

Aksigorta Q2 Earnings Call Presentation

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1. Aksigorta Financials (in TFRS)

2. What are the Risks & Opportunities?

3. Income Mix

4. Appendix

22'H1 – Financial Indicators (m TL) (YoY %)

5.509  84%	-446  -339%	525  -50%
Gross Written Premiums	Net Income	Total Equity*

22'H1 – Operational Ratios (YoY pp)

136%  57pp	160%  58pp	7,5%  -0.7pp
Net Loss Ratio	Net Combined Ratio	Market Share

22'H1 – Financial Income (m TL)

4.521  23%	29%	625  112%
AuM	Avr. Annualized Yield**	Financial Income**

(*) Compared to 2021 year end total equity
(**): Includes interest income + FX gain/(loss)

Market GWP Distribution (%) (m TL)

21Q2

21Q3

21Q4

22Q1

22Q2

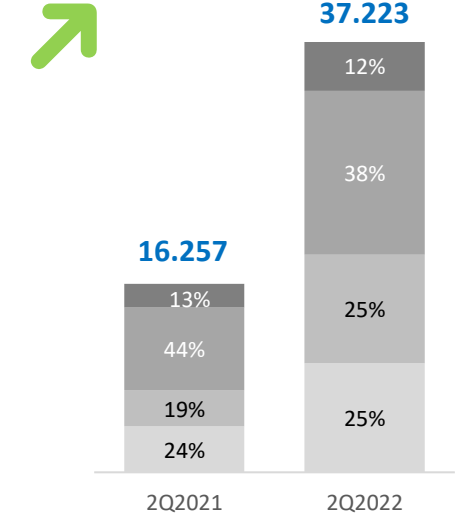
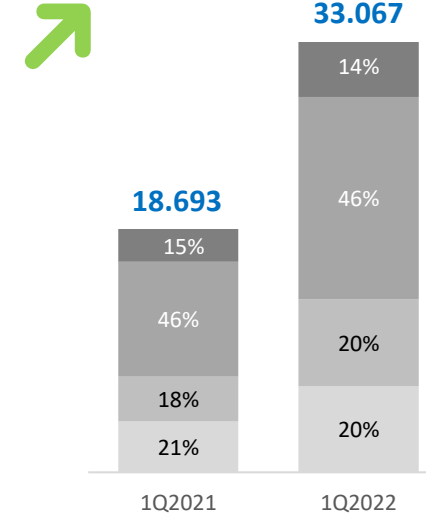
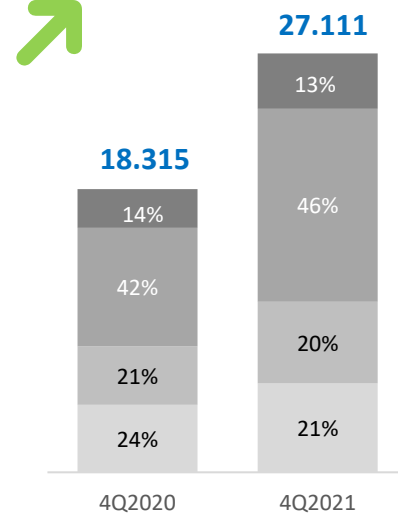
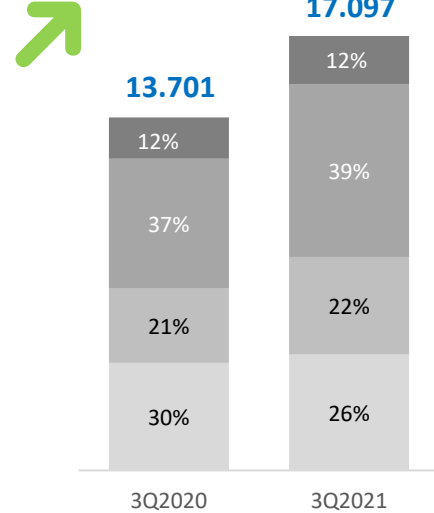
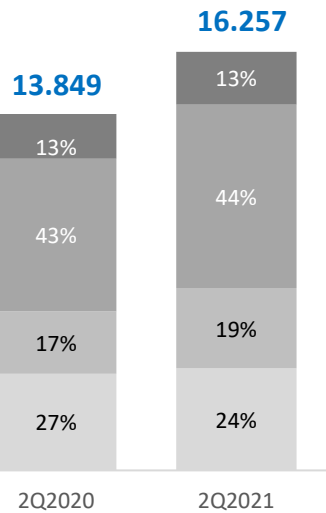
+17%

+25%

+48%

+77%

+129%



YoY			
MTPL	MOD	Non-motor	Health
+6%	+29%	+20%	+18%
Agency	Bank	Corporate	Market
+30%	+38%	-7%	+17%

YoY			
MTPL	MOD	Non-motor	Health
+8%	+32%	+32%	+33%
Agency	Bank	Corporate	Market
+23%	+19%	+33%	+25%

YoY			
MTPL	MOD	Non-motor	Health
+32%	+40%	+63%	+44%
Agency	Bank	Corporate	Market
+41%	+46%	+56%	+48%

YoY			
MTPL	MOD	Non-motor	Health
+69%	+95%	+76%	+68%
Agency	Bank	Corporate	Market
+76%	+52%	+82%	+77%

YoY			
MTPL	MOD	Non-motor	Health
+138%	+200%	+99%	+109%
Agency	Bank	Corporate	Market
+138%	+106%	+104%	+129%

Portfolio Share			
Agency	Bank	Corporate	Market
60%	14%	26%	100%

Portfolio Share			
Agency	Bank	Corporate	Market
62%	13%	25%	100%

Portfolio Share			
Agency	Bank	Corporate	Market
58%	15%	27%	100%

Portfolio Share			
Agency	Bank	Corporate	Market
55%	14%	31%	100%

Portfolio Share			
Agency	Bank	Corporate	Market
63%	13%	24%	100%

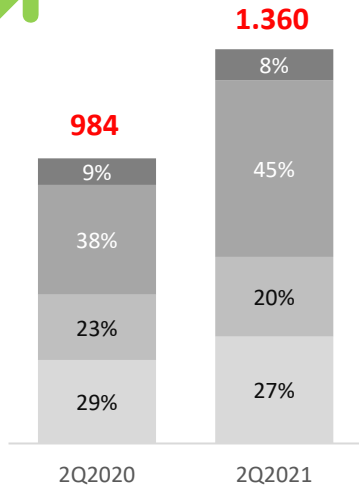
Aksigorta GWP Distribution (%) (m TL)

21Q2

+38%

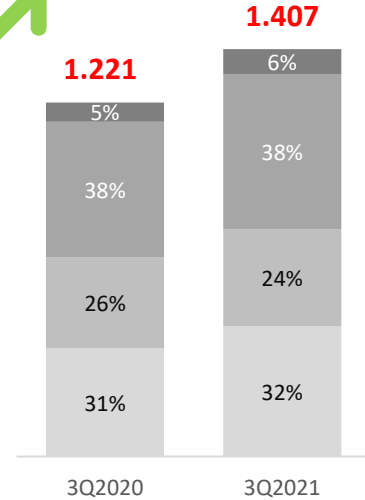


Portfolio Share



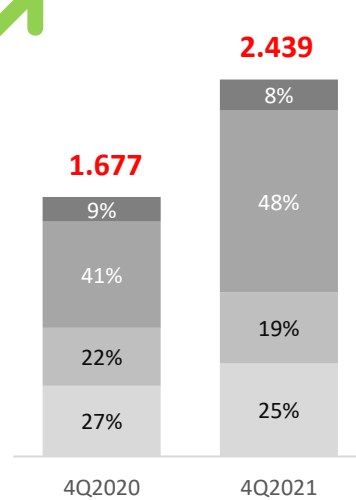
21Q3

+15%



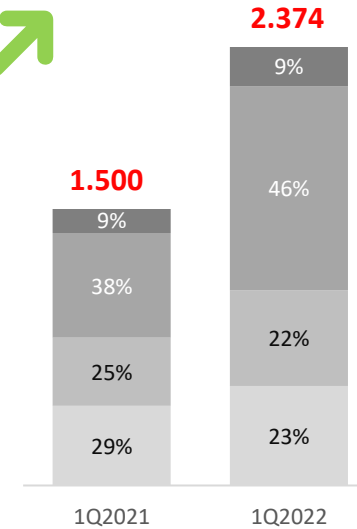
21Q4

+45%



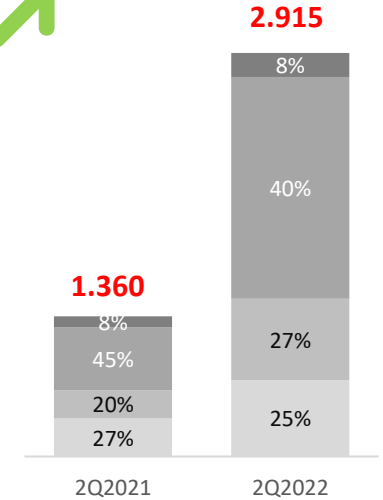
22Q1

+58%



22Q2

+114%



YoY			
MTPL	MOD	Non-motor	Health
+28%	+22%	+61%	+15%
Agency	Bank	Corporate	Company
+30%	+36%	+55%	+38%

Portfolio Share			
Agency	Bank	Corporate	Company
58%	10%	32%	100%

YoY			
MTPL	MOD	Non-motor	Health
+20%	+7%	+14%	+32%
Agency	Bank	Corporate	Company
+22%	+20%	+3%	+16%

Portfolio Share			
Agency	Bank	Corporate	Company
62%	11%	27%	100%

YoY			
MTPL	MOD	Non-motor	Health
+32%	+23%	+71%	+26%
Agency	Bank	Corporate	Company
+40%	+33%	+60%	+45%

Portfolio Share			
Agency	Bank	Corporate	Company
59%	11%	30%	100%

YoY			
MTPL	MOD	Non-motor	Health
+25%	+40%	+95%	+59%
Agency	Bank	Corporate	Company
+47%	+17%	+98%	+58%

Portfolio Share			
Agency	Bank	Corporate	Company
59%	8%	33%	100%

YoY			
MTPL	MOD	Non-motor	Health
+101%	+187%	+89%	118%
Agency	Bank	Corporate	Company
+128%	+82%	+95%	+114%

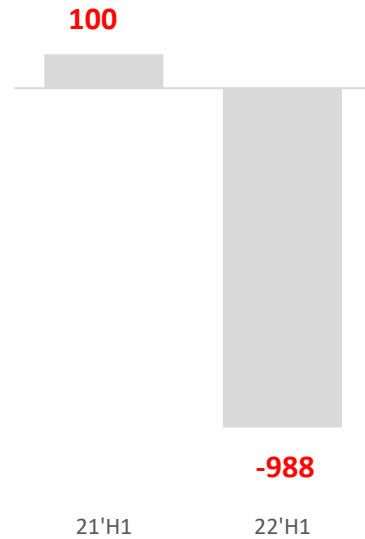
Portfolio Share			
Agency	Bank	Corporate	Company
62%	9%	%29	100%

UW Result and Combined Ratio Development

Increase in motor & non-motor claim cost led to YoY decline in UWR

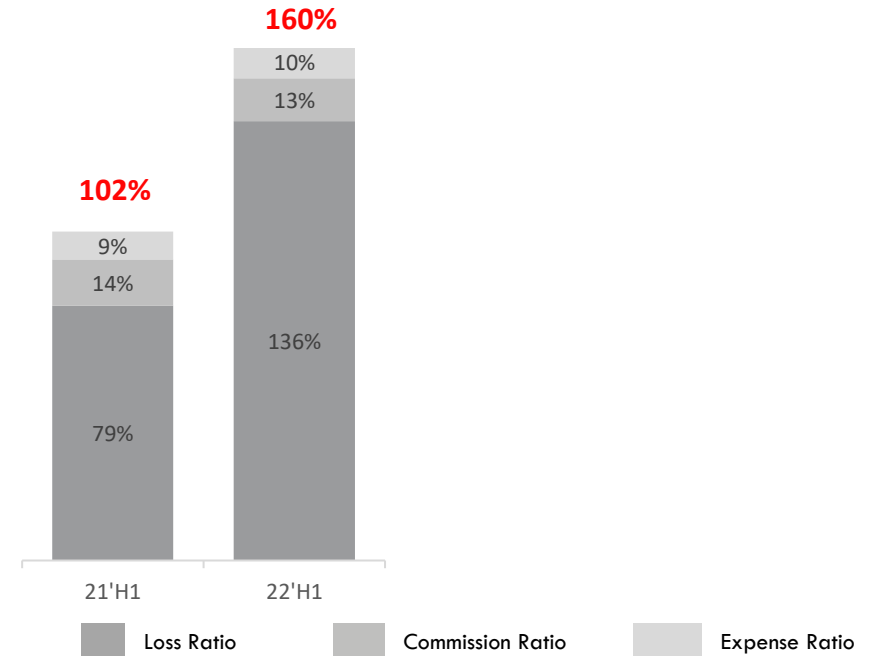
UW Result and Combined Ratio (TL m; %)

UW Result



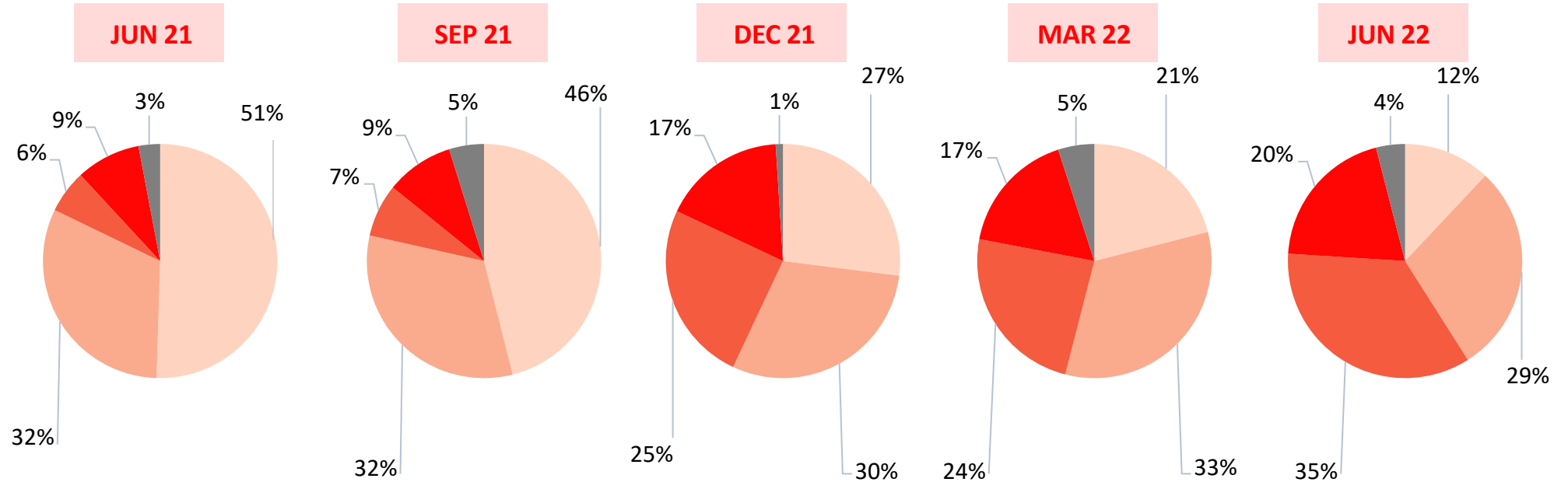
UWM	
21'H1	22'H1
+3,6%	-24,3%

Combined Ratio



Financial Income Development

As of June 2022, AuM has reached TL 4.5b with 23% YoY growth



AuM m TL	3,676m TL	3,838m TL	4,043m TL	4,290m TL	4,521m TL
Average annualized yield*	16%	18%	43%	27%	29%
Quarterly financial income*	141m TL	166m TL	420m TL	285m TL	340m TL

(*): Including FX gain / loss

Note: Financial income figures are after BITT (net off tax).



Income Statement

	21'H1	22'H1	21'H1/22'H1
Gross Written Premiums	3.000	5.509	84%
Gross Earned Premiums	2.819	4.067	44%
Net Earned Premiums	1.554	1.994	28%
Underwriting Result	100	-988	-1085%
Expenses	-134	-204	52%
Financial Income	282	596	111%
Profit Before Tax	219	-592	-370%
Net Profit	186	-446	-339%
Combined Ratio	102%	160%	58pp
Loss Ratio	79%	136%	57pp
Commission Ratio	14%	13%	-1pp
Expense Ratio	9%	10%	1pp
UW Margin	4%	-24%	-28pp

Balance Sheet (M TL)	Dec.21	Jun.22	Δ %
Receivables	1.578	2.215	40%
AUM	4.043	4.521	12%
Other Assets	1.767	2.267	28%
Total Assets	7.388	9.003	22%
Reserves	4.193	5.684	36%
Payables	1.658	2.213	33%
Other Liabilities	488	580	19%
Total Liabilities	6.339	8.477	34%
Equity	1.049	525	-50%
Total Liabilities + Equity	7.388	9.003	22%

1. *Aksigorta Financials (in TFRS)*

2. **What are the Risks & Opportunities?**

3. *Income Mix*

4. *Appendix*

Risks

- Negative UW profit margin due to claim cost inflation
- Negative real interest rates limit financial income
- Downsizing economy limits insurance growth
- Uncertainty, high volatility on currency
- Natural disasters due to climate change (e.g.: hail, flood, fire, EQ etc.)
- Possible churn in individual segments due spending cut offs
- Deferred effect of producer price increase on inflation
- Increase in FX rates makes stress on MOD claim cost

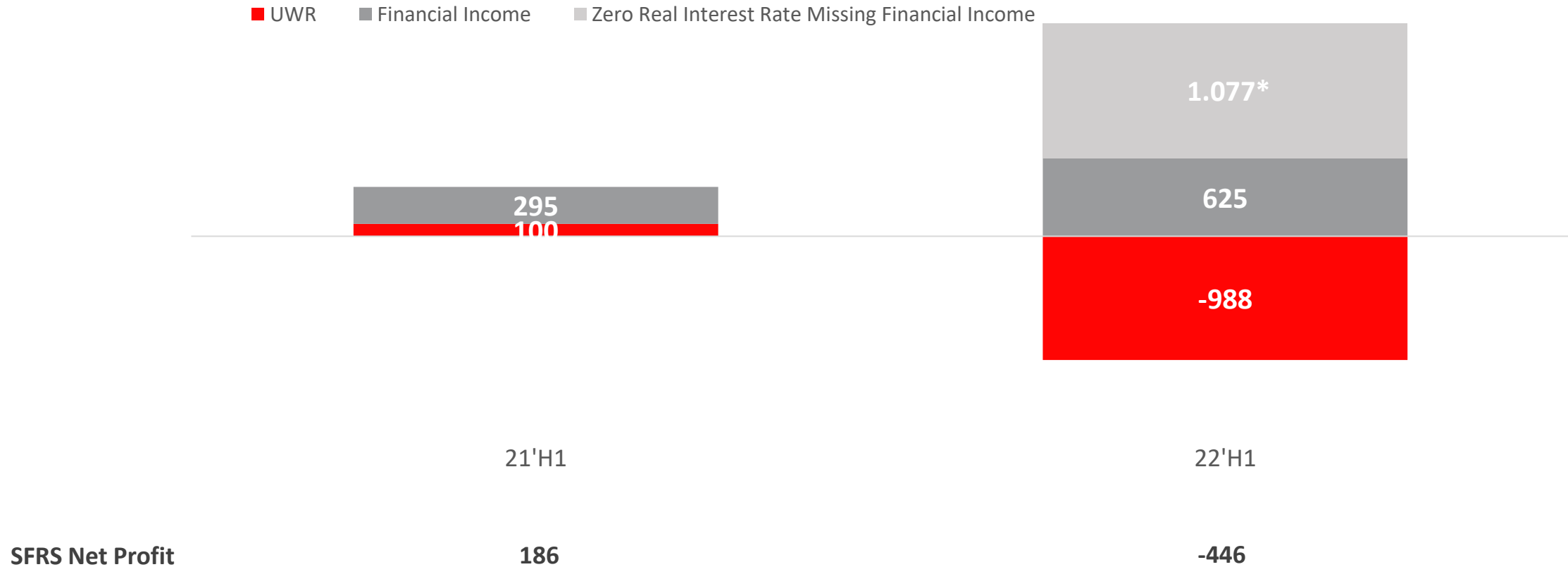
Opportunities

- Accelerating digital transformation with the pandemic
- Increasing efficiency, quality and innovation with remote working
- Higher premiums and improved UW Margin with the introduction of new products (cyber, credit etc.)
- High focus of industry on technology and analytics to generate value
- Increase in interest rates

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2. *What are the Risks & Opportunities?*
3. **Income Mix**
4. *Appendix*

Competitive advantages

Because of macro economic instability both financial income and UW income is under stress «double-dip scenario»



(*): If real interest rate was zero rather than negative, our financial income would be 1.077 million TL higher at 1.702 million TL.

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2. *What are the Risks & Opportunities?*
3. *Income Mix*
4. **Appendix**

Technical Result Bridge between TFRS & Management Reporting

	Technical result in TFRS	Re-classifications							UW result in management reporting
		1	2	3	4	5	6	7	
Net earned premiums	2.045	-15	-36	-	-	-	-	-	1.994
Claims, net (*)	-2.218			+64	-502	-63	-	-	-2.718
Other technical income and expense	-547	+15	+36	-64	+497	+63	-	-	-
Commissions, net	-	-	-	-	-	-	-264	-	-264
General expenses	-446	-	-	-	-	-	+446	-	-
Allocated financial income	625	-	-	-	-	-	-	-625	-
Total	-541	-	-	-	-5	-	+182	-625	-988

1. Guarantee Fund (premiums ceded to Assurance Account as a % of MTPL production)
2. Assistance Premiums
3. Subrogation Accrual
4. Other Technical Inc. / Exp.
5. Bad Debt for Subrogation Receivables
6. Commissions vs. General Expense (only commissions are included in UWR in management reporting)
7. Allocated Financial Income : Interest income and FX gain/loss

(*) Claims, net in CMB reporting includes non-life technical expenses, namely incurred claims, bonus and rebates and other reserve provisions

AUM	Asset Under Management
Ceded Premiums	Premiums transferred to reinsurers
Combined Ratio	Total of Loss ratio, commission ratio and expense ratio
FI	Financial Income
FTE	Full-Time Employee
GWP	Gross Written Premiums
HC	Headcount
LoB	Line of Business
MOD	Motor Own Damage
MTPL	Motor Third Party Liability
NEP	Net Earned Premiums
Net Written Premiums	Premium net of reinsurer share
Retention Ratio	Net Written Premiums as a share in GWP
TCIP	Turkish Catastrophic Insurance Pool
Tech. Margin	Technical Margin, Technical Result as a share in NEP
Tech. Result	Technical Result = UWR + Financial Income + Expenses
UWM	Underwriting margin , Underwriting Result as a share in GEP
UWR	Underwriting Result

Thank you!

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