





“I’ve always been here”, watercolor on paper, 50x40 cm, 2022

İSMET DEĞİRMENCI

İsmet Değirmenci was born in 1964 in Gündoğdu Village on Marmara Island. He studied in the Sculpture Department of Marmara University, Faculty of Fine Arts between 1986 and 1991. His first short stories and poems were published in Yazın magazine in 1990. In addition to his feature-length and short films, his published books include İki Ada (Two Islands, 2001), a poetry-illustration collaboration with Cypriot poet Mehmet Kansu; the poetry collection Gemi Ne Zaman Gelecek (When Will the Ship Arrive, 2010); and Son Sefer (The Last Voyage, 2021). He wrote articles for the monthly newspapers “Gaste” and later “S” between 2006 and 2008. He has been working as a part-time lecturer at Yeditepe University, Faculty of Fine Arts, Plastic Arts Department since 2001. He conducts artist interviews for the international art and culture magazine Ars Axis published in Cyprus. He worked at Arkin University of Creative Arts and Design in Cyprus from 2017 to 2018. Having held numerous solo and group exhibitions in the field of plastic arts, the artist continues his work in Istanbul and Marmara Island.

Value Rooted in Time

The olive tree is one of the most powerful symbols nature has to offer. It grows slowly, without haste; yet once it takes root, it stands firm for centuries. It is resilient against drought, wind, and the wearing effects of time. It sprouts anew every year, representing life in every season. The olive tree is not merely a plant, but a symbol of continuity, patience, and permanence.

The most striking feature of the olive tree is its roots. Reaching deep into the soil, these roots do more than just nourish the tree; they hold it upright, provide balance, and bequest resilience during hard times. The trunk and branches visible on the surface are, in fact, the result of this powerful bond beneath the earth. The deeper the roots, the steadier the stance...

Identified with life in the Mediterranean for centuries, the olive tree is like a heritage passed down through generations. It represents abundance through its fruit and peace through its shade. While adapting to changing conditions, it never abandons its essence; reaching toward the future with the strength it draws from the past.

This philosophy bears a striking resemblance to the journey of long-established institutions. Since its founding, Milli Re has grown stronger over time—much like an olive tree—through its wisdom, corporate memory, and solid values. While adapting to a changing world, it has moved forward without compromising its core principles, building the future with confidence through the strength drawn from its roots. Today, Milli Re represents not only a long history but also a sustainable and stable future.

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PROVIDED TO THE MEMBERS
OF THE GOVERNING BODY
AND SENIOR EXECUTIVES

RESEARCH & DEVELOPMENT
ACTIVITIES

ACTIVITIES AND MAJOR
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FINANCIAL STATUS

RISKS AND ASSESSMENT OF
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General Information

Millî Reasürans Türk Anonim Şirketi

2025 Annual Report

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Vision

To create sustainable value as a market-shaping local leader and a globally preferred strategic partner.

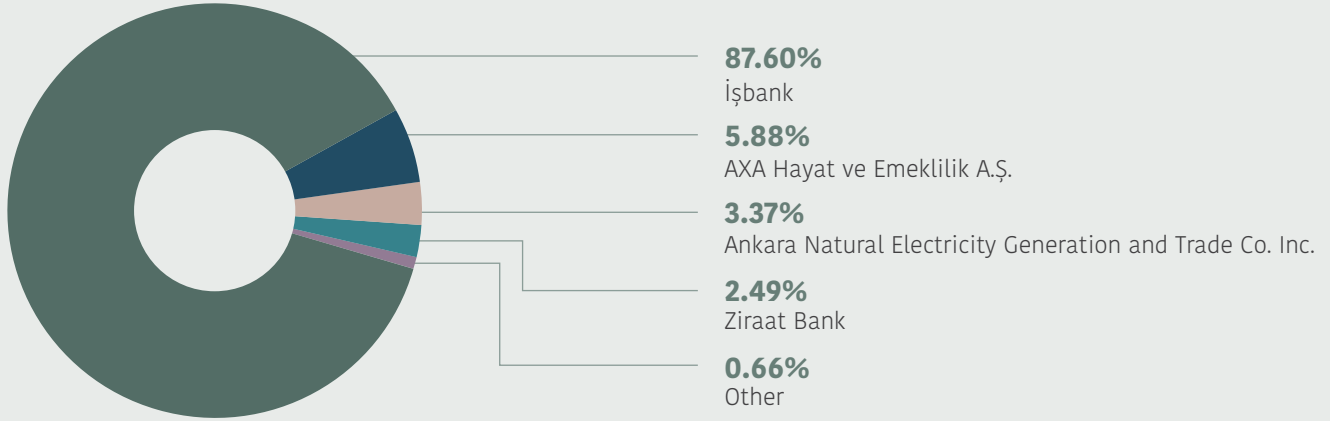
Mission

Leveraging our financial strength, deep expertise, and a century of experience, we deliver high-value reinsurance solutions that strengthen our partners' competitive edge and support economic growth.

Shareholder Structure

Shareholder	Value of Stake (TL)	Stake (%)
İşbank	578,177,925.55	87.60
AXA Hayat ve Emeklilik A.Ş.	38,809,894.19	5.88
Ankara Natural Electricity Generation and Trade Co. Inc.	22,240,455.60	3.37
Ziraat Bank	16,430,944.19	2.49
Other	4,340,780.47	0.66
Total	660,000,000.00	100.00

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



Capital Increases

There were no capital increases during 2025.

Changes in the Shareholder Structure during 2025

There has been a change in the shareholder structure in 2025 following the transfer of shares with a nominal value of TL 52,985 corresponding to 0.8% of the capital held by İstanbul Umum Sigorta A.Ş. to Demirören Yatırım Holding A.Ş. as the result of the merger of 31 December 2024.

Changes in the Articles of Association during 2025.

In the Ordinary General Assembly Meeting convened on 26 March 2025, Article 27 (F) of the Articles of Association that sets out the Distribution of Profit was amended as follows: "Of the amount remaining after the legal reserves, first dividends, other reserves and funds specified above are set aside from out of the net profit, a portion up to 3%, which shall be capped at five months' salary, shall be distributed

to employees." In this provision, the maximum amount that was capped at three months' salary has been amended as five months' salary.

Disclosures on Preferred Shares

There are no preferred shares.

Corporate Profile

CORPORATE PROFILE

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

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

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

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

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

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

Serving as the manager of the Federation of Afro-Asian Insurers and Reinsurers (FAIR) Pool between 1974

and 2024, Milli Re also undertook the management of the Turkish Catastrophe Insurance Pool (TCIP) between 2000 and 2005 where it was a co-founder.

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

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

Milli Re has been assigned a global rating of "C++" with a stable outlook on 06 November 2024 by A.M. Best and "B" with a positive outlook on 6 August 2025 by Standard&Poor's (S&P). Milli Re's national scale rating was affirmed as "trA+ "by (S&P) on 26 September 2025.



Milli Re has been making every effort to support the development of the insurance industry in Türkiye and provide high quality service.



With its well qualified and highly experienced workforce of 12 people, Singapore Branch plays an important role in international operations of Milli Re.

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

Milli Re Singapore Branch

As part of its strategy to expand to international markets, Milli Re, like many other international reinsurers, examined the benefits of establishing regional branches. Consequently,

Singapore Branch was opened in view of the significance of Far East in the global insurance market, as well as its potential business volume and geographical location.

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

Anadolu Sigorta

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

Milestones

Milli Re takes the technical know-how acquired in the Turkish market to global markets with the support of its robust capitalization.

Milli Re has been contributing to the progress of the insurance industry in Türkiye for 96 years.

1929

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

1963

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

1967

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

1970

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

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

1974

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

1982

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

1986

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

1991

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

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

1993

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

1994

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

1996

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

2000

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

2001

Risk-based Compulsory Reinsurance System came to an end.

2005

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

2006

Milli Re began to write business from international markets.

Decree Pool was terminated.

2007

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

2010

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

2023

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

2024

As a reliable and stable institution that accredits the art field, Milli Re Art Gallery has contributed to bringing artworks into the permanent collections of a limited number of museums, as well as to the collections of conscious collectors in the sector. It has completed its 30th year of operation.

With its success in maintaining business relationships based on solid foundations, Milli Re has contributed to the development of the insurance sector in Türkiye for many years and celebrated its 95th year of operation.

Milli Re has transferred its technical knowledge gained in the Turkish market to global markets with the support of its strong capital structure.

2025

Milli Re added pace to its technological advancement and organizational change initiatives as it prepares for the next century with its solid capitalization and sustainable profitability.

In the 97th year of its operation, Milli Re registered a performance demonstrating its accurate strategies and management competence, and recorded TL 660 million in paid-in capital, TL 49,817 million in total assets, TL 26,338 million in shareholders' equity, TL 16,153 million in total premiums, and TL 9,776 million in net profit for the period.

Chairperson's Message



During 2025, global economy displayed a moderate yet vulnerable growth outlook owing to the gradual exit from the tight monetary policy, geopolitical risks and political uncertainties.

Distinguished stakeholders,

In 2025, uncertainties persisted on a global scale, and economic, financial and geopolitical risks remained at the forefront. In such an environment, cautious management, solid capitalization and technical discipline have become more important than ever for the insurance and reinsurance sectors. As Milli Re, we also followed suit and carried on with our operations as we maintained our balanced growth understanding amid this challenging conjuncture.

A moderate yet vulnerable growth process for the global economy

During 2025, global economy displayed a moderate yet vulnerable growth outlook owing to the gradual exit from the tight monetary policy, geopolitical risks and political uncertainties. The lagging effects of the tight financial conditions implemented as part of the fight against inflation in 2024 kept repressing the domestic demand particularly in the euro area and China, resulting in weak growth in these geographies. On the other hand,

the US economy continued to exhibit a more resilient outlook as compared to other developed economies also in 2025 with the help of the rise in consumption expenditures coupled with net exports' positive contribution to growth.

In 2025, the European Central Bank (ECB) cautiously carried on with the rate-cutting cycle initiated by mid-2024, leading to a partial relief in financial conditions. The US Federal Reserve System (the Fed), on the other hand, preserved its cautious stance in relation to the permanence of the decline in inflation, while moving toward limited and gradual rate cuts during the year.

In its World Economic Outlook released in January 2026, the IMF projected 3.3% and 3.2% growth for the global economy in 2026 and 2027, respectively, following a 3.3% rate of growth in 2025. This ratio remains below 3.7%, which is the mean of the rates achieved in the 2000-2019 period. The report estimates that advanced economies grew 1.7% in 2025, whereas developing economies grew by 4.4%. Projecting 1.8% and 1.7% growth for developed economies in 2026 and 2027 respectively, the growth rate of developing economies is expected to go slightly above 4%.

The IMF presumes that re-escalation of trade tensions in the coming period may increase uncertainty and repress economic activity, and cites domestic political tensions, geopolitical crises, high budget deficits, and the pressure that increased public debt creates on long-term interest rates as other important risk headings. In addition, geopolitical frictions and heightened regional risks intensified by recent developments involving Iran are among the factors casting a shadow of uncertainty over the global economic outlook.

The Turkish economy remains on growth track

During 2025, the Turkish economy exhibited a moderate growth performance despite inflationary pressures, and the national economy grew by 3.6% in the reporting period. Throughout the year, consumption and investments have been the main contributors to growth. In terms of manufacturing; industry, construction, and services sectors supported growth, while the agricultural sector contracted.

From the standpoint of inflation, the disinflation process continued throughout 2025. Following the price increases that peaked by mid-2024, annual CPI declined to 30.9% at year-end 2025, achieving a marked improvement. While the tight stance was maintained in the monetary policy, the Central Bank of the Republic of Türkiye (CBRT) made gradual adjustments to interest rates depending on the decrease in inflation, and the policy rate went down to 38% as of year-end.

As the budget performance was shaped by endeavors to secure fiscal discipline, the central government's budget deficit declined from TL 2.1 trillion in 2024 to TL 1.8 trillion in 2025 due to increased tax revenues coupled with the limited rise in primary expenditures.

In 2025, as reserves continued to strengthen, the course of the current account deficit at sustainable levels and the improved country risk premium reduced the need for external financing while continuing to lower external financing costs. However, current surplus excluding gold and energy, which supported these developments, slumped by an annual 19.5% to USD 42.1 billion and created a relatively negative outlook for the coming period. On another note, the expectation that the Middle East chaos exacerbated with the attacks on Iran by early 2026 will trigger a surge in gold demand and energy prices will put significant pressure on the current deficit.

During 2025, the Turkish economy exhibited a moderate growth performance despite inflationary pressures, and the national economy grew by 3.6% in the reporting period.

Chairperson's Message

The increased frequency and magnitude of natural disasters rendered risk selection, pricing discipline and capital adequacy even more critical in the reinsurance markets.

The insurance industry sustains its growth on sustainability and technical strength axes

The increased frequency and severity of natural disasters resulting from the impacts of climate change that become increasingly evident continue to determine the key dynamics of the insurance and reinsurance sectors.

Particularly noted is the fact that severe convective storms rank among the big-ticket insurance risks of the 21st century.

While natural disasters continued to result in major losses for the global economy in 2025, the insurance sector assumed a substantial portion of these losses, demonstrating the critical role of the risk transfer mechanism once again. Both economic loss and insured loss amounts remained below the decadal averages. However, economic losses were covered by the insurance industry at a higher rate than the mean figures as the majority of the catastrophe losses recorded took place in countries with high insurance ownership such as the USA.

The increased frequency and magnitude of natural disasters rendered risk selection, pricing discipline and capital adequacy even more critical in the reinsurance markets. While the reinsurance capacity is maintained in general, a

more selective approach is espoused in treaty structures, giving the forefront to technical criteria. Climate risks, social inflation and geopolitical developments compel tackling coverage, deductibles and conditions more carefully in reinsurance treaties. Within this framework, the sector moves forward on the axis of sustainability and technical robustness rather than rapid growth.

This global conjuncture brought along a sustainability- and technicality-driven approach to growth also in the Turkish insurance market. The Turkish insurance sector preserved its growth trend in 2025 and registered 11.4% real growth, reaching the highest premium production level in its history with TL 1,223 billion.

Non-life branches were responsible for 85.4% of the premiums written by the overall sector, generating TL 1,044 billion in premiums in 2025. Price updates particularly in compulsory branches and renewal portfolios carried the nominal figures up.

Premium production by the life branch came to TL 178.9 billion, increasing its share within total production from 11.9% to 14.6%. This performance pointed at a growth that is backed not only by price increases but real growth in demand for life insurance.

We are investing in a more secure future

Milli Re displayed a consistent performance in 2025, drawing on the advantage granted by its disciplined portfolio management and robust capitalization. We maintained our active capital management approach as we kept offering the reinsurance capacity corresponding to the needs of the ceding companies. Within this framework, our premium production increased by 10% year-on-year to TL 16,153 million. As our total assets reached TL 49,817 million and our shareholders' equity TL 26,338 million by year-end 2025, we booked TL 9,776 million in net profit for the period.

Milli Re continues to be positioned as a reliable business partner domestically and in international reinsurance markets with its robust capitalization, cautious provisioning policy, and expert human resource.

Investing, in a sense, in our country's future with the support it extends to social and cultural progress in addition to its contributions to the insurance sector and the national economy, Milli Re keeps undertaking projects in education, culture, arts, gender equality, and sports with a sustainability perspective that it places in the focal point of every step it takes.

As the global economy and the reinsurance sector evolve into structure where uncertainties are not totally eliminated but risks are more clearly defined, we are fully convinced that sustainable success will be achievable through accurate risk selection, disciplined pricing and solid corporate governance. At Milli Re, as we compose our portfolio with a concept based on technical profitability and capital adequacy, we will prioritize a data-driven and holistic risk management approach by preserving our reinsurance discipline, drawing strength from our experience and technical know-how, and we will continue to contribute to the healthy development of the insurance sector and strengthening of our country's risk underwriting capacity.

On behalf of our Board of Directors and myself, I would like to extend my thanks to all our stakeholders, and especially our employees, shareholders and business partners, for their sustained trust in Milli Re and for the strong support they extend.

Sincerely,

Mehmet TÜRK

Chairperson of the Board of Directors

Milli Re displayed a consistent performance in 2025, drawing on the advantage granted by its disciplined portfolio management and robust capitalization.

General Manager's Message



Our premium production increased by 10% in 2025 to TL 16,153 million. Our total assets grew to TL 49,817 million, and our shareholders' equity reached TL 26,338 million. We booked TL 9,776 million in net profit for the period.

The onset of 2025 presented us with an environment in which global uncertainties not only persisted, but also evolved in nature. Geopolitical risks went beyond conventional conflicts and began to tell upon trade, finance, supply chains, and investment decisions. Indeed, we experienced the latest example of this at the end of February 2026. The geopolitical friction and active clashes between the United States and Iran have transformed into a full-scale war spanning almost the entire Middle East. As this situation intensified the concerns regarding global energy supply, the surges in commodity prices primarily in oil and gas started constituting a major risk element for the overall level of prices.

As the demand for safe investment instruments strengthened, it seems inevitable that the developments will reflect upon the monetary policy decisions of central banks.

In this landscape of shifting global balances, we are witnessing a process where centers of power are diversifying, and the economic center of gravity is moving towards different geographies. Technological transformation, competition over critical raw materials, and the pressures created by demographic dynamics further complicate the risk perception. Consequently, this complexity makes the ability to accurately interpret, price, and provide long-term protection even more critical within the insurance and reinsurance sector.

Climate change and the new reality of insurance business

Climate change heads the top global risks with economic, social and financial impacts getting gradually deeper. In addition to the number and severity of catastrophes, the nature of the phenomenon causing loss is also changing; once considered as secondary risks, climate-driven disasters are becoming more telling in insured losses.

These developments compel a more dynamic management of capacity, pricing and risk appetite balance in the reinsurance markets. While global catastrophe losses in 2025 remained below the mean figure of the past decade with approximately USD 300 billion, the structural effect of climate change on risk profiles persisted. The fact that insured

For Türkiye, 2025 was characterized as a year of continued endeavors to maintain the balance between growth and stability under tight financial conditions.

losses were limited to USD 129 billion demonstrated the coverage gap, providing critical data for the long-term roadmap. Deceleration of global climate action efforts and delays in the area of sustainability needs to be monitored closely due to their upward pressure on economic risks and insurance risks. Integration of climate risks in corporate strategies remains critical.

Our sector continues to write its growth story

For Türkiye, 2025 was characterized as a year of continued endeavors to maintain the balance between growth and stability under tight financial conditions. The downtrend in inflation and the predictable course of exchange rate movements, coupled with the continued support investment income extended to technical profitability, offered a healthier ground for the sector, while economic activity and employment remained significant from the standpoint of premium production and the breadth of the risk pool.

According to year-end 2025 data from the Insurance Association of Türkiye, total premium production of the Turkish insurance sector reached TL 1,223 billion in 2025, its highest-ever corresponding to a nominal growth of 45.8% and a real growth of 11.4%. Non-Life branches generated TL 1,044 billion in premiums, which constituted 85.4% of the overall sector's premiums; with premiums amounting to TL 178.9 billion, the Life branch increased its share from 11.9% to 14.6%. While Land Vehicles Liability branch insurance retained its leadership in the Non-Life segment with a 29.7% share, decoupling was most evident in health insurance: the health branch, which has become the second largest branch with a market share of 20.3%, has seen the

clearest demand-driven expansion with a real growth by 18.5%. Fire and Natural Disasters and Land Vehicles/ Own Damage got 15.9% and 14.1% share from total Non-Life production, respectively.

Save for agricultural insurance, catastrophe losses in 2025 did not achieve a burdensome magnitude for the sector and the economy in Türkiye. The prices adopted a downtrend owing to intensified competition following the market hardening between 2023 and 2024. By the time of the 2026 renewals, demand for capacity increased, with reinsurer appetite further exceeding it. Despite the ongoing risk of a possible Marmara earthquake, natural disaster and climate risks and model uncertainties, excess of loss treaties were renewed at prices lower than those projected. At Milli Re, we made the necessary adjustments in 2026 renewals to eliminate concentration risk within our proportional treaty portfolios while integrating lucrative, low-risk business, in line with our approach designed to protect the competitiveness of the companies we provide with capacity.

Most companies in Türkiye continued to protect their portfolios in 2026 through proportional bouquet treaties. While there were no major transitions from proportional to non-proportional business in renewals, a limited number of companies shifted from excess of loss protection to proportional treaties in 2026. Proportional treaties were renewed with overplacements of up to 30%—a level not seen in years. We believe that reputable new reinsurers' interest in proportional treaties and their participation in these placements directly reflect the effective post-February 6 earthquake measures and successful proactive claims management.

General Manager's Message

During 2025, Milli Re kept its focus on risk management, capital discipline, and technical profitability, and sustained its consistent performance.

While market prices and circumstances softened paralleling the global trends, catastrophe risk, increased loss costs, inflation, uncertainties and capital management requirements continue to compel pricing discipline.

Reinsurance markets are achieving a more balanced structure with respect to supply and demand.

In 2025, global reinsurance markets achieved a more balanced structure following the tightening in previous years. The limited number of global insured catastrophe losses and the positive trend in capital markets kept reinsurer appetite alive, paving the way for increased capacity and gradual loosening in pricing conditions. The higher accessibility of capacity and declining costs at the onset of 2026 renewal period brought about a market composition where buyers held a relatively more advantageous position.

As the effect of inflation on insurance prices drove up the reinsurance demand even if to a limited extent, expanded supply caused considerable price reductions. Although risk-adjusted costs in catastrophe excess of loss (Cat XL) programs declined by 15% on average across the globe, prices are still about 50% higher than the lowest levels of 2018. While contract terms vary depending on coverage scope, geographical coverage, loss history and technical pricing elements, there have been delays as compared to the standard timeline in the renewal process. As negotiations revolved around pricing and program structures, cedants

were seen to waive their requests for expanded coverage, whereas many buyers taking advantage of favorable terms purchased additional protection at advantageous costs, and standardized the terms.

Demand increase persisted in the retrocession market in January 2026 renewals; reinsurers and insurance-linked securities (ILS) market reinvested their retained earnings in the market and a limited number of new players provided fund inflows, resulting in supply surplus, which intensified competition and put downward pressure on prices. Portfolio expansion, buyers' target to reduce their net retention levels and revised capital models paralleling the updates to catastrophe models were the primary drivers of demand. While a cautious approach remains critical given the structural impacts of climate change and treaty terms shaped by past major losses, discipline in scope, conditions, and risk assessment criteria continues despite improved pricing.

We are sustaining our consistent performance

During 2025, Milli Re kept its focus on risk management, capital discipline, and technical profitability, and sustained its consistent performance. While the elimination of exchange rate volatility and increased predictability allowed more effective planning of claims management and retrocession costs, the attractive returns on TL assets and investment instruments coupled with stable financial revenues supported our financial strength.

Our premium production increased by 10% in 2025 to TL 16,153 million, with 87.2% originated from domestic operations, while the remaining 12.8% was derived from international operations. Our total assets grew by 48% to TL 49,817 million, and our shareholders' equity rose by 60% to reach TL 26,338 million. We booked TL 9,776 million in net profit for the period.

Following the 2026 renewals, we have participated in the placement of 17 companies utilizing proportional reinsurance coverage and served as lead reinsurer in reinsurance treaties for 12 companies. We increased our market share from 18% in 2024 to 19.5% in 2025. While we got 8% share in the Cat XL treaties of 28 companies in which we participated excluding compulsory earthquake insurance, we participated in the programs of 12 companies that structure their risk protections on an excess of loss basis.

Digital transformation and a data-driven culture are the key to progress

Digital transformation remains within our strategic priorities. The progress we achieved in data infrastructure, reporting systems and analytical competencies started contributing directly to the effectiveness of operational processes as of 2025. We are addressing digitalization as a building block that strengthens decision-making processes, increases the depth of risk analysis, and sharpens agility.

We have paved significant distance in our organizational improvement roadmap as well; while we reached the maturity stage in certain projects, we attained stable progress in some others. In this process, strengthening internal competencies and disseminating a data-driven culture are among the key components of transformation.

We are focused on the future with our sustainability and responsibility approach

Owing to the nature of our field of activity, sustainability is a strategic responsibility for Milli Re. Being an important member of a sector directly affected by the impacts of climate change, it is among our priority goals to accurately analyze associated risks and devise long-term solutions.

Direct outcomes of our sustainability approach included the establishment of sustainability committees, formulation of the Sustainability Policy and Responsible Investment Policy, determination of priorities, and steps towards environmental impact mitigation. We are carrying on with our efforts to reduce our environmental footprint in processes under our control, including energy and resource use and waste management. Besides the steps we take to improve our environmental performance, we prioritize strengthening our corporate social responsibility concept, transparent stakeholder communication, and governance standards. Our TSRS-aligned 2024 sustainability report where we disclosed our determined steps and performance in sustainability represents a first in the global reinsurance market and manifests our pioneering character.

We are anticipating that the sector will focus on risk diversification, technology investments, catastrophe protection, cyber risk solutions and alternative risk transfer mechanisms in 2026. We are marching cautiously amid a shifting risk environment, supporting our experience and technical expertise with portfolio diversity, selective underwriting and powerful reinsurance programs, and we remain committed to contributing to the development of our sector and creating lasting value for our stakeholders in keeping with our vision and leadership.

We continue to define our position not merely by financial scale, but also through reliability, expertise, and long-term partnerships.

As we focus on the future with the strength we draw from our deep-seated history and our approach that places sustainability at the heart of its strategy, we are taking the necessary steps to be future-ready as a digital, agile and internationally competitive company.

I would like to extend my sincere gratitude to all our shareholders, business partners and colleagues for their contributions to our sustainable performance and for their unyielding trust in our Company.

Sincerely,

Fikret Utku ÖZDEMİR
Board Member and General Manager

Board of Directors



Mehmet TÜRK
Chairperson

Mehmet Türk graduated from the Middle East Technical University, Faculty of Engineering, Department of Civil Engineering. He completed his master's degree in Business Administration at Virginia Polytechnic Institute and State University, and earned a PhD in Contemporary Business Management from Işık University's Institute of Social Sciences. He began his career in 2000 as an Assistant Specialist in the Treasury Department of İşbank. After holding various positions within the same department, he was appointed Treasury Manager in 2017. In 2021, he became the Corporate Manager of the Capital Region. In 2024, he completed an advanced executive program at Harvard Business School. Mehmet Türk currently serves as Deputy Chief Executive Officer at İşbank and has been the Chairperson of the Board at Milli Re since 26 March 2025.



Ersin Önder ÇİFTÇİOĞLU
Vice Chairperson

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



Prof. Dr. Ali Necip ORTAN
Board Member

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



Tolga ANGAY
Board Member

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



Şennur KONAK
Board Member

Şennur Konak was born in İstanbul in 1975. She graduated from Anadolu University, Faculty of Business Administration, Business Administration Department and İstanbul University, Child Development Department. Having started to work as a trainee clerk in İşbank's Beşyüzevler Branch in İstanbul in 1993, Konak was Assistant Accountant in Topçular branch in İstanbul from 1997, and Supervisor at the same branch from 1998. Şennur Konak became the II. Manager at Bayrampaşa branch in İstanbul (2004), and then the branch manager of Kocamustafapaşa branch (2007), Firuzköy branch (2010), Bakırköy branch (2015) and Maslak branch (2020) in İstanbul. She was brought to the position of Şişli Regional Sales Manager in İstanbul in 2023. Appointed as the branch manager of İkitelli commercial branch in İstanbul in 2025, Şennur Konak has been a Member of the Board of Directors at Milli Re since 28 March 2023.



Zeliha GÖKER
Board Member

Zeliha Göker graduated from Boğaziçi University, Business Administration Department in 2005 and started her career as an Associate Specialist in the Affiliates Department of İşbank the same year. Having assumed various responsibilities associated with companies from diverse sectors covered in the Bank's affiliates portfolio, Göker was appointed as Deputy Manager in April 2017 and Unit Manager in December 2023, in which position she still serves. She completed the Co-Active coaching program of CTI in 2020, and assumes responsibility as a Member of the Board of Directors of Anadolu Sigorta, Anadolu Hayat Emeklilik and Türkiye İş Bankası Kültür Yayınları. Zeliha Göker has been a member of the Board of Directors at Milli Re since 16 January 2024.

Board of Directors



Şükrü KARAMUK

Board Member

Şükrü Karamuk graduated from Ankara University, Faculty of Communication, Department of Journalism and started his professional career as a Clerk at Kelkit/Gümüşhane Branch in 1996 and served as a Section Head at the same branch in 2000. Appointed as II. Manager of İşbank Sivas Branch in 2005, Şükrü Karamuk was brought to the position of Göksun/Kahramanmaraş Branch Manager the same year. He then served as Yeni Sanayi Sitesi/Kayseri Branch Manager, Kayseri Regional Sales Manager - Commercial Sales Regional Assistant Manager. Şükrü Karamuk served as Sivas Caddesi/Kayseri Branch Manager in 2012, SME Loans Allocation Gaziantep Regional Manager in 2015, SME Loans Allocation Denizli Regional Manager in 2018, Denizli Commercial Branch Manager in 2021. Serving as Gaziantep Corporate Branch Manager since 2022, Şükrü Karamuk has been a Member of the Board of Directors at Milli Re since 1 July 2024.



Vahide UYAR

Board Member

Vahide Uyar graduated from Bilkent University, Faculty of Business Administration, Department of Business Administration. She began her professional career in 1997 as a Trainee Credit Assistant Specialist in the Retail Loans Department at İşbank. In 2007, she was appointed Assistant Manager in the Retail Banking Marketing Department, and in 2011, Unit Manager in the Retail Loans Department. In 2022, she became head of the same department. Uyar, served as the retail loans Department until 30 June 2024, Following this date, she has been serving as the Retail Banking Products Department Manager. Uyar has been a Member of the Board at Millî Reasürans T.A.Ş. since 26 March 2025.



Fikret Utku ÖZDEMİR

Board Member and General Manager

Fikret Utku Özdemir holds an Associate Degree in Nuclear Engineering from Hacettepe University and graduated with a bachelor's degree in Management from the Faculty of Economics and Administrative Sciences at Middle East Technical University. He holds a master's degree from EDHEC Business School (France). He joined İşbank as a Member of the Board of Inspectors in 1996 and held managerial positions in various units of the Bank's departments between 2005-2017. He joined Milli Re as Assistant General Manager in 2017 and on 27 August 2019, he was appointed as a Member of the Board of Directors and General Manager. Fikret Utku Özdemir is also a Member of the Turkish Insurance Association Non-Life Management Committee and Federation of Afro Asian Insurers & Reinsurers – FAIR Steering Committee.



Gökçe KARAMAN
Reporter of the Board of Directors

Participation of the Members of the Board of Directors in Relevant Meetings during the Fiscal Period

The Company's Board of Directors convenes as and when necessitated by the Company's business affairs and upon the Chairperson's or Vice Chairperson's invitation, with the participation of the majority of the total number of directors on the Board. Meeting agendas are drawn up in line with the proposals of General Management. During the meetings, various topics that are not covered on the agenda but raised by the members are also discussed. Meeting agenda and files relating to the agenda items are sent to all Board members five days in advance of the meeting date. During 2025, seven Board meetings were held in total. While full participation was achieved in five of these meetings, one member was absent at two meetings due to their excuses.

Internal Systems Managers

Banu GÜLMEDİM PURUT

Chief Risk and Internal Control Officer

Please see Senior Management page for Ms. Gülmedim Purut's CV.

Pelin HÜCCETOĞULLARI

Internal Audit Manager

Term of Office: 2 year 6 months

Professional Experience: 11 years

Departments Previously Served:

Internal Audit Directorate

Academic Background: Master's Degree

Nur AKSOY

Internal Control Manager

Term of Office: 8.5 months

Professional Experience: 18 years

Departments Previously Served:

Internal Control Directorate

Academic Background: Master's Degree

Selcan GEMALMAYAN

Actuary Supervisor (Intern Actuary):

Term of Office: 2 year 1 month

Professional Experience: 18 years

Departments Previously Served: Life and Health, Internal Control and Risk Management, Financial Analysis

Academic Background: Master's Degree

Senior Management



Fikret Utku ÖZDEMİR

Board Member and General Manager

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



Fatma Özlem CİVAN

Chief Strategy and Transformation Officer

Having completed her school education at Robert College, Özlem Civan graduated with a B.A. degree in Business Administration in English from the Faculty of Business Administration at İstanbul University. Between 1990 and 1993, she worked in the Treasury and Fund Management Departments of several banks. She began her insurance career in 1994, and specialized in reinsurance, casualty and credit insurance for 12 years, holding various managerial positions. In 2006, she joined Milli Re. She has also attended numerous professional training programs and seminars organized by leading reinsurance and brokerage companies worldwide. Özlem Civan has been appointed as Assistant General Manager on 1 September 2011.



Vehbi Kaan ACUN

Chief Underwriting Officer

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



Şule SOYLU

Chief Financial Officer

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



Banu GÜLMEDİM PURUT

Chief Risk and Internal Control Officer

Banu Gülmedim Purut graduated from İstanbul Private German High School and later earned a degree in Business Administration from the Faculty of Economics and Administrative Sciences at Boğaziçi University. She began her career in 1999 as an Assistant Specialist in the Treasury Department of İşbank. In 2008, she was appointed Assistant Manager of Structured Finance in the Financial Institutions Department, and in 2017, she became Head of the Sanctions and International Obligations Unit in the Corporate Compliance Department. She holds certifications in CMB Credit Rating Expertise, CGSS (Certified Global Sanctions Specialist), and CAMS (Certified Anti-Money Laundering Specialist). Banu Gülmedim Purut was appointed Assistant General Manager on 26 December 2024.

Group Managers



Asude TEMELLİ

Head of Facultative Underwriting

Asude Temelli graduated from the Faculty of Political Sciences, Department of International Relations at Istanbul University. She began her career at Milli Re in 2005. She completed the Basic and Advanced Level Engineering & Fire Insurance programs at the Turkish Insurance Institute and participated in numerous national and international training programs and seminars on insurance and reinsurance organized by leading global reinsurers and brokers. She currently serves as Chairperson of the Engineering Committee at the Insurance Association of Türkiye. Asude Temelli was appointed as the Group Manager of Facultative Underwriting on 01 October 2024.



Emine Pinar YETER

Head of Reinsurance Accounting

Emine Pinar Yeter graduated from Istanbul University, Department of German Language Education. She worked as an International Operations Officer at a multinational organization in the tourism sector between 1988-1992. Emine Pinar Yeter began her career in insurance sector in 1994 at Milli Re, in the Turkish Reinsurance Pool department, responsible for international underwriting and accounting operations. She later served as the Manager of International Accounting and contributed to various projects with leading global reinsurers. Pinar Yeter was appointed as the Group Manager of Reinsurance Accounting on 01 October 2024.



Emre KOPTEKİN

Head of Information Technologies and Digital Transformation

Emre Koptekin graduated from Bilkent University, Department of Banking and Finance. He started his career at Milli Re in 2007 in the FAIR Pool department. In 2010, he joined the Information Technologies department, and in 2018, he continued his career as a Manager in the Corporate Architecture and Compliance department. He holds Certified Information Systems Auditor (CISA) and Certified Data Privacy Solutions Engineer (CDPSE) certifications. Emre Koptekin was appointed as the Group Manager of Information Technology and Digital Transformation on 01 October 2024.



Esen TEMİZ ÖNAL

Head of Retrocession and Claims Management

Esen Temiz Önal graduated from the Faculty of Arts and Sciences, Department of Mathematics at Yeditepe University. She began her professional career in 2008 at the Retrocession department of Milli Re. Throughout her career, she has attended numerous courses on reinsurance, pricing and modeling. Between 2017 and 2024, she served as the Manager of the Retrocession department. Esen Temiz Önal was appointed as the Group Manager of Retrocession and Claims Management on 01 October 2024.



Fulya ÖZTÜRK

Head of Human Resources and Sustainability

Fulya Öztürk graduated from Dokuz Eylül University, Faculty of Economics and Administration Sciences, Department of Labor Economics and Industrial Relations. She completed the Human Resources Management Certificate Program at Istanbul Technical University. She began her career at Vakıf Emeklilik ve Hayat A.Ş. and joined Milli Re in 2003, working in the Accounting Department. She was appointed as an associate in the Human Resources Department in 2020. A member of PERYÖN (Turkey Human Management Association), Fulya Öztürk holds HRCI-approved Organizational Development and Norm Staffing Analysis certifications. She is responsible for the holistic management of Remuneration and Fringe Benefits, Organizational Development, Talent Management, Sustainability, Internal Communication and Employer Brand processes, and she supports the creation of lasting value for the organization by addressing employee experience and corporate sustainability with an integrated perspective based on a strategic approach to Human Resources. Fulya Öztürk was appointed as the Group Manager of Human Resources and Sustainability on 01 October 2024.



Nedime BÖYÜKKIRLI

Head of Accounting and Regulatory Reporting

Nedime Böyükkırlı graduated from Abant İzzet Baysal University, Faculty of Economics and Administrative Sciences, Department of Business Administration. She began her career in 1999 at Halk Sigorta A.Ş. in the Accounting department. In 2007, she joined Milli Re and holds the title of Certified Public Accountant. Nedime Böyükkırlı was appointed as the Group Manager of Accounting and Regulatory Reporting on 01 October 2024.

Group Managers



Neval AYDOĞAN BABATONGUZ

Head of Business Development and Corporate Performance

Neval Aydoğın Babatonguz graduated from Galatasaray University, Faculty of Economics and Administrative Sciences, Department of Political Science, and completed her master's degree in Public Policy at the Institut d'Etudes Politiques de Paris (Sciences-Po) in France. Before entering the insurance sector in 2005, she worked at a civil society organization focused on economic and social research in Türkiye. Since joining Milli Re in 2006, she has held various positions in Retrocession, Risk Management, Technical Accounting and Rating, Financial Analysis departments. Neval Aydoğın Babatonguz was appointed as the Group Manager of Business Development and Corporate Performance on 01 October 2024.

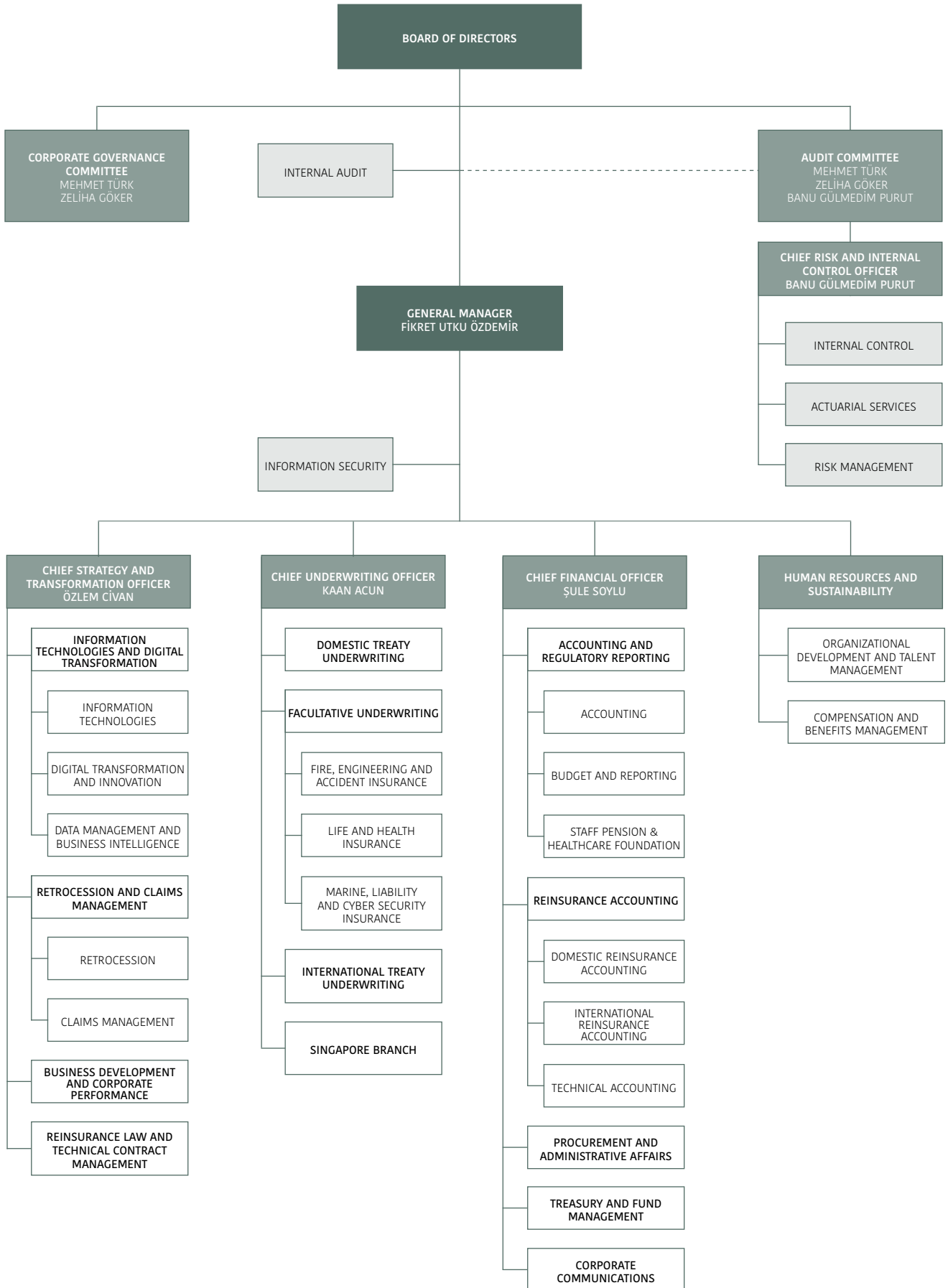


Seda ORMAN KÜÇÜKÇİRKİN

Head of Domestic Treaty Underwriting

Seda Orman Küçükçirkin graduated from Marmara University, Faculty of Financial Sciences, Department of Actuarial Sciences, and completed her master's degree at Istanbul Technical University Executive MBA program. She began her professional career in 2007 in the Domestic Treaty Underwriting department at Milli Re. She participated in various seminars and conferences in Türkiye and abroad. Seda Orman Küçükçirkin was appointed as the Group Manager of Domestic Treaty Underwriting on 01 October 2024.

Organization Chart



GENERAL INFORMATION

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

RESEARCH & DEVELOPMENT ACTIVITIES

ACTIVITIES AND MAJOR DEVELOPMENTS RELATED TO ACTIVITIES

FINANCIAL STATUS

RISKS AND ASSESSMENT OF THE GOVERNING BODY

FINANCIAL INFORMATION

Human Resources Practices

Milli Re, recognizing the critical role its human resource plays for the sustainability of its corporate success, addresses its practices as a strategic priority. In line with the Company's strategic goals, the Human Resources and Sustainability Group Directorate aims to build a workforce that utilizes its competencies to create value and can adapt to organizational needs.

Along this line, key focus areas include attracting talent to the organization, supporting the development of existing employees, and effectively managing

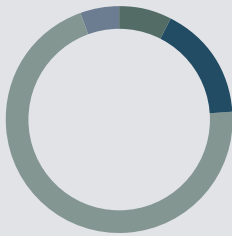
performance. Through continuous improvement of the organizational structure and management of the human resource with a strategic perspective, the aim is to consolidate Milli Re's long-term competitive strength.

The Company's Human Resources processes extend beyond recruitment and performance management, and adopt a holistic approach that covers several key areas such as training, rewarding & recognition, motivation, and employee well-being. In this context, "Together to the Future

Project under the Milli Revolution" project initiated in 2024 has been brought to completion, achieving significant progress in practices aimed at enhancing our employees' job efficiency and satisfaction.

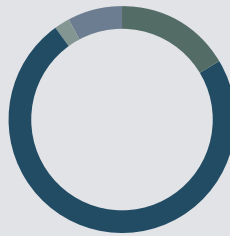
Milli Re possesses a competent workforce that is committed to their work and the organization, open to continuous learning and development. Believing that all employees should enjoy equal rights, opportunities, and conditions without discrimination within the framework of gender equality, the Company stands out in

Employee Profile



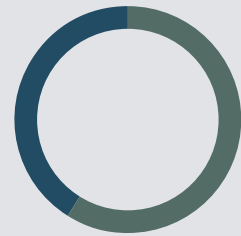
● Senior Manager	13
● Manager	28
● Assistant Managers and Assistant Specialists	120
● Other	9

Educational Profile



● Post Graduate	28
● Undergraduate	125
● Associate Degree	4
● Other	13

Human Resources Profile



● Female	59%
● Male	41%



Milli Re possesses a competent workforce that is committed to their work and the organization, open to continuous learning and development.

the sector, particularly with the high proportion of women in mid- and senior-level management positions. In this context, the importance placed on women's employment has been endorsed with the Equal Opportunity Model (FEM) Certification awarded by KAGİDER in 2022.

The fundamental principles of the Company's Human Resources policy include selecting employees with the appropriate qualifications for each role; creating the working environment necessary to ensure that employees work effectively, efficiently, and happily; protecting and upholding employees' material and moral rights; providing fair and equal opportunities for training and development based on personal skills—free from gender-based discrimination—, and establishing social relations that boost motivation, and ensuring the effective management of all internal processes.

As of the end of 2025, the total number of employees at Milli Re, including the Singapore Branch, is 170.

Job Applications

Milli Re receives job applications through professional business platforms, allowing for the creation of a broader pool of candidates. Applications are carefully reviewed by the Organizational Development and Talent Management Directorate, evaluated in terms of required qualifications and suitability for the job description, and candidates who meet the criteria are contacted accordingly.

Milli Re provides equal opportunities to all applicants and aims to deliver the best possible candidate experience by handling each application professionally and respectfully.

During 2025, the Company continued to make effective use of digital platforms in application processes, and the speed and efficiency of application and evaluation processes were increased for candidates.

“Together to the Future Project under the Millî Revolution” project has been brought to completion, achieving significant progress in practices aimed at enhancing our employees' job efficiency and satisfaction.

Milli Re is strongly committed to increasing the diversity within the workforce, avoiding any forms of discrimination including, but not limited to gender and age, and providing equal opportunities.

Human Resources Practices

Recruitment

Milli Re prioritizes the inclusion of dynamic and qualified individuals possessing the right competencies in its workforce to achieve its goals. Recruitment processes are conducted in a fair, transparent, and ethical manner, based on objective criteria, and the candidates who meet the requirements are invited to participate in Assessment Center practices.

During the recruitment process, initially, the competencies required by the Company are identified, and candidates are meticulously evaluated based on these requirements. In addition to assessing candidates' technical knowledge, skills, and competencies, their alignment with the Company's corporate culture is also taken into consideration.

Milli Re is strongly committed to increasing the diversity within the workforce, avoiding any forms of discrimination including, but not limited to gender and age, and providing equal opportunities.

Performance Management

Milli Re implements an effective performance management process to continuously monitor and improve employee performance. Considering performance management not as a measure of success but as an ongoing process of improvement and learning, the Company supports the professional development of its employees and contributes to achieving its strategic goals in this way.

Performance evaluations of employees are conducted annually in accordance with the Principles of the Performance Evaluation System. The data obtained from these evaluations are used for career planning and identifying training needs. In order to ensure a more effective performance management process, work is underway to switch to the management by objectives performance management system. This system brings along not

just individual success, but also organizational agility, strategic wholeness, and sustainable performance.

From 2026, this new performance evaluation model is intended to evolve into a more comprehensive and continuous evaluation cycle, laying the foundations for a solid structure that will support the future success of the organization.

Training

Through Milli Re Academy, which has been growing and developing since 2022, employees started to be given enriched, up-to-date, and comprehensive training content.

Domestic and international training opportunities were provided to employees, with a variety of programs delivered through TSEV (Turkish Insurance Institution) and other training institutions. These programs were designed considering modern educational approaches,



Through Milli Re Academy, which has been growing and developing since 2022, employees started to be given enriched, up-to-date, and comprehensive training content.

methods, hybrid working conditions, and current needs, aiming to provide participants with maximum benefits. The programs cover topics that are intended to support the competencies of employees and enhance their knowledge and skills for professional working life, contributing to their career progression.

In this context, the Udemy Business training platform has been introduced as a complementary tool on our Milli Re Academy platform, providing comprehensive and continuous learning opportunities to support employee development. This year, as in previous years, sector-specific training topics were supported to meet the professional needs of all employees.

During the reporting period, assessment center implementations have been introduced with a sweeping inclusion understanding spanning managers to mid-level managers and all employees. Through these initiatives, employees' behavioral tendencies, competence areas and development needs have been analyzed with a

holistic perspective. Furthermore, performance results were utilized to determine competence sets and learning pathways; structured learning pathways focusing on the development journeys of employees at all levels and seeking to secure a strong alignment between individual needs and corporate goals have been designed at the learning academy.

In 2025, face-to-face in-house training programs were organized to utilize internal resources and to more efficiently benefit from the knowledge of experienced managers at the Company. Through these face-to-face in-house training programs carried out employing internal resources, it was aimed to bring the knowledge of experienced managers to employees. Internal trainer model is addressed as a structure to support training activities in the forthcoming period, which is planned to be vested in a systematic framework and gradually improved. Along this line, it is targeted to create an internal trainer pool and introduce initiatives that will promote corporate learning.

Milli Re provides comprehensive and continuous learning opportunities to support employee development.

Domestic and international training opportunities were provided to employees, with a variety of programs delivered through TSEV (Turkish Insurance Institution) and other training institutions.

Human Resources Practices



With advancing technology and an innovative working culture, Milli Re will continue to consolidate its leadership in the sector.

Employee Engagement Survey

To support organizational development process and strengthen employee engagement, Milli Re organized an employee engagement survey, as well as various workshops. The feedback gathered through the Employee Engagement Survey were used to better understand the factors affecting employee experience, maintain strengths, and identify improvement areas.

Workspaces

The hybrid working system, which was experienced during the pandemic, has been made permanent, and our offices have been transformed from an environment where employees are required to be in every day into spaces that support collaborative work.

The Company offices provide an ergonomic and technologically advanced infrastructure that promotes collaboration of employees and offers a more flexible and open working format. The open-office

design facilitates communication among teams and also incorporates many features aimed at increasing employee satisfaction.

This workspace marks a significant milestone in fostering a stronger team spirit, accelerating business processes, and enhancing productivity. With advancing technology and an innovative working culture, the Company will continue to consolidate its leadership in the sector.

Career Progression

Milli Re prioritizes career progression and offers a variety of domestic and international training programs, mentorship opportunities, and career planning support to contribute to the professional growth of employees. The Company encourages a culture of continuous learning to ensure that individuals build on their competencies and maximize their potential. Additionally, through internal promotion opportunities and a dynamic working environment, the

Company is committed to providing all necessary support to help employees advance confidently in their careers.

Remuneration Policy

The remuneration of employees is determined by the Collective Bargaining Agreement as per the provisions of the applicable legislation, adhering to a fair, transparent and sustainable compensation approach. A labor union is organized at the Company and equal pay for equal work principle is embraced.

Occupational Health and Safety

The obligations set forth by the Occupational Health and Safety Law No. 6331 are fulfilled by the Occupational Safety Specialist and the Human Resources and Sustainability Group Directorate within the Company. Necessary initiatives are carried on for a healthy, stress-free, safe and ergonomic working environment. Furthermore,

basic OHS training is provided and necessary briefing is given to all employees pursuant to the Occupational Health and Safety Law.

Internal Communication and Employer Brand

As part of initiatives targeted at strengthening interaction among teams while supporting employee health and well-being, the Company actively takes part in inter-company sports tournaments. Milli Re competed in 16 different tournaments organized in basketball, football, volleyball and bowling disciplines in spring and fall. Milli Re teams undersigned major achievements in these tournaments, claiming the championship in six of them and the finalist spot in another one.

In addition, wellness initiatives supporting employee well-being continued to be utilized. While content addressing diverse needs were offered through online platforms, employees were gathered around a shared goal by way of initiatives encouraging involvement such as step challenges. These initiatives promote physical activity and strengthen motivation and sense of belonging.

Sustainability

At Milli Re, sustainability is not considered merely as a responsibility; it is regarded an integral part of business processes. The Company aims to integrate sustainability within its overall strategy and governance structure with the ultimate goal to establish a long-term and balanced growth model that pays regard to environmental, social, and economic aspects.

Sustainability efforts are intended to create value that is environmentally responsive, aligned with ethical values, and driven by a sense of social responsibility to provide social benefit and support long-term financial success. To this end, focus is placed on priority issues which are corporate governance, ethical business practices, anti-bribery and anti-corruption and risk management; stakeholder communication, satisfaction, and continuous learning, responsible investment and procurement, sustainable reinsurance practices, digitalization, data protection and cybersecurity, natural disasters and climate change. At every stage of the operations, the Company keeps devising strategies that are focused on minimizing environmental impact, and increasing resource efficiency and enhancing societal welfare.

At every stage of the operations, Milli Re keeps devising strategies that are focused on minimizing environmental impact, and increasing resource efficiency and enhancing societal welfare.

Human Resources Practices

With its TSRS-Aligned Sustainability Report for 2024, Milli Re authored a first in the global reinsurance sector.

Processes have been created for building a corporate structure for sustainability management, clarifying areas of responsibility, and effectively coordinating sustainability practices across the Company. Along this line, with the aim of supporting organizational transformation and contributing to the transformation of the ecosystem we are in, a Sustainability Committee was set up, as well as a Sustainability Reporting Working Group under the Committee, which contributes to the preparation of the TSRS-Aligned Sustainability Report in 2025.

The Sustainability Committee is responsible for the primary management and oversight of sustainability practices, while the Sustainability Unit working under the Human Resources and Sustainability Group Directorate has coordination, operational and process-related responsibility for the same.

In the reporting period, a Sustainability Policy was established to integrate sustainability issues and sustainability priorities within business processes, along with a Responsible Investment Policy that supports the Sustainability Policy. The Sustainability Policy has been formulated to put forth the Company's sustainability vision,

priority areas, and commitments, and define fundamental principles and targets in relation to various areas such as climate action, efficient use of natural resources, human rights, ethical business practices, and stakeholder participation. Supporting the Sustainability Policy, the Responsible Investment Policy is intended to address environmental, social and governance aspects in investment decisions in an integrated manner. Through these policies, it is targeted to conduct sustainability efforts consistently across the Company, to make their performance measurable, and increase traceability across the organization.

With its TSRS-Aligned Sustainability Report for 2024, Milli Re authored a first in the global reinsurance sector. Through the TSRS Report, sustainability performance is shared with the stakeholders in line with transparency and accountability principles, fostering the corporate reliability and responsible governance concepts. With these developments, the Company seeks to further strengthen the innovative and sustainable structure that drives Milli Re into the future, and aims to keep leading the sector and creating lasting value.

2025 Annual Report Compliance Statement

We hereby represent that Millî Reasürans T.A.Ş. 2025 Annual Report issued for its 97th year of operation has been drawn up in line with the principles and procedures enforced by the "Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies" published in the Official Gazette issue 26606 dated 07 August 2007 by the Republic of Türkiye Ministry of Treasury and Finance.

23 March 2026

Mehmet TÜRK
Chairperson of the Board
of Directors and Audit
Committee Chair



Fikret Utku ÖZDEMİR
CEO



Banu GÜLMEDİM PURUT
Chief Risk and Internal Control Officer
and Audit Committee Member



Ertan TAN
Actuary
Registration No: 21



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



Şule SOYLU
Chief Financial Officer



Nedime BÖYÜKKIRLI
Head of Accounting and
Regulatory Reporting



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**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH**

To the General Assembly of Milli Reasürans T.A.Ş.

1. Opinion

We have audited the annual report of Milli Reasürans T.A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2025 period.

In our opinion, the consolidated and unconsolidated financial information and the analysis made by the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated and unconsolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the 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. Our Auditor's Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We expressed unqualified opinions in our auditor's reports dated 25 February 2026 on the full set consolidated and unconsolidated financial statements of the Group for the 1 January - 31 December 2025 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 are as follows:

www.pwc.com.tr

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçlı Paşa Mah. Meclis-i Mebusan Cad. No: 8
Galataport İstanbul D Blok Beyoğlu/İstanbul
T: +90 (212) 326 6060 Mersis Numaramız: 0-1460-0224-0500015



- a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors with regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
 - events of particular importance that occurred in the Group after the operating year,
 - the Group's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

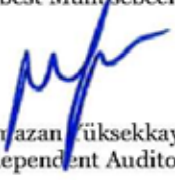
When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC provisions regarding whether or not the consolidated and unconsolidated financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated and unconsolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the consolidated and unconsolidated financial information and the analysis made by the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements in the annual report are consistent and presented fairly with the audited consolidated and unconsolidated financial statements and with the information obtained in the course of audit.

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


Ramazan Füksekkaya, SMMM
Independent Auditor

Istanbul, 30 March 2026

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Body and Senior Executives

Financial Rights Provided to the Members of the Governing Body and Senior Executives

The Company's Board of Directors is composed of Chairperson, Vice Chairperson and seven Board members. Senior Management comprises of the General Manager and four Assistant General Managers and eight Group Managers. The benefits provided to the Senior Executives and Internal Systems Managers in 2024 and 2025 are given in the below table:

(TL)	2025	2024
Benefits such as salary, premium, bonus, dividend etc.	131,509,207	65,017,869
Travel, accommodation, entertainment expenses, means in cash and in kind	8,254,837	2,471,267



Research and Development

Aiming to solidify its position and role in national and international markets and maintain its robust financial structure as it achieves its profitable growth target, the Company has placed improving the efficiency of its business processes and increasing its employees' productivity in the focal point of the strategy for its second century. Along this line, an investment strategy has been established to correctly position increasing technology opportunities and to derive the expected benefit.

The strategy is underpinned by effective use of current technology to support business processes and the establishment of an ecosystem that withstands intensifying cybersecurity threats. With this ecosystem that is in the making, the aim is to maximize the benefits both internal and external stakeholders derive from business processes and to ensure that this benefit is sustainable.

In this context, business processes were migrated to automation applications, manually-handled recurrent tasks were addressed with robotic process automation, freeing up the resources for value-added activities. Furthermore, all stakeholders were provided with consistent and quick access to data thanks to business intelligence applications with the aim of increasing the added value obtained from business processes.

2025 has been a year in which business processes were revisited along with the Company's reorganization. Initiatives were commenced to address processes from the perspective of technological added value and effectiveness and to update them; consolidated business processes started to be designed to foster the collaboration between business units and ensure that operations are managed with a holistic approach.



Business processes were migrated to automation applications, manually-handled recurrent tasks were addressed with robotic process automation, freeing up the resources for value-added activities.

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Activities and Major Developments Related to Activities

Information on Investments Made by the Company During the Accounting Period

In 2025, the Company invested in technological assets to enhance information security and optimize business processes, reviewed the technical capabilities of existing applications in the inventory and started utilizing additional functionalities.

Data security actions were taken through the deployment of a mobile equipment management solution and adoption of heightened security measures for end-users' workstations, as well as management of privileged users, file sharing system training for increased awareness of information security, and the phishing module.

As part of information security activities, penetration test and security improvement plan was created, and work was initiated to remedy the findings on the basis of action plans.

Repurchased Own Shares by the Company

None

Disclosures Concerning Special Audit and Public Audit During the Reporting Period

The Company is audited by independent auditing company PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi. A limited independent audit is carried out on half yearly basis while full independent auditing is done on yearly basis. İşbank consolidation audit is conducted for

the first and third quarters. Being a bank subsidiary, information systems auditing made in subsidiaries subject to consolidation, is carried out annually.

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

Lawsuits Filed Against the Company and Potential Results

There are no lawsuits brought against the Company in 2025, which are of a nature that might affect the Company's financial standing and its activities.

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

There are no administrative or judicial sanctions imposed against the Company or the members of the governing body on account of any practice violating the provisions of legislation in 2025.

Assessments on Prior Period Targets and General Assembly Resolutions

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

Annual General Assembly meeting was held on 26 March 2025. All of the resolutions by the General Assembly of Shareholders have been fulfilled during 2025 and the targets set in the prior period have been achieved.

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

In this context, our Company made donations of TL 110,000 in 2025.

Relations with the Controlling Company or an Affiliate Thereof

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

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

All commercial transactions the Company realized with its controlling shareholder and with the Group Companies affiliated thereto during 2025 were carried out on an arm's length basis, according to the terms and conditions known to us, related counter performances have been carried out, and the Company did not register any loss on account of any such transaction.

Internal Audit

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

Adhering to independence and impartiality principles, the Internal Audit Directorate operates directly under the Board of Directors and reports the audit results to the Board of Directors via the Audit Committee. This structure supports effective governance, accountability and transparency principles in line with Global Internal Audit Standards.

The fundamental objectives of the Internal Audit Directorate include assessing the compliance of the Company's operations with the applicable legislation, the Company's internal guidelines, management

strategies and policies; assuring the effectiveness and adequacy of internal control and risk management systems and contributing to the achievement of the Company's targets. In this context, developing insights and recommendations aimed at preventing and detecting errors, fraud and irregularities, as well as enhancing processes and adding value constitute an integral part of internal audit activities.

Internal Audit activities are planned and carried out with a risk-based approach. Within this framework, priority is assigned to units and processes that are considered to be of high risk with the aim of increasing the effectiveness and productivity of audit activities. Each December, an Internal Audit Plan is prepared for the following year taking into consideration the last audit dates of the units, current risk assessments and senior management's opinions, and submitted to the Board of Directors for approval.

In 2025, audits of 10 departments at the Company and 4 processes were completed in line with the Internal Audit Plan approved by the Board of Directors. The audits evaluated the compliance of the activities with specific policies, procedures and legislation; analyzed the risks associated with processes; and tested the effectiveness and adequacy of control points. Furthermore, assessments were conducted regarding adherence to legislation and Company policies, oversight of authority and limit usage, as well as information security and operational safety measures.

The audit activities were conducted using methods such as data collection, inquiry and verification, on-site inspection, reperformance, recalculation, and analytical review. Based on the findings, recommendations for process improvement and strengthening the enterprise risk management structure were reported to the Board of Directors.



Internal audit activities are planned and carried out with a risk-focused approach.

Internal Control

Millî Reasürans T.A.Ş.'s the internal control system and internal control activities are structured and executed to;

- safeguard the Company's assets;
- provide reasonable assurance to ensure the reliability, integrity of accounting and financial reporting system and timely availability of information;
- ensure that the activities in the control environment are conducted effectively, efficiently, reliably and in compliance with the applicable legislation, internal policies and procedures, , and sector customs.

Pursuant to the "Regulation on Internal Systems in Insurance and Private Pension Sectors", the Company's internal control activities are primarily carried out by the business units conducting the related activity; while the effectiveness, adequacy and compliance of these activities are monitored and tested by the Internal Control Department reporting to the Audit Committee . The compliance controls performed by the Internal Control Department oversees the compliance of all activities planned and conducted by the Company, new products, transactions, services and/or operations with the applicable legislation, the Company's policies and guidelines, and insurance customs. Moreover, the duties

incumbent upon the compliance officer by the "Law on the Prevention of Laundering Proceeds of Crime" and the provisions of the legislation in force that relies on the said Law are fulfilled by the "Compliance Officer" working in the Internal Control Department.

The Internal Control Department conducts and tests on processes related to the execution of Company's activities, the effectiveness of communication channels, service procurements that are extensions of or complementary to the core services, and the activities carried out within the frame of business continuity management and plan. The internal control activities designed to encompass the financial reporting system and compliance controls are executed in alignment with the regulatory framework and the Company's internal regulation. In addition, the Internal Control Department regularly monitors the audit trails pertaining to authorizations, user activities and critical transactions, all the while adhering to the segregation of duties principle. Developments and improvements that are requested in connection with business requirements or solutions in relation to the issues arising in the systems are followed up and priority is assigned to critical problems that may affect financial statements or potentially lead to legal risks.

Control activities cover the entire business processes and operations of the Company. Workflows, duties and responsibilities, authorities and limits regarding the Company's activities are updated periodically in parallel with changing conditions and risks, and announced to employees. Internal control activities carried out by executive units are based on the control points included in the process flow-charts of the related department, and the internal control activities by the IT Department are conducted in accordance with COBIT (Control Objectives for Information Related Technologies) standards.

Control and testing activities carried out by the Internal Control Department, on the other hand, are conducted within the framework of the principles set out in the annual Internal Control Plan in accordance with the risk exposure of business processes and transaction frequencies. In the event that any irregularity is identified by any of these activities, necessary remedies are implemented, ensuring that actions are taken as needed to prevent recurrence. Findings from internal control activities and suggested actions for their remedy are reported by the Internal Control Department to related business units and management, , and ultimately to the Audit Committee.

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Actuarial Department

The primary purpose of the Actuarial Department is to provide assurance to the Company's Senior Management and the Insurance and Private Pension Regulation and Supervision Authority (in Turkish: SEDDK) regarding the Company's overall pricing policy, actuarial adequacy of reinsurance treaties, the Company's financial position, the reliability and adequacy of technical provisions, and asset and liability risk management associated with reinsurance activities, which are set out in Part 5, Article 32 of the Regulation on Internal Systems in Insurance and Private Pension Sectors published by the SEDDK in the Official Gazette issue 31670 dated 25 November 2021. These activities are carried out jointly by an external consultant actuary and assigning actuary engaged by the Company. .

Under the related legislation, the Department prepared the Tariff Profitability Determination Report, Actuarial Method and Assumptions Report, and Actuarial Execution Report at the end of each quarter and submitted them to the Audit Committee and Senior Management. The same reports have been prepared as of year-end 2024 as well and sent to SEDDK in April 2025, together with the annual Actuarial Report.

Under IFRS 4, the Department fulfilled the duties of calculating quarterly Reserve for Unearned Premiums, Equalization Reserve, and Unexpired Risks Reserve; completed the estimation of IBNR (Incurred But Not Reported) Outstanding Loss Reserve, which is calculated by branches employing the best estimation method, and ultimate loss ratios and calculation of discount rates, and presented the analyses to the Senior Management.

In addition to the work described above, the Department carried out various works with the aim of determining the minimum content of the data used for actuarial calculations and upgrading the data quality, along with various activities associated with the IFRS 17 project that is in progress at the Company.



In 2025, various activities were carried out within the scope of the IFRS 17 project that is in progress at the Company.

Affiliates

Anadolu Anonim Türk Sigorta Şirketi

Anadolu Anonim Türk Sigorta Şirketi (Anadolu Sigorta) is Türkiye's first national insurance company, which was established on 01 April 1925. As one of the market leaders, while its premium production reached TL 97.9 billion, it has total assets of TL 128.7 billion and shareholders' equity of TL 35.6 billion on consolidated basis in 2025. Anadolu Sigorta operates in all lines of business except Life. Fitch Ratings assigned Anadolu Sigorta ratings for International Financial Strength as BB with stable look, for National Financial Strength as AA+ (tur) with stable outlook.

Anadolu Sigorta's shares are publicly traded on Borsa İstanbul (BİST) National Market under the symbol "ANSGR." 36% of the Company's shares are public, whilst 57.31% are held by Millî Reasürans T.A.Ş.

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

www.anadolusigorta.com.tr

Miltaş Turizm İnşaat Ticaret A.Ş.

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

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

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

www.miltasturizm.com.tr

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Corporate Social Responsibility

For Milli Re, which does not limit its corporate responsibility concept solely to reinsurance activities, making long-term contributions to social, cultural, and educational fields is an integral part of its corporate approach.

Milli Re Art Gallery

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

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

Some of the exhibitions held at the Milli Re Art Gallery have also been displayed in other countries,

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

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



The Milli Re Art Gallery, hosting projects varying from art to design, has attained a special place within its field.

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

Milli Re Art Gallery has gained the distinction of being a space for artists and art lovers, with the original works created over the years, and are known for its uncompromising artistic identity. Hosting many exhibitions in the contemporary arts field, Milli Re Art Gallery outstands as one of the art institutions undertaking the mission of providing contributions to the art vision in Türkiye and supported the conscious collectors within the sector as well as the limited number of museums by bringing in many art works to be acquired to their permanent collections.

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

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

Milli Re Chamber Orchestra

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

Milli Re Chamber Orchestra having performed its first concert on 10 April 1996 presents universal polyphonic music, which enriches our cultural life, to music-lovers through concerts and recitals. The Orchestra takes part in various national and international music festivals. The Milli Re Chamber Orchestra also released two CDs, titled "Romantic Era Strings Music" and "Şensoy Plays Tura".

With 29 full years behind it since its establishment, Milli Re Chamber Orchestra gave the "Anatolian Rock - Chameleon" concert for the audience, followed by the "Tango for the Republic" concert that celebrated the 102nd anniversary of the Turkish Republic. In addition to these highly acclaimed concerts, Milli Re Chamber Orchestra was on stage with the young guitar virtuoso Carlotta Dalia, performing a highly diversified repertory that blended traditional melodies of diverse cultures with modern tones for the music enthusiasts.

The Milli Re Chamber Orchestra takes part in various national and international music festivals.



Corporate Social Responsibility

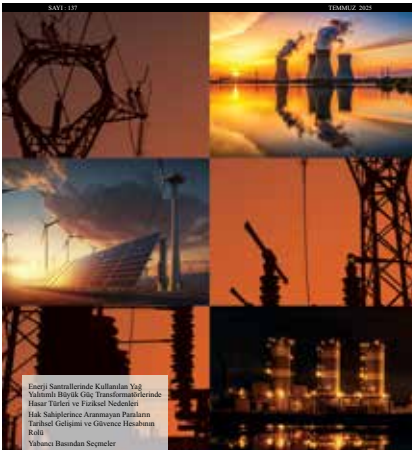


Miltaş Sports Complex has been hosting the International Insurance Tennis Tournament, which is organized every year in June since 1986.

The Reasürör Magazine is a scientific resource with full academic content on re/insurance, including compilations, translations, interviews, and statistical data on various lines.

REASÜRÖR

MİLLÎ REASÜRANS T.A.Ş.



Reasürör Magazine

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

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

Miltaş Sports Complex

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

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

Türk Sigorta Enstitüsü Vakfı (TSEV)

The Turkish Insurance Institute Foundation (TSEV) was established jointly by Milli Re and the Insurance Association of Türkiye in 1970 and continues its training and consulting services for the insurance industry for the last 55 year. TSEV organizes training programs on insurance techniques and law as well as administrative issues for the insurance sector and for various companies, institutions and organizations. The Foundation carries out initiatives for raising increased awareness of insurance in our country, in addition to its training activities.

Having renewed all its business processes after the pandemic, TSEV's training activities have been restructured in online and face-to-face formats. Long-term training programs included online and mixed groups, providing the participants with the opportunity to sit the exams physically or online. While the majority of short-term training programs are carried out online, a limited number of face-to-face training programs have also been planned.

Organized since the establishment of TSEV and representing one of the most comprehensive insurance training programs available, the Basic Insurance Training Program had approximately 3,000 graduates to date. A follow-up course to this training, Advanced Level Insurance Training Programs stand out as the one and only project and practice-oriented training program in the industry. In addition, TSEV regularly schedules Short-Term Training Programs determined according to current needs, Introduction to Insurance for Beginners Program held for new recruits in the insurance sector and in the insurance departments of insured corporate structures, and Training Programs for Actuary Exams.

“Workshops”, which started to be organized in 2022, were held face-to-face in the form of branch-based, one-day programs, in which participants role played and progressed through case studies. Under the Broker Academy: Insurance Training Program co-conducted by the Insurance and Reinsurance Brokers Association and TSEV, second semester training was provided to the third group and the first semester training to the fourth group. “Just the Right Time to be an Insurance

Professional” program was designed and implemented in cooperation with Axa Sigorta, which is intended to familiarize university students with the insurance industry. Seminars on specific topics addressing the needs of the insurance sector were held; TSEV offered Personal Development and Skills Training in addition to insurance training. The diversity of programs in this segment continues to increase by the year.

The migration of training activities to online platforms gave numerous participants living outside of İstanbul the possibility to access TSEV training. During 2025, TSEV offered 3,058 hours of training in total to 3,844 individuals within the scope of these programs. In addition, Advisory, Closed Group Classroom Training and Placement Exams were also carried out in line with companies' requests.

Initiated under the agreements signed with the Central Bank of Azerbaijan and the Azerbaijan Insurance Association in 2020, actuary exams were conducted by TSEV also in 2025. In addition, a custom-designed training program for 13 senior-level company managers of Uzbekinvest Insurance Company was held face-to-face in İstanbul.

Economic Overview

In 2025, which was characterized by a moderate global economic outlook, the gradual exit from the tight monetary policy through rate cuts took its toll on growth performances. While the global disinflation process continues with variations across countries, the magnitude and frequency of central banks' rate cuts differ among countries.

Albeit relatively lesser, ongoing uncertainties in relation to tariffs, coupled with geopolitical friction, create risk over global financial markets and supply chains, rendering the vulnerable structure of growth permanent. As energy and non-energy commodity prices continue to decouple, the prices of precious metals and industrial metals are noted for the surges accompanying increasing volatility. Risks to the global growth outlook have recently taken a downturn, driven by the erratic actions of the U.S. in the political arena, the persistence of the Russia-Ukraine war, and the escalating Middle East impasse that began with hostilities against Iran and continues to threaten regional expansion.

As the result of its low 1.4% growth performance in the third quarter of the year, the U.S. economy grew by 2.2% in 2025. The growth was driven by the rise in consumption expenditures and the continued positive contribution of net exports to growth. On the employment front, weakening signals continue despite some recovery.

At 2.8% in November 2025, the annual core personal consumption expenditures (PCE) inflation that The Federal Reserve System (the Fed) closely monitors in its monetary policy decisions continued to surpass the targeted 2%, whereas CPI performed more positively than projections with an annual figure of 2.7%. In the last meeting of the year, the Fed decreased the policy rate by 25 bps in parallel with the anticipations, pulling it down to the 3.50%-3.75% interval; as a result, the Fed ended 2025 with three rate cuts that added up to 75 bps.

According to lead indicators, the euro area economy somewhat outgrew the projections in the last quarter of 2025 with a respective quarterly rate of 0.3% and an annual rate of 1.3%. All

While the global disinflation process continues with variations across countries, the magnitude and frequency of central banks' rate cuts differ among countries.



Albeit relatively lesser, ongoing uncertainties in relation to tariffs, coupled with geopolitical friction, create risk over global financial markets and supply chains, rendering the vulnerable structure of growth permanent.

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in all, the economy in the euro area registered 1.5% growth for the whole year in 2025.

The European Central Bank (ECB) kept the reference rates unchanged for the fourth consecutive time in the final meeting of the year in line with the anticipations. The post-meeting memorandum stated that the economy did better than expected, and investments and expenditures increased. In addition to the consumption that is forecasted to increase in the coming period, public expenditures to be incurred in the areas of infrastructure and defense will presumably support the economy at an increasing extent.

While the Chinese economy outgrew the estimations and expanded by 1.2% quarterly in the last quarter of 2025, annualized growth was 4.5%, the lowest in the past three years. Notwithstanding, the nation's economy grew by 5% in the whole year and reached the target of the

economy administration in 2025. Annual CPI in that country kept rising for the fourth month in a row in December 2025, and at 0.8%, hit its highest since February 2023 while producer prices fell by 19%, extending its trend in deflationary territory to the 39th month.

In the January update of the World Economic Outlook, the IMF revised its global growth forecast for 2025 and 2026 upwards by 0.1 and 0.2 points respectively as compared to its October 2025 report, to 3.3%.

The report estimated 2025 growth as 1.7% for developed economies and 4.4% for developing economies, projecting 2026 and 2027 growth rates as 1.8% and 1.7% for developed economies, and 4.2% and 4.1% for developing economies, respectively.

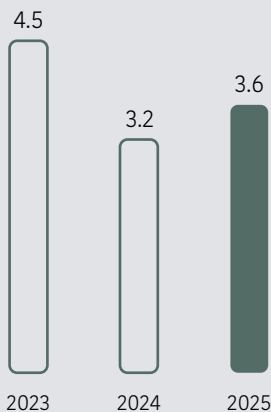
The IMF argued that the negative developments stemming from protectionist trade policies are counterbalanced with growing investments in technology -principally

in AI-, financial and monetary supports, improved financial conditions, and the private sector's adaptability.

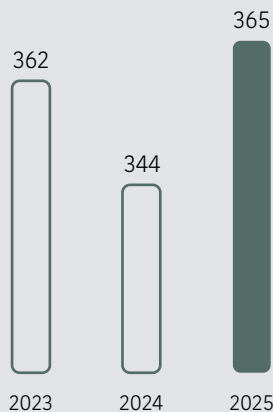
The IMF suggested that global headline inflation is anticipated to decline from the estimated 4.1% in 2025 to 3.8% in 2026 and 3.4% in 2027.

However, while the report underlines that risks to the outlook are tilted to the downside, it notes that a reassessment of AI-related productivity growth expectations could lead to a sudden correction in financial markets; uncertainties regarding trade policies and geopolitical developments could put pressure on global trade and supply chains; and high public indebtedness and budget deficits could cause financial conditions to remain tight for longer than expected. In addition to these adverse developments, occurrences such as the U.S. intervention in Venezuela at the onset of 2026, the subsequent state

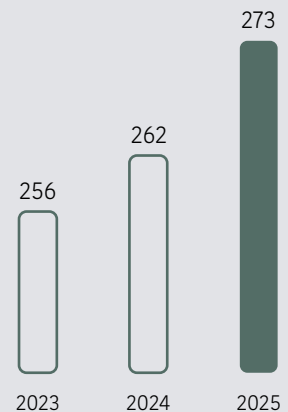
GDP Growth Rate – Based On Current Prices (%)



Imports (USD billion)



Exports (USD billion)



of war in Iran, and the U.S. demands concerning Greenland signal that the political arena will continue to impact the global economy through various channels in the forthcoming period.

While gold and silver prices surged by 64.4% and 146.8% in the twelve months to end-2025, Brent oil price per barrel was down by 18.5%. The effects of the U.S. military intervention on Venezuela on January 3rd on global markets, particularly on commodities, are monitored closely.

Despite the inflationist circumstances and the tight stance in the monetary policy, the Turkish economy sustained its growth performance and grew by 2.5%, 4.7%, 3.8% and 3.4% in the first, second, third and fourth quarters of 2025 according to the chain volume index; the annual growth rate was registered as 3.6%. Acting as the highest contributor to growth in the past two years, investment expenditures exhibited a balanced look on the basis of construction

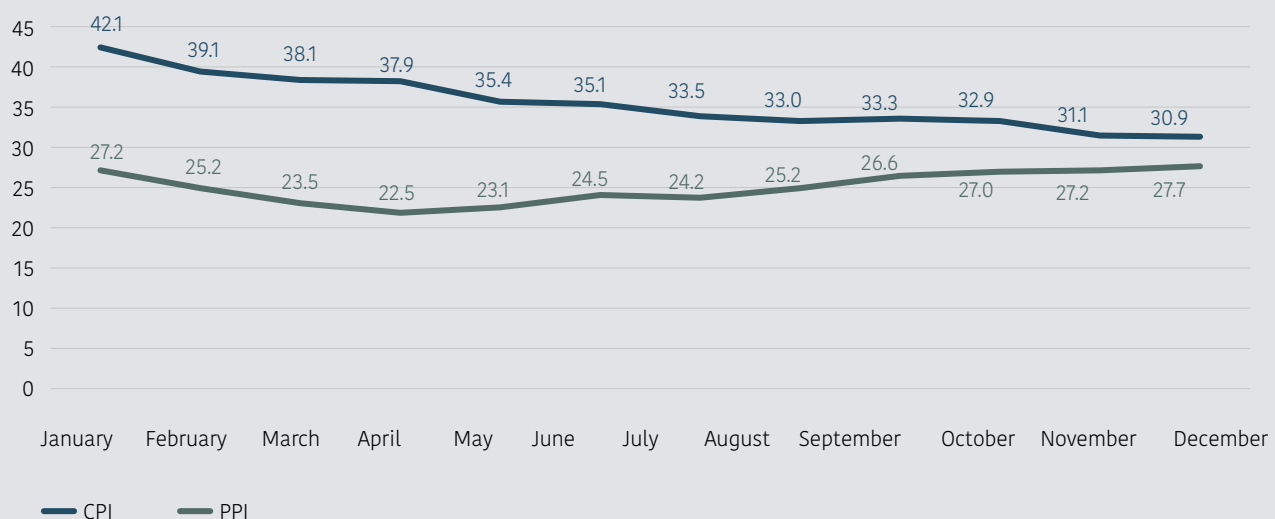
and machinery & equipment. The momentum gained by private consumption expenditures, on the other hand, is a sign that domestic demand is still lively. On another front, net exports item has been restraining growth since the last quarter of 2024.

As the annual CPI ended 2025 at the order of 30.89%, annual domestic PPI was recorded as 27.67%. These actualizations were 44.38% and 28.52% at the end of 2024. The highest contribution to annual CPI came from the housing group with 7.5 points, whereas food and transportation followed with respective contributions by 7.1 points and 4.4 points.

Paralleling the broad-based deceleration in inflation in December 2025, core inflation indicators also signaled a continued improvement in the underlying trend of inflation, based on three-month averages.

Despite the inflationist circumstances and the tight stance in the monetary policy, the Turkish economy sustained its growth performance.

Inflation in 2025 - Annual Change (YOY) (%)



Economic Overview

As part of the disinflationary efforts, the Central Bank of the Republic of Türkiye (CBRT) lowered the policy rate from 50% to 47.5% at the end of 2024, thus initiating an easing cycle. The rate cuts continued through the first quarter of 2025; however, political developments in the country increased the volatility in financial markets, as the result of which the policy rate was hiked to 46% in April. In the July meeting, the policy rate was decreased from 46% to 43%. The rate cut continued in the September meeting, where the rate was reduced to 40.5%. The CBRT prefers to maintain the asymmetric corridor structure. The CBRT pulled the policy rate down to 39.5% in October and further down to 38% in December.

As of year-end 2025, the CBRT's gross FC reserves stood at USD 74.5 billion and total reserves at USD 189 billion.

The return to rational policies helps re-establish international investors' trust, which enables lower-cost borrowing at longer-terms from international markets for Türkiye; meanwhile, the country risk premium (CDS - Credit Default Swap) declined significantly.

Türkiye's exports increased by 4.4% year-on-year in the twelve months to end-2025 and reached USD 273.4 billion versus imports worth USD 365.4 billion, which increased by 6.2%.

Throughout 2025, foreign trade deficit expanded by 11.9% and rose from USD 82.2 billion to USD 92 billion. The ratio of exports to imports slid down from 76.1% in 2024 to 74.8% in 2025.

While tourism revenues maintained their rise throughout 2025, net services revenues went up by 3.5% to USD 63.5 billion, marking its highest-ever level. Notwithstanding, paralleling the rapid escalation in foreign trade deficit, the current deficit broadened by 142% as compared to 2024 and rose to USD 25.2 billion.

Throughout 2025, the foreign trade deficit defined in the balance of payments widened by 24.5% to USD 69.7 billion. During the reporting period, net non-cash gold imports amounted to USD 20.1 billion and net energy imports to USD 47.2 billion. Thus, current account surplus, excluding gold and energy, slumped by 19.5% as compared to the previous year to USD 42.1 billion in 2025.

While net direct investments shrank by 36% across 2025, net capital outflows from portfolio investments amounted to USD 1.7 billion. On another front, net capital inflow on other investments increased by 244% in 2025 as compared to 2024.

In 2026, domestic demand conditions and domestic gold demand and gold prices will presumably continue to act as the primary risk factor on headline current deficit; possible energy price hikes stemming from the war affecting the Middle East will inevitably add to the pressure.

Source: TURKSTAT, CBRT, Republic of Türkiye Ministry of Treasury and Finance, IMF



As of year-end 2025, the CBRT's gross FC reserves stood at USD 74.5 billion and total reserves at USD 189 billion.

Turkish Insurance Market

From the standpoint of the Turkish insurance market, 2025 has been a year of softening for the tough market conditions that were shaped in the aftermath of the earthquakes of 6 February 2023 and intensifying competition. The capacity contraction observed in 2023 and 2024, rising reinsurance costs, and selective underwriting practices were replaced by a growing reinsurance capacity, increasing risk appetite and price competition in 2025.

The Turkish insurance market sustained its nominal growth, whereas real growth was measured at 11%. Non-life insurance segment kept acting as the main driver of total premium production. While the growth in non-life branches stemmed largely from the increased insurance prices, coverage and limit updates and price adjustments, some branches achieved limited real growth, while some others suffered contraction. In the life branch, on the other hand, increased savings awareness, the effectiveness of the bancassurance channel, and updates to product prices have been the main factors that supported growth.

According to year-end data released by the Insurance Association of Türkiye, the Turkish insurance industry produced TL 1,223 billion in premiums in 2025, representing a 45.8% increase over 2024. Adjusted for inflation, this nominal growth corresponds to a real growth by 11.4%. Non-Life branches accounted for 85.4% of total premiums written by the industry in 2025, translating into a nominal premium growth of 41.3%, amounting to TL 1,044 billion in 2025. The Life insurance branch recorded a nominal growth of 79.1%, and the share of this branch within total Life and Non-Life premiums was recorded as 14.6%.

While Land Vehicles Liability insurance, the primary driver of premium production in the sector, recorded a nominal growth of 41.2% in premium income, corresponding to a real increase of 7.8%, the share of the branch in total Non-Life premiums was registered as 29.7%. The rise in premium production stemmed largely from the arrangements made to the tariff and coverage limits; notwithstanding, increased

loss frequency and severity caused the pressure on technical results to persist also in 2025. In the Land Vehicles branch, where premiums are set under a free tariff system and the loss ratio plays a significant role in determining prices, the rising vehicle values, spares and labor costs elevated premium levels, while cost-sensitivity on the part of consumers and competitive campaigns repressed pricing. With an annual nominal growth of 31.1%, real growth was restrained by intense competition and price sensitivity, which was registered as a marginal 0.1%. The share of the branch in total Non-Life premium production was recorded as 14.1%.

Health branch has been one of the segments that achieved real growth in 2025. The surged healthcare service costs, stronger demand in complementary health insurance and the expansion in corporate health portfolios supported the growth of this branch. Premiums written in health branch augmented by 55.1% in 2025 corresponding a growth by 18.5% in real terms, increasing the share of this branch within Non-Life

The Turkish insurance market sustained its nominal growth, whereas real growth was measured at 11%.



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Turkish Insurance Market



Competitive market conditions bore their most evident impacts on the Fire branch, acting as the key factor that repressed its growth.

total premium production from 18.5% in 2024 to 20.3% in the reporting period. On the other hand, claims management and pricing discipline have become critical due to rising healthcare expenditures.

Fire and Natural Disasters branch registered a nominal growth of 35.9% and a real growth of 3.9% in 2025, and its share within Non-Life premiums went down from 16.5% to 15.9%. Having adopted an uptrend following the devastating Kahramanmaraş earthquakes of 2023, prices declined in connection with the competition that commenced in the fourth quarter of 2024 and further intensified during 2025. As per the amended Tariff and Instruction regarding Optional Earthquake and Volcanic Eruption Coverage, the threshold for applying the free tariff was increased from TL 2.5 billion to TL 3.5 billion as of 1 July 2025, and other insured values in the tariff were similarly adjusted upward. Although this arrangement positively affects premium production

by this branch due to the earthquake premium in commercial and industrial risks, competitive market conditions bore their most evident impacts on the Fire branch, acting as the key factor that repressed its growth.

Within the General Losses branch, which comprises Engineering, Agricultural, Theft, and Glass Breakage insurance, 95.6% of the premium income is generated by Engineering and Agricultural Insurance. Engineering insurance recorded 38.8% nominal and 6% real growth, and its share within General Losses declined from 49.9% to 46.2%. The Machinery Breakdown and Electronic Equipment branches are more exposed to exchange rate fluctuations as they are mostly arranged in foreign currencies, in addition to market circumstances; however, this impact has been limited once again in 2025 as the result of the stable trajectory of exchange rates. When analyzed in terms of operational period and project

insurances, a decline in renewable energy investments was observed compared to previous years. During this period marked by the absence of major energy investment projects in particular, the housing demand that emerged following the earthquake, driven by reconstruction efforts in affected regions and a rise in urban transformation initiatives in other cities, coupled with road construction projects and similar investments significantly contributed to the development of the Construction branch. The Tariff and Instruction regarding Optional Earthquake and Volcanic Eruption Coverage, which came into effect on 1 January 2025 and revised the earthquake tariff limit from TL 600 million to TL 840 million, also had a positive impact on the Engineering branch premium. In Agricultural insurance, both the number of policies and policy prices increased in 2025, resulting in higher premium volume. In addition to the rise in the number of policies ,

Volatilities in foreign trade volume, normalized freight prices and intense competition have been the key factors that restrained premium production in the Marine branch in 2025.



policy sums insured that increased in parallel with the higher prices also supported premium growth. Having achieved a nominal growth of 68.6% and a real growth of 28.8% in 2025, the branch's share within General Losses went up from 44% to 49.4%.

Volatilities in foreign trade volume, normalized freight prices and intense competition have been the key factors that restrained premium production in the Marine branch in 2025. During the reporting period, the branch remained highly susceptible to the dynamics of global trade. While the branch registered a nominal growth of 20.6%, it contracted by 7.8% in real terms, with its share within Non-Life premium income sliding down from 1.4% to 1.2%.

The General Liability branch, led by Employers' Liability and Third-Party Liability insurances, recorded a nominal growth of 31.4% and a

real growth of 0.4%. Demonstrating a growth performance below the overall market average, the share of the General Liability branch within Non-Life premium production recorded a marginal decline compared to the previous year, settling at 2%. It was observed that a softer market structure prevails in this branch compared to property insurance, which in turn ensures more effective use of existing capacity. In 2025, a year marked by intense competition in liability insurance, it was observed that market circumstances remained unchanged with an expansion in coverage scopes, an increase in limits, and a decline in prices.

Accident insurance showed a nominal growth of 27.7% that translated into a contraction by 2.4% in real terms, and the share of the branch in Non-Life premium generation stood at 2.2%.

While the sector is anticipated to sustain its nominal growth in the upcoming period, the course of inflation, effective loss cost management, and capacity-price balance in the reinsurance market will continue to be the key determinants of the sector's performance as financial income remains important. For the sustainability of insurance operations in the face of climate change and catastrophic outcomes that may result from the possible Marmara Earthquake, coupled with the potential negative developments in economic conjuncture, it is critical for insurance companies to formulate their pricing policies on the axis of technical discipline and risk quality, maintain a robust capitalization, and adopt policies that will guarantee sustained growth of shareholders' equity.

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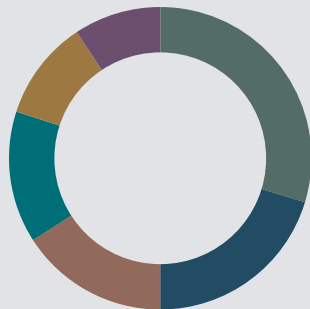
Turkish Insurance Market

Market Premium (TL)

LINES OF BUSINESS	2025	SHARE (%)	2024	SHARE (%)	CHANGE (%)
ACCIDENT	23,138,320,327	2.2	18,121,100,763	2.5	27.7
HEALTH	211,868,610,540	20.3	136,585,458,191	18.5	55.1
LAND VEHICLES	147,568,200,075	14.1	112,590,975,544	15.2	31.1
RAILWAY VEHICLES	0	0.0	0	0.0	0.0
AIR VEHICLES	2,362,205,528	0.2	2,189,575,914	0.3	7.9
SEA VEHICLES	8,707,323,493	0.8	6,539,209,785	0.9	33.2
MARINE	12,450,548,472	1.2	10,321,300,571	1.4	20.6
FIRE & NATURAL DISASTER	166,167,358,625	15.9	122,236,983,450	16.5	35.9
GENERAL LOSSES	112,130,600,325	10.7	74,750,155,854	10.1	50.0
LAND VEHICLES LIABILITY	309,815,876,443	29.7	219,477,257,525	29.7	41.2
AIR VEHICLES LIABILITY	1,835,241,293	0.2	1,664,505,875	0.2	10.3
SEA VEHICLES LIABILITY	1,213,206,110	0.1	784,415,560	0.1	54.7
GENERAL LIABILITY	20,798,250,769	2.0	15,823,709,791	2.1	31.4
CREDIT	2,943,670,910	0.3	2,368,520,955	0.3	24.3
FIDELITY GUARANTEE	1,128,123,257	0.1	1,124,555,741	0.2	0.3
FINANCIAL LOSSES	6,885,591,079	0.7	6,352,321,798	0.9	8.4
LEGAL PROTECTION	11,047,105,728	1.1	5,553,712,898	0.8	98.9
SUPPORT	4,058,935,378	0.4	2,289,141,989	0.3	77.3
TOTAL NON-LIFE	1,044,119,168,353	85.4	738,772,902,203	88.1	41.3
LIFE	178,877,966,559	14.6	99,903,906,597	11.9	79.1
TOTAL	1,222,997,134,911	100.0	838,676,808,800	100.0	45.8

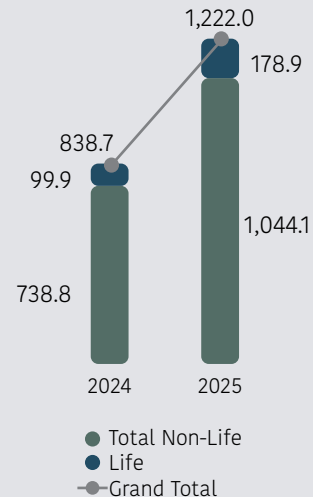
Source: Insurance Association of Türkiye

Non-Life Sector Premium Production Branch Distribution (%)



Land Vehicles Liability	29.70
Health	20.30
Fire & Natural Disasters	15.90
Land Vehicles	14.10
General Losses	10.70
Other	9.30

Premium Production (TL billion)



Turkish Reinsurance Market and Milli Re in 2025

In 2025, worldwide natural disaster-related losses amounted to USD 296 billion, remaining below the figure in 2024, with insured losses going down in the records around USD 129 billion. Trending below the average for the last ten years, natural disaster-related losses followed a similar pattern also in our country and did not achieve a magnitude that would wear out the insurance industry and the economy, save for the agricultural insurance branch.

The Turkish insurance and reinsurance market recorded significant rises in premium production in 2025, owing also to the earthquake tariff. However, in view of the base effect and intensified competitive conditions, this trend will possibly slowdown in 2026. In this framework, premium increases will presumably be more moderate as compared to 2025.

The prices adopted a downtrend in the Turkish insurance and reinsurance market, following the toughened market conditions in 2023 and 2024

that led to increased competition. Notwithstanding, the ongoing effect of catastrophic risks and climate-driven losses put pressure on pricing. Increased investment income supported technical profitability in recent years due to the high interest and inflationist environment. However, investment income will likely decline in line with the anticipated gradual reduction in interest rates and falling inflation as of 2026.

The tendencies that arose in the global reinsurance market, which has embarked upon a softening process from 2025 as the effects of the pandemic, war and major disasters eased, manifested their impact on the Turkish reinsurance market as well.

While prices and conditions tend to soften in the Turkish market in parallel with the global trends, natural disaster risk, increased loss costs, inflation, economic uncertainties and capital management requirements compel

the preservation of price discipline. It is believed that 2026 will be characterized by a balance between disciplined pricing, innovation, and alternative risk transfer solutions.

In 2026 renewals, capacity demand increased, with reinsurer appetite standing further above this increase. While the expected Marmara Earthquake in particular, climate risks and model uncertainties persist, excess of loss reinsurance treaty prices were seen to be rebalanced through above-projected declines.

Natural disaster risk, climate change, loss frequency and inflationist pressures will likely remain the key agenda items for the sector in 2026. Intensified cyber risks in the global markets, data-driven business acceptance applications, and Insurtech investments embody significant opportunities also for the Turkish market. These developments will contribute to the industry from the standpoint of new product design and operational efficiency increase.

The prices adopted a downtrend in the Turkish insurance and reinsurance market, following the toughened market conditions in 2023 and 2024 that led to increased competition.



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Turkish Reinsurance Market and Milli Re in 2025



Many companies operating in the Turkish insurance industry continued to protect their portfolios in 2026 through proportional bouquet treaties.

In 2026, the sector will possibly focus on cautious growth, risk diversification, technology investments, natural disaster protection, cyber risk solutions and alternative risk transfer mechanisms. Acting with the right strategy, effective data infrastructure and solid capitalization planning will enable risk management, while also presenting major opportunities with respect to sustainable growth and financial stability.

In the aftermath of the earthquakes of 6 February 2023, major revisions have been made to complete the placements and provide continuity with respect to 2024 reinsurance treaties, and the same conditions were maintained in 2025 treaties.

Given our position as lead reinsurer, it is critical that the competitive strength of the companies we provide capacity to be maintained. In order to compensate the potential disadvantages faced by companies with proportional reinsurance

treaties compared to those operating solely with excess of loss programs, conditions have been made in favor of insurance companies in 2026 renewals.

As of 2026, necessary revisions were made to eliminate concentration risk in proportional treaty portfolios while integrating lucrative business from the low-risk category.

The ratio of fire and allied perils premiums to earthquake premiums under the Minimum Premium and Subsidy Clause added to fire proportional treaties in 2024 has been revised downward.

The earthquake commission rate of proportional treaties have been raised taking into consideration the business lines in the low-risk category.

Time deductible for business interruption in proportional treaties have been revised in view of market trends.

All these revisions in conditions are mainly intended to ensure that proportional treaties remain profitable, homogeneous, and sustainable, while mitigating the and achieving consistent technical results from 2026 onward.

Paralleling the rises in earthquake premiums as per the Tariff and Instruction regarding Optional Earthquake and Volcanic Eruption Coverage, the prices of other coverages were observed to decline, and it was established that actual premium productions as of 2025 year-end were not in line with the projected premiums for 2025. The premium increases for 2026 are anticipated to mostly parallel the inflation rate with variances on the basis of companies and portfolios.

Many companies operating in the Turkish insurance industry continued to protect their portfolios in 2026 through proportional bouquet treaties. There were no transitions

from proportional to non-proportional treaties in 2026 renewals; a limited number of companies that covered their portfolios with excess of loss treaties started protecting their portfolios with proportional treaties in 2026. Despite variances between companies, proportional treaties were renewed with over-placements between 20% to 30% after many years. We believe that reputable new reinsurers' interest in proportional treaties and their participation in these placements are the most important results of our sector's effective post-February 6 earthquake measures and successful proactive claims management.

Milli Re participated in the placement of 17 companies that obtained proportional reinsurance protection following the 2026 renewals, serving as lead reinsurer in the treaties of 12 companies. Increasing its market share from 18% in 2025 to 19.5% in 2026, our Company continued to give increasing support to the sector.

Excess of loss reinsurance treaties paralleled the renewals in continental Europe and were renewed at risk-adjusted price reductions in 15% to 20% interval. Although they vary by company, in many cases oversubscription exceeded climbing to an average rate of 150%.

Milli Re has an average share of 8% in the catastrophe excess of loss (Cat XL) treaties of 28 companies it participated in excluding Turkish Catastrophe Insurance Pool (TCIP). In 2026, Milli Re participated in the programs of 12 companies that structured their risk protections on an excess of loss basis.

In 2026, the Cat XL treaty capacity purchased by the Turkish insurance industry to cover earthquake risk increased by EUR 1 billion compared to 2025, in parallel with the rise in earthquake accumulations and liabilities exceeding event limits in proportional treaties, reaching a total of EUR 12 billion including the Turkish Catastrophe Insurance Pool (TCIP). While almost all existing reinsurers requested to participate in Cat XL treaties with increased shares, new reinsurers also entered the market.

Capacity surplus reduced the need for parametric products that were necessitated in the aftermath of the February 6 earthquakes, and some companies terminated their existing parametric treaties; the prices in renewed treaties declined beyond the decreases in conventional reinsurance treaties.

In the local underwriting portfolio, the rise in the sums insured resulting from exchange rates and escalating inflation, the revised earthquake tariff, and the elevation in policy prices contributed positively to our premium production in 2024. On the other hand, in 2025, the premium growth in the portfolio has been moderate due to the competition that gradually intensified among local insurance companies. The expansion in premium income stemmed mostly from the Fire and Agriculture branches. Although negatively affected by the exchange rate movements coupled with the outcomes of the frost disaster in the first half of 2025, technical loss declined as compared to 2024, owing to the fact that the measures adopted in 2024 within the scope of proportional treaties were maintained in 2025, the price increases in non-proportional treaties, the absence of losses that would wear down the company portfolios and the market in 2024 and 2025 except the frost disaster, and the positive effect of the declined retrocession cost. With the contribution of the net transfers from the non-technical account, the Company booked TL 354 million in profit on the domestic business portfolio.

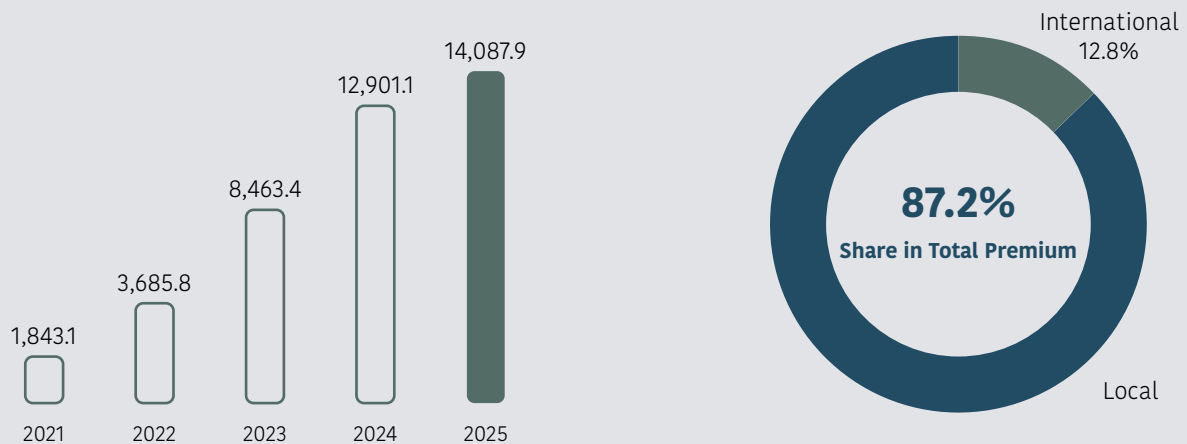
Turkish Reinsurance Market and Milli Re in 2025

Local Premium by Lines of Business	Amount (TL)	Share (%)
Fire	8,740,524,114	62
Engineering	2,410,075,553	17
Marine	810,675,577	6
General Liability	483,482,728	3
Personal Accident	74,034,885	1
Land Vehicles Liability	131,129,355	1
Land Vehicles	37,100,078	0
Agriculture	1,120,607,905	8
Health	16,535	0
Other *	137,776,074	1
Life	142,479,226	1
Total	14,087,902,030	100

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

Local Portfolio	2025	2024	2023	2022	2021
Premium (TL)	14,087,902,030	12,901,101,417	8,463,362,779	3,685,784,114	1,843,120,056
Share in Total Premium (%)	87.2	87.6	85.3	76.7	74.2

Premium (Local Portfolio) (TL million)



Global Reinsurance Market and Milli Re in 2025

Following the last couple of years with elevated natural catastrophe activity, global economic losses from natural catastrophes totaled USD 296 billion in 2025, remaining well below the decennial average of USD 394 billion. Decreasing by 11% on an annual basis, global insured losses declined to USD 129 billion, marking the lowest level of industry losses since 2019. While the number of events with insured losses exceeding billion-dollar level reached 27 in 2025, all but two were weather-related disasters such as severe convective storms, floods and wildfires. This trend highlighted once again the heightened risks posed by climate change, with both the frequency and severity of extreme weather events continuing to rise.

In 2025, US losses continued to dominate the statistics, accounting for approximately 50% of total economic losses and 77% of insured losses. While the 2025 Atlantic hurricane season was relatively benign, 2025 also marked the first year since 2015 in which no hurricanes made landfall on the U.S. mainland.

Hurricane Melissa, which made landfall in Jamaica as a Category 5 storm at the end of October, stood out as the only major event of the 2025 Atlantic hurricane season. With maximum sustained wind speeds of 295 km/h, Melissa surpassed Hurricane Gilbert of 1988 and was recorded as the strongest hurricane ever to hit the island. Causing widespread destruction also in Cuba and Haiti; the total economic cost of Melissa is anticipated to reach USD 10 billion. As the insurance penetration in the region remains low, only USD 2.5 billion of this amount is expected to be recoverable from the insurance industry.

On the other hand, US severe convective storms continued to be a key concern for the insurance industry in 2025. Total economic losses caused by a series of events reached USD 68 billion, of which approximately USD 52 billion was insured. Based on both insured and economic loss figures, 2025 was recorded as the third costliest year in U.S history for severe convective storm losses, ranking after 2023 and 2024. Although the total number of billion-dollar loss events reached 13, the outbreak that struck the Midwestern and Southeastern US between March 13th and 17th, affecting particularly the states of Missouri, Oklahoma, Mississippi and Alabama, stood out as the costliest severe convective storm of the year. Causing extensive damage across multiple states with torrential rainfall, thunderstorms and tornadoes; the total economic cost of the event is estimated at USD 11 billion, while USD 8.4 billion of this amount is expected to be covered by the insurance industry.

Global insured catastrophe losses were annually down by 11% to USD 129 billion.



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The catastrophic California wildfires, which started on January 7th and continued for several weeks, was undoubtedly the costliest natural disaster of 2025. Fueled by strong winds and dry weather conditions, the fires spread rapidly, ravaging approximately 14,000 hectares of land and damaging or completely destroying more than 16,000 structures. Given the concentration of high-value residential properties in the affected area, the total economic cost of the disaster is estimated at USD 65 billion. With total insured losses projected at USD 41 billion, the event was also recorded as the costliest wildfire in history for the global insurance and reinsurance industry.

Another devastating natural catastrophe in 2025 was the 7.7 magnitude earthquake that struck the Sagaing and Mandalay regions of Myanmar on March 28th. Occurring at a depth of approximately 10 kilometres, the earthquake was recorded as the strongest to affect

the country in the last century. The shock was felt across Myanmar, Thailand, China, Bangladesh, India and the wider Southeast Asia region; causing more than 3,000 fatalities and leaving thousands of buildings completely destroyed or severely damaged. The total economic cost of the event is estimated at the level of USD 15 billion, of which only USD 2.3 billion is expected to be insured.

The destructive floods triggered by monsoon rains, which began in June and particularly affected northern China, were another major event impacting Asia in 2025. Continuing for 59 days, the torrential rains marked the longest monsoon season that has been experienced in the country since 1961. Resulting in 70 fatalities and causing extensive property and infrastructure damage, the total economic cost of disaster is estimated at USD 23 billion; while only USD 600 million of this amount is expected to be insured.

Tropical Cyclone Alfred, which made landfall on March 8th as a Category 1 storm near Brisbane, one of Australia's most populous cities, brought heavy rainfall and caused flooding with widespread infrastructure damage, particularly across Queensland and northern New South Wales. Affecting millions of people, the disaster led to flooding in low-lying residential areas and river basins with significant damage to property, and prolonged power outages for tens of thousands of households. Alfred is recorded as the first tropical system to affect the region since Cyclone Zoe of 1974, causing an estimated total economic loss of USD 1.4 billion. Of this amount, around USD 1 billion is expected to be indemnified by the insurance industry

Despite insured losses from natural catastrophes exceeding the USD 100 billion threshold once again in 2025, the reinsurers continued to post strong underwriting results, supported by sustained market



The total of traditional and alternative reinsurance capital rose from 2024 year-end figure of USD 715 billion to USD 760 billion by September 2025.

discipline. Mainly driven by strong retained earnings, traditional reinsurance capital increased by USD 36 billion in the first nine months of the year and reached USD 636 billion. Declining global interest rates also played a crucial role, as valuation gains in investment portfolios emerged as another important factor strengthening reinsurers' capital positions. Meanwhile, the alternative capital market continued to grow as a complementary source of capacity to traditional reinsurance and reached a new record high of USD 124 billion by the end of the third quarter of 2025. Strong investor demand for returns with low-correlation to other financial assets; together with the reinvestment of prior-period earnings stood out as the main drivers of this growth. On the other hand, new capital inflows were predominantly concentrated in catastrophe bonds and with annual issuance of USD 24 billion, the outstanding catastrophe bond market reached a record level of USD 59 billion. In addition, the

relatively low level of natural catastrophe losses sustained by the Insurance-Linked Securities (ILS) market in 2025 supported robust profitability of these instruments, further enhancing their attractiveness to investors. As a result of these developments, total traditional and alternative reinsurance capital increased to USD 760 billion by September 2025, compared to USD 715 billion at year-end 2024.

While prevailing market softening, coupled with increased competition, limited organic growth opportunities for many players; this led merger and acquisition activities, one of the key drivers of structural change, to gain renewed momentum in 2025. Strong technical results and higher investment returns in recent years strengthened capital positions, while companies' growing cash reserves further contributed to a market environment conducive to such transactions. In this context, Sompo Holdings' agreement in August 2025 to acquire Aspen Insurance Holdings

Limited for USD 3.5 billion as part of its global growth strategy was one of the most notable transactions of the year. Another deal that attracted market attention was Convex Group Limited's transition to a new partnership structure, with Onex Corporation and American International Group (AIG) joining as strategic investors. All these developments underlined the increasing interest in M&A activities, with companies placing greater emphasis on creating economies of scale and enhancing capital efficiency. Supported also by favorable market conditions, this trend is expected to gain further momentum in 2026.

With relatively lower level of global insured catastrophe losses in 2025 compared to recent years, as well as the increased profitability and strong returns, reinsurer appetite remained strong in January 2026 renewals. As a consequence of abundant capacity, competitive market conditions continued to prevail in favour of

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buyers. Although reinsurance demand increased moderately as ongoing inflationary environment continued to put pressure on sums insured, the significant uptick in overall reinsurance supply translated into meaningful price reductions. On a risk-adjusted basis, global property catastrophe rates on-line decreased by approximately 15% on average. Despite the prevailing softening, rates continue to remain well above the lows observed in 2018. Similar to previous years, differentiation remained to be a key driver and reinsurers assessed programmes individually based on factors such as coverage, geographical scope, loss history and adequacy of technical pricing. While cedants sought to benefit from more favourable terms, it was also noteworthy that the firm order terms were released with delays beyond the usual timeline. On the other hand, as buyers prioritized cost optimization, negotiations were mainly shaped around pricing and programme structures. Taking advantage of the favorable market conditions, buyers were able to generate meaningful cost savings, secure additional protection and

achieve greater alignment and standardization of terms and conditions across their reinsurance panels.

The January 2026 retrocession renewals were characterized by continued demand growth, abundant capacity and increasing market competition. Retained earnings generated by the strong performance of reinsurers and the ILS market in recent years were redeployed into the market, while additional inflows from a limited number of new entrants also contributed to excess supply. Despite the increase in demand, abundant capacity intensified market competition and exerted downward pressure on pricing. In addition to portfolio growth, buyers' objectives to reduce total liabilities retained in their net, together with changes in capital models in line with updates to catastrophe models, stood out as the key drivers of heightened demand. On the other hand, limited losses to the retrocession market from the California wildfires, the costliest natural catastrophe of the year, bolstered retrocessionaires' appetite, enabling them to maintain their

allocated capacity levels. Compared with previous years, delays were also observed in the renewal timeline, with firm order terms for most programmes being issued in the second half of December. Showing great variation depending on programme performance, scope of cover and loss (Cat XL) experience, risk-adjusted prices for catastrophe excess of loss retrocession programmes declined by 10% to 20%; while the most significant price reductions were observed at the upper layers, where competition remains high.

Europe

Low loss frequency, together with increased global capital supply supported a more stable and orderly January 2026 renewals for the European reinsurance market. Amid intensifying competition, incumbent reinsurers utilized retained earnings and increased their allocated capacity, in an effort to defend their market share. As a result, available capacity continued to outpace demand across the market. While changes in terms and conditions



The January 2026 retrocession renewals presented ongoing demand increase.

varied depending on geographical scope and country-specific dynamics, programme performance and loss experience continued to be the main drivers of differentiation.

This favourable capacity backdrop was further supported by the stabilization of losses from Storm Borris, which affected several countries across the continent in 2024. The relatively benign natural catastrophe experience in 2025 has been another important factor that contributed to a smoother placement process for Cat XL treaties. The additional capacity demand driven by the upward trend in sums insured, on the back of ongoing inflationary pressures, was comfortably absorbed by reinsurers without any adjustment to programme retentions. On the other hand, reinsurer appetite showed great differentiation; as some reinsurers adhered to strict underwriting policies, while others adopted a more flexible approach, leading to varying outcomes across certain programmes and layers. As cost optimization remained a key priority for buyers, firm orders were issued with delays for many programmes, making it more

challenging for reinsurers to shape their strategies for capacity allocation.

While loss-free catastrophe programs renewed with rate reductions in the range of 5% to 20%, downward price movements on loss-affected catastrophe programmes reached up to 10%. As far as the property risk programmes are concerned, loss-free programmes saw rate decreases reaching up to 10% whereas price adjustments for loss-affected risk programs remained flat to up by 5%.

North America

As the 2025 Atlantic hurricane season was relatively calm compared to previous years, and the decline in secondary peril losses coincided with strong profitability and investment returns, this supported a notable increase in total reinsurance capacity. As a result, the softening trend that had prevailed across the market throughout the year became more evident during the January 2026 renewals. Despite the competitive pressure driven by excess capacity, reinsurers maintained underwriting discipline, particularly for

programmes where the proposed terms and conditions did not align with their risk appetite. On the other hand, taking advantage of price softening and buyer-friendly market conditions, many cedants purchased additional limits to strengthen their reinsurance structures. Moreover, as lead reinsurers preferred to offer more holistic solutions, aggregate excess of loss programs, for which capacity supply had remained severely limited in previous years, has gained increased popularity. Although buyers prioritized securing maximum price reductions in line with their cost optimization objectives, negotiations aimed at aligning pricing and treaty conditions across reinsurer panels also gained traction.

For loss-affected catastrophe programmes, risk-adjusted rate increases ranged between 15% and 20%, while loss-free programmes were renewed on a flat basis or with price reductions of up to 5%. Loss-affected risk programmes saw rate increases reaching up to 5%, whereas loss-free risk programmes experienced price reductions in the range of 5% to 10%.

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Milli Re will continue to work closely with our partners for the long term, maintaining underwriting discipline, through portfolio optimization and effective capacity utilization.

Asia Pacific

Economies across Asia Pacific have demonstrated remarkable resilience in weathering the impacts of rising tariffs, navigating an increasingly fragmented global economy and adjusting to a shift toward protectionism. Asia has emerged as the center of global trade policy reset. Newly imposed U.S tariffs and reciprocal tariffs would have the greatest impact on the region particularly China where average U.S tariffs on China's exports stands at approximately 47%.

Despite these headwinds, Asia Pacific have been able to cushion the trade tensions through front loading of exports ahead of the tariff implementation and alongside a buoyant investment in artificial intelligence. Economies such as Taiwan, South Korea, Singapore, Malaysia, Thailand and Vietnam which are key to the AI supply chain have been able to reap the benefits from increased global technology spending.

These factors have supported stronger than expected growth in the first half of the year. Overall growth in the Asia Pacific is projected to moderate to around 4.5%, compared to 4.4% in 2024.

Global reinsurance capacity reached a record high of USD 715 billion at the end of 2024, driven mainly by increased retained earnings. Against a backdrop of relatively benign catastrophe loss activities, it created a competitive environment which was favorable to insurers by putting downward pricing pressure on the January 2025 renewals.

Demonstrating strong appetite for growth in Asian portfolio, incumbent leaders seeking to defend their positions showed willingness to accept modest increases on loss-hit programs across some territories. Demand for additional higher limit purchases remained limited as most insurers were comfortable with their current level of protection. For loss free programs, reductions typically ranged from mid-single digits to low

double digits. Attachment points were largely maintained, and pricing was the focus of negotiation with reinsurers than coverage though there was some broadening of terms and conditions observed.

In China, reinsurance market was broadly stable in terms of demand, with terms and conditions remaining largely unchanged. Supported by ample reinsurance capacity, price softening varied depending on loss experience, whether treaties were loss-free or impacted by losses from Typhoon Yagi. Over the coming years, growth in reinsurance demand is expected to be driven by the increase exposures from electric vehicles, high-tech sectors and renewable energy projects.

Taiwan, which was impacted by loss from Hualien earthquake where losses primarily stemmed from the semiconductor and the high-tech sector, saw some meaningful rate increases although some treaties were still able to achieve reductions

despite the loss. Given the abundance of reinsurance capacity, most programs were oversubscribed.

Additional deployment of capacity was seen in April 2025 renewals from existing players and new entrants for key renewal markets such as Japan where competition was particularly intense. Insurers generally enjoyed low-to-mid double-digits reductions with some insurers opting for increased deductibles while others purchase additional coverage. Overall premium volume in Japan contracted and heavy over-placement was observed across some treaty programs.

Natural catastrophe losses in Asia Pacific in 2025 were moderate, estimated at USD 76 billion, approximately 41% lower relative to their long-term averages. Aside from Cyclone Alfred and the hailstorm event that struck Brisbane and Queensland in March, together generating insured losses of approximately USD 2 billion. Other major loss events included Super Typhoon Ragasa and Tropical Storm Wipha, each exceeding USD 1 billion in economic losses. However, insured losses are expected to be much lower due to the wide protection gap in the region. Insured losses from Typhoon Wipha are not expected to exceed USD 250 million while losses from Super Typhoon Ragasa are estimated to be around USD 10 million.

Myanmar earthquake was the key loss event of the year which accounted for approximately 14% - 20% of the economic losses in Asia Pacific. Estimated economic loss is around USD 15 billion with insured losses estimated at approximately USD 2.3 billion. Losses within Myanmar were negligible due to low insurance penetration rate. In contrast, Thailand experienced substantial losses after tremors led to the collapse of a high rise building in Bangkok. The losses insured are estimated at up to USD 1.5 billion.

The fire at Wang Fuk Court housing complex in Hong Kong was the other major loss event. It was the worst fire in the territory in several decades and was brought under control only two days later. The blaze resulted in 168 deaths and caused extensive damage across seven of the estate's eight residential blocks. Market estimates place the aggregate sum insured for the eight estate towers at approximately USD 334 million.

Looking ahead, the Asia Pacific reinsurance market faces a complex mix of near-term competitive pressures and longer-term structural challenges, including exposures growth continues to outpace improvements in flood resilience. While abundant capacity and competition are expected to maintain downward pressure on pricing in the near term, particularly for well-performing portfolios.

Milli Re will continue to work closely with our partners for the long term, maintaining underwriting discipline, through portfolio optimization and effective capacity utilization.

Middle East and North Africa (MENA)

In the Middle East and North Africa (MENA) region the growth dynamics remain uneven, reflecting the continued divergence between energy-exporting and energy importing economies, often described as the "two MENAs." Hydrocarbon producing Gulf Cooperation Council (GCC) countries have largely preserved macroeconomic stability. In contrast, energy-importing countries such as Egypt, Jordan, Tunisia, Lebanon, and Morocco continue to face pressure from elevated debt levels and currency volatility.

Geopolitical risks remained a defining feature of the regional outlook in 2025. The prolonged conflict centered around Gaza, continued instability in parts of the Levant, and broader regional security concerns have weighed on investor confidence and trade flows. At the same time, OPEC+ production management and volatility in global energy markets continued to influence fiscal balances and growth expectations across the GCC. Despite these challenges, the region retains meaningful long-term potential driven by its strategic geographic position, young population, and accelerating

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reform agendas aimed at improving labor allocation, boosting private sector participation, closing gender employment gaps, enhancing trade and technology integration.

The GCC remains the dominant driver of insurance activity in the MENA region. Total gross written premiums (GWP) across the GCC are estimated to have exceeded USD 43 billion in 2025, particularly across health, motor, and selected commercial lines. The non-life insurance segment, which typically accounts for the larger portion of premiums in the region, is forecasted at approximately USD 23 billion in gross written premiums for 2025. Mandatory insurance frameworks most notably in health insurance continue to underpin structural premium growth in the UAE and Saudi Arabia.

The UAE continues to represent the most mature and systemically important insurance market in the region. According to Central Bank of UAE (CBUAE) in Q3 2025, GWP premiums reached USD 15.7 billion, supported by robust economic activity, population growth, stronger regulatory oversight, rapid urbanization, high asset concentration, infrastructure systems and expanding compulsory insurance coverage. Egypt continues to show gradual growth in insurance, driven by demographic growth, and regulatory reforms. Morocco remains one of the more developed North African markets, with steady growth in both life and non-life segments, while Algeria and Tunisia continue to lag due to structural constraints such as compulsory cessions and strict regulations challenging the foreign players to these markets.

The region experienced an exceptional series of severe weather events, most notably the Arabian Gulf flash floods of April 2024, which represented the most significant rainfall event recorded in parts of the UAE in at least seven decades. Accordingly, natural catastrophe risk emerged as a defining issue for the MENA insurance and reinsurance markets and continues to shape underwriting discipline. As a result, 2025 renewals in the UAE reflected a clear recalibration of catastrophe reinsurance programs. While capacity availability remained broadly sufficient, programs were restructured to better align with peril-specific exposures. XL layer covers were redefined for the specific named perils, increased emphasis on flood covers, and higher attachment points in loss-affected programs. Premium rates and deductibles increased for STFI (Storm, Tempest, Flood and Inundation) and AOG (Acts



Regulatory developments remain closely aligned with broader European frameworks, including Solvency II, data protection requirements, and sustainability-related disclosures.

of God) protections where flood claims had been reported, while cedants adopted a more selective underwriting approach toward flood-exposed risks.

Central and Eastern Europe (CEE)

Inflation remained a key challenge throughout 2025: Elevated material, labor, and service costs continued to exert upward pressure on claims severity and operating expenses, pressuring underwriting margins across non-life portfolios. These pressures were compounded by the increased frequency and severity of weather-related events, particularly floods and droughts, which disproportionately affected agricultural and property lines.

Geopolitical developments continued to shape the regional outlook. The ongoing war in Ukraine has had a sustained impact on neighboring CEE economies, including Poland, Romania, Slovakia, and Hungary, through energy market disruptions and defense-related spending. While most CEE economies showed signs of

stabilization in 2025, geopolitical risk remains elevated, influencing risk appetite, pricing assumptions, and demand for coverage related to political violence, property, life, and health insurance.

Gross written premiums in the first half of 2025 reached approximately EUR 26.3 billion, reflecting year-on-year growth of around 7.5 percent, while paid claims declined modestly. Slovenia represented an exception following the introduction of a mandatory public health insurance contribution in January 2024, which structurally reduced private health insurance volumes.

Insurance penetration in CEE remains below Western European levels, but long-term growth prospects remain supported by rising income levels and expanding demand for insurance products. Motor and life insurance continue to dominate premium volumes, while health insurance, particularly supplementary private coverage, has gained traction in markets such as Poland, Hungary, and Czechia.

Regulatory developments remain closely aligned with broader European frameworks, including Solvency II, data protection requirements, and sustainability-related disclosures. InsurTech has accelerated across the region, with insurers investing in automation, online distribution, and data-driven underwriting solutions to enhance efficiency and customer experience.

Weather-related volatility intensified across CEE in 2024, characterized by so-called “weather whiplash,” where rapid transitions between drought and flooding increased loss volatility. In 2025, advanced forecasting, improved flood defenses, and emergency preparedness helped mitigate losses compared to prior major flood events that took place in 2024, but flood risk remained the dominant underwriting concern.

Capacity availability remained adequate, with incremental support from existing reinsurers rather than significant new market entrants. Loss-free programs generally renewed on stable terms, with variations reflecting portfolio-specific exposure and experience.

A relatively quiet 2025 from the standpoint of natural disasters has been another important factor that reflected positively on the placements of Cat XL treaties.

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International Portfolio 2025 Results

In order to achieve portfolio diversification in line with its profit-oriented and sustainable growth target, Milli Re continues to leverage its operations in global markets. Giving priority to long-term business relationships erected on solid foundations and successfully navigating shifting market conditions, the Company sustains its support to its existing business partners within the scope of its international operations, and marches forward sure-footedly towards its target to increase portfolio diversity and profitability through new businesses fitting its risk appetite. A significant portion of the international portfolio is made up of business written from emerging markets that fall under the scope of FAIR Reinsurance Pool, which was managed by Milli Re from its establishment in 1974 until 1 January 2024; acceptances from the Far East via Milli Re Singapore Branch that started accepting business in 2008, and business from the Turkish Republic of Northern Cyprus. On

another front, in line with its strategy to develop international activities, Milli Re also has been underwriting business from developed markets by providing reinsurance capacity to several leading global reinsurers and Lloyd's syndicates. Thanks to the trust-based solid relationships established with business stakeholders owing to the Company's long-lasting activities and high service quality, Milli Re booked approximately TL 2 billion in premium income in 2025 on its international portfolio. Although incurred losses in terms of foreign currency declined due to 2025 being a calm year in terms of damages and the tapering off of claims from prior underwriting years, the international operations portfolio ended 2025 with a loss of TL 51 million due to exchange rate fluctuations.



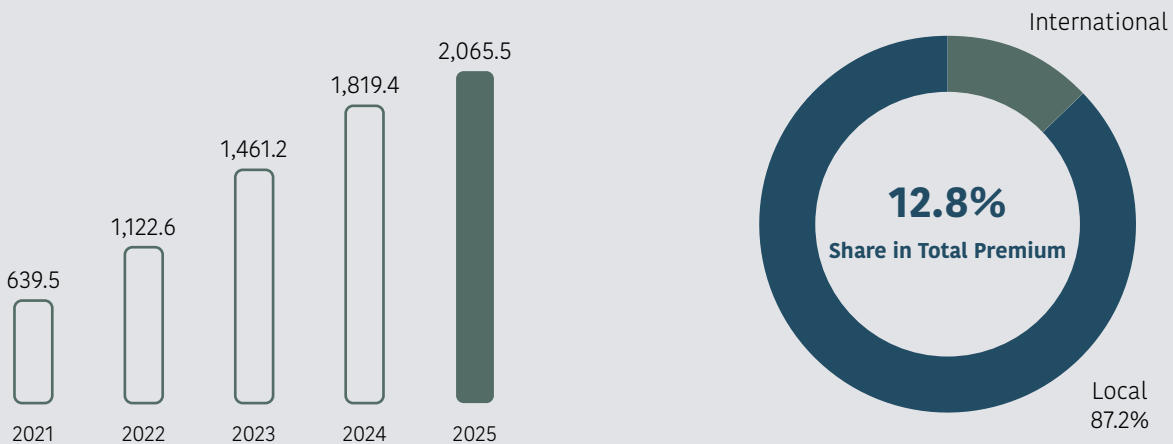
Milli Re booked approximately TL 2 billion in premium income in 2025 on its international portfolio.

International Premium by Lines of Business	Amount (TL)	Share (%)
Fire	1,386,909,809	67
Engineering	116,505,823	6
Marine	131,309,117	6
General Liability	110,537,805	5
Personal Accident	24,270,215	1
Land Vehicles Liability	102,873,883	5
Land Vehicles	126,971,932	6
Agriculture	17,359,996	1
Health	109,209	0
Other (*)	32,959,364	2
Life	15,651,623	1
Total	2,065,458,776	100

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

International Portfolio	2025	2024	2023	2022	2021
Premium (TL)	2,065,458,776	1,819,428,517	1,461,231,790	1,122,645,923	639,485,009
Share in Total Premium (%)	12.8	12.4	14.7	23.3	25.8

Premium (International Portfolio) (TL million)



Financial Strength, Profitability and Solvency

Milli Re's premium production reached approximately TL 16,153 million, increasing by 10%, while paid losses amounted to approximately TL 7,697 million. The Company booked a net profit of TL 59,776 million in 2025.

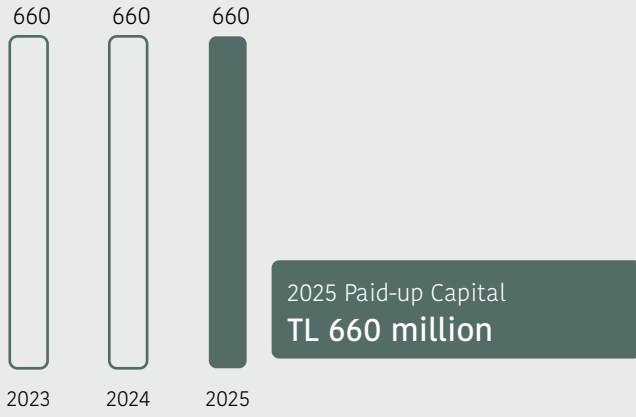
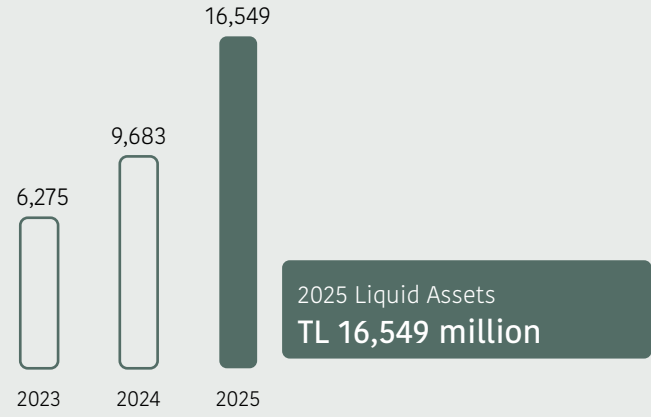
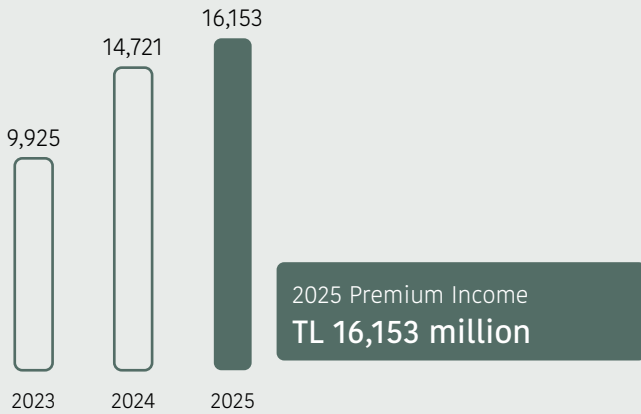
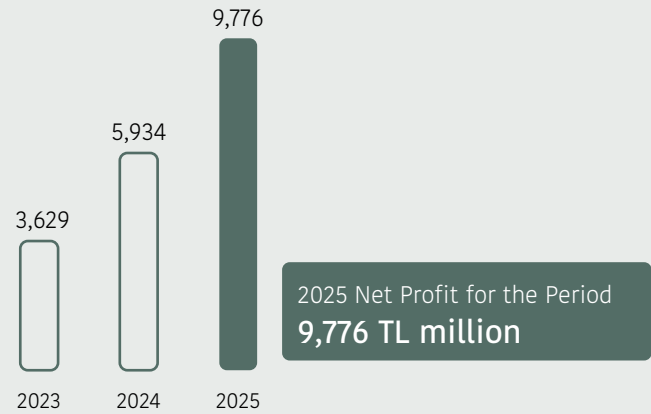
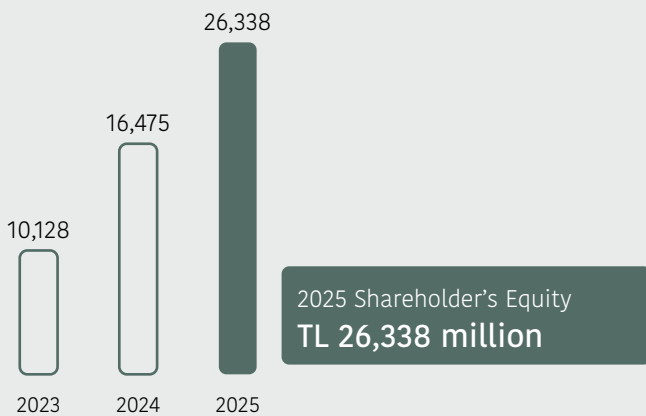
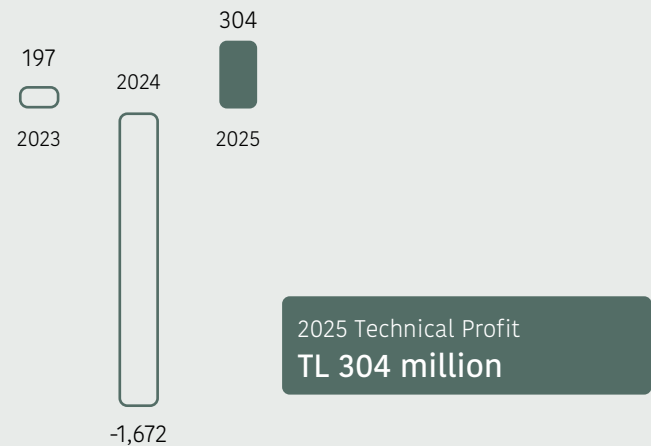
The Company's Liquid Assets correspond to 33% of Total Assets. Owing to its strong and balanced maturity distribution of invested assets, Milli Re fulfilled all of its legal and commercial obligations in 2025.

Details on technical results are presented in the "2025 Technical Results" section.

Financial Results (TL million)	2025	2024	Change (%)
Total Assets	49,817	33,749	47.61
Shareholders' Equity	26,338	16,475	59.87
Technical Income	17,152	11,559	48.38
Technical Profit/Loss	304	(1,672)	(118.16)
Financial Income	13,770	10,495	31.20
Financial Profit/Loss	9,473	7,606	24.55
Net Profit/Loss for the Period	9,776	5,934	64.76



Milli Re's premium production reached approximately TL 16,153 million, increasing by 10%, while paid losses amounted to approximately TL 7,697 million.

Paid-up Capital (TL million)**Liquid Assets** (TL million)**Premium Income** (TL million)**Net Profit for the Period** (TL million)**Shareholder's Equity** (TL million)**Technical Profit/Loss** (TL million)

Key Financial Indicators

Assets (TL)	2025	2024	2023
Cash and Cash Equivalents	6,754,939,846	4,383,823,465	1,825,305,969
Securities	9,794,367,131	5,298,824,004	4,449,936,934
Subsidiaries	27,617,099,603	18,817,804,486	10,692,447,851
Fixed Assets	215,956,004	181,308,911	183,086,608
Total Assets	49,817,461,771	33,749,307,560	22,668,143,370

Liabilities			
Technical Provisions	21,395,919,436	16,010,493,310	11,233,019,325
Shareholders' Equity	26,338,377,148	16,474,890,923	10,128,117,780
Total Liabilities	49,817,461,771	33,749,307,560	22,668,143,370

Income and Expense Items			
Technical Income	17,151,684,054	11,559,360,737	10,217,401,516
Technical Expenses	(16,848,082,370)	(13,231,579,712)	(10,020,279,173)
Technical Profit/Loss	303,601,684	(1,672,218,975)	197,122,343
Financial Income	13,770,220,210	10,495,454,452	7,817,832,550
Financial Expenses	(4,366,932,061)	(2,617,504,715)	(3,661,647,130)
General Expenses	69,529,373	(272,099,357)	(724,299,710)

Profit for the Period Tax and Other Legal Liability Provisions			
Financial Profit/Loss	9,472,817,522	7,605,850,380	3,431,885,710
Profit/Loss for the Period	9,776,419,205	5,933,631,405	3,629,008,053

Financial Analysis Ratios (%)	2025	2024	2023
1. Capital Adequacy Ratios			
Gross Premiums/Shareholders' Equity	75	111	131
Average Shareholders' Equity/Total Assets	43	39	33
Average Shareholders' Equity/Net Technical Provisions	100	83	68
2. Asset Quality and Liquidity Ratios			
Liquid Assets/Total Assets	33	29	28
Liquidity Ratio	113	95	90
Current Ratio	91	78	87
Premium and Reinsurance Receivables/Total Assets	6	8	18
3. Operational Ratios			
Retention Ratio	77	63	79
Paid Claims/Paid Claims+Outstanding Claims	34	47	51
4. Profitability Ratios			
Gross			
Loss Ratio	74	69	275
Expense Ratio	29	24	21
Combined Ratio	103	93	296
Net			
Loss Ratio	91	107	129
Expense Ratio	37	37	26
Combined Ratio	128	144	155
Profit Before Tax/Gross Written Premiums	61	40	37
Gross Financial Profit/Gross Written Premiums	59	52	35
Technical Profit/Gross Written Premiums	2	(11)	2
Profit Before Tax/Total Assets	20	18	16
Profit Before Tax/Average Shareholders' Equity (Excluding Profit)	72	70	68

Key Figures	2025	2024	2023	2022	2021
Gross Premiums	16,153,360,806	14,720,529,934	9,924,594,569	4,808,430,037	2,482,605,065
Technical Division Balance	303,601,684	(1,672,218,975)	197,122,343	323,619,386	221,154,114
Investment Income	13,770,220,210	10,495,454,452	7,817,832,550	3,067,317,755	1,353,558,990
Investment Expenses	(4,366,932,061)	(2,617,504,715)	(3,661,647,130)	(2,251,785,865)	(865,902,058)
Other Income and Expenses	69,529,372	(272,099,357)	(724,299,710)	(250,531,510)	(30,947,807)
Gross Profit/Loss for the Period	9,776,419,205	5,933,631,405	3,629,008,053	888,619,766	677,863,239
Taxation	0	0	0	0	(128,897,591)
Profit/Loss for the Period	9,776,419,205	5,933,631,405	3,629,008,053	888,619,766	548,965,648
Shareholders' Equity	26,338,377,148	16,474,890,923	10,128,117,780	5,055,935,662	3,000,422,620
Total Assets	49,817,461,771	33,749,307,558	22,668,143,370	12,400,448,277	7,183,128,434

Company Capital

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

- The calculation for 2025 yields a positive result of TL 20,134 million.
- The Company has sufficient shareholders' equity to cover liabilities that might result from its existing and potential risks.

Capital Adequacy (TL million)	2025	2024	2023
Required Capital	6,002	7,145	3,296
Available Capital	26,136	16,659	10,108
Capital Adequacy Result	20,134	9,514	6,812

2025 Technical Results

Milli Re's premium income increased by 9.73% on a year-on-year basis and reached TL 16,153,360,806 in 2025. Paid claims increased by 22.34% and were recorded as TL 7,697,304,182 as at the end of 2025

Premium Production (TL)

LINE OF BUSINESS	2025	2024	2023
ACCIDENT	98,305,100	136,201,822	87,573,240
HEALTH	125,744	6,576,685	6,467,502
LAND VEHICLES	164,072,009	155,386,352	87,783,904
RAILWAY VEHICLES	0	0	-
AIR VEHICLES	3,563,017	6,322,076	11,320,594
SEA VEHICLES	463,336,443	428,394,363	342,108,831
MARINE	478,626,375	412,740,957	363,827,992
FIRE & NATURAL DISASTERS	10,028,209,164	9,450,840,327	6,111,459,323
GENERAL LOSSES	3,801,026,679	3,234,551,004	2,285,327,048
LAND VEHICLES LIABILITY	234,003,238	209,456,869	169,550,650
AIR VEHICLES LIABILITY	0	0	-
SEA VEHICLES LIABILITY	21,876	0	-
GENERAL LIABILITY	594,020,534	491,365,791	339,956,554
CREDIT	14,285,600	9,257,635	6,859,843
FIDELITY GUARANTEE	14,766,181	1,450,722	16,648,293
FINANCIAL LOSSES	99,224,759	84,204,024	59,780,769
LEGAL PROTECTION	1,643,238	836,204	577,989
TOTAL NON-LIFE	15,995,229,957	14,627,584,831	9,889,242,532
LIFE	158,130,849	92,945,103	35,352,037
TOTAL	16,153,360,806	14,720,529,934	9,924,594,569

2025 Premium Production

Geographical Breakdown	TL	%
Türkiye	14,087,902,031	87
Asia	556,032,282	4
Asia	414,566,812	3
Middle East	141,465,470	1
Europe	408,720,148	3
Western Europe	26,566,767	0
Central&Eastern Europe	382,153,381	3
Worldwide	1,027,135,075	6
Others (incl. America)	53,399,336	0
Africa	20,171,935	0

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2025 Technical Results

In 2025, the Company's premium income showed a measured increase in line with effective capital management target and stood at TL 16,153 million. With the added effect of the revisions intended for increasing profitability in proportional treaty conditions in the domestic market, claims performance has been moderate, which reflected positively on technical results. On the other hand, despite the depreciation of the Turkish lira against foreign currencies and inflationary pressure, our technical operations resulted in a profit of TL 304 million with the contribution of the income derived on the investment of technical reserves in various instruments.

Technical Profitability (TL)

LINE OF BUSINESS	2025	2024	2023
ACCIDENT	82,464,652	75,088,637	71,456,546
HEALTH	(1,866,630)	766,133	1,637,990
LAND VEHICLES	6,409,664	40,188,495	52,179,357
RAILWAY VEHICLES	-	-	-
AIR VEHICLES	(19,651,386)	17,811,806	(23,095,040)
SEA VEHICLES	16,259,655	(68,563,766)	(21,679,227)
MARINE	40,728,435	120,042,519	237,427,289
FIRE & NATURAL DISASTERS	1,643,910,838	(899,299,780)	(525,711,613)
GENERAL LOSSES	(1,121,770,304)	(938,598,786)	216,908,685
LAND VEHICLES LIABILITY	(135,127,659)	(56,988,005)	32,486,859
AIR VEHICLES LIABILITY	-	-	-
SEA VEHICLES LIABILITY	310,464	12,444	270,738
GENERAL LIABILITY	(147,281,592)	32,099,633	191,493,992
CREDIT	5,161,142	6,958,512	7,307,143
FIDELITY GUARANTEE	(59,184,319)	(4,670,465)	(5,061,511)
FINANCIAL LOSSES	(53,323,347)	(19,836,560)	(51,223,858)
LEGAL PROTECTION	1,912,299	483,687	939,087
TOTAL NON-LIFE	258,951,912	(1,694,505,496)	185,336,437
LIFE	44,649,771	22,286,521	11,785,906
TOTAL	303,601,683	(1,672,218,975)	197,122,343

2025 Financial Results

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

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

Investment Income

As of 31 December 2025, the total value of the Company's investment portfolio is TL 16,549,306,977. The investment instruments in the portfolio include Turkish lira time deposits (35%), TL corporate bonds (15%), TL mutual funds (8%), TL mutual funds (8%) and TL government

bonds (7%). Various FC investment instruments account for 29% of the portfolio.

In the 01 January – 31 December 2025 period, the highest return generators were TL time deposits and TL mutual funds owing to the high interest rates. The investment instruments with the highest rate of return were FC-denominated government bonds and repo.

Compared to the previous year, the main factor affecting the increase in "Income from Financial Assets" was the interest income derived on TL time deposits. In addition, there was an increase in "Income from Disposal of Financial Assets" due to the rise in TL mutual fund sales income throughout 2025.

The fall in the "Valuation of Financial Assets" item resulted from the decline in the valuation amount of time deposits and mutual funds despite the rise in the valuation amount TL-denominated corporate bonds.

Due to the appreciation of USD and Euro against TL, income from FC-denominated investment instruments and FC deposit accounts contributed to the total investment portfolio return. As a result of the fluctuations in foreign exchange rates in 2025, a foreign exchange loss of TL 21,909,749 was booked.

Within the scope of the Company's shares in subsidiaries and affiliates accounted for by equity method, Milli Re derived an income of:

- TL 747 million on Anadolu Hayat Emeklilik A.Ş. (Change: TL +210 million),
- TL 7 billion on Anadolu Anonim Türk Sigorta Şirketi (Change: TL +891 million),
- TL 1.9 billion on Miltaş Tur. İnş. Tic. A.Ş. (Change: TL +435 million).

(TL)	2025	2024	Change (%)
Investment Income	13,770,220,210	10,495,454,452	31.20
Income from Financial Assets	2,351,774,847	1,254,247,652	87.50
Income from Disposal of Financial Assets	677,553,921	357,202,721	89.68
Valuation of Financial Assets	219,112,157	315,063,094	(30.45)
Foreign Exchange Gains	874,431,251	450,091,248	94.28
Income from Subsidiaries	746,878,965	536,502,944	39.21
Income from Subsidiaries and Joint Ventures	8,881,792,288	7,555,428,109	17.56
Income from Property Plant and Equipment	-	(70,620)	+
Income from Derivative Transactions	16,176,781	24,073,923	(32.80)
Other Investments	2,500,000	2,915,381	(14.25)

2025 Financial Results

Investment Expenses

The increase in “Investment Income Transferred to Non-Life Technical Accounts” resulted from the technical reserves that increased as compared to the previous period and the high amounts of income derived on our portfolio.

“Other Investment Expenses” increased due to the rise in investment income subject to Insurance Transaction Tax and tax amounts assessed on cash dividends collected from our affiliates.

(TL)	2025	2024	Change (%)
Investment Expenses	(4,366,932,061)	(2,617,504,715)	66.84
Investment Management Expenses – (Incl. Interest)	(12,964,454)	(4,165,831)	211.21
Loss from Disposal of Financial Assets	(22,486,152)	(24,341,548)	(7.62)
Investment Income Transferred to Non-life Technical Account	(4,039,858,325)	(2,371,156,246)	70.38
Losses from Derivatives	-	(5,039,473)	+
Foreign Exchange Losses	(21,909,749)	(35,029,676)	(37.45)
Depreciation and Amortization Expenses	(62,295,819)	(38,489,252)	61.85
Other Investment Expenses	(207,417,562)	(139,282,689)	48.92

Income and Expenses from Other and Extraordinary Operations

A higher amount of deferred tax income arose, due mainly to the rise in social assistance fund asset deficits provisions and equalization provision, coupled with the deferred tax income over the previous period created by the deferred tax calculated based on the net technical division income and expense assessments. These developments resulted in an income balance in the “Income and Expenses from Other and Extraordinary Operations” account.

(TL)	2025	2024	Change (%)
Income and Expenses From Other and Extraordinary Operations	69,529,373	(272,099,357)	(125.55)
Provisions	(382,158,935)	(329,836,302)	15.86
Rediscounts	8,622,415	(9,580,145)	(190.00)
Deferred Taxation (Deferred Tax Assets)	410,797,064	53,365,094	669.79
Deferred Tax Liability Expense	-	-	+
Other Income	32,586,530	14,105,598	131.02
Other Expenses and Losses	(317,701)	(153,602)	106.83

Gross Profit/Loss for the Period

Since loss was booked as per the Tax Procedure Law as of 31 December 2025, there was no balance in the “Profit for the Period, Tax and Other Legal Liability Provisions” item. A financial profit in the amount of TL 9,472,817,521 was posted in 2025 owing mainly to the reasons mentioned above.

At the bottom line, the Company recorded a net profit for the period of TL 9,776,419,205 in 2025.

(TL)	2025	2024	Change (%)
Gross Profit/Loss for the Period	9,776,419,205	5,933,631,405	64.76
Profit/Loss for the Period	9,776,419,205	5,933,631,405	64.76
Profit for the Period Tax and Other Legal Liability Provisions	-	-	-

General Assembly Agenda

Millî Reasürans Türk Anonim Şirketi

Agenda for the General Assembly Held on 30 March 2026

1. Opening and formation of the Presiding Board,
2. Reading and discussion of the 2025 Activity Report drawn up by the Board of Directors,
3. Reading of the Statutory Auditors' report,
4. Reading, discussion and approval of the Company's Financial Statements for 2025,
5. Discussion and approval of the TSRS-Aligned Sustainability Report 2024
6. Declaration of the Board of Directors,
7. Determination of the manner and date of distribution of profit of 2025,
Election for the seats on the Board of Directors,
9. Designation of the Independent Audit Firm
10. Determination of the remuneration to be paid to the members of the Board of Directors,
11. Determination of the remuneration to be paid to the Audit Committee
12. Authorizing the Board of Directors to perform the transactions set out in Articles 395 and 396 of the Turkish Commercial Code

Board of Directors Report

Esteemed Shareholders,

We hereby present to our esteemed shareholders the Balance Sheet, Income Statement, Profit Distribution Statement, Statement of Changes in Equity, and Cash Flow Statement, which reflect the results achieved in 2025, our Company's 97th year in operation, and have been prepared in accordance with the applicable legislative provisions and the principles and regulations prescribed by the Republic of Türkiye Ministry of Treasury and Finance, for your review and approval.

During 2025, global economy proceeded on a moderate growth path owing to the gradual exit from tight monetary policies. Global disinflation process continued, but not without decoupling among countries; rate cuts by central banks varied in terms of timing and magnitude depending on economic circumstances. While uncertainties stemming from tariffs relatively eased, geopolitical frictions continued to put pressure on global financial markets and supply chains, which led to continued fragility of the growth outlook.

In 2025, the US economy grew by 2.2%; the rise in consumer

expenditures and the positive contribution lent by net exports backed growth, while labor market kept sending weakening signals. As inflation indicators remained above the target, the Fed pulled the policy rate down to the 3.50%-2.75% interval with a total rate cut by 75 bps throughout the year.

While the euro area economy grew by 1.5% across 2025, the ECB kept the interest rates unchanged in the last four meetings of the year; forecasts suggest that investments, rising public expenditures and resilient domestic demand will support growth. The Chinese economy ended the year with a 5% growth rate; while consumer inflation displayed limited recovery, the downtrend in producer prices persisted.

In its January update, the IMF upgraded its global growth forecast for 2025 and 2026 to 3.3%, estimating growth at 1.7% for developed economies and 4.4% for developing economies. The IMF suggested that technology investments and improved financial conditions supported growth, and underscored that uncertainties in relation to trade policies, geopolitical developments, high public indebtedness and possible sudden corrections in financial markets constituted a downside risk.

During 2025, the Turkish economy registered 3.6% growth despite the ongoing inflationist environment and the tight monetary policy. While investment expenditures provided strong support to growth, the momentum in private consumption indicated at the lively domestic demand, whereas the contribution of net exports remained limited.

At the end of 2025, annual CPI declined to 30.89%, demonstrating that the disinflation process is ongoing. While core inflation indicators point at improving main trend, housing, food and transportation groups extended high contributions to inflation. Annual domestic CPI, on the other hand, was measured as 27.67%.

The CBRT sustained the rate cut process it initiated by end-2024 gradually, except for an interim hike occasioned by periodic volatilities; accordingly, the policy rate was reduced to 38% at the end of the year. Total reserves reached USD 189 billion, country risk premium declined, and external financing terms improved.

Although net services revenues reached a record level owing to the rise in tourism revenues throughout 2025, the current accounts deficit

paralleled the soaring foreign trade deficit and boomed by 142% to USD 25.2 billion.

In 2025, the current surplus excluding gold and energy went down by 19.5% as compared to the previous year. While 2026 predictions do not suggest additional pressure on energy prices, domestic demand, gold prices and gold demand will possibly continue to act as the primary risk factors with respect to current accounts balance.

Following several years of highly frequent natural disasters, global catastrophe losses amounted to USD 296 billion in 2025. Global incurred cat losses fell by 11% annually to USD 129 billion, going down in the records as the lowest loss sustained by the industry since 2019. Although the ratio of insured losses was higher as compared to the previous year, the protection gap is significant. While 27 natural disasters in 2025 caused insured losses over USD 1 billion, it is noteworthy that all but two were caused by weather events such as severe convective storms, floods, and wildfires. This trend further underlines the threats stemming from climate change, which is driving a marked rise in the frequency and severity of extreme weather.

In 2025, reinsurers kept performing strongly in terms of their technical results owing to their consistency in maintaining market discipline; conventional capital rose to USD 636 billion in the first three quarters of the reporting period, an outcome contributed also by retained earnings. Another important element that strengthened reinsurers' equities was the valuation gains in investment portfolios resulting from declined interest rates across the world. On another front, as the alternative capital market kept expanding as a complementary element supporting the conventional reinsurance capacity, it has reached a new historic peak with a total volume of USD 124 billion as of the end of the third quarter of 2025. As of September 2025, the sum of conventional and alternative reinsurance capital rose from USD 715 billion at year-end 2024 to USD 760 billion.

The Turkish insurance industry sustained its nominal growth in 2025, whereas real growth remained limited. Non-Life insurance continued to be the main driver of total premium production. While the expansion in Non-Life branches was largely the result of increased sums insured,

coverage and limit updates, and price adjustments, some branches had limited or even negative growth in real terms.

According to year-end 2025 data released by the Insurance Association of Türkiye, the premium production of the Turkish insurance industry reached TL 1,223 billion, marking a nominal increase of 45.8% and a real increase of 11.4% compared to 2024. Non-Life branches accounted for 85.4% of the sector's total premium in 2025, generating TL 1,044 billion in premiums translating into a nominal growth rate of 41.3% compared to 2024. The Life branch recorded a nominal growth of 79.1%, increasing its share of total premium production to 14.6 %.

Premium production in the Land Vehicles Liability branch, the sector's primary premium generator, continued to lose momentum and grew by 41.2%. Growth in the Land Vehicles branch stood at 31.1%. These two branches got 29.7% and 14.1% share out of Non-Life premium production, respectively.

The Health branch, on the other hand, has been one of the branches to achieve marked real growth in the sector in 2025. Registering 55.1%

Board of Directors Report

nominal and 18.5% real growth in premium production, the branch increased its share in Non-Life total premium production from 18.5% in 2024 to 20.3% in 2025.

Fire and Natural Disasters branch registered 35.9% growth, its share within total Non-Life premiums sliding down from 16.5% to 15.9%.

In order to complete the placements of 2024 proportional reinsurance treaties following the earthquakes of 6 February 2023 and to ensure continuity, radical revisions were undertaken; these revisions were maintained in 2025 treaties as well.

Notwithstanding, in a bid to preserve the competitive strengths of the companies our Company, which is in leadership position in proportional treaties, provides capacity to, revisions to the benefit of insurance companies were made in proportional treaties in 2026 renewals, with the aim of eliminating potential disadvantages they may have in the face of companies operating solely on the basis of excess of loss programs. Within this framework, necessary arrangements were introduced to eliminate concentration risk in proportional treaties, while integrating lucrative business in the low-risk category in portfolios. This approach secured a more profitable, homogenous and sustainable structure for proportional treaties,

aiming for the achievement of consistent technical results in 2026 and beyond.

The majority of companies operating in the Turkish insurance industry continued to protect their portfolios in 2026 with proportional-based bouquet treaties. No conversions from proportional to non-proportional treaties were made in 2026 renewals, and a limited number of companies protecting their portfolios with excess of loss treaties started obtaining protection for their portfolios through proportional treaties in 2026. Despite variations among companies, proportional treaties were renewed with oversubscription rates of 20% to 30% - a level unseen in many years. The interest shown by new, reputable reinsurers in proportional treaties and their participation in placements are considered the most significant outcome of our sector's post-February 6 earthquake measures and its successful proactive claims management.

Milli Re participated in the placement of 17 companies that obtained proportional reinsurance protection following the 2026 renewals, serving as lead reinsurer in the treaties of 12 companies. Increasing its market share from 18% in 2025 to 19.5% in 2026, our Company continued to give increasing support to the sector.

On another note, excess of loss reinsurance treaties of insurance companies operating in Türkiye paralleled the renewals in continental Europe; accordingly, these treaties were renewed at risk-adjusted price reductions in the 15% to 20% interval. Although they vary by company, oversubscription rates even exceeded the previous year as compared to the industry mean, climbing to an average of 150%.

Milli Re has an average share of 8% in the Cat XL treaties of 28 companies it participated in excluding TCIP (Turkish Catastrophe Insurance Pool). In 2026, Milli Re participated in the programs of 12 companies that structured their risk protections on an excess of loss basis.

Leveraging its technical expertise acquired in the Turkish market to expand to the global markets with the support of its robust capital structure, Milli Re reported a premium income of approximately TL 2 billion in 2025 on its international business, a result of long-lasting, solid relationships established with business stakeholders and its high quality services.

In 2025, Milli Re booked TL 49,817 million in total assets, TL 26,338 million in shareholders' equity, and TL 9,776 million in net profit for the period. Amounting to TL 16,153 million,

87.2% of the Company's total premium production was derived on domestic operations, while the remaining 12.8% was sourced from international business.

Our Company embraces a holistic approach encompassing various domains including training, rewarding & recognition, motivation and employee well-being with a focus on performance and development management in our processes associated with our human resources that is the cause and source of our successful performance. In this context, "Together to the Future Project under the Millî Revolution" project initiated in 2024 has been brought to completion, achieving significant progress in practices aimed at enhancing our employees' job efficiency and satisfaction.

Within the frame of its second century strategy, our Company aims to sustain its profitable growth and maintain its robust financial structure, and maximize employee efficiency through business processes, while strengthening its position in national and international markets. To this end, investments are carried on with the purpose of integrating current technology in business processes and establishing an ecosystem driven by cybersecurity. Added value has been increased

through automation, robotic processes and business intelligence applications. In conjunction with the organizational restructuring undertaken in 2025, the processes, which were started to be structured end-to-end, are being revisited with a focus on technological efficiency with the aim of promoting collective success and increasing efficiency.

In 2025, the Sustainability Policy, and its ancillary Responsible Investment Policy were devised to integrate sustainability issues on the axes of Environmental, Social and Governance (ESG) aspects and sustainability priorities in business processes. In keeping with our commitment to take our target to create lasting value further on the back of our sustainability initiatives, we signed our name under a first in the global reinsurance industry and published our first-ever TSRS-Aligned Sustainability Report.

We would like to extend our gratitude to all our stakeholders who have contributed to our performance as we carry our Company that is associated with trust, stability and corporate reputation into the future.

Sincerely,

BOARD OF DIRECTORS

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Dividend Distribution Policy

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

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

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

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

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

- a) An amount equal to 5% of the net annual profit is set aside as general legal reserves every year until such reserves reach 20% of the paid-up capital.
- b) Once the legal limit is reached, the amounts stipulated by Article 519/2 (a) and (b) of the Turkish Commercial Code are added to the general legal reserves.
- c) A first dividend equal to 10% of the remaining net profit is distributed to shareholders.
- d) In the event that the Company has repurchased its own shares, reserves equal to the amount that would cover the acquisition costs will be set aside pursuant to Article 520 of the Turkish Commercial Code.
- e) A natural disaster and catastrophe fund may be set aside from the remaining amount, if deemed necessary, of amounts to be determined upon the proposal set forth by the Board of Directors and based on the resolution passed by the General Assembly.
- f) From the balance that remains after setting aside the legal reserves, first dividends, other reserves and funds mentioned above from the net profit, a proportion up to 3% is paid out to employees, provided that the amount does not exceed five times' the recipients' salaries.
- g) From the amount remaining after the above-mentioned allocations and distributions, without prejudice to the provisions of the applicable legislation, a second dividend is paid to shareholders upon the proposal set forth by the Board of Directors and based on the resolution passed by the General Assembly.
- h) In pursuance with the provision of Article 519/2 (c) of the Turkish Commercial Code, 10% of the total amount to be distributed to those who will receive a share of the profit will be added to legal reserves.
- i) The balance will be utilized in a form and manner to be determined by the General Assembly.

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

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

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

Dividend Distribution Proposal

		Audited	
		TL	
	Note	Current Period 31 December 2025 ^(*)	Prior Period 31 December 2024 ^(*)
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT (*)		9,851,556,205	5,927,059,183
1.2. TAX AND FUNDS PAYABLE	35		
1.2.1. Corporate Income Tax (Income Tax)	35		
1.2.2. Income tax deduction			
1.2.3. Other taxes and Duties			
A NET PROFIT / (LOSS) (1.1 – 1.2)		9,851,556,205	5,927,059,183
1.3. PREVIOUS PERIOD LOSSES (-)			
1.4. FIRST LEGAL RESERVE (**)			
1.5. STATUTORY FUND (-)			
B NET PROFIT DISTRIBUTION [(A)-(1.3 + 1.4 + 1.5)]		9,851,556,205	5,927,059,183
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		(985,155,620)	(595,703,670)
1.6.1. Holders of shares		(985,155,620)	(595,703,670)
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 (-)		(75,137,000)	(29,977,516)
1.8. DIVIDENDS TO FOUNDERS (-)			
1.9. DIVIDENDS TO BOARD OF DIRECTORS (-)			
1.10. SECOND DIVIDEND TO SHAREHOLDERS (-)		(214,844,380)	
1.10.1. Holders of shares		(214,844,380)	
1.10.2. Holders of Preferred shares			
1.10.3. Holders of Redeemed shares			
1.10.4. Holders of Participation Bond			
1.10.5. Holders of Profit and Loss sharing certificate			
1.11. SECOND LEGAL RESERVE (-)		(124,213,700)	
1.12. STATUTORY RESERVES (-)			
1.13. EXTRAORDINARY RESERVES (***)			
1.14. OTHER RESERVES (-)			
1.15. SPECIAL FUNDS			
II. DISTRIBUTION OF RESERVES			
2.1. DISTRIBUTION OF RESERVES			
2.2. SECOND LEGAL RESERVES (-)			
2.3. COMMON SHARES (-)			
2.3.1. Holders of shares			
2.3.2. Holders of Preferred shares			
2.3.3. Holders of Redeemed shares			
2.3.4. Holders of Participation Bond			
2.3.5. Holders of Profit and Loss sharing certificate			
2.4. DIVIDENDS TO PERSONNEL (-)			
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)			
III. PROFIT PER SHARE			
3.1. HOLDERS OF SHARES		0.1481	0.0899
3.2. HOLDERS OF SHARES (%)		14.81	8.99
3.3. HOLDERS OF PREFERRED SHARES			
3.4. HOLDERS OF PREFERRED SHARES (%)			
IV. DIVIDEND PER SHARE			
4.1. HOLDERS OF SHARES			0.0090
4.2. HOLDERS OF SHARES (%)			0.90
4.3. HOLDERS OF PREFERRED SHARES			
4.4. HOLDERS OF PREFERRED SHARES (%)			

^(*) The profit for the period ended 31 December 2025 does not include "Retained Earnings for the Period", which arises from 25% of the immovable sales revenues pursuant to Article 5/1-e of the Tax Procedure Law, which is followed up under shareholders' equity. (31 December 2024: TL 6,572,222). Provision for dividends to personnel in the amount of TL 75,137,000, which has been set aside pursuant to TMS 19, has been added to the profit for the period ended 31 December 2025 (2024: TL 29,977,516).

^(**) Due to the fact that 20% of the Company's capital has been reached, no legal reserves have been set aside (Second legal reserves have been set aside pursuant to TCC Article 519/2).

^(***) At the Company's Ordinary General Assembly Meeting convened on 26 March 2025, it has been resolved to pay out TL 595,703,670 from out of the net profit for the period booked on the Company's 2024 operations and to set aside the remaining amount as previous year profit. The amount that has been added to previous year's profit was shown under the "Extraordinary Reserves" item in the profit distribution table.

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Risk Management Practices

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

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

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

"Application Principles in Respect of Risk Limits", which is approved by the Board of Directors and updated in accordance with changing conditions.

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

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

- To evaluate new products, operation and planned activities in terms of compliance with the legislation and the risks involved.

Basic Risks and Measurement Methods

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

Financial Risks

Underwriting Risk

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

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

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

Risk Management Practices

Credit Risk

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

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

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

Moreover, bad debt balances resulting from the Company's core operations and the distribution of the investment portfolio on the basis of counterparties are followed up in periods corresponding to balance sheet periods. Additionally, the ratings of bond issuers of private bonds that are in the portfolio, are monitored quarterly in accordance with the principles defined in Company's Investment Policy.

Asset-Liability Management Risk

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

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

a) Market Risk

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

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

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

- Backtesting
- Stress Tests
- Scenario Analysis

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

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

b) Structural Interest Rate Risk

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

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

c) Liquidity Risk

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

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

d) Capital Investment Risk

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

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

e) Real Estate Investment Risk

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

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

Non-Financial Risks

Operational Environment Risk

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

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

Strategy Risk

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

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

Risk Management Practices

Model Risk

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

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

Operational Risk

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

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

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

Reputation Risk

This risk can be defined as the probable loss due to loss of confidence in the Company or damage to its reputation resulting from failures in operations or non-compliance with current regulations.

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

Information Technologies Risk

This risk expresses the probable losses arising in Information Technology (IT) processes, assets and resources that constitute the entire hardware, applications and communication channels used in operations, due to internal and external problems occurring in operations and processes such as strategy management, cost management, human resources management, risk management,

incident and problem management, information security, back up process, procurement process, supplier selection and assessment, user identification and access management, critical resources management, data security, integrity and availability, acquisition and modification of software and hardware, test and version management, service quality and continuity, business continuity, disaster and configuration management, environmental and physical factors management.

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

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

If the levels of the risks are found “High”, the Board of Directors determines an action plan regarding the necessary actions.

Assessment of Capital Adequacy

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

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

Emergency and Business Continuity Management

It is critical to determine and implement the appropriate measures in the face of emergencies that may result from external factors such as natural disasters, cyber-attacks, epidemics, civil disturbances, or internal factors such as hitches in the IT infrastructure and workplace accidents, and thus minimizing the risk of interruption to business operations. In this respect, our Company has been working on emergency preparedness and ensuring business continuity.

Succeeding in this respect requires a holistic planning of the Company's core and supporting activities. Likewise, all related efforts are steered by the Emergency Management Committee comprised of the members of senior management, which is supervised by the Board of Directors. The coordination between the business units taking part in the efforts is provided by the Risk Management Department.

Conducting the business impact analysis that is specific to each business unit is the priority task in relation to Emergency and Business Continuity Management. Within the business impact analysis, the negative events that may result from a potential interruption in business processes are evaluated in terms of their impact on the Company's reputation, as well as their financial, operational and regulatory implications. In this way, maximum interruption durations that may be tolerated in business processes and recovery time objectives are set, which will guarantee that a possible interruption will not exceed such interruption durations. Then, business requirements are matched with the Company's employee, IT and supplier needs and the operational planning that is needed to achieve recovery objectives is carried out. Starting with these steps, the Emergency and Business Continuity Plan is updated and then presented for the approval of the Board of Directors.

The Emergency and Business Continuity Plan is tested once a year to verify its operability. In 2025, an emergency drill was carried out by establishing a remote access to the applications and systems in the Disaster Recovery Server Center within the scope of the Company's business processes and information systems including the Singapore branch. In addition, the Company's disaster recovery location was visited and the hardware there was tested. During the drill, all applications and systems specified in the Plan, data and documents business units need for critical business processes were accessed within recovery point objectives and data entries were completed successfully. The feedback testing in relation to data entries was also conducted successfully.

The Company depends on information technology at the highest extent in the conduct of all its activities. Therefore, the principles associated with assignments and resource management in relation to information technologies, which is essential for implementing the plans made, are individually addressed in the Information Technology Department Contingency Plan.

In addition to the matters mentioned above, new products, procedures and planned activities undergo evaluation by internal systems units; this process also entails ensuring conformity to business continuity practices. Additionally, the Risk Management Department explores improvement areas in relation to business continuity practices, makes related suggestions to relevant authorities when necessary, and organizes online and face-to-face training programs for employees.

Transactions Carried out with Milli Re's Risk Group

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

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

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

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

External Service Procurement

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

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

The Annual Reports of the Parent Company in the Group of Companies

- a- The Parent Company Milli Re holds shares representing 57.31% of the capital of Anadolu Anonim Türk Sigorta Şirketi directly, and 1% and 12.46% of the capital of Anadolu Hayat ve Emeklilik A.Ş. directly and indirectly, respectively.
- b- Enterprises that belong to the Group do not have a share in the capital of the Parent Company Milli Re.
- c- The Company's consolidated and unconsolidated internal audit and risk management policies are formulated in accordance with legal regulations, taking into account the relevant consolidated policies of the group of companies to which the Company is affiliated and covers the Company's subsidiaries subject to consolidation on a line-by-line basis.

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Millî Reasürans Türk Anonim Şirketi

Unconsolidated Financial Statements as of December 31, 2025, Together with the Independent Auditor's Report

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

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 2025 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 2025, 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 as well as the ethical requirements in the legislation governing the independent audit of the financial statements of public interest entities. 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.

Key audit matter	How our audit addressed the matter
<p>Estimation of provision for claims incurred but not reported</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 5.332.762.543 as of 31 December 2025.</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>

Independent Auditor's Report



4. 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.

5. 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.

Independent Auditor's Report



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 2025 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
Independent Auditor

Istanbul, 25 February 2026

Millî Reasürans Türk Anonim Şirketi

Convenience Translation of the Company's Representation on the
Unconsolidated Financial Statement Prepared as of December 31, 2025

We declare that the attached unconsolidated financial statements as of December 31, 2025 and the related explanations and footnotes have been prepared in accordance with the accounting principles and standards in force pursuant to insurance legislation and are in compliance with the relevant legislation and our Company's accounting and reporting records.

İstanbul, February 25, 2026


Mehmet TÜRK
Chairperson of the Board
of Directors and Audit
Committee Chair



Fikret Utku ÖZDEMİR
CEO



Banu GÜLMEDİM PURUT
Chief Risk and Internal Control Officer
and Audit Committee Member



Ertan TAN
Actuary
Registration No: 21



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



Şule SOYLU
Chief Financial Officer



Nedime BÖYÜKKIRLI
Head of Accounting and
Regulatory Reporting



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As of December 31, 2025

(Currency: Turkish Lira (TRY))

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ASSETS			
I- Current Assets	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
A- Cash and Cash Equivalents	4,2,14	6.754.939.846	4.383.823.465
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	4,2,14	6.754.939.846	4.383.823.465
4- Cheques Given and Payment Orders (-)		-	-
5- Receivables From Credit Cards with Bank Guarantee Due Less Than Three Months		-	-
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Investments with Risks on Policy Holders	11	9.794.367.131	5.298.824.004
1- Financial Assets Available for Sale	11	6.918.778.433	3.428.972.678
2- Financial Assets Held to Maturity		-	-
3- Financial Assets Held for Trading	11	2.875.588.698	1.869.851.326
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders		-	-
7- Equity Shares		-	-
8- Impairment in Value of Financial Assets (-)		-	-
C- Receivables From Main Operations	4,2,12	2.519.200.679	2.434.781.204
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4,2,12	2.021.481.771	2.178.742.782
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited For Insurance & Reinsurance Companies	4,2,12	497.718.908	256.038.422
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation		-	-
9- Doubtful Receivables From Main Operations		-	-
10- Provisions for Doubtful Receivables From Main Operations (-)		-	-
D- Due from Related Parties	12, 45	2.629.551	190.467.198
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries	12, 45	2.629.551	190.467.198
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E- Other Receivables	4,2,12	74.547.764	45.075.210
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		73.673.639	44.758.274
4- Other Receivables		874.125	316.936
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)
F- Prepaid Expenses and Income Accruals		1.552.273.499	1.700.107.432
1- Deferred Commission Expenses	17	1.462.709.349	1.302.479.934
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4,2	-	323.144.436
4- Other Prepaid Expenses	4,2	89.564.150	74.483.062
G- Other Current Assets		292.102.284	77.659.215
1- Inventories		-	68.980
2- Prepaid Taxes and Funds	12	283.232.041	71.260.270
3- Deferred Tax Assets		-	-
4- Job Advances	4,2, 12	3.431.267	702.865
5- Advances Given to Personnel	4,2, 12	113.031	-
6- Stock Count Differences		-	-
7- Other Current Assets		5.325.945	5.627.100
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		20.990.060.754	14.130.737.728

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

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Balance Sheet

As of December 31, 2025

(Currency: Turkish Lira (TRY))

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

ASSETS			
II- Non-Current Assets	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
A- Receivables From Main Operations	4,2,12	396.938.120	431.653.921
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4,2,12	392.614.809	263.336.032
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies	4,2,12	4.323.311	168.317.889
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables From Pension Operations		-	-
9- Doubtful Receivables from Main Operations	4,2,12	225.592.221	178.476.684
10- Provision for Doubtful Receivables from Main Operations	4,2,12	(225.592.221)	(178.476.684)
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
C- Other Receivables		-	-
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets	9	27.617.099.603	18.817.804.486
1- Investments In Associates		-	-
2- Affiliates	9	1.701.692.910	1.254.912.086
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries	9	25.915.406.693	17.562.892.400
5- Capital Commitments to Subsidiaries (-)		-	-
6- Joint Ventures		-	-
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Investments with Risks on Policy Holders		-	-
9- Other Financial Assets		-	-
10- Diminution in Value of Financial Assets (-)		-	-
E- Tangible Fixed Assets	6	120.108.528	104.291.096
1- Investment Properties		-	-
2- Diminution in Value for Investment Properties (-)		-	-
3- Building for own use		-	-
4- Machinery and Equipments		-	-
5- Furnitures and Fixtures	6	61.610.080	50.164.806
6- Vehicles	6	15.094.515	13.395.172
7- Other Tangible Assets (Including Leasehold Improvements)	6	55.802.673	53.013.225
8- Leased Tangible Fixed Assets	6	113.217.902	52.016.197
9- Accumulated Depreciation (-)	6	(125.616.642)	(64.298.304)
10- Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)		-	-
F- Intangible Fixed Assets	8	95.847.476	77.017.815
1- Rights	8	111.882.288	14.304.813
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
6- Other Intangible Assets		-	-
7- Accumulated Amortizations (-)	8	(16.034.812)	(10.640.733)
8- Advances Regarding Intangible Assets	8	-	73.353.735
G- Prepaid Expenses and Income Accruals	4,2	351.660	69.559
1- Deferred Commission Expenses		-	-
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses	4,2	351.660	69.559
H- Other Non-current Assets		597.055.630	187.732.955
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	597.055.630	187.732.955
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets		28.827.401.017	19.618.569.832
TOTAL ASSETS		49.817.461.771	33.749.307.560

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

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Millî Reasürans Türk Anonim Şirketi

Unconsolidated Balance Sheet

As of December 31, 2025

(Currency: Turkish Lira (TRY))

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

LIABILITIES			
III-Short-Term Liabilities	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
A- Borrowings	20	24.024.309	14.680.140
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	24.024.309	14.680.140
B- Payables From Main Operations	4.2,19	419.618.569	474.124.570
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations		418.098.602	472.576.612
3- Cash Deposited by Insurance & Reinsurance Companies		1.519.967	1.547.958
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Rediscount on Other Payables From Main Operations (-)		-	-
C- Due to Related Parties	4.2,19	724.960	2.446.229
1- Due to Shareholders	45	337.812	156.859
2- Due to Affiliates		-	-
3- Due to Subsidiaries	45	55.091	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	45	31.876	6.277
6- Due to Other Related Parties	45	300.181	2.283.093
D- Other Payables	19	24.871.231	11.581.653
1- Deposits and Guarantees Received		-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables	19	24.871.231	11.581.653
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves	17	20.447.619.754	15.535.757.259
1- Unearned Premiums Reserve - Net	17	6.774.220.121	5.900.530.372
2- Unexpired Risk Reserves - Net	17	35.767.445	21.913.642
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net	4.2,17	13.637.632.188	9.613.313.245
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net		-	-
F- Taxes and Other Liabilities and Relevant Provisions	4.2,19	29.729.733	15.618.183
1- Taxes and Dues Payable		28.538.594	14.777.538
2- Social Security Premiums Payable		1.191.139	840.645
3- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Liability Provision on Period Profit		-	-
6- Prepaid Taxes and Other Liabilities on Period Profit (-)		-	-
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks		-	-
1- Provision for Employment Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs		-	-
H- Deferred Income and Expense Accruals	19	555.868.294	59.910.858
1- Deferred Commission Income	10, 19	928.569	4.303.316
2- Expense Accruals	4.2, 19	554.939.725	55.607.542
3- Other Deferred Income		-	-
I- Other Short-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short-Term Liabilities		-	-
III-Total Short-Term Liabilities		21.502.456.850	16.114.118.892

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

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Balance Sheet

As of December 31, 2025

(Currency: Turkish Lira (TRY))

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

LIABILITIES			
	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
IV- Long-Term Liabilities			
A- Borrowings		15.172.187	7.791.301
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	15.172.187	7.791.301
B- Payables From Main Operations	19	-	38.880
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	38.880
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Discount on Other Payables From Main Operations (-)		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables		-	-
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves	17	948.299.682	474.736.051
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net	17	948.299.682	474.736.051
F- Other Liabilities and Provisions		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Installment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks	4.2	1.013.155.904	677.731.513
1- Provision for Employment Termination Benefits	23	33.617.555	23.189.092
2- Provisions for Employee Pension Fund Deficits	22,23	979.538.349	654.542.421
H- Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		1.976.627.773	1.160.297.745

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

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Millî Reasürans Türk Anonim Şirketi Unconsolidated Balance Sheet As of December 31, 2025

(Currency: Turkish Lira (TRY))

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

ÖZSERMAYE			
	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
V- Equity			
A- Paid in Capital		660.000.000	660.000.000
1- (Nominal) Capital	2,13,15	660.000.000	660.000.000
2- Unpaid Capital (-)		-	-
3- Positive Inflation Adjustment on Capital		-	-
4- Negative Inflation Adjustment on Capital (-)		-	-
5- Unregistered Capital		-	-
B- Capital Reserves	15	1.969.056.284	1.644.043.728
1- Equity Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Sale to be Transferred to Capital		49.493.534	42.921.312
4- Translation Reserves	15	459.824.474	358.446.598
5- Other Capital Reserves	15	1.459.738.276	1.242.675.818
C- Profit Reserves		13.919.395.909	7.571.787.027
1- Legal Reserves	15	569.850.824	324.811.577
2- Statutory Reserves	15	1.089.589.919	572.615.467
3- Extraordinary Reserves	15	7.995.003.925	4.518.846.761
4- Special Funds (Reserves)	15	2.055.082.215	330.452.130
5- Revaluation of Financial Assets	11,15	2.330.457.161	1.864.706.704
6- Other Profit Reserves	15	(120.588.135)	(39.645.612)
D- Previous Years' Profits		13.505.750	665.428.763
1- Previous Years' Profits		13.505.750	665.428.763
E- Previous Years' Losses (-)		-	-
1- Previous Years' Losses		-	-
F- Net Profit of the Period		9.776.419.205	5.933.631.405
1- Net Profit of the Period		9.776.419.205	5.927.059.183
2- Net Loss of the Period (-)		-	-
3- Net Income not subject to distribution		-	6.572.222
Total Shareholders' Equity		26.338.377.148	16.474.890.923
Total Liabilities and Shareholders' Equity		49.817.461.771	33.749.307.560

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, 2025

(Currency: Turkish Lira (TRY))

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

		Audited Current Period	Audited Prior Period
I- TECHNICAL SECTION	Note	December 31, 2025	December 31, 2024
A- Non-Life Technical Income		16.998.833.457	11.497.241.293
1- Earned Premiums (Net of Reinsurer Share)		11.453.478.926	8.239.765.540
1.1- Written Premiums (Net of Reinsurer Share)	17, 24	12.319.349.899	9.180.045.688
1.1.1- Gross Written Premiums (+)	17, 24	15.995.229.957	14.627.584.831
1.1.2- Ceded Premiums to Reinsurers (-)	10,17,24	(3.675.880.058)	(5.447.539.143)
1.1.3- Ceded Premiums to SSI (-)		-	-
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(852.017.170)	(952.193.404)
1.2.1- Unearned Premiums Reserve (-)	17	(837.690.167)	(935.055.962)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10,17	(14.327.003)	(17.137.442)
1.2.3- SSI of Unearned Premiums Reserve (+)		-	-
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(13.853.803)	11.913.256
1.3.1- Unexpired Risks Reserve (-)		(13.759.865)	12.459.450
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)		(93.938)	(546.194)
2- Investment Income Transferred from Non-Technical Part		4.039.858.325	2.371.156.247
3- Other Technical Income (Net of Reinsurer Share)	47	1.505.496.206	886.319.506
3.1- Gross Other Technical Income (+)		959.941.359	609.069.662
3.2- Reinsurance Share of Other Technical Income (-)		545.554.847	277.249.844
4- Accrued Subrogation and Salvage Income (+)		-	-
B- Non-Life Technical Expense (-)		(16.739.881.545)	(13.191.746.789)
1- Total Claims (Net of Reinsurer Share)		(10.483.181.659)	(8.801.451.061)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(6.483.106.418)	(5.224.109.420)
1.1.1- Gross Claims Paid (-)	17	(7.675.518.386)	(9.900.711.467)
1.1.2- Reinsurance Share of Claims Paid (+)	10,17	1.192.411.968	4.676.602.047
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(4.000.075.241)	(3.577.341.641)
1.2.1- Outstanding Claims Reserve (-)	17	(3.596.805.306)	502.650.279
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10,17	(403.269.935)	(4.079.991.920)
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	(471.931.849)	(203.561.276)
4- Operating Expenses (-)	32	(5.784.768.037)	(4.186.734.452)

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Unconsolidated Statement of Income

For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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

I- TECHNICAL SECTION	Note	Audited	Audited
		Current Period December 31, 2025	Prior Period December 31, 2024
5-Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5.1- Mathematical Reserves (-)		-	-
5.2- Reinsurance Share of Mathematical Reserves (+)		-	-
6-Other Technical Expenses (-)		-	-
6.1- Gross Other Technical Expenses (-)		-	-
6.2- Reinsurance Share of Other Technical Expenses (+)		-	-
C- Non-Life Technical Net Profit (A-B)		258.951.912	(1.694.505.496)
D- Life Technical Income		152.850.597	62.119.444
1- Earned Premiums (Net of Reinsurer Share)		103.817.357	35.429.875
1.1- Written Premiums (Net of Reinsurer Share)	17,24	125.489.936	73.127.468
1.1.1- Gross Written Premiums (+)	17,24	158.130.849	92.945.103
1.1.2- Ceded Premiums to Reinsurers (-)	10,17,24	(32.640.913)	(19.817.635)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(21.672.579)	(37.697.593)
1.2.1- Unearned Premium Reserves (-)	17	(28.471.053)	(38.762.083)
1.2.2- Unearned Premium Reserves Reinsurer Share (+)	10,17	6.798.474	1.064.490
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		46.198.356	26.221.477
3- Unrealized Income from Investments		-	-
4- Other Technical Income (Net of Reinsurer Share) (+/-)	47	2.834.884	468.092
4.1- Gross Other Technical Income (+/-)		2.705.156	408.355
4.2- Reinsurance Share of Other Technical Income (+/-)		129.728	59.737
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, 2025

(Currency: Turkish Lira (TRY))

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

	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
I- TECHNICAL SECTION			
E- Life Technical Expense		(108.200.826)	(39.832.923)
1- Total Claims (Net of Reinsurer Share)		(43.182.736)	(25.349.876)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(18.939.034)	(7.372.039)
1.1.1- Gross Claims Paid (-)	17	(21.785.797)	(10.894.560)
1.1.2- Claims Paid Reinsurer Share (+)	10,17	2.846.763	3.522.521
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(24.243.702)	(17.977.837)
1.2.1- Outstanding Claims Reserve (-)	17	(40.302.710)	(20.536.281)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10,17	16.059.008	2.558.444
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	(1.631.783)	(615.487)
5- Operating Expenses (-)	32	(63.386.307)	(13.867.560)
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Life Technical Profit (D-E)		44.649.771	22.286.521
G- Individual Retirement Technical Income		-	-
1- Fund Management Fee		-	-
2- Management Fee Deduction		-	-
3- Initial Contribution Fee		-	-
4- Management Fee In Case Of Temporary Suspension		-	-
5- Withholding tax		-	-
6- Increase in Market Value of Capital Commitment Advances		-	-
7- Other Technical Income		-	-
H- Individual Retirement Technical Expense		-	-
1- Fund Management Expenses (-)		-	-
2- Decrease in Market Value of Capital Commitment Advances (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expense (-)		-	-
I- Individual Retirement Technical Profit (G-H)		-	-

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

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For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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

	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
II- NON-TECHNICAL SECTION			
C- Non-Life Technical Profit (A-B)		258.951.912	(1.694.505.496)
F- Life Technical Profit (D-E)		44.649.771	22.286.521
I - Individual Retirement Technical Profit (G-H)		-	-
J- Total Technical Profit (C+F+I)		303.601.683	(1.672.218.975)
K- Investment Income		13.770.220.210	10.495.454.452
1- Income From Financial Investment	4.2	2.351.774.847	1.254.247.652
2- Income from Sales of Financial Investments	4.2	677.553.921	357.202.721
3- Revaluation of Financial Investments	4.2	219.112.157	315.063.094
4- Foreign Exchange Gains	4.2	874.431.251	450.091.248
5- Income from Affiliates	4.2	746.878.965	536.502.944
6- Income from Subsidiaries and Joint Ventures	4.2	8.881.792.288	7.555.428.109
7- Income Received from Land and Building		-	(70.620)
8- Income from Derivatives	4.2	16.176.781	24.073.923
9- Other Investments		2.500.000	2.915.381
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expenses (-)		(4.366.932.061)	(2.617.504.715)
1- Investment Management Expenses (including interest) (-)	4.2	(12.964.454)	(4.165.831)
2- Valuation Allowance of Investments (-)		-	-
3- Losses On Sales of Investments (-)	4.2	(22.486.152)	(24.341.548)
4- Investment Income Transferred to Non-Life Technical Part (-)		(4.039.858.325)	(2.371.156.246)
5- Losses from Derivatives (-)	4.2	-	(5.039.473)
6- Foreign Exchange Losses (-)	4.2	(21.909.749)	(35.029.676)
7- Depreciation Expenses (-)	6,8	(62.295.819)	(38.489.252)
8- Other Investment Expenses (-)		(207.417.562)	(139.282.689)
M- Other Income and Expenses (+/-)		69.529.373	(272.099.357)
1- Provisions Account (+/-)	47	(382.158.935)	(329.836.302)
2- Discount account (+/-)	47	8.622.415	(9.580.145)
3- Mandatory Earthquake Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts (+/-)	21,35	410.797.064	53.365.094
6- Deferred Tax Expense Accounts (-)		-	-
7- Other Income and Revenues		32.586.530	14.105.598
8- Other Expense and Losses (-)		(317.701)	(153.602)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit/(Loss)	37	9.776.419.205	5.933.631.405
1- Profit/(Loss) Before Tax		9.776.419.205	5.933.631.405
2- Corporate Tax Liability Provision (-)		-	-
3- Net Profit (Loss)		9.776.419.205	5.933.631.405
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, 2025

(Currency: Turkish Lira (TRY))

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

	Audited Current Period 1 January- Note December 31, 2025	Audited Prior Period 1 January- December 31, 2024
A- Cash flows from operating activities		
1- Cash provided from insurance activities	-	-
2- Cash provided from reinsurance activities	8.061.016.820	8.440.590.068
3- Cash provided from individual pension business	-	-
4- Cash used in insurance activities	-	-
5- Cash used in reinsurance activities	(5.917.963.017)	(7.278.392.053)
6- Cash used in individual pension business	-	-
7- Cash provided by operating activities	2.143.053.803	1.162.198.015
8- Interest paid	-	-
9- Income taxes paid	(283.232.041)	(71.260.270)
10- Other cash inflows	325.130.137	99.994.028
11- Other cash outflows	-	(110.383.182)
12- Net cash provided by operating activities	2.184.951.899	1.080.548.591
B- Cash flows from investing activities		
1- Proceeds from disposal of tangible assets	3.082.816	30.000.000
2- Acquisition of tangible assets	6, 8 (37.596.051)	(57.340.226)
3- Acquisition of financial assets	11 (22.267.664.891)	(10.379.557.258)
4- Proceeds from disposal of financial assets	11 19.689.375.996	10.707.386.939
5- Interests received	2.228.369.968	909.839.685
6- Dividends received	1.277.991.614	12.036.885
7- Other cash inflows	-	431.015.891
8- Other cash outflows	(1.863.178.129)	(1.007.041.025)
9- Net cash provided by investing activities	(969.618.677)	646.340.891
C- Cash flows from financing activities		
1- Equity shares issued	-	-
2- Cash provided from loans and borrowings	-	-
3- Finance lease payments	(54.266.506)	(20.538.660)
4- Dividends paid	2.23 (595.522.716)	-
5- Other cash inflows	-	-
6- Other cash outflows	-	-
7- Net cash used in financing activities	(649.789.222)	(20.538.660)
D- Effect of exchange rate fluctuations on cash and cash equivalents	201.823.663	60.170.261
E- Net increase in cash and cash equivalents	767.367.663	1.766.521.083
F- Cash and cash equivalents at the beginning of the year	14 2.840.491.924	1.073.970.841
G- Cash and cash equivalents at the end of the year	14 3.607.859.587	2.840.491.924

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

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Unconsolidated Statement of Changes in Equity

For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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

Audited - Changes in Equity - December 31, 2024					
	Note	Paid in Capital	Equity Share Owned by Company (-)	Revaluations of Financial Assets	Inflation Adjustment on Capital
I- Balance at the end of the previous year - December 31, 2023		660.000.000	-	1.576.301.378	-
II- Change in Accounting Standards		-	-	-	-
III- Restated balances (I+II) - January 1, 2024		660.000.000	-	1.576.301.378	-
A- Capital increase		-	-	-	-
1- In cash		-	-	-	-
2- From reserves		-	-	-	-
B- Purchase of own shares		-	-	-	-
C- Gains or losses that are not included in the statement of income		-	-	-	-
D- Change in the value of financial assets	15	-	-	288.405.326	-
E- Currency translation adjustments		-	-	-	-
F- Other gains or losses		-	-	-	-
G- Inflation adjustment differences		-	-	-	-
H- Net profit for the year		-	-	-	-
I- Other reserves and transfers from retained earnings		-	-	-	-
J- Dividends paid		-	-	-	-
IV- Balance at the end of the period - December 31, 2024	15	660.000.000	-	1.864.706.704	-

Audited - Changes in Equity - December 31, 2025					
	Note	Paid in Capital	Equity Share Owned by Company (-)	Revaluations of Financial Assets	Inflation Adjustment on Capital
I- Balance at the end of the previous year - December 31, 2024		660.000.000	-	1.864.706.704	-
II- Change in Accounting Standards		-	-	-	-
III- Restated balances (I+II) - January 1, 2025		660.000.000	-	1.864.706.704	-
A- Capital increase		-	-	-	-
1- In cash		-	-	-	-
2- From reserves		-	-	-	-
B- Purchase of own shares		-	-	-	-
C- Gains or losses that are not included in the statement of income		-	-	-	-
D- Change in the value of financial assets	15	-	-	465.750.457	-
E- Currency translation adjustments		-	-	-	-
F- Other gains or losses		-	-	-	-
G- Inflation adjustment differences		-	-	-	-
H- Net profit for the year		-	-	-	-
I- Other reserves and transfers from retained earnings		-	-	-	-
J- Dividends paid	38	-	-	-	-
IV- Balance at the end of the period - December 31, 2025	15	660.000.000	-	2.330.457.161	-

⁽¹⁾ 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.

Audited - Changes in Equity - December 31, 2024

Translation Reserves	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
254.517.245	312.168.254	183.984.605	2.871.008.324	3.629.008.053	641.129.921	10.128.117.780
-	-	-	-	-	-	-
254.517.245	312.168.254	183.984.605	2.871.008.324	3.629.008.053	641.129.921	10.128.117.780
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	12.643.323	388.630.862	3.224.242.085	-	(3.604.709.211)	20.807.059
-	-	-	-	-	-	288.405.326
103.929.353	-	-	-	-	-	103.929.353
-	-	-	-	-	-	-
-	-	-	-	5.933.631.405	-	5.933.631.405
-	-	-	-	(3.629.008.053)	3.629.008.053	-
-	-	-	-	-	-	-
358.446.598	324.811.577	572.615.467	6.095.250.409	5.933.631.405	665.428.763	16.474.890.923

Audited - Changes in Equity - December 31, 2025

Translation Reserves	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
358.446.598	324.811.577	572.615.467	6.095.250.409	5.933.631.405	665.428.763	16.474.890.923
-	-	-	-	-	-	-
358.446.598	324.811.577	572.615.467	6.095.250.409	5.933.631.405	665.428.763	16.474.890.923
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	116.087.482	-	-	116.087.482
-	-	-	-	-	-	465.750.457
101.377.876	-	-	-	-	-	101.377.876
-	-	-	-	796.201	(1.241.326)	(445.125)
-	-	-	-	-	-	-
-	-	-	-	9.776.419.205	-	9.776.419.205
-	245.039.247	516.974.452	5.227.391.924	(5.338.723.936)	(650.681.687)	-
-	-	-	-	(595.703.670)	-	(595.703.670)
459.824.474	569.850.824	1.089.589.919	11.438.729.815	9.776.419.205	13.505.750	26.338.377.148

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Statement of Profit Distribution

For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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

Note	Audited Current Period December 31, 2025 ^(*)	Audited Prior Period December 31, 2024 ^(**)
I. PROFIT DISTRIBUTION		
1.1. CURRENT YEAR PROFIT ^(*)	9.851.556.205	5.957.036.699
1.2. TAX AND FUNDS PAYABLE	-	-
1.2.1. Corporate Income Tax (Income Tax)	-	-
1.2.2. Income tax deduction	-	-
1.2.3. Other taxes and Duties	-	-
A. NET PROFIT (1.1 - 1.2)	9.851.556.205	5.957.036.699
1.3. PREVIOUS PERIOD LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVE ^(***)	-	-
1.5. STATUTORY FUND (-)	-	-
B. NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5))]	9.851.556.205	5.957.036.699
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	(595.703.670)
1.6.1. Holders of shares	-	(595.703.670)
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 (-)	-	(29.977.516)
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 ^(****)	-	(5.331.355.513)
1.13. OTHER RESERVES	-	-
1.14. SPECIAL FUNDS ^(*)	-	-
II. DISTRIBUTION OF RESERVES		
2.1. DISTRIBUTION OF RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. COMMON SHARES (-)	-	-
2.3.1. Holders of shares	-	-
2.3.2. Holders of Preferred shares	-	-
2.3.3. Holders of Redeemed shares	-	-
2.3.4. Holders of Participation Bond	-	-
2.3.5. Holders of Profit and Loss sharing certificate	-	-
2.4. DIVIDENDS TO PERSONNEL (-)	-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. PROFIT PER SHARE		
3.1. HOLDERS OF SHARES	-	0,0899
3.2. HOLDERS OF SHARES (%)	-	8,99
3.3. HOLDERS OF PREFERRED SHARES	-	-
3.4. HOLDERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. HOLDERS OF SHARES	-	0,0090
4.2. HOLDERS OF SHARES (%)	-	0,90
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 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.

^(**) As of December 31, 2025, there is no "Non-Distributable Profit for the Period" under shareholders' equity arising from 25% of real estate sales revenue pursuant to Article 5/1-e of the Tax Procedure Law (December 31, 2024: 6.572.222 TL). An amount of 75.137.000 TL, allocated for employee profit share provisions in accordance with IAS 19, has been added to the profit for the period as of December 31, 2025 (2024: 29.977.516 TL).

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

^(****) At the Company's Ordinary General Assembly Meeting held on March 26, 2025, it was decided that 595.703.670 TL of the net profit for the year 2024 would be distributed as cash dividends to shareholders, and the remaining amount would be allocated as retained earnings. The amount added to retained earnings has been presented under the "Extraordinary Reserves" item in the profit distribution table.

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

Millî Reasürans Türk Anonim Şirketi

Notes to the Unconsolidated Financial Statements

As of December 31, 2025

(Currency: Turkish Lira (TRY))

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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:

	December 31, 2025	December 31, 2024
Top executive	13	13
Managers	28	17
Officers	119	128
Contracted personnel	1	1
Other personnel	9	8
Total	170	167

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1.6 Remuneration and similar benefits provided to top management

For the year ended December 31, 2025, 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 139.764.044 (December 31, 2024: TL 67.489.136).

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 34330 Levent, Beşiktaş/İstanbul
The web page of the Company	: www.millire.com

1.10 Subsequent events

The unconsolidated financial statements prepared as of December 31, 2025 were approved by the Company's Board of Directors on February 28, 2025.

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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, 2025, and December 31, 2024, 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 (“KGG”) 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, 2025, 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.

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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. Additionally, the Circular No. 2025/33 “On the Application of Inflation Accounting in the Insurance Sector,” published by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) on December 25, 2025, has determined that insurance, reinsurance, and pension companies will not apply inflation accounting. As a result, TAS 29 has not been applied in the unconsolidated financial statements of the Company for the years ended December 31, 2025, and 2024.

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

Other accounting policies

The Company records premium, commission, and claims accruals based on notifications received from insurance and reinsurance companies. Since these notifications are transmitted to the Company with a delay, dependent on the ceding companies closing their own accounts, premiums, claims, and commission accruals related to proportional reinsurance contracts are reflected in the Company's financial statements with a three-month delay. The unearned premium amounts allocated for these proportional transactions are calculated as deferred amounts as of the balance sheet date, based on the record date when account summary notifications from ceding companies are recognized by the Company, as explained in footnote 2.24. Therefore, the amounts included in the income statement items prepared as of December 31, 2025, consist of the totals for the three-month accounting period from October 1 to December 31, 2024, and for the nine-month accounting period from January 1 to September 30, 2025, representing the totals for the last year. The same delay effect is also reflected in the Company's balance sheet prepared as of December 31, 2025. 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.

2.1.3 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

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.

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2.2 Consolidation

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

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

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

2.3 Segment reporting

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

2.4 Foreign currency transactions

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

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

2.5 Tangible assets

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

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.

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

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

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

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

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

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

Tangible assets	Estimated useful lives (years)	Depreciation rates (%)
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.

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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.

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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*.

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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, 2025, and 2024, the share capital and ownership structure of the Company are as follows:

Name	31 December 2025		31 December 2024	
	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Axa Hayat ve Emeklilik A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid in capital	660.000.000	100,00	660.000.000	100,00

Sources of the capital increases during the year

None.

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Privileges on common shares representing share capital

There are no privileges on common shares representing share capital.

Registered capital system in the Company

None.

Repurchased own shares by the Company

None.

2.14 Insurance and investment contracts - classification

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

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

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

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

2.15 Insurance contracts and investment contracts with discretionary participation feature

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

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

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

2.16 Investment contracts with discretionary participation feature

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

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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.

With Law No. 7571 published in the Official Gazette on December 25, 2025, a provisional Article 37 was added to the Tax Procedure Law, stipulating that for the 2025 fiscal period, including interim tax periods, as well as the 2026 and 2027 fiscal periods, regardless of whether conditions for inflation adjustment have been met, tax base financial statements will not be subject to inflation adjustment. Furthermore, for the revaluation practice specified in paragraph (ç) of Article 298 (repeated), the periods stated to not require inflation adjustment will be considered as periods during which inflation adjustment conditions have not been met. Following this regulation, revaluation under paragraph (ç) of Article 298 (repeated) of the Tax Procedure Law has become possible. As a result, as of December 31, 2025, the Company opted to perform revaluation for the account items of fixed assets, special costs, and rights in its tax calculations.

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In September 2023, the Public Oversight, Accounting, and Auditing Standards Authority (KGGK) 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.

The Domestic Minimum Corporate Tax will be effective for tax periods beginning in 2025 and thereafter. Based on the calculations, the Company did not incur any Minimum Corporate Tax liability

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, 2025, the applicable corporate tax rate is 30%, therefore 30% tax rate was used for the calculation. (December 31, 2024: 30%)

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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 4th article of this act changed “two years” phrase as “four years” which takes part on second sentence of first clause of 20th article of the code numbered 5510. Also, under the scope of Decree of the Council of Ministers numbered 2013/4617 was published on Official Gazette numbered 28636, on May 3, 2013 and 20th temporary article of the Social Security Laws numbered 506 banks, insurance and reinsurance companies, chambers of commerce, stock markets or participants of pension funds and salary or income provided ones and their shareholders’ transfer duration has been extended one year to the Social Security Institution by Decree of the Council of Ministers.

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

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

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.

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Employee termination benefits

In accordance with existing Turkish Labor Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount As of December 31, 2025 is TL 53.919,68 (December 31, 2024: TL 41.828,42).

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, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Discount rate	3,92%	3,98%
Expected rate of salary/limit increase	22,00%	21,85%
Estimated employee turnover rate	2,95%	2,89%

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

Other benefits

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

2.20 Provisions

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

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

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2.21 Revenue recognition

Written premiums

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

Claims paid

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

Commission income and expenses

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

Interest income and expenses

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

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

Trading income/expense

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

Dividends

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

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2.22 Leasing transaction

Tangible assets acquired through leases are recorded as assets in the Company's balance sheet, while the lease obligations are recognized as other financial liabilities under finance lease payables. 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 lease and in the expected future benefits, the leased assets are valued with net realisable value. Depreciation for assets obtained through lease is calculated in the same manner as tangible assets.

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:

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

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

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

Lease liabilities

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

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

- Fixed payments,
- 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,
- Amounts expected to be paid by the Company under residual value commitments
- If the Company is reasonably confident that it will exercise the purchase option, the exercise price of this option and
- 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.

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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:

- Increases the carrying amount to reflect the interest on the lease obligation, and
- 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

At the Company's Ordinary General Assembly Meeting held on March 26, 2025, it was decided that from the net profit of 5.933.631.405 TL for the year 2024, 6.572.222 TL would be allocated as capitalized gains, 595.703.670 TL would be distributed as cash dividends to shareholders, and the remaining amount would be allocated as retained earnings. As of December 31, 2025, 595.522.716 TL of the dividends had been paid in cash, and 180.954 TL was accounted for in the "Due to Shareholders" account under Short-Term Liabilities.

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 this context, the Company calculates the unearned premium reserve for proportional reinsurance treaties based on the premiums ceded under treaty contracts, considering the record date when account summary notifications from ceding companies are recognized by the Company. As of the balance sheet date, the deferred amount is calculated on a 1/8 basis (see footnote 2.1.2). 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.

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As of December 31, 2025, in the Company's financial statements, a total of TL 6.619.011.734 of Unearned Premium Reserve is recorded excluding the Singapore branch (December 31, 2024: TL 5.804.010.494), and TL 155.208.387 is recorded for the Singapore branch (December 31, 2024: TL 96.519.878). As of December 31, 2025, Deferred Acquisition Costs, including the Singapore branch, amount to TL 1.462.709.349 (December 31, 2024: TL 1.302.479.934) and Deferred Commission Income is recorded as TL 928.569 (December 31, 2024: TL 4.303.316) 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 based on estimates when not reported. Outstanding claims reserve represents the estimate of the total reported costs of notified claims on an individual case basis at the reporting date as well as the corresponding handling costs.

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

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

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

As of December 31, 2024, excluding the Singapore branch, the Company has added TL 5.080.412.554 to its financial statements as a provision for outstanding claims, by considering 100% of the IBNR calculated. (December 31, 2024:TL 2.763.615.993). As of the reporting date, a net IBNR of TL 252.349.989 (December 31, 2024:TL 192.258.576) has been allocated for the Singapore Branch.

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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:

Milli Reasürans		December 31, 2025	December 31, 2024
Branches	Calculation Method	Net IBNR ^(*)	Net IBNR ^(*)
Fire and Natural Disasters	ACLM- Paid Claims	2.196.966.753	748.210.321
General Losses ^(***)	ACLM- Paid Claims	1.426.314.419	820.698.727
General Liabilities ^(**)	ACLM- Paid Claims	741.880.602	860.809.044
Motor Third Party Liability	ACLM- Paid Claims	567.750.265	365.686.798
Marine	ACLM- Paid Claims	101.979.917	(97.517.324)
Other branches, total	ACLM- Paid Claims	35.770.481	63.950.503
Other branches, total	Sector Average (TSB)	9.750.117	1.777.924
Total		5.080.412.554	2.763.615.993

^(*) Excludes amounts allocated for the Singapore branch.

^(**) 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.

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

Singapore		December 31, 2025	December 31, 2024
Branches		Net IBNR	Net IBNR
Fire and Natural Disasters		164.065.303	118.675.189
General Losses		64.113.053	51.622.682
Marine		11.023.944	9.257.351
Sea Vehicles		7.250.163	9.454.004
Other branches, total		5.519.701	3.016.175
General Liabilities		377.825	233.175
Total		252.349.989	192.258.576

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 assessed in detail in actuarial report by the actuary.

Due to the insufficient data available to the Company in the sea vehicles liability, air vehicles liability, surety and credit branches and the irregular distribution of the data in the loss development tables, the Company could not find the opportunity to obtain a result by subjecting the relevant data to the correction process. For this reason, values representing the sector averages were used in the branches. (The IBNR calculated from the industry average as of September 30, 2025, is determined by dividing the reported industry IBNR for the relevant line by the total industry twelve-month premium for that line, and then multiplying the resulting ratio by the Company’s annual premium). 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.

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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.021.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 of 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. 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 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, 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 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.

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.

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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 “Motor Third Party 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. 2025/32 “Circular on Amendments to Circular No. 2016/22 on Discounting Net Cash Flows Arising from the Provision for Outstanding Compensation” published on December 18, 2024, the Circular’s 7th article was changed as “Net cash flows are discounted to cash value by taking into account 29% 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, 2024: 35%). Accordingly, the Company has calculated the net discounted amount of the outstanding claims reserve as TL 2.380.906.267 as of December 31, 2025 (December 31, 2024: TL 1,960,424,461). The change in the discount rate has resulted in an increase of TL 160.558.152 on the net outstanding claims reserve recognized in the financial statements as of December 31, 2025.

The Company’s net outstanding claims provisions by branch as of December 31, 2025 and 2024 are given below, before and after discount:

December 31, 2025 Branches	Net outstanding claims before discount	Discount Amount	Discounted net outstanding claims provision
Motor Third Party Liability	895.431.226	(499.139.333)	396.291.893
General Liabilities	2.792.113.060	(1.881.766.934)	910.346.126
Total	3.687.544.286	(2.380.906.267)	1.306.638.019

December 31, 2024 Branches	Net outstanding claims before discount	Discount Amount	Discounted net outstanding claims provision
Motor Third Party Liability	635.982.639	(371.816.439)	264.166.200
General Liabilities	2.167.620.695	(1.588.608.022)	579.012.673
Total	2.803.603.334	(1.960.424.461)	843.178.873

2.26 Mathematical reserves

There is no mathematical provision in the Company’s financial statements as of December 31, 2025. (December 31, 2024: None)

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 compensation 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).

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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 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 based on the main branches.

In accordance with Circular on unexpired risk reserve (2019/5), reinsurance companies can make the calculation based on 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 35.767.445 (December 31, 2024: TL 21.913.642) in its financial statements dated December 31, 2025 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 Motor Third Party 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 Damages branches which are mainly affected by these fluctuations. As of 31.12.2022, the Company has applied the calculation based on the underwriting year to all branches other than Credit and Surety branches. 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 581.378.215 would have been allocated in the financial statements as of December 31, 2025.

URR amounts in branches are mentioned below:

Branches	Loss/Premium	December 31, 2024		December 31, 2024	
		Gross URR	Net URR	Gross URR	Net URR
Surety	427%	24.658.211	24.658.206	4.795.030	4.793.764
Sea Vehicles	86%	1.440.261	1.437.627	10.528.000	10.432.689
Motor Third Party Liability	93%	9.013.140	9.013.140	6.118.480	6.118.480
Air Vehicles	161%	645.425	645.425	549.289	549.289
Illness/Health	104%	13.047	13.047	19.420	19.420
Total		35.770.084	35.767.445	22.010.219	21.913.642

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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, which 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. Companies should provide equalization reserves up to reaching 150% of the highest premium amount written in a year within the last five years. In cases where claims are 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.

Fire and earthquake premiums obtained from foreign reinsurance treaties could not account 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, 2025, premiums obtained from foreign proportioned treaties are accounted based on average earthquake premium ratio calculated from foreign proportioned treaties over the period of January 1 - December 31, 202. 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.

Equalization reserves are presented under "other technical reserves" within long term liabilities in the accompanying unconsolidated financial statements. As of December 31, 2025, the Company has recognized equalization reserves amounting to TL 948.299.682 (December 31, 2024: TL 474.736.051). The Company has deducted TL 65.828.035 (December 31, 2024: TL 78.214.658) from equalization provision in 2025 in consequence of realized earthquake losses.

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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.

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2.32 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at December 31, 2025 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, 2025. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

a. Standards, amendments, and interpretations applicable as of 31 December 2025

- **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.

b. Standards, amendments, and interpretations that are issued but not effective as of 31 December 2025:

- **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. 32765 dated December 27, 2024, the implementation date for the TFRS 17 standard in the statutory financial statements of insurance companies was initially set as January 1, 2026. However, following further regulatory changes published by SEDDK in the Official Gazette No. 33108 on December 15, 2025, the implementation date for the TFRS 17 standard in the statutory financial statements of insurance, reinsurance and pension companies has been postponed to January 1, 2027.

- **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 note disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the note disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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- **Annual improvements to IFRS - Volume 11;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). 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.
- **Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity;** effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.
- **Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency;** effective from annual periods beginning on or after 1 January 2027. These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:
 - its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
 - it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

- **Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements;** These amendments include Examples illustrating how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate. The Examples do not have an effective date, but entities might consider the application for December 2025 year-ends.

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- **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

For the year ending December 2025, disclosures should include:

- the nature of the changes,
- the fact that IFRS 18 application is required for annual periods beginning on or after 1 January 2027,
- the planned adoption date, and
- either:
 - known or reasonably estimable information relevant to assessing the possible impact that application of IFRS 18 will have on the entity's financial statements in the period of initial application; or
 - if that impact is not known or reasonably estimable, a statement to that effect.

In order to comply with Paragraphs 30-31 of IAS 8, entities should consider the following principles when preparing disclosures related to the adoption of IFRS 18:

a. Disclosures are expected to become increasingly detailed as entities implementation process progresses toward 2027.

The level of detail that an entity includes in its disclosures will depend on the progress of its implementation activities, including those related to internal controls. For the year ending December 2025, entities that have yet to make significant progress in implementation might only disclose that they are actively assessing the impact of IFRS 18 and that more comprehensive disclosures cannot reasonably be provided.

b. Where appropriate and reliable, consider including quantitative information.

It may be appropriate to disclose preliminary figures, when the company has an appropriate and reliable basis for making such disclosures and provides clear explanations regarding their provisional nature. For example, an entity might quantify the effects on profit and loss subtotals. If the quantitative impact is not reasonably estimable, a statement to that effect should be included. An entity may disclose known and reasonably quantifiable impacts, but it is not expected to early provide IFRS 18 disclosures, such as an MPM reconciliation, before the application date.

c. Consider alignment with other public communications.

If management has publicly detailed anticipated impacts, such as in an investor presentation, the IAS 8 financial statement disclosures should be consistent with these communications.

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d. Disclosures should be based on the information available through the date of issuance of the financial statements,

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures' and amendment;** effective from annual periods beginning on or after 1 January 2027. 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.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures';** with these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable. These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:
 - IFRS 18 Presentation and Disclosure in Financial Statements;
 - Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
 - International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12);
 - Lack of Exchangeability (Amendments to IAS 21); and
 - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

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. TFRS 17 contains significant differences compared to the existing Insurance Accounting and Financial Reporting Legislation, particularly concerning the measurement of insurance liabilities, the recognition of insurance revenue, and the presentation format. The Company is in the process of transitioning to TFRS 17, and at this stage, the quantitative effects of the transition on the financial statements for the year 2025 have not been finalized. The transition is expected to be significant, particularly in terms of the re-measurement of assets and/or liabilities associated with insurance and reinsurance contracts, the periods in which insurance income/expenses are recognized, and the impact of these changes on equity.

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3 Significant Accounting Estimates and Requirements

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

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

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

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

Note 4.1 - *Management of insurance risk*

Note 4.2 - *Financial risk management*

Note 10 - *Reinsurance assets/liabilities*

Note 11 - *Financial assets*

Note 12 - *Loans and receivables*

Note 17 - *Insurance liabilities and reinsurance assets*

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.

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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.

Insurance risk concentrations

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

Branches	December 31, 2025		
	Gross total claims liability (*)	Reinsurance share of total claims liability	Net total claims liability
Fire and Natural Disasters	4.348.577.172	(1.142.075.663)	3.206.501.509
General Losses	2.043.465.448	(5.761.384)	2.037.704.064
Sea Vehicles	404.317.816	(20.355.575)	383.962.241
General Liabilities	331.150.646	(2.418.242)	328.732.404
Motor Third Party Liability (MTPL)	180.243.068	(14.470)	180.228.598
Marine	150.125.369	(21.329.406)	128.795.963
Land Vehicles	107.066.666	(73.830)	106.992.836
Financial Losses	49.198.225	(3.905)	49.194.320
Accident	32.139.032	(312.209)	31.826.823
Life	21.785.796	(2.846.763)	18.939.033
Fidelity Guarantees	15.399.271	(67.284)	15.331.987
Air Vehicles	6.323.024	--	6.323.024
Credit	3.899.202	--	3.899.202
Illness/Health	3.604.623	--	3.604.623
Legal Protection	8.825	--	8.825
Total	7.697.304.183	(1.195.258.731)	6.502.045.452

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Branches	December 31, 2024		
	Gross total claims liability ^(*)	Reinsurance share of total claims liability	Net total claims liability
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
Motor Third Party 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
Total	9.911.606.027	(4.680.124.568)	5.231.481.459

^(*) 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.

4.2 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".

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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.

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

	December 31, 2025	December 31, 2024
Cash and cash equivalents (Note 14)	6.754.939.846	4.383.823.465
Financial assets and financial investments with risks on policyholders (Note 11) ^(*)	8.768.370.717	4.413.356.379
Receivables from main operations (Note 12)	2.916.138.799	2.866.435.125
Reinsurer share in outstanding claims reserve (Note 10), (Note 17)	1.342.759.689	1.729.970.615
Prepaid taxes and funds (Note 12)	283.232.041	71.260.270
Income accruals	-	323.144.436
Other Prepaid Expenses ^(**)	89.915.810	74.552.621
Due from related parties ve other receivables (Not 12)	77.177.315	235.542.408
Business advances and advances given to employees (Note 12)	3.544.298	702.865
Total	20.236.078.515	14.098.788.184

^(*) Equity shares amounting to TL 1.025.996.414 are not included (December 31, 2024: TL 885.467.625)

^(**) TL 68.655.443 is the advance amount given by the Company. (December 31, 2023: TL 63.786.584).

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December 31, 2025 and 2024, the aging of the receivables from main operations and related provisions are as follows:

	December 31, 2025		December 31, 2024	
	Gross amount	Provision	Gross amount	Provision
Not past due	2.282.079.337	--	2.277.461.297	--
Past due 0-30 days	83.647.519	--	18.358.130	--
Past due 31-60 days	24.378.021	--	173.533.100	--
Past due 61-90 days	233.969.312	--	145.625.412	--
More than 90 days	517.656.830	(225.592.221)	429.933.870	(178.476.684)
Total	3.141.731.019	(225.592.221)	3.044.911.809	(178.476.684)

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

	December 31, 2025	December 31, 2024
Provision for receivables from insurance operations at the beginning of the year	178.476.684	153.566.800
Foreign currency translation effect	47.115.537	24.909.884
Provision for receivables from insurance operations at the end of the year	225.592.221	178.476.684

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.

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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, 2025	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	6.754.939.846	2.799.721.937	2.988.589.390	791.780.540	174.847.979	-	-
Financial assets ^(*)	8.768.370.717	3.217.664.534	1.150.392.129	818.065.752	550.471.000	3.031.777.302	-
Receivables from main operations	2.916.138.799	1.738.257.304	467.375.342	71.652.835	241.915.198	396.938.120	-
Other receivables and current assets	453.869.464	373.783.347	-	-	79.734.457	351.660	-
Total monetary assets	18.893.318.826	8.129.427.122	4.606.356.861	1.681.499.127	1.046.968.634	3.429.067.082	-
Financial liabilities and other liabilities	64.067.727	27.202.697	4.467.239	6.239.484	10.986.121	15.172.186	-
Payables arising from main operations	419.618.569	417.890.846	1.515.715	-	212.008	-	-
Due to related parties	724.960	724.960	-	-	-	-	-
Insurance technical reserves, net	13.637.632.188	-	-	-	-	-	13.637.632.188
Provisions for taxes and other similar obligations	29.729.733	29.729.733	-	-	-	-	-
Provisions for other risks and expense accruals	1.568.095.629	42.986.031	284.872.189	227.039.400	42.105	-	1.013.155.904
Total monetary liabilities	15.719.868.806	518.534.267	290.855.143	233.278.884	11.240.234	15.172.186	14.650.788.092

^(*) Equity shares amounting to TL 1.025.996.414 are not included.

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December 31, 2025	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 ^(*)	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	-
Total monetary assets	12.368.817.569	6.702.830.786	2.681.924.243	517.151.229	767.707.849	1.699.203.462	-
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, net	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
Total monetary liabilities	10.872.933.256	516.064.686	45.801.016	3.766.083	8.426.533	7.830.180	10.291.044.758

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

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.

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

December 31, 2025	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	445.396.761	173.294.029	278.166.731	896.857.521
Financial assets	1.892.674.887	1.977.259.609	-	3.869.934.496
Receivables from main operations	447.084.993	736.827.340	896.780.971	2.080.693.304
Total foreign currency assets	2.785.156.641	2.887.380.978	1.174.947.702	6.847.485.321
Liabilities:				
Payables arising from main operations	(152.587.762)	(12.538.590)	(145.947.937)	(311.074.289)
Insurance technical reserves ^(*)	(2.089.921.058)	229.329.785	(1.118.884.879)	(2.979.476.152)
Financial liabilities	-	-	(96.316)	(96.316)
Total foreign currency liabilities	(2.242.508.820)	216.791.195	(1.264.929.132)	(3.290.646.757)
Net financial position	542.647.821	3.104.172.173	(89.981.430)	3.556.838.564
December 31, 2024				
Assets:				
Cash and cash equivalents	440.800.354	245.778.935	238.780.572	925.359.861
Financial assets	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
Total foreign currency assets	1.935.793.017	2.661.003.511	926.041.259	5.522.837.787
Liabilities:				
Payables arising from main operations	(207.933.069)	(96.925.770)	(103.981.137)	(408.839.976)
Insurance technical reserves ^(*)	(1.670.459.602)	659.981.950	(934.323.005)	(1.944.800.657)
Financial liabilities	-	-	(8.814.691)	(8.814.691)
Total foreign currency liabilities	(1.878.392.671)	563.056.180	(1.047.118.833)	(2.362.455.324)
Net financial position	57.400.346	3.224.059.691	(121.077.574)	3.160.382.463

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

For the purpose of evaluation of the above table, TL equivalents of the relevant foreign currency amounts have been shown. December 31, 2025 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, 2025 and passive items are evaluated with the CBRT sales rates.

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Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities As of December 31, 2025 and 2024 dates are as follows:

	Buying		Selling		Average	
	US Dollar	Euro	US Dollar	Euro	US Dollar	Euro
31 December 2025	42,8457	50,2859	42,9229	50,3765	39,4592	44,6948
31 December 2024	35,2803	36,7362	35,3438	36,8024	32,7984	35,4893

Exposure to foreign currency risk

20 percent depreciation of the TL against the following currencies As of December 31, 2025 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below (December 31, 2024: 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, 2025		December 31, 2024	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	108.529.564	108.529.564	11.480.069	11.480.069
Euro	620.834.435	620.834.435	644.811.938	644.811.938
Other	(17.996.286)	(17.996.286)	(24.215.515)	(24.215.515)
Total, net	711.367.713	711.367.713	632.076.492	632.076.492

^(*) Equity effect also includes profit or loss effect of 20% depreciation of TL against related currencies (December 31, 2024: 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.

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

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets with fixed interest rates:	12.148.748.017	6.417.269.221
Cash at banks (Note 14)	6.691.245.398	3.962.224.360
Available for sale financial assets - Government bonds - FC (Note 11)	1.199.853.002	114.506.740
Available for sale financial assets - Government bonds - TL (Note 11)	1.719.138.878	1.270.677.676
Available for sale financial assets - Private sector bonds - FC (Note 11)	1.919.687.000	380.160.683
Available for sale financial assets - Private sector bonds - TL (Note 11)	618.823.739	689.699.762
Financial assets with variable interest rate:	532.579.400	160.772.800
Available for sale financial assets - Private sector bonds - TL (Note 11)	532.579.400	160.772.800

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.

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

	December 31, 2025			Total
	Level 1	Level 2	Level 3	
Financial assets:				
Held for trading financial assets (Note 11)	2.875.588.698	-	-	2.875.588.698
Available for sale financial assets (Note 11) ^(*)	4.013.131.687	2.905.555.254	-	6.918.686.941
Total financial assets	6.888.720.385	2.905.555.254	-	9.794.275.639

^(*) As of December 31, 2025, securities that are not publicly traded amounting to TL 91.492 have been measured at cost.

	December 31, 2024			Total
	Level 1	Level 2	Level 3	
Financial assets:				
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
Total financial assets	5.298.732.512	-	-	5.298.732.512

^(*) As of December 31, 2024, 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, 2025 and 2024:

	Change in index	December 31, 2025	December 31,2024
Market price of equity	10%	102.590.492	88.537.613

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Gain and losses from financial assets

<i>Gains and losses recognized in the statement of income, net:</i>	December 31, 2025	December 31, 2024
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (Note 15)	1.894.518	80.543.355
Interest income from bank deposits	1.788.922.290	1.186.440.543
Interest income from debt securities classified as available-for-sale financial assets	858.084.724	289.644.738
Income from equity shares classified as held for trading financial assets	43.224.879	4.659.044
Foreign exchange gains	874.431.251	450.091.248
Income from mutual funds classified as available for sale financial assets	550.580.149	296.715.116
Income from mutual funds classified as trading financial assets	1.123.538	68.485.017
Interest income from repos	4.610.826	25.654
Income from subsidiaries	16.176.781	24.073.923
Income from affiliates	8.881.792.288	7.555.428.109
Income from derivative products	746.878.965	536.502.944
Investment income	13.767.720.209	10.492.609.691
Losses from derivatives transactions	-	(5.039.473)
Foreign exchange losses	(21.909.749)	(35.029.676)
Loss from disposal of financial assets	(22.486.152)	(24.341.548)
Investment management expenses (including interest)	(12.964.454)	(4.165.831)
Investment expenses	(57.360.355)	(68.576.528)
Investment income, net	13.710.359.854	10.424.033.163
<i>Gains and losses recognized in the statement of equity, net:</i>	December 31, 2025	December 31, 2024
Fair value changes in available for sale financial assets (Note 15)	467.644.975	368.948.681
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (Note 15)	(1.894.518)	(80.543.355)
Total	465.750.457	288.405.326

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

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According to the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance, and Pension Companies published by the Republic of Turkey's Ministry of Treasury and Finance in the Official Gazette dated August 23, 2015, issue number 29454, and the Regulation Amending the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance, and Pension Companies published in the Official Gazette dated December 31, 2024, issue number 32769, capital adequacy calculations are conducted four times a year, in the periods of March, June, September, and December. 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 6.002.453.032 as of December 31, 2025. As of December 31, 2025, the Company's equity, as determined by the capital adequacy regulations, is TL 26.136.121.739. According to the calculated capital adequacy result based on the regulations, there is a capital surplus of TL 20.133.668.707 as of December 31, 2025.

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.

The Company does not prepare segment reporting since it is not publicly traded.

6 Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 2025 is presented below:

	January 1, 2025	Additions	Foreign currency translation effect ⁽¹⁾	Disposals	Revaluation surplus	December 31, 2024
Cost:						
Furniture and fixtures	50.164.806	10.704.835	1.759.732	(1.019.293)	-	61.610.080
Land vehicles	13.395.172	-	1.699.343	-	-	15.094.515
Leased Assets	52.016.197	56.995.708	6.076.775	(1.870.778)	-	113.217.902
Other Tangible Assets	53.013.225	2.789.448	-	-	-	55.802.673
	168.589.400	70.489.991	9.535.850	(2.890.071)	-	245.725.170
Accumulated depreciation:						
Furniture and fixtures	24.463.644	10.525.459	1.712.172	(889.413)	-	35.811.862
Land vehicles	852.109	2.866.768	237.103	-	-	3.955.980
Leased Assets	27.496.353	32.651.089	4.945.143	(1.699.922)	-	63.392.663
Other Tangible Assets	11.486.198	10.969.939	-	-	-	22.456.137
	64.298.304	57.013.255	6.894.418	(2.589.335)	-	125.616.642
Net Book Value	104.291.096					120.108.528

⁽¹⁾ Foreign currency translation effect resulted from Singapore Branch.

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Movement in tangible assets in the period from January 1 to December 31, 2025 and 2024 is presented below:

	January 1, 2024	Additions	Foreign currency translation effect ^(*)	Disposals	Revaluation surplus	December 31, 2024
Cost:						
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
	171.119.835	28.481.341	6.896.460	(37.908.236)	-	168.589.400
Accumulated depreciation:						
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
	33.391.676	34.064.389	4.277.687	(7.435.448)	-	64.298.304
Net Book Value	137.728.159					104.291.096

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

As of December 31, 2025, and 2024, there is no mortgage on Company's tangible assets.

7 Investment properties

None (December 31, 2024: None).

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8 Intangible assets

Movement in intangible assets in the period from January 1 to December 31, 2025 and 2024 is presented below:

	January 1, 2025	Additions	Foreign currency translation effects ^(*)	Disposal	Transfers	December 31, 2025
Cost:						
Rights	14.304.813	24.101.768	176.782	(54.810)	73.353.735	111.882.288
Advances on intangible fixed assets ^(**)	73.353.735	-	-	-	(73.353.73)	-
	87.658.548	24.101.768	176.782	(54.810)	-	111.882.288
Accumulated amortization:						
Rights	10.640.733	5.282.564	166.325	(54.810)	-	16.034.812
	10.640.733	5.282.564	166.325	(54.810)	-	16.034.812
Carrying amounts	77.017.815					95.847.476

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

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

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

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

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

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9 Investments in affiliates

The Company accounts for its subsidiaries and its investment in affiliates, except for Genesis Management Limited, using the equity method defined in TAS 27 - "Consolidated and Separate Financial Statements" in preparing the unconsolidated financial statements.

The recorded values of the Company's subsidiaries and affiliates in the non-consolidated balance sheet are as follows:

	December 31, 2025		December 31, 2024	
	Net book value	Participation rate %	Net book value	Participation rate %
Anadolu Hayat	1.701.692.910	12,46	1.254.912.086	12,46
Investments in affiliates	1.701.692.910		1.254.912.086	
Anadolu Sigorta	18.810.532.720	57,31	12.443.252.540	57,31
Miltaş	7.104.818.882	100,00	5.119.639.860	100,00
Genesis Management Limited (*)	55.091	100,00	-	-
Investments in subsidiaries	25.915.406.693		17.562.892.400	
Total	27.617.099.603		18.817.804.486	

(*) Genesis Management Limited was registered in Hong Kong on July 17, 2025, with an establishment capital of 55.091 TL, corresponding to 10.000 HKD. This subsidiary has been established as a Managing General Agent (MGA) company, authorized to carry out various underwriting activities on behalf of insurance or reinsurance companies, and is expected to commence operations in 2026. As of the reporting date, since the subsidiary has not yet started operations, it has been accounted for at cost in the non-consolidated balance sheet, considering the materiality principle.

The consolidated financial information of Anadolu Sigorta and Anadolu Hayat, along with the non-consolidated financial information of Miltaş as of December 31, 2025, is presented below:

Name	Total assets	Shareholders' equity	Retained earnings	Profit for the year	Audited	Period
Affiliates :						
Anadolu Hayat	443.673.308.407	13.657.246.469	319.134.805	5.994.213.205	Audited.	December 31, 2025
Subsidiaries:						
Miltaş	9.221.206.488	7.104.818.882	1.422.659.312	1.871.282.444	Not Audited	December 31, 2025
Anadolu Sigorta	128.693.250.391	35.553.399.346	979.151.064	13.431.245.293	Audited	December 31, 2025

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The movement table of investments for the period is as follows:

	December 31, 2025		
	Affiliates	Subsidiaries	Total
Beginning of the period - January 1	1.254.912.086	17.562.892.400	18.817.804.486
Shares of net profits for the period	746.878.965	8.881.792.288	9.628.671.253
Increase recognized in equity	11.402.299	435.058.090	446.460.389
Additions	-	55.091	55.091
Dividend	(311.500.440)	(964.391.176)	(1.275.891.616)
End of the period - December 31	1.701.692.910	25.915.406.693	27.617.099.603

	December 31, 2024		
	Affiliates	Subsidiaries	Total
Beginning of the period - January 1	803.602.412	9.888.845.439	10.692.447.851
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)
End of the period - December 31	1.254.912.086	17.562.892.400	18.817.804.486

10 Reinsurance assets and liabilities

Outstanding reinsurance assets and liabilities of the Company, as Reinsurance Company in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	December 31, 2025	December 31, 2025
Receivables from reinsurance companies (Note 12)	534.253.550	494.482.487
Cash deposited to reinsurance companies	368.795.459	269.851.682
Outstanding claims reserve, ceded (Note 4.2), (Note 17)	1.342.759.689	1.729.970.615
Unearned premiums reserve, ceded (Note 17)	36.464.066	43.992.595
Total	2.282.272.764	2.538.297.379

Reinsurance liabilities	December 31, 2025	December 31, 2024
Deferred commission income (Note 19)	928.569	4.303.316
Total	928.569	4.303.316

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

	December 31, 2025	December 31, 2024
Premiums ceded during the period <i>(Note 17)</i>	(3.708.520.971)	(5.467.356.778)
Unearned premiums reserve, ceded at the beginning of the period <i>(Note 17)</i>	(43.992.595)	(60.065.549)
Unearned premiums reserve, ceded at the end of the period <i>(Note 17)</i>	36.464.066	43.992.595
Premiums earned, ceded <i>(Note 17)</i>	(3.716.049.500)	(5.483.429.732)
Claims paid, ceded during the period <i>(Note 17)</i>	1.195.258.731	4.680.124.568
Outstanding claims reserve, ceded at the beginning of the period <i>(Note 17)</i>	(1.729.970.615)	(5.807.404.091)
Outstanding claims reserve, ceded at the end of the period <i>(Note 17)</i>	1.342.759.689	1.729.970.615
Claims incurred, ceded <i>(Note 17)</i>	808.047.805	602.691.092
Commission income accrued from reinsurers during the period <i>(Note 32)</i>	62.368.382	162.461.722
Deferred commission income at the beginning of the period <i>(Note 19)</i>	4.303.316	8.565.638
Deferred commission income at the end of the period <i>(Note 19)</i>	(928.569)	(4.303.316)
Commission income earned from reinsurers <i>(Note 32)</i>	65.743.129	166.724.044
Changes in unexpired risks reserve, reinsurers' share <i>(Note 17)</i>	(93.938)	(546.194)
Total, net	(2.842.352.504)	(4.714.560.790)

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11 Financial assets

As of December 31, 2025, and 2024, the Company's financial assets portfolio are detailed as follows:

	December 31, 2025	December 31, 2024
Available for sale financial assets	6.918.778.433	3.428.972.678
Financial Assets Held for Trading	2.875.588.698	1.869.851.326
Total	9.794.367.131	5.298.824.004

As of December 31, 2025, and 2024, the Company's available for sale financial assets are as follows:

	December 31, 2025			Net book value
	Nominal value	Cost	Fair value	
Debt instruments:				
Government bonds - TL	989.293.493	978.047.226	1.199.853.002	1.199.853.002
Government bonds - EUR	8.700.000	288.084.985	445.287.729	445.287.729
Government bonds - USD	27.490.000	1.154.317.225	1.273.851.149	1.273.851.149
Private sector bonds - USD	13.427.000	597.585.838	618.823.739	618.823.739
Private sector bonds - TL	2.297.500.000	2.290.654.750	2.452.266.400	2.452.266.400
		5.308.690.024	5.990.082.019	5.990.082.019
Non-fixed income financial assets:				
Equity shares		111.938.846	928.696.414	928.696.414
		111.938.846	928.696.414	928.696.414
Total available-for-sale financial assets		5.420.628.870	6.918.778.433	6.918.778.433

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	December 31, 2024			
	Nominal value	Cost	Fair value	Net book value
Debt instruments:				
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
		1.964.923.668	2.615.817.661	2.615.817.661
Non-fixed income financial assets:				
Equity shares		61.938.846	785.210.400	785.210.400
Investment funds		27.000.000	27.944.617	27.944.617
		88.938.846	813.155.017	813.155.017
Total available-for-sale financial assets		2.053.862.514	3.428.972.678	3.428.972.678

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

	Cost	Fair value	Net book value
Investment funds TL	1.086.131.172	1.246.316.818	1.246.316.818
Investment funds YP	1.372.393.585	1.531.971.880	1.531.971.880
Equity shares	99.750.000	97.300.000	97.300.000
Total	2.558.274.757	2.875.588.698	2.875.588.698

	Cost	Fair value	Net book 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
Equity shares	102.624.024	100.257.225	100.257.225
Total available-for-sale financial assets	1.665.886.438	1.869.851.326	1.869.851.326

Debt instruments presented above are traded in the capital markets. As of December 31, 2025, equity shares classified as available for sale financial assets with a carrying amount of TL 91.492 are not publicly traded (December 31, 2024: TL 91.492).

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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
2025	465.750.457	2.330.457.161
2024	288.405.326	1.864.706.704
2023	800.341.979	1.576.301.378

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

	December 31, 2025			
	Nominal value	Cost	Fair value	Net book value
Available for sale financial assets - Equity shares		111.871.244	928.628.812	928.628.812
Financial Assets Held For Trading - Investment funds		1.342.774.547	1.624.069.303	1.624.069.303
Available for sale financial assets - Private sector bonds TL	1.235.000.000	1.228.154.750	1.350.844.500	1.350.844.500
Total		2.682.800.541	3.903.542.615	3.903.542.615

	December 31, 2024			
	Nominal value	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 TL	515.000.000	496.342.000	512.155.300	512.155.300
Total		2.023.475.663	2.950.255.178	2.950.255.178

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

	December 31, 2025		
	Financial assets held for trading	Available-for-sale	Total
Balance at the beginning of the period	1.869.851.326	3.428.972.678	5.298.824.004
Acquisitions during the period	14.292.660.325	7.975.004.566	22.267.664.891
Change in the fair value of financial assets	(14.160.063.386)	(5.529.312.610)	(19.689.375.996)
Fair value adjustment of financial assets	873.140.433	1.044.113.799	1.917.254.232
Balance at the end of the period	2.875.588.698	6.918.778.433	9.794.367.131

	December 31, 2024		
	Financial assets held for trading	Available-for-sale	Total
Balance at the beginning of the period	611.225.151	3.838.711.783	4.449.936.934
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
Balance at the end of the period	1.869.851.326	3.428.972.678	5.298.824.004

12 Loans and receivables

	December 31, 2025	December 31, 2024
Receivables from main operations (Note 4.2)	2.916.138.799	2.866.435.125
Prepaid taxes and funds (Note 19)	283.232.041	71.260.270
Other receivables (Note 4.2)	77.177.315	235.542.408
Business advance/Advances given to employees	3.544.298	702.865
Total	3.280.092.453	3.173.940.668
Short-term receivables	2.883.154.333	2.742.286.747
Long-term receivables	396.938.120	431.653.921
Total	3.280.092.453	3.173.940.668

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

	December 31, 2025	December 31, 2024
Receivables from insurance companies	1.293.849.493	1.028.793.487
Receivables from brokers and intermediaries	585.993.538	918.802.840
Receivables from reinsurance companies (Note 10)	534.253.550	494.482.487
Total receivables from insurance operations, net	2.414.096.581	2.442.078.814
Cash deposited to insurance and reinsurance companies	502.042.218	424.356.311
Doubtful receivables from main operations	225.592.221	178.476.684
Provision for doubtful receivables from main operations	(225.592.221)	(178.476.684)
Receivables from main operations	2.916.138.799	2.866.435.125

Provisions for overdue receivables and receivables not due yet

- a) *Receivables under legal or administrative follow up (due):* TL 225.592.221 for main operations (December 31, 2024: TL 178.476.684) and TL 705.142 (December 31, 2024: TL 705.142) for other receivables.
- b) *Provision for premium receivables (due):* None (December 31, 2024: 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, 2025, and 2024, the Company has no derivative financial instruments.

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14 Cash and cash equivalents

As of December 31, 2025, and 2024, the details of cash and cash equivalents are as follows:

	December 31, 2025		December 31, 2024	
	At the end of the period	At the beginning of the period	At the end of the period	At the beginning of the period
Bank deposits	6.754.939.846	4.383.823.465	4.383.823.465	1.825.305.969
Cash and cash equivalents in the balance sheet	6.754.939.846	4.383.823.465	4.383.823.465	1.825.305.969
Bank deposits - blocked	(500)	(500)	(500)	(500)
Time deposits with maturities longer than 3 months	(3.065.429.221)	(1.407.586.865)	(1.407.586.865)	(745.832.738)
Interest accruals on bank deposits	(81.650.538)	(135.744.176)	(135.744.176)	(5.501.890)
Cash and cash equivalents presented in the statement of cash flows	3.607.859.587	2.840.491.924	2.840.491.924	1.073.970.841

As of December 31, 2025, and 2024, the details of bank deposits as follows:

	December 31, 2025	December 31, 2024
Foreign currency denominated bank deposits		
- time deposits	833.897.099	504.401.073
- demand deposits	62.960.421	420.958.788
Bank deposits in Turkish Lira		
- time deposits	5.857.348.299	3.457.823.287
- demand deposits	734.027	640.317
Bank deposits	6.754.939.846	4.383.823.465

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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, 2025, and, 2024, the shareholding structure of the Company is as follows:

Shareholders	December 31, 2025		December 31, 2024	
	Shareholding amount(TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholdig rate (%)
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Axa Hayat ve Emeklilik A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid in capital	660.000.000	100,00	660.000.000	100,00

As of December 31, 2025, the issued share capital of the Company is TL 660.000.000 (December 31, 2024: TL 660.000.000) and the share capital of the Company consists of 66.000.000.000 (December 31, 2024: 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, 2025	December 31, 2024
Legal reserves at the beginning of the period	324.811.577	312.168.254
Accounted according to the equity method	245.039.247	12.643.323
Legal reserves at the end of the period	569.850.824	324.811.577

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 including other capital reserves and other profit reserves.

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Extraordinary reserves

The movement of extraordinary reserves is as follows:

	December 31, 2025	December 31, 2024
Legal reserves at the beginning of the period	4.518.846.761	1.448.635.062
Accounted according to the equity method	3.476.157.164	3.070.211.699
Legal reserves at the end of the period	7.995.003.925	4.518.846.761

As a result of the revaluation application made under Article 298 (repeated) of the Tax Procedure Law (VUK), the revaluation fund amounting to 21.819.457 TL has been classified under “Extraordinary Reserves” in accordance with the Communiqué Amending the VUK General Communiqué (Serial No: 547) dated January 14, 2023 (December 31, 2024: None). No additional fund has been accounted for in the non-consolidated balance sheet dated December 31, 2025, regarding this application; however, a classification has been made within the extraordinary reserves for the amount calculated according to the relevant tax legislation. Since this fund is set aside in accordance with the relevant tax legislation, it cannot be subject to profit distribution.

Special funds (reserves)

As of December 31, 2025, special funds accounted according to the equity method is amounting to TL 1.966.149.193 (December 31, 2024: 241.519.108).

The movements of special funds are as follows:

	December 31, 2025	December 31, 2024
Legal reserves at the beginning of the period	330.452.130	184.820.637
Accounted according to the equity method	1.724.630.085	145.631.493
Legal reserves at the end of the period	2.055.082.215	330.452.130

Other profit reserves

In accordance with IAS 19, actuarial losses resulting from the calculation of the provision for severance pay have been accounted for under “Other Profit Reserves” within equity. The movement schedule for other profit reserves is as follows:

	December 31, 2025	December 31, 2024
Other profit reserves at the beginning of the period	(39.645.612)	(16.950.092)
Actuarial gains/losses	(224.510)	(8.013.181)
Accounted according to the equity method	(80.718.013)	(14.682.339)
Other profit reserves at the end of the period	(120.588.135)	(39.645.612)

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, 2025, there are no funds allocated in this manner (December 31, 2024: None). As of December 31, 2025, the statutory reverses that are accounted according to the equity method amounting to TL 1.089.589.919 (December 31, 2024: TL 572.615.467).

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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, 2025, foreign currency translation loss amounting to TL 459.824.474 (December 31, 2023: TL 358.446.598) 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.

As of December 2023, the Company’s real estate properties have been transferred to its subsidiary, Miltaş, under a partial division. Based on appraisal reports, the fair value of the Company’s properties intended for use was calculated to be 1.459.750.000 TL as of the transfer date. Revaluation surpluses amounting to 1.447.902.359 TL have been accounted for in the ‘Other capital reserves’ under equity as 1.122.124.328 TL in the financial statements prepared as of December 31, 2025, with the tax effect shown net (December 31, 2024: 1.122.124.328 TL). The revalued amount of Miltaş’s properties intended for use was determined to be 336.950.000 TL based on appraisal reports, with revaluation surpluses of 262.815.646 TL accounted for in the ‘Other capital reserves’ as 197.111.734 TL in the financial statements as of December 31, 2025, net of tax effect. As of December 31, 2025, the other capital reserves resulting from the equity method accounting of the subsidiary Anadolu Sigorta are 140.502.214 TL (December 31, 2024: 120.551.490 TL).

Valuation of financial assets

As of December 31, 2025, and 2024 detailed change of fair value of marketable securities, debt securities and subsidiaries classified as available for sale financial assets is as following:

	December 31, 2025	December 31, 2024
Fair value reserves at the beginning of the period	1.864.706.704	1.576.301.378
Change in the fair value during the period (Note 4.2)	468.647.228	305.261.638
Deferred tax effect (Note 4.2)	(1.570.608)	39.524.036
Net gains transferred to the statement of income (Note 4.2)	(1.894.518)	(80.543.355)
Deferred tax effect (Note 4.2)	568.355	24.163.007
Fair value reserves at the end of the period	2.330.457.161	1.864.706.704

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.

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Profit for the period that is extraneous from the distribution

In accordance with tax legislation, 50% of the gains arising from sales of participation shares and 25% of the gains arising from sales of real estate included in the assets of companies are exempt from corporate tax, provided that they are kept in a special fund account under liabilities for a full period of at least five years. The exempted gains cannot be transferred to another account for any reason other than addition to capital, nor can they be withdrawn from the entity within five years. In line with the explanations made in the sector announcement dated October 27, 2008, and numbered 2008/41, issued by the Republic of Turkey Ministry of Treasury and Finance, the Company classified the gain of TL 23.723.323 arising from the sale of participation shares realized as of April 10, 2015, under equity as "Gains to be added to capital" as of March 31, 2016. The Company also classified the gain of TL 162.083 arising from the sale of participation shares realized as of December 14, 2020, under equity as "Gains to be added to capital" as of March 31, 2021. Furthermore, the Company classified TL 6.572.222, which corresponds to the 25% exemption related to the gain from the sale of real estate realized as of May 27, 2024, under equity as "Gains to be added to capital." As of December 31, 2025, the amount of gains to be added to capital accounted for using the equity method is TL 19.035.906. (December 31, 2024: TL 19.035.906).

16 Other reserves and equity component of discretionary participation

As of December 31, 2025, and 2024, other reserves are explained in detail in Note 15 - *Equity* above.

As of December 31, 2025, and 2024, 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*.

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As of December 31, 2025, and 2024 technical reserves of the Company are as follows:

	December 31, 2025	December 31, 2024
Unearned premiums reserve, gross	6.810.684.187	5.944.522.967
Unearned premiums reserve, ceded (Note 10)	(36.464.066)	(43.992.595)
Unearned premiums reserve, net	6.774.220.121	5.900.530.372
Outstanding claims reserve, gross	14.980.391.877	11.343.283.860
Outstanding claims reserve, ceded (Note 10)	(1.342.759.689)	(1.729.970.615)
Outstanding claims reserve, net	13.637.632.188	9.613.313.245
Unexpired risks reserve, gross	35.770.084	22.010.219
Unexpired risks reserve, ceded (Note 10)	(2.639)	(96.577)
Unexpired risks reserve, net	35.767.445	21.913.642
Equalization reserve, net	948.299.682	474.736.051
Total technical reserves, net	21.395.919.436	16.010.493.310
Short-term	20.447.619.754	15.535.757.259
Long-term	948.299.682	474.736.051
Total technical reserves, net	21.395.919.436	16.010.493.310

Movements of the insurance liabilities and related reinsurance assets are presented below:

	December 31, 2025		
	Gross	Ceded	Net
Unearned premiums reserve			
Unearned premiums reserve at the beginning of the period	5.944.522.967	(43.992.595)	5.900.530.372
Written premiums during the period	16.153.360.806	(3.708.520.971)	12.444.839.835
Earned premiums during the period	(15.287.199.586)	3.716.049.500	(11.571.150.086)
Unearned premiums reserve at the end of the period	6.810.684.187	(36.464.066)	6.774.220.121
	December 31, 2024		
Unearned premiums reserve	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)
Unearned premiums reserve at the end of the period	5.944.522.967	(43.992.595)	5.900.530.372

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Outstanding claims reserve	December 31, 2025		Net
	Gross	Ceded	
Outstanding claims reserve at the beginning of the period	11.343.283.860	(1.729.970.615)	9.613.313.245
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	13.731.476.453	(824.205.791)	12.907.270.662
Claims paid during the period	(7.697.304.183)	1.195.258.731	(6.502.045.452)
Discount effect	(2.397.064.253)	16.157.986	(2.380.906.267)
Outstanding claims reserve at the end of the period	14.980.391.877	(1.342.759.689)	13.637.632.188

Outstanding claims reserve	December 31, 2024		Net
	Gross	Ceded	
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)
Outstanding claims reserve at the end of the period	11.343.283.860	(1.729.970.615)	9.613.313.245

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.

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Number and amount of participation certificates in portfolio and circulation

None.

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

None.

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

None.

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

None.

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

None.

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

None.

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

None.

Profit share distribution rate of life insurances

None.

Deferred commission expenses

The portion of commissions paid to intermediaries related to policy production that extend to subsequent periods is capitalized under the "Deferred Production Expenses" account. As of December 31, 2025, deferred production expenses amounting to TL 1.462.709.349 (December 31, 2024: TL 1,302,479,934) consist of deferred production commissions amounting to TL 1.460.200.179 (December 31, 2024: TL 1.298.830.397) and deferred loss surplus premiums amounting to TL 2.509.170 (December 31, 2024: TL 3.649.537)

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

	December 31, 2025	December 31, 2024
Deferred commission expenses at the beginning of the period	1.298.830.397	1.147.768.977
Commissions accrued during the period (Note 32)	3.737.569.966	3.049.327.773
Commissions expensed during the period (Note 32)	(3.576.200.184)	(2.898.266.353)
Deferred commission expenses at the end of the period	1.460.200.179	1.298.830.397

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18 Investment contract liabilities

None.

19 Trade and other payables and deferred income

	December 31, 2025	December 31, 2024
Financial Liabilities (Note 20)	39.196.496	22.471.441
Payables from reinsurance operations	419.618.569	474.163.450
Short/long term deferred income and expense accruals	555.868.294	59.910.858
Taxes and other liabilities and similar obligations	29.729.733	15.618.183
Due to related parties (Note 45)	724.960	2.446.229
Other payables	24.871.231	11.581.653
Total	1.070.009.283	586.191.814
Short-term liabilities	1.054.837.096	578.361.633
Long-term liabilities	15.172.187	7.830.181
Total	1.070.009.283	586.191.814

As of December 31, 2025, and 2024, 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 928.569 (December 31, 2024: TL 4.303.316).

As of December 31, 2025, the amounting of the expense accruals TL 554.939.725 (December 31, 2024: TL 55.607.542) are detailed in the table below.

	December 31, 2025	December 31, 2024
Accrued technical expenses (Estimated adjustment premiums and commissions payable)	406.719.789	-
Dividend accrual	105.191.800	29.977.516
Other accruals	43.028.136	25.630.026
Total	554.939.725	55.607.542

20 Financial liabilities

As of 31 December 2025 and 2024, discounted repayment plans for the Company's operating leases are as follows:

	December 31, 2025	December 31, 2024
Within one year	24.024.309	14.680.140
More than one year	15.172.187	7.791.301
Total	39.196.496	22.471.441

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21 Deferred tax

As of December 31, 2025, and 2024, deferred tax assets and liabilities are attributable to the following:

	December 31, 2025	December 31, 2024
	Deferred tax assets/(liabilities)	Deferred tax assets/(liabilities)
Provision for pension and healthcare fund deficits	293.861.505	196.362.726
Accrued expenses for the technical department	122.015.937	-
Equalization provision	124.215.209	58.427.310
Other	56.962.979	(67.057.081)
Deferred tax (liabilities)/assets, net	597.055.630	187.732.955

As of 31 December 2025, the Company has a deductible financial loss of TL 420.097.410 that can be used until 31 December 2029, and TL 1.824.582.765 that can be used until 31 December 2027, totaling TL 2.244.680.175 (31 December 2024: TL 3.688.928.783). The Company reviewed the business plan as of December 31, 2025 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, 2025 and 2024, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle

Movement of deferred tax assets are given below:

	2025	2024
Opening balance at 1 January	187.732.955	91.409.605
Deferred tax income	410.797.064	53.365.094
Deferred tax income/expense recognised in equity	(1.474.389)	42.958.256
Closing balance at 31 December	597.055.630	187.732.955

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.

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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 aforementioned 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:

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

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

The technical financial position of the Milli Reasürans Pension Fund is audited by the registered actuary in accordance with the Article 21 of the Insurance Law and Actuary Act. As per the calculations based on the above mentioned assumptions, actuarial and technical deficit amounting to TL 979.538.349 (December 31, 2024: TL 654.542.421) is accounted as “Provision for pension fund deficits” in the accompanying unconsolidated financial statements.

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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, 2025 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, 2025 and 2024, technical deficit from pension funds comprised the following.

	December 31, 2025	December 31, 2024
Net present value of total liabilities other than health	(1.896.961.285)	(1.318.482.732)
Net present value of insurance premiums	670.576.973	466.569.320
Net present value of total liabilities other than health	(1.226.384.312)	(851.913.412)
Net present value of health liabilities	(309.573.316)	(191.390.413)
Net present value of health premiums	397.714.555	291.491.390
Net present value of health assets	88.141.239	100.100.977
Retirement Benefit Provision for Pension Fund (-)	(43.771.194)	(39.153.892)
Pension fund assets	202.475.918	136.423.906
Amount of actuarial and technical deficit (-)	(979.538.349)	(654.542.421)

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

	December 31, 2025	December 31, 2024
Cash and cash equivalents	30.044	23.352
Associates	176.850.015	117.874.690
Other	25.595.859	18.525.864
Total plan assets	202.475.918	136.423.906

23 Other liabilities and expense accruals

As of December 31, 2025, and 2024; the provisions for other risks are disclosed as follows:

	December 31, 2025	December 31, 2024
Provision for pension fund deficits (Note 22)	979.538.349	654.542.421
Provision for employee termination benefits	33.617.555	23.189.092
Total provision for other risks	1.013.155.904	677.731.513

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

	December 31, 2025	December 31, 2024
Provision at the beginning of the period	23.189.092	22.028.149
Interest cost (Note 47)	7.765.706	5.257.193
Service cost (Note 47)	2.836.576	1.955.302
Payments during the period (Note 47)	(494.548)	(17.498.954)
Actuarial gain/loss	320.729	11.447.402
Provision at the end of the period	33.617.555	23.189.092

24 Net insurance premium revenue

Branches	December 31, 2025		
	Total Gross Premium	Total Reinsurance Premium	Total Net Premium
Fire and Natural Disaster	10.028.209.164	(2.950.795.606)	7.077.413.558
General Losses	3.801.026.679	(683.033.571)	3.117.993.108
General Liability	594.020.534	(6.533.966)	587.486.568
Transport/Marine	478.626.375	(16.462.304)	462.164.071
Sea vehicles	463.336.443	(13.122.649)	450.213.794
Other	788.141.611	(38.572.875)	749.568.736
Total	16.153.360.806	(3.708.520.971)	12.444.839.835

Branches	December 31, 2024		
	Total Gross Premium	Total Reinsurance Premium	Total Net Premium
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
Total	14.720.529.934	(5.467.356.778)	9.253.173.156

25 Fee revenue

None.

26 Investment income

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

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27 Net income accrual on financial assets

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

28 Asset held at fair value through profit or loss

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

29 Insurance rights and claims

	December 31, 2025		December 31, 2024	
	Life	Non-Life	Life	Non-Life
Claims paid, net off reinsurers' share	(18.939.034)	(6.483.106.418)	(7.372.039)	(5.224.109.420)
Changes in outstanding claims reserve, net off reinsurers' share	(24.243.702)	(4.000.075.241)	(17.977.837)	(3.577.341.641)
Changes in unearned premiums reserve, net off reinsurers' share	(21.672.579)	(852.017.170)	(37.697.593)	(952.193.404)
Changes in unexpired risks reserve, net off reinsurers' share	-	(13.853.803)	-	11.913.256
Change in equalization reserve, net off reinsurers' share	(1.631.783)	(471.931.849)	(615.487)	(203.561.276)
Total	(66.487.098)	(11.820.984.481)	(63.662.956)	(9.945.292.485)

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.

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32 Operating expenses

As of December 31, 2025, and 2024, the operating expenses are disclosed as follows:

	December 31, 2025		December 31, 2024	
	Life	Non-Life	Life	Non-Life
Commission expenses (Note 17)	60.796.736	3.515.403.448	11.669.139	2.886.597.214
<i>Commissions to the intermediaries accrued during the period (Note 17)</i>	72.701.709	3.664.868.258	24.985.888	3.024.341.885
<i>Changes in deferred commission expenses (Note 17)</i>	(11.904.973)	(149.464.810)	(13.316.749)	(137.744.671)
Employee benefit expenses (Note 33)	5.158.763	780.999.450	2.239.693	512.648.431
Technical Operations Exchange Rate Expenses	608.153	1.231.758.789	665.680	720.899.824
Administration expenses	1.201.736	190.062.565	536.884	123.098.628
Commission income from reinsurers (Note 10)	(4.890.500)	(60.852.629)	(1.531.550)	(165.192.494)
<i>Commission income from reinsurers accrued during the period (Note 10)</i>	(4.890.500)	(57.477.882)	(1.531.550)	(160.930.172)
<i>Change in deferred commission income (Note 10)</i>	-	(3.374.747)	-	(4.262.322)
Outsourced benefits and services	306.052	42.201.129	197.545	40.117.714
Other	205.367	85.195.285	90.169	68.565.135
Total	63.386.307	5.784.768.037	13.867.560	4.186.734.452

33 Employee benefit expenses

As of December 31, 2025, and 2024, employee benefit expenses are disclosed as follows:

	December 31, 2025		December 31, 2024	
	Life	Non-Life	Life	Non-Life
Wages and salaries	3.440.581	536.651.314	1.363.681	329.228.576
Employer's share in social security premiums	597.837	87.011.044	593.663	122.087.229
Pension fund benefits	1.120.345	157.337.092	282.349	61.332.626
Total (Note 32)	5.158.763	780.999.450	2.239.693	512.648.431

34 Financial costs

As of December 31, 2025, TL 12.964.454 (1 January - 31 December 2024 : 4.165.831) 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 32.651.089 is recognised under the "Depreciation and Amortization Expense" accounts (1 January - 31 December 2024: 13.794.753).

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35 Income Taxes

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

	December 31, 2025	December 31, 2024
Corporate tax expense:		
Corporate tax provision	-	-
Deferred taxes:		
Origination and reversal of temporary differences	410.797.064	53.365.094
Total income tax expense/(income)	410.797.064	53.365.094

For the period then ended As of December 31, 2025 and 2024, 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, 2025		December 31, 2024	
Profit before taxes	9.365.622.141	Tax rate (%)	5.880.266.311	Tax rate (%)
Taxes on income per statutory tax rate	2.809.686.642	30,00	1.764.079.893	30,00
Tax exempt income	(2.888.601.376)	(30,84)	(2.461.660.090)	(41,86)
Tax rate change impact	(433.274.582)	(4,63)	(576.523.544)	(9,80)
Deferred tax not recognized on tax losses and non-deductible expenses	101.392.252	1,08	1.220.738.647	20,76
Total tax expense recognized in profit or loss	(410.797.064)	(4,39)	(53.365.094)	(0,91)

36 Net foreign exchange gains

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

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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, 2025	December 31, 2024
Net profit for the period	9.776.419.205	5.933.631.405
Weighted average number of shares	66.000.000.000	66.000.000.000
Earnings per share (TL)	0,1481	0,0899

38 Dividends per share

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

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

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

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

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

At the Company's Ordinary General Assembly Meeting held on March 26, 2025, it was decided that from the net profit of 5.933.631.405 TL for the year 2024, 6.572.222 TL would be allocated as capitalized gains, 595.703.670 TL would be distributed as cash dividends to shareholders, and the remaining amount would be allocated as retained earnings. The dividend per share was realized as 0,009 TL (no dividend distribution was made during the year 2024).

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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, 2025, the total amount of lawsuits including interest and fees filed against the Company is TL 635.130.

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.

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The related party balances as of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Türkiye İş Bankası A.Ş.	4.686.377.144	3.210.239.301
İş Yatırım Menkul Değerler A.Ş.	7	-
Banks	4.686.377.151	3.210.239.301
Equity shares of the related parties (Note 11)	928.628.812	785.142.798
Bonds issued by Türkiye Şişe ve Cam Fabrikaları A.Ş. (Note 11)	103.614.500	108.640.500
Investment funds founded by İş Portföy Yönetimi A.Ş. (Note 11)	1.329.413.796	1.426.564.832
Bond issued by Türkiye İş Bankası A.Ş. (Note 11)	-	165.457.600
Investment funds founded by Maxis Girişim Sermayesi Portföy Yönetimi A.Ş. (Note 11)	294.655.507	226.392.248
Bond issued by İş Gayrimenkul Yatırım Ortaklığı A.Ş. (Note 11)	100.000.000	21.715.200
Bond issued by İş Faktoring A.Ş.(Note 11)	233.268.000	216.342.000
Bond issued by İş Finansal Kiralama A.Ş. (Not 11)	844.690.500	-
Bond issued by İş Yatırım Menkul Değerler A.Ş.	69.271.500	-
Financial assets	3.903.542.615	2.950.255.178
Türkiye Sigorta A.Ş.	559.474.251	358.710.042
Anadolu Hayat	36.283.077	25.813.210
Anadolu Sigorta	-	84.761.198
Other	861.873	1.770.461
Receivables from main operations	596.619.201	471.054.911
Due from subsidiaries (Miltaş)	2.629.551	190.467.198
Due from related parties	2.629.551	190.467.198
Due to shareholders	337.812	156.859
Due to Personnel	31.876	6.277
Due to subsidiaries	55.091	-
Due to other related parties	300.181	2.283.093
Due to related parties	724.960	2.446.229
Anadolu Sigorta	56.091.187	17.414
Axa Sigorta A.Ş.	16.999.069	10.325.202
HDI Sigorta A.Ş.	5.928.597	13.598.687
Allianz Sigorta A.Ş.	4.638.201	4.843.514
Other	5.729.825	9.712.162
Payables from main operations	89.386.879	38.496.979

No guarantees have been taken against receivables from related parties.

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

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

The transactions with related parties are as follows:

	December 31, 2025	December 31, 2024
Türkiye Sigorta A.Ş	4.204.631.290	3.264.689.468
Anadolu Sigorta	883.088.817	1.163.126.287
Anadolu Hayat Emeklilik A.Ş.	49.679.087	37.755.165
Allianz Sigorta A.Ş.	32.392.787	30.867.957
Other	16.757.857	19.784.495
Premiums received	5.186.549.838	4.516.223.372
Premiums ceded to the reinsurer	-	5.567.184
Commissions received	-	551.983
Türkiye Sigorta A.Ş	955.712.116	752.749.265
Anadolu Sigorta	155.737.147	218.972.851
Allianz Sigorta A.Ş.	14.918.596	6.975.492
Other	8.558.119	3.912.190
Commissions given	1.134.925.978	982.609.798
Türkiye Sigorta A.Ş	1.232.859.487	1.219.100.842
Anadolu Sigorta	730.689.682	1.958.931.033
Axa Sigorta A.Ş.	40.618.526	97.883.162
Other	53.967.407	57.824.612
Claims paid	2.058.135.102	3.333.739.649
Reinsurance's share of claims paid	1.626.977	1.444.992

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	December 31, 2025	December 31, 2024
Türkiye Sigorta A.Ş	49.172.848	15.012.056
Anadolu Sigorta	40.212.339	14.924.440
Other	6.367.951	(1.022.723)
Other income	95.753.138	28.913.773
Türkiye Sigorta A.Ş	11.169.911	8.918.593
Axa Sigorta A.Ş.	6.810.107	1.469.703
Other	8.980.130	2.673.539
Other expenses	26.960.148	13.061.835

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, 2025		December 31, 2024	
	Life	Non-Life	Life	Non-Life
Foreign Exchange Gains Arising from Technical Operations	2.834.884	1.455.791.654	467.692	802.411.274
Other	-	49.704.552	400	83.908.232
Total	2.834.884	1.505.496.206	468.092	886.319.506

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.

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Details of rediscount and provision expenses are as follows:

Provision expenses	December 31, 2025	December 31, 2024
Provision for pension fund deficits	(324.995.929)	(315.259.415)
Provision expenses for doubtful receivables ^(*)	(47.088.560)	(24.890.113)
Provision for employee termination benefits (Note 23)	(10.107.734)	10.286.459
Other provision	33.288	26.767
Total of provisions	(382.158.935)	(329.836.302)

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

Rediscount Expenses	December 31, 2025	December 31, 2024
Rediscount income/(expense) from reinsurance receivables	1.398.807	23.127
Rediscount income/(expense) from reinsurance payables	7.223.608	(9.603.272)
Total of rediscounts	8.622.415	(9.580.145)

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

	December 31, 2025 ^(**)	December 31, 2024
Independent audit fee for the reporting period	19.718.171	4.906.741
Fees for tax advisory services	450.000	650.030
Non audit assurance services	2.423.510	-
Total	22.591.681	5.556.771

^(*) Fee excluding VAT.

^(**) The fees for the current period include the assurance audit of the 2024 TSRS sustainability report conducted in 2025 after the approval of the financial statements for the fiscal period of January 1 - December 31, 2024, as well as the audit fees for the TFRS 17 financial statements from previous periods.

Information on Consolidated Subsidiaries

Anadolu Anonim Türk Sigorta Şirketi

Undertaking insurance and reinsurance activities in non-life branches, Anadolu Sigorta was founded in 1925 at the initiative of Mustafa Kemal Atatürk, the founder of the Turkish Republic, and under the leadership of İşbank, Turkey's first national bank.

Pioneering its sector ever since its incorporation, Anadolu Sigorta is committed to offering only high-quality products and services and to ensuring their continuity with its experienced and expert teams, solid technological and financial infrastructure, continuous development and improvement understanding, and extensive network of expert agents.

Anadolu Sigorta's shares are quoted on Borsa İstanbul (BİST) Stars Market under the ticker symbol "ANSGR". 42.7% of Anadolu Sigorta is publicly held, while 57.31% belongs to Millî Reasürans T.A.Ş. and 7% belongs to Trakya Yatırım Holding A.Ş.

Headquartered in İstanbul, Anadolu Sigorta brings its products to its customers via regional offices in İstanbul (2), Ankara, Adana, Antalya, Bursa, Samsun, Trabzon, Konya, and İzmir, a sales office in Gaziantep, a branch in the Turkish Republic of Northern Cyprus, and 3,138 professional agencies as of year-end 2025.

Anadolu Sigorta uses bank branches, mainly those of İşbank, within its bancassurance network as a fundamental distribution channel of its services. Besides all İşbank branches, TSKB, A&T Bank, Alternatifbank, Albaraka Türk Participation Bank, QNB Bank and Tera Bank branches serve as Anadolu Sigorta agencies.

In 2025, Anadolu Sigorta increased its total premium production by 41% year-on-year to TL 97.9 billion and controls a 9.37% share of the overall market among non-life companies.

The highest premium generator for Anadolu Sigorta in 2025 has been the Fire and Natural Disasters branch with TL 20,238 million, followed in order by Health with TL 20,012 million, Land Vehicles Liability with TL 19,564 million, and Land Vehicles with TL 18,970 million.

According to its unconsolidated financial statements, Anadolu Sigorta's total assets reached TL 134.4 billion at the end of 2025, up by 40% year-on-year, while its shareholders' equity reached TL 41.3 billion with an annual rise by 35%. Booking a net profit of TL 12.7 billion in 2025 that went up by 17% as compared to the previous year, Anadolu Sigorta successfully achieved its sustainable profit target also in 2025.

Millî Reasürans Türk Anonim Şirketi
**Consolidated Financial Statements as of December 31, 2025,
Together with the Independent Auditor's Report**

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Independent Auditor's Report



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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Milli Reasürans Türk Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the consolidated financial statements of Milli Reasürans Türk Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated balance sheet as of 31 December 2025 and the consolidated statement of income, consolidated statement of changes in equity, consolidated statement of cash flows and statement of profit distribution for the year then ended and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting and financial reporting regulations enforced by insurance legislation and Turkish Financial Reporting Standards for the matters not regulated by insurance legislation "Regulation on Insurance Accounting and Financial Reporting Principles".

2. Basis for Opinion

Our audit was conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements as well as the ethical requirements in the legislation governing the independent audit of the financial statements of public interest entities. 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 consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<p>Estimation of provision for claims incurred but not reported</p> <p>As explained in Note 2 to the accompanying consolidated financial statements, the Group has accounted for a net provision for claims incurred but not reported amounting to TRY 38.115.260.591 as of 31 December 2025.</p> <p>The abovementioned provision is calculated by the Group's actuaries using actuarial chain ladder methods, in accordance with "Circular on Outstanding Claim Provisions" dated 5 December 2014 and numbered 2014/16 published by the Ministry of Treasury and Finance and the approval letter obtained from the regulatory authority. Accordingly, the selection and aggregation of the claims data used in the calculation, adjustment procedures, selection of the most appropriate method and development factors, as well as interventions in the development factors, are carried out by the Group's actuaries using actuarial methods on a branch basis. The amount calculated is compared to the incurred and reported provision for outstanding claims, and the difference is determined as the provision for claims incurred but not reported.</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 consolidated 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 Group 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 consolidated financial statements. In addition, the estimated expected loss ratios and claim development trends, as well as the selected actuarial methods and assumptions considered by the Group's actuaries in the calculation of the provision for incurred but not reported, have been assessed by the actuaries within our team using actuarial techniques, based on historical claim experiences and sector developments. Besides, for selected branches, independent actuarial analyses have been conducted and reasonable range estimates have been determined for the acceptable reserve ranges related to the provision for incurred but not reported claims calculated by the Group's actuaries as of the balance sheet date, considering the related legislation and the approval letter obtained from the regulatory authority, and these ranges have been compared with the amounts included in Group's accounting records.</p> <p>In addition to these, the compliance and consistency of the disclosures in the notes to the consolidated financial statements related to such provisions have been checked in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles.</p>

Independent Auditor's Report



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

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

Independent Auditor's Report



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 2025 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation into English

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

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

ORIGINALLY ISSUED IN TURKISH

Ramazan Yüksekaya, SMMM
Independent Auditor

Istanbul, 25 February 2026

Millî Reasürans Türk Anonim Şirketi

Convenience Translation of the Company's Representation on the Consolidated Financial Statement Prepared as of December 31, 2025

We confirm that the consolidated financial statements and related disclosures and footnotes as of December 31, 2025 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.

İstanbul, 25 February 2026

Mehmet TÜRK
Chairperson of the Board
of Directors and Audit
Committee Chair



Fikret Utku ÖZDEMİR
CEO



Banu GÜLMEDİM PURUT
Chief Risk and Internal Control Officer
and Audit Committee Member



Ertan TAN
Actuary
Registration No: 21



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



Şule SOYLU
Chief Financial Officer



Nedime BÖYÜKKIRLI
Head of Accounting and
Regulatory Reporting



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Millî Reasürans Türk Anonim Şirketi

Consolidated Balance Sheet

As of December 31, 2025

(Currency: Turkish Lira (TRY))

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

ASSETS			
I- Current Assets	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
A- Cash and Cash Equivalents	14	41.595.962.717	28.723.699.579
1- Cash	14	238.576	188.356
2- Cheques Received		-	-
3- Banks	14	31.882.894.788	22.412.016.674
4- Cheques Given and Payment Orders (-)	14	(11.113)	(4.026)
5- Receivables From Credit Cards with Bank Guarantee Due Less Than Three Months	14	9.712.840.466	6.311.498.575
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Investments with Risks on Policy Holders	11	63.936.198.663	42.904.164.891
1- Financial Assets Available for Sale	11	35.301.529.157	14.830.675.259
2- Financial Assets Held to Maturity	11	-	336.954.882
3- Financial Assets Held for Trading	11	28.634.669.506	27.736.534.750
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders		-	-
7- Equity Shares		-	-
8- Impairment in Value of Financial Assets (-)		-	-
C- Receivables From Main Operations	4,2, 12	30.062.720.788	19.556.362.950
1- Receivables From Insurance Operations	12	22.633.421.429	13.746.815.331
2- Provision for Receivables From Insurance Operations (-)	12	(308.750.949)	(216.362.128)
3- Receivables From Reinsurance Operations	12	4.836.068.594	4.510.875.400
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited For Insurance & Reinsurance Companies	12	2.901.981.714	1.515.034.347
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation		-	-
9- Doubtful Receivables From Main Operations	4,2, 12	3.072.226.877	1.645.988.793
10- Provisions for Doubtful Receivables From Main Operations (-)	4,2, 12	(3.072.226.877)	(1.645.988.793)
D- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E- Other Receivables	4,2, 12	660.331.730	240.529.367
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		76.080.446	57.992.327
4- Other Receivables		584.251.284	182.537.040
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		705.142	705.142
7- Provisions for Other Doubtful Receivables (-)		(705.142)	(705.142)
F- Prepaid Expenses and Income Accruals		8.600.879.689	7.011.276.295
1- Deferred Commission Expenses	17	8.465.261.653	6.589.128.692
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4,2,12	28.151.123	343.567.665
4- Other Prepaid Expenses	4,2	107.466.913	78.579.938
G- Other Current Assets		411.067.780	1.954.396.264
1- Inventories		2.537.597	7.049.053
2- Prepaid Taxes and Funds	4,2, 12	283.232.041	71.260.270
3- Deferred Tax Assets		-	-
4- Job Advances	4,2, 12	119.859.166	322.059.841
5- Advances Given to Personnel	4,2, 12	113.031	-
6- Stock Count Differences		-	-
7- Other Current Assets	47	5.325.945	1.554.027.100
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		145.267.161.367	100.390.429.346

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

Millî Reasürans Türk Anonim Şirketi

Consolidated Balance Sheet

As of December 31, 2025

(Currency: Turkish Lira (TRY))

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

ASSETS			
II- Non-Current Assets	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
A- Receivables From Main Operations		396.938.120	431.653.921
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4,2,12	392.614.809	263.336.032
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies	4,2,12	4.323.311	168.317.889
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables From Pension Operations		-	-
9- Doubtful Receivables from Main Operations	4,2,12	225.592.221	178.476.684
10- Provision for Doubtful Receivables from Main Operations	4,2,12	(225.592.221)	(178.476.684)
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
C- Other Receivables	4,2,12	22.773.846	480.322
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		324.555	324.555
4- Other Receivables		22.449.291	155.767
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets	9	2.868.021.758	2.115.020.367
1- Investments In Associates		-	-
2- Affiliates	9	2.868.021.758	2.115.020.367
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries		-	-
5- Capital Commitments to Subsidiaries (-)		-	-
6- Joint Ventures		-	-
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Investments with Risks on Policy Holders		-	-
9- Other Financial Assets		-	-
10- Diminution in Value of Financial Assets (-)		-	-
E- Tangible Fixed Assets		9.473.197.536	6.159.070.183
1- Investment Properties	6,7	7.696.097.464	5.336.521.000
2- Diminution in Value for Investment Properties (-)		-	-
3- Buildings for Own Use	6	502.303.846	317.622.500
4- Machinery and Equipments	6	335.270.327	280.935.328
5- Furnitures and Fixtures	6	132.057.292	84.901.462
6- Vehicles	6	111.557.945	36.462.802
7- Other Tangible Assets (Including Leasehold Improvements)	6	115.004.921	106.204.900
8- Leased Tangible Fixed Assets	6	389.290.188	328.088.484
9- Accumulated Depreciation (-)	6	(552.126.553)	(374.522.004)
10- Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)	6	743.742.106	42.855.711
F- Intangible Fixed Assets	8	919.360.696	568.219.563
1- Rights	8	971.404.479	653.512.652
2- Goodwill	8	16.250.000	16.250.000
3- Establishment Costs		-	-
4- Research and Development Expenses	8	84.271.532	18.657.453
6- Other Intangible Assets		-	-
7- Accumulated Amortizations (-)	8	(587.044.877)	(475.614.418)
8- Advances Regarding Intangible Assets	8	434.479.562	355.413.876
G- Prepaid Expenses and Income Accruals	17	199.264.609	99.470.300
1- Deferred Commission Expenses		-	-
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses	4,2	199.264.609	99.470.300
H- Other Non-current Assets		1.110.768.074	1.132.200.585
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	1.110.768.074	1.132.200.585
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets		14.990.324.639	10.506.115.241
TOTAL ASSETS		160.257.486.006	110.896.544.587

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

Millî Reasürans Türk Anonim Şirketi

Consolidated Balance Sheet

As of December 31, 2025

(Currency: Turkish Lira (TRY))

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

LIABILITIES			
III-Short-Term Liabilities	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
A- Borrowings		40.358.521	62.761.317
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Finance Lease Borrowing Costs (-)		-	-
4- Current Portion of Long Term Borrowings		-	-
5- Principal, Instalments and Interests on Issued Bills (Bonds)		-	-
6- Other Financial Assets Issued		-	-
7- Value Differences on Issued Financial Assets (-)		-	-
8- Other Financial Borrowings (Liabilities)	20	40.358.521	62.761.317
B- Payables From Main Operations	19	11.192.108.075	8.681.478.542
1- Payables Due to Insurance Operations	19	7.079.922.448	5.536.753.833
2- Payables Due to Reinsurance Operations	19	894.566.221	596.660.310
3- Cash Deposited by Insurance & Reinsurance Companies	19	206.424.300	391.336.121
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations	19	3.013.679.844	2.160.706.785
6- Rediscount on Other Payables From Main Operations (-)	19	(2.484.738)	(3.978.507)
C- Due to Related Parties	45	3.100.026	13.571.284
1- Due to Shareholders	45	527.547	193.699
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	45	2.272.298	11.094.492
6- Due to Other Related Parties	45	300.181	2.283.093
D- Other Payables	19	1.233.699.614	1.077.319.956
1- Deposits and Guarantees Received		60.625.695	46.143.185
2- Due to SSI regarding Treatment Expenses		290.337.232	350.845.855
3- Other Payables	19	904.107.474	708.870.199
4- Discount on Other Payables (-)	19	(21.370.787)	(28.539.283)
E- Insurance Technical Reserves	17	94.592.581.173	66.245.191.436
1- Unearned Premiums Reserve - Net	17	49.738.450.723	35.379.803.667
2- Unexpired Risk Reserves - Net	17	1.829.138.052	1.757.606.373
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net	17	43.024.992.398	29.107.781.396
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net		-	-
F- Taxes and Other Liabilities and Relevant Provisions	19	2.471.054.122	1.811.692.682
1- Taxes and Dues Payable		1.114.801.056	796.559.372
2- Social Security Premiums Payable		133.124.732	86.137.747
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Liability Provision on Period Profit	35	3.773.887.472	3.278.435.206
6- Prepaid Taxes and Other Liabilities on Period Profit (-)		(2.550.759.138)	(2.349.439.643)
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks		-	-
1- Provision for Employment Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs		-	-
H- Deferred Income and Expense Accruals	19	3.021.077.201	2.687.096.331
1- Deferred Commission Income	10	900.159.962	943.652.041
2- Expense Accruals	4.2	2.116.961.442	1.740.606.112
3- Other Deferred Income		3.955.797	2.838.178
I- Other Short Term Liabilities		75.029.671	45.871.704
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short Term Liabilities	23	75.029.671	45.871.704
III-Total Short Term Liabilities		112.629.008.403	80.624.983.252

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

Millî Reasürans Türk Anonim Şirketi
Consolidated Balance Sheet
As of December 31, 2025

(Currency: Turkish Lira (TRY))

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

LIABILITIE			
	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
IV- Long-Term Liabilities			
A- Borrowings		126.156.713	168.154.917
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	126.156.713	168.154.917
B- Payables From Main Operations		-	38.880
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies	19	-	38.880
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Discount on Other Payables From Main Operations (-)		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables		-	-
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves		2.891.184.931	1.539.374.995
1- Unearned Premiums Reserve - Net	17	2.791.970	2.611.211
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	2.888.392.961	1.536.763.784
F- Other Liabilities and Provisions		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks	4.2	1.361.145.830	870.975.130
1- Provision for Employment Termination Benefits	23	381.607.481	216.432.709
2- Provisions for Employee Pension Fund Deficits	22,23	979.538.349	654.542.421
H- Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long Term Liabilities		2.025.280.077	1.396.147.593
1- Deferred Tax Liability	21	2.025.280.077	1.396.147.593
2- Other Long Term Liabilities		-	-
IV- Total Long Term Liabilities		6.403.767.551	3.974.691.515

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

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FINANCIAL INFORMATION

Millî Reasürans Türk Anonim Şirketi Consolidated Balance Sheet As of December 31, 2025

(Currency: Turkish Lira (TRY))

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

EQUITY			
V- Equity	Note	Audited Current Period December 31, 2025	Audited Prior Period December 31, 2024
A- Paid in Capital		660.000.000	660.000.000
1- (Nominal) Capital	2,13,15	660.000.000	660.000.000
2- Unpaid Capital (-)		-	-
3- Positive Inflation Adjustment on Capital		-	-
4- Negative Inflation Adjustment on Capital (-)		-	-
5- Unregistered Capital		-	-
B- Capital Reserves	15	1.969.056.284	1.701.133.399
1- Equity Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Sale to be Transferred to Capital	15	49.493.534	42.921.312
4- Translation Reserves	15	459.824.474	358.446.598
5- Other Capital Reserves	15	1.459.738.276	1.299.765.489
C- Profit Reserves		13.848.335.755	7.443.637.206
1- Legal Reserves	15	569.850.824	324.811.577
2- Statutory Reserves	15	1.089.589.919	572.615.467
3- Extraordinary Reserves	15	7.995.003.925	4.518.846.761
4- Special Funds (Reserves)	15	2.055.082.215	330.452.130
5- Revaluation of Financial Assets	11,15	2.330.457.161	1.864.706.708
6- Other Profit Reserves	15	(120.588.135)	(96.735.283)
7- Subsidiary Capital Correction	15	(71.060.154)	(71.060.154)
D- Previous Years' Profits		-	636.000.799
1- Previous Years' Profits		-	636.000.799
E- Previous Years' Losses (-)		(225.431.590)	-
1- Previous Years' Losses		(225.431.590)	-
F- Net Profit of the Period		9.791.715.113	5.724.122.032
1- Net Profit of the Period		9.791.715.113	5.717.549.810
2- Net Loss of the Period (-)		-	-
3- Net Income not subject to distribution	15	-	6.572.222
G- Minority Shares		15.181.034.490	10.131.976.384
Total Shareholders' Equity		41.224.710.052	26.296.869.820
Total Liabilities and Shareholders' Equity		160.257.486.006	110.896.544.587

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

Millî Reasürans Türk Anonim Şirketi
Consolidated Statement of Income
For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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

		Audited Current Period January 1- December 31, 2025	Audited Prior Period January 1- December 31, 2024
I- TECHNICAL SECTION	Note		
A- Non-Life Technical Income		106.240.166.934	70.454.125.991
1- Earned Premiums (Net of Reinsurer Share)		74.724.778.709	49.529.783.955
1.1- Written Premiums (Net of Reinsurer Share)	17	89.133.465.623	61.308.740.773
1.1.1- Gross Written Premiums (+)	17	112.993.697.781	82.541.188.008
1.1.2- Ceded Premiums to Reinsurers (-)	10,17	(22.454.800.071)	(20.331.076.635)
1.1.3- Ceded Premiums to SSI (-)	17	(1.405.432.087)	(901.370.600)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(14.337.155.235)	(11.783.658.906)
1.2.1- Unearned Premiums Reserve (-)	17	(15.322.951.814)	(13.375.403.717)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10,17	735.956.688	1.388.136.763
1.2.3- SSI of Unearned Premiums Reserve (+)		249.839.891	203.608.048
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward)(+/-)	29	(71.531.679)	4.702.088
1.3.1- Unexpired Risks Reserve (-)		8.010.711	321.149.282
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)	10	(79.542.390)	(316.447.194)
2- Investment Income Transferred from Non-Technical Part		28.327.372.785	19.297.644.481
3- Other Technical Income (Net of Reinsurer Share)	47	1.593.909.153	928.784.722
3.1- Gross Other Technical Income (+)		1.048.354.306	651.534.878
3.2- Reinsurance Share of Other Technical Income (-)		545.554.847	277.249.844
4- Accrued Subrogation and Salvage Income (+)		1.594.106.287	697.912.833
B- Non-Life Technical Expense (-)		(87.797.458.895)	(57.455.137.045)
1- Total Claims (Net of Reinsurer Share)		(61.023.066.380)	(38.977.210.976)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(47.130.099.080)	(31.228.575.457)
1.1.1- Gross Claims Paid (-)	17	(54.533.333.262)	(42.267.433.796)
1.1.2- Reinsurance Share of Claims Paid (+)	10,17	7.403.234.182	11.038.858.339
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(13.892.967.300)	(7.748.635.519)
1.2.1- Outstanding Claims Reserve (-)	17	(15.667.765.433)	(3.104.268.123)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10,17	1.774.798.133	(4.644.367.396)
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 (+)		-	-

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

Millî Reasürans Türk Anonim Şirketi

Consolidated Statement of Income

For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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		Audited Current Period January 1- December 31, 2025	Audited Prior Period January 1- December 31, 2024
I- TECHNICAL SECTION	Note		
3-Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(1.349.997.395)	(672.476.519)
4-Operating Expenses (-)	32	(23.442.208.182)	(16.206.167.034)
5-Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5.1- Mathematical Reserves (-)		-	-
5.2- Reinsurance Share of Mathematical Reserves (+)		-	-
6-Other Technical Expenses (-)	47	(1.982.186.938)	(1.599.282.516)
6.1- Gross Other Technical Expenses (-)		(1.994.916.171)	(1.618.268.618)
6.2- Reinsurance Share of Other Technical Expenses (+)		12.729.233	18.986.102
C- Non Life Technical Net Profit (A-B)		18.442.708.039	12.998.988.946
D- Life Technical Income		152.850.597	62.119.444
1- Earned Premiums (Net of Reinsurer Share)		103.817.357	35.429.875
1.1- Written Premiums (Net of Reinsurer Share)	17	125.489.936	73.127.468
1.1.1- Gross Written Premiums (+)	17	158.130.849	92.945.103
1.1.2- Ceded Premiums to Reinsurers (-)	10,17	(32.640.913)	(19.817.635)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(21.672.579)	(37.697.593)
1.2.1- Unearned Premium Reserves (-)	17	(28.471.053)	(38.762.083)
1.2.2- Unearned Premium Reserves Reinsurer Share (+)	10,17	6.798.474	1.064.490
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		46.198.356	26.221.477
3-Unrealized Income from Investments		-	-
4-Other Technical Income (Net of Reinsurer Share) (+/-)	47	2.834.884	468.092
4.1- Gross Other Technical Income (+/-)		2.705.156	408.355
4.2- Reinsurance Share of Other Technical Income (+/-)		129.728	59.737
5-Accrued Subrogation and Salvage Income (+)		-	-

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

Millî Reasürans Türk Anonim Şirketi
Consolidated Statement of Income
For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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	Note	Audited Current Period January 1- December 31, 2025	Audited Prior Period January 1- December 31, 2024
I- TECHNICAL SECTION			
E- Life Technical Expense		(108.200.825)	(39.832.923)
1- Total Claims (Net of Reinsurer Share)		(43.182.735)	(25.349.876)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(18.939.033)	(7.372.039)
1.1.1- Gross Claims Paid (-)	17	(21.785.796)	(10.894.560)
1.1.2- Claims Paid Reinsurer Share (+)	10,17	2.846.763	3.522.521
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(24.243.702)	(17.977.837)
1.2.1- Outstanding Claims Reserve (-)	17	(40.302.710)	(20.536.281)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10,17	16.059.008	2.558.444
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	(1.631.783)	(615.487)
5- Operating Expenses (-)	32	(63.386.307)	(13.867.560)
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Life Technical Profit (D-E)		44.649.772	22.286.521
G- Individual Retirement Technical Income		-	-
1- Fund Management Fee		-	-
2- Management Fee Deduction		-	-
3- Initial Contribution Fee		-	-
4- Management Fee In Case Of Temporary Suspension		-	-
5- Withholding tax		-	-
6- Increase in Market Value of Capital Commitment Advances		-	-
7- Other Technical Income		-	-
H- Individual Retirement Technical Expense		-	-
1- Fund Management Expenses (-)		-	-
2- Decrease in Market Value of Capital Commitment Advances (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expense (-)		-	-
I- Individual Retirement Technical Profit (G-H)		-	-

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

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Consolidated Statement of Income

For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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

	Note	Audited Current Period January 1- December 31, 2025	Audited Prior Period January 1- December 31, 2024
I- NON-TECHNICAL SECTION			
C- Net Technical Income - Non-Life (A-B)		18.442.708.039	12.998.988.946
F- Net Technical Income - Life (D-E)		44.649.772	22.286.521
I- Net Technical Income - Pension Business (G-H)		-	-
J- Total Net Technical Income (C+F+I)		18.487.357.811	13.021.275.467
K- Investment Income		40.923.831.909	27.116.443.257
1- Income From Financial Investment	4.2	12.764.000.167	6.136.203.234
2- Income from Sales of Financial Investments	4.2	4.250.579.366	3.210.213.843
3- Revaluation of Financial Investments	4.2	9.232.491.864	7.269.622.054
4- Foreign Exchange Gains	4.2	10.819.656.704	6.152.931.869
5- Income from Affiliates	4.2	1.258.784.773	904.218.444
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income Received from Land and Building	7	2.289.575.301	2.161.882.915
8- Income from Derivatives	4.2	306.243.734	1.278.455.517
9- Other Investments		2.500.000	2.915.381
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expense		(37.844.577.033)	(24.695.640.054)
1- Investment Management Expenses (including interest) (-)	4.2	(78.309.256)	(62.983.176)
2- Valuation Allowance of Investments (-)	4.2	(133.554.935)	(432.330.008)
3- Losses On Sales of Investments (-)	4.2	(743.107.317)	(342.734.471)
4- Investment Income Transferred to Non-Life Technical Part (-)		(28.327.372.785)	(19.297.644.480)
5- Losses from Derivatives (-)	4.2	(201.269.016)	(323.581.975)
6- Foreign Exchange Losses (-)	4.2	(7.839.491.204)	(3.877.496.679)
7- Depreciation Expenses (-)	6,8	(292.663.759)	(213.477.054)
8- Other Investment Expenses (-)		(228.808.761)	(145.392.211)
M- Income and Expenses From Other and Extraordinary Operations		(2.267.211.486)	(1.513.587.487)
1- Provisions Account (+/-)	47	(1.884.434.532)	(952.947.949)
2- Discount account (+/-)	47	(225.901.651)	(378.982.423)
3- Mandatory Earthquake Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts(+/-)		-	-
6- Deferred Tax Expense Accounts (-)	35	(148.449.513)	(155.885.646)
7- Other Income and Revenues		146.690.666	38.169.757
8- Other Expense and Losses (-)		(155.116.456)	(63.941.226)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit for the Year	37	15.525.513.729	10.650.055.977
1- Profit/(Loss) Before Tax		19.299.401.201	13.928.491.183
2- Corporate Tax Liability Provision (-)	35	(3.773.887.472)	(3.278.435.206)
3- Net Profit (Loss)		15.525.513.729	10.650.055.977
3.1- Groups Profit/(Loss)		9.791.715.113	5.724.122.032
3.2- Minority Shares		5.733.798.616	4.925.933.945
4- Monetary Gains and Losses		-	-

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

Millî Reasürans Türk Anonim Şirketi
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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

		Audited Current Period January 1- December 31, 2025	Audited Prior Period January 1- December 31, 2024
	Note		
A. CASH FLOWS FROM THE OPERATING ACTIVITIES			
1. Cash inflows from the insurance operations		84.008.504.701	59.986.501.570
2. Cash inflows from the reinsurance operations		8.895.218.425	7.686.408.782
3. Cash inflows from the pension operations		-	-
4. Cash outflows due to the insurance operations (-)		(72.147.639.253)	(45.839.917.002)
5. Cash outflows due to the reinsurance operations (-)		(7.316.751.490)	(8.099.972.903)
6. Cash outflows due to the pension operations (-)		-	-
7. Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)		13.439.332.383	13.733.020.447
8. Interest payments (-)		-	-
9. Income tax payments (-)		(3.760.607.844)	(2.647.761.047)
10. Other cash inflows		393.843.114	220.947.142
11. Other cash outflows (-)		(930.704.809)	(3.562.151.572)
12. Net cash generated from the operating activities		9.141.862.844	7.744.054.970
B. CASH FLOWS FROM THE INVESTING ACTIVITIES			
1. Sale of tangible assets		1.603.082.816	30.000.000
2. Purchase of tangible assets (-)	6, 8	(1.554.814.967)	(435.860.912)
3. Acquisition of financial assets (-)	11	(175.575.131.226)	(86.941.749.515)
4. Sale of financial assets	11	166.503.030.212	83.161.482.765
5. Interest received		12.545.542.333	5.414.026.424
6. Dividends received		623.933.984	287.038.441
7. Other cash inflows		211.379.976	2.512.141.657
8. Other cash outflows (-)		(1.884.569.328)	(1.007.041.025)
9. Net cash generated from the investing activities		2.472.453.800	3.020.037.835
C. CASH FLOWS FROM THE FINANCING ACTIVITIES			
1. Issue of equity shares		-	-
2. Cash inflows from the loans to policyholders		-	-
3. Payments of financial leases (-)		(137.196.705)	(95.377.403)
4. Dividend paid (-)		(1.492.012.717)	-
5. Other cash inflows		-	-
6. Other cash outflows (-)		-	-
7. Cash generated from the financing activities		(1.629.209.422)	(95.377.403)
D. EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS			
		602.019.406	491.108.566
E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)		10.587.126.628	11.159.823.968
F. Cash and cash equivalents at the beginning of the period	14	21.249.502.608	10.089.678.640
G. Cash and cash equivalents at the end of the period (E+F)	14	31.836.629.236	21.249.502.608

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Consolidated Statement of Changes in Equity

For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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

Audited Changes in Equity - December 31, 2024					
	Note	Paid-in capital	Equity Share Owned by Company	Revaluation of financial assets	Inflation Adjustment on Capital
I- Balance at the end of the previous year - December 31, 2023		660.000.000	-	1.576.301.376	-
II- Change in Accounting Standards		-	-	-	-
III- Restated balances (I+II) - January 1, 2024		660.000.000	-	1.576.301.376	-
A- Capital increase (A1+A2)		-	-	-	-
1- In cash		-	-	-	-
2- From reserves		-	-	-	-
B- Purchase of own shares		-	-	-	-
C- Purchase of own shares		-	-	-	-
D- Gains or losses that are not included in the statement of income	11	-	-	288.405.332	-
E- Change in the value of financial assets		-	-	-	-
F- Other gains or losses		-	-	-	-
G- Inflation adjustment differences		-	-	-	-
H- Net profit for the year		-	-	-	-
I- Other reserves and transfers from retained earnings		-	-	-	-
J- Dividends paid		-	-	-	-
IV- Balance at the end of the year - December 31, 2024		660.000.000	-	1.864.706.708	-

Audited Changes in Equity - December 31, 2025					
	Note	Paid-in capital	Equity Share Owned by Company	Revaluation of financial assets	Inflation Adjustment on Capital
I- Balance at the end of the previous year - December 31, 2024		660.000.000	-	1.864.706.708	-
II- Change in Accounting Standards		-	-	-	-
III- Restated balances (I+II) - January 1, 2025		660.000.000	-	1.864.706.708	-
A- Capital increase (A1+A2)		-	-	-	-
1- In cash		-	-	-	-
2- From reserves		-	-	-	-
B- Purchase of own shares		-	-	-	-
C- Purchase of own shares		-	-	-	-
D- Gains or losses that are not included in the statement of income	11	-	-	465.750.453	-
E- Change in the value of financial assets		-	-	-	-
F- Other gains or losses		-	-	-	-
G- Inflation adjustment differences		-	-	-	-
H- Net profit for the year		-	-	-	-
I- Other reserves and transfers from retained earnings		-	-	-	-
J- Dividends paid	38	-	-	-	-
IV- Balance at the end of the year - December 31, 2025		660.000.000	-	2.330.457.161	-

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

Audited Changes in Equity - December 31, 2024

Currency translation reserves	Legal reserves	Statutory Reserves	Other reserves and retained earnings	Net profit/(Loss) for the year	Retained earnings	Total equity before minority shares	Minority share	Total
254.517.245	312.168.254	183.984.605	2.799.948.170	3.631.736.624	608.973.389	10.027.629.663	5.218.783.473	15.246.413.136
-	-	-	-	-	-	-	-	-
254.517.245	312.168.254	183.984.605	2.799.948.170	3.631.736.624	608.973.389	10.027.629.663	5.218.783.473	15.246.413.136
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	27.674.084	-	-	27.674.084	(15.696.391)	11.977.693
-	-	-	-	-	-	288.405.332	8.344.326	296.749.658
103.929.353	-	-	-	-	-	103.929.353	-	103.929.353
-	-	-	-	(6.867.028)	-	(6.867.028)	(5.388.969)	(12.255.997)
-	-	-	-	-	-	-	-	-
-	-	-	-	5.724.122.032	-	5.724.122.032	4.925.933.945	10.650.055.977
-	12.643.323	388.630.862	3.196.568.001	(3.624.869.596)	27.027.410	-	-	-
-	-	-	-	-	-	-	-	-
358.446.598	324.811.577	572.615.467	6.024.190.255	5.724.122.032	636.000.799	16.164.893.436	10.131.976.384	26.296.869.820

Audited Changes in Equity - December 31, 2025

Currency translation reserves	Legal reserves	Statutory Reserves	Other reserves and retained earnings	Net profit/(Loss) for the year	Retained earnings	Total equity before minority shares	Minority share	Total
358.446.598	324.811.577	572.615.467	6.024.190.255	5.724.122.032	636.000.799	16.164.893.436	10.131.976.384	26.296.869.820
-	-	-	-	-	-	-	-	-
358.446.598	324.811.577	572.615.467	6.024.190.255	5.724.122.032	636.000.799	16.164.893.436	10.131.976.384	26.296.869.820
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	116.087.479	-	-	116.087.479	(32.688.866)	83.398.613
-	-	-	-	-	-	465.750.453	244.438.356	710.188.809
101.377.876	-	-	-	-	-	101.377.876	-	101.377.876
-	-	-	-	796.201	(1.241.326)	(445.125)	-	(445.125)
-	-	-	-	-	-	-	-	-
-	-	-	-	9.791.715.113	-	9.791.715.113	5.733.798.616	15.525.513.729
-	245.039.247	516.974.452	5.227.391.927	(5.129.214.563)	(860.191.063)	-	-	-
-	-	-	-	(595.703.670)	-	(595.703.670)	(896.490.000)	(1.492.193.670)
459.824.474	569.850.824	1.089.589.919	11.367.669.661	9.791.715.113	-225.431.590	26.043.675.562	15.181.034.490	41.224.710.052

Millî Reasürans Türk Anonim Şirketi

Consolidated Statement of Profit Distribution

For the Year Ended December 31, 2025

(Currency: Turkish Lira (TRY))

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

Note	Audited Current Period December 31, 2025 ^(*)	Audited Prior Period December 31, 2024 ^(**)
I. PROFIT DISTRIBUTION		
1.1. CURRENT YEAR PROFIT ^(***)	9.851.556.205	5.957.036.699
1.2. TAX AND FUNDS PAYABLE	-	-
1.2.1. Corporate Income Tax(Income Tax)	-	-
1.2.2. Income tax deduction	-	-
1.2.3. Other taxes and Duties	-	-
A. NET PROFIT(1.1 - 1.2)	9.851.556.205	5.957.036.699
1.3. PREVIOUS PERIOD LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVE ^(****)	-	-
1.5. STATUTORY FUND (-)	-	-
B. NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5))]	9.851.556.205	5.957.036.699
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	(595.703.670)
1.6.1. Holders of shares	-	(595.703.670)
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 (-)	-	(29.977.516)
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	-	(5.331.355.513)
1.14. SPECIAL FUNDS ^(**)	-	-
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
II. DISTRIBUTION OF RESERVES		
2.1. DISTRIBUTION OF RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. COMMON SHARES (-)	-	-
2.3.1. Holders of shares	-	-
2.3.2 Holders of Preferred shares	-	-
2.3.3. Holders of Redeemed shares	-	-
2.3.4 Holders of Participation Bond	-	-
2.3.5 Holders of Profit and Loss sharing certificate	-	-
2.4. DIVIDENDS TO PERSONNEL (-)	-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. PROFIT PER SHARE		
3.1. HOLDERS OF SHARES	-	0,0899
3.2. HOLDERS OF SHARES (%)	-	8,99
3.3. HOLDERS OF PREFERRED SHARES	-	-
3.4. HOLDERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. HOLDERS OF SHARES	-	0,0090
4.2. HOLDERS OF SHARES (%)	-	0,90
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 2025 (January 1 - December 31, 2025) 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.

^(**) As of December 31, 2025, there is no "Non-Distributable Profit for the Period" under equity arising from 25% of real estate sales revenue pursuant to Article 5/1-e of the Tax Procedure Law (December 31, 2024: 6.572.222 TL). An amount of 75.137.000 TL, allocated for employee profit-sharing provisions in accordance with IAS 19, has been added to the profit for the period as of December 31, 2025 (2024: 29.977.516 TL).

^(***) The consideration was based on the unconsolidated profit.

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

^(*****) At the Company's Ordinary General Assembly Meeting held on March 26, 2025, it was decided that 595.703.670 TL of the net profit for the year 2024 would be distributed as cash dividends to shareholders, and the remaining amount would be allocated as retained earnings. The amount added to retained earnings has been presented under the "Extraordinary Reserves" item in the profit distribution table.

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

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1 General information

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

As of December 31, 2024, the shareholder having direct or indirect control over the shares of Millî Reasürans Türk Anonim Şirketi (the "Company", "Milli Reasürans") is Türkiye İş Bankası AŞ Group ("İş Bankası") having 87,60% of the outstanding shares.

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

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

The consolidated financial statements As of December 31, 2025 include the Company and its subsidiaries Anadolu Sigorta and Miltaş Turizm İnşaat A.Ş. (together with "the Group").

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

The Company was registered in Turkey in July 16, 1929 and has the status of "Incorporated Company". The address of the Company's registered office is "İş Kuleleri, Kule 3, Kat:20-21-22-24 34330 Levent, Beşiktaş, İstanbul"

1.3 Main operations of the Company

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

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

As of December 31, 2025, the Company's subsidiary Anadolu Sigorta operates with a total of 3.280 agents, consisting of 3,139 authorized agents and 141 unauthorized agents (as of December 31, 2024: a total of 3,138 agents.)

The subsidiary of the Company, Miltaş is engaged in all kinds of construction works, providing construction and contracting services domestically and internationally; carries out various architecture, engineering, construction, assembly, installation, landscaping, interior design, decoration jobs by executing studies, projects, supervision, consultancy and contracting services domestically and internationally; operates places in accommodation, leisure, travel, entertainment, sports, food and beverage by opening, leasing, subleasing and managing such places; engaging in all kinds of sports activities, leasing, subleasing and operating facilities of this kind. As of December 31, 2025, Miltaş employs 13 personnel.

The Company's subsidiary, Genesis, was established in 2025 as a Managing General Agent (MGA) company authorized to carry out various insurance activities on behalf of insurance or reinsurance companies, and it is expected to commence operations in 2026.

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

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

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

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

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

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

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

The Company's subsidiary, Genesis, was registered in Hong Kong on July 17, 2025, with an establishment capital of 55.091 TL, corresponding to 10.000 HKD. The activities of this subsidiary are detailed in Note 1.3 - Nature of Business Operations.

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

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

	December 31, 2025	December 31, 2024
Top executive	24	23
Managers	79	69
Assistant managers	224	214
Contracted personnel	1	1
Advisors	3	2
Specialist/Senior/Other personnel	1.705	1.667
Total	2.036	1.976

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1.6 Remuneration and similar benefits provided to top management

For the year ended December 31, 2025, wages and similar benefits provided to the top management including chairman, members of the board of the directors, general manager, general coordinator, and deputy general managers is amounting to TRY 297.105.857.- December 31, 2024: TRY 165.709.453).

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

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

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

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

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

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

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

As at December 31, 2025, the Company owns 57,31% of its subsidiaries, Anadolu Anonim Türk Sigorta Şirketi ("Anadolu Sigorta") and 100% of Miltaş A.Ş. ("Miltaş") and Genesis are included in the scope of consolidation by line-by-line method. Anadolu Hayat Emeklilik AŞ ("Anadolu Hayat") is associate of Anadolu Sigorta and is consolidated by equity method with share of 21,00% (effective percentage of share: 12,46%) in the consolidated financial statements as at December 31, 2025 and 2024.

Anadolu Sigorta as a subsidiary Company of the Group, is operating in almost all of the none-life insurance branches composed of casualty, health, general losses, motor third party liability, aircraft liability, general liability, credits, financial losses and legal protection.

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

The Company's subsidiary, Genesis, was registered in Hong Kong on July 17, 2025, with an establishment capital of 55.091 TL, corresponding to 10.000 HKD. This subsidiary was established as a Managing General Agent (MGA) company authorized to carry out various insurance activities on behalf of insurance or reinsurance companies, and it is expected to commence operations in 2026.

The activities of Anadolu Hayat, an associate of the Company, involve providing individual and group insurance and reinsurance services relating to group life, individual life, retirement and related personal Casualty branches, establishing retirement funds, developing internal rules and regulations related to these funds, carrying out retirement, annual income insurance, portfolio management and custody contracts for the assets of the funds held in custody

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

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

1.10 Subsequent events

The consolidated financial statements prepared as of December 31, 2025, were approved by the Company's Board of Directors on February 25, 2026.

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

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

As of December 31, 2025 and 2024, the Company accounts for its operations in accordance with the “Regulation on the Financial Reporting of Insurance and Reinsurance Companies and Pension Companies,” published on July 14, 2007, and which took effect on January 1, 2008, and in accordance with the aforementioned regulation, the Turkish Financial Reporting Standards (TFRS) announced by the Public Oversight, Accounting and Auditing Standards Authority (KGK), as well as other regulations, explanations, and circulars published by the Ministry of Treasury and Finance of the Republic of Turkey concerning accounting and financial reporting principles. As per the letter numbered 9 dated February 18, 2008, from the Ministry of Treasury and Finance of the Republic of Turkey, the standards TMS 1, “Presentation of Financial Statements,” TMS 27, “Consolidated and Separate Financial Statements,” TFRS 1, “First-time Adoption of TFRS,” and TFRS 4, “Insurance Contracts,” have been excluded from the scope of this practice in 2008. Additionally, the application of TFRS 17, “Insurance Contracts,” TFRS 9, “Financial Instruments,” and TFRS 15, “Revenue from Contracts with Customers,” has also been deferred in line with subsequent regulations issued under the insurance legislation.

As of December 31, 2025, the Company has calculated its technical provisions related to insurance in accordance with the “Regulation on the Technical Provisions of Insurance and Reinsurance Companies and Pension Companies and the Assets in which These Provisions are Invested” (“Technical Provisions Regulation”), issued under the framework of the Insurance Law No. 5684, following the amendments published in the Official Gazette dated July 28, 2010, numbered 27655, and those published on July 17, 2012, numbered 28356. These calculations have been reflected in the financial statements in accordance with this regulation and other relevant legislation.

Accounting in hyperinflationary countries

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

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On November 23, 2023, the Public Oversight, Accounting and Auditing Standards Authority (KGK) announced that businesses applying the Turkish Financial Reporting Standards (TFRS) must present their financial statements for annual reporting periods ending on or after December 31, 2023, adjusted for inflation in accordance with TMS 29. It also stated that institutions or organizations authorized to regulate and supervise in their respective fields may designate different transition dates for the implementation of the provisions of TMS 29. In response to this announcement, the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) issued a circular on December 6, 2023, numbered 2023/30, stating that the financial statements of insurance, reinsurance, and pension companies as of December 31, 2023, would not be subject to the required inflation adjustment under TMS 29. Subsequently, with the circular numbered 2024/10 issued on March 11, 2024, SEDDK specified that the transition date for insurance, reinsurance, and pension companies to implement inflation accounting would be January 1, 2025. However, with the circular numbered 2024/32 issued on December 6, 2024, the circular numbered 2024/10 was abolished, and it was decided that inflation accounting would not be applied by insurance, reinsurance, and pension companies in 2025. Additionally, the Circular No. 2025/33, "On the Application of Inflation Accounting in the Insurance Sector," published by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) on December 25, 2025, has determined that insurance, reinsurance, and pension companies will not apply inflation accounting. Accordingly, TMS 29 has not been applied in the Group's consolidated financial statements as of December 31, 2025 and 2024.

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

Other accounting policies

The Group records premium, commission and compensation accruals based on notifications made to it by insurance and reinsurance companies, and since these notifications are received with a delay due to the closing of their own accounts by the ceding companies in question; written premiums, compensation and commission accruals are recognized in the Company's financial statements with a 3-month delay. The unearned premium amounts allocated for these proportional transactions are calculated as deferred amounts as of the balance sheet date, based on the record date when account summary notifications from ceding companies are recognized by the Group, as explained in footnote 2.24. Accordingly, the amounts presented in the financial statements for the income statement items prepared as of December 31, 2025, consist of the totals for the three-month period from October 1 to December 31, 2024, and the nine-month period from January 1 to September 30, 2025, representing the totals for the last year. The same delay effect is also reflected in the Group's balance sheet prepared as of December 31, 2025. However, in its letter addressed to the Company dated 31 August 2010 and numbered B.02.1.HZN.0.10.03.01/42139, the Ministry of Treasury and Finance of the Republic of Turkey stated that there may be some delays in the sending of account statements of ceding companies to reinsurance companies and that the issues regarding reinsurance companies in the regulations previously published by the Ministry of Treasury and Finance of the Republic of Turkey were determined by taking this situation into consideration.

Information regarding other accounting 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.

2.1.3 Valid and presentation currency

The accompanying consolidated financial statements are presented in TRY, which is the Group's valid reporting currency

2.1.4 Rounding scale of the amounts presented in the financial statements

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

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

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

2.1.6 Accounting policies, changes in accounting estimates and errors

Significant changes in accounting policies and significant accounting misstatements are applied retrospectively and prior period financial statements are restated. If the changes in accounting estimates are for only one period, they are applied prospectively both in the current period when the change is made and in the future period if the change is made. Critical accounting judgements used in applying the Company's accounting policies are explained in 3 - *Significant accounting estimates and requirements*.

2.2 Consolidation

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

The Company consolidated its subsidiaries Anadolu Sigorta, Miltaş and Genesis by using line-by-line method. Anadolu Hayat which is associate of Anadolu Sigorta is consolidated by the equity method.

The special funds established by the Group have not been consolidated within the framework of the sector announcement by SEDDK, titled "Announcement on the Preparation of Consolidated Financial Statements," dated December 23, 2022, and numbered 2022/14.

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

The subsidiaries, Anadolu Sigorta and Miltaş included in consolidation and effective shareholding percentages of the Company are as follows. The information related to the associate of the Company, Anadolu Hayat which is consolidated using equity method is presented in Note 9. The Company's wholly-owned subsidiary, Genesis, was established in 2025 as a Managing General Agent (MGA) company authorized to carry out various insurance activities on behalf of insurance or reinsurance companies, and is expected to commence operations in 2026.

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	Company	Direct and indirect controlling interest	Direct controlling interest	Total assets	Shareholders' equity	Prior period profit	Current period profit
December 31, 2025	Anadolu Sigorta (consolidated)	57,31%	57,31%	128.693.250.391	35.553.399.346	979.151.064	13.431.245.293
December 31, 2024	Anadolu Sigorta (consolidated)	57,31%	57,31%	89.267.931.589	23.726.137.445	652.582.741	11.538.847.383
	Company	Direct and indirect controlling interest	Direct controlling interest	Total assets	Shareholders' equity	Prior period profit	Current period profit
December 31, 2025	Miltaş	100,00%	100,00%	9.221.206.488	7.104.818.882	1.422.659.312	1.871.282.444
December 31, 2024	Miltaş	100,00%	100,00%	6.814.773.005	5.119.639.860	39.025.188	1.435.959.596

Transactions eliminated on consolidation

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

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

Non-controlling interests (Minority shares)

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

2.3 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, 2025, and 2024, the Company's operates in life and non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market.

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2.4 Foreign currency transactions

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

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

2.5 Tangible assets

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

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

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

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

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

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

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

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

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

2.6 Investment property

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

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

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

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

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

2.7 Intangible assets

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

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

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

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

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

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

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

2.8 Financial assets

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

Securities are recognized and derecognized at the date of settlement.

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

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

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

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

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

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

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

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

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

2.9 Impairment on assets

Impairment on financial assets

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

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

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

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

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Impairment on tangible and intangible assets

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

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

2.10 Derivative financial instruments

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

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

Derivative financial instruments are initially recognized at their fair value.

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

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

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

2.11 Offsetting of financial assets

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

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

2.12 Cash and cash equivalents

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

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2.13 Capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group. As of December 31, 2025, and 2024, the share capital and ownership structure of the Company are as follows:

Shareholder	December 31, 2025		December 31, 2024	
	Shareholding amount (TRY)	Shareholding rate (%)	Shareholding amount (TRY)	Shareholding rate (%)
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Axa Hayat ve Emeklilik A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid-in Capital	660.000.000	100,00	660.000.000	100,00

Sources of capital increases during the period

The Company has not performed capital increase As of December 31, 2025 (December 31, 2024: None).

Privileges on common shares representing share capital

There are no privileges on common shares representing share capital.

Registered capital system in the Company

None.

Repurchased own shares by the Company

None.

2.14 Insurance and investment contracts - classification

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

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

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

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

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2.15 Insurance contracts and investment contracts with discretionary participation feature

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

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

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

2.16 Investment contracts with discretionary participation feature

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

2.17 Liabilities

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

2.18 Income taxes

Corporate tax

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

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

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

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

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

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With the Law No. 7571 published in the Official Gazette on December 25, 2025, a provisional Article 37 was added to the Tax Procedure Law, stipulating that for the 2025 fiscal period, including interim tax periods, as well as the 2026 and 2027 fiscal periods, regardless of whether the conditions for inflation adjustment have been met, tax base financial statements will not be subject to inflation adjustment. For the purposes of the revaluation practice specified in paragraph (ç) of Article 298 (repeated), the periods stated to not require inflation adjustment will be considered as periods during which inflation adjustment conditions have not been met. Following this regulation, it has become possible to perform revaluation under paragraph (ç) of Article 298 (repeated) of the Tax Procedure Law. As a result, the Company and its subsidiary Miltaş have opted to perform revaluation for certain fixed asset items specified in their tax calculations as of December 31, 2025.

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

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

The domestic minimum corporate tax will be effective for tax periods beginning in 2025 and thereafter. Based on the calculations, the Group does not have any additional tax liability under the domestic minimum interim tax framework.

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.

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

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

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

As of the period ending December 31, 2025, the applicable corporate tax rate is 30%, therefore a 30% tax rate has been used for temporary differences (December 31, 2024: 30%).

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”) and the employees of Anadolu Sigorta are the members of Anadolu Anonim Türk Sigorta Şirketi Memurları Emekli Sandığı (“Anadolu Anonim Pension Fund”) which is established in accordance with the temporary Article 20 of the Social Security Act No: 506.

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

Employees of the Company are the members of “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.

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

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

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

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

- Technical deficit rate of 9,8% 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 Labor Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount As of December 31, 2025 is TRY 53.919,68 (December 31, 2024: TRY 41.828,42).

The Company accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 - *Employee Benefits*. The major actuarial assumptions used in the calculation of the total liability As of December 31, 2025 and 2024 are as follows:

	December 31,2025	December 31,2024
Discount rate	3,92%	3,28-3,98%
Expected rate of salary/limit increase	10,30-22,00%	10,30-21,85%
Estimated employee turnover rate	2,95-6,91%	2,89-6,91%

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

Other benefits

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

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2.20 Provisions

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

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

2.21 Revenue recognition

Written premiums

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

Claims paid

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

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

Subrogation, salvage and other income

According to the Circular 2010/13 dated September 20, 2010; the Company may account for income accrual for subrogation receivables without any voucher after the completion of the claim payments made to the insurer. If the amount cannot be collected from the counterparty insurance Company, the Company provides provision for uncollected amounts due for six months. If the counter party is not an insurance Company, the provision is provided after four months. As at the reporting date, in accordance with the related circular the Company provided TRY 778.170.420 (December 31, 2024: TRY 561.100.715) subrogation receivables and recorded TRY 952.432.345 (December 31, 2024: TRY 723.408.965) (Note 12) net subrogation and salvage receivables under receivables from main operations. The Company provided allowance for uncollected subrogation receivables amounting to TRY 308.750.949 (December 31, 2024: TRY 216.362.128) (Note 12) in accordance with circular.

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For the years ended December 31, 2025 and 2024, salvage and subrogation collected are as follows:

	December 31, 2025	December 31, 2024
Land Vehicles	7.455.692.866	4.801.050.175
Motor Third Party Liability (MTPL)	334.838.356	234.987.405
Fire and Natural Disasters	78.163.068	51.420.582
Marine	52.292.159	24.032.501
General Lossess	16.533.810	9.152.278
Breach of Trust	2.608.906	3.717.486
General Liability	10.577.483	2.461.875
Accident	2.278.251	715.327
Sea Vehicles	1.308.335	16.022.415
Legal Protection	47.820	8.347
Air Vehicles	669.500	1.363.348
Financial Losses	-	38.654
Air Vehicles Liability	201.360	7.160
Life/Health	(490.436)	--
Total	7.954.721.478	5.144.977.553

As of December 31, 2025, and 2024, accrued subrogation and salvage income per branches is as follows:

	December 31, 2025	December 31, 2024
Land Vehicles	639.023.026	582.850.216
Motor Third Party Liability	107.893.694	70.889.264
Fire and Natural Disasters	159.452.222	46.867.982
Marine	28.053.541	12.244.330
General Damages	16.544.311	5.802.940
Sea Vehicles	1.465.551	4.691.550
Accident	-	62.683
Total	952.432.345	723.408.965

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.

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Interest income and expenses

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

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

Trading income/expense

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

Dividends

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

2.22 Leasing transactions

Tangible assets acquired by way of 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 lease and in the expected future benefits, the leased assets are valued with net realisable value. Depreciation for assets obtained through lease is calculated in the same manner as tangible assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

- initial direct costs incurred,
- lease payments made at or before the commencement date less any lease incentives received, and
- All initial costs incurred by the Company.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Right-of-use assets are subject to impairment

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Lease liabilities

The Group measures the lease liability based on the present value of the lease payments that were not paid at the actual start of the lease.

The lease payments, which are included in the measurement of the lease liability at the actual start of the lease, consist of the following payments to be made for the right of use of the underlying asset during the lease term and which were not paid at the actual start of the lease:

- fixed payments,
- variable lease payments based on an index or ratio, the first measurement of which was made using an index or ratio at the actual beginning of the lease,
- amounts expected to be paid by the Company under residual value commitments
- if the Company is reasonably confident that it will exercise the option to purchase, the price at which the option is used and
- penalty payments for termination of the lease if the lease term indicates that the Company will exercise an option to terminate the lease.

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

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

After the actual start of the lease, the Group measures the lease liability as follows:

- increases the book value to reflect the interest on the lease obligation, and
- reduces the book value to reflect the lease payments made.

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

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

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

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

Assets subject to operational leasing	Contract Period (Year)	Discount Rate - TRY (%)
Buildings	1-10 year	19,32 -46,17
Vehicles	1-3 year	23,62-46,86
Fixtures	1-5 year	5,25

2.23 Dividend distribution

At the Company's Ordinary General Assembly Meeting held on March 26, 2025, it was decided that from the net profit of 5.933.631.405 TL for the year 2024, 6.572.222 TL would be allocated as capitalized gains, 595.703.670 TL would be distributed as cash dividends to shareholders, and the remaining amount would be allocated as retained earnings. As of December 31, 2025, 595.522.716 TL of the dividends had been paid in cash, and 180.954 TL was accounted for under "Due to Shareholders" in Short-Term Liabilities.

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Regarding the previous profits of the Company's subsidiary, Anadolu Sigorta, 2,100,000,000 TL was distributed to shareholders as cash dividends starting from March 28, 2025. Of the 2,100,000,000 TL dividends distributed by Anadolu Sigorta, 896,490,000 TL attributable to non-controlling interests is shown in the equity movement table under the "Distributed Dividends" line (2024: No dividends were distributed).

2.24 Unearned premiums 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 reserve for unearned premiums represents the proportions of the gross written premiums without deductions of commission or any other allowance, in a period that relate to the period of risk subsequent to the reporting date for all short-term insurance policies. Nonetheless;

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

Since Milli Reasürans is a reinsurance company, it calculates the unearned premium reserve for proportional reinsurance agreements based on the premiums ceded under treaty contracts, taking into account the record date when account summary notifications from ceding companies are recognized by the Company. As of the balance sheet date, the deferred amount is calculated on a 1/8 basis (see footnote 2.1.2). On the day basis for goods transportation agreements without a specific end date, taking into account 50% of the premiums accrued in the last 3 months, and for optional business acceptances and non-proportional reinsurance agreements, taking into account the start and end dates of the agreement. The reinsurance share of the unearned premium reserve for premiums transferred by the Company as a retrograde is also calculated in the same way.

Unearned premiums reserve is calculated for all insurance contracts except for the contracts for which the mathematical reserve is provided. Unearned premiums reserve is also calculated for the annual premiums of the annually renewed long term insurance contracts. Anadolu Sigorta has classified the provision amounting to 2,791,970 TL, calculated for health and personal accident policies with a term longer than one year, as a long-term liability (December 31, 2024: TRY 2,611,211).

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

As of the reporting period's end, the Group has recognized a total unearned premium reserve of TRY 57,467,222,255 in its consolidated financial statements (December 31, 2023: TRY 42,115,799,388) and an unearned premium reserve for the reinsurer's share amounting to TRY 6,929,266,451 (December 31, 2024: TRY 6,186,511,289). Additionally, as of December 31, 2025, there is a Social Security Institution (SGK) share in the unearned premium reserve amounting to TRY 796,713,111 (December 31, 2024: TRY 546,873,221).

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2.25 Outstanding claims reserves

Milli Reasürans:

Outstanding indemnity provision is set aside for indemnity amounts accrued and determined on account but not actually paid in previous accounting periods or in the current accounting period, or if this amount could not be calculated, estimated costs and incurred but not reported compensation amounts.

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

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

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

As of December 31, 2025, Milli Reasürans has added TRY 5.080.412.554 to its claims provision by considering 100% of the IBNR calculated, excluding its Singapore branch (December 31, 2024: TRY 2.763.615.993). As of the reporting date, a net IBNR amounting to TRY 252.349.989 has been assigned for the Singapore Branch (December 31, 2024: TRY 192.258.576).

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

Milli Reasürans		December 31, 2025	December 31, 2024
Branches	Calculation Method	Net IBNR ^(*)	Net IBNR ^(*)
Fire and Natural Disasters	ACLM- Paid Claims	2.196.966.753	748.210.321
General Losses ^(**)	ACLM- Paid Claims	1.426.314.419	820.698.727
General Liability ^(**)	ACLM- Paid Claims	741.880.602	860.809.044
Motor Third Party Liability	ACLM- Paid Claims	567.750.265	365.686.798
Marine	ACLM- Paid Claims	101.979.917	(97.517.324)
Other Branches, Total	ACLM- Paid Claims	35.770.481	63.950.503
Other Branches, Total	Sector Average (TSB)	9.750.117	1.777.924
Total		5.080.412.554	2.763.615.993

^(*) Excludes amounts allocated for Singapore branch.

^(**) 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, 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.

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

Singapore Branch		31 December 2024	31 December 2023
Branches		Net IBNR	Net IBNR
Fire and Natural Disasters		164.065.303	118.675.189
General Losses		64.113.053	51.622.682
Marine		11.023.944	9.257.351
Sea Vehicles		7.250.163	9.454.004
Other Branches, Total		5.519.701	3.016.175
General Liability		377.825	233.175
Total		252.349.989	192.258.576

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

Due to the insufficient data available to the Company's in sea vehicles liability, air vehicles liability, surety and credit branches and its uneven distribution in the loss development tables, the Company was unable to obtain a result by subjecting the relevant data to the correction process. For this reason, values representing the sector averages in the branches specified in the ACLM calculations were used. (The IBNR (Incurred But Not Reported) calculated from the industry average as of September 30, 2025, is determined by dividing the reported industry IBNR for the relevant line by the total industry twelve-month premium for that line, and then multiplying the resulting ratio by the Company's annual premium). On the other hand, in Financial Losses and Life branches, where calculations were made using a similar method as of 30.09.2024, the calculation was made using the Standard Chain method as of 31.12.2022, as the data reached a certain maturity.

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

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

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

The Republic of Turkey’s Prime Ministry Treasury Undersecretariat (as of July 10, 2018: Ministry of Treasury and Finance of the Republic of Turkey) According to the letter dated January 12, 2012 and numbered B.02.1.HZN.0.10.03.01/854 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, determination of final claims for the last business year used in IBNR calculation has been changed as at December 31, 2011. Accordingly, the final premium amount earned for the last business year is determined by considering premium development factors since premiums may be accrued in the following years under the terms of the agreements. Based on the calculated final premium amount of the last business year, unearned premium reserves and earned premiums are determined. Aforementioned earned premium amount is multiplied by the average of claim/premium ratio of the previous years to determine final claims amount of the last business year. IBNR is calculated by subtracting the paid and reported claims of the last business year from the final claims amount determined by the aforementioned method. In addition, IBNR amounts reported by sedan companies are taken into consideration and in order to prevent duplicate provision; paid claims, outstanding claims reserve and premiums of reported claims are excluded from the data set used in the calculation of IBNR. The Company determined final IBNR amount by adding reported IBNR amounts to IBNR amounts calculated from the data prepared in accordance with the principals mentioned above

In accordance with December 5, 2014 dated and 2014/16 numbered “Circular for Outstanding Claims Reserve” of Republic of Turkey Ministry of Treasury and Finance, ACLM calculation should be on main branch. However, as at December 31, 2012, Milli Reasürans has calculated ACLM reserve for General Losses main branch as two separate subbranches namely agriculture and non-agriculture branches. Due to the differing characteristics of the Agriculture sub-branch and the Engineering sub-branches within the General Liability main branch in terms of the process of claims transforming into paid losses, it was argued that the IBNR calculated in this main branch could lead to unhealthy and non-representative results. Consequently, a request for permission was submitted to the Treasury Undersecretariat of the Republic of Turkey on January 17, 2013, via a letter numbered 300, to allow the calculation of the IBNR in the General Liability main branch to be conducted as two separate sub-branches: Agriculture and Non-Agriculture. The Treasury Undersecretariat responded with a letter numbered 24179134 on January 28, 2013, granting permission for the IBNR calculations in the General Liability main branch to be conducted on a sub-branch basis, distinguishing between Agriculture and Non-Agriculture. The amounts calculated as of December 31, 2025, have been reflected in the records.

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

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

With the Circular No. 2024/3 “Circular on Amendments to Circular No. 2016/22 on Discounting Net CashFlows Arising from the Provision for Outstanding Compensation” published on December 18, 2025, the Circular’s 7th article was changed as “Net cash flows are discounted to cash value by taking into account 35%as of the financial reporting date”.

In accordance with the relevant communiqué, the discount rate for net cash flows arising from the provision for incurred but not reported claims has been applied at a rate of 29% as of December 31, 2025 (December 31, 2024: 35%). Accordingly, Milli Reasürans has calculated the net discounted amount for the provision for incurred claims as TRY 2.380.906.267 as of December 31, 2025 (December 31, 2024: TRY 1.960.424.461). The change in the discount rate has had a increasing effect of TRY 160.558.152 on the net provision for incurred claims recorded as of December 31, 2025.

As of December 31, 2025 and 2024, Milli Reasürans’ net outstanding claims reserves by branch are given below, before and after discount:

31 December 2025 Branches	Net outstanding claims before discount	Discount amount	Discounted net outstanding claims provision
Motor Third Party Liability	895.431.226	(499.139.333)	396.291.893
General Liability	2.792.113.060	(1.881.766.934)	910.346.126
Total	3.687.544.286	(2.380.906.267)	1.306.638.019
31 December 2024 Branches	Net outstanding claims before discount	Discount amount	Discounted net outstanding claims provision
Motor Third Party Liability	635.982.639	(371.816.439)	264.166.200
General Liability	2.167.620.695	(1.588.608.022)	579.012.673
Total	2.803.603.334	(1.960.424.461)	843.178.873

Anadolu Sigorta:

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

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As of December 31, 2025 and 2024, the amounts for incurred but not reported claims calculated by Anadolu Sigorta's actuary by line of business are as follows:

Branches	Method Used	December 31, 2025 ^(*)		December 31, 2024 ^(*)	
		Gross Additional Provision	Net Additional Provision	Gross additional allowance	Net additional provision
General Traffic	Standard/Bornhuetter Ferguson	20.779.456.627	17.113.149.617	16.199.927.056	12.480.390.578
General Liability	Standard/Bornhuetter Ferguson	8.553.670.739	7.042.054.988	6.134.080.618	4.943.799.029
Voluntary Financial Liability	Standard/Bornhuetter Ferguson	7.521.900.958	7.454.056.379	4.612.666.010	4.585.643.219
Fire and Natural Disasters	Standard	1.046.258.109	749.534.735	1.039.406.936	596.686.965
General Losses	Standard	291.017.274	134.917.478	397.448.061	240.682.152
Marine	Standard	433.360.036	205.090.364	393.940.192	180.936.798
Sea Vehicles	Standard	290.198.762	215.970.558	320.439.166	165.670.138
Life/Health	Standard	300.380.263	291.131.392	203.036.260	196.433.003
Air Vehicles	Standard	213.785.093	50.933.574	177.166.836	85.887.230
Accident	Standard	208.551.776	204.048.080	155.723.315	139.153.335
Financial Losses	Standard	147.596.921	87.192.042	97.788.416	60.557.380
Surety	Standard	69.771.055	41.572.435	63.799.584	31.206.560
Credit	Standard	51.040.750	48.441.991	47.160.829	41.954.069
Air Vehicles Liability	Standard	47.657.138	17.411.299	40.655.707	12.114.745
Legal Protection	Standard	10.073.019	10.073.019	4.359.465	4.359.465
Land Vehicles	Standard	(893.832.837)	(883.079.903)	(315.958.309)	(308.229.618)
Total		39.070.885.683	32.782.498.048	29.571.640.142	23.457.245.048

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

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

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

With the Circular dated December 18, 2025, titled "Amendments to the General Communiqué on Discounting Net Cash Flows Arising from Incurred But Not Reported Claims (2025/32)," Article 7 of the General Communiqué 2016/22 has been revised to state that "Net cash flows are discounted to present value at a rate of 29% as of the financial reporting period date." In this context, a discount rate of 29% has been applied to the net cash flows arising from the provision for incurred but not reported claims (December 31, 2024: 35/)

Accordingly, the Company calculated the net discount amount on outstanding claims reserve as 22.200.813.806 TL as of December 31, 2025 (December 31, 2024: 17.954.668.084 TL). The change in the discount rate had an increasing effect of 1.914.189.740 TL on the net outstanding claims reserve recorded as of December 31, 2025

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The net provisions for incurred but not reported claims of Anadolu Sigorta as of December 31, 2025, and 2024, broken down by branch, are as follows:

December 31, 2025 Branches	Net outstanding claims provision before discount	Discount amount	Discounted net outstanding claim provision
Motor Third Party Liability	31.121.059.241	(14.902.162.766)	16.218.896.475
General Liability	10.694.388.320	(5.875.846.325)	4.818.541.995
Fire and Natural Disasters	3.489.662.559	(454.190.256)	3.035.472.303
Land Vehicles	2.037.274.675	(129.750.857)	1.907.523.818
General Losses	908.271.217	(177.333.868)	730.937.349
Sea Vehicles	906.192.958	(185.883.269)	720.309.689
Marine	605.320.092	(149.812.643)	455.507.449
Life/Health	428.701.063	(18.549.116)	410.151.947
Air Vehicles	213.796.659	(55.399.613)	158.397.046
Surety	113.196.796	(47.008.999)	66.187.797
Accident	355.409.697	(111.892.713)	243.516.984
Financial Losses	246.831.584	(41.471.804)	205.359.780
Air Vehicles Liability	99.890.471	(28.333.198)	71.557.273
Credit	62.819.115	(19.754.885)	43.064.230
Legal Protection	10.352.166	(3.423.494)	6.928.672
Total	51.293.166.613	(22.200.813.806)	29.092.352.807
December 31, 2024 Branches	Net outstanding claims provision before discount	Discount amount	Discounted net outstanding claim provision
Motor Third Party Liability	21.305.086.789	(11.438.198.237)	9.866.888.552
General Liability	7.749.047.300	(5.104.495.948)	2.644.551.352
Fire and Natural Disasters	2.869.469.172	(426.222.201)	2.443.246.971
Land Vehicles	1.760.457.321	(127.804.247)	1.632.653.074
General Liability	769.489.322	(168.629.938)	600.859.384
Sea Vehicles	727.076.566	(171.019.900)	556.056.666
Marine	514.794.695	(146.704.714)	368.089.981
Life/Health	291.072.085	(14.744.706)	276.327.379
Air Vehicles	255.761.135	(74.814.251)	180.946.884
Surety	272.433.401	(124.937.390)	147.496.011
Accident	226.099.194	(85.560.614)	140.538.580
Financial Losses	119.291.889	(22.938.379)	96.353.510
Air Vehicles Liability	96.335.368	(30.677.108)	65.658.260
Credit	46.714.843	(16.145.195)	30.569.648
Legal Protection	4.795.048	(1.775.256)	3.019.792
Total	37.007.924.128	(17.954.668.084)	19.053.256.044

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The methods applied for estimating net cash flows of Anadolu Sigorta as of December 31, 2025, and 2024, along with the projected net cash flows for each main branch, are as follows:

December 31, 2025							
Branches	Method Used	1	2	3	4	5	
Motor Third Party Liability	Table 57	9.059.461.502	4.156.349.415	2.777.132.642	2.752.120.308	2.734.132.272	
Land Vehicles	Table 57	1.862.734.110	67.661.576	59.636.140	27.792.555	13.782.637	
General Liability	Table 57	1.816.519.502	1.410.628.977	1.247.084.309	1.257.894.171	1.208.203.883	
Fire and Natural Disasters	Table 57	2.862.912.531	347.276.336	151.823.339	82.717.235	30.595.617	
General Losses	Table 57	638.180.267	135.205.294	56.811.321	23.566.488	17.714.740	
Life/Health	Table 57	425.776.374	2.722.629	105.973	189.552	55.397	
Accident	Table 57	170.247.763	69.869.205	34.693.069	23.912.010	18.331.664	
Marine	Table 57	373.521.350	108.387.189	33.736.241	13.191.454	23.340.750	
Sea Vehicles	Table 57	614.381.289	165.510.690	40.608.995	27.577.915	21.810.446	
Financial Losse	Table 57	172.914.745	54.688.868	11.983.786	3.981.476	2.633.183	
Air Vehicles	Table 57	115.226.172	35.089.042	41.643.541	16.648.803	5.189.101	
Legal Protection	Table 57	3.865.677	2.585.370	1.726.175	1.154.522	762.521	
Air Vehicles Liability	Table 57	43.585.698	31.980.742	7.353.999	10.038.796	3.367.342	
Credit	Table 57	36.480.103	2.425.467	3.342.881	4.560.025	5.720.502	
Surety	Table 57	33.356.006	22.714.029	11.608.770	11.379.997	21.598.263	

December 31,2024							
Branches	Method Used	1	2	3	4	5	
Motor Third Party Liability	Table 57	5.432.388.879	2.763.747.963	2.113.002.365	2.120.955.763	2.203.988.224	
Land Vehicles	Table 57	1.609.632.682	58.467.971	51.533.001	24.016.205	11.909.903	
General Liability	Table 57	768.290.273	846.249.078	794.850.917	903.493.647	1.070.484.280	
Fire and Natural Disasters	Table 57	2.354.107.054	285.557.334	124.840.836	68.016.478	25.158.071	
General Losses	Table 57	537.749.490	117.374.552	56.293.140	18.611.386	14.283.275	
Life/Health	Table 57	289.086.329	1.848.564	71.952	128.698	37.612	
Accident	Table 57	95.324.877	44.101.339	27.640.352	19.486.759	12.903.336	
Marine	Table 57	296.050.186	90.633.945	40.179.804	31.665.185	39.556.143	
Sea Vehicles	Table 57	488.951.694	123.178.940	34.347.974	24.437.685	22.168.619	
Financial Losses	Table 57	83.568.424	26.430.728	5.791.675	1.924.218	1.272.598	
Air Vehicles	Table 57	137.843.018	41.976.396	49.817.426	19.916.666	6.207.629	
Legal Protection	Table 57	1.790.553	1.197.525	799.552	534.766	353.194	
Air Vehicles Liability	Table 57	42.034.483	30.842.547	7.092.270	9.681.515	3.247.498	
Credit	Table 57	27.128.085	1.803.676	2.485.902	3.391.020	4.253.997	
Surety	Table 57	80.278.686	54.666.389	27.939.102	27.388.507	51.981.050	

6	7	8	9	10	Total
2.571.130.972	2.348.036.666	2.127.588.860	1.538.989.879	1.056.116.725	31.121.059.241
6.175.448	(507.791)	-	-	-	2.037.274.675
1.230.190.850	831.819.399	686.104.905	645.102.598	360.839.726	10.694.388.320
10.300.297	4.037.206	-	-	-	3.489.662.561
22.528.408	4.990.148	5.798.940	3.135.713	339.899	908.271.218
(41.446)	(107.416)	-	-	-	428.701.063
10.894.026	10.202.644	6.094.685	4.869.298	6.295.334	355.409.698
25.648.357	(11.165.162)	29.601.499	1.336.589	7.721.823	605.320.090
18.388.242	9.951.647	6.593.030	1.370.703	-	906.192.957
619.321	10.205	-	-	-	246.831.584
-	-	-	-	-	213.796.659
232.902	24.999	-	-	-	10.352.166
2.374.059	1.189.836	-	-	-	99.890.472
9.217.906	1.072.232	-	-	-	62.819.116
11.724.164	815.567	-	-	-	113.196.796

6	7	8	9	10	Total
2.230.880.440	2.075.679.021	1.672.837.671	683.745.524	7.860.939	21.305.086.789
5.336.351	(438.792)	-	-	-	1.760.457.321
1.047.497.547	992.788.019	812.633.702	400.348.404	112.411.433	7.749.047.300
8.469.697	3.319.702	-	-	-	2.869.469.172
11.050.243	4.174.318	4.551.558	2.863.400	2.537.960	769.489.322
-28.140	(72.930)	-	-	-	291.072.085
11.641.626	9.181.943	4.242.018	1.462.525	114.419	226.099.194
26.067.036	(4.526.271)	(389.707)	(4.295.071)	(146.555)	514.794.695
22.617.887	6.522.398	3.680.955	1.163.645	6.769	727.076.566
299.313	4.933	-	-	-	119.291.889
-	-	-	-	-	255.761.135
107.879	11.579	-	-	-	4.795.048
2.289.566	1.147.489	-	-	-	96.335.368
6.854.809	797.354	-	-	-	46.714.843
28.216.823	1.962.844	-	-	-	272.433.401

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

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

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

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

2.26 Mathematical reserves

None.(31 December 2024: None).

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.

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According to the circular regarding the provision for unexpired risk reserve (2019/5), Reinsurance companies can make the calculation on the basis of the underwriting (business) year. In this case, the calculation is made by proportioning the total gross final loss incurred for at least the last three writing (business) years to the total gross earned premiums (written premiums minus unearned premiums reserve). Although it is essential to repeat the calculation in each quarter, if it can be clearly seen that the repetition of the calculation in quarterly periods will not produce meaningful results due to the structure of the agreements made or the agreement processes of the parties, it is possible to use the calculation made for the end of the year in the current year interim period estimates. With the issuance of the Circular numbered 2022/27 titled "Provision for Unexpired Risks" by the Insurance and Private Pension Regulation and Supervision Agency on October 24, 2022, the previous circular numbered 2019/5 has been revoked. It is possible to perform calculations on an annual basis. The Company applies the year-based calculation defined in the Circular only within the Motor Vehicles Liability branch. However, due to significant fluctuations experienced in the current year related to economic indicators such as inflation and exchange rates as of September 30, 2022, and in order to eliminate the misleading effect caused by these fluctuations, particularly in the Fire, Natural Disasters, and General Liability branches which are heavily influenced by such fluctuations, calculations in these branches have been performed using the relevant methodology.

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

Branches	Loss/Premium	December 31, 2025		December 31, 2024	
		Gross URR	Net URR	Gross URR	Net URR
Surety	427%	24.658.211	24.658.206	4.795.030	4.793.764
Sea Vehicles	86%	1.440.261	1.437.627	10.528.000	10.432.689
Motor Third Party Liability	93%	9.013.140	9.013.140	6.118.480	6.118.480
Air Vehicles	161%	645.425	645.425	549.289	549.289
Life/Health	104%	13.047	13.047	19.420	19.420
Total		35.770.084	35.767.445	22.010.219	21.913.642

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

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

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

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

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

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

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

Anadolu Sigorta has performed calculations based on the “Accident Year” best estimate principles for the General Liability, Voluntary Motor Liability, and Health branches. For other branches, it has considered the method specified in the Technical Reserves Regulation, which involves comparing the expected loss ratio with 95%.

The Circular (2025/32) amending the Circular No. 2016/22 on “Discounting of Net Cash Flows Arising from Outstanding Claims Reserve,” published on December 18, 2025, has modified Article 7 of Circular No. 2016/22 to state, “Net cash flows are discounted to present value based on a rate of 29% as of the financial reporting period date.” In line with this circular, a rate of 29% has been used for discounting the net cash flows arising from the outstanding claims reserve (December 31, 2024: 35%). Due to the increasing effect of this change on the current period net outstanding claims reserve used in calculating the provision for unexpired risks, the change in the discount rate has resulted in an increasing effect of 529,453,505 TL on Anadolu Sigorta’s net provision for unexpired risks as of December 31, 2025.

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As a result of the relevant methods, as of the end of the reporting period, Anadolu Sigorta has allocated a gross unexpired risk reserves of TRY 1.911.104.341 (December 31, 2024: TRY 1.935.025.732) and a net provision for unexpired risks of TRY 1.766.672.255 (December 31, 2024: TRY 1.736.758.039).

Branches	Loss/Premium	December 31, 2025		December 31, 2024	
		Gross URR	Net URR	Gross URR	Net URR
Motor Third Party Liability		1.495.451.196	1.495.451.196	1.112.646.419	1.112.646.419
- Motor Vehicles Liability (wo RIP)	104%	1.223.554.869	1.223.554.869	808.753.741	808.753.741
- acquired RIP	155%	271.896.327	271.896.327	303.892.678	303.892.678
General Liability		136.078.741	110.618.786	75.444.463	57.515.346
- General Liability(wo MMP)	95%	127.803.927	102.343.972	71.051.510	53.122.393
- acquired MMP	159%	8.274.814	8.274.814	4.392.953	4.392.953
Health	83%	-	-	393.142.035	387.020.492
Surety	372%	257.104.183	149.871.089	209.416.079	127.127.583
Air Vehicles	103%	19.867.280	8.782.082	144.376.736	52.448.199
Credit	104%	2.602.941	1.949.102	-	-
Total		1.911.104.341	1.766.672.255	1.935.025.732	1.736.758.039

As of the reporting period, the Group has set aside a total provision for unexpired risks amounting to 1.829.138.052 TL (December 31, 2024: 1.757.606.373 TL), which includes an additional provision of 26,698,352 TL calculated during the consolidation processes when preparing the consolidated financial statements.

2.28 Equalization reserves

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

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

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The Company was unable to differentiate between fire and earthquake premiums in its overseas reinsurance agreements in previous periods due to the local regulations of some foreign countries, the terms of the reinsurance agreements, and the general practice of foreign companies reporting based on total premiums, and therefore accounted for all premiums from these transactions under the fire branch. In a letter dated August 2, 2011, with number B.02.1.HZN.0.10.03.01/38732, addressed to the Company by the Republic of Turkey Ministry of Treasury and Finance, it was permitted to apply the average rate calculated based on the premiums of companies where such differentiation is possible for the premiums of proportional overseas agreements where fire and earthquake premium differentiation cannot be made. Furthermore, in another letter dated August 12, 2011, addressed to the Company, it was deemed appropriate to apply the relevant accounting policy change prospectively as of June 30, 2011, effective from January 1, 2011, due to the impossibility of retrospectively differentiating premiums. Accordingly, in its financial statements prepared as of December 31, 2025, the Company performed the differentiation of fire and earthquake premiums of proportional overseas agreements based on the weighted average earthquake premium rate calculated from overseas proportional agreements between January 1, 2025, and December 31, 2025. For non-proportional overseas reinsurance agreements, the earthquake premium rate obtained from proportional overseas reinsurance agreements was used in compliance with the "Regulation Amending the Regulation on the Technical Provisions of Insurance, Reinsurance, and Pension Companies, and the Assets in which these Provisions will be Invested," published in the Official Gazette on July 28, 2010, with the issue number 27655. The differentiation of commissions received from these reinsurance agreements and the claim payments arising from these agreements between the fire and earthquake branches was made in parallel with the premium differentiation.

Equalization reserves are presented under "other technical reserves" within long term liabilities in the accompanying consolidated financial statements. As at the reporting date, the Group has recognized equalization provision amounting to TRY 2.888.392.961 (December 31, 2024: TRY 1.536.763.784).

As of December 31, 2025, Milli Reasürans has deducted TRY 948.299.682 (December 31, 2024: TRY 474.736.051) from equalization reserve in consequence of realized earthquake losses. As of December 31, 2025, the Company has deducted TRY 65.828.035 (December 31, 2024: TRY 78.214.658) from equalization provision in 2024 in consequence of realized earthquake losses.

At Anadolu Sigorta, at the end of 2025 in financial statements, there is TRY 1.940.093.281 (December 31, 2024: TRY 1.062.027.735) equalization reserve is allocated.

2.29 Related parties

Parties are considered related to the Group if:

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

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

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

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

2.30 Earnings per share

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

2.31 Subsequent events

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

2.32 Assets Held for Sale and Related Liabilities

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

2.33 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2025. The effects of these standards and interpretations on the Company’s financial position and performance are explained in the relevant paragraphs.

a. The new standards, amendments and interpretations which are effective as at December 31, 2025 are as follows:

- **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.

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b. Standards, amendments, and interpretations that are issued but not effective as of December 31, 2025

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

According to the Communiqué on the Presentation of Financial Statements of Insurance, Reinsurance, and Pension Companies, as amended by the SEDDK and published in the Official Gazette on December 15, 2025, the effective date for the implementation of TFRS 17 has been postponed to January 1, 2027. Consequently, in a letter dated January 7, 2026, with number E-64088382-045.01-39032 sent by the Public Oversight, Accounting and Auditing Standards Authority (KGK) to the Turkish Insurance, Reinsurance, and Pension Companies Association, it was stated that the implementation date of TFRS 17 for banks and holding companies with insurance, reinsurance, or pension company subsidiaries/associates in their individual and consolidated financial statements has been postponed to January 1, 2027.

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to IFRS - Volume 11**; effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). 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.
- **Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity**; effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.
- **Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency**; effective from annual periods beginning on or after 1 January 2027. These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:
 - its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
 - it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

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The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

- **Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements;** These amendments include Examples illustrating how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate. The Examples do not have an effective date, but entities might consider the application for December 2025 year-ends.
- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

For the year ending December 2025, disclosures should include:

- the nature of the changes,
- the fact that IFRS 18 application is required for annual periods beginning on or after 1 January 2027,
- the planned adoption date, and
- either:
 - known or reasonably estimable information relevant to assessing the possible impact that application of IFRS 18 will have on the entity's financial statements in the period of initial application; or
 - if that impact is not known or reasonably estimable, a statement to that effect.

In order to comply with Paragraphs 30-31 of IAS 8, entities should consider the following principles when preparing disclosures related to the adoption of IFRS 18:

a. Disclosures are expected to become increasingly detailed as entities implementation process progresses toward 2027.

The level of detail that an entity includes in its disclosures will depend on the progress of its implementation activities, including those related to internal controls. For the year ending December 2025, entities that have yet to make significant progress in implementation might only disclose that they are actively assessing the impact of IFRS 18 and that more comprehensive disclosures cannot reasonably be provided.

b. Where appropriate and reliable, consider including quantitative information.

It may be appropriate to disclose preliminary figures, when the company has an appropriate and reliable basis for making such disclosures and provides clear explanations regarding their provisional nature. For example, an entity might quantify the effects on profit and loss subtotals. If the quantitative impact is not reasonably estimable, a statement to that effect should be included. An entity may disclose known and reasonably quantifiable impacts, but it is not expected to early provide IFRS 18 disclosures, such as an MPM reconciliation, before the application date.

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c. Consider alignment with other public communications.

If management has publicly detailed anticipated impacts, such as in an investor presentation, the IAS 8 financial statement disclosures should be consistent with these communications.

d. Disclosures should be based on the information available through the date of issuance of the financial statements, not only the end of the reporting period.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures' and amendment;** effective from annual periods beginning on or after 1 January 2027. 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.

IFRS 19 Subsidiaries without Public Accountability: Disclosures'; with these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable. These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- International Tax Reform-Pillar Two Model Rules (Amendments to IAS 12);
- Lack of Exchangeability (Amendments to IAS 21); and
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

The Group has assessed the impact of the standards and amendments on its financial statements and has concluded that these changes do not have a significant effect beyond the implications of the IFRS 17 standard. The Group has established the necessary accounting policies under IFRS 17, and analyses and evaluations regarding the effects of the IFRS 17 standard on the financial statements are ongoing. IFRS 17 includes significant differences compared to the existing Insurance Accounting and Financial Reporting Legislation, particularly in terms of the measurement of insurance liabilities, the recognition of insurance revenue, and the presentation format. The Group is in the process of transitioning to IFRS 17, and at this stage, the quantitative effects of the transition on the financial statements for 2025 have not been finalized. The transition is expected to be significant, particularly in terms of the re-measurement of assets and/or liabilities associated with insurance and reinsurance contracts, the periods in which insurance income/expenses are recognized, and the impact of these changes on equity.

3 Important accounting estimates and provisions

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

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

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

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

Note 4.1 - Management of insurance risk

Note 4.2 - Financial risk management

Note 7 - Investment properties

Note 10 - Reinsurance assets/liabilities

Note 11 - Financial assets

Note 12 - Loans and receivables

Note 17 - Insurance contract liabilities and reinsurance assets

Note 21 - Deferred income taxes

Note 23 - Provision for other liabilities and charges

4 Management of insurance and financial risk

4.1 Management of insurance risk

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

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

Potential risks that may be exposed in transactions are managed based on the requirements set out in the Company's "Risk Management Policies" issued by the approval of the Board of Directors. The main objective of risk management policies is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company's asset quality and limitations allowed by the insurance standards together with the Company's risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

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

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

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

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

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

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

Potential risks that may be exposed in transactions are managed based on the requirements set out in the Company's "Risk Management Policies" issued by the approval of the Board of Directors. The main objective of risk management policies is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company's asset quality and limitations allowed by the insurance standards together with the Company's risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

Potential risks that may be exposed in transactions are managed based on the requirements set out in the Company's "Risk Management Policies" issued by the approval of the Board of Directors. The main objective of risk management policies is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company's asset quality and limitations allowed by the insurance standards together with the Company's risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

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

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

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

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Sensitivity to insurance risk

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

Insurance risks do not generally have significant unrecoverable losses in the course of ordinary transactions, except for risks associated with earthquake and other catastrophic risks. Therefore, there is a high sensitivity to earthquake and catastrophic risks. The case of potential claims' arising from earthquake and other catastrophic risks exceeding the maximum limit of the excess of loss agreements, such risks are treated as the primary insurance risks and are managed based on the precautionary principle. Maximum limit of excess of loss agreements is determined based on the worst case scenario on the possibility of an earthquake that Istanbul might be exposed to in terms of its severity and any potential losses incurred in accordance with the generally accepted international earthquake models. The total amount of protection for catastrophic risks of the Company is identified taking into the compensation amount for an earthquake will occur in a 1000 years.

Insurance risk concentrations

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

Branches	December 31, 2025		
	Gross total claims liability (*)	Reinsurance share of total claims liability	Net total claims liability
Motor Third Party Liability	11.695.042.736	(1.578.499.584)	10.116.543.152
Land Vehicles	9.556.521.340	(134.980.152)	9.421.541.188
Fire and Natural Disasters	9.361.354.823	(2.887.726.841)	6.473.627.982
General Losses	3.889.963.856	(200.734.101)	3.689.229.755
General Liability	1.118.333.350	(157.406.137)	960.927.213
Sea Vehicles	1.689.167.352	(952.399.986)	736.767.366
Accident	114.935.975	(5.093.512)	109.842.463
Marine	180.622.220	(4.694.707)	175.927.513
Life	21.785.796	(2.846.763)	18.939.033
Air Vehicles	323.631.108	(139.585.245)	184.045.863
Health	14.057.113.150	(344.643.030)	13.712.470.120
Breach of trust	1.764.399.310	(939.166.346)	825.232.964
Air Vehicles Liability	70.526.768	(3.211.253)	67.315.515
Legal Protection	134.669	-	134.669
Financial Losses	159.261.761	(56.702.931)	102.558.830
Credit	552.324.845	1.609.643	553.934.488
Total	54.555.119.059	(7.406.080.945)	47.149.038.114

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ACTIVITIES AND MAJOR DEVELOPMENTS RELATED TO ACTIVITIES

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

^(*) Total claims liability includes actual paid claims.

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

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

4.2 Management of financial risk

Introduction and overview

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

- credit risk
- liquidity risk
- market risk

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- The Group may be exposed to Credit Risk (counterparty risk, counterparty concentration risk), Market Risk (currency and exchange rate 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. These risks are assessed within the framework of the Application Principles for Risk Limits approved by the Board of Directors.
- Maruz kalınan riskler Risk Yönetimi Müdürlüğü tarafından bağımsız bir şekilde incelenerek Denetim Komitesi aracılığıyla Yönetim Kurulu'na ve Türkiye İş Bankası A.Ş.'nin ilgili birimlerine düzenli olarak raporlanmaktadır.

Credit risk

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

Credit risk is measured by both quantitative and qualitative methods and the weighted reinsurers in retrocession programs, As part of the management of credit risk related to the investment portfolio, the credit ratings of the issuers of securities are regularly monitored, and transaction limits established to prevent concentration among counterparties are consistently reviewed.

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

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

	December 31, 2025	December 31, 2024
Cash and cash equivalents (Note 14) ^(*)	41.595.735.254	28.723.515.249
Receivables from main operations (Note 12)	30.459.658.908	19.988.016.871
Financial assets (Note 11) ^(**)	59.887.513.211	36.440.883.206
Reinsurer share in outstanding claims reserves (Note 10), (Note 17)	13.271.862.352	11.481.005.210
Other prepaid expenses (Note 12)	283.232.041	71.260.270
Income accruals (Note 12)	28.151.123	343.567.665
Other receivables (Note 12)	683.105.576	241.009.689
Business advances and advances given to employees (Not 12)	119.972.197	322.059.841
Other current asset (Note 12) ^(***)	306.731.522	178.050.238
Total	146.635.962.184	97.789.368.239

^(*) Cash on hands balance amounting to TRY 238.576 are not included (December 31, 2024: TRY 188.356).

^(**) Equity shares amounting to TRY 4.048.685.452 are not included (December 31, 2024: TRY 6.463.281.685).

^(***) TRY 68.655.443 is the advance amount given by the Group. (December 31, 2024: TRY 63.786.584).

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December 31, 2025 and 2024, the aging of the receivables from main operations and related provisions are as follows:

	December 31, 2025		December 31, 2024	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	27.386.777.839	-	17.953.804.222	-
Past due 0-30 days	2.304.499.940	(46.461.137)	1.364.374.375	(27.859.547)
Past due 31-60 days	312.566.725	(34.145.509)	318.184.906	(20.847.644)
Past due 61-90 days	285.112.847	(40.756.406)	169.935.735	(21.032.361)
More than 90 days ^(*)	3.777.271.602	(3.485.206.993)	2.222.545.238	(1.971.088.053)
TOTAL	34.066.228.953	(3.606.570.045)	22.028.844.476	(2.040.827.605)

^(*) As per the February 3, 2005 dated and B.021.HM.O.SGM.0.31/01/05 numbered Circular issued by the Republic of Turkey Ministry of Treasury and Finance, in case where subrogation is subject to claim/legal action, related subrogation amount is recognized as doubtful receivables and allowance for doubtful receivables is provided by the same amount in the financial statements. Related amounts are presented in "More than 90 days" line in the above table.

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

	December 31, 2025	December 31, 2024
The beginning of the year - January 1	1.824.465.476	1.178.370.771
Collections during the period (Note 47)	(197.454)	(1.013.564)
Impairment losses provided during the period (Note 47)	(43.810.717)	139.238.828
Impairment losses provided for subrogation - salvage receivables during the period (Note 47)	1.470.246.256	482.959.557
Fx exchange Valuation of doubtful receivables (Note 47)	47.115.537	24.909.884
The end of the year - December 31	3.297.819.098	1.824.465.476

Liquidity risk

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

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

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

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

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

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Management of the liquidity risk

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

To mitigate liquidity risk, maturity matching between assets and liabilities is maintained, and liquid assets are held in order to ensure that any potential liquidity needs can be fully met.

Maturity distribution of monetary assets and liabilities:

December 31, 2025	Book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year
Assets						
Cash and cash equivalents	41.595.962.717	21.441.704.797	18.417.844.067	1.309.567.468	426.846.385	-
Financial assets ^(*)	59.887.513.211	27.761.465.476	1.565.662.983	1.127.473.555	2.737.775.885	26.695.135.312
Receivables from main operations	30.459.658.908	2.943.629.851	5.988.073.077	5.108.869.676	16.022.148.184	396.938.120
Other receivables and current assets	1.421.192.459	988.222.486	58.279.912	88.144.489	263.420.066	23.125.506
Total monetary assets	133.364.327.295	53.135.022.610	26.029.860.039	7.634.055.188	19.450.190.520	27.115.198.938
Liabilities						
Financial liabilities	166.515.234	2.331.466	4.467.239	6.239.484	27.320.333	126.156.712
Payables arising from main operations	11.192.108.075	417.890.849	1.377.418.747	1.486.899.997	7.909.898.482	-
Due to related parties	3.100.026	3.100.026	-	-	-	-
Other liabilities	1.233.699.614	812.488.186	360.585.732	-	60.625.696	-
Outstanding Claims Reserve - Net ^(**)	43.024.992.398	3.752.858.020	6.915.701.235	7.427.229.659	11.291.571.298	13.637.632.186
Provisions for taxes and other similar obligations	2.471.054.122	1.247.925.788	1.223.128.334	-	-	-
Provisions for other risks and expense accruals	3.478.107.272	70.723.093	480.892.061	227.039.400	1.341.271.565	1.358.181.153
Total monetary liabilities	61.569.576.741	6.307.317.428	10.362.193.348	9.147.408.540	20.630.687.374	15.121.970.051

^(*) Equity shares amounting to TRY 4.048.685.452 are not included.

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

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December 31, 2024	Book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year
Assets						
Cash and cash equivalents	28.723.699.579	14.719.933.070	13.459.991.672	375.658.419	168.116.418	-
Financial assets ^(*)	36.440.883.206	22.619.983.431	1.254.321.956	3.413.651.942	7.885.445.894	1.267.479.983
Receivables from main operations	19.988.016.871	2.801.051.710	6.195.420.880	4.733.966.108	5.825.924.252	431.653.921
Other receivables and current assets	1.056.546.961	680.423.254	24.458.107	38.395.794	312.719.926	549.880
Total monetary assets	86.209.146.617	40.821.391.465	20.934.192.615	8.561.672.263	14.192.206.490	1.699.683.784
Liabilities						
Financial liabilities	230.916.234	1.314.057	2.583.126	3.766.083	55.098.052	168.154.916
Payables arising from main operations	8.681.517.422	459.474.541	1.427.666.946	780.162.782	6.014.174.273	38.880
Due to related parties	13.571.284	13.571.284	-	-	-	-
Other liabilities	1.077.319.956	680.541.839	350.634.931	-	46.143.186	-
Outstanding Claims Reserve - Net ^(**)	29.107.781.396	2.574.397.566	4.266.370.914	5.070.668.031	7.583.031.642	9.613.313.244
Provisions for taxes and other similar obligations	1.811.692.682	882.697.119	917.900.121	11.095.442	-	-
Provisions for other risks and expense accruals	2.611.581.242	36.595.829	211.492.052	-	1.494.556.000	868.937.362
Total monetary liabilities	43.534.380.216	4.648.592.235	7.176.648.090	5.865.692.338	15.193.003.153	10.650.444.402

^(*) Equity shares amounting to TRY 6.463.281.685 are not included.

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

Market risk

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

Foreign currency risk

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

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

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

December 31, 2025	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	2.315.397.622	378.951.191	285.859.913	2.980.208.726
Financial assets and financial investments with risks on policyholders	8.090.707.292	2.871.087.953	-	10.961.795.245
Receivables from main operations	6.592.039.858	4.027.187.575	1.883.021.103	12.502.248.536
Total foreign currency assets	16.998.144.772	7.277.226.719	2.168.881.016	26.444.252.507
Liabilities:				
Payables arising from main operations	(2.881.072.651)	(2.379.618.842)	(163.714.666)	(5.424.406.159)
Insurance technical reserve ^(*)	(6.238.413.518)	(1.913.607.036)	(2.130.396.268)	(10.282.416.822)
Derivative transactions and financial liabilities	-	-	(96.316)	(96.316)
Total foreign currency liabilities	(9.119.486.169)	(4.293.225.878)	(2.294.207.250)	(15.706.919.297)
Net financial position	7.878.658.603	2.984.000.841	(125.326.234)	10.737.333.210
December 31, 2024	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	909.292.040	310.155.297	241.868.091	1.461.315.428
Financial assets and financial investments with risks on policyholders	7.646.960.932	2.027.683.065	-	9.674.643.997
Receivables from main operations	4.839.376.097	2.570.953.484	1.540.203.037	8.950.532.618
Total foreign currency assets	13.395.629.069	4.908.791.846	1.782.071.128	20.086.492.043
Liabilities:				
Payables arising from main operations	(2.395.932.994)	(4.634.248.601)	(172.659.437)	(7.202.841.032)
Insurance technical reserve ^(*)	(4.878.854.981)	(850.033.068)	(1.835.476.811)	(7.564.364.860)
Financial liabilities	-	-	(8.814.691)	(8.814.691)
Total foreign currency liabilities	(7.274.787.975)	(5.484.281.669)	(2.016.950.939)	(14.776.020.583)
Net financial position	6.120.841.094	(575.489.823)	(234.879.811)	5.310.471.460

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

For the purpose of evaluation of the above table, TRY equivalents of the relevant foreign currency amounts have been shown. December 31, 2025, while the CBRT evaluated the CBRT with the sales rate, other daily transactions were evaluated with accounting based on the temporary exchange rates on the transaction date, at the end of the reporting period, foreign currency denominated active items were evaluated with CBRT exchange rates dated December 31, 2025 and passive items were evaluated with CBRT sales rates.

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Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities As of December 31, 2025 and 2024 are as follows:

	End of the Period (Buying)		End of the Period (Selling)		Average	
	ABD	Avro	ABD	Avro	ABD	Avro
December 31, 2025	42,8457	50,2859	42,9229	50,3765	39,4592	44,6948
December 31, 2024	35,2803	36,7362	35,3438	36,8024	32,7984	35,4893

Exposure to foreign currency risk

A 20 percent depreciation of the TRY against the following currencies As of December 31, 2025 and 2024 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below (December 31, 2024: 20 percent depreciation of the TRY). This analysis assumes that all other variables, in particular interest rates, remain constant. In case of a 20 percent appreciation of the TRY against the following currencies, the effect will be in opposite direction.

	December 31, 2025		December 31, 2024	
	Profit or loss	Equity ^(*)	Profit or loss	Equity ^(*)
US Dollar	1.575.731.721	1.575.731.721	1.224.168.219	1.224.168.219
Euro	596.800.168	596.800.168	(115.097.965)	(115.097.965)
Others	(25.065.247)	(25.065.247)	(46.975.962)	(46.975.962)
Total, net	2.147.466.642	2.147.466.642	1.062.094.292	1.062.094.292

^(*) Equity effect also includes profit or loss effect of 20% depreciation of TRY against related currencies (December 31, 2024: 20% depreciation of TRY).

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.

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

	December 31, 2025	December 31, 2024
Financial assets		
<i>Financial assets with fixed interest rates:</i>	65.456.636.960	33.177.448.358
Cash at banks (Note 14) ^(*)	31.754.465.308	21.746.841.481
Available for sale financial assets - Government bonds (Note 11)	28.230.848.324	8.104.495.786
Cash deposited to insurance and reinsurance companies (Note 12)	2.906.305.026	1.683.352.236
Available for sale financial assets - Private sector bonds (Note 11)	2.565.018.302	1.305.803.973
F.V. held to maturity - government debt securities (Note 11)	-	336.954.882
<i>Financial assets with variable interest rate:</i>	1.847.384.166	4.298.848.755
Available for sale financial assets - Private sector bonds (Note 11)	568.261.547	204.594.989
Available for sale financial assets - Government bonds (Note 11)	1.279.122.619	2.945.188.166
FX-protected deposits	-	1.149.065.600

^(*) Demand deposits amounting to TRY 128.429.481 are not included (December 31, 2024: TRY 665.175.192).

Fair value information

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

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

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

Classification relevant to fair value information

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

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

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

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

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

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

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets (Note 11) ^(*)	32.394.367.664	2.905.555.254	-	35.299.922.918
Financial assets to be held to maturity (Note 11)	12.723.773.497	15.910.896.009	-	28.634.669.506
Total financial assets	45.118.141.161	18.816.451.263	-	63.934.592.424
Tangible assets				
Investment properties (Note 6)	-	-	7.696.097.464	7.696.097.464
Owner occupied properties (Note 6)	-	-	502.303.846	502.303.846
Total tangible assets	-	-	8.198.401.310	8.198.401.310
Total	45.118.141.161	18.816.451.263	8.198.401.310	72.132.993.734
	December 31, 2024			
	Level 1	Level 2	Level 3	Level 4
Financial assets:				
Available for sale financial assets (Note 11) ^(*)	14.829.870.015	-	-	14.829.870.015
Financial assets held for trading (Note 11)	21.855.422.234	5.881.112.516	-	27.736.534.750
Total financial assets	36.685.292.249	5.881.112.516	-	42.566.404.765
Tangible assets:				
Investment properties (Note 6)	-	-	5.336.521.000	5.336.521.000
Owner occupied properties (Note 6)	-	-	317.622.500	317.622.500
Total tangible assets	-	-	5.654.143.500	5.654.143.500
Total	36.685.292.249	5.881.112.516	5.654.143.500	48.220.548.265

^(*) As of December 31, 2025, securities that are not publicly traded amounting to TRY 1.606.239 (December 31, 2024: TRY 805.244) 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.

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

	December 31, 2025		December 31, 2024	
	Profit or loss	Equity	Profit or loss	Equity
Financial assets held for trading	(139.040.709)	(139.040.709)	(422.063.396)	(422.063.396)
Available for sale financial assets	-	(265.667.212)	-	(224.184.248)
Total, net	(139.040.709)	(404.707.921)	(422.063.396)	(646.247.644)

Gain and losses from financial assets

<i>Gains and losses recognized in the statement of income, net:</i>	December 31, 2025	December 31, 2024
Interest income from bank deposits	11.052.877.920	5.555.701.762
Income from equity shares	-	825.520.587
Income derived from debt securities classified as available-for-sale financial assets	3.336.683.713	2.478.210.941
Foreign exchange gains	10.819.656.704	6.152.931.869
Income from investment funds reclassified as held for trading financial assets	8.816.178.581	7.300.325.854
Income from participations	1.258.784.773	904.218.444
Interest income from debt securities classified as held to maturity financial investments	5.078.690	16.081.663
Income from equity shares classified as held for trading financial assets	1.201.201.926	1.097.370.768
Interest income from repos	4.610.826	25.654
Income from derivative transactions	306.243.734	1.278.455.517
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (Note 15)	1.687.604.620	(743.841.944)
Income from investment funds reclassified as available for sale financial assets	1.123.538	68.485.017
Other	141.711.583	18.158.829
Investment income	38.631.756.608	24.951.644.961
Foreign exchange losses	(7.839.491.204)	(3.877.496.679)
Loss from disposal of financial assets	(743.107.317)	(342.734.471)
Loss from valuation of financial assets	(133.554.935)	(432.330.008)
Investment management expenses (including interest)	(78.309.256)	(62.983.176)
Loss from derivative transactions	(201.269.016)	(323.581.975)
Investment expenses	(8.995.731.728)	(5.039.126.309)
Investment income, net	29.636.024.880	19.912.518.652

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<i>Financial gains and losses recognized in equity, net:</i>	December 31, 2025	December 31, 2024
Fair value changes in available for sale financial assets (Note 15)	2.153.355.073	(455.436.612)
Losses transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (Note 15)	(1.687.604.620)	743.841.944
Total	465.750.453	288.405.332

Capital management

The Company's capital management policies include the following:

- Comply with capital adequacy requirements as stipulated in the relevant regulations
- To safeguard the Company's ability to continue as a going concern

In accordance with the "Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance, and Pension Companies" published by the Republic of Turkey's Ministry of Treasury and Finance in the Official Gazette dated August 23, 2015, issue number 29454, and the "Regulation Amending the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance, and Pension Companies" published in the Official Gazette dated December 31, 2024, issue number 32769, capital adequacy calculations are conducted four times a year, in March, June, September, and December. As of December 31, 2025, the required equity amount calculated by the Company is 6.002.453.032 TL. As of December 31, 2025, the Company's equity, determined according to capital adequacy regulations, is 26.136.121.739 TL, resulting in a capital surplus of 20.133.668.707 TL as per the capital adequacy calculation.

As of December 31, 2025, required equity amount determined in calculations over consolidated financial statements of Company's subsidiary Anadolu Sigorta, is amounted TRY 20.897.616.283. As of December 2025, the amount of raw equity in Anadolu Sigorta's unconsolidated financial statements is TRY 22.227.927.050 above the required equity amount calculated in accordance with the regulation.

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).

Since the Company is not publicly traded, it does not perform segment reporting.

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6 Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 2025 is presented below:

	January 1, 2025	Addition	Foreign currency translation effect ^(*)	Transfers	Valuation differences	December 31, 2025
Cost/Fair Value:						
Investment properties (Note 7) ^(**)	5.336.521.000	201.331.560	-	-	2.158.244.904	7.696.097.464
Buildings for own use	317.622.500	-	-	-	184.681.346	502.303.846
Machinery and equipment	280.935.328	54.439.208	-	(104.209)	-	335.270.327
Furniture and fixtures	84.901.462	47.564.652	1.759.733	(2.168.555)	-	132.057.292
Land Vehicles	36.462.802	79.326.701	1.699.343	(5.930.901)	-	111.557.945
Other tangible assets (including leasehold improvements)	106.204.900	8.800.021	-	-	-	115.004.921
Leased Assets	328.088.484	56.995.708	6.076.775	(1.870.779)	-	389.290.188
Construction in progress ^(**)	42.855.711	700.886.395	-	-	-	743.742.106
	6.533.592.187	1.149.344.245	9.535.851	(10.074.444)	2.342.926.250	10.025.324.089
Accumulated depreciation::						
Buildings for own use	192.706	2.509.721	-	(2.426.836)	-	275.591
Machinery and equipment	147.233.175	49.327.773	-	(1.737)	-	196.559.211
Furniture and fixtures	44.798.081	17.708.621	1.712.173	(1.849.455)	-	62.369.420
Land Vehicles	8.033.289	18.041.964	237.103	(4.656.735)	-	21.655.621
Other tangible assets (including leasehold improvements)	46.840.973	16.052.661	-	-	-	62.893.634
Leased Assets	127.423.780	77.704.075	4.945.145	(1.699.924)	-	208.373.076
	374.522.004	181.344.815	6.894.421	(10.634.687)	-	552.126.553
Net book value	6.159.070.183					9.473.197.536

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

^(**) The ongoing investments account includes costs related to the heating and cooling group and the renovation of the real estate.

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

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

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

^(**) The ongoing investments account includes costs related to the heating and cooling group and the renovation of the real estate.

As of December 31, 2025 and December 31, 2024, the Group's real estates, some of which are for investment purposes and some for use, are valued at their fair value and are valued in this context. The appraisal reports for these real estates were prepared by the CMB licensed real estate appraisal Company in December 2025 for Anadolu Sigorta and in December 2025 for Milli Reasürans. There is no mortgage on the Group's real estate for use. Milli Re's real estate for use was revalued as of December 2025, and the appraisal reports for these real estates were prepared in December 2025 by a real estate appraisal Company licensed by the CMB.

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As of December 31, 2025, the fair values (excluding VAT) and net carrying values of buildings for own use are presented below:

Owner occupied land and buildings	Expertise date	Expertise value	Net Book Value (December 31, 2025)	Net Book Value (December 31, 2024)
Suadiye Fitness Center	December 2025	336.950.000	336.950.000	202.000.000
İzmir Regional Headquarter	December 2025	102.708.846	102.537.665	62.156.233
Adana Regional Headquarter	December 2025	32.750.000	32.695.416	28.277.791
Lefkoşe Cyprus Branch	December 2025	24.225.000	24.184.625	20.111.425
Adana Office	December 2025	1.020.000	1.018.300	853.575
Other	December 2025	4.650.000	4.642.250	4.030.770
Total		502.303.846	502.028.256	317.429.794

Gerçeğe uygun değer ölçümü

The fair values of investment properties were determined using the market comparison technique and the income approach.

7 Investment properties

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

The Group’s investment properties have been valued at a fair value of 7,696,097,464 TL as of December 31, 2025 (December 31, 2024: 5,336,521,000 TL), based on appraisal reports prepared by independent professional valuers authorized by the Capital Markets Board.

During 2025, there was a value increase of 2,158,244,904 TL for these properties (December 31, 2024: 2,024,319,000 TL). The Group earned rental income of 131,330,397 TL from its investment properties during the reporting period (December 31, 2024: 137,563,915 TL).

Property based value of expertise report (excluding VAT) and fair values of investment properties are as follows. Expertise reports regarding these properties are prepared by independent professional valuation specialists authorized by CMB in December 2025. There is no mortgage on Group’s investment properties.

As of December 31, 2025, and 2024, details of investment properties and the fair values are as follows:

	December 31, 2025 Net book value	December 31, 2024 Net book value	Dare of expertise report	Dare of expertise report
Teşvikiye	6.225.323.750	4.378.000.000	December 2025	6.225.323.750
Villa Ofiice Block	531.250.000	325.000.000	December 2025	531.250.000
Kartal Manzara Adalar	201.331.560	-	December 2025	201.331.560
Çifteler Land	6.000	6.000	December 2025	6.000
Other buildings	738.186.154	633.515.000	December 2025	738.186.154
Net book value	7.696.097.464	5.336.521.000		7.696.097.464

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Fair value measurement

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

8 Intangible Assets

Movement in intangible assets in the period from January 1 to December 31, 2025 is presented below:

	January 1, 2025	Additions	Transfers	Foreign currency translation effects ^(*)	Disposals	December 31, 2025
Cost:						
Other intangible assets	653.512.652	244.416.120	176.782	(54.810)	73.353.735	971.404.479
Advances given for intangible assets	355.413.876	152.419.421	-	-	(73.353.735)	434.479.562
Goodwill	16.250.000	-	-	-	-	16.250.000
Research & Development	18.657.453	65.630.889	(16.810)	-	-	84.271.532
	1.043.833.981	462.466.430	159.972	(54.810)	-	1.506.405.573
Accumulated amortization:						
Rights	475.614.418	111.318.943	166.326	(54.810)	-	587.044.877
	475.614.418	111.318.943	166.326	(54.810)	-	587.044.877
Net book value	568.219.563					919.360.696

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

^(*) TFRS 17/TFRS 9 has been given with reference to licensing-consultation and computer software.

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

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

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

^(*) TFRS 17/TFRS 9 has been given with reference to licensing-consultation and computer software.

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9 Investments in affiliates

	December 31, 2024		December 31, 2024	
	Book value	Participation rate %	Book value	Participation rate %
Anadolu Hayat	2.868.021.758	21,00	2.115.020.367	21,00
Affiliates, net	2.868.021.758		2.115.020.367	

Name	Total assets	Shareholders' equity	Retained earnings	Profit for the year	Audited	Period
Affiliates:						
Anadolu Hayat (Consolidated)	443.673.308.407	13.657.246.469	319.134.805	5.994.213.205	Audited.	December 31, 2025

In the current period TRY 1.258.784.773 (December 31, 2024: TRY 904.218.444) of income is obtained from associates through equity accounted consolidation method.

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

	2025	2024
Beginning of the period-January 1	2.115.020.367	1.354.386.089
Shares of profit from the current period	1.258.784.773	904.218.444
Increase recognized in equity	19.216.618	66.415.834
Dividends	(525.000.000)	(210.000.000)
End of the period-December 31	2.868.021.758	2.115.020.367

10 Reinsurance assets and liabilities

As of December 31, 2025, and 2024, outstanding reinsurance assets and liabilities of the Group in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	December 31, 2025	December 31, 2024
Unearned premiums reserves, ceded (Note 17)	6.929.266.451	6.186.511.289
Outstanding claims reserve, ceded (Note 4.2), (Note 17)	13.271.862.352	11.481.005.210
Receivables from reinsurance companies (Note 12)	3.171.511.793	2.521.327.822
Cash deposited to reinsurance companies	2.906.305.026	1.683.352.237
Total	26.278.945.622	21.872.196.558

Reinsurance liabilities	December 31, 2025	December 31, 2024
Payables to the reinsurers related to premiums written (Note 19)	6.745.248.234	5.357.534.158
Deferred commission income (Note 19)	900.159.962	943.652.041
Cash deposited by reinsurance companies	204.904.333	389.788.163
Total	7.850.312.529	6.690.974.362

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

	December 31, 2025	December 31, 2024
Premiums ceded during the period (Note 17)	(22.487.440.984)	(20.350.894.270)
Unearned premiums reserve, ceded at the beginning of the period (Note 17)	(6.186.511.289)	(4.797.310.036)
Unearned premiums reserve, ceded at the end of the period (Note 17)	6.929.266.451	6.186.511.289
Earned premiums, ceded (Note 17)	(21.744.685.822)	(18.961.693.017)
Claims paid, ceded during the period (Note 17)	7.406.080.945	11.042.380.860
Outstanding claims reserves, ceded at the beginning of the period (Note 17)	(11.481.005.210)	(16.122.814.162)
Outstanding claims reserves, ceded at the end of the period (Note 17)	13.271.862.352	11.481.005.210
Incurred claims, ceded (Note 17)	9.196.938.087	6.400.571.908
Commission income accrued from reinsurers during the period (Note 32)	1.965.121.388	1.347.834.282
Deferred commission income at the beginning of the period (Note 19)	943.652.041	644.038.671
Deferred commission income at the end of the period (Note 19)	(900.159.962)	(943.652.041)
Commission income earned from reinsurers (Note 32)	2.008.613.467	1.048.220.912
Changes in unexpired risk reserves, reinsurers' share (Note 17)	(79.542.390)	(316.447.194)
Total, net	(10.618.676.658)	(11.829.347.391)

11 Financial assets

As of December 31, 2025, and 2024, the Group's financial assets are detailed as follows:

	December 31, 2025	December 31, 2024
Available for sale financial assets	35.301.529.157	14.830.675.259
Financial assets held for trading	28.634.669.506	27.736.534.750
Impairment loss on available for sale financial assets	-	336.954.882
Total	63.936.198.663	42.904.164.891

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As of December 31, 2025, and 2024, the Group's financial assets held for trading are detailed as follows:

	December 31, 2025		
	Cost	Fair value	Book value
Non-fixed income financial assets:			
Investment funds	13.351.134.056	25.706.241.660	25.706.241.660
Investment funds YP	1.372.393.585	1.531.971.880	1.531.971.880
Equity shares	1.424.718.785	1.390.407.088	1.390.407.088
Futures and options guarantees	6.043.730	6.048.878	6.048.878
	16.154.290.156	28.634.669.506	28.634.669.506
Total financial assets held for trading	16.154.290.156	28.634.669.506	28.634.669.506
	December 31, 2024		
	Cost	Fair value	Book value
Non-fixed income financial assets:			
Investment funds	14.524.012.546	21.559.814.485	21.559.814.485
Investment funds YP	573.285.998	571.764.574	571.764.574
Equity shares	4.403.715.323	4.220.633.960	4.220.633.960
Futures and options guarantees	230.259.174	235.256.132	235.256.132
Derivative guarantees (Currency protected deposits)	1.072.589.705	1.149.065.599	1.149.065.599
	20.803.862.746	27.736.534.750	27.736.534.750
Total financial assets held for trading	20.803.862.746	27.736.534.750	27.736.534.750

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As of December 31, 2025, and 2024, the Group's available for sale financial assets are detailed as follows:

	December 31, 2025			
	Nominal value	Cost	Fair value	Book Value
Debt instruments:				
Government bonds - TRY	18.648.897.120	18.796.469.363	22.005.255.441	22.005.255.441
Government bonds - USD	4.613.822.265	5.548.892.942	6.165.599.429	6.165.599.429
Government bonds - EUR	840.780.787	1.152.715.710	1.339.116.073	1.339.116.073
Private sector bonds- TRY	2.332.500.000	2.325.654.750	2.487.948.547	2.487.948.547
Private sector bonds- USD	39.134.420	623.306.112	645.331.312	645.331.312
		28.447.038.877	32.643.250.802	32.643.250.802
Non-fixed income financial assets:				
Equity shares		312.331.151	2.658.278.355	2.658.278.355
		312.331.151	2.658.278.355	2.658.278.355
Total available for sale financial assets		28.759.370.028	35.301.529.157	35.301.529.157
	December 31, 2024			
	Nominal value	Cost	Fair value	Book Value
Debt instruments:				
Government bonds - TRY	2.091.471.241	2.400.311.044	4.621.846.160	4.621.846.160
Government bonds - USD	4.774.987.863	4.726.946.763	5.346.977.292	5.346.977.292
Government bonds - EUR	99.792.400	630.473.133	1.080.860.500	1.080.860.500
Private sector bonds- TRY	599.400.000	580.742.000	599.417.528	599.417.528
Private sector bonds- USD	195.407.500	837.716.378	872.878.322	872.878.322
Private sector bonds- EUR	36.736.200	36.773.108	38.103.112	38.103.112
		9.212.962.426	12.560.082.914	12.560.082.914
Non-fixed income financial assets:				
Equity shares		136.530.191	2.242.647.728	2.242.647.728
Investment funds		27.000.000	27.944.617	27.944.617
		163.530.191	2.270.592.345	2.270.592.345
Total available for sale financial assets		9.376.492.617	14.830.675.259	14.830.675.259

All debt instruments presented above are traded in the capital markets, As of December 31, 2025, equity shares classified as available for sale financial assets with a carrying amount of TRY 1.606.239 are not publicly traded (December 31, 2024: TRY 805.244).

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

Year	Change in value increase	Total increase in value
2025	465.750.453	2.330.457.161
2024	288.405.332	1.864.706.708
2023	800.341.974	1.576.301.376

As of December 31, 2025, there are no financial assets held to maturity. As of December 31, 2024, the Group's held to maturity financial assets portfolio are detailed as follow :

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

As of December 31, 2025, and 2024, the movement of the financial assets is presented below:

	December 31, 2025			
	Trading	Available-for-Sale	Held to maturity	Total
Balance at the beginning of the period	27.736.534.750	14.830.675.259	336.954.882	42.904.164.891
Acquisitions during the period	139.917.877.427	35.657.253.799	-	175.575.131.226
Disposals (sale and redemption)	(146.458.742.681)	(19.707.332.649)	(336.954.882)	(166.503.030.212)
Change in the fair value of financial assets	7.439.000.010	4.520.932.748	-	11.959.932.758
Balance at the end of the period	28.634.669.506	35.301.529.157	-	63.936.198.663

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

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

	December 31, 2025			
	Nominal value	Cost	Fair value	Book value
Available for sale financial assets - Private sector bonds	1.235.000.000	1.228.154.750	1.350.844.500	1.350.844.500
Available for sale financial assets - Equity shares	-	111.871.244	928.628.812	928.628.812
Financial assets held for trading - Investment funds	5.867.454.208	7.504.232.156	16.286.738.334	16.286.738.334
Total		8.844.258.150	18.566.211.646	18.566.211.646

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

12 Loans and receivables

	December 31, 2025	December 31, 2024
Receivables from main operations (Not 4.2)	30.459.658.908	19.988.016.871
Prepaid taxes and funds (Not 4.2)	283.232.041	71.260.270
Income accruals (Not 4.2)	28.151.123	343.567.665
Other receivables (Not 4.2)*	683.105.576	241.009.689
Business advances and advances given to employees (Not 4.2)	119.972.197	322.059.841
Total	31.574.119.845	20.965.914.336
Short-term receivables	31.154.407.879	20.533.780.093
Medium and long-term receivables	419.711.966	432.134.243
Total	31.574.119.845	20.965.914.336

* As of December 31, 2025, other receivables mainly consist of receivables from TARSİM (Agricultural Insurance Pool) and DASK (Natural Disaster Insurance Authority), deposits and guarantees, VAT receivables carried forward, and other miscellaneous receivables.

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As at December 31, 2025 and 2024, receivables from main operations are detailed as follows:

	December 31, 2025	December 31, 2024
Receivables from insurance companies	1.469.626.724	1.332.398.229
Receivables from reinsurance companies (Note 10)	3.171.511.793	2.521.327.822
Receivables from agencies, brokers and intermediaries	587.544.886	920.485.381
Total receivables from reinsurance operations, net	5.228.683.403	4.774.211.432
Receivables from agencies, brokers and other intermediaries	13.567.436.820	9.729.119.692
Long term receivable which is bank guarantee and three months credit card	6.847.066.520	2.488.815.298
Receivables from insurance and reinsurance companies	1.034.793.892	706.208.454
Salvage and subrogation receivables (Note 2.21)	952.432.345	723.408.965
Receivables from insurance and reinsurance companies	231.691.852	99.262.922
Total receivables from insurance operations, net	22.633.421.429	13.746.815.331
Cash deposited to insurance and reinsurance companies (Note 4.2)	2.906.305.025	1.683.352.236
Provisions for receivables from insurance operations - subrogation receivables (Note 2.21)	(308.750.949)	(216.362.128)
Doubtful receivables from main operations - premium receivables	358.285.914	354.952.449
Provision for doubtful receivables from main operations - premium receivables	(358.285.914)	(354.952.449)
Doubtful receivables from insurance operations - subrogation receivables	2.939.533.184	1.469.513.028
Provisions for doubtful receivables from insurance operations - subrogation receivables	(2.939.533.184)	(1.469.513.028)
Receivables from main operations	30.459.658.908	19.988.016.871

As of December 31, 2025, and 2024, mortgages and collaterals obtained for receivables are disclosed as follows:

	December 31, 2025	December 31, 2024
Mortgage notes	343.557.682	331.150.182
Letters of guarantees	852.327.133	1.007.232.743
Other guarantees	1.068.531.098	992.943.682
Government bonds and treasury bills	-	230.000
Total	2.264.415.913	2.331.556.607

Provisions for overdue receivables and receivables not due yet

- Receivables under legal or administrative follow up (due): TRY 358.285.914 for main operations (December 31, 2024: TRY 354.952.449) and TRY 705.142 (December 31, 2024: TRY 705.142) for other receivables..
- Provision for premium receivables (due): TRY 3.248.284.133 (December 31, 2024: TRY 1.685.875.156)

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.

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13 Derivative financial assets

As of December 31, 2024, the Group has derivative financial instruments recognized in the financial assets held for trading amounting to TRY 6.048.878 (December 31, 2024: 235.256.132). As of December 31, 2025, the Group does not have any currency-protected deposit accounts (December 31, 2024: 1.149.065.599 TL).

14 Cash and cash equivalents

As of December 31, 2025, and December 31, 2024, the details of the cash and cash equivalents are as follows:

	December 31, 2025		December 31, 2024	
	At the end of the period	At the beginning of the period	At the end of the period	At the beginning of the period
Cash on hand	238.576	188.356	188.356	162.771
Cheques received	31.882.894.788	22.412.016.674	22.412.016.674	9.678.868.672
Bank deposits	(11.113)	(4.026)	(4.026)	(3.167)
Cheques given and payment orders	9.712.840.466	6.311.498.575	6.311.498.575	3.452.368.687
Cash and cash equivalents in the balance sheet	41.595.962.717	28.723.699.579	28.723.699.579	13.131.396.963
Bank deposits - blocked ^(*)	(876.516.694)	(4.291.749.598)	(4.291.749.598)	(1.734.196.100)
Time deposits with maturities longer than 3 months	(8.481.776.834)	(2.784.658.307)	(2.784.658.307)	(1.227.671.164)
Interest accruals on banks deposits	(401.039.953)	(397.789.066)	(397.789.066)	(79.851.059)
Cash and cash equivalents presented in the statement of cash flows	31.836.629.236	21.249.502.608	21.249.502.608	10.089.678.640

^(*) TRY 875.331.069 of the blocked amounts are held in favor of the Insurance and Private Pension Regulation and Supervision Agency due to the insurance activities of the Company's subsidiary Anadolu Sigorta A.Ş. (31 December 2024: TRY 4.291.084.005).

As of December 31, 2025, and 2024, bank deposits are further analysed as follows:

	December 31, 2025	December 31, 2024
Foreign currency denominated bank deposits		
- time deposits	2.869.073.744	822.815.731
- demand deposits	110.904.880	638.319.817
Bank deposits in Turkish Lira		
- time deposits	28.885.391.563	20.924.025.751
- demand deposits	17.524.601	26.855.375
Bank deposits	31.882.894.788	22.412.016.674

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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, 2025, and 2024, the shareholding structure of the Company is presented below:

Shareholder	December 31, 2025		December 31, 2024	
	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Axa Hayat ve Emeklilik A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid in capital	660.000.000	100,00	660.000.000	100,00

As of December 31, 2025, the issued share capital of the Group is TRY 660.000.000 and the share capital of the Group consists of 66.000.000.000 issued shares with TRY 0,01 nominal value each. There are no privileges over the shares of the Group.

There are not any treasury shares held by the Group itself or by its subsidiaries or associates. There are not any treasury shares issued which will be subject to sale in accordance with forward transactions and contracts.

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, 2025	December 31, 2024
Legal reserves at the beginning of the period	324.811.577	312.168.254
Transfer from profit	245.039.247	12.643.323
Legal reserves at the end of the period	569.850.824	324.811.577

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As of December 31, 2025, and 2024, “Other reserves and retained earnings” in the statement of changes in equity consist of extraordinary reserves, capitalized gains from sales, revaluation surpluses of properties intended for use, other capital reserves, special funds (reserves), and other profit reserves.

As at December 31, 2025 and 2024, “Other Reserves and Retained Earnings” are detailed as below:

	December 31, 2025	December 31, 2024
Extraordinary reserves	7.995.003.925	4.518.846.761
Private funds	2.055.082.215	330.452.130
Other capital reserves	1.459.738.276	1.299.765.489
Sales profits to be capitalized	49.493.534	42.921.312
Subsidiary capital correction	(71.060.154)	(71.060.154)
Other profit reserves	(120.588.135)	(96.735.283)
Total	11.367.669.661	6.024.190.255

Other capital reserves

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

In accordance with tax legislation, 75% of profits from sales of participation shares and 25% of profits from sales real estates included in the assets of companies is exempt from corporate tax, provided that it is classified under a special fund for full five years. The exempt gains cannot be transferred to another account other than a capital increase or cannot be withdrawn from the entity for five years.

In according to expertise reports, fair value of property for use is calculated as revaluation differences amounting to TRY 1.447.902.359 is recognized in ‘Other Capital Reserves’ account under equity as TRY 1.122.124.328 with net tax effect in financial statements As of December 31, 2025 (December 31, 2024: TRY 1.122.124.328). Until December 2023, the Suadiye Sports Facility was classified as investment property, but after being transferred to Miltaş, it is considered property intended for use in Miltaş’s financial statements. The revalued amount of Miltaş’s properties intended for use has been calculated at 336.950.000 TL based on appraisal reports, with revaluation surpluses amounting to 262.815.646 TL. These revaluation surpluses have been accounted for in the ‘Other Capital Reserves’ under equity as 197.111.734 TL in the financial statements prepared as of December 31, 2025, shown net of tax effect (December 31, 2024: 101.404.077 TL). As of December 31, 2025, the amount recognized in other capital reserves as a result of the consolidation of the subsidiary Anadolu Sigorta is TRY 140.502.214 (December 31, 2024: TRY 76.237.084).

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Extraordinary reserves

The movement of extraordinary reserves is as follows:

	December 31, 2025	December 31, 2024
Extraordinary reserves at the beginning of the period	4.518.846.761	1.448.635.062
Transfer from profit	3.476.157.164	3.070.211.699
Extraordinary reserves at the end of the period	7.995.003.925	4.518.846.761

As a result of the revaluation application made under Article 298 (repeated) of the Tax Procedure Law (VUK), the revaluation fund amounting to 21,819,457 TL has been classified under “Extraordinary Reserves” in accordance with the Communiqué Amending the VUK General Communiqué (Serial No: 547) dated January 14, 2023 (December 31, 2024: None). No additional fund has been accounted for concerning this application in the consolidated balance sheet dated December 31, 2025; however, a classification has been made within extraordinary reserves for the amount calculated according to the relevant tax legislation. Since this fund is set aside in accordance with the relevant tax legislation, it cannot be subject to profit distribution.

Subsidiary capital correction

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

Special funds (reserves)

The amount of special funds (reserves) from subsidiaries and associates is TRY 1.966.149.193 (December 31, 2024:TRY 241.519.108). The amount in the special reserves arises from the portion of profits allocated for acquiring venture capital investment fund participation shares and the transfer of real estate sales gains to the renewal fund, in accordance with the relevant tax legislation.

The movements of special funds are as follows:

	December 31, 2025	December 31, 2024
Special funds at the beginning of the period	330.452.130	184.820.637
Subsidiary and Associate Shares	1.724.630.085	145.631.493
Special funds at the end of the period	2.055.082.215	330.452.130

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Other profit reserves

In accordance with TMS 19, the actuarial gains and losses previously recognized in the income statement for the provision for severance pay have been accounted for in the financial statements of the current period under equity in the "Other Reserves" account. In the calculation of the severance pay provision as of December 31, 2025, negative actuarial calculations amounting to TRY (29.509.230) (December 31, 2024: TRY (29.284.720)) have been presented in the "Other Reserves" account. As of December 31, 2025, the amount of other reserves from subsidiaries and associates is TRY (91.078.905) (December 31, 2024: TRY (67.450.563)).

Profit for the period that is extraneous from the distribution

As of December 31, 2025, the Group does not have any non-distributable profit for the period (December 31, 2024: 6.572.222 TL).

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, 2025, there are no funds allocated in this manner (December 31, 2024: None) As of December 31, 2025, the amount of statutory reserves from subsidiaries and associates is TRY 1.089.589.919 (December 31, 2024: TRY 572.615.467).

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, 2025, foreign currency translation loss amounting to TRY 459.824.474 (December 31, 2024: TRY 358.446.598) stems from Singapore Branch whose functional currency is US Dollars.

Valuation of financial assets

As of December 31, 2025, and 2024, changes in fair values that stem from securities classified as available for sale financial assets that present share in capital and associates are detailed as below:

	December 31, 2025	December 31, 2024
Fair value reserves at the beginning of the period	1.864.706.708	1.576.301.376
Change in the fair value during the period (Note 4.2)	1.851.943.498	(418.012.740)
Deferred tax effect (Note 4.2)	(204.869.811)	185.728.711
Net gains transferred to the statement of income (Note 4.2)	(1.687.604.620)	743.841.944
Deferred tax effect (Note 4.2)	506.281.386	(223.152.583)
Fair value reserves at the end of the period	2.330.457.161	1.864.706.708

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

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16 Other reserves and equity component of discretionary participation

As of December 31, 2025, and 2024, other reserves are explained in detail in Note 15 - Equity above.

As of December 31, 2025, and 2024, the Group does not hold any insurance or investment contracts which contain a DPF.

17 Insurance contract liabilities and reinsurance assets

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

As of December 31, 2025, and 2024 technical reserves of the Group' are as follows:

	December 31, 2025	December 31, 2024
Unearned premiums reserves, gross	57.467.222.255	42.115.799.388
Unearned premiums reserves, ceded (Note 10)	(6.929.266.451)	(6.186.511.289)
Unearned premiums reserves, SSI share	(796.713.111)	(546.873.221)
Unearned premiums reserves, net	49.741.242.693	35.382.414.878
Outstanding claims reserve, gross	56.296.854.750	40.588.786.606
Outstanding claims reserve, ceded (Note 10)	(13.271.862.352)	(11.481.005.210)
Outstanding claims reserve, net	43.024.992.398	29.107.781.396
Unexpired risk reserves	1.946.360.489	1.954.371.200
Unexpired risk reserves, ceded	(117.222.437)	(196.764.827)
Unexpired risk reserves, net	1.829.138.052	1.757.606.373
Equalization reserves, net	2.888.392.961	1.536.763.784
Other technical reserves, net	2.888.392.961	1.536.763.784
Total technical reserves, net et	97.483.766.104	67.784.566.431
Short Term	94.592.581.173	66.245.191.436
Long Term	2.891.184.931	1.539.374.995
Total technical reserves, net	97.483.766.104	67.784.566.431

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As of December 31, 2025, and 2024, movements of the insurance liabilities and related reinsurance assets are presented below:

Unearned premiums reserve	December 31, 2025			Net
	Gross	Ceded	SSI Share	
Unearned premiums reserve at the beginning of the period	42.115.799.388	(6.186.511.289)	(546.873.221)	35.382.414.878
Written premiums during the period	113.151.828.631	(22.487.440.984)	(1.405.432.087)	89.258.955.560
Earned premiums during the period	(97.800.405.764)	21.744.685.822	1.155.592.197	(74.900.127.745)
Unearned premiums reserve at the end of the period	57.467.222.255	(6.929.266.451)	(796.713.111)	49.741.242.693

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

Outstanding claims reserves	December 31, 2025		Net
	Gross	Ceded	
Outstanding claims reserve at the beginning of the period	40.588.786.606	(11.481.005.210)	29.107.781.396
Claims reported during the period and changes in the estimations of outstanding claims reserves provided at the beginning of the period	70.263.187.202	(9.196.938.087)	61.066.249.115
Claims paid during the period	(54.555.119.058)	7.406.080.945	(47.149.038.113)
Outstanding claims reserve at the end of the period	56.296.854.750	(13.271.862.352)	43.024.992.398

Outstanding claims reserves	December 31, 2024		Net
	Gross	Ceded	
Outstanding claims reserve at the beginning of the period	37.463.982.203	(16.122.814.162)	21.341.168.041
Claims reported during the period and changes in the estimations of outstanding claims reserves provided at the beginning of the period	45.403.132.760	(6.400.571.908)	39.002.560.852
Claims paid during the period	(42.278.328.357)	11.042.380.860	(31.235.947.497)
Outstanding claims reserve at the end of the period	40.588.786.606	(11.481.005.210)	29.107.781.396

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Claims Development Table for the Subsidiary Anadolu Sigorta

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

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

December 31, 2025						
Year of claim	2021	2022	2023	2024	2025	Total
Year of claim	5.216.969.294	10.761.821.453	33.490.548.401	30.943.689.602	51.092.504.922	131.505.533.672
1 year later	6.271.160.170	13.215.696.953	35.515.808.711	34.434.385.286	-	89.437.051.120
2 year later	6.882.826.302	14.076.151.655	37.181.588.912	-	-	58.140.566.869
3 year later	7.390.326.069	14.745.575.650	-	-	-	22.135.901.719
4 year later	7.699.782.454	-	-	-	-	7.699.782.454
Current estimate of claim	7.699.782.454	14.745.575.650	37.181.588.912	34.434.385.286	51.092.504.922	145.153.837.224
The total made to date is	6.093.344.084	11.786.787.229	32.196.501.475	27.062.309.336	33.297.482.755	110.436.424.879
The total amount in the financial statements	1.606.438.370	2.958.788.421	4.985.087.437	7.372.075.950	17.795.022.167	34.717.412.345
Financial statements related to 2020 and before						7.884.676.275
Total gross outstanding compensation shown in the period-end financial statements						42.602.088.620

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

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

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

	December 31, 2025		
	Should be placed ^(*)	Placed	Book value
<i>Non-life:</i>			
Financial Assets		7.663.924.924	7.663.924.924
Bank deposits (Note 14)		875.331.070	875.331.070
Total	6.965.872.094	8.539.255.994	8.539.255.994

	December 31, 2024		
	Should be placed ^(*)	Placed	Book value
<i>Non-life:</i>			
Financial Assets		2.479.382.243	2.479.382.243
Bank deposits (Note 14)		4.291.084.005	4.291.084.005
Total	5.609.154.232	6.770.466.248	6.770.466.248

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

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Total amount of insurance risk on a branch basis

Due to the Company's status as a reinsurance firm, no records are maintained regarding the insurance coverages provided by branch. The coverage amounts by branch, as detailed in the table below, originate from its subsidiary, Anadolu Sigorta:

	31 Aralık 2025	31 Aralık 2024
Motor Third Party Liability	40.115.940.862.634	24.605.246.326.190
Land vehicles	15.294.818.285.257	11.209.629.866.473
Fire and natural disasters	4.801.075.264.462	3.013.059.213.050
General Losses	2.700.854.608.973	1.667.927.373.205
Accident	622.532.199.513	450.683.150.951
Marine	621.300.854.109	538.627.291.220
Sea Vehicles	261.556.586.819	183.222.802.756
General liabilities	320.434.463.565	247.545.907.329
Life/health	189.628.963.791	104.422.006.363
Financial Losses	106.642.734.153	68.289.449.879
Air Vehicles Liability	134.390.359.684	57.428.166.034
Legal Protection	23.345.495.074	11.052.363.739
Surety	13.611.307.327	6.212.781.412
Air Vehicles	7.986.714.294	6.356.395.285
Total (*)	65.214.118.699.655	42.169.703.093.886

(*)These are net amounts after deducting the reinsurer's share and the Social Security Institution (SGK) share..

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

None.

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

None.

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

None.

Pension investment funds established by the Group and their unit prices

None.

Number and amount of participation certificates in portfolio and circulation

None.

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

None.

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

None.

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

None.

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

None.

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

None.

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

None.

Profit share distribution rate of life insurances

None.

Deferred commission expenses

The Group capitalizes commissions paid to the intermediaries related to policy production under short-term and long-term prepaid expenses. As of December 31, 2025, short-term prepaid expenses amounting to TRY 8.465.261.653 (December 31, 2024: TRY 6.589.128.692) consist of deferred acquisition cost; deferred commission expenses amounting to TRY 8.351.006.078 (December 31, 2024: TRY 5.846.749.921) and other prepaid expenses amounting to TRY 114.255.575 (December 31, 2024: TRY 742.378.771). Long-term prepaid expenses amounting TRY 199.264.609 (December 31, 2024: TRY 99.470.300) are composed of other prepaid expenses.

The movement of deferred production commissions for the accounting periods ending on 31 December 2025 and 2024 is as follows:

	December 31, 2025	December 31, 2024
Deferred commission expenses at the beginning of the period	5.846.749.921	4.092.824.404
Commissions accrued during the period (Note 32)	13.563.170.102	12.193.172.050
Commissions expensed during the period	(11.058.913.945)	(10.439.246.533)
Deferred commission expenses at the end of the period	8.351.006.078	5.846.749.921

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Individual pension funds

None.

18 Investment contract liabilities

None.

19 Trade and other payables and deferred income

	December 31, 2025	December 31, 2024
Financial payables	166.515.234	230.916.234
Payables from main operations	11.192.108.075	8.681.517.422
Other payables	1.233.699.614	1.077.319.956
Short/long term deferred income and expense accruals	3.021.077.201	2.687.096.331
Taxes and other liabilities and similar obligations	2.471.054.122	1.811.692.682
Due to related parties (Note 45)	3.100.026	13.571.284
Total	18.087.554.272	14.502.113.909
Short-term liabilities	17.961.397.559	14.333.920.112
Long-term liabilities	126.156.713	168.193.797
Total	18.087.554.272	14.502.113.909

As of December 31, 2025, other payables amounting to TRY 882.736.687 (December 31, 2024: TRY 680.330.916) Tarsim and DASK and outsourced benefits and services

Payables arising from main operations of the Group As of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Payables to reinsurance companies (Note 10)	6.745.248.234	5.357.534.158
Payables to agencies, brokers and intermediaries	1.229.240.435	775.879.985
Cash deposited by insurance and reinsurance companies	206.424.300	391.375.001
Total payables arising from reinsurance and insurance operations	8.180.912.969	6.524.789.144
Claims provision account for health branch	1.848.535.393	1.107.418.879
Payables to Contracted Health Institutions	510.147.607	539.739.316
Payables to Contracted Services	545.211.327	423.470.132
Other	107.300.779	86.099.951
Payables arising from other operating activities	3.011.195.106	2.156.728.278
Payables arising from main operations	11.192.108.075	8.681.517.422

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20 Financial liabilities

	December 31, 2025	December 31, 2024
Payables from Leases (Not 34) ^(*)	166.515.234	230.916.234
Short-term	40.358.521	62.761.317
Long-term	126.156.713	168.154.917
Total	166.515.234	230.916.234

^(*) As of December 31, 2025, the Group's payables from Leases are explained in the Note 34 - Financial Costs.

21 Deferred taxes

As of December 31, 2025, and 2024, deferred tax assets and liabilities are attributable to the following:

	December 31, 2025	December 31, 2024
	Deferred tax assets/(liabilities)	Deferred tax assets/(liabilities)
Valuation of real estate	(1.687.548.900)	(1.499.987.932)
Financial asset valuation	(824.441.441)	(312.953.028)
Non-Technical Provisions	873.912.617	600.241.862
Insurance Provisions	1.106.105.941	648.557.320
Other, net	(382.540.220)	300.194.770
Deferred tax assets/(liabilities), net	(914.512.003)	(263.947.008)

As of December 31, 2028, the Group has a total deductible financial loss of TRY 2.244.680.175, of which TRY 420.097.410 can be utilized by December 31, 2028 and TRY1.824.582.765 can be utilized by December 31, 2029 (December 31, 2025: TRY 3.688.928.783).The Company reviewed the business plan as of December 31, 2025 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, 2025 and December 31 2024, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle.

Movement of deferred tax assets as of December 31, 2025 and 2024 are given below:

	2025	2024
Opening balance at January 1	(263.947.008)	(146.066.792)
Recognized in profit or loss	(148.449.513)	(155.885.646)
Recognized in equity	(190.438.001)	205.661.586
Cancellation corporate tax provision	(311.677.481)	(167.656.156)
Closing balance at December 31	(914.512.003)	(263.947.008)

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22 Retirement benefit obligations

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

Following annulment of the temporary Article 23 of the Banking Law, the new law “Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees” was published in the Official Gazette dated May 8, 2008 and came into force. The new law requires transfer of the participants or beneficiaries of pension funds to Social Security Institution as at the effective date of the Act within 3 years and prescribe the extension period of the transfer as maximum of two years upon the order of the Cabinet.

Accordingly, the three-year period expired on May 8, 2011 was extended to the May 8, 2013. On March 8, 2012, “Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees” numbered 28227, was published on Official Gazette and 4th article of this act changed “two years” phrase as “four years” which takes part on second sentence of first clause of 20th article of the code numbered 5510. Also, under the scope of Decree of the Council of Ministers numbered 2013/4617 was published on Official Gazette numbered 28636, on May 3, 2013 and 20th temporary article of the Social Security Laws numbered 506 banks, insurance and reinsurance companies, chambers of commerce, stock markets or participants of pension funds and salary or income provided ones and their shareholders’ transfer duration has been extended one year to the Social Security Institution by Decree of the Council of Ministers.

In 2014, upon a letter dated February 19, 2014, numbered 174 from the Ministry of Labor and Social Security, the Council of Ministers extended the transfer period for the pension funds by one year, according to provisional Article 20 of the Social Insurance and General Health Insurance Law No. 5510.

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

“The Council of Ministers is authorized to determine the transfer date to the Social Security Institution of banks, insurance and reinsurance companies, trade chambers, industry chambers, stock exchanges, or the unions they form, established for participants, those who are granted monthly payments or income, and their beneficiaries under the provisional Article 20 of Law No. 506. As of the transfer date, fund participants shall be considered insured within the scope of paragraph (a) of the first clause of Article 4 of this Law.”

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

A request was made to the Constitutional Court by the Republican People’s Party on June 19, 2008, for the annulment and suspension of execution concerning some articles, including the first paragraph of the provisional Article 20, which contain the transfer provisions of the law. This application was rejected at the meeting of the mentioned court held on March 30, 2011.

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

- technical deficit rate of 9.8% shall be used in the actuarial calculation of the value in cash, and
- uncovered other rights and compensations of participants or beneficiaries of pension funds should be covered by the entities who transfer the funds.

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

The technical financial position of the Milli Reasürans Pension Fund is audited by the registered actuary in accordance with the Article 21 of the Insurance Law and Actuary Act. As per the calculations based on the above mentioned assumptions, actuarial and technical deficit amounting to TRY 979.538.349 (December 31, 2024: TRY 654.542.421) is accounted as "Provision for pension fund deficits" in the accompanying consolidated financial statements.

An actuarial report has been obtained from registered actuary regarding calculation of the amount to be paid to the Social Security Institution by the Company in accordance with the new law. The CSO 1980 mortality table for December 31, 2025 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, 2025 and 2024, technical deficit from pension funds comprised the following.

	December 31, 2025	December 31, 2024
Net present value of total liabilities other than health	(1.896.961.285)	(1.318.482.732)
Net present value of insurance premiums	670.576.973	466.569.320
Net present value of total liabilities other than health (-)	(1.226.384.312)	(851.913.412)
Net present value of health liabilities	(309.573.316)	(191.390.413)
Net present value of health premiums	397.714.555	291.491.390
Net present value of health assets	88.141.239	100.100.977
Fund Retirement Bonus Provision (-)	(43.771.194)	(39.153.892)
Pension fund assets	202.475.918	136.423.906
Amount of actuarial and technical deficit (-)	(979.538.349)	(654.542.421)

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Pension fund assets are comprised of the following items.

	December 31, 2025	December 31, 2024
Cash and cash equivalents	30.044	23.352
Associates	176.850.015	117.874.690
Other	25.595.859	18.525.864
Total plan assets	202.475.918	136.423.906

The employees of Anadolu Sigorta, a subsidiary of the Company, are members of the “Anadolu Anonim Türk Sigorta Şirketi Memurları Emekli Sandığı,” established based on the temporary Article 20 of the Social Security Law No. 506. According to the technical balance sheet reports prepared in accordance with Law No. 5754 published in the Official Gazette dated May 8, 2008, which utilizes a technical interest rate of 9.80%, it has been reported that there is no technical deficit for the Fund as of December 31, 2025, and 2024. For the calculation of the liability amount for transferred benefits, largely fixed and specific assumptions are used under the relevant law. However, the final amount of the obligation to be incurred upon the transfer can vary based on factors such as the discount rate, inflation and salary increases, as well as the number of participants and turnover rates.

	December 31, 2025	December 31, 2024
Foundation's Assets ^(*)	4.327.019.652	3.097.029.989
Employees' Contribution Shares	11.266.081.709	6.762.981.924
Total Assets	15.593.101.361	9.860.011.913
Total Present Values of Retirement Pensions	6.136.559.854	4.210.428.513
Total Present Values of Administrative Expenses	5.633.041	3.381.491
Total Present Values of Health Benefits	886.053.619	658.641.091
Total Liabilities	7.028.246.514	4.872.451.095
Actual and Technical Surplus Amount ^(**)	8.564.854.847	4.987.560.818

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

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

In Annex-5, “Considerations in the Selection of Assumptions,” section “2. Economic Assumptions” of the Circular (2022/18) regarding the Actuarial Supervision of Institutions Committing to Retirement, a real interest rate of 9,80% has been established as the discount and yield rate for foundations operating under provisional Article 20 of the Social Insurance and General Health Insurance Law No. 5510.

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23 Provision for other liabilities and expense accruals

As of December 31, 2025, and 2024, the provisions for other risks are disclosed as follows:

	December 31, 2025	December 31, 2024
Provision for pension fund deficits (<i>Note 22</i>)	979.538.349	654.542.421
Provision for employee termination benefits	381.607.481	216.432.709
Provision for unused vacation pay liability	75.029.671	45.871.704
Total provision for other risks	1.436.175.501	916.846.834

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

	December 31, 2025	December 31, 2024
Provision at the beginning of the period	216.432.709	160.676.648
Interest cost	59.500.620	42.170.712
Service cost	8.228.527	6.614.516
Payments during the period	(20.040.297)	(112.723.020)
Actuarial loss	117.485.922	119.693.853
Provision at the end of the period	381.607.481	216.432.709

24 Net insurance premium revenue

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

25 Fee revenue

None.

26 Investment income

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

27 Net income accrual on financial asset

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

28 Assets held at fair value through profit or loss

Presented in "Note 4.2 - Financial Risk Management".

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29 Insurance rights and claims

	January 1 - December 31, 2025	January 1 - December 31, 2024
Claims paid, net off reinsurers' share	(47.149.038.114)	(31.235.947.496)
Changes in outstanding claims reserves, net off reinsurers' share	(13.917.211.002)	(7.766.613.356)
Changes in unearned premium reserves, net off reinsurers' share	(14.358.827.814)	(11.821.356.499)
Change in equalization reserves	(1.351.629.177)	(673.092.006)
Changes in unexpired risks reserves, net off reinsurers' share	(71.531.679)	4.702.088
Total	(76.848.237.786)	(51.492.307.269)

30 Investment contract benefits

None.

31 Other expenses

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

32 Operating expenses

For the years ended December 31, 2025, and 2024, the operating expenses are disclosed as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Commission expenses	15.002.931.284	10.439.246.533
<i>Commissions to the intermediaries accrued during the period</i>	<i>17.507.187.440</i>	<i>12.193.172.050</i>
<i>Changes in deferred commission expenses</i>	<i>(2.504.256.156)</i>	<i>(1.753.925.517)</i>
Employee benefit expenses (Note 33)	5.726.826.481	4.589.648.892
Technical Operations Foreign Exchange Losses	1.232.366.942	721.565.504
Foreign exchange losses	2.486.795.670	1.498.876.706
Administration expenses	(2.008.613.467)	(1.803.782.792)
Commission income from reinsurers	(1.965.121.388)	(2.103.396.162)
<i>Commission income from reinsurers accrued during the period</i>	<i>(43.492.079)</i>	<i>299.613.370</i>
<i>Change in deferred commission income</i>	<i>531.845.853</i>	<i>307.744.711</i>
Advertising and marketing expenses	449.921.249	381.004.726
Other	83.520.477	85.730.314
Total	23.505.594.489	16.220.034.594

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33 Employee benefit expenses

As of December 31, 2025, and 2024, employee benefit expenses are disclosed as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Wages and salaries	3.955.126.586	3.438.539.323
Employer's share in social security premiums	1.278.426.802	863.206.018
Pension fund benefits	158.457.437	61.614.975
Other	334.815.656	226.288.576
Total (Note 32)	5.726.826.481	4.589.648.892

34 Financial costs

As of December 31, 2025, interest expense arising from the leases that the Group has subject to TFRS 16 Leasing Standards amounting to TRY 48.396.210 (31 December 2025: TRY 43.624.128) has accounted under "Investment Management Expenses - Including Interest"; amortization expense amounting to TRY 77.704.075 has been accounted under "Depreciation and Amortization Expense" accounts (January 1 - December 31, 2024: TRY 59.322.796).

As of December 31, 2025, discounted repayment plans for the Group's operating leases are as follows (December 31, 2024: TRY 230.916.234):

	Operating lease repayments -TRY
Up to 1 year	40.358.521
1 - 2 years	66.365.062
2 - 3 years	59.791.651
Total	166.515.234

35 Income tax

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

	January 1 - December 31, 2025	January 1 - December 31, 2024
Current tax expense provision:		
Corporate tax provision	(3.773.887.472)	(3.278.435.206)
Deferred taxes expense/income:		
Origination and reversal of temporary differences	(148.449.513)	(155.885.646)
Total income tax expense/(income)	(3.922.336.985)	(3.434.320.852)

^(*) The offset for the Corporate Tax Provision is included in the "Deferred Tax Asset Account

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A reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the year ended December 31, 2025 and 2024 is as follows:

	December 31, 2025		December 31, 2024	
	19.447.850.714	Tax rate(%)	14.084.376.829	Tax rate(%)
Profit before taxes				
Taxes on income per statutory tax rate	5.834.355.214	30,00	4.225.313.048	30,00
Tax exempt income	(1.760.275.440)	(9,05)	(1.746.602.616)	(12,4)
Non-deductible expenses	281.531.793	1,45	955.610.420	6,79
Utilized tax losses	(433.274.582)	(2,23)	-	-
Total tax expense recognized in consolidated profit or loss	3.922.336.985	20,17	3.434.320.852	24,39

36 Net foreign exchange gains

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

37 Earnings per share

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

	December 31, 2025	December 31, 2024
Net profit/loss for the period	15.525.513.729	10.650.055.977
Weighted average number of shares	66.000.000.000	66.000.000.000
Earnings per share (TRY)	0,23524	0,16136

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.

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

At the Company's Ordinary General Assembly Meeting held on March 26, 2025, it was decided that from the net profit of 5.933.631.405 TL for the year 2024, 6.572.222 TL would be allocated as capitalized gains, 595.703.670 TL would be distributed as cash dividends to shareholders, and the remaining amount would be allocated as retained earnings. The dividend per share was realized as 0,009 TL (no dividend distribution was made during the year 2024).

39 Cash generated from operations

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

40 Convertible bond

None.

41 Redeemable preference shares

None.

42 Risks

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

As of December 31, 2025, the total amount of lawsuits filed against the Company is TRY 635.130.

As of December 31, 2025, total amount of the claims that the Group face is TRY 10.632.753.675 in gross (December 31, 2024: TRY 8.050.124.000). In accordance with the relevant legislation, a provision for incurred but not reported claims has been set aside as collateral for the lawsuits filed against the Company.

43 Commitments

As part of its operations, the Group provides protection to ceding companies in non-life insurance branches in its capacity as a reinsurer, covering insurance risk through reinsurance agreements. The details of the guarantees provided by the Company's subsidiary, Anadolu Sigorta, in the non-life insurance branches are presented in Note 17..

44 Business combinations

None.

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45 Related party transactions

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

The related party balances As of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Türkiye İş Bankası A.Ş.	20.702.021.499	11.594.272.458
İş Yatırım Menkul Değerler A.Ş.	7	-
Banks	20.702.021.506	11.594.272.458
Mutual funds founded by İş Portföy Yönetimi A.Ş.	15.234.972.878	13.704.638.359
Related party stocks	928.628.812	785.142.798
Bonds issued by Türkiye Şişe ve Cam Fabrikaları A.Ş.	103.614.500	108.640.500
Bonds issued by İş Faktoring A.Ş.	233.268.000	231.003.852
Bonds issued by İş Gayrimenkul Yatırım Ortaklığı A.Ş.	100.000.000	21.715.200
Mutual funds issued by Maxis Private Equity Portfolio Management A.Ş.	1.051.765.456	681.113.662
Turkey Is Bank Currency Protected Deposit	-	266.403.595
Bonds issued by Türkiye İş Bankası	-	165.457.600
Bonds issued by İş Finansal Kiralama A.Ş. (Note 11)	844.690.500	-
Bonds issued by İş Yatırım Menkul Değerler A.Ş. (Note 11)	69.271.500	-
Financial Assets (Not 11)	18.566.211.646	15.964.115.566
Türkiye İş Bankası A.Ş.	7.494.873.751	2.319.684.264
Türkiye Sigorta A.Ş.	559.474.251	358.710.042
Other	85.513.686	81.330.204
Receivables from main operations	8.139.861.688	2.759.724.510
Türkiye İş Bankası A.Ş.	(209.165.228)	129.182.425
Other	28.299.931	24.910.914
Payables from main operations	(180.865.297)	154.093.339
Payables to partners	527.547	193.699
Payables to personnel	2.272.298	11.094.492
Payables to other related parties	300.181	2.283.093
Due to related parties	3.100.026	13.571.284

No guarantees have been taken against receivables from related parties.

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

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

The transactions with related parties during the years ended December 31, 2025 and 2024 are as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Türkiye İş Bankası A.Ş. (Premiums written through the bank channel)	13.381.631.477	9.837.978.292
Türkiye Sigorta A.Ş.	4.204.631.290	3.264.689.468
Other	373.461.133	306.114.215
Premium received	17.959.723.900	13.408.781.975
Premiums ceded	-	5.567.184
Commissions received	-	551.983
Türkiye İş Bankası A.Ş.	1.431.258.737	990.164.155
Türkiye Sigorta A.Ş.	-	752.749.265
Anadolu Hayat Emeklilik A.Ş.	-	27.237.434
Other	29.439.041	11.469.133
Commissions given	1.460.697.778	1.781.619.987
Türkiye Sigorta A.Ş.	1.232.859.487	1.219.100.842
Axa Sigorta A.Ş.	40.618.526	97.883.162
Other	53.967.407	57.824.612
Claims Paid	1.327.445.420	1.374.808.616
Reinsurer share in paid claims	1.180.216	1.444.992
Türkiye Sigorta A.Ş.	49.172.848	15.012.056
Other	7.657.808	(1.022.723)
Other income	56.830.656	13.989.333
İş Merkezleri Yönetim ve İşletim A.Ş. - building service expense	77.985.399	53.406.496
Yatırım Finansman Menkul Değerler - performance commission	17.912.466	2.890.420
Türkiye Sigorta A.Ş.	11.169.911	8.918.593
Other	43.819.209	6.198.191
Other expenses	150.886.985	71.413.700

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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 Various Current Assets

	December 31, 2025	December 31, 2024
Assets Held for Sale	-	1.548.400.000
Other	5.325.945	5.627.100
Total	5.325.945	1.554.027.100

The Group has reached an agreement with the buyer regarding the sale of its investment property located at Tunaman Multi-Storey Parking, valued at 1.548.400.000 TL, as of December 31, 2024. The asset has been accounted for as a non-current asset held for sale in accordance with TFRS 5, “Non-Current Assets Held for Sale and Discontinued Operations.” The sale transaction, excluding VAT, was completed on January 17, 2025.

Other Technical Revenues (Net of Reinsurer’s Share)

	December 31, 2025		December 31, 2024	
	Life	Non-Life	Life	Non-Life
Foreign Exchange Gains from Technical Operations	2.834.884	1.455.791.654	467.692	802.411.274
Other	-	138.117.499	400	126.373.448
Total	2.834.884	1.593.909.153	468.092	928.784.722

Other Technical Expenses

In the income statement, under the item “Other Technical Expenses,” an amount of 1.982.186.938 TL (December 31, 2024: 1.599.282.516 TL) includes a portion of 860.792.482 TL (December 31, 2024: 594.889.717 TL) related to assistance services, the deferral of these amounts, and technical expenses associated with these services.

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.

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

None.

As of and for the year ended December 31, 2025 and 2024, details of discount and provision expenses are as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Provision expense/income for doubtful receivables ^(*)	(1.474.402.897)	(647.088.499)
Provision for pension fund deficits	(324.995.929)	(315.259.415)
Provision expense for employee termination benefits (Note 23)	(47.688.850)	63.894.943
Provision expenses for unused vacation (Note 23)	(29.157.965)	(23.661.059)
Terminated provision income/(expense)	197.454	1.013.564
Other provision expenses	(8.386.345)	(31.847.483)
Provision expenses	(1.884.434.532)	(952.947.949)

^(*) The provision expense for doubtful receivables arises from the valuation of foreign currency denominated doubtful receivables from insurance operations and main activities, as well as from the doubtful receivable provisions allocated in the current period.

	January 1 - December 31, 2025	January 1 - December 31, 2024
Rediscount income/(expense) from main operations receivables	1.169.470.844	(1.149.018.628)
Rediscount income/(expense) from main operations payables	(1.395.372.495)	770.036.205
Total of rediscounts	(225.901.651)	(378.982.423)

Fees related to services obtained from the Group's Independent Auditor/Independent Audit Firm ^(*):

	December 31, 2025 ^(**)	December 31, 2024
Independent audit fee for the reporting period	26.449.879	7.405.741
Fees for tax advisory services	1.550.000	2.078.030
Non audit assurance services	5.234.650	-
Total	33.234.529	9.483.771

^(*) It is the fee excluding VAT.

^(**) The fees for the current period include the assurance audit of the 2024 TSRS sustainability report conducted in 2025 following the approval of the financial statements for the fiscal period of January 1 - December 31, 2024, as well as the audit fees for the IFRS 17 financial statements from previous periods.

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