

Aksigorta Released Its Fiscal Year 2002/6 Results Prepared in Accordance with Turkish GAAP Standards

Business of the Company

Established in 1960 in İstanbul, Aksigorta is one of the leading companies in non-life insurance sector in Turkey with 13.4% market share at the end of 1Q02 compared with 8.3% at YE01. The Company is the largest Turkish non-life insurance company based on equity as of the end of 2001. At the end of 1995, Aksigorta stopped operating in the life business with the establishment of the life insurance company, Akhayat in which it has a 26% interest. Today, the Company still holds the life portfolio of its former customers. Currently, the Company's organization is composed of 1,486 agents, of which 884 are independent and 602 are Akbank branches.

Financial Overview

According to the 2Q02 results, premium size reached TL 139,432 billion (USD 101 million) as of June 30, 2002, registering a 88% increase from 2Q01. The main drivers of increase are; customers' flight to quality and security, adding major corporate accounts such as Botaş and Petkim to customer portfolio and successful preservation of existing customers. Net operational profitability of the company is preserved at 4.7%. Aksigorta increased the equity to TL 142,137 billion (USD 91 million) showing a 56% increase compared to 2Q01.

Balance Sheet

Marketable Securities

The securities reached to TL 94,840 billion (USD 60 million) with an increase 201% compared to 2Q01. The share of the securities in total assets is 34% as of 2Q02, as opposed to 15% in 2Q01. The main reason of the increase in marketable securities in 2Q02 is the transfer of the cash from banking deposits in 2Q01 to repos in 2Q02.

Receivables

The receivables reached to TL 70,152 billion (USD 45 million). The premium receivables from insureds to premium written ratio is 49%, showing a decrease compared to 54% in 2Q01. The increase in receivables is parallel to the increase in premiums received.

Participations

Participations increased by 54% and reached TL 74,901 billion (USD 48 million) on June 30, 2002, from TL 48,729 billion (USD 39 million) in 2Q01. Due to capital increase of Akbank after 2Q01 and capital increases in Akhayat and Tamsa, participations increased by 54%.

Reserves

In parallel to the increase in premiums received reserves increased by 62%. Due to a change in accounting technic the taxes are included in 2Q02 free reserves figure, so free reserves increased by 612%.

Other Liabilities

Dividend receivables are included in 2Q01 figures, so there is a 81% decrease in 2Q02 compared with 2Q01.

Equity

Equity increased by 56% to TL 142,137 billion (USD 91 million) as of June 30, 2002 compared to TL 91,328 billion (USD 73 million) in 2Q01. In May 31,2002, paid in capital increased to TL 67,500 billion (USD 43 million) from TL 33,750 billion (USD 27 million) through cash and bonus shares.

BALANCE SHEET AS OF JUNE 30, 2002

Assets

(Billion TL)	2001Q2	2002Q2	% Change
Cash Values	52.585	9.621	-81,7
Marketable Securities	31.490	94.840	201,2
Accounts Receivables	40.749	70.152	72,2
Rec. in the Adm. & Legal Coll. Process	471	1.109	135,5
Participations	48.729	74.901	53,7
Fixed Assets	12.675	18.306	44,4
Other Assets	28.512	10.847	-62,0
Total Assets	215.211	279.776	30,0

Liabilities

(Billion TL)	2001Q2	2002Q2	% Change
Accounts Payable	32.907	38.271	16,3
Reserves	50.520	81.988	62,3
<i>Technical Reserves</i>	48.907	70.497	44,1
<i>Free Reserves</i>	1.613	11.491	612,4
Other Liabilities	12.735	2.362	-81,5
Shareholders' Equity	91.328	142.137	55,6
<i>Paid in Capital</i>	33.750	67.500	100,0
Profit	27.721	15.018	-45,8
Total Liabilities	215.211	279.776	30,0

Note : Average Turkish Central Bank buying rates are used for income statement figures, whereas second quarter ends rates are used for balance sheet figures.

	2Q01	2Q02
Period-End TL/\$	1,252,773	1,569,143
Average TL/\$	987,354	1,381,233

▪ **Income Statement**

Premium size reached TL 139,432 billion (USD 101 million) from TL 74,144 billion (USD 75 million) as of June 30, 2002, registering a 88% increase from 2Q01. The main drivers of increase are customers' flight to quality and security, adding major corporate accounts such as Botaş and Petkim to customer portfolio and successful preservation of existing customers.

Technical income increased by 69% and reached to TL 14,387 billion (USD 10 million) and technical income to total premium written ratio is 10.3% in 2Q02. Despite an unfavourable economic year, net operational profitability of the company preserved at 4.7%.

Net financial income decreased to TL 17,508 billion (USD 13 million) on June 30, 2002, from TL 35,130 billion (USD 36 million) in 2Q01. The main reason for the decrease in net financial income is the fact that Akbank did not distribute any dividends as of June 30, 2002 compared with TL 12,419 billion (USD 13 million) amount in 2001.

Due to a decrease in net financial income, net profit recorded as TL 15,018 billion (USD 11 million) shows a 46% drop compared to 2Q01.

INCOME STATEMENT

(Billion TL)	2001Q2	2002Q2	% Change
Technical Income	158.547	324.501	104,7
<i>Premium Received</i>	74.144	139.432	88,1
<i>Commissions Received,</i>	9.112	18.495	103,0
<i>Reinsurers' Share in Losses Paid</i>	18.211	39.833	118,7
<i>Technical Reserves Carried Forward (Net)</i>	33.416	45.877	37,3
<i>Reinsurers' Share in Technical Reserves Allocated</i>	21.169	74.546	252,1
<i>Other Income</i>	2.495	6.318	153,2
Technical Expenses	150.043	310.114	106,7
<i>Premium Paid to Reinsurers</i>	44.199	98.729	123,4
<i>Commissions Paid</i>	8.699	14.321	64,6
<i>Losses Paid</i>	36.104	67.332	86,5
<i>Technical Reserves Allocated</i>	60.983	129.363	112,1
<i>Other Expenses</i>	58	369	536,2
Technical Profit	8.504	14.387	69,2
General Expenses	5.026	7.854	56,3
Financial Income	47.368	30.185	-36,3
Financial Expenses	12.238	12.677	3,6
Profit Before Tax	38.608	24.041	-37,7
Tax	10.887	9.023	-17,1
Net Profit	27.721	15.018	-45,8

FINANCIAL RATIOS

(%)	2001Q2	2002Q2
Retention Ratio	40,4	29,2
Losses Paid / Premium Received	48,7	48,3
Technical Profit Margin	11,5	10,3
General Expenses / Premium Received	6,8	5,6
Net Technical Profit Margin	4,7	4,7
Securities Portfolio / Total Assets	14,6	33,9
Technical Reserves / Total Liabilities	22,7	25,2
Premiums Received / Total Assets	34,5	49,8
Total Payables / Total Liabilities	15,3	13,7
Net Financial Income / (Net Financial Income + Tech. Income)	80,5	54,9
Net Margin	37,4	10,8
ROA	12,9	5,4
ROE	30,4	10,6

▪ **Sectoral Developments**

The capital requirement for insurance and reinsurance companies is increased to TL 8 Trillion (USD 5 million) in July 23, 2002.

▪ **Recent Developments**

Aksigorta has completed the Bank-Assurance project with Akbank in July 1999. The aim of this project is to increase the share of Akbank branches in total premium production through increasing the policies for individuals, which is a more profitable line. Four new products in fire and accident insurance branches have been launched in addition to the existing ones which are easy-to-sell and easy-to-write. All of the products are currently being utilised in all Akbank branches, and all Akbank branches are connected real time on-line to Aksigorta's headquarters.

Aksigorta is also improving the existing conventional agency channel through bonus plans with predetermined objectives and by increasing the number of independent agents.

At the end of 2001, 50 new customer representatives were employed to give service to free agencies to improve customer focus.

Aksigorta has a strong balanced presence in all the main branches. The two major government accounts, Botaş and Petkim, were added to the customer potfolio.

The web site was, restructured to give better services for customers and agencies, put into effect at the end of June 2002.

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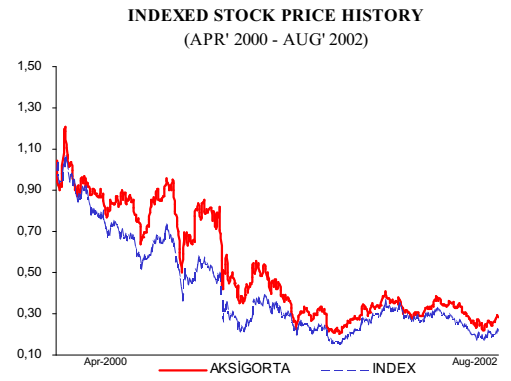
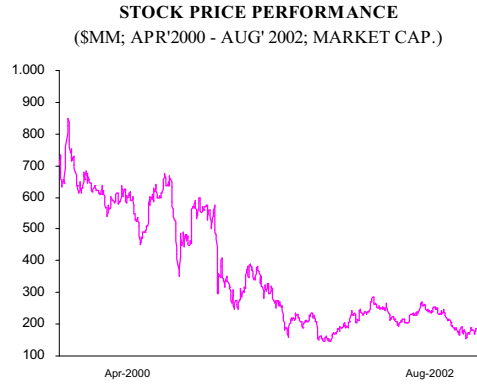
▪ **Outlook**

The "call center" will be operational in October 2002 (currently only informative).

With its financial strength, name recognition, experienced management team and sophisticated underwriting policy, advanced and efficient operational technologies, Aksigorta has the necessary competitive advantages to be the leader in the Turkish non-life sector.

Stock Market Performance

MARKET CAPITALIZATION :	\$199,2 MILLION <i>As of 06.08.2002</i>
NUMBER OF SHARES:	67.500.000.000
OWNERSHIP STRUCTURE:	
H.Ö. Sabancı Holding	57,4%
Akbank Pension Fund	8,5%
Free Float	34,1%



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