Equity / Large Cap. / Insurance

21.07.2025

Turkiye Sigorta

BUY

Review of 2Q25 Financials

Upside Potential 49%

Technical margins further improved in 2Q.

Strong delivery, much better than our call. Türkiye Sigorta disclosed its 2Q25 net earnings as TL 4.8 bn, higher than the consensus call of TL 4.3bn and our slightly better than consensus call of TL 4.4bn. The announced figure is up 6.4% on a quarterly basis while it increased 58% on an annual basis, leading the insurer to generate 55% quarterly annualized RoAE in 2Q25. Better than expected top line along with the investment income performance is the main culprit behind our deviation with the actual results.

Technical margin continued to improve in 2Q. We expected a slight deterioration in the technical margin in the second quarter with a higher assumed loss ratio but it turned out that c. 200bps improvement in the loss ratio resulted in a betterment in the margins in the second quarter. The combined ratio improved by 260 bps to 95,8% in 2Q, carrying the YtD combined ratio 97.5% in 1H25 from 99.4% booked in 1Q25. Better combined ratios attained in traffic and fire&natural disaster segments led the headline combined ratio to improve in the quarter. The fading impact of the losses incurred from the hail disaster in the first quarter of the year started to positively impact the technical margins.

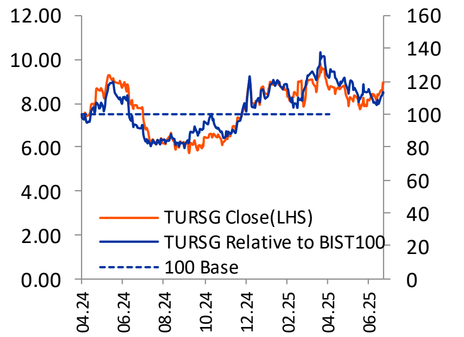
Investment income performance remains strong. Total investment income transferred to the technical income side increased to TL 6.1bn from TL 4.7 bn booked a quarter ago as the total AuM climbed to TL 70bn vicinity from TL 60bn level at the end of 1Q25. The company shifted a bulk of the deposits investments into TL government and private bonds to be able to benefit from set-to-decline rates in the periods to come, while mutual fund investments still account for 34% of the total portfolio. Türkiye Sigorta stepped up in the first quarter with its portfolio returns remained almost unscratched despite the high volatility seen through the end of 1Q25, which dented the investment income of many insurers.

Stock Data	TL
Price	8.89
Target Price*	13.22
Prev.TP	13.22
Mcap (mn)	88,900
Float Mcap (mn)	16,793
Avg.Daily Volume (3M, mn)	236.3
No. of Shares Outstanding (mn)	10,000
Free Float (%)	19
Foreign Share (%)	7

Price Perf. (%)	1 Mn	Ytd	12 Mn
TL	12.0	-3.0	14.3
US$	9.4	-14.9	-6.1
Rel.to BIST-100	0.9	-8.0	22.8

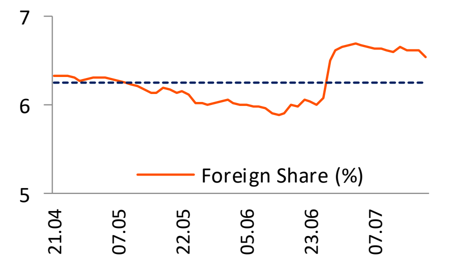
Multiples	2024	2025	2026
P/E	7.0	4.6	4.1
P/BV	3.1	2.0	1.5

Price / Relative Price



52 Week Range (Close TL)	5.74	9.80

Foreign Share (%)	Cur.(%) :	6.55



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Earnings dynamics remain quite resilient. The superb combined ratio levels reached in the first half of the year despite the challenges should be welcomed as we continue to think that the combined ratio should be heading slightly up Iin 2H25 on slowing premium growth and with other normalizing factors. Lack of any hike in minimum wage is an advantage for the insurer and the losses coming from the traffic branch has been neatly monitored through market share controls. The fact that inflation figures are set to decline in the second half will also be helping the loss figures. Overall, there seems to be an upside risk to our margin assumption for Turkiye Sigorta for 2025, though we still stick with our current forecasts.

We maintain our BUY recommendation for the stock. Our year-end net earnings estimate for the insurer is TL 20bn, which seems attainable given the current earnings momentum. We continue to rate the insurer with a BUY rating with 49% upside potential.

Table 1: Income Statement

						Δ%		Kümülatif Δ%	
Gelir Tablosu	2Ç2024	3Ç2024	4Ç2024	1Ç2025	2Ç2025	Çeyreklik	Yıllık	Çeyreklik	Yıllık
Brüt Yazılan Primler	22,248	22,170	28,786	41,402	31,277	-24%	41%	76%	44%
Reasüröre Devredilen Primler (-)	(12,402)	(9,617)	(13,792)	(22,092)	(16,496)	-25%	33%	75%	34%
Kazanılmış Primler (Reasürör Payı Düşülmüş Olarak)	9,586	11,335	11,427	13,011	14,648	13%	53%	113%	41%
Teknik Olmayan Bölümden Aktarılan Yatırım Gelirleri	3,564	4,419	4,875	4,743	6,066	28%	70%	128%	53%
Gerçekleşen Hasarlar (Reasürör Payı Düşülmüş Olarak)	(7,806)	(8,918)	(8,955)	(9,895)	(10,590)	7%	36%	107%	39%
Faaliyet Giderleri (-)	(2,094)	(2,405)	(2,696)	(3,036)	(3,447)	14%	65%	114%	56%
Teknik Kar	3,366	4,507	4,765	5,321	7,061	33%	110%	133%	55%
Yatırım Gelirleri, net	(818)	(2,742)	(2,180)	(2,072)	(2,026)	-2%	148%	98%	33%
Diğer Gelirler, net	134	(386)	(888)	(864)	(1,460)	69%	-1188%	169%	383%
Vergi Öncesi Kar (Zarar)	4,037	4,179	4,181	5,641	6,467	15%	60%	115%	47%
Vergi	(994)	(1,108)	(1,100)	(1,118)	(1,656)	48%	67%	148%	64%
Net Kar (Zarar)	3,042	3,071	3,080	4,523	4,811	6%	58%	106%	42%

Source: Is Investment

Table 2: Balance Sheet

Bilanço	2Ç2024	3Ç2024	4Ç2024	1Ç2025	2Ç2025	Δ% Çeyreklik	Δ% Yıllık
Faiz Getiren Varlıklar	17,938	20,219	20,602	23,434	12,418	-47%	-31%
Diğer Alacaklar	63,357	61,454	66,700	91,445	117,387	28%	85%
Dönen Varlıklar	81,295	81,674	87,303	114,879	129,805	13%	60%
Finansal Varlıklar	5,335	5,435	7,228	7,228	7,545	4%	41%
Maddi Varlıklar	1,458	1,462	1,802	1,792	1,782	-1%	22%
Diğer	126	253	198	205	226	10%	79%
Dönen Varlıklar	6,918	7,150	9,228	9,225	9,552	4%	38%
Toplam Varlıklar	88,213	88,823	96,531	124,104	139,357	12%	58%
Borçlar	20,025	12,925	10,141	22,678	32,921	45%	64%
Teknik Karşılıklar	41,515	45,057	48,951	57,522	59,385	3%	43%
Diğer	5,072	6,102	7,605	9,378	8,706	-7%	72%
Kısa Vadeli Yükümlülükler	66,612	64,084	66,697	89,577	101,013	13%	52%
Uzun Vadeli Teknik Karşılıklar	350	439	516	562	639	14%	82%
Diğer	225	225	595	833	1,161	39%	417%
Uzun Vadeli Yükümlülükler	575	664	1,111	1,395	1,800	29%	213%
Ödenmiş Sermaye	1,162	5,000	5,000	5,000	10,000	100%	761%
Diğer Özkaynak Kalemleri	19,864	19,075	23,723	28,131	26,544	-6%	34%
Toplam Özkaynak	21,026	24,075	28,723	33,131	36,544	10%	74%
Toplam Yükümlülükler ve Özkaynak	88,213	88,823	96,531	124,104	139,357	12%	58%

Source: Is Investment

Table 3: Ratios

Rasyolar	2Ç2024	3Ç2024	4Ç2024	1Ç2025	2Ç2025
Prim Büyümesi	-21%	0%	30%	44%	-24%
Teknik Marj	35%	40%	42%	41%	48%
Konservasyon Oranı	44%	57%	52%	47%	47%
Hasar Oranı	81%	79%	78%	76%	72%
Gider Oranı	22%	21%	24%	23%	24%
Kombine Oranı	103%	100%	102%	99%	96%
Özkaynak Karlılığı	15.2%	13.6%	11.7%	14.6%	14%

Source: Is Investment

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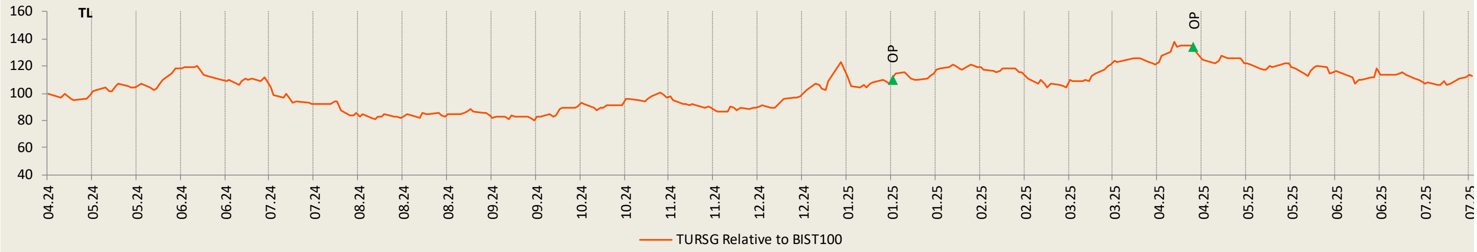
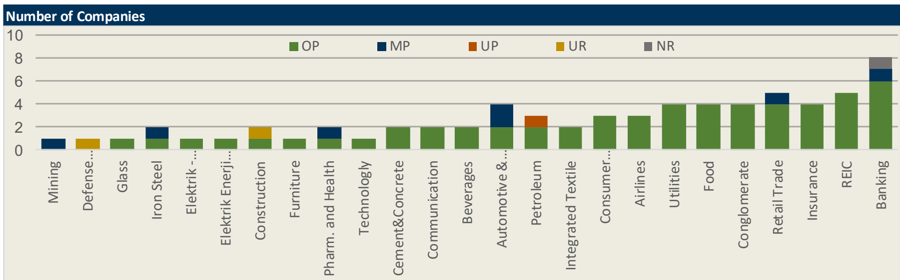
Türkiye Sigorta

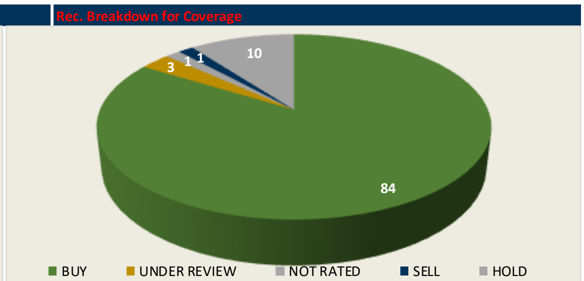
Relative to BIST 100 / Recommendations



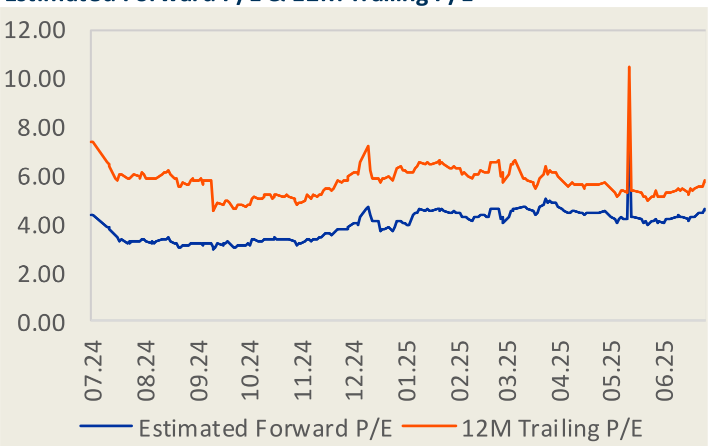
Number of Companies



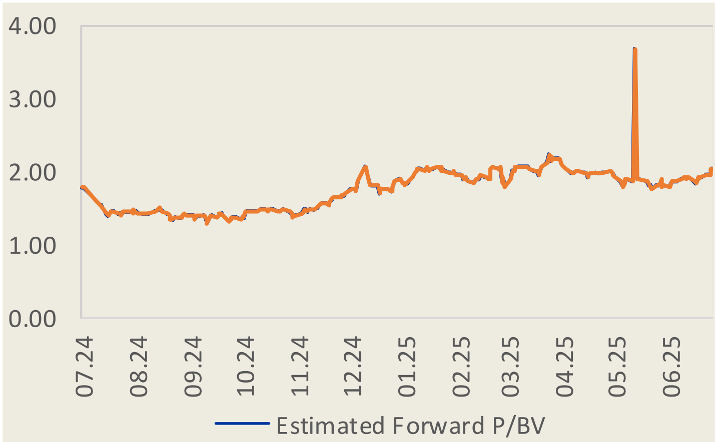
Rec. Breakdown for Coverage



Estimated Forward P/E & 12M Trailing P/E



Estimated Forward P/BV & Current P/BV



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