

## Message from the Chairman of the Board

**As Türkiye Sigorta, we are proud to be the assurance of every step taken for the future of our country.**



**Aziz Murat Uluğ**  
Chairman of the Board

Dear Stakeholders,

The world has left behind another challenging year.

With the outbreak of the Russia-Ukraine war in 2022, the cost inflation experienced at the end of 2021 as a result of supply constraints and logistics bottlenecks that emerged as a result of the measures taken during the pandemic period imposed a greater burden on the global economies. Commodity and energy prices reached historic highs while the globe and particularly the European countries were driven into an energy crisis as a result of the sanctions imposed upon Russia, one of the key players in the global commodity and energy market.

During this period, when risks to global financial stability increased significantly and inflationary pressure was prevalent, it was observed that economic growth was disrupted and the concerns about recession grew, while central banks, which employed monetary tightening and interest rate increases, attempted to maintain the delicate balance between fighting against inflation and economic growth.

In January 2023 update of the World Economic Outlook Report, the IMF projects that global growth will fall from an estimated 3.4% in 2022 to 2.9% in 2023 and then rise to 3.1% in 2024. Although this forecast remains below the historical average of 2000-2019, 3.8%, it indicates that a global recession is not expected. The report, which projects that the global struggle against inflation and the adverse effects of the Russia-Ukraine war will continue in 2023, also points out that monetary tightening has relatively cooled demand and inflation, but its full impact will not be visible before 2024.

#### **Towards future with Türkiye's economy model**

Along with the negative effects of global macroeconomic conditions, high inflation was one of the most important topics of the year in our country. CPI inflation continued to rise until October, due to the impacts of the exchange rate changes on prices as well as global increases in energy and food prices, and after reaching its highest level with 85%, showed a downward trend and completed the year at 64.3%. The Central Bank of the Republic of Türkiye also maintained its consumer inflation

projections of 22.3% for 2023 and 8.8% for 2024, stating that inflation will continue to recede while growth will be maintained as a result of the measures taken and regulations enacted.

In this period of huge challenges for all economies worldwide, the Turkish economy has managed to remain on the path of growth, with the dynamism of the exports-oriented economy model sustaining its strong export impetus and making major contributions to growth. In the first nine months of 2022, the Turkish economy increased by 6.2% year on year. Domestic demand and net foreign demand were the two major aspects of balanced growth during this period. In 2022, Türkiye's exports ascended by 12.9%, reaching a record-high level of USD 254.2 billion.

The Turkish economy attained major achievements in 2022 by accomplishing numerous significant investments with the support of our government, our entrepreneurs' investment appetite, and their flexible investment capacities, and created a solid expectation that these achievements will be pursued in 2023 as well.

#### **Despite challenging circumstances, our industry remains dynamic.**

The industry's balance sheets have suffered a great deal of pressure due to the adverse impacts of inflation and currency rate changes, particularly in the non-life branch. The profitability of the industry was adversely affected not only by increasing inflationary cost pressure, but also by developments such as increased mobility and damage frequency after the pandemic, increased provisions due to raises in minimum wages, and surged spare parts costs due to the change in exchange rates.

Despite these challenging circumstances, our industry has remained dynamic. Total premium production of Türkiye's insurance industry in 2022 reached TL 235 billion with a nominal increase of 123.2%, the premium production of non-life branches, which constituted 86.9% of total production, increased by 133.1% to TL 204.2 billion, the premium production of the life segment, which constituted 13.1% of total production, increased by 74.1% to reach TL 30.9 billion.

## Message from the Chairman of the Board

We have maintained our position as the industry leader with a strong premium growth.

Impact of the inflation on insurance premiums, as well as increased insurance demand in the post-pandemic period, have been the key drivers in premium growth.

The demand of companies for cyber risk insurance against cyber-attacks continues to grow in order to avoid the costs of threats and data breaches that increase in parallel with rapid and widespread digitalization.

Furthermore, the awareness of the critical role of insurance products in compensating the economic consequences of natural disasters, both the severity and frequency of which have increased due to climate change, has been reflected in the demand for fire and disaster insurance plans, resulting in a significant growth in these branches.

### **Our unchanging motto: Sustainable Leadership**

In 2022, when we have maintained our position as the industry leader with a strong premium growth, our premium production increased by 114% annually to TL 25.2 billion.

Our company's high insurance capacity and premium production capability are an outcome of the skill of our competent

employees and distribution channels. We strive for greater penetration of service and a superior customer experience by integrating those values with the opportunities brought about by digital transformation. As a result, as Türkiye Sigorta, an exemplary and preferred insurance company, we are consolidating our leadership position.

In addition to sustainable leadership in production and profitability, we also consider it as a part of our leadership responsibility to broaden the boundaries of our industry, foster an insurance culture throughout Türkiye, and to bring both insurance in life and the insurance business in the economy to the status they deserve.

Another issue that we, as Türkiye Sigorta, prioritize and consider as one of our primary responsibilities due to our position, is to provide assurance to our country's major investments and strategic assets. We take our place in Türkiye's domestic and national stance as Türkiye Sigorta, by enhancing both our capacity and power. All of our investments for qualified and sustainable growth are ensured by the Türkiye Sigorta guarantee. Thus, we provide a significant contribution to increase constructive competition in our industry.

We ensure that our future is built with confidence by providing guarantees for our drill ships, Türksat satellites, Çanakkale Bridge, and petroleum exploration ships. Furthermore, by providing guarantees for the TOGG construction project, we contribute to a future in which our country will have a say in the global automotive industry.

As Türkiye Sigorta, we are proud to be the assurance of every step taken for the future of our country. We also continue to be proud of the guarantees we have provided for Abdulhamid Han, the fourth drill ship of TPAO, which will participate in hydrocarbon exploration operations, and Yusufeli Dam, which is considered to be Türkiye's largest and the world's fifth largest dam.

#### **To a future with greater confidence...**

Striving for a stronger community with the responsibility and sensitivity of our name, we, as Türkiye Sigorta, assumed the Basketball Super League Name Sponsorship and Amputee National Football Team Sponsorship, with the principle of using our strength for our country and the awareness of the role of sports in social development.

We became one of the sponsors of the Tradesmen's Insurance and Risk Management Awareness Reinforcement Training Program (ESİB- Esnafın Sigorta

ve Risk Yönetimi Bilincini Güçlendirme Eğitimleri), which is intended to be the largest participation training program in the insurance industry in order to promote insurance literacy throughout community.

For a greener future, we have created a Memorial Forest of 10,000 saplings for our 2<sup>nd</sup> year.

In order to demonstrate our contributions along the axis of our capital items, we have initiated our project that will develop corporate sustainability practices based on our sustainability vision, which we defined as "insurance for positive impact." Within the frame of our sustainability project, we will renew and upgrade our business models by reconsidering our entire corporate culture and delivering our Environmental, Social, and Governance (ESG) performances.

With the strength we derive from our country, we continue to grow and strive to become a global brand as an institution that embraces Türkiye.

I would like to express my gratitude and best wishes to all of our stakeholders who have accompanied us on this remarkable journey.

With Regards,

Aziz Murat Uluğ

Chairman of the Board

**We strive for  
a stronger  
community with  
the responsibility and  
sensitivity of our  
name.**