

AKSIGORTA
EARNINGS PRESENTATION
2024 / Q1

May 7th, 2024

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AKSigorta



COMPANY SCORECARD

2024 Q1 SCORECARD

FINANCIAL INDICATORS



m TL 9.551

Gross Written Premiums

85% YoY Growth



m TL 273

Net Income

108% YoY Growth



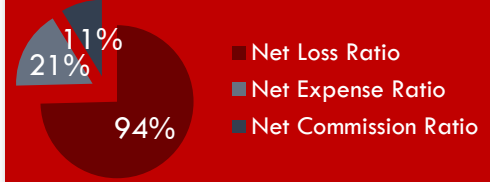
m TL 3.610

Total Equity

74% YoY Growth

126%

Combined Ratio



14pp YoY Increase

FINANCIAL INCOME



m TL 10.537

Asset Under Management

22% YoY Growth



43%

Average Annualized Yield*

19pp YoY Growth



m TL 908

Financial Income*

97% YoY Growth

(*): Includes interest income + FX gain/(loss)

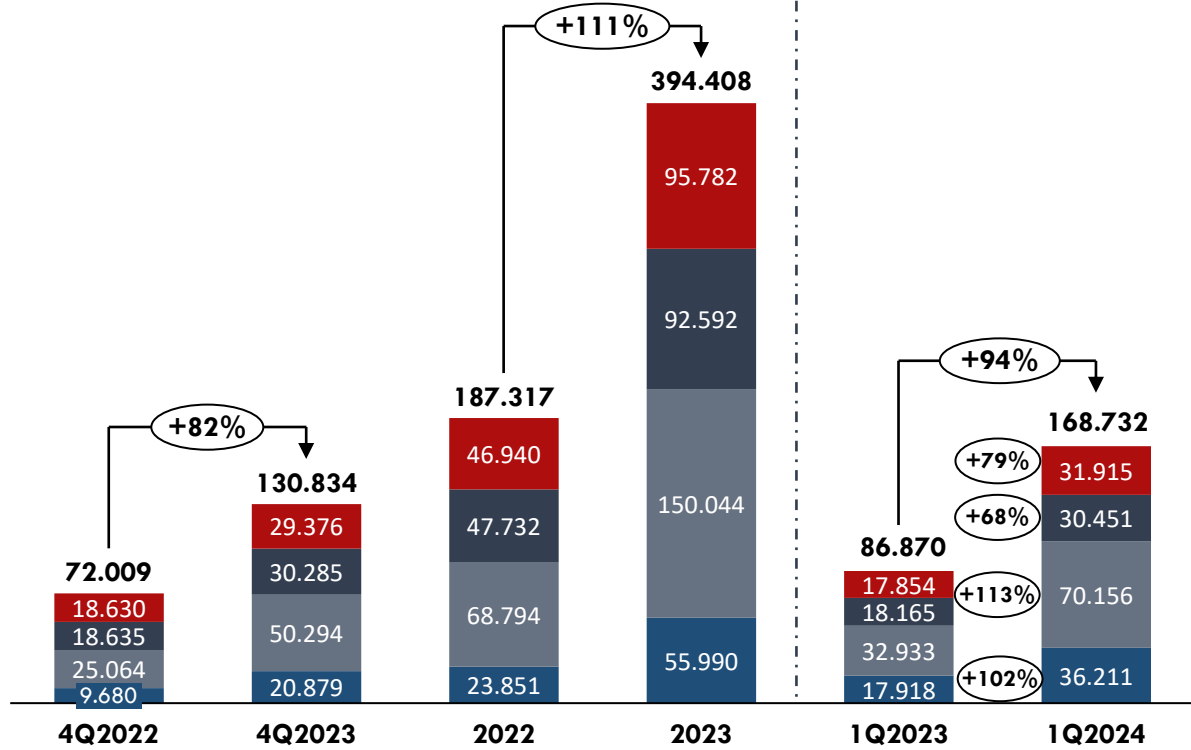


GROSS WRITTEN PREMIUMS

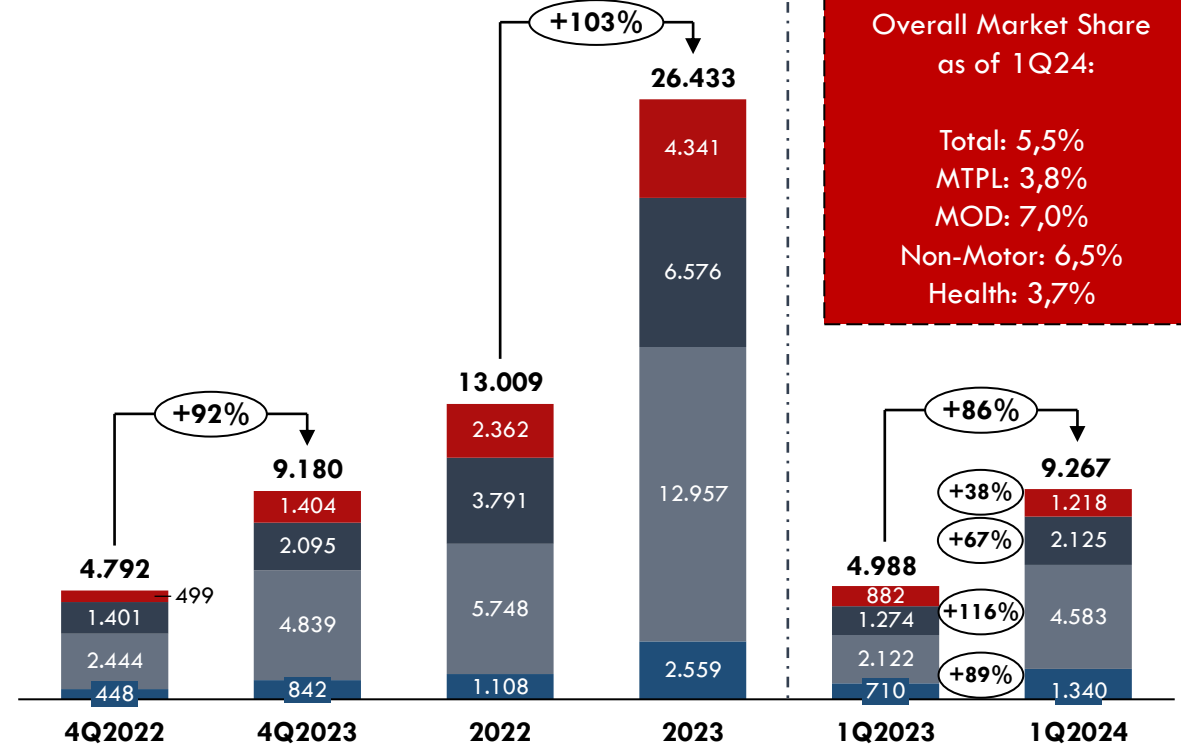
Gross Written Premiums – Historical Trend

Sustaining Above-Inflation Growth with Strong Momentum in Focus Areas

Market GWP



Aksigorta GWP



Overall Market Share as of 1Q24:

Total: 5,5%
 MTPL: 3,8%
 MOD: 7,0%
 Non-Motor: 6,5%
 Health: 3,7%

■ MTPL ■ MOD ■ Non-Motor ■ Health

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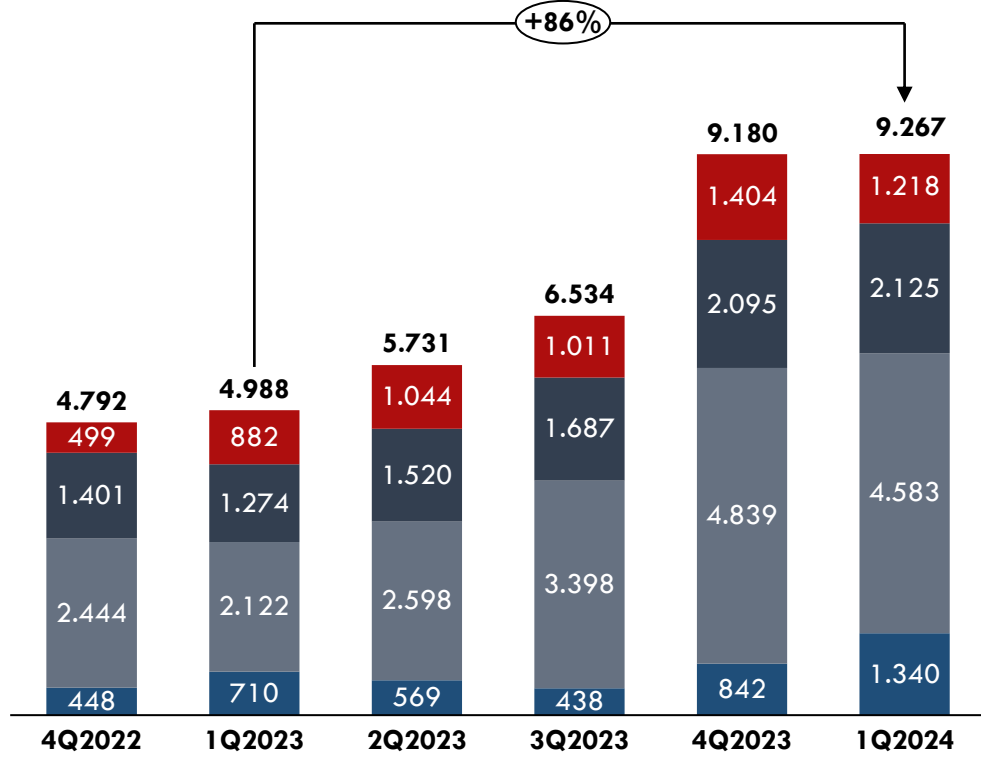
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Note: Excludes double count premium.

Gross Written Premiums - Aksigorta

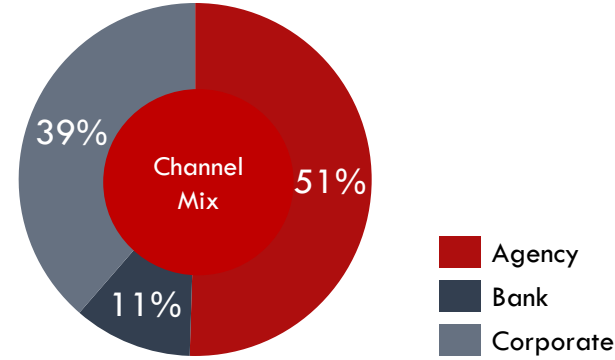
Surpassing Macroeconomic Indicators with Diverse Growth in Channels and Products

Quarterly GWP Trend



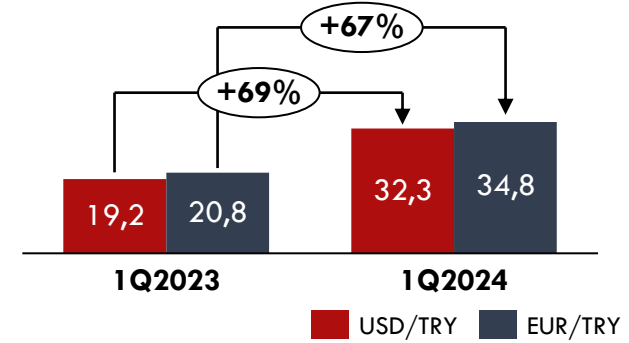
■ MTPL ■ MOD ■ Non-Motor ■ Health

Q1 GWP Channel Mix



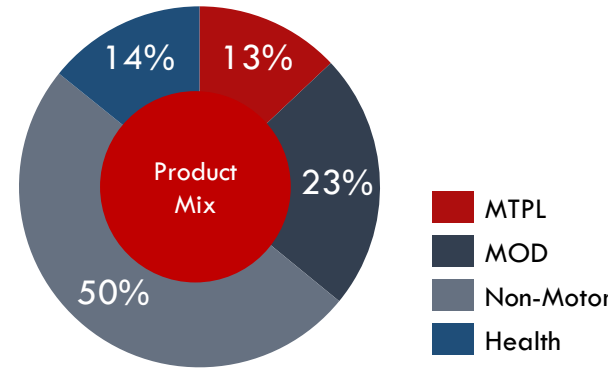
■ Agency
■ Bank
■ Corporate

Currency



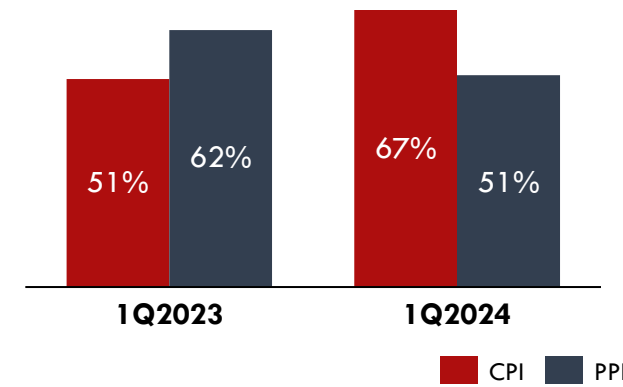
■ USD/TRY ■ EUR/TRY

Q1 GWP Product Mix



■ MTPL
■ MOD
■ Non-Motor
■ Health

Inflation



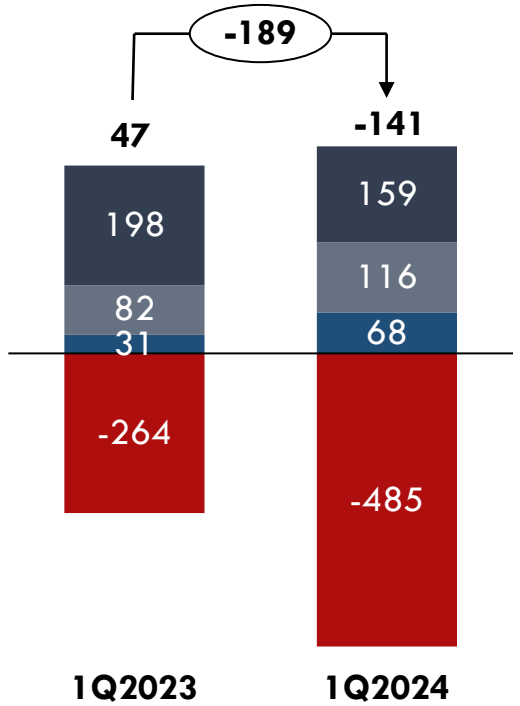
■ CPI ■ PPI



TECHNICAL PROFITABILITY AND FINANCIAL INCOME

Underwriting Profit and Combined Ratio

Underwriting Profit (m TL)



Product

MTPL

MOD

Non-Motor

Health

UWM

-34%
+2pp YoY

+10%
-11pp YoY

+3%
-2pp YoY

+9%
+1pp YoY

Combined Ratio

200%
+36pp YoY

92%
+12pp YoY

137%
+6pp YoY

35%
-15pp YoY

The increase in the Loss Ratio (LR) negatively impacted the Motor Third Party Liability (MTPL) Underwriting (UW) result

Decreased margin because of high competition in industry

UWM Total Company: -2%
-3pp YoY

Increase in frequency and severity of catastrophic claims

Combined Ratio Total Company: 126%
+14pp YoY

Focused on UW profitability by new products with high UW margin

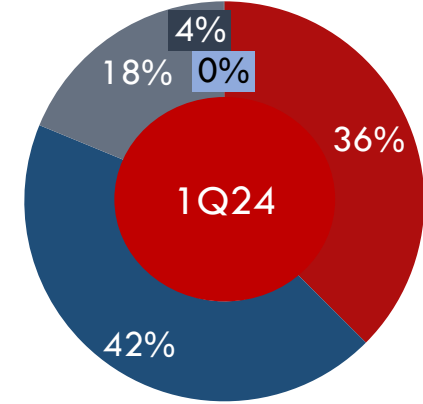
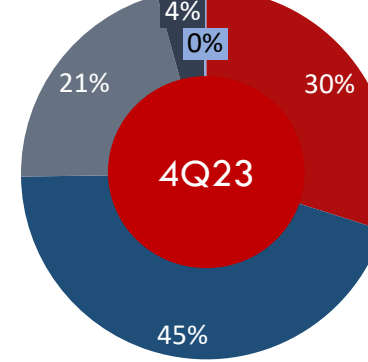
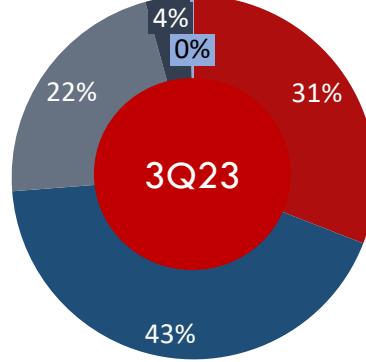
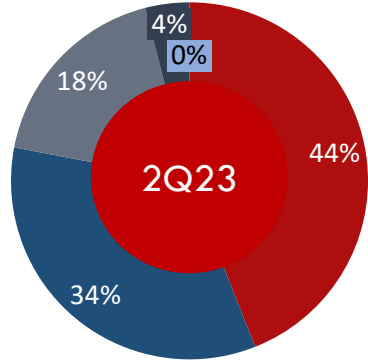
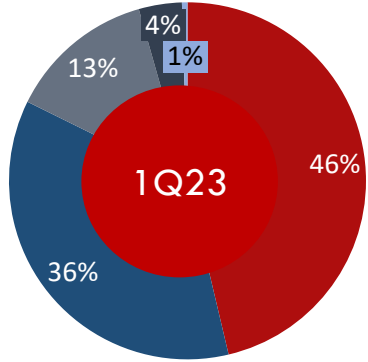
■ MTPL ■ MOD ■ Non-Motor ■ Health

Financial Income and Asset Under Management Details

As of March 2024, AuM has reached TL 10,5b with 22% YoY growth

YoY AUM Growth: 22%

Portfolio Mix



AUM:
8.660m TL

Average Annualized Yield*:
24%

Quarterly financial income*: 462m TL

AUM:
9.411m TL

Average Annualized Yield*:
60%

Quarterly financial income*: 1.148m TL

AUM:
8.880m TL

Average Annualized Yield*:
28%

Quarterly financial income*: 565m TL

AUM:
9.141m TL

Average Annualized Yield*:
32%

Quarterly financial income*: 743m TL

AUM:
10.537m TL

Average Annualized Yield*:
43%

Quarterly financial income*: 908m TL

Time deposits Corporate bonds Eurobond Government bond Equity

(* Including FX gain / loss

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

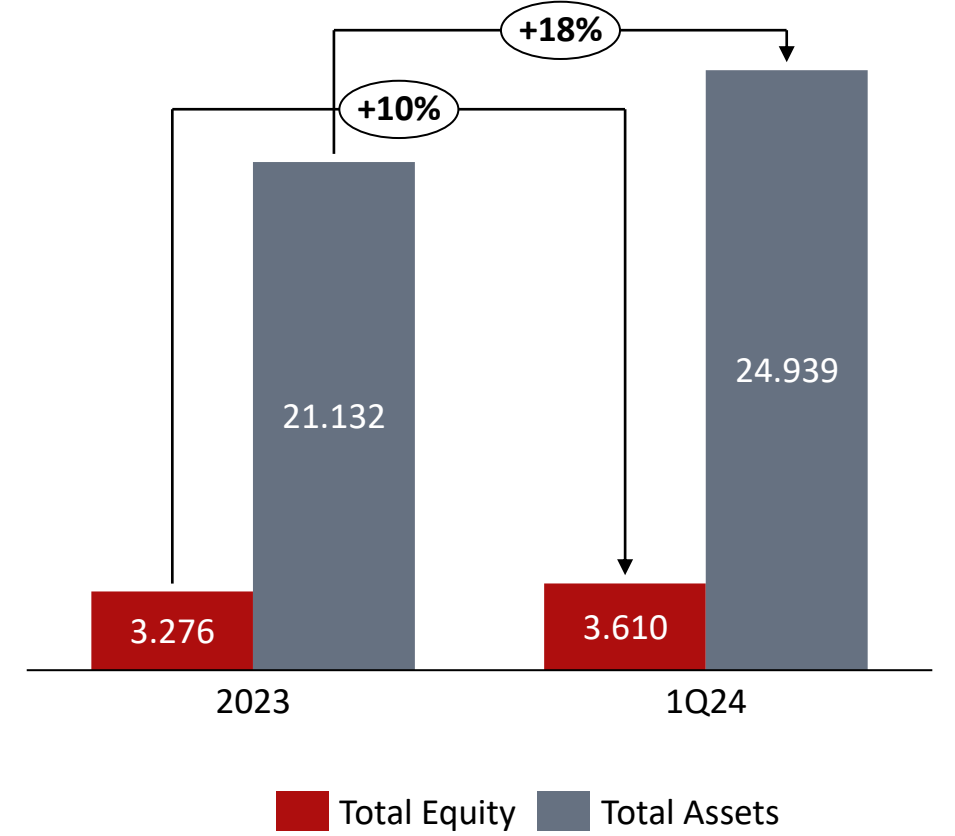
Note: In Q1 2024 tax advantage TL fund interest income was 392 million TL; generating 118 million TL tax shield.

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2024 / Q1 Financials Summary – Balance Sheet

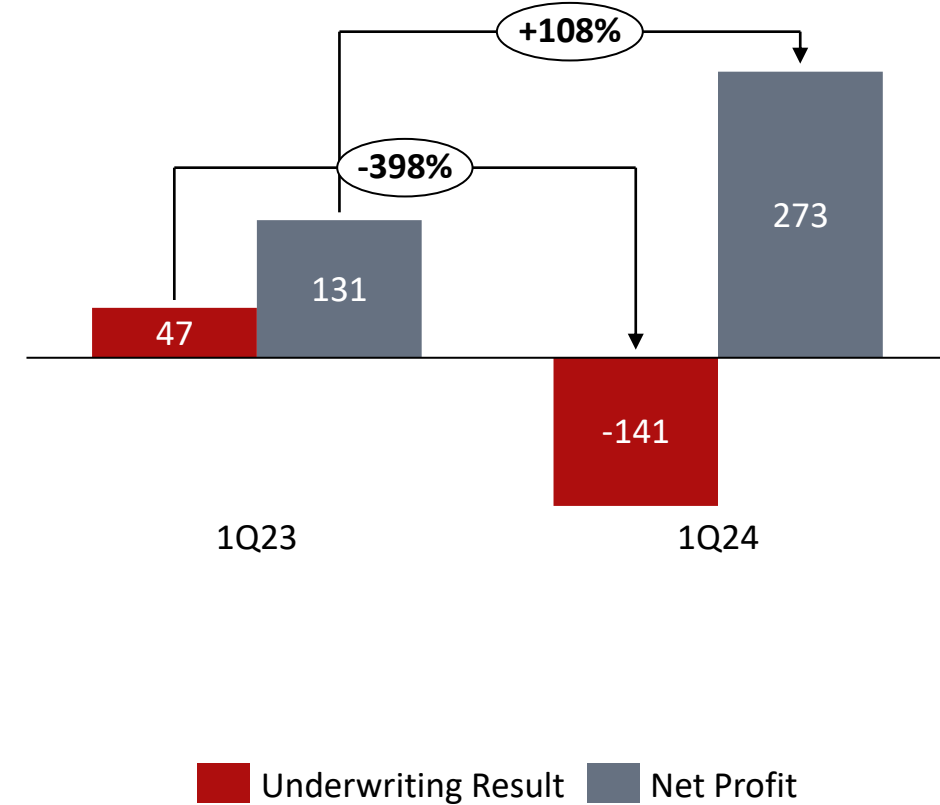
Balance Sheet (m TL)	2023	1Q24	Δ
AUM	9.141	10.537	15%
Receivables	7.020	8.094	15%
Total Assets	21.132	24.939	18%
Reserves	9.984	11.108	11%
Payables	5.796	7.826	35%
Total Equity	3.276	3.610	10%
Total Liabilities	21.132	24.939	18%
RoE	45%	44%	-2pp



2024 / Q1 Financials Summary – Income Statement

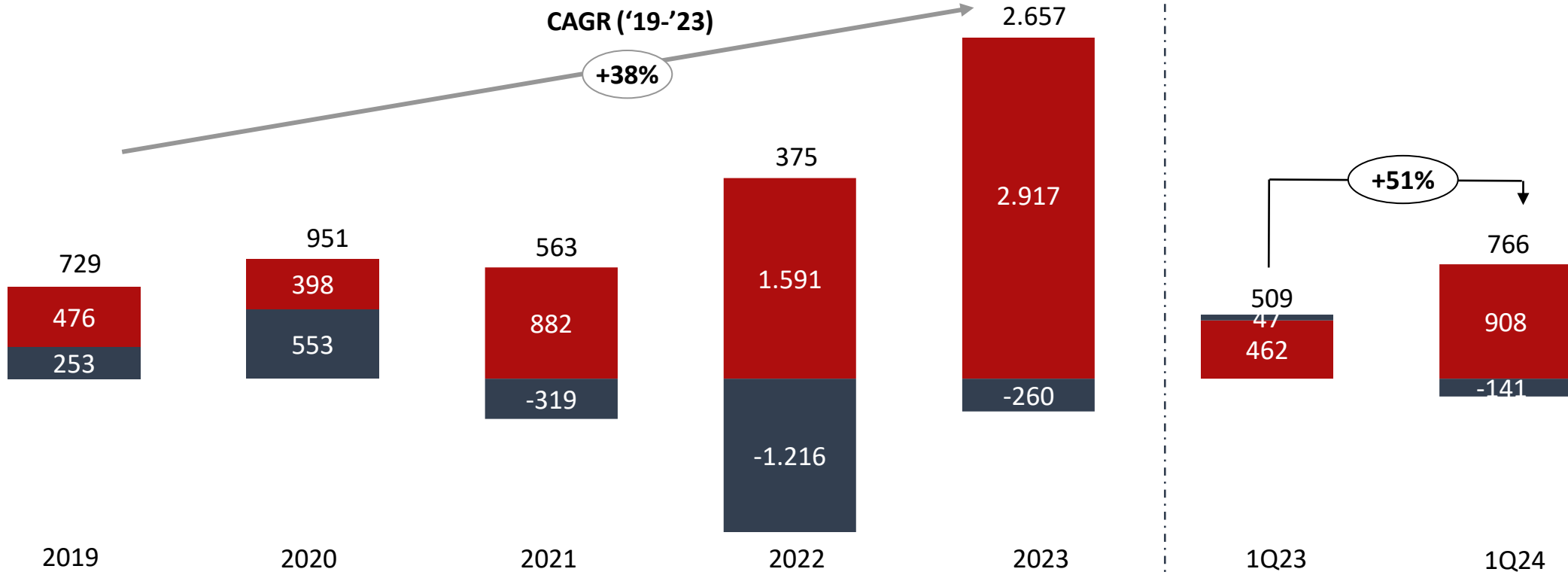
Income Statement (m TL)	1Q23	1Q24	Δ
Gross Written Premiums	5.171	9.551	85%
Gross Earned Premiums	3.699	7.344	99%
Net Earned Premiums	1.682	2.496	48%
Underwriting Result	47	-141	-398%
Expenses	-257	-515	101%
Net Financial Income	366	897	145%
Net Profit	131	273	108%

Profitability Ratios	1Q23	1Q24	Δ
Combined Ratio	112%	126%	14pp
Loss Ratio	86%	94%	9pp
Commission Ratio	12%	11%	0pp
Expense Ratio	15%	21%	5pp
UW Margin	1%	-2%	-3pp



Underwriting Profit and Financial Income Trend

Beyond the Balance: Financial Gains Outshining Underwriting Challenges



Underwriting Profit = Net Earned Premiums + Net Claims + Net Commissions

■ Financial Income ■ Underwriting Profit



RISKS AND OPPORTUNITIES

RISKS & OPPORTUNITIES

Risks

- Negative real interest rates limit financial income
- Uncertainty, high volatility on currency
- Systematic risk of bankruptcy in industry
- Increase in reinsurance cost
- Natural disasters due to climate change (e.g.: hail, flood, fire, EQ etc.)
- Possible churn in individual segments due spending cut offs
- Increase in FX rates makes stress on MOD claim cost

Opportunities

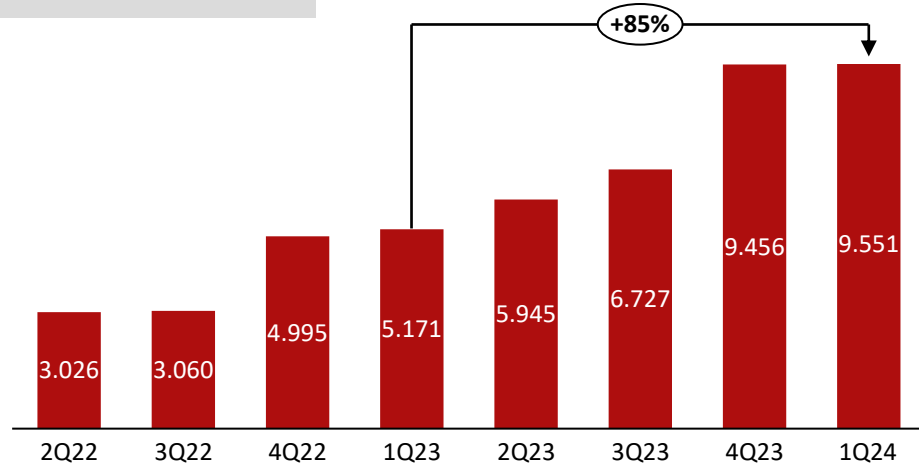
- Increase in TL interest rates and FX rates
- Increase in Switch to free tariff in MTPL
- Revisited TCIP price cap
- Accelerating digital transformation with the pandemic
- Increasing efficiency, quality and innovation with remote working
- Higher premiums and improved UW Margin with the introduction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



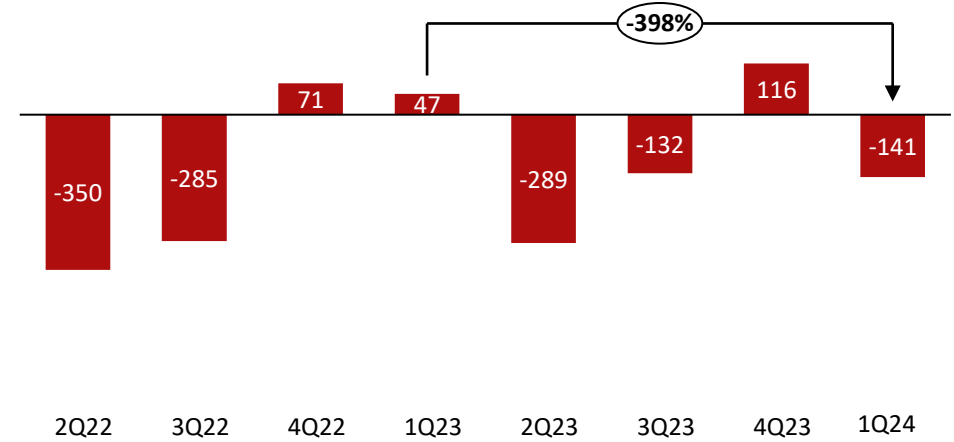
APPENDIX

Historical Financials

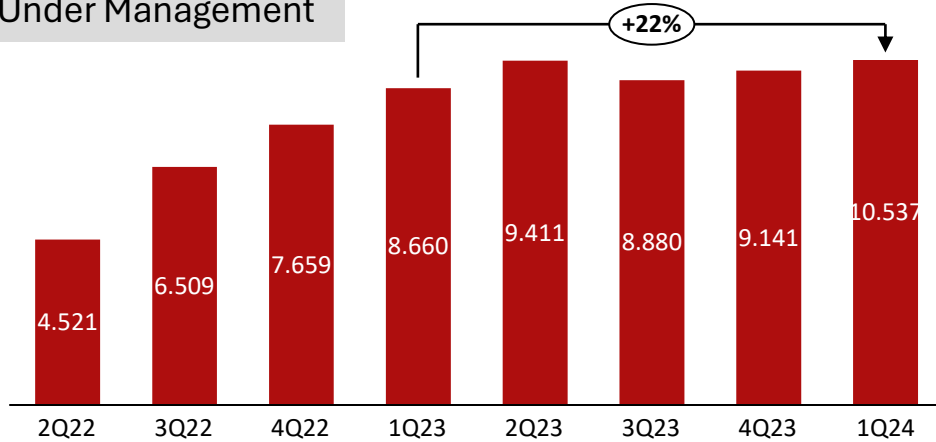
Gross Written Premiums



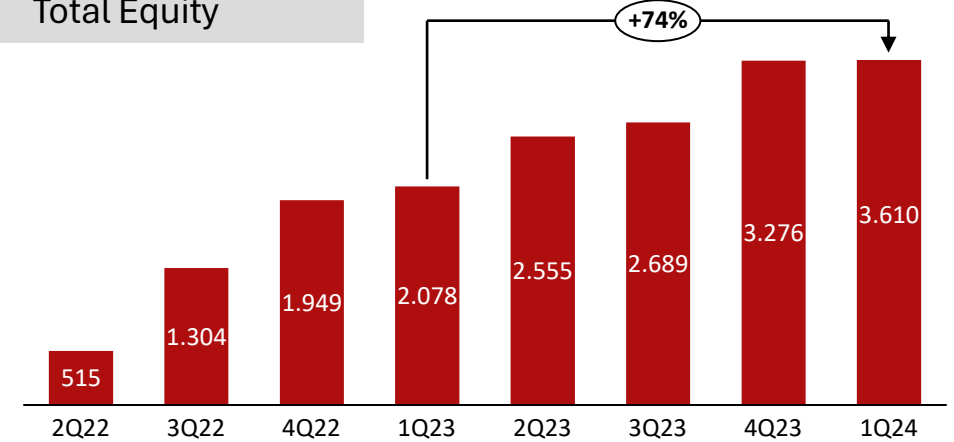
Underwriting Profit



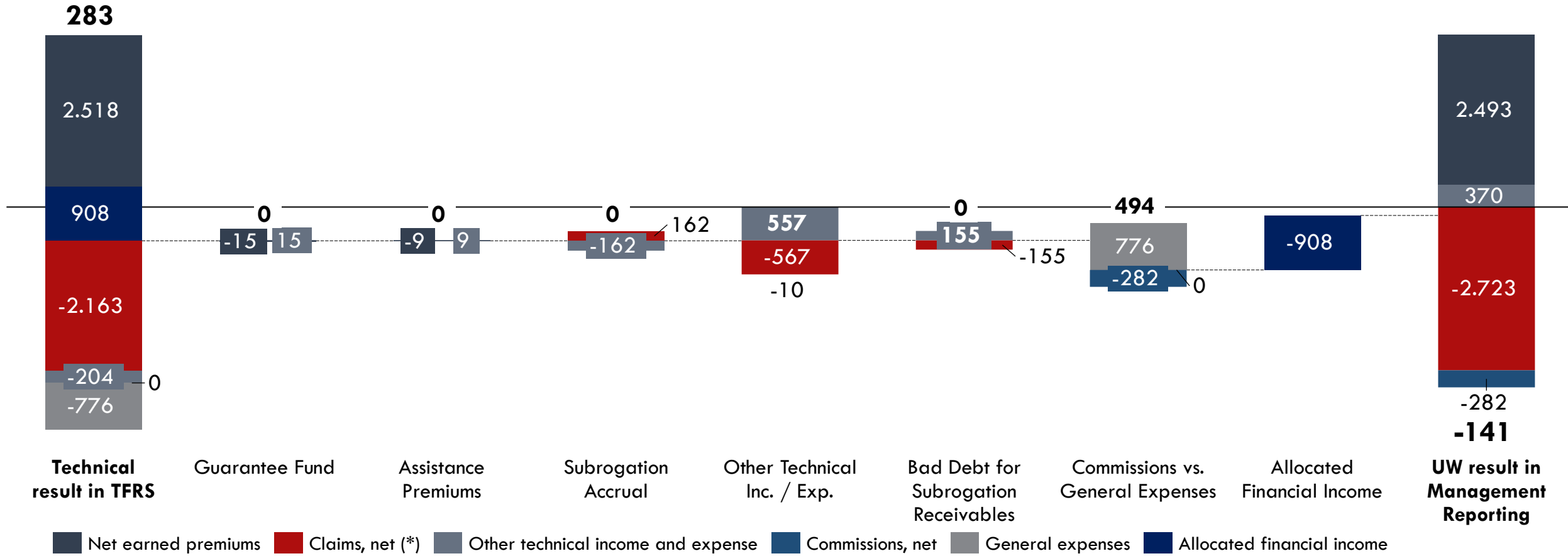
Asset Under Management



Total Equity



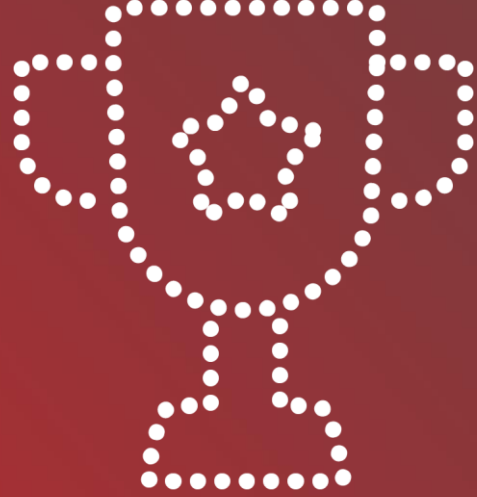
Technical Result Bridge between TFRS & Management Reporting



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

GLOSSARY

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
GEP	Gross Earned Premiums
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



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