Türkiye Sigorta

We initiate coverage of Türkiye Sigorta with an OUTPERFORM recommendation

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Türkiye Sigorta stands out in the non-life insurance sector through its market leadership, a distribution network weighted toward state-owned banks, and broad line-of-business coverage. The Company ranks first in most of the main lines, notably general damages, fire and natural perils, accident, motor own damage and health. Writing TRY 94.2 bn in gross premiums in the first half of 2026, Türkiye Sigorta captured a 15% share of the non-life market and widened its lead over the second-ranked company to TRY 18 bn. The ownership structure established with Türkiye Wealth Fund as the controlling shareholder gives the Company broad distribution access through the branch networks of state-owned banks. What distinguishes the Company from other players in the sector is its distribution channel mix. The bank channel accounted for 47% of total premium production in the first half of 2026, well above the non-life sector average of 13.9%.

Technical profitability has improved markedly. After closing 2025 at 97%, the Company's combined ratio fell by nine points to 88% in the first half of 2026, remaining below the 100% threshold for the tenth consecutive quarter. The improvement stems primarily from the unwinding of the high base created in the general damages line by the frost event in the first half of 2025, accompanied by disciplined pricing in the motor lines. Net underwriting profit reached TRY 4.9 bn over the same period, tripling year on year. Our estimates do not extrapolate the first-half performance to the full year; we forecast a combined ratio of 91.5% for 2026 and 94.75% over the medium term. On the other hand, the lengthening of the premium collection period from 68 days in 2024 to 88.9 days is the key operational indicator to monitor; our estimates assume no improvement and hold the period at its current level throughout the forecast horizon.

The Company's profit mix is shifting as disinflation progresses. The yield on the TRY 88.4 bn investment portfolio declined from 42% to 35% in line with the fall in the policy rate; the improvement in technical profitability more than offset this effect, lifting net profit by 44% year on year. The portfolio allocation has shifted toward TRY government bonds, with this item rising from 34% to 42% of the total over the past year.

The Company is in a strong capital position. Shareholders' equity rose 67% year on year to TRY 61.1 bn in the first half of 2026, while the solvency ratio stood at 213%. This is comfortably above both the 135% threshold below which dividend distribution is restricted and the 115% regulatory minimum. During the year the Company completed a 100% bonus issue and distributed TRY 3 bn in cash dividends. In our valuation we treat core capital deployed in operations separately from excess capital, and base our target price on the profitability the Company generates on its required capital.

Our valuation work leads us to a 12-month target price of TRY 9.20 per share for Türkiye Sigorta. Our target price implies 47.4% upside potential relative to the closing price on 8 September 2026, and we initiate coverage of TURSG with a "OUTPERFORM" recommendation.

OUTPERFORM
TP: TRY9,20
Upside Potential: 47.4%

	TRY	US$
Close	6.24	0.13
BIST 100	14,405	298
US$/TRY (CBT Bid Rate):	48.35	
52 Week High:	7.31	0.16
52 Week Low:	4.22	0.10
Bloomberg/Reuters Code:	TURSG.TI/TURSG.IS	
Price date:	08.09.2026	

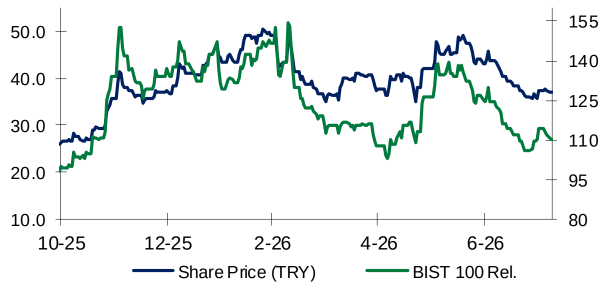
	(TRY Mn)	(US$ Mn)
Number of Shares (Mn):	20,000	
Current Mcap:	124,800	2,581
Free Float Mcap:	29,952	620

	1M	1Y	YTD
TRY Return (%):	1.6	44.0	8.3
US$ Return (%):	-0.1	22.4	-4.0
BIST 100 Rel. Return (%):	-2.8	4.5	-15.4
Avg. Daily Volume (TRY Mn):	388.8	573.1	546.4
Avg. Daily Volume (US$ Mn):	8.1	13.0	12.1

Beta	0.76
Annual Volatility (Stock)	0.41
Annual Volatility (BIST 100)	0.23

Shareholder Structure	%
TÜRKİYE VARLIK FONU FİNANSAL YATIRIMLAR A.Ş.	76.10
Free float	23.90
Total	**100.00**

Returns (%)	1 M	3M	6M	12M	YtD
TRY Return:	1.6	0.1	4.5	44.0	8.3
US$ Return:	-0.1	-5.0	-5.1	22.4	-4.0
BIST 100 Relative:	-2.8	-3.7	-7.2	4.5	-15.4



Source: Türkiye Sigorta, Insurance Association of Türkiye, Bloomberg, Şeker Invest Research

Türkiye Sigorta

Contents

Türkiye Sigorta

Investment Summary

Our investment case rests on the Company generating returns well above its current cost of equity, and on the profit mix shifting from portfolio income toward technical profitability as disinflation progresses.

Our investment case for Türkiye Sigorta rests on two elements. (i) The return the Company generates on the capital it must hold to continue operating is well above its cost of equity; we forecast a terminal core return on equity of 27.3% against a cost of equity of 20.3%. (ii) The profit mix is shifting from portfolio income toward technical profitability as disinflation progresses, which we expect to limit the pressure that rate normalization places on earnings.

We build our valuation on the residual income method. The value of an insurance company derives less from free cash flow than from its capacity to generate returns above the cost of equity on the regulatory capital it holds. Our valuation base is the balance sheet dated 30.06.2026; the explicit forecast period runs to end-2035, modelled quarterly for 2026–2030 and annually for 2031–2035. The participations portfolio is excluded from the operating book and added separately at fair value.

The split of the capital base is the defining feature of our valuation. We value the core capital the Company must hold and the excess capital above it at separate multiples; the rationale for the split is the difference in profitability. The blended P/BV multiple corresponding to the entire book is 2.08x. Details are set out in the Valuation section.

VALUE BRIDGE (TRY mn)	Value	Share
Opening operating book (equity – associates)	48,682	34.6%
(+) Explicit period residual income, present value	36,114	25.7%
(+) Terminal value, present value	43,402	30.9%
(=) Operating value	**128,198**	**91.2%**
(+) Associate portfolio (sum of the parts)	12,374	8.8%
(=) TARGET EQUITY VALUE (TRY mn)	**140,572**	**100.0%**
TARGET PRICE (TRY/share)		
30.06.2026 valuation (TRY/share)		7.03
(+) Roll-forward at cost of equity (33.8%)		2.38
(–) Dividend expected within 12 months (TRY/share)		-0.19
(=) 12-MONTH TARGET PRICE (TRY)		**9.20**
Closing price (TRY)		6.24
Upside potential		47.4%

Our upside potential is 47.4%, against a cost of equity of 33.8% over the same period. Our "OUTPERFORM" recommendation rests on this difference.

Source: Şeker Invest Research

Türkiye Sigorta

Investment Thesis

Distribution Network: A Structural and Non-Replicable Advantage

The weight of bancassurance is the primary reason the Company diverges from the sector.

What defines Türkiye Sigorta's position in the sector are the sources of its premiums. The bank channel accounted for 47% of the Company's premium production in H1 2026 — roughly 3.4 times the non-life sector average. While the agency channel generates more than half of sector premiums, the same figure stands at around one fifth for Türkiye Sigorta.

The source of this difference is the Company's ownership structure. The branch networks of the state-owned banks held by Türkiye Wealth Fund, the controlling shareholder, give the Company nationwide distribution reach at low cost. Competitors cannot replicate this access in the short term; building a comparable network would require a banking partnership or years of investment in an agency base.

The economics of the bank channel differ structurally from those of the agency channel.

This structure has to be read in two directions. While the channel advantage gives the Company a position that cannot be imitated, agricultural insurance — a product of the same network — accounts for more than a quarter of the portfolio, creating concentration risk. The losses faced by the general damages line from the severe frost of the first half of 2025 are a concrete example of this risk.

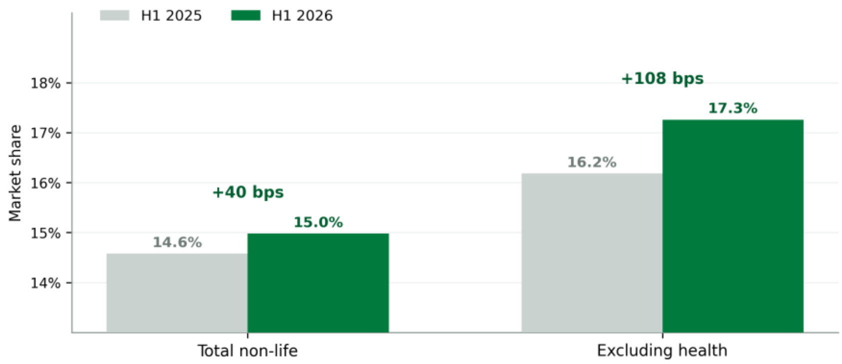
Market Position: Leadership Across the Main Lines

Türkiye Sigorta wrote TRY 94.2 bn in gross premiums in the first half of 2026, capturing a 15% share of the non-life market. Its lead over the second-ranked company stands at TRY 18 bn.

This leadership is repeated across most of the main lines. The Company ranks first in general damages, fire and natural perils, accident, and all other non-motor lines. Its market share in non-motor as a whole is 28%, well above the sector average.

The Company's position in the motor and health lines is different. It ranks second in motor own damage, eighth in motor third-party liability and fifth in health. The low share in these lines reflects the Company's historically limited positioning in motor third-party liability, where the combined ratio stands at 120%, and in health, at 113%.

Total market share understates the Company's operational performance. Excluding the health line, the growth differential widens to 8.3 points and the share gain rises two and a half times; the difference reflects a deliberate withdrawal from the loss-making health portfolio.



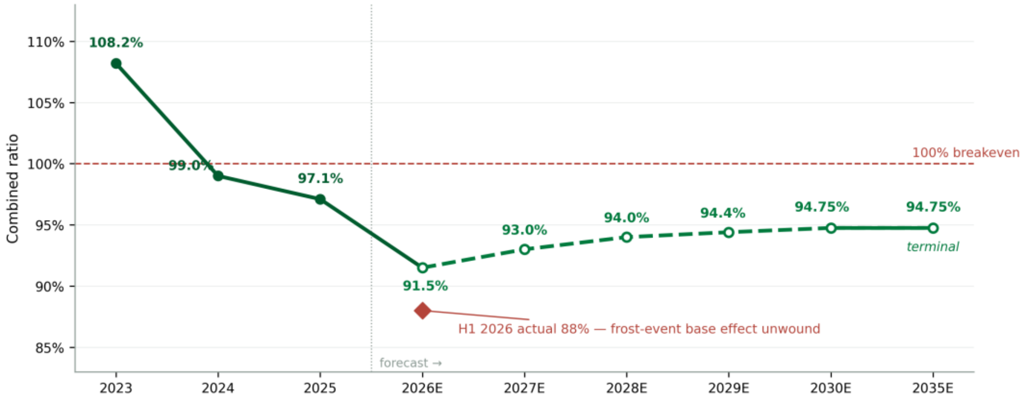
Source: Türkiye Sigorta, Insurance Association of Türkiye, Şeker Invest Research

Türkiye Sigorta

Investment Thesis

Technical Profitability: A Structural Improvement

The Company's technical performance has improved markedly over the past two years, staying below the 100% threshold on a cumulative basis for the tenth consecutive quarter. All three components of the combined ratio moved in the same direction, with the decisive part of the improvement coming from the loss side.



Most of the improvement stems from a base effect; our terminal assumption anticipates deterioration.

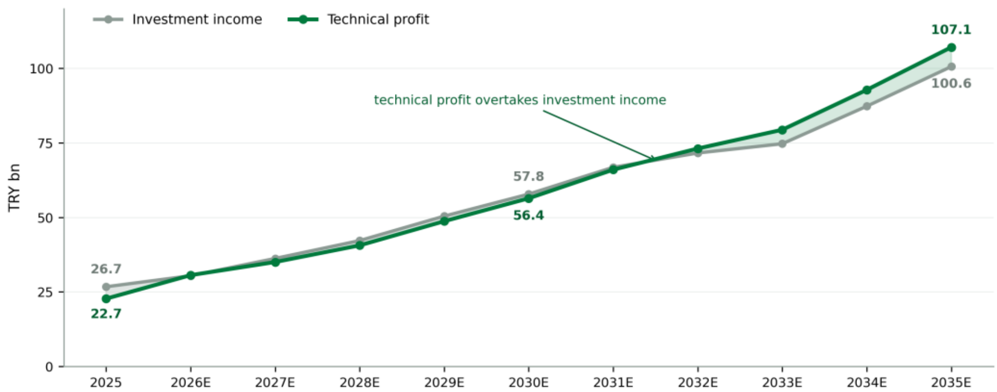
However, a significant part of the improvement is a base effect. The frost event in the first half of 2025 had pushed the loss ratio of the general damages line to 114%; with no comparable event this year, the line's combined ratio fell from 112% to 46%. We therefore do not regard the H1 2026 level as sustainable.

Nor do we treat the improvement on the expense side as permanent. Although the expense ratio fell 60 basis points in H1 2026, it has fluctuated within a 22%–26% band over the past three years without showing a clear trend.

Profit Mix: The Two-Way Effect of Disinflation

Technical profit overtakes investment income from 2032 onward, making the valuation less dependent on the interest rate path.

Investment income has played a decisive role in Türkiye Sigorta's profitability in recent years, and the market expects disinflation to pull the Company's earnings down proportionately. Our estimates do not share this expectation. While the portfolio yield falls by more than half through 2030, the net investment portfolio grows from TRY 80.8 bn to TRY 322.3 bn; the loss in yield is more than offset by volume. The second leg of the shift in the profit mix is on the technical side.



Technical profit overtakes investment income from 2032 onward. We present this as a gradual shift rather than a break. In our valuation, premium growth and the portfolio yield are derived from the same inflation path, so the trajectory inflation follows does not move the valuation much. A change in the permanent level of inflation, by contrast, has a more pronounced effect: if inflation falls permanently, the portfolio yield falls permanently as well and the Company loses value. We quantify this in the Valuation section.

Source: Türkiye Sigorta, Şeker Invest Research

Türkiye Sigorta

Catalysts

A one-point improvement in the terminal combined ratio corresponds to TRY 0.82 in value. The health and motor third-party liability lines stand out as the main levers here.

1. The combined ratio coming in below our estimates

Our estimates assume a combined ratio of 91.5% for 2026 as a whole and 94.75% over the medium term. The Company closed the first half of 2026 at 88%, remaining below the 100% threshold for the tenth consecutive quarter. Our assumption embeds a deterioration in the general damages line from current levels in a normal loss year. Should that deterioration prove more limited than we expect, the effect is positive: a one-point improvement in the terminal combined ratio corresponds to roughly TRY 0.82 per share.

There are two concrete sources of improvement. (i) The health line has moved into a technical loss, with the combined ratio rising to 113%. The Company is exiting loss-making group policies and has increased the number of individual complementary health policyholders by 32%; if the portfolio clean-up is completed and price increases catch up with cost inflation, the line could return to profitability. (ii) In motor third-party liability the combined ratio fell from 152% to 120% over a year, yet the line still produced a technical loss of TRY 1.1 bn in the first half of 2026. Because the tariff structure is subject to regulation, the pace of improvement is not within the Company's sole control.

In our valuation, a decline in the collection period to 75 days creates TRY 1.08 of upside.

2. An improvement in the premium collection period

The collection period has lengthened markedly over the past two years, and our estimates hold it flat at this level. It is one of the most sensitive inputs in the valuation; a return to 75 days would on its own lift the 12-month target price by roughly TRY 1.08.

3. Normalization of the reinsurance cession ratio

The share of gross premiums ceded to reinsurers was 54.5% in the first half of 2026, against 53.8% in the same period a year earlier and 57.9% two years earlier. A decline in the ratio would produce higher net premiums and a larger investment portfolio from the same gross premium production.

4. Continued market share gains

The sector grew 26% in the first half of 2026 while the Company grew 30%. Excluding the health line, the Company gained 108 basis points of market share. This gain will feed into value only if it proves durable and is reflected in terminal real premium growth. An increase in terminal growth from 3% to 4% creates roughly TRY 1.01 per share, while a decline of the same magnitude costs roughly TRY 0.63. What matters is not the size of the premium but its profitability. When the combined ratio is above 100%, premiums written produce no technical profit and contribute only to the investment portfolio — a contribution we do not consider sufficient on its own to cover the cost of equity.

5. The flexibility afforded by the capital structure

The solvency ratio stands at 213%, well above the regulatory dividend threshold. Our valuation rests on the assumption that excess capital is carried at its current return rather than distributed. We estimate that returning 50% of excess capital would create roughly TRY 0.13 per share. This follows from our valuing the excess capital — which we expect to reach TRY 67.2 bn in the terminal period — at 0.52 times book value.

Source: Türkiye Sigorta, Insurance Association of Türkiye, Şeker Invest Research

Türkiye Sigorta

Investment Risks

1. The cost of equity remaining higher than we assume

The effect of the cost of equity depends on its source: TRY 0.37 per point through the real rate channel, TRY 1.13 per point through the risk premium channel.

We take the terminal cost of equity at 20.3%, based on 12.1% terminal inflation, a 3.65-point neutral real rate, an adjusted beta of 0.822 and a 5.5% equity risk premium. The cost of equity is one of the most sensitive inputs in our valuation, but the magnitude of the effect depends on the source of the increase. If the increase comes from the real rate, the portfolio yield rises as well and offsets roughly three quarters of the effect; a one-point increase through this channel corresponds to a loss of about TRY 0.37 per share. If the increase comes from a repricing of the equity risk premium or beta, the portfolio yield does not change, and a one-point rise in the risk premium produces a loss of about TRY 1.13.

2. The combined ratio deteriorating faster than expected

The 88% combined ratio in the first half of 2026 reflects the unwinding of the high base created by the 2025 frost event. The entire improvement comes from a single line: in general damages the combined ratio fell from 112% to 46% and technical profit rose from TRY 833 mn to TRY 4.96 bn. The picture is the reverse in the other lines — the loss ratio rose from 11% to 17% in fire and natural perils, from 58% to 66% in motor own damage, and from 90% to 94% in health. A one-point deterioration in the terminal combined ratio corresponds to a loss of about TRY 0.82 per share.

The entire improvement in the combined ratio comes from a single line.

The risk has two concrete sources. (i) Concentration: agricultural premiums account for 28% of the portfolio and the Company writes 51% of the sector in this area; the portfolio is directly exposed to a single event. (ii) Claims inflation: in the health line, price increases lagging cost inflation turned technical profit into a loss within a year; a similar gap opening in the motor lines, where tariffs are subject to regulation, would constrain technical profitability.

3. A shift in portfolio assumptions

The ratios that determine the size of the investment portfolio are held flat at their latest levels throughout the forecast period. A five-point increase in the largest of these lowers the 12-month target price by roughly TRY 0.83.

4. The premium collection period continuing to lengthen

The collection period has lengthened without interruption over the past three years; in the first half of 2026 receivables from operating activities grew 60% while gross premium production grew 30%, widening the gap to 30 points. Our estimates hold the period flat at its most recent level, assuming neither improvement nor further deterioration. A further ten-day extension, settling at 100 days, corresponds to a loss of about TRY 0.87 per share.

The collection period measure rises mechanically as growth slows.

The measure is the ratio of the average receivables balance to annual premium production; as nominal growth slows, the inflation in the denominator disappears and the measured period rises even if collection behavior itself does not change.

5. A change in the regulatory framework

A change in the regulatory framework directly affects the required capital base and therefore core return on equity. Defining core capital at 150% instead of 135% lowers the justified P/BV multiple from 2.46x to 2.12x. Actual changes were made during 2026: risk coefficients that had differed by distribution channel in the solvency calculation were consolidated into a single coefficient. For a company whose channel mix diverges markedly from the sector average, such changes carry an asymmetric effect.

Source: Türkiye Sigorta, Insurance Association of Türkiye, Bloomberg, Şeker Invest Research

Türkiye Sigorta

Sector

The non-life sector has gained scale without concentrating

There are 68 companies in the sector; the market leader is not a price setter.

There are 68 companies operating in the Turkish insurance sector: 45 in non-life, 19 in life and pensions, and four in reinsurance. Non-life premium production reached TRY 629.0 bn in the first half of 2026.

The sector has grown in scale but remains fragmented in structure. The top five companies account for 49% of total production and the top ten for 67%. Türkiye Sigorta leads with a 15% market share, and its gap to the second-ranked company stands at TRY 18 bn. The third- and fourth-ranked companies, by contrast, hold roughly equal shares, and the next ten companies hold between 2% and 5% each.

The concentration measure confirms this structure. The HHI index, calculated as the sum of squared market shares, stands at around 660; international practice regards values below 1,500 as indicating a competitive market. This is a sector in which even the market leader cannot set prices.

Nominal growth continues; real growth has stalled

Differentiation comes not from pricing power but from line selection, cost of collection and fund management.

Non-life insurance recorded 26.2% nominal growth in the first half of 2026. Taking June's annual consumer inflation into account, the sector contracted by roughly 4% in real terms. Türkiye Sigorta also contracted in real terms, though by less than the sector; the difference reflects its market share gain. This shows that the sector's growth over recent years has largely been a price effect. Nominal expansion has increased premium amounts without producing a corresponding rise in the volume of risk insured.

Leadership does not mean pricing power

This observation is decisive for our assessment. While market leadership is treated as a source of margin advantage in most industries, in insurance the product is largely standardized and prices are compressed by competition and regulation. Motor third-party liability tariffs are subject to regulation, and price competition is intense in motor own damage and health.

An insurer therefore differentiates itself from its peers not through pricing power but through one of three channels: (i) which lines it operates in, (ii) at what cost it collects premiums, and (iii) how it deploys the funds it collects. The following sections of this report address these three axes in turn.

The line-of-business mix is the first point of divergence between the sector and the Company

The Company's mix is close to the inverse of the sector's. This difference is not coincidental but a consequence of the channel structure: motor lines are sold predominantly through the agency channel, while bank and corporate channels are decisive in non-motor lines.

Business group	Sector share	TURSG share
Motor lines	39.5%	19.3%
Non-motor	37.4%	69.4%
Health	23.1%	11.3%
TOTAL	**100.0%**	**100.0%**

Source: Insurance Association of Türkiye, Şeker Invest Research

Türkiye Sigorta

Sector

The penetration gap lies on the life side

The penetration gap lies on the life side; life penetration is only 0.38%.

One of the most common investment arguments for the Turkish insurance sector is the penetration gap: premium production as a share of national income is well below that of developed markets, and convergence is expected. We do not apply this argument to Türkiye Sigorta, however, because the gap does not lie in the Company's area of operation.

According to the Insurance Association of Türkiye, total insurance penetration in Türkiye stands at 2.62%, of which only 0.38 points comes from life insurance. The remainder belongs to non-life lines and does not show a material gap against developed-market non-life norms. The Association's strategic target for 2030 is 4.7%.

Türkiye Sigorta is effectively an entirely non-life company.

Türkiye Sigorta is effectively an entirely non-life company. Its life and pension activities are represented only through a 7.36% minority stake in Türkiye Hayat ve Emeklilik. If penetration convergence does occur, the principal beneficiaries will be life insurance and private pension companies.

Sector growth is not the basis of our case

Our valuation does not rest on an assumption of extraordinary sector growth. We take the Company's terminal real premium growth at 3.0% and sector growth at 3.5% — in other words, we assume the Company loses market share to a limited extent. Our view rests not on the expansion of the sector but on the Company's structural position within it.

Our view rests not on the expansion of the sector but on the Company's position within it.

Agriculture is the fastest-growing line in the sector

While total sector premium production rose 26% in the first half of 2026, agricultural insurance grew 82%, making it the fastest-growing line. Türkiye Sigorta is the clear leader in this line with a 51% market share; agricultural premiums of TRY 26.6 bn make up 28% of its portfolio, against 22% a year earlier.

The Company's retention ratio in the general damages line is around 13%, meaning it cedes roughly 87% of the premiums it writes to reinsurers. The commission ratio, meanwhile, is minus 2% — reinsurance commission income exceeds policy acquisition costs. In this line the Company earns predominantly through its distribution network and commission structure rather than by carrying risk. The sustainability of this profitability therefore depends not only on its own technical performance but also on the terms of its reinsurance treaties.

Health: a deliberate retreat

The health line grew 35% at the sector level to TRY 145 bn. Türkiye Sigorta grew 13%, and the share of health premiums in its portfolio fell from 13% to 11%; the Company ranks fifth in this line with a 7% share.

The retreat should be read alongside the profitability data. The line produced a technical profit of TRY 2.1 bn in the first half of 2025 but moved to a loss of TRY 0.3 bn in the first half of 2026, contributing TRY 2.4 bn negatively on its own despite the rise in technical profit across the portfolio. The source of the deterioration is the price–cost gap: policy prices are renewed annually while claims costs are incurred within the period. The path being followed is to exit loss-making corporate group policies and shift weight toward individual complementary health products; the number of individual complementary health policyholders rose 32% over the year. The slowdown in premium production is therefore not a loss of market share but the result of a portfolio clean-up.

Source: Şeker Invest Research, Insurance Association of Türkiye Sector Report 2025

Türkiye Sigorta

Sector

The sector's largest line produces persistent technical losses

The motor lines make up the largest block of sector premium production, two thirds of which belongs to motor third-party liability. The bulk of this line consists of compulsory motor insurance, whose tariff is subject to regulation, and so pricing is not within the company's control.

Türkiye Sigorta's position in this block diverges markedly from the sector, and this is a deliberate choice.

The divergence is borne out in the profitability data

	Compulsory MTPL	Motor own damage	Motor book
TURSG market share	5.0%	12.1%	
Sector ranking	8	2	
Combined ratio H1 2025	152%	82%	
Combined ratio H1 2026	120%	86%	
Technical result H1 2026 (TRY mn)	-1,055	3,908	2,853
Portfolio share H1 2026	9.0%	10.0%	19.0%

A low share in the sector's largest line — motor — is one of the sources of technical profitability.

The improvement in compulsory motor insurance is clear, but the line remains above the profitability threshold; the loss ratio fell from 136% to 104% while staying above 100%. In other words, the line produces a loss even before expenses and commissions are taken into account. Profitability in motor own damage more than covers the loss in compulsory motor, and the motor block as a whole produces a technical profit.

A limited position in motor is a deliberate choice

Because the motor lines produce chronic losses across the sector, building scale in this area would not contribute to profitability. The Company's non-motor weighting is a natural consequence of its distribution channel; the bancassurance channel works effectively in lines such as fire, agriculture and accident, while motor lines are sold predominantly through the agency channel.

A low motor share nonetheless carries a cost. The motor lines are the sector's largest area and the one with the broadest customer reach; a limited position here constrains cross-selling opportunities and the breadth of the customer base.

Our assessment

The three lines show three different ways in which the Company carries risk: in agriculture, risk is largely ceded to reinsurers; in health, it stays on the Company's balance sheet; and in motor, it is not assumed at all, by choice of limited positioning. The common thread is the direction of growth — the Company is growing more slowly than the sector in both of its fastest-growing areas. The share loss in agriculture is not a choice, whereas the retreat in health and the limited position in motor are deliberate. When the portfolio clean-up will be completed, and whether leadership in agriculture will be maintained, are the items to monitor.

Source: Şeker Invest Research, Insurance Association of Türkiye

Türkiye Sigorta

Sector

Stripped of investment income, the sector's technical result is a loss

The non-life insurance sector reported a technical segment balance of TRY 75.8 bn in the first half of 2026. At first glance this suggests a profitable sector; the figure, however, includes TRY 121.2 bn of investment income transferred from the non-technical segment. Stripped of investment income, the sector's first-half technical result is a loss of TRY 45.4 bn.

The sector produces a technical loss of TRY 45.4 bn excluding investment income.

This captures the sector's structural position. The insurance business loses money on its own, and the gap is closed with portfolio income.

The combined ratio gap is 21.6 points

We calculate the sector's combined ratio at 109.6% for the first half of 2026.

COMBINED RATIO COMPARISON (H1 2026)			
Ratio (on earned premiums)	**Sector — non-life**	**TURSG**	**TURSG advantage (pts)**
Loss ratio	80.8%	66.0%	+14.8 p
Commission ratio	15.2%	11.0%	+4.2 p
Expense ratio	13.7%	12.0%	+1.7 p
COMBINED RATIO	**109.6%**	**88.0%**	**+21.6 p**

Two thirds of the combined ratio gap comes from the loss side.

The gap appears in all three components, but its weight is on the loss side. Of the 21.6-point total, 14.8 points come from the loss ratio, 4.2 points from commissions and 1.7 points from expenses. This relates directly to the line mix discussed in the preceding pages. The motor lines, which make up 39% of sector premium production, produce chronic losses; Türkiye Sigorta's share of this block stands at 19%.

The 4.2-point gap in the commission ratio is a consequence of the distribution structure. The agency channel carries a commission cost, while the bank channel and heavily reinsured lines reduce it.

Disinflation directly affects the sector's profit model

Disinflation will create a divergence within the sector.

Because the sector's profitability depends on investment income, a decline in interest rates means a direct loss of profitability across the sector. In a structure that produces a TRY 45.4 bn loss on the technical side, every fall in the portfolio yield feeds through to net profit.

This is where Türkiye Sigorta's position diverges. The Company produced TRY 4.9 bn of net underwriting profit excluding investment income in the first half of 2026, while the sector was in technical loss over the same period. Disinflation will therefore reduce the Company's investment income as well, but unlike the sector it has technical profitability to offset the loss.

In our assessment, disinflation will create a divergence within the sector. Companies with technical profitability will be relatively protected, while those relying on portfolio income will come under pressure.

Source: Insurance Association of Türkiye, Şeker Invest Research, Türkiye Sigorta Q2 2026 & H1 2026 Investor Presentation

Türkiye Sigorta

Sector

Sales in the sector run through the agency channel

Distribution in non-life insurance runs largely through the agency network. Of the sector's TRY 629.0 bn of premium production in the first half of 2026, 55.7% was written through agencies, 17.2% through brokers, 13.9% through banks and 11.2% through company head offices.

The Company's bancassurance share is 3.4 times the sector average.

Türkiye Sigorta's channel mix differs fundamentally from this structure. The bank channel accounts for 47.0% and the agency channel for 22.6%. The Company's bancassurance share is thus roughly 3.4 times the sector average, and the center of gravity of its distribution runs in the opposite direction to the sector's.

Channel	Sector	TURSG	Multiple (TURSG / sector)
Direct / head office	11.2%	18.0%	1.61x
Agency	55.7%	22.6%	0.41x
Bancassurance	13.9%	47.0%	3.39x
Broker	17.2%	12.4%	0.72x
Other	2.1%	0.0%	
TOTAL	**100.0%**	**100.0%**	

Bancassurance is normally a life channel; the Company holds this profile as a non-life insurer.

The second point the channel data brings out makes the Company's position clearer still. In Türkiye, bancassurance is essentially a channel for life insurance: the bank share is 72.7% in life lines but only 13.9% in non-life. The reason is structural — life products tied to bank loans sell naturally through a branch network, whereas non-life products largely require an agency relationship. Although Türkiye Sigorta is effectively an entirely non-life company, its channel profile is closer to that of the life group than to the non-life sector.

The source of the difference is the ownership structure

This access is not the result of a commercial distribution agreement but a natural extension of the ownership structure, and that is what makes the advantage durable. Commercial bancassurance agreements are struck for fixed terms, renewal is open to competition, and they generally require a large upfront payment. Because the Company's channel access does not rest on such a contract, it carries neither a term limit nor renewal risk; the economics of that access are not fixed, however, and a change in the commission structure would affect the Company more than the sector.

The channel advantage translates into results in two places

Cost. The bank channel operates at a lower commission cost than the agency channel. The Company's commission ratio was 11% in the first half of 2026 against 15.2% for the sector. The 4.2-point gap accounts for one fifth of the 21.6-point combined ratio divergence noted on the preceding page.

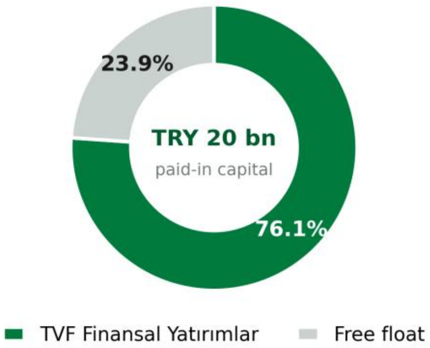
Line mix. The channel also determines which products can be sold. In compulsory motor insurance the bank channel's sector share is only 1.6%, against 79.2% for agencies. Fire, agriculture and accident lines, by contrast, can be sold alongside a lending or deposit relationship.

In the following section we examine the Company within this framework in detail: ownership structure and distribution network, line mix and technical profitability, the formation of the investment portfolio, capital structure and valuation.

Source: Insurance Association of Türkiye, Şeker Invest Research, Türkiye Sigorta Investor Presentation

Türkiye Sigorta

Company



Ownership structure

TVF Finansal Yatırımlar A.Ş. holds 76.10% of Türkiye Sigorta's TRY 20 bn paid-in capital; the remaining 23.90% is traded on Borsa İstanbul. TVF Finansal Yatırımlar is wholly owned by Türkiye Wealth Fund. Capital was increased from TRY 10 bn to TRY 20 bn through a bonus issue in June 2026.

In May 2026, TVF Finansal Yatırımlar sold a stake corresponding to 5% of capital to foreign institutional investors through an accelerated bookbuild, raising the free float from 18.9% to 23.9%.

With more than three quarters of the capital held by a single shareholder, the dividend decision is effectively that shareholder's choice.

76.10% of the capital is held by a single shareholder. The dividend decision is effectively that shareholder's choice.

Distribution network

As of 30 June 2026, Türkiye Sigorta serves approximately 6 million customers through 12 agency and 11 bancassurance regional directorates.

The movement in the distribution network over the past two years shows that distribution is a stock rather than an engine of growth.

	June 2024	June 2026	Change
Bank branches	4,925	4,952	+0.5%
Agencies	3,677	3,895	+5.9%
Brokers	134	167	+24.6%
Direct sales force	347	329	-5.2%
Total employees	1,602	1,533	-4.3%
Customers (mn)	6.2	6.0	-3.2%

Premium production, by contrast, rose 29.6% over the past year alone. The Company's bancassurance advantage comes not from an expanding branch network but from more intensive use of the existing one.

Participations

As of 30 June 2026 the Company's participations portfolio carries a value of TRY 12.4 bn, 78% of which consists of its stake in Türkiye Hayat ve Emeklilik.

PARTICIPATIONS (TRY mn, 30.06.2026)			
Participation (stake)	**Value (TRY mn)**	**Share of portfolio**	**Method**
Türkiye Hayat ve Emeklilik (7.36%)	9,658.98	78.1%	Fair value
Türk P&I Sigorta (50%)	2,680.75	21.7%	Fair value
OSEM Sertifikasyon (100%)	18.22	0.1%	Cost
Other affiliated securities	16.22	0.1%	Cost
TOTAL	**12,374.17**	**100.0%**	

Fair values are based on a valuation study dated 16.01.2026 and have not been remeasured as of 30.06.2026.

Source: Türkiye Sigorta interim activity reports, 30.06.2026 financial statements, Şeker Invest Research.

Türkiye Sigorta

Company

The improvement comes from two lines

The Company's combined ratio fell from 97% to 88% in the first half of 2026, remaining below 100% for the past ten quarters. At the line level, however, the combined ratio improved in only two of the six main lines and deteriorated in four.

COMBINED RATIO (%, cumulative)				
Line of business	**Portfolio share**	**H1 2025**	**H1 2026**	**Change (pt)**
General damages	35%	112%	46%	-66
Motor third-party liability (MTPL)	9%	152%	120%	-32
Fire and natural perils	24%	45%	52%	+7
Accident	4%	56%	64%	+8
Motor own damage	10%	82%	86%	+4
Health	11%	109%	113%	+4
Other (non-motor)	7%			
Consolidated combined ratio		**97%**	**88%**	**-9**

(The consolidated ratio is not a weighted average of the lines above. Portfolio shares are based on gross written premiums while combined ratios are based on earned premiums. Because retention ratios differ widely by line, a weighted average taken from the rows would diverge markedly from the consolidated ratio.)

Retention in the general damages line is 13%. Profit comes from commissions rather than from carrying risk.

The entire nine-point improvement comes from general damages and motor third-party liability. The 32-point improvement in motor third-party liability reflects the delayed pass-through of a price correction in a line whose tariff is subject to regulation. According to the Company's own disclosure, the improvement in general damages stems from the normalization of the high base created by a once-in-a-decade frost event.

The source of profit is concentrated in two lines

The composition of technical profit is also concentrated. Fire and natural perils at TRY 5,819 mn and general damages at TRY 4,960 mn are the largest technical profit items. These two lines produce roughly two thirds of total technical profit. By contrast, the health and motor third-party liability lines — where the Company largely carries risk on its own balance sheet — produce technical losses of TRY 309 mn and TRY 1,055 mn respectively.

In general damages, the line with the lowest combined ratio, the Company retains only 13% of its premiums, and the commission ratio comes in at minus 2%; profit here derives not from carrying risk but from the reinsurance commission structure. In the lines where the Company does assume risk, the combined ratio is above 100%. Furthermore, of the TRY 16,451 mn of total technical profit the Company reports, TRY 11,557 mn is investment income transferred from the non-technical segment. Net underwriting profit from insurance operations is TRY 4,894 mn.

Our terminal assumption

Our estimates assume a combined ratio of 91.5% for 2026 as a whole and 94.75% over the medium term. The assumption rests on the view that the non-motor weighting and growth in scale deliver a durable structural gain.

Source: TURSG Q2 2026 & H1 2026 Investor Presentation · Şeker Invest Research.

Türkiye Sigorta

Company

Where the portfolio comes from

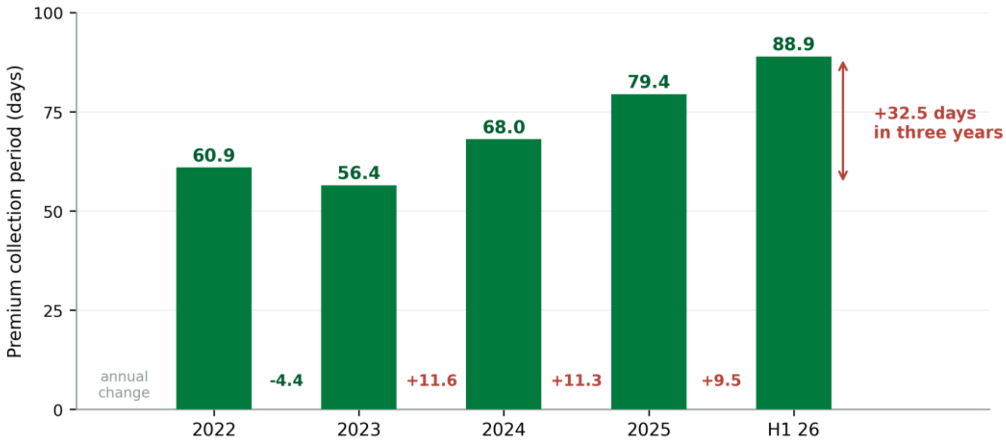
An insurer's investment portfolio arises from collecting premiums today and paying claims later; the money in between sits on the company's balance sheet and is deployed in the investment portfolio. This is the source of Türkiye Sigorta's TRY 88.4 bn net portfolio as of 30 June 2026. TRY 73.3 bn of technical reserves and TRY 61.1 bn of shareholders' equity convert into the portfolio after receivables from operating activities and operating cash are deducted. The portfolio equals 59% of the sum of technical reserves, equity and financial debt.

The portfolio comes not from capital but from claims not yet paid.

Part of the portfolio is also funded through borrowing, and the company reports its investment yield excluding that portion.

The collection mechanism

Until a premium is collected, the money sits with the policyholder rather than in the portfolio. Receivables from operating activities are therefore an item that reduces the portfolio, and a lengthening collection period is a negative development.



In the first half of 2026, receivables from operating activities grew 60% while gross premium production grew 30%. Had the receivables balance grown at the pace of premiums, roughly TRY 10 bn more would sit in the portfolio today. As the Company has not announced an improvement program in this area, our estimates hold the period flat at 88.9 days. This is why we treat collection performance as both a catalyst and a risk. We estimate that a reduction to 75 days would create roughly TRY 1.08 per share; a lengthening would remove value symmetrically.

The deterioration in collection is both a catalyst and a risk, and one of the most sensitive inputs in the valuation.

Portfolio yield and disinflation

The portfolio yield fell from 42% in H1 2025 to 35% in H1 2026, reflecting the decline in interest rates.

Our estimates anchor the portfolio yield to the two-year benchmark bond rate. This choice is derived not from the asset composition but from realized outcomes: the ratio of the actual gross portfolio yield to the period average of the two-year benchmark rate was 0.98 in 2024, 0.95 in 2025 and 0.99 in the first half of 2026. Our terminal assumption is 1.00. While disinflation lowers the portfolio yield, it also slows the liability side in nominal terms, so the full effect does not pass through to profitability. Because the cost of equity falls in the same direction, however, the decline in the portfolio yield does not eliminate the value loss carried by excess capital; in our valuation, excess capital remains below book value.

Source: TURSG Q2 2026 & H1 2026 Investor Presentation · 1 January – 30 June 2026 interim activity report · Bloomberg · Şeker Invest Research

Türkiye Sigorta

Valuation

Solvency in the sector is constrained by two separate thresholds

The regulatory threshold governs the license to operate; the distribution threshold governs dividend capacity.

For insurance companies the solvency ratio is binding at two distinct levels. The regulatory minimum is 115%; a company falling below this level becomes subject to regulatory intervention. The second threshold is 135%: to distribute profits, a company must hold a solvency ratio of at least 135%. A company may therefore hold enough capital to continue operating yet still need an additional buffer in order to pay dividends.

Türkiye Sigorta's solvency ratio stood at 213% as of the first half of 2026. Comfortably above both thresholds, the Company's solvency ratio is 78 points above the distribution threshold.

The distribution threshold defines the structural split in our valuation

The threshold level is not a regulatory detail but a valuation parameter.

The second of these two thresholds carries direct analytical significance for us. In our valuation we divide the Company's equity into two parts: the **core capital** required to meet the distribution threshold, and the **excess capital** above it. The rationale for the split is the difference in profitability; **in the terminal period, core capital supports the insurance business and generates returns above the cost of equity (27.3% against 20.3%), while excess capital remains in the investment portfolio and returns less than the cost of equity (terminal portfolio yield of 15.0%, or 10.5% after tax).**

Because of this split, the two parts of capital are valued at different multiples. The threshold level is therefore itself a valuation parameter. Defining core capital at 150% rather than 135% lowers the justified P/BV multiple from 2.46x to 2.12x.

Excess capital is not an advantage but a range of choice

Excess capital is not an advantage but a range of choice.

Türkiye Sigorta's solvency ratio of 213% means that capital is not a binding constraint for the Company. It is free to choose among financing growth, distributing profits and holding the capital in the portfolio.

We therefore regard the Company's high solvency not as an advantage but as a range of choice. In our valuation we value excess capital at 0.52 times book value. This ratio is obtained by dividing the after-tax portfolio yield by the cost of equity (10.5% / 20.3%). Capital that returns half its cost carries half its book value.

Source: TURSG Q2 2026 & H1 2026 Investor Presentation, Şeker Invest Research

Türkiye Sigorta

Valuation

Residual Income Method

We build our valuation on the residual income method. The model takes the balance sheet of 30 June 2026 as its starting point and discounts to the present the profit generated above the cost of equity over the forecast period. The explicit forecast period runs to end-2035. The participations portfolio is excluded from the operating book and added separately at its fair value of TRY 12.4 bn.

We do not use a single-stage dividend discount model. In a steady state, growth equals return on equity multiplied by the retention ratio. Had the Company's current payout ratio of 15% been sustained, combined with our terminal core return on equity it would imply growth of 22.3%, exceeding our terminal cost of equity of 20.3%. This turns the denominator of the Gordon formula negative. We therefore build terminal value not on a single growth rate but by splitting capital into core and excess and valuing each on its own economics.

Terminal assumptions

For the terminal period we take inflation at 12.1% and the real rate at 3.65 points (Şeker Invest macro forecast set). The risk-free rate on this basis is 15.75%. With an adjusted beta of 0.822 and a 5.5% equity risk premium, the terminal cost of equity stands at 20.3%.

Over the explicit period we raise the payout ratio in steps: to 28%, 40% and 52% from 2028 onward, allowing the excess capital to run down. In the terminal period we anchor the capital base to premium production; to ensure book growth remains consistent with premium growth, we leave the dividend not as a separate assumption but as an outcome of the calculation.

TERMINAL ASSUMPTIONS

Assumption	Value	Source / derivation
Short-term benchmark (2Y)	15.0%	= risk-free rate − maturity premium
TERMINAL REAL PREMIUM GROWTH	**3.0%**	**= sector growth + differential**
Nominal premium growth (g)	15.5%	= (1 + inflation) × (1 + real growth) − 1
Terminal combined ratio	94.75%	
Corporate tax rate	30.0%	
Required capital / GWP	17.0%	Calibrated from actual solvency at 30.06.2026
Dividend threshold (solvency ratio)	135.0%	Regulatory minimum for dividend distribution
Target solvency ratio	175.0%	Anchor of the terminal book path

TRY mn	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	Terminal
Opening operating book	48,682	60,613	85,562	110,445	136,419	160,761	192,477	226,629	262,531	299,277	335,768
Core net profit	11,931	28,756	32,934	39,148	44,699	51,902	56,325	59,683	69,752	80,411	
Cost of equity (%)	34.7	30.9	28.7	26.8	24.9	23.8	21.9	20.0	20.1	20.3	20.3
(−) Cost of equity (TRY mn)	8,090	19,821	24,967	29,719	33,666	38,219	42,149	45,377	52,891	60,667	
(=) RESIDUAL INCOME	**3,841**	**8,935**	**7,967**	**9,429**	**11,033**	**13,683**	**14,176**	**14,306**	**16,860**	**19,745**	
(=) TERMINAL RESIDUAL VALUE											**360,999**
(=) PRESENT VALUE	**3,421**	**6,554**	**4,471**	**4,121**	**3,816**	**3,478**	**2,956**	**2,485**	**2,438**	**2,374**	**43,402**
TOTAL					**36,114**						**43,402**

Note: The 2026 column covers the period after 30.06.2026. Residual income is calculated quarterly for 2026-2030 and annually for 2031-2035, aggregated annually in the table. The cost of equity row is a period-end annual rate while the TRY amounts are aggregated from quarterly calculations; the rows therefore do not multiply directly.

Note: Terminal residual value is derived by deducting book value from the multiple-based valuation of the 2035 operating book (core TRY 268.6 bn × 2.46x + excess TRY 67.2 bn × 0.52x − TRY 335.8 bn) and discounting at the same factor.

Source: Bloomberg · Şeker Invest Research

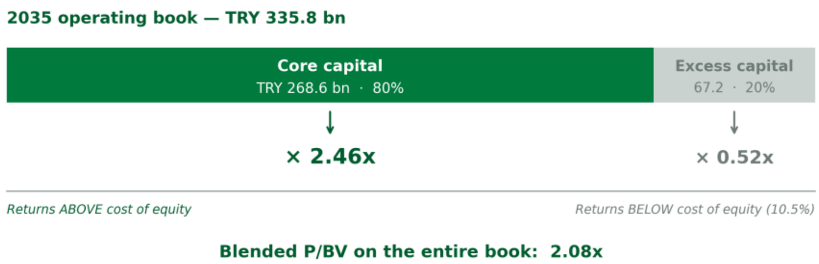
Türkiye Sigorta

Valuation

How the Multiple Is Formed

In the terminal period, the core return on equity generated on required capital is 27.3% against a cost of equity of 20.3%. The 7.0-point spread produces the 2.46x justified P/BV multiple we apply to core capital.

2.46x on core capital, 0.52x on excess capital, 2.08x on the book as a whole.



This multiple applies only to required capital. Excess capital is valued at 0.52x, since its after-tax return (10.5%) falls below the cost of equity, giving a blended multiple of 2.08x on the entire book.

Value Components

Our valuation work leads us to a 12-month target price of TRY 9.20 per share for Türkiye Sigorta. Our target price implies 47.4% upside potential relative to the closing price on 8 September 2026, and we initiate coverage of TURSG with an "OUTPERFORM" recommendation.

Roughly 60% of the value comes from the book that exists today and from the explicit forecast period; the portion resting on terminal assumptions is a minority.

The equity value we calculate as of 30 June 2026 is TRY 140.6 bn, composed as follows:

VALUE BRIDGE (TRY mn)	Value	Share
Opening operating book (equity – associates)	48,682	34.6%
(+) Explicit period residual income, present value	36,114	25.7%
(+) Terminal value, present value	43,402	30.9%
(=) Operating value	**128,198**	**91.2%**
(+) Associate portfolio (sum of the parts)	12,374	8.8%
(=) TARGET EQUITY VALUE (TRY mn)	**140,572**	**100.0%**

TARGET PRICE (TRY/share)	
30.06.2026 valuation (TRY/share)	7.03
(+) Roll-forward at cost of equity (33.8%)	2.38
(–) Dividend expected within 12 months (TRY/share)	-0.19
(=) 12-MONTH TARGET PRICE (TRY)	**9.20**
Closing price (TRY)	6.24
Upside potential	47.4%

Source: Şeker Invest Research

Türkiye Sigorta

Valuation

Sensitivity

We measure the per-share impact of each assumption underlying our valuation separately. Each measurement is made by changing only the relevant assumption in the base model and recalculating the model in full. The most sensitive input is the cost of equity: a one-point increase in the equity risk premium corresponds to a loss of TRY 1.13 per share. This is followed by the terminal term premium (TRY 0.89), the collection period (TRY 0.87 for an eleven-day extension) and the terminal combined ratio (TRY 0.82).

A one-point fall in permanent inflation costs TRY 0.30 per share; because its direction runs counter to intuition, we measure it separately.

Scenario	Change	12M target (TRY)	Upside
BASE	**—**	**9.20**	**47.4%**
Terminal combined ratio 94.8% → 95.8%	+1 pp	8.40	34.6%
Terminal real rate +1 pp	+1 pp	8.80	41.0%
Collection period 88.9 → 100 days in 2030	+11.1 days	8.30	33.0%
All three risks materialize SIMULTANEOUSLY	**all three**	**7.30**	**17.0%**

Each of the measurements above changes a single assumption while holding the others constant. The table below moves the two most sensitive inputs together: the terminal combined ratio and the terminal portfolio yield. These two represent the Company's two sources of profit. A one-point improvement in the terminal combined ratio raises the target price by roughly 9%, while a one-point increase in the terminal portfolio yield raises it by roughly 10%.

		Terminal portfolio yield				
		17.0%	16.0%	15.0% (BASE)	14.0%	13.0%
Terminal combined ratio	93.0%	12.40	11.50	**10.60**	9.70	8.90
	94.0%	11.60	10.70	**9.80**	8.90	8.00
	94.75% (BASE)	**11.00**	**10.10**	**9.20**	**8.30**	**7.40**
	95.5%	10.40	9.50	**8.60**	7.70	6.80
	97.0%	9.20	8.30	**7.40**	6.50	5.60

Source: Şeker Invest Research

Türkiye Sigorta

Summary Financials

SUMMARY INCOME STATEMENT (TRY mn)	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Gross written premiums	147,117	191,354	252,156	321,737	403,795	498,341	607,100	729,941	866,028	1,013,714	1,170,465
Earned premiums	59,892	78,573	104,598	136,679	175,576	221,669	270,047	324,688	385,221	450,914	520,639
Technical profit	22,695	30,615	34,977	40,614	48,716	56,357	66,030	73,133	79,413	92,843	107,070
Gross investment income	26,676	30,380	36,216	42,222	50,437	57,787	66,754	71,576	74,716	87,301	100,621
Net investment income	7,452	7,361	10,117	11,795	14,090	16,143	18,648	19,995	20,872	24,388	28,109
Profit before tax	26,954	33,768	40,219	46,386	55,530	63,855	74,146	80,465	85,261	99,645	114,873
NET PROFIT	**19,425**	**25,382**	**28,756**	**32,934**	**39,148**	**44,699**	**51,902**	**56,325**	**59,683**	**69,752**	**80,411**

SUMMARY BALANCE SHEET AND CAPITAL (TRY mn)	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Investment portfolio	80,818	119,758	164,218	212,795	266,247	321,741	387,758	461,166	541,153	626,425	715,191
Technical reserves	66,608	86,974	120,212	159,894	206,130	258,794	315,273	379,065	449,737	526,432	607,834
Financial debt	11,109	18,497	21,816	25,269	29,002	32,980	40,178	48,308	57,314	67,088	77,462
SHAREHOLDERS' EQUITY	**51,605**	**72,987**	**97,936**	**122,819**	**148,793**	**173,135**	**204,851**	**239,004**	**274,905**	**311,652**	**348,142**
Regulatory required capital	25,005	32,524	42,858	54,684	68,631	84,701	103,186	124,064	147,194	172,296	198,938
Target core capital	43,758	56,916	75,001	95,697	120,104	148,226	180,575	217,113	257,590	301,518	348,142

RATIOS AND PER-SHARE DATA	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Gross written premium growth (%)	0.0%	30.1%	31.8%	27.6%	25.5%	23.4%	21.8%	20.2%	18.6%	17.1%	15.5%
Ceded premium ratio (%)	49.2%	51.5%	49.2%	49.2%	49.2%	49.2%	49.2%	49.2%	49.2%	49.2%	49.2%
Combined ratio (%)	97.06%	91.50%	93.00%	94.00%	94.38%	94.75%	94.75%	94.75%	94.75%	94.75%	94.75%
Portfolio yield (%)	39.7%	30.3%	25.5%	22.4%	21.1%	19.7%	18.8%	16.9%	14.9%	15.0%	15.0%
Return on equity (%)	48.4%	40.7%	33.6%	29.8%	28.8%	27.8%	27.5%	25.4%	23.2%	23.8%	24.4%
Cost of equity (%)		36.5%	31.8%	29.4%	27.5%	25.6%	23.8%	21.9%	20.0%	20.1%	20.3%
Solvency ratio (%)	206.4%	224.4%	228.5%	224.6%	216.8%	204.4%	198.5%	192.6%	186.8%	180.9%	175.0%
Earnings per share (TRY)	0.97	1.27	1.44	1.65	1.96	2.23	2.60	2.82	2.98	3.49	4.02
Dividend per share (TRY)	0.10	0.15	0.19	0.40	0.66	1.02	1.01	1.11	1.19	1.65	2.20
Dividend yield (%)	1.6%	2.4%	3.1%	6.5%	10.6%	16.3%	16.2%	17.8%	19.1%	26.4%	35.2%
P/E (x)	6.42x	4.92x	4.34x								
P/BV (x)	2.42x	1.71x	1.27x								

Return on equity is calculated on average equity and differs from the terminal core return on equity used in our valuation (27.3%); core return measures only the return generated by required capital.

Source: Şeker Invest Research

Türkiye Sigorta

Peer Comparison

We build our valuation on the residual income method; peer multiples are not an input to our case. We include the table below solely to allow for comparison. Alongside the Turkish peers, we include four regional insurers of similar size operating in emerging markets.

PEER COMPARISON			
Company	**P/E (x)**	**P/BV (x)**	**ROE (%)**
Croatia Osiguranje (Croatia)	20.49x	1.55x	7.9%
Zavarovalnica Triglav (Slovenia)	11.67x	1.40x	12.0%
Pozavarovalnica Sava (Slovenia)	14.45x	1.58x	15.6%
PZU (Poland)	10.12x	1.90x	19.2%
Aksigorta	4.17x	1.28x	36.3%
Anadolu Sigorta	4.11x	1.15x	42.8%
MEDIAN (excluding Türkiye Sigorta)	**10.89x**	**1.47x**	**17.4%**
Türkiye Sigorta	**5.29x**	**2.11x**	**50.0%**
Discount / Premium	**-51%**	**+43%**	**+188%**

Source: Bloomberg

Türkiye Sigorta trades at a 51% discount to the peer median on earnings and at a 43% premium on book value. The two multiples diverge in opposite directions because of return on equity: the Company's 50.0% return is roughly three times the peer median. The markedly higher earnings multiples of the regional peers, meanwhile, reflect the difference in the interest rate and inflation environment. We therefore do not think the multiple gaps should be read on their own as an indication of cheapness or expensiveness.

Source: Bloomberg, Şeker Invest Research

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