



Presentation to Investors H1 2023 Earning Release

8 August 2023

Key Financial Results



★ AgeSA strengthened its **leadership** in both **Pension AuM** and **Life & PA premium production** among private companies thanks to significant growth across all channels and product lines.

★ AgeSA net profits grew significantly due to pension and credit life technical profits and financial income despite inflationary pressures on personnel and general expenses.

H1 Performance

- **#1 position among private companies** in Private Pension AuM; with 19.0% total market share as of June 2023
- **#1 position among private companies** in Total Life & PA GWP; with 12.4% total market share as of June 2023
- **Significant net profit growth** both in terms of Management Reporting and SFRS with 78% and 70% yoy increase respectively, due to higher financial income and the increase in technical profit
- **150 mTL dividend** has been paid in March
- **Share buyback program** is launched in April. The term of the buyback program is 3 years. The maximum amount of funds to be used within the program is 750m TL. As of H1, 575k shares were bought with an average price of 28,28 TL

Strengthened fundamentals

- **Strong and exclusive bancassurance** partnership with Akbank
- **Accelerated growth** with strengthened base of **DSF**
- **More Diversified Product Portfolio** with a New Savings Product
- Continued investments on **digital, analytics and customer** capabilities
- **Synergies with Aksigorta** both for topline and operational excellence areas
- **Regulatory appetite** for the growth of both pension and life business supported by incentives
- **Strong Shareholder Structure** that mixes local expertise and international know how

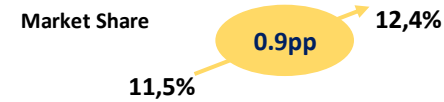
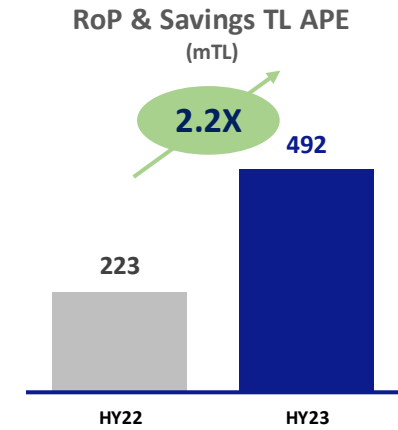
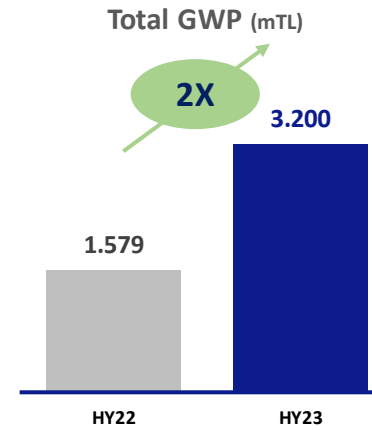
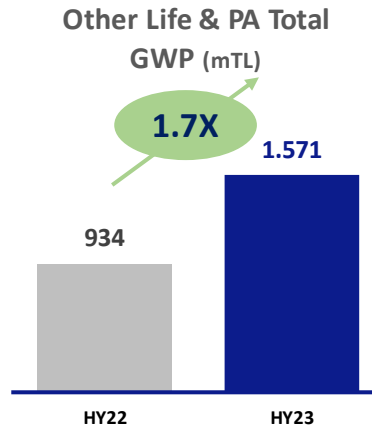
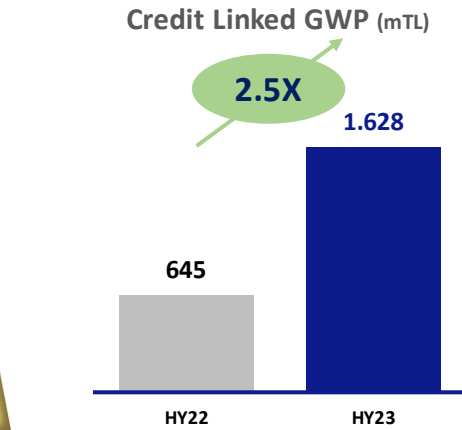
Future

- Providing new solutions for ageing population
- Health insurance synergies with Sabancı Ageas Sağlık A.Ş.
- Sustainability at the heart of business to build a better future
- Future of work and cultural transformation
- End to end **IT transformation** with a particular focus on new technologies

Evolution of Our Performance

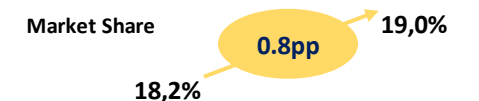
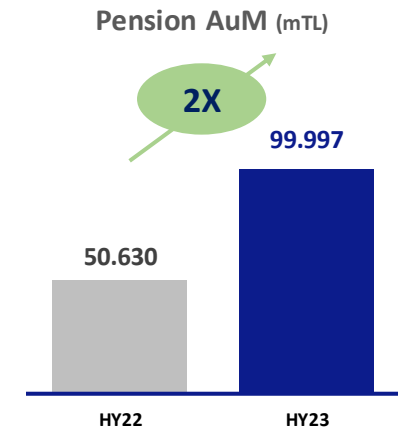
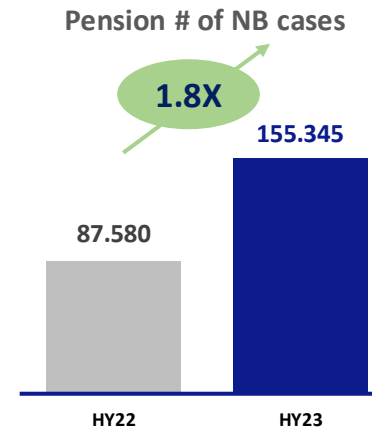
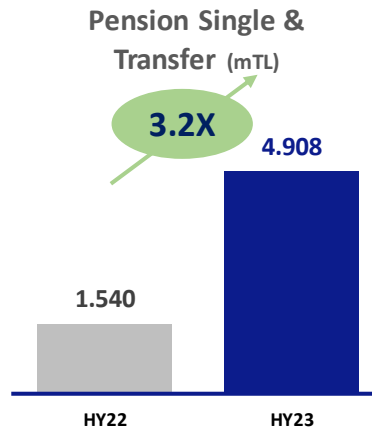
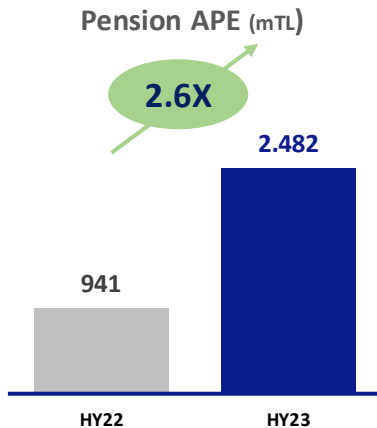
Life Business

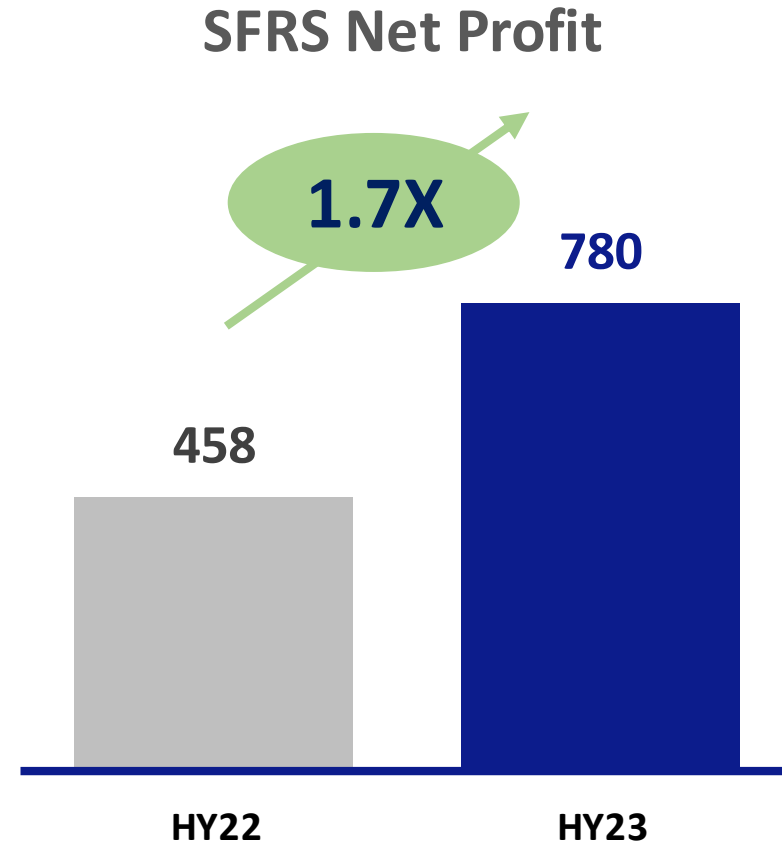
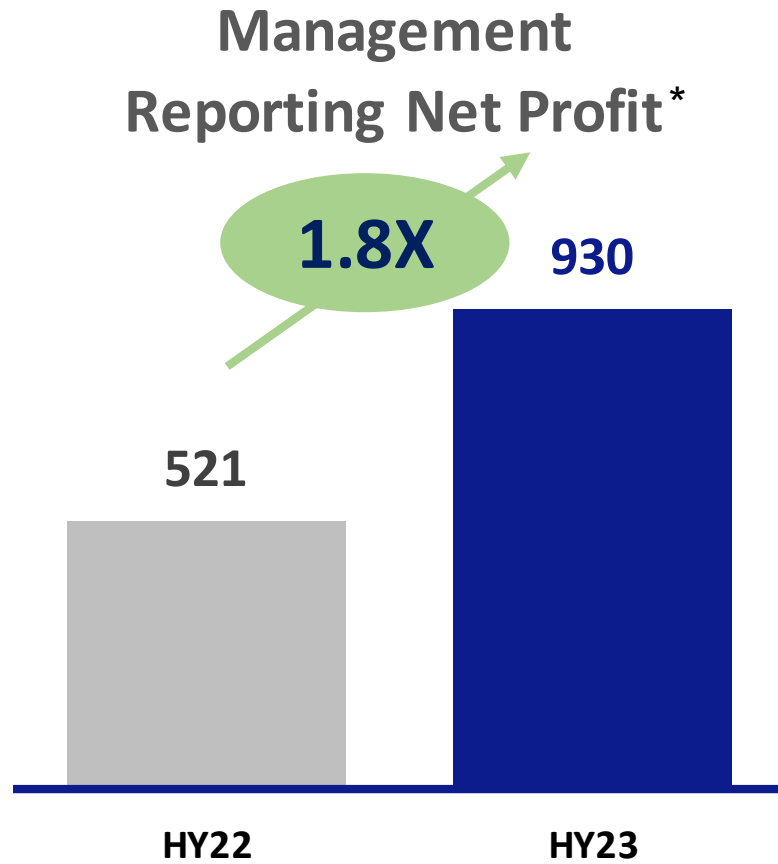
#1 in Total Life & PA GWP
#2 in Credit Linked GWP
 (as of May)
 (exc. Türkiye)



Pension Business

#1 in Pension AUM
 (exc. Türkiye)





A Story of Solid Profitable Growth



	2018	2022	CAGR 2018-22	H1 2023	YoY 2022-23	
Pension AUM (inc AE)	17.3 bTL	75.6 bTL	45%	103.5 bTL	97%	Leadership among private companies' Pension and AE AUM
Total GWP (Life+PA)	565 mTL	3.717 mTL	60%	3.200 mTL	103%	Leadership among private companies' Total Life&PA GWP Success of strong growing RoP&New savings portfolio and credit life product
Total Technical Profit ⁽¹⁾	484 mTL	1.936 mTL	41%	1.401 mTL	62%	Strong growth resulting from high profitability in life and pension scalability
Net Technical Profit ⁽¹⁾	191 mTL	784 mTL	42%	488 mTL	29%	Increase in net technical profit resulting from high technical profitability and controlled expenses against high inflation
Expense Ratio ^(1,2)	51,5%	45,4%	-1,5 pts	42,6%	0,8 pts	Expense ratio increased mainly due to inflation adjustments to salaries
Profit for the Period (Management Reporting) ⁽¹⁾	213 mTL	1.127 mTL	52%	930 mTL	78%	Strong performance thanks to financial income increase due to f/x income and technical income increase
Profit for the Period (SFRS)	191 mTL	875 mTL	46%	780 mTL	70%	Significant increase in SFRS Profit , due to higher financial income despite lower net technical profit regarding undeferred commissions in SFRS and higher expenses
RoE (Management Reporting) ⁽¹⁾	36,1%	58,9%	5,7 pts	63,2%	7,5 pts	Strong profit combined with lean capital
Solvency I Ratio	193%	165%		147%		Well managed capital position and dividend payment under volatile macro-economic environment with growing appetite
Dividend Payments	100 mTL			150 mTL		
Shareholders' Equity ⁽¹⁾	660 mTL	2.454 mTL	39%	3.118 mTL	79%	Steady increase in shareholders' equity reflects active management of capitalization to fund business growth
VNB w/RW		961 mTL		885 mTL	95%	VNB has increased owing to increased Pension and Credit Life sales. The newly launched Savings product also contributed to H1 VNB growth.

Note: ⁽¹⁾ Management Reporting: IFRS Financials excluding inflation accounting effect

⁽²⁾ Expense ratio=(Opex)/(Management Reporting Profit Before Tax-Opex)
«Opex=G&A+Financial Expense»

Financials



Summary P&L from Segmental Reporting (1)

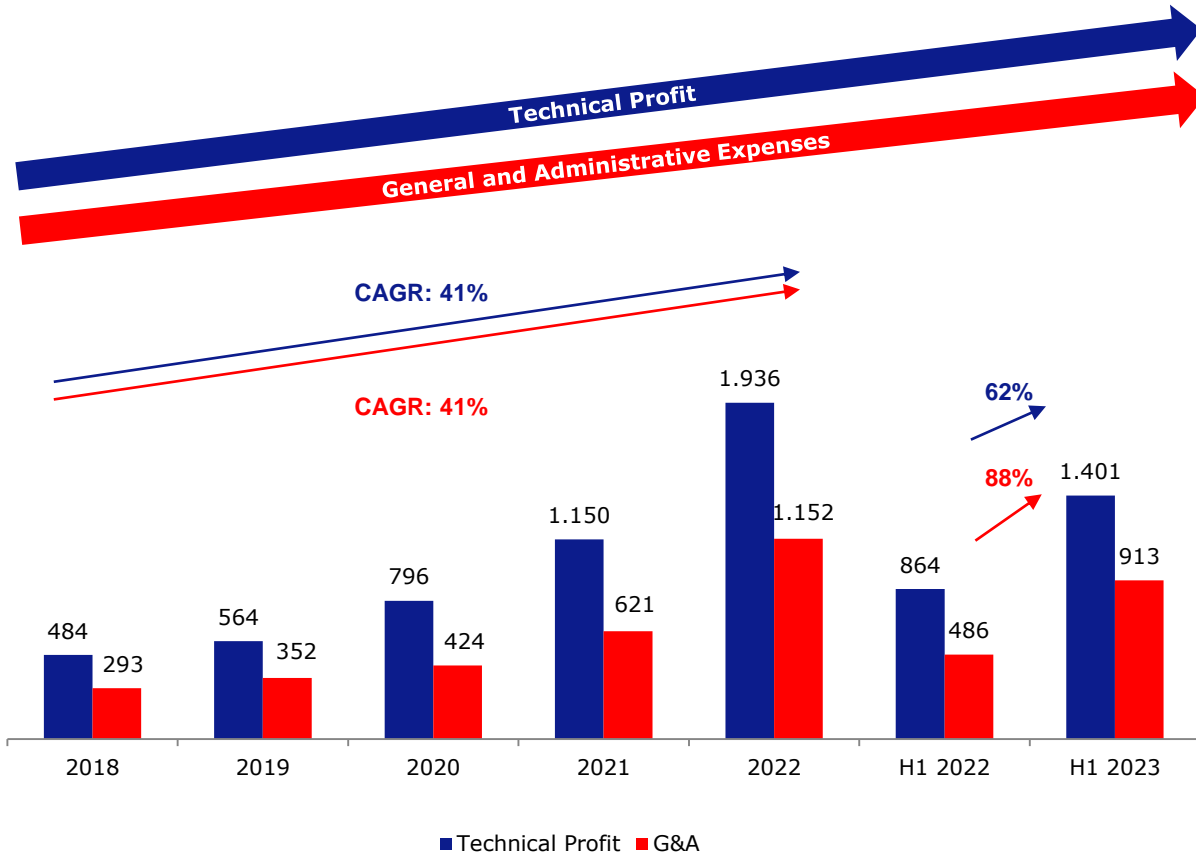
	2019	2020	2021	2022	CAGR	H1 2022	H1 2023	YoY	Q1 2023	Q2 2023	QoQ
Credit-Linked Life	417	550	938	1.538	55%	645	1.628	152%	785	844	8%
Life RoP & Savings	431	667	967	2.046	68%	865	1.451	68%	670	782	17%
Other Life & Personal Accident	140	115	115	132	-2%	69	120	74%	73	47	-36%
Total Gross Written Premium	988	1.332	2.020	3.717	60%	1.579	3.200	103%	1.528	1.672	9%
Pension	243	283	349	547	31%	242	453	87%	186	267	44%
Credit-Linked Life	115	254	379	548	68%	236	446	89%	222	224	1%
Life RoP & Savings	147	199	367	785	75%	372	469	26%	217	253	16%
Other Life & Personal Accident	59	60	55	56	-2%	15	33	117%	27	6	-79%
Total Technical Profit	564	796	1.150	1.936	51%	864	1401	62%	651	750	15%
General and Administrative Expenses	-352	-424	-621	-1.152	48%	-486	-913	88%	-420	-492	17%
Total Technical Profit after G&A	212	372	529	784	55%	378	488	29%	231	257	11%
Net Investment Income & Other	121	80	200	602	71%	298	742	149%	97	644	562%
Profit Before Taxes	333	451	729	1.386	61%	676	1.230	82%	328	902	175%
Management Reporting Profit for the Period	258	350	541	1.127	64%	521	930	78%	243	687	182%
SFRS Profit for the Period	258	350	541	1.127	64%	458	780	70%	215	566	164%

- ◀ Solid IFRS Reporting Framework
- ◀ Robust MCEV / VNB Reporting Framework
- ◀ Granular Analysis and Disclosure on Business Segments
- ◀ Customised Analysis Aligned to Business Strategy

Solid and Resilient Technical Profitability with Operating Leverage Potential

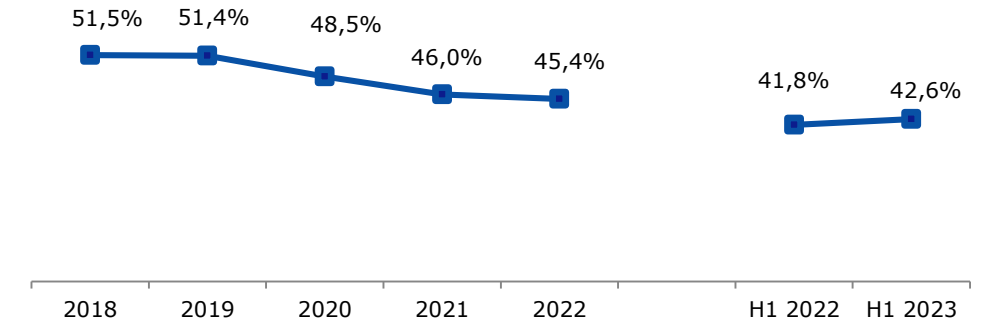


Technical Profit (mTL) ⁽²⁾

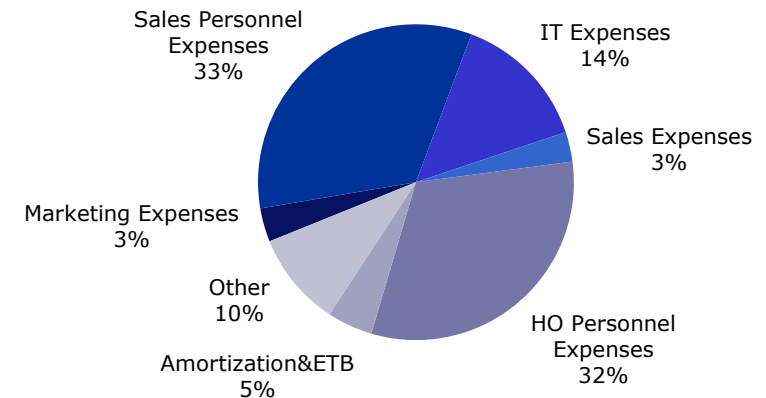


Expense Ratio (%) ^(1,2)

Expense ratio=(Opex)/(Management Reporting Profit Before Tax-Opex)



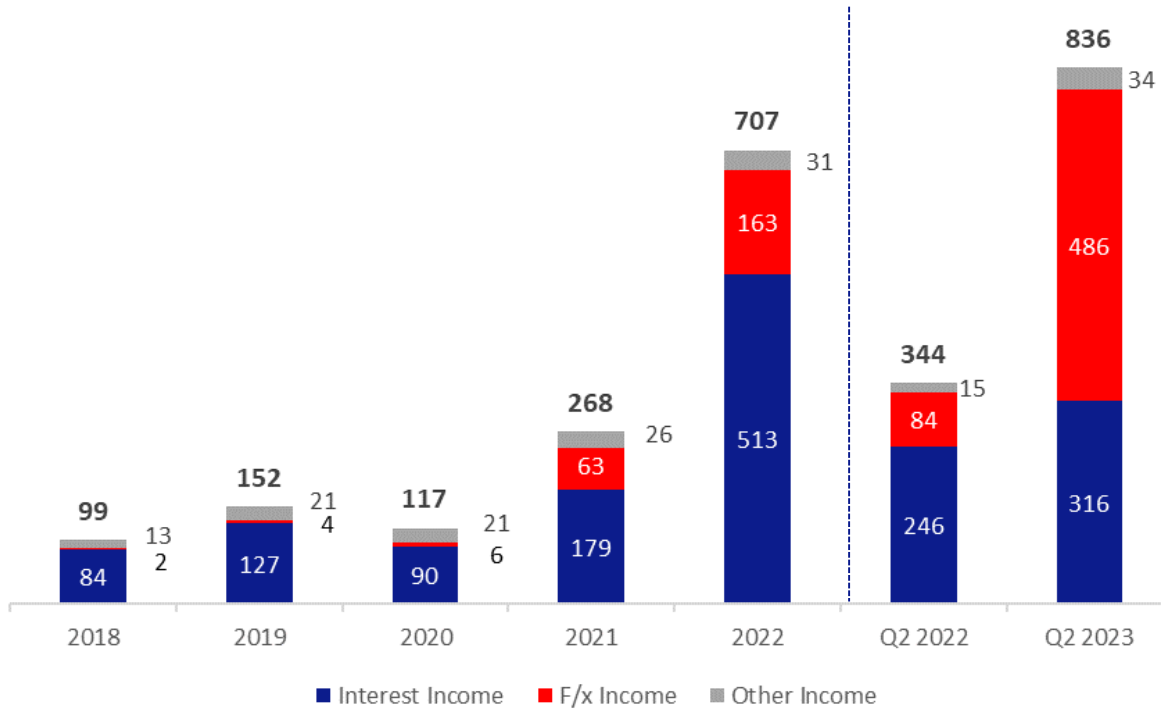
Breakdown of General Expenses, Management Reporting (H1 2023)



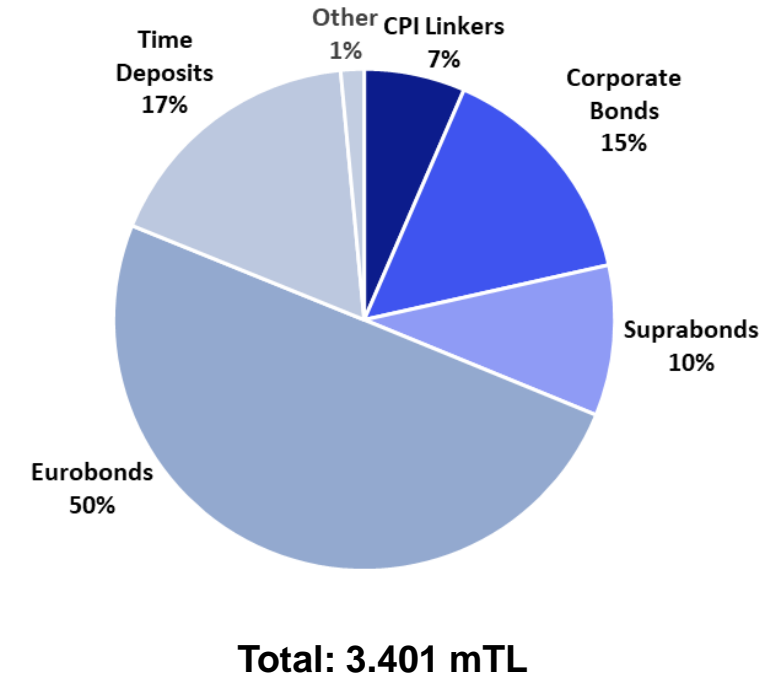
Note: ⁽¹⁾ Management Reporting: IFRS Financials excluding inflation accounting effect, unaudited results
⁽²⁾ 2018-2019 IFRS figures are restated (deferral of ROP commissions)

... Prudent Though Opportunistic Approach on Investments...

Investment and Other Income (TLm) ⁽²⁾



Shareholders' Asset Portfolio – H1 2023 (mTL) ^{(1) (2)}



Source: Company information. Management Reporting: IFRS Financials excluding inflation accounting effect, unaudited results

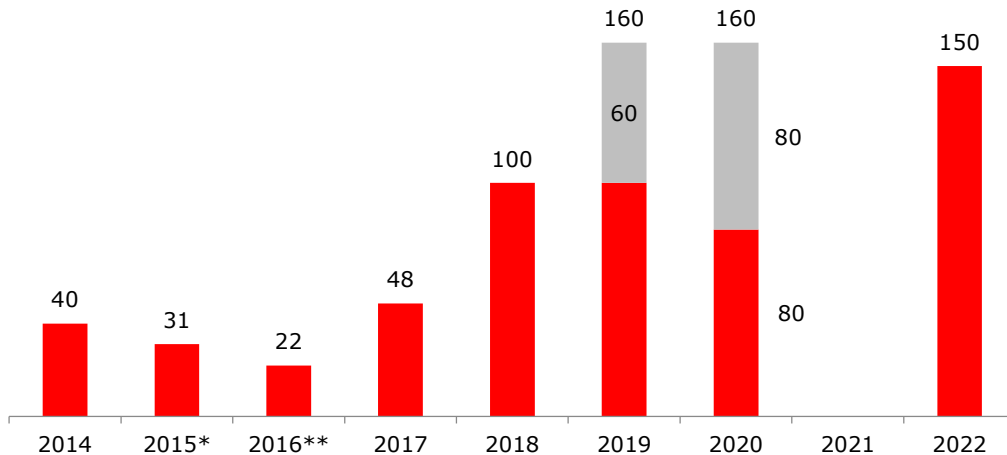
Note: (1) Both managed by AgeSA and Ak Asset Management.

(2) Derived from IFRS, differs from PL "Total Investment Income & Other" line excluding financial and other expenses,

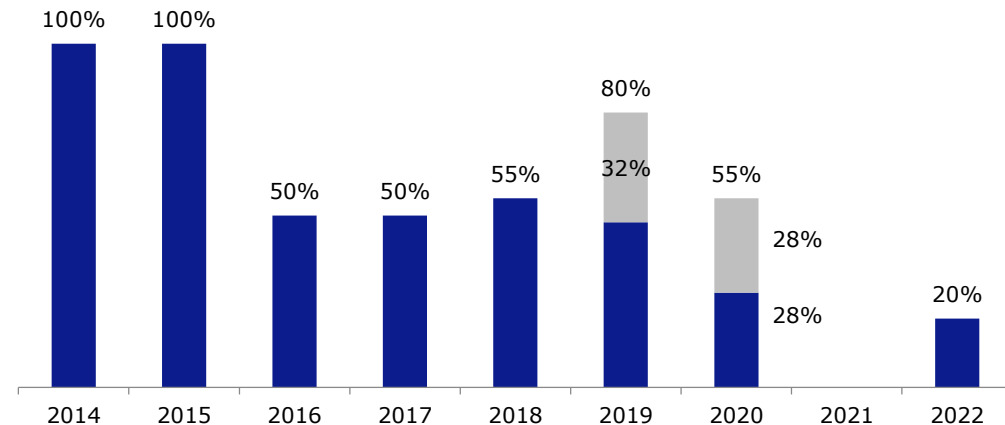
Dividend Policy

- Objective set amongst core shareholders to aim at distributing 50% of AgeSA's Turkish GAAP-based distributable profit
- Solvency ratio of 150% level is set as comfort level in our risk framework for evaluating our distributable profit.
- 150 mTL dividend has been paid in March 2023.

Dividends Paid (mTL)



Dividend Payout Ratio (Dividend Paid / Distributable Profit)



(1) Dividends shown are paid the following year.

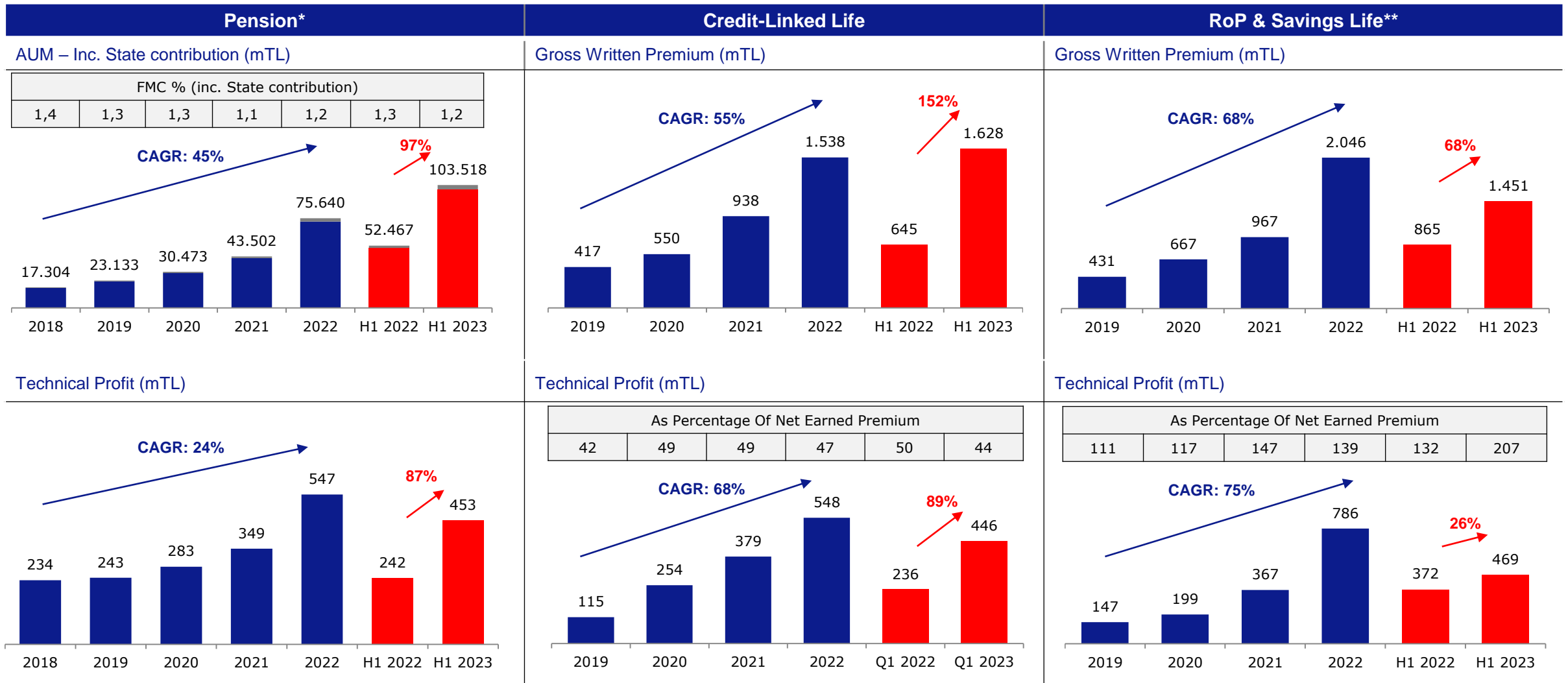
*NPAT is given as excluding restatement effect accordingly dividend was paid before restatement

**2015 Restatement effect was discounted from 2016 profit for the calculation of 2016 distributable profit

Overview - Business Lines



Differentiated Management of Trends & Dynamics per Segment



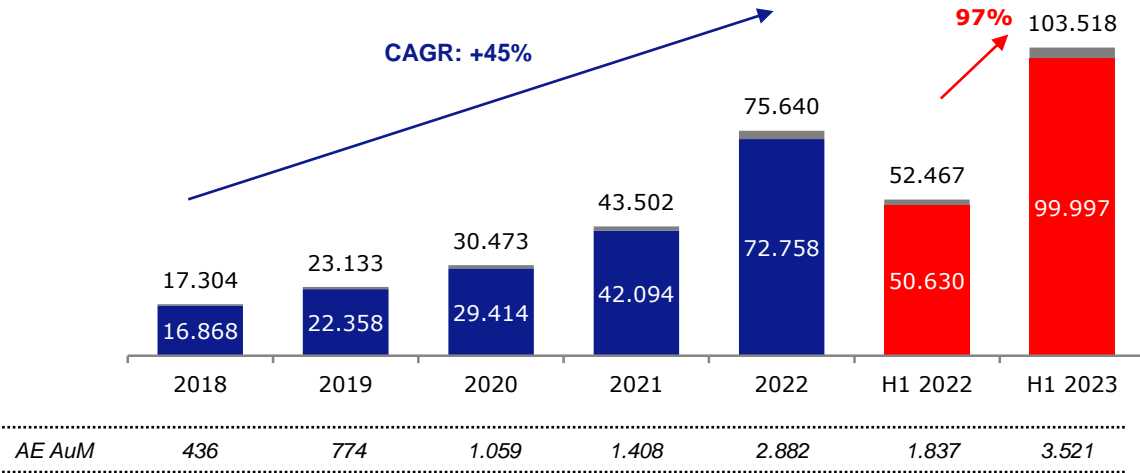
*Pension figures are including AE

**2019 figures are restated (deferral of ROP commissions)

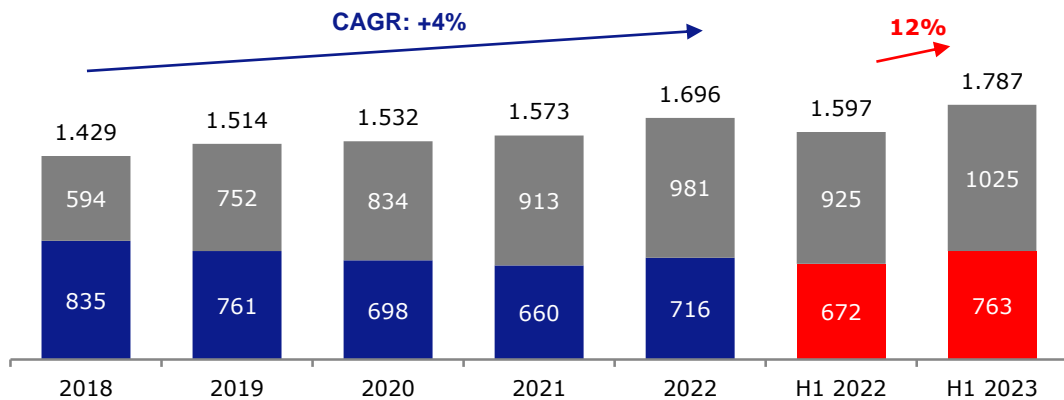
*** FMC income, net / Average of Opening and closing AuM

Sustainable Growth and Scale Ambitions

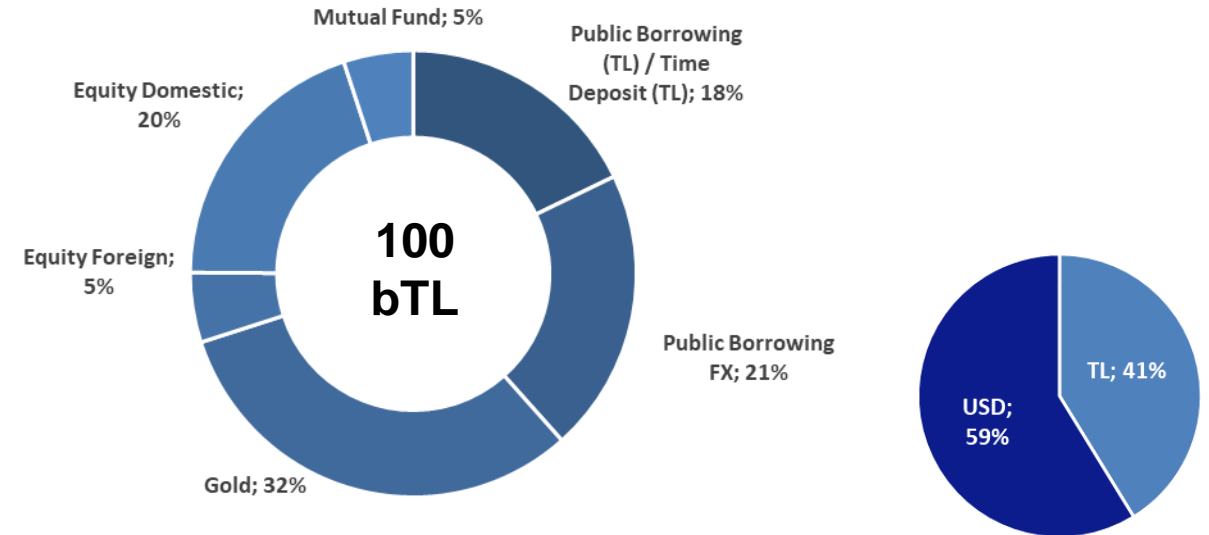
Pensions AUM including State Contribution (mTL)



Number of Participants (x1000)



Private Pension Fund Mix

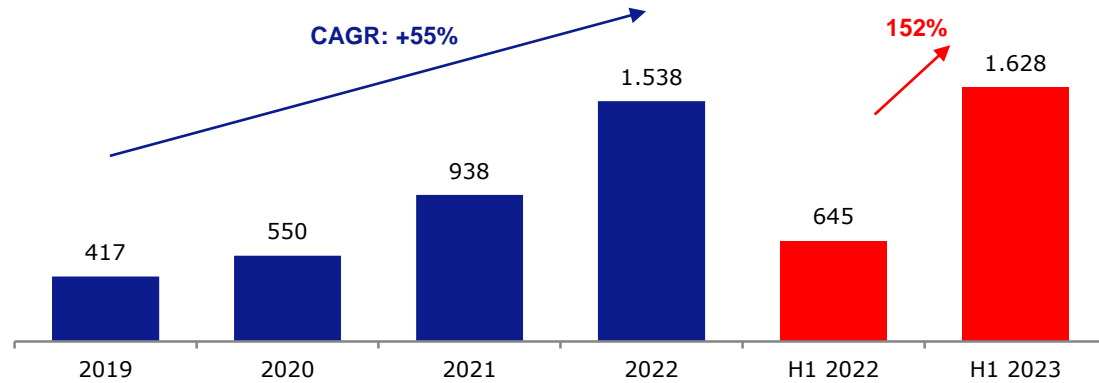


Market Share Of AgeSA % (in terms of AUM) Inc. AE

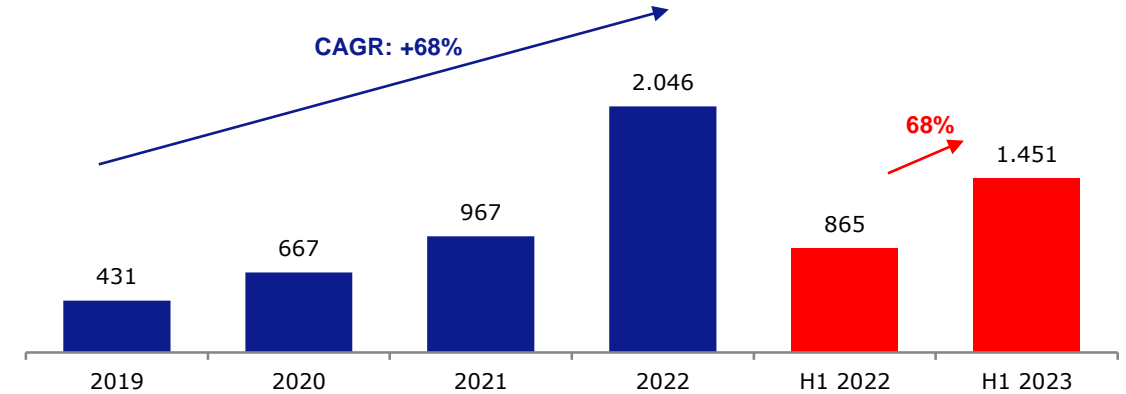
	2017	2018	2019	2021	2022	H1 2022	H1 2023
Private Pension	19,2	18,8	18,6	18,5	18,2	18,2	19,0
AE	9,3	9,4	9,0	8,5	8,6	8,6	8,8
Total	18,7	18,2	17,9	17,8	17,5	17,5	18,3

Sustainable and Resilient Growth Model Fuelled by Multidistribution Channel Structure

Credit Linked GWP (mTL)



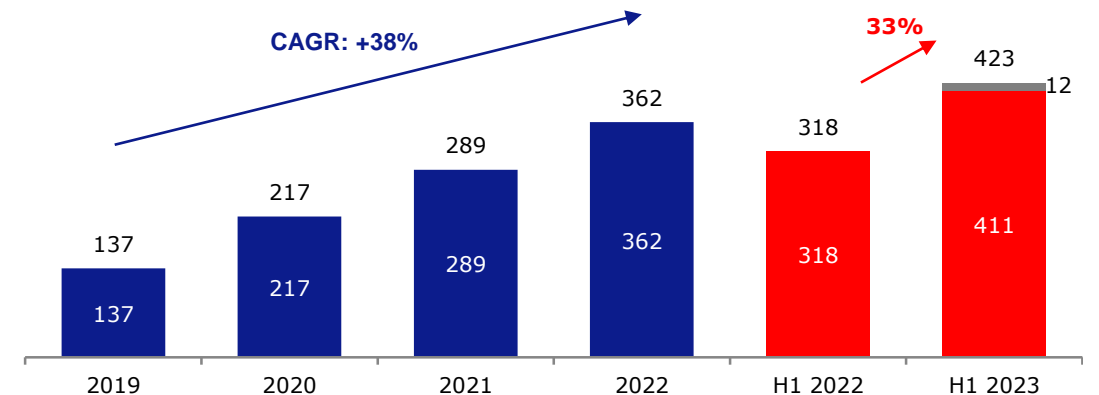
RoP&Savings GWP (mTL)



Increase in Credit Life Market Share by 6pp since 2019 year-end

Market Share Of AgeSA % (in terms of GWP)						
	2019	2020	2021	2022	H1 2022	H1 2023
Credit-Linked	5,1	5,3	8,2	8,6	8,0	11,1*
RoP&Savings	25,3	25,2	23,7	23,6	24,1	22,5*
Total Life&PA	8,2	8,8	11,0	11,6	11,5	12,4

RoP&Savings B/S Asset Volume (mUSD)



Source: TSB and SBM

* As of May results, since June results have not been announced yet

Solvency II

Value of New Business



Diversified business model supporting value growth



Solvency II w/RW	Total		Pension	Credit-linked Life	ROP&Savings	Other Life&PA
	2022 Q2	2023 Q2	2023 Q2	2023 Q2	2023 Q2	2023 Q2
PVNB (m TL)	7,406	21,430 ↑ 189 %	17,894	1,698	1,712	125
VNB (m TL)	454	885 ↑ 95 %	402	361	103	19
New Business Margin (Net tax)	6,1%	4,1%	2,2%	21,2%	6,0%	15,2%

- ☛ SII VNB will be calculated using Best Estimate Liabilities, including a Risk Margin, and also showing the effect of real world yields (taken as RFR +3%).
- ☛ 2023 profit margins are approximately 2% below last year margins due to the portfolio shift to pension.
- ☛ Pension profit margin has grown to 2.2% through higher lump-sum payments compare the 2022.
- ☛ Total VNB has grown by 95% due to impressive Pension and Credit Life.

*Results based on unit expense assumptions. Total acquisition expenses above/below the modeled expense level are not taken into account.

*Source: Company data, unaudited results

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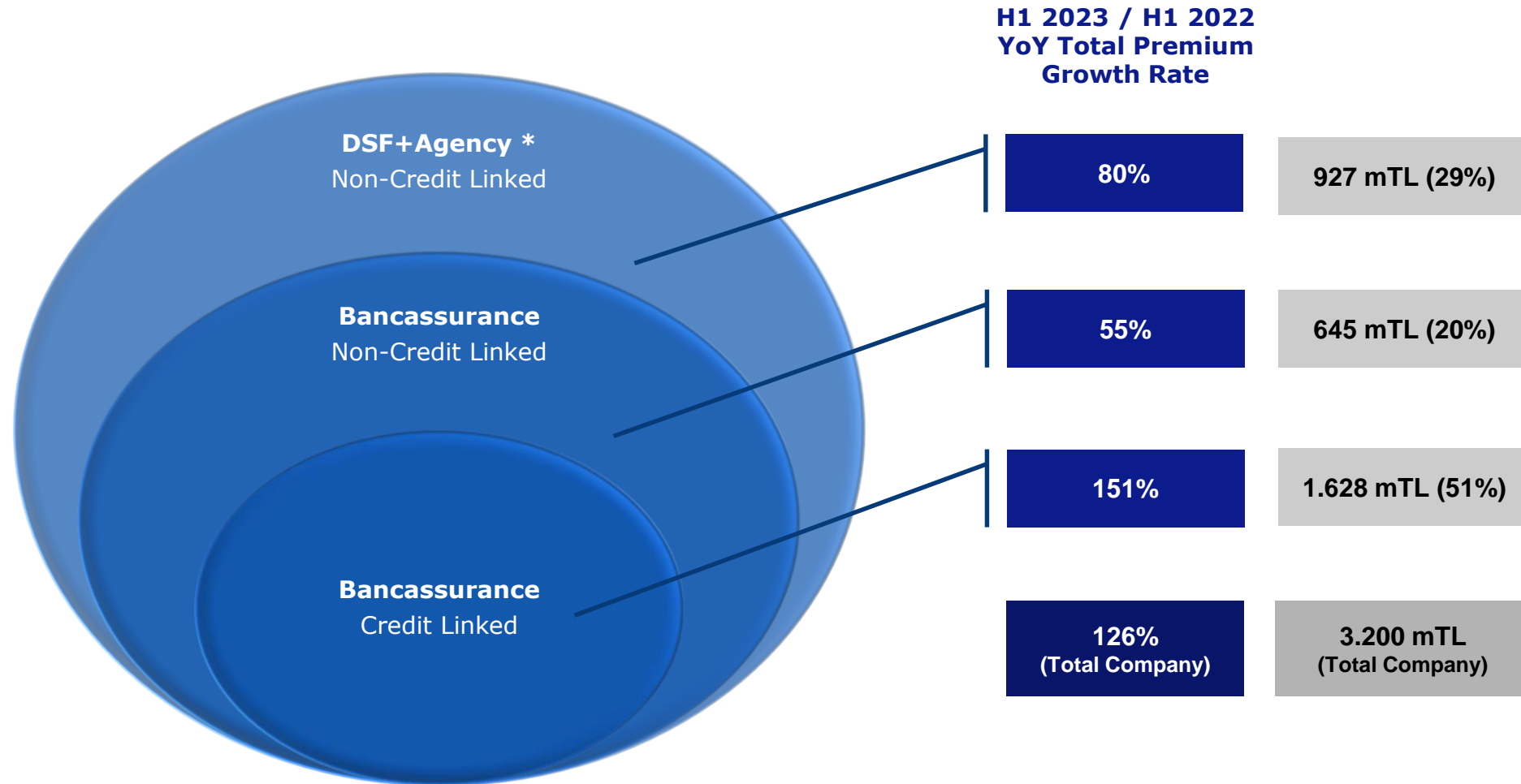
Thank you



Appendix



Life + Personal Accident



Solid Sales Culture through a Multidistribution Platform to Expand Scale and Penetration in Pension and Life



Exclusive 15-year distribution agreement

Bancassurance
Branches Akbank: ~ 800
Akbank sales coaches: ~ 320
Total PVNBP: 11.043m (52%)

Direct sales force (DSF)
FAs: ~ 630 (covering 17 cities)
Total PVNBP: 4.013m (19%)

Largest and most productive direct sales force in the sector

Agencies
Agencies: ~ 300
Total PVNBP: 2.801m (13%)

Fastest growing distribution channel



Corporate
Corporate Sales Team: ~ 25
Total PVNBP: 1.633m (8%)
PVNBP Only AE: 1.941m (9%)

Strong position in employer-sponsored group pension contracts by market share

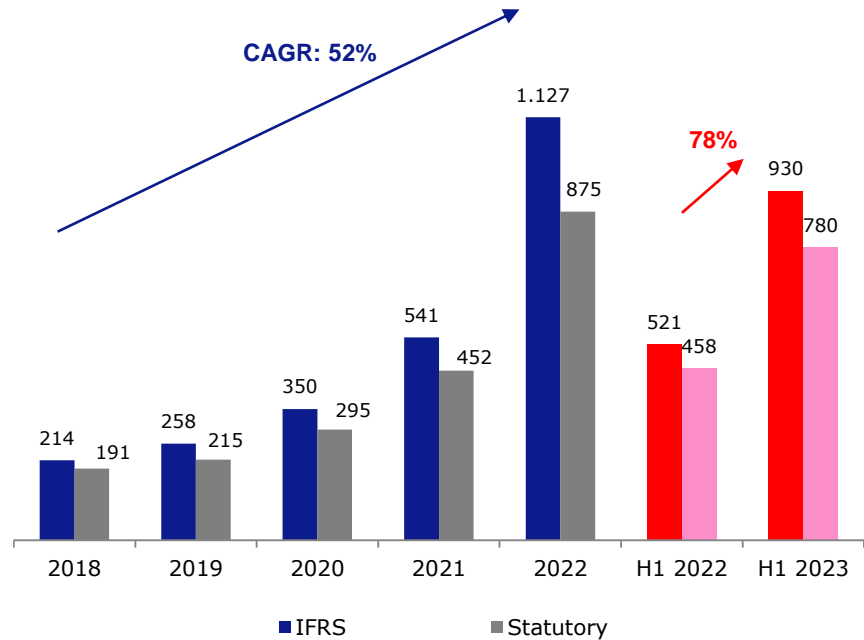
Direct (web+call center+mobilapp)
Total PVNBP: 0,1m

Summary of P&L from SFRS Reporting

	2018	2022	CAGR	H1 2022	H1 2023	YoY	Q1 2023	Q2 2023	QoQ
Pension Technical Profit	303	733	25%	332	662	99%	350	312	-11%
Life Technical Profit	277	1.394	49%	584	978	67%	527	450	-15%
Non-Life Technical Profit	62	77	5%	29	55	89%	25	30	23%
Total Technical Profit	642	2.173	36%	945	1.694	79%	902	792	-12%
Total Expenses (Including Commissions)	-490	-2.039	43%	-791	-1.735	119%	-856	-879	3%
Total Technical Profit after G&A Expenses	152	134	-3%	154	-41	n/a	46	-87	n/a
Total Investment Income & Other	93	910	77%	434	1.057	143%	236	821	248%
Profit Before Taxes	246	1.044	44%	589	1.016	73%	282	734	160%
Profit for the Period	191	875	46%	458	780	70%	215	566	164%

Reconciliation between IFRS & Statutory Profit

IFRS vs. Statutory Profit for the Period (mTL)



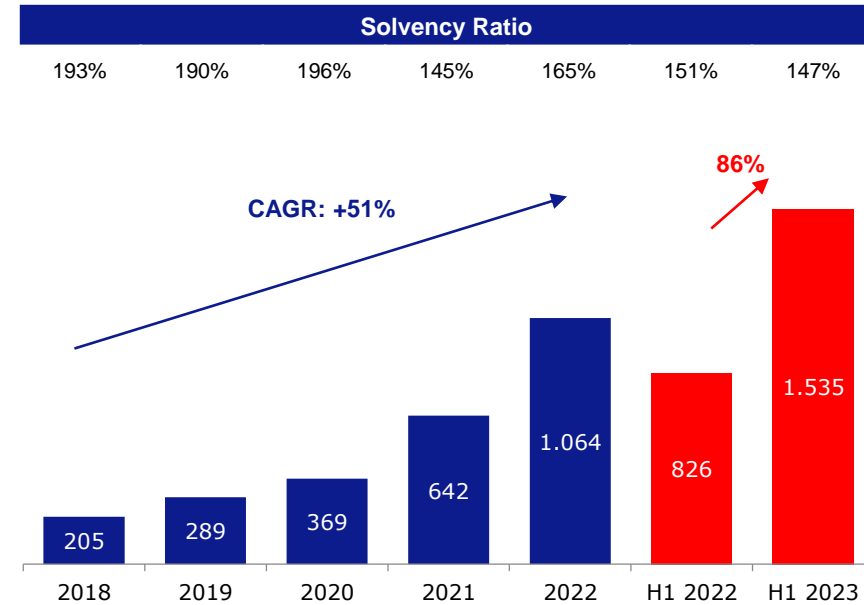
Profit for the Period Reconciliation (mTL)

	2018	2019	2020	2021	2022	CAGR	H1 2022	H1 2023	YoY
IFRS Profit for the Period	214	258	350	541	1,127	52%	521	930	78%
Equalisation Reserve write-off	-6	-10	-11	-7	-9	10%	-4	4	n/a
Change in Deferred Acquisition Costs	-32	-51	-57	-107	-356	82%	-100	-319	220%
Change in Deferred Income Reserve	8	4	-12	-8	24	31%	16	106	579%
Deferred Tax	8	14	17	33	88	82%	23	58	152%
Outstanding Legal Claims Discount, net			8	0	2	n/a	1	1	-49%
Statutory Profit for the Period	191	215	295	452	875	46%	458	780	70%
<i>Total Difference</i>	<i>22</i>	<i>43</i>	<i>55</i>	<i>89</i>	<i>252</i>	<i>83%</i>	<i>63</i>	<i>150</i>	<i>136%</i>

- Comfortable solvency ratios driven by a measured approach to risk and new product introductions, which affords the business scope and flexibility pursuing growth options and / or returning cash to shareholders

Regulatory Capital Requirement

Calculation of net assets to cover solvency margin	December 31					H1 2022	H1 2023
	2018	2019 ⁽¹⁾	2020	2021	2022		
A AgeSA net assets	396	547	722	932	1.752	1.250	2.260
B AgeSA Required Capital	205	289	369	642	1.064	826	1.535
AgeSA guarantee fund	68	96	123	214	355	275	512
Surplus of net assets in excess of Required Capital	191	259	353	290	688	424	725
Surplus of net assets in excess of guarantee fund	327	451	599	718	1.398	975	1.748

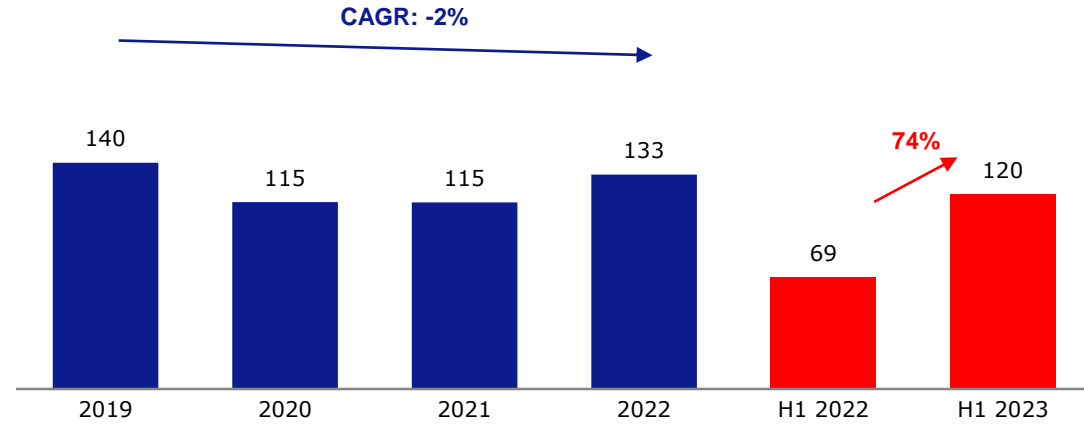


Source: Company information

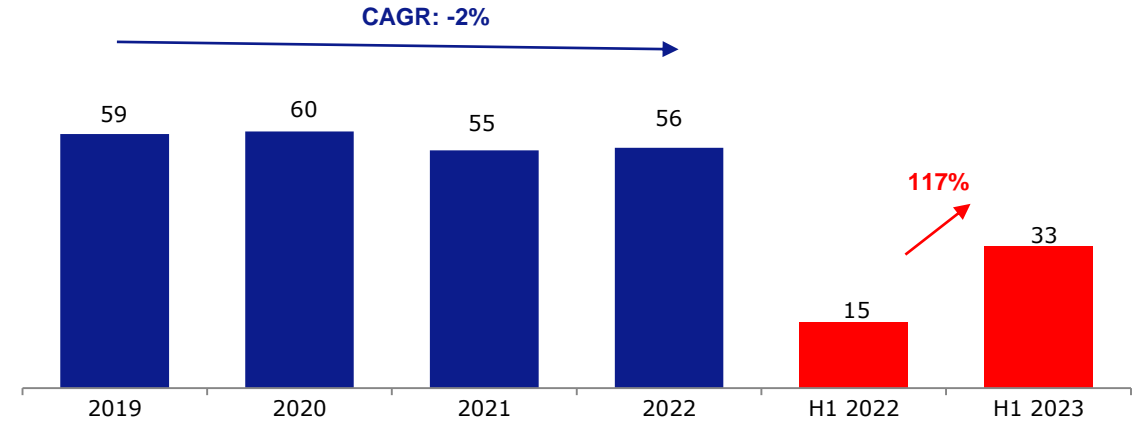
(1) As of Q3 2020 in order to reflect Turkish market conditions for interest risk calculations, interest risk calculations were revised. 2019 figures were updated to provide comparable figures under revised calculation

A Complementary Profit Pool for the Group

GWP (mTL)



Technical Profit (mTL)



Market Share % (in terms of GWP)

Market Share Of AgeSA % (in terms of GWP)						
	2019	2020	2021	2022	H1 2022	H1 2023
Personal Accident	10,9	9,3	8,4	6,6	8,2	5,9

Source: TSB
Note: (1) Calculated as % of NEP