

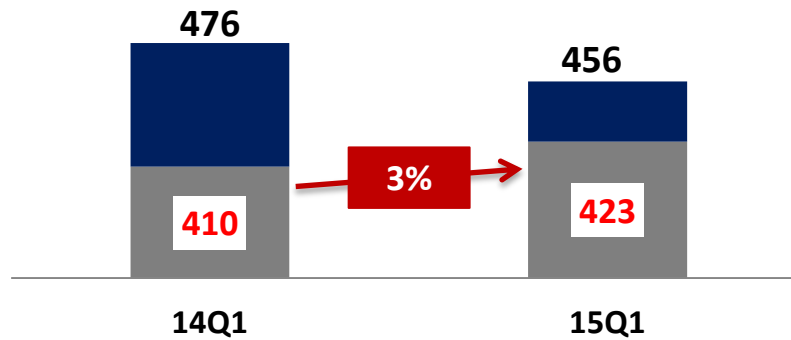
**2015  
March**

**Financial Results  
Conference Call Presentation**



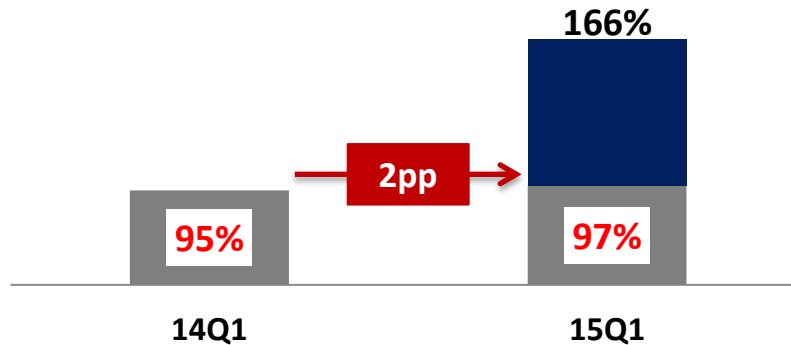
183m TL adjustment on MTPL claim provisions

Premium Production (million TL)



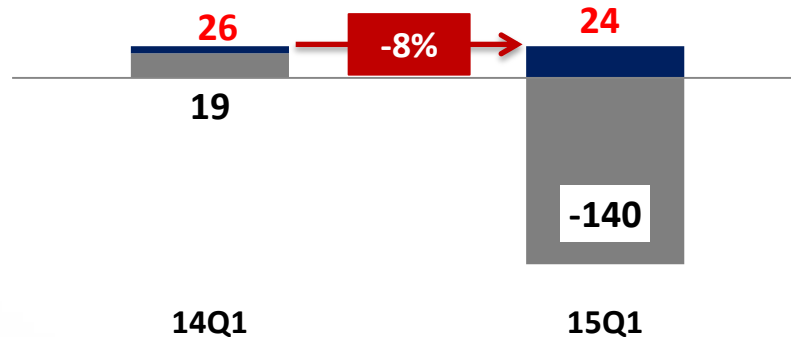
- Aksigorta GWP growth in '15Q1, excl. MTPL and non-recurring businesses, is %3

Combined Ratio



- Net impact of the increase in claim provision on '15Q1 combined ratio is 62pp
- Combined ratio in '15Q1, excl. MTPL and one-off claims in fire, is 97%

Net Income/Loss (million TL)



- Net PL impact of increase in claim provision is 147m TL (183m TL PBT)
- Net profit in '15Q1, excl. MTPL and one off claims in fire, is 24m TL



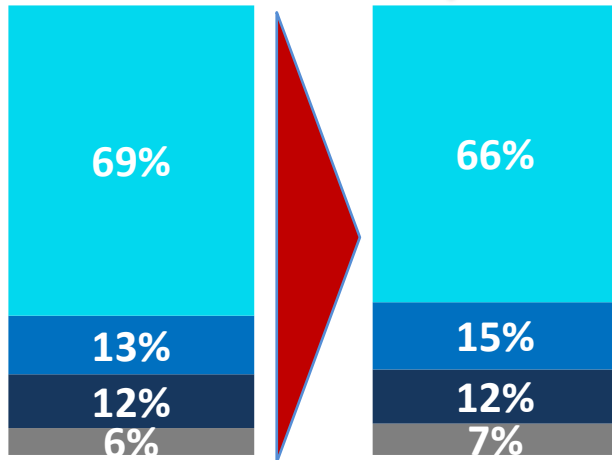
# Investor Presentation

## Portfolio share of non-motor continues to increase in line with strategy

Rolling 12 Months CHANNEL SHARES (%)

Agency in Market ↓ 3pp

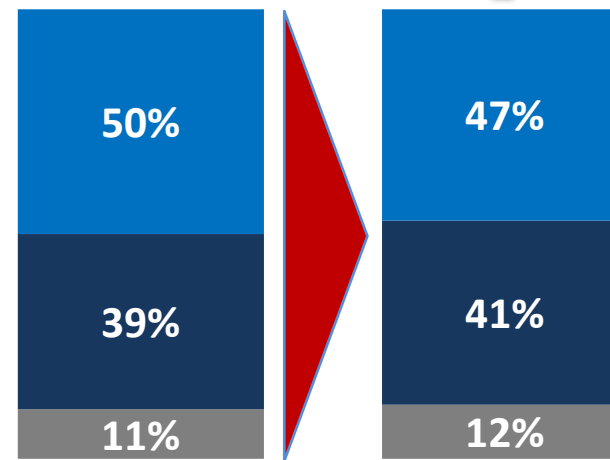
- MARKET**
- Agencies
  - Banks
  - Brokers
  - Direct Sales



Rolling 12 Months LOB SHARES (%)

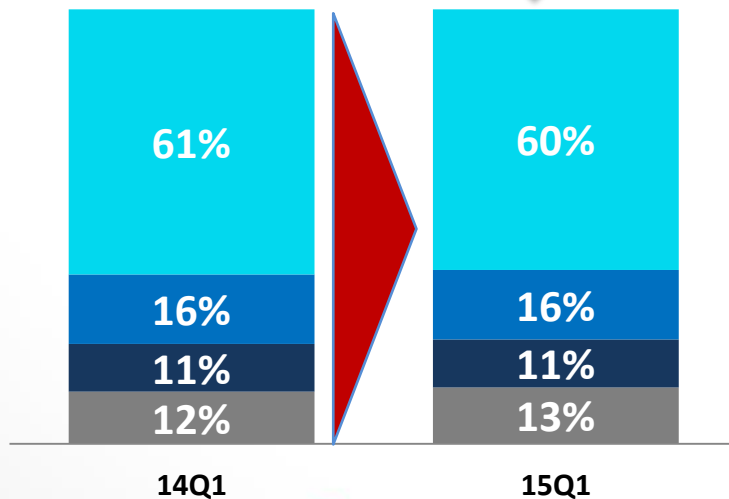
Non-motor in Market ↑ 2pp

- MARKET**
- Motor
  - Non-Motor
  - Health



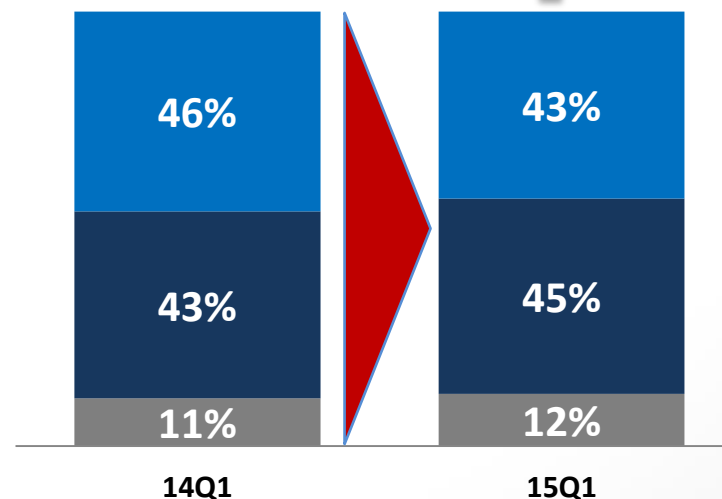
Agency in Aksigorta ↓ 1pp

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



Non-motor in Aksigorta ↑ 2pp

- AKSIGORTA**
- Motor
  - Non-Motor
  - Health



## Market realities for MTPL

**Third parties benefit** from the product, not the customer

**Price sensitivity** is very high

Price was set by the government till 2008, base price was ruled till 2014, **free tariffication** started by 2014

MTPL is a **long tail** product, claims can be notified within more than 10 years

Material damages are notified and handled within a short time, **bodily injury claims** take long time due to longer expiry periods and litigation process

Bodily injury claims' **severities** started to increase very fast by 2012

New cost in 2014; claim payments to the dependents of the **faulty drivers** who are disabled or deceased

An independent institution analysed the claim provision deficit in the market and reported **at least 3 billion TL**

**New regulation** on IBNR is effective by 2015, the biggest impact is on MTPL



## New Regulation on IBNR

Market **first time** booked IBNR in 2010 according to the communiqué for claim provisions

Treasury approved five **actuarial methods** to calculate IBNR and one **big loss elimination method**

Treasury announced a **new regulation** on 05.12.14, effective by 01.01.15, for claims provisions including changes in IBNR calculation

Companies are allowed to book the **IBNR computed by their actuaries, using any actuarial method** in addition to **six** approved methods

Treasury ammended this regulation on 17.03.15, which allowed **gradual booking of the IBNR deficit** within 3 years

This ammendment is an option for the companies who might have problems with **capital adequacy ratio** resulting from IBNR increase

Aksigorta booked the IBNR increase at once in '15Q1, in order to **reflect its liabilities properly** in its financials

Next step for the market should be **rational pricing** in MTPL, in order to never face this kind of claim provision deficit again

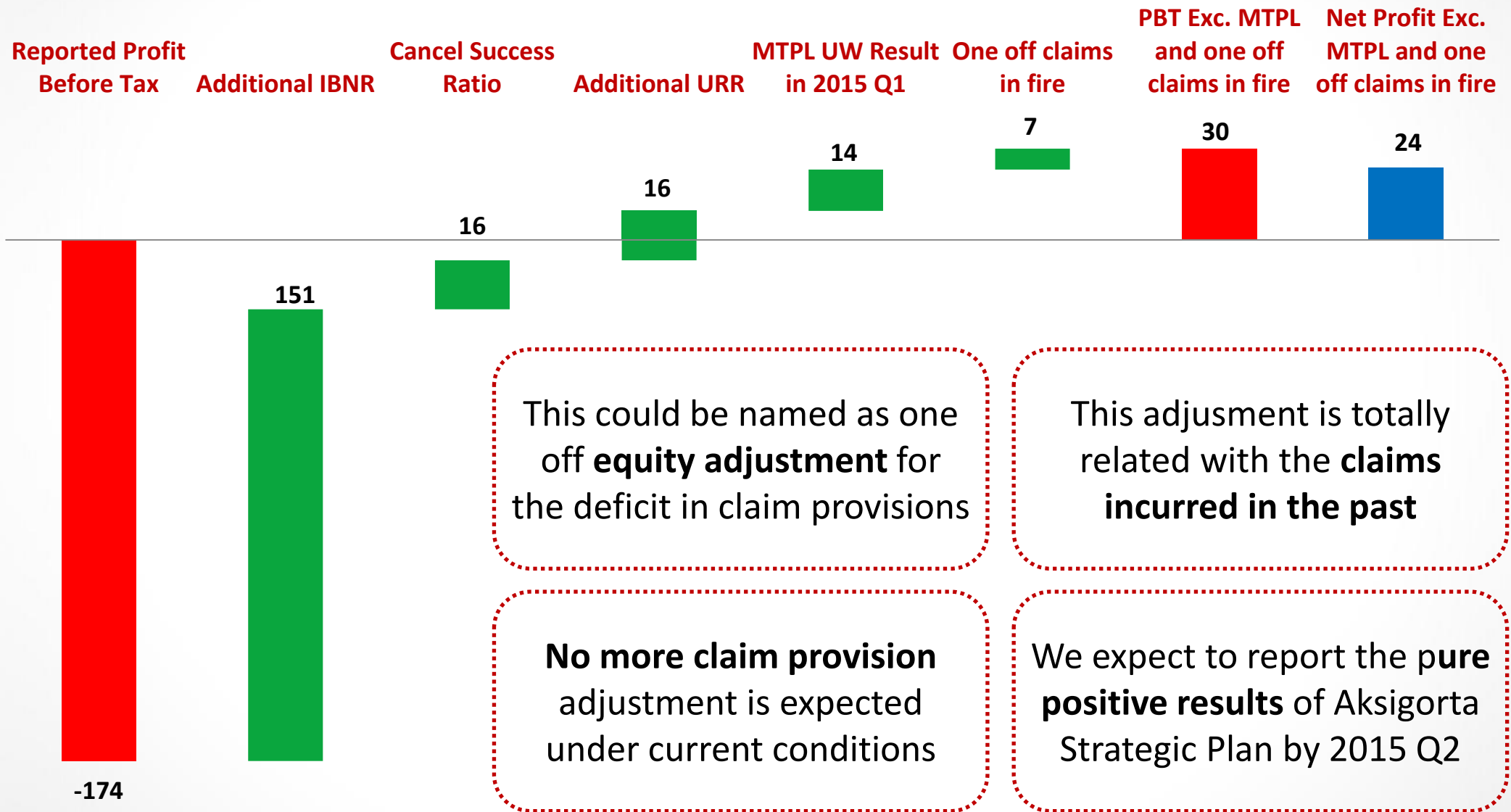
Aksigorta increased prices in MTPL to achieve **combined ratio not more than 105%**



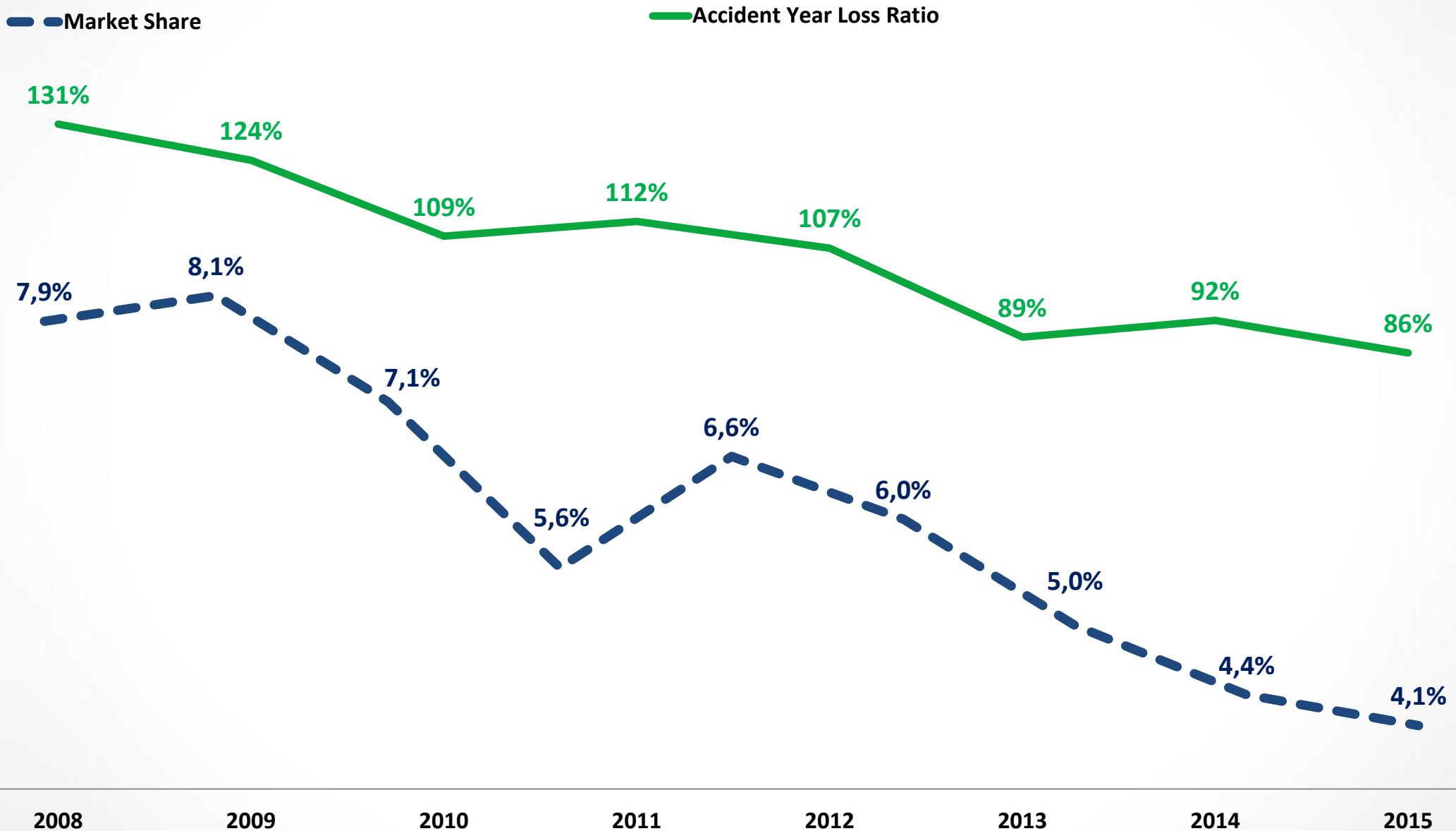
## Investor Presentation

# The MTPL reality hides sustaining profit

2015 Q1 Financial Results (million TL)



After 2013 MTPL portfolio Loss Ratio is stable at 85-90% level



2008

2009

2010

2011

2012

2013

2014

2015



2015 Q1 Statutory Results

<i>Income Statement (million TL)</i>	'12YE	'13YE	'14YE	'13Q1	'14Q1	'15Q1
Gross Written Premiums	1.311	1.526	1.714	411	476	456
<b>Net Earned Premiums</b>	<b>891</b>	<b>1.007</b>	<b>1.156</b>	<b>238</b>	<b>275</b>	<b>298</b>
Claims (net)	-623	-663	-868	-160	-193	-410
Commissions (net)	-166	-191	-220	-45	-53	-55
G&A Expenses	-97	-115	-116	-30	-32	-33
<b>Technical Profit</b>	<b>5</b>	<b>38</b>	<b>-48</b>	<b>3</b>	<b>-3</b>	<b>-200</b>
Net Financial Income	55	*60	86	10	27	26
<b>Profit Before Tax</b>	<b>60</b>	<b>181</b>	<b>38</b>	<b>13</b>	<b>24</b>	<b>-174</b>
Tax	-12	-21	-7	-3	-5	34
<b>Net Profit</b>	<b>49</b>	<b>160</b>	<b>31</b>	<b>10</b>	<b>19</b>	<b>-140</b>
<b>Combined Ratio *</b>	<b>98%</b>	<b>95%</b>	<b>103%</b>	<b>96%</b>	<b>99%</b>	<b>104%</b>
<b>Loss Ratio *</b>	<b>70%</b>	<b>66%</b>	<b>75%</b>	<b>67%</b>	<b>71%</b>	<b>76%</b>
<b>Commission Ratio</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>
<b>Expense Ratio</b>	<b>9%</b>	<b>10%</b>	<b>9%</b>	<b>10%</b>	<b>9%</b>	<b>9%</b>
<b>UW Margin *</b>	<b>11%</b>	<b>15%</b>	<b>6%</b>	<b>14%</b>	<b>10%</b>	<b>5%</b>

\*Excluding one offs





## 2015 Q1 Statutory Results (excluding MTPL business and one-offs)

<i>Income Statement (million TL)</i>	'12YE	'13YE	'14YE	'13Q1	'14Q1	'15Q1
Gross Written Premiums	1.074	1.256	1.473	380	430	423
<b>Net Earned Premiums</b>	<b>704</b>	<b>802</b>	<b>910</b>	<b>186</b>	<b>214</b>	<b>244</b>
Claims (net)	-446	-504	-604	-116	-135	-161
Commissions (net)	-133	-157	-177	-37	-42	-46
G&A Expenses	-97	-115	-116	-30	-32	-33
<b>Technical Profit</b>	<b>28</b>	<b>26</b>	<b>13</b>	<b>3</b>	<b>5</b>	<b>4</b>
Net Financial Income	55	60	86	10	27	26
<b>Profit Before Tax</b>	<b>83</b>	<b>86</b>	<b>99</b>	<b>13</b>	<b>32</b>	<b>30</b>
Tax	-17	-17	-20	-3	-6	-6
<b>Net Profit</b>	<b>66</b>	<b>69</b>	<b>79</b>	<b>10</b>	<b>26</b>	<b>24</b>
<b>Combined Ratio</b>	<b>94%</b>	<b>94%</b>	<b>97%</b>	<b>95%</b>	<b>95%</b>	<b>97%</b>
<b>Loss Ratio</b>	<b>63%</b>	<b>63%</b>	<b>66%</b>	<b>63%</b>	<b>63%</b>	<b>66%</b>
<b>Commission Ratio</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>20%</b>	<b>20%</b>	<b>19%</b>
<b>Expense Ratio</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>
<b>UW Margin</b>	<b>18%</b>	<b>18%</b>	<b>15%</b>	<b>17%</b>	<b>17%</b>	<b>15%</b>



# Investor Presentation

## 2015 Q1 IFRS Results

<i>Income Statement (million TL)</i>	'12YE	'13YE	'14YE	'13Q1	'14Q1	'15Q1
Gross Written Premiums	1.311	1.526	1.714	411	476	456
<b>Net Earned Premiums</b>	<b>891</b>	<b>1.010</b>	<b>1.157</b>	<b>242</b>	<b>277</b>	<b>298</b>
Claims (net)	-630	-637	-840	-145	-165	-235
Commissions (net)	-166	-191	-220	-45	-53	-55
G&A Expenses	-97	-115	-116	-30	-32	-33
<b>Technical Profit</b>	<b>-1</b>	<b>67</b>	<b>-19</b>	<b>22</b>	<b>27</b>	<b>-25</b>
Net Financial Income	55	*60	86	10	27	26
<b>Profit Before Tax</b>	<b>52</b>	<b>177</b>	<b>67</b>	<b>32</b>	<b>54</b>	<b>1</b>
Tax	-10	-27	-14	-7	-5	-1
<b>Net Profit</b>	<b>42</b>	<b>150</b>	<b>53</b>	<b>25</b>	<b>49</b>	<b>0</b>
<b>Combined Ratio *</b>	<b>93%</b>	<b>93%</b>	<b>96%</b>	<b>88%</b>	<b>88%</b>	<b>108%</b>
<b>Loss Ratio *</b>	<b>63%</b>	<b>61%</b>	<b>65%</b>	<b>60%</b>	<b>60%</b>	<b>79%</b>
<b>Commission Ratio</b>	<b>19%</b>	<b>20%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>
<b>Expense Ratio</b>	<b>11%</b>	<b>12%</b>	<b>11%</b>	<b>9%</b>	<b>9%</b>	<b>10%</b>
<b>UW Margin *</b>	<b>18%</b>	<b>19%</b>	<b>16%</b>	<b>21%</b>	<b>21%</b>	<b>2%</b>

\*Excluding one offs



## Investor Presentation

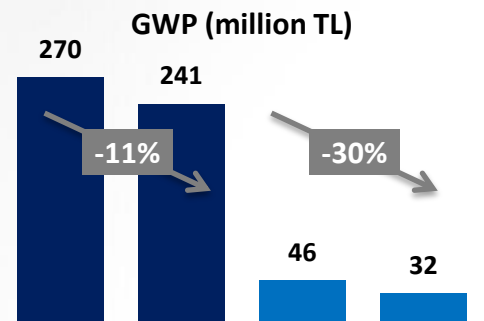
### 2015 Q1 IFRS Results (excluding MTPL business and one-offs)

<i>Income Statement (million TL)</i>	'12YE	'13YE	'14YE	'13Q1	'14Q1	'15Q1
Gross Written Premiums	1.074	1.256	1.473	380	430	423
<b>Net Earned Premiums</b>	<b>704</b>	<b>804</b>	<b>911</b>	<b>190</b>	<b>215</b>	<b>244</b>
Claims (net)	-444	-491	-591	-115	-120	-163
Commissions (net)	-134	-157	-177	-37	-42	-46
G&A Expenses	-97	-115	-116	-30	-32	-33
<b>Technical Profit</b>	<b>29</b>	<b>41</b>	<b>27</b>	<b>8</b>	<b>21</b>	<b>2</b>
Net Financial Income	55	60	86	10	27	26
<b>Profit Before Tax</b>	<b>84</b>	<b>101</b>	<b>113</b>	<b>18</b>	<b>48</b>	<b>28</b>
Tax	-17	-22	-23	-4	-10	-6
<b>Net Profit</b>	<b>67</b>	<b>79</b>	<b>90</b>	<b>14</b>	<b>38</b>	<b>22</b>
<b>Combined Ratio</b>	<b>93%</b>	<b>93%</b>	<b>96%</b>	<b>92%</b>	<b>87%</b>	<b>98%</b>
<b>Loss Ratio</b>	<b>63%</b>	<b>61%</b>	<b>65%</b>	<b>60%</b>	<b>56%</b>	<b>67%</b>
<b>Commission Ratio</b>	<b>19%</b>	<b>20%</b>	<b>19%</b>	<b>19%</b>	<b>20%</b>	<b>19%</b>
<b>Expense Ratio</b>	<b>11%</b>	<b>12%</b>	<b>11%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>
<b>UW Margin</b>	<b>18%</b>	<b>19%</b>	<b>16%</b>	<b>20%</b>	<b>24%</b>	<b>14%</b>

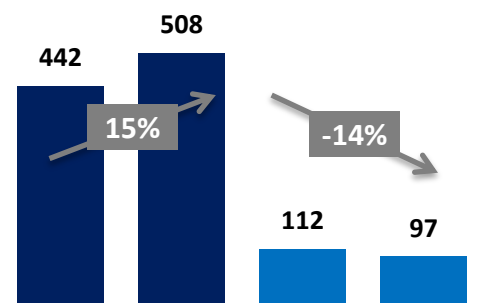


MOD and NON MOTOR leads underwriting result

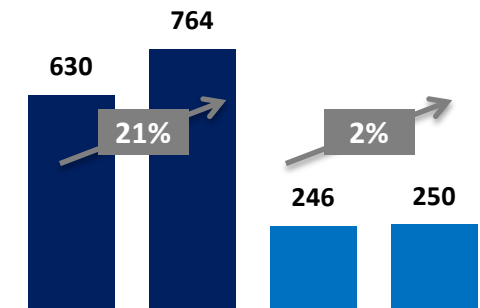
MTPL



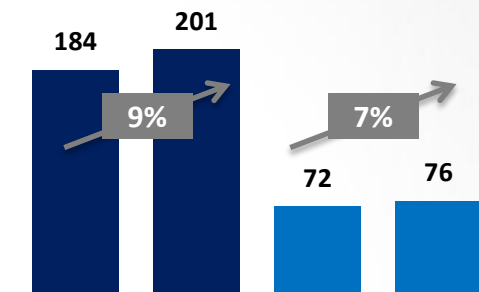
MOD



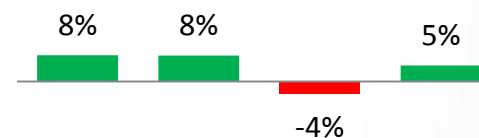
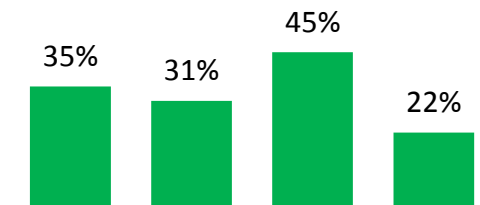
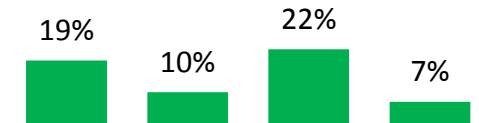
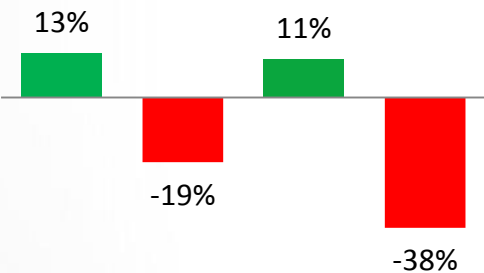
Non Motor



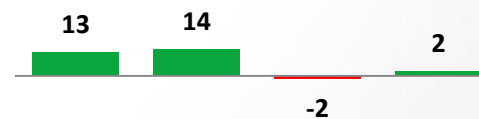
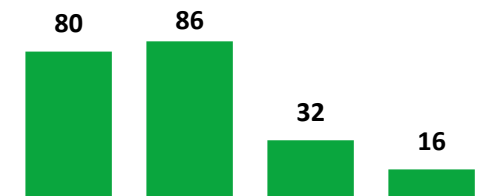
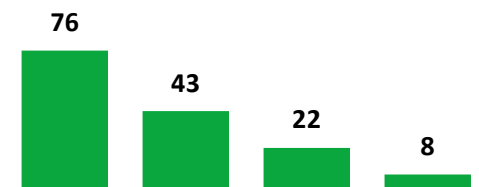
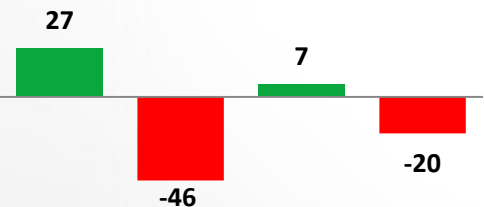
Health



UW Margin in IFRS  
1-Loss R.-Commission R.



UWR in IFRS  
Million TL



13YE 14YE 14Q1 15Q1

13YE 14YE 14Q1 15Q1

13YE 14YE 14Q1 15Q1

13YE 14YE 14Q1 15Q1



## Investor Presentation

### 2015 Q1 Statutory Results

<i>(TL Million)</i>	'12YE	'13YE	'14YE	'13Q1	'14Q1	'15Q1
Cash and Marketable Securities	627	901	902	652	917	901
Receivables	475	462	523	490	507	559
Other Assets	116	147	156	130	159	216
Participations	30	8	8	30	8	8
Fixed Assets	44	31	51	45	33	54
<b>Total Assets</b>	<b>1.292</b>	<b>1.549</b>	<b>1.640</b>	<b>1.347</b>	<b>1.624</b>	<b>1.738</b>
Payables	110	116	134	104	142	173
Technical Reserves	671	796	921	729	857	1.132
Taxes Payable	15	26	8	2	6	0
Other Liabilities	72	78	69	79	70	88
Total Shareholders' Equity	424	533	508	433	549	345
<b>Total Liabilities and Equity</b>	<b>1.292</b>	<b>1.549</b>	<b>1.640</b>	<b>1.347</b>	<b>1.624</b>	<b>1.738</b>
ROE	12%	*17%	6%	11%	*18%	*2%
Solvency Ratio	167%	172%	147%	161%	171%	100%

\*Excluding one offs



# Investor Presentation

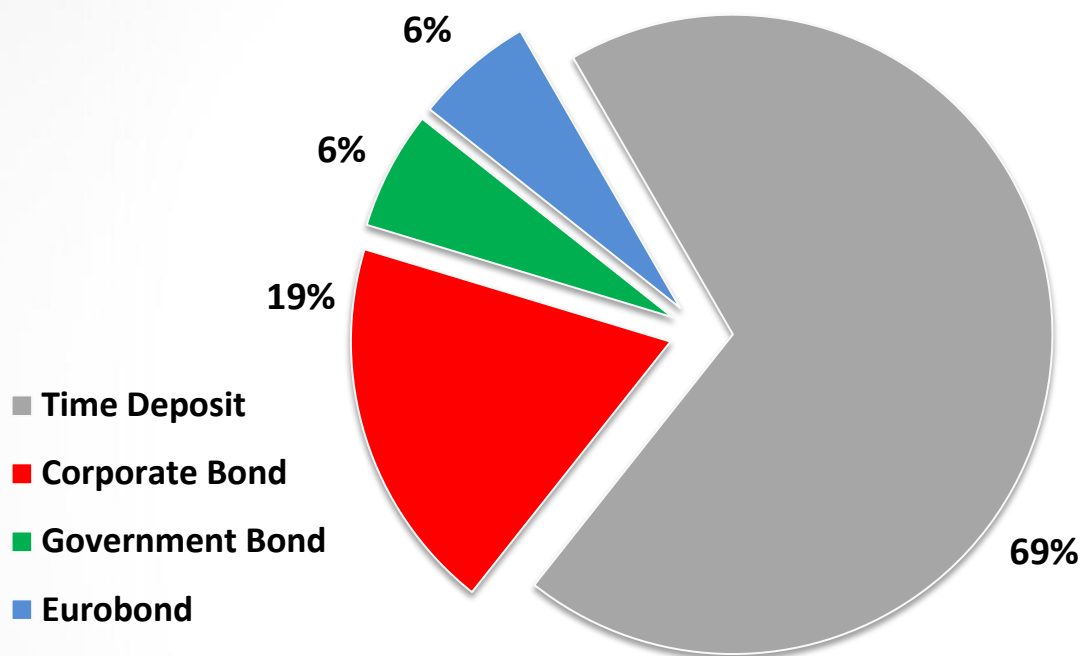
## 2015 Q1 IFRS Results

<i>(TL Million)</i>	'12YE	'13YE	'14YE	'13Q1	'14Q1	'15Q1
Cash and Marketable Securities	627	901	902	652	917	901
Receivables	475	462	523	490	507	559
Other Assets	132	182	184	141	163	172
Participations	30	8	8	30	8	8
Fixed Assets	76	32	51	78	33	54
<b>Total Assets</b>	<b>1.341</b>	<b>1.584</b>	<b>1.669</b>	<b>1.391</b>	<b>1.628</b>	<b>1.731</b>
Payables	110	116	134	104	142	173
Technical Reserves	850	969	1.065	798	997	1.100
Taxes Payable	15	26	8	2	6	0
Other Liabilities	72	78	69	79	70	88
Total Shareholders' Equity	293	394	392	409	412	371
<b>Total Liabilities and Equity</b>	<b>1.341</b>	<b>1.584</b>	<b>1.669</b>	<b>1.392</b>	<b>1.628</b>	<b>1.731</b>
ROE	14%	*28%	14%	28%	12%	1%
Solvency Ratio	167%	172%	147%	161%	171%	100%

\*Excluding one offs



'14YE

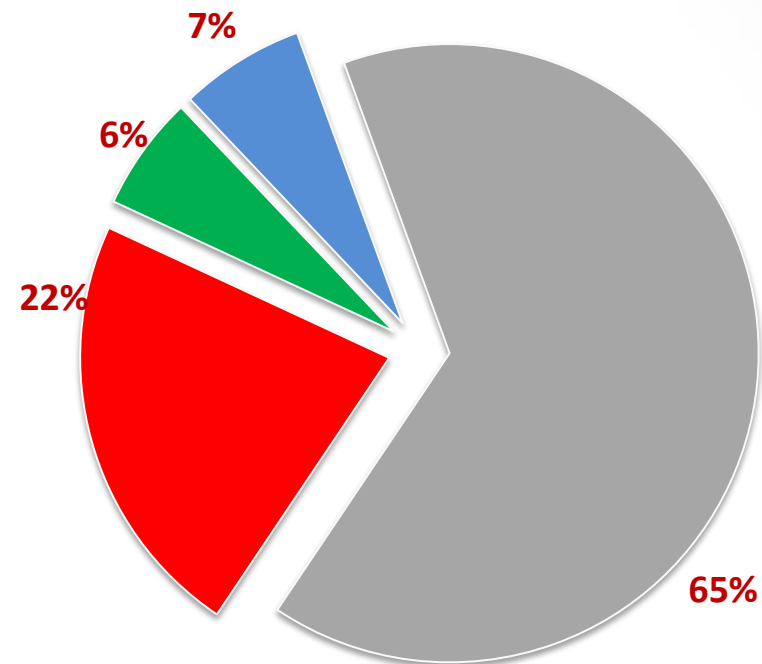


- Time Deposit
- Corporate Bond
- Government Bond
- Eurobond

- Total Portfolio: TL 902m
- Average Yield: 10,1%
- Duration: 12 months

2014 YE

'15Q1



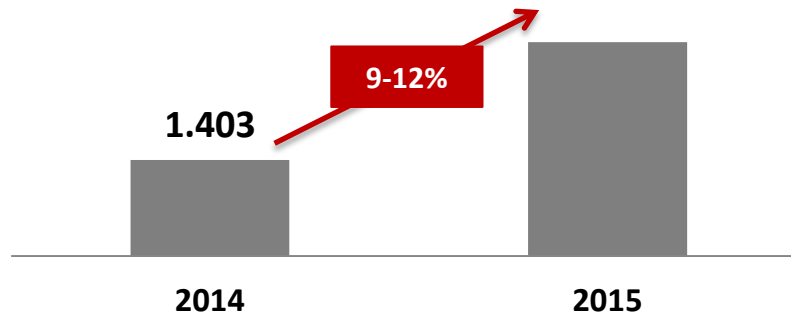
2015 Q1

- Total Portfolio: TL 901m
- Average Yield (annualized): 10,6%
- Duration: 12 months



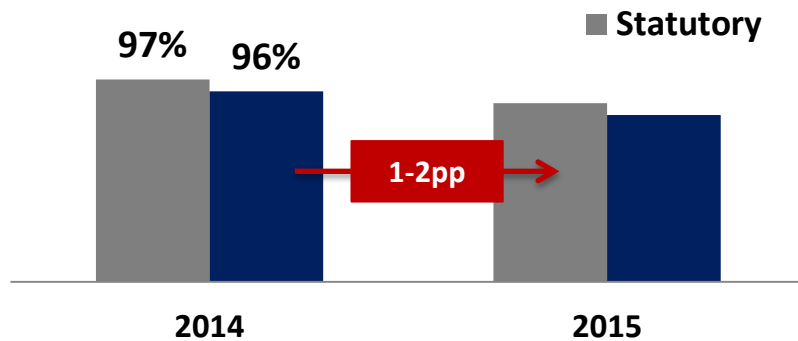
2015 Guidance

Premium Production (million TL)



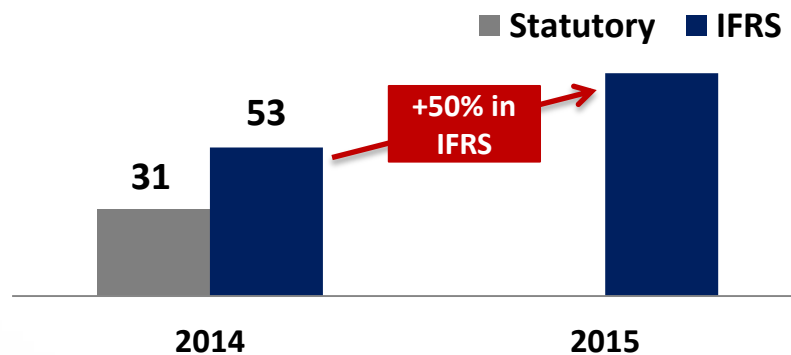
- GWP growth is expected to be around 9-12% excluding MTPL and non-recurring businesses

Combined Ratio



- Combined ratio is expected to improve around 1-2pp both in Statutory and IFRS, excluding MTPL business

Net Income/Loss (million TL)



- Net Profit is expected to reach break-even in Statutory financials while over than 50% increase in IFRS





## Contact Information & Disclaimer

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[www.aksigorta.com.tr/en/yatirimci\\_iliskileri.php](http://www.aksigorta.com.tr/en/yatirimci_iliskileri.php)

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