

**Türkiye Sigorta A.Ş. 2025 Q2 Financial Results****Türkiye Sigorta Delivers Above-Expectations Performance Once Again**

Türkiye's non-life insurance sector leader Türkiye Sigorta A.Ş. (Türkiye Sigorta, TURSG) announced its second quarter financial results for the 6-month period ending June 30, 2025. The company once again delivered a remarkable performance, surpassing market expectations in net income, premium production, and combined ratio—demonstrating the strength of its sustainable growth strategy and disciplined operational execution.

**Taha Çakmak, General Manager of Türkiye Sigorta, shared the following assessments:**

We closed the second quarter of 2025 with a net profit of TL 4.8 billion – 58% higher year-over-year and well above market expectations. Despite frost-related agricultural claims in both Q1 and Q2, and the decline in discount rates in Q1, our unmatched technical performance and strong investment returns led to TL 9.3 billion net income for the first half of the year. This success is a clear reflection of our long-term vision, diversified portfolio, and data-driven decision-making capabilities.

Despite all these accomplishments, we believe we are still at the beginning of our journey. Considering our consistent growth performance, strong return profile, and market position across all segments, we expect to further strengthen our presence and penetration in the future. As we always emphasize, current insurance penetration rates indicate continued growth potential in the market.

**Key highlights from Q2 and 1H2025:****1. Strong Results Driven High Net Income:**

- Türkiye Sigorta's 2Q25 solo net profit reached TL 4.8 billion, up 58% yoy, beating market expectations.
- 2Q25 technical income showed a 110% year-over-year increase and combined ratio stood at 97.5%, well below market projections, thanks to disciplined claims and cost control.
- Despite pressures from frost claims in Q1&Q2 and a lower discount rate environment in Q1, Türkiye Sigorta achieved TL 9.3 billion net income in 1H25, marking a 42% yoy increase.

**2. Maintaining Momentum in a Disinflationary Period**

- The Company's actuarial discipline continues to drive robust technical profitability in Q2.
- Duration was extended on the investment portfolio, optimizing returns in anticipation of rate cuts.
- A potential interest rate cut by the Central Bank is expected to support the Company's credit-linked insurance business through increased loan activity.

**3. Strengthened Market Leadership**

- Türkiye Sigorta has expanded its lead with a 14.4% market share, reinforcing its leadership in a competitive landscape.
- Premium production rose 44% yoy in 1H25, reaching TL 72.7 billion, underpinned by a strong performance in non-motor and health segments.

**4. Reinforced Balance Sheet and Equity Base**

- Paid-in capital increased to TL 10 billion, supported by strong retained earnings and consistent premium generation.
- ROE remained solid at 58% adjusted average for the first half of the year, reflecting sustained value creation.

**5. Increasing Presence in Capital Markets**

- Türkiye Sigorta is now in several key indices including BIST Sustainability, BIST 50 Reserve List, MSCI EM, and FTSE EM Large Cap.
- It remains the only non-life insurance company in the BIST Dividend 25 Index.
- A TL 2 billion cash dividend will be distributed on August 28, as part of its commitment to consistent shareholder returns.

## Operational and Financial Performance Snapshot

**Premium growth:** TL 72.7 billion in 1H25, up 44% yoy. Q2 alone saw 41% yoy growth.

### Segment highlights:

**Agriculture:** TL 16.1 billion (+63% yoy)

**Health:** TL 9.4 billion (+155% yoy), over 1 million policyholders

**Fire & Natural Disasters:** TL 18.3 billion (+34% yoy)

**MOD:** TL 7.6 billion (+55% yoy)

**Technical profit:** TL 12.4 billion in 1H25 (+55% yoy), led by Health and MOD segments

**Investment performance:** TL 70 billion AuM excluding arbitrage (+56% yoy), with a 42% yield

**Combined ratio:** 97.5%, reflecting solid underwriting performance

**Distribution network:** 44% bancassurance, 24% agency, 18% direct, 14% brokers

## Strategic and Structural Developments

**Technology & Digitalization:** AI-enabled claims processing, with 87% of health claims processed via AI in under 5 seconds; reimbursement within 3 business days.

**Operational Efficiency:** Despite a 30-40% yoy increase in claim volumes, efficiency was preserved through robotic process automation and AI support.

**Underwriting Discipline:** Despite environmental and operational challenges, cost levels remained in check, supporting continued underwriting profitability.

## Investment and Macroeconomic Outlook

Our investment portfolio reached TL 70 billion (excluding arbitrage), growing 56% yoy with a 42% yield. We maintained a prudent strategy focused on Turkish lira assets and extended the average duration of our portfolio with fixed-rate government debt securities to benefit from the anticipated easing cycle. Despite global uncertainties, we preserved resilience through active asset allocation and tactical positioning. Strategic duration extensions across 1–5-year instruments to support long-term profitability in a disinflationary cycle.

TL 80 billion total fund size including repo transactions

### Asset allocation (as of June 30):

**Government Bonds:** 34%

**Private Sector Bonds:** 16%

**TL Deposits:** 13%

## Achievements in ESG and Corporate Governance:

- Türkiye Sigorta (TURSG) is in several including;
  - BIST Sustainability Index
  - BIST 50 Index Reserve List
  - FTSE and MSCI international indices
- We are the only non-life insurance company in the BIST Dividend 25 Index.
- Our authorized capital ceiling was increased tenfold to TL 50 billion.
- Our paid-in capital was doubled to TL 10 billion.
- On August 28, we will distribute TL 2 billion in cash dividends to shareholders.
- Our average ROE exceeds 50%, supported by a consistent dividend payment history. We remain committed to creating long-term value and trust for shareholders.

## Outlook

Türkiye Sigorta remains well-positioned to sustain its leadership with:

- A proven ability to adapt to macro and sectoral shifts
- Continued investments in digital infrastructure and product innovation
- Strong technical and investment performance
- A balanced and diversified distribution model

As insurance penetration in Türkiye remains relatively low at 2.2%, and with favorable demographics, the Company sees substantial long-term growth potential. With its strong fundamentals and dynamic execution, Türkiye Sigorta is committed to building on its momentum and creating enduring value for its stakeholders.

**Note:** 2Q25 Earnings webcast will be held today on July 21, 2025 at 5:00 p.m. Istanbul time.

You can easily access all financial information and announcements on our Investor Relations website using the link and QR code below.

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