

**AKSIGORTA A.Ş.**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD JANUARY 1 - MARCH 31, 2020**



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# AKSİGORTA A.Ş.

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE PERIOD JANUARY 1 – MARCH 31, 2020

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

Assets	Note	Unaudited	Audited
		March 31, 2020	December 31, 2019
<b>Total current assets</b>		<b>7.177.124.659</b>	<b>7.188.629.825</b>
Cash and cash equivalents	9	1.859.308.286	2.063.042.512
Financial assets			
Debt securities:			
- Available for sale at company’s risk	8	1.226.944.857	702.319.600
- Held to maturity at company’s risk	8	31.987.271	34.881.722
- Held for trading at company’s risk	8	100.274.388	590.751.326
- Available for sale at insurees' risk	8	1.789.595	1.806.587
Premium receivables		762.032.674	715.107.728
Due from reinsurers		24.589.244	22.369.137
Reinsurance share of insurance liabilities	11	2.970.867.924	2.830.342.891
Deferred acquisition costs		155.449.317	176.322.242
Derivative financial assets		6.208.340	510.490
Other current assets		37.672.763	51.175.590
<b>Total non-current assets</b>		<b>184.768.365</b>	<b>167.853.184</b>
Tangible assets	5	53.058.343	49.291.987
Investment properties		162.340	163.066
Intangible assets	6	59.546.289	60.569.259
Financial assets			
Equity securities:			
- Available for sale	8	531.050	430.032
Deferred income tax assets	14	71.400.770	57.248.860
Other non-current assets		69.573	149.980
<b>Total assets</b>		<b>7.361.893.024</b>	<b>7.356.483.009</b>
<b>Liabilities</b>	<b>Note</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
<b>Total current liabilities</b>		<b>6.745.436.980</b>	<b>6.553.274.709</b>
Insurance liabilities	11	5.874.518.937	5.604.293.840
Payables to reinsurers	12	630.850.828	596.443.293
Other financial liabilities		14.628.485	12.806.818
Obligations under repurchase agreements		-	47.970.865
Derivative financial liabilities		-	29.597.359
Provisions for other liabilities and charges		62.746.432	59.947.386
Trade and other payables	12	131.811.371	145.576.602
Current income tax liabilities	14	26.629.245	52.831.979
Short-term lease liabilities	12	4.251.682	3.806.567
<b>Total non-current liabilities</b>		<b>37.308.555</b>	<b>32.996.385</b>
Provision for retirement benefit obligation		7.934.337	7.052.711
Long-term lease liabilities	12	29.374.218	25.943.674
<b>Total equity</b>		<b>579.147.489</b>	<b>770.211.915</b>
Shareholders' equity	10	306.000.000	306.000.000
Legal and other reserves	10	302.288.129	137.889.692
Actuarial loss arising from employee benefit	10	(4.919.984)	(4.518.213)
Available-for-sale investments fund	10	(53.504.421)	6.588.634
Retained earnings/accumulated deficit	10	29.283.765	324.251.802
<b>Total equity and liabilities</b>		<b>7.361.893.024</b>	<b>7.356.483.009</b>

The accompanying notes form an integral part of these condensed interim financial statement.

# AKSIGORTA A.Ş.

## CONDENSED INTERIM INCOME STATEMENT FOR THE PERIOD JANUARY 1 - MARCH 31, 2020

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

<b>Income Statement</b>	<b>Note</b>	<b>Unaudited March 31, 2020</b>	<b>Unaudited March 31, 2019</b>
Insurance premium revenue	13	1.100.006.391	870.040.350
Insurance premium ceded to reinsurers	13	(458.865.391)	(378.849.891)
<b>Net insurance premium revenue</b>	<b>13</b>	<b>641.141.000</b>	<b>491.190.459</b>
Investment income		102.151.779	104.134.668
Commission income		59.832.613	46.626.235
Other operating income		3.137.294	2.786.601
<b>Net income</b>		<b>806.262.686</b>	<b>644.737.963</b>
Insurance claims	16	(645.325.912)	(591.888.152)
Insurance claims recovered from reinsurers	16	199.281.519	221.851.911
<b>Net insurance claims</b>	<b>16</b>	<b>(446.044.393)</b>	<b>(370.036.241)</b>
Commission expense		(161.234.400)	(125.233.083)
Expenses for marketing and administration	15	(63.468.450)	(52.314.588)
Other operating expenses		(24.242.883)	(23.300.010)
<b>Insurance claims and expenses</b>		<b>(694.990.126)</b>	<b>(570.883.922)</b>
<b>Results of operating activities</b>		<b>111.272.560</b>	<b>73.854.041</b>
Foreign exchange gain / (loss), net		(17.890.308)	21.712.850
<b>Profit before tax</b>		<b>93.382.252</b>	<b>95.566.891</b>
Income tax expense	14	(21.991.853)	(23.348.554)
<b>Profit for the period</b>		<b>71.390.399</b>	<b>72.218.337</b>
<b>Earnings per share</b>		<b>0,0023</b>	<b>0,0024</b>

The accompanying notes form an integral part of these condensed interim financial statements.

# AKSIGORTA A.Ş.

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JANUARY 1 - MARCH 31, 2020

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

		Unaudited	Unaudited
Statement of comprehensive income	Note	March 31, 2020	March 31, 2019
<b>Profit for the period</b>		<b>71.390.399</b>	<b>72.218.337</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Change in available-for-sale financial assets fund, net off deferred tax		(60.093.055)	(9.303.304)
Cash flow hedging, net off deferred tax		-	-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>(60.093.055)</b>	<b>(9.303.304)</b>
<b>Other comprehensive income not being reclassified to profit or loss in subsequent periods:</b>			
Actuarial loss, net off deferred tax		(401.771)	981.381
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b>		<b>(401.771)</b>	<b>981.381</b>
<b>Other comprehensive income, net of tax</b>		<b>(60.494.826)</b>	<b>(8.321.923)</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>10.895.573</b>	<b>63.896.414</b>

The accompanying notes form an integral part of these condensed interim financial statements.

# AKSİGORTA A.Ş.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD JANUARY 1 - MARCH 31, 2020

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

March 31, 2019									Unaudited
	Note	Share capital	Available-for-sale investment funds	Revaluation fund	Legal reserves	Actuarial loss arising from employee benefit	Cash flow hedging	Retained earnings	Total
Balances at December 31, 2018	10	306.000.000	(10.638.677)	-	112.230.612	(3.602.019)	-	242.280.528	646.270.445
Profit for the year		-	-	-	-	-	-	72.218.337	72.218.337
Transfer		-	-	-	30.046.954	-	-	(30.046.954)	-
Other comprehensive income		-	(9.303.304)	-	-	981.381	-	-	(8.321.923)
Total comprehensive income	10	-	(9.303.304)	-	30.046.954	981.381	-	42.171.383	63.896.414
Dividend payment		-	-	-	-	-	-	(201.960.000)	(201.960.000)
Balances at March 31, 2019	10	306.000.000	(19.941.981)	-	142.277.566	(2.620.638)	-	82.491.911	508.206.859

March 31, 2020									Unaudited
	Note	Share capital	Available-for-sale investment funds	Revaluation fund	Legal reserves	Actuarial loss arising from employee benefit	Cash flow hedging	Retained earnings	Total
Balances at December 31, 2019	10	306.000.000	6.588.634	-	137.889.692	(4.518.213)	-	324.251.802	770.211.915
Profit for the year		-	-	-	-	-	-	71.390.399	71.390.399
Transfer		-	-	-	164.398.436	-	-	(164.398.436)	-
Other comprehensive income		-	(60.093.055)	-	-	(401.771)	-	-	(60.494.826)
Total comprehensive income	10	-	(60.093.055)	-	164.398.436	(401.771)	-	(93.008.037)	10.895.573
Dividend payment		-	-	-	-	-	-	(201.960.001)	(201.960.001)
Balances at March 31, 2020	10	306.000.000	(53.504.421)	-	302.288.128	(4.919.984)	-	29.283.766	579.147.489

The accompanying notes form an integral part of these condensed interim financial statements.



# AKSIGORTA A.Ş.

## INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR PERIOD JANUARY 1 - MARCH 31, 2020

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

<b>Cash Flow Statement</b>	<b>Note</b>	<b>January 1 – March 31, 2020</b>	<b>January 1 – March 31, 2019</b>
Cash inflows from insurance operations		1.552.546.961	1.419.521.000
Cash outflows from insurance operations		(1.304.305.965)	(1.363.212.362)
Income tax payment		(55.178.459)	(14.070.796)
Cash inflows/(outflows )from operational expenses		(111.433.273)	(51.401.186)
<b>Net cash flows from operating activities</b>		<b>81.629.264</b>	<b>(9.163.344)</b>
Tangible and intangible asset acquisitions		(6.947.231)	(32.008.273)
Financial asset acquisitions / disposals		(187.675.741)	(68.631.794)
Interest received		104.922.619	46.965.410
Other cash inflows/(outflows)		17.890.308	6.877.443
<b>Net cash flows from investing activities</b>		<b>(107.590.661)</b>	<b>90.466.374</b>
Dividends paid		(201.960.000)	(201.960.000)
Financial lease payments		(3.910.841)	-
<b>Net cash flows from financing operations</b>		<b>(205.870.841)</b>	<b>(201.960.000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(231.832.238)</b>	<b>(120.656.970)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1.831.766.957</b>	<b>1.763.461.138</b>
<b>Cash and cash equivalents at the end of the period</b>	9	<b>1.599.934.720</b>	<b>1.642.804.168</b>

The accompanying notes form an integral part of these condensed interim financial statements.

# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

### 1. General Information

Aksigorta A.Ş. (“the Company”) is a joint venture of Hacı Ömer Sabancı Holding A.Ş. and Ageas Insurance International N.V. as of March 31, 2020. 38.02% (December 31, 2017: 38.02%) of the Company is issued in Borsa İstanbul (“BİST”) (Note 2.3).

Agreement about the sale of 50% of 18,965,880,200 units of Aksigorta A.Ş. shares with TL 189,658,802 nominal value that belong to H.Ö. Sabancı Holding (“Holding”) portfolio was signed with Ageas Insurance International N.V. at 18 February 2011. At the date of 29 July 2011, 9,482,940,100 units of Aksigorta A.Ş. shares that correspond to 50% of the Holding’ s portfolio have been transferred to Ageas Insurance International N.V. with the sale price (excluding the corrections) of USD 220,029,000. According to the joint administration agreement that signed with Ageas Insurance International N.V. at 18 February 2011, Holding’s previous administrative controls over Aksigorta A.Ş. are going to remain equally with Ageas Insurance International N.V.

The Company is a corporation, which was established in accordance with the requirements of Turkish Commercial Code and registered in Turkey as at 25 April 1960. The Company is located at Poligon Cad. Buyaka 2 Sitesi No:8 Kule:1 Kat:0-6 Ümraniye 34771, İstanbul.

The Company’s main operations include insurance activities based on non-life insurance branches, including primarily motor third party liability, motor, fire, marine, accident, personal accident, engineering, agriculture and health.

Average numbers of employees during the period by category are as follows:

	March 31, 2020	December 31, 2019
Top and middle management	108	130
Other personel	560	533
<b>Total</b>	<b>668</b>	<b>664</b>

Remuneration and fringe benefits provided to top management such as; chairman and members of the board of directors, managing director and assistant managing directors amount to TL 2.245.140 in total for January 1 - March 31, 2020 (January 1 - March 31, 2019: TL 1.854.658).

Financial statements include only one company (Aksigorta A.Ş.) and the Company does not have any subsidiaries or affiliates as of March 31, 2020 (December 31, 2019: None).

The Company’s interim condensed financial statements as of April 30, 2020 are approved and authorized for issuance as of April 30, 2020 by the Board of Directors.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2020**

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

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**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

The financial statements at March 31, 2020 have been prepared in accordance with International Financial Reporting Standard as defined by IAS 1. In accordance with the International Accounting Standard No: 34 “Interim Financial Reporting”, entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Company has preferred to prepare condensed financial statements in the interim periods. Accordingly, the financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at March 31, 2020 and any public announcement made by the company during the period.

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira (“TL”) in accordance with the Insurance Law numbered 5684 and the regulations issued for insurance and reinsurance companies by the Undersecretary at of Treasury which is also the functional currency of the Company. These financial statements are based on the statutory records, with adjustments and reclassifications, for the purpose of fair presentation in accordance with IFRS.

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise its judgements in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to financial statements are disclosed Note 3.

**Comparative information and restatement of prior period financial statements**

The Company’s statement of financial position as of March 31, 2020 is presented in comparison with its statement of financial position as of December 31, 2019; statement of comprehensive income, statement of changes in equity and statement of cash flows for the period between January 1 - March 31, 2020 are presented in comparison with its statement of comprehensive income, statement of changes in equity and statement cash flows for the period between January 1 - March 31, 2019.

**2.2 Adoption of New and Revised Standards**

**The new standards, amendments and interpretations**

The accounting policies applied in the preparation of the financial statements as of January 1 - March 31, 2020 are consistent with those applied in the preparation of the financial statements as of December 31, 2019, except for the new standards and amended IAS/IFRS standards which are valid as of January 1, 2020 and International Financial Reporting Interpretations Committee’s (“IFRIC”) interpretations summarized below.

***Standards, amendments and interpretations applicable as at 31 March 2020:***

- **Amendment to IFRS 9, ‘Financial instruments’;** effective from annual periods beginning on or after 1 January 2019. This amendment confirmed two points: (1) that reasonable compensation for prepayments can be both negative or positive cash flows when considering whether a financial asset solely has cash flows that are principal and interest and (2) that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2020**

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

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**2. Summary of significant accounting policies (Continued)**

**2.2 Adoption of New and Revised Standards (Continued)**

**Amendment to IAS 28, ‘Investments in associates and joint venture’;** effective from annual periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using IFRS 9.

**IFRS 16, ‘Leases’;** effective from annual periods beginning on or after 1 January 2019. This standard replaces the current guidance in IAS 17 and is a farreaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a ‘right of use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**IFRIC 23, ‘Uncertainty over income tax treatments’;** effective from annual periods beginning on or after 1 January 2019. This IFRIC clarifies how the recognition and measurement requirements of IAS 12 ‘Income taxes’, are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 ‘Provisions, contingent liabilities and contingent assets’, applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there

is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

**Annual improvements 2015-2017;** effective from annual periods beginning on or after 1 January 2020. These amendments include minor changes to:

- IFRS 3, ‘Business combinations’, - a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11, ‘Joint arrangements’, - a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12, ‘Income taxes’ - a company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23, ‘Borrowing costs’ - a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2020**

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

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**2. Summary of significant accounting policies (Continued)**

**2.2 Adoption of New and Revised Standards (Continued)**

**Amendments to IAS 19, ‘Employee benefits’ on plan amendment, curtailment or settlement’;** effective from annual periods beginning on or after 1 January 2019. These amendments require an entity to:

- use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

*Standards, amendments and interpretations that are issued but not effective as at 31 March 2020:*

**Amendments to IAS 1 and IAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to IAS 1, ‘Presentation of financial statements’, and IAS 8, ‘Accounting policies, changes in accounting estimates and errors’, and consequential amendments to other IFRSs:

- i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
- ii) clarify the explanation of the definition of material; and
- iii) incorporate some of the guidance in IAS 1 about immaterial information.

**Amendments to IFRS 3 - definition of a business;** effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

**Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform;** effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

**IFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2022. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

**Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.

# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

### 2. Summary of significant accounting policies (Continued)

#### 2.3 Share capital

As of March 31, 2020, the Company’s nominal capital is TL 306,000,000 (December 31, 2019: TL 306,000,000). Share capital is represented by 30,600,000,000 of equity shares having a nominal amount of TL 0,01 each.

The share capital structure of the Company is as follows:

Name of shareholders	March 31, 2020		December 31, 2019	
	Share	Share amount	Share	Share amount
H. Ömer Sabancı Holding A.Ş.	36,00	110.160.000	36,00	110.160.000
Ageas Insurance International NV	36,00	110.160.000	36,00	110.160.000
Publicly quoted shares	28,00	85.680.000	28,00	85.680.000
<b>Total</b>	<b>100,00</b>	<b>306.000.000</b>	<b>100,00</b>	<b>306.000.000</b>

Agreement about the sale of 50% of 18,965,880,200 units of Aksigorta A.Ş. shares with nominal value of TL 189,658,802 that belong to H.Ö. Sabancı Holding (“Holding”) portfolio, was signed with Ageas Insurance International N.V. at 18 February 2011. 9,482,940,100 units of Aksigorta A.Ş. shares that correspond to 50% of the Holding’s portfolio has been transferred to Ageas Insurance International N.V. on 29 July 2011 with a sale price of USD 220,029,000 except for adjustments to sale price.

The Company has accepted the registered capital system set out in accordance with the provisions of Law No: 2499 and applied the system as of March 15, 2000 upon the permission no: 67/1039 granted by the Capital Markets Board. As of March 31, 2020, the Company’s registered share capital is TL 500,000,000 (December 31, 2019: TL 500,000,000).

### 3. Critical accounting estimates and judgements

Preparation of financial statements requires the use of estimations and assumptions which may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the statement of financial position date and reported amounts of income and expenses during the financial period. Accounting estimates and assumptions are continuously evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Although the estimations and assumptions are based on the best knowledge of the management for existing events and operations, they may differ from the actual results.

The estimation of the ultimate liability for technical expenses that can be incurred for the existing insurance contracts is one of the most critical accounting estimates. Estimation of the insurance liabilities, by nature, includes the evaluation of several uncertainties.

### 4. Segment information

Information related to the operational reporting made by the Company to the chief operating decision-maker in accordance with the “IFRS 8 - Operating Segments” is disclosed in this part.

Numerical limits in “IFRS 8 - Operating Segments” is also considered as the reporting to the chief operating decision-maker in the determination of segments and the premium production and net technical income of the segments are considered while determining a separate operating segment.

The Company has been operating in Turkey. Since the effect of the foreign operations on financial statements is extremely low, geographic segment information is not given.

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

### 4. Segment information (Continued)

Segment results for period January 1 - March 31, 2020 is as follows:

January 1 - March 31, 2020	Fire	Marine	Motor Own Damage (MOD)	Motor Third Party Liability	General Losses	Health	Other	Undistributed	Total
<b>TECHNICAL INCOME</b>	<b>40.804.912</b>	<b>7.722.469</b>	<b>202.281.867</b>	<b>312.286.931</b>	<b>23.675.238</b>	<b>28.002.152</b>	<b>26.367.431</b>	-	<b>641.141.000</b>
Earned Premiums (Net of Reinsurer Share)	40.804.912	7.722.469	202.281.867	312.286.931	23.675.238	28.002.152	26.367.431	-	641.141.000
Premiums (Net of Reinsurer Share)	45.656.048	8.975.862	205.762.301	318.034.189	33.114.197	24.900.517	24.840.940	-	661.284.055
Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	(4.851.136)	(1.253.393)	(3.480.434)	(5.747.259)	(9.438.959)	3.101.635	1.526.491	-	(20.143.055)
<b>TECHNICAL EXPENSES</b>	<b>(45.522.630)</b>	<b>(3.676.190)</b>	<b>(180.153.618)</b>	<b>(328.850.923)</b>	<b>(20.540.692)</b>	<b>(17.712.897)</b>	<b>(35.563.271)</b>	-	<b>(632.020.220)</b>
Total Claims (Net of Reinsurer Share)	(25.227.657)	(1.749.319)	(123.701.395)	(259.553.141)	(7.274.278)	(2.957.950)	(25.580.653)	-	(446.044.393)
Claims Paid (Net of Reinsurer Share)	(13.762.545)	(2.314.536)	(129.900.279)	(175.563.442)	(6.252.620)	(1.491.755)	(7.202.210)	-	(336.487.386)
Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	(11.465.112)	565.216	6.198.885	(83.989.701)	(1.021.658)	(1.466.195)	(18.378.443)	-	(109.557.009)
Commissions (Net)	(7.313.675)	(1.431.737)	(37.739.382)	(32.441.503)	(7.967.749)	(11.105.547)	(3.402.194)	-	(101.401.787)
Operating Expenses	(11.749.235)	(261.961)	(13.910.613)	(24.090.857)	(4.583.815)	(3.087.684)	(5.784.286)	-	(63.468.450)
Other Operating Income / Expenses	(1.232.063)	(233.172)	(4.802.228)	(12.765.422)	(714.850)	(561.716)	(796.138)	-	(21.105.589)
	<b>(4.717.718)</b>	<b>4.046.280</b>	<b>22.128.249</b>	<b>(16.563.992)</b>	<b>3.134.546</b>	<b>10.289.255</b>	<b>(9.195.840)</b>	-	<b>9.120.780</b>
Investment income	-	-	-	-	-	-	-	102.151.779	102.151.779
Foreign exchange income	-	-	-	-	-	-	-	(17.890.308)	(17.890.308)
Tax expense	-	-	-	-	-	-	-	(21.991.853)	(21.991.853)
<b>Net Profit / (Loss)</b>	<b>(4.717.718)</b>	<b>4.046.280</b>	<b>22.128.249</b>	<b>(16.563.992)</b>	<b>3.134.546</b>	<b>10.289.255</b>	<b>(9.195.840)</b>	<b>62.269.618</b>	<b>71.390.399</b>

# AKSİGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT JUNE 30, 2019

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

### 4. Segment information (Continued)

Segment results for period January 1 - March 31, 2019 is as follows:

January 1 - March 31, 2019	Fire	Marine	Motor Own Damage (MOD)	Motor Third Party Liability	General Losses	Health	Other	Undistributed	Total
<b>TECHNICAL INCOME</b>	<b>37.024.679</b>	<b>6.555.920</b>	<b>165.235.322</b>	<b>218.470.287</b>	<b>20.773.749</b>	<b>20.000.608</b>	<b>23.129.893</b>	-	<b>491.190.459</b>
Earned Premiums (Net of Reinsurer Share)	37.024.679	6.555.920	165.235.322	218.470.287	20.773.749	20.000.608	23.129.893	-	491.190.459
Premiums (Net of Reinsurer Share)	41.558.359	7.886.721	158.696.265	225.123.893	30.701.382	25.267.290	24.739.783	-	513.973.692
Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	(4.533.680)	(1.330.801)	6.539.057	(6.653.606)	(9.927.633)	(5.266.681)	(1.609.890)	-	(22.783.235)
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>TECHNICAL EXPENSES</b>	<b>(37.662.403)</b>	<b>(455.179)</b>	<b>(193.098.737)</b>	<b>(243.422.616)</b>	<b>(31.208.019)</b>	<b>(15.032.334)</b>	<b>(591.799)</b>	-	<b>(521.471.086)</b>
Total Claims (Net of Reinsurer Share)	(19.547.441)	162.463	(134.707.830)	(189.545.433)	(18.076.821)	(2.999.474)	(5.321.705)	-	(370.036.241)
Claims Paid (Net of Reinsurer Share)	(18.913.158)	(23.610)	(137.756.566)	(135.930.097)	(5.904.353)	(1.781.127)	(4.516.129)	-	(304.825.040)
Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	0	0	0	0	0	0	0	-	-
	(634.283)	186.073	3.048.736	(53.615.336)	(12.172.468)	(1.218.346)	(805.576)	-	(65.211.201)
Commissions (Net)	(7.180.267)	(93.768)	(37.152.979)	(29.307.836)	(7.544.022)	(8.166.830)	10.838.854	-	(78.606.848)
Operating Expenses	(9.297.927)	(234.053)	(15.134.172)	(14.911.327)	(4.668.821)	(2.981.854)	(5.086.434)	-	(52.314.588)
Other Operating Income / Expenses	(1.636.768)	(289.821)	(6.103.756)	(9.658.020)	(918.355)	(884.176)	(1.022.514)	-	(20.513.409)
	<b>(637.724)</b>	<b>6.100.741</b>	<b>(27.863.415)</b>	<b>(24.952.328)</b>	<b>(10.434.270)</b>	<b>4.968.274</b>	<b>22.538.094</b>	-	<b>(30.280.627)</b>
Investment income	-	-	-	-	-	-	-	104.134.668	104.134.668
Foreign exchange income	-	-	-	-	-	-	-	21.712.850	21.712.850
Tax expense	-	-	-	-	-	-	-	(23.348.554)	(23.348.554)
<b>Net Profit / (Loss)</b>	<b>(637.724)</b>	<b>6.100.741</b>	<b>(27.863.415)</b>	<b>(24.952.328)</b>	<b>(10.434.270)</b>	<b>4.968.274</b>	<b>22.538.094</b>	<b>102.498.964</b>	<b>72.218.337</b>



# AKSİGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

### 5. Tangible assets

As of March 31, 2020 and 2019 tangible assets movement and its accumulated depreciation is as follows:

<b>Costs:</b>	<b>January 1, 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>March 31, 2020</b>
Property for operational use	1.598.569	-	-	-	1.598.569
Motor vehicles	2.720.001	-	-	-	2.720.001
Furniture and fixtures and leased tangible assets	27.612.750	2.145.987	(10.735)	-	29.748.002
Other tangible assets (including leasehold improvements)	21.347.617	-	-	-	21.347.617
<b>Total</b>	<b>53.278.937</b>	<b>2.145.987</b>	<b>(10.735)</b>	<b>-</b>	<b>55.414.188</b>

  

<b>Accumulated depreciation: (-)</b>	<b>January 1, 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>March 31, 2020</b>
Property for operational use	(601.945)	(7.949)	-	-	(609.894)
Motor vehicles	(549.962)	(135.257)	-	-	(685.219)
Furniture and fixtures and leased tangible assets	(17.306.145)	(988.071)	10.157	-	(18.284.059)
Other tangible assets	(11.661.266)	(561.039)	-	-	(12.222.305)
<b>Total</b>	<b>(30.119.318)</b>	<b>(1.692.316)</b>	<b>10.157</b>	<b>-</b>	<b>(31.801.476)</b>

  

<b>Net book value</b>	<b>23.159.619</b>	<b>453.671</b>	<b>(578)</b>	<b>-</b>	<b>23.612.711</b>
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<b>Costs:</b>	<b>January 1, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>March 31, 2019</b>
Property for operational use	1.598.569	-	-	-	1.598.569
Motor Vehicles	-	2.720.001	-	-	2.720.001
Furniture and fixtures and leased tangible assets	23.957.267	562.304	(778.031)	-	23.741.539
Other tangible assets (including leasehold improvements)	21.412.252	487.572	(847.387)	-	21.052.437
Advances for tangible assets	-	-	-	-	-
<b>Total</b>	<b>46.968.088</b>	<b>3.769.876</b>	<b>(1.625.418)</b>	<b>-</b>	<b>49.112.546</b>

  

<b>Accumulated depreciation: (-)</b>	<b>January 1, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>March 31, 2019</b>
Property for operational use	(537.189)	(32.059)	-	-	(569.248)
Motor Vehicles	-	(5.962)	-	-	(5.962)
Furniture and fixtures and leased tangible assets	(12.652.946)	(2.962.400)	708.361	-	(14.906.985)
Other tangible assets	(7.580.602)	(2.338.200)	618.219	-	(9.300.583)
<b>Total</b>	<b>(20.770.737)</b>	<b>(5.338.621)</b>	<b>1.326.580</b>	<b>-</b>	<b>(24.782.778)</b>

  

<b>Net book value</b>	<b>26.197.351</b>	<b>(1.568.745)</b>	<b>(298.838)</b>	<b>-</b>	<b>24.329.768</b>
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The Company has not accounted for any impairment provision for tangible fixed assets in the current period.

Total depreciation expense is TL 9,912,186 (January 1 - March 31, 2019: TL 7,260,961).

# AKSİGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

### 5. Tangible assets (Continued)

The Company’s right-of use assets movement is as follows:

Right of use assets	1 January 2020	Additions	Disposals	31 March 2020	
Real estate	27.717.430	-	-	27.717.430	
Furniture & Fixture	6.080.531	6.272.195	(574.923)	11.777.803	
Motor Vehicle	574.924	-	-	574.924	
<b>Total</b>	<b>34.372.885,00</b>	<b>6.272.195,36</b>	<b>-</b>	<b>574.923,36</b>	<b>40.070.157,00</b>

  

Accumulated depreciation	1 January 2020	Period charge	Disposals	31 March 2020
Real estate	(5.530.674)	(1.382.669)	-	(6.913.343)
Furniture & Fixture	(2.689.352)	(961.942)	-	(3.651.294)
Motor Vehicle	(23.955)	(35.933)	-	(59.888)
<b>Total</b>	<b>(8.243.981)</b>	<b>(2.380.544)</b>	<b>-</b>	<b>(10.624.525)</b>

  

Net Book Value	26.128.904			29.445.632
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### 6. Intangible assets

Costs:	January 1, 2020	Additions	Disposals(*)	Transfers	March 31, 2020
Rights	134.184.258	3.112.435	(2.250)	1.442.473	138.736.916
Advances given for intangible assets	3.489.088	1.701.795	-	(1.442.473)	3.748.410
<b>Total</b>	<b>137.673.346</b>	<b>4.814.230</b>	<b>(2.250)</b>	<b>-</b>	<b>142.485.326</b>

  

Accumulated depreciation: (-)	January 1, 2020	Additions	Disposals(*)	Transfers	March 31, 2020
Rights	(77.104.087)	(5.835.075)	125	-	(82.939.037)
<b>Total</b>	<b>(77.104.087)</b>	<b>(5.835.075)</b>	<b>125</b>	<b>-</b>	<b>(82.939.037)</b>

  

Net book value	60.569.259	(1.020.845)	(2.125)	-	59.546.289
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Costs:	January 1, 2019	Additions	Disposals(*)	Transfers	March 31, 2019
Rights	111.808.560	3.144.197	(17.206)	-	114.935.552
Advances given for intangible assets	1.949.163	571.434	-	-	2.520.597
<b>Total</b>	<b>113.757.723</b>	<b>3.715.630</b>	<b>(17.206)</b>	<b>-</b>	<b>117.456.148</b>

  

Accumulated depreciation: (-)	January 1, 2019	Additions	Disposals(*)	Transfers	March 31, 2019
Rights	(58.117.829)	(4.056.815)	-	-	(62.174.644)
<b>Total</b>	<b>(58.117.829)</b>	<b>(4.056.815)</b>	<b>-</b>	<b>-</b>	<b>(62.174.644)</b>

  

Net book value	55.639.894	(341.184)	(17.206)	-	55.281.504
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2020**

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

**7. Management of insurance and financial risk  
Foreign currency risk**

The Company is exposed to foreign exchange risk through the impact of rate changes at the translation of Turkish Lira pertaining to foreign currency denominated assets and liabilities. These risks are monitored by the analysis of exchange rate position. The details of the Company’s foreign currency denominated assets and liabilities as of March 31, 2020 and December 31, 2019 are disclosed below:

<b>March 31, 2020</b>			
<b>Banks (Foreign Currency)</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	5.910.313	6,5160	38.511.600
EUR	986.470	7,2150	7.117.381
GBP	37.613	8,0579	303.082
CHF	127.025	6,8013	863.935
Other	943	0,0602	57
<b>Total</b>			<b>46.796.055</b>
<b>Receivables from Insurance Operations</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	46.846.481	6,5160	305.251.670
EUR	14.017.172	7,2150	101.133.896
GBP	111.918	8,0579	901.824
CHF	124.657	6,8013	847.830
<b>Total</b>			<b>408.135.220</b>
<b>Marketable Securities</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	31.417.755	6,5160	204.718.088
<b>Total</b>			<b>204.718.088</b>
<b>Outstanding Claims Reserve</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	(9.244.263)	6,5160	(60.235.615)
EUR	(1.086.694)	7,2150	(7.840.496)
<b>Total</b>			<b>(68.076.111)</b>
<b>Payables from Insurance Operations</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	(51.699.094)	6,5160	(336.871.296)
EUR	(12.025.598)	7,2150	(86.764.692)
Other			(1.741.331)
<b>Total</b>			<b>(425.377.319)</b>

**AKSİGORTA A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2020**

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

**7. Management of insurance and financial risk (continued):**

<b>Payables to Suppliers</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	(434.079)	6,5160	(2.828.461)
EUR	(51.074)	7,2150	(368.501)
<b>Total</b>			<b>(3.196.962)</b>
<b>Net Foreign Currency Position</b>			<b>162.998.971</b>
<b>December 31, 2019</b>			
<b>Banks (Foreign Currency)</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	2.405.752	5,9402	14.290.648
EUR	2.401.308	6,6506	15.970.139
GBP	130.106	7,7765	1.011.769
CHF	100.218	6,0932	610.648
Other	943	0,0543	51
<b>Total</b>			<b>31,883,256</b>
<b>Receivables from Insurance Operations</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	46.809.061	5,9402	278.055.184
EUR	15.914.733	6,6506	105.842.523
GBP	76.635	7,7765	595.952
CHF	96.229	6,0932	586.340
<b>Total</b>			<b>385.079.999</b>
<b>Marketable Securities</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	30.724.479	5,9402	182.509.552
<b>Total</b>			<b>182.509.552</b>
<b>Outstanding Claims Reserve</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	(11.809.266)	5,9402	(70.149.402)
EUR	(2.454.675)	6,6506	(16.325.060)
<b>Total</b>			<b>(86.474.462)</b>
<b>Payables from Insurance Operations</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	(49.015.172)	5,9402	(291.159.924)
EUR	(7.960.738)	6,6506	(52.943.683)
Other			(1.964.019)
<b>Total</b>			<b>(346,067,626)</b>
<b>Payables to Suppliers</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount (TL)</b>
USD	(743.357)	5,9402	(4.415.687)
EUR	(115.922)	6,6506	(770.947)
Other			
<b>Total</b>			<b>(5.186.634)</b>
<b>Net Foreign Currency Position</b>			<b>161.744.085</b>

# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

### 7. Management of insurance and financial risk (Continued)

#### Liquidity risk

Liquidity risk is the possibility of non-performance of the Company’s due liabilities. Events that give rise to funding shortages, such as; market deteriorations and decrease in credit ratings, are the main reasons of liquidity risk. The Company manages its liquidity risk through having adequate cash and cash equivalents in order to fulfill its current and possible liabilities by allocating its funds.

Table of liquidity risk as of March 31, 2020 is as follows:

March 31, 2020	Up to 1 month	1 – 3 months	3 months to 1 year	1 – 5 years	5 years and over	No maturity	Total
Cash and cash equivalents	1.166.925.936	649.903.768	-	-	-	42.478.582	1.859.308.286
Financial assets available for sale	123.424.070	79.202.752	165.424.236	577.127.130	168.521.998	113.244.671	1.226.944.857
Financial assets held for trading	-	-	-	-	-	100.274.388	100.274.388
Financial assets held to maturity	-	21.134.899	10.852.372	-	-	-	31.987.271
Investments on policyholders’ risk	-	-	-	1.789.595	-	-	1.789.595
Receivables from main operations	202.171.471	209.421.473	337.393.850	13.045.880	-	-	762.032.674
Due from reinsurance companies	-	-	24.589.244	-	-	-	24.589.244
Reinsurers’ share of insurance liabilities	1.215.094.815	870.978.342	733.554.678	139.210.471	12.029.618	-	2.970.867.924
Derivative financial assets	-	6.208.340	-	-	-	-	6.208.340
Other assets	-	193.122.080	-	-	-	-	193.122.080
<b>Total Current Assets</b>	<b>2.707.616.292</b>	<b>2.029.971.654</b>	<b>1.271.814.380</b>	<b>731.173.076</b>	<b>180.551.616</b>	<b>255.997.641</b>	<b>7.177.124.659</b>
Financial liabilities	-	-	4.251.682	29.374.218	-	14.628.485	48.254.385
Insurance liabilities	2.247.252.335	1.702.341.128	1.650.418.632	253.149.974	21.356.867	-	5.874.518.937
Due to reinsurers	318.707.303	164.775.952	142.735.610	4.631.963	-	-	630.850.828
Provisions for other liabilities and charges	-	-	58.605.328	1.147.147	-	2.993.957	62.746.432
Trade and other payables	-	16.238.391	112.828.007	-	-	-	129.066.398
<b>Total current liabilities</b>	<b>2.565.959.638</b>	<b>1.883.355.471</b>	<b>1.968.839.259</b>	<b>288.303.302</b>	<b>21.356.867</b>	<b>17.622.442</b>	<b>6.745.436.980</b>
<b>Liquidity surplus/(deficit)</b>	<b>141.656.654</b>	<b>146.616.183</b>	<b>(697.024.880)</b>	<b>442.869.774</b>	<b>159.194.749</b>	<b>238.375.199</b>	<b>431.687.678</b>

## AKSİGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2019

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

#### Management of insurance and financial risk (Continued)

The company implements strategies and policies to ensure that liquidity risk is managed effectively due to the coronavirus (COVID-19) outbreak worldwide.

The company carefully monitors the interest rate risk by controlling the appropriate methods according to the market conditions.

Table of liquidity risk as of December 31, 2019 is as follows:

December 31, 2019	Up to 1 month	1 – 3 months	3 months to 1 year	1 – 5 years	5 years and over	No maturity	Total
Cash and cash equivalents	942.019.120	1.080.190.601	20.293.159	-	-	20.539.632	2.063.042.512
Financial assets available for sale	20.993.443	16.816.813	114.942.696	415.543.534	56.413.069	77.610.043	702.319.598
Financial assets held for trading	448.138.096	-	-	-	-	142.613.230	590.751.326
Financial assets held to maturity	-	-	-	34.881.722	-	-	34.881.722
Investments on policyholders’ risk	-	-	-	1.806.587	-	-	1.806.587
Receivables from main operations	235.458.533	200.768.514	248.829.307	30.051.375	-	-	715.107.729
Due from reinsurance companies	-	22.369.137	-	-	-	-	22.369.137
Reinsurers’ share of insurance liabilities	1.183.084.258	947.174.701	523.442.442	164.782.778	11.858.713	-	2.830.342.891
Equity securities	-	-	-	-	-	430.032	430.032
Derivative financial asset	-	-	510.490	-	-	-	510.490
Other assets	-	227.497.832	-	-	-	-	227.497.832
<b>Total Current Assets</b>	<b>2.829.693.450</b>	<b>2.494.817.598</b>	<b>908.018.094</b>	<b>647.065.996</b>	<b>68.271.782</b>	<b>241.192.937</b>	<b>7.189.059.857</b>
Financial liabilities		12.806.818	3.806.567				16.613.385
Obligations under repurchase agreements	47.970.865						47.970.865
Insurance liabilities	2.151.565.258	1.907.803.325	1.211.135.551	313.295.091	20.494.615	-	5.604.293.840
Due to reinsurers	283.517.463	182.770.356	117.966.682	12.188.792	-	-	596.443.293
Provisions for other liabilities and charges	-	-	56.664.751	1.230.851	-	2.051.784	59.947.386
Trade and other payables	21.696.551	138.326.863	67.982.526	-	-	-	228.005.940
<b>Total current liabilities</b>	<b>2.504.750.137</b>	<b>2.241.707.362</b>	<b>1.457.556.077</b>	<b>326.714.734</b>	<b>20.494.615</b>	<b>2.051.784</b>	<b>6.553.274.709</b>
<b>Liquidity surplus/(deficit)</b>	<b>324.943.313</b>	<b>253.110.235</b>	<b>(549.537.983)</b>	<b>320.351.263</b>	<b>47.777.167</b>	<b>239.141.153</b>	<b>635.785.148</b>

# AKSİGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

### 8. Available for sale financial assets at insurees’ risk:

March 31, 2020			
	Cost Value	Fair Value	Book Value
Private bonds	512.233.323	521.124.649	521.124.649
Eurobonds	255.535.723	237.278.642	237.278.642
Stock exchange securities	149.385.234	113.975.645	113.975.645
Government bonds	364.796.958	355.296.894	355.296.894
<b>Total</b>	<b>1.281.951.238</b>	<b>1.227.675.830</b>	<b>1.227.675.829</b>
Impairment (-)			(730.972)
<b>Total</b>	<b>1.281.951.238</b>	<b>1.227.675.830</b>	<b>1.226.944.857</b>

December 31, 2019			
	Cost Value	Fair Value	Book Value
Private bonds	326.266.711	333.690.554	333.690.554
Eurobonds	152.806.509	152.749.578	152.749.578
Stock exchange securities	70.267.685	77.976.955	77.976.955
Government bonds	133.150.541	137.902.513	137.902.513
<b>Total</b>	<b>682.491.446</b>	<b>702.319.600</b>	<b>702.319.600</b>

### Held for trading securities:

March 31, 2020			
	Cost Value	Fair Value	Book Value
Investment Funds	74.694.762	100.274.388	100.274.388
<b>Total</b>	<b>74.694.762</b>	<b>100.274.388</b>	<b>100.274.388</b>

December 31, 2019			
	Cost Value	Fair Value	Book Value
Reverse Repo	447.999.882	448.138.096	448.138.096
Investment Funds	116.663.610	142.613.230	142.613.230
<b>Total</b>	<b>564.663.492</b>	<b>590.751.326</b>	<b>590.751.326</b>

### Available for sale financial assets at insurees’ risk:

March 31, 2020			
	Cost Value	Fair Value	Book Value
Government bonds	1.647.665	1.789.595	1.789.595
<b>Total</b>	<b>1.647.665</b>	<b>1.789.595</b>	<b>1.789.595</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2020**

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

**8. Available for sale financial assets at  
insurees’ risk (continued):**

December 31, 2019			
	Cost Value	Fair Value	Book Value
Government bonds	1.647.665	1.806.587	1.806.587
<b>Total</b>	<b>1.647.665</b>	<b>1.806.587</b>	<b>1.806.587</b>

**Held to maturity:**

March 31, 2020			
	Cost Value	Fair Value	Book Value
Eurobond	21.125.266	22.639.561	21.134.899
Government bonds	9.194.956	12.123.600	10.852.372
<b>Total</b>	<b>30.320.222</b>	<b>34.763.161</b>	<b>31.987.271</b>

December 31, 2019			
	Cost Value	Fair Value	Book Value
Eurobond	23.431.170	24.095.114	24.027.260
Government bonds	9.194.956	12.411.600	10.854.462
<b>Total</b>	<b>32.626.126</b>	<b>36.506.714</b>	<b>34.881.722</b>

List of the investments and fair values is as below:

March 31, 2020			
	Cost Value	Fair Value	Book Value
<i>Equity investments</i>			
Tarsim	531.050	-	531.050
<b>Total</b>	<b>531.050</b>	<b>-</b>	<b>531.050</b>

December 31, 2019			
	Cost Value	Fair Value	Book Value
<i>Equity investments</i>			
Tarsim	430.032	-	430.032
<b>Total</b>	<b>430.032</b>	<b>-</b>	<b>430.032</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2020**

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

**8. Financial assets (Continued)  
Fair Value Hierarchy**

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. Fair value measurements are performed in accordance with the following fair value measurement hierarchy.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: Inputs for the asset or liability that is not based on observable market data (that is, unobservable inputs).

	<b>March 31, 2020</b>	<b>Level 1</b>	<b>Level2</b>	<b>Level 3</b>
Available for sale at company’s risk	1.226.944.857	1.226.944.857	-	-
Available for sale at insurees' risk	1.789.595	1.789.595	-	-
Held to maturity at company’s risk	31.987.271	31.987.271	-	-
Held for trading at company's risk	100.274.388	100.274.388	-	-
Equity securities, net	531.050	-	-	531.050
<b>Total</b>	<b>1.361.527.161</b>	<b>1.360.996.111</b>	-	<b>531.050</b>

	<b>December 31, 2019</b>	<b>Level 1</b>	<b>Level2</b>	<b>Level 3</b>
Available for sale at company’s risk	702.319.600	702.319.600	-	-
Available for sale at insurees' risk	1.806.587	1.806.587	-	-
Held to maturity at company’s risk	34.881.722	34.881.722	-	-
Held for trading at company's risk	590.751.326	590.751.326	-	-
Equity securities, net	430.032	-	-	430.032
<b>Total</b>	<b>1.330.189.266</b>	<b>1.329.759.235</b>	-	<b>430.032</b>

## AKSIGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

#### 9. Cash and cash equivalents

The details of cash and cash equivalents of the Company are as follows:

	March 31, 2020	December 31, 2019
Cash at banks	1.212.125.089	1.356.583.321
-time deposits	1.169.646.507	1.336.043.689
-demand deposits	42.478.582	20.539.632
Bank guaranteed credit card receivables with maturity less than 3 months	647.183.197	706.459.191
<b>Total cash and cash equivalents</b>	<b>1.859.308.286</b>	<b>2.063.042.512</b>

The maturities of the Company’s time deposits as of March 31, 2020 are less than three months (December 31, 2019: Less than three months).

Cash and cash equivalents that are included in the statements of cash flows for the periods January 1 - March 31, 2020 and 2019 are as follows:

	March 31, 2020	December 31, 2019
Total cash and cash equivalents	1.859.308.286	2.063.042.512
Interest accrual on cash at banks (-)	(3.084.118)	(2.557.348)
Blocked time deposits	(256.289.448)	(228.718.207)
<b>Cash and cash equivalents per statement of cash flow</b>	<b>1.599.934.720</b>	<b>1.831.766.957</b>

Interest rate ranges of time deposits:

	March 31, 2020	December 31, 2019
TL	8,3 - 12,9	10,65 - 18
USD	1,20 - 1,5	1,25-
EUR	0,05 - 0,25	0,2 - 0,35

## AKSIGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

#### 10. Equity

As of March 31, 2020, the Company’s total amount of nominal shares is 30,600,000,000 (December 31, 2019: 30,600,000,000) which has all been paid. The face value of the Company’s common stocks is TL 0,01 each and the total nominal amount is TL 306,000,000 (December 31, 2019: TL 306,000,000).

Movement of common stocks at opening balance and closing balance is as follows:

January 1, 2020		Issued Capital		Amortised		March 31, 2020		
Unit	Nominal TL	Unit	Nominal TL	Unit	Nominal TL	Unit	Nominal TL	
Paid	30.600.000.000	306.000.000	-	-	-	-	30.600.000.000	306.000.000
<b>Total</b>	<b>30.600.000.000</b>	<b>306.000.000</b>	-	-	-	-	<b>30.600.000.000</b>	<b>306.000.000</b>

January 1, 2019		Issued Capital		Amortised		December 31, 2019		
Unit	Nominal TL	Unit	Nominal TL	Unit	Nominal TL	Unit	Nominal TL	
Paid	30.600.000.000	306.000.000	-	-	-	-	30.600.000.000	306.000.000
<b>Total</b>	<b>30.600.000.000</b>	<b>306.000.000</b>	-	-	-	-	<b>30.600.000.000</b>	<b>306.000.000</b>

Movement of legal reserves is as follows:

Legal Reserves	2020	2019
Opening balance, January 1	137.889.692	112.230.612
Addition related to profit for the period	164.398.437	25.659.080
<b>Closing balance, March 31</b>	<b>302.288.129</b>	<b>137.889.692</b>

#### Dividend Payment

According to the Law No. 7244 published in the Official Gazette dated April 17, 2020, the Law on Reducing the Effects of the New Corona Virus (Covid-19) on economic and social life and with the amendment made in the Turkish Commercial Code, it has been decided that maximum twenty-five percent of the net profit of the year 2019 can be distributed as dividends until September, 30, 2020. If the General Assembly has decided to distribute dividends for the fiscal year of 2019, but the shareholders have not yet been paid or partial payments have been made, payments for the portion exceeding twenty-five percent of the net profit for 2019 will be postponed until the end of the specified period. In the Ordinary General Assembly Meeting held on March 11, 2020, the Company, in accordance with the profit distribution proposal of the Board of Directors, distributed its gross profit share of TL 201.960.000 from the net profit of 366.358.436,00 TL for the 2019 fiscal period in cash on March 13, 2020.

## AKSIGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

#### 10. Equity (Continued)

##### Actuarial gain / (loss)

In accordance with changes regarding “IAS 19 - Employee Benefits” effective as of January 1, 2013, actuarial loss amounting to TL 6,149,979 (net off deferred tax: TL 4,919,983) resulting from retirement pay liability calculation has been accounted to extraordinary reserves under equity (December 31, 2019: TL 5,647,766 (net off deferred tax: TL 4,518,213)).

Movement of actuarial loss arising from employee benefit is as follows:

Actuarial Loss	2020	2019
Opening balance, January 1	5.647.766	4.502.524
Change for the period	502.203	1.145.242
<b>Closing balance, March 31</b>	<b>6.149.979</b>	<b>5.647.766</b>

##### Available for sale investments fund:

The unrealized gains and losses that result from the changes in the fair values of available for sale financial assets are directly recognized in the shareholders’ equity as “Available for sale investments fund”. Movement of available for sale investments fund is below:

Available for sale investments fund	2020	2019
Opening balance, January 1	6.588.634	(10.638.677)
Increase/decrease in value recognized under the shareholders’ equity in the current period	(60.093.055)	17.227.311
<b>Closing balance</b>	<b>(53.504.421)</b>	<b>6.588.634</b>

#### 11. Insurance liabilities

	March 31, 2020	December 31, 2019
Outstanding claims provision	3.382.941.605	3.246.299.107
Reserve for unearned premiums	2.490.124.438	2.356.539.449
Life actuarial mathematical reserves	1.300.024	1.302.184
Life profit share provision	144.447	144.687
Bonus and rebates provision	8.423	8.413
<b>Total</b>	<b>5.874.518.937</b>	<b>5.604.293.840</b>

Reinsurance Share	March 31, 2020	December 31, 2019
Reinsurers’ share of outstanding claims	1.906.317.597	1.879.234.498
Reinsurers’ share of unearned premiums	1.064.550.327	951.108.393
<b>Total</b>	<b>2.970.867.924</b>	<b>2.830.342.891</b>

# AKSİGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

Net	March 31, 2020	December 31, 2019
Net outstanding claims	1.476.624.008	1.367.064.609
Net unearned premiums	1.425.574.111	1.405.431.056
Life actuarial mathematical reserves	1.300.024	1.302.184
Life profit share provision	144.447	144.687
Bonus and rebates provision	8.423	8.413
<b>Total</b>	<b>2.903.651.013</b>	<b>2.773.950.949</b>

### 12. Payables to reinsurers, trade and other payables and lease liabilities

	March 31, 2020	December 31, 2019
Payables to reinsurers	597.793.941	554.050.816
Payables to SSI regarding medical expenses	33.056.887	42.392.477
<b>Payables due to main operations</b>	<b>630.850.828</b>	<b>596.443.293</b>
Taxes payable	31.014.592	40.603.094
Payables to Turkish Catastrophe Insurance Pool	24.688.874	23.480.700
Payables to contracted institutions	48.694.463	48.821.504
Payables to suppliers	7.242.731	27.539.894
Other	20.170.711	5.131.410
<b>Total other short term payables</b>	<b>131.811.371</b>	<b>145.576.602</b>
<b>Total financial liabilities trade and other payables, deferred income</b>	<b>762.662.199</b>	<b>742.019.895</b>

As at March 31, 2020 and December 31, 2019; lease liabilities are as follows:

	31 March 2020	31 December 2019
- Short-term lease liability (undiscounted)	13.332.924	12.599.956
- Long-term lease liability (undiscounted)	38.377.490	36.383.769
- Discount amount with lease's incremental borrowing rate of interest	(18.084.513)	(19.233.518)
	<b>33.625.901</b>	<b>29.750.241</b>

Movement of lease liabilities for the period ended March 31, 2020 and December 31, 2019 are as follows:

	2019
Opening balance, January 1	29.750.241
IFRS 16 impact	(3.910.841)
Lease payments	2.089.229
Interest payments	6.272.195
Ended lease agreements	(574.923)
<b>Closing balance, March 31</b>	<b>33.625.901</b>

## AKSIGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

#### 13. Net insurance premium income

The distribution of premium income is as follows:

	January 1 – March 31, 2020			January 1 – March 31, 2019		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
Written premium	1.233.591.381	(572.307.227)	661.284.153	1.058.222.422	(544.248.729)	513.973.693
Change in unearned premium reserve	(133.584.990)	113.441.935	(20.143.055)	(188.182.072)	165.398.838	(22.783.234)
<b>Total premium revenue</b>	<b>1.100.006.391</b>	<b>(458.865.391)</b>	<b>641.141.000</b>	<b>870.040.350</b>	<b>(378.849.891)</b>	<b>491.190.459</b>
Fire	220.611.966	(174.955.918)	45.656.048	230.304.566	(188.746.207)	41.558.359
Marine	28.724.653	(19.748.791)	8.975.862	26.657.602	(18.770.881)	7.886.721
Motor Own Damage	219.952.190	(14.189.889)	205.762.301	167.781.126	(9.084.861)	158.696.265
Motor Third Party Liability	400.808.895	(82.774.706)	318.034.189	290.474.055	(65.350.162)	225.123.893
Other	107.125.107	(82.284.166)	24.840.940	108.207.341	(83.467.557)	24.739.784
General Losses	101.614.833	(68.500.636)	33.114.197	107.744.461	(77.043.079)	30.701.382
Health	154.753.737	(129.853.219)	24.900.517	127.053.272	(101.785.982)	25.267.290
Life	-	-	-	-	-	-
<b>Total</b>	<b>1.233.591.381</b>	<b>(572.307.227)</b>	<b>661.284.153</b>	<b>1.058.222.422</b>	<b>(544.248.729)</b>	<b>513.973.693</b>

#### 14. Taxes

As at March 31, 2020 and December 31, 2019 prepaid income taxes are netted off with the current income tax payable as stated below:

	March 31, 2020	December 31, 2019
Income taxes payable	21.020.057	125.897.142
Prepaid income taxes	-	(73.065.163)
<b>Tax payable/(asset)</b>	<b>21.020.057</b>	<b>52.831.979</b>

With the Tax Procedure Law Circular No. 127, published by the Revenue Administration on April 17, 2020; the period of issuance of the Corporate Tax for the 2019 accounting period, which must be submitted by the end of April 30, 2020, and the payment periods of the taxes accrued on these statements have been extended until the end of Monday, June 1, 2020.

#### Deferred tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for International Accounting Standards (IAS) purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IAS.

Tax rate is applied as 22% for the calculation of deferred tax asset and liabilities. The details of deferred tax are presented in the following statements:

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2020**

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

**Deferred tax (Continued)**

	Cumulative temporary differences		Deferred tax assets/ (liabilities)	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Discounting in outstanding claims	276.598.769	252.705.356	58.575.444	55.595.177
Financial assets valuation effectaccounted under equity	60.800.477	(8.235.790)	13.376.105	(1.647.158)
Doubtful receivable provisions	30.286.568	34.734.800	6.663.045	7.641.656
General expense provision	22.917.298	20.409.676	5.041.806	4.490.129
Claim handling	17.606.603	19.168.180	3.873.453	3.833.636
Bonus provision	9.973.836	8.433.527	2.194.244	1.855.376
Employment termination benefit	7.934.335	7.052.710	1.586.867	1.410.542
Leased assets	4.180.268	3.621.336	919.659	796.694
Other	4.099.427	(1.524.090)	901.874	(304.818)
Unused vacation provision	2.993.959	2.051.782	658.671	451.392
Derivative asset valuation	(5.896.891)	30.321.955	(1.297.316)	6.670.830
Useful life of tangible and intangible assets	(11.833.800)	(11.328.416)	(2.603.436)	(2.492.252)
Equalization reserve	(84.043.842)	(95.692.472)	(18.489.645)	(21.052.344)
<b>Total deferred tax assets / liabilities</b>	<b>335.617.009</b>	<b>261.718.555</b>	<b>71.400.770</b>	<b>57.248.860</b>

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, “Law on the Amendment of Some Tax Acts and Some Other Laws”, corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2017 are calculated with 22% tax rate for the temporary differences which will be realized in 2018, 2019 and 2020, and with 20% tax for those which will be realized after 2021 and onwards.

	March 31, 2020	March 31, 2019
Profit/(Loss) before taxes	93.382.252	95.566.891
Tax rate	22%	22%
Taxes on income/expense per statutory tax rate	(20.544.095)	(21.024.716)
The effect of prior periods' adjustments	(4.969.248)	-
The effect of non-deductible expenses	3.521.490	(2.323.838)
<b>Closing balance</b>	<b>(21.991.853)</b>	<b>(23.348.554)</b>

# AKSİGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

### 15. Expenses by nature

	January 1 - March 31, 2020	January 1 - March 31, 2019
Personnel expenses	(32.056.045)	(26.309.478)
Depreciation expenses	(9.912.186)	(7.260.961)
Information technology expenses	(5.564.176)	(3.584.406)
Rent expenses	(798.928)	(594.889)
Assistance expenses	(7.917.555)	(4.205.605)
Meeting and training expenses	(1.654.859)	(1.944.019)
Transportation expenses	(780.300)	(1.000.288)
Advertisement expenses	(1.159.720)	(1.141.770)
Social relief expenses	(1.479.419)	(1.310.370)
Repair and maintenance	(1.024.142)	(1.078.224)
Communication expenses	(442.963)	(473.282)
Outsourcing service expenses	(608.987)	(605.479)
Other	(69.170)	(2.805.817)
<b>Total</b>	<b>(63.468.450)</b>	<b>(52.314.588)</b>

### 16. Insurance claims and claims recovered from reinsurers

#### March 31, 2020

	Gross	Reinsurers' Share	Net
Paid Claims	508.673.261	(172.185.875)	336.487.386
Change in outstanding claims	136.642.498	(27.083.099)	109.559.399
Change in mathematical reserves	(2.400)	-	(2.400)
Bonus and rebates provision	12.555	(12.545)	10
<b>Total</b>	<b>645.325.912</b>	<b>(199.281.519)</b>	<b>446.044.393</b>

#### March 31, 2019

	Gross	Reinsurers' Share	Net
Paid Claims	407.718.510	(102.893.470)	304.825.040
Change in outstanding claims	244.029.996	(178.729.736)	65.300.260
Change in mathematical reserves	(15.968)	-	(15.968)
Bonus and rebates provision	(59.844.386)	59.771.295	(73.091)
<b>Total</b>	<b>591.888.152</b>	<b>(221.851.911)</b>	<b>370.036.241</b>



# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2020

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

### 17. Related parties

The details of transactions between the Company and other related parties are disclosed below:

#### Due from /to related parties

	March 31, 2020	December 31, 2019
Shareholder’s subsidiaries	71.107.833	108.487.396
Shareholders	101.308	936.977
<b>Total</b>	<b>71.209.141</b>	<b>109.424.374</b>

#### Banks

	March 31, 2020	December 31, 2019
Shareholder’s subsidiaries	958.508.124	182.298.715
<b>Total</b>	<b>958.508.124</b>	<b>182.298.715</b>

#### Marketable securities

	March 31, 2020	December 31, 2019
Shareholder’s subsidiaries	185.066.309	64.848.496
<b>Total</b>	<b>185.066.309</b>	<b>64.848.496</b>

#### Investment funds

	March 31, 2020	December 31, 2019
Shareholder’s subsidiaries	100.274.388	128.560.508
<b>Total</b>	<b>100.274.388</b>	<b>128.560.508</b>

#### Written Premium

	March 31, 2020	March 31, 2019
Shareholder’s subsidiaries	31.268.833	25.545.150
Shareholders	265.072	548.030
<b>Total</b>	<b>31.533.906</b>	<b>26.093.180</b>

#### Claims Paid

	March 31, 2020	March 31, 2019
Shareholder’s subsidiaries	3.954.871	1.064.735
<b>Total</b>	<b>3.954.871</b>	<b>1.064.735</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2020**

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

**17. Related parties (Continued)****Investment Income**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Shareholder’s subsidiaries	23.481.232	4.899.074
<b>Total</b>	<b>23.481.232</b>	<b>4.899.074</b>

**Commissions Payment**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Shareholder’s subsidiaries	26.081.978	27.287.474
<b>Total</b>	<b>26.081.978</b>	<b>27.287.474</b>

**18. Contingencies**

As at December 31, 2019 and 2018, total insurance risk accepted by the Company under normal courses of the insurance business is detailed in Note 4.

As of June 24, 2014, Tax Inspection Board of T.C. Ministry of Finance has launched a limited tax investigation related to the Banking and Insurance Transaction Tax for the years 2009, 2010, 2011 and 2012 and as a consequence of the tax inspection, tax of TL 1,8 million and tax penalty of TL 2,8 million for the year 2009, tax of TL 2 million and tax penalty of TL 3 million for the year 2010, tax of TL 3 million and tax penalty of TL 4,6 million for the year 2011 and tax of TL 4,3 million and tax penalty of TL 6,4 million for the year 2012 and in total tax and tax penalty of 27,9 million related to Banking Insurance Transaction Tax were imposed to the Company. The Company has not booked any provision in the financial statements since it believes that its practice is in compliance with the regulations. On January 16, 2015, the Company filed a reconciliation request for the year 2009 and on February 20, 2015 filed a reconciliation request for the years 2010, 2011 and 2012 to the Large Taxpayers Office Commission of Reconciliation. The Company has interviewed with the Large Taxpayers Office on February 15, 2019. Due to there is no agreement, the Company has filed a suit against the institution the Large Taxpayers Office. From the suits related to Banking Insurance Transaction Tax on salvage transaction in 2009, 2010, 2011 and 2012, the Tax Court has given the rule for the benefit of the Company. Suits related to the years of 2011 and 2012 continue at the Tax Court.

**19. Subsequent events**

There are no subsequent events.

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