

21/04/2026

## Operating results appear strong

**Technical line backed by lower claims and prudent reserving**

Türkiye Sigorta reported 1Q26 net income of TL 6,430mn (+27% q/q, +42% y/y), exceeding both our estimate (TL 6,064mn) and market consensus (TL 5,974mn). The technical result remained supportive on a sequential basis this quarter, despite pressures from a lower discount rate. Claims decreased significantly due to effective claims management, while reserves increased at a healthy pace. Overall, technical profitability was sustained, supported by prudent reserving, effective claims management, and a unique premium portfolio structure. The combined ratio improved to 89% in 1Q26, down from 92% in the previous quarter and 96% a year ago. Financial income continued to contribute positively to results this quarter, driven by an agile portfolio reallocation toward high-yielding instruments. The portfolio size remained broadly flat quarter-on-quarter at TL 81bn (excluding arbitrage), while growing 33% year-on-year in 1Q26, with a 31% yield. Trailing ROE remained strong at 46% in 1Q26 (vs. 51% a year ago), still well above inflation. We expect 33% y/y higher earnings in 2026 with a ROE of 44%.

**TP raised; upgraded to OP**

Türkiye Sigorta trades at 26E P/BV of 2.2x and 5.6x P/E, while 26E ROE stands at 44%. We revised our 26E earnings estimate upwards by 5% to TL26bn driven by potentially higher premium generation and better investment returns on growing AUM size. Reflecting all, we lift our TP for TURSG to TL19.70, implying 35% upside potential. We upgrade our rating for the stock to "Outperform" from "Marketperform".

**TURSG - 1Q26 Earnings Review**

TLm	1Q25	4Q25	1Q26	ΔQ/Q	ΔY/Y
Gross premiums	41,402	42,132	53,806	28%	30%
Technical income	578	1,296	1,990	54%	244%
Net income	4,523	5,081	6,430	27%	42%
Net claims paid (%)	-57	-72	-61	11.6	-3.7
Net expense (%)	-23	-30	-23	7.2	0.1
Combined ratio (%)	-96	-92	-89	3.0	6.4
Premium retention (%)	46	53	42	-11.1	-4.0
Trailing ROE (%)	51	48	46	-1.9	-5.5

\* Changes are in pp for ratios

**TURSG TI / TURSG.IS**

Current Rating	Outperform (previous: Marketperform)		
Analyst Action	↑		Rating Upgrade
Price	TL14.60	Mcap (mnTL)	143,600
Target Price	TL19.70	Mcap (mn\$)	3,198
Upside	35%	Prev. Target Price	TL16.90
High /Low 30Day	15 / 12	Free Float	19%

**BB 2026FY Consensus**

Estimate Revisions	1W	4W	3M
EPS	0.0%	0.0%	13.2%
# of Buy/Hold/Sell	11/1/0	11/1/0	10/1/0
Rel Perf. XU030	4.3%	-5.3%	2.4%
ADV (USDmn)	14.3	9.0	13.5

**OYAK vs BB consensus**

(26E TLmn)	OYAK	Cons.	% Diff
NI	25,929	25,450	2%

**Multiples & Ratios**

(OYAK Est)	2024	2025	2026E
P/E	11.48x	7.52x	5.63x
P/B	5.08x	2.83x	2.22x
RoE	57.6%	48.4%	44.1%
(TLmn)	2024	2025	2026E
Net income	12,720	19,425	25,929
Equity	28,723	51,605	65,893

Analyst: Övünç Gürsoy, PhD, CFA

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**Valuation Approach**

Valuation tools employed most frequently are Discounted Cash Flow (DCF) and International Peer Group Comparison, though other metrics such as Dividend Discount, Gordon Growth, and Replacement Value Methods are also used wherever appropriate. Oyak Securities analysts may calculate the target return of each stock considering only one method or assigning different weights to more than one method depending on the analyst's opinion. The "Expected Market Return" (**EMR**) of the BIST-100 is determined through aggregate target returns of each stock under coverage based on their respective free float market capitalization.

**Rating Methodology**

Oyak Securities assigns recommendations to each stock according to the following criteria:

Price target for a stock represents the value analyst expects the stock to reach during our performance horizon, which is 12 months. For stocks with an OUTPERFORM recommendation, target return must exceed the EMR by at least 40% over the next 12 months. For a stock to be classified as UNDERPERFORM, the stock must be expected to underperform the EMR more than 25% over the next 12 months. Stocks that an analyst expects to perform parallel to the EMR within a band of +40%/-25% are rated as MARKETPERFORM. Oyak Securities analysts review their recommendations under continuous screening. Nevertheless, at times, target return of a stock may be allowed to move outside our rating intervals as a result of share price fluctuations. Under such circumstances, the analyst may choose not to change his/her recommendation.