

Aksigorta Q4 Earnings Call Presentation

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1. Aksigorta Financials (in TFRS)

2. *What are the Risks & Opportunities?*

3. *Income Mix*

4. *Appendix*

22'Q4 – Financial Indicators (m TL) (YoY %)

4.996 ↑ 99% Gross Written Premiums	274 ↑ 531% Net Income	1.949 ↑ 86% Total Equity*
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22'Q4 – Operational Ratios (YoY pp)

83% ↓ -52pp Net Loss Ratio	105% ↓ -50pp Net Combined Ratio	6,7% ↓ -2.3pp Market Share
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22'Q4 – Financial Income (m TL)

7.659 ↑ 90% AuM	25% ↑ 7pp Avr. Annualized Yield**	436 ↑ 4% Financial Income**
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(*): Compared to 2021 year end total equity
(**): Includes interest income + FX gain/(loss)

2022 – Financial Indicators (m TL) (YoY %)

13.563 ↑ 94%	-121 ↓ -164%	1.949 ↑ 86%
Gross Written Premiums	Net Income	Total Equity*

2022 – Operational Ratios (YoY pp)

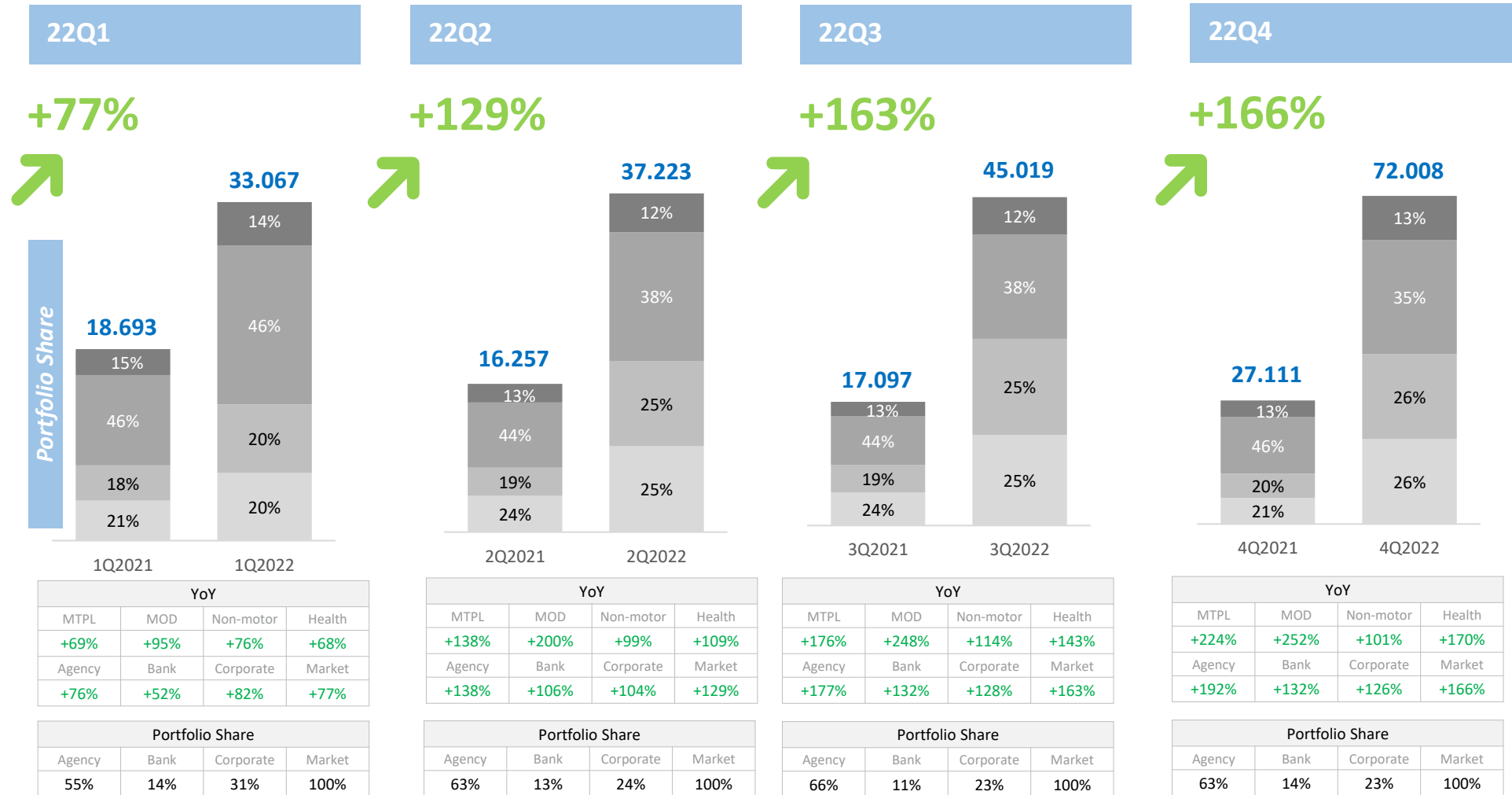
112% ↑ 16pp	135% ↑ 17pp	6,9% ↓ -1.5pp
Net Loss Ratio	Net Combined Ratio	Market Share

2022 – Financial Income (m TL)

7.659 ↑ 90%	30% ↑ 5pp	1.406 ↑ 63%
AuM	Avr. Annualized Yield**	Financial Income**

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

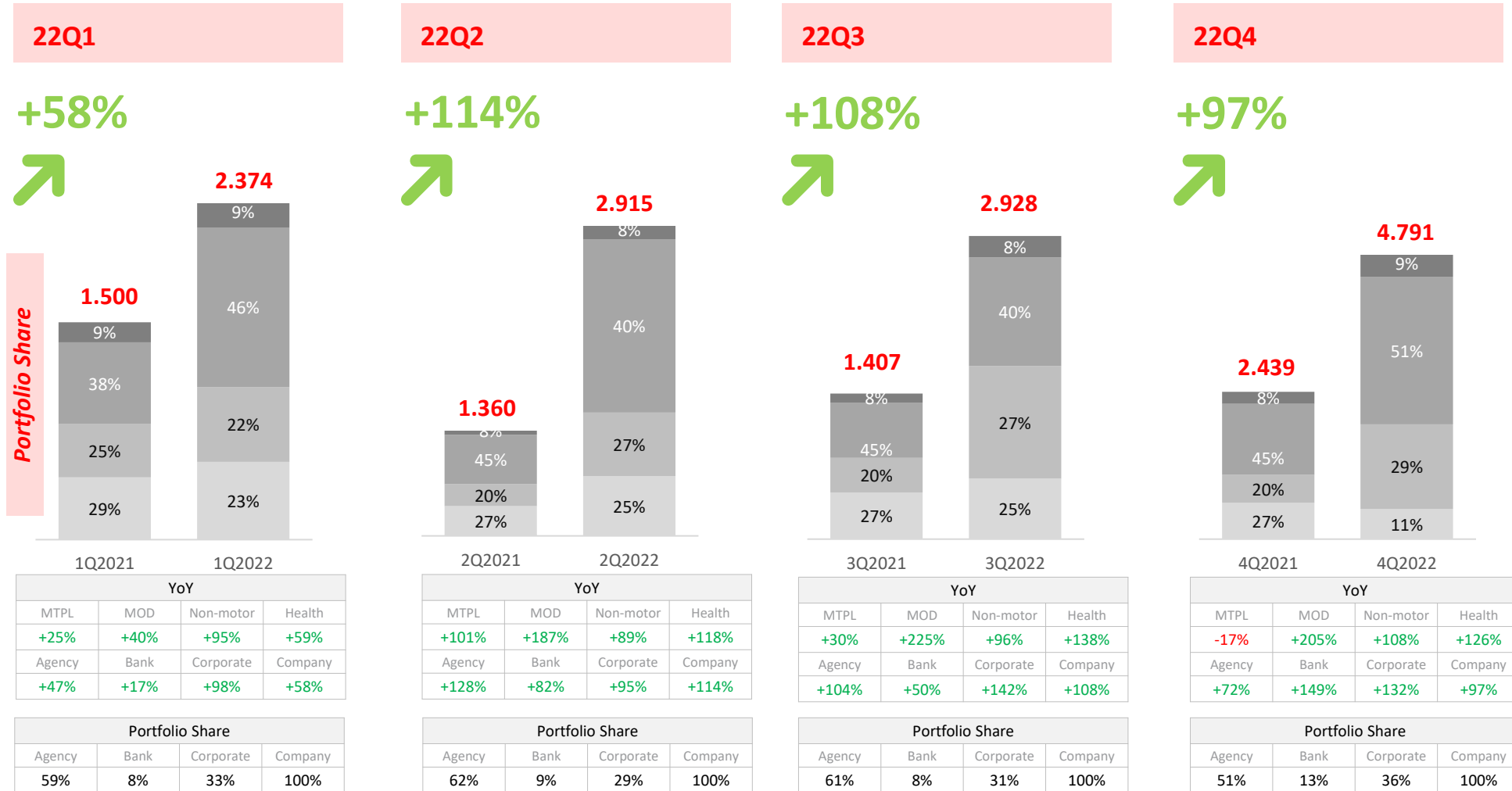
Market GWP Distribution (%) (m TL)



Note: Retro premiums from pools are excluded.

Health Non-motor MOD MTPL

Aksigorta GWP Distribution (%) (m TL)



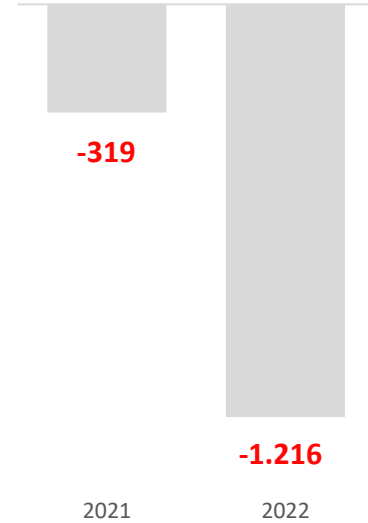
Note: Retro premiums from pools are excluded.

UW Result and Combined Ratio Development

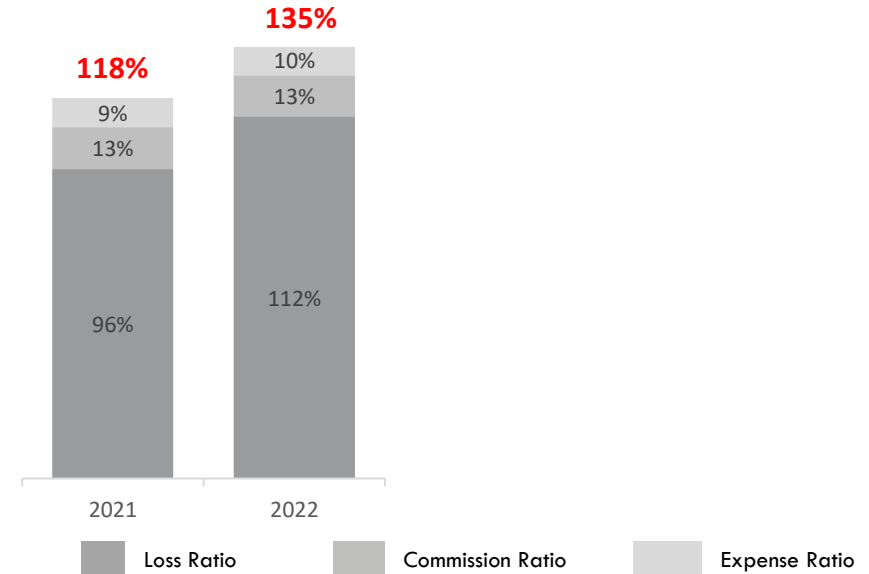
Increase in motor & non-motor claim cost led to YoY decline in UWR

UW Result and Combined Ratio (TL m; %)

UW Result



Combined Ratio

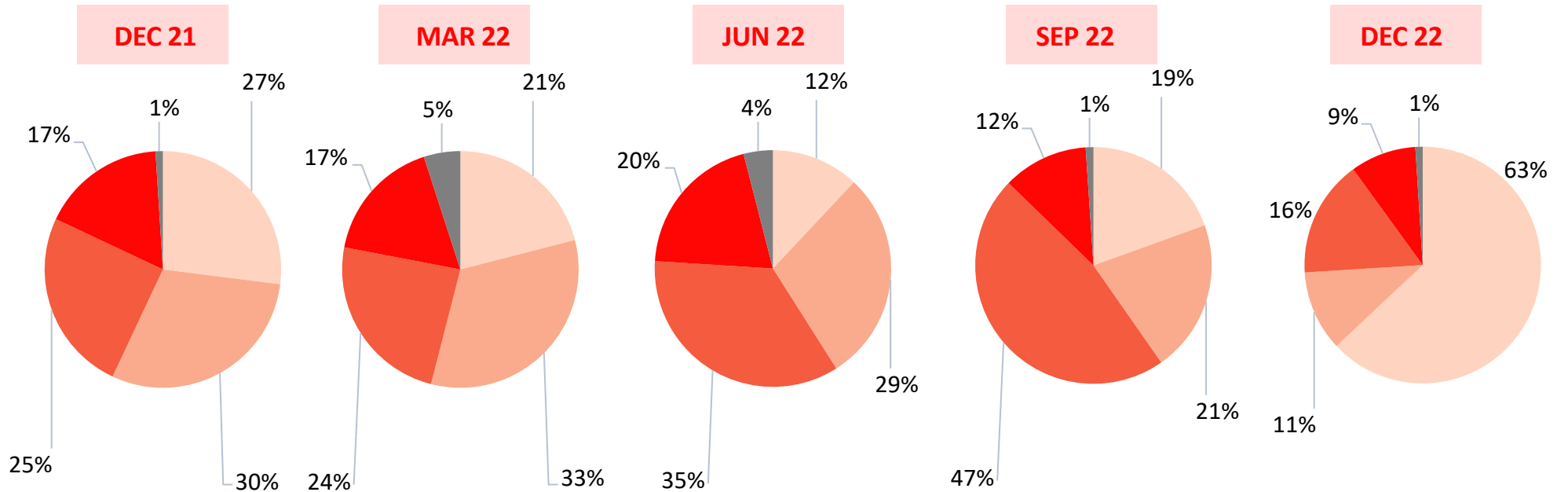


UWM	
2021	2022
-5,3%	-12,4%

UWM: UWR / Gross earned premiums

Financial Income Development

As of December 2022, AuM has reached TL 7.6b with 90% YoY growth



AuM m TL	4,043m TL	4,290m TL	4,521m TL	6,509m TL	7,659m TL
Average annualized yield*	43%	27%	29%	33%	25%
Quarterly financial income*	420m TL	285m TL	340m TL	529m TL	436m TL

(*): Including FX gain / loss

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

Note: In 2022 FY tax advantage TL fund interest income was 137 million TL; generating 37 million TL tax shield.



Income Statement

Income Statement (m TL)	2021	2022	Δ %
Gross Written Premiums	6.988	13.563	94%
Gross Earned Premiums	5.976	9.795	64%
Net Earned Premiums	3.253	4.871	50%
Underwriting Result	-319	-1.216	-282%
Expenses	-271	-484	-79%
Financial Income	861	1.406	63%
Profit Before Tax	295	-305	-203%
Net Profit	189	-121	-164%
Combined Ratio	118%	135%	17pp
Loss Ratio	96%	112%	16pp
Commission Ratio	13%	13%	0pp
Expense Ratio	9%	10%	1pp
UW Margin	-5%	-12%	-7pp

Balance Sheet (m TL)	2021	2022	Δ %
Receivables	1.578	2.926	85%
AUM	4.043	7.659	90%
Total Assets	7.388	12.831	74%
Reserves	4.193	6.996	67%
Payables	1.658	2.434	47%
Total Equity	1.049	1.949	86%
Total Liabilities	7.388	12.831	74%
RoE	17%	67%	+50pp

Note: ROE for 2022 is calculated as (4Q22 Net Profit x 4) / (Average Sep.22 and Dec.22 Total Equity)

Equity Movement (m TL)	Dec.22
31.12.2021	1.049
Net Profit for the Period	-121
Revaluation of Available-for-Sale Investment Fund	32
Actuarial Loss Arising from Employee Benefit	-11
Capital Injection	1.000
Dividend	0
31.12.2022	1.949

Capital Adequacy

Capital adequacy	Dec.19	Dec.20	Dec.21	Dec.22	Main drivers:
Required capital	771	953	1.426	2.041	
Asset risk	282	388	484	550	by asset size
Reinsurance risk	78	81	178	391	by re-insurance portfolio
Reserve risk	89	115	165	233	by growth
UW risk	312	350	527	776	by growth
FX risk	10	18	72	91	by fx exposure
Available capital	994	1.220	1.167	2.104	
Capital adequacy ratio	129%	128%	82%	103%	

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

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Risks

- Natural disasters due to climate change (e.g.: hail, flood, fire, EQ etc.)
- Negative real interest rates limit financial income
- Downsizing economy limits insurance growth
- Uncertainty, high volatility on currency
- 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
- Effect of minimum wage increase on the MTPL bodily injury claim costs

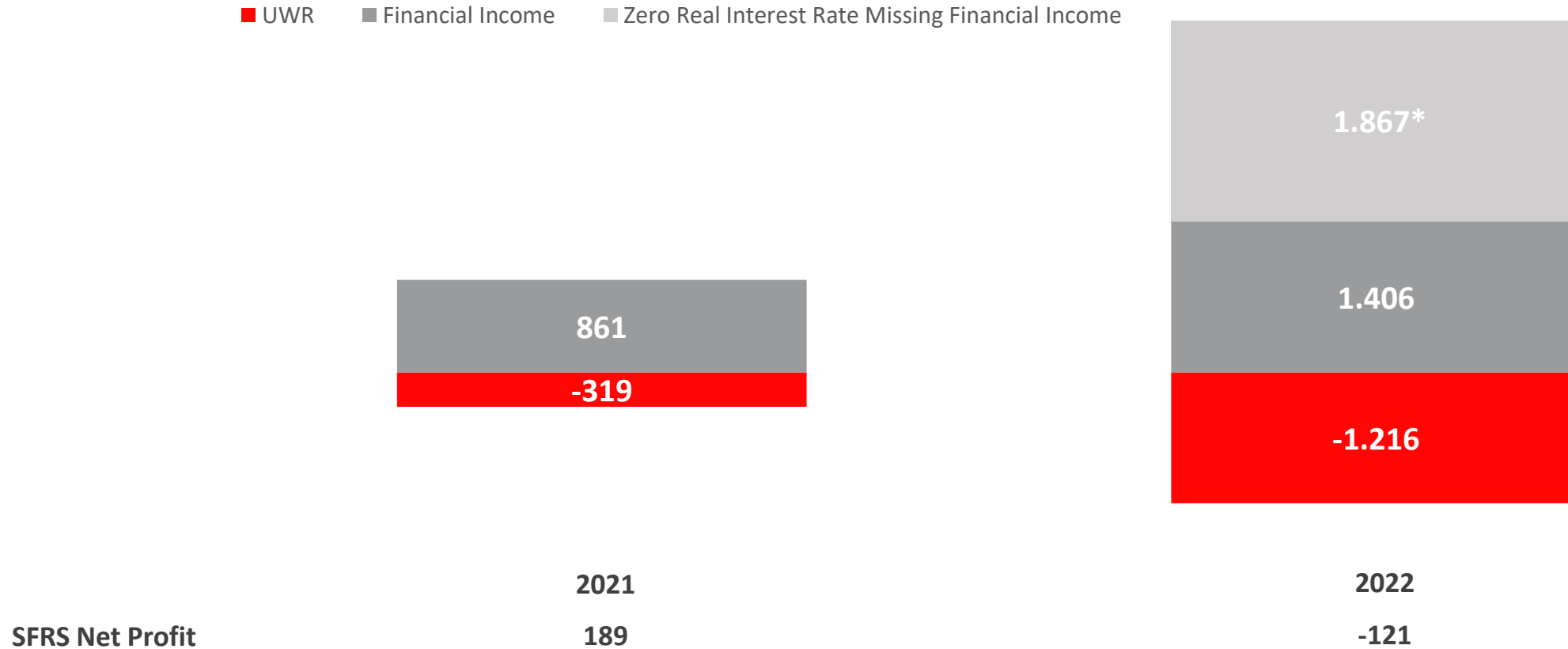
Opportunities

- 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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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 1.867 million TL higher at 3.273 million TL.

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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	4.972	-27	-72	-2	-	-	-	-	4.871
Claims, net (*)	-5.299	-	-	127	-186	-110	-	-	-5.469
Other technical income and expense	-255	+27	+72	-127	172	+110	-	-	-
Commissions, net	-	-	-	-	-	-	-618	-	-618
General expenses	-1.056	-	-	-	-	-	+1.056	-	-
Allocated financial income	1.565	-	-	-	-	-	-	-1.565	-
Total	-72	-	-	-2	-14	-	+438	-1.565	-1.216

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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