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

Millî Reasürans Türk Anonim Şirketi and its Subsidiaries

Consolidated Financial Statements As of December 31, 2024 together with the Independent Auditor's Report

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT (ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Milli Reasürans Türk Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the consolidated financial statements of Milli Reasürans Türk Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated balance sheet as of 31 December 2024 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 the 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 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting and financial reporting regulations enforced by insurance legislation and Turkish Financial Reporting Standards for the matters not regulated by insurance legislation "Regulation on Insurance Accounting and Financial Reporting Principles".

2. Basis for Opinion

Our audit was conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015

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. Key audit matters were addressed in the context of our independent 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 matter***
Estimation of provision for claims incurred but not reported As explained in Note 2 to the accompanying consolidated financial statements, the Group has accounted for a net provision for claims incurred but not reported amounting to TRY 26.413.119.617 as of 31 December 2024. The abovementioned provision is calculated by the Group's actuaries using actuarial chain ladder methods, in accordance with "Circular on Outstanding Claim Provisions" dated 5 December 2014 and numbered 2014/16 published by the Ministry of Treasury and Finance and the approval letter obtained from the regulatory authority. Accordingly, the selection and aggregation of the claims data used in the calculation, adjustment procedures, selection of the most appropriate method and development factors, as well as interventions in the development factors, are carried out by the Group's actuaries using actuarial methods on a branch basis. The amount calculated is compared to the incurred and reported provision for outstanding claims, and the difference is determined as the provision for claims incurred but not reported. The reason we focus on this area during our audit is the significance of the incurred but not reported claims provision for the consolidated financial statements and the significant actuarial judgments and estimates required by the nature of provision in the financial statements.	We tested the design and operational effectiveness of the key controls implemented by the Group management in relation to the claims data used in the calculation of provision for claims incurred but not reported. In the branches selected by the sampling method, the data used in the calculation of provision for claims incurred but not reported was reconciled to the information in the accompanying consolidated financial statements. In addition, the estimated expected loss ratios and claim development trends, as well as the selected actuarial methods and assumptions considered by the Group's actuaries in the calculation of the provision for incurred but not reported, have been assessed by the actuaries within our team using actuarial techniques, based on historical claim experiences and sector developments. Besides, for selected branches, independent actuarial analyses have been conducted and reasonable range estimates have been determined for the acceptable reserve ranges related to the provision for incurred but not reported claims calculated by the Group's actuaries as of the balance sheet date, considering the related legislation and the approval letter obtained from the regulatory authority, and these ranges have been compared with the amounts included in Group's accounting records. In addition to these, the compliance and consistency of the disclosures in the notes to the consolidated financial statements related to such provisions have been checked in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles.

4. Other Matter

The audit of the consolidated financial statements of the Group for the year ended 31 December 2023 was conducted by another independent audit firm and an unqualified opinion was issued in audit report dated 27 February 2024 prepared by the mentioned independent audit firm.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles and for such internal control as management determines is necessary to enable the preparation of 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.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is 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 independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.

- Assess the 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 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 independent 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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.

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. Other Responsibilities Arising from Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

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

Additional Paragraph for Convenience Translation into English

As discussed in Note 2 to the accompanying consolidated financial statements, the effects of differences between the accounting principles as set out by the related insurance laws and accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position and results of operations and changes in consolidated financial position and consolidated cash flows in accordance with accounting principles generally accepted in such countries and IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

ORIGINALLY ISSUED IN TURKISH

Ramazan Yüksekkaya, SMMM
Partner

Istanbul, 28 February 2025

MİLLİ RE
Millî Reasürans T.A.Ş.
İş Kuleleri, Kule: 3
Kat: 20-21-22-24 34330
Levent, Beşiktaş, İstanbul, Türkiye
Tel: +90 (212) 231 47 30
www.millire.com
Registration No:
0621003912600011

MİLLÎ REASÜRANS TÜRK ANONİM ŞİRKETİ
CONVENIENCE TRANSLATION OF THE COMPANY'S REPRESENTATION ON THE CONSOLIDATED FINANCIAL STATEMENT PREPARED AS OF DECEMBER 31, 2024

We confirm that the consolidated financial statements and related disclosures and footnotes as of December 31, 2024 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the financial records of our Company.

Istanbul,

February 28, 2025

Ebru Özşuca Chairperson of the Board of Directors and Audit Committee Chair	Zeliha Göker Member of the Board of Directors and Audit Committee Member	Fikret Utku Özdemir General Manager
Şule Soylu Assistant General Manager	Banu Gülmedim Purut Assistant General Manager and Audit Committee Member	Nedime Böyükkırlı Accounting and Regulatory Reporting Group Manager
Ertan Tan Actuary Registration No: 21		

CONTENTS **PAGE:**

(Currency: Turkish Lira (TRY))

ASSETS			
I- Current Assets	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A- Cash and Cash Equivalents		**28.723.699.579**	**13.131.396.963**
1- Cash	14	188.356	162.771
2- Cheques Received		-	-
3- Banks	14	22.412.016.674	9.678.868.672
4- Cheques Given and Payment Orders (-)	14	(4.026)	(3.167)
5- Receivables From Credit Cards with Bank Guarantee Due Less Than Three Months	14	6.311.498.575	3.452.368.687
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Investments with Risks on Policy Holders	**11**	**42.904.164.891**	**28.620.248.949**
1- Financial Assets Available for Sale	11	14.830.675.259	13.902.404.460
2- Financial Assets Held to Maturity	11	336.954.882	329.439.782
3- Financial Assets Held for Trading	11	27.736.534.750	14.388.404.707
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders		-	-
7- Equity Shares		-	-
8- Impairment in Value of Financial Assets (-)		-	-
C- Receivables From Main Operations		**19.556.362.950**	**18.272.883.995**
1- Receivables From Insurance Operations	12	13.746.815.331	11.565.780.832
2- Provision for Receivables From Insurance Operations (-)	12	(216.362.128)	(156.811.592)
3- Receivables From Reinsurance Operations	12	4.510.875.400	5.366.209.860
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited For Insurance & Reinsurance Companies	12	1.515.034.347	1.497.704.895
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation		-	-
9- Doubtful Receivables From Main Operations	4.2,12	1.645.988.793	1.024.803.971
10- Provisions for Doubtful Receivables From Main Operations (-)	4.2,12	(1.645.988.793)	(1.024.803.971)
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**	**240.529.367**	**111.056.559**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		57.992.327	11.118.770
4- Other Receivables		182.537.040	99.937.789
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables	4.2	705.142	705.142
7- Provisions for Other Doubtful Receivables (-)	4.2	(705.142)	(705.142)
F- Prepaid Expenses and Income Accruals		**7.011.276.295**	**4.465.305.085**
1- Deferred Commission Expenses	17	6.589.128.692	4.280.311.026
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4.2,12	343.567.665	108.303.904
4- Other Prepaid Expenses	4.2	78.579.938	76.690.155
G- Other Current Assets		**1.954.396.264**	**126.564.171**
1- Inventories		7.049.053	1.739.549
2- Prepaid Taxes and Funds	12,19	71.260.270	9.246.952
3- Deferred Tax Assets		-	-
4- Job Advances	12	322.059.841	110.081.315
5- Advances Given to Personnel	12	-	36.338
6- Stock Count Differences		-	-
7- Other Current Assets	47	1.554.027.100	5.460.017
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		**100.390.429.346**	**64.727.455.722**

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

(Currency: Turkish Lira (TRY))

ASSETS			
II- Non-Current Assets	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A- Receivables From Main Operations		**431.653.921**	**395.937.136**
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4.2,12	263.336.032	381.273.026
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies	4.2,12	168.317.889	14.664.110
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables From Pension Operations		-	-
9- Doubtful Receivables from Main Operations	4.2,12	178.476.684	153.566.800
10-Provision for Doubtful Receivables from Main Operations	4.2,12	(178.476.684)	(153.566.800)
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**	**480.322**	**324.555**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		324.555	324.555
4- Other Receivables		155.767	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets	**9**	**2.115.020.367**	**1.354.386.089**
1- Investments In Associates		-	-
2- Affiliates	9	2.115.020.367	1.354.386.089
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries		-	-
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		**6.159.070.183**	**5.425.308.231**
1- Investment Properties	6,7	5.336.521.000	4.890.602.000
2- Diminution in Value for Investment Properties (-)		-	-
3- Buildings for Own Use	6	317.622.500	215.104.000
4- Machinery and Equipments	6	280.935.328	188.791.920
5- Furnitures and Fixtures	6	84.901.462	67.901.403
6- Vehicles	6	36.462.802	13.489.028
7- Other Tangible Assets (Including Leasehold Improvements)	6	106.204.900	97.776.415
8- Leased Tangible Fixed Assets	6	328.088.484	187.439.190
9- Accumulated Depreciation (-)	6	(374.522.004)	(255.458.176)
10- Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)	6	42.855.711	19.662.451
F- Intangible Fixed Assets	**8**	**568.219.563**	**391.411.829**
1- Rights	8	653.512.652	526.278.411
2- Goodwill	8	16.250.000	16.250.000
3- Establishment Costs		-	-
4- Research and Development Expenses	8	18.657.453	18.657.453
6- Other Intangible Assets		-	-
7- Accumulated Amortizations (-)	8	(475.614.418)	(433.942.972)
8- Advances Regarding Intangible Assets	8	355.413.876	264.168.937
G- Prepaid Expenses and Income Accruals		**99.470.300**	**3.421.242**
1- Deferred Commission Expenses	17	99.400.742	2.160.700
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses	4.2	69.558	1.260.542
H- Other Non-current Assets		**1.132.200.585**	**843.879.875**
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	1.132.200.585	843.879.875
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets		**10.506.115.241**	**8.414.668.957**
TOTAL ASSETS		**110.896.544.587**	**73.142.124.679**

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

(Currency: Turkish Lira (TRY))

LIABILITIES			
III- Short-Term Liabilities	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A- Borrowings		**62.761.317**	**32.390.854**
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)	20	62.761.317	32.390.854
B- Payables From Main Operations		**8.681.478.542**	**6.084.112.704**
1- Payables Due to Insurance Operations	19	5.536.753.833	3.779.204.033
2- Payables Due to Reinsurance Operations	19	596.660.310	1.054.765.152
3- Cash Deposited by Insurance & Reinsurance Companies	19	391.336.121	154.050.372
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations	19	2.160.706.785	1.098.325.737
6- Rediscount on Other Payables From Main Operations (-)	19	(3.978.507)	(2.232.590)
C- Due to Related Parties		**13.571.284**	**2.085.823**
1- Due to Shareholders	19	193.699	193.699
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	19	11.094.492	1.830.978
6- Due to Other Related Parties	19	2.283.093	61.146
D- Other Payables	**19**	**1.077.319.956**	**668.894.604**
1- Deposits and Guarantees Received		46.143.185	37.078.397
2- Due to SSI regarding Treatment Expenses		350.845.855	209.150.205
3- Other Payables	19	708.870.199	438.014.266
4- Discount on Other Payables (-)	19	(28.539.283)	(15.348.264)
E- Insurance Technical Reserves	**17**	**66.245.191.436**	**46.660.903.986**
1- Unearned Premiums Reserve - Net	17	35.379.803.667	23.557.427.485
2- Unexpired Risk Reserves - Net	17	1.757.606.373	1.762.308.460
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net	17	29.107.781.396	21.341.168.041
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net		-	-
F- Taxes and Other Liabilities and Relevant Provisions	**19**	**1.811.692.682**	**800.540.106**
1- Taxes and Dues Payable		796.559.372	530.240.046
2- Social Security Premiums Payable		86.137.747	41.942.887
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Liability Provision on Period Profit	19	3.278.435.206	1.664.485.864
6- Prepaid Taxes and Other Liabilities on Period Profit (-)	19	(2.349.439.643)	(1.436.128.691)
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**	**2.687.096.331**	**1.155.454.167**
1- Deferred Commission Income	10	943.652.041	644.038.671
2- Expense Accruals		1.740.606.112	509.421.983
3- Other Deferred Income		2.838.178	1.993.513
I- Other Short Term Liabilities		**45.871.704**	**22.210.647**
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short Term Liabilities	23	45.871.704	22.210.647
III - Total Short Term Liabilities		**80.624.983.252**	**55.426.592.891**

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

(Currency: Turkish Lira (TRY))

LIABILITIES			
IV- Long-Term Liabilities	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A- Borrowings		**168.154.917**	**111.904.160**
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	168.154.917	111.904.160
B- Payables From Main Operations		**38.880**	**5.502**
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies	19	38.880	5.502
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		**1.539.374.995**	**867.302.669**
1- Unearned Premiums Reserve - Net	17	2.611.211	3.630.893
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	1.536.763.784	863.671.776
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		**870.975.130**	**499.959.654**
1- Provision for Employment Termination Benefits	23	216.432.709	160.676.648
2- Provisions for Employee Pension Fund Deficits	22,23	654.542.421	339.283.006
H- Deferred Income and Expense Accruals		**-**	**-**
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long Term Liabilities		**1.396.147.593**	**989.946.667**
1- Deferred Tax Liability	21	1.396.147.593	989.946.667
2- Other Long Term Liabilities		-	-
IV- Total Long Term Liabilities		**3.974.691.515**	**2.469.118.652**

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

(Currency: Turkish Lira (TRY))

EQUITY			
V- Equity	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
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**	**1.701.133.399**	**1.509.019.962**
1- Equity Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Sale to be Transferred to Capital	15	42.921.312	42.921.312
4- Translation Reserves	15	358.446.598	254.517.245
5- Other Capital Reserves	15	1.299.765.489	1.211.581.405
C- Profit Reserves		**7.443.637.206**	**3.617.899.688**
1- Legal Reserves	15	324.811.577	312.168.254
2- Statutory Reserves	15	572.615.467	183.984.605
3- Extraordinary Reserves	15	4.518.846.761	1.448.635.062
4- Special Funds (Reserves)	15	330.452.130	184.820.637
5- Revaluation of Financial Assets	11,15	1.864.706.708	1.576.301.376
6- Other Profit Reserves	15	(96.735.283)	(16.950.092)
7- Subsidiary Capital Correction	15	(71.060.154)	(71.060.154)
D- Previous Years' Profits		**636.000.799**	**608.973.389**
1- Previous Years' Profits		636.000.799	608.973.389
E- Previous Years' Losses (-)		**-**	**-**
1- Previous Years' Losses		-	-
F- Net Profit of the Period		**5.724.122.032**	**3.631.736.624**
1- Net Profit of the Period		5.717.549.810	3.627.616.021
2- Net Loss of the Period (-)		-	-
3- Net Income not subject to distribution		6.572.222	4.120.603
G- Minority Shares		**10.131.976.384**	**5.218.783.473**
Total Shareholders' Equity		**26.296.869.820**	**15.246.413.136**
Total Liabilities and Shareholders' Equity		**110.896.544.587**	**73.142.124.679**

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

(Currency: Turkish Lira (TRY))

I-TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2024	Audited Prior Period January 1- December 31, 2023
A- Non-Life Technical Income		**70.454.125.991**	**45.729.324.363**
1- Earned Premiums (Net of Reinsurer Share)		49.529.783.955	28.392.871.726
1.1 - Written Premiums (Net of Reinsurer Share)	17	61.308.740.773	40.455.954.458
1.1.1 - Gross Written Premiums (+)	17	82.541.188.008	53.128.811.914
1.1.2 - Ceded Premiums to Reinsurers (-)	10,17	(20.331.076.635)	(12.093.216.858)
1.1.3 - Ceded Premiums to SSI (-)	17	(901.370.600)	(579.640.598)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(11.783.658.906)	(11.119.270.311)
1.2.1 - Unearned Premiums Reserve (-)	17	(13.375.403.717)	(13.463.388.421)
1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)	10,17	1.388.136.763	2.265.875.426
1.2.3 - SSI of Unearned Premiums Reserve (+)		203.608.048	78.242.684
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward)(+/-)	29	4.702.088	(943.812.421)
1.3.1 - Unexpired Risks Reserve (-)		321.149.282	(1.338.373.044)
1.3.2 - Reinsurance Share of Unexpired Risks Reserve (+)	10	(316.447.194)	394.560.623
2- Investment Income Transferred from Non-Technical Part		19.297.644.481	15.314.595.910
3- Other Technical Income (Net of Reinsurer Share)	47	928.784.722	1.579.663.527
3.1 - Gross Other Technical Income (+)		651.534.878	1.243.705.991
3.2 - Reinsurance Share of Other Technical Income (-)		277.249.844	335.957.536
4- Accrued Subrogation and Salvage Income (+)		697.912.833	442.193.200
B- Non-Life Technical Expense (-)		**(57.455.137.045)**	**(38.193.711.230)**
1- Total Claims (Net of Reinsurer Share)		(38.977.210.976)	(27.818.274.526)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(31.228.575.457)	(19.675.614.152)
1.1.1 - Gross Claims Paid (-)	17	(42.267.433.796)	(38.072.650.228)
1.1.2 - Reinsurance Share of Claims Paid (+)	10,17	11.038.858.339	18.397.036.076
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(7.748.635.519)	(8.142.660.374)
1.2.1 - Outstanding Claims Reserve (-)	17	(3.104.268.123)	(19.701.690.226)
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10,17	(4.644.367.396)	11.559.029.852
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	(672.476.519)	52.179.084
4- Operating Expenses (-)	32	(16.206.167.034)	(9.604.475.147)
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	(1.599.282.516)	(823.140.641)
6.1.- Gross Other Technical Expenses (-)		(1.618.268.618)	(836.973.120)
6.2.- Reinsurance Share of Other Technical Expenses (+)		18.986.102	13.832.479
C- Non Life Technical Net Profit (A-B)		**12.998.988.946**	**7.535.613.133**
D- Life Technical Income		**62.119.444**	**19.587.603**
1- Earned Premiums (Net of Reinsurer Share)		35.429.875	15.442.368
1.1 - Written Premiums (Net of Reinsurer Share)	17	73.127.468	19.127.110
1.1.1 - Gross Written Premiums (+)	17	92.945.103	35.352.037
1.1.2 - Ceded Premiums to Reinsurers (-)	10,17	(19.817.635)	(16.224.927)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(37.697.593)	(3.684.742)
1.2.1- Unearned Premium Reserves (-)	17	(38.762.083)	(11.557.847)
1.2.2- Unearned Premium Reserves Reinsurer Share (+)	10,17	1.064.490	7.873.105
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward)(+/-)		-	-
1.3.1- Unexpired Risks Reserves (-)		-	-
1.3.2- Unexpired Risks Reserves Reinsurer Share (+)		-	-
2- Life Branch Investment Income		26.221.477	3.621.548
3- Unrealized Income from Investments		-	-
4-Other Technical Income (Net of Reinsurer Share) (+/-)	47	468.092	523.687
4.1- Gross Other Technical Income (+/-)		408.355	382.267
4.2- Reinsurance Share of Other Technical Income (+/-)		59.737	141.420
5- Accrued Subrogation and Salvage Income (+)		-	-

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

(Currency: Turkish Lira (TRY))

I-TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2024	Audited Prior Period January 1- December 31, 2023
E- Life Technical Expense		**(39.832.923)**	**(7.801.698)**
1- Total Claims (Net of Reinsurer Share)		(25.349.876)	(5.491.684)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(7.372.039)	(6.831.487)
1.1.1- Gross Claims Paid (-)	17	(10.894.560)	(9.400.117)
1.1.2- Claims Paid Reinsurer Share (+)	10,17	3.522.521	2.568.630
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(17.977.837)	1.339.803
1.2.1 - Outstanding Claims Reserve (-)	17	(20.536.281)	(228.621)
1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)	10,17	2.558.444	1.568.424
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) (+/-)		-	-
3.1- Mathematical Reserves (-)		-	-
3.1.1- Actuarial Mathematical Reserve (-)		-	-
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	(615.487)	2.485.278
5- Operating Expenses (-)	32	(13.867.560)	(4.795.292)
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Life Technical Profit (D-E)		**22.286.521**	**11.785.905**
G- Individual Retirement Technical Income		**-**	**-**
1- Fund Management Fee		-	-
2- Management Fee Deduction		-	-
3- Initial Contribution Fee		-	-
4- Management Fee In Case Of Temporary Suspension		-	-
5- Witholding tax		-	-
6- Increase in Market Value of Capital Commitment Advances		-	-
7-Other Technical Income		-	-
H- Individual Retirement Technical Expense		**-**	**-**
1- Fund Management Expenses (-)		-	-
2- Decrease in Market Value of Capital Commitment Advances (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expense (-)		-	-
I- Individual Retirement Technical Profit (G-H)		**-**	**-**

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

(Currency: Turkish Lira (TRY))

II-NON-TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2024	Audited Prior Period January 1- December 31, 2023
C- Net Technical Income – Non-Life (A-B)		**12.998.988.946**	**7.535.613.133**
F- Net Technical Income – Life (D-E)		**22.286.521**	**11.785.905**
I - Net Technical Income – Pension Business (G-H)		**-**	**-**
J- Total Net Technical Income (C+F+I)		**13.021.275.467**	**7.547.399.038**
K- Investment Income		**27.116.443.257**	**23.079.074.496**
1- Income From Financial Investment	4.2	6.136.203.234	2.110.889.126
2- Income from Sales of Financial Investments	4.2	3.210.213.843	3.805.216.298
3- Revaluation of Financial Investments	4.2	7.269.622.054	2.489.203.929
4- Foreign Exchange Gains	4.2	6.152.931.869	11.036.934.305
5- Income from Affiliates	4.2	904.218.444	599.301.192
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income Received from Land and Building	7	2.161.882.915	1.741.275.879
8- Income from Derivatives	4.2	1.278.455.517	1.296.253.767
9- Other Investments		2.915.381	-
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expense		**(24.695.640.054)**	**(22.333.349.143)**
1- Investment Management Expenses (including interest) (-)	4.2	(62.983.176)	(214.728.643)
2- Valuation Allowance of Investments (-)	4.2	(432.330.008)	(82.669.203)
3- Losses On Sales of Investments (-)	4.2	(342.734.471)	(858.310.002)
4- Investment Income Transferred to Non-Life Technical Part (-)		(19.297.644.480)	(15.314.595.908)
5- Losses from Derivatives (-)	4.2	(323.581.975)	(576.504.323)
6- Foreign Exchange Losses (-)	4.2	(3.877.496.679)	(5.082.238.998)
7- Depreciation Expenses (-)	6,8	(213.477.054)	(147.320.381)
8- Other Investment Expenses (-)		(145.392.211)	(56.981.685)
M- Income and Expenses From Other and Extraordinary Operations		**(1.513.587.487)**	**(273.211.707)**
1- Provisions Account (+/-)	47	(952.947.949)	(436.226.716)
2- Discount account (+/-)	47	(378.982.423)	(100.156.604)
3- Mandatory Earthquake Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts(+/-)	35	-	263.997.271
6- Deferred Tax Expense Accounts (-)	35	(155.885.646)	-
7- Other Income and Revenues		38.169.757	43.429.481
8- Other Expense and Losses (-)		(63.941.226)	(44.255.139)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit for the Year		**10.650.055.977**	**6.355.426.820**
1- Profit /(Loss) Before Tax		13.928.491.183	8.019.912.684
2- Corporate Tax Liability Provision (-)	35	(3.278.435.206)	(1.664.485.864)
3- Net Profit (Loss)		10.650.055.977	6.355.426.820
3.1-Groups Profit/(Loss)		5.724.122.032	3.631.736.624
3.2-Minority Shares		4.925.933.945	2.723.690.196
4- Monetary Gains and Losses		-	-

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

(Currency: Turkish Lira (TRY))

	Note	Audited Current Period January 1- December 31, 2024	Audited Prior Period January 1- December 31, 2023
A. CASH FLOWS FROM THE OPERATING ACTIVITIES			
1. Cash inflows from the insurance operations		59.986.501.570	46.662.245.743
2. Cash inflows from the reinsurance operations		7.686.408.782	30.957.075.145
3. Cash inflows from the pension operations		-	-
4. Cash outflows due to the insurance operations (-)		(45.839.917.002)	(41.096.628.696)
5. Cash outflows due to the reinsurance operations (-)		(8.099.972.903)	(32.657.768.872)
6. Cash outflows due to the pension operations (-)		-	-
7. Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)		**13.733.020.447**	**3.864.923.320**
8. Interest payments (-)		-	-
9. Income tax payments (-)		(2.647.761.047)	(1.551.533.765)
10. Other cash inflows		220.947.142	1.218.208.561
11. Other cash outflows (-)		(3.562.151.572)	(1.318.502.273)
12. Net cash generated from the operating activities		**7.744.054.970**	**2.213.095.843**
B. CASH FLOWS FROM THE INVESTING ACTIVITIES			
1. Sale of tangible assets		30.000.000	10.007
2. Purchase of tangible assets (-)	6, 8	(435.860.912)	(415.423.583)
3. Acquisition of financial assets (-)	11	(86.941.749.515)	(73.428.555.685)
4. Sale of financial assets	11	83.161.482.765	70.505.325.504
5. Interest received		5.414.026.424	2.389.795.410
6. Dividends received		287.038.441	73.552.552
7. Other cash inflows		2.512.141.657	4.631.651.998
8. Other cash outflows (-)		(1.007.041.025)	(5.530.046.063)
9. Net cash generated from the investing activities		**3.020.037.835**	**(1.773.689.860)**
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 (-)		(95.377.403)	(9.143.022)
4. Dividend paid (-)		-	-
5. Other cash inflows		-	-
6. Other cash outflows (-)		-	-
7. Cash generated from the financing activities		**(95.377.403)**	**(9.143.022)**
D. EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS		**491.108.566**	**510.330.117**
E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)		**11.159.823.968**	**940.593.078**
F. Cash and cash equivalents at the beginning of the period	14	**10.089.678.640**	**9.149.085.562**
G. Cash and cash equivalents at the end of the period (E+F)	14	**21.249.502.608**	**10.089.678.640**

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

Millî Reasürans Türk Anonim Şirketi Subsidaries
Consolidated Statement of Changes in Equity
For the Year Ended December 31, 2024
(Currency: Turkish Lira (TRY))

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

Audited Changes in Equity – December 31, 2023	Note	Paid-in capital	Equity Share Owned by Company	Revaluation of financial assets	Inflation Adjustment on Capital	Currency translation reserves	Legal reserves	Statutory Reserves	Other reserves and retained earnings	Net profit/(Loss) for the year	Retained earnings	Total equity before minority shares	Minority share	Total
I – Balance at the end of the previous year – December 31, 2022		**660.000.000**	**-**	**775.959.402**	**-**	**86.654.441**	**261.812.474**	**122.747.456**	**1.821.419.768**	**861.369.752**	**362.755.684**	**4.952.718.977**	**2.033.974.028**	**6.986.693.005**
II – Change in Accounting Standards		-	-	-	-	-	-	-	-	-	-	-	-	-
III – Restated balances (I+II) – January 1, 2023		**660.000.000**	**-**	**775.959.402**	**-**	**86.654.441**	**261.812.474**	**122.747.456**	**1.821.419.768**	**861.369.752**	**362.755.684**	**4.952.718.977**	**2.033.974.028**	**6.986.693.005**
A- Capital increase (A1+A2)		-	-	-	-	-	-	-	-	-	-	-	-	-
1- In cash		-	-	-	-	-	-	-	-	-	-	-	-	-
2- From reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares		-	-	-	-	-	-	-	-	-	-	-	-	-
C – Purchase of own shares		-	-	-	-	-	-	-	478.705.074	793.921.068	(794.102.829)	478.523.313	-	**478.523.313**
D – Gains or losses that are not included in the statement of income	11	-	-	800.341.974	-	-	-	-	-	-	-	800.341.974	463.974.981	**1.264.316.955**
E – Change in the value of financial assets		-	-	-	-	167.862.804	-	-	-	-	-	167.862.804	-	**167.862.804**
F – Other gains or losses		-	-	-	-	-	-	-	78.944	(3.998.880)	365.907	(3.554.029)	(2.855.732)	**(6.409.761)**
G – Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-	-	-	-
H – Net profit for the year		-	-	-	-	-	-	-	-	3.631.736.624	-	3.631.736.624	2.723.690.196	**6.355.426.820**
I -- Other reserves and transfers from retained earnings		-	-	-	-	-	50.355.780	61.237.149	499.744.384	(1.651.291.940)	1.039.954.627	-	-	-
J – Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-
IV - Balance at the end of the year – December 31, 2023		**660.000.000**	**-**	**1.576.301.376**	**-**	**254.517.245**	**312.168.254**	**183.984.605**	**2.799.948.170**	**3.631.736.624**	**608.973.389**	**10.027.629.663**	**5.218.783.473**	**15.246.413.136**

Audited Changes in Equity – December 31, 2024	Note	Paid-in capital	Equity Share Owned by Company	Revaluation of financial assets	Inflation Adjustment on Capital	Currency translation reserves	Legal reserves	Statutory Reserves	Other reserves and retained earnings	Net profit/(Loss) for the year	Retained earnings	Total equity before minority shares	Minority share	Total
I – Balance at the end of the previous year – December 31, 2023		**660.000.000**	**-**	**1.576.301.376**	**-**	**254.517.245**	**312.168.254**	**183.984.605**	**2.799.948.170**	**3.631.736.624**	**608.973.389**	**10.027.629.663**	**5.218.783.473**	**15.246.413.136**
II – Change in Accounting Standards		-	-	-	-	-	-	-	-	-	-	-	-	-
III – Restated balances (I+II) – January 1, 2023		**660.000.000**	**-**	**1.576.301.376**	**-**	**254.517.245**	**312.168.254**	**183.984.605**	**2.799.948.170**	**3.631.736.624**	**608.973.389**	**10.027.629.663**	**5.218.783.473**	**15.246.413.136**
A- Capital increase (A1+A2)		-	-	-	-	-	-	-	-	-	-	-	-	-
1- In cash		-	-	-	-	-	-	-	-	-	-	-	-	-
2- From reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
B- Purchase of own shares		-	-	-	-	-	-	-	-	-	-	-	-	-
C – Purchase of own shares		-	-	-	-	-	-	-	27.674.084	-	-	27.674.084	(15.696.391)	**11.977.693**
D – Gains or losses that are not included in the statement of income	11	-	-	288.405.332	-	-	-	-	-	-	-	288.405.332	8.344.326	**296.749.658**
E – Change in the value of financial assets		-	-	-	-	103.929.353	-	-	-	-	-	103.929.353	-	**103.929.353**
F – Other gains or losses		-	-	-	-	-	-	-	-	(6.867.028)	-	(6.867.028)	(5.388.969)	**(12.255.997)**
G – Inflation adjustment differences		-	-	-	-	-	-	-	-	-	-	-	-	-
H – Net profit for the year		-	-	-	-	-	-	-	-	5.724.122.032	-	5.724.122.032	4.925.933.945	**10.650.055.977**
I -- Other reserves and transfers from retained earnings		-	-	-	-	-	12.643.323	388.630.862	3.196.568.001	(3.624.869.596)	27.027.410	-	-	-
J – Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	-
IV - Balance at the end of the year – December 31, 2024		**660.000.000**	**-**	**1.864.706.708**	**-**	**358.446.598**	**324.811.577**	**572.615.467**	**6.024.190.255**	**5.724.122.032**	**636.000.799**	**16.164.893.436**	**10.131.976.384**	**26.296.869.820**

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

(Currency: Turkish Lira (TRY))

	Note	Audited Current Period December 31, 2024(*)	Audited Prior Period December 31, 2023
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT		5.927.059.183	3.624.887.450
1.2. TAX AND FUNDS PAYABLE		-	-
1.2.1. Corporate Income Tax(Income Tax)		-	-
1.2.2. Income tax deduction		-	-
1.2.3. Other taxes and Duties		-	-
A. NET PROFIT(1.1 – 1.2)		**5.927.059.183**	**3.624.887.450**
1.3. PREVIOUS PERIOD LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE(**)		-	-
1.5. STATUTORY FUND (-)		-	-
B. NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5)]		**5.927.059.183**	**3.624.887.450**
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(**)		-	-
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
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		-	0,0550
3.2. HOLDERS OF SHARES (%)		-	5,50
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 (%)		-	-

(*) The distribution of the period's profit is under the authority of the General Assembly, the company's governing body. Since the General Assembly meeting for the fiscal year 2024 (January 1 - December 31, 2024) has not yet been held as of the date of preparation of the financial statements, the profit distribution table for 2024 has not been prepared. In the period profit for December 31, 2024, an amount of TRY 6,572,222 (December 31, 2023: TRY 4,120,603), derived from 25% of the real estate sale income under Article 5/1-e of the Tax Procedure Law, has not been included in the distribution, as it is allocated under the "Non-Distributable Period Profit" item within equity.

(**) Due to the fact that 20% of the company's capital has been reached, no legal reserves have been set aside. Net profit from the previous period was not distributed and was transferred to previous year profits..

(***) Unconsolidated profit is taken into account.

1 General information

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

As of December 31, 2024, the shareholder having direct or indirect control over the shares of Millî Reasürans Türk Anonim Şirketi (the "Company" ,"Milli Reasürans") 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, 2024 include the Company and its subsidaries Anadolu Sigorta and Miltaş Turizm İnşaat 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:20-21-22-24 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 of December 31, 2024, the Company's subsidiary Anadolu Sigorta operates with a total of 3,138 agents, consisting of 3,002 authorized agents and 136 unauthorized agents (as of December 31, 2023: a total of 2,966 agents, including 2,842 authorized and 124 unauthorized).

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, 2024, Miltaş employs 12 personnel.

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

The Company and its subsidiary Anadolu Sigorta conduct their activities within the framework of the Insurance Law No. 5684 published in the Official Gazette dated June 14, 2007 and numbered 26552 ("Insurance Law") and other regulations and regulations published by the Insurance Law and the Insurance and Private Pension Regulation and Supervision Board ("SEDDK") based on this law and previously published by the Ministry of Treasury and Finance of the Republic of Turkey ("Ministry of Treasury and Finance").

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

(Currency: Turkish Lira (TRY))

1 General information *(continued)*

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

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

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

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

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

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

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

	December 31, 2024	December 31, 2023
Top executive	23	14
Managers	69	81
Assistant managers	214	215
Contracted personnel	1	3
Advisors	2	1
Specialist/ Senior/ Other personnel	1.667	1.579
Total	**1.976**	**1.893**

1.6 Remuneration and similar benefits provided to top management

For the year ended December 31, 2024, 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 165.709.453.- December 31, 2023: TL 78.811.000).

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.

1 General information *(continued)*

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

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

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

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

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

The accompanying financial statements include the consolidated financial information of the Company and the financial information of the Singapore Branch, and information on the consolidation principles applied is detailed in note 2.2 – Consolidation.

As at December 31, 2024, 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, 2024 and 2023.

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

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

The Miltaş Sports Complex has been serving the insurance sector since 1986 with its facilities in various sports, particularly tennis. The International Insurance Tennis Tournament has been held every June at this Complex since 1986, providing a unique environment for local and foreign reinsurers and brokers. In addition to tennis and basketball courses organized every year for youngsters, private tennis lessons are available for adults in the Complex.

(Currency: Turkish Lira (TRY))

1 General information *(continued)*

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

Trade name of the Company	: Millî Reasürans Türk Anonim Şirketi
Registered address of the head office	: İş Kuleleri, Kule 3, Kat: 20-21-22-24 34330 Levent, Beşiktaş,/İstanbul
The web page of the Company	: **www.millire.com**

1.10 Subsequent events

The consolidated financial statements prepared as of December 31, 2024, were approved by the Company's Board of Directors on February 28, 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 prepares its consolidated financial statements in accordance with the regulations published by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK). Prior to the establishment of the SEDDK and the initiation of regulatory activities in the insurance sector, the insurance legislation related to financial reporting was published by the Ministry of Treasury and Finance. The preparation of consolidated financial statements is based on the principles of the "Insurance Accounting and Financial Reporting Legislation," which includes the accounting and financial reporting regulations in force due to the insurance legislation, as well as the provisions of the Turkish Financial Reporting Standards (TFRS) for matters not regulated by these.

The principles for the preparation of consolidated financial statements are regulated by the Insurance Chart of Accounts published by the Ministry of Treasury and Finance in the Official Gazette dated December 30, 2004, numbered 25686, known as the Communiqué on the Insurance Chart of Accounts and its Explanations (Insurance Accounting System Communiqué No: 1), as well as the Sector Announcement regarding the Opening of New Account Codes in the Insurance Chart of Accounts dated December 27, 2011, numbered 2011/14. The format and contents of the prepared financial statements, along with their disclosures and notes, are determined in accordance with the Communiqué on the Presentation of Financial Statements published in the Official Gazette dated April 18, 2008, numbered 26851, and the Sector Announcement on the Presentation of Financial Statements with New Account Codes dated May 31, 2012, numbered 2012/7.

As of December 31, 2024 and 2023, the Company accounts for its operations in accordance with the "Regulation on the Financial Reporting of Insurance and Reinsurance Companies and Pension Companies," published on July 14, 2007, and which took effect on January 1, 2008, and in accordance with the aforementioned regulation, the Turkish Financial Reporting Standards (TFRS) announced by the Public Oversight, Accounting and Auditing Standards Authority (KGK), as well as other regulations, explanations, and circulars published by the Ministry of Treasury and Finance of the Republic of Turkey concerning accounting and financial reporting principles. As per the letter numbered 9 dated February 18, 2008, from the Ministry of Treasury and Finance of the Republic of Turkey, the standards TMS 1, "Presentation of Financial Statements," TMS 27, "Consolidated and Separate Financial Statements," TFRS 1, "First-time Adoption of TFRS," and TFRS 4, "Insurance Contracts," have been excluded from the scope of this practice in 2008. Additionally, the application of TFRS 17, "Insurance Contracts," TFRS 9, "Financial Instruments," and TFRS 15, "Revenue from Contracts with Customers," has also been deferred in line with subsequent regulations issued under the insurance legislation.

As of December 31, 2024, the Company has calculated its technical provisions related to insurance in accordance with the "Regulation on the Technical Provisions of Insurance and Reinsurance Companies and Pension Companies and the Assets in which These Provisions are Invested" ("Technical Provisions Regulation"), issued under the framework of the Insurance Law No. 5684, following the amendments published in the Official Gazette dated July 28, 2010, numbered 27655, and those published on July 17, 2012, numbered 28356. These calculations have been reflected in the financial statements in accordance with this regulation and other relevant legislation.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

Accounting in hyperinflationary countries

Financial statements of the Turkish entities have been restated for the changes in the general purchasing power of the Turkish Lira based on "TAS 29 – *Financial Reporting in Hyperinflationary Economies*" as at December 31, 2004. *TAS 29* requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date, and that corresponding figures for previous years be restated in the same terms. With respect to the declaration of Republic of Turkey Ministry of Treasury and Finance with the article dated April 4, 2005 and numbered 19387, financial statements as of December 31, 2004 are adjusted for the opening balances of 2005 in accordance with the section with respect to inflation accounting of the Capital Markets Board ("CMB") Communiqué No: 25 of Series XI, "Communiqué on Accounting Standards in Capital Market" published in the Official Gazette dated January 15, 2003 and numbered 25290. Inflation accounting is no longer applied starting from January 1, 2005, in accordance with the same declaration of Republic of Turkey Ministry of Treasury and Finance. Accordingly, as at December 31, 2021, non-monetary assets and liabilities and items included in shareholders' equity including paid-in capital recognized or recorded before January 1, 2005 are measured as restated to December 31, 2004 in order to reflect inflation adjustments. Non-monetary assets and liabilities and items included in shareholders' equity including paid-in capital recognized or recorded after January 1, 2005 are measured at their nominal values.

On November 23, 2023, the Public Oversight, Accounting and Auditing Standards Authority (KGK) announced that businesses applying the Turkish Financial Reporting Standards (TFRS) must present their financial statements for annual reporting periods ending on or after December 31, 2023, adjusted for inflation in accordance with TMS 29. It also stated that institutions or organizations authorized to regulate and supervise in their respective fields may designate different transition dates for the implementation of the provisions of TMS 29. In response to this announcement, the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) issued a circular on December 6, 2023, numbered 2023/30, stating that the financial statements of insurance, reinsurance, and pension companies as of December 31, 2023, would not be subject to the required inflation adjustment under TMS 29. Subsequently, with the circular numbered 2024/10 issued on March 11, 2024, SEDDK specified that the transition date for insurance, reinsurance, and pension companies to implement inflation accounting would be January 1, 2025. However, with the circular numbered 2024/32 issued on December 6, 2024, the circular numbered 2024/10 was abolished, and it was decided that inflation accounting would not be applied by insurance, reinsurance, and pension companies in 2025. Accordingly, TMS 29 has not been applied in the Company's consolidated financial statements as of December 31, 2024 and 2023.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

Other accounting policies

The Company records premium, commission and compensation accruals based on notifications made to it by insurance and reinsurance companies, and since these notifications are received with a delay due to the closing of their own accounts by the ceding companies in question; written premiums, compensation and commission accruals are recognized in the Company's financial statements with a 3-month delay. Therefore, the amounts included in the financial statements for the income statement items in question consist of the amounts for the three-month accounting period between September 30 - December 31, 2023 and the nine-month period ending January 1 - September 30, 2024, and the balance sheet items directly related to them do not reflect the actual situation as of December 31, 2024 due to this delay. However, in its letter addressed to the Company dated 31 August 2010 and numbered B.02.1.HZN.0.10.03.01/42139, the Ministry of Treasury and Finance of the Republic of Turkey stated that there may be some delays in the sending of account statements of ceding companies to reinsurance companies and that the issues regarding reinsurance companies in the regulations previously published by the Ministry of Treasury and Finance of the Republic of Turkey were determined by taking this situation into consideration.

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 TRY, 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, 2024, 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.

2 Summary of significant accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

2.1.6 Accounting policies, changes in accounting estimates and errors

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*.

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.

Grup tarafından kurulan özel fonlar, SEDDK'nın 23 Aralık 2022 tarih ve 2022/14 sayılı "Konsolide finansal tablo düzenlenmesine ilişkin sektör duyurusu" çerçevesinde konsolide edilmemiştir.

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(continued)*

2.2 Consolidation

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, 2024	Anadolu Sigorta (consolidated)	%57,31	%57,31	89.267.931.589	23.726.137.445	652.582.741	11.538.847.383
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

	Company	**Direct and indirect controlling interest**	**Direct controlling interest**	**Total assets**	**Shareholders' equity**	**Prior period profit**	**Current period profit**
December 31, 2024	Miltaş Turizm Inşaat Ticaret A.Ş.	%100,00	%100,00	6.814.773.005	5.119.639.860	39.025.188	1.435.959.596
December 31, 2023	Miltaş Turizm Inşaat Ticaret A.Ş.	%100,00	%100,00	4.642.943.000	3.626.312.896	(578.308)	38.478.694

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 (Minority shares)

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

2 Summary of significant accounting policies *(continued)*

2.3 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Board of Directors (being chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. As of December 31, 2024, and 2023, 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

2.5 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.

3 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.

By a decision of the Board of Directors dated August 25, 2023, it was resolved that the properties recorded in the Company's assets for operational and investment purposes would be contributed as capital to its wholly-owned subsidiary, Miltaş Turizm İnşaat Ticaret A.Ş., through a partial division in accordance with Articles 19-20 of the Corporate Tax Law and Articles 159-179 of the Turkish Commercial Code, based on VUK financial statements. It was also decided that the shares to be issued as a result of this capital increase would be allocated to the Company. As of December 31, 2023, the fair value of the transferred properties is 4,613,156,000 TL.

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(continued)*

2.5 Tangible assets *(continued)*

Buildings for own use are recognized by fair value that are determined in valuations made by independent valuation experts who have professional competency by reducing their values accumulated depreciation. Accumulated depreciation at the date of revaluation is deducted from gross book value and net amount is brought to values after revaluation. Increases in the carried values of land and buildings intended for use as a result of revaluation are recorded to the “Other Capital Reserves” account, which are included under equity in the balance sheet, with tax effects Decoupled. As a result of real estate-based assessments, value decreases corresponding to their increases in the previous period are deducted from the fund in question; all other decreases are reflected in profit/loss accounts.

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

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

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

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

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

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

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

2 Summary of significant accounting policies *(continued)*

2.6 Investment property

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

Investment properties are initially recorded at cost and subsequently measured at their fair values. The changes which result of fair value valuation recognised in the income statement.

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

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

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

By a decision of the Board of Directors dated August 25, 2023, it was resolved that the properties recorded in the Company's assets for operational and investment purposes would be contributed as capital to Miltaş Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, through a partial division in accordance with Articles 19-20 of the Corporate Tax Law and Articles 159-179 of the Turkish Commercial Code, based on VUK financial statements. It was also decided that the shares to be issued as a result of this capital increase would be allocated to the Company. As of December 31, 2023, the fair value of the transferred properties is 4,613,156,000 TL.

2.7 Intangible assets

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

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

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

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

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

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

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

2 Summary of significant accounting policies *(continued)*

2.8 Financial assets

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

Securities are recognized and derecognized at the date of settlement.

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

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

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

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

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

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. Unrecognized gains or losses derived from the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in "Revaluation of financial assets" under shareholders' equity. Upon disposal, the realized gain or losses are recognized directly in the consolidated statement of income.

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

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

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

2 Summary of significant accounting policies *(continued)*

2.9 Impairment on assets

Impairment on financial assets

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

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

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

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

Impairment on tangible and intangible assets

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

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

2.10 Derivative financial instruments

Derivative instruments are treated as held for trading financial assets in compliance with the standard TAS 39 – Financial Instruments: Recognition and measurement.

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

Derivative financial instruments are initially recognized at their fair value.

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

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

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

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(continued)*

2.11 Offsetting of financial assets

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

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

2.12 Cash and cash equivalents

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

2.13 Capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group. As of December 31, 2024, and 2023, the share capital and ownership structure of the Company are as follows:

Name	**December 31, 2024**		**December 31, 2023**	
	Shareholding amount (TRY)	**Shareholding rate (%)**	**Shareholding amount (TRY)**	**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**

Sources of capital increases during the period

The Company has not performed capital increase As of December 31, 2024 (December 31, 2023: None).

Privileges on common shares representing share capital

There are no privileges on common shares representing share capital.

Registered capital system in the Company

None.

Repurchased own shares by the Company

None.

2 Summary of significant accounting policies *(continued)*

2.14 Insurance and investment contracts - classification

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

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

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

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

2.15 Insurance contracts and investment contracts with discretionary participation feature

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

(i) that are likely to comprise a significant portion of the total contractual benefits;

(ii) whose amount or timing is contractually at the discretion of the Issuer; and

(iii) that are contractually based on:

- *(1)* the performance of a specified pool of contracts or a specified type of contract;
- *(2)* realized and/or unrealized investments returns on a specified pool of assets held by the Issuer; or
- *(3)* the profit or loss of Company, fund or other entity that issues the contract.

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

2.16 Investment contracts with discretionary participation feature

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

2.17 Liabilities

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

2 Summary of significant accounting policies *(continued)*

2.18 Income taxes

Corporate tax

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

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

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

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

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

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.

In September 2023, the Public Oversight, Accounting and Auditing Standards Authority (KGK) published amendments to TMS 12, introducing a mandatory exception for the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. These amendments clarify that TMS 12 will apply to income derived from tax laws that have either come into effect or are close to coming into effect for the purpose of implementing the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development (OECD). Additionally, these changes introduce certain disclosure requirements for businesses affected by such tax laws. The exception indicating that information regarding deferred taxes within this scope will not be recognized or disclosed will come into effect upon the publication of the amendment. The Pillar Two regulations, which were agreed upon by OECD member countries, came into effect in Turkey through the Law No. 7524 on Amendments to Tax Laws and Certain Laws published in the Official Gazette dated August 2, 2024. Although no secondary regulations have been published regarding this matter, preliminary assessments made based on the guidelines issued by the OECD suggest that the aforementioned regulations are not expected to have any impact on financials. Nevertheless, legislative changes in Turkey and other countries where operations are conducted are being monitored.

2 Summary of significant accounting policies *(continued)*

2.18 Income taxes *(continued)*

The laws published in the Official Gazette dated August 2, 2024, have enacted a Domestic Minimum Corporate Tax, which will be applied starting from the 2025 accounting period. With the Law No. 7524, the minimum corporate tax mechanism has been introduced, stipulating that the calculated corporate tax cannot be less than 10% of the taxable corporate income before deductions and exemptions. This regulation will come into effect on the date of its publication to apply to corporate profits for the taxation period of 2025. Additionally, General Communiqué No. 23 on Corporate Tax related to this matter has been published.

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.

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.

31 Aralık 2024 dönemi itibarıyla geçerli kurumlar vergisi oranı %30 olduğu için geçici farklar için %30 vergi oranı kullanılmıştır. (31 Aralık 2023: %30)

If the valuation differences arising from the valuation of assets are recognized in the income statement, the current period corporate tax and deferred tax income or expense related to these differences are also recorded in the income statement. Conversely, if the valuation differences of the relevant assets are directly recorded in the equity accounts, the related tax effects are also recognized directly in the equity accounts.

2 Summary of significant accounting policies *(continued)*

2.19 Employee benefits

Pension and other post-retirement obligations

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

Employees of the Company are the members of "Milli Reasürans Türk Anonim Şirketi Emekli ve Sağlık Sandığı Vakfı ("Milli Reasürans Pension Fund") 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.

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.

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(continued)*

2.19 Employee benefits *(continued)*

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, 2024 is TRY 41.828,42 (December 31, 2023: TRY 23.489,83).

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, 2024 and 2023 are as follows:

	December 31,2024	**December 31,2023**
Discount rate	%3,28-3,98	%3,28
Expected rate of salary/limit increase	%10,30-21,85	%10,30-19,65
Estimated employee turnover rate	%2,89-6,91	%2,81-6,91

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 (TRY))

2 Summary of significant accounting policies *(continued)*

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 TRY 561.100.715 (December 31, 2023: TRY 338.107.609) subrogation receivables and recorded TRY 723.408.965 (December 31, 2023: TRY 449.617.028) (Note 12) net subrogation and salvage receivables under receivables from main operations. The Company provided allowance for uncollected subrogation receivables amounting to TRY 216.362.128 (December 31, 2023: TRY156.811.592) (Note 12) in accordance with circular.

For the years ended December 31, 2024 and 2023, salvage and subrogation collected are as follows:

	December 31, 2024	**December 31, 2023**
Land Vehicles	4.801.050.175	3.280.856.563
Land Vehicles Liability	234.987.405	105.850.204
Fire and Natural Disasters	51.420.582	73.300.282
Marine	24.032.501	12.565.462
Sea Vehicles	16.022.415	330.898
General Losses	9.152.278	7.596.149
Breach of Trust	3.717.486	3.746.085
General Liability	2.461.875	2.118.240
Air Vehicles	1.363.348	462.401
Accident	715.327	982.543
Financial Losses	38.654	-
Legal Protection	8.347	43.923
Air Vechicles Liability	7.160	157.796
Total	**5.144.977.553**	**3.488.010.546**

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(continued)*

2.21 Revenue recognition *(continued)*

As of December 31, 2024, and 2023, accrued subrogation and salvage income per branches is as follows:

	December 31, 2023	**December 31, 2022**
Land Vehicles	582.850.216	345.600.913
Land Vehicles Liability	70.889.264	36.721.423
Fire and Natural Disasters	46.867.982	49.955.618
Marine	12.244.330	9.626.981
General Damages	5.802.940	1.354.716
Sea Vehicles	4.691.550	4.086.803
Accident	62.683	42.323
General Liability	-	2.228.251
Total	**723.408.965**	**449.617.028**

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 Summary of significant accounting policies *(continued)*

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.

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(continued)*

2.22 Lease liabilities (continued)

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 - TRY (%)**
Buildings	1-10 year	5,25-28,93
Vehicles	1-3 year	23,62-28,93
Fixtures	1-5	5,25

2.23 Dividend distribution

At the General Assembly Meeting of the Company held on March 27, 2024, it was approved that no dividend would be distributed. It was decided that the net profit of the period amounting to 3,629,008,053 TL, resulting from the Company's activities in 2023, would be retained as retained earnings from previous years.

2 Summary of significant accounting policies *(continued)*

2.24 Unearned premiums reserve (UPR)

7 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.

Milli Reasürans is a reinsurance company, Milli Reasürans calculates the unearned premium reserve based on the 1/8 principle for proportional reinsurance agreements based on the premiums transferred under treaties and optional contracts, and on the day basis for goods transportation agreements without a specific end date, taking into account 50% of the premiums accrued in the last 3 months, and for optional business acceptances and non-proportional reinsurance agreements, taking into account the start and end dates of the agreement. The reinsurance share of the unearned premium reserve for premiums transferred by the Company as a retrograde is also calculated in the same way.

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. Anadolu Sigorta has classified the provision amounting to 2,611,211 TL, calculated for health and personal accident policies with a term longer than one year, as a long-term liability (December 31, 2023: 3,630,893 TL).

The unearned premium reserve is calculated in accordance with the "Sector Announcement Regarding the Implementation of Legislation Related to Technical Provisions," dated March 27, 2009, numbered 2009/9, considering that all policies start at 12:00 noon and end at 12:00 noon on the same day. Therefore, it has been calculated as half a day for both the day the policies are issued and the end date. According to the regulation on technical provisions, when calculating the unearned premium reserve for currency-indexed insurance contracts, if a specific exchange rate is not specified in the insurance contract, the official exchange rates announced by the Central Bank of the Republic of Turkey on the date of accrual of the relevant premium will be taken into account.

As of the reporting period's end, the Group has recognized a total unearned premium reserve of 42,115,799,388 TL in its consolidated financial statements (December 31, 2023: 28,701,633,588 TL) and an unearned premium reserve for the reinsurer's share amounting to 6,186,511,289 TL (December 31, 2023: 4,797,310,036 TL). Additionally, as of December 31, 2024, there is a Social Security Institution (SGK) share in the unearned premium reserve amounting to 546,873,221 TL (December 31, 2023: 343,265,174 TL).

Outstanding claims reserves

Milli Reasürans:

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.

According to the "Regulation on Amendments to the Regulation on the Technical Provisions of Insurance and Reinsurance Companies and Pension Companies and the Assets in which These Provisions are Invested," published in the Official Gazette dated July 28, 2010, numbered 27655, all expense shares necessary for the development of compensation files have been taken into account during the calculation of the accrued and actuarially determined claims provision. This includes calculated or estimated expenses for experts, consultants, legal fees, and communication costs, and no deductions have been made for recovery, salvage, or similar income items in the relevant calculations.

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 (TRY))

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserves *(continued)*

With the publication of the "General Communiqué on the Provision for Incurred But Not Reported (IBNR) Claims (2014/16)" on December 5, 2014, the "General Communiqué on the Actuarial Chain Ladder Methodology" numbered 2010/12 has been abolished except for Articles 9 and 10. According to this communiqué, which explains the IBNR calculation methods, insurance and reinsurance companies utilize six different methods for calculating IBNR: "Standard Chain, Loss/Bonus, Cape Cod, Frequency/Severity, Munich Chain, and Bornhuetter-Ferguson."

As of December 31, 2024, Milli Reasürans has added 2,763,615,993 TL to its claims provision by considering 100% of the IBNR calculated, excluding its Singapore branch (December 31, 2023: 651,285,087 TL). As of the reporting date, a net IBNR amounting to 192,258,576 TL has been assigned for the Singapore Branch (December 31, 2023: 115,375,539 TL).

The amounts assigned by Milli Reasürans for incurred but not reported claims (IBNR) by line of business and the IBNR calculation methods it has chosen are presented in the table below:

Milli Reasürans		**31 December 2024**	**31 December 2023**
Branches	**Calculation Method**	**Net IBNR (*)**	**Net IBNR (*)**
General Liability (***)	ACLM- Paid Claims	860.809.044	294.434.236
General Losses (**)	ACLM- Paid Claims	820.698.727	316.094.872
Fire and Natural Disasters	ACLM- Paid Claims	748.210.321	222.030
Land Vehicles Liability	ACLM- Paid Claims	365.686.798	117.072.338
Financial Losses	ACLM- Paid Claims	60.288.286	46.519.250
Other Branches, Total	ACLM- Paid Claims	(93.855.107)	(127.843.946)
Other Branches, Total	Sector Average (TSB)	1.777.924	4.786.307
Total		**2.763.615.993**	**651.285.087**

(*) Excludes amounts allocated for Singapore branch.

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

(***) In accordance with the “Circular numbered 2020/11 on Making Amendments on Communique regarding Provision for Outstanding Claim Files numbered 2014/16” which has been published 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.

Singapore	**31 December 2024**	**31 December 2023**
Branches	**Net IBNR**	**Net IBNR**
Fire and Natural Disasters	118.675.189	61.675.185
General Losses	51.622.682	31.214.949
Sea Vehicles	9.454.004	8.382.725
Marine	9.257.351	9.157.609
Other Branches, Total	3.016.175	4.759.659
General Liability	233.175	185.412
Total	**192.258.576**	**115.375.539**

Milli Reasürans 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.

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserves *(continued)*

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 30.09.2024, 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.

Milli Reasürans received approval from the General Directorate of Insurance of the Treasury Undersecretariat of the Republic of Turkey through a letter numbered 05403 dated January 31, 2011, allowing it to perform IBNR calculations based on paid losses instead of incurred loss data when necessary, depending on the data quality for each line of business. To confirm the currency of this request, a written application was made to the SEDDK on January 6, 2025. In a letter dated January 15, 2025, numbered E-97354901-010.06.02-3701446, the SEDDK referred to the General Communiqué on the Provision for Incurred But Not Reported Claims numbered 2014/6, confirmed the currency of the request, and deemed it appropriate for the IBNR calculation to be made based on paid losses.

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.

The Republic of Turkey's Prime Ministry Treasury Undersecretariat (as of July 10, 2018: Ministry of Treasury and Finance of the Republic of Turkey) 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, Milli Reasürans has calculated ACLM reserve for General Losses main branch as two separate subbranches namely agriculture and non-agriculture branches. Due to the differing characteristics of the Agriculture sub-branch and the Engineering sub-branches within the General Liability main branch in terms of the process of claims transforming into paid losses, it was argued that the IBNR calculated in this main branch could lead to unhealthy and non-representative results. Consequently, a request for permission was submitted to the Treasury Undersecretariat of the Republic of Turkey on January 17, 2013, via a letter numbered 300, to allow the calculation of the IBNR in the General Liability main branch to be conducted as two separate sub-branches: Agriculture and Non-Agriculture. The Treasury Undersecretariat responded with a letter numbered 24179134 on January 28, 2013, granting permission for the IBNR calculations in the General Liability main branch to be conducted on a sub-branch basis, distinguishing between Agriculture and Non-Agriculture.

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserves *(continued)*

In accordance with the "Circular on Amendments to the General Communiqué on the Provision for Incurred But Not Reported Claims numbered 2014/16," published on December 7, 2020, and effective on the publication date, the IBNR amount for the "Mandatory Liability Insurance for Medical Malpractice" sub-branch under the General Liability main branch must be calculated separately. In this context, a separate calculation has been made for the Mandatory Liability Insurance for Medical Malpractice sub-branch, while calculations for other sub-branches classified under General Liability have been completed excluding the Mandatory Liability Insurance for Medical Malpractice. The amounts determined as of December 31, 2024, have been recorded in the books.

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 Milli Reasürans has chosen to apply discounting only for mandatory branches, and no discounting is conducted for other branches.

With the Circular No. 2024/3 “Circular on Amendments to Circular No. 2016/22 on Discounting Net CashFlows 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”.
In accordance with the relevant communiqué, the discount rate for net cash flows arising from the provision for incurred but not reported claims has been applied at a rate of 35% as of December 31, 2024 (December 31, 2023: 28%). Accordingly, Milli Reasürans has calculated the net discounted amount for the provision for incurred claims as 1,960,424,461 TL as of December 31, 2024 (December 31, 2023: 923,111,219 TL). The change in the discount rate has had a reducing effect of 221,786,939 TL on the net provision for incurred claims recorded as of December 31, 2024.
As of December 31, 2024 and 2023, Milli Reasürans' net outstanding claims reserves by branch are given below, before and after discount:

31 December 2024 **Branches**	**Net outstanding claims before discount**	**Discount amount**	**Discounted net outstanding claims provision**
Land Vehicles Liability	635.982.639	(371.816.439)	264.166.200
General Liability	2.167.620.695	(1.588.608.022)	579.012.673
Total	**2.803.603.334**	**(1.960.424.461)**	**843.178.873**

31 December 2023 **Branches**	**Net outstanding claims before discount**	**Discount amount**	**Discounted net outstanding claims provision**
Land Vehicles Liability	368.376.477	(186.857.862)	181.518.615
General Liability	1.127.031.106	(736.253.357)	390.777.749
Total	**1.495.407.583**	**(923.111.219)**	**572.296.364**

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserves *(continued)*

Anadolu Sigorta:

As stipulated in the General Communiqué numbered 2014/16 issued by the Insurance and Private Pension Regulation and Supervision Agency on December 5, 2014, the estimates of the Ultimate Loss/Claim Ratio are performed by the company's responsible actuary. The selection and consolidation of the data to be used, correction procedures, selection of the most appropriate method and development factors, and the intervention into development factors are carried out by the company's actuary using actuarial methods. These matters are detailed in the Actuarial report submitted to the SEDDK in accordance with Articles 33 and 36 of the Internal Systems Regulation.

As of December 31, 2024 and 2023, the amounts for incurred but not reported claims calculated by Anadolu Sigorta's actuary by line of business are as follows:

		31 December 2024(*)		31 December 2023(*)	
Branches	**Method Used**	**Gross Additional Provision**	**Net Additional Provision**	**Gross additional allowance**	**Net additional provision**
General Traffic	Standard/Bornhuetter Ferguson	16.199.927.056	12.480.390.578	13.508.297.368	9.673.281.078
General Liability	Standard/Bornhuetter Ferguson	6.134.080.618	4.943.799.029	3.502.785.332	2.735.110.058
Voluntary Financial Liability	Standard/Bornhuetter Ferguson	4.612.666.010	4.585.643.219	2.316.525.280	2.309.864.308
Fire and Natural Disasters	Standart	1.039.406.936	596.686.965	876.241.801	496.910.888
General Losses	Standart	397.448.061	240.682.152	264.534.605	206.581.950
Marine	Standart	393.940.192	180.936.798	274.659.862	137.907.203
Sea Vehicles	Standart	320.439.166	165.670.138	279.263.907	135.607.729
Life / Health	Standart	203.036.260	196.433.003	65.191.459	61.439.652
Air Vehicles	Standart	177.166.836	85.887.230	139.303.633	57.260.102
Accident	Standart	155.723.315	139.153.335	76.232.843	70.573.018
Financial Losses	Standart	97.788.416	60.557.380	119.834.466	58.275.304
Surety	Standart	63.799.584	31.206.560	7.069.149	6.743.728
Credit	Standart	47.160.829	41.954.069	39.999.223	34.503.917
Air Vechicles Liability	Standart	40.655.707	12.114.745	32.269.560	15.696.225
Legal Protection	Standart	4.359.465	4.359.465	2.095.772	2.095.772
Land Vehicles	Standart	(315.958.309)	(308.229.618)	(184.480.119)	(183.446.073)
Total		**29.571.640.142**	**23.457.245.048**	**21.319.824.141**	**15.818.404.859**

(*) The provision amount for the relevant period includes the provision allocated for the reinsurance business acquired and the provisions related to High-Risk Policyholders and the Technical Risk Pool (TKU).

Anadolu Sigorta has calculated the provision for incurred but not reported claims on a line-by-line basis, reflecting the impact of the existing reinsurance agreements based on the current reinsurance shares. The account for net incurred but not reported claims incorporates the effects of the High-Risk Policyholders Pool and the Mandatory Liability Insurance for Medical Malpractice Pool.

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(continued)*

2.25 Outstanding claims reserves *(continued)*

In the Mandatory Traffic branch, pool and non-pool operations are analyzed separately by the company's actuary. In the General Liability branch, the analysis includes Employer's Liability, Mandatory Liability for Medical Malpractice, Professional Liability, Mandatory Liability for Hazardous Materials and Hazardous Waste, and Other Liability lines.

With the Circular dated January 15, 2024, titled "Amendments to the General Communiqué on Discounting Net Cash Flows Arising from Incurred But Not Reported Claims (2016/22)," Article 7 of the General Communiqué 2016/22 has been revised to state that "Net cash flows are discounted to present value at a rate of 35% as of the financial reporting period date." In this context, a discount rate of 35% has been applied to the net cash flows arising from the provision for incurred but not reported claims. As of December 31, 2024, Anadolu Sigorta has calculated the net discounted amount for the provision for incurred claims as 17,954,668,084 TL (December 31, 2023: 10,555,127,559 TL).

The net provisions for incurred but not reported claims of Anadolu Sigorta as of December 31, 2024, and 2023, broken down by branch, are as follows:

31 December 2024 **Branches**	**Net outstanding claims provision before discount**	**Discount amount**	**Discounted net outstanding claims provision**
Land Vehicles Liability	21.305.086.789	(11.438.198.237)	9.866.888.552
General Liability	7.749.047.300	(5.104.495.948)	2.644.551.352
Fire and Natural Disasters	2.869.469.172	(426.222.201)	2.443.246.971
Land Vehicles	1.760.457.321	(127.804.247)	1.632.653.074
General Losses	769.489.322	(168.629.938)	600.859.384
Sea Vehicles	727.076.566	(171.019.900)	556.056.666
Marine	514.794.695	(146.704.714)	368.089.981
Life / Health	291.072.085	(14.744.706)	276.327.379
Air Vehicles	255.761.135	(74.814.251)	180.946.884
Surety	272.433.401	(124.937.390)	147.496.011
Accident	226.099.194	(85.560.614)	140.538.580
Financial Losses	119.291.889	(22.938.379)	96.353.510
Air Vechicles Liability	96.335.368	(30.677.108)	65.658.260
Credit	46.714.843	(16.145.195)	30.569.648
Legal Protection	4.795.048	(1.775.256)	3.019.792
Total	**37.007.924.128**	**(17.954.668.084)**	**19.053.256.044**

31 December 2023 **Branches**	**Net outstanding claims provision before discount**	**Discount amount**	**Discounted net outstanding claims provision**
Land Vehicles Liability	15.061.552.630	(7.030.009.349)	8.031.543.281
Land Vehicles	1.526.945.508	(94.833.502)	1.432.112.006
General Liability	4.659.167.824	(2.654.033.787)	2.005.134.037
Fire and Natural Disasters	2.304.483.399	(292.413.729)	2.012.069.670
General Losses	644.786.612	(119.599.334)	525.187.278
Life / Health	110.210.024	(4.628.113)	105.581.911
Accident	136.456.980	(42.042.292)	94.414.688
Marine	408.059.777	(107.033.198)	301.026.579
Sea Vehicles	548.934.161	(97.349.242)	451.584.919
Financial Losses	90.631.061	(14.837.921)	75.793.140
Air Vechicles	166.446.524	(42.127.429)	124.319.095
Legal Protection	2.324.980	(752.121)	1.572.859
Air Vechicles Liability	119.099.377	(31.603.006)	87.496.371
Credit	37.951.509	(11.713.721)	26.237.788
Surety	29.837.444	(12.150.815)	17.686.629
Total	**25.846.887.810**	**(10.555.127.559)**	**15.291.760.251**

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies (continued)

2.25 Outstanding claims reserves *(continued)*

The methods applied for estimating net cash flows of Anadolu Sigorta as of December 31, 2024, and 2023, along with the projected net cash flows for each main branch, are as follows:

31 December 2024 Branches	Method Used	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Land Vehicles Liability	Tablo 57	5.432.388.879	2.763.747.963	2.113.002.365	2.120.955.763	2.203.988.224	2.230.880.440	2.075.679.021	1.672.837.671	683.745.524	7.860.939	21.305.086.789
Land Vehicles	Tablo 57	1.609.632.682	58.467.971	51.533.001	24.016.205	11.909.903	5.336.351	(438.792)	-	-	-	1.760.457.321
General Liability	Tablo 57	768.290.273	846.249.078	794.850.917	903.493.647	1.070.484.280	1.047.497.547	992.788.019	812.633.702	400.348.404	112.411.433	7.749.047.300
Fire and Natural Disasters	Tablo 57	2.354.107.054	285.557.334	124.840.836	68.016.478	25.158.071	8.469.697	3.319.702	-	-	-	2.869.469.172
General Losses	Tablo 57	537.749.490	117.374.552	56.293.140	18.611.386	14.283.275	11.050.243	4.174.318	4.551.558	2.863.400	2.537.960	769.489.322
Life / Health	Tablo 57	289.086.329	1.848.564	71.952	128.698	37.612	-28.140	(72.930)	-	-	-	291.072.085
Accident	Tablo 57	95.324.877	44.101.339	27.640.352	19.486.759	12.903.336	11.641.626	9.181.943	4.242.018	1.462.525	114.419	226.099.194
Marine	Tablo 57	296.050.186	90.633.945	40.179.804	31.665.185	39.556.143	26.067.036	(4.526.271)	(389.707)	(4.295.071)	-146.555	514.794.695
Sea Vehicles	Tablo 57	488.951.694	123.178.940	34.347.974	24.437.685	22.168.619	22.617.887	6.522.398	3.680.955	1.163.645	6.769	727.076.566
Financial Losses	Tablo 57	83.568.424	26.430.728	5.791.675	1.924.218	1.272.598	299.313	4.933	-	-	-	119.291.889
Air Vechicles	Tablo 57	137.843.018	41.976.396	49.817.426	19.916.666	6.207.629	-	-	-	-	-	255.761.135
Legal Protection	Tablo 57	1.790.553	1.197.525	799.552	534.766	353.194	107.879	11.579	-	-	-	4.795.048
Air Vechicles Liability	Tablo 57	42.034.483	30.842.547	7.092.270	9.681.515	3.247.498	2.289.566	1.147.489	-	-	-	96.335.368
Credit	Tablo 57	27.128.085	1.803.676	2.485.902	3.391.020	4.253.997	6.854.809	797.354	-	-	-	46.714.843
Surety	Tablo 57	80.278.686	54.666.389	27.939.102	27.388.507	51.981.050	28.216.823	1.962.844	-	-	-	272.433.401

31 December 2023 Branches	Method Used	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Land Vehicles Liability	Tablo 57	4.054.176.523	2.192.246.766	1.655.001.901	1.529.280.363	1.456.391.473	1.314.058.125	1.182.349.973	1.019.304.205	573.629.828	85.113.473	15.061.552.630
Land Vehicles	Tablo 57	1.396.126.657	50.712.622	44.697.525	20.830.631	10.330.141	4.628.523	(380.591)	-	-	-	1.526.945.508
General Liability	Tablo 57	567.934.750	622.280.863	550.364.898	615.931.165	536.424.860	538.906.742	434.144.352	459.654.523	225.013.642	108.512.029	4.659.167.824
Fire and Natural Disasters	Tablo 57	1.890.593.800	229.332.360	100.260.228	54.624.334	20.204.558	6.802.051	2.666.068	-	-	-	2.304.483.399
General Losses	Tablo 57	446.106.117	103.899.461	46.907.123	18.062.326	14.515.325	16.488.831	1.829.026	(2.032.473)	(1.090.279)	101.155	644.786.612
Life / Health	Tablo 57	109.458.148	699.931	27.243	48.730	14.241	(10.655)	(27.614)	-	-	-	110.210.024
Accident	Tablo 57	62.740.841	27.840.611	14.982.285	11.482.465	7.890.435	5.000.267	4.757.756	1.226.956	434.732	100.632	136.456.980
Marine	Tablo 57	219.118.072	90.677.022	28.687.824	12.159.328	26.872.865	30.152.839	(1.234.735)	(880.872)	1.693.538	813.896	408.059.777
Sea Vehicles	Tablo 57	406.143.965	71.438.855	21.467.950	23.222.479	17.740.700	7.340.592	1.222.947	299.692	55.955	1.026	548.934.161
Financial Losses	Tablo 57	63.490.444	20.080.535	4.400.179	1.461.909	966.846	227.401	3.747	-	-	-	90.631.061
Air Vechicles	Tablo 57	89.706.715	27.317.775	32.420.631	12.961.547	4.039.856	-	-	-	-	-	166.446.524
Legal Protection	Tablo 57	868.187	580.645	387.679	259.293	171.254	52.307	5.615	-	-	-	2.324.980
Air Vechicles Liability	Tablo 57	38.423.406	74.018.588	803.535	839.648	1.658.813	3.002.824	16.782	117.982	217.799	-	119.099.377
Credit	Tablo 57	22.039.071	1.465.320	2.019.566	2.754.891	3.455.981	5.568.901	647.779	-	-	-	37.951.509
Surety	Tablo 57	8.792.280	5.987.171	3.059.946	2.999.643	5.693.067	3.090.362	214.975	-	-	-	29.837.444

According to the Temporary Article 12 of the Regulation Amending the Tariff Implementation Principles in Mandatory Motor Third Party Liability Insurance, published in the Official Gazette dated July 11, 2017, numbered 30121, a "High-Risk Policyholders Pool" has been established for groups of vehicles and/or classes with high claims frequency, effective from April 12, 2017. Within this framework, starting from April 12, 2017, the premiums and claims amounts related to motor vehicle insurance policies issued under the pool have begun to be allocated among insurance companies based on the principles determined by the Turkish Motor Vehicles Bureau and the Insurance and Private Pension Regulation and Supervision Agency.

After the changes in the regulations, Anadolu Sigorta has established its accounting records based on the monthly statements finalized and communicated by the Turkish Motor Vehicles Bureau (TMVB), which include the premiums, claims, and commission amounts transferred to the pool and received from the pool for its share. Within the scope of this pool application, Anadolu Sigorta has estimated the ultimate loss/claim ratio based on the pool policies it produces and calculated the provisions for incurred but not reported claims for the transferred and received pool portfolio in accordance with this estimate.

According to the Communiqué on the Procedures and Principles Regarding the Institutional Contribution in Mandatory Liability Insurance for Medical Malpractice, published in the Official Gazette dated October 7, 2017, numbered 30203, rules have been established for the sharing of premiums and claims related to Mandatory Liability Insurance for Medical Malpractice. The transactions related to this sharing are managed by Türk Reasürans A.Ş.

In this context, starting from October 1, 2017, the premium and claim amounts related to the policies issued have begun to be distributed among insurance companies based on the principles determined by the Insurance and Private Pension Regulation and Supervision Agency. Following the regulatory changes, Anadolu Sigorta has established its accounting records based on the monthly statements finalized and communicated by Türk Reasürans A.Ş., which include the premiums, claims, and commission amounts transferred to the pool and received from the pool for its share.

2 Summary of significant accounting policies *(continued)*

2.26 Mathematical reserves

As of December 31, 2024, there are no mathematical provisions. (31 December 2023: None).

2.27 Unexpired risk reserves (URR)

Milli Reasürans

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 unexpired risks is carried out on the basis of the main branches.

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 issuance of the Circular numbered 2022/27 titled "Provision for Unexpired Risks" by the Insurance and Private Pension Regulation and Supervision Agency on October 24, 2022, the previous circular numbered 2019/5 has been revoked. It is possible to perform calculations on an annual basis. The Company applies the year-based calculation defined in the Circular only within the Motor Vehicles Liability branch. However, due to significant fluctuations experienced in the current year related to economic indicators such as inflation and exchange rates as of September 30, 2022, and in order to eliminate the misleading effect caused by these fluctuations, particularly in the Fire, Natural Disasters, and General Liability branches which are heavily influenced by such fluctuations, calculations in these branches have been performed using the relevant methodology.

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies *(Continued)*

2.27 Unexpired risk reserves (Continued)

The breakdown of Milli Reasürans' unexpired risk reserves by branch is presented below:

		31 December 2024		31 December 2023	
Branches	**Loss / Premium**	**Gross URR**	**Net URR**	**Gross URR**	**Net URR**
Sea Vehicles	%90	10.528.000	10.432.689	6.280.025	5.690.815
Surety	%233	4.795.030	4.793.764	14.339.390	14.330.665
Air Vechicles	%102	549.289	549.289	3.458.410	3.458.410
Life / Health	%87	19.420	19.420	232.140	232.140
General Losses	-	-	-	10.159.704	10.114.868
Land Vehicles Liability	%92	6.118.480	6.118.480	-	-
Total		**22.010.219**	**21.913.642**	**34.469.669**	**33.826.898**

Anadolu Sigorta:

According to the circular numbered 2019/5 issued by the Insurance and Private Pension Regulation and Supervision Agency, in addition to the method mentioned above, the provision for unexpired risks can also be calculated for all branches using the following method:

If the discounted ultimate loss ratio calculated based on the accident year, including indirect operations, is over 85%, the portion exceeding that threshold is multiplied by the gross UPR to determine the gross provision for unexpired risks. Similarly, multiplying the net UPR by this portion yields the net provision for unexpired risks.

In the amendment made by the circular numbered 2020/1 issued by the Insurance and Private Pension Regulation and Supervision Agency, if separate calculations are made for operations where 100% of direct production is transferred to pools established in Turkey, the gross loss ratio must exceed 100%. For other operations, the gross loss ratio must exceed 85% for the calculation of the unexpired risk reserves (URR) to be performed.

Finally, as per the circular numbered 2022/27 published on November 24, 2022, a new method "best estimate based on the accounting year" has also been added to the methods used for calculating the unexpired risk reserves (URR).

"According to the 2nd paragraph of Article 3 of the Communiqué, insurance companies can calculate the gross loss ratio, including indirect operations, based on the total for the current period and the last four quarterly periods according to the underwriting (business) year. In calculating the incurred loss amount by the company's actuary, it is also taken into account under the best estimate principles that the development process of claims related to policies written in the last year has not yet matured for the underwriting (business) year.

According to the 6th paragraph of Article 3 of the Communiqué, the amounts related to direct operations for which 100% of direct production is transferred to pools established in Turkey are not included in the calculation of the loss ratio. Since the companies' obligations regarding these productions arise solely from indirect operations, calculations for these operations and similar types of business are made separately from the rest of the branch's production by considering only indirect productions and claims, as well as other income and expense items in this distinction, in order to accurately determine the company's actual liabilities."

Anadolu Sigorta, in accordance with the second paragraph of the third article of the Circular on the Provision for Unexpired 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 URR are replaced with "Accident Year". Underwriting Year" was calculated on the basis of actuarial analyses based on the best estimation principles.

(Currency: Turkish Lira (TRY))

2 Summary of significant accounting policies (Continued)

2.27 Unexpired risk reserves (continued)

As a result of the relevant methods, as of the end of the reporting period, Anadolu Sigorta has allocated a gross unexpired risk reserves of 1,935,025,732 TL (December 31, 2023: 2,244,301,474 TL) and a net provision for unexpired risks of 1,736,758,039 TL (December 31, 2023: 1,645,169,506 TL).

		31 December 2024		31 December 2023	
Branches	**Loss/Premium**	**Gross URR**	**Net URR**	**Gross URR**	**Net URR**
Land Vehicles Liability		1.112.646.419	1.112.646.419	1.329.483.585	1.329.483.585
- Motor Vehicles Liability (wo RIP))	*%106*	*808.753.741*	*808.753.741*	*894.160.048*	*894.160.048*
- acquired RIP	*%151*	*303.892.678*	*303.892.678*	*435.323.537*	*435.323.537*
General Liability		75.444.463	57.515.346	108.909.938	78.731.584
- General Liability(wo MMP)	*%95*	*71.051.510*	*53.122.393*	*104.749.963*	*74.571.609*
- acquired MMP	*%166*	*4.392.953*	*4.392.953*	*4.159.975*	*4.159.975*
Health	%91	393.142.035	387.020.492	-	-
Surety	%247	209.416.079	127.127.583	43.489.146	4.825.841
Financial Losses	%60,5	-	-	130.513.559	25.898.702
Air Vehicles	%147	144.376.736	52.448.199	198.719.223	62.843.947
Sea Vehicles	%67	-	-	433.186.023	143.385.847
Total		**1.935.025.732**	**1.736.758.039**	**2.244.301.474**	**1.645.169.506**

As of the reporting period, the Group has allocated a total unexpired risk reserves amounting to 1,757,606,373 TL in its consolidated financial statements (December 31, 2023: 1,762,308,460 TL).

2.28 Equalization reserves

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.

2 Summary of significant accounting policies *(Continued)*

2.28 Equalization reserves*(Continued)*

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 1.536.763.784 (December 31, 2023: TL 863.671.777).

As of December 31, 2024, Milli Reasürans has deducted TL 474.736.051 (December 31, 2023: TL 270.559.287) from equalization reserve in consequence of realized earthquake losses. As of December 31, 2024, the Company has deducted TL 78.214.658 (December 31, 2023: TL 404.801.290) from equalization provision in 2024 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 127.636.838 was used from the equalization reserve as of December 31, 2024 (31 December 2023: 258.889.026). at the end of 2024 in financial statements, there is 1.062.027.735 TL (31 Aralık 2023: 593.112.491 TL) equalization reserve is allocated.

2.29 Related parties

Parties are considered related to the Group if:

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

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

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

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

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

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

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

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

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

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

2.30 Earnings per share

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

2.31 Subsequent events

Post-balance sheet events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the notes when material.

2 Summary of significant accounting policies *(Continued)*

2.32 Assets Held for Sale and Related Liabilities

Property, plant, and equipment groups, including investment properties, are classified as assets held for sale when they are expected to be recovered through a sale transaction rather than through use or leasing. Liabilities directly associated with these assets are similarly grouped. Fixed assets or asset groups that meet the criteria for classification as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. No depreciation is charged on these assets. Assets held for sale are classified under the "Other Various Current Assets" item in the balance sheet.

2.33 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2024 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, 2024. 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, 2024 are as follows:

- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

- Bununla birlikte, KGK'nın 29 Aralık 2023 tarihli Resmî Gazete'de yayımlanan Kurul Kararı'nda belirli işletmelerin 1 Ocak 2024 tarihinden itibaren zorunlu sürdürülebilirlik raporlamasına tabi olacağı açıklanmıştır. 5 Ocak 2024 tarihli "Türkiye Sürdürülebilirlik Raporlama Standartları (TSRS) Uygulama Kapsamına İlişkin Kurul Kararı" kapsamında sürdürülebilirlik raporlamasına tabi olacak işletmelerin belirlenmesi amacıyla sürdürülebilirlik uygulaması kapsamına giren işletmeler sayılmaktadır. Diğer taraftan, 16 Aralık 2024 tarihli "Türkiye Sürdürülebilirlik Raporlama Standartları (TSRS) Uygulama Kapsamına İlişkin Kurul Kararı" uyarınca sürdürülebilirlik raporlamasına tabi olacak işletme kapsamında değişikliğe gidilmiştir.

2 Summary of significant accounting policies *(Continued)*

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

ii) *Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024*

IFRS 17, 'Insurance Contracts'; effective as of January 1, 2023 or thereafter. This standard replaces IFRS 4, which currently allows a wide range of applications. IFRS 17 will fundamentally change the accounting for all information governing insurance contracts and investment contracts with flexible tied participation features.

As a result of the regulatory changes published in the Official Gazette dated December 29, 2023, numbered 32414 by the SEDDK, the application date of TFRS 17 for insurance companies' legal financial statements was initially set for January 1, 2025. However, following further regulatory changes published in the Official Gazette dated December 27, 2024, numbered 32765 by the SEDDK, the application date of TFRS 17 for insurance companies' legal financial statements has been postponed to January 1, 2026.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and);
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

- **Annual improvements to IFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards

  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

2 Summary of significant accounting policies *(Continued)*

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

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

    - the structure of the statement of profit or loss
    - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and,
    - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if.

    - it does not have public accountability; and
    - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group has assessed the impact of the standards and amendments on its financial statements and has concluded that these changes do not have a significant effect beyond the implications of the IFRS 17 standard. The Group has established the necessary accounting policies under IFRS 17, and analyses and evaluations regarding the effects of the IFRS 17 standard on the financial statements are ongoing.

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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

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

Reinsurance risk is the risk that may arise from the incorrect or ineffective application of reinsurance techniques during the process of converting the portion or the entirety of the liabilities assumed by insurance companies into commercial profit, whether by accepting a portion or the entirety of the responsibility through reinsurance or by transferring a part or all of the responsibility through retrocession.

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.

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

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.

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.

4. Management of insurance and financial risk *(Continued)*

4.1 Management of insurance risk *(Continued)*

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.

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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.

Sensitivity to insurance risk

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 (TRY))

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

4.1 Management of insurance risk *(continued)*

Insurance risk concentrations

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

	31 December 2024		
Branches	**Gross total claims liability (*)**	**Reinsurance share of total claims liability**	**Net total claims liability**
Land Vehicles Liabitily	8.341.546.884	(1.606.193.970)	6.735.352.914
Land Vehicles	7.474.273.767	(95.841.376)	7.378.432.391
Fire and Natural Disasters	11.525.094.113	(6.999.119.668)	4.525.974.445
General Losses	2.971.988.078	(423.464.377)	2.548.523.701
General Liability	752.812.029	(122.911.762)	629.900.267
Sea Vehicles	568.337.036	(73.103.315)	495.233.721
Accident	93.039.886	(16.580.827)	76.459.059
Marine	197.100.799	(46.380.050)	150.720.749
Life	10.894.560	(3.522.522)	7.372.038
Air Vehicles	209.625.049	(54.061.362)	155.563.687
Health	8.219.855.704	(225.752.594)	7.994.103.110
Breach of trust	1.037.579.439	(597.126.913)	440.452.526
Air Vehicles Liability	5.529.782	(457)	5.529.325
Legal Protection	192.798	-	192.798
Sea Vehicles Liability	1.349	-	1.349
Financial Losses	855.065.051	(772.028.403)	83.036.648
Credit	15.392.032	(6.293.264)	9.098.768
Total	**42.278.328.356**	**(11.042.380.860)**	**31.235.947.496**

	31 December 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**

(*) Total claims liability includes actual paid claims.

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

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

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

4.2 Management of financial risk

Introduction and overview

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

- credit risk
- liquidity risk
- market risk

- Grup, belli bir andaki varlıklarının düzeyine ve niteliğine bağlı olarak Kredi Riski (karşı taraf riski, karşı taraf yoğunlaşma riski), Piyasa Riski (kur ve parite riski, faiz oranı riski, hisse senedi pozisyon riski, bilanço dışı risk, finansal araç yoğunlaşma riski) ve Likidite Riski'ne (fonlamaya, piyasaya ve yoğunlaşmaya ilişkin likidite riski) maruz kalabilir. Söz konusu riskler, Yönetim Kurulu'nca onaylanan Risk Limitlerine İlişkin Uygulama Esasları çerçevesinde değerlendirilir.
- Maruz kalınan riskler Risk Yönetimi Müdürlüğü tarafından bağımsız bir şekilde incelenerek Denetim Komitesi aracılığıyla Yönetim Kurulu'na ve Türkiye İş Bankası A.Ş.'nin ilgili birimlerine düzenli olarak raporlanmaktadır.

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, As part of the management of credit risk related to the investment portfolio, the credit ratings of the issuers of securities are regularly monitored, and transaction limits established to prevent concentration among counterparties are consistently reviewed.

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

(Currency: Turkish Lira (TRY))

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

4.2 Management of financial risk *(continued)*

Credit risk *(continued)*

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

	31 December 2024	**31 December 2023**
Cash and cash equivalents *(Note 14)* (*)	28.723.515.249	13.131.237.359
Receivables from main operations *(Note 12)*	19.988.016.871	18.668.821.131
Financial assets and financial investments with risks on policyholders *(Note 11)*(**)	36.440.883.206	25.588.670.132
Reinsurer share in outstanding claims reserves *(Note 10), (Note 17)*	11.481.005.210	16.122.814.162
Other prepaid expenses (Note 12)	71.260.270	9.246.952
Income accruals *(Note 12)*	343.567.665	108.303.904
Other receivables *(Note 12)*	241.009.689	111.381.114
Business advances and advances given to employees (Not 12)	322.059.841	110.117.653
Other current asset *(Note 12)(***)*	78.649.496	77.950.697
TOTAL	**97.689.967.497**	**73.928.543.104**

(*) Cash on hands balance amounting to TRY 188.356 are not included (December 31, 2023: TRY 162.771).

(**) Equity shares amounting to TRY 6.463.281.685 are not included (December 31, 2023: TRY 3.031.578.817).

(***) TRY 63.786.584 is the advance amount given by the Group. (December 31, 2023: TRY 62.292.330).

December 31, 2024 and 2023, the aging of the receivables from main operations and related provisions are as follows:

	31 December 2024		**31 December 2023**	
	Gross Amount	**Provision**	**Gross Amount**	**Provision**
Not past due	17.953.804.222	-	15.358.254.844	-
Past due 0-30 days	1.364.374.375	(27.859.547)	3.153.775.809	(15.197.891)
Past due 31-60 days	318.184.906	(20.847.644)	64.170.230	(15.936.262)
Past due 61-90 days	169.935.735	(21.032.361)	47.409.111	(15.997.861)
More than 90 days(*)	2.222.545.239	(1.971.088.054)	1.380.393.500	(1.288.050.349)
TOTAL	**22.028.844.477**	**(2.040.827.606)**	**20.004.003.494**	**(1.335.182.363)**

(*) 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:

	31 December 2024	**31 December 2023**
Provision for receivables from insurance operations at the beginning of the year	**1.178.370.771**	**819.982.864**
Collections during the period *(Note 47)*	(1.013.564)	(2.722.230)
Impairment losses provided during the period *(Note 47)*	139.238.828	1.524.942
Impairment losses provided for subrogation – salvage receivables during the period *(Note 47)*	482.959.557	315.423.102
Valuation of doubtful receivables *(Note 47)*	24.909.884	44.162.093
Provision for receivables from insurance operations at the end of the year	**1.824.465.476**	**1.178.370.771**

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

4.2 Management of financial risk *(continued)*

Credit risk *(continued)*

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

	December 31, 2024	December 31, 2023
Provision for other receivables at the beginning of the year	705.142	705.142
Provision for impairment allocated during the period	-	-
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:

- Liquidity ratio related to funding
- Liquidity ratio related to the market
- Current Ratio

The results evaluated by the Audit 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 (TRY))

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

4.2 Management of financial risk *(continued)*

Management of the liquidity risk *(continued)*

Likidite riskinden korunmak amacıyla varlık ve yükümlülükler arasında vade uyumunun sağlanması gözetilmekte, ortaya çıkabilecek likidite ihtiyacının eksiksiz bir biçimde sağlanabilmesi amacıyla likit değerler muhafaza edilmektedir.

Maturity distribution of monetary assets and liabilities:

December 31, 2024	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	28.723.699.579	14.719.933.070	13.459.991.672	375.658.419	168.116.418	-
Financial assets and financial investments with risks on policyholders(*)	36.440.883.206	22.619.983.431	1.254.321.956	3.413.651.942	7.885.445.894	1.267.479.983
Receivables from main operations	19.988.016.871	2.801.051.710	6.195.420.880	4.733.966.109	5.825.924.252	431.653.920
Other receivables and current assets	1.056.546.961	680.423.254	24.458.107	38.395.794	312.719.926	549.880
Total monetary assets	**86.209.146.617**	**40.821.391.465**	**20.934.192.615**	**8.561.672.264**	**14.192.206.490**	**1.699.683.783**
Liabilities						
Financial liabilities	230.916.234	1.314.057	2.583.126	3.766.083	55.098.052	168.154.916
Payables arising from main operations	8.681.517.422	459.474.541	1.427.666.946	780.162.782	6.014.174.273	38.880
Due to related parties	13.571.284	13.571.284	-	-	-	-
Other liabilities	1.077.319.956	680.541.839	350.634.931	-	46.143.186	-
Insurance technical reserves (**)	29.107.781.397	2.574.397.566	4.266.370.914	5.070.668.031	7.583.031.642	9.613.313.244
Provisions for taxes and other similar obligations	1.811.692.682	882.697.119	917.900.121	11.095.442	-	-
Provisions for other risks and expense accruals	2.611.581.243	36.595.829	211.492.052	-	1.494.556.000	868.937.362
Total monetary liabilities	**43.534.380.218**	**4.648.592.235**	**7.176.648.090**	**5.865.692.338**	**15.193.003.153**	**10.650.444.402**

(*) Equity shares amounting to TRY 6.463.281.685 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 (TRY))

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

4.2 Management of the liquidity risk *(continued)*

Management of the liquidity risk *(continued)*

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.

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.

(Currency: Turkish Lira (TRY))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued*

Market risk *(continued)*

Foreign currency risk

The Group is exposed to foreign currency risk through insurance and reinsurance transactions in foreign currencies.

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the reporting periods, foreign currency assets and liabilities evaluated by the Central Bank of the Republic of Turkey's spot purchase rates and the differences arising from foreign currency rates are recorded as foreign exchange gain or loss in the statement of operations.

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

December 31, 2024	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	909.292.040	310.155.297	241.868.091	1.461.315.428
Financial assets and financial investments with risks on policyholders	7.646.960.932	2.027.683.065	-	9.674.643.997
Receivables from main operations	4.839.376.097	2.570.953.484	1.540.203.037	8.950.532.618
Total foreign currency assets	**13.395.629.069**	**4.908.791.846**	**1.782.071.128**	**20.086.492.043**
Liabilities:				
Payables arising from main operations	(2.395.932.994)	(4.634.248.601)	(172.659.437)	(7.202.841.032)
Insurance technical reserve(*)	(4.878.854.981)	(850.033.068)	(1.835.476.811)	(7.564.364.860)
Financial Liabilities	-	-	(8.814.691)	(8.814.691)
Total foreign currency liabilities	**(7.274.787.975)**	**(5.484.281.669)**	**(2.016.950.939)**	**(14.776.020.583)**
Net financial position	**6.120.841.094**	**(575.489.823)**	**(234.879.811)**	**5.310.471.460**

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**

(*) 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, TRY equivalents of the relevant foreign currency amounts have been shown. December 31, 2024, 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, 2024 and passive items were evaluated with CBRT sales rates.

(Currency: Turkish Lira (TRY))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities As of December 31, 2024 and 2023 are as follows:

	End of the Period (Buying)		**End of the Period (Selling)**		**Average**	
	ABD	**Avro**	**ABD**	**Avro**	**ABD**	**Avro**
31 December 2024	35,2803	36,7362	35,3438	36,8024	32,7984	35,4893
31 December 2023	29,4382	32,5739	29,4913	32,6326	23,7482	25,6852

Exposure to foreign currency risk

A 20 percent depreciation of the TL against the following currencies As of December 31, 2024 and 2023 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below (December 31, 2023: 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.

	31 December 2024		**31 December 2023**	
	Profit or loss	**Equity(*)**	**Profit or loss**	**Equity(*)**
US Dollar	1.224.168.219	1.224.168.219	819.072.972	819.072.972
Euro	(115.097.965)	(115.097.965)	1.404.721.210	1.404.721.210
Others	(46.975.962)	(46.975.962)	(5.341.202)	(5.341.202)
Total, net	**1.062.094.292**	**1.062.094.292**	**2.218.452.980**	**2.218.452.980**

(*) Equity effect also includes profit or loss effect of 20% depreciation of TL against related currencies (December 31, 2023: 20% depreciation of TL).

(Currency: Turkish Lira (TRY))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

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 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:	***33.177.448.358***	***20.004.036.166***
Cash at banks *(Note 14)*[(*)]	21.746.841.481	8.423.293.622
Available for sale financial assets – Government bonds *(Note 11)*	8.104.495.786	8.454.980.584
Cash deposited to insurance and reinsurance companies *(Note 12)*	1.683.352.236	1.512.369.005
Available for sale financial assets – Private sector bonds *(Note 11)*	1.305.803.973	1.283.859.676
Held for trading financial assets – other *(Note 11)*	-	93.498
F.V. held to maturity - government debt securities (Note 11)	336.954.882	329.439.781
Financial assets with variable interest rate::	***4.298.848.755***	***5.125.125.038***
Available for sale financial assets – Private sector bonds *(Note 11)*	204.594.989	152.181.667
Available for sale financial assets – Government bonds *(Note 11)*	2.945.188.166	2.334.986.132
FX-protected deposits	*1.149.065.600*	*2.637.957.239*
Financial liabilities:		
Financial liabilities with fixed interest rate::	***230.916.234***	***144.295.014***
Payables from operating leases *(Note 34)*	230.916.234	144.295.014

(*) Demand deposits amounting to TRY 665.175.192 are not included (December 31, 2023: TL 1.255.575.050).

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.

(Currency: Turkish Lira (TRY))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

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.

Classification relevant to fair value information (continued)
The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

	31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
***Financial assets*:**				
Available for sale financial assets *(Note 11) (*)*	14.829.870.015	-	-	14.829.870.015
Financial assets to be held to maturity (Note 11)	21.855.422.234	5.881.112.516	-	27.736.534.750
Total financial assets	**36.685.292.249**	**5.881.112.516**	**-**	**42.566.404.765**
Tangible assets				
Investment properties *(Note 6)*	-	-	5.336.521.000	5.336.521.000
Owner occupied properties *(Note 6)*	-	-	317.622.500	317.622.500
Total tangible assets	**-**	**-**	**5.654.143.500**	**5.654.143.500**
Total	**36.685.292.249**	**5.881.112.516**	**5.654.143.500**	**48.220.548.265**

	31 December 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 held for trading *(Note 11)*	7.176.935.826	7.211.468.881	-	14.388.404.707
Total financial assets r	**21.078.535.042**	**7.211.468.881**	**-**	**28.290.003.923**
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**	**7.211.468.881**	**5.105.706.000**	**33.395.709.923**

(*) As of December 31, 2024, securities that are not publicly traded amounting to TL 805.244 (December 31, 2023: TRY 805.244) have been measured at cost.

(Currency: Turkish Lira (TRY))

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Market risk *(continued)*

Equity share price risk

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

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

	31 December 2024		31 December 2023	
	Profit or loss	**Equity(*)**	**Profit or loss**	**Equity(*)**
Financial assets held for trading	(422.063.396)	(422.063.396)	(142.504.296)	(142.504.296)
Available for sale financial assets	-	(224.184.248)	-	(160.573.061)
Total, net	**(422.063.396)**	**(646.247.644)**	**(142.504.296)**	**(303.077.357)**

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

Gain and losses from financial assets

Gains and losses recognized in the statement of income, net:	**31 December 2024**	**31 December 2023**
Interest income from bank deposits	5.555.701.762	1.814.696.661
Income from equity shares	825.520.587	101.868
Interest income from available-for-sale financial assets	2.478.210.941	(564.977.231)
Foreign exchange gains	6.152.931.869	11.036.934.305
Income from investment funds reclassified as held for trading financial assets	7.300.325.854	3.219.684.053
Income from participates	904.218.444	599.301.192
Interest income from debt securities classified as held to maturity financial investments	16.081.663	24.641.815
Income from equity shares classified as held for trading financial assets	1.097.370.768	2.130.241.171
Interest income from repos	25.654	356
Income from derivative transactions	1.278.455.517	1.296.253.767
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15)*	(743.841.944)	1.773.575.731
Income from investment funds reclassified as available for sale financial assets	68.485.017	5.392.611
Other	18.158.829	1.952.318
Investment income	**24.951.644.961**	**21.337.798.617**
Foreign exchange losses	(3.877.496.679)	(5.082.238.998)
Loss from disposal of financial assets	(342.734.471)	(858.310.002)
Loss from valuation of financial assets	(432.330.008)	(82.669.203)
Investment management expenses (including interest)	(62.983.176)	(214.728.643)
Loss from derivative transactions	(323.581.975)	(576.504.323)
Investment expenses	**(5.039.126.309)**	**(6.814.451.169)**
Investment income, net	**19.912.518.652**	**14.523.347.448**

Financial gains and losses recognized in equity, net:	**31 December 2024**	**31 December 2023**
Fair value changes in available for sale financial assets *(Note 15)*	(455.436.612)	2.573.917.705
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15)*	743.841.944	(1.773.575.731)
Total	**288.405.332**	**800.341.974**

4 Management insurance and financial risk *(continued)*

4.2 Management of financial risk *(continued)*

Capital management

The Company's capital management policies include the following:

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

"Regulation on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies" has been recorded as TL 7.144.638.233 as the required equity capital amount in the plans made by the Company as of December 31, 2024. As of December 31, 2024, the Company's equity capital determined according to capital adequacy regulations is TL 16.658.776.868 and since the unmanaged calculated capital adequacy continues to be provided, there is a capital surplus of TL 9.514.138.635 as of December 31, 2024..

As of June 30, 2024, required equity amount determined in calculations over consolidated financial statements of Company's subsidiary Anadolu Sigorta, is amounted TL 13.059.476.744. As of 30 June 2024, the amount of raw equity in Anadolu Sigorta's unconsolidated financial statements is TL 14.669.223.361 above the required equity amount calculated in accordance with the regulation.

5 Segment information

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

Business segment

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

Geographical segment

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

(Currency: Turkish Lira (TRY))

6 Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Addition	Foreign currency translation effect(*)	Transfers	Valuation differences	December 31, 2024
Cost:						
Investment properties *(Note 7)(**)*	4.890.602.000	-	-	(1.578.400.000)	2.024.319.000	5.336.521.000
Buildings for own use	215.104.000	-	-	-	102.518.500	317.622.500
Machinery and equipment	188.791.920	92.143.408	-	-	-	280.935.328
Furniture and fixtures	67.901.403	18.023.270	1.428.004	(2.451.215)	-	84.901.462
Land Vehiclesss	13.489.028	27.760.268	775.893	(5.562.387)	-	36.462.802
Other tangible assets (including leasehold improvements)	97.776.415	8.428.485	-	-	-	106.204.900
Leased Assets	187.439.190	135.956.731	4.692.563	-	-	328.088.484
Construction in progress	19.662.451	23.193.260	-	-	-	42.855.711
	5.680.766.407	**305.505.422**	**6.896.460**	**(1.586.413.602)**	**2.126.837.500**	**6.533.592.187**
Accumulated depreciation::						
Buildings for own use	133.509	1.670.933	-	(1.611.736)	-	192.706
Machinery and equipment	111.885.634	35.347.541	-	-	-	147.233.175
Furniture and fixtures	35.422.691	10.428.309	1.394.070	(2.446.989)	-	44.798.081
Land Vehiclesss	9.595.767	2.872.111	659.237	(5.093.826)	-	8.033.289
Other tangible assets (including leasehold improvements)	32.543.968	14.297.005	-	-	-	46.840.973
Leased Assets	65.876.606	59.322.793	2.224.381	-	-	127.423.780
	255.458.175	**123.938.692**	**4.277.688**	**(9.152.551)**	**-**	**374.522.004**
Net book value	**5.425.308.232**					**6.159.070.183**

(*) Foreign currency translation effect resulted from Singapore Branch.
(**) The ongoing investments account includes costs related to the heating and cooling group renewal..

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	ecember 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 vehiclesss	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	108.430.175	80.189.151	8.131.515	(9.311.651)	-	187.439.190
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	42.566.625	31.097.223	1.524.410	(9.311.651)	-	65.876.606
	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.

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

As of 31 December 2024 and 31 December 2023, 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 2024 for Anadolu Sigorta and in December 2024 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 2024, and the appraisal reports for these real estates were prepared in December 2024 by a real estate appraisal Company licensed by the CMB.As of December 31, 2024, 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, 2024)	Net Book Value (December 31, 2023)
Suadiye Spor Salonu	December 2024	202.000.000	202.000.000	135.000.000
İzmir Regional Headquarter	December 2024	62.260.000	62.156.233	39.693.733
Adana Regional Headquarter	December 2024	28.325.000	28.277.791	18.748.700
Lefkoşe Cyprus Branch	December 2024	20.145.000	20.111.425	17.235.226
Adana Office	December 2024	855.000	853.575	623.958
Other	December 2024	4.037.500	4.030.770	3.668.875
Total		**317.622.500**	**317.429.794**	**214.970.492**

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..

(Currency: Turkish Lira (TRY))

7 Investment properties

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

Grup’un yatırım amaçlı gayrimenkulleri, Sermaye Piyasası Kurulu tarafından yetkilendirilmiş bağımsız profesyonel değerleme uzmanları tarafından hazırlanan ekspertiz raporları çerçevesinde Grup’un yatırım amaçlı gayrimenkullerinin 31 Aralık 2024 tarihi itibarıyla gerçeğe uygun değeri 5.336.521.000 TL olarak tespit edilmiştir (31 Aralık 2023: 4.890.602.000 TL)

Söz konusu gayrimenkuller, 2024 yılı içerisinde 2.024.319.000 TL değer kazanmıştır (2023: 1.671.336.000 TL). Yatırım amaçlı gayrimenkullerden ilgili hesap döneminde 137.563.915 TL kira geliri elde edilmiştir (31 Aralık 2023: 69.939.879 TL).

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 2024. There is no mortgage on Group’s investment properties.

As of December 31, 2024, and 2023, details of investment properties and the fair values are as follows:

	December 31, 2024 Net book value	December 31, 2023 Net book value	Date of expertise report	Value of expertise report
Teşvikiye	4.378.000.000	3.038.650.000	December 2024	4.378.000.000
Tunaman Katlı Garage (*)	-	1.187.500.000	-	-
Villa Ofiice Block	325.000.000	282.000.000	December 2024	325.000.000
Çifteler Land	6.000	6.000	December 2024	6.000
Other buildings	633.515.000	382.446.000	December 2024	633.515.000
Net book value	**5.336.521.000**	**4.890.602.000**		**5.336.521.000**

(*) The Group has agreed with the buyer regarding the sale of its investment property located at Tunaman Parking, valued at 1,548,400,000 TL, as of December 31, 2024. This asset has been accounted for as an asset held for sale in accordance with TFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," and is classified under "Other Various Current Assets" in the balance sheet. The sale transaction for this asset was completed on January 17, 2025 (Notes 46 and 47).

Fair value measurement

The fair values of investment properties were determined by market comparison technique.

8 Intangible Assets

Movement in intangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Additions	Transfers	Foreign currency translation effects(*)	Disposals	December 31, 2024
Cost:						
Other intangible assets	526.278.411	115.191.555	231.183	(48.064.224)	59.875.727	653.512.652
Advances given for intangible assets	264.168.937	91.244.939	-	-	-	355.413.876
Goodwill	16.250.000	-	-	-	-	16.250.000
Research & Development	18.657.453	59.875.727	-	-	(59.875.727)	18.657.453
	825.354.801	**266.312.221**	**231.183**	**(48.064.224)**	**-**	**1.043.833.981**
Accumulated amortization:						
Rights	433.942.972	89.538.361	197.309	(48.064.224)	-	475.614.418
	433.942.972	**89.538.361**	**197.309**	**(48.064.224)**	**-**	**475.614.418**
Net book value	**391.411.829**					**568.219.563**

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

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

(Currency: Turkish Lira (TRY))

8 *Intangible assets (continued)*

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(*)	Disposals	Transfers	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:						
Rights	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.

9 Investments in associates

	31 December 2024		31 December 2023	
	Book value	**Participation rate %**	**Book value**	**Participation rate %**
Anadolu Hayat Emeklilik A.Ş.	2.115.020.367	21,00	1.354.386.089	21,00
Affiliates, net	**2.115.020.367**		**1.354.386.089**	

Name	Total assets	Shareholders' equity	Retained earnings	Profit for the year	Audited	Period
Associates*:*						
Anadolu Hayat Emeklilik A.Ş. (consolidated)	260.339.161.440	10.071.525.906	186.293.195	4.305.802.455	Geçti.	31 December 2024

In the current period TRY 904.218.444 (December 31, 2023: 599.301.192) of income is obtained from associates through equity accounted consolidation method.

The movement schedule of investments valued using the equity method for the reporting period is as follows:

	2024
Beginning of the period– 1 January	**1.354.386.089**
Shares of profit from the current period	904.218.444
Increase recognized in equity	66.415.834
Dividends	(210.000.000)
End of the period– 31 December	**2.115.020.367**

(Currency: Turkish Lira (TRY))

10 Reinsurance assets and liabilities

As of December 31, 2024, and 2023, outstanding reinsurance assets and liabilities of the Group in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	**31 December 2024**	**31 December 2023**
Unearned premiums reserves, ceded (Note 17)	6.186.511.289	4.797.310.036
Outstanding claims reserve, ceded (Note 4.2), (Note 17)	11.481.005.211	16.122.814.162
Receivables from reinsurance companies (Note 12)	2.521.327.822	2.907.188.037
Cash deposited to reinsurance companies	1.683.352.237	1.512.369.005
Total	**21.872.196.559**	**25.339.681.240**

Reinsurance liabilities	**31 December 2024**	**31 December 2023**
Payables to the reinsurers related to premiums written *(Note 19)*	5.357.534.158	4.326.819.769
Deferred commission income *(Note 19)*	943.652.041	644.038.671
Cash deposited by reinsurance companies	389.788.163	152.612.753
Commission payables to the reinsurers related to written premiums *(Note 19)*	-	35.383.333
Total	**6.690.974.362**	**5.158.854.526**

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

	31 December 2024	**31 December 2023**
Premiums ceded during the period *(Note 17)*	(20.350.894.270)	(12.109.441.785)
Unearned premiums reserve, ceded at the beginning of the period *(Note 17)*	(4.797.310.036)	(2.523.561.505)
Unearned premiums reserve, ceded at the end of the period *(Note 17)*	6.186.511.289	4.797.310.036
Earned premiums, ceded *(Note 17)*	**(18.961.693.017)**	**(9.835.693.254)**
Claims paid, ceded during the period *(Note 17)*	11.042.380.860	18.399.604.706
Outstanding claims reserves, ceded at the beginning of the period *(Note 17)*	(16.122.814.162)	(4.562.215.886)
Outstanding claims reserves, ceded at the end of the period *(Note 17)*	11.481.005.210	16.122.814.162
Incurred claims, ceded *(Note 17)*	**6.400.571.908**	**29.960.202.982**
Commission income accrued from reinsurers during the period *(Note 32)*	1.347.834.282	1.289.418.860
Deferred commission income at the beginning of the period *(Note 19)*	644.038.671	346.493.633
Deferred commission income at the end of the period *(Note 19)*	(943.652.041)	(644.038.671)
Commission income earned from reinsurers *(Note 32)*	**1.048.220.912**	**991.873.822**
Changes in unexpired risk reserves, reinsurers' share *(Note 17)*	**(316.447.194)**	**394.560.623**
Total, net	**(11.829.347.391)**	**21.510.944.173**

(Currency: Turkish Lira (TRY))

11 Financial assets

As of December 31, 2024, and 2023, the Group's financial assets are detailed as follows::

	31 December 2024	**31 December 2023**
Available for sale financial assets	14.830.675.259	13.902.404.460
Financial assets held for trading	27.736.534.750	14.388.404.707
Impairment loss on available for sale financial assets	336.954.882	329.439.782
Total	**42.904.164.891**	**28.620.248.949**

As of December 31, 2024, and 2023, the Group's financial assets held for trading are detailed as follows:

		31 December 2024		
	Nominal value	**Cost**	**Fair value**	**Book value**
Non-fixed income financial assets:				
Investment funds		14.524.012.546	21.559.814.485	21.559.814.485
Investment funds YP		573.285.998	571.764.574	571.764.574
Equity shares		4.403.715.323	4.220.633.960	4.220.633.960
Futures and options guarantees		230.259.174	235.256.132	235.256.132
Derivative guarantees (Currency protected deposits)		1.072.589.705	1.149.065.599	1.149.065.599
		20.803.862.746	**27.736.534.750**	**27.736.534.750**
Total financial assets held for trading		**20.803.862.746**	**27.736.534.750**	**27.736.534.750**

		31 December 2023		
	Nominal value	**Cost**	**Fair value**	**Book value**
Dept instruments:				
Receivables from reverse repo transactions – TL		93.172	93.498	93.498
		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
Equity Shares		1.375.426.903	1.425.042.958	1.425.042.958
Futures and Options Margins		117.644.053	118.720.901	118.720.901
Derivative guarantees (Currency protected deposits)		2.404.635.484	2.637.957.240	2.637.957.240
Other		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**

(Currency: Turkish Lira (TRY))

11 Financial assets (continued)

As of December 31, 2024, and 2023, the Group's available for sale financial assets are detailed as follows:

	31 December 2024			
	Nominal value	**Cost**	**Fair value**	**Book Value**
Debt instruments:				
Government bonds – TL	2.091.471.241	2.400.311.044	4.621.846.160	4.621.846.160
Government bonds – USD	4.774.987.863	4.726.946.763	5.346.977.292	5.346.977.292
Government bonds – EUR	99.792.400	630.473.133	1.080.860.500	1.080.860.500
Private sector bonds- TL	599.400.000	580.742.000	599.417.528	599.417.528
Private sector bonds- USD	195.407.500	837.716.378	872.878.322	872.878.322
Private sector bonds- EUR	36.736.200	36.773.108	38.103.112	38.103.112
		9.212.962.426	**12.560.082.914**	**12.560.082.914**
Non-fixed income financial assets:				
Equity shares		136.530.191	2.242.647.728	2.242.647.728
Investment funds		27.000.000	27.944.617	27.944.617
		163.530.191	**2.270.592.345**	**2.270.592.345**
Total available for sale financial assets		**9.376.492.617**	**14.830.675.259**	**14.830.675.259**

	31 December 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	201.500.000	198.818.720	216.962.284	216.962.284
Private sector bonds- TL	38.032.000	602.809.643	1.139.663.893	1.139.663.893
Impairment loss on private sector bonds	2.500.000	65.846.419	79.415.169	79.415.169
		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**

All debt instruments presented above are traded in the capital markets, As of December 31, 2024, equity shares classified as available for sale financial assets with a carrying amount of TRY 805.244 are not publicly traded (December 31, 2023: TRY 805.244).

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

Value increases in financial assets including equity shares classified as available for sale financial assets and subsidiaries for the last 3 years (including tax effects, excluding minority interest

Year	**Change in value increase**	**Total increase in value**
2024	288.405.332	1.864.706.708
2023	800.341.974	1.576.301.376
2022	747.941.219	775.959.402

(Currency: Turkish Lira (TRY))

11 Financial assets *(continued)*

As of December 31, 2024, and 2023 the Group's held to maturity financial assets portfolio are detailed as follow

	31 December 2024			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Debt instruments:				
Government bonds – EUR	325.445.996	326.271.969	338.277.261	336.954.882
Total held to maturity financial assets		**326.271.969**	**338.277.261**	**336.954.882**

	31 December 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**

As of December 31, 2024, and 2023, the movement of the financial assets is presented below:

	31 December 2024			
	Trading	**Available-for-Sale**	**Held to maturity**	**Total**
Balance at the beginning of the period	**14.388.404.707**	**13.902.404.460**	**329.439.782**	**28.620.248.949**
Acquisitions during the period	71.695.685.793	15.246.063.722	-	86.941.749.515
Disposals (sale and redemption)	(65.016.553.152)	(18.095.135.577)	(49.794.036)	(83.161.482.765)
Change in the fair value of financial assets	6.668.997.402	3.777.342.654	57.309.136	10.503.649.192
Balance at the end of the period	**27.736.534.750**	**14.830.675.259**	**336.954.882**	**42.904.164.891**

	31 December 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	70.117.488.773	3.311.066.912	-	73.428.555.685
Disposals (sale and redemption)	(64.745.990.695)	(5.497.774.688)	(261.560.121)	(70.505.325.504)
Change in the fair value of financial assets	5.651.670.814	5.933.823.762	211.207.650	11.796.702.226
Balance at the end of the period	**14.388.404.707**	**13.902.404.460**	**329.439.782**	**28.620.248.949**

(Currency: Turkish Lira (TRY))

11 Financial assets *(continued)*

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

	31 December 2024			
	Nominal value	**Cost**	**Fair value**	**Book value**
Available for sale financial assets – Private sector bonds	529.400.000	510.742.000	526.817.152	526.817.152
Available for sale financial assets – Investment funds	-	27.000.000	27.944.617	27.944.617
Available for sale financial assets – Equity shares	-	61.871.244	785.142.798	785.142.798
Financial assets held for trading – Investment funds	3.847.597.644	9.465.210.313	14.357.807.404	14.357.807.404
Available for sale financial assets – Private sector bonds -FC	-	247.510.586	266.403.595	266.403.595
Total		**10.312.334.143**	**15.964.115.566**	**15.964.115.566**

	31 December 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
Held to maturity financial assets – Bonds	-	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**

12 Loans and receivables

	31 December 2024	**31 December 2023**
Receivables from main operations *(Note 4.2)*	19.988.016.871	18.668.821.131
Prepaid taxes and funds *(Note 19), (Note 4.2)*	71.260.270	9.246.952
Income accruals (*Note 4.2)*	343.567.665	108.303.904
Other receivables *(Note 4.2)*	241.009.689	111.381.114
Other current assets *(Note 4.2)*	322.059.841	110.117.653
Total	**20.965.914.336**	**19.007.870.754**
Short-term receivables	20.533.780.093	18.611.609.063
Medium and long-term receivables	432.134.243	396.261.691
Total	**20.965.914.336**	**19.007.870.754**

(Currency: Turkish Lira (TRY))

12 Loans and receivables*(continued)*

As at December 31, 2024 and 2023, receivables from main operations are detailed as follows

	31 December 2024	31 December 2023
Receivables from insurance companies	1.332.398.229	869.202.522
Receivables from reinsurance companies *(Note 10)*	2.521.327.822	2.907.188.037
Receivables from agencies, brokers and intermediaries	920.485.381	1.971.092.327
Total receivables from reinsurance operations, net	**4.774.211.432**	**5.747.482.886**
		8.202.425.696
	9.729.119.692	
Receivables from agencies, brokers and other intermediaries	706.208.45	1.133.384.268
Receivables from insurance and reinsurance companies		
Long term receivable which is bank guarantee and three months credit card	2.488.815.298	1.598.638.932
Salvage and subrogation receivables *(Note 2.21)*	723.408.965	449.617.0028
Receivables from insurance and reinsurance companies	99.262.922	181.714.908
Total receivables from insurance operations, net	**13.746.815.331**	**11.565.780.832**
Cash deposited to insurance and reinsurance companies *(Note 4.2)*	1.683.352.236	1.512.369.005
Provisions for receivables from insurance operations – subrogation receivables *(Note 2.21)*	(216.362.128)	(156.811.592)
Doubtful receivables from main operations – premium receivables	354.952.449	191.817.299
Provision for doubtful receivables from main operations – premium receivables	(354.952.449)	(191.817.299)
Doubtful receivables from insurance operations – subrogation receivables	1.469.513.028	986.553.472
Provisions for doubtful receivables from insurance operations – subrogation receivables	(1.469.513.028)	(986.553.472)
Receivables from main operations	**19.988.016.871**	**18.668.821.131**

As of December 31, 2024, and 2023, mortgages and collaterals obtained for receivables are disclosed as follows:

	31 December 2024	31 December 2023
Mortgage notes	331.150.182	244.510.302
Letters of guarantees	1.007.232.743	409.683.801
Other guarantees	992.943.682	302.647.538
Government bonds and treasury bills	230.000	230.000
Total	**2.331.556.607**	**957.071.641**

Provisions for overdue receivables and receivables not due yet

a) Receivables under legal or administrative follow up (due): TRY 354.952.449 for main operations (December 31, 2023: TRY 191.817.299) and TL 705.142 (December 31, 2023: TL 705.142) for other receivables..

b)) Provision for premium receivables (due): TL 1.685.875.156 (December 31, 2023: TRY 1.143.365.064)

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, 2024, the Group has derivative financial instruments recognized in the financial assets held for trading amounting to TRY 235.256.132 (December 31, 2023: 118.720.901).

There is no value increase balance under the income accruals account due to the forward foreign exchange contracts made by the Group as of December 31, 2024. (December 31, 2023: TL 6.219.723)

14 Cash and cash equivalents

As of December 31, 2024, and December 31, 2023, the details of the cash and cash equivalents are as follows

	31 December 2024		31 December 2023	
	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	188.356	162.771	162.771	197.410
Cheques received	22.412.016.674	9.678.868.672	9.678.868.672	9.156.392.304
Bank deposits	(4.026)	(3.167)	(3.167)	(14.481)
Cheques given and payment orders	6.311.498.575	3.452.368.687	3.452.368.687	1.787.066.011
Cash and cash equivalents in the balance sheet	**28.723.699.579**	**13.131.396.963**	**13.131.396.963**	**10.943.641.244**
Bank deposits – blocked(*)	(4.291.749.598)	(1.734.196.100)	(1.734.196.100)	(1.465.822.815)
Time deposits with maturities longer than 3 months	(2.784.658.307)	(1.227.671.164)	(1.227.671.164)	(305.956.102)
Interest accruals on banks deposits	(397.789.066)	(79.851.059)	(79.851.059)	(22.776.765)
Cash and cash equivalents presented in the statement of cash flows	**21.249.502.608**	**10.089.678.640**	**10.089.678.640**	**9.149.085.562**

(*) TL 4,291,084,005 of the blocked amounts are held in favor of the Insurance and Private Pension Regulation and Supervision Agency due to the insurance activities of the Company's subsidiary Anadolu Sigorta A.Ş. (31 December 2023: TL 1,363,261,798).

3 As of December 31, 2024, and 2023, bank deposits are further analysed as follows:

	31 December 2024	**31 December 2023**
Foreign currency denominated bank deposits		
- time deposits	822.815.731	619.948.782
- demand deposits	638.319.817	805.938.886
Bank deposits in Turkish Lira		
- time deposits	20.924.025.751	7.803.344.840
- demand deposits	26.855.375	449.636.164
Bank deposits	**22.412.016.674**	**9.678.868.672**

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, 2024, and 2023, the shareholding structure of the Company is presented below:

	31 December 2024		31 December 2023	
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, 2024, the issued share capital of the Group is TL 660.000.000 (December 31, 2023: TL 660.000.000) and the share capital of the Group consists of 66.000.000.000 (December 31, 2023: 66.000.000.000 shares) issued shares with TL 0,01 nominal value each. There are no privileges over the shares of the Group.

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

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

(Currency: Turkish Lira (TRY))

15 Equity *(continued)*

Equity method consolidation

Anadolu Hayat, in which the Group holds a 21.00% stake (effective share: 12.46%), was consolidated according to the equity method as of December 31, 2024 and December 31, 2023 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:

	31 December 2024	**31 December2023**
Legal reserves at the beginning of the period	**312.168.254**	**261.812.474**
Transfer from profit	12.643.323	50.355.780
Legal reserves at the end of the period	**324.811.577**	**312.168.254**

As of December 31, 2024, and 2023, "Other Reserves and Retained Earnings" includes extraordinary reserves, sales profits to be capitalized and buildings for own use revaluation differences.

As at December 31, 2024 and 2023, "Other Reserves and Retained Earnings" are detailed as below:

	31 December 2024	**31 December 2023**
Other profit reserves	(67.450.563)	4.321.447
Extraordinary reserves	4.518.846.761	1.448.635.062
Other capital reserves	1.299.765.489	1.211.581.405
Sales profits to be capitalized	42.921.312	42.921.312
Other earnings and losses	(29.284.720)	(21.271.539)
Subsidiary capital correction	(71.060.154)	(71.060.154)
Private funds	330.452.130	184.820.637
Total	**6.024.190.255**	**2.799.948.170**

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.

(Currency: Turkish Lira (TRY))

15 Equity *(continued)*

Other capital reserves *(continued)*

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, 2024 (December 31, 2023: 1.122.124.328 TL). Additionally, as of December 2024, the investment properties of the Company's subsidiary, Miltaş Turizm A.Ş., have been valued based on appraisal reports prepared by independent professional valuers authorized by the Capital Markets Board. The increase in value has been recognized in the accounts of other reserves as 57.089.671 TL, net of tax effects (December 31, 2023: None). As of December 31, 2024, the amount recognized in other capital reserves as a result of the consolidation of the subsidiary Anadolu Sigorta is 120.551.490 TL (December 31, 2023: 89.457.077 TL).

Extraordinary reserves

The movement of extraordinary reserves is as follows:

	31 December 2024	31 December 2023
Extraordinary reserves at the beginning of the period	**1.448.635.062**	**1.055.949.776**
Transfer from profit	3.070.211.699	392.685.286
Extraordinary reserves at the end of the period	**4.518.846.761**	**1.448.635.062**

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 December 31, 2024, no additional funds have been allocated for the purchase of venture capital investment fund shares from the net profit of the year 2023, in accordance with Article 325/A of the Tax Procedure Law and Article 10 of the Corporate Tax Law. (December 31, 2023: 38.123.053 TL). The amount of special funds (reserves) from subsidiaries and associates is 241.519.108 TL (December 31, 2023: 95.887.615 TL).

The movements of special funds are as follows:

	31 December 2024	31 December 2023
Special funds at the beginning of the period	**184.820.637**	**117.937.781**
Transfer from profit venture capital investment fund	-	38.123.053
Subsidiary and Associate Shares	145.631.493	28.759.803
Special funds at the end of the period	**330.452.130**	**184.820.637**

(Currency: Turkish Lira (TRY))

15 Equity *(continued)*

Other profit reserves

In accordance with TMS 19, the actuarial gains and losses previously recognized in the income statement for the provision for severance pay have been accounted for in the financial statements of the current period under equity in the "Other Reserves" account. In the calculation of the severance pay provision as of December 31, 2024, negative actuarial calculations amounting to (29.284.720) TL (December 31, 2023: (21.271.539) TL) have been presented in the "Other Reserves" account. As of December 31, 2024, the amount of other reserves from subsidiaries and associates is (67.450.563) TL (December 31, 2023: 4.321.447 TL).

Profit for the period that is extraneous from the distribution

As of May 27, 2024, an amount of 6.572.222 TL resulting from the 25% exemption on the gain from the real estate sale conducted by the Company has been recorded under equity in the account titled "Undistributed Period Profit.”

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, 2024, there are no funds allocated in this manner (December 31, 2023: None) As of December 31, 2024, the amount of statutory reserves from subsidiaries and associates is 572.615.467 TL (December 31, 2023: 183.984.605 TL).

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, 2024, foreign currency translation loss amounting to TL 358.446.598 (December 31, 2023: TL 254.517.245) stems from Singapore Branch whose functional currency is US Dollars.

Valuation of financial assets

As of December 31, 2024, and 2023, 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:

	31 December 2024	**31 December 2023**
Fair value reserves at the beginning of the period	**1.576.301.376**	**775.959.402**
Change in the fair value during the period (Note 4.2)	(418.012.740)	2.195.343.876
Deferred tax effect (Note 4.2)	185.728.711	(153.498.890)
Net gains transferred to the statement of income (Note 4.2)	743.841.944	(1.773.575.731)
Deferred tax effect (Note 4.2)	(223.152.583)	532.072.719
Fair value reserves at the end of the period	**1.864.706.708**	**1.576.301.376**

The financial asset valuation item includes the share of the parent company's stake in the financial asset valuation amount of the associate accounted for using the equity method.

(Currency: Turkish Lira (TRY))

16 Other reserves and equity component of discretionary participation

As of December 31, 2024, and 2023, other reserves are explained in detail in Note 15 – Equity above.
As of December 31, 2024, and 2023, the Group does not hold any insurance or investment contracts which contain a DPF.

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, 2024, and 2023 technical reserves of the Group' are as follows:

	31 December 2024	31 December 2023
Unearned premiums reserves, gross	42.115.799.388	28.701.633.588
Unearned premiums reserves, ceded (Note 10)	(6.186.511.289)	(4.797.310.036)
Unearned premiums reserves, SSI share	(546.873.221)	(343.265.174)
Unearned premiums reserves, net	**35.382.414.878**	**23.561.058.378**
Outstanding claims reserve, gross	40.588.786.607	37.463.982.203
Outstanding claims reserve, ceded (Note 10)	(11.481.005.211)	(16.122.814.162)
Outstanding claims reserve, net	**29.107.781.396**	**21.341.168.041**
Unexpired risk reserves	1.954.371.200	2.275.520.482
Unexpired risk reserves, ceded	(196.764.827)	(513.212.022)
Unexpired risk reserves, net	**1.757.606.373**	**1.762.308.460**
Equalization reserves, net	1.536.763.784	863.671.776
Other technical reserves, net	**1.536.763.784**	**863.671.776**
Total technical reserves, net et	**67.784.566.431**	**47.528.206.655**
Short Term	66.245.191.436	46.660.903.986
Long Term	1.539.374.995	867.302.669
Total technical reserves, net	**67.784.566.431**	**47.528.206.655**

(Currency: Turkish Lira (TRY))

17 Insurance contract liabilities and reinsurance assets *(continued)*

As of December 31, 2024, and 2023, movements of the insurance liabilities and related reinsurance assets are presented below:

Unearned premiums reserve	**31 December 2024**			
	Gross	**Ceded**	**SSI Share**	**Net**
Unearned premiums reserve at the beginning of the period	28.701.633.588	(4.797.310.036)	(343.265.174)	23.561.058.378
Written premiums during the period	82.634.133.111	(20.350.894.270)	(901.370.600)	61.381.868.241
Earned premiums during the period	(69.219.967.311)	18.961.693.017	697.762.553	(49.560.511.741)
Unearned premiums reserve at the end of the period	**42.115.799.388**	**(6.186.511.289)**	**(546.873.221)**	**35.382.414.878**

Unearned premiums reserve	**31 December 2023**			
	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**

	31 December 2024		
Outstanding claims reserves	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	37.463.982.203	(16.122.814.162)	21.341.168.041
Claims reported during the period and changes in the estimations of outstanding claims reserves provided at the beginning of the period	45.403.132.760	(6.400.571.908)	39.002.560.852
Claims paid during the period	(42.278.328.356)	11.042.380.859	(31.235.947.497)
Outstanding claims reserve at the end of the period	**40.588.786.607**	**(11.481.005.211)**	**29.107.781.396**

	31 December 2023		
Outstanding claims reserves	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	17.762.063.356	(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	57.783.969.192	(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**

Claims Development Table for the Subsidiary Anadolu Sigorta

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

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

(Currency: Turkish Lira (TRY))

17 Insurance liabilities and reinsurance assets *(continued)*

			31 December 2024			
Year of claim	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Year of claim	3.497.611.108	5.125.555.248	10.580.040.144	33.185.638.925	34.997.157.237	87.386.002.662
1 year later	4.034.236.925	6.161.274.125	12.992.466.462	35.198.738.990	-	58.386.716.502
2 year later	4.294.257.071	6.762.222.372	13.846.616.270	-	-	24.903.095.713
3 year later	4.593.164.576	7.265.735.792	-	-	-	11.858.900.368
4 year later	5.332.400.356	-	-	-	-	5.332.400.356
Current estimate of claim	5.332.400.356	7.265.735.792	13.846.616.270	35.198.738.990	34.997.157.237	96.640.648.645
The total made to date is	3.648.563.955	5.954.412.929	11.350.364.770	30.185.996.476	20.202.224.212	71.341.562.342
The total amount in the financial statements	1.683.836.401	1.311.322.863	2.496.251.500	5.012.742.514	14.794.933.026	25.299.086.304
Financial statements related to 2015 and before						4.999.834.575
Total gross outstanding compensation shown in the period-end financial statements						**30.298.920.879**

			31 December2023			
Year of claim	**2018**	**2019**	**2020**	**2021**	**2022**	**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**

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 subsidiary Anadolu Sigorta A.Ş.

		31 December 2024	
	Should be placed(*)	**Placed**	**Book value**
Non-life:			
Financial Assets		2.479.382.243	2.479.382.243
Bank deposits (Note 14)		4.291.084.005	4.291.084.005
Total	**5.609.154.232**	**6.770.466.248**	**6.770.466.248**
		31 December 2023	
	Should be placed(*)	**Placed**	**Book value**
Non-life:			
Financial Assets		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**

(*) "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.

17 Insurance liabilities and reinsurance assets (continued)

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.

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, 2024, short-term prepaid expenses amounting to TL 6.589.128.692 (December 31, 2023: TL 4.280.311.026) consist of deferred acquisition cost; deferred commission expenses amounting to TL 5.846.749.921 (December 31, 2023: TL 4.092.824.404) and other prepaid expenses amounting to TL 742.378.771 (December 31, 2023: TL 187.486.622). Long-term prepaid expenses amounting TL 99.400.742 (December 31, 2023: TL 2.160.700) are composed of other prepaid expenses.

(Currency: Turkish Lira (TRY))

17 Insurance liabilities and reinsurance assets *(continued)*

Deferred commission expenses (continued)

The movement of deferred production commissions for the accounting periods ending on 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Deferred commission expenses at the beginning of the period	4.092.824.404	2.168.689.800
Commissions accrued during the period (Note 32)	12.193.172.050	7.988.344.380
Commissions expensed during the period	(10.439.246.533)	(6.064.209.776)
Deferred commission expenses at the end of the period (*)	**5.846.749.921**	**4.092.824.404**

Individual pension funds

None.

18 Investment contract liabilities

None.

19 Trade and other payables and deferred income

	31 December 2024	31 December 2023
Financial payables	230.916.234	144.295.014
Payables from main operations	8.681.517.422	6.084.118.206
Other payables	1.077.319.956	668.894.604
Short/long term deferred income and expense accruals	2.687.096.331	1.155.454.167
Taxes and other liabilities and similar obligations	1.811.692.682	800.540.106
Due to related parties *(Note 45)*	13.571.284	2.085.823
Total	**14.502.113.909**	**8.855.387.920**
Short-term liabilities	14.333.920.112	8.743.478.258
Long-term liabilities	168.193.797	111.909.662
Total	**14.502.113.909**	**8.855.387.920**

As of December 31, 2024, other payables amounting to TL 680.330.916 (December 31, 2023: TL 422.666.002) Tarsim and DASK and outsourced benefits and services

Payables arising from main operations of the Group As of December 31, 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Payables to reinsurance companies *(Note 10)*	5.357.534.158	4.326.819.769
Payables to agencies, brokers and intermediaries	775.879.985	507.154.918
Cash deposited by insurance and reinsurance companies	391.375.001	154.050.372
Total payables arising from reinsurance and insurance operations	**6.524.789.144**	**4.988.025.059**
Claims provision account for health branch	1.107.418.879	519.808.849
Payables to Contracted Health Institutions	539.739.316	269.625.463
Payables to Contracted Services	423.470.132	256.287.387
Other	86.099.951	50.371.448
Payables arising from other operating activities	**2.156.728.278**	**1.096.093.147**
Payables arising from main operations	**8.681.517.422**	**6.084.118.206**

(Currency: Turkish Lira (TRY))

19 Trade and other payables and deferred income (*continued*)

Corporate tax liabilities and prepaid taxes are disclosed below:

	31 December 2024	31 December 2023
Taxes paid during the period	2.420.699.913	1.445.375.643
Corporate tax liabilities	(3.278.435.206)	(1.664.485.864)
Corporate tax assets, net	**(857.735.293)**	**(219.110.221)**

20 Financial liabilities

	31 December 2024	31 December 2023
Payables from Leases *(Not 34)* (*)	230.916.234	144.295.014
Short-term	*62.761.317*	*32.390.854*
Long-term	*168.154.917*	*111.904.160*
Total	**230.916.234**	**144.295.014**

(*) As of December 31, 2024, the Group's payables from Leases are explained in the *Note 34 - Financial Costs.*

21 Deferred taxes

As of December 31, 2024, and 2023, deferred tax assets and liabilities are attributable to the following:

	31 December 2024	31 December 2023
	Deferred tax assets / (liabilities)	Deferred tax assets / (liabilities)
Valuation of real estate	(1.499.987.932)	(1.043.673.541)
Insurance Provisions	648.557.320	607.919.851
Non-Technical Provisions	600.241.862	301.399.247
Other, net	(12.758.258)	(11.712.349)
Deferred tax assets/(liabilities), net	**(263.947.008)**	**(146.066.792)**

As of December 31, 2024, the Group has a total deductible financial loss of 3.786.091.162 TL, of which 1.921.745.145 TL can be utilized by December 31, 2029, 1.119.422.941 TL by December 31, 2028, and 744.923.076 TL by December 31, 2027 (December 31, 2023: 1.864.346.017 TL).The Group reviewed the business plan as of December 31, 2024 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, 2024, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle.

Movement of deferred tax assets as of December 31, 2024 and 2023 are given below:

	2024	2023
Opening balance at January 1	**(146.066.792)**	**15.816.260**
Recognized in profit or loss	(155.885.646)	263.997.271
Recognized in equity	205.661.586	(357.343.239)
Cancellation corporate tax provision(*)	(167.656.156)	(68.537.084)
Closing balance at December 31	**(263.947.008)**	**(146.066.792)**

22 Retirement benefit obligations

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

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

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

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

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

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

(Currency: Turkish Lira (TRY))

22 Retirement benefit obligations *(continued)*

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

a) technical deficit rate of 9.8% shall be used in the actuarial calculation of the value in cash, and

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

In accordance with the law; after fund affiliates along with monthly salary and/or revenue endowed people and their rights holder transfer to Social Security Intuition, these people' uncovered social rights and payments is paid, even if it is written in the foundation's obligation which they are belong to, by funds and fund affiliate's employer institutions.

The benefits stated in the settlement deeds of pension fund but not subject to transfer will continue to be covered by the pension funds.

The technical financial position of the Milli Reasürans Pension Fund is audited by the registered actuary in accordance with the Article 21 of the Insurance Law and Actuary Act. As per the calculations based on the above mentioned assumptions, actuarial and technical deficit amounting to TL 654.542.421 (December 31, 2023: TL 339.283.006) 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, 2024 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, 2024 and 2023, technical deficit from pension funds comprised the following.

	31 December 2024	31 December 2023
Net present value of total liabilities other than health	(1.318.482.732)	(852.626.284)
Net present value of insurance premiums	466.569.320	345.969.987
Net present value of total liabilities other than health	**(851.913.412)**	**(506.656.297)**
Net present value of health liabilities	(191.390.413)	(106.904.194)
Net present value of health premiums	291.491.390	189.967.585
Net present value of health liabilities	**100.100.977**	**83.063.391**
Fund Retirement Bonus Provision	**(39.153.892)**	**-**
Pension fund assets	**136.423.906**	**84.309.900**
Amount of actuarial and technical deficit	**(654.542.421)**	**(339.283.006)**

Pension fund assets are comprised of the following items.

	31 December 2024	31 December 2023
Cash and cash equivalents	23.352	4.864.338
Associates	117.874.690	68.043.220
Other	18.525.864	11.402.342
Total plan assets	**136.423.906**	**84.309.900**

(Currency: Turkish Lira (TRY))

22 Retirement benefit obligations *(continued)*

The employees of Anadolu Sigorta, a subsidiary of the Company, are members of the "Anadolu Anonim Türk Sigorta Şirketi Memurları Emekli Sandığı," established based on the temporary Article 20 of the Social Security Law No. 506. According to the technical balance sheet reports prepared in accordance with Law No. 5754 published in the Official Gazette dated May 8, 2008, which utilizes a technical interest rate of 9.80%, it has been reported that there is no technical deficit for the Fund as of December 31, 2024, and 2023.

	31 December 2024	**31 December 2023**
Foundation's Assets (*)	3.097.029.989	1.770.946.616
Employees' Contribution Shares	6.762.981.924	2.971.370.711
Total Assets	**9.860.011.913**	**4.742.317.327**
Total Present Values of Retirement Pensions	4.210.428.513	2.449.052.090
Total Present Values of Administrative Expenses	3.381.491	1.485.685
Total Present Values of Health Benefits	658.641.091	511.777.764
Total Liabilities	**4.872.451.095**	**2.962.315.539**
Actual and Technical Surplus Amount (**)	**4.987.560.818**	**1.780.001.788**

(*) The fair values of the assets have been considered.

(**) Since the definitive report has not been prepared, the figures in the table may vary.

23 Provision for other liabilities and expense accruals

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

	31 December 2024	**31 December 2023**
Provision for pension fund deficits *(Note 22)*	654.542.421	339.283.006
Provision for employee termination benefits	216.432.709	160.676.648
Provision for unused vacation pay liability	45.871.704	22.210.647
Total provision for other risks	**916.846.834**	**522.170.301**

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

	31 December 2024	**31 December 2023**
Provision at the beginning of the period	160.676.648	135.521.632
Interest cost *(Note 47)*	42.170.712	30.475.630
Service cost *(Note 47)*	6.614.516	9.211.044
Payments during the period *(Note 47)*	(112.723.020)	(69.458.210)
Actuarial loss	119.693.853	54.926.552
Provision at the end of the period	**216.432.709**	**160.676.648**

24 Net insurance premium revenue

Net insurance premium revenues, categorized by non-life and life branches, are included in the consolidated income statement.

25 Fee revenue

None.

(Currency: Turkish Lira (TRY))

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

	1 January – 31 December 2024	**1 January – 31 December 2023**
Claims paid, net off reinsurers' share	(31.235.947.496)	(19.682.445.639)
Changes in outstanding claims reserves, net off reinsurers' share	(7.766.613.356)	(8.141.320.571)
Changes in unearned premium reserves, net off reinsurers' share	(11.821.356.499)	(11.122.955.053)
Change in equalization reserves	(673.092.006)	54.664.362
Changes in unexpired risks reserves, net off reinsurers' share	4.702.088	(943.812.421)
Total	**(51.492.307.269)**	**(39.835.869.322)**

30 Investment contract benefits

None.

31 Other expenses

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

32 Operating expenses

For the years ended December 31, 2024, and 2023, the operating expenses are disclosed as follows:

	1 January – 31 December 2024	**1 January – 31 December 2023**
Commission expenses *(Note 17)*	10.439.246.533	6.064.209.776
Commissions to the intermediaries accrued during the period (Note 17)	*12.193.172.050*	*7.988.344.380*
Changes in deferred commission expenses (Note 17)	*(1.753.925.517)*	*(1.924.134.604)*
Employee benefit expenses *(Note 33)*	4.589.648.892	1.718.351.422
Technical Operations Foreign Exchange Losses	721.565.504	1.367.257.032
Foreign exchange losses	1.498.876.706	941.357.175
Administration expenses	(1.803.782.792)	(991.873.822)
Commission income from reinsurers *(Note 10)*	*(2.103.396.162)*	*(1.289.418.860)*
Commission income from reinsurers accrued during the period (Note 10)	*299.613.370*	*297.545.038*
Change in deferred commission income (Note 10)	307.744.711	145.187.404
Advertising and marketing expenses	381.004.726	258.372.441
Other	85.730.314	106.409.011
Total	**16.220.034.594**	**9.609.270.439**

(Currency: Turkish Lira (TRY))

33 Employee benefit expenses

As of December 31, 2024, and 2023, employee benefit expenses are disclosed as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Wages and salaries	3.438.539.323	1.194.659.462
Employer's share in social security premiums	863.206.018	367.773.413
Pension fund benefits	61.614.975	50.504.823
Other	226.288.576	105.413.724
Total *(Not 32)*	**4.589.648.892**	**1.718.351.422**

34 Financial costs

As of December 31, 2024, interest expense arising from the leases that the Group has subject to TFRS 16 Leasing Standards amounting to TL 43.624.128 (31 December 2023: TL 24.690.351) has accounted under "Investment Management Expenses - Including Interest"; amortization expense amounting to TL 59.322.796 has been accounted under "Depreciation and Amortization Expense" accounts (January 1 – December 31, 2023: TL 31.070.947).

As of December 31, 2023, discounted repayment plans for the Group's operating leases are as follows (December 31, 2023: TL 144.295.014):

	Operating lease repayments -TL
Up to 1 year	62.761.317
1 – 2 years	57.170.391
2 – 3 years	51.192.877
3 – 4 years	59.791.649
Total	**230.916.234**

35 Income tax

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

	1 January – 31 December 2024	1 January – 31 December 2023
Current tax expense provision:		
Corporate tax provision	(3.278.435.206)	(1.664.485.864)
Deferred taxes:		
Origination and reversal of temporary differences	(155.885.646)	263.997.271
Total income tax expense/(income)	**(3.434.320.852)**	**(1.400.488.593)**

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, 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
Profit before taxes	**14.084.376.829**	**Tax rate(%)**	**7.755.915.413**	**Tax rate (%)**
Taxes on income per statutory tax rate	4.225.313.048	30,00	2.326.774.624	30,00
Effect of change in tax rate	-	-	100.189.368	1,29
Tax exempt income	(1.746.602.616)	(12,4)	(1.236.907.482)	(15,95)
Non-deductible expenses	955.610.420	6,79	210.432.083	2,71
Total tax expense recognized in consolidated profit or loss	**3.434.320.852**	**24,39**	**1.400.488.593**	**18,06**

(Currency: Turkish Lira (TRY))

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.

	31 December 2024	**31 December 2023**
Net profit/loss for the period	10.650.055.977	6.355.426.820
Weighted average number of shares	66.000.000.000	66.000.000.000
Earnings/losses per share (TL)	0,16136	0,09629

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 27, 2024, not to make a dividend payment. It has been decided to retain the consolidated net profit for the year 2023, amounting to 3,629,008,053 TL, as prior year earnings.

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.

(Currency: Turkish Lira (TRY))

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, 2024, the total amount of lawsuits filed against the Company is 243,427 TL.

As of December 31,2023, total amount of the claims that the Group face is TL 8.050.124.000 in gross (December 31, 2022: TL 5.061.397.932). In accordance with the relevant legislation, a provision for incurred but not reported claims amounting to 6,877,845,645 TL has been set aside as collateral for the lawsuits filed against the Company.

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.

The related party balances As of December 31, 2024 and 2023 are as follows

	31 December 2024	**31 December 2023**
Türkiye İş Bankası A.Ş.	11.594.272.458	2.942.970.918
Banks	**11.594.272.458**	**2.942.970.918**
Mutual funds founded by İş Portföy Yönetimi A.Ş.	13.704.638.359	6.823.264.826
Related party stocks	785.142.798	424.203.903
Bonds issued by Türkiye Şişe ve Cam Fabrikaları A.Ş	108.640.500	-
Bonds issued by İş Faktoring A.Ş.	231.003.852	-
Bonds issued by İş Gayrimenkul Yatırım Ortaklığı A.Ş.	21.715.200	-
Mutual funds issued by Maxis Private Equity Portfolio Management A.Ş.	681.113.662	272.266.249
Turkey Is Bank Currency Protected Deposit	266.403.595	1.149.892.248
Bonds issued by Türkiye İş Bankası	165.457.600	90.242.836
Eurobonds issued by Türkiye Sınai Kalkınma Bankası A.Ş.	-	60.424.849
Eurobonds issued by Türkiye İş Bankası A.Ş.	-	149.060.326
Financial Assets (Not 11)	**15.964.115.566**	**8.969.355.237**
Türkiye İş Bankası A.Ş.	2.319.684.264	1.456.459.737
Türkiye Sigorta A.Ş	358.710.042	218.896.210
Other	81.330.204	48.215.220
Receivables from main operations	**2.759.724.510**	**1.723.571.167**
Türkiye İş Bankası A.Ş.	129.182.425	94.661.046
Other	24.910.914	42.353.337
Payables from main operations	**154.093.339**	**137.014.383**
Payables to personnel	11.094.492	1.830.978
Payables to partners	193.699	193.699
Payables to other related parties	2.283.093	61.146
Due to related parties	**13.571.284**	**2.085.823**

(Currency: Turkish Lira (TRY))

45 Related party transactions *(continued)*

No guarantees have been taken against receivables from related parties.

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

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

The transactions with related parties during the years ended December 31, 2024 and 2023 are as follows:

	1 January – 31 December 2024	**1 January – 31 December 2023**
Türkiye İş Bankası A.Ş.	9.837.978.292	5.987.016.099
Türkiye Sigorta A.Ş	3.264.689.468	1.944.238.094
Other	306.114.215	302.887.361
Premium received	**13.408.781.975**	**8.234.141.554**
Premiums ceded	**5.567.184**	**2.216**
Commissions received	**551.983**	**9.843**
Türkiye İş Bankası A.Ş.	990.164.155	594.443.143
Türkiye Sigorta A.Ş	752.749.265	508.623.153
Anadolu Hayat Emeklilik A.Ş.	27.237.434	1.678.309
Other	11.469.133	44.356.441
Commissions given	**1.781.619.987**	**1.149.101.046**
Türkiye Sigorta A.Ş	1.219.100.842	2.039.327.587
Axa Sigorta A.Ş.	97.883.162	198.278.249
Other	57.824.612	28.098.188
Claims Paid	**1.374.808.616**	**2.265.704.024**
Reinsurer share in paid claims	**1.444.992**	**5.661.194**
Türkiye Sigorta A.Ş	15.012.056	24.943.112
Other	(1.022.723)	6.724.029
Other income	**13.989.333**	**31.667.141**
İş Merkezleri Yönetim ve İşletim A.Ş. – building service expense	53.406.496	25.997.630
Yatırım Finansman Menkul Değerler – performance commission	2.890.420	-
Türkiye Sigorta A.Ş	8.918.593	2.269.317
Other	6.198.191	34.839.334
Other expenses	**71.413.700**	**63.106.281**

46 Subsequent events

The Group has reached an agreement with the buyer regarding the sale of its investment property located at Tunaman Multi-Storey Parking, valued at 1,548,400,000 TL, as of December 31, 2024. The asset has been accounted for as a non-current asset held for sale in accordance with TFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations." The sale transaction, excluding VAT, was completed on January 17, 2025, for a total sale price of 1,600,000,000 TL (Note 7).

(Currency: Turkish Lira (TRY))

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

Other Various Current Assets

	31 December 2024	31 December 2023
Assets Held for Sale (Note 7)	1.548.400.000	-
Other	5.627.100	5.460.017
Total	**1.554.027.100**	**5.460.017**

Other Technical Revenues (Net of Reinsurer's Share)

	31 December 2024		31 December 2023	
	Life	Non-Life	Life	Non-Life
Foreign Exchange Gains from Technical Operations	467.692	802.411.274	523.687	1.412.868.076
Other	400	126.373.448	-	166.795.451
Total	**468.092**	**928.784.722**	**523.687**	**1.579.663.527**

Other Technical Expenses

In the income statement, the amount of 1,599,282,516 TL included under other technical expenses consists of the following: 692,650,068 TL related to assistance expenses, 594,889,717 TL for bank and credit card commissions, and 311,742,731 TL for other expenses.

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.

As of and for the year ended December 31, 2024 and 2023, details of discount and provision expenses are as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Provision expense for doubtful receivables *(Note 4.2)*	(647.088.499)	(361.024.583)
Provision for pension fund deficits *(Note 23)*	(315.259.415)	(104.015.824)
Provision expense for employee termination benefits *(Note 23)*	63.894.943	30.687.577
Provision expenses for unused vacation *(Note 23)*	(23.661.059)	(10.307.744)
Terminated provision income/ (expense)	1.013.564	2.722.230
Other provision expenses *(Note 4.2)*	(31.847.483)	5.711.628
Provision expenses	**(952.947.949)**	**(436.226.716)**

(Currency: Turkish Lira (TRY))

47 Other*(continued)*

	1 January – 31 December 2024	1 January – 31 December 2023
Rediscount income / (expense) from main operations receivables	(1.149.018.628)	482.081.678
Rediscount income / (expense) from main operations payables	770.036.205	(582.238.282)
Total of rediscounts	**(378.982.423)**	**(100.156.604)**

Grup'un Bağımsız Denetçi/Bağımsız denetim kuruluşundan alınan hizmetlere ilişkin ücretler (*):

	31 December 2024	31 December 2023
Independent audit fee for the reporting period	7.405.741	9.192.116
Fees for tax advisory services	2.078.030	529.839
Total	**9.483.771**	**9.721.955**

(*) It is the fee excluding VAT.