

**AKSIGORTA A.Ş.**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD JANUARY 1 - MARCH 31, 2022**

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FOR THE PERIOD JANUARY 1 - MARCH 31, 2022**

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| <b>TABLE OF CONTENTS</b>  | <b>PAGE</b> |
|---|-------------|
| CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION .....           | 1           |
| CONDENSED INTERIM INCOME STATEMENT .....                          | 2           |
| CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME.....          | 3           |
| CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY .....            | 4           |
| CONDENSED INTERIM STATEMENT OF CASH FLOWS.....                    | 5           |
| SELECTED NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENTS ..... | 6-28        |

# AKSIGORTA A.Ş.

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE PERIOD JANUARY 1 – MARCH 31, 2022

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

| Assets                                       | Note        | Unaudited             | Audited                  |
|--|-------------|-----------------------|--------------------------|
|  |             | March 31, 2022        | December 31, 2021        |
| <b>Total current assets</b>                  |             | <b>12,752,865,404</b> | <b>11,534,589,610</b>    |
| Cash and cash equivalents                    | 9           | 1,805,358,410         | 2,194,391,593            |
| Debt securities:                             |             |                       |                          |
| - Available for sale at company’s risk       | 8           | 1,612,437,618         | 1,215,216,528            |
| - Held to maturity at company’s risk         | 8           | 1,606,370,911         | 1,737,608,467            |
| - Held for trading at company’s risk         | 8           | 258,437,627           | 6,454,765                |
| - Available for sale at insurees' risk       | 8           | 1,879,337             | 1,874,466                |
| Premium receivables                          |             | 1,652,444,653         | 1,438,979,223            |
| Due from reinsurers                          |             | 44,531,361            | 40,204,422               |
| Reinsurance share of insurance liabilities   | 11          | 5,461,981,407         | 4,584,171,137            |
| Deferred acquisition costs                   |             | 195,776,267           | 206,239,673              |
| Other current assets                         |             | 113,647,813           | 109,449,336              |
| <b>Total non-current assets</b>              |             | <b>214,239,579</b>    | <b>176,594,398</b>       |
| Tangible assets                              | 5           | 22,855,076            | 22,581,492               |
| Right of use of assets                       | 5           | 17,503,393            | 17,343,827               |
| Intangible assets                            | 6           | 121,485,113           | 112,572,496              |
| Equity securities:                           |             |                       |                          |
| - Available for sale                         | 8           | 875,420               | 875,420                  |
| Deferred income tax assets                   | 14          | 51,402,054            | 23,083,158               |
| Other non-current assets                     |             | 118,523               | 138,005                  |
| <b>Total assets</b>                          |             | <b>12,967,104,983</b> | <b>11,711,184,008</b>    |
| <b>Liabilities</b>                           | <b>Note</b> | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
| <b>Total current liabilities</b>             |             | <b>11,954,013,883</b> | <b>10,603,889,325</b>    |
| Insurance liabilities                        | 11          | 9,989,602,513         | 8,721,256,225            |
| Payables to reinsurers                       | 12          | 1,514,946,311         | 1,304,099,529            |
| Other financial liabilities                  |             | 107,588,317           | 16,177,847               |
| Obligations under repurchase agreements      |             | -                     | 101,655,748              |
| Derivative financial liabilities             |             | -                     | 49,851,945               |
| Provisions for other liabilities and charges |             | 63,927,009            | 62,941,823               |
| Trade and other payables                     | 12          | 255,892,151           | 307,904,206              |
| Current income tax liabilities               | 14          | 5,342,717             | 25,033,584               |
| Short-term lease liabilities                 | 12          | 16,714,865            | 14,968,418               |
| <b>Total non-current liabilities</b>         |             | <b>25,717,871</b>     | <b>26,708,222</b>        |
| Provision for retirement benefit obligation  |             | 14,980,679            | 14,112,606               |
| Long-term lease liabilities                  | 12          | 10,737,192            | 12,595,616               |
| <b>Total equity</b>                          |             | <b>987,373,229</b>    | <b>1,080,586,461</b>     |
| Shareholders' equity                         | 10          | 612,000,000           | 306,000,000              |
| Legal and other reserves                     | 10          | 312,027,778           | 428,631,014              |
| Actuarial loss arising from employee benefit | 10          | (9,128,513)           | (8,518,554)              |
| Available-for-sale investments fund          | 10          | (29,244,276)          | (30,139,525)             |
| Retained earnings/accumulated deficit        | 10          | 101,718,240           | 384,613,526              |
| <b>Total equity and liabilities</b>          |             | <b>12,967,104,983</b> | <b>11,711,184,008</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, 2022

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

| <b>Income Statement</b>                    | <b>Note</b> | <b>Unaudited</b>       | <b>Restated (Note 1.1)</b>          |
|--|-------------|------------------------|-------------------------------------|
|  |             | <b>March 31, 2022</b>  | <b>Unaudited<br/>March 31, 2021</b> |
| Insurance premium revenue                  | 13          | 1,846,237,381          | 1,353,508,138                       |
| Insurance premium ceded to reinsurers      | 13          | (916,971,439)          | (602,013,404)                       |
| <b>Net insurance premium revenue</b>       | <b>13</b>   | <b>929,265,942</b>     | <b>751,494,734</b>                  |
| Investment income                          |             | 251,047,571            | 134,729,539                         |
| Commission income                          |             | 113,071,189            | 70,569,984                          |
| Other operating income                     |             | 14,168,220             | 6,636,350                           |
| <b>Net income</b>                          |             | <b>1,307,552,922</b>   | <b>963,430,607</b>                  |
| Insurance claims                           | 16          | (1,999,917,452)        | (1,167,484,551)                     |
| Insurance claims recovered from reinsurers | 16          | 911,853,014            | 596,095,621                         |
| <b>Net insurance claims</b>                | <b>16</b>   | <b>(1,088,064,438)</b> | <b>(571,388,930)</b>                |
| Commission expense                         |             | (240,019,950)          | (184,311,921)                       |
| Expenses for marketing and administration  | 15          | (112,716,938)          | (71,979,207)                        |
| Other operating expenses                   |             | (19,117,409)           | (32,518,836)                        |
| <b>Insurance claims and expenses</b>       |             | <b>(1,459,918,735)</b> | <b>(860,198,894)</b>                |
| <b>Results of operating activities</b>     |             | <b>(152,365,813)</b>   | <b>103,231,713</b>                  |
| Foreign exchange gain / (loss), net        |             | 29,010,378             | 17,127,911                          |
| <b>Profit before tax</b>                   |             | <b>(123,355,435)</b>   | <b>120,359,624</b>                  |
| Income tax expense                         | 14          | 29,856,913             | (25,991,820)                        |
| <b>Profit for the period</b>               |             | <b>(93,498,522)</b>    | <b>94,367,804</b>                   |
| <b>Earnings per share</b>                  |             | <b>-0.0015</b>         | <b>0.0031</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, 2022

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

|  |      | Unaudited           | Restated (Note 1.1)         |
|--|------|---------------------|-----------------------------|
| Statement of comprehensive income  | Note | March 31, 2022      | Unaudited<br>March 31, 2021 |
| Profit for the period  |      | (93,498,522)        | 94,367,804                  |
| <b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>        |      |                     |                             |
| Change in available-for-sale financial assets fund, net of deferred tax                              | 10   | 895,249             | (41,253,519)                |
| <b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>     |      | <b>895,249</b>      | <b>(41,253,519)</b>         |
| <b>Other comprehensive income not being reclassified to profit or loss in subsequent periods:</b>    |      |                     |                             |
| Actuarial loss, net of deferred tax  | 10   | (609,959)           | (672,529)                   |
| <b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b> |      | <b>(609,959)</b>    | <b>(672,529)</b>            |
| <b>Other comprehensive income, net of tax</b>  |      | <b>285,290</b>      | <b>(41,926,048)</b>         |
| <b>Total comprehensive income for the year, net of tax</b>   |      | <b>(93,213,232)</b> | <b>52,441,756</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, 2022**

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

|   |           |                    |                                     |                    |  |                    | Restated (Note 1.1)  |
|---|-----------|--------------------|-------------------------------------|--------------------|--|--------------------|----------------------|
|   |           |                    |                                     |                    |  |                    | Unaudited            |
| <b>March 31, 2021</b>                                   |           |                    |                                     |                    |  |                    |                      |
|   | Note      | Share capital      | Available-for-sale investment funds | Legal reserves     | Actuarial loss arising from employee benefit | Retained earnings  | Total                |
| <b>Balances at January 1, 2021 as previously stated</b> | <b>16</b> | <b>306,000,000</b> | <b>1,441,549</b>                    | <b>302,288,128</b> | <b>(5,451,203)</b>                           | <b>331,837,425</b> | <b>936,115,899</b>   |
| OS Claim Discounting Impact (*)                         |           | -                  | -                                   | -                  | -  | 158,134,466        | 158,134,466          |
| <b>Balances at January 1, 2021 as restated</b>          |           | <b>306,000,000</b> | <b>1,441,549</b>                    | <b>302,288,128</b> | <b>(5,451,203)</b>                           | <b>489,971,891</b> | <b>1,094,250,365</b> |
| Profit for the period                                   |           | -                  | -                                   | -                  | -  | 94,367,804         | 94,367,804           |
| Transfer  |           | -                  | -                                   | 126,342,886        | -  | (126,342,886)      | -                    |
| Other comprehensive income                              |           | -                  | (41,253,519)                        | -                  | (672,529)                                    | -                  | (41,926,048)         |
| <b>Total comprehensive income</b>                       | <b>16</b> | <b>306,000,000</b> | <b>(39,811,970)</b>                 | <b>428,631,014</b> | <b>(6,123,732)</b>                           | <b>457,996,809</b> | <b>1,146,692,11</b>  |
| Dividend payment  |           | -                  | -                                   | -                  | -  | (306,000,000)      | (306,000,000)        |
| <b>March 31, 2021</b>                                   | <b>16</b> | <b>306,000,000</b> | <b>(39,811,970)</b>                 | <b>428,631,014</b> | <b>(6,123,732)</b>                           | <b>151,996,809</b> | <b>840,692,121</b>   |
| <b>March 31, 2022</b>                                   |           |                    |                                     |                    |  |                    | Unaudited            |
|   | Note      | Share capital      | Available-for-sale investment funds | Legal reserves     | Actuarial loss arising from employee benefit | Retained earnings  | Total                |
| <b>Balances at January 1, 2022 as restated</b>          |           | <b>306,000,000</b> | <b>(30,139,525)</b>                 | <b>428,631,014</b> | <b>(8,518,554)</b>                           | <b>384,613,526</b> | <b>1,080,586,461</b> |
| Profit for the period                                   |           | -                  | -                                   | -                  | -  | (93,498,522)       | (93,498,522)         |
| Transfer  |           | 306,000,000        | -                                   | (116,603,236)      | -  | (189,396,764)      | -                    |
| Other comprehensive income                              |           | -                  | 895,249                             | -                  | (609,959)                                    | -                  | 285,290              |
| <b>Total comprehensive income</b>                       | <b>16</b> | <b>612,000,000</b> | <b>(29,244,276)</b>                 | <b>312,027,778</b> | <b>(9,128,513)</b>                           | <b>101,718,240</b> | <b>987,373,229</b>   |
| Dividend payment  |           | -                  | -                                   | -                  | -  | -                  | -                    |
| <b>March 31, 2022</b>                                   | <b>16</b> | <b>612,000,000</b> | <b>(29,244,276)</b>                 | <b>312,027,778</b> | <b>(9,128,513)</b>                           | <b>101,718,240</b> | <b>987,373,229</b>   |

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

# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 - MARCH 31, 2022

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

| <b>Cash Flow Statement</b>                                      | <b>Note</b> | <b>January 1 –<br/>March 31, 2022</b> | <b>January 1 –<br/>March 31, 2021</b> |
|---|-------------|---------------------------------------|---------------------------------------|
| Cash inflows from insurance operations                          |             | 3,283,324,052                         | 1,987,443,950                         |
| Cash outflows from insurance operations                         |             | (3,207,912,768)                       | (1,811,194,974)                       |
| Income tax payment  |             | (19,690,867)                          | (18,176,934)                          |
| Cash inflows/(outflows )from operational expenses               |             | (171,631,319)                         | (160,324,080)                         |
| <b>Net cash flows from operating activities</b>                 |             | <b>(115,910,902)</b>                  | <b>(2,252,038)</b>                    |
| Tangible and intangible asset acquisitions                      |             | (19,438,049)                          | (7,688,618)                           |
| Financial asset acquisitions / disposals                        |             | (417,972,845)                         | (169,671,941)                         |
| Interest received   |             | 189,902,272                           | 92,220,770                            |
| Other cash inflows/(outflows)                                   |             | (6,396,865)                           | (66,401,076)                          |
| <b>Net cash flows from investing activities</b>                 |             |                                       | <b>(151,540,865)</b>                  |
| Dividends paid  |             | -                                     | (201,960,000)                         |
| Financial lease payments  |             | (5,823,882)                           | (3,710,103)                           |
| Other cash inflows/(outflows)                                   |             | 82,865,973                            | -                                     |
| <b>Net cash flows from financing operations</b>                 |             | <b>77,042,091</b>                     | <b>(205,670,103)</b>                  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     |             | <b>(378,684,715)</b>                  | <b>(359,463,006)</b>                  |
| <b>Cash and cash equivalents at the beginning of the period</b> |             | <b>1,777,272,887</b>                  | <b>1,994,609,067</b>                  |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>9</b>    | <b>1,398,588,172</b>                  | <b>1,635,146,061</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, 2022

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

### 1. General Information

#### 1.1 Restatement to Prior Year Financial Statements

Aksigorta A.Ş. reviewed its accounting policy regarding outstanding claims and concluded on discounting the outstanding claim provision by restating the prior year financial statements. . Up until March 31, 2021, Aksigorta A.Ş. did not apply any discounting on its outstanding claim provisions. Starting from March 31, 2021, the company decided to discount its outstanding claims. The effect of this change was recognized retrospectively in the financial statements.

Restated balances for profit/loss statement are stated below:

| <b>January 1,<br/>March 31, 2021</b>       | <b>Previously<br/>Reported</b> | <b>Effect of<br/>Restatement</b> | <b>Restated</b> |
|--|--------------------------------|----------------------------------|-----------------|
| Insurance claims                           | (1,277,262,331)                | 109,777,780                      | (1,167,484,551) |
| Insurance claims recovered from reinsurers | 664,406,078                    | (68,310,457)                     | 596,095,621     |
| Income tax expense                         | (15,624,989)                   | (10,366,831)                     | (25,991,820)    |
| Profit before tax                          | 78,892,301                     | 41,467,323                       | 120,359,624     |
| Profit for the period                      | 63,267,312                     | 31,100,492                       | 94,367,804      |
| Earnings per share                         | 0.0021                         | 0.0010                           | 0.0031          |

#### 1.2 Corporate Information

Aksigorta A.Ş. (the “Company”) is a subsidiary of Hacı Ömer Sabancı Holding A.Ş. and Ageas Insurance International N.V. as of March 31, 2022 38.02% (December 31, 2021: 38.02%) of the Company is issued in Borsa İstanbul (“BİST”).

The Company is a corporation, which was established in accordance with the requirements of Turkish Commercial Code and registered in Turkey as at April 25, 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 motor own damage, motor third party liability, fire, marine, accident, personal accident, engineering, agriculture and health.

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

|                           | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|---------------------------|-----------------------|--------------------------|
| Top and middle management | 172                   | 110                      |
| Other personnel           | 498                   | 562                      |
| <b>Total</b>              | <b>670</b>            | <b>672</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 3,560,757 in total for January 1 - March 31, 2022 (January 1 – March 31, 2021: TL 2,733,355).

Financial statements include only one company (Aksigorta A.Ş.) and the Company does not have any subsidiaries or affiliates as of March 31, 2022 (December 31, 2021: None).

The Company’s interim condensed financial statements as of March 31, 2022 are approved and authorized for issuance as of April 29, 2022 by the Board of Directors.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT  
MARCH 31, 2022**

(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, 2022 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, 2022 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, 2022 is presented in comparison with its statement of financial position as of December 31, 2021; statement of comprehensive income, statement of changes in equity and statement of cash flows for the period between January 1 - March 31, 2022 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, 2021.

**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, 2022 are consistent with those applied in the preparation of the financial statements as of December 31, 2021, except for the new standards and amended IAS/IFRS standards which are valid as of January 1, 2022 and International Financial Reporting Interpretations Committee’s (“IFRIC”) interpretations summarized below.

**a) Standards, amendments and interpretations applicable as at 31 March 2022:**

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 1 January 2021);** These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022**

(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 IFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

**b) Standards, amendments and interpretations that are issued but not effective as at 31 March 2022:**

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from annual periods beginning on or after 1 January 2022.
  - **Amendments to IFRS 3,** ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to IAS 16,** ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to IAS 37,** ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial Instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

- **Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. 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.
- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

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

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

- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, ‘Insurance Contracts’, as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. 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.

#### 2.3 Share capital

As of March 31, 2022, the Company’s nominal capital is TL 612,000,000 (December 31, 2021: TL 306,000,000). Share capital is represented by 61,200,000,000 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, 2022 |                    | December 31, 2021 |                    |
|----------------------------------|----------------|--------------------|-------------------|--------------------|
|                                  | Share          | Share amount       | Share             | Share amount       |
| H. Ömer Sabancı Holding A.Ş.     | 36.00          | 220,320,000        | 36.00             | 110,160,000        |
| Ageas Insurance International NV | 36.00          | 220,320,000        | 36.00             | 110,160,000        |
| Publicly quoted shares           | 28.00          | 171,360,000        | 28.00             | 85,680,000         |
| <b>Total</b>                     | <b>100.00</b>  | <b>612,000,000</b> | <b>100.00</b>     | <b>306,000,000</b> |

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, 2022, the Company’s registered share capital is TL 750,000,000 (December 31, 2021: TL 750,000,000).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT  
MARCH 31, 2022**

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

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**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.

**AKSIGORTA A.Ş.**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2022**

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

**4. Segment information (Continued)**

Segment results for period January 1 - March 31, 2022 is as follows:

| <b>January 1-</b>   |                   |                   |                                   |  |                           |                   |                     |                      |                        |
|---|-------------------|-------------------|-----------------------------------|--|---------------------------|-------------------|---------------------|----------------------|------------------------|
| <b>March 31, 2022</b>   | <b>Fire</b>       | <b>Marine</b>     | <b>Motor Own<br/>Damage (MOD)</b> | <b>Motor Third<br/>Party Liability</b> | <b>General<br/>Losses</b> | <b>Health</b>     | <b>Other</b>        | <b>Undistributed</b> | <b>Total</b>           |
| <b>TECHNICAL INCOME</b>   | <b>20,853,876</b> | <b>14,847,555</b> | <b>348,809,439</b>                | <b>420,525,717</b>                     | <b>37,295,262</b>         | <b>27,993,265</b> | <b>58,940,828</b>   | -                    | <b>929,265,942</b>     |
| Earned Premiums (Net of Reinsurer Share)  | 20,853,876        | 14,847,555        | 348,809,439                       | 420,525,717                            | 37,295,262                | 27,993,265        | 58,940,828          | -                    | 929,265,942            |
| Premiums (Net of Reinsurer Share)   | 26,430,866        | 17,567,077        | 486,496,190                       | 459,646,974                            | 60,787,294                | 30,620,956        | 67,231,871          | -                    | 1,148,781,228          |
| Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-) | (5,576,990)       | (2,719,522)       | (137,686,751)                     | (39,121,257)                           | (23,492,032)              | (2,627,691)       | (8,291,043)         | -                    | (219,515,286)          |
| <b>TECHNICAL EXPENSES</b>   | <b>68,369,513</b> | <b>23,883,458</b> | <b>(144,502,608)</b>              | <b>(1,251,381,724)</b>                 | <b>12,804,401</b>         | <b>(343,133)</b>  | <b>(41,509,233)</b> | -                    | <b>(1,332,679,326)</b> |
| Total Claims (Net of Reinsurer Share)   | 65,029,125        | 27,722,474        | (70,249,099)                      | (1,171,335,109)                        | 34,510,940                | 21,973,119        | 4,284,112           | -                    | (1,088,064,438)        |
| Claims Paid (Net of Reinsurer Share)  | 52,939,528        | 30,745,732        | (33,913,419)                      | (138,264,087)                          | 40,656,461                | 18,511,910        | 36,906,039          | -                    | 7,582,164              |
| Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-) | 12,089,597        | (3,023,258)       | (36,335,680)                      | (1,033,071,022)                        | (6,145,521)               | 3,461,209         | (32,621,927)        | -                    | (1,095,646,602)        |
| Commission income/(expenses) (Net)  | 14,671,248        | (2,822,686)       | (62,900,028)                      | (41,870,255)                           | (9,729,223)               | (12,517,218)      | (11,780,599)        | -                    | (126,948,761)          |
| Operating Expenses  | (11,379,439)      | (1,051,021)       | (10,864,251)                      | (39,084,047)                           | (10,852,322)              | (5,340,345)       | (34,145,513)        | -                    | (112,716,938)          |
| Other Operating Income / Expenses   | 48,579            | 34,691            | (489,230)                         | 907,687                                | (1,124,994)               | (4,458,689)       | 132,767             | -                    | (4,949,189)            |
| <b>Technical Profit</b>   | <b>89,223,389</b> | <b>38,731,013</b> | <b>204,306,831</b>                | <b>(830,856,007)</b>                   | <b>50,099,663</b>         | <b>27,650,132</b> | <b>17,431,595</b>   | -                    | <b>(403,413,384)</b>   |
| Investment income   | -                 | -                 | -                                 | -                                      | -                         | -                 | -                   | 251,047,571          | 251,047,571            |
| Foreign exchange income   | -                 | -                 | -                                 | -                                      | -                         | -                 | -                   | 29,010,378           | 29,010,378             |
| Tax expense   | -                 | -                 | -                                 | -                                      | -                         | -                 | -                   | 29,856,913           | 29,856,913             |
| <b>Net Profit / (Loss)</b>  | <b>89,223,389</b> | <b>38,731,013</b> | <b>204,306,831</b>                | <b>(830,856,007)</b>                   | <b>50,099,663</b>         | <b>27,650,132</b> | <b>17,431,595</b>   | <b>309,914,862</b>   | <b>(93,498,522)</b>    |

# AKSİGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

### 4. Segment information (Continued)

Segment results for period January 1 - March 31, 2021 is as follows:

| January 1-  |                     |                    |                           |                                |                     |                     |                     |                    |                      |
|---|---------------------|--------------------|---------------------------|--------------------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| March 31, 2021  | Fire                | Marine             | Motor Own<br>Damage (MOD) | Motor Third<br>Party Liability | General<br>Losses   | Health              | Other               | Undistributed      | Total                |
| <b>TECHNICAL INCOME</b>   | <b>18,520,981</b>   | <b>9,039,209</b>   | <b>287,115,477</b>        | <b>332,581,428</b>             | <b>17,728,687</b>   | <b>24,962,920</b>   | <b>61,546,032</b>   | -                  | <b>751,494,734</b>   |
| Earned Premiums (Net of Reinsurer Share)  | 18,520,981          | 9,039,209          | 287,115,477               | 332,581,428                    | 17,728,687          | 24,962,920          | 61,546,032          | -                  | 751,494,734          |
| Premiums (Net of Reinsurer Share)   | 19,412,179          | 9,374,937          | 346,757,018               | 384,950,814                    | 17,750,298          | 31,609,788          | 85,515,773          | -                  | 895,370,807          |
| Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-) | (891,198)           | (335,728)          | (59,641,541)              | (52,369,386)                   | (21,611)            | (6,646,868)         | (23,969,741)        | -                  | (143,876,073)        |
| <b>TECHNICAL EXPENSES</b>   | <b>(54,140,919)</b> | <b>(5,321,410)</b> | <b>(277,305,109)</b>      | <b>(330,432,303)</b>           | <b>(21,211,508)</b> | <b>(31,208,202)</b> | <b>(63,373,109)</b> | -                  | <b>(782,992,560)</b> |
| Total Claims (Net of Reinsurer Share)   | (28,551,047)        | (2,663,056)        | (202,032,822)             | (283,821,582)                  | (845,118)           | (1,374,416)         | (52,100,889)        | -                  | (571,388,930)        |
| Claims Paid (Net of Reinsurer Share)  | (14,204,851)        | (1,960,001)        | (188,151,979)             | (205,029,988)                  | (994,764)           | (2,539,760)         | (27,846,955)        | -                  | (440,728,298)        |
| Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-) | (14,346,196)        | (703,055)          | (13,880,843)              | (78,791,594)                   | 149,646             | 1,165,344           | (24,253,934)        | -                  | (130,660,632)        |
| Commission income/(expenses) (Net)  | (14,545,644)        | (1,926,335)        | (56,791,356)              | (3,886,633)                    | (16,463,199)        | (28,018,182)        | 7,889,412           | -                  | (113,741,937)        |
| Operating Expenses  | (10,349,624)        | (393,016)          | (12,811,211)              | (24,670,441)                   | (3,238,301)         | (3,663,185)         | (16,853,429)        | -                  | (71,979,207)         |
| Other Operating Income / Expenses   | (694,604)           | (339,003)          | (5,669,720)               | (18,053,647)                   | (664,890)           | 1,847,581           | (2,308,203)         | -                  | (25,882,486)         |
| <b>Technical Profit</b>   | <b>(35,619,938)</b> | <b>3,717,799</b>   | <b>9,810,368</b>          | <b>2,149,125</b>               | <b>(3,482,821)</b>  | <b>(6,245,282)</b>  | <b>(1,827,077)</b>  | -                  | <b>(31,497,826)</b>  |
| Investment income   | -                   | -                  | -                         | -                              | -                   | -                   | -                   | 134,729,539        | 134,729,539          |
| Foreign exchange income   | -                   | -                  | -                         | -                              | -                   | -                   | -                   | 17,127,911         | 17,127,911           |
| Tax expense   | -                   | -                  | -                         | -                              | -                   | -                   | -                   | (25,991,820)       | (25,991,820)         |
| <b>Net Profit / (Loss)</b>  | <b>(35,619,938)</b> | <b>3,717,799</b>   | <b>9,810,368</b>          | <b>2,149,125</b>               | <b>(3,482,821)</b>  | <b>(6,245,282)</b>  | <b>(1,827,077)</b>  | <b>125,865,630</b> | <b>94,367,804</b>    |

## AKSIGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

#### 5. Tangible assets

As of March 31, 2022 and 2021 tangible assets movement and its accumulated depreciation is as follows:

| <b>Costs:</b>  | <b>January 1</b>   | <b>Additions</b> | <b>Disposals</b>   | <b>March 31, 2022</b> |
|--|--------------------|------------------|--------------------|-----------------------|
| Property for operational use                             | 1,598,569          | -                | (1,593,240)        | 5,329                 |
| Motor vehicles   | 1,878,421          | -                | -                  | 1,878,421             |
| Furniture and fixtures and leased tangible assets        | 31,263,486         | 3,611,627        | (127,961)          | 34,747,152            |
| Other tangible assets (including leasehold improvements) | 23,807,488         | -                | (185,526)          | 23,621,962            |
| Right of use assets                                      | 43,374,169         | 2,375,854        | -                  | 45,750,023            |
| <b>Total</b>   | <b>101,922,133</b> | <b>5,987,481</b> | <b>(1,906,727)</b> | <b>106,002,887</b>    |

  

| <b>Accumulated depreciation: (-)</b>              |                     |                    |                |                     |
|---|---------------------|--------------------|----------------|---------------------|
| Property for operational use                      | (665,162)           | (26)               | 661,073        | (4,115)             |
| Motor vehicles                                    | (4,022)             | (180,969)          | -              | (184,991)           |
| Furniture and fixtures and leased tangible assets | (22,362,090)        | (1,138,096)        | 57,028         | (23,443,158)        |
| Other tangible assets                             | (12,935,198)        | (999,155)          | 168,829        | (13,765,524)        |
| Right of use assets                               | (26,030,342)        | (2,216,288)        | -              | (28,246,630)        |
| <b>Total</b>                                      | <b>(61,996,814)</b> | <b>(4,534,534)</b> | <b>886,930</b> | <b>(65,644,418)</b> |

  

| <b>Net book value</b> | <b>39,925,319</b> |  |  | <b>40,358,469</b> |
|-----------------------|-------------------|--|--|-------------------|
|-----------------------|-------------------|--|--|-------------------|

  

| <b>Costs:</b>  | <b>January 1</b>  | <b>Additions</b> | <b>Disposals</b> | <b>March 31, 2021</b> |
|--|-------------------|------------------|------------------|-----------------------|
| Property for operational use                             | 1,598,569         | -                | -                | 1,598,569             |
| Motor vehicles   | 2,720,000         | 963,244          | -                | 3,683,244             |
| Furniture and fixtures and leased tangible assets        | 30,431,171        | 156,052          | (302,484)        | 30,284,739            |
| Other tangible assets (including leasehold improvements) | 21,682,557        | 35,400           | -                | 21,717,957            |
| Right of use assets                                      | 41,129,271        | -                | -                | 41,129,271            |
| <b>Total</b>   | <b>97,561,568</b> | <b>1,154,696</b> | <b>(302,484)</b> | <b>98,413,780</b>     |

  

| <b>Accumulated depreciation: (-)</b>              |                     |                    |                |                     |
|---|---------------------|--------------------|----------------|---------------------|
| Property for operational use                      | (633,191)           | (7,883)            | -              | (641,074)           |
| Motor vehicles                                    | (1,093,962)         | (168,444)          | -              | (1,262,406)         |
| Furniture and fixtures and leased tangible assets | (20,847,952)        | (1,054,586)        | 295,264        | (21,607,274)        |
| Other tangible assets                             | (13,841,375)        | (506,147)          | -              | (14,347,522)        |
| Right of use assets                               | (17,643,062)        | (2,207,846)        | -              | (19,850,908)        |
| <b>Total</b>                                      | <b>(54,059,542)</b> | <b>(3,944,906)</b> | <b>295,264</b> | <b>(57,709,184)</b> |

  

| <b>Net book value</b> | <b>43,502,026</b> | <b>(2,790,210)</b> | <b>(7,220)</b> | <b>40,704,596</b> |
|-----------------------|-------------------|--------------------|----------------|-------------------|
|-----------------------|-------------------|--------------------|----------------|-------------------|

The Company has not accounted for any impairment provision for tangible fixed assets in the current period.

Total depreciation expense is TL 13,355,067 (January 1 - March 31, 2021: TL 10,600,281).

## AKSIGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

#### 6. Intangible assets

As of March 31, 2022 and 2021 intangible assets movement and its accumulated depreciation is as follows:

| <b>Costs:</b>                        | <b>January 1</b>     | <b>Additions</b> | <b>Disposals</b> | <b>Transfers</b> | <b>March 31, 2022</b> |
|--------------------------------------|----------------------|------------------|------------------|------------------|-----------------------|
| Rights                               | 223,788,042          | 7,491,883        | -                | 4,271,215        | 235,551,140           |
| Advances given for intangible assets | 30,311,685           | 10,241,270       | -                | (4,271,215)      | 36,281,740            |
| <b>Total</b>                         | <b>254,099,727</b>   |                  |                  |                  | <b>271,832,880</b>    |
| <b>Accumulated depreciation: (-)</b> |                      |                  |                  |                  |                       |
| Rights                               | (141,527,231)        | (8,820,536)      | -                | -                | (150,347,767)         |
| <b>Total</b>                         | <b>(141,527,231)</b> |                  |                  |                  | <b>(150,347,767)</b>  |
| <b>Net book value</b>                | <b>112,572,496</b>   |                  |                  |                  | <b>121,485,113</b>    |
| <b>Costs:</b>                        | <b>January 1</b>     | <b>Additions</b> | <b>Disposals</b> | <b>Transfers</b> | <b>March 31, 2021</b> |
| Rights                               | 161,424,844          | 3,205,397        | -                | 3,131,465        | 167,761,706           |
| Advances given for intangible assets | 9,163,796            | 4,594,252        | -                | (3,131,465)      | 10,626,583            |
| <b>Total</b>                         | <b>170,588,640</b>   |                  |                  |                  | <b>178,388,289</b>    |
| <b>Accumulated depreciation: (-)</b> |                      |                  |                  |                  |                       |
| Rights                               | (113,365,102)        | (6,655,375)      | -                | -                | (120,020,477)         |
| <b>Total</b>                         | <b>(113,365,102)</b> |                  |                  |                  | <b>(120,020,477)</b>  |
| <b>Net book value</b>                | <b>57,223,538</b>    |                  |                  |                  | <b>58,367,812</b>     |



# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(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, 2022 and December 31, 2021 are disclosed below:

| <b>March 31, 2022</b>                        |                                   |                      |                        |
|--|-----------------------------------|----------------------|------------------------|
| <b>Banks (Foreign Currency)</b>              | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>     |
| USD  | 7,101,985                         | 14.6371              | 103,952,465            |
| EUR  | 4,553,328                         | 16.2855              | 74,153,223             |
| GBP  | 46,901                            | 19.1807              | 899,594                |
| CHF  | 5,843                             | 15.7954              | 92,293                 |
| <b>Total</b>                                 |                                   |                      | <b>179,097,575</b>     |
| <b>Receivables from Insurance Operations</b> | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>     |
| USD  | 46,893,586                        | 14.6371              | 686,386,108            |
| EUR  | 25,102,121                        | 16.2855              | 408,800,592            |
| Other  |                                   |                      | 1,169,080              |
| <b>Total</b>                                 |                                   |                      | <b>1,096,355,779</b>   |
| <b>Marketable Securities</b>                 | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>     |
| USD  | 69,162,038                        | 14.6371              | 1,012,331,664          |
| EUR  | 386,981                           | 16.2855              | 6,302,182              |
| <b>Total</b>                                 |                                   |                      | <b>1,018,633,847</b>   |
| <b>Outstanding Claims Reserve</b>            | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>     |
| USD  | (6,301,672)                       | 14.6635              | (92,404,569)           |
| EUR  | (1,125,401)                       | 16.3148              | (18,360,695)           |
| Other  |                                   |                      | (425,079)              |
| <b>Total</b>                                 |                                   |                      | <b>(111,190,343)</b>   |
| <b>Payables from Insurance Operations</b>    | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>     |
| USD  | (59,442,474)                      | 14.6635              | (871,634,718)          |
| EUR  | (22,718,825)                      | 16.3148              | (370,653,081)          |
| Other  |                                   |                      | (1,660,752)            |
| <b>Total</b>                                 |                                   |                      | <b>(1,243,948,552)</b> |
| <b>Payables from Supplier</b>                | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>     |
| USD  | (1,334,179)                       | 14.6635              | (19,563,736)           |
| EUR  | (105,657)                         | 16.3148              | (1,723,775)            |
| Other  |                                   |                      | (15,746)               |
| <b>Total</b>                                 |                                   |                      | <b>(21,303,257)</b>    |
| <b>Net Foreign Currency Position</b>         |                                   |                      | <b>917,645,050</b>     |

**AKSIGORTA A.Ş.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2022**

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

**7. Management of insurance and financial risk (Continued)****Foreign currency risk (Continued)**

| <b>December 31, 2021</b>        |                                   |                      |                    |
|---------------------------------|-----------------------------------|----------------------|--------------------|
| <b>Banks (Foreign Currency)</b> | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b> |
| USD                             | 2,501,057                         | 13.3290              | 33,336,589         |
| EUR                             | 1,159,808                         | 15.0867              | 17,497,675         |
| GBP                             | 141,453                           | 17.9667              | 2,541,444          |
| CHF                             | 43,737                            | 14.5602              | 636,819            |
| <b>Total</b>                    |                                   |                      | <b>54,012,527</b>  |

  

| <b>Receivables from Insurance Operations</b> | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b> |
|--|-----------------------------------|----------------------|--------------------|
| USD  | 50,384,792                        | 13.3290              | 671,578,893        |
| EUR  | 20,773,315                        | 15.0867              | 313,400,771        |
| <b>Total</b>                                 |                                   |                      | <b>984,979,664</b> |

  

| <b>Marketable Securities</b> | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>   |
|------------------------------|-----------------------------------|----------------------|----------------------|
| USD                          | 75,442,134                        | 13.3290              | 1,005,568,204        |
| EUR                          | 386,981                           | 15.0867              | 5,838,266            |
| <b>Total</b>                 |                                   |                      | <b>1,011,406,470</b> |

  

| <b>Outstanding Claims Reserve</b> | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>   |
|-----------------------------------|-----------------------------------|----------------------|----------------------|
| USD                               | (6,841,276)                       | 13.3530              | (91,351,558)         |
| EUR                               | (968,459)                         | 15.1139              | (14,637,192)         |
| <b>Total</b>                      |                                   |                      | <b>(105,988,750)</b> |

  

| <b>Payables from Insurance Operations</b> | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>     |
|---|-----------------------------------|----------------------|------------------------|
| USD                                       | (62,872,251)                      | 13.3530              | (839,533,168)          |
| EUR                                       | (11,756,518)                      | 15.1139              | (177,686,837)          |
| Other                                     |                                   |                      | (2,138,051)            |
| <b>Total</b>                              |                                   |                      | <b>(1,019,358,056)</b> |

  

| <b>Payables from Supplier</b> | <b>Amount in Foreign Currency</b> | <b>Exchange Rate</b> | <b>Amount (TL)</b>  |
|-------------------------------|-----------------------------------|----------------------|---------------------|
| USD                           | (1,831,778)                       | 13.3530              | (24,459,732)        |
| EUR                           | (73,694)                          | 15.1139              | (1,113,804)         |
| <b>Total</b>                  |                                   |                      | <b>(25,573,536)</b> |

  

| <b>Net Foreign Currency Position</b> |  |  | <b>899,478,319</b> |
|--------------------------------------|--|--|--------------------|
|--------------------------------------|--|--|--------------------|

## AKSİGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(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, 2022 is as follows:

| <b>March 31, 2022</b>                        | <b>Up to 1 month</b> | <b>1 - 3 months</b>  | <b>3 months to 1 year</b> | <b>1 - 5 years</b>   | <b>5 years and over</b> | <b>No maturity</b> | <b>Total</b>          |
|--|----------------------|----------------------|---------------------------|----------------------|-------------------------|--------------------|-----------------------|
| Cash and cash equivalents                    | 679,516,781          | 915,757,280          | 107,743,756               | -                    | -                       | 102,340,593        | 1,805,358,410         |
| Financial assets available for sale          | -                    | -                    | -                         | -                    | -                       | -                  | -                     |
| Financial assets held for trading            | 22,766,678           | 126,651,432          | 538,052,689               | 571,504,279          | 191,048,104             | 162,414,436        | 1,612,437,618         |
| Financial assets held to maturity            | -                    | -                    | -                         | -                    | -                       | 258,437,627        | 258,437,627           |
| Investments on policyholders’ risk           | -                    | 158,315,207          | 743,430,399               | 668,174,959          | 36,450,346              | -                  | 1,606,370,911         |
| Receivables from main operations             | -                    | -                    | -                         | 1,879,337            | -                       | -                  | 1,879,337             |
| Due from reinsurance companies               | 288,981,975          | 416,526,023          | 852,373,347               | 7,706,727            | -                       | 86,856,581         | 1,652,444,653         |
| Reinsurers’ share of insurance liabilities   | -                    | 44,531,361           | -                         | -                    | -                       | -                  | 44,531,361            |
| Equity securities                            | 2,138,003,217        | 2,047,669,007        | 934,251,030               | 315,128,014          | 26,930,139              | -                  | 5,461,981,407         |
| Other assets                                 | -                    | -                    | -                         | -                    | -                       | -                  | -                     |
| <b>Total Assets</b>                          | <b>3,129,268,650</b> | <b>4,018,874,390</b> | <b>3,175,851,221</b>      | <b>1,564,393,316</b> | <b>254,428,589</b>      | <b>610,924,657</b> | <b>12,753,740,824</b> |
| Obligations under repurchase agreements      | -                    | -                    | -                         | -                    | -                       | -                  | -                     |
| Financial liabilities                        | -                    | -                    | 131,252,506               | 12,906,150           | -                       | -                  | 144,158,656           |
| Insurance liabilities                        | 3,244,942,802        | 3,538,779,759        | 2,725,775,250             | 444,905,558          | 35,199,144              | -                  | 9,989,602,513         |
| Due to reinsurers                            | 715,782,157          | 606,066,537          | 193,097,617               | -                    | -                       | -                  | 1,514,946,311         |
| Provisions for other liabilities and charges | -                    | -                    | 56,025,841                | 1,590,936            | -                       | 6,310,232          | 63,927,009            |
| Trade and other payables                     | -                    | -                    | 261,234,868               | -                    | -                       | -                  | 261,234,868           |
| <b>Total liabilities</b>                     | <b>3,960,724,959</b> | <b>4,144,846,296</b> | <b>3,367,386,082</b>      | <b>459,402,644</b>   | <b>35,199,144</b>       | <b>6,310,232</b>   | <b>11,973,869,357</b> |

## AKSİGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

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

##### Liquidity risk (Continued)

Table of liquidity risk as of December 31, 2021 is as follows:

| <b>December 31, 2021</b>                     | <b>Up to 1 month</b> | <b>1 - 3 months</b>  | <b>3 months to 1 year</b> | <b>1 - 5 years</b>   | <b>5 years and over</b> | <b>No maturity</b> | <b>Total</b>          |
|--|----------------------|----------------------|---------------------------|----------------------|-------------------------|--------------------|-----------------------|
| Cash and cash equivalents                    | 728,194,125          | 1,104,163,836        | 300,750,758               | -                    | -                       | 61,282,874         | 2,194,391,593         |
| Financial assets available for sale          | 57,733,639           | 23,479,492           | 279,487,989               | 644,459,750          | 182,519,569             | 27,536,089         | 1,215,216,528         |
| Financial assets held for trading            | -                    | -                    | -                         | -                    | -                       | 6,454,765          | 6,454,765             |
| Financial assets held to maturity            | -                    | 151,295,701          | 562,197,273               | 989,196,630          | 34,918,863              | -                  | 1,737,608,467         |
| Investments on policyholders' risk           | -                    | -                    | -                         | 1,874,466            | -                       | -                  | 1,874,466             |
| Receivables from main operations             | 273,285,660          | 508,544,322          | 650,992,259               | 6,156,982            | -                       | -                  | 1,438,979,223         |
| Due from reinsurance companies               | -                    | 40,204,422           | -                         | -                    | -                       | -                  | 40,204,422            |
| Reinsurers' share of insurance liabilities   | 1,857,134,923        | 1,737,900,469        | 687,798,051               | 276,887,435          | 24,450,259              | -                  | 4,584,171,137         |
| Equity securities                            | -                    | -                    | -                         | -                    | -                       | 875,420            | 875,420               |
| Other assets                                 | 18,345,761           | 293,236,123          | 4,107,125                 | -                    | -                       | -                  | 315,689,009           |
| <b>Total Assets</b>                          | <b>2,934,694,108</b> | <b>3,858,824,365</b> | <b>2,485,333,455</b>      | <b>1,918,575,263</b> | <b>241,888,691</b>      | <b>96,149,148</b>  | <b>11,535,465,030</b> |
| Obligations under repurchase agreements      | 101,655,748          | -                    | -                         | -                    | -                       | -                  | 101,655,748           |
| Financial liabilities                        | -                    | -                    | 37,709,905                | 15,802,373           | -                       | -                  | 53,512,278            |
| Insurance liabilities                        | 2,850,540,157        | 3,094,905,087        | 2,352,721,498             | 391,895,665          | 31,193,818              | -                  | 8,721,256,225         |
| Due to reinsurers                            | 616,161,225          | 521,715,574          | 166,222,730               | -                    | -                       | -                  | 1,304,099,529         |
| Provisions for other liabilities and charges | -                    | -                    | 58,451,890                | 813,092              | -                       | 3,676,841          | 62,941,823            |
| Trade and other payables                     | -                    | -                    | 382,789,735               | -                    | -                       | -                  | 382,789,735           |
| <b>Total liabilities</b>                     | <b>3,568,357,130</b> | <b>3,616,620,661</b> | <b>2,997,895,758</b>      | <b>408,511,130</b>   | <b>31,193,818</b>       | <b>3,676,841</b>   | <b>10,626,255,338</b> |

**AKSIGORTA A.Ş.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2022**

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

**8. Available for sale financial assets at insurees’ risk****Available for sale marketable securities**

| <b>March 31, 2022</b>    |                      |                      |                      |
|--------------------------|----------------------|----------------------|----------------------|
|                          | <b>Cost Value</b>    | <b>Fair Value</b>    | <b>Book Value</b>    |
| Private bonds            | 920,736,858          | 911,188,947          | 911,188,947          |
| Eurobonds                | 291,393,102          | 308,553,149          | 308,553,149          |
| Equities                 | 153,234,492          | 162,414,437          | 162,414,437          |
| Government bonds         | 242,007,738          | 230,281,085          | 230,281,085          |
| <b>Total</b>             | <b>1,607,372,190</b> | <b>1,612,437,618</b> | <b>1,612,437,618</b> |
| <b>December 31, 2021</b> |                      |                      |                      |
|                          | <b>Cost Value</b>    | <b>Fair Value</b>    | <b>Book Value</b>    |
| Private bonds            | 322,390,745          | 333,420,756          | 333,420,756          |
| Eurobonds                | 606,944,448          | 585,603,548          | 585,603,548          |
| Equities                 | 30,795,827           | 27,536,089           | 27,536,089           |
| Government bonds         | 271,447,183          | 268,656,135          | 268,656,135          |
| <b>Total</b>             | <b>1,231,578,203</b> | <b>1,215,216,528</b> | <b>1,215,216,528</b> |

**Held for maturity marketable securities**

| <b>March 31, 2022</b>    |                      |                      |                      |
|--------------------------|----------------------|----------------------|----------------------|
|                          | <b>Cost Value</b>    | <b>Fair Value</b>    | <b>Book Value</b>    |
| Eurobond                 | 1,007,956,175        | 1,016,638,738        | 1,056,145,678        |
| Government bonds         | 359,217,060          | 396,695,803          | 377,087,605          |
| Private bonds            | 163,489,527          | 172,587,602          | 173,137,628          |
| <b>Total</b>             | <b>1,530,662,762</b> | <b>1,585,922,143</b> | <b>1,606,370,911</b> |
| <b>December 31, 2021</b> |                      |                      |                      |
|                          | <b>Cost Value</b>    | <b>Fair Value</b>    | <b>Book Value</b>    |
| Eurobond                 | 1,050,147,372        | 1,009,690,467        | 1,085,793,822        |
| Government bonds         | 406,665,409          | 402,301,623          | 419,033,562          |
| Private bonds            | 224,489,527          | 231,924,053          | 232,781,083          |
| <b>Total</b>             | <b>1,681,302,308</b> | <b>1,643,916,143</b> | <b>1,737,608,467</b> |

**Held for trading marketable securities**

| <b>March 31, 2022</b>    |                    |                    |                    |
|--------------------------|--------------------|--------------------|--------------------|
|                          | <b>Cost Value</b>  | <b>Fair Value</b>  | <b>Book Value</b>  |
| Investment Funds         | 123,080,752        | 124,782,970        | 124,782,970        |
| Reverse Repo             | 102,183,662        | 133,654,657        | 133,654,657        |
| <b>Total</b>             | <b>225,264,414</b> | <b>258,437,627</b> | <b>258,437,627</b> |
| <b>December 31, 2021</b> |                    |                    |                    |
|                          | <b>Cost Value</b>  | <b>Fair Value</b>  | <b>Book Value</b>  |
| Investment Funds         | 7,170,100          | 6,454,765          | 6,454,765          |
| <b>Total</b>             | <b>7,170,100</b>   | <b>6,454,765</b>   | <b>6,454,765</b>   |

## AKSIGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

#### 8. Available for sale financial assets at insurees’ risk (Continued)

##### Financial assets at insurees’ risk:

|                  | March 31, 2022   |                  |                  |
|------------------|------------------|------------------|------------------|
|                  | Cost Value       | Fair Value       | Book Value       |
| Government bonds | 1,800,000        | 1,879,337        | 1,879,337        |
| <b>Total</b>     | <b>1,800,000</b> | <b>1,879,337</b> | <b>1,879,337</b> |

  

|                  | December 31, 2021 |                  |                  |
|------------------|-------------------|------------------|------------------|
|                  | Cost Value        | Fair Value       | Book Value       |
| Government bonds | 1,734,832         | 1,874,466        | 1,874,466        |
| <b>Total</b>     | <b>1,734,832</b>  | <b>1,874,466</b> | <b>1,874,466</b> |

List of the investments and fair values is as below:

|                           | March 31, 2022 |            |                |
|---------------------------|----------------|------------|----------------|
|                           | Cost Value     | Fair Value | Book Value     |
| <i>Equity investments</i> |                |            |                |
| Tarsim                    | 875,420        | -          | 875,420        |
| <b>Total</b>              | <b>875,420</b> | <b>-</b>   | <b>875,420</b> |

  

|                           | December 31, 2021 |            |                |
|---------------------------|-------------------|------------|----------------|
|                           | Cost Value        | Fair Value | Book Value     |
| <i>Equity investments</i> |                   |            |                |
| Tarsim                    | 875,420           | -          | 875,420        |
| <b>Total</b>              | <b>875,420</b>    | <b>-</b>   | <b>875,420</b> |

#### 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.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- 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 2),
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

### 8. Available for sale financial assets at insurees’ risk (Continued)

#### Fair Value Hierarchy (Continued)

|                                      | March 31, 2022       | Level 1              | Level2                | Level 3        |
|--------------------------------------|----------------------|----------------------|-----------------------|----------------|
| Available for sale at company’s risk | 1,612,437,618        | 1,295,506,228        | 316,931,390           | -              |
| Available for sale at insurees' risk | 1,879,337            | 1,879,337            | -                     | -              |
| Held to maturity at company’s risk   | 1,606,370,911        | 1,402,452,827        | 203,918,084           | -              |
| Held for trading at company's risk   | 258,437,627          | 258,437,627          | -                     | -              |
| Equity securities, net               | 875,420              | -                    | -                     | 875,420        |
| <b>Total</b>                         | <b>3,480,000,913</b> | <b>2,958,276,019</b> | <b>520,849,474.00</b> | <b>875,420</b> |

  

|                                      | December 31, 2021    | Level 1              | Level2             | Level 3        |
|--------------------------------------|----------------------|----------------------|--------------------|----------------|
| Available for sale at company’s risk | 1,215,216,528        | 515,873,894          | 699,342,634        | -              |
| Available for sale at insurees' risk | 1,874,466            | 1,874,466            | -                  | -              |
| Held to maturity at company’s risk   | 1,737,608,467        | 1,737,608,467        | -                  | -              |
| Held for trading at company's risk   | 6,454,765            | 6,454,765            | -                  | -              |
| Equity securities, net               | 875,420              | -                    | -                  | 875,420        |
| <b>Total</b>                         | <b>2,962,029,646</b> | <b>2,261,811,592</b> | <b>699,342,634</b> | <b>875,420</b> |

### 9. Cash and cash equivalents

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

|   | March 31, 2022       | December 31, 2021    |
|---|----------------------|----------------------|
| Cash at banks   | <b>865,104,468</b>   | <b>1,182,736,630</b> |
| -time deposits  | 762,763,875          | 1,121,453,755        |
| -demand deposits  | 102,340,593          | 61,282,875           |
| Bank guaranteed credit card receivables<br>with maturity less than 3 months | 940,253,942          | 1,011,654,963        |
| <b>Total cash and cash equivalents</b>                                      | <b>1,805,358,410</b> | <b>2,194,391,593</b> |

The maturities of the Company’s time deposits as of March 31, 2022 are less than three months (December 31, 2021: Less than six months).

Cash and cash equivalents that are included in the statements of cash flows for the periods January 1 - March 31, 2022 and December 31, 2021 are as follows:

|   | March 31, 2022       | December 31, 2021    |
|---|----------------------|----------------------|
| Total cash and cash equivalents                             | 1,805,358,410        | 2,194,391,593        |
| Interest accrual on cash at banks (-)                       | (21,316,972)         | (24,521,945)         |
| Blocked time deposits                                       | (210,453,266)        | (217,596,761)        |
| Blocked credit card receivables                             | (175,000,000)        | (175,000,000)        |
| <b>Cash and cash equivalents per statement of cash flow</b> | <b>1,398,588,172</b> | <b>1,777,272,887</b> |

Interest rate ranges of time deposits:

|     | March 31, 2022 | December 31, 2021 |
|-----|----------------|-------------------|
| TL  | 14,25 - 38,25  | 14.65 - 2.00      |
| USD | 0,15 - 0,31    | 0.20 - 0.31       |

# AKSİGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

### 10. Equity

As of March 31, 2022, the Company’s total amount of nominal shares is 61,200,000,000 (December 31, 2021: 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 612,000,000 (December 31, 2021: TL 306,000,000).

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

|              | January 1, 2022       |                    | Issued | Capital    | Amortised |            | March 31, 2022        |                    |
|--------------|-----------------------|--------------------|--------|------------|-----------|------------|-----------------------|--------------------|
|              | Unit                  | Nominal TL         | Unit   | Nominal TL | Unit      | Nominal TL | Unit                  | Nominal TL         |
| Paid         | 30.600.000.000        | 306.000.000        | -      | -          | -         | -          | 61.200.000.000        | 612.000.000        |
| <b>Total</b> | <b>30.600.000.000</b> | <b>306.000.000</b> | -      | -          | -         | -          | <b>61.200.000.000</b> | <b>612.000.000</b> |

  

|              | January 1, 2021       |                    | Issued | Capital    | Amortised |            | December 31, 2021     |                    |
|--------------|-----------------------|--------------------|--------|------------|-----------|------------|-----------------------|--------------------|
|              | 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                            | 2022               | 2021               |
|---|--------------------|--------------------|
| Opening balance, January 1                | 428,631,014        | 302,288,128        |
| Addition related to profit for the period | (116,603,236)      | 126,342,887        |
| <b>Closing balance, March 31</b>          | <b>312,027,778</b> | <b>428,631,015</b> |

### Dividend Payment

At the Ordinary General Assembly Meeting held on March 29, 2022, the Company decided to not to distribute any dividend from 2021 financial statements period with the approval of our shareholders as there was no profit subject to distribution.

### Actuarial gain / (loss)

In accordance with changes regarding “IAS 19 - Employee Benefits” effective as of January 1, 2013, actuarial loss amounting to TL 11,410,642 (net of deferred tax: TL 9,128,513) resulting from retirement pay liability calculation has been accounted to extraordinary reserves under equity (December 31, 2021: TL 10,648,193 (net of deferred tax: TL 8,518,554).

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

| Actuarial Loss                   | 2022              | 2021             |
|----------------------------------|-------------------|------------------|
| Opening balance, January 1       | 10,648,193        | 6,814,004        |
| Change for the period            | 762,449           | 840,660          |
| <b>Closing balance, March 31</b> | <b>11,410,642</b> | <b>7,654,664</b> |



# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

### 10. Equity (Continued)

#### 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:

| <b>Available for sale investments fund</b>         | <b>2022</b>         | <b>2021</b>         |
|--|---------------------|---------------------|
| Opening balance, January 1                         | (30,139,525)        | 1,441,549           |
| Increase/decrease in value recognized under equity | 895,249             | (41,253,519)        |
| <b>Closing balance, March 31</b>                   | <b>(29,244,276)</b> | <b>(39,811,970)</b> |

### 11. Insurance liabilities

The details of insurance liabilities of the Company are as follows:

| <b>Gross</b>                         | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|--------------------------------------|-----------------------|--------------------------|
| Outstanding claims provision         | 5,414,159,730         | 4,780,821,342            |
| Reserve for unearned premiums        | 4,573,758,844         | 3,938,317,399            |
| Life actuarial mathematical reserves | 1,196,326             | 1,209,158                |
| Life profit share provision          | 134,351               | 134,351                  |
| Bonus and rebates provision          | 353,262               | 773,975                  |
| <b>Total</b>                         | <b>9,989,602,513</b>  | <b>8,721,256,225</b>     |

  

| <b>Reinsurance share</b>                         | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|--|-----------------------|--------------------------|
| Reinsurers' share of outstanding claims          | 3,119,717,567         | 2,657,416,823            |
| Reinsurers' share of unearned claims             | 2,341,912,066         | 1,925,985,907            |
| Reinsurers' share of bonus and rebates provision | 351,774               | 768,407                  |
| <b>Total</b>                                     | <b>5,461,981,407</b>  | <b>4,584,171,137</b>     |

  

| <b>Net</b>                           | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|--------------------------------------|-----------------------|--------------------------|
| Net outstanding claims               | 2,294,442,163         | 2,123,404,519            |
| Net unearned premiums                | 2,231,846,778         | 2,012,331,492            |
| Life actuarial mathematical reserves | 1,196,326             | 1,209,158                |
| Life profit share provision          | 134,351               | 134,351                  |
| Bonus and rebates provision          | 1,488                 | 5,568                    |
| <b>Total</b>                         | <b>4,527,621,106</b>  | <b>4,137,085,088</b>     |

## AKSIGORTA A.Ş.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

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

The details of payables reinsurers trade and other payables of the Company are as follows:

|  | March 31, 2022       | December 31, 2021    |
|--|----------------------|----------------------|
| Payables to reinsurers   | 1,461,336,373        | 1,243,900,854        |
| Payables to SSI regarding medical expenses                                   | 53,609,938           | 60,198,675           |
| <b>Payables due to main operations</b>                                       | <b>1,514,946,311</b> | <b>1,304,099,529</b> |
| Taxes payable  | 76,685,023           | 99,667,249           |
| Payables to contracted institutions  | 86,161,422           | 78,918,265           |
| Payables to suppliers  | 30,509,035           | 72,046,778           |
| Payables to Turkish Catastrophe Insurance Pool                               | 38,966,499           | 32,695,098           |
| Due to shareholder   | 1,143                | 1,143                |
| Other  | 23,569,029           | 24,575,673           |
| <b>Total other short-term payables</b>                                       | <b>255,892,151</b>   | <b>307,904,206</b>   |
| <b>Total financial liabilities trade and other payables, deferred income</b> | <b>1,770,838,462</b> | <b>1,612,003,735</b> |

Movement of SSI regarding medical expenses is as follows:

|   | March 31, 2022    | December 31, 2021 |
|---|-------------------|-------------------|
| Opening Balance, January 1,                   | 60,198,675        | 45,560,203        |
| Premiums Ceded to SSI                         | (53,618,220)      | 184,693,219       |
| Premium payments to SSI in the current period | (60,190,393)      | (170,054,747)     |
| <b>Closing balance</b>                        | <b>53,609,938</b> | <b>60,198,675</b> |

As March 31, 2022 and December 31, 2021; lease liabilities are as follows:

|   | March 31, 2022    | December 31, 2021 |
|---|-------------------|-------------------|
| Short-term lease liabilities (undiscounted)                         | Level 1,189       | 21,532,058        |
| Long-term lease liabilities (undiscounted)                          | 12,906,150        | 15,802,373        |
| Discount amount with lease's incremental borrowing rate of interest | (9,118,282)       | (9,770,397)       |
| <b>Total</b>  | <b>27,452,057</b> | <b>27,564,034</b> |

#### 13. Taxes

As at March 31, 2022 and December 31, 2021 prepaid income taxes are netted of with the current income tax payable as stated below:

|                            | March 31, 2022   | December 31, 2021 |
|----------------------------|------------------|-------------------|
| Income taxes payable       | 105,330,567      | 105,330,567       |
| Prepaid income taxes       | (99,987,850)     | (80,296,983)      |
| <b>Tax payable/(asset)</b> | <b>5,342,717</b> | <b>25,033,584</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.

# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

### 13. Taxes (Continued)

#### 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.

The details of deferred tax assets and liabilities are as follows:

|  | Cumulative temporary differences |                    | Deferred tax assets/(liabilities) |                   |
|--|----------------------------------|--------------------|-----------------------------------|-------------------|
|  | March 31, 2022                   | December 31, 2021  | March 31, 2022                    | December 31, 2021 |
| Net Profit Loss  | 194,278,422                      | -                  | 44,684,037                        | -                 |
| Discounting in outstanding claims                        | 136,006,384                      | 126,941,822        | 19,824,628                        | 15,019,091        |
| General expense provision                                | 44,568,045                       | 31,155,644         | 10,250,651                        | 7,401,195         |
| Financial assets valuation effect accounted under equity | 36,555,346                       | 39,142,240         | 7,311,069                         | 9,002,716         |
| Claim handling   | 31,011,182                       | 28,516,850         | 6,202,236                         | 5,703,370         |
| Subrogation receivables provisions                       | 24,967,847                       | 12,256,993         | 4,993,569                         | 2,819,108         |
| Employment termination benefit                           | 14,980,679                       | 14,112,606         | 2,996,136                         | 2,822,521         |
| Doubtful receivable provisions                           | 8,026,994                        | 7,871,074          | 1,605,399                         | 1,810,347         |
| Unused vacation provision                                | 6,310,232                        | 3,690,561          | 1,262,046                         | 848,829           |
| Leased assets  | 5,892,347                        | 5,910,208          | 1,178,469                         | 1,182,042         |
| Bonus provision  | 5,528,926                        | 7,953,430          | 1,271,653                         | 1,988,469         |
| Bonus and rebate   | 1,489                            | 5,568              | 342                               | 1,281             |
| Useful life of tangible and intangible assets            | (4,705,434)                      | (7,364,600)        | (941,087)                         | (1,472,920)       |
| Equities valuation                                       | (9,494,355)                      | -                  | (1,898,871)                       | -                 |
| Derivative asset valuation                               | (16,920,067)                     | 49,851,945         | (3,891,615)                       | 11,465,947        |
| Exchange rate valuation effect                           | (23,235,150)                     | (24,802,151)       | (4,803,730)                       | (5,704,495)       |
| <b>Total deferred tax assets / liabilities</b>           | <b>260,558,496</b>               | <b>146,567,648</b> | <b>51,402,054</b>                 | <b>23,083,158</b> |

In accordance with the regulation numbered 7316, published in the Official Gazette on April 22, 2021, “Law on the Amendment of Some Tax Acts and Some Other Laws”, the corporate tax rate for the years 2021, 2022 has %25 and %23 respectively, therefore, deferred tax assets and liabilities as of March 31, 2022, are calculated with 23% tax rate for the temporary differences which will be realized in 2022 and with 20% tax rate for those which will be realized after 2022 and onwards. (December 31, 2021: In accordance with the regulation numbered 7316, published in the Official Gazette on April 22, 2021, “Law on the Amendment of Some Tax Acts and Some Other Laws”, corporate tax rate for the years 2021, 2022 has increased from %22 to %25 and %23 respectively, Therefore, deferred tax assets and liabilities as of December 31, 2021, are calculated with 23% tax rate for the temporary differences which will be realized in 2022, and with 20% tax for those which will be realized after 2022 and onwards).

Actual tax expense reconciliation is as follow:

|  | 2022              | 2021                |
|--|-------------------|---------------------|
| Profit before taxes                      | (123,355,435)     | 120,359,624         |
| Tax rate                                 | 23.00%            | 22.00%              |
| Taxes on income per statutory tax rate   | 28,371,750        | (26,479,117)        |
| The effect of prior periods’ adjustments | 1,485,163         | 487,297             |
| <b>Tax expense March 31,</b>             | <b>29,856,913</b> | <b>(25,991,820)</b> |

# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

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

### 14. Net insurance premium income

The distribution of premium income is as follows:

|                                    | January 1 -          |                        |                      | March 31, 2021       |                      |                    |
|------------------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|--------------------|
|                                    | Gross                | Reinsurers' share      | Net                  | Gross                | Reinsurers' share    | Net                |
| Written premium                    | 2,481,678,826        | (1,332,897,598)        | 1,148,781,228        | 1,577,955,625        | (682,584,818)        | 895,370,807        |
| Change in unearned premium reserve | (635,441,445)        | 415,926,159            | (219,515,286)        | (224,447,487)        | 80,571,414           | (143,876,073)      |
| <b>Total premium revenue</b>       | <b>1,846,237,381</b> | <b>(916,971,439)</b>   | <b>929,265,942</b>   | <b>1,353,508,138</b> | <b>(602,013,404)</b> | <b>751,494,734</b> |
| Fire                               | 460,142,570          | (433,711,704)          | 26,430,866           | 186,265,130          | (166,852,951)        | 19,412,179         |
| Marine                             | 77,883,413           | (60,316,336)           | 17,567,077           | 28,691,393           | (19,316,456)         | 9,374,937          |
| Motor own damage                   | 507,733,766          | (21,237,576)           | 486,496,190          | 369,461,825          | (22,704,807)         | 346,757,018        |
| Motor third party liability        | 625,081,396          | (165,434,422)          | 459,646,974          | 488,257,948          | (103,307,551)        | 384,950,397        |
| Other                              | 327,772,975          | (260,541,104)          | 67,231,871           | 338,557,303          | (253,041,113)        | 85,516,190         |
| General Losses                     | 263,474,045          | (202,686,751)          | 60,787,294           | 28,263,410           | (10,513,112)         | 17,750,298         |
| Health                             | 219,590,661          | (188,969,705)          | 30,620,956           | 138,458,616          | (106,848,828)        | 31,609,788         |
| Life                               | -                    | -                      | -                    | -                    | -                    | -                  |
| <b>Total</b>                       | <b>2,481,678,826</b> | <b>(1,332,897,598)</b> | <b>1,148,781,228</b> | <b>1,577,955,625</b> | <b>(682,584,818)</b> | <b>895,370,807</b> |

### 15. Expenses by nature

The details of expenses by nature of the Company are as follows:

|                                 | January 1 -<br>March 31, 2022 | January 1 -<br>March 31, 2021 |
|---------------------------------|-------------------------------|-------------------------------|
| Personnel expenses              | (58,376,300)                  | (38,610,798)                  |
| Assistance expenses             | (16,073,414)                  | (7,466,192)                   |
| Depreciation expenses           | (13,355,067)                  | (10,600,281)                  |
| Information technology expenses | (12,775,323)                  | (6,809,353)                   |
| Social relief expenses          | (2,582,023)                   | (168,710)                     |
| Advertisement expenses          | (2,394,016)                   | (2,351,905)                   |
| Meeting and training expenses   | (2,270,013)                   | (572,317)                     |
| Repair and maintenance          | (1,452,681)                   | (758,032)                     |
| Outsourcing service expenses    | (1,410,399)                   | (2,652,349)                   |
| Transportation expenses         | (1,395,273)                   | (269,533)                     |
| Other                           | (632,429)                     | (1,719,737)                   |
| <b>Total</b>                    | <b>(112,716,938)</b>          | <b>(71,979,207)</b>           |

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

The details of insurance claims and claims recovered from reinsurers of the Company are as follows:

| March 31, 2022                  | Gross                | Reinsurers' Share    | Net                  |
|---------------------------------|----------------------|----------------------|----------------------|
| Paid Claims                     | 1,366,988,227        | (1,374,570,391)      | (7,582,164)          |
| Change in outstanding claims    | 633,338,388          | 462,300,744          | 1,095,639,132        |
| Change in mathematical reserves | 11,549               | -                    | 11,549               |
| Bonus and rebates provision     | (420,712)            | 416,633              | (4,079)              |
| <b>Total</b>                    | <b>1,999,917,452</b> | <b>(911,853,014)</b> | <b>1,088,064,438</b> |
| March 31, 2021                  | Gross                | Reinsurers' Share    | Net                  |
| Paid Claims                     | 671,473,435          | (230,745,137)        | 440,728,298          |
| Change in outstanding claims    | 496,039,517          | (365,374,196)        | 130,665,321          |
| Change in mathematical reserves | (4,686)              | -                    | (4,686)              |
| Bonus and rebates provision     | (23,715)             | 23,712               | (3)                  |
| <b>Total</b>                    | <b>1,167,484,551</b> | <b>(596,095,621)</b> | <b>571,388,930</b>   |

# AKSIGORTA A.Ş.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2022

(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:

| <b>Due from /to related parties</b> | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|-------------------------------------|-----------------------|--------------------------|
| Shareholder’s subsidiaries          | 240,029,057           | 93,927,329               |
| Shareholders                        | 411,535               | (416,165)                |
| Debt to shareholder                 | (39,788,557)          | -                        |
| <b>Total</b>                        | <b>200,652,035</b>    | <b>93,511,164</b>        |

  

| <b>Banks</b>               | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|----------------------------|-----------------------|--------------------------|
| Shareholder’s subsidiaries | 258,054,000           | 158,440,388              |
| <b>Total</b>               | <b>258,054,000</b>    | <b>158,440,388</b>       |

  

| <b>Marketable securities</b> | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|------------------------------|-----------------------|--------------------------|
| Shareholder’s subsidiaries   | 6,394,313             | 25,654,115               |
| <b>Total</b>                 | <b>6,394,313</b>      | <b>25,654,115</b>        |

  

| <b>Investment funds</b>    | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|----------------------------|-----------------------|--------------------------|
| Shareholder’s subsidiaries | 228,527,165           | 6,454,942                |
| <b>Total</b>               | <b>228,527,165</b>    | <b>6,454,942</b>         |

  

| <b>Written Premium</b>     | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|----------------------------|-----------------------|--------------------------|
| Shareholder’s subsidiaries | 297,821,861           | 136,368,682              |
| Shareholders               | 10,236,951            | 3,624,325                |
| <b>Total</b>               | <b>308,058,812</b>    | <b>139,993,007</b>       |

  

| <b>Claims Paid</b>         | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|----------------------------|-----------------------|--------------------------|
| Shareholder’s subsidiaries | 5,193,970             | 21,739,287               |
| Shareholders               | 6,243                 | 752                      |
| <b>Total</b>               | <b>5,200,213</b>      | <b>21,740,039</b>        |

  

| <b>Investment Income</b>   | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|----------------------------|-----------------------|--------------------------|
| Shareholder’s subsidiaries | 6,962,816             | 52,833,994               |
| <b>Total</b>               | <b>6,962,816</b>      | <b>52,833,994</b>        |

  

| <b>Commission Paid</b>     | <b>March 31, 2022</b> | <b>December 31, 2021</b> |
|----------------------------|-----------------------|--------------------------|
| Shareholder’s subsidiaries | 40,175,451            | 130,623,709              |
| <b>Total</b>               | <b>40,175,451</b>     | <b>130,623,709</b>       |

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT MARCH 31, 2022**

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

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**18. Contingencies**

As at March 31, 2022 and 2021, 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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