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

Millî Reasürans Türk Anonim Şirketi and its Subsidiary

Consolidated Financial Statements As of December 31, 2023 together with the Independent Auditor's Report

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Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(Convenience translation of a report and consolidated 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 Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Millî Reasürans Türk Anonim Şirketi (the Company) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of income, consolidated statement of changes in equity, consolidated statement of cash flows and statement of profit distribution for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance, its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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, 2023, the Company has insurance liabilities of TL 47.528.206.655 representing 65% of the Company's total liabilities. The Company has reflected net provision of TL 21.341.168.041 for the future outstanding claims for insurance contracts. In the calculation of Incurred But Not Reported (IBNR) claims provisions (TL 16.585.065.485, net) 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 consolidated 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 Group are appropriate. In this context, we have performed the audit procedures related to the recording of the Group's incurred outstanding claims; performed the analytical review, performed detailed testing on the incurred case files which selected randomly; obtained the signed lawyer letters from the Group's attorneys for litigated case files; assessed the average claim amount and opening claim amounts determined by the Group's actuaries; 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 Group for each line of businesses both the relevant claim characteristics and the Group's claim history; performed the recalculation procedure on the amount of IBNR calculated by the Group; reviewed the claim analyzes made by the Group's actuaries and questioned these analyzes in terms of suitability and consistency of both legislation and Group past experience; assessed whether the disclosures in the notes of the consolidated 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 Group recognizes investment properties and properties for own use at their fair values, after initial recognition. As of December 31, 2023, fair value amount of the investment properties and properties for own use disclosed in the consolidated financial statements amounts to TL 4.890.602.000 and TL 214.970.491 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 Group'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

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

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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 consolidated 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, 2023 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 27, 2024
Istanbul, Turkey

MİLLİ RE
Millî Reasürans T.A.Ş.
İş Kuleleri, Kule: 3
Kat: 20-21-22 34330
Levent, Beşiktaş, İstanbul, Turkey
Tel: +90 (212) 231 47 30
www.millire.com
Registration No:
0621003912600011

MİLLÎ REASÜRANS TÜRK ANONİM ŞİRKETİ
CONVENIENCE TRANSLATION OF THE COMPANY'S REPRESENTATION ON THE CONSOLIDATED FINANCIAL STATEMENT PREPARED AS OF DECEMBER 31, 2023

We confirm that the consolidated financial statements and related disclosures and footnotes as of December 31, 2023 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 27, 2024

Ebru ÖZŞUCA
Chairperson of the Board of General Directors

Zeliha GÖKER
Member of Board of Directors

Fikret Utku ÖZDEMİR
General Manager

Özlem CİVAN
Assistant General Manager

Şule SOYLU
Assistant 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, 2023**	**Audited Prior Period December 31, 2022**
A- Cash and Cash Equivalents	**14**	**13.131.396.963**	**10.943.641.244**
1- Cash	14	162.771	197.410
2- Cheques Received		-	-
3- Banks	14	9.678.868.672	9.156.392.304
4- Cheques Given and Payment Orders (-)	14	(3.167)	(14.481)
5- Receivables From Credit Cards with Bank Guarantee Due Less Than Three Months	14	3.452.368.687	1.787.066.011
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Investments with Risks on Policy Holders	**11**	**28.620.248.949**	**13.900.316.542**
1- Financial Assets Available for Sale	11	13.902.404.460	10.162.243.014
2- Financial Assets Held to Maturity	11	329.439.782	379.792.253
3- Financial Assets Held for Trading	11	14.388.404.707	3.365.235.815
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)
C- Receivables From Main Operations	**12**	**18.272.883.995**	**7.431.935.100**
1- Receivables From Insurance Operations	12	11.565.780.832	5.267.808.104
2- Provision for Receivables From Insurance Operations (-)	12	(156.811.592)	(58.689.982)
3- Receivables From Reinsurance Operations	12	5.366.209.860	1.320.821.871
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited For Insurance & Reinsurance Companies	12	1.497.704.895	901.995.107
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation		-	-
9- Doubtful Receivables From Main Operations	4.2,12	1.024.803.971	741.496.380
10- Provisions for Doubtful Receivables From Main Operations (-)	4.2,12	(1.024.803.971)	(741.496.380)
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	**12**	**111.056.559**	**52.249.222**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given	12	11.118.770	11.816.382
4- Other Receivables	12	99.937.789	40.432.840
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables	4.2,12	705.142	705.142
7- Provisions for Other Doubtful Receivables (-)	4.2,12	(705.142)	(705.142)
F- Prepaid Expenses and Income Accruals		**4.465.305.085**	**2.303.797.788**
1- Deferred Commission Expenses	17	4.280.311.026	2.211.269.825
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4.2,12	108.303.904	56.748.581
4- Other Prepaid Expenses	4.2,12	76.690.155	35.779.382
G- Other Current Assets		**126.564.171**	**56.970.945**
1- Inventories		1.739.549	2.883.492
2- Prepaid Taxes and Funds	12,19	9.246.952	13.673.790
3- Deferred Tax Assets		-	-
4- Job Advances	12	110.081.315	35.618.395
5- Advances Given to Personnel	12	36.338	-
6- Stock Count Differences		-	-
7- Other Current Assets	12	5.460.017	4.795.268
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		**64.727.455.722**	**34.688.910.841**

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

(Currency: Turkish Lira (TL))

ASSETS			
II- Non-Current Assets	**Note**	**Audited Current Period December 31, 2023**	**Audited Prior Period December 31, 2022**
A- Receivables From Main Operations		**395.937.136**	**211.913.101**
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4.2,12	381.273.026	108.746.186
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies	4.2,12	14.664.110	103.166.915
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables From Pension Operations		-	-
9- Doubtful Receivables from Main Operations	4.2,12	153.566.800	78.486.484
10-Provision for Doubtful Receivables from Main Operations	4.2,12	(153.566.800)	(78.486.484)
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	**4.2,12**	**324.555**	**324.555**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given	4.2,12	324.555	324.555
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets	**9**	**1.354.386.089**	**732.426.627**
1- Investments In Associates		-	-
2- Affiliates	9	1.354.386.089	727.903.437
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries	9	-	4.523.190
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**	**5.425.308.231**	**2.857.193.478**
1- Investment Properties	6,7	4.890.602.000	1.894.516.000
2- Diminution in Value for Investment Properties (-)		-	-
3- Buildings for Own Use	6	215.104.000	802.940.000
4- Machinery and Equipments	6	188.791.920	138.654.988
5- Furnitures and Fixtures	6	67.901.403	49.504.580
6- Vehicles	6	13.489.028	12.062.655
7- Other Tangible Assets (Including Leasehold Improvements)	6	97.776.415	36.384.889
8- Leased Tangible Fixed Assets	6	187.439.190	108.430.175
9- Accumulated Depreciation (-)	6	(255.458.176)	(196.744.694)
10- Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)	6	19.662.451	11.444.885
F- Intangible Fixed Assets	**8**	**391.411.829**	**304.557.951**
1- Rights	8	526.278.411	471.857.967
2- Goodwill	8	16.250.000	16.250.000
3- Establishment Costs		-	-
4- Research and Development Expenses	8	18.657.453	896.749
6- Other Intangible Assets		-	-
7- Accumulated Amortizations (-)	8	(433.942.972)	(355.227.517)
8- Advances Regarding Intangible Assets	8	264.168.937	170.780.752
G- Prepaid Expenses and Income Accruals		**3.421.242**	**23.157.901**
1- Deferred Commission Expenses	17	2.160.700	22.375.330
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses	4.2	1.260.542	782.571
H- Other Non-current Assets	**21**	**843.879.875**	**183.130.486**
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	843.879.875	183.130.486
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets		**8.414.668.957**	**4.312.704.099**
TOTAL ASSETS		**73.142.124.679**	**39.001.614.940**

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

(Currency: Turkish Lira (TL))

LIABILITIES			
III- Short-Term Liabilities	**Note**	**Audited Current Period December 31, 2023**	**Audited Prior Period December 31, 2022**
A- Borrowings	**19,20**	**32.390.854**	**29.654.164**
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Finance Lease Borrowing Costs (-)		-	-
4- Current Portion of Long Term Borrowings		-	-
5- Principal, Instalments and Interests on Issued Bills (Bonds)		-	-
6- Other Financial Assets Issued		-	-
7- Value Differences on Issued Financial Assets (-)		-	-
8- Other Financial Borrowings (Liabilities)	19,20	32.390.854	29.654.164
B- Payables From Main Operations	**19**	**6.084.112.704**	**2.555.052.856**
1- Payables Due to Insurance Operations	19	3.779.204.033	1.781.540.403
2- Payables Due to Reinsurance Operations	19	1.054.765.152	144.614.141
3- Cash Deposited by Insurance & Reinsurance Companies	19	154.050.372	15.316.979
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations	19	1.098.325.737	615.562.351
6- Rediscount on Other Payables From Main Operations (-)	19	(2.232.590)	(1.981.018)
C- Due to Related Parties	**19**	**2.085.823**	**1.262.116**
1- Due to Shareholders	19	193.699	193.699
2- Due to Affiliates	19	-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	19	1.830.978	806.004
6- Due to Other Related Parties	19	61.146	262.413
D- Other Payables	**19**	**668.894.604**	**381.363.305**
1- Deposits and Guarantees Received	19	37.078.397	24.950.846
2- Due to SSI regarding Treatment Expenses	19	209.150.205	146.358.652
3- Other Payables	19	438.014.266	215.394.213
4- Discount on Other Payables (-)	19	(15.348.264)	(5.340.406)
E- Insurance Technical Reserves	**17**	**46.660.903.986**	**26.451.760.997**
1- Unearned Premiums Reserve - Net	17	23.557.427.485	12.433.417.488
2- Unexpired Risk Reserves - Net	17	1.762.308.460	818.496.039
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net	17	21.341.168.041	13.199.847.470
5- Provision for Bonus and Discounts - Net	17	-	-
6- Other Technical Reserves - Net		-	-
F- Taxes and Other Liabilities and Relevant Provisions	**19**	**800.540.106**	**394.550.536**
1- Taxes and Dues Payable	19	530.240.046	272.169.431
2- Social Security Premiums Payable	19	41.942.887	19.611.154
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Liability Provision on Period Profit	19	1.664.485.864	276.782.469
6- Prepaid Taxes and Other Liabilities on Period Profit (-)	19	(1.436.128.691)	(174.012.518)
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		-	-
H- Deferred Income and Expense Accruals	**19**	**1.155.454.167**	**616.183.112**
1- Deferred Commission Income	10,19	644.038.671	346.493.633
2- Expense Accruals	19	509.421.983	268.367.636
3- Other Deferred Income	19	1.993.513	1.321.843
I- Other Short Term Liabilities	**21,23**	**22.210.647**	**11.902.901**
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short Term Liabilities	23	22.210.647	11.902.901
III - Total Short Term Liabilities		**55.426.592.891**	**30.441.729.987**

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

(Currency: Turkish Lira (TL))

LIABILITIES			
IV- Long-Term Liabilities	**Note**	**Audited Current Period December 31, 2023**	**Audited Prior Period December 31, 2022**
A- Borrowings	**20**	**111.904.160**	**70.260.897**
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)	20	111.904.160	70.260.897
B- Payables From Main Operations		**5.502**	**41.806.033**
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations	19	-	41.784.665
3- Cash Deposited by Insurance & Reinsurance Companies	19	5.502	21.368
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**	**867.302.669**	**923.021.977**
1- Unearned Premiums Reserve - Net	17	3.630.893	4.685.839
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	863.671.776	918.336.138
F- Other Liabilities and Provisions		**-**	**-**
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks	**23**	**499.959.654**	**370.788.814**
1- Provision for Employment Termination Benefits	23	160.676.648	135.521.632
2- Provisions for Employee Pension Fund Deficits	22,23	339.283.006	235.267.182
H- Deferred Income and Expense Accruals		**-**	**-**
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long Term Liabilities	**21**	**989.946.667**	**167.314.226**
1- Deferred Tax Liability	21	989.946.667	167.314.226
2- Other Long Term Liabilities		-	-
IV- Total Long Term Liabilities		**2.469.118.652**	**1.573.191.947**

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

(Currency: Turkish Lira (TL))

EQUITY			
V- Equity	**Note**	**Audited Current Period December 31, 2023**	**Audited Prior Period December 31, 2022**
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**	**1.509.019.962**	**798.036.576**
1- Equity Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Sale to be Transferred to Capital	15	42.921.312	33.799.814
4- Translation Reserves	15	254.517.245	86.654.441
5- Other Capital Reserves	15	1.211.581.405	677.582.321
C- Profit Reserves		**3.617.899.688**	**2.270.556.966**
1- Legal Reserves	15	312.168.254	261.812.474
2- Statutory Reserves	15	183.984.605	122.747.456
3- Extraordinary Reserves	15	1.448.635.062	1.055.949.776
4- Special Funds (Reserves)		184.820.637	117.937.781
5- Revaluation of Financial Assets	11,15	1.576.301.376	775.959.402
6- Other Profit Reserves	15	(16.950.092)	7.210.231
7- Subsidiary Capital Correction	15	(71.060.154)	(71.060.154)
D- Previous Years' Profits		**608.973.389**	**362.755.684**
1- Previous Years' Profits		608.973.389	362.755.684
E- Previous Years' Losses (-)		**-**	**-**
1- Previous Years' Losses		-	-
F- Net Profit of the Period		**3.631.736.624**	**861.369.752**
1- Net Profit of the Period		3.627.616.021	852.248.254
2- Net Loss of the Period (-)		-	-
3- Net Income not subject to distribution	15	4.120.603	9.121.498
G- Minority Shares		**5.218.783.473**	**2.033.974.028**
Total Shareholders' Equity		**15.246.413.136**	**6.986.693.006**
Total Liabilities and Shareholders' Equity		**73.142.124.679**	**39.001.614.940**

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

(Currency: Turkish Lira (TL))

I-TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2023	Audited Prior Period January 1- December 31, 2022
A- Non-Life Technical Income		**45.729.324.363**	**21.896.426.295**
1- Earned Premiums (Net of Reinsurer Share)		28.392.871.726	14.015.356.207
1.1 - Written Premiums (Net of Reinsurer Share)	17	40.455.954.458	21.756.489.737
1.1.1 - Gross Written Premiums (+)	17	53.128.811.914	28.051.364.289
1.1.2 - Ceded Premiums to Reinsurers (-)	10,17	(12.093.216.858)	(5.867.423.011)
1.1.3 - Ceded Premiums to SSI (-)	17	(579.640.598)	(427.451.541)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(11.119.270.311)	(7.364.757.325)
1.2.1 - Unearned Premiums Reserve (-)	17	(13.463.388.421)	(8.468.228.075)
1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)	10,17	2.265.875.426	958.276.132
1.2.3 - SSI of Unearned Premiums Reserve (+)		78.242.684	145.194.618
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward)(+/-)	17	(943.812.421)	(376.376.205)
1.3.1 - Unexpired Risks Reserve (-)	17	(1.338.373.044)	(336.831.870)
1.3.2 - Reinsurance Share of Unexpired Risks Reserve (+)	10,17	394.560.623	(39.544.335)
2- Investment Income Transferred from Non-Technical Part		15.314.595.910	7.086.316.987
3- Other Technical Income (Net of Reinsurer Share)		1.579.663.527	548.040.403
3.1 - Gross Other Technical Income (+)		1.243.705.991	548.040.403
3.2 - Reinsurance Share of Other Technical Income (-)		335.957.536	-
4- Accrued Subrogation and Salvage Income (+)		442.193.200	246.712.698
B- Non-Life Technical Expense (-)		**(38.193.711.230)**	**(20.190.360.982)**
1- Total Claims (Net of Reinsurer Share)		(27.818.274.526)	(15.103.918.742)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(19.675.614.152)	(10.541.605.376)
1.1.1 - Gross Claims Paid (-)	17	(38.072.650.228)	(12.328.958.503)
1.1.2 - Reinsurance Share of Claims Paid (+)	10,17	18.397.036.076	1.787.353.127
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(8.142.660.374)	(4.562.313.366)
1.2.1 - Outstanding Claims Reserve (-)	17	(19.701.690.226)	(6.164.955.952)
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10,17	11.559.029.852	1.602.642.586
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	-	-
2.1 - Bonus and Discount Reserve (-)	29	-	-
2.2 - Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	52.179.084	(339.859.647)
4- Operating Expenses (-)	32	(9.604.475.147)	(4.259.893.775)
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 (-)	47	(823.140.641)	(486.688.818)
6.1.- Gross Other Technical Expenses (-)		(836.973.120)	(497.766.160)
6.2.- Reinsurance Share of Other Technical Expenses (+)		13.832.479	11.077.342
C- Non Life Technical Net Profit (A-B)		**7.535.613.133**	**1.706.065.313**
D- Life Technical Income		**19.587.603**	**11.282.882**
1- Earned Premiums (Net of Reinsurer Share)		15.442.368	8.078.559
1.1 - Written Premiums (Net of Reinsurer Share)	17	19.127.110	8.763.104
1.1.1 - Gross Written Premiums (+)	17	35.352.037	11.041.605
1.1.2 - Ceded Premiums to Reinsurers (-)	10,17	(16.224.927)	(2.278.501)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(3.684.742)	(1.633.068)
1.2.1- Unearned Premium Reserves (-)	17	(11.557.847)	(3.586.478)
1.2.2- Unearned Premium Reserves Reinsurer Share (+)	10,17	7.873.105	1.953.410
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward)(+/-)		-	948.523
1.3.1- Unexpired Risks Reserves (-)		-	948.523
1.3.2- Unexpired Risks Reserves Reinsurer Share (+)		-	-
2- Life Branch Investment Income		3.621.548	2.924.863
3- Unrealized Income from Investments		-	-
4-Other Technical Income (Net of Reinsurer Share) (+/-)		523.687	279.460
4.1- Gross Other Technical Income (+/-)		382.267	279.460
4.2- Reinsurance Share of Other Technical Income (+/-)		141.420	-
5- Accrued Subrogation and Salvage Income (+)		-	-

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

(Currency: Turkish Lira (TL))

I-TECHNICAL SECTION	**Note**	**Audited Current Period January 1- December 31, 2023**	**Audited Prior Period January 1- December 31, 2022**
E- Life Technical Expense		**(7.801.698)**	**(5.190.292)**
1- Total Claims (Net of Reinsurer Share)		(5.491.684)	622.997
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(6.831.487)	(9.292.133)
1.1.1- Gross Claims Paid (-)	17	(9.400.117)	(9.673.464)
1.1.2- Claims Paid Reinsurer Share (+)	10,17	2.568.630	381.331
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	1.339.803	9.915.130
1.2.1 - Outstanding Claims Reserve (-)	17	(228.621)	8.330.720
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10,17	1.568.424	1.584.410
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	-	-
3.1- Mathematical Reserves (-)	29	-	-
3.1.1- Actuarial Mathematical Reserve (-)	29	-	-
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	2.485.278	(101.353)
5- Operating Expenses (-)	32	(4.795.292)	(5.711.936)
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Life Technical Profit (D-E)		**11.785.905**	**6.092.590**
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- Witholding 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 consolidated financial statements.

(Currency: Turkish Lira (TL))

II-NON-TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2023	Audited Prior Period January 1- December 31, 2022
C- Net Technical Income – Non-Life (A-B)		**7.535.613.133**	**1.706.065.313**
F- Net Technical Income – Life (D-E)		**11.785.905**	**6.092.590**
I - Net Technical Income – Pension Business (G-H)		**-**	**-**
J- Total Net Technical Income (C+F+I)		**7.547.399.038**	**1.712.157.903**
K- Investment Income		**23.079.074.496**	**9.755.996.405**
1- Income From Financial Investment	4.2	2.110.889.126	1.184.235.352
2- Income from Sales of Financial Investments	4.2	3.805.216.298	1.666.385.607
3- Revaluation of Financial Investments	4.2	2.489.203.929	969.811.012
4- Foreign Exchange Gains	4.2	11.036.934.305	3.507.077.409
5- Income from Affiliates	4.2	599.301.192	292.267.890
6- Income from Subsidiaries and Joint Ventures	4.2	-	(592.172)
7- Income Received from Land and Building	7	1.741.275.879	1.300.142.822
8- Income from Derivatives	4.2	1.296.253.767	833.925.736
9- Other Investments		-	2.742.749
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expense		**(22.333.349.143)**	**(9.496.149.955)**
1- Investment Management Expenses (including interest) (-)	4.2	(214.728.643)	(40.507.820)
2- Valuation Allowance of Investments (-)	4.2	(82.669.203)	(1.336.747)
3- Losses On Sales of Investments (-)	4.2	(858.310.002)	(223.871.017)
4- Investment Income Transferred to Non-Life Technical Part (-)		(15.314.595.908)	(7.086.316.988)
5- Losses from Derivatives (-)	4.2	(576.504.323)	(1.245.098.558)
6- Foreign Exchange Losses (-)	4.2	(5.082.238.998)	(733.384.634)
7- Depreciation Expenses (-)	6,8	(147.320.381)	(134.110.836)
8- Other Investment Expenses (-)		(56.981.685)	(31.523.355)
M- Income and Expenses From Other and Extraordinary Operations		**(273.211.707)**	**(268.827.921)**
1- Provisions Account (+/-)	47	(436.226.716)	(356.390.392)
2- Discount account (+/-)	47	(100.156.604)	(73.434.921)
3- Mandatory Earthquake Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts(+/-)	35	263.997.271	143.342.143
6- Deferred Tax Expense Accounts (-)	35	-	-
7- Other Income and Revenues		43.429.481	21.245.482
8- Other Expense and Losses (-)		(44.255.139)	(3.590.233)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit for the Year		**6.355.426.820**	**1.426.393.963**
1- Profit /(Loss) Before Tax		8.019.912.684	1.703.176.432
2- Corporate Tax Liability Provision (-)	35	(1.664.485.864)	(276.782.469)
3- Net Profit (Loss)		6.355.426.820	1.426.393.963
3.1-Groups Profit/(Loss)		3.631.736.624	861.369.752
3.2-Minority Shares		2.723.690.196	565.024.211
4- Monetary Gains and Losses		-	-

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

Originally Issued in Turkish (Currency: Turkish Lira ("TL"))

	Note	Audited Current Period January 1- December 31, 2023	Audited Prior Period January 1- December 31, 2022
A. CASH FLOWS FROM THE OPERATING ACTIVITIES			
1. Cash inflows from the insurance operations		46.662.245.743	20.034.992.326
2. Cash inflows from the reinsurance operations		30.957.075.145	11.702.248.196
3. Cash inflows from the pension operations		-	-
4. Cash outflows due to the insurance operations (-)		(41.096.628.696)	(19.548.388.589)
5. Cash outflows due to the reinsurance operations (-)		(32.657.768.872)	(7.896.465.107)
6. Cash outflows due to the pension operations (-)		-	-
7. Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)		**3.864.923.320**	**4.292.386.826**
8. Interest payments (-)		-	-
9. Income tax payments (-)		(1.551.533.765)	(205.778.215)
10. Other cash inflows		1.218.208.561	35.583.036
11. Other cash outflows (-)		(1.318.502.273)	(2.054.092.022)
12. Net cash generated from the operating activities		**2.213.095.843**	**2.068.099.625**
B. CASH FLOWS FROM THE INVESTING ACTIVITIES			
1. Sale of tangible assets		10.007	3.045.697
2. Purchase of tangible assets (-)	6, 8	(415.423.583)	(249.405.941)
3. Acquisition of financial assets (-)	11	(73.428.555.685)	(30.503.976.689)
4. Sale of financial assets	11	70.505.325.504	32.212.751.677
5. Interest received		2.389.795.410	2.156.971.227
6. Dividends received		73.552.552	-
7. Other cash inflows		4.631.651.998	1.472.632.791
8. Other cash outflows (-)		(5.530.046.063)	(3.221.856.964)
9. Net cash generated from the investing activities		**(1.773.689.860)**	**1.870.161.798**
C. CASH FLOWS FROM THE FINANCING ACTIVITIES			
1. Issue of equity shares		-	-
2. Cash inflows from the loans to policyholders		-	-
3. Payments of financial leases (-)		(9.143.022)	-
4. Dividend paid (-)		-	(47.984.125)
5. Other cash inflows		-	-
6. Other cash outflows (-)		-	-
7. Cash generated from the financing activities		**(9.143.022)**	**(47.984.125)**
D. EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS		**510.330.117**	**621.262.884**
E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)		**940.593.078**	**4.511.540.183**
F. Cash and cash equivalents at the beginning of the period	14	**9.149.085.562**	**4.637.545.379**
G. Cash and cash equivalents at the end of the period (E+F)	14	**10.089.678.640**	**9.149.085.562**

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

Millî Reasürans Türk Anonim Şirketi
Consolidated Statement of Changes in Equity
for the Period Ended December 31, 2023

(Currency:Turkish Lira ("TL"))

Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish

Audited Changes in Equity – December 31, 2022														
	Note	**Paid-in capital**	**Equity Share Owned by Company**	**Revaluation of financial assets**	**Inflation Adjustment on Capital**	**Currency translation reserves**	**Legal reserves**	**Statutory Reserves**	**Other reserves and retained earnings**	**Net profit/(Loss) for the year**	**Retained earnings**	**Total equity before minority shares**	**Minority share**	**Total**
I – Balance at the end of the previous year – December 31, 2021	15	**660.000.000**	**-**	**28.018.183**	**-**	**41.999.609**	**226.709.388**	**83.112.202**	**1.070.452.049**	**487.295.000**	**326.869.518**	**2.924.455.949**	**1.091.223.810**	**4.015.679.759**
II – Change in Accounting Standards			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
III – Restated balances (I+II) – January 1, 2022		**660.000.000**	**-**	**28.018.183**	**-**	**41.999.609**	**226.709.388**	**83.112.202**	**1.070.452.049**	**487.295.000**	**326.869.518**	**2.924.455.949**	**1.091.223.810**	**4.015.679.759**
A- Capital increase (A1+A2)		-	-	-	-	-	-	-	-	-	-	-	-	-
1- In cash		-	-	-	-	-	-	-	-	-	-	-	-	-
2- From reserves		-	-	-		-	-	-	-	-	-	-	-	-
B - Effects of changes in group structure		-	-	-	-	-	-	-	-	-	-	-	-	-
C – Purchase of own shares		-	-	-	-	-	-	-	-	-	-	-	-	-
D – Gains or losses that are not included in the statement of income		-	-	-		-			423.045.241	402.391.689	(403.404.209)	422.032.721	(7.090.993)	**414.941.728**
E – Change in the value of financial assets	15	-	-	747.941.219	-	-	-	-	-	-	-	747.941.219	384.761.776	**1.132.702.995**
F – Currency translation adjustments		-	-	-	-	44.654.832	-	-	-	-	-	44.654.832	-	**44.654.832**
G – Other gains or losses		-	-	-	-	-	-	-	88.369	39.454	136.682	264.505	55.224	**319.729**
H – Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-	-	-	-
I – Net profit for the year		-	-	-	-	-	-	-	-	861.369.752	-	861.369.752	565.024.211	**1.426.393.963**
J – Other reserves and transfers from retained earnings	38	-	-	-	-	-	35.103.086	39.635.254	327.834.110	(841.726.143)	439.153.693	-		-
K – Dividends paid	38	-	-	-	-	-	-	-	-	(48.000.000)	-	(48.000.000)	-	**(48.000.000)**
IV - Balance at the end of the year – December 31, 2022	**15**	**660.000.000**	**-**	**775.959.402**	**-**	**86.654.441**	**261.812.474**	**122.747.456**	**1.821.419.769**	**861.369.752**	**362.755.684**	**4.952.718.978**	**2.033.974.028**	**6.986.693.006**

Audited Changes in Equity – December 31, 2023														
	Note	**Paid-in capital**	**Equity Share Owned by Company**	**Revaluation of financial assets**	**Inflation Adjustment on Capital**	**Currency translation reserves**	**Legal reserves**	**Statutory Reserves**	**Other reserves and retained earnings**	**Net profit/(Loss) for the year**	**Retained earnings**	**Total equity before minority shares**	**Minority share**	**Total**
I – Balance at the end of the previous year – December 31, 2022	15	**660.000.000**	**-**	**775.959.402**	**-**	**86.654.441**	**261.812.474**	**122.747.456**	**1.821.419.769**	**861.369.752**	**362.755.684**	**4.952.718.978**	**2.033.974.028**	**6.986.693.006**
II – Change in Accounting Standards		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
III – Restated balances (I+II) – January 1, 2023		**660.000.000**	**-**	**775.959.402**	**-**	**86.654.441**	**261.812.474**	**122.747.456**	**1.821.419.769**	**861.369.752**	**362.755.684**	**4.952.718.978**	**2.033.974.028**	**6.986.693.006**
A- Capital increase (A1+A2)		-	-	-	-	-	-	-	-	-	-	-	-	-
1- In cash		-	-	-	-	-	-	-	-	-	-	-	-	-
2- From reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
B - Effects of changes in group structure		-	-	-	-	-	-	-	-	-	-	-	-	-
C – Purchase of own shares		-	-	-	-	-	-	-	-	-	-	-	-	-
D – Gains or losses that are not included in the statement of income		-	-	-	-	-	-	-	478.705.074	793.921.068	(794.102.829)	478.523.313	-	**478.523.313**
E –Change in the value of financial assets	15	-	-	800.341.974	-	-	-	-	-	-	-	800.341.974	463.974.981	**1.264.316.955**
F – Currency translation adjustments		-	-	-	-	167.862.804	-	-	-	-	-	167.862.804	-	**167.862.804**
G – Other gains or losses		-	-	-	-	-	-	-	78.944	(3.998.880)	365.907	(3.554.029)	(2.855.732)	**(6.409.761)**
H – Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-	-	-	-
I – Net profit for the year		-	-	-	-	-	-	-	-	3.631.736.624	-	3.631.736.624	2.723.690.196	**6.355.426.820**
J – Other reserves and transfers from retained earnings	38	-	-	-	-	-	50.355.780	61.237.149	499.744.384	(1.651.291.940)	1.039.954.627	-	-	-
K – Dividends paid	38	-	-	-	-	-	-	-	-	-	-	-	-	-
IV- Balance at the end of the year – December 31, 2023	**15**	**660.000.000**	**-**	**1.576.301.376**	**-**	**254.517.245**	**312.168.254**	**183.984.605**	**2.799.948.170**	**3.631.736.624**	**608.973.389**	**10.027.629.663**	**5.218.783.473**	**15.246.413.136**

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

(Currency: Turkish Lira ("TL"))

	Note	Audited Current Period December 31, 2023(*)	Audited Prior Period December 31, 2022
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT		3.624.887.450	879.498.268
1.2. TAX AND FUNDS PAYABLE	35	-	-
1.2.1. Corporate Income Tax(Income Tax)	35	-	-
1.2.2. Income tax deduction		-	-
1.2.3. Other taxes and Duties		-	-
A. NET PROFIT(1.1 – 1.2)		**3.624.887.450**	**879.498.268**
1.3. PREVIOUS PERIOD LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE(**)		-	(43.974.913)
1.5. STATUTORY FUND (-)		-	(797.400.302)
B. NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5)]		**3.624.887.450**	**38.123.053**
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1. Holders of shares		-	-
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 (-)		-	-
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.9.1. Holders of shares		-	-
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 (-)		-	-
1.11. STATUTORY RESERVES (-)		-	-
1.12. EXTRAORDINARY RESERVES		-	-
1.13. OTHER RESERVES		-	-
1.14. SPECIAL FUNDS(**)		-	(38.123.053)
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		-	-
3.2. HOLDERS OF SHARES (%)		-	-
3.3. HOLDERS OF PREFERRED SHARES		-	-
3.4. HOLDERS OF PREFERRED SHARES (%)		-	-
IV. DIVIDEND PER SHARE		-	-
4.1. HOLDERS OF SHARES		-	-
4.2. HOLDERS OF SHARES (%)		-	-
4.3. HOLDERS OF PREFERRED SHARES		-	-
4.4. HOLDERS OF PREFERRED SHARES (%)		-	-

(*) Since the profit distribution proposal for the year 2023 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.

(**) Due to the fact that 20% of the company's capital has been reached, no legal reserves have been set aside.

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

1 General information

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

As of December 31, 2023, 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.

On September 30, 2010, the Company purchased 35,53% shares of Anadolu Sigorta Anonim Şirketi with nominal value of TL 177.650.110 from İş Bankası amounting to TL 248.710.154. The transaction is realized on the weighted average price on İstanbul Stock Exchange wholesale market. With the purchase, the share of the Company at Anadolu Sigorta increased to 57,31% and investment increased to TL 286.550.106.

The consolidated financial statements As of December 31, 2023 include the Company and its subsidiary Anadolu Sigorta and Miltaş A.Ş. (together with "the Group").

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 "İş Kuleleri, Kule 3, Kat:20-21-22, 34330 Levent, Beşiktaş, 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.

The subsidiary of the Company, Anadolu Sigorta operates in almost all non-life insurance branches consisting of mainly casualty, health, land vehicles, aircraft, ships, marine, fire and natural disasters, general losses, credits, financial losses, and legal protection.

As at December 31, 2023, the Company serves through 2.966 agencies of which 2.842 authorized and 124 unauthorized agencies. (December 31, 2022: 2.728 authorized 114 unauthorized total 2.842 agencies)

The subsidiary of the Company, Miltaş is engaged in all kinds of construction works, providing construction and contracting services domestically and internationally; carries out various architecture, engineering, construction, assembly, installation, landscaping, interior design, decoration jobs by executing studies, projects, supervision, consultancy and contracting services domestically and internationally; operates places in accommodation, leisure, travel, entertainment, sports, food and beverage by opening, leasing, subleasing and managing such places; engaging in all kinds of sports activities, leasing, subleasing and operating facilities of this kind.

As of December 31, 2023, Miltaş employs 11 personnel.

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

The Company and its subsidiary Anadolu Sigorta conduct their 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 (the "Ministry of Treasury and Finance") based on the Insurance Law.

Miltaş, a subsidiary of the Company, carries out its activities within the framework of the Turkish Commercial Code No. 6102.

(Currency: Turkish Lira (TL))

1 General information *(continued)*

1.4 Details of the Company's operations and nature of field of activities *(continued)*

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.

Anadolu Sigorta is incorporated in Turkey and operates in insurance branches as mentioned above Note 1.3 Business of the Company. Anadolu Sigorta's shares have been listed on the Istanbul Stock Exchange ("BIST"). In accordance with Paragraph 5 Article 136 in Section VIII of the Capital Markets Law numbered 6362, insurance companies have to comply with their own specific laws and regulations in matters of establishment, supervision/oversight, accounting and independent auditing standards; therefore, Anadolu Sigorta performs its operations accordingly.

Miltaş is incorporated in Turkey and operates in business activities as mentioned above Note 1.3 Business of the Company.

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, 2023	**December 31, 2022**
Top executive	14	15
Managers	81	86
Assistant managers	215	218
Contracted personnel	3	3
Advisors	1	1
Specialist/ Senior/ Other personnel	1.579	1.453
Total	**1.893**	**1.776**

1.6 Remuneration and similar benefits provided to top management

For the year ended December 31, 2023, 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 78.811.000**.** (December 31, 2022: TL 40.285.108).

1 General information *(continued)*

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 the 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 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 are 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 the consolidated financial information of the Company. Consolidation principles are further discussed in note 2.2 - *Consolidation*.

As at December 31, 2023, the Company owns 57,31% of its subsidiary, Anadolu Anonim Türk Sigorta Şirketi ("Anadolu Sigorta") and 100% of Miltaş A.Ş. ("Miltaş") are included in the scope of consolidation by line-by-line method. Anadolu Hayat Emeklilik AŞ ("Anadolu Hayat") is associate of Anadolu Sigorta and is consolidated by equity method with share of 21,00% (effective percentage of share: 12,46%) in the consolidated financial statements as at December 31, 2023 and 2022.

Anadolu Sigorta as a subsidiary Company of the Group, is operating in almost all of the none-life insurance branches composed of casualty, health, general losses, land vehicles liability, aircraft liability, general liability, credits, financial losses and legal protection. The activities of Anadolu Hayat involve providing individual and group insurance and reinsurance services relating to group life, individual life, retirement and related personal Casualty branches, establishing retirement funds, developing internal rules and regulations related to these funds, carrying out retirement, annual income insurance, portfolio management and custody contracts for the assets of the funds held in custody.

The subsidiary of the Company, Miltaş is engaged in all kinds of construction works, providing construction and contracting services domestically and internationally; carries out various architecture, engineering, construction, assembly, installation, landscaping, interior design, decoration jobs by executing studies, projects, supervision, consultancy and contracting services domestically and internationally; operates places in accommodation, leisure, travel, entertainment, sports, food and beverage by opening, leasing, subleasing and managing such places; engaging in all kinds of sports activities, leasing, subleasing and operating facilities of this kind. The Miltaş Sports Complex has been serving the insurance sector since 1986 with its facilities in various sports, particularly tennis. The International Insurance Tennis Tournament has been held every June at this Complex since 1986, providing a unique environment for local and foreign reinsurers and brokers. In addition to tennis and basketball courses organized every year for youngsters, private tennis lessons are available for adults in the Complex.

(Currency: Turkish Lira (TL))

1 General information *(continued)*

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	: İş Kuleleri, Kule 3, Kat:2 0-21-22 34330 Levent, Beşiktaş,/İstanbul
The web page of the Company	: **www.millire.com**

1.10 Subsequent events

With the Official Gazette Decision No. 32414 dated December 29, 2023 issued by the Insurance and Private Pension Regulation and Supervision Agency ("IPPRSA"), the mandatory effective date of the IFRS 17 standard has been postponed to accounting periods starting on or after January 1, 2025.

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

In accordance with Article 136(5) in Section VIII of the Capital Markets Law, numbered 6362 Anadolu Sigorta which is the subsidiaries of the Company and Anadolu Hayat which is the affiliates of the Group complies with their own specific laws and regulations in matters of establishment, auditing, supervision/oversight, accounting and financial reporting. Therefore, the Group 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 (“TFRS”) contains the terms” Insurance Accounting and Financial Reporting regulations “are prepared in accordance with the insurance legislation before the establishment of SEDDK and the initiation of regulatory activities regarding the insurance sector was published by the Turkey 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.

The financial statements are prepared in accordance with the accounting and financial reporting regulations in force in accordance with the insurance legislation and the provisions of Turkish Accounting Standards on matters not regulated by them.

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)

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.

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Insurance and Private Pension Regulation and Supervision Agency ("IPPRSA") announced that financial statements of insurance and reinsurance companies as of 31 December 2023 would not be subject to the inflation adjustment in accordance with IPPRSA Board decision on 6 December 2023.

Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the financial statements of the Company as of 31 December 2023.

2 Summary of significant accounting policies (continued)

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, 2022 and nine-month results as at and for the period ended September 30, 2023 and accordingly related balance sheet balances As of December 31, 2023 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 the 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 the 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 Valid and presentation currency

The accompanying consolidated financial statements are presented in TL, which is the Group's valid reporting 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 consolidated 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 at fair value through profit or loss, 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 Basis of preparation *(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 the 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, 2023, 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, 2023 – December 31, 2023. 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 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, ACLM calculation should be made through main branches. However, as of 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 at December 31, 2023, the Company recognised the amount that arose due to change in calculation method for IBNR on General Damages branch.

Significant changes in accounting policies and significant accounting misstatements are applied retrospectively and prior period financial statements are restated. If the changes in accounting estimates are for only one period, they are applied prospectively both in the current period when the change is made and in the future period if the change is made.

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

(Currency: Turkish Lira (TL))

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

2.2 Consolidation

"Circular Related to the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies" issued by the Republic of Turkey Ministry of Treasury and Finance in the Official Gazette dated 31 December 2008 and numbered 27097 ("the Circular for Consolidation") requires that insurance, reinsurance and individual pension companies issue consolidated financial statements starting from 31 March 2009. The Company consolidated its subsidiaries Anadolu Sigorta and Miltaş by using line-by-line method. Anadolu Hayat which is associate of Anadolu Sigorta is consolidated by the equity method.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The subsidiaries, Anadolu Sigorta and Miltaş included in consolidation and effective shareholding percentages of the Company are as follows. The information related to the associate of the Company, Anadolu Hayat which is consolidated using equity method is presented in Note 9.

	Company	**Direct and indirect controlling interest**	**Direct controlling interest**	**Total assets**	**Shareholders' equity**	**Prior period profit**	**Current period profit**
December 31, 2023	Anadolu Sigorta (consolidated)	%57,31	%57,31	56.381.517.782	12.217.135.544	533.542.963	6.380.159.747
December 31, 2022	Anadolu Sigorta (consolidated)	%57,31	%57,31	29.414.397.226	4.756.818.270	125.281.148	1.323.551.677
	Company	**Direct and indirect controlling interest**	**Direct controlling interest**	**Total assets**	**Shareholders' equity**	**Prior period profit**	**Current period profit**
December 31, 2023	Miltaş Turizm Inşaat Ticaret AŞ (*)	%100,00	%100,00	4.642.943.000	3.626.312.896	(578.308)	38.478.694
December 31, 2022	Miltaş Turizm Inşaat Ticaret AŞ (*)	%100,00	%100,00	5.528.417	4.523.189	13.864	(592.172)

(*)With the decision of the Board of Directors dated 25.08.2023, it was decided that the real estate for use and investment purposes registered in the assets of our Company will be placed as capital in Miltaş Turizm İnşaat Ticaret A.Ş., which is a 100% subsidiary of our Company, through partial division within the framework of Articles 19 – 20 of the Corporate Tax Law and Articles 159 – 179 of the Turkish Commercial Code, based on the financial statements of Tax Procedure Law, and that the shares to be issued due to the capital increase will be given to our Company. As of December 31, 2023, the fair value of the transferred properties is TL 4.613.156.000.

Transactions eliminated on consolidation

Anadolu Sigorta and Miltaş' balance sheets and income statements are consolidated by line-by-line method and the book value of Anadolu Sigorta and Miltaş in the Company's accounts and the capital amount in the Anadolu Sigorta and Miltaş accounts are eliminated. Intra-group balances and transactions between the Company, Anadolu Sigorta and Miltaş, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The accounting policies of subsidiary have been changed when necessary to align them with the policies adopted by the Company.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Net profit or loss of subsidiary, applicable to the non-controlling interest are presented under "Non-controlling interest" account under consolidated statement of income.

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, 2023, and 2022, the Company's 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 Group's valid 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.

Changes in the fair value of financial assets denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the asset and other changes in the carrying amount of the asset. Translation differences related to changes in amortised cost are recognized in profit or loss, and other changes in carrying amount are recognized in "valuation of financial assets" in equity.

(Currency: Turkish Lira (TL))

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

2.5 Tangible assets

Except buildings for own use, tangible assets are recorded at their historical costs that have been adjusted according to the inflation rates 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 indexed to the inflation rates for December 31, 2004. Tangible assets that have been purchased after January 1, 2005 have been recorded at their costs excluding their exchange rate differences and finance expenses less impairment losses if any.

The Group 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 accumulated depreciation. Accumulated depreciation at the date of revaluation is deducted from gross book value and net amount is brought to values after revaluation. Increases in the carried values of land and buildings intended for use as a result of revaluation are recorded to the “Other Capital Reserves” account, which are included under equity in the balance sheet, with tax effects Decoupled. As a result of real estate-based assessments, value decreases corresponding to their increases in the previous period are deducted from the fund in question; all other decreases are reflected in profit/loss accounts.

Gains and losses arising from the disposal of property, plant and equipment are calculated as the difference between the net proceeds from the disposal and the net carrying amount of the related property, plant and equipment and are reflected in the income statement of the relevant period Dec.

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.

Normal maintenance and repair expenses incurred on tangible fixed assets are recognized as expenses.

There are no pledges, mortgages and similar obligations on tangible fixed assets.

There are no changes in accounting estimates that have a significant impact on the current period or are expected to have a significant impact on subsequent periods.

The related depreciation shares for tangible fixed assets are calculated using the linear depreciation method based on their useful lives and cost values. The rates used for the depreciation of tangible fixed assets and the periods projected as the estimated economic life are as follows:

Tangible Assets	Estimated economic life (Years)	Depreciation percentage (%)
Properties intended for use	50	2,0
Fixtures and installations	3 - 16	6,3 - 33,3
Machinery and equipment	3 - 16	6,3 - 33,3
Motor vehicles	5	20,0
Other tangible assets (including special cost charges)	5 - 10	10,0 - 20,0
Tangible fixed assets acquired through Financial leasing	1- 10	10,0 – 100,00

2 Summary of significant accounting policies *(continued)*

2.6 Investment property

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

Investment properties are initially recorded at cost and subsequently measured at their fair values. 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.

2.7 Intangible assets

The Group's intangible assets consist of computer software, goodwill and advances on intangible assets.

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.

The Group differentiates the depreciation shares of intangible assets based on their useful lives, using the straight-line method, over their cost values. The amortization period of intangible assets is between 3 and 15 years.

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 Group 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).

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of the acquisition. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gain or losses on the disposal of an entity includes the carrying amount of goodwill relating to the entity disposed of.

For the purpose of impairment testing, goodwill is allocated to cash-generating units. The allocations made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arises.

The Group has acquired the health portfolio of Anadolu Hayat Emeklilik A.Ş. as of August 31, 2004 with all of its rights and liabilities. The value at acquisition of the portfolio amounting to TL 16.250.000 is capitalized as goodwill by the Group.

2 Summary of significant accounting policies *(continued)*

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.

Financial assets at fair value through profit or loss are presented as financial assets held for trading in the accompanying consolidated financial statements and trading securities and derivatives are included in this category. Financial assets at fair value through profit or loss measured at their fair values and gain/loss arising due to changes in the fair values of related financial assets are recorded in the statement of income. Interest income earned on trading purpose financial assets and the difference between their fair values and acquisition costs are recorded as interest income in the statement of income. In case of disposal of such financial assets before their maturities, the gains/losses on such disposal are recorded under trading income/losses. Accounting policies of derivatives are detailed in note 2.10 – Derivative financial instruments.

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.

Held to maturity financial assets are the financial assets with fixed maturities and fixed or pre-determined payment schedules that the Company has the intent and ability to hold until maturity, excluding loans and receivables. Subsequent to initial recognition, held to maturity financial assets and loans and receivables are measured at amortized cost using effective interest rate method less impairment losses, if any. The Company has no financial assets that are not allowed to be classified as held to maturity financial assets for two years due to the tainting rules applied for the breach of classification rules.

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. 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 consolidated 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.

In the accompanying consolidated financial statements, Anadolu Hayat, associate of the Group, and Miltas , subsidiaries of the Group , has been consolidated by using the equity method of accounting.

A financial asset is derecognized when the control over the contractual rights that comprise that asset is lost. This occurs when the rights are realized, expire or are surrendered.

2 Summary of significant accounting policies *(continued)*

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 Group 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 uncollectability. 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 Group 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*.

2.10 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.

The Company recognizes the profit and loss that arise from the Swap contracts in statement of income.

Derivative financial instruments are initially recognized at their fair value.

Collateral amounts and valuations that are necessary for derivative transactions are included in trading financial assets.

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 "income accruals" 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.

(Currency: Turkish Lira (TL))

2 Summary of significant accounting policies *(continued)*

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 Group 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 Group'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 Group 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. As of December 31, 2023, and 2022, the share capital and ownership structure of the Company are as follows:

	December 31, 2023		December 31, 2022	
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
Axa Hayat ve Emeklilik 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 31.10.2023, the trade name of Groupama Hayat A.Ş.has been changed to Axa Hayat ve Emeklilik A.Ş.

Sources of capital increases during the period

The Company has not performed capital increase As of December 31, 2023 (December 31, 2022: 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 Summary of significant accounting policies *(continued)*

2.14 Insurance and investment contracts - classification

An insurance contract is a contract under which the Group 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 Group 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 at the reporting date, the Group 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 Company, fund or other entity that issues the contract.

As of balance sheet date, the Group does not have any insurance or investment contracts that contain a DPF.

2.16 Investment contracts with discretionary participation feature

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

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 Group are measured at their discounted values. A financial liability is derecognized when it is extinguished.

2 Summary of significant accounting policies *(continued)*

2.18 Income taxes

Corporate tax

Amendments were made to the Corporate Tax Law No. 5520 with a Law submitted to the Grand National Assembly of Turkey on 5 July 2023 and published in the Official Gazette dated 15 July 2023. According to this; the corporate tax rate has been increased from 25% to 30% for banks, Companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, starting from the declarations that will be submitted as of 1 October 2023.

The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws. No further tax is paid if the profit is not distributed.

There is no withholding tax on profit shares (dividends) paid to institutions that generate income through a workplace or permanent representative in Turkey and to institutions residing in Turkey. 10% withholding tax is applied on dividend payments made to institutions other than these. In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the practices included in the relevant Double Taxation Agreements are also taken into consideration. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

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

There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the last day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change.

In the Turkish tax system, financial losses can be deducted from the financial profits in the following five years, and it is not possible to deduct (retrospectively) from previous years' earnings.

As per the Article 17 of the Omnibus Law published in the Official Gazette dated December 28, 2023, Banks, companies within the scope of the Law on Financial Leasing, Factoring, Financing and Savings Finance Companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will apply inflation accounting in accordance with the Tax Procedure Law as of December 31, 2023, and the profit / loss difference arising from the inflation adjustment made in the 2024 and 2025 accounting periods, including the temporary tax periods, will not be taken into account in the determination of the tax base.

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.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot be retrospectively offset against the profits of previous years.

2 Summary of significant accounting policies *(continued)*

2.18 Income taxes *(continued)*

Deferred tax *(continued)*

In case where gains/losses resulting from the revaluation of the assets are recognized in the statement of income, then the related current and/or deferred tax effects are also recognized in the statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

As of July 15, 2023; The 50% tax exemption stipulated in Law No. 5520 for immovable sales gains has been abolished. However, this exemption will be applied as 25% to the sales of immovables that were in the assets of the enterprises before July 15, 2023. The said change was made in the deferred tax calculations for the current period.

As of December 31, 2023, the applicable corporate tax rate is 30%, therefore 30% tax rate was used for the calculation. (December 31, 2022: 25%)

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.

2.19 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") and the employees of Anadolu Sigorta are the members of Anadolu Anonim Türk Sigorta Şirketi Memurları Emekli Sandığı ("Anadolu Anonim 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 8 May 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.

(Currency: Turkish Lira (TL))

2 Summary of significant accounting policies *(continued)*

2.19 Employee benefits (continued)

Pension and other post-retirement obligations (continued)

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 participants are regarded as social insurant in accordance with the (a) subclause of first sub articles of 4th article of related law.

The principles and practices of the transfer will be determined by the Decree of the Council of Ministers to be published in the future.

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 9,8% 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.

As of 31 December 2023, Anadolu Sigorta, the subsidiary of the company, does not have any shortfalls in accordance with the above-mentioned provisions. (December 31, 2022: None).

Employee termination benefits

In accordance with existing Turkish Labor 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, 2023 is TL 23.490 (December 31, 2022: TL 15.371).

The Company accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 – *Employee Benefits*. The major actuarial assumptions used in the calculation of the total liability As of December 31, 2023 and 2022 are as follows:

	December 31, 2023	**December 31, 2022**
Discount rate	%3,28	%2,21
Expected rate of salary/limit increase	%10,30-19,65	%10,30-19,80
Estimated employee turnover rate	%2,81-6,91	%2,56-5,41

The above expected rate of salary/limit increase is determined according to the annual inflation expectations of the government.

Other benefits

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

Claims are recognized as expense as they are paid. Outstanding claims reserve is provided for both reported unpaid claims at period-end and incurred but not reported claims. Reinsurer's shares of claims paid, and outstanding claims reserve are off-set against these reserves.

Subrogation, salvage and other income

According to the Circular 2010/13 dated September 20, 2010; the Company may account for income accrual for subrogation receivables without any voucher after the completion of the claim payments made to the insurer. If the amount cannot be collected from the counterparty insurance Company, the Company provides provision for uncollected amounts due for six months. If the counter party is not an insurance Company, the provision is provided after four months. As at the reporting date, in accordance with the related circular the Company provided TL 338.107.609 (December 31, 2022: TL 168.748.989) subrogation receivables and recorded TL 449.617.028 (December 31, 2022: TL 202.751.310) (Note 12) net subrogation and salvage receivables under receivables from main operations. The Company provided allowance for uncollected subrogation receivables amounting to TL 156.811.592 (December 31, 2022: TL 58.689.982) (Note 12) in accordance with circular.

(Currency: Turkish Lira (TL))

2 Summary of significant accounting policies *(continued)*

2.21 Revenue recognition *(continued)*

Subrogation, salvage and other income *(continued)*

For the years ended December 31, 2023 and 2022, salvage and subrogation collected are as follows:

	December 31, 2023	December 31, 2022
Land Vehicles	3.280.856.563	1.935.116.639
Land Vehicles Liability	105.850.204	75.862.619
Fire and Natural Disasters	73.300.282	18.394.585
Marine	12.565.462	13.614.925
Credit	-	66.013
Breach of Trust	3.746.085	2.597.464
General Losses	7.596.149	9.040.615
General Liability	2.118.240	5.926.445
Accident	982.543	1.393.565
Sea Vehicles	330.898	601.539
Financial Losses	-	17.957
Air Vehicles	462.401	26.283.087
Air Vechicles Liability	157.796	75.597
Legal Protection	43.923	3.453
Total	**3.488.010.546**	**2.088.994.503**

As of December 31, 2023, and 2022, accrued subrogation and salvage income per branches is as follows:

	December 31, 2023	December 31, 2022
Land Vehicles	345.600.913	162.244.227
Land Vehicles Liability	36.721.423	31.767.257
Fire and Natural Disasters	49.955.618	5.841.411
General Damages	1.354.716	692.923
Marine	9.626.981	787.573
Accident	42.323	-
Sea Vehicles	4.086.803	1.274.698
General Liability	2.228.251	143.221
Total	**449.617.028**	**202.751.310**

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.

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 except for the financial assets at fair value through profit or loss.

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 consolidated financial statements.

2 Summary of significant accounting policies *(continued)*

Dividends

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

2.22 Leasing transactions

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.

3

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available 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:

(a) initial direct costs incurred,
(b) lease payments made at or before the commencement date less any lease incentives received, and
(c) All initial costs incurred by the Company.

Unless the Group 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.

Right-of-use assets are subject to impairment.

Lease liabilities

The Group measures the lease liability based on the present value of the lease payments that were not paid at the actual start of the lease.
The lease payments, which are included in the measurement of the lease liability at the actual start of the lease, consist of the following payments to be made for the right of use of the underlying asset during the lease term and which were not paid at the actual start of the lease:
(a) fixed payments,
(b) variable lease payments based on an index or ratio, the first measurement of which was made using an index or ratio at the actual beginning 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 option to purchase, the price at which the option is used and
(e) penalty payments for termination of the lease if the lease term indicates that the Company will exercise an option to terminate the lease.

Variable lease payments that are not linked to an index or ratio are recorded as expenses in the period in which the event or condition that triggered the payment occurs.

(Currency: Turkish Lira (TL))

2 Summary of significant accounting policies *(continued)*

2.22 Leasing transactions *(continued)*

Lease liabilities (continued)

The revised discount rate for the remainder of the Group's lease term, if the implied interest rate in the lease can be easily determined, as this rate; If it cannot be determined easily, it is determined as the alternative borrowing interest rate of the Group at the date of reassessment.

After the actual start of the lease, the Group measures the lease liability as follows:
(a) increases the book value to reflect the interest on the lease obligation, and
(b) reduces the book value to reflect the lease payments made.

In addition, a change in the fixed lease payments is essentially the lease or a change in the assessment of the option to purchase the underlying asset in case of a change in the value of finance lease liabilities is measured again.

Right-of-use assets calculated regarding to lease liabilities are accounted in “Tangible Assets” located in balance sheet.

Interest expense on lease liabilities and depreciation expense of right-of-use asset are accounted in “Investment Management Expenses (inc. interest)” and “Depreciation and Amortization Expenses” respectively.

Information on the duration of the operating leases and discount rates applied are as follows:

Assets subject to operational leasing	Contract Period (Year)	Discount Rate - TL (%)
Buildings	1-10 years	5,25-28,93
Vehicles	1-3 years	23,62-28,93
Fixtures	1-5	5,25

2.23 Dividend distribution

It is decided in Ordinary General Assembly Meeting of the Company, held on March 28, 2023, not to make a dividend payment. It is stated that the net profit amount of TL 879.498.268 from 2022 activities of the Company, after the legal reserves of TL 43.974.913 are allocated, the remaining amount was allocated TL 38.123.053 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 left the remaining amount as previous years’ profits.

2 Summary of significant accounting policies *(continued)*

2.24 Unearned premiums 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 reserve for unearned premiums represents the proportions of the gross written premiums 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 reserves are 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 Group: 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 non-proportional reinsurance contracts, on the basis on day by considering beginning and ending of the contracts. The Company calculates reserve for unearned premiums 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. Unearned premiums reserve 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, the 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 reserve for unearned premiums 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.According to the 2009/9 Numbered Circular Related to Application of Technical Reserves issued on March 27, 2009 which published by Republic of Turkey Ministry of Treasury and Finance reserve for unearned premiums is calculated by taking into account that all polices become active at 12:00 at noon and end at 12:00 at noon.

According to the Communiqué on Technical Reserves, for the calculation of unearned premium reserves of foreign currency indexed insurance agreements, foreign currency selling exchange rates announced by Turkish Central Bank will be used, unless there is a specified exchange rate in the agreement.

2 Summary of significant accounting policies *(continued)*

2.24 Unearned premiums reserve

The Company has classified the reserve amounting to TL 3.630.893 calculated for health and personal accident policies with a term of more than one year as long-term liabilities (31 December 2022: TL 4.685.839).

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 reserve for unearned premiums for reinsurance companies.

As of the reporting date, the Group has provided unearned premiums reserve amounting to TL 28.701.633.588 (December 31, 2022: TL 15.226.687.322) and reinsurer share in unearned premiums reserve amounting TL 4.797.310.036 (December 31, 2022: TL 2.523.561.505) Furthermore, unearned premiums reserve includes Social Security Institution ("SSI") share amounting to TL 343.265.174 (December 31, 2022: TL 265.022.490). Outstanding indemnity provision is set aside for indemnity amounts accrued and determined on account but not actually paid in previous accounting periods or in the current accounting period, or if this amount could not be calculated, estimated costs and incurred but not reported compensation amounts.

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserves

Compensations that occurred before the accounting periods but were notified after these dates are accepted as incurred but not reported compensation amounts. The "Circular on Outstanding Compensation Provisions (2014/16)" published by the Ministry of Treasury and Finance on 5 December 2014 and the "Circular on Actuarial Chain Ladder Method" numbered 2010/12 have been repealed, with the exception of articles 9 and 10. According to the circular in which the ACLM calculation method is explained, insurance and reinsurance companies calculate ACLM with six different methods: "Standard Chain, Claims/Premiums, Cape Cod, Frequency/Intensity, Munich Chain and Bornhuetter-Ferguson". operations, selection of the most appropriate method and development factors, and intervention to development factors are carried out by the company actuarial using actuarial methods. These issues are detailed in the actuarial report sent to the Ministry of Finance in Article 11 of the Actuarial Regulation. Anadolu Sigorta's actuary tests the loss development factors for certain methods with its provision software, and then makes appropriate factor selections with actuarial analysis. Bodily and material damages in the Compulsory Traffic branch, Employer Financial Liability, Compulsory Financial Liability for Medical Malpractice, Professional Liability, Hazardous Substances and Hazardous Waste Compulsory Financial Liability and Other Liability branches are analyzed separately by the company actuary in the General Liability branch. The company actuary uses the latest legal interest rate (9%) published in the Official Gazette within the framework of the Circular No. 2016/22, which regulates the procedures and principles regarding the discounting of net cash flows arising from outstanding claims.

Anadolu Sigorta used the gradual transition rate specified in the "Circular on Amending the Circular on Outstanding Claims Reserves (2014/16)" dated February 29, 2016 and numbered 2016/11 of the Ministry of Treasury and Finance, using the rate of 100% as of December 31, 2016. started to reflect the best loss estimation to the tables and continued the same practice in this period.

Anadolu Sigorta, in accordance with the Temporary Article 12 of the Regulation Amending the Regulation on Tariff Implementation Principles in Highways Motor Vehicles Compulsory Financial Liability Insurance, which was published in the Official Gazette dated 11 July 2017 and numbered 30121, for step and/or vehicle groups with high damage frequency. It has been announced that the "Risk Insured Pool" has been established to be effective as of 2017. In this context, starting from April 12, 2017, the premium and damage amounts related to traffic insurance policies issued within the scope of the pool are transferred by the Turkish Motor Vehicles Bureau to the T.R. It has started to be shared among insurance companies within the framework of the principles determined by the Ministry of Treasury and Finance.

While calculating the IBNR for the portfolio of pools transferred and taken over within the scope of the said pool application at Anadolu Sigorta, the "Summary Actuarial Valuation Report for the Risky Insured Pool Final Loss/Premium Ratio Range Estimation" shared by TMVO was taken as the basis. After the change in the legislation, the Group has created accounting records over the premium, damage and commission amounts transferred to the pool and taken over from the pool within the scope of its share within the scope of the monthly receipts finalized by the Turkish Motor Vehicles Office (TMVO). has provided its reflection in the financial statements.

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 Turkish Insurance and Private Pension Regulation and Supervision Authority, and reported but not settled claims are considered as incurred but not reported ("IBNR") claims. Actuarial chain ladder method may be differentiated by Turkish Insurance and Private Pension Regulation and Supervision Authority for reinsurance companies due to their special conditions.

Methods for the calculation of provision for incurred but not reported claims are determined by the Republic of Turkey Ministry of Treasury and Finance in the life-branch. The ACLM methods selected for each branch is provided in the following section. The Group could not perform big claim elimination by Box Plot.

(Currency: Turkish Lira (TL))

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserves *(continued)*

	December 31, 2023		December 31, 2022	
Branches	**Milli Reasürans**	**Anadolu Sigorta**	**Milli Reasürans**	**Anadolu Sigorta**
Fire and Natural Disasters	Standard Chain	Standard Chain	Standard Chain	Standard Chain
General Damages(*)	Standard Chain	Standard Chain	Standard Chain	Standard Chain
General Liability(**)	Standard Chain	Cape Cod	Standard Chain	Cape Cod
Land Vehicles Liability	Standard Chain	Cape Cod	Standard Chain	Cape Cod
Marine	Standard Chain	Standard Chain	Standard Chain	Standard Chain
Sea Vehicles	Standard Chain	Standard Chain	Standard Chain	Standard Chain
Land Vehicles	Standard Chain	Standard Chain	Standard Chain	Standard Chain
Casualty	Standard Chain	Standard Chain	Standard Chain	Standard Chain
Health	Standard Chain	Standard Chain	Standard Chain	Standard Chain
Air Vehicles	Standard Chain	Standard Chain	Standard Chain	Standard Chain
Legal Protection	Standard Chain	Standard Chain	Standard Chain	Standard Chain
Sea Vehicles Liabilities	Sector Average (Insurance Association of Turkey 09/2023)	Standard Chain	Sector Average (Insurance Association of Turkey 09/2022)	Standard Chain
Air Vehicles Liability	Sector Average (Insurance Association of Turkey 09/2023)	Standard Chain	Sector Average (Insurance Association of Turkey 09/2022)	Standard Chain
Surety	Sector Average (Insurance Association of Turkey 09/2022)	Standard Chain	Sector Average (Insurance Association of Turkey 09/2022)	Standard Chain
Financial Losses	Standard Chain	Standard Chain	Standard Chain	Standard Chain
Credit	Sector Average (Insurance Association of Turkey 09/2023)	Standard Chain	Sector Average (Insurance Association of Turkey 09/2022)	Standard Chain
Life	Standard Chain	-	Standard Chain	-
Facultative Third Party Liability	-	Standard Chain	-	Standard Chain

(*) Two separate calculations 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 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.

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 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 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, 2023.

Anadolu Sigorta, The Constitutional Court has cancelled "general conditions" in the articles of the Highway Traffic Law No. 2918, which are subject to branch of third-party liability for motor vehicles, due to unconstitutional. As of December 31, 2023, effect of the cancellation decision has been analysed and reflected in the amount of incurred but not reported claims.

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 6 November 2008, selections and results should be assess in detail in actuarial report by the actuary.

Due to the insufficient data available to the Company's in sea vehicles liability, air vehicles liability, surety and credit branches and its uneven distribution in the loss development tables, the Company was unable to obtain a result by subjecting the relevant data to the correction process. For this reason, values representing the sector averages in the branches specified in the ACLM calculations were used. On the other hand, in Financial Losses and Life branches, where calculations were made using a similar method as of 31.12.2021, the calculation was made using the Standard Chain method as of 31.12.2022, as the data reached a certain maturity.

3 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserves *(continued)*

According to December 5, 2014 dated "Circular regarding Outstanding Claims Reserve (2014/16)", 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 year-end. The methods indicated in the table are calculated according to paid claims.

Anadolu Sigorta , In accordance with the Communiqué on the Amendment of the Communiqué on the Procedures and Principles of the Contribution of the Institution in the Compulsory Financial Liability Insurance for Medical Malpractice Law, published in the Official Gazette dated October 7, 2017 and numbered 30203, the Compulsory Financial Liability Insurance for Medical Malpractice the rules for premium and damage sharing have been established. Türk Reasürans A.Ş. has been appointed of such transactions has been indefinitely.

In this context, premiums and claims related to the policies issued as of October 1, 2017 have been started to be allocated among the insurance companies within the framework of the principles determined by the Undersecretariat.

Anadolu Sigorta, after the change in the legislation, the Company created the accounting records over the premium, damage and commission amounts transferred to the pool within the scope of the monthly receipts finalized and forwarded by Türk Reasürans A.Ş. and taken over from the pool within the scope of its share. In addition, it also worked on the amounts for the period for which receipts have not yet been submitted and ensured that they were reflected in the financial statements.

During the calculation of ACLM, the recourse and salvage amounts to be deducted according to the method determined by the Ministry must be calculated over the collected amounts (including the interest income collected together with the recourse incomes and the litigation costs incurred for the collection of this receivable and attorney fees). When calculating the aforementioned amounts, only the recourse and salvage collections for which compensation was paid within the period subject to the calculation should be taken into account and associated with the period in which they were collected in the table. Salvage and subrogation income which will be deducted in the calculation of ACLM stated by the Under secretariat 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.

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserves*(continued)*

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, 2023, the Company recognised the amount that arose due to change in calculation method for IBNR on General Damages branch.

As explained in the Circular (2017/07) on Discounting Net Cash Flows Arising from the Provision of Outstanding Compensation published 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. As of December 31, 2023, Milli Reasürans have been reflected the amounts in the records by taking into account the discount rate determined as 28% with the Circular No. 2023/21 "Circular on Amendments to Circular No. 2016/22 on Discounting Net Cash Flows Arising from the Provision for Outstanding Compensation" published on July 12, 2023.

In line with the relevant circular, Anadolu Sigorta also took into account the 28% rate in discounting the net cash flows arising from the outstanding claims provision. As of the reporting date, the company is recorded the net discounting amount of claims reserves as TL 10.555.127.559 (December 31, 2022: TL 4.841.484.474).

With the Circular No. 2024/3 "Circular on Amendments to Circular No. 2016/22 on Discounting Net Cash Flows Arising from the Provision for Outstanding Compensation" published on January 15, 2024, the Circular's 7th article was changed as "Net cash flows are discounted to cash value by taking into account 35% as of the financial reporting date". Second article of the circular states that companies have not prepared financial statements may apply the commands of this circular as of December 31, 2023. Within the scope of this article, Milli Reasürans and Anadolu Sigorta continued to apply the 28% discount rate as they prepared their financial statements dated December 31, 2023.

As of the reporting date, as a result of actuarial chain ladder method; Milli Reasürans, except Singapore branch, is recorded 100% of additional IBNR amounting to TL 651.285.087 (December 31, 2022: TL 260.743.671 negative IBNR) as outstanding claims reserve. As of the reporting date, TL 115.375.539 (December 31, 2022: TL 89.138.657) of IBNR provision is recorded for Singapore branch.

In accordance with "Circular Related to Information on Calculation of Incurred But Not Reported Claims Reserve" and dated November 26, 2011, companies may decrease their outstanding claims reserve balances based on the winning ratio of the sub-branches calculated from the last five years claims. Winning ratio used for decreasing in outstanding claims reserves could not exceed 25% (15% for the new sub-branches which do not have five-year data). The Company did not make any discounts regarding the case reserves as of 31 December 2023 (31 December 2022: None).

2 Summary of significant accounting policies *(Continued)*

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 Group 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.

2.27 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.

As explained in the "Circular on Discounting Net Cash Flows Arising from Outstanding Claims Reserves" (2017/07), published by Turkey Ministry of Treasury and Finance on September 15, 2017, insurance companies discount the net cash flows that will be formed by the outstanding claims reserve in accordance with the insurance legislation, according to the principles specified in the circular will be able to. Pursuant to the 1st article of the circular, the application of discount in the “General Liability” and “Land Vehicles Liability” branches of the outstanding claims provision has become mandatory.

As of December 31, 2023, amounts have been reflected by taking into account the discount rate determined as 28% with the Circular No. 2023/21 “Circular on Amendments to Circular No. 2016/22 on Discounting Net Cash Flows Arising from the Provision for Outstanding Compensation” published on July 12, 2023.

2 Summary of significant accounting policies *(Continued)*

2.27 Unexpired risk reserves

According to the circular regarding the provision for unexpired risk reserve (2019/5), Reinsurance companies can make the calculation on the basis of the underwriting (business) year. In this case, the calculation is made by proportioning the total gross final loss incurred for at least the last three writing (business) years to the total gross earned premiums (written premiums minus unearned premiums reserve). Although it is essential to repeat the calculation in each quarter, if it can be clearly seen that the repetition of the calculation in quarterly periods will not produce meaningful results due to the structure of the agreements made or the agreement processes of the parties, it is possible to use the calculation made for the end of the year in the current year interim period estimates. With the Circular No. 2022/27 on the Provision for Unexpired Risk Reserve published by the Insurance and Private Pensions Regulation and Supervision Agency on 24.10.2022 and entered into force on the date of publication, the circular numbered 2019/5 was repealed. It is possible to calculate on the basis of underwriting year . While the company applied the year-based calculation defined by the Circular only in the Land Vehicles Liability branch; As of 30.09.2022, in order to eliminate the misleading effect caused by the significant fluctuations in the current year due to changes in economic indicators such as inflation and exchange rates, and the Fire, Natural Disasters and General Losses branches being heavily affected by the said fluctuations, the calculation in the said branches was made using the relevant method.

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 with the method described in the Circular, a provision for unexpired risk reserve amounting to TL 1.995.584.379 would have been set aside in the financial statements as of 31 December 2023.

In accordance with the circular numbered 2011/18 of the Ministry of Treasury and Finance; In the calculation of the expected loss premium rate used in the calculation of the ongoing risks related to the Compulsory Traffic, Compulsory Road Transport Financial Liability and Bus Compulsory Seat Personal Accident branches, the calculation was made by deducting all the amounts related to the premium and damage to be transferred to the SGK from the numerator and denominator.

If Anadolu Sigorta had been made the calculation of provision for unexpired risk reserve considering the "Circular on the Amendment to the Circular No. 2016/22 (2024/3) on Discounting Net Cash Flows Arising from Outstanding Claims Reserve" published on 15/01/2024, the gross result would be as TL 1.088.136.716 and the net result would be TL 1.076.453.342 in consolidated financial statements.

In accordance with the sector announcement numbered 2015/30 of the Turkey Ministry of Treasury and Finance, the opening outstanding claim provision amount used in the determination of the expected loss premium rate determined for the calculation of the reserve for ongoing risks as of 31 December 2017, has been re-determined in a manner consistent with the current period.

With the circular numbered 2019/5 of the Turkey Ministry of Treasury and Finance, it has been stated that in addition to the method mentioned above, the calculation of the ongoing risks reserve for all branches can also be made with the following method.

If the discounted final loss premium rate, which is calculated based on the accident year of Anadolu Sigorta, the subsidiary of the Company and including indirect works, is above 85%, the excess amount is multiplied by the gross UPR, and the gross ongoing risks reserve; The net amount of provision for continuing risks has been determined by multiplying it by the net UPR.

(Currency: Turkish Lira (TL))

2 Summary of significant accounting policies *(Continued)*

2.27 Unexpired risk reserves (continued)

Anadolu Sigorta, the subsidiary of the Company, In the amendment made with the circular numbered 2020/1 of the Ministry of Treasury and Finance, if a separate calculation is made for the works where 100% of the direct production is transferred to the pools established in Turkey, 100% of the gross loss ratio and 85% of the gross loss ratio for other works. If it is higher than the ratio, the URR calculation is made.

Anadolu Sigorta, in accordance with the second paragraph of the third article of the Circular on the Provision for Ongoing Risks 2022/27, the company actuary in the Compulsory Traffic branch; In order to eliminate the misleading effect of the fluctuation caused by the deterioration in the damage development due to inflation, minimum wage, exchange rate and other factors and the periodic variation of the tariff changes that increase the premium, the Final Loss Ratio estimates for the last four quarters subject to the calculation of the DERK are replaced with "Accident Year". Writing Year" was calculated on the basis of actuarial analyses based on the best estimation principles.

The result of the URR calculation made by Anadolu Sigorta in the scope of Turkish Insurance and Private Pension Regulation and Supervision Authority's circular numbered 2011/18 are given below:

	December 31, 2023		**December 31, 2022**	
	Gross URR	**Net URR**	**Gross URR**	**Net URR**
RSH – Received	435.323.538	435.323.538	170.519.237	170.519.237
Motor Vehicles Liability – Non pool	894.160.048	894.160.048	496.804.108	496.804.108
TKU Pool – Received	4.159.975	4.159.975	4.913.004	4.913.004
General Liability – Non pool	104.749.963	74.571.609	94.908.190	59.036.326
Total	**1.438.393.524**	**1.408.215.170**	**767.144.539**	**731.272.675**

As a result of the related test, as of the reporting period, the Group has set aside a provision for continuing risks amounting to TL 1.762.308.460 (December 31, 2022: TL 818.496.039) in its consolidated financial statements.

In order to ensure that the calculation of the outstanding claims reserve ("URR") is free from the misleading effect of the changed outstanding claims reserve calculation method, the outstanding claims provision of the previous period is calculated with the new method and the amount calculated according to the new method as the outstanding claims reserve is calculated in the ongoing risks reserve account is used.

2 Summary of significant accounting policies *(Continued)*

2.28 Equalization reserves

In accordance with the Turkish Insurance and Private Pension Regulation and Supervision Authority '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 reserve 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 consolidated financial statements. As at the reporting date, the Group has recognized equalization provision amounting to TL 863.671.777 (December 31, 2022: TL 918.336.138).

As of December 31, 2023, Milli Reasürans has deducted TL 404.801.290 (December 31, 2022: TL 6.872.441) from equalization reserve in consequence of realized earthquake losses.

At Anadolu Sigorta, the loss effect of the earthquake, which was centered in Kahramanmaraş and affected 11 provinces on February 6, 2023, reflected in our financial statements, was compensated by the equalization reserve and TL 258.889.026 was used from the equalization reserve as of December 31, 2023 (31 December 2022: Unused).

2 Summary of significant accounting policies *(Continued)*

2.29 Related parties

Parties are considered related to the Group if;

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

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

(b) The party is an associate of the Group;

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

(d) The party is member of the key management personnel of the Group;

(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 Group, or of any entity that is a related party of the Group.

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 Earnings per share

Earnings per share presented in the income statement are calculated by dividing the net profit into the weighted average number of the outstanding shares throughout the financial year. Companies in Turkey can increase their capital by distributing “bonus shares” to shareholders from the prior years’ profit. Such “bonus share” distributions are considered as issued shares in the earnings per share calculations. Accordingly, weighted average number of the outstanding shares used in this calculation is found by considering the retrospective effects of the outstanding shares distributions.

2.31 Subsequent events

Post-balance sheet events that provide additional information about the Group’s position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-balance sheet events 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 consolidated financial statements as at December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2022. The effects of these standards and interpretations on the Group'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, 2023 are as follows:

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

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

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

2 Summary of significant accounting policies *(Continued)*

2.32 The new standards, amendments and interpretations *(Continued)*

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023. The amendments did not have a significant impact on the financial position or performance of the Group.

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 Group consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the Group consolidated 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 Group will wait until the final amendment to assess the impacts of the changes.

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. 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 mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

2 Summary of significant accounting policies *(Continued)*

2.32 The new standards, amendments and interpretations *(Continued)*

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

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 Group does not expect a material impact on the financial statements.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. Generally, the Group does not expect a material impact on the financial statements.

2 Summary of significant accounting policies *(Continued)*

2.32 The new standards, amendments and interpretations *(Continued)*

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its unconsolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. Generally, the Group does not expect a material impact on the financial statements.

3 Important accounting estimates and provisions

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 consolidated 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 consolidated 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

Note 17 – Insurance contract liabilities and reinsurance assets

Note 17 – Deferred acquisition costs

Note 19 – Trade and other payables and deferred income

Note 21 – Deferred income taxes

Note 23 – Provision for other liabilities and charges

4 Management of insurance and financial risk

4.1 Management of insurance risk

Insurance risk is the risk that may arise from the failure to apply the insurance technique correctly and effectively in the process of providing coverage to probable events. It arises from the selection of the risk and the erroneous determination of the scope, conditions and price of the collateral to be given to the selected risk, or the erroneous determination of which of the guarantees given to the insured will be kept within the Group, up to what amount, and under which conditions and to whom the transfers will be transferred.

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

Potential risks that may be exposed in transactions are managed based on the requirements set out in the Company's "Risk Management Policies" issued by the approval of the Board of Directors. The main objective of risk management policies 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.

Risk tolerance is determined by the Board of Directors, taking into account the Company's long-term strategies, equity resources, expected returns, and general economic expectations, and is expressed in terms of risk limits. Authorization limits in the insurance process include the authority to accept risks granted to agents, regional directorates, technical directorates, coordinators, assistant general managers, and the Executive Board for risks, special risks that cannot be accepted or could be accepted with prior approval, coverage scopes, and geographical regions during the policy issuance stage, and the authority to pay claims granted to the claims management department, motor claims department, non-motor claims department, health claims department, legal and subrogation processes department, treaty transactions department, claims coordinator, and the Claims Board consisting of the general manager and assistant general managers.

In any case, risk acceptance is based on technical income expectations under the precautionary principle. In determining insurance coverage, policy terms and fee, these expectations are based accordingly.

It is essential that all the authorized personnel in charge of executing policy issuance transactions, which is the initial phase of insurance process, should ensure to gather or provide all the accurate and complete information to issue policies in order to obtain evidence on the acceptable risks that the Group can tolerate from the related insurance transactions. On the other hand, decision to be made on risk acceptance will be possible by transferring the coverage to the reinsurers and/or coinsurers and considering the terms of the insurance policy.

In order to avoid destructive losses over Group's financial structure, Company transfers the exceeding portion of risks assumed over the Group's risk tolerance and equity resources through treaties, facultative reinsurance contracts and coinsurance agreements to reinsurance and coinsurance companies. Insurance coverage and policy terms of reinsurance are determined by assessing the nature of each insurance branch.

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 that Istanbul might be exposed to in terms of its severity and any potential losses incurred in accordance with the generally accepted international earthquake models. The total amount of protection for catastrophic risks of the Company is identified taking into the compensation amount for an earthquake will occur in a 1000 years.

(Currency: Turkish Lira (TL))

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

4.1 Management of insurance risk *(continued)*

Insurance risk concentrations

The Group's gross and net insurance risk concentrations (after reinsurance) in terms of insurance branches are summarized as below:

	December 31, 2023		
Branches	**Gross total claims liability (*)**	**Reinsurance share of total claims liability**	**Net total claims liability**
Land Vehicles Liabitily	5.597.822.676	(1.223.755.406)	4.374.067.270
Land Vehicles	4.772.190.694	(139.338.752)	4.632.851.942
Fire and Natural Disasters	19.573.944.219	(15.085.912.687)	4.488.031.532
General Losses	2.054.430.939	(435.285.517)	1.619.145.422
General Liability	537.566.079	(144.105.935)	393.460.144
Sea Vehicles	716.715.657	(304.462.538)	412.253.119
Accident	73.202.116	(12.914.952)	60.287.164
Marine	552.845.987	(251.180.796)	301.665.191
Life	9.400.117	(2.568.630)	6.831.487
Air Vehicles	94.457.008	(33.120.161)	61.336.847
Health	3.247.258.583	(163.036.111)	3.084.222.472
Breach of trust	6.971.309	2.609.488	9.580.797
Air Vehicles Liability	4.325.088	(2.266.349)	2.058.739
Legal Protection	288.181	-	288.181
Financial Losses	833.700.147	(604.115.092)	229.585.055
Credit	6.931.545	(151.268)	6.780.277
Total	**38.082.050.345**	**(18.399.604.706)**	**19.682.445.639**

	December 31, 2022		
Branches	**Gross total claims liability (*)**	**Reinsurance share of total claims liability**	**Net total claims liability**
Land Vehicles Liabitily	3.214.330.811	(773.608.134)	2.440.722.677
Land Vehicles	2.702.128.641	(8.919.935)	2.693.208.706
Fire and Natural Disasters	2.422.448.062	(466.494.732)	1.955.953.330
General Losses	1.267.585.922	(137.543.106)	1.130.042.816
General Liability	301.976.687	(41.140.213)	260.836.474
Sea Vehicles	404.890.346	(151.278.808)	253.611.538
Accident	51.376.294	(3.368.089)	48.008.205
Marine	207.331.318	(48.719.219)	158.612.099
Life	9.673.464	(381.331)	9.292.133
Air Vehicles	20.555.052	(657.487)	19.897.565
Health	1.580.855.752	(76.842.298)	1.504.013.454
Breach of trust	2.299.483	1.674.977	3.974.460
Air Vehicles Liability	2.239.725	(462.556)	1.777.169
Legal Protection	338.512	-	338.512
Sea Vehicles Liability	290	-	290
Financial Losses	146.960.145	(79.329.497)	67.630.648
Credit	3.641.463	(664.030)	2.977.433
Total	**12.338.631.967**	**(1.787.734.458)**	**10.550.897.509**

(*) 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 Group's exposure to each of the below risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Group 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 Group's exposure to each of the above risks is assessed according to "Application Principles in Respect of Risk Limits".

The Group 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 Group'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 Group if counterparties (parties issued financial instrument, insurance companies, reinsurance companies and other debtors) having business relationship with the Group fails to meet its contractual obligations. The Group 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.

Reinsurance contracts are the most common method to manage insurance risk. This does not, however, discharge the Group's liability as the primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of the reinsurance contract.

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 of 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, 2023	December 31, 2022
Cash and cash equivalents *(Note 14)* (*)	13.131.237.359	10.943.458.315
Receivables from main operations *(Note 12)*	18.668.821.131	7.643.848.201
Financial assets and financial investments with risks on policyholders *(Note 11)*(**)	25.588.670.132	12.385.912.362
Reinsurer share in outstanding claims reserves *(Note 10), (Note 17)*	16.122.814.162	4.562.215.886
Income accruals *(Note 12)*	108.303.904	56.748.581
Other prepaid expenses (***)	9.246.952	13.673.790
Other receivables *(Note 12)*	111.381.114	52.573.777
Prepaid taxes and funds *(Note 12)*	110.117.653	35.618.394
Other current asset *(Note 12)*	77.950.697	36.561.953
Total	**73.928.543.104**	**35.730.611.259**

(*) Cash on hands balance amounting to TL 162.771 are not included (December 31, 2022: TL 197.410).

(**) Equity shares amounting to TL 3.031.578.817are not included (December 31, 2022: TL 1.514.404.180).

(***) TL 62.292.330 is the advance amount given by the Group. (December 31, 2022: TL 33.045.582).

December 31, 2023 and 2022, the aging of the receivables from main operations and related provisions are as follows:

	December 31, 2023		December 31, 2022	
	Brüt tutar	**Ayrılan karşılık**	**Brüt tutar**	**Ayrılan karşılık**
Not past due	15.358.254.844	-	6.889.315.306	-
Past due 0-30 days	3.153.775.809	(15.197.891)	635.324.513	(8.788.242)
Past due 31-60 days	64.170.230	(15.936.262)	28.099.419	(8.080.500)
Past due 61-90 days	47.409.111	(15.997.861)	28.045.199	(6.385.277)
More than 90 days(*)	1.380.393.500	(1.288.050.349)	941.736.609	(855.418.826)
Toplam	**20.004.003.494**	**(1.335.182.363)**	**8.522.521.046**	**(878.672.845)**

(*) As per the February 3, 2005 dated and B.02.1.HM.O.SGM.0.3.1/01/05 numbered Circular issued by the Republic of Turkey Ministry of Treasury and Finance, in case where subrogation is subject to claim/legal action, related subrogation amount is recognized as doubtful receivables and allowance for doubtful receivables is provided by the same amount in the financial statements. Related amounts are presented in "More than 90 days" line in the above table.

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

	December 31, 2023	December 31, 2022
Provision for receivables from insurance operations at the beginning of the year	819.982.864	614.250.399
Collections during the period *(Note 47)*	(2.722.230)	(972.045)
Impairment losses provided during the period *(Note 47)*	1.524.942	1.455.458
Impairment losses provided for subrogation – salvage receivables during the period *(Note 47)*	315.423.102	190.020.345
Valuation of doubtful receivables *(Note 47)*	44.162.093	15.228.707
Provision for receivables from insurance operations at the end of the year	**1.178.370.771**	**819.982.864**

(Currency: Turkish Lira (TL))

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

4.2 Management of financial risk *(continued)*

Credit risk *(continued)*

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

	December 31, 2023	December 31, 2022
Provision for other receivables at the beginning of the year	705.142	1.061.329
Provision for impairment allocated during the period	-	(356.187)
Provision for other receivables at the end of the year	**705.142**	**705.142**

Liquidity risk

Liquidity risk is the risk that the Group 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 Group's cash inflows and outflows in terms of maturity and volume.

The Group'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 Group 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 Group 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.

(Currency: Turkish Lira (TL))

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

4.2 Management of financial risk *(continued)*

Management of the liquidity risk *(continued)*

Maturity distribution of monetary assets and liabilities:

December 31, 2023	Book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year
Assets						
Cash and cash equivalents	13.131.396.963	6.905.850.163	5.816.050.587	229.419.985	180.076.228	-
Financial assets and financial investments with risks on policyholders(*)	25.588.670.132	10.822.111.544	1.166.480.415	2.178.765.395	509.625.350	10.911.687.428
Receivables from main operations	18.668.821.131	3.811.599.373	4.609.693.164	3.768.985.227	948.830.481	5.529.712.886
Other receivables and current assets	422.460.337	291.104.543	13.975.567	20.562.892	95.232.238	1.585.097
Total monetary assets	**57.811.348.563**	**21.830.665.623**	**11.606.199.733**	**6.197.733.499**	**1.733.764.297**	**16.442.985.411**
Liabilities						
Financial liabilities	144.295.014	1.173.397	2.307.155	3.365.026	25.545.276	111.904.160
Payables arising from main operations	6.084.118.206	868.455.316	415.822.131	473.813.389	4.320.350.076	5.677.294
Due to related parties	2.085.823	2.085.823	-	-	-	-
Other liabilities	668.894.604	388.880.081	242.936.125	-	37.078.398	-
Insurance technical reserves (**)	21.341.168.041	1.799.335.181	3.535.842.317	4.245.871.412	1.576.441.885	10.183.677.246
Provisions for taxes and other similar obligations	800.540.106	572.182.932	228.357.174	-	-	-
Provisions for other risks and expense accruals	1.031.592.285	190.006.953	163.258.436	1.398.637	315.617.102	361.311.157
Total monetary liabilities	**30.072.694.079**	**3.822.119.683**	**4.588.523.338**	**4.724.448.464**	**6.275.032.737**	**10.662.569.857**

(*) Equity shares amounting to TL 3.031.578.817 are not included.

(**) Provisions for outstanding claims are subject to maturity distribution, taking into account the estimated payment dates, and all of the provisions for outstanding claims are presented under current liabilities in the accompanying consolidated financial statements. Provisions for outstanding claims that could not be distributed consistently are shown in the “more than 1 year” column.

(Currency: Turkish Lira (TL))

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

4.2 Management of financial risk *(continued)*

Management of the liquidity risk *(continued)*

December 31, 2022	Book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year
Assets						
Cash and cash equivalents	10.943.641.244	6.949.494.750	3.803.488.062	136.764.533	53.893.899	-
Financial assets and financial investments with risks on policyholders(*)	12.385.912.362	2.847.675.456	362.620.950	245.858.041	976.849.032	7.952.908.883
Receivables from main operations	7.643.848.201	668.169.430	2.230.649.329	1.911.490.332	427.663.016	2.405.876.094
Other receivables and current assets	199.971.764	156.483.292	6.502.464	6.303.123	29.575.759	1.107.126
Total monetary assets	**31.173.373.571**	**10.621.822.928**	**6.403.260.805**	**2.300.416.029**	**1.487.981.706**	**10.359.892.103**
Liabilities						
Financial liabilities	99.915.061	18.751.852	5.107	7.579	10.889.626	70.260.897
Payables arising from main operations	2.596.858.889	610.549.537	502.355.492	548.686.494	893.461.333	41.806.033
Due to related parties	1.262.116	1.262.116	-	-	-	-
Other liabilities	381.363.305	343.519.844	12.892.612	-	24.950.849	-
Insurance technical reserves (**)	13.199.847.470	1.138.063.241	1.954.420.290	2.663.673.173	1.000.692.585	6.442.998.181
Provisions for taxes and other similar obligations	394.550.536	291.780.585	102.769.951	-	-	-
Provisions for other risks and expense accruals	651.059.351	133.815.801	56.771.151	-	194.656.421	265.815.978
Total monetary liabilities	**17.324.856.728**	**2.537.742.976**	**2.629.214.603**	**3.212.367.246**	**2.124.650.814**	**6.820.881.089**

(*) Equity shares amounting to TL 1.514.404.180 are not included.

(**) Provisions for outstanding claims are subject to maturity distribution, taking into account the estimated payment dates, and all of the provisions for outstanding claims are presented under current liabilities in the accompanying consolidated financial statements. Provisions for outstanding claims that could not be distributed consistently are shown in the "more than 1 year" column.

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 Group'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.

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

Foreign currency risk

The Group 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 the 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 operations.

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

December 31, 2023	**US Dollar**	**Euro**	**Other currencies**	**Total**
Assets:				
Cash and cash equivalents	767.733.700	434.799.105	223.512.777	1.426.045.582
Financial assets and financial investments with risks on policyholders	8.396.913.998	1.826.224.373	-	10.223.138.371
Receivables from main operations	3.637.470.975	4.044.496.815	1.435.139.978	9.117.107.768
Total foreign currency assets	**12.802.118.673**	**6.305.520.293**	**1.658.652.755**	**20.766.291.721**
Liabilities:				
Payables arising from main operations	(1.706.576.446)	(2.396.139.394)	(181.934.094)	(4.284.649.934)
Insurance technical reserve(*)	(4.762.874.165)	3.114.225.152	(1.487.893.862)	(3.136.542.875)
Financial Liabilities	(2.237.303.200)	-	(15.530.811)	(2.252.834.011)
Total foreign currency liabilities	**(8.706.753.811)**	**718.085.758**	**(1.685.358.767)**	**(9.674.026.820)**
Net financial position	**4.095.364.862**	**7.023.606.051**	**(26.706.012)**	**11.092.264.901**

December 31, 2022	**US Dollar**	**Euro**	**Other currencies**	**Total**
Assets:				
Cash and cash equivalents	727.929.958	266.854.072	160.945.252	1.155.729.282
Financial assets and financial investments with risks on policyholders	6.858.220.258	1.058.062.582	-	7.916.282.840
Receivables from main operations	1.930.666.494	776.338.573	640.483.998	3.347.489.065
Total foreign currency assets	**9.516.816.710**	**2.101.255.227**	**801.429.250**	**12.419.501.187**
Liabilities:				
Payables arising from main operations	(762.389.973)	(394.828.866)	(77.344.016)	(1.234.562.855)
Insurance technical reserve(*)	(2.236.204.847)	(1.190.098.086)	(852.444.014)	(4.278.746.947)
Financial Liabilities	(3.440.487.200)	(386.139.013)	(126.259)	(3.826.752.472)
Total foreign currency liabilities	**(6.439.082.020)**	**(1.971.065.965)**	**(929.914.289)**	**(9.340.062.274)**
Net financial position	**3.077.734.690**	**130.189.262**	**(128.485.039)**	**3.079.438.913**

(*) 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 the Republic of Turkey's spot sales rates.

For the purpose of evaluation of the above table, TL equivalents of the relevant foreign currency amounts have been shown. December 31, 2023, while the CBRT evaluated the CBRT with the sales rate, other daily transactions were evaluated with accounting based on the temporary exchange rates on the transaction date, at the end of the reporting period, foreign currency denominated active items were evaluated with CBRT exchange rates dated December 31, 2023 and passive items were evaluated with CBRT sales rates.

(Currency: Turkish Lira (TL))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities As of December 31, 2023 and 2022 are as follows:

	End of the period (Buying)		End of the period (Selling)		Average	
	US Dollar	**Euro**	**US Dollar**	**Euro**	**US Dollar**	**Euro**
December 31,2023	29,4382	32,5739	29,4913	32,6326	23,7482	25,6852
December 31,2022	18,6983	19,9349	18,7320	19,9708	16,5512	17,3642

Exposure to foreign currency risk

A 20 percent depreciation of the TL against the following currencies As of December 31, 2023 and 2022 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below (December 31, 2022: 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, 2023		December 31, 2022	
	Profit or loss	**Equity**(*)	**Profit or loss**	**Equity**(*)
US Dollar	819.072.972	819.072.972	615.546.938	615.546.938
Euro	1.404.721.210	1.404.721.210	26.037.852	26.037.852
Others	(5.341.202)	(5.341.202)	(25.697.008)	(25.697.008)
Total, net	**2.218.452.980**	**2.218.452.980**	**615.887.782**	**615.887.782**

(*) Equity effect also includes profit or loss effect of 20% depreciation of TL against related currencies (December 31, 2022: 20% depreciation of TL).

(Currency: Turkish Lira (TL))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

Exposure to interest rate risk (continued)

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

	December 31, 2023	**December 31, 2022**
Financial assets		
Financial assets with fixed interest rates:	***20.004.036.166***	***17.660.994.845***
Cash at banks *(Note 14)*(*)	8.423.293.622	8.839.667.993
Available for sale financial assets – Private sector bonds *(Note 11)*	1.283.859.676	2.005.214.067
Available for sale financial assets – Government bonds *(Note 11)*	8.454.980.584	5.431.158.510
Cash deposited to insurance and reinsurance companies *(Note 12)*	1.512.369.005	1.005.162.022
F.V. held to maturity - government debt securities (Note 11)	329.439.781	379.792.253
Held for trading financial assets – other *(Note 11)*	93.498	-
Held-to-maturity financial assets - private sector debt securities (Note 11)	-	-
Financial assets with variable interest rate:	***5.125.125.038***	***1.711.985.976***
Available for sale financial assets – Private sector bonds *(Note 11)*	152.181.667	637.554.644
Available for sale financial assets – Government bonds *(Note 11)*	2.334.986.132	1.074.431.332
FX-protected deposits	*2.637.957.239*	-
Financial liabilities:		
Financial liabilities with fixed interest rate:	***144.295.014***	***99.915.061***
Expense Accruals From Derivative Contracts *(Note 20)*	-	18.749.281
Payables from operating leases *(Note 34)*	144.295.014	81.165.780

(*) Demand deposits amounting to TL 1.255.575.050 are not included (December 31, 2022: TL 316.724.311).

4 Management 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 Group has classified its financial assets as held for trading or available for sale, As at 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 consolidated financial statements.

Group 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 Group. 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.

(Currency: Turkish Lira (TL))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

Classification relevant to fair value information (continued)

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

	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Available for sale financial assets *(Note 11) (*)*	13.901.599.216	-	-	13.901.599.216
Financial assets to be held to maturity (Note 11)	7.176.935.826	7.211.468.881	-	14.388.404.707
Associates	-	1.354.386.089	-	1.354.386.089
Total financial assets	**21.078.535.042**	**8.565.854.970**	**-**	**29.644.390.012**
Tangible assets:				
Investment properties *(Note 6)*	-	4.890.602.000	-	4.890.602.000
Owner occupied properties *(Note 6)*	-	215.104.000	-	215.104.000
Total tangible assets	**-**	**5.105.706.000**	**-**	**5.105.706.000**
Total	**21.078.535.042**	**13.671.560.970**		**34.750.096.012**

	December 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Available for sale financial assets *(Note 11) (*)*	10.154.517.220	-	-	10.154.517.220
Financial assets held for trading *(Note 11)*	2.790.613.979	574.621.836	-	3.365.235.815
Associates	-	727.903.437	-	727.903.437
Subsidiaries	-	4.523.190	-	4.523.190
Total financial assets	**12.945.131.199**	**1.307.048.463**	**-**	**14.252.179.662**
Tangible assets:				
Investment properties *(Note 6)*	-	1.894.516.000	-	1.894.516.000
Owner occupied properties *(Note 6)*	-	802.940.000	-	802.940.000
Total tangible assets	**-**	**2.697.456.000**	**-**	**2.697.456.000**
Total	**12.945.131.199**	**4.004.504.463**		**16.949.635.662**

(*) As of December 31, 2023, securities that are not publicly traded amounting to TL 805.244 (December 31, 2022: TL 771.254) have been measured at cost.

(Currency: Turkish Lira (TL))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

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 on Group income as a result of 10% change in the fair value of equity instruments held as held for trading financial assets (traded at İstanbul Stock Exchange) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows (excluding tax effect):

	December 31, 2023		**December 31, 2022**	
	Profit or loss	**Equity(*)**	**Profit or loss**	**Equity(*)**
Financial assets held for trading	(142.504.296)	(142.504.296)	(57.073.168)	(57.073.168)
Available for sale financial assets	-	(160.573.061)	-	(94.290.124)
Total, net	**(142.504.296)**	**(303.077.357)**	**(57.073.168)**	**(151.363.292)**

(*) Equity impact includes impact of change of conjectural interest rates on income statement.

Gain and losses from financial assets

Gains and losses recognized in the statement of income, net:	**December 31, 2023**	**December 31, 2022**
Income from derivative transactions	1.296.253.767	833.925.736
Interest income from bank deposits	1.814.696.661	567.105.246
Foreign exchange gains	11.036.934.305	3.507.077.409
Interest income from available-for-sale financial assets	(564.977.231)	219.858.409
Income from participates	599.301.192	292.267.890
Income from investment funds reclassified as available for sale financial assets	5.392.611	167.639.537
Income from equity shares classified as held for trading financial assets	2.130.241.171	909.959.207
Income from investment funds reclassified as held for trading financial assets	3.219.684.053	1.014.790.588
Income from equity shares	101.868	139.238.153
Income from subsidiaries	-	(592.172)
Interest income from repos	356	136.744
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15*)	1.773.575.731	669.897.779
Interest income from debt securities classified as held to maturity financial investments	24.641.815	129.402.652
Other	1.952.318	2.403.656
Investment income	**21.337.798.617**	**8.453.110.834**
Loss from valuation of financial assets	(82.669.203)	(1.336.747)
Loss from derivative transactions	(576.504.323)	(1.245.098.558)
Investment management expenses (including interest)	(214.728.643)	(40.507.820)
Loss from disposal of financial assets	(858.310.002)	(223.871.017)
Foreign exchange losses	(5.082.238.998)	(733.384.634)
Investment expenses	**(6.814.451.169)**	**(2.244.198.776)**
Investment income, net	**14.523.347.448**	**6.208.912.058**

Financial gains and losses recognized in equity, net:	**December 31, 2023**	**December 31, 2022**
Fair value changes in available for sale financial assets *(Note 15)*	2.573.917.705	1.417.838.998
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15*)	(1.773.575.731)	(669.897.779)
Total	**800.341.974**	**747.941.219**

4 Management 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 the 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 3.296.213.822 as of December 31, 2023. As of December 31, 2023, and 2022, the capital amount of the Company presented in the unconsolidated financial statements are TL 10.107.826.960 and 5.170.486.290 respectively and capital surplus of the Company is amounting to TL 6.811.613.138 (December 31, 2022: TL 3.481.322.450) according to the communiqué.

As of December 31, 2023, required equity amount determined in calculations over consolidated financial statements of Company's subsidiary Anadolu Sigorta, is amounted TL 10.094.286.054. As of 31 December 2023, the amount of raw equity in Anadolu Sigorta's unconsolidated financial statements is TL 4.616.670.470 above the required equity amount calculated in accordance with the regulation.

5 Segment information

A segment is a distinguishable component of the Group 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.

Business segment

Financial information of the Group is presented on life and non-life basis in the accompanying consolidated financial statements.

Geographical segment

The main geographical segment which the Group operates is Turkey. Hence, the Group has not disclosed report on geographical segments.

(Currency: Turkish Lira (TL))

6 Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Addition	Foreign currency translation effect(*)	Transfers	Valuation differences	December 31, 2023
Cost:						
Investment properties *(Note 7)(**)*	1.894.516.000	-	-	1.324.750.000	1.671.336.000	4.890.602.000
Buildings for own use	802.940.000	-	-	(1.324.750.000)	736.914.000	215.104.000
Machinery and equipment	138.654.988	50.146.939	-	(10.007)	-	188.791.920
Furniture and fixtures	49.504.580	48.476.345	2.630.094	(32.709.616)	-	67.901.403
Land vehicles	12.062.655	-	1.426.373	-	-	13.489.028
Other tangible assets (including leasehold improvements)	36.384.889	61.391.526	-	-	-	97.776.415
Leased tangible assets	3.987.805	-	74.515	-	-	4.062.320
Operating Lease vehicles	85.186.741	75.797.779	8.057.000	(9.311.651)	-	159.729.869
Operating Lease Buildings	19.255.629	4.391.372	-	-	-	23.647.001
Construction in progress (***)	11.444.885	89.568.020	-	(81.350.454)	-	19.662.451
	3.053.938.172	**329.771.981**	**12.187.982**	**(123.381.728)**	**2.408.250.000**	**5.680.766.407**
Accumulated depreciation:						
Buildings for own use	19.180	4.111.803	-	(3.997.474)	-	133.509
Machinery and equipment	91.342.146	20.543.488	-	-	-	111.885.634
Furniture and fixtures	27.903.639	8.496.326	2.524.234	(3.501.508)	-	35.422.691
Land Vehiclesss	6.254.209	2.405.914	935.644	-	-	9.595.767
Other tangible assets (including leasehold improvements)	28.658.895	3.885.073	-	-	-	32.543.968
Leased tangible assets	3.868.886	32.954	(2.915)	-	-	3.898.925
Operating Lease Vehicles	3.379.521	7.064.916	-	-	-	10.444.437
Operating Lease Buildings	35.318.218	23.999.353	1.527.325	(9.311.651)	-	51.533.245
	196.744.694	**70.539.827**	**4.984.288**	**(16.810.633)**	**-**	**255.458.176**
Net book value	**2.857.193.478**					**5.425.308.231**

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

(**)With the decision of the Board of Directors dated 25.08.2023, it was decided that the real estate for use and investment purposes registered in the assets of our Company will be placed as capital in Miltaş Turizm İnşaat Ticaret A.Ş., which is a 100% subsidiary of our Company, through partial division within the framework of Articles 19 – 20 of the Corporate Tax Law and Articles 159 – 179 of the Turkish Commercial Code, based on the financial statements of Tax Procedure Law, and that the shares to be issued due to the capital increase will be given to our Company. As of December 31, 2023, the fair value of the transferred properties is TL 4.613.156.000.

(***) The costs related to heating and cooling group renewal in the investment in ongoing investments.

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

	January 1, 2022	Addition	Foreign currency translation effect(*)	Transfers	Valuation differences	December 31, 2022
Cost:						
Investment properties *(Note 7)*	635.476.000	-	-	-	1.259.040.000	1.894.516.000
Buildings for own use	256.634.240	-	-	(159.840)	546.465.600	802.940.000
Machinery and equipment	118.226.398	25.350.215	-	(4.921.625)	-	138.654.988
Furniture and fixtures	31.332.500	17.851.597	1.294.499	(974.016)	-	49.504.580
Land vehiclesss	7.828.373	4.108.912	713.100	(587.730)	-	12.062.655
Other tangible assets (including leasehold improvements)	33.256.305	3.128.584	-	-	-	36.384.889
Leased tangible assets	3.858.073	-	-	-	-	3.858.074
Operating Lease vehicles	73.154.608	9.487.982	2.673.882	-	-	85.316.472
Operating Lease Buildings	-	19.255.629	-	-	-	19.255.629
Construction in progress (**)	5.924.030	5.520.855	-	-	-	11.444.885
	1.165.690.527	**84.703.774**	**4.681.481**	**(6.643.211)**	**1.805.505.600**	**3.053.938.171**
Accumulated depreciation:						
Buildings for own use	280.881	1.309.806	-	(3.700)	(1.567.807)	19.180
Machinery and equipment	78.738.239	17.431.879	-	(4.827.972)	-	91.342.146
Furniture and fixtures	23.207.163	4.332.762	1.225.518	(861.804)	-	27.903.639
Land Vehiclesss	4.527.402	2.007.920	306.617	(587.730)	-	6.254.209
Other tangible assets (including leasehold improvements)	26.095.169	2.563.726	-	-	-	28.658.895
Leased tangible assets	3.858.074	-	-	-	-	3.858.074
Operating Lease Vehicles	-	3.379.521	-	-	-	3.379.521
Operating Lease Buildings	21.289.473	12.166.750	1.872.806	-	-	35.329.029
	157.996.401	**43.192.364**	**3.404.941**	**(6.281.206)**	**(1.567.807)**	**196.744.694**
Net book value	**1.007.694.127**					**2.857.193.478**

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

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

(Currency: Turkish Lira (TL))

6 Tangible Assets (continued)

As of 31 December 2023 and 31 December 2022, the Group's real estates, some of which are for investment purposes and some for use, are valued at their fair value and are valued in this context. The appraisal reports for these real estates were prepared by the CMB licensed real estate appraisal Company in December 2023 for Anadolu Sigorta and in December 2023 for Milli Reasürans. There is no mortgage on the Group's real estate for use. Milli Re's real estate for use was revalued as of December 2023, and the appraisal reports for these real estates were prepared in December 2023 by a real estate appraisal Company licensed by the CMB.

As of December 31, 2023, the fair values (excluding VAT) and net carrying values of buildings for own use are presented below:

Owner occupied land and buildings	Expertise date	Expertise value	Net Book Value (December 31, 2023)	Net Book Value (December 31, 2022)
Suadiye Spor Salonu	December 2023	135.000.000	135.000.000	-
Headquarter	December 2023	-	-	744.475.000
İzmir Regional Headquarter	December 2023	39.760.000	39.693.733	35.468.961
Adana Regional Headquarter	December 2023	18.780.000	18.748.700	13.044.943
Lefkoşe Cyprus Branch	December 2023	17.264.000	17.235.226	8.987.283
Adana Office	December 2023	625.000	623.958	269.975
Other	December 2023	3.675.000	3.668.875	674.658
Total		**215.104.000**	**214.970.492**	**802.920.820**

Fair value measurement

The fair values of self-used land and buildings 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, 2023, and 2022, there is no mortgage on Group’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 started to be presented by fair value method As of December 31, 2023 and 2022 on balance sheet and the Company's investment properties gained TL 1.671.336.000 amount of value in 2023 in the context of expertise report prepared by independent professional valuation specialists authorized by Capital Markets Board. For the year ended December 31, 2023, the Group has rental income from investment properties amounting to TL 69.939.879 (December 31, 2022: TL 41.102.822).

As of December 31, 2023, inflation adjusted cost and carrying amounts of the Company's investment properties are amounting to TL 4.890.602.000 (December 31, 2022: TL 1.894.516.000)

Property based value of expertise report (excluding VAT) and fair values of investment properties are as follows. Expertise reports regarding these properties are prepared by independent professional valuation specialists authorized by CMB in December 2023. There is no mortgage on Group's investment properties.

As of December 31, 2023, and 2022, details of investment properties and the fair values are as follows:

	December 31, 2023 Net book value	December 31, 2022 Net book value	Date of expertise report	Value of expertise report
Teşvikiye (*)	3.038.650.000	871.650.000	December 2023	3.038.650.000
Tunaman Garage	1.187.500.000	76.150.000	December 2023	1.187.500.000
Villa Office Block	282.000.000	528.325.000	December 2023	282.000.000
Suadiye Fitness Center	-	174.000.000	December 2023	-
Çifteler Land	6.000	6.000	December 2023	6.000
Other buildings	382.446.000	244.385.000	December 2023	382.446.000
Net book value	**4.890.602.000**	**1.894.516.000**		**4.890.602.000**

(*) With the decision of the Board of Directors dated 25.08.2023, it was decided that the real estate for use and investment purposes registered in the assets of our Company will be placed as capital in Miltaş Turizm İnşaat Ticaret A.Ş., which is a 100% subsidiary of our Company, through partial division within the framework of Articles 19 – 20 of the Corporate Tax Law and Articles 159 – 179 of the Turkish Commercial Code, based on the financial statements of Tax Procedure Law, and that the shares to be issued due to the capital increase will be given to our Company. As of December 31, 2023, the fair value of the transferred properties is TL 4.613.156.000. As of December 31, 2023, the fair value of investment properties transferred through partial division is TL 3,153,406,000.

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, 2023 is presented below:

	January 1, 2023	Additions	Transfers	Foreign currency translation effects(*)	Disposals	December 31, 2023
Cost:						
Other intangible assets	471.857.967	53.515.553	424.999	(696.419)	1.176.311	526.278.411
Advances given for intangible assets **	170.780.752	93.388.185	-	-	-	264.168.937
Goodwill	16.250.000	-	-	-	-	16.250.000
Research & Development	896.749	18.937.015	-	-	(1.176.311)	18.657.453
	659.785.468	**165.840.753**	**424.999**	**(696.419)**	**-**	**825.354.801**
Accumulated amortization:						
Other intangible assets	355.227.517	78.970.347	298.552	(553.444)	-	433.942.972
	355.227.517	**78.970.347**	**298.552**	**(553.444)**	**-**	**433.942.972**
Net book value	**304.557.951**					**391.411.829**

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

(**) TFRS 17 has been given with reference to licensing-consultation and computer software.

(Currency: Turkish Lira (TL))

8 Intangible assets *(continued)*

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(*)	Disposals	Transfers	December 31, 2022
Cost:						
Other intangible assets	425.145.359	33.819.038	144.997	-	12.748.573	471.857.967
Advances given for intangible assets	24.799.334	159.626.74	-		(13.645.322)	170.780.752
Goodwill	16.250.000	-	-	-	-	16.250.000
Research & Development	-	-	-	-	896.749	896.749
	466.194.693	**193.445.778**	**144.997**		**-**	**659.785.468**
Accumulated amortization:						
Other intangible assets	264.203.297	90.918.471	105.749	-	-	355.227.517
	264.203.297	**90.918.471**	**105.749**	**-**	**-**	**355.227.517**
Net book value	**201.991.396**					**304.557.951**

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

(**) TFRS 17 has been given with reference to licensing-consultation and computer software.

9 Investments in associates

	December 31, 2023		December 31, 2022	
	Book value	**Participation rate %**	**Book value**	**Participation rate %**
Anadolu Hayat Emeklilik A.Ş.	1.354.386.089	21,00	727.903.437	21,00
Affiliates, net	**1.354.386.089**		**727.903.437**	
Miltaş Turizm Inşaat Ticaret Anonim Şirketi	-	-	4.523.190	100,00
Subsidiaries, net	**-**		**4.523.190**	
Total financial asset	**1.354.386.089**		**732.426.627**	

Name	**Total assets**	**Shareholders' equity**	**Retained earnings**	**Profit for the year**	**Audited**	**Period**
Associates:						
Anadolu Hayat Emeklilik AŞ (consolidated)	162.865.081.357	6.449.457.562	91.094.305	2.853.815.200	Audited.	31 December 2023

In the current period TL 599.301.192 (December 31, 2022: 292.267.890) of income is obtained from associates through equity accounted consolidation method.

(Currency: Turkish Lira (TL))

10 Reinsurance assets and liabilities

As of December 31, 2023, and 2022, outstanding reinsurance assets and liabilities of the Group in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	**December 31, 2023**	**December 31, 2022**
Unearned premiums reserves, ceded (Note 17)	4.797.310.036	2.523.561.505
Outstanding claims reserve, ceded (Note 4.2), (Note 17)	16.122.814.162	4.562.215.886
Receivables from reinsurance companies (Note 12)	2.907.188.037	895.875.747
Cash deposited to reinsurance companies	1.512.369.005	1.005.162.022
Total	**25.339.681.240**	**8.986.815.160**

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	**December 31, 2023**	**December 31, 2022**
Payables to the reinsurers related to premiums written *(Note 19)*	4.326.819.769	1.697.747.508
Deferred commission income *(Note 19)*	644.038.671	346.493.633
Cash deposited by reinsurance companies	152.612.753	14.318.666
Commission payables to the reinsurers related to written premiums *(Note 19)*	35.383.333	12.955.729
Total	**5.158.854.526**	**2.071.515.536**

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

	December 31, 2023	**December 31, 2022**
Premiums ceded during the period *(Note 17)*	(12.109.441.785)	(5.869.701.512)
Unearned premiums reserve, ceded at the beginning of the period *(Note 17)*	(2.523.561.505)	(1.563.331.963)
Unearned premiums reserve, ceded at the end of the period *(Note 17)*	4.797.310.036	2.523.561.505
Earned premiums, ceded *(Note 17)*	**(9.835.693.254)**	**(4.909.471.970)**
Claims paid, ceded during the period *(Note 17)*	18.399.604.706	1.787.734.458
Outstanding claims reserves, ceded at the beginning of the period *(Note 17)*	(4.562.215.886)	(2.957.988.890)
Outstanding claims reserves, ceded at the end of the period *(Note 17)*	16.122.814.162	4.562.215.886
Incurred claims, ceded *(Note 17)*	**29.960.202.982**	**3.391.961.454**
Commission income accrued from reinsurers during the period *(Note 32)*	1.289.418.860	672.229.232
Deferred commission income at the beginning of the period *(Note 19)*	346.493.633	202.730.004
Deferred commission income at the end of the period *(Note 19)*	(644.038.671)	(346.493.633)
Commission income earned from reinsurers *(Note 32)*	**991.873.822**	**528.465.603**
Changes in unexpired risk reserves, reinsurers' share *(Note 17)*	**394.560.623**	**(39.544.335)**
Total, net	**21.510.944.173**	**(1.028.589.248)**

(Currency: Turkish Lira (TL))

11 Financial assets

As of December 31, 2023, and 2022, the Group's financial assets are detailed as follows:

	December 31, 2023	**December 31, 2022**
Available for sale financial assets	13.902.404.460	10.162.243.014
Financial assets held for trading	14.388.404.707	3.365.235.815
Impairment loss on available for sale financial assets	329.439.782	379.792.253
Impairment in value of financial assets (-)	-	(6.954.540)
Total	**28.620.248.949**	**13.900.316.542**

As of December 31, 2023, and 2022, the Group's financial assets held for trading are detailed as follows:

	December 31, 2023			
	Nominal value	**Cost**	**Fair value**	**Book value**
Debt instruments:		93.172	93.498	93.498
Receivables from reverse repo transactions – TL		**93.172**	**93.498**	**93.498**
Non-fixed income financial assets:				
Investment funds		8.137.967.833	9.889.141.100	9.889.141.100
Investment funds YP		1.375.426.903	1.425.042.958	1.425.042.958
Equity shares		117.644.053	118.720.901	118.720.901
Futures and options guarantees		2.404.635.484	2.637.957.240	2.637.957.240
Derivative guarantees (Currency protected deposits)		274.181.728	317.449.010	317.449.010
		12.309.856.001	**14.388.311.209**	**14.388.311.209**
Total financial assets held for trading		**12.309.949.173**	**14.388.404.707**	**14.388.404.707**

	December 31, 2022			
	Nominal value	**Cost**	**Fair value**	**Book value**
Non-fixed income financial assets:				
Investment funds		1.152.180.527	1.788.288.637	1.788.288.637
Investment funds YP		63.032.262	114.654.293	114.654.293
Equity shares		382.654.129	570.731.684	570.731.684
Futures and options guarantees				
Derivative guarantees (Currency protected deposits)		849.180.960	891.561.201	891.561.201
		2.447.047.878	**3.365.235.815**	**3.365.235.815**
Total financial assets held for trading		**2.447.047.878**	**3.365.235.815**	**3.365.235.815**

(Currency: Turkish Lira (TL))

11 Financial assets *(continued)*

As of December 31, 2023, and 2022, the Group's available for sale financial assets are detailed as follows:

	December 31, 2023			
	Nominal value	**Cost**	**Fair value**	**Book Value**
Debt instruments:				
Government bonds – TL	700.641.655	1.486.782.579	2.498.585.144	2.498.585.144
Government bonds – USD	5.695.410.983	5.678.642.150	6.844.111.534	6.844.111.534
Government bonds – EUR	358.869.000	838.801.696	1.447.270.038	1.447.270.038
Private sector bonds – USD	38.032.000	602.809.643	1.139.663.893	1.139.663.893
Private sector bonds – EUR	2.500.000	65.846.419	79.415.169	79.415.169
Private sector bonds- TL	201.500.000	198.818.720	216.962.284	216.962.284
		8.871.701.207	**12.226.008.062**	**12.226.008.062**
Non-fixed income financial assets:				
Equity shares		136.530.191	1.606.535.857	1.606.535.857
Investment funds		35.992.237	69.860.541	69.860.541
		172.522.428	**1.676.396.398**	**1.676.396.398**
Total available for sale financial assets		**9.044.223.635**	**13.902.404.460**	**13.902.404.460**

	December 31, 2022			
	Nominal value	**Cost**	**Fair value**	**Book Value**
Debt instruments:				
Government bonds – TL	448.286.255	820.742.208	1.233.308.649	1.233.308.649
Government bonds – USD	3.927.018.617	4.102.208.337	4.512.657.179	4.512.657.179
Government bonds – EUR	226.929.000	594.213.913	759.624.014	759.624.014
Private sector bonds – USD	1.546.745.868	1.957.553.357	2.149.555.101	2.149.555.101
Private sector bonds- TL	460.885.000	467.441.052	500.168.150	500.168.150
Impairment loss on private sector bonds			(6.954.540)	(6.954.540)
		7.942.158.867	**9.148.358.553**	**9.148.358.553**
Non-fixed income financial assets:				
Equity shares		136.496.200	943.672.496	943.672.496
Investment funds		52.537.380	63.257.425	63.257.425
		189.033.580	**1.006.929.921**	**1.006.929.921**
Total available for sale financial assets		**8.131.192.447**	**10.155.288.474**	**10.155.288.474**

All debt instruments presented above are traded in the capital markets, As of December 31, 2023, equity shares classified as available for sale financial assets with a carrying amount of TL 805.244 are not publicly traded (December 31, 2022: TL 771.254).

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

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, excluding minority interest):

Year	**Change in value increase**	**Total increase in value**
2023	800.341.974	1.576.301.376
2022	747.941.219	775.959.402
2021	(256.054.379)	28.018.182

(Currency: Turkish Lira (TL))

11 Financial assets *(continued)*

As of December 31, 2023, and 2022 the Group's held to maturity financial assets portfolio are detailed as follows:

	December 31, 2023			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Debt instruments:				
Government bonds – USD	29.438.200	27.819.099	30.371.400	29.900.615
Government bonds – EUR	288.572.180	290.038.963	300.728.500	299.539.167
Total held to maturity financial assets		**317.858.062**	**331.099.900**	**329.439.782**

	December 31, 2022			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Debt instruments:				
Government bonds – USD	176.603.279	177.949.150	181.556.360	183.784.275
Government bonds – EUR	196.332.150	184.271.747	199.246.961	196.007.978
Total held to maturity financial assets		**362.220.897**	**380.803.321**	**379.792.253**

As of December 31, 2023, and 2022, the movement of the financial assets is presented below:

	December 31, 2023			
	Trading	**Available-for-Sale**	**Held to maturity**	**Total**
Balance at the beginning of the period	**3.365.235.815**	**10.155.288.474**	**379.792.253**	**13.900.316.542**
Acquisitions during the period	(51.593.389)	863.770.916	-	812.177.527
Disposals (sale and redemption)	70.117.488.773	3.311.066.912	-	73.428.555.685
Change in the fair value of financial assets	(64.745.990.695)	(5.497.774.688)	(261.560.121)	(70.505.325.504)
Change in amortized cost of the financial assets	5.703.264.203	3.417.935.254	-	9.121.199.457
Bonus shares acquired	-	1.652.117.592	211.207.650	1.863.325.242
Balance at the end of the period	**14.388.404.707**	**13.902.404.460**	**329.439.782**	**28.620.248.949**

	December 31, 2022			
	Trading	**Available-for-Sale**	**Held to maturity**	**Total**
Balance at the beginning of the period	**928.078.966**	**6.930.470.390**	**1.471.518.019**	**9.330.067.375**
Acquisitions during the period	19.245.992.234	11.257.984.455	-	30.503.976.689
Disposals (sale and redemption)	(19.016.601.356)	(11.716.088.566)	(1.480.061.755)	(32.212.751.677)
Change in the fair value of financial assets	2.179.888.827	1.887.167.267	-	4.067.056.094
Change in amortized cost of the financial assets	-	1.463.883.233	388.335.989	1.852.219.222
Bonus shares acquired	27.877.144	331.871.695	-	359.748.839
Balance at the end of the period	**3.365.235.815**	**10.155.288.474**	**379.792.253**	**13.900.316.542**

(Currency: Turkish Lira (TL))

11 Financial assets *(continued)*

Details of the financial assets issued by related parties of the Group are as follows:

	December 31, 2023			
	Nominal value	**Cost**	**Fair value**	**Book value**
Available for sale financial assets – Private sector bonds	90.000.000	90.000.000	90.242.835	90.242.835
Available for sale financial assets – Investment funds	-	35.992.237	69.860.541	69.860.541
Available for sale financial assets – Equity shares	-	61.871.244	424.203.903	424.203.903
Financial assets held for trading – Investment funds	4.188.446.661	5.769.697.432	7.025.670.535	7.025.670.535
Available for sale financial assets – Private sector bonds -FC	7.000.000	41.143.317	209.485.175	209.485.175
Available for sale financial assets – Currency protected deposits		1.036.419.755	1.149.892.248	1.149.892.248
Total		**7.035.123.985**	**8.969.355.237**	**8.969.355.237**

	December 31, 2022			
	Nominal value	**Cost**	**Fair value**	**Book value**
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 – Investment funds	-	52.537.380	63.257.425	63.257.425
Available for sale financial assets – Equity shares	-	61.871.244	289.699.205	289.699.205
Financial assets held for trading – Investment funds	-	875.513.385	1.439.452.850	1.439.452.850
Available for sale financial assets – Private sector bonds -FC	9.000.000	79.414.848	169.147.066	169.147.066
Held to maturity financial assets – Bonds	-	-	-	-
Available for sale financial assets – Currency protected deposits		483.953.926	510.352.060	510.352.060
Total		**1.633.290.783**	**2.554.639.806**	**2.554.639.806**

(Currency: Turkish Lira (TL))

12 Loans and receivables

	December 31, 2023	December 31, 2022
Receivables from main operations *(Note 4.2)*	18.668.821.131	7.643.848.201
Prepaid taxes and funds *(Note 19), (Note 4.2)*	9.246.952	13.673.790
Income accruals (*Note 4.2)*	108.303.904	56.748.581
Other receivables *(Note 4.2)*	111.381.114	52.573.777
Other current assets *(Note 4.2)*	110.117.653	35.618.394
Total	**19.007.870.754**	**7.802.462.743**
Short-term receivables	18.611.609.063	7.590.225.087
Medium and long-term receivables	396.261.691	212.237.656
Total	**19.007.870.754**	**7.802.462.743**

As at December 31, 2023 and 2022, receivables from main operations are detailed as follows:

	December 31, 2023	December 31, 2022
Receivables from insurance companies	869.202.522	373.732.189
Receivables from reinsurance companies *(Note 10)*	2.907.188.037	895.875.747
Receivables from agencies, brokers and intermediaries	1.971.092.327	159.960.121
Total receivables from reinsurance operations, net	**5.747.482.886**	**1.429.568.057**
Receivables from agencies, brokers and other intermediaries	8.202.425.696	3.898.531.449
Receivables from insurance and reinsurance companies	1.133.384.268	175.515.037
Long term receivable which is bank guarantee and three months credit card	1.598.638.932	943.476.394
Salvage and subrogation receivables *(Note 2.21)*	449.617.028	202.751.310
Receivables from policyholders	181.714.908	47.533.914
Total receivables from insurance operations, net	**11.565.780.832**	**5.267.808.104**
Cash deposited to insurance and reinsurance companies *(Note 4.2)*	1.512.369.005	1.005.162.022
Provisions for receivables from insurance operations – subrogation receivables *(Note 2.21)*	(156.811.592)	(58.689.982)
Doubtful receivables from main operations – premium receivables	191.817.299	117.934.272
Provision for doubtful receivables from main operations – premium receivables	(191.817.299)	(117.934.272)
Doubtful receivables from insurance operations – subrogation receivables	986.553.472	702.048.592
Provisions for doubtful receivables from insurance operations – subrogation receivables	(986.553.472)	(702.048.592)
Receivables from main operations	**18.668.821.131**	**7.643.848.201**

As of December 31, 2023, and 2022, mortgages and collaterals obtained for receivables are disclosed as follows:

	December 31, 2023	December 31, 2022
Mortgage notes	244.510.302	211.326.333
Letters of guarantees	409.683.801	279.676.711
Other guarantees	302.647.538	151.779.037
Government bonds and treasury bills	230.000	243.656
Total	**957.071.641**	**643.025.737**

(Currency: Turkish Lira (TL))

12 Loans and receivables *(continued)*

Provisions for overdue receivables and receivables not due yet

a) Receivables under legal or administrative follow up (due): TL 191.817.299 for main operations (December 31, 2022: TL 117.934.272) and TL 705.142 (December 31, 2022: TL 705.142) for other receivables.

b) Provision for premium receivables (due): TL 1.143.365.064 (December 31, 2022: TL 760.738.574)

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, 2023, the Group has derivative financial instruments recognized in the financial assets held for trading amounting to TL 118.720.901 (December 31, 2022: None).

As of December 31, 2023, the company has a fair value gain balance of TL 6.219.723 (December 31, 2022: TL 2.115.363) under the income accruals for forward foreign exchange contracts. There is no fair value loss balance under other financial liabilities (obligations) (December 31, 2022: TL (18.749.281)).

14 Cash and cash equivalents

As of December 31, 2023, and December 31, 2022, the details of the cash and cash equivalents are as follows:

	December 31, 2023		**December 31, 2022**	
	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	162.771	197.410	197.410	103.408
Cheques received	-	-	-	-
Bank deposits	9.678.868.672	9.156.392.304	9.156.392.304	4.012.403.163
Cheques given and payment orders	(3.167)	(14.481)	(14.481)	(19.566)
Bank guaranteed credit card receivables with maturities less than three months	3.452.368.687	1.787.066.011	1.787.066.011	1.104.473.014
Cash and cash equivalents in the balance sheet	**13.131.396.963**	**10.943.641.244**	**10.943.641.244**	**5.116.960.019**
Bank deposits – blocked(*)	(1.734.196.100)	(1.465.822.815)	(1.465.822.815)	(272.352.942)
Time deposits with maturities longer than 3 months	(1.227.671.164)	(305.956.102)	(305.956.102)	(180.310.274)
Interest accruals on banks deposits	(79.851.059)	(22.776.765)	(22.776.765)	(26.751.424)
Cash and cash equivalents presented in the statement of cash flows	**10.089.678.640**	**9.149.085.562**	**9.149.085.562**	**4.637.545.379**

(*) As of December 31, 2023, cash collateral amounting to TL 1.363.261.798 is kept in favour of Turkey Insurance and Private Pension Regulation and Supervision Agency.

14 Cash and cash equivalents *(continued)*

As of December 31, 2023, and 2022, bank deposits are further analysed as follows:

	December 31, 2023 End of term	December 31, 2022
Foreign currency denominated bank deposits		
- time deposits	619.948.782	953.684.068
- demand deposits	805.938.886	201.870.792
Bank deposits in Turkish Lira		
- time deposits	7.803.344.840	7.885.983.925
- demand deposits	449.636.164	114.853.519
Bank deposits	**9.678.868.672**	**9.156.392.304**

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, 2023, and 2022, the shareholding structure of the Company is presented below:

	December 31, 2023		December 31, 2022	
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
Axa Hayat ve Emeklilik 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, 2023, the issued share capital of the Group is TL 660.000.000 (December 31, 2022: TL 660.000.000) and the share capital of the Group consists of 66.000.000.000 (December 31, 2022: 66.000.000.000 shares) issued shares with TL 0,01 nominal value each. There are no privileges over the shares of the Group.

There are not any treasury shares held by the Group 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)*

Equity method consolidation

Anadolu Hayat, in which the Group holds a 21.00% stake (effective share: 12.46%), was consolidated according to the equity method as of December 31, 2023 and December 31, 2022 in the accompanying financial statements.**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, 2023	December 31, 2022
Legal reserves at the beginning of the period	**261.812.474**	**226.709.388**
Transfer from profit	50.355.780	35.103.086
Legal reserves at the end of the period	**312.168.254**	**261.812.474**

As of December 31, 2023, and 2022, "Other Reserves and Retained Earnings" includes extraordinary reserves, sales profits to be capitalized and buildings for own use revaluation differences.

As at December 31, 2023 and 2022, "Other Reserves and Retained Earnings" are detailed as below:

	December 31, 2023	December 31, 2022
Other profit reserves	4.321.447	22.613.013
Extraordinary reserves	1.448.635.062	1.055.949.776
Other capital reserves	1.211.581.405	677.582.321
Sales profits to be capitalized	42.921.312	33.799.814
Other earnings and losses	(21.271.539)	(15.402.782)
Subsidiary capital correction	(71.060.154)	(71.060.154)
Private funds	184.820.637	117.937.781
Total	**2.799.948.170**	**1.821.419.769**

(Currency: Turkish Lira (TL))

15 Equity *(continued)*

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.

In accordance with tax legislation, 75% of profits from sales of participation shares and 25% of profits from sales real estates 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.

For Anadolu Sigorta, as of December 31, 2023, the tax exempt which obtained thanks to sale of participation shares and real estate in 2010, 2011, 2013, 2014, 2015,2016 years respectively, amounting to TL 8.081.516, TL 80.025, TL 647.763, TL 920.272, TL 2.541.500, TL 15.094 and real estate revaluation funds of 2018, 2019, 2020 ,2021 and 2022 the profit not subject to distribution for 2018, 2019,2020, 2021 and 2022 are classified as other capital reserves.

In according to expertise reports, fair value of property for use is calculated as TL 1.459.750.000 and revaluation differences amounting to TL 1.447.902.359 is recognized in 'Other Capital Reserves' account under equity as TL 1.122.124.328 with net tax effect in financial statements As of December 31, 2023 (December 31, 2022: TL 637.905.139). As of 31 December 2023, Non-Distributable Profit amount recognized according to the equity method is TL 89.457.077. (December 31, 2022: TL 39.677.182).

Extraordinary reserves

The movement of extraordinary reserves is as follows:

	December 31, 2023	December 31, 2022
Extraordinary reserves at the beginning of the period	**1.055.949.776**	**823.206.149**
Transfer from profit	392.685.286	232.743.627
Extraordinary reserves at the end of the period	**1.448.635.062**	**1.055.949.776**

Subsidiary capital correction

On September 30, 2010, the Company purchased 35.53% shares of Anadolu Sigorta Anonim Şirketi with nominal value of TL 177.650.110 from İş Bankası amounting to TL 248.710.154. As Anadolu Sigorta and the Company are under common control and when information transfer and structure is considered, Anadolu Sigorta is accepted as a part of the Company's operations. This subsidiary under common control is recorded at cost in the financial statements. In the business combination of subsidiary under common control, the purchasing Company is not obliged to, but has the permission to reflect the effects of business combination the prior year financial statements. In business combinations under common control, shares are transferred from one Company to the other in the same group and independent third parties are not included in the transaction and purchasing price is not determined on fair value, the application is determined by the management's decision. The Company management decided not to reflect the effects of the business combination in the comparative financial statements. The difference between purchase price and net asset value amounting to TL (71.060.154), is recorded under "Subsidiary Capital Correction" account under equity.

(Currency: Turkish Lira (TL))

15 Equity *(continued)*

Special funds (reserves)

As of 31 December 2023, 38.123.053 TL has been allocated to receive venture capital investment fund participation shares from the 2022 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 2022: 33.809.969 TL). Special funds (reserves) accounted for using the equity method are TL 95.887.615 (31 December 2022: 67.127.812).

The movements of special funds are as follows:

	December 31, 2023	December 31, 2022
Special funds at the beginning of the period	**117.937.781**	**57.074.903**
Transfer from profit venture capital investment fund	38.123.053	33.809.969
Accounted according to the equity method	28.759.803	27.052.909
Special funds at the end of the period	**184.820.637**	**117.937.781**

Other profit reserves

In accordance with the July 4, 2007 dated and 2007/3 numbered Compliance Circular issued by the Republic of Turkey Ministry of Treasury and Finance, it was stated that the companies would not further provide earthquake provision for the year 2007. However, it was also stated that earthquake provisions provided in previous periods (earthquake provision in the financial statements as at December 31, 2006) should be transferred to the reserve accounts under equity in accordance with the 5th Temporary Article of the Insurance Law. The companies had to transfer total amount of provisions, including earthquake provisions reserved as at December 31, 2006 and related gains obtained from investment of these amounts, to the account called as "549.01 – transferred earthquake provisions" which would be opened as at September 1, 2007 within Uniform Chart of Account and the reserves amount should not be subject to dividend distribution or should not be transferred to other accounts.

Company's subsidiary Anadolu Sigorta A.Ş., within the scope of this circular, initially transferred total provisions amounting to TL 96.036.157 including earthquake provisions reserved as of December 31, 2006 and related gains obtained from investment of this amount, to the reserve accounts under equity, TL 51.846.111 of this amount is used for capital increase in 2010. As of December 31, 2023, accordance with TAS 19, to add the amount of actuarial loss and net profit of TL (81.320.516) defined remeasure net profit debt, and TL 33.404.496 for consolidation process the amount of new balance is TL (3.725.974). (December 31, 2022: TL 28.881.012)

TL 40.201.466 of the amount received as a result of the consolidation is the value increase fund amounting to TL 201.007.328 which emerged as a result of the revaluation application made pursuant to the temporary 32nd and repeated 298th articles of the Tax Procedure Law (TPL) of Anadolu Hayat, 14 January 2023. It is transferred from the Extraordinary Reserves account to the "Other Profit Reserves" account within the scope of the Communique Amending the TPL General Communique dated (December 31, 2022 : 40.109.503).

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. As of December 31, 2023, TL (21.271.539) (31 December 2022: TL (15.402.782), of actuarial gains and losses, which are presented in profit or loss is presented under "other profit reserves". As of 31 December 2023, other profit reserves amount recognized according to the equity method is TL 4.321.447 (December 31, 2022: TL 22.613.013).

(Currency: Turkish Lira (TL))

15 Equity (continued*)*

Other profit reserves *(continued)*

Profit for the period that is extraneous from the distribution

In accordance with tax legislation, 75% of profits from sales of participation shares and 25% 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 March 31, 2021, 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, 2020, has been classified in the Non-Distributable Period Profit. As of December 31, 2023, the Non-Distributable Period Profit amount accounted for using the equity method is TL 19.035.906. (December 31, 2022: 9.914.408)

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, 2023, there are no funds allocated in this manner (December 31, 2022: None). As of December 31, 2023, the statutory reverses that are accounted according to the equity method amounting to TL 183.984.605 (December 31, 2022: TL 122.747.456).

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, 2023, foreign currency translation loss amounting to TL 254.517.245 (December 31, 2022: TL 86.654.441) stems from Singapore Branch whose functional currency is US Dollars.

Valuation of financial assets

As of December 31, 2023, and 2022, changes in fair values that stem from securities classified as available for sale financial assets that present share in capital and associates are detailed as below:

	December 31, 2023	December 31, 2022
Fair value reserves at the beginning of the period	**775.959.402**	**28.018.183**
Change in the fair value during the period *(Note 4.2)*	2.195.343.876	1.396.503.470
Deferred tax effect *(Note 4.2)*	(153.498.890)	(146.138.917)
Net gains transferred to the statement of income *(Note 4.2)*	(1.773.575.731)	(669.897.779)
Deferred tax effect *(Note 4.2)*	532.072.719	167.474.445
Fair value reserves at the end of the period	**1.576.301.376**	**775.959.402**

16 Other reserves and equity component of discretionary participation

As of December 31, 2023, and 2022, other reserves are explained in detail in Note 15 – Equity above.

As of December 31, 2023, and 2022, the Group does not hold any insurance or investment contracts which contain a DPF.

(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 consolidated financial statements as mentioned in Note 2 – *Summary of significant accounting policies*.

As of December 31, 2023, and 2022 technical reserves of the Group' are as follows:

	December 31, 2023	**December 31, 2022**
Unearned premiums reserves, gross	28.701.633.588	15.226.687.322
Unearned premiums reserves, ceded *(Note 10)*	(4.797.310.036)	(2.523.561.505)
Unearned premiums reserves, SSI share	(343.265.174)	(265.022.490)
Unearned premiums reserves, net	**23.561.058.378**	**12.438.103.327**
Outstanding claims reserve, gross	37.463.982.203	17.762.063.356
Outstanding claims reserve, ceded *(Note 10)*	(16.122.814.162)	(4.562.215.886)
Outstanding claims reserve, net	**21.341.168.041**	**13.199.847.470**
Unexpired risk reserves	2.275.520.482	937.147.438
Unexpired risk reserves, ceded	(513.212.022)	(118.651.399)
Unexpired risk reserves, net	**1.762.308.460**	**818.496.039**
Equalization reserves, net(*)	863.671.776	918.336.138
Other technical reserves, net	**863.671.776**	**918.336.138**
Life mathematical reserves	-	-
Bonuses and Discount	-	-
Total technical reserves, net	**47.528.206.657**	**27.374.782.974**
Short-term	46.660.903.988	26.451.760.997
Medium and long-term	867.302.669	923.021.977
Total technical reserves, net	**47.528.206.657**	**27.374.782.974**

As of December 31, 2023, and 2022, movements of the insurance liabilities and related reinsurance assets are presented below:

	December 31, 2023			
Unearned premiums reserve	**Gross**	**Ceded**	**SSI Share**	**Net**
Unearned premiums reserve at the beginning of the period	15.226.687.322	(2.523.561.505)	(265.022.490)	12.438.103.327
Written premiums during the period	53.164.163.951	(12.109.441.785)	(579.640.598)	40.475.081.568
Earned premiums during the period	(39.689.217.685)	9.835.693.254	501.397.914	(29.352.126.517)
Unearned premiums reserve at the end of the period	**28.701.633.588**	**(4.797.310.036)**	**(343.265.174)**	**23.561.058.378**

(Currency: Turkish Lira (TL))

17 Insurance liabilities and reinsurance assets *(continued)*

	December 31, 2022			
Unearned premiums reserve	**Gross**	**Ceded**	**SSI Share**	**Net**
Unearned premiums reserve at the beginning of the period	6.754.872.769	(1.563.331.963)	(119.827.872)	5.071.712.934
Written premiums during the period	28.062.405.894	(5.869.701.512)	(427.451.541)	21.765.252.841
Earned premiums during the period	(19.590.591.341)	4.909.471.970	282.256.923	(14.398.862.448)
Unearned premiums reserve at the end of the period	**15.226.687.322**	**(2.523.561.505)**	**(265.022.490)**	**12.438.103.327**

	December 31, 2023		
Outstanding claims reserves	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	17.762.063.355	(4.562.215.886)	13.199.847.470
Claims reported during the period and changes in the estimations of outstanding claims reserves provided at the beginning of the period	57.783.969.193	(29.960.202.982)	27.823.766.210
Claims paid during the period	(38.082.050.345)	18.399.604.706	(19.682.445.639)
Outstanding claims reserve at the end of the period	**37.463.982.203**	**(16.122.814.162)**	**21.341.168.041**

	December 31, 2022		
Outstanding claims reserves	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	11.605.438.124	(2.957.988.891)	8.647.449.234
Claims reported during the period and changes in the estimations of outstanding claims reserves provided at the beginning of the period	18.495.257.199	(3.391.961.453)	15.103.295.745
Claims paid during the period	(12.338.631.967)	1.787.734.458	(10.550.897.509)
Outstanding claims reserve at the end of the period	**17.762.063.356**	**(4.562.215.886)**	**13.199.847.470**

Table of development of damages

The main assumption used in estimating the provision for outstanding claims is Anadolu Sigorta's previous experience of loss development. The Company management uses its own judgments in determining how external factors such as legal decisions or changes in laws will affect the outstanding claim provision. The sensitivity of some variables, such as legal changes and uncertainties in the estimation process, is not measurable. In addition, long delays between the occurrence of the damage and the time the payment is made prevent the precise determination of the provision for outstanding claims as of the end of the reporting period. Therefore, the total liabilities may change depending on the subsequent developments and the differences resulting from the re-estimation of the total liabilities are reflected in the financial statements in the following periods.

The evolution of insurance liabilities makes it possible to measure Anadolu Sigorta's performance in estimating its total claim liabilities. The figures shown at the top of the tables below show the change in Anadolu Sigorta's total claims estimates in subsequent years, starting from the years in which the claims occurred. The figures shown at the bottom of the tables give the reconciliation of the total liabilities with the outstanding claims provisions shown in the consolidated financial statements.

(Currency: Turkish Lira (TL))

17 Insurance liabilities and reinsurance assets *(continued)*

Table of development of damages (continued)

	31 December 2023					
Year of claim	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Year of claim	3.084.992.257	3.495.603.368	5.217.227.738	10.924.622.868	38.693.556.119	61.416.002.350
1 year later	3.263.577.298	4.011.075.019	6.241.608.392	13.376.826.698	-	26.893.087.407
2 year later	3.382.129.581	4.259.781.610	6.726.519.251	-	-	14.368.430.442
3 year later	3.504.278.805	4.541.680.778	-	-	-	8.045.959.583
4 year later	3.742.785.611	-	-	-	-	3.742.785.611
Current estimate of claim	3.742.785.611	4.541.680.778	6.726.519.251	13.376.826.698	38.693.556.119	67.081.368.457
The total made to date is	3.017.796.412	3.422.653.430	5.548.562.331	10.306.549.987	20.697.020.766	42.992.582.926
The total amount in the financial statements	724.989.199	1.119.027.348	1.177.956.921	3.070.276.711	17.996.535.352	24.088.785.531
financial statements related to 2015 and before	-	-	-	-	-	3.711.224.569
Total gross outstanding compensation shown in the period-end financial statements						**27.800.010.100**

	31 December 2022					
Year of claim	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Year of claim	2.885.360.315	3.196.222.254	3.398.547.245	4.513.091.132	11.202.394.776	25.195.615.722
1 year later	3.431.999.452	3.318.823.106	3.811.249.124	5.393.374.837	-	15.955.446.519
2 year later	3.545.770.065	3.504.841.865	4.124.284.189	-	-	11.174.896.119
3 year later	3.653.070.742	3.582.376.878	-	-	-	7.235.447.620
4 year later	3.753.386.932	-	-	-	-	3.753.386.932
Current estimate of claim	3.753.386.932	3.582.376.878	4.124.284.189	5.393.374.837	11.202.394.776	28.055.817.612
The total made to date is	3.059.249.196	2.955.099.153	3.088.594.620	4.141.170.529	5.682.481.343	18.926.594.841
The total amount in the financial statements	694.137.736	627.277.725	1.035.689.569	1.252.204.308	5.519.913.433	9.129.222.771
financial statements related to 2015 and before	-	-	-	-	-	2.925.588.380
Total gross outstanding compensation shown in the period-end financial statements						**12.054.811.151**

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

As the Company is a reinsurance company, there is not any guarantee that should be placed. The details given below are the amounts of guarantees for Anadolu Sigorta A.Ş.

	December 31, 2023		
	Should be placed(*)	**Placed**	**Book value**
Non-life:			
Financial Assets (Note 11)	-	2.631.289.711	2.631.289.711
Bank deposits (Note 14)	-	1.363.261.798	1.363.261.798
Total	**2.911.831.817**	**3.994.551.509**	**3.994.551.509**

(Currency: Turkish Lira (TL))

17 Insurance liabilities and reinsurance assets *(continued)*

	December 31, 2022		
	Should be placed(*)	**Placed**	**Book value**
Non-life:			
Financial Assets (Note 11)	-	2.055.744.693	2.055.744.693
Bank deposits (Note 14)	-	1.465.822.315	1.465.822.315
Total	**1.061.784.499**	**3.521.567.008**	**3.521.567.008**

* According to the 7th article of the “Circular Related to the Financial Structure of Insurance, Reinsurance, and Private Pension Companies” which regulates necessary guarantee amount, minimum guarantee fund for capital adequacy calculation period will be provided as a guarantee in two months following the calculation period. According to “Regulations Regarding to Capital Adequacy Measurement and Assessment of Insurance, Reinsurance, and Private Pension Companies”, companies must prepare their capital adequacy tables twice in a financial year at June and December periods and must sent capital adequacy tables to the Insurance and Private Pension Regulation and Supervisory Agency within two months. Since the amounts that to be provided as of December 31, 2023 (December 31, 2022) will be through the calculated amounts as of December 31, 2023 (December 31, 2022), the settled amounts as of December 31, 2023 (December 31, 2022) is presented as “to be provided” amounts.

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 Group.

Group’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 Group’s portfolio as individual or group during the period

None.

Pension investment funds established by the Group 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.

(Currency: Turkish Lira (TL))

17 Insurance liabilities and reinsurance assets *(continued)*

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

None.

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 Group capitalizes commissions paid to the intermediaries related to policy production under short-term and long-term prepaid expenses. As of December 31, 2023, short-term prepaid expenses amounting to TL 4.280.311.026 (December 31, 2022: TL 2.233.645.155) consist of deferred acquisition cost; deferred commission expenses amounting to TL 4.092.824.404 (December 31, 2022: TL 2.168.689.800) and other prepaid expenses amounting to TL 185.325.922 (December 31, 2022: TL 64.955.355). Long-term prepaid expenses amounting TL 2.160.700 (December 31, 2022: TL 22.375.330) are composed of other prepaid expenses.

The movement of deferred production commissions for the accounting periods ending on 31 December 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Deferred commission expenses at the beginning of the period	2.168.689.800	956.239.676
Commissions accrued during the period *(Note 32)*	7.988.344.380	4.275.683.928
Commissions expensed during the period	(6.064.209.776)	(3.063.233.804)
Deferred commission expenses at the end of the period	**4.092.824.404**	**2.168.689.800**

(*) Commission expenses accounted under reinsurance commissions are included.

Individual pension funds

None.

18 Investment contract liabilities

None.

(Currency: Turkish Lira (TL))

19 Trade and other payables and deferred income

	December 31, 2023	December 31, 2022
Financial payables	144.295.014	99.915.061
Payables from main operations	6.084.118.206	2.596.858.889
Other payables	668.894.604	381.363.305
Short/long term deferred income and expense accruals	1.155.454.167	616.183.112
Taxes and other liabilities and similar obligations	800.540.106	394.550.536
Due to related parties *(Note 45)*	2.085.823	1.262.116
Total	**8.855.387.920**	**4.090.133.019**
Short-term liabilities	8.743.478.258	3.978.066.089
Long-term liabilities	111.909.662	112.066.930
Total	**8.855.387.920**	**4.090.133.019**

As of December 31, 2023, other payables amounting to TL 668.894.604 (December 31, 2022: TL 381.363.305) consist of treatment cost payables to SSI amounting to TL 209.150.205 (December 31, 2022: TL 146.358.652) payables to Tarsim and DASK and outsourced benefits and services amounting to TL 422.666.002 (December 31, 2022: TL 210.053.807) and deposits and guarantees received amounting to TL 37.078.397 (December 31, 2022: 24.950.846).

Payables arising from main operations of the Group As of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Payables to reinsurance companies *(Note 10)*	4.326.819.769	1.697.747.508
Payables to agencies, brokers and intermediaries	507.154.918	270.213.069
Cash deposited by insurance and reinsurance companies	154.050.372	15.316.979
Total payables arising from reinsurance and insurance operations	**4.988.025.059**	**1.983.277.556**
Payables arising from other operating activities	1.096.093.147	613.581.333
Payables arising from main operations	**6.084.118.206**	**2.596.858.889**

Corporate tax liabilities and prepaid taxes are disclosed below:

	December 31, 2023	December 31, 2022
Taxes paid during the period	1.445.375.643	187.686.308
Corporate tax liabilities	(1.664.485.864)	(276.782.469)
Corporate tax assets, net	**(219.110.221)**	**(89.096.161)**

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

None.

(Currency: Turkish Lira (TL))

20 Financial liabilities

	31 December 2023	31 December 2022
Expense accruals arising from derivative contracts (Note 13) (*)	-	18.749.281
Payables from operating leases (Note 34) (**)	144.295.014	81.165.780
Short-term	*32.390.854*	10.904.883
Medium and long-term	*111.904.160*	70.260.897
Total	**144.295.014**	**99.915.061**

(*) The Company has none expense accruals arising from derivative contracts As of December 31, 2023. (December 31, 2022: TL 18.749.281).
(**) As of December 31, 2023, the Group's operating leases are explained in the *Note 34 - Financial Costs*.

21 Deferred taxes

As of December 31, 2023, and 2022, deferred tax assets and liabilities are attributable to the following:

	December 31, 2023	December 31, 2022
	Deferred tax assets / (liabilities))	**Deferred tax assets / (liabilities))**
Equalization reserves	79.227.312	143.310.919
Other provisions	148.657.653	52.539.188
Unexpired risk reserves	528.692.539	204.624.010
Provision for the pension fund deficits	101.784.902	58.816.795
Provisions for employee termination benefits	50.956.692	36.269.241
Subrogation provision	47.043.478	14.672.496
Other	17.149.562	3.788.423
Time deposits	289.568	398.499
Discount of receivables and payables	5.315.763	10.617.888
Profit commission accruals	(19.400.593)	(10.968.672)
Valuation differences in financial assets	(119.815.402)	(123.988.614)
Subrogation receivables from third parties	-	(14.606.398)
TAS adjustment differences in depreciation	57.220.954	(23.851.402)
Valuation of real estate	(1.043.673.541)	(335.806.113)
Prepaid exepenses	484.321	-
Deferred tax assets/(liabilities), net	**(146.066.792)**	**15.816.260**

As of 31 December 2023, the Group has a deductible financial loss of TL 1.145.510.854 TL that can be used until 31 December 2028, and TL 744.923.076 that can be used until 31 December 2027, totaling TL 1.890.433.930. The Group reviewed the business plan as of December 31, 2023 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, 2023, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle (31 December 2022: TL 744.923.076).

Movement of deferred tax assets as of December 31, 2023 and 2022 are given below:

	December 31, 2023	December 31, 2022
Opening balance at January 1	**15.816.260**	**114.590.673**
Recognized in profit or loss	263.997.271	143.342.143
Recognized in equity	(357.343.239)	(208.505.678)
Cancellation corporate tax provision(*)	(68.537.084)	(33.610.878)
Closing balance at December 31	**(146.066.792)**	**15.816.260**

(*) Cancellation of corporate tax provision is included in deferred tax income.

22 Retirement benefit obligations

Employees of the company, “Milli Reasürans Türk Anonim Şirketi Retirement and Health Fund Foundation” (“Fund”), which was established based on the Temporary Article 20 of the Social Insurance Law No. 506, and Anadolu Sigorta employees, “Anadolu Anonim Türk Anonim Türk AŞ. a member of the Insurance Company Officers Pension Fund.

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.

“Council of minister is entitled to determine the Social Security Intuition’s turnover date for banks, assurance and reinsurance companies, chamber of commerce and industry, stock markets or pension fund’ partnerships that is constituted by them for union employees along with monthly income endowed people and their rights holder within the scope of 506 numbered law’ provisional 20. Article. Pension fund contributors as of the transfer date and considered insured by the first paragraph of Article 4 of this law.

Finally, Article 51 of the Law on the Amendment of the Occupational Health and Safety Law and Some Laws and Decrees, published in the Official Gazette dated April 23, 2015, and the first paragraph of the provisional article 20 of the Law No. 5510 have been amended as follows.

“The participants of the funds established for the personnel of banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, stock exchanges or their unions within the scope of the temporary article 20 of the Law No. The Council of Ministers is authorized to determine As of the transfer date, the participants of the ballot box are deemed to be insured within the scope of subparagraph (a) of the first paragraph of Article 4 of this Law.

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.

(Currency: Turkish Lira (TL))

22 Retirement benefit obligations *(continued)*

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

a) technical deficit rate of 9.8% 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.

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 339.283.006 (December 31, 2022: TL 235.267.182) is accounted as "Provision for pension fund deficits" in the accompanying consolidated 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, 2023 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, 2023 and 2022, technical deficit from pension funds comprised the following.

	December 31, 2023	**December 31, 2022**
Net present value of total liabilities other than health	(852.626.284)	(477.099.568)
Net present value of insurance premiums	345.969.987	143.627.068
Net present value of total liabilities other than health	**(506.656.297)**	**(333.472.500)**
Net present value of health liabilities	(106.904.194)	(56.866.044)
Net present value of health premiums	189.967.585	78.927.742
Net present value of health liabilities	**83.063.391**	**22.061.698**
Pension fund assets	**84.309.900**	**76.143.620**
Amount of actuarial and technical deficit	**(339.283.006)**	**(235.267.182)**

Pension fund assets are comprised of the following items:

	December 31, 2023	**December 31, 2022**
Cash and cash equivalents	4.864.338	38.295.525
Associates	68.043.220	31.736.625
Other	11.402.342	6.111.470
Total plan assets	**84.309.900**	**76.143.620**

Up to date, as per the actuarial calculation performed, there has not been any deficit in Anadolu Anonim Türk Sigorta Şirketi Memurları Emekli Sandığı and Anadolu Sigorta has made no payment for this purpose. It is believed that the assets of this institution are adequate enough to cover its total obligations; therefore, this shall not constitute any additional liability on Anadolu Sigorta.

(Currency: Turkish Lira (TL))

23 Provision for other liabilities and expense accruals

As of December 31, 2023, and 2022, the provisions for other risks are disclosed as follows:

	December 31, 2023	December 31, 2022
Provision for pension fund deficits *(Note 22)*	339.283.006	235.267.182
Provision for employee termination benefits	160.676.648	135.521.632
Provision for unused vacation pay liability	22.210.647	11.902.901
Total provision for other risks	**522.170.301**	**382.691.715**

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

	December 31, 2023	December 31, 2022
Provision at the beginning of the period	135.521.632	58.186.518
Interest cost *(Note 47)*	30.475.630	12.327.307
Service cost *(Note 47)*	9.211.044	3.864.187
Payments during the period *(Note 47)*	(69.458.210)	(5.252.349)
Actuarial gain/ loss	54.926.552	66.395.969
Provision at the end of the period	**160.676.648**	**135.521.632**

24 Net insurance premium revenue

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

25 Fee revenue

None.

26 Investment income

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

(Currency: Turkish Lira (TL))

27 Net income accrual on financial asset

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

28 Assets held at fair value through profit or loss

Presented in "*Note 4.2* – Financial Risk Management".

29 Insurance rights and claims

	December 31, 2023	**December 31, 2022**
Claims paid, net off reinsurers' share	(19.682.445.639)	(10.550.897.509)
Changes in outstanding claims reserves, net off reinsurers' share	(8.141.320.571)	(4.552.398.236)
Changes in unearned premium reserves, net off reinsurers' share	(11.122.955.053)	(7.366.390.393)
Change in equalization reserves	54.664.362	(339.961.000)
Changes in unexpired risks reserves, net off reinsurers' share	(943.812.421)	(375.427.682)
Total	**(39.835.869.322)**	**(23.185.074.820)**

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

For the years ended December 31, 2023, and 2022, the operating expenses are disclosed as follows:

	January 1 - December 31, 2023	**January 1 - December 31, 2022**
Commission expenses *(Note 17)*	5.378.572.740	2.612.265.552
Commissions to the intermediaries accrued during the period (Note 17)	7.203.074.077	*3.732.510.952*
Changes in deferred commission expenses (Note 17)	(1.824.501.337)	*(1.120.245.400)*
Employee benefit expenses *(Note 33)*	1.718.351.422	817.994.326
Foreign exchange losses	1.367.257.032	266.284.991
Administration expenses	941.357.175	479.387.228
Commission income from reinsurers *(Note 10)*	(991.873.822)	(528.465.603)
Commission income from reinsurers accrued during the period (Note 10)	(1.289.418.860)	(672.229.232)
Change in deferred commission income (Note 10)	297.545.038	143.763.629
Advertising and marketing expenses	145.187.404	66.852.766
Outsourced benefits and services	258.372.441	60.577.789
Commission expenses from reinsurance transactions (Note 10)	685.637.036	450.968.252
Commissions from reinsurance transactions during the period (Note 10)	785.270.303	543.172.976
Change in deferred reinsurance commission expenses (Note 10)	(99.633.267)	(92.204.724)
Other	106.409.011	39.740.410
Total	**9.609.270.439**	**4.265.605.711**

(Currency: Turkish Lira (TL))

33 Employee benefit expenses

As of December 31, 2023, and 2022, employee benefit expenses are disclosed as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Wages and salaries	1.194.659.462	573.362.338
Employer's share in social security premiums	367.773.413	174.650.068
Pension fund benefits	50.504.823	16.587.462
Other	105.413.724	53.394.458
Total *(Note 32)*	**1.718.351.422**	**817.994.326**

34 Financial costs

As of December 31, 2023, interest expense arising from the leases that the Group has subject to TFRS 16 Leasing Standards amounting to TL 24.690.351 (31 December 2022: 16.386.267 TL) has accounted under "Investment Management Expenses - Including Interest"; amortization expense amounting to TL 31.070.947 has been accounted under "Depreciation and Amortization Expense" accounts (January 1 – December 31, 2022: 15.546.272).

As of December 31, 2023, discounted repayment plans for the Group's operating leases are as follows (December 31, 2022: TL 81.165.780):

	Operating lease repayments -TL
Up to 1 year	32.390.854
1 - 2 years	38.503.656
2 – 3 years	19.945.926
3 – 4 years	23.934.707
4 – 5 years	29.519.871
Over 5 years	-
Total	**144.295.014**

(Currency: Turkish Lira (TL))

35 Income tax

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

	December 31, 2023	**December 31, 2022**
Current tax expense provision:		
Corporate tax provision	(1.664.485.864)	(276.782.469)
Deferred taxes:		
Origination and reversal of temporary differences	263.997.271	143.342.143
Total income tax expense/(income)	**(1.400.488.593)**	**(133.440.326)**

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 Group's effective income tax rate for the year ended December 31, 2023 and 2022 is as follows:

	2023		**2022**	
Profit before taxes	**7.755.915.413**	**Tax rate (%)**	**1.559.834.289**	**Tax rate (%)**
Taxes on income per statutory tax rate	2.326.774.624	30,00	389.958.572	25,00
Tax exempt income	(1.236.907.482)	(15,95)	(520.281.585)	(33,35)
Non-deductible expenses	210.432.083	2,71	269.734.648	17,29
Effect of change in tax rate	100.189.368	1,29	(5.971.309)	(0,38)
Total tax expense recognized in consolidated profit or loss	**1.400.488.593**	**18,06**	**133.440.326**	**8,55**

36 Net foreign exchange gains

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

37 Earnings per share

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

	December 31, 2023	**December 31, 2022**
Net profit/loss for the period	3.631.736.624	861.369.752
Weighted average number of shares	66.000.000.000	66.000.000.000
Earnings/losses per share (TL)	0,05503	0,01305

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 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.

It is decided in Ordinary General Assembly Meeting of the Company, held on March 28, 2023, not to make a dividend payment. It is stated that the net profit amount of TL 879.498.268 from 2022 activities of the Company, after the legal reserves of TL 43.974.913 are allocated, the remaining amount was allocated TL 38,123,053 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 left the remaining amount as previous years' profits.

39 Cash generated from operations

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

40 Convertible bond

None.

41 Redeemable preference shares

None.

42 Risks

In the normal course of its operations, the Group is exposed to legal disputes, claims and challenges, which mainly stem from its insurance operations. The necessary income/expense accruals for the revocable cases against/on behalf of the Group are provided under outstanding claims reserves in the accompanying consolidated financial statements.

As of December 31,2023, total amount of the claims that the Group face is TL 5.061.397.932 in gross (December 31, 2022: TL 3.146.699.781). The Group provided outstanding claims reserves in the consolidated financial statements by considering collateral amounts.

As of December 31, 2023, ongoing lawsuits prosecuted by the Company's subsidiary Insurance Company against the third parties amounting TL 2.121.300.741 (December 31, 2022: TL 1.066.326.082).

"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

Details of the guarantees given by the Group in non-life insurance branches are shown in Note 17.

44 Business combinations

None.

(Currency: Turkish Lira (TL))

45 Related party transactions

For the purpose of the accompanying consolidated 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, 2023 and 2022 are as follows:

	31 December 2023	31 December 2022
Türkiye İş Bankası A.Ş.	2.942.970.918	4.182.366.106
Other	-	10.209
Banks	**2.942.970.918**	**4.182.376.315**
Bonds issued by Türkiye İş Bankası (Note 11)	90.242.836	-
Mutual funds founded by İş Portföy Yönetimi A.Ş. (Note 11)	6.823.264.826	1.044.695.036
Related party stocks (Note 11)	424.203.903	289.699.205
Mutual funds issued by Maxis Private Equity Portfolio Management A.Ş. (Note 11)	272.266.249	458.015.240
Eurobonds issued by Türkiye İş Bankası A.Ş. (Note 11)	149.060.326	132.045.525
Eurobonds issued by Türkiye Sınai Kalkınma Bankası A.Ş. (Note 11)	60.424.849	37.101.541
Turkey Is Bank Currency Protected Deposit	1.149.892.248	510.352.060
Bonds issued by Türkiye Şişe ve Cam Fabrikaları A.Ş (Note 11)	-	82.731.199
Financial Assets	**8.969.355.237**	**2.554.639.806**
Türkiye İş Bankası A.Ş.	1.456.459.737	936.286.167
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	218.896.210	78.549.428
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	20.709.690	16.543.713
Groupama Sigorta A.Ş.	-	8.233.869
Anadolu Hayat Emeklilik A.Ş.	21.299.999	5.049.947
İstanbul Umum Sigorta A.Ş.	363.976	273.998
Ergo Sigorta A.Ş. (HDI Sigorta A.Ş.)	-	15.892
HDI Sigorta A.Ş.	5.473.370	504.422
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	-	2.751
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	196.305	42.981
Güven Sigorta T.A.Ş	171.880	-
Receivables from main operations	**1.723.571.167**	**1.045.503.168**
Türkiye İş Bankası A.Ş.	94.661.046	50.390.323
Halk Sigorta A.Ş. (Türkiye Sigorta A.Ş.)	2.551.783	2.560.806
Halk Hayat ve Emeklilik A.Ş. (Türkiye Hayat Emeklilik A.Ş.)	383.654	-
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	822.069	-
Allianz Sigorta A.Ş.	4.841.851	3.931.833
Şişecam Sigorta Aracılık Hizmetleri AŞ	2.698.999	3.011.476
Ziraat Sigorta A.Ş. (Türkiye Sigorta A.Ş.)	509.084	275.047
Axa Sigorta A.Ş.	10.346.777	5.373.820
Güven Sigorta T.A.Ş.	93.301	73.483
Liberty Sigorta A.Ş.(HDI Sigorta A.Ş.)	112.079	69.172
Groupama Sigorta A.Ş.	8.037.790	38.158
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	45.116	33.279
İstanbul Umum Sigorta A.Ş.	44.088	25.580
Ergo Sigorta A.Ş. (HDI Sigorta A.Ş.)	11.866.746	-
Payables from main operations	**137.014.383**	**65.782.977**
Payables to personnel	1.830.978	806.004
Payables to partners	193.699	193.699
Payables to other related parties	61.146	262.413
Due to related parties	**2.085.823**	**1.262.116**

(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/to shareholders, subsidiaries and joint ventures.

There are no guarantees, commitments, guarantee letters, advances and endorsements given in favor of shareholders, associates and subsidiaries.

The transactions with related parties during the years ended December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Türkiye İş Bankası A.Ş.	5.987.016.099	3.121.012.265
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	1.944.238.094	645.949.012
Groupama Sigorta A.Ş	87.616.220	61.144.191
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	96.897.095	53.429.139
Anadolu Hayat Emeklilik A.Ş.	77.731.195	23.914.438
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	-	7.889
Allianz Sigorta A.Ş	28.840.565	13.216.018
Axa Sigorta A.Ş	3.411.225	(28.139)
Ziraat Sigorta A.Ş. (Türkiye Sigorta A.Ş.)	550.188	538.105
HDI Sigorta A.Ş.	6.447.215	1.799.242
Halk Sigorta A.Ş. (Türkiye Sigorta A.Ş.)	1.336.130	3.591.451
Ergo Sigorta A.Ş. (HDI Sigorta A.Ş.)	57.528	10.332
Premium received	**8.234.141.554**	**3.924.583.943**
Groupama Sigorta A.Ş.	450	23
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	321	10
Axa Sigorta A.Ş.	193	16
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	193	12
Güven Sigorta T.A.Ş.	64	5
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	64	5
Hdi Sigorta A.Ş.	32	2
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	-	3
Premiums ceded	**1.317**	**76**
Groupama Sigorta A.Ş.	1.997	(204)
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	1.427	(179)
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	856	-
Axa Sigorta A.Ş.	856	(121)
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	285	(52)
Güven Sigorta T.A.Ş.	285	(126)
Hdi Sigorta A.Ş.	143	-
İstanbul Umum A.Ş.	-	(11)
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	-	(72)
Allianz Sigorta A.Ş	-	(90)
Commissions received	**5.849**	**(855)**
Türkiye İş Bankası A.Ş.	594.443.143	310.993.757
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	508.623.153	175.292.378
Groupama Sigorta A.Ş	16.809.696	13.521.740
Şişecam Sigorta Aracılık Hizmetleri A.Ş.	18.830.775	10.704.660
Allianz Sigorta A.Ş	7.208.239	3.649.769
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	-	754.903
Axa Sigorta A.Ş	(348.989)	(485.681)
Halk Sigorta A.Ş. (Türkiye Sigorta A.Ş.)	540.987	616.830
Ziraat Sigorta A.Ş. (Türkiye Sigorta A.Ş.)	219.545	375.747
Anadolu Hayat Emeklilik A.Ş.	1.678.309	81.279
HDI Sigorta A.Ş.	1.079.685	276.099
Ergo Sigorta A.Ş. (HDI Sigorta A.Ş.)	16.503	1.033
Halk Hayat ve Emeklilik A.Ş. (Türkiye Hayat Emeklilik A.Ş.)	-	2.218.375
Commissions given	**1.149.101.046**	**518.000.889**

(Currency: Turkish Lira (TL))

45 Related party transactions *(continued)*

	1 January– 31 December 2023	**1 January – 31 December 2022**
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	2.025.643.081	216.205.031
Groupama Sigorta A.Ş.	198.278.249	20.979.891
Allianz Sigorta A.Ş.	42.232.234	4.595.680
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	13.699.428	-
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	11.927.407	33.282.317
Anadolu Hayat Emeklilik A.Ş.	8.240.809	2.721.603
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	1.757.099	4.908.061
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	822.069	6.892.618
Halk Hayat ve Emek.(Türkiye Hayat Emeklilik A.Ş)	383.655	267.650
Güven Sigorta T.A.Ş.	134.011	261.754
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	65.965	266.199
Hdi Sigorta A.Ş.	20.456	244.456
Axa Sigorta A.Ş.	(37.500.439)	6.259.755
Claims Paid	**2.265.704.024**	**296.885.015**
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	1.806.978	45.166
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	1.775.102	13.844
Groupama Sigorta A.Ş.	58.310	53.385
Axa Sigorta A.Ş.	56.062	55.281
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	44.967	50.957
Güven Sigorta T.A.Ş.	42.289	43.820
İstanbul Umum A.Ş.	18.103	20.041
Allianz Sigorta A.Ş.	13.250	16.293
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	12.562	12.740
Hdi Sigorta A.Ş.	2.046	1.034
Reinsurer share in paid claims	**3.829.669**	**312.561**
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	24.904.188	8.426.523
Groupama Sigorta A.Ş.	3.756.938	126.962
Hdi Sigorta A.Ş.	2.281.968	95.857
Anadolu Hayat Emeklilik A.Ş.	506.062	390.953
Axa Sigorta A.Ş.	137.731	148.063
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	132.853	142.529
Güven Sigorta T.A.Ş.	120.983	128.264
İstanbul Umum A.Ş.	53.439	56.485
Allianz Sigorta A.Ş.	43.078	49.812
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	38.924	32.873
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	2	12.088
Other income	**31.976.166**	**9.610.409**
İş Merkezleri Yönetim ve İşletim A.Ş. – building service expense	25.997.630	19.472.024
İş Portföy Yönetimi – performance commission	27.584.038	10.562.150
Yatırım Finansman Menkul Değerler – performance commission	-	1.684.288
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	2.269.317	781.156
Ergo Sigorta A.Ş. (HDI Sigorta A.Ş.)	714.306	-
Allianz Sigorta A.Ş	3.008.029	992.497
Axa Sigorta A.Ş	1.574.145	1.052.992
İş Portföy Yönetimi – management commission	1.103.853	701.937
Halk Sigorta A.Ş. (Türkiye Sigorta A.Ş.)	368.263	210.488
Yatırım Finansman Menkul Değerler – management commission	401.764	247.100
HDI Sigorta A.Ş.	76	117
Anadolu Hayat Emeklilik A.Ş.	69.707	140.949
Groupama Sigorta A.Ş	4.595	4.670
Güven Sigorta A.Ş	2.747	2.198
Liberty Sigorta A.Ş.(HDI Sigorta A.Ş.)	1.439	1.135
İstanbul Umum Sigorta A.Ş	72	44
Ziraat Sigorta A.Ş. (Türkiye Sigorta A.Ş.)	6.300	385
Vakıf Emek.ve Hayat(Türkiye Hayat Emeklilik A.Ş)	-	1
Other expenses	**63.106.281**	**35.854.131**

46 Subsequent events

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

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.

Information about the other technical expenses in the income statement

The amounting to TL 823.140.641 (31 December 2022: TL 486.688.818) which is the part of other technical expenses in the income statement of amounting to TL 201.598.844 (31 December 2022: TL 226.713.763) is the assistance services, postponement of these amounts and their technical expenses.

(Currency: Turkish Lira (TL))

47 Other *(continued)*

As of and for the year ended December 31, 2023 and 2022, details of discount and provision expenses are as follows:

	December 31, 2023	December 31, 2022
Provision expense for doubtful receivables *(Note 4.2)*	(361.024.583)	(206.697.406)
Provision for pension fund deficits *(Note 23)*	(104.015.824)	(132.268.671)
Provision expense for employee termination benefits *(Note 23)*	30.687.577	(10.939.144)
Provision expenses for unused vacation *(Note 23)*	(10.307.744)	(6.370.538)
Terminated provision income/ (expense)	2.722.230	972.046
Other provision expenses *(Note 4.2)*	5.711.628	(1.086.679)
Provision expenses	**(436.226.716)**	**(356.390.392)**

	December 31, 2023	December 31, 2022
Rediscount income / (expense) from main operations receivables	482.081.678	83.611.246
Rediscount income / (expense) from main operations payables	(582.238.282)	(157.046.167)
Total of rediscounts	**(100.156.604)**	**(73.434.921)**

	31 December 2023	December 31, 2022
Independent audit fee for the reporting period	9.192.116	2.209.378
Fees for tax advisory services	529.839	311.831
Fee for other assurance services	-	-
Fee for services other than independent audit	-	-
Total	**9.721.955**	**2.521.209**