

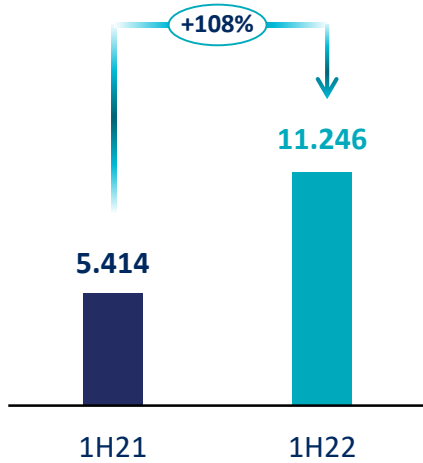
Earnings Presentation

H1 2022

Aug 9, 2022

Gross Written Premiums

Cumulative, Million ₺



#1 in GWP Production

Market Share¹



Premium Production

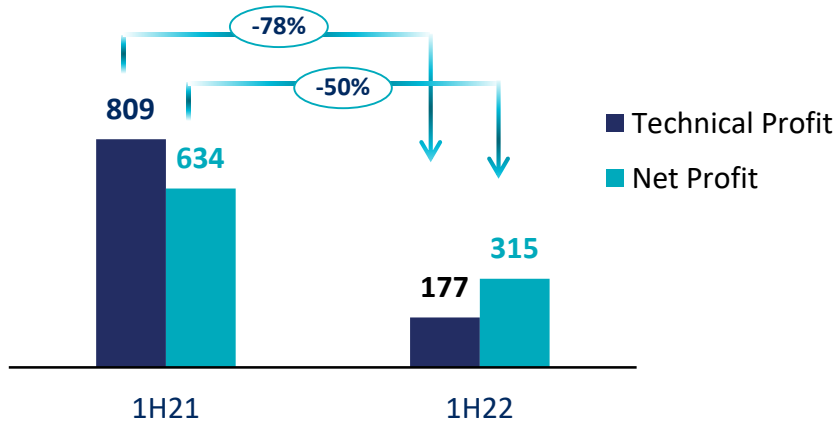
- **11.2 bn ₺** premium production, up by **108% YoY**
- **Sector leadership** with 14.5% market share

Technical Snapshot of 1H22

- **Strong base effect of 1H21**, prior to the full opening, on lower mobility and damage frequencies due to pandemic
- **Increasing damage frequency and claims cost in motor & health branches**
- **177 mn ₺ Technical Profit** despite the high level of claims cost increases across the sector

Technical & Net Profit

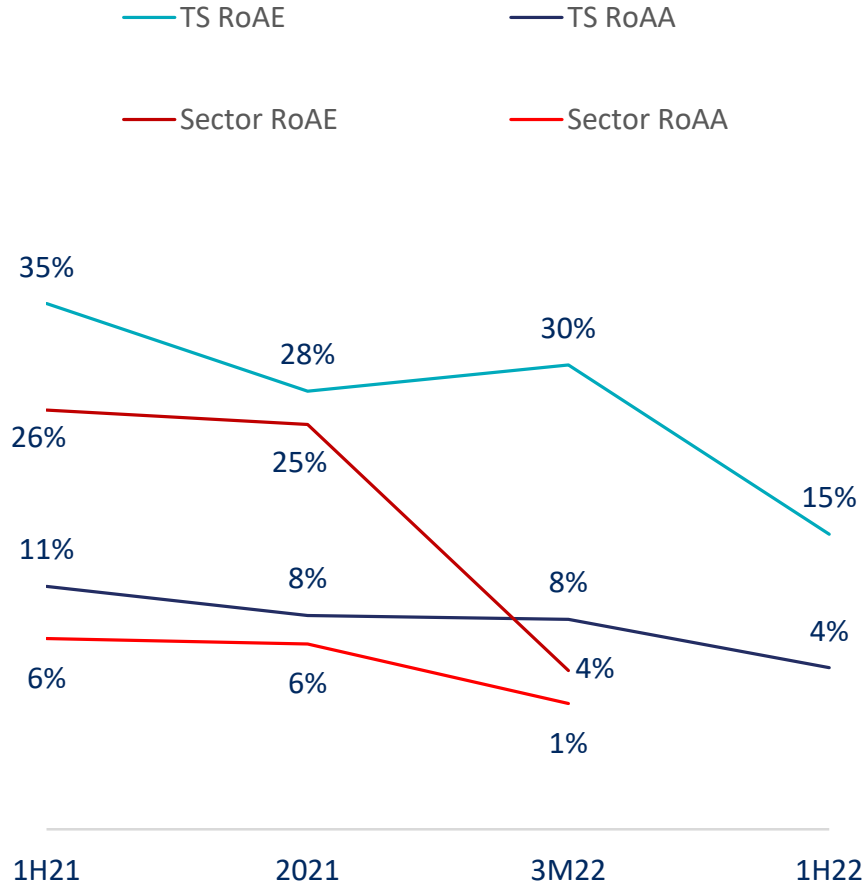
Cumulative, Million ₺



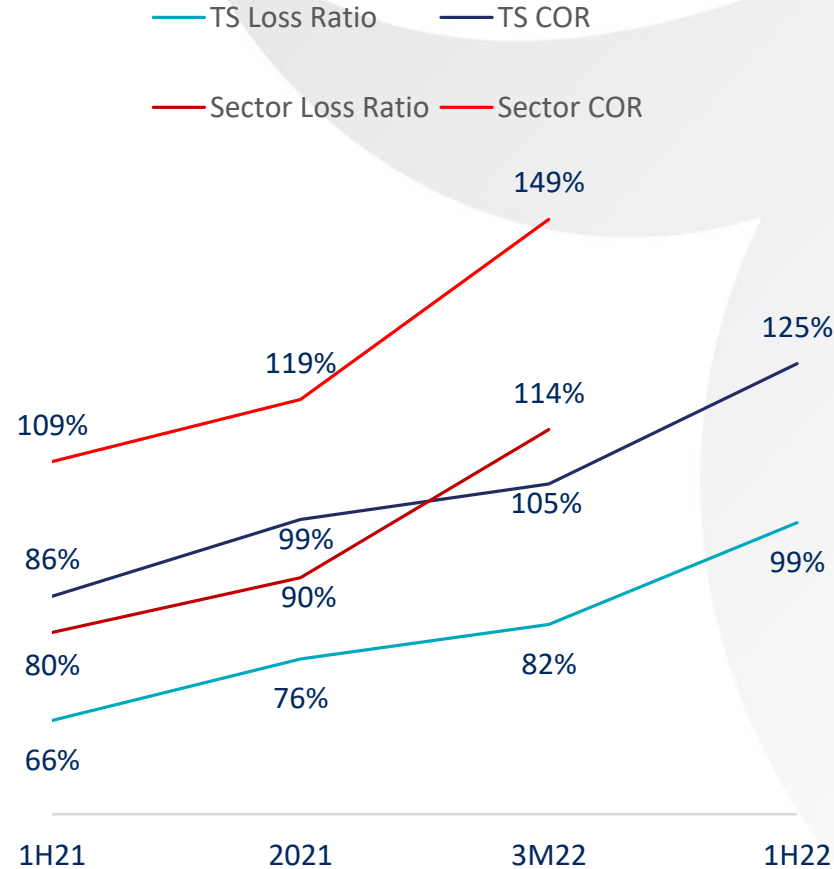
Profitability

- **315 mn ₺ Net Income**, down by 50% YoY; RoAE is at 15% and Net COR at 125%
- No change in profitability guidance;
- *Expected FY Net Income : flattish/slight YoY Increase*
- *Expected FY Net COR : ~100%*

Cumulative RoAE & RoAA



Cumulative Loss Ratio & Combined Ratio Net



Solvency & Dividend Details

CAR

121%

vs. regulatory self-assessment level of 115%

Gross Dividend Payment

493 Mn ₺

2021

530 Mn ₺

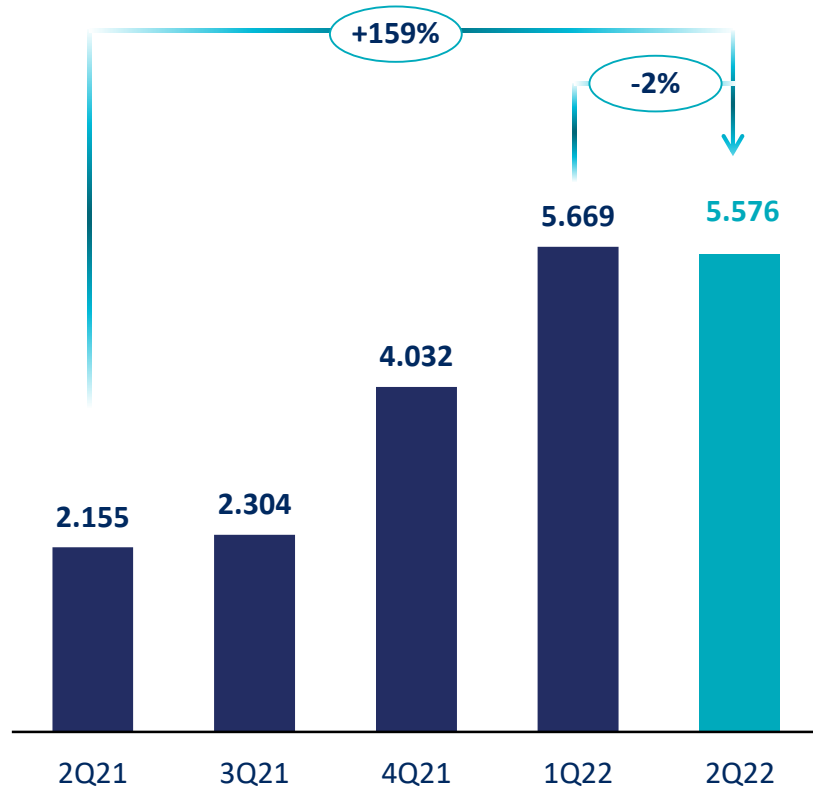
2022

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

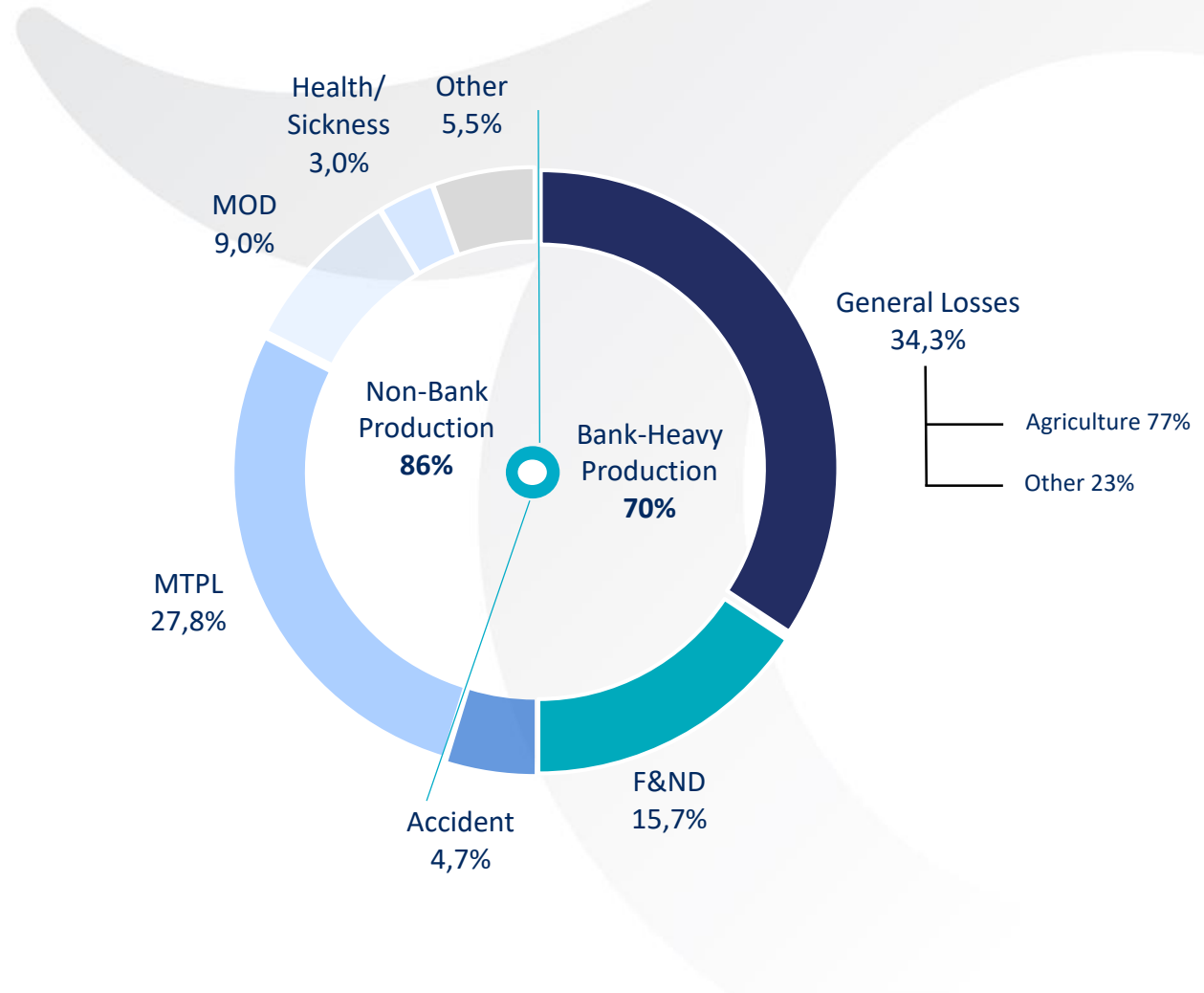
GWP Production

Quarterly, Million ₺



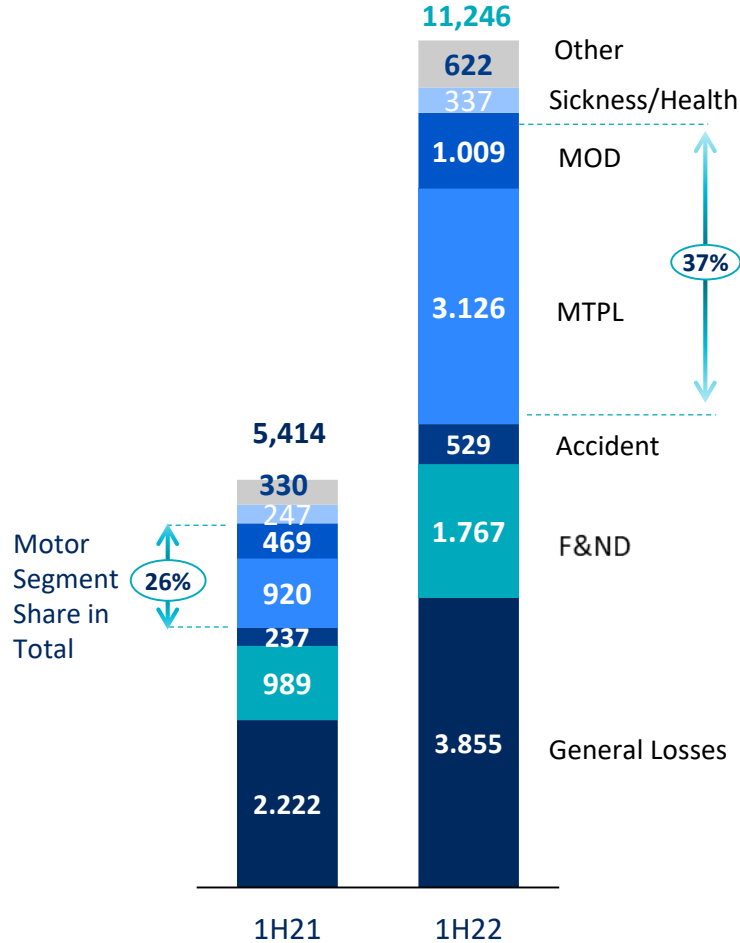
GWP Mix by Major Branches

Cumulative



Türkiye Sigorta GWP Production by Major Branches

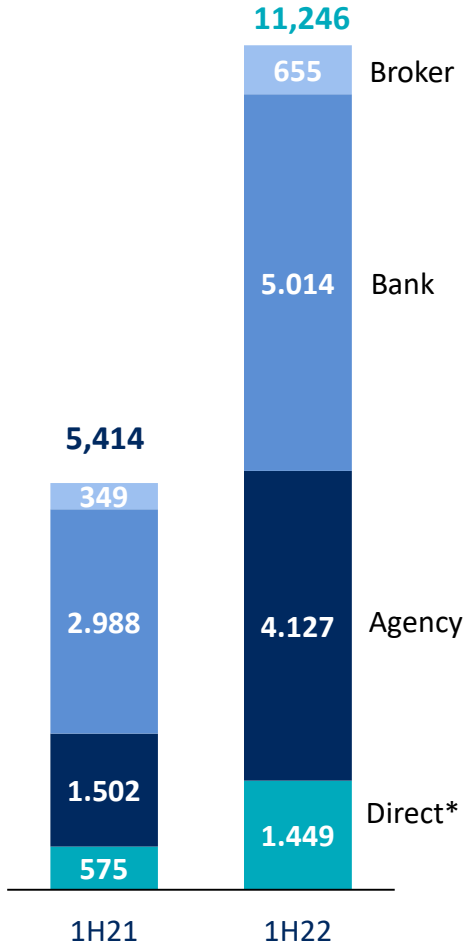
Cumulative, Million ₺



Main Branches YoY Change	Türkiye Sigorta	Sector	Growth Performance & Outlook
General Losses	73%	83%	Dominant market leader position to continue
F&ND	79%	78%	Strong growth in Fire, strong momentum to continue
Accident	123%	68%	Aggressive growth & market share gain in H1, growth momentum to continue
MTPL	240%	96%	Strong H1 growth, growth pace is expected to moderate
MOD	115%	147%	Relatively moderate growth in H1. Growth pace to catch-up with MTPL
Sickness/Health	37%	88%	Strong demand for complementary (TSS) policies; but below sector growth in H1. Growth momentum to get stronger
Other	88%	97%	
TOTAL	108%	97%	

Türkiye Sigorta GWP Production by Distribution Channel

Cumulative, Million ₺



Dist. Channels	Türkiye Sigorta	Sector
Direct	152%	121%
Agency	175%	106%
Bank	68%	74%
Broker	88%	101%
TOTAL	108%	97%

Share in Total Production	Türkiye Sigorta
	1H21
Direct	11%
Agency	28%
Bank	55%
Broker	6%
	1H22
Direct	13%
Agency	37%
Bank	45%
Broker	6%

Bank Channel

- 10+10 year exclusive bancassurance agreement with three state-owned banks and **dominant position in premium production with 4,604 bank branches**
- **45% of premiums are generated through bank channel** (sector average is 13%). Market share in bank channel is 48%
- **68% YoY growth** in production in H1, strong growth performance to continue by further penetrating into the bank channel on exclusivity agreements

Agency Channel

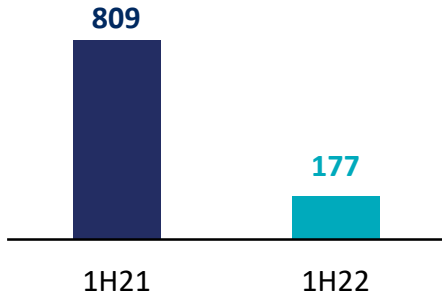
- Channel diversification strategy with **4,108 agencies** as of end of 1H22
- **175% YoY production growth** in H1
- **37% of premiums are generated through agencies** (sector average is 58%). Market share in agency channel is 9%
- Going forward, Türkiye Sigorta's focus in respect to agency channel will be efficiency increase and optimization of channel structure

Non-Life Main Branch GWP Production (1H22)

Main Branches	Gross Written Premium (Million ₺)	Branch Share	Market Share	Market Share Change (YoY)	Sector Ranking
General Losses	3,855	34.3%	36.1%	-200 bps	1
Fire and Natural Disasters	1,767	15.7%	16.1%	9 bps	2
MTPL	3,126	27.8%	15.8%	670 bps	1
MOD	1,009	9.0%	6.8%	-102 bps	6
Sickness/Health	337	3.0%	2.8%	-105 bps	7
Accident	529	4.7%	29.4%	729 bps	1
Other	622	5.5%	8.2%	- 39 bps	3
TOTAL	11,246	100.0%	14.5%	75 bps	1

Technical Profit*

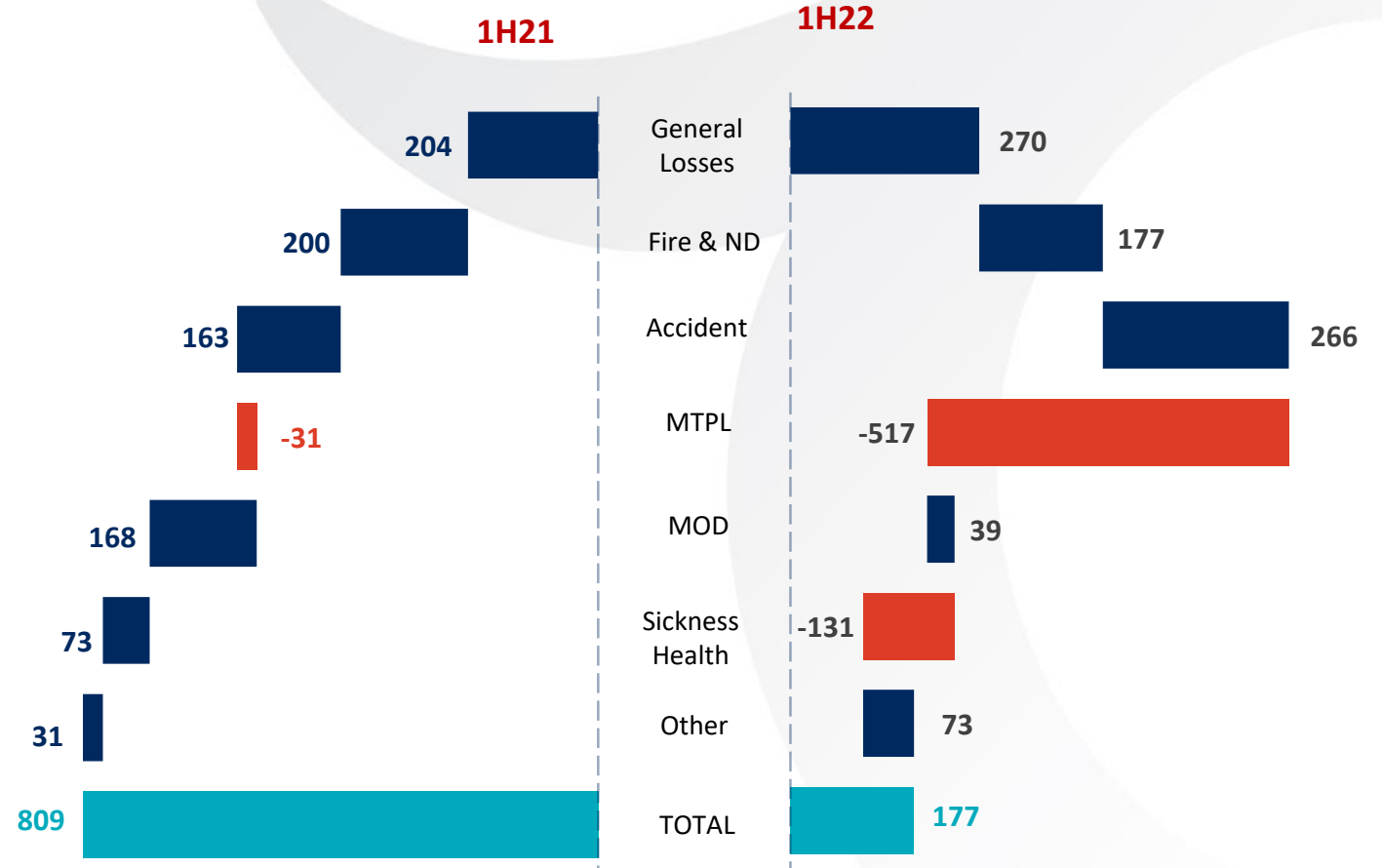
Cumulative, Million ₺



- **Strong base effect** of 1H21, prior to full opening
- **Solid technical performance** in bank dominant branches; General Losses, Fire & ND and Accident
- **Declining loss ratio** and **positive technical profitability** in Q2 in **MOD**
- **Rising claim costs** and **provisioning burden** in **MTPL** (520 mn ₺ Unexpired Risk Provisions)

Technical Profit Walk by Major Branches

Cumulative, Million ₺

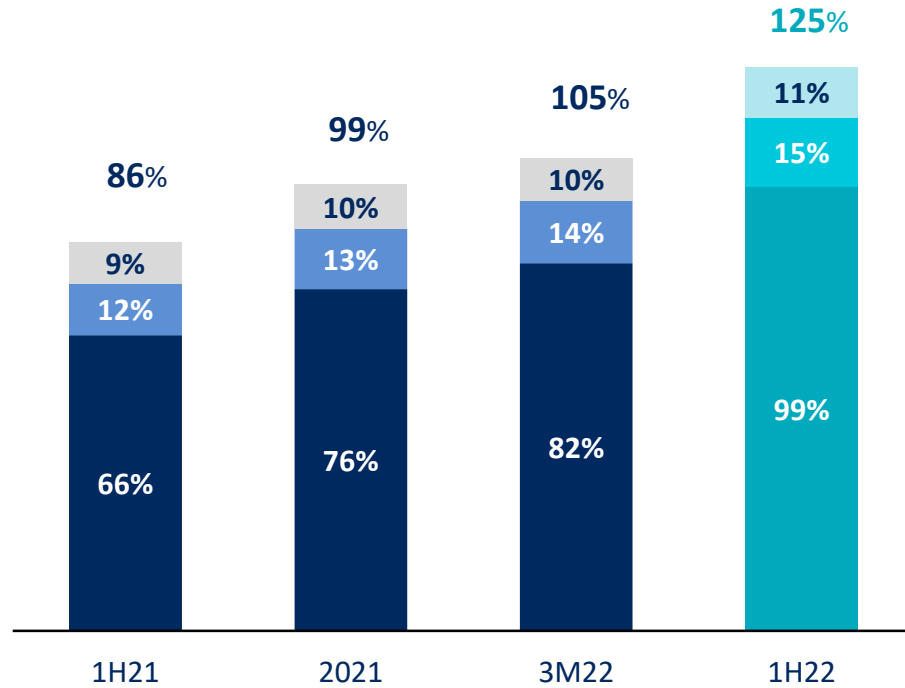


*Including investment income transferred to technical division

Combined Ratio

Cumulative, Net

■ Loss Ratio ■ Expense Ratio ■ Commission Ratio



Sector Avg. COR

109 %

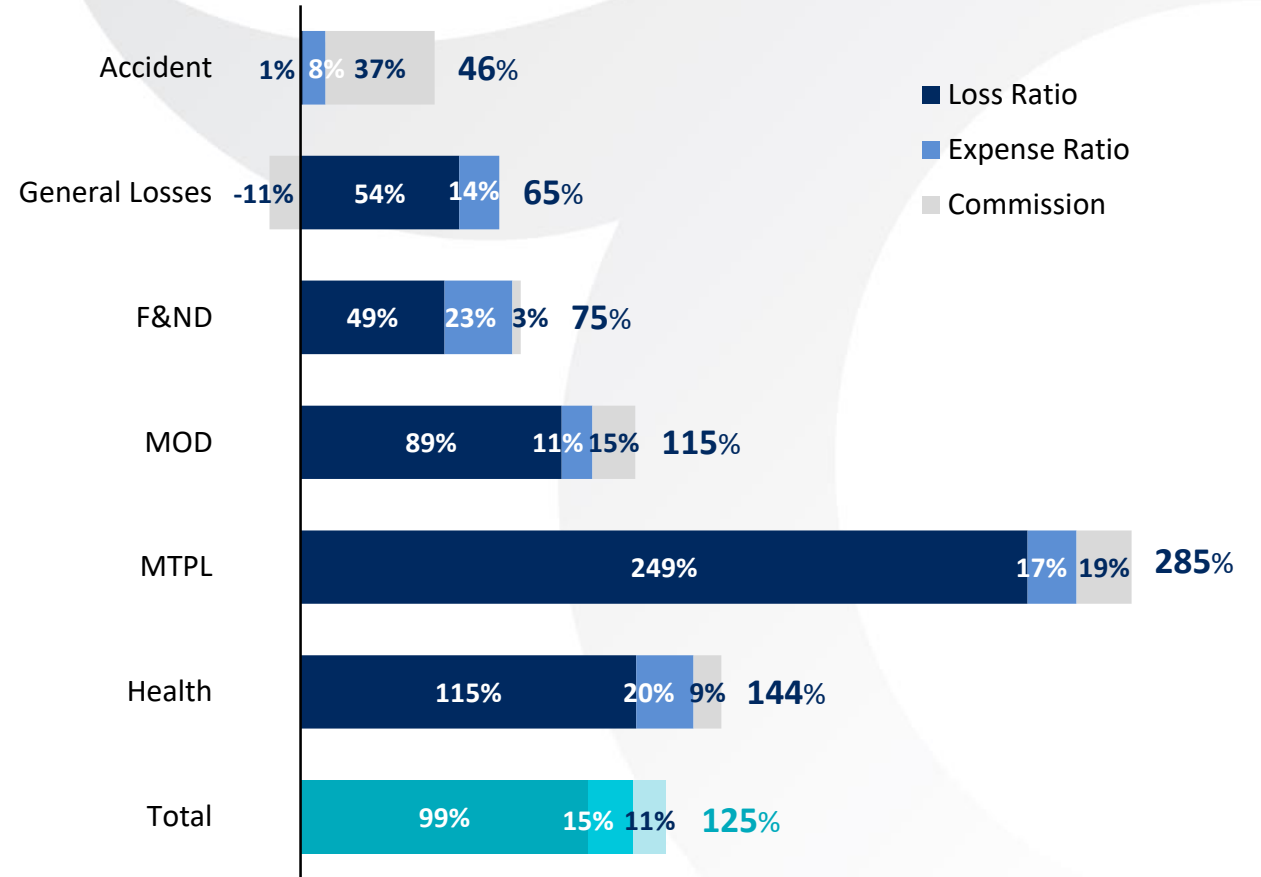
119 %

149 %

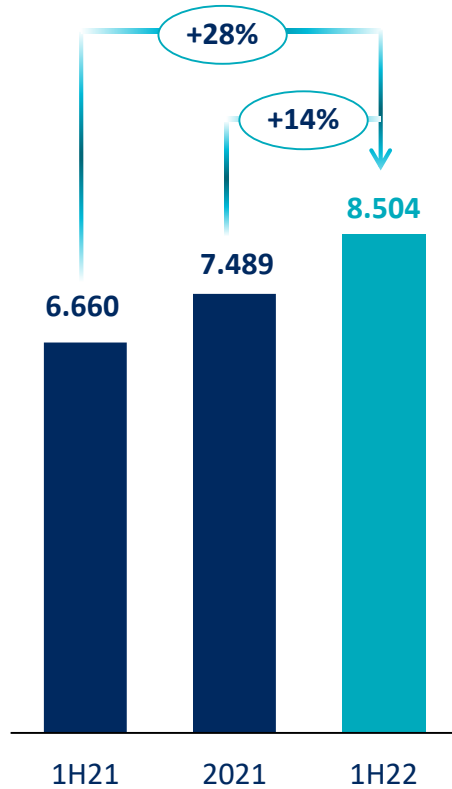
Source: Turkish Insurance Association

Combined Ratio by Major Branches

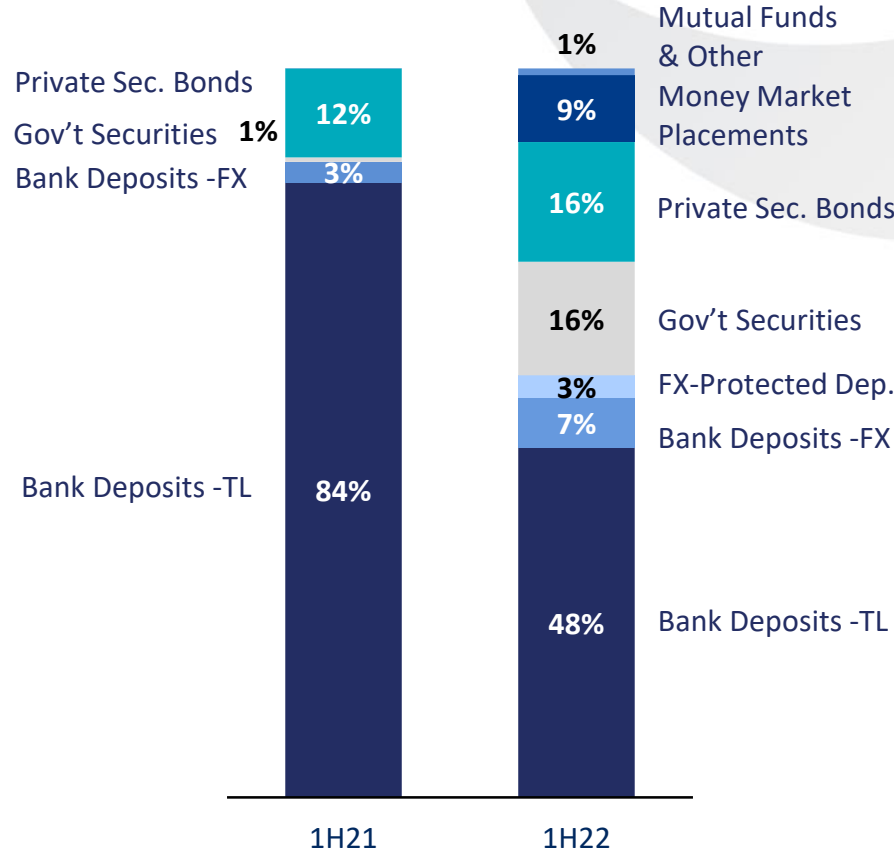
1H22, Net



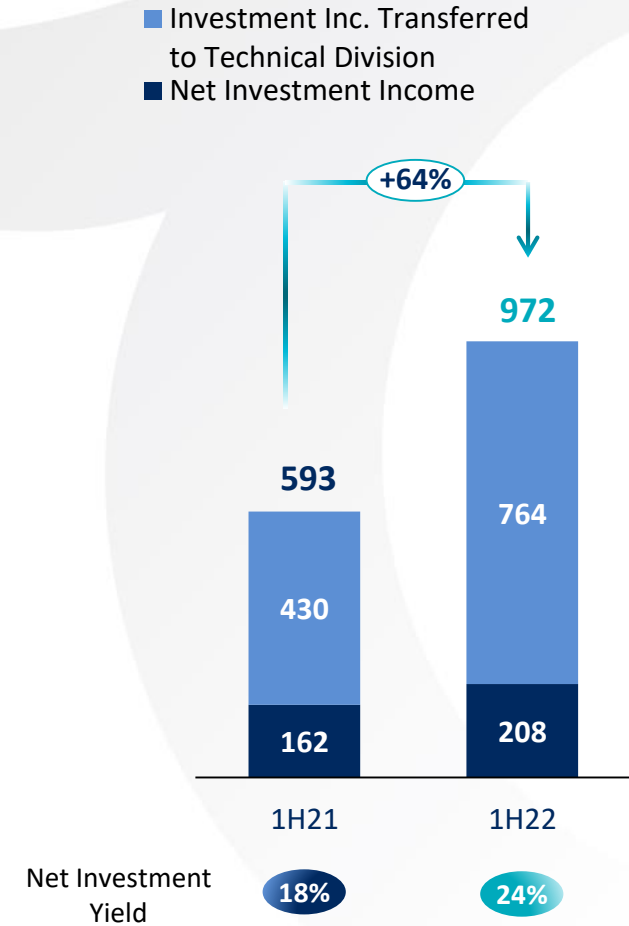
Assets Under Management Million ₺



AUM Breakdown

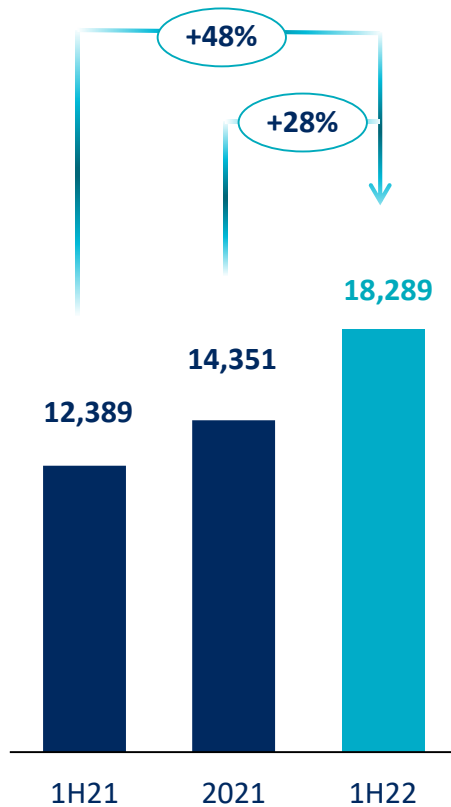


Total Investment Income Million ₺

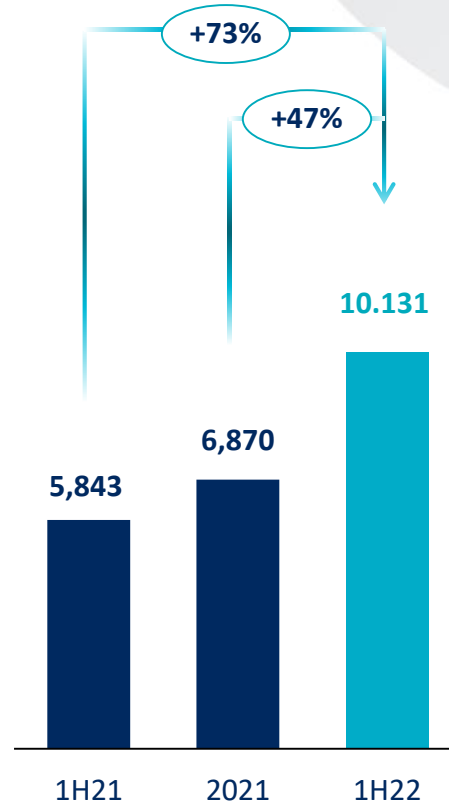


Summary P&L (million ₺)	1H21	1H22	YoY	
Technical Income	2,510	3,347	33%	
Earned Premiums (Net of Reinsurer Share)	1,960	2,522	29%	→ 2.3 bn ₺ unearned premium provisions on high premium production 550 mn ₺ total unexpired risk provision on high MTPL claims
Investment Income From Non-Technical Division	430	764	78%	
Other	120	62	-49%	
Technical Expenses	-1,701	-3,171	86%	
Claims Paid (Net of Reinsurer Share)	-1,007	-2,032	102%	→ Growing claims in especially motor and sickness/health branches
Change in Provision for Outstanding Claims	-280	-458	64%	→
Operating Expenses	-406	-670	65%	→ 56% increase in net commissions paid on growing premium production & 70% increase in personnel expenses
Other	-8	-11	32%	
Technical Profit/Loss	809	177	-78%	
Investment Income	841	1,520	81%	→ Higher FX gains and improving investment yield 90 mn ₺ dividend income from Life & Pension company
Investment Expenses	-679	-1,311	93%	→ Higher FX losses and investment income transferred to technical division
Income/Expense from Other Extraordinary Operations	-137	93	N.A.	→ Deferred Tax Asset impact arising from Unexpired Risk Provisions
Profit/Loss Before Tax	834	478	-43%	
Tax	-200	-163	-18%	→ 34% effective tax rate, inflated by Unexpired Risk Provisions
Net Profit	634	315	-50%	

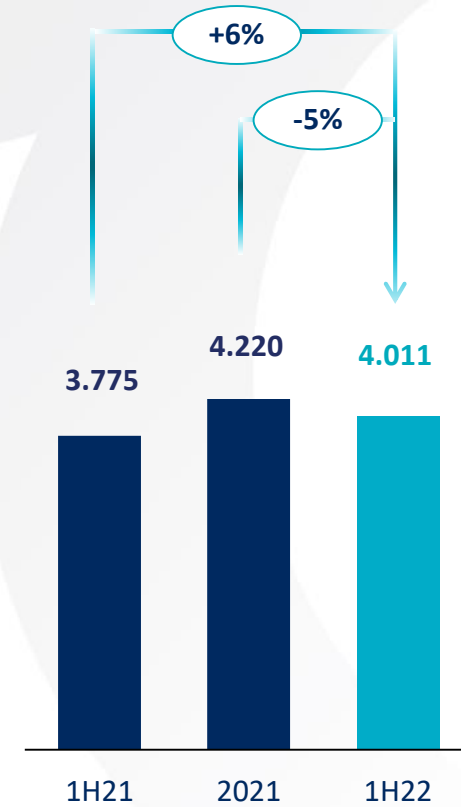
Total Assets Million ₺



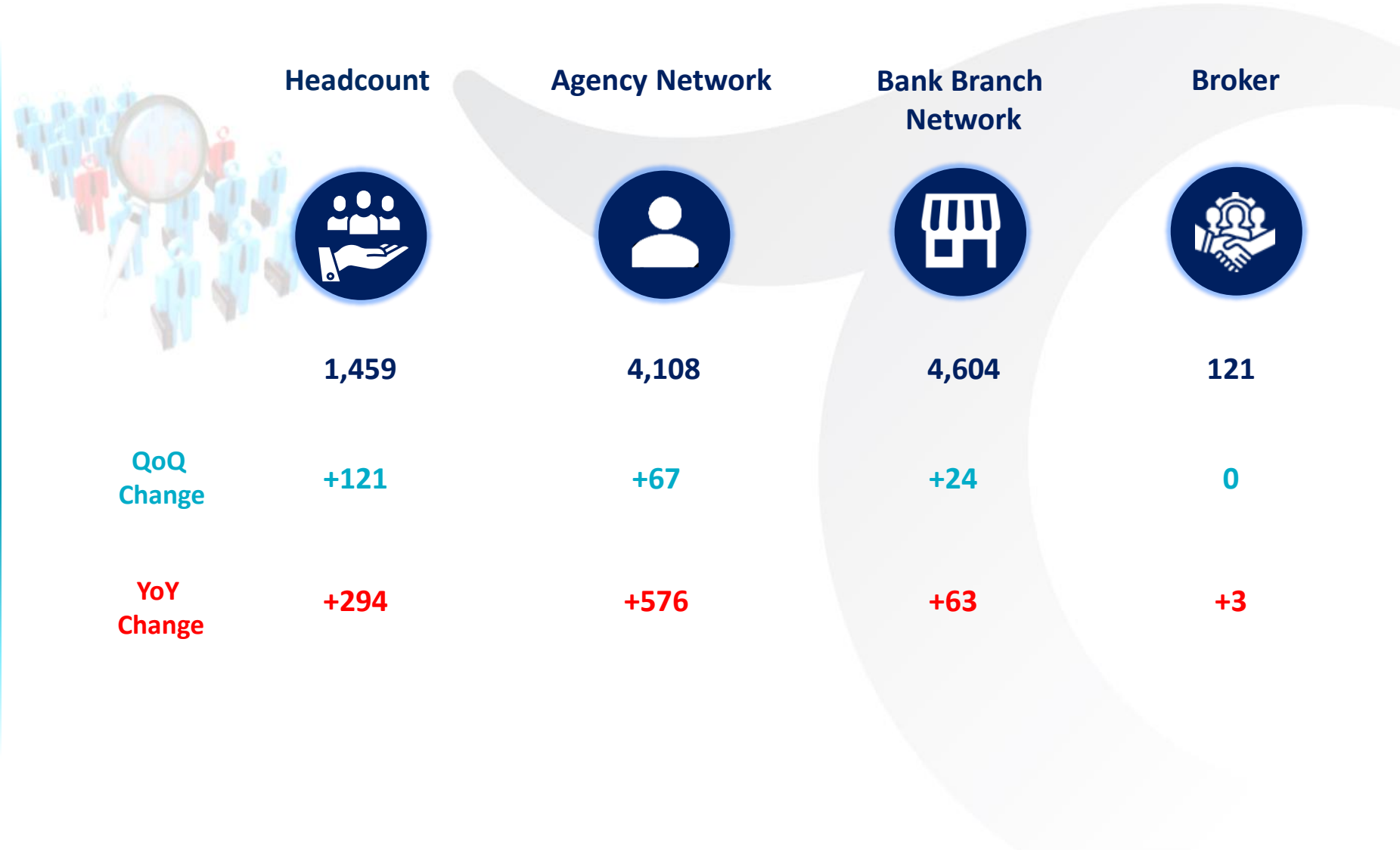
Total Reserves Million ₺



Shareholder's Equity Million ₺



- Operational since **1957**
- Market Leader** with **14.5%** share in total premium production
- Rebranded as Türkiye Sigorta** post-merger of 3 state-owned non-life insurers
- Serving **6.1 million** standalone customers

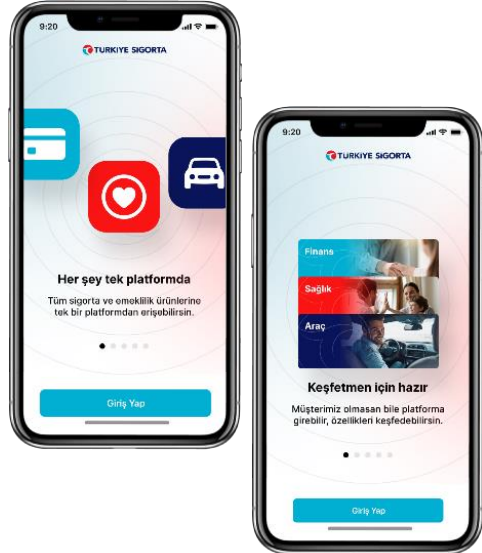


Strategy

Differentiating From Others

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

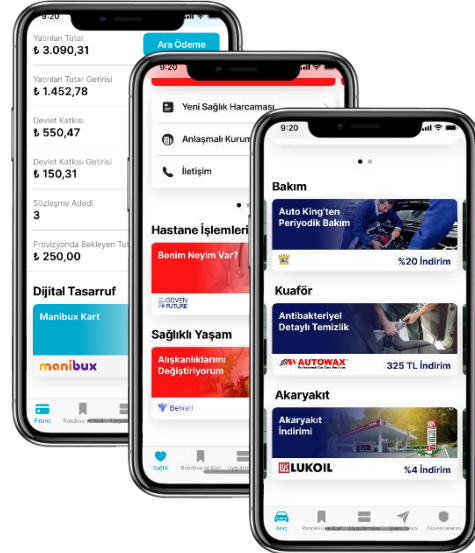
- Platform based business
- Superapp
- Non-cust. platform users



Business

Partnership

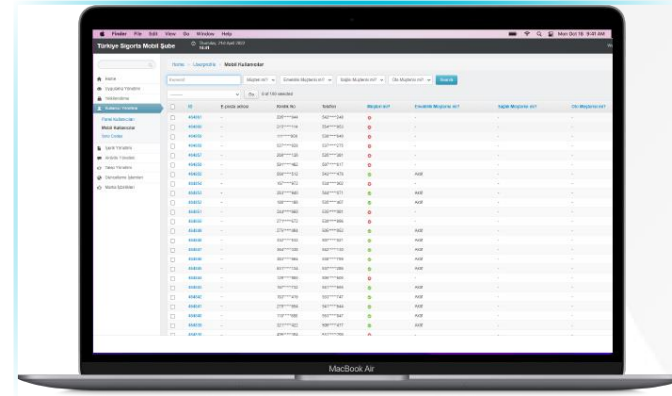
- 3 LoB (4th is on progress)
- 30+ partner
- 24+ category
- 90+ service
- 4 integration models
- 4 service models
- Higher benefit for both customers and partners



Numbers

0 to today

- +1M user
- 150k non-cust. user
- 30k non-ins. service request
- 10k lead with 32% hit ratio
- 15k non-ins. service usage
- 29% average benefit per customer (Total 2.04mTL)



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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GWP Production by Major Branches

Quarterly GWP Production Million ₺

Cumulative GWP Production Million ₺

Premium Production	Quarterly GWP Production					QoQ		Cumulative GWP Production					YoY
	2Q21	3Q21	4Q21	1Q22	2Q22		YoY	1H21	3M21	2021	3M22	1H22	YoY
General Losses	741	577	1,115	2,547	1,309	-49%	77%	2,222	2,800	3,914	2,547	3,855	73%
F&ND	486	506	726	865	902	4%	86%	989	1,495	2,221	865	1,767	79%
Accident	103	114	231	219	310	42%	201%	237	351	582	219	529	123%
MTPL	396	551	646	1,081	2,046	89%	416%	920	1,472	2,118	1,081	3,126	240%
MOD	216	285	372	400	609	52%	182%	469	754	1,126	400	1,009	115%
Sickness/Health	71	116	256	208	129	-38%	81%	247	362	618	208	337	37%
Other	142	154	686	349	272	-22%	92%	330	484	1,171	349	622	88%
Total	2,155	2,304	4,032	5,669	5,576	-2%	159%	5,414	7,718	11,750	5,669	11,246	108%

Technical Profit by Major Branches

Quarterly Technical Profit*

Million ₺

Cumulative Technical Profit*

Million ₺

Technical Profit	Quarterly Technical Profit*					QoQ		Cumulative Technical Profit*					YoY
	2Q21	3Q21	4Q21	1Q22	2Q22			1H21	3M21	2021	3M22	1H22	
General Losses	152	8	55	143	127	-11%	-17%	204	212	267	143	270	32%
F&ND	120	83	124	88	89	0%	-26%	200	283	407	88	177	-12%
Accident	89	95	152	128	137	7%	54%	163	258	410	128	266	63%
MTPL	-19	-97	-171	-24	-492	N.M.	N.M.	-31	-128	-299	-24	-517	N.M.
MOD	87	43	69	-5	44	N.A.	-49%	168	211	280	-5	39	-77%
Sickness/Health	22	19	11	-39	-92	134%	N.A.	73	92	103	-39	-131	N.A.
Other	17	10	87	39	34	-12%	97%	31	41	128	39	73	133%
Total	467	162	327	330	-153	N.A.	N.A.	809	970	1,297	330	177	-78%

*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		
	1H21	2021	1H22	1H21	2021	1H22	1H21	2021	1H22	1H21	2021	1H22
General Losses	52.1%	62.3%	54.4%	13.2%	17.3%	13.7%	-7.0%	-10.1%	-10.6%	58.4%	69.6%	57.5%
F&ND	33.1%	38.6%	49.4%	19.8%	22.7%	23.2%	-0.3%	1.6%	2.8%	52.6%	62.9%	75.4%
Accident	7.3%	4.5%	0.7%	7.1%	8.8%	7.8%	32.9%	38.1%	37.5%	47.3%	51.4%	46.0%
MTPL	118.9%	137.1%	249.2%	9.1%	9.0%	16.8%	6.4%	7.0%	18.9%	134.4%	153.1%	284.9%
MOD	61.3%	74.0%	89.5%	8.5%	9.5%	10.5%	15.2%	16.0%	14.7%	84.9%	99.5%	114.7%
Sickness/Health	62.7%	73.6%	115.0%	11.2%	15.5%	19.7%	15.9%	14.0%	9.5%	89.8%	103.1%	144.2%
Total	65.7%	75.9%	98.7%	11.5%	13.4%	15.4%	9.2%	9.9%	11.2%	86.4%	99.3%	125.3%

Summary Balance Sheet

Balance Sheet, Million ₺	1H21	1H22	Share (%)	YoY Change
Cash and Cash Equivalents	6,337	6,914	38%	9%
Receivables from Main Operations	2,762	4,182	23%	51%
Financial Assets	2,174	5,178	28%	138%
Tangible and Intangible Assets	295	433	2%	47%
Other Assets	821	1,603	9%	95%
TOTAL ASSETS	12,389	18,310	100%	48%
Financial Liabilities	16	14	0%	-12%
Payables Arising from Main Operations	1,828	2,668	19%	46%
Technical Provisions	5,843	10,131	71%	73%
Other Liabilities	926	1,485	10%	60%
TOTAL LIABILITIES	8,614	14,299	100%	66%
Paid in Capital	1,162	1,162	6%	0%
Capital and Profit Reserves	1,979	2,534	14%	28%
Accumulated Profit/Losses	0	1	0%	N.A.
Net Profit/Loss for the Period	634	315	2%	-50%
TOTAL EQUITY	3,775	4,011	22%	6%
TOTAL EQUITY AND LIABILITIES	12,389	18,310	100%	48%

Ratios	1H21	1H22
ROAA	10.8%	3.9%
ROAE	35.1%	15.3%

Summary Income Statement

Income Statement, Million ₺	1H21	1H22	YoY Change
Gross Written Premiums	5,414	11,246	108%
Technical Balance (Technical Profit)	809	177	-78%
Earned Premiums (Net of Reinsurer Share)	1,960	2,522	29%
Incurred Losses (Net of Reinsurer Share)	-1,287	-2,490	93%
Other Technical Income&Expenses (Net of Reinsurer Share)	112	51	-55%
Financial Income - Transferred from Non-Technical Section	430	764	78%
Operating Expenses	-406	-670	65%
Financial Profit	162	208	28%
Financial Income	841	1,520	81%
Financial Expenses	-679	-1,311	93%
Income and Expenses From Other Operations	-137	93	N.A.
Tax	-200	-163	-18%
Net Profit/Loss	634	315	-50%

Ratios	1H21	1H22
Retention Ratio %	40%	48%
Net Loss Ratio %	66%	99%
Net Commission Ratio %	9%	11%
Net Expense Ratio %	12%	15%
Net Combined Ratio %	86%	125%

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