

2016 Second Quarter

Financial Results

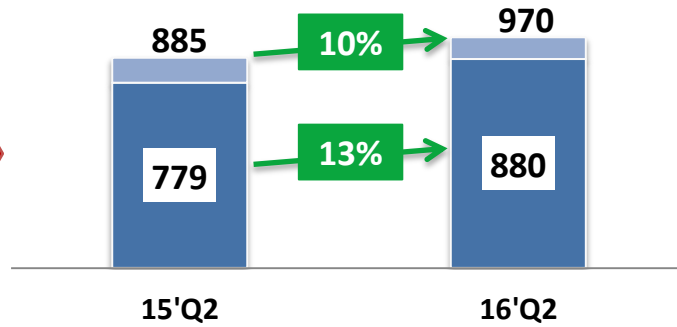
Earnings Call Presentation



AKSigorta
Think well, live well!

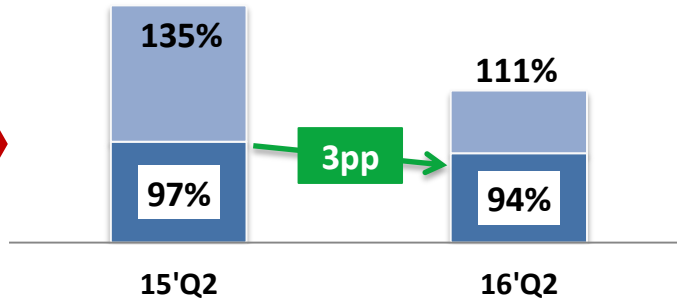
2016 Q2 results (excl. MTPL product) are in line with the strategic plan

Premium Production (million TL)



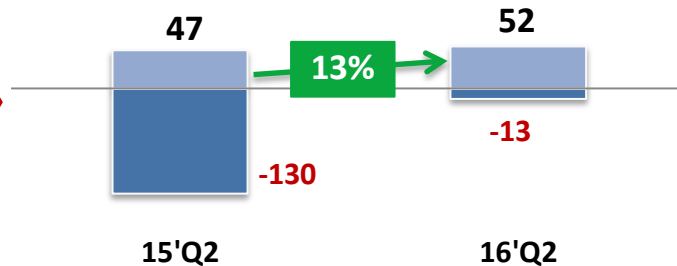
- Excluding MTPL & one offs in 2015 Aksigorta's growth is 13%
- Excluding MTPL, Market growth is 14%

Combined Ratio



- Excluding MTPL product, Combined Ratio in 2016 Q2 is 94%, improved by 3pp yoy

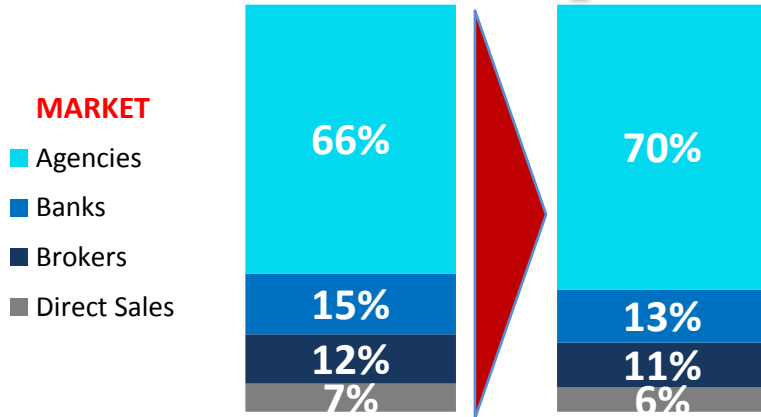
Net Income/Loss (million TL)



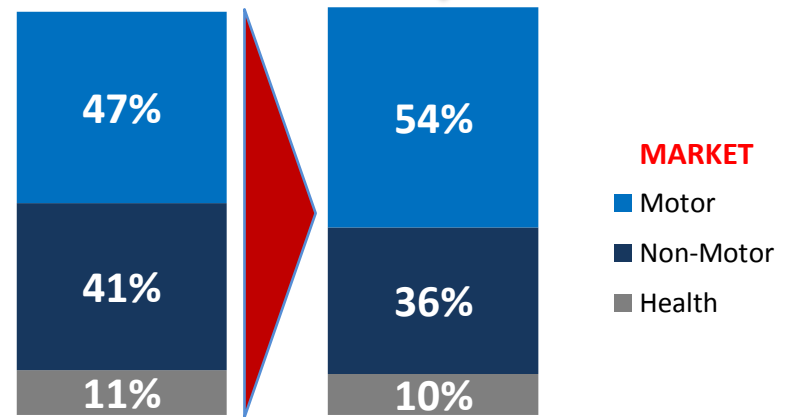
- Excluding MTPL product, Net Profit increased by 13% YtD in 2016

Portfolio share of bank channel continues to increase in line with strategy

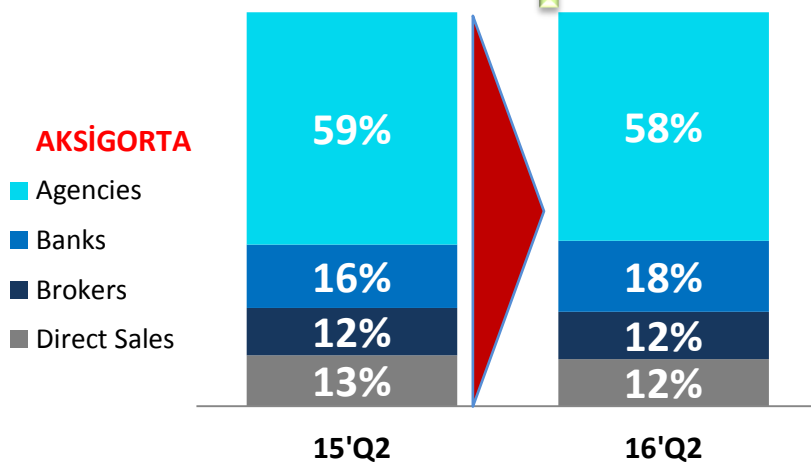
Rolling 12 Months CHANNEL SHARES (%)
Agencies in Market **↑ 4pp**



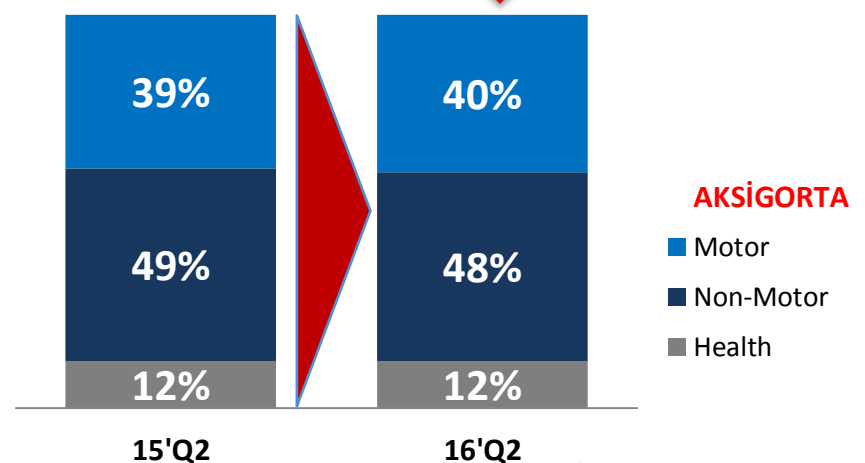
Rolling 12 Months LOB SHARES (%)
Non-motor in Market **↓ 5pp**



Bank in Aksigorta **↑ 2pp**



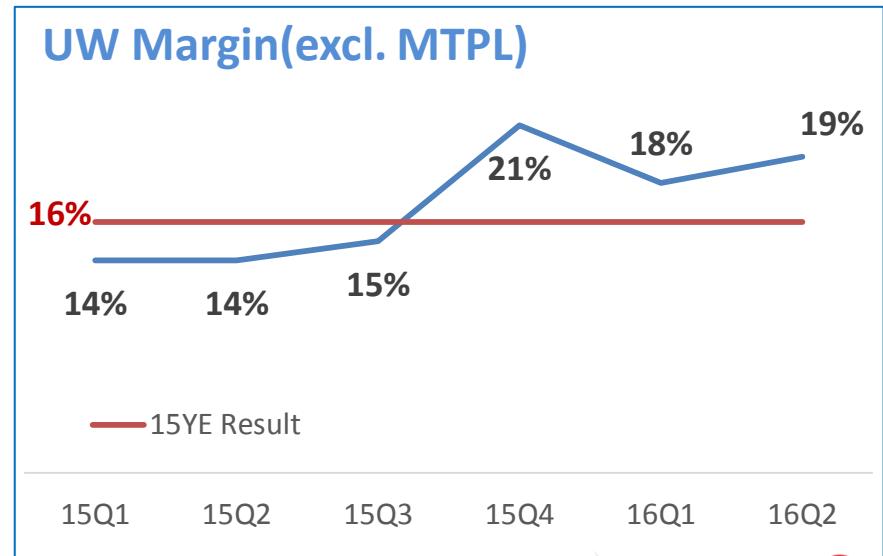
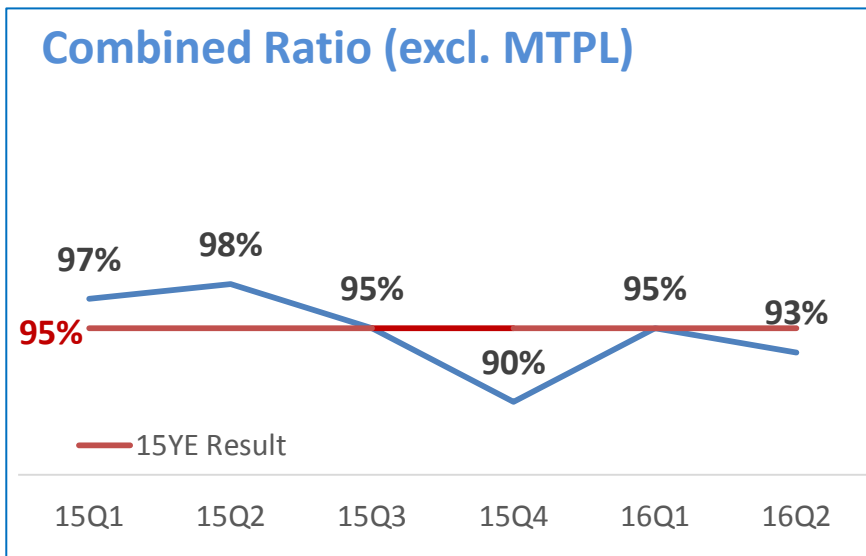
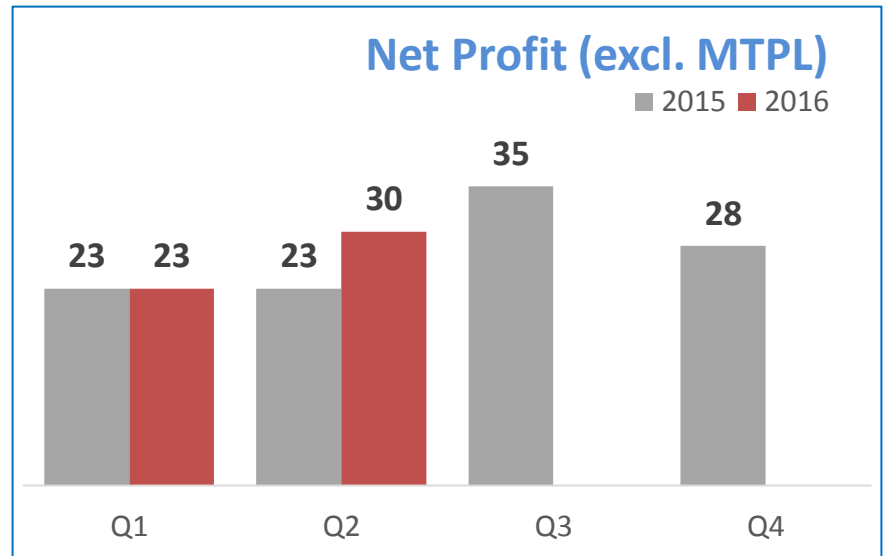
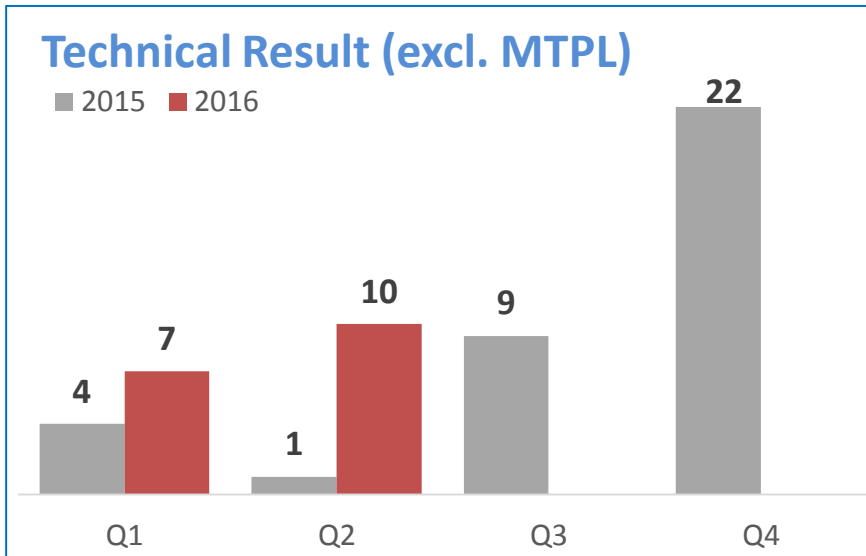
Non-motor in Aksigorta **↓ 1pp**



Statutory Results – excluding MTPL Technical Results and Margins continue to improve

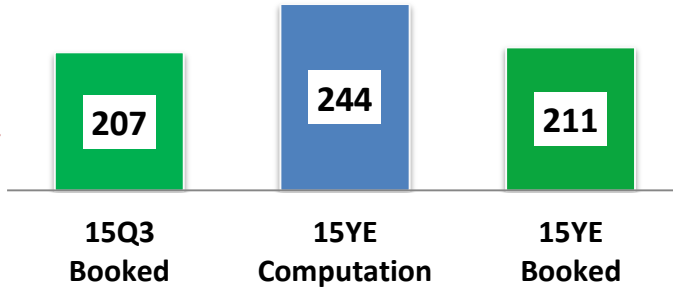
<i>Income Statement (million TL)</i>	15Q1	15Q2	15Q2 YtD	16Q1	16Q2	16Q2 YtD	16Q2/ 15Q2	16Q2/ 15Q2	16H1/ 15H1
Gross Written Premiums	456	429	885	499	471	970	10%	-6%	10%
Net Earned Premiums	314	287	601	245	246	492	-14%	0%	-18%
Claims (net)	-410	-216	-626	-190	-207	-397	-4%	9%	-37%
Commissions (net)	-71	-52	-123	-47	-45	-92	-13%	-5%	-25%
G&A Expenses	-33	-34	-66	-34	-35	-68	3%	3%	3%
Technical Profit	-200	-15	-215	-25	-40	-66	167%	58%	-70%
Technical Profit (excl. MTPL)	4	1	5	7	10	16	880%	48%	209%
Net Financial Income	26	29	56	22	28	50	-3%	30%	-11%
Profit Before Tax	-174	14	-159	-4	-12	-16	-185%	213%	-90%
Tax	33	-3	30	1	2	3	-153%	58%	-90%
Net Profit	-140	11	-130	-3	-10	-13	-194%	278%	-90%
Net Profit (excl. MTPL)	23	23	47	23	30	52	26%	30%	13%
Combined Ratio	163%	104%	135%	109%	114%	111%	10pp	5pp	-23pp
Combined Ratio (excl. MTPL)	97%	98%	97%	95%	93%	94%	-5pp	-2pp	-3pp
Loss Ratio	131%	75%	104%	77%	84%	81%	9pp	7pp	-24pp
Commission Ratio	23%	18%	21%	19%	18%	19%	0pp	-1pp	-2pp
Expense Ratio	9%	10%	10%	12%	12%	12%	2pp	0pp	2pp
UW Margin	-53%	6%	-25%	3%	-2%	1%	-8pp	-5pp	25pp
UW Margin (excl. MTPL)	14%	14%	14%	18%	19%	18%	5pp	1pp	4pp

Statutory Results – excluding MTPL Technical Results and Margins continue to improve



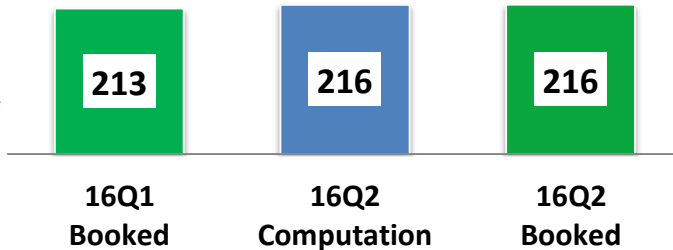
Statutory Results - 33,5m deferred claim reserve is fully booked in 16H1 due to gradual booking

**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 Q2**

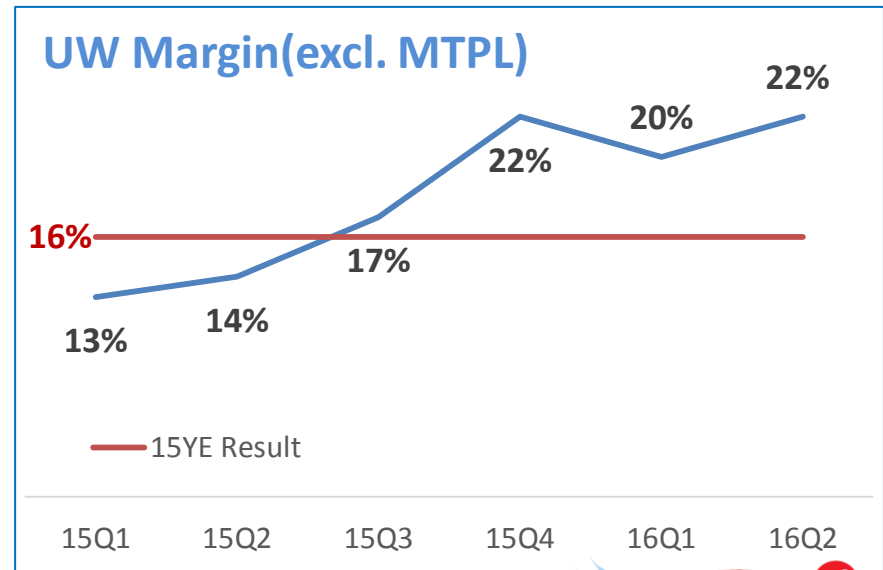
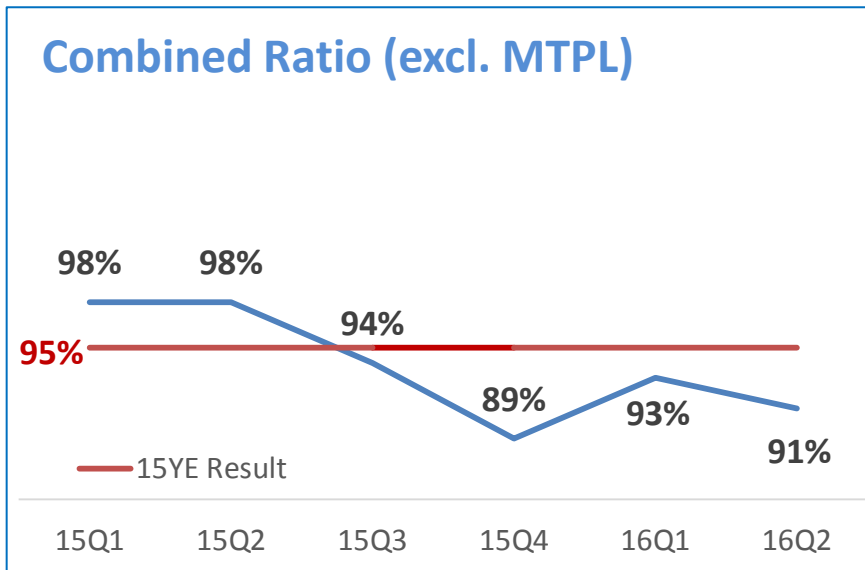
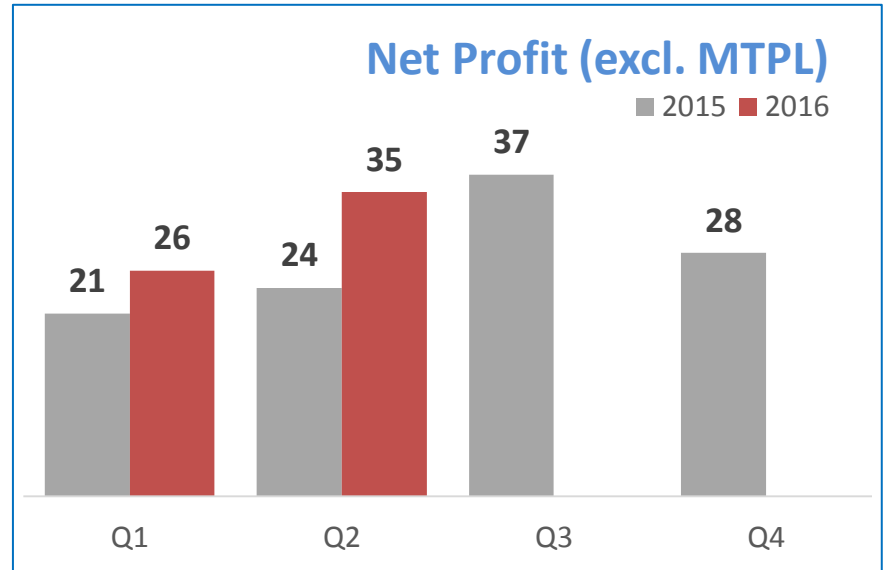
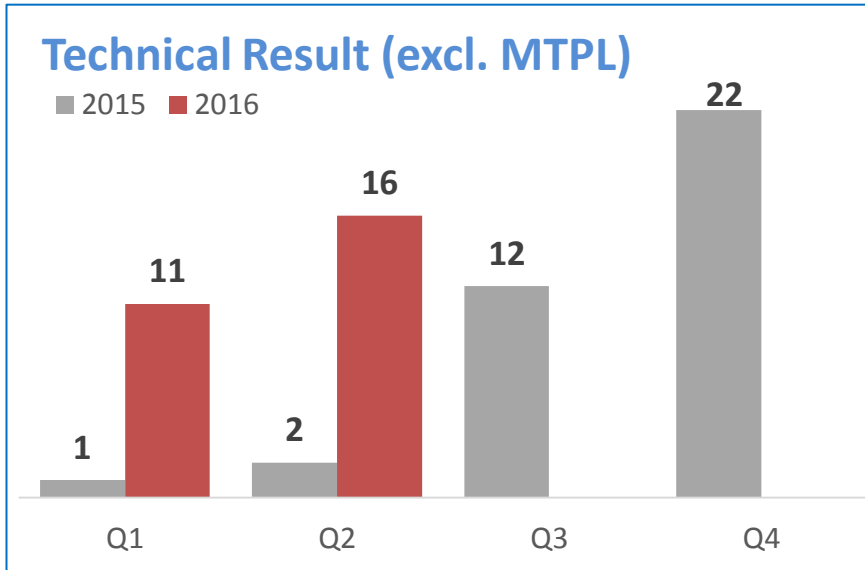


- 15,3m of 33,5m was recognised in 16Q1
- 18,2m of 33,5 is recognised in 16Q2 due to gradual booking in IBNR

IFRS Results – excluding MTPL Technical Results and Margins continue to improve

<i>Income Statement (million TL)</i>	15Q1	15Q2	15Q2 YtD	16Q1	16Q2	16Q2 YtD	16Q2/ 15Q2	16Q2/ 16Q1	16H1/ 15H1
Gross Written Premiums	456	429	885	499	471	970	10%	-6%	10%
Net Earned Premiums	314	287	601	245	246	492	-14%	0%	-18%
Claims (net)	-235	-212	-447	-169	-167	-335	-21%	-1%	-25%
Commissions (net)	-71	-52	-123	-47	-45	-92	-13%	-5%	-25%
G&A Expenses	-33	-34	-66	-34	-34	-68	3%	2%	3%
Technical Profit	-25	-11	-36	-5	0	-4	-104%	-109%	-89%
Technical Profit (excl. MTPL)	1	2	3	11	16	27	684%	44%	726%
Net Financial Income	26	29	56	22	28	50	-4%	30%	-11%
Profit Before Tax	1	18	20	17	28	46	54%	67%	130%
Tax	-2	-4	-6	-3	-6	-9	50%	107%	56%
Net Profit	0	14	14	14	22	36	56%	58%	162%
Net Profit (excl. MTPL)	21	24	45	26	35	61	41%	30%	35%
Combined Ratio	107%	102%	105%	100%	98%	99%	-4pp	-2pp	-6pp
Combined Ratio (excl. MTPL)	98%	98%	98%	93%	91%	92%	-7pp	-2pp	-6pp
Loss Ratio	75%	74%	74%	69%	68%	68%	-6pp	-1pp	-6pp
Commission Ratio	23%	18%	21%	19%	18%	19%	0pp	-1pp	-2pp
Expense Ratio	9%	10%	10%	12%	12%	12%	2pp	0pp	2pp
UW Margin	2%	8%	5%	12%	14%	13%	6pp	2pp	8pp
UW Margin (excl. MTPL)	13%	14%	14%	20%	22%	21%	8pp	2pp	7pp

IFRS Results – excluding MTPL Technical Results and Margins continue to improve



Statutory Balance Sheet

<i>(TL Million)</i>	15Q4	16Q1	16Q2	16Q2/ 15Q4	16Q2/ 16Q1
Cash and Marketable Securities	924	959	1.000	8%	4%
Receivables	576	632	656	14%	4%
Other Assets	174	205	219	26%	7%
Participations	8	8	8	0%	0%
Fixed Assets	61	59	62	2%	4%
Total Assets	1.742	1.863	1.945	12%	4%
Payables	198	310	297	50%	-4%
Technical Reserves	1.105	1.103	1.196	8%	8%
Taxes Payable	0	0	0	0%	0%
Other Liabilities	91	104	111	23%	7%
Total Shareholders' Equity	349	346	340	-2%	-2%
Total Liabilities and Equity	1.742	1.863	1.945	12%	4%
ROE *	20%	30%	30%	10pp	0pp
Capital Adequacy Ratio	112%	109%	112%	0pp	3pp

*Excluding MTPL business and one offs



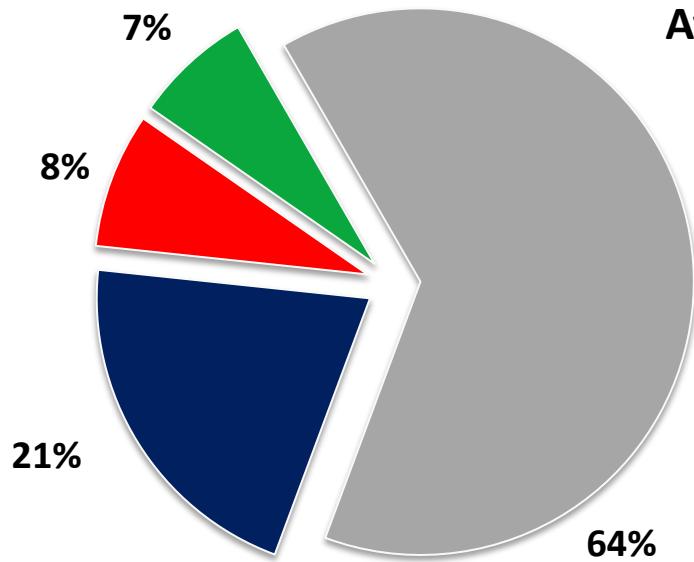
IFRS Balance Sheet

<i>(TL Million)</i>	15Q4	16Q1	16Q2	16Q2/ 15Q4	16Q2/ 16Q1
Cash and Marketable Securities	924	959	1.000	8%	4%
Receivables	576	632	656	14%	4%
Other Assets	174	201	206	19%	3%
Participations	8	8	8	0%	0%
Fixed Assets	61	59	62	2%	4%
Total Assets	1.742	1.859	1.932	11%	4%
Payables	198	310	297	50%	-4%
Technical Reserves	1.102	1.080	1.132	3%	5%
Taxes Payable	0	0	0	0%	0%
Other Liabilities	91	104	111	23%	7%
Total Shareholders' Equity	351	365	391	11%	7%
Total Liabilities and Equity	1.742	1.859	1.932	11%	4%
ROE *	25%	31%	32%	7pp	1pp
Capital Adequacy Ratio	112%	109%	112%	0pp	3pp

*Excluding MTPL business and one offs

Investment Portfolio

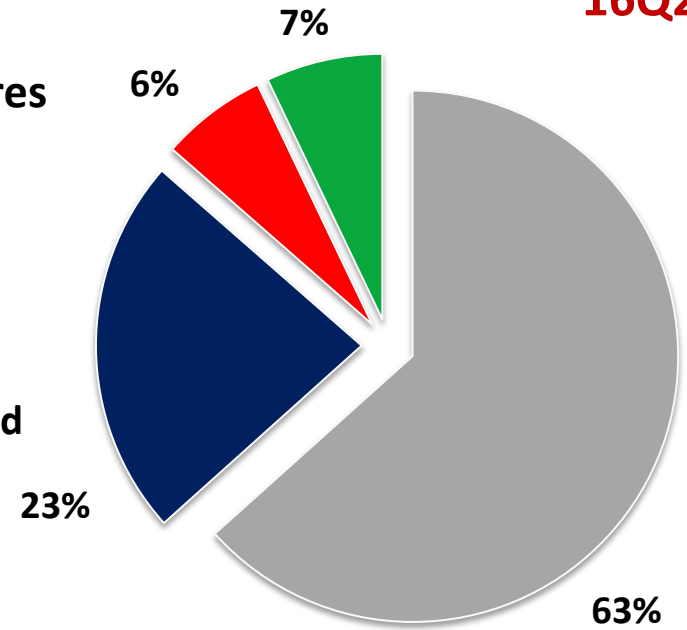
15YE



Average Portfolio Shares

- Time Deposit
- Corporate Bond
- Government Bond
- Eurobond

16Q2



2015 YE

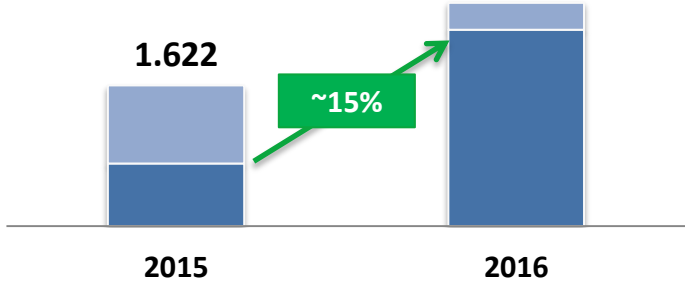
- Total Portfolio: TL 924m
- Average Yield: 11,5%
- Duration: 12 months

2016Q1

- Total Portfolio: TL 1.000m
- Average Yield: 11,7%
- Duration: 12 months

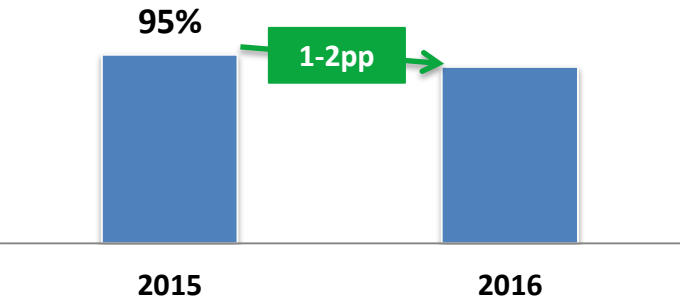
2016 Guidance

Premium Production (million TL)



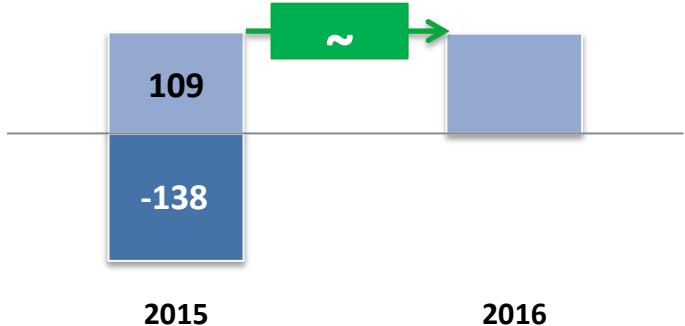
- Excluding MTPL product, Aksigorta GWP growth in 2016 is expected to be around 15%

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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