%	10%	9%	10%	12%	12%	10%	11%	1pp	-2pp	2pp
UW Margin	2%	8%	8%	6%	12%	14%	10%	12%	2pp	-4pp	6pp
UW Margin (excl. MTPL)	13%	14%	17%	15%	20%	24%	18%	21%	1pp	-6pp	6pp

Statutory Balance Sheet

<i>(TL Million)</i>	15Q4	16Q1	16Q2	16Q3	16Q3/ 15Q4	16Q3/ 16Q2
Cash and Marketable Securities	924	959	1000	1067	16%	7%
Receivables	576	632	656	583	1%	-11%
Other Assets	174	205	219	204	17%	-7%
Participations	8	8	8	8	0%	0%
Fixed Assets	61	59	62	63	3%	1%
Total Assets	1.742	1.863	1.945	1.926	11%	-1%
Payables	198	310	297	228	15%	-23%
Technical Reserves	1105	1103	1196	1240	12%	4%
Taxes Payable	0	0	0	0		
Other Liabilities	91	104	111	100	10%	-10%
Total Shareholders' Equity	349	346	340	358	3%	5%
Total Liabilities and Equity	1.742	1.863	1.945	1.926	11%	-1%
ROE *	20%	31%	31%	28%	8pp	-3pp
Capital Adequacy Ratio	117%	109%	108%	105%	-12pp	-3pp

*Excluding MTPL business and one offs

IFRS Balance Sheet

(TL Million)	15Q4	16Q1	16Q2	16Q3	16Q3/ 15Q4	16Q3/ 16Q2
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Receivables	576	632	656	583	1%	-11%
Other Assets	174	201	206	191	10%	-7%
Participations	8	8	8	8	0%	0%
Fixed Assets	61	59	62	63	3%	1%
Total Assets	1.742	1.859	1.932	1.913	10%	-1%
Payables	198	310	297	228	15%	-23%
Technical Reserves	1102	1080	1132	1176	7%	4%
Taxes Payable	0	0	0	0		
Other Liabilities	91	104	111	100	10%	-10%
Total Shareholders' Equity	351	365	391	409	17%	5%
Total Liabilities and Equity	1.742	1.859	1.932	1.913	10%	-1%
ROE *	25%	31%	33%	29%	4pp	-4pp
Capital Adequacy Ratio	117%	109%	108%	105%	-12pp	-3pp

*Excluding MTPL business and one offs

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