



**YOUR FUTURE  
IS SAFE  
WITH US**

**ANADOLU  
SİGORTA**  
Never Lose

# CONTENTS

GENERAL INFORMATION	1	INSURANCE INDUSTRY: OVERVIEW AND	
CORPORATE PROFILE	4	FUTURE OUTLOOK	54
OUR VISION, OUR MISSION, OUR CORPORATE VALUES	5	IMPORTANT CHANGES IN LEGISLATION	56
MILESTONES FROM THE HISTORY OF ANADOLU SİGORTA	6	AN ASSESSMENT OF ANADOLU SİGORTA IN 2023	60
CHAIRPERSON'S MESSAGE	10	PROFIT DISTRIBUTION POLICY	80
CEO'S MESSAGE	14	RISK MANAGEMENT POLICIES ADHERED TO	
ORGANIZATION CHART	18	BY TYPES OF RISKS	81
RATINGS	19	ACTIVITIES OF THE EARLY DETECTION OF RISK	
CAPITAL AND SHAREHOLDER STRUCTURE	19	COMMITTEE	84
BOARD OF DIRECTORS	20	INDEPENDENT AUDITOR'S REPORT ON THE EARLY	
DECLARATIONS OF INDEPENDENCE BY INDEPENDENT		IDENTIFICATION OF THE RISK COMMITTEE AND SYSTEM	86
MEMBERS OF THE BOARD OF DIRECTORS	23	INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL	
EXECUTIVE COMMITTEE	26	REPORT OF THE BOARD OF DIRECTORS	87
HEADS OF UNITS UNDER THE INTERNAL SYSTEMS	30	DISCLOSURE POLICY	89
FINANCIAL AFFAIRS MANAGERS	32	STATEMENT OF COMPLIANCE WITH CORPORATE	
AVERAGE NUMBER OF EMPLOYEES BY CATEGORIES		GOVERNANCE PRINCIPLES	92
DURING THE REPORTING PERIOD	33	CORPORATE GOVERNANCE COMPLIANCE REPORT	93
FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF		CORPORATE GOVERNANCE INFORMATION FORM	100
THE GOVERNING BODY AND EXECUTIVES	33	ADDITIONAL INFORMATION ON CORPORATE	
RESEARCH AND DEVELOPMENT PERTAINING TO		GOVERNANCE	107
NEW SERVICES AND BUSINESS ACTIVITIES	36	SUSTAINABILITY PRINCIPLES COMPLIANCE	
PRIMARY GOALS AND POLICIES	37	FRAMEWORK	110
INFORMATION ON THE COMPANY'S INVESTMENTS	37	COMMITTEES OPERATING AT ANADOLU SİGORTA	
ACTIVITIES RELATED TO BUSINESS CONTINUITY		AND AN ASSESSMENT BY THE BOARD OF DIRECTORS	118
MANAGEMENT	38	AN ASSESSMENT OF THE OPERATION OF THE	
AN ASSESSMENT OF 2023 BY THE BOARD OF		INDEPENDENT AUDIT FIRM IN 2023 ACTIVITY	
INSPECTORS	39	PERIOD VIA THE AUDIT COMMITTEE	123
AN ASSESSMENT OF THE INTERNAL CONTROL SYSTEM	40	HUMAN RESOURCES PRACTICES AT	
ACTIVITIES OF THE ACTUARIAL DEPARTMENT	41	ANADOLU SİGORTA	124
INFORMATION ON ASSOCIATES	41	AGENDA OF THE ANNUAL GENERAL ASSEMBLY	
REPURCHASED OWN SHARES BY THE COMPANY	42	MEETING	127
DISCLOSURES CONCERNING SPECIAL AUDIT AND		2023 PROFIT DISTRIBUTION PROPOSAL	128
PUBLIC AUDIT	42	2023 PROFIT DISTRIBUTION TABLE	129
OUTSOURCING	42	DETAILED INCOME STATEMENT	130
LAWSUITS FILED AGAINST THE COMPANY AND		UNCONSOLIDATED FINANCIAL STATEMENTS AS OF	
POTENTIAL RESULTS	43	DECEMBER 31, 2023 TOGETHER WITH THE	
DISCLOSURE OF ADMINISTRATIVE OR JUDICIAL		INDEPENDENT AUDITOR'S REPORT	132
SANCTIONS AGAINST THE COMPANY AND/OR BOARD		CONSOLIDATED FINANCIAL STATEMENTS AS OF	
OF DIRECTORS MEMBERS	43	DECEMBER 31, 2023 TOGETHER WITH THE	
ASSESSMENT OF PRIOR PERIOD TARGETS AND		INDEPENDENT AUDITOR'S REPORT	215
GENERAL ASSEMBLY DECISIONS	43	INFORMATION ON CONSOLIDATED SUBSIDIARIES	216
EXPENSES INCURRED IN RELATION TO DONATIONS AND		AN ASSESSMENT OF FINANCIAL STANDING,	
GRANTS AND SOCIAL RESPONSIBILITY PROJECTS	43	PROFITABILITY AND SOLVENCY	300
COMMITMENT TO SOCIAL RESPONSIBILITY	44	INFORMATION ON FINANCIAL STRUCTURE	302
THE COMPANY'S TRANSACTIONS WITH THE		SUMMARY FINANCIAL INFORMATION FOR THE LAST	
RISK GROUP	45	5 YEARS INCLUDING THE REPORTING PERIOD	303
SUMMARY REPORT BY THE BOARD OF DIRECTORS	46	INFORMATION FOR INVESTORS	304
FINANCIAL INFORMATION AND INDICATORS	48		
ECONOMIC OVERVIEW	52		

# GENERAL INFORMATION

## Anadolu Anonim Türk Sigorta Şirketi 2023 Annual Report

### Corporate Title

Anadolu Anonim Türk Sigorta Şirketi

### Website

www.anadolusigorta.com.tr

### Anadolu Sigorta Trade Registration No:

4593/557

### Directory

#### Head Office

Rüzgarlıbahçe Mah. Çam Pınarı Sok. No: 6  
34805 Beykoz / İstanbul  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 745  
E-mail: bilgi@anadolusigorta.com.tr

#### İstanbul Regional Branch

Levent Mah. Meltem Sok. No: 10  
İş Kuleleri Kule: 2 Kat: 8  
34330 Beşiktaş / İstanbul  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 753  
E-mail: istanbulbolge@anadolusigorta.com.tr

#### Kadıköy Regional Branch

Küçükbakkalköy Mah. Vedat Günyol Cad. 20/11  
34750 Ataşehir / İstanbul  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 754  
E-mail: kadikoybolge@anadolusigorta.com.tr

#### Mediterranean Regional Branch

Konyaaltı Cad. No: 78  
07050 Muratpaşa / Antalya  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 752  
E-mail: akdenizbolge@anadolusigorta.com.tr

#### Western Anatolia Regional Branch

Atatürk Cad. No: 92  
Anadolu Sigorta Binası 2  
35210 Pasaport Konak / İzmir  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 747  
E-mail: batianadolubolge@anadolusigorta.com.tr

#### Middle Black Sea Regional Branch

Kılıçdede Mah. Ülkem Sok. No: 8-A/7  
55060 İlkadım / Samsun  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 750  
E-mail: ortakaradenizbolge@anadolusigorta.com.tr

#### Southern Anatolia Regional Branch

Reşatbey Mah. 62029. Sok. No: 16/A  
01120 Seyhan / Adana  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 746  
E-mail: guneyanadolubolge@anadolusigorta.com.tr

#### Central Anatolia Regional Branch

Söğütözü Mah. 2176. Sok. Platin Tower İş Merkezi No: 7/1  
06530 Çankaya / Ankara  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 749  
E-mail: icanadolubolge@anadolusigorta.com.tr

#### Black Sea Regional Branch

Anadolu Sigorta, Kaşüstü Mah. Devlet Karayolu Cad.  
Sabırlar İş Merkezi B Blok No: 47/ 31  
61250 Yomra/Trabzon  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 751  
E-mail: karadenizbolge@anadolusigorta.com.tr

#### Marmara Regional Branch

Odunluk Mah. Akademi Cad.  
Zeno İş Merkezi A Blok No: 10/5  
16110 Nilüfer / Bursa  
Tel: +90 850 724 0850  
Fax: +90 850 744 0 748  
E-mail: marmarabolge@anadolusigorta.com.tr

#### TRNC Branch

Köşklüçiftlik Mah. Memduh Asaf Sok. No: 8  
Lefkoşa / KKTC  
Tel: 0392 227 95 95  
Faks: 0392 227 95 96  
E-mail: kibrissube@anadolusigorta.com.tr

#### Gaziantep Sales Office

İncilipınar Mah. Gazi Muhtar Paşa Bulvarı  
36017 Sok. Kepkepzade Park İş Merkezi  
C Blok No: 6/10  
Şehitkamil Gaziantep  
Tel: +90 850 744 0 755  
E-mail: antepsatis@anadolusigorta.com.tr



A person wearing a green shirt is climbing a rope, with their hands and feet visible. The background is a blurred outdoor setting with sunlight filtering through. A large, semi-transparent blue circular graphic is overlaid on the image, containing the text. The graphic consists of a dark blue outer ring and a lighter blue inner circle, with a white line and four colored dots (purple, orange, blue, yellow) around the inner circle's perimeter. Diagonal stripes in yellow, blue, and orange are also visible on the left side of the image.

**OUR REPUBLIC IS THE  
REASON WE EXIST.  
WE KEEP GETTING  
STRONGER AND  
GROWING TOGETHER.**

## CORPORATE PROFILE

ANADOLU SİGORTA WILL CONTINUE TO BACK THE ADVANCEMENT OF INSURANCE BUSINESS IN TURKEY, AND FURTHER CEMENT ITS STRONG POSITION IN THE SECTOR WITH ITS BREAKTHROUGH IN DIGITAL INSURANCE.

TL **44,228**  
MILLION

TOTAL PREMIUM  
PRODUCTION

**10.30%**

TOTAL MARKET  
SHARE

**1,708**

NUMBER OF  
EMPLOYEES

In 2023 Anadolu Sigorta expanded its total premium production by 86.2% year-on-year to TL 44,228 million and controlled a 10.30% share of the overall market among non-life companies.

Anadolu Sigorta pursues its operations via ten regional branches across the nation and one branch in the Turkish Republic of Northern Cyprus. The number of employees on the company's payroll averaged 1,708 in 2023. Anadolu Sigorta registered its highest premium production in the motor vehicles branch with TL 11,763 million, followed by the fire and natural disasters branch with TL 9,172 million in 2023. Trailing these two branches, in order, were motor vehicle liability with TL 8,831 million, health with TL 5,844 million, general losses with TL 3,039 million and watercraft with TL 1,221 million.

# OUR VISION, OUR MISSION, OUR CORPORATE VALUES

## OUR VISION

- To make Anadolu Sigorta the insurance brand preferred by everyone who needs insurance.
- To achieve a strength that makes it a reference point in the worldwide insurance industry as well.

## OUR MISSION

In keeping with the deeply-rooted, pioneering, honest, and solid corporate values of Anadolu Sigorta to:

- Lead the sector,
- Help create a broad public awareness of insurance in Turkey,
- Implement a customer-focused approach to service,
- Increase our financial strength to international standards,
- Enhance the value of our company.

## CORPORATE VALUES

### A Company Entrenched In History

- It was founded in accordance with the instructions given by Mustafa Kemal Atatürk.
- It is Turkey's first national insurance company.
- It has a powerful corporate structure built on its knowledge of insurance accumulated through the years.

### Pioneership

- Pioneer in creating product;
- Pioneer in service;
- Pioneer in technology;
- With its self-renewing ability preserves its pioneering position;
- It plays a pioneering role in social responsibility.

### Integrity

- It has ethical merits;
- It fulfills its promises definitely;
- It inheres in transparency as principle;
- It never abandons human values.

### Powerful Structure

- It has a stable financial power;
- It has an extended and efficient service network;
- It has a sophisticated and high qualified human source;
- It gains power from the synergy created by İşbank.

# MILESTONES FROM THE HISTORY OF ANADOLU SİGORTA

FOUNDED IN 1925 AS THE FIRST NATIONAL INSURANCE COMPANY IN OUR COUNTRY, **ANADOLU SİGORTA HAS BEEN PURSUING ITS OPERATIONS AWARE OF ITS PIONEERING ROLE IN THE TURKISH INSURANCE INDUSTRY.**

**1925**

Anadolu Sigorta was founded on April 1st at the initiative of Atatürk and under the leadership of İşbank, Turkey's first national bank.

**1961**

The first data processing system was set up.

**1975**

Being the leader of national insurance since the onset of the Turkish Republic, Anadolu Sigorta celebrated its 50th anniversary.

**1991**

The life branch was transferred to Anadolu Hayat Sigorta, a newly-formed life insurer as required by law.

**1993**

Extending administrative and technical assistance to Günay Anadolu Sigorta, founded and started to operate in Azerbaijan, Anadolu Sigorta became the first Turkish insurance company to set up an international operation.

**1996**

Policies in legal protection insurance branch, another first in our country, were written.

**2004**

Voted as "the most satisfactory insurance company with its products and services", Anadolu Sigorta received the Active Academy Private Customer Satisfaction Award in Insurance. The company expanded its service range by taking over the health branch from Anadolu Hayat Emeklilik, which the company was required by law to give up. Anadolu Sigorta was awarded its ISO 9001: 2000 Quality Management System certification, an endorsement proving that the company's quality management system complies with international standards.

**2006**

The company maintained its sectoral leadership in premium production for the fifth consecutive year and realized a premium production in excess of TL 1 billion, undersigning yet another historic result in the history of the Turkish insurance industry.

**2007**

The sector's unrelenting champion in premium production for the last six years, Anadolu Sigorta became the first insurance company in Turkey to exceed the USD 1 billion threshold in total premium production.

**2015**

While celebrating its 90th anniversary, the company launched its revamped website.

**2019**

The company reached TL 6.6 billion in total premium production in 2019. While the net profit for the period augmented by 31% to TL 403 million, RoE was 18.7%. Having completed its 10th year by the end of 2019, the social responsibility initiative "Bir Usta Bin Usta" (One Master, Thousand Masters) reached its goal of opening 5 different vocational courses in 5 different cities each year, and came to a close after training 1,000 prospective masters for 50 different vocations risking vanishing.

**2020**

Teleworking scheme was introduced for the employees during the pandemic and insurance activities were carried on uninterruptedly.



# 2023

FOLLOWING THE EARTHQUAKES OF 6 FEBRUARY 2023 THAT HAD THEIR EPICENTERS IN GAZİANTEP AND KAHRAMANMARAŞ, OUR COMPANY HAS TAKEN ACTION SWIFTLY FOR SUPPORTING THE LOCAL PEOPLE AND FOR THE SAFETY AND NEEDS OF THE COMPANY EMPLOYEES, RETIREES, AND BUSINESS PARTNERS. WE HAVE GONE ABOVE AND BEYOND THE CALL OF DUTY TO HELP MINIMIZE THE IMPLICATIONS OF THIS HORRIFIC DISASTER.

**1983**

“Blue Insurance” policies marking the introduction of comprehensive insurance system in Turkey and offering 17 types of cover were put on sale for the first time.

**1984**

Highly acclaimed by the public and the sector, “Insurance of the Future”, the most comprehensive life policy ever offered in Turkey until then, was introduced.

**1986**

Representing a new branch in the Turkish insurance business, “Electronic Equipment Insurance” was first started by Anadolu Sigorta.

**1987**

Activities commenced in the agricultural insurance branch.

**1997**

Aiming to make the most of the possibilities offered by IT, a “Recon Project” was launched. Services were made more efficient and productive with the inclusion of all services and agencies in the data processing network with online and real-time systems.

**1999**

In order to provide the fastest and most comprehensive service to its policyholders in the aftermath of the disastrous earthquake of 17 August, the company worked round the clock to provide uninterrupted service.

**2001**

After providing service for over five decades, the company was relocated from its building in Karaköy to İş Towers, where it would be together with İşbank subsidiaries.

**2002**

A brand-new era began with the “Maximum Service in Insurance” concept. The company introduced the service philosophy under one title that it has possessed since its foundation, and once again became the author of a first in the sector.

**2008**

Anadolu Sigorta launched the C2C (Closer to Customer) change program whereby all business processes are reviewed and revised. While the company increased its profitability through sustainable growth strategy, it also received Active Academy Private Customer Satisfaction Award in Insurance for the fifth consecutive time.

**2010**

The company celebrated its 85th anniversary. Planned within the frame of the C2C change program, the first set of changes was put into life. The company launched its new social responsibility project, “Bir Usta Bin Usta” (From One Master to One Thousand), thus contributing to revitalize vanishing professions in Anatolia.

**2012**

The company received four international awards with its social responsibility project, and its 2011 Annual Report.

**2013**

Anadolu Sigorta relocated to its new head office in Kavacık-Istanbul.

**2021**

Due to the ongoing pandemic, the company transitioned to the hybrid working system.

**2022**

Anadolu Sigorta received the “onsite R&D Center” license from the Ministry of Industry and Technology, becoming the one and only company to do so in the insurance industry. The company’s pioneering and leading position will be further reinforced with the innovative solutions to be offered via the R&D Center.

“The Eyes of the Forest” corporate social responsibility project was put into life in cooperation with the Ministry of Agriculture and Forestry Directorate General of Forestry.



Global Statistics



26%

74%

42%

Sales  
Leads  
Products



**WE HAVE PIONEERED  
SERVICE AND TECHNOLOGY.  
WE KEEP DELIVERING  
HIGH CUSTOMER  
EXPERIENCE DRAWING  
ON ALL THE CAPABILITIES  
DIGITALIZATION OFFERS.**

# 4.7%

CONSUMPTION THAT HAS BEEN BROUGHT FORWARD BECAUSE OF HIGH INFLATION HAS BEEN THE MAIN DRIVER OF GROWTH IN OUR ECONOMY THAT REGISTERED 4.7% GROWTH IN THE FIRST THREE QUARTERS.

### **Inflation stands out as the main reason of concerns over global economy.**

The long-term effects of the pandemic, geopolitical uncertainties that further increased with the addition of the war in Gaza, Middle East to the ongoing war in Ukraine, tightening monetary policies pursued to fight inflation and high interest rates emerge as factors delaying economic recovery. Despite this negative macroeconomic outlook, global growth exhibited a stagnation below the anticipations in 2023. The greatest contribution to growth was lent by China, although displaying a relatively lower growth performance in recent years, and India, the rising economy. The weakest growth, on the other hand, occurred in the Eurozone.

According to the IMF World Economic Outlook dated January 2024, global growth in 2023 is estimated as 3.1%, whereas growth rates for developed and developing economies are expected to materialize at 1.6% and 4.0% respectively. The projected worldwide growth rate for 2024 is 3.1%.

8.7% in 2022, global inflation is anticipated to decrease steadily, dropping to 6.8% in 2023 and 5.8% in 2024.

In the period ahead, global economy will most likely continue to be confronted with high inflation and deceleration tendency, and that economy authorities will have to keep devising policies to find the balance between anti-inflation efforts and economic growth.

### **The Turkish economy made a radical change in policy.**

In 2023, the Turkish economy remained on growth track in spite of the destructive effect of the earthquake disaster, whereas inflation pressure intensified and the household purchasing power diminished quickly. Having sustained its uptrend throughout the year, the CPI reached 64.77% in December.

Consumption that has been brought forward because of high inflation has been the main driver of growth in our economy that registered 4.7% growth in the first three quarters. Due to the fact that this growth model is unsustainable, the new economy administration decided to slow down economy through monetary policy. The CBRT moved to the simplification process, while hiking the policy rate, bringing the interest rate from 8.5% in June gradually up to 42.5% at the end of the year.



While global deceleration and the stagnation especially in Europe that represents our main export market curb the rise in exports, consumption-driven economic growth negatively reflected on external balance and current deficit by way of its booster effect on non-energy imports.

In its Global Economic Outlook dated January 2024, the IMF estimated 2023 growth for Türkiye as 4.0%. Growth projection for 2024 was revised downwards from 3.2% to 3.1%. The new Medium Term Program released in September, on the other hand, estimated growth at 4.4% and inflation at 65% in 2023.

**The negative impacts of the existing economic conjuncture on the insurance industry persist.**

The global insurance industry is confronted with a number of challenges amid the existing conjuncture, including the insurance premiums that escalate due to ongoing high inflation and the resulting slowing of global economy, decreased profitability due to soaring costs of loss, and declined insurance penetration.

Following 1.1% decline in 2022, real growth in global premiums is estimated

to increase by 1.1% in 2023 and 1.7% in 2024 in real terms and remain below the ten-year (2012-2021) average of 2.6%.

Notwithstanding, 2023 premium production volume is reckoned above USD 7 trillion in total. This record-high figure is 16% higher than it was at the end of 2019, the period that preceded the onset of COVID-19.

According to Swiss Re Sigma data, non-life premium production registered an annual growth of 0.5% in real terms in 2022 due to high inflation, which was way below 3.6% that was the average of the previous 10 years. Premium production is anticipated to have improved by 1.4% in the reporting period and to ameliorate by 1.8% in 2024 in real terms. In addition, the RoE of the non-life sector is expected to go up from 3.4% in 2022 to 7.8% in 2023 and to 9.3% in 2024.

According to AON's Q3 2023 Catastrophe Recap, while total global economic losses from natural disasters in the first half of 2023 amounted to USD 194 billion, only USD 53 billion of the total loss was insured. Of the 18 individual events that caused losses in excess of billion USD in this period,

**\$7** trillion

**THE GLOBAL PREMIUM PRODUCTION VOLUME IS IN 2023 RECKONED ABOVE USD 7 TRILLION IN TOTAL.**

# The centennial of our Republic

WHILE WE FERVENTLY CELEBRATED THE CENTENNIAL OF OUR REPUBLIC IN 2023, WE CONTINUED TO TAKE IMPORTANT STRIDES IN OUR COMPANY'S SERVICE JOURNEY THAT CLOSES IN ON A CENTURY.

the earthquake in Turkey has been the costliest one. Estimated loss from this earthquake was above TL 100 billion (USD 5.6 billion) based on average exchange and inflation rates in February. Furthermore, economic losses from catastrophe events in the EMEA topped USD 111 billion.

On the other hand, the risks stemming from extreme weather resulting from climate crisis and cyber risks that increase in parallel with the progress of digital technology remain as the key expansion areas for the insurance industry.

### **Our industry maintains its performance.**

The insurance industry in Türkiye maintains its high growth potential in connection with the evolving dynamics of the country. Particularly in view of the disasters and natural catastrophes with constantly increasing frequency, the importance of the insurance industry for the national economy and individuals is better understood. The colossal earthquake disaster that hit our country by early 2023 bore major impacts not only in terms of the deep social scar it has left, but also had major reflections on the economy and insurance industry.

As the industry players, we have spent our best efforts, and we are committed to continue doing so, in several ways including assisting the victims and survivors with humanitarian aids and making claims payments to our insured customers in the fastest manner.

Due to the effect the ongoing high inflation has on costs, premium increases continue particularly in health, commercial and motor own damage policies. Reinsurers' tendencies to quote higher prices or not to allocate additional capacity after the earthquake will give an upward push to premium prices in the coming period.

According to the premium production data announced by the Insurance Association of Türkiye (TSB), premium production amounted to TL 485.9 billion in total for a year-on growth by 106.8% as at end-December 2023. While life branch was responsible for 11.7% of premium production, 88.3% was written by the non-life branch.

### **A powerful performance befitting a year of immense meaning**

As Türkiye's most established and most experienced insurance company, our vision is defined as being the brand preferred by everyone who needs insurance, and our mission is spelled out as helping create a broad awareness of insurance in our country, leading the sector, and enhancing the value of our company.

While we fervently celebrated the centennial of our Republic in 2023, we continued to take important strides in our company's service journey that closes in on a century.

We captured a significant financial performance in 2023, and achieved solid growth in our equity, profitability and premium production.

We increased our digital competencies and we have taken new steps for increasing the effectiveness of the products and functions offered through our platforms in line with the demands and expectations of our target audiences. We are adding momentum to our various improvement initiatives to further strengthen our products and services on our insurance platforms by taking our customer-driven approach further, and updating our digital channels.

Being the one and only company in the industry holding an R&D center certification for more than one year, we are proving our pioneering position in this area as well through our digital

solutions that improve and transform the industry.

At the Smart-i Awards, we claimed two gold prizes with our “Digital Trace Project” in the “Digital Transformation” category and our “Assistance Service – Tow Truck Optimization” project in the “Innovative Customer Interaction” category.

We are identifying our brand with our prestige and trust built on our immense experience, deep-rooted corporate structure and financial strength, and we keep crowning this image with awards.

Once again, we have been named the Diamond Brand of Türkiye in the insurance industry at the Contribution to Economy Index (EFE), and we have also received Türkiye’s symbol brand certificate by being placed in the industry for two consecutive years on the Turkish Reputation Index (TİE), Turkish Youth Index (G250), Turkish Customer Satisfaction Index, and Contribution to Economy Index (EFE).

#### **We are working to not lose the future.**

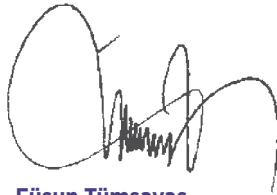
At Anadolu Sigorta, we are integrating our sustainability notion in all our activities ranging from product development to purchasing, from our social responsibility initiatives to HR practices. The approach we adopt to sustainable development is one that seeks to create added value, and we regard sustainability as an opportunity for growth and innovation. We deem it important to partner with national and international stakeholders to reach Sustainable Development Goals.

We are carrying out our insurance business with awareness and mindfulness of our responsibilities towards the society; as part of our sustainability efforts, we keep a close eye on ESG criteria and international developments, and take action to engage all our stakeholders and customers in these efforts.

Based on our undeniable contribution to the establishment and development of our sector, and on our identity as a reference company, we consider economic and social development as a whole and always take our target to create more value for our customers and all other stakeholders further. To this end, it will remain as our fundamental principle to work our way through all hardships to contribute to a prosperous and strong society and sustainable future.

We thank all our colleagues at any level, our business partners, distribution channels, policyholders and all our shareholders, who have been walking down this path alongside us to win the future, for their support and contribution.

Sincerely,



**Füsun Tümsavaş**

Chairperson of the Board of Directors

## A strong society

PRINCIPLE TO WORK OUR WAY THROUGH ALL HARDSHIPS TO CONTRIBUTE TO A PROSPEROUS AND STRONG SOCIETY AND SUSTAINABLE FUTURE.

## CEO'S MESSAGE

TL 429.2 billion

IN THE NON-LIFE BRANCH THAT REACHED A TOTAL PREMIUM OF TL 429.2 BILLION IN 2023, THE LARGEST SHARE WAS THE MOTOR VEHICLES LIABILITY BRANCH WITH 27.5%.

### **Our sector registered real growth despite high inflation.**

According to December 2023 data released by the Insurance Association of Türkiye (TSB), premium production in the insurance industry totaled TL 485.9 billion for a year-on growth by 106.8%. In the same timeframe, premium growth in life branch was registered as 83.7% and that in non-life branch was 110.3%. Responsible for 88.3% of premium production, non-life branch reached TL 429.2 billion in total premiums written.

The sub-branches that got the highest share out of premium production were motor vehicles liability (27.5%), motor vehicles/own damage (19.6%), illness/health (16.4%) and fire and natural disasters (15.2%).

Amid an environment of ongoing high inflation in our country, the rise in medical inflation in particular reflected on health insurance policies, while motor own damage premiums also pick up due to the increase in exchange rates and minimum wage, as well as in automobile and spares prices.

Following last year's Kahramanmaraş earthquake disaster, certain reinsurance companies took a conservative stance and refrain from increasing their capacities in Türkiye; coupled with

that, the soaring reinsurance costs will inevitably reflect on renewal prices and premiums in the coming period.

Certain regulatory arrangements are being introduced in an effort to prevent the unhealthy price competition in the sector. In this framework, various revisions were made to maximum premium and monthly premium increases for Motor Compulsory TPL Insurance.

Initiatives such as the Earthquake-Focused Insurance Reform Project by the Insurance Association of Türkiye launched in the aftermath of Kahramanmaraş earthquake are targeted at increasing the insurance industry's earthquake preparedness.

To achieve more accurate results in possible disasters, alternative models are being introduced in earthquake modeling, which will work together with existing modeling methods. Developed by Türk Re, CAT MOD, a disaster modeling product that is the first in Türkiye and third in the world, allows modeling according to our country-specific building stock and local circumstances.

In the Medium Term Program, the government plans to expand the compulsory earthquake insurance and to incorporate other disasters in the





coverage. It also targets to propagate construction completion insurance to support urban transformation projects. The considerations in this respect also include the establishment of professional liability insurance system for the individuals and organizations involved in the process of building inspection for increasing construction quality.

TFRS 17 (International Insurance Contracts Standard), which entails sweeping arrangements, is slated for gradual transitioning in 2024. In order to fulfill the requirements of the new standard and to make the transition to it, insurance companies are continuing with their restructuring and adaptation efforts for a number of units including actuary, finance, accounting, information technology and so on.

**Our company authored a high performance.**

In a year of high operational and financial performance achieved, we augmented our premium production by 86.2% to TL 44.2 billion in 2023. Our market share was 10.3%.

We are ranked in top three in 12 of the 15 branches included in the non-life insurance industry. Based on 2023 results in the sector, our company

ended the year in the first place in Motor Vehicles, Watercraft and Aircraft branches.

The top contributors to the growth in premium production were Motor Vehicles, and Fire and Natural Disasters branches.

While our technical profit surged by 416.6% to TL 7.35 billion, the greatest contribution was lent by Motor Vehicles with TL 6.34 billion, and Illness/Health branch with TL 1.87 billion. Our net profit was registered as TL 5.90 billion, whereas our total assets reached TL 58.3 billion.

**We are ready and armed to enhance customer experience.**

In line with our collaboration that will support increasing financial literacy awareness, we have secured several benefits for our customers under the protocol signed with the Credit Bureau of Türkiye (KKB) in 2023. Accordingly, our customers will get Findeks Reports free-of-charge, and will be entitled to a discount of up to 10% provided that they disclose the Graded Risk Report in new motor own damage policy requests and provided further that they have a Findeks credit score of 1,650 or higher. One of our products that make a differentiation in the sector, Co-branded Motor Own Damage Policies product

TL **44.2** billion

IN A YEAR OF HIGH OPERATIONAL AND FINANCIAL PERFORMANCE ACHIEVED, WE AUGMENTED OUR PREMIUM PRODUCTION BY 86.2% TO TL 44.2 BILLION IN 2023. OUR MARKET SHARE WAS 10.3%.

# Breaking new ground in the sector

AT ANADOLU SİGORTA,  
WE ARE FORMULATING  
OUR SUSTAINABILITY  
PERSPECTIVE  
HOLISTICALLY, AND  
BREAKING NEW  
GROUND IN OUR  
SECTOR.

line, under which we have offered all insurance coverages our customers needed under a single roof, was further expanded to cover products by three different brands. We have added Hesaplı Mini and Hesaplı Plus packages to our Hesaplı Kasko (Affordable Motor Own Damage) product, which offers repairs at low-cost at in-network private service shops to our customers turning towards products with lower premiums due to economic reasons, and allowed our customers to choose the package that fits their budget and need. In addition, we have added Hesaplı Kasko (Affordable Motor Own Damage) Insurance and Aile İşi Kasko (Family Plan Motor Own Damage) products to our digital platforms.

In electric vehicle insurance that is one of our outstanding products, we started offering the service to be towed to the nearest charging station for an indefinite number of times for all-electric vehicles, in response to our customers' needs. In addition to that, we are conducting various studies with our different health insurance products with different coverages that cater to diverse budgets with the aim of correct pricing, in particular, and offering personalized products and campaigns. Given that accessibility is an equally telling factor in health insurance as product diversity and campaigns are, we place the utmost importance on expanding our in-network institutions and increasing our partnerships.

### **We are spearheading the digital transformation in the sector.**

We embarked upon a new period in insurance services with major updates to our digital channels. With the innovations made, we are striving to deliver our policyholders a more comprehensive, user-friendly and reliable insurance experience through our digital platforms.

We are further improving the "Claims Journey" that starts with the claims notification process, and upgrading digital claims functions. To this end, we are working to guarantee faster and smoother management of claims processes by our policyholders.

We are giving our customers access to campaign information through digital media, and help them make more informed choices in relation to insurance processes.

With the Wallet and Points infrastructure added to Sigortam Cepte (Insurance on My Mobile), we are enabling our policyholders to redeem the points they collect for making their policy payments and manage their financial transactions more easily.

We have introduced the function for ascertaining glass damage and referral based on photograph, one of our AI-based solutions developed for making the most of technology to offer our policyholders faster and more effective service on our website. With this innovation, we are targeting to optimize loss ascertainment processes and enhance customer satisfaction.

We are carrying on with efforts to constantly improve user experience on app interfaces. We are giving the foreground to upgrades in interfaces to deliver users a more convenient, more interactive and faster experience.

We are finalizing the frictionless transition between Sigortam Cepte (Insurance on My Mobile) and Sağlıkım Cepte (My Health on Mobile) applications, and integrating digital form applications more effectively. Hence, we are making the transition experience a more user-friendly and frictionless one for our customers.

We are increasing our partnerships in healthcare, and introducing initiatives that will make life easier

for our policyholders especially in telemedicine. We are targeting to offer our customers more effective and accessible healthcare solutions by supporting digitalization in healthcare services.

As a brand new initiative, we are launching the no-desk hospital project. With this initiative, we enable our policyholders to perform their preliminary provision and check-in procedures digitally before going to the hospital, and further improve their experiences.

**We are making a difference also in sustainability with our vision.**

At Anadolu Sigorta, we are formulating our sustainability perspective holistically, and breaking new ground in our sector. In 2023, we published the “Sustainability Communication Policy”, a first in the industry, to divulge our communication principles, practices and commitments. Based on our conviction that sustainable development can be achieved only by transforming the entire ecosystem and recognizing the importance of cooperation between establishments, we have assumed the Green Flag certificate sponsorship for Turkish Automotive Maintenance Associations Federation (TOBFED) in 2023. In this way, we are inspiring the green transformation of companies in the automotive industry, and supporting the proliferation of service centers that heed environmental and social issues with the green flag. To date, we have taken many steps within the scope of gender equality awareness initiatives we named #DahaEşit (More Equal) coordinated by the Equality Committee we set up at our company. We also took part in UN Women’s #NoExcuse campaign in 2023, and urged people to prevent violence against women. Furthermore, our affiliation to the 30% Club that aims to increase women representation in the boards and top

management of companies, and to Sabancı University Business Against Domestic Violence (BADV) platform are evidence of the importance we attach to this issue. Through social responsibility projects, we undersign initiatives that will create positive environmental and social impact. Thanks to the Eyes of the Forest project we have been running for two years, we have taken 245 thousand hectares of forest land under protection with a total of five fire lookout towers, two in Adana and one each in Muğla, Antalya and Çanakkale. Our project was recognized with three gold and two silver prizes in national and international competitions in 2023.

We are bringing books to children and youngsters who are keen on reading and supporting their cultural and social development through the Anadolu Sigorta Libraries we set up at schools. To date, we have established three libraries for our children.

We are also leveraging our efforts to create permanent value for our colleagues who carry Anadolu Sigorta’s people- and value-oriented approach to every corner of Türkiye, act as the main builders of our achievements and make up one of our key stakeholders. We are extending support to personal development and career journeys of our colleagues thanks to our cultural transformation we have initiated with the motto “Happiness at Work Drive”. “Happiest Place to Work in Türkiye” title we have been clinching in our sector for two years in a row indicates that we are on the right track.

**We will grow stronger together and keep building a safe future.**

Also in 2024, our primary goal will be to preserve our robust financial structure through optimization of growth and profitability, increasing our existing market share, and carrying on with constant improvement of our service processes.

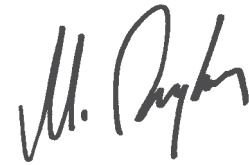
We will continue with our agile transformation journey at an increasing speed. To this end, we will take actions to encourage agile working culture. In addition to reviewing our way of doing business, we are planning to reduce manual processes through the steps to be taken towards effective technology use and ensuring operational efficiency. While we will charge ahead with our digitalization efforts for delivering a frictionless customer experience, fast service furnishing to stakeholders and simplification of our business processes, we will lead the integrated and efficient operation of the ecosystem to be created in this respect.

To maximize customer satisfaction, we will continue to make improvements to our products sold on our platforms. We will make insurance experience a more comprehensive and personalized one by adding new products and functions in view of our policyholders’ demands, and we will stand out with affordable, personalized products particularly in motor own damage and health policies.

Being a company that is almost coeval with our Republic, we will keep winning together with our employees, policyholders, business partners and investors, getting stronger and growing together, and building a safe future.

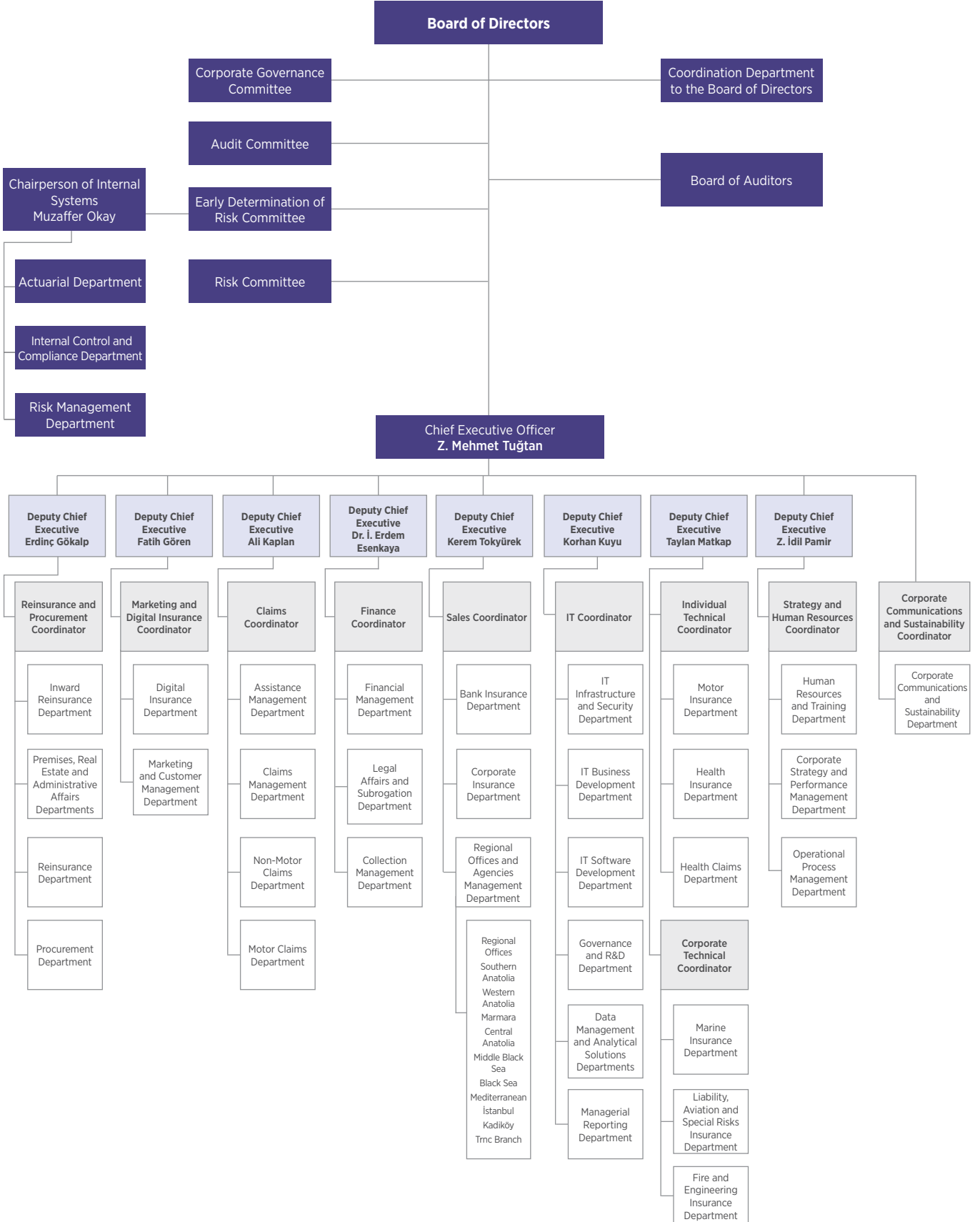
I would like to extend my heartfelt thanks to all our stakeholders who have helped us achieve this successful performance with their support and contribution.

Sincerely,



**Z. Mehmet Tuğtan**  
CEO

# ORGANIZATION CHART



# CAPITAL AND SHAREHOLDER STRUCTURE

48% OF THE SHARES OF ANADOLU SİGORTA, A SUBSIDIARY OF İŞBANK, ARE QUOTED ON BORSA İSTANBUL (BIST) STAR MARKET.

## Capital Increases and Their Sources

There were no capital increases in 2023.

## Disclosures on Preferred Shares

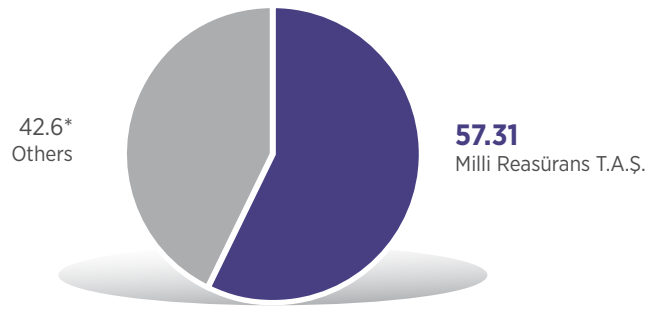
No more preferred shares remained following the amendment to the Articles of Incorporation registered by the company on 11 April 2013.

## Changes in the Articles of Association during 2023

None.

## CAPITAL STRUCTURE

(%)

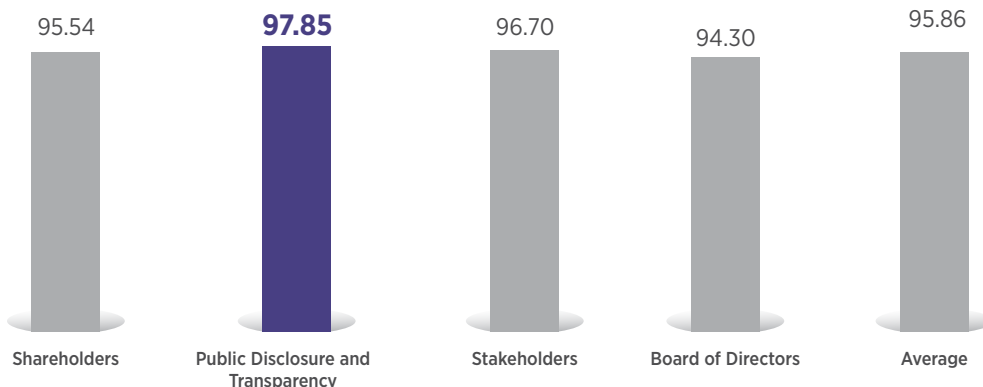


\*Traded in Borsa Istanbul.

## RATINGS

Credit Ratings		
<b>Fitch Ratings (25 September 2023)</b>	<b>Note</b>	<b>Outlook</b>
IFS	B+	Stable
National IFS	AA+ (tur)	Stable
<b>Corporate Governance Rating</b>		
<b>Saha Kurumsal Derecelendirme Hizmetleri A.Ş. (9 November 2023)</b>	<b>Note</b>	
Corporate Governance Rating Note	9.59	

## Corporate Governance Rating



## BOARD OF DIRECTORS



**Füsün Tümsavaş**  
Chairperson

Füsün Tümsavaş was graduated from Ankara University, Faculty of Political Science, Department of Economics-Finance. She started her professional career at the Ankara Branch of the Central Bank of the Republic of Turkey in 1979. In 1981, she started to work at İşbank's I. Loans Department as an Officer and subsequently became Assistant Section Head and Assistant Credit Specialist in the same department. Ms. Tümsavaş was appointed as Assistant Manager in 1994 and Unit Manager in 1999 in the aforementioned department. She became the Head of Commercial Loans Department in 2004.

Ms. Tümsavaş was elected to İşbank's Board of Directors on 28 March 2008, 31 March 2011, 28 March 2014, 31 March 2017 and 31 March 2020. Being the Chairperson of İşbank Board of Directors, Ms. Tümsavaş also served as the Chairperson of the Risk Committee, Audit Committee, T.R.N.C. Internal Systems Committee, Remuneration Committee and Corporate Governance Committee; and as a member of the Credit Committee.

She was appointed as Chairperson of the Board of Directors of Anadolu Sigorta on 29 April 2020.

In tandem, she serves as the President of İşbank Alumni Association and member of the Board of Directors of Tema, The Turkish Foundation for Combating Soil Erosion, for Forestation and for Protection of Nature.



**Filiz Tiryakioğlu**  
Vice Chairperson and Director

Filiz Tiryakioğlu graduated from Anadolu University, Faculty of Business Administration, Department of Business Administration. She started her career at Anadolu Sigorta as a Clerk in the Fire Department in 1985. After working in administrative positions in the Fire Insurance and Claims Departments, she became Training Manager in 2000 and was appointed as the Human Resources and Training Manager in 2004. Appointed as Deputy Chief Executive Officer in 2008, Ms. Tiryakioğlu served as 1st Deputy Chief Executive from 25 December 2013 until 31 January 2023, when she was named a Board Director of Anadolu Sigorta.



**Z. Mehmet Tuğtan**  
CEO and Director

Z. Mehmet Tuğtan graduated from the International Relations Department of the Faculty of Political Sciences at Ankara University. He began his career in 2001 as a Trainee Assistant Inspector at Türkiye İş Bankası A.Ş. In 2009, he served as Deputy Manager in the Individual Banking Sales Department. In 2013, he held the position of Unit Manager in the same department. In 2017, he was appointed as the Branch Manager of the Çarşı-Bakırköy Branch. Between 2018 and 2021, he served as the Director of the Retail Banking Product Department, and between 2021 and 2022, he served as the Director of the Retail Banking Marketing Department. Additionally, Tuğtan is an auditor of Türkiye İş Bankası A.Ş. Retirement Fund and he is a board member of Anadolu Hayat Emeklilik. In 2022, Z. Mehmet Tuğtan completed the Advanced Management Program at Harvard Business School, and on January 20, 2023, he began his role as the General Manager of Anadolu Sigorta.



**Dr. Fatih Anil**  
Director (Independent)

Dr. Fatih Anil received a graduate degree in management from İstanbul Technical University, a graduate degree in economics from the University of Amsterdam, and a doctorate degree in production management and marketing from Marmara University. He then started his career as an economist/EU specialist at the Economic Development Foundation. He worked as Finance and Trade Manager at Beymen and as General Manager at Elements Textile. Between 2008-2011 he served as the General Manager of Orka Holding. He published three books: Yeni Nesil İş Modeli-Pazarlama 5.0) New Generation Business Model - Marketing 5.0), Pazarlamadan Perakendeye (From Marketing to Retailing) and Sanayi Firmalarında Orta Ölçek Tuzağı (Middle Scale Trap in Industrial Firms) that was published by the İstanbul Chamber of Industry. He also gives courses on subjects such as "Management" "Marketing" in the graduate programs of Bilgi and Boğaziçi (BUYEM) universities. He is also a lecturer in the undergraduate and graduate programs of the Nişantaşı University.



**Prof. Dr. Dilek Demirbaş**  
Director (Independent)

Prof. Dilek Demirbaş graduated from İstanbul University, Faculty of Economics, Public Finance Department in 1985, and completed master's programs in the Department of Economics at İstanbul University Faculty of Social Sciences and at the University of Rice (USA), followed by a doctorate program in economics at the University of Leicester in the U.K. The same year, she started her academic career at the Newcastle Business School where she later became an Assistant Professor, Associate Professor and Full Professor, in tandem with which she served in various administrative roles including the Head of Strategic Management and International Business Department, FT MBA program leadership. In 2011, she joined Yıldırım Beyazıt University as a Professor in the Business School; she was a co-founder of the Department of International Trade and Business, which she headed. In 2016, she joined İstanbul University as a Professor in the Faculty of Economics, Department of Economic Theory. Ms. Dilek Demirbaş has academic publications in Turkish and English languages, conducts national and international projects, acts as an advisor to graduate and postgraduate students, and offers consultancy to various institutions including development agencies and The Scientific and Technological Research Council of Turkey (TÜBİTAK). In addition, she currently serves in a number of positions including member of the Board of Trustees of the International University of Sarajevo, a member of the Economic Research Foundation, and a member of the editorial board of the Journal of Economy, Culture and Society.



**Prof. Dr. Ayşegül Toker**  
Director (Independent)

Researching in the fields of Internet and new technologies since 1997 when she became a faculty member in the Department of Management at Boğaziçi University, Prof. Ayşegül Toker works on the adaptation of new technology by consumers and businesses. Adding new topics among her research interests in connection with the advancements in information and communications technologies, Prof. Toker has a number of articles published in various prestigious academic journals, proceedings in national and international conferences, books and book chapters about social media, location-based marketing, mobile marketing, online marketing, virtual communities and customer relationship management. She is a co-author of the book Mobile Marketing: Fundamentals and Strategy printed by McGraw Hill in 2011. In recent years, she has been noted for her academic work and studies addressing the business world in relation to Digitization Strategies, Social Media, Digital Marketing and Corporate Entrepreneurship (Intrapreneurship). In addition to her academic work, Prof. Toker managed the University's presence and strategy on all social networks as the Social Media Coordinator between 2011 and 2013. Having assumed the position of Boğaziçi University Entrepreneurship Center Director in 2016, Prof. Toker runs projects for improving the entrepreneurship ecosystem and culture. Between 2008 and 2012, Prof. Ayşegül Toker served as Advisor to the Rector for budget and strategy and concurrently as the Chair of the Department of Management, before working as the Dean of the Faculty of Economics and Administrative Sciences at Boğaziçi University between 2012 and 2021. She continues to hold a member's seat on the Board of Directors of the YenidenBiz Association since 2018, when she also became a Board Director of Anadolu Sigorta. Acting as the Türkiye Coordinator for GLOBE 2020-Global Leadership and Organizational Behavior Effectiveness Research Program concurrently run in 167 countries in the world, Prof. Toker has been noted for her academic studies and her work addressing the business world on digital marketing, digital transformation, social media, influencers, personal branding and leadership. She currently continues to work as a faculty member at Sabancı University.

## BOARD OF DIRECTORS



**Müslim Sarı**  
Director

He completed his bachelor's degree in International Relations at the Faculty of Political Sciences of Ankara University and his master's degree in Political Science at the same university. He started his business life at the Central Bank in 1999. He was appointed to the specialization in the same bank in 2004 with his thesis titled Foreign Debt Management and Turkish Practices. He was elected as Istanbul Deputy in the 24th Legislative Period of the Turkish Grand National Assembly and took part in the Plan and Budget Committee of the Assembly. Between 2017 and 2019, he served as a member of the Board of Directors of Türkiye İş Bankası. He also has expertise in international finance, risk management and the world economy.



**Gökhan Kahraman**  
Director

Gökhan Kahraman graduated from Selçuk University Niğde Faculty of Economic and Administrative Sciences, Business Administration Department in 1996. He started working as a trainee in İşbank's Niğde Branch in 1997. After working as a supervisor in Konya Branch (2000-2006), II. Manager in Afyonkarahisar Branch (2006), Branch Manager of Şırnak branch in Cizre (2006), Assistant Regional Director of Kocaeli Regional Sales Directorate (2009-2014), Branch Manager of Elbistan Branch in Kahramanmaraş (2014-2017), and Regional Sales Director of Erzurum Regional Sales Directorate (2017-2019), he functioned as Regional Sales Director in Samsun Regional Sales Directorate (2019 -2023). He currently serves as Section Head in the Retail Banking Sales Department.

He holds master's degrees in Management from Niğde University, Management and Organization from Kastamonu University, and Agricultural Economics from Akdeniz University.



**Zeliha Göker**  
Director

Zeliha Göker received her undergraduate degree in business administration from Boğaziçi University in 2005, and started her professional life as an assistant specialist in the Subsidiaries Department of İşbank the same year. Promoted to assistant manager position in the same department in April 2017, Göker retains her title as Unit Head in the same department and holds a member seat on the Boards of Directors of various group companies.



**Ayşen Aygül**  
Board of Directors Reporter

### Information on Board Meetings Held in 2023 Fiscal Year

During 2023, the Board of Directors of Anadolu Sigorta held 12 meetings.

All the meetings were held physically. Ten meetings were held with full participation, whereas one meeting was held with the absence of two members due to justified excuses of two members and resignation of one member, and one meeting was held with the absence of one member. The Board of Directors held its 1299th meeting at the end of 2023.

Distributed to the Board members five days in advance of the meeting date on average, general agenda items deal with the Reports by the Board of Directors Committees, reports by the Internal Systems Directorate, reports by the Board of Inspectors, monthly working reports of the Executive Committee, proposals, and informative memos.



# DECLARATIONS OF INDEPENDENCE BY INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

20 January 2023

**To: Anadolu Anonim Türk Sigorta Şirketi**

**Head of the Corporate Governance Committee**

I hereby declare that I stand for serving as an “independent member” on the Board of Directors of Anadolu Anonim Türk Sigorta Şirketi (the company) under the provisions of the criteria set out in the applicable legislation, the Articles of Incorporation, and the Corporate Governance Principles of the Capital Markets Board (CMB). In this context, I hereby declare to the Committee, the company’s shareholders and all related parties as follows:

- a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the company, any company in which the company has management control or significant influence, or any shareholder having management control or significant influence over the company or any corporate entity in which these shareholders have management control,
- b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, the company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the company, in the past five years,
- c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
- d) I will not work full-time at public institutions and organizations upon being elected a member, save for as a faculty member at a university in accordance with the applicable legislation,
- e) I am considered to be a resident of Turkey for the purposes of the Income Tax Law no. 193 dated 31 December 1960,
- f) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the company’s operations, maintaining my independence in possible conflicts of interest between the company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,
- g) I am capable of dedicating sufficient amount of time to be able to follow up the execution of the company’s affairs and to fully meet the requirements of the duties I undertake,
- h) I have not held a seat on the company’s Board of Directors for more than six years in the past ten years,
- i) I am not serving as an independent board member in more than three companies which is controlled by the company or shareholders having management control over the company and in more than five companies in total traded on the stock exchange,
- j) I have not been registered and promulgated in the name of the corporate entity elected as a board member.

Hence, I hereby declare my independence.

Yours sincerely,



Prof. Dr .Dilek Demirbaş

# DECLARATIONS OF INDEPENDENCE BY INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

20 January 2023

**To: Anadolu Anonim Türk Sigorta Şirketi**

**Head of the Corporate Governance Committee**

I hereby declare that I stand for serving as an “independent member” on the Board of Directors of Anadolu Anonim Türk Sigorta Şirketi (the company) under the provisions of the criteria set out in the applicable legislation, the Articles of Incorporation, and the Corporate Governance Principles of the Capital Markets Board (CMB). In this context, I hereby declare to the Committee, the company’s shareholders and all related parties as follows:

- a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the company, any company in which the company has management control or significant influence, or any shareholder having management control or significant influence over the company or any corporate entity in which these shareholders have management control,
- b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, the company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the company, in the past five years,
- c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
- d) I will not work full-time at public institutions and organizations upon being elected a member, save for as a faculty member at a university in accordance with the applicable legislation,
- e) I am considered to be a resident of Turkey for the purposes of the Income Tax Law no. 193 dated 31 December 1960,
- f) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the company’s operations, maintaining my independence in possible conflicts of interest between the company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,
- g) I am capable of dedicating sufficient amount of time to be able to follow up the execution of the company’s affairs and to fully meet the requirements of the duties I undertake,
- h) I have not held a seat on the company’s Board of Directors for more than six years in the past ten years,
- i) I am not serving as an independent board member in more than three companies which is controlled by the company or shareholders having management control over the company and in more than five companies in total traded on the stock exchange,
- j) I have not been registered and promulgated in the name of the corporate entity elected as a board member.

Hence, I hereby declare my independence.

Yours sincerely,



Prof. Dr. Ayşegül Toker

20 January 2023

**To: Anadolu Anonim Türk Sigorta Şirketi**

**Head of the Corporate Governance Committee**

I hereby declare that I stand for serving as an “independent member” on the Board of Directors of Anadolu Anonim Türk Sigorta Şirketi (the company) under the provisions of the criteria set out in the applicable legislation, the Articles of Incorporation, and the Corporate Governance Principles of the Capital Markets Board (CMB). In this context, I hereby declare to the Committee, the company’s shareholders and all related parties as follows:

- a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the company, any company in which the company has management control or significant influence, or any shareholder having management control or significant influence over the company or any corporate entity in which these shareholders have management control,
- b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, the company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the company, in the past five years,
- c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
- d) I will not work full-time at public institutions and organizations upon being elected a member, save for as a faculty member at a university in accordance with the applicable legislation,
- e) I am considered to be a resident of Turkey for the purposes of the Income Tax Law no. 193 dated 31 December 1960,
- f) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the company’s operations, maintaining my independence in possible conflicts of interest between the company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,
- g) I am capable of dedicating sufficient amount of time to be able to follow up the execution of the company’s affairs and to fully meet the requirements of the duties I undertake,
- h) I have not held a seat on the company’s Board of Directors for more than six years in the past ten years,
- i) I am not serving as an independent board member in more than three companies which is controlled by the company or shareholders having management control over the company and in more than five companies in total traded on the stock exchange,
- j) I have not been registered and promulgated in the name of the corporate entity elected as a board member.

Hence, I hereby declare my independence.

Yours sincerely,



Dr. Fatih Anil

## EXECUTIVE COMMITTEE



**Z. Mehmet Tuğtan**  
General Manager

Z. Mehmet Tuğtan graduated from the International Relations Department of the Faculty of Political Sciences at Ankara University. He began his career in 2001 as a Trainee Assistant Inspector at Türkiye İş Bankası A.Ş. In 2009, he served as Deputy Manager in the Individual Banking Sales Department. In 2013, he held the position of Unit Manager in the same department. In 2017, he was appointed as the Branch Manager of the Çarşı-Bakırköy Branch. Between 2018 and 2021, he served as the Director of the Retail Banking Product Department, and between 2021 and 2022, he served as the Director of the Retail Banking Marketing Department. Additionally, Tuğtan is an auditor of Türkiye İş Bankası A.Ş. Retirement Fund and he is a board member of Anadolu Hayat Emeklilik. In 2022, Z. Mehmet Tuğtan completed the Advanced Management Program at Harvard Business School, and on January 20, 2023, he began his role as the General Manager of Anadolu Sigorta.



**Erdinç Gökcalp**  
Deputy Chief Executive

Reinsurance and Procurement Coordinator  
*Inward Reinsurance Department*  
*Reinsurance Department*  
*Premises, Real Estate and Internal Services Department*  
*Procurement Department*

After graduating from Kuleli Military High School and from the Turkish Military Academy, Department of Business Administration, Erdinç Gökcalp got his master's degree in insurance from Marmara University, Institute of Banking and Insurance. Having started his career as a Risk Management Assistant Specialist in the Marketing Department in 1991, he worked in administrative levels in Marketing, Accident Insurance and Reinsurance Departments before rising to the Reinsurance Manager role in 2001. During his employment, he earned the Atatürk scholarship granted by the Association of Insurance and Reinsurance Companies of Turkey and received insurance education abroad for six months. A member of the Technical Committee of FAIR Nat Cat Pool since 2013 and a member of the Technical Committee of FAIR Oil and Energy Syndicate since 2018, Mr. Gökcalp has been serving as a Deputy Chief Executive Officer of our company since 2008.



**Ali Kaplan**  
Deputy Chief Executive

Claims Coordinator  
*Assistance Management Department*  
*Claims Management Department*  
*Non-Motor Claims Department*  
*Motor Claims Department*

Ali Kaplan received his degree in Public Administration from İstanbul University, Faculty of Political Sciences. He started his professional career as a clerk in our company's Fire Department in 1990, where he was promoted to Sub-Manager level in 1999. He then worked in managerial positions at Gaziantep Liaison Office, in the Marketing Department, Kadıköy Regional Branch, Bakırköy Regional Branch, and Corporate Insurance Department. After being appointed to İstanbul Regional Branch in Manager position in 2013, he became the manager of Kadıköy Regional Branch in 2016. He has been serving as Deputy Chief Executive since December 2018.



**Fatih Gören**  
**Deputy Chief Executive**

Marketing and Digital Insurance Coordinator  
*Digital Insurance Department*  
*Marketing & Customer Management*  
*Department*

Fatih Gören graduated from Ankara University, Faculty of Political Sciences, Department of International Relations in 1990. He completed the Chartered Insurance Institute (CII) certification program under the School of Banking and Insurance at Ziraat Bank in 1991. He worked as a Specialist in Retail Banking

and Agricultural Loans Departments at Ziraat Bank between 1991 and 1994. Having joined Anadolu Sigorta as an Assistant Inspector on the Board of Inspectors in 1994, Mr. Fatih Gören was appointed as Accounting Manager in 2004. Holding Corporate Governance Rating License and Capital Market Activities Level 3 License, Mr. Gören is a Member of the Board of Directors at the Insurance Arbitration Commission. Mr. Gören has been serving as Deputy Chief Executive Officer since 2008.



**Dr. İbrahim Erdem Esenkaya**  
**Deputy Chief Executive**

Finance Coordinator  
*Legal Affairs and Subrogation Department*  
*Financial Management Department*  
*Collection Management Department*

Dr. İbrahim Erdem Esenkaya graduated from İstanbul University, Faculty of Political Sciences, Department of Public Administration. Subsequently, he completed a master's degree in Business Management and Organization at the Institute of Social Sciences at İstanbul University. Mr. Esenkaya earned his doctorate degree in Accounting and Auditing from the Institute of Social Sciences at the same university. He pursued an academic career as a visiting lecturer at İstanbul University and as a doctor faculty member at İstanbul Esenyurt University at various times. Having started his career at Anadolu Sigorta in 1995 as an assistant inspector on the Board of Inspectors, Esenkaya then worked as Senior Assistant Inspector and later as III. Class Inspector, before joining the Accounting and Financial Affairs Department as assistant manager, and Internal Audit Department as manager. Esenkaya had been working as the Head of the Board of Inspectors since 2007. He was appointed to the position of Deputy Chief Executive in January 2021.

## EXECUTIVE COMMITTEE



**Kerem Tokyürek**  
**Deputy Chief Executive**

Sales Coordinator  
*Bank Insurance Department*  
*Regional and Agency Network Management Department*  
*Corporate Insurance Department*

Born in Ankara in 1968, Kerem Tokyürek graduated from geological engineering at Hacettepe University, Engineering Faculty. He started his career at Anadolu Sigorta in 1995 as Risk Management Assistant Specialist in the Fire Insurance Department. In 2002, he joined Şişli Regional Directorate, in which unit he became assistant manager in 2004. Tokyürek served under the Manager title for many years in the Corporate Insurance Department that he joined in 2008.

Serving as Corporate Sales and Technical Coordinator at Anadolu Sigorta since 2021, Tokyürek was appointed as Deputy Chief Executive of Anadolu Sigorta on 20 June 2022.

Kerem Tokyürek was born in Ankara in 1968 and graduated from Hacettepe University, Faculty of Engineering, Department of Geological Engineering. He started his career at Anadolu Sigorta in 1995 as an Assistant Risk Management Specialist in the Fire Insurance Department. Tokyürek joined the Şişli Regional Directorate in 2002 and became Deputy Director in the same directorate in 2004. Tokyürek has worked for many years as a Director at the Corporate Insurance Directorate, which he started in 2008.

Tokyürek, who has been working as Corporate Sales and Technical Coordinator at Anadolu Sigorta since 2021, was appointed as Anadolu Sigorta Deputy General Manager on 20.06.2022.



**Korhan Kuyu**  
**Deputy Chief Executive**

Deputy Chief Executive  
*IT Coordinator*  
*IT Software Development Department*  
*IT Business Development Department*  
*IT Infrastructure and Security Department*  
*IT Governance and R&D Department*  
*Data Management and Analytical Solutions Department*  
*Management Reporting Department*

Korhan Kuyu graduated from electrical and electronical engineering department at the Middle East Technical University in 1996. Having started working as Software Specialist in İşbank's Software Development Department the same year, he worked as specialist and manager in various units of the Bank. In 2011, he was appointed to SoftTech AŞ as the Director responsible for the Bank's digital channels. After a 4.5 year-tenure in this position, he transferred to Anadolu Sigorta, where he held the Department Head position in various technology departments. Having served as Information Technology Coordinator at Anadolu Sigorta between 2021 and 2023, Kuyu was appointed as Deputy Chief Executive on 23 March 2023.

In 2022, Kuyu completed a master's program in business management at the Social Science Faculty of Bahçeşehir University. In addition, he has been serving as the assistant head of "Digitalization and Data Analytics Examination and Research Committee" of the Insurance Association of Türkiye.



### **Taylan Matkap**

#### **Deputy Chief Executive**

Individual - Technical Coordinator  
*Auto Claims Department*  
*Health Insurance Department*  
*Health Claims Department*  
Corporate – Technical Coordinator  
*Marine Insurance Department*  
*Liability, Aviation and Special Risks Insurance Department*  
*Fire and Engineering Insurance Department*

Taylan Matkap got his undergraduate degree in statistics from Ankara University and completed a graduate program in actuarial science and finance at Boston University. He started his professional life in the insurance industry in 2003. After working for various insurance companies, Matkap started his career at Anadolu Sigorta as Head of Actuary Department in 2008. He was brought to the position of the Head of Corporate Strategy and Performance Management in 2021.

Appointed as Deputy Chief Executive of Anadolu Sigorta on 19 April 2023, Taylan Matkap functioned as the president of the Actuarial Association between 2018 and 2021, and worked on furthering the relations with the Actuarial Association of Europe (AAE) and International Actuarial Association (IAA) on behalf of the professional organization. A member of the Institute of Actuaries in Belgium (IABE), Matkap also pursues his doctoral studies in the Labor Economics and Industrial Relations Department at İstanbul University.



### **İdil Pamir**

#### **Deputy Chief Executive**

Strategy and Human Resources Coordinator  
*Corporate Strategy and Performance Management Department*  
*Human Resources and Training Department*  
*Operational Process Management Department*

İdil Pamir got her bachelor's degree in economics from Ankara University, Faculty of Political Sciences, and her master's degree in insurance from Marmara University, Banking and Insurance Institute. She started her business life in 1997 as an assistant specialist in the R&D and Actuarial Department at Anadolu Hayat Sigorta. Upon transfer of the health insurance branch from Anadolu Hayat Sigorta to Anadolu Sigorta in April 2004, she worked as assistant manager in the Health Insurance Department of Anadolu Sigorta. Having functioned as Health Insurance Manager between 2010-2016, İdil Pamir also served as Vice Chair of the Health Insurance Review and Research Committee of the Insurance Association of Türkiye. She completed Koç University Executive Development Program in 2018. Between 2016 and 2022, she first served as İstanbul Regional Manager and then as Kadıköy Regional Manager. She was brought to the position of Regional Coordinator on 1 April 2022. İdil Pamir was appointed as Deputy Chief Executive Officer of Anadolu Sigorta on 22 June 2023.

## HEADS OF UNITS UNDER THE INTERNAL SYSTEMS



**Muzaffer Okay**  
Head of Internal Systems

Holding a degree in International Relations from Ankara University, Faculty of Political Sciences, Muzaffer Okay joined İşbank as an Assistant Inspector Trainee in 1991. After working as Assistant Manager and Regional Manager in Il. Loans Directorate from 1999, he was brought to manager position in Non-Performing Loans Department in 2008. Later, he served as manager in the Corporate Compliance Directorate in Commercial and Corporate Loans Monitoring and Follow-up Department, and as the Head of the Board of Inspectors. He has been functioning as the Head of Internal Systems and member of the Early Detection of Risk Committee at Anadolu Sigorta since 8 February 2022.



**Nurdan Türkdemir**  
Head of the Board of Inspectors

She received her bachelor's degree in mathematics from Boğaziçi University, MBA in finance from SUNY Binghamton University in the USA, and completed the Executive Development Program at Koç University. She started her career at Anadolu Sigorta as an assistant inspector on the Board of Inspectors in 2004, and received inspector title in 2008. She became assistant manager in Risk Management and Internal Control Department in 2011, where she rose to the position of manager from 2018. She functioned as Motor Insurance Manager between 2019 and 2023. She was appointed as the Head of Board of Inspectors in 2023, in which position she still serves. She is an actuary registered in the Undersecretariat of Treasury register. She represents the Actuarial Association as a member on the Actuarial Association of Europe Risk Committee, and serves on the Audit Committee of the Actuarial Association.



**Caner Tonbil**  
Risk Manager

He graduated from business administration department at the Middle East Technical University in 2009. He worked for Akbank T.A.Ş. Payment Systems in 2010-2011. Having started his career at Anadolu Sigorta on the Board of Inspectors in 2012, Caner Tonbil was appointed as Implementation Unit Manager to the Legal and Subrogations Department in 2021. He holds CICA (Certified Internal Controls Auditor) title. He has been working as Risk Manager since 1 October 2023.





**İbrahim Çakır**  
Appointed Actuary

İbrahim Çakır graduated from the Department of Actuarial Science at Hacettepe University, and pursued his graduate studies in Financial Economics at İstanbul Bilgi University. Having started his career at Anadolu Sigorta in the Actuarial Department in 2013, İbrahim Çakır completed the Actuary Exams of the Insurance and Private Pension Regulation and Supervision Agency in 2018 and was registered in the Registry of Actuaries. Functioning as Appointed Actuary since April 2021, he is also a Board member of the Actuarial Society of Turkey and Vice President of the Non-Life Actuary Committee of the Insurance Association of Turkey.



**Deniz Yazıcı**  
Internal Control and Compliance Manager

Holding a degree in Economics from Dokuz Eylül University, Deniz Yazıcı completed a master's degree in Accounting and International Reporting at Bahçeşehir University and a second bachelor's degree in Sociology at İstanbul University. He is also a CISA (Certified Information Systems Auditor). Having started his career at Anadolu Sigorta on the Board of Inspectors in 2012, Deniz Yazıcı was appointed as Risk Management Unit Head in Risk Management and Internal Control Department after a 9-year tenure. Assigned to the Internal Control and Compliance Department on 1 July 2022, Deniz Yazıcı currently serves as Internal Control and Compliance Manager.

## FINANCIAL AFFAIRS MANAGERS



**Barış Hüseyin Şafak**  
Finance Coordinator

Barış Hüseyin Şafak graduated from İstanbul University, Faculty of Science, Department of Mathematics, and completed the Executive Development program at Koç University. He started his career at Anadolu Sigorta on 3 January 2005 as a Risk Management Assistant Specialist in the Accounting and Finance Department. He became a Senior Assistant Specialist in 2007 and Specialist in 2009 before rising to the position of Supervisor in the same Department in 2013. On 1 December 2018, he was appointed as Manager of the Fund Management and Investor Relations Department, which was set up on the same date. He has been working as Finance Coordinator since 01 June 2023. Mr. Şafak holds Level 3, Derivative Instruments and Corporate Governance Rating licenses issued by the Capital Markets Board of Turkey.



**Barboros Levent Bozkurtan**  
Finance Manager

Barboros Levent Bozkurtan graduated from the department of economics from Hacettepe University, Faculty of Economic and Administrative Sciences, and successfully completed the Executive Development Program at Koç University. He started his career at Anadolu Sigorta in 2007 as an assistant inspector on the Board of Inspectors. After being promoted to Senior Assistant Inspector in 2010 and Inspector in 2011, he was appointed to the Risk Management and Internal Control Department in 2016 as a supervisor. Having transferred to the Accounting and Financial Affairs Department with the same title in 2018, Bozkurtan has been working as Finance Manager since 2023. Bozkurtan successfully passed the Level 1 actuarial exams held by the Insurance and Private Pension Regulation and Supervision Agency and was entitled to Actuary Apprentice title, and he holds CPA license. He continues to serve as a member on the Finance & Accounting Review and Research Committee of the Insurance Association of Türkiye.

## AVERAGE NUMBER OF EMPLOYEES BY CATEGORIES DURING THE REPORTING PERIOD

Average number of employees by categories during the reporting period is as follows:

	2023
Senior level managers	9
Managers	53
Consultants	1
Middle level managers	215
Specialists/Officers/Other employees	1,430
Total	1,708

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

### Financial Rights

In the fiscal year ended on 31 December 2023, TL 44,799,834 in total has been provided in remunerations and similar benefits to the governing body and senior executives such as the Chief Executive Officer and Deputy Chief Executive Officers. Further details are presented in the relevant section of financial notes.

### Other Means

The expenses incurred for the members of the company's governing body and senior executives under other means such as business related entertainment and travels amounted to TL 1,265 thousand.





**WE PRIORITIZED PEOPLE  
AND LIFE.  
WE ARE BUILDING A SAFE  
FUTURE AND CONTINUE  
TO SAFEGUARD  
TOMORROW.**

# RESEARCH AND DEVELOPMENT PERTAINING TO NEW SERVICES AND BUSINESS ACTIVITIES

In line with our customer-oriented approach to service, the products and services mentioned below were introduced in view of the sector's dynamics in 2023.

- Fiat Motor Own Damage, Alfa Romeo Motor Own Damage and Jeep Motor Own Damage joined among the Cobranded Motor Own Damage products, under which we offer our customers the privilege to use authorized service centers within the policy scope.
- New packages were added to the Hesaplı Kasko (Affordable Motor Own Damage) insurance product. From out of Hesaplı Mini, Hesaplı Standard and Hesaplı Plus Motor Own Damage packages, customers can choose the one that fits their budget and needs.
- Technology Assistance service was supplemented to the Personal Cyber Security Insurance, of which we are among the leaders in the sector. Accordingly, technological consultancy service started to be offered depending on the policy scope.
- Under our collaboration with the Credit Bureau of Türkiye, we have introduced special discount to new motor own damage policies of users that disclose their Findex Score Report.
- A new service was added for digital healthcare experience of our policyholders with Individual Health Insurance. Collaboration was established with Bayındır Healthcare

Group and our policyholders are offered online doctor's examination within the policy scope.

- Improvement was made to Electric Vehicle Motor Own Damage Insurance for offering privileged service to our policyholders. An all-electric vehicle owned by the policyholder will be towed to the nearest charging station for an indefinite number of times in the event that it runs out of power.

Other highlights of 2023 include the following:

- Carried out under the Customer Lifetime Value Estimation project, the activities aimed at better knowing the customer, identifying the customers with the highest and lowest lifetime values to derive foresight for the marketing activities and strategic decisions to be taken, and better managing the customer portfolio have been completed for Motor Own Damage and Housing policies.
- In addition to AS Customer Profitability project, the Insured Profitability project separates technical profitability of several people in the insured status on health policies. The work undertaken allowed more effective assessment of the technical results of the insured, as well as more effective management of their portfolios.
- Under the Spares Estimation project, data for replaced parts are estimated according to the existing portfolio, parts anticipated to be used

frequently during the year are mass purchased to mitigate the effect of price fluctuations in auto spares, and spares availability is increased for improved referral times of claims files and enhanced customer satisfaction. The outputs of the project contributed added value to our company in 2023.

- Under the Fraud Detection Platform SOBE Phase II project, non-motor rule engines were optimized, parameters were configured, and structured and stable operation of rules was ensured. Furthermore, social network analysis development was made specific to housing and traffic branches. Finally, own database was created for SOBE, and studies were carried out for platform optimization and increasing operating performance. This guaranteed effective and efficient utilization of the fraud system.
- Under the Claims Files Litigation Estimation Model project, claims file litigation estimation models dedicated to motor own damage products were renewed and optimized based on studies that covered the motor branch. In addition, the claims file litigation estimation model was completed, which was developed specifically for the traffic (motor TPL) branch.

## PRIMARY GOALS AND POLICIES

As Turkey's most established and most experienced insurance company, our vision is defined as being the brand preferred by everyone who needs insurance, and our mission is spelled out as helping create a broad awareness of insurance in our country, leading the sector, and enhancing the value of our company. Headed towards the centennial of our company, we regard economic and social development as a whole and we are targeting to create more value for all our stakeholders.

Maintaining our robust financial structure, achieving increased market share and profitability will remain as our targets in 2024.

The agile transformation journey at our company will continue at an increasing speed. In this framework, actions will be taken to encourage agile working culture.

In addition to reviewing the way of doing business, manual processes are planned to be reduced through the steps to be taken towards effective technology use and ensuring operational efficiency.

Our digitalization efforts will be carried on for delivering a frictionless customer experience, fast service furnishing to stakeholders and simplification of our business processes. The company will spearhead the integrated and efficient operation of the ecosystem to be created in this respect.

Our employees represent one of our key stakeholders for which we aim to create value. Practices that promote protection of our employees' work-life balance will continue to be designed.

We are following up ESG criteria and international initiatives within the scope of our sustainability efforts. We are carrying out our insurance operations with awareness and mindfulness of our responsibilities toward the society. In conducting these initiatives, we will be pursuing the roadmap that seeks to engage all our stakeholders and customers in our sustainability initiatives that we have been carrying out with our sense of corporate social responsibility.

## INFORMATION ON THE COMPANY'S INVESTMENTS

(TL)	Amount of Budget Item (Excl. Taxes)	Payments Effected
Project Investments	89,324,100	67.347.475
<b>Investment Budget</b>		
Hardware Investments	37,766,400	39.586.296
Software License Investments	28,856,600	27.115.884
<b>Total Investment Budget</b>	<b>155.947.100</b>	<b>134,049,655</b>

# ACTIVITIES RELATED TO BUSINESS CONTINUITY MANAGEMENT

Anadolu Sigorta has established the Business Continuity Management System to resume its core activities as soon as possible in case of an incident that results in a general or company-specific business interruption while carrying out its insurance and reinsurance activities in non-life branches that represent the company's purpose.

The primary goals of the Business Continuity Management System executed in accordance with ISO 22301 standards are defined as follows:

- Ensure, first and foremost, safety of life
- Resume the service rendered to customers and sales channels at acceptable levels
- Sustain claims and reinsurance formalities without interruption
- Protect the company's reputation
- Minimize negative implications

In view of these goals, Business Continuity Plans are developed in line with the results derived from business impact analyses. These plans are updated according to changes in practices and structures.

Business Continuity drills are carried out to verify the feasibility of Business Continuity Plans, be more prepared in case of an incident, increase awareness within the company, and identify areas necessitating improvement or corrective actions in line with constant improvement understanding.

Information questionnaires and training programs are organized to build on the knowledge and raise increased awareness of the topic across the organization.

The program launched in 2022 to establish the existing situation and identify improvement/development areas within the scope of the anticipated Marmara earthquake and our business continuity preparations continued. The company's resilience efforts were carried on within the scope of the program followed up under nine focus areas, which are:

- Master Plan
- Safety of Life
- Organizational Resilience
- Employee Support
- Operational Resilience
- Technological Resilience
- Disaster Management
- Support Services
- Communication

Analyses were conducted for the Geographical Distribution project, which is carried out in the Employee Support focus area and is a priority topic in our program. As a result, Ankara was selected as the province of distribution. Work in relation to other projects were carried on in 2023.



# AN ASSESSMENT OF 2023 BY THE BOARD OF INSPECTORS

The internal audit function at our company is carried out by the Board of Inspectors which reports directly to the Board of Directors and acts administratively independent with accordance to the “Regulation on Internal Systems in Insurance and Pension Sectors” published in the Official Gazette No. 31670 dated 25 November 2021. The 2023 Activity Report of the Board of Inspectors has been reviewed and acknowledged by the Board of Directors.

In 2023 a total of 8 ‘unit audits’ which consists of 3 Headquarters Department and 5 Regional Offices;

8 ‘process audits’, 2 ‘service provider audits’ and 1 ‘planned agency audit’ were conducted and the assessments and findings were presented in audit reports. During the planned agency audit, 56 agencies out of 2.716 were suited for a remote audit that was performed from headquarters, and a further detailed investigation was conducted by interviewing 23 agencies which were deemed risky.

Follow-up audit, a process where audited units are tracked to observe the progression on the findings, has continued in 2023. A total of 34 follow-up audits, which consists of 28 ‘unit audits’ and 6 ‘process audits’ have been performed in 2023.

In 2023, apart from the previous activities explained above, 28 studies were completed. These were; 7 investigations, 4 examinations and 17 preliminary examinations. Additionally, 12 reviews were performed in line with

the letter sent from the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) on 29 November 2021 to insurance companies regarding the “financial statements digitization project.

The Board of Directors is informed of the audit reports prepared by the Board of Inspectors by way of monthly Activity Briefs submitted to the Audit Committee. In keeping with the obligation of the Internal Systems Guidelines, the Audit Committee has been briefed quarterly on the actions performed by the internal audit department. In 2023, apart from the aforementioned briefings, 13 meetings were held with the Audit Committee regarding the internal audit activities.

As of year-end 2023, the Board of Inspectors was staffed by 23 members which consists of inspectors and assistant inspectors. With the aim of supporting the professional development of the Board members and building on their professional knowledge, their participation in various online seminars, meetings and training programs has been facilitated. In this framework, efforts were carried on in 2023 for the members of the Board of Inspectors to obtain nationally- and internationally recognized professional certificates.

Two of the assistant inspectors from Board of Inspectors have earned “Intern Actuary” title by successfully completing the Level 1 actuarial exam held by the Insurance Education Center (SEGEM).

Developments are monitored to ensure that the audits conducted and the reports subsequently issued take account of the “Global Internal Audit Standards”, are risk-focused, provide “assurance” for risk management and contribute “added value” to our company, and necessary revisions and changes are made accordingly in the audit processes and in the resulting audit reports.

Our 2024 Internal Audit Plan, prepared in accordance with the provisions of the Regulation on Internal Systems in Insurance and Private Pension Sectors that came into force on 25 November 2021, has been submitted for the approval of the Board of Directors, and internal audit activities will be carried on pursuant to the applicable regulation. The Board of Inspectors will keep carrying out the activities within the context of the internal audit program prepared, as well as other duties assigned to it outside of this scope, based on the fundamental approach for maximizing the benefits expected from the planned audits.

# AN ASSESSMENT OF THE INTERNAL CONTROL SYSTEM

Established on 01 July 2022 as per the Regulation on Internal Systems in Insurance and Private Pension Sectors published on 25 November 2021, Internal Control and Compliance Department reports to the Board of Directors via the Early Detection of Risk Committee.

The company's internal control system and internal control activities are structured and run to ensure protection of assets, provide reasonable assurance in relation to the control environment, execution of activities effectively and efficiently in accordance with the law, other applicable legislation, internal policies and insurance customs, and guarantee the reliability and integrity of the accounting and financial reporting system and all systems used in the execution of main services, as well as timely availability of information.

Control points in the company's schematized processes were determined and documented with the aim of establishing an effective internal control system that is aligned with the nature, complexity and risk structure of the company's operations; duly and efficiently managing, mitigating and controlling the risks involved in the company's operations; and employing a risk-focused approach to the conduct and management of review, control, monitoring, assessment and reporting activities concerning the activities of the company's units.

Internal Control and Compliance Department regularly reviews the design and operational effectiveness of the internal control activities carried out by process owners, and the activities conducted as part of internal control function and related findings are reported to the Board of Directors via the Early Detection of Risk Committee on a quarterly basis. In addition, internal control activities are conducted in accordance with the generally-accepted COSO (Committee of Sponsoring Organizations) internal

control framework, and improvement opportunities are identified and pursued.

During 2023, the Internal Control and Compliance Department carried out inspection and control activities as per the 2023 Internal Control Plan that was approved by the Early Detection of Risk Committee decision, and evaluation, monitoring and follow-up activities were carried on with the aim of remedying the irregularities and preventing recurrence of setbacks upon analyzing the results from the inspections and controls.

Compliance takes place among the primary duties and responsibilities of managers and employees serving at any level at the company. Duties and activities associated with compliance are followed up through corporate compliance activities carried out by the Internal Control and Compliance Department. The purpose of the Compliance Unit set up under the Internal Control and Compliance Department is to lend maximum contribution to effective management and control of compliance risk and to ensure that the company's operations are carried out in accordance and compliance with the applicable legislation, regulation and standards. Information on the company's compliance activities is regularly reported via the Early Detection of Risk Committee to the Board of Directors. The duties and responsibilities imposed on the compliance officers by the Law on the Prevention of Laundering of Proceeds from Crime and the provisions of the legislation in force based on the said Law are carried out by the manager working in the Internal Control and Compliance Department, who is also appointed as the company's legal "Compliance Officer".

It was targeted to secure alignment with COBIT (Control Objectives for Information and Related Technology) in the execution of information systems

processes and functions, and the relevant processes were updated in this respect. The following headings were addressed under the COBIT Alignment Project for Information Technology Governance and Information Technology Processes:

- Devising the Information Technology (IT) Governance Model
- Creating the Governance Processes
- Formulating the IT Service Development Processes
- Developing the IT Service Delivery and Operation Processes
- Creating the IT Support Processes
- IT Audit Management.

Accordingly, the Information Systems Management Committee was set up, which will report directly to the Executive Board and will be responsible for IT strategy and steering operations and activities continue in this direction.

The Information Systems Management Committee was established with the purpose of managing information systems in alignment with the company's strategic goals, establishing the policies, procedures and processes for ensuring information security, and efficiently managing the risks arising from the use of information systems. Basically the Committee defines, assesses and reports on the risks arising from the use of information systems; creates the guidelines for the management of these risks, establishes and monitors relevant controls.

It is considered that the internal control policies and procedures introduced and the internal control activities carried out are aligned with the company's nature, the complexity of its operations and risk structure, and possesses the minimum elements of an efficient internal control system.

# ACTIVITIES OF THE ACTUARIAL DEPARTMENT

The primary purpose of the Actuarial Department is to provide assurance to the Company's senior management regarding the Company's overall pricing policy, actuarial adequacy of reinsurance contracts, the organization's financial position, the reliability and sufficiency of technical provisions by means of actuarial and statistical analyses within the frame of applicable legislation.

In 2023, regulatory and internal reporting activities were carried out under the IFRS 4 obligations. Ultimate loss/premium ratio estimations were made quarterly on the basis of underwriting periods and accident periods for each branch pursuant to the

provisions of applicable legislation, and the technical provisions calculated have been reported.

The details of Outstanding Claims Provisions, actuarial methods used in calculating Technical Provisions, Ultimate Loss/Premium Ratio estimations by main branches, IBNR amounts, and periodic changes in estimates were reported on a quarterly basis to the Board of Directors via the Early Detection of Risk Committee. Actuarial report for 2022 has been prepared and submitted to the Insurance and Pension Regulation and Supervision Authority (SEDDK) in April 2023.

For compliance with the Regulation on Internal Systems, priority was given to branches with high production volume, and "Tariff Profitability Report" has been prepared for evaluation of pricing processes, which has been submitted to the Board of Directors after being approved by the Early Detection of Risk Committee in 2023 Q2 and 2023 Q3.

Under the IFRS 17 project carried out across the Company, extensive work was undertaken in relation to development of actuarial models and establishment of the data infrastructure for issued insurance contracts, retained reinsurance contracts, and issued reinsurance contracts.

## INFORMATION ON ASSOCIATES

The de facto scope of Anadolu Hayat Emeklilik A.Ş. covers engaging in individual or group private pension activities; setting up pension funds in this framework; creating fund bylaws for the funds to be set up; executing pension contracts, annuity contracts, portfolio management contracts, custody agreements with the custodian for safekeeping of fund assets; and offering individual or group life or whole life insurance policies and accident policies in connection therewith, as well as all sorts of life policies, and carrying out reinsurance operations in relation thereto.

The company has 20% stakeholding in Anadolu Hayat Emeklilik A.Ş.

<b>31 December 2023</b>	<b>Book Value</b>	<b>Shareholding</b>
Anadolu Hayat Emeklilik A.Ş.	3,276,600,000	20.0%

# REPURCHASED OWN SHARES BY THE COMPANY

None

## DISCLOSURES CONCERNING SPECIAL AUDIT AND PUBLIC AUDIT

The company undergoes independent audits conducted by the independent audit firm, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (Ernst&Young) on its semi-annual financial statements at six-month intervals and on its annual financial statements annually, as well as consolidation audits performed by İşbank at the end of first and third quarters of the year. Due to being an associate of the Bank, the company is also subject to the annual information systems audits banks conduct at their consolidated entities.

## OUTSOURCING

Under Article 4 of the Regulation on Insurance Support Services, our company outsources necessary support services such as emergency help (assistance), call center services, repairs and maintenance, etc. from competent business partners. Additionally, outsourcing is carried out for the software programs used by the Internal Systems Units for:

- Value at Risk (VaR) calculations and follow-up of investment restrictions associated with the market risk as part of Risk Management activities,
- Follow-up of sanction/exclusions lists as part of Internal Control and Compliance activities,
- Provision calculations as part of actuarial activities.

## **LAWSUITS FILED AGAINST THE COMPANY AND POTENTIAL RESULTS**

Lawsuits brought against the company and their possible results are presented under the heading “42 - Risks” in the notes to the financial statements.

## **DISCLOSURE OF ADMINISTRATIVE OR JUDICIAL SANCTIONS AGAINST THE COMPANY AND/OR BOARD OF DIRECTORS MEMBERS**

During 2023, there were no penalties and/or sanctions of material nature imposed against the company and/or Board of Directors members on account of acts in violation of the legislation.

## **ASSESSMENT OF PRIOR PERIOD TARGETS AND GENERAL ASSEMBLY DECISIONS**

All decisions adopted in the Annual General Assembly meeting held on 27 March 2023 have been carried out.

Our company acts on the principle of providing quality service and it has preserved its leading position in terms of market share in line with its targets by furthering innovation and customer-orientation concepts.

## **EXPENSES INCURRED IN RELATION TO DONATIONS AND GRANTS AND SOCIAL RESPONSIBILITY PROJECTS**

In 2023, our company’s expenses within the scope of social responsibility amounted to TL 17,899,935 and its donations amounted to TL 10,000,000.

## COMMITMENT TO SOCIAL RESPONSIBILITY

As a result of its efforts initiated in 2020 to explore a new corporate social responsibility initiative that will create sustainable social impact, Anadolu Sigorta concluded that nature is the topic that it needs to take action in keeping with its mission “Never Lose”, that befits its brand identity and will gain recognition before the public and its target audience. Accordingly, in a bid to carry out awareness and consciousness activities to prevent forest fires, the company started collaborating with the Ministry of Agriculture and Forestry within the scope of its initiative called “The Eyes of the Forest” for updating existing fire towers and increasing the number of unstaffed fire lookout towers. Along this line, the first unstaffed lookout tower within the scope of the digital transformation and upgrading initiative commenced by the Directorate General of Forestry in 2007 was completed and opened for service in Adana in December 2022. In 2023, the second tower built in Adana, unstaffed towers in Antalya and Çanakkale, and staffed fire lookout tower in Muğla were brought to completion. These fire lookout towers provide early detection

of, and effective response to, forest fires and thus ensures protection for over a total area of 245 thousand hectares: 45 thousand hectares in Antalya, 70 thousand hectares in Çanakkale, 85 thousand hectares in Adana, and 45 thousand hectares in Muğla. Our first tower, Adana Balcalı Unstaffed Fire Lookout Tower played an important role in terms of dispatching and commanding the first response teams by detecting and following on 11 wildfires that posed danger. Under the project, five more unstaffed lookout towers will be built in İstanbul, Bursa, Mersin, Kahramanmaraş and İzmir in 2024, while awareness-raising activities will be carried out on another front.

Anadolu Sigorta Libraries are targeted at bringing books to children and youth who are attending schools with no libraries or with libraries with insufficient books, thus helping with their social and cultural development. To this end, libraries were set up in five schools in Beykoz, İstanbul in 2023, complete with bookshelves, reading desks and chairs, murals and books. Under the project, libraries will be set

up in eight schools located in Ümraniye, İstanbul, in 2024, whereas book support will be provided to another two schools. In addition, a library is being set up in a school for visually-impaired children in Şanlıurfa, which will include headphones for benefiting from audio libraries.

Anadolu Sigorta carries out various activities in cooperation with TURMEPA (Turkish Marine Environment Protection Association) to prevent marine pollution and to support the combat against pollution. Since 2011, TURMEPA has been receiving a share from the premium income generated on insurance for any type of vessel. Within the scope of the 35<sup>th</sup> run of Maximiles Black The Bodrum Cup, a seminar titled “Combating the Climate Change and Zero Waste Journey” was organized in collaboration with TURMEPA.



# THE COMPANY’S TRANSACTIONS WITH THE RISK GROUP

During 2023 fiscal year, within the framework of the applicable provisions of the Turkish Commercial Code (TCC), our company is a subsidiary of İşbank Group. Pursuant to Article 199 of the TCC, the company’s Board of Directors presented the declaration below in the conclusion of the affiliation report issued in relation to its relations with the controlling company or an affiliate thereof:

between our company and our principal shareholder Türkiye İş Bankası A.Ş. and/or other ‘Group Companies’, there is no;

- transfer of receivables, payables or assets,
- legal transaction that may result in an obligation, such as furnishing surety, guarantee or endorsement,
- legal transaction that may result in transfer of profit.

Commercial transactions the company realized with its controlling shareholder and other Group Companies during 2023, which are detailed in the report, fall within the company’s field of activity and were carried out on an arm’s length basis. In all of the transactions the company realized in 2023 fiscal year with the controlling company and its affiliates, any and all legal acts carried out in favor of the controlling company or its affiliate with guidance from the controlling company, and any and all actions taken or avoided in favor of the controlling company or its affiliates in 2023 have been reviewed according to the conditions and circumstances known to us. We hereby declare that our company did not sustain any such loss on account of any transaction arising according to conditions and circumstances known in relation to 2023 fiscal year.

The company’s transactions of a material nature with the related parties during 2023 are presented in Note no. 45 under the notes to the financial statements in the present report.

# SUMMARY REPORT BY THE BOARD OF DIRECTORS

Dear Shareholders,

Before presenting the 2023 financial statement figures for your approval and comments, we deem it useful to recap the changes and developments in economic life and the insurance sector.

The long-term effects of the pandemic, geopolitical uncertainties that further increased with the addition of the war in Gaza, Middle East to the ongoing war in Ukraine, tightening monetary policies pursued to fight inflation and high interest rates emerge as factors delaying economic recovery. Despite this negative macroeconomic outlook, global growth exhibited a stagnation below the anticipations in 2023. The greatest contribution to growth was lent by China, although displaying a relatively lower growth performance in recent years, and India, the rising economy. The weakest growth, on the other hand, occurred in the Eurozone.

According to the IMF World Economic Outlook dated January 2024, global growth in 2023 is estimated as 3.1%, whereas growth rates for developed and developing economies are expected to materialize at 1.6% and 4.0% respectively. The projected worldwide growth rate for 2024 is 3.1%.

In 2023, the Turkish economy remained on growth track in spite of the destructive effect of the earthquake disaster, whereas inflation pressure intensified and the household purchasing power diminished

quickly. Having sustained its uptrend throughout the year, the CPI reached 64.77% in December.

In its Global Economic Outlook dated January 2024, the IMF estimated 2023 growth for Türkiye as 4.0%. Growth projection for 2024 was revised downwards from 3.2% to 3.1%. The new Medium Term Program released in September, on the other hand, estimated growth at 4.4% and inflation at 65% in 2023.

The course of the global economy affects the insurance industry as well. Decelerated economic growth leads to declined insurance demand whereas rising inflation causes increases in claims payments.

Following 1.1% decline in 2022, real growth in global premiums is estimated to increase by 1.1% in 2023 and 1.7% in 2024 in real terms and remain below the ten-year (2012-2021) average of 2.6%.

Notwithstanding, premium production volume is forecasted to have exceeded USD 7 in total in 2023. This record-high figure is 16% higher than what it was at end-2019, the period that preceded the onset of COVID-19.

According to Swiss Re Sigma data, high inflation kept the annual growth in non-life premium production at 0.5% in real terms in 2022, which was way below 3.6% that was the average of the previous 10 years. Premium production

is anticipated to have improved by 1.4% in the reporting period and to ameliorate by 1.8% in 2024 in real terms. In addition, the RoE of the non-life sector is expected to go up from 3.4% in 2022 to 7.8% in 2023 and to 9.3% in 2024.

Damages resulting from phenomena such as hurricanes, floods and forest fires have continually been increasing in the past five years. Heavy precipitation, incidents resulting from extreme temperatures, earthquakes, tornadoes, forest fires included, disasters intensified all over the world in the reporting period.

According to AON's Q3 2023 Catastrophe Recap, while total global economic losses from natural disasters in the first half of 2023 amounted to USD 194 billion, only USD 53 billion of the total loss was insured. Of the 18 individual events that caused losses in excess of billion USD in this period, the earthquake in Turkey has been the costliest one. Estimated loss from this earthquake was above TL 100 billion (USD 5.6 billion) based on average exchange rate and inflation in February. Furthermore, economic losses from catastrophe events in the EMEA topped USD 111 billion.

While the earthquakes that occurred directly impacted the insurance industry, the sector gave a good account of itself in this process. The implications of this process continued to be seen in 2024 reinsurance treaties,



and our company finalized 2024 reinsurance contracts concluded at the end of 2023 by further strengthening its pioneering position in the sector.

Based on December 2023 data of the Insurance Association of Türkiye (TSB), total premium production of the overall insurance industry amounted to TL 485.9 billion, marking a 106.8% enlargement year-on-year. In the same timeframe, premium growth in life branch was registered as 83.7% and that in non-life branch was 110.3%. Responsible for 88.3% of premium production, non-life branch reached TL 429.2 billion in total premiums written.

Inflation has made another critical heading of 2022 with respect to the insurance industry. The negative effects high inflation bore on the world economy and the national economy led to significant results in the insurance industry as well. As inflation and exchange rates got higher, so did product prices and service charges. The inflation's impact on the industry was not restricted to claims costs; its effects on operational costs reflected also on financial statements.

A review of our company's financial position and operating results show that 2023 has been a year during which we successfully increased our profit and achieved targets, while growing at the same time. According to unconsolidated results, our total assets grew by 90.1% year-over-year to TL 58.4 billion, while our premium production went up by 86.2% in the same period to TL 44.2 billion. Our company increased its net profit by 421.5% on an annual basis to TL 5.9 billion, thereby capturing 41.6% and 52.2% RoE, on stand-alone and consolidated bases, respectively. Additionally, our company ranked third in terms of market share in the non-life segment. On the basis of technical branches, motor vehicle branch claimed the biggest share of our total premium production with 26.6%. This was followed, in order, by fire and natural disasters branch with 20.7% share, motor vehicles motor vehicle liability branch with 20.0% share, and health branch with 13.2% share. Our company ended the year 2023 with a technical profitability of 16.6% and a technical profit figure of TL 7,357 million.

In 2023, our company targets to maintain and further improve its production and profitability performance, remaining strictly adhered to leadership, innovation and customer-focus concepts.

Dear Shareholders,

We hereby present the Annual Report and our financial statements reflecting our 2023 activities for your review and comments. We would like to thank our customers for their trust in our company, our delivery channels and all other stakeholders, and our employees for their commitment and contributions.

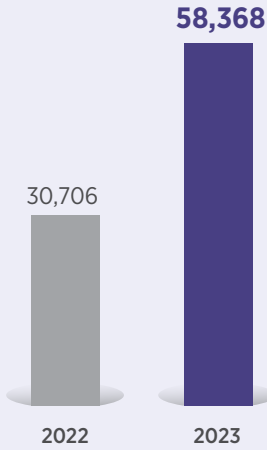
ANADOLU ANONİM TÜRK SİGORTA  
ŞİRKETİ

BOARD OF DIRECTORS

## FINANCIAL INFORMATION AND INDICATORS

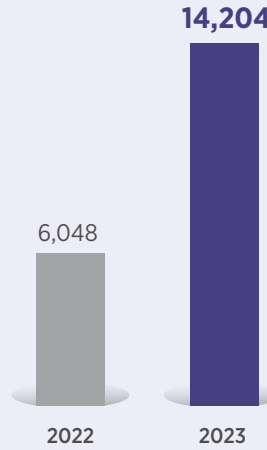
ANADOLU SİGORTA POSTED A NET PROFIT OF TL 5,909 MILLION ON ITS 2023 OPERATIONS, UP BY 421.5% YEAR-TO- YEAR.

### TOTAL ASSETS (TL MILLION)



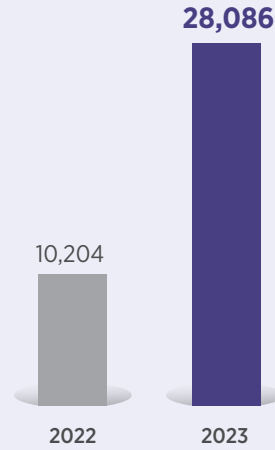
TL **58,368**  
MILLION  
TOTAL ASSETS

### SHAREHOLDERS' EQUITY (TL MILLION)



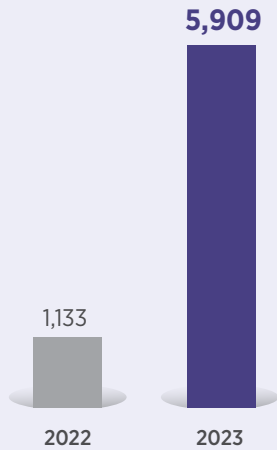
TL **14,204**  
MILLION  
SHAREHOLDERS' EQUITY

### CLAIMS PAID (TL MILLION)



TL **28,086**  
MILLION  
CLAIMS PAID

## NET PROFIT (TL MILLION)



TL **5,909**  
MILLION  
NET PROFIT

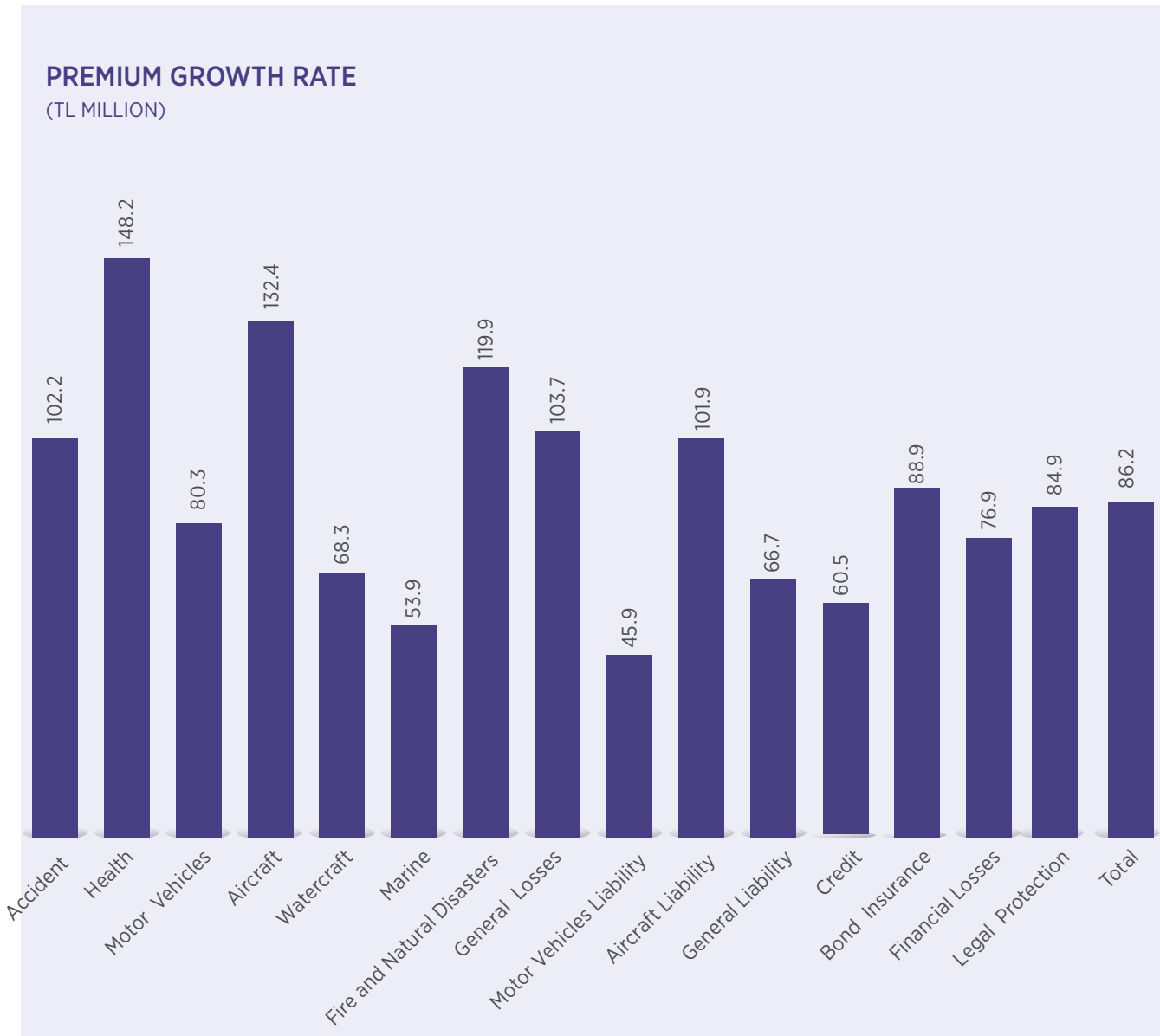
Financial Highlights (TL thousand)	2023	2022
Total Premium Production	44,228,418	23,755,830
Total Assets	58,368,226	30,706,036
Claims Paid	-28,085,831	-10,204,161
Paid-in Capital	500,000	500,000
Shareholders' Equity	14,203,844	6,048,457
Pretax Profit/Loss	7,573,883	1,409,984
Net Profit/Loss	5,909,397	1,133,201
<b>Capital Adequacy Ratios</b>		
Premiums Received/Shareholders' Equity	3.11	3.93
Shareholders' Equity/Total Assets	0.24	0.20
Shareholders' Equity/Technical Provisions	0.39	0.30
<b>Asset Quality and Liquidity Ratios</b>		
Liquid Assets/Total Assets	0.61	0.63
Current Ratio	1.23	1.16
Liquidity Ratio	1.53	1.48
Premium and Reinsurance Receivables/Total Assets	0.23	0.20
Receivables from Agencies/Shareholders' Equity	0.61	0.66
<b>Operational Ratios</b>		
Retention Ratio <sup>(*)</sup>	0.73	0.74
Claims Payment Ratio	0.50	0.42
<b>Profitability Ratios</b>		
Loss/Premium Ratio	0.93	1.05
Cost Ratio	0.26	0.27
Combined Ratio (Loss/Premium Ratio+Cost Ratio)	1.19	1.32
Pretax Profit/Premiums Received	0.17	0.06
Financial Profit (Gross) <sup>(**)</sup> /Premiums Received	0.27	0.21
Technical Profit-Loss/Premiums Received	0.17	0.06

<sup>(\*)</sup> Including premiums transferred to the Social Security Institution

<sup>(\*\*)</sup> In the calculation of the financial profit, investment income that has been transferred from the non-technical division to the technical division was excluded.

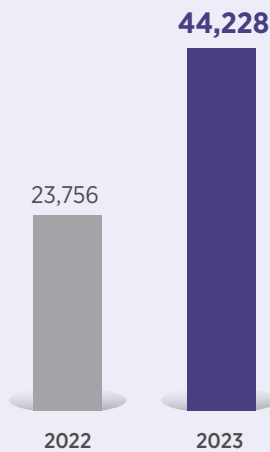
## FINANCIAL INFORMATION AND INDICATORS

TOTAL PREMIUM PRODUCTION BY ANADOLU SİGORTA GREW **86.2% IN 2023.**



TL **44,228**  
MILLION  
PREMIUM PRODUCTION

**TOPLAM PREMIUM PRODUCTION**  
(TL MILLION)



Premium Production (TL thousand)	2023	2022
Accident	738,661	365,394
Health	5,844,398	2,354,907
Motor Vehicles	11,763,158	6,523,826
Aircraft	503,992	216,839
Watercraft	1,221,446	725,848
Marine	890,824	578,656
Fire and Natural Disasters	9,172,776	4,170,648
General Losses	3,039,493	1,492,254
Motor Vehicles Liability	8,831,342	6,054,813
Aircraft Liability	261,552	129,562
General Liability	1,172,543	703,387
Credit	26,071	16,244
Bond Insurance	100,567	53,244
Financial Losses	509,022	287,692
Legal Protection	152,574	82,515
<b>Total</b>	<b>44,228,418</b>	<b>23,755,830</b>

ANADOLU SİGORTA REGISTERED ITS HIGHEST PREMIUM PRODUCTION IN THE MOTOR VEHICLES BRANCH WITH TL 11,763 MILLION, FOLLOWED BY THE FIRE AND NATURAL DISASTERS BRANCH WITH TL 9,172 MILLION IN 2023. **TRAILING THESE TWO BRANCHES, IN ORDER, WERE MOTOR VEHICLE LIABILITY WITH TL 8,831 MILLION, HEALTH WITH TL 5,844 MILLION, GENERAL LOSSES WITH TL 3,039 MILLION AND WATERCRAFT WITH TL 1,221 MILLION.**

# ECONOMIC OVERVIEW

## THE WORLD ECONOMY

Growth (%)	2022	2023(E)	2024(P)
<b>Global</b>	<b>3.5</b>	<b>3.1</b>	<b>3.1</b>
<b>Developed Economies</b>	<b>2.6</b>	<b>1.6</b>	<b>1.5</b>
USA	2.1	2.1	1.5
Eurozone	3.3	0.7	1.2
Japan	1.0	2.0	1.0
Other Developed Countries	2.6	1.8	2.2
<b>Developing Countries</b>	<b>4.1</b>	<b>4.0</b>	<b>4.1</b>
China	3.0	5.0	4.2
India	7.2	6.3	6.3
Russia	-2.1	2.2	1.1
Turkey	5.5	4.0	3.0

IMF World Economic Outlook January 2024

(E): Estimated / (P): Projected

Global economy is slowing down, and inflation is floating at the highest levels of the past several decades. As part of anti-inflationary efforts, global economy is decelerating but the anticipated stagnation level remains elusive despite the rate hike measures implemented by the authorities. However, these circumstances will possibly lead to stagflation in many countries in the coming years.

In the January 2024 edition of the World Economic Outlook, the IMF estimates global growth at 3.1% in 2023, with respective rates of 1.6% and 4.0% for developed and developing economies. The projected global growth rate for 2024 is 3.1%.

Inflation stands out as the main cause of concerns over global economy. The long-term effects of the pandemic, the war in Ukraine, and increased geopolitical uncertainties appear as factors that delay economic recovery. To control inflation, rather transitory measures are being implemented like tightening the monetary policy, and decreasing fiscal support due to high indebtedness.

Global inflation, which was 8.7% in 2022, is anticipated to diminish steadily, dropping to 6.8% in 2023 and to 5.8% in 2024. In October, however, 2023 and 2024 forecasts were revised upwards by 0.1 and 0.6 bps respectively.

In 2023, due to high inflation, high interest rates, the issues in the Chinese property market, and the negative impact the war in Ukraine has on global economic outlook, growth of global trade is estimated to drop from its 5.1% level in 2022 to 0.9% in 2023 before picking up to 3.3% in 2024, well below 4.9% which is the mean value for the years 2000-2019.

In the period ahead, global economic outlook will most likely continue to be tainted with high inflation and deceleration tendency, and economy authorities will have to keep devising policies to find the balance between anti-inflation efforts and economic growth.

## THE TURKISH ECONOMY

Due to weakened exports of Türkiye, economic growth is estimated to materialize as 3.6% in 2023, and domestic demand is anticipated to remain the driver of growth.

YEARS	Growth GDP (%)			Inflation (%)		
	IMF	MTP	OECD	IMF	OVP	OECD
2023	4.0	4.4	4.5	51.2	65.0	52.8
2024	3.1	4.0	2.9	62.5	33.0	47.4
2025	3.2	4.5	3.2	-	15.2	31.6

\*MTP: Medium Term Program of the Republic of Türkiye Presidency of Strategy and Budget

IMF World Economic Outlook Ocak 2024 Raporu'nda Türkiye için 2023 büyüme beklentisi %4 olarak açıklanmıştır. 2024 yılı için büyüme beklentisi de %3,2'den %3,1'e revize edilmiştir. Ayrıca IMF World Economic Outlook Ekim 2023 Raporu'nda Türkiye'nin 2023 ve 2024 yılı enflasyon tahminlerini de yukarı yönlü revize ederek 2023 tahmini %50,6'dan %51,2'ye, 2024 beklentisini Temmuz ayında açıkladığı %35,2'den %62,5'e yükseltmiştir.

Türkiye İstatistik Kurumu (TÜİK), 2023 yılı 3. çeyreğine ilişkin büyüme rakamlarına bakıldığında Türkiye ekonomisi %5,9 büyüme kaydetmiştir. Deprem felaketine rağmen milli gelir artışı devam etmiş ve depremin olumsuz etkisi sınırlı düzeyde kalmıştır.

Üretim yöntemiyle GSYH tahmini, yılın üçüncü çeyreğinde cari fiyatlarla geçen yılın aynı çeyreğine göre %79,8 artarak 7 trilyon 681 milyar 432 milyon TL'ye ulaşmıştır.

Türkiye ekonomisinde 2023 yılında, deprem felaketinin yıkıcı etkisine rağmen büyüme rotasında kalındığı, enflasyon baskısının ise şiddetini artırdığı ve hanehalkının satın alma gücünün hızla eridiği izlenmiştir. Yıl boyunca yükseliş eğilimini sürdüren TÜFE Aralık ayı itibarıyla %64,77'ye ulaşmıştır.

Ticaret Bakanlığı tarafından açıklanan veride Ocak-Aralık dönemindeki 12 aylık ihracat rakamları geçen yılın aynı dönemine oranla %0,64 artarak 255,80 milyar ABD dolarına ulaşmıştır. İthalat ise Ocak-Aralık döneminde %0,51 oranında azalarak 361,84 milyar ABD dolarına, dış ticaret hacmi ise %0,04 azalarak 617,65 milyar ABD doları olarak gerçekleşmiştir.

# INSURANCE INDUSTRY: OVERVIEW AND FUTURE OUTLOOK

## THE WORLD INSURANCE INDUSTRY

Global economic circumstances, circular slowdown, high inflation and geopolitical uncertainties take a negative toll on the insurance industry.

Various hardships materialize, such as high inflation which leads to decelerating economy, escalated insurance premiums and decreased insurance penetrations. Insurance companies formulate their strategies according to the circumstances amid this volatile economic environment in an effort to better respond to customer needs.

Following 1.1% decline in 2022, real growth in global premiums is estimated to increase by 1.1% in 2023 and 1.7% in 2024 in real terms and remain below the ten-year (2012-2021) average of 2.6%.

Notwithstanding, premium production volume is forecasted to reach USD 7.1 trillion in total by the end of the year. This record-high figure is 16% higher than what it was at end-2019,

the period that preceded the onset of COVID-19.

According to Swiss Re Sigma data, non-life premium production registered an annual growth of 0.5% in real terms in 2022 due to high inflation, which was way below 3.6% that was the average of the previous 10 years. Premium production is anticipated to have improved by 1.4% in the reporting period and to ameliorate by 1.8% in 2024 in real terms. In addition, the RoE of the non-life sector is expected to go up from 3.4% in 2022 to 7.8% in 2023 and to 9.3% in 2024.

On another note, technology, digitalization and automation make great strides not just in non-life insurance, but also in global insurance industry. It is predicted that the Metaverse technology will increase the need for agencies for insurance procedures on the Metaverse; chatbots will be used to quickly respond to customer demands; artificial intelligence solutions will increase their prevalence in the insurance industry by way of technologies such as

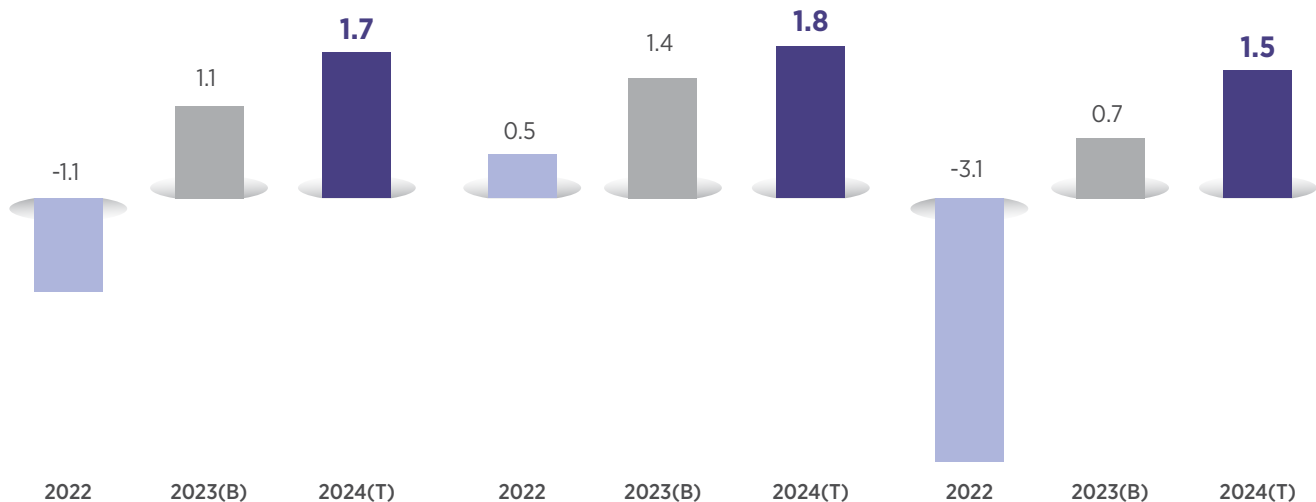
machine learning and natural language processing; the Internet of Things (IoT) will add momentum to data-driven decision-making processes and reduce paperwork; blockchain technology will prevent fraudulent transactions and mitigate cost losses, and digitalization will help support new generation consumers' search for personalized, flexible and affordable insurance products.

According to AON's Q3 2023 Catastrophe Recap, while total global economic losses from natural disasters in the first half of 2023 amounted to USD 194 billion, only USD 53 billion of the total loss was insured. Of the 18 individual events that caused losses in excess of billion USD in this period, the earthquake in Turkey has been the costliest one. Estimated loss from this earthquake was above TL 100 billion (USD 5.6 billion) based on average exchange and inflation rates in February. Furthermore, economic losses from catastrophe events in the EMEA topped USD 111 billion.

## 2022-2024 Real Premium Growth: Total, Non-Life and Life

(%)

■ Total  
■ Non-Life  
■ Life





## THE TURKISH INSURANCE INDUSTRY

Türkiye maintains its high growth potential in connection with the evolving country dynamics. Particularly in view of the climate crisis that takes place among the top issues of our age and natural disasters, the importance of the insurance industry for the national economy and individuals is better understood.

Based on December 2023 data of the Insurance Association of Türkiye (TSB), total premium production of the overall insurance industry amounted to TL 485.9 billion, marking a 106.8% growth year-on-year. In the same timeframe, premium growth in life branch was registered as 83.7% and that in non-life branch was 110.3%. Responsible for 88.3% of premium production, non-life branch reached TL 429.2 billion in total premiums written.

The sub-branches that got the highest share out of premium production were motor vehicles liability (27.5%), motor vehicles/own damage (19.6%), illness/health (16.4%) and fire and natural disasters (15.2%).

Various revisions were made to premium cap and monthly premium increases for Compulsory Traffic (Motor Vehicle TPL) Insurance. Having increased monthly premium increase rate to 4.75% in September 2022, Insurance and Private Pension Regulation and Supervision Agency (SEDDK) decreased the same to 2% in April 2023. Furthermore, total number of levels in Traffic Insurance was increased to nine, with two new levels added: Level 0 for extremely costly customers and Level 8 for extremely good customers.

With the amendment made to the Regulation on the Tariff Implementation Principles of Road Motor Vehicle Compulsory Liability Insurance, SEDDK set Compulsory Motor TPL Insurance maximum monthly premium increase rate as 5% for the first four months of 2024. Compulsory Motor TPL insurance maximum premium, on the other hand, will be determined according to “damage cost index” from May 2024 onwards. In addition, based on SEDDK’s revision to the premium/equity factor implementation in Road Motor Vehicles Compulsory Liability Insurance, total gross premiums written by an insurer, excluding indirect ones, in Road Motor Vehicle Compulsory Liability Insurance, must not exceed five folds of the insurer’s shareholders’ equity at the end of the previous year.

Initiatives such as the Earthquake-Focused Insurance Reform Project by the Insurance Association of Türkiye (TSB) launched in the aftermath of Kahramanmaraş earthquake are targeted at increasing the insurance industry’s earthquake preparedness.

In Türkiye, earthquake coverage is provided as an additional cover in financial loss and engineering branches; following the Kahramanmaraş earthquake, the amount set for the implementation of the tariff was increased from TL 400 million to TL 2 billion to be able to cover the costs and provide the accumulation of funds for potential disasters in the future.

To achieve more accurate results in possible future disasters, alternative models were introduced in earthquake modeling, which will work together with existing modeling methods.

Developed by Türk Re, CAT MOD, a disaster modeling product that is the first in Türkiye and third in the world, allows modeling according to our country-specific building stock and local circumstances.

In the Medium Term Program, the government plans to expand the compulsory earthquake insurance and to incorporate other disasters in the coverage. It also targets to propagate construction completion insurance to support urban transformation projects. The considerations in this respect also include the establishment of professional liability insurance system for the individuals and organizations involved in the process of building inspection for increasing construction quality.

TFRS 17 (International Insurance Contracts Standard), which will supersede TFRS 4 Insurance Contracts Standard that had been published earlier for insurance companies and which will help make financial statements more useful and consistent with accounting practices implemented in different countries, has been published on 18 May 2017. Entailing sweeping reporting requirements, TFRS 17 is slated for gradual transitioning in 2024. It is critical for insurance companies to prepare the implementation and realize the transition in relation to the new standard. For this adaptation, restructuring efforts are ongoing for a number of units including actuary, finance, accounting, information technology and so on, so that they will be able to fulfill TFRS 17 requirements.

# IMPORTANT CHANGES IN LEGISLATION

## Changes to Capital Adequacy Legislation

“Circulars Regarding Revisions to Coefficients Used in Capital Adequacy Calculation” dated (05.01.2023-2023/1) and (10.02.2023-2023/5) revised certain risk coefficients used in the calculation of capital adequacy downwards starting from 31.12.2022, and it was stated that the underwriting risk coefficient can be used as 0.13 provided that the share of Motor Vehicles TPL Liability (traffic) branch production to total gross premium production is between 20% to 50%, and that in other cases, it would be taken into account as 0.21. The circular numbered 2023/20 published in July 2023 decreased the risk coefficients for certain distribution channels.

## Regulation Amending the Regulation on Measures Regarding Prevention of Laundering Proceeds from Crime and Financing of Terrorism

The said amendment dated 14 January 2023 increased the transaction limit forming the basis for identity authentication from TL 85 thousand to TL 185 thousand for non-life insurance companies from 01 February 2023.

## Sector Announcement Regarding the Measures to be Taken in the Regions Declared as State of Emergency Regions Due to the Earthquake (2023/5)

Sector announcement dated 03 March 2023 released the announcement covering the instructions for policy renewals of insured customers residing in provinces where state of emergency was declared following the Kahramanmaraş earthquake. Policies that have matured but not renewed were extended on condition to collect the premiums at a future date, and it was stipulated that in the event that the renewal method was preferred, the policy would be issued by the existing intermediary, if any. In addition to that, premium cessions required to be made by the insurers to the Risky Insurance Pool were required to be made, even if premium collections are deferred.

## Circular (2023/8) Amending the Circular (2019/9) on the Implementation of Motor Vehicles Compulsory TPL Insurance

The circular dated 04 April 2023 reorganized the levels in traffic insurance, and levels 0 and 8 were introduced. Also implementation details were set out. The circular numbered 2023/6 published on the same date stipulated that the premium amount to be charged for coverage provided outside the scope of general conditions by way of package policy or supplementary coverage must not exceed 10% of the total policy premium amount (the final premium amount payable by the insurance customer) and that this limit would be applied as 20% in the event that the premium would be collected in no less than six installments.

## Circular Regarding the Entry of Insurance Data in the General Database (2023/24)

The circular published on 16 August 2023 set out the principles and procedures to be adhered to when recording the insurance data in the General Database kept at the Insurance Information and Supervision Center by insurance companies, reinsurance companies and pension companies engaged in insurance activities, and other individuals and organizations to be designated by the Insurance and Private Pension Regulation and Supervision Authority. In brief, principles and procedures were established for online transfer of all kinds of dealings associated with the policies produced and claims files opened to the so-called Shared Data Model structure at the Insurance Information and Supervision Center, and getting a reference number for this procedure.

## Circular Amending the Circular Regarding the Implementation of Certain Articles of the Regulation 2022/16 on Internal Systems in Insurance and Private Pension Sectors

The circular dated 07 September 2023 set out the details of necessary reporting to the public and contents of calculations within the scope of Internal Systems Regulation.

**Circular on the Implementation of Article 15 Paragraph Four of the Regulation on Tariff Implementation Principles in Motor Vehicles Compulsory TPL Insurance (2023/3)**

The circular dated 23 January 2023 defines the act of “refraining from issuing a policy” for motor compulsory TPL (traffic) policies and sets out the cases of refraining.

**Circular (2023/21) Amending the Circular (2016/22) on Discounting the Net Cash Flows Arising from Provision for Outstanding Claims**

The said circular amended Article 7 of the Circular (2016/22) on Discounting the New Cash Flows Arising from Provision for Outstanding Claims to read: “Net cash flows are discounted to cash value taking the 28% ratio into account as of the date of the financial reporting period” and the discount ratio was increased to 28%.

**TFRS 17 Insurance Contracts Standard and associated regulations**

TFRS17, which is the new accounting standard pertaining to insurance contracts, brings along a number of comprehensive and critical changes. In this respect, it is not just a new financial reporting standard, but is also anticipated to significantly modify ways of doing business in the insurance industry. In relation to this new standard, the Regulation Amending the Regulation on Financial Reporting of Insurance, Reinsurance and Pension Companies was published on 13 May 2023, and the Circular on Uniform Chart of Accounts and Prospectus in Insurance (2023/6) on 05 October 2023. On 02 October 2023, the Communiqué on the Presentation of Financial Statements of Insurance, Reinsurance and Pension Companies and the Communiqué on Uniform Chart of Accounts and Prospectus in Insurance, and details about the new chart of accounts in accordance with TFRS17 and the presentation of financial statements were announced. The Communiqués published in the Official Gazette dated 29 December 2023 no. 32414 updated the enforcement date that was set as 01 January 2024 for both Communiqués as 01 January 2025.





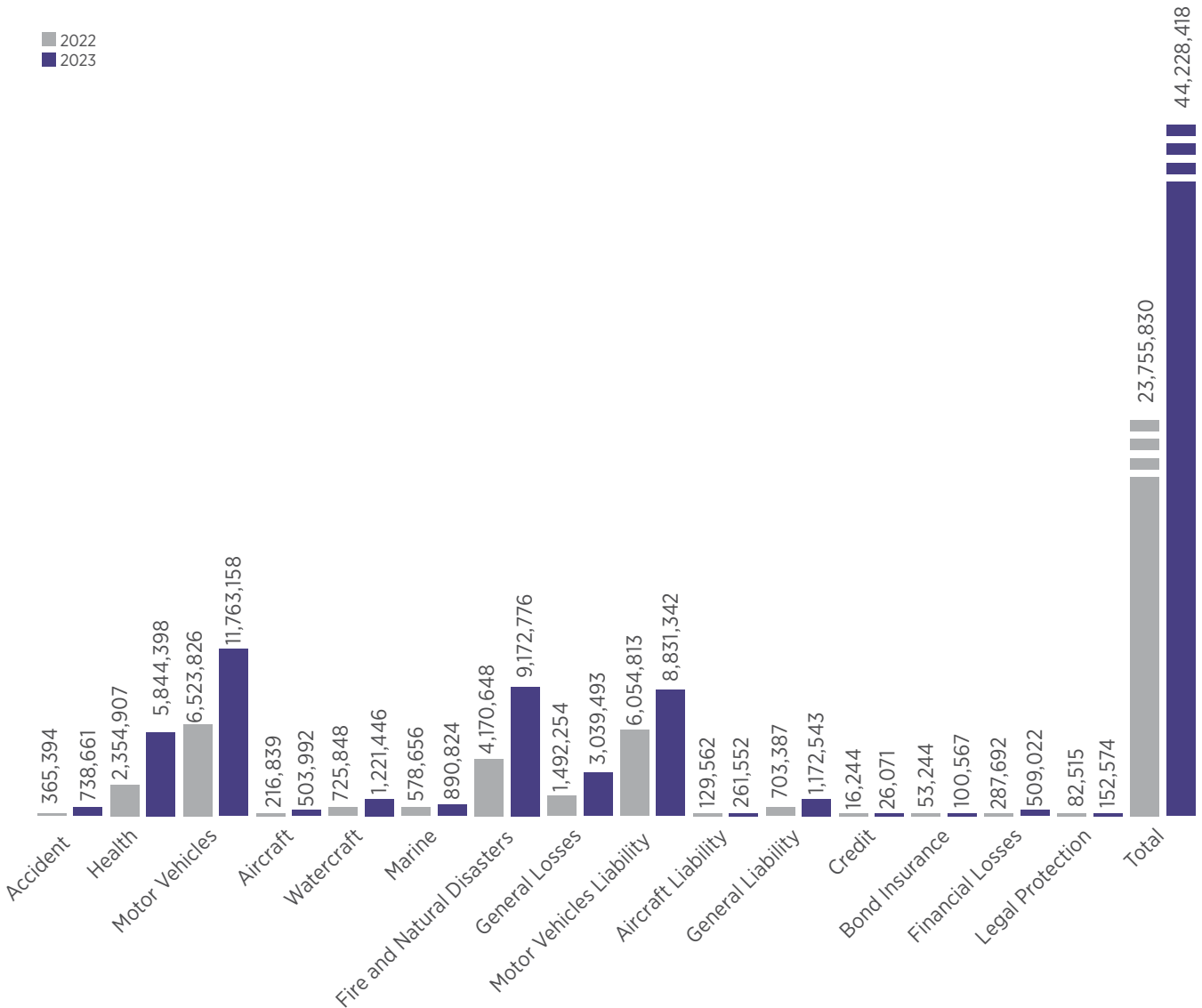
**WE PROMISED YOU  
WOULD NEVER LOSE  
WITH US.  
WE KEEP WINNING  
TOGETHER WITH OUR  
POLICYHOLDERS,  
BUSINESS PARTNERS  
AND INVESTORS.**

# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

IN 2023 THE DIRECT PREMIUM PRODUCTION OF ANADOLU SİGORTA REACHED TL 39,924 MILLION. WITH 26.6%, MOTOR VEHICLE BRANCH COMMANDS THE BIGGEST SHARE OF THE TOTAL PORTFOLIO.

## PREMIUM PRODUCTION (TL THOUSAND)

■ 2022  
■ 2023



Anadolu Sigorta is an insurer active in non-life branches, which include accident, health, motor vehicles, aircraft, watercraft, marine, fire and natural disasters, general losses, motor vehicle liability, aircraft liability, general liability, credit, bond insurance, financial losses and legal protection.

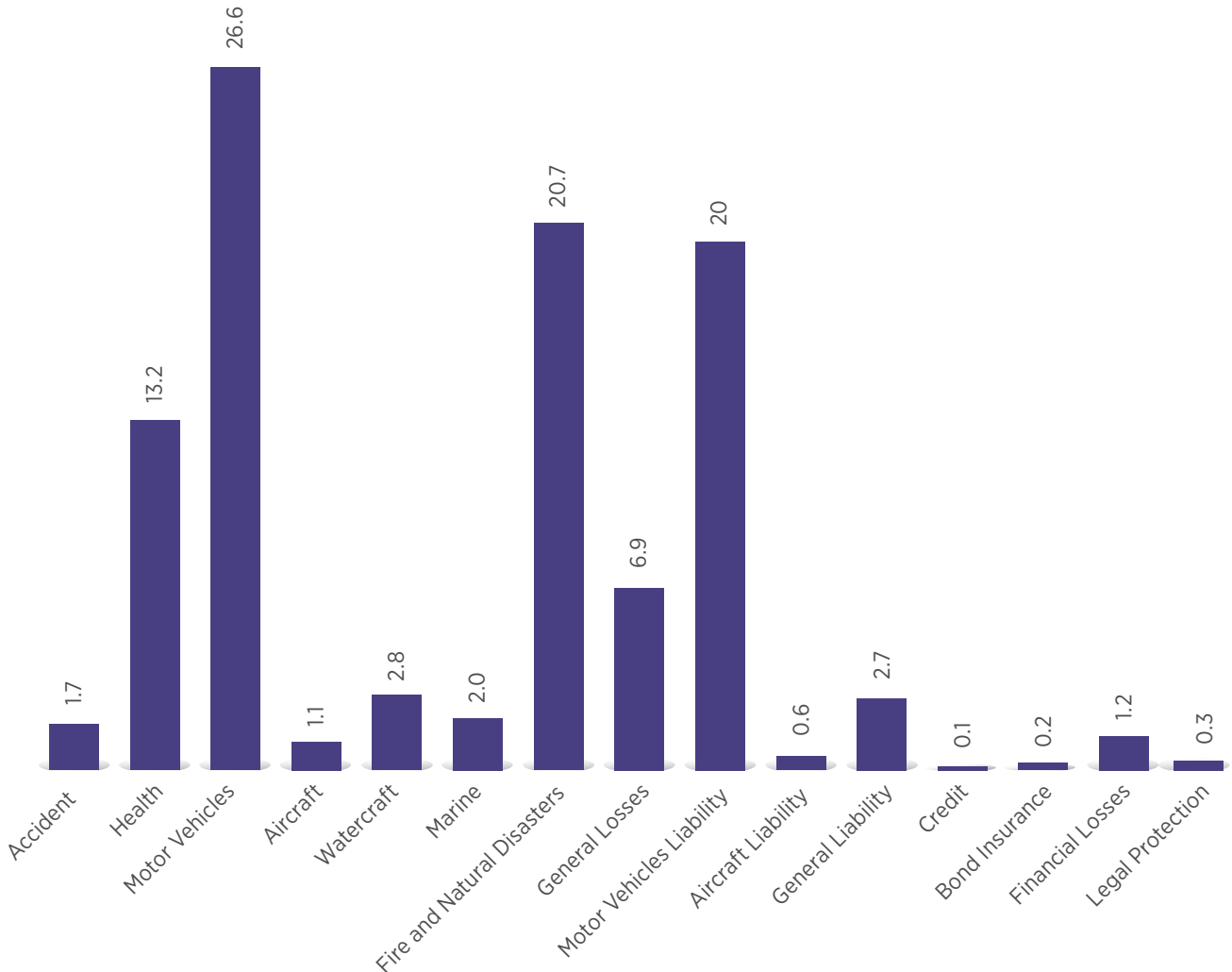
### Premium Production and Technical Results

In 2023, direct premium production of Anadolu Sigorta reached TL 39,294 million including the indirect premiums (Risky Insureds Pool, Medical Insurance Pool, Claims of Treaty Activities and other indirect business) received in the amount

of TL 4,304 million, total premium production came to 44,228 million.

With 26.6%, motor vehicle branch commands the biggest share of the total portfolio. This is followed by fire and natural disasters, motor vehicle liability and health branches.

### BREAKDOWN OF PREMIUM PRODUCTION BY BRANCHES (%)

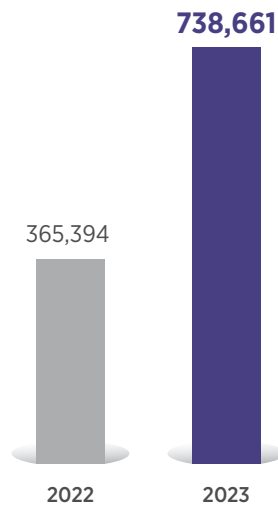


# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

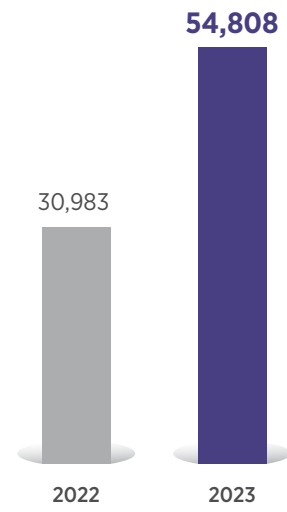
## ACCIDENT

Premium production in the accident branch was up 102.2% year-on-year and amounted to TL 738,661 thousand in 2023, while claims paid totaled TL 54,808 thousand. Technical profit in this branch increased by 129.5% year-on-year and amounted to TL 560,368 thousand.

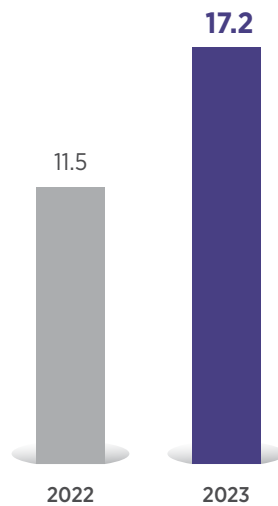
**PREMIUM PRODUCTION**  
(TL THOUSAND)



**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



**TECHNICAL PROFITABILITY RATIO**  
(%)

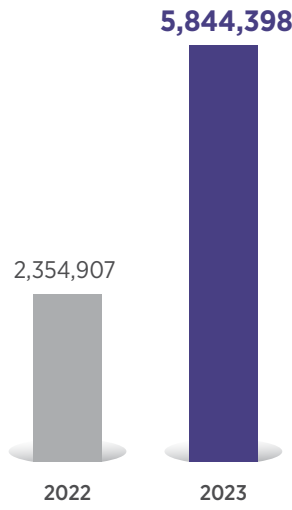




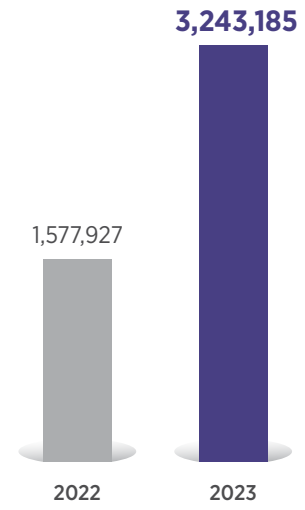
# HEALTH

In 2023, premium production in the health branch augmented 148.2% year-on-year and amounted to TL 5,844,398 thousand, while claims paid totaled TL 3,243,185 thousand. The health branch posted TL 1,187,044 thousand in technical profit due to the improvement in the loss/premium ratio.

**PREMIUM PRODUCTION**  
(TL THOUSAND)



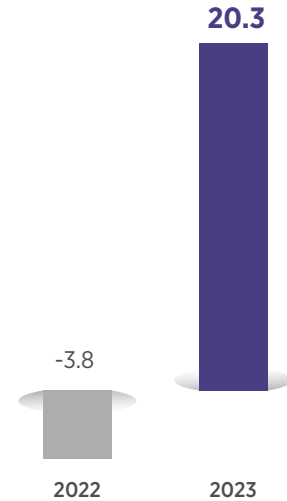
**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



**TECHNICAL PROFITABILITY RATIO**  
(%)

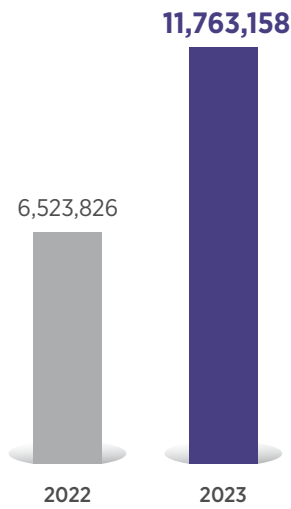


# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

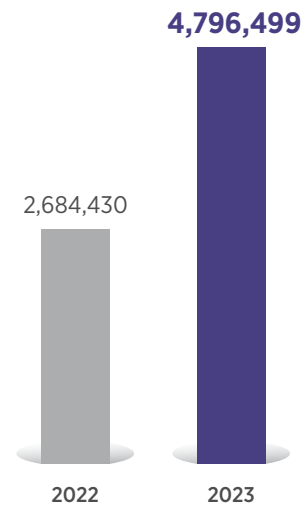
## MOTOR VEHICLES

Premium production on motor vehicles insurance that has the highest share in the premium production of Anadolu Sigorta boosted by 80.3% year-on-year, amounting to TL 11,763,158 thousand in 2023. In the same period, claims paid rose by 78.7% and were up to TL 4,796,499 thousand. In 2023, the technical profit figure was TL 6,034,409 thousand due to the decline in the loss/premium ratio.

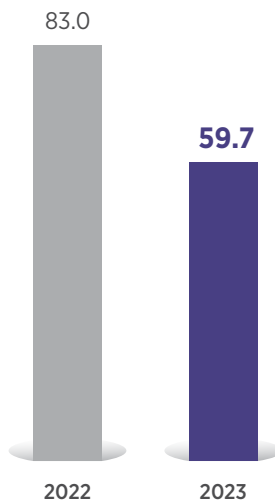
### PREMIUM PRODUCTION (TL THOUSAND)



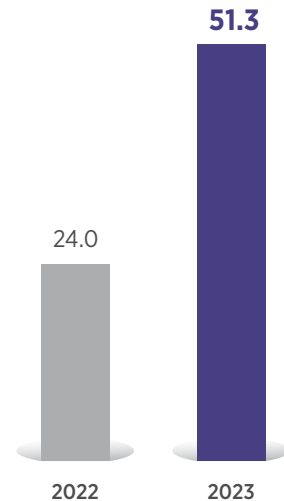
### CLAIMS PAID (TL THOUSAND)



### CLAIMS PAID (%)



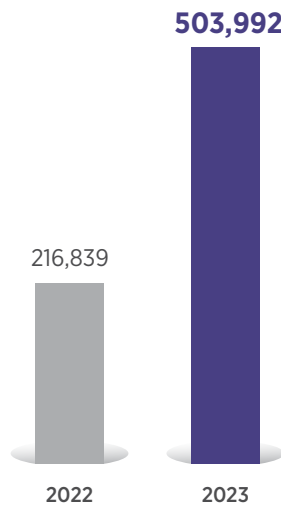
### TECHNICAL PROFITABILITY RATIO (%)



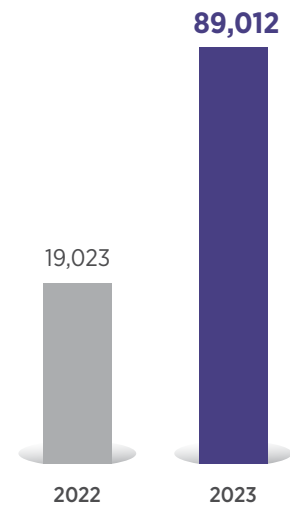
# AIRCRAFT

Premium production on aircraft was worth TL 503,992 thousand with an increase of 132.4% year-on-year while claims paid amounted to TL 89,012 thousand. The aircraft branch posted TL 140,121 thousand in technical loss.

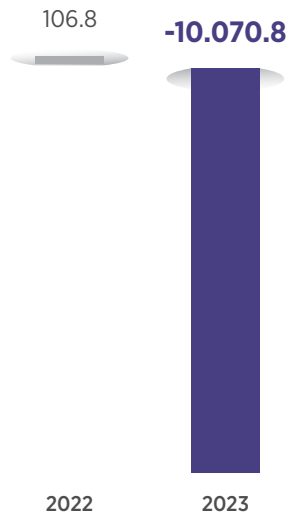
**PREMIUM PRODUCTION**  
(TL THOUSAND)



**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



**TECHNICAL PROFITABILITY RATIO**  
(%)

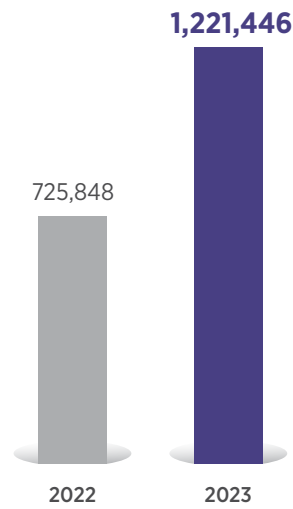


# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

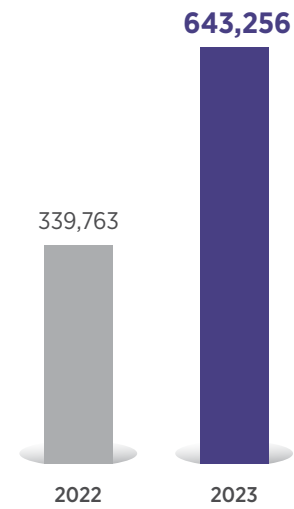
## WATERCRAFT

In 2023, watercraft insurance premium production went up by 68.3% year-on-year and amounted to TL 1,221,446 thousand, while claims paid totaled TL 643,256 thousand. In 2023, the branch booked a technical loss figure of TL 186,820 thousand due to the increase in the loss/premium ratio.

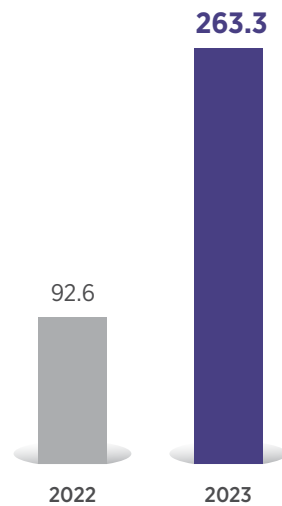
### PREMIUM PRODUCTION (TL THOUSAND)



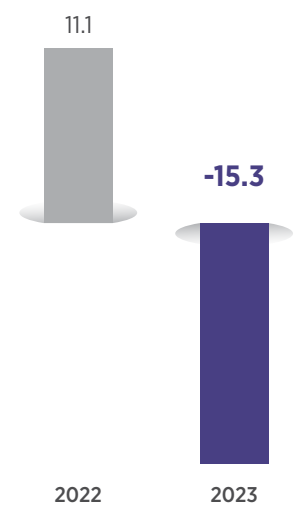
### CLAIMS PAID (TL THOUSAND)



### CLAIMS PAID (%)



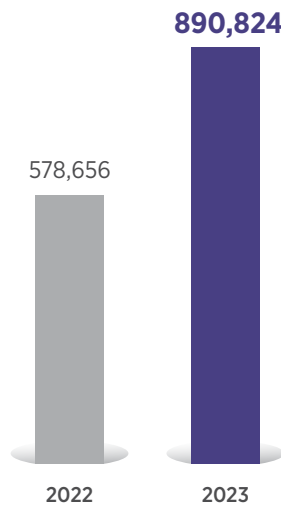
### TECHNICAL PROFITABILITY RATIO (%)



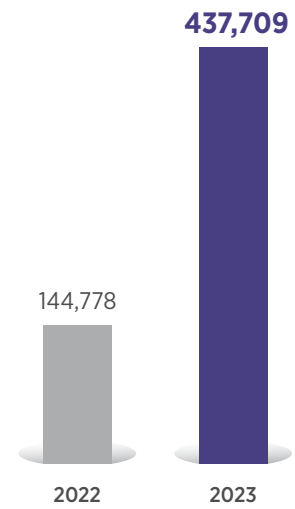
## MARINE

During 2023, premium production in the marine branch rose by 53.9% to TL 890,824,656 thousand while claims paid amounted to TL 437,709 thousand. Technical profit was TL 331,630 thousand in 2023 with a year-on-year increase of 183.2%.

**PREMIUM PRODUCTION**  
(TL THOUSAND)



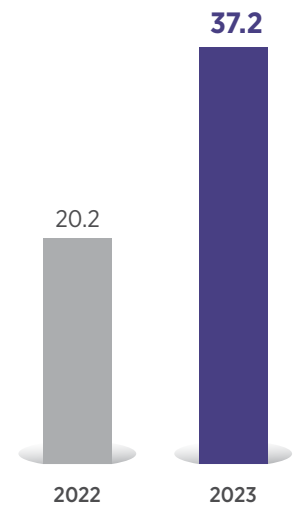
**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



**TECHNICAL PROFITABILITY RATIO**  
(%)

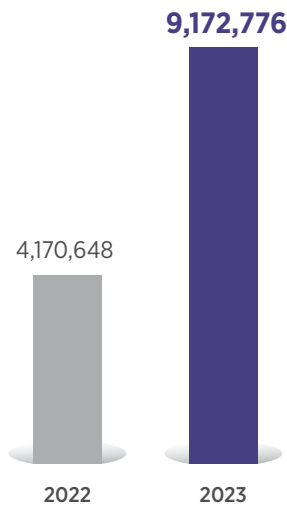


# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

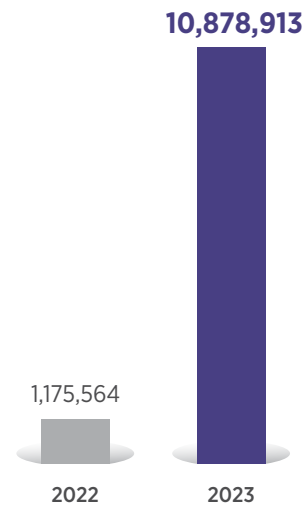
## FIRE AND NATURAL DISASTERS

Premium production on fire and natural disasters insurance, which is responsible for the second highest share in the company's total premium production, was up 119.9% in 2023 and reached TL 9,172,776 thousand while claims paid amounted to TL 10,878,913 thousand. Having posted a technical profit of TL 344,482 thousand in 2022, the fire and natural disasters branch booked a technical profit of TL 1,099,231 thousand in 2023 with a year-on increase of 219.1%.

**PREMIUM PRODUCTION**  
(TL THOUSAND)



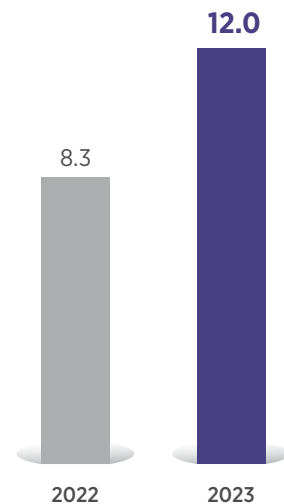
**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



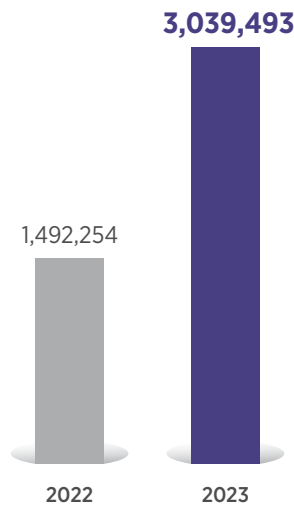
**TECHNICAL PROFITABILITY RATIO**  
(%)



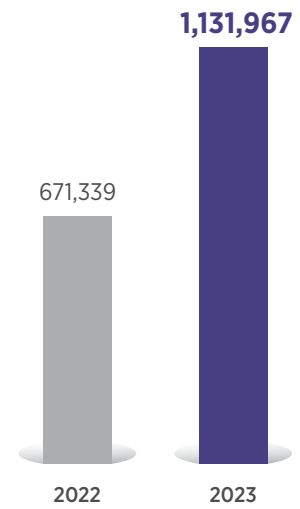
## GENERAL LOSSES

During 2023, premium production in general losses branch was up by 103.7% and amounted to TL 3,039,493 thousand. While claims paid amounted to TL 1,131,967 thousand, technical profit was up by 595.8% as compared with 2022 and registered as TL 536,661 thousand in the reporting period.

**PREMIUM PRODUCTION**  
(TL THOUSAND)



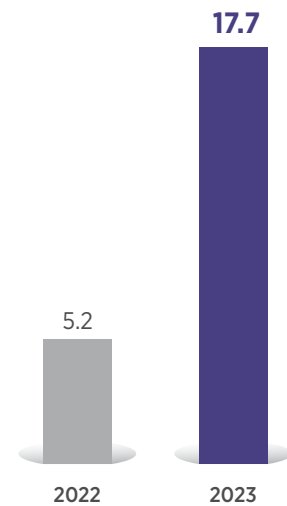
**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



**TECHNICAL PROFITABILITY RATIO**  
(%)

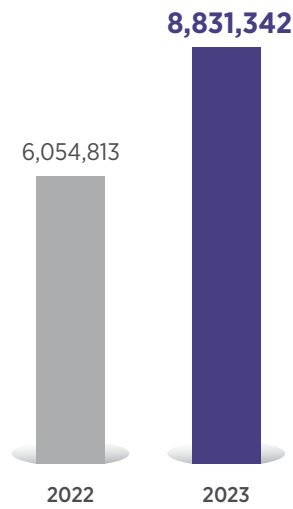


# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

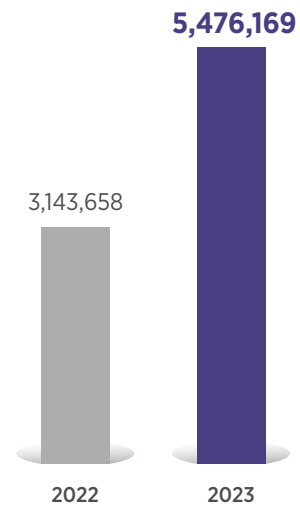
## MOTOR VEHICLES LIABILITY

Premium production on motor vehicles liability insurance, grew by 45.9% in 2023 to TL 8,831,342 thousand, while claims paid amounted to TL 5,476,169 thousand. In 2023, the branch booked a technical loss figure of TL 2,411,695 thousand. The branch ceded premiums in the amount of TL 1,219,560 thousand to the Risky Insureds Pool in 2023, while the premiums taken over from the Pool amounted to TL 837,234 thousand.

**PREMIUM PRODUCTION**  
(TL THOUSAND)



**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



**TECHNICAL PROFITABILITY RATIO**  
(%)

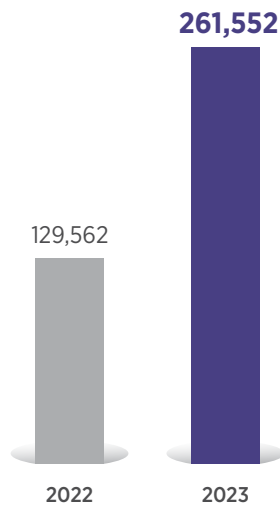




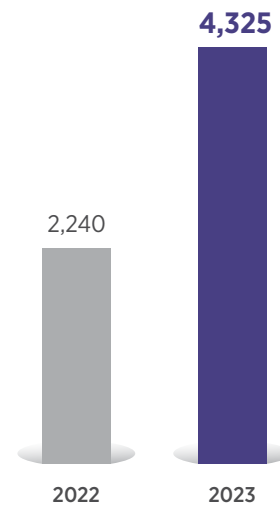
## AIRCRAFT LIABILITY

Premium production in the aircraft liability branch was TL 261,552 thousand in 2023, up by 101.9%. Technical profit in this branch was TL 33,029 thousand, 5.8% above the 2022 figure.

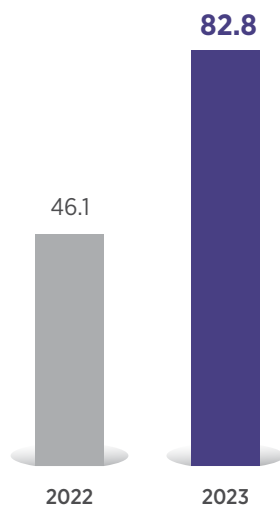
**PREMIUM PRODUCTION**  
(TL THOUSAND)



**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



**TECHNICAL PROFITABILITY RATIO**  
(%)

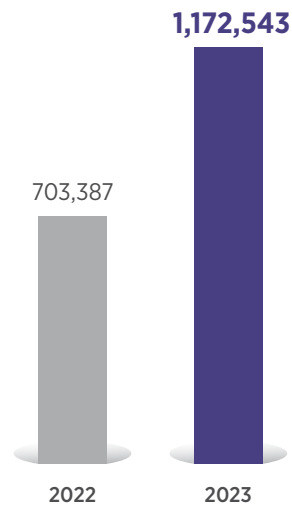


# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

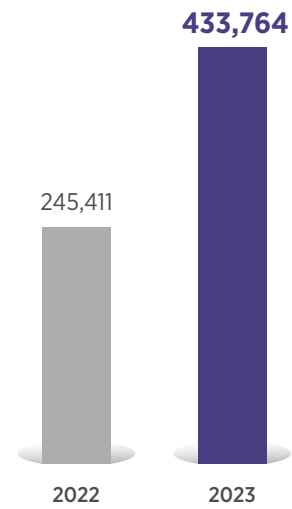
## GENERAL LIABILITY

During 2023, general liability insurance premium production grew 66.7% and amounted to TL 1,172,543 thousand. While claims paid increased by 76.8% year-on-year to TL 433,764 thousand, the branch closed the year with a technical profit of TL 84,263 thousand. While the branch ceded premiums in the amount of TL 23,015 thousand to the Medical Malpractice Insurance Pool in 2023, the premiums taken over from the Pool amounted to TL 10,823 thousand.

**PREMIUM PRODUCTION**  
(TL THOUSAND)



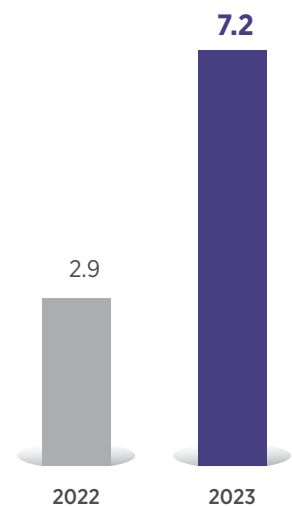
**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



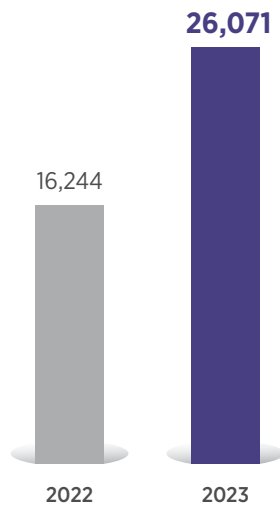
**TECHNICAL PROFITABILITY RATIO**  
(%)



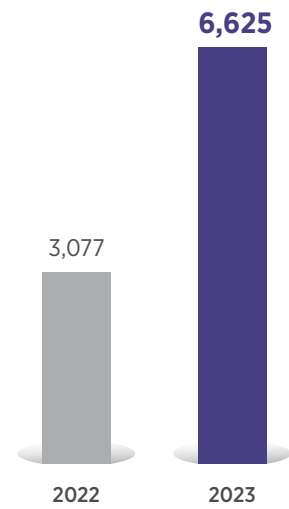
## CREDIT

The credit insurance branch realized a premium production of TL 26,071 thousand in 2023 while TL 6,625 thousand was paid in claims. The branch booked a technical profit of TL 12,984 thousand on its 2023 operations.

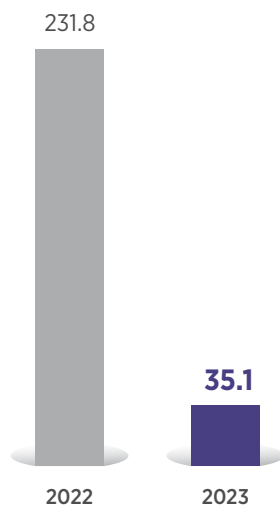
**PREMIUM PRODUCTION**  
(TL THOUSAND)



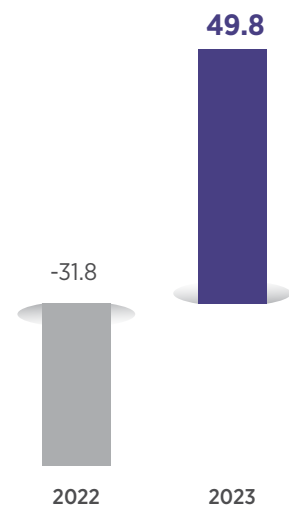
**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



**TECHNICAL PROFITABILITY RATIO**  
(%)

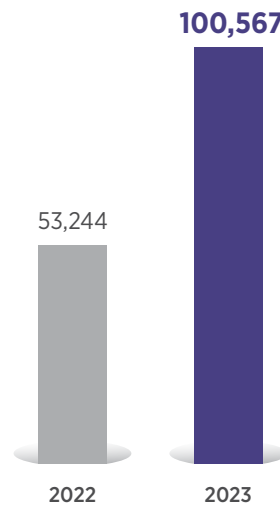


# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

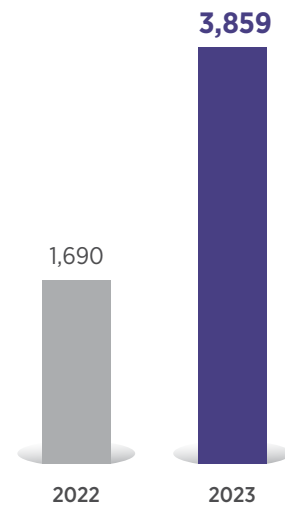
## BOND INSURANCE

Premium production in the bond insurance branch was worth TL 100,567 thousand in 2023, while claims paid amounted to TL 3,859 thousand. The technical loss in this branch was TL 6,505 thousand in 2023.

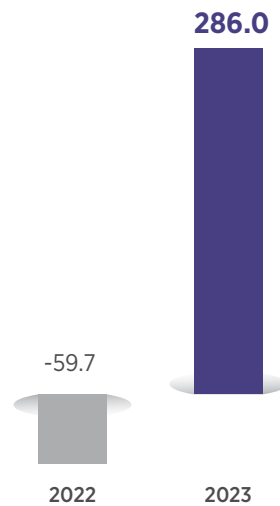
**PREMIUM PRODUCTION**  
(TL THOUSAND)



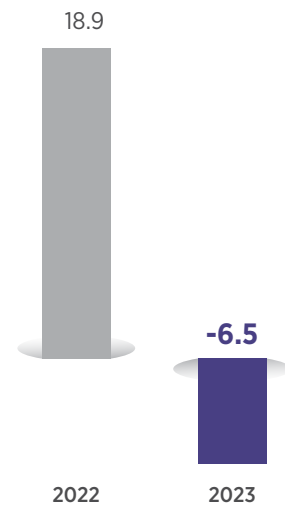
**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



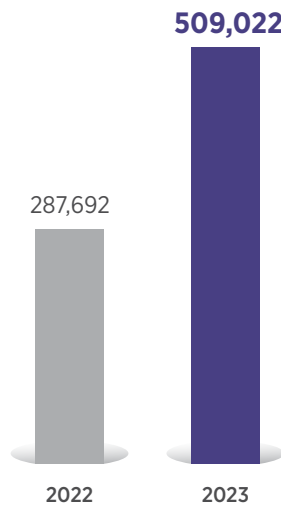
**TECHNICAL PROFITABILITY RATIO**  
(%)



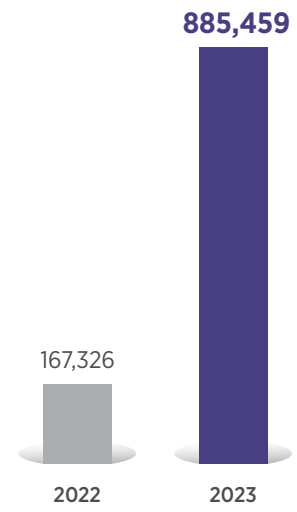
## FINANCIAL LOSSES

Premium production in the financial losses branch totaled TL 509,022 thousand in 2023 and claims paid were worth TL 885,459 thousand. The financial losses branch posted a technical profit of TL 9,014 thousand in 2023.

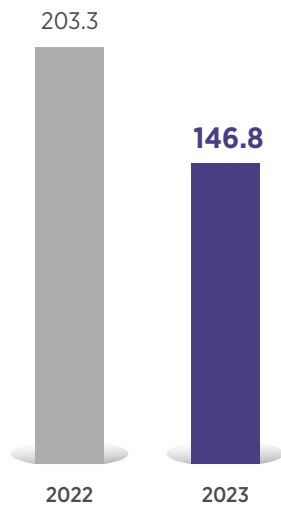
**PREMIUM PRODUCTION**  
(TL THOUSAND)



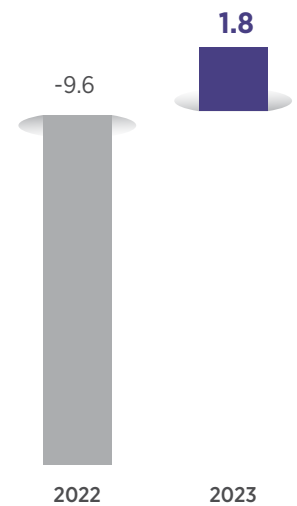
**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



**TECHNICAL PROFITABILITY RATIO**  
(%)

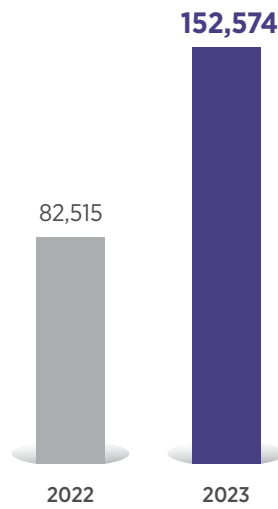


# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

## LEGAL PROTECTION

Premium production in the legal protection branch stood at TL 152,574 thousand in 2023, 84.9% higher than what it was in 2022. The branch attained a profitability of 126.9% in the reporting period for a technical profit of TL 193,545 thousand.

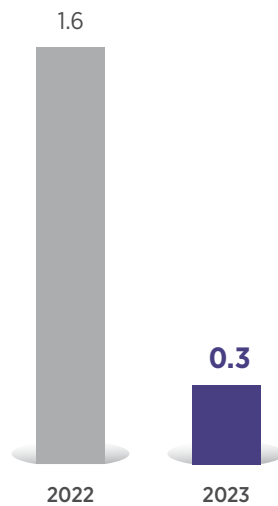
**PREMIUM PRODUCTION**  
(TL THOUSAND)



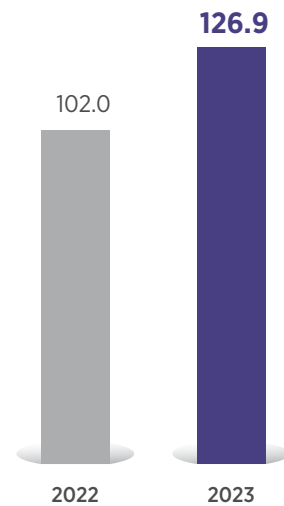
**CLAIMS PAID**  
(TL THOUSAND)



**CLAIMS PAID**  
(%)



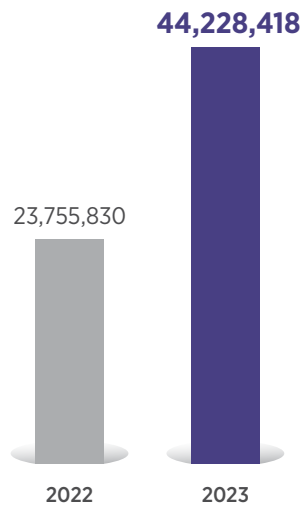
**TECHNICAL PROFITABILITY RATIO**  
(%)



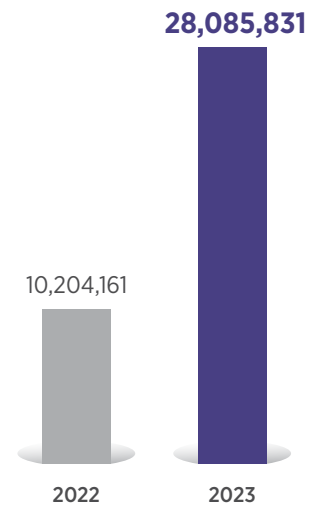
## TOTAL

Anadolu Sigorta's total premium production in 2023 was up 86.2% and reached TL 44,228,418 thousand, while claims paid grew by 175.2% to TL 28,085,831 thousand. The technical profit figure surged by 415.63% to TL 7,357,036 thousand with the help of the 140% increase in the income transferred from the financial division.

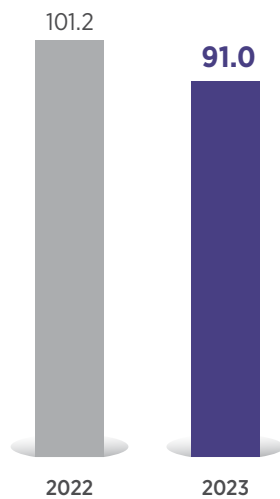
### PREMIUM PRODUCTION (TL THOUSAND)



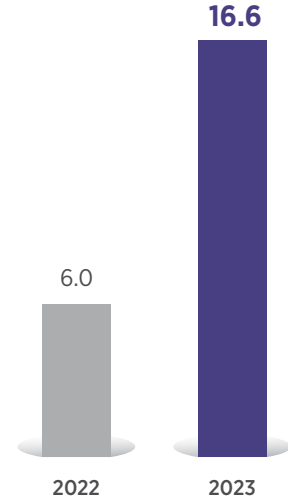
### CLAIMS PAID (TL THOUSAND)



### CLAIMS PAID (%)



### TECHNICAL PROFITABILITY RATIO (%)



# AN ASSESSMENT OF ANADOLU SİGORTA IN 2023

## Investment Income

Investment income increased by 154.7% to amount to TL 18,483,752 thousand in 2023.

The company, in 2023, derived TL 1,450,825 thousand as interest income on time deposits, TL 224,396 thousand from the matured government securities and private sector bonds, and TL 73,003 thousand in dividend income from equities.

A total of TL 3,406,011 thousand was booked as income on sales of financial investments during the reporting period. TL 27,828 thousand of this was from the sale of bills and bonds, while TL 1,853,576 thousand was from the sale of equities, and TL 1,469,516 thousand was from the sale of mutual funds. The portion of TL 154 thousand remaining outside these amounts consists of income generated by the sale of financial assets subject to repo trading.

The “financial investments valuation account”, which consists of valuation income derived from all equities, bills and bonds, mutual fund shares, repo trading, and fixed-term deposits, amounted to TL 2,459,025 thousand.

The company booked currency translation gains in the amount of TL 9,443,037 thousand, a major part of which was generated from swap transactions, while income from derivatives were worth TL 1,182,314 thousand in 2023. Income from Anadolu Sigorta’s equity participations amounted to TL 100,000 thousand.

Investment Income (TL thousand)	2023	2022	Change (%)
Income from Financial Investments	1,748,224	724,840	141.2
Revenues from the Sales of Financial Investments	3,406,011	1,550,889	119.6
Valuation of Financial Investments	2,459,025	822,695	198.9
FX Gains	9,443,037	3,099,095	204.7
Dividend from Affiliates	100,000	88,000	13.6
Income from Real Estate	145,141	162,762	-10.8
Income from Derivatives	1,182,314	808,575	46.2
Other Investments	--	--	--
<b>Total</b>	<b>18,483,752</b>	<b>7,256,856</b>	<b>154.7</b>

## Investment Expenses

The company’s investment expenses increased by 157.8% to TL 18,672,003 thousand in 2023. The biggest component of this figure consisted of TL 11,798,293 thousand in investment income transferred to the technical division. Other significant amounts apart from this item within investment expenses included loss from derivatives in the amount of TL 569,620 thousand and FX losses in the amount of TL 5,043,064 thousand, a great deal of which stemmed from swap transactions. Aside from these items, losses from liquidation of investments had an impact of TL 844,964 thousand, while investment and administration expenses including interest consisting of the performance and management fees of asset management companies made an impact in the amount of TL 214,151 thousand.

Investment Expenses (TL thousand)	2023	2022	Change (%)
Investment Management Expenses (incl. interest)	-214,151	-40,204	432.7
Devaluation of Investments	-82,669	-1,337	6.084.4
Loss from the Sales of Financial Investments	-844,964	-223,675	277.8
Investment Income Transferred to the Technical Division	-11,798,293	-4,915,529	140.0
Loss from Derivatives	-569,620	-1,238,038	-54.0
FX Losses	-5,043,064	-715,516	604.8
Depreciation Expenses	-119,240	-109,780	8.6
<b>Total</b>	<b>-18,672,003</b>	<b>-7,244,079</b>	<b>157.8</b>



## Revenues, Income, Expenses and Losses from Other Operations

The “revenues, income, expenses and losses from other operations” account stood at TL 405,097 thousand at year-end 2023. A major contributor to this account balance stems from deferred tax asset income in the amount of TL 738,388 thousand, which was followed by -281,502 thousand charge against the reserves account, and rediscounts account in the amount of TL -54,166 thousand.

Revenues, Income, Expenses and Losses from Other Operations (TL thousand)	2023	2022	Change (%)
Provisions	-281,502	-205,952	36.7
Rediscounts	-54,166	-63,915	-15.3
Deferred Tax Asset Income	738,388	233,163	216.7
Deferred Tax Asset Expenses	--	--	--
Other Revenues and Income	35,579	7,729	360.4
Other Expenses and Losses	-33,203	-3,409	874.1
<b>Total</b>	<b>405,097</b>	<b>-32,383</b>	<b>-1,350.9</b>

## Operating Results

Key ratios concerning the company’s performance in 2023 are shown in the chart below along with prior-year results for comparison.

	2023	2022
Technical Profitability	%16.6	%6.0
Claims Ratio	%91.0	%101.2
Return on Equity	%41.6	%18.7
Return on Assets	%10.1	%3.7

(TL thousand)	2023	2022	Change (%)
Technical Division Balance	7,357,036	1,429,590	414.6
Investment Income	18,483,752	7,256,856	154.7
Investment Expenses	-18,672,003	-7,244,079	157.8
Revenues, Income, Expenses and Losses from Other Operations	405,097	-32,383	-1.350.9
<b>Total</b>	<b>7,573,883</b>	<b>1,409,984</b>	<b>437.2</b>
<b>Profit/Loss (Gross)</b>	<b>7,573,883</b>	<b>1,409,984</b>	<b>437.2</b>
<b>Tax Provisions</b>	<b>-1,664,486</b>	<b>-276,782</b>	<b>501.4</b>
<b>Profit/Loss (Net)</b>	<b>5,909,397</b>	<b>1,133,201</b>	<b>421.5</b>

## Assessment of the Company Capital and Comments

The key considerations that the companies in the insurance sector will face in the years ahead will be the satisfaction of potential capital requirements that might arise in line with growth, and due management of the capital.

The repercussions the Kahramanmaraş earthquake that occurred on 6 February 2023 and hit 10 provinces had on the sector once again demonstrated the necessity for the companies operating in the sector to be backed by robust capitalization. When planning for growth and profitability targets, Anadolu Sigorta observes capital needs as well. Attention is paid to ensure that the company capital is at adequate level, taking into consideration the regulatory requirements. Information on capital adequacy is presented in the relevant section of the notes to the financial statements.

# PROFIT DISTRIBUTION POLICY

- The company's profit distribution principles for shareholders and other people participating in the profit are governed by the applicable requirements of the Turkish Commercial Code, Capital Market legislation and our Articles of Incorporation.
- The dividend distribution proposals presented by the Board of Directors for the approval of the General Assembly are prepared in a manner to preserve the delicate balance between the expectations of our shareholders and the company's need to grow, and taking into consideration future expectations regarding the company's operations, capital adequacy targets and the conditions prevailing in capital markets, as well as the profitability of the company.
- The profit distribution policy espoused by the Board of Directors is based on the principle of proposing to the General Assembly the distribution of at least 30% of the net distributable profit for the period as bonus shares and/or in cash.
- In the event that the net distributable profit for the period calculated based on the legal records remains below 5% of the company's paid-in capital, the Board of Directors may propose to the General Assembly that no dividends be distributed.
- Dividend distribution formalities and processes are carried out so as to be completed by no later than the end of the fiscal year in which the General Assembly Meeting is convened.
- Pursuant to the company's Articles of Incorporation, our employees are paid dividends up to three times of their salaries, which, in the aggregate, must not be in excess of 3% of the amount remaining after the first dividend is set aside.
- The company may distribute advances on dividends in accordance with the principles and procedures set forth in the Capital Market legislation.
- There are no preference shares in the company.
- No founder's bonus certificates are given, nor are dividends paid to the members of the Board Directors.

# RISK MANAGEMENT POLICIES ADHERED TO BY TYPES OF RISKS

The company's risk policies and related implementation procedures include written standards devised and enforced by the Board of Directors. Determined and enforced by the Board of Directors in parallel with international practices on the basis of types of risks covered under insurance underwriting risk, credit risk, assets and liabilities management risk, operational risk, reputation risk and strategic risk, these are general standards that define the organization and scope of the risk management function, risk measurement procedures, the procedures for determining risk limits, actions to be taken in possible limit violations, and the compulsory approvals and confirmations that are required to be given in various cases and circumstances.

Besides insurance underwriting, credit, assets and liabilities, reputation, strategic and operational risks, other risks can result from the reciprocal and successive interaction of these risks. Therefore, an integrated consideration should be adopted for all risk elements stemming from assets and liabilities positions.

The company's basic strategy with respect to the distribution of long-term assets and liabilities is to ensure consistency between assets and liabilities at optimum liquidity risk level so as to support the objective of maximizing returns. Accordingly, utmost importance is given to the following points:

The basic objective of the company's activity in the money and capital markets is to generate maximum possible return at a specified risk level. The priorities in asset investments are, in order of precedence, safe investment, liquidity and return.

When investing assets, the company takes into account market and liquidity risks, portfolio concentration risk,

payables in high amounts such as known or foreseeable advance taxes, corporate taxes, reinsurer payments and claims payments, as well as receivables from insurance activity.

Through scenario analyses and stress tests, the assets portfolio is exposed to various shocks and tested with respect to interest rates, exchange rates and share certificate prices. These tests are conducted at quarterly intervals at a minimum. Utmost attention is paid to maintaining a cash position in foreign currency for potential catastrophic risks equivalent to the lower limit of excess of loss agreements, as well as known liabilities for any given period.

The company has in place a Contingency Action and Funding Plan concerning actions to be taken in the event of a liquidity crisis by reason of negative market movements beyond its control, unexpected macroeconomic developments, catastrophe or big-ticket claims payments and/or other reasons.

The Board of Directors, taking into account long-term strategies, equity capabilities, returns to be derived and general economic expectations, sets the company's risk tolerance, which is then expressed in terms of risk limits. In line with the procedures set in the policies and in view of the market conditions in the relevant period, the Risk Management Department reports any limit violations to the CEO and the Board of Directors after obtaining input from the Early Detection of Risk Committee.

## 1- Insurance Underwriting Risk Policy

Insurance underwriting risk is defined as a risk that might arise basically from failure to correctly and effectively implement the insurance technique within the process of converting coverage provision for occurrences, which are probable, into sustainable commercial earnings. The scope of Insurance Underwriting Risk Policies

consists of the scope, conditions and price of the coverage to be provided for the risk; the principles applied in determining which of the coverages provided will be ceded up to what amounts and to whom in the case of risks decided to be transferred; conducting effective monitoring of risk portfolio loss frequency so as to allow formulation of fitting reinsurance strategies at sufficient frequency, and related monitoring and reporting system.

Management of insurance underwriting risk is based on the principle of forming the risk portfolio with risks that represent a low potential to cause loss. In order to avoid poor risk selection and incorrect pricing of insurance policies and to create accurate reinsurance policies, effective monitoring is carried out on loss frequency and loss severity of the risk portfolio. The risk portfolio is separately overseen on the basis of agents, industry, branches, regions, brands, models, tariffs, products, customers and other parameters.

A comprehensive insurance underwriting risk reporting system is used to ensure measurement of loss performance, oversee compliance with applicable legislation and ensure reporting on the effectiveness of insurance underwriting risk controls. The risk of the portfolio is regularly reported by executive departments and the Risk Management Department to the CEO and the Board of Directors after obtaining input from the Early Detection of Risk Committee.

## 2- Credit Risk Policy

Credit risk means the possibility of the company's sustaining loss due to failure on the part of policyholders, agents, reinsurers, fronting companies, coinsurers, and other parties to partially or totally fulfill their obligations towards the company. It also indicates to the loss of market capitalization

## RISK MANAGEMENT POLICIES ADHERED TO BY TYPES OF RISKS

caused by the deterioration in the financial standing of companies with which there are subsidiary or affiliate relationships. The Credit Risk section of the Risk Management Policy sets out the procedures and responsibilities related to the management, control and monitoring of credit risk, as well as matters in relation to credit risk limits.

Early identification and definition of issues are of the essence for effective management of credit risk. For this purpose early warning signals are determined; these are indicators pointing at cases that will adversely influence the credit risk and lead to a credit risk that is above the company's risk tolerance. For insurance brokers, these are declined collection ratios, reduced production performances, slackened discipline in conforming to company guidelines, and other data from intelligence. For Reinsurance companies and counterparties, these cover all kinds of data and information obtained in relation to negative ratings and developments. It is the duty and responsibility of executive units to obtain data and information in relation to credit risk. All kinds of information obtained are urgently considered within the frame of decision-making, monitoring, reporting and auditing processes.

A credit risk scoring system used, which has the capability to be made use of in the management of credit risk and decision-making, to enable monitoring risk on the basis of counterparties, to take notice of expected and unexpected losses, and to allow for making the decisions based not only on the return derived or anticipated to be derived from the counterparty at any time, but also on the risk underwritten. The risks of counterparties are regularly reported by the Risk Management Department to the CEO and the Board of Directors after obtaining input from the Early Detection of Risk Committee. The Risk Management Department also

monitors regional, sectoral and market trends that have an actual or potential effect on the company's credit risk, and reports the results to the CEO and the Board of Directors after obtaining input from the Early Detection of Risk Committee.

### **3-Assets and Liabilities Management Risk Policy**

Assets and Liabilities Management risk means all financial risks such as market, liquidity, structural interest rate, capital investment and real estate investment, which arise from the company's assets and liabilities. Internationally-recognized approaches and advanced statistical methods are employed to measure the risk. Since these calculations cover risk prediction for the following days, the accuracy of predictions are compared subsequently with actual values and monitored on a daily basis. On the other hand, the portfolio is tested under different scenarios for determining the effects of occurrences, which pose a low probability in terms of occurrence, but big volume in terms of loss. The assessments, which include the possible mismatches among types and maturities of the company's assets and liabilities, are regularly reported in detail to the CEO and the Board of Directors after obtaining input from the Early Detection of Risk Committee.

Among the components of the Assets-Liabilities Management Risk, the Market Risk means the risk of loss in the value of the company's placements in financial borrowing instruments whose return is linked to interest rate; stock, other investment securities, all FX or FX-indexed assets and liabilities in or off the balance sheet, derivative contracts based on the said instruments, which loss might result from the volatilities in interest rates, stock prices and exchange rates.

The basic and ultimate purpose of

the company's activities in money and capital markets is to generate returns. The basis of assets liabilities management policies is to measure, report and keep under control the risk that the company is exposed to by reason of such activity. The top priority is to ensure that the company's assets liabilities management risk exposure is within the limits stipulated by applicable legislation and is compliant with the company's risk appetite. In assets liabilities risk management, risk appetite is expressed in terms of limits assigned to the Financial Management within the investment limits determined by the Board of Directors and the contracted asset management companies. Market risk limits are categorized into two groups: limits established by the value at risk method, and limits determined based on the ratio of each group of investment securities to the total portfolio and shareholders' equity. The Risk Management Department and Financial Management Department closely and constantly monitor limit violations. In case limits are exceeded, the amount by which a limit is exceeded and the reasons therefor are reported to the CEO and the Board of Directors, along with the assessments of the executive committee and after obtaining input from the Early Detection of Risk Committee. If limit violations are above the ratios or durations set by the Board of Directors, necessary action is determined by the Board of Directors.

### **4- Operational Risk Policy**

Operational risk is defined as any risk other than insurance underwriting, credit, assets and liabilities management, strategic and reputation risks which might occur in relation to the organization, business continuity, insufficient or inoperative business processes, technology, human resource, underperformance by individuals, administrative mistakes, unfortunate events, misconduct, accident and

fraud, systems or external factors, legislation, management and business environment, and which might cause physical or reputational loss to the company. Within the framework of this definition, risks such as IT risk, human capital management risk, compliance risk, model risk, fraud risk, operating environment risk, transaction and process risk, and subheadings thereof are addressed and monitored under operational risk.

Limits are introduced for potential operational risks that might arise during the activities based on the "Company Risk Catalogue," which is the basic document used in defining and classifying all risks that may be faced with. The Risk Catalogue is updated in parallel with the changing conditions.

"Self-Assessment Methodology" is used in the identification of operational risks. In this method, the risks in relation to activities conducted are exposed with the involvement of the personnel performing the job. Qualitative and quantitative methods are used jointly in the measurement and evaluation of operational risk. The measurement process uses data obtained from "Impact - Likelihood Analysis" and "Loss Incident" database."

When managing operational risk, efforts are spent to develop controls to eliminate or mitigate the possibility of sustaining loss due to risks that the company may be exposed to in relation to its activities. Effectiveness and adequacy of existing or subsequently developed controls, and the implementation of action plans adopted in this regard are evaluated in coordination with the Risk Management and Internal Control Department and the Board of Inspectors. The Risk Management Department monitors all operational risks that the company may be exposed to during the course of its activities, and regularly reports on

the same to the CEO and the Board of Directors after obtaining input from the Early Detection of Risk Committee.

Compliance risk, which is a sub-category of operational risk, is defined as the risk of fines imposed against the company, financial losses and reputational loss sustained due to non-compliance with the internal guidelines, besides with the laws, regulations, rules and standards governing its activities. All external legislations and obligations governing the company in addition to insurance legislation are taken into consideration in the management of compliance risk.

The basic strategy of the company in terms of compliance risk is to carefully plan, conduct and manage risk management activities independently, impartially, purposefully, productively and efficiently, employing a risk-focused approach and in line with applicable legislation and internationally accepted principles and standards. The basic principle in achieving this goal is to employ the most advanced tools and methods that are available and possible to be used.

### **5- Reputation Risk Policy**

Reputation risk refers to potential loss that may result from loss of confidence in the company or harm to the company's reputation stemming from failed operations or from regulatory non-compliance. At a minimum, the company's level of reputation risk exposure is monitored individually and assessed as a whole, in view of the perception and reputation survey questionnaire results; the extent at which products and services offered satisfy customer expectations; negative comments in printed, visual, audio and social media platforms; market capitalization; service continuity level; sanctions imposed and their implications; lawsuits brought against

the company, and risk/control analyses pertaining to processes. Perception and reputation survey questionnaire results, customer complaints, negative news featured in media platforms and similar occurrences are taken into consideration as warnings. Each element in relation to the level of reputation risk is monitored individually and/or collectively, and the Risk Management Department, at least on a quarterly basis, reports the assessment results to the CEO and the Board of Directors after obtaining input from the Early Detection of Risk Committee. The level of compliance with the corporate governance understanding that forms the basis of the reputation risk is also monitored by the Corporate Governance Committee.

### **6-Strategic Risk Policy**

Strategic risk is the risk of taking inappropriate decisions when setting the strategies related to the company's activities or failure to duly implement the strategic decisions. Strategy-related activities and monitoring activities carried out by the Corporate Strategy and Performance Management make sure that all executive units act in accordance with the company's strategies. The Risk Management Department performs measurements and risk assessments in relation to relevant risk headings. Measurements, analyses and suggestions in relation to strategic risks are periodically reported to the CEO and the Board of Directors by the Risk Management Department after obtaining input from the Early Detection of Risk Committee.

# ACTIVITIES OF THE EARLY DETECTION OF RISK COMMITTEE

Pursuant to the provisions of the Communiqué Serial: IV No: 56 on the Determination and Implementation of Corporate Governance Principles enforced upon its publication in the Official Gazette issue 28158 dated 30 December 2011, it has been decided to set up an Early Detection of Risk Committee as of 27 February 2012, which would be responsible for carrying out all relevant works and efforts for the early detection of risks that might endanger the existence, progress and survival of the company, implementation of measures and remedies against identified risks, and management of the risk. The committee makes an assessment of the situation in its bimonthly reports submitted to the Board of Directors; the said reports are also shared with the statutory auditor.

In accordance with the principles and procedures associated with internal systems and their operation stipulated in the Regulation on Internal Systems in Insurance and Private Pension Sectors which went into force upon its publication in the Official Gazette issue 31670 dated 25 November 2021, the company provided that the Audit Committee's tasks associated with internal control, risk management and actuarial functions are performed by the company's "Early Detection of Risk Committee", and the tasks associated with the internal audit function are performed by the "Audit Committee". In addition, Internal Systems Directorate has been set up at the company; a

senior executive who is not a Board of Directors member has been assigned with the title Head of Internal Systems and will serve as a member of the Early Detection of Risk Committee, and the internal control, risk management and actuarial units were affiliated to the Head of Internal Systems administratively and functionally.

## **RISK MANAGEMENT ACTIVITIES AND RISK ASSESSMENT**

The company's risk exposure is monitored, assessed and controlled individually under the categories of insurance underwriting risk, credit risk, assets and liabilities risk, reputation risk, strategic risk, and operational risk in accordance with documented risk policies. The risks that might arise during the activities are defined and classified based on the "Company Risk Catalogue," and reported monthly and quarterly to the Board of Directors via the Early Detection of Risk Committee. Impact-likelihood analysis, scenario analysis, stress tests and risk indicators are used in addition to risk assessments for prioritization of risks. Risks, which are defined and whose management principles are described in detail in the Risk Catalogue, are regularly reviewed at least on an annual basis, and related definitions and principles are kept up-to-date.

When the company's risk exposure is assessed with respect to the magnitude of the potential impact of those risks, the effects of global and national

developments upon the technical and financial performance, the potential earthquake in İstanbul, and low technical profitability come to the fore.

Looking at global risks, changes in financial policy in developed economies might pose an important agenda item. Rate cuts might possibly come on the table in 2024 due to the inflation that took a downtrend in 2023 in developed countries as a result of the tightening monetary policies of central banks. In this respect, the course of rate decisions in developed countries will probably play a telling role in the global trade volume. Led by the Russia-Ukraine war and Israel-Hamas war, and Yemen-based Houthis' attacks in the Suez Canal, geopolitical developments will be among the key risk headings. In addition, global warming and climate change continue to represent the most critical risk heading for the future of the insurance industry, as it does for the whole world, and directly influences non-life insurance sector in particular.

From the standpoint of the Turkish economy, a number of factors including the policies of the Central Bank of the Republic of Türkiye (CBRT) to combat the high inflation, fund inflow, and the forthcoming local elections will continue to make critical agenda items with respect to economic stability. The rise in minimum wage will likely boost the costs of companies with high market share particularly in motor compulsory TPL and liability branches.

Geopolitical developments and the course of international relations are also among the telling factors in terms of economic stability.

The compensation amounts that might result from earthquakes and other catastrophic risks that exceed the upper limits of various existing agreements are of a nature that might lead the company to suffer losses of a magnitude that cannot be made up for in a typical operating year. Modeling software is used to determine the magnitude of an earthquake in İstanbul and the potential losses that would arise therefrom, and the potential margin of error incorporated in such software is also taken into consideration when determining the final protection level. On the other hand, scenario analyses are employed to establish some uncertainties that cannot be calculated by modeling programs, such as personal injury, motor own damage claims, tsunami, post-earthquake fire, changes in our protection level due to volatile exchange rates, inflation, high level coverage in conjunction with loss of profit, and a portfolio that expands during the course of the year, whereas a certain safety margin is allowed for some other uncertainties. A Contingency Action and Funding Plan and a Business Continuity Plan are in place for the management of potential

risks that might increase substantially if triggered simultaneously by the potential earthquake in İstanbul. The operability of these plans is tested at regular intervals.

Low operating profitability is at the top of the risk elements that are critical for the company, which is the case also for all non-life companies in the sector. Profitability can be achieved with the support of investment income; however, the loss presented by technical results especially in liability branches poses a risk with respect to sustainable growth of the sector.

Disrupted supply chains and the pandemic-accelerated digitalization process compel a redesign of certain fundamental insurance functions according to evolving customer expectations. The said conditions call for upskilling and reskilling on the part of employees, whereas shifting human resources priorities and labor market dynamics directly concern insurance companies as well. Moreover, the deadline for the transition to the new insurance standard, TFRS 17 Insurance Contracts, remains as a key topic for insurers.

# INDEPENDENT AUDITOR’S REPORT ON THE EARLY IDENTIFICATION OF THE RISK COMMITTEE AND SYSTEM



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

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

## To the Board of Directors of Anadolu Anonim Türk Sigorta Şirketi,

We have audited the Early Identification of the Risk System and Committee established by Anadolu Anonim Türk Sigorta Şirketi.

### Responsibility of the Board of Directors

Pursuant to paragraph 1 of Article 378 of the Turkish Commercial Code 6102 (“TCC”), the board of directors is obliged to establish a committee of experts and operate and improve the system for the purposes of: early identification of factors posing a threat on the company’s existence, development and continuation; implementation of necessary measures and solutions in this regard; and management of the risk.

### Responsibility of the independent auditor

Our responsibility is to express a conclusion on the Early Identification of the Risk System and Committee based on our audit. Our audit was conducted in accordance with TCC and the “Principles on the Independent Auditor’s Report on Early Identification of the Risk System and Committee” and ethical requirements as announced by Public Oversight Accounting and Auditing Standards Authority (“POA”) of Turkey. These Principles require us to determine whether the early identification of the risk system and committee has been established, and if established, to evaluate whether the system and committee operate in accordance with Article 378 of TCC. Our audit does not involve auditing the appropriateness of the solutions on the risks identified by the Early Identification of the Risk System and Committee and the practices performed by the management against the risks.

### Information Regarding the Early Identification of the Risk System and Committee

The Company established the Early Identification of the Risk System and Committee in February 24, 2012. The committee consists of two members, one of them is an independent board member, and the committee is chaired by an independent member. The committee has met for the purposes of early identification of factors posing a threat on the company’s existence and development, implementation of necessary measures and solutions in this regard and the management of the risk; and has submitted the reports it has prepared to the Board of Directors.

### Conclusion

Based on our audit, we have reached the conclusion that the early identification of the risk system and committee of Anadolu Anonim Türk Sigorta Şirketi is, in all material respects, in compliance with article 378 of the TCC.





# INDEPENDENT AUDITOR’S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS



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

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

(Convenience translation of a report originally issued in Turkish)

## To the Shareholders of Anadolu Anonim Türk Sigorta Şirketi

### 1) Opinion

We have audited the annual report of Anadolu Anonim Türk Sigorta Şirketi (“the Company”) for the period of January 1 – December 31, 2023.

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

### 2) Basis for Opinion

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

### 3) Our Auditor’s Opinion on the Full Set Financial Statements

We have expressed an unqualified opinion in our auditor’s report dated February 7, 2024 on the full set consolidated and unconsolidated financial statements of the Company for the period of January 1 – December 31, 2023.

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

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 (“TCC”), the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) of the Capital Market Board (“CMB”) and the Communiqué on Individual Retirement Saving and Investment System” (“Communiqué”) issued on 7 August 2007 dated and 26606 numbered, the management of the Company is responsible for the following items:

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

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

# YÖNETİM KURULUNUN YILLIK FAALİYET RAPORUNA İLİŞKİN BAĞIMSIZ DENETÇİ RAPORU

c) The annual report also includes the matters below:

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

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

## 5) Auditor's Responsibilities for the Audit of the Annual Report

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

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated and unconsolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated and unconsolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited



Fatih Polat, SMMM  
Partner

February 28, 2024  
İstanbul, Türkiye

# DISCLOSURE POLICY

## General Framework

Anadolu Anonim Türk Sigorta Şirketi fulfills its obligations of public disclosure of financial and other type of information as required mainly by the Law on Insurances and relevant regulations hereunder and Capital Markets Legislation, Turkish Commercial Code and the legislation governing the Istanbul Stock Exchange (BIST), through which our shares were listed and exchanged, in line with the generally accepted accounting principles and corporate governance principles; therefore, it follows a detailed public disclosure policy.

Main purpose of the disclosure policy is to ensure true, complete, convenient, less costly, understandable and fair conveyance of necessary information and disclosures, other than those classified as trade secret, to shareholders, investors, employees, clients, creditors, reinsurers and other concerned parties.

Having an active approach for the adoption and implementation of Corporate Governance Principles, our company attaches utmost care for compliance with the requirements of the relevant legislation and best international practices with respect to public disclosure. Anadolu Anonim Türk Sigorta Şirketi Disclosure Policy has been prepared within the scope of above principles and put into practice after its approval by the Board of Directors.

Anadolu Anonim Türk Sigorta Şirketi uses Public Disclosure Platform (PDP), Central Registry Institution (E-Company), Electronic General

Assembly System (EGAS), national/local newspapers, Turkey's Trade Registry Journal and company's official website for informing the public.

## Authorization and Responsibility

The Board of Directors is responsible and authorized for preparation, monitoring, auditing and improvement of public disclosure policy of our company. Directors in charge of financial management and reporting and Investor Relations Department have been appointed for the responsibility of conducting and coordination of disclosure function under the policy. The officials of the mentioned department perform their duties in coordination with the Audit Committee, Corporate Governance Committee and the Board of Directors.

## Public Disclosure Operations and Methods and Instruments Used

Public Disclosure operations and methods and instruments used for these operations under the legislation on insurances, Capital Markets Legislation, Turkish Commercial Code and other relevant legislation are described below:

Financial statements and notes and explanations thereof for each quarter, which are prepared in accordance with the legislation issued by the Republic of Turkey Undersecretariat of Treasury General Directorate of Insurance and Capital Markets Board and signed with an attestation by the Committee Members in charge of Audit and the Director General or Directors in charge of financial reporting, and external audit reports, issued annually semi-

annually are published on our website and reported to the Public Disclosure Platform (PDP) within its legal deadline. Furthermore, our company issues financial statements for each quarter and upload them to the portal managed by the Undersecretariat of Treasury and convey most of these statements also to the Turkish Insurers Union (TIU) for informative reasons.

Disclosures for special cases, which must be notified pursuant to the Capital Markets Board (CMB) legislation, are notified to PDP within its legal deadline. Disclosures for special cases are published on the company website of Anadolu Sigorta on the next business day at the latest following the public disclosure and stays on the website for a duration of 5 years.

For the purpose of ensuring the confidentiality during the time until the public disclosure of special cases, persons who have access to insider information are informed about the requirements stemming from the relevant legislation. As for those who may have access to insider information through the service supplied from them, their contracts include a clause of confidentiality. On the other hand, Anadolu Sigorta carefully complies with the legislative requirements imposed by the Law on Insurance No. 5684 and relevant legislation requiring the safekeeping the customers' secrets and not disclosing them to parties other than those who are explicitly authorized by the law. This requirement binds not only the Anadolu Sigorta employees but also the employees of the companies through which the company gets support services.

## DISCLOSURE POLICY

In accordance with the legislation and the provisions of the Company Charter, announcements and notifications for changes to the Company Charter, General Assembly meetings, capital raise, reporting of year-end financial statements are given on the TTRJ and national newspapers. Documents and information about the General Assembly are delivered to shareholders through Electronic General Assembly System in line with the provisions of the Turkish Commercial Code.

Each year before the General Assembly meeting, annual activity report, in line with the relevant legislation, is presented for the examination of shareholders with a view to include all necessary information and descriptions and is published on our website (Both in Turkish and in English) and reported to PDP. When requested, this report may be obtained in print from our Investor Relations Department.

Regular meetings and briefings are not part of our policy. Instead, where requested or needed to respond to questions raised by the press members, press releases are made on the printed and visual media.

Press statements to printed and visual media may be made by the Chairman of the Board, the Director General or its Deputy or other officials assigned by them. News about our company published on national or international media are followed by a professional

media monitoring agency. Therefore, in case of a necessity of a disclosure for special case, which must be notified pursuant to the relevant legislation, necessary briefing is made on the subject gathering the departmental information from concerned departments.

When making a statement to press on news and talks, which are not classified as a special case disclosure by a legislation, type and content of the statement are defined according to certain factors such as the news' feature, size of the target audience of the media, whether the news affect the company reputation. If these news and rumors inherit a matter which requires the company to make a public disclosure, a special case disclosure is then made in line with the provisions of relevant legislation.

International and national investor meetings and road-shows are used to convey information to shareholders and to other concerned parties. These meetings and visits which were organized and managed by Investor Relations Department are sometimes attended by Director General, Directors in charge of financial management and reporting and the personnel of the Investor Relations Department. Where needed, the size of these contact teams may be enlarged. To ensure that all market participants are simultaneously and equally informed, the reports and presentations disclosed during the

introductory and information meetings held with investors are published on the company website under the Investor Relations Section.

Investor Relations Department delivers via e-mail necessary information, mainly financial statements, to shareholders, national and international investors and to those companies which releases research reports on our company.

Investor Relations Section of the official website of our company ([www.anadolusigorta.com.tr](http://www.anadolusigorta.com.tr)) includes detailed information and data on our company. This section is managed and kept up-to-date by the Investor Relations Department. All questions sent by all stakeholders via e-mail, regular mail, phone, etc. are answered at the shortest delay under the coordination of the Investor Relations Department.

### Other Notifications

Notifications other than above are disclosed to public with signature of the officials whose power of signature was indicated in the company's certificate of signature.

## Forecasts

In case of disclosure of forecasts for the company, which may affect the investor decisions, the Board of Directors, Director General or other officials assigned by the latter make necessary disclosures via Public Disclosure Platform, activity reports or other means defined by the legislation. In case of a significant difference between the issues disclosed earlier and realizations, a statement may be released according to relevant legislation.

## Defining the Persons with Administrative Responsibility

Persons with administrative responsibility are the members of the Board of Directors and those, who are not a member of the Board, yet, have regular access to internal information of our company, directly or indirectly, and who are entitled to take administrative decisions which may affect the future development and commercial ends of our company.

Therefore, in defining the persons with administrative responsibility, the duties of the persons in the company organization and the nature of the information which may be accessed by these persons are taken into account.

In addition to Members of the Board, Director General and Deputy Director Generals, managers of certain departments, who have access to all information regarding the company and who are entitled to take administrative decisions on matters such as assets-liabilities structure, profit-loss, cash-flow, strategic targets, (decisions, which may affect these matters at macro level) have also been determined as persons with administrative responsibility.

## Official Website of Anadolu Sigorta: [www.anadolusigorta.com.tr](http://www.anadolusigorta.com.tr)

Our company's official website is actively used for informing the public and disclosure. The website includes all information and data envisaged by the Corporate Governance Principles and Regulatory Authorities in Turkish and English. This website is always kept updated with due care.

E-Company platform may also be used in communication with shareholders, a platform which was established within Central Registry Institution in accordance with pursuant to the provisions of Turkish Commercial Code on websites, which can be accessed through "Bilgi Toplum Hizmetleri" link. Documents indicated in the relevant legislation can be accessed through this platform.

# STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

CRF, which is used to report compliance with voluntary principles, and CGIF templates, which are used to provide information about the existing corporate governance practices, have been prepared in accordance with the formats set out in the Corporate Governance Communiqué no. II-17.1 based on the Capital Markets Board of Turkey (CMB) decision no. 2/49 dated 10 January 2019. The same are disclosed on the Public Disclosure Platform and in our Annual Report.

We deem extreme benefit in the implementation of the Corporate Governance Principles, which we consider to be as important as financial performance, for the thriving of the national and international capital markets and for the interests of our company.

Our company is subjected to corporate governance rating by SAHA Kurumsal Yönetim ve Kredi Derecelendirme A.Ş., a rating agency that holds an activity license to carry out rating under the applicable legislation. Corporate Governance Rating Reports and information about our scores are disclosed on the Public Disclosure Platform, and also presented for the information of our investors under the Investor Relations tab of our corporate website.

Our company implements the principles that are defined as compulsory principles in the Corporate Governance Communiqué Serial: II-17.1.

In this context, our articles of incorporation do not contain any provisions stipulating stakeholder participation in the company's management and expanding the scope of minority rights beyond the provisions

of applicable legislation; minority shares are not represented on our Board of Directors.

While our company has Charitable Donations Guidelines, we do not have a Donations and Grants Policy, nor a section on our corporate website where the said is posted.

Five women members serve on our Board of Directors; a company policy has not been created governing the number of women members on the Board of Directors.

Necessary succession planning is made within the scope of the company's HR Policy.

While there are no rules governing outside positions held by our non-independent Board directors, they do not have any roles apart from their natural duties at the organizations they work for and apart from their natural duties at the establishments owned by the organizations they work for. As a matter of principle, care is taken to guarantee that the said situation does not lead to any conflicts of interest and does not disrupt the member's duties at the company. External positions held by our Board directors are presented for the information of our shareholders and stakeholders in our annual report and on our website.

In principle, our Board directors do not serve on more than one committee. Notwithstanding, since the entire Audit Committee and the heads of the Corporate Governance Committee and Early Detection of Risk Committee must be elected from amongst independent Board directors, two independent Board directors serve on two different committees.

The company's annual and medium-term goals are not publicly disclosed; the Board of Directors evaluates financial performance on a monthly basis.

The remunerations and similar benefits provided to the Board directors and senior management are disclosed cumulatively in the footnotes of our financial statements and in our annual report.

While there are no provisions stipulating stakeholder participation in the General Assembly meetings in our articles of incorporation, stakeholders wishing to participate as observers in those meetings may do so provided that they inform the company of their such desire prior to the General Assembly meeting. Hence, some stakeholders such as the audit firm representative, rating company specialist and some company employees have participated in the General Assembly meeting as observers within the knowledge of the company.

An insurance policy has been issued to cover the risk of damage that our Board directors and executives may cause to the company as a result of their fault in the discharge of their duties within the scope of İşbank Group's (İşbank and its Subsidiaries) liability policy. However, no disclosure was made about the subject on the Public Disclosure Platform.

Principles that are not yet implemented as an exception have not caused any conflicts of interest between stakeholders to date.

# CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Level					Remarks
	Yes	Partial	No	Exempted	Not Applicable	
<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X					
<b>1.3. GENERAL ASSEMBLY</b>						
1.3.2 -The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	No such transactions were carried out in 2023.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				Stakeholders wishing to participate in the meeting as observers may do so provided that they inform the company of their such demand in advance of the meeting.
<b>1.4. VOTING RIGHTS</b>						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2-The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					
<b>1.5. MINORITY RIGHTS</b>						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					

## CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Level				Not Applicable	Remarks
	Yes	Partial	No	Exempted		
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The company's articles of incorporation do not define minority rights as those who own less than one twentieth of the capital and care is taken to inform all shareholders equally.
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 -The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					SEDDK (Insurance and Private Pension Regulation and Supervision Agency) Circular 2021/25 limits [profit distributions to be made to a level] that will not reduce capital adequacy level below 135%; since our company's capital adequacy is below 135%, dividends were not distributed. Retained earnings were added to capital reserves.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				A substantial portion of the information available on our website is also presented in English so that international investors may make use of them.



	Compliance Level					Remarks
	Yes	Partial	No	Exempted	Not Applicable	
<b>2.2. ANNUAL REPORT</b>						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2-Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4-Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					

## CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Level				Not Applicable	Remarks
	Yes	Partial	No	Exempted		
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2-Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

	Compliance Level					Remarks
	Yes	Partial	No	Exempted	Not Applicable	
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				Our company's Board Members and Managers are insured within the scope of the umbrella liability insurance policy, which includes the companies in our group as insured, against the risk of loss caused by their faults during their duties, but the insurance cost is not determined as an amount exceeding 25% of the capital specified in the Communiqué.
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			While we do not have a dedicated policy about this matter, women members serve on our Board of Directors.
4.3.10-At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1 All board members participated in the majority of board meetings either in person or by electronic means.	X					

## CORPORATE GOVERNANCE COMPLIANCE REPORT

	Compliance Level				Not Applicable	Remarks
	Yes	Partial	No	Exempted		
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					There were members who were unable to attend some of the 12 Board of Directors meetings held in 2023 due to their justified excuses, however, none provided written opinions about a topic.
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.				X		While there are no explicit limits in this respect, as a matter of principle, care is taken to guarantee that the said situation does not lead to any conflicts of interest and does not disrupt the member's duties at the company. Outside positions held by our Board members are presented for the information of our shareholders and stakeholders on the Public Disclosure Platform and in our annual report.
<b>4.5. BOARD COMMITTEES</b>						
4.5.5-Board members serve in only one of the Board's committees.		X				In principle, our Board members do not serve on more than one committee. Notwithstanding, since the entire Audit Committee and the heads of the Corporate Governance Committee and Early Detection of Risk Committee must be elected from amongst independent Board directors, two independent Board members serve on two different committees.

	Compliance Level					Remarks
	Yes	Partial	No	Exempted	Not Applicable	
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No need arose for the use of external consultancy services within the scope of the committee's activities.
4.5.8-Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.		X				The company's annual and medium-term goals are not publicly disclosed; the Board of Directors evaluates financial performance on a monthly basis. Moreover, the Board of Directors is not evaluated on the basis of individual members.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.		X				Remunerations were disclosed cumulatively divided into two categories as remunerations of Board members and benefits provided to the senior management.

# CORPORATE GOVERNANCE INFORMATION FORM

<b>1. SHAREHOLDERS</b>	
<b>1.1. Facilitating the Exercise of Shareholders Rights</b>	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	24
<b>1.2. Right to Obtain and Examine Information</b>	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
<b>1.3. General Assembly</b>	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	<a href="https://www.kap.org.tr/en/Bildirim/1005554">https://www.kap.org.tr/en/Bildirim/1005554</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Provided.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There were no transactions that are not approved by the majority of independent directors or by unanimous votes of present Board members in the context of Principle 1.3.9.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There are no related party transactions in the context of Article 9 of the Communiqué on Corporate Governance.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	There are no common and continuous transactions to be publicly disclosed in the context of Article 10 of the Communiqué on Corporate Governance.
The name of the section on the corporate website that demonstrates the donation policy of the company	While our company has Charitable Donations Guidelines, we do not have a Donations and Grants Policy, nor a section on our corporate website where the said is posted.
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	There is no PDP disclosure about the subject.
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	There are no provisions stipulating stakeholder participation in the General Assembly meetings in our articles of incorporation.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Some stakeholders such as the audit firm representative, rating company specialist and some company employees participated in the General Assembly meeting as observers within the knowledge of the company.
<b>1.4. Voting Rights</b>	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	There are no privileged shares.
The percentage of ownership of the largest shareholder	57.31%
<b>1.5. Minority Rights</b>	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	-

## 1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	SEDDK (Insurance and Private Pension Regulation and Supervision Agency) Circular 2021/25 limits [profit distributions to be made to a level] that will not reduce capital adequacy level below 135%; since our company's capital adequacy is below 135%, dividends were not distributed. Retained earnings were added to capital reserves.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	<a href="https://www.kap.org.tr/tr/Bildirim/1128160">https://www.kap.org.tr/tr/Bildirim/1128160</a>

### General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
27.03.2023	0	67.99%	0%	100%	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/general-assembly/general-assembly-agenda-minutes-of-general-assembly-meetings-and-additional-information">https://www.anadolusigorta.com.tr/en/investor-relations/general-assembly/general-assembly-agenda-minutes-of-general-assembly-meetings-and-additional-information</a>	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/general-assembly/general-assembly-agenda-minutes-of-general-assembly-meetings-and-additional-information">https://www.anadolusigorta.com.tr/en/investor-relations/general-assembly/general-assembly-agenda-minutes-of-general-assembly-meetings-and-additional-information</a>	None	0	<a href="https://www.kap.org.tr/tr/Bildirim/1116849">https://www.kap.org.tr/tr/Bildirim/1116849</a>

## 2. DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	<a href="https://www.anadolusigorta.com.tr/en/investor-relations">https://www.anadolusigorta.com.tr/en/investor-relations</a>
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/about-anadolu-sigorta">https://www.anadolusigorta.com.tr/en/investor-relations/about-anadolu-sigorta</a>
List of languages for which the website is available	Turkish, English

### 2.2. Annual Report

2.2.2. The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Board of Directors - Corporate Governance Compliance Report - Declarations of Independence by Independent Members of the Board of Directors
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Committees Operating within Anadolu Sigorta as per Corporate Governance and An Assessment by the Board of Directors

## CORPORATE GOVERNANCE INFORMATION FORM

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Information on Board Meetings Held in 2023 Fiscal Year
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Developments and Changes in Legislation
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Financial Statements and Independent Auditor's Report / 42 - Risks
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Committees Operating within Anadolu Sigorta as per Corporate Governance and an Assessment by the Board of Directors - An Assessment of the Activities of the Independent Audit Firm in 2023 Activity Period by the Audit Committee
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There are no cross-ownership relations.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Human Resources Practices at Anadolu Sigorta - Commitment to Social Responsibility
<b>3. STAKEHOLDERS</b>	
<b>3.1. Corporation's Policy on Stakeholders</b>	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>
The number of definitive convictions the company was subject to in relation to breach of employee rights	Definitive convictions were adjudged in 10 cases against the company in 2023, which related to labor rights.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Audit Committee
The contact detail of the company alert mechanism.	Notifications received via bilgi@anadolusigorta.com.tr are referred to the Audit Committee and the Internal Audit Department for investigation.
<b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	<a href="https://www.anadolusigorta.com.tr/tr/insan-kaynaklari/oneri-sistemi">https://www.anadolusigorta.com.tr/tr/insan-kaynaklari/oneri-sistemi</a>
Corporate bodies where employees are actually represented	The employees of our company are members of the Bank, Finance and Insurance Workers Union (Basisen) and there are union representative employees at the Head Office and Regional Branches. Our union representative employees play an important role in the handling of relations between our company and our employees.
<b>3.3. Human Resources Policy</b>	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The Board of Directors is authorized to make appointments to key managerial positions. Additional work is undertaken by the Corporate Governance Committee.



The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>
Whether the company provides an employee stock ownership program	None
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>  Measures are taken to prevent discrimination among our employees on the basis of race, religion, language or sex, to ensure that human rights are respected, and to safeguard the employees from internal physical, mental and/or emotional abuse.
The number of definitive convictions the company is subject to in relation to health and safety measures	None
<b>3.5. Ethical Rules and Social Responsibility</b>	
The name of the section on the corporate website that demonstrates the code of ethics	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	<a href="https://www.anadolusigorta.com.tr/en/media-social-responsibilities">https://www.anadolusigorta.com.tr/en/media-social-responsibilities</a>
Any measures combating any kind of corruption including embezzlement and bribery	Audit Committee, Internal Audit Department, Risk Management Department and Internal Control and Compliance Department actively work on these matters.
<b>4. BOARD OF DIRECTORS-I</b>	
<b>4.2. Activity of the Board of Directors</b>	
Date of the last board evaluation conducted	28.02.2023
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Fusun Tümsavaş (Chairperson of the Board of Directors), Fikret Utku Özdemir (Vice Chairman of the Board of Directors)
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	In 2023, the Internal Audit Department presented 12 reports.
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Internal Control System and An Assessment by the Governing Body
Name of the Chairman	Fusun Tümsavaş
Name of the CEO	Zekai Mehmet Tuğtan
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The functions of Chairman of the Board and the General Manager who is the chief executive officer are fulfilled by different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	While there is an insurance policy for the group to which our company belongs, no PDP notification was made about the same.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None
The number and ratio of female directors within the Board of Directors	4 female directors / 44.4%

## CORPORATE GOVERNANCE INFORMATION FORM

Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification That Includes the Independency Declaration	Whether the Independent Director Considered by The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has At Least 5 Years' Experience on Audit, Accounting And/or Finance or Not
Fusun Tümsavaş	Non-Executive	Not an Independent Director	29.04.2020			No	Yes
Filiz Tiryakioğlu	Non-Executive	Not an Independent Director	31.01.2023			No	Yes
Zekai Mehmet Tuğtan	Executive	Not an Independent Director	20.01.2023			No	Yes
Zeliha Göker	Non-Executive	Not an Independent Director	16.01.2024			No	Yes
Fatih Anıl	Non-Executive	Independent Director	26.03.2018	Specified in the Annual Report.	Considered	No	Yes
Dilek Demirbaş	Non-Executive	Independent Director	26.03.2018	Specified in the Annual Report.	Considered	No	Yes
Ayşegül Toker	Non-Executive	Independent Director	26.03.2018	Specified in the Annual Report.	Considered	No	Yes
Müslim Sarı	Non-Executive	Not an Independent Director	23.11.2022			No	Yes
Gökhan Kahraman	Non-Executive	Not an Independent Director	27.03.2023			No	Yes

### 4. BOARD OF DIRECTORS-II

#### 4.4. Meeting Procedures of the Board of Directors

Number of physical or electronic board meetings in the reporting period (meetings in person)	During 2023, the Board of Directors held 12 physical meetings.
Director average attendance rate at board meetings	87.5%
Whether the board uses an electronic portal to support its work or not	There is a portal created specifically for the Board of Directors, and Board members are given access thereto.
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	4
The name of the section on the corporate website that demonstrates information about the board charter	Investor Relations/About Anadolu Sigorta/Anadolu Sigorta Articles of Incorporation
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None

#### 4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented.	Committees Operating within Anadolu Sigorta as per Corporate Governance and An Assessment by the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	<a href="https://www.kap.org.tr/tr/Bildirim/187240">https://www.kap.org.tr/tr/Bildirim/187240</a> <a href="https://www.kap.org.tr/tr/Bildirim/1128190">https://www.kap.org.tr/tr/Bildirim/1128190</a>

#### Composition of Board Committees-I

Names of The Board Committees	Name of Committees Defined as "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee		Ayşegül Toker	Yes	Director
Audit Committee		Dilek Demirbaş	No	Director
Corporate Governance Committee		Fatih Anıl	Yes	Director
Corporate Governance Committee		Zeliha Göker	No	Director
Corporate Governance Committee		Bariş Hüseyin Şafak	No	Not a director
Early Detection of Risk Committee		Dilek Demirbaş	Yes	Director
Early Detection of Risk Committee		Ayşegül Toker	No	Director
Early Detection of Risk Committee		Muzaffer Okay	No	Not a director

#### 4. BOARD OF DIRECTORS-III

##### 4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>

## CORPORATE GOVERNANCE INFORMATION FORM

### 4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Summary Report by the Board of Directors / Message from the Chairman / Message from the CEO
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations/Corporate Governance/ Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Financial Statements and Independent Auditor's Report / 1.6 - Wages and similar benefits provided to the senior management

### Composition of Board Committees-II

<b>Names of the Board Committees</b>	<b>Name of Committees Defined As "Other" in the First Column</b>	<b>The Percentage of Non-executive Directors</b>	<b>The Percentage of Independent Directors in the Committee</b>	<b>The Number of Meetings Held in Person</b>	<b>The Number of Reports on its Activities Submitted to the Board</b>
Audit Committee		100%	100%	15	15
Corporate Governance Committee		67%	33%	4	10
Early Detection of Risk Committee		67%	67%	9	9

# ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

## Outside Positions Held by the Members of the Board of Directors

Name	Position	Outside Positions Currently Held	In- or Out-Group	Professional Experience (Years)
Fusun Tümsavaş	Chairperson	President of the Association of İşbank Retirees / Member of the Board of Directors at TEMA Foundation	In-Group	44
Filiz Tiryakioğlu	Vice Chairman	None	In-Group	38
Zekai Mehmet Tuğtan	Director and CEO	Member of the Non-Life Management Committee of the Insurance Association of Turkey	In-Group	22
Zeliha Göker	Director	Unit Manager at Türkiye İş Bankası A.Ş. / Member of the Board of Directors at Anadolu Hayat Emeklilik A.Ş. / Member of the Board of Directors at Milli Reasürans T.A.Ş.	In-Group	18
Fatih Anıl	Independent Director	Faculty Member at Nişantaşı University	Out-Group	38
Dilek Demirbaş	Independent Director	Faculty Member at İstanbul University Faculty of Economics / Member of the Board of Directors at Economic Research Foundation / Member of the Board of Directors at Star Accreditation	Out-Group	40
Aysegül Toker	Independent Director	Member of the Board of Directors at YenidenBiz Association / Faculty Member at Sabancı University	Out-Group	36
Müslim Sarı	Director	None	In-Group	24
Gökhan Kahraman	Director	Regional Sales Manager at Türkiye İş Bankası A.Ş.	In-Group	26

## Shareholders

### Investor Relations Unit

An Investor Relations Unit has been set up in the company in 2005. Mr. Barış Hüseyin Şafak has been serving in the Investor Relations Unit. The head of the unit is Mr. Barış Hüseyin Şafak, who also serves as a member of the Corporate Governance Committee. Contact information for our employees working in this unit is as follows.

Name	Title	Phone No	E-Mail
Mr. Barış H. Şafak	Coordinator	+90 850 744 02 54	investor.relations@anadolusigorta.com.tr

## ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

This unit plays an active part in the protection of shareholding rights and facilitates their exercise, mainly regarding the right to obtain and review information, and establishes the communication between the Board of Directors and shareholders. Employees serving in the Investor Relations Department possess the required licenses.

The Investor Relations Department reports its activities to the Board of Directors four times a year, on a quarterly basis.

In essence, the Investor Relations Department works to;

Ensure maintenance of the records about Shareholders in a healthy, secure and up-to-date manner,

Respond to the Shareholders' and potential investors' written information requests about the company, apart from those that are not publicly disclosed, are of a confidential and/or commercial secret nature,

Make available to the shareholders such information and disclosures that may have an effect on the exercise of shareholding rights on the company website in an up-to-date manner

Ensure that the General Assembly Meetings are convened in accordance with the applicable legislation, the Articles of Incorporation and other internal regulations,

Prepare the documents the Shareholders could make use of in the General Assembly,

Ensure that the results of the voting are recorded and the reports thereon are communicated to the Shareholders,

Observe and monitor the fulfillment of all liabilities arising from the capital market legislation, including all requirements in relation to corporate governance and public disclosure,

Ensure representation of our company in investor relations meetings organized in Turkey or abroad by international establishments through participation in such events,

Prepare the presentation materials to be used in meetings.

### General Assembly Meetings

For Shareholders who will have themselves represented in the General Assemblies in proxy, a specimen of a proxy statement is publicized along with the meeting announcements, and is also made available to Shareholders on the electronic medium.

In line with our Articles of Incorporation, General Assemblies are held in the place where our company headquarters is located and at a venue that will enable participation by all our Shareholders.

### Voting Rights and Minority Rights

There are no cross-shareholding interests between any Shareholder and the company.

There are no upper limits with regard to the number of votes that our Shareholders are allowed to cast in the General Assemblies.

SEDDK (Insurance and Private Pension Regulation and Supervision Agency) Circular 2021/25 limits [profit distributions to be made to a level] that will not reduce capital adequacy level below 135%; since our company's capital adequacy is below 135%, dividends were not distributed. Retained earnings were added to capital reserves.

### Stakeholders

#### Keeping Stakeholders Informed

In cases where the rights of stakeholders are not regulated by the legislation or contractually, the interests of the stakeholders are protected within the framework of the rules of good faith and to the extent permitted by the company's facilities, observing the company's credibility at the same time. The necessary structure is in place to enable stakeholders to report such transactions of the company that are contradictory to the legislation or are unethical.

#### Stakeholder Participation in Management

While the Articles of Incorporation contain no provisions on stakeholder participation in the company's management, the company's internal regulations cover practices to this end.

An employee proposal guideline has been formulated. Proposals that are innovative and aimed at improvement are assessed within the framework of this guideline and put into life across the company.

Stakeholders' opinions and complaints are followed up on by the Audit Committee.

Agencies Meetings, İşbank Branches Meetings and Managers Meetings are held, where the stakeholders, i.e. employees and suppliers, share their opinions.

### **Human Resources Policy**

Succession planning is made to identify the new managers to be appointed in cases where it is predicted that changes in a managerial position will cause hitches in the management of the company.

### **Board of Directors**

#### **Structure and Formation of the Board of Directors**

Taking into consideration that there are no non-corporate ultimate Shareholders with a controlling interest in the company, it is thought that the Board Directors all naturally possess the advantage to act independently, and therefore, to be impartial in their decisions, upholding the interests of our company and the stakeholders above everything else.

The independent Board Directors have not served as members for more than six years in the past ten years. Term of office for all Board Directors is one year.

#### **Operating Principles of the Board of Directors**

The Board meeting agenda is determined by the Chairman of the Board of Directors in line with the proposals of the CEO and the Board Directors.

The Board of Directors decisions passed in 2023 were adopted with the unanimous votes of the members present in those meetings.

#### **Strategic Goals of the Company**

Our strategic goals are set by our executives with a keen eye on competitive conditions, general economic conjuncture, overall expectations in national and international financial markets, and the company's medium and long-term targets and they are presented to the approval of the Board of Directors. Strategies and targets proposed are negotiated comprehensively by the Board of Directors on a broad perspective. Actualizations in

relation to approved strategies and targets are reviewed during Board meetings and monthly within the scope of the assessment of company operations, financial structure and performance level. In principle, the Board of Directors meets monthly in order to efficiently and continuously fulfill its monitoring and supervision function. In the meetings, the basic topics of assessment are the company activities, approved annual budget and target realizations, the company's place in the sector, financial structure and performance level, reporting, and compliance of operations to international standards.

# SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

	Compliance Status				Explanation	Link
	Yes	No	Partial	Irrelevant		
<b>A. GENERAL PRINCIPLES</b>						
<b>A1. Strategy, Policy and Goals</b>						
A1.1		X			At Anadolu Sigorta, the main objective we adopt in relation to sustainability management is to eliminate environmental, economic and social risks with potential negative impacts upon the Company's operations, and to increase our performance in topics having the potential to create opportunities through our initiatives and efforts. In addition, another goal towards sustainability management is to act as the main business partner of our customers for the management of their sustainability risks through the products and services we develop.	
	The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X			Our policies covering our sustainability strategies and approaches are available to the public on the Sustainability page on our corporate website. In 2022, Equality Policy that incorporates our commitments in relation to gender equality was published in 2022, in addition to our existing policies, namely Sustainability Policy, Environment and Climate Change Policy, Environmental and Social Impact Management Policy, Responsible Investment Policy, Ethical Rules and Implementation Principles Policy, Policy for Combat Against Bribery and Corruption (AntiBribery and Anti-Corruption Policy), Gifts and Hospitality Policy	<a href="https://www.anadulusigorta.com.tr/en/sustainability">https://www.anadulusigorta.com.tr/en/sustainability</a>
A1.2	The short and long-term targets set within the scope of ESG policies have been disclosed to the public.		X		Our goals under the headings "Human and the Society", "Climate Action" and "Operational Sustainability" that make our Sustainability Focus Areas are addressed in our Sustainability Reports.	<a href="https://www.anadulusigorta.com.tr/en/sustainability">https://www.anadulusigorta.com.tr/en/sustainability</a>



		Compliance Status				Explanation	Link
		Yes	No	Partial	Irrelevant		
<b>A2. Implementation/ Monitoring</b>							
A2.1	The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X				The Sustainability Committee is our main management body for sustainability activities. Anadolu Sigorta Sustainability Committee is the primary management body responsible for identifying the climate change-related risks and opportunities; determining associated policies and strategies, business goals and management and implementation norms; their integration in corporate strategic plans; monitoring their execution and performance, and reporting them to the Senior Management and external stakeholders	
	The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X				Our sustainability efforts are covered in periodic Risk Reports submitted to the Board of Directors.	
A2.2	In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X				Our implementations and action plans under the headings "Human and the Society", "Climate Action" and "Operational Sustainability" that make our Sustainability Focus Areas are addressed in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
A2.3	The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.	X				Within the scope of our sustainability initiatives, we have been publishing Sustainability Reports since 2019. Our Sustainability Reports, which cover all our initiatives and efforts carried out in line with our sustainability strategies and prepared in accordance with the internationally accepted GRI Sustainability Reporting Standards, are available for the public under the Sustainability tab on our corporate website. In 2022, our first Integrated Sustainability Report was published, which is focused on economic, social and environmental added values and aligned with the IIRC Integrated Reporting Framework. Also our first Climate Change reporting was made under the CDP-Carbon Disclosure	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
A2.4	The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X				Activities for improving sustainability performance with respect to work processes or products and services are disclosed under the heading Responsible Insurance in the Operational Sustainability section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>

## SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

		Compliance Status				Explanation	Link
		Yes	No	Partial	Irrelevant		
<b>A3. Reporting</b>							
A3.1	The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X				“Compliance with Sustainability Principles” section in our Annual Reports provides summary information on the sustainability performance, goals and actions. Detailed information, examples and indicators can be found in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
A3.2	The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X				The contribution we make to Sustainable Development Goals (SDG) are addressed in the section “How do We Create Value? ” in our Sustainability Reports. (3-Good Health and Well-Being, 4- Quality Education, 8- Decent Work and Economic Growth, 13- Climate Action, and 16-Peace, Justice and Strong Institutions)	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
A3.3	The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company’s activities, have been disclosed to the public.	X				There are no lawsuits filed against our Company on account of such issues.	
<b>A4. Verification</b>							
A4.1	The Company’s Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.		X			At present, ESG performance measurement is not verified by an independent third party. We are calculating and reporting our Scope 1, 2 and 3 emissions in accordance with international standards. We plan to have them verified in future term.	
<b>B. ENVIRONMENTAL PRINCIPLES</b>							
B1	The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.			X		Our policies concerning the environmental aspects of sustainability are disclosed in the “ Environment and Climate Change Policy” under the sustainability tab on our corporate website. However, a documented ISO 14001 system is not being implemented.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
B2	The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X				Limitations over reporting, reporting scope, reporting period, reporting date, data collection and reporting conditions of the environmental reports to be prepared for providing environmental management information is provided in detail in the Sustainability Report.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
B3	Provided in A2.1						
B4	The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).		X			There is not a specific rewarding system in this scope.	

		Compliance Status				Explanation	Link
		Yes	No	Partial	Irrelevant		
B5	How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X				Integration into our business goals and strategies are explained under the heading “ Operational Sustainability” in our Sustaina	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
B6	Provided in A2.4						
B7	The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company’s value chain, including the operational process, suppliers and customers has been disclosed.	X				How environmental issues are integrated so as to cover suppliers and customers is explained under the heading “ Climate Action” in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
B8	Whether the Company have been involved to environmental related organizations and non-governmental organizations’ policy making processes and collaborations with these organizations has been disclosed.	X				The Company got involved in policy-making processes by joining the “ Green Transformation Working Group” set up by SEDDK (Insurance and Private Pension Regulation and Supervision Agency) and TSB (Insurance Association of Türkiye).	
B9	In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X				Scope-1, Scope2 and Scope 3 emissions values , GHG emissions, water and waste management data are disclosed in comparison with previous years under the “ Environmental Performance Indicators” section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
B10	Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X				Our Sustainability Reports provide no standard, protocol, methodology and baseline year details other than the GRI Standards provided in the GRI Content Index.	
B11	The increase or decrease in Company’s environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X				Scope-1, Scope2 and Scope 3 emissions values , GHG emissions, water and waste management data are disclosed in comparison with previous years under the “ Environmental Performance Indicators” section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
B12	The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years’ targets has been disclosed.			X		Determined and followed within the company targets and policies Although not yet publicly available not disclosed.	
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X				Information is provided under the heading “ Combating Climate Change” in the “Climate Action” section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>

## SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

		Compliance Status				Explanation	Link
		Yes	No	Partial	Irrelevant		
B14	The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X				Information is provided under the heading "Reducing the Climate and Environmental Impact of Operations" in the "Climate Action" section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
	The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.		X			Actions in this respect will be considered in the future.	
B15	The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.	X				Information is provided under the heading "Reducing the Climate and Environmental Impact of Operations" in the "Climate Action" section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
B16	The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.	X				Our energy consumption is disclosed to the public in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
B17	The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.		X			n/a	
B18	The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.	X				Renewable energy is purchased for use at our Headquarters building and regional directorates. Information is provided under "Energy Management" heading in "Climate Action" section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>
B19	The renewable energy production and usage data has been publicly disclosed.	X				Renewable energy is purchased for use at our Headquarters building and regional directorates. Detailed information is provided under "Energy Management" heading in "Climate Action" section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>
B20	The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.			X		Renewable energy is purchased for use at our Headquarters building and regional directorates. Detailed information is provided under "Energy Management" heading in "Climate Action" section in our Sustainability Reports	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>
B21	The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.			X		Water consumption with respect to 2018 baseline year is disclosed in our Sustainability Reports. We do not withdraw, recycle underground or overground water	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>

		Compliance Status				Explanation	Link
		Yes	No	Partial	Irrelevant		
B22	The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).		X			All related national and international developments and regulations are monitored.	
B23	The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.		X			N/A	
B24	If carbon pricing is applied within the Company, the details have been disclosed.		X			N/A	
B25	The platforms where the Company discloses its environmental information have been disclosed.	X				CDP Climate Change Disclosure is being reported since 2022	
<b>SOCIAL PRINCIPLES</b>							
<b>Human Rights and Employee Rights</b>							
C1.1	The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.		X			N/A	
C1.2	Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	X				Our Human Resources policy is posted on our corporate website. Our Equality Policy can be found in the sustainability section of our corporate website.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
C1.3	The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X				Equality Policy can be found in the sustainability section of our corporate website	<a href="https://www.anadolusigorta.com.tr/Files/Anadolu_Sigorta_Esitlik_Politikasi_2022.pdf">https://www.anadolusigorta.com.tr/Files/Anadolu_Sigorta_Esitlik_Politikasi_2022.pdf</a>
C1.4	The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X				Information is provided under the "Social Diversity" heading in the "Human and the Society" section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>

## SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

		Compliance Status				Explanation	Link
		Yes	No	Partial	Irrelevant		
C1.5	Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X				These matters are addressed in our Human Resources Policy , Remuneration Policy, Compensation Policy documents.	<a href="https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance">https://www.anadolusigorta.com.tr/en/investor-relations/corporate-governance</a>
	The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X				Information is provided under the “Social Diversity” heading in the “ Human and the Society” section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>
	The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X				Information is provided under the “Employee Rights, Loyalty and Satisfaction ” heading in the “Human and the Society” section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>
C1.6	The occupational health and safety policies have been established and disclosed.		X			There is an internal guideline devised in accordance with the applicable legislation, which is not, however, publicly disclosed.	
	The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	X				Our occupational health and safety (OHS) performance is disclosed in the “ Social Performance Indicators” tables in the “ Appendices” section in our Sustainability Report	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>
C1.7	The personal data protection and data security policies have been established and disclosed.		X			Detailed information is available on our website within the scope of the Law on the Protection of Personal Data No. 6698. Although we have internal legislation on Data Security, it has not been disclosed to the public	n/a
C1.8	The ethics policy have been established and disclosed.	X				Ethical Rules and Implementation Principles Policy is in force and published on the corporate website.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
C1.9							
C1.10	The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X				Our online training platform features the training program , for which announcements are made to our employees.	
<b>Stakeholders, International Standards and Initiatives</b>							
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X				There is a policy in accordance with ISO 10002 Customer Satisfaction Standard, which is published on the corporate website.	<a href="https://www.anadolusigorta.com.tr/en/about-us/company-profile">https://www.anadolusigorta.com.tr/en/about-us/company-profile</a>
C2.2	The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X				Information is provided under the “Our Shareholders, Communication Methods and Communication Issues” in the “ Human and the Society” section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>

		Compliance Status				Explanation	Link
		Yes	No	Partial	Irrelevant		
C2.3	The international reporting standards that adopted in reporting have been explained.	X				Information is provided under the heading “ About the Report ” in the “Human and the Society” section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
C2.4	The principles adopted regarding sustainability,the signatory or member international organizations, committees and principles have been disclosed.	X				Information is provided under the heading “ Initiatives We Support in the Area of Sustainability” in the “Human and the Society” section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/en/sustainability">https://www.anadolusigorta.com.tr/en/sustainability</a>
C2.5	The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X				Anadolu Sigorta qualified for inclusion in “ BIST Sustainability Index” in 2021	<a href="https://www.kap.org.tr/tr/Bildirim/964181">https://www.kap.org.tr/tr/Bildirim/964181</a>
<b>Stakeholders, International Standards and Initiatives</b>							
D1	The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X				Our sustainability focus areas were determined in collaboration with our stakeholders. Opinions of all stakeholders have been sought in the Focus Areas Determination Workshop and disclosed under the “How do We Create Value” heading in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>
D2	The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X				Information is provided under the “ Partnerships for Sustainability” heading in the “ Human and the Society” section in our Sustainability Reports.	<a href="https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf">https://www.anadolusigorta.com.tr/Files/Sustainability/Anadolu_Sigorta_E_S_R_2022_ENG_4_.pdf</a>

# COMMITTEES OPERATING AT ANADOLU SİGORTA AND AN ASSESSMENT BY THE BOARD OF DIRECTORS

In order to ensure that the Board of Directors duly performs its duties and responsibilities in accordance with the requirements of applicable legislation, a Corporate Governance Committee, an Audit Committee, an Early Detection of Risk Committee and a Risk Committee were set up at the company. The Corporate Governance Committee also fulfills the functions of the Nomination Committee and Remuneration Committee.

The Board of Directors makes all kinds of resources and support available necessary for the performance of their duties by the committees. The committees hold meetings at the frequency deemed necessary for ensuring efficiency of their activities and specified in their respective operating principles, and submit the reports covering information about their activities and meeting outcomes to the Board of Directors.

The objectives, formations, operating principles and procedures, and activities of our committees are described below.

## CORPORATE GOVERNANCE COMMITTEE

Head of Committee: Dr. Fatih Anıl

Member: Zeliha Göker

Member: Barış Hüseyin Şafak

### Objective

Overseeing compliance of the company with corporate governance principles, undertaking improvement efforts thereon, and submitting proposals to the Board of Directors,

Overseeing the activities of the Investor Relations Department.

### Formation

The Corporate Governance Committee was set up upon approval by the Board of Directors' decision no. 5508 dated 10 March 2005. The provisions governing the formation, principles and procedures and activities of the

committee have been based on the Corporate Governance Communiqué issued by the Capital Markets Board of Turkey (CMB) and put into force with the Board of Directors decision no. 06838 dated 26 June 2014. These provisions are carried out by the Board of Directors.

The committee consists of a minimum of two members to be elected from among directors and the Investor Relations Manager.

The members will elect the head of the committee from among themselves. The head of the committee is elected from among independent directors. Non-director individuals, who have expertise in their respective fields, can be members of the committee.

If the number of committee members elected from among Board Directors is two, then both of them must be non-executive directors; if such number is greater than two, then the majority of the members must be non-executive directors. The CEO may not serve on this committee.

The Investor Relations Managers must be a full-time employee of the company and must be assigned as a member of the Corporate Governance Committee.

A member's term of office on the Corporate Governance Committee is terminated when his/her term of office on the Board of Directors expires or upon a decision to such effect by the Board of Directors.

### Operating Procedures and Principles

- The Corporate Governance Committee holds at least four meetings a year, which must take place at least on a quarterly basis.
- Committee meetings are held with the attendance of all its members and decisions are passed with the votes of the majority of members in attendance.

- The committee shall keep a resolution book, in which the decisions, assigned a sequence number, will be entered.
- The committee shall enter the conclusions reached in a meeting in the minutes, and submit the assessments made and decisions passed, along with the grounds therefor, in a written report to the Board of Directors within no later than one month following the relevant committee meeting.
- Committee decisions shall take effect upon approval of the Board of Directors.
- The committee shall forthwith present its determinations, assessments and suggestions in relation to its duties and scope of responsibilities in writing to the Board of Directors.
- The committee may invite the individuals it deems necessary to its meetings and seek their opinions.
- Investor Relations Unit/Department shall determine the meeting agenda of the committee, make the invitations to the meeting, establish communication with committee members, keep the book of resolutions, and handle other secretarial tasks for the committee.
- As the committee fulfills its functions, the Board of Directors shall make all necessary resources and support available.
- The committee may seek independent expert opinion upon approval of the Board of Directors on matters that call for expertise and the committee deems necessary in relation to its activities. The cost of the consultancy service needed by the committee shall be borne by the company.



- Committee members shall observe the principles of independence and impartiality when performing their duties.

### Activities

The committee carries out the following activities with respect to corporate governance:

- Establishes whether the corporate governance principles are implemented in the company, as well as the grounds for non-implementation, if applicable; identifies conflicts of interest, if any, arising from failure to fully comply with these principles, and presents proposals to the Board of Directors for the improvement of corporate governance practices;
- Oversees the activities of the company's Investor Relations Department. Within this context, the committee sets and regularly reviews the basic principles for the company's communication with investors;
- Works in cooperation with the Investor Relations Department to present suggested improvements for ensuring efficient communication between the company and investors, and elimination and resolution of potential conflicts to the Board of Directors;
- Reviews the company's Corporate Governance Compliance Report before it is published within the company's Annual Report, and presents its comments to the Board of Directors;
- Makes proposals and assessments regarding the determination or revision of the company's disclosure policy, and presents the same to the Board of Directors. The committee reviews that the Disclosure Policy covers the minimum content as stipulated by the legislation with respect to the

company's communication with stakeholders, as well as the scope, quality, consistency and accuracy of documents, presentations and explanations prepared by the company for informative purposes, and oversees that the same are developed in accordance with the Disclosure Policy;

- Carries out activities to ensure that the corporate governance culture is established within the company, and is espoused by managers and employees working at any level. The committee follows up the developments related to corporate governance in and out of Turkey and examines their possible implications for the company.

The duties of the Nomination and Remuneration Committees shall be fulfilled by the Corporate Governance Committee, until these committees shall have been set up.

The committee's duties and responsibilities with respect to nomination are presented below:

- Works to create a transparent system regarding identification, assessment, training and rewarding of nominees eligible for the Board of Directors and managerial positions with administrative responsibility, and establishes related policies and strategies;
- Regularly evaluates the structure and efficiency of the Board of Directors and presents its suggestions for possible revisions to the Board of Directors;
- The committee is charged with performing the duties set out in the legislation concerning the nomination of independent members to the Board of Directors, which are announced every year by the Board and which are compulsory to be implemented by the group to which the company is affiliated.

The committee's duties and responsibilities with respect to remuneration are presented below:

- Setting and overseeing the principles, criteria and practices applicable for the remuneration of Board directors and executives with administrative responsibility, taking into consideration the company's long-term targets;
- Presenting its suggestions regarding the remuneration to be paid to Board directors and executives with administrative responsibility, which will be determined in view of the extent the remuneration criteria have been achieved;
- Developing suggestions and assessments for the formulation and revision of the company's remuneration policy, which sets out the remuneration principles for the Board directors and executives with administrative responsibility, and presenting its opinions to the Board of Directors.

The Corporate Governance Committee shall fulfill other duties and responsibilities to be assigned to it by the Board of Directors in relation to its field of activity.

### Audit Committee

Head of Committee: Prof. Ayşegül Toker

Member: Prof. Dilek Demirbaş

### Objective

Overseeing the operation and efficiency of the company's accounting system, public disclosure of financial information, independent auditing of the company and internal control system.

### Formation

The Audit Committee was set up upon approval by the Board of Directors' decision no. 5317 dated 26 June 2003. The provisions governing the principles and procedures and activities of the

## COMMITTEES OPERATING AT ANADOLU SİGORTA AND AN ASSESSMENT BY THE BOARD OF DIRECTORS

committee have been based on the Corporate Governance Communiqué issued by the Capital Markets Board of Turkey (CMB) and put into force with the Board of Directors decision no. 06839 dated 26 June 2014. These provisions are carried out by the Board of Directors.

The committee consists of a minimum of two members to be elected from among the Board of Directors members.

The members will elect the head of the committee from among themselves.

All members of the committee are elected from among independent directors.

To the extent possible, at least one member of the Audit Committee should preferably have minimum five years of experience in audit/accounting and finance.

A member's term of office on the Audit Committee is terminated when his/her term of office on the Board of Directors expires or upon a decision to such effect by the Board of Directors.

### Operating Procedures and Principles

- The committee holds at least four meetings a year, which must take place at least on a quarterly basis.
- Committee meetings are held with the attendance of all its members and decisions are passed with the votes of the majority of members in attendance.
- The committee shall keep a resolution book, in which the decisions, assigned a sequence number, will be entered.
- The committee shall enter the conclusions reached in a meeting in the minutes, and submit the assessments made and decisions passed, along with the grounds therefor, in a written report to the Board of Directors within no later

than one month following the relevant committee meeting.

- Committee decisions shall take effect upon approval of the Board of Directors.
- The committee shall forthwith present its determinations, assessments and suggestions in relation to its duties and scope of responsibilities in writing to the Board of Directors.
- The committee's activities and meeting results shall be described in the annual report. The annual report shall also specify the number of written reports the committee submitted to the Board of Directors during the fiscal year.
- The committee may invite the individuals it deems necessary to its meetings and seek their opinions.
- Board of Inspectors/Audit Department shall determine the meeting agenda of the committee, make the invitations to the meeting, establish communication with committee members, keep the book of resolutions, and handle other secretarial tasks for the committee.
- As the committee fulfills its functions, the Board of Directors shall make all necessary resources and support available.
- The committee may seek independent expert opinion upon approval of the Board of Directors on matters that call for expertise and the committee deems necessary in relation to its activities. The cost of the consultancy service needed by the committee shall be borne by the company.
- Committee members shall observe the principles of independence and impartiality when performing their duties.

### Activities

In essence, the Audit Committee;

- Oversees the operation and efficiency of the company's accounting system, public disclosure of financial information, independent auditing, internal control and internal audit systems;
- Supervises the selection of the independent audit firm, preparation of independent audit contracts and initiation of independent audit process, and every phase of the work carried out by the independent audit firm;
- Determines the independent audit firm from which the company will procure services and the services to be supplied therefrom, and submits the same for the approval of the Board of Directors;
- Establishes the methods and criteria for the handling and resolution of complaints received by the company in relation to the company's accounting, internal control and internal audit systems and its independent audit; and for addressing the company employees' notifications about the company's accounting and independent audit within the frame of confidentiality principle;
- Assesses the conformity of annual and interim financial statements to be publicly disclosed to the accounting principles pursued by the company, as well as their accuracy and fairness, and reports its written assessments to the Board of Directors, by incorporating the opinions of the company's responsible managers and of the independent audit firm.

The Audit Committee shall fulfill other duties and responsibilities to be assigned to it by the Board of Directors in relation to its field of activity.

### Early Detection of Risk Committee

Head of Committee: Prof. Dilek Demirbaş

Member: Prof. Dr. Ayşegül Toker

Member: Muzaffer Okay

### Objective

Managing the risks that might threaten the existence, progress and survival of the company.

### Formation

Early Detection of Risk Committee was set up as a result of the discussion of the General Directorate proposal no. 3550 dated 24 February 2012, pursuant to Article 4.5.1 of the Communiqué Serial:IV-56 on Determination and Implementation of Corporate Governance Principles enforced upon its publication in the Official Gazette issue 28158, dated 30 December 2011. The provisions governing the formation, principles and procedures and activities of the committee have been based on Article 378 of the Turkish Commercial Code and the Corporate Governance Communiqué issued by the Capital Markets Board of Turkey (CMB) and put into force with the Board of Directors decision no. 06840 dated 26 June 2014. They are carried out by the Board of Directors.

The committee consists of a minimum of two members to be elected from among the Board directors.

The members shall elect the head of the committee from among themselves. The head of the committee shall be elected from among independent directors. Non-director individuals, who have expertise in their respective fields, can be members of the committee.

If the committee is formed of two members, then both of them must be non-executive directors; if such number is greater than two, then the majority of the members must be non-executive directors. The CEO may not serve on this committee.

Under the Regulation on Internal Systems in Insurance and Pension Sectors published in the Official Gazette dated 25 November 2021, it has been decided that Risk Management, Internal Control and Compliance Department and the Actuarial Department will be affiliated to the Early Detection of Risk Committee, and therefore, to the Board of Directors. These departments carry out their activities under the responsibility of the Head of Internal Systems, who is a member of the Early Detection of Risk Committee.

A member's term of office on the committee is terminated when his/her term of office on the Board of Directors expires or upon a decision to such effect by the Board of Directors.

### Operating Procedures and Principles

- The committee holds at least four meetings a year, which must take place at least on a quarterly basis.
- Committee meetings are held with the attendance of all its members and decisions are passed with the votes of the majority of members in attendance.
- The committee shall keep a resolution book, in which the decisions, assigned a sequence number, will be entered.
- The committee shall enter the conclusions reached in a meeting in the minutes, and submit the assessments made and decisions passed, along with the grounds therefor, in a written report to the Board of Directors within no later than one month following the relevant committee meeting.
- Committee decisions shall take effect upon approval of the Board of Directors.
- The committee shall forthwith present its determinations, assessments and suggestions in relation to its duties and scope of

responsibilities in writing to the Board of Directors.

- The committee may invite the individuals it deems necessary to its meetings and seek their opinions.
- Risk Management Unit/Department shall determine the meeting agenda of the committee, make the invitations to the meeting, establish communication with committee members, keep the book of resolutions, and handle other secretarial tasks for the committee.
- As the committee fulfills its functions, the Board of Directors shall make all necessary resources and support available.
- The committee may seek independent expert opinion upon approval of the Board of Directors on matters that call for expertise and the committee deems necessary in relation to its activities. The cost of the consultancy service needed by the committee shall be borne by the company.
- Committee members shall observe the principles of independence and impartiality when performing their duties.

### Activities

The Early Detection of Risk Committee:

- fulfills the duties and responsibilities assigned to it under the Regulation on Internal Systems in Insurance and Pension Sectors and relevant legislation in relation to Internal Control and Compliance, Risk Management and Actuarial Departments;
- Informs the Board of Directors of its opinions and comments in writing regarding the creation and development of the company's risk management system which will be aimed at minimizing the impact of risks that might affect the

## COMMITTEES OPERATING AT ANADOLU SİGORTA AND AN ASSESSMENT BY THE BOARD OF DIRECTORS

shareholders in particular and all stakeholders in general;

- Reviews the company's risk management systems at least on an annual basis;
- Oversees that risk management practices are carried out in accordance with the decisions of the Board of Directors and the committee;
- Reviews the determinations and assessments about risk management that will be incorporated in the company's annual report.

The Early Detection of Risk Committee fulfills other duties and responsibilities to be assigned to it by the Board of Directors in relation to its field of activity.

### Risk Committee

Head of Committee: Füsün Tümsavaş

Member: Zekai Mehmet Tuğtan

Member: Zeliha Göker

Member: İbrahim Erdem Esenkaya, Ph.D.

Member: Muzaffer Okay

Member: Caner Tonbil

### Objective

Draft the risk management strategy and policies to be pursued by the company within the frame of applicable legislation and the Bank's policies; submitting them for the approval of the Board of Directors, and overseeing implementation.

### Formation

Risk Committee was set up as a result of the deliberation of the proposal no. 4492 dated 22 June 2022 of the office of the CEO, upon approval of the Board of Directors decision no. 8191 dated 27 June 2022 with the purpose of expanding and implementing risk-driven audit and governance culture

across the company within the frame of international best practices in response to the increased regulation of our sector following the institution of the Insurance and Private Pension Regulation and Supervision Agency on 18 October 2019, and increased frequency and depth of volatilities in our country and the world due to the economy, the pandemic and wars.

Risk Committee is composed of the Chairperson of the Board, a Director to be elected by the Board of Directors, CEO, Deputy Executive Office, Chief Financial Officer, Head of Internal Systems and Risk Manager. The Committee is headed by the Chairperson of the Board.

### Operating Procedures and Principles

The Committee meets monthly.

- The Committee meets with full participation of its members and passes decisions unanimously.
- The Risk Manager is tasked with determining the Committee meeting agenda, summoning meetings, ensuring communication with Committee members, keeping a resolution book, and handling other secretarial tasks associated with the Committee. The decisions passed are assigned consecutive numbers and entered in the resolution book.
- Related managers may be invited to Committee meetings as and when deemed necessary to seek their opinions and information.
- Head of Committee may change the meeting frequency of the Committee if he/she so deems necessary.

### Activities

- Draft the risk management strategy and policies to be pursued; submit them for the approval of the Board of Directors.

- Track the company's capital adequacy and profitability; ensure their effective employment in the company's planning and decision-making processes.
- Oversee regulatory compliance and the remedy of findings from the company audits.
- Discuss and decide on the topics raised by the Risk Management Department.
- Propose limits associated with basic risks that the company is/ may be exposed to the Board of Directors. Monitor limit overruns and make suggestions to the Board of Directors for their remedy.
- Make recommendations to the Board of Directors for modification of risk policies.
- Perform the tracking and communication for the risk identification, definition, measurement, assessment and management process to be performed by the Risk Management organization.
- Carry out oversight for ensuring accuracy and reliability of risk measurement, methods and results.
- Make recommendations to the Board of Directors for determining and revising the company's risk appetite expression.
- Develop measures that will provide establishment of the company's risk culture; create the processes by which it will fulfill its oversight responsibility; monitor that all risks arising from the company's operations are understood and integrated in the company's risk management system.

# AN ASSESSMENT OF THE OPERATION OF THE INDEPENDENT AUDIT FIRM IN 2023 ACTIVITY PERIOD VIA THE AUDIT COMMITTEE

Periodic financial statements and their footnotes are prepared in a manner to represent the actual financial status and within the framework of existing legislation and insurance business accounting standards. They are subjected to independent auditing and publicly disclosed at time intervals stipulated by the legislation.

The independent audit firm we work with is alternated at certain intervals, and an independent audit firm is selected for a maximum of 7 fiscal years for regular and/or special audit. At least two years are allowed to pass before re-signing a regular and/or special audit contract with the same independent audit firm.

External auditing of our company is conducted in a fully independent manner, and the external auditor performs the relevant tasks adhering strictly to the principles of accuracy, professional integrity and straightforwardness, without being involved in any conflicts of interests that might restrict its independence. The external auditor auditing our company acts independently and also refrains from any activity that might lead third parties to doubt its independence.

No service is obtained, directly or indirectly from the firms we obtain independent audit service, save for the audit service itself, and no fees are paid to these firms, apart from the reasonable audit fee at current market conditions.

The factors that contribute to the independence of the firms we obtain independent audit service from are the existence of our Audit Committee, the efficient accounting and internal audit system in place at the company, and strongly established ethical rules attaching importance to correct public disclosures.

Independent conduct of the external auditing of our company testifies to the accuracy and veracity of our financial statements in the face of the public, and is perceived as guarantee by our Shareholders. The independent opinion of the external auditor further strengthens our company's corporate image in that they enhance the reliability of our financial statements. Having made it a principle to undertake public disclosure and to assure transparency in line with its ethical values, our company earns the trust of its investors by giving importance to independence of the external auditor, and therefore, aims to serve the development of national economy by contributing to accumulation of capital.

Prof. Dr. Dilek Demirbař  
Audit Committee Member

Prof. Dr. Aysegül Toker  
Audit Committee Head

# HUMAN RESOURCES PRACTICES AT ANADOLU SİGORTA

## Human Resources Policy

Our company is proud to be the first national insurance company in Turkey, established in 1925 at the directives of Mustafa Kemal Atatürk. Ever since its establishment, our company has continuously grown and developed and has been recognized and acknowledged as the grandee école of the Turkish insurance industry.

Utmost importance is given to our employees as they are the ones to undertake the biggest duty in carrying out our company's key policies. For this reason, the primary goal of our human resources policies and practices is to identify our company's needs for personnel in line with its objectives and strategies and assist the creation of human resources that are open to change and are focused on continuous success by recruiting high-quality people, motivating them, evaluating their performance, and encouraging interaction and communication among individuals and groups.

## Career Development

Various career paths within the frame of job families are available at the company. Employees recruited into any job family and level have the opportunity to advance to senior management positions in the company.

Our company's human resources strategy is defined as "Creating the organizational climate conducive to promoting creativity and innovation directed at ensuring customer satisfaction, and establishing a culture of superior performance supporting employees' development. In keeping with this strategy, employees successfully completing the training and development plans designed for the relative job families can advance to a higher level, if they display the performance and capabilities

required for the relevant level in the predetermined time.

When rising to the specialist position, employees take the promotion exam that differs according to the job families and positions, and thus undergo assessment of their qualification for the technical know-how and competence levels required by the related position.

Our employees in specialist position, which is the midpoint for all of our positions, are offered dual career paths, which give the option of advancing as a manager or a specialist in the relevant field. Career paths at this level are shaped and supported within the scope of the company's Development Center Initiative. The initiative that assesses managerial and specialist competencies provides our employees with personalized development plans, while supporting them with various resources, readying them for the next level. A number of training opportunities are provided to our employees at any level who join us and become a member of our team in line with the competencies they need to acquire to further their careers, as well as their existing skills.

## Performance Management

Our employees are evaluated twice a year in line with specific performance criteria. The content of such evaluation varies depending on the competence requirements on the basis of job families. On the basis of the results of these performance evaluations, an employee's training needs are identified and a career plan is developed.

## Job Guarantee

Our employees enjoy a substantial degree of job guarantee within the framework of unionization composed by the Union and our company.

## Compensation Policy

Our employees' salaries are adjusted in accordance with the terms of a collective bargaining agreement that is renewed every two years and with annual or semi-annual raises based on current conditions. In addition to their salaries, employees receive extensive fringe benefits as well.

## Social Benefits

Our company's employees are entitled to a variety of social rights and benefits in keeping with current conditions. The healthcare costs of our employees and their dependent family members are covered by our company under its Healthcare Assistance Regulations. All our personnel are able to fulfill all their healthcare needs free of charge through the company's outsourced healthcare system. Employees are provided with free transportation services to and from work and with lunches as well. Hybrid working format we experienced during the pandemic became permanent and our offices were converted into a space that promotes co-working rather than a place we are obliged to come on a daily basis. In addition, employees are provided with flexible working hours during office-based working days. The company transitioned to a format that prioritizes the principle of healthy and happy employees on the back of various initiatives such as social events, health webinars, Pilates lessons and so on introduced under the roof of the "Happiness at Work Drive".

## Retirement Benefits

Our employees are covered by two private pension funds that have been set up in accordance with the company's special status. The pensions paid by these funds enable former employees to enjoy a good standard of living during their retirement years.

## Academy / Training

Under our Anadolu Sigorta Academy structure that has been gradually growing and improving since 2021, a number of development programs with diverse contents are held mainly for our colleagues, and for our trainees, agencies and stakeholders. When executing these programs, current training approaches, methods and hybrid working conditions and current needs are taken into consideration with the objective of delivering the maximum benefit to participants. Our programs address many different headings such as supporting competencies of employees, building on their knowledge and skills for professional life, and offering chances for their active participation in social activities throughout various phases of their careers with our company. The development journey for our colleagues starts with orientation, which is our first training program offered on their first day at work, and continues throughout their career through constant improvements.

Under the heading Akademi Sosyaliz, our existing corporate clubs are organized, and new ones are set up every year in view of our colleagues' requests. As part of our internal mentoring activities, we are regularly

increasing the number of our mentors under our program "Companion" designed to contribute to the adjustment of new colleagues coming on board. While our executives' needs are tackled with various programs designed specifically for our executives such as "Women Leaders Program", "Leadership 101" and "Transformed and Transformational Leadership Program", we also offer "Academy Technical Training Series" seminars under various headings in relation to the sector, which are targeted at the professional needs of all our colleagues. We are also addressing the development needs of our agencies through our agency training programs and our online portal. In the periods ahead, we will continue to offer different programs to our employees and all our stakeholders, which we have created with contents tailored according to our company's needs.

## Internal Communication and Employee Experience

Our internal mobile app "Biz Bize" (Just Between Us) introduced in view of our employees' user habits in a bid to ensure healthy and continuous communication within the company is continually updated within the frame of employee needs. Our social platform that gives easy reach to ideas, achievements, and latest developments about the company, Biz Bize allows employees to add their bookings for office days to their calendars, create their requests for taking a leave without switching on their computers, and lets our managers approve leave requests independent from location and time. In addition to that, developments at our

company can be followed up instantly via the app, and daily lunch menu can also be accessed easily.

Since 2018, "Onboarding Satisfaction Questionnaire" is being sent to all newcomers within one month from the date they come on board to support them, facilitate their orientation, and seek their first impressions and feedback about their recruitment process. Furthermore, one-on-one interviews are held with all newcomers under the roof of "İK ile Bi'Mola" (A Break with HR) taking into consideration the responses they provided in the questionnaire. Along this line, 143 employees completed Onboarding Questionnaires in 2023, and interviews were held with 153 employees by our Employer Brand and Recruitment Management unit within the scope of "İK ile Bi'Mola".

Feedback interviews are held also with employees leaving the company, and steps are striven to be taken to understand the reasons behind their decision to leave. Held by experienced employees, "TEM'AS" (Contact) interviews have an important place in detecting and resolving the feedbacks received in exit interviews beforehand, and in turn, in retaining the human resource.

Our company has been regularly administering employee engagement surveys since 2015. Once again in 2023, our company received the highest score for the second year in a row in the assessments performed by Happy Place to Work and was selected "Happiest Workplace" in the insurance industry and has received "Happy Place

## HUMAN RESOURCES PRACTICES AT ANADOLU SİGORTA

to Work” certificate and “Happiest Workplaces” award.

With the fading effects of the pandemic and return-to-office by local companies, a comprehensive study was undertaken with an independent consultancy firm regarding the action that needs to be taken for our entire company. As a result, 5 office days were set for our employees. Furthermore, under a new practice introduced to improve employee experience, they are allowed to work from anywhere they choose for a period of 1 month maximum during the summertime. On office days, our employees are free to arrange their working hours according to themselves and their workload within the frame of flexible working hour practice.

Following the grievous earthquake of February 6<sup>th</sup>, a questionnaire was carried out to understand how our employees, most of whom live in İstanbul, regard living in İstanbul, and their willingness to move to locations with lower earthquake risk. Based on the findings, the Geographical Distribution provision of our company was determined to be Ankara, paving the way for willing employees to live in Ankara on the basis of departments and teams, upon request.

### **Brand Employer Activities**

During the course of the year, contacts are held with career centers and students’ career clubs, and the company actively participates in events organized by young talent platforms. These highly efficient and enjoyable events to which a large number of our employees contribute with their

experiences are received with great interest by young talents. In this framework, our Brand Employer and Recruitment Management team took part in 12 different career events of different universities in 2023.

Collaborations are held with university career centers as part of brand employer activities to introduce our company and sector to high school and university students that constitute our potential human resource. Also, our valuable employees attend events held by career clubs as speakers. In addition, the Youth Programs we introduce are targeted at establishing continuous communication with students.

“Bi’Başka Deneyim Digital Mode: On Staj Programı” is a one-month traineeship program for junior- and senior-year university students from all over Turkey that entails opportunities they have not experienced before, including one-on-one mentoring, personal development training, networking, and the chance to work on a real project. Due to the number of applications that increase by the year and as a result of our efforts to respond to the demand, our internship program started to be implemented in two terms during the course of the year.

With the “Youth Senate Young Vision Program” that accepts applications from all university students in any year including prep class, sessions are held to ready the young people for business life, and the new generation’s expectations from business life are heard first-hand. 100 members who took part in our program that was held for the third time in the reporting

period were selected from amongst youngsters who have actively taken part in student clubs and social responsibility projects throughout their education life, gained internship experience in various sectors, and are willing to achieve self-development.

Our MTs who start working under the “MT Young Talents Program” that covers newly-graduated young talents attend training programs and practices that will provide them with field-specific expertise and contribute to their self-development within the frame of a training program designed for them with the support of their mentors. Our MT program that allows rotation in different departments and gives the chance to select the preferred department to work for at the end of three months won 15 young talents for our company in 2023.



# AGENDA OF THE ANNUAL GENERAL ASSEMBLY MEETING

1. Opening, election of the Presiding Board and authorization of the Presiding Board to sign the minutes of the Annual General Assembly
2. Presentation of and discussion on the Board of Directors' 2023 Activity Report, and presentation of the Independent Audit Report for 2023 fiscal year
3. Review, deliberation and ratification of 2023 financial statements
4. Approval of the memberships of the member elected as per Article 363 of the Turkish Commercial Code to fill the Board of Directors seat vacated during the reporting period
5. Individual acquittal of Board Directors,
6. Information on dividend distribution policy and decision on profit distribution,
7. Election of the Board Directors and determination of their terms of office,
8. Authorizing the Board Directors to perform the transactions specified in Articles 395 and 396 of the Turkish Commercial Code,
9. Determination of remuneration for the members of the Board of Directors,
10. Designation of the independent audit firm,
11. Presentation of information on the donations and grants made during the reporting period,
12. Ratification of the limit on donations intended to be made in 2024.

# 2023 PROFIT DISTRIBUTION PROPOSAL

The dividend distribution proposal prepared within the frame of the company's Dividend Distribution Policy approved by the General Assembly is presented below:

Our company booked TL 5,909,396,707 in profit for the current period on its 2023 operations. In the Capital Markets Board of Türkiye (CMB) meeting of 27 January 2010, it has been resolved that companies obliged to draw up consolidated financial statements should compute the net distributable profit taking into account the net profits for the period descending in the consolidated financial statements that will be drawn up and publicly disclosed as per the Communiqué II-14.1 on Principles of Financial Reporting in the Capital Market, provided that the net distributable profit can be covered from the sources reflected in their legal records. In this context, after consolidation of Anadolu Hayat Emeklilik A.Ş., a consolidated net profit of TL 6,380,159,747 arises.

- Circular no. 2023/2 of the SEDDK (Insurance and Private Pension Regulation and Supervision Agency) dated 04 January 2023 concerning Profit Distribution of Insurance, Reinsurance and Private Pension Companies limits profit distributions to be made based on the results in financial statements to a level that will not bring capital adequacy level below 135%. Accordingly, since our company's capital adequacy on 31 December 2023 remains below 135% in the calculation made according to the method to be taken as basis in profit distribution set out in the SEDDK legislation, it is proposed that no dividends be distributed,
- Since general legal reserves account for more than 20% of the capital, general legal reserves not be set aside as per the provision of the applicable law,
- TL 637,296,972 be set aside as statutory reserves as per the Articles of Incorporation,
- TL 225,000,000 be allocated in funds for purchasing venture capital fund participation shares or venture capital trust shares within the frame of the provisions of the Tax Procedural Law, Article 325/A, and the Corporate Tax Law, Article 10,
- TL 5,039,909,710 that remains in the legal records after deduction of the above mentioned items be transferred to extraordinary reserves.

# 2023 PROFIT DISTRIBUTION TABLE

<b>ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ</b>		
<b>2023 PROFIT DISTRIBUTION TABLE (TL)</b>		
<b>1.</b>	Paid-in/Issued Capital	500,000,000
<b>2.</b>	General Legal Reserves (according to legal records)	126,487,744
If there are privileges for distribution of profits according to the Articles of Incorporation, information on such privileges		None
		Based on CMB      Based on Legal Records
<b>3.</b>	Profit for the Period <sup>(*)</sup>	8,037,455,586      7.566.692.546
<b>4.</b>	Taxes Payable ( - )	(1,664,485,864)      (1.664.485.864)
<b>5.</b>	Net Profit for the Period ( = )	6,372,969,722      5.902.206.682
<b>6.</b>	Losses in Prior Years ( - )	--      --
<b>7.</b>	General Legal Reserves ( - )	--      --
<b>8.</b>	<b>NET DISTRIBUTABLE PROFIT FOR THE PERIOD</b>	<b>6,372,969,722      5.902.206.682</b>
<b>9.</b>	Donations during the Year ( + )	10,000,000
<b>10.</b>	Net Distributable Profit for the Period Including Donations	6,382,969,722
<b>11.</b>	First Dividend to Shareholder	
	- Cash	--
	- Bonus Shares	--
	<b>- Total</b>	<b>--</b>
<b>12.</b>	Dividends Distributed to Owners of Privileged Shares	--
<b>13.</b>	Other Dividends Distributed (to Board Members, Employees, etc.)	--
<b>14.</b>	Dividends Distributed to Owners of Redeemed Shares	--
<b>15.</b>	Second Dividend to Shareholders	--
<b>16.</b>	General Legal Reserves	--
<b>17.</b>	Statutory Reserves	637,296,972      637.296.972
<b>18.</b>	Özel Yedekler <sup>(**)</sup>	225,000,000      225.000.000
<b>19.</b>	EXTRAORDINARY RESERVES <sup>(***)</sup>	5,510,672,750      5.039.909.710
<b>20.</b>	Other Resources to be Distributed	
	- Prior Year Profit	
	- Extraordinary Reserves	
	- Other Distributable Reserves Pursuant to the Law and the Articles of Incorporation	

<sup>(\*)</sup> Pursuant to Article 13 of the Dividend Communiqué featured in the CMB Weekly Bulletin numbered 2014/2 and published in the Official Gazette dated 23 January 2014, profit distribution was made based on the consolidated profit figure. Profit for the period not for distribution in the amount of TL 7,190,025 in the unconsolidated balance sheet was deducted from profit for the period ended 31 December 2023.

<sup>(\*\*)</sup> TL 225,000,000 in funds has been set aside for acquiring venture capital mutual fund participation shares or venture capital investment trust share certificates under Article 325/A of the Tax Procedure Law and Article 10 of the Corporate Tax Law.

<sup>(\*\*\*)</sup> As a result of the distribution of profit, TL 5,039,999,710 will be taken into consideration as extraordinary reserves based on legal records. .

<b>DIVIDEND RATIO CHART</b>					
NET <sup>(****)</sup>	TOTAL DIVIDENDS DISTRIBUTED		TOTAL DIVIDENDS DISTRIBUTED/NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDENDS PER SHARE WITH A NOMINAL VALUE OF TL 1	
	CASH (TL)	BONUS (TL)	RATIO (%)	CASH (TL)	BONUS (%)
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0,00%</b>	<b>0</b>	<b>0,00%</b>

<sup>(\*\*\*\*)</sup> 15% income tax will not be withheld from cash dividend payouts to resident institutions.

# DETAILED INCOME STATEMENT (TL)

I- TECHNICAL PART	ACCIDENT	HEALTH	MOTOR VEHICLES	AIRCRAFT	WATERCRAFTS
Explanation					
A- Non-Life Technical Income	926,709,652	5,367,975,226	13,766,863,565	14,566,910	331,795,928
1- Earned Premiums (Net of Reinsurer Share)	480,081,198	3,707,081,372	8,920,634,974	-1,208,269	184,247,506
1-1- Premiums (Net of Reinsurer Share)	718,438,608	5,639,633,822	11,716,697,423	76,373,045	429,909,749
1.2- Change in Unearned Premium Provisions (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	-239,244,122	-1,963,749,743	-2,796,062,449	-17,007,007	-111,808,504
1.3- Changes in Unexpired Risk Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	886,712	0	0	0	0
1.4- Changes in Ongoing Risk Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	0	31,197,293	0	-60,574,307	-133,853,739
2- Investment Income Transferred from Non-Technical Divisions	445,596,428	1,660,781,775	4,618,959,886	13,287,699	127,770,830
3- Other Technical Income	13,707	112,079	20,774,732	1,094,697	1,187,380
4- Accrued Salvage and Subrogation Income	1,018,319	0	206,493,973	1,392,783	18,590,212
B- Non-Life Technical Expense (-)	-346,341,973	-4,180,931,361	-7,732,454,180	-154,688,162	-518,615,462
1- Realized Claims (Net of Reinsurer Share)	-82,635,862	-3,133,836,899	-5,326,570,832	-121,682,382	-485,061,657
1.1- Claims Paid (Net of Reinsurer Share)	-36,791,888	-3,079,784,760	-4,597,255,059	-55,892,026	-232,969,943
1.2- Changes in Outstanding Claims Provisions (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	-45,843,974	-54,052,139	-729,315,773	-65,790,356	-252,091,714
2- Changes in Bonus and Discount Provisions (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	0	0	0	0	0
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	-4,414,168	-2,384,160	-59,026,481	0	0
4- Operating Expenses (-)	-251,955,806	-975,058,773	-1,876,332,755	-28,803,675	-31,642,116
5- Other Technical Expenses	-7,336,137	-69,651,529	-470,524,112	-4,202,105	-1,911,689
C- Non Life Technical Profit (A-B)	580,367,679	1,187,043,865	6,034,409,385	-140,121,252	-186,819,534
II- NON TECHNICAL PART					
C- Non Life Technical Profit (A-B)					
J- Total Technical Profit (C)					
K- Investment Income					
1- Income from Financial Investments					
2- Income from Sales of Financial Assets					
3- Revaluation of Financial Assets					
4- Foreign Exchange Gains					
5- Dividend Income from Affiliates					
6- Income form Subsidiaries and Joint Ventures					
7- Real Estate Income					
8- Income from Derivative Instruments					
9- Other Investments					
10- Investment Income transferred from Life Technical Division					
L- Investment Expenses (-)					
1- Investment Management Expenses (including interest) (-)					
2- Valuation Allowance of Investments (-)					
3- Losses On Sales of Investments (-)					
4- Investment Income Transferred to Non - Life Technical Division (-)					
5- Losses from Derivative Instruments (-)					
6- Foreign Exchange Losses (-)					
7- Depreciation Expenses (-)					
8- Other Investment Expenses (-)					
M- Income and Expenses (+/-)					
1- Reserves (Provisions) Account (+/-)					
2- Rediscount Account (+/-)					
3- Specialized Insurances Account (+/-)					
4- Inflation Adjustment Account (+/-)					
5- Deferred Tax Asset Accounts (+/-)					
6- Deferred Tax Liability Expense (+/-)					
7- Other Income and Revenues					
8- Other Expense and Losses (-)					
9- Prior Period Income					
10- Prior Period Losses (-)					
N- Net Profit/(Loss)					
1- Profit/(Loss) Before Tax					
2- Taxes Provisions (-)					
3- Net Profit (Loss) after Tax					
4- Inflation Adjustment Account (+/-)					

MARINE	FIRE AND NATURAL DISASTERS	GENERAL LOSSES	MOTOR VEHICLES LIABILITY	AIRCRAFT LIABILITY	GENERAL LIABILITY	CREDIT	BOND INSURANCE	FINANCIAL LOSSES	LEGAL PROTECTION	TOTAL
754,997,313	4,565,313,816	1,622,646,062	6,813,794,050	87,916,267	882,141,382	31,061,933	11,640,118	126,887,905	213,975,255	35,518,285,382
453,701,136	2,870,234,153	1,017,128,691	4,783,425,476	50,089,946	554,354,742	21,343,529	5,328,242	84,946,796	115,182,710	23,246,572,202
538,377,781	4,049,220,389	1,443,860,859	6,670,224,752	60,437,800	766,721,548	22,396,808	16,100,077	112,719,742	152,573,882	32,413,686,285
-84,676,645	-1,178,986,236	-426,732,168	-1,301,995,007	-10,347,854	-197,584,551	-4,130,542	-5,945,995	-22,445,533	-37,391,172	-8,398,107,528
0	0	0	77,355,972	0	0	0	0	0	0	78,242,684
0	0	0	-662,160,241	0	-14,782,255	3,077,263	-4,825,840	-5,327,413	0	-847,249,239
247,845,329	1,660,277,430	566,997,722	1,950,277,484	37,875,233	317,097,840	10,339,335	6,213,202	36,168,389	98,804,466	11,798,293,048
442,061	2,113,993	164,694	4,637,449	-75	508,595	45,262	0	132,358	0	31,226,932
53,008,787	32,688,240	38,354,955	75,453,641	-48,837	10,180,205	-666,193	98,674	5,640,362	-11,921	442,193,200
-423,367,314	-3,466,082,478	-1,085,985,519	-9,225,489,427	-54,887,674	-797,878,534	-18,077,676	-18,145,051	-117,874,198	-20,430,221	-28,161,249,230
-292,338,503	-2,405,422,968	-818,304,796	-7,643,429,099	-41,495,651	-657,343,507	-7,495,020	-15,237,718	-124,715,770	-388,069	-21,155,958,733
-156,360,924	-1,490,148,701	-569,917,872	-4,251,585,494	-2,058,739	-277,962,207	-6,474,171	-6,523,347	-94,743,365	-281,436	-14,858,749,932
-135,977,579	-915,274,267	-248,386,924	-3,391,843,605	-39,436,912	-379,381,300	-1,020,849	-8,714,371	-29,972,405	-106,633	-6,297,208,801
0	0	0	0	0	0	0	0	0	0	0
0	-37,945,044	-7,026,934	0	0	0	-2,671,401	-985,887	34,276,991	0	-80,177,084
-126,661,389	-981,752,192	-251,610,433	-1,389,090,541	-13,392,100	-128,492,116	-7,175,438	-1,910,734	-18,003,582	-20,091,122	-6,101,972,772
-4,367,422	-40,962,274	-9,043,356	-192,969,787	77	-12,042,911	-735,817	-10,712	-9,431,837	48,970	-823,140,641
331,629,999	1,099,231,338	536,660,543	-2,411,695,377	33,028,593	84,262,848	12,984,257	-6,504,933	9,013,707	193,545,034	7,357,036,152
										7,357,036,152
										7,357,036,152
										18,483,752,444
										1,748,224,230
										3,406,010,734
										2,459,025,175
										9,443,037,135
										100,000,000
										0
										145,141,404
										1,182,313,766
										0
										0
										-18,672,002,547
										-214,151,319
										-82,669,203
										-844,964,316
										-11,798,293,048
										-569,619,977
										-5,043,064,496
										-119,240,188
										0
										405,096,522
										-281,501,678
										-54,165,958
										0
										0
										738,388,265
										0
										35,578,763
										-33,202,870
										0
										0
										5,909,396,707
										7,573,882,571
										-1,664,485,864
										5,909,396,707
										0

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

# BAĞIMSIZ DENETÇİ RAPORU



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

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

## BAĞIMSIZ DENETÇİ RAPORU

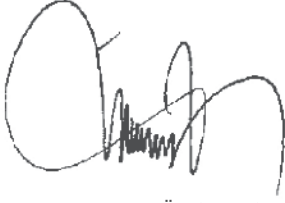




**UNCONSOLIDATED FINANCIAL STATEMENTS PREPARED  
AS OF DECEMBER 31, 2023**

We confirm that the unconsolidated financial statements and related disclosures and notes for the as of December 31, 2023 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the “Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies” and the financial records of our Company.

İstanbul, February 7, 2024



Füsun TÜMSAVAŞ  
Chairperson of the Board



Prof. Dr. Ayşegül TOKER  
Board Member  
Audit Committee Chair



Prof. Dr. Dilek DEMİRBAŞ  
Board Member  
Audit Committee Member



Zekai Mehmet TUĞTAN  
Chief Executive Officer



İbrahim Erdem ESENKAYA  
Executive Vice  
President of Finance



Barboros Levent BOZKURTAN  
Accounting  
Reporting Manager



İbrahim ÇAKIR  
Actuary

**CONTENTS**

<b>BALANCE SHEET</b>	<b>138-142</b>
<b>STATEMENT OF INCOME</b>	<b>143-145</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>146</b>
<b>STATEMENT OF CASH FLOW</b>	<b>148</b>
<b>STATEMENT OF PROFIT DISTRIBUTION</b>	<b>149</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>150-214</b>
NOTE 1 General information	150
NOTE 2 Summary of significant accounting policies	151
NOTE 3 Critical accounting estimates and judgments in applying accounting policies	173
NOTE 4 Management of insurance and financial risk	174
NOTE 5 Segment reporting	186
NOTE 6 Tangible assets	189
NOTE 7 Investment properties	190
NOTE 8 Intangible assets	191
NOTE 9 Investments in associates	192
NOTE 10 Reinsurance assets and liabilities	192
NOTE 11 Financial assets	193
NOTE 12 Loans and receivables	197
NOTE 13 Derivative financial instruments	198
NOTE 14 Cash and cash equivalents	198
NOTE 15 Equity	199
NOTE 16 Other reserves and equity component of discretionary participation feature	201
NOTE 17 Insurance contract liabilities and reinsurance assets	201
NOTE 18 Investment contract liabilities	206
NOTE 19 Trade and other payables and deferred income	206
NOTE 20 Financial liabilities	207
NOTE 21 Deferred tax	207
NOTE 22 Retirement benefit obligations	208
NOTE 23 Other liabilities and provisions	208
NOTE 24 Net insurance premium	209
NOTE 25 Fee revenue	209
NOTE 26 Investment income	209
NOTE 27 Net income accrual on financial assets	209
NOTE 28 Assets held at fair value through profit or loss	209
NOTE 29 Insurance rights and claims	209
NOTE 30 Investment contract benefits	209
NOTE 31 Other expenses	209
NOTE 32 Operating expenses	209
NOTE 33 Employee benefits expenses	210
NOTE 34 Financial costs	210
NOTE 35 Income tax	210
NOTE 36 Net foreign Exchange gains	211
NOTE 37 Earnings per share	211
NOTE 38 Dividends per share	211
NOTE 39 Cash generated from operations	211
NOTE 40 Convertible bonds	211
NOTE 41 Redeemable preference shares	211
NOTE 42 Risks	211
NOTE 43 Commitments	211
NOTE 44 Business combinations	211
NOTE 45 Related party transactions	212
NOTE 46 Events after the reporting date	213
NOTE 47 Other	214

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**UNCONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

<b>ASSETS</b>			
	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>I- Current Assets</b>			
<b>A- Cash and Cash Equivalents</b>	<b>14</b>	<b>11.302.917.518</b>	<b>9.253.297.690</b>
1- Cash	14	162.771	154.985
2- Cheques Received		--	--
3- Banks	14	7.850.389.227	7.466.091.175
4- Cheques Given and Payment Orders	14	(3.167)	(14.481)
5- Bank Guaranteed Credit Card Receivables with Maturities Less Than Three Months	14	3.452.368.687	1.787.066.011
6- Other Cash and Cash Equivalents		--	--
<b>B- Financial Assets and Financial Investments with Risks on Policyholders</b>	<b>11</b>	<b>24.169.488.129</b>	<b>10.086.354.373</b>
1- Available-for-Sale Financial Assets	11	10.063.692.677	7.341.058.220
2- Held to Maturity Investments	11	329.439.782	379.792.253
3- Financial Assets Held for Trading	11	13.776.355.670	2.365.503.900
4- Loans and Receivables		--	--
5- Provision for Loans and Receivables		--	--
6- Financial Investments with Risks on Saving Life Policyholders		--	--
7- Company's Own Equity Shares		--	--
8- Impairment in Value of Financial Investments		--	--
<b>C- Receivables from Main Operations</b>	<b>12</b>	<b>14.425.369.273</b>	<b>6.694.028.834</b>
1- Receivables from Insurance Operations	12	11.680.484.442	5.267.808.104
2- Provision for Receivables from Insurance Operations	2.21,12	(156.811.592)	(58.689.982)
3- Receivables from Reinsurance Operations	12	1.858.769.031	890.104.434
4- Provision for Receivables from Reinsurance Operations		--	--
5- Cash Deposited to Insurance and Reinsurance Companies	12	1.042.927.392	594.806.278
6- Loans to the Policyholders		--	--
7- Provision for Loans to the Policyholders		--	--
8- Receivables from Individual Pension Operations		--	--
9- Doubtful Receivables from Main Operations	12	1.024.803.971	741.496.380
10- Provision for Doubtful Receivables from Main Operations	12	(1.024.803.971)	(741.496.380)
<b>D- Due from Related Parties</b>		<b>--</b>	<b>--</b>
1- Due from Shareholders		--	--
2- Due from Associates		--	--
3- Due from Subsidiaries		--	--
4- Due from Joint Ventures		--	--
5- Due from Personnel		--	--
6- Due from Other Related Parties		--	--
7- Rediscount on Receivables from Related Parties		--	--
8- Doubtful Receivables from Related Parties		--	--
9- Provision for Doubtful Receivables from Related Parties		--	--
<b>E- Other Receivables</b>	<b>12</b>	<b>97.703.480</b>	<b>39.420.307</b>
1- Finance Lease Receivables		--	--
2- Unearned Finance Lease Interest Income		--	--
3- Deposits and Guarantees Given		119.339	54.339
4- Other Miscellaneous Receivables		97.584.141	39.365.968
5- Rediscount on Other Miscellaneous Receivables		--	--
6- Other Doubtful Receivables		--	--
7- Provision for Other Doubtful Receivables		--	--
<b>F- Prepaid Expenses and Income Accruals</b>		<b>3.278.475.974</b>	<b>1.733.107.516</b>
1- Prepaid Expenses	17	3.226.734.435	1.720.207.715
2- Accrued Interest and Rent Income		--	--
3- Income Accruals	12	43.567.096	12.873.895
4- Other Prepaid Expenses		8.174.443	25.906
<b>G- Other Current Assets</b>		<b>107.114.759</b>	<b>33.127.775</b>
1- Stocks to be Used in the Following Months		1.617.545	2.716.850
2- Prepaid Taxes and Funds		--	--
3- Deferred Tax Assets		--	--
4- Job Advances	4.2,12	105.460.876	30.410.925
5- Advances Given to Personnel		36.338	--
6- Inventory Count Differences		--	--
7- Other Miscellaneous Current Assets		--	--
8- Provision for Other Current Assets		--	--
<b>I- Current Assets</b>		<b>53.381.069.133</b>	<b>27.839.336.495</b>

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**UNCONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

<b>ASSETS</b>			
	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>II- Non-Current Assets</b>			
<b>A- Receivables from Main Operations</b>			
1- Receivables from Insurance Operations		--	--
2- Provision for Receivables from Insurance Operations		--	--
3- Receivables from Reinsurance Operations		--	--
4- Provision for Receivables from Reinsurance Operations		--	--
5- Cash Deposited for Insurance and Reinsurance Companies		--	--
6- Loans to the Policyholders		--	--
7- Provision for Loans to the Policyholders		--	--
8- Receivables from Individual Pension Business		--	--
9- Doubtful Receivables from Main Operations		--	--
10- Provision for Doubtful Receivables from Main Operations		--	--
<b>B- Due from Related Parties</b>			
1- Due from Shareholders		--	--
2- Due from Associates		--	--
3- Due from Subsidiaries		--	--
4- Due from Joint Ventures		--	--
5- Due from Personnel		--	--
6- Due from Other Related Parties		--	--
7- Rediscount on Receivables from Related Parties		--	--
8- Doubtful Receivables from Related Parties		--	--
9- Provision for Doubtful Receivables from Related Parties		--	--
<b>C- Other Receivables</b>			
1- Finance Lease Receivables	12	324.555	324.555
2- Unearned Finance Lease Interest Income		--	--
3- Deposits and Guarantees Given	12	324.555	324.555
4- Other Miscellaneous Receivables		--	--
5- Rediscount on Other Miscellaneous Receivables		--	--
6- Other Doubtful Receivables		--	--
7- Provision for Other Doubtful Receivables		--	--
<b>D- Financial Assets</b>			
1- Investments in Equity Shares		--	--
2- Investments in Associates	9	3.276.600.000	1.984.880.000
3- Capital Commitments to Associates		--	--
4- Investments in Subsidiaries		--	--
5- Capital Commitments to Subsidiaries		--	--
6- Investments in Joint Ventures		--	--
7- Capital Commitments to Joint Ventures		--	--
8- Financial Assets and Financial Investments with Risks on Policyholders		--	--
9- Other Financial Assets		--	--
10- Impairment in Value of Financial Assets		--	--
<b>E- Tangible Assets</b>			
1- Investment Properties	6,7	382.446.000	244.385.000
2- Impairment for Investment Properties		--	--
3- Owner Occupied Property	6	80.104.000	58.465.000
4- Machinery and Equipment	6	188.791.920	138.654.988
5- Furniture and Fixtures	6	23.458.824	19.551.052
6- Motor Vehicles	6	8.702.534	8.702.534
7- Other Tangible Assets (Including Leasehold Improvements)	6	44.763.190	36.384.889
8- Tangible Assets Acquired Through Finance Leases	6	147.307.025	98.988.793
9- Accumulated Depreciation	6	(221.054.786)	(172.957.717)
10- Advances Paid for Tangible Assets (Including Construction in Progress)		--	--
<b>F- Intangible Assets</b>			
1- Rights	8	142	142
2- Goodwill	8	16.250.000	16.250.000
3- Pre-operating Expenses		--	--
4- Research and Development Costs	8	18.657.453	896.749
5- Other Intangible Assets	8	464.382.154	415.754.935
6- Accumulated Amortization	8	(379.806.512)	(307.881.996)
7- Advances Paid for Intangible Assets	8	226.557.912	154.671.670
<b>G- Prepaid Expenses and Income Accruals</b>			
1- Prepaid Expenses	17	2.160.700	22.375.330
2- Income Accruals		--	--
3- Other Prepaid Expenses and Income Accruals		--	--
<b>H- Other Non-Current Assets</b>			
1- Effective Foreign Currency Accounts		--	--
2- Foreign Currency Accounts		--	--
3- Stocks to be Used in the Following Years		--	--
4- Prepaid Taxes and Funds		--	--
5- Deferred Tax Assets	21	707.512.026	147.253.439
6- Other Miscellaneous Non-Current Assets		--	--
7- Amortization on Other Non-Current Assets		--	--
8- Provision for Other Non-Current Assets		--	--
<b>II- Total Non-Current Assets</b>			
		<b>4.987.157.137</b>	<b>2.866.699.363</b>
<b>TOTAL ASSETS</b>		<b>58.368.226.270</b>	<b>30.706.035.858</b>

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**UNCONSOLIDATED BALANCE SHEET  
AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

<b>LIABILITIES</b>			
	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>III- Short-Term Liabilities</b>			
<b>A- Financial Liabilities</b>	<b>6,20</b>	<b>19.138.720</b>	<b>29.624.038</b>
1- Loans to Financial Institutions		--	--
2- Finance Lease Liabilities		--	--
3- Deferred Leasing Costs		--	--
4- Current Portion of Long Term Debts		--	--
5- Principal Instalments and Interests on Bonds Issued		--	--
6- Other Financial Assets Issued		--	--
7- Valuation Differences of Other Financial Assets Issued		--	--
8- Other Financial Liabilities	6,20	19.138.720	29.624.038
<b>B- Payables Arising from Main Operations</b>	<b>19</b>	<b>5.215.154.669</b>	<b>2.590.936.074</b>
1- Payables Due to Insurance Operations	19	3.779.204.030	1.932.888.381
2- Payables Due to Reinsurance Operations	19	187.244.739	30.147.694
3- Cash Deposited by Insurance and Reinsurance Companies	10,19	152.612.753	14.318.666
4- Payables Due to Individual Pension Operations		--	--
5- Payables Due to Other Main Operations	19	1.098.325.737	615.562.351
6- Rediscount on Payables from Other Main Operations	19	(2.232.590)	(1.981.018)
<b>C- Due to Related Parties</b>	<b>19</b>	<b>1.866.445</b>	<b>842.844</b>
1- Due to Shareholders		36.840	36.840
2- Due to Associates		--	--
3- Due to Subsidiaries		--	--
4- Due to Joint Ventures		--	--
5- Due to Personnel		1.829.605	806.004
6- Due to Other Related Parties		--	--
<b>D- Other Payables</b>	<b>19</b>	<b>658.804.066</b>	<b>368.305.459</b>
1- Deposits and Guarantees Received		37.078.397	24.950.846
2- Medical Treatment Payables to Social Security Institution		209.150.205	146.358.652
3- Other Miscellaneous Payables		427.923.728	202.336.367
4- Discount on Other Miscellaneous Payables		(15.348.264)	(5.340.406)
<b>E- Insurance Technical Provisions</b>	<b>17</b>	<b>35.377.705.520</b>	<b>19.912.327.691</b>
1- Reserve for Unearned Premiums - Net	17	18.440.775.763	10.119.855.974
2- Reserve for Unexpired Risks - Net	2,26,17	1.645.169.506	797.920.267
3- Mathematical Provisions - Net		--	--
4- Provision for Outstanding Claims - Net	4,1, 17	15.291.760.251	8.994.551.450
5- Provision for Bonus and Discounts - Net		--	--
6- Other Technical Provisions - Net		--	--
<b>F- Provisions for Taxes and Other Similar Obligations</b>	<b>19</b>	<b>784.810.314</b>	<b>388.233.476</b>
1- Taxes and Funds Payable		515.634.901	266.218.388
2- Social Security Premiums Payable		40.818.240	19.245.137
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		--	--
4- Other Taxes and Similar Payables		--	--
5- Corporate Tax Payable	35	1.664.485.864	276.782.469
6- Prepaid Taxes and Other Liabilities Regarding Current Period Income	19	(1.436.128.691)	(174.012.518)
7- Provisions for Other Taxes and Similar Liabilities		--	--
<b>G- Provisions for Other Risks</b>		<b>--</b>	<b>--</b>
1- Provision for Employee Termination Benefits		--	--
2- Provision for Pension Fund Deficits		--	--
3- Provisions for Costs		--	--
<b>H- Deferred Income and Expense Accruals</b>		<b>1.247.685.651</b>	<b>654.944.865</b>
1- Deferred Income	19	776.083.577	402.700.486
2- Expense Accruals	23	470.000.174	251.193.342
3- Other Deferred Income and Expense Accruals		1.601.900	1.051.037
<b>I- Other Short-Term Liabilities</b>	<b>23</b>	<b>22.210.647</b>	<b>11.902.903</b>
1- Deferred Tax Liabilities		--	--
2- Inventory Count Differences		--	--
3- Other Various Short-Term Liabilities	23	22.210.647	11.902.903
<b>III - Total Short-Term Liabilities</b>		<b>43.327.376.032</b>	<b>23.957.117.350</b>

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**UNCONSOLIDATED BALANCE SHEET  
AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

<b>LIABILITIES</b>			
<b>IV- Long-Term Liabilities</b>	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>A- Financial Liabilities</b>	<b>6,20</b>	<b>95.310.198</b>	<b>70.164.764</b>
1- Loans to Financial Institutions		--	--
2- Finance Lease Liabilities		--	--
3- Deferred Leasing Costs		--	--
4- Bonds Issued		--	--
5- Other Financial Assets Issued		--	--
6- Valuation Differences of Other Financial Assets Issued		--	--
7- Other Financial Liabilities	6,20	95.310.198	70.164.764
<b>B- Payables Arising from Main Operations</b>		--	--
1- Payables Due to Insurance Operations		--	--
2- Payables Due to Reinsurance Operations		--	--
3- Cash Deposited by Insurance and Reinsurance Companies		--	--
4- Payables Due to Individual Pension Operations		--	--
5- Payables Due to Other Operations		--	--
6- Rediscount on Payables from Other Operations		--	--
<b>C- Due to Related Parties</b>		--	--
1- Due to Shareholders		--	--
2- Due to Associates		--	--
3- Due to Subsidiaries		--	--
4- Due to Joint Ventures		--	--
5- Due to Personnel		--	--
6- Due to Other Related Parties		--	--
<b>D- Other Payables</b>		--	--
1- Deposits and Guarantees Received		--	--
2- Medical Treatment Payables to Social Security Institution		--	--
3- Other Miscellaneous Payables		--	--
4- Discount on Other Miscellaneous Payables		--	--
<b>E-Insurance Technical Provisions</b>	<b>17</b>	<b>604.446.145</b>	<b>525.324.006</b>
1- Reserve for Unearned Premiums – Net	17	3.630.894	4.685.839
2- Reserve for Unexpired Risks - Net		--	--
3- Mathematical Provisions - Net		--	--
4- Provision for Outstanding Claims - Net		--	--
5- Provision for Bonus and Discounts – Net		--	--
6- Other Technical Provisions – Net	17	600.815.251	520.638.167
<b>F-Other Liabilities and Relevant Accruals</b>		--	--
1- Other Liabilities		--	--
2- Overdue, Deferred or By Instalment Taxes and Other Liabilities		--	--
3- Other Liabilities and Expense Accruals		--	--
<b>G- Provisions for Other Risks</b>	<b>23</b>	<b>137.249.863</b>	<b>104.972.836</b>
1- Provision for Employee Termination Benefits	23	137.249.863	104.972.836
2- Provision for Pension Fund Deficits		--	--
<b>H-Deferred Income and Expense Accruals</b>		--	--
1- Deferred Income		--	--
2- Expense Accruals		--	--
3- Other Deferred Income and Expense Accruals		--	--
<b>I- Other Long-Term Liabilities</b>		--	--
1- Deferred Tax Liabilities		--	--
2- Other Long-Term Liabilities		--	--
<b>IV- Total Long-Term Liabilities</b>		<b>837.006.206</b>	<b>700.461.606</b>

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**UNCONSOLIDATED BALANCE SHEET  
AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

<b>EQUITY</b>			
<b>V- Equity</b>	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>A- Paid in Capital</b>		<b>500.000.000</b>	<b>500.000.000</b>
1- (Nominal) Capital	2,13,15	500.000.000	500.000.000
2- Unpaid Capital		--	--
3- Positive Capital Restatement Differences		--	--
4- Negative Capital Restatement Differences		--	--
5- Register in Progress Capital		--	--
<b>B- Capital Reserves</b>	<b>15</b>	<b>156.093.312</b>	<b>69.232.563</b>
1- Share Premiums		--	--
2- Cancellation Profits of Equity Shares		--	--
3- Profit on Asset Sales That Will Be Transferred to Capital		--	--
4- Currency Translation Adjustments		--	--
5- Other Capital Reserves	15	156.093.312	69.232.563
<b>C- Profit Reserves</b>		<b>7.217.998.044</b>	<b>4.313.607.686</b>
1- Legal Reserves	15	126.487.744	126.487.744
2- Statutory Reserves	15	265.356.498	178.003.887
3- Extraordinary Reserves	15	1.788.519.643	1.236.427.049
4- Special Funds	15	144.830.217	101.099.688
5- Revaluation of Financial Assets	15	4.929.934.412	2.676.776.271
6- Other Profit Reserves	15	(37.130.470)	(5.186.953)
<b>D- Retained Earnings</b>		<b>420.355.969</b>	<b>32.415.347</b>
1- Retained Earnings		420.355.969	32.415.347
<b>E- Accumulated Losses</b>		<b>--</b>	<b>--</b>
1- Accumulated Losses		--	--
<b>F-Net Profit/(Loss) for the Period</b>		<b>5.909.396.707</b>	<b>1.133.201.306</b>
1- Net Profit for the Period		5.902.206.682	1.133.201.306
2- Net Loss for the Period		--	--
3- Net Profit not Subject to Distribution		7.190.025	--
<b>V- Total Equity</b>		<b>14.203.844.032</b>	<b>6.048.456.902</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>58.368.226.270</b>	<b>30.706.035.858</b>

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



ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**UNCONSOLIDATED STATEMENT OF INCOME**  
**FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

I- TECHNICAL SECTION	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
<b>A- Non-Life Technical Income</b>		<b>35.518.285.382</b>	<b>15.943.295.506</b>
1- Earned Premiums (Net of Reinsurer Share)		23.246.572.202	10.768.936.473
1.1- Written Premiums (Net of Reinsurer Share)	17	32.413.686.285	17.566.787.343
1.1.1- Written Premiums, gross	17	44.228.418.367	23.755.830.190
1.1.2- Written Premiums, ceded	10,17	(11.235.091.484)	(5.761.591.307)
1.1.3- Premiums Transferred to Social Security Institutions	17	(579.640.598)	(427.451.540)
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)	17,29	(8.319.864.844)	(6.261.143.437)
1.2.1- Reserve for Unearned Premiums, gross	17	(10.987.877.179)	(7.492.596.433)
1.2.2- Reserve for Unearned Premiums, ceded	17	2.589.769.651	1.086.258.378
1.2.3 - Reserve for Unearned Premiums, Social Security Institution Share		78.242.684	145.194.618
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	17,29	(847.249.239)	(536.707.433)
1.3.1- Reserve for Unexpired Risks, gross	17	(1.318.269.388)	(485.150.453)
1.3.2- Reserve for Unexpired Risks, ceded	17	471.020.149	(51.556.980)
2- Investment Income - Transferred from Non-Technical Section	1.7	11.798.293.048	4.915.528.986
3- Other Technical Income (Net of Reinsurer Share)		31.226.932	12.117.350
3.1- Other Technical Income, gross		31.226.932	12.117.350
3.2- Other Technical Income, ceded		--	--
4- Accrued Salvage and Subrogation Income	2.21	442.193.200	246.712.697
<b>B - Non-Life Technical Expense</b>		<b>(28.161.249.230)</b>	<b>(14.513.705.610)</b>
1- Incurred Losses (Net of Reinsurer Share)	17	(21.155.958.733)	(10.894.292.154)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(14.858.749.932)	(8.213.731.726)
1.1.1- Claims Paid, gross	17	(28.085.830.635)	(10.204.160.685)
1.1.2- Claims Paid, ceded	10,17	13.227.080.703	1.990.428.959
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	17,29	(6.297.208.801)	(2.680.560.428)
1.2.1- Change in Provisions for Outstanding Claims, gross	17	(13.857.306.035)	(4.519.797.931)
1.2.2- Change in Provisions for Outstanding Claims, ceded	17	7.560.097.234	1.839.237.503
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
2.1- Provision for Bonus and Discounts, gross		--	--
2.2- Provision for Bonus and Discounts, ceded		--	--
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	17,29	(80.177.084)	(180.415.318)
4- Operating Expenses	32	(6.101.972.772)	(2.952.309.320)
5- Change in Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
5.1- Change in Mathematical Provisions, gross		--	--
5.2 - Change in Mathematical Provisions, ceded		--	--
6- Change in Other Technical Provisions (Net of Reinsurer and Less the Amounts Carried Forward)	47	(823.140.641)	(486.688.818)
6.1- Change in Other Technical Provisions, gross	47	(836.973.120)	(497.766.160)
6.2- Change in Other Technical Provisions, ceded		13.832.479	11.077.342
<b>C- Net Technical Income-Non-Life (A - B)</b>		<b>7.357.036.152</b>	<b>1.429.589.896</b>
<b>D- Life Technical Income</b>		<b>--</b>	<b>--</b>
1- Earned Premiums (Net of Reinsurer Share)		--	--
1.1- Written Premiums (Net of Reinsurer Share)		--	--
1.1.1- Written Premiums, gross		--	--
1.1.2- Written Premiums, ceded		--	--
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
1.2.1- Reserve for Unearned Premiums, gross		--	--
1.2.2- Reserve for Unearned Premiums, ceded		--	--
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
1.3.1- Reserve for Unexpired Risks, gross		--	--
1.3.2- Reserve for Unexpired Risks, ceded		--	--
2- Investment Income		--	--
3- Unrealized Gains on Investments		--	--
4- Other Technical Income (Net of Reinsurer Share)		--	--
4.1- Other Technical Income. gross		--	--
4.2- Other Technical Income. Ceded		--	--
5- Accrued Salvage Income		--	--

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

## UNCONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
<b>I- TECHNICAL SECTION</b>			
<b>E- Life Technical Expense</b>			
1- Incurred Losses (Net of Reinsurer Share)		--	--
1.1- Claims Paid (Net of Reinsurer Share)		--	--
1.1.1- Claims Paid, gross		--	--
1.1.2- Claims Paid, ceded		--	--
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
1.2.1- Change in Provisions for Outstanding Claims, gross		--	--
1.2.2- Change in Provisions for Outstanding Claims, ceded		--	--
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
2.1- Provision for Bonus and Discounts, gross		--	--
2.2- Provision for Bonus and Discounts, ceded		--	--
3- Change in Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
3.1- Change in Mathematical Provisions, gross		--	--
3.1.1- Change in Actuarial Mathematical Provisions, gross		--	--
3.1.2- Change in Profit Share Provisions (Provision for Financial Investments with Risks on Saving Life Policyholders), gross		--	--
3.2- Change in Mathematical Provisions, ceded		--	--
3.2.1- Change in Actuarial Mathematical Provisions, ceded		--	--
3.2.2- Change in Profit Share Provisions (Provision for Financial Investments with Risks on Saving Life Policyholders). ceded		--	--
4- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
5- Operating Expenses		--	--
6- Investment Expenses		--	--
7- Unrealized Losses on Investments		--	--
8- Investment Income Transferred to the Non-Life Technical Section		--	--
<b>F- Net Technical Income- Life (D - E)</b>			
<b>G- Pension Business Technical Income</b>			
1- Fund Management Income		--	--
2- Management Fee		--	--
3- Entrance Fee Income		--	--
4- Management Expense Charge in case of Suspension		--	--
5- Income from Private Service Charges		--	--
6- Increase in Value of Capital Allowances Given as Advance		--	--
7- Other Technical Expense		--	--
<b>H- Pension Business Technical Expense</b>			
1- Fund Management Expense		--	--
2- Decrease in Value of Capital Allowances Given as Advance		--	--
3- Operating Expenses		--	--
4- Other Technical Expenses		--	--
I- Net Technical Income - Pension Business (G - H)		--	--

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

## UNCONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
<b>II-NON-TECHNICAL SECTION</b>			
<b>C- Net Technical Income – Non-Life (A-B)</b>		<b>7.357.036.152</b>	<b>1.429.589.896</b>
<b>F- Net Technical Income – Life (D-E)</b>		--	--
<b>I - Net Technical Income – Pension Business (G-H)</b>		--	--
<b>J- Total Net Technical Income (C+F+I)</b>		<b>7.357.036.152</b>	<b>1.429.589.896</b>
<b>K- Investment Income</b>		<b>18.483.752.444</b>	<b>7.256.855.743</b>
1- Income from Financial Assets	4.2	1.748.224.230	724.840.454
2- Income from Disposal of Financial Assets	4.2	3.406.010.734	1.550.888.819
3- Valuation of Financial Assets	4.2	2.459.025.175	822.695.205
4- Foreign Exchange Gains	4.2	9.443.037.135	3.099.095.024
5- Income from Associates	4.2,9	100.000.000	88.000.000
6- Income from Subsidiaries and Joint Ventures		--	--
7- Income from Property, Plant and Equipment	7	145.141.404	162.761.565
8- Income from Derivative Transactions	4.2	1.182.313.766	808.574.676
9- Other Investments		--	--
10- Income Transferred from Life Section		--	--
<b>L- Investment Expense</b>		<b>(18.672.002.547)</b>	<b>(7.244.078.594)</b>
1- Investment Management Expenses (incl. interest)	4.2	(214.151.319)	(40.204.333)
2- Impairment in Value of Investments	4.2	(82.669.203)	(1.336.747)
3- Loss from Disposal of Financial Assets	4.2	(844.964.316)	(223.674.623)
4- Investment Income Transferred to Non-Life Technical Section	1.7	(11.798.293.048)	(4.915.528.986)
5- Loss from Derivative Transactions	4.2	(569.619.977)	(1.238.037.683)
6- Foreign Exchange Losses	4.2	(5.043.064.496)	(715.516.139)
7- Depreciation and Amortization Expenses	6,8	(119.240.188)	(109.780.083)
8- Other Investment Expenses		--	--
<b>M- Income and Expenses From Other and Extraordinary Operations</b>		<b>405.096.522</b>	<b>(32.383.270)</b>
1- Provisions	47	(281.501.678)	(205.951.844)
2- Rediscounts	47	(54.165.958)	(63.914.652)
3- Specified Insurance Accounts		--	--
4- Monetary Gains and Losses		--	--
5- Deferred Taxation (Deferred Tax Assets)	35	738.388.265	233.163.298
6- Deferred Taxation (Deferred Tax Liabilities)		--	--
7- Other Income		35.578.763	7.728.549
8- Other Expenses and Losses		(33.202.870)	(3.408.621)
9- Prior Year's Income		--	--
10- Prior Year's Expenses and Losses		--	--
<b>N- Net Profit for the Period</b>		<b>5.909.396.707</b>	<b>1.133.201.306</b>
1- Profit for the Period		7.573.882.571	1.409.983.775
2- Corporate Tax Provision and Other Fiscal Liabilities	35	(1.664.485.864)	(276.782.469)
3- Net Profit for the Period		5.909.396.707	1.133.201.306
4- Inflation Adjustment Account		--	--

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

## UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Audited Prior Period December 31, 2022					
	Note	Paid-in Capital	Own Shares of the Company	Revaluation of Financial Assets	Inflation Adjustment
<b>I - Balance at the end of the previous year - December 31, 2021</b>		500.000.000	--	952.413.185	--
<b>II - Change in Accounting Standards</b>		--	--	--	--
<b>III - Restated balances (I+II) - (January 1, 2022)</b>		500.000.000	--	952.413.185	--
A - Capital increase(A1+A2)		--	--	--	--
1 - In cash		--	--	--	--
2 - From reserves		--	--	--	--
B - Purchase of own shares		--	--	--	--
C - Gains or losses that are not included in the statement of incomes		--	--	--	--
D - Change in the value of financial assets	11,15	--	--	1.724.363.086	--
E- Currency translation adjustments		--	--	--	--
F- Other gains or losses		--	--	--	--
G- Inflation adjustment differences		--	--	--	--
H- Net profit for the period		--	--	--	--
I - Dividends paid	2,23	--	--	--	--
J - Transfers to reserves	15	--	--	--	--
<b>IV - Balance at the end of the period - December 31, 2022</b>		500.000.000	--	2.676.776.271	--
Audited Current Period December 31, 2023					
	Note	Paid-in Capital	Own Shares of the Company	Revaluation of Financial Assets	Inflation Adjustment
<b>I - Balance at the end of the previous year - December 31, 2022</b>		500.000.000	--	2.676.776.271	--
<b>II - Change in Accounting Standards</b>		--	--	--	--
<b>III - Restated balances (I+II) - (January 1, 2023)</b>		500.000.000	--	2.676.776.271	--
A - Capital increase(A1+A2)		--	--	--	--
1 - In cash		--	--	--	--
2 - From reserves		--	--	--	--
B - Purchase of own shares		--	--	--	--
C - Gains or losses that are not included in the statement of incomes		--	--	--	--
D - Change in the value of financial assets	11,15	--	--	2.253.158.141	--
E- Currency translation adjustments		--	--	--	--
F- Other gains or losses		--	--	--	--
G- Inflation adjustment differences		--	--	--	--
H- Net profit for the period		--	--	--	--
I - Dividends paid	2,23	--	--	--	--
J - Transfers to reserves	15	--	--	--	--
<b>IV - Balance at the end of the period - December 31, 2023</b>		500.000.000	--	4.929.934.412	--

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

Currency Translation Adjustment	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit for the Year	Retained Earnings	Total
--	126.487.744	119.020.427	951.378.502	521.836.991	32.415.347	3.203.552.196
--	--	--	--	--	--	--
--	126.487.744	119.020.427	951.378.502	521.836.991	32.415.347	3.203.552.196
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	(12.659.686)	--	--	(12.659.686)
--	--	--	--	--	--	1.724.363.086
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	1.133.201.306	--	1.133.201.306
--	--	--	--	--	--	--
--	-	58.983.460	462.853.531	(521.836.991)	--	--
--	126.487.744	178.003.887	1.401.572.347	1.133.201.306	32.415.347	6.048.456.902

Currency Translation Adjustment	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit for the Year	Retained Earnings	Total
--	126.487.744	178.003.887	1.401.572.347	1.133.201.306	32.415.347	6.048.456.902
--	--	--	--	--	--	--
--	126.487.744	178.003.887	1.401.572.347	1.133.201.306	32.415.347	6.048.456.902
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	(7.167.718)	--	--	(7.167.718)
--	--	--	--	--	--	2.253.158.141
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	5.909.396.707	--	5.909.396.707
--	--	--	--	--	--	--
--	--	87.352.611	657.908.073	(1.133.201.306)	387.940.622	--
--	126.487.744	265.356.498	2.052.312.702	5.909.396.707	420.355.969	14.203.844.032

## UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
<b>A - Cash flows from operating activities</b>			
1- Cash provided from insurance activities		46.678.827.743	19.862.856.699
2- Cash provided from reinsurance activities		--	--
3- Cash provided from individual pension business		--	--
4- Cash used in insurance activities		(41.256.172.058)	(16.927.999.264)
5- Cash used in reinsurance activities		(1.416.785.711)	(695.940.217)
6- Cash used in individual pension business		--	--
<b>7- Cash provided by operating activities</b>		<b>4.005.869.974</b>	<b>2.238.917.218</b>
8- Interest paid		--	--
9- Income taxes paid	19	(1.538.898.642)	(115.330.027)
10- Other cash inflows		330.877.476	318.665.074
11- Other cash outflows		(10.694.877)	(123.971.947)
<b>12-Net cash provided by operating activities</b>		<b>2.787.153.931</b>	<b>2.318.280.318</b>
<b>B - Cash flows from investing activities</b>			
1- Proceeds from disposal of tangible assets		10.007	300.249
2- Acquisition of tangible assets	6, 8	(200.707.177)	(217.255.963)
3- Acquisition of financial assets	11	(69.844.474.853)	(26.274.741.340)
4- Proceeds from disposal of financial assets	11	65.828.275.026	29.000.040.022
5- Interests received		1.994.877.867	2.968.105.643
6- Dividends received		100.000.000	88.000.000
7- Other cash inflows		461.570.359	344.292.411
8- Other cash outflows		(396.612.355)	(3.322.372.037)
<b>9- Net cash provided by investing activities</b>		<b>(2.057.061.126)</b>	<b>2.586.368.985</b>
<b>C - Cash flows from financing activities</b>			
1- Equity shares issued		--	--
2- Cash provided from loans and borrowings		--	--
3- Finance lease payments		--	--
4- Dividends paid	2,23	--	--
5- Other cash inflows		--	--
6- Other cash outflows		--	--
<b>7- Net cash used in financing activities</b>		<b>--</b>	<b>--</b>
<b>D- Effect of exchange rate fluctuations on cash and cash equivalents</b>			
		<b>508.157.078</b>	<b>130.126</b>
<b>E- Net increase in cash and cash equivalents</b>		<b>1.238.249.883</b>	<b>4.904.779.429</b>
<b>F- Cash and cash equivalents at the beginning of the year</b>	<b>14</b>	<b>7.773.931.409</b>	<b>2.869.151.980</b>
<b>G- Cash and cash equivalents at the end of the year</b>	<b>14</b>	<b>9.012.181.292</b>	<b>7.773.931.409</b>

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

## UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR YEAR ENDED DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	Audited Current Period <sup>(*)</sup> December 31, 2023	Audited Prior Period <sup>(**)</sup> December 31, 2022
<b>I. PROFIT DISTRIBUTION</b>			
1.1. CURRENT YEAR PROFIT <sup>(*)</sup>		8.037.455.586	1.600.334.146
1.2. TAX AND FUNDS PAYABLE		(1.664.485.864)	(276.782.469)
1.2.1. Corporate Income Tax(Income Tax)	35	(1.664.485.864)	(276.782.469)
1.2.2. Income tax deduction		--	--
1.2.3. Other taxes and Duties		--	--
<b>A NET PROFIT(1.1 - 1.2)</b>		<b>6.372.969.722</b>	<b>1.323.551.677</b>
1.3. PREVIOUS PERIOD LOSSES (-)		--	--
1.4. FIRST LEGAL RESERVE		--	--
1.5. STATUTORY FUND (-)		--	(405.040.621)
<b>B NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5)]</b>		<b>6.372.969.722</b>	<b>918.511.056</b>
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		--	--
1.6.1. Holders of shares		--	--
1.6.2. Holders of Preferred shares		--	--
1.6.3 Holders of Redeemed shares		--	--
1.6.4 Holders of Participation Bond		--	--
1.6.5 Holders of Profit and Loss sharing certificate		--	--
1.7. DIVIDEND TO PERSONNEL (-)		--	--
1.8. DIVIDENDS TO 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 (-)		--	87.352.611
1.12. EXTRAORDINARY RESERVES		--	552.092.594
1.13. OTHER RESERVES		--	--
1.14. SPECIAL FUNDS		--	43.730.529
<b>II. DISTRIBUTION OF RESERVES</b>			
2.1. DISTRIBUTION OF RESERVES		--	--
2.2. SECOND LEGAL RESERVES (-)		--	--
2.3. COMMON SHARES (-)		--	--
2.3.1. Holders of shares		--	--
2.3.2 Holders of Preferred shares		--	--
2.3.3. Holders of Redeemed shares		--	--
2.3.4 Holders of Participation Bond		--	--
2.3.5 Holders of Profit and Loss sharing certificate		--	--
2.4. DIVIDENDS TO PERSONNEL (-)		--	--
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		--	--
<b>III. PROFIT PER SHARE <sup>(***)</sup></b>			
3.1. HOLDERS OF SHARES		0,01276	0,00265
3.2. HOLDERS OF SHARES (%)		1,276	0,265
3.3. HOLDERS OF PREFERRED SHARES		--	--
3.4. HOLDERS OF PREFERRED SHARES (%)		--	--
<b>IV. DIVIDEND PER SHARE</b>			
4.1. HOLDERS OF SHARES		--	--
4.2. HOLDERS OF SHARES (%)		--	--
4.3. HOLDERS OF PREFERRED SHARES		--	--
4.4. HOLDERS OF PREFERRED SHARES (%)		--	--

<sup>(\*)</sup> According to the Law no. 13 of the Profit Share Annunciation which was announced in Capital Markets Board of Turkey's weekly bulletin numbered 2014/2, which was then published in the official gazette on January 23, 2014, the profit shares have been distributed based on consolidated profit. The detail of the undistributed profit is disclosed in the 2.23 Profit Distribution footnote.

<sup>(\*\*)</sup> Statement of profit distribution has not been filled yet due to the Board of Directors Meeting has not made as of preparation date of the financial statements.

<sup>(\*\*\*)</sup> The Figures of 2022 was filled by using the data which is located in "According to CMB" of the Profit Distribution.

<sup>(\*\*\*\*)</sup> Dividends per share is calculated over the consolidated net profit for the period.

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

# CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

## 1 General information

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

The shareholding structure of Anadolu Anonim Türk Sigorta Şirketi (“the Company”) is presented below. As of December 31, 2023, the shareholder having indirect control over the shares of Anadolu Anonim Türk Sigorta Şirketi (“the Company”) is Türkiye İş Bankası A.Ş. (“İş Bankası”).

Name	December 31, 2023		December 31, 2022	
	Shareholding Amount (TL)	Shareholding Rate (%)	Shareholding Amount (TL)	Shareholding Rate (%)
Milli Reasürans T.A.Ş.	286.550.106	57,31	286.550.106	57,31
Other <sup>(*)</sup>	213.449.894	42,69	213.449.894	42,69
<b>Paid in Capital</b>	<b>500.000.000</b>	<b>100,00</b>	<b>500.000.000</b>	<b>100,00</b>

<sup>(\*)</sup> Consists of publicly traded shares.

### 1.2 Domicile and the legal structure of the Company, country and the address of the registered office (address of the operating centre if it is different from the registered office)

The Company was registered in Turkey and has the status of ‘Incorporated Company. The Company’s address “Rüzgarlıbahçe Mahallesi, Kavak Sokak, No: 31 34805 Kavacık/İstanbul”. Company has nine regional offices; two of them established in İstanbul and others established in Antalya, İzmir, Samsun, Adana, Ankara, Trabzon and Bursa, a sales centre in Gaziantep and a branch in Turkish Republic of Northern Cyprus.

### 1.3 Business of the Company

The Company operates in almost all non-life insurance branches consisting of mainly accident, health, motor vehicles, air vehicles, water vehicles, marine, fire and natural disasters, general loss, credit, financial losses, and legal protection.

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

### 1.4 Description of the main operations of the Company

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 the T.C. Ministry of Treasury and Finance based on the Insurance Law. The Company operates in insurance branches as mentioned above *Note 1.3 Business of the Company*.

The Company’s shares have been listed on the İstanbul Stock Exchange (“BİST”). The Company operates based on its own specific laws and regulations in matters of establishment, auditing, supervision/oversight, accounting and financial reporting in accordance Capital Market Law No: 6362, part of VIII and paragraph of 5 of Article 136.

### 1.5 The average number of the personnel during the period in consideration of their categories

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

	December 31, 2023	December 31, 2022
Senior level managers	9	10
Directors	53	50
Consultants	1	1
Intermediate directors	215	218
Contracted personnel	1.430	1.298
<b>Total</b>	<b>1.708</b>	<b>1.577</b>

### 1.6 Wages and similar benefits provided to the senior management

In the accounting period ending on December 31, 2023, the chairman and members of the board were provided with 5.860.466 TL (December 31, 2022: 2.919.550 TL), and senior executives were provided with 41.939.368 TL (December 31, 2022: 22.460.897 TL) in fees and similar benefits.



## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 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 4 January 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 T.C. Ministry of Treasury and Finance.

In accordance with the above mentioned Communiqué, insurance companies are allowed to transfer technical section operating expense to insurance section through methods determined by T.C. Ministry of Treasury and Finance or by the Company itself. Methods determined by the Company should be approved by the T.C. Ministry of Treasury and Finance, Known and exactly distinguishable operating expenses are distributed to related branches directly, while operating expenses are distributed to the sub-branches in accordance with the average of 3 ratios calculated by dividing “number of the policies produced within the last three years”, “gross premium written within the last three years”, and “number of the claims reported within the last three years” to the “total number of the policies”, “total gross written premiums” and the “total number of the claims reported”, respectively.

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.

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

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

### 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:	Anadolu Anonim Türk Sigorta Şirketi
Registered address of the head office:	Rüzgarlıbahçe Mahallesi, Kavak Sokak, No: 6 34805 Kavacık/İstanbul
The web page of the Company:	<a href="http://www.anadolusigorta.com.tr">www.anadolusigorta.com.tr</a>

The information presented above has not any change since the end of the previous reporting period.

### 1.10 Events after the reporting date

The unconsolidated financial statements prepared as of December 31, 2023, were approved by the Company’s Board of Directors on February 7, 2024.

With the official gazette decision dated December 29, 2023 and numbered 32414 made by SEDDK, the mandatory effective date of TFRS 17 has been postponed to accounting periods beginning on or after January 1, 2025.

## 2 Summary of significant accounting policies

### 2.1 Basis of preparation

#### 2.1.1 Information about the principles and the specific accounting policies used in the preparation of the financial statements

In accordance with Article 136(5) in Section VIII of the Capital Markets Law, numbered 6362 insurance companies have to comply with their own specific laws and regulations in matters of establishment, auditing, supervision/oversight, accounting and financial reporting. Therefore, the Company maintains its books of account and prepares its financial statements in accordance with the Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”), and other accounting and financial reporting principles, statements and guidance (collectively “the Reporting Standards”) in accordance with the “Communiqué Related to the Financial Reporting of Insurance, Reinsurance, and Individual Pension Companies” as promulgated by the T.C. Ministry of Treasury and Finance based on Article 18 of the Insurance Law and Article 11 of the 4632 numbered Individual Pension Savings and Investment System Law (“Individual Retirement Law”).

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

According to numbered 4<sup>th</sup> related law Accounting for subsidiaries, associates, joint ventures is, consolidated financial statements, financial statements which disclosed public regulated by the T.C. Ministry of Treasury and Finance.

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

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

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

#### Accounting in hyperinflationary countries

The financial statements of companies operating in Turkey have been prepared as of December 31, 2004, in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies, reflecting adjustments made due to changes in the general purchasing power of the Turkish Lira. TAS 29 requires financial statements prepared in the currency of a hyperinflationary economy to 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.

In accordance with the letter dated April 4, 2005, numbered 19387, of the Ministry of Treasury and Finance, the Company prepared its financial statements as of December 31, 2004, by adjusting them in accordance with the provisions regarding inflation accounting in 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. The practice of inflation accounting was terminated starting from January 1, 2005, according to the same declaration of the Ministry of Treasury and Finance. Therefore, as of December 31, 2023, non-monetary assets and liabilities and equity items including capital in the balance sheet were adjusted for inflation up to December 31, 2004, while entries after that date were carried at their nominal values.

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

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

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

### 2.1.3 Valid and presentation currency

The accompanying 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.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 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 at fair value through profit or loss, available-for-sale financial assets, derivative financial instruments 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

No changes or errors have occurred in the accounting policies for the current period.

Explanations on accounting estimates are given in the “Note 3” which is critical accounting estimates and judgments.

### 2.2 Consolidation

“Circular Related to the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance, and Individual Pension Companies” issued by the T.C. Ministry of Treasury and Finance in the December 31, 2008 dated and 27097 numbered Official Gazette, has been in force since March 31, 2009. Accordingly, consolidated financial statements are also prepared using the equity method of accounting to consolidate the Company’s associate; Anadolu Hayat Emeklilik A.Ş. (“Anadolu Hayat”).

In the August 12, 2008 dated and 2008/36 numbered “Sector Announcement Related to the Accounting of Subsidiaries, Associates and Joint Ventures in the Stand Alone Financial Statements of Insurance, Reinsurance and Individual Pension Companies” of the T.C. Ministry of Treasury and Finance, it is stated that although insurance, reinsurance and individual pension companies are exempted from TAS 27 – *Consolidated and Separate Financial Statements*, subsidiaries, associates and joint-ventures could be accounted in accordance with TAS 39 – *Financial Instruments: Recognition and Measurement* or at cost in accordance with the 37th paragraph of TAS 27 – *Consolidated and Separate Financial Statements*, Parallel to the related sector announcements mentioned above, as of the reporting date the Company has accounted for its associate at fair value based on quoted market price.

### 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. Since the main economic environment, where the Company operates, is Turkey, a geographical segment reporting has not been presented. A business segment reporting of the Company is presented in Note 5 in accordance with TFRS 8- *Operating Segments* standard.

### 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 exchange rates ruling at the reporting date and foreign currency exchange differences are offset and all exchange differences are recognized in the statement of income.

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 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.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

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

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

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

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 since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

There are no pledges, mortgages or any similar encumbrances on tangible assets.

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

The relevant depreciation shares for tangible fixed assets are calculated using the straight-line depreciation method over their appraisal values based on their useful lives.

Depreciation rates and estimated useful lives are as follows:

<b>Tangible Assets</b>	<b>Estimated useful lives (years)</b>	<b>Depreciation rates (%)</b>
Buildings for own use	50	2,0
Machinery and equipment	3 - 16	6,3 - 33,3
Furniture and fixtures	4 - 16	6,3 - 25,0
Vehicles	5	20,0
Other tangible assets (including leasehold improvements)	5 - 10	10,0 - 20,0
Leased tangible assets	1 - 10	10,0 - 100,0

### 2.6 Investment properties

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.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 2.7 Intangible assets

The Company's intangible assets consist of computer software, goodwill and advances paid for tangible assets.

Intangible assets are recorded at cost in compliance with "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.

Amortization is charged on a straight-line basis over their estimated useful lives over the cost of the asset. The period of redemption of intangible assets is 3 to 15 years.

Goodwill is expressed as the parts of the purchased subsidiary/affiliate in net use of the Company's share in excess of the cost of purchasing the appropriate enclosure. Goodwill from the acquisition of associates is included in the "Affiliates" account and is tested for impairment as a part of the general balance. For the goodwill amount that is accounted for separately, an impairment test is performed each year and is shown at cost less accumulated impairment provisions. Provisions for impairment in goodwill are not canceled. Gains or losses on the disposal of the business include the carrying amount of the goodwill associated with the sold business.

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

### 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 favorable to the entity.

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 unconsolidated 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 is recorded in profit/loss. 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.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

*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 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.

The Company has accounted equity shares classified as available-for-sale according to quoted market prices or dealer price quotations for financial instruments traded in active markets or according to cost less impairment losses for financial instruments not traded in active markets.

Securities are recognized and derecognized at the date of settlement.

*Associates*; shares of the associate of the Company; Anadolu Hayat Emeklilik A.Ş. are classified as available-for-sale financial assets in the unconsolidated financial statements and are recorded at their fair values since those shares are traded in an active market.

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.

### **Impairment on financial asset**

Financial assets or group of financial assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, the Company estimates the amount of impairment. A financial asset is impaired 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.

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 operations. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

### **2.9 Impairment on assets**

#### **Impairment on tangible assets**

On each reporting date, the Company evaluates whether there is an indication of impairment of tangible and intangible 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 period are detailed in *Note 47*.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 2.10 Derivative financial instruments

As of December 31, 2023, the Company has classified TL 118.720.901 of derivative financial instruments as held for trading financial assets (December 31, 2022: None).

As of December 31, 2023, the Company has a balance of TL 6.219.723 under the account of income accruals for gains arising from forward foreign exchange contracts (December 31, 2022: TL 2.115.363), while there is no balance of decrease in value under the account of other financial liabilities (obligations) (December 31, 2022: TL (18.749.281)).

In addition, the company has FX- protected deposits amounting to TL 2.312.218.239.

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

The Company offsetted foreign forward currency agreements income/expense accruals in the income statement.

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 “financial assets held for trading” and negative fair value differences are presented as “other financial liabilities” in the accompanying unconsolidated 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 form the basis for the preparation of the statement of cash flows, include cash on hand, checks received, other cash equivalents, demand deposits, and time deposits at banks with an original maturity of less than 3 months, which are readily available for use by the Company or not blocked for any other purpose.

### 2.13 Share Capital

The shareholder having indirect control over the shares of the Company is İş Bankası Group, as of December 31, 2023 and 2022, the share capital and ownership structure of the Company are as follows:

Name	December 31, 2023		December 31, 2022	
	Shareholding Amount (TL)	Shareholding Rate (%)	Shareholding Amount (TL)	Shareholding Rate (%)
Milli Reasürans T.A.Ş.	286.550.106	57,31	286.550.106	57,31
Other*	213.449.894	42,69	213.449.894	42,69
<b>Paid in capital</b>	<b>500.000.000</b>	<b>100,00</b>	<b>500.000.000</b>	<b>100,00</b>

\* Consists of publicly traded shares.

### Sources of capital increases during the period

The Company has not performed capital increase as of December 31, 2023 (December 31, 2022: None).

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### Privileges on common shares representing share capital

As of December 31, 2023, the issued share capital of the Company is TL 500.000.000 (December 31, 2022: TL 500.000.000) and the Company unregistered Group 150 A shares which each of value is TL 1,5 as of April 11, 2013 in which approved in Main Article of the Company dated in April 11, 2013. The share capital of the Company consists of 50.000.000.000 (December 31, 2022: 50.000.000.000 shares) issued shares with TL 0,01 nominal value each.

### Registered capital system in the Company

The Company has accepted the registered capital system. As of December 31, 2023, the Company’s registered capital is TL 3.500.000.000 (December 31, 2022: TL 700.000.000).

### Repurchased own shares by the Company

None.

### 2.14 Insurance and investments 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.

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

### Premiums Transferred to the Social Security Institution

The Law No. 6111 on “Restructuring of Certain Claims and Making Amendments to the Social Insurance and General Health Insurance Law and Some Other Laws and Decrees” published in the Official Gazette on February 25, 2011 (“Law”) with the 98<sup>th</sup> article of the Highway Traffic Law No. 2918, amended by the 59<sup>th</sup> article, the collection and liquidation of the health service costs incurred due to traffic accidents are subject to new procedures and principles. In this context, the health service costs offered by all public and private health institutions and organizations due to traffic accidents will be covered by the Social Security Institution (“SSI”), regardless of whether the casualty has social security or not. Again, according to the Provisional Article 1 of the Law, it is stipulated that the costs of health services offered due to traffic accidents that occurred before the date of publication of the Law shall be covered by the SSI.

The liability of insurance companies regarding the service fees to be incurred within the framework of the aforementioned articles of the Law is the “Regulation on Procedures and Principles Regarding the Collection of Health Service Fees Offered to Persons Due to Traffic Accidents” (“Regulation”), dated 27 August 2011, published by the Ministry of Treasury and Finance, “Circular on the Procedures and Principles Regarding the Procedures and Principles Regarding the Collection of Health Service Fees Provided to the Related Persons Due to Traffic Accidents” dated September 15, 2011 and numbered 2011/17 (“Circular No. 2011/17”), dated October 17, 2011 and 2011/Circular No. 18 on the Accounting of the Payments Made to the Social Security Institution (SSI) for Treatment Costs and Opening a New Account Code in the Insurance Accounting Plan (“Circular No. 2011/18”), dated March 16, 2012 and numbered 2012/3 “Due to Traffic Accidents Implementation of the Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to Relevant Persons The Circular on the Amendment of the Circular on the Procedures and Principles Regarding a (Circular No. 2012/3) and the “Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to the Related Persons Due to Traffic Accidents” dated 30 April 2012 and numbered 2012/6. It has been determined according to the principles explained in the Related Sector Announcement (“Sector Announcement No. 2012/6”) (Note 2.24). In this context, with regard to the treatment costs arising from traffic accidents occurring after the publication of the Law, the Company’s policies written after February 25, 2011 in the branches of “Compulsory Transport Insurance”, “Compulsory Traffic Insurance” and “Mandatory Seat Personal Accident Insurance” Regarding this, the premiums determined within the scope of the Regulation and Circular No. 2011/17 must be transferred to the SSI. Within the framework of the principles explained above, the company is TL 579.640.598 in the accounting period of January 1 - December 31, 2023 (January 1 - December 31, 2022: TL 427.451.540) has been accounted for under the “Premiums transferred to SSI” account.



## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

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

Discretionary participation feature 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 the reporting date, the Company does not have any insurance or investment contracts that contain a discretionary participation feature.

### 2.16 Investment contracts without discretionary participation feature

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

### 2.17 Liabilities

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

### 2.18 Income taxes

#### Corporate tax

Corporate tax rate in Turkey is 20%. The corporate tax rate is applied to the corporates' net income which is found as a result of adding the expenses that are not accepted as a deduction and deducting the exemptions and deductions in accordance with tax laws. If there is no dividend distribution planned, no further tax charges are made.

On April 6, 2020, with the amendment to Article 25 of Law No. 7394, the first paragraph of Article 32 titled “Corporate tax and temporary tax rate” of Law No. 5520 was amended, stipulating that banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorized currency institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies would be subject to a corporate tax rate of 25% on their corporate income. However, due to the need to compensate for the economic losses caused by the earthquakes that occurred on February 6, 2023, Law No. 7456 was issued, stipulating that the corporate tax rate for insurance companies would be applied at 30%.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 10%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

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 25<sup>th</sup> 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.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

### Deferred taxes

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 unconsolidated 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.

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

As of December 31, 2023, a tax rate of 30% is used for temporary differences (December 31, 2022: 25%).

### Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated November 18, 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

### 2.19 Employee benefits

#### Pension and other post-retirement obligations

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

Employees of the Company are the members of "Anadolu Anonim Türk Sigorta Şirketi 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 a 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 the May 8, 2015.

With the 51st article of the Law No. 6645 published in the Official Gazette dated April 23, 2015 and numbered 29335, the first paragraph of the Provisional Article 20 of the Law No. 5510 on the transfer of Bank and Insurance Funds to the Social Security Institution was changed; "The participants of the funds established for the personnel of banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, stock exchanges or their unions within the scope of the temporary article 20 of the Law No. The Council of Ministers is authorized to determine. As of the transfer date, the participants of the ballot box are deemed to be insured within the scope of subparagraph (a) of the first paragraph of Article 4 of this Law.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

This regulation is valid for the expenditures within the scope of the temporary 20th fee of the Law No. 506, for insurance and reinsurance companies, chambers of commerce, chambers of industry, stock exchanges or unions in their organizations, the participants of the expanded funds, and those who leave or have a net income, and their right holders, until 8 May 2015 must be transferred to the Social Security Institution. The authority to determine the transfer date has been given to the Council of Ministers, thus the transfer of the funds have been postponed to an unknown date. The application made by the Republican People's Party to the Constitutional Court on 19 June 2008 for the annulment of some articles of the law, including the first paragraph of the provisional article 20, which includes the transfer provisions, and for the suspension of enforcement, was rejected in line with the decision taken at the meeting of the aforementioned court on 30 March 2011.

For each fund, the cash value of the liability regarding the transferred persons as of the date of transfer, including the participants leaving the fund, should be calculated according to the following provisions:

- The technical interest rate to be used in the actuarial calculation of the cash value is taken as 9,80%.
- The cash value of the liability is calculated by taking into account the income and expenses of the funds in terms of insurance branches within the scope of this Law.

As of December 31, 2023, there is no deficit according to the above-mentioned provisions (December 31, 2022: No Deficit).

### Employee termination benefits

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The amount payable for each year of service to the employee union members in the cases of death, disability, retirement, pension bonding is equivalent to their 60-day salary, in other cases it is equivalent to 45-day salary. For other employees, it is one month's salary. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as of December 31, 2023 is TL 23.489,83 (December 31, 2022: TL 15.371,40). In Accordance TAS 19 which published by Public Company Accounting Oversight Board(PCAOB) dated March 12, 2013 is about "Benefits Employee Accounting Standard" and defined by beginning from December 31, 2012 net defined benefit liability of the actuarial gains and losses arising on re-measurement should be recognized in other comprehensive income under shareholders' equity and this effect should be applied retrospectively. The Company started to account current actuarial gains and losses under equity (other profit reserves) due to the fact that prior period actuarial gains and losses have remained below the materiality.

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

	December 31, 2023	December 31, 2022
Discount rate	3,28%	2,21%
Expected rate of salary/limit increase	10,30%	10,30%
Estimated employee turnover rate	6,91%	5,41%

### Other employee benefits

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

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Company discloses the contingent asset.

### 2.21 Revenue recognition

#### Written premiums and claims paid

Written premiums represent premiums on policies written during the period net of taxes, premiums of the cancelled policies which were produced in prior periods and premium ceded to reinsurance companies,. Premiums ceded to reinsurance companies are accounted as “written premiums, ceded” in the statement of income.

Claims are recognized as expense as they are paid. Outstanding claims provision 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 provisions are off-set against these reserves.

#### Subrogation, salvage and quasi 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 of the reporting date, in accordance with the related circular the Company provided TL 338.107.609 (December 31, 2022: TL 168.748.989) subrogation receivables and recorded TL 449.617.028 (December 31, 2022: TL 202.751.310) (Not 12) net subrogation and salvage receivables under receivables from main operations. The Company provided allowance for uncollected subrogation receivables amounting to TL 156.811.592 (December 31, 2022: TL 58.689.982) (Note 12) in accordance with circular.

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

	December 31, 2023	December 31, 2022
Motor vehicles	3.280.856.563	1.935.116.639
Motor vehicles liability (MTPL)	105.850.204	75.862.619
Fire and natural disaster	73.300.282	18.394.585
Marine	12.565.462	13.614.925
Credit	--	66.013
Breach of trust	3.746.085	2.597.464
General losses	7.596.149	9.040.615
General liability	2.118.240	5.926.445
Accident	982.543	1.393.565
Water vehicles	330.898	601.539
Financial losses	--	17957
Air crafts	462.401	26.283.087
Air crafts liability	157.796	75.597
Legal protection	43.923	3.453
<b>Total</b>	<b>3.488.010.546</b>	<b>2.088.994.503</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023	December 31, 2022
Motor vehicles	345.600.913	162.244.227
Motor vehicles liability (MTPL)	36.721.423	31.767.257
Fire and natural disaster	49.955.618	5.841.411
General losses	1.354.716	692.923
Marine	9.626.981	787.573
Accident	42.323	--
Water vehicles	4.086.803	1.274.698
General liability	2.228.251	143.221
<b>Total</b>	<b>449.617.028</b>	<b>202.751.310</b>

### Commission income and expense

As further disclosed in Note 2.24 - *Reserve for unearned premiums*, commissions paid to the agencies related to the production of the insurance policies and the commissions received from the reinsurance firms related to the premiums ceded 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 expense

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

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

### Trading income/expense

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

### Dividends

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

### 2.22 Leasing transactions

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

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

Set out below are the accounting policies of the Company implementation of TFRS 16.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

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

Unless the 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.

Right-of-use assets are subject to impairment.

### Lease liabilities

The company measures the lease liability based on the present value of the lease payments that were not paid at the actual start of the lease.

The lease payments, which are included in the measurement of the lease liability at the actual start of the lease, consist of the following payments to be made for the right of use of the underlying asset during the lease term and which were not paid at the actual start of the lease:

- (a) fixed payments,
- (b) variable lease payments based on an index or ratio, the first measurement of which was made using an index or ratio at the actual beginning of the lease,
- (c) amounts expected to be paid by the company under residual value commitments
- (d) if the company is reasonably confident that it will exercise the option to purchase, the price at which the option is used and
- (e) penalty payments for termination of the lease if the lease term indicates that the company will exercise an option to terminate the lease.

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

The company sets the revised discount rate for the remainder of the lease period as this rate if the implied interest rate on the lease can be easily determined; if it cannot be easily determined as the alternative borrowing rate at the date of the company's reassessment.

After the actual start of the lease, the company measures the lease liability as follows:

- (a) increases the book value to reflect the interest on the lease obligation, and
- (b) reduces the book value to reflect the lease payments made.

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

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

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

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

The details related to contracts term of operating leases and applied discount rates are presented below:

<b>Assets subject to operating leases</b>	<b>Contract term (Year)</b>	<b>Discount rate – TL (%)</b>
Buildings	1-10 years	19,32 - 24,42
Vehicles	1-3 years	23,62

### 2.23 Dividend distribution

Based on the guidelines and principals issued by the CMB dated January 27, 2010 for the distribution of dividends from the profit generated from operating activities in 2009, there is no requirement of minimum profit distribution for joint stock companies that are traded in the stock market and in this context, it has decided that dividend distribution will be performed in accordance with principles in Dividend Declaration numbered II-19.1 of the Board, clauses contained in the articles of association of the partnership and dividend policies which are disclosed the public of companies.

Additionally, as stated within the aforementioned decision of CMB, for entities required to prepare consolidated financial statements, it has been agreed upon to require the net distributed profit calculations to be performed on the net profit for the period as stated on the consolidated financial statements, so long that the distribution can be funded through statutory resources.

Company’s Board of Directors proposal regarding the non-distribution of the net profit derived from the 2022 activities, prepared within the framework of the Company’s Profit Distribution Policy, and presented for voting at the Ordinary General Assembly held on March 27, 2023, has been unanimously accepted.

Accordingly, the calculated net distributable profit of TL 873.526.105 has not been distributed; TL 87.352.611 allocated as statutory reserve and the remaining TL 742.442.965 after allocating TL 43.730.529 as special reserves have been transferred to extraordinary reserves (no cash dividends were distributed in 2022)

### 2.24 Reserve for unearned premiums

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”), published in the Official Gazette numbered 26606 and dated August 7, 2007, and put into effect starting from January 1, 2008, the provision for unearned premiums 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. For commodity marine policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, less any commissions is also provided as unearned premium reserves.

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

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

According to the Circular Related to Application of Technical Reserves issued on March 27, 2009, numbered 2009/9, which was published by the Undersecretariat of Treasury, reserve for unearned premiums is calculated by taking into account that all policies become active at 12:00 at noon and end at 12:00 at noon.

According to the Communiqué on Technical Reserves, for the calculation of unearned premium reserves of foreign currency indexed insurance agreements, foreign currency selling exchange rates announced by Turkish Central Bank will be considered, unless there is a specified exchange rate in the agreement. The Company has reclassified TL 3.630.893 of provision for long-term health and personal accident policies to long-term liabilities (December 31, 2022: TL 4.685.839).

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of the reporting date, the Company has provided reserve for unearned premiums amounting to TL 24.160.350.877 (December 31, 2022: TL 13.172.473.698) and reinsurer share in reserve for unearned premiums amounting TL 5.372.679.050 (December 31, 2022: TL 2.782.909.399). Furthermore, reserve for unearned premiums includes Social Security Institution ("SSI") share amounting to TL 343.265.170 (December 31, 2022: TL 265.022.487)

### 2.25 Outstanding Claims Reserve

An outstanding claims reserve is set aside for compensation amounts that have been accrued and accounted for but have not been actually paid in previous accounting periods or the current accounting period, or incurred but not reported (IBNR).

Ultimate Net Loss Ratio estimations are made by the company's chief actuary, as stipulated in the Circular No. 2014/16 dated 05/12/2014 of the Insurance and Private Pensions Regulation and Supervision Agency (SEDDK). On the basis of branches, selection and combination of the data to be used, the correction procedures, the selection of the most appropriate method and the development factors, and the intervention to the development factors are made by the company's actuary using actuarial methods and these issues are included in the actuarial report sent to SEDDK in accordance with Articles 33 and 36 of the Internal Systems Regulation in detail.

As of December 31, 2023 and 2022, IBNR amounts calculated by the Company actuary's on the basis of branches are as follows:

Branch	December 31, 2023 <sup>(*)</sup>		December 31, 2022 <sup>(*)</sup>	
	Gross additional provision	Net additional provision	Gross additional provision	Net additional provision
Motor vehicles liability (MTPL)	13.508.297.368	9.673.281.078	6.686.548.352	4.756.445.140
General liability	3.502.785.332	2.735.110.058	2.080.787.459	1.544.907.834
Voluntary financial liability	2.316.525.280	2.309.864.308	950.902.497	945.588.362
Fire and natural disasters	876.241.801	496.910.888	386.964.006	246.120.848
Accident	76.232.843	70.573.018	30.808.159	25.613.918
General losses	264.534.605	206.581.950	92.825.222	76.339.889
Air crafts liability	32.269.560	15.696.225	14.837.760	4.770.797
Air crafts	139.303.633	57.260.102	65.356.987	29.661.386
Water vehicles	279.263.907	135.607.729	76.818.691	44.733.995
Health	65.191.459	61.439.652	24.035.572	22.157.436
Financial losses	119.834.466	58.275.304	62.238.190	18.251.498
Credit	39.999.223	34.503.917	33.058.054	29.501.733
Legal protection	2.095.772	2.095.772	1.784.145	1.784.145
Marine	274.659.862	137.907.203	108.308.825	48.919.160
Breach of trust	7.069.149	6.743.728	10.925.119	8.582.918
Motor vehicles	(184.480.119)	(183.446.073)	(143.258.589)	(142.645.408)
<b>Total</b>	<b>21.319.824.141</b>	<b>15.818.404.859</b>	<b>10.482.940.449</b>	<b>7.660.733.651</b>

<sup>(\*)</sup> Provisions regarding to Risky Insured Pool and TKU (Medical Malpractice) Pool and provision allocated for treaties received has been included in the provision amount allocated for the related period.

The Constitutional Court has ruled, with decision number 2021/82 published in the Official Gazette dated February 14, 2023, that the second sentence added to the first paragraph of Article 90 and the second paragraph added to Article 90 of Law No.2918 on Road Traffic are unconstitutional and have been annulled. A detailed analysis study has been conducted regarding the annulment decision, and its impact has been reflected in the incurred but unreported compensation amount calculated as of December 31, 2023.

The company calculated the Net Incurred But Not Reported (IBNR) amount on a branch basis using updated reinsurance shares reflecting the impact of existing reinsurance agreements. The impacts of the Pool of Insured Risky Individuals and the Pool Related to Medical Malpractice have been reflected in the Net IBNR calculation.

In the Compulsory Traffic Insurance, pool and non-pool business, and in the General Liability branch, Employer's Liability, Compulsory Medical Malpractice Liability, Professional Liability, Compulsory Liability for Hazardous Substances and Waste, and Other Liability branches are analyzed separately by the company's actuary.



## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

With the amendment made by the Circular on Discounting Net Cash Flows Arising from Outstanding Claims Reserve (No: 2022/22) published on 12/07/2023 to the Circular No: 2016/22, Article 7 of Circular No: 2016/22 has been changed to "Net cash flows are discounted to present value at the rate of 28% as of the financial reporting period date." Accordingly, a discount rate of 28% has been considered for discounting the net cash flows arising from outstanding claims reserve. As of December 31, 2023, the company calculated the net discount amount for outstanding claims provisions as TL 10.555.127.559 (December 31, 2022: TL 4.841.484.474).

With the amendment made by the Circular on Discounting Net Cash Flows Arising from Outstanding Claims Provisions (No:2024/3) published on 15/01/2024 to the Circular No: 2016/22, Article 7 of Circular No: 2016/22 has been changed to "Net cash flows are discounted to present value at the rate of 35% as of the financial reporting period date."

The second article of the Circular states that companies that have not prepared financial statements can apply the provisions of this circular as of December 31, 2023. Within the scope of this article, since the company prepared its unconsolidated financial statements as of December 31, 2023, it continued to apply the 28% discount rate. Calculations in the unconsolidated financial statements for January 31, 2024 will be made using the new discount rate.

If the discount rate were 35% as of December 31, 2023, the net discount amount for outstanding claims reserve would have been accounted in the unconsolidated financial statements as TL 11.708.549.834.

According to Temporary Article 12 of the Regulation on Tariff Application Principles in Compulsory Financial Liability Insurance for Motor Vehicles, published in the Official Gazette dated July 11, 2017 and numbered 30121, a "Risky Insureds Pool" was announced to be established as of April 12, 2017, for high-risk categories and/or vehicle groups with high claim frequencies.

In this context, starting from April 12, 2017, premiums and claims amounts related to motor vehicle insurance policies issued under the pool are shared among insurance companies within the framework of the principles determined by the Insurance Information and Monitoring Center (SBM) and the Insurance Supervisory and Regulatory Authority.

Following the legislative changes, the Company has created accounting entries based on the monthly statements finalized and forwarded by the Turkish Motor Vehicles Bureau (TMVB), covering the premiums, claims, and commission amounts transferred to and received from the pool within its share.

Within the scope of this pool application, the Company has estimated the ultimate loss ratio based on its own pool policies and calculated the IBNR amounts for the transferred and received pool portfolios in line with this estimate.

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

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

After the change in the legislation, the Company created the accounting records over the premium, damage and commission amounts transferred to the pool within the scope of the monthly receipts finalized and forwarded by Türk Reasürans A.Ş. and taken over from the pool within the scope of its share.

As of December 31, 2023, the Company has outstanding claims reserve amounting to TL 27.800.010.100 (December 31,2022: TL 13.942.704.066) and TL 12.508.249.849 outstanding claims provision reinsurer share (December 31, 2022: TL 4.948.152.615) in the unconsolidated financial statements.

According to the "Circular on the Explanation of the Notification of the Undersecretariat of Treasury on the Calculation of the Incurred But Unreported Compensation (IBNR)" dated November 26, 2011 and numbered 2011/23, the companies are opened against the Company in sub-branches according to the last five years' (15% in the branches where there is no new five-year data and started the new activity) by calculating a win rate over the amounts of the cases by not exceeding 25% of the outstanding files accrued for the files in the trial period. As of December 31, 2023, the Company did not any discount against provisions for litigious file claims (December 31, 2022: None).

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 2.26 Unexpired Risk Reserve

Under the Regulation on Technical Provisions, companies are required to conduct a sufficiency test for each accounting period, covering the last 12 months, to ensure that the provision for unearned premiums allocated for insurance contracts in force does not exceed the potential claims and compensation that may arise from those contracts. During this test, the unearned premiums reserve must be multiplied by the expected net loss ratio.

The expected net loss ratio is determined by dividing the incurred losses (outstanding losses and claims, net + paid losses and claims, net - transferred outstanding losses and claims, net) by the earned premium (written premiums, net + transferred unearned premiums, net - unearned premiums, net).

In accordance with the Circular No. 2012/15 issued by the Insurance and Private Pension Regulation and Supervision Institution, calculations previously made for each sub-branch were consolidated at the main branch level as of December 31, 2012. According to this calculation, if the expected loss ratio is above 95%, the amount resulting from multiplying the excess over 95% by the net unearned premiums reserve is added to the unearned premiums reserve of the relevant main branch.

According to the sector announcement numbered 2015/30 by the Insurance and Private Pension Regulation and Supervision Institution, the amount of the initial provision for outstanding claims used in determining the expected loss ratio for the calculation of provisions for ongoing risks as of December 31, 2017, has been redefined consistently with the current period.

In accordance with the directive numbered 2011/18 by the Insurance and Private Pension Regulation and Supervision Institution, in the calculation of provisions for ongoing risks in Compulsory Traffic, Compulsory Road Transport Liability, and Bus Compulsory Seat Individual Accident branches, the calculation of the expected loss ratio has been adjusted by deducting all amounts related to premiums and claims transferred to the Social Security Institution from the numerator and denominator.

Furthermore, with the directive numbered 2019/5 by the Insurance and Private Pension Regulation and Supervision Institution, it has been stated that in addition to the above-mentioned method, the calculation of provisions for ongoing risks for all branches can also be made using the following method:

if the discounted final loss ratio calculated, including indirect transactions, based on the accident year exceeds 85%, then the excess portion is multiplied by the gross Unearned Premium Reserve (UPR) to determine the gross provisions for ongoing risks; similarly, it is multiplied by the net UPR to determine the net unexpired premiums reserve.

With the amendment made by the directive numbered 2020/1 by the Insurance and Private Pension Regulation and Supervision Institution, in cases where 100% of the direct production is transferred to pools established in Turkey, a separate calculation is made. In this scenario, if the gross loss ratio exceeds 100% for these transactions, unexpired risk reserve calculation is carried out; for other transactions, if the gross loss ratio exceeds 85%, unexpired risk reserve calculation is carried out.

Lastly, with the directive numbered 2022/27 published on November 24, 2022, the methods used in unexpired risk reserve calculation have been supplemented with the provision for "the best estimate based on the underwriting (business) year."

*Under Article 3, Paragraph 2 of the regulation, insurance companies may calculate the gross loss ratio based on the current period, including the total of the last four quarters, taking into account indirect operations. When calculating the incurred amount by the company actuary, the fact that the loss development process for the underwriting year has not matured is also considered based on the best estimate principles.*

*Under Article 3, Paragraph 6 of the regulation, the amounts of direct operations related to the business where 100% of the direct production is transferred to pools established in Turkey are not included in the loss ratio calculation. Since the company's obligations regarding these operations arise solely from indirect production, calculation is performed separately from other branches' production, considering only indirect productions and losses along with other income and expense items in this distinction.*

In accordance with the second paragraph of the third article of Directive 2022/27 regarding Unexpired Risk Reserves, the company actuary has calculated the ultimate loss ratio estimates for the last four quarters based on actuarial analyses conducted using the "Underwriting Year" instead of the "Accident Year" to eliminate the misleading effect of fluctuations resulting from seasonal variations in tariff changes that lead to deterioration in loss development and premium increases due to factors such as inflation, minimum wage, exchan

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

The results of the calculations of unexpired risk reserves of the Company for Risky Insureds’ Pool and TKU (Medical Malpractice) Pool are presented below.

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

As a result of the relevant methods, as of the reporting date, the Company has accounted gross unexpired risk amounting to TL 2.244.301.474 (December 31, 2022: TL 926.032.085 TL) and TL 599.131.968 net unexpired risk reserve (December 31, 2022: TL 128.111.819).

If the calculation of the unexpired risk reserve had been made considering the “Amendment to the Directive on Discounting of Net Cash Flows Arising from Outstanding Claims Reserves” published on 15/01/2024, the actuarial calculations would have resulted in a gross unexpired risk reserve of TL 1.088.136.716 and a net unexpired risk reserve of TL 1.076.453.342 would have been accounted in the unconsolidated financial statements.

### 2.27 Equalization provision

In accordance with the Communiqué on Technical Reserves put into effect starting from November 10, 2008, the companies should provide equalization provision in credit insurance and earthquake branches to equalize the fluctuations in future possible claims and for catastrophic risks. Equalization provision, 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 un-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The companies should provide equalization provision up to reaching 150% of the highest premium amount written in a year within the last five years.

In the event of a loss occurrence, amounts attributable to reinsurers and amounts below the deductible limit specified in the contract cannot be deducted from equalization provisions. If there are claims paid due to the provided coverage, they are deducted from the equalization provisions according to the first in, first out method starting from the reserves allocated in the first year. The expense impact of the earthquake centered in Kahramanmaraş and affecting 11 provinces on February 6, 2023, has been compensated for with Equalization Reserves, and as of December 31, 2023, an amount of TL 258.889.026 has been deducted from the equalization reserve (December 31, 2022: None). Equalization reserves are presented within long-term liabilities as “other technical provisions” in the accompanying unconsolidated financial statements. As of the end of the reporting period, an equalization reserve of TL 593.112.491 (December 31, 2022: TL 512.935.407) has been allocated in the accompanying unconsolidated financial statements.

### 2.28 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);

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

(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.

### 2.29 Earnings 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. Accordingly, the weighted average number of shares used in these calculations has been determined taking into account the retrospective effects of such stock distributions.

### 2.30 Events after the reporting date

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

### 2.31 The new standards, amendments and interpretations

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

#### i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

##### Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

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

##### Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

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

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### **Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

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

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

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

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

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

### **Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the impacts of the changes.

### **TFRS 17 - The new Standard for insurance contracts**

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

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

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

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

Overall, the Company expects no significant impact on its balance sheet and equity.

### **Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback**

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

Overall, the Company expects no significant impact on its balance sheet and equity.

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

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed.

Overall, the Company expects no significant impact on its balance sheet and equity.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

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

#### Amendments to IAS 21 - Lack of exchangeability

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

Overall, the Company expects no significant impact on its balance sheet and equity.

### 3 Critical accounting estimates and judgments in applying accounting policies

The notes given in this section are provided in addition to 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 recognised 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 recognised 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 and liabilities*

Note 11 – *Financial assets*

Note 12 – *Loans and receivables*

Note 17 – *Insurance contract liabilities and reinsurance assets*

Note 17 – *Deferred commissions*

Note 19 – *Trade and other payables, deferred income*

Note 21 – *Deferred tax*

Note 23 – *Other liabilities and provisions*

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 4 Management of insurance and financial risk

#### 4.1 Management of insurance risk

Insurance risk is defined as coverage for exposures that exhibit a possibility of financial loss due to applying inappropriate and insufficient insurance techniques. Main reasons of insurance risk exposure result from the risk selection and inaccurate calculation of insurance coverage, policy terms and fee or inaccurate calculation of coverage portion kept within the Company and coverage portion transfers to policyholders and transfer conditions.

#### Objective of managing risks arising from insurance contracts and policies used to minimize such risks

Potential risks that may be exposed in transactions are managed based on the requirements set out in the Company's "Risk Management Policies" issued by the approval of the Board of Directors. The main objective of risk management policies is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company's asset quality and limitations allowed by the insurance standards together with the Company's risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

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

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

It is essential that all the authorized personnel in charge of executing policy issuance transactions, which is the initial phase of insurance process, should ensure to gather or provide all the accurate and complete information to issue policies in order to obtain evidence on the acceptable risks that the Company 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 co-insurers and considering the terms of the insurance policy.

In order to avoid destructive losses over company's financial structure, company transfers the exceeding portion of risks assumed over the Company'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.

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.



## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Insurance risk concentration

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

<b>Total claims liability <sup>(*)</sup> December 31, 2023</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Motor vehicles liability (MTPL)	10.616.002.863	(2.584.459.581)	8.031.543.282
General liability	2.842.352.997	(837.218.961)	2.005.134.036
Fire and natural disasters	8.136.221.045	(6.124.151.376)	2.012.069.669
General losses	808.674.696	(283.487.419)	525.187.277
Motor vehicles	1.445.627.339	(13.515.333)	1.432.112.006
Water vehicles	1.226.070.086	(774.485.168)	451.584.918
Marine	678.646.738	(377.620.159)	301.026.579
Accident	113.161.368	(18.746.680)	94.414.688
Financial losses	1.126.893.698	(1.051.100.557)	75.793.141
Air crafts liability	156.722.888	(69.226.516)	87.496.372
Air crafts	481.353.187	(357.034.091)	124.319.096
Health	110.049.257	(4.467.346)	105.581.911
Credit	31.715.920	(5.478.132)	26.237.788
Breach of trust	24.945.159	(7.258.530)	17.686.629
Legal protection	1.572.859	--	1.572.859
<b>Total</b>	<b>27.800.010.100</b>	<b>(12.508.249.849)</b>	<b>15.291.760.251</b>

<b>Total claims liability <sup>(*)</sup> December 31, 2022</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Motor vehicles liability (MTPL)	6.165.910.347	(1.526.210.671)	4.639.699.676
General liability	2.391.191.913	(765.439.178)	1.625.752.735
Fire and natural disasters	2.292.598.288	(1.195.802.886)	1.096.795.402
General losses	456.927.684	(180.127.331)	276.800.353
Motor vehicles	705.053.437	(2.257.203)	702.796.234
Water vehicles	543.376.710	(343.883.506)	199.493.204
Marine	358.916.865	(193.867.865)	165.049.000
Accident	60.773.911	(12.203.197)	48.570.714
Financial losses	477.735.187	(431.914.451)	45.820.736
Air crafts liability	105.019.023	(56.959.564)	48.059.459
Air crafts	271.247.995	(212.719.256)	58.528.739
Health	53.923.819	(2.394.046)	51.529.773
Credit	28.908.536	(3.691.597)	25.216.939
Breach of trust	29.654.123	(20.681.864)	8.972.259
Legal protection	1.466.227	--	1.466.227
<b>Total</b>	<b>13.942.704.065</b>	<b>(4.948.152.615)</b>	<b>8.994.551.450</b>

<sup>(\*)</sup> Total claims liability includes outstanding claims reserve (excluding contingent amounts deducted from claims reserve determined by winning probability) and incurred but not reported claims.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Gross and net insurance risk concentrations of the insurance contracts (net of reinsurer share) based on geographical regions are summarized as below:

<b>Total claims liability <sup>(*)</sup> December 31, 2023</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Turkey	18.294.506.547	11.070.361.578	7.224.144.969
Europe	390.515.247	199.746.721	190.768.526
America	162.633.136	105.703.063	56.930.073
Asia	305.458.059	238.774.546	66.683.513
Australia	5.524	--	5.524
Africa	97.034.732	60.455.206	36.579.526
<b>Total</b>	<b>19.250.153.245</b>	<b>11.675.041.114</b>	<b>7.575.112.131</b>

<b>Total claims liability <sup>(*)</sup> December 31, 2023</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Marmara Region	6.022.036.216	2.985.750.168	3.036.286.048
Middle Anatolian Region	2.983.046.660	1.838.929.748	1.144.116.912
Aegean Region	1.811.254.821	748.257.187	1.062.997.634
Mediterranean Region	5.469.931.060	4.790.959.982	678.971.078
Black Sea Region	837.887.626	260.676.565	577.211.061
East Anatolian Region	436.225.362	156.770.104	279.455.258
South East Anatolian Region	734.124.802	289.017.824	445.106.978
<b>Total</b>	<b>18.294.506.547</b>	<b>11.070.361.578</b>	<b>7.224.144.969</b>

<sup>(\*)</sup>Total claims liability includes estimated compensation indemnity for realized claims. Gross incurred but not reported claims amounting to TL 17.995.198.539 discount of outstanding claim reserves amounting to TL (13.970.367.622), amounting to TL 1.600.752.044 Risky Insured Pool and TKU (Medical Malpractice) Pool IBNR and discount, outstanding claims of treaty activities which could not be distributed to geographical regions amounting to TL 2.924.273.894 are excluded from the table.

<b>Total claims liability <sup>(*)</sup> December 31, 2022</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Turkey	8.444.919.320	3.852.075.320	4.592.844.000
Europe	134.426.830	66.378.310	68.048.520
America	27.066.979	24.208.004	2.858.975
Asia	167.309.359	132.193.589	35.115.770
Australia	22.241	--	22.241
Africa	23.546.729	14.257.358	9.289.371
<b>Total</b>	<b>8.797.291.458</b>	<b>4.089.112.581</b>	<b>4.708.178.877</b>

<b>Total claims liability <sup>(*)</sup> December 31, 2022</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Marmara Region	3.605.317.152	1.710.077.726	1.895.239.426
Middle Anatolian Region	1.786.034.775	1.046.333.974	739.700.801
Aegean Region	884.174.217	251.714.511	632.459.706
Mediterranean Region	781.924.232	234.830.736	547.093.496
Black Sea Region	768.662.131	427.770.728	340.891.403
South East Anatolian Region	256.058.906	79.737.230	176.321.676
East Anatolian Region	362.747.907	101.610.415	261.137.492
<b>Total</b>	<b>8.444.919.320</b>	<b>3.852.075.320</b>	<b>4.592.844.000</b>

<sup>(\*)</sup>The gross total claims liability includes estimated claim amounts that have actually occurred. The gross realized but unreported claims and compensation amount totaling 8.888.544.492 TL, the TL (6.326.123.331) discounted provision for outstanding claims, TL 833.122.342 for the Pool for Risky Policyholders and Medical Malpractice Pool Incurred But Not Reported (IBNR) and discount amounts, excluding treaty transactions amounting to TL 1.749.869.104 that could not be distributed based on the geographic region where the claims occurred.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Given insurance collateral amounts in respect to branches

	December 31, 2023	December 31, 2022
Motor vehicles liability (MTPL)	15.695.160.876.221	12.876.617.669.903
Fire and natural disasters	1.497.148.063.715	1.277.596.639.642
Health	211.908.703.313	215.309.224.311
Accident	336.546.465.562	92.784.194.911
General liability	189.084.898.038	128.297.518.406
General losses	912.301.239.939	497.271.350.626
Motor vehicles	8.495.175.908.204	4.426.853.744.399
Marine	309.582.460.893	195.369.322.910
Air crafts liability	41.488.209.950	28.824.695.786
Legal protection	15.255.639.329	5.346.793.242
Water vehicles	79.932.973.016	54.873.336.339
Breach of trust	71.345.682	596.317.428
Financial losses	26.229.675.471	21.359.166.356
Aircrafts	4.146.448.588	3.140.357.762
<b>Total<sup>(*)</sup></b>	<b>27.814.032.907.921</b>	<b>19.824.240.332.021</b>

<sup>(\*)</sup> Net amount which deducted share of reinsurance and social security

### 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 Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Duties and responsibilities of the Risk Management and Internal Control Department include design and implementation of risk management system and identification and implementation of risk management policies. It is also responsible for ensuring that the Company implements all necessary risk management techniques. Activities of the Risk Management and Internal Control Department are managed directly by General Manager. The Board of Directors monitors the effectiveness of the risk management system through the internal audit department.

Risk management policies and guidelines are set by the Board of Directors and applied by the top management. These policies include organisation and scope of the risk management function, risk measurement and assessment methods, duties and responsibilities of the Board of Directors, top management and all of the employees, procedures followed in the case of limit extension and compulsory approval and confirmation processes for certain situations.

#### Credit risk

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The balance sheet items that the Company is exposed to credit risks are as follows:

- Cash at banks
- Other cash and cash equivalents
- Available for sale financial assets (except equity-shares)
- Financial assets held for trading (except equity-shares)
- Held to maturity financial asset

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

- Premium receivables from policyholders
- Receivables from intermediaries (agencies)
- Receivables from reinsurance companies related to commissions and claims paid
- Reinsurance shares of insurance liability
- Receivables from related parties
- Other receivables

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

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

	December 31, 2023	December 31, 2022
Cash and cash equivalents (Note 14)	11.302.757.914	9.253.157.186
Receivables from main operations (Note 12)	14.425.369.273	6.694.028.834
Reinsurer share in provision for outstanding claims (Note 10), (Note 17)	12.508.249.849	4.948.152.615
Financial assets (Note 11) <sup>(1)</sup>	21.562.180.817	8.882.445.000
Other receivables (Note 12)	98.028.035	39.744.862
Other miscellaneous current assets (Note 12)	105.497.214	30.410.925
Income accruals (Note 12)	43.567.096	12.873.895
<b>Total</b>	<b>60.045.650.198</b>	<b>29.860.813.317</b>

<sup>(1)</sup> Equity shares amounting to TL 2.607.307.312 are not included (December 31, 2022: TL 1.203.909.373).

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

	December 31, 2023		December 31, 2022	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	11.215.640.552	--	6.053.136.331	--
Past due 0-30 days	3.149.524.249	(15.197.891)	620.642.980	(8.788.242)
Past due 31-60 days	60.755.039	(15.936.262)	28.099.419	(8.080.500)
Past due 61-90 days	46.581.447	(15.997.861)	15.404.123	(6.385.277)
More than 90 days <sup>(1)</sup>	1.134.483.549	(1.134.483.549)	776.932.343	(776.932.343)
<b>Total</b>	<b>15.606.984.836</b>	<b>(1.181.615.563)</b>	<b>7.494.215.196</b>	<b>(800.186.362)</b>

<sup>(1)</sup> As per the February 3, 2005 dated and B.021.HM.O.SGM.0.31/01/05 numbered Circular issued by the T.C. 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 unconsolidated financial statements. Related amounts are presented in "More than 90 days" line in the above table.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023	December 31, 2022
Provision for receivables from insurance operations at the beginning of the period	741.496.380	550.992.622
Provision for receivables provided for subrogation – salvage receivables during the period (Note 47)	284.504.879	190.020.345
Provision for losses provided during the period (Note 47)	1.524.942	1.455.458
Collections during the period	(2.722.230)	(972.045)
<b>Provision for receivables from insurance operations at the end of the period</b>	<b>1.024.803.971</b>	<b>741.496.380</b>

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial instruments.

#### 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, 2023	Net book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Unallocated
Cash and cash equivalents	11.302.917.518	5.146.252.734	5.310.528.267	33.716.798	--	--	812.419.719	
Financial assets	24.169.488.129	155.324.962	736.672.928	1.842.158.440	151.252.902	8.564.843.257	12.719.235.640	
Receivables from main operations	14.425.369.273	872.830.481	4.201.430.158	3.646.633.211	570.699.673	5.133.775.750	--	
Other receivables	98.028.035	21.919.897	13.975.567	20.562.892	41.125.785	324.555	119.339	
Income accruals	43.567.096	4.937.974	18.926.377	--	19.233.184	--	469.561	
<b>Total monetary assets</b>	<b>50.039.370.051</b>	<b>6.201.266.048</b>	<b>10.281.533.297</b>	<b>5.543.071.341</b>	<b>782.311.544</b>	<b>13.698.943.562</b>	<b>13.532.244.259</b>	
Financial liabilities	114.448.918	--	--	--	19.138.720	95.310.198	--	
Payables arising from main operations	5.215.154.669	--	415.822.131	473.813.389	4.319.847.357	5.671.792	--	
Other liabilities	658.804.066	378.789.544	242.936.125	--	37.078.397	--	--	
Insurance technical provisions (*)	15.291.760.251	1.767.921.158	3.535.842.317	4.245.871.412	1.576.441.885	4.165.683.479	--	
Provisions for taxes and other similar obligations	784.810.314	556.453.141	228.357.173	--	--	--	--	
Provisions for other risks and expense accruals	629.460.684	--	149.093.210	--	315.617.104	--	164.750.370	
<b>Total monetary liabilities</b>	<b>22.694.438.902</b>	<b>2.703.163.843</b>	<b>4.572.050.956</b>	<b>4.719.684.801</b>	<b>6.268.123.463</b>	<b>4.266.665.469</b>	<b>164.750.370</b>	

(\*) Provision for outstanding claims is presented as short term liabilities in the accompanying unconsolidated financial statements whereas maturity distribution is presented according to projected payment dated in the above table

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

December 31, 2022	Net book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Unallocated
Cash and cash equivalents	9.253.297.690	5.357.820.698	3.695.935.705	--	--	--	199.541.287
Financial assets	10.086.354.373	785.899.646	264.858.172	10.842.096	616.178.711	6.184.297.364	2.224.278.384
Receivables from main operations	6.694.028.834	323.546.672	2.048.858.587	1.844.259.656	283.400.926	2.193.962.993	--
Other receivables	39.744.862	13.954.135	6.502.464	6.303.123	12.606.246	324.555	54.339
Income accruals	12.873.895	2.115.363	--	--	--	--	10.758.532
<b>Total monetary assets</b>	<b>26.086.299.654</b>	<b>6.483.336.514</b>	<b>6.016.154.928</b>	<b>1.861.404.875</b>	<b>912.185.883</b>	<b>8.378.584.912</b>	<b>2.434.632.542</b>
Financial liabilities	99.788.802	18.749.281	--	--	10.874.757	70.164.764	--
Payables arising from main operations	2.590.936.074	655.767.394	495.041.603	546.799.909	893.327.168	--	--
Other liabilities	368.305.459	330.462.001	12.892.612	--	24.950.846	--	--
Insurance technical provisions <sup>(*)</sup>	8.994.551.450	977.210.145	1.954.420.290	2.663.673.173	1.000.692.585	2.398.555.257	--
Provisions for taxes and other similar obligations	388.233.476	285.463.525	102.769.951	--	--	--	--
Provisions for other risks and expense accruals	368.069.081	3.086.862	49.403.110	--	194.656.421	--	120.922.688
<b>Total monetary liabilities</b>	<b>12.809.884.342</b>	<b>2.270.739.208</b>	<b>2.614.527.566</b>	<b>3.210.473.082</b>	<b>2.124.501.777</b>	<b>2.468.720.021</b>	<b>120.922.688</b>

<sup>(\*)</sup> Provision for outstanding claims is presented as short term liabilities in the accompanying unconsolidated financial statements whereas maturity distribution is presented according to projected payment dated in the above table.

### Market risk

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

#### Foreign currency risk

The Company is exposed to 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 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 income.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

<b>December 31, 2023</b>	<b>US Dollar</b>	<b>Euro</b>	<b>Other currencies</b>	<b>Total</b>
Receivables from main operations	3.248.902.341	2.026.314.647	660.573.920	5.935.790.908
Financial assets	6.456.169.579	628.062.160	--	7.084.231.739
Cash and cash equivalents	272.113.495	61.389.868	41.387.369	374.890.732
<b>Total foreign currency assets</b>	<b>9.977.185.415</b>	<b>2.715.766.675</b>	<b>701.961.289</b>	<b>13.394.913.379</b>
Insurance technical provisions	2.685.744.805	658.571.697	848.151.401	4.192.467.903
Payables arising from main operations	1.436.361.872	2.193.129.118	105.813.867	3.735.304.857
Financial liabilities	2.237.303.200	--	--	2.237.303.200
<b>Total foreign currency liabilities</b>	<b>6.359.409.877</b>	<b>2.851.700.815</b>	<b>953.965.268</b>	<b>10.165.075.960</b>
<b>Net financial position</b>	<b>3.617.775.538</b>	<b>(135.934.140)</b>	<b>(252.003.979)</b>	<b>3.229.837.419</b>

<b>December 31, 2022</b>	<b>US Dollar</b>	<b>Euro</b>	<b>Other currencies</b>	<b>Total</b>
Receivables from main operations	1.727.898.704	654.521.240	253.466.347	2.635.886.291
Financial assets	5.475.946.415	383.532.875	--	5.859.479.290
Cash and cash equivalents	401.858.563	42.859.433	33.216.137	477.934.133
<b>Total foreign currency assets</b>	<b>7.605.703.682</b>	<b>1.080.913.548</b>	<b>286.682.484</b>	<b>8.973.299.714</b>
Insurance technical provisions	1.210.601.424	600.377.511	463.033.139	2.274.012.074
Payables arising from main operations	718.417.711	410.481.608	7.065.396	1.135.964.715
Financial liabilities	3.440.487.200	386.139.013	--	3.826.626.213
<b>Total foreign currency liabilities</b>	<b>5.369.506.335</b>	<b>1.396.998.132</b>	<b>470.098.535</b>	<b>7.236.603.002</b>
<b>Net financial position</b>	<b>2.236.197.347</b>	<b>(316.084.584)</b>	<b>(183.416.051)</b>	<b>1.736.696.712</b>

TL equivalents of the related monetary amounts denominated in foreign currencies are presented in the above table.

If technical provision denominated in any currency not specified, it is evaluated are evaluated by the Central Bank of the Republic of Turkey's spot sales rates as of December 31, 2023 and Foreign currency transactions are recorded at the foreign exchange rates ruling at the dates of the transactions and foreign currency denominated monetary items are evaluated by the Central Bank of the Republic of Turkey's spot purchase rates as of December 31, 2023.

### Exposure to currency risk

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

	<b>US Dollar</b>	<b>Euro</b>
December 31, 2023	29,4382	32,5739
December 31, 2022	18,6983	19,9349

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

A 10 percent depreciation of the TL against the following currencies as of December 31, 2023 and 2022 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. In case of a 10 percent appreciation of the TL against the following currencies, the effect will be in opposite direction.

	December 31, 2023		December 31, 2022	
	Profit or loss	Equity <sup>(*)</sup>	Profit or loss	Equity <sup>(*)</sup>
US Dollar	361.777.554	361.777.554	223.619.735	223.619.735
Euro	(13.593.414)	(13.593.414)	(31.608.458)	(31.608.458)
Other	(25.200.398)	(25.200.398)	(18.341.605)	(18.341.605)
<b>Total, net</b>	<b>322.983.742</b>	<b>322.983.742</b>	<b>173.669.672</b>	<b>173.669.672</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of 10% depreciation of TL against related currencies.

### Exposure to interest rate risk

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

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

	December 31, 2023	December 31, 2022
<i>Financial assets/(liabilities) with fixed interest rates:</i>		
Available for sale financial assets – Other (Note 11)	93.498	--
Cash in banks (Note 14) <sup>(*)</sup>	7.038.132.280	7.266.704.873
Other-financial liabilities (Note 20)	(114.448.918)	(99.788.802)
Available for sale financial assets – Government bonds (Note 11)	6.432.314.086	4.064.255.571
Available for sale financial assets – Private debt securities (Note 11)	41.946.440	976.792.484
Held to maturity investments - Government bonds (Note 11)	329.439.781	379.792.253
Cash deposited to insurance and reinsurance companies (Note 12)	1.042.927.392	594.806.278
<i>Financial assets with variable interest rates:</i>		
Available for sale financial assets – Government bonds (Note 11)	2.334.986.132	1.074.431.332
Available for sale financial assets – Private debt securities (Note 11)	72.181.667	571.673.144

<sup>(\*)</sup> Demand deposits amounting to 266.059.749 are not included (December 31, 2022: TL 199.386.302).

### Interest rate sensitivity of the financial instruments

The interest rate sensitivity of the income statement is the effect of changes in interest rates on net interest income for the period ended December 31, 2023 and 2022. This analysis assumes that the other variables remain constant. The table below does not include the effect of the change in interest rates on the income statement and equity, the related loss or tax effects on income.

December 31, 2023	Income Statement		Equity <sup>(*)</sup>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Available for sale financial assets	(981.071)	1.014.787	--	--
<b>Total, net</b>	<b>(981.071)</b>	<b>1.014.787</b>	<b>--</b>	<b>--</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of assumed change in interest rates.



## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

December 31, 2022	Income Statement		Equity <sup>(*)</sup>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Available for sale financial assets	(19.707.631)	20.932.187	--	--
<b>Total, net</b>	<b>(19.707.631)</b>	<b>20.932.187</b>	<b>--</b>	<b>--</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of assumed change in interest rates.

### Fair value information

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

The Company has classified its financial assets as held for trading, available for sale or held to maturity. 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.

Equity shares not traded in active markets are measured at cost less impairment losses if any. The Company has no held to maturity investment measured at amortised cost calculating the effective interest method.

Management estimates that the fair value of other financial assets and liabilities are not materially different than their net book value

### Fair value sensitivity of the equity shares

Equity share price risk is the risk that the fair values of equity shares decrease as a result of the changes in the levels of equity shares indices and the value of equity shares.

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

	December 31, 2023		December 31, 2022	
	Profit or loss	Equity <sup>(*)</sup>	Profit or loss	Equity <sup>(*)</sup>
Financial assets held for trading	(174.249.197)	(174.249.197)	(55.000.368)	(55.000.368)
Available for sale financial assets	--	(118.226.435)	--	(65.390.569)
Associates	--	(327.660.000)	--	(198.488.000)
<b>Total, net</b>	<b>(174.249.197)</b>	<b>(620.135.632)</b>	<b>(55.000.368)</b>	<b>(318.878.937)</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of assumed change in interest rates.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

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

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

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

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

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

	December 31, 2023			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Associates (Note 9)	3.276.600.000	--	--	3.276.600.000
Financial assets held for trading (Note 11)	6.890.625.789	6.885.729.881	--	13.776.355.670
Available for sale financial assets <sup>(*)</sup> (Note 11)	10.062.978.925	--	--	10.062.978.925
<b>Total financial assets</b>	<b>20.230.204.714</b>	<b>6.885.729.881</b>	<b>--</b>	<b>27.115.934.595</b>
	December 31, 2022			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Associates (Note 9)	1.984.880.000	--	--	1.984.880.000
Financial assets held for trading (Note 11)	1.887.312.064	478.191.836	--	2.365.503.900
Available for sale financial assets <sup>(*)</sup> (Note 11)	7.340.378.458	--	--	7.340.378.458
<b>Total financial assets</b>	<b>11.212.570.522</b>	<b>478.191.836</b>	<b>--</b>	<b>11.690.762.358</b>

<sup>(\*)</sup> As of December 31, 2023, equity shares that are not publicly traded and the determination of fair values could not be obtained reliably amounting to TL 713.752 have been measured at cost value (December 31, 2022: TL 679.762).

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Gains and losses from financial assets

<i>Gains and losses recognized in the statement of income:</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Interest income from bank deposits	1.618.939.306	299.501.323
Foreign exchange gains	9.443.037.135	3.099.095.024
Income from investments in associates	100.000.000	88.000.000
Income from debt securities classified as available-for-sale financial assets	911.446.548	640.812.787
Income from debt securities classified as trading financial assets	--	--
Income from debt securities classified as held to maturity financial investments	24.641.815	129.402.652
Income from equity shares classified as available-for-sale financial assets	101.868	139.182.793
Income from equity shares classified as trading financial assets	2.129.549.417	904.008.801
Income from investment funds as available for sale financial assets	--	111.299.954
Income from investment funds as trading financial assets	2.926.628.867	871.812.512
Income from derivative transactions	1.182.313.766	808.574.676
Other	1.952.318	2.403.656
<b>Investment income</b>	<b>18.338.611.040</b>	<b>7.094.094.178</b>
Loss from valuation of financial assets	(82.669.203)	(1.336.747)
Foreign exchange losses	(5.043.064.496)	(715.516.139)
Loss from derivative transactions	(569.619.977)	(1.238.037.683)
Loss from disposal of financial assets	(844.964.316)	(223.674.623)
Investment expenses – including interest	(214.151.319)	(40.204.333)
<b>Investment expenses</b>	<b>(6.754.469.311)</b>	<b>(2.218.769.525)</b>
<b>Financial gains and losses recognized in the statement of income, net</b>	<b>11.584.141.729</b>	<b>4.875.324.653</b>
<i>Financial gains and losses recognized in equity:</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Fair value changes in investments in associates (Note 15)	1.291.720.000	1.040.880.000
Net gains transferred from statement of equity to the statement of income on disposal of available for sale financial assets (Note 15)	(1.662.906.893)	(670.395.906)
Fair value changes in available-for-sale financial assets (Note 15)	2.624.345.034	1.353.878.992
<b>Gains and losses recognized in equity, net</b>	<b>2.253.158.141</b>	<b>1.724.363.086</b>

### Capital management

The Company's capital management policies include the following:

- To comply with the insurance capital requirements determined by the T.C. Ministry of Treasury and Finance
- To ensure the continuity of the Company's activities within the framework of the Company's continuity principle

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Undersecretariat of Treasury and Finance on January 19, 2008 dated and 26761 numbered; capital adequacy calculations are carried out twice a year in June and December, within the following two months. As of the reporting date, the Company measured its minimum capital requirement as TL 6.829.483.552 in the calculation of the Company's last reporting period June 30, 2023. As of June 30, 2023, the capital amount of the Company presented in the unconsolidated financial statements is TL 2.032.493.965 above the minimum capital requirement amounts calculated according to the communiqué.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 5 Segment reporting

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.

#### Business segment

A business segment reporting of the Company is presented in accordance with TFRS 8 – *Operating Segments* standard in this section.

#### Insurance on Fire and Natural Disaster

Insurance on fire and natural disasters covers material damages occurred due to fire, lightening, explosion or smoke, steam and temperature resulted from fire, lightning and explosion up to insurance policy limits.

#### Insurance on Motor Third Party Liability

According to the Motorway Traffic Code numbered 2918, Motor Third Party Liability Insurance is covers vehicle owner's legal liability for all bodily damages to third persons and financial damages to other vehicles.

Damages caused by the trailer or semi-trailers (included light trailers) or the vehicles pulled is covered by the insurance of the trailer. However, the trailers used for transportation of people should be included in an additional liability insurance in order to obtain coverage.

In order to reduce and prevent the damage in the accident happened, reasonable and necessary expenses of the policyholder is compensated by the Company. This insurance also covers unfair claims against the policyholders.

#### Insurance on Motor Vehicles

Insurance on motor vehicles covers the following dangers related with vehicles. It is possible to widen policy scope for accessories or audio, display and communication devices which are not included in standard version of the vehicle by specifying on the insurance policy.

- Accident with the motorized or non-motorized vehicles which used in high-ways,
- Crash with fixed or moving items without desire of the driver or accidents due to crash, capsize, fall or tumble,
- The actions of third parties resulted from bad intention or mischief,
- Burn,
- Theft or attempted theft.

#### Insurance on Health

Insurance on health compensates treatment costs of illnesses or accidental injuries during the period of insurance and, if any, daily allowances in this general framework with special conditions up to the amount written in the policy. Geographical limits of the insurance are stated in the policy.

# CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

## Geographical segment

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

	Motor third party liability	Health	Motor vehicles	Fire and natural disasters	Other	Unallocated	Total
<b>January 1 – December 31, 2023</b>							
1- Earned Premiums (Net of Reinsurer Share)	4.783.425.476	3.707.081.372	8.920.634.974	2.870.234.153	2.965.196.227	--	23.246.572.202
1.1- Written Premiums (Net of Reinsurer Share)	6.670.224.752	5.639.633.822	11.716.697.423	4.049.220.389	4.337.909.899	--	32.413.686.285
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)	(1.224.639.035)	(1.963.749.743)	(2.796.062.449)	(1.178.986.236)	(1.156.427.381)	--	(8.319.864.844)
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	(662.160.241)	31.197.293	--	--	(216.286.291)	--	(847.249.239)
2- Other Technical Income (Net of Reinsurer Share)	4.637.449	112.079	20.774.732	2.113.993	3.588.679	--	31.226.932
3- Accrued Salvage and Subrogation Income	75.453.641	--	206.493.973	32.688.240	127.557.346	--	442.193.200
<b>Technical income <sup>(*)</sup></b>	<b>4.863.516.566</b>	<b>3.707.193.451</b>	<b>9.147.903.679</b>	<b>2.905.036.386</b>	<b>3.096.342.252</b>	--	<b>23.719.992.334</b>
1- Incurred Losses (Net of Reinsurer Share)	(7.643.429.425)	(3.133.836.899)	(5.326.570.832)	(2.405.422.968)	(2.646.698.609)	--	(21.155.958.733)
1.1- Claims Paid (Net of Reinsurer Share)	(4.251.585.820)	(3.079.784.760)	(4.597.255.059)	(1.490.148.701)	(1.439.975.592)	--	(14.858.749.932)
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	(3.391.843.605)	(54.052.139)	(729.315.773)	(915.274.267)	(1.206.723.017)	--	(6.297.208.801)
2- Changes in provision for bonus and discounts Net of Reinsurer Share and Less the Amounts Carried Forward),	--	--	--	--	--	--	--
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	--	(2.384.160)	(59.026.481)	(37.945.044)	19.178.601	--	(80.177.084)
4- Operating Expenses	(1.389.090.541)	(975.058.773)	(1.876.332.755)	(981.752.192)	(879.738.511)	--	(6.101.972.772)
5- Other Technical Expenses	(192.969.787)	(69.651.529)	(470.524.112)	(40.962.274)	(49.032.939)	--	(823.140.641)
<b>Technical expense</b>	<b>(9.225.489.753)</b>	<b>(4.180.931.361)</b>	<b>(7.732.454.180)</b>	<b>(3.466.082.478)</b>	<b>(3.556.291.458)</b>	--	<b>(28.161.249.230)</b>
Investment Income						18.483.752.444	18.483.752.444
Investment Expense <sup>(*)</sup>						(6.873.709.499)	(6.873.709.499)
Other <sup>(**)</sup>						(333.291.743)	(333.291.743)
<b>Net income before tax</b>							<b>6.835.494.306</b>
<b>Income tax</b>						(926.097.599)	(926.097.599)
<b>Net income</b>							<b>5.909.396.707</b>

<sup>(\*)</sup> Investment income transferred to non-technical section from technical section amounting to TL 11.798.293.048 is not included.

<sup>(\*\*)</sup> Deferred tax expense amounting TL 738.388.265 is presented as income tax.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Motor third party liability	Health	Motor vehicles	Fire and natural disasters	Other	Unallocated	Total
<b>January 1 – December 31, 2022</b>							
1- Earned Premiums (Net of Reinsurer Share)	2.320.985.142	1.529.210.050	3.586.016.365	1.439.385.277	1.893.339.639	--	10.768.936.473
1.1- Written Premiums (Net of Reinsurer Share)	4.415.655.765	2.243.346.635	6.500.363.376	2.043.130.781	2.364.290.786	--	17.566.787.343
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)	(1.577.390.349)	(682.939.292)	(2.914.347.011)	(603.745.504)	(482.721.281)	--	(6.261.143.437)
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	(517.280.274)	(31.197.293)	--	--	11.770.134	--	(536.707.433)
2- Other Technical Income (Net of Reinsurer Share)	7.092.724	--	519.955	4.124.292	380.379	--	12.117.350
3- Accrued Salvage and Subrogation Income	75.181.417	--	99.463.961	22.628.878	49.438.441	--	246.712.697
<b>Technical income <sup>(*)</sup></b>	<b>2.403.259.283</b>	<b>1.529.210.050</b>	<b>3.686.000.281</b>	<b>1.466.138.447</b>	<b>1.943.158.459</b>	<b>--</b>	<b>11.027.766.520</b>
1- Incurred Losses (Net of Reinsurer Share)	(3.879.253.892)	(1.521.176.583)	(2.977.212.351)	(1.052.375.375)	(1.464.273.953)	--	(10.894.292.154)
1.1- Claims Paid (Net of Reinsurer Share)	(2.368.675.222)	(1.501.084.417)	(2.675.639.980)	(673.721.905)	(994.610.203)	--	(8.213.731.727)
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	(1.510.578.670)	(20.092.166)	(301.572.371)	(378.653.470)	(469.663.750)	--	(2.680.560.427)
2- Bonus and Discount Provision	--	--	--	--	--	--	--
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	--	(1.701.369)	(25.662.840)	(137.401.622)	(15.649.487)	--	(180.415.318)
4- Operating Expenses	(694.766.061)	(437.774.344)	(769.325.731)	(562.539.898)	(487.903.286)	--	(2.952.309.320)
5- Other Technical Expenses	(107.360.735)	(29.564.682)	(264.695.563)	(55.971.603)	(29.096.235)	--	(486.688.818)
<b>Technical expense</b>	<b>(4.681.380.688)</b>	<b>(1.990.216.978)</b>	<b>(4.036.896.485)</b>	<b>(1.808.288.498)</b>	<b>(1.996.922.961)</b>	<b>--</b>	<b>(14.513.705.610)</b>
Investment Income						7.256.855.743	7.256.855.743
Investment Expense <sup>(*)</sup>						(2.328.549.608)	(2.328.549.608)
Other <sup>(**)</sup>						(265.546.568)	(265.546.568)
<b>Net income before tax</b>							<b>1.176.820.477</b>
<b>Income tax</b>						(43.619.171)	(43.619.171)
<b>Net income</b>							<b>1.133.201.306</b>

<sup>(\*)</sup> Investment income transferred to non-technical section from technical section amounting to TL 4.915.528.986 is not included.

<sup>(\*\*)</sup> Deferred tax income amounting TL 233.163.298 is presented as income tax.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 6 Tangible assets

Movements in tangible assets in the period of January 1 – December 31, 2023 are presented below:

	January 1, 2023	Additions	Disposal	Valuation Differences	December 31, 2022
<b>Cost:</b>					
Investment properties (Note 7)	244.385.000	--	--	138.061.000	382.446.000
Buildings for own use	58.465.000	--	--	21.639.000	80.104.000
Machinery and equipment	138.654.988	50.146.939	(10.007)	--	188.791.920
Furniture and fixtures	19.551.052	3.907.772	--	--	23.458.824
Motor vehicles	8.702.534	--	--	--	8.702.534
Other tangible assets (including leasehold improvements)	36.384.889	8.378.301	--	--	44.763.190
Leased tangible assets	3.858.074	--	--	--	3.858.074
Operating leases buildings	75.875.090	45.688.788	--	--	121.563.878
Operating leases vehicles	19.255.629	2.629.444	--	--	21.885.073
<b>Total</b>	<b>605.132.256</b>	<b>110.751.244</b>	<b>(10.007)</b>	<b>159.700.000</b>	<b>875.573.493</b>
<b>Accumulated depreciation:*</b>					
Buildings for own use	19.180	518.887	(404.558)	--	133.509
Machinery and equipment	91.342.147	20.543.488	--	--	111.885.635
Furniture and fixtures	15.607.848	1.581.297	--	--	17.189.145
Motor vehicles	4.085.486	1.701.212	--	--	5.786.698
Other tangible assets (including leasehold improvements)	28.658.896	3.001.519	--	--	31.660.415
Leased tangible assets	3.858.074	--	--	--	3.858.074
Operating leases buildings	26.006.565	14.750.930	--	--	40.757.495
Operating leases vehicles	3.379.521	6.404.294	--	--	9.783.815
<b>Total</b>	<b>172.957.717</b>	<b>48.501.627</b>	<b>(404.558)</b>	<b>--</b>	<b>221.054.786</b>
<b>Net book value</b>	<b>432.174.539</b>				<b>654.518.707</b>

\*The portion of amortization expenses amounting to TL 1.185.955 has been capitalized due to R&D incentives.

The Company's property for own use is valued over fair value as of 2023 and 2022 year-end and subjected to valuation in this context. Expertise reports regarding this property are prepared by CMB licenced Property Valuation Company in December 2023. There is no any pledge over Company's property for own use.

As of December 31, 2023 and 2022, property for own use's fair value (except VAT) and net book value is as following:

Landings and buildings for own use	Expertise date	Expertise value	Net Book Value (December 31, 2023)	Net Book Value (December 31, 2022)
İzmir Regional Office	December 2023	39.760.000	35.468.961	39.693.733
Adana Regional Office	December 2023	18.780.000	13.044.943	18.748.700
Lefkoşe Kıbrıs Branch	December 2023	17.264.000	8.987.283	17.235.226
Adana Office	December 2023	625.000	269.975	623.958
Others	December 2023	3.675.000	674.658	3.668.875
<b>Total</b>		<b>80.104.000</b>	<b>58.445.820</b>	<b>79.970.492</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### Fair value measurement

Fair value of landings and buildings for own use is determined by equivalence value method. Fair value measurement of landings and buildings for own use those fair value is determined by equivalence value method is reclassified as Level 2.

Movements in tangible assets in the period of January 1 – December 31, 2022 are presented below:

	January 1, 2022	Additions	Disposal	Valuation Differences	December 31, 2022
<b>Cost:</b>					
Investment properties (Note 7)	85.580.000	--	--	158.805.000	244.385.000
Buildings for own use	21.679.240	--	(159.840)	36.945.600	58.465.000
Machinery and equipment	118.226.398	25.350.215	(4.921.625)	--	138.654.988
Furniture and fixtures	18.759.085	903.708	(111.741)	--	19.551.052
Motor vehicles	4.593.622	4.108.912	--	--	8.702.534
Other tangible assets (including leasehold improvements)	33.256.305	3.128.584	--	--	36.384.889
Leased tangible assets	3.858.074	--	--	--	3.858.074
Operating leases buildings	66.516.839	9.358.251	--	--	75.875.090
Operating leases vehicles	--	19.255.629	--	--	19.255.629
<b>Total</b>	<b>352.469.563</b>	<b>62.105.299</b>	<b>(5.193.206)</b>	<b>195.750.600</b>	<b>605.132.256</b>
<b>Accumulated depreciation:*</b>					
Buildings for own use	36.687	414.428	(3.700)	(428.235)	19.180
Machinery and equipment	78.738.240	17.431.879	(4.827.972)	--	91.342.147
Furniture and fixtures	14.410.694	1.258.441	(61.287)	--	15.607.848
Motor vehicles	2.712.150	1.373.336	--	--	4.085.486
Other tangible assets (including leasehold improvements)	26.095.170	2.563.726	--	--	28.658.896
Leased tangible assets	3.858.074	--	--	--	3.858.074
Operating leases buildings	17.970.588	8.035.977	--	--	26.006.565
Operating leases vehicles	--	3.379.521	--	--	3.379.521
<b>Total</b>	<b>143.821.603</b>	<b>34.457.308</b>	<b>(4.892.959)</b>	<b>(428.235)</b>	<b>172.957.717</b>
<b>Net book value</b>	<b>208.647.960</b>				<b>432.174.539</b>

There is no any mortgage over tangible assets of the Company as of December 31, 2023 and 2022.

### 7 Investment properties

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

Investment property is presented by fair value method as of December 31, 2023 and 2022 on balance sheet.

The Company’s investment property expertise reports are prepared by independent professional valuation specialists authorized by Capital Markets Board. As of December 31, 2022, the Company has gained the rent income from investment properties amounting to TL 7.080.404 (December 31, 2022: TL 3.956.565).



## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

Investment land and buildings	Expertise date	Expertise value	Net book value	Net book value
			December 31, 2023	December 31, 2022
Building/İzmir	December 2023	167.240.000	117.430.000	167.240.000
Land/Mersin	December 2023	119.710.000	74.215.000	119.710.000
Building/İzmir	December 2023	84.280.000	45.735.000	84.280.000
Building/Bursa	December 2023	7.360.000	4.900.000	7.360.000
Building/Adana	December 2023	3.856.000	2.105.000	3.856.000
<b>Total</b>		<b>382.446.000</b>	<b>244.385.000</b>	<b>382.446.000</b>

### Fair value measurement

Fair value of investment property is determined by equivalence value method. Fair value measurement of investment property which is determined by equivalence value method, is reclassified as Level 2.

### 8 Intangible assets

Movements in intangible assets in the period of January 1 – December 31, 2023 are presented below:

	January 1, 2023	Additions	Transfers	Disposal	December 31, 2023
<b>Cost:</b>					
Rights	142	--	--	--	142
Goodwill	16.250.000	--	--	--	16.250.000
Research And Development Advances given for intangible assets	896.749	18.937.015	(1.176.311)	--	18.657.453
Other intangible assets	154.671.670	71.886.242	--	--	226.557.912
	415.754.935	47.450.908	1.176.311	--	464.382.154
<b>Total</b>	<b>587.573.496</b>	<b>138.274.165</b>	<b>--</b>	<b>--</b>	<b>725.847.661</b>
<b>Accumulated amortization:</b>					
Other intangible assets	307.881.996	71.924.516	--	--	379.806.512
<b>Total</b>	<b>307.881.996</b>	<b>71.924.516</b>	<b>--</b>	<b>--</b>	<b>379.806.512</b>
<b>Net book value</b>	<b>279.691.500</b>				<b>346.041.149</b>

Movements in tangible assets in the period of January 1 – December 31, 2022 are presented below:

	January 1, 2022	Additions	Transfers	Disposal	December 31, 2022
<b>Cost:</b>					
Rights	--	142	--	--	142
Goodwill	16.250.000	--	--	--	16.250.000
Research And Development Advances given for intangible assets	--	--	896.749	--	896.749
Other intangible assets	12.330.057	155.986.935	(13.645.322)	--	154.671.670
	375.228.895	27.777.467	12.748.573	--	415.754.935
<b>Total</b>	<b>403.808.952</b>	<b>183.764.544</b>	<b>--</b>	<b>--</b>	<b>587.573.496</b>
<b>Accumulated amortization:</b>					
Other intangible assets	232.559.221	75.322.775	--	--	307.881.996
<b>Total</b>	<b>232.559.221</b>	<b>75.322.775</b>	<b>--</b>	<b>--</b>	<b>307.881.996</b>
<b>Net book value</b>	<b>171.249.731</b>				<b>279.691.500</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 9 Investments in associates

	December 31, 2023		December 31, 2022	
	Net book value	Participation rate	Net book value	Participation rate
Anadolu Hayat Emeklilik A.Ş.	3.276.600.000	20,0%	1.984.880.000	20,0%
<b>Investments in associates, net</b>	<b>3.276.600.000</b>		<b>1.984.880.000</b>	
<b>Total financial assets (Note 4.2)</b>	<b>3.276.600.000</b>		<b>1.984.880.000</b>	

Name	Total assets	Shareholders' equity	Retained earnings	Profit for the period	Audited or not	Period
Anadolu Hayat Emeklilik A.Ş. (consolidated)	162.865.081.357	6.449.457.562	91.094.305	2.853.815.200	Audited	December 31, 2023

The Company has TL 100.000.000 of dividend income from subsidiaries. (December 31, 2022: TL 88.000.000)

### 10 Reinsurance assets and liabilities

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

Reinsurance assets	December 31, 2023	December 31, 2022
Provision for outstanding claims, ceded (Note 4.2), (Note 17)	12.508.249.849	4.948.152.615
Reserve for unearned premiums, ceded (Note 17)	5.372.679.050	2.782.909.399
Reserve for unexpired risks, ceded	599.131.968	128.111.819
Cash deposited to reinsurance companies (Note 12)	1.042.927.392	594.806.278
Reinsurers share in the provision for subrogation and salvage receivables	14.475.565	7.568.999
<b>Total</b>	<b>19.537.463.824</b>	<b>8.461.549.110</b>

There is no impairment losses recognised for reinsurance assets.

Reinsurance liabilities	December 31, 2023	December 31, 2022
Payables to the reinsurers related to premiums written (Note 19)	3.459.293.851	1.692.828.391
Deferred commission income (Note 19)	776.083.577	402.700.486
Commission payables to the reinsurers related to written premiums (Note 23)	35.383.333	12.955.729
Cash deposited by reinsurance companies (Note 19)	152.612.753	14.318.666
<b>Total</b>	<b>4.423.373.514</b>	<b>2.122.803.272</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023	December 31, 2022
Premiums ceded during the period ( <i>Note 17</i> )	(11.235.091.484)	(5.761.591.307)
Reserve for unearned premiums, ceded at the beginning of the period ( <i>Note 17</i> )	(2.782.909.399)	(1.696.651.021)
Reserve for unearned premiums, ceded at the end of the period ( <i>Note 17</i> )	5.372.679.050	2.782.909.399
<b>Premiums earned, ceded (<i>Note 17</i>)</b>	<b>(8.645.321.833)</b>	<b>(4.675.332.929)</b>
Claims paid, ceded during the period ( <i>Note 17</i> )	13.227.080.703	1.990.428.959
Provision for outstanding claims, ceded at the beginning of the period ( <i>Note 17</i> )	(4.948.152.615)	(3.108.915.112)
Provision for outstanding claims, ceded at the end of the period ( <i>Note 17</i> )	12.508.249.849	4.948.152.615
<b>Claims incurred, ceded (<i>Note 17</i>)</b>	<b>20.787.177.937</b>	<b>3.829.666.462</b>
Commission income accrued from reinsurers during the period	1.514.712.276	774.523.556
Deferred commission income at the beginning of the period	402.700.486	231.259.742
Deferred commission income at the end of the period	(776.083.577)	(402.700.486)
<b>Commission income earned from reinsurers (<i>Note 32</i>)</b>	<b>1.141.329.185</b>	<b>603.082.812</b>
<b>Commission debt accrued to reinsurers</b>	<b>35.383.333</b>	<b>--</b>
<b>Total, net</b>	<b>13.318.568.622</b>	<b>(242.583.655)</b>

The movement table of commission expenses realized within the scope of reinsurance activities of the Company are as follows:

	December 31, 2023	December 31, 2022
Commission expense accrued from reinsurers during the period	(785.270.304)	(543.172.976)
Deferred commission expense at the beginning of the period	(157.257.227)	(81.725.108)
Deferred commission expense at the end of the period	256.890.495	157.257.227
<b>Commission expense from reinsurance operations (<i>Note 32</i>)</b>	<b>(685.637.036)</b>	<b>(467.640.857)</b>

### 11 Financial assets

As of December 31, 2023 and 2022, financial assets of the Company are as follows:

	December 31, 2023	December 31, 2022
Available for sale financial assets	10.063.692.677	7.341.058.220
Held to maturity financials assets	329.439.782	379.792.253
Financial assets held for trading	13.776.355.670	2.365.503.900
<b>Total</b>	<b>24.169.488.129</b>	<b>10.086.354.373</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
<b>Debt instruments:</b>				
Government bonds – TL	661.348.162	1.427.291.699	2.395.746.214	2.395.746.214
Private sector bonds – TL	98.500.000	96.767.220	114.128.110	114.128.110
Bonds issued by Türkiye İş Bankası A.Ş. (Note 45)	10.000.000	10.000.000	10.242.835	10.242.835
Other	88.500.000	86.767.220	103.885.275	103.885.275
Government bonds – EUR	325.739.000	325.739.000	328.522.993	328.522.993
Government bonds – USD	5.668.766.983	5.341.602.704	6.043.031.008	6.043.031.008
<b>Total</b>	<b>6.754.354.145</b>	<b>7.191.400.623</b>	<b>8.881.428.325</b>	<b>8.881.428.325</b>
<b>Other non-fixed income financial assets:</b>				
Equity shares	73.097.556	74.591.345	1.182.264.352	1.182.264.352
<b>Total</b>	<b>73.097.556</b>	<b>74.591.345</b>	<b>1.182.264.352</b>	<b>1.182.264.352</b>
<b>Total available for sale financial assets (Note 4.2)</b>	<b>6.827.451.701</b>	<b>7.265.991.968</b>	<b>10.063.692.677</b>	<b>10.063.692.677</b>
	December 31, 2022			
	Nominal value	Cost	Fair value	Net book value
<b>Debt instruments:</b>				
Government bonds – TL	388.132.762	711.251.994	1.074.431.332	1.074.431.332
Private sector bonds – TL	128.205.000	128.205.000	133.034.163	133.034.163
Government bonds – EUR	199.349.000	199.349.000	199.748.600	199.748.600
Government bonds – USD	3.890.162.617	3.693.707.035	3.864.506.971	3.864.506.971
Private sector bonds – USD	1.507.213.868	1.465.748.125	1.415.431.465	1.415.431.465
<b>Total</b>	<b>6.113.063.247</b>	<b>6.198.261.154</b>	<b>6.687.152.531</b>	<b>6.687.152.531</b>
<b>Other non-fixed income financial assets:</b>				
Equity shares	72.525.936	74.557.354	653.905.689	653.905.689
<b>Total</b>	<b>72.525.936</b>	<b>74.557.354</b>	<b>653.905.689</b>	<b>653.905.689</b>
<b>Total available for sale financial assets (Note 4.2)</b>	<b>6.185.589.183</b>	<b>6.272.818.508</b>	<b>7.341.058.220</b>	<b>7.341.058.220</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of December 31, 2023 and 2022, financial assets held for trading of the Company are as follows:

	<b>December 31, 2023</b>			
	<b>Nominal value</b>	<b>Cost</b>	<b>Fair value</b>	<b>Net book value</b>
<b>Debt instruments:</b>				
Reverse repurchases		93.172	93.498	93.498
<b>Total</b>		<b>93.172</b>	<b>93.498</b>	<b>93.498</b>
<b>Other non-fixed income financial assets:</b>				
Investment funds	9.648.284.070	7.943.861.696	9.602.831.063	9.602.831.063
<i>Issued by İş Portföy Yönetimi A.Ş. (Note 45)</i>	4.087.235.431	5.455.761.089	6.586.598.907	6.586.598.907
<i>Issued by Maxis Girişim Sermayesi Portföy Yönetimi (Note 45)</i>	101.209.694	119.830.206	152.761.591	152.761.591
<i>Other</i>	5.459.838.945	2.368.270.401	2.863.470.565	2.863.470.565
Equity shares	53.403.206	1.375.426.903	1.425.042.958	1.425.042.958
Derivatives	20.061.000	117.644.053	118.720.901	118.720.901
Other	2.120.718.459	2.381.380.212	2.629.667.250	2.629.667.250
<b>Total</b>	<b>11.842.466.735</b>	<b>11.818.312.864</b>	<b>13.776.262.172</b>	<b>13.776.262.172</b>
<b>Total financial assets held for trading (Note 4.2)</b>	<b>11.842.466.735</b>	<b>11.818.406.036</b>	<b>13.776.355.670</b>	<b>13.776.355.670</b>
<b>December 31, 2022</b>				
<b>Other non-fixed income financial assets:</b>				
Investment funds	189.221.637	516.084.264	1.020.369.015	1.020.369.015
<i>Issued by İş Portföy Yönetimi A.Ş. (Note 45)</i>	103.865.974	405.636.284	609.422.500	609.422.500
<i>Issued by Maxis Girişim Sermayesi Portföy Yönetimi (Note 45)</i>	64.762.179	76.099.686	374.517.618	374.517.618
<i>Other</i>	20.593.484	34.348.294	36.428.897	36.428.897
Equity shares	40.345.411	364.534.637	550.003.684	550.003.684
Derivatives	40.000.000	754.797.653	795.131.201	795.131.201
<b>Total</b>	<b>269.567.048</b>	<b>1.635.416.554</b>	<b>2.365.503.900</b>	<b>2.365.503.900</b>
<b>Total financial assets held for trading (Note 4.2)</b>	<b>269.567.048</b>	<b>1.635.416.554</b>	<b>2.365.503.900</b>	<b>2.365.503.900</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of December 31, 2023, and 2022, financial assets held to maturity of the Company are as follows:

	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
<b>Debt instruments:</b>				
Government bonds – EUR	29.438.200	27.819.099	30.371.400	29.900.615
Government bonds – USD	288.572.180	290.038.963	300.728.500	299.539.167
<b>Total held to maturity financial assets</b>	<b>318.010.380</b>	<b>317.858.062</b>	<b>331.099.900</b>	<b>329.439.782</b>
	December 31, 2022			
	Nominal value	Cost	Fair value	Net book value
<b>Debt instruments:</b>				
Government bonds – EUR	196.332.150	184.271.747	199.246.961	196.007.978
Government bonds – USD	176.603.279	177.949.150	181.556.360	183.784.275
<b>Total held to maturity financial assets</b>	<b>372.935.429</b>	<b>362.220.897</b>	<b>380.803.321</b>	<b>379.792.253</b>

As of December 31, 2023, equity shares classified as available for sale financial assets with a net book value of TL 713.752 are not publicly traded (December 31, 2022: TL 679.762).

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

There is no financial asset that is overdue but not impaired among the Company's financial investments portfolio. Value increases in financial assets including equity shares classified as available for sale financial assets for the last 3 years (including tax effects):

Year	Change in value increase/(decrease)	Total increase/(decrease)
2023	2.253.158.141	4.929.934.412
2022	1.724.363.086	2.676.776.271
2021	31.150.866	952.413.185

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

	December 31, 2023			
	Trading <sup>(*)</sup>	Available for sale	Held to maturity	Total
<b>Balance at the beginning of the period</b>	<b>2.365.503.900</b>	<b>7.341.058.220</b>	<b>379.792.253</b>	<b>10.086.354.373</b>
Acquisitions during the period	67.346.845.910	2.497.628.943	--	69.844.474.853
Disposals (sale and redemption)	(61.306.187.757)	(4.260.527.148)	(261.560.121)	(65.828.275.026)
Change in the fair value of financial assets (Note 15)	5.370.193.617	2.863.902.782	--	8.234.096.399
Change in the amortized costs of financial assets	--	1.621.629.880	211.207.650	1.832.837.530
<b>Balance at the end of the period</b>	<b>13.776.355.670</b>	<b>10.063.692.677</b>	<b>329.439.782</b>	<b>24.169.488.129</b>

<sup>(\*)</sup> The amount of reverse repurchases in financial assets held for trading to TL 93.498 (December 31, 2022:None) are excluded.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	December 31, 2022			Total
	Trading <sup>(*)</sup>	Available for sale	Held to maturity	
<b>Balance at the beginning of the period</b>	<b>204.402.559</b>	<b>5.250.458.724</b>	<b>1.471.518.019</b>	<b>6.926.379.302</b>
Acquisitions during the period	17.770.587.705	8.504.153.635	--	26.274.741.340
Disposals (sale and redemption)	(18.118.182.647)	(9.401.795.620)	(1.480.061.755)	(29.000.040.022)
Change in the fair value of financial assets (Note 15)	2.508.696.283	1.575.124.453	--	4.083.820.736
Change in the amortized costs of financial assets	--	1.413.117.028	388.335.989	1.801.453.017
<b>Balance at the end of the period</b>	<b>2.365.503.900</b>	<b>7.341.058.220</b>	<b>379.792.253</b>	<b>10.086.354.373</b>

<sup>(\*)</sup> As of December 31, 2022 the Company has no reverse repurchases (December 31, 2022: TL 479.673.282).

### 12 Loans and receivables

	December 31, 2023	December 31, 2022
Receivables from main operations (Note 4.2)	14.425.369.273	6.694.028.834
Other receivables (Note 4.2) <sup>(*)</sup>	98.028.035	39.744.862
Income accruals (Note 4.2),	43.567.096	12.873.895
Other current assets (Note 4.2)	105.497.214	30.410.925
<b>Total</b>	<b>14.672.461.618</b>	<b>6.777.058.516</b>
Short-term receivables	14.672.137.063	6.776.733.961
Long and medium-term receivables	324.555	324.555
<b>Total</b>	<b>14.672.461.618</b>	<b>6.777.058.516</b>

<sup>(\*)</sup> As of December 31, 2023, other receivables amounting to TL 98.028.035 (December 31, 2022: TL 39.744.862) comprise of receivables from DASK and TARSİM amounting to TL 15.332.573 (December 31, 2022: TL 14.153.476) and other miscellaneous receivables amounting to TL 82.695.462 (December 31, 2022: TL 25.591.386).

As of December 31, 2023 and 2022 the details of the receivables from main operations are as follows:

	December 31, 2023	December 31, 2022
Receivables from agencies, brokers and intermediaries	8.202.425.696	3.898.531.449
Receivables from insurance and reinsurance companies	1.248.087.878	175.515.037
Salvage and subrogation receivables	449.617.028	202.751.310
Receivables from policyholders	181.714.908	47.533.914
Long term receivable which is bank guarantee and three months credit card	1.598.638.932	943.476.394
<b>Total receivables from insurance operations, net</b>	<b>11.680.484.442</b>	<b>5.267.808.104</b>
Receivables from reinsurance operations	1.858.769.031	890.104.434
Cash deposited to insurance and reinsurance companies (Note 4.2), (Note 10)	1.042.927.392	594.806.278
Provisions for receivables from insurance operations – subrogation receivables	(156.811.592)	(58.689.982)
Doubtful receivables from insurance operations – subrogation receivables	986.553.472	702.048.592
Provisions for doubtful receivables from insurance operations – subrogation receivables (Note 4.2)	(986.553.472)	(702.048.592)
Doubtful receivables from main operations – premium receivables	38.250.499	39.447.788
Provisions for doubtful receivables from main operations – premium receivables (Note 4.2)	(38.250.499)	(39.447.788)
<b>Receivables from main operations</b>	<b>14.425.369.273</b>	<b>6.694.028.834</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of December 31, 2023 and 2022, the details of mortgages and other guarantees for the Company's receivables are presented below:

	December 31, 2023	December 31, 2022
Letters of guarantees	244.510.302	211.326.333
Mortgages notes	409.683.801	245.847.997
Other guarantees	302.647.538	151.779.037
Government bonds and treasury bills	230.000	243.656
<b>Total</b>	<b>957.071.641</b>	<b>609.197.023</b>

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

a) Receivables under legal or administrative follow up (due): TL 38.250.499 (December 31, 2022: TL 39.447.788).

b) Provision for subrogation receivables under legal or administrative follow up: TL 1.143.365.064 (December 31, 2022: TL 760.738.574).

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

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

### 13 Derivative financial instruments

The company holds derivative financial assets classified as trading as of December 31, 2023, amounting to TL 118.720.901 (December 31, 2022: None).

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

In addition, the company has FX-protected deposits amounting to TL 2.312.218.239.

### 14 Cash and cash equivalents

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

	December 31, 2023		December 31, 2022	
	At the end of the period	At the beginning of the period	At the end of the period	At the beginning of the period
Cash on hand	162.771	154.985	154.985	81.880
Checks on hand	--	--	--	--
Bank deposits	7.850.389.227	7.466.091.175	7.466.091.175	2.072.401.405
Cheques given and payment orders	(3.167)	(14.481)	(14.481)	(19.566)
Bank guaranteed credit card receivables with maturities less than three months	3.452.368.687	1.787.066.011	1.787.066.011	1.104.473.014
<b>Cash and cash equivalents in the balance sheet</b>	<b>11.302.917.518</b>	<b>9.253.297.690</b>	<b>9.253.297.690</b>	<b>3.176.936.733</b>
Bank deposits – blocked <sup>(*)</sup> (Note 17)	(1.734.548.631)	(1.465.822.315)	(1.465.822.315)	(272.352.442)
Time deposits with maturities longer than 3 months	(481.838.426)	--	--	(23.081.164)
Interest accruals on banks deposits	(74.349.169)	(13.543.966)	(13.543.966)	(12.351.147)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>9.012.181.292</b>	<b>7.773.931.409</b>	<b>7.773.931.409</b>	<b>2.869.151.980</b>

<sup>(\*)</sup> Bank deposits in cash and cash equivalents has been kept in favour of the T.C. Private Pension Regulation and Supervision Agency as a guarantee for the insurance activities amounting is 1.363.261.798 TL.



## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of December 31, 2023, and 2022, the details of the bank deposits are as follows:

	December 31, 2023	December 31, 2022
Foreign currency denominated bank deposits		
- time deposits	9.261.091	392.547.206
- demand deposits	365.471.726	85.244.704
Bank deposits in Turkish Lira		
- time deposits	7.028.871.189	6.874.157.667
- demand deposits	446.785.221	114.141.598
<b>Bank deposits</b>	<b>7.850.389.227</b>	<b>7.466.091.175</b>

### 15 Equity

#### Paid in capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group.

The Company does not increase its share capital in the current period.

As of December 31, 2023 the issued share capital of the Company is TL 500.000.000 (December 31, 2022: TL 500.000.000) and the Company unregistered Group 150 A shares which each of value is TL 1,5 as of April 11, 2013 in which approved in Main Article of the Company dated in April 11, 2013. The share capital of the Company consists of 50.000.000.000 (December 31, 2022: 50.000.000.000 shares) issued shares with TL 0,01 nominal value each.

#### Other capital reserves

In accordance with tax legislation, 75% of profits from sales of participation shares and 50% 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. As of December 31, 2023, the tax exempt which obtained thanks to sale of participation shares and real estate in 2010, 2011, 2013, 2014, 2015,2016 years respectively, amounting to TL 8.081.516, TL 80.025, TL 647.763, TL 920.272, TL 2.541.500, TL 15.094 and real estate revaluation funds of 2018, 2019, 2020,2021 and 2022 the profit not subject to distribution for 2018, 2019,2020, 2021 and 2022 are classified as other capital reserves.

	December 31, 2023	December 31, 2022
<b>Other capital reserves at the beginning of the period</b>	<b>69.232.563</b>	<b>41.905.502</b>
Transfer from profit	62.084.950	--
Use property revaluation fund (Note 6)	24.775.799	27.327.061
<b>Other capital reserves at the end of the period</b>	<b>156.093.312</b>	<b>69.232.563</b>

#### 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 movement of legal reserves are presented below:

	December 31, 2023	December 31, 2022
<b>Legal reserves at the beginning of the period</b>	<b>126.487.744</b>	<b>126.487.744</b>
Transfer from profit	--	--
<b>Legal reserves at the end of the period</b>	<b>126.487.744</b>	<b>126.487.744</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Extraordinary reserves

The movement of extraordinary reserves are presented below:

	December 31, 2023	December 31, 2022
<b>Extraordinary reserves at the beginning of the period</b>	<b>1.236.427.049</b>	<b>814.673.206</b>
Transfer from profit	552.092.594	421.753.843
<b>Extraordinary reserves at the end of the period</b>	<b>1.788.519.643</b>	<b>1.236.427.049</b>

Additionally, as a result of the revaluation application conducted in accordance with temporary Article 32 and additional Article 298 of the Tax Procedure Law (TPL), the increase in value fund amounting to 143.159.008 TL has been accounted for under the "Extraordinary Reserves" account, as per the General Communique of the TPL dated January 14, 2023 (Serial no: 537) Amendment Communique (Serial no: 547) (December 31, 2022: None)

### Statutory reserves

The movement of statutory reserves are presented below:

	December 31, 2023	December 31, 2022
<b>Statutory reserves at the beginning of the period</b>	<b>178.003.887</b>	<b>119.020.427</b>
Transfer from profit	87.352.611	58.983.460
<b>Statutory reserves at the end of the period</b>	<b>265.356.498</b>	<b>178.003.887</b>

### Special reserves

The movement of special funds are presented below:

	December 31, 2023	December 31, 2022
<b>Special reserves at the beginning of the period</b>	<b>101.099.688</b>	<b>60.000.000</b>
Venutre capital investment fund	43.730.529	41.099.688
<b>Special funds at the end of the period</b>	<b>144.830.217</b>	<b>101.099.688</b>

### Valuation of financial assets

The movements of valuation differences related available for sale financial assets and associates are presented below:

	December 31, 2023			December 31, 2022		
	Available for sale financial assets	Associates	Total	Available for sale financial assets	Associates	Total
<b>Valuation difference at the beginning of the period</b>	<b>782.928.139</b>	<b>1.893.848.132</b>	<b>2.676.776.271</b>	<b>11.445.053</b>	<b>940.968.132</b>	<b>952.413.185</b>
Change in the fair value	2.863.902.782	1.291.720.000	4.155.622.782	1.575.124.453	1.040.880.000	2.616.004.453
Net gains transferred to the statement of income	(1.662.906.893)	(100.000.000)	(1.762.906.893)	(670.395.906)	(88.000.000)	(758.395.906)
Deferred tax effect	(139.557.748)	--	(139.557.748)	(133.245.461)	--	(133.245.461)
<b>Valuation difference at the end of the period</b>	<b>1.844.366.280</b>	<b>3.085.568.132</b>	<b>4.929.934.412</b>	<b>782.928.139</b>	<b>1.893.848.132</b>	<b>2.676.776.271</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### Other profit reserves

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

Accordingly, the Company initially transferred total provisions amounting to TL 96.036.157 including earthquake provisions reserved as of December 31, 2006 and related gains obtained from investment of this amount, to the reserve accounts under equity, TL 51.846.111 of this amount is used for capital increase in 2010. As of December 31, 2023, accordance with TAS 19, to add the amount of actuarial loss and net profit of TL (81.320.516) defined remeasure net profit debt, the amount of new balance is TL (37.130.470) (December 31, 2022: TL (5.186.953)).

### Profit on assets sale that will be transferred to capital

In accordance with tax legislation, 75% of profits from sales of participation shares and 50% of 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.

### 16 Other reserves and equity component of discretionary participation feature

As of December 31, 2023, and 2022, change in fair values of available-for-sale financial assets which is presented as “valuation of financial assets” and earthquake provisions provided in the previous years presented under “other profit reserves” are explained in detail in Note 15 – *Equity* above. As of December 31, 2023, and 2022, the Company does not hold any insurance or investment contracts which contain a discretionary participation feature.

### 17 Insurance contract liabilities and reinsurance assets

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

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023	December 31, 2023
Reserve for unearned premiums, gross	24.160.350.877	13.172.473.698
Reserve for unearned premiums, ceded	(5.372.679.050)	(2.782.909.399)
Reserve for unearned premiums, SSI share	(343.265.170)	(265.022.486)
<b>Reserves for unearned premiums, net</b>	<b>18.444.406.657</b>	<b>10.124.541.813</b>
Provision for outstanding claims, gross	27.800.010.100	13.942.704.065
Provision for outstanding claims, ceded	(12.508.249.849)	(4.948.152.615)
<b>Provision for outstanding claims, net</b>	<b>15.291.760.251</b>	<b>8.994.551.450</b>
Gross of reserve for unexpired risk	2.244.301.474	926.032.086
Reinsurer's share of the reserve for unexpired risk	(599.131.968)	(128.111.819)
<b>Provision unexpired risk reserve, net</b>	<b>1.645.169.506</b>	<b>797.920.267</b>
Equalization provision, net	593.112.491	512.935.407
General provision, net <sup>(1)</sup>	7.702.760	7.702.760
<b>Other technical provisions, net</b>	<b>600.815.251</b>	<b>520.638.167</b>
<b>Total technical provisions, net</b>	<b>35.982.151.665</b>	<b>20.437.651.697</b>
Short-term	35.377.705.520	19.912.327.691
Medium and long-term	604.446.145	525.324.006
<b>Total technical provisions, net</b>	<b>35.982.151.665</b>	<b>20.437.651.697</b>

<sup>(1)</sup> It contains a provision which has been reflected in the prior unconsolidated financial statements amounting TL 7.702.760 due to the possible impact of adverse developments that may occur by company's management.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

Reserve for unearned premiums	December 31, 2023			Net
	Gross	Ceded	SSI share	
Reserve for unearned premiums at the beginning of the period	13.172.473.698	(2.782.909.399)	(265.022.486)	10.124.541.813
Premiums written during the period	44.228.418.367	(11.235.091.484)	(579.640.598)	32.413.686.285
Premiums earned during the period	(33.240.541.188)	8.645.321.833	501.397.914	(24.093.821.441)
<b>Reserve for unearned premiums at the end of the period</b>	<b>24.160.350.877</b>	<b>(5.372.679.050)</b>	<b>(343.265.170)</b>	<b>18.444.406.657</b>
Reserve for unearned premiums	December 31, 2022			Net
	Gross	Ceded	SSI share	
Reserve for unearned premiums at the beginning of the period	5.679.877.265	(1.696.651.021)	(119.827.868)	3.863.398.376
Premiums written during the period	23.755.830.190	(5.761.591.307)	(427.451.540)	17.566.787.343
Premiums earned during the period	(16.263.233.757)	4.675.332.929	282.256.922	(11.305.643.906)
<b>Reserve for unearned premiums at the end of the period</b>	<b>13.172.473.698</b>	<b>(2.782.909.399)</b>	<b>(265.022.486)</b>	<b>10.124.541.813</b>
Provision for outstanding claims	December 31, 2023			Net
	Gross	Ceded		
Provision for outstanding claims at the beginning of the period	13.942.704.065	(4.948.152.615)		8.994.551.450
Claims reported during the period and changes in the estimations of provisions for outstanding claims provided at the beginning of the period	41.943.136.670	(20.787.177.937)		21.155.958.733
Claims paid during the period	(28.085.830.635)	13.227.080.703		(14.858.749.932)
<b>Provision for outstanding claims at the end of the period</b>	<b>27.800.010.100</b>	<b>(12.508.249.849)</b>		<b>15.291.760.251</b>
Provision for outstanding claims	December 31, 2022			Net
	Gross	Ceded		
Provision for outstanding claims at the beginning of the period	9.422.906.134	(3.108.915.112)		6.313.991.022
Claims reported during the period and changes in the estimations of provisions for outstanding claims provided at the beginning of the period	14.723.958.616	(3.829.666.462)		10.894.292.154
Claims paid during the period	(10.204.160.685)	1.990.428.959		(8.213.731.726)
<b>Provision for outstanding claims at the end of the period</b>	<b>13.942.704.065</b>	<b>(4.948.152.615)</b>		<b>8.994.551.450</b>
Reserve for unexpired risk	December 31, 2023			Net
	Gross	Ceded		
Reserve for unexpired risk at the beginning of the period	926.032.086	(128.111.819)		797.920.267
Change in the reserve during the current period	1.318.269.388	(471.020.149)		847.249.239
<b>Reserve for unexpired risk at the end of the period</b>	<b>2.244.301.474</b>	<b>(599.131.968)</b>		<b>1.645.169.506</b>
Reserve for unexpired risk	December 31, 2022			Net
	Gross	Ceded		
Reserve for unexpired risk at the beginning of the period	440.881.633	(179.668.799)		261.212.834
Change in the reserve during the current period	485.150.453	51.556.980		536.707.432
<b>Reserve for unexpired risk at the end of the period</b>	<b>926.032.086</b>	<b>(128.111.819)</b>		<b>797.920.267</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Equalization provision	December 31, 2023	December 31, 2022
Equalization provision at the beginning of the period	512.935.407	332.520.089
Provision deducted during the period	(258.889.026)	--
Provision added during the period	339.066.110	180.415.318
<b>Equalization provision at the end of the period</b>	<b>593.112.491</b>	<b>512.935.407</b>

### Claim development tables

The basic assumption used in the estimation of provisions for outstanding claims is the Company's past experience on claim developments. Judgment is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process, etc., is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the reporting date. Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognized in subsequent unconsolidated financial statements.

Development of insurance liabilities enables to measure the performance of the Company in estimation of its ultimate claim losses. The amounts presented on the top of the below tables show the changes in estimations of the Company for the claims in subsequent years after claim years. The amounts presented on the below of the below tables give the reconciliation of total liabilities with provision for outstanding claims presented in the accompanying unconsolidated financial statements

Claim year	December 31, 2023						Total
	2019	2020	2021	2022	2023		
Claim year	3.084.992.257	3.495.603.368	5.217.227.738	10.924.622.868	38.693.556.119	61.416.002.350	
1 year later	3.263.577.298	4.011.075.019	6.241.608.392	13.376.826.698	--	26.893.087.407	
2 years later	3.382.129.581	4.259.781.610	6.726.519.251	--	--	14.368.430.442	
3 years later	3.504.278.805	4.541.680.778	--	--	--	8.045.959.583	
4 years later	3.742.785.611	--	--	--	--	3.742.785.611	
Current estimate of cumulative claims	3.742.785.611	4.541.680.778	6.726.519.251	13.376.826.698	38.693.556.119	67.081.368.457	
Cumulative payments to date	3.017.796.412	3.422.653.430	5.548.562.331	10.306.549.987	20.697.020.766	42.992.582.926	
Provision recognized in the financial statements	724.989.199	1.119.027.348	1.177.956.921	3.070.276.711	17.996.535.352	24.088.785.531	
Provision recognized in the financial statements before 2015						3.711.224.569	
<b>Total gross outstanding claims presented in the unconsolidated financial statements at the end of the period</b>						<b>27.800.010.100</b>	

Claim year	December 31, 2022						Total
	2018	2019	2020	2021	2022		
Claim year	3.194.260.073	3.143.321.248	3.594.568.789	5.432.111.754	13.440.938.837	28.805.200.701	
1 year later	3.553.850.506	3.325.282.856	4.124.634.164	6.498.683.982	--	17.502.451.508	
2 years later	3.634.911.445	3.446.076.647	4.380.381.986	--	--	11.461.370.078	
3 years later	3.810.833.054	3.570.535.388	--	--	--	7.381.368.442	
4 years later	3.918.415.092	--	--	--	--	3.918.415.092	
Current estimate of cumulative claims	3.918.415.092	3.570.535.388	4.380.381.986	6.498.683.982	13.440.938.837	31.808.955.285	
Cumulative payments to date	3.154.243.953	2.939.197.264	3.281.120.938	4.979.453.622	6.636.287.664	20.990.303.441	
Provision recognized in the financial statements	764.171.139	631.338.123	1.099.261.048	1.519.230.360	6.804.651.174	10.818.651.844	
Provision recognized in the financial statements before 2015						3.124.052.221	
<b>Total gross outstanding claims presented in the unconsolidated financial statements at the end of the period</b>						<b>13.942.704.065</b>	

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023		
	Amount be provided <sup>(*)</sup>	Provided	Net book value
<i>Non-life:</i>			
Financial Assets		2.631.289.711	2.631.289.711
Bank deposits (Note 14)		1.363.261.798	1.363.261.798
<b>Total</b>	<b>2.911.831.817</b>	<b>3.994.551.509</b>	<b>3.994.551.509</b>
	December 31, 2022		
	Amount be provided <sup>(*)</sup>	Provided	Net book value
<i>Non-life:</i>			
Financial Assets		2.055.744.693	2.055.744.693
Bank deposits (Note 14)		1.465.822.315	1.465.822.315
<b>Total</b>	<b>1.061.784.499</b>	<b>3.521.567.008</b>	<b>3.521.567.008</b>

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

### Company's number of life insurance policies, additions, disposals during the period 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.

### Deferred commission expenses

The Company capitalizes commissions paid to the intermediaries related to policy production under short-term and long-term prepaid expenses. As of December 31, 2023, short-term prepaid expenses amounting to TL 3.226.734.435 (December 31, 2022: TL 1.720.207.715) consist of deferred commission expenses amounting to TL 3.042.926.735 (December 31, 2022: TL 1.680.470.721) and other prepaid expenses amounting to TL 183.807.700 (December 31, 2022: TL 39.736.993). Long-term prepaid expenses amounting TL 2.160.700 (December 31, 2022: TL 22.375.330) are composed of other prepaid expenses.

	December 31, 2023	December 31, 2022
Deferred commission expenses at the beginning of the period	1.680.470.721	699.687.677
Commissions accrued during the period (Note:32)	5.926.875.222	3.303.569.050
Commissions expensed during the period	(4.564.419.208)	(2.322.786.006)
<b>Deferred commission expenses at the end of the period<sup>(*)</sup></b>	<b>3.042.926.735</b>	<b>1.680.470.721</b>

<sup>(\*)</sup> Commission expenses that accounted in reinsurance commissions are included

### Individual pension funds

None.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 18 Investment contract liabilities

None.

### 19 Trade and other payables and deferred income

	December 31, 2023	December 31, 2022
Financial liabilities	114.448.918	99.788.802
Payables arising from main operations	5.215.154.669	2.590.936.074
Other payables	658.804.066	368.305.459
Deferred commission income (Note 10)	776.083.577	402.700.486
Taxes and funds payable and other similar obligations	784.810.314	388.233.476
Trade payables to related parties	1.866.445	842.844
<b>Total</b>	<b>7.551.167.989</b>	<b>3.850.807.141</b>
Short-term liabilities	7.455.857.791	3.780.642.377
Medium and long-term liabilities	95.310.198	70.164.764
<b>Total</b>	<b>7.551.167.989</b>	<b>3.850.807.141</b>

As of December 31, 2023, other payables amounting to TL 658.804.066 (December 31, 2022: TL 368.305.459) consist of treatment cost payables to SSI amounting to TL 193.801.941 (December 31, 2022: TL 141.018.246) payables to Tarsim and DASK and outsourced benefits and services amounting to TL 427.923.728 (December 31, 2022: TL 202.336.367 and deposits and guarantees received amounting to TL 37.078.397 (December 31, 2022: TL 24.950.846).

The detail of payables arising from main operations of the Company as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Payables to reinsurance companies (Note 10)	3.272.049.112	1.662.680.697
Payables to agencies, brokers and intermediaries	507.154.918	270.207.684
<b>Total payables arising from insurance operations</b>	<b>3.779.204.030</b>	<b>1.932.888.381</b>
<b>Payables arising from reinsurance activities to reinsurance companies</b>	<b>187.244.739</b>	<b>30.147.694</b>
Payables arising from other operating activities	1.096.093.147	613.581.333
Cash deposited by insurance and reinsurance companies (Note 10)	152.612.753	14.318.666
<b>Payables arising from main operations</b>	<b>5.215.154.669</b>	<b>2.590.936.074</b>

Corporate tax liabilities and prepaid taxes are disclosed below:

	December 31, 2023	December 31, 2022
Prepaid taxes	1.436.128.691	174.012.518
Provision of calculated corporate tax	(1.664.485.864)	(276.782.469)
<b>Corporate tax assets/(liabilities), net</b>	<b>(228.357.173)</b>	<b>(102.769.951)</b>

There are no investment incentives which will be benefited in current and future periods.



## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 20 Financial liabilities

	December 31, 2023	December 31, 2022
Accruals for expenses arising from derivative contracts (Note 13) <sup>(*)</sup>	--	18.749.281
Borrowings from the Takasbank Money Market	--	--
Repurchases	--	--
Liabilities from operating leases (Note 34) <sup>(**)</sup>	114.448.918	81.039.521
<i>Short Term</i>	19.138.720	10.874.757
<i>Long Term</i>	95.310.198	70.164.764
<b>Total</b>	<b>114.448.918</b>	<b>99.788.802</b>

<sup>(\*)</sup> As of December 31, 2023, the company does not have any accrued expenses from derivative contracts (December, 31 2022: TL 18.749.281).

<sup>(\*\*)</sup> As of December 31, 2023, details of the Company's operating leases are disclosed in the note 34 - *Financial costs*.

### 21 Deferred tax

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

	December 31, 2023	December 31, 2022
	Deferred tax assets/(liabilities)	Deferred tax assets/(liabilities)
Valuation differences in financial assets	(82.035.789)	(130.001.059)
Equalization provision	78.127.626	83.331.228
Other provision	128.693.026	18.515.037
Provisions for unexpired risk	493.550.852	199.480.067
Provisions for employee termination benefits and unused vacations	43.998.588	28.632.042
Provision for subrogation receivables	47.043.478	14.672.496
Discount of receivables and payables	5.185.561	10.644.128
TAS adjustment differences in depreciation	34.560.335	(22.111.657)
Subrogation receivables recognized as income from third parties	--	(14.606.398)
Real estate valuation	(41.611.651)	(41.302.445)
<b>Deferred tax assets/(liabilities), net</b>	<b>707.512.026</b>	<b>147.253.439</b>

As of December 31, 2023, the Company has not deductible tax losses (December 31, 2022: None).

The movement of deferred tax assets table:

	December 31, 2023	December 31, 2022
<b>Opening balance at 1 January</b>	<b>147.253.439</b>	<b>77.664.337</b>
Recognised in profit or loss (Note 35)	738.388.265	233.163.298
Recognised in equity	(109.592.594)	(129.963.318)
Cancellation corporate tax provision <sup>(*)</sup>	(68.537.084)	(33.610.878)
<b>Deferred tax asset</b>	<b>707.512.026</b>	<b>147.253.439</b>

<sup>(\*)</sup> Cancellation of corporate tax provision is included in deferred tax income.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 22 Retirement benefit obligations

Employees of the Company are the members of “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 a 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, the three-year period was extended to the May 8, 2015.

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 20th 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. The date of the transfer of the first paragraph of Article 4 of this law pension fund contributors as are considered insured.

According to this arrangement the bank within the scope of Act 506, article No.20, insurance and reinsurance companies, chambers of commerce, industry chambers, stock exchanges or associations which constitute their union personnel and associates of funds are required to be transferred until May 8, 2015 to Social Security Administration, authority to determine the date of transfer is given the Council of Ministers thus the transfer of the funds has been postponed to an unknown date.

### 23 Other liabilities and provisions

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

	December 31, 2023	December 31, 2022
Provision for employee termination benefits	137.249.863	104.972.836
Provision for unused vacation pay liability	22.210.647	11.902.903
<b>Total provision for other risks</b>	<b>159.460.510</b>	<b>116.875.739</b>
	December 31, 2023	December 31, 2022
Provision for agency award	77.139.109	69.826.442
Provision for guarantee account	58.455.043	42.888.286
Provision for employee bonus	100.000.000	76.400.000
Provision for sliding scale commission (Note 10)	35.383.333	12.955.729
Provision for traffic and TKU pool	28.162.564	15.565.975
Provision for excess of claim contract substitution premium	120.939.645	23.923.100
Provision for bank expense	6.750.000	2.500.000
Provision for reinsurance activities	5.289.860	4.046.948
Other provisions	37.880.620	3.086.862
<b>Prepaid income and expense accruals</b>	<b>470.000.174</b>	<b>251.193.342</b>

The movements of provision for employee termination benefits during the period are presented below:

	December 31, 2023	December 31, 2022
Provision for employee termination benefits at the beginning of the period	<b>104.972.836</b>	<b>43.194.480</b>
Interest cost (Note 47)	24.752.595	9.697.161
Service cost (Note 47)	3.274.244	1.975.422
Payments made during the period (Note 47)	(41.383.408)	(3.209.890)
Actuarial difference	45.633.596	53.315.663
<b>Provision for employee termination benefits at the end of the period</b>	<b>137.249.863</b>	<b>104.972.836</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 24 Net insurance premium

Net insurance premium revenue is presented in detailed in the accompanying unconsolidated statement of income.

### 25 Fee revenue

None.

### 26 Investment income

Investment income is presented in "Note 4.2 – Financial Risk Management".

### 27 Net income accrual on financial assets

Net realized gains on financial assets are presented in "Note 4.2 – Financial Risk Management".

### 28 Assets held at fair value through profit or loss

Presented in "Note 4.2 – Financial Risk Management".

### 29 Insurance rights and claims

	January 1 - December 31, 2023	January 1 - December 31, 2022
Claims paid, net off reinsurers' share	14.858.749.932	8.213.731.726
Changes in provision for unearned premiums, net off reinsurers' share	8.319.864.844	6.261.143.437
Changes in provision for outstanding claims, net off reinsurers' share	6.297.208.801	2.680.560.428
Changes in provision for bonus and discounts, net off reinsurers' share	--	--
Change in equalization provisions	80.177.084	180.415.318
Changes in reserve for unexpired risks, net off reinsurers' share	847.249.239	536.707.433
<b>Total</b>	<b>30.403.249.900</b>	<b>17.872.558.342</b>

### 30 Investment contract benefits

None.

### 31 Other expenses

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

### 32 Operating expenses

As of December 31, 2023 and 2022 the operating expenses are disclosed as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Commission expenses (Note 17)	3.878.782.172	1.855.145.149
Commissions to intermediaries accrued during the period (Note 17)	5.141.604.918	2.760.396.074
Change in deferred commission expenses (Note 17)	(1.262.822.746)	(905.250.925)
Employee benefit expenses (Note 33)	1.445.544.815	683.937.862
Administration expenses	857.404.008	433.381.015
Advertising and marketing expenses	145.187.404	66.852.766
Outsourced benefits and services	230.746.522	48.434.483
Commission income from reinsurers (Note 10)	(1.141.329.185)	(603.082.812)
Commission income from reinsurers accrued during the period (Note 10)	(1.514.712.277)	(774.523.556)
Change in deferred commission income (Note 10)	373.383.092	171.440.744
Commission expense from reinsurance activities (Note 10)	685.637.036	467.640.857
Commission expense from reinsurance activities (Note 10, 17)	785.270.304	543.172.976
Change in deferred commission expense (Note 10)	(99.633.268)	(75.532.119)
<b>Total</b>	<b>6.101.972.772</b>	<b>2.952.309.320</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 33 Employee benefits expenses

	January 1 - December 31, 2023	January 1 - December 31, 2022
Wages and salaries	1.014.907.952	480.037.460
Insurance payments	325.223.140	150.505.944
Other	105.413.723	53.394.458
<b>Total</b>	<b>1.445.544.815</b>	<b>683.937.862</b>

### 34 Financial costs

As of December 31, 2023 TL 24.113.027 TL interest expense and TL 21.128.948 amortisation expense arising from leases which are the subject to *IFRS 16 Leases*, have recognised as "Investment Management Expenses - Inc. Interest" and "Depreciation and Amortisation Expenses" respectively in the accompanying unconsolidated financial statements (January 1 - December 31, 2022: TL 16.082.780 and TL 11.415.499).

As of December 31, 2023 and 2022, discounted reimbursement plan for operating leases of the Company's are as follows:

	December 31, 2023	December 31, 2022
Up to 1 year	19.138.720	10.874.757
1 to 2 years	21.909.694	13.109.623
2 to 3 years	19.945.926	14.424.088
3 to 4 years	23.934.707	11.496.141
4 to 5 years	29.519.871	13.882.826
Over 5 years	--	17.252.086
<b>Total</b>	<b>114.448.918</b>	<b>81.039.521</b>

### 35 Income tax

Income tax expense items in the accompanying unconsolidated financial statements are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
<b>Corporate tax expense provision:</b>		
Corporate tax provision	(1.664.485.864)	(276.782.469)
<b>Deferred taxes:</b>		
Origination and reversal of temporary differences	669.851.181	199.552.420
Previous period corporation tax closure <sup>(*)</sup>	68.537.084	33.610.878
<b>Total income tax expense recognised in profit or loss</b>	<b>(926.097.599)</b>	<b>(43.619.171)</b>

<sup>(\*)</sup>The Corporate Tax Provision Closure is presented in the "Provisions Account".

For the period then ended as of December 31, 2023 and 2022, a reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate are as follows:

	December 31, 2023		December 31, 2022	
		Tax rate (%)		Tax rate (%)
<b>Profit before tax</b>	<b>6.835.494.306</b>		<b>1.176.820.477</b>	
Taxes on income per statutory tax rate	2.050.648.292	30	294.205.119	25
Tax exempt income	(1.036.027.292)	(15,16)	(262.809.028)	(21,72)
Non-deductible expenses	21.495.899	0,31	12.223.080	1,04
Effect of change in tax rate	(110.019.300)	(1,61)	(7.185.776)	(0,61)
<b>Total tax income recognized in profit or loss</b>	<b>926.097.599</b>	<b>13,55</b>	<b>43.619.171</b>	<b>3,71</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 36 Net foreign Exchange gains

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

### 37 Earnings per share

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

	January 1 – December 31, 2023	January 1 – December 31, 2022
Net profit/(loss) for the period	5.909.396.707	1.133.201.306
Weighted average number of shares	50.000.000.000	50.000.000.000
Earnings/loss per share (TL)	0,1182	0,0227

### 38 Dividends per share

No cash dividend payment to shareholders in 2023 (December 31, 2022:None).

### 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

In the normal course of its operations, the Company 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 Company are provided under provision for outstanding claims in the accompanying unconsolidated financial statements.

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

As of December 31, 2023, ongoing law suits prosecuted by the Company against the third parties amounting TL 2.121.300.741 (December 31, 2022: TL 1.066.326.082).

### 43 Commitments

The details of the guarantees that are given by the Company for the operations in non-life branches are presented in *Note 17*.

### 44 Business combinations

None.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 45 Related party transactions

The ultimate controlling party of the Company is İş Bankası Group and the groups having direct control over İş Bankası Group and the affiliates and associates of İş Bankası Group are defined as related parties of the Company.

The related party balances as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
İş Bankası – cash in banks <sup>(*)</sup>	2.031.901.279	3.458.322.056
Türkiye Sınai Kalkınma Bankası – cash in banks	--	309
İş Yatırım Menkul Değerler – cash in banks	--	--
<b>Banks</b>	<b>2.031.901.279</b>	<b>3.458.322.365</b>
Investment funds issued by Türkiye İş Bankası A.Ş. (Note 11)	10.242.835	--
Investment funds founded by İş Portföy Yönetimi A.Ş. (Note 11)	6.586.598.907	609.422.500
Investment funds issued by Maxis Girişim Sermayesi Portföy Yönetimi A.Ş. (Note 11)	152.761.591	374.517.618
<b>Financial assets</b>	<b>6.749.603.333</b>	<b>983.940.118</b>
İş Bankası – receivables stem from premiums written via the Bank	1.002.618.714	522.652.420
İş Bankası – credit card receivables	453.841.023	413.633.747
<i>Maturities less than three months</i>	264.215.130	258.801.121
<i>Maturities more than three months</i>	189.625.893	154.832.626
Receivables stems from premiums written via Şişecam Sigorta Aracılık Hiz. A.Ş.	20.709.690	16.543.713
Anadolu Hayat Emeklilik A.Ş. – premium receivables	391.963	98.063
<b>Receivables from main operations</b>	<b>1.931.402.413</b>	<b>952.927.943</b>
Milli Reasürans T.A.Ş.- payables from reinsurance operations	(114.713.391)	130.234.500
İş Bankası – commission payables	94.661.046	50.390.323
Şişecam Sigorta Aracılık Hizmetleri A.Ş. - commission payables	2.698.999	3.011.476
<b>Payables from main operations</b>	<b>(17.353.346)</b>	<b>183.636.299</b>

<sup>(\*)</sup> The amount of FX-protected deposits balance TL 2.312.218.239 is excluded.

No guarantees have been taken against receivables from related parties.

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

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

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

The Company has accrued TL 1.140.607.724 premium (December 31, 2022: TL 411.646.747) for related party policies in 2023. The transactions with related parties during the period ended December 31, 2023 and 2022 are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
İş Bankası – premiums written via the Bank	5.987.016.099	3.121.012.265
Premiums written via Şişecam Sigorta Aracılık Hizmetleri A.Ş.	96.897.095	53.429.139
Anadolu Hayat Emeklilik A.Ş - premiums written	46.150.057	16.038.003
Milli Reasürans T.A.Ş.	3.130.067	1.197.118
<b>Premiums written</b>	<b>6.133.193.318</b>	<b>3.191.676.525</b>
Milli Reasürans T.A.Ş	(1.142.440.505)	(573.887.062)
<b>Premiums written, ceded</b>	<b>(1.142.440.505)</b>	<b>(573.887.062)</b>
İş Bankası – interest income from deposits	755.240.458	68.140.847
İş Portföy Yönetimi – income from investment funds	369.280.455	241.499.055
Türkiye Sınai Kalkınma Bankası – income from bonds	173.900.693	32.548.995
Türkiye İş Bankası – income from bonds	720.857	12.644.199
İş Faktöring A.Ş – income from bonds	39.530	--
İş Finansal Kiralama- income from bonds	--	95.104
İş Gayrimenkul Yatırım Ortaklığı A.Ş.. income from bonds	--	--
Yatırım Finansman Menkul Değerler A.Ş. income from bonds	--	190.950
Yatırım Varlık Kiralama income from bonds	--	2.465.691
<b>Investment income</b>	<b>1.299.181.993</b>	<b>357.584.841</b>
Türkiye İş Bankası A.Ş – commission expense	(594.443.143)	(310.993.757)
Şişecam Sigorta Aracılık Hizmetleri A.Ş. – commission expense	(18.830.775)	(10.704.660)
Anadolu Hayat Emeklilik A.Ş – commission expense	(451.052)	(59.276)
Milli Reasürans T.A.Ş- commission expense	249.379.975	124.313.641
<b>Operating expenses, net</b>	<b>(364.344.995)</b>	<b>(197.444.052)</b>
Anadolu Hayat ve Emeklilik A.Ş – rent income	309.025	214.863
<b>Other income</b>	<b>309.025</b>	<b>214.863</b>
İş Merkezleri Yönetim ve İşletim A.Ş. –service cost	(25.997.630)	(19.472.024)
İş Gayrimenkul Yatırım Ortaklığı A.Ş. – TFRS 16 interest expense	--	--
Anadolu Anonim Türk Sigorta Şirketi Memurları Emekli Sandığı ve Dayanışma Vakfı – TFRS 16 interest expense	(14.034.408)	(9.357.317)
İş Portföy Yönetimi – management commission	(1.103.853)	(701.937)
İş Portföy Yönetimi – performance commission	(27.584.038)	(10.562.150)
Yatırım Finansman Menkul Değerler – management commission	--	(1.684.288)
Yatırım Finansman Menkul Değerler – performance commission	(401.764)	(247.100)
<b>Other expense</b>	<b>(69.121.693)</b>	<b>(42.024.816)</b>

### 46 Events after the reporting date

With the official gazette decision dated December 29, 2023 and numbered 32414 made by SEDDK, the mandatory effective date of TFRS 17 has been postponed to accounting periods beginning on or after January 1, 2025.

## CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 47 Other

**Items and amounts classified under the “other” account in financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet**

They are presented in the related notes above.

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

None.

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

None.

**Real rights on properties and their values**

None.

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

None.

**Fees for services received from Independent Auditor/Independent audit firm**

	December 31, 2023	December 31, 2022
Independent audit fee for reporting period	3.614.590	424.263
<b>Total</b>	<b>3.614.590</b>	<b>424.263</b>

**Information on other technical expenses items in income statement**

The part of amounting to TL 823.140.641 (December 31, 2022: TL 486.688.818) of other technical expenses in the statement of income amounting to TL 201.598.844 (December 31, 2022: TL 226.713.763) comprised of assistance services and their other technical expenses and cost of postponed.

**For the periods ended December 31, 2023 and 2022, details of discount and provision expenses are as follows**

Provision expenses	January 1 - December 31, 2023	January 1 - December 31, 2022
Provisions no longer required income/(expense)	2.722.230	972.046
Provision expense for unused vacation (Note 23)	(10.307.744)	(6.370.538)
Provision expense for employee termination benefits (Note 23)	13.356.569	(8.462.693)
Provision expense for doubtful receivables (Note 4.2)	(286.029.821)	(191.475.803)
Other provisions (Note 23)	(1.242.912)	(614.856)
<b>Provisions account</b>	<b>(281.501.678)</b>	<b>(205.951.844)</b>
Rediscount expenses	January 1 - December 31, 2023	January 1 - December 31, 2022
Rediscount income	484.764.227	83.531.581
Rediscount expense	(538.930.185)	(147.446.233)
<b>Total of rediscounts</b>	<b>(54.165.958)</b>	<b>(63.914.652)</b>



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

## INFORMATION ON CONSOLIDATED SUBSIDIARIES

### ANADOLU HAYAT EMEKLİLİK A.Ş.

Anadolu Hayat Emeklilik A.Ş. Offering service in private pension and life insurance segments, Anadolu Hayat Emeklilik was founded in 1990 as “Turkey’s first life insurance company”.

The first and only publicly-traded pension company in Turkey, Anadolu Hayat Emeklilik is the largest company among the privately-owned companies in the sector in terms of total funds attained in life insurance and private pension branches.

Headquartered in İstanbul, Anadolu Hayat Emeklilik brings its products to its customers via regional offices in İstanbul (3), Ankara (2), Adana, Antalya, Bursa, Trabzon, İzmir, Kocaeli and Diyarbakır, and a branch in the Turkish Republic of Northern Cyprus, direct sales force, and nearly 374 agencies.

Anadolu Hayat Emeklilik possesses the most extensive bank insurance network in Turkey. The company uses the branches in its bancassurance network, mainly the branches of İşbank, as a fundamental element of its service delivery.

A subsidiary of İşbank, Anadolu Hayat Emeklilik’s shares are quoted on the Borsa İstanbul (BIST) Star Market under the symbol (ANHYT).

The company stands out among the pension companies in the sector with TL 126.9 billion in life and private pension (excluding autoenrollment) funds, 1.68 million in the number of individual pension contracts and certificates (excluding auto-enrollment), and in total assets with TL 162.7 billion.

Premium production on life insurance grew by 101% year-over-year to TL 7.07 billion.

According to the Pension Monitoring Center (PMC) data dated 31 December 2023, Anadolu Hayat Emeklilik achieved 77% growth in total funds (excluding auto-enrollment, including state contribution) in the twelve months to year-end 2023. Having reached TL 126.9 billion in total funds including state contribution funds and 1,427,977 people in the number of participants, Anadolu Hayat Emeklilik is a leading player in the sector with respective market shares of 18% and 16% in total funds including state contribution funds and number of participants.

Total unconsolidated assets of Anadolu Hayat Emeklilik were up 80% year-to-year and reached TL 162.7 billion at year end 2023. Posting TL 3.63 billion in net profit, the company successfully completed yet another year in terms of sustainable profitability.

# BAĞIMSIZ DENETÇİ RAPORU



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

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

## BAĞIMSIZ DENETÇİ RAPORU



ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**CONSOLIDATED FINANCIAL STATEMENTS PREPARED  
AS OF DECEMBER 31, 2023**

We confirm that the consolidated financial statements and related disclosures and notes for the as of December 31, 2023 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the “Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies” and the financial records of our Company.

İstanbul, February 7, 2024



Füsun TÜMSAVAŞ  
Chairperson of the Board



Prof. Dr. Ayşegül TOKER  
Board Member  
Audit Committee Chair



Prof. Dr. Dilek DEMİRBAŞ  
Board Member  
Audit Committee Member



Zekai Mehmet TUĞTAN  
Chief Executive Officer



İbrahim Erdem ESENKAYA  
Executive Vice  
President of Finance



Barboros Levent BOZKURTAN  
Accounting  
Reporting Manager



İbrahim ÇAKIR  
Actuary

## Contents

<b>CONSOLIDATED BALANCE SHEET</b>	<b>222-226</b>
<b>CONSOLIDATED STATEMENT OF INCOME</b>	<b>227-229</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>230</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOW</b>	<b>232</b>
<b>CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION</b>	<b>233</b>
<b>CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS</b>	<b>234-167</b>
NOTE 1 GENERAL INFORMATION	234
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	236
NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES	257
NOTE 4 MANAGEMENT OF INSURANCE AND FINANCIAL RISK	258
NOTE 5 SEGMENT REPORTING	270
NOTE 6 TANGIBLE ASSETS	273
NOTE 7 INVESTMENT PROPERTIES	274
NOTE 8 INTANGIBLE ASSETS	275
NOTE 9 INVESTMENTS IN ASSOCIATES	276
NOTE 10 REINSURANCE ASSETS AND LIABILITIES	276
NOTE 11 FINANCIAL ASSETS	277
NOTE 12 LOANS AND RECEIVABLES	281
NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS	282
NOTE 14 CASH AND CASH EQUIVALENTS	282
NOTE 15 EQUITY	283
NOTE 16 OTHER RESERVES AND EQUITY COMPONENT OF DISCRETIONARY PARTICIPATION FEATURE	285
NOTE 17 INSURANCE CONTRACT LIABILITIES AND REINSURANCE ASSETS	285
NOTE 18 INVESTMENT CONTRACT LIABILITIES	290
NOTE 19 TRADE AND OTHER PAYABLES AND DEFERRED INCOME	290
NOTE 20 FINANCIAL LIABILITIES	291
NOTE 21 DEFERRED TAX	291
NOTE 22 RETIREMENT BENEFIT OBLIGATIONS	292
NOTE 23 OTHER LIABILITIES AND PROVISIONS	292
NOTE 24 NET INSURANCE PREMIUM	293
NOTE 25 FEE REVENUE	293
NOTE 26 INVESTMENT INCOME	293
NOTE 27 NET INCOME ACCRUAL ON FINANCIAL ASSETS	293
NOTE 28 ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS	293
NOTE 29 INSURANCE RIGHTS AND CLAIMS	293
NOTE 30 INVESTMENT CONTRACT BENEFITS	293
NOTE 31 OTHER EXPENSES	293
NOTE 32 OPERATING EXPENSES	293
NOTE 33 EMPLOYEE BENEFITS EXPENSES	294
NOTE 34 FINANCIAL COSTS	294
NOTE 35 INCOME TAX	294
NOTE 36 NET FOREIGN EXCHANGE GAINS	295
NOTE 37 EARNINGS PER SHARE	295
NOTE 38 DIVIDENDS PER SHARE	295
NOTE 39 CASH GENERATED FROM OPERATIONS	295
NOTE 40 CONVERTIBLE BONDS	295
NOTE 41 REDEEMABLE PREFERENCE SHARES	295
NOTE 42 RISKS	295
NOTE 43 COMMITMENTS	295
NOTE 44 BUSINESS COMBINATIONS	295
NOTE 45 RELATED PARTY TRANSACTIONS	296
NOTE 46 EVENTS AFTER THE REPORTING DATE	297
NOTE 47 OTHER	298

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**CONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

<b>ASSETS</b>			
	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>I- Current Assets</b>			
<b>A- Cash and Cash Equivalents</b>	<b>14</b>	<b>11.302.917.518</b>	<b>9.253.297.690</b>
1- Cash	14	162.771	154.985
2- Cheques Received		--	--
3- Banks	14	7.850.389.227	7.466.091.175
4- Cheques Given and Payment Orders	14	(3.167)	(14.481)
5- Bank Guaranteed Credit Card Receivables with Maturities Less Than Three Months	14	3.452.368.687	1.787.066.011
6- Other Cash and Cash Equivalents		--	--
<b>B- Financial Assets and Financial Investments with Risks on Policyholders</b>	<b>11</b>	<b>24.169.488.129</b>	<b>10.086.354.373</b>
1- Available-for-Sale Financial Assets	11	10.063.692.677	7.341.058.220
2- Held to Maturity Investments	11	329.439.782	379.792.253
3- Financial Assets Held for Trading	11	13.776.355.670	2.365.503.900
4- Loans and Receivables		--	--
5- Provision for Loans and Receivables		--	--
6- Financial Investments with Risks on Saving Life Policyholders		--	--
7- Company's Own Equity Shares		--	--
8- Impairment in Value of Financial Investments		--	--
<b>C- Receivables from Main Operations</b>	<b>12</b>	<b>14.425.369.273</b>	<b>6.694.028.834</b>
1- Receivables from Insurance Operations	12	11.680.484.442	5.267.808.104
2- Provision for Receivables from Insurance Operations	2.21,12	(156.811.592)	(58.689.982)
3- Receivables from Reinsurance Operations	12	1.858.769.031	890.104.434
4- Provision for Receivables from Reinsurance Operations		--	--
5- Cash Deposited to Insurance and Reinsurance Companies	12	1.042.927.392	594.806.278
6- Loans to the Policyholders		--	--
7- Provision for Loans to the Policyholders		--	--
8- Receivables from Individual Pension Operations		--	--
9- Doubtful Receivables from Main Operations	12	1.024.803.971	741.496.380
10- Provision for Doubtful Receivables from Main Operations	12	(1.024.803.971)	(741.496.380)
<b>D- Due from Related Parties</b>		<b>--</b>	<b>--</b>
1- Due from Shareholders		--	--
2- Due from Associates		--	--
3- Due from Subsidiaries		--	--
4- Due from Joint Ventures		--	--
5- Due from Personnel		--	--
6- Due from Other Related Parties		--	--
7- Rediscount on Receivables from Related Parties		--	--
8- Doubtful Receivables from Related Parties		--	--
9- Provision for Doubtful Receivables from Related Parties		--	--
<b>E- Other Receivables</b>	<b>12</b>	<b>97.703.480</b>	<b>39.420.307</b>
1- Finance Lease Receivables		--	--
2- Unearned Finance Lease Interest Income		--	--
3- Deposits and Guarantees Given		119.339	54.339
4- Other Miscellaneous Receivables		97.584.141	39.365.968
5- Rediscount on Other Miscellaneous Receivables		--	--
6- Other Doubtful Receivables		--	--
7- Provision for Other Doubtful Receivables		--	--
<b>F- Prepaid Expenses and Income Accruals</b>		<b>3.278.475.974</b>	<b>1.733.107.516</b>
1- Prepaid Expenses	17	3.226.734.435	1.720.207.715
2- Accrued Interest and Rent Income		--	--
3- Income Accruals	12	43.567.096	12.873.895
4- Other Prepaid Expenses		8.174.443	25.906
<b>G- Other Current Assets</b>		<b>107.114.759</b>	<b>33.127.775</b>
1- Stocks to be Used in the Following Months		1.617.545	2.716.850
2- Prepaid Taxes and Funds		--	--
3- Deferred Tax Assets		--	--
4- Job Advances	4.2,12	105.460.876	30.410.925
5- Advances Given to Personnel		36.338	--
6- Inventory Count Differences		--	--
7- Other Miscellaneous Current Assets		--	--
8- Provision for Other Current Assets		--	--
<b>I- Current Assets</b>		<b>53.381.069.133</b>	<b>27.839.336.495</b>

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



ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**CONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

<b>ASSETS</b>			
	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>II- Non-Current Assets</b>			
<b>A- Receivables from Main Operations</b>			
1- Receivables from Insurance Operations		--	--
2- Provision for Receivables from Insurance Operations		--	--
3- Receivables from Reinsurance Operations		--	--
4- Provision for Receivables from Reinsurance Operations		--	--
5- Cash Deposited for Insurance and Reinsurance Companies		--	--
6- Loans to the Policyholders		--	--
7- Provision for Loans to the Policyholders		--	--
8- Receivables from Individual Pension Business		--	--
9- Doubtful Receivables from Main Operations		--	--
10- Provision for Doubtful Receivables from Main Operations		--	--
<b>B- Due from Related Parties</b>			
1- Due from Shareholders		--	--
2- Due from Associates		--	--
3- Due from Subsidiaries		--	--
4- Due from Joint Ventures		--	--
5- Due from Personnel		--	--
6- Due from Other Related Parties		--	--
7- Rediscount on Receivables from Related Parties		--	--
8- Doubtful Receivables from Related Parties		--	--
9- Provision for Doubtful Receivables from Related Parties		--	--
<b>C- Other Receivables</b>			
1- Finance Lease Receivables	12	324.555	324.555
2- Unearned Finance Lease Interest Income		--	--
3- Deposits and Guarantees Given	12	324.555	324.555
4- Other Miscellaneous Receivables		--	--
5- Rediscount on Other Miscellaneous Receivables		--	--
6- Other Doubtful Receivables		--	--
7- Provision for Other Doubtful Receivables		--	--
<b>D- Financial Assets</b>			
1- Investments in Equity Shares		--	--
2- Investments in Associates	9	1.289.891.512	693.241.368
3- Capital Commitments to Associates		--	--
4- Investments in Subsidiaries		--	--
5- Capital Commitments to Subsidiaries		--	--
6- Investments in Joint Ventures		--	--
7- Capital Commitments to Joint Ventures		--	--
8- Financial Assets and Financial Investments with Risks on Policyholders		--	--
9- Other Financial Assets		--	--
10- Impairment in Value of Financial Assets		--	--
<b>E- Tangible Assets</b>			
1- Investment Properties	6,7	382.446.000	244.385.000
2- Impairment for Investment Properties		--	--
3- Owner Occupied Property	6	80.104.000	58.465.000
4- Machinery and Equipment	6	188.791.920	138.654.988
5- Furniture and Fixtures	6	23.458.824	19.551.052
6- Motor Vehicles	6	8.702.534	8.702.534
7- Other Tangible Assets (Including Leasehold Improvements)	6	44.763.190	36.384.889
8- Tangible Assets Acquired Through Finance Leases	6	147.307.025	98.988.793
9- Accumulated Depreciation	6	(221.054.786)	(172.957.717)
10- Advances Paid for Tangible Assets (Including Construction in Progress)		--	--
<b>F- Intangible Assets</b>			
1- Rights	8	142	142
2- Goodwill	8	16.250.000	16.250.000
3- Pre-operating Expenses		--	--
4- Research and Development Costs	8	18.657.453	896.749
5- Other Intangible Assets	8	464.382.154	415.754.935
6- Accumulated Amortization	8	(379.806.512)	(307.881.996)
7- Advances Paid for Intangible Assets	8	226.557.912	154.671.670
<b>G- Prepaid Expenses and Income Accruals</b>			
1- Prepaid Expenses	17	2.160.700	22.375.330
2- Income Accruals		--	--
3- Other Prepaid Expenses and Income Accruals		--	--
<b>H- Other Non-Current Assets</b>			
1- Effective Foreign Currency Accounts		--	--
2- Foreign Currency Accounts		--	--
3- Stocks to be Used in the Following Years		--	--
4- Prepaid Taxes and Funds		--	--
5- Deferred Tax Assets	21	707.512.026	147.253.439
6- Other Miscellaneous Non-Current Assets		--	--
7- Amortization on Other Non-Current Assets		--	--
8- Provision for Other Non-Current Assets		--	--
<b>II- Total Non-Current Assets</b>		<b>3.000.448.649</b>	<b>1.575.060.731</b>
<b>TOTAL ASSETS</b>		<b>56.381.517.782</b>	<b>29.414.397.226</b>

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**CONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

<b>LIABILITIES</b>			
	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>III- Short-Term Liabilities</b>			
<b>A- Financial Liabilities</b>	<b>6,20</b>	<b>19.138.720</b>	<b>29.624.038</b>
1- Loans to Financial Institutions		--	--
2- Finance Lease Liabilities		--	--
3- Deferred Leasing Costs		--	--
4- Current Portion of Long Term Debts		--	--
5- Principal Instalments and Interests on Bonds Issued		--	--
6- Other Financial Assets Issued		--	--
7- Valuation Differences of Other Financial Assets Issued		--	--
8- Other Financial Liabilities	6,20	19.138.720	29.624.038
<b>B- Payables Arising from Main Operations</b>	<b>19</b>	<b>5.215.154.669</b>	<b>2.590.936.074</b>
1- Payables Due to Insurance Operations	19	3.779.204.030	1.932.888.381
2- Payables Due to Reinsurance Operations	19	187.244.739	30.147.694
3- Cash Deposited by Insurance and Reinsurance Companies	10,19	152.612.753	14.318.666
4- Payables Due to Individual Pension Operations		--	--
5- Payables Due to Other Main Operations	19	1.098.325.737	615.562.351
6- Rediscount on Payables from Other Main Operations	19	(2.232.590)	(1.981.018)
<b>C- Due to Related Parties</b>	<b>19</b>	<b>1.866.445</b>	<b>842.844</b>
1- Due to Shareholders		36.840	36.840
2- Due to Associates		--	--
3- Due to Subsidiaries		--	--
4- Due to Joint Ventures		--	--
5- Due to Personnel		1.829.605	806.004
6- Due to Other Related Parties		--	--
<b>D- Other Payables</b>	<b>19</b>	<b>658.804.066</b>	<b>368.305.459</b>
1- Deposits and Guarantees Received		37.078.397	24.950.846
2- Medical Treatment Payables to Social Security Institution		209.150.205	146.358.652
3- Other Miscellaneous Payables		427.923.728	202.336.367
4- Discount on Other Miscellaneous Payables		(15.348.264)	(5.340.406)
<b>E- Insurance Technical Provisions</b>	<b>17</b>	<b>35.377.705.520</b>	<b>19.912.327.691</b>
1- Reserve for Unearned Premiums - Net	17	18.440.775.763	10.119.855.974
2- Reserve for Unexpired Risks - Net	2,26,17	1.645.169.506	797.920.267
3- Mathematical Provisions - Net		--	--
4- Provision for Outstanding Claims - Net	4,1, 17	15.291.760.251	8.994.551.450
5- Provision for Bonus and Discounts - Net		--	--
6- Other Technical Provisions - Net		--	--
<b>F- Provisions for Taxes and Other Similar Obligations</b>	<b>19</b>	<b>784.810.314</b>	<b>388.233.476</b>
1- Taxes and Funds Payable		515.634.901	266.218.388
2- Social Security Premiums Payable		40.818.240	19.245.137
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		--	--
4- Other Taxes and Similar Payables		--	--
5- Corporate Tax Payable	35	1.664.485.864	276.782.469
6- Prepaid Taxes and Other Liabilities Regarding Current Period Income	19	(1.436.128.691)	(174.012.518)
7- Provisions for Other Taxes and Similar Liabilities		--	--
<b>G- Provisions for Other Risks</b>		--	--
1- Provision for Employee Termination Benefits		--	--
2- Provision for Pension Fund Deficits		--	--
3- Provisions for Costs		--	--
<b>H- Deferred Income and Expense Accruals</b>		<b>1.247.685.651</b>	<b>654.944.865</b>
1- Deferred Income	19	776.083.577	402.700.486
2- Expense Accruals	23	470.000.174	251.193.342
3- Other Deferred Income and Expense Accruals		1.601.900	1.051.037
<b>I- Other Short-Term Liabilities</b>	<b>23</b>	<b>22.210.647</b>	<b>11.902.903</b>
1- Deferred Tax Liabilities		--	--
2- Inventory Count Differences		--	--
3- Other Various Short-Term Liabilities	23	22.210.647	11.902.903
<b>III - Total Short-Term Liabilities</b>		<b>43.327.376.032</b>	<b>23.957.117.350</b>

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**CONSOLIDATED BALANCE SHEET  
AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

<b>LIABILITIES</b>			
<b>IV- Long-Term Liabilities</b>	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>A- Financial Liabilities</b>	<b>6,20</b>	<b>95.310.198</b>	<b>70.164.764</b>
1- Loans to Financial Institutions		--	--
2- Finance Lease Liabilities		--	--
3- Deferred Leasing Costs		--	--
4- Bonds Issued		--	--
5- Other Financial Assets Issued		--	--
6- Valuation Differences of Other Financial Assets Issued		--	--
7- Other Financial Liabilities	6,20	95.310.198	70.164.764
<b>B- Payables Arising from Main Operations</b>		<b>--</b>	<b>--</b>
1- Payables Due to Insurance Operations		--	--
2- Payables Due to Reinsurance Operations		--	--
3- Cash Deposited by Insurance and Reinsurance Companies		--	--
4- Payables Due to Individual Pension Operations		--	--
5- Payables Due to Other Operations		--	--
6- Rediscount on Payables from Other Operations		--	--
<b>C- Due to Related Parties</b>		<b>--</b>	<b>--</b>
1- Due to Shareholders		--	--
2- Due to Associates		--	--
3- Due to Subsidiaries		--	--
4- Due to Joint Ventures		--	--
5- Due to Personnel		--	--
6- Due to Other Related Parties		--	--
<b>D- Other Payables</b>		<b>--</b>	<b>--</b>
1- Deposits and Guarantees Received		--	--
2- Medical Treatment Payables to Social Security Institution		--	--
3- Other Miscellaneous Payables		--	--
4- Discount on Other Miscellaneous Payables		--	--
<b>E-Insurance Technical Provisions</b>	<b>17</b>	<b>604.446.145</b>	<b>525.324.006</b>
1- Reserve for Unearned Premiums - Net	17	3.630.894	4.685.839
2- Reserve for Unexpired Risks - Net		--	--
3- Mathematical Provisions - Net		--	--
4- Provision for Outstanding Claims - Net		--	--
5- Provision for Bonus and Discounts - Net		--	--
6- Other Technical Provisions - Net	17	600.815.251	520.638.167
<b>F-Other Liabilities and Relevant Accruals</b>		<b>--</b>	<b>--</b>
1- Other Liabilities		--	--
2- Overdue, Deferred or By Instalment Taxes and Other Liabilities		--	--
3- Other Liabilities and Expense Accruals		--	--
<b>G- Provisions for Other Risks</b>	<b>23</b>	<b>137.249.863</b>	<b>104.972.836</b>
1- Provision for Employee Termination Benefits	23	137.249.863	104.972.836
2- Provision for Pension Fund Deficits		--	--
<b>H-Deferred Income and Expense Accruals</b>		<b>--</b>	<b>--</b>
1- Deferred Income		--	--
2- Expense Accruals		--	--
3- Other Deferred Income and Expense Accruals		--	--
<b>I- Other Long-Term Liabilities</b>		<b>--</b>	<b>--</b>
1- Deferred Tax Liabilities		--	--
2- Other Long-Term Liabilities		--	--
<b>IV- Total Long-Term Liabilities</b>		<b>837.006.206</b>	<b>700.461.606</b>

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**CONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

<b>EQUITY</b>			
<b>V- Equity</b>	<b>Note</b>	<b>Audited Current Period December 31, 2023</b>	<b>Audited Prior Period December 31, 2022</b>
<b>A- Paid in Capital</b>		<b>500.000.000</b>	<b>500.000.000</b>
1- (Nominal) Capital	2.13,15	500.000.000	500.000.000
2- Unpaid Capital		--	--
3- Positive Capital Restatement Differences		--	--
4- Negative Capital Restatement Differences		--	--
5- Register in Progress Capital		--	--
<b>B- Capital Reserves</b>	<b>15</b>	<b>186.643.635</b>	<b>85.143.987</b>
1- Share Premiums		--	--
2- Cancellation Profits of Equity Shares		--	--
3- Profit on Asset Sales That Will Be Transferred to Capital		30.550.323	15.911.424
4- Currency Translation Adjustments		--	--
5- Other Capital Reserves	15	156.093.312	69.232.563
<b>C- Profit Reserves</b>		<b>4.616.789.199</b>	<b>2.722.841.458</b>
1- Legal Reserves	15	192.633.559	182.393.041
2- Statutory Reserves	15	316.566.248	211.278.527
3- Extraordinary Reserves	15	1.932.838.657	1.258.324.268
4- Special Funds	15	165.509.750	115.844.641
5- Revaluation of Financial Assets	15	2.012.966.959	926.119.969
6- Other Profit Reserves	15	(3.725.974)	28.881.012
<b>D- Retained Earnings</b>		<b>533.542.963</b>	<b>125.281.148</b>
1- Retained Earnings		533.542.963	125.281.148
<b>E- Accumulated Losses</b>		<b>--</b>	<b>--</b>
1- Accumulated Losses		--	--
<b>F-Net Profit/(Loss) for the Period</b>		<b>6.380.159.747</b>	<b>1.323.551.677</b>
1- Net Profit for the Period		6.372.969.722	1.308.912.778
2- Net Loss for the Period		--	--
3- Net Profit not Subject to Distribution		7.190.025	14.638.899
<b>V- Total Equity</b>		<b>12.217.135.544</b>	<b>4.756.818.270</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>56.381.517.782</b>	<b>29.414.397.226</b>

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
<b>A- Non-Life Technical Income</b>			
1- Earned Premiums (Net of Reinsurer Share)		<b>35.518.285.382</b>	<b>15.943.295.506</b>
1.1- Written Premiums (Net of Reinsurer Share)		23.246.572.202	10.768.936.473
1.1.1- Written Premiums, gross	17	32.413.686.285	17.566.787.343
1.1.2- Written Premiums, ceded	17	44.228.418.367	23.755.830.190
1.1.3- Premiums Transferred to Social Security Institutions	10,17	(11.235.091.484)	(5.761.591.307)
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)	17	(579.640.598)	(427.451.540)
1.2.1- Reserve for Unearned Premiums, gross	17,29	(8.319.864.844)	(6.261.143.437)
1.2.2- Reserve for Unearned Premiums, ceded	17	(10.987.877.179)	(7.492.596.433)
1.2.3 - Reserve for Unearned Premiums, Social Security Institution Share	17	2.589.769.651	1.086.258.378
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		78.242.684	145.194.618
1.3.1- Reserve for Unexpired Risks, gross	17,29	(847.249.239)	(536.707.433)
1.3.2- Reserve for Unexpired Risks, ceded	17	(1.318.269.388)	(485.150.453)
2- Investment Income - Transferred from Non-Technical Section	17	471.020.149	(51.556.980)
3- Other Technical Income (Net of Reinsurer Share)	1.7	11.798.293.048	4.915.528.986
3.1- Other Technical Income, gross		31.226.932	12.117.350
3.2- Other Technical Income, ceded		31.226.932	12.117.350
4- Accrued Salvage and Subrogation Income		--	--
<b>B - Non-Life Technical Expense</b>	2.21	442.193.200	246.712.697
1- Incurred Losses (Net of Reinsurer Share)		<b>(28.161.249.230)</b>	<b>(14.513.705.610)</b>
1.1- Claims Paid (Net of Reinsurer Share)	17	(21.155.958.733)	(10.894.292.154)
1.1.1- Claims Paid, gross	17,29	(14.858.749.932)	(8.213.731.726)
1.1.2- Claims Paid, ceded	17	(28.085.830.635)	(10.204.160.685)
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	10,17	13.227.080.703	1.990.428.959
1.2.1- Change in Provisions for Outstanding Claims, gross	17,29	(6.297.208.801)	(2.680.560.428)
1.2.2- Change in Provisions for Outstanding Claims, ceded	17	(13.857.306.035)	(4.519.797.931)
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Less the Amounts Carried Forward)	17	7.560.097.234	1.839.237.503
2.1- Provision for Bonus and Discounts, gross		--	--
2.2- Provision for Bonus and Discounts, ceded		--	--
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
4- Operating Expenses	17,29	(80.177.084)	(180.415.318)
5- Change in Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)	32	(6.101.972.772)	(2.952.309.320)
5.1- Change in Mathematical Provisions, gross		--	--
5.2 - Change in Mathematical Provisions, ceded		--	--
6- Change in Other Technical Provisions (Net of Reinsurer and Less the Amounts Carried Forward)		--	--
6.1- Change in Other Technical Provisions, gross	47	(823.140.641)	(486.688.818)
6.2- Change in Other Technical Provisions, ceded	47	(836.973.120)	(497.766.160)
<b>C- Net Technical Income-Non-Life (A - B)</b>		13.832.479	11.077.342
<b>D- Life Technical Income</b>		<b>7.357.036.152</b>	<b>1.429.589.896</b>
1- Earned Premiums (Net of Reinsurer Share)		--	--
1.1- Written Premiums (Net of Reinsurer Share)		--	--
1.1.1- Written Premiums, gross		--	--
1.1.2- Written Premiums, ceded		--	--
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
1.2.1- Reserve for Unearned Premiums, gross		--	--
1.2.2- Reserve for Unearned Premiums, ceded		--	--
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
1.3.1- Reserve for Unexpired Risks, gross		--	--
1.3.2- Reserve for Unexpired Risks, ceded		--	--
2- Investment Income		--	--
3- Unrealized Gains on Investments		--	--
4- Other Technical Income (Net of Reinsurer Share)		--	--
4.1- Other Technical Income. gross		--	--
4.2- Other Technical Income. Ceded		--	--
5- Accrued Salvage Income		--	--
<b>A- Non-Life Technical Income</b>		--	--

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
<b>I- TECHNICAL SECTION</b>			
<b>E- Life Technical Expense</b>			
1- Incurred Losses (Net of Reinsurer Share)		--	--
1.1- Claims Paid (Net of Reinsurer Share)		--	--
1.1.1- Claims Paid, gross		--	--
1.1.2- Claims Paid, ceded		--	--
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
1.2.1- Change in Provisions for Outstanding Claims, gross		--	--
1.2.2- Change in Provisions for Outstanding Claims, ceded		--	--
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
2.1- Provision for Bonus and Discounts, gross		--	--
2.2- Provision for Bonus and Discounts, ceded		--	--
3- Change in Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
3.1- Change in Mathematical Provisions, gross		--	--
3.1.1- Change in Actuarial Mathematical Provisions, gross		--	--
3.1.2- Change in Profit Share Provisions (Provision for Financial Investments with Risks on Saving Life Policyholders), gross		--	--
3.2- Change in Mathematical Provisions, ceded		--	--
3.2.1- Change in Actuarial Mathematical Provisions, ceded		--	--
3.2.2- Change in Profit Share Provisions (Provision for Financial Investments with Risks on Saving Life Policyholders). ceded		--	--
4- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)		--	--
5- Operating Expenses		--	--
6- Investment Expenses		--	--
7- Unrealized Losses on Investments		--	--
8- Investment Income Transferred to the Non-Life Technical Section		--	--
<b>F- Net Technical Income- Life (D – E)</b>			
<b>G- Pension Business Technical Income</b>			
1- Fund Management Income		--	--
2- Management Fee		--	--
3- Entrance Fee Income		--	--
4- Management Expense Charge in case of Suspension		--	--
5- Income from Private Service Charges		--	--
6- Increase in Value of Capital Allowances Given as Advance		--	--
7- Other Technical Expense		--	--
<b>H- Pension Business Technical Expense</b>			
1- Fund Management Expense		--	--
2- Decrease in Value of Capital Allowances Given as Advance		--	--
3- Operating Expenses		--	--
4- Other Technical Expenses		--	--
I- Net Technical Income - Pension Business (G – H)		--	--

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

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE PERIOD ENDED DECEMBER 31, 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
<b>II-NON-TECHNICAL SECTION</b>			
<b>C- Net Technical Income – Non-Life (A-B)</b>		<b>7.357.036.152</b>	<b>1.429.589.896</b>
<b>F- Net Technical Income – Life (D-E)</b>		--	--
<b>I - Net Technical Income – Pension Business (G-H)</b>		--	--
<b>J- Total Net Technical Income (C+F+I)</b>		<b>7.357.036.152</b>	<b>1.429.589.896</b>
<b>K- Investment Income</b>		<b>18.954.515.484</b>	<b>7.447.206.114</b>
1- Income from Financial Assets	4.2	1.748.224.230	724.840.454
2- Income from Disposal of Financial Assets	4.2	3.406.010.734	1.550.888.819
3- Valuation of Financial Assets	4.2	2.459.025.175	822.695.205
4- Foreign Exchange Gains	4.2	9.443.037.135	3.099.095.024
5- Income from Associates	4.2,9	570.763.040	278.350.371
6- Income from Subsidiaries and Joint Ventures		--	--
7- Income from Property, Plant and Equipment	7	145.141.404	162.761.565
8- Income from Derivative Transactions	4.2	1.182.313.766	808.574.676
9- Other Investments		--	--
10- Income Transferred from Life Section		--	--
<b>L- Investment Expense</b>		<b>(18.672.002.547)</b>	<b>(7.244.078.594)</b>
1- Investment Management Expenses (incl. interest)	4.2	(214.151.319)	(40.204.333)
2- Impairment in Value of Investments	4.2	(82.669.203)	(1.336.747)
3- Loss from Disposal of Financial Assets	4.2	(844.964.316)	(223.674.623)
4- Investment Income Transferred to Non-Life Technical Section	1.7	(11.798.293.048)	(4.915.528.986)
5- Loss from Derivative Transactions	4.2	(569.619.977)	(1.238.037.683)
6- Foreign Exchange Losses	4.2	(5.043.064.496)	(715.516.139)
7- Depreciation and Amortization Expenses	6,8	(119.240.188)	(109.780.083)
8- Other Investment Expenses		--	--
<b>M- Income and Expenses From Other and Extraordinary Operations</b>		<b>405.096.522</b>	<b>(32.383.270)</b>
1- Provisions	47	(281.501.678)	(205.951.844)
2- Rediscounts	47	(54.165.958)	(63.914.652)
3- Specified Insurance Accounts		--	--
4- Monetary Gains and Losses		--	--
5- Deferred Taxation (Deferred Tax Assets)	35	738.388.265	233.163.298
6- Deferred Taxation (Deferred Tax Liabilities)		--	--
7- Other Income		35.578.763	7.728.549
8- Other Expenses and Losses		(33.202.870)	(3.408.621)
9- Prior Year's Income		--	--
10- Prior Year's Expenses and Losses		--	--
<b>N- Net Profit for the Period</b>		<b>6.380.159.747</b>	<b>1.323.551.677</b>
1- Profit for the Period		8.044.645.611	1.600.334.146
2- Corporate Tax Provision and Other Fiscal Liabilities	35	(1.664.485.864)	(276.782.469)
3- Net Profit for the Period		6.380.159.747	1.323.551.677
4- Inflation Adjustment Account		--	--

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Audited Prior Period December 31, 2022					
	Note	Paid-in Capital	Own Shares of the Company	Revaluation of Financial Assets	Inflation Adjustments
<b>I - Balance at the end of the previous year - December 31, 2021</b>		500.000.000	--	24.827.449	--
<b>II - Change in Accounting Standards</b>		--	--	--	--
<b>III - Restated balances (I+II) - (January 1, 2022)</b>		500.000.000	--	24.827.449	--
A - Capital increase(A1+A2)		--	--	--	--
1 - In cash		--	--	--	--
2 - From reserves		--	--	--	--
B - Purchase of own shares		--	--	--	--
C - Gains or losses that are not included in the statement of incomes		--	--	--	--
D - Change in the value of financial assets	11,15	--	--	901.292.520	--
E- Currency translation adjustments		--	--	--	--
F- Other gains or losses		--	--	--	--
G- Inflation adjustment differences		--	--	--	--
H- Net profit for the period		--	--	--	--
I - Dividends paid	2.23	--	--	--	--
J - Transfers to reserves	15	--	--	--	--
<b>IV - Balance at the end of the period - December 31, 2022</b>		500.000.000	--	926.119.969	--
Audited Current Period December 31, 2023					
	Note	Paid-in Capital	Own Shares of the Company	Revaluation of Financial Assets	Inflation Adjustments
<b>I - Balance at the end of the previous year - December 31, 2022</b>		500.000.000	--	926.119.969	--
<b>II - Change in Accounting Standards</b>		--	--	--	--
<b>III - Restated balances (I+II) - (January 1, 2023)</b>		500.000.000	--	926.119.969	--
A - Capital increase(A1+A2)		--	--	--	--
1 - In cash		--	--	--	--
2 - From reserves		--	--	--	--
B - Purchase of own shares		--	--	--	--
C - Gains or losses that are not included in the statement of incomes		--	--	--	--
D - Change in the value of financial assets	11,15	--	--	1.086.846.990	--
E- Currency translation adjustments		--	--	--	--
F- Other gains or losses		--	--	--	--
G- Inflation adjustment differences		--	--	--	--
H- Net profit for the period		--	--	--	--
I - Dividends paid	2.23	--	--	--	--
J - Transfers to reserves	15	--	--	--	--
<b>IV - Balance at the end of the period - December 31, 2023</b>		500.000.000	--	2.012.966.959	--

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



Currency Translation Adjustment	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit for the Year	Retained Earnings	Total
--	173.686.181	142.935.682	996.067.564	589.834.604	121.103.662	2.548.455.142
--	--	--	--	--	--	--
--	173.686.181	142.935.682	996.067.564	589.834.604	121.103.662	2.548.455.142
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	(16.610.430)	--	--	(16.610.430)
--	--	--	--	--	--	901.292.520
--	--	--	--	--	--	--
--	--	--	--	129.361	--	129.361
--	--	--	--	--	--	--
--	--	--	--	1.323.551.677	--	1.323.551.677
--	--	--	--	--	--	--
--	8.706.860	68.342.845	508.736.774	(589.963.965)	4.177.486	--
--	182.393.041	211.278.527	1.488.193.908	1.323.551.677	125.281.148	4.756.818.270

Currency Translation Adjustment	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit for the Year	Retained Earnings	Total
--	182.393.041	211.278.527	1.488.193.908	1.323.551.677	125.281.148	4.756.818.270
--	--	--	--	--	--	--
--	182.393.041	211.278.527	1.488.193.908	1.323.551.677	125.281.148	4.756.818.270
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	1.086.846.990
--	--	--	--	--	--	--
--	--	--	--	(6.689.463)	--	(6.689.463)
--	--	--	--	--	--	--
--	--	--	--	6.380.159.747	--	6.380.159.747
--	--	--	--	--	--	--
--	10.240.518	105.287.721	793.072.160	(1.316.862.214)	408.261.815	--
--	192.633.559	316.566.248	2.281.266.068	6.380.159.747	533.542.963	12.217.135.544

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Audited Current Period December 31, 2023	Audited Prior Period December 31, 2022
<b>A - Cash flows from operating activities</b>			
1- Cash provided from insurance activities		46.678.827.743	19.862.856.699
2- Cash provided from reinsurance activities		--	--
3- Cash provided from individual pension business		--	--
4- Cash used in insurance activities		(41.256.172.058)	(16.927.999.264)
5- Cash used in reinsurance activities		(1.416.785.711)	(695.940.217)
6- Cash used in individual pension business		--	--
<b>7- Cash provided by operating activities</b>		<b>4.005.869.974</b>	<b>2.238.917.218</b>
8- Interest paid		--	--
9- Income taxes paid	19	(1.538.898.642)	(115.330.027)
10- Other cash inflows		330.877.476	318.665.074
11- Other cash outflows		(10.694.877)	(123.971.947)
<b>12-Net cash provided by operating activities</b>		<b>2.787.153.931</b>	<b>2.318.280.318</b>
<b>B - Cash flows from investing activities</b>			
1- Proceeds from disposal of tangible assets		10.007	300.249
2- Acquisition of tangible assets	6, 8	(200.707.177)	(217.255.963)
3- Acquisition of financial assets	11	(69.844.474.853)	(26.274.741.340)
4- Proceeds from disposal of financial assets	11	65.828.275.026	29.000.040.022
5- Interests received		1.994.877.867	2.968.105.643
6- Dividends received		100.000.000	88.000.000
7- Other cash inflows		461.570.359	344.292.411
8- Other cash outflows		(396.612.355)	(3.322.372.037)
<b>9- Net cash provided by investing activities</b>		<b>(2.057.061.126)</b>	<b>2.586.368.985</b>
<b>C - Cash flows from financing activities</b>			
1- Equity shares issued		--	--
2- Cash provided from loans and borrowings		--	--
3- Finance lease payments		--	--
4- Dividends paid	2,23	--	--
5- Other cash inflows		--	--
6- Other cash outflows		--	--
<b>7- Net cash used in financing activities</b>		<b>--</b>	<b>--</b>
<b>D - Effect of exchange rate fluctuations on cash and cash equivalents</b>			
		<b>508.157.078</b>	<b>130.126</b>
<b>E- Net increase in cash and cash equivalents</b>		<b>1.238.249.883</b>	<b>4.904.779.429</b>
<b>F- Cash and cash equivalents at the beginning of the year</b>	<b>14</b>	<b>7.773.931.409</b>	<b>2.869.151.980</b>
<b>G- Cash and cash equivalents at the end of the year</b>	<b>14</b>	<b>9.012.181.292</b>	<b>7.773.931.409</b>

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

## CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR YEAR ENDED DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Note	Audited Current Period <sup>(*)</sup> December 31, 2023	Audited Prior Period <sup>(**)</sup> December 31, 2022
<b>I. PROFIT DISTRIBUTION</b>			
1.1. CURRENT YEAR PROFIT <sup>(*)</sup>		8.037.455.586	1.600.334.146
1.2. TAX AND FUNDS PAYABLE		(1.664.485.864)	(276.782.469)
1.2.1. Corporate Income Tax(Income Tax)	35	(1.664.485.864)	(276.782.469)
1.2.2. Income tax deduction		--	--
1.2.3. Other taxes and Duties		--	--
<b>A NET PROFIT(1.1 - 1.2)</b>		<b>6.372.969.722</b>	<b>1.323.551.677</b>
1.3. PREVIOUS PERIOD LOSSES (-)		--	--
1.4. FIRST LEGAL RESERVE		--	--
1.5. STATUTORY FUND (-)		--	(405.040.621)
<b>B NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5)]</b>		<b>6.372.969.722</b>	<b>918.511.056</b>
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		--	--
1.6.1. Holders of shares		--	--
1.6.2. Holders of Preferred shares		--	--
1.6.3 Holders of Redeemed shares		--	--
1.6.4 Holders of Participation Bond		--	--
1.6.5 Holders of Profit and Loss sharing certificate		--	--
1.7. DIVIDEND TO PERSONNEL (-)		--	--
1.8. DIVIDENDS TO 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 (-)		--	87.352.611
1.12. EXTRAORDINARY RESERVES		--	552.092.594
1.13. OTHER RESERVES		--	--
1.14. SPECIAL FUNDS		--	43.730.529
<b>II. DISTRIBUTION OF RESERVES</b>			
2.1. DISTRIBUTION OF RESERVES		--	--
2.2. SECOND LEGAL RESERVES (-)		--	--
2.3. COMMON SHARES (-)		--	--
2.3.1. Holders of shares		--	--
2.3.2 Holders of Preferred shares		--	--
2.3.3. Holders of Redeemed shares		--	--
2.3.4 Holders of Participation Bond		--	--
2.3.5 Holders of Profit and Loss sharing certificate		--	--
2.4. DIVIDENDS TO PERSONNEL (-)		--	--
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		--	--
<b>III. PROFIT PER SHARE <sup>(***)</sup></b>			
3.1. HOLDERS OF SHARES		0,01276	0,00265
3.2. HOLDERS OF SHARES (%)		1,276	0,265
3.3. HOLDERS OF PREFERRED SHARES		--	--
3.4. HOLDERS OF PREFERRED SHARES (%)		--	--
<b>IV. DIVIDEND PER SHARE</b>			
4.1. HOLDERS OF SHARES		--	--
4.2. HOLDERS OF SHARES (%)		--	--
4.3. HOLDERS OF PREFERRED SHARES		--	--
4.4. HOLDERS OF PREFERRED SHARES (%)		--	--

<sup>(\*)</sup> According to the Law no. 13 of the Profit Share Announcement which was announced in Capital Markets Board of Turkey's weekly bulletin numbered 2014/2, which was then published in the official gazette on January 23, 2014, the profit shares have been distributed based on consolidated profit. The detail of the undistributed profit is disclosed in the 2.23 Profit Distribution footnote.

<sup>(\*\*)</sup> Statement of profit distribution has not been filled yet due to the Board of Directors Meeting has not made as of preparation date of the financial statements.

<sup>(\*\*\*)</sup> The Figures of 2022 was filled by using the data which is located in "According to CMB" of the Profit Distribution.

<sup>(\*\*\*\*)</sup> Dividends per share is calculated over the consolidated net profit for the period.

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

# CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

## 1 General information

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

The shareholding structure of Anadolu Anonim Türk Sigorta Şirketi (“the Company”) is presented below.

As of December 31, 2023, the shareholder having indirect control over the shares of Anadolu Anonim Türk Sigorta Şirketi (“the Company”) is Türkiye İş Bankası A.Ş. (“İş Bankası”).

Name	December 31, 2023		December 31, 2022	
	Shareholding Amount (TL)	Shareholding Rate (%)	Shareholding Amount (TL)	Shareholding Rate (%)
Milli Reasürans T.A.Ş.	286.550.106	57,31	286.550.106	57,31
Other <sup>(*)</sup>	213.449.894	42,69	213.449.894	42,69
<b>Paid in Capital</b>	<b>500.000.000</b>	<b>100,00</b>	<b>500.000.000</b>	<b>100,00</b>

<sup>(\*)</sup> Consists of publicly traded shares.

### 1.2 Domicile and the legal structure of the Company, country and the address of the registered office (address of the operating centre if it is different from the registered office)

The Company was registered in Turkey and has the status of ‘Incorporated Company. The Company’s address “Rüzgarlıbahçe Mahallesi, Kavak Sokak, No: 31 34805 Kavacık/İstanbul”. Company has nine regional offices; two of them established in İstanbul and others established in Antalya, İzmir, Samsun, Adana, Ankara, Trabzon and Bursa, a sales centre in Gaziantep and a branch in Turkish Republic of Northern Cyprus.

### 1.3 Business of the Company

The Company operates in almost all non-life insurance branches consisting of mainly accident, health, motor vehicles, air vehicles, water vehicles, marine, fire and natural disasters, general loss, credit, financial losses, and legal protection.

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

### 1.4 Description of the main operations of the Company

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 the T.C. Ministry of Treasury and Finance based on the Insurance Law. The Company operates in insurance branches as mentioned above *Note 1.3 Business of the Company*.

The Company’s shares have been listed on the Istanbul Stock Exchange (“BİST”). The Company operates based on its own specific laws and regulations in matters of establishment, auditing, supervision/oversight, accounting and financial reporting in accordance Capital Market Law No: 6362, part of VIII and paragraph of 5 of Article 136.

### 1.5 The average number of the personnel during the period in consideration of their categories

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

	December 31, 2023	December 31, 2022
Senior level managers	9	10
Directors	53	50
Consultants	1	1
Intermediate directors	215	218
Contracted personnel	1.430	1.298
<b>Total</b>	<b>1.708</b>	<b>1.577</b>

### 1.6 Wages and similar benefits provided to the senior management

In the accounting period ending on December 31, 2023, the chairman and members of the board were provided with 5.860.466 TL (December 31, 2022: 2.919.550 TL), and senior executives were provided with 41.939.368 TL (December 31, 2022: 22.460.897 TL) in fees and similar benefits.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 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 4 January 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 T.C. Ministry of Treasury and Finance.

In accordance with the above mentioned Communiqué, insurance companies are allowed to transfer technical section operating expense to insurance section through methods determined by T.C. Ministry of Treasury and Finance or by the Company itself. Methods determined by the Company should be approved by the T.C. Ministry of Treasury and Finance, Known and exactly distinguishable operating expenses are distributed to related branches directly, while operating expenses are distributed to the sub-branches in accordance with the average of 3 ratios calculated by dividing “number of the policies produced within the last three years”, “gross premium written within the last three years”, and “number of the claims reported within the last three years” to the “total number of the policies”, “total gross written premiums” and the “total number of the claims reported”, respectively.

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.

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

The accompanying unconsolidated financial statements comprise consolidated financial information of the Company and basis of the consolidation is detailed in note 2.2 - *Consolidation*.

The Company owns 20% of Anadolu Hayat Emeklilik Anonim Şirketi (“Anadolu Hayat”) and this associate have been consolidated in the accompanying consolidated financial statements by using the equity method of accounting.

The activities of Anadolu Hayat involve providing individual and group insurance and reinsurance services relating to group life, individual life, retirement and related personal accident 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:	Anadolu Anonim Türk Sigorta Şirketi
Registered address of the head office:	Rüzgarlıbahçe Mahallesi, Kavak Sokak, No: 6 34805 Kavacık/İstanbul
The web page of the Company:	<a href="http://www.anadolusigorta.com.tr">www.anadolusigorta.com.tr</a>

The information presented above has not any change since the end of the previous reporting period.

### 1.10 Events after the reporting date

The consolidated financial statements prepared as of December 31, 2023, were approved by the Company’s Board of Directors on February 7, 2024.

With the official gazette decision dated December 29, 2023 and numbered 32414 made by SEDDK, the mandatory effective date of TFRS 17 has been postponed to accounting periods beginning on or after January 1, 2025.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 2 Summary of significant accounting policies

#### 2.1 Basis of preparation

##### 2.1.1 Information about the principles and the specific accounting policies used in the preparation of the financial statements

In accordance with Article 136(5) in Section VIII of the Capital Markets Law, numbered 6362 insurance companies have to comply with their own specific laws and regulations in matters of establishment, auditing, supervision/oversight, accounting and financial reporting. Therefore, the Company maintains its books of account and prepares its financial statements in accordance with the Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”), and other accounting and financial reporting principles, statements and guidance (collectively “the Reporting Standards”) in accordance with the “Communiqué Related to the Financial Reporting of Insurance, Reinsurance, and Individual Pension Companies” as promulgated by the T.C. Ministry of Treasury and Finance based on Article 18 of the Insurance Law and Article 11 of the 4632 numbered Individual Pension Savings and Investment System Law (“Individual Retirement Law”).

According to numbered 4<sup>th</sup> related law Accounting for subsidiaries, associates, joint ventures is, consolidated financial statements, financial statements which disclosed public regulated by the T.C. Ministry of Treasury and Finance.

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

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

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

###### Accounting in hyperinflationary countries

The unconsolidated financial statements of companies operating in Turkey have been prepared as of December 31, 2004, in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies, reflecting adjustments made due to changes in the general purchasing power of the Turkish Lira. TAS 29 requires financial statements prepared in the currency of a hyperinflationary economy to 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.

In accordance with the letter dated April 4, 2005, numbered 19387, of the Ministry of Treasury and Finance, the Company prepared its unconsolidated financial statements as of December 31, 2004, by adjusting them in accordance with the provisions regarding inflation accounting in 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. The practice of inflation accounting was terminated starting from January 1, 2005, according to the same declaration of the Ministry of Treasury and Finance. Therefore, as of December 31, 2023, non-monetary assets and liabilities and equity items including capital in the balance sheet were adjusted for inflation up to December 31, 2004, while entries after that date were carried at their nominal values.

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

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

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

#### Other accounting policies

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 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 unconsolidated 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 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

No changes or errors have occurred in the accounting policies for the current period.

Explanations on accounting estimates are given in the "Note 3" which is critical accounting estimates and judgments.

## 2.2 Consolidation

"Circular Related to the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance, and Individual Pension Companies" issued by the T.C. Ministry of Treasury and Finance in the December 31, 2008 dated and 27097 numbered Official Gazette, has been in force since March 31, 2009. Accordingly, consolidated financial statements are also prepared using the equity method of accounting to consolidate the Company's associate; Anadolu Hayat Emeklilik A.Ş. ("Anadolu Hayat"). Accordingly, consolidated financial statements are prepared using the equity method of accounting to consolidate the Company's associate; Anadolu Hayat.

## 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. Since the main economic environment, where the Company operates, is Turkey, a geographical segment reporting has not been presented. A business segment reporting of the Company is presented in Note 5 in accordance with TFRS 8- Operating Segments standard.

## 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 exchange rates ruling at the reporting date and foreign currency exchange differences are offset and all exchange differences are recognized in the statement of income.

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 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,

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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.

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

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

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

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

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 since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

There are no pledges, mortgages or any similar encumbrances on tangible assets.

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

The relevant depreciation shares for tangible fixed assets are calculated using the straight-line depreciation method over their appraisal values based on their useful lives.

Depreciation rates and estimated useful lives are as follows:

<b>Tangible Assets</b>	<b>Estimated useful lives (years)</b>	<b>Depreciation rates (%)</b>
Buildings for own use	50	2,0
Machinery and equipment	3 - 16	6,3 - 33,3
Furniture and fixtures	4 - 16	6,3 - 25,0
Vehicles	5	20,0
Other tangible assets (including leasehold improvements)	5 - 10	10,0 - 20,0
Leased tangible assets	1 - 10	10,0 - 100,0

### 2.6 Investment properties

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.



## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 2.7 Intangible assets

The Company's intangible assets consist of computer software, goodwill and advances paid for tangible assets.

Intangible assets are recorded at cost in compliance with "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.

Amortization is charged on a straight-line basis over their estimated useful lives over the cost of the asset. The period of redemption of intangible assets is 3 to 15 years.

Goodwill is expressed as the parts of the purchased subsidiary/affiliate in net use of the Company's share in excess of the cost of purchasing the appropriate enclosure. Goodwill from the acquisition of associates is included in the "Affiliates" account and is tested for impairment as a part of the general balance. For the goodwill amount that is accounted for separately, an impairment test is performed each year and is shown at cost less accumulated impairment provisions. Provisions for impairment in goodwill are not canceled. Gains or losses on the disposal of the business include the carrying amount of the goodwill associated with the sold business.

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

### 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 favorable to the entity.

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 is recorded in profit/loss. 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.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

*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 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.

The Company has accounted equity shares classified as available-for-sale according to quoted market prices or dealer price quotations for financial instruments traded in active markets or according to cost less impairment losses for financial instruments not traded in active markets.

Securities are recognized and derecognized at the date of settlement.

*Associates*; Anadolu Hayat has been consolidated in the accompanying consolidated financial statements 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.

### **Impairment on financial asset**

Financial assets or group of financial assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, the Company estimates the amount of impairment. A financial asset is impaired 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.

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 operations. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

### **2.9 Impairment on assets**

#### **Impairment on tangible assets**

On each reporting date, the Company evaluates whether there is an indication of impairment of tangible and intangible 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 period are detailed in *Note 47*.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 2.10 Derivative financial instruments

As of December 31, 2023, the Company has classified TL 118.720.901 of derivative financial instruments as held for trading financial assets (December 31, 2022: None).

As of December 31, 2023, the Company has a balance of TL 6.219.723 under the account of income accruals for gains arising from forward foreign exchange contracts (December 31, 2022: TL 2.115.363), while there is no balance of decrease in value under the account of other financial liabilities (obligations) (December 31, 2022: TL (18.749.281)).

In addition, the company has FX- protected deposits amounting to TL 2.312.218.239.

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

The Company offsetted foreign forward currency agreements income/expense accruals in the income statement.

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 “financial assets held for trading” and negative fair value differences are presented as “other financial liabilities” in the accompanying unconsolidated 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 form the basis for the preparation of the statement of cash flows, include cash on hand, checks received, other cash equivalents, demand deposits, and time deposits at banks with an original maturity of less than 3 months, which are readily available for use by the Company or not blocked for any other purpose.

### 2.13 Share Capital

The shareholder having indirect control over the shares of the Company is İş Bankası Group, as of December 31, 2023 and 2022, the share capital and ownership structure of the Company are as follows:

Name	December 31, 2023		December 31, 2022	
	Shareholding Amount (TL)	Shareholding Rate (%)	Shareholding Amount (TL)	Shareholding Rate (%)
Milli Reasürans T.A.Ş.	286.550.106	57,31	286.550.106	57,31
Other*	213.449.894	42,69	213.449.894	42,69
<b>Paid in capital</b>	<b>500.000.000</b>	<b>100,00</b>	<b>500.000.000</b>	<b>100,00</b>

\* Consists of publicly traded shares.

### Sources of capital increases during the period

The Company has not performed capital increase as of December 31, 2023 (December 31, 2022: None).

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### Privileges on common shares representing share capital

As of December 31, 2023, the issued share capital of the Company is TL 500.000.000 (December 31, 2022: TL 500.000.000) and the Company unregistered Group 150 A shares which each of value is TL 1,5 as of April 11, 2013 in which approved in Main Article of the Company dated in April 11, 2013. The share capital of the Company consists of 50.000.000.000 (December 31, 2022: 50.000.000.000 shares) issued shares with TL 0,01 nominal value each.

### Registered capital system in the Company

The Company has accepted the registered capital system. As of December 31, 2023, the Company’s registered capital is TL 3.500.000.000 (December 31, 2022: TL 700.000.000).

### Repurchased own shares by the Company

None.

### 2.14 Insurance and investments 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.

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

### Premiums Transferred to the Social Security Institution

The Law No. 6111 on “Restructuring of Certain Claims and Making Amendments to the Social Insurance and General Health Insurance Law and Some Other Laws and Decrees” published in the Official Gazette on February 25, 2011 (“Law”) with the 98<sup>th</sup> article of the Highway Traffic Law No. 2918, amended by the 59<sup>th</sup> article, the collection and liquidation of the health service costs incurred due to traffic accidents are subject to new procedures and principles. In this context, the health service costs offered by all public and private health institutions and organizations due to traffic accidents will be covered by the Social Security Institution (“SSI”), regardless of whether the casualty has social security or not. Again, according to the Provisional Article 1 of the Law, it is stipulated that the costs of health services offered due to traffic accidents that occurred before the date of publication of the Law shall be covered by the SSI.

The liability of insurance companies regarding the service fees to be incurred within the framework of the aforementioned articles of the Law is the “Regulation on Procedures and Principles Regarding the Collection of Health Service Fees Offered to Persons Due to Traffic Accidents” (“Regulation”), dated 27 August 2011, published by the Ministry of Treasury and Finance, “Circular on the Procedures and Principles Regarding the Procedures and Principles Regarding the Collection of Health Service Fees Provided to the Related Persons Due to Traffic Accidents” dated September 15, 2011 and numbered 2011/17 (“Circular No. 2011/17”), dated October 17, 2011 and 2011/Circular No. 18 on the Accounting of the Payments Made to the Social Security Institution (SSI) for Treatment Costs and Opening a New Account Code in the Insurance Accounting Plan (“Circular No. 2011/18”), dated March 16, 2012 and numbered 2012/3 “Due to Traffic Accidents Implementation of the Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to Relevant Persons The Circular on the Amendment of the Circular on the Procedures and Principles Regarding a (Circular No. 2012/3) and the “Regulation on the Procedures and Principles Regarding the Collection of Health Service Fees Provided to the Related Persons Due to Traffic Accidents” dated 30 April 2012 and numbered 2012/6. It has been determined according to the principles explained in the Related Sector Announcement (“Sector Announcement No. 2012/6”) (Note 2.24). In this context, with regard to the treatment costs arising from traffic accidents occurring after the publication of the Law, the Company’s policies written after February 25, 2011 in the branches of “Compulsory Transport Insurance”, “Compulsory Traffic Insurance” and “Mandatory Seat Personal Accident Insurance” Regarding this, the premiums determined within the scope of the Regulation and Circular No. 2011/17 must be transferred to the SSI. Within the framework of the principles explained above, the company is TL 579.640.598 in the accounting period of January 1 - December 31, 2023 (January 1 - December 31, 2022: TL 427.451.540) has been accounted for under the “Premiums transferred to SSI” account.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

Discretionary participation feature 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 the reporting date, the Company does not have any insurance or investment contracts that contain a discretionary participation feature.

### 2.16 Investment contracts without discretionary participation feature

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

### 2.17 Liabilities

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

### 2.18 Income taxes

#### Corporate tax

Corporate tax rate in Turkey is 20%. The corporate tax rate is applied to the corporates' net income which is found as a result of adding the expenses that are not accepted as a deduction and deducting the exemptions and deductions in accordance with tax laws. If there is no dividend distribution planned, no further tax charges are made.

On April 6, 2020, with the amendment to Article 25 of Law No. 7394, the first paragraph of Article 32 titled "Corporate tax and temporary tax rate" of Law No. 5520 was amended, stipulating that banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorized currency institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies would be subject to a corporate tax rate of 25% on their corporate income. However, due to the need to compensate for the economic losses caused by the earthquakes that occurred on February 6, 2023, Law No. 7456 was issued, stipulating that the corporate tax rate for insurance companies would be applied at 30%.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 10%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

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 25<sup>th</sup> 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.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

### Deferred taxes

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 consolidated 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.

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

As of December 31, 2023, a tax rate of 30% is used for temporary differences (December 31, 2022: 25%).

### Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated November 18, 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

### 2.19 Employee benefits

#### Pension and other post-retirement obligations

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

Employees of the Company are the members of "Anadolu Anonim Türk Sigorta Şirketi 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 a 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 the May 8, 2015.

With the 51st article of the Law No. 6645 published in the Official Gazette dated April 23, 2015 and numbered 29335, the first paragraph of the Provisional Article 20 of the Law No. 5510 on the transfer of Bank and Insurance Funds to the Social Security Institution was changed; "The participants of the funds established for the personnel of banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, stock exchanges or their unions within the scope of the temporary article 20 of the Law No. The Council of Ministers is authorized to determine. As of the transfer date, the participants of the ballot box are deemed to be insured within the scope of subparagraph (a) of the first paragraph of Article 4 of this Law.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

This regulation is valid for the expenditures within the scope of the temporary 20th fee of the Law No. 506, for insurance and reinsurance companies, chambers of commerce, chambers of industry, stock exchanges or unions in their organizations, the participants of the expanded funds, and those who leave or have a net income, and their right holders, until 8 May 2015 must be transferred to the Social Security Institution. The authority to determine the transfer date has been given to the Council of Ministers, thus the transfer of the funds have been postponed to an unknown date. The application made by the Republican People’s Party to the Constitutional Court on 19 June 2008 for the annulment of some articles of the law, including the first paragraph of the provisional article 20, which includes the transfer provisions, and for the suspension of enforcement, was rejected in line with the decision taken at the meeting of the aforementioned court on 30 March 2011.

For each fund, the cash value of the liability regarding the transferred persons as of the date of transfer, including the participants leaving the fund, should be calculated according to the following provisions:

- The technical interest rate to be used in the actuarial calculation of the cash value is taken as 9,80%.
- The cash value of the liability is calculated by taking into account the income and expenses of the funds in terms of insurance branches within the scope of this Law.

As of December 31, 2023, there is no deficit according to the above-mentioned provisions (December 31, 2022: No Deficit).

### Employee termination benefits

In accordance with existing Turkish Labour Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The amount payable for each year of service to the employee union members in the cases of death, disability, retirement, pension bonding is equivalent to their 60-day salary, in other cases it is equivalent to 45-day salary. For other employees, it is one month’s salary. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as of December 31, 2023 is TL 23.489,83 (December 31, 2022: TL 15.371,40). In Accordance TAS 19 which published by Public Company Accounting Oversight Board(PCAOB) dated March 12, 2013 is about “Benefits Employee Accounting Standard” and defined by beginning from December 31, 2012 net defined benefit liability of the actuarial gains and losses arising on re-measurement should be recognized in other comprehensive income under shareholders’ equity and this effect should be applied retrospectively. The Company started to account current actuarial gains and losses under equity (other profit reserves) due to the fact that prior period actuarial gains and losses have remained below the materiality.

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

	December 31, 2023	December 31, 2022
Discount rate	3,28%	2,21%
Expected rate of salary/limit increase	10,30%	10,30%
Estimated employee turnover rate	6,91%	5,41%

### Other employee benefits

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

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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 consolidated 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 consolidated 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 consolidated financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Company discloses the contingent asset.

### 2.21 Revenue recognition

#### Written premiums and claims paid

Written premiums represent premiums on policies written during the period net of taxes, premiums of the cancelled policies which were produced in prior periods and premium ceded to reinsurance companies,. Premiums ceded to reinsurance companies are accounted as "written premiums, ceded" in the statement of income.

Claims are recognized as expense as they are paid. Outstanding claims provision 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 provisions are off-set against these reserves.

#### Subrogation, salvage and quasi 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 of the reporting date, in accordance with the related circular the Company provided TL 338.107.609 (December 31, 2022: TL 168.748.989) subrogation receivables and recorded TL 449.617.028 (December 31, 2022: TL 202.751.310) (Not 12) net subrogation and salvage receivables under receivables from main operations. The Company provided allowance for uncollected subrogation receivables amounting to TL 156.811.592 (December 31, 2022: TL 58.689.982) (Note 12) in accordance with circular.

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

	December 31, 2023	December 31, 2022
Motor vehicles	3.280.856.563	1.935.116.639
Motor vehicles liability (MTPL)	105.850.204	75.862.619
Fire and natural disaster	73.300.282	18.394.585
Marine	12.565.462	13.614.925
Credit	--	66.013
Breach of trust	3.746.085	2.597.464
General losses	7.596.149	9.040.615
General liability	2.118.240	5.926.445
Accident	982.543	1.393.565
Water vehicles	330.898	601.539
Financial losses	--	17957
Air crafts	462.401	26.283.087
Air crafts liability	157.796	75.597
Legal protection	43.923	3.453
<b>Total</b>	<b>3.488.010.546</b>	<b>2.088.994.503</b>



## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023	December 31, 2022
Motor vehicles	345.600.913	162.244.227
Motor vehicles liability (MTPL)	36.721.423	31.767.257
Fire and natural disaster	49.955.618	5.841.411
General losses	1.354.716	692.923
Marine	9.626.981	787.573
Accident	42.323	--
Water vehicles	4.086.803	1.274.698
General liability	2.228.251	143.221
<b>Total</b>	<b>449.617.028</b>	<b>202.751.310</b>

### Commission income and expense

As further disclosed in Note 2.24 - *Reserve for unearned premiums*, commissions paid to the agencies related to the production of the insurance policies and the commissions received from the reinsurance firms related to the premiums ceded 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 expense

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 consolidated financial statements.

### Dividends

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

### 2.22 Leasing transactions

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

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

Set out below are the accounting policies of the Company implementation of TFRS 16.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

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

Unless the 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.

Right-of-use assets are subject to impairment.

### Lease liabilities

The company measures the lease liability based on the present value of the lease payments that were not paid at the actual start of the lease.

The lease payments, which are included in the measurement of the lease liability at the actual start of the lease, consist of the following payments to be made for the right of use of the underlying asset during the lease term and which were not paid at the actual start of the lease:

- (a) fixed payments,
- (b) variable lease payments based on an index or ratio, the first measurement of which was made using an index or ratio at the actual beginning of the lease,
- (c) amounts expected to be paid by the company under residual value commitments
- (d) if the company is reasonably confident that it will exercise the option to purchase, the price at which the option is used and
- (e) penalty payments for termination of the lease if the lease term indicates that the company will exercise an option to terminate the lease.

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

The company sets the revised discount rate for the remainder of the lease period as this rate if the implied interest rate on the lease can be easily determined; if it cannot be easily determined as the alternative borrowing rate at the date of the company's reassessment.

After the actual start of the lease, the company measures the lease liability as follows:

- (a) increases the book value to reflect the interest on the lease obligation, and
- (b) reduces the book value to reflect the lease payments made.

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

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

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

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

The details related to contracts term of operating leases and applied discount rates are presented below:

<b>Assets subject to operating leases</b>	<b>Contract term (Year)</b>	<b>Discount rate – TL (%)</b>
Buildings	1-10 years	19,32 - 24,42
Vehicles	1-3 years	23,62

### 2.23 Dividend distribution

Based on the guidelines and principals issued by the CMB dated January 27, 2010 for the distribution of dividends from the profit generated from operating activities in 2009, there is no requirement of minimum profit distribution for joint stock companies that are traded in the stock market and in this context, it has decided that dividend distribution will be performed in accordance with principles in Dividend Declaration numbered II-19.1 of the Board, clauses contained in the articles of association of the partnership and dividend policies which are disclosed the public of companies.

Additionally, as stated within the aforementioned decision of CMB, for entities required to prepare consolidated financial statements, it has been agreed upon to require the net distributed profit calculations to be performed on the net profit for the period as stated on the consolidated financial statements, so long that the distribution can be funded through statutory resources.

Company’s Board of Directors proposal regarding the non-distribution of the net profit derived from the 2022 activities, prepared within the framework of the Company’s Profit Distribution Policy, and presented for voting at the Ordinary General Assembly held on March 27, 2023, has been unanimously accepted.

Accordingly, the calculated net distributable profit of TL 873.526.105 has not been distributed; TL 87.352.611 allocated as statutory reserve and the remaining TL 742.442.965 after allocating TL 43.730.529 as special reserves have been transferred to extraordinary reserves (no cash dividends were distributed in 2022)

### 2.24 Reserve for unearned premiums

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”), published in the Official Gazette numbered 26606 and dated August 7, 2007, and put into effect starting from January 1, 2008, the provision for unearned premiums 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. For commodity marine policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, less any commissions is also provided as unearned premium reserves.

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

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

According to the Circular Related to Application of Technical Reserves issued on March 27, 2009, numbered 2009/9, which was published by the Undersecretariat of Treasury, reserve for unearned premiums is calculated by taking into account that all policies become active at 12:00 at noon and end at 12:00 at noon.

According to the Communiqué on Technical Reserves, for the calculation of unearned premium reserves of foreign currency indexed insurance agreements, foreign currency selling exchange rates announced by Turkish Central Bank will be considered, unless there is a specified exchange rate in the agreement. The Company has reclassified TL 3.630.893 of provision for long-term health and personal accident policies to long-term liabilities (December 31, 2022: TL 4.685.839).

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of the reporting date, the Company has provided reserve for unearned premiums amounting to TL 24.160.350.877 (December 31, 2022: TL 13.172.473.698) and reinsurer share in reserve for unearned premiums amounting TL 5.372.679.050 (December 31, 2022: TL 2.782.909.399). Furthermore, reserve for unearned premiums includes Social Security Institution ("SSI") share amounting to TL 343.265.170 (December 31, 2022: TL 265.022.487)

### 2.25 Outstanding Claims Reserve

Claims are recorded in the year in which they occur, based on reported claims or on the basis of estimates when not reported. An outstanding claims reserve is set aside for compensation amounts that have been accrued and accounted for but have not been actually paid in previous accounting periods or the current accounting period, or incurred but not reported (IBNR).

Ultimate Net Loss Ratio estimations are made by the company's chief actuary, as stipulated in the Circular No. 2014/16 dated 05/12/2014 of the Insurance and Private Pensions Regulation and Supervision Agency (SEDDK). On the basis of branches, selection and combination of the data to be used, the correction procedures, the selection of the most appropriate method and the development factors, and the intervention to the development factors are made by the company's actuary using actuarial methods and these issues are included in the actuarial report sent to SEDDK in accordance with Articles 33 and 36 of the Internal Systems Regulation in detail.

As of December 31, 2023 and 2022, IBNR amounts calculated by the Company actuary's on the basis of branches are as follows:

Branch	December 31, 2023 <sup>(*)</sup>		December 31, 2022 <sup>(*)</sup>	
	Gross additional provision	Net additional provision	Gross additional provision	Net additional provision
Motor vehicles liability (MTPL)	13.508.297.368	9.673.281.078	6.686.548.352	4.756.445.140
General liability	3.502.785.332	2.735.110.058	2.080.787.459	1.544.907.834
Voluntary financial liability	2.316.525.280	2.309.864.308	950.902.497	945.588.362
Fire and natural disasters	876.241.801	496.910.888	386.964.006	246.120.848
Accident	76.232.843	70.573.018	30.808.159	25.613.918
General losses	264.534.605	206.581.950	92.825.222	76.339.889
Air crafts liability	32.269.560	15.696.225	14.837.760	4.770.797
Air crafts	139.303.633	57.260.102	65.356.987	29.661.386
Water vehicles	279.263.907	135.607.729	76.818.691	44.733.995
Health	65.191.459	61.439.652	24.035.572	22.157.436
Financial losses	119.834.466	58.275.304	62.238.190	18.251.498
Credit	39.999.223	34.503.917	33.058.054	29.501.733
Legal protection	2.095.772	2.095.772	1.784.145	1.784.145
Marine	274.659.862	137.907.203	108.308.825	48.919.160
Breach of trust	7.069.149	6.743.728	10.925.119	8.582.918
Motor vehicles	(184.480.119)	(183.446.073)	(143.258.589)	(142.645.408)
<b>Total</b>	<b>21.319.824.141</b>	<b>15.818.404.859</b>	<b>10.482.940.449</b>	<b>7.660.733.651</b>

<sup>(\*)</sup> Provisions regarding to Risky Insured Pool and TKU (Medical Malpractice) Pool and provision allocated for treaties received has been included in the provision amount allocated for the related period.

The Constitutional Court has ruled, with decision number 2021/82 published in the Official Gazette dated February 14, 2023, that the second sentence added to the first paragraph of Article 90 and the second paragraph added to Article 90 of Law No.2918 on Road Traffic are unconstitutional and have been annulled. A detailed analysis study has been conducted regarding the annulment decision, and its impact has been reflected in the incurred but unreported compensation amount calculated as of December 31, 2023.

The company calculated the Net Incurred But Not Reported (IBNR) amount on a branch basis using updated reinsurance shares reflecting the impact of existing reinsurance agreements. The impacts of the Pool of Insured Risky Individuals and the Pool Related to Medical Malpractice have been reflected in the Net IBNR calculation.

In the Compulsory Traffic Insurance, pool and non-pool business, and in the General Liability branch, Employer's Liability, Compulsory Medical Malpractice Liability, Professional Liability, Compulsory Liability for Hazardous Substances and Waste, and Other Liability branches are analyzed separately by the company's actuary.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

With the amendment made by the Circular on Discounting Net Cash Flows Arising from Outstanding Claims Reserve (No: 2022/22) published on 12/07/2023 to the Circular No: 2016/22, Article 7 of Circular No: 2016/22 has been changed to "Net cash flows are discounted to present value at the rate of 28% as of the financial reporting period date." Accordingly, a discount rate of 28% has been considered for discounting the net cash flows arising from outstanding claims reserve. As of December 31, 2023, the company calculated the net discount amount for outstanding claims provisions as TL 10.555.127.559 (December 31, 2022: TL 4.841.484.474).

With the amendment made by the Circular on Discounting Net Cash Flows Arising from Outstanding Claims Provisions (No:2024/3) published on 15/01/2024 to the Circular No: 2016/22, Article 7 of Circular No: 2016/22 has been changed to "Net cash flows are discounted to present value at the rate of 35% as of the financial reporting period date."

The second article of the Circular states that companies that have not prepared financial statements can apply the provisions of this circular as of December 31, 2023. Within the scope of this article, since the company prepared its unconsolidated financial statements as of December 31, 2023, it continued to apply the 28% discount rate. Calculations in the unconsolidated financial statements for January 31, 2024 will be made using the new discount rate.

If the discount rate were 35% as of December 31, 2023, the net discount amount for outstanding claims reserve would have been accounted in the unconsolidated financial statements as TL 11.708.549.834.

According to Temporary Article 12 of the Regulation on Tariff Application Principles in Compulsory Financial Liability Insurance for Motor Vehicles, published in the Official Gazette dated July 11, 2017 and numbered 30121, a "Risky Insureds Pool" was announced to be established as of April 12, 2017, for high-risk categories and/or vehicle groups with high claim frequencies.

In this context, starting from April 12, 2017, premiums and claims amounts related to motor vehicle insurance policies issued under the pool are shared among insurance companies within the framework of the principles determined by the Insurance Information and Monitoring Center (SBM) and the Insurance Supervisory and Regulatory Authority.

Following the legislative changes, the Company has created accounting entries based on the monthly statements finalized and forwarded by the Turkish Motor Vehicles Bureau (TMVB), covering the premiums, claims, and commission amounts transferred to and received from the pool within its share.

Within the scope of this pool application, the Company has estimated the ultimate loss ratio based on its own pool policies and calculated the IBNR amounts for the transferred and received pool portfolios in line with this estimate.

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

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

After the change in the legislation, the Company created the accounting records over the premium, damage and commission amounts transferred to the pool within the scope of the monthly receipts finalized and forwarded by Türk Reasürans A.Ş. and taken over from the pool within the scope of its share.

As of December 31, 2023, the Company has outstanding claims reserve amounting to TL 27.800.010.100 (December 31,2022: TL 13.942.704.066) and TL 12.508.249.849 outstanding claims provision reinsurer share (December 31, 2022: TL 4.948.152.615) in the unconsolidated financial statements.

According to the "Circular on the Explanation of the Notification of the Undersecretariat of Treasury on the Calculation of the Incurred But Unreported Compensation (IBNR)" dated November 26, 2011 and numbered 2011/23, the companies are opened against the Company in sub-branches according to the last five years' (15% in the branches where there is no new five-year data and started the new activity) by calculating a win rate over the amounts of the cases by not exceeding 25% of the outstanding files accrued for the files in the trial period. As of December 31, 2023, the Company did not any discount against provisions for litigious file claims (December 31, 2022: None).

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 2.26 Unexpired Risk Reserve

Under the Regulation on Technical Provisions, companies are required to conduct a sufficiency test for each accounting period, covering the last 12 months, to ensure that the provision for unearned premiums allocated for insurance contracts in force does not exceed the potential claims and compensation that may arise from those contracts. During this test, the unearned premiums reserve must be multiplied by the expected net loss ratio.

The expected net loss ratio is determined by dividing the incurred losses (outstanding losses and claims, net + paid losses and claims, net - transferred outstanding losses and claims, net) by the earned premium (written premiums, net + transferred unearned premiums, net - unearned premiums, net).

In accordance with the Circular No. 2012/15 issued by the Insurance and Private Pension Regulation and Supervision Institution, calculations previously made for each sub-branch were consolidated at the main branch level as of December 31, 2012. According to this calculation, if the expected loss ratio is above 95%, the amount resulting from multiplying the excess over 95% by the net unearned premiums reserve is added to the unearned premiums reserve of the relevant main branch.

According to the sector announcement numbered 2015/30 by the Insurance and Private Pension Regulation and Supervision Institution, the amount of the initial provision for outstanding claims used in determining the expected loss ratio for the calculation of provisions for ongoing risks as of December 31, 2017, has been redefined consistently with the current period.

In accordance with the directive numbered 2011/18 by the Insurance and Private Pension Regulation and Supervision Institution, in the calculation of provisions for ongoing risks in Compulsory Traffic, Compulsory Road Transport Liability, and Bus Compulsory Seat Individual Accident branches, the calculation of the expected loss ratio has been adjusted by deducting all amounts related to premiums and claims transferred to the Social Security Institution from the numerator and denominator.

Furthermore, with the directive numbered 2019/5 by the Insurance and Private Pension Regulation and Supervision Institution, it has been stated that in addition to the above-mentioned method, the calculation of provisions for ongoing risks for all branches can also be made using the following method:

if the discounted final loss ratio calculated, including indirect transactions, based on the accident year exceeds 85%, then the excess portion is multiplied by the gross Unearned Premium Reserve (UPR) to determine the gross provisions for ongoing risks; similarly, it is multiplied by the net UPR to determine the net unexpired premiums reserve.

With the amendment made by the directive numbered 2020/1 by the Insurance and Private Pension Regulation and Supervision Institution, in cases where 100% of the direct production is transferred to pools established in Turkey, a separate calculation is made. In this scenario, if the gross loss ratio exceeds 100% for these transactions, unexpired risk reserve calculation is carried out; for other transactions, if the gross loss ratio exceeds 85%, unexpired risk reserve calculation is carried out.

Lastly, with the directive numbered 2022/27 published on November 24, 2022, the methods used in unexpired risk reserve calculation have been supplemented with the provision for "the best estimate based on the underwriting (business) year."

*Under Article 3, Paragraph 2 of the regulation, insurance companies may calculate the gross loss ratio based on the current period, including the total of the last four quarters, taking into account indirect operations. When calculating the incurred amount by the company actuary, the fact that the loss development process for the underwriting year has not matured is also considered based on the best estimate principles.*

*Under Article 3, Paragraph 6 of the regulation, the amounts of direct operations related to the business where 100% of the direct production is transferred to pools established in Turkey are not included in the loss ratio calculation. Since the company's obligations regarding these operations arise solely from indirect production, calculation is performed separately from other branches' production, considering only indirect productions and losses along with other income and expense items in this distinction.*

In accordance with the second paragraph of the third article of Directive 2022/27 regarding Unexpired Risk Reserves, the company actuary has calculated the ultimate loss ratio estimates for the last four quarters based on actuarial analyses conducted using the "Underwriting Year" instead of the "Accident Year" to eliminate the misleading effect of fluctuations resulting from seasonal variations in tariff changes that lead to deterioration in loss development and premium increases due to factors such as inflation, minimum wage, exchan

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

The results of the calculations of unexpired risk reserves of the Company for Risky Insureds’ Pool and TKU (Medical Malpractice) Pool are presented below.

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

As a result of the relevant methods, as of the reporting date, the Company has accounted gross unexpired risk amounting to TL 2.244.301.474 (December 31, 2022: TL 926.032.085 TL) and TL 599.131.968 net unexpired risk reserve (December 31, 2022: TL 128.111.819).

If the calculation of the unexpired risk reserve had been made considering the “Amendment to the Directive on Discounting of Net Cash Flows Arising from Outstanding Claims Reserves” published on 15/01/2024, the actuarial calculations would have resulted in a gross unexpired risk reserve of TL 1.088.136.716 and a net unexpired risk reserve of TL 1.076.453.342 would have been accounted in the unconsolidated financial statements.

### 2.27 Equalization provision

In accordance with the Communiqué on Technical Reserves put into effect starting from November 10, 2008, the companies should provide equalization provision in credit insurance and earthquake branches to equalize the fluctuations in future possible claims and for catastrophic risks. Equalization provision, 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 un-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The companies should provide equalization provision up to reaching 150% of the highest premium amount written in a year within the last five years.

In the event of a loss occurrence, amounts attributable to reinsurers and amounts below the deductible limit specified in the contract cannot be deducted from equalization provisions. If there are claims paid due to the provided coverage, they are deducted from the equalization provisions according to the first in, first out method starting from the reserves allocated in the first year. The expense impact of the earthquake centered in Kahramanmaraş and affecting 11 provinces on February 6, 2023, has been compensated for with Equalization Reserves, and as of December 31, 2023, an amount of TL 258.889.026 has been deducted from the equalization reserve (December 31, 2022: None). Equalization reserves are presented within long-term liabilities as “other technical provisions” in the accompanying consolidated financial statements. As of the end of the reporting period, an equalization reserve of TL 593.112.491 (December 31, 2022: TL 512.935.407) has been allocated in the accompanying consolidated financial statements.

### 2.28 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);

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

(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.

### 2.29 Earnings 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. Accordingly, the weighted average number of shares used in these calculations has been determined taking into account the retrospective effects of such stock distributions.

### 2.30 Events after the reporting date

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

### 2.31 The new standards, amendments and interpretations

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

#### i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

##### Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

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

##### Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

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



## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### **Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

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

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

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

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

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

### **Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Company will wait until the final amendment to assess the impacts of the changes.

### **TFRS 17 - The new Standard for insurance contracts**

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

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

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

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

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

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

Overall, the Company expects no significant impact on its balance sheet and equity.

### **Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback**

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

Overall, the Company expects no significant impact on its balance sheet and equity.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed.

Overall, the Company expects no significant impact on its balance sheet and equity.

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

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

### Amendments to IAS 21 - Lack of exchangeability

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

Overall, the Company expects no significant impact on its balance sheet and equity.

### 3 Critical accounting estimates and judgments in applying accounting policies

The notes given in this section are provided in addition to 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 recognised 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 recognised 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 10 - *Reinsurance assets and liabilities*

Note 11 - *Financial assets*

Note 12 - *Loans and receivables*

Note 17 - *Insurance contract liabilities and reinsurance assets*

Note 17 - *Deferred commissions*

Note 19 - *Trade and other payables, deferred income*

Note 21 - *Deferred tax*

Note 23 - *Other liabilities and provisions*

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 4 Management of insurance and financial risk

#### 4.1 Management of insurance risk

Insurance risk is defined as coverage for exposures that exhibit a possibility of financial loss due to applying inappropriate and insufficient insurance techniques. Main reasons of insurance risk exposure result from the risk selection and inaccurate calculation of insurance coverage, policy terms and fee or inaccurate calculation of coverage portion kept within the Company and coverage portion transfers to policyholders and transfer conditions.

#### Objective of managing risks arising from insurance contracts and policies used to minimize such risks

Potential risks that may be exposed in transactions are managed based on the requirements set out in the Company’s “Risk Management Policies” issued by the approval of the Board of Directors. The main objective of risk management policies is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company’s asset quality and limitations allowed by the insurance standards together with the Company’s risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

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

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

It is essential that all the authorized personnel in charge of executing policy issuance transactions, which is the initial phase of insurance process, should ensure to gather or provide all the accurate and complete information to issue policies in order to obtain evidence on the acceptable risks that the Company 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 co-insurers and considering the terms of the insurance policy.

In order to avoid destructive losses over company’s financial structure, company transfers the exceeding portion of risks assumed over the Company’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.

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.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Insurance risk concentration

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

<b>Total claims liability <sup>(1)</sup> December 31, 2023</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Motor vehicles liability (MTPL)	10.616.002.863	(2.584.459.581)	8.031.543.282
General liability	2.842.352.997	(837.218.961)	2.005.134.036
Fire and natural disasters	8.136.221.045	(6.124.151.376)	2.012.069.669
General losses	808.674.696	(283.487.419)	525.187.277
Motor vehicles	1.445.627.339	(13.515.333)	1.432.112.006
Water vehicles	1.226.070.086	(774.485.168)	451.584.918
Marine	678.646.738	(377.620.159)	301.026.579
Accident	113.161.368	(18.746.680)	94.414.688
Financial losses	1.126.893.698	(1.051.100.557)	75.793.141
Air crafts liability	156.722.888	(69.226.516)	87.496.372
Air crafts	481.353.187	(357.034.091)	124.319.096
Health	110.049.257	(4.467.346)	105.581.911
Credit	31.715.920	(5.478.132)	26.237.788
Breach of trust	24.945.159	(7.258.530)	17.686.629
Legal protection	1.572.859	--	1.572.859
<b>Total</b>	<b>27.800.010.100</b>	<b>(12.508.249.849)</b>	<b>15.291.760.251</b>
<b>Total claims liability <sup>(1)</sup> December 31, 2022</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Motor vehicles liability (MTPL)	6.165.910.347	(1.526.210.671)	4.639.699.676
General liability	2.391.191.913	(765.439.178)	1.625.752.735
Fire and natural disasters	2.292.598.288	(1.195.802.886)	1.096.795.402
General losses	456.927.684	(180.127.331)	276.800.353
Motor vehicles	705.053.437	(2.257.203)	702.796.234
Water vehicles	543.376.710	(343.883.506)	199.493.204
Marine	358.916.865	(193.867.865)	165.049.000
Accident	60.773.911	(12.203.197)	48.570.714
Financial losses	477.735.187	(431.914.451)	45.820.736
Air crafts liability	105.019.023	(56.959.564)	48.059.459
Air crafts	271.247.995	(212.719.256)	58.528.739
Health	53.923.819	(2.394.046)	51.529.773
Credit	28.908.536	(3.691.597)	25.216.939
Breach of trust	29.654.123	(20.681.864)	8.972.259
Legal protection	1.466.227	--	1.466.227
<b>Total</b>	<b>13.942.704.065</b>	<b>(4.948.152.615)</b>	<b>8.994.551.450</b>

<sup>(1)</sup> Total claims liability includes outstanding claims reserve (excluding contingent amounts deducted from claims reserve determined by winning probability) and incurred but not reported claims.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Gross and net insurance risk concentrations of the insurance contracts (net of reinsurer share) based on geographical regions are summarized as below:

<b>Total claims liability <sup>(*)</sup> December 31, 2023</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Turkey	18.294.506.547	11.070.361.578	7.224.144.969
Europe	390.515.247	199.746.721	190.768.526
America	162.633.136	105.703.063	56.930.073
Asia	305.458.059	238.774.546	66.683.513
Australia	5.524	--	5.524
Africa	97.034.732	60.455.206	36.579.526
<b>Total</b>	<b>19.250.153.245</b>	<b>11.675.041.114</b>	<b>7.575.112.131</b>

<b>Total claims liability <sup>(*)</sup> December 31, 2023</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Marmara Region	6.022.036.216	2.985.750.168	3.036.286.048
Middle Anatolian Region	2.983.046.660	1.838.929.748	1.144.116.912
Aegean Region	1.811.254.821	748.257.187	1.062.997.634
Mediterranean Region	5.469.931.060	4.790.959.982	678.971.078
Black Sea Region	837.887.626	260.676.565	577.211.061
East Anatolian Region	436.225.362	156.770.104	279.455.258
South East Anatolian Region	734.124.802	289.017.824	445.106.978
<b>Total</b>	<b>18.294.506.547</b>	<b>11.070.361.578</b>	<b>7.224.144.969</b>

<sup>(\*)</sup>Total claims liability includes estimated compensation indemnity for realized claims. Gross incurred but not reported claims amounting to TL 17.995.198.539 discount of outstanding claim reserves amounting to TL (13.970.367.622), amounting to TL 1.600.752.044 Risky Insured Pool and TKU (Medical Malpractice) Pool IBNR and discount, outstanding claims of treaty activities which could not be distributed to geographical regions amounting to TL 2.924.273.894 are excluded from the table.

<b>Total claims liability <sup>(*)</sup> December 31, 2022</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Turkey	8.444.919.320	3.852.075.320	4.592.844.000
Europe	134.426.830	66.378.310	68.048.520
America	27.066.979	24.208.004	2.858.975
Asia	167.309.359	132.193.589	35.115.770
Australia	22.241	--	22.241
Africa	23.546.729	14.257.358	9.289.371
<b>Total</b>	<b>8.797.291.458</b>	<b>4.089.112.581</b>	<b>4.708.178.877</b>

<b>Total claims liability <sup>(*)</sup> December 31, 2022</b>	<b>Gross total claims liability</b>	<b>Reinsurance share of total claims liability</b>	<b>Net total claims liability</b>
Marmara Region	3.605.317.152	1.710.077.726	1.895.239.426
Middle Anatolian Region	1.786.034.775	1.046.333.974	739.700.801
Aegean Region	884.174.217	251.714.511	632.459.706
Mediterranean Region	781.924.232	234.830.736	547.093.496
Black Sea Region	768.662.131	427.770.728	340.891.403
South East Anatolian Region	256.058.906	79.737.230	176.321.676
East Anatolian Region	362.747.907	101.610.415	261.137.492
<b>Total</b>	<b>8.444.919.320</b>	<b>3.852.075.320</b>	<b>4.592.844.000</b>

<sup>(\*)</sup>The gross total claims liability includes estimated claim amounts that have actually occurred. The gross realized but unreported claims and compensation amount totaling 8.888.544.492 TL, the TL (6.326.123.331) discounted provision for outstanding claims, TL 833.122.342 for the Pool for Risky Policyholders and Medical Malpractice Pool Incurred But Not Reported (IBNR) and discount amounts, excluding treaty transactions amounting to TL 1.749.869.104 that could not be distributed based on the geographic region where the claims occurred.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Given insurance collateral amounts in respect to branches

	December 31, 2023	December 31, 2022
Motor vehicles liability (MTPL)	15.695.160.876.221	12.876.617.669.903
Fire and natural disasters	1.497.148.063.715	1.277.596.639.642
Health	211.908.703.313	215.309.224.311
Accident	336.546.465.562	92.784.194.911
General liability	189.084.898.038	128.297.518.406
General losses	912.301.239.939	497.271.350.626
Motor vehicles	8.495.175.908.204	4.426.853.744.399
Marine	309.582.460.893	195.369.322.910
Air crafts liability	41.488.209.950	28.824.695.786
Legal protection	15.255.639.329	5.346.793.242
Water vehicles	79.932.973.016	54.873.336.339
Breach of trust	71.345.682	596.317.428
Financial losses	26.229.675.471	21.359.166.356
Aircrafts	4.146.448.588	3.140.357.762
<b>Total<sup>(1)</sup></b>	<b>27.814.032.907.921</b>	<b>19.824.240.332.021</b>

<sup>(1)</sup> Net amount which deducted share of reinsurance and social security

### 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 Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Duties and responsibilities of the Risk Management and Internal Control Department include design and implementation of risk management system and identification and implementation of risk management policies. It is also responsible for ensuring that the Company implements all necessary risk management techniques. Activities of the Risk Management and Internal Control Department are managed directly by General Manager. The Board of Directors monitors the effectiveness of the risk management system through the internal audit department.

Risk management policies and guidelines are set by the Board of Directors and applied by the top management. These policies include organisation and scope of the risk management function, risk measurement and assessment methods, duties and responsibilities of the Board of Directors, top management and all of the employees, procedures followed in the case of limit extension and compulsory approval and confirmation processes for certain situations.

#### Credit risk

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The balance sheet items that the Company is exposed to credit risks are as follows:

- Cash at banks
- Other cash and cash equivalents
- Available for sale financial assets (except equity-shares)
- Financial assets held for trading (except equity-shares)
- Held to maturity financial asset

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

- Premium receivables from policyholders
- Receivables from intermediaries (agencies)
- Receivables from reinsurance companies related to commissions and claims paid
- Reinsurance shares of insurance liability
- Receivables from related parties
- Other receivables

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

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

	December 31, 2023	December 31, 2022
Cash and cash equivalents (Note 14)	11.302.757.914	9.253.157.186
Receivables from main operations (Note 12)	14.425.369.273	6.694.028.834
Reinsurer share in provision for outstanding claims (Note 10), (Note 17)	12.508.249.849	4.948.152.615
Financial assets (Note 11) <sup>(1)</sup>	21.562.180.817	8.882.445.000
Other receivables (Note 12)	98.028.035	39.744.862
Other miscellaneous current assets (Note 12)	105.497.214	30.410.925
Income accruals (Note 12)	43.567.096	12.873.895
<b>Total</b>	<b>60.045.650.198</b>	<b>29.860.813.317</b>

<sup>(1)</sup> Equity shares amounting to TL 2.607.307.312 are not included (December 31, 2022: TL 1.203.909.373).

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

	December 31, 2023		December 31, 2022	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	11.215.640.552	--	6.053.136.331	--
Past due 0-30 days	3.149.524.249	(15.197.891)	620.642.980	(8.788.242)
Past due 31-60 days	60.755.039	(15.936.262)	28.099.419	(8.080.500)
Past due 61-90 days	46.581.447	(15.997.861)	15.404.123	(6.385.277)
More than 90 days <sup>(1)</sup>	1.134.483.549	(1.134.483.549)	776.932.343	(776.932.343)
<b>Total</b>	<b>15.606.984.836</b>	<b>(1.181.615.563)</b>	<b>7.494.215.196</b>	<b>(800.186.362)</b>

<sup>(1)</sup> As per the February 3, 2005 dated and B.021.HM.O.SGM.0.31/01/05 numbered Circular issued by the T.C. 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 consolidated financial statements. Related amounts are presented in "More than 90 days" line in the above table.



## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023	December 31, 2022
Provision for receivables from insurance operations at the beginning of the period	741.496.380	550.992.622
Provision for receivables provided for subrogation – salvage receivables during the period ( <i>Note 47</i> )	284.504.879	190.020.345
Provision for losses provided during the period ( <i>Note 47</i> )	1.524.942	1.455.458
Collections during the period	(2.722.230)	(972.045)
<b>Provision for receivables from insurance operations at the end of the period</b>	<b>1.024.803.971</b>	<b>741.496.380</b>

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial instruments.

#### 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, 2023	Net book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Unallocated
Cash and cash equivalents	11.302.917.518	5.146.252.734	5.310.528.267	33.716.798	--	--	812.419.719
Financial assets	24.169.488.129	155.324.962	736.672.928	1.842.158.440	151.252.902	8.564.843.257	12.719.235.640
Receivables from main operations	14.425.369.273	872.830.481	4.201.430.158	3.646.633.211	570.699.673	5.133.775.750	--
Other receivables	98.028.035	21.919.897	13.975.567	20.562.892	41.125.785	324.555	119.339
Income accruals	43.567.096	4.937.974	18.926.377	--	19.233.184	--	469.561
<b>Total monetary assets</b>	<b>50.039.370.051</b>	<b>6.201.266.048</b>	<b>10.281.533.297</b>	<b>5.543.071.341</b>	<b>782.311.544</b>	<b>13.698.943.562</b>	<b>13.532.244.259</b>
Financial liabilities	114.448.918	--	--	--	19.138.720	95.310.198	--
Payables arising from main operations	5.215.154.669	--	415.822.131	473.813.389	4.319.847.357	5.671.792	--
Other liabilities	658.804.066	378.789.544	242.936.125	--	37.078.397	--	--
Insurance technical provisions <sup>(*)</sup>	15.291.760.251	1.767.921.158	3.535.842.317	4.245.871.412	1.576.441.885	4.165.683.479	--
Provisions for taxes and other similar obligations	784.810.314	556.453.141	228.357.173	--	--	--	--
Provisions for other risks and expense accruals	629.460.684	--	149.093.210	--	315.617.104	--	164.750.370
<b>Total monetary liabilities</b>	<b>22.694.438.902</b>	<b>2.703.163.843</b>	<b>4.572.050.956</b>	<b>4.719.684.801</b>	<b>6.268.123.463</b>	<b>4.266.665.469</b>	<b>164.750.370</b>

<sup>(\*)</sup> Provision for outstanding claims is presented as short term liabilities in the accompanying consolidated financial statements whereas maturity distribution is presented according to projected payment dated in the above table.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

December 31, 2022	Net book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Unallocated
Cash and cash equivalents	9.253.297.690	5.357.820.698	3.695.935.705	--	--	--	199.541.287
Financial assets	10.086.354.373	785.899.646	264.858.172	10.842.096	616.178.711	6.184.297.364	2.224.278.384
Receivables from main operations	6.694.028.834	323.546.672	2.048.858.587	1.844.259.656	283.400.926	2.193.962.993	--
Other receivables	39.744.862	13.954.135	6.502.464	6.303.123	12.606.246	324.555	54.339
Income accruals	12.873.895	2.115.363	--	--	--	--	10.758.532
<b>Total monetary assets</b>	<b>26.086.299.654</b>	<b>6.483.336.514</b>	<b>6.016.154.928</b>	<b>1.861.404.875</b>	<b>912.185.883</b>	<b>8.378.584.912</b>	<b>2.434.632.542</b>
Financial liabilities	99.788.802	18.749.281	--	--	10.874.757	70.164.764	--
Payables arising from main operations	2.590.936.074	655.767.394	495.041.603	546.799.909	893.327.168	--	--
Other liabilities	368.305.459	330.462.001	12.892.612	--	24.950.846	--	--
Insurance technical provisions (*)	8.994.551.450	977.210.145	1.954.420.290	2.663.673.173	1.000.692.585	2.398.555.257	--
Provisions for taxes and other similar obligations	388.233.476	285.463.525	102.769.951	--	--	--	--
Provisions for other risks and expense accruals	368.069.081	3.086.862	49.403.110	--	194.656.421	--	120.922.688
<b>Total monetary liabilities</b>	<b>12.809.884.342</b>	<b>2.270.739.208</b>	<b>2.614.527.566</b>	<b>3.210.473.082</b>	<b>2.124.501.777</b>	<b>2.468.720.021</b>	<b>120.922.688</b>

(\*) Provision for outstanding claims is presented as short term liabilities in the accompanying consolidated financial statements whereas maturity distribution is presented according to projected payment dated in the above table.

### Market risk

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

#### Foreign currency risk

The Company is exposed to 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 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 income.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

<b>December 31, 2023</b>	<b>US Dollar</b>	<b>Euro</b>	<b>Other currencies</b>	<b>Total</b>
Receivables from main operations	3.248.902.341	2.026.314.647	660.573.920	5.935.790.908
Financial assets	6.456.169.579	628.062.160	--	7.084.231.739
Cash and cash equivalents	272.113.495	61.389.868	41.387.369	374.890.732
<b>Total foreign currency assets</b>	<b>9.977.185.415</b>	<b>2.715.766.675</b>	<b>701.961.289</b>	<b>13.394.913.379</b>
Insurance technical provisions	2.685.744.805	658.571.697	848.151.401	4.192.467.903
Payables arising from main operations	1.436.361.872	2.193.129.118	105.813.867	3.735.304.857
Financial liabilities	2.237.303.200	--	--	2.237.303.200
<b>Total foreign currency liabilities</b>	<b>6.359.409.877</b>	<b>2.851.700.815</b>	<b>953.965.268</b>	<b>10.165.075.960</b>
<b>Net financial position</b>	<b>3.617.775.538</b>	<b>(135.934.140)</b>	<b>(252.003.979)</b>	<b>3.229.837.419</b>

<b>December 31, 2022</b>	<b>US Dollar</b>	<b>Euro</b>	<b>Other currencies</b>	<b>Total</b>
Receivables from main operations	1.727.898.704	654.521.240	253.466.347	2.635.886.291
Financial assets	5.475.946.415	383.532.875	--	5.859.479.290
Cash and cash equivalents	401.858.563	42.859.433	33.216.137	477.934.133
<b>Total foreign currency assets</b>	<b>7.605.703.682</b>	<b>1.080.913.548</b>	<b>286.682.484</b>	<b>8.973.299.714</b>
Insurance technical provisions	1.210.601.424	600.377.511	463.033.139	2.274.012.074
Payables arising from main operations	718.417.711	410.481.608	7.065.396	1.135.964.715
Financial liabilities	3.440.487.200	386.139.013	--	3.826.626.213
<b>Total foreign currency liabilities</b>	<b>5.369.506.335</b>	<b>1.396.998.132</b>	<b>470.098.535</b>	<b>7.236.603.002</b>
<b>Net financial position</b>	<b>2.236.197.347</b>	<b>(316.084.584)</b>	<b>(183.416.051)</b>	<b>1.736.696.712</b>

TL equivalents of the related monetary amounts denominated in foreign currencies are presented in the above table.

If technical provision denominated in any currency not specified, it is evaluated are evaluated by the Central Bank of the Republic of Turkey's spot sales rates as of December 31, 2023 and Foreign currency transactions are recorded at the foreign exchange rates ruling at the dates of the transactions and foreign currency denominated monetary items are evaluated by the Central Bank of the Republic of Turkey's spot purchase rates as of December 31, 2023.

### Exposure to currency risk

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

	<b>US Dollar</b>	<b>Euro</b>
December 31, 2023	29,4382	32,5739
December 31, 2022	18,6983	19,9349

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

A 10 percent depreciation of the TL against the following currencies as of December 31, 2023 and 2022 would have increased or decreased equity and profit or loss (excluding tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. In case of a 10 percent appreciation of the TL against the following currencies, the effect will be in opposite direction.

	December 31, 2023		December 31, 2022	
	Profit or loss	Equity <sup>(*)</sup>	Profit or loss	Equity <sup>(*)</sup>
US Dollar	361.777.554	361.777.554	223.619.735	223.619.735
Euro	(13.593.414)	(13.593.414)	(31.608.458)	(31.608.458)
Other	(25.200.398)	(25.200.398)	(18.341.605)	(18.341.605)
<b>Total, net</b>	<b>322.983.742</b>	<b>322.983.742</b>	<b>173.669.672</b>	<b>173.669.672</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of 10% depreciation of TL against related currencies.

### Exposure to interest rate risk

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

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

	December 31, 2023	December 31, 2022
<i>Financial assets/(liabilities) with fixed interest rates:</i>		
Available for sale financial assets – Other (Note 11)	93.498	--
Cash in banks (Note 14) <sup>(*)</sup>	7.038.132.280	7.266.704.873
Other-financial liabilities (Note 20)	(114.448.918)	(99.788.802)
Available for sale financial assets – Government bonds (Note 11)	6.432.314.086	4.064.255.571
Available for sale financial assets – Private debt securities (Note 11)	41.946.440	976.792.484
Held to maturity investments - Government bonds (Note 11)	329.439.781	379.792.253
Cash deposited to insurance and reinsurance companies (Note 12)	1.042.927.392	594.806.278
<i>Financial assets with variable interest rates:</i>		
Available for sale financial assets – Government bonds (Note 11)	2.334.986.132	1.074.431.332
Available for sale financial assets – Private debt securities (Note 11)	72.181.667	571.673.144

<sup>(\*)</sup> Demand deposits amounting to 266.059.749 are not included (December 31, 2022: TL 199.386.302).

### Interest rate sensitivity of the financial instruments

The interest rate sensitivity of the income statement is the effect of changes in interest rates on net interest income for the period ended December 31, 2023 and 2022. This analysis assumes that the other variables remain constant. The table below does not include the effect of the change in interest rates on the income statement and equity, the related loss or tax effects on income.

December 31, 2023	Income Statement		Equity <sup>(*)</sup>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Available for sale financial assets	(981.071)	1.014.787	--	--
<b>Total, net</b>	<b>(981.071)</b>	<b>1.014.787</b>	<b>--</b>	<b>--</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of assumed change in interest rates.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

December 31, 2022	Income Statement		Equity <sup>(*)</sup>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Available for sale financial assets	(19.707.631)	20.932.187	--	--
<b>Total, net</b>	<b>(19.707.631)</b>	<b>20.932.187</b>	<b>--</b>	<b>--</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of assumed change in interest rates.

### Fair value information

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

The Company has classified its financial assets as held for trading, available for sale or held to maturity. 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 consolidated financial statements. Equity shares not traded in active markets are measured at cost less impairment losses if any. The Company has no held to maturity investment measured at amortised cost calculating the effective interest method.

Management estimates that the fair value of other financial assets and liabilities are not materially different than their net book value

### Fair value sensitivity of the equity shares

Equity share price risk is the risk that the fair values of equity shares decrease as a result of the changes in the levels of equity shares indices and the value of equity shares.

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

	December 31, 2023		December 31, 2022	
	Profit or loss	Equity <sup>(*)</sup>	Profit or loss	Equity <sup>(*)</sup>
Financial assets held for trading	(174.249.197)	(174.249.197)	(55.000.368)	(55.000.368)
Available for sale financial assets	--	(118.226.435)	--	(65.390.569)
<b>Total, net</b>	<b>(174.249.197)</b>	<b>(292.475.632)</b>	<b>(55.000.368)</b>	<b>(120.390.937)</b>

<sup>(\*)</sup> Equity effect also includes profit or loss effect of assumed change in interest rates.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Classification of fair value measurements

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

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

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

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

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

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

	December 31, 2023			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Financial assets held for trading (Note 11)	6.890.625.789	6.885.729.881	--	13.776.355.670
Available for sale financial assets <sup>(1)</sup> (Note 11)	10.062.978.925	--	--	10.062.978.925
<b>Total financial assets</b>	<b>16.953.604.714</b>	<b>6.885.729.881</b>	<b>--</b>	<b>23.839.334.595</b>
	December 31, 2022			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Financial assets held for trading (Note 11)	1.887.312.064	478.191.836	--	2.365.503.900
Available for sale financial assets <sup>(1)</sup> (Note 11)	7.340.378.458	--	--	7.340.378.458
<b>Total financial assets</b>	<b>9.227.690.522</b>	<b>478.191.836</b>	<b>--</b>	<b>9.705.882.358</b>

<sup>(1)</sup> As of December 31, 2023, equity shares that are not publicly traded and the determination of fair values could not be obtained reliably amounting to TL 713.752 have been measured at cost value (December 31, 2022: TL 679.762).

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Gains and losses from financial assets

<i>Gains and losses recognized in the consolidated statement of income:</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Interest income from bank deposits	1.618.939.306	299.501.323
Foreign exchange gains	9.443.037.135	3.099.095.024
Income from investments in associates	570.763.040	278.350.371
Income from debt securities classified as available-for-sale financial assets	911.446.548	640.812.787
Income from debt securities classified as trading financial assets	--	--
Income from debt securities classified as held to maturity financial investments	24.641.815	129.402.652
Income from equity shares classified as available-for-sale financial assets	101.868	139.182.793
Income from equity shares classified as trading financial assets	2.129.549.417	904.008.801
Income from investment funds as available for sale financial assets	--	111.299.954
Income from investment funds as trading financial assets	2.926.628.867	871.812.512
Income from derivative transactions	1.182.313.766	808.574.676
Other	1.952.318	2.403.656
<b>Investment income</b>	<b>18.809.374.080</b>	<b>7.284.444.549</b>
Loss from valuation of financial assets	(82.669.203)	(1.336.747)
Foreign exchange losses	(5.043.064.496)	(715.516.139)
Loss from derivative transactions	(569.619.977)	(1.238.037.683)
Loss from disposal of financial assets	(844.964.316)	(223.674.623)
Investment expenses – including interest	(214.151.319)	(40.204.333)
<b>Investment expenses</b>	<b>(6.754.469.311)</b>	<b>(2.218.769.525)</b>
<b>Financial gains and losses recognized in the consolidated statement of income, net</b>	<b>12.054.904.769</b>	<b>5.065.675.024</b>
<i>Financial gains and losses recognized in consolidated equity:</i>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Fair value changes in investments in associates (Note 15)	122.408.849	129.809.434
Net gains transferred from statement of equity to the statement of income on disposal of available for sale financial assets (Note 15)	(1.762.906.893)	(670.395.906)
Fair value changes in available-for-sale financial assets (Note 15)	2.724.345.034	1.441.878.992
<b>Gains and losses recognized in consolidated equity, net</b>	<b>1.086.846.990</b>	<b>901.292.520</b>

### Capital management

The Company's capital management policies include the following:

- To comply with the insurance capital requirements determined by the T.C. Ministry of Treasury and Finance
- To ensure the continuity of the Company's activities within the framework of the Company's continuity principle

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Undersecretariat of Treasury and Finance on January 19, 2008 dated and 26761 numbered; capital adequacy calculations are carried out twice a year in June and December, within the following two months. As of the reporting date, the Company measured its minimum capital requirement as TL 6.829.483.552 in the calculation of the Company's last reporting period June 30, 2023. As of June 30, 2023, the capital amount of the Company presented in the consolidated financial statements is TL 2.032.493.965 above the minimum capital requirement amounts calculated according to the communiqué.

### 5 Segment reporting

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.

#### Business segment

A business segment reporting of the Company is presented in accordance with TFRS 8 – *Operating Segments* standard in this section.

#### Insurance on Fire and Natural Disaster

Insurance on fire and natural disasters covers material damages occurred due to fire, lightning, explosion or smoke, steam and temperature resulted from fire, lightning and explosion up to insurance policy limits.

#### Insurance on Motor Third Party Liability

According to the Motorway Traffic Code numbered 2918, Motor Third Party Liability Insurance is covers vehicle owner's legal liability for all bodily damages to third persons and financial damages to other vehicles.

Damages caused by the trailer or semi-trailers (included light trailers) or the vehicles pulled is covered by the insurance of the trailer. However, the trailers used for transportation of people should be included in an additional liability insurance in order to obtain coverage.

In order to reduce and prevent the damage in the accident happened, reasonable and necessary expenses of the policyholder is compensated by the Company. This insurance also covers unfair claims against the policyholders.

#### Insurance on Motor Vehicles

Insurance on motor vehicles covers the following dangers related with vehicles. It is possible to widen policy scope for accessories or audio, display and communication devices which are not included in standard version of the vehicle by specifying on the insurance policy.

- Accident with the motorized or non-motorized vehicles which used in high-ways,
- Crash with fixed or moving items without desire of the driver or accidents due to crash, capsize, fall or tumble,
- The actions of third parties resulted from bad intention or mischief,
- Burn,
- Theft or attempted theft.

#### Insurance on Health

Insurance on health compensates treatment costs of illnesses or accidental injuries during the period of insurance and, if any, daily allowances in this general framework with special conditions up to the amount written in the policy. Geographical limits of the insurance are stated in the policy.



# CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

## Geographical segment

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

	Motor third party liability	Health	Motor vehicles	Fire and natural disasters	Other	Unallocated	Total
<b>January 1 – December 31, 2023</b>							
1- Earned Premiums (Net of Reinsurer Share)	4.783.425.476	3.707.081.372	8.920.634.974	2.870.234.153	2.965.196.227	--	23.246.572.202
1.1- Written Premiums (Net of Reinsurer Share)	6.670.224.752	5.639.633.822	11.716.697.423	4.049.220.389	4.337.909.899	--	32.413.686.285
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)	(1.224.639.035)	(1.963.749.743)	(2.796.062.449)	(1.178.986.236)	(1.156.427.381)	--	(8.319.864.844)
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	(662.160.241)	31.197.293	--	--	(216.286.291)	--	(847.249.239)
2- Other Technical Income (Net of Reinsurer Share)	4.637.449	112.079	20.774.732	2.113.993	3.588.679	--	31.226.932
3- Accrued Salvage and Subrogation Income	75.453.641	--	206.493.973	32.688.240	127.557.346	--	442.193.200
<b>Technical income <sup>(*)</sup></b>	<b>4.863.516.566</b>	<b>3.707.193.451</b>	<b>9.147.903.679</b>	<b>2.905.036.386</b>	<b>3.096.342.252</b>	--	<b>23.719.992.334</b>
1- Incurred Losses (Net of Reinsurer Share)	(7.643.429.425)	(3.133.836.899)	(5.326.570.832)	(2.405.422.968)	(2.646.698.609)	--	(21.155.958.733)
1.1- Claims Paid (Net of Reinsurer Share)	(4.251.585.820)	(3.079.784.760)	(4.597.255.059)	(1.490.148.701)	(1.439.975.592)	--	(14.858.749.932)
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	(3.391.843.605)	(54.052.139)	(729.315.773)	(915.274.267)	(1.206.723.017)	--	(6.297.208.801)
2- Changes in provision for bonus and discounts Net of Reinsurer Share and Less the Amounts Carried Forward)	--	--	--	--	--	--	--
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	--	(2.384.160)	(59.026.481)	(37.945.044)	19.178.601	--	(80.177.084)
4- Operating Expenses	(1.389.090.541)	(975.058.773)	(1.876.332.755)	(981.752.192)	(879.738.511)	--	(6.101.972.772)
5- Other Technical Expenses	(192.969.787)	(69.651.529)	(470.524.112)	(40.962.274)	(49.032.939)	--	(823.140.641)
<b>Technical expense</b>	<b>(9.225.489.753)</b>	<b>(4.180.931.361)</b>	<b>(7.732.454.180)</b>	<b>(3.466.082.478)</b>	<b>(3.556.291.458)</b>	--	<b>(28.161.249.230)</b>
Investment Income						18.954.515.484	18.954.515.484
Investment Expense <sup>(*)</sup>						(6.873.709.499)	(6.873.709.499)
Other <sup>(**)</sup>						(333.291.743)	(333.291.743)
<b>Net income before tax</b>							<b>7.306.257.346</b>
<b>Income tax</b>						(926.097.599)	(926.097.599)
<b>Net income</b>							<b>6.380.159.747</b>

<sup>(\*)</sup> Investment income transferred to non-technical section from technical section amounting to TL 11.798.293.048 is not included.

<sup>(\*\*)</sup> Deferred tax expense amounting TL 738.388.265 is presented as income tax.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Motor third party liability	Health	Motor vehicles	Fire and natural disasters	Other	Unallocated	Total
<b>January 1 – December 31, 2022</b>							
1- Earned Premiums (Net of Reinsurer Share)	2.320.985.142	1.529.210.050	3.586.016.365	1.439.385.277	1.893.339.639	--	10.768.936.473
1.1- Written Premiums (Net of Reinsurer Share)	4.415.655.765	2.243.346.635	6.500.363.376	2.043.130.781	2.364.290.786	--	17.566.787.343
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)	(1.577.390.349)	(682.939.292)	(2.914.347.011)	(603.745.504)	(482.721.281)	--	(6.261.143.437)
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	(517.280.274)	(31.197.293)	--	--	11.770.134	--	(536.707.433)
2- Other Technical Income (Net of Reinsurer Share)	7.092.724	--	519.955	4.124.292	380.379	--	12.117.350
3- Accrued Salvage and Subrogation Income	75.181.417	--	99.463.961	22.628.878	49.438.441	--	246.712.697
<b>Technical income <sup>(*)</sup></b>	<b>2.403.259.283</b>	<b>1.529.210.050</b>	<b>3.686.000.281</b>	<b>1.466.138.447</b>	<b>1.943.158.459</b>	<b>--</b>	<b>11.027.766.520</b>
1- Incurred Losses (Net of Reinsurer Share)	(3.879.253.892)	(1.521.176.583)	(2.977.212.351)	(1.052.375.375)	(1.464.273.953)	--	(10.894.292.154)
1.1- Claims Paid (Net of Reinsurer Share)	(2.368.675.222)	(1.501.084.417)	(2.675.639.980)	(673.721.905)	(994.610.203)	--	(8.213.731.727)
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)	(1.510.578.670)	(20.092.166)	(301.572.371)	(378.653.470)	(469.663.750)	--	(2.680.560.427)
2-Bonus and Discount Provision	--	--	--	--	--	--	--
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	--	(1.701.369)	(25.662.840)	(137.401.622)	(15.649.487)	--	(180.415.318)
4- Operating Expenses	(694.766.061)	(437.774.344)	(769.325.731)	(562.539.898)	(487.903.286)	--	(2.952.309.320)
5- Other Technical Expenses	(107.360.735)	(29.564.682)	(264.695.563)	(55.971.603)	(29.096.235)	--	(486.688.818)
<b>Technical expense</b>	<b>(4.681.380.688)</b>	<b>(1.990.216.978)</b>	<b>(4.036.896.485)</b>	<b>(1.808.288.498)</b>	<b>(1.996.922.961)</b>	<b>--</b>	<b>(14.513.705.610)</b>
Investment Income						7.447.206.114	7.447.206.114
Investment Expense <sup>(*)</sup>						(2.328.549.608)	(2.328.549.608)
Other <sup>(**)</sup>						(265.546.568)	(265.546.568)
<b>Net income before tax</b>							<b>1.367.170.848</b>
<b>Income tax</b>						(43.619.171)	(43.619.171)
<b>Net income</b>							<b>1.323.551.677</b>

(\*) Investment income transferred to non-technical section from technical section amounting to TL 4.915.528.986 is not included.

(\*\*) Deferred tax income amounting TL 233.163.298 is presented as income tax.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 6 Tangible assets

Movements in tangible assets in the period of January 1 – December 31, 2023 are presented below:

	January 1, 2023	Additions	Disposal	Valuation Differences	December 31, 2022
<b>Cost:</b>					
Investment properties (Note 7)	244.385.000	--	--	138.061.000	382.446.000
Buildings for own use	58.465.000	--	--	21.639.000	80.104.000
Machinery and equipment	138.654.988	50.146.939	(10.007)	--	188.791.920
Furniture and fixtures	19.551.052	3.907.772	--	--	23.458.824
Motor vehicles	8.702.534	--	--	--	8.702.534
Other tangible assets (including leasehold improvements)	36.384.889	8.378.301	--	--	44.763.190
Leased tangible assets	3.858.074	--	--	--	3.858.074
Operating leases buildings	75.875.090	45.688.788	--	--	121.563.878
Operating leases vehicles	19.255.629	2.629.444	--	--	21.885.073
<b>Total</b>	<b>605.132.256</b>	<b>110.751.244</b>	<b>(10.007)</b>	<b>159.700.000</b>	<b>875.573.493</b>
<b>Accumulated depreciation:*</b>					
Buildings for own use	19.180	518.887	(404.558)	--	133.509
Machinery and equipment	91.342.147	20.543.488	--	--	111.885.635
Furniture and fixtures	15.607.848	1.581.297	--	--	17.189.145
Motor vehicles	4.085.486	1.701.212	--	--	5.786.698
Other tangible assets (including leasehold improvements)	28.658.896	3.001.519	--	--	31.660.415
Leased tangible assets	3.858.074	--	--	--	3.858.074
Operating leases buildings	26.006.565	14.750.930	--	--	40.757.495
Operating leases vehicles	3.379.521	6.404.294	--	--	9.783.815
<b>Total</b>	<b>172.957.717</b>	<b>48.501.627</b>	<b>(404.558)</b>	<b>--</b>	<b>221.054.786</b>
<b>Net book value</b>	<b>432.174.539</b>				<b>654.518.707</b>

\*The portion of amortization expenses amounting to TL 1.185.955 has been capitalized due to R&D incentives.

The Company's property for own use is valued over fair value as of 2023 and 2022 year-end and subjected to valuation in this context. Expertise reports regarding this property are prepared by CMB licenced Property Valuation Company in December 2023. There is no any pledge over Company's property for own use.

As of December 31, 2023 and 2022, property for own use's fair value (except VAT) and net book value is as following:

Landings and buildings for own use	Expertise date	Expertise value	Net Book Value (December 31, 2023)	Net Book Value (December 31, 2022)
İzmir Regional Office	December 2023	39.760.000	35.468.961	39.693.733
Adana Regional Office	December 2023	18.780.000	13.044.943	18.748.700
Lefkoşe Kıbrıs Branch	December 2023	17.264.000	8.987.283	17.235.226
Adana Office	December 2023	625.000	269.975	623.958
Others	December 2023	3.675.000	674.658	3.668.875
<b>Total</b>		<b>80.104.000</b>	<b>58.445.820</b>	<b>79.970.492</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Fair value measurement

Fair value of landings and buildings for own use is determined by equivalence value method. Fair value measurement of landings and buildings for own use those fair value is determined by equivalence value method is reclassified as Level 2.

Movements in tangible assets in the period of January 1 – December 31, 2022 are presented below:

	January 1, 2022	Additions	Disposal	Valuation Differences	December 31, 2022
<b>Cost:</b>					
Investment properties (Note 7)	85.580.000	--	--	158.805.000	244.385.000
Buildings for own use	21.679.240	--	(159.840)	36.945.600	58.465.000
Machinery and equipment	118.226.398	25.350.215	(4.921.625)	--	138.654.988
Furniture and fixtures	18.759.085	903.708	(111.741)	--	19.551.052
Motor vehicles	4.593.622	4.108.912	--	--	8.702.534
Other tangible assets (including leasehold improvements)	33.256.305	3.128.584	--	--	36.384.889
Leased tangible assets	3.858.074	--	--	--	3.858.074
Operating leases buildings	66.516.839	9.358.251	--	--	75.875.090
Operating leases vehicles	--	19.255.629	--	--	19.255.629
<b>Total</b>	<b>352.469.563</b>	<b>62.105.299</b>	<b>(5.193.206)</b>	<b>195.750.600</b>	<b>605.132.256</b>
<b>Accumulated depreciation:*</b>					
Buildings for own use	36.687	414.428	(3.700)	(428.235)	19.180
Machinery and equipment	78.738.240	17.431.879	(4.827.972)	--	91.342.147
Furniture and fixtures	14.410.694	1.258.441	(61.287)	--	15.607.848
Motor vehicles	2.712.150	1.373.336	--	--	4.085.486
Other tangible assets (including leasehold improvements)	26.095.170	2.563.726	--	--	28.658.896
Leased tangible assets	3.858.074	--	--	--	3.858.074
Operating leases buildings	17.970.588	8.035.977	--	--	26.006.565
Operating leases vehicles	--	3.379.521	--	--	3.379.521
<b>Total</b>	<b>143.821.603</b>	<b>34.457.308</b>	<b>(4.892.959)</b>	<b>(428.235)</b>	<b>172.957.717</b>
<b>Net book value</b>	<b>208.647.960</b>				<b>432.174.539</b>

There is no any mortgage over tangible assets of the Company as of December 31, 2023 and 2022.

### 7 Investment properties

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

Investment property is presented by fair value method as of December 31, 2023 and 2022 on balance sheet.

The Company's investment property expertise reports are prepared by independent professional valuation specialists authorized by Capital Markets Board. As of December 31, 2022, the Company has gained the rent income from investment properties amounting to TL 7.080.404 (December 31, 2022: TL 3.956.565).

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

Investment land and buildings	Expertise date	Expertise value	Net book value	Net book value
			December 31, 2023	December 31, 2022
Building/İzmir	December 2023	167.240.000	117.430.000	167.240.000
Land/Mersin	December 2023	119.710.000	74.215.000	119.710.000
Building/İzmir	December 2023	84.280.000	45.735.000	84.280.000
Building/Bursa	December 2023	7.360.000	4.900.000	7.360.000
Building/Adana	December 2023	3.856.000	2.105.000	3.856.000
<b>Total</b>		<b>382.446.000</b>	<b>244.385.000</b>	<b>382.446.000</b>

### Fair value measurement

Fair value of investment property is determined by equivalence value method. Fair value measurement of investment property which is determined by equivalence value method, is reclassified as Level 2.

### 8 Intangible assets

Movements in intangible assets in the period of January 1 – December 31, 2023 are presented below:

	January 1, 2023	Additions	Transfers	Disposal	December 31, 2023
<b>Cost:</b>					
Rights	142	--	--	--	142
Goodwill	16.250.000	--	--	--	16.250.000
Research And Development	896.749	18.937.015	(1.176.311)	--	18.657.453
Advances given for intangible assets	154.671.670	71.886.242	--	--	226.557.912
Other intangible assets	415.754.935	47.450.908	1.176.311	--	464.382.154
<b>Total</b>	<b>587.573.496</b>	<b>138.274.165</b>	<b>--</b>	<b>--</b>	<b>725.847.661</b>
<b>Accumulated amortization:</b>					
Other intangible assets	307.881.996	71.924.516	--	--	379.806.512
<b>Total</b>	<b>307.881.996</b>	<b>71.924.516</b>	<b>--</b>	<b>--</b>	<b>379.806.512</b>
<b>Net book value</b>	<b>279.691.500</b>				<b>346.041.149</b>

Movements in tangible assets in the period of January 1 – December 31, 2022 are presented below:

	January 1, 2022	Additions	Transfers	Disposal	December 31, 2022
<b>Cost:</b>					
Rights	--	142	--	--	142
Goodwill	16.250.000	--	--	--	16.250.000
Research And Development	--	--	896.749	--	896.749
Advances given for intangible assets	12.330.057	155.986.935	(13.645.322)	--	154.671.670
Other intangible assets	375.228.895	27.777.467	12.748.573	--	415.754.935
<b>Total</b>	<b>403.808.952</b>	<b>183.764.544</b>	<b>--</b>	<b>--</b>	<b>587.573.496</b>
<b>Accumulated amortization:</b>					
Other intangible assets	232.559.221	75.322.775	--	--	307.881.996
<b>Total</b>	<b>232.559.221</b>	<b>75.322.775</b>	<b>--</b>	<b>--</b>	<b>307.881.996</b>
<b>Net book value</b>	<b>171.249.731</b>				<b>279.691.500</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 9 Investments in associates

	December 31, 2022		December 31, 2021	
	Net book value	Participation rate	Net book value	Participation rate
Anadolu Hayat Emeklilik A.Ş.	1.289.891.512	20,0%	693.241.368	20,0%
<b>İştirakler, net</b>	<b>1.289.891.512</b>		<b>693.241.368</b>	
<b>Finansal varlıklar toplamı (Not 4.2)</b>	<b>1.289.891.512</b>		<b>693.241.368</b>	

Name	Total assets	Shareholders' equity	Retained earnings	Profit for the period	Audited or not	Period
Anadolu Hayat Emeklilik A.Ş. (consolidated)	162.865.081.357	6.449.457.562	91.094.305	2.853.815.200	Audited	December, 31 2023

The Company has obtained income amounting to TL 570.763.040 from associates through equity accounted consolidation method. (December 31, 2022: TL 278.350.371)

### 10 Reinsurance assets and liabilities

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

Reinsurance assets	December 31, 2023	December 31, 2022
Provision for outstanding claims, ceded (Note 4.2), (Note 17)	12.508.249.849	4.948.152.615
Reserve for unearned premiums, ceded (Note 17)	5.372.679.050	2.782.909.399
Reserve for unexpired risks, ceded	599.131.968	128.111.819
Cash deposited to reinsurance companies (Note 12)	1.042.927.392	594.806.278
Reinsurers share in the provision for subrogation and salvage receivables	14.475.565	7.568.999
<b>Total</b>	<b>19.537.463.824</b>	<b>8.461.549.110</b>

There is no impairment losses recognised for reinsurance assets.

Reinsurance liabilities	December 31, 2023	December 31, 2022
Payables to the reinsurers related to premiums written (Note 19)	3.459.293.851	1.692.828.391
Deferred commission income (Note 19)	776.083.577	402.700.486
Commission payables to the reinsurers related to written premiums (Note 23)	35.383.333	12.955.729
Cash deposited by reinsurance companies (Note 19)	152.612.753	14.318.666
<b>Total</b>	<b>4.423.373.514</b>	<b>2.122.803.272</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023	December 31, 2022
Premiums ceded during the period ( <i>Note 17</i> )	(11.235.091.484)	(5.761.591.307)
Reserve for unearned premiums, ceded at the beginning of the period ( <i>Note 17</i> )	(2.782.909.399)	(1.696.651.021)
Reserve for unearned premiums, ceded at the end of the period ( <i>Note 17</i> )	5.372.679.050	2.782.909.399
<b>Premiums earned, ceded (<i>Note 17</i>)</b>	<b>(8.645.321.833)</b>	<b>(4.675.332.929)</b>
Claims paid, ceded during the period ( <i>Note 17</i> )	13.227.080.703	1.990.428.959
Provision for outstanding claims, ceded at the beginning of the period ( <i>Note 17</i> )	(4.948.152.615)	(3.108.915.112)
Provision for outstanding claims, ceded at the end of the period ( <i>Note 17</i> )	12.508.249.849	4.948.152.615
<b>Claims incurred, ceded (<i>Note 17</i>)</b>	<b>20.787.177.937</b>	<b>3.829.666.462</b>
Commission income accrued from reinsurers during the period	1.514.712.276	774.523.556
Deferred commission income at the beginning of the period	402.700.486	231.259.742
Deferred commission income at the end of the period	(776.083.577)	(402.700.486)
<b>Commission income earned from reinsurers (<i>Note 32</i>)</b>	<b>1.141.329.185</b>	<b>603.082.812</b>
<b>Commission debt accrued to reinsurers</b>	<b>35.383.333</b>	<b>--</b>
<b>Total, net</b>	<b>13.318.568.622</b>	<b>(242.583.655)</b>

The movement table of commission expenses realized within the scope of reinsurance activities of the Company are as follows:

	December 31, 2023	December 31, 2022
Commission expense accrued from reinsurers during the period	(785.270.304)	(543.172.976)
Deferred commission expense at the beginning of the period	(157.257.227)	(81.725.108)
Deferred commission expense at the end of the period	256.890.495	157.257.227
<b>Commission expense from reinsurance operations (<i>Note 32</i>)</b>	<b>(685.637.036)</b>	<b>(467.640.857)</b>

### 11 Financial assets

As of December 31, 2023 and 2022, financial assets of the Company are as follows:

	December 31, 2023	December 31, 2022
Available for sale financial assets	10.063.692.677	7.341.058.220
Held to maturity financials assets	329.439.782	379.792.253
Financial assets held for trading	13.776.355.670	2.365.503.900
<b>Total</b>	<b>24.169.488.129</b>	<b>10.086.354.373</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
<b>Debt instruments:</b>				
Government bonds – TL	661.348.162	1.427.291.699	2.395.746.214	2.395.746.214
Private sector bonds – TL	98.500.000	96.767.220	114.128.110	114.128.110
Bonds issued by Türkiye İş Bankası A.Ş. (Note 45)	10.000.000	10.000.000	10.242.835	10.242.835
<i>Other</i>	88.500.000	86.767.220	103.885.275	103.885.275
Government bonds – EUR	325.739.000	325.739.000	328.522.993	328.522.993
Government bonds – USD	5.668.766.983	5.341.602.704	6.043.031.008	6.043.031.008
<b>Total</b>	<b>6.754.354.145</b>	<b>7.191.400.623</b>	<b>8.881.428.325</b>	<b>8.881.428.325</b>
<b>Other non-fixed income financial assets:</b>				
Equity shares	73.097.556	74.591.345	1.182.264.352	1.182.264.352
<b>Total</b>	<b>73.097.556</b>	<b>74.591.345</b>	<b>1.182.264.352</b>	<b>1.182.264.352</b>
<b>Total available for sale financial assets (Note 4.2)</b>	<b>6.827.451.701</b>	<b>7.265.991.968</b>	<b>10.063.692.677</b>	<b>10.063.692.677</b>
	December 31, 2022			
	Nominal value	Cost	Fair value	Net book value
<b>Debt instruments:</b>				
Government bonds – TL	388.132.762	711.251.994	1.074.431.332	1.074.431.332
Private sector bonds – TL	128.205.000	128.205.000	133.034.163	133.034.163
Government bonds – EUR	199.349.000	199.349.000	199.748.600	199.748.600
Government bonds – USD	3.890.162.617	3.693.707.035	3.864.506.971	3.864.506.971
Private sector bonds – USD	1.507.213.868	1.465.748.125	1.415.431.465	1.415.431.465
<b>Total</b>	<b>6.113.063.247</b>	<b>6.198.261.154</b>	<b>6.687.152.531</b>	<b>6.687.152.531</b>
<b>Other non-fixed income financial assets:</b>				
Equity shares	72.525.936	74.557.354	653.905.689	653.905.689
<b>Total</b>	<b>72.525.936</b>	<b>74.557.354</b>	<b>653.905.689</b>	<b>653.905.689</b>
<b>Total available for sale financial assets (Note 4.2)</b>	<b>6.185.589.183</b>	<b>6.272.818.508</b>	<b>7.341.058.220</b>	<b>7.341.058.220</b>



## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of December 31, 2023 and 2022, financial assets held for trading of the Company are as follows:

	<b>December 31, 2023</b>			
	<b>Nominal value</b>	<b>Cost</b>	<b>Fair value</b>	<b>Net book value</b>
<b>Debt instruments:</b>				
Reverse repurchases		93.172	93.498	93.498
<b>Total</b>		<b>93.172</b>	<b>93.498</b>	<b>93.498</b>
<b>Other non-fixed income financial assets:</b>				
Investment funds	9.648.284.070	7.943.861.696	9.602.831.063	9.602.831.063
<i>Issued by İş Portföy Yönetimi A.Ş. (Note 45)</i>	4.087.235.431	5.455.761.089	6.586.598.907	6.586.598.907
<i>Issued by Maxis Girişim Sermayesi Portföy Yönetimi (Note 45)</i>	101.209.694	119.830.206	152.761.591	152.761.591
<i>Other</i>	5.459.838.945	2.368.270.401	2.863.470.565	2.863.470.565
Equity shares	53.403.206	1.375.426.903	1.425.042.958	1.425.042.958
Derivatives	20.061.000	117.644.053	118.720.901	118.720.901
Other	2.120.718.459	2.381.380.212	2.629.667.250	2.629.667.250
<b>Total</b>	<b>11.842.466.735</b>	<b>11.818.312.864</b>	<b>13.776.262.172</b>	<b>13.776.262.172</b>
<b>Total financial assets held for trading (Note 4.2)</b>	<b>11.842.466.735</b>	<b>11.818.406.036</b>	<b>13.776.355.670</b>	<b>13.776.355.670</b>
<b>December 31, 2022</b>				
<b>Other non-fixed income financial assets:</b>				
Investment funds	189.221.637	516.084.264	1.020.369.015	1.020.369.015
<i>Issued by İş Portföy Yönetimi A.Ş. (Note 45)</i>	103.865.974	405.636.284	609.422.500	609.422.500
<i>Issued by Maxis Girişim Sermayesi Portföy Yönetimi (Note 45)</i>	64.762.179	76.099.686	374.517.618	374.517.618
<i>Other</i>	20.593.484	34.348.294	36.428.897	36.428.897
Equity shares	40.345.411	364.534.637	550.003.684	550.003.684
Derivatives	40.000.000	754.797.653	795.131.201	795.131.201
<b>Total</b>	<b>269.567.048</b>	<b>1.635.416.554</b>	<b>2.365.503.900</b>	<b>2.365.503.900</b>
<b>Total financial assets held for trading (Note 4.2)</b>	<b>269.567.048</b>	<b>1.635.416.554</b>	<b>2.365.503.900</b>	<b>2.365.503.900</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of December 31, 2023, and 2022, financial assets held to maturity of the Company are as follows:

	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
<b>Debt instruments:</b>				
Government bonds – EUR	29.438.200	27.819.099	30.371.400	29.900.615
Government bonds – USD	288.572.180	290.038.963	300.728.500	299.539.167
<b>Total held to maturity financial assets</b>	<b>318.010.380</b>	<b>317.858.062</b>	<b>331.099.900</b>	<b>329.439.782</b>
	December 31, 2022			
	Nominal value	Cost	Fair value	Net book value
<b>Debt instruments:</b>				
Government bonds – EUR	196.332.150	184.271.747	199.246.961	196.007.978
Government bonds – USD	176.603.279	177.949.150	181.556.360	183.784.275
<b>Total held to maturity financial assets</b>	<b>372.935.429</b>	<b>362.220.897</b>	<b>380.803.321</b>	<b>379.792.253</b>

As of December 31, 2023, equity shares classified as available for sale financial assets with a net book value of TL 713.752 are not publicly traded (December 31, 2022: TL 679.762).

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

There is no financial asset that is overdue but not impaired among the Company's financial investments portfolio. Value increases in financial assets including equity shares classified as available for sale financial assets for the last 3 years (including tax effects):

Year	Change in value increase/(decrease)	Total increase/(decrease)
2023	1.086.846.990	2.012.966.959
2022	901.292.520	926.119.969
2021	(267.255.359)	24.827.449

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

	December 31, 2023			
	Trading <sup>(*)</sup>	Available for sale	Held to maturity	Total
<b>Balance at the beginning of the period</b>	<b>2.365.503.900</b>	<b>7.341.058.220</b>	<b>379.792.253</b>	<b>10.086.354.373</b>
Acquisitions during the period	67.346.845.910	2.497.628.943	--	69.844.474.853
Disposals (sale and redemption)	(61.306.187.757)	(4.260.527.148)	(261.560.121)	(65.828.275.026)
Change in the fair value of financial assets (Note 15)	5.370.193.617	2.863.902.782	--	8.234.096.399
Change in the amortized costs of financial assets	--	1.621.629.880	211.207.650	1.832.837.530
<b>Balance at the end of the period</b>	<b>13.776.355.670</b>	<b>10.063.692.677</b>	<b>329.439.782</b>	<b>24.169.488.129</b>

<sup>(\*)</sup> The amount of reverse repurchases in financial assets held for trading to TL 93.498 (December 31, 2022:None) are excluded.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	December 31, 2022			Total
	Trading <sup>(*)</sup>	Available for sale	Held to maturity	
<b>Balance at the beginning of the period</b>	<b>204.402.559</b>	<b>5.250.458.724</b>	<b>1.471.518.019</b>	<b>6.926.379.302</b>
Acquisitions during the period	17.770.587.705	8.504.153.635	--	26.274.741.340
Disposals (sale and redemption)	(18.118.182.647)	(9.401.795.620)	(1.480.061.755)	(29.000.040.022)
Change in the fair value of financial assets (Note 15)	2.508.696.283	1.575.124.453	--	4.083.820.736
Change in the amortized costs of financial assets	--	1.413.117.028	388.335.989	1.801.453.017
<b>Balance at the end of the period</b>	<b>2.365.503.900</b>	<b>7.341.058.220</b>	<b>379.792.253</b>	<b>10.086.354.373</b>

<sup>(\*)</sup> As of December 31, 2022 the Company has no reverse repurchases (December 31, 2022: TL 479.673.282).

### 12 Loans and receivables

	December 31, 2023	December 31, 2022
Receivables from main operations (Note 4.2)	14.425.369.273	6.694.028.834
Other receivables (Note 4.2) <sup>(*)</sup>	98.028.035	39.744.862
Income accruals (Note 4.2),	43.567.096	12.873.895
Other current assets (Note 4.2)	105.497.214	30.410.925
<b>Total</b>	<b>14.672.461.618</b>	<b>6.777.058.516</b>
Short-term receivables	14.672.137.063	6.776.733.961
Long and medium-term receivables	324.555	324.555
<b>Total</b>	<b>14.672.461.618</b>	<b>6.777.058.516</b>

<sup>(\*)</sup> As of December 31, 2023, other receivables amounting to TL 98.028.035 (December 31, 2022: TL 39.744.862) comprise of receivables from DASK and TARSİM amounting to TL 15.332.573 (December 31, 2022: TL 14.153.476) and other miscellaneous receivables amounting to TL 82.695.462 (December 31, 2022: TL 25.591.386).

As of December 31, 2023 and 2022 the details of the receivables from main operations are as follows:

	December 31, 2023	December 31, 2022
Receivables from agencies, brokers and intermediaries	8.202.425.696	3.898.531.449
Receivables from insurance and reinsurance companies	1.248.087.878	175.515.037
Salvage and subrogation receivables	449.617.028	202.751.310
Receivables from policyholders	181.714.908	47.533.914
Long term receivable which is bank guarantee and three months credit card	1.598.638.932	943.476.394
<b>Total receivables from insurance operations, net</b>	<b>11.680.484.442</b>	<b>5.267.808.104</b>
Receivables from reinsurance operations	1.858.769.031	890.104.434
Cash deposited to insurance and reinsurance companies (Note 4.2), (Note 10)	1.042.927.392	594.806.278
Provisions for receivables from insurance operations – subrogation receivables	(156.811.592)	(58.689.982)
Doubtful receivables from insurance operations – subrogation receivables	986.553.472	702.048.592
Provisions for doubtful receivables from insurance operations – subrogation receivables (Note 4.2)	(986.553.472)	(702.048.592)
Doubtful receivables from main operations – premium receivables	38.250.499	39.447.788
Provisions for doubtful receivables from main operations – premium receivables (Note 4.2)	(38.250.499)	(39.447.788)
<b>Receivables from main operations</b>	<b>14.425.369.273</b>	<b>6.694.028.834</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of December 31, 2023 and 2022, the details of mortgages and other guarantees for the Company's receivables are presented below:

	December 31, 2023	December 31, 2022
Letters of guarantees	244.510.302	211.326.333
Mortgages notes	409.683.801	245.847.997
Other guarantees	302.647.538	151.779.037
Government bonds and treasury bills	230.000	243.656
<b>Total</b>	<b>957.071.641</b>	<b>609.197.023</b>

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

a) Receivables under legal or administrative follow up (due): TL 38.250.499 (December 31, 2022: TL 39.447.788).

b) Provision for subrogation receivables under legal or administrative follow up: TL 1.143.365.064 (December 31, 2022: TL 760.738.574).

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

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

### 13 Derivative financial instruments

The company holds derivative financial assets classified as trading as of December 31, 2023, amounting to TL 118.720.901 (December 31, 2022: None).

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

In addition, the company has FX-protected deposits amounting to TL 2.312.218.239.

### 14 Cash and cash equivalents

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

	December 31, 2023		December 31, 2022	
	At the end of the period	At the beginning of the period	At the end of the period	At the beginning of the period
Cash on hand	162.771	154.985	154.985	81.880
Checks on hand	--	--	--	--
Bank deposits	7.850.389.227	7.466.091.175	7.466.091.175	2.072.401.405
Cheques given and payment orders	(3.167)	(14.481)	(14.481)	(19.566)
Bank guaranteed credit card receivables with maturities less than three months	3.452.368.687	1.787.066.011	1.787.066.011	1.104.473.014
<b>Cash and cash equivalents in the balance sheet</b>	<b>11.302.917.518</b>	<b>9.253.297.690</b>	<b>9.253.297.690</b>	<b>3.176.936.733</b>
Bank deposits – blocked <sup>(*)</sup> (Note 17)	(1.734.548.631)	(1.465.822.315)	(1.465.822.315)	(272.352.442)
Time deposits with maturities longer than 3 months	(481.838.426)	--	--	(23.081.164)
Interest accruals on banks deposits	(74.349.169)	(13.543.966)	(13.543.966)	(12.351.147)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>9.012.181.292</b>	<b>7.773.931.409</b>	<b>7.773.931.409</b>	<b>2.869.151.980</b>

<sup>(\*)</sup> Bank deposits in cash and cash equivalents has been kept in favour of the T.C. Private Pension Regulation and Supervision Agency as a guarantee for the insurance activities amounting is 1.363.261.798 TL.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

As of December 31, 2023, and 2022, the details of the bank deposits are as follows:

	December 31, 2023	December 31, 2022
Foreign currency denominated bank deposits		
- time deposits	9.261.091	392.547.206
- demand deposits	365.471.726	85.244.704
Bank deposits in Turkish Lira		
- time deposits	7.028.871.189	6.874.157.667
- demand deposits	446.785.221	114.141.598
<b>Bank deposits</b>	<b>7.850.389.227</b>	<b>7.466.091.175</b>

### 15 Equity

#### Paid in capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group.

The Company does not increase its share capital in the current period.

As of December 31, 2023 the issued share capital of the Company is TL 500.000.000 (December 31, 2022: TL 500.000.000) and the Company unregistered Group 150 A shares which each of value is TL 1,5 as of April 11, 2013 in which approved in Main Article of the Company dated in April 11, 2013. The share capital of the Company consists of 50.000.000.000 (December 31, 2022: 50.000.000.000 shares) issued shares with TL 0,01 nominal value each.

#### Other capital reserves

In accordance with tax legislation, 75% of profits from sales of participation shares and 50% 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. As of December 31, 2023, the tax exempt which obtained thanks to sale of participation shares and real estate in 2010, 2011, 2013, 2014, 2015,2016 years respectively, amounting to TL 8.081.516, TL 80.025, TL 647.763, TL 920.272, TL 2.541.500, TL 15.094 and real estate revaluation funds of 2018, 2019, 2020,2021 and 2022 the profit not subject to distribution for 2018, 2019,2020, 2021 and 2022 are classified as other capital reserves.

	December 31, 2023	December 31, 2022
<b>Other capital reserves at the beginning of the period</b>	<b>85.143.987</b>	<b>43.260.763</b>
Transfer from profit	76.723.849	14.556.163
Use property revaluation fund (Note 6)	24.775.799	27.327.061
<b>Other capital reserves at the end of the period</b>	<b>186.643.635</b>	<b>85.143.987</b>

#### 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 movement of legal reserves are presented below:

	December 31, 2023	December 31, 2022
<b>Legal reserves at the beginning of the period</b>	<b>182.393.041</b>	<b>173.686.181</b>
Transfer from profit	10.240.518	8.706.860
<b>Legal reserves at the end of the period</b>	<b>192.633.559</b>	<b>182.393.041</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Extraordinary reserves

The movement of extraordinary reserves are presented below:

	December 31, 2023	December 31, 2022
<b>Extraordinary reserves at the beginning of the period</b>	<b>1.258.324.268</b>	<b>850.955.757</b>
Transfer from profit	674.514.389	407.368.511
<b>Extraordinary reserves at the end of the period</b>	<b>1.932.838.657</b>	<b>1.258.324.268</b>

Additionally, as a result of the revaluation application conducted in accordance with temporary Article 32 and additional Article 298 of the Tax Procedure Law (TPL), the increase in value fund amounting to 143.159.008 TL has been accounted for under the "Extraordinary Reserves" account, as per the General Communique of the TPL dated January 14, 2023 (Serial no: 537) Amendment Communique (Serial no: 547) (December 31, 2022: None)

### Statutory reserves

The movement of statutory reserves are presented below:

	December 31, 2023	December 31, 2022
<b>Statutory reserves at the beginning of the period</b>	<b>211.278.527</b>	<b>142.935.682</b>
Transfer from profit	105.287.721	68.342.845
<b>Statutory reserves at the end of the period</b>	<b>316.566.248</b>	<b>211.278.527</b>

### Special reserves

The movement of special funds are presented below:

	December 31, 2023	December 31, 2022
<b>Special reserves at the beginning of the period</b>	<b>115.844.641</b>	<b>69.130.000</b>
Venture capital investment fund	49.665.109	46.714.641
<b>Special funds at the end of the period</b>	<b>165.509.750</b>	<b>115.844.641</b>

### Valuation of financial assets

The movements of valuation differences related available for sale financial assets and associates are presented below:

	December 31, 2023	December 31, 2022
<b>Valuation difference at the beginning of the period</b>	<b>926.119.969</b>	<b>24.827.449</b>
Change in the fair value	2.863.902.782	1.575.124.453
Net gains transferred to the statement of income	122.408.849	129.809.434
Deferred tax effect	(1.762.906.893)	(670.395.906)
<b>Valuation difference at the end of the period</b>	<b>(136.557.748)</b>	<b>(133.245.461)</b>
<b>Valuation difference at the beginning of the period</b>	<b>2.012.966.959</b>	<b>926.119.969</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### Other profit reserves

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

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

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

### Profit on assets sale that will be transferred to capital

In accordance with tax legislation, 75% of profits from sales of participation shares and 50% of 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.

### 16 Other reserves and equity component of discretionary participation feature

As of December 31, 2023, and 2022, change in fair values of available-for-sale financial assets which is presented as "valuation of financial assets" and earthquake provisions provided in the previous years presented under "other profit reserves" are explained in detail in Note 15 – *Equity* above. As of December 31, 2023, and 2022, the Company does not hold any insurance or investment contracts which contain a discretionary participation feature.

### 17 Insurance contract liabilities and reinsurance assets

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

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023	December 31, 2022
Reserve for unearned premiums, gross	24.160.350.877	13.172.473.698
Reserve for unearned premiums, ceded	(5.372.679.050)	(2.782.909.399)
Reserve for unearned premiums, SSI share	(343.265.170)	(265.022.486)
<b>Reserves for unearned premiums, net</b>	<b>18.444.406.657</b>	<b>10.124.541.813</b>
Provision for outstanding claims, gross	27.800.010.100	13.942.704.065
Provision for outstanding claims, ceded	(12.508.249.849)	(4.948.152.615)
<b>Provision for outstanding claims, net</b>	<b>15.291.760.251</b>	<b>8.994.551.450</b>
Gross of reserve for unexpired risk	2.244.301.474	926.032.086
Reinsurer's share of the reserve for unexpired risk	(599.131.968)	(128.111.819)
<b>Provision unexpired risk reserve, net</b>	<b>1.645.169.506</b>	<b>797.920.267</b>
Equalization provision, net	593.112.491	512.935.407
General provision, net <sup>(1)</sup>	7.702.760	7.702.760
<b>Other technical provisions, net</b>	<b>600.815.251</b>	<b>520.638.167</b>
<b>Total technical provisions, net</b>	<b>35.982.151.665</b>	<b>20.437.651.697</b>
Short-term	35.377.705.520	19.912.327.691
Medium and long-term	604.446.145	525.324.006
<b>Total technical provisions, net</b>	<b>35.982.151.665</b>	<b>20.437.651.697</b>

<sup>(1)</sup> It contains a provision which has been reflected in the prior consolidated financial statements amounting TL 7.702.760 due to the possible impact of adverse developments that may occur by company's management.



## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

Reserve for unearned premiums	December 31, 2023			Net
	Gross	Ceded	SSI share	
Reserve for unearned premiums at the beginning of the period	13.172.473.698	(2.782.909.399)	(265.022.486)	10.124.541.813
Premiums written during the period	44.228.418.367	(11.235.091.484)	(579.640.598)	32.413.686.285
Premiums earned during the period	(33.240.541.188)	8.645.321.833	501.397.914	(24.093.821.441)
<b>Reserve for unearned premiums at the end of the period</b>	<b>24.160.350.877</b>	<b>(5.372.679.050)</b>	<b>(343.265.170)</b>	<b>18.444.406.657</b>
Reserve for unearned premiums	December 31, 2022			Net
	Gross	Ceded	SSI share	
Reserve for unearned premiums at the beginning of the period	5.679.877.265	(1.696.651.021)	(119.827.868)	3.863.398.376
Premiums written during the period	23.755.830.190	(5.761.591.307)	(427.451.540)	17.566.787.343
Premiums earned during the period	(16.263.233.757)	4.675.332.929	282.256.922	(11.305.643.906)
<b>Reserve for unearned premiums at the end of the period</b>	<b>13.172.473.698</b>	<b>(2.782.909.399)</b>	<b>(265.022.486)</b>	<b>10.124.541.813</b>
Provision for outstanding claims	December 31, 2023			Net
	Gross	Ceded		
Provision for outstanding claims at the beginning of the period	13.942.704.065	(4.948.152.615)		8.994.551.450
Claims reported during the period and changes in the estimations of provisions for outstanding claims provided at the beginning of the period	41.943.136.670	(20.787.177.937)		21.155.958.733
Claims paid during the period	(28.085.830.635)	13.227.080.703		(14.858.749.932)
<b>Provision for outstanding claims at the end of the period</b>	<b>27.800.010.100</b>	<b>(12.508.249.849)</b>		<b>15.291.760.251</b>
Provision for outstanding claims	December 31, 2022			Net
	Gross	Ceded		
Provision for outstanding claims at the beginning of the period	9.422.906.134	(3.108.915.112)		6.313.991.022
Claims reported during the period and changes in the estimations of provisions for outstanding claims provided at the beginning of the period	14.723.958.616	(3.829.666.462)		10.894.292.154
Claims paid during the period	(10.204.160.685)	1.990.428.959		(8.213.731.726)
<b>Provision for outstanding claims at the end of the period</b>	<b>13.942.704.065</b>	<b>(4.948.152.615)</b>		<b>8.994.551.450</b>
Reserve for unexpired risk	December 31, 2023			Net
	Gross	Ceded		
Reserve for unexpired risk at the beginning of the period	926.032.086	(128.111.819)		797.920.267
Change in the reserve during the current period	1.318.269.388	(471.020.149)		847.249.239
<b>Reserve for unexpired risk at the end of the period</b>	<b>2.244.301.474</b>	<b>(599.131.968)</b>		<b>1.645.169.506</b>
Reserve for unexpired risk	December 31, 2022			Net
	Gross	Ceded		
Reserve for unexpired risk at the beginning of the period	440.881.633	(179.668.799)		261.212.834
Change in the reserve during the current period	485.150.453	51.556.980		536.707.432
<b>Reserve for unexpired risk at the end of the period</b>	<b>926.032.086</b>	<b>(128.111.819)</b>		<b>797.920.267</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

Equalization provision	December 31, 2023	December 31, 2022
Equalization provision at the beginning of the period	512.935.407	332.520.089
Provision deducted during the period	(258.889.026)	--
Provision added during the period	339.066.110	180.415.318
<b>Equalization provision at the end of the period</b>	<b>593.112.491</b>	<b>512.935.407</b>

### Claim development tables

The basic assumption used in the estimation of provisions for outstanding claims is the Company's past experience on claim developments. Judgment is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process, etc., is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the reporting date. Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognized in subsequent financial statements.

Development of insurance liabilities enables to measure the performance of the Company in estimation of its ultimate claim losses. The amounts presented on the top of the below tables show the changes in estimations of the Company for the claims in subsequent years after claim years. The amounts presented on the below of the below tables give the reconciliation of total liabilities with provision for outstanding claims presented in the accompanying consolidated financial statements

Claim year	December 31, 2023					
	2019	2020	2021	2022	2023	Total
Claim year	3.084.992.257	3.495.603.368	5.217.227.738	10.924.622.868	38.693.556.119	61.416.002.350
1 year later	3.263.577.298	4.011.075.019	6.241.608.392	13.376.826.698	--	26.893.087.407
2 years later	3.382.129.581	4.259.781.610	6.726.519.251	--	--	14.368.430.442
3 years later	3.504.278.805	4.541.680.778	--	--	--	8.045.959.583
4 years later	3.742.785.611	--	--	--	--	3.742.785.611
Current estimate of cumulative claims	3.742.785.611	4.541.680.778	6.726.519.251	13.376.826.698	38.693.556.119	67.081.368.457
Cumulative payments to date	3.017.796.412	3.422.653.430	5.548.562.331	10.306.549.987	20.697.020.766	42.992.582.926
Provision recognized in the consolidated financial statements	724.989.199	1.119.027.348	1.177.956.921	3.070.276.711	17.996.535.352	24.088.785.531
Provision recognized in the consolidated financial statements before 2015						3.711.224.569
<b>Total gross outstanding claims presented in the consolidated financial statements at the end of the period</b>						<b>27.800.010.100</b>

Claim year	December 31, 2022					
	2018	2019	2020	2021	2022	Total
Claim year	3.194.260.073	3.143.321.248	3.594.568.789	5.432.111.754	13.440.938.837	28.805.200.701
1 year later	3.553.850.506	3.325.282.856	4.124.634.164	6.498.683.982	--	17.502.451.508
2 years later	3.634.911.445	3.446.076.647	4.380.381.986	--	--	11.461.370.078
3 years later	3.810.833.054	3.570.535.388	--	--	--	7.381.368.442
4 years later	3.918.415.092	--	--	--	--	3.918.415.092
Current estimate of cumulative claims	3.918.415.092	3.570.535.388	4.380.381.986	6.498.683.982	13.440.938.837	31.808.955.285
Cumulative payments to date	3.154.243.953	2.939.197.264	3.281.120.938	4.979.453.622	6.636.287.664	20.990.303.441
Provision recognized in the consolidated financial statements	764.171.139	631.338.123	1.099.261.048	1.519.230.360	6.804.651.174	10.818.651.844
Provision recognized in the consolidated financial statements before 2015						3.124.052.221
<b>Total gross outstanding claims presented in the consolidated financial statements at the end of the period</b>						<b>13.942.704.065</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

	December 31, 2023		
	Amount be provided <sup>(*)</sup>	Provided	Net book value
<i>Non-life:</i>			
Financial Assets		2.631.289.711	2.631.289.711
Bank deposits (Note 14)		1.363.261.798	1.363.261.798
<b>Total</b>	<b>2.911.831.817</b>	<b>3.994.551.509</b>	<b>3.994.551.509</b>
	December 31, 2022		
	Amount be provided <sup>(*)</sup>	Provided	Net book value
<i>Non-life:</i>			
Financial Assets		2.055.744.693	2.055.744.693
Bank deposits (Note 14)		1.465.822.315	1.465.822.315
<b>Total</b>	<b>1.061.784.499</b>	<b>3.521.567.008</b>	<b>3.521.567.008</b>

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

### Company's number of life insurance policies, additions, disposals during the period 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.

### Deferred commission expenses

The Company capitalizes commissions paid to the intermediaries related to policy production under short-term and long-term prepaid expenses. As of December 31, 2023, short-term prepaid expenses amounting to TL 3.226.734.435 (December 31, 2022: TL 1.720.207.715) consist of deferred commission expenses amounting to TL 3.042.926.735 (December 31, 2022: TL 1.680.470.721) and other prepaid expenses amounting to TL 183.807.700 (December 31, 2022: TL 39.736.993). Long-term prepaid expenses amounting TL 2.160.700 (December 31, 2022: TL 22.375.330) are composed of other prepaid expenses.

	December 31, 2023	December 31, 2022
Deferred commission expenses at the beginning of the period	1.680.470.721	699.687.677
Commissions accrued during the period (Note:32)	5.926.875.222	3.303.569.050
Commissions expensed during the period	(4.564.419.208)	(2.322.786.006)
<b>Deferred commission expenses at the end of the period<sup>(*)</sup></b>	<b>3.042.926.735</b>	<b>1.680.470.721</b>

<sup>(\*)</sup> Commission expenses that accounted in reinsurance commissions are included

### Individual pension funds

None.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 18 Investment contract liabilities

None.

### 19 Trade and other payables and deferred income

	December 31, 2023	December 31, 2022
Financial liabilities	114.448.918	99.788.802
Payables arising from main operations	5.215.154.669	2.590.936.074
Other payables	658.804.066	368.305.459
Deferred commission income (Note 10)	776.083.577	402.700.486
Taxes and funds payable and other similar obligations	784.810.314	388.233.476
Trade payables to related parties	1.866.445	842.844
<b>Total</b>	<b>7.551.167.989</b>	<b>3.850.807.141</b>
Short-term liabilities	7.455.857.791	3.780.642.377
Medium and long-term liabilities	95.310.198	70.164.764
<b>Total</b>	<b>7.551.167.989</b>	<b>3.850.807.141</b>

As of December 31, 2023, other payables amounting to TL 658.804.066 (December 31, 2022: TL 368.305.459) consist of treatment cost payables to SSI amounting to TL 193.801.941 (December 31, 2022: TL 141.018.246) payables to Tarsim and DASK and outsourced benefits and services amounting to TL 427.923.728 (December 31, 2022: TL 202.336.367 and deposits and guarantees received amounting to TL 37.078.397 (December 31, 2022: TL 24.950.846).

The detail of payables arising from main operations of the Company as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Payables to reinsurance companies (Note 10)	3.272.049.112	1.662.680.697
Payables to agencies, brokers and intermediaries	507.154.918	270.207.684
<b>Total payables arising from insurance operations</b>	<b>3.779.204.030</b>	<b>1.932.888.381</b>
<b>Payables arising from reinsurance activities to reinsurance companies</b>	<b>187.244.739</b>	<b>30.147.694</b>
Payables arising from other operating activities	1.096.093.147	613.581.333
Cash deposited by insurance and reinsurance companies (Note 10)	152.612.753	14.318.666
<b>Payables arising from main operations</b>	<b>5.215.154.669</b>	<b>2.590.936.074</b>

Corporate tax liabilities and prepaid taxes are disclosed below:

	December 31, 2023	December 31, 2022
Prepaid taxes	1.436.128.691	174.012.518
Provision of calculated corporate tax	(1.664.485.864)	(276.782.469)
<b>Corporate tax assets/(liabilities), net</b>	<b>(228.357.173)</b>	<b>(102.769.951)</b>

There are no investment incentives which will be benefited in current and future periods.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 20 Financial liabilities

	December 31, 2023	December 31, 2022
Accruals for expenses arising from derivative contracts (Note 13) <sup>(*)</sup>	--	18.749.281
Borrowings from the Takasbank Money Market	--	--
Repurchases	--	--
Liabilities from operating leases (Note 34) <sup>(**)</sup>	114.448.918	81.039.521
<i>Short Term</i>	19.138.720	10.874.757
<i>Long Term</i>	95.310.198	70.164.764
<b>Total</b>	<b>114.448.918</b>	<b>99.788.802</b>

<sup>(\*)</sup> As of December 31, 2023, the company does not have any accrued expenses from derivative contracts (December, 31 2022: TL 18.749.281).

<sup>(\*\*)</sup> As of December 31, 2023, details of the Company's operating leases are disclosed in the note 34 - *Financial costs*.

### 21 Deferred tax

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

	December 31, 2023	December 31, 2022
	Deferred tax assets/(liabilities)	Deferred tax assets/(liabilities)
Valuation differences in financial assets	(82.035.789)	(130.001.059)
Equalization provision	78.127.626	83.331.228
Other provision	128.693.026	18.515.037
Provisions for unexpired risk	493.550.852	199.480.067
Provisions for employee termination benefits and unused vacations	43.998.588	28.632.042
Provision for subrogation receivables	47.043.478	14.672.496
Discount of receivables and payables	5.185.561	10.644.128
TAS adjustment differences in depreciation	34.560.335	(22.111.657)
Subrogation receivables recognized as income from third parties	--	(14.606.398)
Real estate valuation	(41.611.651)	(41.302.445)
<b>Deferred tax assets/(liabilities), net</b>	<b>707.512.026</b>	<b>147.253.439</b>

As of December 31, 2023, the Company has not deductible tax losses (December 31, 2022: None).

The movement of deferred tax assets table:

	December 31, 2023	December 31, 2022
<b>Opening balance at 1 January</b>	<b>147.253.439</b>	<b>77.664.337</b>
Recognised in profit or loss (Note 35)	738.388.265	233.163.298
Recognised in equity	(109.592.594)	(129.963.318)
Cancellation corporate tax provision <sup>(*)</sup>	(68.537.084)	(33.610.878)
<b>Deferred tax asset</b>	<b>707.512.026</b>	<b>147.253.439</b>

<sup>(\*)</sup> Cancellation of corporate tax provision is included in deferred tax income.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 22 Retirement benefit obligations

Employees of the Company are the members of “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 a 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, the three-year period was extended to the May 8, 2015.

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 20th 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. The date of the transfer of the first paragraph of Article 4 of this law pension fund contributors as are considered insured.

According to this arrangement the bank within the scope of Act 506, article No.20, insurance and reinsurance companies, chambers of commerce, industry chambers, stock exchanges or associations which constitute their union personnel and associates of funds are required to be transferred until May 8, 2015 to Social Security Administration, authority to determine the date of transfer is given the Council of Ministers thus the transfer of the funds has been postponed to an unknown date.

### 23 Other liabilities and provisions

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

	December 31, 2023	December 31, 2022
Provision for employee termination benefits	137.249.863	104.972.836
Provision for unused vacation pay liability	22.210.647	11.902.903
<b>Total provision for other risks</b>	<b>159.460.510</b>	<b>116.875.739</b>
	December 31, 2023	December 31, 2022
Provision for agency award	77.139.109	69.826.442
Provision for guarantee account	58.455.043	42.888.286
Provision for employee bonus	100.000.000	76.400.000
Provision for sliding scale commission (Note 10)	35.383.333	12.955.729
Provision for traffic and TKU pool	28.162.564	15.565.975
Provision for excess of claim contract substitution premium	120.939.645	23.923.100
Provision for bank expense	6.750.000	2.500.000
Provision for reinsurance activities	5.289.860	4.046.948
Other provisions	37.880.620	3.086.862
<b>Prepaid income and expense accruals</b>	<b>470.000.174</b>	<b>251.193.342</b>

The movements of provision for employee termination benefits during the period are presented below:

	December 31, 2023	December 31, 2022
Provision for employee termination benefits at the beginning of the period	<b>104.972.836</b>	<b>43.194.480</b>
Interest cost (Note 47)	24.752.595	9.697.161
Service cost (Note 47)	3.274.244	1.975.422
Payments made during the period (Note 47)	(41.383.408)	(3.209.890)
Actuarial difference	45.633.596	53.315.663
<b>Provision for employee termination benefits at the end of the period</b>	<b>137.249.863</b>	<b>104.972.836</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 24 Net insurance premium

Net insurance premium revenue is presented in detailed in the accompanying consolidated statement of income.

### 25 Fee revenue

None.

### 26 Investment income

Investment income is presented in "Note 4.2 – Financial Risk Management".

### 27 Net income accrual on financial assets

Net realized gains on financial assets are presented in "Note 4.2 – Financial Risk Management".

### 28 Assets held at fair value through profit or loss

Presented in "Note 4.2 – Financial Risk Management".

### 29 Insurance rights and claims

	January 1 - December 31, 2023	January 1 - December 31, 2022
Claims paid, net off reinsurers' share	14.858.749.932	8.213.731.726
Changes in provision for unearned premiums, net off reinsurers' share	8.319.864.844	6.261.143.437
Changes in provision for outstanding claims, net off reinsurers' share	6.297.208.801	2.680.560.428
Changes in provision for bonus and discounts, net off reinsurers' share	--	--
Change in equalization provisions	80.177.084	180.415.318
Changes in reserve for unexpired risks, net off reinsurers' share	847.249.239	536.707.433
<b>Total</b>	<b>30.403.249.900</b>	<b>17.872.558.342</b>

### 30 Investment contract benefits

None.

### 31 Other expenses

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

### 32 Operating expenses

As of December 31, 2023 and 2022 the operating expenses are disclosed as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Commission expenses (Note 17)	3.878.782.172	1.855.145.149
Commissions to intermediaries accrued during the period (Note 17)	5.141.604.918	2.760.396.074
Change in deferred commission expenses (Note 17)	(1.262.822.746)	(905.250.925)
Employee benefit expenses (Note 33)	1.445.544.815	683.937.862
Administration expenses	857.404.008	433.381.015
Advertising and marketing expenses	145.187.404	66.852.766
Outsourced benefits and services	230.746.522	48.434.483
Commission income from reinsurers (Note 10)	(1.141.329.185)	(603.082.812)
Commission income from reinsurers accrued during the period (Note 10)	(1.514.712.277)	(774.523.556)
Change in deferred commission income (Note 10)	373.383.092	171.440.744
Commission expense from reinsurance activities (Note 10)	685.637.036	467.640.857
Commission expense from reinsurance activities (Note 10, 17)	785.270.304	543.172.976
Change in deferred commission expense (Note 10)	(99.633.268)	(75.532.119)
<b>Total</b>	<b>6.101.972.772</b>	<b>2.952.309.320</b>

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 33 Employee benefits expenses

	January 1 - December 31, 2023	January 1 - December 31, 2022
Wages and salaries	1.014.907.952	480.037.460
Insurance payments	325.223.140	150.505.944
Other	105.413.723	53.394.458
<b>Total</b>	<b>1.445.544.815</b>	<b>683.937.862</b>

### 34 Financial costs

As of December 31, 2023 TL 24.113.027 TL interest expense and TL 21.128.948 amortisation expense arising from leases which are the subject to *IFRS 16 Leases*, have recognised as "Investment Management Expenses - Inc. Interest" and "Depreciation and Amortisation Expenses" respectively in the accompanying consolidated financial statements (January 1 - December 31, 2022: TL 16.082.780 and TL 11.415.499).

As of December 31, 2023 and 2022, discounted reimbursement plan for operating leases of the Company's are as follows:

	December 31, 2023	December 31, 2022
Up to 1 year	19.138.720	10.874.757
1 to 2 years	21.909.694	13.109.623
2 to 3 years	19.945.926	14.424.088
3 to 4 years	23.934.707	11.496.141
4 to 5 years	29.519.871	13.882.826
Over 5 years	--	17.252.086
<b>Total</b>	<b>114.448.918</b>	<b>81.039.521</b>

### 35 Income tax

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

	January 1 - December 31, 2023	January 1 - December 31, 2022
<b>Corporate tax expense provision:</b>		
Corporate tax provision	(1.664.485.864)	(276.782.469)
<b>Deferred taxes:</b>		
Origination and reversal of temporary differences	669.851.181	199.552.420
Previous period corporation tax closure <sup>(*)</sup>	68.537.084	33.610.878
<b>Total income tax expense recognised in profit or loss</b>	<b>(926.097.599)</b>	<b>(43.619.171)</b>

<sup>(\*)</sup>The Corporate Tax Provision Closure is presented in the "Provisions Account".

For the period then ended as of December 31, 2023 and 2022, a reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate are as follows:

	December 31, 2023		December 31, 2022	
<b>Profit before tax</b>	<b>7.306.257.346</b>	<b>Tax rate (%)</b>	<b>1.367.170.848</b>	<b>Tax rate (%)</b>
Taxes on income per statutory tax rate	2.191.877.204	30,00	341.792.712	25,00
Tax exempt income	(1.177.256.204)	(16,11)	(303.210.845)	(22,18)
Non-deductible expenses	21.495.899	0,29	12.223.080	0,89
Effect of change in tax rate	(110.019.300)	(1,51)	(7.185.776)	(0,53)
<b>Total tax income recognized in profit or loss</b>	<b>926.097.599</b>	<b>12,68</b>	<b>43.619.171</b>	<b>3,19</b>



## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 36 Net foreign Exchange gains

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

### 37 Earnings per share

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

	January 1 – December 31, 2023	January 1 – December 31, 2022
Net profit/(loss) for the period	6.380.159.747	1.323.551.677
Weighted average number of shares	50.000.000.000	50.000.000.000
Earnings/loss per share (TL)	0,1276	0,0265

### 38 Dividends per share

No cash dividend payment to shareholders in 2023 (December 31, 2022:None).

### 39 Cash generated from operations

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

### 40 Convertible bonds

None.

### 41 Redeemable preference shares

None.

### 42 Risks

In the normal course of its operations, the Company 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 Company are provided under provision for outstanding claims in the accompanying consolidated financial statements.

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

As of December 31, 2023, ongoing law suits prosecuted by the Company against the third parties amounting TL 2.121.300.741 (December 31, 2022: TL 1.066.326.082).

### 43 Commitments

The details of the guarantees that are given by the Company for the operations in non-life branches are presented in *Note 17*.

### 44 Business combinations

None.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

### 45 Related party transactions

The ultimate controlling party of the Company is İş Bankası Group and the groups having direct control over İş Bankası Group and the affiliates and associates of İş Bankası Group are defined as related parties of the Company.

The related party balances as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
İş Bankası – cash in banks <sup>(*)</sup>	2.031.901.279	3.458.322.056
Türkiye Sınai Kalkınma Bankası – cash in banks	--	309
İş Yatırım Menkul Değerler – cash in banks	--	--
<b>Banks</b>	<b>2.031.901.279</b>	<b>3.458.322.365</b>
Investment funds issued by Türkiye İş Bankası A.Ş. (Note 11)	10.242.835	--
Investment funds founded by İş Portföy Yönetimi A.Ş (Note 11)	6.586.598.907	609.422.500
Investment funds issued by Maxis Girişim Sermayesi Portföy Yönetimi A.Ş (Note 11)	152.761.591	374.517.618
<b>Financial assets</b>	<b>6.749.603.333</b>	<b>983.940.118</b>
İş Bankası – receivables stem from premiums written via the Bank	1.002.618.714	522.652.420
İş Bankası – credit card receivables	453.841.023	413.633.747
<i>Maturities less than three months</i>	264.215.130	258.801.121
<i>Maturities more than three months</i>	189.625.893	154.832.626
Receivables stems from premiums written via Şişecam Sigorta Aracılık Hiz. A.Ş.	20.709.690	16.543.713
Anadolu Hayat Emeklilik A.Ş. – premium receivables	391.963	98.063
<b>Receivables from main operations</b>	<b>1.931.402.413</b>	<b>952.927.943</b>
Milli Reasürans T.A.Ş.- payables from reinsurance operations	(114.713.391)	130.234.500
İş Bankası – commission payables	94.661.046	50.390.323
Şişecam Sigorta Aracılık Hizmetleri A.Ş. - commission payables	2.698.999	3.011.476
<b>Payables from main operations</b>	<b>(17.353.346)</b>	<b>183.636.299</b>

<sup>(\*)</sup> The amount of FX-protected deposits balance TL 2.312.218.239 is excluded.

No guarantees have been taken against receivables from related parties.

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

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

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

The Company has accrued TL 1.140.607.724 premium (December 31, 2022: TL 411.646.747) for related party policies in 2023. The transactions with related parties during the period ended December 31, 2023 and 2022 are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
İş Bankası – premiums written via the Bank	5.987.016.099	3.121.012.265
Premiums written via Şişecam Sigorta Aracılık Hizmetleri A.Ş.	96.897.095	53.429.139
Anadolu Hayat Emeklilik A.Ş - premiums written	46.150.057	16.038.003
Milli Reasürans T.A.Ş.	3.130.067	1.197.118
<b>Premiums written</b>	<b>6.133.193.318</b>	<b>3.191.676.525</b>
Milli Reasürans T.A.Ş	(1.142.440.505)	(573.887.062)
<b>Premiums written, ceded</b>	<b>(1.142.440.505)</b>	<b>(573.887.062)</b>
İş Bankası – interest income from deposits	755.240.458	68.140.847
İş Portföy Yönetimi – income from investment funds	369.280.455	241.499.055
Türkiye Sınai Kalkınma Bankası – income from bonds	173.900.693	32.548.995
Türkiye İş Bankası – income from bonds	720.857	12.644.199
İş Faktöring A.Ş – income from bonds	39.530	--
İş Finansal Kiralama- income from bonds	--	95.104
İş Gayrimenkul Yatırım Ortaklığı A.Ş.. income from bonds	--	--
Yatırım Finansman Menkul Değerler A.Ş. income from bonds	--	190.950
Yatırım Varlık Kiralama income from bonds	--	2.465.691
<b>Investment income</b>	<b>1.299.181.993</b>	<b>357.584.841</b>
Türkiye İş Bankası A.Ş – commission expense	(594.443.143)	(310.993.757)
Şişecam Sigorta Aracılık Hizmetleri A.Ş. – commission expense	(18.830.775)	(10.704.660)
Anadolu Hayat Emeklilik A.Ş – commission expense	(451.052)	(59.276)
Milli Reasürans T.A.Ş- commission expense	249.379.975	124.313.641
<b>Operating expenses, net</b>	<b>(364.344.995)</b>	<b>(197.444.052)</b>
Anadolu Hayat ve Emeklilik A.Ş – rent income	309.025	214.863
<b>Other income</b>	<b>309.025</b>	<b>214.863</b>
İş Merkezleri Yönetim ve İşletim A.Ş. –service cost	(25.997.630)	(19.472.024)
İş Gayrimenkul Yatırım Ortaklığı A.Ş. – TFRS 16 interest expense	--	--
Anadolu Anonim Türk Sigorta Şirketi Memurları Emekli Sandığı ve Dayanışma Vakfı – TFRS 16 interest expense	(14.034.408)	(9.357.317)
İş Portföy Yönetimi – management commission	(1.103.853)	(701.937)
İş Portföy Yönetimi – performance commission	(27.584.038)	(10.562.150)
Yatırım Finansman Menkul Değerler – management commission	--	(1.684.288)
Yatırım Finansman Menkul Değerler – performance commission	(401.764)	(247.100)
<b>Other expense</b>	<b>(69.121.693)</b>	<b>(42.024.816)</b>

### 46 Events after the reporting date

With the official gazette decision dated December 29, 2023 and numbered 32414 made by SEDDK, the mandatory effective date of TFRS 17 has been postponed to accounting periods beginning on or after January 1, 2025.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

### 47 Other

**Items and amounts classified under the “other” account in financial statements either exceeding 20% of the total amount of the group to which they relate or 5% of the total assets in the balance sheet**

They are presented in the related notes above.

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

None.

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

None.

**Real rights on properties and their values**

None.

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

None.

**Fees for services received from Independent Auditor/Independent audit firm**

	December 31, 2023	December 31, 2022
Independent audit fee for reporting period	3.614.590	424.263
<b>Total</b>	<b>3.614.590</b>	<b>424.263</b>

**Information on other technical expenses items in income statement**

The part of amounting to TL 823.140.641 (December 31, 2022: TL 486.688.818) of other technical expenses in the statement of income amounting to TL 201.598.844 (December 31, 2022: TL 226.713.763) comprised of assistance services and their other technical expenses and cost of postponed.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

For the periods ended December 31, 2023 and 2022, details of discount and provision expenses are as follows

Provision expenses	January 1 - December 31, 2023	January 1 - December 31, 2022
Provisions no longer required income/(expense)	2.722.230	972.046
Provision expense for unused vacation (Note 23)	(10.307.744)	(6.370.538)
Provision expense for employee termination benefits (Note 23)	13.356.569	(8.462.693)
Provision expense for doubtful receivables (Note 4.2)	(286.029.821)	(191.475.803)
Other provisions (Note 23)	(1.242.912)	(614.856)
<b>Provisions account</b>	<b>(281.501.678)</b>	<b>(205.951.844)</b>
Rediscount expenses	January 1 - December 31, 2023	January 1 - December 31, 2022
Rediscount income	484.764.227	83.531.581
Rediscount expense	(538.930.185)	(147.446.233)
<b>Total of rediscounts</b>	<b>(54.165.958)</b>	<b>(63.914.652)</b>

# AN ASSESSMENT OF FINANCIAL STANDING, PROFITABILITY AND SOLVENCY

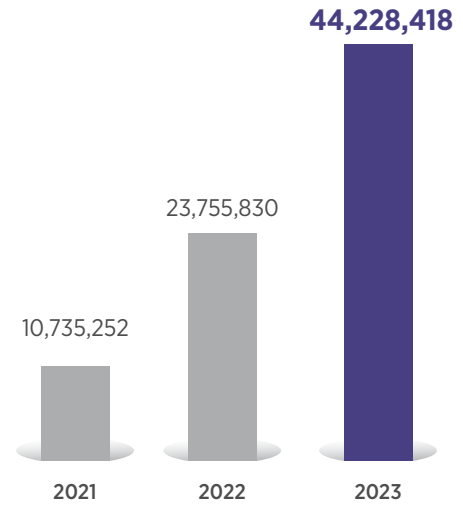
## Premium production

Anadolu Sigorta registered TL 23,755,830 thousand in premium production in 2023. The greatest contributors to premium production were motor vehicles, , fire and natural disasters, motor vehicles liability and health branches.

A portion in the amount of TL 11,235,091 thousand of premiums were ceded through reinsurance in 2023, thus significantly reducing retained risk in branches likely to present high claim settlements in particular, such as fire, marine, watercraft and general losses.

## PREMIUM PRODUCTION

(TL THOUSAND)



## Solvency and solvency performance

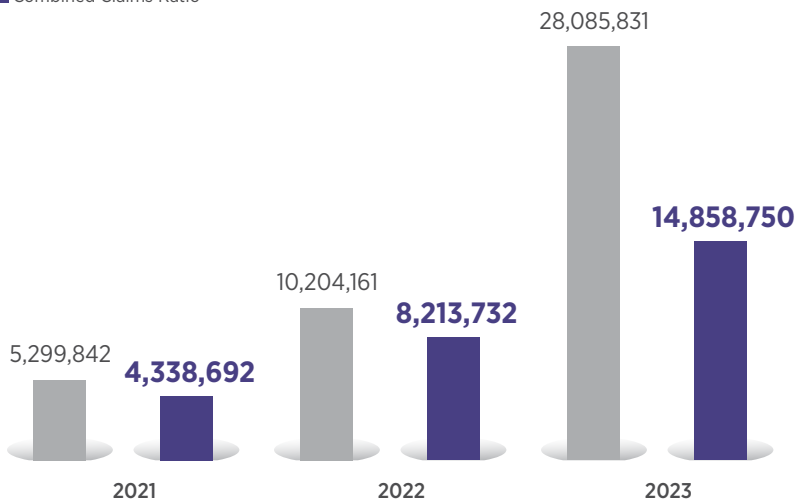
Having adopted it as a duty to make claim payments fully and timely to its policyholders, Anadolu Sigorta attained this goal once again in 2021 drawing on its solid asset structure and balanced liquidity ratio. A big part of the risk was ceded through reinsurance contracts made in branches under which high-amount coverage is provided such as fire and general losses, thus making it possible for the Company's asset structure to remain unaffected by claims paid in big amounts.

In 2023, claims paid amounted to TL 28,085,831 thousand. A significant portion of the claims paid arose, in order, from losses in motor vehicles liability, motor vehicles, health, and fire and natural disasters. As a result of the high increase in the exchange rate and in inflation due to the economic developments in 2023, the loss-premium ratio stood at 92.9%.

## Claims Paid

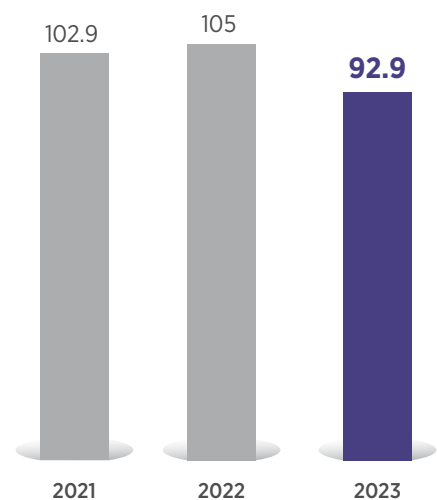
(TL THOUSAND)

■ Claims Paid  
■ Combined Claims Ratio



## COMBINED CLAIMS RATIO

(%)

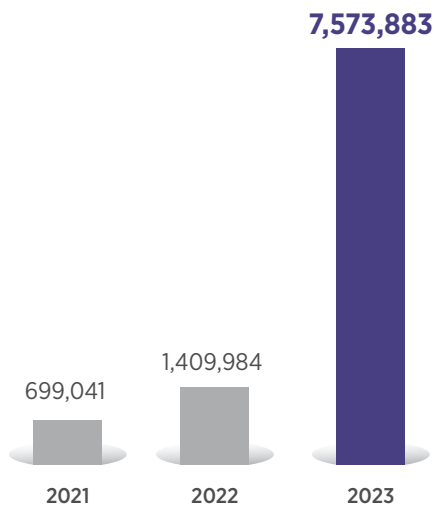


### Assessment of profitability

The company booked a profit of TL 7,573,883 thousand in 2023. Return on equity and return on assets stood at 41.6% and 10.1%, respectively.

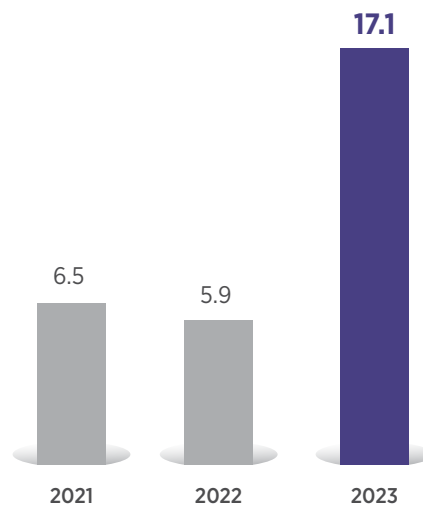
### GROSS PROFIT/LOSS

(TL THOUSAND)



### GROSS PROFIT-LOSS/GROSS PREMIUM PRODUCTION

(TL THOUSAND)



## INFORMATION ON FINANCIAL STRUCTURE

### Assets performance

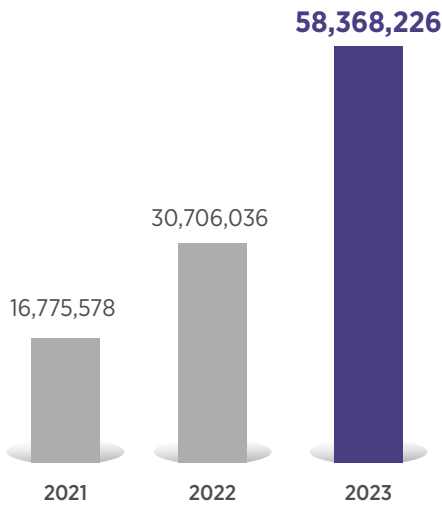
As of year-end 2023, total assets reached TL 58,368,226 thousand, up 90.1% year-on. With a share of 60.77% representing the largest item in total assets, total cash and cash equivalents, and financial assets grew 83.4% year-on to TL 35,472,406 thousand, giving confidence with respect to payment of possible losses to policyholders with this large volume.

### Capital volume

The nominal capital of Anadolu Sigorta was TL 500,000 thousand as at year-end 2023.

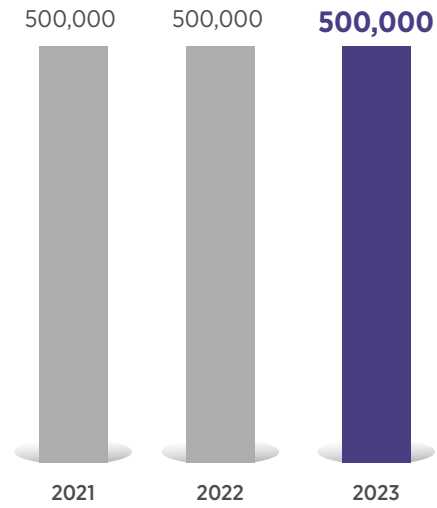
### TOTAL ASSETS

(TL THOUSAND)



### NOMINAL CAPITAL

(TL THOUSAND)





## SUMMARY FINANCIAL INFORMATION FOR THE LAST 5 YEARS INCLUDING THE REPORTING PERIOD

<b>(TL thousand)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Gross Premiums	44,228,418	23,755,830	10,735,252	8,015,704	6,606,856
Technical Division Balance	7,357,036	1,429,590	862,895	734,905	643,318
Investment Income	18,483,752	7,256,856	6,446,711	2,487,841	1,373,407
Investment Expenses	-18,672,003	-7,244,079	-6,545,822	-2,558,784	-1,450,967
Other Income and Expenses	405,097	-32,383	-64,742	-103,290	1,990
Period Gross Income (Loss)	7,573,883	1,409,984	699,041	560,672	567,749
Taxation	-1,664,486	-276,782	-177,204	-100,035	-164,686
Period Net Income (Loss)	5,909,397	1,133,201	521,837	460,638	403,062
Shareholders' Equity	14,203,844	6,048,457	3,203,552	2,810,378	2,155,296
Total Assets	58,368,226	30,706,036	16,775,578	12,075,878	9,767,228

## INFORMATION FOR INVESTORS

### Capital

Registered capital: TL 700,000,000

Paid-in capital: TL 500,000,000

### Shares

The company's capital is divided into 50,000,000,000 shares each with a value of TL 0.01 and entitling their holders to one vote. The company's free float rate is 48%.

### Stock Exchange

The company's shares are traded on Borsa İstanbul Stars Market under the ticker symbol ANSGR and are included in BIST Corporate Governance, BIST All, BIST Stars, BIST 500, BIST Dividend, BIST All -100, BIST Sustainability, BIST Financial and BIST Insurance indices.

### Investor Relations Unit

Rüzgarlıbahçe Mahallesi Çam Pınarı Sokak No: 6

34805 Beykoz/İstanbul

Tel: +90 850 724 0 850

e-mail: investor.relations@anadolusigorta.com.tr

Website: <https://www.anadolusigorta.com.tr/en/investor-relations>

# HEADQUARTERS

**Address:** Rüzgarlıbahçe Mah. Çam Pınarı Sok. No: 6  
Beykoz / İstanbul  
**Tel:** +90 850 724 0850  
**Fax:** +90 850 744 0 745  
**E-mail:** bilgi@anadolusigorta.com.tr



Printed on recycled paper.

Produced by Tayburn  
Tel: (90 212) 227 04 36  
[www.tayburnkurumsal.com](http://www.tayburnkurumsal.com)

[www.anadolusigorta.com.tr](http://www.anadolusigorta.com.tr)