

AKSIGORTA A.Ş.

**UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD
JANUARY 1 - SEPTEMBER 30, 2022, REPORT**

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JANUARY 1 - SEPTEMBER 30, 2022, REPORT**

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CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2022, AND DECEMBER 31, 2021

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

ASSETS			
		Unaudited	Audited
	Notes	Current Period September 30, 2022	Prior Period December 31, 2021
I- CURRENT ASSETS			
A- Cash and Cash Equivalents	14	1.722.135.227	2.194.391.593
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	14	1.265.479.996	1.182.736.630
4- Cheques Given and Payment Orders (-)		-	-
5- Receivables from Credit Cards with Bank Guarantee Due Less Than Three Months	14	456.655.231	1.011.654.963
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Investments with Risks on Policy Holders	11.1	5.601.177.136	2.962.029.646
1- Financial Assets Available for Sale	11.1	3.222.643.472	1.216.091.948
2- Financial Assets Held to Maturity	11.1	1.303.617.788	1.737.608.467
3- Financial Assets Held for Trading	11.1	1.073.014.261	6.454.765
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders	11.1	1.901.615	1.874.466
7- Equity Shares		-	-
8- Impairment in Value of Financial Assets (-)		-	-
C- Receivables from Main Operations	12.1	2.040.963.860	1.548.287.773
1- Receivables from Insurance Operations	12.1	2.051.432.216	1.555.532.867
2- Provision for Receivables from Insurance Operations (-)	12.1	(51.156.207)	(19.642.726)
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies	12.1	30.954	30.954
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation		-	-
9- Doubtful Receivables from Main Operations	12.1	352.107.751	241.838.830
10- Provisions for Doubtful Receivables from Main Operations (-)	12.1	(311.450.854)	(229.472.152)
D- Due from Related Parties		17.384	216.109
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		17.384	216.109
7- Rediscount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E- Other Receivables		26.353.913	29.521.449
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		1.219.112	1.217.576
4- Other Receivables	47	25.134.801	28.303.873
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
F- Prepaid Expenses and Income Accruals	4.2.2	679.761.393	450.435.963
1- Deferred Commission Expenses	17.20	668.786.633	442.876.267
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		1.378.112	-
4- Other Prepaid Expenses	47	9.596.648	7.559.696
G- Other Current Assets		2.925.653	2.975.608
1- Inventories		22	22
2- Prepaid Taxes and Funds		2.834.888	2.968.911
3- Deferred Tax Assets		-	-
4- Business Advances		90.743	6.675
5- Advances Given to Personnel		-	-
6- Stock Count Differences		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		10.073.334.566	7.187.858.141

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

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CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2022, AND DECEMBER 31, 2021

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

ASSETS			
	Notes	Unaudited	Audited
		Current Period September 30, 2022	Prior Period December 31, 2021
II- NON-CURRENT ASSET			
A- Receivables from Main Operations			
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations (-)		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations		-	-
B- Due from Related Parties			
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
C- Other Receivables			
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets			
		100.000	-
1- Investments in Associates		-	-
2- Affiliates		-	-
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries		100.000	-
5- Capital Commitments to Subsidiaries (-)		-	-
6- Joint Ventures		-	-
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Investments with Risks on Policy Holders		-	-
9- Other Financial Assets		-	-
10- Diminution in Value of Financial Assets (-)		-	-
E- Tangible Fixed Assets			
	6 and 7	46.359.193	39.925.319
1- Investment Properties	7	-	-
2- Diminution in Value for Investment Properties (-)		-	-
3- Owner Occupied Properties	6	5.329	1.598.569
4- Machinery and Equipment		-	-
5- Furnitures and Fixtures	6	39.569.052	31.263.486
6- Vehicles	6	1.878.421	1.878.421
7- Other Tangible Assets (Including Leasehold Improvements)	6	24.082.789	23.807.488
8- Leased Tangible Fixed Assets	6	57.696.618	43.374.169
9- Accumulated Depreciation (-)	6 and 7	(76.873.016)	(61.996.814)
10- Advances Paid for Tangible Fixed Assets (Including Construction in Progresses)		-	-
F- Intangible Fixed Assets			
	8	145.492.549	112.572.496
1- Rights	8	269.383.907	223.788.042
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Amortizations (-)	8	(168.834.247)	(141.527.231)
7- Advances Regarding Intangible Assets	8	44.942.889	30.311.685
G- Prepaid Expenses and Income Accruals			
		110.304	138.005
1- Deferred Commission Expenses		-	-
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses	47	110.304	138.005
H- Other Non-current Assets			
		232.343.316	47.368.754
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	35	232.343.316	47.368.754
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets			
		424.405.362	200.004.574
TOTAL ASSETS (I+II)			
		10.497.739.928	7.387.862.715

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

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**CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2022, AND DECEMBER 31, 2021**

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

LIABILITIES			
	Notes	Unaudited	Audited
		Current Period September 30, 2022	Prior Period December 31, 2021
III- SHORT-TERM LIABILITIES			
A- Borrowings		401.232.652	132.802.013
1- Loans to Financial Institutions		359.201.153	-
2- Finance Lease Payables	20	29.088.179	21.532.058
3- Deferred Finance Lease Borrowing Costs (-)	20	(8.056.680)	(6.563.640)
4- Current Portion of Long-term Borrowings		-	-
5- Principal, Instalments and Interests on Issued Bills (Bonds)		-	-
6- Other Financial Assets Issued		-	-
7- Value Differences on Issued Financial Assets (-)		-	-
8- Other Financial Borrowings (Liabilities)	14	21.000.000	117.833.595
B- Payables from Main Operations		1.391.602.829	1.243.900.854
1- Payables Due to Insurance Operations	19.1	1.391.602.829	1.243.900.854
2- Payables Due to Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Rediscount on Other Payables from Main Operations (-)		-	-
C- Due to Related Parties		146.793	54.225
1- Due to Shareholders		1.143	1.143
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		145.650	53.082
6- Due to Other Related Parties		-	-
D- Other Payables		234.655.675	268.375.699
1- Deposits and Guarantees Received	12.1	26.865.212	19.120.708
2- Due to SSI regarding Treatment Expenses	19.1	58.371.430	60.198.675
3- Other Payables	19.1	149.419.033	189.056.316
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves		6.438.600.097	4.073.613.556
1- Unearned Premiums Reserve - Net	20	3.279.925.316	2.012.331.492
2- Unexpired Risk Reserves - Net	20	555.375.710	93.325.083
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net	4.1 ve 20	2.603.295.522	1.967.951.413
5- Provision for Bonus and Discounts - Net	20	3.549	5.568
6- Other Technical Reserves - Net		-	-
F- Taxes and Other Liabilities and Relevant Provisions		97.194.467	124.706.305
1- Taxes and Dues Payable		96.739.154	99.431.502
2- Social Security Premiums Payable	23.1	449.841	235.747
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		5.472	5.472
5- Corporate Tax Liability Provision on Period Profit	35	-	105.330.567
6- Prepaid Taxes and Other Liabilities on Period Profit (-)	35	-	(80.296.983)
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks		103.341.974	62.941.823
1- Provision for Employment Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs	19.1 ve 23.4	103.341.974	62.941.823
H- Deferred Income and Expense Accruals	19.1	349.966.046	286.416.187
1- Deferred Commission Income	17.16	349.966.046	236.564.242
2- Expense Accruals	2.11 ve 19.1	-	49.851.945
3- Other Deferred Income		-	-
I- Other Short-term Liabilities		235	235
1- Deferred Tax Liability	35	-	-
2- Inventory Count Differences		-	-
3- Other Short-term Liabilities		235	235
III - Total Short-term Liabilities		9.016.740.768	6.192.810.897

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**CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2022, AND DECEMBER 31, 2021**

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

LIABILITIES			
	Note	Unaudited	Audited
		Current Period September 30, 2022	Prior Period December 31, 2021
IV- LONG-TERM LIABILITIES			
A- Borrowings		11.789.252	12.595.616
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables	20	13.064.771	15.802.373
3- Deferred Finance Lease Borrowing Costs (-)	20	(1.275.519)	(3.206.757)
4- Bonds Issued		-	-
5- Other Issued Financial Assets		-	-
6- Value Differences on Issued Financial Assets (-)		-	-
7- Other Financial Borrowings (Liabilities)		-	-
B- Payables from Main Operations		-	-
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		-	-
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Discount on Other Payables from Main Operations (-)		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables		-	-
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves		143.952.635	119.053.554
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Mathematical Reserves - Net	17.2 ve 20	1.327.477	1.343.509
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net	20	142.625.158	117.710.045
F- Other Liabilities and Provisions		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks		21.166.000	14.112.606
1- Provision for Employment Termination Benefits	22	21.166.000	14.112.606
2- Provisions for Employee Pension Fund Deficits		-	-
H- Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long-term Liabilities		-	-
1- Deferred Tax Liability	35	-	-
2- Other Long-term Liabilities		-	-
IV- Total Long-term Liabilities		176.907.887	145.761.776

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

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**CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2022, AND DECEMBER 31, 2021**

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

SHAREHOLDERS' EQUITY			
	Notes	Unaudited	Audited
		Current Period September 30, 2022	Prior Period December 31, 2021
V- SHAREHOLDERS' EQUITY			
A- Paid in Capital		1.332.000.000	306.000.000
1- (Nominal) Capital	2.14	612.000.000	306.000.000
2- Unpaid Capital (-)		-	-
3- Positive Inflation Adjustment on Capital		-	-
4- Negative Inflation Adjustment on Capital (-)		-	-
5- Unregistered Capital	2.14	720.000.000	-
B- Capital Reserves		-	90.989.327
1- Equity Share Premiums		-	-
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Sale to be Transferred to Capital	15	-	90.989.327
4- Translation Reserves		-	-
5- Other Capital Reserves		-	-
C- Profit Reserves		203.069.965	298.983.608
1- Legal Reserves	15	111.936.210	111.936.210
2- Statutory Reserves		62	62
3- Extraordinary Reserves		200.091.508	225.705.415
4- Special Funds (Reserves)	15	(14.132.527)	(8.518.554)
5- Revaluation of Financial Assets	16.1	(94.825.288)	(30.139.525)
6- Other Profit Reserves		-	-
D- Previous Years' Profits		163.920.341	163.920.341
1- Previous Years' Profits		163.920.341	163.920.341
E- Previous Years' Losses (-)		-	-
1- Previous Years' Losses		-	-
F- Net Profit of the Period	37	(394.899.033)	189.396.766
1- Net Profit of the Period		-	189.396.766
2- Net Loss of the Period (-)		(394.899.033)	-
3- Net Income not Subject to Distribution		-	-
V- Total Shareholders' Equity		1.304.091.273	1.049.290.042
Total Liabilities and Shareholders' Equity (III+IV+V)		10.497.739.928	7.387.862.715

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

CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED STATEMENT OF INCOME FOR THE INTERIM PERIODS JANUARY 1 - SEPTEMBER 30, 2022, AND 2021

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

	Notes	Unaudited	Unaudited	Restated (*)	Restated (*)
		Current Period	Current Period	Unaudited	Unaudited
		January 1 - September 30, 2022	July 1 - September 30, 2022	January 1 - September 30, 2021	July 1 - September 30, 2021
I-TECHNICAL PART					
A- Non-Life Technical Income		4.133.131.816	1.915.975.475	2.973.637.179	1.073.910.929
1- Earned Premiums (Net of Reinsurer Share)		2.942.025.890	1.365.034.112	2.481.435.003	879.542.834
1.1- Written Premiums (Net of Reinsurer Share)	24	4.671.670.343	1.879.059.129	2.563.453.376	883.159.918
1.1.1- Gross Written Premiums (+)	24	8.567.640.071	3.058.992.397	4.471.373.367	1.471.332.692
1.1.2- Ceded Premiums to Reinsurers (-)	17.16 and 24	(3.709.974.193)	(1.121.616.113)	(1.783.978.649)	(543.831.234)
1.1.3- Ceded Premiums to SSI (-)	17.16 and 24	(185.995.535)	(58.317.155)	(123.941.342)	(44.341.540)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)		(1.267.593.825)	(520.106.460)	(91.013.716)	(14.320.256)
1.2.1- Unearned Premiums Reserve (-)	20	(1.911.960.181)	(469.975.585)	(119.677.077)	61.183.687
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	17.16 and 20	617.326.423	(49.000.457)	23.160.470	(78.711.985)
1.2.3- SSI of Unearned Premiums Reserve (+)	17.16 and 20	27.039.933	(1.130.418)	5.502.891	3.208.042
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	(462.050.628)	6.081.443	8.995.343	10.703.172
1.3.1- Unexpired Risks Reserve (-)	20	(442.503.468)	49.239.220	655.480.503	419.309.289
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)	17.16 and 20	(19.547.160)	(43.157.777)	(646.485.160)	(408.606.117)
2- Investment Income Transferred from Non-Technical Part		1.154.226.628	529.484.234	460.856.145	166.035.607
3- Other Technical Income (Net of Reinsurer Share)		20.559.725	6.461.341	14.609.815	5.784.096
3.1- Gross Other Technical Income (+)		20.559.725	6.461.341	14.609.815	5.784.096
3.2- Reinsurance Share of Other Technical Income (-)		-	-	-	-
4- Accrued Subrogation and Salvage Income (+)		16.319.573	14.995.788	16.736.216	22.548.392
B- Non-Life Technical Expense (-)		(4.552.472.171)	(1.794.214.383)	(2.576.395.060)	(964.322.248)
1- Total Claims (Net of Reinsurer Share)		(3.629.310.821)	(1.425.946.705)	(1.936.345.480)	(743.057.016)
1.1- Claims Paid (Net of Reinsurer Share)		(2.993.964.108)	(1.051.566.177)	(1.526.878.682)	(618.711.153)
1.1.1- Gross Claims Paid (-)		(4.517.974.810)	(1.714.727.295)	(2.216.171.918)	(826.934.632)
1.1.2- Reinsurance Share of Claims Paid (+)	17.16	1.524.010.702	663.161.118	689.293.236	208.223.479
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(635.346.713)	(374.380.528)	(409.466.798)	(124.345.863)
1.2.1- Outstanding Claims Reserve (-)		(1.500.346.810)	(725.476.320)	(1.250.942.672)	(498.946.109)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	17.16	865.000.097	351.095.792	841.475.874	374.600.245
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	2.020	(614)	(1.031)	(109)
2.1- Bonus and Discount Reserve (-)	20	570.741	151.237	(9.355)	(74.254)
2.2- Reinsurance Share of Bonus and Discount Reserve (+)	17.16 and 20	(568.721)	(151.851)	8.324	74.145
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	(24.915.113)	(10.026.360)	(13.314.658)	(4.443.822)
4- Operating Expenses (-)	32	(720.867.350)	(274.769.533)	(518.255.371)	(179.240.763)
5- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-	-	-
5.1- Mathematical Reserves (-)		-	-	-	-
5.2- Reinsurance Share of Mathematical Reserves (+)		-	-	-	-
6- Other Technical Expenses (-)	47	(177.380.907)	(83.471.171)	(108.478.520)	(37.580.538)
6.1- Gross Other Technical Expenses (-)	47	(177.380.907)	(83.471.171)	(108.478.520)	(37.580.538)
6.2- Reinsurance Share of Other Technical Expenses (+)		-	-	-	-
C- Non-Life Technical Net Profit (A-B)		(419.340.355)	121.761.092	397.242.119	109.588.681
D- Life Technical Income		89.917	29.880	93.928	30.676
1- Earned Premiums (Net of Reinsurer Share)		-	-	-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-	-	-
1.1.1- Gross Written Premiums (+)		-	-	-	-
1.1.2- Ceded Premiums to Reinsurers (-)		-	-	-	-
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)		-	-	-	-
1.2.1- Unearned Premium Reserves (-)		-	-	-	-
1.2.2- Unearned Premium Reserves Reinsurer Share (+)		-	-	-	-
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-	-	-
1.3.1- Unexpired Risks Reserves (-)		-	-	-	-
1.3.2- Unexpired Risks Reserves Reinsurer Share (+)		-	-	-	-
2- Life Branch Investment Income		89.917	29.880	93.928	30.676
3- Unrealized Income from Investments		-	-	-	-
4- Other Technical Income (Net of Reinsurer Share) (+/-)		-	-	-	-
4.1- Gross Other Technical Income (+/-)		-	-	-	-
4.2- Reinsurance Share of Other Technical Income (+/-)		-	-	-	-
5- Accrued Subrogation and Salvage Income (+)		-	-	-	-
E- Life Technical Expense		(88.377)	(30.231)	(89.267)	(34.888)
1- Total Claims (Net of Reinsurer Share)		(104.409)	(31.831)	(153.264)	(49.307)
1.1- Claims Paid (Net of Reinsurer Share)		(107.013)	(31.831)	(153.616)	(49.307)
1.1.1- Gross Claims Paid (-)		(107.013)	(31.831)	(153.616)	(49.307)
1.1.2- Claims Paid Reinsurer Share (+)		-	-	-	-
1.2- Changes in Outstanding Claims Provisions (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	2.604	-	352	-
1.2.1- Outstanding Claims Reserve (-)		2.604	-	352	-
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)		-	-	-	-
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-	-	-
2.1- Bonus and Discount Reserve (-)		-	-	-	-
2.2- Reinsurance Share of Bonus and Discount Reserve (+)		-	-	-	-
3- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		16.032	1.600	63.997	14.419
3.1- Mathematical Reserves (-)		16.032	1.600	63.997	14.419
3.1.1- Actuarial Mathematical Reserve (-)		14.429	1.440	57.597	12.977
3.1.2- Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		1.603	160	6.400	1.442
3.2- Reinsurer Share of Mathematical Reserves (+)		-	-	-	-
3.2.1- Reinsurance Share of Actuarial Mathematical Reserve (+)		-	-	-	-
3.2.2- Reinsurance Share of Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		-	-	-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-	-	-
5- Operating Expenses (-)		-	-	-	-
6- Investment Expenses (-)		-	-	-	-
7- Unrealized Losses from Investments (-)		-	-	-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-	-	-
F- Life Technical Profit (D-E)		1.540	(351)	4.661	(4.212)
G- Individual Retirement Technical Income					
1- Fund Management Fee		-	-	-	-
2- Management Fee Deduction		-	-	-	-
3- Initial Contribution Fee		-	-	-	-
4- Management Fee in Case of Temporary Suspension		-	-	-	-
5- Withholding Tax		-	-	-	-
6- Increase in Market Value of Capital Commitment Advances		-	-	-	-
7- Other Technical Income		-	-	-	-
H- Individual Retirement Technical Expense					
1- Fund Management Expenses (-)		-	-	-	-
2- Decrease in Market Value of Capital Commitment Advances (-)		-	-	-	-
3- Operating Expenses (-)		-	-	-	-
4- Other Technical Expense (-)		-	-	-	-
I- Individual Retirement Technical Profit (G-H)					

(*) The effects of the restatement are explained in Note 2.

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

AKSIGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED STATEMENT OF INCOME FOR THE INTERIM PERIODS JANUARY 1 - SEPTEMBER 30, 2022, AND 2021

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

	Notes	Unaudited	Unaudited	Restated (*) Unaudited	Restated (*) Unaudited
		Current Period January September 30, 2022	Current Period July September 30, 2022	Previous Period January September 30, 2021	Previous Period July September 30, 2021
I- TECHNICAL PART					
C- Non-Life Technical Profit (A-B)		(419.340.355)	121.761.092	397.242.119	109.588.681
F- Life Technical Profit (D-E)		1.540	(351)	4.661	(4.212)
I - Individual Retirement Technical Profit (G-H)		-	-	-	-
J- Total Technical Profit (C+F+I)		(419.338.815)	121.760.741	397.246.780	109.584.469
K- Investment Income		1.846.917.013	749.853.758	703.271.296	245.732.494
1- Income from Financial Investment	26	350.758.556	120.379.817	256.324.626	82.682.692
2- Income from Sales of Financial Investments	26	250.726.323	193.453.709	51.687.494	14.025.118
3- Revaluation of Financial Investments	26	116.728.344	1.089.133	55.959.629	26.861.470
4- Foreign Exchange Gains	36	1.061.762.945	416.429.809	261.488.284	75.907.278
5- Income from Affiliates		-	-	-	-
6- Income from Subsidiaries and Joint Ventures		-	-	-	-
7- Income Received from Land and Building		-	-	-	-
8- Income from Derivatives	13 and 26	66.940.845	18.501.290	77.811.263	46.255.936
9- Other Investments		-	-	-	-
10- Investment Income transferred from Life Technical Part		-	-	-	-
L- Investment Expenses (-)		(1.920.080.599)	(780.312.641)	(741.599.143)	(258.750.317)
1- Investment Management Expenses (including interest) (-)	20	(29.704.150)	(14.463.159)	(4.792.403)	(1.440.435)
2- Valuation Allowance of Investments (-)	26	(8.636.151)	(3.211.152)	(1.068.947)	1.799.493
3- Losses on Sales of Investments (-)	26	(24.303.510)	(12.537.682)	(18.409.702)	(7.523.797)
4- Investment Income Transferred to Life Technical Part (-)		(1.154.226.628)	(529.484.235)	(460.856.145)	(166.035.606)
5- Losses from Derivatives (-)		-	-	-	-
6- Foreign Exchange Losses (-)	36	(659.750.724)	(204.620.689)	(223.123.255)	(74.153.548)
7- Depreciation Expenses (-)	6, 7 and 8	(43.459.436)	(15.995.724)	(33.348.691)	(11.396.424)
8- Other Investment Expenses (-)		-	-	-	-
M- Other Income and Expenses (+/-)	47	97.603.368	(40.301.490)	(19.454.590)	(11.784.527)
1- Provisions Account (+/-)	47	(15.550.540)	(3.713.938)	(20.380.463)	(4.375.093)
2- Discount account (+/-)		-	-	-	-
3- Mandatory Earthquake Insurance Account (+/-)	47	5.874.268	(239.361)	3.191.069	(94.316)
4- Inflation Adjustment Account (+/-)		-	-	-	-
5- Deferred Tax Asset Accounts (+/-)	35 and 47	159.787.645	13.661.981	8.228.295	(4.053.522)
6- Deferred Tax Expense Accounts (-)	35 and 47	-	-	-	-
7- Other Income and Revenues	47	9.172.811	147.982	842.642	494.595
8- Other Expense and Losses (-)	47	(61.680.816)	(50.158.154)	(11.336.133)	(3.756.190)
9- Prior Period Income		-	-	-	-
10- Prior Period Losses (-)		-	-	-	-
N- Net Profit/(Loss)	37	(394.899.033)	51.000.368	253.279.231	66.801.221
1- Profit/(Loss) Before Tax		(394.899.033)	51.000.368	339.464.342	84.782.120
2- Corporate Tax Liability Provision (-)	35	-	-	(86.185.111)	(17.980.899)
3- Net Profit/(Loss)		(394.899.033)	51.000.368	253.279.231	66.801.221
4- Inflation Adjustment Account		-	-	-	-

(*) The effects of the restatement are explained in Note 2.

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

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENT OF UNCONSOLIDATED CASH FLOWS FOR THE INTERIM PERIOD JANUARY 1 - SEPTEMBER 30, 2022 AND 2021

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

	Notes	Unaudited	Unaudited
		Current Period September 30, 2022	Prior Period September 30, 2021
A. CASH FLOWS FROM THE OPERATING ACTIVITIES			
1. Cash inflows from the insurance operations		11.221.451.582	5.446.948.905
2. Cash inflows from the reinsurance operations		-	-
3. Cash inflows from the pension operations		-	-
4. Cash outflows due to the insurance operations (-)		(9.911.666.058)	(4.845.377.589)
5. Cash outflows due to the reinsurance operations (-)		-	-
6. Cash outflows due to the pension operations (-)		-	-
7. Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)		1.309.785.524	601.571.316
8. Interest payments (-)		-	-
9. Income tax payments (-)	35	(25.033.584)	(87.911.798)
10. Other cash inflows		23.886.641	6.368.982
11. Other cash outflows (-)		(493.668.881)	(262.087.928)
12. Net cash generated from the operating activities		814.969.701	257.940.572
B. CASH FLOWS FROM THE INVESTING ACTIVITIES			
1. Sale of tangible assets	6	2.293.073	1.304.540
2. Purchase of tangible assets (-)	6, 7 and 8	(69.507.770)	(49.974.847)
3. Acquisition of financial assets (-)		(6.939.891.843)	(2.385.021.670)
4. Sale of financial assets		4.527.662.029	2.044.378.330
5. Interest received		636.298.586	390.602.864
6. Dividends received		-	-
7. Other cash inflows		(96.833.595)	(58.052.739)
8. Other cash outflows (-)		-	-
9. Net cash generated from the investing activities		(1.939.979.520)	(56.763.522)
C. CASH FLOWS FROM THE FINANCING ACTIVITIES			
1. Issue of equity shares		-	-
2. Cash inflows from the loans to policyholders	20	359.201.153	-
3. Payments of financial leases (-)	20	(13.546.888)	(10.704.974)
4. Dividend paid (-)	38	-	(306.000.000)
5. Other cash inflows	20	720.000.000	-
6. Other cash outflows (-)		(23.529.433)	-
7. Cash generated from the financing activities		1.042.124.832	(316.704.974)
D. EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS			
		1.885.375	36.568.056
E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)		(80.999.612)	(78.959.868)
F. Cash and cash equivalents at the beginning of the period	14	1.777.272.887	1.994.609.067
G. Cash and cash equivalents at the end of the period (E+F)	14	1.696.273.275	1.915.649.199

(*) The effects of the restatement are explained in Note 2.

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

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENT OF CHANGES IN UNCONSOLIDATED SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS JANUARY 1 - SEPTEMBER 30, 2022 AND 2021

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

Statement of Changes in Shareholders' Equity - January 1 – September 30, 2022 (*)											
CURRENT PERIOD	Capital	Equity Shares Owned by the Company (-)	Revaluation of Financial Assets	Inflation Adjustment on Capital	Translation Reserves	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
I - Closing Balance of Prior Period (31 December 2021)	306.000.000	-	30.139.525	-	-	111.936.210	62	308.176.188	189.396.766	163.920.341	1.049.290.042
II - Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-
III - New Balance (I + II) (31 December 2021)	306.000.000	-	30.139.525	-	-	111.936.210	62	308.176.188	189.396.766	163.920.341	1.049.290.042
A- Capital increase (A1+A2)	1.026.000.000	-	-	-	-	-	-	306.000.000	-	-	720.000.000
1- Cash	720.000.000	-	-	-	-	-	-	-	-	-	720.000.000
2- Internal sources	306.000.000	-	-	-	-	-	-	306.000.000	-	-	-
B- Equity shares purchased by the company	-	-	-	-	-	-	-	-	-	-	-
C- Income/(expense) recognized directly in the equity	-	-	-	-	-	-	-	-	-	-	-
D- Revaluation of financial assets (Note 16.5)	-	-	64.685.763	-	-	-	-	-	-	-	64.685.763
E- Translation reserves	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	5.613.973	-	-	5.613.973
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Period net profit (Note 37)	-	-	-	-	-	-	-	-	394.899.033	-	394.899.033
I- Dividend distributed	-	-	-	-	-	-	-	-	-	-	-
J- Transfer	-	-	-	-	-	-	-	189.396.766	189.396.766	-	0
IV- Closing Balance (30 September 2022) (III+A+B+C+D+E+F+G+H+I+J)	1.332.000.000	-	94.825.288	-	-	111.936.210	62	185.958.981	394.899.033	163.920.341	1.304.091.273

(*) Details of equity accounts are explained in Note 15.

The accompanying notes form and integral part of these financial statements.

AKSİGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE STATEMENT OF CHANGES IN UNCONSOLIDATED SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS JANUARY 1 - SEPTEMBER 30, 2022 AND 2021

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

Statement of Changes in Shareholders' Equity - January 1 - September 30, 2021 (*) Reviewed (**)											
CURRENT PERIOD	Capital	Equity Shares Owned by the Company (-)	Revaluation of Financial Assets	Inflation Adjustment on Capital	Translation Reserves	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
I - Closing Balance of Prior Period (31 December 2020)	306.000.000	-	1.441.549	-	-	82.866.210	62	213.970.653	432.342.886	86.350.467	1.122.971.827
II - Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	77.569.874	77.569.874
III - New Balance (I + II) (31 December 2020)	306.000.000	-	1.441.549	-	-	82.866.210	62	213.970.653	432.342.886	163.920.341	1.200.541.701
A- Capital increase (A1+A2)	-	-	-	-	-	-	-	-	-	-	-
1- Cash	-	-	-	-	-	-	-	-	-	-	-
2- Internal sources	-	-	-	-	-	-	-	-	-	-	-
B- Equity shares purchased by the company	-	-	-	-	-	-	-	-	-	-	-
C- Income/(expense) recognized directly in the equity	-	-	-	-	-	-	-	-	-	-	-
D- Revaluation of financial assets (Note 16.5)	-	-	15.478.078	-	-	-	-	-	-	-	15.478.078
E- Translation reserves	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	1.184.309	-	-	1.184.309
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Period net profit (Note 37)	-	-	-	-	-	-	-	-	253.279.231	-	253.279.231
I- Dividend distributed	-	-	-	-	-	-	-	-	306.000.000	-	306.000.000
J- Transfer	-	-	-	-	-	29.069.999	-	97.272.887	126.342.886	-	-
IV- Closing Balance (30 September 2021) (III+A+B+C+D+E+F+G+H+I+J)	306.000.000	-	14.036.529	-	-	111.936.209	62	310.059.231	253.279.231	163.920.341	1.131.158.545

(*) Details of equity accounts are explained in Note 15.

(**) The effects of the restatement are explained in Note 2.

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

AKSIGORTA A.Ş.

CONVENIENCE TRANSLATION OF THE CONSOLIDATION STATEMENT OF PROFIT DISTRIBUTION STATEMENT FOR THE INTERIM PERIODS JANUARY 1 - SEPTEMBER 30, 2022, AND 2021

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

Profit Distribution Statement			
	Note	Current Period 30/09/2022	Previous Period 31/12/2021
I. Distribution of profit for the period			
1.1. Profit for the period			294.727.333
1.2. Taxes payable and legal liabilities			(105.330.567)
1.2.1. Corporation tax (Income tax)			(105.330.567)
1.2.2. Income tax deduction			-
1.2.3. Other taxes and legal liabilities			-
A. Net profit for the period (1.1 - 1.2)			189.396.766
1.3. Previous years' losses (-)			-
1.4. First legal reserve			-
1.5. Legal reserves kept in the company (-)			-
B. Net distributable Profit for the period [(A - (1.3 + 1.4 + 1.5)]			189.396.766
1.6. First dividend to shareholders (-)			-
1.6.1. To common shareholders			-
1.6.2. To preferred shareholders			-
1.6.3. To owners of participating redeemed shares			-
1.6.4. To owners of profit-sharing securities			-
1.6.5. To owners of profit and loss sharing securities			-
1.7. Dividends to personnel (-)			-
1.8. Dividends to founders (-)			-
1.9. Dividends to board of directors (-)			-
1.10. Second dividends to shareholders (-)			-
1.10.1. To common shareholders			-
1.10.2. To preferred shareholders			-
1.10.3. To owners of participating redeemed shares			-
1.10.4. To owners of profit-sharing securities			-
1.10.5. To owners of profit and loss sharing securities			-
1.11. Second legal reserve (-)			-
1.12. Statutory reserves (-)			-
1.13. Extraordinary reserves			189.396.766
1.14. Other reserves			-
1.15. Special funds			-
II. Distribution from reserves			
2.1. distributed reserves			-
2.2. Second legal reserve (-)			-
2.3. Dividends to shareholders (-)			-
2.3.1. To common shareholders			-
2.3.2. To preferred shareholders			-
2.3.3. To owners of participating redeemed shares			-
2.3.4. To owners of profit-sharing securities			-
2.3.5. To owners of profit and loss sharing securities			-
2.4. Dividends to employees (-)			-
2.5. Dividends to board of directors (-)			-
III. Profit per share			
3.1. To common shareholders			-
3.2. To common shareholders (%)			-
3.3. To preferred shareholders			-
3.4. To preferred shareholders (%)			-
IV. Dividends per share			
4.1. To common shareholders			-
4.2. To common shareholders (%)			-
4.3. To preferred shareholders			-
4.4. To preferred shareholders (%)			-

AKSIGORTA A.Ş.

CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD JANUARY 1 - SEPTEMBER 30, 2022

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

1. General Information

1.1 Name of the Parent Company and the ultimate owner

Aksigorta Anonim Şirketi (“the Company”) is a subsidiary of Hacı Ömer Sabancı Holding A.Ş. and Ageas Insurance International N.V.in Belgium as of September 30, 2022. 38.02% e, 2021: 38.02%) of the Company is issued in Borsa İstanbul (“BİST”) (Note 2.14).

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

The Company 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 headquarter of the Company is located at ‘Fatih Sultan Mehmet Mahallesi, Poligon Caddesi, Buyaka 2 Site, 1 Blok No. 8A No:2 Ümraniye - İstanbul’.

1.3 Main operations of the Company

The Company’s main operations include insurance activities based on non-life insurance branches, including primarily motor vehicle, motor third party liability, fire, marine, accident, personal accident, engineering, agriculture and health. The headquarters of the Company is in Istanbul. The Company has 10 district offices of which three of them are in Istanbul (Istanbul Anatolian Region, Istanbul European Region and Istanbul Thracian Region), and one in each White Sea and South Aegean Region, Ankara Region, Cukurova and Central Anatolia Region, Eastern Anatolia and Eastern Black Sea Region, Southeast Region, Izmir and North Aegean Region, Marmara and West Black Sea Region. As of September 30, 2022, the Company has 3,768 authorized agencies (December 31, 2021: 3,592).

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

Explained in Note 1.2 and Note 1.3.

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

	1 January - 30 September 2022	1 January - 31 December 2021
Senior Executive	8	9
Manager & Assistant Manager	105	101
Specialist/Executive	559	562
Total	672	672

1.6 Remuneration and fringe benefits provided to top management

January 1 - September 30, 2022, wages and similar benefits provided to the senior management including chairman, members of the board of the directors, general manager, general coordinator, and deputy general managers amounted to TRY 10,139,224 and July 1 - September 30 amounted to TRY 3,831,708 (January 1 - September 30, 2021: TRY 8,200,665, July 1 - September 30, 2021: TRY 2,733,755).

**CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS FOR THE INTERIM PERIOD JANUARY 1 -
SEPTEMBER 30, 2022**

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

1. General Information (Continued)

1.7 Distribution keys used in the distribution of investment income and operating expenses in the financial statements (personnel expenses, administration expenses, research and development expenses, marketing and selling expenses and other operating expenses)

Within the framework of the Republic of Turkey of the Treasury and Finance Ministry ("Treasury and Finance Ministry") "Circular relating to Procedures and Principles for Keys used in Financial Statements prepared in the scope of Uniform Chart of Accounts for Insurance No. 2008/1 is dated January 4, 2008" is changed to "Circular relating to Procedures and Principles for Keys used in Financial Statements prepared in the scope of Uniform Chart of Accounts for Insurance in relation amending No. 2010/9 is dated August 9, 2010

Other investment revenues were classified under the non-technical division. While distributing to sub-branches the operating expenses transferred to technical division, the last three-year weighted average of number of policies generated in the current period, the premium amount written as gross and number of claims were taken into account.

1.8 Stand-alone or consolidated financial statements

The unconsolidated financial statements identify a single company (Aksigorta A.S.) 2.2 as the consolidation details are explained in the notes, the consolidated financial statements of the Company and its subsidiary are the tables are also prepared.

1.9 Name and other information of the reporting company and subsequent changes to the prior balance sheet date

There has been no change in The Company's name and other company information presented in Note 1.1, Note 1.2 and Note 1.3 as of the prior balance sheet date.

1.10 Subsequent Events

The financial statements as of September 30, 2022, have been approved by the Company's Board of Directors on October 31, 2022. The financial statements, according to Decree on "Financial Reporting of Insurance and Reinsurance Companies and Pensions Funds", were signed by the Chief Executive Officer Uğur Gülen, Chief Financial Officer Osman Akkoca, Accounting Manager Seza Tanınmış Özgür and Actuary Halil Kolbaşı on behalf of the Board of Directors. Detailed information about these subsequent events is disclosed in Note 46.

2. Summary of the Accounting Policies

2.1 Basis of Preparation

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used

a. Accounting Standards

In accordance with Article 50(a) of Section VII of the Capital Markets Law, insurance companies are subject to the provisions of their own special legislation on establishment, audit, supervision, accounting, financial statement and reporting standards. In this context, the Company prepares its financial statements in accordance with the regulations published by the Insurance and Private Pensions Regulation and Supervision Agency ("SEDĐK") established with the Insurance Law No. 5684 published in the Official Gazette dated 14 June 2007 and numbered 26522 and the Presidential Decree of 18 October 2019. The insurance legislation before the establishment of SEDĐK and its regulation activities regarding the insurance sector was published by the TR Ministry of Treasury and Finance ("Ministry of Treasury and Finance").

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

The financial statements are prepared in accordance with the Insurance Chart of Accounts included in the communiqué issued by the Treasury regarding the Insurance Chart of Accounts and Prospects, published in the Official Gazette (No:25686) dated December 30, 2004 (Insurance Accounting System Communiqué No:1) and announcement of new account codes in the Insurance Account Plan dated December 27, 2011, and numbered 2011/14. Content and the format of the financial statements prepared, and explanations and notes thereof are determined in accordance with the Communiqué on Presentation of Financial Statements published in the Official Gazette numbered 26851 dated June 18, 2008 and the Communiqué on the New Accounting Codes and Presentation of Financial Statements published in the Official Gazette dated May 31, 2012 and numbered 2012/7.

As of January 1, 2008, the Company accounts for its operations in accordance with the “Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies” issued on July 14, 2007 and effective from January 1, 2008 within the framework of this regulation a, Turkish Accounting Standards (“TAS”) and Turkish Financial Reporting Standards (“TFRS”) issued by Turkish Accounting Standards Board (“TASB”) and other regulations, communiqués and explanations issued by Treasury on accounting and financial reporting.

With reference to the notice of Treasury No. 9 dated February 18, 2008, “TAS 1- Financial Statements and Presentation”, “TAS 27- Consolidated and Non-consolidated Financial Statements”, “TFRS 1 - Transition to TFRS” and “TFRS 4- Insurance Contracts” were not included in the scope of this application for the year 2008.

The Company accounts and recognizes its insurance technical provisions in its not consolidated financial statements as of June 30, 2022 in accordance with the “Regulation Regarding the Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested,” (“Regulation on Technical Reserves”) dated July 28, 2010 and published in official gazette numbered 27655 and published in Official Gazette dated July 17, 2012 numbered 28356 effective and the regulations issued for insurance and reinsurance companies by the Treasury and Finance Ministry.

Entities established in order to execute at least one of the fields of activity projected in the Banking Law dated October 19, 2005 and numbered 5411, set an example to the financial statements to be prepared by companies obliged to apply TAS; except for development and investment banks and financial holding companies as well as financial institutions established to engage in insurance, individual retirement and capital market within the frame of the Capital Market Law dated December 6, 2012 and numbered 6362, Insurance Law dated June 3, 2007 and numbered 5684, Individual Saving and Investment System Law dated March 28, 2011 and numbered 4632 and regulations pertaining to their own clauses.

Financial Statements are prepared accordance with the prevailing accounting principles and standards as per the insurance legislation and Turkish Accounting Standards decree for the matters not regulated by insurance legislation; “Insurance Accounting and Financial Reporting Legislation”

Comparative information on the presentation of the financial statements in the current period is classified as necessary.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

b. Preparation of Financial Statements in Hyperinflationary Periods

On January 20, 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2022 within the scope of TAS 29 Financial Reporting in High Inflation Economies.

c. Comparative Information and Restatement of Prior Period Financial Statements

The company's 30 September 2022 balance sheet is presented with the restated balance sheets as of 31 December, 1 January- 30 September 2022 income statement, statement of changes in shareholders' equity and cash flow statement are presented in comparison with the restated income statement, statement of changes in shareholders' equity and cash flow statement for the 1 January – 30 September 2021. As of December 31, 2021, the Company started to apply discounting methodology for all its outstanding claim branches within the framework of Insurance Technical Reserves Regulation and at the same time, the amount of outstanding claim provisions has been reduced by taking into account the results of lawsuits in the last five years on a sub-branch basis. In this context, balance sheets dated 30 September 2021 income statement for the accounting have been restated. The effects of the relevant accounting policy changes are presented in the tables below:

	Reported Previous Period 30 September 2021	Restatement Effects	Revised Previous Period 30 September 2021
Non-Life Technical Expense	(439,259,563)	29,792,765	(409,466,798)
Claims provision	(439,259,563)	29,792,765	(409,466,798)
Other Income and Expenses	15,676,486	(7,448,191)	8,228,295
Deferred Tax Assets	15,676,486	(7,448,191)	8,228,295
Net Profit/(Loss)	(423,583,077)	22,344,573	(401,238,504)

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

**2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used
(Continued)**

d. Technical Reserves

Unearned Premium Reserve

An unearned premium reserve is calculated on a daily basis for all policies in force as of the balance sheet date for unearned portions of premiums written. For marine policies with an uncertain end date, unearned premium reserve is calculated as 50% of the premiums written in the last three months. During the calculation of unearned portion of premiums written on a daily basis, it is supposed that the policies start at 12:00 noon and finish at 12:00 noon again. Commissions paid for written premium and commissions received from ceded premium that hit future months and future income statements are accounted in prepaid expenses and prepaid expenses for future years respectively in balance sheet, net in operating expenses. According to the Technical Reserves Regulation, foreign exchange selling rates declared in the Official Gazette of the CBRT on the date of accrual of the relevant premium are taken into account in the account of the unearned premiums related to the insurance contracts, which are indexed to beverages, if no foreign exchange rate is specified in the insurance contract (Note 20).

Deferred Commission Expense and Income

Within the framework of the Circular numbered 2007/25 and dated December 28, 2007, published by Treasury, the unearned portion of commissions paid to agencies for the written premiums and commissions received from reinsurers for the ceded premium, are recorded as in deferred expenses and deferred income, respectively on the balance sheet, and as operating expenses on a net basis in the income statement.

Unexpired Risks Reserve

Within the framework of Regulation on Technical Reserves, from January 1, 2008, insurance companies are required to account for an unexpired risk reserve against the probability that, future losses incurred from in force policies may exceed the unearned premium reserve accounted for the related policies considering expected loss ratios. Expected loss ratio is calculated by dividing the current year incurred losses to current year earned premiums. If the loss ratio for a branch is higher than 95%, net unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with net unearned premium reserve for the related branch; and gross unexpired risk reserve for that branch is calculated by multiplying the ratio in excess of 95% with gross unearned premium reserve for the related branch. The difference between gross and net amounts is considered as the reinsurance share.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

In the Circular on Provision for Unexpired Risk Reserve 2019/5, it is stated that the amount of Unexpired Risks Reserve can be calculated on the basis of the accounting year or the year of accident as explained in the first paragraph. If the calculation is based on the accident year, separate calculations will be made for the works transferred to the pool. As a result of the related circular, the Company makes Unexpired Risks Reserve accounts on the basis of accounting year.

The loss ratio (after discounting) calculated by branches and the net provision amounts are presented below:

	30 September 2022		31 December 2021	
	Claim/Premium (%)	Net URR (TRY)	Claim/Premium (%)	Net URR (TRY)
Motor Crafts Liability	%134	514.317.582	%109	91.401.242
Motor Crafts	%98	39.657.336	-	-
Suretyship	%186	595.205	%115	109.119
Watercrafts	%103	803.712	%142	1.810.063
Air Crafts Liability	%328	1.865	%469	4.381
Air Crafts	-	-	%150	278
		555.375.701		93.325.083

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Bonuses and rebates reserve

The bonus and rebates provisions are the amount that has to be made provision if the Company commits to pay bonus to insured’s policies in force regardless of renewal of the related policies. According to Insurance Law Article No.16, if the Company decides to bonus or discount operations, the amount must be allocated for insured person or beneficiaries regarding to technical results of the current year.

The Company has calculated and accounted for gross bonuses and rebates reserve amounting to TRY 203,235 and TRY 3,549 net at September 30, 2022 (as of December 31, 2021 company has calculated and accounted gross bonus and rebates reserve amounting to TRY 773,975 and TRY 5,568 net) (Note 20).

Claims provision

The Company accounts for outstanding claims and indemnities for the claims and indemnity costs which have accrued and determined on account, but not actually paid in the previous fiscal periods or in the current fiscal period or if this amount could not be calculated, for the claims and indemnity costs which have emerged in expected amounts, but not reported.

In accordance with Technical Reserve Regulation and ‘Circular on Regarding to Statements Related to Accounting of Claim Files in a Lawsuit, Actuarial Chain Ladder Method and Recovery and Salvage Income’ dated January 14, 2011 numbered 2011/1, outstanding claim reserves are made according to calculated average amounts in accordance with the methods determined by Treasury as of July 1, 2012 for cases with uncertain amounts. Furthermore, outstanding claim reserves are updated according to experts’ reports received from courts and stated amounts according to lawsuit judgements.

In accordance with the ‘Regulation Regarding the Amendment of the Regulation Regarding Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested’ published in the Official Gazette dated July 28, 2010 and numbered 27655 and the Circular on Claims Provision dated December 5, 2014 and numbered 2014/16, the Company’s Incurred But Not Reported (IBNR) claims provisions were calculated using the actuarial chain ladder methods (‘ACLM’).

The Regulation on the amendment of the related Regulation, published in the Official Gazette dated July 5, 2012 and numbered 28356 has enforced the provision ‘Incurred but not reported claims are calculated using the actuarial chain ladder method, the content and implementation basis are determined by the Treasury and Finance Ministry or other calculation methods to be determined by the Treasury and Finance Ministry

In accordance with the circular issued by Turkish Treasury dated December 5, 2014 and numbered 2014/16, as of January 1, 2015 selection of data to be used in the calculation in branch-basis, adjusting process, selection of most appropriate method to interfere with the development factors are performed by the Company’s actuary. IBNR calculation in non-life insurance in accordance with the same circular, chain ladder methods are Standard Chain, Claim/Premium, Cape Cod, Frequency/Severity, Munich Chain or Bornhuett-Ferguson. The method’s using by the actuary are as follows:

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Branch	Applied Method	30 September 2022		Applied Method	31 December 2021	
		Gross Additional Reserve	Net Additional Reserve		Gross Additional Reserve	Net Additional Reserve
Motor Crafts Liability	Frequency/Severity/Standard	2.219.144.550	2.219.144.550	Frequency/Severity/Standard	1.533.556.783	1.533.556.783
General Liability	Standard Chain/Loss Ratio	676.447.298	151.621.090	Standard Chain/Loss Ratio	511.117.327	74.896.550
Fire and Natural Disaster	Standard Chain	8.380.781	(8.904.816)	Standard Chain	11.791.017	1.526.309
Financial Losses	Standard Chain	5.801.147	(561.483)	Standard Chain	6.529.439	(462.026)
Water Crafts	Standard Chain	3.250.444	1.100.987	Standard Chain	1.865.242	648.854
Air Crafts Liability	Standard Chain	2.415.940	30	Standard Chain	2.355.864	27
Accident	Standard Chain	1.572.185	965.350	Standard Chain	1.739.646	1.040.826
Health	Standard Chain	1.457.785	42.831	Standard Chain	924.840	33.604
Suretyship	Standard Chain	844.011	119.064	Standard Chain	878.003	203.124
Transportation	Standard Chain	256.553	(655.699)	Standard Chain	(3.257.122)	(1.121.915)
Legal Protection	Standard Chain	162.348	162.348	Standard Chain	247.452	247.452
Credit	Standard Chain	14.391	714	Standard Chain	9.940	488
Air Crafts	Standard Chain	(127.599)	(138)	Standard Chain	113.304	22
General Losses	Standard Chain	(4.126.043)	(999.059)	Standard Chain	3.116.580	727.068
Motor Own Damage	Standard Chain	(52.152.325)	(52.152.325)	Standard Chain	(83.476.239)	(83.476.239)
Total		2.863.341.466	2.309.883.444		1.987.512.076	1.527.820.927

With the resolution of Ministry of Treasury and Finance dated July 5, 2017, and numbered 18145, 'Risky Insurance Pool' is founded as of April 12, 2017. Within this framework, On Motor Third Party Liability branch, premium and claim amounts that are transferred to Pool will be deducted from data used for IBNR calculation. For the damages that the company will take over from the pool; The loss premium rate of 156% for 2017, 159% for 2018 and 148 % for 2019 and 132% for 2020, 168% for 2021 and 186% for 30 September 2022 was taken into consideration, IBNR was calculated with the earned premium estimate and the provision amounting to TRY 545,404,320 was reflected in the financial statements. Related loss ratio is the expected loss ratio for the pool said pool by Turkey manages Bureau of Motor Vehicles is described in the report published on 07 October 2022. Since the loss premium rates in the IBNR calculation of the company correspond to 76 bases, the expected loss premium rate used in the calculation is specified by considering the same base in the report.

"Circular on the Discounting of Net Cash Flows Arising from Unpaid Compensation Provisions", dated 10 June 2016 and numbered 2016/22, published by the Ministry of Treasury and Finance and dated 30 December 2021 and numbered 2021/30, published by the Insurance and Private Pension Regulation and Supervision Agency. In accordance with the Circular No. 2016/22 Amending the Circular No. 2016/22 on Discounting of Net Cash Flows Arising from Compensation Provisions, September December 31, 2021, net TL 1.449.088.369 for all branches as of September 30, 2022 (31 December 2021:788.540.915 TL) calculated the discount for the outstanding compensation. Discount calculation paid it was made taking into account the development of damages. The Responsibility of Highways in the calculation in question the distribution of payouts for material and bodily damages for the branch over the years has been evaluated separately. The Company's net outstanding compensation provisions on the basis of branch as of September 30, 2022 are discounted before and after the discount are listed below

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

30 September 2022

Branch	Net Outstanding Claim Provision Before Discount	Discount Amount	Net Discounted Outstanding Claim Provision
Motor Crafts Liability	3.081.406.172	1.155.743.791	1.925.662.381
General Liability	375.152.024	204.689.622	170.462.402
Motor Crafts	361.666.969	47.137.138	314.529.831
Fire and Natural Disaster	133.411.353	32.002.344	101.409.009
General Losses	41.459.399	5.027.379	36.432.020
Transportation	23.177.877		23.177.877
Health	8.829.843	571.763	8.258.080
Accident	4.631.915	1.707.526	2.924.389
Water Crafts	8.149.877	754.865	7.395.012
Suretyship	4.925.933	9.003	4.916.930
Financial Losses	8.813.514	1.238.788	7.574.726
Legal Protection	510.746	183.632	327.114
Credit	87.191	21.440	65.751
Air Crafts Liability	19.525	1.098	18.427
Air Crafts	(137)	(20)	(117)
Total	4.052.242.201	1.449.088.369	2.603.153.832

31 December 2021

Branch	Net Outstanding Claim Provision Before Discount	Discount Amount	Net Discounted Outstanding Claim Provision
Motor Liability	2,174,359,189	627,171,371	1,547,187,818
Motor own damage	197,575,696	16,747,124	180,828,572
General Liability	238,750,874	125,675,384	113,075,490
Fire and Natural	90,225,347	14,180,543	76,044,804
General Losses	17,619,934	1,783,093	15,836,841
Logistic	15,347,855	887,706	14,460,149
Health	7,721,779	223,141	7,498,638
Indemnity	3,389,235	32,761	3,356,474
Watercrafts	3,995,699	684,516	3,311,183
Accident	3,754,629	746,787	3,007,842
Financial losses	2,928,063	219,270	2,708,793
Legal Protection	664,631	187,890	476,741
Air Crafts Liability	14,094	1,289	12,805
Credit	488	-	488
Air Crafts	522	40	482
Total	2,756,348,035	788,540,915	1,967,807,120

While determining the amount of IBNR, the company actuary has determined the threshold values for major damages with plot analysis starting from 2015, whereas it was calculated by Box-Plot method, which is permitted only by the Treasury and Finance Ministry in the Compulsory Traffic branch before 2014/16 Circle, in order to work with a more homogenous dataset. Files exceeding the threshold value determined by this method are considered as major damage. Since the damage progress of these files is separate from the other files, IBNR amounts have been determined and added to the provisions by a separate calculation for these files. Threshold values determined by September 31, 2022, and December 31, 2021 are total number of files subject to calculation, number of files determined as major damage and their shares in total files are as follows.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

BRANCH	30 September 2022				31 December 2021			
	Threshold	# of Major Claim Files	Total Number of Claim Files	% of Elimination	Threshold	# of Major Claim Files	Total Number of Claim Files	% of Elimination
General Liability	1.650.000	389	45.871	0,85%	1.650.000	276	43.023	0,64%
Employer's Financial Liability	650.000	129	16.552	0,78%	650.000	76	14.386	0,53%
Financial Liability to Third Parties	600.000	175	20.225	0,87%	600.000	139	19.096	0,73%
General Liability Other	400.000	85	9.094	0,93%	400.000	61	9.541	0,64%
General Losses	999.999	199	210.804	0,09%	999.999	129	199.959	0,06%
Fire and Natural Disaster	499.999	223	67.212	0,33%	499.999	146	65.433	0,22%
Transportation	999.999	406	328.817	0,12%	999.999	320	309.278	0,10%
Accident	299.999	49	8.493	0,58%	299.999	45	8.083	0,56%
Suretyship	199.999	189	12.373	1,53%	199.999	108	10.925	0,99%
Financial Losses	50.000	84	39.631	0,21%	50.000	60	38.567	0,16%

(*) As of September 30, 2022, the Company has determined the General Liability major claim limits on the basis of the main branch.

In the branches where major damages are determined, gross and net additional provision amounts that are separately made for these files and added to Outstanding Claim Provisions are shown in the following table.

Branch	Gross Additional Amount	NET IBNR
General Liability	128.001.829	5.961.195
General Losses	3.265.287	74.302
Accident	756.042	80.405
Fire and Natural Disaster	27.972.918	2.532.816
Facultative Public Liability	3.973.846	3.973.846
Financial Losses	6.656.554	280.657

In accordance with the circular, IBNR was calculated by the company actuary in gross amount based on the Accident Periods using the above-mentioned methods. For these gross IBNR amounts, reinsurer shares were calculated taking into consideration the reinsurance rates and the effective reinsurance agreement types in the related accident periods in related branches.

As explained in Note 2.1.1, in accordance with the Circular No. 2011/23, a winning rate is calculated over the amounts of the lawsuits filed against the Company in terms of sub-branches based on the last five years' realizations, taking into account the conclusion dates of the lawsuits, and for the files in the litigation process according to the calculated winning rate. It is possible to make a deduction from the outstanding claims provision amounts accrued. As of December 31, 2021, the Company calculated the winning rates by sub-branches by proportioning the total amount of the claims files, which were concluded in favour of the Company, out of the claims files, of which all judicial stages were completed in the last five years, to the total amount of the files. In the calculation of the win rate, only the principal amounts related to the compensation are included in the calculation, interest and other expenses are not taken into account. Pursuant to the Circular No. 2011/23, for branches with a winning rate of more than 25%, 25% for those with sufficient past files, and 15% for other branches, deductions were made from the amount of outstanding claims provision. The company made the said calculations over the gross amounts and the reinsurance shares of the discount amount were determined by taking into account the reinsurance share of the relevant files. As of 30 September 2022, the Company's earnings rates calculated on the basis of sub-branches and the net deduction for outstanding claims accrued are TRY 155,240,907 (31 December 2021: TRY 126,937,394)

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Financial of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Branch	30 September 2022	31 December 2021
	Win Rate Used	Win Rate Used
Fire	25,0%	25,0%
Profit loss	25,0%	25,0%
Commodity	25,0%	25,0%
Sea Vessels	25,0%	25,0%
Compulsory Financial Liability Insurance of Highways Motor Vehicles	6,1%	15,0%
Compulsory Traffic (Except GreenCard)	15,0%	15,0%
Motor Vehicles Facultative Financial Liability	25,0%	25,0%
Motor Own Damage	25,0%	25,0%
Road Passenger Transport Compulsory Seat P. A.	25,0%	25,0%
Employer’s Financial Liability	25,0%	25,0%
Financial Liability to Third Parties	25,0%	25,0%
Burglary	25,0%	25,0%
Cylinder Gas Compulsory Liability	0,0%	25,0%
Dangerous Goods Compulsory Liability	5,7%	6,0%
Aircraft Liability	25,0%	25,0%
Medical Malpractice	25,0%	25,0%
Private security Liability	25,0%	25,0%
Professional Liability	25,0%	25,0%
Facultative Earthquake	0,0%	25,0%
Flood	0,0%	25,0%
Landslide	0,0%	25,0%
Personal Accident	25,0%	25,0%
Loss of Rent and Income	0,0%	25,0%
Legal Protection	25,0%	25,0%
Machinery Breakdown	25,0%	25,0%
Erection All Risks	25,0%	25,0%
Construction All Risk	25,0%	25,0%
Electronic Equipment	25,0%	25,0%
Health	0,0%	25,0%
Travel Health	0,0%	25,0%
Suretyship	0,0%	11,0%

Equalization Reserve

In accordance with the Regulation on Technical Reserves, insurance companies are required to record an equalization reserve for the insurance contracts including earthquake and credit coverage, in order to cover the catastrophic risks and in order to equalize the fluctuations within the claim ratios that may occur during the following accounting periods. Such reserve is calculated over 12% of net earthquake and credit premiums corresponding to each year. In the calculation of the net premium, the amounts paid for the non-proportional reinsurance agreements are regarded as ceded premiums.

In condition of not being of balancing provision of current year, paid claims for earthquake and provision of outstanding claim which is supported by documents such as appraisal report or taken from official organizations in term of disaster can be discounted from balancing reserve.

The Company has calculated TRY 142,625,157 (December 31, 2021: TRY 117,710,045) of equalization reserve as of September 30, 2022 and presented in the long-term liabilities in the accompanying financial statements under ‘Other Technical Reserves’ (Note 20).

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Life mathematical reserves

Life mathematical reserves comprise actuarial mathematical reserves and life profit share reserves and represent the Company’s total liability to the policyholders in the life branch.

Mathematical Reserves has been calculated with the tariffs approved by the Treasury in the current period of the policies and applicable methods and assumptions specified in the profit share technical principles (Note 20).

d. Subrogation and salvage income

Within the framework of the Treasury and Finance Ministry’s Office of Republic of Turkey. Circular relating to Subrogation and salvage income No. 2015/6, dated February 10, 2015; as of September 30, 2022, the Company recognizes receivables from salvage and subrogation on an accrual basis up to coverage limit of debtor insurance company, on conditions that following the payment of claim, the Company receives the acquaintance or document agreed on payment from individuals and notification is made to individuals or insurance company. However, a doubtful receivables provision for these receivables is accounted under ‘Provisions for Doubtful Receivables from Main Operations’ in case where related amounts are not collected from insurance companies after six months and from individuals after four months following the payment of claim Accordingly, accrued receivables from salvage and subrogation and doubtful receivables provision for salvage and subrogation as of September 30, 2022 are TRY 97,680,695 (December 31, 2021: TRY 81,361,121) and TRY 40,748,136 (December 31, 2021: TRY 12,256,993) respectively (Note 12.1).The amounts of the net salvage and subrogation income which are collected and the accrued income amounts from salvage and subrogation receivables for the claims paid by the Company are as follows:

	30 September 2022					
	Collection			Accrual		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Motor Own Damage	363.495.857	(850)	363.495.007	74.242.886	-	74.242.886
Motor Crafts Liability	37.813.229	(1.733.114)	36.080.115	20.933.982	(1.746.336)	19.187.646
Fire and Natural Disaster	5.553.657	(2.411.578)	3.142.079	3.515.730	(1.350.930)	2.164.800
Transportation	9.599.831	(6.606.315)	2.993.516	3.230.624	(1.303.129)	1.927.495
General Losses	1.590.037	(1.270.422)	319.615	669.429	(551.379)	118.050
Legal Protection	43.000	-	43.000	-	-	-
Water Crafts	497.163	(285.629)	211.534	199.696	(184.659)	15.037
Accident	11.938	-	11.938	-	-	-
General Liability	70.906	(64.413)	6.493	47.857	(30.508)	17.349
Suretyship	32.587	(10.185)	22.402	7.432	-	7.432
Total	418.708.205	(12.382.506)	406.325.699	102.847.636	(5.166.941)	97.680.695

	31 December 2021					
	Collection			Accrual		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Motor Own Damage	336.626.079	(1.083)	336.624.996	62.612.250	-	62.612.250
Motor Crafts Liability	26.440.317	(2.061.795)	24.378.522	12.922.064	(731.653)	12.190.411
Fire and Natural Disaster	8.850.693	(3.838.261)	5.012.432	9.984.753	(3.666.725)	6.318.028
Transportation	5.804.992	(2.907.445)	2.897.547	542.649	(403.234)	139.415
General Liability	118.536	(90.082)	28.454	28.058	(20.657)	7.401
General Losses	899.406	(794.634)	104.772	595.480	(524.297)	71.183
Water Crafts	205.707	(101.764)	103.943	2.500	(1.000)	1.500
Suretyship	37.374	(15.682)	21.692	63.443	(42.510)	20.933
Legal Protection	5.695	-	5.695	-	-	-
Financial Losses	522.142	(512.298)	9.844	-	-	-
Total	379.510.941	(10.323.044)	369.187.897	86.751.197	(5.390.076)	81.361.121

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

f. Premium Income and Claims

Premium income represents premiums on policies written during the year. Unearned premium reserves are determined from premiums written during the year on a daily basis.

Claims are recognized as expense as they are paid. Outstanding claims provision is provided for both reported unpaid claims at period-end and incurred but not reported claims. Reinsurer's shares of claims paid and outstanding loss provisions are off-set against these reserves.

g. Receivables from Insurance Operations

In the financial statements prepared as of September 30, 2022, pursuant to the "Circular on Recourse and Salvage Incomes" dated February 10, 2015, and numbered 2015/6 published by the Ministry of Treasury and Finance, the Company has made the compensation payment and the insured has received a certificate of release or payment and the counter insurance company or third parties are notified, recourse receivables up to the coverage limit of the debtor insurance company are accrued. In case the said amount cannot be collected from the insurance company within six months following the compensation payment or from third parties within four months, a provision for these receivables is set aside and shown in the Provision for Receivables from Insurance Activities account in the balance sheet.

Company provided provision for doubtful receivables by taking the nature and the value of the receivable into account. As of September 30, 2022, the Company has provided provision for the doubtful receivables under legal and management follow up in the account of 'Provision for doubtful receivables from insurance operations' amounting to TRY 24,542,293 (December 31, 2021: TRY 24,270,406) provision for the overdue receivables which are not under legal follow up in the account of 'Provision for doubtful receivables from main operations' amounting to TRY 51,156,207 (December 31, 2021: TRY 19,642,726). Furthermore, provision is accounted for the retention of claim recovery transactions under legal follow up amounting to TRY 286,908,561 (December 31, 2021: TRY 205,201,746) and it has been accounted in 'Provision for doubtful receivables from main operations' account (Note 12).

h. Earning per Share

Earnings per share presented in the statement of income is calculated by dividing the net profit into the weighted average number of the outstanding shares throughout the financial year.

Companies in Turkey can increase their capital by distributing 'bonus shares' to shareholders from the prior periods' profit. Such 'bonus share' distributions are considered as issued shares in the earnings per share calculations. Accordingly, weighted average number of equity shares used in the calculations is calculated by considering the retrospective effects of share distributions

i. Subsequent Events

Subsequent events cover the events between the balance sheet date and the issuance of the financial statements, even if they are occurred subsequent to the disclosures made on profit or other selected financial information.

The Company adjusts its financial statements in the occurrence of any subsequent events (Note 46).

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

i. Provisions, Contingent Liabilities and Assets

If there is an existing obligation arising from past events, it is probable that the obligation will be fulfilled and the amount in question is reliably predictable, a provision is made in the financial statements.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, considering the risks and uncertainties surrounding the obligation. If provision is measured using the cash flows estimated to settle the present obligation, its carrying amount will be equal to the present value of such cash flows.

In cases where some or all of the economic benefits required to pay the provision are expected to be met by third parties, the amount to be collected is recognized as an asset if the collection of the relevant amount is almost certain and can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 23.2).

j. Accounting Policies, Changes and Misstatements on Accounting Estimates

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated. If the changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to the future periods, they are applied prospectively both in the period of change and in the future period.

k. Corporate Taxation and Deferred Tax

Income tax expense represents the sum of the current tax payable and deferred tax expense.

Corporate Tax

Corporation tax is payable at a rate of 25% on the total income of the Company and its Subsidiaries registered in Turkey in 2022 (2021: 25%) after adjusting for certain disallowable expenses, exempt income and investment and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution thus does not incur withholding tax and no stoppage is applied.

Corporations are required to pay advance corporation tax quarterly at the rate of 25% on their corporate income. Advance Tax is declared by 17th of the second month following and payable by the 17th of the second month following each calendar quarter end. Advance Tax paid by corporations is credited against the annual Corporation Tax liability.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

The affiliate shares stocked for minimum 2 years and the 50% of the profit obtained from the property sales are considered as tax exemptions in such condition that the amount is added onto capital as restated in Corporate Tax Law or the amount is kept in equity for 5 years.

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, Law No. It was enacted with the number 7352 and it was decided that the financial statements will not be subject to inflation adjustment, regardless of whether the conditions for the inflation adjustment within the scope of the Repetitive Article 298 are fulfilled in the 2021 and 2022 accounting periods and the 2023 accounting period, including the temporary accounting periods. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are determined using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The asset and liabilities are not recognized if the temporary difference related to the transaction that does not affect the commercial or financial profit / loss is due to the first time the goodwill or other assets and liabilities are included in the financial statements (other than business combinations).

Except the conditions that the Company can control its temporary differences removal and when the possibility of that removal is very low, deferred tax liabilities are accounted for all of the taxable temporary differences that are related with the rates in partnerships and investments in subsidiaries and participations. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.1 Basis of Preparation of Financial Statements and Specific Accounting Policies Used (Continued)

Regarding the tax regulations of the Law No. 7394 and with the regulation numbered 7394, that published in the Official Gazette dated April 15, 2022 the corporate tax rate has been determined to be applied as 25% for 2022 corporate earnings and 25% for 2022 corporate earnings. Within the scope of the mentioned law, deferred tax assets and liabilities in the financial statements dated 30 September 2022 are calculated with the rate of 25%, 25% for what realizable in 2022, 20% for the following years for the deferred tax assets consisting of deductible temporary differences, taking into account the time intervals in which the mentioned differences will be realized by generating taxable profit in the future. (December 31, 2021: The Corporate tax rate of the Law No. 7316, published in the Official Gazette dated April 22, 2021 and numbered 31462, has been determined to be 25% for 2021 corporate earnings and 23% for 2022 corporate earnings. , In the financial statements as of 31 December 2021, deferred tax assets and liabilities, deferred tax assets consisting of deductible temporary differences, will be realized in the future by generating taxable profits, taking into account the time intervals in which the said differences will occur, 23% for those that will occur in 2022, and 20% in the following years. calculated with).

As of September 30, 2022, the Company has booked the deferred tax assets in amounting to TRY 232,343,316 (December 31, 2021: TRY 47,368,754). TRY 30,179,912 of the deferred tax asset has been allocated over the current period financial loss. The Company management is in the opinion that the Company is able to make sufficient taxable income based on the business plans and projections therefore the Company foresees no indicator of any concern regarding its recoverability of deferred tax assets as of 30 September 2022.

Income tax withholding

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% until it is altered by the Council of Ministers. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

2.1.2 Other related accounting policies for the understanding of financial statements

All accounting policies are explained in Note 2.1.1 ‘Basis of Preparation of Financial Statements and Specific Accounting Policies Used’.

2.1.3 Functional currency

The Company’s financial statements are expressed in TRY, which is the functional and presentation currency of the Company.

2.1.4 Rounding degree used in the financial statements

All the balances presented in the financial statements are expressed in full in Turkish Lira (TRY) and rounded to the closest whole number.

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2. Summary of the Accounting Policies (Continued)

2.1 Basis of Preparation (Continued)

2.1.5 New and Revised International Financial Reporting Standards

New and revised standards and comments

Turkey Financial Reporting Standards (TFRS) financial statements are register changes in the standards and comments should be as follow in the notes:

a) Standards, amendments, and interpretations applicable as of 30 September 2022:

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective from annual periods beginning on or after 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 from annual periods beginning on or after 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.
- **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.
- **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’.

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2. Summary of the Accounting Policies (Continued)

2.2 Consolidation

b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2022:

- **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.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective 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.

2.2 Consolidation

In the Official Gazette dated December 31, 2008, and numbered 27097 by the Ministry of Treasury and Finance published “Consolidated Financial Statements of Insurance and Reinsurance Companies and Pension Companies Communiqué on the Arrangement of the Tables” (“Consolidation Communiqué”) and insurance, reinsurance and pension companies; publishing consolidated financial statements as of March 31, 2009 it is desired. In this context, the consolidated financial statements are prepared by the Ministry of Treasury and Finance in accordance with the relevant in parallel with the regulations, it is prepared separately from the unconsolidated financial statements, and it is published. Ministry of Treasury and Finance dated August 12, 2008, No. 2008/37 "Subsidiary of Insurance and Reinsurance and Pension Companies, Jointly Controlled Partnership and the Sector Related to the Reflection of Investments in Subsidiaries in Their Individual Financial Statements In the "Announcement", during the preparation of the individual financial statements, the subsidiary is jointly controlled by TAS 27 – Consolidated and Individual Financial Statements of investments in partnerships and subsidiaries according to the cost method specified in the standard or TAS 39 - Financial Instruments: Accounting and It is stated that it is possible to be accounted for in accordance with the measurement standard. Promise in parallel with the related announcements, the Company consolidated its subsidiary as of the reporting period by allocating provisions related to impairment, if any, in the non-financial statements, it is accounted for according to the cost method.

2.3 Segment Reporting

Reporting segments are determined to conform to the reporting made to the Company’s chief operating decision maker. The chief operating decision maker is responsible for making decisions about resources to be allocated to the segment and assess its performance. Details related to the segment reporting are disclosed in the Note 5. The competent authority for decision-making is responsible for making decisions on the resources to be allocated to the department and for evaluating the performance of the department. Details of segment reporting are explained in Note 5.

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2.4 Discontinued Operations

The Company does not have any discontinued or disposed operations as of September 30, 2022, and December 31, 2021.

2.5 Foreign Currency Translation

The Company’s functional currency is Turkish Lira (‘TRY’). In preparing the financial statements of the Company, transactions in currencies other than TRY (foreign currencies) are recognized at exchange rates prevailing at the transaction date. At each balance sheet date, monetary items denominated in foreign currencies are retranslated to Turkish Lira at the rates prevailing on the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated to Turkish Lira at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

Foreign exchange differences arising from the translation of non-monetary financial assets and liabilities are considered as part of the fair value changes and those differences are accounted for in the accounts in which the fair value changes.

2.6 Tangible assets

Tangible assets are carried at cost, less any accumulated depreciation and impairment loss.

Assets held for use in the construction, or for leasing, administrative or any other purposes are carried at cost, less any impairment. Legal charges are also added to costs. For assets that need substantial time to be ready for use or sale, borrowing costs are capitalized based on the Company’s accounting policy.

Such assets are depreciated, on the same basis used for other fixed assets, when they are ready to use.

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2. Summary of the Accounting Policies (Continued)

2.6 Tangible Assets (Continued)

Assets held for use in the construction, or for leasing, administrative or any other purposes are carried at cost, less any impairment. Legal charges are also added to costs. For assets that need substantial time to be ready for use or sale, borrowing costs are capitalized based on the Company’s accounting policy.

Assets acquired under finance lease are depreciated as the same basis as tangible assets or, were shorter, the term of the relevant lease.

Gain or loss arising on the disposal or retirement of an item of tangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized to profit or loss.

Depreciation periods for tangible assets are presented in the table below:

	Useful Life
Properties	50 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Other intangible assets	5 years

Right of Use Asset

Right-of-use asset is accounted for initially using the cost method and is measured at its cost adjusted for the re-measurement of the lease liability and less any accumulated depreciation and accumulated impairment losses. The Company applies the depreciation provisions in the TAS 16 Tangible Fixed Assets standard while depreciating the right of use asset.

Lease Liability

Company recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of September 30, 2022. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on September 30, 2022, was 20% for local currency liabilities (December 31, 2021: 20%).

2.7 Investment Properties

Investment property is held to earn rentals and/or for capital appreciation is carried at cost less accumulated depreciation and any accumulated impairment losses.

Real estate’s held under finance lease are classified as investment properties.

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2. Summary of the Accounting Policies (Continued)

2.8 Intangible Assets

Intangible assets acquired

Intangible assets acquired are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Acquired computer software licenses are capitalized based on the costs incurred from the date of acquisition to the date to bring the specific software in use. These costs are capitalized under intangible advances account and amortized over their estimated useful lives (1 to 10 years).

Costs associated with developing or maintaining computer software programs are recognized as expense as incurred. Costs that are directly associated with the development of identifiable and unique software products that are controlled by the Company and will probably provide more economic benefits than costs in one year are recognized as intangible assets. Costs include software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets from the date that the assets become to provide economic benefit are amortized over their estimated 5 years useful lives.

2.9 Financial Assets

Investments, other than those that are classified as financial assets at fair value through profit and loss, are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Investments are recognized and derecognized on a trade date, where the purchase or sale of an investment under a contract, whose terms require delivery of the investment within the timeframe established by the market concerned.

Financial assets are classified into the following specified categories: financial assets as ‘available-for-sale’ (AFS) financial assets, ‘financial assets at fair value through profit and loss’ and ‘loans and receivables.’

Effective interest method

Effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Held for trading financial assets

Financial assets that are measured at fair value by the Company and associated with the income statement are classified under financial assets held for trading in the financial statements.

Financial assets measured at fair value and associated with the income statement are obtained for the purpose of gaining profit from the fluctuations in price and similar factors that occur in the market in the short term, or regardless of the reason for obtaining them, financial assets in a short term profit portfolio and measured at fair value by the Company are classified in this category during the purchase.

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2. Summary of the Accounting Policies (Continued)

2.9 Financial Assets (Continued)

Financial assets at fair value through profit or loss are initially measured at fair value and are subsequently remeasured at their fair values. Gains and losses arising from the valuation are included in the income statement (Note 11).

Available-for-sale financial assets

Available-for-sale financial assets are measured at subsequent reporting dates at fair value except available-for-sale investments that do not have quoted prices in an active market and their fair values cannot be reliably measured are stated at cost and restated to the equivalent purchasing power. Gains and losses arising from available-for-sale financial assets are included in profit or loss for the period. Changes in the fair value of such these assets are recognized in the equity. When the related asset is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.

Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Held-to-maturity financial assets

Held-to-maturity financial assets are intended to be held until their maturities and including ability to funding, provided the circumstances to be held to maturity, with fixed or determinable payments and with fixed maturity, and apart from loans and receivables, when recognized, not recognized as financial assets at fair value through profit or loss and not available for sale financial assets. These financial assets initially recognized at the acquisition cost and is considered fair value. The fair value of held-to-maturity financial assets is determined on transaction cost of these financial assets or market price of similar financial instruments. Held-to-maturity financial assets are carried at amortized cost. Contribution income related to held-to-maturity financial assets is reflected in the income statement.

The Company does not allocate any impairment on short-term market fluctuations, provided that there is no risk of collection of the securities representing the borrowings classified as held-to-maturity financial assets. If there is a risk of collection, the amount of the impairment is the difference between the book value of the financial asset and the value of the cash flows expected from the financial asset, if any, amortized based on the original effective rate of return.

As of September 30,2022, the Company has TRY 1,303,617,788 of financial assets under held-to-maturity investment account (December 31, 2021: TRY 1,737,608,467).

Financial Assets at Insured’s Risk

Such assets are classified as available for sale and held to maturity financial assets. Available for sale financial assets are carried at fair value and revaluation difference arising from amortized cost is recognized under the statement of income. Also, 5% of the difference in between the fair value and amortized cost is recognized under equity and 95% of insurance technical reserves that are attributable to insures are recognized in the Insurance Technical Reserves - Life Mathematical Reserves account. Assets that are not carried at fair value are carried at amortized cost using the effective interest rate method.

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2. Summary of the Accounting Policies (Continued)

2.9 Financial Assets (Continued)

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

2.10 Investment Properties

Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate, that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that are impaired, are reviewed for possible reversal of the impairment at each reporting date.

Impairment of financial assets

The Company assesses its financial assets, other than those at FVTPL, at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as held-to-maturity, available-for-sale or loans and receivables is impaired.

A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

For loans and receivables, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Except for AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For AFS equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

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2. Summary of the Accounting Policies (Continued)

2.11 Derivative Financial Instruments

The Company uses foreign currency swap and option contracts, the Company uses end of period market exchange rates and interest rates to calculate market value of foreign exchange swap contracts. As of September 30, 2022, there is a registered financial asset amounting to TRY 14,000,000 which costed to TRY 15,378,112. (December 31, 2021: cost total TRY 106,043,552, TRY 56,191,607 registered swaps)

As of September 30, 2022, the Company has accounted for ‘Expense Accruals’ amounting TRY 1,378,112 arising from the valuation of derivative instruments held by the Company in ‘Income Accruals’ account. (December 31, 2021: TRY 49,851,945 ‘Expense Accruals’).

2.12 Offsetting Financial Instruments

Financial assets and liabilities are offset only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or when the acquisition of the asset and the settlement the liability take place simultaneously.

2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments, which have maturities with three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. (Note 14.)

2.14 Share Capital

As of September 30, 2022, the Company’s nominal capital is TRY 612,000,000 (December 31, 2021: TRY 306,000,000). Share capital is represented by 30,600,000,000 of equity shares having a nominal amount of TRY 0.01 each. The share capital structure of the Company is as follows:

	30 September 2022		31 December 2021	
	Rate %	Amount TRY	Rate %	Amount TRY
Hacı 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
Other	28.00	171,360,000	28.00	85,680,000
	100.00	612,000,000	100.00	306,000,000

Agreement about the sale of 50% of 18,965,880,200 units of Aksigorta A.Ş. shares with TRY 189,658,802 nominal value that belong to H.Ö. Sabancı Holding (‘Holding’) portfolio was signed with Ageas Insurance International N.V. at February 18, 2011. At the date of July 29, 2011, 9,482,940,100 units of Aksigorta A.Ş. shares that correspond to 50% of the Holding’s portfolio have been transferred to Ageas Insurance International N.V. with the sale price (excluding the corrections) of USD 220,029,000.

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 15 June 2000 upon the permission no: 67/1039 granted by the Capital Markets Board.

Associated with the decision of the Capital Markets Board dated March 17, 2022 and numbered 13/426, of the issued capital of the Company with a nominal value of TRY 306,000,000 within the registered capital ceiling of TRY 750,000,000, TRY 90,989,327 will be from the Sales Profits to be Added to the Capital account and TRY 215,010,673 will be from the Extraordinary Reserves account. It has been increased to TRY 612,000,000 with a total nominal value of TRY 306,000,000, 100% covered by internal resources.

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2. Summary of the Accounting Policies (Continued)

2.14 Share Capital (Continued)

The Company decided to increase its current capital from TRY 612,000,000 to TRY 1,612,000,000 with a nominal value of TRY 1,000,000,000, and to increase the current registered capital ceiling amount from TRY 750,000,000 to TRY 3,000,000,000 by the Board of Directors Decision no. It was approved at the Extraordinary General Assembly dated 4 August 2022 and an application was made to the Capital Markets Board on 5 August 2022 regarding the related capital increase. On October 20, 2022, the Capital Markets Board approved the capital increase with price.

Based on the decision of the General Assembly in the world on 04 August 2022, the central capital. After the decision to increase, Hacı Ömer Sabancı Holding A.Ş. and Ageas Insurance International N.V. A total of 720,000,000 TL of cash capital has been paid, based on the payment rates, by Turkey being able to be followed in time until it is registered in the Trade Registry Gazette for this purpose, these amounts are followed in the Account Pending Registration.

More extensive details related to the company capital are disclosed in the Note 15.and 46

2.15 Insurance and Investment Contracts - Classification

Insurance Contracts

Insurance contracts are contracts in which one part accepts a significant insurance risk and pays compensation (insurer) to the other part (insure) when any uncertain case affects the insure. The Company makes reinsurance agreements in which the Company (ceding company) is compensated by the insurer (reinsurer company) for one or more claims. Insurance contracts entered into by the Company under which the contract holder is another insurer (reinsurance) are included with insurance contracts.

Insurance and reinsurance contracts of the Company are included in classification of Insurance contracts.

Insurance contracts are accounted when the insurance risk is transferred and classified as an insurance contract as of the maturity date and/or amortization of all contractual rights and liabilities.

Investment Contracts:

The accumulation component present in some life insurance contracts is measured by the Company on a separate basis; On the other hand, as the accounting policies require the recognition of rights and obligations related with the accumulation component, regardless of the measurement principles, the insurance and investment components are not decomposed.

Reinsurance Agreements:

Reinsurance agreements are the agreements agreed by the Company and reinsurance company for the loss which may occur in one or more insurance agreements signed by the Company, and those meet all conditions to be classified as insurance contract and those whose costs are paid.

The Company has excess of loss, surplus and quota share treaty agreements in related branches. In the context of excess of loss agreements, the ceded premiums are accounted for on accrual basis over the related period. The ceded premiums and claims of other agreements are accounted on the basis of the income and loss from related insurance contracts.

The Company has surplus reinsurance agreement in fire, marine, engineering and other accident branches. Besides, The Company has excess of loss agreements in fire, marine and engineering branches. The Company continues to be exposed to the insurance risk under the insurance contracts whereas the liability of the reinsurer ceases by the end of the agreement period.

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2. Summary of the Accounting Policies (Continued)

2.15 Insurance and Investment Contracts – Classification (Continued)

Company has annual proportional quota-share reinsurance agreement for third person liability, electronic equipment, personal accident, health, professional liability, machinery breakdown and bus compulsory chair branches. Mentioned reinsurance agreements, the reinsurer's liability continues even after expiration of the agreement in the run-off agreements. Catastrophic excess of loss re-insurance agreement, natural disasters such as flood and earthquake is also protected in these branches. In addition, the Company has facultative reinsurance agreements signed separately for certain risks based on certain policies.

Premiums Transferred to Social Security Institution

The collection and settlement of expenses with respect to the medical care related services provided to the injured people due to the traffic accidents have been regulated by Article 98 of Road Traffic Act numbered 2918 altered by Article 59 of ‘The Law on Restructuring of Some Receivables and Changes in Social Security and General Insurance Law and Other Laws and Law Decrees’ (the ‘Law’) numbered 6111 and dated February 25, 2011. In this context, all the traffic accident-related medical care services provided by any public or private health institution will be covered by Social Security Institution (‘SSI’) regardless of social security status of the injured. Besides, in accordance with the temporary Article 1 of the Law, all of the expenses with respect to the traffic accident-related medical care services provided before enforcement of the Law, will also be covered by SSI.

The liability of the insurance companies with respect to the service costs to be incurred in the context of abovementioned articles has been determined in accordance with the provisions of ‘The Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents’ dated August 27, 2011 (‘The Regulation’), ‘The Communiqué on the Principles of the Implementation of the Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents’ dated September 15, 2011 and numbered 2011/17 (the ‘Communiqué numbered 2011/17’) and ‘The Communiqué on the Accounting of Payments to Social Security Institution (‘SSI’) with respect to Treatment Expenses and Introduction of New Account Codes to Insurance Account Chart’ dated. October 17, 2011 (the ‘Communiqué numbered 2011/18’), the regulation (the ‘Communique numbered 2012/3’) making changes in ‘The Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents’ dated March 16, 2012 and numbered 2012/3 and the communique about changes related ‘the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents’ dated April 30, 2012 and numbered 2012/6 (Note 2.24) (the ‘Communique numbered 2012/6’). Within this framework, the Group is required to cede a certain amount of premiums to be determined in accordance with the Regulation and the Communiqué numbered 2011/17 to SSI in relation to policies issued as of February 25, 2011 the notice numbered 2012/3 and the communiqué numbered 2012/6 in ‘Compulsory Transportation’, ‘Compulsory Traffic’ and ‘Compulsory Motor Personal Accident’ branches regarding the expenses with respect to the traffic accident related medical care services provided after enforcement of the Law.

Based on the aforementioned regulations, the Company has calculated the amount of the premiums to be ceded to SSI in January 1 - September 30, 2022 accounting period as TRY 185,995,534 (January 1 - September 30, 2021: TRY 123,941,342) and unearned premium reserve amounting to TRY 27,039,933, (January 1 - September 30, 2021: TRY 5,502,891) for the period ended as of January 1 - December 31, 2021; classified under the accounts of ‘Premiums ceded to SSI’ and ‘Change in SSI share of Unearned Premiums Reserve’, respectively (Note 20).

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2. Summary of the Accounting Policies (Continued)

2.15 Insurance and Investment Contracts – Classification (Continued)

In the Board of Directors meeting of The Association of the Insurance and Reinsurance Companies of Turkey dated September 22, 2011, and numbered 18, it was decided to appeal Council of State for the ‘suspense of execution’ and ‘cancellation’ of the Regulation and the Communiqué numbered 2011/17; and the cancellation of related provisions of the Law as being contradictory to the Constitution. The legal procedures are in progress as of the date of the preparation of the financial statements.

Premium ceded to Turkish Motor Insurers’ Bureau

The Pool of Higher Risk Policies (‘The Pool’) was established by Treasury and Finance Ministry in accordance with ‘the Regulation Regarding Change in the Regulation on Tariff Application Principals of Motor Liability Insurance’ issued on the Official Gazette dated July 11, 2017 and numbered 30121 for the vehicle groups and/or steps what have high damage frequency valid for written motor liability policies after April 12, 2017. In accordance with the Higher Risk Policies Operating Principals that is effectuated with aforementioned regulation, Turkey Motor Insurance Bureau (‘TMIB’) makes two-step calculations premiums and claims of motor liability policies which are subject to the Pool.

Hereunder, 50% of premiums and claims is apportioned between insurance companies equally and the other 50% is apportioned according to insurance companies' share of motor liability premiums in last 3 years.

In accordance with the Higher Risk Policies Operating Principals issued by TMIB on August 15, 2017; 76% of total premiums net of deductions to be received from the insured, on policies issued after July 11, 2017, which are subject to the Pool, will be ceded to the Pool.

With the amendment made in the Regulation on the Principles of Tariff Application in Compulsory Liability of Highways Motor Vehicles Insurances published in the Official Gazette dated 6 June 2021, the premium to be transferred to the pool for the policies to be transferred to the pool will be transferred to the pool at the rate of 74% after deducting the deductions made from the insured from the premiums determined in the Regulation.

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2. Summary of the Accounting Policies (Continued)

2.15 Insurance and Investment Contracts - Classification (Continued)

Premium ceded to Turkish Motor Insurers’ Bureau (Continued)

The Company has recorded the amounts of premiums, claims and commissions paid to the Pool under the regulation and taken over from the Pool within the scope of the Company's share, taking into account the monthly receipts finalized by the TMTB as of September 30, 2022. As at September 30, 2022, the Company accounted TRY 327,612,051 premium ceded to the Pool and TRY 214,006,738 paid claim; and TRY 1,733,115 subrogation income TRY 202,127,037 premium which is reported as Company share from the pool, TRY 131,370,060 claims paid, TRY 1,861,353 recourse and TRY 2,668,833 salvage are accounted in accordance with the related legislation.

2.16 Insurance and Investment Contracts with Discretionary Participation Features

None (December 31, 2021: None).

2.17 Investment Contracts without Discretionary Participation Features

None (December 31, 2021: None).

2.18 Borrowings

As of 30 September 2022, the Company's one-year maturity credit amount of TRY 68,500,000 and total interest of 17,410,416 TL used on 27 January 2022 and a one-year maturity credit of TRY 100,000,000 a total interest of TRY 11,200,000 on 10 May 2022 and one-year maturity credit of TRY 167,000,000 a total interest of TRY 751,500 on 30 September 2022. In addition a one-day and interest-free loan amounting to TRY 21,000,000 (December 31, 2021: TRY 16,177,847) and is classified in the "Due to Credit Institutions (Liabilities)" account).

2.19 Employee Benefits

The Company accounts for its liability related to employment termination and vacation benefits according to “Turkish Accounting Standards Regarding Employee Benefits” (“TAS 19”) and classifies in balance sheet under the account “Provision of Employment Termination Benefits”.

According to the Turkish Labor Law, the Company is required to pay termination benefits to each employee whose jobs are terminated except for the reasons such as resignation, retirement and attitudes determined in Labor Law. The provision for employment termination benefits is calculated over present value of the possible liability in scope with the Labor Law by considering determined actuarial estimates (Note 22).

2.20 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured over expenditures expected to be required to settle the obligation by considering the risks and uncertainties related to the obligation at the balance sheet date. When the provision is measured by using the estimated cash outflows that are required to settle the obligation, the carrying value of the provision is equal to present value of the related cash outflows.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized as an asset if and only it is virtually certain that reimbursement will be received and the reimbursement can be reliably estimated.

Liabilities that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity are classified as contingent liabilities and not included in the non-consolidated financial statements (Note 23).

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2. Summary of the Accounting Policies (Continued)

2.21 Revenue Recognition

Written Premium Commission

Written premiums represent premiums on policies written during the year, net of cancellations. Premium income is recognized in the financial statements on accrual basis by allocating the unearned premium provision over written premiums.

Commission income received in relation to ceded premiums to reinsurance companies is accrued in the related period and classified in technical part under operating expenses in the income statement.

The part of paid amounts to the assistance services which hit the following periods are deferred in accordance with the Technical Provisions Regulation numbered 27655 and dated July 28, 2010.

Interest income and expense

Interest income and expenses are accounted on an accrual basis in the related period’s profit/loss. Interest income includes income gains from the coupons of the fixed return investment instruments and valuation of discounted government bonds based on internal rate of return method.

Dividend income

Dividend income from the equity share investments are recognized when the shareholder has the right to receive dividends.

2.22 Profit Share Distribution

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the Company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

The excess portion of the inflation adjustment of the general reserves including prior year losses and profits, share premiums and shareholders’ equity excluding capital is considered in the calculation of the net distributable profit.

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2. Summary of the Accounting Policies (Continued)**2.23 Related parties**

Parties are considered related to the Company if;

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity or
 - iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting.

If the reporting Company or a parent company of the reporting Company is a member of the key management personnel.

2.24 Foreign currency transactions

Transactions are recorded in TRY, which represents the Company’s functional currency. Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are converted into TRY at the exchange rates ruling at the reporting date with the resulting exchange differences recognized in the statement of profit or loss as foreign exchange gains or losses.

As of the balance sheet date, foreign currency receivables are valued at the Central Bank of the Republic of Turkey (“CBRT”) foreign exchange buying rates, and foreign currency debts are valued at the CBRT's foreign exchange selling rates. (31 December 2021: Foreign currency assets and liabilities are converted by using period end exchange rates of Central Bank of the Republic of Turkey’s bid rates. For the conversion of liabilities the exchange rate stated at the contract is used.)

The Central Bank of the Republic of Turkey exchange rates used in the conversion is as follows:

	30 September 2022		31 December 2021	
	USD/ TRY	EUR/ TRY	USD/ TRY	EUR/ TRY
Buying rate	18,5187	18,1395	13,3290	15,0867
Selling rate	18,5521	18,1722	13,3530	15,1139
Currency effective selling rate	18,5799	18,1995	13,3731	15,1365

3. Significant Accounting Estimates and Requirements

Preparation of financial statements requires the use of assumptions and estimates that might affect the amounts of assets and liabilities reported as of balance sheet date, explanation of the conditional assets and liabilities and amounts of the income and expenses reported throughout the accounting period. Accounting evaluations, estimates and assumptions are evaluated taking into consideration past experience, other factors, current conditions, and reasonable expectations for future events. Such evaluations and estimates might differ from actual consequences, even though they are based on the best knowledge of the management about current events and transactions.

One of the most important accounting estimates for the Company is to estimate the final net liabilities relating to the expenses to arise from the effective policies. As per its nature, estimating liabilities regarding the insurance business includes the evaluation of many uncertainties.

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4. Insurance and Financial Risk Management

4.1 Insurance Risk

4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks

Insurance risk is the probability of risk exposure that is covered under any insurance contracts and the uncertainty of the magnitude of the claims in relation to the risk exposed. Due to the nature of insurance transactions, risks are incidental and hard to anticipate. Maximum risk that the Company bears is limited to the coverage amount specified in the insurance contract.

The Company has adopted central risk assessment policy and this policy is applied in relation to the Company’s specified operations and limitations. Principally, in risk assessment, potential claims are measured based on the past experience, similar risk comparisons and risks in relation to production process. Location, geographical area, field of activity and fire and theft measures are also key issues used in the assessment of the insured risk.

4.1.1.1 Sensitivity to insurance risk

Information on insurance risk (before and after risk reduction through reinsurance),

The Company is managing its insurance risk by policy production strategies, reinsurance contracts and effective settlement and payment operations.

The Company’s policy production strategy follows an effective risk management in the policy production process considering the nature, extent, geographical area and accurate distribution of the risk incurred.

Reinsurance contracts include excess of loss (quota-share and excess loss) and catastrophic coverage. The Company can also enter into reinsurance contracts with facultative participation under its reinsurance program.

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4.1 Insurance Risk (Continued)

4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks (Continued)

Reinsurance Company Notification

2022		2021	
Reinsurance Company	Standard & Poor's Rating	Reinsurance Company	Standard & Poor's Rating
African Re	A-	African Re	A-
Ageas	A+	Ageas	A
American Agricultural	NR	American Agricultural	NR
Aspen	A-	Central Re	A
		China Property & Casualty	
AXIS Syndicate 1686	A+	Reinsurance (China Re P&C)	A
Best Meridian Insurance Company	NR	Covea Cooperations	AA-
Central Re	A	Dongbu Re (DB Insurance)	A
China Re P&C	A	EMC	NR
Coface	Fitch ; AA-	Everest Re	A+
Covea Cooperations	AA-	Hannover Rueck SE	AA-
Dongbu Re	A	HCC 4141	A+
EMC	NR	Korean Re	A
Everest Re	A+	Labuan Re	AA-
GIC	NR	Lib Synd Paris (4472)	A+
Hannover Re	AA-	Malaysian Re	NR
HCC International	A+	Mapfre Re	A+
HDI Global	A+	Milli Re	TR A+
IGI	A-	MS Amlin AG	A
Korean Re	A	Munich Re	AA-
Labuan Re	NR	New Re	AA-
Liberty Mutual	A	Odyssey Re	A-
Lloyd's of London	A+	Partner Re	A+
Malaysian Re	NR	QBE	A+
Mapfre Re	A+	R+V Versicherung AG (R+V Re)	AA-
Milli Re	trBBB-	Samsung Fire&Marine Re	AA-
MS Amlin AG	A	Sava Re	A
Munich Re	AA-	Scor	AA-
Odyssey Re	A	Shelter Re	NR
Partner Re	A+	Taiping Re	A
Polish Re	NR	Toa Re	A+
QBE	A+	Turk Re	NR
R+V Re	A+	Unipol Re	NR
Samsung Re	AA-	VHV Re	NR
Saudi Re	Moody's ; A3	VIG Re	A+
Sava Re	A		
Scor	AA-		
Shelter Re	NR		
Taiping Re	A		
Triglav Re	A		
Turk Re	NR		
Unipol Re	NR		
VHV Re	NR		
VIG Re	A+		

4.1.1.2 Insurance risk concentrations with explanations of how management identify risk concentrations and common features of each concentration (the nature of insurance, geographic region or currency)

Generally, the Company's insurance contracts include fire and natural disasters, marine, accident, motor vehicles, air crafts, watercrafts, general losses, motor vehicles liability, air crafts liability, general liability, financial losses, legal protection, illness/health and life branches. The Company's gross and net insurance risk concentrations (after reinsurance) in terms of insurance branches are summarized as below:

Total Claims Liability (*)	30 September 2022			31 December 2021		
	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability
Motor Crafts Liability	2.000.837.093	(75.174.713)	1.925.662.380	1.596.367.048	(49.179.230)	1.547.187.818
Fire and Natural						
Disaster	1.098.845.898	(997.436.889)	101.409.009	865.446.648	(789.401.844)	76.044.804
General Liability	1.094.100.827	(923.638.425)	170.462.402	910.796.681	(797.721.191)	113.075.490
General Losses	625.229.249	(588.797.223)	36.432.026	405.862.622	(390.025.781)	15.836.841
Motor Own Damage	320.519.934	(5.990.101)	314.529.833	187.900.366	(187.887.561)	12.805
Fidelity Guarantee	296.174.915	(291.257.982)	4.916.933	179.501.252	(176.144.778)	3.356.474
Air Crafts Liability	273.874.865	(273.856.438)	18.427	182.444.654	(1.616.082)	180.828.572
Transportation	230.642.692	(207.464.815)	23.177.877	122.543.844	(108.083.695)	14.460.149
Financial Losses	55.132.287	(47.557.563)	7.574.723	41.832.400	(34.333.762)	7.498.638
Watercrafts	52.107.195	(44.712.184)	7.395.011	23.407.823	(20.096.640)	3.311.183
Health	49.202.309	(40.944.230)	8.258.079	90.659.220	(87.950.427)	2.708.793
Air Crafts	13.364.501	(13.364.619)	(118)	6.942.632	(3.934.790)	3.007.842
Accident	6.004.423	(3.080.037)	2.924.386	3.113.694	(3.113.212)	482
Credit	1.289.073	(1.223.322)	65.751	9.940	(9.452)	488
Legal Protection	327.114	-	327.114	476.741	-	476.741
Life	141.689	-	141.689	144.293	-	144.293
Total	6.117.794.064	(3.514.498.541)	2.603.295.522	4,617,449,858	(2,649,498,445)	1,967,951,413

(*) Total claim liability includes all outstanding claims reserves and IBNR as of the balance sheet date.

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4.1 Insurance Risk (Continued)

4.1.1 Objective of managing risks arising from insurance contracts and policies used to minimize such risks (Continued)

4.1.1.3 Comparison of the incurred claims with past estimates (claim development process)

	30 September 2022			31 December 2021			
	Effect on Current Period (Net)	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability
Unpaid Claims	(542.135.162)	6.642.435.786	(4.744.836.122)	1.897.599.664	4.514.870.786	(3.159.406.284)	1.355.464.502
Discount Effect of Reported Claims	660.547.453	(3.027.443.241)	1.578.354.873	(1.449.088.368)	(1.609.512.032)	820.971.117	(788.540.915)
Discount to Be Applied to Claim Files in a Lawsuit	(782.062.517)	2.863.341.466	(553.458.022)	2.309.883.444	(275.565.265)	148.627.871	(126.937.394)
Claim Provisions (*)	28.303.513	(360.681.637)	205.440.730,00	(155.240.907)	1.987.512.076	(459.691.149)	1.527.820.927
Non-life Total	(635.346.713)	6.117.652.374	(3.514.498.541)	2.603.153.833	4.617.305.565	(2.649.498.445)	1.967.807.120
Life	2.604	141.689	-	141.689	144.293	-	144.293
Grand Total	(635.344.109)	6.117.794.063	(3.514.498.541)	2.603.295.522	4.617.449.858	(2.649.498.445)	1.967.951.413

Claim provisions include all additional provisions within unpaid claims in the total outstanding compensation provision in the balance sheet date.

Outstanding Claim Reserve:

	30 September 2022			30 September 2021		
	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability	Gross Total Claims Liability	Reinsurance Share of Total Claims Liability	Net Total Claims Liability
Beginning of the period - January 1	4.514.870.786	(3.159.406.284)	1.355.464.502	2.857.447.297	(2.020.542.066)	836.905.231
Opened in the period	6.645.646.823	(3.109.440.540)	3.536.206.283	3.645.649.573	(1.599.932.049)	2.045.717.524
Paid from current period (-)	(2.710.849.094)	914.406.421	(1.796.442.673)	(1.285.468.810)	399.790.077	(885.678.733)
Paid from previous periods (-)	(1.807.232.729)	609.604.281	(1.197.628.448)	(930.856.724)	289.503.159	(641.353.565)
Period end reported claims	6.642.435.786	(4.744.836.122)	1.897.599.664	4.286.771.336	(2.931.180.879)	1.355.590.457
Life	141.689	-	141.689	144.293	-	144.293
Reported claims discount effect	(3.027.443.241)	1.578.354.873	(1.449.088.368)	(762.378.426)	378.018.229	(384.360.197)
Discount to Be Applied to Claim Files in Lawsuit	(360.681.637)	205.440.730	(155.240.907)	(54.705.135)	32.974.805	(21.730.329)
Claims incurred but not reported	2.863.341.466	(553.458.022)	2.309.883.444	1.275.201.631	(391.178.147)	884.023.484
Total	6.117.794.063	(3.514.498.541)	2.603.295.522	4.745.033.699	(2.911.365.992)	1.833.667.708

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4. Insurance and Financial Risk Management (Continued)

4.1 Insurance Risk (Continued)

Claims development tables prepared in accordance with the Technical Provision Regulations which are used in the ACLM calculation are explained below:

Gross claim development table prepared on the principles of incurred claims by September 30, 2022

	1.10.2015 30.09.2016	1.10.2016 30.09.2017	1.10.2017 30.09.2018	1.10.2018 30.09.2019	1.10.2019 30.09.2020	1.10.2020 30.09.2021	1.10.2021 30.09.2022	Gross Claim
<i>Claim realized in the accident period</i>	774.300.100	1.303.880.772	1.403.265.675	2.195.883.119	1.814.162.537	3.099.444.648	5.619.365.276	16.210.302.127
<i>1 year later</i>	216.085.036	977.423.065	614.094.232	1.277.599.254	1.184.355.243	1.945.987.760	-	6.215.544.590
<i>2 year later</i>	323.832.199	624.190.509	302.565.989	880.581.549	991.601.195	-	-	3.122.771.441
<i>3 year later</i>	301.900.318	649.470.099	279.114.059	1.303.384.213	-	-	-	2.533.868.688
<i>4 year later</i>	380.511.120	687.331.221	328.357.989	-	-	-	-	1.396.200.330
<i>5 year later</i>	342.761.734	636.856.656	-	-	-	-	-	979.618.389
<i>6 year later</i>	352.183.879	-	-	-	-	-	-	352.183.879
TOTAL	2.691.574.386	4.879.152.321	2.927.397.944	5.657.448.135	3.990.118.975	5.045.432.408	5.619.365.276	30.810.489.445

Gross claim development table prepared on the principles of incurred claims by December 31, 2021:

	1.01.2015 31.12.2015	1.01.2016 31.12.2016	1.01.2017 31.12.2017	1.01.2018 31.12.2018	1.01.2019 31.12.2019	1.01.2020 31.12.2020	1.01.2021 31.12.2021	Gross Claim
<i>Claim realized in the accident period</i>	841.913.192	930.621.837	1.366.238.878	1.564.047.984	2.299.878.599	2.069.675.811	3.650.161.929	12.722.538.230
<i>1 year later</i>	216.699.946	420.934.178	793.577.616	606.370.322	939.075.198	1.228.917.800	-	4.205.575.060
<i>2 year later</i>	126.303.760	345.579.004	633.208.482	352.446.585	717.625.507	-	-	2.175.163.338
<i>3 year later</i>	110.917.361	344.631.786	602.343.699	671.792.643	-	-	-	1.729.685.489
<i>4 year later</i>	113.024.946	398.378.186	438.319.539	-	-	-	-	949.722.671
<i>5 year later</i>	120.467.564	342.136.413	-	-	-	-	-	462.603.977
<i>6 year later</i>	129.489.007	-	-	-	-	-	-	129.489.007
TOTAL	1.658.815.776	2.782.281.404	3.833.688.214	3.194.657.534	3.956.579.304	3.298.593.611	3.650.161.929	22.374.777.772

4.2 Financial Risk

4.2.1 Capital risk management and capital requirement

The Company's main purpose in capital management is to maintain its status as a revenue generating company of the group and to protect shareholder and corporate partners' benefits while sustaining the most effective capital structure in order to reduce capital costs.

In the calculations made by the Company in accordance with the "Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance and Pension Companies" published in the Official Gazette dated 19 January 2008 and numbered 26761 by the Ministry of Treasury and Finance; As of 30 June 2022, the Company's equity is estimated to be lower than the required equity. As of the reporting period, the minimum required equity capital of the Company has been determined as TRY 2,014,735,182 in the calculations made on 30 June 2022, the latest. In accordance with the provisions of the relevant regulation, the Company's equity amount accepted as of June 30, 2022 is TRY 1,356,873,403 less than the required equity amount calculated for the same period. The company submitted its plan to the Insurance and Private Pension Regulation and Supervision Agency on April 7, 2022, regarding the completion of the capital deficit resulting from the existing equity capital not meeting the required equity capital. As a result of the related correspondence, the Company decided to increase its current capital amounting to TRY 612,000,000 to TRY 1,612,000,000 by a total of TRY 1,000,000,000 to be fully paid in cash, pursuant to the resolution of the Board of Directors no. 3 dated 5 July 2022. The Company has applied to the Capital Markets Board for the capital increase on 5 August 2022. On October 20, 2022, the Capital Markets Board approved the capital increase with price.

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial risk factors

The Company is exposed to market risk (exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk due to its assets and liabilities and reinsurance assets and liabilities. The Company’s risk management generally focuses on minimizing the probable adverse effects of uncertainties in financial markets over the Company’s performance. The Company’s exposure to interest rate risk and credit risk in general is due to its financial investments and insurance receivables, respectively.

Market risk

The Company is exposed to market risk due to fluctuations in the exchange rates, interest rates and equity share prices.

Exchange rate risk

The Company’s foreign currency denominated assets and liabilities expose the Company to exchange rate risks. These risks are monitored by analysing exchange rate position. The details of the Company’s foreign currency denominated assets and liabilities as of September 30, 2022, and December 31, 2021 are presented in detail in Note 12.4.

Sensitivity to exchange rate risk

The Company’s sensitivity to a 10% increase/decrease in USD and Euro currencies are presented below. Sensitivity analysis only includes foreign currency denominated monetary assets outstanding at the end of period and indicates the effects of 10% changes in exchange rates. Positive value indicates an increase in profit/loss and other equity items.

	September 30, 2022		December 31, 2021	
	USD Effect	EUR Effect	USD Effect	EUR Effect
Profit/Loss Increase	3.618.380.216	61.270.546	77,402,719	14,712,825
Profit/Loss (Decrease)	(3.618.380.216)	(61.270.546)	(77,402,719)	(14,712,825)

Interest rate risk

The Company is required to manage its interest rate risks due to price fluctuations in its financial instruments arising from changes in interest rates. The main risk that the available-for-sale financial assets in the Company’s portfolio are exposed to is the losses that will occur as a result of changes in market interest rates and the decrease in the fair values of financial assets.

Interest rate sensitivity is the effect of changes in interest rates at the rates assumed below on the fair values of fixed income or discounted available-for-sale financial assets in the portfolio as of 30 September 2022 and 31 December 2021. During this analysis, other variables are assumed to be constant. The tax effects of these changes in the calculations are not taken into account.

Total	September 30 2022	December 31 2021
	Effect on profit and profit reserves	
Market interest rate increase / (decrease)		
+% 1	(70.744.946)	(20,883,394)
-% 1	84.073.146	24,600,613
Financial assets available for sale	Effect on profit and profit reserves	
Market interest rate increase / (decrease)		TL
+% 1	(70.744.946)	(20,883,394)
-% 1	84.073.146	24,600,613

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4. Insurance and Financial Risk Management (Continued)**4.2 Financial Risk (Continued)****4.2.2 Financial risk factors (Continued)*****Price risk***

The Company is exposed to price risk due to its available for sale financial assets. As of the reporting date, if data used in the valuation method is increased/decreased by 10% and all variables remain fixed, the Company’s sensitivity is as follows. The sensitivity of the Company for the price risk is arising from the available for sale financial assets as of September 30, 2022, and December 31, 2021.

Total	September 30, 2022	December 31, 2021
	Financial Assets	
Price increase / (decrease)		TRY
+%10	322.205.378	122,187,949
-%10	(322.205.378)	(122,187,949)

Credit risk

Credit risk is the risk that the debtor defaults on its obligations under the terms of the transaction. Credit risk is managed by setting out limits and providing guarantees for receivables from a specific party. Limits and guarantees are determined based on the assessment of the respective party’s financial ability and trading capacity. The Company is exposed to credit risk in Turkey because it mainly performs its operations in Turkey.

As of September 30, 2022, the Company has presented its receivables from insurance operations and guarantees received and provision for doubtful receivables in Note 12.1

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 fulfil its current and possible liabilities by allocating its funds.

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial risk factors (Continued)

Liquidity risk table

September 30, 2022	Up to 1 month	1 - 3 month	3 months-1 year	1 - 5 years	5 years and over	No maturity	Total
Cash and Cash Equivalents	1.211.485.884	102.427.883	290.746.987	-	-	117.474.473	1.722.135.227
Financial Assets Available for Sale	27.666.341	48.015.110	426.918.631	2.374.490.499	275.377.039	70.175.852	3.222.643.472
Financial Assets Held for Trading	-	-	-	-	-	1.073.014.261	1.073.014.261
Held-to-Maturity Financial Assets	-	147.910.072	506.504.947	609.270.009	39.932.760	-	1.303.617.788
Investments with Risks on Policy Holders	-	-	-	1.901.615	-	-	1.901.615
Receivables from Main Operations	-	-	-	-	-	-	0
Due from Related Parties	430.614.444,77	744.744.122,62	784.741.333	4.933.298,96	-	75.930.660,00	2.040.963.860
Other Receivables	17.384	-	-	-	-	-	17.384
Prepaid Expenses and Income Accruals	0	-	26.353.913	-	-	-	26.353.913
Total Assets	1.765.030.264	1.202.912.528	2.459.965.654	2.990.595.422	315.309.799	1.336.595.246	10.070.408.913
Financial Liabilities	21.000.000	-	380.232.652,00	11.789.252,00	-	-	413.021.904
Payables from Main Operations	86.676.976	173.353.951	81.649.041	29.659.477	-	1.020.263.384	1.391.602.829
Due to Related Parties	145.650	-	1.143	-	-	-	146.793
Other Payables	-	207.790.463	-	-	-	26.865.212,00	234.655.675
Insurance Technical Reserves	1.502.325.227	2.073.263.529	2.474.531.423	381.998.433	6.481.485	-	6.438.600.097
Taxes Payable and Similar Liabilities	-	97.194.467	-	-	-	-	97.194.467
Prepaid Expenses and Income Accruals	52.494.907	104.989.814	192.481.325	-	-	-	349.966.046
Long-term Insurance Technical Reserves	-	-	-	1.327.478	142.625.157	-	143.952.635
Provisions for Other Risks	-	-	-	-	-	21.166.000	21.166.000
Total Liabilities and Shareholders' Equity	1.662.642.759	2.656.592.224	3.128.895.584	424.774.640	149.106.642	1.068.294.596	9.090.306.445

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial risk factors (Continued)

December 31 2021	Up to 1 month	1 - 3 month	3 months-1 year	1 - 5 years	5 years and over	No maturity	Total
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	28,411,509	1,216,091,948
Financial Assets Held for Trading	-	-	-	-	-	6,454,765	6,454,765
Held-to-Maturity Financial Assets	-	151,295,701	562,197,273	989,196,630	34,918,863	-	1,737,608,467
Investments with Risks on Policy Holders	-	-	-	1,874,466	-	-	1,874,466
Receivables from Main Operations	294,045,139	547,174,652	700,443,300	6,624,682	-	-	1,548,287,773
Due from Related Parties	216,109	-	-	-	-	-	216,109
Other Receivables	-	-	29,521,449	-	-	-	29,521,449
Prepaid Expenses and Income Accruals	62,160,263	105,831,094	282,444,606	-	-	-	450,435,963
Total Assets	1,142,349,275	1,931,944,775	2,154,845,375	1,642,155,528	217,438,432	96,149,148	7,184,882,533
Financial Liabilities	117,833,595	-	14,968,418	12,595,616	-	-	145,397,629
Payables from Main Operations	585,825,485	300,382,123	357,693,246	-	-	-	1,243,900,854
Due to Related Parties	53,082	-	1,143	-	-	-	54,225
Other Payables	-	249,254,991	-	-	-	19,120,708	268,375,699
Insurance Technical Reserves	1,069,066,244	1,410,250,280	1,382,026,524	201,977,830	10,292,678	-	4,073,613,556
Taxes Payable and Similar Liabilities	-	124,706,305	-	-	-	-	124,706,305
Prepaid Expenses and Income Accruals	42,962,428	85,924,856	157,528,903	-	-	-	286,416,187
Long-term Insurance Technical Reserves	-	-	-	1,343,509	117,710,045	-	119,053,554
Provisions for Other Risks	-	-	-	-	-	14,112,606	14,112,606
Total Liabilities and Shareholders' Equity	1,815,740,834	2,170,518,555	1,912,218,234	215,916,955	128,002,723	33,233,314	6,275,630,615

Categories of Financial Assets

Current Financial Assets	September 30, 2022		December 31, 2021	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets Available for Sale	3,222,643,472	3,222,643,472	1,216,091,948	1,216,091,948
Financial Assets Held to Maturity	1,297,418,270	1,303,617,788	1,643,916,143	1,737,608,467
Financial Assets Held for Trading	1,073,014,261	1,073,014,261	6,454,765	6,454,765
Financial Investments with Risks on Policy Holders	1,901,615	1,901,615	1,874,466	1,874,466
Subsidiaries	100,000	100,000	-	-
Total Financial Assets	5,595,077,618	5,601,277,136	2,868,337,322	2,962,029,646

Fair value of financial assets

Fair value is the amount at which financial instruments could be exchanged in a current transaction between willing parties, other than for a forced sale or liquidation, and is best determined by their quoted price in an organized market, if any.

The fair value classifications of the Company's financial assets and liabilities are as follows:

- Quoted prices (unadjusted) in active markets (Level 1),
- Based on observable data directly (through prices in active markets) or indirectly (derived from prices in active markets) (Level 2),
- Inputs (unobservable inputs) for assets and liabilities that cannot be determined based on observable market data (Level 3).

Available-for-sale financial assets in the balance sheet are those that are valued at their fair values. Classification requires the use of observable market data if available.

In this framework, the fair value classification of financial assets and liabilities measured at their fair values is as follows:

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial risk factors (Continued)

	September 30, 2022	Category 1	Category 2	Category 3
Financial Assets Available for Sale				
Private Sector Bonds	161.471.004	-	161.471.004	-
Eurobonds	2.981.944.421	-	2.981.944.421	-
Equity share	70.175.853	68.954.358	-	1.221.495
Investment funds	9.052.194	9.052.194	-	-
Financial Assets Held for Trading				
Investment funds	1.032.017.606	1.032.017.606	-	-
Private Sector Bonds	5.285.805	-	5.285.805	-
Eurobonds	35.710.850	-	35.710.850	-
Investment funds	1.032.017.606	1.032.017.606	-	-
Held to Maturity Financial Assets				
Eurobonds	839.903.616	-	839.903.616	-
Private Sector Bonds	104.861.627	-	104.861.627	-
Government Bonds & Treasury Bills	358.852.545	260.001.567	98.850.978	-
Financial Investments with Risks on Policy Holders				
Government Bonds	1.901.615	1.901.615	-	-
Total	5.601.177.136	1.371.927.340	4.228.028.301	1.221.495

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4. Insurance and Financial Risk Management (Continued)

4.2 Financial Risk (Continued)

4.2.2 Financial risk factors (Continued)

	December 31, 2021	Category 1	Category 2	Category 3
Financial Assets Available for Sale				
Eurobond	585,603,548	-	585,603,548	-
Corporate Bond	333,420,756	219,681,670	113,739,086	-
Government Bonds	268,656,135	268,656,135	-	-
Stocks	28,411,509	27,536,089	-	875,420
Financial Assets Held for Trading				
Investment Funds	6,454,765	6,454,765	-	-
Held to Maturity Financial Assets				
Eurobond	1,085,793,822	1,085,793,822	-	-
Government Bonds	419,033,562	419,033,562	-	-
Corporate Bond	232,781,083	232,781,083	-	-
Financial Investments with Risks on Policy Holders				
Government Bonds	1,874,466	1,874,466	-	-
Total	2,962,029,646	2,261,811,592	699,342,634	875,420

The Company determines the estimated fair value of its financial instruments by using the current market information and appropriate valuation methods. Additionally, ability to estimate the market values through assessing the market information requires interpretation and judgment. As a result, the estimations presented herein cannot be an indicator of the amounts obtained by the Company in a current market transaction

The following methods and assumptions were used to estimate the fair value of financial instruments for which fair value estimates are practicable.

Financial assets

The fair values of financial assets shown at cost, including cash and cash equivalents and other financial assets, are estimated to approximate their book values, considering that they are short-term and possible losses may be insignificant.

Market value is taken as a basis in the measurement of fair value of government bonds and equity shares.

Financial liabilities

It is anticipated that fair value of monetary liabilities will converge to their carrying value based on their short-term nature.

5. Segment Information

5.1 Operating segments

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

Numerical limits in “TFRS 8 - Operating Segments” is also considered as well as management reporting in the determination of operating segments. Premium production and net technical income of different operating segments are grouped separately.

The Company operates in Turkey. Since the results of operating activities abroad have very low effect on financial statements, the information about geographical segmentation has not been given

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5. Segment Information (Continued)

5.1 Operating segments (Continued)

Segment results for the interim period at January 1 - September 30, 2022

	Fire	Transportation	Motor Own Damage	Motor Crafts Liability (Compulsory Traffic)	Other Accident	Engineering	Agriculture	Health	Life	Undistributed	Total
TECHNICAL INCOME	295.871.857	63.439.370	1.919.488.876	1.324.517.053	249.058.516	39.523.116	74.666.545	166.566.483	89.917	-	4.133.221.733
1- Earned Premiums (Net of Reinsurer Share)	194.426.400	42.105.625	1.251.230.729	1.120.399.813	156.329.423	27.280.793	54.438.550	95.814.557	-	-	2.942.025.890
1.1- Premiums (Net of Reinsurer Share)	249.815.967	43.371.407	2.163.186.831	1.840.305.960	182.231.112	37.588.622	54.102.662	101.067.782	-	-	4.671.670.343
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	(55.389.567)	(1.265.782)	(872.298.755)	(296.989.807)	(26.424.748)	(10.307.829)	335.888	(5.253.225)	-	-	(1.267.593.825)
1.3-Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	-	-	(39.657.347)	(422.916.340)	523.059	-	-	-	-	-	(462.050.628)
2- Investment Income transferred from Non-Technical Part	105.593.063	19.546.182	651.328.830	197.120.005	92.682.372	12.231.677	18.982.962	56.741.537	89.917	-	1.154.316.545
3- Other Technical Income (Net of Reinsurance Share)	5.622	-	5.298.681	-	-	-	1.245.033	14.010.389	-	-	20.559.725
4- Accrued Subrogation and Salvage Income (+)	(4.153.228)	1.787.563	11.630.636	6.997.235	46.721	10.646	-	-	-	-	16.319.573
TECHNICAL EXPENSES	(277.361.177)	(28.997.352)	(1.598.751.710)	(2.357.098.605)	(162.670.842)	(18.467.405)	(49.137.815)	(59.987.265)	(88.377)	-	(4.552.560.548)
1- Total Claims (Net of Reinsurer Share)	(151.278.684)	(19.460.474)	(1.209.617.519)	(2.075.710.546)	(108.190.143)	(26.285.874)	(31.659.645)	(7.107.936)	(104.409)	-	(3.629.415.230)
1.1- Claims Paid (Net of Reinsurer Share)	(125.914.479)	(10.742.745)	(1.075.916.258)	(1.697.235.984)	(38.221.816)	(17.170.144)	(22.414.190)	(6.348.492)	(107.013)	-	(2.994.071.121)
1.2- Changes in Outstanding Claims Reserve Reinsurer Share and Reserves Carried Forward (+/-)	(25.364.205)	(8.717.729)	(133.701.261)	(378.474.562)	(69.968.327)	(9.115.730)	(9.245.455)	(759.444)	2.604	-	(635.344.109)
2- Changes in Bonus and Discount Reserve (Net of Reinsurer) (+/-)	-	-	-	-	1.171	849	-	-	-	-	2.020
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-) and Other Technical Expenses	(19.565.116)	-	(3.534.179)	-	(633.735)	(1.182.083)	-	-	-	-	(24.915.113)
4- Operating Expenses	(80.556.285)	(8.377.054)	(296.746.118)	(241.190.865)	(40.730.519)	10.913.510	(16.679.455)	(47.500.564)	-	-	(720.867.350)
4.1- Production Commissions (-)	(178.705.185)	(27.944.113)	(220.854.073)	(185.024.725)	(107.927.924)	(32.463.749)	(14.377.522)	(105.122.746)	-	-	(872.420.037)
4.2- Reinsurance Commissions (+)	154.524.709	23.996.387	359.671	39.877.381	90.941.964	52.796.589	(844.180)	70.237.355	-	-	431.889.876
4.3- General Administrative Expenses	(56.375.809)	(4.429.328)	(76.251.716)	(96.043.521)	(23.744.559)	(9.419.330)	(1.457.753)	(12.615.173)	-	-	(280.337.189)
4.4- Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
5- Changes in Mathematical Reserves (+/-)	-	-	-	-	-	-	-	-	16.032	-	16.032
6- Other Technical Expenses (Net of Reinsurer Share)	(25.961.092)	(1.159.824)	(88.853.894)	(40.197.194)	(13.117.616)	(1.913.807)	(798.715)	(5.378.765)	-	-	(177.380.907)
TECHNICAL PROFIT/(LOSS)	18.510.680	34.442.018	320.737.166	(1.032.581.552)	86.387.674	21.055.711	25.528.730	106.579.218	1.540	-	(419.338.815)
Financial income	-	-	-	-	-	-	-	-	1.846.917.013	-	1.846.917.013
Depreciation expense	-	-	-	-	-	-	-	-	(43.459.436)	-	(43.459.436)
Provisions account, net	-	-	-	-	-	-	-	-	(15.550.540)	-	(15.550.540)
Tax expenses	-	-	-	-	-	-	-	-	159.787.645	-	159.787.645
Financial expenses	-	-	-	-	-	-	-	-	(1.876.621.163)	-	(1.876.621.163)
Other	-	-	-	-	-	-	-	-	(46.633.737)	-	(46.633.737)
Net Profit / (Loss)	18.510.680	34.442.018	320.737.166	(1.032.581.552)	86.387.674	21.055.711	25.528.730	106.579.218	1.540	24.439.782	(394.899.033)

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CONVENIENCE TRANSLATION OF NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD JANUARY 1 -SEPTEMBER 30, 2022

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5. Segment Information (Continued)

5.1 Operating segments (Continued)

Segment results for the interim period at January 1 - September 30, 2021

	Fire	Transportation	Motor Own Damage	Motor Crafts Liability (Compulsory Traffic)	Other Accident	Engineering	Agriculture	Health	Life	Undistributed	Total
TECHNICAL INCOME	192.550.327	30.571.060	972.497.515	1.396.679.778	198.056.919	23.459.701	39.781.819	120.040.060	93.928	-	2.973.731.107
1- Earned Premiums (Net of Reinsurer Share)	152.051.502	23.734.048	867.773.916	1.154.992.393	149.397.313	18.195.016	33.127.227	82.163.588	-	-	2.481.435.003
1.1- Premiums (Net of Reinsurer Share)	154.647.722	23.201.571	868.820.486	1.230.760.288	147.706.097	23.637.263	33.596.827	81.083.122	-	-	2.563.453.376
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	(2.596.220)	532.477	(1.046.570)	(75.767.895)	(7.304.127)	(5.442.247)	(469.600)	1.080.466	-	-	(91.013.716)
1.3-Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	-	-	-	-	8.995.343	-	-	-	-	-	8.995.343
2- Investment Income transferred from Non-Technical Part	39.957.861	6.902.964	83.117.503	241.745.437	48.627.527	5.319.410	6.654.592	28.530.851	93.928	-	460.950.073
3- Other Technical Income (Net of Reinsurance Share)	2.176.836	-	3.081.329	-	6.029	-	-	9.345.621	-	-	14.609.815
4- Accrued Subrogation and Salvage Income (+)	(1.635.872)	(65.952)	18.524.767	(58.052)	26.050	(54.725)	-	-	-	-	16.736.216
TECHNICAL EXPENSES	(198.147.705)	(14.008.518)	(1.000.613.912)	(1.169.096.732)	(108.816.072)	(10.317.678)	(33.599.537)	(41.794.907)	(89.267)	-	(2.576.484.327)
1- Total Claims (Net of Reinsurer Share)	(118.244.222)	(7.801.973)	(740.845.077)	(969.652.458)	(58.731.837)	(11.407.198)	(23.304.792)	(6.357.924)	(153.264)	-	(1.936.498.744)
1.1- Claims Paid (Net of Reinsurer Share)	(90.458.921)	(5.107.999)	(650.958.628)	(721.145.230)	(27.041.131)	(9.694.394)	(16.172.353)	(6.300.026)	(153.616)	-	(1.527.032.298)
1.2- Changes in Outstanding Claims Reserve Reinsurer Share and Reserves Carried Forward (+/-)	(27.785.301)	(2.693.974)	(89.886.449)	(248.507.228)	(31.690.706)	(1.712.804)	(7.132.439)	(57.898)	352	-	(409.466.446)
2- Changes in Bonus and Discount Reserve (Net of Reinsurer) (+/-)	-	-	-	-	(1.031)	-	-	-	-	-	(1.031)
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-) and Other Technical Expenses	(10.411.749)	-	(1.512.358)	-	(813.158)	(577.393)	-	-	-	-	(13.314.658)
4- Operating Expenses	(56.545.501)	(5.819.172)	(201.258.750)	(172.820.025)	(40.974.787)	2.413.718	(9.894.999)	(33.355.855)	-	-	(518.255.371)
4.1- Production Commissions (-)	(113.022.003)	(14.123.888)	(156.453.821)	(139.728.250)	(70.511.362)	(19.611.289)	(8.464.013)	(74.955.879)	-	-	(596.870.505)
4.2- Reinsurance Commissions (+)	89.188.015	10.733.870	200.073	22.860.833	43.963.780	27.047.447	(643.152)	49.396.295	-	-	242.747.161
4.3- General Administrative Expenses	(32.711.513)	(2.429.154)	(45.005.002)	(55.952.608)	(14.427.205)	(5.022.440)	(787.834)	(7.796.271)	-	-	(164.132.027)
4.4- Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
5- Changes in Mathematical Reserves (+/-)	-	-	-	-	-	-	-	-	63.997	-	63.997
6- Other Technical Expenses (Net of Reinsurer Share)	(12.946.233)	(387.373)	(56.997.727)	(26.624.249)	(8.295.259)	(746.805)	(399.746)	(2.081.128)	-	-	(108.478.520)
TECHNICAL PROFIT/(LOSS)	(5.597.378)	16.562.542	(28.116.397)	227.583.046	89.240.847	13.142.023	6.182.282	78.245.153	4.661	-	397.246.780
Financial income	-	-	-	-	-	-	-	-	-	703.271.296	703.271.296
Depreciation expense	-	-	-	-	-	-	-	-	-	(33.348.691)	(33.348.691)
Provisions account, net	-	-	-	-	-	-	-	-	-	(20.380.463)	(20.380.463)
Tax expenses	-	-	-	-	-	-	-	-	-	(86.185.111)	(86.185.111)
Financial expenses	-	-	-	-	-	-	-	-	-	(708.250.452)	(708.250.452)
Other	-	-	-	-	-	-	-	-	-	925.873	925.873
Net Profit / (Loss)	(5.597.378)	16.562.542	(28.116.397)	227.583.046	89.240.847	13.142.023	6.182.282	78.245.153	4.661	(143.967.548)	253.279.232

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

6. Tangible Assets

September 30 2022

Cost Value	Owner Occupied Properties	Vehicles	Furnitures and Fixtures and Leased Tangible Assets	Other Tangible Assets (Including Leasehold Improvements)	Right of Use Assets	Advances Related to Tangible Assets	Total
January 1,	1.598.569	1.878.421	31.263.486	23.807.488	43.374.169	-	101.922.133
Additions	-	-	8.819.873	460.827	14.687.193	-	23.967.893
Disposals	(1.593.240)	-	(514.307)	(185.526)	(364.744)	-	(2.657.817)
September 30	5,329	1,878,421	39,569,052	24,082,789	57,696,618	-	122,039,339
<u>Accumulated Depreciation</u>							
January 1,	(665.162)	(4.022)	(22.362.090)	(12.935.198)	(26.030.344)	-	(61.996.816)
Charge for the Period	(80)	(548.938)	(4.062.298)	(3.051.206)	(8.489.898)	-	(16.152.420)
Disposals	661.073	-	355.342	167.986	91.819	-	1.276.220
September 30	(4.169)	(552.960)	(26.069.046)	(15.818.418)	(34.428.423)	-	(76.873.016)
Net Book Value as of September 30,	1.160	1.325.461	13.500.006	8.264.371	23.268.195	-	46.359.193

The Company has no impairment loss recognized for tangible fixed assets in the current period (January 1 – September 31, 2021: None).

September 30, 2021

Cost Value	Owner Occupied Properties	Vehicles	Furnitures and Fixtures and Leased Tangible Assets	Other Tangible Assets (Including Leasehold Improvements)	Right of Use Assets	Advances Related to Tangible Assets	Total
January 1,	1.598.569	2.720.001	30.431.171	21.682.557	41.129.272	-	97.561.570
Additions	-	963.244	3.319.751	239.285	4.675.332	2.889.136	12.086.748
Disposals	-	-	(1.304.540)	-	(7.832.495)	-	(9.137.035)
September 30	1.598.569	3.683.244	32.446.382	21.921.842	37.972.109	2.889.136	100.511.283
<u>Accumulated Depreciation</u>							
January 1,	(633.191)	(1.093.962)	(20.847.952)	(13.841.375)	(17.643.062)	-	(54.059.541)
Charge for the Period	(23.913)	(537.778)	(3.107.167)	(1.564.555)	(6.319.157)	-	(11.552.570)
Disposals	-	-	1.217.921	-	-	-	1.217.921
September 30	(657.104)	(1.631.740)	(22.737.198)	(15.405.930)	(23.962.219)	-	(64.394.190)
Net Book Value as of September 30,	941.465	2.051.504	9.709.185	6.515.912	14.009.899	2.889.136	36.117.093

7. Investment Properties

The Company has no investment properties as of September 30, 2022. (September 30, 2021: None).

8. Intangible Assets

September 30, 2022

Cost Value	Advances for Intangible Assets (*)	Rights	Total
January 1,	30.311.685	223.788.042	254.099.727
Additions	35.222.422	25.004.647	60.227.069
Disposals	-	-	-
Transfers	(20.591.218)	20.591.218	0
September 30	44.942.889	269.383.907	314.326.796
<u>Accumulated Amortization</u>			
January 1,	-	(141.527.231)	(141.527.231)
Charge for the Period	-	(27.307.016)	(27.307.016)
Disposals	-	-	-
September 30	-	(168.834.247)	(168.834.247)
Net Book Value as of September 30	44.942.889	100.549.660	145.492.549

(*) Intangible assets advances include the administrative advances for the projects implemented. Since the related assets do not create economic benefits, no amortization is calculated over intangible assets.

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8. Intangible Assets (Continued)

September 30, 2021

	Advances for Intangible Assets (*)	Rights	Total
Cost Value			
January 1,	9.163.795	161.424.844	170.588.639
Additions	17.006.548	25.556.884	42.563.432
Disposals	-	-	-
Transfers	(4.524.308)	4.524.308	-
September 30	21.646.035	191.506.036	213.152.071
Accumulated Amortization			
January 1,	-	(113.365.102)	(113.365.102)
Charge for the Period	-	(21.796.120)	(21.796.120)
Disposals	-	-	-
September 30	-	(135.161.223)	(135.161.223)
Net book Value as of September 30	21.646.035	56.344.813	77.990.848

(*) Intangible assets advances include the administrative advances for the projects implemented. Since the related assets do not create economic benefits, no amortization is calculated over intangible assets.

As of September 30, 2022, the Company has not recognized any impairment loss for its intangible fixed assets in the current period (September 30, 2021: None).

The Company has no goodwill amount in its financial statements.

9. Investments in Affiliates

	30.09.2022		31.12.2021	
	Share Amount	Share Ratio	Share Amount	Share Ratio
	TL	%	TL	%
Sabancı Ageas Sağlık Sigorta A. Ş	100.000	100.000	-	-
Total	100.000	100.000	-	-

10. Reinsurance Assets

Reinsurance assets are disclosed in Note 17.16.

11. Financial Assets

11.1 Subcategories of Financial Assets

Financial Assets and Financial Investments with Risks on Policy Holders

	30 September 2022	31 December 2021
Financial Assets Available for Sale	3.222.643.472	1,216,091,948
Held-to-maturity financial assets	1.303.617.788	1,737,608,467
Financial Assets for Trading	1.073.014.261	6,454,765
Financial Investments with Risks on Policy Holders	1.901.615	1,874,466
Total	5.601.177.136	2,962,029,646

Financial Assets Available for Sale

	September 30, 2022			December 31 2021		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Eurobond	3.052.479.141	2.981.944.421	2.981.944.421	606.944.448	585.603.548	585.603.548
Private Sector Bond	154.789.379	161.471.004	161.471.004	322.390.745	333.420.756	333.420.756
Government Bonds	-	-	-	271.447.183	268.656.135	268.656.135
Investment Funds	8.999.999	9.052.194	9.052.194	-	-	-
Equity Shares (Listed)	70.025.476	68.954.358	68.954.358	30.795.827	27.536.089	27.536.089
Equity Shares (Unlisted)	1.221.495	-	1.221.495	875.420	-	875.420
Total	3.287.515.490	3.221.421.977	3.222.643.472	1,232,453,622	1,215,216,528	1,216,091,948

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11. Financial Assets (Continued)

11.1 Subcategories of Financial Assets (Continued)

Held-to-Maturity Financial Assets

	September 30, 2022			December 31, 2021		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Eurobond	807.276.982	768.082.296	839.903.616	1,050,147,372	1,009,690,467	1,085,793,822
Government Bonds	322.490.498	426.688.982	358.852.545	406,665,409	402,301,623	419,033,562
Private Sector bonds	97.956.354	102.646.992	104.861.627	224,489,527	231,924,053	232,781,083
Total	1.227.723.834	1.297.418.270	1.303.617.788	1,681,302,308	1,643,916,143	1,737,608,467

Financial Assets Held for Trading

	September 30, 2022			December 31, 2021		
	Cost Value	Fair Value	Cost Value	Fair Value	Cost Value	Fair Value
Investment Funds	981.705.357	1.032.017.606	1.032.017.606	7.170.100	6.454.764	6.454.764
Eurobond	34.267.877	35.710.850	35.710.850	-	-	-
Private Sector Bond	5.000.000	5.285.805	5.285.805	-	-	-
Total	1.020.973.234	1.073.014.261	1.073.014.261	7.170.100	6.454.764	6.454.764

Financial Investment with Risks on Policy Holders

	September 30, 2022			December 31, 2021		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Government Bonds	1.943.330	1.901.615	1.901.615	1.734.832	1.874.466	1.874.466

The breakdown of the shares classified as available-for-sale financial assets is as follows:

September 30, 2022

Equity Shares	Participation Rate %	Cost Value TRY	Fair Value TRY	Book Value TRY
Borsa İstanbul Listed		64.044.759	61.934.713	61.934.713
Listed on overseas stock exchange		5.980.717	7.019.645	7.019.645
Unlisted		1.221.495	-	1.221.495
Tarım Tarım Sigortaları Havuz İşletmesi A.Ş.	4,17	1.221.495	-	1.221.495
Total		71.246.971	68.954.358	70.175.853

December 31, 2021

Equity Shares	Participation Rate %	Cost Value TRY	Fair Value TRY	Book Value TRY
Borsa İstanbul Listed		30,795,827	27,536,089	27,536,089
Tarım Tarım Sigortaları Havuz İşletmesi A.Ş.	4,17	875,420	-	875,420
Unlisted		875,420	-	875,420
Total		31,671,247	27,536,089	28,411,509

As of September 30, 2022, and December 31, 2021, the blockage on financial assets in favour of SEDDK has been disclosed in Note 17.1.

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11. Financial Assets (Continued)

11.2 Securities other than equity shares issued in the current period:

None (December 31, 2021: None).

11.3 Securities issued representing the amortized borrowing in the current period:

None (December 31, 2021: None).

11.4 Fair value of securities and long-term financial assets that are carried at cost in the balance sheet and cost of securities and long-term financial assets that are carried at fair value in the balance sheet

None (December 31, 2021: None).

11.5 Marketable securities issued by the shareholders, affiliates and subsidiaries of the Company classified under marketable securities and associates and their issuers:

None (December 31, 2021: None).

11.6 Increase in value of financial assets in the last three years

Value increases and decreases (net-off deferred tax) reflect the difference between the book value and cost value of the financial assets at period end.

Type of Financial Asset	September 30, 2022	December 31, 2021	December 31, 2020
Financial Assets Available for Sale	126.433.717	(39.142.240)	1.801.936

11.7 Financial Instruments

Financial Instruments

- i) Information that enables the financial statement users to evaluate the financial position and performance of the Company is disclosed in Note 4.1.
- ii) Information on the book value of the financial assets is disclosed in Note 11.1.
- iii) Comparison of the fair value and book value of financial assets is disclosed in Note 11.1.
- iv) financial assets overdue or impaired are presented in Note 11.1.

11.8 Financial Instruments

Information related to hedge accounting has been disclosed in Note 34.5.

11.9 Effects of Exchange Rate Differences

Exchange rate differences arising from the payments of monetary items or different conversion rates used in the current period or at initial recognition are recognized in profit or loss

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12. Receivables and Payables

12.1 Details of the Company’s receivables

	September 30, 2022	December 31, 2021
Receivables from insurance operations		
Receivables from agencies	1.435.786.150	1.151,460,111
Bank Guaranteed Credit Card Receivables More than Three Months	426.579.555	282,358,939
Receivables from reinsurance companies	91.160.162	40,173,468
Receivables for salvage and claim recovery - net (Note 2.1.1)	97.680.695	81,361,121
Other receivables	225,654	179,228
Receivables from insurance operations	2.051.432.216	1,555,532,867
Cash deposited for insurance and reinsurance companies	30,954	30,954
Receivables from insurance and reinsurance companies	30,954	30,954
Claim recovery receivables under legal follow-up	286.908.561	205,201,746
Doubtful receivables from main operations	65.199.190	36,637,084
Total provision amount for doubtful receivables	352.107.751	241,838,830
Receivables from main operations	2.403.570.921	1,797,402,651
Provision for due from insurance operations (-) (*)	(51.156.207)	(19,642,726)
Provision for doubtful receivables from main operations (-) (**)	(24.542.293)	(24,270,406)
Provision for net claim recovery receivables under legal follow-up (-) (**)	(286.908.561)	(205,201,746)
Total provision amount for doubtful receivables	(362.607.061)	(249,114,878)
Receivables from main operations - net	2.040.963.860	1,548,287,773

(*) In balance sheet disclosed under provision for receivables from insurance operations.

(**) In balance sheet disclosed under provision for receivables from main operations

The movement table of provision for doubtful receivables under legal follow-up is resented below:

	September 30, 2022	December 31 2021
0-90 days	69.168.729	33,802,786
90 +	12.520.497	24,968,746
Not due receivables	1.969.773.944	1,496,792,289
Total	2.051.463.170	1,555,563,821

The details of guarantees for the Company’s receivables are presented below:

Type of Guarantees	30 September 2022		31 December 2021	
	Receivables	Doubtful Receivables	Receivables	Doubtful Receivables
Real Estate Pledges	57.278.007	531.200	56,352,007	531,200
Letters of Guarantee	111.505.377		103,473,143	-
Cash Guarantees	26.865.212	-	19,120,708	-
Government Bonds and Equity	159.752	7.500	185,996	7,500
Total	195.808.347	538.700	179,131,854	538,700

The Company books provision for 100% of doubtful receivables disclosing guarantees. The movement table of provision for doubtful receivables under legal follow-up is presented below:

Doubtful trade receivable transactions	2022	2021
Opening Balance, January 1,	(229.472.152)	(167,471,613)
Charge for the period	(115.449.820)	(31,045,338)
Collections	33.471.118	11,852,196
Closing Balance, September 30	(311.450.854)	(186.664.755)

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12. Receivables and Payables (Continued)

12.2 Receivable - payable relationship with shareholders, affiliates and subsidiaries of the Company

Due to/from shareholders, affiliates and subsidiaries in balance sheet includes dividends which have paid in previous years but not yet collected by shareholders. As of 30 September 2022, the Company has liabilities amounting to TRY 1,143 to shareholders (31 December 2021: TRY 1,143).

12.3 Total pledges and other guarantees received for receivables amount

Total amount of pledges and other guarantees received for receivables amounts to TRY 195,808,347 as of 30 September 2022 (31 December 2021: TRY 179,131,854)

12.4 Details of the Company’s foreign currency denominated receivables without exchange rate guarantees are presented below:

30 September 2022

Banks (DTH)	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	39.595.537	18,5187	733.257.871
EUR	1.347.896	18,1395	24.450.159
GBP	39.191	20,5816	806.613
CHF	20.445	18,8888	386.182
Other			8.192
Total			758.909.017

Stocks and Bonds	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	165.084.886	18,5187	3.057.157.473
EUR	386.981	18,1395	7.019.645
Total			3.064.177.119

Receivables from Insurance Operations	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	36.331.406	18,5187	672.810.408
EUR	19.835.632	18,1395	359.808.447
Other			2.352.227
Total			1.034.971.082

Outstanding Claims Reserve	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(8.730.339)	18,5521	(161.966.124)
EUR	(1.827.380)	18,1722	(33.207.515)
Other			(124.133)
Total			(195.297.773)

Payables from Insurance Operations	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(53.543.951)	18,5521	(993.352.734)
EUR	(16.574.763)	18,1722	(301.199.905)
Other			(3.011.731)
Total			(1.297.564.370)

Payables to Suppliers	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(1.109.705)	18,5521	(20.587.360)
EUR	(97.692)	18,1722	(1.775.279)
Other			(118.474)
Total			(22.481.113)

Net Foreign Currency Position			Amount TRY
			3.342.713.962

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12. Receivables and Payables (Continued)

12.4. Details of the Company’s foreign currency denominated receivables without exchange rate guarantees are presented below (Continued):

31 December 2021

Banks (Foreign Currency)	Amount in Foreign Currency	Exchange Rate	Amount TRY
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
Total			54,012,527

	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	75,442,134	13,3290	1,005,568,204
EUR	386,981	15,0867	5,838,266
Total			1,011,406,470

Receivables from Insurance Operations	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	50,384,792	13,3290	671,578,893
EUR	20,773,315	15,0867	313,400,771
Total			984,979,664

Outstanding Claims Reserve	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(6,841,276)	13,3530	(91,351,558)
EUR	(968,459)	15,1139	(14,637,192)
Total			(105,988,750)

Payables from Insurance Operations	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(62,872,251)	13,3530	(839,533,168)
EUR	(11,756,518)	15,1139	(177,686,837)
Other			(2,138,051)
Total			(1,019,358,056)

Payables to Suppliers	Amount in Foreign Currency	Exchange Rate	Amount TRY
USD	(1,831,778)	13,3530	(24,459,732)
EUR	(73,694)	15,1139	(1,113,804)
Total			(25,573,536)
Net Foreign Currency Position			899,478,319

13. Derivative Financial Instruments

During the period between 1 January – 30 September 2022, total income resulting from short-term swap contracts’ market valuation has been accounted under “Income from derivatives” in the income statement in amounting to TRY 66,940,845 (1 January – 30 September 2021: TRY 77,811,263).

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14. Cash and Cash Equivalents

	<u>30 September 2022</u>	<u>31 December 2021</u>
Cash at Banks	1.265.479.996	1,182,736,630
Time Deposit	1.148.005.523	1,121,453,755
Demand Deposit	117.474.473	61,282,875
Bank Guaranteed Credit Card Receivables with Maturities less than three months	456.655.231	1,011,654,963
Total	1.722.135.227	2,194,391,593
Interest Accrual on Cash and Cash Equivalents	(25.861.952)	(24,521,945)
Blocked Deposits (*)	-	(392,596,761)
Cash Flow Based Grand Total	1.696.273.275	1,777,272,887

(*) Details of blocked deposits in the company's treasury are given in footnote 17.1.

The details of interest rates received from time deposits as of 30 September 2022 and 31 December 2021 are as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
	<u>Annual Interest Rate</u>	<u>Annual Interest Rate</u>
	<u>(%)</u>	<u>(%)</u>
TRY	12,00 - 45,75	14.65 - 27.00
USD	0,15 - 3,03	0.20 - 0.31
EUR	0.01	-

As of 30 September 2022, the maturity of TRY deposits varies between 3 October 2022 and 9 May 2023; the maturity of foreign currency deposits varies between 3 October 2022 and 25 October 2022.

As of 31 December 2021, the terms of TRY deposits are between 3 January 2022 and 27 October 2022; The maturity of foreign currency deposits varies between 3 January 2022 and 24 May 2022.

As of 30 September 2022, the Company's Other Financial Liabilities account includes TRY 21,000,000 credit used for tax payment (31 December 2021: TRY 101,655,748 repo transaction and TRY 16,177,847 tax payment.)

As of 30 September 2022, the Company has a valuation expense of TRY 1,005,747 recognized in the valuation account from repo transactions (30 September 2021: TRY 32,508 valuation expense) (Note 26).

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15. Share Capital

15.1 Transactions between the Company and its shareholders, showing each distribution made to the shareholders separately

The Company’s shareholders and its shareholders’ equity structure as of 30 September 2022 and 31 December 2021 are presented in Note 2.14.

The details of the transactions between the Company and its shareholders and the related balances as of the end of the period are presented in “Related Parties” note.

According to the provisions of the tax legislation, 50% of the profits arising from the sales of real estates in the assets of the companies are exempted from the corporation tax, provided that they are kept in a special fund account for at least five full years. The exempted proficient be transferred to another account nor be withdrawn unless it is in any other account, except for the addition to the capital within five years. The Sales Profit To Be Added To The Capital account includes the amounts transferred from the real estate sales to the equity.

15.2 Reconciliation of carrying values of each capital account and each reserve as of the beginning and end of the period showing each change separately

Legal Reserve

According to the Turkish Commercial Code, legal reserves; consists of first and second legal reserves. The first legal reserve is appropriated out of the statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves cannot be distributed unless they exceed 50% of the total capital; however, they can be used to compensate for losses in case of depletion of reserve reserves. Company has legal reserves amounting to TRY 111,936,209 (31 December 2021: TRY 111,936,210).

Special Funds (reserves)	30 September 2022	31 December 2021
Actuarial (gain) / loss	14.132.527	8,518,554
Total	14.132.527	8,518,554

Gains from sale of fixed asset

As of 30 September 2022, the Company has no Capital Reserve. (31 December 2021: TRY 90,989,327).

Extraordinary Reserves

On January 26, 2022, the issued capital of the company with a nominal value of TRY 306,000,000 within the registered capital ceiling of TRY 750,000,000, with a total nominal value of 306,000,000 TL, fully covered from internal resources, TRY 90,989,327 from the Sales Profits to be Added to the Capital and TRY 215,010,673 from the Extraordinary Reserves account. It was decided to increase it to TRY 612,000,000 by increasing it by 100% free of charge. As of 30 September 2022, the Company has Extraordinary Reserves amounting to TRY 200,091,506 (31 December 2021: TRY 225,705,415).

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15. Share Capital (Continued)

15.3 For each class of share capital (Continued)

15.3.1 The explanation about the number of capital shares

The Company’s issued capital share is composed of 61,200,000,000 shares having a nominal amount of TRY 0.01 each. These shares are presented by Class 10 shares (31 December 2021: 30,600,000,000 shares with a nominal amount of TRY 0.01 each).

15.3.2 The explanation about the number of issued and fully paid shares and issued but not fully paid shares

None (31 December 2021: None).

15.3.3 Nominal value of an equity shares or equity shares without having nominal value

Nominal value of equity shares is TRY 0.01 per share (31 December 2021: TRY 0.01 per share).

15.3.4 Reconciliation of the number of the equity shares at the beginning and ending of the period

	Number of Shares	
	30 September 2022	30 June 2021
Beginning of the Period, January 1,	30,600,000,000	30,600,000,000
Issued in the Current Period	30,600,000,000	-
End of the Period, September 30,	61,200,000,000	30,600,000,000

(*) With the decision of the Capital Markets Board dated March 17, 2022, and numbered 13/426, of the issued capital of the Company with a nominal value of TRY 306,000,000 within the registered capital ceiling of TRY 750,000,000, TRY 90,989,327 will be from the Sales Profits to be Added to the Capital account and TRY 215,010,673 will be from the Extraordinary Reserves account. increased to TRY 612,000,000 with a total nominal value of TRY 306,000,000, 100% covered by internal resources.

15.3.5 Rights, privileges and limitations on dividend payments and repayment of share capital

In accordance with Article 61 of the Company’s Articles of Association, corporate tax is deducted from the net profit which is determined and calculated based on the issued balance sheet. 5% of statutory reserve is allocated over the remaining amount and subsequent to this allocation, at minimum, 1. dividend amount that is determined by the CMB is also allocated over the final remaining amount.

The Company’s capital does not include any preferred shares.

Based on the guidelines and principals issued by the Capital Markets Board (the Board) dated 27 January 2010 for the distribution of dividends from the profit generated from operating activities in 2010, concerning public entities, the shares of which are quoted in public equity markets, it has been agreed upon not to set a mandatory minimum dividend payment quota. Furthermore, it has been agreed upon to let public entities perform dividend distributions as stated within the “Communique Concerning Principal Matters on Dividend Advances Distributed by Public Entities Under the Regulation of the Capital Markets Law” (Serial: IV, No: 27), as stated within the principal agreement of the companies and as stated within the policies on dividend distribution that have been shared with the public.

15.3.6 Equity shares held by the Company, its affiliates or its subsidiaries

None (31 December 2021: None).

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15. Share Capital (Continued)

15.3 For each class of share capital (Continued)

15.3.7 Equity shares held for future sale for forward transactions and contracts

None (31 December 2021: None).

15.4 Share based payments

None (31 December 2021: None).

15.5 Subsequent events

Disclosed in Note 46.

16. Other Provisions and Capital Component of Discretionary Participation

16.1 Each income and expense item and their total amounts accrued under shareholders’ equity in the current period in accordance with other standards and interpretations

	30 September 2022	31 December 2021
Available for sale financial assets valuation difference	(126.433.717)	(39,142,240)
Deferred tax effect	31.608.429	9,002,715
Total	(94.825.288)	(30,139,525)

In accordance with changes regarding “TAS 19 - Employee Benefits” effective as of 1 January 2013, actuarial loss amounting to TRY 18,843,369 (Deferred tax effect: TRY 4,710,842), (31 December 2021: TRY 10,648,193, Deferred tax effect: TRY 2,129,639) resulting from retirement pay liability calculation has been accounted to “Other Reserves and Retained Earnings” under equity.

16.2 Net exchange differences classified separately as an equity item and reconciliation of exchange differences at the beginning and end of the period

None (31 December 2021: None).

16.3 Hedging for forecasted transactions and net investment hedging

None (31 December 2021: None).

16.4 Hedging against financial risks

Information related to hedge accounting has been disclosed in Note: 34.5.

16.5 Gains and losses from available for sale financial assets recognized directly in equity for in the current period and amounts recognized in the current profit or loss taken from shareholders’ equity

	2022 Increase / (Decrease)	2021 Increase / (Decrease)
Beginning of the Period, January 1,	(30,139,525)	1,441,549
Increase/decrease in value recognized under the shareholders’ equity in the current period	(64.685.763)	(17,447,966)
End of the Period, September 30,	(94.825.288)	(16,006,417)

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16. Other Provisions and Capital Component of Discretionary Participation (Continued)

16.6 Income and loss related to affiliates recognized directly in equity in the current period

None (31 December 2021: None).

16.7 Revaluation increases in tangible fixed assets

None (31 December 2021: None).

16.8 Current and deferred tax in relation to debit and credit items directly charged in equity

None (31 December 2021: None).

17. Insurance Liabilities and Reinsurance Assets

17.1 Guarantees to be provided for life and non-life insurance branches and guarantees provided for life and non-life insurances based on assets

The Company’s guarantees to be provided for life and non-life insurance branches and guarantees provided for life and non-life insurances based on assets are below:

Branch	30 September 2022		31 December 2021	
	Amount to be Provided TRY	Current Blockage TRY	Amount to be Provided TRY	Current Blockage TRY
Life	1.470.766	2.060.500	1,512,991	1,623,773
Government Bonds	-	2.060.500	-	1,623,773
Non-Life (*)	671.930.181	950.850.679	377,922,835	392,596,761
Credit Card	-	-	-	175,000,000
Time Deposit	-	-	-	217,596,761
Eurobonds	-	133.003.320	-	-
Total	673.400.948	952.911.179	379,435,826	394,220,534

(*) As of 30 September 2022, the required guaranteed amount has been calculated based on capital requirements in 30 June 2022. The Company has on behalf of Treasury and Finance Ministry, TRY 2,060,500 government bonds and TRY 950,850,679 Eurobonds blocked.

17.2 Number of life insurance policies, additions, disposals in the current period, and current life insurances and their mathematical reserves

	2022		2021	
	Unit	Mathematical Reserves TRY	Unit	Mathematical Reserves TRY
Beginning of the Period, January 1,	157	1,343,509	166	1,418,276
Participations in the Current Period	-	-	-	-
Leavings in the Current Period	(2)	(16.032)	(10)	(74,767)
End of Period, September 30	155	1,327,477	156	1,343,509

Mathematical reserves amounting to TRY 1,327,477 (31 December 2021: TRY 1,343,509) and Reserves for the policies, investment risk of which belongs to life insurance policy holders amounting TRY 137,748 (31 December 2020: TRY 134,350) and cancelled policy numbers together with their mathematical reserves are included in the table above.

Financial assets classified as Financial Assets Available for Sale under Financial Investments at Policyholder’s Risk are valued with current value as explained in note 11; as of 30 September 2022, there is no difference in the value accounted in Life Mathematical Reserve account discounted with current value (31 December 2021: None).

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17. Insurance Liabilities and Reinsurance Assets (Continued)

17.3 Insurance guarantees given ton on life insurances based on insurance branches (Continued)

Branch	30 September 2022	31 December 2021
Motor Crafts Liability	70.101.360.087.321	74.293.284.963.065
Health	2.492.527.357.405	4.568.128.584.484
Fire and Natural Disaster	2.955.610.988.080	1.974.950.394.555
General Losses	650.030.822.486	466.065.756.531
Transportation	862.471.943.025	406.304.767.063
General Liability	246.636.100.611	191.221.523.786
Financial Losses	290.463.053.934	224.836.597.817
Motor Own Damage	442.366.499.441	309.484.973.812
Air Crafts Liability	237.790.657.223	108.637.331.403
Accident	51.123.088.862	48.962.149.390
Legal Protection	9.642.510.853	10.642.139.096
Air Crafts	11.990.755.837	7.994.644.802
Suretyship	2.602.867.336	2.550.972.660.42
Credit	2.090.161.899	1.497.058.027
Total	78.356.706.894.312	82.614.561.856.491

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

None (31 December 2021: None).

17.5 Number and amount of participation certification in portfolio and circulation

None (31 December 2021: None).

17.6 Number of portfolios amounts of additions, disposals, reversals, and current individual and group pension participants

None (31 December 2021: None).

17.7 Valuation methods used in profit share calculation for life insurances with profit shares

None (31 December 2021: None).

17.8 Number of the additions and their group or individual gross and net share participations in the current period

None (31 December 2021: None).

17.9 Number of additions from the other companies and their group or individual gross and net share participations in the current period

None (31 December 2021: None).

17.10 Number of transfers from the Company’s life portfolio to individual pension portfolio and their group or individual gross and net share participations

None (31 December 2021: None).

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17. Insurance Liabilities and Reinsurance Assets (Continued)

17.11 Number of transfers from the Company’s individual pension portfolio to other company or not and together their personal and corporate allocation and gross and net share participations

None (31 December 2021: None).

17.12 Number of additions of life insurances and their group or individual gross and net mathematical reserves

None (31 December 2021: None).

17.13 Number of disposals of life insurances and their group or individual gross and net mathematical reserves

All of disposals of life insurances in current period are individual and units and amounts are represented in Note 17.2.

17.14 Profit share distribution rate of life insurances in the current period

In the current period, profit share distribution rate of life insurances is calculated as below:

	30 September 2022 Profit Share Distribution	31 December 2021 Profit Share Distribution
TRY (Life Insurance)	9.00	9.00

17.15 Explanation of information that describes amounts arose from insurance agreements

None (31 December 2021: None).

17.16 Assets, liabilities, income, expense and cash flows from insurance contacts recognized when the insurer is a ceding company:

Reinsurance Assets	30 September 2022	31 December 2021
Reinsurance Share of Outstanding Claims Reserve (Note 4.1.2.2)	3.514.498.542	2.649.498.445
Reinsurance Share of Unearned Premiums Reserve (Note 20)	2.570.352.263	1.925.985.907
Reinsurance Share of Equalization Reserve (Note 20)	394.701.477	298.108.145
Receivables from Reinsurance Companies (Note 12.1)	91.160.162	40.173.468
Reinsurance Share of Unexpired Risks Reserve (Note 20)	237.295.908	256.843.068
Reinsurance Share of Premiums and Discounts	199.686	768.407
Cash Deposited for Insurance & Reinsurance Companies (Note 12.1)	30.954	30.954
Total	6.808.238.992	5.171.408.394

Reinsurance Debts	30 September 2022	31 December 2021
Payables to Insurance and Reinsurance Companies (Note 19.1)	1.391.602.829	1.243.900.854
Deferred Commissions Income (Note 19.1)	349.966.046	236.564.242
Total	1.741.568.875	1.480.465.096

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17. Insurance Liabilities and Reinsurance Assets (Continued)

17.16 Assets, liabilities, income, expense and cash flows from insurance contacts recognized when the insurer is a ceding company (Continued):

Income / Expense on Reinsurance Agreements	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July--30 September 2022
Reinsurance Share of Outstanding Claims Reserve	865.000.097	351.095.792	841.475.874	374.600.246
Reinsurance Share of Unearned Premiums Reserve (Note 20)	644.366.355	(50.130.876)	28.663.361	(75.503.943)
Reinsurance Share of Claims Paid	1.524.010.702	663.161.118	689.293.236	208.223.479
Commissions Received (Note 32)	431.889.876	171.503.538	242.747.161	89.869.207
Reinsurance Share of Premiums and Discounts	(568.721)	(151.851)	8.324	74.145
Reinsurance Share of Unexpired Risks Reserve (Note 20)	(19.547.159)	(43.157.776)	(646.485.160)	(408.606.117)
Premiums Ceded to Reinsurers (-)	(3.895.969.728)	(1.179.933.268)	(1.907.919.991)	(588.172.774)
Total	(450.818.578)	(87.613.323)	(752.217.195)	(399.515.757)

Branch	30 September 2022			30 September 2021		
	Premiums Ceded (*)	Technical Reserves (**)	Reinsurance Share of Claims Paid	Premiums Ceded	of Technical Reserves	Reinsurance Share of Claims Paid
Fire and Natural Disaster	(1.273.296.645)	384.516.033	583.261.882	(635.617.786)	269.528.833	104.528.148
Health	(558.689.004)	135.108.549	367.268.323	(250.846.381)	4.777.358	196.631.671
General Losses	(570.109.186)	288.341.575	179.232.325	(226.332.906)	160.606.536	89.872.396
Motor Crafts Liability	(521.074.328)	258.876.663	212.280.229	(282.755.422)	20.075.083	86.411.828
General Liability	(359.641.798)	181.313.545	44.255.207	(257.946.611)	341.616.098	19.714.480
Financial Losses	(232.823.148)	19.394.702	74.517.554	(115.884.452)	40.766.339	75.563.103
Transportation	(146.636.189)	95.281.897	41.693.342	(56.876.885)	14.237.768	23.242.004
Accident	(18.796.543)	947.819	6.014.231	(7.609.360)	(10.343.968)	3.762.075
Fidelity Guarantee	(2.239.470)	105.682.031	256.504	(1.993.452)	13.344.264	1.684.560
Air Crafts Liability	(66.439.157)	(48.701.160)	772	(14.992.916)	(670.360.048)	22
Air Crafts	(45.209.325)	11.798.657	5.701.358	(18.899.175)	10.851.445	78.818.893
Watercrafts	(77.019.294)	43.200.486	6.399.707	(28.426.069)	29.017.489	5.159.731
Credit	(3.889.887)	662.902	66.086	(2.152.141)	(539.401)	88.864
Motor Own Damage	(20.105.751)	12.826.871	3.063.182	(7.586.435)	84.602	3.815.461
Total	(3.895.969.728)	1.489.250.572	1.524.010.702	(1.907.919.991)	223.662.398	689.293.236

(*) As explained in Note 2.15, Transferred Premiums amounted to TRY 185,995,535 (30 September 2021: TRY 123,941,342) transferred to the Social Security Institution as of 30 September 2022.

(**) Technical reserves reinsurer share includes unearned premium reserve, unexpired risk reserve, outstanding claim reserve, bonus and discount reserve.

The company defers commission income that arises from reinsurance agreements which has been bought ascendant enterprise

17.17. Comparison of incurred claims with past estimations

Disclosed in Note 4.1.1.

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

Disclosed in note 4.1.1.4

17.19 Reconciliation of insurance payables, reinsurance assets and changes in deferred acquisition costs, if any

	2022	
	Insurance Payables	Reinsurance Assets
Beginning of the Period, January 1	1.480.465.096	5.171.408.394
Net change of the year	261.267.647	1.636.994.466
End of the period - September 30	1.741.732.743	6.808.402.860

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17. Insurance Liabilities and Reinsurance Assets (Continued)

17.19 Reconciliation of insurance payables, reinsurance assets and changes in deferred acquisition costs, if any

	2021	
	Insurance Payables	Reinsurance Assets
Beginning of the Period, January 1	915,224,781	4,525,344,869
Net change of the year	2,718,953	299,591,628
End of the period - September 30	917,943,734	4,824,936,497

17.20 Deferred production commissions and deferred commission income

The part of the commissions paid to the intermediaries for the premiums written and the commissions received from the reinsurers due to the premiums transferred to the reinsurers are accounted for in the balance sheet under “Deferred manufacturing expenses” and “deferred commission income” accounts, respectively, and in the Income Statement under the operating expenses account. Deferred commission expenses and deferred commission income as of 30 September 2022 amounted to TRY 668,786,633 (31 December 2021: TRY 442,876,267) and TRY 349,966,046 (31 December 2021: TRY 236,564,242), respectively, deferred production expenses and deferred tax commission income is included in account items.

18. Investment Contract Liabilities

Disclosed in Note 17.3.

19. Trade and Other Payables, Deferred Income

19.1 Sub-classifications of presented items in the Company’s operations line with

	30 September 2022	31 December 2021
Payables from Insurance and Reassurance Operations (Note 17.16)	1.391.602.829	1,243,900,854
Payables from Insurance Operations	1.391.602.829	1,243,900,854
Payables to contracted enterprises	61.015.960	78.918.265
Payables to suppliers	49.810.975	72.046.778
Payables to Turkish Catastrophe Insurance Pool	36.427.483	32.695.098
Other	792.178	3.871.597
Turkish Catastrophe Insurance Pool Payables to agencies	1.372.437	1.524.578
Other Payables	149.419.033	189.056.316
Payables to SSI regarding medical expenses	58.371.430	60,198,675
Deferred commission income (Note 17.16)	349.966.046	236,564,242
Provision for Cost Expenses (Note 23.4)	103.341.974	62,941,823
Expense accruals	-	49,851,945
Deferred Income and Expense Accruals	453.308.020	349,358,010
Total Short-term Liabilities	2.052.701.312	1,842,513,855
Total Trade and Other Payables, Deferred Income	2.052.701.312	1,842,513,855

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19. Trade and Other Payables, Deferred Income (Continued)

19.2 Related Party Disclosures

Details related with related party balances and transactions for the current financial period are disclosed in Note 45.

20. Payables

Insurance Technical Reserves	30 September 2022	31 December 2021
Unearned Premiums Reserve - Net (*)	3.279.925.316	2.012.331.492
Outstanding Claims Reserve - Net (Note 4.1.2.2)	2.603.295.522	1.967.951.413
Equalization Reserve - Net	142.625.158	117.710.045
Mathematical Reserves - Net	1.327.477	1.343.509
Unexpired Risks Reserve - Net	555.375.710	93.325.083
Bonuses and rebates reserve - Net	3.549	5.568
Total	6.582.552.732	4.192.667.110

(*) While calculating the income statement effect of the provisions for unearned premiums, TRY 9,439,381 the deferral effect of the premiums transferred to assistance companies, which is included in operating expenses, has been netted off (31 December 2021: TRY 4,150,623).

As disclosed in Note 2.15, the reinsurers’ share of unearned premiums includes SSI share as of 30 September 2022 which is TRY 27,039,933 (31 December 2021: TRY 20,755,363).

The movement of technical reserves are as follows

Unearned Premium Reserve:

	30 September 2022			30 September 2021		
	Gross	Reinsurance Share (*)	Net	Gross	Reinsurance Share (*)	Net
Beginning of the Period, January 1	3.938.317.399	(1.925.985.907)	2.012.331.492	2.926.765.514	(1.299.053.674)	1.627.711.840
Net change	1.911.960.181	(644.366.357)	1.267.593.824	119.677.077	(28.663.361)	91.013.716
End of the Period, September 30	5.850.277.580	(2.570.352.264)	3.279.925.316	3.046.442.591	(1.327.717.035)	1.718.725.556

(*) The reinsurance share for unearned premiums also includes the share of SSI amounting to TRY 27,039,933 (30 September 2021: TRY 5,502,891).

Unexpired Risk Reserve:

	30 September 2022			30 September 2021		
	Gross	Reinsurance Share (*)	Net	Gross	Reinsurance Share (*)	Net
Beginning of the Period, January 1	350.168.151	(256.843.068)	93.325.083	930.534.992	(906.674.991)	23.860.001
Net change	442.503.467	19.547.160	462.050.627	(655.480.504)	646.485.160	(8.995.344)
End of the Period, September 30	792.671.618	(237.295.909)	555.375.710	275.054.488	(260.189.832)	14.864.657

Equalization Reserve:

	30 September 2022			30 September 2021		
	Gross	Reinsurance Share (*)	Net	Gross	Reinsurance Share (*)	Net
Beginning of the Period, January 1	415.818.190	(298.108.145)	117.710.045	291.628.561	(195.058.293)	96.570.268
Net change	121.508.445	(96.593.332)	24.915.113	63.556.957	(50.242.298)	13.314.659
End of the Period, September 30	537.326.635	(394.701.477)	142.625.158	355.185.518	(245.300.591)	109.884.927

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20. Payables (Continued)

Provision for bonus and discount

	30 September 2022			30 September 2021		
	Gross	Reinsurance Share (*)	Net	Gross	Reinsurance Share (*)	Net
Beginning of the Period, January 1	773.975	(768.407)	5.568	455.763	(452.167)	3.596
Net change	(570.740)	568.721	(2.019)	9.354	(8.325)	1.029
End of the Period, September 30	203.235	(199.686)	3.549	465.117	(460.492)	4.625

Outstanding claims reserve:

The movement of Outstanding Claims Reserve of 2022 and 2021 are presented in note 4.1.2.3.

Lease Liabilities:

The movement table of the total lease obligation and lease obligations that the Company has recognized within the scope of the transition to TFRS 16- Leases standard is as follows:

	30 September 2022	31 December 2021
Short-term rent liabilities	29.088.179	21,532,058
Long-term rent liabilities	13.064.771	15,802,373
Alternative borrowing rate and discount amount	(9.332.200)	(9,770,397)
Total rent liabilities	32.820.750	27,564,034

Lease Liabilities (Continued):

	30 September 2022	30 September 2021
Total lease obligation as of January 1	27.564.034	28.892.023
Rent payments (Real Estates and Motor Vehicles)	(13.546.888)	(10.704.973)
Interest payments	4.481.155	4.792.403
New lease agreements	14.687.193	-
Changes in lease agreements	(364.744)	(3.157.163)
January 1,	32.820.750	19.822.290

Loans to Credit Institutions

	30 September 2022
Total payables to credit institutions as of January 1	-
Loans received during the period(*)	335,500,000
Accrued loan interest	23,701,153
Total payables to credit institutions as of the balance sheet date	359,201,153

(*) January September 27, 2022, the Company has used as of September 30, 2022, a one-year maturity principal of TL 68.500.000, 17.410.416 TL total interest, TL 100.000.000 principal amount with a one-year term used on May 10, 2022, TL 28.466.667 total interest and 30 The principal amount of TL 167.000.000 with a one-year term, which he used in September 2022, is TL 22.175.931 with a total interest-bearing loan and “Loan Debts to organizations ” classified in the account and with a one-day term and interest-free TL 21.000.000 (31 December 2021: TL 16.177.847) the amount of the loan is classified in the “Other Financial Liabilities (Liabilities)” account).

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21. Deferred Income Tax

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

The Company's deferred income tax amounts are given in footnote 35

22. Retirement and Welfare Liabilities

Provisional Article 23 of the Banking Act No: 5411 requires the transfer of pension funds, which are established for employees of financial institutions, insurance and reinsurance companies under Social Security Act, to Social Security Institution (“SSI”) as of the effective date of the Act within 3 years and principles and procedures of fund transfer are also prescribed in accordance with the Council of Ministers’ order no: 2006/11345 issued on November 30, 2006. However, transfer requirement in the related Act was annulled based on the application made by the Turkish President on November 2, 2005, in accordance with the order of the Constitutional Court (no: E,2005/39, K,2007/33) issued on March 22, 2007 as effective from the date of publishment in the Official Gazette no: 26479 on March 31, 2007.

On the other hand, the Act No: 5754 “Amendments in Social Securities and General Health Insurance Acts Specific Laws and Related Requirements” published in the Official Gazette No: 26870 on May 8, 2008, requires the transfer of participants or beneficiaries of pension funds to SSI as of the effective date of the Act within 3 years and prescribes the extension period of the transfer as maximum of two years upon the order of Council of Ministers

The Act prescribes that, as of the transfer date, present value of fund liabilities should be measured by considering the fund income and expense based on the insurance branches presented in the related act using 9,8% of technical interest rate in the actuarial calculation. The Act also specifies that the uncovered other rights and compensations of participants or beneficiaries of pension funds should be covered by institutions that made the fund transfers.

Aksigorta A.Ş. is a member of Akbank T.A.Ş Pension Fund (Akbank T.A.Ş Tekaüt Sandığı). At each period-end, the Company pays its liability calculated for its share to the pension fund. As the result of the actuarial calculations made in relation to the Pension Fund of Akbank T.A.Ş. established in accordance with Article 20 of the Social Securities Act No: 506, the Company has no deficits by the end of the current period and no payments have been made in relation to any deficit amount by the Company. Fund assets are adequate in covering all the funds liabilities; therefore, the Company management anticipates no liabilities to be assumed in relation to the above-mentioned matter.

Retirement Pay Provisions:

Under the terms of Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified for such payment.

Employee termination benefits provisions are legally not a subject of funding. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

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22. Retirement and Welfare Liabilities (Continued)

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 September 2022 and 31 December 2021, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. As of 30 September 2022, the provisions at the respective balance sheet dates have been calculated resulting in a real interest rate of 4% (31 December 2021: 4%). The anticipated rate of forfeitures is considered, and estimated rate of the Company’s retirements pay is also taken into account.

Actuarial loss amounting to TRY 18,843,369 (Deferred tax effect:TRY 4,710,842) in the calculation of severance pay provision is accounted in the account of private funds under the equity (Note 15.2).

As the maximum liability is updated semi-annually, as of 30 September 2022, the maximum amount of TRY 15,371 effective from 1 July 2022 has been taken into consideration in calculation of provision from employment termination benefits (31 December 2021: TRY 7,639).

Movement of employee termination benefits provisions are presented in the statement below

	2022	2021
Beginning of the period, January 1	14.112.606	9.095.078
Charge for the period (Note 47)	2.536.415	1.937.344
Actuarial Gain/(Loss)	8.195.176	3.834.189
Retirement Payments (-)	(3.678.197)	(754.005)
End of the period, September 30,	21.166.000	14.112.606

23. Other Liabilities and Expense Accruals

23.1 Provisions related to employee benefits and others

	2022		2021	
	Unused Vacations Provisions	Social Security Premiums Payable	Unused Vacations Provisions	Social Security Premiums Payable
Beginning of the period, January 1	3.690.561	235.747	2.158.581	238.630
Movements in the Current Period	3.921.762	59.818.545	1.238.303	20.960.628
Payments in the Current Period	(669.911)	(59.604.451)	(112.339)	(20.982.876)
End of the period, September 30	6.942.412	449.841	3.284.545	216.382

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23. Other Liabilities and Expense Accruals (Continued)

23.2 Total Amount of Non-Liability Commitments

Company’ s statement of pledges and commitments as of 30 September 2022 and 31 December 2021 are presented below:

Collaterals, Pledges and Mortgages Given by the Company (CPM)	30 September 2022		31 December 2021	
	Amount in Original Currency	Amount TRY	Amount in Original Currency	Amount TRY
A. Total amount of CPM’s given on behalf of the Company legal entity	-	-	-	-
B. Total amount of CPM’s given in favor of joint ventures included in full consolidation	-	-	-	-
C. Total amount of CPM’s given as the guarantee of the third parties for the maintenance purpose of the ordinary activities		6.914.995	-	3.740.162
Turkish Lira	6.914.995	6.914.995	3.740.162	3.740.162
USD	-	-	-	-
D. Total amount of the other CPM’s given		-	-	-
i. Total amount of CPM’s given in favor of the parent company	-	-	-	-
ii. Total amount of CPM’s given in favor of other group companies not included in clauses B and C	-	-	-	-
iii. Total amount of CPM’s given in favor of third parties not included	-	-	-	488,179
Turkish Lira	-	-	488,179	488,179
Total		6.914.995		4,228,341

Other CPM’s given by the Company is zero in proportion to the Company’s equity (31 December 2021: None).

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23. Total Amount of Non-Liability Commitments (Continued)

23.3 Provisions, Contingents Assets and Liabilities

Contingent Liabilities	30 September 2022	31 December 2021
Outstanding Claims under litigation (*)	1.804.578.152	1.296.943.994
Business Cases Provision	1.700.012	813.092
Unused vacation provision	6.942.413	3.690.561
Total	1.813.220.577	1,301,447,647

Contingent Assets	30 September 2022	31 December 2021
Subrogation Receivable Litigations, Gross	366.335.764	306,504,784
Trade Receivable Litigations and Executions	9.319.459	8,625,642
Total	375.655.223	315,130,426

(*) Outstanding claims provision consists of net receivables, interest and expenses & agency fees in the amount of TRY 979,251,727, TRY 336,553,210 and TRY 488,773,215 respectively.

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 TRY 1.8 million and tax penalty of TRY 2.8 million for the year 2009, tax of TRY 2 million and tax penalty of TRY 3 million for the year 2010, tax of TRY 3 million and tax penalty of TRY 4.6 million for the year 2011 and tax of TRY 4.3 million and tax penalty of TRY 6.4 million for the year 2012 and in total tax and tax penalty of TRY 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. Large taxpayers were interviewed by the Tax Office on February 15, 2018, and on February 27, 2018 a lawsuit was filed against the Grand Taxpayers Office as no compromise could be reached. In the cases of 2009, 2010, 2011 and 2012, in tax litigation related to BITT, Tax Court has decided in favour of the Company in the cases of 2009, 2010, 2011 and 2012.

23.4 Provision for Expense Accruals

	30 September 2022	31 December 2021
Commission provision (*)	25.721.299	17.805.233
Performance premium provision	12.155.419	7.958.998
Guarantee fund provision	21.249.787	25.974.332
Expense provision	26.331.548	4.686.928
Business Cases Provision	1.700.012	813.092
Unused vacation provision	6.942.413	3.690.561
Other	9.241.496	2.012.679
Total	103.341.974	62.941.823

(*) Commission provision to be distributed to the agency, bank and institutional channels for the current period.

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24. Net Insurance Premium Revenue

	January 1, - September 30, 2022			July 1, - September 30, 2022		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Motor Crafts Liability (*)	2.361.380.286	(521.074.329)	1.840.305.957	786.932.368	(145.900.400)	641.031.968
Motor Own Damage	2.183.292.581	(20.105.751)	2.163.186.830	1.004.187.354	(6.760.953)	997.426.401
Fire and Natural Disaster	1.523.112.612	(1.273.296.645)	249.815.967	531.997.453	(426.093.351)	105.904.102
General Losses	611.536.585	(485.827.026)	125.709.559	106.315.470	(75.184.933)	31.130.537
Health	659.756.787	(558.689.004)	101.067.783	209.118.779	(185.862.846)	23.255.933
Financial Losses	277.305.217	(232.823.148)	44.482.069	106.352.144	(90.942.279)	15.409.865
Transportation	190.007.596	(146.636.189)	43.371.407	45.814.311	(32.619.218)	13.195.093
Accident	75.795.793	(18.809.467)	56.986.326	40.223.292	(5.656.518)	34.566.774
General Liability	472.866.378	(443.911.033)	28.955.345	171.718.196	(160.826.490)	10.891.706
Watercrafts	90.662.824	(77.019.294)	13.643.530	31.042.530	(26.142.246)	4.900.284
Legal Protection	3.009.772	(3)	3.009.769	1.000.519	(3)	1.000.516
Fidelity Guarantee	3.235.521	(2.239.470)	996.051	1.007.279	(696.590)	310.689
Credit	4.026.681	(3.889.887)	136.794	827.559	(792.241)	35.318
Air Crafts Liability	66.441.108	(66.439.157)	1.951	16.934.199	(16.934.228)	(29)
Air Crafts	45.210.330	(45.209.325)	1.005	5.520.944	(5.520.972)	(28)
Total - Non-life branches	8.567.640.071	(3.895.969.728)	4.671.670.343	3.058.992.397	(1.179.933.268)	1.879.059.129
Written premium - Life branch	-	-	-	-	-	-
Total	8.567.640.071	(3.895.969.728)	4.671.670.343	3.058.992.397	(1.179.933.268)	1.879.059.129

	January 1, - June 30, 2021			April 1, - June 30, 2021		
	Gross	Reinsurance share	Net	Gross	Reinsurance share	Net
Motor Own Damage	1.513.515.710	(282.755.422)	1.230.760.288	540.652.415	(97.066.859)	443.585.556
Fire and Natural Disaster	790.265.507	(635.617.785)	154.647.722	262.194.149	(210.969.997)	51.224.152
Motor Crafts Liability	876.406.921	(7.586.435)	868.820.486	300.612.878	(2.709.342)	297.903.536
Health	331.929.502	(250.846.381)	81.083.121	87.131.810	(65.985.723)	21.146.087
General Losses	318.667.652	(225.414.032)	93.253.620	61.556.245	(40.137.977)	21.418.268
General Liability	283.810.755	(258.847.778)	24.962.977	107.169.905	(99.061.663)	8.108.242
Financial Losses	161.040.578	(115.884.452)	45.156.126	53.694.648	(39.520.625)	14.174.023
Transportation	80.078.456	(56.876.885)	23.201.571	20.150.962	(13.169.728)	6.981.234
Accident	39.197.219	(7.627.067)	31.570.152	18.410.404	(3.016.311)	15.394.093
Watercrafts	33.896.336	(28.426.069)	5.470.267	9.649.374	(7.873.580)	1.775.794
Air Crafts	18.900.388	(18.899.176)	1.212	4.602.150	(4.601.811)	339
Air Crafts Liability	14.993.602	(14.992.916)	686	2.770.120	(2.769.928)	192
Fidelity Guarantee	2.702.929	(1.993.452)	709.477	671.870	(461.284)	210.586
Legal Protection	3.749.093	-	3.749.093	1.211.725	-	1.211.725
Credit	2.218.719	(2.152.141)	66.578	854.037	(827.946)	26.091
Total - Non-life branches	4.471.373.367	(1.907.919.991)	2.563.453.376	1.471.332.692	(588.172.774)	883.159.918
Written premium - Life branch	-	-	-	-	-	-
Total	4.471.373.367	(1.907.919.991)	2.563.453.376	1.471.332.692	(588.172.774)	883.159.918

(*) Reinsurance share of land vehicles liability branch amounting to TRY 185,995,535 (1 January- 30 September 2021: TRY 123,941,342) includes premiums to be ceded to SSI.

25. Fee Income

None (31 December 2021: None).

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26. Investment Income / (Expense)

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Realized Investment Income / Expenses				
Time Deposit	103.088.618	99.713.569	99.713.569	24.551.146
Government Bond	110.588.137	16.060.592	16.060.592	3.733.176
Eurobonds	184.940.806	61.581.760	61.581.760	26.851.312
Private Sector Bonds	69.099.976	76.954.151	76.954.151	28.452.131
Equity Share	30.410.309	16.109.840	16.109.840	4.552.490
Investment Fund	80.156.050	17.096.429	17.096.429	1.322.859
Treasury bond	(1.102.527)	2.086.077	2.086.077	(279.101)
Derivative transaction	66.940.845	77.811.263	77.811.263	46.255.936
Total	644.122.214	319.797.134	367.413.681	135.439.949
Unrealized Investment Income / (Expenses)				
Government Bond	21.212.350	(975.019)	(975.019)	1.584.140
Eurobonds	45.420.307	18.682.811	18.682.811	6.323.897
Investment Fund	47.749.932	8.558.387	8.558.387	3.914.991
Private Sector Bonds	(8.546.234)	6.423.719	6.423.719	4.865.580
Repo	1.005.748	32.508	32.508	278.537
Treasury bond	(89.917)	(93.928)	(93.928)	(30.676)
Time Deposit	1.340.007	22.262.204	22.262.204	11.724.494
Total	108.092.193	(2.122.019)	54.890.682	28.660.963
Investment Income / Expense, Net	752.214.407	317.675.115	422.304.363	164.100.912

27. Net Accrual Income on Financial Assets

Financial Assets Available for Sale	1 January - 30 September 2022	1 January - 30 September 2021
Valuation differences recognized under shareholders' equity	(94.825.288)	(14.036.529)
Total	(94.825.288)	(14.036.529)

28. Assets Held at Fair Value through Profit and Loss

The net gain which is booked in income statement from the fair value difference reflected to gain or loss of the financial assets, is amounting to TRY 6,199,518 as of 30 September 2022 (1 January - 31 December 2021: TRY 93,692,324).

29. Insurance Rights and Demands

Outstanding Claims Reserve Expenses	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Motor Crafts Liability	(378.474.562)	(248.507.228)	(248.507.228)	(68.673.453)
Fire and Natural Disaster	(25.364.205)	(27.785.301)	(27.785.301)	(15.786.942)
Motor Own Damage	(133.701.261)	(89.886.448)	(89.886.448)	(32.518.152)
General Liability	(57.386.911)	(25.709.470)	(25.709.470)	(3.552.590)
General Losses	(20.595.184)	(12.261.376)	(12.261.376)	(681.964)
Transportation	(8.717.729)	(2.693.974)	(2.693.974)	(915.679)
Watercrafts	(4.083.828)	(942.606)	(942.606)	(831.475)
Suretyship	(1.560.458)	(163.559)	(163.559)	801.760
Financial Losses	(4.865.931)	(126.867)	(126.867)	(1.158.570)
Legal Protection	149.627	(209.946)	(209.946)	73.548
Air Crafts	601	649	649	547
Air Crafts Liability	(5.622)	(2.380)	(2.380)	(360)
Credit	(65.262)	21.602	21.602	(305.534)
Accident	83.456	(1.141.997)	(1.141.997)	(806.499)
Health	(759.444)	(57.897)	(57.897)	9.498
Total Non-life	(635.346.713)	(374.380.528)	(409.466.798)	(124.345.863)
Life	2.604	-	352	-
Total (*)	(635.344.109)	(374.380.528)	(409.466.446)	(124.345.863)

(*) For current previous period comparison please refer to note 4.1.1.3.

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30. Investment Agreement Types

None (31 December 2021: None).

31. Mandatory Other Expenses

Types of expenses are disclosed in Note 32.

32. Expense Type

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Production Commissions (-)	(872.420.037)	(596.870.505)	(596.870.505)	(215.269.983)
Employee Wages and Expenses (-) (*)(Note 33)	(177.504.038)	(109.957.458)	(109.957.458)	(34.939.624)
Information Technology Expenses (-)	(41.994.496)	(21.646.073)	(21.646.073)	(7.685.065)
Meeting and Training Expenses (-)	(10.582.718)	(3.195.006)	(3.195.006)	(874.119)
Transportation Expenses (-)	(5.276.610)	(874.071)	(874.071)	(336.039)
Social Relief Expenses (-)	(8.739.237)	(2.923.406)	(2.923.406)	(1.148.351)
Advertisement Expenses (-)	(9.340.249)	(7.734.089)	(7.734.089)	(3.522.867)
Reinsurance Commissions (+)	431.889.876	242.747.161	242.747.161	89.869.207
Other (-)	(26.899.841)	(17.801.924)	(17.801.924)	(5.333.922)
Total	(720.867.350)	(274.769.533)	(518.255.371)	(179.240.763)

(*) The Company makes payments to pension contribution (3% of the monthly gross salary) for the employees who fulfil conditions, and this amount is presented in employees' wages and expenses

33. Employee Wages and Expenses

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Salary and Bonus Payments	(138.108.708)	(84.276.879)	(84.276.879)	(27.789.254)
Insurance Payments	(35.800.334)	(21.495.354)	(21.495.354)	(6.616.100)
Other Payments	(12.334.233)	(7.108.631)	(7.108.631)	(1.682.621)
Total (Note 32)	(186.243.275)	(69.093.596)	(112.880.864)	(36.087.975)

34. Financing Cost

34.1 Financial Expenses:

The company has an interest expense of TRY 4,481,155 for the lease contracts accounted for under TFRS 16 in the interim period of 1 January - 30 September 2022 (1 January - 30 September 2021: TRY 4,792,403) and interest expense of TRY 25,222,995 due to the financing received from credit institutions (1 January - 30 September 2021: None).

34.2 Current period's financial expenses related to shareholders, affiliates and subsidiaries:

None (31 December 2021: None).

34.3 Sales transactions with shareholders, affiliates and subsidiaries:

Disclosed in Note 45.

34.4 Interest, rent and similar balances with shareholders, affiliates and subsidiaries:

Disclosed in Note 45.

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34. Financing Cost (Continued)

34.5 Hedge accounting principle

Cash Flow hedging principle

None (31 December 2021: None).

Type risk and principle of the cash flow hedge

None (31 December 2021: None).

34.6 Exchange differences, other than those arising from financial assets held at fair value through profit and loss

None (31 December 2021: None).

35. Corporate Tax

30 September 2022 31 December 2021

Current Tax Liability:

Corporate Tax Liability Provision on Period Profit	-	105,330,567
Prepaid Taxes and Other Liabilities on Period Profit (-)	-	(80,296,983)
Withholdings paid in advance through deduction	(2.834.888)	(2,968,911)
Total	(2.834.888)	22,064,673

Tax (expense) / income consists of the following:

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Current Tax Income / (Expense)	-	-	(86.185.111)	(17.980.899)
Deferred Tax Income / (Expense) due to Temporary Differences	159.787.645	13.661.981	8.228.295	(4.053.522)
Total tax (expense)	159.787.645	13.661.981	(77.956.816)	(22.034.421)

Deferred Tax

2022

2021

Recognized in the Shareholders' Equity:

Valuation of Financial Assets Available for Sale	31.608.429	4.192.729
Actuarial Gain/Loss Effect	4.710.842	1.658.878
	36.319.271	5.851.607

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

In the interim financial statements dated 30 September 2022, deferred tax assets and liabilities are calculated with the rate of 25% for the deferred tax assets consisting of deductible temporary differences, taking into account the time intervals in which the said differences will occur by generating taxable profit in the future. (December 31, 2021: calculated with 25% for what will happen in 2021, 23% for what will happen in 2022, 20% for the following years)

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35. Corporate Tax (Continued)

Deferred tax items are as follows:

	Temporary Differences September 30,2022	Temporary differences December 31,2021	Deferred Tax Assets/ (Liabilities) September 30, 2022	Deferred Tax Assets/ (Liabilities) December 31, 2021
Expense reserves (Note 23.4)	67.119.780	31.155.644	16.779.945	7.401.195
Performance premium provision (Note 23.4)	12.155.420	7.958.998	3.038.855	1.989.750
Equalization provision	13.376.886	9.823.179	3.344.222	1.964.636
Provision for employment termination benefits (Note 22)	21.166.000	14.112.606	5.291.500	2.822.521
Provision for doubtful receivables	51.641.549	20.128.067	12.910.387	4.629.455
Unused vacation allowance (Note 23.4)	6.942.412	3.690.561	1.735.603	848.829
Unexpired Risk Reserve	555.375.710	93.325.083	138.843.928	21.464.769
Bonus and rebates provision	3.549	5.568	887	1.281
Valuation effect of derivative products	(1.378.113)	49.851.945	(344.528)	11.465.947
Tangible Asset Leases	5.496.244	5.910.208	1.374.061	1.182.042
Marketable securities valuation impact	86.902.414	(1.645.442)	21.725.602	775.744
Tangible and intangible assets	(11.672.046)	(7.364.600)	(2.918.012)	(1.472.920)
Exchange Rate Difference Valuation Differences	1.523.814	(24.802.151)	380.954	(5.704.495)
Financial Loss for the Period	120.719.647	-	30.179.912	-
Expense reserves (Note 23.4)	67.119.780	31.155.644	16.779.945	7.401.195
Deferred tax asset/(liability)	929.373.266	202.149.666	232.343.316	47.368.754

Corporation tax reconciliation is as below:

	30 September 2022	31 December 2021
Profit Before Tax	(554.686.678)	251.805.265
Tax Calculated: %25 (2021: %25)	138.671.670	(62.951.316)
Effect of Additions	(188.279.409)	(61.763.006)
Effect of Discounts, net	79.787.651	2.923.658
Tax impact of tax loss	(30.179.912)	-
Term Tax Expense	-	(121.790.664)

36. Net Foreign Exchange Gain / (Loss)

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Recognized in Profit / Loss:				
Foreign Exchange Income	1.061.762.945	416.429.809	261.488.284	75.907.278
Foreign Exchange Expense	(659.750.724)	(204.620.689)	(223.123.255)	(74.153.548)
	402.012.221	211.809.120	38.365.029	1.753.730

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37. Earnings per Share

	2022	2021
Number of Equity Shares Outstanding Beginning Period, January 1,	30,600,000,000 30,600,000,000	30,600,000,000 30,600,000,000
Number of Equity Shares Issued in Cash	30,600,000,000	-
Number of Equity Shares Outstanding End of Period, September 30,	61,200,000,000 61,200,000,000	30,600,000,000 30,600,000,000
Weighted Average Number of Outstanding Shares (Unit of 1; TRY 0.01)	61,200,000,000	30,600,000,000
Net Profit for the Period / (Loss) (TRY)	(394.899.033)	186.478.011
Earnings / (Loss) per Share (TRY)	(6,453)	0,6094

38. Dividends per share

Based on the decision taken at the Ordinary General Assembly Meeting held on March 29, 2022, in the financial statements containing the operating results for the year 2021, no distribution was made to the shareholders since the profit subject to distribution did not occur. (31 December 2021: TRY 201,960,000).

39. Cash Generated from the Operations

Cash Generated from Operations is presented in the Cash Flow Statement

40. Equity Share Convertible Bonds

None (31 December 2021: None).

41. Cash Convertible Privileged Equity Shares

None (31 December 2021: None).

42. Risks

The Company’s contingent asset and liabilities are presented in Note 23.3.

43. Commitments

Total amount of off-balance sheet commitments are presented in Note 23.2.

44. Business Combinations

None (31 December 2021: None).

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45. Related Parties

Related Party Receivables / (Payables)

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

Bank Deposit	30 September 2022		31 December 2021	
Group Companies		526.477.276		158.440.388
Total		526.477.276		158.440.388
Private Sector Bonds	30 September 2022		31 December 2021	
Group Companies		6.397.886		25.654.115
Total		6.397.886		25.654.115
Investment Funds	30 September 2022		31 December 2021	
Group Companies		1.041.069.860		6.454.942
Total		1.041.069.860		6.454.942
Related Party Receivables/(Payables)	30 September 2022		31 December 2021	
Group Companies		178.760.078		93.927.329
Receivables from Partners		75.441		-
Payables to Partners		(29.615.533)		(416.165)
Total		149.219.986		93.511.164
Premium production	1 January- 30 September 2022	1 July - 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Group Companies	329.068.894	23.560.859	113.201.166	23.006.272
Shareholders	75.441	(294.725)	1.191.369	-
Total	329.144.335	23.266.134	114.392.535	23.006.273
Claims Paid	1 January- 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Group Companies	17.872.915	4.247.641	15.943.678	8.083.278
Shareholders	6.243	-	752	752
Total	17.879.158	4.247.641	15.944.430	8.084.030
Interest Income Received from Related Parties	1 January- 30 September 2022	1 July - 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Group Companies	18.295.194	7.463.845	27.984.580	10.725.529
Total	18.295.194	7.463.845	27.984.580	10.725.529
Commission Expenses	1 January- 30 September 2022	1 July - 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Group Companies	139.653.057	47.227.361	101.822.270	31.960.073
Total	139.653.057	47.227.361	101.822.270	31.960.073

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46. Events After the Balance Sheet Date

At the Extraordinary General Assembly meeting held on August 4, 2022, the current capital of the Company was increased from TRY 612,000,000 to TRY 1,612,000,000 with a nominal value of TRY 1,000,000,000, all in cash, and the current registered capital ceiling amount was increased from TRY 750,000,000 to TRY 3,000,000,000, and the validity period was 2022- The amendment text regarding the 8th article titled "Capital" of the Articles of Association, which was prepared to extend it to 2026, was accepted. An application was made to the Capital Markets Board on 5 August 2022 in order to obtain the necessary permissions and approvals for the said paid capital increase.

Pursuant to the decision of the Company's Board of Directors dated 21 July 2022, Sabancı Ageas Sağlık Sigorta A.Ş. It has been decided to establish a joint stock company with the title of title, and the articles of association of the mentioned subsidiary were registered on 3 August 2022 and the establishment procedures were completed. On October 20, 2022, the Capital Markets Board approved the capital increase with price.

47. Other

Details of “Other” items in the balance sheet which exceed 20% of its respective account group or 5% of total assets:

	30 September 2022	31 December 2021
Other Receivables		
Receivables from Tarım Sigortaları A.Ş.	14.504.816	14.448.552
Other Receivables	3.846.485	6.489.404
Receivables from Agencies due to DASK Premiums	6.783.500	7.365.917
Total	25.134.801	28.303.873

	30 September 2022	31 December 2021
Other Short-term Payables		
Payables to contracted enterprises	61.015.960	78.918.265
Payables to suppliers	49.810.975	72.046.778
Payables to Turkish Catastrophe Insurance Pool	36.427.483	32.695.098
Other	792.178	3.871.597
Turkish Catastrophe Insurance Pool Payables to Agencies	1.372.437	1.524.578
Total	149.419.033	189.056.316

	30 September 2022	31 December 2021
Other Prepaid Expenses		
Prepaid Expenses	9.596.648	7.559.696
Total	9.596.648	7.559.696

	30 September 2022	31 December 2021
Other Prepaid Expenses (Long-term)		
Prepaid Expenses	110.304	138.005
Total	110.304	138.005

Assistance services under other technical expenses in the income statement, amounting to TRY 177,380,906 (1 January – 30 September 2021: TRY 108,478,520), consist of deferral of these amounts and technical expenses of these services.

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47. Other (Continued)

Income and Profit / Expenses and Losses from Other and Extraordinary Activities	1 January- 30 September 2022	1 July - 30 September 2022	1 January- 30 September 2021	1 July - 30 September 2021
Provisions Account (+/-)	(15.550.540)	(20.380.463)	(20.380.463)	(4.375.093)
Provisions for doubtful receivable (Note 12.1)	(3.035.034)	(846.581)	(846.581)	(648.122)
Donation (*)	-	(14.024.750)	(14.024.750)	(3.874.750)
Portfolio Management	(4.553.010)	(3.544.506)	(3.544.506)	217.313
Retirement pay provision	(2.536.415)	(1.247.358)	(1.247.358)	(415.786)
Unused vacation provision	(3.921.762)	(1.238.303)	(1.238.303)	507.847
Provisions for other expenses	(1.504.319)	521.035	521.035	(161.595)
Specialized Insurance Account (+/-)	5.874.268	3.191.069	3.191.069	(94.316)
Deferred tax asset account (+/-)	159.787.645	8.228.295	8.228.295	(4.053.522)
Other income and profits	9.172.811	842.642	842.642	494.595
Other expenses and losses (-)	(61.680.816)	(11.336.133)	(11.336.133)	(3.756.190)
Bank Expenses	(53.168.226)	(8.227.248)	(8.227.248)	(2.644.506)
Disallowable expenses	(1.299.627)	(1.114.510)	(1.114.510)	(400.372)
Other	(7.212.963)	(1.994.375)	(1.994.375)	(711.312)
Total	97.603.368	(40.301.490)	(19.454.590)	(11.784.527)

(*) Donations to be paid to Hacı Ömer Sabancı Foundation.

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