

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

**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Financial Statements as of**  
**December 31, 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 Unconsolidated Financial Statements**

**1. Opinion**

We have audited the unconsolidated financial statements of Milli Reasürans Türk Anonim Şirketi (the “Company”) which comprise the unconsolidated balance sheet as of 31 December 2024 and the unconsolidated statement of income, unconsolidated statement of changes in equity, unconsolidated statement of cash flows and statement of profit distribution for the year then ended and the notes to the unconsolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2024, and its unconsolidated financial performance and its unconsolidated 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 Unconsolidated Financial Statements” section of our report. We hereby declare that we are independent of the Company 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 unconsolidated 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.



### 3. Key Audit Matters

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

| <b>Key audit matter</b>   | <b>How our audit addressed the matter</b>   |
|---|---|
| <p><b>Estimation of provision for claims incurred but not reported</b></p> <p>As explained in Note 2 to the accompanying unconsolidated financial statements, the Company has accounted for a net provision for claims incurred but not reported amounting to TRY 2,955.874.569 as of 31 December 2024.</p> <p>The abovementioned provision is calculated by the Company's actuary 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 Company's actuary 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.</p> <p>The reason we focus on this area during our audit is the significance of the incurred but not reported claims provision for the unconsolidated financial statements and the significant actuarial judgments and estimates required by the nature of provision in the financial statements.</p> | <p>We tested the design and operational effectiveness of the key controls implemented by the Company management in relation to the claims data used in the calculation of provision for claims incurred but not reported.</p> <p>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 unconsolidated 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 Company's actuary 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 Company's actuary 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 Company's accounting records.</p> <p>In addition to these, the compliance and consistency of the disclosures in the notes to the unconsolidated financial statements related to such provisions have been checked in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles.</p> |



#### **4. Other Matter**

The audit of the unconsolidated financial statements of the Company 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 Unconsolidated Financial Statements**

The Company management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### **6. Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

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

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

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

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



**B. 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 unconsolidated 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 unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the unconsolidated financial position and results of operations and changes in unconsolidated financial position and unconsolidated 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 Yüksekaya, SMMM  
Partner

Istanbul, 28 February 2025

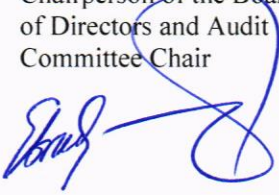
**MİLLÎ REASÜRANS TÜRK ANONİM ŞİRKETİ**  
**CONVENIENCE TRANSLATION OF THE COMPANY'S REPRESENTATION ON THE**  
**UNCONSOLIDATED FINANCIAL STATEMENT PREPARED AS OF DECEMBER 31, 2024**

We confirm that the unconsolidated 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



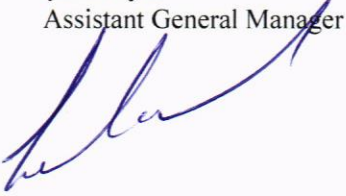
Zeliha Göker  
Member of the Board  
of Directors and Audit  
Committee Member



Fikret Utku Özdemir  
General Manager



Şule Soylu  
Assistant General Manager



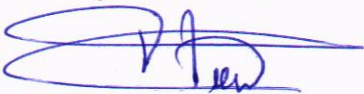
Banu Gülmedim Purut  
Assistant General Manager  
and Audit Committee  
Member



Nedime Büyükkırlı  
Accounting and Regulatory  
Reporting Group Manager



Ertan Tan  
Actuary  
Registration No: 21



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**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Balance Sheet**  
**As of December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

| ASSETS  |               |   |   |
|---|---------------|---|---|
|   | Note          | Audited<br>Current Period<br>December 31,<br>2024 | Audited<br>Prior Period<br>December 31,<br>2023 |
| <b>I- Current Assets</b>  |               |   |   |
| <b>A- Cash and Cash Equivalents</b>   | <b>4.2,14</b> | <b>4.383.823.465</b>                              | <b>1.825.305.969</b>                            |
| 1- Cash   |               | -   | -   |
| 2- Cheques Received   |               | -   | -   |
| 3- Banks  | 4.2,14        | 4.383.823.465                                     | 1.825.305.969                                   |
| 4- Cheques Given and Payment Orders (-)   |               | -   | -   |
| 5- Receivables From Credit Cards with Bank Guarantee Due Less Than Three Months |               | -   | -   |
| 6- Other Cash and Cash Equivalents  |               | -   | -   |
| <b>B- Financial Assets and Investments with Risks on Policy Holders</b>         | <b>11</b>     | <b>5.298.824.004</b>                              | <b>4.449.936.934</b>                            |
| 1- Financial Assets Available for Sale  | 11            | 3.428.972.678                                     | 3.838.711.783                                   |
| 2- Financial Assets Held to Maturity  |               | -   | -   |
| 3- Financial Assets Held for Trading  | 11            | 1.869.851.326                                     | 611.225.151                                     |
| 4- Loans  |               | -   | -   |
| 5- Provision for Loans (-)  |               | -   | -   |
| 6- Investments with Risks on Policy Holders                                     |               | -   | -   |
| 7- Equity Shares  |               | -   | -   |
| 8- Impairment in Value of Financial Assets (-)                                  |               | -   | -   |
| <b>C- Receivables From Main Operations</b>                                      | <b>4.2,12</b> | <b>2.434.781.204</b>                              | <b>3.692.318.505</b>                            |
| 1- Receivables From Insurance Operations  |               | -   | -   |
| 2- Provision for Receivables From Insurance Operations (-)                      |               | -   | -   |
| 3- Receivables From Reinsurance Operations                                      | 4.2,12        | 2.178.742.782                                     | 3.237.541.002                                   |
| 4- Provision for Receivables From Reinsurance Operations (-)                    |               | -   | -   |
| 5- Cash Deposited For Insurance & Reinsurance Companies                         | 4.2,12        | 256.038.422                                       | 454.777.503                                     |
| 6- Loans to Policyholders   |               | -   | -   |
| 7- Provision for Loans to Policyholders (-)                                     |               | -   | -   |
| 8- Receivables from Pension Operation   |               | -   | -   |
| 9- Doubtful Receivables From Main Operations                                    |               | -   | -   |
| 10- Provisions for Doubtful Receivables From Main Operations (-)                |               | -   | -   |
| <b>D- Due from Related Parties</b>  | <b>12, 45</b> | <b>190.467.198</b>                                | <b>24.306.074</b>                               |
| 1- Due from Shareholders  |               | -   | -   |
| 2- Due from Affiliates  |               | -   | -   |
| 3- Due from Subsidiaries  | 12, 45        | 190.467.198                                       | 24.306.074                                      |
| 4- Due from Joint Ventures  |               | -   | -   |
| 5- Due from Personnel   |               | -   | -   |
| 6- Due from Other Related Parties   |               | -   | -   |
| 7- Rediscount on Receivables Due from Related Parties (-)                       |               | -   | -   |
| 8- Doubtful Receivables Due from Related Parties                                |               | -   | -   |
| 9- Provisions for Doubtful Receivables Due from Related Parties (-)             |               | -   | -   |
| <b>E- Other Receivables</b>   | <b>4.2,12</b> | <b>45.075.210</b>                                 | <b>12.705.272</b>                               |
| 1- Leasing Receivables  |               | -   | -   |
| 2- Unearned Leasing Interest Income (-)   |               | -   | -   |
| 3- Deposits and Guarantees Given  |               | 44.758.274  | 10.519.746                                      |
| 4- Other Receivables  |               | 316.936   | 2.185.526                                       |
| 5- Discount on Other Receivables (-)  |               | -   | -   |
| 6- Other Doubtful Receivables   | 12            | 705.142   | 705.142   |
| 7- Provisions for Other Doubtful Receivables (-)                                | 12            | (705.142)   | (705.142)                                       |
| <b>F- Prepaid Expenses and Income Accruals</b>                                  |               | <b>1.700.107.432</b>                              | <b>1.284.632.255</b>                            |
| 1- Deferred Commission Expenses   | 17            | 1.302.479.934                                     | 1.151.447.899                                   |
| 2- Accrued Interest and Rent Income   |               | -   | -   |
| 3- Income Accruals  | 4.2           | 323.144.436                                       | 64.668.644                                      |
| 4- Other Prepaid Expenses   | 4.2           | 74.483.062  | 68.515.712                                      |
| <b>G- Other Current Assets</b>  |               | <b>77.659.215</b>                                 | <b>14.796.619</b>                               |
| 1- Inventories  |               | 68.980  | 118.768   |
| 2- Prepaid Taxes and Funds  | 12, 19        | 71.260.270  | 9.170.386                                       |
| 3- Deferred Tax Assets  |               | -   | -   |
| 4- Job Advances   | 4.2, 12       | 702.865   | 47.448  |
| 5- Advances Given to Personnel  |               | -   | -   |
| 6- Stock Count Differences  |               | -   | -   |
| 7- Other Current Assets   |               | 5.627.100   | 5.460.017                                       |
| 8- Provision for Other Current Assets (-)                                       |               | -   | -   |
| <b>I- Total Current Assets</b>  |               | <b>14.130.737.728</b>                             | <b>11.304.001.628</b>                           |

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

**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Balance Sheet**  
**As of December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

| ASSETS   |                |   |   |
|--|----------------|---|---|
|  | Note           | Audited<br>Current Period<br>December 31,<br>2024 | Audited<br>Prior Period<br>December 31,<br>2023 |
| <b>II- Non-Current Assets</b>  |                |   |   |
| <b>A- Receivables From Main Operations</b>                             | <b>4.2, 12</b> | <b>431.653.921</b>                                | <b>395.937.136</b>                              |
| 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>B- Due from Related Parties</b>                                     |                | -   | -   |
| 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 (-)    |                | -   | -   |
| <b>C- Other Receivables</b>  |                | -   | -   |
| 1- Leasing Receivables   |                | -   | -   |
| 2- Unearned Leasing Interest Income (-)                                |                | -   | -   |
| 3- Deposits and Guarantees Given                                       |                | -   | -   |
| 4- Other Receivables   |                | -   | -   |
| 5- Discount on Other Receivables (-)                                   |                | -   | -   |
| 6- Other Doubtful Receivables  |                | -   | -   |
| 7- Provisions for Other Doubtful Receivables (-)                       |                | -   | -   |
| <b>D- Financial Assets</b>   | <b>9</b>       | <b>18.817.804.486</b>                             | <b>10.692.447.851</b>                           |
| 1- Investments In Associates   |                | -   | -   |
| 2- Affiliates  | 9              | 1.254.912.086                                     | 803.602.412                                     |
| 3- Capital Commitments to Affiliates (-)                               |                | -   | -   |
| 4- Subsidiaries  | 9              | 17.562.892.400                                    | 9.888.845.439                                   |
| 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 (-)                        |                | -   | -   |
| <b>E- Tangible Fixed Assets</b>  | <b>6</b>       | <b>104.291.096</b>                                | <b>137.728.159</b>                              |
| 1- Investment Properties   | 6,7            | -   | 30.000.000                                      |
| 2- Diminution in Value for Investment Properties (-)                   |                | -   | -   |
| 3- Building for own use  |                | -   | -   |
| 4- Machinery and Equipments  |                | -   | -   |
| 5- Furnitures and Fixtures   | 6              | 50.164.806  | 43.187.951                                      |
| 6- Vehicles  | 6              | 13.395.172  | 4.786.494                                       |
| 7- Other Tangible Assets (Including Leasehold Improvements)            | 6              | 53.013.225  | 53.013.225                                      |
| 8- Leased Tangible Fixed Assets  | 6              | 52.016.197  | 40.132.165                                      |
| 9- Accumulated Depreciation (-)  | 6              | (64.298.304)                                      | (33.391.676)                                    |
| 10- Advances Paid for Tangible Fixed Assets (Including Construction In |                | -   | -   |
| <b>F- Intangible Fixed Assets</b>                                      | <b>8</b>       | <b>77.017.815</b>                                 | <b>45.358.449</b>                               |
| 1- Rights  | 8              | 14.304.813  | 61.830.210                                      |
| 2- Goodwill  |                | -   | -   |
| 3- Establishment Costs   |                | -   | -   |
| 4- Research and Development Expenses                                   |                | -   | -   |
| 6- Other Intangible Assets   |                | -   | -   |
| 7- Accumulated Amortizations (-)                                       | 8              | (10.640.733)                                      | (54.082.786)                                    |
| 8- Advances Regarding Intangible Assets                                | 8              | 73.353.735  | 37.611.025                                      |
| <b>G- Prepaid Expenses and Income Accruals</b>                         | <b>4.2</b>     | <b>69.559</b>                                     | <b>1.260.542</b>                                |
| 1- Deferred Commission Expenses  |                | -   | -   |
| 2- Accrued Interest and Rent Income                                    |                | -   | -   |
| 3- Other Prepaid Expenses  | 4.2            | 69.559  | 1.260.542                                       |
| <b>H- Other Non-current Assets</b>                                     |                | <b>187.732.955</b>                                | <b>91.409.605</b>                               |
| 1- Effective Foreign Currency Accounts                                 |                | -   | -   |
| 2- Foreign Currency Accounts   |                | -   | -   |
| 3- Inventories   |                | -   | -   |
| 4- Prepaid Taxes and Funds   |                | -   | -   |
| 5- Deferred Tax Assets   | 21             | 187.732.955                                       | 91.409.605                                      |
| 6- Other Non-current Assets  |                | -   | -   |
| 7- Other Non-current Assets Amortization (-)                           |                | -   | -   |
| 8- Provision for Other Non-current Assets (-)                          |                | -   | -   |
| <b>II- Total Non-current Assets</b>                                    |                | <b>19.618.569.832</b>                             | <b>11.364.141.742</b>                           |
| <b>TOTAL ASSETS</b>  |                | <b>33.749.307.560</b>                             | <b>22.668.143.370</b>                           |

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

**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Balance Sheet**  
**As of December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

| <b>LIABILITIES</b>   |               |   |   |
|--|---------------|---|---|
|  |               | <b>Audited<br/>Current Period<br/>December 31,<br/>2024</b> | <b>Audited<br/>Prior Period<br/>December 31,<br/>2023</b> |
| <b>III- Short-Term Liabilities</b>                                 | <b>Note</b>   |   |   |
| <b>A- Borrowings</b>   | <b>20</b>     | <b>14.680.140</b>   | <b>13.252.134</b>   |
| 1- Loans to Financial Institutions                                 |               | -   | -   |
| 2- Finance Lease Payables  |               | -   | -   |
| 3- Deferred Finance Lease Borrowing Costs (-)                      |               | -   | -   |
| 4- Current Portion of Long-Term Borrowings                         |               | -   | -   |
| 5- Principal, Installments and Interests on Issued Bills (Bonds)   |               | -   | -   |
| 6- Other Financial Assets Issued                                   |               | -   | -   |
| 7- Value Differences on Issued Financial Assets (-)                |               | -   | -   |
| 8- Other Financial Borrowings (Liabilities)                        | 20            | 14.680.140  | 13.252.134  |
| <b>B- Payables From Main Operations</b>                            | <b>4.2,19</b> | <b>474.124.570</b>  | <b>841.900.196</b>  |
| 1- Payables Due to Insurance Operations                            |               | -   | -   |
| 2- Payables Due to Reinsurance Operations                          |               | 472.576.612   | 840.462.577   |
| 3- Cash Deposited by Insurance & Reinsurance Companies             |               | 1.547.958   | 1.437.619   |
| 4- Payables Due to Pension Operations                              |               | -   | -   |
| 5- Payables from Other Operations                                  |               | -   | -   |
| 6- Rediscount on Other Payables From Main Operations (-)           |               | -   | -   |
| <b>C- Due to Related Parties</b>                                   | <b>4.2,19</b> | <b>2.446.229</b>  | <b>722.655</b>  |
| 1- Due to Shareholders   | 45            | 156.859   | 156.859   |
| 2- Due to Affiliates   |               | -   | -   |
| 3- Due to Subsidiaries   | 45            | -   | 503.277   |
| 4- Due to Joint Ventures   |               | -   | -   |
| 5- Due to Personnel  |               | 6.277   | 1.373   |
| 6- Due to Other Related Parties                                    | 45            | 2.283.093   | 61.146  |
| <b>D- Other Payables</b>   | <b>19</b>     | <b>11.581.653</b>   | <b>9.665.367</b>  |
| 1- Deposits and Guarantees Received                                |               | -   | -   |
| 2- Due to SSI regarding Treatment Expenses                         |               | -   | -   |
| 3- Other Payables  | 19            | 11.581.653  | 9.665.367   |
| 4- Discount on Other Payables (-)                                  |               | -   | -   |
| <b>E- Insurance Technical Reserves</b>                             | <b>17</b>     | <b>15.535.757.259</b>                                       | <b>10.962.460.038</b>                                     |
| 1- Unearned Premiums Reserve - Net                                 | 17            | 5.900.530.372   | 4.910.639.373   |
| 2- Unexpired Risk Reserves - Net                                   | 17            | 21.913.642  | 33.826.898  |
| 3- Mathematical Reserves - Net                                     |               | -   | -   |
| 4- Outstanding Claims Reserve - Net                                | 4.2,17        | 9.613.313.245   | 6.017.993.767   |
| 5- Provision for Bonus and Discounts - Net                         |               | -   | -   |
| 6- Other Technical Reserves - Net                                  |               | -   | -   |
| <b>F- Taxes and Other Liabilities and Relevant Provisions</b>      | <b>4.2,19</b> | <b>15.618.183</b>   | <b>15.176.235</b>   |
| 1- Taxes and Dues Payable  |               | 14.777.538  | 14.144.157  |
| 2- Social Security Premiums Payable                                |               | 840.645   | 1.032.078   |
| 3- Overdue, Deferred or By Installment Taxes and Other Liabilities |               | -   | -   |
| 4- Other Taxes and Liabilities                                     |               | -   | -   |
| 5- Corporate Tax Liability Provision on Period Profit              |               | -   | -   |
| 6- Prepaid Taxes and Other Liabilities on Period Profit (-)        |               | -   | -   |
| 7- Provisions for Other Taxes and Liabilities                      |               | -   | -   |
| <b>G- Provisions for Other Risks</b>                               |               | -   | -   |
| 1- Provision for Employment Termination Benefits                   |               | -   | -   |
| 2- Pension Fund Deficit Provision                                  |               | -   | -   |
| 3- Provisions for Costs  |               | -   | -   |
| <b>H- Deferred Income and Expense Accruals</b>                     | <b>19</b>     | <b>59.910.858</b>   | <b>48.379.059</b>   |
| 1- Deferred Commission Income                                      | 10,19         | 4.303.316   | 8.565.638   |
| 2- Expense Accruals  | 19            | 55.607.542  | 39.421.809  |
| 3- Other Deferred Income   | 19            | -   | 391.612   |
| <b>I- Other Short-Term Liabilities</b>                             |               | -   | -   |
| 1- Deferred Tax Liability  |               | -   | -   |
| 2- Inventory Count Differences                                     |               | -   | -   |
| 3- Other Short-Term Liabilities                                    |               | -   | -   |
| <b>III - Total Short-Term Liabilities</b>                          |               | <b>16.114.118.892</b>                                       | <b>11.891.555.684</b>                                     |

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

**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Balance Sheet**  
**As of December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

| LIABILITIES  |               |   |   |
|--|---------------|---|---|
|  | Note          | Audited<br>Current Period<br>December 31,<br>2024 | Audited<br>Prior Period<br>December<br>31, 2023 |
| <b>IV- Long-Term Liabilities</b>                         |               |   |   |
| <b>A- Borrowings</b>                                     |               | <b>7.791.301</b>                                  | <b>16.593.962</b>                               |
| 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            | 7.791.301   | 16.593.962                                      |
| <b>B- Payables From Main Operations</b>                  | <b>19</b>     | <b>38.880</b>                                     | <b>5.502</b>                                    |
| 1- Payables Due to Insurance Operations                  |               | -   | -   |
| 2- Payables Due to Reinsurance Operations                |               | -   | -   |
| 3- Cash Deposited by Insurance & Reinsurance Companies   |               | 38.880  | 5.502   |
| 4- Payables Due to Pension Operations                    |               | -   | -   |
| 5- Payables from Other Operations                        |               | -   | -   |
| 6- Discount on Other Payables From Main Operations (-)   |               | -   | -   |
| <b>C- Due to Related Parties</b>                         |               | <b>-</b>  | <b>-</b>  |
| 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                          |               | -   | -   |
| <b>D- Other Payables</b>                                 |               | <b>-</b>  | <b>-</b>  |
| 1- Deposits and Guarantees Received                      |               | -   | -   |
| 2- Due to SSI regarding Treatment Expenses               |               | -   | -   |
| 3- Other Payables  |               | -   | -   |
| 4- Discount on Other Payables (-)                        |               | -   | -   |
| <b>E- Insurance Technical Reserves</b>                   | <b>17</b>     | <b>474.736.051</b>                                | <b>270.559.287</b>                              |
| 1- Unearned Premiums Reserve - Net                       |               | -   | -   |
| 2- Unexpired Risk Reserves - Net                         |               | -   | -   |
| 3- Mathematical Reserves - Net                           |               | -   | -   |
| 4- Outstanding Claims Reserve - Net                      |               | -   | -   |
| 5- Provision for Bonus and Discounts - Net               |               | -   | -   |
| 6- Other Technical Reserves - Net                        | 17            | 474.736.051                                       | 270.559.287                                     |
| <b>F- Other Liabilities and Provisions</b>               |               | <b>-</b>  | <b>-</b>  |
| 1- Other Liabilities                                     |               | -   | -   |
| 2- Overdue, Deferred or By Installment Other Liabilities |               | -   | -   |
| 3- Other Liabilities and Expense Accruals                |               | -   | -   |
| <b>G- Provisions for Other Risks</b>                     | <b>4,2,23</b> | <b>677.731.513</b>                                | <b>361.311.155</b>                              |
| 1- Provision for Employment Termination Benefits         | 23            | 23.189.092  | 22.028.149                                      |
| 2- Provisions for Employee Pension Fund Deficits         | 22,23         | 654.542.421                                       | 339.283.006                                     |
| <b>H- Deferred Income and Expense Accruals</b>           |               | <b>-</b>  | <b>-</b>  |
| 1- Deferred Commission Income                            |               | -   | -   |
| 2- Expense Accruals                                      |               | -   | -   |
| 3- Other Deferred Income                                 |               | -   | -   |
| <b>I- Other Long-Term Liabilities</b>                    |               | <b>-</b>  | <b>-</b>  |
| 1- Deferred Tax Liability                                |               | -   | -   |
| 2- Other Long-Term Liabilities                           |               | -   | -   |
| <b>IV- Total Long-Term Liabilities</b>                   |               | <b>1.160.297.745</b>                              | <b>648.469.906</b>                              |

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

**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Balance Sheet**  
**As of December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

| EQUITY  |           |   |   |
|---|-----------|---|---|
|   | Note      | Audited<br>Current Period<br>December 31,<br>2024 | Audited<br>Prior Period<br>December 31,<br>2023 |
| <b>V- Equity</b>                                  |           |   |   |
| <b>A- Paid in Capital</b>                         |           | <b>660.000.000</b>                                | <b>660.000.000</b>                              |
| 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>B- Capital Reserves</b>                        | <b>15</b> | <b>1.644.043.728</b>                              | <b>1.509.019.962</b>                            |
| 1- Equity Share Premiums                          |           | -   | -   |
| 2- Cancellation Profits of Equity Shares          |           | -   | -   |
| 3- Profit on Sale to be Transferred to Capital    |           | 42.921.312  | 42.921.312                                      |
| 4- Translation Reserves                           | 15        | 358.446.598                                       | 254.517.245                                     |
| 5- Other Capital Reserves                         | 15        | 1.242.675.818                                     | 1.211.581.405                                   |
| <b>C- Profit Reserves</b>                         |           | <b>7.571.787.027</b>                              | <b>3.688.959.844</b>                            |
| 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     | 1.864.706.704                                     | 1.576.301.378                                   |
| 6- Other Profit Reserves                          | 15        | (39.645.612)                                      | (16.950.092)                                    |
| <b>D- Previous Years' Profits</b>                 |           | <b>665.428.763</b>                                | <b>641.129.921</b>                              |
| 1- Previous Years' Profits                        |           | 665.428.763                                       | 641.129.921                                     |
| <b>E- Previous Years' Losses (-)</b>              |           | <b>-</b>  | <b>-</b>  |
| 1- Previous Years' Losses                         |           | -   | -   |
| <b>F- Net Profit of the Period</b>                |           | <b>5.933.631.405</b>                              | <b>3.629.008.053</b>                            |
| 1- Net Profit of the Period                       |           | 5.927.059.183                                     | 3.624.887.450                                   |
| 2- Net Loss of the Period (-)                     |           | -   | -   |
| 3- Net Income not subject to distribution         |           | 6.572.222   | 4.120.603                                       |
| <b>Total Shareholders' Equity</b>                 |           | <b>16.474.890.923</b>                             | <b>10.128.117.780</b>                           |
| <b>Total Liabilities and Shareholders' Equity</b> |           | <b>33.749.307.560</b>                             | <b>22.668.143.370</b>                           |

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

**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Statement of Income**  
**For the Year Ended December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

|  | Note     | Audited<br>Current Period<br>December 31,<br>2024 | Audited<br>Prior Period<br>December 31,<br>2023 |
|--|----------|---|---|
| <b>I-TECHNICAL SECTION</b>   |          |   |   |
| <b>A- Non-Life Technical Income</b>  |          | <b>11.497.241.293</b>                             | <b>10.197.813.912</b>                           |
| 1- Earned Premiums (Net of Reinsurer Share)  |          | 8.239.765.540                                     | 5.133.074.457                                   |
| 1.1 - Written Premiums (Net of Reinsurer Share)  | 17, 24   | 9.180.045.688                                     | 7.816.448.598                                   |
| 1.1.1 - Gross Written Premiums (+)   | 17, 24   | 14.627.584.831                                    | 9.889.242.532                                   |
| 1.1.2 - Ceded Premiums to Reinsurers (-)   | 10,17,24 | (5.447.539.143)                                   | (2.072.793.934)                                 |
| 1.1.3 - Ceded Premiums to SSI (-)  |          | -   | -   |
| 1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-) | 17,29    | (952.193.404)                                     | (2.662.711.429)                                 |
| 1.2.1 - Unearned Premiums Reserve (-)  | 17       | (935.055.962)                                     | (2.665.589.180)                                 |
| 1.2.2 - Reinsurance Share of Unearned Premiums Reserve (+)   | 10,17    | (17.137.442)                                      | 2.877.751                                       |
| 1.2.3 - SSI of Unearned Premiums Reserve (+)   |          | -   | -   |
| 1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)    | 29       | 11.913.256  | (20.662.712)                                    |
| 1.3.1 - Unexpired Risks Reserve (-)  |          | 12.459.450  | (20.553.084)                                    |
| 1.3.2 - Reinsurance Share of Unexpired Risks Reserve (+)   |          | (546.194)   | (109.628)                                       |
| 2- Investment Income Transferred from Non-Technical Part   |          | 2.371.156.247                                     | 3.516.302.860                                   |
| 3- Other Technical Income (Net of Reinsurer Share)   | 47       | 886.319.506                                       | 1.548.436.595                                   |
| 3.1 - Gross Other Technical Income (+)   |          | 609.069.662                                       | 1.212.479.059                                   |
| 3.2 - Reinsurance Share of Other Technical Income (-)  |          | 277.249.844                                       | 335.957.536                                     |
| 4- Accrued Subrogation and Salvage Income (+)  |          | -   | -   |
| <b>B- Non-Life Technical Expense (-)</b>   |          | <b>(13.191.746.789)</b>                           | <b>(10.012.477.475)</b>                         |
| 1- Total Claims (Net of Reinsurer Share)   |          | (8.801.451.061)                                   | (6.660.641.570)                                 |
| 1.1- Claims Paid (Net of Reinsurer Share)  | 17,29    | (5.224.109.420)                                   | (4.685.750.924)                                 |
| 1.1.1 - Gross Claims Paid (-)  | 17       | (9.900.711.467)                                   | (12.306.158.876)                                |
| 1.1.2 - Reinsurance Share of Claims Paid (+)   | 10,17    | 4.676.602.047                                     | 7.620.407.952                                   |
| 1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-) | 17,29    | (3.577.341.641)                                   | (1.974.890.646)                                 |
| 1.2.1 - Outstanding Claims Reserve (-)   | 17       | 502.650.279                                       | (7.650.779.191)                                 |
| 1.2.2 - Reinsurance Share of Outstanding Claims Reserve (+)  | 10,17    | (4.079.991.920)                                   | 5.675.888.545                                   |
| 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       | (203.561.276)                                     | 132.356.168                                     |
| 4- Operating Expenses (-)  | 32       | (4.186.734.452)                                   | (3.484.192.073)                                 |
| 5- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)        |          | -   | -   |
| 5.1- Mathematical Reserves (-)   |          | -   | -   |
| 5.2- Reinsurance Share of Mathematical Reserves (+)  |          | -   | -   |
| 6- Other Technical Expenses (-)  |          | -   | -   |
| 6.1- Gross Other Technical Expenses (-)  |          | -   | -   |
| 6.2- Reinsurance Share of Other Technical Expenses (+)   |          | -   | -   |
| <b>C- Non-Life Technical Net Profit (A-B)</b>  |          | <b>(1.694.505.496)</b>                            | <b>185.336.437</b>                              |
| <b>D- Life Technical Income</b>  |          | <b>62.119.444</b>                                 | <b>19.587.604</b>                               |
| 1- Earned Premiums (Net of Reinsurer Share)  |          | 35.429.875  | 15.442.369                                      |
| 1.1 - Written Premiums (Net of Reinsurer Share)  | 17,24    | 73.127.468  | 19.127.110                                      |
| 1.1.1 - Gross Written Premiums (+)   | 17,24    | 92.945.103  | 35.352.037                                      |
| 1.1.2 - Ceded Premiums to Reinsurers (-)   | 10,17,24 | (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)                                      | (3.684.741)                                     |
| 1.2.1- Unearned Premium Reserves (-)   | 17       | (38.762.083)                                      | (11.557.846)                                    |
| 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 unconsolidated financial statements.

**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Statement of Income**  
**For the Year Ended December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

|   | Note  | Audited<br>Current<br>Period<br>December 31,<br>2024 | Audited<br>Prior Period<br>December<br>31, 2023 |
|---|-------|--|---|
| <b>I-TECHNICAL SECTION</b>  |       |  |   |
| <b>E- Life Technical Expense</b>  |       | <b>(39.832.923)</b>                                  | <b>(7.801.698)</b>                              |
| 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 (-)   |       | -  | -   |
| <b>F- Life Technical Profit (D-E)</b>   |       | <b>22.286.521</b>                                    | <b>11.785.906</b>                               |
| <b>G- Individual Retirement Technical Income</b>  |       | <b>-</b>   | <b>-</b>  |
| 1- Fund Management Fee  |       | -  | -   |
| 2- Management Fee Deduction   |       | -  | -   |
| 3- Initial Contribution Fee   |       | -  | -   |
| 4- Management Fee In Case Of Temporary Suspension   |       | -  | -   |
| 5- Withholding tax  |       | -  | -   |
| 6- Increase in Market Value of Capital Commitment Advances  |       | -  | -   |
| 7-Other Technical Income  |       | -  | -   |
| <b>H- Individual Retirement Technical Expense</b>   |       | <b>-</b>   | <b>-</b>  |
| 1- Fund Management Expenses (-)   |       | -  | -   |
| 2- Decrease in Market Value of Capital Commitment Advances (-)  |       | -  | -   |
| 3- Operating Expenses (-)   |       | -  | -   |
| 4- Other Technical Expense (-)  |       | -  | -   |
| <b>I- Individual Retirement Technical Profit (G-H)</b>  |       | <b>-</b>   | <b>-</b>  |

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

**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Statement of Income**  
**For the Year Ended December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

|   | Note  | Audited<br>Current Period<br>December 31,<br>2024 | Audited<br>Prior Period<br>December 31,<br>2023 |
|---|-------|---|---|
| <b>II-NON-TECHNICAL SECTION</b>                                 |       |   |   |
| <b>C- Non-Life Technical Profit (A-B)</b>                       |       | <b>(1.694.505.496)</b>                            | <b>185.336.437</b>                              |
| <b>F- Life Technical Profit (D-E)</b>                           |       | <b>22.286.521</b>                                 | <b>11.785.906</b>                               |
| <b>I - Individual Retirement Technical Profit (G-H)</b>         |       | <b>-</b>  | <b>-</b>  |
| <b>J- Total Technical Profit (C+F+I)</b>                        |       | <b>(1.672.218.975)</b>                            | <b>197.122.343</b>                              |
| <b>K- Investment Income</b>                                     |       | <b>10.495.454.452</b>                             | <b>7.817.832.550</b>                            |
| 1- Income From Financial Investment                             | 4.2   | 1.254.247.652                                     | 361.117.238                                     |
| 2- Income from Sales of Financial Investments                   | 4.2   | 357.202.721                                       | 399.078.515                                     |
| 3- Revaluation of Financial Investments                         | 4.2   | 315.063.094                                       | 30.178.754                                      |
| 4- Foreign Exchange Gains                                       | 4.2   | 450.091.248                                       | 1.593.897.170                                   |
| 5- Income from Affiliates                                       | 4.2   | 536.502.944                                       | 355.585.374                                     |
| 6- Income from Subsidiaries and Joint Ventures                  | 4.2   | 7.555.428.109                                     | 3.367.901.023                                   |
| 7- Income Received from Land and Building                       |       | (70.620)  | 1.596.134.475                                   |
| 8- Income from Derivatives                                      | 4.2   | 24.073.923  | 113.940.001                                     |
| 9- Other Investments  |       | 2.915.381   | -   |
| 10- Investment Income transferred from Life Technical Part      |       | -   | -   |
| <b>L- Investment Expenses (-)</b>                               |       | <b>(2.617.504.715)</b>                            | <b>(3.661.647.130)</b>                          |
| 1- Investment Management Expenses (including interest) (-)      | 4.2   | (4.165.831)                                       | (577.324)                                       |
| 2- Valuation Allowance of Investments (-)                       |       | -   | -   |
| 3- Losses On Sales of Investments (-)                           | 4.2   | (24.341.548)                                      | (13.345.686)                                    |
| 4- Investment Income Transferred to Non-Life Technical Part (-) |       | (2.371.156.246)                                   | (3.516.302.860)                                 |
| 5- Losses from Derivatives (-)                                  | 4.2   | (5.039.473)                                       | (6.884.346)                                     |
| 6- Foreign Exchange Losses (-)                                  | 4.2   | (35.029.676)                                      | (39.581.334)                                    |
| 7- Depreciation Expenses (-)                                    | 6,8   | (38.489.252)                                      | (28.018.645)                                    |
| 8- Other Investment Expenses (-)                                |       | (139.282.689)                                     | (56.936.935)                                    |
| <b>M- Other Income and Expenses (+/-)</b>                       |       | <b>(272.099.357)</b>                              | <b>(724.299.710)</b>                            |
| 1- Provisions Account (+/-)                                     | 47    | (329.836.302)                                     | (153.684.528)                                   |
| 2- Discount account (+/-)                                       | 47    | (9.580.145)                                       | (45.990.646)                                    |
| 3- Mandatory Earthquake Insurance Account (+/-)                 |       | -   | -   |
| 4- Inflation Adjustment Account (+/-)                           |       | -   | -   |
| 5- Deferred Tax Asset Accounts (+/-)                            | 21,35 | 53.365.094  | -   |
| 6- Deferred Tax Expense Accounts (-)                            | 21,35 | -   | (523.942.071)                                   |
| 7- Other Income and Revenues                                    |       | 14.105.598  | 2.964.787                                       |
| 8- Other Expense and Losses (-)                                 |       | (153.602)   | (3.647.252)                                     |
| 9- Prior Period Income  |       | -   | -   |
| 10- Prior Period Losses (-)                                     |       | -   | -   |
| <b>N- Net Profit / (Loss)</b>                                   |       | <b>5.933.631.405</b>                              | <b>3.629.008.053</b>                            |
| 1- Profit /(Loss) Before Tax                                    |       | 5.933.631.405                                     | 3.629.008.053                                   |
| 2- Corporate Tax Liability Provision (-)                        |       | -   | -   |
| 3- Net Profit (Loss)  |       | 5.933.631.405                                     | 3.629.008.053                                   |
| 4- Inflation Adjustment Account                                 |       | -   | -   |

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



**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

|   | Note | Audited<br>Current Period<br>1 January-<br>December 31,<br>2024 | Audited<br>Prior Period<br>1 January-<br>December 31,<br>2023 |
|---|------|---|---|
| <b>A - Cash flows from operating activities</b>                             |      |   |   |
| 1- Cash provided from insurance activities                                  |      | -   | -   |
| 2- Cash provided from reinsurance activities                                |      | 8.440.590.068   | 5.945.687.550   |
| 3- Cash provided from individual pension business                           |      | -   | -   |
| 4- Cash used in insurance activities  |      | -   | -   |
| 5- Cash used in reinsurance activities                                      |      | (7.278.392.053)   | (7.755.263.218)   |
| 6- Cash used in individual pension business                                 |      | -   | -   |
| <b>7- Cash provided by operating activities</b>                             |      | <b>1.162.198.015</b>  | <b>(1.809.575.668)</b>  |
| 8- Interest paid  |      | -   | -   |
| 9- Income taxes paid  |      | (71.260.270)  | (12.635.123)  |
| 10- Other cash inflows  |      | 99.994.028  | 103.862.492   |
| 11- Other cash outflows   |      | (110.383.182)   | (327.339.040)   |
| <b>12-Net cash provided by operating activities</b>                         |      | <b>1.080.548.591</b>  | <b>(2.045.687.339)</b>  |
| <b>B - Cash flows from investing activities</b>                             |      |   |   |
| 1- Proceeds from disposal of tangible assets                                |      | 30.000.000  | -   |
| 2- Acquisition of tangible assets   | 6, 8 | (57.340.226)  | (193.733.421)   |
| 3- Acquisition of financial assets  | 11   | (10.379.557.258)  | (3.583.256.947)   |
| 4- Proceeds from disposal of financial assets                               | 11   | 10.707.386.939  | 4.677.050.478   |
| 5- Interests received   |      | 909.839.685   | 394.917.543   |
| 6- Dividends received   |      | 12.036.885  | 5.550.035   |
| 7- Other cash inflows   |      | 431.015.891   | 1.030.289.961   |
| 8- Other cash outflows  |      | (1.007.041.025)   | (579.343.639)   |
| <b>9- Net cash provided by investing activities</b>                         |      | <b>646.340.891</b>  | <b>1.751.474.010</b>  |
| <b>C- Cash flows from financing activities</b>                              |      |   |   |
| 1- Equity shares issued   |      | -   | -   |
| 2- Cash provided from loans and borrowings                                  |      | -   | -   |
| 3- Finance lease payments   |      | (20.538.660)  | (9.143.022)   |
| 4- Dividends paid   |      | -   | -   |
| 5- Other cash inflows   |      | -   | -   |
| 6- Other cash outflows  |      | -   | -   |
| <b>7- Net cash used in financing activities</b>                             |      | <b>(20.538.660)</b>   | <b>(9.143.022)</b>  |
| <b>D- Effect of exchange rate fluctuations on cash and cash equivalents</b> |      | <b>60.170.261</b>   | <b>2.173.039</b>  |
| <b>E- Net increase in cash and cash equivalents</b>                         |      | <b>1.766.521.083</b>  | <b>(301.183.312)</b>  |
| <b>F- Cash and cash equivalents at the beginning of the year</b>            | 14   | 1.073.970.841   | 1.375.154.153   |
| <b>G- Cash and cash equivalents at the end of the year</b>                  | 14   | <b>2.840.491.924</b>  | <b>1.073.970.841</b>  |

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

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

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

| <b>Audited – Changes in Equity – December 31, 2023</b>                 |      |                 |                                   |                                  |                                 |                      |                |                    |                                      |                                  |                               |                |
|--|------|-----------------|-----------------------------------|----------------------------------|---------------------------------|----------------------|----------------|--------------------|--------------------------------------|----------------------------------|-------------------------------|----------------|
|  | Note | Paid in Capital | Equity Share Owned by Company (-) | Revaluations of Financial Assets | Inflation Adjustment on Capital | Translation Reserves | Legal Reserves | Statutory Reserves | Other Reserves and Retained Earnings | Net Profit/(Loss) for the Period | Previous Years' Profit/(Loss) | Total          |
| <b>I – Balance at the end of the previous year – December 31, 2022</b> |      | 660.000.000     | -                                 | 775.959.399                      | -                               | 86.654.441           | 261.812.474    | 122.747.456        | 1.892.479.923                        | 888.619.766                      | 367.662.204                   | 5.055.935.663  |
| <b>II – Change in Accounting Standards</b>                             |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| <b>III – Restated balances (I+II) – January 1, 2023</b>                |      | 660.000.000     | -                                 | 775.959.399                      | -                               | 86.654.441           | 261.812.474    | 122.747.456        | 1.892.479.923                        | 888.619.766                      | 367.662.204                   | 5.055.935.663  |
| A- Capital increase  |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| 1- In cash   |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| 2- From reserves   |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| B- Purchase of own shares  |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| C- Gains or losses that are not included in the statement of income    |      | -               | -                                 | -                                | -                               | -                    | 6.380.867      | 61.237.149         | 940.405.348                          | -                                | (533.054.083)                 | 474.969.281    |
| D- Change in the value of financial assets                             | 15   | -               | -                                 | 800.341.979                      | -                               | -                    | -              | -                  | -                                    | -                                | -                             | 800.341.979    |
| E- Currency translation adjustments                                    |      | -               | -                                 | -                                | -                               | 167.862.804          | -              | -                  | -                                    | -                                | -                             | 167.862.804    |
| F- Other gains or losses   |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| G- Inflation adjustment differences                                    |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| H- Net profit for the year   |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | 3.629.008.053                    | -                             | 3.629.008.053  |
| I – Other reserves and transfers from retained earnings                |      | -               | -                                 | -                                | -                               | -                    | 43.974.913     | -                  | 38.123.053                           | (888.619.766)                    | 806.521.800                   | -              |
| J- Dividends paid  |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| <b>IV - Balance at the end of the period – December 31, 2023</b>       | 15   | 660.000.000     | -                                 | 1.576.301.378                    | -                               | 254.517.245          | 312.168.254    | 183.984.605        | 2.871.008.324                        | 3.629.008.053                    | 641.129.921                   | 10.128.117.780 |
| <b>Audited Changes in Equity – December 31, 2024</b>                   |      |                 |                                   |                                  |                                 |                      |                |                    |                                      |                                  |                               |                |
|  | Note | Paid in Capital | Equity Share Owned by Company (-) | Revaluations of Financial Assets | Inflation Adjustment on Capital | Translation Reserves | Legal Reserves | Statutory Reserves | Other Reserves and Retained Earnings | Net Profit/(Loss) for the Period | Previous Years' Profit/(Loss) | Total          |
| <b>I – Balance at the end of the previous year – December 31, 2023</b> |      | 660.000.000     | -                                 | 1.576.301.378                    | -                               | 254.517.245          | 312.168.254    | 183.984.605        | 2.871.008.324                        | 3.629.008.053                    | 641.129.921                   | 10.128.117.780 |
| <b>II – Change in Accounting Standards</b>                             |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| <b>III – Restated balances (I+II) – January 1, 2024</b>                |      | 660.000.000     | -                                 | 1.576.301.378                    | -                               | 254.517.245          | 312.168.254    | 183.984.605        | 2.871.008.324                        | 3.629.008.053                    | 641.129.921                   | 10.128.117.780 |
| A- Capital increase  |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| 1- In cash   |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| 2- From reserves   |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| B- Purchase of own shares  |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| C- Gains or losses that are not included in the statement of income    |      | -               | -                                 | -                                | -                               | -                    | 12.643.323     | 388.630.862        | 3.224.242.085                        | -                                | (3.604.709.211)               | 20.807.059     |
| D- Change in the value of financial assets                             | 15   | -               | -                                 | 288.405.326                      | -                               | -                    | -              | -                  | -                                    | -                                | -                             | 288.405.326    |
| E- Currency translation adjustments                                    |      | -               | -                                 | -                                | -                               | 103.929.353          | -              | -                  | -                                    | -                                | -                             | 103.929.353    |
| F- Other gains or losses   |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| G- Inflation adjustment differences                                    |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| H- Net profit for the year   |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | 5.933.631.405                    | -                             | 5.933.631.405  |
| I – Other reserves and transfers from retained earnings                | 15   | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | (3.629.008.053)                  | 3.629.008.053                 | -              |
| J- Dividends paid  |      | -               | -                                 | -                                | -                               | -                    | -              | -                  | -                                    | -                                | -                             | -              |
| <b>IV - Balance at the end of the period – December 31, 2024</b>       | 15   | 660.000.000     | -                                 | 1.864.706.704                    | -                               | 358.446.598          | 324.811.577    | 572.615.467        | 6.095.250.409                        | 5.933.631.405                    | 665.428.763                   | 16.474.890.923 |

(\*) The amounts recognized directly in the equity of subsidiaries and affiliates accounted for using the equity method consist of the parent company's shares.

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

**Millî Reasürans Türk Anonim Şirketi**  
**Unconsolidated Statement of Profit Distribution**  
**For the Year Ended December 31, 2024**  
*(Currency: Turkish Lira (TL))*

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

|  | Note | Audited<br>Current Period<br>December 31, 2024 <sup>(*)</sup> | Audited<br>Prior Period<br>December 31, 2023 |
|--|------|---|--|
| <b>I. PROFIT DISTRIBUTION</b>                            |      |   |  |
| 1.1. CURRENT YEAR PROFIT <sup>(*)</sup>                  |      | 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                            |      | -   | -  |
| <b>A NET PROFIT (1.1 – 1.2)</b>                          |      | <b>5.927.059.183</b>  | <b>3.624.887.450</b>                         |
| 1.3. PREVIOUS PERIOD LOSSES (-)                          |      | -   | -  |
| 1.4. FIRST LEGAL RESERVE                                 |      | -   | -  |
| 1.5. STATUTORY FUND (-) (**)                             |      | -   | -  |
| <b>B NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5))]</b> |      | <b>5.927.059.183</b>  | <b>3.624.887.450</b>                         |
| 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 FOUNDERS (-)                           |      | -   | -  |
| 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 (**)                                 |      | -   | -  |
| <b>II. DISTRIBUTION OF RESERVES</b>                      |      |   |  |
| 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 (-)                 |      | -   | -  |
| <b>III. PROFIT PER SHARE</b>                             |      |   |  |
| 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 (%)                     |      | -   | -  |
| <b>IV. DIVIDEND PER SHARE</b>                            |      |   |  |
| 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's profits.

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

## **1 General information**

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

The shareholder having direct or indirect control over the shares of Millî Reasürans Türk Anonim Şirketi (“the Company”) is Türkiye İş Bankası AŞ Group (“İş Bankası”) having 87,60 % of the outstanding shares.

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

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

The Company was registered in Turkey in July 16, 1929 and has the status of ‘Incorporated Company’. The address of the Company’s registered office is “İş Kuleleri, Kule 3, Kat:20-21-22-24, 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.

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

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

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

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

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

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

|                      | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|----------------------|--------------------------|--------------------------|
| Top executive        | 13                       | 5                        |
| Managers             | 17                       | 28                       |
| Officers             | 128                      | 129                      |
| Contracted personnel | 1                        | 1                        |
| Other personnel      | 8                        | 11                       |
| <b>Total</b>         | <b>167</b>               | <b>174</b>               |

**1 General information (continued)**

**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, group managers and deputy general managers is amounting to TL 67.489.136 (December 31, 2023: TL 30.079.287).

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

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

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

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

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

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

The accompanying financial statements comprise the unconsolidated financial information of the Company. and financial information of Singapore Branch as further discussed in note 2.2 - Consolidation, the Company has prepared consolidated financial statements As of December 31, 2024 separately.

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

|                                       |   |
|---------------------------------------|---|
| Trade name of the Company             | : Millî Reasürans Türk Anonim Şirketi                                       |
| Registered address of the head office | : İş Kuleleri, Kule 3, Kat:20-21-22-24<br>34330 Levent, Beşiktaş, /İstanbul |
| The web page of the Company           | : <a href="http://www.millire.com">www.millire.com</a>                      |

## **1 General information (continued)**

### **1.10 Subsequent events**

The unconsolidated 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 unconsolidated financial statements in accordance with the Insurance Law and the regulations issued by the Insurance and Private Pension Regulation and Supervision Authority ("SEDDK"). Prior to the establishment of the SEDDK and the commencement of its regulatory activities in the insurance sector, the financial reporting regulations for the insurance industry were published by the Ministry of Treasury and Finance. In preparing the unconsolidated financial statements, the regulations regarding accounting and financial reporting in force under insurance legislation, along with the provisions of the Turkish Financial Reporting Standards ("TFRS") for matters not addressed by the regulations, are followed. The "Insurance Accounting and Financial Reporting Legislation" serves as the basis for this.

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

As of December 31, 2024, and December 31, 2023, the Company accounts for its operations in line with the "Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" published on July 14, 2007, and effective from January 1, 2008, as well as the related regulation and the Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting, and Auditing Standards Authority ("KGK") and other regulations, announcements, and circulars published by the Ministry of Treasury and Finance of the Republic of Turkey regarding accounting and financial reporting principles. Based on the Ministry of Treasury and Finance's letter No. 9, dated February 18, 2008, 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" were excluded from the scope of this application. Additionally, the application of TFRS 17 "Insurance Contracts," TFRS 9 "Financial Instruments," and TFRS 15 "Revenue from Contracts with Customers" standards has been postponed within the framework of 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 Technical Provisions of Insurance and Reinsurance and Pension Companies and the Assets in Which These Provisions Shall Be Invested" (the "Technical Provisions Regulation") issued within the framework of the Insurance Law No. 5684, as amended by the changes published in the Official Gazette No. 27655 on July 28, 2010, and by the amendments published in the Official Gazette No. 28356 on July 17, 2012. These provisions have been reflected in the financial statements in accordance with the relevant legislation.

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

### **2.2 Basis of preparation (continued)**

#### **2.2.1 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 September 30, 2024, 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.

The Public Oversight, Accounting, and Auditing Standards Authority (KGK), in its announcement dated November 23, 2023, regarding “The Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit,” stated that businesses applying the Turkish Financial Reporting Standards (TFRS) should present their financial statements for annual reporting periods ending on or after December 31, 2023, adjusted for the effects of inflation under TAS 29. However, it also clarified that institutions or organizations authorized to regulate and supervise specific sectors could set different transition dates for the application of TAS 29 provisions. In response to KGK’s announcement, the Insurance and Private Pension Regulation and Supervision Authority (SEDDK) issued a circular on December 6, 2023 (Circular No. 2023/30) stating that insurance, reinsurance, and pension companies’ financial statements as of December 31, 2023, would not be subject to inflation adjustments under TAS 29. Subsequently, with the issuance of Circular No. 2024/10 on March 11, 2024, the transition date for the implementation of inflation accounting for insurance, reinsurance, and pension companies was set for January 1, 2025. However, with the publication of Circular No. 2024/32 on December 6, 2024, Circular No. 2024/10 was repealed, and it was decided that inflation accounting would not be applied by insurance, reinsurance, and pension companies in 2025. As a result, TAS 29 has not been applied in the unconsolidated financial statements of the Company for the years ended December 31, 2024, and 2023.

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

##### **Other accounting policies**

The Company recorded premiums, commissions and claims accruals based on the notifications sent by the insurance and reinsurance companies after the closing of their balances. Premiums, commissions and claims accruals are recorded in the accompanying financial statements with the three-month delay. Therefore, related income statement balances include last quarter results for the year ended December 31, 2023 and nine-month results as at and for the period ended September 30, 2024 and accordingly related balance sheet balances As of December 31, 2024 do not reflect the actual position. According to the letter dated August 31, 2010 and numbered B.02.1.HZN.0.10.03.01/42139 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, it is stated that account statements sent by the ceding companies are subject to possible delays and Republic of Turkey Ministry of Treasury and Finance is considered special situations of the reinsurance companies in their regulations.

Information regarding other accounting policies 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 Summary of significant accounting policies (continued)**

### **2.1 Basis of preparation (continued)**

#### **2.1.3 Current and presentation currency**

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

#### **2.1.4 Rounding scale of the amounts presented in the financial statements**

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

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

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

#### **2.1.6 Accounting policies, changes in accounting estimates and errors**

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

Fire and earthquake premiums obtained from foreign reinsurance treaties could not accounted on the basis of branches in the previous years due to limitations imposed by local legislation of the foreign countries, notification characteristics of the treaties and total premiums used by foreign companies in the reconciliation process. Therefore, all premiums obtained from aforementioned treaties are accounted on the fire branch. According to the letter dated August 2, 2011 and numbered B.02.1.HZN.0.10.03.01/38732 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, it is allowed to use average rate calculated over separately reported fire and earthquake premiums for unclassified premiums of proportioned treaties. Furthermore, according to the letter dated August 12, 2011 sent by the Republic of Turkey Ministry of Treasury and Finance to the Company, prospective application as at June 30, 2011 effective from January 1, 2011 is allowed since retrospective application is impossible. Accordingly, financial statements prepared As of December 31, 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 – December 31, 2023. The same ratio is used for unproportioned reinsurance treaties in accordance with the Communiqué released on July 28, 2010 and numbered 27655 “Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves”. Distribution of commissions and claims between the fire and earthquake branches is parallel with the aforementioned method.

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



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

### **2.1 Basis of preparation (*continued*)**

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

According to 16<sup>th</sup> article of “Circular on Actuarial Chain Ladder Method (2010/12)” dated September 20, 2010 and announced by Republic of Turkey Ministry of Treasury and Finance, ACML calculation should be made through main branches. However, as at December 31, 2012, the Company has calculated ACML reserve for General Damages main branch as two separate subbranches namely agriculture and non-agriculture branches. Because Agriculture and Engineering subbranches under General Damages main branch have different characteristics in conversion process of outstanding losses to paid losses, IBNR calculation of General Damages branch produces unreliable and improper results. The Company applied to Republic of Turkey Ministry of Treasury and Finance on January 17, 2013 with letter numbered 300, so as to receive permission to calculate IBNR reserve for General Damages branch as agriculture and non-agriculture subbranches separately. Republic of Turkey Ministry of Treasury and Finance has given permission the Company in order to calculate IBNR reserve for General Damages within two subbranches with the letter dated January 28, 2013 and numbered 24179134. As of March 31, 2024, the Company recognised the amount that arose due to change in calculation method for IBNR on General Damages branch.

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

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

### **2.2 Consolidation**

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

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

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

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

### **2.3 Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Board of Directors (being chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. As of December 31, 2023, the Company operates in life and non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market.

### **2.4 Foreign currency transactions**

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

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

### **2.5 Tangible assets**

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

With the decision of the Board of Directors dated August 25, 2023, it was decided that the real estate assets held for operational and investment purposes, which are registered in the Company's assets, would be transferred to MİTAS Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, as capital through a partial demerger, in accordance with Articles 19 and 20 of the Corporate Tax Law and Articles 159 to 179 of the Turkish Commercial Code, based on the tax financial statements prepared according to the Tax Procedure Law (VUK). In return for the capital contribution, shares to be issued due to the capital increase will be allocated to the Company. As of December 31, 2023, the fair value of the real estate transferred is 4,613,156,000 TRY.

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

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

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

### **2.5 Tangible assets (continued)**

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

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

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

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

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

Depreciation rates and estimated useful lives are as follows:

| <b>Tangible assets</b>                                  | <b>Estimated useful<br/>lives (years)</b> | <b>Depreciation<br/>rates (%)</b> |
|---|---|-----------------------------------|
| Machinery and equipment                                 | 3 – 15                                    | 6,7 – 33,3                        |
| Vehicles  | 5   | 20,0                              |
| Other tangible assets (includes leasehold improvements) | 5   | 20,0                              |
| Tangible assets acquired through financial leasing      | 4-5                                       | 20,0-25,0                         |

### **2.6 Investment property**

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

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

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

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

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

With the decision of the Board of Directors dated August 25, 2023, it was decided that the real estate assets held for operational and investment purposes, which are registered in the Company's assets, would be transferred to Miltaş Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, as capital through a partial demerger, in accordance with Articles 19 and 20 of the Corporate Tax Law and Articles 159 to 179 of the Turkish Commercial Code, based on the tax financial statements prepared according to the Tax Procedure Law (VUK). In return for the capital contribution, shares to be issued due to the capital increase will be allocated to the Company. As of December 31, 2023, the fair value of the real estate transferred is 4,613,156,000 TRY.

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

### **2.7 Intangible assets**

The Company's intangible assets consist of computer software.

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

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

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

### **2.8 Financial assets**

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

Securities are recognized and derecognized at the date of settlement.

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

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

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

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

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

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

### **2.8 Financial Assets (continued)**

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

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

### **2.9 Impairment on assets**

#### **Impairment on financial assets**

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

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

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

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

#### **Impairment on tangible and intangible assets**

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

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

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

### **2.10 Derivative financial instruments**

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

Derivative financial instruments are initially recognized at their fair value.

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

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

### **2.11 Offsetting of financial assets**

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

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

### **2.12 Cash and cash equivalents**

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

### **2.13 Capital**

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group by having 87,60% of the outstanding shares of the Company. As of December 31, 2024, and 2023, the share capital and ownership structure of the Company are as follows:

| Name   | December 31, 2024        |                       | December 31, 2023        |                       |
|--|--------------------------|-----------------------|--------------------------|-----------------------|
|  | 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                  |
| <b>Paid in capital</b>                       | <b>660.000.000</b>       | <b>100,00</b>         | <b>660.000.000</b>       | <b>100,00</b>         |

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

### **2.13 Capital (continued)**

#### **Sources of the capital increases during the year**

None.

#### **Privileges on common shares representing share capital**

There are no privileges on common shares representing share capital.

#### **Registered capital system in the Company**

None.

#### **Repurchased own shares by the Company**

None.

### **2.14 Insurance and investment contracts - classification**

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

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

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

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

### **2.15 Insurance contracts and investment contracts with discretionary participation feature**

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

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

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

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

### **2.16 Investment contracts with discretionary participation feature**

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

### **2.17 Liabilities**

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

### **2.18 Income taxes**

#### **Corporate Tax**

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

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

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

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

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

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



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

### **2.18 Income taxes (continued)**

In September 2023, the Public Oversight, Accounting, and Auditing Standards Authority (KGK) published amendments to TAS 12, which introduced a mandatory exception regarding the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. These changes were implemented to apply the rules of the OECD's Pillar Two Model to tax laws that have been enacted or are close to being enacted, ensuring that income arising from such tax laws is subject to TAS 12. The amendments also introduce specific disclosure requirements for businesses affected by these tax laws. The exception, stating that information about deferred taxes under these laws will neither be recognized nor disclosed, applies as of the publication of the amendment. The Pillar Two regulations, which have been agreed upon by OECD member countries, came into effect in Turkey with the publication of Law No. 7524 on August 2, 2024, in the Official Gazette, amending certain tax laws and the Decree Law No. 375. While secondary legislation has not yet been issued, preliminary assessments, taking into account the regulations published by the OECD, suggest that these regulations are not expected to have any impact on the financials. However, legislative changes in Turkey and the other countries in which the company operates are being closely monitored.

With the laws published in the Official Gazette dated August 2, 2024, the Domestic Minimum Corporate Tax has been enacted. This tax will be applied starting from the 2025 fiscal year. The "Minimum Corporate Tax" provision introduced by Law No. 7524 stipulates that the calculated corporate tax, before any deductions and exemptions, cannot be less than 10% of the corporate income. This regulation will come into effect as of the publication date to be applied to corporate income for the 2025 taxation period. Additionally, the 23rd Corporate Tax General Communiqué has been published regarding this matter.

#### **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.

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

As of December 31, 2024, the applicable corporate tax rate is 30%, therefore 30% tax rate was used for the calculation. (December 31, 2023: 30%)

## **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 “Millî Reasürans Türk Anonim Şirketi Emekli ve Sağlık Sandığı Vakfı (“Millî Reasürans Pension Fund”) which is established in accordance with the temporary Article 20 of the Social Security Act No: 506.

As per the temporary sub article No: 20 of the Article 73 of the Social Security Law, pension funds should be transferred to the Social Security Institution within three years after the publication of the aforementioned Law published in the Official Gazette numbered 26870 and dated May 8, 2008. Decree of the Council of Ministers about two years extending transfer duration, was published in the Official Gazette on April 9, 2011. Based on this, expiration date has been extended to May 8, 2013 from the expiration date on May 8, 2011. On March 8, 2012, “Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees” numbered 28227, was published on Official Gazette and 4<sup>th</sup> article of this act changed “two years” phrase as “four years” which takes part on second sentence of first clause of 20<sup>th</sup> 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 20<sup>th</sup> 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 “Millî Reasürans Türk Anonim Şirketi Memurları Emekli ve Sağlık Sandığı (“Millî 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 20<sup>th</sup> 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 20<sup>th</sup> article of law no. 506, Council of Ministers is entitled to determine the date of transfer to Social Security Institution. As of the transfer date, fund participatings are regarded as social insurant in accordance with the (a) subclause of first sub articles of 4<sup>th</sup> article of related law.

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

### **2.19 Employee benefits (continued)**

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

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

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

- Technical deficit rate of 9,80% shall be used in the actuarial calculation of the value in cash, and
- Gains and losses of the funds stems from benefits covered by the aforementioned Law taken into accounts to calculate present value of the obligations.

#### **Employee termination benefits**

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount As of December 31, 2024 is TL 41.828,42 (December 31, 2023: TL 23.489,83).

The Company accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 – *Employee Benefits*. After the revision of TAS 19, as the amount of actuarial gain and loss are presented under the other profit reserves, which were previously shown under the income statement. The major actuarial assumptions used in the calculation of the total liability As of December 31, 2024 and 2023 are as follows:

|  | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--|------------------------------|------------------------------|
| Discount rate                          | 3,98%                        | 3,28%                        |
| Expected rate of salary/limit increase | 21,85%                       | 19,65%                       |
| Estimated employee turnover rate       | 2,89%                        | 2,81%                        |

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

#### **Other benefits**

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

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

### **2.20 Provisions**

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

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

### **2.21 Revenue recognition**

#### **Written premiums**

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

#### **Claims paid**

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

#### **Commission income and expenses**

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

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

### **2.21 Revenue recognition (continued)**

#### **Interest income and expenses**

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

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

#### **Trading income/expense**

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

#### **Dividends**

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

### **2.22 Leasing transaction**

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

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

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

#### **Right-of-use assets**

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

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

- (a) the initial measurement amount of the lease obligation,
- (b) the amount paid from all lease payments made on or before the actual commencement of the lease, deducting all rental incentives received, and
- (c) All initial direct costs incurred by the Company.

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

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

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

### **2.22 Leasing transaction (continued)**

#### **Lease liabilities**

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

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

- (a) Fixed payments,
- (b) Variable rental payouts based on an index or rate, the first measurement of which is made using an index or rate at the actual start of the lease,
- (c) Amounts expected to be paid by the Company under residual value commitments
- (d) If the Company is reasonably confident that it will exercise the purchase option, the exercise price of this option and
- (e) Paying penalties related to the termination of the lease if the lease term indicates that the Company will exercise an option to terminate the lease.

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

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

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

- (a) Increases the carrying amount to reflect the interest on the lease obligation, and
- (b) Reduces the carrying amount to reflect the rental payments paid.

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

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

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

### **2.23 Dividend distribution**

It is decided in Ordinary General Assembly Meeting of the Company, held on March 27, 2024, not to make a dividend payment. It has been decided to retain the net profit of TL 3.629.008.053 resulting from the Company's activities in 2023 as the previous year's profit.

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

### **2.24 Unearned premium reserve (UPR)**

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

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

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

In line with the Communiqué on Technical Reserves, the calculation of unearned premium reserve is performed as follows by the Company: for proportional reinsurance contracts, on the basis of 1/8 over the ceded premiums for treaty and facultative contracts, for commodity transportation policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, is also provided as unearned premium reserves and for facultative and non-proportional reinsurance contracts, on the basis on day by considering beginning and ending of the contracts. The reinsurance share of the unearned premium reserve for premiums transferred by the Company in a retrospective capacity is 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. Reserve for unearned premiums is also calculated for the annual premiums of the annually renewed long term insurance contracts.

As at December 31, 2024, in the Company's financial statements, TL 5.804.010.493 of Unearned Premium Reserve is recorded except Singapore branch (December 31, 2023: TL 4.803.631.372), and TL 96.519.878 is recorded for the Singapore branch (December 31, 2023: TL 107.008.001). As at 31.12.2024, Deferred Acquisition Costs, including the Singapore branch, is recorded TL 1.302.479.934 (December 31, 2023: TL 1.151.447.899) and Deferred Commission Income is recorded TL 4.303.316 (December 31, 2023: TL 8.565.638) in the Company's financial statements.

### **2.25 Outstanding claims reserve**

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

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

Except for the life branch, outstanding claims reserve consists of claims are recorded in the year in which they occur, based on reported claims and the difference between the result of the actuarial chain ladder method whose content and application criteria stated by Turkish Insurance and Private Pension Regulation and Supervision Authority, and reported but not settled claims are considered as incurred but not reported (“IBNR”) claims. Actuarial chain ladder method may be differentiated by Turkish Insurance and Private Pension Regulation and Supervision Authority for reinsurance companies due to their special conditions.

## 2 Summary of significant accounting policies (continued)

### 2.25 Outstanding claims reserve

December 5, 2014 dated “Circular regarding Outstanding Claims Reserve (2014/16)” and 2010/12 numbered “Circular regarding actuarial chain ladder method” is abolished except Article 9 and 10. According to circular that explains ACLM measurement method, insurance and reinsurance companies calculate ACLM with six different methods as “Standard Chain, Damage/Premium, Cape Cod, Frequency/Intense, Munich Chain and Bornhuetter-Ferguson”.

As of December 31, 2024, excluding the Singapore branch, the Company has added 2,763,615,993 TRY to its financial statements as a provision for outstanding claims, by considering 100% of the IBNR calculated. (December 31, 2023: 651,285,087 TRY). As of the reporting date, a net IBNR of 192,258,576 TRY (December 31, 2023: 115,375,539 TRY) has been allocated for the Singapore Branch.

The amounts of incurred but not reported c (“IBNR”) allocated by the Company on a branch basis and the IBNR calculation methods it has chosen are given in the table below:

| <b>Milli Reasürans</b>     |                           | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|----------------------------|---------------------------|--------------------------|--------------------------|
| <b>Branches</b>            | <b>Calculation Method</b> | <b>Net IBNR (*)</b>      | <b>Net IBNR (*)</b>      |
| General Liabilities (***)  | 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 Liabilities  | 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                |
| <b>Total</b>               |                           | <b>2.763.615.993</b>     | <b>651.285.087</b>       |

(\*) Excludes amounts allocated for the 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”, 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.

| <b>Singapore</b>           |  | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|----------------------------|--|--------------------------|--------------------------|
| <b>Branches</b>            |  | <b>Net IBNR</b>          | <b>Net IBNR</b>          |
| 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 Liabilities        |  | 233.175                  | 185.412                  |
| <b>Total</b>               |  | <b>192.258.576</b>       | <b>115.375.539</b>       |

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



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

### **2.25 Outstanding claims reserve (continued)**

Due to the insufficient data available to the Company in the sea vehicles liability, air vehicles liability, surety and credit branches and the irregular distribution of the data in the loss development tables, the Company could not find the opportunity to obtain a result by subjecting the relevant data to the correction process. For this reason, values representing the sector averages were used in the branches. (The industry average is the IBNR reported in the relevant branch as of September 30, 2024 divided by the total premium in the relevant branch in the first 9 months). On the other hand, for Financial Losses and Life branches where a similar method was applied as of December 31, 2022, calculations were made using the Standard Chain method as of 31.12.2022 due to the data reaching a certain maturity.

According to December 5, 2014 dated “Circular regarding Outstanding Claims Reserve (2014/16)”, the Company constitutes data by taking base of acceptance year rather than Casualty period for the reason of characteristic of reinsurance operations in course of ACLM calculation and calculates ACLM once in a year as of year-end.

The Company has received approval from the Turkish Ministry of Finance, Undersecretariat of Treasury, General Directorate of Insurance, through letter number 05403 dated January 31, 2011, to perform the IBNR calculation on a paid claims basis, as required, based on data quality rather than the actual claims data for each branch. To confirm the current relevance of this request, the Company applied to the Insurance and Private Pension Regulatory and Supervisory Authority (SEDDK) with a letter dated January 6, 2025. On January 15, 2025, SEDDK, in its letter numbered E-97354901-010.06.02-3701446, referred to the 2014/6 General Circular on Outstanding Claims Reserves and confirmed the relevance of the letter, approving the IBNR calculation to be based on paid claims.

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

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

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

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

### **2.25 Outstanding claims reserve (continued)**

In accordance with the “Circular numbered 2020/11 on Making Amendments on Communiqué regarding Provision for Outstanding Claim Files numbered 2014/16” which has been published on December 7, 2020 and entered into force as of its publication date, IBNR amount is required to be separately calculated for the “Compulsory Financial Liability Insurance regarding Medical Malpractice” sub-branch which was included under General Liability main branch. In this scope, an additional calculation is made for Compulsory Financial Liability Insurance regarding Medical Malpractice and calculation is made for other sub-branches under General Liability insurance through excluding Compulsory Financial Liability Insurance regarding Medical Malpractice and calculated amounts are recognized on legal books as of December 31, 2024.

As explained in the Circular (2017/07) on Discounting Net Cash Flows Arising from the Provision of Outstanding Compensation published on September 15, 2017, insurance companies will be able to discount the net cash flows generated by the provision of outstanding compensation that they allocate in accordance with the insurance legislation according to the principles set out in the circular. In accordance with the circular no 1 in the article, it has been made mandatory to apply discounts in the “General Liability” and “Land Vehicles Liability” branches of the provision for outstanding compensation. The company has chosen to apply discounts only for mandatory branches and no discounts are made for other branches.

With the Circular No. 2024/3 “Circular on Amendments to Circular No. 2016/22 on Discounting Net Cash Flows Arising from the Provision for Outstanding Compensation” published on January 15, 2024, the Circular’s 7th article was changed as “Net cash flows are discounted to cash value by taking into account 35% as of the financial reporting date”. In accordance with the relevant general circular, the discount rate applied to the net cash flows arising from the outstanding claims reserve has been 35% as of December 31, 2024 (December 31, 2023: 28%). Accordingly, the Company has calculated the net discounted amount of the outstanding claims reserve as 1,960,424,461 TRY as of December 31, 2024 (December 31, 2023: 923,111,219 TRY). The change in the discount rate has resulted in a reduction of 221,786,939 TRY on the net outstanding claims reserve recognized in the financial statements as of December 31, 2024.

The Company's net outstanding claims provisions by branch as of December 31, 2024 and 2023 are given below, before and after discount:

| <b>December 31, 2024</b>  | <b>Net outstanding claims before discount</b> | <b>Discount</b>        | <b>Discounted net outstanding</b> |
|---------------------------|---|------------------------|-----------------------------------|
| <b>Branches</b>           |   | <b>Amount</b>          | <b>claims provision</b>           |
| Land Vehicles Liabilities | 635.982.639                                   | (371.816.439)          | 264.166.200                       |
| General Liabilities       | 2.167.620.695                                 | (1.588.608.022)        | 579.012.673                       |
| <b>Total</b>              | <b>2.803.603.334</b>                          | <b>(1.960.424.461)</b> | <b>843.178.873</b>                |

| <b>December 31, 2023</b>  | <b>Net outstanding claims before discount</b> | <b>Discount</b>      | <b>Discounted net outstanding</b> |
|---------------------------|---|----------------------|-----------------------------------|
| <b>Branches</b>           |   | <b>Amount</b>        | <b>claims provision</b>           |
| Land Vehicles Liabilities | 368.376.477                                   | (186.857.862)        | 181.518.615                       |
| General Liabilities       | 1.127.031.106                                 | (736.253.357)        | 390.777.749                       |
| <b>Total</b>              | <b>1.495.407.583</b>                          | <b>(923.111.219)</b> | <b>572.296.364</b>                |

### **2.26 Mathematical reserves**

There is no mathematical provision in the Company's financial statements as of December 31, 2024. (December 31, 2023: None)

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

### **2.27 Unexpired risk reserves (URR)**

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.

In accordance with Circular on unexpired risk reserve (2019/5), reinsurance companies can make the calculation on the basis of underwriting year. In this case, calculation is made through proportioning total gross actual ultimate loss amount of at least last three underwriting years to total gross premium earnings (written premiums less unearned premiums). It is possible to use the calculation made for the last year-end for the current year interim period if it is clearly determined that repetition of calculation in quarterly periods shall not produce meaningful results due to reasons sourcing from structure of related contracts or conciliation processes of respective parties although it is principal to repeat such calculation on the basis of quarterly periods. In accordance with “The Circular on Unexpired Risk Reserve” numbered 2022/27 published by the Turkish Insurance and Private Pension Regulation and Supervision Authority on October 24, 2022 and entered into force on the date of publication, the circular numbered 2019/5 have been repealed and reinsurance companies as well as insurance companies have been allowed to make calculations on the basis of the underwriting year with the current circular. The Company has made provision for URR amounting to TL 21.913.642 (December 31, 2023: TL 33.826.898) in its financial statements dated December 31, 2024 as of reporting period based on results of test in question. While the Company applied the calculation based on the underwriting year defined by the Circular only in the Land Vehicles Liability branch; in order to eliminate the misleading effect caused by significant fluctuations in economic indicators such as inflation and the exchange rate during the current year, as of September 30, 2022 the Company has applied the underwriting year method for Fire and Natural Disasters and General Losses branches which are mainly affected by these fluctuations. As of 31.12.2022, the Company has applied the calculation based on the underwriting year to all branches other than Credit and Surety branches. If the final loss premium ratio calculated based on the writing year is over 85%, the gross unexpired risk reserve is determined by multiplying the excess part by the gross UPR; and the net unexpired risk reserve is determined by multiplying it by the net UPR. In the Credit and Surety branches, on the other hand, due to the inadequacy of the Company's data and the use of values representing the sector average due to their irregular distribution in the damage development tables, the calculation defined in the scope of the Regulation continued to be used, since the calculation based on the year of writing defined by the Circular could not be made in these branches. If the calculation had not been made using the method described in the Circular, the provision for the unexpired risk reserve amounting to TL 893.105.022 would have been allocated in the financial statements as of December 31, 2024.

URR amounts in branches are mentioned below:

| Branches                  | Loss/Premium | December 31, 2024 |                   | December 31, 2023 |                   |
|---------------------------|--------------|-------------------|-------------------|-------------------|-------------------|
|                           |              | 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 Vehicles              | %102         | 549.289           | 549.289           | 3.458.410         | 3.458.410         |
| Illness/ Health           | %87          | 19.420            | 19.420            | 232.140           | 232.140           |
| General Losses            | -            | -                 | -                 | 10.159.704        | 10.114.868        |
| Land Vehicles Liabilities | %92          | 6.118.480         | 6.118.480         | -                 | -                 |
| <b>Total</b>              |              | <b>22.010.219</b> | <b>21.913.642</b> | <b>34.469.669</b> | <b>33.826.898</b> |

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

### **2.28 Equalization reserves**

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

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

Equalization reserves are presented under “other technical reserves” within long term liabilities in the accompanying unconsolidated financial statements. As of December 31, 2024, the Company has recognized equalization reserves amounting to TL 474.736.051 (December 31, 2023: TL 270.559.287).

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.

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

### **2.29 Related parties**

Parties are considered related to the Company if:

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

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

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

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

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

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

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

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

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

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

### **2.30 Earning per share**

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

### **2.31 Subsequent events**

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

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

### **2.32 The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the financial statements as at December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2024. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

#### **i) Standards, amendments, and interpretations applicable as of 31 December 2024**

- **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.

In addition, it has been announced in the Board Decision published in the Official Gazette on December 29, 2023, by the Public Oversight, Accounting and Auditing Standards Authority (KGK), that certain businesses will be subject to mandatory sustainability reporting starting from January 1, 2024. Under the "Board Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)" dated January 5, 2024, businesses falling under the scope of sustainability reporting are identified. Furthermore, the "Board Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)" dated December 16, 2024, introduced changes regarding the businesses that will be subject to sustainability reporting.

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

### **2.32 The new standards, amendments and interpretations (continued)**

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

- **TFRS 17, 'Insurance Contracts' ('TFRS 17');** is applicable for annual reporting periods beginning on or after January 1, 2023. This standard replaces TFRS 4, which currently allows for a wide range of applications. TFRS 17 will fundamentally change the accounting for all businesses that issue insurance contracts and investment contracts with discretionary participation features.

As a result of the legislative changes published by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) in the Official Gazette No. 32414 dated December 29, 2023, the implementation date for the TFRS 17 standard in the statutory financial statements of insurance companies was initially set as January 1, 2025. However, following further regulatory changes published by SEDDK in the Official Gazette No. 32765 on December 27, 2024, the implementation date for the TFRS 17 standard in the statutory financial statements of insurance companies 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); andmake updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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

### 2.32 The new standards, amendments and interpretations (*continued*)

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

- **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.
- **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
- **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 Company has assessed the impact of the aforementioned standards and amendments on the financial statements and has concluded that the changes do not have any significant effect, aside from the impacts of TFRS 17. The Company has established the necessary accounting policies under TFRS 17, and analyses and evaluations regarding the effects of TFRS 17 on the financial statements are ongoing.



### **3 Significant Accounting Estimates and Requirements**

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

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

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

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

- Not 4.1 – Management of insurance risk
- Note 4.2 – Financial risk management
- Note 7 – Investment properties
- Note 9 – Investments in subsidiaries
- Note 10 – Reinsurance assets/liabilities
- Note 11 – Financial assets
- Note 12 – Loans and receivables
- Note 17 – Insurance liabilities and reinsurance assets
- Note 17 – Deferred acquisition commissions
- Note 21 – Deferred income taxes
- Note 23 – Other liabilities and cost provisions

## **4 Management of insurance and financial risk**

### **4.1 Management of insurance risk**

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

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

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

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

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

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

#### **Sensitivity to insurance risk**

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

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

**Millî Reasürans Türk Anonim Şirketi**  
**Notes to the Unconsolidated Financial Statements**  
**As of December 31, 2024**

(Currency: Turkish Lira (TL))

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

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

**4.1 Management of insurance risk (continued)**

**Insurance risk concentrations**

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

| <b>Branches</b>                | <b>Gross total<br/>claims liability (*)</b> | <b>December 31, 2024</b>                               | <b>Net total<br/>claims liability</b> |
|--------------------------------|---|--|---------------------------------------|
|                                |   | <b>Reinsurance share of<br/>total claims liability</b> |                                       |
| Fire and Natural Disasters     | 7.147.159.967                               | (4.573.446.732)  | 2.573.713.235                         |
| General Losses                 | 1.634.583.440                               | (9.292.488)  | 1.625.290.952                         |
| Sea Vehicles                   | 327.869.173                                 | (32.295.210)   | 295.573.963                           |
| General Liabilities            | 214.406.429                                 | (1.862.334)  | 212.544.095                           |
| Marine                         | 221.955.057                                 | (56.483.650)   | 165.471.407                           |
| Land Vehicles Liability (MTPL) | 147.256.964                                 | (15.447)   | 147.241.517                           |
| Financial Losses               | 89.638.356                                  | (2.553.391)  | 87.084.965                            |
| Land Vehicles                  | 73.824.733                                  | (57.811)   | 73.766.922                            |
| Accident                       | 25.980.453                                  | (572.053)  | 25.408.400                            |
| Health                         | 7.784.841                                   | --   | 7.784.841                             |
| Life                           | 10.894.560                                  | (3.522.521)  | 7.372.039                             |
| Fidelity Guarantees            | 5.581.260                                   | (22.931)   | 5.558.329                             |
| Air Vehicles                   | 4.208.193                                   | --   | 4.208.193                             |
| Credit                         | 440.103                                     | --   | 440.103                               |
| Legal Protection               | 21.149                                      | --   | 21.149                                |
| Sea Vehicles liability         | 1.349                                       | --   | 1.349                                 |
| <b>Total</b>                   | <b>9.911.606.027</b>                        | <b>(4.680.124.568)</b>                                 | <b>5.231.481.459</b>                  |

| <b>Branches</b>                | <b>Gross total<br/>claims liability (*)</b> | <b>December 31, 2023</b>                               | <b>Net total<br/>claims liability</b> |
|--------------------------------|---|--|---------------------------------------|
|                                |   | <b>Reinsurance share of<br/>Total claims liability</b> |                                       |
| Fire and natural disasters     | 10.630.493.085                              | (7.579.866.355)  | 3.050.626.730                         |
| General Losses                 | 1.014.234.797                               | (9.621.848)  | 1.004.612.949                         |
| Sea Vehicles                   | 194.713.991                                 | (19.056.273)   | 175.657.718                           |
| Land vehicles liability (MTPL) | 122.487.913                                 | (20.674)   | 122.467.239                           |
| Marine                         | 130.022.396                                 | (9.014.277)  | 121.008.119                           |
| General liabilities            | 114.262.623                                 | (1.333.033)  | 112.929.590                           |
| Land Vehicles                  | 35.632.466                                  | (30.689)   | 35.601.777                            |
| Financial Losses               | 27.025.157                                  | (1.308.113)  | 25.717.044                            |
| Accident                       | 23.964.451                                  | (86.281)   | 23.878.170                            |
| Life                           | 9.400.117                                   | (2.568.630)  | 6.831.487                             |
| Air Vehicles                   | 5.444.820                                   | -  | 5.444.820                             |
| Health                         | 4.437.711                                   | -  | 4.437.711                             |
| Legal protection               | 3.126.615                                   | (70.409)   | 3.056.206                             |
| Credit                         | 306.106                                     | -  | 306.106                               |
| Legal protection               | 6.745                                       | -  | 6.745                                 |
| <b>Total</b>                   | <b>12.315.558.993</b>                       | <b>(7.622.976.582)</b>                                 | <b>4.692.582.411</b>                  |

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

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

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

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

### **4.2 Management of financial risk**

#### **Introduction and overview**

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

- credit risk
- liquidity risk
- market risk

The Company may be exposed to Credit Risk (counterparty risk, counterparty concentration risk), Market Risk (currency and parity risk, interest rate risk, equity position risk, off-balance sheet risk, financial instrument concentration risk), and Liquidity Risk (liquidity risk related to funding, market, and concentration) depending on the level and nature of its assets at any given time. The Company's exposure to each of the above risks is assessed according to "Application Principles in Respect of Risk Limits".

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

#### **Credit risk**

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

In measuring Credit Risk, both quantitative and qualitative methods are used together. As part of managing the credit risk related to the investment portfolio, the credit ratings of the issuers of securities and the transaction limits set to prevent concentration of counterparties are regularly monitored.

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

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

##### **4.2 Management of financial risk (continued)**

###### **Credit risk (continued)**

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

|  | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|--|--------------------------|--------------------------|
| Cash and cash equivalents (Note 14)  | 4.383.823.465            | 1.825.305.969            |
| Financial assets and financial investments with risks on policyholders (Note 11) (*) | 4.413.356.379            | 4.025.665.429            |
| Receivables from main operations (Note 12)   | 2.866.435.125            | 4.088.255.641            |
| Reinsurer share in outstanding claims reserve (Note 10), (Note 17)                   | 1.729.970.615            | 5.807.404.091            |
| Prepaid taxes and funds (Note 12)  | 71.260.270               | 9.170.386                |
| Income accruals  | 323.144.436              | 64.668.644               |
| Other Prepaid Expenses (**)  | 74.552.621               | 69.776.254               |
| Other receivables (Note 12)  | 235.542.408              | 37.011.346               |
| Business advances and advances given to employees (Note 12)                          | 702.865                  | 47.448                   |
| <b>Total</b>   | <b>14.098.788.184</b>    | <b>15.927.305.208</b>    |

(\*) Equity shares amounting to TL 885.467.625 are not included (December 31, 2023: TL 424.271.505)

(\*\*) TL 63.786.584 is the advance amount given by the Company. (December 31, 2023: TL 62.292.330).

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

|                     | <b>December 31, 2024</b> |                      | <b>December 31, 2023</b> |                      |
|---------------------|--------------------------|----------------------|--------------------------|----------------------|
|                     | <b>Gross amount</b>      | <b>Provision</b>     | <b>Gross amount</b>      | <b>Provision</b>     |
| Not past due        | 2.277.461.297            | --                   | 3.987.418.075            | -                    |
| Past due 0-30 days  | 18.358.130               | --                   | 4.251.560                | -                    |
| Past due 31-60 days | 173.533.100              | --                   | 3.415.191                | -                    |
| Past due 61-90 days | 145.625.412              | --                   | 827.664                  | -                    |
| More than 90 days   | 429.933.870              | (178.476.684)        | 245.909.951              | (153.566.800)        |
| <b>Total</b>        | <b>3.044.911.809</b>     | <b>(178.476.684)</b> | <b>4.241.822.441</b>     | <b>(153.566.800)</b> |

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

|   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---|--------------------------|--------------------------|
| Provision for receivables from insurance operations at the beginning of the year  | 153.566.800              | 78.486.484               |
| Provisions for doubtful receivables during the period (Note 47)                   | -                        | 30.918.223               |
| Foreign currency translation effect (Note 47)                                     | 24.909.884               | 44.162.093               |
| <b>Provision for receivables from insurance operations at the end of the year</b> | <b>178.476.684</b>       | <b>153.566.800</b>       |

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

|   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---|--------------------------|--------------------------|
| Provision for other receivables at the beginning of the year  | 705.142                  | 705.142                  |
| Impairment losses provided during the period                  | -                        | -                        |
| <b>Provision for other receivables at the end of the year</b> | <b>705.142</b>           | <b>705.142</b>           |

## 4 Management insurance and financial risk (continued)

### 4.2 Management of financial risk (continued)

#### Liquidity risk

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

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

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

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

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

#### Management of the liquidity risk

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

Maturity distribution of monetary assets and liabilities:

| December 31, 2024                                  | Carrying amount       | Up to 1 month        | 1 to 3 months        | 3 to 6 months      | 6 to 12 months     | 1 year and up        | Unallocated           |
|--|-----------------------|----------------------|----------------------|--------------------|--------------------|----------------------|-----------------------|
| Cash and cash equivalents                          | 4.383.823.465         | 2.705.686.736        | 1.362.362.310        | 147.658.001        | 168.116.418        | -                    | -                     |
| Financial assets <sup>(*)</sup>                    | 4.413.356.379         | 1.826.316.901        | 916.044.695          | 216.342.000        | 187.172.800        | 1.267.479.983        | -                     |
| Receivables from main operations                   | 2.866.435.125         | 1.701.622.445        | 403.517.238          | 153.151.228        | 176.490.294        | 431.653.920          | -                     |
| Other receivables and current assets               | 705.202.600           | 469.204.704          | -                    | -                  | 235.928.337        | 69.559               | -                     |
| <b>Total monetary assets</b>                       | <b>12.368.817.569</b> | <b>6.702.830.786</b> | <b>2.681.924.243</b> | <b>517.151.229</b> | <b>767.707.849</b> | <b>1.699.203.462</b> | <b>-</b>              |
| Financial liabilities and other liabilities        | 34.053.094            | 12.895.710           | 2.583.126            | 3.766.083          | 7.016.875          | 7.791.300            | -                     |
| Payables arising from main operations              | 474.163.450           | 459.474.538          | 13.240.374           | -                  | 1.409.658          | 38.880               | -                     |
| Due to related parties                             | 2.446.229             | 2.446.229            | -                    | -                  | -                  | -                    | -                     |
| Insurance technical reserves <sup>(**)</sup>       | 9.613.313.245         | -                    | -                    | -                  | -                  | -                    | 9.613.313.245         |
| Provisions for taxes and other similar obligations | 15.618.183            | 15.618.183           | -                    | -                  | -                  | -                    | -                     |
| Provisions for other risks and expense accruals    | 733.339.055           | 25.630.026           | 29.977.516           | -                  | -                  | -                    | 677.731.513           |
| <b>Total monetary liabilities</b>                  | <b>10.872.933.256</b> | <b>516.064.686</b>   | <b>45.801.016</b>    | <b>3.766.083</b>   | <b>8.426.533</b>   | <b>7.830.180</b>     | <b>10.291.044.758</b> |

(\*) Equity shares amounting to TL 885.467.625 are not included.

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

**Millî Reasürans Türk Anonim Şirketi**  
**Notes to the Unconsolidated Financial Statements**  
**As of December 31, 2024**

(Currency: Turkish Lira (TL))

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

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

**4.2 Management of financial risk (continued)**

**Liquidity risk (continued)**

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

(\*) Equity shares amounting to TL 424.271.505 are not included.

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

**Market risk**

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and credit spreads will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The market risk arising from the company's securities portfolio is managed through daily measurement, testing the reliability of the measurement results, examining the trajectory based on different scenarios, carefully assessing, and reporting.

**Foreign currency risk**

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

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

| December 31, 2024  | US Dollar              | Euro                 | Other currencies        | Total                  |
|--|------------------------|----------------------|-------------------------|------------------------|
| <b>Assets:</b>   |                        |                      |                         |                        |
| Cash and cash equivalents                                    | 440.800.354            | 245.778.935          | 238.780.572             | 925.359.861            |
| Financial assets and financial investments of risky insurers | 956.508.247            | 1.575.633.765        | -                       | 2.532.142.012          |
| Receivables from main operations                             | 538.484.416            | 839.590.811          | 687.260.687             | 2.065.335.914          |
| <b>Total foreign currency assets</b>                         | <b>1.935.793.017</b>   | <b>2.661.003.511</b> | <b>926.041.259</b>      | <b>5.522.837.787</b>   |
| <b>Liabilities:</b>  |                        |                      |                         |                        |
| Payables arising from main operations                        | (207.933.069)          | (96.925.770)         | (103.981.137)           | (408.839.976)          |
| Insurance technical reserves <sup>(*)</sup>                  | (1.670.459.602)        | 659.981.950          | (934.323.005)           | (1.944.800.657)        |
| Financial liabilities  | -                      | -                    | (8.814.691)             | (8.814.691)            |
| <b>Total foreign currency liabilities</b>                    | <b>(1.878.392.671)</b> | <b>563.056.180</b>   | <b>(1.047.118.833)</b>  | <b>(2.362.455.324)</b> |
| <b>Net financial position</b>                                | <b>57.400.346</b>      | <b>3.224.059.691</b> | <b>(121.077.574)</b>    | <b>3.160.382.463</b>   |
| <b>December 31, 2023</b>                                     | <b>US Dollar</b>       | <b>Euro</b>          | <b>Other currencies</b> | <b>Total</b>           |
| <b>Assets:</b>   |                        |                      |                         |                        |
| Cash and cash equivalents                                    | 495.620.205            | 373.409.237          | 182.125.408             | 1.051.154.850          |
| Financial assets and financial investments of risky insurers | 1.940.744.419          | 1.198.162.213        | -                       | 3.138.906.632          |
| Receivables from main operations                             | 406.217.893            | 2.120.535.414        | 774.575.823             | 3.301.329.130          |
| <b>Total foreign currency assets</b>                         | <b>2.842.582.517</b>   | <b>3.692.106.864</b> | <b>956.701.231</b>      | <b>7.491.390.612</b>   |
| <b>Liabilities:</b>  |                        |                      |                         |                        |
| Payables arising from main operations                        | (270.214.574)          | (203.010.276)        | (76.120.227)            | (549.345.077)          |
| Insurance technical reserves <sup>(*)</sup>                  | (2.077.129.360)        | 3.772.796.849        | (639.742.461)           | 1.055.925.028          |
| Financial liabilities  | -                      | -                    | (15.530.811)            | (15.530.811)           |
| <b>Total foreign currency liabilities</b>                    | <b>(2.347.343.934)</b> | <b>3.569.786.573</b> | <b>(731.393.499)</b>    | <b>491.049.140</b>     |
| <b>Net financial position</b>                                | <b>495.238.583</b>     | <b>7.261.893.437</b> | <b>225.307.732</b>      | <b>7.982.439.752</b>   |

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

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

##### **4.2 Management of financial risk (continued)**

###### **Market risk (continued)**

###### **Foreign currency risk (continued)**

For the purpose of evaluation of the above table, TL equivalents of the relevant foreign currency amounts have been shown. December 31, 2024 While evaluating the CBRT with the exchange rate of the CBRT, other daily transactions are evaluated with accounting based on the temporary exchange rates on the date of the transaction, at the end of the reporting period, active items denominated in foreign currencies are evaluated with the CBRT exchange rates of December 31, 2024 and passive items are evaluated with the CBRT sales rates.

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

|                  | Buying  |         | Selling |         | Average |         |
|------------------|---------|---------|---------|---------|---------|---------|
|                  | ABD     | Euro    | ABDı    | Euro    | ABD     | Euro    |
| 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*

20 percent depreciation of the TL against the following currencies As of December 31, 2024 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.

|                   | December 31, 2024  |                    | December 31, 2023    |                      |
|-------------------|--------------------|--------------------|----------------------|----------------------|
|                   | Profit or loss     | Equity (*)         | Profit or loss       | Equity (*)           |
| US Dollar         | 11.480.069         | 11.480.069         | 99.047.717           | 99.047.717           |
| Euro              | 644.811.938        | 644.811.938        | 1.452.378.687        | 1.452.378.687        |
| Other             | (24.215.515)       | (24.215.515)       | 45.061.546           | 45.061.546           |
| <b>Total, net</b> | <b>632.076.492</b> | <b>632.076.492</b> | <b>1.596.487.950</b> | <b>1.596.487.950</b> |

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

###### *Exposure to interest rate risk*

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

As of the reporting period, the interest profile of the Company's interest-bearing financial assets is detailed in the table below:

|   | December 31, 2024    | December 31, 2023    |
|---|----------------------|----------------------|
| <b>Financial assets</b>   |                      |                      |
| <b>Financial assets with fixed interest rates:</b>                        | <b>6.417.269.221</b> | <b>4.646.941.078</b> |
| Cash at banks (Note 14)   | 3.962.224.360        | 1.382.361.342        |
| Available for sale financial assets – Government bonds – FC (Note 11)     | 114.506.740          | 102.838.930          |
| Available for sale financial assets – Government bonds – TL (Note 11)     | 1.270.677.676        | 1.919.827.571        |
| Available for sale financial assets – Private sector bonds – FC (Note 11) | 380.160.683          | 22.834.174           |
| Available for sale financial assets – Private sector bonds – TL (Note 11) | 689.699.762          | 1.219.079.061        |
| <b>Financial assets with variable interest rate:</b>                      | <b>160.772.800</b>   | <b>405.739.000</b>   |
| FX-protected deposits;(Note 11)   | -                    | 325.739.000          |
| Available for sale financial assets – Private sector bonds – TL (Note 11) | 160.772.800          | 80.000.000           |



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

##### **4.2 Management of financial risk (continued)**

###### **Market risk (continued)**

###### *Fair value information*

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

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

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

###### *Classification relevant to fair value information*

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

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

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

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

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

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

|   | December 31, 2024    |          |          |                      |
|---|----------------------|----------|----------|----------------------|
|   | Level 1              | Level 2  | Level 3  | Total                |
| <b><i>Financial assets:</i></b>                   |                      |          |          |                      |
| Held for trading financial assets (Note 11)       | 1.869.851.326        | -        | -        | 1.869.851.326        |
| Available for sale financial assets (Note 11) (*) | 3.428.881.186        | -        | -        | 3.428.881.186        |
| <b>Total financial assets</b>                     | <b>5.298.732.512</b> | <b>-</b> | <b>-</b> | <b>5.298.732.512</b> |

(\*) As of December 31, 2024, securities that are not publicly traded amounting to TL 91.492 have been measured at cost.

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

##### **4.2 Management of financial risk (continued)**

###### **Market risk (continued)**

|  | December 31, 2023    |                    |          |                      |
|--|----------------------|--------------------|----------|----------------------|
|  | Level 1              | Level 2            | Level 3  | Total                |
| <i>Financial assets:</i>   |                      |                    |          |                      |
| Held for trading financial assets <i>(Note 11)</i>                 | 285.486.151          | 325.739.000        | -        | 611.225.151          |
| Available for sale financial assets <i>(Note 11)</i><br><i>(*)</i> | 3.838.620.291        | -                  | -        | 3.838.620.291        |
| <b>Total financial assets</b>                                      | <b>4.124.106.442</b> | <b>325.739.000</b> | <b>-</b> | <b>4.449.845.442</b> |
|  |                      |                    |          |                      |
| Investment properties <i>(Note 6)</i>                              | -                    | 30.000.000         | -        | 30.000.000           |
| <b>Total tangible assets</b>                                       | <b>-</b>             | <b>30.000.000</b>  | <b>-</b> | <b>30.000.000</b>    |
|  |                      |                    |          |                      |
| <b>Total</b>   | <b>4.124.106.442</b> | <b>355.739.000</b> | <b>-</b> | <b>4.479.845.442</b> |

(\*) As of December 31, 2023, securities that are not publicly traded amounting to TL 91.492 have been measured at cost.

###### **Equity share price risk**

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

The effect of changes in fair values of the associates and the available-for-sale financial assets on equity that is resulted from the fluctuations on index (all of the other variables are assumed to be fixed) are as follows  
As of December 31, 2024 and 2023:

|                        | Change in index | December 31, 2024 | December 31, 2023 |
|------------------------|-----------------|-------------------|-------------------|
| Market price of equity | % 10            | 88.537.613        | 42.418.001        |

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

##### **4.2 Management of financial risk (continued)**

###### **Gain and losses from financial assets**

|  | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--|------------------------------|------------------------------|
| <b><i>Gains and losses recognized in the statement of income, net:</i></b>   |                              |                              |
| Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (Note 15) | 80.543.355                   | 10.668.838                   |
| Interest income from bank deposits   | 1.186.440.543                | 194.209.697                  |
| Interest income from debt securities classified as available-for-sale financial assets   | 289.644.738                  | 286.483.115                  |
| Income from equity shares classified as held for trading financial assets  | 4.659.044                    | 691.754                      |
| Foreign exchange gains   | 450.091.248                  | 1.593.897.170                |
| Income from mutual funds classified as available for sale financial assets   | 296.715.116                  | 292.928.136                  |
| Income from mutual funds classified as trading financial assets  | 68.485.017                   | 5.392.611                    |
| Interest income from repos   | 25.654                       | 356                          |
| Income from subsidiaries   | 24.073.923                   | 113.940.001                  |
| Income from affiliates   | 7.555.428.109                | 3.367.901.023                |
| Income from derivative products  | 536.502.944                  | 355.585.374                  |
| <b>Investment income</b>   | <b>10.492.609.691</b>        | <b>6.221.698.075</b>         |
| Losses from derivatives transactions   | (5.039.473)                  | (6.884.346)                  |
| Foreign exchange losses  | (35.029.676)                 | (39.581.334)                 |
| Loss from disposal of financial assets   | (24.341.548)                 | (13.345.686)                 |
| Investment management expenses (including interest)  | (4.165.831)                  | (577.324)                    |
| <b>Investment expenses</b>   | <b>(68.576.528)</b>          | <b>(60.388.690)</b>          |
| <b>Investment income, net</b>  | <b>10.424.033.163</b>        | <b>6.161.309.385</b>         |
|  |                              |                              |
| <b><i>Gains and losses recognized in the statement of equity, net:</i></b>   |                              |                              |
| Fair value changes in available for sale financial assets (Note 15)  | 368.948.681                  | 811.010.817                  |
| Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (Note 15) | (80.543.355)                 | (10.668.838)                 |
| <b>Total</b>   | <b>288.405.326</b>           | <b>800.341.979</b>           |

###### **Capital management**

The Company's capital management policies include the following:

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

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered; the Company measured its minimum capital requirement as TL 7.144.638.233 as of December 31, 2024. As of December 31, 2024, the Company's equity, as determined by the capital adequacy regulations, is 16,658,776,868 TL. According to the calculated capital adequacy result based on the regulations, there is a capital surplus of 9,514,138,635 TL as of December 31, 2024.

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**5 Segment Information**

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

As of December 31, 2024, the Company operates in life and non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market.

**6 Tangible assets**

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

|                                  | January 1,<br>2024 | Additions         | Foreign<br>currency<br>translation<br>effect (*) | Disposals           | Revaluation<br>surplus | December<br>31,<br>2024 |
|----------------------------------|--------------------|-------------------|--|---------------------|------------------------|-------------------------|
| <b>Cost:</b>                     |                    |                   |  |                     |                        |                         |
| Investment properties (Note 7)   | 30.000.000         | -                 | -  | (30.000.000)        | -                      | -                       |
| Furniture and fixtures           | 43.187.951         | 7.894.700         | 1.428.004  | (2.345.849)         | -                      | 50.164.806              |
| Land vehicles                    | 4.786.494          | 13.395.172        | 775.893  | (5.562.387)         | -                      | 13.395.172              |
| Leased Assets                    | 40.132.165         | 7.191.469         | 4.692.563  | -                   | -                      | 52.016.197              |
| Other Tangible Assets            | 53.013.225         | -                 | -  | -                   | -                      | 53.013.225              |
|                                  | <b>171.119.835</b> | <b>28.481.341</b> | <b>6.896.460</b>                                 | <b>(37.908.236)</b> | <b>-</b>               | <b>168.589.400</b>      |
| <b>Accumulated depreciation:</b> |                    |                   |  |                     |                        |                         |
| Furniture and fixtures           | 17.221.835         | 8.189.362         | 1.394.069  | (2.341.622)         | -                      | 24.463.644              |
| Land vehicles                    | 3.809.068          | 1.477.630         | 659.237  | (5.093.826)         | -                      | 852.109                 |
| Leased Assets                    | 11.477.219         | 13.794.753        | 2.224.381  | -                   | -                      | 27.496.353              |
| Other Tangible Assets            | 883.554            | 10.602.644        | -  | -                   | -                      | 11.486.198              |
|                                  | <b>33.391.676</b>  | <b>34.064.389</b> | <b>4.277.687</b>                                 | <b>(7.435.448)</b>  | <b>-</b>               | <b>64.298.304</b>       |
| <b>Carrying amounts</b>          | <b>137.728.159</b> |                   |  |                     |                        | <b>104.291.096</b>      |

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

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

|                                     | January 1,<br>2023   | Additions          | Foreign<br>currency<br>translation<br>effect (*) | Disposals              | Revaluation<br>surplus | December<br>31,<br>2023 |
|-------------------------------------|----------------------|--------------------|--|------------------------|------------------------|-------------------------|
| <b>Cost:</b>                        |                      |                    |  |                        |                        |                         |
| Investment properties (Note 7) (**) | 1.650.131.000        | -                  | -  | (3.153.406.000)        | 1.533.275.000          | 30.000.000              |
| Buildings for own use (**)          | 744.475.000          | -                  | -  | (1.459.750.000)        | 715.275.000            | -                       |
| Furniture and fixtures              | 29.953.528           | 43.313.945         | 2.630.094  | (32.709.616)           | -                      | 43.187.951              |
| Land vehicles                       | 3.360.121            | -                  | 1.426.373  | -                      | -                      | 4.786.494               |
| Operating leases                    | 9.441.382            | 31.870.920         | 8.131.514  | (9.311.651)            | -                      | 40.132.165              |
| Construction in progress            | 11.444.885           | 69.905.568         | -  | (81.350.453)           | -                      | -                       |
| Other Tangible Assets               | -                    | 53.013.225         | -  | -                      | -                      | 53.013.225              |
|                                     | <b>2.448.805.916</b> | <b>198.103.658</b> | <b>12.187.981</b>                                | <b>(4.736.527.720)</b> | <b>2.248.550.000</b>   | <b>171.119.835</b>      |
| <b>Accumulated depreciation:</b>    |                      |                    |  |                        |                        |                         |
| Buildings for own use               | -                    | 3.592.916          | -  | (3.592.916)            | -                      | -                       |
| Furniture and fixtures              | 12.295.792           | 5.903.317          | 2.524.234  | (3.501.508)            | -                      | 17.221.835              |
| Land vehicles                       | 2.168.722            | 704.702            | 935.644  | -                      | -                      | 3.809.068               |
| Operating leases                    | 9.322.463            | 9.941.999          | 1.524.409  | (9.311.652)            | -                      | 11.477.219              |
| Other Tangible Assets               | -                    | 883.554            | -  | -                      | -                      | 883.554                 |
|                                     | <b>23.786.977</b>    | <b>21.026.488</b>  | <b>4.984.287</b>                                 | <b>(16.406.076)</b>    | <b>-</b>               | <b>33.391.676</b>       |
| <b>Carrying amounts</b>             | <b>2.425.018.939</b> |                    |  |                        |                        | <b>137.728.159</b>      |

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

(\*\*) The account for ongoing investments includes costs related to the renovation of the heating and cooling group.

As of December 31, 2024, and 2023, there is no mortgage on Company's tangible assets.

## **7 Investment properties**

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

Investment properties are presented by fair value method As of December 31, 2023 on balance sheet and The Company’s investment properties gained TL 1.533.275.000 amount of value in 2024 in the context of expertise report prepared by independent professional valuation specialists authorized by Capital Markets Board of Turkey.

As of December 31, 2024, the Company does not have any investment properties. (December 31, 2023: 30,000,000 TL).

The expertise (excluding VAT) and net book values of investment properties are as follows per real estate. Expertise reports regarding these properties are prepared by independent professional valuation specialists authorized by CMB in December 2023. There is no mortgage on the real estates.

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

|                         | <b>December 31, 2024</b> | <b>December 31, 2023</b> | <b>Date of</b>   | <b>Value of</b>         |
|-------------------------|--------------------------|--------------------------|------------------|-------------------------|
|                         | <b>Net book value</b>    | <b>Net book value</b>    | <b>expertise</b> | <b>expertise report</b> |
|                         |                          |                          | <b>report</b>    |                         |
| Villa İş Hanı (*)       | -                        | 30.000.000               | Aralık 2023      | 30.000.000              |
| -Sports facility        | -                        | 30.000.000               | Aralık 2023      | 30.000.000              |
| <b>Carrying amounts</b> | <b>-</b>                 | <b>30.000.000</b>        |                  | <b>30.000.000</b>       |

(\*)The sale transaction of Villa İş Hanı Sports Facility was completed on May 27, 2024.

On August 25, 2023, the Board of Directors decided that the real estate assets registered in the Company's books, both for use and investment purposes, would be transferred to Miltaş Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, as capital through a partial spin-off, based on the Corporate Tax Law articles 19 and 20, and the Turkish Commercial Code articles 159 to 179, considering the VUK (Tax Procedure Law) financial statements. The fair value of the real estate transferred as of December 31, 2023, was 4,613,156,000 TL.

### **Fair value measurement**

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

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## 8 Intangible assets

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

|  | January 1,<br>2024 | Additions         | Foreign currency<br>translation<br>effects <sup>(*)</sup> | Disposal            | Transfers | December 31,<br>2024 |
|--|--------------------|-------------------|---|---------------------|-----------|----------------------|
| <b>Cost:</b>   |                    |                   |   |                     |           |                      |
| Rights   | 61.830.210         | 307.644           | 231.183   | (48.064.224)        | -         | 14.304.813           |
| Advances on intangible<br>fixed assets <sup>(**)</sup> | 37.611.025         | 35.742.710        | -   | -                   | -         | 73.353.735           |
|  | <b>99.441.235</b>  | <b>36.050.354</b> | <b>231.183</b>  | <b>(48.064.224)</b> | <b>-</b>  | <b>87.658.548</b>    |
| <b>Accumulated amortization:</b>                       |                    |                   |   |                     |           |                      |
| Rights   | 54.082.786         | 4.424.862         | 197.309   | (48.064.224)        | -         | 10.640.733           |
|  | <b>54.082.786</b>  | <b>4.424.862</b>  | <b>197.309</b>  | <b>(48.064.224)</b> | <b>-</b>  | <b>10.640.733</b>    |
| <b>Carrying amounts</b>                                | <b>45.358.449</b>  |                   |   |                     |           | <b>77.017.815</b>    |

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

(\*\*) Given referring to TFRS 17 consultation and softwares.

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

|  | January 1,<br>2023 | Additions         | Foreign currency<br>translation<br>effects <sup>(*)</sup> | Disposal         | Transfers | December 31,<br>2023 |
|--|--------------------|-------------------|---|------------------|-----------|----------------------|
| <b>Cost:</b>   |                    |                   |   |                  |           |                      |
| Rights   | 56.102.890         | 5.998.740         | 424.999   | (696.419)        | -         | 61.830.210           |
| Advances on intangible<br>fixed assets <sup>(**)</sup> | 16.109.082         | 21.501.943        | -   | -                | -         | 37.611.025           |
|  | <b>72.211.972</b>  | <b>27.500.683</b> | <b>424.999</b>  | <b>(696.419)</b> | <b>-</b>  | <b>99.441.235</b>    |
| <b>Accumulated amortization:</b>                       |                    |                   |   |                  |           |                      |
| Rights   | 47.345.521         | 6.992.157         | 298.552   | (553.444)        | -         | 54.082.786           |
|  | <b>47.345.521</b>  | <b>6.992.157</b>  | <b>298.552</b>  | <b>(553.444)</b> | <b>-</b>  | <b>54.082.786</b>    |
| <b>Carrying amounts</b>                                | <b>24.866.451</b>  |                   |   |                  |           | <b>45.358.449</b>    |

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

(\*\*) Given referring to TFRS 17 consultation and softwares.

## 9 Investments in associates

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

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

|   | December 31, 2024     |                      | December 31, 2023     |                      |
|---|-----------------------|----------------------|-----------------------|----------------------|
|   | Net book value        | Participation rate % | Net book value        | Participation rate % |
| Anadolu Hayat Emeklilik A.Ş.                | 1.254.912.086         | 12,46                | 803.602.412           | 12,46                |
| <b>Investments in associates</b>            | <b>1.254.912.086</b>  |                      | <b>803.602.412</b>    |                      |
| Anadolu Anonim Türk Sigorta Şirketi         | 12.443.252.540        | 57,31                | 6.262.532.543         | 57,31                |
| Miltaş Turizm İnşaat Ticaret Anonim Şirketi | 5.119.639.860         | 100,00               | 3.626.312.896         | 100,00               |
| <b>Investments in subsidiaries</b>          | <b>17.562.892.400</b> |                      | <b>9.888.845.439</b>  |                      |
| <b>Total financial asset</b>                | <b>18.817.804.486</b> |                      | <b>10.692.447.851</b> |                      |

The consolidated financial information of Anadolu Sigorta, Anadolu Hayat, and Miltaş Turizm İnşaat Tic. A.Ş. as of December 31, 2024, is shown below:

| Name                                | Total assets    | Shareholders' equity | Retained earnings | Profit for the year | Audited  | Period         |
|-------------------------------------|-----------------|----------------------|-------------------|---------------------|----------|----------------|
| <b>Associates:</b>                  |                 |                      |                   |                     |          |                |
| Anadolu Hayat Emeklilik A.Ş.        | 260.339.161.440 | 10.071.525.906       | 186.293.195       | 4.305.802.455       | Geçti.   | 31 Aralık 2024 |
| <b>Subsidiaries:</b>                |                 |                      |                   |                     |          |                |
| Miltaş Turizm İnşaat Tic.A.Ş.       | 6.814.773.005   | 5.119.639.860        | 39.025.188        | 1.435.959.596       | Geçmedi. | 31 Aralık 2024 |
| Anadolu Anonim Türk Sigorta Şirketi | 89.267.931.589  | 23.726.137.445       | 652.582.741       | 11.538.847.383      | Geçti.   | 31 Aralık 2024 |

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

|  | December 31, 2024    |                       |                       |
|--|----------------------|-----------------------|-----------------------|
|  | Associates           | Subsidiaries          | Total                 |
| <b>Beginning of the period - January 1</b> | <b>803.602.412</b>   | <b>9.888.845.439</b>  | <b>10.692.447.851</b> |
| Shares of net profits for the period       | 536.502.944          | 7.555.428.109         | 8.091.931.053         |
| Increase recognized in equity              | 39.406.730           | 4.018.851             | 43.425.581            |
| Dividend                                   | (124.600.000)        | 114.600.001           | (9.999.999)           |
| <b>End of the period - December 31</b>     | <b>1.254.912.086</b> | <b>17.562.892.400</b> | <b>18.817.804.486</b> |

## 10 Reinsurance assets and liabilities

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

|   | December 31,<br>2024 | December 31,<br>2023 |
|---|----------------------|----------------------|
| <b>Reinsurance assets</b>                               |                      |                      |
| Receivables from reinsurance companies (Note 12)        | 494.482.487          | 985.866.927          |
| Cash deposited to reinsurance companies                 | 269.851.682          | 294.520.563          |
| Outstanding claims reserve, ceded (Note 4.2), (Note 17) | 1.729.970.615        | 5.807.404.091        |
| Unearned premiums reserve, ceded (Note 17)              | 43.992.595           | 60.065.549           |
| <b>Total</b>  | <b>2.538.297.379</b> | <b>7.147.857.130</b> |

There are no impairment losses recognized for reinsurance assets.

|                                      | December 31,<br>2024 | December 31,<br>2023 |
|--------------------------------------|----------------------|----------------------|
| <b>Reinsurance liabilities</b>       |                      |                      |
| Deferred commission income (Note 19) | 4.303.316            | 8.565.638            |
| <b>Total</b>                         | <b>4.303.316</b>     | <b>8.565.638</b>     |

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

|  | December 31,<br>2024   | December 31,<br>2023   |
|--|------------------------|------------------------|
| Premiums ceded during the period (Note 17)                                 | (5.467.356.778)        | (2.089.018.861)        |
| Unearned premiums reserve, ceded at the beginning of the period (Note 17)  | (60.065.549)           | (49.314.693)           |
| Unearned premiums reserve, ceded at the end of the period (Note 17)        | 43.992.595             | 60.065.549             |
| <b>Premiums earned, ceded (Note 17)</b>                                    | <b>(5.483.429.732)</b> | <b>(2.078.268.005)</b> |
| Claims paid, ceded during the period (Note 17)                             | 4.680.124.568          | 7.622.976.582          |
| Outstanding claims reserve, ceded at the beginning of the period (Note 17) | (5.807.404.091)        | (129.947.122)          |
| Outstanding claims reserve, ceded at the end of the period (Note 17)       | 1.729.970.615          | 5.807.404.091          |
| <b>Claims incurred, ceded (Note 17)</b>                                    | <b>602.691.092</b>     | <b>13.300.433.551</b>  |
| Commission income accrued from reinsurers during the period (Note 32)      | 162.461.722            | 25.349.513             |
| Deferred commission income at the beginning of the period (Note 19)        | 8.565.638              | 9.482.897              |
| Deferred commission income at the end of the period (Note 19)              | (4.303.316)            | (8.565.638)            |
| <b>Commission income earned from reinsurers (Note 32)</b>                  | <b>166.724.044</b>     | <b>26.266.772</b>      |
| <b>Changes in unexpired risks reserve, reinsurers' share (Note 17)</b>     | <b>(546.194)</b>       | <b>(109.628)</b>       |
| <b>Total, net</b>  | <b>(4.714.560.790)</b> | <b>11.248.322.690</b>  |



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## 11 Financial assets

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

|                                     | December 31,<br>2024 | December 31,<br>2023 |
|-------------------------------------|----------------------|----------------------|
| Financial Assets Held for Trading   | 1.869.851.326        | 611.225.151          |
| Available for sale financial assets | 3.428.972.678        | 3.838.711.783        |
| <b>Total</b>                        | <b>5.298.824.004</b> | <b>4.449.936.934</b> |

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

|  | December 31, 2024    |                      |                      | Net book<br>value    |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Nominal<br>value     | Cost                 | Fair value           |                      |
| <b>Debt instruments:</b>                         |                      |                      |                      |                      |
| Government bonds – TL                            | 39.293.493           | 59.490.880           | 114.506.740          | 114.506.740          |
| Government bonds – EUR                           | 26.320.000           | 556.100.696          | 1.003.869.190        | 1.003.869.190        |
| Government bonds – USD                           | 7.067.000            | 163.870.948          | 266.808.486          | 266.808.486          |
| Private sector bonds – USD                       | 19.006.000           | 661.119.144          | 689.699.762          | 689.699.762          |
| Private sector bonds – TL                        | 543.000.000          | 524.342.000          | 540.933.483          | 540.933.483          |
|  | <b>1.964.923.668</b> |                      | <b>2.615.817.661</b> | <b>2.615.817.661</b> |
| <b>Non-fixed income financial assets:</b>        |                      |                      |                      |                      |
| Equity shares                                    |                      | 61.938.846           | 785.210.400          | 785.210.400          |
| Investment funds                                 |                      | 27.000.000           | 27.944.617           | 27.944.617           |
|  |                      | <b>88.938.846</b>    | <b>813.155.017</b>   | <b>813.155.017</b>   |
| <b>Total available-for-sale financial assets</b> |                      | <b>2.053.862.514</b> | <b>3.428.972.678</b> | <b>3.428.972.678</b> |
|  | December 31, 2023    |                      |                      | Nominal<br>value     |
|  | Nominal<br>value     | Nominal<br>value     | Nominal value        |                      |
| <b>Debt instruments:</b>                         |                      |                      |                      |                      |
| Government bonds – TL                            | 39.293.493           | 59.490.880           | 102.838.930          | 102.838.930          |
| Government bonds – EUR                           | 33.130.000           | 513.062.696          | 1.118.747.045        | 1.118.747.045        |
| Government bonds – USD                           | 26.644.000           | 337.039.446          | 801.080.526          | 801.080.526          |
| Private sector bonds – USD                       | 38.032.000           | 602.809.643          | 1.139.663.893        | 1.139.663.893        |
| Private sector bonds – EUR                       | 2.500.000            | 65.846.419           | 79.415.168           | 79.415.168           |
| Private sector bonds – TL                        | 103.000.000          | 102.051.500          | 102.834.175          | 102.834.175          |
|  | <b>1.680.300.584</b> |                      | <b>3.344.579.737</b> | <b>3.344.579.737</b> |
| <b>Non-fixed income financial assets:</b>        |                      |                      |                      |                      |
| Equity shares                                    |                      | 61.938.846           | 424.271.505          | 424.271.505          |
| Investment funds                                 |                      | 35.992.237           | 69.860.541           | 69.860.541           |
|  |                      | <b>97.931.083</b>    | <b>494.132.046</b>   | <b>494.132.046</b>   |
| <b>Total available-for-sale financial assets</b> |                      | <b>1.778.231.667</b> | <b>3.838.711.783</b> | <b>3.838.711.783</b> |

## 11 Financial assets (continued)

As of December 31, 2024, 2023 the details of the Company's held for trading assets are as follows.

|                     | December 31, 2024    |                      | Net book value       |
|---------------------|----------------------|----------------------|----------------------|
|                     | Cost                 | Fair value           |                      |
| Investment funds TL | 989.976.416          | 1.197.829.527        | 1.197.829.527        |
| Investment funds YP | 573.285.998          | 571.764.574          | 571.764.574          |
| Share               | 102.624.024          | 100.257.225          | 100.257.225          |
| <b>Total</b>        | <b>1.665.886.438</b> | <b>1.869.851.326</b> | <b>1.869.851.326</b> |

|   | December 31, 2023  |                    | Net book value     |
|---|--------------------|--------------------|--------------------|
|   | Cost               | Fair value         |                    |
| Investment funds TL                       | 193.284.946        | 285.486.151        | 285.486.151        |
| Derivatives (Currency protected deposits) | 297.437.000        | 325.739.000        | 325.739.000        |
| <b>Total</b>                              | <b>490.721.946</b> | <b>611.225.151</b> | <b>611.225.151</b> |

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 TL 91.492 are not publicly traded (December 31, 2023: TL 91.492).

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

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

| Year | Change in value increase | Total increase in value |
|------|--------------------------|-------------------------|
| 2024 | 288.405.326              | 1.864.706.704           |
| 2023 | 800.341.979              | 1.576.301.378           |
| 2022 | 747.941.217              | 775.959.399             |

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

|   | Nominal value | December 31, 2024    |                      |                      |
|---|---------------|----------------------|----------------------|----------------------|
|   |               | Cost                 | Fair value           | Net book value       |
| Available for sale financial assets – Equity shares             |               | 61.871.244           | 785.142.798          | 785.142.798          |
| Available for sale financial assets – Investment funds          |               | 27.000.000           | 27.944.617           | 27.944.617           |
| Financial Assets Held For Trading - Investment funds            |               | 1.438.262.419        | 1.625.012.463        | 1.625.012.463        |
| Available for sale financial assets – Private sector bonds      | 515.000.000   | 496.342.000          | 512.155.300          | 512.155.300          |
| <b>Total</b>  |               | <b>2.023.475.663</b> | <b>2.950.255.178</b> | <b>2.950.255.178</b> |
|   | Nominal value | December 31, 2023    |                      |                      |
|   |               | Cost                 | Fair value           | Net book value       |
| Available for sale financial assets – Equity shares             |               | 61.871.244           | 424.203.903          | 424.203.903          |
| Available for sale financial assets – Investment funds          |               | 35.992.237           | 69.860.541           | 69.860.541           |
| Financial Assets Held For Trading - Investment funds            |               | 193.284.946          | 285.486.151          | 285.486.151          |
| Financial Assets Held for Trading - Currency Protected Deposits |               | 297.437.000          | 325.739.000          | 325.739.000          |
| Available for sale financial assets – Private sector bonds      | 80.000.000    | 80.000.000           | 80.000.000           | 80.000.000           |
| Available for sale financial assets – Private sector bonds FC   | 7.000.000     | 41.143.317           | 209.485.175          | 209.485.175          |
| <b>Total</b>  |               | <b>709.728.744</b>   | <b>1.394.774.770</b> | <b>1.394.774.770</b> |

## 11 Financial assets (continued)

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

| December 31, 2024                             |                                      |                        |                      |
|---|--------------------------------------|------------------------|----------------------|
|   | Financial assets<br>held for trading | Available-for-<br>sale | Total                |
| <b>Balance at the beginning of the period</b> | <b>611.225.151</b>                   | <b>3.838.711.783</b>   | <b>4.449.936.934</b> |
| Acquisitions during the period                | 6.362.912.005                        | 4.016.645.253          | 10.379.557.258       |
| Change in the fair value of financial assets  | (5.397.521.758)                      | (5.309.865.181)        | (10.707.386.939)     |
| Fair value adjustment of financial assets     | 293.235.928                          | 883.480.823            | 1.176.716.751        |
| <b>Balance at the end of the period</b>       | <b>1.869.851.326</b>                 | <b>3.428.972.678</b>   | <b>5.298.824.004</b> |

| December 31, 2023                             |                                      |                        |                      |
|---|--------------------------------------|------------------------|----------------------|
|   | Financial assets<br>held for trading | Available-for-<br>sale | Total                |
| <b>Balance at the beginning of the period</b> | <b>999.731.915</b>                   | <b>2.814.230.254</b>   | <b>3.813.962.169</b> |
| Acquisitions during the period                | 2.769.818.978                        | 813.437.969            | 3.583.256.947        |
| Disposals (sale and redemption)               | (3.439.802.938)                      | (1.237.247.540)        | (4.677.050.478)      |
| Fair value adjustment of financial assets     | 281.477.196                          | 1.448.291.100          | 1.729.768.296        |
| <b>Balance at the end of the period</b>       | <b>611.225.151</b>                   | <b>3.838.711.783</b>   | <b>4.449.936.934</b> |

## 12 Loans and receivables

|  | December 31, 2024    | December 31, 2023    |
|--|----------------------|----------------------|
| Receivables from main operations (Note 4.2)    | 2.866.435.125        | 4.088.255.641        |
| Prepaid taxes and funds (Note 19)              | 71.260.270           | 9.170.386            |
| Other receivables (Note 4.2)                   | 235.542.408          | 37.011.346           |
| Business advance / Advances given to employees | 702.865              | 47.448               |
| <b>Total</b>                                   | <b>3.173.940.668</b> | <b>4.134.484.821</b> |
| Short-term receivables                         | 2.742.286.747        | 3.738.547.685        |
| Long-term receivables                          | 431.653.921          | 395.937.136          |
| <b>Total</b>                                   | <b>3.173.940.668</b> | <b>4.134.484.821</b> |

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

|   | December 31, 2024    | December 31, 2023    |
|---|----------------------|----------------------|
| Receivables from insurance companies                    | 1.028.793.487        | 723.099.199          |
| Receivables from brokers and intermediaries             | 918.802.840          | 1.909.847.902        |
| Receivables from reinsurance companies (Note 10)        | 494.482.487          | 985.866.927          |
| <b>Total receivables from insurance operations, net</b> | <b>2.442.078.814</b> | <b>3.618.814.028</b> |
| Cash deposited to insurance and reinsurance companies   | 424.356.311          | 469.441.613          |
| Doubtful receivables from main operations               | 178.476.684          | 153.566.800          |
| Provision for doubtful receivables from main operations | (178.476.684)        | (153.566.800)        |
| <b>Receivables from main operations</b>                 | <b>2.866.435.125</b> | <b>4.088.255.641</b> |

### Provisions for overdue receivables and receivables not due yet

- a) *Receivables under legal or administrative follow up (due):* TL 178.476.684 for main operations (December 31, 2023: TL 153.566.800) and TL 705.142 (December 31, 2023: TL 705.142) for other receivables.
- b) Provision for premium receivables (due): None (December 31, 2023: None).

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

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

### 13 Derivative financial assets

As of December 31, 2024, and 2023, the Company has no derivative financial instruments.

### 14 Cash and cash equivalents

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

|   | December 31, 2024              |                                      | December 31, 2023              |                                      |
|---|--------------------------------|--------------------------------------|--------------------------------|--------------------------------------|
|   | At the<br>end of<br>the period | At the<br>beginning of<br>the period | At the<br>end of<br>the period | At the<br>beginning of<br>the period |
| Cash on hand  | -                              | -                                    | -                              | 42.425                               |
| Bank deposits   | 4.383.823.465                  | 1.825.305.969                        | 1.825.305.969                  | 1.690.301.129                        |
| <b>Cash and cash equivalents in the balance sheet</b>                     | <b>4.383.823.465</b>           | <b>1.825.305.969</b>                 | <b>1.825.305.969</b>           | <b>1.690.343.554</b>                 |
| Bank deposits – blocked   | (500)                          | (500)                                | (500)                          | (500)                                |
| Time deposits with maturities longer than 3 months                        | (1.407.586.865)                | (745.832.738)                        | (745.832.738)                  | (305.956.102)                        |
| Interest accruals on bank deposits  | (135.744.176)                  | (5.501.890)                          | (5.501.890)                    | (9.232.799)                          |
| <b>Cash and cash equivalents presented in the statement of cash flows</b> | <b>2.840.491.924</b>           | <b>1.073.970.841</b>                 | <b>1.073.970.841</b>           | <b>1.375.154.153</b>                 |

As of December 31, 2024, and 2023, the details of bank deposits as follows:

|  | December 31, 2024    | December 31, 2023    |
|--|----------------------|----------------------|
| Foreign currency denominated bank deposits |                      |                      |
| - time deposits                            | 504.401.073          | 610.687.691          |
| - demand deposits                          | 420.958.788          | 440.467.160          |
| Bank deposits in Turkish Lira              |                      |                      |
| - time deposits                            | 3.457.823.287        | 771.673.651          |
| - demand deposits                          | 640.317              | 2.477.467            |
| <b>Bank deposits</b>                       | <b>4.383.823.465</b> | <b>1.825.305.969</b> |

## 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 as follows:

| Name   | December 31, 2024       |                       | December 31, 2023        |                       |
|--|-------------------------|-----------------------|--------------------------|-----------------------|
|  | 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                  |
| <b>Paid in capital</b>                       | <b>660.000.000</b>      | <b>100,00</b>         | <b>660.000.000</b>       | <b>100,00</b>         |

As of December 31, 2024, the issued share capital of the Company is TL 660.000.000 (December 31, 2023: TL 660.000.000) and the share capital of the Company 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 Company.

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

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

### Legal reserves

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

The movements of legal reserves are as follows:

|  | December 31, 2024  | December 31, 2023  |
|--|--------------------|--------------------|
| <b>Legal reserves at the beginning of the period</b> | <b>312.168.254</b> | <b>261.812.474</b> |
| Transfer from profit                                 | -                  | 43.974.913         |
| Accounted according to the equity method             | 12.643.323         | 6.380.867          |
| <b>Legal reserves at the end of the period</b>       | <b>324.811.577</b> | <b>312.168.254</b> |

As of December 31, 2024, and December 31, 2023, "Other Reserves and Retained Earnings" includes extraordinary reserves, gains to be added to equity and buildings for own use revaluation differences and other profit reserves.

### Extraordinary reserves

The movement of extraordinary reserves is as follows:

|  | December 31, 2024    | December 31, 2023    |
|--|----------------------|----------------------|
| <b>Extraordinary reserves at the beginning of the period</b> | <b>1.448.635.062</b> | <b>1.055.949.776</b> |
| Transfer from profit   | -                    | -                    |
| Accounted according to the equity method                     | 3.070.211.699        | 392.685.286          |
| <b>Extraordinary reserves at the end of the period</b>       | <b>4.518.846.761</b> | <b>1.448.635.062</b> |

## 15 Equity (continued)

### Special funds (reserves)

As of 31 December 2024, a fund has not been allocated to receive venture capital investment fund participation shares from the 2023 period profit in accordance with the provisions of Article 325/A of the Tax Procedure Law and Article 10 of the Corporate Tax Law. (31 December 2023: 33.809.969 TL). As of December 31, 2024, special funds accounted according to the equity method is amounting to TL 241.519.108 (December 31, 2023: 95.887.615).

The movements of special funds are as follows:

|   | December 31, 2024  | December 31, 2023  |
|---|--------------------|--------------------|
| <b>Special funds at the beginning of the period</b> | <b>184.820.637</b> | <b>117.937.781</b> |
| Transfer from profit                                | -                  | 38.123.053         |
| Accounted according to the equity method            | 145.631.493        | 28.759.803         |
| <b>Special funds at the end of the period</b>       | <b>330.452.130</b> | <b>184.820.637</b> |

### Other profit reserves

According to revision on TAS 19, actuarial profit and losses that recognized in income statement in termination indemnity calculation before, is recognized in "Other Profit Reserves" account under equity in current period financial statements. The amount of TL (29.284.720) (December 31, 2023: TL (21.271.539) regarding actuarial calculation is presented in other profit reserves account, in calculation of termination indemnity As of December 31, 2024.

|   | December 31, 2024   | December 31, 2023   |
|---|---------------------|---------------------|
| <b>Other profit reserves at the beginning of the period</b> | <b>(16.950.092)</b> | <b>7.210.231</b>    |
| Actuarial gains/losses                                      | (8.013.181)         | (5.868.757)         |
| Accounted according to the equity method                    | (14.682.339)        | (18.291.566)        |
| <b>Other profit reserves at the end of the period</b>       | <b>(39.645.612)</b> | <b>(16.950.092)</b> |

### 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 statutory reverses that are accounted according to the equity method amounting to TL 572.615.467 (December 31, 2023: TL 183.984.605).

### 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.

### 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.

## **15 Equity (continued)**

### **Other capital reserves(continued)**

According to expertise reports, fair value of building for own use is calculated as TL 1.459.750.000 and revaluation differences amounted TL 1.447.902.359 is recognized in 'Other Capital Reserves' account under equity amounting to TL 1.122.124.328 with net tax effect in financial statements As of December 31, 2024 (December 31, 2023: TL 1.122.124.328). As of December 31, 2024, the other capital reverses that are accounted according to the equity method amounting to TL 120.551.490 (December 31, 2023: TL 89.457.077)

By the Board of Directors' decision dated August 25, 2023, it was decided to transfer the real estate registered in the Company's assets, both for use and investment purposes, to Miltaş Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, as capital, in accordance with the partial demerger procedure, based on the VUK financial statements and in line with Articles 19-20 of the Corporate Tax Law and Articles 159-179 of the Turkish Commercial Code. The value of the real estate transferred as of December 31, 2023, is 4,613,156,000 TL

### **Valuation of financial assets**

As of December 31, 2024, and 2023 detailed change of fair value of marketable securities, debt securities and subsidiaries classified as available for sale financial assets is as following:

|   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---|--------------------------|--------------------------|
| <b>Fair value reserves at the beginning of the period</b>   | <b>1.576.301.378</b>     | <b>775.959.399</b>       |
| Change in the fair value during the period (Note 4.2)       | 305.261.638              | 824.751.307              |
| Deferred tax effect (Note 4.2)                              | 39.524.036               | (16.941.141)             |
| Net gains transferred to the statement of income (Note 4.2) | (80.543.355)             | (10.668.838)             |
| Deferred tax effect (Note 4.2)                              | 24.163.007               | 3.200.651                |
| <b>Fair value reserves at the end of the period</b>         | <b>1.864.706.704</b>     | <b>1.576.301.378</b>     |

The financial asset valuation item also includes the share of the parent company in the financial asset valuation amount of subsidiaries and affiliates accounted for using the equity method.

### **Profit for the period that is extraneous from the distribution**

In accordance with tax legislation, 50% of profits from sales of participation shares and 25% of profit from real states included in the assets of companies is exempt from corporate tax provided that it is classified under a special fund for full five years. The exempt gains cannot be transferred to another account other than a capital increase or cannot be withdrawn from the entity for five years. In the direction of sector announcement made by Treasury dated October 27 , 2008 and numbered 2008/41, the Company classified the gain on sale dated April 10, 2015 from the land in real estate amounting to TL 23.723.323 as of March 31, 2016. As of March 31, 2021, TL 162.083, which corresponds to 25% of the income obtained from the sale of the subsidiary realized by the Company as of December 14, 2020, has been classified in the Non-Distributable Period Profit. As of December 31, 2024, the Non-Distributable Period Profit amount accounted for using the equity method is TL 19.035.906. (December 31, 2023: 19.035.906)



## 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 Company does not hold any insurance or investment contracts which contain a discretionary participation feature.

## 17 Insurance contract liabilities and reinsurance assets

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

As of December 31, 2024, and 2023 technical reserves of the Company are as follows:

|  | December 31,<br>2024  | December 31,<br>2023  |
|--|-----------------------|-----------------------|
| Unearned premiums reserve, gross                     | 5.944.522.967         | 4.970.704.922         |
| Unearned premiums reserve, ceded ( <i>Note 10</i> )  | (43.992.595)          | (60.065.549)          |
| <b>Unearned premiums reserve, net</b>                | <b>5.900.530.372</b>  | <b>4.910.639.373</b>  |
| Outstanding claims reserve, gross                    | 11.343.283.860        | 11.825.397.858        |
| Outstanding claims reserve, ceded ( <i>Note 10</i> ) | (1.729.970.615)       | (5.807.404.091)       |
| <b>Outstanding claims reserve, net</b>               | <b>9.613.313.245</b>  | <b>6.017.993.767</b>  |
| Unexpired risks reserve, gross                       | 22.010.219            | 34.469.669            |
| Unexpired risks reserve, ceded ( <i>Note 10</i> )    | (96.577)              | (642.771)             |
| <b>Unexpired risks reserve, net</b>                  | <b>21.913.642</b>     | <b>33.826.898</b>     |
| <b>Equalization reserve, net</b>                     | <b>474.736.051</b>    | <b>270.559.287</b>    |
| <b>Total technical reserves, net</b>                 | <b>16.010.493.310</b> | <b>11.233.019.325</b> |
| Short-term   | 15.535.757.259        | 10.962.460.038        |
| Long-term  | 474.736.051           | 270.559.287           |
| <b>Total technical reserves, net</b>                 | <b>16.010.493.310</b> | <b>11.233.019.325</b> |

## 17 Insurance 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                                 | December 31, 2024    |                     |                      |
|---|----------------------|---------------------|----------------------|
|   | Gross                | Ceded               | Net                  |
| Unearned premiums reserve at the beginning of the period  | 4.970.704.922        | (60.065.549)        | 4.910.639.373        |
| Written premiums during the period                        | 14.720.529.934       | (5.467.356.778)     | 9.253.173.156        |
| Earned premiums during the period                         | (13.746.711.889)     | 5.483.429.732       | (8.263.282.157)      |
| <b>Unearned premiums reserve at the end of the period</b> | <b>5.944.522.967</b> | <b>(43.992.595)</b> | <b>5.900.530.372</b> |

| Unearned premiums reserve                                 | December 31, 2023    |                     |                      |
|---|----------------------|---------------------|----------------------|
|   | Gross                | Ceded               | Net                  |
| Unearned premiums reserve at the beginning of the period  | 2.293.557.896        | (49.314.693)        | 2.244.243.203        |
| Written premiums during the period                        | 9.924.594.569        | (2.089.018.861)     | 7.835.575.708        |
| Earned premiums during the period                         | (7.247.447.543)      | 2.078.268.005       | (5.169.179.538)      |
| <b>Unearned premiums reserve at the end of the period</b> | <b>4.970.704.922</b> | <b>(60.065.549)</b> | <b>4.910.639.373</b> |

| Outstanding claims reserve   | December 31, 2024     |                        |                      |
|--|-----------------------|------------------------|----------------------|
|  | Gross                 | Ceded                  | Net                  |
| Outstanding claims reserve at the beginning of the period  | 11.825.397.858        | (5.807.404.091)        | 6.017.993.767        |
| Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period | 11.432.821.842        | (645.596.441)          | 10.787.225.401       |
| Claims paid during the period  | (9.911.606.027)       | 4.680.124.568          | (5.231.481.459)      |
| Discount effect  | (2.003.329.813)       | 42.905.349             | (1.960.424.464)      |
| <b>Outstanding claims reserve at the end of the period</b>   | <b>11.343.283.860</b> | <b>(1.729.970.615)</b> | <b>9.613.313.245</b> |

| Outstanding claims reserve   | December 31, 2023     |                        |                      |
|--|-----------------------|------------------------|----------------------|
|  | Gross                 | Ceded                  | Net                  |
| Outstanding claims reserve at the beginning of the period  | 4.174.390.046         | (129.947.122)          | 4.044.442.924        |
| Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period | 20.901.595.604        | (13.312.351.131)       | 7.589.244.473        |
| Claims paid during the period  | (12.315.558.993)      | 7.622.976.582          | (4.692.582.411)      |
| Discount effect  | (935.028.799)         | 11.917.580             | (923.111.219)        |
| <b>Outstanding claims reserve at the end of the period</b>   | <b>11.825.397.858</b> | <b>(5.807.404.091)</b> | <b>6.017.993.767</b> |

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

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

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

**Total amount of insurance risk on a branch basis**

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

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

None.

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

None.

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

None.

**Pension investment funds established by the Company and their unit prices**

None.

**Number and amount of participation certificates in portfolio and circulation**

None.

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

None.

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

None.

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

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

None.

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

None.

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

None.

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

None.

**Profit share distribution rate of life insurances**

None.

**Deferred commission expenses**

The Company capitalizes commissions paid to the intermediaries related to policy production under short-term and long-term prepaid expenses. As of December 31, 2024, deferred production expenses amounting to TL 1.302.479.934 (December 31, 2023: 1.151.447.899 TL) deferred production commissions amounting to TL 1.298.830.397 (31 December 2023: TL 1.147.768.977) and deferred loss surplus amounting to TL 3.649.537 (31 December 2023: TL 3.678.921) It consists of premiums.

As of December 31, 2024, and 2023, the movement of deferred commission expenses is presented below:

|  | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|--|--------------------------|--------------------------|
| Deferred commission expenses at the beginning of the period  | 1.147.768.977            | 537.519.644              |
| Commissions accrued during the period (Note 32)              | 3.049.327.773            | 2.259.936.635            |
| Commissions expensed during the period (Note 32)             | (2.898.266.353)          | (1.649.687.302)          |
| <b>Deferred commission expenses at the end of the period</b> | <b>1.298.830.397</b>     | <b>1.147.768.977</b>     |

**18 Investment contract liabilities**

None.

## 19 Trade and other payables and deferred income

|  | December 31, 2024  | December 31, 2023  |
|--|--------------------|--------------------|
| Financial Liabilities (Note 20)                      | 22.471.441         | 29.846.096         |
| Payables from reinsurance operations                 | 474.163.450        | 841.905.698        |
| Short/long term deferred income and expense accruals | 59.910.858         | 48.379.059         |
| Taxes and other liabilities and similar obligations  | 15.618.183         | 15.176.235         |
| Due to related parties (Note 45)                     | 2.446.229          | 722.655            |
| Other payables                                       | 11.581.653         | 9.665.367          |
| <b>Total</b>   | <b>586.191.814</b> | <b>945.695.110</b> |
| Short-term liabilities                               | 578.361.633        | 929.095.646        |
| Long-term liabilities                                | 7.830.181          | 16.599.464         |
| <b>Total</b>   | <b>586.191.814</b> | <b>945.695.110</b> |

As of December 31, 2024, and 2023, other payables largely consist of outsourced benefits and services.

Short/long term deferred income and expense accruals include deferred commission income (Note 10) amounting to TL 4.303.316 (December 31, 2023: TL 8.565.638).

As of December 31, 2024, the amounting of the expense accruals TL 55.607.542 (December 31, 2023: TL 39.421.809) are detailed in the table below.

|                  | December 31, 2024 | December 31, 2023 |
|------------------|-------------------|-------------------|
| Dividend accrual | 29.977.516        | 14.165.226        |
| Other accruals   | 25.630.026        | 25.256.583        |
| <b>Total</b>     | <b>55.607.542</b> | <b>39.421.809</b> |

There are no other revenues related to future months in the accrued revenues and expenses for future months. (December 31, 2023: TL 391.612).

Corporate tax liabilities and prepaid taxes are disclosed below:

|                            | December 31, 2024 | December 31, 2023 |
|----------------------------|-------------------|-------------------|
| Taxes paid during the year | 71.260.270        | 9.170.386         |
| Corporate tax liabilities  | -                 | -                 |
| <b>Total</b>               | <b>71.260.270</b> | <b>9.170.386</b>  |

## 20 Financial liabilities

As of 31 December 2024 and 2023, discounted repayment plans for the Company's operating leases are as follows:

|                    | December 31, 2024 | December 31, 2023 |
|--------------------|-------------------|-------------------|
| Within one year    | 14.680.140        | 13.252.134        |
| More than one year | 7.791.301         | 16.593.962        |
| <b>Total</b>       | <b>22.471.441</b> | <b>29.846.096</b> |

## 21 Deferred tax

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

|   | <b>December 31, 2024</b>      | <b>December 31, 2023</b>      |
|---|-------------------------------|-------------------------------|
|   | <b>Deferred tax</b>           | <b>Deferred tax</b>           |
|   | <b>assets / (liabilities)</b> | <b>assets / (liabilities)</b> |
| Equalization provision                        | 196.362.726                   | 101.784.902                   |
| Other   | (8.629.771)                   | (10.375.297)                  |
| <b>Deferred tax (liabilities)/assets, net</b> | <b>187.732.955</b>            | <b>91.409.605</b>             |

As of 31 December 2024, the Company has a deductible financial loss of TL 1.119.422.941 TL that can be used until 31 December 2028, and TL 744.923.076 that can be used until 31 December 2027, totaling TL 3.786.091.162. The Company 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 (31 December 2023: TL 1.864.346.017).

Movement of deferred tax assets are given below:

|   | <b>2024</b>        | <b>2023</b>          |
|---|--------------------|----------------------|
| <b>Opening balance at 1 January</b>               | <b>91.409.605</b>  | <b>(167.314.226)</b> |
| Deferred tax income/ expense                      | 53.365.094         | (523.942.071)        |
| Deferred tax income/ expense recognised in equity | 42.958.256         | (247.607.755)        |
| Other(*)  | -                  | 1.030.273.657        |
| <b>Closing balance at 31 December</b>             | <b>187.732.955</b> | <b>91.409.605</b>    |

(\*) With the transfer of TL 4.613.156.000 of the fair value of the Company's real estate to Miltaş Turizm İnşaat Ticaret A.Ş. by partial division, the deferred tax liability of TL 1.030.273.657 calculated on the real estate was deducted from the value of the Miltaş Turizm İnşaat Ticaret A.Ş.

## **22 Retirement benefit obligations**

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

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

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

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

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

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

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

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

- a) technical deficit rate of 9.80% shall be used in the actuarial calculation of the value in cash, and
- b) uncovered other rights and compensations of participants or beneficiaries of pension funds should be covered by the entities who transfer the funds.

## 22 Retirement benefit obligations (continued)

In accordance with the law; after fund affiliates along with monthly salary and/or revenue endowed people and their rights holder transfer to Social Security Institution, these people's 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 unconsolidated financial statements.

An actuarial report has been obtained from registered actuary regarding calculation of the amount to be paid to the Social Security Institution by the Company in accordance with the new law. The CSO 1980 mortality table for December 31, 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.

|   | December 31, 2024    | December 31, 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          |
| <b>Net present value of total liabilities other than health</b> | <b>(851.913.412)</b> | <b>(506.656.297)</b> |
| Net present value of health liabilities                         | (191.390.413)        | (106.904.194)        |
| Net present value of health premiums                            | 291.491.390          | 189.967.585          |
| <b>Net present value of health liabilities</b>                  | <b>100.100.977</b>   | <b>83.063.391</b>    |
| <b>Retirement Benefit Provision for Pension Fund</b>            | <b>(39.153.892)</b>  | <b>-</b>             |
| <b>Pension fund assets</b>                                      | <b>136.423.906</b>   | <b>84.309.900</b>    |
| <b>Amount of actuarial and technical deficit</b>                | <b>(654.542.421)</b> | <b>(339.283.006)</b> |

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

|                           | December 31, 2024  | December 31, 2023 |
|---------------------------|--------------------|-------------------|
| Cash and cash equivalents | 23.352             | 4.864.338         |
| Associates                | 117.874.690        | 68.043.220        |
| Other                     | 18.525.864         | 11.402.342        |
| <b>Total plan assets</b>  | <b>136.423.906</b> | <b>84.309.900</b> |



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**23 Other liabilities and expense accruals**

As of December 31, 2024, and 2023; the provisions for other risks are disclosed as follows:

|   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---|--------------------------|--------------------------|
| Provision for pension fund deficits (Note 22) | 654.542.421              | 339.283.006              |
| Provision for employee termination benefits   | 23.189.092               | 22.028.149               |
| <b>Total provision for other risks</b>        | <b>677.731.513</b>       | <b>361.311.155</b>       |

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

|   | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---|--------------------------|--------------------------|
| Provision at the beginning of the period  | 22.028.149               | 30.548.796               |
| Interest cost (Note 47)                   | 5.257.193                | 4.867.193                |
| Service cost (Note 47)                    | 1.955.302                | 4.836.092                |
| Payments during the period (Note 47)      | (17.498.954)             | (28.074.802)             |
| Actuarial gain/ loss                      | 11.447.402               | 9.850.870                |
| <b>Provision at the end of the period</b> | <b>23.189.092</b>        | <b>22.028.149</b>        |

**24 Net insurance premium revenue**

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

| <b>Branches</b>           | <b>Total Gross Premium</b> | <b>December 31, 2024</b><br><b>Total Reinsurance Premium</b> | <b>Total Net Premium</b> |
|---------------------------|----------------------------|--|--------------------------|
| Fire and Natural Disaster | 9.450.840.327              | (4.421.552.883)  | 5.029.287.444            |
| General Losses            | 3.234.551.004              | (958.243.612)  | 2.276.307.392            |
| General Liability         | 491.365.791                | (3.242.621)  | 488.123.170              |
| Sea vehicles              | 428.394.363                | (25.222.006)   | 403.172.357              |
| Transport/Marine          | 412.740.957                | (35.957.028)   | 376.783.929              |
| Other                     | 702.637.492                | (23.138.628)   | 679.498.864              |
| <b>Total</b>              | <b>14.720.529.934</b>      | <b>(5.467.356.778)</b>                                       | <b>9.253.173.156</b>     |

| <b>Branches</b>           | <b>Total Gross Premium</b> | <b>December 31, 2023</b><br><b>Total Reinsurance Premium</b> | <b>Total Net Premium</b> |
|---------------------------|----------------------------|--|--------------------------|
| Fire and Natural Disaster | 6.111.459.323              | (1.682.117.800)  | 4.429.341.523            |
| General Losses            | 2.285.327.048              | (314.949.101)  | 1.970.377.947            |
| General Liability         | 339.956.554                | (1.932.240)  | 338.024.314              |
| Transport / Marine        | 363.827.992                | (33.574.470)   | 330.253.522              |
| Sea vehicles              | 342.108.831                | (39.249.324)   | 302.859.507              |
| Other                     | 481.914.821                | (17.195.927)   | 464.718.894              |
| <b>Total</b>              | <b>9.924.594.569</b>       | <b>(2.089.018.862)</b>                                       | <b>7.835.575.707</b>     |

**25 Fee revenue**

None.

**26 Investment income**

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

**27 Net income accrual on financial assets**

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

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**28 Asset held at fair value through profit or loss**

Presented in “Note 4.2 – Financial Risk Management”.

**29 Insurance rights and claims**

|  | December 31, 2024   |                        | December 31, 2023  |                        |
|--|---------------------|------------------------|--------------------|------------------------|
|  | Life                | Non-Life               | Life               | Non-Life               |
| Claims paid, net off reinsurers’ share                           | (7.372.039)         | (5.224.109.420)        | (6.831.487)        | (4.685.750.924)        |
| Changes in outstanding claims reserve, net off reinsurers’ share | (17.977.837)        | (3.577.341.641)        | 1.339.803          | (1.974.890.646)        |
| Changes in unearned premiums reserve, net off reinsurers’ share  | (37.697.593)        | (952.193.404)          | (3.684.741)        | (2.662.711.429)        |
| Changes in unexpired risks reserve, net off reinsurers’ share    | --                  | 11.913.256             | -                  | (20.662.712)           |
| Change in equalization reserve, net off reinsurers’ share        | (615.487)           | (203.561.276)          | 2.485.278          | 132.356.168            |
| Change in life mathematical reserves, net off reinsurers’ share  | -                   | -                      | -                  | -                      |
| <b>Total</b>   | <b>(63.662.956)</b> | <b>(9.945.292.485)</b> | <b>(6.691.147)</b> | <b>(9.211.659.543)</b> |

**30 Investment contract benefits**

None.

**31 Other expenses**

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

**32 Operating expenses**

As of December 31, 2024, and 2023, the operating expenses are disclosed as follows:

|   | December 31, 2024 |                      | December 31, 2023 |                      |
|---|-------------------|----------------------|-------------------|----------------------|
|   | Life              | Non-Life             | Life              | Non-Life             |
| Commission expenses (Note 17)   | 11.669.139        | 2.886.597.214        | 3.346.009         | 1.646.341.293        |
| Commissions to the intermediaries accrued during the period (Note 17) | 24.985.888        | 3.024.341.885        | 3.771.452         | 2.256.165.183        |
| Changes in deferred commission expenses (Note 17)                     | (13.316.749)      | (137.744.671)        | (425.443)         | (609.823.890)        |
| Employee benefit expenses (Note 33)                                   | 2.239.693         | 512.648.431          | 655.383           | 272.151.223          |
| Technical Operations Exchange Rate Expenses                           | 665.680           | 720.899.824          | 647.435           | 1.374.124.698        |
| Administration expenses   | 536.884           | 123.098.628          | 212.615           | 83.740.551           |
| Commission income from reinsurers (Note 10)                           | (1.531.550)       | (165.192.494)        | (170.880)         | (26.095.892)         |
| Commission income from reinsurers accrued during the period (Note 10) | (1.531.550)       | (160.930.172)        | (170.880)         | (25.178.633)         |
| Change in deferred commission income (Note 10)                        | --                | (4.262.322)          | -                 | (917.259)            |
| Outsourced benefits and services                                      | 197.545           | 40.117.714           | 77.353            | 27.548.567           |
| Other   | 90.169            | 68.565.135           | 27.377            | 106.381.633          |
| <b>Total</b>  | <b>13.867.560</b> | <b>4.186.734.452</b> | <b>4.795.292</b>  | <b>3.484.192.073</b> |

### 33 Employee benefit expenses

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

|  | December 31, 2024 |                    | December 31, 2023 |                    |
|--|-------------------|--------------------|-------------------|--------------------|
|  | Life              | Non-Life           | Life              | Non-Life           |
| Wages and salaries                           | 1.363.681         | 329.228.576        | 404.829           | 179.346.681        |
| Employer's share in social security premiums | 593.663           | 122.087.229        | 111.800           | 42.438.473         |
| Pension fund benefits                        | 282.349           | 61.332.626         | 138.754           | 50.366.069         |
| <b>Total (Note 32)</b>                       | <b>2.239.693</b>  | <b>512.648.431</b> | <b>655.383</b>    | <b>272.151.223</b> |

### 34 Financial costs

As of December 31, 2024, TL 4.165.831 (1 January - 31 December 2023 : 577.324) interest expense arising from leases that the Company is subject to TFRS 16 Leasing Transactions standard is recognised under "Investment Management Expenses - Interest Included" account; and the depreciation expense amounting to TL 13.794.753 is recognised under the "Depreciation and Amortization Expense" accounts (1 January - 31 December 2023: 9.941.999).

### 35 Income Taxes

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

|   | December 31,<br>2024 | December 31,<br>2023 |
|---|----------------------|----------------------|
| <i>Corporate tax expense:</i>                     |                      |                      |
| Corporate tax provision                           | -                    | -                    |
| <i>Deferred taxes:</i>                            |                      |                      |
| Origination and reversal of temporary differences | 53.365.094           | (523.942.071)        |
| <b>Total income tax expense / (income)</b>        | <b>53.365.094</b>    | <b>(523.942.071)</b> |

For the period then ended As of December 31, 2024 and 2023, a reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

|   | December 31, 2024    |               | December 31, 2023    |              |
|---|----------------------|---------------|----------------------|--------------|
|   |                      | Tax rate      |                      | Tax rate     |
| <b>Profit before taxes</b>  | <b>5.880.266.311</b> | <b>(%)</b>    | <b>4.152.950.124</b> | <b>(%)</b>   |
| Taxes on income per statutory tax rate                                | 1.764.079.893        | 30,00         | 1.245.885.037        | 30,00        |
| Tax exempt income   | (2.461.660.090)      | (41,86)       | (1.168.135.751)      | (28,13)      |
| Tax rate change impact  | -                    | -             | 210.208.668          | 5,06         |
| Deferred tax not recognized on tax losses and non-deductible expenses | 644.215.103          | 10,96         | 235.984.117          | 5,68         |
| <b>Total tax expense recognized in profit or loss</b>                 | <b>(53.365.094)</b>  | <b>(0,91)</b> | <b>523.942.071</b>   | <b>12,62</b> |

### 36 Net foreign exchange gains

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

### 37 Earnings per share

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

|                                   | December 31, 2024 | December 31, 2023 |
|-----------------------------------|-------------------|-------------------|
| Net profit for the period         | 5.933.631.405     | 3.629.008.053     |
| Weighted average number of shares | 66.000.000.000    | 66.000.000.000    |
| Earnings per share (TL)           | 0,0899            | 0,0550            |

### 38 Dividends per share

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

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

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

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

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

It is decided in Ordinary General Assembly Meeting of the Company, held on March 27, 2024, not to make a dividend payment. It has been decided to retain the net profit of TL 3.629.008.053 resulting from the Company's activities in 2023 as the previous year's profit.

**39 Cash generated from operations**

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

**40 Convertible bonds**

None.

**41 Redeemable preference shares**

None.

**42 Risks**

As of December 31, 2024, the total amount of lawsuits filed against the Company is 243,427 TRY.

**43 Commitments**

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

**44 Business combinations**

None.

## 45 Related party transactions

For the purpose of the accompanying unconsolidated financial statements, shareholders, key management and members of board of directors together with their families and companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties.

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

|   | <b>December 31,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|---|------------------------------|------------------------------|
| Türkiye İş Bankası A.Ş.   | 3.210.239.301                | 908.899.783                  |
| <b>Banks</b>  | <b>3.210.239.301</b>         | <b>908.899.783</b>           |
| Equity shares of the related parties (Note 11)                                      | 785.142.798                  | 424.203.903                  |
| Bonds issued by Türkiye Şişe ve Cam Fabrikaları A.Ş. (Note 11)                      | 108.640.500                  | -                            |
| Investment funds founded by İş Portföy Yönetimi A.Ş. (Note 11)                      | 1.426.564.832                | 235.842.034                  |
| Bond issued by Türkiye İş Bankası A.Ş. (Note 11)                                    | 165.457.600                  | 80.000.000                   |
| Investment funds founded by Maxis Girişim Sermayesi Portföy Yönetimi A.Ş. (Note 11) | 226.392.248                  | 119.504.658                  |
| Bond issued by İş Gayrimenkul Yatırım Ortaklığı A.Ş. (Note 11)                      | 21.715.200                   | -                            |
| Bond issued by İş Faktoring A.Ş. (Note 11)  | 216.342.000                  | -                            |
| Eurobonds issued by Türkiye İş Bankası A.Ş. (Note 11)                               | -                            | 149.060.326                  |
| Industrial Development Bank of Turkey as bonds issued Inc. (Note 11)                | -                            | 60.424.849                   |
| Türkiye İş Bankası FX-protected deposits  | -                            | 325.739.000                  |
| <b>Financial assets</b>   | <b>2.950.255.178</b>         | <b>1.394.774.770</b>         |
| Türkiye Sigorta A.Ş.  | 358.710.042                  | 218.896.210                  |
| Anadolu Sigorta   | 84.761.198                   | 158.144.576                  |
| Anadolu Hayat   | 25.813.210                   | 20.908.036                   |
| Other   | 1.770.461                    | 6.205.531                    |
| <b>Receivables from main operations</b>   | <b>471.054.911</b>           | <b>404.154.353</b>           |
| Due from subsidiaries (Miltas)  | 190.467.198                  | 24.306.074                   |
| <b>Due from related parties</b>   | <b>190.467.198</b>           | <b>24.306.074</b>            |
| Due to shareholders   | 156.859                      | 156.859                      |
| Due to Personnel  | 6.277                        | 1.373                        |
| Due to subsidiaries   | -                            | 503.277                      |
| Due to other related parties  | 2.283.093                    | 61.146                       |
| <b>Due to related parties</b>   | <b>2.446.229</b>             | <b>722.655</b>               |
| HDI Sigorta A.Ş.  | 13.598.687                   | 11.978.825                   |
| Axa Sigorta A.Ş.  | 10.325.202                   | 10.346.777                   |
| Allianz Sigorta A.Ş.  | 4.843.514                    | 4.841.851                    |
| Other   | 9.729.576                    | 12.504.736                   |
| <b>Payables from main operations</b>  | <b>38.496.979</b>            | <b>39.672.189</b>            |

No guarantees have been taken against receivables from related parties.

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

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

**Millî Reasürans Türk Anonim Şirketi**  
**Notes to the Unconsolidated Financial Statements**  
**As of December 31, 2024**

(Currency: Turkish Lira (TL))

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

**45 Related party transactions (continued)**

The transactions with related parties are as follows:

|   | December 31, 2024     | December 31, 2023     |
|---|-----------------------|-----------------------|
| Türkiye Sigorta A.Ş.                      | 3.264.689.468         | 1.946.124.412         |
| Anadolu Sigorta                           | 1.163.126.287         | 933.050.049           |
| Anadolu Hayat Emeklilik A.Ş.              | 37.755.165            | 31.581.138            |
| Allianz Sigorta A.Ş.                      | 30.867.957            | 28.840.565            |
| Other                                     | 19.784.495            | 97.532.188            |
| <b>Premiums received</b>                  | <b>4.516.223.372</b>  | <b>3.037.128.352</b>  |
| <b>Premiums ceded to the reinsurer</b>    | <b>5.567.184</b>      | <b>2.216</b>          |
| Anadolu Sigorta                           | 551.983               | 3.994                 |
| Other                                     | -                     | 5.849                 |
| <b>Commissions received</b>               | <b>551.983</b>        | <b>9.843</b>          |
| Türkiye Sigorta A.Ş.                      | 752.749.265           | 509.383.685           |
| Anadolu Sigorta                           | 218.972.851           | 194.098.310           |
| Allianz Sigorta A.Ş.                      | 6.975.492             | 7.208.239             |
| Other                                     | 3.912.190             | 18.784.152            |
| <b>Commissions given</b>                  | <b>982.609.798</b>    | <b>729.474.386</b>    |
| Anadolu Sigorta                           | 1.958.931.033         | 2.232.638.553         |
| Türkiye Sigorta A.Ş.                      | 1.219.100.842         | 2.039.327.587         |
| Axa Sigorta Sigorta A.Ş.                  | 97.883.162            | 198.278.249           |
| Other                                     | 57.824.612            | 28.098.188            |
| <b>Claims paid</b>                        | <b>3.333.739.649</b>  | <b>4.498.342.577</b>  |
| <b>Reinsurance's share of claims paid</b> | <b>1.444.992</b>      | <b>5.661.194</b>      |
|   | <b>31 Aralık 2024</b> | <b>31 Aralık 2023</b> |
| Türkiye Sigorta A.Ş.                      | 15.012.056            | 24.943.112            |
| Anadolu Sigorta                           | 14.924.440            | 12.983.839            |
| Other                                     | (1.022.723)           | 6.724.029             |
| <b>Other income</b>                       | <b>28.913.773</b>     | <b>44.650.980</b>     |
| Türkiye Sigorta A.Ş.                      | 8.918.593             | 2.643.880             |
| Axa Sigorta A.Ş.                          | 1.469.703             | 1.574.145             |
| Other                                     | 2.673.539             | 3.803.289             |
| <b>Other expenses</b>                     | <b>13.061.835</b>     | <b>8.021.314</b>      |

**46 Subsequent events**

None.

**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 Technical Income (After Deducting Reinsurance Share)**

|  | December 31, 2024 |                    | December 31, 2023 |                      |
|--|-------------------|--------------------|-------------------|----------------------|
|  | Life              | Non-Life           | Life              | Non-Life             |
| Foreign Exchange Gains Arising from Technical Operations | 467.692           | 802.411.274        | 523.687           | 1.412.868.076        |
| Other  | 400               | 83.908.232         | -                 | 135.568.519          |
| <b>Total</b>   | <b>468.092</b>    | <b>886.319.506</b> | <b>523.687</b>    | <b>1.548.436.595</b> |

**47 Other (continued)**

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

None.

**Subrogation recorded in “Off-Balance Sheet Accounts”**

None.

**Real rights on immovable and their values**

None.

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

None.

**Details of rediscount and provision expenses are as follows:**

| <b>Provision expenses</b>                             | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|---|--------------------------|--------------------------|
| Provision for pension fund deficits                   | (315.259.415)            | (104.015.824)            |
| Provision expenses for doubtful receivables (*)       | (24.890.113)             | (74.994.760)             |
| Provision for employee termination benefits (Note 23) | 10.286.459               | 18.371.517               |
| Other provision                                       | 26.767                   | 6.954.539                |
| <b>Total of provisions</b>                            | <b>(329.836.302)</b>     | <b>(153.684.528)</b>     |

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

| <b>Rediscount Expenses</b>                                 | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|--|--------------------------|--------------------------|
| Rediscount income / (expense) from reinsurance receivables | 23.127                   | (2.682.549)              |
| Rediscount income / (expense) from reinsurance payables    | (9.603.272)              | (43.308.097)             |
| <b>Total of rediscounts</b>                                | <b>(9.580.145)</b>       | <b>(45.990.646)</b>      |

**Fees for Services Rendered by Independent Auditor/Independent Auditing Firm (\*):**

|  | <b>December 31, 2024</b> | <b>December 31, 2023</b> |
|--|--------------------------|--------------------------|
| Independent audit fee for the reporting period | 4.906.741                | 5.577.526                |
| Fees for tax advisory services                 | 650.030                  | 529.839                  |
| <b>Total</b>                                   | <b>5.556.771</b>         | <b>6.107.365</b>         |

(\*) Fee excluding VAT.

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