

# AgeSA

## Q3 2024 Financial Results

### Earnings Release

November 4, 2024

#### #1 Leadership in Pension AuM and Total Life & PA GWP markets

AgeSA strengthened its leadership in both Pension & AE AuM and Life & PA premium production among whole market with support of sustainable growth in Life business driven by the success of long term credit life product (Kredim Gvende) and strong RoP portfolio.

AgeSA reached successful and strong results in net profit, thanks to financial income increase regarding interest& f/x gains besides strong technical income growth resulting from high profitability in life and pension scalability.

#### FINANCIAL HIGHLIGHTS

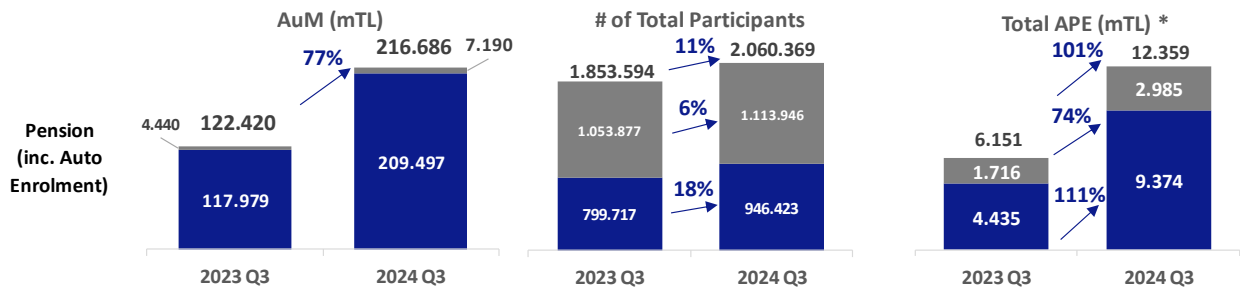
- The Pension Assets under Management (AuM) has grown by 77% yoy and reached 216,7 billion TL as of Q3 2024.
- Auto Enrolment AuM increased by 62% yoy resulting mainly from the increasing inforce volume. AgeSA is one of the leader companies in terms of private sector participants and AuM.
- Total Life&PA premiums grew by 98% yoy, driven by both 113% growth in credit-linked production and 84% growth in stand-alone (non-credit linked) life underpinning AgeSA's diverse business model and product positioning.
- Inflation accounting is not applied for 30 September 2024 Financial Statements, all financial figures represent Management Reporting (IFRS Financials excluding inflation accounting effect)
- 629 mTL has been paid as capital advance to MediSA (Sabancı Health insurance company), in April. AgeSA has become the main shareholder with 80% share.
- Both AgeSA **Management reporting** and **SFRS** financial figures are shown **before** MediSA consolidation.
- **Management Reporting Net Profit is significantly higher than prior year by 103% at 2.798 mTL mainly due to** high increase in technical income regarding strong growth in all major business lines (Pension, Credit Life and RoP) despite limited growth on financial income regarding lower f/x gains.
- Total technical profit has increased by 115% yoy driven by the growth in life protection volumes and pension AuM.
- RoE is 64,5% as of Q3 2024.
- 300 mTL dividend has been paid in March
- Statutory profit is 2.027 mTL with an increase of 92% mainly due to both higher technical and financial income. MediSA consolidation P/L impact is -37 mTL.
- Share buyback program has been started in 2023 April. Within the scope of the program, as of September 2024, 1.463k shares were bought with an average price of 51,71 TL

## STRATEGIC HIGHLIGHTS

- AgeSA serves 4 million customers through an extensive distribution structure, comprised of a bancassurance network, which it established with Akbank, the industry’s most productive direct sales team, an exclusive agency network, corporate projects and telesales.
- AgeSA achieved to strengthen its strong presence in the private pension market.
- AgeSA has expanded its life insurance business even further by enriching its product range and services through customer-oriented and innovative solutions. Resulted achieving leadership in terms of premium production.

## TOPLINE HIGHLIGHTS

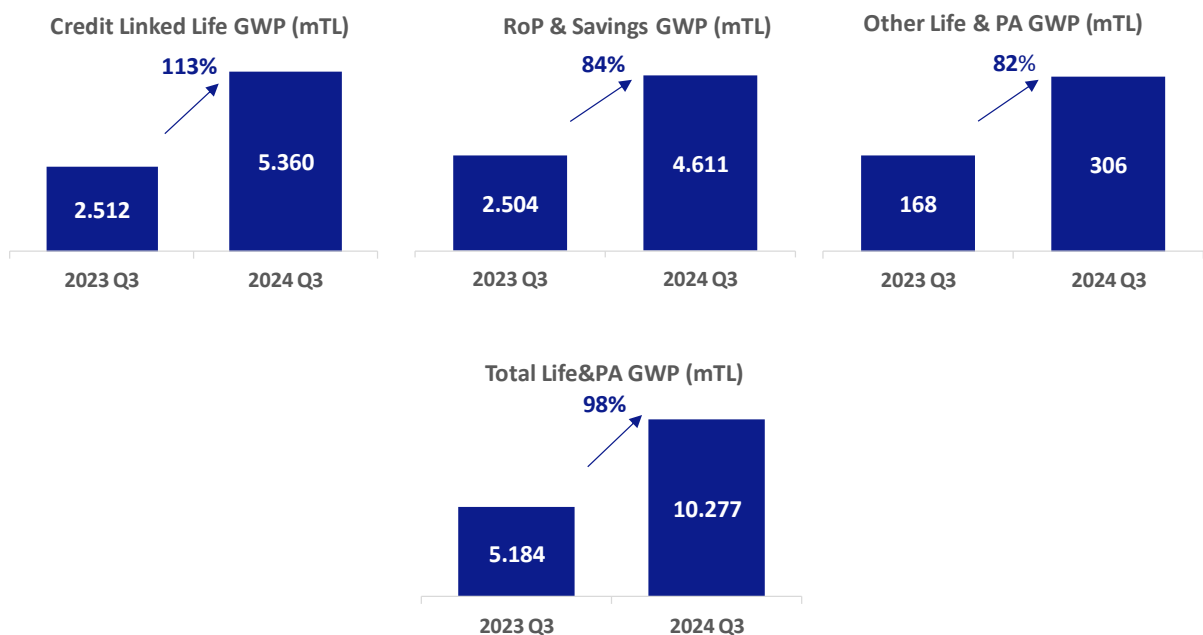
- AgeSA is the market leader in terms of Pension AuM since June 2015 among the private pension companies, and achieved the leadership among whole market in 2024.
- Supported by the strong asset performance despite the volatility in financial markets Total AuM has reached 216,7 bnTL with 2,1 million participants, including AE.



Source: Pension Monitoring Center 30.06.2024

\*Before opt-out

- AgeSA is the market leader in terms of Total Life & PA Premium among whole market as of September’24
- Total Life & PA gross written premiums reached 10.277 mTL; higher than prior year by 98% continuing the momentum in a sustainable manner.



## AGESA MANAGEMENT REPORTING SEGMENT RESULTS

(mTL)	2023 Q3	2024 Q3	Change
Credit Linked Life	2.512	5.360	113%
RoP & Savings	2.504	4.611	84%
Other Life & PA	168	306	82%
<b>Total Premium</b>	<b>5.184</b>	<b>10.277</b>	<b>98%</b>
Pension	792	1.800	127%
Credit Linked Life	743	1.852	149%
RoP & Savings	848	1.512	78%
Other Life & PA	61	95	56%
<b>Total Technical Income</b>	<b>2.444</b>	<b>5.260</b>	<b>115%</b>
<b>Total General Expenses</b>	<b>-1.529</b>	<b>-2.845</b>	<b>86%</b>
<b>Net Technical Profit</b>	<b>915</b>	<b>2.415</b>	<b>164%</b>
<b>Total Investment &amp; Other Income</b>	<b>985</b>	<b>1.436</b>	<b>46%</b>
<b>Total Tax</b>	<b>-523</b>	<b>-1.053</b>	<b>101%</b>
<b>Net Profit</b>	<b>1.377</b>	<b>2.798</b>	<b>103%</b>

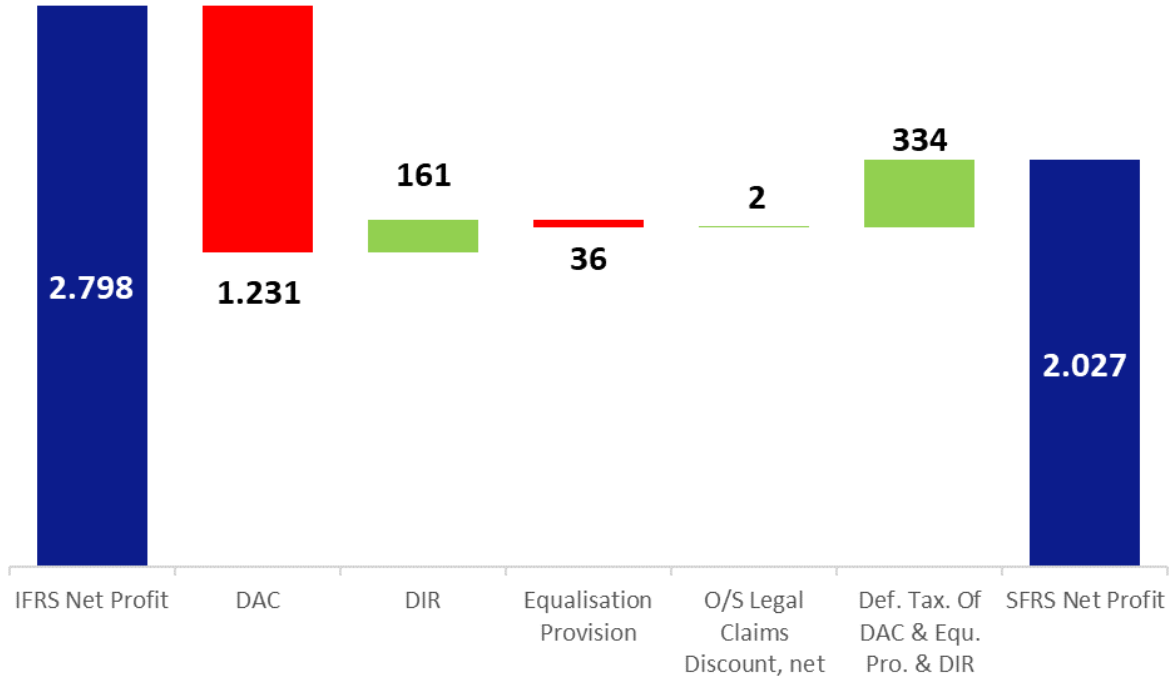
- Total technical income grew by 115% driven by all business lines profitability growth.
  - Pension technical profit increased by 127% mainly due to higher total fund management fee regarding AuM increase
  - Credit linked Life technical profit increased by 149% mainly due to increase in premiums
  - RoP & Savings technical profit increased by 78% thanks to strong RoP portfolio.
  - Other Life & Personal accident technical profit increased by 56% due to mainly higher premiums.
- General expenses are 2.845 mTL with a yoy increase of 86% mainly due to high inflationary environment for major cost items (i.e. Personnel, IT, Marketing, Outsourcing, Consultancies)
- Total investment and other income is 1.436 mTL with a yoy increase by 46% mainly due to higher financial income regarding interest gains, despite lower increase in f/x gains.

## AGESA STATUTORY / SFRS SEGMENT RESULTS

(m TL)	2023 Q3	2024 Q3	Change
Life	500	1.224	145%
Non-Life	20	26	31%
Pension	-622	-832	34%
<b>Net Technical Profit</b>	<b>-101</b>	<b>419</b>	<b>n/a</b>
<b>Total Investment &amp; Other Income</b>	<b>1.522</b>	<b>2.328</b>	<b>53%</b>
<b>Tax</b>	<b>-366</b>	<b>-719</b>	<b>97%</b>
<b>Net Profit</b>	<b>1.055</b>	<b>2.027</b>	<b>92%</b>

- Net profit for the period is 2.027 mTL with an increase of 92% mainly due to higher technical profit thanks to life business in addition to higher financial income regarding interest gains.
- Total net technical profit increase;
  - Life net technical profit is higher than prior year by 145% due to increasing volume; even though the SFRS profitability is negatively impacted from the commissions paid which are not deferrable in SFRS.
  - Non-life (personal accident) net technical profit after general expenses is higher than prior year by 6 mTL.
  - Due to higher expense allocation, which is done according to the local regulation rules, pension net technical profit after general expenses is lower than prior year. Since new business sales commissions are not deferrable in SFRS, higher NB results in lower SFRS profit for the year.

## BRIDGING FROM MANAGEMENT REPORTING TO STATUTORY PROFIT



## NEW BUSINESS RESULTS

(m TL)	Q3 2023	Q3 2024	Change(%)
Credit-linked Life	532	1.734	226%
ROP & Savings	208	1.785	757%
Other Life & PA	16	48	194%
Pensions	534	574	7%
<b>Value of New Business</b>	<b>1.291</b>	<b>4.140</b>	<b>221%</b>

(m TL)	Q3 2023	Q3 2024	Change(%)
Credit-linked Life	2.595	5.832	125%
ROP & Savings	2.788	9.320	234%
Other Life & PA	173	324	87%
Pensions*	35.966	50.768	41%
<b>Present Value of New Business Premiums</b>	<b>41.521</b>	<b>66.244</b>	<b>60%</b>

(\*): Including State Contribution

(m TL)	Q3 2023	Q3 2024	Change(Diff.)
Credit-linked Life	20,5%	29,7%	9,2 pp
ROP & Savings	7,5%	19,1%	11,7 pp
Other Life & PA	9,3%	14,7%	5,4 pp
Pensions	1,5%	1,1%	-0,4 pp
<b>New Business Margin</b>	<b>3,1%</b>	<b>6,2%</b>	<b>3,1 pp</b>

Source: Company data, unaudited results

- Value of new business (VNB) (+221%) and present value of new business premiums (PVNBP) (+60%) have both significantly as a result of significantly higher Pension, Credit-linked Life and new ROP product new business sales.
- The new Savings product contributed 1.874m TRY to the PVNBP total while the new ROP product added 7,446m TRY of PVNBP. With the launch of the new ROP product in Q3 2023, the NBM for the ROP & Savings line of business more than doubled to 19,1%.
- Credit-linked Life VNB increased by 226%, helped by higher volumes, new pricing, and strong rider penetration levels.
- Pension PVNBP was increased by 41%, as regular contributions were up 95% compared to Q3 2023. PVNBP was further boosted by 18 billion TL of lump-sum payments (up 126% compared to Q3 2023).

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