



**Presentation to  
Investors  
Q3 2023  
Earning Release**

8 November 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.

## Q3 Performance

- **#1 position among private companies** in Private Pension AuM; with 19.0% total market share as of September 2023
- **#1 position among private companies** in Total Life & PA GWP; with 12.5% total market share as of September 2023
- **Significant net profit growth** both in terms of Management Reporting and SFRS with 71% and 58% 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 Q3, 698k shares were bought with an average price of 33,26 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

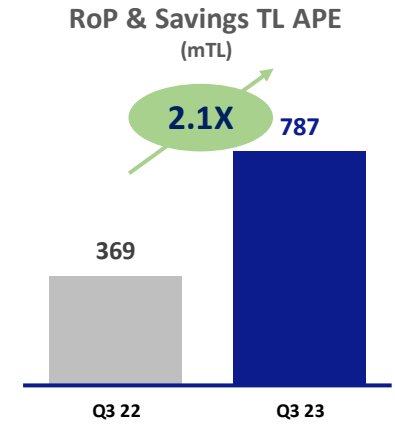
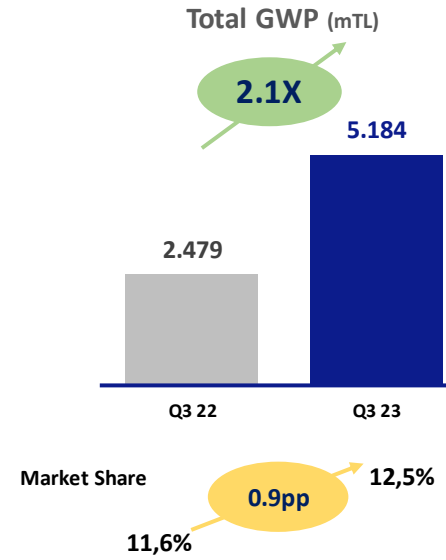
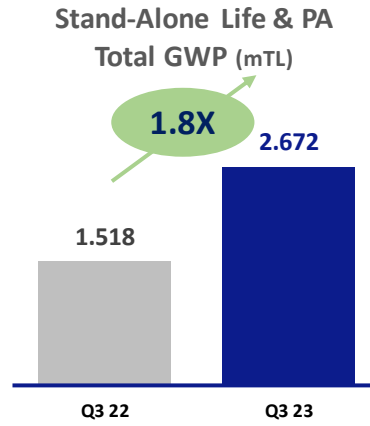
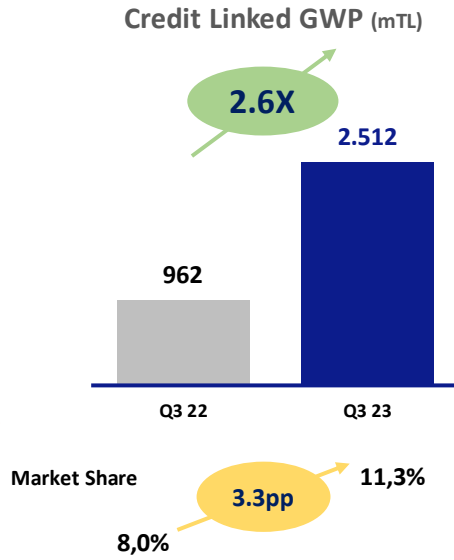
- Providing new solutions for ageing population
- Health insurance synergies with Sabancı Ageas Sağlık A.Ş.
- Sustainability at the heart of business to build a better future
- Future of work and cultural transformation
- End to end **IT transformation** with a particular focus on new technologies

# Evolution of Our Performance



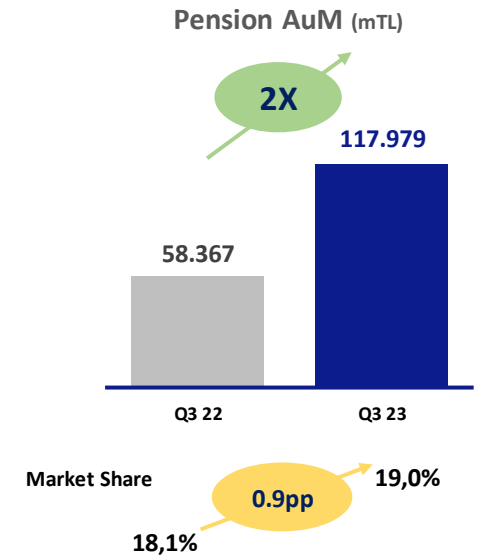
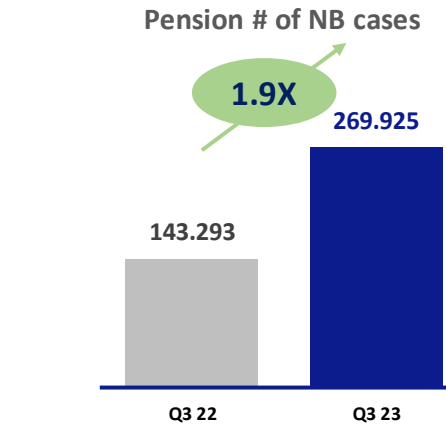
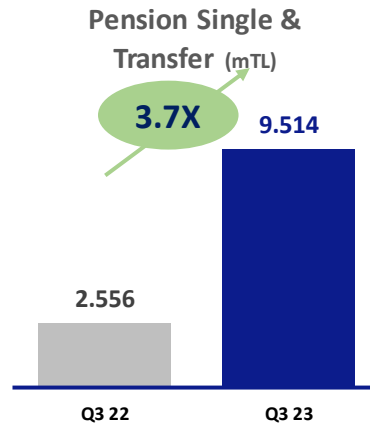
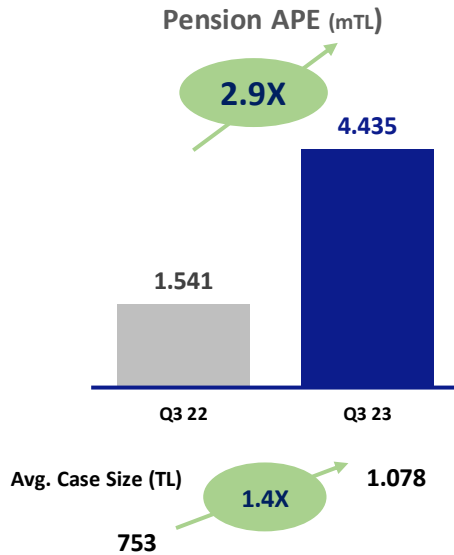
## Life Business

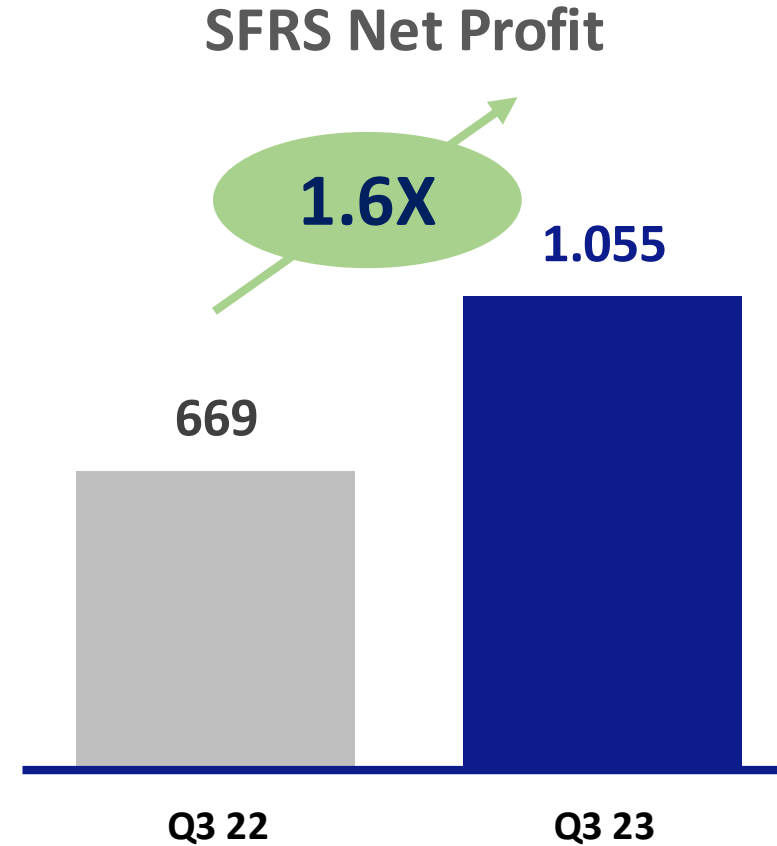
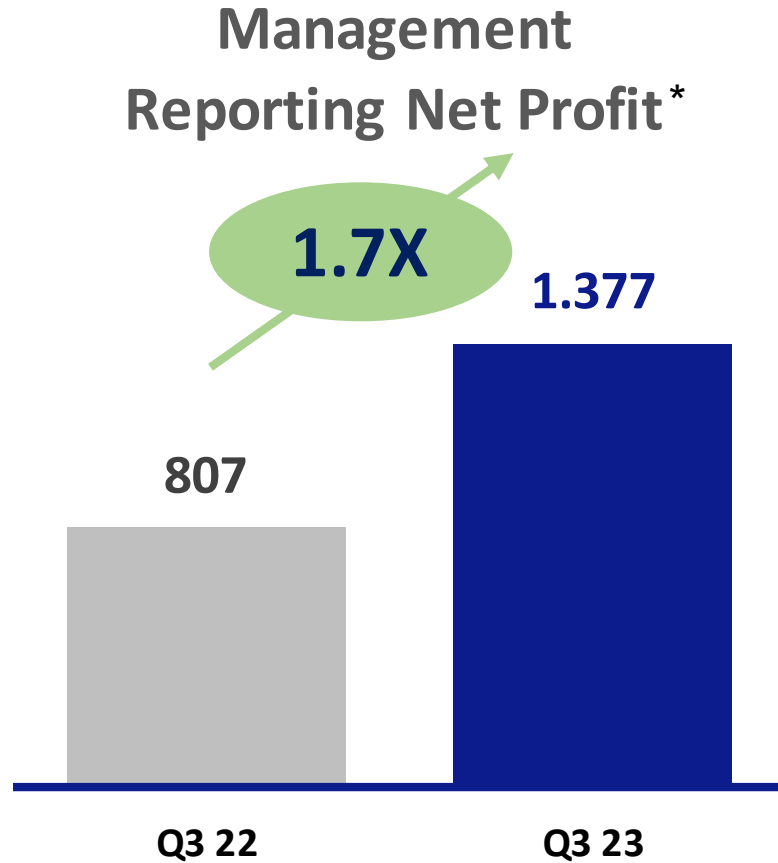
**#1 in Total Life & PA GWP**  
(exc. Türkiye)



## Pension Business

**#1 in Pension AUM**  
(exc. Türkiye)





# A Story of Solid Profitable Growth



	2018	2022	CAGR 2018-22	Q3 2023	YoY 2022-23	
Pension AUM (inc AE)	17.3 bTL	75.6 bTL	45%	122.4 bTL	102%	Leadership among private companies' Pension and AE AUM
Total GWP (Life+PA)	565 mTL	3.717 mTL	60%	5.184 mTL	109%	Leadership among private companies' Total Life&PA GWP Success of strong growing RoP&New savings portfolio and credit life product
Total Technical Profit <sup>(1)</sup>	484 mTL	1.936 mTL	41%	2.444 mTL	79%	Strong growth resulting from high profitability in life and pension scalability
Net Technical Profit <sup>(1)</sup>	191 mTL	784 mTL	42%	915 mTL	56%	Increase in net technical profit resulting from high technical profitability and controlled expenses against high inflation
Expense Ratio <sup>(1,2)</sup>	51,5%	45,4%	-1,5 pts	44,6%	2 pts	Expense ratio increased mainly due to inflation adjustments to salaries
Profit for the Period (Management Reporting) <sup>(1)</sup>	213 mTL	1.127 mTL	52%	1.377 mTL	71%	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%	1.055 mTL	58%	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) <sup>(1)</sup>	36,1%	58,9%	5,7 pts	60,2%	2,6 pts	Strong profit combined with lean capital
Solvency I Ratio	193%	165%		145%		Well managed capital position and dividend payment under volatile macro-economic environment with growing appetite
Dividend Payments	100 mTL			150 mTL		
Shareholders' Equity <sup>(1)</sup>	660 mTL	2.454 mTL	39%	3.585 mTL	75%	Steady increase in shareholders' equity reflects active management of capitalization to fund business growth
VNB w/RW		961 mTL		1.510 mTL	163%	VNB has increased owing to increased Pension and Credit Life sales. The newly launched ROP product and expanding Savings product also contributed to Q3 VNB growth.

Note: <sup>(1)</sup> Management Reporting: IFRS Financials excluding inflation accounting effect

<sup>(2)</sup> 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	Q3 2022	Q3 2023	YoY	Q2 2023	Q3 2023	QoQ
Credit-Linked Life	417	550	938	1.538	55%	962	2.512	161%	844	883	5%
Life RoP & Savings	431	667	967	2.046	68%	1.416	2.504	77%	782	1.036	33%
Other Life & Personal Accident	140	115	115	132	-2%	102	168	65%	47	48	3%
<b>Total Gross Written Premium</b>	<b>988</b>	<b>1.332</b>	<b>2.020</b>	<b>3.717</b>	<b>60%</b>	<b>2.479</b>	<b>5.184</b>	<b>109%</b>	<b>1.672</b>	<b>1.984</b>	<b>19%</b>
Pension	243	283	349	547	31%	382	792	107%	267	339	27%
Credit-Linked Life	115	254	379	548	68%	356	743	109%	224	297	32%
Life RoP & Savings	147	199	367	785	75%	596	848	42%	253	374	48%
Other Life & Personal Accident	59	60	55	56	-2%	31	61	98%	6	28	386%
<b>Total Technical Profit</b>	<b>564</b>	<b>796</b>	<b>1.150</b>	<b>1.936</b>	<b>51%</b>	<b>1.364</b>	<b>2.444</b>	<b>79%</b>	<b>750</b>	<b>1.043</b>	<b>39%</b>
General and Administrative Expenses	-352	-424	-621	-1.152	48%	-777	-1.529	97%	-492	-616	25%
<b>Total Technical Profit after G&amp;A</b>	<b>212</b>	<b>372</b>	<b>529</b>	<b>784</b>	<b>55%</b>	<b>587</b>	<b>915</b>	<b>56%</b>	<b>257</b>	<b>427</b>	<b>66%</b>
Net Investment Income & Other	121	80	200	602	71%	459	985	115%	644	244	-62%
Profit Before Taxes	333	451	729	1.386	61%	1.046	1.900	82%	902	670	-26%
<b>Management Reporting Profit for the Period</b>	<b>258</b>	<b>350</b>	<b>541</b>	<b>1.127</b>	<b>64%</b>	<b>807</b>	<b>1.377</b>	<b>71%</b>	<b>687</b>	<b>447</b>	<b>-35%</b>
<b>SFRS Profit for the Period</b>	<b>258</b>	<b>350</b>	<b>541</b>	<b>1.127</b>	<b>64%</b>	<b>669</b>	<b>1.055</b>	<b>58%</b>	<b>566</b>	<b>275</b>	<b>-51%</b>

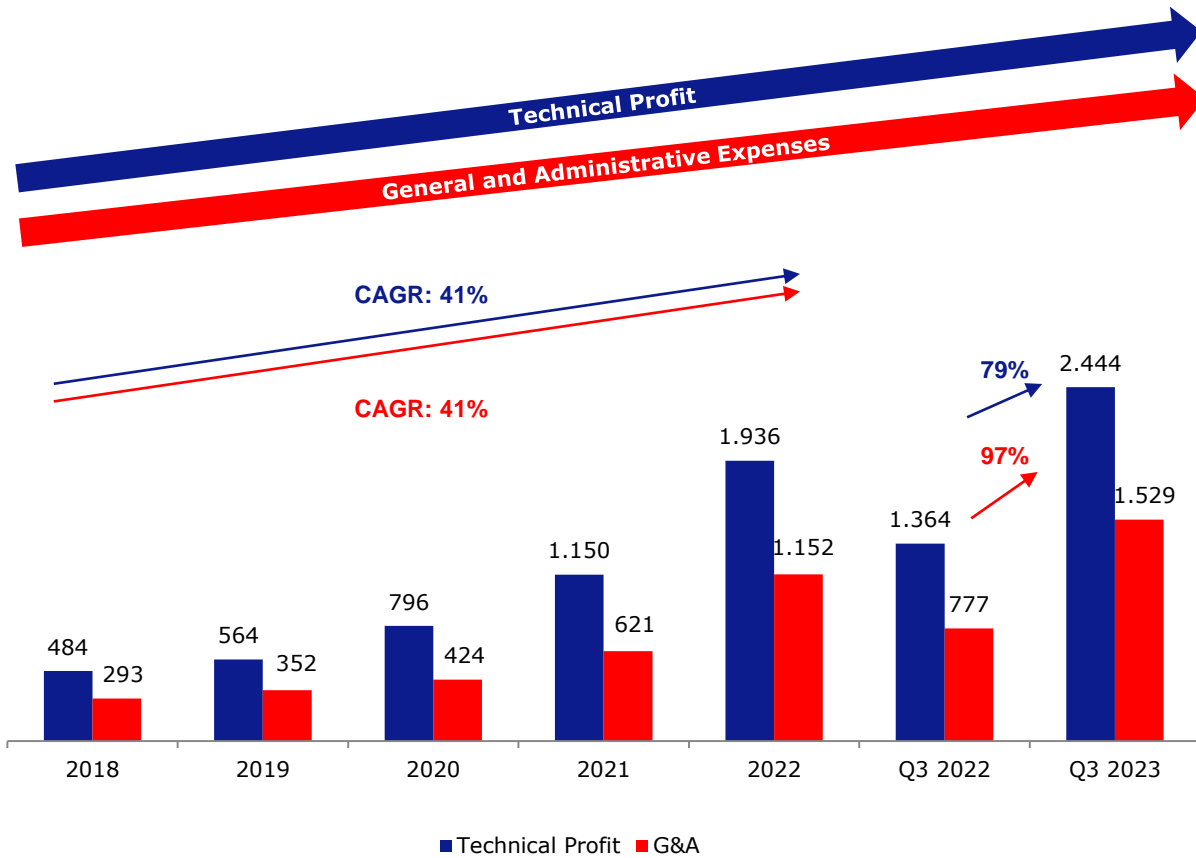
- ◀ Solid IFRS Reporting Framework
- ◀ Robust MCEV / VNB Reporting Framework
- ◀ Granular Analysis and Disclosure on Business Segments
- ◀ Customised Analysis Aligned to Business Strategy



# Solid and Resilient Technical Profitability with Operating Leverage Potential

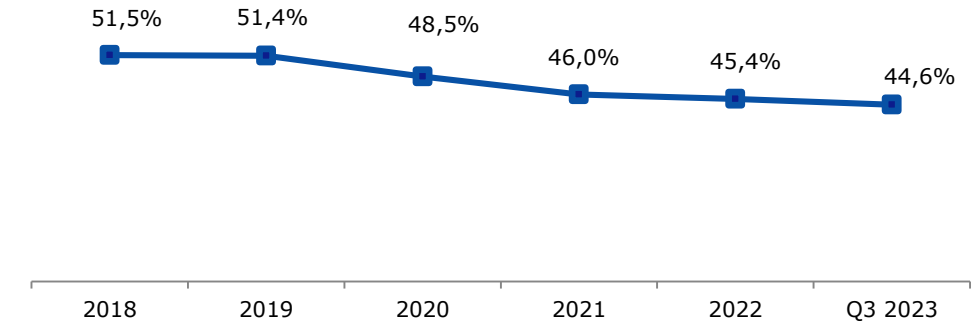


## Technical Profit (mTL) <sup>(2)</sup>

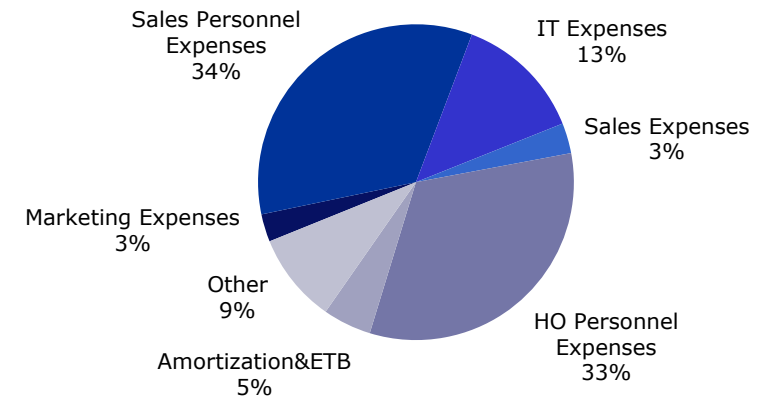


## Expense Ratio (%) <sup>(1,2)</sup>

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



## Breakdown of General Expenses, Management Reporting (Q3 2023)

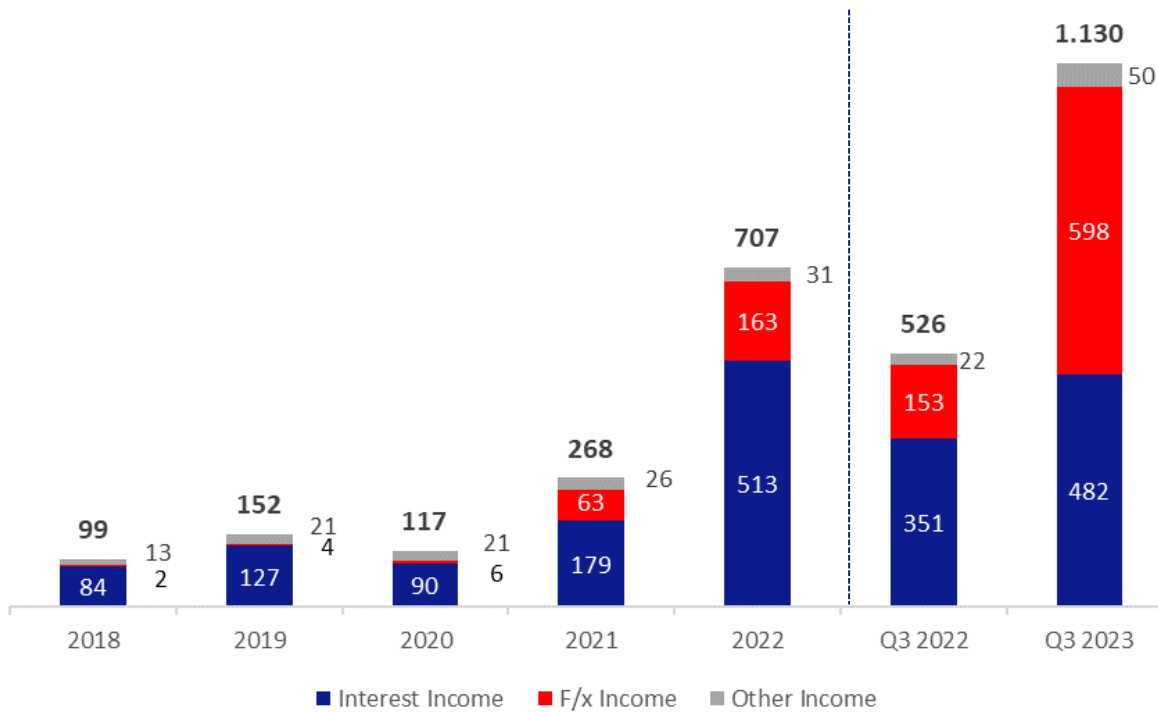


Note: <sup>(1)</sup> Management Reporting: IFRS Financials excluding inflation accounting effect, unaudited results  
<sup>(2)</sup> 2018-2019 IFRS figures are restated (deferral of ROP commissions)

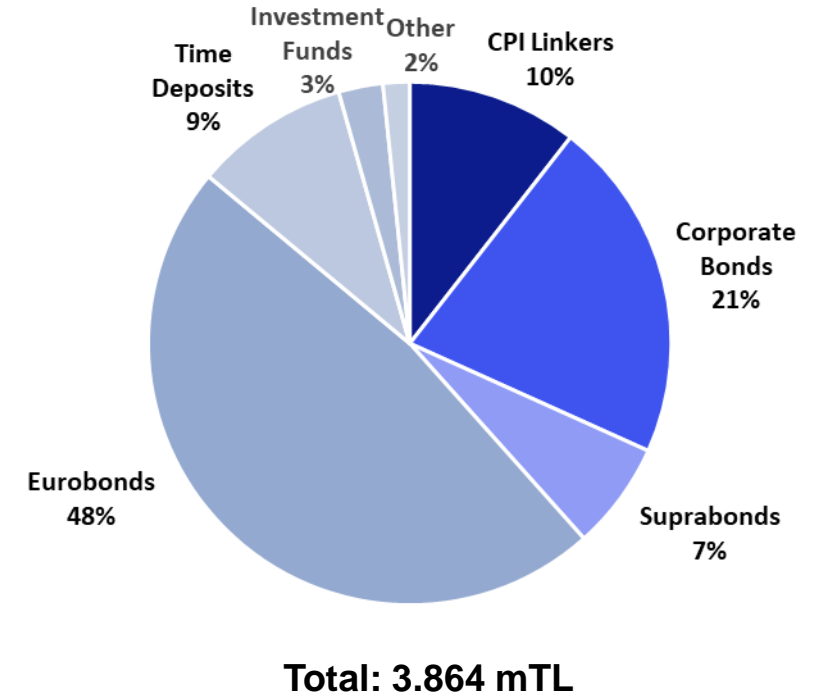
# ... Prudent Though Opportunistic Approach on Investments...



Investment and Other Income (TLm) <sup>(2)</sup>



Shareholders' Asset Portfolio – Q3 2023 (mTL) <sup>(1) (2)</sup>



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

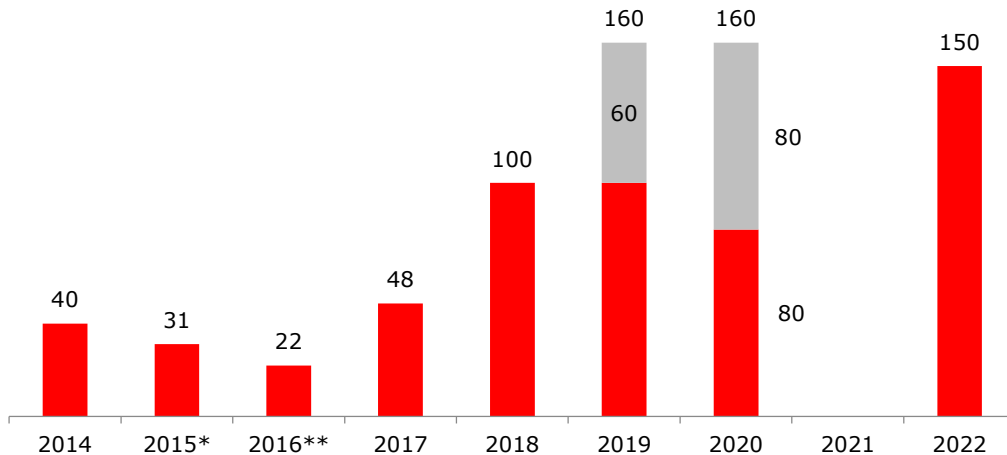
Note: (1) Both managed by AgeSA and Ak Asset Management.

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

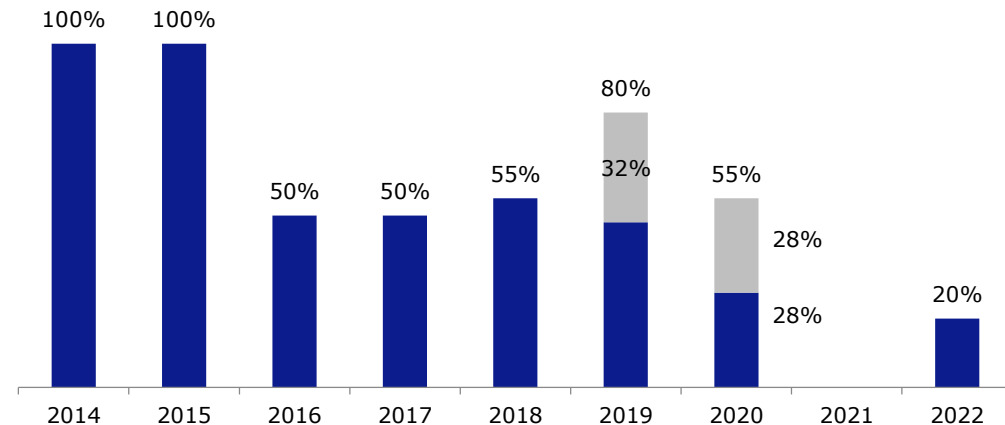
## Dividend Policy

- 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.

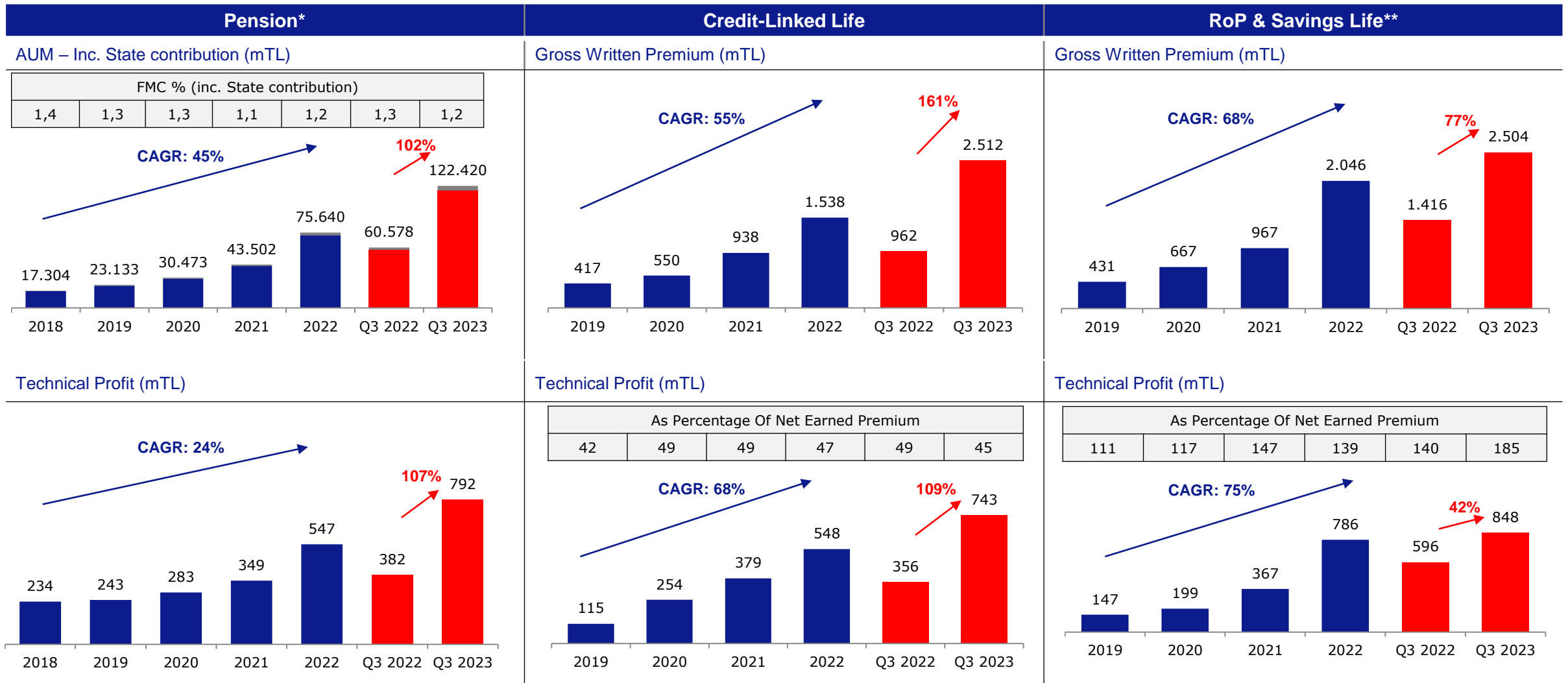
\*NPAT is given as excluding restatement effect accordingly dividend was paid before restatement

\*\*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



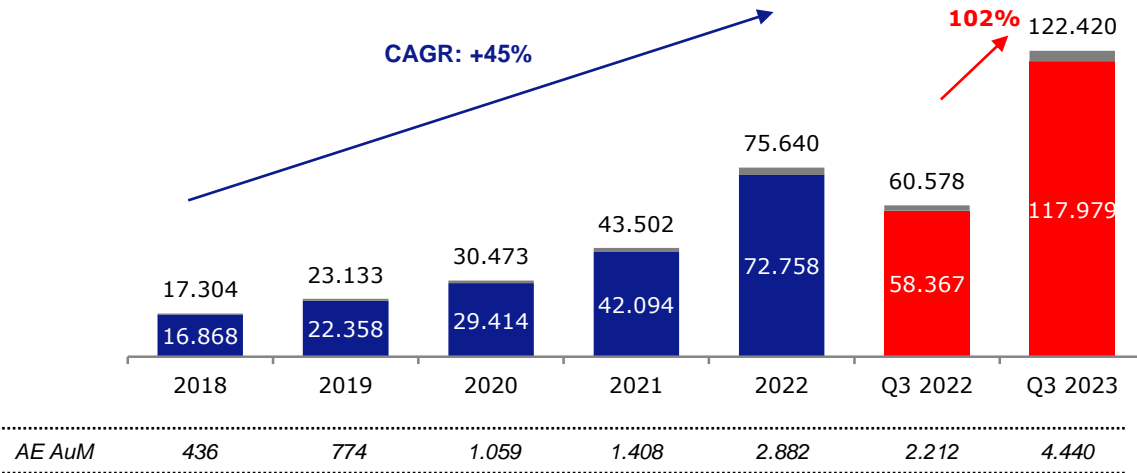
\*Pension figures are including AE

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

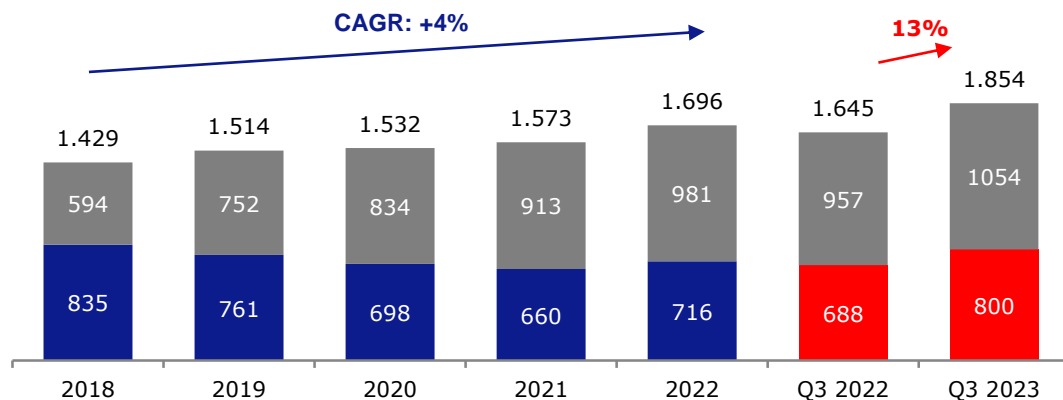
\*\*\* FMC income, net / Average of Opening and closing AuM

## Sustainable Growth and Scale Ambitions

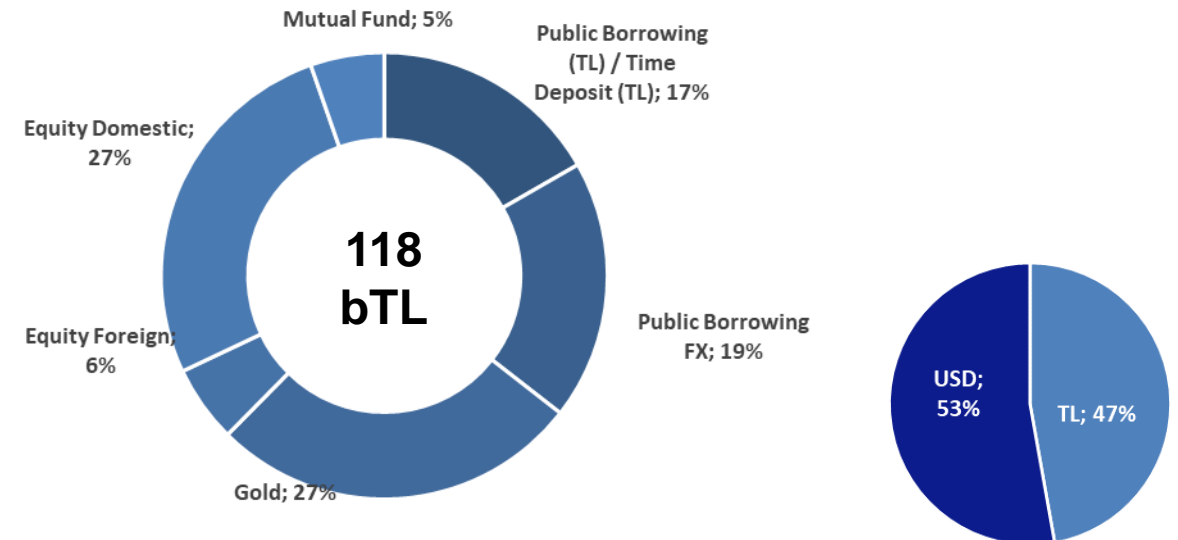
Pensions AUM including State Contribution (mTL)



Number of Participants (x1000)



Private Pension Fund Mix

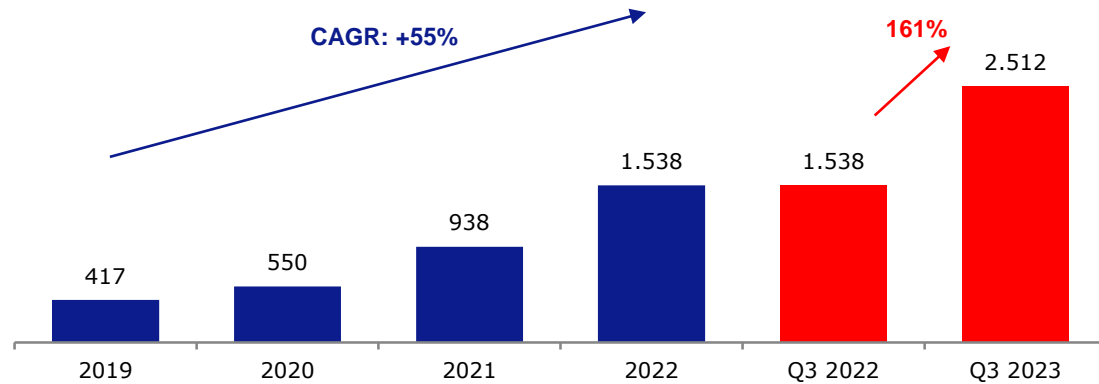


Market Share Of AgeSA % (in terms of AUM) Inc. AE

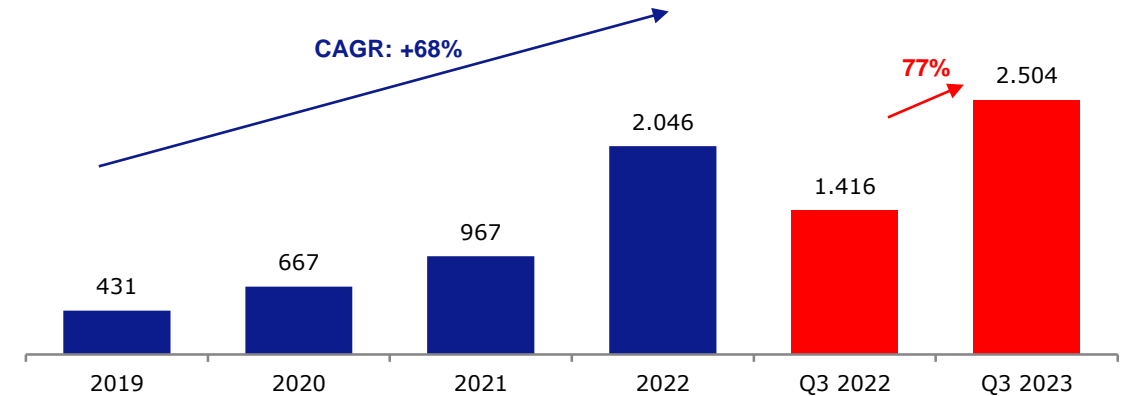
	2017	2018	2019	2021	2022	Q3 2022	Q3 2023
Private Pension	19,2	18,8	18,6	18,5	18,2	18,1	19,0
AE	9,3	9,4	9,0	8,5	8,6	8,6	9,0
<b>Total</b>	<b>18,7</b>	<b>18,2</b>	<b>17,9</b>	<b>17,8</b>	<b>17,5</b>	<b>17,4</b>	<b>18,2</b>

## Sustainable and Resilient Growth Model Fuelled by Multidistribution Channel Structure

Credit Linked GWP (mTL)



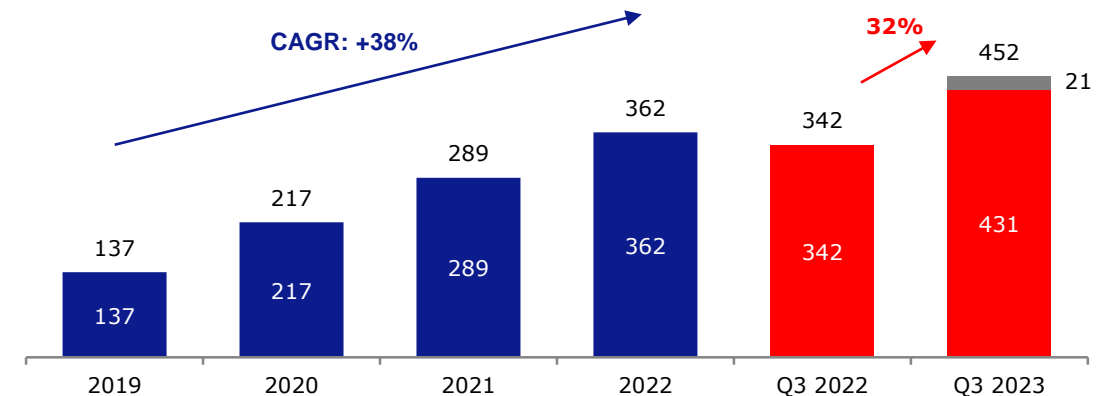
RoP&Savings GWP (mTL)



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

Market Share Of AgeSA % (in terms of GWP)						
	2019	2020	2021	2022	Q3 2022	Q3 2023
Credit-Linked	5,1	5,3	8,2	8,6	8,0	11,3
RoP&Savings	25,3	25,2	23,7	23,6	24,2	22,2
<b>Total Life&amp;PA</b>	8,2	8,8	11,0	<b>11,6</b>	11,6	<b>12,5</b>

RoP&Savings B/S Asset Volume (mUSD)



# 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 Q3	2023 Q3	2023 Q3	2023 Q3	2023 Q3	2023 Q3
<b>PVNB (m TL)</b>	12,172	36,169 197%	30,474	2,617	2,903	175
<b>VNB (m TL)</b>	574	1,510 163%	672	576	237	25
<b>New Business Margin (Net tax)</b>						

- ☛ SII VNB are 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 0.5% below last year's margins due to the portfolio shift to pension.
- ☛ Total VNB has grown by 163% due to impressive Pension and Credit Life sales growth.

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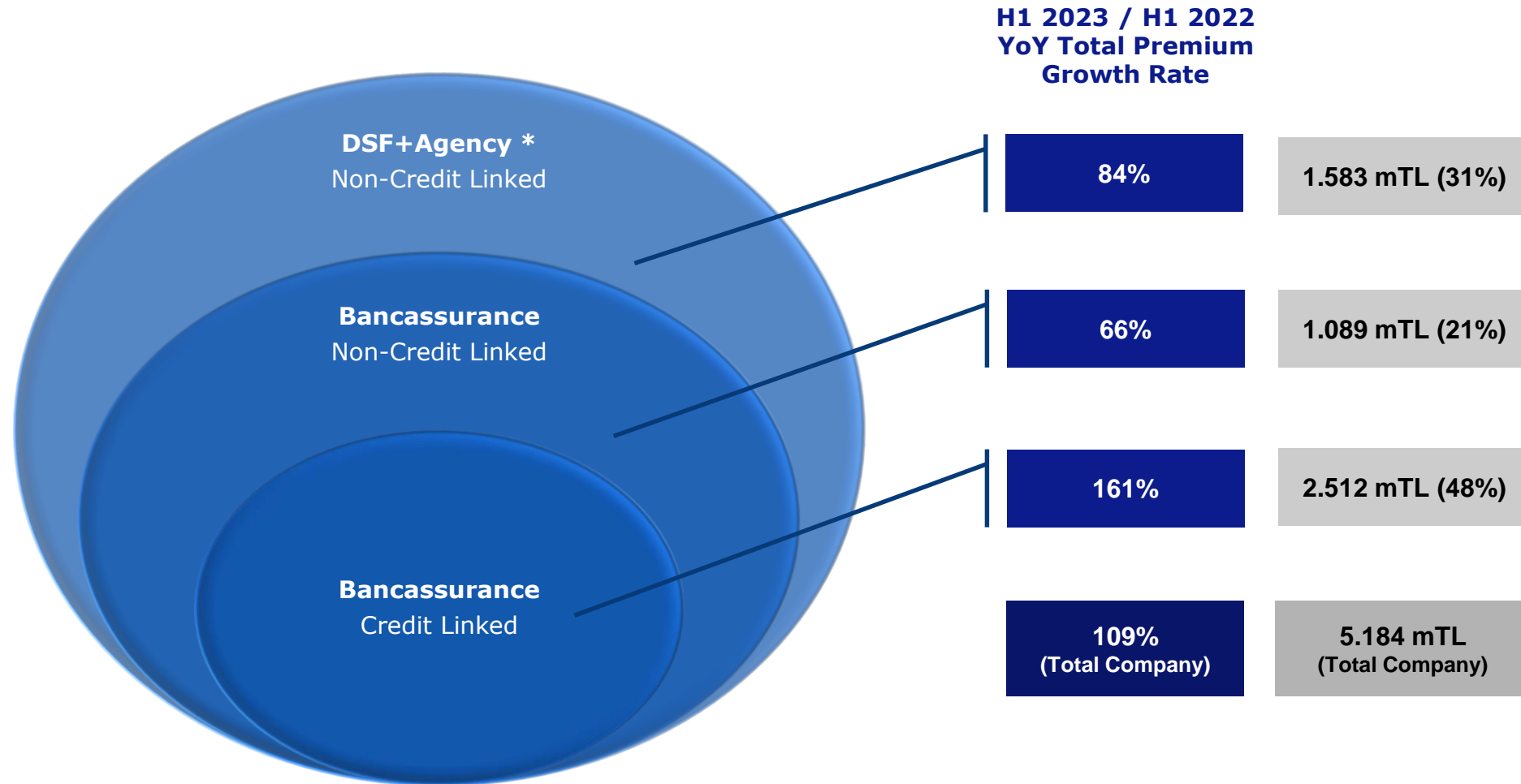
# Thank you



# 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: 19.970m (55%)

**Direct sales force (DSF)**  
# FAs: ~ 630 (covering 17 cities)  
Total PVNBP: 6.377m (18%)

Largest and most productive direct sales force in the sector

**Agencies**  
# Agencies: ~ 290  
Total PVNBP: 4.766m (13%)

**AGESA**  
Key Distribution Channels

**Corporate**  
# Corporate Sales Team: ~ 23  
# Total PVNBP: 2.021m (6%)  
# PVNBP Only AE: 3.034m (8%)

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

Fastest growing distribution channel

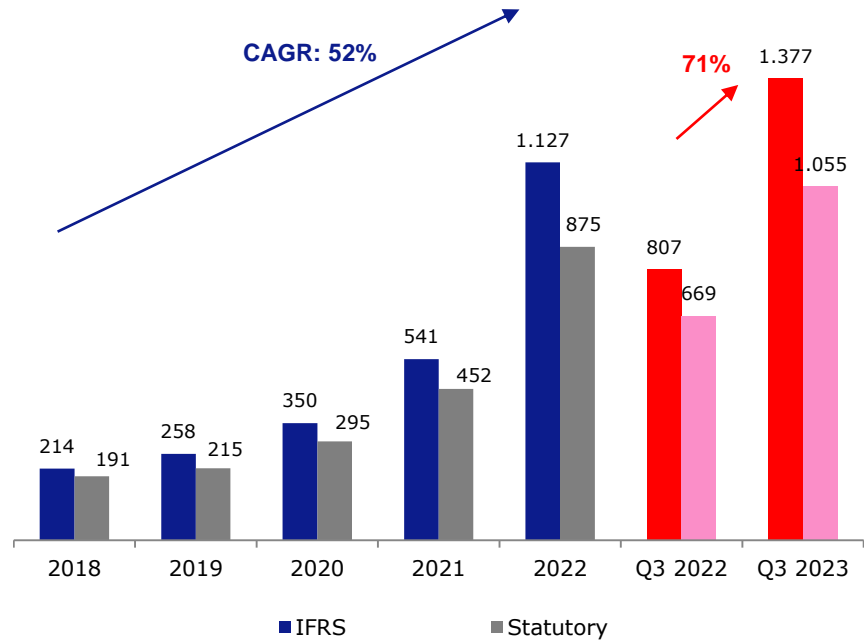
**Direct (web+call center+mobilapp)**  
Total PVNBP: 0,2m

# Summary of P&L from SFRS Reporting

	2018	2022	CAGR	Q3 2022	Q3 2023	YoY	Q2 2023	Q3 2023	QoQ
Pension Technical Profit	303	733	25%	513	1.059	106%	312	398	28%
Life Technical Profit	277	1.394	49%	907	1.663	83%	450	685	52%
Non-Life Technical Profit	62	77	5%	47	87	85%	30	32	5%
<b>Total Technical Profit</b>	<b>642</b>	<b>2.173</b>	<b>36%</b>	<b>1.467</b>	<b>2.809</b>	<b>91%</b>	<b>792</b>	<b>1.115</b>	<b>41%</b>
Total Expenses (Including Commissions)	-490	-2.039	43%	-1.310	-2.910	122%	-879	-1.175	34%
<b>Total Technical Profit after G&amp;A Expenses</b>	<b>152</b>	<b>134</b>	<b>-3%</b>	<b>157</b>	<b>-101</b>	<b>n/a</b>	<b>-87</b>	<b>-61</b>	<b>-30%</b>
Total Investment Income & Other	93	910	77%	697	1.522	118%	821	466	-43%
Profit Before Taxes	246	1.044	44%	855	1.421	66%	734	405	-45%
<b>Profit for the Period</b>	<b>191</b>	<b>875</b>	<b>46%</b>	<b>669</b>	<b>1.055</b>	<b>58%</b>	<b>566</b>	<b>275</b>	<b>-51%</b>

# Reconciliation between IFRS & Statutory Profit

IFRS vs. Statutory Profit for the Period (mTL)



Profit for the Period Reconciliation (mTL)

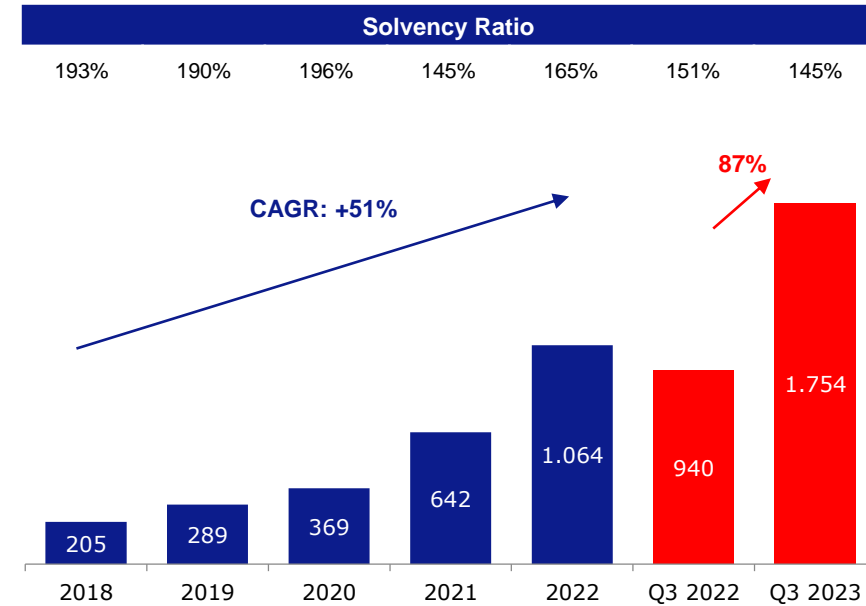
	2018	2019	2020	2021	2022	CAGR	Q3 2022	Q3 2023	YoY
<b>IFRS Profit for the Period</b>	<b>214</b>	<b>258</b>	<b>350</b>	<b>541</b>	<b>1.127</b>	<b>52%</b>	<b>807</b>	<b>1.377</b>	<b>71%</b>
Equalisation Reserve write-off	-6	-10	-11	-7	-9	10%	-6	-2	-64%
Change in Deferred Acquisition Costs	-32	-51	-57	-107	-356	82%	-200	-594	196%
Change in Deferred Income Reserve	8	4	-12	-8	24	31%	14	122	742%
Deferred Tax	8	14	17	33	88	82%	51	151	194%
Outstanding Legal Claims Discount, net			8	0	2	n/a	2	1	-56%
<b>Statutory Profit for the Period</b>	<b>191</b>	<b>215</b>	<b>295</b>	<b>452</b>	<b>875</b>	<b>46%</b>	<b>669</b>	<b>1.055</b>	<b>58%</b>
<i>Total Difference</i>	<i>22</i>	<i>43</i>	<i>55</i>	<i>89</i>	<i>252</i>	<i>83%</i>	<i>138</i>	<i>322</i>	<i>133%</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					Q3 2022	Q3 2023
	2018	2019 <sup>(1)</sup>	2020	2021	2022		
<b>A</b> AgeSA net assets	396	547	722	932	1.752	1.475	2.544
<b>B</b> AgeSA Required Capital	205	289	369	642	1.064	940	1.754
AgeSA guarantee fund	68	96	123	214	355	313	585
<b>Surplus of net assets in excess of Required Capital</b>	<b>191</b>	<b>259</b>	<b>353</b>	<b>290</b>	<b>688</b>	<b>535</b>	<b>790</b>
Surplus of net assets in excess of guarantee fund	327	451	599	718	1.398	1.162	1.959

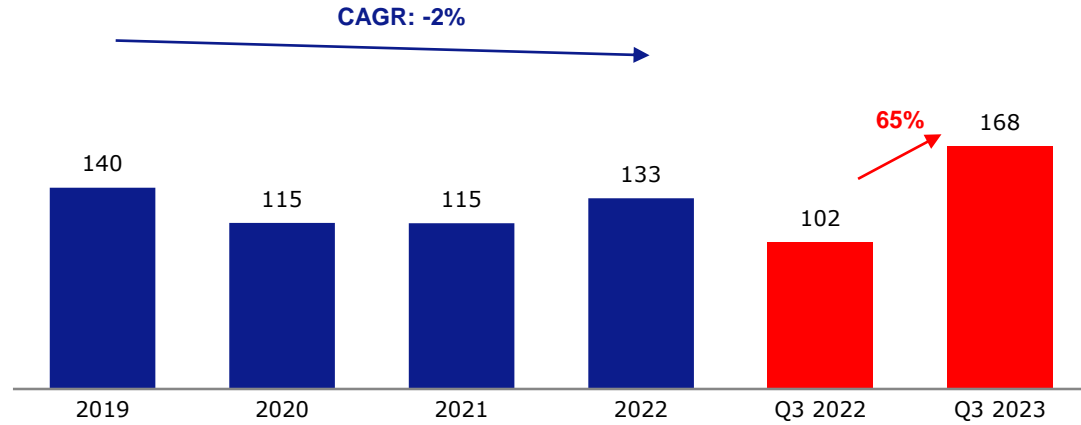


Source: Company information

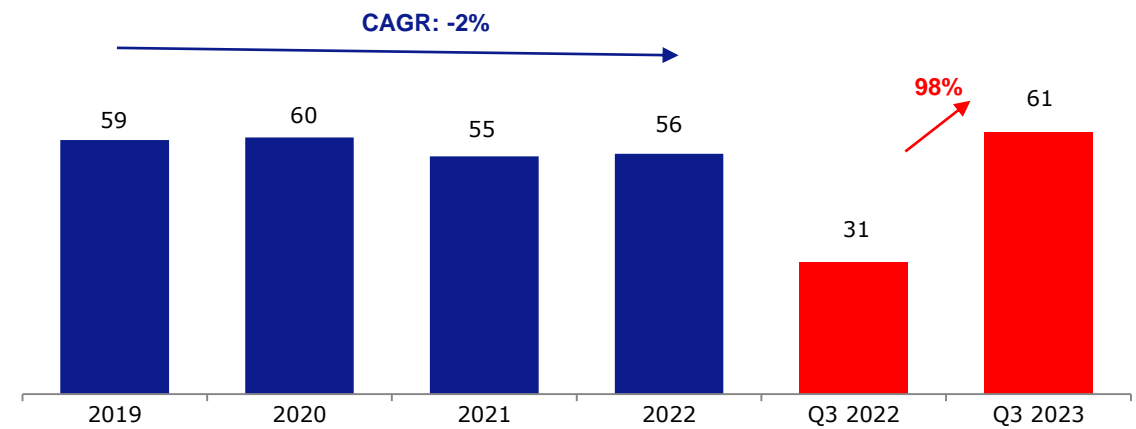
(1) As of Q3 2020 in order to reflect Turkish market conditions for interest risk calculations, interest risk calculations were revised. 2019 figures were updated to provide comparable figures under revised calculation

## 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	Q3 2022	Q3 2023
Personal Accident	10,9	9,3	8,4	6,6	8,5	5,7

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