Corporate Credit Rating

☐New ☒Update

Sector: Insurance
Publishing Date: 26.09.2025

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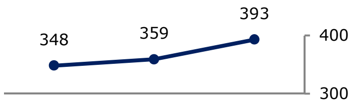
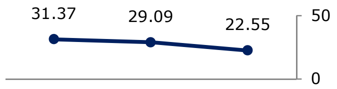
RATINGS		Long Term	Short Term
ICRs (Issuer Credit Profile)	**National ICR**	**AAA (tr)**	**J1+ (tr)**
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Affirmed by JCR on September 1, 2025*

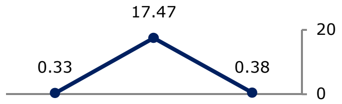
CAR (%)



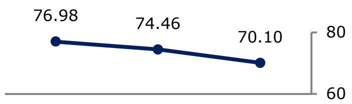
Loss Premium Ratio (%)



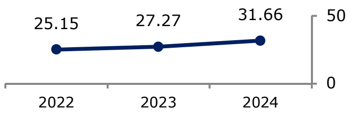
Reinsurers Share (%)



Combined Ratio (%)



Technical Profit/Loss Ratio (%)



Türkiye Hayat ve Emeklilik Anonim Şirketi

JCR Eurasia Rating, has evaluated **"Türkiye Hayat ve Emeklilik A.Ş."** in the investment-level category with the highest credit quality and affirmed the Long-Term National Issuer Credit Rating at **'AAA (tr)'** and the Short-Term National Issuer Credit Rating at **'J1+ (tr)'** with **'Stable'** outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were determined as **'BB/Stable'** in line with sovereign ratings and outlooks of Republic of Türkiye.

Türkiye Hayat ve Emeklilik A.Ş. (hereinafter referred to as **'Türkiye Hayat Emeklilik'** or **'the Company'**) was established on May 1, 1991 formerly named as Güneş Hayat Sigorta. The Company also started its activities in the Individual Retirement System and took the title of Vakıf Emeklilik in 2003. Halk Hayat ve Emeklilik and Ziraat Hayat ve Emeklilik, which provide life and retirement services, were merged under Vakıf Emeklilik ve Hayat in 2020 and the name of the Company was changed to Türkiye Hayat ve Emeklilik A.Ş. and its capital was increased to TRY 755,752,390. The Company continues to operate in the life insurance and pension side with its 12 agency regional directorates, 18 bancassurance regional directorates, 355 agencies, 4,492 bank branches, 36 brokers and 551 direct sales teams, besides high insurance capacity, digital competencies and 1,140 employees including more than 200 different products.

The main shareholder of the Company is TVF Finansal Yatırımlar A.Ş. with 92.64% share and the ultimate shareholder of the Company is Türkiye Wealth Fund ("TWF") as of FYE2024. Türkiye Hayat Emeklilik enhanced its paid-in-capital to TRY 5bn in May 15, 2025. The share distribution of the shareholders in the paid-in-capital remained unchanged as of 1H2025.

Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
• Sizeable volume of pension funds and strong penetration in the life insurance sector thanks to its material sector share and privileged position in the market via vast distribution channels despite the recent decline in the volume of insurance policies, • Modest level of loss premium ratio with a declining trend and standing below the sector averages in 1H2025 for the first time, unlike the other periods, • Reasonable level of the technical profitability despite slight retreat in 1H2025 besides ongoing low level of combined ratio, • Sizeable contribution of the investment activities to bottom-line profitability, • Increasing capital adequacy ratio trend standing way above the sector averages on a perpetual base during the last three year-ends, • Capability to transfer the risk to internationally recognized reinsurers to a certain extent, • Existence of Türkiye Wealth Fund as ultimate controlling shareholder and the synergy created within the Group, • Compliance with corporate governance practices besides expanded digitalization practices and efforts regarding sustainability with favourable outlook of the sector, promising large space for future growth, • Long-lasting presence in the sector dating back to 1991 and successful track-record together with the experienced management team.	• Potential regulatory changes and catastrophic events may pose industry-wide risk, • Low penetration of customers in the insurance sector due to the low level of awareness, • Tightening measures may impact the credit life insurance segment

Considering the aforementioned points, the Company's Long-Term National Issuer Credit Rating has been affirmed at **'AAA (tr)'**. The Company's sizeable volume of pension fund and highlighted position on the life insurance side, strong capital adequacy, reasonable loss premium ratio, favourable technical profitability and substantial contribution of the investment activities to the bottom line results, its risk transfer capacity to reinsurers when needed, strong shareholder structure, compliant to corporate governance practices and attaching importance to sustainability despite not being publicly traded company and its long and successful track record aiming digitalisation as well as the inherently existence of the mortality risk in the sector at extraordinary cases and potential effects of the macroeconomic policy changes have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as **'Stable'**. The trend in the market share of the Company, profitability and the premium production capacity together with the main financial indicators, potential changes in the regulatory environment such as the impacts of the implementation of IFRS 17 on the financials besides effects of any possible catastrophic cases will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.