

Aksigorta Earnings Call Presentation – Q4'18

08/02/2019

1. Aksigorta Financials (in TFRS)

2. What are the Risks & Opportunities?

3. Future Guidance

4. Appendix

2018 Q4 – Aksigorta Scorecard

2018 Q4 – FINANCIAL INDICATORS (Mn TL)

971 Gross Written Premiums	 10% (YoY)	62 Net Income	 52% (YoY)	718 Shareholders' Equity	 14% (YoY)	3.515 Total Assets	 27% (YoY)	126 Financial Income	 129% (YoY)
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2018 Q4 – OPERATIONAL RATIOS

59% Premium Retention Ratio	 -4 pp (YoY)	87% Loss Ratio (Net)	 18 pp (YoY)	108% Combined Ratio (Net)	 10 pp (YoY)	34% Return on Equity (ROE)	 9 pp (YoY)
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2018 YE - SUMMARY

202mTL* Dividend Proposal	 83% (YoY)	89% Pay-out Ratio	 2 pp (YoY)
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*202 M TL is not the official amount, it will be proposed to the approval of General Assembly.

2018 Year End – Aksigorta Scorecard

2018 Year End – FINANCIAL INDICATORS (Mn TL)

3.417 Gross Written Premiums	 30% (YoY)	228 Net Income	 79% (YoY)	718 Shareholders' Equity	 14% (YoY)	3.515 Total Assets	 27% (YoY)	324 Financial Income	 96% (YoY)
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2018 Year End – OPERATIONAL RATIOS

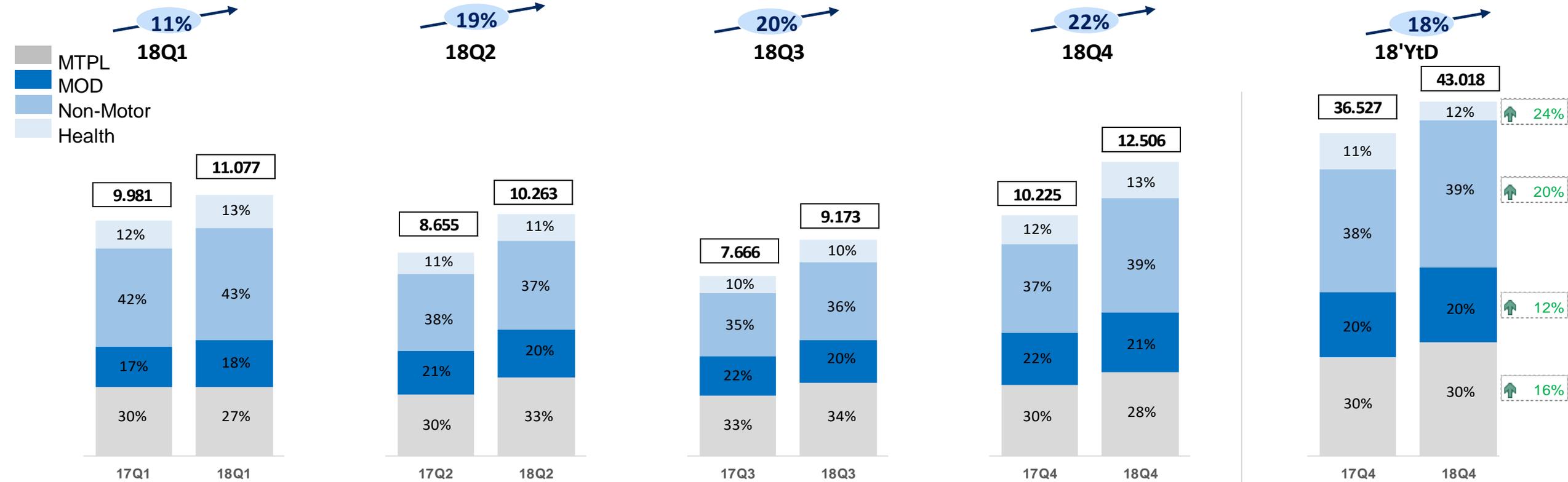
57% Premium Retention Ratio	 0 pp (YoY)	76% Loss Ratio (Net)	 7 pp (YoY)	100% Combined Ratio (Net)	 2 pp (YoY)	34% Return on Equity (ROE)	 9 pp (YoY)
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2018 YE - SUMMARY

202mTL* Dividend Proposal	 83% (YoY)	89% Pay-out Ratio	 2 pp (YoY)
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Market is growing in low penetrated products such as non motor & health



	YoY	Portfolio
	Growth	Share
Agency	9%	64%
Bank	16%	17%
Corporate	13%	18%

	YoY	Portfolio
	Growth	Share
Agency	16%	69%
Bank	26%	15%
Corporate	21%	16%

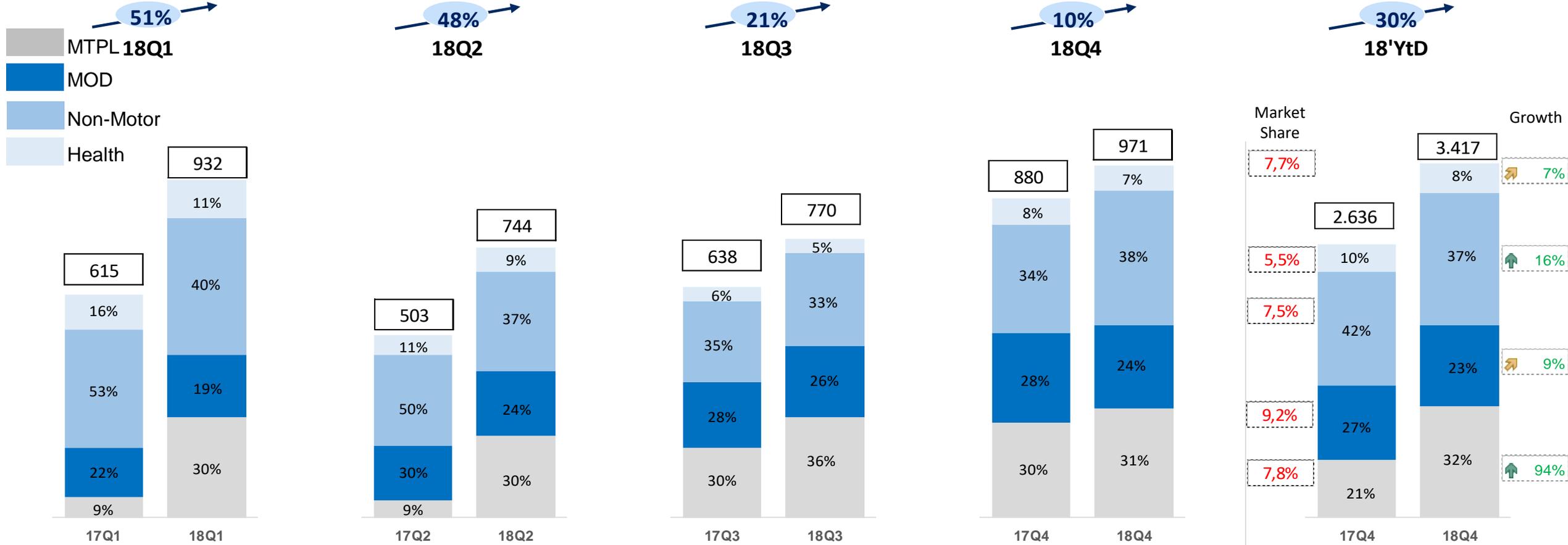
	YoY	Portfolio
	Growth	Share
Agency	15%	69%
Bank	14%	13%
Corporate	46%	18%

	YoY	Portfolio
	Growth	Share
Agency	18%	66%
Bank	19%	14%
Corporate	44%	20%

	YoY	Portfolio
	Growth	Share
Agency	15%	67%
Bank	19%	15%
Corporate	30%	18%

Retroceded premiums from pools are excluded above.
As of December 2018, there is 2,96 Billion TL retroceded premiums in the market.

Aksigorta's premium production increased by 30% YoY

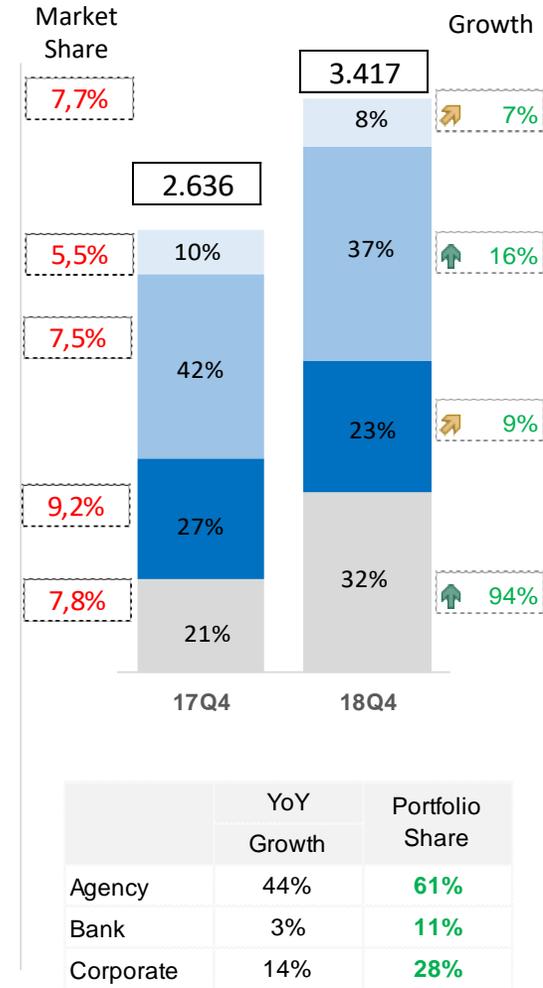


	YoY Growth	Portfolio Share
Agency	96%	57%
Bank	8%	10%
Corporate	16%	33%

	YoY Growth	Portfolio Share
Agency	78%	62%
Bank	11%	13%
Corporate	11%	25%

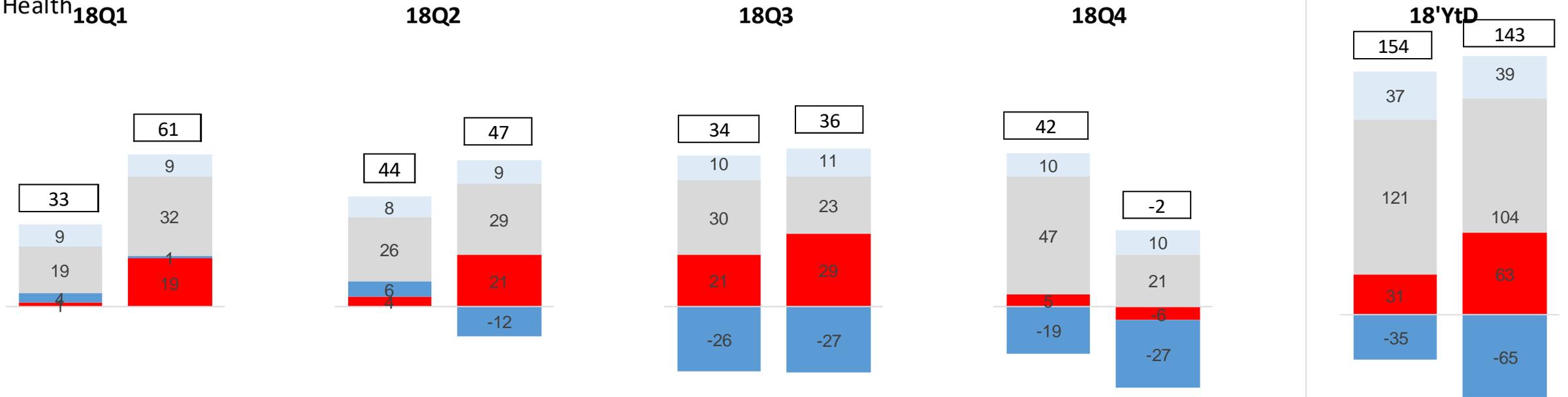
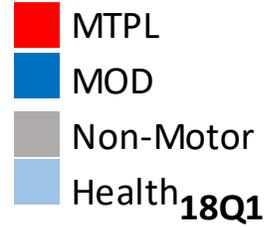
	YoY Growth	Portfolio Share
Agency	27%	64%
Bank	-1%	10%
Corporate	19%	26%

	YoY Growth	Portfolio Share
Agency	14%	62%
Bank	-4%	11%
Corporate	10%	27%



Topline growth and sustainable UW margins bring higher UW results

UWR Business Mix (Mn TL)



17Q1		18Q1	
UWM			
MTPL	MOD	Non Motor	Health
14%	1%	39%	42%
Agency	Bank	Corporate	Company
11%	31%	17%	15%

17Q2		18Q2	
UWM			
MTPL	MOD	Non Motor	Health
12%	-7%	34%	43%
Agency	Bank	Corporate	Company
4%	25%	42%	11%

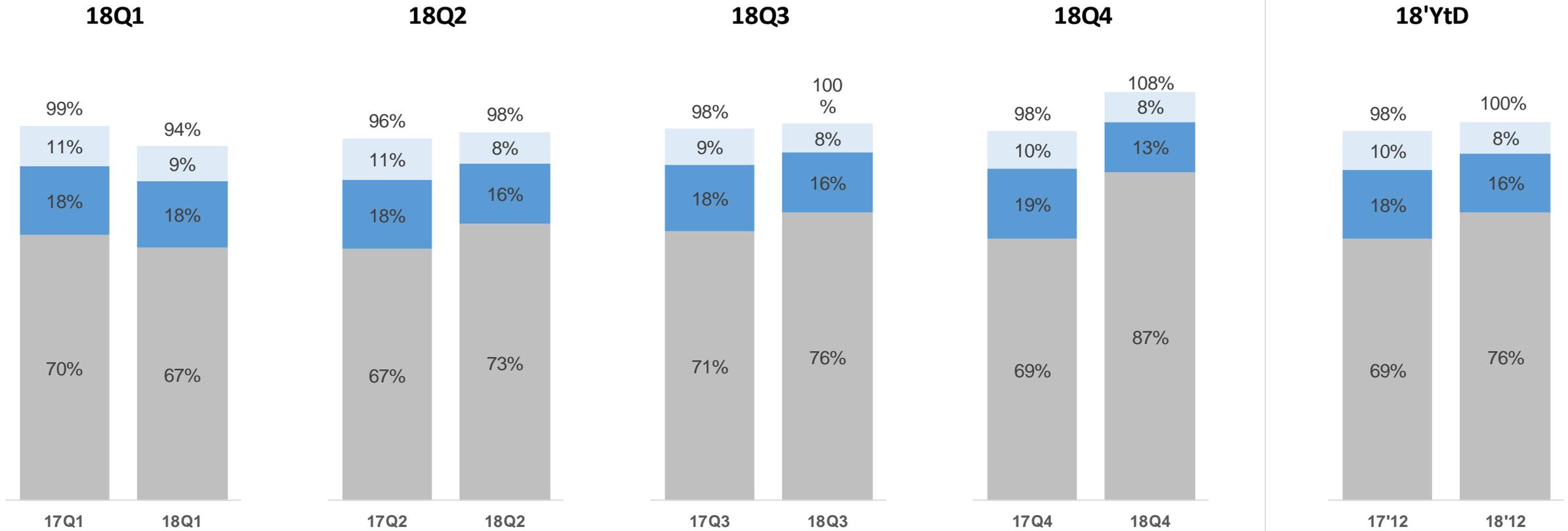
17Q3		18Q3	
UWM			
MTPL	MOD	Non Motor	Health
15%	-16%	27%	50%
Agency	Bank	Corporate	Company
1%	24%	12%	8%

17Q4		18Q4	
UWM			
MTPL	MOD	Non Motor	Health
-3%	-16%	24%	48%
Agency	Bank	Corporate	Company
-2%	31%	8%	0%

17'12		18'12	
UWM			
MTPL	MOD	Non Motor	Health
9%	-10%	31%	46%
Agency	Bank	Corporate	Company
3%	28%	20%	8%

Combined ratio is 100% as of 2018 year end

Combined Ratio	
Loss R	
Commission R	
Expense R	



As of Dec'2018, AUM reached to 2.029mTL with 37% increase YoY

- ◆ Time Deposit
- ◆ Eurobond
- ◆ Corporate Bond
- ◆ Government Bond
- ◆ Equities

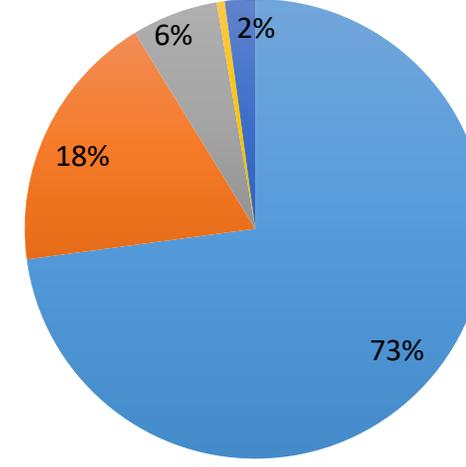
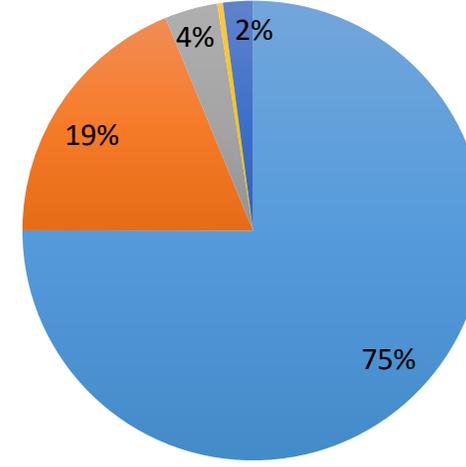
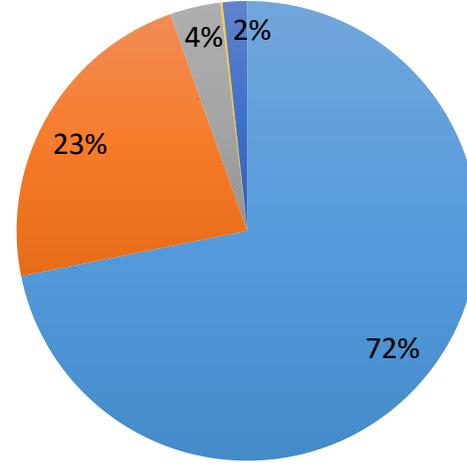
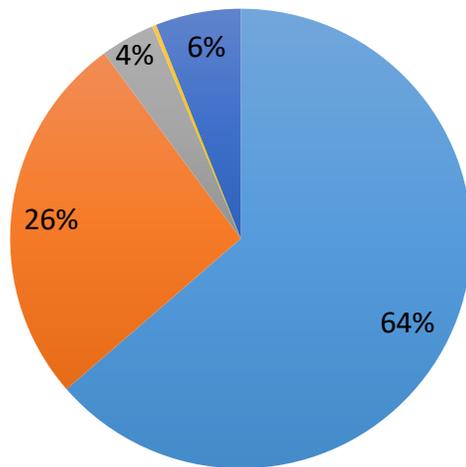
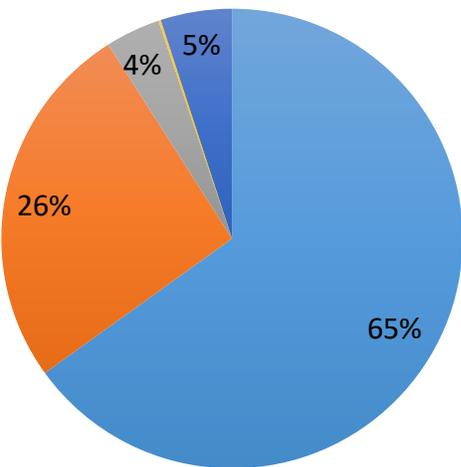
December'17

March'18

June'18

September'18

December'18



17Q4

18Q1

18Q2

18Q3

18Q4

AUM (mTL)	1.486
Average Yield	15%
Quarterly Financial Income (mTL)	55

AUM (mTL)	1.574
Average Yield	13%
Quarterly Financial Income (mTL)	51

AUM (mTL)	1.744
Average Yield	18%
Quarterly Financial Income (mTL)	75

AUM (mTL)	1.948
Average Yield	16%
Quarterly Financial Income (mTL)	72

AUM (mTL)	2.029
Average Yield	25%
Quarterly Financial Income (mTL)	126

Strong Financial Results, +30% ROE

Profit & Loss	17Q4	18Q1	18Q2	18Q3	18Q4	17'12	18'12	18'12/ 17'12
GWP	880	932	744	770	971	2.636	3.417	29,7%
NEP	351	397	442	471	492	1.242	1.803	45,2%
UWR	42	61	47	36	-2	154	143	-7,2%
Expenses	-35	-37	-37	-36	-39	-127	-148	-16,4%
Financial Income	55	51	75	72	126	165	324	95,5%
PBT	50	67	58	90	80	158	294	85,9%
Net Profit	41	51	45	69	62	127	228	79,2%
Capital Adequacy	137%	113%	121%	129%	131%	137%	131%	-6,2pp

Balance Sheet	17Q4	18Q1	18Q2	18Q3	18Q4	18Q4/ 17Q4
Receivables	974	1.083	1.037	1.041	1.156	18,6%
AUM	1.486	1.574	1.743	1.948	2.029	36,6%
Total Assets	2.758	2.991	3.102	3.305	3.515	27,5%
Reserves	1.537	1.646	1.707	1.837	1.994	29,8%
Payables	462	610	610	587	642	38,9%
Equity	629	571	616	683	718	14,1%
Total Liabilities	2.758	2.991	3.102	3.305	3.515	27,5%
RoE	25%	31%	30%	33%	34%	9,2pp

Quarterly and 2018 YE CARs are not final figures but shown for representative purposes.

TFRS vs IFRS: Discounting of O/S claims is the major difference between two ledgers

as of Dec ' 2018	Equity	YtD P&L Adjust
<i>Million TL</i>		
TFRS Result	718,0	227,7
Equalization Reserve	82,3	11,8
Unexpired Risk Reserve	20,7	20,2
Unallocated Loss Adjustment Expenses	-13,6	-4,2
Discounting of outstanding claims	-178,4	-46,4
Deferred Tax	17,3	4,1
IFRS Result	646,3	213,2

1. *Aksigorta Financials (in TFRS)*
2. **What are the Risks & Opportunities?**
3. *Future Guidance*
4. *Appendix*

Risks & opportunities are factored in our year-end guidance

Risks

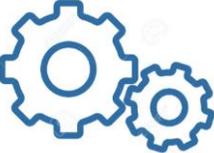
- Downsizing economy limits insurance growth
- Decreasing new vehicle and mortgaged home sales, pressuring retail segment
- Increase in average premium, not alligned with claim costs increase which affects the profitability
- Natural disasters due to climate change (e.g.: hail and flood, EQ etc.)
- Possible Churn in individual segments due to cut off spendings

Opportunities

- Higher interest rates bringing higher financial income
- Higher premiums and improved UW Margin with the introduction of new products
- Efficient cost management

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2019 targets are...



18-20% growth in GWP



35%-40% increase in Net Profit



... aligned with long term ambition

1B \$

Market Cap

+2pp

Market Share

95%

Combined Ratio
(Net)

30+%

Return on Equity
(ROE)

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Summary Financial Statements in IFRS

Profit & Loss	17Q4	18Q1	18Q2	18Q3	18Q4	17'12	18'12	18'12/ 17'12
GWP	880	932	744	770	971	2.636	3.417	29,7%
NEP	351	397	442	471	492	1.242	1.803	45,2%
UWR	39	55	37	22	9	167	124	-25,6%
Expenses	-35	-37	-37	-36	-37	-127	-146	-15,0%
Financial Income	55	51	75	72	126	165	324	95,5%
PBT	46	61	48	76	90	171	275	60,8%
Net Profit	38	47	37	56	73	137	213	55,9%
Capital Adequacy	137%	113%	121%	129%	131%	137%	131%	-6,2pp

Balance Sheet	17Q4	18Q1	18Q2	18Q3	18Q4	18Q4/ 17Q4
Receivables	961	1.069	1.018	1.026	1.142	18,8%
AUM	1.486	1.574	1.743	1.948	2.029	36,6%
Total Assets	2.771	3.005	3.119	3.325	3.535	27,6%
Reserves	1.607	1.722	1.793	1.937	2.083	29,6%
Payables	403	555	568	513	528	31,0%
Equity	572	509	547	602	646	13,0%
Total Liabilities	2.771	3.005	3.119	3.325	3.535	27,6%
RoE	27%	31%	28%	32%	35%	7,6pp

Quarterly and 2018 YE CARs are not final figures but shown for representative purposes.

Capital Adequacy

	Dec'17	Mar'18	Jun'18	Sep'18	Dec'18	
Required Capital	510	571	573	588	611	Main drivers:
Asset risk	225	258	241	233	237	by asset size
RI risk	45	46	46	46	46	by re-insurance portfolio
Reserve risk	46	49	55	63	68	by growth
Uw risk	188	212	230	244	249	by growth
Fx risk	5	6	1	2	11	by fx exposure
Available Capital	700	644	692	761	800	
Free Capital (over 100% CAR)	190	73	119	172	189	
Dividend Distribution		-111				
Generated Free Capital (Last Quarter Basis)	-21	-116	46	54	17	
Capital Adequacy Ratio	137%	113%	121%	129%	131%	

Quarterly and 2018 YE CARs are not final figures but shown for representative purposes.

THANKS

Presented by
AKSIGORTA Investor Relations Team,
February 2019