MİLLİ RE

Local Leader, Global Partner

ANNUAL REPORT 2023

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GENERAL INFORMATION

Millî Reasürans Türk Anonim Şirketi	
2023 Annual Report	
Mersis No:	0621003912600011
Headquarters:	
Address:	İş Kuleleri, Kule 3 Kat: 20-21-22 34330 Levent-İstanbul/TÜRKIYE
Phone	+90 212 231 47 30
E-mail:	info@millire.com millire@millire.com
Singapore Branch	
Address:	4 Battery Road #20-01 Bank of China Building Singapore 049908
Phone:	+65 6499 9340
Fax:	+65 6534 2884
E-mail:	singapore@millire.com

www.millire.com
www.millire.com.tr

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GENERAL INFORMATION

VISION

Reinforce our key role as lead reinsurer in the local market and **become a preferred business partner in the international markets.**

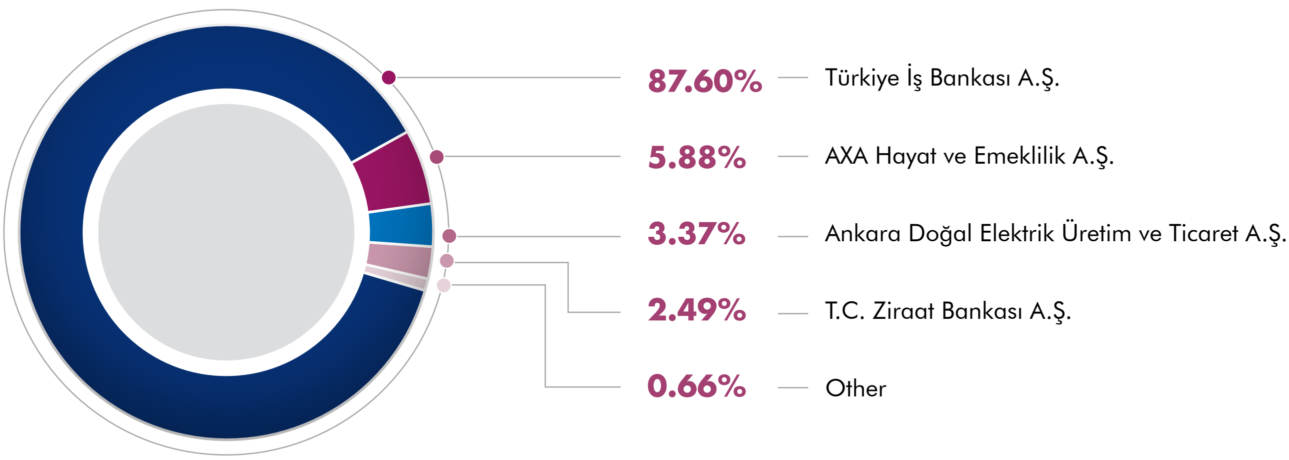
MISSION

- Delivering **effective solutions** in compliance with best practice standards,
- Further strengthening **our robust capital base,**
- Developing **ethical and transparent business relations** while focusing on value creation,
- Contributing to employee development while observing the principle of equal opportunity; helping them **improve their performances through shared goals and targets set**

SHAREHOLDER STRUCTURE

Shareholder	Value of Stake (TL)	Stake (%)
İşbank	578,177,925.55	87.60
AXA Hayat ve Emeklilik A.Ş.	38,809,894.19	5.88
Ankara Natural Electricity Generation and Trade Co. Inc.	22,240,455.60	3.37
Ziraat Bank	16,430,944.19	2.49
Other	4,340,780.47	0.66
Total	660,000,000.00	100. 00

Note: Shareholders controlling 1% or greater stakes in the Company are shown here above.



Capital Increases

There were no capital increases during 2023.

Changes in the Shareholder Structure during 2023

As of 31.10.2023, Groupama Hayat A.Ş., one of the shareholders of the Company, transferred its 5.88% shares with a nominal value of TL 38,809,894 to AXA Hayat ve Emeklilik A.Ş.

Changes in the Articles of Association during 2023.

There were no changes in the Articles of Association during 2023.

Disclosures on Preferred Shares

There are no preferred shares.

CORPORATE PROFILE

SINCE 1929 MİLLİ RE IS THE WORLD'S FIRST AND ONLY PRIVATELY OWNED COMPANY **THAT MANAGED A COMPULSORY REINSURANCE SYSTEM FOR ALL LINES OF BUSINESS.**

CORPORATE PROFILE

Milli Re was established by Türkiye İş Bankası (İşbank) on 26 February 1929 to manage the compulsory reinsurance system and commenced operations on 19 July 1929.

As the world's first and only privately owned company that managed a compulsory reinsurance system for all lines of business, Milli Re has played an important role in the formation and development of the insurance industry in Türkiye. Following the termination of the compulsory reinsurance system, the Company redefined its goals and strategies in alignment with the current conditions and via its strategy of opening to international markets, today continues to serve as a global, prestigious, and trusted reinsurer.

Milli Re has been making every effort to support the development of the insurance industry in Türkiye and provide high quality service. The Company meets reinsurance needs of the market with best possible terms and conditions, contributing significantly to the satisfaction of insurance companies by providing prompt claim settlements.

While operating the compulsory reinsurance system, the Company also made various contributions to the country such as;

- Nationalization of the Turkish insurance industry,
- Generation of continuous revenue for the Undersecretariat of Turkish Treasury,
- Significant reduction in the outflow of foreign currency,
- Providing insurance training and education programs for the insurance industry,
- Conducting top notch international relations.

Milli Re managed Turkish Reinsurance Pool from 1963 to 1985, and the Economic Cooperation Organization (ECO) Pool from 1967 to 1995, which was originally established under the name of RCD Pool.

MİLLİ RE'S MAIN OBJECTIVE IS TO ACHIEVE SUSTAINABLE GROWTH BY TRANSLATING ITS STRONG POSITION IN THE LOCAL INSURANCE MARKET AND ITS PROFIT-ORIENTED BUSINESS MODEL, WHICH INCORPORATES CLOSELY MONITORING OF RISK/RETURN BALANCE TO INTERNATIONAL MARKETS.

WITH ITS WELL QUALIFIED AND HIGHLY EXPERIENCED WORKFORCE OF 12 PEOPLE, SINGAPORE BRANCH CELEBRATED ITS 15TH ANNIVERSARY IN 2023.

While managing the Federation of Afro-Asian Insurers and Reinsurers (FAIR) Pool since 1974, Milli Re also undertook the management of the Turkish Catastrophe Insurance Pool (TCIP) between 2000 and 2005 where it was a co-founder.

As part of Milli Re's strategy to expand to international markets, the Company began writing business from these markets in 2006. In alignment with this strategy, Singapore Branch was opened in 2007.

By bringing its merited reputation and technical knowledge gained in the Turkish market to international arena and with the support of its financial strength, Milli Re continues to maintain its credibility in international markets through its strong performance.

On 18 September 2023, A.M. Best assigned Milli Re a global rating of "C" with a stable look.

Milli Re's national scale rating was affirmed as "tr BBB- "by Standard&Poor's (S&P) on 03 March 2023.

Possessing all the structural competence and a solid capital base, Milli Re's main objective is to achieve sustainable growth by translating its strong position in the local insurance market and its profit-oriented business model, which incorporates closely monitoring of risk/return balance to international markets.

Milli Re Singapore Branch

As part of its strategy to expand to international markets, Milli Re, like many other international reinsurers, examined the benefits of establishing regional branches. Consequently, Singapore Branch was opened in view of the significance of Far East in the global insurance market, as well as its potential business volume and geographical location.

Having received the license for operation from the Monetary Authority of Singapore (MAS) in November 2007, Singapore Branch began writing business from 01 April 2008. With its well qualified and highly experienced workforce of 12 people, Singapore Branch plays an important role in international operations of Milli Re.

Anadolu Sigorta

Holding 57.31% share in its capital, Milli Re is the principal shareholder of Anadolu Anonim Türk Sigorta Şirketi, one of the largest and well-established insurance companies in the Turkish insurance industry.

MILESTONES

MAINTAINING ITS POSITION AS THE LEADER OF THE SECTOR WITH ITS YEARS OF BUSINESS EXPERIENCE, SOLID FINANCIAL STRUCTURE, AND SUCCESSFUL OPERATIONAL PERFORMANCE, MİLLİ RE CONTINUES **TO OFFER REINSURANCE CAPACITY TO LOCAL AND INTERNATIONAL MARKETS.**

1929

Milli Re was founded by İşbank with a capital of TL 1,000,000 to operate the compulsory reinsurance system.

1963

The management of "Turkish Reinsurance Pool", established to write international business, was handed over to Milli Re in accordance with the agreement signed with Turkish insurance companies.

1967

The management of "RCD Reinsurance Pool", established under the agreement of "Cooperation for Regional Development" between Türkiye, Iran and Pakistan, was handed over to Milli Re.

1970

The management of the system known as "Decree Pool", established according to Decree no. 17 set out by the Ministry of Finance on the Protection of the Value of Turkish Currency was handed over to Milli Re.

"Türk Sigorta Enstitüsü Vakfı" (Turkish Insurance Institute Foundation) was established by Milli Re and the Association of the Insurance and Reinsurance Companies of Türkiye.

1974

The management of "FAIR Reinsurance Pool" established by the Federation of Afro-Asian Insurers & Reinsurers (FAIR) was handed over to Milli Re.

1982

Compulsory reinsurance cessions to Milli Re on Quota Share basis were changed to Surplus basis.

1986

MİLTAŞ Sports Complex, which hosts the traditional "International Insurers Tennis Tournament" organization was built by Milli Re and was brought into the service of the market.

1991

Milli Re began to offer conventional reinsurance capacity through reinsurance treaties apart from "Compulsory Cessions" and "Decree Pool".

First issue of "Reasürör" magazine was published. The magazine is a reference source with full academic content on re/insurance, including compilations, translations, interviews, and statistical data on various lines.

1993

Milli Re moved from its head office in Istanbul Sirkeci to its new office building constructed in Teşvikiye.

1994

Milli Re Art Gallery, a corporate gallery where art works by prominent local and foreign artists are exhibited, was opened.

1996

Milli Re Chamber Orchestra was established. The orchestra is made up of artists, most of whom also continue their solo music careers, and the orchestra performs with the participation of renowned local and international artists and conductors.

2000

Turkish Catastrophe Insurance Pool (TCIP), which was set up relevant the "Compulsory Earthquake Insurance" system established by the Undersecretariat of Turkish Treasury became operational under the management of Milli Re.

2001

Risk-based Compulsory Reinsurance System came to an end.

2005

Milli Re became the only active local reinsurance company in the Turkish market after the acquisition of Destek Reasürans T.A.Ş.

2006

Milli Re began to write business from international markets.

Decree Pool was terminated.

2007

Singapore Branch, which plays an important role for Milli Re in international markets, was opened.

2010

Milli Re acquired an additional 35.53% stake in Anadolu Sigorta, another group company. Accordingly, Milli Re, Türkiye's one and only active local reinsurer increased its share in the capital of Anadolu Sigorta to 57.31%, one of the largest and well-established insurance companies in the industry.

2022

In its 94th year of operation, by bringing its technical knowledge gained in the Turkish market to international arena with the support of its strong capitalization, Milli Re's paid-up capital was TL 660 million while assets reached TL 12,400 million, shareholders' equity amounted to TL 5,056 million and premium volume was TL 4,808 million.

2023

Milli Re moved from its building in Teşvikiye to its new office in İş Towers, Levent as of July 10.

In its 95th year of operation, by bringing its technical knowledge gained in the Turkish market to international arena with the support of its strong capitalization, Milli Re's paid-up capital was TL 660 million while assets reached TL 22,668 million, shareholders' equity amounted to TL 10,128 million and premium volume was TL 9,925 million.

MİLLİ RE PRESSES AHEAD SURE-FOOTEDLY, INCREASING ITS CONTRIBUTION TO THE NATIONAL ECONOMY **FULFILLING ITS RESPONSIBILITY IMPOSED BY ITS LEADERSHIP POSITION.**

Anticipations for a "soft landing" in global economy are getting stronger.

The policies pursued to combat inflation and their implications made the main agenda items of global economy in 2023. In the reporting period, tight monetary policies implemented in the majority of developed and developing economies repressed economic activity as well.

Global economic growth that was registered as 3.5% in 2022 is estimated to have lost momentum and slid down to 3.1% in 2023. While decelerated economic activity became marked in the Euro Zone in the reporting period, the US economy displayed a relatively more positive performance.

The loss of pace in economic activity is expected to persist in 2024 as the lagged effects of tight monetary policy implementations persist across the globe. On the other hand, it is envisaged that the said deceleration will take place in accordance with the "soft landing" scenario, and not evolve into a global recession. In the January update of its World Economic Outlook, the IMF projects 2024 global growth at the order of 3.1%.

The highlights of risk elements with respect to global outlook in 2024 include the potential negative impact upon inflation that the geopolitical risks originating in Ukraine and the Middle East might create on energy by way of energy and freight prices, high borrowing costs, and the potentially lower-than-projected growth performance to be attained by the Chinese economy.

Furthermore, the expectations regarding the timing of rate cuts in developed countries in 2024 will also be telling upon the course of global risk appetite.

2023 has been a tough year for Türkiye.

In 2023, the performance of the Turkish economy has been determined by the modified economy policy and the earthquake disaster. The economic burden that the horrendous earthquake disaster of February that destroyed a broad geography, as well as the social injury it has inflicted, made 2023 a tough year for our country in every respect.

Despite the earthquake disaster and the tightened economy policy in the second half of the year, the Turkish economy displayed a relatively strong performance and ended 2023 with a 4.5% growth rate. Private consumption has been the sub-item that made the highest contribution to growth throughout the year. However, this contribution took a downtrend, even if limited, in parallel with the tightened economy policy in the second half of the year. In that part of the year, while investment outlays made a growing contribution to growth owing to earthquake-compelled expenditures, net export's shrinking effect upon growth was noted for its downtrend.

While the annual rise in CPI at the end of 2023 was 64.77%, the CBRT gradually hiked the policy rate from 8.5% in June to 42.5% as of December within the frame of the simplification policy adhered to in the economy for strengthening macro financial stability and increasing the functionality of market mechanisms.

The Insurance Industry achieved growth in 2023.

Climate-related extreme weather events that lately increased in terms of number and frequency have become the most crucial risk element for the global insurance business. Amid an ecosystem that is exposed to pressure factors including the challenging economic conditions and inflation the world is experiencing, as well as catastrophes, reinsurance capacity and costs are inevitably affected adversely.

Total economic losses attributable to catastrophes readopted an upturn in 2023 and amounted to USD 380 billion, while insured cat losses were worth USD 118 billion. Kahramanmaraş Earthquake that took place on February 6th in our country was recorded as the costliest and most destructive natural disaster of 2023. Global insured losses in 2023 stemmed from medium-scale weather events and largely from secondary effects of natural disasters. The fact that only 31% of these global losses was underwritten by the insurance industry points at the low level of insurance ownership.

In the aftermath of the earthquake disaster of February, our industry not only made claims payments, but forged an important value in the form of humanitarian aids and conveniences made available to the insured who were affected by the earthquake.

In 2023 that saw the sector successfully attain real growth, total premium production increased by 107% to TL 486 billion; premium production by Non-Life branches that accounts for 88% of this amount was registered as TL 429 billion. The movements in inflation and exchange rates took the greatest toll on the premiums written in Land Vehicles Liability, Land Vehicles and Health branches due to their coverage. Premiums generated in the Life branch amounted to TL 55 billion, driving the share of the branch down to 11.7%.

Always moving forward on the back of our deep-rooted foundations and experience.

In 2023 when we jovially celebrated the centennial of our Republic, we were particularly proud for being an important soldier of an industry that has contributed solidly to the acquisitions of the Republic for 94 years.

Placed among Europe's most established reinsurers, and being the world's first and only privately-owned company that managed a compulsory reinsurance system for all lines of business, Milli Re presses ahead sure-footedly, increasing its contribution to the national economy fulfilling its responsibility imposed by its leadership position. In addition to its economic contribution, as an institution of the Republic, our company supports societal progress with all its resources, conducts initiatives in relation to gender equality, culture & arts and sports, and works to give a concrete form to equality and inclusion principles.

Having continued to offer the reinsurance capacity needed by ceding companies in 2023 when we authored a high performance, Milli Re upped its premium production by 106% year-on-year to TL 9,925 million, and registered TL 22,668 million in total assets, TL 10,128 million in shareholders' equity and TL 3,629 million in net profit for the period.

As it has done in the past, so too in the future, Milli Re will keep furnishing service as a respected business partner in the international markets, as well as in the Turkish market, backed by its robust financial structure, its business model underpinned by solid technology, and experienced team.

Speaking both personally and on behalf of our Board of Directors, I thank all our employees, shareholders, business partners, and other stakeholders for their valuable support and contributions towards our company's continued successful performance.

Ebru ÖZŞUCA
Chairperson of the Board of Directors

WE MAINTAINED OUR HIGH PERFORMANCE ONCE AGAIN IN 2023 ON THE BACK OF OUR DEEP-ROOTED EXPERIENCE, ADMINISTRATIVE COMPETENCIES, HEALTHY BALANCE SHEET COMPOSITION, ROBUST LIQUIDITY AND SHAREHOLDERS' EQUITY.

Having taken the top ranks of the global agenda in 2023, high inflation, anti-inflationary policies pursued, recession concern and geopolitical risks remain in existence at the onset of 2024. Despite the decline in global inflation at the end of the year and weakened anticipation for recession, developed markets are not expected to undergo a fast change in terms of inflation and interest rates. The Russia-Ukraine war that entered its third year, coupled with the tension that escalated with the humanitarian plight in Gaza and the winds of war sweeping through the Middle East, unfortunately heighten the risks associated with the outlook.

Hyper inflation making its principal problem once more in 2023, the Turkish economy captured an economic growth performance converging on its long-term average with the support of consumption expenditures despite losing some momentum due to decelerated global economy, weakened primary export markets and the earthquake disaster in the first quarter of the year.

The Kahramanmaraş Earthquake has been the costliest catastrophe of 2023.

Having caused a destruction of a magnitude unseen throughout our near history and having struck our southern neighbor Syria, as well as a very broad area in our country, the earthquake disaster of February 6th went down in the records as the costliest catastrophe in 2023.

Apart from the tragedy and death toll caused by the earthquake disaster that deeply sorrowed us all, the Turkish economy and the insurance industry had to take up an additional challenge presented by the earthquake on top of its existing issues in 2023. While estimated economic loss caused by the earthquake amounted to USD 104 billion, insured losses were worth a mere USD 5 billion. This once again sadly bared the fact that the insurance ownership ratios in our country are well below the desired level.

Optimally analyzing our country's inherent risks and structuring their financial strengths accordingly, insurance companies did not experience issues in terms of claims payments associated with the earthquake, and

OUR COMPANY ALLOCATES A SIGNIFICANT EXTENT OF REINSURANCE CAPACITY TO THE INSURANCE INDUSTRY THANKS TO ITS HIGH MARKET SHARE, ITS LEADERSHIP IN PROPORTIONAL TREATIES, TECHNICAL EXPERIENCE AND KNOWLEDGE.

highly effectively fulfilled their responsibility in this challenging process by way of fast claims payments, also with the help of the support extended by strong local and international reinsurance panels.

With the aim of alleviating the potential hardships for the insurance industry by making significant contributions to compensating the losses caused by the earthquake, Milli Re took action swiftly in keeping with its market leader responsibility, and started making its payments for the earthquake. While total earthquake claims paid amounted to approximately EUR 322 million as of year-end 2023, the Company's total ultimate claims paid is anticipated to reach the order of EUR 550 million in view of outstanding claims. Total estimated cost of Kahramanmaraş Earthquake to our company will be approximately EUR 43 million.

As stricter prices and conditions persist in treaties, sufficient reinsurance capacity is available to fulfill the demand.

The amount of worldwide total economic losses caused by catastrophes rose to USD 380 billion in 2023. Global insured cat losses are estimated to have surpassed the USD 100 billion mark for the fourth consecutive time in 2023. This portrait also demonstrates the low level of global insurance ownership.

In line with the considerable price increases and structural changes that dominated the reinsurance markets in 2023, January 2024 renewals were relatively more moderate amid the new market dynamics that were generated during the reporting period. Although existing price levels might be restrictive for ceding companies, reinsurance demand remained strong with the effect of the pressure the ongoing inflationist environment put on insurance costs. As total reinsurance capacity shrank in 2023, supply was at sufficient level to respond to the demand in January 2024 renewals as a result of the improvement in treaty terms and the adequate level reached in prices.

Despite the big-ticket cat losses that occurred although they were not in high amounts individually, reinsurers attained improved technical results with the support of the significantly stricter renewal prices and terms for 2023. Owing to the recovery in investment income, total reinsurance capital including alternative capital went up from USD 590 billion at year-end 2022 to USD 635 billion in September 2023.

From the standpoint of our country, the damages caused by the earthquake of February 6th and growing capacity needs further escalated the reinsurance costs that have been climbing up for the past two years. Some companies that had difficulties in their 2024 reinsurance renewals were able to complete their placements by creating a hybrid model involving alternative reinsurance treaties. In 2023, both proportional and non-proportional reinsurance treaties were placed at later dates than envisaged.

We are endorsing our effectiveness and leadership in the market under any circumstance.

Our company allocates a significant extent of reinsurance capacity to the insurance industry thanks to its high market share, its leadership in proportional treaties, technical experience and knowledge. As Milli Re, we carry on with our activities focused on establishing the necessary infrastructure and business acceptance discipline, optimizing the reinsurance structures of insurers or risks, supporting our industry in every sense, and creating strong cooperation with the aim of ensuring the sustainability of profitability and coverages in the industry.

In 2023, rules were put in place for pursuance of a more disciplined business writing policy that highlights technical perspective and profitability in the terms and business writing of the reinsurance capacity provided to the local market, which helped our company lead the sector on one hand, and reinforce international reinsurers' trust in Mille Re on the other. Although our company went through a challenging renewal process, it also facilitated capacity allocation to the Turkish market. The earthquake affected our 2024 renewals cost-wise; yet, it did not pose an obstacle to the success of the process, and a successful placement was made once again in 2024 to our extremely strong, internationally-respected retrocession panel that has high credit ratings.

GENERAL MANAGER'S MESSAGE

IN THE REPORTING PERIOD, MİLLİ RE EXHIBITED A GOOD PERFORMANCE IN TERMS OF TECHNICAL PROFITABILITY. WE BOOKED TL 197 MILLION IN TECHNICAL PROFIT, AND POSTED A NET PROFIT FIGURE OF TL 3,629 MILLION.

The industry's growth dynamics are strong.

According to end-2023 figures published by the Insurance Association of Türkiye, the country's insurance industry produced a total of TL 485.9 billion in premiums, higher than what it was in 2022 by 106.8% nominally and 25.5% in real terms. In 2023, premium growth was 83.7% in Life branch, and 110.3% in Non-Life branches. Accounting for 88.3% of premium production, Non-Life branches reached TL 429.2 billion in total premiums. The highest contributors to premium production were, in order, Land Vehicles Liability (27.5%), Land Vehicles/Own Damage (19.6%), Illness/Health (16.4), and Fire and Natural Disasters (15.2%).

In 2023, we unfortunately had another devastating experience revealing the vitality of insurance ownership, notably earthquake coverage, for our country. While surged costs and inflation caused escalated insurance prices leading to higher accumulations for insurers, our industry needed relatively more reinsurance coverage.

Effective actions taken in the Turkish insurance industry in the aftermath of the earthquake was led by increasing the price set for free tariff practice in the Optional Earthquake Tariff from TL 400 million to TL 2 billion, and increasing tariff prices by risk group by 25% from the start of 2024.

In an effort to further strengthen equities, the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) imposed a further stricter paid-in capital requirement for companies to be newly established, and increased the minimum paid-in capital amount for operating in all branches from TL 500 million to TL 1.6 billion.

We preserved our high performance also this year.

While we maintained our high performance in 2023 with the support of our deep-rooted experience, administrative competencies, healthy balance sheet composition, robust liquidity and shareholders' equity, our company's total assets reached TL 22,668 million and shareholders' equity reached TL 10,128 million as at year-end.

Our premium production grew 106% year-on-year and went up to TL 9,925 million. 85.3% of total premiums were written on local business, while 14.7% comprised of foreign acceptances enabled by our Singapore Branch that celebrated its 15th year in business.

As the ongoing inflation and rises in exchange rates reflected on loss costs, our company paid approximately TL 12,316 million in losses in 2023.

In the reporting period, Milli Re exhibited a good performance in terms of technical profitability. We booked TL 197 million in technical profit, and posted a net profit figure of TL 3,629 million.

Most companies in the Turkish insurance industry last year continued protecting their 2024 risk portfolios by means of surplus proportional "bouquet" treaties. Providing capacity to 18 companies making use of proportional reinsurance after their 2024 renewals, Milli Re was the leading provider in the reinsurance treaties of 14 companies.

We are investing in our future.

As our company gears up for its second century, it is also reviewing its business processes and organizational structure and taking the necessary steps for aligning them with the requirements of the current era. Investments are being made particularly in human resource and technological infrastructure in line with our new business model. Work is underway for digital handling of our operational processes as part of our digital transformation project initiated to improve our work processes and increase their effectiveness.

We are fully confident that our company will rise powerfully on its historic foundations reinforced by the new business model and contemporary organizational structure. We believe that digital transformation coupled with a new location equipped with a much more robust technology and office capabilities that will increase our productivity and efficiency make important elements of sustainable success. With this thought in mind, we have relocated from our head office building in Teşvikiye to the İş Towers in Levent in July. Our new work setting has been designed as a special venue where we will be able to make the most of technology, realize the envisaged changes in our ways of doing business more easily, and transform into a large and agile team.

Milli Re boasts a competent and engaged human resource that is open to continuous learning and development. Believing that all its employees should possess equal rights, opportunities and means without any discrimination within the frame of gender equality, our company is differentiated from the industry particularly with the high percentage of women in middle and senior management.

Besides its contributions to the insurance industry and the national economy, Milli Re invests, in a sense, in the future of our country through the support it extends to social and cultural progress. Along this line, our company carries out projects in the areas of culture, art and sport with a sustainability perspective that makes the focal point of every step it takes.

Marking an important initiative in relation to culture in 2023, our Company prepared a special selection of books from its archive consisting of titles pertaining to past exhibitions mounted at Milli Re Art Gallery that has practically become an accredited institution in arts with the exclusive status it has acquired, and presented them to 100 art and culture institutions as a memento for the Centennial of the Turkish Republic.

In addition, Milli Re Chamber Orchestra gave a concert titled "Tango of the Republic", paying homage to the legendary Turkish tango composers of the Early Republic Period for the 100^{th} anniversary of the Turkish Republic as part of the 51^{st} İstanbul Music Festival. While the concert brought to light the sheet music from the Early Republic Period sliding into oblivion, the instrumental tango piece composed by Hasan Niyazi Tura for the 100^{th} anniversary of our Republic "Centennial – 100. Yıl Tangosu" was performed for the first time in front of an audience.

We are carrying our global brand to the future.

The market conditions that have been persisting in the insurance ecosystem for the past several years are anticipated to remain in existence for some more time to come. Increased natural disaster damages will possibly continue to lead to higher reinsurance costs and challenges in obtaining capacity, and the fact that Türkiye is an earthquake-prone country will have permanent implications for the industry's terms.

It is believed that there are no obstacles that would prevent the Turkish insurance industry from achieving higher and sustainable technical profitability, subject to technical pricing and correct business writing enabled by the supervisory actions and improvements of the Insurance and Private Pension Regulation and Supervision Agency (SEDDK), in addition to retrocession costs to be tightened in the medium term.

Insurance penetration in our country is expected to increase given that insurance is still a business line with significant potential, coupled with the anticipation that the people's increased sensitivity following the earthquake will help raise insurance awareness.

Being one of the key actors fulfilling the reinsurance need of the Turkish market, our company will continue to provide coverage to our industry in a period characterized by capacity issues, and will keep working with strict commitment to satisfying all its responsibilities to vest the industry in a healthier structure and carry it into the future.

In the future, as we march towards our profit-driven and sustainable growth target empowered by our long-lasting collaborations by optimally analyzing risks and effectively utilizing our capital in the light of our deep-rooted experience, we will carry the global brand we have created as a respected and reliable reinsurer in national and international markets into the future.

In closing, I take this opportunity to thank all our shareholders, business partners, and employees for their contributions towards our rising performance and their confidence in our company.

Fikret Utku ÖZDEMİR
Director & General Manager

BOARD OF DIRECTORS


Ebru ÖZŞUCA
Chairperson


Ersin Önder ÇİFTÇİOĞLU
Vice Chairperson


Prof. Dr. Ali Necip ORTAN
Director


Serdar GENÇER
Director


Tolga ANGAY
Director


Sedat İLBEYOĞLU
Director


Şennur KONAK
Director


Kemal Emre SAYAR
Director


Fikret Utku ÖZDEMİR
Director and General Manager


Gökçe KARAMAN
Reporter of the Board of Directors

Ebru ÖZŞUCA
Chairperson

Ebru Özşuca graduated from the Economics Department of the Middle East Technical University, Faculty of Economics and Administrative Sciences. She holds a master's degree in Economics from Middle East Technical University and in International Banking and Finance from the University of Southampton. She attended Advanced Management Program in Harvard Business School. Ebru Özşuca began her career at İşbank as an Assistant Specialist in the Treasury Department in 1993, she was promoted to Assistant Manager and Unit Manager of the same department. Between 2007 and 2011, she served as a Division Manager in the Corporate Banking Products Department. She was appointed as a Division Manager in Treasury Department at İşbank between 2011 and 2017. She is currently the Assistant General Manager at İşbank. Ebru Özşuca has been the Chairperson of the Board of Directors at Milli Re since 25 March 2019.

Ersin Önder ÇİFTÇİOĞLU
Vice Chairperson

Ersin Önder Çiftçioğlu graduated from the Faculty of Social and Administrative Sciences, Department of English Linguistics at Hacettepe University. He began his career as an Officer at Yenişehir Branch in 1985 and worked as Assistant Section Head, Section Head, SubManager and Assistant Manager in the same branch. In 2007, he was appointed as Assistant Manager at the Başkent Corporate Branch and Regional Manager of the SME Loans Underwriting Division of the Adana Region in the same year. He subsequently served as Ankara Center I. Region Manager of the SME Loans Underwriting Division in 2008. He was appointed as the Ege Corporate Izmir Branch Manager in 2011 and Başkent Corporate Ankara Branch Manager in 2016. On 31 March 2017 and 31 March 2020, Ersin Önder Çiftçioğlu served as a member of the Board of Directors of İşbank. Functioned as the Chairperson of the Corporate Governance Committee, Ersin Önder Çiftçioğlu served as a member of Audit Committee, TRNC Internal Systems Committee, Sustainability Committee, Operational Risk Committee and Risk Committee as well. Ersin Önder Çiftçioğlu has been the Vice Chairperson of the Board of Directors at Milli Re since 31 March 2023.

Prod. Dr. Ali Necip ORTAN
Director

Prof. Ali Necip Ortan graduated from the Faculty of Law at Ankara University and started to work as an assistant in the Department of Civil Law at the same faculty in 1973. Having completed his Doctorate in the department of Law at Ankara University, Prof. Dr. Ali Necip Ortan received the titles of Associate Professor and Professor at Dokuz Eylül University, the Faculty of Law. Between 1973 and 2022, he served as a faculty member, dean of law faculties, founding dean and board member at a number of different universities in Türkiye and abroad. He has written many national and international academic works and published various books and articles in the field of Commercial Law and Law of Obligations. Having worked as Assistant Legal Counsellor in I. Region at İşbank between 1999 and 2002, Prof. Ali Necip Ortan then served as Legal Counsellor at the General Directorate and as a Member of the Board of Directors at İşbank GmbH in Federal Germany. Between 2010 and 2012, he served as the Chief Legal Counsellor of İşbank and worked as the Legal Counsellor of Pfizer Limited for three years. Prof. Dr. Ali Necip Ortan has been a member of the Board of Directors at Milli Re since 28 March 2023.

Serdar GENÇER
Director

Serdar Gençer is a graduate of the Faculty of Industrial Engineering at the Middle East Technical University. He holds a master's degree in Finance at the University of Nottingham in the UK. Serdar Gençer began his career at İşbank as an Assistant Inspector at the Board of Inspectors in 1990, and served in various managerial positions, including Assistant General Manager between 2008 and 2013. During this period, he has been board member in Millî Reasürans T.A.Ş., Anadolu Hayat Emeklilik A.Ş., İşbank GmbH and Chairman in İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. He has joined the Şişecam Group in 2013 as Sustainability Coordinator, and continued as Corporate Development & Sustainability Officer and Chairman of the Board of Directors at Şişecam Enerji A.Ş. He served as General Manager's consultant in 2018 and retired in the beginning of 2019. Serdar Gençer has been a member of the Board of Directors at Milli Re since 25 March 2019.

BOARD OF DIRECTORS

Tolga ANGAY
Director

Tolga Angay graduated from the Business Administration Department of Political Sciences Faculty at Ankara University. He holds a master's degree in International Banking and Finance at the University of Southampton (England). He began his career as Assistant Inspector on the Board of Inspectors at İşbank in 1999. In 2007, he was appointed as Assistant Manager in Financial Management Department, and in 2011, he became the Unit Manager in the same department. Tolga Angay, who holds the title of Independent Accountant and Financial Advisor, served as a Member of the Board of Directors at Bayek Perakende Sağlık Hizmetleri ve İşletmeciliği A.Ş. Since 30 July 2021, he has been serving as the Manager of Management Reporting and Internal Accounting Department at İşbank. Tolga Angay has been a Member of the Board of Directors at Milli Re since 28 March 2022.

Sedat İLBEYOĞLU
Director

Sedat İlbeyoğlu graduated from the Public Administration Department of Faculty of Economics and Administrative Sciences. He began his career at İşbank as an Organization and Method Intern Specialist in the Department of Corporate Architecture in 1991. Sedat İlbeyoğlu became an Assistant Inspector Intern at the Board of Inspectors in 1993, and in between 2002-2006 he served as Assistant Manager and Unit Manager in the Financial Management Department also in the Strategy and Corporate Performance Management Department. In 2008, he worked as the Regional Manager of Individual Sales at Avcılar Regional Directorate, and then as the Vice President of the Board of Inspectors. Sedat İlbeyoğlu has a Foreign Exchange Owner title. In 2016, he also served as Commercial Branch Manager in Balmumcu, then in 2020 in Hadımköy. In 2022, he started to work as Commercial Branch Manager in Şişli. Sedat İlbeyoğlu has been a Member of the Board of Directors at Milli Re since 28 March 2022.

Şennur Konak
Director

Şennur Konak graduated from Anadolu University, Faculty of Business Administration, Department of Business Administration and joined İşbank in 1993. After serving in a number of the Bank's units and branches, she was appointed as Branch Manager in 2007. Şennur Konak served as a Manager at İşbank Kocamustafapaşa, Firuzköy, Bakırköy and Maslak Branches respectively. Şennur Konak is currently serving as the Şişli Regional Manager of İşbank. Şennur Koçak has been a member of the Board of Directors at Milli Re since 28 March 2023.

Kemal Emre SAYAR
Director

Kemal Emre Sayar is a graduate of the Faculty of Industrial Engineering at the Middle East Technical University. He holds a master's degree in Information Technologies in Management from Sabancı University and in Economics and Finance from Boğaziçi University. Kemal Emre Sayar began his career in 1999 as an Assistant Inspector on the Board of Inspectors at İşbank and held managerial positions in various units of the Bank. He is currently the Subsidiaries Department Unit Manager at İşbank and a member of the Board of Directors of various group companies as well. Kemal Emre Sayar has been a member of the Board of Directors at Milli Re since 30 November 2015.

Fikret Utku ÖZDEMİR
Director and General Manager

Fikret Utku Özdemir holds an Associate Degree in Nuclear Engineering from Hacettepe University and graduated with a bachelor's degree in Management from the Faculty of Economics and Administrative Sciences at Middle East Technical University. He holds a master's degree from EDHEC Business School (France). He joined İşbank as a member of the Board of Inspectors in 1996 and held managerial positions in various units of the Bank's departments between 2005-2017. He joined Millî Reasürans T.A.Ş. as Assistant General Manager in 2017 and on 27 August 2019, he was appointed as a Member of the Board of Directors and General Manager, Fikret Utku Özdemir is also a Member of the Turkish Insurance Association Non-Life Management Committee.

Gökçe KARAMAN
Reporter of the Board of Directors

PARTICIPATION OF THE MEMBERS OF THE BOARD OF DIRECTORS IN RELEVANT MEETINGS DURING THE FISCAL PERIOD

The Company's Board of Directors convenes as and when necessitated by the Company's business affairs and upon the Chairperson's or Vice Chairperson's invitation, with the participation of the majority of the total number of directors on the Board. Meeting agendas are drawn up in line with the proposals of the General Management. During the meetings, various topics that are not covered on the agenda but raised by the members are also discussed. Meeting agenda letters and files relating to the agenda items are sent to all Board members 7 days in advance of the meeting date.

During 2023, six Board meetings were held in total. While full participation was achieved in five of these meetings, one member was absent in one meeting due to his excuses.

INTERNAL SYSTEMS MANAGERS

Internal Audit Manager:
Pelin HÜCCETOĞULLARI

Term of Office: 6 months
Professional Experience: 9 years
Departments Previously Served: Internal Audit Directorate
Academic Background: Master's Degree

Internal Control Assistant Manager:
Müge ÇELİK ÇUHADAROĞLU

Term of Office: 2 years
Professional Experience: 11 years
Departments Previously Served: IT, Enterprise Architecture and Compliance
Academic Background: Master's Degree

Risk Management Manager:
Mustafa Onur SAĞ

Term of Office: 7 months
Professional Experience: 22 years (3 years Audit Firm, 19 years Bank) 7 months (Milli Re)
Departments Previously Served: Risk Management
Academic Background: Master's Degree

Actuary Assistant Manager (Intern Actuary):
Selcan GEMALMAYAN

Term of Office: 1 month
Professional Experience: 16 years
Departments Previously Served: Life and Health, Internal Control and Risk Management, Financial Analysis
Academic Background: Master's Degree

SENIOR MANAGEMENT

Fikret Utku ÖZDEMİR
Director and General Manager

Fatma Özlem CİVAN
Assistant General Manager

Vehbi Kaan ACUN
Assistant General Manager

Şule SOYLU
Assistant General Manager

Şebnem Kurhan ÜNLÜ
Assistant General Manager

Fikret Utku ÖZDEMİR
Director and General Manager

Please see Board of Directors page for Mr. Özdemir's CV.

Fatma Özlem CİVAN
Assistant General Manager

Having completed her school education at Robert College, Özlem Civan graduated with a B.A. degree in Business Administration in English from the Faculty of Business Administration at İstanbul University. Between 1990 and 1993, she worked in the Treasury and Fund Management Departments of several banks, embarking on her career in the insurance market in 1994 at the Reinsurance Department of Güneş Sigorta. Leaving her position as Group Manager in charge of Reinsurance, Casualty and Credit Insurance in September 2006, Özlem Civan joined Milli Re the same year. Özlem Civan has been appointed as Assistant General Manager on 1 September 2011.

Vehbi Kaan ACUN
Assistant General Manager

Vehbi Kaan Acun graduated from İstanbul University, Department of Economics in English. He started his career as an assistant inspector on İşbank's Board of Inspectors. After serving at İşbank for 8 years, he joined Milli Re in 2006. During his career at Milli Re, he also has been appointed as a Coordinator in the Company's Singapore Branch. He participated in various seminars and conferences abroad and serves as the Vice President of the Turkish Insurance Institute Foundation Board. Vehbi Kaan Acun has been appointed as Assistant General Manager on 1 February 2016.

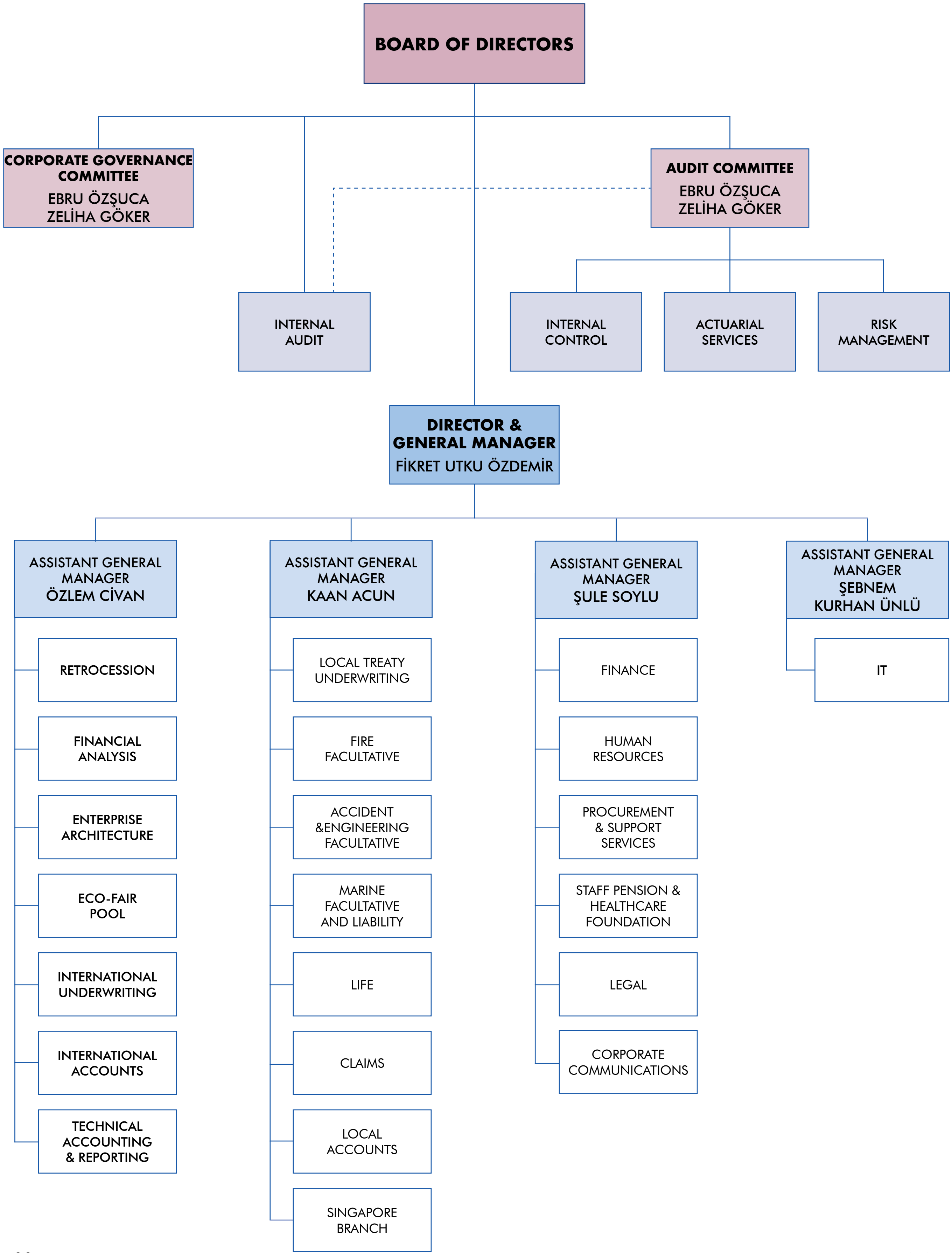
Şule SOYLU
Assistant General Manager

Şule Soylu graduated with a B.A. degree in Business Administration from the Faculty of Economic and Administrative Sciences at Anadolu University and received her master's degree in Financial Institutions from İstanbul University Institute of Business Economy. She began her professional career in Milli Re in 1990 and finished the Accounting Branch of the Turkish Insurance Institute cum laude. Currently serving as a Board Member of Turkish Insurance Institute Foundation and a member of the Financial and Accounting Committee of the Insurance Association of Türkiye, Şule Soylu has been appointed as Assistant General Manager on 1 February 2017.

Şebnem Kurhan Ünlü
Assistant General Manager

Şebnem Kurhan Ünlü graduated from Marmara University, Faculty of Economic and Administrative Sciences Department of Business Administration and holds a master's degree in Business Administration-International Finance at the Social Sciences Institute at Marmara University in 1996. She began her career in 1994 at İşbank in Treasury Department Currency Group. She served in TL Terms and Foreign Currency Markets, Fund Transfer Pricing and International Markets Borrowings in Treasury Department as well as the Bank's various departments and positions until September 2019. Şebnem Kurhan Ünlü has been appointed as Assistant General Manager on 11 September 2019.

ORGANIZATION CHART



HUMAN RESOURCES APPLICATIONS

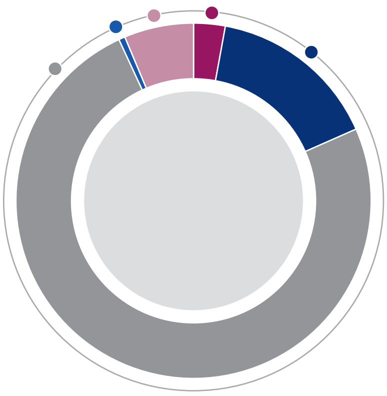
In recognition of the fact that its staff is one of the main contributors in its achievements, Milli Re has highly qualified employees, devoted to their work and the Company, open to continuous learning and development.

Fundamental principles of the Human Resources policies of the Company are recruiting suitable candidates with qualifications suitable for vacant positions, providing a business environment that enables the staff to work efficiently, productively and happily; protecting and observing financial and moral rights of employees, as well as fair and non-discriminatory based on genderequal opportunities of development and training in view of personal skills, facilitating the staff to foster social relationships for motivation and efficient execution of all processes.

At year-end 2023, Milli Re has 174 employees including Singapore Branch.

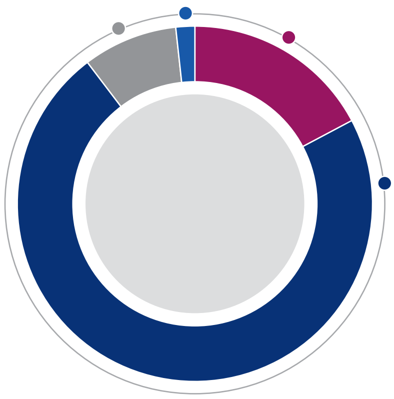
AT YEAR-END 2023, MİLLİ RE HAS 174 EMPLOYEES INCLUDING SINGAPORE BRANCH.

EMPLOYEE PROFILE



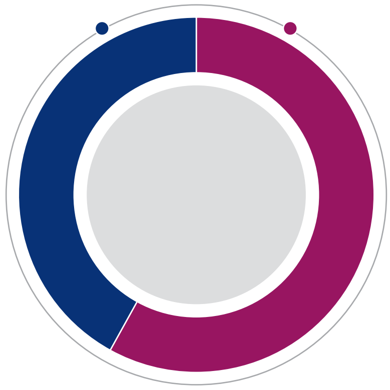
Senior Manager	5
Manager	27
Officers	130
Contract Employees	1
Other	11

EDUCATIONAL PROFILE



Post Graduates	30
Undergraduates	126
High School	15
Other	3

HUMAN RESOURCES PROFILE



Female	101
Male	73

HUMAN RESOURCES APPLICATIONS

SINCE ITS ESTABLISHMENT, MİLLİ RE HAS ENDEAVORED TO TRAIN ITS MANAGEMENT TEAM FROM WITHIN THE COMPANY.

Application

Job applications, which are made via our corporate website and by other communication means, are stored in the candidate pool of our Company. Applications are examined when required, and candidates who are considered suitable for the positions are contacted.

Recruitment

Milli Re recruits candidates in view of qualifications required for the relevant position and applicant's ability to adapt to the corporate culture.

Performance Management

Performance appraisals of our employees are conducted on an annual basis in accordance with the Performance Appraisal System Guidelines and career planning and training needs are determined based on the results of the appraisals.

Training

Training requirements identified according to the Performance Appraisal results are used to design a training program, and employees are given the opportunity to receive technical and personal development trainings in Türkiye or abroad as required by their positions.

For the purpose of supporting our employees professionally and socially, making sure uninterrupted continuation of the learning experiences of them and contributing personal growth, an online training platform "Milli Re Academy" was established in 2021. In 2023, various training programs were assigned to all our employees, and they had a chance to attend the training programs which include different subjects such as professional information. Besides these, special training programs were carried out for executives to develop their competence.

In 2023, the "Wellbeing at Work" project was continued as part of the Milli Re Employee Support Program. In line with the project, psychological and medical consultancy, financial and legal information, veterinary, home/garden consultancy, newborn care and social life, healthy nutrition, office ergonomics and techno-support services are provided to our employees in cooperation with Avita & Meditopia in order to support their work and social lives as well as improve the quality of life of themselves and their loved ones.

Survey

In 2023, an "Employee Loyalty and Experience Research Survey" was conducted by IDE Yönetim Danışmanlığı A.Ş, which is an independent consultancy company, to maximize and maintain corporate performance and to measure employee loyalty. Employee engagement surveys, which are targeted to be conducted periodically, are planned to be continued in the coming periods.

Career

Since its establishment, Milli Re has the policy of investing in its work force and recruiting internally for managerial positions. Promotions are made in line with the Personnel Regulation and the principles set forth in the Collective Bargaining Agreement, signed with the Workers' Trade Union, in view of Performance Appraisals.

Compensation Policy

Salaries of our employees are determined in accordance with the terms of the Collective Bargaining Agreement within the context of related regulations.

Occupational Health and Safety

Occupational Health and Safety Obligations under Law No. 6331 on Occupational Health and Safety are fulfilled by the Human Resources and Administrative Affairs Department.

2023 ANNUAL REPORT COMPLIANCE STATEMENT

We hereby represent that Millî Reasürans T.A.Ş. 2023 Annual Report issued for its 95th year of operation has been drawn up in line with the principles and procedures enforced by the “Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies” published in the Official Gazette issue 26606 dated 7 August 2007 by the Republic of Türkiye Ministry of Treasury and Finance.

22 March 2024

Ebru Özşuca
Chairperson

Zeliha Göker
Director

Fikret Utku Özdemir
Director and General Manager

Özlem Civan
Assistant General Manager

Şule Soylu
Assistant General Manager

(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Milli Reasürans Türk Anonim Şirketi

1) Opinion

We have audited the annual report of Milli Reasürans Türk Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of January 1 – December 31, 2023.

In our opinion, the consolidated and unconsolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated and unconsolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report 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) Our Auditor's Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated February 27, 2024 on the full set consolidated and unconsolidated financial statements of the Group for the period of January 1 – December 31, 2023.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC"), and the preparation and fair presentation of these financial statements in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Accounting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation" and designing and the Communiqué on Individual Retirement Saving and Investment System" ("Communiqué") issued on 7 August 2007 dated and 26606 numbered, the management of the Group is responsible for the following items:

a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.

b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated and unconsolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

c) The annual report also includes the matters below:
   - Subsequent events occurred after the end of the fiscal year which have significance,
   - The research and development activities of the Group,
   - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor’s Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code, on whether the consolidated and unconsolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group’s audited consolidated and unconsolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and Insurance Accounting and Financial Reporting Legislation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated and unconsolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

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
Engagement Partner

02

FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE GOVERNING BODY AND SENIOR EXECUTIVES

FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE GOVERNING BODY AND SENIOR EXECUTIVES

The Company's Board of Directors is composed of Chairperson, Vice Chairperson and seven Board members. Senior Management comprises of the General Manager and four Assistant General Managers. The benefits provided to the Senior Executives and Internal Systems Managers in 2022 and 2023 are given in the below table:

(TL)	2023	2022
Benefits such as salary, premium, bonus, dividend etc.	28,756,704	14,357,769
Travel, accommodation, entertainment expenses, means in cash and in kind	2,254,462	546,892

03

RESEARCH & DEVELOPMENT ACTIVITIES

RESEARCH & DEVELOPMENT ACTIVITIES

As of 2019, work on the automation of the business processes of the Head Office and Singapore Branch was initiated and the relevant project continued in 2023. In addition to improvements in operational processes, activities were carried out to transfer the business processes of internal systems to the application.

In 2023, with the relocation of our Milli Re to İş Towers, the system room in the Teşvikiye building was successfully transferred to the Atlas Data Center of İşbank. As the relocation process was planned outside of working hours, there was no interruption in the IT services provided to employees and loss of business.

Launched in 2021, efforts to achieve higher efficiency by automating our Company's operations with Artificial Intelligence - RPA (Robotic Process Automation) continued regularly. Operational activities and regular reports of different business units were automated with RPA. RPA activities whose areas of use are expanding will continue in 2024.

IN 2023, WITH THE RELOCATION OF OUR MİLLİ RE TO İŞ TOWERS, THE SYSTEM ROOM IN THE TEŞVIKIYE BUILDING WAS SUCCESSFULLY TRANSFERRED TO THE ATLAS DATA CENTER OF İŞBANK.

04

ACTIVITIES AND MAJOR DEVELOPMENTS RELATED TO ACTIVITIES

ACTIVITIES AND MAJOR DEVELOPMENTS RELATED TO ACTIVITIES

Information on Investments Made by the Company During the Accounting Period

Initiated in 2018 with the consultancy service and application purchases for regulatory compliance, the data management project was completed at Milli Re in 2022. Updates and new requirements within the scope of compliance are implemented by the Company's business units.

Within the scope of the project, investments were made in 2023 for the installation of the Information Security Management System and for necessary alignment with the Personal Data Protection Law. Moreover, consultancy were obtained for vulnerability and network security.

Within the frame of activities for alignment with the TFRS 17 regulation that will enter into force in 2025, procurement of applications and peripheral systems that will be used for TFRS 17 calculations has been completed in 2021. Work on application development and provision of data from source systems continues with the consultant company and calculation outputs are checked on the application.

The information about the projects on reinsurance applications and digitalization which continue during the related accounting period are provided under the section "Research & Development Activities".

Repurchased Own Shares by the Company

None

Disclosures Concerning Special Audit and Public Audit During the Reporting Period

The Company is audited by independent auditing company Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (Ernst&Young). A limited independent audit is carried out on half yearly basis while full independent auditing is done on yearly basis. İşbank consolidation audit is conducted for the first and third quarters. Being a bank subsidiary, information systems auditing made in subsidiaries subject to consolidation, is carried out annually.

The Company is audited in accordance with the insurance legislation by Insurance and Private Pension Regulation and Supervision Authority.

Lawsuits Filed Against the Company and Potential Results

There are no lawsuits brought against the Company in 2023, which are of a nature that might affect the Company's financial standing and its activities.

Disclosures on Administrative or Judicial Sanctions Imposed on the Company and the Members of the Governing Body

There are no administrative or judicial sanctions imposed against the Company or the members of the governing body on account of any practice violating the provisions of legislation in 2023.

Assessments on Prior Period Targets and General Assembly Resolutions

The announcement on the meeting including the venue, date, time, agenda, and a specimen of a proxy statement is published within the legal terms in the Turkish Trade Registry Gazette and on Company's official website for notifying the public. Every year the Annual Report is prepared in alignment with the relevant legislation and presented for the information and analysis of shareholders preceding the General Assembly meeting.

Annual General Assembly meeting was held on 28 March 2023. All of the resolutions by the General Assembly of Shareholders have been fulfilled during 2023 and the targets set in the prior period have been achieved.

In accordance with the Extraordinary General Assembly Meeting of our Company held on December 11, 2023, the real estates owned by our Company were transferred to Miltaş Turizm İnşaat Ticaret A.Ş., in which our Company holds 100% of the shares, through partial spin-off.

Expenses Incurred in the Reporting Period in Relation to Donations, Grants and Social Responsibility Projects

In this context, our Company made donations amounting to TL 5,000,000 in 2023.

Relations with the Controlling Company or an Affiliate Thereof

Between our Company and our controlling shareholder İşbank and other Group Companies affiliated to İşbank, there is no:

- Transfer of receivables, payables or assets,
- Legal transaction creating liability such as providing suretyship, guarantee or endorsement,
- Legal transaction that might result in transfer of profit.

All commercial transactions the Company realized with its controlling shareholder and with the Group Companies affiliated thereto during 2023 were carried out on an arm's length basis, according to the terms and conditions known to us, related counter performances have been carried out, and the Company did not register any loss on account of any such transaction.

INTERNAL AUDIT

The Internal Audit Department of Milli Re was established as of 1 January 2005, and commenced its activities on 1 April 2005. Internal audit activities are conducted within the framework of the "Regulation on Internal Systems in Insurance and Private Pension Sector" published in the Official Gazette No. 31670 dated 25 November 2021, and the Internal Audit Plan approved by the Board of Directors.

Internal Audit Department reports directly to the Board of Directors for the purpose of conducting an independent and objective assessment. The results of the audit are reported to the Board of Directors through the Audit Committee.

The primary functions of the Internal Audit Department include ensuring compliance of all operations and transactions with relevant legislation, Company's internal guidelines, management strategy and policies; preventing and detecting any errors, fraud and irregularities; and providing assurance regarding the effectiveness and adequacy of internal control and risk management systems. Consequently, a significant part of the Internal Audit Department's activities involves providing opinions and recommendations to improve Company operations and add value to these activities by ensuring the effective and efficient use of resources.

Internal Audit Department carries out its activities with a risk-focused audit approach. This approach aims to increase the efficiency and effectiveness of internal audit by giving priority to the more risk bearing processes and departments. Each December, considering the last audit dates of departments and risk assessments, an Internal Audit Plan is prepared for the next year's audit activities and presented to the Board of Directors for approval.

In 2023, within the scope of the 2023 Internal Audit Plan approved by the Board of Directors, audits of 16 departments within the Company have been completed. During the audit process, it was evaluated whether the activities of the departments were conducted in compliance with their operational guidelines, whether the control points related to the risks inherent in the activities were effectively functioning, and whether these control points were adequate. Moreover, compliance with regulations, Company policies, limits, exercise of power, and security measures were assessed. The audit activities were conducted using methods such as information gathering, inquiry and verification, examination, reperformance, recalculating, and analytical review.

INTERNAL CONTROL

The internal control system has an important role in protecting the assets of the Company and maintaining its activities within the framework of effective, efficient, compliant and reliable principles in accordance with the Law, the relevant legislation and the internal policies of the Company.

The Company's internal control activities are carried out by the Internal Control Department reporting to the Audit Committee in accordance with the Regulation on Internal Systems in Insurance and Private Pension Sectors. In addition, within the scope of compliance controls carried out by the Internal Control Department, all activities planned and carried out by the Company and new transactions and products are ensured to comply with the law and other relevant legislation, organizational policies and insurance practices. The duties and responsibilities imposed on the compliance officer by the provisions of the Law on Prevention of Laundering Proceeds of Crime and the applicable legislation based on this Law are fulfilled by the Internal Control Department personnel assigned exclusively as Compliance Officer.

Within the scope of internal control activities, it is aimed to establish the Company's control environment, identify control points and provide reasonable assurance to ensure the reliability, integrity and timely availability of information in the Company's accounting and financial reporting system.

The Internal Control Department checks that minimum transactions for the execution of the Company's activities, effective communication channels, service procurements that are extensions or complementary to the main services, work carried out within the scope of business continuity management and plan, and tests for the measures taken are carried out. In addition, internal control activities designed to cover the financial reporting system and compliance controls are carried out in accordance with internal and external legislation.

Control activities cover the entire business processes and operations of the Company. Workflows, duties and responsibilities, authorities and limits defined in writing regarding the Company's activities are updated periodically in parallel with changing conditions and risks and announced to employees. The processes related to business and information technologies and the risks on these processes have been defined in writing by the IT Department and controls have been established for these risks. Control activities are carried out according to the frequency of business processes and in accordance with the principles set out in the annual Internal Control Plan. All findings identified as a result of the controls and recommendations regarding the actions to be taken to eliminate the findings are reported by the Internal Control Department to the Audit Committee and the General Manager through Internal Control Reports.

In addition to the actions performed by the Internal Control Department within the framework of the authorization definitions of the users determined in accordance with the principle of segregation of duties on the systems, the audit logs of critical transactions are checked instantly and daily through reports received through the log recording system.

Development and change requests of users on systems based on their business requirements or solution requests in respect of malfunctions arising in systems are monitored through Help Desk Service and critical issues that may affect the financial statements or that could lead to legal risks are given the priority.

In case of detection of any adverse situation within control activities, urgent action is taken in order to perform necessary adjustments and take preventive measures.

Internal control activities are carried out through the risk and control points included in the work flow chart of the related department, and the controls in the IT department are carried out based on COBIT standards. In this context, transactions in respect of reinsurance processes, accounting transactions, payments, processes in respect of fulfillment of legal obligations, transactions in respect of debt collection, accounting periods, and preparation of financial statements; marketing, processes related to reporting and information systems are controlled by considering practice frequencies of related processes. In this respect, it is ensured that preventive and supplementary measures are taken and implemented immediately, appropriate and applicable solutions that will improve processes and operations are put into practice.

AFFILIATES

Anadolu Anonim Türk Sigorta Şirketi

Anadolu Anonim Türk Sigorta Şirketi (Anadolu Sigorta) is Türkiye's first national insurance company, which was established on 01 April 1925. As one of the market leaders, while its premium production reached TL 44.2 billion, it has total assets of TL 56.4 billion and shareholders' equity of TL 12.2 billion on consolidated basis in 2023. Anadolu Sigorta operates in all lines of business except Life. Fitch Ratings confirmed Anadolu Sigorta's ratings for International Financial Strength as B+ with negative look, for National Financial Strength as AA+ (tur) with stable outlook.

Anadolu Sigorta's shares are publicly traded on Borsa İstanbul (BİST) National Market under the symbol "ANSGR". 48% of the Company's shares are public, whilst 57.31% are held by Milli Re.

Pursuant to the Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies published in the Official Gazette issue 27097 dated 31 December 2008 and to the Turkish Accounting Standards 27, Milli Re consolidates the financial results of Anadolu Sigorta on a line-by-line basis since 30 September 2010.

www.anadolusigorta.com.tr

Miltaş Turizm İnşaat Ticaret A.Ş.

Miltaş Sports Complex has been serving the insurance market since 1986 with its facilities for various sports, particularly tennis and basketball.

Since 1986, an "International Insurance Tennis Tournament" has been organized at the Miltaş every year in early summer, which gives foreign reinsurers and brokers interested in the Turkish insurance market the opportunity to meet with insurance companies in a different atmosphere. In addition to tennis and basketball sports schools for various age groups, private tennis lessons for adults are also offered every year.

Milli Re has 100% share in Miltaş Turizm İnşaat Ticaret A.Ş. Within the context of the exception stipulated in the Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies published in the Official Gazette issue 27097 dated 31 December 2008, Miltaş Turizm İnşaat Ticaret A.Ş., which is a subsidiary of the Company, is excluded from the scope of consolidation, due to the fact that the subsidiary's total assets correspond to less than 1% of the Company's total assets.

www.miltasturizm.com.tr

MİLLİ RE, SEEING SOCIAL RESPONSIBILITY PROJECTS AS AN EFFORT FOR ADDING VALUE TO THE SECTOR AND THE SOCIETY THAT IT IS A PART OF, EFFECTIVELY DEMONSTRATES ITS **UNDERSTANDING OF SOCIAL RESPONSIBILITY THROUGH THE SPONSORSHIPS, PROJECT DEVELOPMENTS AND THE TASKS IT UNDERTAKES ESPECIALLY IN THE FIELDS OF EDUCATION, CULTURE, ART AND SPORTS.**

Milli Re Art Gallery

In 1994, Milli Re reserved a section of its business building in Teşvikiye for artistic and cultural activities, and designed a library, an auditorium and a gallery in this section.

During the twenty-nine years since its debut, Milli Re Art Gallery organized various exhibitions, which were widely acclaimed in art circles and followed with interest. The gallery published numerous books and publications, with texts by eminent authors and art critics, most of which are referenced in the art literature. These publications which function as a memory to build art in Türkiye, also introduced various important artists to mark their arts for the first time in the recorded art history.

Some of the exhibitions held at the Milli Re Art Gallery have also been displayed in other countries, including, among others, Germany, France, Sweden, Denmark, Estonia, Slovenia, Bosnia-Herzegovina, Georgia and Finland. Besides the “Rural Architecture in the Eastern Black Sea Region” exhibition displayed at many universities and international museums both in Türkiye and abroad since 2005, “Mylasa Labraunda/Milas Çomakdağ” exhibition received invitations from major museums and universities abroad and exhibited in several countries and cities.

MİLLİ RE ART GALLERY HAS MADE A SELECTION OF ITS OWN PUBLICATIONS ON THE OCCASION OF THE 100TH ANNIVERSARY OF REPUBLIC OF TÜRKIYE IN 2023. BOOKS WITH DIVERSE CONTENTS SELECTED FROM THE GALLERY’S PUBLICATIONS HAVE ALSO BEEN PRESENTED TO THE LIBRARIES OF FINE ARTS FACULTIES OF UNIVERSITIES, FINE ARTS HIGH SCHOOLS, MUSEUMS AND LIBRARIES OF INDEPENDENT ART VENUES IN ANATOLIA.

The gallery, hosting projects varying from art to design, has attained a special place within its field. Not only in the area of basic arts such as painting and sculpture, the Gallery also hosts plenty of projects including exhibitions on photography, architecture, graphical design, as well as historical and documentary conceptual exhibitions.

Milli Re Art Gallery has gained the distinction of being a space for artists and art lovers, with the original works created over the years, and are known for its uncompromising artistic identity. Hosting many exhibitions in the contemporary arts field, Milli Re Art Gallery outstands as one of the art institutions undertaking the mission of providing contributions to the art vision in Türkiye and supported the conscious collectors within the sector as well as the limited number of museums by bringing in many art works to be acquired to their permanent collections. With this awareness and responsibility, Milli Re Art Gallery, which will reach its 30th anniversary in 2024, continues its efforts to digitize its archive, which is the art memory of Türkiye, and has begun preparations for a special event to present these thirty years to art lovers.

Our gallery which is approved by most of the international art institutions in terms of business principles and standards, also hosts the Türkiye sessions of various international projects.

Milli Re Art Gallery has made a selection of its own publications on the occasion of the 100th Anniversary of Republic of Türkiye in 2023. Books with diverse contents selected from the Gallery's publications have also been presented to the libraries of fine arts faculties of universities, fine arts high schools, museums and libraries of independent art venues in Anatolia.

All details on exhibitions and publications are available on www.millireasuranssanatgalerisi.com. 3D virtual tour feature and comprehensive documents and visuals about the exhibitions were added to our website in order to offer a richer experience to our viewers and our social network accounts were put into life.

Milli Re Chamber Orchestra

Milli Re Chamber Orchestra, established in 1996, has performed numerous successful concerts with local and international well-known conductors and many soloists.

Milli Re Chamber Orchestra having performed its first concert on 10 April 1996 presents universal polyphonic music, which enriches our cultural life, to music-lovers through concerts and recitals. The Orchestra performs at the concert hall in the Milli Re building from September through May every year. In addition to the regular concerts' series, the Orchestra takes part in various national and international music festivals.

The Milli Re Chamber Orchestra also released two CDs, titled "Romantic Era Strings Music" and "Şensoy Plays Tura".

Milli Re Chamber Orchestra presented a unique musical feast to the participants with the "Cumhuriyet Tangoları" concert within the scope of the 51st Istanbul Music Festival organized by İKSV on the occasion of the 100th Anniversary of Republıc of Türkiye in 2023.

MİLLİ RE CHAMBER ORCHESTRA PRESENTED A UNIQUE MUSICAL FEAST TO THE PARTICIPANTS WITH THE "CUMHURİYET TANGOLARI" CONCERT WITHIN THE SCOPE OF THE 51ST ISTANBUL MUSIC FESTIVAL ORGANIZED BY İKSV ON THE OCCASION OF THE 100TH ANNIVERSARY OF REPUBLIC OF TÜRKIYE IN 2023.

The concert, co-sponsored by Milli Re, pays tribute to the early tango composers of our country on the 100th Anniversary of the Republic of Türkiye, and brought the forgotten and obscure compositions of the early Republican period to the light.

Reasürör Magazine

Quarterly published since 1991, the Reasürör Magazine is a scientific resource with full academic content on re/insurance, including compilations, translations, interviews, and statistical data on various lines. The Reasürör Magazine serves as a valuable scientific resource for use by the industry technicians and students pursuing their studies at various levels in insurance education.

All issues of the Reasürör Magazine can be accessed at the addresses www.millire.com

Miltaş Sports Complex

Miltaş Sports Complex has been serving the insurance market since 1986 with its facilities in various sports, particularly tennis and basketball. In addition to tennis and basketball courses organized every year for various age groups; private tennis lessons are available in the Complex.

The Complex has been hosting the International Insurance Tennis Tournament, which is organized every year in June since 1986, and provides a unique environment that brings together professionals of the local market with international reinsurers and brokers.

Türk Sigorta Enstitüsü Vakfı (TSEV)

The Turkish Insurance Institute Foundation (TSEV) was established jointly by Milli Re and the Insurance Association of Türkiye in 1970 and continues its training and consulting services for the insurance industry for the last 54 year. TSEV organizes training programs on insurance techniques and law as well as administrative issues for the insurance sector and for various companies, institutions and organizations. In addition to its training activities, the Foundation also visits universities, The Chamber of Industry and Commerce in order to increase the insurance awareness. For the purpose of making insurance part of lives of society, TSEV also undertakes some projects on social media and informs people about the insurance sector.

Due to the pandemic, all business lines renewed their processes globally in 2020 and the changes in TSEV's activities continued partially in 2023 with some updates. In this context, mixed groups with a mix of online and face-to-face courses were opened in long-term training programs, and individuals were given the right to take face-to-face exams. Short-term training programs, most of which were conducted online, were also planned face-to-face, albeit in small numbers. The "Insurance in My Frame Award-winning Photography Contest" was organized for the fifth time, but the exhibition could not be opened due to pandemic measures.

The "Basic Insurance Training Program", organized since the establishment of the Foundation has the distinction of being one of the most comprehensive training programs in the field of insurance. A total of 3,000 participants have graduated from the program to date. As a follow-up course to this, TSEV also offers "Advanced Insurance

Training Programs" which are the only project and practice-oriented training programs in the market. In addition to these trainings, TSEV also offers "Short-Term Training Programs" determined according to the needs of the day. "Introduction to Insurance for Beginners Program" and "Training Programs for Actuary Exams" are regularly scheduled trainings for new recruits in the insurance departments of the insurance industry and insured corporate structures. "Workshops", which started to be organized last year; accordingly, one-day branch-based trainings, in which participants took an active role and progressed through case studies, were held face-to-face in TSEV classrooms. "Agency Trainings" were organized for agencies under the sponsorship of the Union of Chambers and Commodity Exchanges of Türkiye and TSB. In addition, In cooperation with the Insurance and Reinsurance Brokers Association and TSEV, "Broker Academy: Insurance Training Program" was established and training was provided to three different groups. In cooperation with the Insurance and Private Pension Regulation and Supervision Agency, up-to-date trainings were organized to meet the needs of the sector.

The Human Resources Training Program, with new content and trainers specific to the insurance sector, was launched for the first time in 2023. Apart from insurance training, Personal Development Training Programs are also given by TSEV and the diversity in this segment increases each year. As the training programs were moved to the online platform, many people living outside of İstanbul had the opportunity to attend TSEV training programs. In 2023, 5,290 people received a total of 4,424 hours of training from TSEV through these programs. Furthermore, "Consultancy", "Closed Group Classroom Training", "Placement Tests" were realized based on demands from companies. In 2023, the English education programs, which were prepared for the institution for the first time last year, were organized in two different ways: open class and institution-specific class.

Actuary exams, which started in 2020 as part of the agreements signed with the Central Bank of Azerbaijan and the Azerbaijan Insurance Association, were also conducted by TSEV in 2023. In addition to this, the Actuarial Academy training and examination program, which was initiated in 2023, will be concluded in June 2024. Furthermore, in order to continue its contribution to the development of regional insurance, TSEV held face-to-face training programs specially designed for the Ethiopian Insurance Company and Uzbekinvest Insurance Company.

THE "BASIC INSURANCE TRAINING PROGRAM", ONE OF TSEV'S MOST COMPREHENSIVE TRAINING PROGRAMS PRODUCED AROUND 3,000 GRADUATES TO DATE.

05

FINANCIAL STATUS

ACCORDING TO THE IMF ESTIMATION, GLOBAL ECONOMIC GROWTH THAT WAS 3.5% IN 2022 **SLOWED DOWN SOMEWHAT TO 3.1% IN 2023.**

In 2023, the majority of developed and developing countries adopted tight monetary policies; rate hikes that central banks sustained as part of anti-inflationary struggle and the tightened financial conditions resulted in decelerated global economic activity. During the reporting period, the restraining effects of tightening monetary policies particularly upon the production of the manufacturing industry has been more evident in developed economies.

Despite deceleration in global economic activity and inflation, hard landing has become a weaker possibility for the global economy as supply-side issues improved and employment markets maintained their resilient outlook.

On another note, a few events point at the continual increase of geopolitical risks of a global scale, which include the Russia-Ukraine war that persisted in 2023, extensive sanctions imposed by Western countries against Russia, the Russian Government's announcement of its withdrawal from the Grain Deal in July, and the turmoil in the Middle East and the Red Sea region that resulted from the Israel-Palestine conflict in the last quarter of the year.

In 2023, the USA has been the scene to problems and bankruptcies associated with banks, and a debt ceiling crisis in the first half of the year. After hiking the rates by a total of 100 basis points over the first three quarters of the year, the US Federal Reserve System (the Fed) kept the interest rates unchanged in the 5.25%-5.50% interval in line with the anticipations in its three meetings held in September, November and December; hence the Fed indicated that the rate hike cycle has come to an end.

CPI outpaced the projections in December in the US and hit 3.4%, while data pertaining to the course of economic activity in the country went up.

In 2023, the US exhibited the strongest recovery among developed economies. The US economy remained strong as consumers continued to spend their savings from the pandemic period that drove private consumption expenditures up, and the labor market maintained its solid outlook and supported consumption with its low unemployment rate. Hence, the US economy outperformed the projections, registering a growth rate of 2.5% in 2023, following 1.9% in 2022.

The European Union (EU) area has been the geography that most deeply experienced the loss of pace in global economy. The said deceleration was driven by the European Central Bank (ECB)'s monetary tightening that outpaced that of the US Fed's, although it was initiated at a later date. Other contributors included weak external demand and shrank producer margins; declined consumer confidence; the persistent effects of high energy prices, and the vulnerability in the manufacturing industry that has a high sensitivity to tightened financial circumstances, as well as in investments. The European Central Bank (ECB) increased the interest rates by 200 basis points in total through the first three quarters of the year, followed by a break in rate hikes by keeping them unchanged in its October and December meetings, in line with the anticipations. In its December meeting, the ECB stated that the existing interest rates are considered to be at levels to converge inflation on the targeted 2% and that they would make interest rate decisions depending on available data.

In alignment with the forecasts, the euro area ended the year with a CPI rate of 2.9% and the annual growth rate of the area economy slumped from 3.4% in 2022 to 0.5% in 2023.

The European Commission projects 1.3% growth in 2024 in the area where economic activity is anticipated to recuperate gradually in the coming period.

Having entered structurally low-growth period and having expanded by 5.2% in 2023, the Chinese economy attained its slowest annual rate increase since 1990, excluding the pandemic years, although it has surpassed the official government target of 5%. This low performance was largely due to weak consumption, liquidity problems triggered by the debt issue of local governments and the ongoing debt problems in the real estate sector, growing deflationist risks and global turbulence.

Oil prices fluctuated throughout the year due to the rises in the production and stocks of major oil producing countries like the US, coupled with the weak demand outlook, despite the supply cut decisions of Organization of the Petroleum Exporting Countries (OPEC) and OPEC+ group that additionally includes other oil-producing countries that preceded the tension in the Middle East. Although Brent crude oil price per barrel went down to as low as USD 73.3 in December as a result of the concerns over global demand, it ended the year at the order of USD 77.1 parallel to increased supply-side risks due to the tensions in the Red Sea. While the potential hike in oil and other commodity prices in the event of aggravated tensions constitutes an upside risk on the inflation outlook, it also leads to concerns regarding supply security.

In its World Economic Outlook released in January 2024, the IMF estimates that global economic growth that was 3.5% in 2022 slowed down somewhat to 3.1% in 2023 owing to the higher-than-expected resilience of the US and some major developing economies, and the support mechanisms in China. The IMF projects growth at 3.1% for 2024 and 3.2% for 2025.

With inflation still making its headline issue in 2023, the Turkish economy was affected by a number of negative events including the decelerated global economy, weakened primary export markets and the devastating earthquakes in February.

Having registered an economic growth performance that converged on its long-term average with the support lent by consumption expenditure despite losing some momentum due to the earthquake disaster that occurred in the first quarter of 2023, the Turkish economy attained 4% growth. Having expanded 3.9% in the second quarter of 2023, the national economy's growth was driven by consumption outlays, which were propped by the recovery in investment outlays. The highlights of the said period included the growth largely restrained by net exports, the

4%

HAVING REGISTERED AN ECONOMIC GROWTH PERFORMANCE THAT CONVERGED ON ITS LONG-TERM AVERAGE WITH THE SUPPORT LENT BY CONSUMPTION EXPENDITURE DESPITE LOSING SOME MOMENTUM DUE TO THE EARTHQUAKE DISASTER THAT OCCURRED IN THE FIRST QUARTER OF 2023, THE TURKISH ECONOMY ATTAINED 4% GROWTH.

ECONOMIC OVERVIEW

WITH THE NEW ECONOMY ADMINISTRATION IN OFFICE, DETERMINED STEPS STARTED TO BE TAKEN FOR FIGHTING INFLATION IN THE SECOND HALF OF THE YEAR.

contraction in the industrial sector on the manufacturing front, and loss of pace in services. In the second half of 2023, the contribution of consumption outlays to growth declined somewhat due to the economy policies that prioritized combating inflation.

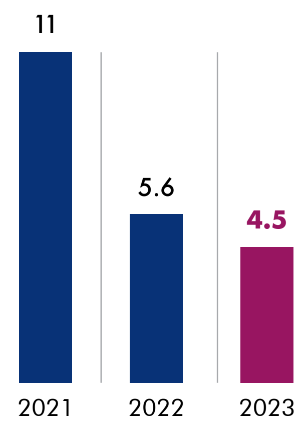
Despite these developments, GDP increased by a strong 6.1% year-on-year in the third quarter of the year, with the support lent by the investment item, notably by private consumption and public consumption, and grew by 4% in the fourth quarter. Annual GDP obtained by addition of four quarters with chain linked volume index (2009=100) increased by 4.5% in 2023 compared with the previous year.

In 2023, inflation has been high due to wage hikes, exchange rate developments, increased tax rates, food prices, the stickiness of services inflation, and the strong course of local demand. Moreover, the high course of producer prices and developments in pricing behavior led to broad-based inflationary pressures. Consequently, year-end CPI in 2023 stood at 64.77%.

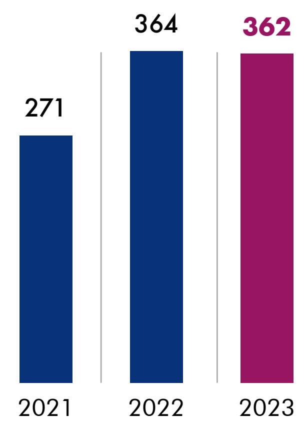
With the new economy administration in office, determined steps started to be taken for fighting inflation in the second half of the year. Accordingly, the CBRT initiated gradual monetary tightening and simplified macroprudential framework. Taking selective credit and quantitative tightening decisions that will support monetary tightening as well as rate hikes, the CBRT raised the policy rate by a total of 34 percentage points to 42.5% in seven meetings from June 2023 until the year-end.

On another front, the effective actions taken by the economy administration helped secure upward revisions of

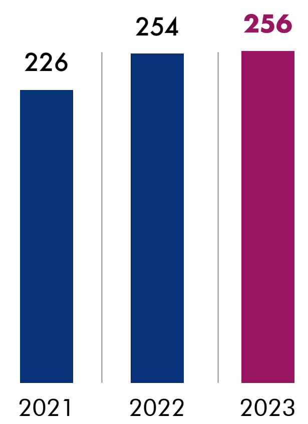
GDP GROWTH RATE – BASED ON CURRENT PRICES (%)



IMPORTS (USD BILLION)



EXPORTS (USD BILLION)



Türkiye's country rating by international rating agencies. Accordingly, there have been marked decreases in the CDS risk premium. While foreign investors showed increased interest in Turkish assets in the reporting period, foreign capital inflow and CBRT reserves increased.

In 2023, current deficit narrowed partially on an annual basis due to the decreased energy imports on the basis of amount despite the evident rise in gold imports.

The main factors that restrained the current deficit were the record high levels reached in services revenues with the contribution of tourism and transportation revenues and the decline in foreign trade deficit. In 2023, the current deficit shrank by 8% and went down to USD 45.2 billion. Current surplus excluding energy and gold, on the other hand, slid down from USD 50.4 billion in 2022 to USD 33.2 billion in 2023. The ratio of current deficit to GDP improved from 5.4% at year-end 2022 to 4% at year-end 2023.

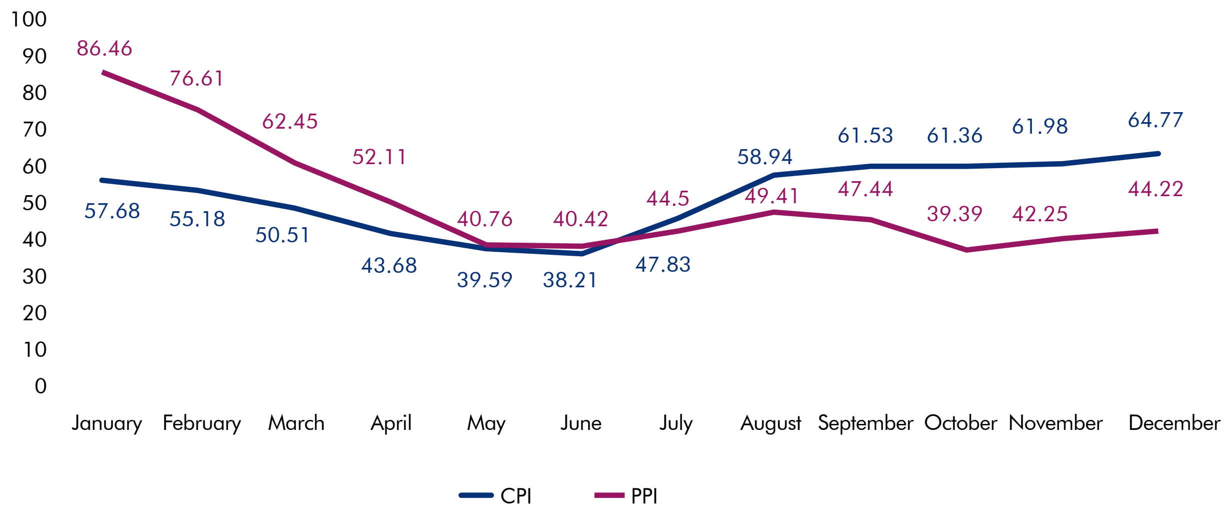
Tourism revenues will most likely be telling upon harnessing the current deficit also in the coming period. In addition, the recuperation in current deficit might possibly become more visible provided that normalization of gold imports and decline in energy imports persist.

Sources: TurkStat, CBRT, Ministry of Treasury and Finance

42.5%

CBRT RAISED THE POLICY RATE BY A TOTAL OF 34 PERCENTAGE POINTS TO 42.5% IN SEVEN MEETINGS FROM JUNE 2023 UNTIL THE YEAR-END.

INFLATION IN 2023 - ANNUAL CHANGE (YOY) (%)



IN 2023, THE TURKISH INSURANCE INDUSTRY PRODUCED **TL 485.9 BILLION IN PREMIUMS, TRANSLATING INTO A RISE BY 106.8% NOMINALLY AND 25.5% IN REAL TERMS** THAN IN 2022.

The economic volatilities underpinned by the upturn in exchange rates as well as the inflationary environment that commenced in 2022 and persisted through 2023, geopolitical risks and the earthquake disaster that occurred have impacted the national insurance industry. Pressured for some time with respect to growth and technical profitability, our industry seized a positive momentum as correct pricing and necessary technical conditions were secured following the earthquake disaster of February 2023, as well as the policy prices that captured the exchange rate and inflation effect.

According to end-2023 figures published by the Insurance Association of Türkiye, the country's insurance industry produced a total of TL 485.9 billion in premiums, nominally 106.8% more than in 2022. When the effects of inflation are taken into account, this corresponds to a 25.5% rate of real year-on growth. Non-Life branches accounted for 88.3% of the total premiums available to the overall industry in 2023, and produced TL 429 billion in premiums, nominally 110.3% higher than in 2022. Nominal growth in Life branch, on the other hand, was registered as 83.7% in parallel with the change in individual credit volume, the share of this branch in life and non-life total premiums stepped down from 13.1% to 11.7%. The share of non-life insurance industry in total premium production, on the other hand, went up from 86.9% to 88.3%. The said raise was driven mainly by inflation and exchange rate impact in Land Vehicles Liability, Land Vehicles, Fire and Natural Disasters, and Illness/Health insurance coupled with the premium growth stemming from policy prices that adopted an uptrend following the earthquake.

Land Vehicles Liability premiums, which account for the biggest single component of total premium production, increased 105% nominally and 24.4% in real terms; this branch's share in non-life premiums was down from 28.2% in 2022 to 27.5% in 2023. However, the branch continues to exert pressure on the industry's technical results due to the burden imposed by inadequate premiums and cost of damages.

Adjustments had to be made in motor vehicle policy prices in order to keep them in alignment with rises in motor-vehicle and spare-part costs. As a result of this, motor vehicle premiums increased by 89.2% nominally (14.8%

in real terms) year-on. A significant contributor to the technical profitability of non-life branches, this branch's share in total non-life sector is recorded as 19.6%.

Illness/Health branch is likely to keep flourishing as the positive perception of the branch strengthened during the pandemic period and medical inflation was reflected in the premiums, coupled with the new products and services offered alongside the currently available complementary and private health insurance policies. During 2023, premiums written in this branch augmented by 135.4% translating into 42.9% real growth, driving the branch's share in total Non-Life insurance up from 14.7% in 2022 to 16.5% in 2023.

Fire and Natural Disasters insurance grew by 139.5% nominally and 45.4% in real terms in 2023, which brought the share of this branch in Non-Life premium production from 13.4% up to 15.3%. The significant expansion of the said branch in 2023 was mainly due to the rise in policy prices in the aftermath of the earthquake disaster of February 6th, coupled with the increase in insurance prices in connection with the course of inflation and exchange rates.

95.5% of all premium production in the General losses branch (Engineering, Agriculture, Theft, and Glass breakage coverage) is generated by engineering and agricultural insurance policies. The growth attained in Engineering insurance, particularly in Machinery Breakdown and Electronics segments resulted in an expansion by 115.3% in nominal and 30.7% in real terms; as a result, the share of this branch in General Losses went up from 46% to 48.5%. The course of exchange rates has been the main factor that brought the premium growth in Machinery Breakdown and Electronics policies, which are mostly made in FC terms due to their nature. While efforts for achieving higher penetration in Agricultural Insurance are ongoing, the rise in this branch in 2023 was below the premium expansion of the overall industry and registered as 92% in nominal terms, which corresponds to 16.5% in real terms. Hence, the share of the branch in General Losses went down from 50% to 47.1%.

Comprised of Hull, Cargo and Hull Liability insurance, Marine branch registered an increase by 76.9% nominally and 7.4% in real terms, resulting in a marginal year-on decline in the share of this branch in Non-Life premium income to 2.6%. Representing 59.7% and 35.9% of this branch respectively, Cargo and Hull policies lagged behind the sector's overall premium growth, which caused Marine insurance to account for a lower share of Non-Life premiums. Although growing trade volume and exchange rate movements are anticipated to reflect more positively on premium income, the ongoing competition bore a restrictive impact on premium increase.

In General Liability insurance, 67.6% of total premiums were written on Employer's Liability and Third Party Liability branches; owing mainly to the premium growth secured in these branches, General Liability insurance expanded by 88.1% nominally and 14.1% in real terms. Having underperformed as compared to the average growth by the overall market, General Liability branch sustained a slight decline in its share in Non-Life premiums annually and stood at 2.6%.

In Accident insurance, 97% of which comprises of Personal Accident and Extended Personal Accident branches, the rate of increase was 132.6% nominally, corresponding to 41.2% in real terms. With this increase that outdid the market average, the branch attained a slight rise in its share in Non-Life, which came to 2.6%.

On the other hand, premiums derived on Participation insurance constituted 5% of the sector's total premium income

PRESSURED FOR SOME TIME WITH RESPECT TO GROWTH AND TECHNICAL PROFITABILITY, OUR INDUSTRY SEIZED A POSITIVE MOMENTUM AS CORRECT PRICING AND NECESSARY TECHNICAL CONDITIONS WERE SECURED FOLLOWING THE EARTHQUAKE DISASTER OF FEBRUARY 2023, AS WELL AS THE POLICY PRICES THAT CAPTURED THE EXCHANGE RATE AND INFLATION EFFECT.

WITHIN THE ECONOMIC LOSS RESULTING FROM THE EARTHQUAKES, INSURED LOSSES AMOUNT TO USD 5 BILLION; OF THIS AMOUNT, IT IS ENVISAGED THAT 5% WILL BE BORNE BY INSURERS AND 95% BY REINSURERS.

at year-end 2023, what was a repeat of the previous year's result.

The earthquakes that measured 7.7 and 7.6 respectively on the Richter scale and centered in Pazarcık and Elbistan districts of Kahramanmaraş on 06 February 2023 were felt across a broad geography covering the Southeast Anatolia, East Anatolia, Central Anatolia and Mediterranean Regions. Having struck Hatay, Osmaniye, Adıyaman, Diyarbakır, Şanlıurfa, Gaziantep, Kilis, Adana, Malatya and Elâzığ as well as Kahramanmaraş, the earthquakes affected a local population of approximately 14 million people. The social lives of the people in the region were extremely negatively affected by the earthquakes, while the national economy took a serious blow. The reported total burden of the earthquakes on the Turkish economy is USD 104 billion. According to the Kahramanmaraş and Hatay Earthquakes Report released in March 2023 by the Presidency of Strategy and Budget, damages to houses make up the largest portion of the earthquake-inflicted losses with USD 57 billion. This is followed by damages to public infrastructure and service buildings with USD 13 billion and damages to the private sector excluding houses with USD 12 billion. Within the economic loss resulting from the earthquakes, insured losses amount to USD 5 billion; of this amount, it is envisaged that 5% will be borne by insurers and 95% by reinsurers. As of year-end 2023, Milli Re made claims payments associated with the earthquakes in the amount of EUR 322 million. With a cautious approach, our company's total ultimate losses will possibly reach the order of EUR 550 million.

Modification of the Optional Earthquake Tariff has been an important post-earthquake development with respect to the Turkish insurance industry. TL 400 million target set for the free tariff implementation was increased to TL 2 billion as of 01 August 2023, and tariff prices on the basis of risk groups were raised by 25% as of 01 January 2024. Another important regulatory change in 2023 has been the reset minimum capital amounts required for incorporating an insurance company. By a circular released on 27 November 2023, Insurance and Private Pension Regulation and Supervision Agency increased the iminium capital required for incorporating an insurance company that wishes to operate in all branches from TL 500,000,000 to TL 1,600,000,000.

The decision of the Insurance and Private Pension Regulation and Supervision Agency on 28 November 2023 to administer precaution against Gri Sigorta and Melce Sigorta insurance companies and to hand over the handling of their insurance portfolio to the Assurance Account was another significant development in the sector in 2023.

In the period ahead, the economy policy to be implemented in the aftermath of the local elections will be influential upon the course of the insurance industry. Moreover, in addition to consideration of exchange and inflation rate impact in pricing, disciplined continuance of the positive course that emanated from correct pricing and capturing the necessary technical requirements in policies following the Kahramanmaraş earthquakes will play a major role on the industry's technical profitability.

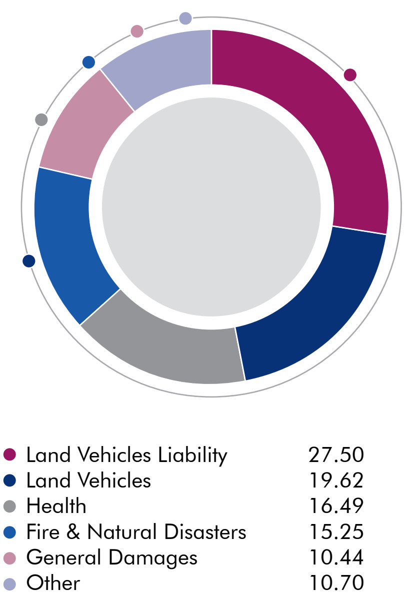
It will be crucial for the insurance industry that heavily felt the effects of the earthquake disaster of 2023 to come up with and offer the properly-priced innovative products and forms of coverage that address policyholders' genuine needs in order to sustain its growth and profitability,

Market Premium (TL)

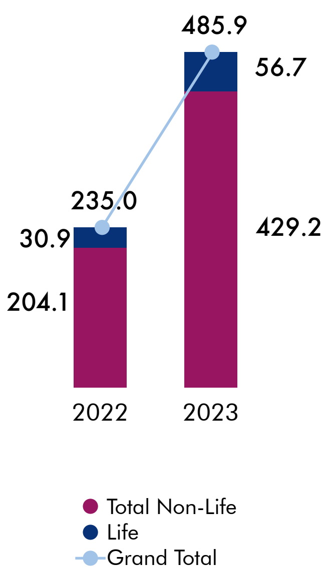
BRANCHES	2023	SHARE (%)	2022	SHARE (%)	CHANGE (%)
ACCIDENT	10,955,325,392	2.55	4,710,103,460	2.31	132.59
HEALTH	70,762,053,849	16.49	30,058,996,315	14.72	135.41
LAND VEHICLES	84,211,963,060	19.62	44,514,428,282	21.81	89.18
RAILWAY VEHICLES	-	0.00	-	0.00	0.00
AIR VEHICLES	1,011,305,342	0.24	634,247,668	0.31	59.45
SEA VEHICLES	3,972,200,836	0.93	2,188,365,682	1.07	81.51
MARINE	6,612,515,835	1.54	3,825,153,009	1.87	72.87
FIRE & NATURAL DISASTERS	65,477,458,289	15.25	27,337,045,896	13.39	139.52
GENERAL DAMAGES	44,831,626,592	10.44	21,952,997,498	10.75	104.22
LAND VEHICLES LIABILITY	118,045,271,303	27.50	57,587,840,154	28.21	104.98
AIR VEHICLES LIABILITY	770,445,869	0.18	904,666,282	0.44	-14.84
SEA VEHICLES LIABILITY	471,275,441	0.11	237,847,913	0.12	98.14
GENERAL LIABILITY	11,199,490,423	2.61	5,955,119,936	2.92	88.06
CREDIT	1,412,240,265	0.33	962,384,048	0.47	46.74
FIDELITY GUARANTEE	828,206,177	0.19	349,187,372	0.17	137.18
FINANCIAL LOSSES	5,232,337,913	1.22	1,761,229,781	0.86	197.08
LEGAL PROTECTION	1,973,276,305	0.46	720,780,185	0.35	173.77
SUPPORT	1,460,994,574	0.34	439,935,396	0.22	232.09
TOTAL NON-LIFE	**429,227,987,465**	**88.33**	**204,140,328,876**	**86.87**	**110.26**
LIFE	**56,692,469,008**	**11.67**	**30,858,298,437**	**13.13**	**83.72**
TOTAL	**485,920,456,472**	**100.00**	**234,998,627,313**	**100.00**	**106.78**

Source: Insurance Association of Türkiye

NON-LIFE SECTOR PREMIUM PRODUCTION BRANCH DISTRIBUTION (%)



PREMIUM PRODUCTION (TL BILLION)



TURKISH REINSURANCE MARKET AND MİLLİ RE IN 2023

PROVIDING CAPACITY TO 18 COMPANIES THAT UTILIZE PROPORTIONAL REINSURANCE COVERAGE, **MİLLİ RE LEADS REINSURANCE TREATIES OF 14 COMPANIES.**

2023 went down in the records as a low-frequency year in terms of risk/loss across the world, but as a high-frequency one in terms of catastrophe losses. The critical turning point that global warming has arrived at increased the potential of strong hurricanes and typhoons in connection with overheating in oceans, and led to extreme weather events around the globe. Furthermore, the wildfires in Canada, Hawaii and Southern Europe affected broad areas. In 2023 during which insured losses once again surpassed the USD 100 billion mark in global reinsurance markets, one of the severest and most destructive damages of 2023 worldwide has been the Kahramanmaraş Earthquake in our country.

The earthquakes that measured 7.7 and 7.6 respectively on the Richter scale and centered in Pazarcık and Elbistan districts of Kahramanmaraş on 06 February 2023 were felt across a broad geography covering the Southeast Anatolia, East Anatolia, Central Anatolia and Mediterranean Regions. Having affected approximately 14 million people, the earthquake struck Hatay, Osmaniye, Adıyaman, Diyarbakır, Şanlıurfa, Gaziantep, Kilis, Adana, Malatya and Elâzığ as well as Kahramanmaraş.

This tragic earthquake in our country once more bared the importance of insurance, risk transfer and earthquake coverage, and in line with the insurance costs that increased due to the inflation, companies needed a higher amount of reinsurance coverage as compared to 2023, taking into consideration the earthquake risk as well. Another important factor that led to this need has been two different scenario analyses used in reviewing the modeling.

The effect earthquake damages have on reinsurers, their increased need for capacity, and reinsurers' risk appetites considerably pushed up the reinsurance costs that have been rising over the last two years, and caused hardships in the finalization of the placements of reinsurance treaties. Some companies were able to complete their placements by creating hybrid models involving alternative reinsurance treaties, whereas some others converted their existing proportional treaties to excess-of-loss treaties as they were unable to complete their proportional treaty placements. As opposed to previous years, January 2024 renewals have been extremely challenging and costly for proportional and non-proportional reinsurance treaties alike.

In January 2024 renewals during which our sectoral leadership was sustained in proportional treaties as Milli Re, major modifications were made to treaty terms, primarily in relation to branches with high damage frequency to provide the capacity the industry needs. Retention level ratios were increased and number of limits was decreased in Fire and Machinery Breakdown/Electronic Equipments branches that present relatively high loss/premium ratios as compared to other branches; as such, retention ratios could be increased for insurers. Demands for increasing the earthquake event limits that constitute the highest cost item in proportional treaties for insurers remained unfulfilled, and the demanded earthquake capacity was provided through non-proportional treaties.

Commission rates on earthquake premiums that make up a substantial portion of cessions to proportional treaties was decreased from 20% to 15%. A market-wide change was not made to commissions in relation to other branches, and results were evaluated on the basis of each company, revising as necessary on branch basis.

Failure to secure adequate premium production for fire and allied perils over the years and covering fire risk damages with earthquake premiums has become unsustainable in view of the Kahramanmaraş Earthquake that took place and the expected Marmara Earthquake. Although fire treaties have become relatively more balanced owing to increased fire/allied perils premiums

in the aftermath of the Kahramanmaraş Earthquake, a clause has been added to contracts whereby minimum 35% portion of the 100% premium in fire treaties will be provided from fire and allied perils for the sake of continuance of this positive course.

The Kahramanmaraş Earthquake highlighted the importance of loss of profit cover for commercial and industrial enterprises, as well as insurance and earthquake coverage consciousness. In view of the importance of the loss of profit cover and the need for the coverage, day deductibles pertaining to loss of profit damages that might result following material damage, notably earthquake coverage in fire and machinery breakdown proportional treaties in which Milli Re participates, were doubled on average on the basis of types of coverage and field of activity to alleviate the burden on treaties.

In addition to the changes mentioned above, closed coinsurance practice commonly used in our industry particularly for insuring risks with high insured prices was excluded in proportional treaties for guaranteeing the transparency of placements both for the insured and reinsurers, for effective management of claims processes, and for proper follow-up of liability by reinsurers on the basis of risks.

Revision of the Earthquake Tariff has been an important post-earthquake development with respect to the Turkish insurance industry. Under the said revision, TL 400 million threshold was increased to TL 2 billion as of 01 August 2023, and tariff prices on the basis of risk groups were raised by 25% as of 01 January 2024. Increased premium income that will result from the revised Earthquake Tariff, coupled with the abovementioned significant developments associated with proportional treaties contributed positively to companies' placement efforts.

Majority of companies operating in the Turkish insurance industry continued to protect their risk portfolios with surplus bouquet treaties on proportional basis also for 2024. Following 2024 renewals, Milli Re provides capacity to 18 companies that utilize proportional reinsurance coverage and leads reinsurance treaties of 14 companies. Having restructured its portfolio due to retrocession capacity restraint and costs, and having reduced its shares in proportional treaties by 40%-50% as compared to the previous years based on its profit-oriented strategy, Milli Re's market share in proportional treaties in 2024 was 18%, which was 30% in 2023.

322
EUR MILLION

TOTAL EARTHQUAKE CLAIMS PAID BY MILLI RE AS OF YEAR-END 2023 AMOUNTED TO APPROXIMATELY EUR 322 MILLION.

TURKISH REINSURANCE MARKET AND MİLLİ RE IN 2023

In January 2024 renewals, companies got higher amounts of coverage as compared to the previous year due to the rise in earthquake accumulations and liabilities that exceeded occurrence limits in proportional treaties, and the bottom limits of programs were elevated significantly. Prices increased above estimations due to inflation, rise in sums insured and the effect of the Kahramanmaraş Earthquake damage, and risk-adjusted prices increased by over 100%. Another factor underlying price increases was the rise in minimum deposit premium rates across the market. Due to the effect of increased prices, placements of proportional treaties were completed more easily than those of non-proportional treaties, and major international reinsurers operating in global markets participated in these programs as leaders and/or followers. In 2024, Milli Re maintained its liabilities in 2023 and continued to participate in excess-of-loss programs, and took part in the programs of eight companies that utilize excess of loss agreements for their risk protection.

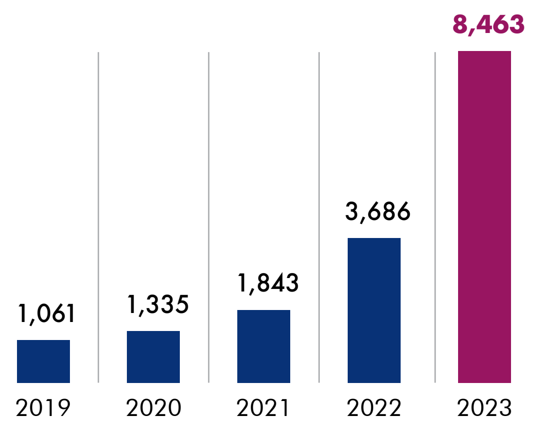
Owing mainly to the performance of Fire, Engineering, and Marine branch policies, gross premiums earned on newly accepted business in 2023 were up by 130% year-on. Technical losses were incurred in the Fire, Engineering, and Marine branches owing to the effects of exchange rate movements and high inflation, to excess-of-loss retrocession program costs made higher by higher prices and exchange rates, and to 2022 program adjustment premium accruals as well as to increasingly bigger and more frequent risk loss claims on such policies, and the claims incurred due to the Kahramanmaraş earthquake. Helped however by net transfers from non-technical items, the company showed a technical profit of TL 242.1 million in the conduct of all of its local market business last year.

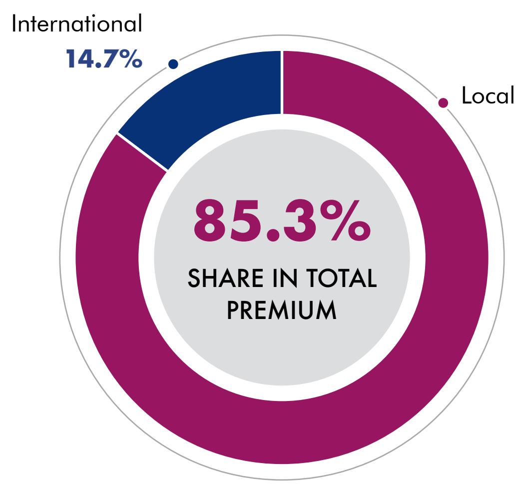
Local Premium by Lines of Business	Amount (TL)	Share (%)
Fire	5,122,240,472	60
Engineering	1,520,957,639	18
Marine	601,685,774	7
General Liability	304,845,615	4
Personal Accident	72,036,577	1
Land Vehicles Liability	133,408,121	1
Land Vehicles	38,298,777	0
Agriculture	518,008,750	7
Health	6,415,788	0
Others *	112,697,458	1
Life	32,767,808	1
Total	**8,463,362,779**	**100**

* Credit, Legal Protection, Air Vehicles, Plate Glass, Theft, Air Vehicles Liability, Fidelity Guarantee

Local Portfolio	2023	2022	2021	2020	2019
Premium (TL)	8,463,362,779	3,685,784,114	1,843,120,056	1,335,217,811	1,060,777,933
Share in Total Premium (%)	85.3	76.7	74.2	73.4	63.9

PREMIUM (LOCAL PORTFOLIO)
(TL MILLION)





INCREASING BY 7% ON ANNUAL BASIS, **TOTAL ECONOMIC LOSSES FROM NATURAL CATASTROPHES WENT UP TO USD 380 BILLION IN 2023.**

Increasing by 7% on annual basis, total economic losses from natural catastrophes went up to USD 380 billion in 2023. Remaining significantly above the 21st century average of USD 90 billion, global insured losses surpassed USD 100 billion threshold fourth year in a row and reached USD 118 billion. Although no single event caused insured losses over USD 10 billion, the number of medium-sized events with insured losses exceeding billion-dollar level reached 37 and set a new record, underlying once again the risk posed by climate change as it continued to exacerbate the frequency as well as the severity of extreme weather events. While a sizeable portion of the natural disasters was recorded in developing countries where the insurance penetration is very low, global protection gap remained to be high and only 31% of the global economic losses were covered by the insurance industry.

Accounting for approximately 30% of the total economic losses and 67% of the global industry losses, US losses dominated the statistics in 2023. Although 2023 Atlantic hurricane season was relatively benign, this time in 2023, the US suffered from a record number of unprecedented severe convective storms. With insured losses amounting to USD 58 billion, the total cost of the numerous events is estimated to be around USD 73 billion, making 2023 the costliest year in US history for the peril. While the total number of billion-dollar loss events reached 23, the low-pressure system which struck Southeast and Midwest US from March 1st -3rd with severe thunderstorms, tornados and heavy rainfall stood out as the single costliest severe convective storm outbreak. Causing extensive property damage and widespread power outages across 12 states, the total bill of the disaster is anticipated to be USD 6.2 billion, of which USD 5 billion is expected to be recoverable from the insurance industry.

In August, Hawaii's Maui Island suffered from one of the deadliest wildfires in US history. Fueled by severe drought conditions and strong winds, the fires spread quickly and ravaged over 2,500 acres of land. Mainly impacting the town of Lahaina, the deadly fires killed nearly 100 people and destroyed more than 2,000 structures. Being described as the worst natural disaster in Hawaii's history, the total economic cost of Lahaina wildfires is expected to be USD 5.5 billion, while insured losses are estimated to be around USD 3.5 billion.

Hurricane Otis, which struck Mexico in late October as a Category 5 storm stood out as the most destructive and costliest hurricane in 2023. Making its landfall on the coastal city of Acapulco in southwest Mexico on October 25th with maximum sustained windspeeds of 270 km/h, Otis also became the first Pacific hurricane ever to make landfall at Category 5 intensity. Bringing along heavy rainfall and flash floods, Otis caused extensive damage to residences, hotels and commercial buildings,

>100
USD BILLION

GLOBAL INSURED LOSSES SURPASSED USD 100 BILLION THRESHOLD FOURTH YEAR IN A ROW.

leading to over USD 15 billion total economic loss amount. With insured losses exceeding USD 4 billion, the disaster also ranked as the costliest insured natural disaster in Mexico's history.

The devastating Kahramanmaras earthquake which struck southeastern Türkiye and northern Syria on February 6th was by far the most destructive and costliest natural disaster in 2023. Affecting 11 provinces in Türkiye, the severe event claimed the lives of nearly 60,000 people, destroyed more than 200,000 buildings and also gave rise to extensive infrastructure damage as it ravaged roads, bridges, telecommunication and energy lines. According to the World Bank, while the cost of direct physical damages caused by the disaster is estimated to be around USD 46 billion, when indirect effects on country's economy such as loss of labor force, decline in industrial production and reduced tourism revenues are considered, the total economic cost of the catastrophic event is expected to reach USD 92 billion. On the other hand, the disaster is expected to lead a bill of approximately USD 5.7 billion for the insurance industry, around USD 1.6 billion of which was covered by the Turkish Catastrophe Insurance Pool (TCIP). Based on these numbers, Kahramanmaraş Earthquake ranked at the top as the costliest event on record for the Turkish insurance industry.

The extensive floods, which were triggered by the torrential rainfalls and had devastated the Emilia-Romagna region of Northern Italy in mid-May stood out as one of the most significant natural disasters affecting Europe in 2023. Being recorded as one of the costliest weather-related disasters in country's history, the total economic cost of the destructive floods is expected to exceed USD 9.8 billion. On the other hand, insured losses were low with only USD 500 million, pointing out to considerably limited level of insurance take-up for flood risk in Italy. Apart from extensive floods, severe hailstorms which struck Southern Europe and mainly impacted Italy from mid to late-July was another major event driving high amount of industry losses in the region. While the total cost of the numerous events was around USD 5.8 billion, with insured losses reaching up to USD 3.3 billion, July hailstorms were the costliest climate-induced natural disaster on record for Italy's insurance industry.

New Zealand was another country which was devastated by severe catastrophic events in 2023. In late January, the country's largest city Auckland battled with floods caused by torrential rainfall, and soon after the disaster, in mid-February, the North Island was hit by Cyclone Gabrielle. Causing extensive damage to property, agricultural land and infrastructure, the total cost of the disasters that struck the

31%

GLOBAL PROTECTION GAP REMAINED TO BE HIGH AND ONLY 31% OF THE GLOBAL ECONOMIC LOSSES WERE COVERED BY THE INSURANCE INDUSTRY.

country within two-weeks is estimated to be around USD 4.3 billion. With combined insured losses reaching up to USD 2.9 billion, the two events gave rise to the costliest industry losses recorded in New Zealand since 1970.

Increasing by 8%, total of traditional and alternative capital rose to USD 635 billion from 2022 year-end figure of USD 590 billion by the end of September 2023. Despite the increased frequency and severity of the secondary perils in recent years with the heightened risk of climate change, given the significant rate increases secured throughout 2023 coupled with upward adjustments in program attachment levels, as well as the recovery in investment returns, reinsurers saw significant improvement in underwriting margins. Mainly driven by the retained earnings and gains on investment portfolios, traditional capital increased by USD 35 billion during the first nine months of the year and registered as USD 532 billion. With favorable rate environment attracting new investors, alternative capital rose above the USD 100 billion level for the first time and reached USD 103 billion as at 3Q 2023.

As 2023 marked a turning point for the industry highlighted by significant price corrections and structural changes, in line with the new market dynamics set throughout 2023, January 2024 renewals were relatively stable. Even though the current pricing levels constrained the cedants, demand for property reinsurance continued to remain strong driven by ongoing inflationary pressure on sums insured. Although capacity was materially restricted a year ago, with the help of improved terms and adequate pricing, supply was at a sufficient level to meet demand at January 1 2024. Despite a more orderly market, pricing trends for property catastrophe reinsurance renewals showed great variation across regions. While reinsurers insisted on substantial rate hikes in markets such as Italy and Türkiye that suffered from significant losses in 2023, risk-adjusted global property catastrophe rates-on-line ranged from flat to up by more than 100%. Nonetheless, compared with previous year, many buyers managed to align pricing on their panels and minimized differences in conditions. There was generally strong reinsurer appetite for peak perils and upper layers, yet competition from the catastrophe bond market was also evident. Although program attachment levels remained stable in general, some regional players, especially European cedants saw further increases on the back of recent loss activity. Apart from terms, discussions around conditions were more consistent and constructive during renewals this year, with some buyers able to secure broader coverage and achieve consistency in wordings across their panels. Following the withdrawal of some market players in recent years, placement of per-risk covers continued to be challenging.

Contrary to last year, which was characterized by significant capacity constraint, January 2024 retrocession renewals were relatively stable with rebound in capacity, driven by higher level of capacity deployed by existing reinsurers as well as the new capital inflows to the ILS market. Although buyers in markets such as Türkiye and Italy that suffered from significant losses in 2023 experienced a very challenging renewal season, global risk-adjusted retrocession catastrophe excess of loss rates-on-line remained flat on average and with capacity oversupply and competition from catastrophe bond market, many buyers were able to secure more favorable outcomes on top-end layers with rate reductions reaching up to 10%. While over-placements were common on many programs especially for peak perils and upper layers, reinsurer appetite for bottom-end cat layers and aggregate covers continued to be limited. Despite growth in underlying portfolios, retrocession buyers managed to maintain program attachments at a constant level in general.

EUROPE

2023 was another active year in Europe in terms of natural catastrophes, with large losses mainly driven devastating magnitude 7.8 earthquake in Türkiye, a series of severe convective storms and hail events impacting several countries across the continent as well as Windstorm Ciaran primarily affecting northwestern France in early November. Although demand remained strong driven by ongoing high inflation and organic portfolio growth, capacity was sufficient to fully meet the protection required by buyers. While it took longer than expected to issue firm order terms, contrary to the previous year, which was characterized by substantial delays, cedants managed to complete program placements in a timely manner. Showing great differentiation among buyers based on ceded losses and structural changes implemented last year, program attachments came under scrutiny with reinsurers requiring further increases especially in loss-effected regions such as Türkiye and Italy. While risk-adjusted price increases for loss-free cat programs remained in the range of 5% to 10%, price adjustments for loss hit programs changed between 15% to 40%. As far as the property risk programs are concerned, similar to cat programs, loss-free programs renewed with single digit price changes reaching up to 10%, while risk-adjusted price increases for loss impacted programs remained between 20% to 40%. However, in Türkiye, risk-adjusted uplifts were well above this range, reaching above 100% in many cases.

AS FAR AS THE PROGRAMS OFFERING COVERAGE FOR TÜRKIYE CONCERNED, RISK-ADJUSTED UPLIFTS WERE WELL ABOVE AVERAGE RANGE, REACHING ABOVE 100% IN MANY CASES.

NORTH AMERICA

Despite a relatively calm hurricane season in 2023, the increased frequency and severity of mid-sized severe convective storms with total industry losses reaching up to USD 58 billion put further pressure on pricing and led to challenging renewals at January 1 for loss-impacted programs. Although there was adequate level of capacity, with adjustments on view of risk, reinsurers continued to be sensitive in terms of the pricing of loss-hit programs. While rates for lower cat layers came under great pressure, mid and top layers faced more favorable terms given the high competition from the ILS market players. Moreover, reinsurers adopted a client-based approach and focused on ceding companies' overall performance, strategy as well as financial stability and level of reliance on reinsurance. While risk-adjusted prices of loss affected cat programs increased between 10% to 50%, for loss free cat programs, price adjustments remained flat to up by 10%. Following a similar trend to cat program prices, loss-impacted risk programs saw upward price movements changing between 7.5% to 50%, while loss-free risk programs renewed stable to up by 10%.

ASIA

2023 was the first full year since the region emerged from the Covid pandemic. Regional economies continue to quicken the pace of economic activities. However, global instability continues to dull these efforts. The strained global supply chains have yet to recover to pre-pandemic level with new challenges from the attacks on ships in the Red Sea and the Gulf of Aden. Inflationary challenges persist as the world's largest economy, the U.S. maintains high interest rates. In the region, the world's second largest economy, China, is still tackling with local economic uncertainty mired by high unemployment rate in its younger population and real estate market woes.

Regional insurance markets, while generally stable, did not achieve the desired growth as hoped for in some areas. The global hard market continues to be felt in the region albeit renewals were more orderly than the previous year.

Reinsurance capacity was more forthcoming after last year's adjustments. However, non-performing treaties experienced comparatively greater challenges. Treaty restructures and retention level increases have been observed in some cases continuing the trend from last year. Overall, reinsurers and clients were more aligned than the previous year providing better clarity and facilitating smoother negotiations and placements.

2023 was a relatively benign year for large insured natural catastrophes event. However, there were still notable occurrences. Between January and February, New Zealand experience widespread flooding in Auckland and then a devastating Cyclone Gabrielle. These resulted in USD 2.3 billion of insured losses.

The recurring summer floods in China between May and September 2023 and Typhoon Doksuri added strains on the results in the property class. The total economic loss is estimated at USD 32 billion while insured losses reached USD 1.4 billion.

Clearly, protection gaps persist. It is estimated that the protection GAP in the Asia Pacific region is about of 80%; some markets are expected to have significantly greater protection gaps. As regional economies face headwinds, protection gap challenges will be prolonged.

DESPITE A RELATIVELY CALM HURRICANE SEASON IN 2023, THE INCREASED FREQUENCY AND SEVERITY OF MID-SIZED SEVERE CONVECTIVE STORMS WITH TOTAL INDUSTRY LOSSES REACHING UP TO USD 58 BILLION PUT FURTHER PRESSURE ON PRICING.

MIDDLE EAST AND NORTH AFRICA (MENA)

Growth of the economies in the Middle East and North Africa (MENA) is expected to fall sharply in 2023. The region's gross domestic product (GDP) is forecasted to plummet to 1.9% in 2023 from 6% in 2022, due to oil production cuts amidst subdued oil prices, tight global financial conditions, and high inflation. The hydrocarbon-producing countries of the Gulf Cooperation Council (GCC) – which includes Saudi Arabia, the UAE, Bahrain, Oman, Kuwait and Qatar – are experiencing the sharpest economic slowdown, from an oil-driven expansion of 7.6% in 2022 to a mere 1.4% growth this year. However, as non-oil growth in those economies remains robust, and the oil price is rebounding, the 2024 projected growth rate is 3.8%

The insurance markets in the MENA region have grown significantly over the last decade. Double-digit growth in Gross Written Premium reported at year-end 2022, with reinsurers citing favorable global reinsurance pricing trends, inflation, new business opportunities, and corrective action to rates and terms and conditions as the leading drivers. The GCC insurance market has generally seen an increase in revenue in the first half of the year 2023, the revenue growth has been significantly higher in Saudi Arabia at 27.9% supported by the strong pick up in non-oil private investment, structural reforms, demographic factors and a substantial increase in motor rates reported in 2023. The recent decision made by the Cabinet to create a new independent and unified insurance regulator by year-end represents a substantial structural reform that comes at an opportune timing given the strong growth in insurance income. Insurers in the GCC region, have also profited from solid gains recorded by most major stock indices in the 1st half of 2023. As a result, investment income increased by 127.5% to USD 872 million from USD 383 million in the same period in 2022. In summary, there has been an increase in net profit of 120.9% in the 1st half of 2023 in the region. The region is not homogenous, and countries are facing fresh and varying challenges, from supply chain disruptions and inflationary pressures,

DURING 2023 RENEWALS SINCE THE MENA REGION HAS A DIVERSIFYING EFFECT AND CONTRIBUTING POSITIVELY TO THE AVERAGE COST OF CAPITAL OF MANY REINSURERS, IT WAS STILL AN ATTRACTIVE REGION.

to elevated economic, financial system, and geo-political instability in certain markets. The primary differentiator in the region will continue to be between the hydrocarbon-producing economies and those that import energy.

The reinsurance capacity in the region continues to be highly variable and dynamic, coming from international reinsurers, reinsurers with regional domiciles, and reinsurance organizations from Africa and Asia. Additionally, regional primary insurance providers are growing more eager to take part in the reinsurance market.

The region endured above average economic and insured losses in 2023. Much of the region experienced notable weather and climate driven catastrophes of which record hail and flooding proved most impactful. In North Africa, Storm Daniel caused devastating flooding in Libya, which claimed nearly 4,361 lives and resulted in an economic loss of USD 10.1 billion. Losses in the region were led by the September magnitude 6.8 Marrakesh-Safi earthquake with the epicenter in Morocco's Atlas Mountains. The earthquake claimed nearly 3,000 lives and generated an economic loss of at least USD 7 billion, of which over USD 500 million was insured.

During 2023 renewals since the MENA Region has a diversifying effect and contributing positively to the average cost of capital of many reinsurers, it was still an attractive region. There was no shortage of capacity, but it came with a price. The ceding companies with better historical results had easier access to capacity but even in that case the reinsurers held their discipline and refused to renew any business with the expiring terms and conditions. In many of the cases, surplus lines were either completely removed and restructured with enlarged quota shares or the number of lines were reduced. Additionally, the reinsurers offered limited nat-cat cover particularly under proportional treaties. Similarly, many large excess-of-loss programs, were renegotiated with rate increases in many of them. Therefore, although limited compared to the other markets, the market hardening was also felt in the region.

With reference to January 2024 renewal, there was not much further hardening compared to previous renewals except in some proportional treaties where the results did not meet the reinsurers' expectations. Although there was no shortage in capacity and placement process was smooth, the number of the leading reinsurers reduced. The prices of loss free non-proportional programs remained either unchanged or 10% increases were experienced in some of them while there were rate increases up to 35% in loss hit risk programs. Finally, up to 25% rate increases were witnessed in respect of loss hit cat programs.

CENTRAL AND EASTERN EUROPE

The CEE region historically has seen strong GDP growth, and this trend is expected to continue in the year ahead. The region's economy has more than doubled since 2000. Despite the region faced weaknesses such as surging inflation, looming energy crisis and an economic slowdown, IMF predicts that the real GDP growth in CEE in 2027 will be higher than the average for G7 countries (1.5%).

Gross Written Premiums for the CEE region totaled EUR 24.78 billion in the first half of 2023, an increase of nearly 11.8% year over year. Meanwhile, the amount of paid claims decreased by 9.7% year on year reaching to EUR 11.34 billion (figures excluding Croatia and Slovenia). Every market in CEE region experienced growth, often in double-digit percentages. With about 26%, Albania and Bulgaria showed the highest growth rates. High growth rates were also reported by Poland, the Baltic States, Czechia, and a few countries in the Western Balkans, including Kosovo, Serbia, and North

IN MIDDLE AND CENTRAL EUROPE, AS FAR AS 2023 RENEWALS ARE CONCERNED, THERE WERE INCREASES IN RETENTION LEVELS, ADDITIONAL CAPACITY PURCHASE.

Macedonia. However, a large portion of this upsurge is attributed to inflation, which, although moderating, continues to affect the region. Although inflation rates seem to calm down across the region, they are still out of the "normal" historical averages. Elevated inflation rates led to a surge in material and service expenses, which in turn caused an increase in claims settlements and operational costs. In response, insurers adjusted insurance rates in the first half of the year, particularly in non-life insurance categories. In terms of total Gross Written Premium, Poland, Czechia, Hungary, Romania, and Slovenia maintained their positions as the top five countries, with no significant changes in their regional market shares compared to the first half of 2022.

As far as 2023 renewals are concerned, there were increases in retention levels, additional capacity purchase as well as review of the reinstatement provisions in many of the cat excess of loss programs. On the risk side, most of the programs experienced rate hikes along with the retention increases. Commissions of proportional treaties mostly remained the same, while there was some reduction for those treaties with poor performance. The prices of loss free non-proportional cat programs increased by 10% to 30% while rate increases up to 50% were witnessed in respect of loss hit programs. The prices of loss free non-proportional risk programs increased by 5% to 20% while there were rate uplifts of up to 35% in the loss hit programs.

With reference to January 2024 renewals, loss-free catastrophe excess of loss renewals was back to normal in terms of timing, available capacity and price uplift. Retentions and reinstatement provisions were under pressure for all buyers, who looked for more capacity and reinsurers were able to meet their needs. Due to loss activities in the region and wider Europe, risk excess of loss was a harder market than catastrophe. Commissions of proportional treaties mostly remained the same, while there was some reduction for those treaties with poor performance. The prices of loss free non-proportional cat programs increased by 5% to 10% while rate increases up to 45% were witnessed in respect of loss hit programs. The prices of loss free non-proportional risk programs increased by 7.5% to 15% while there were rate uplifts of up to 40% in the loss hit programs.

THE PRICES OF LOSS FREE NON-PROPORTIONAL CAT PROGRAMS INCREASED BY 10% TO 30% WHILE RATE INCREASES UP TO 50% WERE WITNESSED IN RESPECT OF LOSS HIT PROGRAMS.

TL 1,461 MILLION

IN 2023, TOTAL PREMIUM VOLUME OF INTERNATIONAL PORTFOLIO AMOUNTED TO TL 1,461 MILLION.

International Portfolio 2023 Results

In order to diversify the portfolio in line with its profit-oriented and sustainable growth approach, Milli Re started to play a more active role in international reinsurance markets in 2006. International portfolio of the Company consists of business written from emerging markets, Singapore Branch Office business, Pools (FAIR/ECO/ TRP), Turkish Republic of Northern Cyprus business, as well as business accepted from developed markets. A significant portion of the international portfolio is made up of emerging markets business from countries that fall under the scope of FAIR Reinsurance Pool, which has been managed by Milli Re since its establishment in 1974.

Additionally, having started accepting business in 2008, Milli Re Singapore Branch continues to work efficiently in the Far East, a region which represents significant potential. In 2023, Milli Re maintained its position as a preferred business partner by providing reinsurance capacity to established companies in 22 countries in the emerging markets. Milli Re continue to support its existing business partners within the scope of its overseas activities by prioritizing long term business relationships based on solid foundations and rapidly responding to the changing market conditions, as well as taking the necessary steps to increase profitability with portfolio diversity by acquiring new businesses in line with its risk appetite. Within the framework of the strategy to develop international activities, Milli Re have been underwriting business from developed markets by participating in conventional reinsurance contracts of leading global reinsurers as well as providing capacity to several leading global reinsurers and Lloyd's syndicates since 2007.

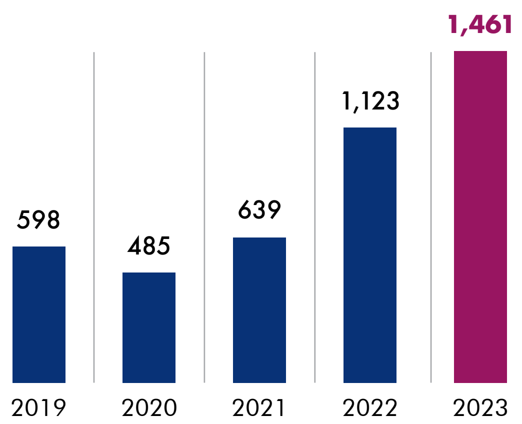
Despite the partial loss of portfolio as a consequence of recent regulations in respect of minimum financial strength requirements, premium income of the Emerging Markets Portfolio in 2023 reached TL 749 million owing to longstanding solid relationship with clients, the high-quality service provided coupled with the currency movements. On the other hand, the premium production of the Developed Markets portfolio exceeded TL 711 million level in 2023 owing to the boosted treaty premiums in consequence of upward trend in prices coupled with ongoing depreciation of the Turkish lira. Although the gross written premium, net earned premium, rate of exchange gains as well as the evaluation income showed an upward movement, despite the declined incurred losses in original currency, the international portfolio generated a technical loss of TL 45 million in 2023, mainly driven by the increased outstanding losses and boosted retrocession costs as a consequence of the negative impact of the depreciation of the Turkish lira.

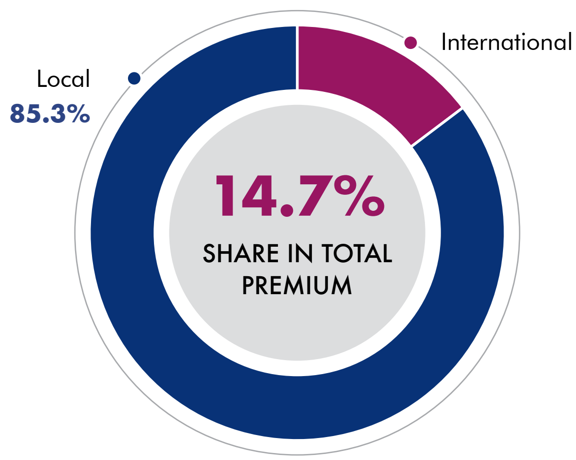
International Premium by Lines of Business	Amount	Share (%)
Fire	1,048,999,620	72
Engineering	122,344,387	9
Marine	104,251,049	7
General Liability	35,110,939	2
Personal Accident	15,536,663	1
Land Vehicles Liability	36,142,529	3
Land Vehicles	49,485,127	3
Agriculture	17,117,750	1
Health	51,714	0
Other (*)	29,607,783	2
Life	2,584,229	0
Total	**1,461,231,790**	**100**

* Credit, Legal Protection, Air Vehicles, Plate Glass, Theft, Air Vehicles Liability, Fidelity Guarantee

International Portfolio	2023	2022	2021	2020	2019
Premium (TL)	1,461,231,790	1,122,645,923	639,485,009	485,057,495	598,041,992
Share in Total Premium (%)	14.7	23.3	25.8	26.6	36.1

PREMIUM (INTERNATIONAL PORTFOLIO)
(TL MILLION)





FINANCIAL STRENGTH, PROFITABILITY AND SOLVENCY

IN 2023, MİLLİ RE'S PREMIUM PRODUCTION REACHED **TL 9,925 MILLION INCREASING BY 106% WHILE NET PROFIT AMOUNTED TO TL 3,629 MILLION.**

Milli Re's premium production reached TL 9,925 million increasing by 106%, while paid losses amounted to approximately TL 12,316 million. The Company booked a net profit of TL 3,629 million in 2023.

Company's Liquid Assets correspond to 28% of Total Assets. Owing to its strong and balanced maturity distribution of invested assets, Milli Re fulfilled all of its legal and commercial obligations in 2023.

Details on technical results are presented in the "2023 Technical Results" section.

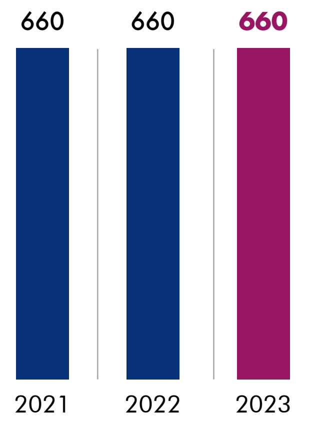
10,128

TL MILLION

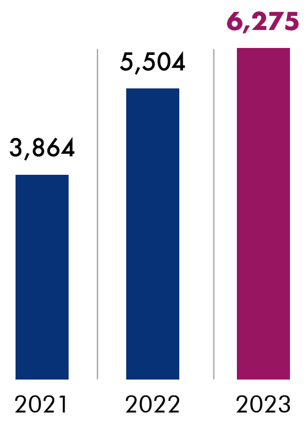
IN 2023, MİLLİ RE'S EQUITY REACHED TL 10,128 MILLION.

Financial Results (TL million)	2023	2022	Change (%)
Total Assets	22,668	12,400	82.80
Shareholders' Equity	10,128	5,056	100.32
Technical Income	10,217	5,879	73.79
Technical Profit/Loss	197	324	(39.09)
Financial Income	7,818	3,067	154.88
Financial Profit/Loss	3,432	565	507.41
Profit/Loss for the Period	3,629	889	308.39

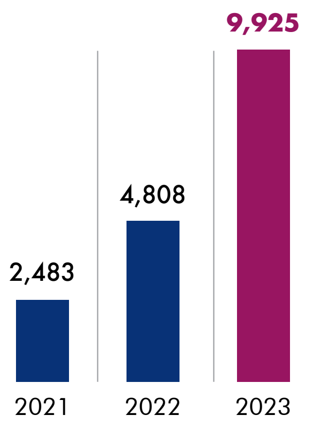
PAID-UP CAPITAL
(TL MILLION)



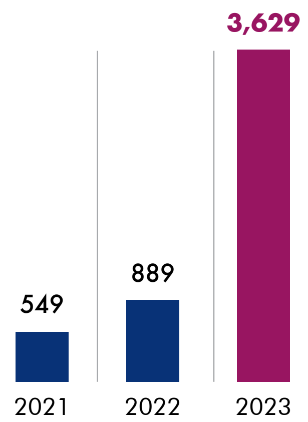
LIQUID ASSETS
(TL MILLION)



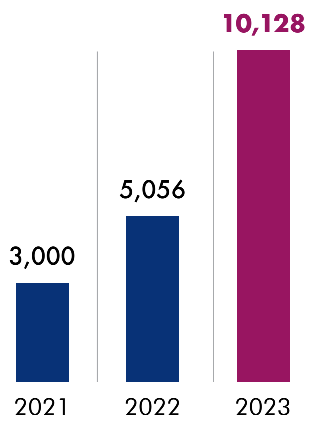
PREMIUM INCOME
(TL MILLION)



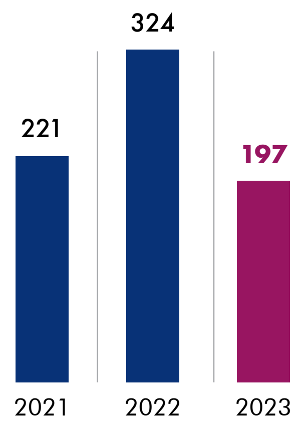
PROFIT FOR THE PERIOD
(TL MILLION)



SHAREHOLDER'S EQUITY
(TL MILLION)



TECHNICAL PROFIT
(TL MILLION)



KEY FINANCIAL INDICATORS

ASSETS (TL)	2023	2022	2021
Cash and Cash Equivalents	1,825,305,969	1,690,343,554	1,940,023,286
Securities	4,449,936,934	3,813,962,169	1,924,014,791
Subsidiaries	10,692,447,851	2,765,317,808	1,483,357,768
Fixed Assets	183,086,608	2,449,885,390	829,787,832
Total Assets	22,668,143,370	12,400,448,277	7,183,128,434

LIABILITIES (TL)	2023	2022	2021
Technical Provisions	11,233,019,325	6,707,251,046	3,834,193,983
Shareholders' Equity	10,128,117,780	5,055,935,663	3,000,422,620
Total Liabilities	22,668,143,370	12,400,448,277	7,183,128,434

INCOME AND EXPENSE ITEMS (TL)	2023	2022	2021
Technical Income	10,217,401,516	5,879,124,268	3,010,504,337
Technical Expenses	(10,020,279,173)	(5,555,504,882)	(2,789,350,223)
Technical Profit/Loss	197,122,343	323,619,386	221,154,114
Financial Income	7,817,832,550	3,067,317,755	1,353,558,990
Financial Expenses	(3,661,647,130)	(2,251,785,865)	(865,902,058)
General Expenses	(724,299,710)	(250,531,510)	(30,947,807)
Profit for the Period Tax and Other Legal Liability Provisions	0	0	(128,897,591)
Financial Profit/Loss	3,431,885,710	565,000,380	327,811,534
Profit/Loss for the Period	3,629,008,053	888,619,766	548,965,648

Financial Analysis Rations (%)	2023	2022	2021
1. Capital Adequacy Ratios			
Gross Premiums/Shareholders' Equity	131	119	88
Shareholders' Equity/Total Assets	33	32	39
Shareholders' Equity/Net Technical Provisions	68	60	74
2. Asset Quality and Liquidity Ratios			
Liquid Assets/Total Assets	28	44	54
Liquidity Ratio	90	131	157
Current Ratio	87	101	119
Premium and Reinsurance Receivables/Total Assets	18	8	9
3. Operational Ratios			
Retention Ratio	79	85	87
Paid Claims/Paid Claims+Outstanding Claims	51	37	37
4. Profitability Ratios			
Gross			
Loss Ratio	275	114	95
Expense Ratio	21	21	25
Combined Ratio	296	135	120
Net			
Loss Ratio	129	135	108
Expense Ratio	26	25	28
Combined Ratio	155	160	136
Profit Before Tax/Gross Written Premiums	37	18	27
Gross Financial Profit/ Gross Written Premiums	35	12	18
Technical Profit/Gross Written Premiums	2	6	9
Profit Before Tax/Average Total Assets	16	7	9
Profit Before Tax/Average Shareholders' Equity (Excluding Profit)	68	27	29

Key Figures	2023	2022	2021	2020	2019
Gross Premiums	9,924,594,569	4,808,430,037	2,482,605,065	1,820,275,306	1,658,819,927
Technical Division Balance	197,122,343	323,619,386	221,154,114	62,475,722	85,063,787
Investment Income	7,817,832,550	3,067,317,755	1,353,558,990	685,087,147	661,184,678
Investment Expenses	(3,661,647,130)	(2,251,785,865)	(865,902,058)	(368,475,610)	(403,360,732)
Other Income and Expenses	(724,299,710)	(250,531,510)	(30,947,807)	(1,457,582)	6,850,022
Gross Profit/Loss for the Period	3,629,008,053	888,619,766	677,863,239	377,629,677	349,737,755
Taxation	0	0	(128,897,591)	(29,030,769)	(37,227,141)
Profit/Loss for the Period	3,629,008,053	888,619,766	548,965,648	348,598,908	312,510,614
Shareholders' Equity	10,128,117,780	5,055,935,662	3,000,422,620	2,638,633,525	2,135,840,889
Total Assets	22,668,143,370	12,400,448,277	7,183,128,434	5,506,298,142	4,531,965,239

COMPANY CAPITAL

Company's capital adequacy is calculated in accordance with the principles set out in the "Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance and Pension Companies" published in the Official Gazette issue 29454 dated 23 August 2015. According to the calculation based on the principles specified by the Regulation,

The calculation for 2023 yields a positive result of TL 6,812 million.

The Company has sufficient shareholders' equity to cover liabilities that might result from its existing and potential risks.

Capital Adequacy (TL million)	2023	2022	2021
Required Capital	3,296	1,689	980
Available Capital	10,108	5,170	2,955
Capital Adequacy Result	6,812	3,481	1,975

2023 TECHNICAL RESULTS

Milli Re's premium income increased by 106,40% on a year-on-year basis and reached TL 9,924,594,569 in 2023. Paid claims increased by 408,17% and were recorded as TL 12,315,558,993 as at the end of 2023.

Premium Production (TL)

Line of Business	2023	2022	2021
Accident	87,573,240	47,687,465	46,776,240
Health	6,467,502	3,245,708	1,198,030
Land Vehicles	87,783,904	31,994,927	22,322,647
Railway Vehicles	-	-	-
Air Vehicles	11,320,594	2,176,982	3,307,551
Sea Vehicles	342,108,831	221,972,203	94,523,683
Marine	363,827,992	250,395,505	110,160,704
Fire & Natural Disasters	6,111,459,323	2,828,343,792	1,439,290,622
General Damages	2,285,327,048	1,087,398,142	590,314,680
Land Vehicles Liability	169,550,650	97,854,623	55,566,973
Air Vehicles Liability	-	-	-
Sea Vehicles Liability	-	-	-
General Liability	339,956,554	184,780,270	101,210,901
Credit	6,859,843	2,164,239	1,785,171
Fidelity Guarantee	16,648,293	4,914,541	2,424,829
Financial Losses	59,780,769	33,740,140	13,130,835
Legal Protection	577,989	719,895	433,977
Total Non-life	**9,889,242,532**	**4,797,388,432**	**2,482,446,843**
Life	**35,352,037**	**11,041,605**	**158,222**
Total	**9,924,594,569**	**4,808,430,037**	**2,482,605,065**

2023 Premium Production

Geographical Breakdown	TL	%
Türkiye	**8,463,362,779**	**85**
Asia	**563,104,371**	**5**
Asia	364,117,115	3
Middle East	198,987,256	2
Others (incl. America)	**343,280,547**	**3**
Worldwide	**281,548,278**	**3**
Europe	**246,097,014**	**3**
Central&Eastern Europe	153,875,492	2
Western Europe	92,221,522	1
Africa	**27,201,580**	**1**

2023 TECHNICAL RESULTS

In 2023, Milli Re's technical operations were negatively impacted by the increased claim costs due to depreciation of the Turkish lira against foreign currencies, inflation and the earthquake disaster that struck Kahramanmaraş and other provinces in the region February 06, 2023. Nevertheless with the contribution of the augmented premium income and transfers from the nontechnical division Milli Re generated TL 197 million profit on its technical operations.

Technical Profitability (TL)

Line of Business	2023	2022	2021
Accident	71,456,546	38,912,914	26,184,601
Health	1,637,990	(71,841)	3,435,187
Land Vehicles	52,179,357	5,059,176	680,947
Railway Vehicles	-	-	-
Air Vehicles	(23,095,040)	(3,549,376)	5,719,487
Sea Vehicles	(21,679,227)	(59,494,441)	18,439,783
Marine	237,427,289	190,151,565	58,355,638
Fire & Natural Disasters	(525,711,613)	206,951,272	476,855,109
General Damages	216,908,685	(156,759,270)	(258,848,290)
Land Vehicles Liability	32,486,859	1,713,313	(59,808,604)
Air Vehicles Liability	-	-	-
Sea Vehicles Liability	270,738	(535,632)	(34,808)
General Liability	191,493,992	173,161,743	(25,506,958)
Credit	7,307,143	2,128,338	2,282,662
Fidelity Guarantee	(5,061,511)	(18,232,592)	(3,890,694)
Financial Losses	(51,223,858)	(62,919,981)	(19,838,432)
Legal Protection	939,087	1,011,608	530,878
Total Non-life	**185,336,437**	**317,526,796**	**224,556,506**
Life	**11,785,906**	**6,092,590**	**(3,402,392)**
Total	**197,122,343**	**323,619,386**	**221,154,114**

2023 FINANCIAL RESULTS

The Company's financial investments are made in accordance with the Asset Investment Guidelines formulated under the provisions of the "Regulation Amending the Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies" published in the Official Gazette issue 27877 dated 17 March 2011.

The Company prefers to invest in liquid instruments with high yield and minimum risk, while part of the portfolio is managed by İş Portföy Yönetimi A.Ş. (İş Asset Management).

The Company's financial results are presented in detail below.

Investment Income

The investment portfolio is mainly comprised of FC securities as of 31 December 2023. In the period from 01 January to 31 December 2023, the highest amount of return was obtained from FC securities and FC demand and time deposits due to the predominant effect of the increase in exchange rates. The investment instruments with the highest rate of return were FC mutual funds and FC demand deposits. Compared to the previous year, the main factor affecting the decrease in "income from financial investments" was the fact that coupon and redemption income on FC securities has yet to be collected although part of the investments in TL corporate bonds and TL time deposits was converted into FC securities investments. On the other hand, in 2023, there was an increase in "gains on liquidation of financial investments" due to the increase in mutual fund sales income.

The decrease in the "Valuation of Financial Investments" item in the comparison period resulted mainly from the decline in the amount of the valuation of mutual funds because the company had less mutual funds in its investment portfolio in 2023 as compared to 2022.

Due to the appreciation of USD and Euro against TL, income from FC-denominated investment instruments and deposit accounts contributed significantly to the total investment portfolio return. As a result of the fluctuations in foreign exchange rates in the current year, a foreign exchange gain of TL 1,593,897,170 was recorded.

In the current period, income from Anadolu Hayat Emeklilik A.Ş. increased by TL 182,173,093 and income from Anadolu Anonim Türk Sigorta Şirketi increased by TL 2,730,389,626 as a result of the equity method of accounting of the company's associates and subsidiaries. The company's investment properties were transferred to Miltaş Tur. İnş. Tic. A.Ş. in 2023 by way of partial demerger. Due to the transfer, the income derived on Miltaş Tur. İnş. Tic. A.Ş. increased by TL 39,070,866 in 2023 within the frame of the deferred tax assets that descended in the balance sheet.

The increase in the value of the company's investment properties amounting to TL 1.1 billion in 2022 and TL 1.5 billion in 2023 for which transfer expired on 11 December 2023 predominantly affected the growth in "Income from Land, Land Improvements and Buildings".

The rise in the current year in the "Income from Derivative Instruments" account resulted mainly from the increased income on FC-protected TL deposits.

(TL)	2023	2022	Change (%)
Investment Income	**7,817,832,550**	**3,067,317,755**	**154.88**
Income from Financial Assets	361,117,238	459,394,897	(21.39)
Income from Disposal of Financial Assets	399,078,515	115,496,788	245.53
Valuation of Financial Assets	30,178,754	147,115,807	(79.49)
Foreign Exchange Gains	1,593,897,170	407,982,385	290.68
Income from Subsidiaries	355,585,374	173,412,281	105.05
Income from Subsidiaries and Joint Ventures	3,367,901,023	598,440,531	462.78
Income from Property Plant and Equipment	1,596,134,475	1,137,381,257	40.33
Income from Derivative Transactions	113,940,001	25,351,060	349.45
Other Investments	-	2,742,749	-

Investment Expenses

Due to the higher realization of technical provisions and investment income compared to the previous period, there has been an increase in investment income transferred from the non-technical segment to the technical segment.

As a result of the fluctuations in foreign exchange rates in the current period, foreign exchange loss amounting to TL 39,581,334 was recorded.

(TL)	2023	2022	Change (%)
Investment Expenses	**(3,661,647,130)**	**(2,251,785,865)**	**62.61**
Investment Management Expenses – (Incl. Interest)	(577,324)	(303,487)	90.23
Loss from Disposal of Financial Assets	(13,345,686)	(196,394)	6,695.36
Investment Income Transferred to Non-life Technical Account	(3,516,302,860)	(2,170,788,001)	61.98
Losses from Derivatives	(6,884,346)	(7,060,875)	-
Foreign Exchange Losses	(39,581,334)	(17,582,999)	125.11
Depreciation and Amortization Expenses	(28,018,645)	(24,330,752)	15.16
Other Investment Expenses	(56,936,935)	(31,523,357)	80.62

Income and Expenses From Other and Extraordinary Operations

As the result of the developments mentioned above, the company posted TL 523,942,071 in "Deferred Tax Liability Expenses" in 2023.

(TL)	2023	2022	Change (%)
Income and Expenses From Other and Extraordinary Operations	**(724,299,710)**	**(250,531,510)**	**189.11**
Provisions	(153,684,528)	(150,438,548)	2.16
Rediscounts	(45,990,646)	(9,520,269)	383.08
Deferred Taxation (Deferred Tax Assets)	-	-	-
Deferred Tax Liability Expense	(523,942,071)	(103,908,015)	404.24
Other Income	2,964,787	13,516,934	(78.07)
Other Expenses and Losses	(3,647,252)	(181,612)	1,908.27

Gross Profit/Loss for the Period

In the current period, there was no balance in the "Profit for the Period Tax and Other Legal Liability Provisions" item due to the Tax Procedure Law loss.

(TL)	2023	2022	Change (%)
Gross Profit/Loss for the Period	**3,629,008,053**	**888,619,766**	**308.39**
Profit/Loss for the Period	3,629,008,053	888,619,766	308.39
Profit for the Period Tax and Other Legal Liability Provisions	-	-	-

GENERAL ASSEMBLY AGENDA

MİLLÎ REASÜRANS T.A.Ş.

AGENDA FOR THE GENERAL ASSEMBLY HELD ON 27 MARCH 2024

1. Opening and formation of the Presiding Board,
2. Reading and discussion of the 2023 Activity Report drawn up by the Board of Directors,
3. Reading of the Statutory Auditors' report,
4. Reading, discussion and approval of the Company's Financial Statements for 2023,
5. Approval of the elections made for the seats on the Board of Directors vacated during the year pursuant to Article 363 of the Turkish Commercial Code and Article 12 of the Articles of Association
6. Amending Article 4 "Headquarters and Branches" of the Articles of Association
7. Declaration of the Board of Directors,
8. Determination of the manner and date of distribution of profit of 2023,
9. Election for the seats on the Board of Directors,
10. Determination of Statutory Auditor,
11. Determination of the remuneration to be paid to the members of the Board of Directors,
12. Determination of the Audit Committee members
13. Authorizing the Board of Directors to perform the transactions set out in Articles 395 and 396 of the Turkish Commercial Code.

BOARD OF DIRECTORS REPORT

We respectfully submit for the consideration and approval of the Milli Re General Assembly of Shareholders our company's 95th fiscal-year balance sheet, income statement, distributable-profits statement, changes in equity statement, and cashflow statement for 2023, all of which have been prepared in accordance with principles and rules mandated by the Ministry of Treasury and Finance.

While the tightening monetary policies formulated by anti-inflationary efforts and aggravated geopolitical risks made the main headings that set the 2023 agenda of global economy, liquidity shrinkage that particularly affected emerging countries, issues in accessing financing and the pressure high interest rates exert on growth reflected negatively on economic indicators.

The addition of the humanitarian plight in Gaza to the Russia-Ukraine war that has been going on for more than two years now that unveil the exacerbating effects of geopolitical risks, and the earthquake disaster in our country have imprinted 2023 as tragic developments with deep economic and social scars.

As of year-end, it has been observed that steps taken to pull down global inflation started producing results sooner than expected and the worrisome sharp decline scenarios in relation to growth did not materialize. In its January 2024 update of the World Economic Outlook, the IMF revised its previous forecasts upwards and reported estimated growth rates for 2023 as 3.1% for global economy, 1.6% for developed economies and 4.1% for developing ones. The report also underlined that global recession risk weakens parallel to consistent growth and disinflation, and projects global economic growth rate for 2024 at 3.1%.

In 2023 during which it has preserved its growth trend, the Turkish economy experienced the repressive effect of hyper inflation, which also restrained household income levels. Having climbed up throughout the year, the year-end CPI was 64.77%.

The driving force of our economy that registered 4.7% expansion in the first three quarters of the year has been consumption expenditures that were brought forward due to the rising inflation. Following the general elections, a change of policy was introduced in the second half of the year that resorted to various measures to tame inflation. The CBRT moved to simplification and started increasing the policy rate, gradually hiking the interest rate from 8.5% in June to 42.5% at the end of the year. On another front, the policies implemented in the first half of the year for repressing the demand for foreign currency were loosened, allowing exchange rates to rise according to the market dynamics, and improvements were observed in the CBRT reserves.

While global deceleration and notably the stagnation in Europe that represents our main export market harnessed the growth in exports, the upward effect of consumption-driven economic growth on non-energy imports reflected negatively on external balance and current deficit. Despite the ongoing positive impact of tourism revenues on current accounts balance, decreased transportation and travel revenues reflected negatively.

The IMF estimates that the Turkish economy grew by 4% in 2023 and projects 3.1% expansion in 2024.

In 2024, tight monetary policies and high interest rates will be probably maintained for some more time within the scope of the fight against inflation, and global economy will possibly exhibit a slowing growth trend. Moreover, the highlights of potential elements that might create volatilities for global economy in 2024 include geopolitical risks led by the regional armed conflicts with sustained risk of dissemination in the Middle East, global polarization and trade wars, elections to be held in more than 40 countries and notably the US, and the impacts of the climate crisis that increase in frequency and severity.

Turning now to the global reinsurance market, total economic losses attributable to natural disasters amounted to USD 380 billion or 7% more than in 2022. Insured catastrophic losses topped the USD 100 billion mark once again and hit USD 118 billion. In our country, on the other hand, the Kahramanmaraş Earthquake of February 6th that heavily struck 11 provinces went down in the records as the costliest natural disaster in 2023. While it is noted that global insured losses mostly stemmed from medium-scale weather events, global insurance ownership is still very low considering that insured losses made merely 31% of global catastrophic losses.

Despite high catastrophic losses registered in 2023, the technical results of reinsurers improved with the contribution of the significant tightening tendency in the prices and terms dominating 2023 renewals, and total reinsurance capital including alternative capital rose from USD 590 billion at year-end 2022 to USD 635 billion as of September 2023 thanks also to the recovery in investment income.

According to figures published by the Insurance Association of Türkiye, the Turkish insurance industry's premium production amounted to TL 485.9 billion in 2023. On a nominal basis, this corresponds to a year-on increase of 107%. This growth corresponds to a real increase of 25% when the inflation factor is taken into account.

Non-Life branches wrote premiums in the amount of TL 429.2 billion, corresponding to a nominal growth by 110.3% on an annual basis and accounting for 88.3% of total premiums available to the industry in 2023. The growth in these branches was driven by increased premiums of life policies resulting from medical inflation, as well as higher premiums in Land Vehicles Liability and Land Vehicles policies due to the escalating inflation and exchange rates. Nominal expansion in Life branch, on the other hand, was 84% due to the reflection of the uptrend in interest rates in individual loan volume; consequently; the share of this branch in total life and non-life premiums declined from 13% to 11.7%.

While very strong nominal rises in premium production were registered in nearly every non-life branch in 2023, the greatest increases took place in the two branches that together also account for the biggest share of premium insurers' receipts: motor vehicle liability (up 105%) and motor vehicle (up 89.2%).

Next in the rankings with the highest shares, Illness/Health and Fire and Natural Disasters branches recorded respective increase rates of 135.4% and 139.5%. Premiums written in the up-and-coming Participation insurance constituted 5% of the sector's total premium income as of year-end 2023, as they did in 2022.

The barely-apart earthquakes centered in Pazarcık and Elbistan districts of Kahramanmaraş that took place by the beginning of February 2023 with respective magnitudes of 7.7 and 7.6 hit a broad geography including Hatay, Osmaniye, Adıyaman, Diyarbakır, Şanlıurfa, Gaziantep, Kilis, Adana, Malatya and Elazığ provinces, besides Kahramanmaraş, affecting a large population of nearly 14 million people.

The earthquakes not only caused a multi-faceted destruction for the people in the region, but also hurt the national economy due to its immense span. Total exports from the region that holds nearly 9% share within the country's exports declined by 13% year-on-year, with the steepest falls occurring in Osmaniye, Adıyaman, Kahramanmaraş and Hatay provinces.

The total burden the earthquakes imposed on the Turkish economy was put at USD 104 billion. According to the Kahramanmaraş and Hatay Earthquakes Report released in March 2023 by the Presidency of Strategy and Budget, damages to houses constitute the largest portion of the loss with USD 57 billion. This is followed by damages to the public infrastructure and service buildings with USD 13 billion and damages to private sector except houses with USD 12 billion.

While insurers covered approximately 5% of the losses that had an impact on the insurance sector calculated at around USD 5 billion, 95% were paid by reinsurers. As of year-end 2023, Milli Re paid EUR 322 million in earthquake damages; including outstanding claims, total final damages to be paid is forecasted to reach the order of EUR 550 million.

Following what has been a year of the importance of insurance, risk transfer and earthquake coverage bared once again for our country, a higher amount of reinsurance coverage was needed as compared to 2023 due to elevated insurance prices that resulted from inflation and increased costs. One other reason that warranted the need for higher earthquake coverage has been diverse assumptions and scenario analyses used in reviewing the modeling.

The key post-earthquake action taken by the Turkish insurance industry has been the increasing of the amount of TL 400 million set for the free tariff implementation to TL 2 billion as of 01 August 2023, and raising tariff prices on the basis of risk groups by 25% as of 01 January 2024.

The damages caused by the earthquake and growing capacity needs further escalated the reinsurance costs that have been already climbing up for the past two years; some difficulties were experienced in the placement of reinsurance treaties, and some companies were able to complete their placements by creating a hybrid model using alternative reinsurance treaties. As opposed to previous years, 2023 has been a year in which both proportional and non-proportional reinsurance treaties were placed at later dates than envisaged.

Most Turkish insurance companies continued protecting their 2024 risk portfolios by means of surplus proportional bouquet treaties. Following 2024 renewals, Milli Re provides capacity to 18 companies utilizing proportional reinsurance treaties and is the leader in the reinsurance treaties of 14 companies. Having restructured its portfolio due to retrocession capacity restraint and costs and having reduced its shares in proportional treaties by 40%-50% as compared to the previous year based on its profit-oriented strategy, Milli Re's market share in proportional treaties in 2024 was 18%, which was 30% in 2023. Milli Re participated in the programs of eight companies that make use of excess of loss agreements to cover their risk portfolios.

Milli Re maintains its dominant position, experience and technical know-how in the Turkish market and continues to consolidate its presence in global markets backed also by its robust capitalization. Having booked TL 3,629 million in net profit for the period as of year-end 2023, the company's paid-in capital amounts to TL 660 million, and its shareholders' equity to TL 10,128 million, while its total assets and premium volume are registered as TL 22,668 million and TL 9,925 million respectively. While the company generated 85.3% of its total premiums on local business, 14.7% thereof was written on international business.

In closing, we are deeply grateful to all our stakeholders for their growing contributions towards our company's continued and consistently successful performance in 2023 enabled by its corporate reputation and credibility.

Sincerely yours,

BOARD OF DIRECTORS

DIVIDEND DISTRIBUTION POLICY

Maintaining a balance between the Company’s interests, shareholders’ expectations and the Company’s profitability are the main factors taken into consideration in relation to dividend distribution.

Dividend distribution principles that are determined within the framework of the applicable legislation and the Company’s Articles of Association are presented below:

Profit distribution of the Company is decided by the General Assembly of Shareholders based on the proposal set forth by the Board of Directors in view of the provisions of the Turkish Commercial Code and other applicable legislation governing the Company.

The Company’s net profit consists of the revenues generated up until the end of an accounting period less general expenses, depreciation, all reserves deemed necessary, taxes and similar legal and financial obligations, along with previous years’ losses, if any.

Net profit, which is calculated as mentioned above, is allocated and distributed in the order written below:

a) An amount equal to 5% of the net annual profit is set aside as general legal reserves every year until such reserves reach 20% of the paid-up capital.

b) Once the legal limit is reached, the amounts stipulated by Article 519/2 (a) and (b) of the Turkish Commercial Code are added to the general legal reserves.

c) A first dividend equal to 10% of the remaining net profit is distributed to shareholders.

d) In the event that the Company has repurchased its own shares, reserves equal to the amount that would cover the acquisition costs will be set aside pursuant to Article 520 of the Turkish Commercial Code.

e) A natural disaster and catastrophe fund may be set aside from the remaining amount, if deemed necessary, of amounts to be determined upon the proposal set forth by the Board of Directors and based on the resolution passed by the General Assembly.

f) From the balance that remains after setting aside the legal reserves, first dividends, other reserves and funds mentioned above from the net profit, a proportion up to 3% is paid out to employees, provided that the amount does not exceed three times’ the recipients’ salaries.

g) From the amount remaining after the above-mentioned allocations and distributions, without prejudice to the provisions of the applicable legislation, a second dividend is paid to shareholders upon the proposal set forth by the Board of Directors and based on the resolution passed by the General Assembly.

h) In pursuance with the provision of Article 519/2 (c) of the Turkish Commercial Code, 10% of the total amount to be distributed to those who will receive a share of the profit will be added to legal reserves.

i) The balance will be utilized in a form and manner to be determined by the General Assembly.

Provisions of Article 519/3 of the Turkish Commercial Code are reserved.

Unless and until the reserves that are legally required to be set aside and the first dividends determined for shareholders in the Articles of Association are set aside, no decision may be taken to set aside further reserves, to carry forward profit to the following year or to distribute any share of the profit to the employees.

The distribution of the cash dividend must be realized no later than by the end of the second month following the date of the Annual General Assembly in which the profit distribution decision was passed. The distribution of a dividend in the form of dematerialized shares is carried out upon receipt of legal permissions.

DIVIDEND DISTRIBUTION PROPOSAL

	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.

06

RISKS AND ASSESSMENT OF THE GOVERNING BODY

RISK MANAGEMENT PRACTICES

Given the risk-focused nature of insurance business, insurance and reinsurance companies establish risk management systems and processes and systematically monitor risk exposure as a part of their primary activities. Therefore, our Company has been implementing risk management techniques for many years; development of these techniques has gained even greater importance due to the adverse developments in the Turkish and global financial markets during the recent years, as well as the disasters that have occurred.

The aim of the risk management system is to define the risks arising from Company's activities, to determine related limits, to measure, monitor, control the risks effectively, to take necessary measures and to do the necessary reporting to the Board of Directors and related authorities, as well as to protect Milli Re's reputation and to ensure that liabilities to insurance companies are fulfilled completely and in a timely manner.

The "Risk Catalogue", which aims to form a common terminology within the Company and in which possible risks are classified and defined by examples, is updated in accordance with changing conditions and approved by the Board of Directors. Moreover, the measurement methods of the risks that the Company is/may be exposed to, risk tolerance, duties and responsibilities related to risk measurement, risk limits, determination methods of these limits, action plans in case of limit violations, authorizations and responsibilities related to limits, and situations that necessitate approval and confirmation are detailed in the "Application Principles in Respect of Risk Limits", which is approved by the Board of Directors and updated in accordance with changing conditions.

The duties and responsibilities of the Risk Management Department are as follows:

- To determine, define, measure, monitor and control risks,
- To determine the risk management policies predicated on risk management strategies and to submit them to the Board of Directors,
- To declare risk management principles, procedures and policies throughout the Company,
- To provide the implementation of risk management policies and compliance with them,
- To develop risk management techniques and methods, to ensure that risks are within determined limits and to monitor limit violations, if any,
- To carry out reporting and announcement activities to the Board of Directors and related authorities in respect of risk management,
- To control capital adequacy calculations performed according to the related legislation,
- To carry out the processes in respect of disaster management,
- To establish and operate early warning systems that monitor risk and take timely measures,
- To evaluate new products, operation and planned activities in terms of compliance with the legislation and the risks involved.

Basic Risks and Measurement Methods

Risks that the Company is and/or may be exposed to are classified under two headings: financial and non-financial risks. Definitions of basic risks and their assessment methods are stated below.

Financial Risks

Underwriting Risk

This risk arises from the inaccurate and inefficient application of reinsurance techniques in the process of making profit by underwriting and retrocession activities.

When measuring underwriting risk, assessment of compliance with predetermined underwriting limits and principles and compliance of Company's retention and reinsurance protection limits with the criteria set out in the "Application Principles in Respect of Risk Limits" is conducted.

Company's capital structure, market conditions, underwriting limits in respect of the lines of business which will be subject to retrocession contracts, risk profiles, loss experience, accumulation that may occur in the event of a catastrophe risk, regional event limits, and modelled loss amounts, if applicable, are taken into consideration during arrangement of retrocession contracts which are prepared in order to cover the liabilities arising from underwritten business.

Credit Risk

This risk expresses the probability of loss arising from the full or partial default of the counterparties (security issuers, insurance/reinsurance companies, other debtors) with which the Company has a business relationship.

Credit risk is measured by both quantitative and qualitative methods. The key criteria in the selection of reinsurers, participating in the retrocession contracts arranged for covering Company's liabilities arising from business acceptances in various lines of business, is the credit ratings of reinsurers. On the other hand, the payment performances and financial conditions of counterparties are also taken into account.

In order to assess the concentration risk arising from the transfer of the risk to one or several specific reinsurers, premiums ceded to reinsurers are taken as a base and reinsurers' conditions such as being licensed in Türkiye, being in the group and meeting the criteria set by the relevant authority regarding credit risk rating are taken into consideration. Premium transfers that exceed the limits stated by Insurance and Private Pension Regulation and Supervision Authority are considered as concentration and are included in the capital adequacy calculation by being multiplied by risk factors defined by the aforementioned authority.

Moreover, doubtful receivables, distribution of the Company's investment portfolio in terms of counterparties, and the ratings of bond issuers of private bonds that are in the portfolio, are monitored quarterly in accordance with the principles defined in Company's Investment Policy.

Asset-Liability Management Risk

This risk expresses the potential loss that may arise from the inefficient and inaccurate management of Company assets without considering the characteristics of the Company's liabilities and optimizing the risk-return balance.

This risk, which is measured by quantitative methods, includes all other financial risks of the Company with the exception of underwriting and credit risk. The components of the risk are described below:

a) Market Risk

This risk expresses the probability of loss because of the interest rate risk, rate of exchange risk and equity position risk occurring in the financial position of the Company due to the interest, rate of exchange, equity, commodity and option price changes arising from the volatilities in financial markets.

When determining market risk exposure of the Company, Value at Risk (VaR) method is used, which measures the maximum loss that may occur at a definite confidence level in value of investment portfolio held for a definite time period, due to volatilities in risk factors. VaR is calculated by using the "Historical Simulation Method" where different scenarios are created by taking into consideration the historical data. Calculations are based on 250 working days, 99% confidence level and 1 day holding period.

In addition to the daily calculated VaR, following tests are applied:

- Backtesting
- Stress Tests
- Scenario Analysis

These tests are used to support the VaR method in calculating the loss in portfolio value due to unexpected and extraordinary circumstances and intend to test the accuracy of the measurement results and monitor the sensitivity of the portfolio to changes in the basic risk factors by creating different scenarios.

Market risk limits are set out in "Application Principles in Respect of Risk Limits", while limits and application principles in respect of investment portfolio are set out in "Derivatives Policy", "Macro Asset Investment Policy", "Investment Policy" and "Alternative Investment Plan" of the relevant year. Mentioned limits are checked regularly.

b) Structural Interest Rate Risk

This risk expresses the negative impact on balance sheet assets and liabilities which are not subject to trading, due to possible changes in interest rates.

Receivables from reinsurance operations and payables arising from reinsurance operations are discounted by using Overnight Indexed Swap (OIS) rates in respect of related currencies and maturities and these figures go into the financial statements, accordingly they are subject to structural interest rate risk. Upward and downward shocks are applied to Overnight Indexed Swap (OIS) rates that are used in discounting process every three months and possible changes in values of receivables and payables are calculated.

c) Liquidity Risk

This risk denotes the imbalance between the Company's cash outflows and inflows in terms of maturity and volume.

This risk is measured using quantitative methods, and any liquidity deficit is observed via maturity analysis of assets and liabilities in the balance sheet. Moreover, level of liquid assets covering liabilities is monitored by using the liquidity ratio and assessed within the defined limit.

d) Capital Investment Risk

This risk expresses the loss that may arise in the value of capital investments or dividend income due to general market conditions, legislative amendments and/or to the problems in managerial or financial structure of the invested companies.

Market values of the equities followed-up under financial assets held for trading account are evaluated on the basis of Borsa İstanbul (BIST) data, whereas available-for-sale financial assets are evaluated according to their fair values. Subsidiaries and affiliates are evaluated according to equity method.

e) Real Estate Investment Risk

This risk expresses the negative impact on assets which are sensitive to real estate prices, due to adverse movements or excessive volatilities in real estate prices or the sale of the real estates under actual value.

Real Estate Investment Risk is monitored in accordance with valuation reports which are to be prepared in accordance with the related provisions of the legislation and taking into consideration the Company's requirements and investment policies. Besides, by applying a defined downward stress on the expertise values, loss amount that may arise in the value of real estates and shareholders' equity is monitored.

Non-Financial Risks

Operational Environment Risk

This risk is defined as the risk of negative impact of external factors (political, economic, pandemic related, demographic etc.) of the Company's operating environment, on the operational ability of the Company.

Qualitative methods are used to measure this risk. The underwriting portfolio is monitored on country basis to see if there are any business acceptances from countries that are defined as "unapproved" due to political or economic conditions and also credit ratings of countries, generating the highest share of estimated premium income in respect of developing market acceptances are analyzed.

Strategy Risk

This risk arises due to the inefficient managerial and organizational structure of the Company, inability of the management to determine and/or develop effective strategies or non-disclosure and/or lack of implementation of these strategies, erroneous business decisions, and improper application of decisions or noncompliance with the changing market dynamics.

Qualitative methods are used to measure the level of this risk. On the basis of "Self-Assessment Methodology", "Questionnaire" and/or "Interview" methods are used to determine the level of the risk as "High", "Acceptable" or "Low".

Model Risk

This risk expresses the probability of loss that may occur if the models that the Company uses within risk measurement processes are inappropriately designed or not properly implemented.

In measurement and assessment process of Model Risk, "Questionnaire" and/or "Interview" methods are used on the basis of "Self-Assessment Methodology", to determine the level of the risk as "High", "Acceptable" or "Low".

Operational Risk

This risk expresses the probable losses arising from inappropriate or inoperative business processes, human errors, technological or infrastructural interruptions, changes in management or processes, inaccurate internal/external reporting or external factors occurring while Company conducts its vital functions necessary for the continuation of business, and inability to secure low cost and high efficiency as a result of business interruption due to disasters.

Qualitative and quantitative methods are used together in measuring the operational risk. Factor Based Standard Approach is applied as a quantitative method. In this method, the required capital for operational risks is calculated by multiplying gross technical provisions and gross earned premiums by the factors in respect of the relevant lines of business.

"Self-Assessment Methodology", which allows determination of the risks related to activities conducted with the involvement of staff performing such activities, is applied as a qualitative method for operational risk. The level of the operational risk that the Company is exposed to is subsequently classified as "High", "Acceptable" or "Low" depending on the result of the assessments.

Reputation Risk

This risk can be defined as the probable loss due to loss of confidence in the Company or damage to the "Company Reputation" resulting from failures in operations or noncompliance with current regulations.

Qualitative methods are used to measure the level of the risk. On the basis of "Self-Assessment Methodology", "Questionnaire" and/or "Interview" methods are used to determine the level of the risk as "High", "Acceptable" or "Low".

Information Technologies Risk

This risk expresses the probable losses arising in Information Technology (IT) processes, assets and resources that constitute the entire hardware, applications and communication channels used in operations, due to internal and external problems occurring in operations and processes such as strategy management, cost management, human resources management, risk management, incident and problem management, information security, back up process, procurement process, supplier selection and assessment, user identification and access management, critical resources management, data security, integrity and availability, acquisition and modification of software and hardware, test and version management, service quality and continuity, business continuity, disaster and configuration management, environmental and physical factors management.

Risks related to Company's information technologies are measured and assessed in accordance with the provisions stated in Information Technology Risk Management Application Principles, based on internationally accepted practices.

On the other hand, Disaster Management process, defined with the purpose of governing and monitoring sub-risks in relation to Business Continuity and IT Continuity, is carried out in accordance with the provisions of related legislation. An internal training is organized, and a test study is performed annually within the context of Disaster Management. In this regard, for Company's business processes and information systems, including the Singapore Branch of the Company, this year's exercise was carried out by providing remote access to applications and systems in Disaster Server Centre located outside of Istanbul via a secure network connection. In addition, Suadiye Miltaş Sports Facilities, which is the disaster recovery location of the Company, was visited and the equipment there was tested. According to the results of this study, all applications and systems specified in the Disaster Recovery Plan, data and documents required by business units for critical business processes were accessible in conformity with recovery point objectives, and data entries were completed successfully. In addition, the data restore test has also been carried out successfully.

All findings obtained as a result of measurement of the above-mentioned risks, analyses and assessments in respect of these findings are regularly reported by Risk Management Department to the Board of Directors, as well as to Subsidiaries Division of İşbank.

If the impact and probability levels of the risks are found "High", the Board of Directors determines an action plan regarding the necessary actions.

ASSESSMENT OF CAPITAL ADEQUACY

The Company's capital adequacy is measured according to the provisions of "Regulation in Respect of Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies", which was published by Insurance and Private Pension Regulation and Supervision Authority and assessments regarding the results are submitted to the Board of Directors and Subsidiaries Division of İşbank via the "Risk Assessment Report".

The factor-based method, used according to the aforementioned regulation, determines the amount of capital required for each type of risk, and thus allows the calculation of the total required capital.

TRANSACTIONS CARRIED OUT WITH MİLLİ RE'S RISK GROUP

Being a member of İşbank Group, Milli Re carries out its relations with its risk group on an arm's length basis.

Relations with group companies are concentrated mostly in reinsurance, banking, portfolio management, information technologies services and risk management.

Risk management activities are carried out in compliance with Consolidated Risk Policies of the risk group. Possible risks and findings obtained as a result of measurement are regularly monitored through reporting systems set up within the group.

Detailed information on the Company's transactions with its risk group is presented in the notes to the Financial Statements.

EXTERNAL SERVICE PROCUREMENT

The company's external service procurements are carried out in a transparent manner, taking into account business necessities, information technology requirements and in compliance with legal regulations within which the authorities and responsibilities of all relevant parties are clearly determined. External services were procured for maintenance support services of softwares and databases predominantly used in reinsurance, claims, accounting, human resources and correspondence processes. The external services procured by internal systems are within the scope of the followings;

- In the field of actuarial; support service received for calculation of insurance technical provisions, pricing, setting an economic capital model and capital adequacy calculations,
- Registered actuarial service and
- Audit of information technologies.

THE ANNUAL REPORTS OF THE PARENT COMPANY IN THE GROUP OF COMPANIES

a- The Parent Company Milli Re holds shares representing 57.31% of the capital of Anadolu Anonim Türk Sigorta Şirketi directly, and 1% and 12.46% of the capital of Anadolu Hayat ve Emeklilik A.Ş. directly and indirectly, respectively.

b- Enterprises that belong to the Group do not have a share in the capital of the Parent Company Milli Re.

c- The Company's Consolidated and Unconsolidated Internal Audit and Risk Management Policies are formulated within the frame of the relevant consolidated policies of the group of companies to which the Company is affiliated and covers the Company's subsidiaries subject to consolidation on a line-by-line basis. These are based on the operating principles of Türkiye İş Bankası A.Ş.

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Financial Statements as of December 31, 2023 together with the Independent Auditor's Report

Independent Auditor's Report

To the General Assembly of Millî Reasürans Türk Anonim Şirketi

A) Report on the Audit of the Unconsolidated Financial Statements

1) Opinion

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

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2023, and its unconsolidated financial performance, its unconsolidated cash flows and its profit distribution for the year then ended in accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Financial Reporting Standards decree for the matters not regulated by insurance legislation; "Insurance Accounting and Financial Reporting Legislation".

2) Basis for Opinion

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

3) Key Audit Matters

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

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 11.233.019.325 representing 50% of the Company's total liabilities. The Company has reflected a net provision of TL 6.017.993.767 for the future outstanding claims for insurance contracts. In the calculation of Incurred But Not Reported (IBNR) claims provisions (TL 766.660.626, 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 unconsolidated financial tables and also the calculations of such provisions include significant actuarial judgements and forecast, IBNR calculations has been considered as a key audit matter.	We have performed the audit procedures related the actuarial assumptions which disclosed in the Note 2 and 17 together with the actuary auditor who is part of our audit team. These procedures are primarily intended to assess whether the estimates and methods that used in the calculation of the outstanding claims reserve by the Company are appropriate. In this context, we have performed the audit procedures related to the recording the Company's incurred outstanding claims; performed the analytical review, performed detailed testing on the incurred case files which selected randomly; have performed the audit procedures related to the completeness of the data used in the calculation of insurance contract liabilities; assessed the properness of the IBNR calculation method used by the Company for each line of businesses both the relevant claim characteristics and the Company's claim history; performed the recalculation procedure on the amount of IBNR calculated by the Company; reviewed the claim analyzes made by the Company's actuary and questioned these analyzes in terms of suitability and consistency of both legislation and Company past experience; assessed whether the disclosures in the notes of the financial statements are sufficient.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

B) Report on Other Legal and Regulatory Requirements

1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 - December 31, 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

Convenience Translation of the Company's Representation on the Unconsolidated Financial Statement Prepared as of December 31, 2023

We confirm that the unconsolidated 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 Özdemir
Director and General Manager

Özlem CİVAN
Assistant General Manager

Şule SOYLU
Assistant General Manager

Ertan Tan
Actuary
Registration No: 21

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Millî Reasürans Türk Anonim Şirketi

Unconsolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

ASSETS				
			Audited	Audited
			Current Period	Prior Period
I-	Current Assets	Note	December 31, 2023	December 31, 2022
A-	Cash and Cash Equivalents	4.2, 14	1.825.305.969	1.690.343.554
1-	Cash	4.2, 14	-	42.425
2-	Cheques Received		-	-
3-	Banks	4.2, 14	1.825.305.969	1.690.301.129
4-	Cheques Given and Payment Orders (-)		-	-
5-	Receivables From Credit Cards with Bank Guarantee Due Less Than Three Months		-	-
6-	Other Cash and Cash Equivalents		-	-
B-	Financial Assets and Investments with Risks on Policy Holders	11	4.449.936.934	3.813.962.169
1-	Financial Assets Available for Sale	11	3.838.711.783	2.821.184.794
2-	Financial Assets Held to Maturity		-	-
3-	Financial Assets Held for Trading	11	611.225.151	999.731.915
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	4.2, 12	3.692.318.505	811.580.762
1-	Receivables From Insurance Operations		-	-
2-	Provision for Receivables From Insurance Operations (-)		-	-
3-	Receivables From Reinsurance Operations	4.2, 12	3.237.541.002	504.391.933
4-	Provision for Receivables From Reinsurance Operations (-)		-	-
5-	Cash Deposited For Insurance & Reinsurance Companies	4.2, 12	454.777.503	307.188.829
6-	Loans to Policyholders		-	-
7-	Provision for Loans to Policyholders (-)		-	-
8-	Receivables from Pension Operation		-	-
9-	Doubtful Receivables From Main Operations		-	-
10-	Provisions for Doubtful Receivables From Main Operations (-)		-	-
D-	Due from Related Parties	12	24.306.074	-
1-	Due from Shareholders		-	-
2-	Due from Affiliates		-	-
3-	Due from Subsidiaries	12	24.306.074	-
4-	Due from Joint Ventures		-	-
5-	Due from Personnel		-	-
6-	Due from Other Related Parties		-	-
7-	Rediscount on Receivables Due from Related Parties (-)		-	-
8-	Doubtful Receivables Due from Related Parties		-	-
9-	Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E-	Other Receivables	4.2, 12	12.705.272	12.828.915
1-	Leasing Receivables		-	-
2-	Unearned Leasing Interest Income (-)		-	-
3-	Deposits and Guarantees Given	4.2, 12	10.519.746	11.762.043
4-	Other Receivables	4.2, 12	2.185.526	1.066.872
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		1.284.632.255	619.990.838
1-	Deferred Commission Expenses	17	1.151.447.899	540.362.676
2-	Accrued Interest and Rent Income		-	-
3-	Income Accruals	4.2	64.668.644	43.874.686
4-	Other Prepaid Expenses	4.2	68.515.712	35.753.476
G-	Other Current Assets		14.796.619	23.843.169
1-	Inventories		118.768	166.642
2-	Prepaid Taxes and Funds	12, 19	9.170.386	13.673.790
3-	Deferred Tax Assets		-	-
4-	Job Advances	4.2, 12	47.448	5.207.469
5-	Advances Given to Personnel		-	-
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		11.304.001.628	6.972.549.407

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

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

	ASSETS			
			Audited Current Period	Audited Prior Period
II-	Non-Current Assets	Note	December 31, 2023	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		-	-
1-	Leasing Receivables		-	-
2-	Unearned Leasing Interest Income (-)		-	-
3-	Deposits and Guarantees Given		-	-
4-	Other Receivables		-	-
5-	Discount on Other Receivables (-)		-	-
6-	Other Doubtful Receivables		-	-
7-	Provisions for Other Doubtful Receivables (-)		-	-
D-	Financial Assets	4.2,9	10.692.447.851	2.765.317.808
1-	Investments In Associates		-	-
2-	Affiliates	4.2,9	803.602.412	431.889.372
3-	Capital Commitments to Affiliates (-)		-	-
4-	Subsidiaries	4.2,9	9.888.845.439	2.333.428.436
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	137.728.159	2.425.018.939
1-	Investment Properties	6,7	30.000.000	1.650.131.000
2-	Diminution in Value for Investment Properties (-)		-	-
3-	Building for own use	6	-	744.475.000
4-	Machinery and Equipments		-	-
5-	Furnitures and Fixtures	6	43.187.951	29.953.528
6-	Vehicles	6	4.786.494	3.360.121
7-	Other Tangible Assets (Including Leasehold Improvements)	6	53.013.225	-
8-	Leased Tangible Fixed Assets	6	40.132.165	9.441.382
9-	Accumulated Depreciation (-)	6	(33.391.676)	(23.786.977)
10-	Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)	6	-	11.444.885
F-	Intangible Fixed Assets	8	45.358.449	24.866.451
1-	Rights	8	61.830.210	56.102.890
2-	Goodwill		-	-
3-	Establishment Costs		-	-
4-	Research and Development Expenses		-	-
6-	Other Intangible Assets		-	-
7-	Accumulated Amortizations (-)	8	(54.082.786)	(47.345.521)
8-	Advances Regarding Intangible Assets	8	37.611.025	16.109.082
G-	Prepaid Expenses and Income Accruals	4.2	1.260.542	782.571
1-	Deferred Commission Expenses		-	-
2-	Accrued Interest and Rent Income		-	-
3-	Other Prepaid Expenses	4.2	1.260.542	782.571
H-	Other Non-current Assets	21	91.409.605	-
1-	Effective Foreign Currency Accounts		-	-
2-	Foreign Currency Accounts		-	-
3-	Inventories		-	-
4-	Prepaid Taxes and Funds		-	-
5-	Deferred Tax Assets	21	91.409.605	-
6-	Other Non-current Assets		-	-
7-	Other Non-current Assets Amortization (-)		-	-
8-	Provision for Other Non-current Assets (-)		-	-
II-	Total Non-current Assets		11.364.141.742	5.427.898.870
TOTAL ASSETS			22.668.143.370	12.400.448.277

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

Unconsolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

LIABILITIES				
III-	Short-Term Liabilities	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
A-	Borrowings	20	13.252.134	30.126
1-	Loans to Financial Institutions		-	-
2-	Finance Lease Payables		-	-
3-	Deferred Finance Lease Borrowing Costs (-)		-	-
4-	Current Portion of Long-Term Borrowings		-	-
5-	Principal, Installments and Interests on Issued Bills (Bonds)		-	-
6-	Other Financial Assets Issued		-	-
7-	Value Differences on Issued Financial Assets (-)		-	-
8-	Other Financial Borrowings (Liabilities)	20	13.252.134	30.126
B-	Payables From Main Operations	4.2, 19	841.900.196	115.476.899
1-	Payables Due to Insurance Operations		-	-
2-	Payables Due to Reinsurance Operations	4.2, 19	840.462.577	114.466.447
3-	Cash Deposited by Insurance & Reinsurance Companies	4.2, 19	1.437.619	1.010.452
4-	Payables Due to Pension Operations		-	-
5-	Payables from Other Operations		-	-
6-	Rediscount on Other Payables From Main Operations (-)		-	-
C-	Due to Related Parties	4.2, 19	722.655	419.272
1-	Due to Shareholders	45	156.859	156.859
2-	Due to Affiliates		-	-
3-	Due to Subsidiaries		503.277	-
4-	Due to Joint Ventures		-	-
5-	Due to Personnel		1.373	-
6-	Due to Other Related Parties	45	61.146	262.413
D-	Other Payables	19	9.665.367	13.057.845
1-	Deposits and Guarantees Received	19	-	-
2-	Due to SSI regarding Treatment Expenses		-	-
3-	Other Payables	19,4.2	9.665.367	13.057.845
4-	Discount on Other Payables (-)		-	-
E-	Insurance Technical Reserves	17	10.962.460.038	6.301.850.313
1-	Unearned Premiums Reserve - Net	17	4.910.639.373	2.244.243.203
2-	Unexpired Risk Reserves - Net	17	33.826.898	13.164.186
3-	Mathematical Reserves - Net	17	-	-
4-	Outstanding Claims Reserve - Net	4.2, 17	6.017.993.767	4.044.442.924
5-	Provision for Bonus and Discounts - Net		-	-
6-	Other Technical Reserves - Net		-	-
F-	Taxes and Other Liabilities and Relevant Provisions	4.2, 19	15.176.235	6.317.060
1-	Taxes and Dues Payable	19	14.144.157	5.951.043
2-	Social Security Premiums Payable	19	1.032.078	366.017
3-	Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
4-	Other Taxes and Liabilities		-	-
5-	Corporate Tax Liability Provision on Period Profit		-	-
6-	Prepaid Taxes and Other Liabilities on Period Profit (-)		-	-
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	48.379.059	26.927.997
1-	Deferred Commission Income	10, 19	8.565.638	9.482.897
2-	Expense Accruals	19	39.421.809	17.174.294
3-	Other Deferred Income	19	391.612	270.806
I-	Other Short-Term Liabilities		-	-
1-	Deferred Tax Liability		-	-
2-	Inventory Count Differences		-	-
3-	Other Short-Term Liabilities		-	-
III -	Total Short-Term Liabilities		11.891.555.684	6.464.079.512

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

Unconsolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

LIABILITIES				
IV- Long-Term Liabilities		Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
A-	Borrowings		16.593.962	96.133
1-	Loans to Financial Institutions		-	-
2-	Finance Lease Payables		-	-
3-	Deferred Finance Lease Borrowing Costs (-)		-	-
4-	Bonds Issued		-	-
5-	Other Issued Financial Assets		-	-
6-	Value Differences on Issued Financial Assets (-)		-	-
7-	Other Financial Borrowings (Liabilities)	20	16.593.962	96.133
B-	Payables From Main Operations		5.502	41.806.032
1-	Payables Due to Insurance Operations		-	-
2-	Payables Due to Reinsurance Operations	4.2,19	-	41.784.665
3-	Cash Deposited by Insurance & Reinsurance Companies		5.502	21.367
4-	Payables Due to Pension Operations		-	-
5-	Payables from Other Operations		-	-
6-	Discount on Other Payables From Main Operations (-)		-	-
C-	Due to Related Parties		-	-
1-	Due to Shareholders		-	-
2-	Due to Affiliates		-	-
3-	Due to Subsidiaries		-	-
4-	Due to Joint Ventures		-	-
5-	Due to Personnel		-	-
6-	Due to Other Related Parties		-	-
D-	Other Payables		-	-
1-	Deposits and Guarantees Received		-	-
2-	Due to SSI regarding Treatment Expenses		-	-
3-	Other Payables		-	-
4-	Discount on Other Payables (-)		-	-
E-	Insurance Technical Reserves	17	270.559.287	405.400.733
1-	Unearned Premiums Reserve - Net		-	-
2-	Unexpired Risk Reserves - Net		-	-
3-	Mathematical Reserves - Net		-	-
4-	Outstanding Claims Reserve - Net		-	-
5-	Provision for Bonus and Discounts - Net		-	-
6-	Other Technical Reserves - Net	17	270.559.287	405.400.733
F-	Other Liabilities and Provisions		-	-
1-	Other Liabilities		-	-
2-	Overdue, Deferred or By Installment Other Liabilities		-	-
3-	Other Liabilities and Expense Accruals		-	-
G-	Provisions for Other Risks	4.2,23	361.311.155	265.815.978
1-	Provision for Employment Termination Benefits	4.2,23	22.028.149	30.548.796
2-	Provisions for Employee Pension Fund Deficits	4.2,22,23	339.283.006	235.267.182
H-	Deferred Income and Expense Accruals	19	-	-
1-	Deferred Commission Income		-	-
2-	Expense Accruals		-	-
3-	Other Deferred Income		-	-
I-	Other Long-Term Liabilities	21	-	167.314.226
1-	Deferred Tax Liability	21	-	167.314.226
2-	Other Long-Term Liabilities		-	-
IV-	Total Long-Term Liabilities		648.469.906	880.433.102

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

Unconsolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

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		3.688.959.844	2.341.617.117
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)	15	184.820.637	117.937.781
5- Revaluation of Financial Assets	11, 15	1.576.301.378	775.959.399
6- Other Profit Reserves	15	(16.950.092)	7.210.231
D- Previous Years' Profits		641.129.921	367.662.204
1- Previous Years' Profits		641.129.921	367.662.204
E- Previous Years' Losses (-)		-	-
1- Previous Years' Losses		-	-
F- Net Profit of the Period	15	3.629.008.053	888.619.766
1- Net Profit of the Period		3.624.887.450	879.498.268
2- Net Loss of the Period (-)			-
3- Net Income not subject to distribution		4.120.603	9.121.498
Total Shareholders' Equity		10.128.117.780	5.055.935.663
Total Liabilities and Shareholders' Equity		22.668.143.370	12.400.448.277

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

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Statement of Income
For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

		Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
I-	TECHNICAL SECTION			
A-	Non-Life Technical Income		10.197.813.912	5.867.841.386
1-	Earned Premiums (Net of Reinsurer Share)		5.133.074.457	3.161.130.332
1.1-	Written Premiums (Net of Reinsurer Share)	17	7.816.448.598	4.098.323.549
	1.1.1- Gross Written Premiums (+)	17	9.889.242.532	4.797.388.432
	1.1.2- Ceded Premiums to Reinsurers (-)	10, 17	(2.072.793.934)	(699.064.883)
	1.1.3- Ceded Premiums to SSI (-)		-	-
1.2-	Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(2.662.711.429)	(1.078.926.225)
	1.2.1- Unearned Premiums Reserve (-)	17	(2.665.589.180)	(1.102.638.264)
	1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10, 17	2.877.751	23.712.039
	1.2.3- SSI of Unearned Premiums Reserve (+)		-	-
1.3-	Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(20.662.712)	141.733.008
	1.3.1- Unexpired Risks Reserve (-)	29	(20.553.084)	143.435.696
	1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)	29	(109.628)	(1.702.688)
2-	Investment Income Transferred from Non-Technical Part		3.516.302.860	2.170.788.001
3-	Other Technical Income (Net of Reinsurer Share)		1.548.436.595	535.923.053
3.1-	Gross Other Technical Income (+)		1.212.479.059	535.923.053
3.2-	Reinsurance Share of Other Technical Income (-)		335.957.536	-
4-	Accrued Subrogation and Salvage Income (+)		-	-
B-	Non-Life Technical Expense (-)		(10.012.477.475)	(5.550.314.590)
1-	Total Claims (Net of Reinsurer Share)		(6.660.641.570)	(4.097.375.967)
1.1-	Claims Paid (Net of Reinsurer Share)	17,29	(4.685.750.924)	(2.311.827.218)
	1.1.1- Gross Claims Paid (-)	17	(12.306.158.876)	(2.413.858.082)
	1.1.2- Reinsurance Share of Claims Paid (+)	10, 17	7.620.407.952	102.030.864
1.2-	Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(1.974.890.646)	(1.785.548.749)
	1.2.1- Outstanding Claims Reserve (-)	17	(7.650.779.191)	(1.807.124.190)
	1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10, 17	5.675.888.545	21.575.441
2-	Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1-	Bonus and Discount Reserve (-)		-	-
2.2-	Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3-	Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	132.356.168	(159.444.329)
4-	Operating Expenses (-)	32	(3.484.192.073)	(1.293.494.294)
5-	Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5.1-	Mathematical Reserves (-)		-	-
5.2-	Reinsurance Share of Mathematical Reserves (+)		-	-
6-	Other Technical Expenses (-)		-	-
6.1-	Gross Other Technical Expenses (-)		-	-
6.2-	Reinsurance Share of Other Technical Expenses (+)		-	-
C-	Non-Life Technical Net Profit (A-B)		185.336.437	317.526.796
D-	Life Technical Income		19.587.604	11.282.882
1-	Earned Premiums (Net of Reinsurer Share)		15.442.369	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	(3.684.741)	(1.633.068)
	1.2.1- Unearned Premium Reserves (-)	17	(11.557.846)	(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 unconsolidated financial statements.

Unconsolidated Statement of Income
For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

I-	TECHNICAL SECTION	Note	Audited Current Period December 31, 2023	Audited Prior Period 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)		11.785.906	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-	Withholding tax		-	-
6-	Increase in Market Value of Capital Commitment Advances		-	-
7-	Other Technical Income		-	-
H-	Individual Retirement Technical Expense		-	-
1-	Fund Management Expenses (-)		-	-
2-	Decrease in Market Value of Capital Commitment Advances (-)		-	-
3-	Operating Expenses (-)		-	-
4-	Other Technical Expense (-)		-	-
I-	Individual Retirement Technical Profit (G-H)		-	-

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

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Statement of Income
For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

II- NON-TECHNICAL SECTION	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
C- Non-Life Technical Profit (A-B)		185.336.437	317.526.796
F- Life Technical Profit (D-E)		11.785.906	6.092.590
I - Individual Retirement Technical Profit (G-H)		-	-
J- Total Technical Profit (C+F+I)		197.122.343	323.619.386
K- Investment Income		7.817.832.550	3.067.317.755
1- Income From Financial Investment	4.2	361.117.238	459.394.897
2- Income from Sales of Financial Investments	4.2	399.078.515	115.496.788
3- Revaluation of Financial Investments	4.2	30.178.754	147.115.807
4- Foreign Exchange Gains	4.2	1.593.897.170	407.982.385
5- Income from Affiliates	4.2	355.585.374	173.412.281
6- Income from Subsidiaries and Joint Ventures	4.2	3.367.901.023	598.440.531
7- Income Received from Land and Building	7	1.596.134.475	1.137.381.257
8- Income from Derivatives	4.2	113.940.001	25.351.060
9- Other Investments			2.742.749
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expenses (-)		(3.661.647.130)	(2.251.785.865)
1- Investment Management Expenses (including interest) (-)	4.2	(577.324)	(303.487)
2- Valuation Allowance of Investments (-)		-	-
3- Losses On Sales of Investments (-)	4.2	(13.345.686)	(196.394)
4- Investment Income Transferred to Non-Life Technical Part (-)		(3.516.302.860)	(2.170.788.001)
5- Losses from Derivatives (-)		(6.884.346)	(7.060.875)
6- Foreign Exchange Losses (-)	4.2	(39.581.334)	(17.582.999)
7- Depreciation Expenses (-)	6,8	(28.018.645)	(24.330.752)
8- Other Investment Expenses (-)		(56.936.935)	(31.523.357)
M- Other Income and Expenses (+/-)		(724.299.710)	(250.531.510)
1- Provisions Account (+/-)	47	(153.684.528)	(150.438.548)
2- Discount account (+/-)	47	(45.990.646)	(9.520.269)
3- Mandatory Earthquake Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts (+/-)	21,35	-	-
6- Deferred Tax Expense Accounts (-)		(523.942.071)	(103.908.015)
7- Other Income and Revenues		2.964.787	13.516.934
8- Other Expense and Losses (-)		(3.647.252)	(181.612)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit/(Loss)		3.629.008.053	888.619.766
1- Profit/(Loss) Before Tax		3.629.008.053	888.619.766
2- Corporate Tax Liability Provision (-)		-	-
3- Net Profit (Loss)		3.629.008.053	888.619.766
4- Inflation Adjustment Account		-	-

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

Unconsolidated Statement of Changes in Equity
For the Year 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 (-)	Revaluations of Financial Assets	Inflation Adjustment on Capital	Translation Reserves
I-	Balance at the end of the previous year - December 31, 2021		660.000.000	-	28.018.182	-	41.999.609
II-	Change in Accounting Standards		-	-	-	-	-
III -	Restated balances (I+II) - January 1, 2022		660.000.000	-	28.018.182	-	41.999.609
A-	Capital increase		-	-	-	-	-
	1- In cash		-	-	-	-	-
	2- From reserves		-	-	-	-	-
B-	Purchase of own shares		-	-	-	-	-
C-	Gains or losses that are not included in the statement of income		-	-	-	-	-
D-	Change in the value of financial assets	15	-	-	747.941.217	-	-
E-	Currency translation adjustments		-	-	-	-	44.654.832
F-	Other gains or losses		-	-	-	-	-
G-	Inflation adjustment differences		-	-	-	-	-
H-	Net profit for the year		-	-	-	-	-
I-	Other reserves and transfers from retained earnings	38	-	-	-	-	-
J-	Dividends paid	38	-	-	-	-	-
IV-	Balance at the end of the period - December 31, 2022	15	660.000.000	-	775.959.399	-	86.654.441

Audited Changes in Equity - December 31, 2023

		Note	Paid in Capital	Equity Share Owned by Company (-)	Revaluations of Financial Assets	Inflation Adjustment on Capital	Translation Reserves
I-	Balance at the end of the previous year - December 31, 2022		660.000.000	-	775.959.399	-	86.654.441
II-	Change in Accounting Standards		-	-	-	-	-
III-	Restated balances (I+II) - January 1, 2023		660.000.000	-	775.959.399	-	86.654.441
A-	Capital increase		-	-	-	-	-
	1- In cash		-	-	-	-	-
	2- From reserves		-	-	-	-	-
B-	Purchase of own shares		-	-	-	-	-
C-	Gains or losses that are not included in the statement of income		-	-	-	-	-
D-	Change in the value of financial assets	15	-	-	800.341.979	-	-
E-	Currency translation adjustments		-	-	-	-	167.862.804
F-	Other gains or losses		-	-	-	-	-
G-	Inflation adjustment differences		-	-	-	-	-
H-	Net profit for the year		-	-	-	-	-
I -	Other reserves and transfers from retained earnings	38	-	-	-	-	-
J-	Dividends paid	38	-	-	-	-	-
IV -	Balance at the end of the period - December 31, 2023	15	660.000.000	-	1.576.301.378	-	254.517.245

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

	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
	226.709.388	83.112.202	1.141.512.202	548.965.648	270.105.389	3.000.422.620
	-	-	-	-	-	-
	226.709.388	83.112.202	1.141.512.202	548.965.648	270.105.389	3.000.422.620
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	5.486.282	39.635.254	717.157.752		(339.982.060)	422.297.228
	-	-	-	-	-	747.941.217
	-	-	-	-	-	44.654.832
	-	-	-	-	-	-
	-	-	-	-	-	-
		-		888.619.766		888.619.766
	29.616.804	-	33.809.969	(500.965.648)	437.538.875	-
	-	-	-	(48.000.000)	-	(48.000.000)
	261.812.474	122.747.456	1.892.479.923	888.619.766	367.662.204	5.055.935.663

	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
	261.812.474	122.747.456	1.892.479.923	888.619.766	367.662.204	5.055.935.663
	-	-	-	-	-	-
	261.812.474	122.747.456	1.892.479.923	888.619.766	367.662.204	5.055.935.663
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	6.380.867	61.237.149	940.405.348		(533.054.083)	474.969.281
	-	-	-	-	-	800.341.979
	-	-	-	-	-	167.862.804
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	3.629.008.053		3.629.008.053
	43.974.913	-	38.123.053	(888.619.766)	806.521.800	-
	-	-	-	-	-	-
	312.168.254	183.984.605	2.871.008.324	3.629.008.053	641.129.921	10.128.117.780

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Statement of Cash Flows For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

	Note	Audited Current Period 1 January- December 31, 2023	Audited Prior Period 1 January- December 31, 2022
A- Cash flows from operating activities			
1- Cash provided from insurance activities		-	-
2- Cash provided from reinsurance activities		19.910.933.845	5.476.848.498
3- Cash provided from individual pension business		-	-
4- Cash used in insurance activities		-	-
5- Cash used in reinsurance activities		(21.720.509.513)	(5.089.102.503)
6- Cash used in individual pension business			-
7- Cash provided by operating activities		(1.809.575.668)	387.745.995
8- Interest paid		-	-
9- Income taxes paid		(12.635.123)	(90.448.188)
10- Other cash inflows		103.862.492	770.069.425
11- Other cash outflows		(327.339.040)	(212.660.805)
12- Net cash provided by operating activities		(2.045.687.339)	854.706.427
B - Cash flows from investing activities			
1- Proceeds from disposal of tangible assets		-	2.745.448
2- Acquisition of tangible assets	6, 8	(193.733.421)	(32.149.978)
3- Acquisition of financial assets	11	(3.583.256.947)	(4.229.235.350)
4- Proceeds from disposal of financial assets	11	4.677.050.478	3.212.711.655
5- Interests received		394.917.543	465.876.056
6- Dividends received		5.550.035	4.523.658
7- Other cash inflows		1.030.289.961	1.573.553.584
8- Other cash outflows		(579.343.639)	(2.819.119.379)
9- Net cash provided by investing activities		1.751.474.010	(1.821.094.306)
C- Cash flows from financing activities		-	-
1- Equity shares issued		-	-
2- Cash provided from loans and borrowings		-	-
3- Finance lease payments		(9.143.022)	-
4- Dividends paid	2.23	-	(47.984.125)
5- Other cash inflows		-	-
6- Other cash outflows		-	-
7- Net cash used in financing activities		(9.143.022)	(47.984.125)
D- Effect of exchange rate fluctuations on cash and cash equivalents		2.173.039	621.132.758
E- Net increase in cash and cash equivalents		(301.183.312)	(393.239.246)
F- Cash and cash equivalents at the beginning of the year	14	1.375.154.153	1.768.393.399
G- Cash and cash equivalents at the end of the year	14	1.073.970.841	1.375.154.153

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

Unconsolidated Statement of Profit Distribution For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

		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 unconsolidated financial statements.

(Currency: Turkish Lira (TL))

1 General information

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

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

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

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

The Company was registered in Turkey in July 16, 1929 and has the status of 'Incorporated Company'. The address of the Company's registered office is "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.

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

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

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

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

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

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

	December 31, 2023	December 31, 2022
Top executive	5	5
Managers	28	36
Officers	129	127
Contracted personnel	1	3
Other personnel	11	28
Total	174	199

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 31.011.166 (December 31, 2022: TL 14.904.661).

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

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

(Currency: Turkish Lira (TL))

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

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

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

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

The accompanying financial statements comprise only the unconsolidated financial information of the Company. As further discussed in note 2.2 - Consolidation, the Company has prepared consolidated financial statements As of December 31, 2023 separately.

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

Trade name of the Company	:	Millî Reasürans Türk Anonim Şirketi
Registered address of the head office	:	İş Kuleleri, Kule 3, Kat:20-21-22 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

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

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

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

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.

2.1.2 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 Republic of Turkey Ministry of Treasury and Finance to the Company, it is stated that account statements sent by the ceding companies are subject to possible delays and Republic of Turkey Ministry of Treasury and Finance is considered special situations of the reinsurance companies in their regulations.

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

2.1.3 Current and presentation currency

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

2.1.4 Rounding scale of the amounts presented in the financial statements

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

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

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

2.1.6 Accounting policies, changes in accounting estimates and errors

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

Fire and earthquake premiums obtained from foreign reinsurance treaties could not accounted on the basis of branches in the previous years due to limitations imposed by local legislation of the foreign countries, notification characteristics of the treaties and total premiums used by foreign companies in the reconciliation process. Therefore, all premiums obtained from aforementioned treaties are accounted on the fire branch. According to the letter dated August 2, 2011 and numbered B.02.1.HZN.0.10.03.01/38732 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, it is allowed to use average rate calculated over separately reported fire and earthquake premiums for unclassified premiums of proportioned treaties. Furthermore, according to the letter dated August 12, 2011 sent by the Republic of Turkey Ministry of Treasury and Finance to the Company, prospective application as at June 30, 2011 effective from January 1, 2011 is allowed since retrospective application is impossible. Accordingly, financial statements prepared As of December 31, 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 - 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 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.

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

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

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

2.2 Consolidation

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

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

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

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

2.4 Foreign currency transactions

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

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

2.5 Tangible assets

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

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

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

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

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

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

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

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

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

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

(Currency: Turkish Lira (TL))

Depreciation rates and estimated useful lives are as follows:

Tangible assets	Estimated useful lives (years)	Depreciation rates (%)
Building for own used	50	2,0
Machinery and equipment	3 - 15	6,7 - 33,3
Vehicles	5	20,0
Other tangible assets (includes leasehold improvements)	5	20,0
Tangible assets acquired through financial leasing	4-5	20,0-25,0

2.6 Investment property

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

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

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

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

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

2.7 Intangible assets

The Company's intangible assets consist of computer software.

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

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

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

2.8 Financial assets

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

Securities are recognized and derecognized at the date of settlement.

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

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

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

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

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

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

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

2.9 Impairment on assets

Impairment on financial assets

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

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

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

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

(Currency: Turkish Lira (TL))

Impairment on tangible and intangible assets

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

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

2.10 Derivative financial instruments

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

Derivative financial instruments are initially recognized at their fair value.

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

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

2.11 Offsetting of financial assets

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

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

2.12 Cash and cash equivalents

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

2.13 Capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group by having 87,60% of the outstanding shares of the Company. As of December 31, 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 amount (TL)
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 the capital increases during the year

None.

Privileges on common shares representing share capital

There are no privileges on common shares representing share capital.

Registered capital system in the Company

None.

Repurchased own shares by the Company

None.

2.14 Insurance and investment contracts - classification

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

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

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

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

2.15 Insurance contracts and investment contracts with discretionary participation feature

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

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

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

2.16 Investment contracts with discretionary participation feature

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

2.17 Liabilities

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

2.18 Income taxes

Corporate Tax

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 expenses that are not deducted in accordance with tax laws to the commercial income of corporations, deducting the exceptions and deductions contained in tax laws. If the profit is not distributed, no other tax is paid.

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

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

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

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.

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

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") which is established in accordance with the temporary Article 20 of the Social Security Act No: 506.

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

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

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

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

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

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

a) Technical deficit rate of 9.80% shall be used in the actuarial calculation of the value in cash, and
b) Gains and losses of the funds stems from benefits covered by the aforementioned Law taken into accounts to calculate present value of the obligations.

Employee termination benefits

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount As of December 31, 2023 is TL 23.490 (December 31, 2022: TL 15.371).

(Currency: Turkish Lira (TL))

The Company accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 - *Employee Benefits*. After the revision of TAS 19, as the amount of actuarial gain and loss are presented under the other profit reserves, which were previously shown under the income statement. The major actuarial assumptions used in the calculation of the total liability As of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Discount rate	3,28%	2,21%
Expected rate of salary/limit increase	19,65%	19,80%
Estimated employee turnover rate	2,81%	2,56%

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

Other benefits

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

2.20 Provisions

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

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

2.21 Revenue recognition

Written premiums

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

Claims paid

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

Commission income and expenses

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

Interest income and expenses

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

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

Trading income/expense

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

Dividends

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

2.22 Leasing transaction

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

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

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

Right-of-use assets

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

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

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

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

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

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

Right-of-use assets are subject to impairment assessment.

Lease liabilities

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

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

(a) Fixed payments,

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

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

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

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

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

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

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

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

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

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

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

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

2.23 Dividend distribution

It is decided in Ordinary General Assembly Meeting of the Company, held on March 28, 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.

2.24 Unearned premium reserve

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

- Unearned premium reserve is calculated on the basis of 1/8 for reinsurance and retrocession transactions that are not subject to basis of day or 1/24 due to application limitations,
- For commodity transportation policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, are also provided as unearned premium reserves.

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

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

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

In previous years, the unearned premiums reserve had been calculated after deducting commissions given and commissions received. In order to prevent possible problems during the transfer of the reserves calculated before January 2008, on December 28, 2007 Republic of Turkey Ministry of Treasury and Finance issued "2007/25 Numbered Circular Related to the Calculation of the Unearned Premiums Reserve and Accounts That Should Be Used for Deferred Commission Income and Expenses". In accordance with the related circular, the reserve for unearned premiums should be calculated by deducting commissions for the policies produced before January 1, 2008, but it should be calculated on gross basis for the policies produced after January 1, 2008. According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 27655 dated July 28, 2010; there is no change in the calculation of unearned premiums reserve for reinsurance companies.

(Currency: Turkish Lira (TL))

As at 31.12.2023, in the Company's financial statements, TL 4.803.631.372 of Unearned Premium Provision is recorded except Singapore branch (31.12.2022: TL 2.120.636.729), and TL 107.008.001 is recorded for the Singapore branch (31 December 2022: TL 123.606.474). As at 31.12.2023, Deferred Acqusition Costs, including the Singapore branch, is recorded TL 1,151,447,899 (31 December 2022: TL 540.362.676) and Deferred Commission Income is recorded TL 8.565.638 (31.12.2022: TL 9.482.897) in the Company's financial statements.

2.25 Outstanding claims reserve

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

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

Except for the life branch, outstanding claims reserve consists of claims are recorded in the year in which they occur, based on reported claims and the difference between the result of the actuarial chain ladder method whose content and application criteria stated by 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.

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

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

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

Branches	December 31, 2023	December 31, 2022
Fire and Natural Disasters	Standard Chain	Standard Chain
General Losses (*)	Standard Chain	Standard Chain
General Liabilities (**)	Standard Chain	Standard Chain
Land Vehicles Liabilities	Standard Chain	Standard Chain
Marine	Standard Chain	Standard Chain
Sea Vehicles	Standard Chain	Standard Chain
Land Vehicles	Standard Chain	Standard Chain
Accident	Standard Chain	Standard Chain
Health	Standard Chain	Standard Chain
Air Vehicles	Standard Chain	Standard Chain
Legal Protection	Standard Chain	Standard Chain
Financial Losses	Standard Chain	Standard Chain
Life	Standard Chain	Standard Chain
Sea Vehicles Liability	Sector Average (Ins.Association 09/2023)	Sector Average (Ins.Association 09/2022)
Air Vehicles Liability	Sector Average (Ins.Association 09/2023)	Sector Average (Ins.Association 09/2022)
Surety	Sector Average (Ins.Association 09/2023)	Sector Average (Ins.Association 09/2022)
Credit	Sector Average (Ins.Association 09/2023)	Sector Average (Ins.Association 09/2022)

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

(**) In accordance with the "Circular numbered 2020/11 on Making Amendments on Communique regarding Provision for Outstanding Claim Files numbered 2014/16", 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.

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

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

According to December 5, 2014 dated "Circular regarding Outstanding Claims Reserve (2014/16)", 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.

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

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

In accordance with December 5, 2014 dated and 2014/16 numbered "Circular for Outstanding Claims Reserve" of Republic of Turkey Ministry of Treasury and Finance, ACLM calculation should be on main branch. However, as at December 31, 2012, the Company has calculated ACLM reserve for General Damages main branch as two separate subbranches namely agriculture and non-agriculture branches. Because, Agriculture and Engineering subbranches under General Damages main branch have different characteristics in conversion process of outstanding losses to paid losses, IBNR calculation of General Damages branch produces unreliable and improper results. The Company applied to Republic of Turkey Ministry of Treasury and Finance on January 17, 2013 with letter numbered 300, so as to receive permission to calculate IBNR reserve for General Damages branch as agriculture and non-agriculture subbranches separately. Republic of Turkey Ministry of Treasury and Finance has given permission the Company in order to calculate IBNR reserve for General Damages within two subbranches with the letter dated January 28, 2013 and numbered 24179134. As of December 31, 2023, the Company recognised the amount that arose due to change in calculation method for IBNR on General Damages branch.

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 which was included under General Liability main branch. In this scope, an additional calculation is made for Compulsory Financial Liability Insurance regarding Medical Malpractice and calculation is made for other sub-branches under General Liability insurance through excluding Compulsory Financial Liability Insurance regarding Medical Malpractice and calculated amounts are recognized on legal books as of December 31, 2023.

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. The amounts as of December 31, 2023 have been reflected 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.

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, the company continued to apply the 28% discount rate as it prepared its financial statements dated December 31, 2023.

As of the reporting date, as a result of actuarial chain ladder method; the Company except Singapore branch 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.

2.26 Mathematical reserves

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

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

There is no mathematical provision in the Company's financial statements as of December 31, 2023, except for the Singapore Branch (December 31, 2022: none).

2.27 Unexpired risk reserves

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

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

In accordance with Circular on unexpired risk reserve (2019/5), reinsurance companies can make the calculation on the basis of underwriting year. In this case, calculation is made through proportioning total gross actual ultimate loss amount of at least last three underwriting years to total gross premium earnings (written premiums less unearned premiums). It is possible to use the calculation made for the last year-end for the current year interim period if it is clearly determined that repetition of calculation in quarterly periods shall not produce meaningful results due to reasons sourcing from structure of related contracts or conciliation processes of respective parties although it is principal to repeat such calculation on the basis of quarterly periods. In accordance with "The Circular on Unexpired Risk Reserve" numbered 2022/27 published by the Turkish Insurance and Private Pension Regulation and Supervision Authority on 24.10.2022 and entered into force on the date of publication, the circular numbered 2019/5 have been repealed and reinsurance companies as well as insurance companies have been allowed to make calculations on the basis of the underwriting year with the current circular. The Company has made provision for URR amounting to TL 33.826.898 (December 31, 2022: TL 13.164.186) in its financial statements dated December 31, 2023 as of reporting period based on results of test in question. While the Company applied the calculation based on the underwriting year defined by the Circular only in the Land Vehicles Liability branch; in order to eliminate the misleading effect caused by significant fluctuations in economic indicators such as inflation and the exchange rate during the current year, as of 30.09.2022 the Company has applied the underwriting year method for Fire and Natural Disasters and General Damages branches which are mainly affected by these fluctuations.

As of 31.12.2022, the Company has applied the calculation based on the underwriting year to all branches other than Credit and Surety branches. In the Credit and Surety branches, on the other hand, due to the inadequacy of the Company's data and the use of values representing the sector average due to their irregular distribution in the damage development tables, the calculation defined in the scope of the Regulation continued to be used, since the calculation based on the year of writing defined by the Circular could not be made in these branches. If the calculation had not been made using the method described in the Circular, the provision for the unexpired risk reserve amounting to TL 1.995.584.379 would have been allocated in the financial statements as of December 31, 2023.

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

2.28 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 provision since the Company not having sufficient data for calculation. After five financial years, in case that provision amount is less than previous year amount depending on written premiums, the difference is recognized in other profit reserves under equity. This amount recorded in equity can either be kept under reserves or can also be used in capital increase or paying claims.

Equalization reserves are presented under "other technical reserves" within long term liabilities in the accompanying unconsolidated financial statements. As of the reporting date, the Company has recognized equalization reserves amounting to TL 270.559.287 (December 31, 2022: TL 405.400.733).

As of December 31, 2023, the Company has deducted TL 404.801.290 (December 31, 2022: TL 6.872.441) from equalization provision in consequence of realized earthquake losses.

2.29 Related parties

Parties are considered related to the Company if:

(a) directly, or indirectly through one or more intermediaries, the party:
- controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company;

(b) the party is an associate of the Company;
(c) the party is a joint venture in which the Company is a venturer;
(d) the party is member of the key management personnel of the Company and its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or
(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

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

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

2.30 Earning per share

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

2.31 Subsequent events

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

2.32 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at December 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2023. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 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 Company.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA published amendments to TAS 1, in which it provides guidance and examples to help businesses apply materiality estimates to their accounting policy disclosures. The amendments published in TAS 1 are valid for annual periods beginning on or after January 1, 2023. Due to the absence of a definition of the term "significant" in TFRS, POA has decided to replace this term with the term "significant" in the context of disclosure of accounting policy information. 'Important' is a term defined in TFRS and is largely understood by users of financial statements according to POA. When evaluating the materiality of accounting policy information, enterprises should take into account both the size of transactions, other events or circumstances, and their nature. In addition, examples of situations in which an entity may consider accounting policy information to be important have been added. The amendments did not have a significant impact on the financial position or performance of the Company.

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

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The amendments did not have a significant impact on the financial position or performance of the Company.

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 Company.

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

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

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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Company will wait until the final amendment to assess the impacts of the changes.

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

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

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

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

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

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

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

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 Company 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.

3 Significant Accounting Estimates and Requirements

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

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

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

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

Note 4.1 - Management of insurance risk

Note 4.2 - Financial risk management

Note 7 - Investment properties

Note 9 - Investments in subsidiaries

Note 10 - Reinsurance assets/liabilities

Note 11 - Financial assets

Note 12 - Loans and receivables

Note 17 - Insurance liabilities and reinsurance assets

Note 17 - Deferred acquisition commissions

Note 21 - Deferred income taxes

Note 23 - Other liabilities and cost provisions

4 Management of insurance and financial risk

4.1 Management of insurance risk

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

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

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

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

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

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

Sensitivity to insurance risk

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

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

(Currency: Turkish Lira (TL))

Insurance risk concentrations

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

	December 31, 2023		
Branches	Gross total claims liability [*]	Reinsurance share of total claims liability	Net total claims liability
Fire and Natural Disasters	10.630.493.085	(7.579.866.355)	3.050.626.730
General Losses	1.014.234.797	(9.621.848)	1.004.612.949
Sea Vehicles	194.713.991	(19.056.273)	175.657.718
Land Vehicles Liability (MTPL)	122.487.913	(20.674)	122.467.239
Marine	130.022.396	(9.014.277)	121.008.119
General Liabilities	114.262.623	(1.333.033)	112.929.590
Land Vehicles	35.632.466	(30.689)	35.601.777
Financial Losses	27.025.157	(1.308.113)	25.717.044
Accident	23.964.451	(86.281)	23.878.170
Life	9.400.117	(2.568.630)	6.831.487
Air Vehicles	5.444.820	-	5.444.820
Health	4.437.711	-	4.437.711
Fidelity Guarantees	3.126.615	(70.409)	3.056.206
Credit	306.106	-	306.106
Legal Protection	6.745	-	6.745
Total	12.315.558.993	(7.622.976.582)	4.692.582.411

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

[*] 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.

(Currency: Turkish Lira (TL))

4.2 Management of financial risk

Introduction and overview

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

- credit risk
- liquidity risk
- market risk

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

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

Credit risk

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

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

Doubtful receivables are monitored quarterly.

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

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

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)* (*)	1.825.305.969	1.690.301.129
Financial assets and financial investments with risks on policyholders *(Note 11)* (**)	4.025.665.429	3.503.467.362
Receivables from main operations *(Note 12)*	4.088.255.641	1.023.493.863
Reinsurer share in outstanding claims reserve *(Note 10), (Note 17)*	5.807.404.091	129.947.122
Prepaid taxes and funds *(Note 12)*	9.170.386	13.673.790
Income accruals	64.668.644	43.874.686
Other Prepaid Expenses (***)	69.776.254	36.536.047
Other receivables *(Note 12)*	37.011.346	12.828.915
Other current asset *(Note 12)*	47.448	5.207.469
Total	15.927.305.208	6.459.330.383

(*) There is no cash balance. (December 31, 2022: TL 42.425).

(**) Equity shares amounting to TL 424.271.505 are not included (December 31, 2022: TL 310.494.807)

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

(Currency: Turkish Lira (TL))

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	
	Gross amount	Provision	Gross amount	Provision
Not past due	3.987.418.075	-	909.853.472	-
Past due 0-30 days	4.251.560	-	14.681.533	-
Past due 31-60 days	3.415.191	-	-	-
Past due 61-90 days	827.664	-	12.641.076	-
More than 90 days	245.909.951	(153.566.800)	164.804.266	(78.486.484)
Total	4.241.822.441	(153.566.800)	1.101.980.347	(78.486.484)

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

	December 31, 2023	December 31, 2022
Provision for receivables from insurance operations at the beginning of the year	78.486.484	63.257.777
Collections during the period *(Note 47)*	-	-
Provisions for doubtful receivables during the period (*Note 47)*	30.918.223	-
Foreign currency translation effect *(Note 47)*	44.162.093	15.228.707
Provision for receivables from insurance operations at the end of the year	153.566.800	78.486.484

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
Impairment losses provided during the period *(Note 47)*	-	(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 Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as a result of the imbalance between the Company's cash inflows and outflows in terms of maturity and volume.

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

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

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

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

Management of the liquidity risk

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

(Currency: Turkish Lira (TL))

Maturity distribution of monetary assets and liabilities:

December 31, 2023	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	1.825.305.969	946.804.234	502.722.320	195.703.187	180.076.228	-	-
Financial assets [*]	4.025.665.429	554.034.368	429.807.487	336.606.955	358.372.448	2.346.844.171	-
Receivables from main operations	4.088.255.641	2.783.572.675	408.263.006	122.352.016	378.130.808	395.937.136	-
Other receivables and current assets	180.674.078	144.540.268	-	-	34.873.268	1.260.542	-
Total monetary assets	10.119.901.117	4.428.951.545	1.340.792.813	654.662.158	951.452.752	2.744.041.849	-
Financial liabilities and other liabilities	39.511.463	10.838.764	2.307.155	3.365.026	6.406.556	16.593.962	-
Payables arising from main operations	841.905.698	841.397.477	-	-	502.719	5.502	-
Due to related parties	722.655	722.655	-	-	-	-	-
Insurance technical reserves [**]	6.017.993.767	-	-	-	-	-	6.017.993.767
Provisions for taxes and other similar obligations	15.176.235	15.176.235	-	-	-	-	-
Provisions for other risks and expense accruals	400.732.964	25.256.583	14.165.226	-	-	-	361.311.155
Total monetary liabilities	7.316.042.782	893.391.714	16.472.381	3.365.026	6.909.275	16.599.464	6.379.304.922

[*] Equity shares amounting to TL 424.271.505 are not included.

[**] Provision for outstanding claims in insurance technical provisions shown net.

December 31, 2022	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	1.690.343.554	1.392.132.765	107.552.357	136.764.533	53.893.899	-	-
Financial assets [*]	3.503.467.362	1.041.406.799	97.762.778	235.015.945	360.670.321	1.768.611.519	-
Receivables from main operations	1.023.493.863	418.297.254	181.790.742	67.230.676	144.262.090	211.913.101	-
Other receivables and current assets	112.120.907	94.368.824	-	-	16.969.512	782.571	-
Total monetary assets	6.329.425.686	2.946.205.642	387.105.877	439.011.154	575.795.822	1.981.307.191	-
Financial liabilities and other liabilities	13.184.105	13.060.416	5.107	7.579	14.870	96.133	-
Payables arising from main operations	157.282.931	106.142.260	7.313.889	1.886.585	134.165	41.806.032	-
Due to related parties	419.272	419.272	-	-	-	-	-
Insurance technical reserves [**]	4.044.442.924	-	-	-	-	-	4.044.442.924
Provisions for taxes and other similar obligations	6.317.060	6.317.060	-	-	-	-	-
Provisions for other risks and expense accruals	282.990.272	9.806.251	7.368.043	-	-	-	265.815.978
Total monetary liabilities	4.504.636.564	135.745.259	14.687.039	1.894.164	149.035	41.902.165	4.310.258.902

[*] Equity shares amounting to TL 310.494.807 are not included.

[**] Provision for outstanding claims in insurance technical provisions shown net.

(Currency: Turkish Lira (TL))

Market risk

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

Foreign currency risk

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

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

December 31, 2023	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	495.620.205	373.409.237	182.125.408	1.051.154.850
Financial assets and financial investments of risky insurers	1.940.744.419	1.198.162.213	-	3.138.906.632
Receivables from main operations	406.217.893	2.120.535.414	774.575.823	3.301.329.130
Total foreign currency assets	2.842.582.517	3.692.106.864	956.701.231	7.491.390.612
Liabilities:				
Payables arising from main operations	(270.214.574)	(203.010.276)	(76.120.227)	(549.345.077)
Insurance technical reserves (*)	(2.077.129.360)	3.772.796.849	(639.742.461)	1.055.925.028
Financial liabilities	-	-	(15.530.811)	(15.530.811)
Total foreign currency liabilities	(2.347.343.934)	3.569.786.573	(731.393.499)	491.049.140
Net financial position	495.238.583	7.261.893.437	225.307.732	7.982.439.752

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

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

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

(Currency: Turkish Lira (TL))

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

20 percent depreciation of the TL against the following currencies As of December 31, 2023 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	99.047.717	99.047.717	168.630.377	168.630.377
Euro	1.452.378.687	1.452.378.687	87.013.062	87.013.062
Others	45.061.546	45.061.546	10.986.516	10.986.516
Total, net	**1.596.487.950**	**1.596.487.950**	**266.629.955**	**266.629.955**

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

Exposure to interest rate risk

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

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

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets with fixed interest rates:	**4.646.941.079**	**3.968.287.641**
Cash at banks *(Note 14)*	1.382.361.342	1.572.963.120
Available for sale financial assets - Government bonds - FC *(Note 11)*	1.919.827.571	1.208.025.622
Available for sale financial assets - Government bonds - TL *(Note 11)*	102.838.930	158.877.317
Available for sale financial assets - Private sector bonds - FC *(Note 11)*	1.219.079.061	734.123.636
Available for sale financial assets - Private sector bonds - TL *(Note 11)*	22.834.174	294.297.947
Financial assets with variable interest rate:	**405.739.000**	**162.311.500**
FX-protected deposits *(Note 11)*	325.739.000	96.430.000
Available for sale financial assets - Private sector bonds - TL *(Note 11)*	80.000.000	65.881.500

Fair value information

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

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

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

(Currency: Turkish Lira (TL))

Classification relevant to fair value information

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

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

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

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

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

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

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Held for trading financial assets *(Note 11)*	285.486.151	325.739.000	-	611.225.151
Available for sale financial assets *(Note 11)* (*)	3.838.620.291	-	-	3.838.620.291
Associates (Note 9)	-	803.602.412	-	803.602.412
Subsidiaries (Note 9)	-	9.888.845.439	-	9.888.845.439
Total financial assets	**4.124.106.442**	**11.018.186.851**	**-**	**15.142.293.293**
Tangible assets:				
Investment properties *(Note 6)*	-	30.000.000	-	30.000.000
Owner Occupied Properties *(Note 6)*	-	-	-	-
Total tangible assets	**-**	**30.000.000**	**-**	**30.000.000**
Total	**4.124.106.442**	**11.048.186.851**	**-**	**15.172.293.293**

(*) As of December 31, 2023, securities that are not publicly traded amounting to TL 91.492 have been measured at cost.

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

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

(Currency: Turkish Lira (TL))

Equity share price risk

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

The effect of changes in fair values of the associates and the available-for-sale financial assets on equity that is resulted from the fluctuations on index (all of the other variables are assumed to be fixed) are as follows As of December 31, 2023 and 2022:

	Change in index	December 31, 2023	December 31, 2022
Market price of equity	10%	42.418.001	31.040.332

Gain and losses from financial assets

Gains and losses recognized in the statement of income, net:	December 31, 2023	December 31, 2022
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15*)	10.668.838	(498.127)
Interest income from bank deposits	194.209.697	267.603.923
Interest income from debt securities classified as available-for-sale financial assets	286.483.115	249.441.527
Income from equity shares classified as available-for-sale financial assets	-	55.360
Income from equity shares classified as held for trading financial assets	691.754	5.950.406
Foreign exchange gains	1.593.897.170	407.982.385
Income from mutual funds classified as available for sale financial assets	5.392.611	56.339.583
Income from mutual funds classified as trading financial assets	292.928.136	142.978.076
Interest income from repos	356	136.744
Income from subsidiaries	3.367.901.023	598.440.531
Income from affiliates	355.585.374	173.412.281
Income from derivative products	113.940.001	25.351.060
Investment income	6.221.698.075	1.927.193.749
Losses from derivatives transactions	(6.884.346)	(7.060.875)
Foreign exchange losses	(39.581.334)	(17.582.999)
Loss from disposal of financial assets	(13.345.686)	(196.394)
Investment management expenses (including interest)	(577.324)	(303.487)
Investment expenses	(60.388.690)	(25.143.755)
Investment income, net	6.161.309.385	1.902.049.994

Gains and losses recognized in the statement of equity, net:	December 31, 2023	December 31, 2022
Fair value changes in available for sale financial assets *(Note 15)*	811.010.817	744.443.090
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15*)	(10.668.838)	498.127
Total	800.341.979	747.941.217

(Currency: Turkish Lira (TL))

Capital management

The Company's capital management policies include the following:

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

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered; the Company measured its minimum capital requirement as TL 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 TL 5.170.486.290 respectively and capital surplus of the Company is more than amounting to TL 6.811.613.138 (December 31, 2022: TL 3.481.322.450) according to the communiqué.

5 Segment Information

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

As of December 31, 2023, the Company operates in life and non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market.

6 Tangible assets

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

	January 1, 2023	Additions	Foreign currency translation effect (*)	Disposals	Revaluation surplus	December 31, 2023
Cost:						
Investment properties *(Note 7)*	1.650.131.000	-	-	(3.153.406.000)	1.533.275.000	30.000.000
Buildings for own use	744.475.000	-	-	(1.459.750.000)	715.275.000	-
Furniture and fixtures	29.953.528	43.313.945	2.630.094	(32.709.616)	-	43.187.951
Land vehicles	3.360.121	-	1.426.373	-	-	4.786.494
Operating leases	9.441.382	31.870.920	8.131.514	(9.311.651)	-	40.132.165
Construction in progress(**)	11.444.885	69.905.568	-	(81.350.453)	-	-
Other Tangible Assets	-	53.013.225	-	-	-	53.013.225
	2.448.805.916	198.103.658	12.187.981	(4.736.527.720)	2.248.550.000	171.119.835
Accumulated depreciation:						
Buildings for own use	-	3.592.916	-	(3.592.916)	-	-
Furniture and fixtures	12.295.792	5.903.317	2.524.234	(3.501.508)	-	17.221.835
Land vehicles	2.168.722	704.702	935.644	-	-	3.809.068
Operating leases	9.322.463	9.941.999	1.524.409	(9.311.652)	-	11.477.219
Other Tangible Assets	-	883.554	-	-	-	883.554
	23.786.977	21.026.488	4.984.287	(16.406.076)	-	33.391.676
Carrying amounts	2.425.018.939					137.728.159

(*) 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.

(Currency: Turkish Lira (TL))

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

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

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

Expertise reports regarding the Company's property are prepared by independent professional valuation specialists authorized by CMB in December 2023.

As of December 31, 2023, and 2022, the fair values (excluding VAT) and net carrying values of property for own used are presented below:

Owner occupied land and buildings	Expertise date	Expertise value	Net Book Value (December 31, 2023	Net Book Value (December 31, 2022)
Headquarter Building	December 2023	-	-	744.475.000
Total		-	-	744.475.000

Fair value measurement

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

As of December 31, 2023, and 2022, there is no mortgage on Company's tangible assets.

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7 Investment properties

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

Investment properties are presented by fair value method As of December 31, 2023 and 2022 on balance sheet and The Company's investment properties gained TL 1.533.275.000 amount of value in 2023 in the context of expertise report prepared by independent professional valuation specialists authorized by Capital Markets Board of Turkey. From investment property, TL 62.859.475 amount of rent income is obtained from investment properties in the current accounting period (December 31, 2022: TL 37.146.257).

As of December 31, 2023, inflation adjusted cost and fair value amounts of the Company's investment properties are amounting to TL 30.000.000 (December 31, 2022: TL 1.650.131.000).

The expertise (excluding VAT) and net book values of investment properties are as follows per real estate. Expertise reports regarding these properties are prepared by independent professional valuation specialists authorized by CMB in December 2023. There is no mortgage on the real estates.

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
Çifteler Land	-	6.000	December 2023	-
Villa Office Block	30.000.000	174.000.000	December 2023	30.000.000
- Spor Tesisi	*30.000.000*	*20.000.000*	December 2023	*30.000.000*
- Türkiye İş Bankası Şubesi	-	*154.000.000*	December 2023	-
Suadiye Fitness Center	-	76.150.000	December 2023	-
Tunaman Garage	-	528.325.000	December 2023	-
Operating Center Rental Offices	-	871.650.000	December 2023	-
Carrying amounts	30.000.000	1.650.131.000		30.000.000

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	Foreign currency translation effects (*)	Disposal	Transfers	December 31, 2023
Cost:						
Rights	56.102.890	5.998.740	424.999	(696.419)	-	61.830.210
Advances on intangible fixed assets (**)	16.109.082	21.501.943	-	-	-	37.611.025
	72.211.972	27.500.683	424.999	(696.419)	-	99.441.235
Accumulated amortization:						
Rights	47.345.521	6.992.157	298.552	(553.444)	-	54.082.786
	47.345.521	6.992.157	298.552	(553.444)	-	54.082.786
Carrying amounts	24.866.451					45.358.449

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

(**) Given referring to TFRS 17 consultation and softwares.

(Currency: Turkish Lira (TL))

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

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

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

9 Investments in associates

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

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

	December 31, 2023		December 31, 2022	
	Net book value	Participation rate %	Net book value	Participation rate %
Anadolu Hayat Emeklilik	803.602.412	12,46	431.889.372	12,46
Investments in associates, net	803.602.412		431.889.372	
Anadolu Sigorta	6.262.532.543	57,31	2.328.905.247	57,31
Miltaş Turizm İnşaat Ticaret Anonim Şirketi	3.626.312.896	100,00	4.523.189	100,00
Investments in subsidiaries, net	9.888.845.439		2.333.428.436	
Total financial asset	10.692.447.851		2.765.317.808	

Name	Total assets	Shareholders' equity	Retained earnings	Profit for the year	Audited	Period
Associates:						
Anadolu Hayat Emeklilik (*)	162.865.081.357	6.449.457.562	91.094.305	2.853.815.200	Audited.	December 31, 2023
Subsidiaries:						
Miltaş Turizm İnşaat Tic.A.Ş.	4.642.943.000	3.626.312.896	(578.308)	38.478.694	Unaudited.	December 31, 2023
Anadolu Sigorta(*)	56.381.517.782	12.217.135.544	533.542.963	6.380.159.747	Audited.	December 31, 2023

(*) As of December 31, 2023, consolidated financial informations of Anadolu Sigorta and Anadolu Hayat Emeklilik are shown.

(Currency: Turkish Lira (TL))

10 Reinsurance assets and liabilities

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

Reinsurance assets	December 31, 2023	December 31, 2022
Receivables from reinsurance companies *(Note 12)*	985.866.927	145.416.652
Cash deposited to reinsurance companies	294.520.563	240.868.016
Outstanding claims reserve, ceded *(Note 4.2), (Note 17)*	5.807.404.091	129.947.122
Unearned premiums reserve, ceded *(Note 17)*	60.065.549	49.314.693
Total	7.147.857.130	565.546.483

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	December 31, 2023	December 31, 2022
Deferred commission income *(Note 19)*	8.565.638	9.482.897
Total	8.565.638	9.482.897

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

	December 31, 2023	December 31, 2022
Premiums ceded during the period *(Note 17)*	(2.089.018.861)	(701.343.384)
Unearned premiums reserve, ceded at the beginning of the period *(Note 17)*	(49.314.693)	(23.649.245)
Unearned premiums reserve, ceded at the end of the period *(Note 17)*	60.065.549	49.314.693
Premiums earned, ceded *(Note 17)*	(2.078.268.005)	(675.677.936)
Claims paid, ceded during the period *(Note 17)*	7.622.976.582	102.412.195
Outstanding claims reserve, ceded at the beginning of the period *(Note 17)*	(129.947.122)	(106.787.271)
Outstanding claims reserve, ceded at the end of the period *(Note 17)*	5.807.404.091	129.947.122
Claims incurred, ceded *(Note 17)*	13.300.433.551	125.572.046
Commission income accrued from reinsurers during the period *(Note 32)*	25.349.513	22.019.317
Deferred commission income at the beginning of the period *(Note 19)*	9.482.897	4.098.066
Deferred commission income at the end of the period *(Note 19)*	(8.565.638)	(9.482.897)
Commission income earned from reinsurers *(Note 32)*	26.266.772	16.634.486
Changes in unexpired risks reserve, reinsurers' share *(Note 17)*	(109.628)	(1.702.688)
Total, net	11.248.322.690	(535.174.092)

(Currency: Turkish Lira (TL))

11 Financial assets

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

	December 31, 2023	December 31, 2022
Available for sale financial assets	611.225.151	999.731.915
Financial Assets Held for Trading	3.838.711.783	2.821.184.794
Provisions for impairment for financial assets available for sale	-	(6.954.540)
Total	4.449.936.934	3.813.962.169

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

	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
Debt instruments:				
Government bonds - EUR	33.130.000	513.062.696	1.118.747.045	1.118.747.045
Government bonds - USD	26.644.000	337.039.446	801.080.526	801.080.526
Government bons - TL	39.293.493	59.490.880	102.838.930	102.838.930
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	79.415.168	79.415.168
Private sector bonds - TL	103.000.000	102.051.500	102.834.175	102.834.175
Impairment loss on private sector bondsTL			-	-
		1.680.300.584	3.344.579.737	3.344.579.737
Non-fixed income financial assets:				
Equity shares		61.938.846	424.271.505	424.271.505
Investment funds		35.992.237	69.860.541	69.860.541
		97.931.083	494.132.046	494.132.046
Total available-for-sale financial assets		1.778.231.667	3.838.711.783	3.838.711.783

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

(Currency: Turkish Lira (TL))

As of December 31, 2023, 2022 the details of the Company's held for trading assets are as follows.

	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
Investment funds TL		193.284.946	285.486.151	285.486.151
Investment funds YP		-	-	-
Share		-	-	-
Derivatives (Currency protected deposits)		297.437.000	325.739.000	325.739.000
Total		490.721.946	611.225.151	611.225.151

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

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 91.492 are not publicly traded (December 31, 2022: TL 91.492).

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

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

Year	Change in value increase	Total increase in value
2023	800.341.979	1.576.301.378
2022	747.941.217	775.959.399
2021	(256.054.379)	28.018.182

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

	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
Available for sale financial assets - Equity shares		61.871.244	424.203.903	424.203.903
Available for sale financial assets - Investment funds		35.992.237	69.860.541	69.860.541
Financial Assets Held For Trading - Investment funds		193.284.946	285.486.151	285.486.151
Financial Assets Held for Trading - Currency Protected Deposits		297.437.000	325.739.000	325.739.000
Available for sale financial assets - Private sector bonds	80.000.000	80.000.000	80.000.000	80.000.000
Available for sale financial assets - Private sector bonds FC	7.000.000	41.143.317	209.485.175	209.485.175
Total		709.728.744	1.394.774.770	1.394.774.770

(Currency: Turkish Lira (TL))

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

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

	December 31, 2023		
	Financial assets held for trading	Available-for-sale	Total
Balance at the beginning of the period	999.731.915	2.814.230.254	3.813.962.169
Unrealized exchange differences on financial assets	(51.593.389)	863.770.916	812.177.527
Acquisitions during the period	2.769.818.978	813.437.969	3.583.256.947
Disposals (sale and redemption)	(3.439.802.938)	(1.237.247.540)	(4.677.050.478)
Change in the fair value of financial assets	333.070.585	554.032.472	887.103.037
Change in amortized cost of the financial assets	-	30.487.712	30.487.732
Balance at the end of the period	611.225.151	3.838.711.783	4.449.936.934

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

12 Loans and receivables

	December 31, 2023	December 31, 2022
Receivables from main operations *(Note 4.2)*	4.088.255.641	1.023.493.863
Prepaid taxes and funds *(Note 19)*	9.170.386	13.673.790
Other receivables *(Note 4.2)*	37.011.346	12.828.915
Other current asset	47.448	5.207.469
Total	4.134.484.821	1.055.204.037
Short-term receivables	3.738.547.685	843.290.936
Medium and long-term receivables	395.937.136	211.913.101
Total	4.134.484.821	1.055.204.037

(Currency: Turkish Lira (TL))

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

	December 31, 2023	December 31, 2022
Receivables from insurance companies	723.099.199	360.751.126
Receivables from brokers and intermediaries	1.909.847.902	106.970.341
Receivables from reinsurance companies *(Note 10)*	985.866.927	145.416.652
Total receivables from insurance operations, net	3.618.814.028	613.138.119
Cash deposited to insurance and reinsurance companies	469.441.613	410.355.744
Doubtful receivables from main operations	153.566.800	78.486.484
Provision for doubtful receivables from main operations	(153.566.800)	(78.486.484)
Receivables from main operations	4.088.255.641	1.023.493.863

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

	December 31, 2023	December 31, 2022
Letters of guarantees	-	33.828.714
Other Guarantees	-	-
Total	-	33.828.714

Provisions for overdue receivables and receivables not due yet

a) *Receivables under legal or administrative follow up (due): TL* 153.566.800 for main operations (December 31, 2022: TL 78.486.484) and TL 705.142 (December 31, 2022: TL 705.142) for other receivables.

b) Provision for premium receivables (due): None (December 31, 2022: None).

The Company's receivables from and payables to shareholders, associates and subsidiaries are detailed in *Note 45 - Related party transactions.*

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

13 Derivative financial assets

As of December 31, 2023, and 2022, the Company has no derivative financial instruments.

14 Cash and cash equivalents

As of December 31, 2023, and 2022, the details of 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	-	42.425	42.425	21.528
Bank deposits	1.825.305.969	1.690.301.129	1.690.301.129	1.940.001.758
Cheques received	-	-	-	-
Cash and cash equivalents in the balance sheet	1.825.305.969	1.690.343.554	1.690.343.554	1.940.023.286
Bank deposits - blocked	(500)	(500)	(500)	(500)
Time deposits with maturities longer than 3 months	(745.832.738)	(305.956.102)	(305.956.102)	(157.229.110)
Interest accruals on bank deposits	(5.501.890)	(9.232.799)	(9.232.799)	(14.400.277)
Cash and cash equivalents presented in the statement of cash flows	1.073.970.841	1.375.154.153	1.375.154.153	1.768.393.399

As of December 31, 2023, and 2022, the details of bank deposits as follows:

	December 31, 2023	December 31, 2022
Foreign currency denominated bank deposits		
- time deposits	610.687.691	561.136.862
- demand deposits	440.467.160	116.626.088
Bank deposits in Turkish Lira		
- time deposits	771.673.651	1.011.826.258
- demand deposits	2.477.467	711.921
Bank deposits	1.825.305.969	1.690.301.129

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 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 December 31, 2023, the issued share capital of the Company is TL 660.000.000 (December 31, 2022: TL 660.000.000) and the share capital of the Company 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 Company.

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

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

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	43.974.913	29.616.804
Accounted according to the equity method	6.380.867	5.486.282
Legal reserves at the end of the period	312.168.254	261.812.474

As of December 31, 2023, and December 31, 2022, "Other Reserves and Retained Earnings" includes extraordinary reserves, gains to be added to equity and buildings for own use revaluation differences and other profit reserves.

(Currency: Turkish Lira (TL))

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	-	-
Accounted according to the equity method	392.685.286	232.743.627
Extraordinary reserves at the end of the period	1.448.635.062	1.055.949.776

Special funds (reserves)

As of 31 December 2023, a fund of TL 38.123.053 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). As of December 31, 2023, special funds accounted according to the equity method is amounting to TL 95.887.615 (December 31, 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	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

According to revision on TAS 19, actuarial profit and losses that recognized in income statement in termination indemnity calculation before, is recognized in "Other Profit Reserves" account under equity in current period financial statements. The amount of TL (21.271.539) (December 31, 2022: TL (15.402.782) regarding actuarial calculation is presented in other profit reserves account, in calculation of termination indemnity As of December 31, 2023.

Movement of other profit reserves is presented below:

	December 31, 2023	December 31, 2022
Other profit reserves at the beginning of the period	7.210.231	15.947.853
Actuarial gains/losses	(5.868.757)	(9.437.393)
Accounted according to the equity method	(18.291.566)	699.771
Other profit reserves at the end of the period	(16.950.092)	7.210.231

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.

(Currency: Turkish Lira (TL))

Other capital reserves

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

According to expertise reports, fair value of building for own use is calculated as TL 1.459.750.000 and revaluation differences amounted TL 1.447.902.359 is recognized in 'Other Capital Reserves' account under equity amounting to 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 December 31, 2023, the other capital reverses that are accounted according to the equity method amounting to TL 89.457.077 (December 31, 2022: TL 39.677.182)

Valuation of financial assets

As of December 31, 2023, and 2022 detailed change of fair value of marketable securities, debt securities and subsidiaries classified as available for sale financial assets is as following:

	December 31, 2023	December 31, 2022
Fair value reserves at the beginning of the period	775.959.399	28.018.182
Change in the fair value during the period *(Note 4.2)*	824.751.307	760.461.077
Deferred tax effect *(Note 4.2)*	(16.941.141)	(12.893.456)
Net gains transferred to the statement of income *(Note 4.2)*	(10.668.838)	498.127
Deferred tax effect *(Note 4.2)*	3.200.651	(124.531)
Fair value reserves at the end of the period	1.576.301.378	775.959.399

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 March 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)

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 Company does not hold any insurance or investment contracts which contain a discretionary participation feature.

17 Insurance contract liabilities and reinsurance assets

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

(Currency: Turkish Lira (TL))

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

	December 31, 2023	December 31, 2022
Unearned premiums reserve, gross	4.970.704.922	2.293.557.896
Unearned premiums reserve, ceded *(Note 10)*	(60.065.549)	(49.314.693)
Unearned premiums reserve, net	4.910.639.373	2.244.243.203
Outstanding claims reserve, gross	11.825.397.858	4.174.390.046
Outstanding claims reserve, ceded *(Note 10)*	(5.807.404.091)	(129.947.122)
Outstanding claims reserve, net	6.017.993.767	4.044.442.924
Unexpired risks reserve, gross	34.469.669	13.916.585
Unexpired risks reserve, ceded *(Note 10)*	(642.771)	(752.399)
Unexpired risks reserve, net	33.826.898	13.164.186
Equalization reserve, net	270.559.287	405.400.733
Mathematical reserves	-	-
Total technical reserves, net	11.233.019.325	6.707.251.046
Short-term	10.962.460.038	6.301.850.313
Medium and long-term	270.559.287	405.400.733
Total technical reserves, net	11.233.019.325	6.707.251.046

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	Net
Unearned premiums reserve at the beginning of the period	2.293.557.896	(49.314.693)	2.244.243.203
Written premiums during the period	9.924.594.569	(2.089.018.861)	7.835.575.708
Earned premiums during the period	(7.247.447.543)	2.078.268.005	(5.169.179.538)
Unearned premiums reserve at the end of the period	4.970.704.922	(60.065.549)	4.910.639.373

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

(Currency: Turkish Lira (TL))

Outstanding claims reserve	December 31, 2023 Gross	Ceded	Net
Outstanding claims reserve at the beginning of the period	4.174.390.046	(129.947.122)	4.044.442.924
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	20.901.595.604	(13.312.351.131)	7.589.244.473
Claims paid during the period	(12.315.558.993)	7.622.976.582	(4.692.582.411)
Discount effect	(935.028.799)	11.917.580	(923.111.219)
Outstanding claims reserve at the end of the period	11.825.397.858	(5.807.404.091)	6.017.993.767

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

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

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

Total amount of insurance risk on a branch basis

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

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

None.

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

None.

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

None.

Pension investment funds established by the Company and their unit prices

None.

Number and amount of participation certificates in portfolio and circulation

None.

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

None.

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

None.

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

None.

(Currency: Turkish Lira (TL))

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

None.

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

None.

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

None.

Profit share distribution rate of life insurances

None.

Deferred commission expenses

The Company capitalizes commissions paid to the intermediaries related to policy production under short-term and long-term prepaid expenses. As of December 31, 2023, deferred production expenses amounting to TL 1.151.447.899 (December 31, 2022: 540.362.676 TL) deferred production commissions amounting to TL 1.147.768.978 (31 December 2022: TL 537.519.645) and deferred loss surplus amounting to TL 3.678.921 (31 December 2022: TL 2.843.031) It consists of premiums.

As of December 31, 2023, and 2022, the movement of deferred commission expenses is presented below:

	December 31, 2023	December 31, 2022
Deferred commission expenses at the beginning of the period	537.519.645	280.371.627
Commissions accrued during the period *(Note 32)*	2.259.936.635	1.091.429.957
Commissions expensed during the period *(Note 32)*	(1.649.687.302)	(834.281.939)
Deferred commission expenses at the end of the period	1.147.768.978	537.519.645

18 Investment contract liabilities

None.

19 Trade and other payables and deferred income

	December 31, 2023	December 31, 2022
Financial Liabilities *(Note 20)*	29.846.096	126.259
Payables from reinsurance operations	841.905.698	157.282.931
Short/long term deferred income and expense accruals	48.379.059	26.927.997
Taxes and other liabilities and similar obligations	15.176.235	6.317.060
Due to related parties *(Note 45)*	722.655	419.272
Other payables	9.665.367	13.057.845
Total	945.695.110	204.131.364
Short-term liabilities	929.095.646	162.229.199
Medium and long-term liabilities	16.599.464	41.902.165
Total	945.695.110	204.131.364

As of December 31, 2023, and 2022, other payables largely consist of outsourced benefits and services.

Short/long term deferred income and expense accruals include deferred commission income *(Note 10)* amounting to TL 8.565.638 (December 31, 2022: TL 9.482.897).

(Currency: Turkish Lira (TL))

As of December 31, 2023, the amounting of the expense accruals TL 39.421.809 (December 31, 2022: TL 17.174.294) are detailed in the table below.

	December 31,2023	December 31, 2022
Dividend accrual	14.165.226	7.368.043
Other accruals	25.256.583	9.806.251
Total	39.421.809	17.174.294

Prepaid income and expense accruals are TL 391.612 (December 31, 2022: TL 270.806) consist of long-term and short term other deferred income.

Corporate tax liabilities and prepaid taxes are disclosed below:

	December 31, 2023	December 31, 2022
Taxes paid during the year	9.170.386	13.673.790
Corporate tax liabilities	-	-
Prepaid assets, net	9.170.386	13.673.790

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

None.

20 Financial liabilities

As of 31 December 2023 and 2022, discounted repayment plans for the Company's operating leases are as follows:

	December 31, 2023	December 31, 2022
Within one year	13.252.134	30.126
1 yıldan uzun	16.593.962	96.133
Total	29.846.096	126.259

21 Deferred tax

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)
Unexpired risks reserve	10.148.069	3.291.046
Equalization provision	1.099.686	59.979.691
Provision for the pension fund deficits	101.784.902	58.816.795
Provisions for employee termination benefits	6.608.445	7.637.199
Provision for doubtful receivables	12.899.994	1.946.412
Personnel bonus accrual	4.249.568	1.842.012
Valuation differences in financial assets	(37.779.613)	6.012.445
Rediscount of receivables and payables	130.202	(26.240)
Time deposits	289.568	398.499
Amortization correction differences	17.460.381	(1.739.745)
Profit commission accrual	(19.400.593)	(10.968.672)
Real estate valuation differences	(6.565.100)	(294.503.668)
Prepaid expenses	484.096	-
Deferred tax (liabilities)/assets, net	91.409.605	(167.314.226)

(Currency: Turkish Lira (TL))

As of 31 December 2023, the Company 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 Company 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 are given below:

	December 31, 2023	December 31, 2022
Opening balance at 1 January	(167.314.226)	15.136.149
Deferred tax income/expense	(523.942.071)	(103.908.015)
Deferred tax income/expense recognised in equity	(247.607.755)	(78.542.360)
Other(*)	1.030.273.657	
Deferred tax (assets)/liabilities:	91.409.605	(167.314.226)

(*) With the transfer of TL 4.613.156.000 of the fair value of the Company's real estate to Miltaş Turizm İnşaat Ticaret A.Ş. by partial division, the deferred tax liability of TL 1.030.273.657 calculated on the real estate was deducted from the value of the Miltaş Turizm İnşaat Ticaret A.Ş.

22 Retirement benefit obligations

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

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

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

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

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

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

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

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

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

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

(Currency: Turkish Lira (TL))

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 unconsolidated financial statements.

An actuarial report has been obtained from registered actuary regarding calculation of the amount to be paid to the Social Security Institution by the Company in accordance with the new law. The CSO 1980 mortality table for December 31, 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's 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

23 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	22.028.149	30.548.796
Total provision for other risks	361.311.155	265.815.978

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	30.548.796	14.992.038
Interest cost *(Note 47)*	4.867.193	2.630.146
Service cost *(Note 47)*	4.836.092	1.888.765
Payments during the period *(Note 47)*	(28.074.802)	(2.042.459)
Actuarial gain/loss	9.850.870	13.080.306
Provision at the end of the period	22.028.149	30.548.796

(Currency: Turkish Lira (TL))

24 Net insurance premium revenue

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

25 Fee revenue

None.

26 Investment income

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

27 Net income accrual on financial assets

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

28 Asset held at fair value through profit or loss

Presented in "Note 4.2 - Financial Risk Management".

29 Insurance rights and claims

	December 31, 2023		December 31, 2022	
	Life	Non-Life	Life	Non-Life
Claims paid, net off reinsurers' share	(6.831.487)	(4.685.750.924)	(9.292.133)	(2.311.827.218)
Changes in outstanding claims reserve, net off reinsurers' share	1.339.803	(1.974.890.646)	9.915.129	(1.785.548.748)
Changes in unearned premiums reserve, net off reinsurers' share	(3.684.742)	(2.662.711.428)	(1.633.068)	(1.078.926.225)
Changes in unexpired risks reserve, net off reinsurers' share	-	(20.662.712)	948.523	141.733.008
Change in equalization reserve, net off reinsurers' share	2.485.278	132.356.168	(101.352)	(159.444.330)
Change in life mathematical reserves, net off reinsurers' share	-	-	-	-
Total	(6.691.148)	(9.211.659.542)	(162.901)	(5.194.013.513)

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.

(Currency: Turkish Lira (TL))

32 Operating expenses

As of December 31, 2023, and 2022, the operating expenses are disclosed as follows:

	December 31, 2023		December 31, 2022	
	Life	Non-Life	Life	Non-Life
Commission expenses *(Note 17)*	3.346.009	1.646.341.293	4.622.090	829.659.849
Commissions to the intermediaries accrued during the period (Note 17)	3.771.452	2.256.165.183	4.757.807	1.086.672.150
Changes in deferred commission expenses (Note 17)	(425.443)	(609.823.890)	(135.717)	(257.012.301)
Employee benefit expenses *(Note 33)*	655.383	272.151.223	556.571	133.499.893
Foreign exchange losses	647.435	1.374.124.698	228.373	266.056.619
Administration expenses	212.615	83.740.551	215.306	45.790.907
Commission income from reinsurers *(Note 10)*	(170.879)	(26.095.892)	-	(16.634.487)
Commission income from reinsurers accrued during the period (Note 10)	(170.879)	(25.178.633)	-	(25.072.841)
Change in deferred commission income (Note 10)	-	(917.259)	-	8.438.354
Outsourced benefits and services	77.353	27.548.567	63.145	12.080.160
Other	27.376	106.381.633	26.451	23.041.353
Total	4.795.292	3.484.192.073	5.711.936	1.293.494.294

33 Employee benefit expenses

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

	December 31, 2023		December 31, 2022	
	Life	Non-Life	Life	Non-Life
Wages and salaries	404.829	179.346.681	357.858	92.967.020
Employer's share in social security premiums	111.800	42.438.473	116.573	24.027.551
Pension fund benefits	138.754	50.366.069	82.140	16.505.322
Total *(Note 32)*	655.383	272.151.223	556.571	133.499.893

34 Financial costs

As of December 31, 2023, TL 577.324 (1 January - 31 December 2022: 303.487) interest expense arising from leases that the Company is subject to TFRS 16 Leasing Transactions standard is recognised under "Investment Management Expenses - Interest Included" account; and the depreciation expense amounting to TL 9.941.999 is recognised under the "Depreciation and Amortization Expense" accounts (1 January - 31 December 2022: 4.130.773).

(Currency: Turkish Lira (TL))

35 Income Taxes

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

	December 31, 2023	December 31, 2022
Corporate tax expense:		
Corporate tax provision	-	-
Deferred taxes:		
Origination and reversal of temporary differences	(523.942.071)	(103.908.015)
Total income tax expense/(income)	(523.942.071)	(103.908.015)

For the period then ended As of December 31, 2023 and 2022, a reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

	December 31, 2023		December 31, 2022	
Profit before taxes	4.152.950.124	Tax rate (%)	992.527.781	Tax rate (%)
Taxes on income per statutory tax rate	1.245.885.037	30,00	248.131.945	25,00
Tax exempt income	(1.168.135.751)	(28,13)	(217.070.740)	(21,87)
Tax rate change impact	210.208.668	5,06	1.214.466	0,12
Non-deductible expenses	235.984.117	5,68	71.632.344	7,22
Total tax expense recognized in profit or loss	523.942.071	12,62	103.908.015	10,47

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 net profit of the year to the weighted average number of shares.

	December 31, 2023	December 31, 2022
Net profit for the period	3.629.008.053	888.619.766
Weighted average number of shares	66.000.000.000	66.000.000.000
Earnings per share (TL)	0,0550	0,0135

38 Dividends per share

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

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

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

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

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

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.

(Currency: Turkish Lira (TL))

39 Cash generated from operations

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

40 Convertible bonds

None.

41 Redeemable preference shares

None.

42 Risks

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

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

43 Commitments

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

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

	December 31, 2023	December 31, 2022
Within one year	13.252.134	30.126
More than one year & Less than five years	16.593.962	96.133
Total of minimum rent payments	29.846.096	126.259

44 Business combinations

None.

(Currency: Turkish Lira (TL))

45 Related party transactions

For the purpose of the accompanying unconsolidated financial statements, shareholders, key management and members of board of directors together with their families and companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. The related party balances as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Türkiye İş Bankası A.Ş.	908.899.783	724.044.050
Other	-	9.900
Banks	908.899.783	724.053.950
Investment funds founded by İş Portföy Yönetimi A.Ş. *(Note 11)*	235.842.034	432.880.122
Equity shares of the related parties *(Note 11)*	424.203.903	289.699.205
Bond issued by Türkiye İş Bankası A.Ş. *(Note 11)*	80.000.000	-
Eurobonds issued by Türkiye İş Bankası A.Ş. *(Note 11)*	149.060.326	132.045.525
Investment funds founded by İş Portföy Yönetimi A.Ş. *(Note 11)*	119.504.658	85.890.035
Industrial Development Bank of Turkey as bonds issued Inc. (Note 11)	60.424.849	37.101.541
Bonds issued by Türkiye Şişe ve Cam Fabrikaları A.Ş (Note 11)	-	82.731.200
Türkiye İş Bankası FX-protected deposits	325.739.000	96.430.000
Financial assets	1.394.774.770	1.156.777.628
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş.)	218.896.210	78.549.428
Anadolu Sigorta	158.144.576	73.674.497
Anadolu Hayat Emeklilik A.Ş	20.908.036	4.951.884
HDI Sigorta A.Ş.	5.473.370	504.422
İstanbul Umum Sigorta A.Ş	363.976	273.998
Liberty Sigorta A.Ş. (HDI Sigorta A.Ş.)	196.305	42.981
Güven Sigorta T.A.Ş	171.880	-
Groupama Sigorta A.Ş	-	8.233.869
Ergo Sigorta A.Ş. (HDI Sigorta A.Ş.)	-	15.892
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	-	2.751
Receivables from main operations	404.154.353	166.249.722
Due from subsidiaries	24.306.074	
Due from related parties	24.306.074	
Due to shareholders	156.859	156.859
Due to Personnel	1.373	-
Due to subsidiaries	503.277	-
Due to other related parties	61.146	262.413
Due to related parties	722.655	419.272
Ergo Sigorta A.Ş. (HDI Sigorta A.Ş.)	11.866.746	-
Axa Sigorta A.Ş	10.346.777	5.373.820
Groupama Sigorta A.Ş	8.037.790	38.158
Allianz Sigorta A.Ş	4.841.851	3.931.833
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	2.551.783	2.560.806
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	822.069	-
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	509.084	275.047
Halk Hayat ve Emek.(Türkiye Hayat Emeklilik A.Ş)	383.654	-
Liberty Sigorta A.Ş. (HDI Sigorta A.Ş.)	112.079	69.172
Güven Sigorta T.A.Ş	93.301	73.483
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş.)	45.116	33.279
İstanbul Umum Sigorta A.Ş	44.088	25.580
Anadolu Sigorta	17.851	12.139
Payables from main operations	39.672.189	12.393.317

(Currency: Turkish Lira (TL))

No guarantees have been taken against receivables from related parties.

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

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

The transactions with related parties are as follows:

	December 31, 2023	December 31, 2022
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	1.944.238.094	645.949.012
Anadolu Sigorta	933.050.049	514.690.257
Groupama Sigorta A.Ş.	87.616.220	61.144.191
Anadolu Hayat Emeklilik A.Ş.	31.581.138	7.876.435
Allianz Sigorta A.Ş.	28.840.565	13.216.018
Hdi Sigorta A.Ş.	6.447.215	1.799.242
Axa Sigorta A.Ş.	3.411.225	(28.139)
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	1.336.130	3.591.451
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	550.188	538.105
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	57.528	10.332
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	-	7.889
Premiums received	3.037.128.352	1.248.794.793
Anadolu Sigorta	899	2.386.178
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 to the reinsurer	2.216	2.386.254
Anadolu Sigorta	3.994	170.904
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	9.843	170.049

(Currency: Turkish Lira (TL))

	December 31, 2023	December 31, 2022
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	508.623.153	175.292.378
Anadolu Sigorta	194.098.310	104.059.523
Groupama Sigorta A.Ş.	16.809.696	13.521.740
Allianz Sigorta A.Ş.	7.208.239	3.649.769
Anadolu Hayat Emeklilik A.Ş.	1.227.257	22.003
Hdi Sigorta A.Ş.	1.079.685	276.099
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	540.987	616.830
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	219.545	375.747
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	16.503	1.033
Halk Hayat ve Emek.(Türkiye Hayat Emeklilik A.Ş)	-	2.218.375
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	-	754.903
Axa Sigorta A.Ş.	(348.989)	(485.681)
Commissions given	729.474.386	300.302.719
Anadolu Sigorta	2.232.638.553	287.715.432
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	4.498.342.577	584.600.447
Anadolu Sigorta	1.831.525	136.361
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
Reinsurance’s share of claims paid	5.661.194	448.922

(Currency: Turkish Lira (TL))

	December 31, 2022	December 31, 2021
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	24.904.188	8.426.523
Anadolu Sigorta	12.983.839	4.563.173
Groupama Sigorta A.Ş.	3.756.938	126.962
Hdi Sigorta A.Ş.	2.281.968	95.857
Anadolu Hayat Emeklilik A.Ş.	197.037	176.090
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	44.650.980	13.958.719
Allianz Sigorta A.Ş.	3.008.029	992.497
Türkiye Sigorta A.Ş (Güneş Sigorta A.Ş)	2.269.317	781.156
Axa Sigorta A.Ş.	1.574.145	1.052.992
Ergo Sigorta A.Ş. (Hdi Sigorta A.Ş.)	714.306	-
Halk Sigorta A.Ş.(Türkiye Sigorta A.Ş)	368.263	210.488
Anadolu Hayat Emeklilik A.Ş.	69.707	140.949
Ziraat Sigorta A.Ş.(Türkiye Sigorta A.Ş)	6.300	385
Groupama Sigorta A.Ş.	4.595	4.670
Güven Sigorta T.A.Ş.	2.747	2.198
Anadolu Sigorta	2.318	309.022
Liberty Sigorta A.Ş.(Hdi Sigorta A.Ş.)	1.439	1.135
Hdi Sigorta A.Ş.	76	117
İstanbul Umum A.Ş.	72	44
Türkiye Hayat ve Emeklilik A.Ş (Vakıf Hayat ve Emeklilik A.Ş)	-	1
Other expenses	8.021.314	3.495.654

(Currency: Turkish Lira (TL))

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.

Details of rediscount and provision expenses are as follows:

Provision expenses	December 31, 2023	December 31, 2022
Provision for pension fund deficits	(104.015.824)	(132.268.671)
Provision expenses for doubtful receivables (*)	(74.994.760)	(15.221.603)
Provision for employee termination benefits *(Note 23)*	18.371.516	(2.476.451)
Other provision	6.954.540	(471.823)
Total of provisions	(153.684.528)	(150.438.548)

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

Rediscount Expenses	December 31, 2023	December 31, 2022
Rediscount income/(expense) from reinsurance receivables	(2.682.549)	79.665
Rediscount income/(expense) from reinsurance payables	(43.308.097)	(9.599.934)
Total of rediscounts	(45.990.646)	(9.520.269)

	December 31, 2023	December 31, 2022
Independent audit fee for the reporting period(*)	5.577.526	1.785.115
Fees for tax advisory services	529.839	311.811
Fee for other assurance services	-	-
Fees for services other than independent audit	-	-
Total	6.107.365	2.096.926

(*) As of 31 December 2023, the independent audit fee received from Güney Independent Auditing and SMMM A.Ş is 2.609.690 TL, and the audit fee received from other independent audit companies is 2.967.836 TL (31 December 2022: Güney Independent Auditing and SMMM A. The independent audit fee is 543.775 TL, and the audit fee received from other independent audit companies is 1.241.340 TL.)

Millî Reasürans Türk Anonim Şirketi

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

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

Information on Consolidated Subsidiaries

Anadolu Anonim Türk Sigorta Şirketi

Undertaking insurance and reinsurance activities in non-life branches, Anadolu Sigorta was founded in 1925 at the initiative of Mustafa Kemal Atatürk, the founder of the Turkish Republic, and under the leadership of İşbank, Turkey's first national bank.

Pioneering its sector ever since its incorporation, Anadolu Sigorta is committed to offering only high-quality products and services and to ensuring their continuity with its experienced and expert teams, solid technological and financial infrastructure, continuous development and improvement understanding, and extensive network of expert agents.

Anadolu Sigorta's shares are quoted on Borsa İstanbul (BİST) Stars Market under the ticker symbol "ANSGR". 35.69% of Anadolu Sigorta is publicly held, while 57.31% belongs to Millî Reasürans T.A.Ş. and 7% belongs to Trakya Yatırım Holding A.Ş.

Headquartered in İstanbul, Anadolu Sigorta brings its products to its customers via regional offices in İstanbul (2), Ankara, Adana, Antalya, Bursa, Samsun, Trabzon, and İzmir, a sales office in Gaziantep, a branch in the Turkish Republic of Northern Cyprus, and 2,966 professional agencies as of year-end 2023.

Anadolu Sigorta uses bank branches, mainly those of İşbank, within its bancassurance network as a fundamental distribution channel of its services. Besides all İşbank branches, TSKB, A&T Bank, Alternatifbank, Albaraka Türk Participation Bank and QNB Finansbank branches serve as Anadolu Sigorta agencies.

In 2023, Anadolu Sigorta increased its total premium production by 86% year-on-year to TL 44.3 billion and controls a 10.30% share of the overall market among non-life companies.

The highest premium generator for Anadolu Sigorta in 2023 has been the Land Vehicles branch with TL 11,764 million, followed in order by Fire and Natural Disasters with TL 9,173 million, Land Vehicles Liability with TL 8,832 million, and Health with TL 5,845 million.

According to its unconsolidated financial statements, Anadolu Sigorta's total assets reached TL 58.3 billion at the end of 2023, up by 90.01% year-on-year, while its shareholders' equity reached TL 14.2 billion with an annual rise by 134.83%. Booking a net profit of TL 5,902.2 million in 2023 that went up by 520.92% as compared to the previous year, Anadolu Sigorta successfully achieved its sustainable profit target also in 2023.

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.

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.

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.

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.

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

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 Özdemir
General Manager

Özlem CİVAN
Assistant General Manager

Şule SOYLU
Assistant General Manager

Ertan Tan
Actuary
Registration No: 21

Contents

Millî Reasürans Türk Anonim Şirketi

Consolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

ASSETS				
			Audited Current Period	Audited Prior Period
I-	Current Assets	Note	December 31, 2023	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.

Millî Reasürans Türk Anonim Şirketi

Consolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

	ASSETS			
			Audited Current Period	Audited Prior Period
II-	Non-Current Assets	Note	December 31, 2023	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.

Millî Reasürans Türk Anonim Şirketi

Consolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

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.

Consolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

LIABILITIES				
			Audited Current Period	Audited Prior Period
IV- Long-Term Liabilities		Note	December 31, 2023	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.

Millî Reasürans Türk Anonim Şirketi

Consolidated Balance Sheet
As of December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

EQUITY				
			Audited Current Period	Audited Prior Period
V-	Equity	Note	December 31, 2023	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.

Consolidated Statement of Income
For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

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.

Consolidated Statement of Income
For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

	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.

Millî Reasürans Türk Anonim Şirketi

Consolidated Statement of Income
For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

		Note	Audited Current Period January 1- December 31, 2023	Audited Prior Period January 1- December 31, 2022
II-	NON-TECHNICAL SECTION			
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.

Millî Reasürans Türk Anonim Şirketi

Consolidated Statement of Changes in Equity
For the Year 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
I-	Balance at the end of the previous year - December 31, 2021	15	660.000.000	-	28.018.183	-	41.999.609
II-	Change in Accounting Standards			-	-	-	-
III-	Restated balances (I+II) - January 1, 2022		660.000.000	-	28.018.183	-	41.999.609
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		-	-	-		-
E-	Change in the value of financial assets	15	-	-	747.941.219	-	-
F-	Currency translation adjustments		-	-	-	-	44.654.832
G-	Other gains or losses		-	-	-	-	-
H-	Inflation adjustment differences		-	-	-	-	-
I-	Net profit for the year		-	-	-	-	-
J-	Other reserves and transfers from retained earnings	38	-	-	-	-	-
K-	Dividends paid	38	-	-	-	-	-
IV-	Balance at the end of the year - December 31, 2022	15	660.000.000	-	775.959.402	-	86.654.441

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
I-	Balance at the end of the previous year - December 31, 2022	15	660.000.000	-	775.959.402	-	86.654.441
II-	Change in Accounting Standards		-	-	-	-	-
III-	Restated balances (I+II) - January 1, 2023		660.000.000	-	775.959.402	-	86.654.441
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		-	-	-	-	-
E-	Change in the value of financial assets	15	-	-	800.341.974	-	-
F-	Currency translation adjustments		-	-	-	-	167.862.804
G-	Other gains or losses		-	-	-	-	-
H-	Inflation adjustment differences		-	-	-	-	-
I-	Net profit for the year		-	-	-	-	-
J-	Other reserves and transfers from retained earnings	38	-	-	-	-	-
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

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

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
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
-	-	-	-	-	-	-	-
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
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
		423.045.241	402.391.689	(403.404.209)	422.032.721	(7.090.993)	414.941.728
-	-	-	-	-	747.941.219	384.761.776	1.132.702.995
-	-	-	-	-	44.654.832	-	44.654.832
-	-	88.369	39.454	136.682	264.505	55.224	319.729
-	-	-	-	-	-	-	-
-	-	-	861.369.752	-	861.369.752	565.024.211	1.426.393.963
35.103.086	39.635.254	327.834.110	(841.726.143)	439.153.693	-		-
-	-	-	(48.000.000)	-	(48.000.000)	-	(48.000.000)
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

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
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
-	-	-	-	-	-	-	-
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
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	478.705.074	793.921.068	(794.102.829)	478.523.313	-	478.523.313
-	-	-	-	-	800.341.974	463.974.981	1.264.316.955
-	-	-	-	-	167.862.804	-	167.862.804
-	-	78.944	(3.998.880)	365.907	(3.554.029)	(2.855.732)	(6.409.761)
-	-	-	-	-	-	-	-
-	-	-	3.631.736.624	-	3.631.736.624	2.723.690.196	6.355.426.820
50.355.780	61.237.149	499.744.384	(1.651.291.940)	1.039.954.627	-	-	-
-	-	-	-	-	-	-	-
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

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

		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.

Consolidated Statement of Profit Distribution
For the Year Ended December 31, 2023

(Currency: Turkish Lira (TL))
(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

		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.

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.

(Currency: Turkish Lira (TL))

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).

1.7 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.

(Currency: Turkish Lira (TL))

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.

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:20-21-22 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.

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.

2.1.2 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.

2.1.6 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))

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RESEARCH & DEVELOPMENT ACTIVITIES
ACTIVITIES AND MAJOR DEVELOPMENTS RELATED TO ACTIVITIES
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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.

2.3 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.

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.

(Currency: Turkish Lira (TL))

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

2.6 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.

2.8 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.

2.9 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.

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.

(Currency: Turkish Lira (TL))

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.

2.14 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.

2.18 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.

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.

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.

(Currency: Turkish Lira (TL))

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.

2.20 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.

(Currency: Turkish Lira (TL))

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.

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

(Currency: Turkish Lira (TL))

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.

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.

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.

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.

2.24 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.

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.

2.25 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.

(Currency: Turkish Lira (TL))

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.

	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.

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.

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).

2.26 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.

(Currency: Turkish Lira (TL))

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.

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.

2.28 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).

2.29 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.

2.32 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.

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.

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.

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))

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.

(Currency: Turkish Lira (TL))

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.

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 3.031.578.817 are 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).

(Currency: Turkish Lira (TL))

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

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))

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.

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.

(Currency: Turkish Lira (TL))

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.

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))

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).

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).

(Currency: Turkish Lira (TL))

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.

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

(Currency: Turkish Lira (TL))

	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.

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.

(Currency: Turkish Lira (TL))

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

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.

(Currency: Turkish Lira (TL))

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.

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.

(Currency: Turkish Lira (TL))

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.

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.

(Currency: Turkish Lira (TL))

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.

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.

(Currency: Turkish Lira (TL))

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.

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	

(Currency: Turkish Lira (TL))

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.

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))

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.

(Currency: Turkish Lira (TL))

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

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))

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

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

(Currency: Turkish Lira (TL))

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**

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.

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

	December 31, 2023	December 31, 2022
	End of term	
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.

(Currency: Turkish Lira (TL))

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

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

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).

(Currency: Turkish Lira (TL))

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.

Special funds (reserves)

As of 31 December 2023, TL 38.123.053 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).

(Currency: Turkish Lira (TL))

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).

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))

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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**

(Currency: Turkish Lira (TL))

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

	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.

(Currency: Turkish Lira (TL))

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.

	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

	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.

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.

(Currency: Turkish Lira (TL))

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.

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

(Currency: Turkish Lira (TL))

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.

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**

(Currency: Turkish Lira (TL))

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.

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.

(Currency: Turkish Lira (TL))

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.

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**

(Currency: Turkish Lira (TL))

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.*

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.

(Currency: Turkish Lira (TL))

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

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.

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.

(Currency: Turkish Lira (TL))

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

No guarantees have been taken against receivables from related parties.

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

(Currency: Turkish Lira (TL))

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FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF THE GOVERNING BODY AND SENIOR EXECUTIVES
RESEARCH & DEVELOPMENT ACTIVITIES
ACTIVITIES AND MAJOR DEVELOPMENTS RELATED TO ACTIVITIES
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FINANCIAL INFORMATION

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))

	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

(Currency: Turkish Lira (TL))

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.

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

CONTACT INFORMATION

Headquarters

İş Kuleleri, Kule 3 Kat: 20-21-22 34330 Levent-İstanbul/TURKEY

Tel: (0212) 231 47 30

E-mail: info@millire.com
millire@millire.com

Singapore Branch

4 Battery Road #20-01
Bank of China Building Singapore 049908

Tel: +65 6499 9340

Fax: +65 6534 2884

E-mail: singapore@millire.com

www.millire.com
www.millire.com.tr

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Tel: (90 212) 227 04 36
www.tayburnkurumsal.com

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