



Its strength is implicit in its name...

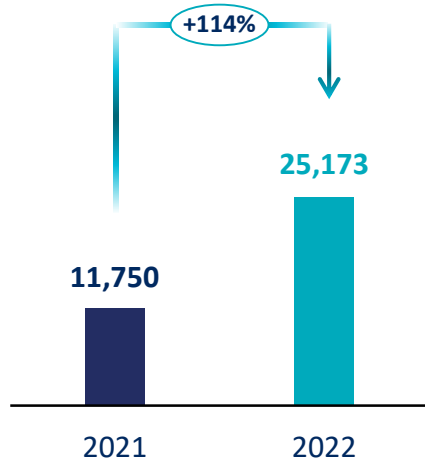
Earnings Presentation

2022

Feb 16, 2023

Gross Written Premiums

Cumulative, Million ₺

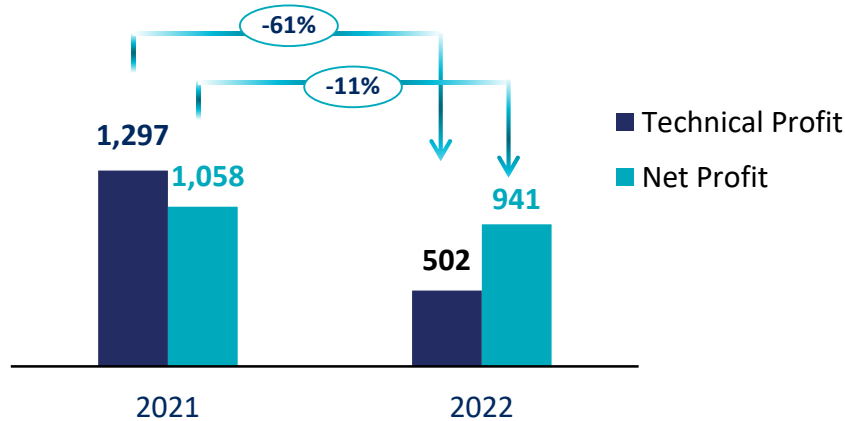


**#1 in GWP
Production**



Technical & Net Profit

Cumulative, Million ₺



Premium Production

- **25.2 bn ₺** premium production, up by **114% YoY**
- **Sector leadership** with 12.3% market share
- **Normalization in MTPL market share, further down to 11.5% and an unrivalled place in profit-generating Accident branch, market share increased YoY to 32% from 24%**

Technical Snapshot of 2022

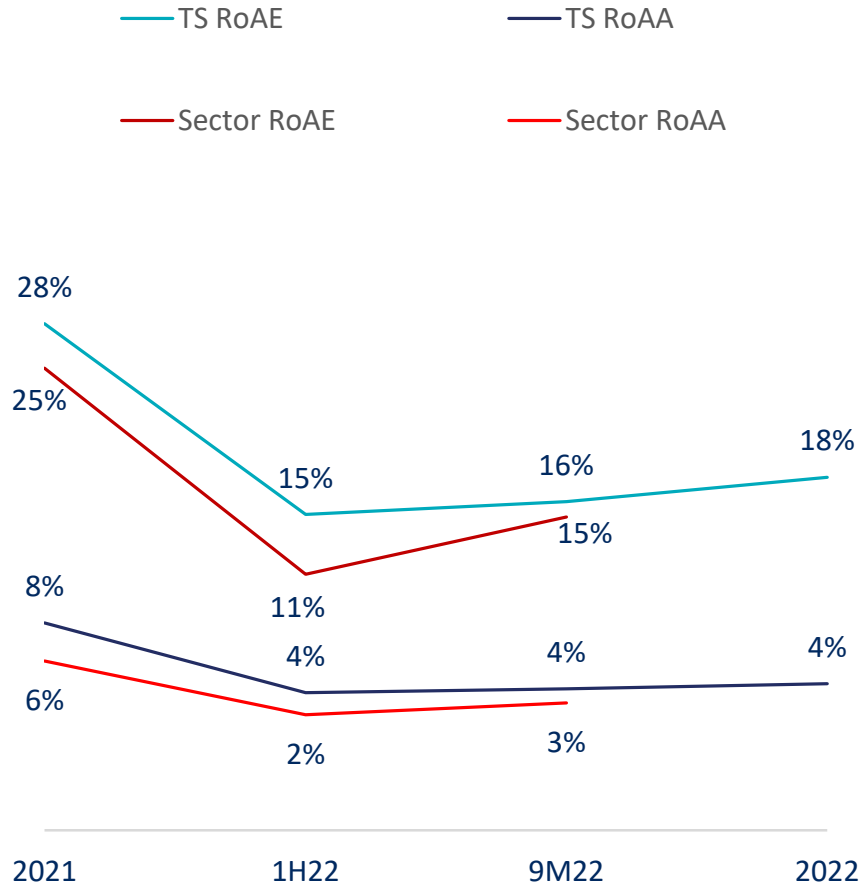
- **Strong base effect of 2021**, particularly prior to the full opening, on lower mobility and damage frequencies due to pandemic
- Superior technical profitability performance in bank channel-heavy branches (**2.2 bn ₺ profit generation** by General Losses, Fire & ND and Accident branches)
- **Increasing damage frequency and claims cost in motor & health branches**, still a prominent **improvement in MOD's** technical results
- Despite the **improved technical outlook in H2**, rises in the minimum wage and attorneyship fees hindered the improvement of technical ratios
- **502 mn ₺ Technical Profit** despite the high level of claims cost increases across the sector

Profitability

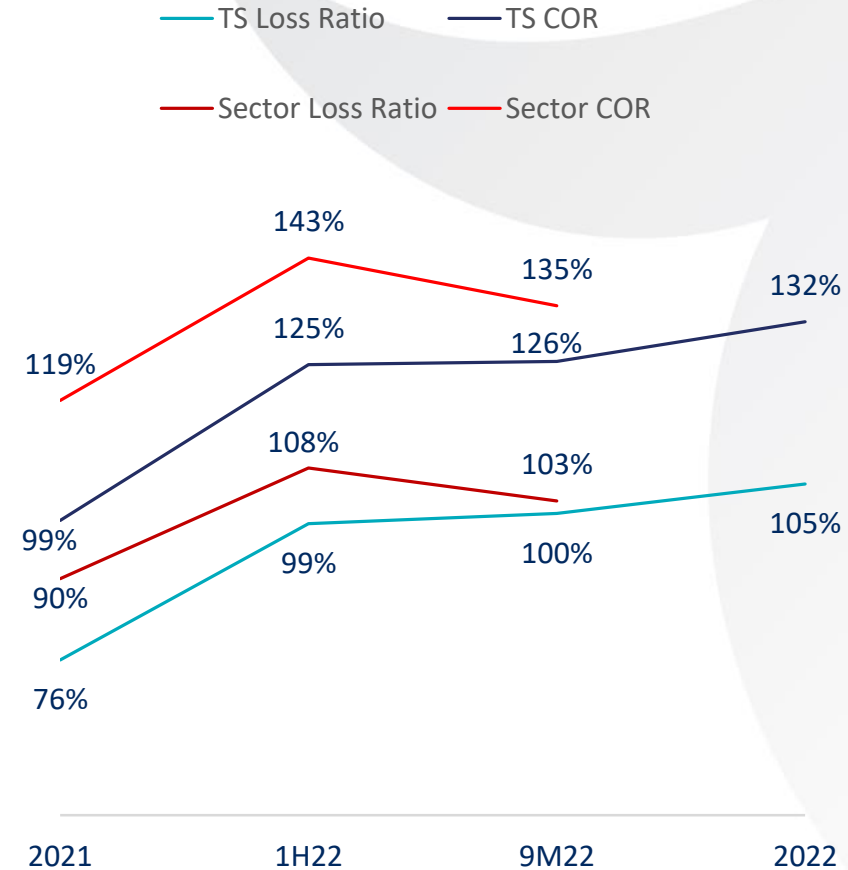
- 424 mn ₺ quarterly Net Income, **up 54% YoY and 109% QoQ**, points to **improved profitability dynamics**
- **941 mn ₺ Net Income**, down by 11% YoY; RoAE is at 18% and Net COR at 132%

Unsurprisingly Suppressed Metrics On Inflationary Environment; Still A Best-in-class Solvency Ratio

Cumulative RoAE & RoAA



Cumulative Loss Ratio & Combined Ratio Net



Solvency & Dividend Details

CAR
(2022)

157%

vs.
regulatory self-assessment level
of 115%
&
profit distribution threshold
of 135%

Gross Dividend Payment

493
Mn ₺

2021

530
Mn ₺

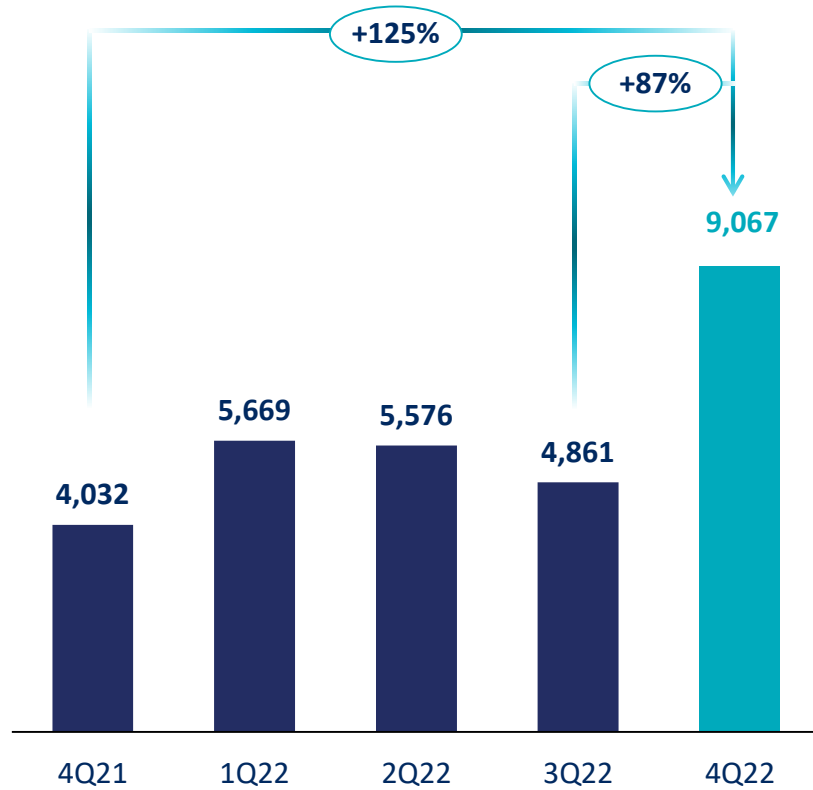
2022

TRY 1.0 bn total dividend payment
within a two-year period.

With its solid profitability and
solvency position, Türkiye Sigorta
aims to sustain strong dividend
pay-out performance

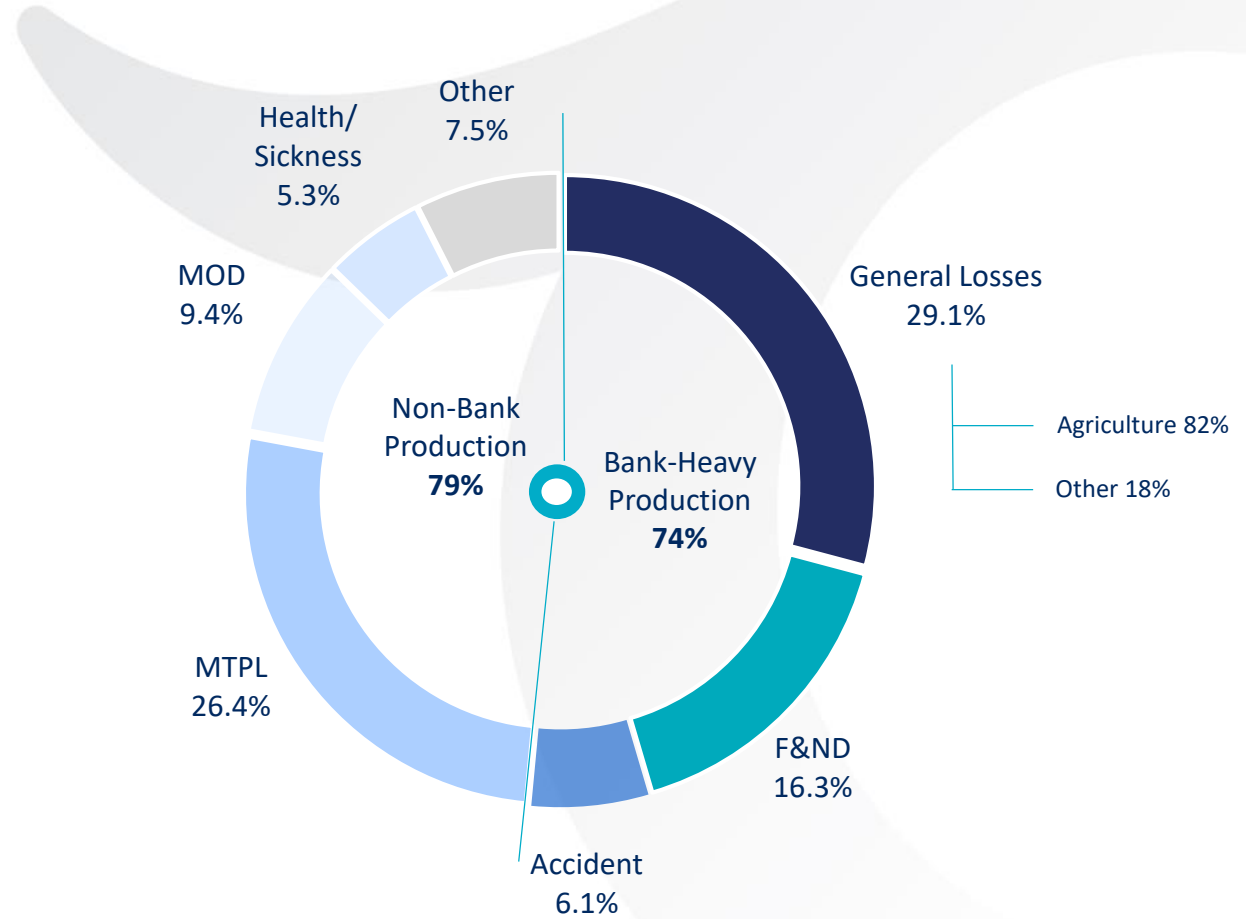
GWP Production

Quarterly, Million ₺



GWP Mix by Major Branches

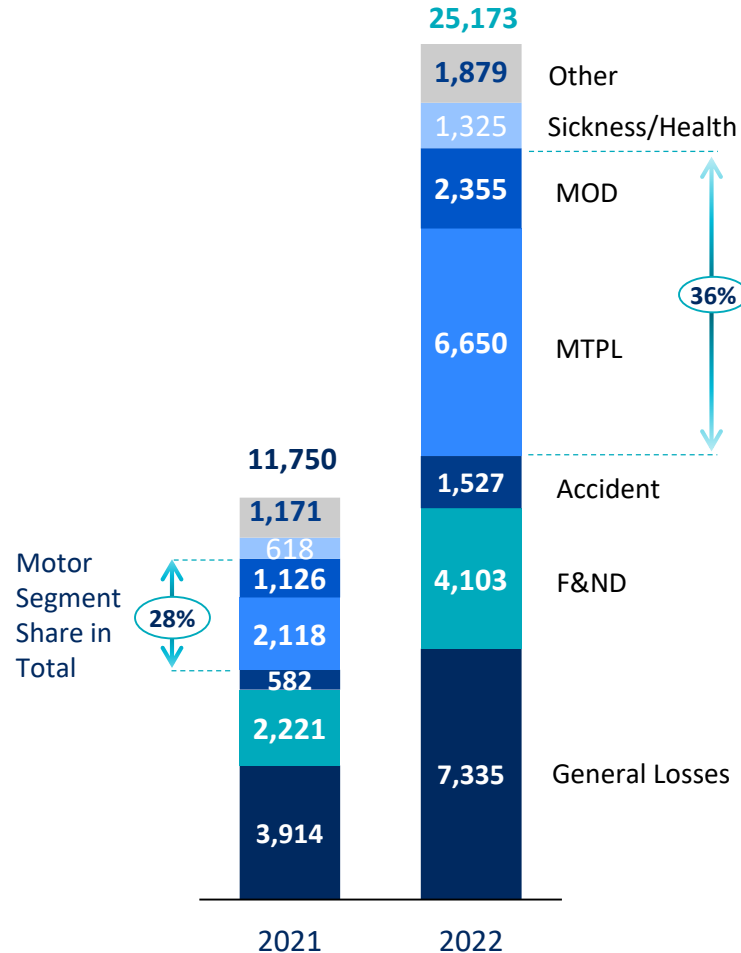
Cumulative



GWP Production by Major Branches

Türkiye Sigorta GWP Production by Major Branches

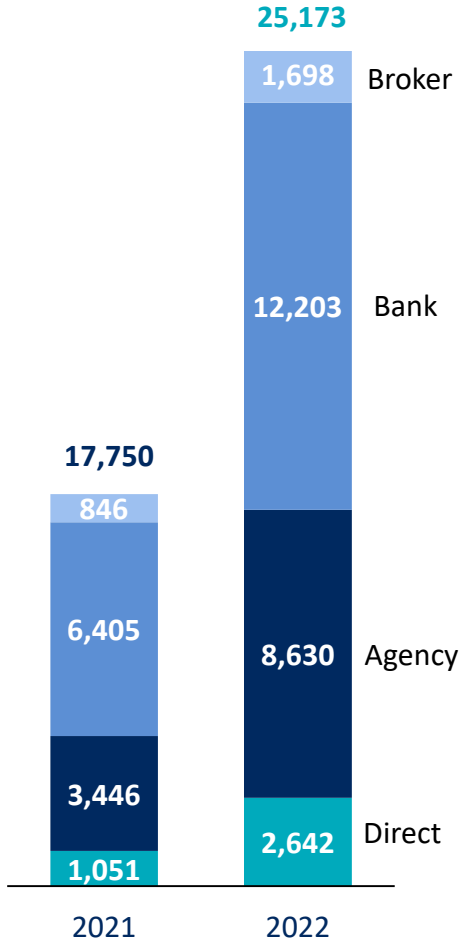
Cumulative, Million ₺



Main Branches	Annual Change		Türkiye Sigorta		Growth Performance & Outlook
	Türkiye Sigorta	Sector	Market Share	Sector Ranking	
General Losses	87%	89%	33%	1	Dominant market leader position to continue
F&ND	85%	95%	15%	2	Strong growth in Fire, strong momentum to continue
Accident	162%	93%	32%	1	Aggressive growth & market share gain in 2022, growth momentum to continue
MTPL	214%	147%	12%	1	Growth pace moderated in H2, No aggressive growth target
MOD	109%	211%	5%	7	Relatively moderate growth in 2022. Growth pace to pick up strongly in 2023
Sickness/Health	114%	130%	4%	6	Below sector growth in 2022. Strong appetite to grow in complementary policies in 2023
Other	61%	92%	10%	3	
TOTAL	114%	133%	12.3%	1	

Türkiye Sigorta GWP Production by Distribution Channel

Cumulative, Million ₺



Dist. Channels	Türkiye Sigorta	Sector
Direct	151%	102%
Agency	150%	150%
Bank	91%	106%
Broker	101%	118%
TOTAL	114%	133%

Share in Total Production	Türkiye Sigorta	
	2021	2022
Direct	9%	10%
Agency	29%	34%
Bank	55%	48%
Broker	7%	7%

Bank Channel

- 10+10 year exclusive bancassurance agreement with three state-owned banks and **dominant position in premium production with 3,710 bank branches**
- **48% of premiums are generated through bank channel** (sector average is 13%). Market share in bank channel is 45%
- **91% YoY growth** in production in 2022, strong growth performance to continue by further penetrating into the bank channel on exclusivity agreements

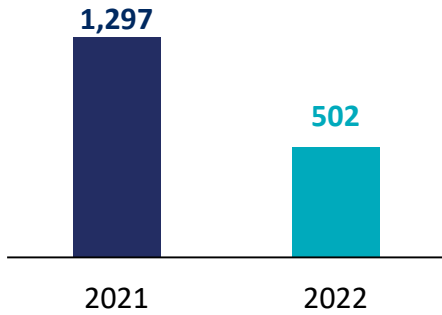
Agency Channel

- Channel diversification strategy with **3,776 agencies** as of end of 2022
- **150% YoY production growth** in 2022
- **34% of premiums are generated through agencies** (sector average is 62%). Market share in agency channel is 7%
- Going forward, Türkiye Sigorta's focus in respect to agency channel will be efficiency increase and optimization of channel structure

Superior Technical Profitability Performance in Exclusive Branches, Partially Overshadowed By MTPL

Technical Profit*

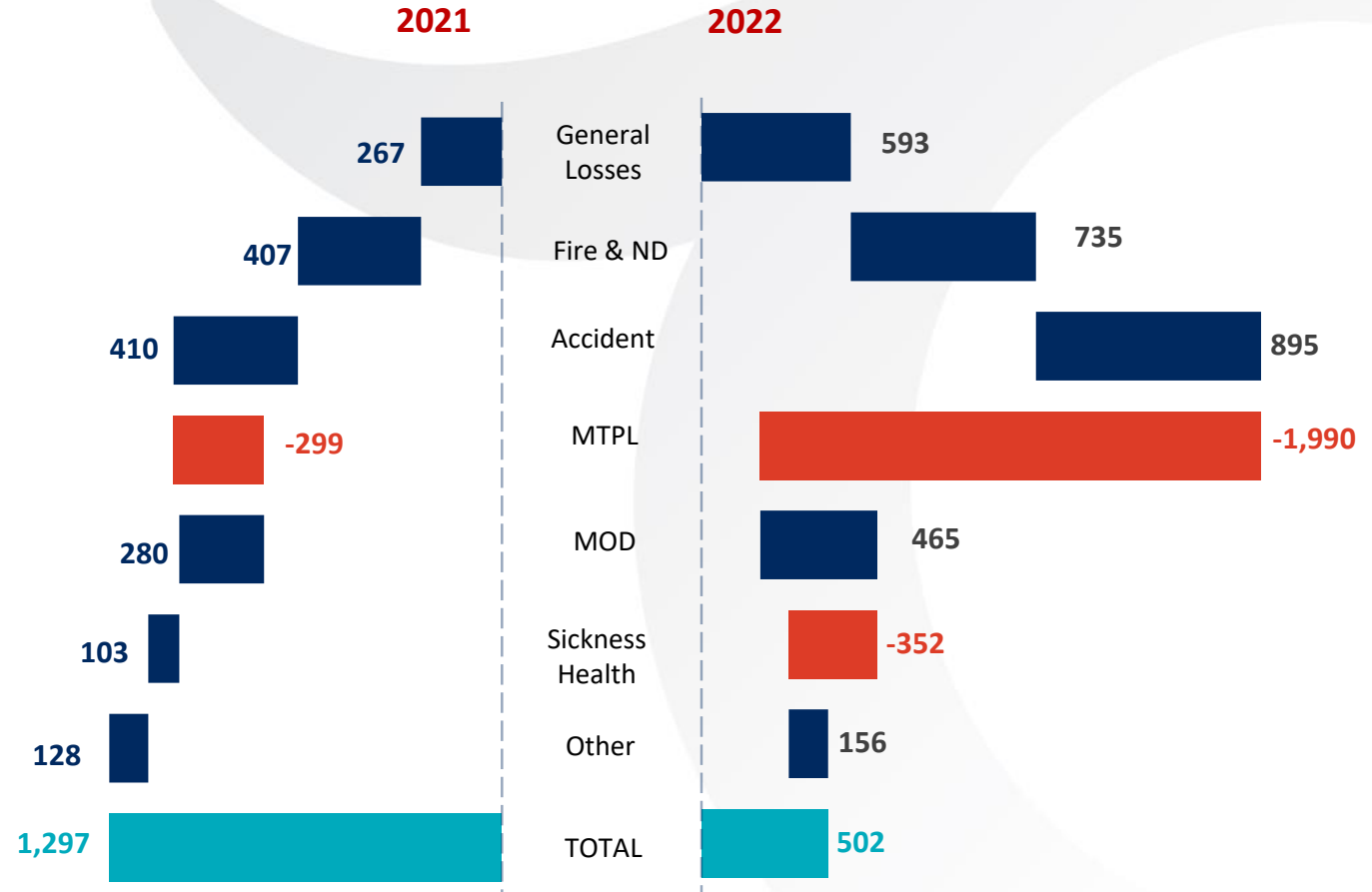
Cumulative, Million ₺



- **Strong base effect** of 2021, prior to full opening
- **Astonishing technical performance in bank dominant branches;** General Losses, Fire & ND and Accident
- Dynamic pricing in **MOD crowned with improving technical profitability**
- **Rising claim costs and provisioning burden in MTPL** (985 mn ₺ Unexpired Risk Provisions)
- **Medical inflation** suppresses technical metrics of Sickness & Health branch

Technical Profit Walk by Major Branches

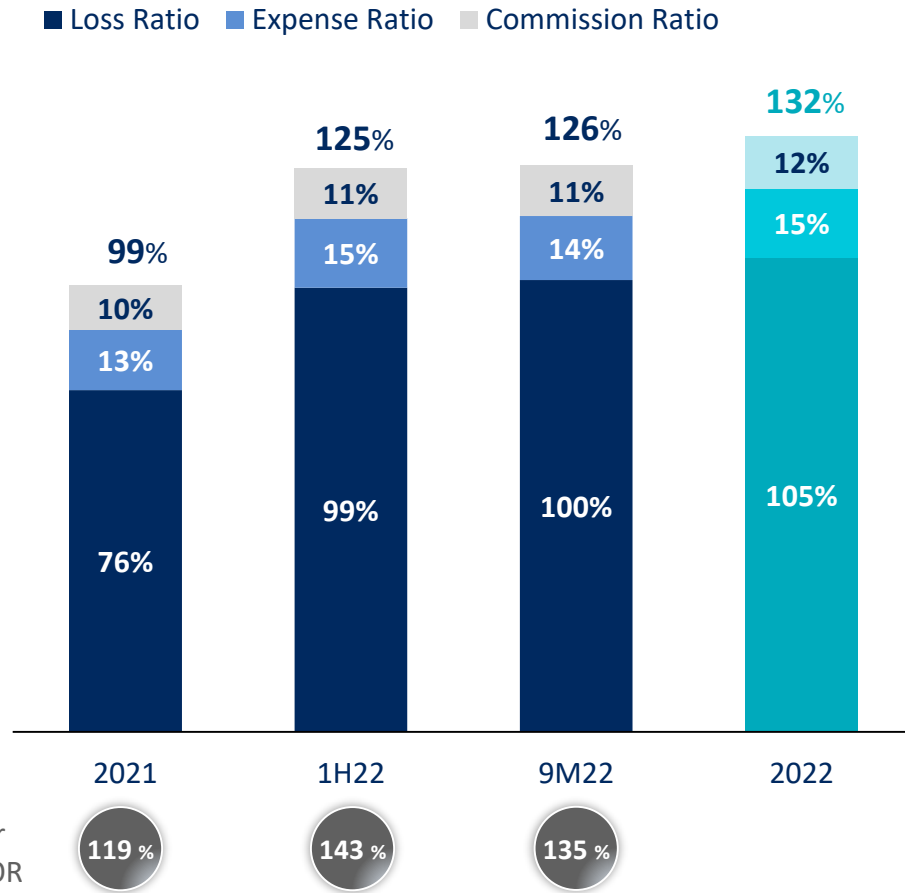
Cumulative, Million ₺



*Including investment income transferred to technical division

Combined Ratio

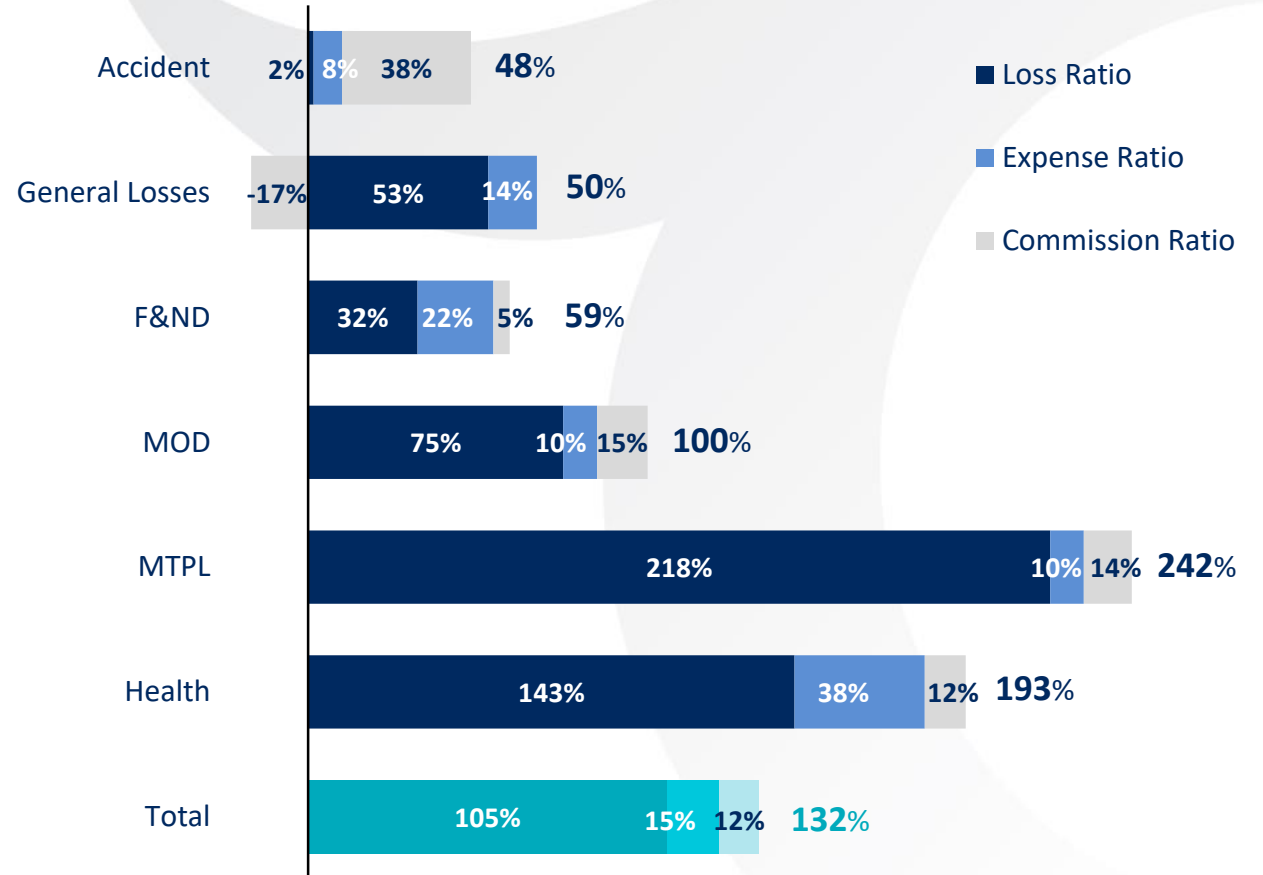
Cumulative, Net



Source: Turkish Insurance Association

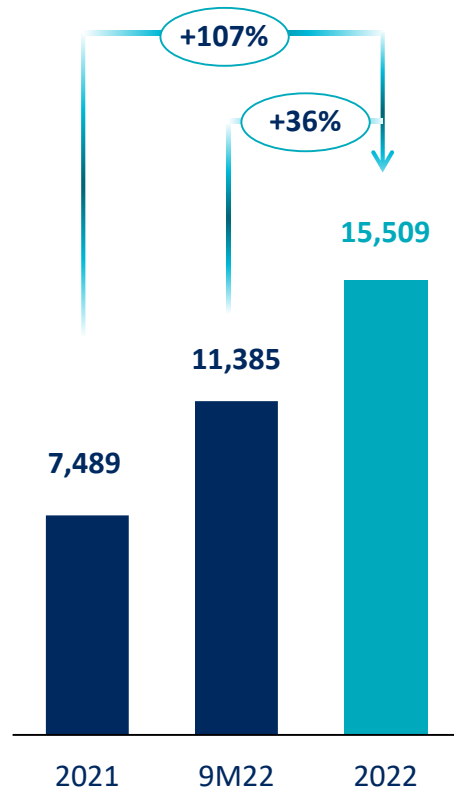
Combined Ratio by Major Branches

2022, Net

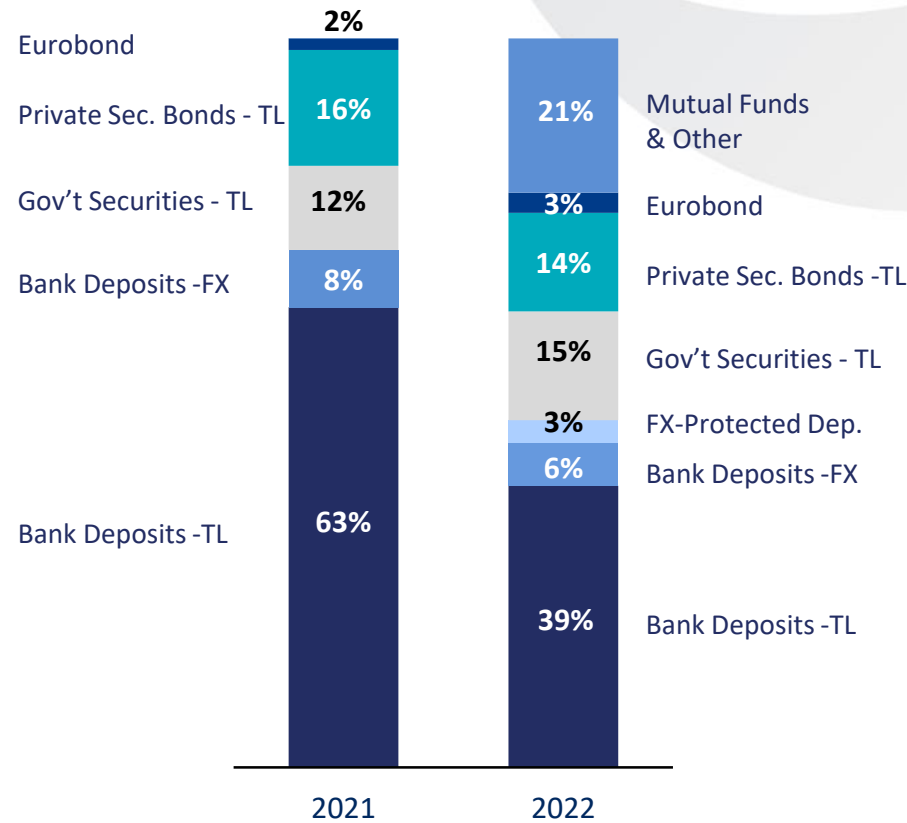


Assets Under Management

Million ₺

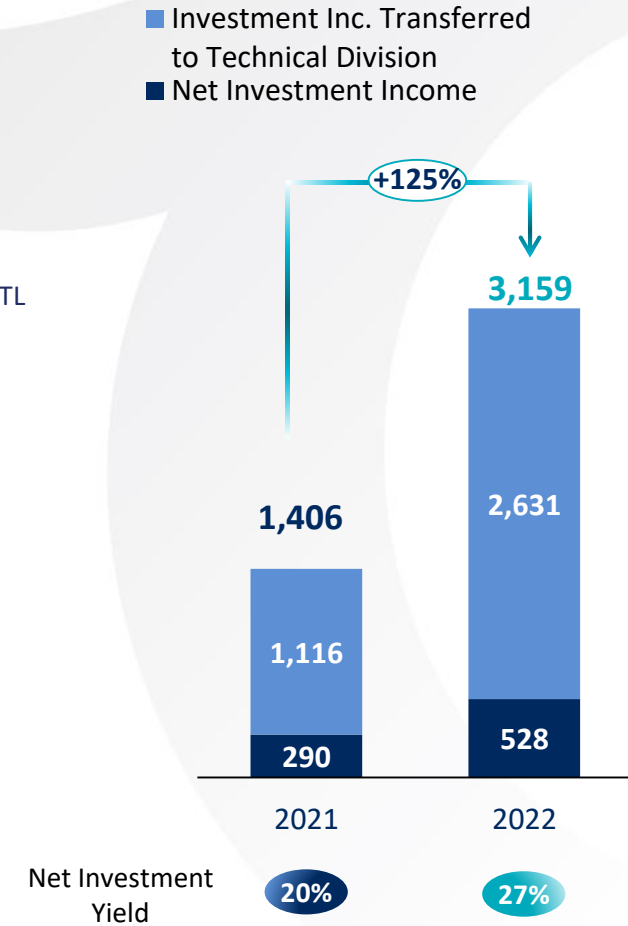


AUM Breakdown



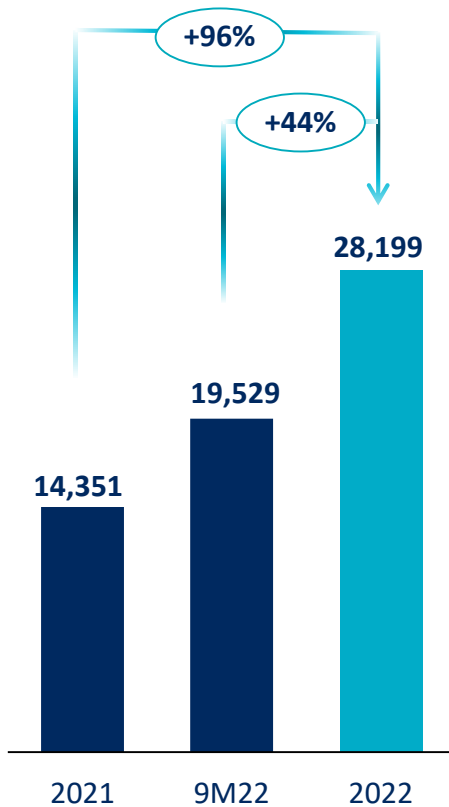
Total Investment Income

Million ₺

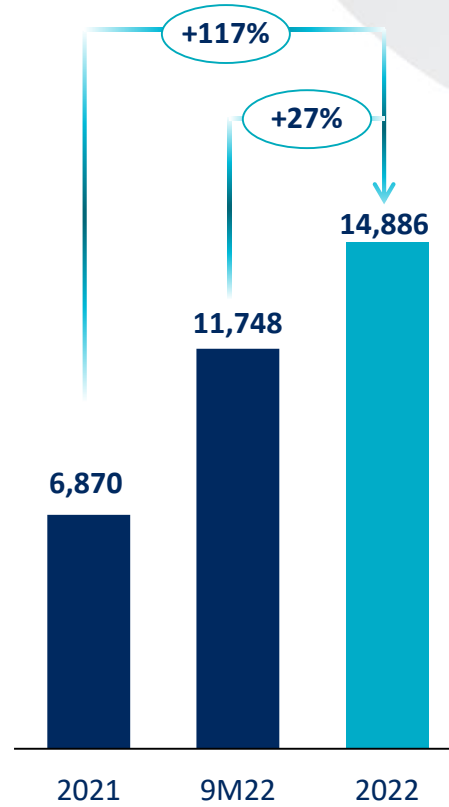


Summary P&L (million ₺)	2021	2022	YoY	
Technical Income	5,389	9,663	79%	
Earned Premiums (Net of Reinsurer Share)	4,101	6,893	68%	→ 4.7 bn ₺ unearned premium provisions on high premium production 1.2 bn ₺ total unexpired risk provision on particularly high MTPL claims
Investment Income From Non-Technical Division	1,116	2,631	136%	→ Improving investment yield on portfolio diversification
Other	172	139	-19%	
Technical Expenses	-4,092	-9,161	124%	
Claims Paid (Net of Reinsurer Share)	-2,553	-5,102	100%	→ Growing claims in especially motor and sickness/health branches & Impact of the significant rises in the minimum wage and attorneyship fees
Change in Provision for Outstanding Claims	-561	-2,161	285%	→
Operating Expenses	-957	-1,869	95%	→ 99% increase in net commissions paid on growing premium production & 103% increase in personnel expenses
Other	-22	-29	35%	
Technical Profit/Loss	1,297	502	-61%	
Investment Income	2,385	4,112	72%	→ Improving investment yield on portfolio diversification 469 mn ₺ income from disposal of subsidiaries
Investment Expenses	-2,095	-3,584	71%	→ Higher investment income transferred to technical division
Income/Expense from Other Extraordinary Operations	-184	235	N.A.	→ Deferred Tax Asset impact arising from Unexpired Risk Provisions
Profit/Loss Before Tax	1,403	1,266	-10%	
Tax	-345	-324	-6%	
Net Profit	1,058	941	-11%	

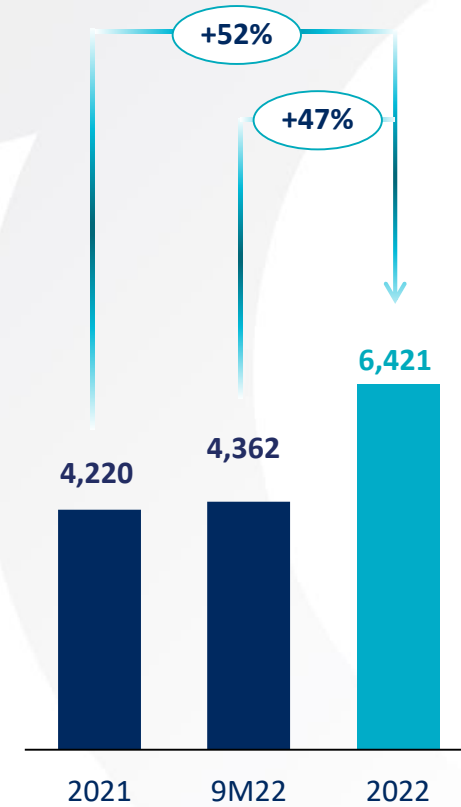
Total Assets Million ₺







Total Reserves Million ₺



Shareholder's Equity Million ₺



- Operational since **1957**
- Market Leader** with **12.3%** share in total premium production
- Rebranded as Türkiye Sigorta** post-merger of 3 state-owned non-life insurers
- Serving **6.4 million** standalone customers

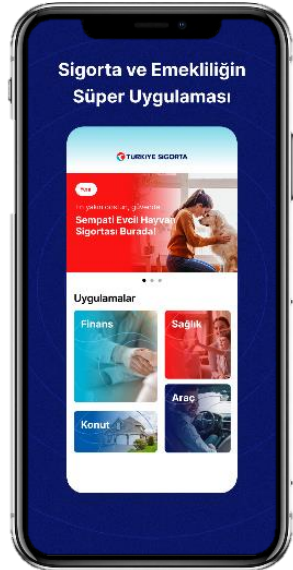
	Headcount	Agency Network	Bank Branch Network	Broker
				
	1,582	3,766	3,710	114
QoQ Change	+30	-228	+14	-10
YoY Change	+306	-208	+29	-9

Strategy

Differentiating From Others

Focusing on **CUSTOMER ACQUISITION** and **CUSTOMER RETENTION** with keywords below:

- Platform based business
- Superapp
- Non-cust. platform users



Business

Partnership

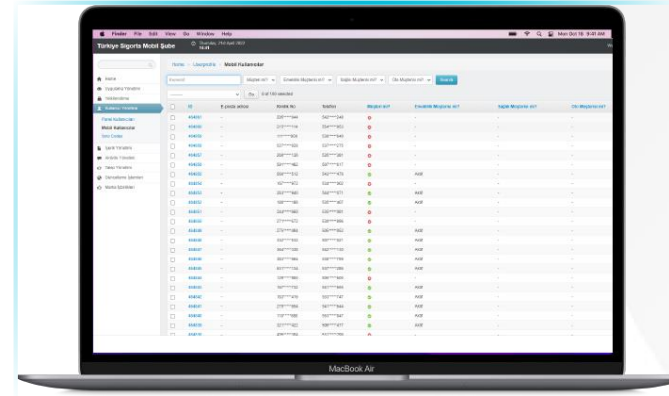
- 4 LoB
- 50+ partners
- 35+ categories
- 95+ services
- 4 integration models
- 4 service models
- Higher benefit for both customers and partners



Numbers

0 to today
without any advertising

- 1.8M+ users
- 350k non-cust. users
- 90k non-ins. service request
- 30k lead with 29% hit ratio
- 35k non-ins. service usage
- 27% average benefit per customer (Total 3.72mTL)



DATA

- Limitless enrichment opportunity
- Data driven decision making algorithm
- AI/ML based structure



Growth Strategy

- Sustainable innovation
- Endless ecosystem expansion
- Large customer basket size with better platform experience

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Non-Life Main Branch GWP Production (2022)

Main Branches	Gross Written Premium (Million ₺)	Branch Share	Market Share	Market Share Change (YoY)	Sector Ranking
General Losses	7,335	29.1%	33.4%	-205 bps	1
Fire and Natural Disasters	4,103	16.3%	15.0%	-80 bps	2
MTPL	6,650	26.4%	11.5%	246 bps	1
MOD	2,355	9.4%	5.3%	-259 bps	7
Sickness/Health	1,325	5.3%	4.4%	-32 bps	6
Accident	1,527	6.1%	32.4%	857 bps	1
Other	1,879	7.5%	10.4%	- 204 bps	3
TOTAL	25,173	100.0%	12.3%	-109 bps	1

GWP Production by Major Branches

Quarterly GWP Production

Million ₺

Cumulative GWP Production

Million ₺

Premium Production	Quarterly GWP Production					QoQ		Cumulative GWP Production					YoY
	4Q21	1Q22	2Q22	3Q22	4Q22	QoQ	YoY	2021	3M22	1H22	9M22	2022	
General Losses	1,115	2,547	1,309	982	2,498	155%	124%	3,914	2,547	3,855	4,837	7,335	87%
F&ND	726	865	902	978	1,358	39%	87%	2,221	865	1,767	2,745	4,103	85%
Accident	231	219	310	348	651	87%	182%	582	219	529	876	1,527	162%
MTPL	646	1,081	2,046	1,339	2,185	63%	238%	2,118	1,081	3,126	4,465	6,650	214%
MOD	372	400	609	672	674	0%	81%	1,126	400	1,009	1,681	2,355	109%
Sickness/Health	256	208	129	251	737	193%	188%	618	208	337	588	1,325	114%
Other	686	349	272	292	965	230%	41%	1,171	349	622	914	1,879	61%
Total	4,032	5,669	5,576	4,861	9,067	87%	125%	11,750	5,669	11,246	16,106	25,173	114%

Technical Profit by Major Branches

Quarterly Technical Profit*

Million ₺

Cumulative Technical Profit*

Million ₺

Technical Profit	Quarterly Technical Profit*					QoQ		Cumulative Technical Profit*					YoY
	4Q21	1Q22	2Q22	3Q22	4Q22	QoQ	YoY	2021	3M22	1H22	9M22	2022	
General Losses	55	143	127	136	187	38%	241%	267	143	270	406	593	122%
F&ND	124	88	89	236	322	36%	161%	407	88	177	413	735	81%
Accident	152	128	137	250	380	52%	149%	410	128	266	516	895	118%
MTPL	-171	-24	-492	-542	-931	72%	446%	-299	-24	-517	-1,059	-1,990	567%
MOD	69	-5	44	110	315	187%	360%	280	-5	39	150	465	66%
Sickness/Health	11	-39	-92	-97	-125	29%	N.A.	103	-39	-131	-227	-352	N.A.
Other	87	39	34	77	7	-91%	-92%	128	39	73	149	156	22%
Total	327	330	-153	170	156	-8%	-52%	1,297	330	177	347	502	-61%

*Including investment income transferred to technical division

COR by Major Branches

Combined Ratio	Loss Ratio Cumulative			Expense Ratio Cumulative			Commission Ratio Cumulative			Combined Ratio Cumulative		
	2021	9M22	2022	2021	9M22	2022	2021	9M22	2022	2021	9M22	2022
General Losses	62.3%	51.8%	52.9%	17.3%	14.9%	14.3%	-10.1%	-13.2%	-16.7%	69.6%	53.5%	50.5%
F&ND	38.6%	39.8%	32.1%	22.7%	23.6%	22.3%	1.6%	4.2%	4.7%	62.9%	67.6%	59.2%
Accident	4.5%	1.3%	1.6%	8.8%	7.6%	8.3%	38.1%	37.7%	37.9%	51.4%	46.6%	47.8%
MTPL	137.1%	204.2%	217.9%	9.0%	9.8%	9.9%	7.0%	14.5%	14.2%	153.1%	228.5%	241.9%
MOD	74.0%	86.8%	74.9%	9.5%	11.7%	9.9%	16.0%	15.2%	14.9%	99.5%	113.6%	99.7%
Sickness/Health	73.6%	122.8%	142.9%	15.5%	22.0%	38.2%	14.0%	10.5%	12.1%	103.1%	155.3%	193.2%
Total	75.9%	100.4%	105.4%	13.4%	14.2%	15.4%	9.9%	11.2%	11.7%	99.3%	125.9%	132.5%

Summary Balance Sheet

Balance Sheet, Million ₺	2021	2022	Share (%)	YoY Change
Cash and Cash Equivalents	6,104	9,034	32%	48%
Receivables from Main Operations	3,377	4,536	16%	34%
Financial Assets	3,538	11,646	41%	229%
Tangible and Intangible Assets	432	755	3%	75%
Other Assets	900	2,229	8%	148%
TOTAL ASSETS	14,351	28,199	100%	96%
Financial Liabilities	13	1,900	9%	N.M.
Payables Arising from Main Operations	2,187	2,975	14%	36%
Technical Provisions	6,870	14,886	68%	117%
Other Liabilities	1,061	2,016	9%	90%
TOTAL LIABILITIES	10,131	21,778	100%	115%
Paid in Capital	1,162	1,162	4%	0%
Capital and Profit Reserves	1,999	4,315	15%	116%
Accumulated Profit/Losses	1	2	0%	192%
Net Profit/Loss for the Period	1,058	941	3%	-11%
TOTAL EQUITY	4,220	6,421	23%	52%
TOTAL EQUITY AND LIABILITIES	14,351	28,199	100%	96%

Ratios	2021	2022
ROAA	8.3%	4.4%
ROAE	27.6%	17.7%

Summary Income Statement

Income Statement, Million ₺	2021	2022	YoY Change
Gross Written Premiums	11,750	25,173	114%
Technical Balance (Technical Profit)	1,297	502	-61%
Earned Premiums (Net of Reinsurer Share)	4,101	6,893	68%
Incurred Losses (Net of Reinsurer Share)	-3,114	-7,263	133%
Other Technical Income&Expenses (Net of Reinsurer Share)	150	110	-27%
Financial Income - Transferred from Non-Technical Section	1,116	2,631	136%
Operating Expenses	-957	-1,869	95%
Financial Profit	290	528	82%
Financial Income	2,385	4,112	72%
Financial Expenses	-2,095	-3,584	71%
Income and Expenses From Other Operations	-184	235	N.A.
Tax	-345	-324	-6%
Net Profit/Loss	1,058	941	-11%

Ratios	2021	2022
Retention Ratio	42%	51%
Net Loss Ratio	76%	105%
Net Commission Ratio	10%	12%
Net Expense Ratio	13%	15%
Net Combined Ratio	99%	132%

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