(Convenience translation of independent auditors' report and unconsolidated financial statements originally issued in Turkish)

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Financial Statements as of December 31, 2022 together with the Independent Auditor's Report

Güney Bağımsız Denetim ve SMMM A.Ş.
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(Convenience translation of a report and unconsolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Millî Reasürans Türk Anonim Şirketi

A) Report on the Audit of the Unconsolidated Financial Statements

1) Opinion

We have audited the unconsolidated financial statements of Millî Reasürans Türk Anonim Şirketi (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2022, and the unconsolidated statement of income, unconsolidated statement of changes in equity, unconsolidated statement of cash flows and statement of profit distribution for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2022, and its unconsolidated financial performance, its unconsolidated cash flows and its profit distribution for the year then ended in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Financial Reporting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation".

2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the 1 in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Emphasis of Matter

We draw your attention to footnote 1.10, which explains that efforts to measure the impact of the earthquake, which affected many of our provinces in the southeastern part of Turkey, on the Company's operations and financial performance. Our opinion is not modified with respect to that matter.

4) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	***How our audit addressed the key audit matter***
Incurred But Not Reported Outstanding Claims Reserve	
As of December 31, 2022, the Company has insurance liabilities of TL 6.707.251.046 representing 54% of the Company's total liabilities. The Company has reflected a net provision of TL 4.044.442.924 for the future outstanding claims for insurance contracts. In the calculation of Incurred But Not Reported (IBNR) claims provisions (net negative amount of TL 171.605.014) which is accounted under the outstanding claims reserves, the Company Management has used the actuarial assumptions and estimates detailed in note 2 and 17. The significance of the provision amount allocated for compensations for incurred but not reported losses within Company's unconsolidated financial tables and also the calculations of such provisions include significant actuarial judgements and forecast, IBNR calculations has been considered as a key audit matter.	We have performed the audit procedures related the actuarial assumptions which disclosed in the Note 2 and 17 together with the actuary auditor who is part of our audit team. These procedures are primarily intended to assess whether the estimates and methods that used in the calculation of the outstanding claims reserve by the Company are appropriate. In this context, we have performed the audit procedures related to the recording the Company's incurred outstanding claims; performed the analytical review, performed detailed testing on the incurred case files which selected randomly; have performed the audit procedures related to the completeness of the data used in the calculation of insurance contract liabilities; assessed the properness of the IBNR calculation method used by the Company for each line of businesses both the relevant claim characteristics and the Company's claim history; performed the recalculation procedure on the amount of IBNR calculated by the Company; reviewed the claim analyzes made by the Company's actuary and questioned these analyzes in terms of suitability and consistency of both legislation and Company past experience; assessed whether the disclosures in the notes of the financial statements are sufficient.

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Valuation of investment properties and properties for own use and significant information disclosed	
As explained in note 2, 6 and 7, the Company recognizes investment properties and properties for own use at their fair values, after initial recognition. As of December 31, 2022, fair value amount of the investment properties and properties for own use disclosed in the unconsolidated financial statements amounts to TL 1.650.131.000 and TL 744.475.000 respectively, as determined by independent appraisal firms and details of the valuation have been disclosed in note 2, 6 and 7. Due to the fact that investment properties and properties for own use are a significant part of the Company's assets and applied valuation methods contain significant judgements and assumptions, we have considered the valuation of properties as a key audit matter.	We assessed the qualifications, competencies and independence of the professional appraisers engaged by the management. In our audit, we assessed whether the valuation methods as applied by appraisers are acceptable for valuation of the underlying property. We reconciled the appraised value for independent sections in the valuation report with disclosed amount in note 6 and 7. In addition, we reconciled standing data included in the valuation report such as rental income, duration of lease contracts, occupancy rates and administration expenses to source documents. Among the other audit procedures we performed, we verified the assumptions used by the external appraisers in their valuations (including the discount rate, the market rent and the expected occupancy rates) against external data. For this assessment we involved internal valuation experts in our audit procedures. Due to the high level of judgment in the valuation of investment property and properties for own use and the existence of alternative assumptions and valuation methods, we assessed if the result of the external valuation is within an acceptable range. We also examined the suitability of the information in the financial statements and explanatory note, given the importance of this information for users of the financial statements.

5) Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with Insurance Accounting and Financial Reporting Legislation and designing, implementing and maintaining internal systems relevant to the preparation and fair presentation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

(Convenience translation of a report and unconsolidated financial statements originally issued in Turkish)

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(Convenience translation of a report and unconsolidated financial statements originally issued in Turkish)

6) Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 – December 31, 2022 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Fatih Polat, SMMM
Partner

February 28, 2023
Istanbul, Turkey

MİLLÎ REASÜRANS

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MİLLÎ REASÜRANS TÜRK ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION OF THE COMPANY'S REPRESENTATION ON THE UNCONSOLIDATED FINANCIAL STATEMENT PREPARED AS OF DECEMBER 31, 2022

We confirm that the unconsolidated financial statements and related disclosures and footnotes as of December 31, 2022 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the financial records of our Company.

Istanbul,

February 28, 2023

Şule SOYLU
Assistant General Manager

Özlem CİVAN
Assistant General Manager

Fikret Utku Özdemir
General Manager

Ertan TAN
Actuary
Registration No: 21

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(Currency: Turkish Lira (TL))

ASSETS			
I- Current Assets	**Note**	**Audited Current Period December 31, 2022**	**Audited Prior Period December 31, 2021**
A- Cash and Cash Equivalents	**4.2,14**	**1.690.343.554**	**1.940.023.286**
1- Cash	4.2,14	42.425	21.528
2- Cheques Received	4.2,14	-	-
3- Banks	4.2,14	1.690.301.129	1.940.001.758
4- Cheques Given and Payment Orders (-)		-	-
5- Receivables From Credit Cards with Bank Guarantee Due Less Than Three Months		-	-
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Investments with Risks on Policy Holders	**11**	**3.813.962.169**	**1.924.014.791**
1- Financial Assets Available for Sale	11	2.821.184.794	1.686.966.206
2- Financial Assets Held to Maturity		-	-
3- Financial Assets Held for Trading	11	999.731.915	244.003.125
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders		-	-
7- Equity Shares		-	-
8- Impairment in Value of Financial Assets (-)	11	(6.954.540)	(6.954.540)
C- Receivables From Main Operations	**4.2,12**	**811.580.762**	**514.613.495**
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4.2,12	504.391.933	316.410.641
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited For Insurance & Reinsurance Companies	4.2,12	307.188.829	198.202.854
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation		-	-
9- Doubtful Receivables From Main Operations		-	-
10- Provisions for Doubtful Receivables From Main Operations (-)		-	-
D- Due from Related Parties		**-**	**-**
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E- Other Receivables	**4.2,12**	**12.828.915**	**1.908.875**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given	4.2,12	11.762.043	885.596
4- Other Receivables	4.2,12	1.066.872	1.023.279
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables	4.2,12	705.142	1.061.329
7- Provisions for Other Doubtful Receivables (-)	4.2,12	(705.142)	(1.061.329)
F- Prepaid Expenses and Income Accruals		**619.990.838**	**343.164.854**
1- Deferred Commission Expenses	17	540.362.676	281.625.876
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4.2	43.874.686	20.728.018
4- Other Prepaid Expenses	4.2	35.753.476	40.810.960
G- Other Current Assets		**23.843.169**	**5.324.804**
1- Inventories		166.642	107.777
2- Prepaid Taxes and Funds	12, 19	13.673.790	-
3- Deferred Tax Assets		-	-
4- Job Advances	4.2,12	5.207.469	3.037.253
5- Advances Given to Personnel		-	-
6- Stock Count Differences		-	-
7- Other Current Assets		4.795.268	2.179.774
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		**6.972.549.407**	**4.729.050.105**

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

ASSETS			
II- Non-Current Assets	**Note**	**Audited Current Period December 31, 2022**	**Audited Prior Period December 31, 2021**
A- Receivables From Main Operations		**211.913.101**	**125.776.087**
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4.2.12	108.746.186	42.780.881
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies	4.2.12	103.166.915	82.995.206
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables From Pension Operations		-	-
9- Doubtful Receivables from Main Operations	4.2.12	78.486.484	63.257.777
10-Provision for Doubtful Receivables from Main Operations	4.2.12	(78.486.484)	(63.257.777)
B- Due from Related Parties		**-**	**-**
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
C- Other Receivables		**-**	**-**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets	**4.2,9**	**2.765.317.808**	**1.483.357.768**
1- Investments In Associates		-	-
2- Affiliates	4.2.9	431.889.372	234.810.535
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries	4.2.9	2.333.428.436	1.248.547.233
5- Capital Commitments to Subsidiaries (-)		-	-
6- Joint Ventures		-	-
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Investments with Risks on Policy Holders		-	-
9- Other Financial Assets		-	-
10- Diminution in Value of Financial Assets (-)		-	-
E- Tangible Fixed Assets	**6**	**2.425.018.939**	**799.046.167**
1- Investment Properties	6,7	1.650.131.000	549.896.000
2- Diminution in Value for Investment Properties (-)		-	-
3- Building for own use	6	744.475.000	234.955.000
4- Machinery and Equipments		-	-
5- Furnitures and Fixtures	6	29.953.528	12.573.415
6- Vehicles	6	3.360.121	3.234.751
7- Other Tangible Assets (Including Leasehold Improvements)		-	-
8- Leased Tangible Fixed Assets	6	9.441.382	6.637.769
9- Accumulated Depreciation (-)	6	(23.786.977)	(14.174.798)
10- Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)		11.444.885	5.924.030
F- Intangible Fixed Assets	**8**	**24.866.451**	**30.741.665**
1- Rights	8	56.102.890	49.916.464
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
6- Other Intangible Assets		-	-
7- Accumulated Amortizations (-)	8	(47.345.521)	(31.644.076)
8- Advances Regarding Intangible Assets	8	16.109.082	12.469.277
G- Prepaid Expenses and Income Accruals		**782.571**	**20.493**
1- Deferred Commission Expenses		-	-
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses		782.571	20.493
H- Other Non-current Assets		**-**	**15.136.149**
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets		-	15.136.149
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets		**5.427.898.870**	**2.454.078.329**
TOTAL ASSETS		**12.400.448.277**	**7.183.128.434**

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

LIABILITIES			
III- Short-Term Liabilities	**Note**	**Audited Current Period December 31, 2022**	**Audited Prior Period December 31, 2021**
A- Borrowings	**20**	**30.126**	**3.234.894**
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Finance Lease Borrowing Costs (-)		-	-
4- Current Portion of Long-Term Borrowings		-	-
5- Principal, Installments and Interests on Issued Bills (Bonds)		-	-
6- Other Financial Assets Issued		-	-
7- Value Differences on Issued Financial Assets (-)		-	-
8- Other Financial Borrowings (Liabilities)	20	30.126	3.234.894
B- Payables From Main Operations	**4.2,19**	**115.476.899**	**96.743.152**
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations	4.2,19	114.466.447	95.699.106
3- Cash Deposited by Insurance & Reinsurance Companies	4.2,19	1.010.452	1.044.046
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Rediscount on Other Payables From Main Operations (-)		-	-
C- Due to Related Parties	**4.2,19**	**419.272**	**156.141**
1- Due to Shareholders	45	156.859	140.984
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties	45	262.413	15.157
D- Other Payables	**19**	**13.057.845**	**3.616.330**
1- Deposits and Guarantees Received	19	-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables	19,4.2	13.057.845	3.616.330
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves	**17**	**6.301.850.313**	**3.588.338.932**
1- Unearned Premiums Reserve - Net	17	2.244.243.203	1.163.683.910
2- Unexpired Risk Reserves - Net	17	13.164.186	155.845.717
3- Mathematical Reserves - Net	17	-	-
4- Outstanding Claims Reserve - Net	4.2,17	4.044.442.924	2.268.809.305
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net		-	-
F- Taxes and Other Liabilities and Relevant Provisions	**4.2,19**	**6.317.060**	**81.489.082**
1- Taxes and Dues Payable	19	5.951.043	3.838.323
2- Social Security Premiums Payable	19	366.017	221.967
3- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Liability Provision on Period Profit	19	-	128.897.591
6- Prepaid Taxes and Other Liabilities on Period Profit (-)	19	-	(51.468.799)
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks		**-**	**-**
1- Provision for Employment Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs	23	-	-
H- Deferred Income and Expense Accruals	**19**	**26.927.997**	**14.791.526**
1- Deferred Commission Income	10,19	9.482.897	4.098.066
2- Expense Accruals	19	17.174.294	10.493.032
3- Other Deferred Income	19	270.806	200.428
I- Other Short-Term Liabilities		**-**	**-**
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short-Term Liabilities		-	-
III - Total Short-Term Liabilities		**6.464.079.512**	**3.788.370.057**

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

LIABILITIES			
IV- Long-Term Liabilities	**Note**	**Audited Current Period December 31, 2022**	**Audited Prior Period December 31, 2021**
A- Borrowings		**96.133**	**-**
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Finance Lease Borrowing Costs (-)		-	-
4- Bonds Issued		-	-
5- Other Issued Financial Assets		-	-
6- Value Differences on Issued Financial Assets (-)		-	-
7- Other Financial Borrowings (Liabilities)		96.133	-
B- Payables From Main Operations		**41.806.032**	**30.490.157**
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations	4.2,19	41.784.665	30.490.157
3- Cash Deposited by Insurance & Reinsurance Companies		21.367	-
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Discount on Other Payables From Main Operations (-)		-	-
C- Due to Related Parties		**-**	**-**
1- Due to Shareholders		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		**-**	**-**
1- Deposits and Guarantees Received		-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables		-	-
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves	**17**	**405.400.733**	**245.855.051**
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net	17	405.400.733	245.855.051
F- Other Liabilities and Provisions		**-**	**-**
1- Other Liabilities		-	-
2- Overdue, Deferred or By Installment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks	**4.2,23**	**265.815.978**	**117.990.549**
1- Provision for Employment Termination Benefits	4.2,23	30.548.796	14.992.038
2- Provisions for Employee Pension Fund Deficits	4.2,22,23	235.267.182	102.998.511
H- Deferred Income and Expense Accruals	**19**	**-**	**-**
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long-Term Liabilities	**21**	**167.314.226**	**-**
1- Deferred Tax Liability	21	167.314.226	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		**880.433.102**	**394.335.757**

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

EQUITY			
V- Equity	**Note**	**Audited Current Period December 31, 2022**	**Audited Prior Period December 31, 2021**
A- Paid in Capital		**660.000.000**	**660.000.000**
1- (Nominal) Capital	2.13,15	660.000.000	660.000.000
2- Unpaid Capital (-)		-	-
3- Positive Inflation Adjustment on Capital		-	-
4- Negative Inflation Adjustment on Capital (-)		-	-
5- Unregistered Capital		-	-
B- Capital Reserves	**15**	**798.036.576**	**287.282.906**
1- Equity Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Sale to be Transferred to Capital	15	33.799.814	24.729.869
4- Translation Reserves	15	86.654.441	41.999.609
5- Other Capital Reserves	15	677.582.321	220.553.428
C- Profit Reserves		**2.341.617.117**	**1.234.068.677**
1- Legal Reserves	15	261.812.474	226.709.388
2- Statutory Reserves	15	122.747.456	83.112.202
3- Extraordinary Reserves	15	1.055.949.776	823.206.149
4- Special Funds (Reserves)	15	117.937.781	57.074.903
5- Revaluation of Financial Assets	11,15	775.959.399	28.018.182
6- Other Profit Reserves	15	7.210.231	15.947.853
D- Previous Years' Profits		**367.662.204**	**270.105.389**
1- Previous Years' Profits		367.662.204	270.105.389
E- Previous Years' Losses (-)		-	-
1- Previous Years' Losses		-	-
F- Net Profit of the Period	**15**	**888.619.766**	**548.965.648**
1- Net Profit of the Period		879.498.268	548.965.648
2- Net Loss of the Period (-)		-	-
3- Net Income not subject to distribution		9.121.498	-
Total Shareholders' Equity		**5.055.935.663**	**3.000.422.620**
Total Liabilities and Shareholders' Equity		**12.400.448.277**	**7.183.128.434**

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

I-TECHNICAL SECTION	**Note**	**Audited Current Period December 31, 2022**	**Audited Prior Period December 31, 2021**
A- Non-Life Technical Income		**5.867.841.386**	**2.995.336.407**
1- Earned Premiums (Net of Reinsurer Share)		3.161.130.332	1.688.972.013
1.1 - Written Premiums (Net of Reinsurer Share)	17	4.098.323.549	2.150.468.672
1.1.1 - Gross Written Premiums (+)	17	4.797.388.432	2.482.446.843
1.1.2 - Ceded Premiums to Reinsurers (-)	10,17	(699.064.883)	(331.978.171)
1.1.3 - Ceded Premiums to SSI (-)		-	-
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(1.078.926.225)	(354.747.859)
1.2.1 - Unearned Premiums Reserve (-)	17	(1.102.638.264)	(362.241.930)
1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)	10,17	23.712.039	7.494.071
1.2.3 - SSI of Unearned Premiums Reserve (+)		-	-
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	141.733.008	(106.748.800)
1.3.1 - Unexpired Risks Reserve (-)	29	143.435.696	(108.606.301)
1.3.2 - Reinsurance Share of Unexpired Risks Reserve (+)	29	(1.702.688)	1.857.501
2- Investment Income Transferred from Non-Technical Part		2.170.788.001	795.304.266
3- Other Technical Income (Net of Reinsurer Share)		535.923.053	511.060.128
3.1 - Gross Other Technical Income (+)		535.923.053	511.060.094
3.2 - Reinsurance Share of Other Technical Income (-)		-	34
4- Accrued Subrogation and Salvage Income (+)		-	-
B- Non-Life Technical Expense (-)		**(5.550.314.590)**	**(2.770.779.902)**
1- Total Claims (Net of Reinsurer Share)		(4.097.375.967)	(1.938.012.839)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(2.311.827.218)	(1.305.915.455)
1.1.1 - Gross Claims Paid (-)	17	(2.413.858.082)	(1.361.902.748)
1.1.2 - Reinsurance Share of Claims Paid (+)	10,17	102.030.864	55.987.293
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(1.785.548.749)	(632.097.384)
1.2.1 - Outstanding Claims Reserve (-)	17	(1.807.124.190)	(661.685.464)
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10,17	21.575.441	29.588.080
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1 - Bonus and Discount Reserve (-)		-	-
2.2 - Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(159.444.329)	(61.176.976)
4- Operating Expenses (-)	32	(1.293.494.294)	(771.590.087)
5- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5.1- Mathematical Reserves (-)		-	-
5.2- Reinsurance Share of Mathematical Reserves (+)		-	-
6.- Other Technical Expenses (-)		-	-
6.1.- Gross Other Technical Expenses (-)		-	-
6.2.- Reinsurance Share of Other Technical Expenses (+)		-	-
C- Non-Life Technical Net Profit (A-B)		**317.526.796**	**224.556.505**
D- Life Technical Income		**11.282.882**	**15.167.930**
1- Earned Premiums (Net of Reinsurer Share)		8.078.559	11.229.108
1.1 - Written Premiums (Net of Reinsurer Share)	17	8.763.104	1.177.078
1.1.1 - Gross Written Premiums (+)	17	11.041.605	158.222
1.1.2 - Ceded Premiums to Reinsurers (-)	10,17	(2.278.501)	1.018.856
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(1.633.068)	11.000.553
1.2.1- Unearned Premium Reserves (-)	17	(3.586.478)	14.976.201
1.2.2- Unearned Premium Reserves Reinsurer Share (+)	10,17	1.953.410	(3.975.648)
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		948.523	(948.523)
1.3.1- Unexpired Risks Reserves (-)		948.523	(948.523)
1.3.2- Unexpired Risks Reserves Reinsurer Share (+)		-	-
2- Life Branch Investment Income		2.924.863	3.475.599
3- Unrealized Income from Investments		-	-
4-Other Technical Income (Net of Reinsurer Share) (+/-)		279.460	463.223
4.1- Gross Other Technical Income (+/-)		279.460	463.223
4.2- Reinsurance Share of Other Technical Income (+/-)		-	-
5- Accrued Subrogation and Salvage Income (+)		-	-

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

I-TECHNICAL SECTION	Note	Audited Current Period December 31, 2022	Audited Prior Period December 31, 2021
E- Life Technical Expense		**(5.190.292)**	**(18.570.321)**
1- Total Claims (Net of Reinsurer Share)		622.997	(15.373.920)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(9.292.133)	(10.115.740)
1.1.1- Gross Claims Paid (-)	17	(9.673.464)	(11.946.157)
1.1.2- Claims Paid Reinsurer Share (+)	10,17	381.331	1.830.417
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	9.915.130	(5.258.180)
1.2.1 - Outstanding Claims Reserve (-)	17	8.330.720	(3.585.990)
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10,17	1.584.410	(1.672.190)
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1 - Bonus and Discount Reserve (-)		-	-
2.2 - Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	-	13.014
3.1- Mathematical Reserves (-)	29	-	13.014
3.1.1- Actuarial Mathematical Reserve (-)	29	-	13.014
3.1.2- Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		-	-
3.2- Reinsurer Share of Mathematical Reserves (+)		-	-
3.2.1- Reinsurance Share of Actuarial Mathematical Reserve (+)		-	-
3.2.2- Reinsurance Share of Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(101.353)	(5.725)
5- Operating Expenses (-)	32	(5.711.936)	(3.203.690)
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Life Technical Profit (D-E)		**6.092.590**	**(3.402.391)**
G- Individual Retirement Technical Income		**-**	**-**
1- Fund Management Fee		-	-
2- Management Fee Deduction		-	-
3- Initial Contribution Fee		-	-
4- Management Fee In Case Of Temporary Suspension		-	-
5- Withholding tax		-	-
6- Increase in Market Value of Capital Commitment Advances		-	-
7-Other Technical Income		-	-
H- Individual Retirement Technical Expense		**-**	**-**
1- Fund Management Expenses (-)		-	-
2- Decrease in Market Value of Capital Commitment Advances (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expense (-)		-	-
I- Individual Retirement Technical Profit (G-H)		**-**	**-**

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

II-NON-TECHNICAL SECTION	**Note**	**Audited Current Period December 31, 2022**	**Audited Prior Period December 31, 2021**
C- Non-Life Technical Profit (A-B)		**317.526.796**	**224.556.505**
F- Life Technical Profit (D-E)		**6.092.590**	**(3.402.391)**
I - Individual Retirement Technical Profit (G-H)		**-**	**-**
J- Total Technical Profit (C+F+I)		**323.619.386**	**221.154.114**
K- Investment Income		**3.067.317.755**	**1.353.558.990**
1- Income From Financial Investment	4.2	459.394.897	395.751.183
2- Income from Sales of Financial Investments	4.2	115.496.788	38.571.294
3- Revaluation of Financial Investments	4.2	147.115.807	34.046.169
4- Foreign Exchange Gains	4.2	407.982.385	423.659.936
5- Income from Affiliates	4.2	173.412.281	87.218.513
6- Income from Subsidiaries and Joint Ventures	4.2	598.440.531	257.964.520
7- Income Received from Land and Building	7	1.137.381.257	116.346.333
8- Income from Derivatives	4.2	25.351.060	-
9- Other Investments		2.742.749	1.042
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expenses (-)		**(2.251.785.865)**	**(865.902.058)**
1- Investment Management Expenses (including interest) (-)	4.2	(303.487)	(53.257)
2- Valuation Allowance of Investments (-)		-	-
3- Losses On Sales of Investments (-)	4.2	(196.394)	(498.511)
4- Investment Income Transferred to Non-Life Technical Part (-)		(2.170.788.001)	(795.304.266)
5- Losses from Derivatives (-)		(7.060.875)	-
6- Foreign Exchange Losses (-)	4.2	(17.582.999)	(23.195.899)
7- Depreciation Expenses (-)	6,8	(24.330.752)	(19.469.027)
8- Other Investment Expenses (-)		(31.523.357)	(27.381.098)
M- Other Income and Expenses (+/-)		**(250.531.510)**	**(30.947.807)**
1- Provisions Account (+/-)	47	(150.438.548)	(62.599.328)
2- Discount account (+/-)	47	(9.520.269)	(1.091.600)
3- Mandatory Earthquake Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts (+/-)	21,35	-	23.899.257
6- Deferred Tax Expense Accounts (-)		(103.908.015)	-
7- Other Income and Revenues		13.516.934	8.945.526
8- Other Expense and Losses (-)		(181.612)	(101.662)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit / (Loss)		**888.619.766**	**548.965.648**
1- Profit /(Loss) Before Tax		888.619.766	677.863.239
2- Corporate Tax Liability Provision (-)		-	(128.897.591)
3- Net Profit (Loss)		888.619.766	548.965.648
4- Inflation Adjustment Account		-	-

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

	Note	Audited Current Period 1 January- December 31, 2022	Audited Prior Period 1 January- December 31, 2021
A - Cash flows from operating activities			
1- Cash provided from insurance activities		-	-
2- Cash provided from reinsurance activities		5.476.848.498	3.143.349.688
3- Cash provided from individual pension business		-	-
4- Cash used in insurance activities		-	-
5- Cash used in reinsurance activities		(5.089.102.503)	(2.811.251.277)
6- Cash used in individual pension business		-	-
7- Cash provided by operating activities		**387.745.995**	**332.098.411**
8- Interest paid		-	-
9- Income taxes paid		(90.448.188)	(51.468.799)
10- Other cash inflows		770.069.425	125.557.276
11- Other cash outflows		(212.660.805)	(103.180.281)
12-Net cash provided by operating activities		**854.706.427**	**303.006.607**
B - Cash flows from investing activities		-	-
1- Proceeds from disposal of tangible assets		2.745.448	1.115
2- Acquisition of tangible assets	6, 8	(32.149.978)	(22.601.574)
3- Acquisition of financial assets	11	(4.229.235.350)	(1.654.642.870)
4- Proceeds from disposal of financial assets	11	3.212.711.655	1.400.667.377
5- Interests received		465.876.056	417.115.634
6- Dividends received		4.523.658	96.694.326
7- Other cash inflows		1.573.553.584	543.242.206
8- Other cash outflows		(2.819.119.379)	(1.038.865.468)
9- Net cash provided by investing activities		**(1.821.094.306)**	**(258.389.254)**
C- Cash flows from financing activities		-	-
1- Equity shares issued		-	-
2- Cash provided from loans and borrowings		-	-
3- Finance lease payments		-	-
4- Dividends paid	2.23	(47.984.125)	(42.986.569)
5- Other cash inflows		-	-
6- Other cash outflows		-	-
7- Net cash used in financing activities		**(47.984.125)**	**(42.986.569)**
D- Effect of exchange rate fluctuations on cash and cash equivalents		**621.132.758**	**330.118.121**
E- Net increase in cash and cash equivalents		**(393.239.246)**	**331.748.905**
F- Cash and cash equivalents at the beginning of the year	14	1.768.393.399	1.436.644.494
G- Cash and cash equivalents at the end of the year	14	**1.375.154.153**	**1.768.393.399**

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

Audited – Changes in Equity – December 31, 2021

	Note	Paid in Capital	Equity Share Owned by Company (-)	Revaluations of Financial Assets	Inflation Adjustment on Capital	Translation Reserves	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
I – Balance at the end of the previous year – December 31, 2020		**660.000.000**	**-**	**284.072.561**	**-**	**(21.166.656)**	**194.945.022**	**58.171.807**	**921.257.578**	**348.598.908**	**192.754.305**	**2.638.633.525**
II – Change in Accounting Standards		-	-	-	-	-	-	-	-	-	-	-
III – Restated balances (I+II) – January 1, 2021		**660.000.000**	**-**	**284.072.561**	**-**	**(21.166.656)**	**194.945.022**	**58.171.807**	**921.257.578**	**348.598.908**	**192.754.305**	**2.638.633.525**
A- Capital increase		-	-	-	-	-	-	-	-	-	-	-
1- In cash		-	-	-	-	-	-	-	-	-	-	-
2- From reserves		-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares		-	-	-	-	-	-	-	-	-	-	-
C- Gains or losses that are not included in the statement of income		-	-	-	-	-	12.737.001	24.940.395	203.254.624	-	(192.220.459)	**48.711.561**
D- Change in the value of financial assets	15	-	-	(256.054.379)	-	-	-	-	-	-	-	**(256.054.379)**
E- Currency translation adjustments		-	-	-	-	63.166.265	-	-	-	-	-	**63.166.265**
F- Other gains or losses		-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-	-
H- Net profit for the year		-	-	-	-	-	-	-	-	548.965.648	-	**548.965.648**
I – Other reserves and transfers from retained earnings	38	-	-	-	-	-	19.027.365	-	17.000.000	(305.598.908)	269.571.543	-
J- Dividends paid	38	-	-	-	-	-	-	-	-	(43.000.000)	-	**(43.000.000)**
IV - Balance at the end of the period – December 31, 2021	**15**	**660.000.000**	**-**	**28.018.182**	**-**	**41.999.609**	**226.709.388**	**83.112.202**	**1.141.512.202**	**548.965.648**	**270.105.389**	**3.000.422.620**

Audited Changes in Equity – December 31, 2022

	Note	Paid in Capital	Equity Share Owned by Company (-)	Revaluations of Financial Assets	Inflation Adjustment on Capital	Translation Reserves	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
I – Balance at the end of the previous year – December 31, 2021		**660.000.000**	**-**	**28.018.182**	**-**	**41.999.609**	**226.709.388**	**83.112.202**	**1.141.512.202**	**548.965.648**	**270.105.389**	**3.000.422.620**
II – Change in Accounting Standards		-	-	-	-	-	-	-	-	-	-	-
III – Restated balances (I+II) – January 1, 2022		**660.000.000**	**-**	**28.018.182**	**-**	**41.999.609**	**226.709.388**	**83.112.202**	**1.141.512.202**	**548.965.648**	**270.105.389**	**3.000.422.620**
A- Capital increase		-	-	-	-	-	-	-	-	-	-	-
1- In cash		-	-	-	-	-	-	-	-	-	-	-
2- From reserves		-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares		-	-	-	-	-	-	-	-	-	-	-
C- Gains or losses that are not included in the statement of income		-	-	-	-	-	5.486.282	39.635.254	717.157.752		(339.982.060)	**422.297.228**
D- Change in the value of financial assets	15	-	-	747.941.217	-	-	-	-	-	-	-	**747.941.217**
E- Currency translation adjustments		-	-	-	-	44.654.832	-	-	-	-	-	**44.654.832**
F- Other gains or losses		-	-	-	-	-	-	-	-	-	-	-
G- Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-	-
H- Net profit for the year		-	-	-	-	-		-		888.619.766		**888.619.766**
I – Other reserves and transfers from retained earnings	38	-	-	-	-	-	29.616.804	-	33.809.969	(500.965.648)	437.538.875	-
J- Dividends paid	38	-	-	-	-	-	-	-	-	(48.000.000)	-	**(48.000.000)**
IV - Balance at the end of the period – December 31, 2022	**15**	**660.000.000**	**-**	**775.959.399**	**-**	**86.654.441**	**261.812.474**	**122.747.456**	**1.892.479.923**	**888.619.766**	**367.662.204**	**5.055.935.663**

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

	Note	Audited Current Period December 31, 2022(*)	Audited Prior Period December 31, 2021
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT (*)		**879.498.268**	**682.320.051**
1.2. TAX AND FUNDS PAYABLE	35	-	**(128.897.591)**
1.2.1. Corporate Income Tax (Income Tax)	35	-	(128.897.591)
1.2.2. Income tax deduction		-	-
1.2.3. Other taxes and Duties		-	-
A NET PROFIT (1.1 – 1.2)		**879.498.268**	**553.422.460**
1.3. PREVIOUS PERIOD LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		(43.974.913)	(27.671.123)
1.5. STATUTORY FUND (-) (***)		(835.523.355)	(58.196.850)
B NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5)]		**-**	**467.554.487**
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	**(46.755.449)**
1.6.1. Holders of shares		-	(46.755.449)
1.6.2. Holders of Preferred shares		-	-
1.6.3. Holders of Redeemed shares		-	-
1.6.4. Holders of Participation Bond		-	-
1.6.5. Holders of Profit and Loss sharing certificate		-	-
1.7. DIVIDEND TO PERSONNEL (-)		-	**(4.456.812)**
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	**(1.244.551)**
1.9.1. Holders of shares		-	(1.244.551)
1.9.2. Holders of Preferred shares		-	-
1.9.3. Holders of Redeemed shares		-	-
1.9.4. Holders of Participation Bond		-	-
1.9.5. Holders of Profit and Loss sharing certificate		-	-
1.10. SECOND LEGAL RESERVE (-)		-	**(1.945.681)**
1.11. STATUTORY RESERVES (-)		-	-
1.12. EXTRAORDINARY RESERVES		-	-
1.13. OTHER RESERVES		-	-
1.14. SPECIAL FUNDS (**)		-	**(33.809.969)**
II. DISTRIBUTION OF RESERVES		-	-
2.1. DISTRIBUTION OF RESERVES		-	-
2.2. SECOND LEGAL RESERVES (-)		-	-
2.3. COMMON SHARES (-)		-	-
2.3.1. Holders of shares		-	-
2.3.2 Holders of Preferred shares		-	-
2.3.3. Holders of Redeemed shares		-	-
2.3.4 Holders of Participation Bond		-	-
2.3.5 Holders of Profit and Loss sharing certificate		-	-
2.4. DIVIDENDS TO PERSONNEL (-)		-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. PROFIT PER SHARE		-	-
3.1. HOLDERS OF SHARES		-	553.422.460
3.2. HOLDERS OF SHARES (%)		-	83,8519
3.3. HOLDERS OF PREFERRED SHARES		-	-
3.4. HOLDERS OF PREFERRED SHARES (%)		-	-
IV. DIVIDEND PER SHARE		-	-
4.1. HOLDERS OF SHARES		-	48.000.000
4.2. HOLDERS OF SHARES (%)		-	7,2727
4.3. HOLDERS OF PREFERRED SHARES		-	-
4.4. HOLDERS OF PREFERRED SHARES (%)		-	-

(*) Since the profit distribution proposal for the year 2022 has not prepared by the Board of Directors, profit distribution table has not been filled yet. The detail of the undistributed profit is disclosed in the footnote 2.23.

(**) Within the framework of the provisions of Article 325 / A of the Tax Procedure Code and Article 10 of the Corporate Tax Code, TL 38.123.053 of the fund has been allocated for the purchase of participation shares in the venture capital investment fund.

(***) The positive difference that may arise due to the changes in the calculation method in accordance with circular No. 2022/27 regarding the provision of ongoing risks and the arrangements made by the company actuary to ensure the elimination of the misleading effect cannot be used for profit distribution without the approval of the institution.

The accompanying notes are an integral part of these unconsolidated financial statements.

(Currency: Turkish Lira (TL))

1 General information

1.1 Name of the Company and the ultimate owner of the group

The shareholder having direct or indirect control over the shares of Millî Reasürans Türk Anonim Şirketi (“the Company”) is Türkiye İş Bankası AŞ Group (“İş Bankası”) having 87.60 % of the outstanding shares.

The Company was established in February 26, 1929 and has been operating since in July 19, 1929.

1.2 The Company’s address and legal structure and address of its registered country and registered office (or, if the Company’s address is different from its registered office, the original location where the Company’s actual operations are performed)

The Company was registered in Turkey in July 16, 1929 and has the status of ‘Incorporated Company’. The address of the Company’s registered office is Maçka Cad. No: 35 34367 Şişli İstanbul.

1.3 Main operations of the Company

The Company is primarily engaged in reinsurance and retrocession businesses in domestic and international markets. In 2007, the Company opened a branch in Singapore upon the completion of the necessary local formalities according to the local legislation. Singapore branch has been operating since 2008.

1.4 Details of the Company’s operations and nature of field of activities

The Company conducts its operations in accordance with the Insurance Law No. 5684 (“the Insurance Law”) issued in June 14, 2007 dated and 26552 numbered Official Gazette and the communiqués and other regulations in force issued by Republic of Turkey Ministry of Treasury and Finance based on the Insurance Law.

The purpose and activities of the Company as stated at the Articles of Association of the Company are as follows:

- Providing life and non-life reinsurance and other related products and services in all insurance branches and sub-branches to Turkish and foreign insurance companies;
- Managing and participating in reinsurance operations of Pools,
- Purchasing, selling, constructing and renting real estates,
- Purchasing debt instruments and shares issued by all sorts of commercial, industrial and financial institutions and government agencies as well as providing capital or participating in the establishment of such institutions to provide a consistent, secure and adequate financial income,
- In addition to these, carrying out other operations upon recommendation by the Board of Directors and resolution of the General Meeting which are deemed to be beneficial and material for the Company and are not prohibited by the law.

1.5 Average number of the Company’s personnel based on their categories

The average number of the personnel during the year in consideration of their categories is as follows:

	December 31, 2022	**December 31, 2021**
Top executive	5	5
Managers	36	34
Officers	127	126
Contracted personnel	3	4
Other personnel	28	32
Total	**199**	**201**

(Currency: Turkish Lira (TL))

1 General information *(continued)*

1.6 Remuneration and similar benefits provided to top management

For the year ended December 31, 2022, wages and similar benefits provided to the top management including chairman, members of the board of the directors, general manager, general coordinator, and deputy general managers is amounting to TL 14.904.661 (December 31, 2021: TL 8.462.579).

1.7 Keys used in the distribution of investment income and operating expenses (personnel, administrative, research and development, marketing and selling, services rendered from third parties and other operating expenses) in the financial statements

Procedures and principles related to keys used in the financial statements of the companies are determined in accordance with the January 4, 2008 dated and 2008/1 numbered "Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In Accordance With Insurance Accounting Plan" issued by Republic of Turkey Ministry of Treasury and Finance.

In accordance with the above-mentioned Communiqué, insurance and reinsurance companies are allowed to transfer technical section operating expense to insurance section through methods determined by Republic of Turkey Ministry of Treasury and Finance or by the Company itself. In accordance with the approval of the Undersecretariat of Republic of Turkey Ministry of Treasury and Finance, dated March 6, 2008 and numbered 10222, known and exactly distinguishable operating expenses are distributed to related branches directly and services rendered from third parties and other operating expenses in accordance with the gross premiums written for the last three years.

Income from the assets invested against non-life technical provisions is transferred to technical section from non-technical section; remaining income is transferred to the non-technical section. Income is distributed to the sub-branches in accordance with the percentage calculated by dividing "net cash flow" to the "total net cash flow", net cash flow being net of reinsurer share and calculated by deducting net losses paid from net written premiums.

Income from the assets invested against mathematical provisions is recorded under technical section; remaining income is transferred to the non-technical section.

1.8 Information on the financial statements as to whether they comprise an individual Company or a group of companies

The accompanying financial statements comprise only the unconsolidated financial information of the Company. As further discussed in note 2.2 - Consolidation, the Company has prepared consolidated financial statements As of December 31, 2022 separately.

1.9 Name or other identity information about the reporting entity and the changes in this information after previous reporting date

Trade name of the Company	: Millî Reasürans Türk Anonim Şirketi
Registered address of the head office	: Maçka Cad. No:35
	34367 Şişli/İstanbul
The web page of the Company	: **www.millire.com**

There has been no change in the aforementioned information subsequent to the previous reporting date.

1 General information *(continued)*

1.10 Subsequent events

Following the earthquake disaster that occured in Turkey on February 6, 2023, we conducted a financial analysis study in order to calculate the estimated loss amount that could arise from our domestic fire and engineering treaty and facultative book and its impact on our shareholders' equity.

The modelling was based on stochastic loss scenarios and earthquake accumulations provided by cedants and involved substantial assumptions, while it did not capture losses that could stem from fire following earthquake, volatility in macroeconomic indicators that could lead to increased costs and additional costs and expenses due to demand surge. The estimated loss amount does not include any amounts relating to lines of business such as personal accident, motor own damage, marine that might be covered under nonproportional catastrohe treaties, but cannot be modelled. For this reason, it is possible for the ultimate loss amount to exceed the estimated figure.

On the other hand, Milli Re also provides capacity to nonproportional programme of TCIP, for which taking a conservative approach, full limit of liability was considered when estimating the total loss amount.

In consequence of the above explanations; the estimated net loss amount that could arise from our fire and engineering treaty and facultative portfolio and capacity provided to TCIP programme is calculated as TL 761 million. TL 401 million of equilization reserve as at the end of 2022 will be utilized for the losses to be incurred. Considering the estimated recoveries from the retrocession programme and the relavant reinstatement premiums payable, we project TL 1 billion of impact to the shareholders' equity, which is expected to be realized over a period of time depending on the loss pay outs. Considering that the total equity capital of Company is TL 5.055.935.663, therefore no issues identified related to the going concern.

2. Summary of significant accounting policies

2.1 Basis of preparation

2.1.1 Information about the principles and the specific accounting policies used in the preparation of the financial statements

The Company complies with the accounting principles and standards set out in the regulations in force in accordance with the Insurance Law numbered 5684 published in the Official Gazette dated 14 June 2007 and numbered 26522, and the Insurance and Private Pension Regulation and Supervision Agency (IPPRSA") established by the Presidential Decree of 18 October 2019. ") other regulations issued by the statements and guidance and Turkey Accounting Standards except arranged matters with them ("TAS") with Turkey Financial Reporting Standards ("IFRS") contains the terms" Insurance Accounting and Financial Reporting regulations "are prepared in accordance with n. The insurance legislation before the establishment of SEDDK and the initiation of regulatory activities regarding the insurance sector was published by Turkey Ministry of Treasury and Finance ("Ministry of Treasury and Finance").

According to numbered 4th related law Accounting for subsidiaries, associates, joint ventures, consolidated financial statements, financial statements which disclosed public regulated by Republic of Turkey Ministry of Treasury and Finance.

The Company prepares its financial statements are regulated in form and content in order to compare the financial statements of prior period and with other companies according to “Communiqué on Presentation of Financial Statements “which is published in the Official Gazette dated April 18, 2008 and numbered 26851.

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Information about the principles and the specific accounting policies used in the preparation of the financial statements (continued)

Additional paragraph for convenience translation to English

The differences between the accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying unconsolidated financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries other than Turkey and IFRS.

Accounting in hyperinflationary countries

Financial statements of the Turkish entities have been restated for the changes in the general purchasing power of the Turkish Lira based on "TAS 29 – *Financial Reporting in Hyperinflationary Economies*" as at December 31, 2004. *TAS 29* requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date, and that corresponding figures for previous years be restated in the same terms.

With respect to the declaration of Republic of Turkey Ministry of Treasury and Finance with the article dated April 4, 2005 and numbered 19387, financial statements as of December 31, 2004 are adjusted for the opening balances of 2005 in accordance with the section with respect to inflation accounting of the Capital Markets Board ("CMB") Communiqué No: 25 of Series XI, "Communiqué on Accounting Standards in Capital Market" published in the Official Gazette dated January 15, 2003 and numbered 25290. Inflation accounting is no longer applied starting from January 1, 2005, in accordance with the same declaration of Republic of Turkey Ministry of Treasury and Finance. Accordingly, as at December 31, 2021, non-monetary assets and liabilities and items included in shareholders' equity including paid-in capital recognized or recorded before January 1, 2005 are measured as restated to December 31, 2004 in order to reflect inflation adjustments. Non-monetary assets and liabilities and items included in shareholders' equity including paid-in capital recognized or recorded after January 1, 2005 are measured at their nominal values.

According to TAS 29 Financial Reporting Standard in High-Inflation Economies, businesses whose functional currency is the currency of a high-inflation economy report their financial statements according to the purchasing power of money at the end of the reporting period. TAS 29 defines the characteristics that may indicate that an economy is an economy with high inflation. At the same time, according to TAS 29, all enterprises reporting in the currency of a high-inflation economy are required to apply this Standard from the same date. For this reason, it is expected that all enterprises will start applying TAS 29 at the same time with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority in order to ensure consistency in practice throughout the Country, as specified in TAS 29. However, POA has not made a statement regarding whether an adjustment will be made in accordance with TAS 29 in the financial statements for the accounting period ended on December 31, 2022.

2.1.2 Other related accounting policies appropriate for the understanding of the financial statements

Other accounting policies

The Company recorded premiums, commissions and claims accruals based on the notifications sent by the insurance and reinsurance companies after the closing of their balances. Premiums, commissions and claims accruals are recorded in the accompanying financial statements with the three-month delay. Therefore, related income statement balances include last quarter results for the year ended December 31, 2021 and nine-month results as at and for the period ended September 30, 2022 and accordingly related balance sheet balances As of December 31, 2022 do not reflect the actual position. According to the letter dated August 31, 2010 and numbered B.02.1.HZN.0.10.03.01/42139 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, it is stated that account statements sent by the ceding companies are subject to possible delays and Republic of Turkey Ministry of Treasury and Finance is considered special situations of the reinsurance companies in their regulations.

Information regarding other accounting polices is disclosed above in *"*Note 2.1.1 - *Information about the principles and the specific accounting policies used in the preparation of the financial statements"* and each under its own caption in the following sections of this report.

2.1.3 Current and presentation currency

The accompanying unconsolidated financial statements are presented in TL, which is the Company's functional currency.

2.1.4 Rounding scale of the amounts presented in the financial statements

Financial information presented in TL, has been rounded to the nearest TL values.

2.1.5 Basis of measurement used in the preparation of the financial statements

The accompanying financial statements are prepared on the historical cost basis as adjusted for the effects of inflation that lasted until December 31, 2004, except for the financial assets held for trading, available-for-sale financial assets, derivative financial instruments, self-used buildings and investment properties recorded in tangible assets and associates which are measured at their fair values unless reliable measures are available.

2 Summary of significant accounting policies *(continued)*

2.1.6 Accounting policies, changes in accounting estimates and errors

Accounting of fire and earthquake premiums obtained from foreign reinsurance treaties on the basis of branches

Fire and earthquake premiums obtained from foreign reinsurance treaties could not accounted on the basis of branches in the previous years due to limitations imposed by local legislation of the foreign countries, notification characteristics of the treaties and total premiums used by foreign companies in the reconciliation process. Therefore, all premiums obtained from aforementioned treaties are accounted on the fire branch. According to the letter dated August 2, 2011 and numbered B.02.1.HZN.0.10.03.01/38732 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, it is allowed to use average rate calculated over separately reported fire and earthquake premiums for unclassified premiums of proportioned treaties. Furthermore, according to the letter dated August 12, 2011 sent by the Republic of Turkey Ministry of Treasury and Finance to the Company, prospective application as at June 30, 2011 effective from January 1, 2011 is allowed since retrospective application is impossible. Accordingly, financial statements prepared As of December 31, 2022, premiums obtained from foreign proportioned treaties are accounted on the basis of average earthquake premium ratio calculated from foreign proportioned treaties over the period of January 1 – December 31, 2022. The same ratio is used for unproportioned reinsurance treaties in accordance with the Communiqué released on July 28, 2010 and numbered 27655 “Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves”. Distribution of commissions and claims between the fire and earthquake branches is parallel with the aforementioned method.

According to the letter dated January 12, 2012 and numbered B.02.1.HZN.0.10.03.01/854 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, determination of final claims for the last business year used in IBNR calculation has been changed as at December 31, 2011. Accordingly, the final premium amount earned for the last business year is determined by considering premium development factors since premiums may be accrued in the following years under the terms of the agreements. Based on the calculated final premium amount of the last business year, unearned premium reserves and earned premiums are determined. Aforementioned earned premium amount is multiplied by the average of claim/premium ratio of the previous years to determine final claims amount of the last business year. IBNR is calculated by subtracting the paid and reported claims of the last business year from the final claims amount determined by the aforementioned method. In addition, IBNR amounts reported by sedan companies are taken into consideration and in order to prevent duplicate provision; paid claims, outstanding claims reserve and premiums of reported claims are excluded from the data set used in the calculation of IBNR. The Company determined final IBNR amount by adding reported IBNR amounts to IBNR amounts calculated from the data prepared in accordance with the principals mentioned above.

2 Summary of significant accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

2.1.6 Accounting policies, changes in accounting estimates and errors *(continued)*

According to 16th article of "Circular on Actuarial Chain Ladder Method (2010/12)" dated September 20, 2010 and announced by Republic of Turkey Ministry of Treasury and Finance, ACML calculation should be made through main branches. However, as at December 31, 2012, the Company has calculated ACML reserve for General Damages main branch as two separate subbranches namely agriculture and non-agriculture branches. Because, Agriculture and Engineering subbranches under General Damages main branch have different characteristics in conversion process of outstanding losses to paid losses, IBNR calculation of General Damages branch produces unreliable and improper results. The Company applied to Republic of Turkey Ministry of Treasury and Finance on January 17, 2013 with letter numbered 300, so as to receive permission to calculate IBNR reserve for General Damages branch as agriculture and non-agriculture subbranches separately. Republic of Turkey Ministry of Treasury and Finance has given permission the Company in order to calculate IBNR reserve for General Damages within two subbranches with the letter dated January 28, 2013 and numbered 24179134. As of December 31, 2022, the Company recognised the amount that arose due to change in calculation method for IBNR on General Damages branch.

Changes in accounting policies or accounting errors are applied retrospectively and prior year financial statements are adjusted accordingly. If estimated changes in accounting policies are only for one period, changes are applied on the current year but if estimated changes are for the following periods, changes are applied both on the current and following years prospectively.

Critical accounting judgements used in applying the Company's accounting policies are explained in 3 – *Significant accounting estimates and requirements*.

2 Summary of significant accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

2.2 Consolidation

Circular Related to the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance in the Official Gazette dated December 31, 2008 and numbered 27097 ("the Circular for Consolidation") requires that insurance, reinsurance and individual pension companies issue consolidated financial statements starting from March 31, 2009.

In this framework, separate consolidated financial statements are issued through consolidating financial statements of Anadolu Hayat Emeklilik Anonim Şirketi (Anadolu Hayat), which is an affiliate, and Miltaş A.Ş, which is a subsidiary, according to equity method and financial statements of Anadolu Anonim Türk Sigorta Şirketi (Anadolu Sigorta), which is an affiliate, in line with full consolidation method.

The Company recognizes its subsidiaries and affiliates through using equity method with respect to TAS 27 - "Consolidated and Separate Financial Statements" during the preparation of separate financial statements in line with "Sector Announcement regarding Recognition of Subsidiaries, Jointly Controlled Partnerships and Affiliates of Insurance and Reassurance and Pension Companies" dated August 12, 2008 and numbered 2008/36 by Republic of Turkey of Ministry of Treasury and Finance.

2 Summary of significant accounting policies *(continued))*

2.3 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Board of Directors (being chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. As of December 31, 2022, the Company operates in life and non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market.

2.4 Foreign currency transactions

Transactions are recorded in TL, which is the Company's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and all exchange differences, except for those arising on the translation of the fair value change of available-for-sale financial assets, are offset and are recognized as foreign exchange gains or losses.

Foreign currency exchange differences of unrecognized gains or losses arising from the difference between their fair value and the discounted values calculated per effective interest rate method of foreign currency available-for-sale financial assets are recorded in "Revaluation of financial assets" under equity and the realized gain or losses are recognized directly in the statement of income.

2.5 Tangible assets

Tangible assets of the Company except for buildings for own use are recorded at their historical costs that have been adjusted for the effects of inflation until the end of December 31, 2004. There have been no other inflationary adjustments for these tangible assets for the following years and therefore they have been recorded at their costs restated for the effects of inflation until December 31, 2004. Tangible assets that have been purchased after January 1, 2005 have been recorded at their costs after deducting any exchange rate differences and finance expenses less impairment losses if any.

The Company has started to show based on the revaluation model by measuring over fair value as of the third quarter of the 2015 year by making changes in the use of the property which is measuring the cost model in the financial statements before.

Buildings for own use are recognized by fair value that are determined in valuations made by independent valuation experts who have professional competency by reducing their values following accumulated depreciation. Accumulated depreciation at the date of revaluation is deducted from gross book value and net amount is brought to values after revaluation.

Increase of revaluation results in the carrying value of use of land and building account in equity in the balance sheet under "Other Capital Account" as the net of tax effects. As a result of the evaluation of real estate an increase on the corresponding impairments are deducted from the fund; all other decrease is reflected the profit/loss account.

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net carrying value and the proceeds from the disposal of related tangible assets and reflected to the statement of income of the related period.

2 Summary of significant accounting policies *(continued))*

2.5 Tangible assets (continued)

Land is not depreciated due to its indefinite life. Depreciation is allocated based on the useful life of tangible assets at cost or revalued amounts of tangible assets by using the straight-line method basis.

Maintenance and repair costs incurred in the ordinary course of the business are recorded as expense.

There are no pledges, mortgages and other encumbrances on tangible fixed assets.

There are no changes in accounting estimates that have significant effect on the current period or that are expected to have significant effect on the following periods.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of tangible assets at cost.

Depreciation rates and estimated useful lives are as follows:

Tangible assets	**Estimated useful lives (years)**	**Depreciation rates (%)**
Building for own used	50	2,0
Machinery and equipment	3 – 15	6,7 – 33,3
Vehicles	5	20,0
Other tangible assets (includes leasehold improvements)	5	20,0

2.6 Investment property

Investment properties are held either to earn rentals and/or for capital appreciation or for both.

In the event of investment property of first registration is measured on fair value including transaction costs after measured at cost. The changes which result of fair value valuation recognised in the income statement.

Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the period of retirement or disposal.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The fair value on the date of change in the usage is considered as cost in the reclassification recognition when investment property that measured with fair value is reclassified as a tangible asset.

Summary of significant accounting policies *(continued))*

2.7 Intangible assets

The Company's intangible assets consist of computer software.

Intangible assets are recorded at cost in compliance with the "TAS 38 – Accounting for intangible assets". The cost of the intangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Amortization is charged on a straight-line basis over their estimated useful lives (3-15 years) over the cost of the asset.

Costs associated with developing or maintaining computer software programs are recognized as expense when incurred. Costs that are directly associated with the development of identifiable and unique software products that are controlled by the Company and will probably provide more economic benefits than costs in one year are recognized as intangible assets. Costs include software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding three years).

2.8 Financial assets

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Securities are recognized and derecognized at the date of settlement.

Financial assets are classified in four categories; as financial assets held for trading, available-for-sale financial assets, held to maturity financial assets, and loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables those are not interest earning are measured by discounting of future cash flows less impairment losses, and interest earning loans and receivables are measured at amortized cost less impairment losses.

Available-for-sale financial assets are the financial assets other than assets held for trading purposes, held-to-maturity financial assets and loans and receivables.

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. Assets that are not traded in an active market are measured by valuation techniques, including recent market transactions in similar financial instruments, adjusted for factors unique to the instrument being valued; or discounted cash flow techniques for the assets which do not have a fixed maturity. Unrecognized gains or losses derived from the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in "Revaluation of financial assets" under shareholders' equity. Upon disposal, the realized gain or losses are recognized directly in the statement of income.

The determination of fair values of financial instruments not traded in an active market is determined by using valuation techniques. Observable market prices of the quoted financial instruments which are similar in terms of interest, maturity and other conditions are used in determining the fair value.

2. Summary of significant accounting policies *(continued)*

2.8 Financial Assets *(continued)*

Equity Shares which are classified as available-for-sale financial assets in an active market (stock exchange) are reflected to the consolidated financial statements with their fair values by taking into consideration the registered prices in the active market. Shares that are not traded in an active market are followed at acquisition costs and are shown in the consolidated financial statements at their cost value after the provision for impairment losses, if any.

Subsidiaries are the entities that the Company has the power to govern the financial and operating policies of those so as to obtain benefits from its activities. The Company prepares its individual financial statements and accounts for its investments in subsidiaries and associates using the equity method defined in 'TAS 27 - *Consolidated and Separate Financial Statements Standard*'.

2.9 Impairment on assets

Impairment on financial assets

Financial assets or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Company estimates the amount of impairment. Impairment loss incurs if, and only if, there is objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) ("loss event(s)") incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

Loans and receivables are presented net of specific allowances for uncollectibility. Specific allowances are made against the carrying amounts of loans and receivables that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and receivable to their recoverable amounts.

The recoverable amount of an equity instrument is its fair value. The recoverable amount of debt instruments and purchased loans measured to fair value is calculated as the present value of the expected future cash flows discounted at the current market rate of interest.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

Impairment on tangible and intangible assets

On each balance sheet date, the Company evaluates whether there is an indication of impairment of fixed assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the "*TAS 36* – Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Rediscount and provision expenses of the year are detailed in *Note 47*.

(Currency: Turkish Lira (TL))

2 Summary of significant accounting policies *(continued)*

2.10 Derivative financial instruments

As of the reporting date, the Company have derivative financial instruments. Derivative instruments are treated as held for trading financial assets in compliance with the standard TAS 39 – *Financial Instruments: Recognition and measurement*.

Derivative financial instruments are initially recognized at their fair value.

The receivables and liabilities arising from the derivative transactions are recognized under the off-balance sheet accounts through the contract amounts.

Derivative financial instruments are subsequently remeasured at fair value and positive fair value differences are presented either as “financial assets held for trading” and negative fair value differences are presented as “other financial liabilities” in the accompanying financial statements. All unrealized gains and losses on these instruments are included in the statement of income.

2.11 Offsetting of financial assets

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the Reporting Standards, or for gains and losses arising from a group of transactions resulting from the Company’s similar activities like trading transactions.

2.12 Cash and cash equivalents

Cash and cash equivalents, which is the basis for the preparation of the statement of cash flows includes cash on hand, cheques received, other cash and cash equivalents, demand deposits and time deposits at banks having an original maturity less than 3 months which are ready to be used by the Company or not blocked for any other purpose.

2.13 Capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group by having 87,60% of the outstanding shares of the Company. As of December 31, 2022, and 2021, the share capital and ownership structure of the Company are as follows:

	December 31, 2022		December 31, 2021	
Name	**Shareholding amount (TL)**	**Shareholding rate (%)**	**Shareholding amount (TL)**	**Shareholding amount (TL)**
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Groupama Hayat A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid in capital	**660.000.000**	**100,00**	**660.000.000**	**100,00**

2 Summary of significant accounting policies *(continued)*

2.13 Capital *(continued)*

Sources of the capital increases during the year

None.

Privileges on common shares representing share capital

There are no privileges on common shares representing share capital.

Registered capital system in the Company

None.

Repurchased own shares by the Company

None.

2.14 Insurance and investment contracts - classification

An insurance contract is a contract under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk covers all risk except for financial risks. All premiums have been received within the coverage of insurance contracts recognized as revenue under the account caption “written premiums”.

Investment contracts are those contracts which transfer financial risk with no significant insurance risk. Financial risk is the risk of a possible future change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided, that it is not specific to a party to the contract, in the case of a non-financial variable.

The Company acts as a reinsurer when writing insurance from an insurance Company (cedent) on the basis of reinsurance contracts and cedes insurance business to another retrocessionaire (the retrocedant) on the basis of retrocession contracts.

As of the reporting date, the Company does not have a contract which is classified as an investment contract.

2.15 Insurance contracts and investment contracts with discretionary participation feature

Discretionary participation feature (“DPF”) within insurance contracts and investment contracts is the right to have following benefits in addition to the guaranteed benefits.

(i) that are likely to comprise a significant portion of the total contractual benefits;
(ii) whose amount or timing is contractually at the discretion of the Issuer; and
(iii) that are contractually based on:
  (1) the performance of a specified pool of contracts or a specified type of contract;
  (2) realized and/or unrealized investments returns on a specified pool of assets held by the Issuer; or
  (3) the profit or loss of the Company, Fund or other entity that issues the contract,

As of balance sheet date, the Company does not have any insurance or investment contracts that contain a discretionary participation feature.

2.16 Investment contracts with discretionary participation feature

As of the reporting date, the Company does not have any insurance contracts and investment contracts without discretionary participation feature.

2 Summary of significant accounting policies *(continued)*

2.17 Liabilities

Financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities of the Company are measured at their discounted values. A financial liability is derecognized when it is extinguished.

2.18 Income taxes

Corporate Tax

The corporate tax rate in Turkey is 20%. The corporate tax rate is applied to the net corporate income to be found as a result of adding expenses that are not deducted in accordance with tax laws to the commercial income of corporations, deducting the exceptions and deductions contained in tax laws. If the profit is not distributed, no other tax is paid.

25 of the law No. 7394 dated April 15, 2020. article 32 of the Law No. 5520 entitled “Corporate tax and temporary tax rate”. with the amendment made to the first paragraph of the article; banks, leasing, factoring, financing and savings financing companies, electronic payment and monetary institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies have been stipulated to pay a corporate tax rate of 25% on corporate earnings. Also the 26th of the same Law. July February 2022 It has been arranged that the 25% rate in question can also be applied in the calendar year 2022, starting from the returns that must be submitted from July 1, 2022 and being valid for corporate earnings for the taxation period starting from February 1, 2022.

No withholding is made from dividends (dividends) paid to institutions that receive income through a workplace or permanent representative in Turkey, as well as institutions located in Turkey. A withholding tax of 10% is applied on dividend payouts made to institutions other than these. In the application of withholding rates related to profit distributions made to narrow taxpayer institutions and natural persons, the practices contained in the relevant Double Taxation Prevention Agreements are also taken into account. The addition of profit to capital is not considered a profit distribution and withholding is not applied.

Temporary taxes are paid by calculating the corporate tax rate to which their earnings are subject that year. Temporary taxes paid during the year can be deducted from the corporate tax calculated on the annual corporate tax return of that year.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

According to Turkish tax legislation, financial losses on the returns can be offset against period income for up to 5 years. However, financial losses cannot be offset against previous years’ profits.

With the “Law Amending the Tax Procedure Law and the Corporate Tax Law”, which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated on December 31, 2023.

2 Summary of significant accounting policies *(continued)*

2.18 Income taxes *(continued)*

Deferred tax

In accordance with TAS 12 – *Income taxes*, deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

Deferred tax assets and liabilities are reported as net in the financial statements if, and only if, the Company has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity.

If the valuation differences resulting from the valuation of assets are recognized in the income statement, the corporate income tax and deferred tax income or expense related to them are also recognized in the income statement. If the valuation differences resulting from the valuation of the related assets are directly accounted for in the equity accounts, the related tax effects are also directly accounted for in the equity accounts.Temporary taxes are paid by calculating the corporate tax rate to which their earnings are subject that year. Temporary taxes paid during the year can be deducted from the corporate tax calculated on the annual corporate tax return of that year.

Since the effective corporate tax rate is 25% as of December 31, 2022, the 25% tax rate has been used for temporary differences that are expected to be realized/ closed. (Since the effective corporate tax rate as of December 31, 2021 is 25%, the tax rate is used for temporary differences expected to be realized/closed in the current period, 25% for temporary differences expected to occur/close in 2022, 23% for temporary differences expected to occur/close after 2022, and 20% for temporary differences expected to occur/close after 2022).

Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated November 18, 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

2 Summary of significant accounting policies *(continued)*

2.19 Employee benefits

Pension and other post-retirement obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee and his/her dependants will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Employees of the Company are the members of "Milli Reasürans Türk Anonim Şirketi Emekli ve Sağlık Sandığı Vakfı ("Milli Reasürans Pension Fund") which is established in accordance with the temporary Article 20 of the Social Security Act No: 506.

As per the temporary sub article No: 20 of the Article 73 of the Social Security Law, pension funds should be transferred to the Social Security Institution within three years after the publication of the aforementioned Law published in the Official Gazette numbered 26870 and dated May 8, 2008. Decree of the Council of Ministers about two years extending transfer duration, was published in the Official Gazette on April 9, 2011. Based on this, expiration date has been extended to May 8, 2013 from the expiration date on May 8, 2011. On March 8, 2012, "Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees" numbered 28227, was published on Official Gazette and 4th article of this act changed "two years" phrase as "four years" which takes part on second sentence of first clause of 20th article of the code numbered 5510. Also, under the scope of Decree of the Council of Ministers numbered 2013/4617 was published on Official Gazette numbered 28636, on May 3, 2013 and 20th temporary article of the Social Security Laws numbered 506 banks, insurance and reinsurance companies, chambers of commerce, stock markets or participants of pension funds and salary or income provided ones and their shareholders' transfer duration has been extended one year to the Social Security Institution by Decree of the Council of Ministers.

Employees of the Company are the members of "Milli Reasürans Türk Anonim Şirketi Memurları Emekli ve Sağlık Sandığı ("Milli Reasürans Pension Fund") which is established in accordance with the temporary Article 20 of the Social Security Act No: 506. As per the temporary sub article No: 20 of the Article 73 of the Social Security Law, pension funds should be transferred to the Social Security Institution within three years after the publication of an aforementioned Law published in the Official Gazette numbered 26870 and dated May 8, 2008. The related three-year transfer period has been prolonged for two years by the Cabinet decision, which was published on the Official Gazette dated April 9, 2011. Accordingly, the three-year period expired on May 8, 2011 was extended to May 8, 2015.

Lastly, first paragraph of temporary 20th article of 5510 numbered Law, article 51 of the law regarding changing of several laws and delegated legislations and the law of occupational health and safety which are published in April 23, 2015 dated Official Gazette is changed as following.

Funds participating, pensioned or endowed and beneficiaries of the established funds for the personnel of banks, insurance and reinsurance companies, chambers of commerce, chamber of industries, stock exchanges or is organized by them under the temporary 20th article of law no. 506, Council of Ministers is entitled to determine the date of transfer to Social Security Institution. As of the transfer date, fund participatings are regarded as social insurant in accordance with the (a) subclause of first sub articles of 4th article of related law.

(Currency: Turkish Lira (TL))

2 Summary of significant accounting policies *(continued)*

2.19 Employee benefits *(continued)*

Pension and other post-retirement obligations *(continued)*

In accordance with the Act, as of the transfer date, present value of the liabilities will be determined by considering the income and expense of the pension fund.

The cash value of the obligations of the pension fund for each member of the fund including members left the fund as of the transfer date will be calculated according to following assumptions:

a) Technical deficit rate of 9.80% shall be used in the actuarial calculation of the value in cash, and

b) Gains and losses of the funds stems from benefits covered by the aforementioned Law taken into accounts to calculate present value of the obligations.

Employee termination benefits

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount As of December 31, 2022 is TL 15.371 (December 31, 2021: TL 8.285).

The Company accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 – *Employee Benefits*. After the revision of TAS 19, as the amount of actuarial gain and loss are presented under the other profit reserves, which were previously shown under the income statement. The major actuarial assumptions used in the calculation of the total liability As of December 31, 2022 and 2021 are as follows:

	December 31, 2022	**December 31, 2021**
Discount rate	2,21%	3,50%
Expected rate of salary/limit increase	19,80%	15,07%
Estimated employee turnover rate	2,56%	2,57%

Expected rate of salary/limit increase above was determined according to the government’s annual inflation forecasts.

Other benefits

The Company has provided for undiscounted short-term employee benefits earned during the year as per services rendered in compliance with *TAS 19* in the accompanying financial statements.

2 Summary of significant accounting policies *(continued)*

2.20 Provisions

A provision is made for an existing obligation resulting from past events if it is probable that the commitment will be settled, and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the reporting date and, if material, such expenses are discounted to their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Company to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Company discloses the contingent asset.

2.21 Revenue recognition

Written premiums

Written premiums represent premiums taken from insurance and reinsurance companies as a reinsurance Company. Premiums ceded to retrocession companies are accounted as "written premiums, ceded" in the profit or loss statement. Written premiums are recorded upon the receipt of quarterly statements of accounts from ceding companies in treaties whereas facultative accounts are registered upon the receipt of monthly payrolls.

Claims paid

Claims paid represent payments of the Company as a reinsurance Company when risks taken from insurance and reinsurance companies are realized. Claims are recognised as expense upon the receipt of notifications. Notifications have not specific periods and depend on the initiative of the insurance and reinsurance companies.

Commission income and expenses

As further disclosed in Note 2.24 - *Reserve for unearned premiums*, commissions paid to the insurance and reinsurance companies as a reinsurance Company and the commissions received from the reinsurance companies are recognized over the life of the contract by deferring commission income and expenses within the calculation of reserve for unearned premiums for the policies produced before January 1, 2008 and recognizing deferred commission income and deferred commission expense in the financial statements for the policies produced after January 1, 2008.

2 Summary of significant accounting policies *(continued)*

2.21 Revenue recognition *(continued)*

Interest income and expenses

Interest income and expense are recognized using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Trading income/expense

Trading income/expense includes gains and losses arising from disposals of financial assets held for trading purpose and available-for-sale financial assets. Trading income and trading expenses are recognized as "Income from disposal of financial assets" and "Loss from disposal of financial assets" in the accompanying unconsolidated financial statements.

Dividends

Dividend income is recognized when the Company's right to receive payment is ascertained.

2.22 Leasing transaction

Tangible assets acquired by way of finance leasing are recognised in tangible assets and the obligations under finance leases arising from the lease contracts are presented under finance lease payables account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realisable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

Set out below are the new accounting policies of the Company upon adoption of TFRS 16.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (for example, as of the date on which the relevant asset is eligible for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use asset includes the following:

(a) the initial measurement amount of the lease obligation,

(b) the amount paid from all lease payments made on or before the actual commencement of the lease, deducting all rental incentives received, and

(c) All initial direct costs incurred by the Company.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.
Right-of-use assets are subject to impairment assessment.

2 Summary of significant accounting policies *(continued)*

2.22 Leasing transaction *(continued)*

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

Pay payouts included in the measurement of the lease liability on the actual commencement date of the lease consist of the following payments, which will be made for the right of use of the underlying asset during the lease term and which were not paid on the actual commencement date of the lease:

(a) Fixed payments,

(b) Variable rental payouts based on an index or rate, the first measurement of which is made using an index or rate at the actual start of the lease,

(c) Amounts expected to be paid by the Company under residual value commitments

(d) If the Company is reasonably confident that it will exercise the purchase option, the exercise price of this option and

(e) Paying penalties related to the termination of the lease if the lease term indicates that the Company will exercise an option to terminate the lease.

Variable rent payouts that are not linked to an index or a rate are recorded as expenses during the period in which the event or condition that triggers the payment occurs.

The Company determines the revised discount rate for the remaining part of the lease term as this rate if the implied interest rate on the lease can be easily determined, and if it cannot be determined easily, as the Company's alternative borrowing interest rate on the date of the revaluation.

After the actual commencement of the lease, the Company measures the lease obligation as follows:

(a) Increases the carrying amount to reflect the interest on the lease obligation, and

(b) Reduces the carrying amount to reflect the rental payments paid.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The right of use which is calculated on leasing agreements is accounted under “Property, Plant and Equipment” account.

The interest expense on the lease obligation is accounted under “Investment Management Expense - Including Interest’’, and the depreciation expense of the usage right asset is accounted under “Depreciation and Amortization Expenses”

2.23 Dividend distribution

It is decided in Ordinary General Assembly Meeting of the Company, held on March 28, 2022, to make a dividend payment of TL 548.965.648 to shareholders and to allocate remaining balance as voluntary reserves from the net period income amounting to TL 48.000.000, from 2021 activities of the Company, after the legal reserves are allocated and TL 47.984.125 has been paid in cash, the remaining amount was allocated TL 33,809,969 for the purchase of venture capital investment fund participation shares in accordance with the provisions of Article 325/A of the Tax Procedure Code and Article 10 of the Corporate Tax Code, and TL 15.875 has been recognized in due to shareholders account under short term liabilities at the Company's Ordinary General Assembly Meeting held on March 28, 2022.

2 Summary of significant accounting policies *(continued)*

2.24 Unearned premium reserve

In accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" ("Communiqué on Technical Reserves") which was issued in 26606 numbered and August 7, 2007 dated Official Gazette and put into effect starting from January 1, 2008, the unearned premiums reserve represents the proportions of the gross premiums written without deductions of commission or any other allowance, in a period that relate to the period of risk subsequent to the reporting date for all short-term insurance policies. Nonetheless;

- Unearned premium reserve is calculated on the basis of 1/8 for reinsurance and retrocession transactions that are not subject to basis of day or 1/24 due to application limitations,

- For commodity transportation policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, are also provided as unearned premium reserves.

In line with the Communiqué on Technical Reserves, the calculation of unearned premium reserve is performed as follows by the Company: for proportional reinsurance contracts, on the basis of 1/8 over the ceded premiums for treaty and facultative contracts, for commodity transportation policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, is also provided as unearned premium reserves and for facultative and non-proportional reinsurance contracts, on the basis on day by considering beginning and ending of the contracts. The Company calculates unearned premiums reserve for ceded premium as retrocedant on the same basis.

Unearned premiums reserve is calculated for all insurance contracts except for the contracts for which the mathematical reserve is provided. Reserve for unearned premiums is also calculated for the annual premiums of the annually renewed long term insurance contracts.

Since the Communiqué on Technical Reserves was effective from January 1, 2008, Republic of Turkey Ministry of Treasury and Finance issued July 4, 2007 dated and 2007/3 numbered "Circular to Assure the Compliance of the Technical Reserves of Insurance, Reinsurance and Pension Companies With the Insurance Law No.5684" ("Compliance Circular") to regulate the technical provisions between the issuance date and enactment date of the Communiqué on Technical Reserves. In accordance with the Compliance Circular, it is stated that companies should consider earthquake premiums written after June 14, 2007 in the calculation of the reserve for unearned premiums while earthquake premiums were deducted in the calculation of the reserve for unearned premiums before. Accordingly, the Company has started to calculate unearned premiums reserve for the earthquake premiums written after June 14, 2007, while the Company had not calculated reserve for unearned premiums for the earthquake premiums written before June 14, 2007.

In previous years, the unearned premiums reserve had been calculated after deducting commissions given and commissions received. In order to prevent possible problems during the transfer of the reserves calculated before January 2008, on December 28, 2007 Republic of Turkey Ministry of Treasury and Finance issued "2007/25 Numbered Circular Related to the Calculation of the Unearned Premiums Reserve and Accounts That Should Be Used for Deferred Commission Income and Expenses". In accordance with the related circular, the reserve for unearned premiums should be calculated by deducting commissions for the policies produced before January 1, 2008, but it should be calculated on gross basis for the policies produced after January 1, 2008.

According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 27655 dated July 28, 2010; there is no change in the calculation of unearned premiums reserve for reinsurance companies.

(Currency: Turkish Lira (TL))

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserve

Claims are recorded in the year in which they occur, based on reported claims or on the basis of estimates when not reported. Outstanding claims reserve represents the estimate of the total reported costs of notified claims on an individual case basis at the reporting date as well as the corresponding handling costs.

In accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" ("Communiqué on Technical Reserves") which was issued in 27655 numbered and July 28, 2010 dated Official Gazette according to the Communiqué on Technical Reserves, all expenses related to the claim files including calculated or expected expertise, consultant, lawsuit and communication expenses in the calculation of outstanding claims reserve. In these calculations salvage and subrogation income are not considered.

Except for the life branch, outstanding claims reserve consists of claims are recorded in the year in which they occur, based on reported claims and the difference between the result of the actuarial chain ladder method whose content and application criteria stated by Republic of Turkey Ministry of Treasury and Finance, and reported but not settled claims are considered as incurred but not reported ("IBNR") claims. Actuarial chain ladder method may be differentiated by Republic of Turkey Ministry of Treasury and Finance for reinsurance companies due to their special conditions.

December 5, 2014 dated "Circular regarding Outstanding Claims Reserve (2014/16)" and 2010/12 numbered "Circular regarding actuarial chain ladder method"of Republic of Turkey Ministry of Treasury is abolished except Article 9 and 10.

According to circular that explains ACLM measurement method, insurance and reinsurance companies calculate ACLM with six different methods as "Standard Chain, Damage/Premium, Cape Cod, Frequency/Intense, Munich Chain and Bornhuetter-Ferguson".

The methods selected for each branch is provided in the following section. The Company has not performed big claim elimination by Box Plox method.

Branches	December 31, 2022	December 31, 2021
Fire and Natural Disasters	Standard Chain	Standard Chain
General Losses (*)	Standard Chain	Standard Chain
General Liabilities (**)	Standard Chain	Standard Chain
Land Vehicles Liabilities	Standard Chain	Standard Chain
Marine	Standard Chain	Standard Chain
Sea Vehicles	Standard Chain	Standard Chain
Land Vehicles	Standard Chain	Standard Chain
Accident	Standard Chain	Standard Chain
Health	Standard Chain	Standard Chain
Air Vehicles	Standard Chain	Standard Chain
Legal Protection	Standard Chain	Standard Chain
Financial Losses	Standard Chain	Sector Average (Ins.Association 09/2021)
Life	Standard Chain	Sector Average (Ins.Association 09/2021)
Sea Vehicles Liability	Sector Average (Ins.Association 09/2022)	Sector Average (Ins.Association 09/2021)
Air Vehicles Liability	Sector Average (Ins.Association 09/2022)	Sector Average (Ins.Association 09/2021)
Fidelity Guarantees	Sector Average (Ins.Association 09/2022)	Sector Average (Ins.Association 09/2021)
Credit	Sector Average (Ins.Association 09/2022)	Sector Average (Ins.Association 09/2021)

(*) Two separate calculation have been made as agriculture and non-agriculture subbranches.

(**) In accordance with the "Circular numbered 2020/11 on Making Amendments on Communique regarding Provision for Outstanding Claim Files numbered 2014/16" which has been published by Republic of Turkey Ministry of Treasury and Finance on December 7, 2020 and entered into force as of its publication date, an additional calculation is made in terms of Compulsory Financial Liability Insurance regarding Medical Malpractice sub-branch and calculation is made in terms of other sub-branches under General Liability through excluding Compulsory Financial Liability Insurance regarding Medical Malpractice.

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserve *(continued)*

The Company, as a reinsurance Company, selects data, adjustments, applicable methods and development factors by itself over the data obtained from insurance companies on a branch basis via actuarial methods. According to the article 11 clause 5 of "Circular on Actuarial Report for Non-Life Insurance Branch" dated November 6, 2008, selections and results should be assess in detail in actuarial report by the actuary.

Due to the insufficient data available to the Company in the water vehicles liability, air vehicles liability, surety and credit branches and the irregular distribution of the data in the loss development tables, the Company could not find the opportunity to obtain a result by subjecting the relevant data to the correction process. For this reason, values representing the sector averages were used in the branches specified in the ACLM calculations. On the other hand, for Financial Losses and Life branches where a similar method was applied as of 31.12.2021, calculations were made using the Standard Chain method as of 31.12.2022 due to the data reaching a certain maturity.

According to December 5, 2014 dated "Circular regarding Outstanding Claims Reserve (2014/16)" of Republic of Turkey Ministry of Treasury and Finance, the Company constitutes data by taking base of acceptance year rather than Casualty period for the reason of characteristic of reinsurance operations in course of ACLM calculation and calculates ACLM once in a year as of yearend. The methods indicated in the table are calculated according to paid claim.

Salvage and subrogation income which will be deducted in the calculation of ACLM stated by the Undersecretariat should be based on collected amount (collected amount includes interest income over salvage and subrogation income, expertise, consultant and lawsuit expenses). Collections are taken into account according to their collection period.

According to the letter dated January 12, 2012 and numbered B.02.1.HZN.0.10.03.01/854 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, determination of final claims for the last business year used in IBNR calculation has been changed as at December 31, 2011. Accordingly, the final premium amount earned for the last business year is determined by considering premium development factors since premiums may be accrued in the following years under the terms of the agreements. Based on the calculated final premium amount of the last business year, unearned premium reserves and earned premiums are determined. Aforementioned earned premium amount is multiplied by the average of claim/premium ratio of the previous years to determine final claims amount of the last business year. IBNR is calculated by subtracting the paid and reported claims of the last business year from the final claims amount determined by the aforementioned method. In addition, IBNR amounts reported by sedan companies are taken into consideration and in order to prevent duplicate provision; paid claims, outstanding claims reserve and premiums of reported claims are excluded from the data set used in the calculation of IBNR. The Company determined final IBNR amount by adding reported IBNR amounts to IBNR amounts calculated from the data prepared in accordance with the principals mentioned above.

In accordance with December 5, 2014 dated and 2014/16 numbered "Circular for Outstanding Claims Reserve" of Republic of Turkey Ministry of Treasury and Finance, ACLM calculation should be on main branch. However, as at December 31, 2012, the Company has calculated ACLM reserve for General Damages main branch as two separate subbranches namely agriculture and non-agriculture branches. Because, Agriculture and Engineering subbranches under General Damages main branch have different characteristics in conversion process of outstanding losses to paid losses, IBNR calculation of General Damages branch produces unreliable and improper results. The Company applied to Republic of Turkey Ministry of Treasury and Finance on January 17, 2013 with letter numbered 300, so as to receive permission to calculate IBNR reserve for General Damages branch as agriculture and non-agriculture subbranches separately. Republic of Turkey Ministry of Treasury and Finance has given permission the Company in order to calculate IBNR reserve for General Damages within two subbranches with the letter dated January 28, 2013 and numbered 24179134. As of December 31, 2022, the Company recognised the amount that arose due to change in calculation method for IBNR on General Damages branch.

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserve *(continued)*

In accordance with the "Circular numbered 2020/11 on Making Amendments on Communique regarding Provision for Outstanding Claim Files numbered 2014/16" which has been published by The Insurance and Private Pension Regulation and Supervision Agency and Finance on December 7, 2020 and entered into force as of its publication date, IBNR amount is required to be separately calculated for the "Compulsory Financial Liability Insurance regarding Medical Malpractice" sub-branch which was included under General Liability main branch. In this scope, an additional calculation is made for Compulsory Financial Liability Insurance regarding Medical Malpractice and calculation is made for other sub-branches under General Liability insurance through excluding Compulsory Financial Liability Insurance regarding Medical Malpractice and calculated amounts are recognized on legal books as of December 31, 2022.

As explained in the Circular (2017/07) on Discounting Net Cash Flows Arising from the Provision of Outstanding Compensation published by the Ministry of Treasury and Finance on September 15, 2017, insurance companies will be able to discount the net cash flows generated by the provision of outstanding compensation that they allocate in accordance with the insurance legislation according to the principles set out in the circular. In accordance with the circular no 1 in the article, it has been made mandatory to apply discounts in the "General Liability" and "Land Vehicles Liability" branches of the provision for outstanding compensation. The amounts as of December 31, 2022 have been reflected in the records by taking into account the discount rate determined as 22% with the Circular No. 2022/22 "Circular on Amendments to Circular No. 2016/22 on Discounting Net Cash Flows Arising from the Provision for Outstanding Compensation" published on July 22 , 2022.

As of the reporting date, as a result of actuarial chain ladder method; the Company except Singapore branch recorded 100% of additional negative IBNR amounting to TL 260.743.671 (December 31, 2021: TL 322.137.338 negative IBNR) as outstanding claims reserve. As of the reporting date, TL 89.138.657 (December 31, 2021: TL 75.178.484) of IBNR provision is recorded for Singapore branch.

2.26 Mathematical reserves

In accordance with the Communiqué on Technical Reserves, companies operating in life and non-life insurance branches are obliged to allocate adequate mathematical reserves based on actuarial basis to meet liabilities against policyholders and beneficiaries for long-term life, health and personal Casualty insurance contracts. Actuarial mathematical reserves, according to formulas and basis in approved technical basis of tariffs for over one year-length life insurance, are calculated by determining the difference between present value of liabilities that the Company meets in future and current value of premiums paid by policyholder in future (prospective method).

Mathematical reserves are recorded based on the data sent by ceding companies.

2 Summary of significant accounting policies *(continued)*

2.27 Unexpired risk reserves

In accordance with the Communiqué on Technical Reserves, while providing unearned premiums reserve, in each accounting period, the companies should perform adequacy test covering the preceding 12 months due to the probability that future claims and compensations of the outstanding policies may be in excess of the unearned premiums reserve already provided. In performing this test, it is required to multiply the unearned premiums reserve, net with the expected claim/premium ratio, net. Expected claim/premium, net ratio is calculated by dividing incurred losses (outstanding claims reserve, net at the end of the period + claims paid, net –outstanding claims reserve, net at the beginning of the period) to earned premiums (written premiums, net + unearned premiums reserve, net at the beginning of the period –unearned premiums reserve, net at the end of the period).

According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 28356 dated July 17, 2012; besides the net unexpired risk reserve detailed in the above, gross unexpired risk reserve is also calculated. The test is performed on main branch basis and in case where the net and gross expected claim/premium ratio is higher than 95%, reserve calculated by multiplying the exceeding portion of the expected claim/premium ratio with the unearned premiums reserve of that main branch is added to the reserves of that branch. Difference between the gross and net amount is represents reinsurer's share. Premiums paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The portion of the amounts paid for non-proportional reinsurance agreements corresponding to the relevant period is considered as the ceded premium in the net premium calculation.Within the scope of the circular dated December 10, 2012 and numbered 2012/15 of the Turkey Ministry of Treasury and Finance, the calculation of the provision for ongoing risks is carried out on the basis of the main branches.

In accordance with Circular on unexpired risk reserve (2019/5), reinsurance companies can make the calculation on the basis of underwriting year. In this case, calculation is made through proportioning total gross actual ultimate loss amount of at least last three underwriting years to total gross premium earnings (written premiums less unearned premiums). It is possible to use the calculation made for the last year-end for the current year interim period if it is clearly determined that repetition of calculation in quarterly periods shall not produce meaningful results due to reasons sourcing from structure of related contracts or conciliation processes of respective parties although it is principal to repeat such calculation on the basis of quarterly periods. In accordance with "The Circular on Unexpired Risk Reserve" numbered 2022/27 published by the Insurance and Private Pension Regulation and Supervision Agency on 24.10.2022 and entered into force on the date of publication, the circular numbered 2019/5 have been repealed and reinsurance companies as well as insurance companies have been allowed to make calculations on the basis of the underwriting year with the current circular. The Company has made provision for URR amounting to TL 13.164.186 (December 31, 2021: TL 155.845.717) in its financial statements dated December 31, 2022 as of reporting period based on results of test in question. While the Company applied the calculation based on the underwriting year defined by the Circular only in the Land Vehicles Liability branch; in order to eliminate the misleading effect caused by significant fluctuations in economic indicators such as inflation and the exchange rate during the current year, as of 30.09.2022 the Company has applied the underwriting year method for Fire and Natural Disasters and General Damages branches which are mainly affected by these fluctuations.

As of 31.12.2022, the Company has applied the calculation based on the underwriting year to all branches other than Credit and Surety branches. In the Credit and Surety branches, on the other hand, due to the inadequacy of the Company's data and the use of values representing the sector average due to their irregular distribution in the damage development tables, the calculation defined in the scope of the Regulation continued to be used, since the calculation based on the year of writing defined by the Circular could not be made in these branches. If the calculation had not been made using the method described in the Circular, the provision for the unexpired risk reserve amounting to TL 1.099.900.456 would have been allocated in the financial statements as of December 31, 2022.

In order to ensure the elimination of misleading impact, caused by the amended outstanding claims reserve calculation method, on unexpired risk reserve, outstanding claims reserve of previous period is also calculated by the new method and amount, calculated based on aforementioned new method, is used in unexpired risk reserves account as the provision for carry-over outstanding claims reserve.

2 Summary of significant accounting policies *(continued)*

2.28 Equalization reserves

In accordance with the The Insurance and Private Pension Regulation and Supervision Agency's Regulation on Technical Provisions, which effective on November 10, 2021, in order to balance the fluctuations in the compensation rates that may occur in the following accounting periods and to cover the catastrophic risks, companies are required to allocate a balancing provision for earthquake guarantees issued in all branches, including additional guarantees issued in the credit and surety branches. In accordance with the Communiqué on Technical Reserves put into effect starting from January 1, 2008, the companies should provide equalization reserve in credit insurance and earthquake branches to equalize the fluctuations in future possible claims and for catastrophic risks. Equalization reserve, started to be provided in 2008, is calculated as 12% of net premiums written in credit insurance and earthquake branches. In the calculation of net premiums, fees paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The companies should provide equalization reserve up to reaching 150% of the highest premium amount written in a year within the last five years. In case where claims incurred, the amounts below exemption limits as stated in the contracts and the share of the reinsurance firms cannot be deducted from equalization reserves. Claims payments are deducted from first year's equalization reserves by first in first out method.

With the Communiqué released on July 28, 2010 and numbered 27655 "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves", ceded premiums of earthquake and credit for non-proportional reinsurance contracts covered multiple branches should be calculated according to percentage of premiums of those branches within the total premiums unless the Company is determined any other methods. Share of earthquake and credit premium of written premiums for non-proportional reinsurance contracts is based on share of earthquake and credit premiums of proportional reinsurance contracts. In accordance with the Communiqué on Technical Reserves, the Company considers 11% of net death premium (including damage payments) as earthquake premium and 12% of that amount is calculated as equalization provision since the Company not having sufficient data for calculation. After five financial years, in case that provision amount is less than previous year amount depending on written premiums, the difference is recognized in other profit reserves under equity. This amount recorded in equity can either be kept under reserves or can also be used in capital increase or paying claims.

Equalization reserves are presented under "other technical reserves" within long term liabilities in the accompanying unconsolidated financial statements. As of the reporting date, the Company has recognized equalization reserves amounting to TL 405.400.733 (December 31, 2021: TL 245.855.051).

As of December 31, 2022, the Company has deducted TL 6.872.441 (December 31, 2021: TL 22.336.820) from equalization provision in consequence of realized earthquake losses.

2 Summary of significant accounting policies *(continued)*

2.29 Related parties

Parties are considered related to the Company if:

(a) directly, or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company;

(b) the party is an associate of the Company;

(c) the party is a joint venture in which the Company is a venturer;

(d) the party is member of the key management personnel of the Company and its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or

(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.

2.30 Earning per share

Earnings per share are determined by dividing the net income by the weighted average number of shares outstanding during the year attributable to the shareholders of the Company. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“Bonus Shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares issued are regarded as issued shares.

2.31 Subsequent events

Subsequent events that provide additional information about the Company’s position at the reporting dates (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

2 Summary of significant accounting policies *(continued)*

2.32 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at December 31, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2022. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2022 are as follows:

Amendments to TFRS 3 – Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments did not have a significant impact on the financial position or performance of the Company.

Amendments to TAS 16 – Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

The amendments did not have a significant impact on the financial position or performance of the Company.

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

The amendments did not have a significant impact on the financial position or performance of the Company.

2 Summary of significant accounting policies *(continued)*

2.32 New and revised standards and interpretations (continued)

Annual Improvements – 2018–2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- *TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter:* The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- *TFRS 9 Financial Instruments – Fees in the "10 per cent test" for derecognition of financial liabilities:* The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- *TAS 41 Agriculture – Taxation in fair value measurements:* The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

The amendments did not have a significant impact on the financial position or performance of the Company.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the Company financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the Company financial statements and disclosures, when the new standards and interpretations become effective.

TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the impacts of the changes.

2 Summary of significant accounting policies *(continued)*

2.32 New and revised standards and interpretations *(continued)*

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. In accordance with amendments issued by POA in December 2021, entities have transition option for a “classification overlay” to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17. The Company is in the process of assessing the impact of the standard on financial position or performance of the Company.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

2 Summary of significant accounting policies *(continued)*

2.32 New and revised standards and interpretations (continued)

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

Overall, the Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA published amendments to TAS 1, in which it provides guidance and examples to help businesses apply materiality estimates to their accounting policy disclosures. The amendments published in TAS 1 are valid for annual periods beginning on or after January 1, 2023. Due to the absence of a definition of the term "significant" in TFRS, POA has decided to replace this term with the term "significant" in the context of disclosure of accounting policy information. 'Important' is a term defined in TFRS and is largely understood by users of financial statements according to POA. When evaluating the materiality of accounting policy information, enterprises should take into account both the size of transactions, other events or circumstances, and their nature. In addition, examples of situations in which an entity may consider accounting policy information to be important have been added.

The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

Overall, the Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

2 Summary of significant accounting policies *(continued)*

2.32 New and revised standards and interpretations (continued)

Amendments to IFRS 16 - Lease obligations in sales and leaseback transactions

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

Generally, the Company does not expect a material impact on the financial statements.

3 Significant Accounting Estimates and Requirements

The notes given in this section are provided to addition/supplement the commentary on the management of insurance risk note 4.1 – *Management of insurance risk* and note 4.2 – *Financial risk management*.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas at estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

Note 4.1 – Management of insurance risk

Note 4.2 – Financial risk management

Note 7 – Investment properties

Note 9 – Investments in subsidiaries

Note 10 – Reinsurance assets/liabilities

Note 11 – Financial assets

Note 12 – Loans and receivables

Not 17 – Insurance liabilities and reinsurance assets

Not 17 – Deferred acquisition commissions

Note 21 – Deferred income taxes

Note 23 – Other liabilities and cost provisions

4 Management of insurance and financial risk

4.1 Management of insurance risk

Objective of managing risks arising from insurance (reinsurance) contracts and policies used to minimize such risks

Reinsurance risk is defined as a possibility of financial loss due to inappropriate and insufficient application of reinsurance techniques in the activities of taking insurance contract responsibility partially or completely.

Potential risks that may be exposed in transactions are described, classified and managed based on the requirements set out in the Company's "Regulative Framework on the Risk Management Activities, Risk Management Policies and Implementation Procedures and Principles of the Risk Management" issued by the approval of the Board of Directors.

The main objective of the "Regulative Framework on the Risk Management Activities, Risk Management Policies and Implementation Procedures and Principles of the Risk Management" is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company's asset quality and limitations allowed by the insurance standards together with the Company's risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

Reinsurance risk is measured by quantitative methods and kept under pre-specified limits based on the "Limit over Acceptable Reinsurance Risk and Maximum Custody Share Limit" updated and approved annually by the Board of Directors.

Reinsurance risk is monitored regularly according to criteria described in the "Limit over Acceptable Reinsurance Risk and Maximum Custody Share Limit" policy and results are analysed by the Risk Committee and reported to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

Sensitivity to insurance risk

Insurance risks do not generally have significant unrecoverable losses in the course of ordinary transactions, except for risks associated with earthquake and other catastrophic risks. Therefore, there is a high sensitivity to earthquake and catastrophic risks.

The case of potential claims' arising from earthquake and other catastrophic risks exceeding the maximum limit of the excess of loss agreements, such risks are treated as the primary insurance risks and are managed based on the precautionary principle. Maximum limit of excess of loss agreements is determined based on the worst-case scenario on the possibility of an earthquake in terms of its severity and any potential losses incurred in accordance with the generally accepted international earthquake models.

(Currency: Turkish Lira (TL))

4 Management of insurance and financial risk *(continued)*

4.1 Management of insurance risk *(continued)*

Insurance risk concentrations

The Company's gross and net insurance risk concentrations (net of reinsurer share) in terms of insurance branches are summarized as below:

Branches	Gross total claims liability (*)	December 31, 2022 Reinsurance share of total claims liability	Net total claims liability
Fire and natural disasters	1.362.849.696	(76.749.524)	1.286.100.172
General Losses	648.262.475	(7.079.230)	641.183.245
Sea Vehicles	131.776.401	(12.877.478)	118.898.923
Land vehicles liability (MTPL)	72.197.651	(74.132)	72.123.519
General liabilities	65.032.276	(853.158)	64.179.118
Marine	67.729.846	(3.586.418)	64.143.428
Accident	22.010.989	(293.148)	21.717.841
Land Vehicles	17.603.249	(58.876)	17.544.373
Financial Losses	17.412.281	(454.968)	16.957.313
Life	9.673.464	(381.331)	9.292.133
Fidelity Guarantees	3.952.035	(3.932)	3.948.103
Health	2.929.038	-	2.929.038
Air Vehicles	1.532.403	-	1.532.403
Credit	564.341	-	564.341
Legal protection	5.111	-	5.111
Sea vehicles liabilities	290	-	290
Total	**2.423.531.546**	**(102.412.195)**	**2.321.119.351**

Branches	Gross total claims liability (*)	December 31, 2021 Reinsurance share of total claims liability	Net total claims liability
Fire and natural disasters	695.978.879	(44.486.617)	651.492.262
General Losses	397.267.030	(2.923.222)	394.343.808
Land vehicles liability (MTPL)	56.596.265	(63.971)	56.532.294
General liabilities	49.718.568	(1.084.437)	48.634.131
Sea Vehicles	48.362.177	(5.189.333)	43.172.844
Financial Losses	40.051.236	(629)	40.050.607
Marine	40.246.375	(2.404.898)	37.841.477
Land Vehicles	16.993.052	243.720	17.236.772
Accident	11.888.041	(53.731)	11.834.310
Life	11.946.157	(1.830.418)	10.115.739
Health	3.644.138	-	3.644.138
Fidelity Guarantees	728.278	(24.174)	704.104
Air Vehicles	343.741	-	343.741
Credit	82.433	-	82.433
Legal protection	2.460	-	2.460
Sea vehicles liabilities	75	-	75
Total	**1.373.848.905**	**(57.817.710)**	**1.316.031.195**

(*) Total claims liability includes outstanding claims reserve (paid).

Effects of the changes in assumptions used in the measurement of insurance assets and liabilities showing the effect of each change separately that has significant effect on financial statements

In the current year, there are no material changes in the assumptions of measurement of insurance assets and liabilities.

4 Management of insurance and financial risk *(continued)*

4.2 Management of financial risk

Introduction and overview

This note presents information about the Company's exposure to each of the below risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Company is subject to credit risk, market risk (foreign currency risk, interest rate risk and price risk in relation with financial investments) and liquidity risk due to assets and liabilities. The Company's exposure to each of the above risks is assessed according to "Application Principles in Respect of Risk Limits".

The Company monitors its receivables by obtaining comprehensive information about the debtors and debtors' activities. The risk over investment portfolio is managed by measuring and reporting the market risk daily, reassessing the results validity and applying different scenario analyses. The Company's exposure to each of the above risks is measured by Internal Control and Risk Management Service independently, reported to Board of Directors and units of İş Bankası through the Risk Committee.

Credit risk

Credit risk is the risk of financial loss to the Company if counterparties (parties issued financial instrument, insurance companies, reinsurance companies and other debtors) having business relationship with the Company fails to meet its contractual obligations. The Company manages this credit risk by regularly assessing reliability of the counterparties.

Credit risk is measured by both quantitative and qualitative methods and the weighted reinsurers in retrocession programs, credit ratings of them that indicate their financial strengths and their financial positions are analysed.

Doubtful receivables are monitored quarterly.

In addition, concentration of the investment portfolio is assessed quarterly.

The results evaluated by the Risk Committee and reported regularly to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

(Currency: Turkish Lira (TL))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Credit risk *(continued)*

Net book value of the assets that is exposed to credit risk is shown in the table below.

	December 31, 2022	December 31, 2021
Cash and cash equivalents *(Note 14)* [(*)]	1.690.301.129	1.940.001.758
Financial assets and financial investments with risks on policyholders *(Note 11)* [(**)]	3.503.467.362	1.819.548.720
Receivables from main operations *(Note 12)*	1.023.493.863	640.389.582
Reinsurer share in outstanding claims reserve *(Note 10), (Note 17)*	129.947.122	106.787.271
Income accruals	43.874.686	20.728.018
Prepaid taxes and funds *(Note 12)*	13.673.790	-
Other Prepaid Expenses [(***)]	36.536.047	40.831.453
Other receivables *(Note 12)*	12.828.915	1.908.875
Other current asset *(Note 12)*	5.207.469	3.037.253
Total	**6.459.330.383**	**4.573.232.930**

(*) Cash on hands balance amounting to TL 42.425 are not included (December 31, 2021: TL 21.528).

(**) Equity shares amounting to TL 310.494.807 are not included (December 31, 2021: TL 104.466.071)

(***) TL 33.045.582 is the advance amount given by the Company. (31 Aralık 2021: 37.634.324 TL).

December 31, 2022 and 2021, the aging of the receivables from main operations and related provisions are as follows:

	December 31, 2022		December 31, 2021	
	Gross amount	**Provision**	**Gross amount**	**Provision**
Not past due	909.853.472	--	553.699.871	-
Past due 0-30 days	14.681.533	--	6.577.397	-
Past due 31-60 days	--	--	7.457.025	-
Past due 61-90 days	12.641.076	--	234.497	-
More than 90 days	164.804.266	(78.486.484)	135.678.569	(63.257.777)
Total	**1.101.980.347**	**(78.486.484)**	**703.647.359**	**(63.257.777)**

The movements of the allowances for impairment losses for receivables from main operations during the year are as follows:

	December 31, 2022	December 31, 2021
Provision for receivables from insurance operations at the beginning of the year	63.257.777	35.056.517
Collections during the period *(Note 47)*	-	(283.698)
Provisions for doubtful receivables during the period (*Note 47)*	-	-
Foreign currency translation effect *(Note 47)*	15.228.707	28.484.958
Provision for receivables from insurance operations at the end of the year	**78.486.484**	**63.257.777**

The movements of the allowances for impairment losses for other receivables are as follows:

	December 31, 2022	December 31, 2021
Provision for other receivables at the beginning of the year	1.061.329	832.788
Collections during the period	-	-
Impairment losses provided during the period *(Note 47)*	(356.187)	228.541
Provision for other receivables at the end of the year	**705.142**	**1.061.329**

(Currency: Turkish Lira (TL))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as a result of the imbalance between the Company's cash inflows and outflows in terms of maturity and volume.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

In respect of this risk, which is measured by quantitative methods, any liquidity deficit is observed via the maturity analysis of assets and liabilities in the statement of balance sheet. Furthermore, liquidity structure of the Company is monitored by using the following basic indicators in respect of liquidity ratios:

- Liquid Assets / Total Assets
- Liquidity Ratio
- Current Ratio
- Premium and Reinsurance Receivables / Total Assets

The results evaluated by the Risk Committee and reported regularly to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

Management of the liquidity risk

The Company considers the maturity match between asset and liabilities for the purpose of avoiding liquidity risk and ensure that it will always have sufficient liquidity to meet its liabilities when due.

Maturity distribution of monetary assets and liabilities:

December 31, 2022	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	1.690.343.554	1.392.132.765	107.552.357	136.764.533	53.893.899	-	-
Financial assets (*)	3.503.467.362	1.041.406.799	97.762.778	235.015.945	360.670.321	1.768.611.519	-
Receivables from main operations	1.023.493.863	418.297.254	181.790.742	67.230.676	144.262.090	211.913.101	-
Other receivables and current assets	112.120.907	94.368.824	-	-	16.969.512	782.571	-
Total monetary assets	**6.329.425.686**	**2.946.205.642**	**387.105.877**	**439.011.154**	**575.795.822**	**1.981.307.191**	**-**
Financial liabilities and other liabilities	13.184.105	13.060.416	5.107	7.579	14.870	96.133	-
Payables arising from main operations	157.282.930	106.142.259	7.313.889	1.886.585	134.165	41.806.032	-
Due to related parties	419.272	419.272	-	-	-	-	-
Insurance technical reserves (**)	4.044.442.924	-	-	-	-	-	4.044.442.924
Provisions for taxes and other similar obligations	6.317.060	6.317.060	-	-	-	-	-
Provisions for other risks and expense accruals	282.990.272	9.806.251	7.368.043	-	-	-	265.815.978
Total monetary liabilities	**4.504.636.563**	**135.745.258**	**14.687.039**	**1.894.164**	**149.035**	**41.902.165**	**4.310.258.902**

(*) Equity shares amounting to TL 310.494.807 are not included.

(**) Provision for outstanding claims in insurance technical provisions shown net.

(Currency: Turkish Lira (TL))

4 Management of insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Liquidity risk *(continued)*

December 31, 2021	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	1.940.023.286	1.242.797.880	598.622.685	57.764.758	40.837.963	-	-
Financial assets [(*)]	1.819.548.720	304.247.749	343.903.030	39.596.310	53.863.450	1.077.938.181	-
Receivables from main operations	640.389.582	205.352.818	87.455.656	78.711.174	143.093.847	125.776.087	-
Other receivables and current assets	66.505.599	62.562.257	-	-	3.922.849	20.493	-
Total monetary assets	**4.466.467.187**	**1.814.960.704**	**1.029.981.371**	**176.072.242**	**241.718.109**	**1.203.734.761**	**-**
Financial liabilities and other liabilities	6.851.224	6.851.224	-	-	-	-	-
Payables arising from main operations	127.233.309	96.561.986	-	-	181.166	30.490.157	-
Due to related parties	156.141	156.141	-	-	-	-	-
Insurance technical reserves [(**)]	2.268.809.305	-	-	-	-	-	2.268.809.305
Provisions for taxes and other similar obligations	81.489.082	4.060.290	77.428.792	-	-	-	-
Provisions for other risks and expense accruals	128.483.581	6.036.220	4.456.812	-	-	-	117.990.549
Total monetary liabilities	**2.613.022.642**	**113.665.861**	**81.885.604**	**-**	**181.166**	**30.490.157**	**2.386.799.854**

(*) Equity shares amounting to TL 104.466.071 are not included.
(**) Provision for outstanding claims in insurance technical provisions shown net.

Market risk

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and credit spreads will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Foreign currency risk

The Company is exposed to foreign currency risk through insurance and reinsurance transactions in foreign currencies. Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the reporting periods, foreign currency assets and liabilities evaluated by the Central Bank of Republic of Turkey's spot purchase rates and the differences arising from foreign currency rates are recorded as foreign exchange gain or loss in the statement of income.

The Company's exposure to foreign currency risk is as follows:

December 31, 2022	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	326.071.395	223.994.639	127.729.115	677.795.149
Financial assets and financial investments of risky insurers	1.382.273.843	674.529.707	-	2.056.803.550
Receivables from main operations	203.646.909	133.858.587	387.019.218	724.524.714
Total foreign currency assets	**1.911.992.147**	**1.032.382.933**	**514.748.333**	**3.459.123.413**
Liabilities:				
Payables arising from main operations	(43.236.838)	(7.597.046)	(70.278.620)	(121.112.504)
Insurance technical reserves [(*)]	(1.025.603.423)	(589.720.575)	(389.410.875)	(2.004.734.873)
Financial liabilities	-	-	(126.259)	(126.259)
Total foreign currency liabilities	**(1.068.840.261)**	**(597.317.621)**	**(459.815.754)**	**(2.125.973.636)**
Net financial position	**843.151.886**	**435.065.312**	**54.932.579**	**1.333.149.777**

December 31, 2021	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	208.041.899	5.287.510	82.016.209	295.345.618
Financial assets and financial investments of risky insurers	778.479.183	270.388.959	-	1.048.868.142
Receivables from main operations	164.898.876	70.688.653	287.351.740	522.939.269
Total foreign currency assets	**1.151.419.958**	**346.365.122**	**369.367.950**	**1.867.153.028**
Liabilities:				
Payables arising from main operations	(21.137.455)	(4.556.502)	(71.197.246)	(96.891.203)
Insurance technical reserves [(*)]	(597.712.006)	(263.913.694)	(279.939.610)	(1.141.565.310)
Financial liabilities	-	-	(3.234.894)	(3.234.894)
Total foreign currency liabilities	**(618.849.461)**	**(268.470.196)**	**(354.371.750)**	**(1.241.691.407)**
Net financial position	**532.570.497**	**77.894.926**	**14.996.198**	**625.461.621**

According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 27655 dated July 28, 2010; foreign currency denominated claims provisions evaluated by the Central Bank of Republic of Turkey's spot sales rates.

(Currency: Turkish Lira (TL))

4 Management of insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

Foreign currency risk *(continued)*

For the purpose of evaluation of the above table, TL equivalents of the relevant foreign currency amounts have been shown. December 31, 2022 While evaluating the CBRT with the exchange rate of the CBRT, other daily transactions are evaluated with accounting based on the temporary exchange rates on the date of the transaction, at the end of the reporting period, active items denominated in foreign currencies are evaluated with the CBRT exchange rates of December 31, 2022 and passive items are evaluated with the CBRT sales rates.

Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities As of December 31, 2022 and 2021 dates are as follows:

	Buying		Selling		Average	
	ABD	**Euro**	**ABD**	**Euro**	**ABD**	**Euro**
31 December 2022	18,6983	19,9349	18,7320	19,9708	16,5512	17,3642
31 December 2021	13,3290	15,0867	13,3530	15,1139	8,8557	10,4408

Exposure to foreign currency risk

20 percent depreciation of the TL against the following currencies As of December 31, 2022 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below (December 31, 2021: 20 percent depreciation of the TL). This analysis assumes that all other variables, in particular interest rates, remain constant. In case of a 20 percent appreciation of the TL against the following currencies, the effect will be in opposite direction.

	December 31, 2022		December 31, 2021	
	Profit or loss	**Equity (*)**	**Profit or loss**	**Equity (*)**
US Dollar	168.630.377	168.630.377	106.514.099	106.514.099
Euro	87.013.062	87.013.062	15.578.985	15.578.985
Others	10.986.516	10.986.516	2.999.240	2.999.240
Total, net	**266.629.955**	**266.629.955**	**125.092.324**	**125.092.324**

(*) Equity effect also includes profit or loss effect of 20% depreciation of TL against related currencies (December 31, 2021: 20% depreciation of TL).

Exposure to interest rate risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

As of reporting date; the interest rate profile of the Company's interest earning financial assets and interest-bearing financial liabilities are detailed as below:

	December 31, 2022	**December 31, 2021**
Financial assets		
Financial assets with fixed interest rates:	**3.968.287.641**	**3.225.623.967**
Cash at banks *(Note 14)*	1.572.963.120	1.868.075.565
Available for sale financial assets – Government bonds – FC *(Note 11)*	1.208.025.622	524.966.173
Available for sale financial assets – Government bonds – TL *(Note 11)*	158.877.317	67.895.225
Available for sale financial assets – Private sector bonds – FC *(Note 11)*	734.123.636	439.525.214
Available for sale financial assets – Private sector bonds – TL *(Note 11)*	294.297.947	325.161.790
Financial assets with variable interest rate:	**65.881.500**	**186.561.430**
Available for sale financial assets – Private sector bonds – TL *(Note 11)*	65.881.500	186.561.430

(Currency: Turkish Lira (TL))

4 Management of insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

Fair value information

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies.

The Company has classified its financial assets as held for trading or available for sale. As of the reporting date, available for sale financial assets and financial assets held for trading are measured at their fair values based on their quoted prices or fair value information obtained from brokers in the accompanying unconsolidated financial statements.

Management estimates that the fair value of other financial assets and liabilities are not materially different than their carrying values.

Classification relevant to fair value information

TFRS 7 – *Financial instruments: Disclosures* requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Company. This distinction brings about a fair value measurement classification generally as follows.

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Classification requires the utilization of observable market data, if available.

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

	December 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Held for trading financial assets *(Note 11)*	903.301.915	96.430.000	-	999.731.915
Available for sale financial assets *(Note 11) (*)*	2.814.138.762	-	-	2.814.138.762
Associates (Note 9)	-	431.889.372	-	431.889.372
Subsidiaries (Note 9)	-	2.333.428.436	-	2.333.428.436
Total financial assets	**3.717.440.677**	**2.861.747.808**	**-**	**6.579.188.485**
Tangible assets:				
Investment properties *(Note 6)*	-	1.650.131.000	-	1.650.131.000
Owner Occupied Properties *(Note 6)*	-	744.475.000	-	744.475.000
Total tangible assets	**-**	**2.394.606.000**	**-**	**2.394.606.000**
Total	**3.717.440.677**	**5.256.353.808**	**-**	**8.973.794.485**

(*) As of December 31, 2022, securities that are not publicly traded amounting to TL 91.492 have been measured at cost.

(Currency: Turkish Lira (TL))

4 Management of insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

	December 31, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Held for trading financial assets *(Note 11)*	244.003.125	-	-	244.003.125
Available for sale financial assets *(Note 11) (*)*	1.679.920.174	-	-	1.679.920.174
Associates (Note 9)	-	234.810.535	-	234.810.535
Subsidiaries (Note 9)	-	1.248.547.233	-	1.248.547.233
Total financial assets	**1.923.923.299**	**1.483.357.768**	**-**	**3.407.281.067**
Tangible assets:				
Investment properties *(Note 6)*	-	549.896.000	-	549.896.000
Owner Occupied Properties *(Note 6)*	-	234.955.000	-	234.955.000
Total tangible assets	**-**	**784.851.000**	**-**	**784.851.000**
Total	**1.923.923.299**	**2.268.208.768**	**-**	**4.192.132.067**

(*) As of December 31, 2022, securities that are not publicly traded amounting to TL 91.492 have been measured at cost.

Equity share price risk

Equity share price risk is defined as the risk of decreasing the market price of equity shares as a result of a decline in index.

The effect of changes in fair values of the associates and the available-for-sale financial assets on equity that is resulted from the fluctuations on index (all of the other variables are assumed to be fixed) are as follows As of December 31, 2022 and 2021:

	Change in index	**December 31, 2022**	**December 31,2021**
Market price of equity	%10	31.040.332	10.437.458

(Currency: Turkish Lira (TL))

4 Management of insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Gain and losses from financial assets

Gains and losses recognized in the statement of income, net:	**December 31, 2022**	**December 31, 2021**
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15)*	(498.127)	7.489.833
Interest income from bank deposits	267.603.923	297.325.249
Interest income from debt securities classified as available-for-sale financial assets	249.441.527	105.706.767
Income from equity shares classified as available-for-sale financial assets	55.360	1.395.274
Income from equity shares classified as held for trading financial assets	5.950.406	-
Foreign exchange gains	407.982.385	423.659.936
Income from mutual funds classified as available for sale financial assets	56.339.583	4.777.848
Income from mutual funds classified as trading financial assets	142.978.076	51.512.922
Interest income from repos	136.744	160.753
Income from subsidiaries	598.440.531	257.964.520
Income from affiliates	173.412.281	87.218.513
Income from derivative products	25.351.060	-
Investment income	**1.927.193.749**	**1.237.211.615**
Losses from derivatives transactions	(7.060.875)	-
Foreign exchange losses	(17.582.999)	(23.195.899)
Loss from disposal of financial assets	(196.394)	(498.511)
Investment management expenses (including interest)	(303.487)	(53.257)
Investment expenses	**(25.143.755)**	**(23.747.667)**
Investment income, net	**1.902.049.994**	**1.213.463.948**

Gains and losses recognized in the statement of equity, net:	**December 31, 2022**	**December 31, 2021**
Fair value changes in available for sale financial assets *(Note 15)*	744.443.090	(248.564.546)
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15)*	498.127	(7.489.833)
Total	**747.941.217**	**(256.054.379)**

(Currency: Turkish Lira (TL))

4 Management of insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Capital management

The Company's capital management policies include the following:

- To comply with the insurance capital requirements required by Republic of Turkey Ministry of Treasury and Finance
- To safeguard the Company's ability to continue as a going concern

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered; the Company measured its minimum capital requirement as TL 1.689.163.840 (December 31, 2021: 980.075.804) As of December 31, 2022. As of December 31, 2022, and 2021, the capital amount of the Company presented in the unconsolidated financial statements are TL 5.170.486.290 and TL 2.955.427.565 respectively and capital surplus of the Company is amounting to TL 3.481.322.450 (December 31, 2021: TL 1.975.351.761) according to the communiqué.

5 Segment Information

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

As of December 31, 2022, the Company operates in life and non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market.

6 Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 2022 is presented below:

	January 1, 2022	Additions	Foreign currency translation effect (*)	Disposals	Revaluation surplus	December 31, 2022
Cost:						
Investment properties *(Note 7)*	549.896.000				1.100.235.000	1.650.131.000
Buildings for own use	234.955.000	-	-	-	509.520.000	744.475.000
Furniture and fixtures	12.573.415	16.947.889	1.294.499	(862.275)	-	29.953.528
Land vehicles	3.234.751	-	713.100	(587.730)	-	3.360.121
Operating leases	6.637.769	129.731	2.673.882	-	-	9.441.382
Construction in progress(**)	5.924.030	5.520.855				11.444.885
	813.220.965	**22.598.475**	**4.681.481**	**(1.450.005)**	**1.609.755.000**	**2.448.805.916**
Accumulated depreciation:						
Buildings for own use	244.194	895.378	-	-	(1.139.572)	-
Furniture and fixtures	8.796.467	3.074.321	1.225.520	(800.516)	-	12.295.792
Land vehicles	1.815.252	634.584	306.616	(587.730)	-	2.168.722
Operating leases	3.318.885	4.130.773	1.872.805	-	-	9.322.463
	14.174.798	**8.735.056**	**3.404.941**	**(1.388.246)**	**(1.139.572)**	**23.786.977**
Carrying amounts	**799.046.167**					**2.425.018.939**

(*) Foreign currency translation effect resulted from Singapore Branch.

(**) There are costs related to heating and cooling group renewal in the investment in progress account.

(Currency: Turkish Lira (TL))

6 Tangible assets (continued)

Movement in tangible assets in the period from January 1 to December 31, 2021 is presented below:

	January 1, 2021	Additions	Foreign currency translation effect (*)	Disposals	Revaluation surplus	December 31, 2021
Cost:						
Investment properties *(Note 7)*	458.821.000	-	-	-	91.075.000	549.896.000
Buildings for own use	180.163.740	364.783	-	-	54.426.477	234.955.000
Furniture and fixtures	9.712.433	1.841.501	1.432.218	(412.737)	-	12.573.415
Operating leases	2.439.414	-	795.337	-	-	3.234.751
Land vehicles	3.631.739	4.146.302	2.491.467	(3.631.739)	-	6.637.769
Construction in progress(**)	-	5.924.030	-	-	-	5.924.030
	654.768.326	**12.276.616**	**4.719.022**	**(4.044.476)**	**145.501.477**	**813.220.965**
Accumulated depreciation:						
Buildings for own use	1.261.560	630.591	-		(1.647.957)	244.194
Furniture and fixtures	6.349.770	1.172.819	1.373.935	(100.057)	-	8.796.467
Land vehicles	1.049.002	528.130	238.120	-	-	1.815.252
Operating leases	3.631.739	2.205.046	1.113.838	(3.631.738)	-	3.318.885
	12.292.071	**4.536.586**	**2.725.893**	**(3.731.795)**	**(1.647.957)**	**14.174.798**
Carrying amounts	**642.476.255**					**799.046.167**

(*) Foreign currency translation effect resulted from Singapore Branch.

Expertise reports regarding the Company's property are prepared by independent professional valuation specialists authorized by CMB in December 2021.

As of December 31, 2022, and 2021, the fair values (excluding VAT) and net carrying values of property for own used are presented below:

Owner occupied land and buildings	Expertise date	Expertise value	Net Book Value (December 31, 2022	Net Book Value (December 31, 2021)
Headquarter Building	December 2022	744.475.000	744.475.000	234.710.806
Total		**744.475.000**	**744.475.000**	**234.710.806**

Fair value measurement

The fair values of property for own use were determined by market comparison technique. The fair value measurement of owner-occupied land and buildings is classified as level 2.

As of December 31, 2022, and 2021, there is no mortgage on Company's tangible assets.

(Currency: Turkish Lira (TL))

7 Investment properties

Additions and disposals for investment properties is given "6- Tangible Assets" note in table of current period movement of tangible assets.

Investment properties are presented by fair value method As of December 31, 2022 and 2021 on balance sheet and The Company's investment properties gained TL 1.100.235.000 amount of value in 2022 in the context of expertise report prepared by independent professional valuation specialists authorized by Capital Markets Board of Turkey. From investment property, TL 37.146.257 amount of rent income is obtained from investment properties in the current accounting period (31 Aralık 2021: 25.271.333 TL).

As of December 31, 2022, inflation adjusted cost and fair value amounts of the Company's investment properties are amounting to TL 1.650.131.000 (December 31, 2021: TL 549.896.000).

The expertise (excluding VAT) and net book values of investment properties are as follows per real estate. Expertise reports regarding these properties are prepared by independent professional valuation specialists authorized by CMB in December 2022. There is no mortgage on the real estates.

As of December 31, 2022, and 2021, details of investment properties and the fair values are as follows:

	December 31, 2022 Net book value	**December 31, 2021 Net book value**	**Date of expertise report**	**Value of expertise report**
Çifteler Land	6.000	6.000	Aralık 2022	6.000
Villa Office Block	174.000.000	52.850.000	Aralık 2022	174.000.000
Suadiye Fitness Center	76.150.000	48.770.000	Aralık 2022	76.150.000
Tunaman Garage	528.325.000	182.925.000	Aralık 2022	528.325.000
Operating Center Rental Offices	871.650.000	265.345.000	Aralık 2022	871.650.000
Carrying amounts	**1.650.131.000**	**549.896.000**		**1.650.131.000**

Fair value measurement

The fair values of investment properties were determined by market comparison technique. The fair value measurement of owner occupied land and buildings is classified as level 2.

8 Intangible assets

Movement in intangible assets in the period from January 1 to December 31, 2022 is presented below:

	January 1, 2022	**Additions**	**Foreign currency translation effects (*)**	**Disposal**	**Transfers**	**December 31, 2022**
Cost:						
Rights	49.916.464	6.041.429	144.997	-	-	56.102.890
Advances on intangible fixed assets (**)	12.469.277	3.639.805	-	-	-	16.109.082
	62.385.741	**9.681.234**	**144.997**	**-**	**-**	**72.211.972**
Accumulated amortization:						
Rights	31.644.076	15.595.696	105.749	-	-	47.345.521
	31.644.076	**15.595.696**	**105.749**	**-**	**-**	**47.345.521**
Carrying amounts	**30.741.665**					**24.866.451**

(*) Foreign currency translation effect resulted from Singapore Branch.

(**) Given referring to IFRS 17 consultation.

(Currency: Turkish Lira (TL))

8 Intangible assets (continued)

Movement in intangible assets in the period from January 1 to December 31, 2021 is presented below:

	January 1, 2021	Additions	Foreign currency translation effects (*)	Disposal	Transfers	December 31, 2021
Cost:						
Rights	47.785.666	2.001.983	128.815	-	-	49.916.464
Advances on intangible fixed assets (**)	-	12.469.277	-	-	-	12.469.277
	47.785.666	**14.471.260**	**128.815**	**-**	**-**	**62.385.741**
Accumulated amortization:						
Rights	16.615.898	14.932.441	95.737	-	-	31.644.076
	16.615.898	**14.932.441**	**95.737**	**-**	**-**	**31.644.076**
Carrying amounts	**31.169.768**					**30.741.665**

(*) Foreign currency translation effect resulted from Singapore Branch.

9 Investments in associates

The Company accounts for its subsidiaries, its investments in associates and its joint ventures using the equity method defined in TAS 27 - "Consolidated and Separate Financial Statements" in preparing the unconsolidated financial statements.

As of the reporting date, the carrying values of the investments accounted for using equity method accounted in balance sheet in the unconsolidated financial statements of the Company are as follows:

	December 31, 2022		December 31, 2021	
	Net book value	**Participation rate %**	**Net book value**	**Participation rate %**
Anadolu Hayat Emeklilik	431.889.372	12,46	234.810.535	12,46
Investments in associates, net	**431.889.372**		**234.810.535**	
Anadolu Sigorta	2.328.905.247	57,31	1.244.554.254	57,31
Miltaş Turizm İnşaat Ticaret Anonim Şirketi	4.523.189	100,00	3.992.979	78,00
Investments in subsidiaries, net	**2.333.428.436**		**1.248.547.233**	
Total financial asset	**2.765.317.808**		**1.483.357.768**	

Name	Total assets	Shareholders' equity	Retained earnings	Profit for the year	Audited	Period
Associates:						
Anadolu Hayat Emeklilik (*)	90.659.179.398	3.466.206.841	49.488.334	1.391.751.856	Audited.	December 31, 2022
Subsidiaries:						
Miltaş Turizm İnşaat Tic.A.Ş.	5.528.417	4.523.189	13.864	(592.172)	Not Audited.	December 31, 2022
Anadolu Sigorta(*)	29.414.397.226	4.756.818.270	125.281.148	1.323.551.677	Audited.	December 31, 2022

(*) As of December 31, 2022, consolidated financial informations of Anadolu Sigorta and Anadolu Hayat Emeklilik are shown.

(Currency: Turkish Lira (TL))

10 Reinsurance assets and liabilities

As of December 31, 2022, and 2021, outstanding reinsurance assets and liabilities of the Company, as Reinsurance Company in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	**December 31, 2022**	**December 31, 2021**
Receivables from reinsurance companies *(Note 12)*	145.416.652	86.696.642
Cash deposited to reinsurance companies	240.868.016	199.336.037
Outstanding claims reserve, ceded *(Note 4.2), (Note 17)*	129.947.122	106.787.271
Unearned premiums reserve, ceded *(Note 17)*	49.314.693	23.649.245
Total	**565.546.483**	**416.469.195**

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	**December 31, 2022**	**December 31, 2021**
Deferred commission income *(Note 19)*	9.482.897	4.098.066
Total	**9.482.897**	**4.098.066**

Gains and losses recognized in the statement of income in accordance with existing retrocession contracts are as follows:

	December 31, 2022	**December 31, 2021**
Premiums ceded during the period *(Note 17)*	(701.343.384)	(330.959.315)
Unearned premiums reserve, ceded at the beginning of the period *(Note 17)*	(23.649.245)	(20.130.822)
Unearned premiums reserve, ceded at the end of the period *(Note 17)*	49.314.693	23.649.245
Premiums earned, ceded *(Note 17)*	**(675.677.936)**	**(327.440.892)**
Claims paid, ceded during the period *(Note 17)*	102.412.195	57.817.710
Outstanding claims reserve, ceded at the beginning of the period *(Note 17)*	(106.787.271)	(78.871.381)
Outstanding claims reserve, ceded at the end of the period *(Note 17)*	129.947.122	106.787.271
Claims incurred, ceded *(Note 17)*	**125.572.046**	**85.733.600**
Commission income accrued from reinsurers during the period *(Note 32)*	22.019.317	10.175.548
Deferred commission income at the beginning of the period *(Note 19)*	4.098.066	2.760.960
Deferred commission income at the end of the period *(Note 19)*	(9.482.897)	(4.098.066)
Commission income earned from reinsurers *(Note 32)*	**16.634.486**	**8.838.442**
Changes in unexpired risks reserve, reinsurers' share *(Note 17)*	**(1.702.688)**	**1.857.501**
Total, net	**(535.174.092)**	**(231.011.349)**

(Currency: Turkish Lira (TL))

11 Financial assets

As of December 31, 2022, and 2021, the Company's financial assets portfolio are detailed as follows:

	December 31, 2022	**December 31, 2021**
Available for sale financial assets	2.821.184.794	1.686.966.206
Financial Assets Held for Trading	999.731.915	244.003.125
Provisions for impairment for financial assets available for sale	(6.954.540)	(6.954.540)
Total	**3.813.962.169**	**1.924.014.791**

As of December 31, 2022, and 2021, the Company's available for sale financial assets are as follows:

	December 31, 2022			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Debt instruments:				
Government bonds – EUR	27.580.000	394.864.913	559.875.414	559.875.414
Government bonds – USD	36.856.000	408.501.302	648.150.208	648.150.208
Government bons - TL	60.153.493	109.490.214	158.877.317	158.877.317
Private sector bonds – USD	39.532.000	491.805.232	734.123.636	734.123.636
Private sector bonds – TL	332.680.000	339.236.052	367.133.987	367.133.987
Impairment loss on private sector bondsTL			(6.954.540)	(6.954.540)
		1.743.897.713	**2.461.206.022**	**2.461.206.022**
Non-fixed income financial assets:				
Equity shares		61.938.846	289.766.807	289.766.807
Investment funds		52.537.380	63.257.425	63.257.425
		114.476.226	**353.024.232**	**353.024.232**
Total available-for-sale financial assets		**1.858.373.939**	**2.814.230.254**	**2.814.230.254**

	December 31, 2021			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Debt instruments:				
Government bonds – EUR	12.225.000	132.274.231	186.012.202	186.012.202
Government bonds – USD	92.500.000	70.620.148	67.895.225	67.895.225
Government bons - TL	25.506.000	228.319.534	338.953.971	338.953.971
Private sector bonds – USD	33.582.000	329.890.015	439.525.214	439.525.214
Private sector bonds – TL	518.310.000	507.832.237	518.677.760	518.677.760
Impairment loss on private sector bonds			(6.954.540)	(6.954.540)
		1.268.936.165	**1.544.109.832**	**1.544.109.832**
Non-fixed income financial assets:				
Equity shares		61.938.846	104.466.071	104.466.071
Investment funds		22.462.238	31.435.763	31.435.763
		84.401.084	**135.901.834**	**135.901.834**
Total available-for-sale financial assets		**1.353.337.249**	**1.680.011.666**	**1.680.011.666**

(Currency: Turkish Lira (TL))

11 Financial assets *(continued)*

As of December 31, 2022, 2021 the details of the Company's held for trading assets are as follows.

	December 31, 2022			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Investment funds TL		636.096.263	767.919.622	767.919.622
Investment funds YP		63.032.262	114.654.293	114.654.293
Share		18.119.492	20.728.000	20.728.000
Derivatives (Currency protected deposits)		94.383.307	96.430.000	96.430.000
Total		**811.631.324**	**999.731.915**	**999.731.915**

	31 Aralık 2021			
	Nominal değeri	**Maliyet bedeli**	**Gerçeğe uygun değeri**	**Defter değeri**
Investment funds TL		125.071.511	159.626.370	159.626.370
Investment funds YP		63.032.262	84.376.756	84.376.756
Total		**188.103.773**	**244.003.126**	**244.003.126**

Debt instruments presented above are traded in the capital markets. As of December 31, 2022, equity shares classified as available for sale financial assets with a carrying amount of TL 91.492 are not publicly traded (December 31, 2021: TL 91.492).

There is no debt security issued during the period or issued before and paid during the period by the Company.

Value increases in financial assets including equity shares classified as available for sale financial assets and subsidiaries for the last 3 years (including tax effects):

Year	**Change in value increase**	**Total increase in value**
2022	747.941.217	775.959.399
2021	(256.054.379)	28.018.182
2020	184.597.765	284.072.561

(Currency: Turkish Lira (TL))

11 Financial assets *(continued)*

Details of the financial assets issued by related parties of the Company's are as follows:

	December 31, 2022			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Available for sale financial assets – Equity shares		61.871.244	289.699.205	289.699.205
Available for sale financial assets – Investment funds		52.537.380	63.257.425	63.257.425
Financial Assets Held For Trading - Investment funds		393.777.415	455.512.732	455.512.732
Financial Assets Held for Trading - Currency Protected Deposits		94.383.307	96.430.000	96.430.000
Available for sale financial assets – Private sector bonds	80.000.000	80.000.000	82.731.200	82.731.200
Available for sale financial assets – Private sector bonds FC	9.000.000	79.414.848	169.147.066	169.147.066
Total		**761.984.194**	**1.156.777.628**	**1.156.777.628**

	December 31, 2021			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Available for sale financial assets – Equity shares		61.871.244	104.398.469	104.398.469
Available for sale financial assets – Investment funds		22.462.238	31.435.763	31.435.763
Financial Assets Held For Trading - Investment funds		75.071.517	95.707.881	95.707.881
Available for sale financial assets – Private sector bonds	381.000.000	369.908.830	373.566.430	373.566.430
Available for sale financial assets – Private sector bonds FC	7.000.000	88.931.621	91.626.079	91.626.079
Total		**618.245.450**	**696.734.622**	**696.734.622**

(Currency: Turkish Lira (TL))

11 Financial assets *(continued)*

Movements of the financial assets during the period are presented below:

			December 31, 2022
	Financial assets held for trading	**Available-for-sale**	**Total**
Balance at the beginning of the period	**244.003.125**	**1.680.011.666**	**1.924.014.791**
Unrealized exchange differences on financial assets	27.877.144	331.871.695	359.748.839
Acquisitions during the period	1.475.404.529	2.753.830.821	4.229.235.350
Disposals (sale and redemption)	(898.418.709)	(2.314.292.946)	(3.212.711.655)
Change in the fair value of financial assets	150.865.826	312.042.813	462.908.639
Change in amortized cost of the financial assets	-	50.766.205	50.766.205
Balance at the end of the period	**999.731.915**	**2.814.230.254**	**3.813.962.169**

			December 31, 2021
	Financial assets held for trading	**Available-for-sale**	**Total**
Balance at the beginning of the period	**190.742.811**	**968.211.586**	**1.158.954.397**
Acquisitions during the period	23.716.245	244.641.718	268.357.963
Disposals (sale and redemption)	356.341.014	1.298.301.856	1.654.642.870
Change in the fair value of financial assets	(500.458.942)	(900.208.435)	(1.400.667.377)
Change in amortized cost of the financial assets	173.661.997	127.361.100	301.023.097
Bonus shares acquired	-	(58.296.159)	(58.296.159)
Balance at the end of the period	**244.003.125**	**1.680.011.666**	**1.924.014.791**

(Currency: Turkish Lira (TL))

12 Loans and receivables

	December 31, 2022	December 31, 2021
Receivables from main operations *(Note 4.2)*	1.023.493.863	640.389.582
Prepaid taxes and funds *(Note 19)*	13.673.790	-
Other receivables *(Note 4.2)*	12.828.915	1.908.875
Other current asset	5.207.469	3.037.253
Total	**1.055.204.037**	**645.335.710**
Short-term receivables	843.290.936	519.559.623
Medium and long-term receivables	211.913.101	125.776.087
Total	**1.055.204.037**	**645.335.710**

As of December 31, 2022, and 2021, receivables from main operations are detailed as follows:

	December 31, 2022	December 31, 2021
Receivables from insurance companies	360.751.126	181.896.960
Receivables from brokers and intermediaries	106.970.341	90.597.920
Receivables from reinsurance companies *(Note 10)*	145.416.652	86.696.642
Total receivables from insurance operations, net	**613.138.119**	**359.191.522**
Cash deposited to insurance and reinsurance companies	410.355.744	281.198.060
Doubtful receivables from main operations	78.486.484	63.257.777
Provision for doubtful receivables from main operations	(78.486.484)	(63.257.777)
Receivables from main operations	**1.023.493.863**	**640.389.582**

As of December 31, 2022, and 2021, mortgages and collaterals obtained for receivables are disclosed as follows:

	December 31, 2022	December 31, 2021
Letters of guarantees	33.828.714	24.484.094
Other Guarantees	-	201.669
Total	**33.828.714**	**24.685.763**

Provisions for overdue receivables and receivables not due yet

a) *Receivables under legal or administrative follow up (due): TL* 78.486.484 for main operations (December 31, 2021: TL 63.257.777) and TL 705.142 (December 31, 2021: TL 1.061.329) for other receivables.

b) Provision for premium receivables (due): None (December 31, 2021: None).

The Company’s receivables from and payables to shareholders, associates and subsidiaries are detailed in note 45 – *Related party transactions*.

The details of the receivables and payables denominated in foreign currencies and foreign currency rates used for the translation are presented in Note 4.2– Financial risk management.

13 Derivative financial assets

As of December 31, 2022, and 2021, the Company has no derivative financial instruments.

14 Cash and cash equivalents

As of December 31, 2022, and 2021, the details of cash and cash equivalents are as follows:

	December 31, 2022		**December 31, 2021**	
	At the end of the period	**At the beginning of the period**	**At the end of the period**	**At the beginning of the period**
Cash on hand	42.425	21.528	21.528	21.439
Bank deposits	1.690.301.129	1.940.001.758	1.940.001.758	1.591.695.487
Cheques received	-	-	-	400.138
Cash and cash equivalents in the balance sheet	**1.690.343.554**	**1.940.023.286**	**1.940.023.286**	**1.592.117.064**
Bank deposits – blocked	(500)	(500)	(500)	(500)
Time deposits with maturities longer than 3 months	(305.956.102)	(157.229.110)	(157.229.110)	(145.142.438)
Interest accruals on bank deposits	(9.232.799)	(14.400.277)	(14.400.277)	(10.329.632)
Cash and cash equivalents presented in the statement of cash flows	**1.375.154.153**	**1.768.393.399**	**1.768.393.399**	**1.436.644.494**

As of December 31, 2022, and 2021, the details of bank deposits as follows:

	December 31, 2022	**December 31, 2021**
Foreign currency denominated bank deposits		
- time deposits	561.136.862	223.883.970
- demand deposits	116.626.088	71.456.715
Bank deposits in Turkish Lira		
- time deposits	1.011.826.258	1.644.191.595
- demand deposits	711.921	469.478
Bank deposits	**1.690.301.129**	**1.940.001.758**

(Currency: Turkish Lira (TL))

15 Equity

Paid in capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group having 87,60 % of outstanding shares. As of December 31, 2022, and, 2021, the shareholding structure of the Company is as follows:

	December 31, 2022		**December 31, 2021**	
Name	**Shareholding amount(TL)**	**Shareholding rate (%)**	**Shareholding amount (TL)**	**Shareholding rate (%)**
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Groupama Hayat A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid in capital	**660.000.000**	**100,00**	**660.000.000**	**100,00**

As of December 31, 2021, the issued share capital of the Company is TL 660.000.000 (December 31, 2021: TL 660.000.000) and the share capital of the Company consists of 66.000.000.000 (December 31, 2021: 66.000.000.000 shares) issued shares with TL 0,01 nominal value each. There are no privileges over the shares of the Company.

There are not any treasury shares held by the Company itself or by its subsidiaries or associates.

There are not any treasury shares issued which will be subject to sale in accordance with forward transactions and contracts.

(Currency: Turkish Lira (TL))

15 Equity *(continued)*

Legal reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital but may be used to absorb losses in the event that the general reserve is exhausted.

The movements of legal reserves are as follows:

	December 31, 2022	December 31, 2021
Legal reserves at the beginning of the period	**226.709.388**	**194.945.022**
Transfer from profit	29.616.804	19.027.365
Accounted according to the equity method	5.486.282	12.737.001
Legal reserves at the end of the period	**261.812.474**	**226.709.388**

As of December 31, 2022, and December 31, 2021, "Other Reserves and Retained Earnings" includes extraordinary reserves, gains to be added to equity and buildings for own use revaluation differences and other profit reserves.

Extraordinary reserves

The movement of extraordinary reserves is as follows:

	December 31, 2022	December 31, 2021
Extraordinary reserves at the beginning of the period	**823.206.149**	**692.870.924**
Transfer from profit	-	-
Accounted according to the equity method	232.743.627	130.335.225
Extraordinary reserves at the end of the period	**1.055.949.776**	**823.206.149**

Special funds (reserves)

As of 31 December 2022, a fund of 33.809.969 TL has been allocated to receive venture capital investment fund participation shares from the 2021 period profit in accordance with the provisions of Article 325/A of the Tax Procedure Law and Article 10 of the Corporate Tax Law. (31 December 2021: 17.000.000 TL). As of December 31, 2022, special funds accounted according to the equity method is amounting to TL 67.127.812 (December 31, 2021: 40.074.90).

The movements of special funds are as follows:

	December 31, 2022	December 31, 2021
Special funds at the beginning of the period	**57.074.903**	**16.900.903**
Transfer from profit	33.809.969	17.000.000
Accounted according to the equity method	27.052.909	23.174.000
Special funds at the end of the period	**117.937.781**	**57.074.903**

(Currency: Turkish Lira (TL))

15 Equity *(continued)*

Other profit reserves

According to revision on TAS 19, actuarial profit and losses that recognized in income statement in termination indemnity calculation before, is recognized in "Other Profit Reserves" account under equity in current period financial statements. The amount of TL (15.402.782) (December 31, 2021: TL (5.965.389) regarding actuarial calculation is presented in other profit reserves account, in calculation of termination indemnity As of December 31, 2022.

Movement of other profit reserves is presented below:

	December 31, 2022	December 31, 2021
Other profit reserves at the beginning of the period	**15.947.853**	**19.379.678**
Actuarial gains/losses	(9.437.393)	(1.671.278)
Accounted according to the equity method	699.771	(1.760.547)
Other profit reserves at the end of the period	**7.210.231**	**15.947.853**

Statutory reserves

After the allocation of first legal reserves and first dividend to shareholders, reserve for natural disasters and catastrophe might be allocated, if deemed necessary, based on the suggestion of the Board of Directors and decision of the General Assembly. As of December 31, 2022, there are no funds allocated in this manner (December 31, 2021: None). As of December 31, 2022, the statutory reverses that are accounted according to the equity method amounting to TL 122.747.456 (December 31, 2021: TL 83.112.202).

Foreign currency translation differences

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. As of December 31, 2022, foreign currency translation loss amounting to TL 86.654.441 (December 31, 2021: TL 41.999.609) stems from Singapore Branch whose functional currency is US Dollars.

Other capital reserves

"According to TAS 16 – "Property Plant and Equipment", property, plant and equipment are initially recorded at cost and can be subsequently measured at their fair values. The Company has started to show based on the revaluation model by measuring over fair value as of the third quarter of 2015 by making changes in the use of the property which is measuring the cost model in the financial statements before.

According to expertise reports, fair value of building for own use is calculated as TL 744.475.000 and revaluation differences amounted TL 729.034.443 is recognized in 'Other Capital Reserves' account under equity amounting to TL 637.905.139 with net tax effect in financial statements As of December 31, 2022 (December 31, 2021: TL 196.537.385). As of December 31, 2021, the other capital reverses that are accounted according to the equity method amounting to TL 39.677.182 (December 31, 2021: TL 24.016.043)

(Currency: Turkish Lira (TL))

15 Equity *(continued)*

Valuation of financial assets

As of December 31, 2022, and 2021 detailed change of fair value of marketable securities, debt securities and subsidiaries classified as available for sale financial assets is as following:

	December 31, 2022	December 31, 2021
Fair value reserves at the beginning of the period	**28.018.182**	**284.072.561**
Change in the fair value during the period *(Note 4.2)*	760.461.077	(259.594.688)
Deferred tax effect *(Note 4.2)*	(12.893.456)	9.157.684
Net gains transferred to the statement of income *(Note 4.2)*	498.127	(7.489.833)
Deferred tax effect *(Note 4.2)*	(124.531)	1.872.458
Fair value reserves at the end of the period	**775.959.399**	**28.018.182**

Profit for the period that is extraneous from the distribution In accordance with tax legislation, 75% of profits from sales of participation shares and 50% of profit from real states included in the assets of companies is exempt from corporate tax provided that it is classified under a special fund for full five years. The exempt gains cannot be transferred to another account other than a capital increase or cannot be withdrawn from the entity for five years. In the direction of sector announcement made by Treasury dated October 27 , 2008 and numbered 2008/41, the Company classified the gain on sale dated April 10, 2015 from the land in real estate amounting to TL 23.723.323 as of December 31, 2016. As of December 31, 2022, TL 162.083, which corresponds to 75% of the income obtained from the sale of the subsidiary realized by the Company as of December 14, 2021, has been classified in the Non-Distributable Period Profit. The Non-Distributable Period Profit amount accounted for using the equity method is TL 9.914.408. (31 Aralık 2021: 844.463)

16 Other reserves and equity component of discretionary participation

As of December 31, 2022, and 2021, other reserves are explained in detail in Note 15 – *Equity* above.

As of December 31, 2022, and 2021, the Company does not hold any insurance or investment contracts which contain a discretionary participation feature.

(Currency: Turkish Lira (TL))

17 Insurance contract liabilities and reinsurance assets

Estimation of the ultimate payment for the outstanding claims is one of the most important accounting assumptions of the Company. Estimation of the insurance contract liabilities contains several ambiguities by nature. The Company makes calculation of the related insurance technical provisions accordance with the Insurance Legislation and reflects them into financial statements as mentioned in Note 2 – *Summary of significant accounting policies*.

As of December 31, 2022, and 2021, technical reserves of the Company are as follows:

	December 31, 2022	**December 31, 2021**
Unearned premiums reserve, gross	2.293.557.896	1.187.333.155
Unearned premiums reserve, ceded *(Note 10)*	(49.314.693)	(23.649.245)
Unearned premiums reserve, net	**2.244.243.203**	**1.163.683.910**
Outstanding claims reserve, gross	4.174.390.046	2.375.596.576
Outstanding claims reserve, ceded *(Note 10)*	(129.947.122)	(106.787.271)
Outstanding claims reserve, net	**4.044.442.924**	**2.268.809.305**
Unexpired risks reserve, gross	13.916.585	158.300.804
Unexpired risks reserve, ceded *(Note 10)*	(752.399)	(2.455.087)
Unexpired risks reserve, net	**13.164.186**	**155.845.717**
Equalization reserve, net	**405.400.733**	**245.855.051**
Mathematical reserves	**-**	**-**
Total technical reserves, net	**6.707.251.046**	**3.834.193.983**
Short-term	6.301.850.313	3.588.338.932
Medium and long-term	405.400.733	245.855.051
Total technical reserves, net	**6.707.251.046**	**3.834.193.983**

(Currency: Turkish Lira (TL))

17 Insurance liabilities and reinsurance assets *(continued)*

As of December 31, 2022, and 2021, movements of the insurance liabilities and related reinsurance assets are presented below:

	December 31, 2022		
Unearned premiums reserve	**Gross**	**Ceded**	**Net**
Unearned premiums reserve at the beginning of the period	1.187.333.155	(23.649.245)	1.163.683.910
Written premiums during the period	4.808.430.037	(701.343.384)	4.107.086.653
Earned premiums during the period	(3.702.205.296)	675.677.936	(3.026.527.360)
Unearned premiums reserve at the end of the period	**2.293.557.896**	**(49.314.693)**	**2.244.243.203**

	December 31, 2021		
Unearned premiums reserve	**Gross**	**Ceded**	**Net**
Unearned premiums reserve at the beginning of the period	840.067.426	(20.130.822)	819.936.604
Written premiums during the period	2.482.605.065	(330.959.315)	2.151.645.750
Earned premiums during the period	(2.135.339.336)	327.440.892	(1.807.898.444)
Unearned premiums reserve at the end of the period	**1.187.333.155**	**(23.649.245)**	**1.163.683.910**

	December 31, 2022		
Outstanding claims reserve	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	2.375.596.576	(106.787.271)	2.268.809.305
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	4.732.308.654	(133.099.597)	4.599.209.057
Claims paid during the period	(2.423.531.546)	102.412.195	(2.321.119.351)
Discount effect	(509.983.638)	7.527.551	(502.456.087)
Outstanding claims reserve at the end of the period	**4.174.390.046**	**(129.947.122)**	**4.044.442.924**

	December 31, 2021		
Outstanding claims reserve	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	1.710.325.122	(78.871.381)	1.631.453.741
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	2.342.572.852	(88.572.054)	2.254.000.798
Claims paid during the period	(1.373.848.905)	57.817.710	(1.316.031.195)
Discount effect	(303.452.493)	2.838.454	(300.614.039)
Outstanding claims reserve at the end of the period	**2.375.596.576**	**(106.787.271)**	**2.268.809.305**

17 Insurance liabilities and reinsurance assets *(continued)*

Total amount of guarantee that should be placed by the Company for life and non-life branches and guarantees placed for the life and non-life branches in respect of related assets

The Company, being a reinsurance Company, has no obligation of providing guarantees.

Total amount of insurance risk on a branch basis

Total amount of insurance risk on branch basis for non-life insurance branch is not kept by the Company.

Company's number of life insurance policies, additions, disposals during the year and the related mathematical reserves

None.

Distribution of new life insurance policyholders in terms of numbers and gross and net premiums as individual or group during the period

None.

Distribution of mathematical reserves for life insurance policyholders who left the Company's portfolio as individual or group during the period

None.

Pension investment funds established by the Company and their unit prices

None.

Number and amount of participation certificates in portfolio and circulation

None.

Portfolio amounts in terms of number of new participants, left or cancelled participants, and existing participants for individuals and groups

None.

Valuation methods used in profit share calculation for saving life contracts with profit sharing

None.

(Currency: Turkish Lira (TL))

17 Insurance liabilities and reinsurance assets *(continued)*

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups which were transferred from other insurance companies during the year

None.

Distribution of individual and group participants and their gross and net contributions which were transferred from life insurance portfolio to private pension portfolio during the year

None.

Distribution of individual and group participants which were cancelled or transferred to other insurance companies in terms of their numbers and gross and net contributions

None.

Profit share distribution rate of life insurances

None.

Deferred commission expenses

The Company capitalizes commissions paid to the intermediaries related to policy production under short-term and long-term prepaid expenses. As of December 31, 2022, deferred production expenses amounting to TL 540.362.676 (31 Aralık 2021: 281.625.876 TL) deferred production commissions amounting to TL 537.519.645 (31 December 2021: TL 280.371.627) and deferred loss surplus amounting to TL 2.843.031 (31 December 2021: TL 1.254.249) It consists of premiums.

As of December 31, 2022, and 2021, the movement of deferred commission expenses is presented below:

	December 31, 2022	**December 31, 2021**
Deferred commission expenses at the beginning of the period	280.371.627	199.751.582
Commissions accrued during the period *(Note 32)*	1.091.429.957	578.447.634
Commissions expensed during the period *(Note 32)*	(834.281.939)	(497.827.589)
Deferred commission expenses at the end of the period	**537.519.645**	**280.371.627**

18 Investment contract liabilities

None.

(Currency: Turkish Lira (TL))

19 Trade and other payables and deferred income

	December 31, 2022	December 31, 2021
Financial Liabilities	126.259	3.234.894
Payables from reinsurance operations	157.282.931	127.233.309
Short/long term deferred income and expense accruals	26.927.997	14.791.526
Taxes and other liabilities and similar obligations	6.317.060	81.489.082
Due to related parties *(Note 45)*	419.272	156.141
Other payables	13.057.845	3.616.330
Total	**204.131.364**	**230.521.282**
Short-term liabilities	162.229.199	200.031.125
Medium and long-term liabilities	41.902.165	30.490.157
Total	**204.131.364**	**230.521.282**

As of December 31, 2022, and 2021, other payables largely consist of outsourced benefits and services.

Short/long term deferred income and expense accruals include deferred commission income *(Note 10)* amounting to TL 9.482.897 (December 31, 2021: TL 4.098.066).

As of December 31, 2022, the amounting of the expense accruals TL 17.174.294 (December 31, 2021: TL 10.493.032) are detailed in the table below.

	December 31, 2022	December 31, 2021
Dividend accrual	7.368.043	4.456.812
Other accruals	9.806.251	6.036.220
Total	**17.174.294**	**10.493.032**

Prepaid income and expense accruals are TL 270.806 (December 31, 2021: TL 200.428) consist of long-term and short term other deferred income.

Corporate tax liabilities and prepaid taxes are disclosed below:

	December 31, 2022	December 31, 2021
Taxes paid during the year	13.673.790	51.468.799
Corporate tax liabilities	-	(128.897.591)
Prepaid assets, net	**13.673.790**	**(77.428.792)**

Total amount of investment incentives which will be benefited in current and forthcoming periods

None.

20 Financial liabilities

As of 31 December 2022 and 2021, discounted repayment plans for the Company's operating leases are as follows:

	December 31, 2022	December 31, 2021
Within one year	30.126	3.234.894
1 yıldan uzun	96.133	-
Total	**126.259**	**3.234.894**

(Currency: Turkish Lira (TL))

21 Deferred tax

As of December 31, 2022, and 2021, deferred tax assets and liabilities are attributable to the following:

	December 31, 2022	**December 31, 2021**
	Deferred tax assets / (liabilities)	**Deferred tax assets / (liabilities)**
Unexpired risks reserve	3.291.046	35.844.515
Equalization provision	59.979.691	32.568.287
Provision for the pension fund deficits	58.816.795	20.599.702
Provisions for employee termination benefits	7.637.199	2.998.408
Provision for doubtful receivables	1.946.412	2.484.919
Personnel bonus accrual	1.842.012	1.114.203
Valuation differences in financial assets	6.012.445	119.584
Rediscount of receivables and payables	(26.240)	(7.613)
Time deposits	398.499	(507.293)
Amortization correction differences	(1.739.745)	(797.643)
Profit commission accrual	(10.968.672)	(4.767.444)
Real estate valuation differences	(294.503.668)	(74.513.476)
Deferred tax (liabilities)/assets, net	**(167.314.226)**	**15.136.149**

As of 31 December 2022, the Company has a deductible financial loss of 751.610.679 TL that can be used until 31 December 2027. Th Company reviewed the business plan as of December 31, 2022 and estimated the risk of not being able to use the financial losses, which can be deducted in the coming years, and as of December 31, 2022, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle (31 December 2021: None).

Movement of deferred tax assets are given below:

	December 31, 2022	**December 31, 2021**
Opening balance at 1 January	**15.136.149**	**(12.731.169)**
Deferred tax income/ expense	(103.908.015)	23.899.257
Deferred tax income/ expense recognised in equity	(78.542.360)	3.968.061
Deferred tax (assets) / liabilities:	**(167.314.226)**	**15.136.149**

22 Retirement benefit obligations

Employees of the Company are the members of "Milli Reasürans Türk Anonim Şirketi Emekli ve Sağlık Sandığı Vakfı ("Milli Reasürans Pension Fund") which is established in accordance with the temporary Article 20 of the Social Security Act No: 506.

As per the provisional article No: 23 of the Banking Law No: 5411, pension funds of the banks which were established within the framework of Social Security Institution Law, should be transferred to the Social Security Institution within three years after the publication of the prevailing Banking Law enacted on November 1, 2005. However, the said article of the Banking Law has been vetoed by the President on November 2, 2005 and the execution of the article was ceased based on the Supreme Court's decision numbered 2007/33 and dated March 22, 2007. The justified decision of Supreme Court is published in Official Gazette dated December 15, 2007 and numbered 26731. Supreme Court asserted possible losses on acquired rights of employees of pension fund as reason for cancellation decision.

Following annulment of the temporary Article 23 of the Banking Law, the new law "Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees" was published in the Official Gazette dated May 8, 2008 and came into force. The new law requires transfer of the participants or beneficiaries of pension funds to Social Security Institution as at the effective date of the Act within 3 years and prescribe the extension period of the transfer as maximum of two years upon the order of the Cabinet. Accordingly, the three-year period expired on May 8, 2011 was extended to the May 8, 2013. On March 8, 2012, "Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees" numbered 28227, was published on Official Gazette and 4th article of this act changed "two years" phrase as "four years" which takes part on second sentence of first clause of 20th article of the code numbered 5510. Also, under the scope of Decree of the Council of Ministers numbered 2013/4617 was published on Official Gazette numbered 28636, on May 3, 2013 and 20th temporary article of the Social Security Laws numbered 506 banks, insurance and reinsurance companies, chambers of commerce, stock markets or participants of pension funds and salary or income provided ones and their shareholders' transfer duration has been extended one year to the Social Security Institution by Decree of the Council of Ministers. Under the scope of Decree of Turkish Ministry of Labour and Social Security numbered 174, according to 20th temporary article of the Social Security Laws numbered 5510, the Council of Ministers postpone transfer of the funds until May 8, 2015 with the decision of The Council of Ministers dated February 24, 2014.

April 23, 2015 dated Official Gazette is changed as following; insurance and reinsurance companies, chambers of commerce, industry chambers, stock exchanges or which constitutes their union personnel and associates of funds "The Council is authorized to determine the date of transfer within the scope of article 20 the of the law, 506 banks, insurance and reinsurance companies, chambers of commerce, industry chambers, stock exchanges or which constitutes their union personnel and associates of funds to the social security institution. Pension fund contributors as of the transfer date and considered insured by the first paragraph of Article 4 of this law.

With the decision of the Council of Ministers to be published in the future, the principles and practices of the period will be determined.

On the other hand, the application made on June 19, 2008 by the Republican People's Party to the Constitutional Court for the annulment and motion for stay of some articles, including the first paragraph of the provisional article 20 of the Law, which covers provisions on transfers, was rejected in accordance with the decision taken at the meeting of the afore-mentioned court on March 30, 2011.

As per the temporary sub article No: 20 of the Article 73 of the above mentioned law also includes the following;

For each ballot box, the advance value of the obligation in relation to the transferred persons as of the date of transfer, including the associates who left the ballot box, must be calculated in accordance with the following provisions:

a) technical deficit rate of 9.80% shall be used in the actuarial calculation of the value in cash, and

b) uncovered other rights and compensations of participants or beneficiaries of pension funds should be covered by the entities who transfer the funds.

(Currency: Turkish Lira (TL))

22 Retirement benefit obligations *(continued)*

In accordance with the law; after fund affiliates along with monthly salary and/or revenue endowed people and their rights holder transfer to Social Security Intuition, these people' uncovered social rights and payments is paid, even if it is written in the foundation's obligation which they are belong to, by funds and fund affiliate's employer institutions. The benefits stated in the settlement deeds of pension fund but not subject to transfer will continue to be covered by the pension funds.

The technical financial position of the Milli Reasürans Pension Fund is audited by the registered actuary in accordance with the Article 21 of the Insurance Law and Actuary Act. As per the calculations based on the above mentioned assumptions, actuarial and technical deficit amounting to TL 235.267.182 (December 31, 2021: TL 102.998.511) is accounted as "Provision for pension fund deficits" in the accompanying unconsolidated financial statements.

An actuarial report has been obtained from registered actuary regarding calculation of the amount to be paid to the Social Security Institution by the Company in accordance with the new law. The CSO 1980 mortality table for December 31,2022 9.8% of technical deficit interest rate are taken into account in the calculation of the said technical deficit. No real increase / decrease is anticipated in salary and health expenses. The health benefits to be paid will be considered by the Group management due to the changes in the Social Security Institution legislation and other regulations. At December 31, 2022 and 2021, technical deficit from pension funds comprised the following.

	December 31, 2022	**December 31, 2021**
Net present value of total liabilities other than health	(477.099.568)	(238.855.340)
Net present value of insurance premiums	143.627.068	64.386.463
Net present value of total liabilities other than health	**(333.472.500)**	**(174.468.877)**
Net present value of health liabilities	(56.866.044)	(28.428.461)
Net present value of health premiums	78.927.742	35.160.105
Net present value of health liabilities	**22.061.698**	**6.731.644**
Pension fund assets	**76.143.620**	**64.738.722**
Amount of actuarial and technical deficit	**(235.267.182)**	**(102.998.511)**

Pension fund's assets are comprised of the following items:

	December 31, 2022	**December 31, 2021**
Cash and cash equivalents	38.295.525	46.206.290
Associates	31.736.625	16.823.239
Other	6.111.470	1.709.193
Total plan assets	**76.143.620**	**64.738.722**

(Currency: Turkish Lira (TL))

23 Other liabilities and expense accruals

As of December 31, 2022, and 2021; the provisions for other risks are disclosed as follows:

	December 31, 2022	**December 31, 2021**
Provision for pension fund deficits *(Note 22)*	235.267.182	102.998.511
Provision for employee termination benefits	30.548.796	14.992.038
Total provision for other risks	**265.815.978**	**117.990.549**

Movement of provision for employee termination benefits during the period is presented below:

	December 31, 2022	**December 31, 2021**
Provision at the beginning of the period	14.992.038	12.123.164
Interest cost *(Note 47)*	2.630.146	1.310.788
Service cost *(Note 47)*	1.888.765	898.130
Payments during the period *(Note 47)*	(2.042.459)	(1.429.142)
Actuarial gain/ loss	13.080.306	2.089.098
Provision at the end of the period	**30.548.796**	**14.992.038**

24 Net insurance premium revenue

Net insurance premium revenue for non–life branches is presented in detailed in the accompanying unconsolidated statement of income.

25 Fee revenue

None.

26 Investment income

Investment income is presented in Note 4.2 – *Financial risk management*.

27 Net income accrual on financial assets

Net realized gains on financial assets are presented in Note 4.2 – *Financial risk management*.

28 Asset held at fair value through profit or loss

Presented in “Note 4.2 – Financial Risk Management”.

(Currency: Turkish Lira (TL))

29 Insurance rights and claims

	December 31, 2022		December 31, 2021	
	Life	**Non-Life**	**Life**	**Non-Life**
Claims paid, net off reinsurers' share	(9.292.133)	(2.311.827.218)	(10.115.740)	(1.305.915.455)
Changes in outstanding claims reserve, net off reinsurers' share	9.915.129	(1.785.548.748)	(5.258.180)	(632.097.384)
Changes in unearned premiums reserve, net off reinsurers' share	(1.633.068)	(1.078.926.225)	11.000.553	(354.747.859)
Changes in unexpired risks reserve, net off reinsurers' share	948.523	141.733.008	(948.523)	(106.748.800)
Change in equalization reserve, net off reinsurers' share	(101.352)	(159.444.330)	(5.725)	(61.176.976)
Change in life mathematical reserves, net off reinsurers' share	-	-	13.014	-
Total	**(162.901)**	**(5.194.013.513)**	**(5.314.601)**	**(2.460.686.474)**

30 Investment contract benefits

None.

31 Other expenses

The allocation of the expenses with respect to their nature or function is presented in Note 32 – *Expenses by nature* below.

32 Operating expenses

As of December 31, 2022, and 2021, the operating expenses are disclosed as follows:

	December 31, 2022		December 31, 2021	
	Life	**Non-Life**	**Life**	**Non-Life**
Commission expenses *(Note 17)*	4.622.090	829.659.849	1.643.480	496.184.109
Commissions to the intermediaries accrued during the period (Note 17)	4.757.807	1.086.672.150	(2.331.747)	580.779.381
Changes in deferred commission expenses (Note 17)	(135.717)	(257.012.301)	3.975.227	(84.595.272)
Employee benefit expenses *(Note 33)*	556.571	133.499.893	562.370	75.108.617
Foreign exchange losses	228.373	266.056.619	674.908	162.304.196
Administration expenses	215.306	45.790.907	219.627	25.380.454
Commission income from reinsurers *(Note 10)*	-	(16.634.487)	-	(8.838.442)
Commission income from reinsurers accrued during the period (Note 10)	-	(25.072.841)	-	(10.175.548)
Change in deferred commission income (Note 10)	-	8.438.354	-	1.337.106
Outsourced benefits and services	63.145	12.080.160	67.763	7.297.745
Other	26.451	23.041.353	35.542	14.153.408
Total	**5.711.936**	**1.293.494.294**	**3.203.690**	**771.590.087**

(Currency: Turkish Lira (TL))

33 Employee benefit expenses

As of December 31, 2022, and 2021, employee benefit expenses are disclosed as follows:

	December 31, 2022		**December 31, 2021**	
	Life	**Non-Life**	**Life**	**Non-Life**
Wages and salaries	357.858	92.967.020	397.726	56.044.640
Employer's share in social security premiums	116.573	24.027.551	102.038	11.989.120
Pension fund benefits	82.140	16.505.322	62.606	7.074.857
Total *(Note 32)*	**556.571**	**133.499.893**	**562.370**	**75.108.617**

34 Financial costs

As of December 31, 2022, TL 303.487 (1 January - 31 December 2021 : 53.257) interest expense arising from leases that the Company is subject to TFRS 16 Leasing Transactions standard is recognised under "Investment Management Expenses - Interest Included" account; and the depreciation expense amounting to TL 4.130.773 is recognised under the "Depreciation and Amortization Expense" accounts (1 January - 31 December 2021: 2.205.045).

35 Income Taxes

Income tax expense in the accompanying financial statements is as follows:

	December 31, 2022	**December 31, 2021**
Corporate tax expense:		
Corporate tax provision	-	(128.897.591)
Deferred taxes:		
Origination and reversal of temporary differences	(103.908.015)	23.899.257
Total income tax expense / (income)	**(103.908.015)**	**(104.998.334)**

For the period then ended As of December 31, 2022 and 2021, a reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

	December 31, 2022		**December 31, 2021**	
Profit before taxes	**992.527.781**	**Tax rate (%)**	**653.963.982**	**Tax rate (%)**
Taxes on income per statutory tax rate	248.131.945	25,00	163.490.996	25,00
Tax exempt income	(217.070.740)	(21,87)	(86.647.102)	(13,25)
Non-deductible expenses	72.846.810	7,34	28.154.440	4,31
Total tax expense recognized in profit or loss	**103.908.015**	**10,47**	**104.998.334**	**16,06**

36 Net foreign exchange gains

Net foreign exchange gains are presented in Note 4.2 – *Financial Risk Management* above.

(Currency: Turkish Lira (TL))

37 Earnings per share

Earnings per share are calculated by dividing net profit of the year to the weighted average number of shares.

	December 31, 2022	**December 31, 2021**
Net profit for the period	888.619.766	548.965.648
Weighted average number of shares	66.000.000.000	66.000.000.000
Earnings per share (TL)	0,0135	0,00832

38 Dividends per share

Dividend distribution policy of the Company stated its Articles of Association are as follows:

Net profit for the year presents remaining amount of total income of the year after deducting operating expenses, amortisation, provisions, taxes and other similar obligations and prior year losses if any. Net profit is divided and distributed in accordance with order as follows.

- 5% of legal reserve is divided from annual net profit, until it reaches 20% of share capital.
- Amounts described by a and b clauses of 2nd paragraph of 519th article of the Turkish Commercial Law will be added to general legal reserves, after legal limit is reached.
- 10% of the remaining net profit amount is distributed to shareholders, as first dividend.
- If the Company has acquired his share, according to 520th article of the Turkish Commercial Law, legal reserve is divided to meet the acquiring amount.
- Reserve for natural disasters and catastrophe might be allocated, if deemed necessary, based on the suggestion of the Board of Directors and decision of the General Assembly,
- After the allocation of first legal reserves, first dividend to shareholders and statutory reserves, up to 3% of the remaining amount not exceeding three-wages is distributed to personnel.
- After the allocation of above mentioned reserves and dividends, second dividend to shareholders might be allocated, based on the suggestion of the Board of Directors and decision of the General Assembly.
- According to c clause of 2nd paragraph of 519th article of the Turkish Commercial Law, 10% of total amount distributed to people have share of profit will be added to general legal reserves.
- The fate of remaining amount will be determined by the General Assembly.

Judgements of 3rd paragraph of 519th article of Turkish Commercial Law are reserved.

Other legal reserves cannot be divided, profit cannot be transferred to next year and share of profit cannot be distributed to members of the Board of Directors, founders or workers, unless legal reserves have to be divided according to laws and first dividend for shareholders is divided, in accordance with the Articles of Association.

At the Ordinary General Assembly Meeting of the Company held on March 28, 2022, from the period net profit of 548,965,648 TL, which was generated as a result of the company's activities in 2021, 48,000,000 TL was paid to the shareholders as a cash dividend, after the legal reserves were set aside, and the remaining amount was determined by Tax Procedure Within the framework of the provisions of Article 325/A of the Law and Article 10 of the Corporate Tax Law, 33.809.969 TL of funds will be allocated for the purchase of venture capital investment fund participation shares, 29.616.804 TL legal reserves will be allocated and the remaining amount will be left as previous year's profit.TL 47.984.125 of the dividend payment to the shareholders was paid in cash, and TL 15.875 was accounted for in the Payables to Partners account under Short-Term Liabilities. The amount of dividend paid is reflected to the financial statements as a liability in the period declared by the Company.

(Currency: Turkish Lira (TL))

39 Cash generated from operations

The cash flows from operating activities are presented in the accompanying unconsolidated statement of cash flows.

40 Convertible bonds

None.

41 Redeemable preference shares

None.

42 Risks

"Millî Reasürans Türk Anonim Şirketi Mensupları Yardımlaşma Sandığı Vakfı" was established by Millî Reasürans Türk Anonim Şirketi, in accordance with the Turkish Commercial and Civil Laws which is examined by Tax Audit Committee inspectors due to the Company payments what are fulfilled obligations to the foundation owing to deed of the foundation and the related act. As a result of this investigation, an examination was reported for periods of 2007, 2008, 2009, 2010 and 2011.

Legal process has been started for the years 2007, 2008, 2009, 2010, 2011 and the later years and the payment regarding to the revenue authorities was paid. As of the report date, there is no recognized provision.

43 Commitments

The Company provides guarantee to ceding companies in the non-life branch as a reinsurance Company and transfers insurance risks through treaties, facultative reinsurance contracts and coinsurance agreements to reinsurance and coinsurance companies.

The future aggregate minimum lease payments under operating leases for properties rented for use are as follows:

	December 31, 2022	**December 31, 2021**
Within one year	30.126	3.234.894
More than one year & Less than five years	96.133	-
Total of minimum rent payments	**126.259**	**3.234.894**

44 Business combinations

None.

(Currency: Turkish Lira (TL))

45 Related party transactions

For the purpose of the accompanying unconsolidated financial statements, shareholders, key management and members of board of directors together with their families and companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. The related party balances as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	**December 31, 2021**
Türkiye İş Bankası A.Ş.	724.044.050	899.402.534
Other	9.900	5.763
Banks	**724.053.950**	**899.408.297**
Investment funds founded by İş Portföy Yönetimi A.Ş. (*Note 11)*	432.880.122	105.244.013
Equity shares of the related parties *(Note 11)*	289.699.205	104.398.469
Bond issued by Türkiye İş Bankası A.Ş. *(Note 11)*	-	111.350.600
Eurobonds issued by Türkiye İş Bankası A.Ş. *(Note 11)*	132.045.525	65.623.333
Bonds issued by İş GYO A.Ş. (Note 11)	-	29.663.400
Bonds issued by İş Faktoring A.Ş. (Note 11)	-	66.800.600
Eurobonds issued by İşYatırım A.Ş. *(Note 11)*	-	82.980.050
Bonds issued by İş Finansal Kiralama A.Ş. (Note 11)	-	82.771.780
Investment funds founded by İş Portföy Yönetimi A.Ş. (*Note 11)*	85.890.035	21.899.631
Industrial Development Bank of Turkey as bonds issued Inc. (Note 11)	37.101.541	26.002.746
Türkiye Şişe ve Cam Fabrikaları A.Ş'nin ihraç ettiği tahviller(Not 11)	82.731.200	-
Türkiye İş Bankası kur korumalı mevduat	96.430.000	-
Financial assets	**1.156.777.628**	**696.734.622**
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş.)	78.549.428	43.392.683
Anadolu Sigorta	73.674.497	23.738.636
Groupama Sigorta A.Ş	8.233.869	3.071.478
Anadolu Hayat Emeklilik A.Ş	4.951.884	1.460.965
HDI Sigorta A.Ş.	504.422	29.177
İstanbul Umum Sigorta A.Ş	273.998	204.952
Liberty Sigorta A.Ş. (HDI Sigorta A.Ş.)	42.981	-
Ergo Sigorta A.Ş. (HDI Sigorta A.Ş.)	15.892	34.541
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	2.751	13.960
Receivables from main operations	**166.249.722**	**71.946.392**
Due to shareholders	156.859	140.984
Due to other related parties	262.413	15.157
Due to related parties	**419.272**	**156.141**
Axa Sigorta A.Ş	5.373.820	216.841
Allianz Sigorta A.Ş	3.931.833	2.239.632
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	2.560.806	4.908.866
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	275.047	1.049.153
Güven Sigorta T.A.Ş	73.483	131.943
Liberty Sigorta A.Ş. (HDI Sigorta A.Ş.)	69.172	128.493
Groupama Sigorta A.Ş	38.158	48.426
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş.)	33.279	40.407
İstanbul Umum Sigorta A.Ş	25.580	29.152
Anadolu Sigorta	12.139	16.347
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	-	2.423.749
Halk Hayat ve Emek.(Türkiye Hayat Emeklilik A.Ş)	-	3.682.479
Anadolu Hayat Emeklilik A.Ş	-	343.679
Ziraat Hayat ve Emeklilik(Türkiye Hayat Emeklilik A.Ş)	-	230.976
Payables from main operations	**12.393.317**	**15.490.143**

(Currency: Turkish Lira (TL))

45 Related party transactions *(continued)*

No guarantees have been taken against receivables from related parties.

There are no doubtful receivables and payables from shareholders, subsidiaries and joint ventures.

No guarantees, commitments, guarantee letters, advances and endorsements given in favour of shareholders, associates and subsidiaries.

The transactions with related parties are as follows:

	December 31, 2022	**December 31, 2021**
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	645.949.012	358.925.841
Anadolu Sigorta	514.690.257	243.822.624
Groupama Sigorta A.Ş.	61.144.191	32.408.505
Allianz Sigorta A.Ş.	13.216.018	2.969.313
Anadolu Hayat Emeklilik A.Ş.	7.876.435	2.871.213
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	3.591.451	370.054
Hdi Sigorta A.Ş.	1.799.242	1.027.354
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	538.105	1.248.386
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	10.332	-
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	7.889	3.802.753
Ziraat Hayat ve Emeklilik(Türkiye Hayat Emeklilik A.Ş)		32.975
Güven Sigorta T.A.Ş.	-	(25)
Halk Hayat ve Emek.(Türkiye Hayat Emeklilik A.Ş)	-	(8.679.894)
Axa Sigorta A.Ş.	(28.139)	1.766.571
Premiums received	**1.248.794.793**	**640.565.670**
Anadolu Sigorta	2.386.178	1.637.799
Groupama Sigorta A.Ş.	23	29
Axa Sigorta A.Ş.	16	12
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	12	12
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	10	21
Güven Sigorta T.A.Ş.	5	4
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	5	4
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	3	-
Hdi Sigorta A.Ş.	2	2
Premiums ceded to the reinsurer	**2.386.254**	**1.637.883**
Anadolu Sigorta	170.904	127.507
İstanbul Umum A.Ş.	(11)	--
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	(52)	--
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	(72)	--
Allianz Sigorta A.Ş.	(90)	--
Axa Sigorta A.Ş.	(121)	--
Güven Sigorta T.A.Ş.	(126)	--
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	(179)	(1)
Groupama Sigorta A.Ş.	(204)	(1)
Commissions received	**170.049**	**127.505**

(Currency: Turkish Lira (TL))

45 Related party transactions *(continued)*

	December 31, 2022	**December 31, 2021**
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	175.292.378	96.542.640
Anadolu Sigorta	104.059.523	49.730.198
Groupama Sigorta A.Ş.	13.521.740	7.050.112
Allianz Sigorta A.Ş.	3.649.769	771.961
Halk Hayat ve Emek.(Türkiye Hayat Emeklilik A.Ş)	2.218.375	(2.162.687)
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	754.903	551.977
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	616.830	359.376
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	375.747	340.695
Hdi Sigorta A.Ş.	276.099	158.832
Anadolu Hayat Emeklilik A.Ş.	22.003	228.024
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	1.033	13.757
Güven Sigorta T.A.Ş.	-	(3)
Axa Sigorta A.Ş.	(485.681)	458.553
Commissions given	**300.302.719**	**154.043.435**

Anadolu Sigorta	287.715.432	94.722.330
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	216.205.031	135.167.046
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	33.282.317	46.071.219
Groupama Sigorta A.Ş.	20.979.891	12.270.280
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	6.892.618	3.100.838
Axa Sigorta A.Ş.	6.259.755	5.158.676
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	4.908.061	6.913.248
Allianz Sigorta A.Ş.	4.595.680	(96.447)
Anadolu Hayat Emeklilik A.Ş.	2.721.603	2.468.395
Halk Hayat ve Emek.(Türkiye Hayat Emeklilik A.Ş)	267.650	5.299.653
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	266.199	255.887
Güven Sigorta T.A.Ş.	261.754	336.309
Hdi Sigorta A.Ş.	244.456	1.625.247
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	-	2.336.941
Ziraat Hayat ve Emeklilik(Türkiye Hayat Emeklilik A.Ş)	-	346.969
Claims paid	**584.600.447**	**315.976.591**

Anadolu Sigorta	136.361	323.925
Axa Sigorta A.Ş.	55.281	42.349
Groupama Sigorta A.Ş.	53.385	55.695
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	50.957	30.669
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	45.166	64.190
Güven Sigorta T.A.Ş.	43.820	31.074
İstanbul Umum A.Ş.	20.041	12.756
Allianz Sigorta A.Ş.	16.293	11.660
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	13.844	36.284
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	12.740	11.600
Hdi Sigorta A.Ş.	1.034	2.272
Reinsurance's share of claims paid	**448.922**	**622.474**

(Currency: Turkish Lira (TL))

45 Related party transactions *(continued)*

	December 31, 2022	December 31, 2021
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	8.426.523	5.702.820
Anadolu Sigorta	4.563.173	2.830.084
Anadolu Hayat Emeklilik A.Ş.	176.090	57.467
Axa Sigorta A.Ş.	148.063	29.316
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	142.529	18.960
Güven Sigorta T.A.Ş.	128.264	22.629
Groupama Sigorta A.Ş.	126.962	35.676
Hdi Sigorta A.Ş.	95.857	117.039
İstanbul Umum A.Ş.	56.485	6.605
Allianz Sigorta A.Ş.	49.812	9.530
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	32.873	106.919
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	12.088	(7.237)
Other income	**13.958.719**	**8.929.808**
Axa Sigorta A.Ş.	1.052.992	1.255.485
Allianz Sigorta A.Ş.	992.497	1.480.960
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	781.156	2.564.763
Anadolu Sigorta	309.022	452.721
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	210.488	212.818
Anadolu Hayat Emeklilik A.Ş.	140.949	135.227
Groupama Sigorta A.Ş.	4.670	27.618
Güven Sigorta T.A.Ş.	2.198	1.538
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	1.135	765
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	385	-
Hdi Sigorta A.Ş.	117	157.440
İstanbul Umum A.Ş.	44	37
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	1	-
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	-	1.601.362
Other expenses	**3.495.654**	**7.890.734**

46 Subsequent events

Subsequent events are disclosed in note 1.10 - *subsequent events*.

(Currency: Turkish Lira (TL))

47 Other

Items and amounts classified under the "other" account in financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet

They are presented in the related notes above.

Payables to employees and receivables from employees presented under accounts, "other receivables" and "other short or long term payables", and which have balance more than 1% of the total assets

None.

Subrogation recorded in "Off-Balance Sheet Accounts"

None.

Real rights on immovable and their values

None.

Explanatory note for the amounts and nature of previous years' income and losses

None.

Details of rediscount and provision expenses are as follows:

Provision expenses	**December 31, 2022**	**December 31, 2021**
Provision for pension fund deficits	(132.268.671)	(33.437.456)
Provision expenses for doubtful receivables (*)	(15.221.603)	(28.449.324)
Provision for employee termination benefits *(Note 23)*	(2.476.451)	(779.776)
Other provision	(471.823)	67.228
Total of provisions	**(150.438.548)**	**(62.599.328)**

(*) The provision for doubtful receivables related to valuation of foreign currency denominated receivables from main operations.

Rediscount Expenses	**December 31, 2022**	**December 31, 2021**
Rediscount income / (expense) from reinsurance receivables	79.665	41.084
Rediscount income / (expense) from reinsurance payables	(9.599.934)	(1.132.684)
Total of rediscounts	**(9.520.269)**	**(1.091.600)**

	December 31, 2022	**December 31, 2021**
Independent audit fee for the reporting period(*)	1.785.115	681.499
Fees for tax advisory services	311.811	160.490
Fee for other assurance services	-	-
Fees for services other than independent audit	-	-
Total	**2.096.926**	**841.989**

(*) As of 31 December 2022, the independent audit fee received from Güney Independent Auditing and SMMM A.Ş is 543.775 TL, and the audit fee received from other independent audit companies is 1.241.340 TL (31 December 2021: Güney Independent Auditing and SMMM A. The independent audit fee is 189.900 TL, and the audit fee received from other independent audit companies is 491.599 TL.)