TÜRKİYE SİGORTA A.Ş.

2Q26 Earnings Release

20 July 2026 | Istanbul, Türkiye

RECORD FIRST HALF: COMBINED RATIO AT 88%: THE BEST IN COMPANY HISTORY

Real growth and profitability in both USD and TL terms

TL 7.0 bn 2Q26 Net Income (+46% yoy), 15% Above Consensus // Combined Ratio 88%, Below 100% for 10 Consecutive Quarters // Net Income Exceeded the Estimates of All 13 out of 16 Covering Institutions

2Q26 NET INCOME	1H26 NET INCOME	COMBINED RATIO	PREMIUM (1H26)	ROAE	CAR
TL 7.0 bn	**TL 13.5 bn**	**88%**	**TL 94.2 bn**	**48%**	**213%**
+46%	+44%	-900 bps	+30%	TL and USD	Dividend Threshold: %135

KEY HIGHLIGHTS

- **Net Income:** TL 7.0 bn (+46% yoy), USD 155 mn (+24% yoy); 15% above the mean consensus of TL 6.1 bn and above even the highest of the 13 covering institutions' estimates; the highest quarterly income in the Company's history and the fifth consecutive quarter of above-consensus results. 1H26: TL 13.5 bn (+44%), USD 302 mn (+21%)
- **Technical Income:** TL 16.5 bn (+33% yoy); strong profitability from core insurance operations; TL 9.6 bn in 2Q26 (+35%)
- **Technical Income (excluding investment income):** TL 4.9 bn (+211% yoy), USD 110 mn (+161% yoy); TL 2.9 bn in 2Q26 (+192%)
- **Combined Ratio:** 88%, a 9-point improvement yoy and 400 bps better than the consensus of 92%; the best level in the Company's history and the 10th consecutive quarter below 100%; also an improvement on 1Q26's 90%
- **Combined Ratio (excluding MTPL):** Approximately 81%; in line with best-in-class global non-life insurers; the sector's combined ratio stands at 113% as of 1Q26
- **Premium Production:** TL 94.2 bn (+30% nominal, 14 points of real growth above insurance inflation of 16%, and +9% in USD terms); TL 40.4 bn in 2Q26 (+29%), USD 890 mn (+10%)
- **ROAE:** 48% in both TL and USD terms
- **Market Share:** 15% in 1H26 (#1, sector leader), with a lead of more than TL 18 bn over the #2 player widening from TL 11 bn in 1Q26; the gap to the #3 and #4 players stands at approximately TL 40 bn
- **Investment Portfolio (excluding arbitrage):** TL 88.4 bn (+26% yoy) / USD 1.9 bn (+8% yoy); investment yield of 35%, above CPI of 32%, a positive real return through the rate-cut cycle
- **Capital Adequacy Ratio (CAR):** 213%, 78 points above the 135% dividend distribution threshold
- **Equity:** TL 61.1 bn (+67% yoy), USD 1.3 bn (+43% yoy)
- **Capital Management:** TL 3 bn cash dividend in August 2026; 100% bonus capital increase completed (paid-in capital raised to TL 20 bn); free float at 23.9% following the secondary share sale (ABB); the only insurance company in the BIST 50 Index and BIST Dividend 25 Indices

CEO MESSAGE

Commenting on the results, **Taha Çakmak, CEO**, stated:

> *"The story of this half is clear: The record was written by insurance itself, not by investment income. While sector averages run above 110%, our combined ratio stayed below 100% for the tenth consecutive quarter and improved to 88%, the best level in our history. Our net income exceeded not only the consensus but even the most optimistic of the thirteen covering institutions' estimates. In a period of downgraded global growth expectations, ongoing wars and hardening competition, we earn from our core business, we grow in real terms, and we share that value with our shareholders through regular dividends and capital increases. Our priority for the second half is unchanged: Extending insurance to broader segments of society without compromising technical discipline."*

—Taha Çakmak, CEO

Türkiye Sigorta entered 2026 with a clear purpose: To grow in real terms above insurance inflation, to convert that growth into technical income, to grow the investment portfolio, and to widen insurance accessibility. The first half delivered on every one of these objectives. Gross premiums grew 30% nominally, 14 points above insurance inflation. The combined ratio improved 9 points yoy, and core technical income more than tripled. 1H25 profitability carried the load of a once-in-a-decade frost event; 1H26 demonstrates the true earnings power of an optimized portfolio: Diversified across Non-motor lines, disciplined in Motor, and deliberately repositioned in Health.

The Company's understanding of leadership is not merely to be first, but to be first by a margin. The premium lead over the closest follower reached TL 18 bn in the first half, and the gap to the third and fourth players approximately TL 40 bn. Managed together with customer satisfaction, efficiency and sustainable profitability, this scale converts into shareholder value.

RECORD PROFITABILITY, BUILT ON TECHNICAL EXCELLENCE

Türkiye Sigorta delivered record profitability from core insurance operations in 1H26. Net income rose 44% to TL 13.5 bn in the first half. 2Q26 net income of TL 7.0 bn came in 15% above the analyst consensus of TL 6.1 bn and marked the highest quarterly income in the Company's history. The result exceeded not only the average but the estimates of all 13 covering institutions, making this the fifth consecutive quarter of above-consensus results. Premium production of TL 40.4 bn in the second quarter was in line with expectations; growth came not from volume, but from a profitability-first production strategy.

The 9% qoq increase in net income does not fully reflect the quarter's true momentum. Pre-tax income rose 47% qoq; the difference stems from the effective tax rate normalizing from an unusually low 8% in 1Q26 to 31% in 2Q26. For the first half, the effective tax rate including corporate and deferred tax stands at 27%, within the previous periods' range. The pre-tax and technical results are the correct read of operational momentum.

The combined ratio improved from 97% in 1H25 to 88%, a 900-bps improvement and 400 bps better than the 92% consensus. Against the sector average of 113% (1Q26, latest available), Türkiye Sigorta's 88% represents a structural advantage. The loss ratio improved 8 points to 66%, the commission ratio declined to 11%, and the expense ratio held flat at 12%. Two drivers were decisive: The normalization of the 1H25 frost-loss base in General Losses, and disciplined pricing with effective claims management across the portfolio. The combined ratio also improved on 1Q26's 90%, profitability strengthened as the year progressed.

Core technical income (excluding investment income) rose 211% to TL 4.9 bn, and total technical income rose 33% to TL 16.5 bn. Return on average equity was recorded at 48% in both TL and USD terms.

Financial Summary (TL: billion | USD: as stated)

Metric	1H26 TL	1H25 TL	yoy	1H26 USD	1H25 USD	yoy
Gross Written Premiums	94.2	72.7	+30%	2.1 bn	1.9 bn	+9%
Technical Income	16.5	12.4	+33%	370 mn	331 mn	+12%
Technical Income (excl. investment income)	4.9	1.6	+211%	110 mn	42 mn	+161%
Net Income	13.5	9.3	+44%	302 mn	250 mn	+21%
Investment Portfolio (excl. arbitrage)	88.4	69.9	+26%	1.9 bn	1.8 bn	+8%
Equity	61.1	36.5	+67%	1.3 bn	0.9 bn	+43%

Key Ratios

Ratios	1H26	1H25	yoy
Combined Ratio	88%	97%	-900 bps; 10 consecutive quarters below 100%
Combined Ratio (excl. MTPL)	81%	84%	Among the best levels globally
Loss Ratio	66%	74%	-800 bps
Commission Ratio	11%	12%	-100 bps
Expense Ratio	12%	12%	Flat
ROAE	48%	58%	Natural consequence of a 67% larger equity base
ROAA	15%	16%	In line with asset growth
Capital Adequacy Ratio	213%	194%	+19 pts
AuM Yield	35%	42%	Rate path; positive real return above CPI (32%)
Effective Tax Rate (corporate + deferred)	27%	26%	Within the guided range
Market Share (#1)	15%	15%	Lead over #2 widened to TL 18 bn

The normalization of return on equity from 58% in 1H25 to 48% in 1H26 reflects the mathematical consequence of a 67% yoy expansion in the equity base; it points not to a deterioration in per-unit-of-capital profitability but to the compounding effect of retained earnings. Profitability per unit of capital remains strong.

SEGMENT DEEP DIVE

General Losses (including Agriculture): The main driver of the first half's technical improvement. Gross premiums grew 49% to TL 32.6 bn, accounting for 35% of total production. With the normalization of the 1H25 frost-loss base, technical income rose from TL 0.8 bn to TL 5.0 bn; the cumulative combined ratio improved to 46%. In agricultural insurance, the Company preserved its #1 position with TL 26.6 bn of premiums (+65%) and a 51% market share.

Fire & Natural Disasters (F&ND): Gross premiums grew 25% to TL 22.8 bn. Technical income was TL 5.8 bn (+24%) with a 52% combined ratio. The Company maintained its #1 position with a 23% market share and the sector's largest fire capacity. Claims incurred during the quarter were absorbed without disturbing segment profitability thanks to reinsurance protection, a concrete demonstration of the scale advantage.

Motor Own Damage (MOD): Gross premiums grew 30% to TL 9.9 bn; technical income was TL 3.9 bn (+5%) with an 86% combined ratio. Pricing discipline was maintained in an intensely competitive environment in which MOD tariffs were revised downward; the margin compression in 2Q is a deliberate choice, consistent with the accessibility strategy.

Motor Third Party Liability (MTPL): Gross premiums of TL 8.3 bn (+22%). The technical loss narrowed from TL 2.1 bn to TL 1.1 bn, with the combined ratio improving from 152% to 120%. Türkiye Sigorta maintains its disciplined, capital-efficiency-focused positioning in MTPL rather than building volume indexed to investment income, ranking eighth in the sector. The costs of the regulatory package effective 1 July 2026 (mandatory integration of diminished-value claims into the claims file, sequential loss-adjuster assignment) are comfortably manageable within existing provisions, and the Company's low MTPL share limits its exposure relative to the sector.

Accident and Other Non-Motor Lines: Total gross premiums of TL 10.0 bn (Accident +14%, Other +15%); total technical income of TL 3.1 bn. The Company preserved its #1 position across all non-motor segments.

Health: Gross premiums of TL 10.6 bn (+13%); 2Q26 production rose 76% yoy as the retail pivot began to deliver. The Company exited, by its own choice, certain corporate groups with high loss ratios and redirected capacity to the individual segment; the number of insureds in individual complementary health rose 32%. As pricing was kept below medical inflation in favor of accessibility and renewals, the segment's technical result was negative at TL 309 mn in 1H26. Türkiye Sigorta holds the sector's second-largest provider network with 6,028 contracted institutions, ranking fifth in the sector.

Segment Performance Summary

Segments	GWP (TL bn)	yoy	Combined Ratio	Market Position
General Losses (incl. Agriculture)	32.6	+49%	46%	#1
Fire & Natural Disasters	22.8	+25%	52%	#1
Motor Own Damage (MOD)	9.9	+30%	86%	#2
MTPL	8.3	+22%	120%	#8
Accident + Other Non-Motor	10.0	+15%	64%*	#1
Health	10.6	+13%	113%	#5
Total	94.2	+30%	88%	#1

** Cumulative combined ratio of the Accident segment.*

INVESTMENT PERFORMANCE & TREASURY

The investment portfolio (excluding arbitrage) grew 26% to TL 88.4 bn. The portfolio yield of 35% exceeded CPI of 32%, preserving a positive real return through the rate-cut cycle. Net investment income reached TL 14.5 bn (+13%), with TL 8.3 bn in 2Q26 (+19%).

The portfolio was repositioned for disinflation while rate cuts were still under way: as the CBRT policy rate declined from 46% to 37% and CPI moderated from 35% to 32%, the share of TL government securities in the portfolio was raised from 34% to 42%, while the weight of FX deposits was reduced. The investment portfolio serves as support, stabilizing earnings through the rate cycle; the engine of growth is the insurance business itself.

CAPITAL, DIVIDEND & SHAREHOLDER RETURNS

The capital adequacy ratio stands at 213%: 78 points above the 135% dividend distribution threshold and 98 points above the 115% regulatory minimum. Equity grew 67% to TL 61.1 bn (USD 1.3 bn, +43%).

A TL 3 bn cash dividend will be paid in August 2026, bringing the Company's cumulative cash dividend distributions since 2020 to more than USD 180 mn.

A 100% bonus capital increase was completed within the quarter: following CMB approval (10 June 2026), paid-in capital was raised from TL 10 bn to TL 20 bn. Türkiye Wealth Fund's sale of a 5% stake through an accelerated bookbuilding (ABB) was completed with strong demand from international institutional investors at 4.4x coverage; free float rose to 23.9%. The transaction deepens share liquidity and broadens the foreign institutional investor base. Türkiye Sigorta is the only insurance company included in both the BIST 50 Index and the BIST Dividend Indices.

STRATEGIC & OPERATIONAL DEVELOPMENTS

Digitalization continues to compound the expense advantage. Close to 30 RPA robots are live in claims operations, and automated claims payment has reached 15% of files. Health provisioning is completed within seconds at a high automation rate. The mobile platform reached 9.2 mn interactions, and customer satisfaction (NPS) scores rose again this quarter.

The MTPL claims regulation effective 1 July is expected to standardize loss-adjustment and indemnity processes, reduce dispute, arbitration and litigation costs, and structurally lower claims-handling costs across the sector from 2027 onward. Thanks to its IT readiness in the pilot provinces, Türkiye Sigorta enters this transition well prepared.

The Company holds an AAA (tr) credit rating from JCR Eurasia, a corporate governance rating of 9.66, and seven ISO certificates, including ISO/IEC 42001 Artificial Intelligence Management System — a first in the sector.

EARNINGS WEBINAR AND INVESTOR RELATIONS CONTACT

2Q26 Earnings Webinar
Date: 20 July 2026 (Today)
Time: 19:00 Istanbul Time (GMT+3)
Speakers: Investor Relations Director; Chief Investment Officer, Treasury and Pension Operations
Link: Türkiye Sigorta (TURSG) 2Q26 Earnings Webinar

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