

**(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH)**

**AKSIGORTA A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
JANUARY 1 - DECEMBER 31, 2022  
AND INDEPENDENT AUDIT REPORT**



**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH**

**INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Aksigorta A.Ş.

**A. Audit of the Consolidated Financial Statements**

**1. Opinion**

We have audited the accompanying consolidated financial statements of Aksigorta A.Ş. (the “Company”) and its subsidiary (collectively referred to as the “Group”), which comprise the consolidated balance sheet as at December 31, 2022 and consolidated statement of income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and statement of profit distribution for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting and financial reporting regulations enforced by insurance legislation and Turkish Financial Reporting Standards (“TFRS”) for the matters not regulated by insurance legislation “Regulation on Insurance Accounting and Financial Reporting Principles”.

**2. Basis for Opinion**

Our audit was conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b><i>Key audit matter</i></b>	<b><i>How our audit addressed the matter</i></b>
<p data-bbox="274 747 792 821"><b>Estimation of claims incurred but not reported</b></p> <p data-bbox="274 867 862 1052">As explained in Notes 2 and 4 in the consolidated financial statements, the Group has accounted for the net incurred but not reported claims provision amounting to TRY 3,089 million as of December 31, 2022.</p> <p data-bbox="274 1098 867 1587">Above mentioned provision is calculated according to the best estimation methods determined within the opinion of the Group's actuary in accordance with "Circular on Outstanding Claim Provisions" dated December 5, 2014 and numbered 2014/16 published by the Under secretariat of the Treasury. The reason we focus on this area during our audit is the significance of the incurred but not reported claims provision for the consolidated financial statements and the significant actuarial judgments and estimates required by the nature of provision in the financial statements.</p>	<p data-bbox="894 867 1490 1052">We tested the design and operational effectiveness of the key controls implemented by the Group's management in relation to the ultimate claims used in the calculation of incurred but not reported claims provision.</p> <p data-bbox="894 1098 1490 1549">We performed reconciliation of the data used in the calculation of incurred but not reported claims for selected branches with the consolidated financial statements. Our actuaries have assessed the estimated loss ratios and expected damage developments trends together with the selected actuarial techniques considering past damage experiences and sector developments. In addition, for selected branches, we made an estimation of the reasonable ranges for the incurred but not reported claims provision and compared them with the Group's records.</p> <p data-bbox="894 1596 1468 1740">We checked the adequacy and accuracy of the disclosures in the consolidated financial statements related to such provisions with the Accounting and Financial Reporting Legislation.</p>



#### **4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles and TAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**B. Other Responsibilities Arising From Regulatory Requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Group’s bookkeeping activities concerning the period from January 1 to December 31, 2022 period are not in compliance with the TCC and provisions of the Group’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Group’s Board of Directors on February 13, 2022.

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

**ORIGINALLY ISSUED IN TURKISH**

Talar Gül, SMMM  
Partner

Istanbul, February 13, 2022

**THE MANAGEMENT’S REPRESENTATION ON THE FINANCIAL STATEMENTS  
PREPARED AS OF 31 DECEMBER 2022**

The accompanying consolidated financial statements and the related disclosures and notes as of 31 December 2022 (the ‘financial report’) are prepared in accordance with the requirements set out by Republic of Turkey Ministry of Treasury and Finance General Directorate of Insurance and accordance with the accounting principles and standarts in force in insurance legislation and are in compliance with our Company’s accounting records.

İstanbul, 13 February 2023

**Osman AKKOCA**  
Chief Financial Officer

**Uğur GÜLEN**  
Chief Executive Officer

**Halil KOLBAŐI**  
Actuary  
Licence No: 72

**Seza TANINMIŐ ÖZGÜR**  
Accounting and Legal Reporting  
Manager

**AKSIGORTA A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
JANUARY 1 - DECEMBER 31, 2022**

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# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2022 AND 2021

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

ASSETS			
	Note	Audited	Audited
		Current Period December 31, 2022	Previous Period December 31, 2021
<b>I- CURRENT ASSETS</b>			
<b>A- Cash and Cash Equivalents</b>	<b>14</b>	<b>5,209,698,181</b>	<b>2,194,391,593</b>
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	14	4,994,282,190	1,182,736,630
4- Cheques Given and Payment Orders (-)		-	-
5- Receivables from Credit Cards with Bank Guarantee Due Less Than Three Months	14	215,415,991	1,011,654,963
6- Other Cash and Cash Equivalents		-	-
<b>B- Financial Assets and Investments with Risks on Policy Holders</b>	<b>11.1</b>	<b>3,347,337,441</b>	<b>2,962,029,646</b>
1- Financial Assets Available for Sale	11.1	1,951,145,408	1,216,091,948
2- Financial Assets Held to Maturity	11.1	1,184,804,256	1,737,608,467
3- Financial Assets Held for Trading	11.1	209,376,382	6,454,765
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders	11.1	2,011,395	1,874,466
7- Equity Shares		-	-
8- Impairment in Value of Financial Assets (-)		-	-
<b>C- Receivables from Main Operations</b>	<b>12.1</b>	<b>2,866,570,795</b>	<b>1,548,287,773</b>
1- Receivables from Insurance Operations	12.1	2,879,788,998	1,555,532,867
2- Provision for Receivables from Insurance Operations (-)	12.1	(45,967,323)	(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	394,716,808	241,838,830
10- Provisions for Doubtful Receivables from Main Operations (-)	12.1	(361,998,642)	(229,472,152)
<b>D- Due from Related Parties</b>		<b>17,384</b>	<b>216,109</b>
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 (-)		-	-
<b>E- Other Receivables</b>		<b>47,994,285</b>	<b>29,521,449</b>
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		1,219,112	1,217,576
4- Other Receivables	47	46,775,173	28,303,873
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
<b>F- Prepaid Expenses and Income Accruals</b>	<b>4.2.2</b>	<b>901,513,876</b>	<b>450,435,963</b>
1- Deferred Commission Expenses	17.20	885,958,057	442,876,267
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	2.10	1,148,041	-
4- Other Prepaid Expenses	47	14,407,778	7,559,696
<b>G- Other Current Assets</b>		<b>3,686,277</b>	<b>2,975,608</b>
1- Inventories		22	22
2- Prepaid Taxes and Funds	35	3,664,432	2,968,911
3- Deferred Tax Assets		-	-
4- Business Advances		21,823	6,675
5- Advances Given to Personnel		-	-
6- Stock Count Differences		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
<b>I- Total Current Assets</b>		<b>12,376,818,239</b>	<b>7,187,858,141</b>

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

# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2022 AND 2021

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

ASSETS			
	Note	Audited	Audited
		Current Period December 31, 2022	Previous Period December 31, 2021
<b>II- NON-CURRENT ASSET</b>			
<b>A- Receivables from Main Operations</b>			
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations (-)		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & 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>B- Due from Related Parties</b>			
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 (-)		-	-
<b>C- Other Receivables</b>			
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 (-)		-	-
<b>D- Financial Assets</b>			
1- Investments in Associates		-	-
2- Affiliates		-	-
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries		-	-
5- Capital Commitments to Subsidiaries (-)		-	-
6- Joint Ventures		-	-
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Investments with Risks on Policy Holders		-	-
9- Other Financial Assets		-	-
10- Diminution in Value of Financial Assets (-)		-	-
<b>E- Tangible Fixed Assets</b>			
1- Investment Properties	6 and 7	63,880,077	39,925,319
2- Diminution in Value for Investment Properties (-)	7	-	-
3- Owner Occupied Properties	6	5,329	1,598,569
4- Machinery and Equipment's		-	-
5- Furnitures and Fixtures	6	45,477,606	31,263,486
6- Vehicles	6	8,758,863	1,878,421
7- Other Tangible Assets (Including Leasehold Improvements)	6	24,233,834	23,807,488
8- Leased Tangible Fixed Assets	6	68,313,445	43,374,169
9- Accumulated Depreciation (-)	6 and 7	(82,909,000)	(61,996,814)
10- Advances Paid for Tangible Fixed Assets (Including Construction in Progresses)	6	-	-
<b>F- Intangible Fixed Assets</b>			
1- Rights	8	304,122,850	223,788,042
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Amortizations (-)	8	(179,726,972)	(141,527,231)
7- Advances Regarding Intangible Assets	8	43,653,013	30,311,685
<b>G- Prepaid Expenses and Income Accruals</b>			
1- Deferred Commission Expenses		-	-
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses	47	110,304	138,005
<b>H- Other Non-current Assets</b>			
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	35	228,577,129	47,368,754
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
<b>II- Total Non-current Assets</b>		<b>460,616,401</b>	<b>200,004,574</b>
<b>TOTAL ASSETS (I+II)</b>		<b>12,837,434,640</b>	<b>7,387,862,715</b>

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

# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2022 AND 2021

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

<b>LIABILITIES</b>			
	Note	Audited	Audited
		Current Period December 31, 2022	Previous Period December 31, 2021
<b>III- SHORT TERM LIABILITIES</b>			
<b>A- Borrowings</b>		<b>641,683,756</b>	<b>132,802,013</b>
1- Loans to Financial Institutions	2.18 and 20	544,473,125	-
2- Finance Lease Payables	20	27,858,335	21,532,058
3- Deferred Finance Lease Borrowing Costs (-)	20	(8,929,786)	(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)	2.18 ve 14	78,282,082	117,833,595
<b>B- Payables from Main Operations</b>		<b>2,052,543,633</b>	<b>1,243,900,854</b>
1- Payables Due to Insurance Operations	19.1	2,052,543,633	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 (-)		-	-
<b>C- Due to Related Parties</b>		<b>190,785</b>	<b>54,225</b>
1- Due to Shareholders	12.2	1,143	1,143
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		189,642	53,082
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>		<b>364,004,169</b>	<b>268,375,699</b>
1- Deposits and Guarantees Received	12.1	28,257,559	19,120,708
2- Due to SSI regarding Treatment Expenses	19.1	69,641,878	60,198,675
3- Other Payables	19.1	266,104,732	189,056,316
4- Discount on Other Payables (-)		-	-
<b>E- Insurance Technical Reserves</b>		<b>6,839,644,319</b>	<b>4,073,613,556</b>
1- Unearned Premiums Reserve - Net	20	3,897,966,852	2,012,331,492
2- Unexpired Risk Reserves - Net	20	153,218,079	93,325,083
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net	4.1 and 20	2,788,449,164	1,967,951,413
5- Provision for Bonus and Discounts - Net	20	10,224	5,568
6- Other Technical Reserves - Net		-	-
<b>F- Taxes and Other Liabilities and Relevant Provisions</b>		<b>152,017,037</b>	<b>124,706,305</b>
1- Taxes and Dues Payable		151,321,626	99,431,502
2- Social Security Premiums Payable	23.1	689,939	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		-	-
<b>G- Provisions for Other Risks</b>		<b>96,230,891</b>	<b>62,941,823</b>
1- Provision for Employment Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs	19.1 and 23.4	96,230,891	62,941,823
<b>H- Deferred Income and Expense Accruals</b>	<b>19.1</b>	<b>531,238,119</b>	<b>286,416,187</b>
1- Deferred Commission Income	17.16	531,238,119	236,564,242
2- Expense Accruals	2.10 and 19.1	-	49,851,945
3- Other Deferred Income		-	-
<b>I- Other Short-Term Liabilities</b>		<b>235</b>	<b>235</b>
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short-Term Liabilities		235	235
<b>III - Total Short-Term Liabilities</b>		<b>10,677,552,944</b>	<b>6,192,810,897</b>

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

# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2022 AND 2021

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

LIABILITIES			
	Note	Audited	Audited
		Current Period December 31, 2022	Previous Period December 31, 2021
<b>IV- LONG TERM LIABILITIES</b>			
<b>A- Borrowings</b>		<b>27,034,361</b>	<b>12,595,616</b>
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables	20	30,762,568	15,802,373
3- Deferred Finance Lease Borrowing Costs (-)	20	(3,728,207)	(3,206,757)
4- Bonds Issued		-	-
5- Other Issued Financial Assets		-	-
6- Value Differences on Issued Financial Assets (-)		-	-
7- Other Financial Borrowings (Liabilities)		-	-
<b>B- Payables from Main Operations</b>		-	-
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 (-)		-	-
<b>C- Due to Related Parties</b>		-	-
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		-	-
<b>D- Other Payables</b>		-	-
1- Deposits and Guarantees Received		-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables		-	-
4- Discount on Other Payables (-)		-	-
<b>E- Insurance Technical Reserves</b>		<b>156,226,080</b>	<b>119,053,554</b>
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Mathematical Reserves - Net	17.2 and 20	1,325,877	1,343,509
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net	20	154,900,203	117,710,045
<b>F- Other Liabilities and Provisions</b>		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
<b>G- Provisions for Other Risks</b>		<b>33,744,176</b>	<b>14,112,606</b>
1- Provision for Employment Termination Benefits	22	33,744,176	14,112,606
2- Provisions for Employee Pension Fund Deficits		-	-
<b>H- Deferred Income and Expense Accruals</b>		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
<b>I- Other Long-Term Liabilities</b>		-	-
1- Deferred Tax Liability		-	-
2- Other Long-Term Liabilities		-	-
<b>IV- Total Long-Term Liabilities</b>		<b>217,004,617</b>	<b>145,761,776</b>

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

# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2022 AND 2021

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

<b>SHAREHOLDERS' EQUITY</b>			
	Note	Audited	Audited
		Current Period December 31, 2022	Previous Period December 31, 2021
<b>V- SHAREHOLDERS' EQUITY</b>			
<b>A- Paid in Capital</b>		<b>1,612,000,000</b>	<b>306,000,000</b>
1- (Nominal) Capital	2.14	1,612,000,000	306,000,000
2- Unpaid Capital (-)		-	-
3- Positive Inflation Adjustment on Capital		-	-
4- Negative Inflation Adjustment on Capital (-)		-	-
5- Unregistered Capital		-	-
<b>B- Capital Reserves</b>		<b>3,463,617</b>	<b>90,989,327</b>
1- Equity Share Premiums	15	3,463,617	-
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		-	-
<b>C- Profit Reserves</b>		<b>290,838,423</b>	<b>298,983,608</b>
1- Legal Reserves	15	111,936,210	111,936,210
2- Statutory Reserves		62	62
3- Extraordinary Reserves	15	200,091,508	225,705,415
4- Special Funds (Reserves)	15	(23,070,953)	(8,518,554)
5- Revaluation of Financial Assets	16	1,881,596	(30,139,525)
6- Other Profit Reserves		-	-
<b>D- Previous Years' Profits</b>		<b>163,920,341</b>	<b>163,920,341</b>
1- Previous Years' Profits		163,920,341	163,920,341
<b>E- Previous Years' Losses (-)</b>		<b>-</b>	<b>-</b>
1- Previous Years' Losses		-	-
<b>F- Net Profit of the Period</b>		<b>(127,345,302)</b>	<b>189,396,766</b>
1- Net Profit of the Period		-	189,396,766
2- Net Loss of the Period (-)		(127,345,302)	-
3- Net Income not Subject to Distribution		-	-
<b>V- Total Shareholders' Equity</b>		<b>1,942,877,079</b>	<b>1,049,290,042</b>
<b>Total Liabilities and Shareholders' Equity (III+IV+V)</b>		<b>12,837,434,640</b>	<b>7,387,862,715</b>

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

**AKSİGORTA A.Ş.**

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE PERIODS JANUARY 1, - DECEMBER 31, 2022 AND 2021**

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

	Note	Audited	Audited
		Current Period January 1 - December 31, 2021	Previous Period January 1 December -31 2020
<b>I-TECHNICAL PART</b>			
<b>A- Non-Life Technical Income</b>		<b>6,565,732,005</b>	<b>4,241,323,165</b>
1- Earned Premiums (Net of Reinsurer Share)		4,911,860,907	3,293,733,510
1.1- Written Premiums (Net of Reinsurer Share)	24	6,857,389,263	3,747,818,244
1.1.1- Gross Written Premiums (+)	24	13,563,436,949	6,987,620,745
1.1.2- Ceded Premiums to Reinsurers (-)	17.16 and 24	(6,470,128,441)	(3,055,109,282)
1.1.3- Ceded Premiums to SSI (-)	17.16 and 24	(235,919,245)	(184,693,219)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)		(1,885,635,360)	(384,619,652)
1.2.1- Unearned Premiums Reserve (-)	20	(3,768,241,323)	(1,011,551,885)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	17.16 and 20	1,866,563,894	606,176,870
1.2.3- SSI of Unearned Premiums Reserve (+)	17.16 and 20	16,042,069	20,755,363
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		(59,892,996)	(69,465,082)
1.3.1- Unexpired Risks Reserve (-)	20	(4,479,139)	580,366,841
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)	17.16 and 20	(55,413,857)	(649,831,923)
2-Investment Income Transferred from Non-Technical Part		1,565,362,779	881,404,301
3-Other Technical Income (Net of Reinsurer Share)		37,909,145	31,089,309
3.1- Gross Other Technical Income (+)		37,909,145	31,089,309
3.2- Reinsurance Share of Other Technical Income (-)		-	-
4- Accrued Subrogation and Salvage Income (+)		50,599,174	35,096,045
<b>B- Non-Life Technical Expense (-)</b>		<b>(6,645,004,456)</b>	<b>(3,905,298,984)</b>
1-Total Claims (Net of Reinsurer Share)		(5,261,352,365)	(3,050,096,167)
1.1- Claims Paid (Net of Reinsurer Share)		(4,440,852,010)	(2,394,856,730)
1.1.1- Gross Claims Paid (-)		(6,662,609,742)	(3,456,781,713)
1.1.2- Reinsurance Share of Claims Paid (+)	17.16	2,221,757,732	1,061,924,983
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(820,500,355)	(655,239,437)
1.2.1- Outstanding Claims Reserve (-)		(1,881,866,462)	(1,420,891,910)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	17.16	1,061,366,107	765,652,473
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	(4,656)	(1,972)
2.1- Bonus and Discount Reserve (-)	20	530,092	(318,212)
2.2- Reinsurance Share of Bonus and Discount Reserve (+)	17.16 and 20	(534,748)	316,240
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	(37,190,158)	(21,139,777)
4- Operating Expenses (-)	32	(1,063,286,570)	(670,629,115)
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	(283,170,707)	(163,431,953)
6.1.- Gross Other Technical Expenses (-)	47	(283,170,707)	(163,431,953)
6.2.- Reinsurance Share of Other Technical Expenses (+)		-	-
<b>C- Non-Life Technical Net Profit (A-B)</b>		<b>(79,272,451)</b>	<b>336,024,181</b>

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

**AKSIGORTA A.Ş.**

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE PERIODS JANUARY 1, - DECEMBER 31, 2022 AND 2021**

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

	Note	Audited	Audited
		Current Period January 1 - December 31, 2022	Previous Period January 1 - December 31, 2021
<b>I-TECHNICAL PART</b>			
<b>D- Life Technical Income</b>		<b>119,761</b>	<b>124,308</b>
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		119,761	124,308
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 (+)		-	-
<b>E- Life Technical Expense</b>		<b>(139,830)</b>	<b>(144,236)</b>
1- Total Claims (Net of Reinsurer Share)		(157,462)	(219,003)
1.1- Claims Paid (Net of Reinsurer Share)		(160,066)	(219,355)
1.1.1- Gross Claims Paid (-)		(160,066)	(219,355)
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) (+/-)		17,632	74,767
3.1- Mathematical Reserves (-)		17,632	74,767
3.1.1- Actuarial Mathematical Reserve (-)		15,869	67,290
3.1.2- Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		1,763	7,477
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 (-)		-	-
<b>F- Life Technical Profit (D-E)</b>		<b>(20,069)</b>	<b>(19,928)</b>
<b>G- Individual Retirement Technical Income</b>			
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		-	-
<b>H- Individual Retirement Technical Expense</b>			
1- Fund Management Expenses (-)		-	-
2- Decrease in Market Value of Capital Commitment Advances (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expense (-)		-	-
<b>I- Individual Retirement Technical Profit (G-H)</b>		-	-

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

**AKSİGORTA A.Ş.**

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE PERIODS JANUARY 1, - DECEMBER 31, 2022 AND 2021**

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

	Notet	Audited	Audited
		Current Period January 1 - December 31, 2022	Previous Period January 1 - December 31, 2021
<b>II-NON-TECHNICAL PART</b>			
<b>C- Non-Life Technical Profit (A-B)</b>		<b>(79,272,451)</b>	<b>336,024,181</b>
<b>F- Life Technical Profit (D-E)</b>		<b>(20,069)</b>	<b>(19,928)</b>
<b>I - Individual Retirement Technical Profit (G-H)</b>		-	-
<b>J- Total Technical Profit (C+F+I)</b>		<b>(79,292,520)</b>	<b>336,004,253</b>
<b>K- Investment Income</b>		<b>2,440,490,473</b>	<b>1,538,129,875</b>
1- Income from Financial Investment	26	475,570,846	378,216,740
2- Income from Sales of Financial Investments	26	501,861,764	105,604,491
3- Revaluation of Financial Investments	26	190,680,767	56,544,932
4- Foreign Exchange Gains	36	1,207,382,169	871,761,286
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	64,994,927	126,002,426
9- Other Investments		-	-
10- Investment Income transferred from Life Technical Part		-	-
<b>L- Investment Expenses (-)</b>		<b>(2,533,045,034)</b>	<b>(1,587,785,618)</b>
1- Investment Management Expenses (including interest) (-)	20	(57,118,259)	(6,269,008)
2- Valuation Allowance of Investments (-)	26	(16,582,872)	(1,725,231)
3- Losses on Sales of Investments (-)	26	(68,099,151)	(32,170,596)
4- Investment Income Transferred to Life Technical Part (-)		(1,565,362,779)	(881,404,300)
5- Losses from Derivatives (-)		-	-
6- Foreign Exchange Losses (-)	36	(764,778,207)	(622,296,034)
7- Depreciation Expenses (-)	6 and 8	(61,103,766)	(43,920,449)
8- Other Investment Expenses (-)		-	-
<b>M- Other Income and Expenses (+/-)</b>	<b>47</b>	<b>44,501,779</b>	<b>8,378,823</b>
1- Provisions Account (+/-)	47	(17,641,324)	(8,595,525)
2- Discount account (+/-)		-	-
3- Mandatory Earthquake Insurance Account (+/-)	47	6,798,025	2,897,236
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts (+/-)	35 and 47	185,277,610	42,922,068
6- Deferred Tax Expense Accounts (-)	35 and 47	-	-
7- Other Income and Revenues	47	9,956,934	1,846,210
8- Other Expense and Losses (-)	47	(139,889,466)	(30,691,166)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
<b>N- Net Profit/(Loss)</b>	<b>37</b>	<b>(127,345,302)</b>	<b>189,396,766</b>
1- Profit/(Loss) Before Tax		(127,345,302)	294,727,333
2- Corporate Tax Liability Provision (-)	35	-	(105,330,567)
3- Net Profit/(Loss)		(127,345,302)	189,396,766
4- Inflation Adjustment Account		-	-

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



**AKSIGORTA A.Ş.**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

	Note	Audited	Audited
		Current Period December 31, 2022	Previous Period December 31, 2021
<b>A. CASH FLOWS FROM THE OPERATING ACTIVITIES</b>			
1. Cash inflows from the insurance operations		18,114,811,255	9,244,047,404
2. Cash inflows from the reinsurance operations		-	-
3. Cash inflows from the pension operations		-	-
4. Cash outflows due to the insurance operations (-)		(16,415,525,948)	(8,298,636,857)
5. Cash outflows due to the reinsurance operations (-)		-	-
6. Cash outflows due to the pension operations (-)		-	-
<b>7. Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)</b>		<b>1,699,285,307</b>	<b>945,410,547</b>
8. Interest payments (-)		-	-
9. Income tax payments (-)	35	(25,729,105)	(103,911,050)
10. Other cash inflows		39,667,842	17,794,074
11. Other cash outflows (-)		(456,583,339)	(361,040,381)
<b>12. Net cash generated from the operating activities</b>		<b>1,256,640,705</b>	<b>498,253,190</b>
<b>B. CASH FLOWS FROM THE INVESTING ACTIVITIES</b>			
1. Sale of tangible assets	6	3,116,650	314,879
2. Purchase of tangible assets (-)	6,8	(116,720,454)	(97,217,206)
3. Acquisition of financial assets (-)		(10,333,245,772)	(3,911,741,669)
4. Sale of financial assets		10,045,157,777	2,831,188,962
5. Interest received		1,103,779,948	645,860,237
6. Dividends received		-	-
7. Other cash inflows		-	45,205,395
8. Other cash outflows (-)		(39,551,508)	-
<b>9. Net cash generated from the investing activities</b>		<b>662,536,641</b>	<b>(486,389,402)</b>
<b>C. CASH FLOWS FROM THE FINANCING ACTIVITIES</b>			
1. Issue of equity shares	15	3,463,617	-
2. Cash inflows from the loans to policyholders	20	544,473,124	-
3. Payments of financial leases (-)	20	(20,648,629)	(9,841,895)
4. Dividend paid (-)	38	-	(306,000,000)
5. Other cash inflows	15	1,000,000,000	-
6. Other cash outflows (-)		(49,500,450)	-
<b>7. Cash generated from the financing activities</b>		<b>1,477,787,662</b>	<b>(315,841,895)</b>
<b>D. EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>			
		6,238,393	86,641,927
<b>E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)</b>		<b>3,403,203,401</b>	<b>(217,336,180)</b>
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>14</b>	<b>1,777,272,887</b>	<b>1,994,609,067</b>
<b>G. Cash and cash equivalents at the ending of the period (E+F)</b>	<b>14</b>	<b>5,180,476,288</b>	<b>1,777,272,887</b>

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

**AKSİGORTA A.Ş.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

The Consolidated Statement of Changes in Shareholders' Equity - January 1 - December.31 2022 Audited (*)											
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
<b>I - Closing Balance of Prior Period (31 December 2021)</b>	<b>306,000,000</b>	-	(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 (Note 2.1.1)	-	-	-	-	-	-	-	-	-	-	-
<b>III - New Balance (I + II) (31 December 2021)</b>	<b>306,000,000</b>	-	(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)	1,306,000,000	-	-	-	-	-	-	(306,000,000)	-	-	1,000,000,000
1- Cash	1,000,000,000	-	-	-	-	-	-	-	-	-	1,000,000,000
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)	-	-	32,021,121	-	-	-	-	-	-	-	32,021,121
E- Translation reserves	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	(11,088,782)	-	-	(11,088,782)
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Period net profit (Note 37)	-	-	-	-	-	-	-	-	(127,345,302)	-	(127,345,302)
I- Dividend distributed	-	-	-	-	-	-	-	-	-	-	-
J- Transfer	-	-	-	-	-	-	-	189,396,766	(189,396,766)	-	-
<b>IV- Closing Balance (31 December 2022) (III+A+B+C+D+E+F+G+H+I+J)</b>	<b>1,612,000,000</b>	-	1,881,596	-	-	111,936,210	62	180,484,172	(127,345,302)	163,920,341	1,942,877,079

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

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

**AKSİGORTA A.Ş.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

The Consolidated Statement of Changes in Shareholders' Equity - January 1 - December.31 2021 Audited (*)											
CARİ DÖNEM	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
<b>I - Closing Balance of Prior Period (31 December 2021)</b>	<b>306,000,000</b>	-	<b>1,441,549</b>	-	-	<b>82,866,210</b>	<b>62</b>	<b>213,970,653</b>	<b>432,342,886</b>	<b>86,350,467</b>	<b>1,122,971,827</b>
II - Changes in Accounting Policy (Note 2.1.1)	-	-	-	-	-	-	-	-	11,622,885	65,946,989	77,569,874
<b>III - New Balance (I + II) (31 December 2021)</b>	<b>306,000,000</b>	-	<b>1,441,549</b>	-	-	<b>82,866,210</b>	<b>62</b>	<b>213,970,653</b>	<b>443,965,771</b>	<b>152,297,456</b>	<b>1,200,541,701</b>
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)	-	-	(31,581,074)	-	-	-	-	-	-	-	(31,581,074)
E- Translation reserves	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	(3,067,351)	-	-	(3,067,351)
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Period net profit (Note 37)	-	-	-	-	-	-	-	-	189,396,766	-	<b>189,396,766</b>
I- Dividend distributed	-	-	-	-	-	-	-	-	(306,000,000)	-	<b>(306,000,000)</b>
J- Transfer	-	-	-	-	-	29,070,000	-	97,272,886	(137,965,771)	11,622,885	-
<b>IV- Closing Balance (31 December 2022) (III+A+B+C+D+E+F+G+H+I+J)</b>	<b>306,000,000</b>	-	<b>(30,139,525)</b>	-	-	<b>111,936,210</b>	<b>62</b>	<b>308,176,188</b>	<b>189,396,766</b>	<b>163,920,341</b>	<b>1,049,290,042</b>

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

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

# AKSİGORTA A.Ş.

## PROFIT DISTRIBUTION AS OF JANUARY 1 - DECEMBER 31, 2022

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

	Current Period December 31, 2022(*)	Previous Period December 31, 2021(**)
<b>I. DISTRIBUTION OF PROFIT FOR THE PERIOD</b>		
1.1. Profit for The Period	(121,148,616)	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	-	-
<b>A NET PROFIT FOR THE PERIOD (1,1 - 1,2)</b>	<b>(121,148,616)</b>	<b>189,396,766</b>
1.3. Previous Years' Losses (-)	-	-
1.4. First Legal Reserve	-	-
1.5. Legal Reserves Kept in The Company (-)	-	-
MANDATORY STATUTORY FUNDS (-)	-	-
<b>B NET DISTRIBUTABLE PROFIT FOR THE PERIOD [ A - (1.3 + 1.4 + 1.5)]</b>	<b>-</b>	<b>-</b>
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	-	-
1.14. Other Reserves	-	-
1.15. Special Funds	-	-
<b>II. DISTRIBUTION FROM RESERVES</b>		
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 (-)	-	-
<b>III. PROFIT PER SHARE</b>		
3.1. To Common Shareholders	-	-
3.2. To Common Shareholders (%)	-	-
3.3. To Preferred Shareholders	-	-
3.4. To Preferred Shareholders (%)	-	-
<b>IV. DIVIDENDS PER SHARE</b>		
4.1. To Common Shareholders	-	-
4.2. To Common Shareholders (%)	-	-
4.3. To Preferred Shareholders	-	-
4.4. To Preferred Shareholders (%)	-	-

(\*) The unconsolidated profit has been taken into account while preparing the profit distribution table.

(\*\*) Profit Distribution table for December 31, 2021 was presented as approved by the General Assembly held on March 29, 2022.

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

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### 1. General Information

#### 1.1 Name of the Parent Partnership and the ultimate owner

Aksigorta Anonim Şirketi ('the Company or the Parent Partnership') is a subsidiary of Hacı Ömer Sabancı Holding A.Ş. and Ageas Insurance International N.V. as of December 31, 2022. 38.02% (December 31, 2021: 38.02%) of the Parent Partnership is issued in Borsa İstanbul ('BİST') (Note 2.14).

#### 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 Group 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 Sitesi, 1 Blok No:8A İç Kapı No:2 Ümraniye/İstanbul".

The Parent Company, as a 100% subsidiary, with a paid-in capital of TRY 100,000 , with the title of Sabancı Ageas Sağlık Sigorta Anonim Şirketi (Subsidiary – "Sabancı Ageas") to carry out all kinds of currency, reinsurance and retrocession works within the scope of health insurance, with the Board of Directors Decision dated 21 July 2022. established a joint stock company and the establishment of the insurance company was registered in the Trade Registry on 3 August 2022

#### 1.3 Main operations of the Company

Aksigorta A.Ş.'s (Parent Partnership) 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 İstanbul. The Company has 10 district offices of which three of them are in İstanbul (İstanbul Anatolian Region, İstanbul European Region and İstanbul Thracian Region), and one in each White Sea and South Aegean Region, Ankara Region, Çukurova and Central Anatolia Region, Eastern Anatolia and Eastern Black Sea Region, Southeast Region, İzmir and North Aegean Region, Marmara and West Black sea Region. As of December 31, 2022, the Company has 3,541 authorized agencies (December 31, 2021: 3,592).

The main field of activity of Sabancı Ageas Sağlık Sigorta Anonim Şirketi is to carry out health insurance, all kinds of coinsurance, reinsurance and retrocession works within the scope of health insurances.

#### 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

	January 1 - December 31 2022	January 1 - December 31 2021
Top executive	10	9
Manager assistant manager	109	101
Specialist/Executives	571	562
<b>Total</b>	<b>690</b>	<b>672</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

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**1. General Information (Continued)**

**1.6 Remuneration and fringe benefits provided to top management**

For the year ended December 31, 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 14,795,348 (December 31, 2021: TRY 10,934,220)

**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**

Consolidated financial statements have been prepared by consolidating the financial statements of the Parent Company (Aksigorta A.Ş.) and its subsidiary Sabancı Ageas Sağlık Sigorta Anonim Şirketi using the full consolidation method. As of 31 December 2022, the unconsolidated financial statements of the Parent Company have been prepared and published separately in accordance with the current legislation. Special funds established by the Group are not included in the consolidation within the framework of the "Sector related to the preparation of consolidated financial statements" announcement published by SEDDK on 23 December 2022.

**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 consolidated financial statements as of December 31, 2022 have been approved by the Group's Board of Directors on February 13, 2023. The consolidated 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 this subsequent events is disclosed in Note 46.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

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**2. Summary of the Accounting Policies**

**2.1 Basis of Preparation**

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

*a. Accounting Standards*

Capital Market Law VII. Pursuant to paragraph (a) of section 50 article, insurance companies are subject to the provisions of their special legislation on establishment, audit, surveillance, accounting, financial statement, and reporting standards. In this context, the Group prepares its financial statements in accordance with the Insurance Law No,5684 published in the Official Gazette dated June 14, 2007 and numbered 26522 and the regulations published by the Insurance and Private Pension Regulation and Supervision Agency ('SEDDK') established by the Presidential Decree dated October 18, 2019. The insurance legislation before the establishment of SEDDK and the initiation of regulatory activities regarding the insurance sector was published by the Ministry of Treasury and Finance ('Ministry of Treasury and Finance').

The consolidated 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 Group 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 Group accounts and recognizes its insurance technical provisions in its consolidated financial statements as of December 31, 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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

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**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

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

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.

Consolidated 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 consolidated financial statements in the current period is classified as necessary.

**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 IFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies (IAS 29). As of the preparation date of these financial statements, no new disclosure has been made by POA within the scope of IAS 29, and no inflation adjustment has been made according to IAS 29 while preparing the financial statements dated 31 December 2022.

**c. Comparative Information and Restatement of Prior Period Financial Statements**

The balance sheet of the Group as of December 31, 2022 and the balance sheet as of December 31, 2021; Income statement, equity change statement and cash flow statement for the accounting period 1 January - 31 December 2022, income statement for the 1 January - 31 December 2021 period are presented in comparison with the statement of changes in shareholders' equity and cash flow statement.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

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**2. Summary of the Accounting Policies**

**2.1 Basis of Preparation**

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

**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. 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. In accordance with the circular numbered 2022/27, the Provision for Ongoing Risks can also be calculated by taking into account the year of writing, and it is possible to make corrections in all calculation methods by taking into account the best estimation principles by the company actuary. If the calculation is based on the accident year, separate calculations can be made for the premiums transferred to the pool. As a result of the related circular, the Company makes Unexpired Risks Reserve accounts on the basis of accounting year.

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 2. Summary of the Accounting Policies (Continued)

#### 2.1 Basis of Preparation (Continued)

##### 2.1.1 Basis of Preparation of Consolidated 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 Group makes Unexpired Risks Reserve accounts on the basis of accounting year.

In accordance with the Circular No. 2022/27 dated 24 October 2022, the Loss/Premium ratios used in the 31 December 2022 unexpired risk reserve calculations have been adjusted for each quarter separately by taking into account the best estimation made by the company actuary, In this framework, the SEDDK's opinion was taken regarding the suitability of the Company's unexpired risk reserve calculation method, and the effects of the additional premium increases made in 2022 and the effects of retrospective damage cost increases are included in the Loss/Premium ratio using the indexation method.

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

	31 December 2022		31 December 2021	
	Claim/Premium (%)	Net URR (TRY)	Claim/Premium (%)	Net URR (TRY)
Motor Liability	% 121	152,006,637	% 109	91,401,242
Watercrafts	% 108	1,210,418	% 142	1,810,063
Air Crafts Liability	% 223	1,024	% 469	4,381
Indemnity	-	-	% 115	109,119
Air Crafts	-	-	% 150	278
		<b>153,218,079</b>		<b>93,325,083</b>

#### *Bonuses and rebates reserve*

The bonus and rebates provisions are the amount that has to be made provision if the Group 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 Group has calculated and accounted for gross bonuses and rebates reserve amounting to TRY 243,882 and TRY 10,224 net at December 31, 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).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

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

*Claims provision*

The Group 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.

Claims that occurred before the accounting periods but were notified after these dates are considered as incurred but not reported claims.

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 Group'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:

Branch	Applied Method	December 31, 2022		December 31, 2021		
		Gross Additional Reserve	Net Additional Reserve	Gross Additional Reserve	Net Additional Reserve	
Motor Liability	Frequency/Severity/Standard	3,026,407,005	3,026,407,005	Frequency/Severity/Standard	1,533,556,783	1,533,556,783
General Liability	Standard Chain/Damage Premium	665,113,951	109,039,032	Standard Chain/Damage Premium	511,117,327	74,896,550
Fire and Natural	Standard Chain	70,155,214	3,612,326	Standard Chain	11,791,017	1,526,309
General Losses	Standard Chain	26,377,648	1,423,288	Standard Chain	3,116,580	727,068
Financial losses	Standard Chain	10,070,475	(361,141)	Standard Chain	6,529,439	(462,026)
Watercrafts	Standard Chain	5,357,672	1,166,916	Standard Chain	1,865,242	648,854
Health	Standard Chain	3,701,144	394,488	Standard Chain	924,840	33,604
Accident	Standard Chain	2,070,884	1,029,054	Standard Chain	1,739,646	1,040,826
Indemnity	Standard Chain	1,237,005	16	Standard Chain	878,003	203,124
Air Crafts Liability	Standard Chain	104,744	104,744	Standard Chain	2,355,864	27
Air Crafts	Standard Chain	12,454	620	Standard Chain	113,304	22
Legal Protection	Standard Chain	(148,776)	(137)	Standard Chain	247,452	247,452
Credit	Standard Chain	(2,750,719)	(1,161,145)	Standard Chain	9,940	488
Logistic	Standard Chain	(3,269,672)	(73,251)	Standard Chain	(3,257,122)	(1,121,915)
Motor own damage	Standard Chain	(52,077,334)	(52,077,334)	Standard Chain	(83,476,239)	(83,476,239)
<b>Total</b>		<b>3,752,361,695</b>	<b>3,089,504,481</b>		<b>1,987,512,076</b>	<b>1,527,820,927</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

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**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

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

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. Accordingly, the premium and loss amounts that the Group will transfer to the pool in the Compulsory Traffic branch are excluded from the data used when calculating the IBNR. For the claims that the Group will inherit from the mentioned pool; Claim Premium rates on the basis of the accident period published by the Turkish Motor Vehicles Bureau have been taken into account. The aforementioned rates are 158% for 2017, 161% for 2018, 148% for 2019, 133% for 2020, 173% for 2021 and 195% for 2022, as of accident periods. The provision amounting to TL 610,004,001 was reflected in the consolidated financial statements as of 31 December 2022 by using the aforementioned ratios. The relevant loss premium rate is the expected loss premium rate for the pool and was announced in the report dated 13 December 2022 by the Turkish Motor Vehicles Bureau, which manages the pool in question.

A similar pool practice is founded for Medical Malpractice with the sectoral announcement dated September 6, 2017 and numbered 2017/4. When company calculates IBNR for TKU breakdowns with its own modelling, even though IBNR is negative, IBNR have not been recognized for conservative purposes.

"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, 14% is allowed to be taken into account in the calculation of discount. It has been stated that the differences between the periods due to the mentioned rate change should be accepted as a change in the estimation method and the effect of this change on the financial statements should be explained comparatively in the notes. As explained in Note 2.1.1, unlike previous periods, the company started to calculate discounts for all branches and as of 31 December 2021, as of 31 December 2022 net outstanding claims discount of TRY1.934.424.239 (31 December 2021 TRY 788.540.915) was calculated. In accordance with the "Circular No. 2016/22 Amending the Circular No. 2016/22 on Discounting of Net Cash Flows Arising from Outstanding Claims Provisions" ("2022/22 sayılı Genelge") dated April 27, 2022 and numbered 2022/13, the discount calculation as of 31 December 2022 has been made by considering the annual rate of 22%. (31 December 2021: 14% per annum) .The increase in the discount rate from 14% to 22% with the Circular No. 2022-22 had a net increase of TRY 446,245,927 on the discount amount.

# AKSİGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 2. Summary of the Accounting Policies (Continued)

#### 2.1 Basis of Preparation (Continued)

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

The discount calculation has been made by taking into account the development of paid claims. In the calculation, the distribution of material and bodily damage payments over the years for the Motor Liability branch has been evaluated separately. As of 31 December 2022 the Company's net outstanding claims provisions on a branch basis, before and after discounting, are given below:

<b>December 31, 2022</b>			
<b>Branch</b>	<b>Net Outstanding Claim</b>		<b>Net Discounted</b>
	<b>Provision Before</b>	<b>Discount Amount</b>	
	<b>Discount</b>		<b>Provision</b>
Motor Liability	3,792,443,155	1,624,602,137	2,167,841,018
General Liability	341,072,506	200,994,365	140,078,141
Motor own damage	336,293,905	51,161,668	285,132,237
Fire and Natural	154,813,809	41,825,583	112,988,226
General Losses	32,099,073	4,300,275	27,798,798
Logistic	22,543,469	1,420,989	21,122,480
Watercrafts	14,219,011	1,909,811	12,309,200
Health	9,126,946	741,994	8,384,952
Indemnity	8,539,374	749,277	7,790,097
Accident	5,561,196	2,123,965	3,437,231
Financial losses	5,515,949	4,414,983	1,100,966
Legal Protection	396,656	151,998	244,658
Air Crafts Liability	87,102	26,578	60,524
Credit	19,700	632	19,068
Air Crafts	(137)	(16)	(121)
<b>Total</b>	<b>4,722,731,714</b>	<b>1,934,424,239</b>	<b>2,788,307,475</b>

  

<b>December 31, 2021</b>			
<b>Branch</b>	<b>Net Outstanding Claim</b>		<b>Net Discounted</b>
	<b>Provision Before</b>	<b>Discount Amount</b>	
	<b>Discount</b>		<b>Provision</b>
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
<b>Total</b>	<b>2,756,348,035</b>	<b>788,540,915</b>	<b>1,967,807,120</b>

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

**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

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

While determining the amount of IBNR, the group 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 December 31, 2021 and 2022 are total number of files subject to calculation, number of files determined as major damage and their shares in total files are as follows.

BRANCH	December 31, 2022				December 31, 2021			
	Threshold	# of Major Claim Files	Total Number of Claim Files	Threshold	# of Major Claim Files	Total Number of Claim Files	Threshold	# of Major Claim Files
General Liability	1,650,000	419	48,032	0.90%	1,650,000	276	43,023	0.64%
Employer's Financial Liability	650,000	145	17,339	0.80%	650,000	76	14,386	0.53%
Financial Liability to Third Parties	600,000	181	21,171	0.90%	600,000	139	19,096	0.73%
General Liability Other	400,000	93	9,522	1.00%	400,000	61	9,541	0.64%
General Losses	999,999	215	214,434	0.10%	999,999	129	199,959	0.06%
Transportation	999,999	245	68,080	0.10%	999,999	320	309,278	0.10%
Fire and Natural Disaster	499,999	437	334,459	0.40%	499,999	146	65,433	0.22%
Accident	299,999	51	8,654	0.60%	299,999	45	8,083	0.56%
Suretyship	199,999	225	12,835	1.80%	199,999	108	10,925	0.99%
Financial Losses	50,000	93	39,916	0.20%	50,000	60	38,567	0.16%

(\*) As of December 31, 2022, the Group 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	131,856,764	5,746,984
Facultative Public Liability	5,743,141	5,743,141
Financial Losses	10,979,103	536,002
General Losses	22,971,026	558,663
Accident	1,579,783	168,240

In accordance with the circular, IBNR was calculated by the company actuary on the basis of Accident Periods using the methods mentioned above. For the aforementioned gross IBNR amounts, reinsurer shares have been calculated by taking into account the types of reinsurance agreements and reinsurance rates applicable to the relevant branches in the relevant accident periods.

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 2. Summary of the Accounting Policies (Continued)

#### 2.1 Basis of Preparation (Continued)

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

In accordance with the Circular of the TR Ministry of Treasury and Finance, dated 26 November 2011 and numbered 2011/23, "Circular on Disclosures Related to Incurred But Not Reported Provision (IBNR) Calculation", companies are classified by sub-branches, taking into account the date of lawsuit conclusion and according to the realizations of the last five years. By calculating a winning rate over the amounts of the lawsuits filed against the company, they can make a discount in proportion to the said rate, provided that it does not exceed 25% from the outstanding files accrued for their files in the litigation process (15% in branches that have recently started activities and do not have data for five years). Within the scope of the relevant regulation, net 217,633,489 TL has been deducted from the outstanding claims provisions, taking into account the winning rates calculated using the Company's last five-year lawsuit file data set. (31 December 2021: 126,937,394 TL)

<b>Branch</b>	<b>31 December 2022 Win Rate Used</b>	<b>31 December 2021 Win Rate Used</b>
Fire	25.0%	25.0%
Profit loss	25.0%	25.0%
Earthquake	25.0%	25.0%
Mining Accident	0.0%	0.0%
Commodity	25.0%	25.0%
Hull	25.0%	25.0%
Compulsory Financial Liability Insurance of Highways Motor Vehicles	6.1%	15.0%
Compulsory Traffic (Except GreenCard)	25.0%	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%
Elavator Accident	25.0%	25.0%
Glass Breakage	25.0%	18.0%
Burglary	25.0%	25.0%
Cylinder Gas Compulsory Liability	0.0%	0.0%
Dangerous Goods Compulsory Liability	5.7%	5.7%
Uçak Tekne	25.0%	25.0%
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%
Fidelity	0.0%	11.4%
İstihdam	25.0%	25.0%
Facultative Earthquake	0.0%	0.0%
Flood	0.0%	0.0%
Landslide	0.0%	0.0%
Personal Accident	25.0%	25.0%
Loss of Rent and Income	0.0%	0.0%
Credit	25.0%	25.0%
Legal Protection	25.0%	25.0%
Machinery Breakdown	25.0%	25.0%
Erection All Risks	25.0%	25.0%
Construction	25.0%	25.0%
Electronic Equipment	25.0%	25.0%
Health	0.0%	0.0%
Travel Health	0.0%	0.0%
Animal Life	25.0%	0.0%

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

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

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**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

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

*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 Group has deducted a net loss of 3,090,074 TL, which it paid for the Düzce Earthquake claims that occurred in 2022, from the equalization provision. (31 December 2021: None.)

The Group has calculated TRY154,900,203 (December 31, 2021: TRY 117,710,045) of equalization reserve as of December 31, 2022 and presented in the long-term liabilities in the accompanying consolidated financial statements under 'Other Technical Reserves' (Note 20).

*Life mathematical reserves*

Life mathematical reserves comprise actuarial mathematical reserves and life profit share reserves and represent the Group'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).

**e. 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 December 31, 2022, the Group 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 Group 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 December 31, 2022 are TRY 131,960,295 (December 31, 2021: TRY 81,361,121) and TRY 32,815,708 (December 31, 2021: TRY 12,256,993) respectively (Note 12.1).



# AKSİGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 2. Summary of the Accounting Policies (Continued)

#### 2.1 Basis of Preparation (Continued)

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

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 Group are as follows:

	31 December 2022					
	Collection			Accrual		
	Gross	Reinsurance Share	Net	Gross	Reinsurance Share	Net
Motor Own Damage	532,499,244	(850)	532,498,394	97,544,944	(11,864)	97,533,080
Motor Crafts Liability	58,090,954	(2,555,128)	55,535,826	26,090,495	(987,403)	25,103,092
Transportation	13,172,849	(7,716,903)	5,455,946	2,519,340	(1,637,311)	882,029
Fire and Natural Disaster	7,357,026	(2,988,057)	4,368,969	63,852,542	(55,915,412)	7,937,130
General Losses	1,905,062	(1,426,608)	478,454	1,448,691	(1,246,392)	202,299
Watercraft	700,637	(473,782)	226,855	67,659	(47,841)	19,818
General Liability	114,673	(93,231)	21,442	60,213	(8,577)	51,636
Legal Protection	71,787	(14,923)	56,864	1,599,424	(1,368,213)	231,211
Suretyship	43,000	-	43,000	-	-	-
Accident	11,938	-	11,938	-	-	-
<b>Total</b>	<b>613,967,170</b>	<b>(15,269,482)</b>	<b>598,697,688</b>	<b>193,183,308</b>	<b>(61,223,013)</b>	<b>131,960,295</b>

  

	31 December 2021					
	Collection		Reinsurance		Accrual	
	Reinsurance Share	Net	Share	Net	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	(3,664,628)	6,320,125
Transportation	5,804,992	(2,907,445)	2,897,547	542,649	(404,299)	138,350
General Losses	899,406	(794,631)	104,775	595,480	(524,812)	70,668
Financial Losses	522,142	(512,298)	9,844	-	-	-
Watercraft	205,707	(101,764)	103,943	2,500	(1,000)	1,500
General Liability	134,564	(90,085)	44,479	28,058	(20,657)	7,401
Suretyship	37,374	(15,682)	21,692	63,443	(43,027)	20,416
Legal Protection	5,695	-	5,695	-	-	-
Accident	(16,028)	-	(16,028)	-	-	-
<b>Total</b>	<b>379,510,941</b>	<b>(10,323,044)</b>	<b>369,187,897</b>	<b>86,751,197</b>	<b>(5,390,076)</b>	<b>81,361,121</b>

#### 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

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**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

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

**g. Receivables from Insurance Operations**

In the consolidated financial statements prepared as of December 31, 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 claim payment, and the insured has received a certificate of release or the payment has been made, and the counter-insurance Provided that the company or third parties are notified, the recourse receivable up to the guarantee limit of the debtor insurance company is 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

Group provided provision for doubtful receivables by taking the nature and the value of the receivable into account. As of December 31, 2022, the Group 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 24,709,333 (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 45,967,323 (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 337,289,309 (December 31, 2021: TRY 205,201,746) and it has been accounted in 'Provision for doubtful receivables from main operations' account (Note 12).

**h. Earnings 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 Group adjusts its consolidated financial statements in the occurrence of any subsequent events (Note 46).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

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**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

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

**j. 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 consolidated 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, taking into account 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.

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.

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).

**k. Accounting Policies, Changes and Misstatements on Accounting Estimates**

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period consolidated 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.

**l. 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.

The amendment in the Corporate Tax Law includes insurance companies, not all companies within the scope of the Insurance Law. Sabancı Ageas Sağlık Sigorta A.Ş., which is included in the consolidated financial statements of the Group. As of 31 December 2022, the tax rate is applied as 23%, since it has not yet received a license for insurance activities.. 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

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**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

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

Corporations are required to pay advance corporation tax quarterly at the rate of 22% on their corporate income. Advance Tax is declared by 14th 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.

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.

According to Turkish tax legislation, financial losses on the returns can be offset against period income for up to 5 years. However, financial losses cannot be offset against previous years' profits. There is no such application for the reconciliation of payable taxes with the tax authority. Corporate tax returns are submitted to the related tax office by the 25th day of the 4th month following the month when the accounting period ends. In tax reviews authorized bodies can review the accounting records for the past five years and if errors are detected, tax amounts may change due to tax assessment.

The law on amending the Tax Procedure Law and the Corporate Tax Law was resolved on January 20, 2022, Law No. It has been resolved with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. 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 income 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.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, unless the Company is able to control the elimination of temporary differences and it is unlikely that this difference will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that the said differences will be benefited from by earning sufficient taxable profit in the near future and it is probable that the related differences will disappear in the future.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

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**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

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

According with the law numbered 7394 published in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, the corporate tax rate has been permanently increased to 25%. In this context, the corporate tax rate has been determined as 25% as of 31 December 2022. Within the scope of the said law, deferred tax assets and liabilities in the financial statements dated 31 December 2022 are calculated with the rate of 25% for the deferred tax assets consisting of deductible temporary differences, which will occur in 2022, taking into account the time intervals in which the said differences will be realized by generating taxable profit in the future. As of 31 December 2022, the deferred tax rate for Sabancı Ageas Sağlık Sigorta A.Ş is 23%. (31 December 2021: Regarding the tax regulations of the Law No. 7316 and with the regulation numbered 31462, that published in the Official Gazette dated April 22, 2021 the corporate tax rate has been determined to be applied as 25% for 2021 corporate earnings and 23% for 2022 corporate earnings. Within the scope of the mentioned law, deferred tax assets and liabilities in the financial statements dated 31 December 2021 are calculated with the rate of 23% 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).

As of December 31, 2022, the Group has booked the deferred tax assets in amounting to TRY 228,577,129 (December 31, 2021: TRY 47,368,754). As mentioned above TRY 93,314,974 of the deferred tax asset has been calculated over the current period financial loss. Within the framework of the business plans and projections prepared by the company management; as of 31 December 2022, deferred tax assets have been recorded over all temporary differences, including carried losses, in line with the assumptions that there will be taxable profit in future periods..

***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 Consolidated Financial Statements and Specific Accounting Policies Used'.

**2.1.3 Functional currency**

The Group's consolidated financial statements are expressed in TRY, which is the functional and presentation currency of the Group.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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**2. Summary of the Accounting Policies (Continued)**

**2.1 Basis of Preparation (Continued)**

**2.1.4 Rounding degree used in the consolidated financial statements**

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

**2.1.5 New and Revised International Financial Reporting Standards**

**New and revised standards and comments**

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

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

The group has evaluated the effects of the standards and amendments mentioned below on the consolidated financial statements and has come to the opinion that the amendments do not have a significant effect on the consolidated financial statements for the accounting period of 1 January - 31 December 2022.

- **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)**

**2.1 Basis of Preparation (Continued)**

**2.1.5 New and Revised International Financial Reporting Standards (Continued)**

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

The Group has evaluated the effects of the standards and amendments mentioned below on the financial statements and has come to the opinion that the amendments do not have a significant effect on the financial statements for the accounting period of 1 January - 31 December 2022, other than the effects of IFRS 17 standard. The company has established the necessary accounting policies within the scope of IFRS 17. Analysis and evaluation of the effects of the IFRS 17 standard continue.

**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;** 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.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

**Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

- **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.

However, in the Sector Announcement of SEDDK dated 29 December 2022 and numbered 2022/15 on the Implementation of Some Turkish Financial Reporting Standards by Companies, it is said that significant progress has been made in IFRS implementations, but considering the level of preparation of the companies across the sector, companies' information system infrastructures should be improved. It has been stated that it is necessary to make arrangements in the relevant tax legislation and that there may be problems in similar issues. Within the scope of the aforementioned announcement, in order to carry out the process of implementing the IFRS 17, IFRS 9 and IFRS 15 standard transitions more effectively, it is announced to continue keeping the legal books according to the current chart of accounts in the fiscal year that started on January 1, 2023.

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 2. Summary of the Accounting Policies (Continued)

#### 2.2 Consolidation

In addition, the "Communiqué on the Preparation of Consolidated Financial Statements of Insurance and Reinsurance Companies and Pension Companies" published in the Official Gazette dated December 31, 2008 and numbered 27097 by the Companies Ministry of Treasury and Finance, dated 29 December 2022 and numbered 2022/15. Communiqué”), insurance, reinsurance and pension companies; It is required to publish consolidated financial statements as of 31 March 2009. In this context, consolidated financial statements are prepared and published separately from unconsolidated financial statements in line with the relevant regulations of the Ministry of Treasury and Finance. In the “Sector Announcement of the Ministry of Treasury and Finance on the Reflection of Investments of Insurance, Reinsurance and Pension Companies in Subsidiaries, Joint Controlled Partnerships and Affiliates in their Individual Financial Statements” dated 12 August 2008 and numbered 2008/37, the subsidiary, together It is stated that it is possible to account for investments in controlled partnerships and associates in accordance with the cost method specified in TAS 27 - Consolidated and Separate Financial Statements or IAS 39 - Financial Instruments: Recognition and Measurement. Parallel to these announcements, the Company has accounted for its subsidiary in its unconsolidated financial statements according to the cost method, by allocating provisions for impairment, if any, as of the reporting period.. (31 December 2021: None).

<b>Subsidiary name</b>	<b>Active Subsidiary Ratio</b>	<b>Direct Subsidiary Rate</b>	<b>Total Asset</b>	<b>Total Shareholders' Equity</b>	<b>Net Profit of the Period (Loss)</b>
Sabancı Ageas Sağlık Sigorta A.Ş.	100%	100%	77,105,746	53,803,314	(6,196,686)

#### 2.3 Segment Reporting

Reporting segments are determined to conform to the reporting made to the Group’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.

#### 2.4 Discontinued Operations

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



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**2. Summary of the Accounting Policies (Continued)**

**2.5 Foreign Currency Translation**

The Group's functional currency is Turkish Lira ('TRY'). In preparing the consolidated financial statements of the Group, 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.

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:

	<b>Useful Life</b>
Properties	50 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Other intangible assets	5 years

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**2. Summary of the Accounting Policies (Continued)**

**2.6 Tangible assets (Continued)**

*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 Group applies the depreciation provisions in the TAS 16 Tangible Fixed Assets standard while depreciating the right of use asset.

*Lease Liability*

Group 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 December 31, 2022. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on December 31, 2022 was 20% for local currency liabilities (December 31, 2021: 25%).

**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.

*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.

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**2. Summary of the Accounting Policies (Continued)**

**2.8 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 Group and associated with the income statement are classified under financial assets held for trading in the consolidated 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 Group are classified in this category during the purchase.

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.

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**2. Summary of the Accounting Policies (Continued)**

**2.8 Financial Assets (Continued)**

*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 Group 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 December 31,2022, the Group has TRY 1,1848,04,256 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.

*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.

**2.9 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.

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**2. Summary of the Accounting Policies (Continued)**

**2.9 Investment Properties (Continued)**

*Impairment of financial assets*

The Group 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.

**2.10 Derivative Financial Instruments**

The Group uses foreign currency swap and option contracts, the Group uses end of period market exchange rates and interest rates to calculate market value of foreign exchange swap contracts. As of December 31, 2022, there is a registered financial asset amounting to TRY 14,000,000 which costed to TRY 15,148,041. (December 31, 2021: cost total TRY 106,043,552, TRY 56,191,607 registered swaps)

As of December 31, 2022, the Company has accounted for 'Expense Accruals' amounting TRY 1,148,041 arising from the valuation of derivative instruments held by the Company in 'Expense Accruals' account. (December 31, 2021: TRY 49,851,945 'Expense Accruals').

**2.11 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.

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 2. Summary of the Accounting Policies (Continued)

#### 2.12 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.)

#### 2.13 Share Capital

As of December 31, 2022, the Company's nominal capital is TRY1.612.000.000 (December 31, 2021: TRY 306,000,000). Share capital is represented by 161.200.000.000 of equity shares having a nominal amount of TRY 0.01 each. The share capital structure of the Company is as follows:

	31 December 2022		31 December 2021	
	Rate %	Amount TRY	Rate %	Amount TRY
Hacı Ömer Sabancı Holding A.Ş.	36.00	580,320,000	36.00	110,160,000
Ageas Insurance International NV	36.00	580,320,000	36.00	110,160,000
Other	28.00	451,360,000	28.00	85,680,000
		<b>1,612,000,000</b>	<b>100.00</b>	<b>306,000,000</b>

Agreement about the sale of 50% of 18,965,880,200 units of Aksigorta A.Ş. shares with 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 Parent Partnership 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.

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.

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. and the related capital increase was approved at the Extraordinary General Assembly dated 4 August 2022. An application was made to the Capital Markets Board on 5 August 2022 regarding the capital increase

On October 27, 2022, the Capital Markets Board approved the capital increase application and it was decided to extend the validity period of our Company's registered capital and to increase the registered capital ceiling. Capital increase transactions were registered by Istanbul Trade Registry Office on 23 December 2022.

Other information about the company's capital and the registered capital increase after the balance sheet period are disclosed in footnotes 15 and 46.

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**2. Summary of the Accounting Policies (Continued)**

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

The Group 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 Group 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. Group has annual proportional quota-share reinsurance agreement for third person liability, electronic equipment, personal accident, health, traffic, insurance, 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 Group has facultative reinsurance agreements signed separately for certain risks based on certain policies.

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**2. Summary of the Accounting Policies (Continued)**

**2.14 Insurance and Investment Contracts - Classification (Continued)**

*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 Group has calculated the amount of the premiums to be ceded to SSI in January 1 - December 31, 2022 accounting period as TRY235.919.245 (January 1 - December 31, 2021: TRY 184.693.219) and unearned premium reserve amounting to TRY16.042.069, (January 1 - December 31, 2021: TRY 20.755.363) for the period ended as of January 1 - December 31, 2022; classified under the accounts of 'Premiums ceded to SSI' and 'Change in SSI share of Unearned Premiums Reserve', respectively (Note 20).

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 consolidated financial statements. The transfer amounts calculated by the insurance companies on the financial statements that have been independently audited and finalized for the previous year, until the end of May, are declared via the Center with e-signature or mobile signature, and the audited and finalized financial statements are taken as the basis for the calculation of the declared amounts. tables and footnotes are made available to the Social Security Institution simultaneously. The calculated transfer amount is included in the footnotes of the independently audited and finalized financial statements. In case there is a difference in favor of the Social Security Institution between the transfer amounts determined within the scope of the first paragraph and the transfer amounts declared within the scope of this paragraph, the said amount will be associated with the first transfer period of the year it belongs to, and starting from the day following the last payment date of the first transfer period, in accordance with 89 of the Law No. 5510.



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**2. Summary of the Accounting Policies (Continued)**

**2.14 Insurance and Investment Contracts - Classification (Continued)**

***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.

The Group 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 Group's share, taking into account the monthly receipts finalized by the TMTB as of December 31, 2022. As at December 31, 2022, the Group accounted TRY435,986,689 premium ceded to the Pool and TRY344,978,556 paid claim; and TRY2,548,111 subrogation income TRY456,160,309 premium which is reported as Group share from the pool, TRY283,593,306 claims paid, TRY3,508,187 recourse and TRY2,400,059 salvage are accounted in accordance with the related legislation,

**2.15 Insurance and Investment Contracts with Discretionary Participation Features**

None (December 31, 2021: None).

**2.16 Investment Contracts without Discretionary Participation Features**

None (December 31, 2021: None).

**2.17 Borrowings**

As of 31 December 2022, the Company's has a loan with one-year maturity and TRY 68,500,000 principal, TRY 16,126,042 total interest used on 27 January 2022, a loan with one-year maturity TRY 100,000,000 principal and a total interest of 18,355,556 TL used on 10 May 2022, a loan with one year maturity TRY 167,000,000 , a total interest of TRY 9,393,750 used on 30 September 2022, a lon with one-year maturity of 160,000,000 TL, and a total interest of TRY 5,097,777, used on 31 October 2022. These loans are classified in the "Payables to Credit Institutions" account. (December 31, 2021: None.) In addition, as of December 31, 2022, the Company has a repo transaction amounting to TRY 78,282,082 (December 31, 2021: TRY 101,655,748), which is classified under "Other Financial Liabilities (Liabilities)"

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**2. Summary of the Accounting Policies (Continued)**

**2.18 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 Labour 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 Labour Law. The provision for employment termination benefits is calculated over present value of the possible liability in scope with the Labour Law by considering determined actuarial estimates (Note 22).

**2.19 Provisions (Non-technical)**

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).

**2.20 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.

The Company accrues the interest costs incurred for the loans in the income statement on a periodic basis.

***Dividend income***

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Turkish Lira ('TRY') unless otherwise indicated.)

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**2. Summary of the Accounting Policies (Continued)**

**2.21 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 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 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.

**2.22 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 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.

**2.23 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.).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

**2. Summary of the Accounting Policies (Continued)****2.23 Foreign currency transactions (Continued)**

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

	December 31, 2022		December 31, 2021	
	USD/ TRY	EUR/ TRY	USD/ TRY	EUR/ TRY
Buying rate	18,6983	19,9349	13,3290	15,0867
Selling rate	18,7320	19,9708	13,3530	15,1139
Effective Selling Rate	18,7601	20,0007	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.

**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.

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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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 4. Insurance and Financial Risk Management (Continued)

#### 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 & Poors Rating	Reinsurance Company	Standard & Poors Rating	
African Re	A-	African Re	A-	
Ageas	A+	Ageas	A	
Allianz Re	AA-			
American Agricultural	NR	American Agricultural	NR	
Aspen Re	A-	Central Re	A	
		China Property & Casualty Reinsurance (China Re P&C)	A	
AXIS Re	A+			
Az Re	NR			
BMI (Trust Re)	NR	Covea Cooperations	AA-	
BMI (Oman Re)	NR			
CCR Algeria	NR	Dongbu Re (DB Insurance)	A	
Central Re	A	EMC	NR	
China Property & Casualty Reinsurance	A			
Dongbu Re (DB Insurance)	A	Everest Re	A+	
Fair Pool	NR	Hannover Rueck SE	AA-	
GIC Re	NR	HCC 4141	A+	
Hannover Re	AA-	Korean Re	A	
HCC International	A	Labuan Re	AA-	
HDI Global	A+	Lib Synd Paris (4472)	A+	
IGI	A-	Malaysian Re	NR	
Klapton Re	NR	Mapfre Re	A+	
Liberty Mutual	A	Milli Re	TR A+	
Mapfre Re	A+	MS Amlin AG	A	
Misr Insurance	NR	Munich Re	AA-	
Milli Re	trBBB-	New Re	AA-	
Munich Re	AA-	Odyssey Re	A-	
Odyssey Re	A	Partner Re	A+	
Polish Re	NR	QBE	A+	
QBE Re	A+	R+V Versicherung AG (R+V Re)	AA-	
Samsung Fire&Marine Re	AA-	Samsung Fire&Marine Re	AA-	
Saudi Re	A-	Sava Re	A	
Shelter Re	A-	Scor	AA-	
Singapore Re	NR	Shelter Re	NR	
Swiss Re	AA-	Taiping Re	A	
Taiping	A	Toa Re	A+	
Triglav Re	A	Turk Re	NR	
Tunis Re	NR	Unipol Re	NR	
Turk Re	NR	VHV Re	NR	
VHV Re	NR	VIG Re	A+	
VIG Re	A+			
Coface	A+			
Lloyd's of London	A+			
Liberty Mutual	A			
Mapfre Re	A+			
African Re	A-			
Ageas	A+			
Allianz Re	AA-			
American Agricultural	NR			

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 4. Insurance and Financial Risk Management (Continued)

#### 4.1 Insurance Risk (Continued)

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

Generally, the Company's insurance contracts include fire and natural disasters, marine, accident, motor vehicles, air crafts, water crafts, 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 (*)	December 31, 2022			December 31, 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	2,233,965,058	(66,124,041)	2,167,841,017	1,596,367,048	(49,179,230)	1,547,187,818
Motor Own Damage	1,509,904,012	(1,396,915,788)	112,988,224	865,446,648	(789,401,844)	76,044,804
General Liability	1,098,829,285	(958,751,144)	140,078,141	910,796,681	(797,721,191)	113,075,490
Fire and Natural Disaster	534,545,759	(506,746,960)	27,798,799	405,862,622	(390,025,781)	15,836,841
General Losses	292,061,798	(6,929,560)	285,132,238	182,444,654	(1,616,082)	180,828,572
Transportation	282,927,256	(282,908,188)	19,068	187,900,366	(187,887,561)	12,805
Health	221,736,334	(200,613,854)	21,122,480	122,543,844	(108,083,695)	14,460,149
Suretyship	125,912,119	(113,602,919)	12,309,200	90,659,220	(87,950,427)	2,708,793
Watercrafts	71,062,866	(63,272,769)	7,790,097	23,407,823	(20,096,640)	3,311,183
Accident	62,106,676	(61,005,709)	1,100,967	179,501,252	(176,144,778)	3,356,474
Financial Losses	47,267,166	(38,882,215)	8,384,951	41,832,400	(34,333,762)	7,498,638
Legal Protection	9,514,817	(9,514,938)	(121)	3,113,694	(3,113,212)	482
Air Crafts Liability	7,883,701	(4,446,469)	3,437,232	6,942,632	(3,934,790)	3,007,842
Credit	1,210,522	(1,149,998)	60,524	9,940	(9,452)	488
Air Crafts	244,658	-	244,658	476,741	-	476,741
Life	141,689	-	141,689	144,293	-	144,293
<b>Total</b>	<b>6,499,313,716</b>	<b>(3,710,864,552)</b>	<b>2,788,449,164</b>	<b>4,617,449,858</b>	<b>(2,649,498,445)</b>	<b>1,967,951,413</b>

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

	December 31, 2022			December 31, 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	(495,396,220)	7,302,339,708	(5,451,478,986)	1,850,860,722	4,514,870,786	(3,159,406,284)	1,355,464,502
Discount Effect of Reported Claims	1,145,883,324	(4,115,227,365)	2,180,803,126	(1,934,424,239)	(1,609,512,032)	820,971,117	(788,540,915)
Discount to Be Applied to Claim Files in a Lawsuit	90,696,095	(440,302,011)	222,668,522	(217,633,489)	(275,565,265)	148,627,871	(126,937,394)
Claim Provisions (*)	(1,561,683,554)	3,752,361,695	(662,857,214)	3,089,504,481	1,987,512,076	(459,691,149)	1,527,820,927
Non-life Total	(820,500,355)	6,499,172,027	(3,710,864,552)	2,788,307,475	4,617,305,565	(2,649,498,445)	1,967,807,120
Life	2,604	141,689	-	141,689	144,293	-	144,293
<b>Grand Total</b>	<b>(820,497,751)</b>	<b>6,499,313,716</b>	<b>(3,710,864,552)</b>	<b>2,788,449,164</b>	<b>4,617,449,858</b>	<b>(2,649,498,445)</b>	<b>1,967,951,413</b>

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

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 4. Insurance and Financial Risk Management (Continued)

#### 4.1 Insurance Risk (Continued)

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

###### Outstanding Claim Reserve:

	December 31, 2022			December 31, 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
<b>Beginning of the period - January 1</b>	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	9,450,238,730	(4,513,830,434)	4,936,408,296	5,114,424,557	(2,200,789,201)	2,913,635,356
Paid from current period (-)	(3,997,661,885)	1,333,054,639	(2,664,607,246)	(2,074,200,641)	637,154,990	(1,437,045,651)
Paid from previous periods (-)	(2,665,107,923)	888,703,093	(1,776,404,830)	(1,382,800,427)	424,769,993	(958,030,434)
<b>Period end reported claims</b>	<b>7,302,339,708</b>	<b>(5,451,478,986)</b>	<b>1,850,860,722</b>	<b>4,514,870,786</b>	<b>(3,159,406,284)</b>	<b>1,355,464,502</b>
Life	141,689		141,689	144,293	-	144,293
Reported claims discount effect	(4,115,227,365)	2,180,803,126	(1,934,424,239)	(1,609,512,032)	820,971,117	(788,540,915)
Discount to Be Applied to Claim Files in Lawsuit	(440,302,011)	222,668,522	(217,633,489)	(275,565,265)	148,627,871	(126,937,394)
Claims incurred but not reported	3,752,361,695	(662,857,214)	3,089,504,481	1,987,512,076	(459,691,149)	1,527,820,927
<b>Total</b>	<b>6,499,313,716</b>	<b>(3,710,864,552)</b>	<b>2,788,449,164</b>	<b>4,617,449,858</b>	<b>(2,649,498,445)</b>	<b>1,967,951,413</b>

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 December 31, 2022

	January 1 - December 31 2016	January 1 - December 31 2017	January 1 - December 31 2018	January 1 - December 31 2019	January 1 - December 31 2020	January 1 - December 31 2021	January 1 - December 31 2022	Gross Claim
<i>Claim realized in the accident period</i>	930,621,837	1,366,238,878	1,564,047,984	2,299,878,599	2,069,675,811	3,650,161,929	6,551,391,294	18,432,016,332
1 year later	420,934,178	793,577,616	606,370,322	939,075,198	1,228,917,800	2,411,265,971	-	6,400,141,085
2 year later	345,579,004	633,208,482	352,446,585	717,625,507	942,527,562	-	-	2,991,387,140
3 year later	344,631,786	602,343,699	671,792,643	569,945,078	-	-	-	2,188,713,206
4 year later	398,378,186	438,319,539	1,082,822,405	-	-	-	-	1,919,520,130
5 year later	342,136,413	580,045,121	-	-	-	-	-	922,181,534
6 year later	461,857,680	-	-	-	-	-	-	461,857,680
<b>TOTAL</b>	<b>3,244,139,084</b>	<b>4,413,733,335</b>	<b>4,277,479,939</b>	<b>4,526,524,382</b>	<b>4,241,121,173</b>	<b>6,061,427,900</b>	<b>6,551,391,294</b>	<b>33,315,817,107</b>

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

	January 1 - December 31 2015	January 1 - December 31 2016	January 1 - December 31 2017	January 1 - December 31 2018	January 1 - December 31 2019	January 1 - December 31 2020	January 1 - December 31 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
1 year later	216,699,946	420,934,178	793,577,616	606,370,322	939,075,198	1,228,917,800	-	4,205,575,060
2 year later	126,303,760	345,579,004	633,208,482	352,446,585	717,625,507	-	-	2,175,163,338
3 year later	110,917,361	344,631,786	602,343,699	671,792,643	-	-	-	1,729,685,489
4 year later	113,024,946	398,378,186	438,319,539	-	-	-	-	949,722,671
5 year later	120,467,564	342,136,413	-	-	-	-	-	462,603,977
6 year later	129,489,007	-	-	-	-	-	-	129,489,007
<b>TOTAL</b>	<b>1,658,815,776</b>	<b>2,782,281,404</b>	<b>3,833,688,214</b>	<b>3,194,657,534</b>	<b>3,956,579,304</b>	<b>3,298,593,611</b>	<b>3,650,161,929</b>	<b>22,374,777,772</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

**4. Insurance and Financial Risk Management (Continued)**

**4.2 Insurance 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.

Capital requirement calculations are 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 twice a year in June and December as stated in the relevant act. As of 31 December 2022, the group management is of the opinion that the group obtains the minimum required capital adequacy ratio for the period between 1 January- 31 December 2022 by taking into consideration the latest circulars published by SEDDK on 5 January 2023 (2023/1 numbered) and 9 February 2023 (2023/1 numbered) .

**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 December 31, 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.

	<b>December 31, 2022</b>		<b>December 31, 2021</b>	
	<b>USD Effect</b>	<b>EUR Effect</b>	<b>USD Effect</b>	<b>EUR Effect</b>
Profit/Loss				
Increase	98,560,111	15,588,552	77,402,719	14,712,825
Profit/Loss (Decrease)	(98,560,111)	(15,588,552)	(77,402,719)	(14,712,825)



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 4. Insurance and Financial Risk Management (Continued)

#### 4.2 Financial Risk (Continued)

##### 4.2.2 Financial risk factors

###### *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 June 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.

<b>Total</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
	<b>Effect on profit and profit reserves</b>	
Market interest rate increase/(decrease)		TRY
+% 1	(18,449,753)	(20,883,394)
-% 1	21,339,528	24,600,613
<b>Financial assets available for sale</b>	<b>Effect on profit and profit reserves</b>	
Market interest rate increase/(decrease)		TRY
+% 1	(18,449,753)	(20,883,394)
-% 1	21,339,528	24,600,613

###### *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 December 31, 2022 and 2021.

<b>Total</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
	<b>Effect on Financial assets available for sale</b>	
Price increase/(decrease)		TRY
+% 10	195,081,896	122,187,949
-% 10	(195,081,896)	(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 December 31, 2022, the Company has presented its receivables from insurance operations and guarantees received and provision for doubtful receivables in Note 12.1.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 4. Insurance and Financial Risk Management (Continued)

#### 4.2 Financial Risk (Continued)

##### 4.2.2 Financial risk factors (Continued)

##### *Liquidity risk*

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

##### *Liquidity risk table*

December 31, 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	4,563,212,834	272,729,706	304,886,796	-	-	68,868,845	5,209,698,181
Financial Assets Available for Sale	9,590,265	155,044,251	493,226,213	876,499,247	392,729,688	24,055,744	1,951,145,408
Financial Assets Held for Trading	-	-	-	-	-	209,376,382	209,376,382
Held-to-Maturity Financial Assets	-	390,634,501	314,187,673	438,202,160	41,779,922	-	1,184,804,256
Investments with Risks on Policy	-	-	-	-	-	-	-
Holder Investments	-	-	-	2,011,395	-	-	2,011,395
Receivables from Main Operations	535,963,340	1,108,988,225	1,109,166,803	25,550,496	-	86,901,931	2,866,570,795
Due from Related Parties	17,384	-	-	-	-	-	17,384
Other Receivables	-	-	47,994,285	-	-	-	47,994,285
Prepaid Expenses and	-	-	-	-	-	-	-
Income Accruals	125,676,973	211,711,301	564,125,602	-	-	-	901,513,876
<b>Total</b>	<b>5,234,460,796</b>	<b>2,139,107,984</b>	<b>2,833,587,372</b>	<b>1,342,263,298</b>	<b>434,509,610</b>	<b>389,202,902</b>	<b>12,373,131,962</b>
Financial Liabilities	-	-	-	-	-	-	-
Payables from Main Operations	162,908,124	176,393,750	307,077,506	22,338,737	-	-	668,718,117
Due to Related Parties	357,170,347	712,805,314	517,311,005	175,450,027	-	289,806,940	2,052,543,633
Other Payables	189,642	-	1,143	-	-	-	190,785
Insurance Technical Reserves	-	335,746,610	-	-	-	28,257,559	364,004,169
Taxes Payable and Similar Liabilities	1,585,923,794	2,226,623,509	2,670,549,331	348,623,439	7,924,246	-	6,839,644,319
Prepaid Expenses and Income Accruals	-	152,017,037	-	-	-	-	152,017,037
Long Term Insurance Technical	-	-	-	-	-	-	-
Reserves	79,685,718	159,371,436	292,180,965	-	-	-	531,238,119
Provisions for Other Risks	-	-	-	1,325,877	154,900,203	-	156,226,080
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,744,176</b>	<b>33,744,176</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,185,877,625</b>	<b>3,762,957,656</b>	<b>3,787,119,950</b>	<b>547,738,080</b>	<b>162,824,449</b>	<b>351,808,675</b>	<b>10,798,326,435</b>
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	-	-	-	-	-	-	-
Holder Investments	-	-	-	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
<b>Total Assets</b>	<b>1,142,349,275</b>	<b>1,931,944,775</b>	<b>2,154,845,375</b>	<b>1,642,155,528</b>	<b>217,438,432</b>	<b>96,149,148</b>	<b>7,184,882,533</b>
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
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,815,740,834</b>	<b>2,170,518,555</b>	<b>1,912,218,234</b>	<b>215,916,955</b>	<b>128,002,723</b>	<b>33,233,314</b>	<b>6,275,630,615</b>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 4. Insurance and Financial Risk Management (Continued)

#### 4.2 Financial Risk (Continued)

##### 4.2.2 Financial Risk Factors (Continued)

###### *Categories of Financial Assets*

Current Financial Assets	December 31, 2022		December 31, 2021	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets Available for Sale	1,951,145,408	1,951,145,408	1,216,091,948	1,216,091,948
Financial Assets Held to Maturity	1,214,041,134	1,184,804,256	1,643,916,143	1,737,608,467
Financial Assets Held for Trading	209,376,382	209,376,382	6,454,765	6,454,765
Financial Investments with Risks on Policy Holders	2,011,395	2,011,395	1,874,466	1,874,466
<b>Total Financial Assets</b>	<b>3,376,574,319</b>	<b>3,347,337,441</b>	<b>2,868,337,322</b>	<b>2,962,029,646</b>

###### *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:

	December 31, 2022	Category 1	Category 2	Category 3
<b>Financial Assets Available for Sale</b>				
Eurobond	1,204,984,035	-	1,204,984,035	-
Corporate Bond	377,696,817	-	377,696,817	-
Government Bonds	344,408,811	249,977,293	94,431,518	-
Stocks	24,055,745	22,834,250	-	1,221,495
<b>Financial Assets Held for Trading</b>				
Investment Funds	152,529,812	152,529,812	-	-
Corporate Bond	5,247,300	-	5,247,300	-
Eurobond	41,690,600	-	41,690,600	-
Government Bonds	9,908,670	-	9,908,670	-
<b>Held to Maturity Financial Assets</b>				
Eurobond	758,034,603	-	758,034,603	-
Government Bonds	369,110,975	236,797,447	132,313,528	-
Corporate Bond	57,658,678	-	57,658,678	-
<b>Financial Investments with Risks on Policy Holders</b>				
Government Bonds	2,011,395	2,011,395	-	-
<b>Total</b>	<b>3,347,337,441</b>	<b>664,150,197</b>	<b>2,681,965,749</b>	<b>1,221,495</b>

# AKSİGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 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
<b>Financial Assets Available for Sale</b>				
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
<b>Financial Assets Held for Trading</b>				
Investment Funds	6,454,765	6,454,765	-	-
<b>Held to Maturity Financial Assets</b>				
Eurobond	1,085,793,822	-	1,085,793,822	-
Government Bonds	419,033,562	251,461,781	167,571,781	-
Corporate Bond	232,781,083	9,250,825	223,530,258	-
<b>Financial Investments with Risks on Policy Holders</b>				
Government Bonds	1,874,466	1,874,466	-	-
<b>Total</b>	<b>2,962,029,646</b>	<b>683,428,087</b>	<b>2,277,726,139</b>	<b>875,420</b>

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*

It is anticipated that fair value of the financial assets including cash and cash equivalents and other financial assets carried at cost will approximate to their book value based on their short-term nature and having insignificant potential losses.

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 'IFRS 8 - Operating Segments' is disclosed in this part.

Numerical limits in 'IFRS 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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## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 5. Segment Information (Continued)

#### 5.1 Operating segments (Continued)

#### Segment results for the period ended at December 31, 2022:

	Fire	Transportation	Motor Own Damage	Motor Crafts Liability (Compulsory Traffic)	Other Accident	Engineering	Agriculture	Health	Life	Undistributed	Total
<b>TECHNICAL INCOME</b>	<b>572,565,359</b>	<b>91,342,932</b>	<b>2,571,895,924</b>	<b>2,414,438,955</b>	<b>441,379,427</b>	<b>103,688,105</b>	<b>94,728,335</b>	<b>275,692,968</b>	<b>119,761</b>	-	<b>6,565,851,766</b>
1- Earned Premiums (Net of Reinsurer Share)	287,755,808	57,012,341	2,011,006,830	2,093,163,540	224,852,550	39,920,060	65,550,218	132,599,560	-	-	4,911,860,907
1.1- Premiums (Net of Reinsurer Share)	410,648,436	59,786,304	3,360,726,583	2,427,949,018	296,430,562	61,786,885	89,391,876	150,669,599	-	-	6,857,389,263
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	(122,892,628)	(2,773,963)	(1,349,719,753)	(274,180,084)	(72,290,410)	(21,866,825)	(23,841,658)	(18,070,039)	-	-	(1,885,635,360)
1.3-Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	-	-	-	(60,605,394)	712,398	-	-	-	-	-	(59,892,996)
2- Investment Income transferred from Non-Technical Part	283,184,546	33,588,494	511,884,331	308,362,734	216,197,542	63,692,917	27,933,084	120,519,131	119,761	-	1,565,482,540
3- Other Technical Income (Net of Reinsurance Share)	5,903	-	14,083,932	-	-	-	1,245,033	22,574,277	-	-	37,909,145
4- Accrued Subrogation and Salvage Income (+)	1,619,102	742,097	34,920,831	12,912,681	329,335	75,128	-	-	-	-	50,599,174
<b>TECHNICAL EXPENSES</b>	<b>(394,245,228)</b>	<b>(32,450,049)</b>	<b>(2,248,855,228)</b>	<b>(3,615,545,241)</b>	<b>(172,251,253)</b>	<b>(25,642,384)</b>	<b>(61,045,291)</b>	<b>(94,969,782)</b>	<b>(139,830)</b>	-	<b>(6,645,144,286)</b>
1- Total Claims (Net of Reinsurer Share)	(207,880,602)	(17,775,222)	(1,636,113,821)	(3,221,420,585)	(97,375,466)	(34,089,301)	(37,545,675)	(9,151,693)	(157,462)	-	(5,261,509,827)
1.1- Claims Paid (Net of Reinsurer Share)	(170,937,181)	(11,112,890)	(1,531,810,156)	(2,600,767,386)	(56,289,685)	(26,884,137)	(34,785,198)	(8,265,377)	(160,066)	-	(4,441,012,076)
1.2- Changes in Outstanding Claims Reserve Reinsurer Share and Reserves Carried Forward (+/-)	(36,943,421)	(6,662,332)	(104,303,665)	(620,653,199)	(41,085,781)	(7,205,164)	(2,760,477)	(886,316)	2,604	-	(820,497,751)
2- Changes in Bonus and Discount Reserve (Net of Reinsurer) (+/-)	-	(2,643)	-	-	(2,862)	849	-	-	-	-	(4,656)
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-) and Other Technical Expenses	(29,146,763)	-	(5,118,789)	-	(1,031,019)	(1,893,587)	-	-	-	-	(37,190,158)
4- Operating Expenses	(113,207,028)	(12,635,012)	(470,061,778)	(334,681,406)	(49,777,312)	14,645,001	(22,074,882)	(75,494,153)	-	-	(1,063,286,570)
4.1- Production Commissions (-)	(255,070,764)	(39,201,909)	(357,640,326)	(257,361,165)	(147,528,346)	(48,119,144)	(15,376,463)	(154,862,309)	-	-	(1,275,160,426)
4.2- Reinsurance Commissions (+)	228,239,609	33,354,460	1,021,896	58,099,908	134,190,982	77,249,797	(4,463,489)	105,449,341	-	-	633,142,504
4.3- General Administrative Expenses	(86,375,873)	(6,787,563)	(113,443,348)	(135,420,149)	(36,439,948)	(14,485,652)	(2,234,930)	(26,081,185)	-	-	(427,268,648)
4.4- Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
5- Changes in Mathematical Reserves (+/-)	-	-	-	-	-	-	-	-	17,632	-	17,632
6- Other Technical Expenses (Net of Reinsurer Share)	(44,010,835)	(2,037,172)	(137,560,840)	(59,443,250)	(24,064,594)	(4,305,346)	(1,424,734)	(10,323,936)	-	-	(283,170,707)
<b>TECHNICAL PROFIT/(LOSS)</b>	<b>178,320,131</b>	<b>58,892,883</b>	<b>323,040,696</b>	<b>(1,201,106,286)</b>	<b>269,128,174</b>	<b>78,045,721</b>	<b>33,683,044</b>	<b>180,723,186</b>	<b>(20,069)</b>	-	<b>(79,292,520)</b>
Financial income	-	-	-	-	-	-	-	-	-	2,440,490,473	2,440,490,473
Depreciation expense	-	-	-	-	-	-	-	-	-	-	(61,103,766)
Provisions account, net	-	-	-	-	-	-	-	-	-	-	(17,641,324)
Tax expenses	-	-	-	-	-	-	-	-	-	-	185,277,610
Financial expenses	-	-	-	-	-	-	-	-	-	-	(2,471,941,268)
Other	-	-	-	-	-	-	-	-	-	(123,134,507)	(123,134,507)
<b>NET PROFIT/(LOSS)</b>	<b>178,320,131</b>	<b>58,892,883</b>	<b>323,040,696</b>	<b>(1,201,106,286)</b>	<b>269,128,174</b>	<b>78,045,721</b>	<b>33,683,044</b>	<b>180,723,186</b>	<b>(20,069)</b>	<b>(48,052,782)</b>	<b>(127,345,302)</b>

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## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 5. Segment Information (Continued)

#### 5.1 Operating segments (Continued)

Segment results for the period ended at December 31, 2021:

	Fire	Transportation	Motor Own Damage	Motor Crafts Liability (Compulsory Traffic)	Other Accident	Engineering	Agriculture	Health	Life	Undistributed	Total
<b>TECHNICAL INCOME</b>	<b>313,266,045</b>	<b>47,816,971</b>	<b>1,345,557,144</b>	<b>1,961,065,138</b>	<b>302,342,517</b>	<b>36,691,121</b>	<b>50,313,598</b>	<b>184,270,631</b>	<b>124,308</b>	-	<b>4,241,447,473</b>
1- Earned Premiums (Net of Reinsurer Share)	208,643,779	32,597,762	1,159,587,738	1,503,421,618	213,150,531	25,099,769	39,383,988	111,848,325	-	-	3,293,733,510
1.1- Premiums (Net of Reinsurer Share)	235,152,344	34,172,506	1,266,211,260	1,811,611,813	200,702,067	36,979,230	46,989,539	115,999,485	-	-	3,747,818,244
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	(26,508,565)	(1,574,744)	(106,623,522)	(216,788,953)	(9,487,696)	(11,879,461)	(7,605,551)	(4,151,160)	-	-	(384,619,652)
1.3-Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	-	-	-	(91,401,242)	21,936,160	-	-	-	-	-	(69,465,082)
2- Investment Income transferred from Non-Technical Part	97,643,889	15,502,817	144,317,812	453,531,721	89,184,641	11,605,385	10,929,610	58,688,426	124,308	-	881,528,609
3- Other Technical Income (Net of Reinsurance Share)	3,627,793	-	13,721,607	-	6,029	-	-	13,733,880	-	-	31,089,309
4- Accrued Subrogation and Salvage Income (+)	3,350,584	(283,608)	27,929,987	4,111,799	1,316	(14,033)	-	-	-	-	35,096,045
<b>TECHNICAL EXPENSES</b>	<b>(254,551,362)</b>	<b>(18,485,885)</b>	<b>(1,425,653,911)</b>	<b>(2,018,607,344)</b>	<b>(73,288,424)</b>	<b>(19,137,218)</b>	<b>(38,619,938)</b>	<b>(56,954,902)</b>	<b>(144,236)</b>	-	<b>(3,905,443,220)</b>
1- Total Claims (Net of Reinsurer Share)	(152,056,291)	(9,711,666)	(1,086,649,156)	(1,739,717,926)	(6,715,644)	(20,736,115)	(26,518,352)	(7,991,017)	(219,003)	-	(3,050,315,170)
1.1- Claims Paid (Net of Reinsurer Share)	(126,224,539)	(5,751,598)	(1,001,637,195)	(1,164,995,677)	(45,140,907)	(15,728,654)	(26,970,631)	(8,407,529)	(219,355)	-	(2,395,076,085)
1.2- Changes in Outstanding Claims Reserve Reinsurer Share and Reserves Carried Forward (+/-)	(25,831,752)	(3,960,068)	(85,011,961)	(574,722,249)	38,425,263	(5,007,461)	452,279	416,512	352	-	(655,239,085)
2- Changes in Bonus and Discount Reserve (Net of Reinsurer) (+/-)	-	-	-	-	(1,123)	(849)	-	-	-	-	(1,972)
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-) and Other Technical Expenses	(16,961,717)	-	(2,131,758)	-	(1,052,207)	(994,095)	-	-	-	-	(21,139,777)
4- Operating Expenses	(64,071,590)	(8,080,735)	(256,953,938)	(236,422,672)	(52,634,247)	4,396,165	(11,608,004)	(45,254,094)	-	-	(670,629,115)
4.1- Production Commissions (-)	(142,054,567)	(19,426,061)	(197,257,841)	(190,683,400)	(96,524,178)	(26,121,008)	(10,230,200)	(101,040,592)	-	-	(783,337,847)
4.2- Reinsurance Commissions (+)	122,882,380	14,680,326	266,764	31,570,069	63,407,516	37,724,356	(370,589)	66,373,447	-	-	336,534,269
4.3- General Administrative Expenses	(44,899,403)	(3,335,000)	(59,962,861)	(77,309,341)	(19,517,585)	(7,207,183)	(1,007,215)	(10,586,949)	-	-	(223,825,537)
4.4- Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
5- Changes in Mathematical Reserves (+/-)	-	-	-	-	-	-	-	-	74,767	-	74,767
6- Other Technical Expenses (Net of Reinsurer Share)	(21,461,764)	(693,484)	(79,919,059)	(42,466,746)	(12,885,203)	(1,802,324)	(493,582)	(3,709,791)	-	-	(163,431,953)
<b>TECHNICAL PROFIT/(LOSS)</b>	<b>58,714,683</b>	<b>29,331,086</b>	<b>(80,096,767)</b>	<b>(57,542,206)</b>	<b>229,054,097</b>	<b>17,553,901</b>	<b>11,693,660</b>	<b>127,315,731</b>	<b>(19,928)</b>	-	<b>336,004,257</b>
Financial income	-	-	-	-	-	-	-	-	-	1,538,129,875	1,538,129,875
Depreciation expense	-	-	-	-	-	-	-	-	-	(43,920,449)	(43,920,449)
Provisions account, net	-	-	-	-	-	-	-	-	-	(8,595,525)	(8,595,525)
Tax expenses	-	-	-	-	-	-	-	-	-	(62,408,499)	(62,408,499)
Financial expenses	-	-	-	-	-	-	-	-	-	(1,543,865,169)	(1,543,865,169)
Other	-	-	-	-	-	-	-	-	-	(25,947,724)	(25,947,724)
<b>NET PROFIT/(LOSS)</b>	<b>58,714,683</b>	<b>29,331,086</b>	<b>(80,096,767)</b>	<b>(57,542,206)</b>	<b>229,054,097</b>	<b>17,553,901</b>	<b>11,693,660</b>	<b>127,315,731</b>	<b>(19,928)</b>	<b>(146,607,491)</b>	<b>189,396,766</b>

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 6. Tangible Assets

December 31, 2022

Cost Value	Owner Occupied Properties	Vehicles	Furnitures and Fixtures and Leased Tangible Assets	Other Tangible Assets (Including Leasehold Improvements)	Right of Use Assets	Total	Cost Value
<b>1 January</b>	1,598,569	1,878,421	31,263,486	23,807,488	43,374,169	-	101,922,133
Additions	-	6,880,442	15,548,334	615,542	25,304,020	-	48,348,338
Disposals	(1,593,240)	-	(1,334,214)	(189,196)	(364,744)	-	(3,481,394)
<b>31 December</b>	<b>5,329</b>	<b>8,758,863</b>	<b>45,477,606</b>	<b>24,233,834</b>	<b>68,313,445</b>	-	<b>146,789,077</b>
<u>Accumulated Depreciation</u>							
<b>1 January</b>	(665,162)	(4,022)	(22,362,090)	(12,935,198)	(26,030,344)	-	(61,996,816)
Additions	(107)	(955,461)	(5,719,725)	(4,074,675)	(12,154,057)	-	(22,904,025)
Disposals	661,073	-	1,068,170	170,778	91,820	-	1,991,841
<b>31 December</b>	<b>(4,196)</b>	<b>(959,483)</b>	<b>(27,013,645)</b>	<b>(16,839,095)</b>	<b>(38,092,581)</b>	-	<b>(82,909,000)</b>
<b>Net Book Value as of December 31</b>	<b>1,133</b>	<b>7,799,380</b>	<b>18,463,961</b>	<b>7,394,739</b>	<b>30,220,864</b>	-	<b>63,880,077</b>

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

December 31, 2021

Cost Value	Owner Occupied Properties	Vehicles	Furnitures and Fixtures and Leased Tangible Assets	Other Tangible Assets (Including Leasehold Improvements)	Right of Use Assets	Total
<b>1 January</b>	1,598,569	2,720,001	30,431,171	21,682,557	41,129,271	97,561,569
Additions	-	2,841,664	3,986,020	6,878,434	11,565,162	25,271,280
Disposals	-	(3,683,244)	(3,153,705)	(4,753,503)	(9,320,264)	(20,910,716)
<b>31 December</b>	<b>1,598,569</b>	<b>1,878,421</b>	<b>31,263,486</b>	<b>23,807,488</b>	<b>43,374,169</b>	<b>101,922,133</b>
<u>Accumulated Depreciation</u>						
<b>1 January</b>	(633,191)	(1,093,962)	(20,847,952)	(13,841,375)	(17,643,062)	(54,059,542)
Additions	(31,971)	(714,883)	(4,161,608)	(2,462,578)	(8,387,280)	(15,758,320)
Disposals	-	1,804,823	2,647,470	3,368,755	-	7,821,048
<b>31 December</b>	<b>(665,162)</b>	<b>(4,022)</b>	<b>(22,362,090)</b>	<b>(12,935,198)</b>	<b>(26,030,342)</b>	<b>(61,996,814)</b>
<b>Net Book Value as of December 31</b>	<b>933,407</b>	<b>1,874,399</b>	<b>8,901,396</b>	<b>10,872,290</b>	<b>17,343,827</b>	<b>39,925,319</b>

#### 7. Investment Properties

The Company has no investment properties as of December 31, 2022. (January 1 - December 31, 2021: None).

In the period of January 1 - December 31, 2022, the Company has no obtained rental income from investment properties (January 1 - December 31, 2021: None).

## AKSİGORTA A.Ş.

### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 8. Intangible Assets

December 31, 2022			
<u>Cost Value</u>	<u>Advances for Intangible Assets (*)</u>	<u>Cost Value</u>	<u>Advances for Intangible Assets (*)</u>
<b>1 January</b>	30,311,685	223,788,042	254,099,727
Additions	53,641,537	40,034,599	93,676,136
Disposals	-	-	-
Transfers	(40,300,209)	40,300,209	-
<b>31 December</b>	<b>43,653,013</b>	<b>304,122,850</b>	<b>347,775,863</b>
<u>Accumulated Amortization</u>			
<b>1 January</b>	-	(141,527,231)	(141,527,231)
Charge for the Period	-	(38,199,741)	(38,199,741)
Disposals	-	-	-
<b>31 December</b>	-	(179,726,972)	(179,726,972)
<b>Net book Value as of December 31</b>	<b>43,653,013</b>	<b>124,395,878</b>	<b>168,048,891</b>

(\*) 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.

December 31, 2021			
<u>Cost Value</u>	<u>Advances for Intangible Assets (*)</u>	<u>Rights</u>	<u>Total</u>
<b>1 January</b>	9,163,795	161,424,844	170,588,639
Additions	26,796,360	56,714,728	83,511,088
Disposals	-	-	-
Transfers	(5,648,470)	5,648,470	-
<b>31 December</b>	<b>30,311,685</b>	<b>223,788,042</b>	<b>254,099,727</b>
<u>Accumulated Amortization</u>			
<b>1 January</b>	-	(113,365,102)	(113,365,102)
Charge for the Period	-	(28,162,129)	(28,162,129)
Disposals	-	-	-
<b>31 December</b>	-	(141,527,231)	(141,527,231)
<b>Net book Value as of December 31</b>	<b>30,311,685</b>	<b>82,260,811</b>	<b>112,572,496</b>

(\*) 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 December 31, 2022, the Company has not recognized any impairment loss for its intangible fixed assets in the current period (December 31, 2021: None).

There is no goodwill amount in the financial statements of the Group.

#### 9. Investments in Affiliates

As of 31 December 2022, the Company has no investments in subsidiaries (31 December 2021: None).



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## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 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

	December 31, 2022	December 31, 2021
Financial Assets to be Held Until Maturity	1,951,145,408	1,216,091,948
Financial Assets Available for Sale	1,184,804,256	1,737,608,467
Financial Assets Held for Trading	209,376,382	6,454,765
Financial Investments with Risks on Policy Holders	2,011,395	1,874,466
<b>Total</b>	<b>3,347,337,441</b>	<b>2,962,029,646</b>

##### Financial Assets Available for Sale

	December 31, 2022			December 31, 2021		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Eurobond	1,127,703,380	1,204,984,035	1,204,984,035	606,944,448	585,603,548	585,603,548
Private Sector bonds	376,171,799	377,696,817	377,696,817	322,390,745	333,420,756	333,420,756
Government Bonds	342,101,141	344,408,811	344,408,811	271,447,183	268,656,135	268,656,135
Equity Shares (Listed on the stock exchange)	18,843,313	22,834,250	22,834,250	30,795,827	27,536,089	27,536,089
Equity Shares (Not listed on the stock exchange) Net	1,221,495	-	1,221,495	875,420	-	875,420
<b>Total</b>	<b>1,866,041,128</b>	<b>1,949,923,913</b>	<b>1,951,145,408</b>	<b>1,232,453,623</b>	<b>1,215,216,528</b>	<b>1,216,091,948</b>

##### Held-to-Maturity Financial Assets

	December 31, 2022			December 31, 2021		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Eurobond	724,234,844	730,943,551	758,034,603	1,050,147,372	1,009,690,467	1,085,793,822
Government Bonds	291,846,206	426,917,320	369,110,975	406,665,409	402,301,623	419,033,562
Corporate Bonds	56,375,954	56,180,263	57,658,678	224,489,527	231,924,053	232,781,083
<b>Total</b>	<b>1,072,457,004</b>	<b>1,214,041,134</b>	<b>1,184,804,256</b>	<b>1,681,302,308</b>	<b>1,643,916,143</b>	<b>1,737,608,467</b>

##### Financial Assets Held for Trading

	December 31, 2022			December 31, 2021		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Government Bonds	10,078,349	9,908,670	9,908,670	-	-	-
Investment Funds	143,966,664	152,529,812	152,529,812	7,170,100	6,454,765	6,454,765
Eurobond	34,267,876	41,690,600	41,690,600	-	-	-
Corporate Bonds	5,000,000	5,247,300	5,247,300	-	-	-
<b>Total</b>	<b>193,312,889</b>	<b>209,376,382</b>	<b>209,376,382</b>	<b>7,170,100</b>	<b>6,454,765</b>	<b>6,454,765</b>

## AKSİGORTA A.Ş.

### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 11. Financial Assets (Continued)

##### 11.1 Subcategories of Financial Assets (Continued)

###### *Financial Assets and Financial Investments with Risks on Policy Holders*

	December 31, 2022			December 31, 2021		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Government Bonds	1,943,330	2,011,395	2,011,395	1,734,832	1,874,466	1,874,466

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

###### December 31, 2022

Equity Shares	Participation Rate %	Cost Value TRY	Fair Value TRY	Book Value TRY
Listed on Borsa Istanbul		11,128,881	19,378,623	19,378,623
Foreign Stock Exchange Listed		7,714,432	3,455,627	3,455,627
Tarsim Agricultural Insurance Inc.	4.17	1,221,495	-	1,221,495
Not listed on the stock exchange		1,221,495	-	1,221,495
<b>Total</b>		<b>20,064,808</b>	<b>22,834,250</b>	<b>24,055,745</b>

###### December 31, 2021

Equity Shares	Participation Rate %	Cost Value TRY	Fair Value TRY	Book Value TRY
Listed on Borsa Istanbul		30,795,827	27,536,089	27,536,089
Tarsim Agricultural Insurance Inc.	4.17	875,420	-	875,420
Unlisted		875,420	-	875,420
<b>Total</b>		<b>31,671,247</b>	<b>27,536,089</b>	<b>28,411,509</b>

As of December 31, 2022, and December 31, 2021, the blockage on financial assets in favor of Insurance and Private Pensions Regulation and Supervision Agency ("SEDDK") has been disclosed in Note 17.1.

##### 11.3 Securities other than equity shares issued in the current period:

None (December 31, 2021: None).

##### 11.4 Securities issued representing the amortized borrowing in the current period:

None (December 31, 2021: None).

##### 11.5 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).

##### 11.6 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).

# AKSIGORTA A.Ş.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 11. Financial Assets (Continued)

#### 11.7 Increase (Decrease) 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	December 31, 2022	December 31, 2021	December 31, 2020
Financial Assets Available for Sale	(2,508,794)	(39,142,240)	1,801,936

#### 11.8 Financial Instruments

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

#### 11.9 Financial Instruments

Information related to hedge accounting has been disclosed in Note 34.5

#### 11.10 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.

### 12. Receivables and Payables

#### 12.1 Details of the Company's receivables

	31 December 2022	31 December 2021
<b>Receivables from insurance operations</b>		
Receivables from agencies	2,277,600,251	1,151,460,111
Bank Guaranteed Credit Card Receivables More than Three Months	328,061,372	282,358,939
Receivables from reinsurance companies	141,890,343	40,173,468
Receivables for salvage and claim recovery - net (Note 2.1.1)	131,960,295	81,361,121
Other receivables	276,737	179,228
<b>Receivables from insurance operations</b>	<b>2,879,788,998</b>	<b>1,555,532,867</b>
Cash deposited for insurance and reinsurance companies	30,954	30,954
<b>Receivables from insurance and reinsurance companies</b>	<b>30,954</b>	<b>30,954</b>
Claim recovery receivables under legal follow-up	337,289,309	205,201,746
Doubtful receivables from main operations	57,427,499	36,637,084
<b>Total provision amount for doubtful receivables</b>	<b>394,716,808</b>	<b>241,838,830</b>
<b>Receivables from main operations</b>	<b>3,274,536,760</b>	<b>1,797,402,651</b>
Provision for due from insurance operations (-) (*)	(45,967,323)	(19,642,726)
Provision for doubtful receivables from main operations (-) (**)	(24,709,333)	(24,270,406)
Provision for net claim recovery receivables under legal follow-up (-) (**)	(337,289,309)	(205,201,746)
<b>Total provision amount for doubtful receivables</b>	<b>(407,965,965)</b>	<b>(249,114,878)</b>
<b>Receivables from main operations - net</b>	<b>2,866,570,795</b>	<b>1,548,287,773</b>

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

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

## AKSIGORTA A.Ş.

### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 12. Receivables and Payables (Continued)

##### 12.1 Details of the Company's receivables (Continued)

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

	December 31, 2022	December 31, 2021
0 - 90 days	68,643,658	33,802,786
90+	18,565,965	24,968,746
Not due receivables	2,792,610,329	1,496,792,289
<b>Total</b>	<b>2,879,819,952</b>	<b>1,555,563,821</b>

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

Type of Guarantees	December 31, 2022		December 31, 2021	
	Receivables	Doubtful Receivables	Receivables	Doubtful Receivables
Real Estate Pledges	10,336,755	416,100	56,352,007	531,200
Letters of Guarantee	176,831,449	-	103,473,143	-
Cash Guarantees	28,257,559	-	19,120,708	-
Government Bonds and Equity	6,107,261	7,500	185,996	7,500
<b>Total</b>	<b>221,533,024</b>	<b>423,600</b>	<b>179,131,854</b>	<b>538,700</b>

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, 1 January	(229,472,152)	(167,471,613)
Charge for the period	(184,718,974)	(86,355,658)
Collections	52,192,484	24,355,119
<b>Closing Balance, 31 December</b>	<b>(361,998,642)</b>	<b>(229,472,152)</b>

##### 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 December 31, 2022, the Company has liabilities amounting to TRY 1,143 to shareholders (December 31, 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 221,533,024 as of December 31, 2022 (December 31, 2021: TRY 179,131,854)

# AKSİGORTA A.Ş.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 12. Receivables and Payables (Continued)

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

December 31, 2022

<b>Banks (Foreign Currency)</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
USD	10,617,609	18.6983	198,531,238
EUR	1,691,676	19.9349	33,723,392
GBP	48,710	22.4892	1,095,449
CHF	39,683	20.2019	801,672
Other			9,050
<b>Total</b>			<b>234,160,801</b>
<b>Stocks and Bonds</b>			
USD	65,304,412	18.6983	1,221,081,487
EUR	173,346	19.9349	3,455,635
<b>Total</b>			<b>1,224,537,122</b>
<b>Receivables from Insurance Operations</b>			
USD	71,934,591	18.6983	1,345,054,563
EUR	30,378,506	19.9349	605,592,479
Other			1,657,236
<b>Total</b>			<b>1,952,304,278</b>
<b>Outstanding Claims Reserve</b>			
USD	(7,760,330)	18.7320	(145,366,502)
EUR	(4,302,194)	19.9708	(85,918,256)
Other			(135,639)
<b>Total</b>			<b>(231,420,397)</b>
<b>Payables from Insurance Operations</b>			
USD	(86,101,316)	18.7320	(1,612,849,851)
EUR	(19,613,910)	19.9708	(391,705,474)
Other			(2,275,035)
<b>Total</b>			<b>(2,006,830,360)</b>
<b>Payables to Suppliers</b>			
USD	(1,284,232)	18.7320	(24,056,234)
EUR	(507,694)	19.9708	(10,139,055)
Other			(20,493)
<b>Total</b>			<b>(34,215,782)</b>
<b>Net Foreign Currency Position</b>			<b>1,138,535,662</b>

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 12. Receivables and Payables (Continued)

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

December 31, 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
<b>Total</b>			<b>54,012,527</b>
<b>Stocks and Bonds</b>			
USD	75,442,134	13.3290	1,005,568,204
EUR	386,981	15.0867	5,838,266
<b>Total</b>			<b>1,011,406,470</b>
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
<b>Total</b>			<b>984,979,664</b>
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)
<b>Total</b>			<b>(105,988,750)</b>
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)
<b>Total</b>			<b>(1,019,358,056)</b>
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)
<b>Total</b>			<b>(25,573,536)</b>
<b>Net Foreign Currency Position</b>			<b>899,478,319</b>

#### 13. Derivative Financial Instruments

During the period between January 1 - December 31, 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 64,994,927 (January 1 - December 31, 2021: TRY 126,002,426).

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 14. Cash and Cash Equivalents

	December 31, 2022	December 31, 2021
Cash at Banks	4,994,282,190	1,182,736,630
<i>Time Deposit</i>	4,925,413,345	1,121,453,755
<i>Demand Deposit</i>	68,868,845	61,282,875
Bank Guaranteed Credit Card Receivables with Maturities less than three months	215,415,991	1,011,654,963
<b>Total</b>	<b>5,209,698,181</b>	<b>2,194,391,593</b>
Interest Accrual on Cash and Cash Equivalents	(29,221,893)	(24,521,945)
Blocked Deposits (*)	-	(392,596,761)
<b>Cash Flow Based Grand Total</b>	<b>5,180,476,288</b>	<b>1,777,272,887</b>

(\*) Details of blocked deposits in the company's treasury in favor of Insurance and Private Pensions Regulation and Supervision Agency ("SEDDK") are given in Note 17.1.

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

	December 31, 2022 Annual Interest Rate (%)	December 31, 2021 Annual Interest Rate (%)
TRY	10.40 - 45.75	14.65 - 27.00
USD	0.05 - 0.1	0.20 - 0.31
EUR	0.01	-

As of December 31, 2022, the maturities of TRY deposits are between January 2, 2023 and May 9, 2023; The maturity of foreign currency USD deposits varies between 2 January 2023.

As of December 31, 2021, the maturities of TRY deposits vary between January 3, 2022 and October 27, 2022; while the currency of foreign exchange deposits varies between January 3, 2022 and May 24, 2022.

As of 31 December 2022, the reverse repo transaction accounted under the Company's Other Financial Liabilities account includes TRY 78,282,082. (31 December 2021: TRY 101,655,748 repo transaction and TRY 16,177,847 tax payment).

As of December 31, 2022, the Company has accounted TRY 723,666 in the valuation of repurchase agreements. (December 31, 2021: TRY 972,460) (Note 26).

**CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

**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 December 31, 2022 and December 31, 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 profit cannot 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. As of December 31, 2022, the Company has legal reserves amounting to TRY 111,936,210 (December 31, 2021: TRY 111,936,210). As of December 31, 2022, the Company has legal reserves amounting to TRY 111,936,210 (December 31, 2021: TRY 111,936,210).

<b>Special Funds (reserves)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Actuarial (gain)/loss	23,070,953	8,518,554
<b>Total</b>	<b>23,070,953</b>	<b>8,518,554</b>

**Equity Share Premiums**

As a result of the increase in its current capital from TRY 612,000,000 to a nominal value of 1,000,000,000 TL with the Board of Directors Decision no. 3 dated 24 June 2022, the Group has obtained a Share Premium of TRY 3,463,617. (December 31, 2021: None.)

**Gains from sale of fixed asset**

As of December 31, 2022, company has no Capital Reserve. (December 31, 2022: 90,989,327 TRY).



**CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

**15. Share Capital (Continued)**

**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 (Continued)**

**Extraordinary Reserves**

On January 26, 2022, the issued capital of the group 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 TRY 306,000,000, 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. and it was decided to be increased by 100% free of charge to TRY 612,000,000. As of December 31, 2022, the Company has Extraordinary Reserves amounting to TRY 200.091.506 (December 31, 2021: TRY 225.705.415).

With the temporary article 32 added to the Tax Procedure Law with the Law No. 7338 and the paragraph (Ç) added to the 298th article of the Law, the revaluation opportunity for the immovables and depreciable economic assets (ATIK) in the assets of has been made permanent for the companies.

The company is subject to revaluation in accordance with the Temporary Article 32 added to the Tax Procedure Law with the Law No. 7338 pursuant to the General Communiqué on the Tax Procedure Law with line number 547 published and the paragraph (Ç) added to the 298th article of the Law on 14 January 2023. The company follows the fund related to the revaluation of the immovables in its assets in the Extraordinary Reserves account.

The Company's issued capital share is composed of 161,200,000,000 shares having a nominal amount of TRY 0.01 each. These shares are presented by Class 10 shares (December 31, 2021: 30,600,000,000 shares with a nominal amount of TRY 0.01 each).

**15.3 For each class of share capital**

**15.3.1 The explanation about the number of capital shares**

The Company's issued capital share is composed of 161.200.000.000 shares having a nominal amount of TRY 0.01 each. These shares are presented by Class 10 shares (December 31, 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 (December 31, 2021: None).

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

Nominal value of equity shares is TRY 0.01 per share (December 31, 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	
	December 31, 2022	December 31, 2021
<b>Beginning of the Period, 1 January</b>	30,600,000,000	30,600,000,000
Issued in the Current Period (*)	130,600,000,000	-
<b>End of the Period, 31 December</b>	<b>161,200,000,000</b>	<b>30,600,000,000</b>

(\*) According 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. The company has increased its current capital amounting to TRY 612,000,000, with a total nominal value of TL 306,000,000, fully covered by internal resources, and increased by 100% bonus to TRY 612,000,000, dated 5 July 2022, and no. decided to increase the amount to TRY 1,612,000,000. On 27 October 2022, the Capital Markets Board approved the Company's capital increase application and the capital increase transactions were registered by the Istanbul Trade Registry on 23 December 2022.

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 15. Share Capital (Continued)

##### 15.3 For each class of share capital (Continued)

##### 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 January 27, 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 (December 31, 2021: None).

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

None (December 31, 2021: None).

#### 15.4 Share based payments

None (December 31, 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

	December 31, 2022	December 31, 2021
Available for sale financial assets valuation difference	2,508,795	(39,142,240)
Deferred tax effect	(627,199)	9,002,715
<b>Total</b>	<b>1,881,596</b>	<b>(30,139,525)</b>

The actuarial loss amounting to TRY 30,761,271 (Deferred tax effect: TRY 7,690,318), which is calculated in the provision for severance pay in line with the amendments made to the "IAS 19-Benefits Provided to Employees" standard effective as of January 1, 2013, is accounted under special funds under equity (December 31, 2021 TRY 10,648,193, Deferred tax effect: TRY 2,129,639).

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

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

##### 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 (December 31, 2021: None).

##### 16.3 Hedging for forecasted transactions and net investment hedging

None (December 31, 2021: None).

##### 16.4 Hedging against financial risks

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)
<b>Beginning of the Period, 1 January</b>	(30,139,525)	1,441,549
Increase/decrease in value recognized under the shareholders' equity in the current period	32,021,121	(31,581,074)
<b>End of the Period,</b>	<b>1,881,596</b>	<b>(30,139,525)</b>

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

None (December 31, 2021: None).

##### 16.7 Revaluation increases in tangible fixed assets

None (December 31, 2021: None).

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

None (December 31, 2021: None).

#### 17 Insurance Liabilities and Reinsurance Assests

##### 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	December 31, 2022		December 31, 2021	
	Amount to be Provided TRY	Current Blockage TRY	Amount to be Provided TRY	Current Blockage TRY
Life	1,470,766	2,211,500	1,512,991	1,623,773
Government Bonds		2,211,500		1,623,773
Non-Life (*)	671,930,181	832,025,834	377,922,835	392,596,761
Credit Card				175,000,000
Time Deposit				217,596,761
Eurobond		832,025,834		-
<b>Total</b>	<b>673,400,948</b>	<b>834,237,334</b>	<b>379,435,826</b>	<b>394,220,534</b>

(\*) 31 As of December 31, 2022, the required guarantee amount has been calculated based on capital requirements in June 30, 2022. The Company has on behalf of Insurance and Private Pensions Regulation and Supervision Agency ("SEDDK"), TRY 2.211.500 in time deposits, and TRY 832.025.834 credit card blocked.

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 17. Insurance Liabilities and Reinsurance Assests (Continued)

##### 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
<b>Beginning of the Period, 1 January</b>	157	1,343,509	166	1,418,276
Participations in the Current Period	-	-	-	-
Leavings in the Current Period	(2)	(17,632)	(10)	(74,767)
<b>End of Period, 31 December</b>	<b>155</b>	<b>1,325,877</b>	<b>156</b>	<b>1,343,509</b>

Mathematical reserves amounting to TRY 1.325.877 (31 December 2021: TRY 1.343.509) and Reserves for the policies, investment risk of which belongs to life insurance policy holders amounting TRY 132.588 (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 December 31, 2022, there is no difference in the value accounted in Life Mathematical Reserve account discounted with current value (December 31, 2021: None).

##### 17.3 Insurance guarantees given ton on life insurances based on insurance branches

Branch	December 31, 2022	December 31, 2021
Motor Crafts Liability	66,361,480,983,801	74,293,284,963,065
Fire and Natural Disaster	3,562,430,488,643	1,974,950,394,555
Disease/Health	2,094,305,236,668	4,568,128,584,484
Transportation	956,532,696,798	406,304,767,063
General Losses	772,976,232,121	466,065,756,531
Motor Own Damage	511,336,853,734	309,484,973,812
Financial Losses	388,037,488,779	224,836,597,817
General Liability	266,278,685,542	191,221,523,786
Air-Crafts Liability	316,646,805,750	108,637,331,403
Accident	54,323,879,115	48,962,149,390
Air Crafts	15,344,270,144	7,994,644,802
Legal Protection	9,581,314,764	10,642,139,096
Suretyship	3,508,319,185	2,550,972,660
Credit	2,566,411,902	1,497,058,027
<b>Total</b>	<b>75,315,349,666,946</b>	<b>82,614,561,856,491</b>

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

None (December 31, 2021: None).

##### 17.5 Number and amount of participation certification in portfolio and circulation

None (December 31, 2021: None).

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

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#### 17. Insurance Liabilities and Reinsurance Assests (Continued)

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

None (December 31, 2021: None).

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

None (December 31, 2021: None).

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

None (December 31, 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 (December 31, 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 (December 31, 2021: None).

##### 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 (December 31, 2021: None).

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

None (December 31, 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 are calculated as below:

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

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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#### 17. Insurance Liabilities and Reinsurance Assets (Continued)

##### 17.15 Explanation of information that describes amounts arose from insurance agreements

None (December 31, 2021: None).

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

<b>Reinsurance Assets</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Reinsurance Share of Outstanding Claims Reserve (Note 4.1.2.2)	3,710,864,552	2,649,498,445
Reinsurance Share of Unearned Premiums Reserve (Note 20)	3,808,591,870	1,925,985,907
Equalization Provision Reinsurer Share (Note 20)	485,464,437	298,108,145
Ongoing Risks Provision Reinsurer Share (Note 20)	201,429,210	256,843,068
Cash Deposited for Insurance & Reinsurance Companies (Note 12.1)	141,890,343	40,173,468
Bonus and rebates provision Reinsurance Share (Not 20)	233,659	768,407
Deposits of Reinsurance Company (Note 12.1)	30,954	30,954
<b>Total</b>	<b>8,348,505,025</b>	<b>5,171,408,394</b>

  

<b>Reinsurance Debts</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Payables to Insurance and Reinsurance Companies (Note 19.1)	2,052,543,633	1,243,900,854
Deferred Commissions Income (Note 19.1)	531,238,119	236,564,242
<b>Total</b>	<b>2,583,781,752</b>	<b>1,480,465,096</b>

  

<b>Income/Expense on Reinsurance Agreements</b>	<b>January 1, - December 31, 2022</b>	<b>January 1, - December 31, 2021</b>
Reinsurance Share of Claims Paid	2,221,757,732	1,061,924,983
Reinsurance Share of Outstanding Claims Reserve	1,061,366,107	765,652,473
Reinsurance Share of Unearned Premiums Reserve (Note 20)	1,882,605,963	626,932,233
Commissions Received (Note 32)	633,142,504	336,534,269
Bonus and rebates provision Reinsurance Share (Not 20)	(534,748)	316,240
Ongoing Risks Provision Reinsurer Share (Note 20)	(55,413,857)	(649,831,923)
Premiums Ceded to Reinsurers (-)	(6,706,047,686)	(3,239,802,501)
<b>Total</b>	<b>(963,123,985)</b>	<b>(1,098,274,226)</b>

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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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):

Branch	December 31, 2022		December 31, 2021		December 31, 2021	
	Premiums Ceded (*)	Reinsurance Share of Technical Reserves (**)	Premiums Ceded (*)	Reinsurance Share of Technical Reserves (**)	Premiums Ceded (*)	Reinsurance Share of Technical Reserves (**)
Fire and Natural						
Disaster	(2,286,126,904)	1,242,667,865	796,047,750	(1,121,771,220)	283,912,060	262,203,192
Health	(956,651,196)	315,283,086	565,094,904	(415,838,939)	71,867,437	285,613,975
General Losses	(920,353,816)	356,345,791	279,108,185	(403,629,768)	304,727,318	141,122,579
Motor Crafts Liability	(705,774,337)	167,918,398	342,443,142	(426,620,323)	83,310,531	134,130,584
General Liability	(620,044,256)	359,518,462	64,338,732	(392,960,621)	200,536,139	35,706,393
Financial Losses	(424,488,627)	164,160,097	79,189,544	(175,201,721)	87,864,652	75,675,130
Transportation	(239,836,699)	118,494,796	60,203,975	(99,021,316)	58,511,848	27,852,002
Accident	(28,738,100)	4,805,421	6,615,480	(16,399,841)	(4,057,175)	5,764,392
Suretyship	(26,789,516)	(108,068,135)	1,524,392	(14,946,036)	84,614,571	49,196
Air Crafts Liability	(187,844,210)	95,059,556	772	(81,641,003)	(359,492,430)	430,497
Air Crafts	(72,985,458)	16,729,989	13,083,575	(30,371,875)	(106,153,000)	79,405,127
Water Crafts	(110,527,224)	72,286,772	10,947,561	(47,212,087)	35,480,037	8,348,260
Credit	(7,537,764)	1,636,215	66,086	(4,038,340)	193,254	88,952
Motor Own Damage	(118,349,579)	81,185,152	3,093,634	(10,149,411)	1,753,781	5,534,704
<b>Total</b>	<b>(6,706,047,686)</b>	<b>2,888,023,465</b>	<b>2,221,757,732</b>	<b>(3,239,802,501)</b>	<b>743,069,023</b>	<b>1,061,924,983</b>

(\*) As explained in Note 2.15, Transferred Premiums amounted to TRY 235.919.245 (December 31, 2021: TRY 184.693.219) transferred to the Social Security Institution as of December 31, 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 4.1.1.3.

##### 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	1,102,548,966	3,136,323,052
<b>End of the period - December 31</b>	<b>2,583,014,062</b>	<b>8,307,731,446</b>

  

	2021	
	Insurance Payables	Reinsurance Assets
Beginning of the Period, January 1	915,224,781	4,313,486,264
Net change of the year	565,240,315	856,036,804
<b>End of the period - December 31</b>	<b>1,480,465,096</b>	<b>5,169,523,068</b>

## AKSIGORTA A.Ş.

### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 17. Insurance Liabilities and Reinsurance Assets (Continued)

##### 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 December 31, 2022 amounted to TRY 885,958,057 (December 31, 2021: TRY 442,876,267) and TRY 531,238,119 (December 31, 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

	December 31, 2022	December 31, 2021
Payables from Insurance and Reassurance Operations (Note 17.16)	2,052,543,633	1,243,900,854
<b>Payables from Insurance Operations</b>	<b>2,052,543,633</b>	<b>1,243,900,854</b>
Payables to sellers	126,119,670	72,046,778
Negotiated service and debts to institutions	58,594,811	78,918,265
Current account of natural catastrophe insurance	78,158,956	32,695,098
DASK debts to agencies	2,113,421	1,524,578
Other	1,117,874	3,871,597
<b>Other Payables</b>	<b>266,104,732</b>	<b>189,056,316</b>
<b>Payables to SSI regarding medical expenses</b>	<b>69,641,878</b>	<b>60,198,675</b>
Deferred commission income (Not 17.16)	531,238,119	236,564,242
Provision for Cost Expenses (Not 23.4)	96,230,891	62,941,823
Expense accruals	-	49,851,945
<b>Deferred Income and Expense Accruals</b>	<b>627,469,010</b>	<b>349,358,010</b>
<b>Total Short-Term Liabilities</b>	<b>3,015,759,253</b>	<b>1,842,513,855</b>
<b>Total Trade and Other Payables, Deferred Income</b>	<b>3,015,759,253</b>	<b>1,842,513,855</b>

##### 19.2 Related Party Disclosures

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



**CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

**20. Payables**

<b>Insurance Technical Reserves</b>	<b>December 31,2022</b>	<b>December 31, 2021</b>
Unearned Premiums Reserve - Net (*)	3,897,966,852	2,012,331,492
Unexpired Risks Reserve - Net (Note 4.1.1.3)	2,788,449,164	1,967,951,413
Ongoing Risks Provision- Net	153,218,079	93,325,083
Equalization Provision – Net	154,900,203	117,710,045
Mathematical Reserves - Net	1,325,877	1,343,509
Bonus and Discount Provisions - Net	10,224	5,568
<b>Total</b>	<b>6,995,870,399</b>	<b>4,192,667,110</b>

(\*) While calculating the income statement effect of the provisions for unearned premiums, TRY 10,125,503 the deferral effect of the premiums transferred to assistance companies, which is included in operating expenses, has been netted off (December 31, 2021: TRY 4,150,623)

As disclosed in Note 2.15, the reinsurers' share of unearned premiums includes SSI share as of December 31, 2022 which is TRY 16,042,069 (December 31, 2021: TRY 20,755,363 the reinsurers' share of unearned premiums)

**The movement of technical reserves are as follows:**

**Unearned Premium Reserve:**

	<b>December 31, 2022</b>			<b>December 31, 2021</b>		
	<b>Gross</b>	<b>Reinsurance (*)</b>	<b>Net</b>	<b>Gross</b>	<b>Reinsurance (*)</b>	<b>Net</b>
<b>Beginning of the Period, January 1</b>	3,938,317,399	(1,925,985,907)	2,012,331,492	2,926,765,514	(1,299,053,674)	1,627,711,840
<b>Net change</b>	3,768,241,323	(1,882,605,963)	1,885,635,360	1,011,551,885	(626,932,233)	384,619,652
<b>End of the Period, December 31</b>	<b>7,706,558,722</b>	<b>(3,808,591,870)</b>	<b>3,897,966,852</b>	<b>3,938,317,399</b>	<b>(1,925,985,907)</b>	<b>2,012,331,492</b>

(\*) The reinsurance share for unearned premiums also includes the share of SSI amounting to TRY 16,042,069 (December 31, 2021: TRY 20,755,363 the reinsurers' share of unearned premiums),

**Unexpired Risk Reserve:**

	<b>December 31, 2022</b>			<b>December 31, 2021</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Gross</b>	<b>Reinsurance</b>	<b>Gross</b>	<b>Reinsurance</b>
<b>Beginning of the Period, January 1</b>	350,168,151	(256,843,068)	93,325,083	930,534,992	(906,674,991)	23,860,001
<b>Net change</b>	4,479,139	55,413,857	59,892,996	(580,366,841)	649,831,923	69,465,082
<b>End of the Period, December 31</b>	<b>354,647,290</b>	<b>(201,429,211)</b>	<b>153,218,079</b>	<b>350,168,151</b>	<b>(256,843,068)</b>	<b>93,325,083</b>

**Equalization Reserve:**

	<b>December 31, 2022</b>			<b>December 31, 2021</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Gross</b>	<b>Reinsurance</b>	<b>Gross</b>	<b>Reinsurance</b>
<b>Beginning of the Period, January 1</b>	415,818,190	(298,108,145)	117,710,045	291,628,561	(195,058,293)	96,570,268
<b>Net change</b>	224,546,450	(187,356,292)	37,190,158	124,189,629	(103,049,852)	21,139,777
<b>End of the Period, December 31</b>	<b>640,364,640</b>	<b>(485,464,437)</b>	<b>154,900,203</b>	<b>415,818,190</b>	<b>(298,108,145)</b>	<b>117,710,045</b>

**Provision for bonus and discount**

	<b>December 31, 2022</b>			<b>December 31, 2021</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Gross</b>	<b>Reinsurance</b>	<b>Gross</b>	<b>Reinsurance</b>
<b>Beginning of the Period, January 1</b>	773,975	(768,407)	5,568	455,763	(452,167)	3,596
<b>Net change</b>	(530,092)	534,748	4,656	318,212	(316,240)	1,972
<b>End of the Period, December 31</b>	<b>243,883</b>	<b>(233,659)</b>	<b>10,224</b>	<b>773,975</b>	<b>(768,407)</b>	<b>5,568</b>

## AKSİGORTA A.Ş.

### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 20. Payables (Continued)

##### Outstanding claims reserve:

The movement of Outstanding Claims Reserve of 2022 and 2021 are presented in note 4.1.1.3.

##### Lease Liabilities (Continued):

The movement table of the total lease obligation and lease obligations that the Company is as follows:

	December 31, 2022	December 31, 2021
Short-term rent liabilities	27,858,335	21,532,058
Long-term rent liabilities	30,762,568	15,802,373
Alternative borrowing rate and discount amount	(12,657,993)	(9,770,397)
<b>Total rent liabilities</b>	<b>45,962,910</b>	<b>27,564,034</b>

	December 31, 2022	December 31, 2021
Beginning of the Period, January 1 Lease Liabilities	27,564,034	28,892,023
Change in lease agreements	(364,744)	2,244,898
Rent payments (Real Estates and Motor Vehicles)	(20,648,629)	(9,841,895)
Interest Payments	7,227,787	6,269,008
New lease agreements	32,184,462	
<b>Total rent liabilities</b>	<b>45,962,910</b>	<b>27,564,034</b>

##### Payables to Credit Institutions

	December 31, 2022
Total payables to credit institutions as of 1 January	-
Credits received during the period(*)	495,500,000
Accrued credit interests	48,973,125
<b>Total payables to credit institutions as of the balance sheet date</b>	<b>544,473,125</b>

(\*) As of 31 December 2022, the Company's has a loan with one-year maturity and TRY 68,500,000 principal, TRY 16,126,042 total interest used on 27 January 2022, a loan with one-year maturity TRY 100,000,000 principal and a total interest of 18,355,556 TL used on 10 May 2022, a loan with one year maturity TRY 167,000,000 , a total interest of TRY 9,393,750 used on 30 September 2022, a lon with one-year maturity of 160,000,000 TL, and a total interest of TRY 5,097,777, used on 31 October 2022. (December 31, 2021: None)

#### 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 Group's deferred income tax amounts are disclosed in Note 35.

**CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

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**22. Retirement and Welfare Liabilities**

The funds established for the personnel of banks, insurance and reinsurance companies within the scope of the SGK Law were decided to be transferred to SG K within three years following the publication of the Law with the Provisional Article 23 of the Banking Law No. 5411, Council of Ministers dated 30 November 2006 and numbered 2006/11345. With its decision, the procedures and principles regarding the transfer have been determined. On the other hand, the relevant law article regarding the transfer was decided by the Constitutional Court, based on the application made by the President on 2 November 2005, and published in the Official Gazette dated 30 June 2007 and numbered 26479, dated 22 March 2007 and numbered E,2005/39, N,2007/33. It was annulled by the decision of the court and its validity was suspended as of the publication date of the decision.

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 Group 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 Group has no deficits by the end of the current period and no payments have been made in relation to any deficit amount by the Group. Fund assets are adequate in covering all the funds liabilities; therefore, the Group 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:

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 December 31, 2022 and December 31, 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 December 31, 2021; the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 0,5% (December 31, 2021: 4%) The anticipated rate of forfeitures is considered and estimated rate of the Company's retirements pay is also taken into account.

## AKSIGORTA A.Ş.

### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 22. Retirement Pay Provisions (Continued)

Actuarial loss amounting to TRY 30,761,271 (Deferred tax effect: TRY 23,070,953) 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 December 31, 2022, the maximum amount of TRY 19.983 effective from January 1, 2022 has been taken into consideration in calculation of provision from employment termination benefits (December 31, 2021: TRY 7,639).

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

	2022	2021
<b>Beginning of the period, January 1</b>	14,112,606	9,095,078
Charge for the period (Note 47)	3,381,887	1,937,344
Actuarial Gain/(Loss)	20,113,078	3,834,189
Retirement Payments (-)	(3,863,395)	(754,005)
<b>End of the period, December 31</b>	<b>33,744,176</b>	<b>14,112,606</b>

#### 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
<b>Beginning of the period, January 1</b>	3,690,561	235,747	2,158,581	238,630
Movements in the Current Period	4,736,668	83,980,744	1,726,522	20,960,628
Payments in the Current Period	(732,623)	(83,526,552)	(194,542)	(20,963,511)
<b>End of the period, December 31</b>	<b>7,694,606</b>	<b>689,939</b>	<b>3,690,561</b>	<b>235,747</b>

##### 23.2 Total Amount of Non-Liability Commitments

Company's statement of pledges and commitments as of December 31, 2022 and December 31, 2021 are presented below:

	December 31, 2022		December 31, 2021	
	Amount in Original Currency	Amount TRY	Amount in Original Currency	Amount TRY
<b>Collaterals, Pledges and Mortgages Given by the Company (CPM)</b>				
A. Total amount of CPM's given on behalf of the Company legal entity	-	-	-	-
B. Total amount of CPM's given in favour 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				
Turkish Lira	8,168,243	8,168,243	-	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	-	-	-	488,179
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
<b>Total</b>		<b>8,168,243</b>		<b>4,228,341</b>

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

## AKSİGORTA A.Ş.

### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

#### 23. Other Liabilities and Expense Accruals (Continued)

##### 23.3 Provisions, Contingents Assets and Liabilities

<b>Contingent Liabilities</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Outstanding Claims under Litigation (*)	1,850,339,823	1,296,943,994
Unused Vacation allowance	7,694,606	3,690,561
Business Cases Provision	1,526,062	813,092
<b>Total</b>	<b>1,859,560,491</b>	<b>1,301,447,647</b>

  

<b>Contingent Assets</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Subrogation Receivable Litigations, Gross	476,415,678	306,504,784
Trade Receivable Litigations and Executions	9,512,014	8,625,642
<b>Total</b>	<b>485,927,692</b>	<b>315,130,426</b>

(\*) Outstanding claims provision consists of net receivables, interest, and expenses & agency fees in the amount of TRY 999,588,403, TRY 351,318,468 and TRY 499,432,950 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 TRY1.8 million and tax penalty of TRY2.8 million for the year 2009, tax of TRY2 million and tax penalty of TRY3 million for the year 2010, tax of TRY3 million and tax penalty of TRY4.6 million for the year 2011 and tax of TRY4.3 million and tax penalty of TRY6.4 million for the year 2012 and in total tax and tax penalty of TRY27.9 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 and 2010. The cases of 2011 and 2012 continue before the Tax Court. In 2022, the Seventh Court of the Council of State decided that the appeal request of all the cases belonging to the relevant years should be rejected and that the decision in accordance with the procedure and the law should be upheld, and the rejection of the lawsuits was finalized by the Council of State.

##### 23.4 Provision for Expense Accruals

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Commission provision (*)	35,174,020	17,805,233
Guarantee fund provision	26,643,891	25,974,332
Performance premium provision	16,808,930	7,958,998
Allowance	7,694,606	3,690,561
Expense provision	4,102,832	4,686,928
Business cases provision	1,526,062	813,092
Other	4,280,548	2,012,679
<b>Total</b>	<b>96,230,891</b>	<b>62,941,823</b>

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

# AKSIGORTA A.Ş.

## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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

### 24. Net Insurance Premium Revenue

	January 1 - December 31, 2022		
	Gross	Reinsurance share	Net
Motor Own Damage	3,479,076,162	(118,349,579)	3,360,726,583
Motor Crafts Liability (*)	3,133,723,355	(705,774,338)	2,427,949,017
Fire and Natural Disaster	2,696,775,340	(2,286,126,904)	410,648,436
Health	1,107,320,795	(956,651,196)	150,669,599
General Losses	981,102,356	(776,732,294)	204,370,062
General Liability	808,500,012	(763,638,927)	44,861,085
Financial Losses	486,883,426	(424,488,627)	62,394,799
Transportation	299,623,003	(239,836,699)	59,786,304
Air Crafts Liability	187,846,933	(187,844,210)	2,723
Accident	141,277,206	(28,764,950)	112,512,256
Water Crafts	128,005,473	(110,527,224)	17,478,249
Air Crafts	72,986,479	(72,985,458)	1,021
Fidelity Guarantee	28,320,949	(26,789,513)	1,531,436
Credit	7,844,868	(7,537,764)	307,104
Legal Protection	4,150,592	(3)	4,150,589
<b>Total - Non-life branches</b>	<b>13,563,436,949</b>	<b>(6,706,047,686)</b>	<b>6,857,389,263</b>
<b>Written premium - Life branch</b>	-	-	-
<b>Total</b>	<b>13,563,436,949</b>	<b>(6,706,047,686)</b>	<b>6,857,389,263</b>

	January 1 - December 31, 2021		
	Gross	Reinsurance share	Net
Motor Crafts Liability (*)	2,238,232,134	(426,620,323)	1,811,611,811
Fire and Natural Disaster	1,356,923,563	(1,121,771,219)	235,152,344
Motor Own Damage	1,276,360,670	(10,149,411)	1,266,211,259
Health	531,838,424	(415,838,939)	115,999,485
General Losses	515,522,470	(381,859,675)	133,662,795
General Liability	448,075,968	(414,700,640)	33,375,328
Financial Losses	236,341,309	(175,201,721)	61,139,588
Transportation	133,193,822	(99,021,316)	34,172,506
Air Crafts Liability	81,642,840	(81,641,003)	1,837
Accident	59,642,140	(16,429,915)	43,212,225
Water Crafts	54,318,054	(47,212,087)	7,105,967
Air Crafts	30,373,327	(30,371,876)	1,451
Suretyship	16,003,321	(14,946,036)	1,057,285
Legal Protection	4,993,228	-	4,993,228
Credit	4,159,475	(4,038,340)	121,135
<b>Total - Non-life branches</b>	<b>6,987,620,745</b>	<b>(3,239,802,501)</b>	<b>3,747,818,244</b>
<b>Written premium - Life branch</b>	-	-	-
<b>Total</b>	<b>6,987,620,745</b>	<b>(3,239,802,501)</b>	<b>3,747,818,244</b>

(\*) Reinsurance share of land vehicles liability branch amounting to TRY 235,919,245 (January 1- December 31, 2021: TRY 184,693,219) includes premiums to be ceded to SSI.

### 25. Fee Income

None (January 1 - December 31, 2021: None.).

**AKSİGORTA A.Ş.****CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

**26. Investment Income/(Expense)**

	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
<b>Realized Investment Income/Expenses</b>		
Term Deposit	144,563,831	159,359,126
Corporate Bonds	87,328,175	107,188,045
Eurobond	334,083,624	89,077,661
Investment Fund	173,110,860	55,047,975
Stock	95,057,846	25,975,294
Government Bond	76,291,650	12,916,457
Repo	(1,102,527)	2,086,077
Derivative Instruments	63,846,886	126,002,426
<b>Total</b>	<b>973,180,345</b>	<b>577,653,061</b>
<b>Unrealized Investment Income/(Expenses)</b>		
Eurobond	73,771,896	s30,515,762
Government Bond	65,384,690	6,752,558
Term Deposit	42,778,351	12,737,522
Investment Fund	8,022,165	(628,463)
Repo	723,666	(972,460)
Treasury Bond	(119,761)	(124,308)
Corporate Bonds	(16,463,111)	6,539,090
Derivative Instruments	1,148,041	-
<b>Total</b>	<b>175,245,937</b>	<b>54,819,701</b>
<b>Investment Income/Expense, Net</b>	<b>1,148,426,281</b>	<b>632,472,762</b>

**27. Net Accrual Income on Financial Assets**

	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
<b>Financial Assets Available for Sale</b>		
Valuation differences recognized under shareholders' equity	1,881,596	(30,139,525)
<b>Total</b>	<b>1,881,596</b>	<b>(30,139,525)</b>

**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 29,236,878 as of December 31, 2022 (January 1 - December 31, 2021 TRY 93,692,324)

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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#### 29. Insurance Rights and Demands

Outstanding Claims Reserve Expenses	January 1 - December 31, 2022	January 1 - December 31, 2021
Motor Crafts Liability	620,653,198	574,722,249
Motor Own Damage	104,303,665	85,011,961
Fire and Natural Disaster	36,943,421	25,831,752
General Liability	27,002,652	(41,950,814)
General Losses	11,961,956	5,268,986
Financial Losses	9,600,406	(663,517)
Transportation	6,662,332	3,960,068
Water Crafts	4,478,913	1,379,989
Health	886,316	(416,512)
Accident	429,390	1,356,356
Credit	60,036	(36,637)
Air Crafts Liability	6,264	6,477
Air Crafts	604	(284)
Legal Protection	(232,083)	173,179
Suretyship	(2,255,507)	596,184
<b>Total Non-life</b>	<b>820,500,355</b>	<b>655,239,437</b>
Life	(2,604)	(352)
<b>Total (*)</b>	<b>820,497,751</b>	<b>655,239,085</b>

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

#### 30. Investment Agreement Types

None. (December 31, 2021: None).

#### 31. Mandatory Other Expenses

Types of expenses are disclosed in Note 32.

#### 32. Expense Type

	January 1 - December 31, 2022	January 1 - December 31, 2021
Production Commissions (-)	1,275,160,426	783,337,847
Employee Wages and Expenses (-) (*) (Note 33)	257,683,578	145,956,455
Information Technology Expenses (-)	62,484,025	30,411,677
Advertisement Expenses (-)	14,064,390	9,702,571
Social Relief Expenses (-) (Not 33)	13,859,834	6,264,079
Meeting and Training Expenses (-)	19,212,651	6,018,425
Transportation Expenses (-)	8,490,299	1,836,119
Reinsurance Commissions (+)	(633,142,504)	(336,534,269)
Other (-)	45,473,871	23,636,211
<b>Total</b>	<b>1,063,286,570</b>	<b>670,629,115</b>

(\*) The Group pays monthly individual pension contributions, at a minimum of 98 TL and a maximum gross minimum wage, for personnel who fulfill the conditions, and this amount is shown in personnel wages and expenses.



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#### 33. Employee Wages and Expenses

	1 January - December 31, 2022	1 January - December 31, 2021
Salary and Bonus Payments	(203,154,858)	(111,752,027)
Insurance Payments	(49,665,497)	(28,361,408)
Other Payments	(18,723,057)	(12,107,099)
<b>Total (Note 32)</b>	<b>(271,543,412)</b>	<b>(152,220,534)</b>

#### 34. Financing Cost

##### 34.1 Financial Expenses:

The Group has an interest expense of TRY 7,227,787 for the lease contracts accounted for under TFRS 16 in the period of 1 January - December 31, 2022 (1 January - December 31, 2021: TRY 6,269,008). There is a total interest expense of TRY 57,118,259, 917,347 TL based on financial leasing agreements and TRY 48,973,125 based on the financing received from credit institutions (1 January – 31 December 2021: None.)

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

None. (December 31, 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

##### 34.5 Hedge accounting principle

###### Cash Flow hedging principle

None. (December 31, 2021: None).

###### Type risk and principle of the cash flow hedge

None. (December 31, 2021: None).

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

None. (December 31, 2021: None).

#### 35. Corporate Tax

	December 31, 2022	December 31, 2021
<b><u>Current Tax Liability:</u></b>		
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	(3,664,432)	(2,968,911)
<b>Total</b>	<b>(3,664,432)</b>	<b>22,064,673</b>

**CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022**

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

**35. Corporate Tax (Continued)**

Tax (Expense)/Income is Formed by the Items Below:

Tax (Expense)/Income is Formed by the Items Below:	1 January - December 31, 2022	1 January - December 31, 2021
Current Tax Income/(Expense)	-	(105,330,567)
Deferred Tax Income/(Expense) due to Temporary Differences	185,277,610	42,922,068
<b>Total Tax Income/(Expense)</b>	<b>185,277,610</b>	<b>(62,408,499)</b>
<b>Deferred Tax</b>	<b>2022</b>	<b>2021</b>
<b>Recognized in the Shareholders' Equity:</b>		
Valuation of Financial Assets Available for Sale	(627,199)	9,002,715
Actuarial Gain/Loss Effect	7,690,318	2,129,639
	<b>7,063,119</b>	<b>11,132,354</b>

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 financial statements as of 31 December 2021, deferred tax assets and liabilities are calculated by considering the time intervals in which the deferred tax assets consisting of deductible temporary differences will be realized by generating taxable profit in the future, it is calculated with 23% for realizable in 2022, and 20% for the following years (31 December 2020: %20).

The deferred tax asset/liability movement is as follows:

Deferred Tax	2022	2021
Beginning Period, 1 January	47,368,754	20,173,370
Temporary Differences	183,792,145	17,065,443
Change of Temporary Differences Directly in Equity	(4,069,235)	10,129,940
<b>End of Period, 31 December</b>	<b>227,091,664</b>	<b>47,368,753</b>

Deferred tax items are as follows:

Deferred Tax Assets/(Liabilities)	Temporary Differences December 31,2022	Temporary Differences December 31,2021	Deferred Tax Assets/ (Liabilities) December 31, 2022	Deferred Tax Assets/ (Liabilities) December 31, 2021
Ongoing Risks	153,218,079	93,325,083	38,304,520	21,464,769
Expense reserves	59,422,047	31,155,644	14,855,512	7,401,195
Provision for doubtful receivables	46,452,664	20,128,067	11,613,166	4,629,455
Provision for employment termination benefits (Note 22)	33,744,176	14,112,606	8,436,044	2,822,521
Performance premium provision (Note 23,4)	16,808,930	7,958,998	4,202,232	1,989,750
Balancing Equivalent	14,972,733	9,823,179	3,743,183	1,964,636
Unused vacation allowance (Note 23,4)	7,694,606	3,690,561	1,923,652	848,829
Instrument Valuation Effect	7,445,920	(1,645,442)	1,861,480	775,744
Tangible assets leasing	5,287,130	5,910,208	1,321,783	1,182,042
Bonuses and Discounts	10,224	5,568	2,556	1,281
Investment fund valuation effect	(1,148,041)	49,851,945	(287,010)	11,465,947
Currency valuation differences	(5,740,238)	(24,802,151)	(1,435,061)	(5,704,495)
Tangible and intangible assets	195,952,755	(7,364,600)	49,037,478	(1,472,920)
Period Financial Loss	381,672,995	-	94,997,594	-
<b>Deferred Tax Assets/(Liabilities)</b>	<b>915,793,980</b>	<b>202,149,666</b>	<b>228,577,129</b>	<b>47,368,754</b>

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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#### 35. Corporate Tax (Continued)

Reconciliation of period tax expense with net income for the period is as below:

	December 31,2022	December 31,2021
Profit before tax	(315,622,912)	251,805,265
Calculated tax revenue: %25 (2021: %22)	78,155,728	(62,951,316)
Effect of additions	(64,389,559)	(84,183,884)
Effect of discounts, net	81,231,426	41,804,633
Tax impact of tax loss	(94,997,594)	-
<b>Total Tax Expense</b>	<b>-</b>	<b>(105,330,567)</b>

#### 36. Net Foreign Exchange Gain/Loss

	1 January - December 31,2022	1 January - December 31,2021
Recognized in Profit/Loss:		
Foreign Exchange Income	1,207,382,169	871,761,286
Foreign Exchange Expense	(764,778,207)	(622,296,034)
	<b>442,603,962</b>	<b>249,465,252</b>

#### 37. Earnings per Share

	2022	2021
Number of Equity Shares Outstanding	30,600,000,000	30,600,000,000
<b>Beginning Period, 1 January</b>	<b>30,600,000,000</b>	<b>30,600,000,000</b>
Bonus issued stock	30,600,000,000	-
Stocks issued with cash	100,000,000,000	-
Number of Equity Shares Outstanding	161,200,000,000	30,600,000,000
<b>End of Period, 31 December</b>	<b>161,200,000,000</b>	<b>30,600,000,000</b>
Weighted Average Number of Outstanding Shares (Unit of 1; TRY 0,01)	161,200,000,000	30,600,000,000
Net Profit for the Period/(Loss) (TRY)	(127,345,302)	189,396,766
Earnings/(Loss) per Share (TRY)	(0.079)	0.6189

#### 38. Dividends per share

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

#### 39. Cash Generated from the Operations

Cash Generated from Operations is presented in the Cash Flow Statement.

## AKSIGORTA A.Ş.

### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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#### 40. Equity Share Convertible Bonds

None (December 31, 2021: None).

#### 41. Cash Convertible Privileged Equity Shares

None (December 31, 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 (December 31, 2021: None).

#### 45. Related Parties

##### Related Party Receivables/(Payables)

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

<u>Bank Deposit</u>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Group Companies	805,864,759	158,440,388
<b>Total</b>	<b>805,864,759</b>	<b>158,440,388</b>
<u>Private Sector Bonds</u>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Group Companies	78,353,737	25,654,115
<b>Total</b>	<b>78,353,737</b>	<b>25,654,115</b>
<u>Investment Funds</u>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Group Companies	152,529,871	6,454,942
<b>Total</b>	<b>152,529,871</b>	<b>6,454,942</b>
<u>Related Party Receivables/(Payables)</u>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Group Companies	56,249,402	93,927,329
Receivables from shareholders	315,066	-
Payables to shareholders	(1,157,309)	(416,165)
<b>Total</b>	<b>55,406,959</b>	<b>93,511,164</b>

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### CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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#### 45. Related Parties (Continued)

##### Premium production

	January 1 - December 31, 2022	January 1 - December 31, 2021
Group Companies	424,479,919	136,368,682
Shareholders	10,829,352	3,624,325
<b>Total</b>	<b>435,309,271</b>	<b>139,993,007</b>

##### Claims Paid

	January 1 - December 31, 2022	January 1 - December 31, 2021
Group Companies	23,689,175	21,739,287
Shareholders	6,243	752
<b>Total</b>	<b>23,695,419</b>	<b>21,740,039</b>

##### Interest Income Received from Related Part

	January 1 - December 31, 2022	January 1 - December 31, 2021
Group Companies	29,506,396	52,833,994
<b>Total</b>	<b>29,506,396</b>	<b>52,833,994</b>

##### Commission Expenses

	January 1 - December 31, 2022	January 1 - December 31, 2021
Group Companies	221,474,450	130,623,709
<b>Total</b>	<b>221,474,450</b>	<b>130,623,709</b>

#### 46. Subsequent Events

None.

#### 47. Other

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

<b>Other Receivables</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Receivables from Tarım Sigortaları A.Ş.	29.869.201	14.448.552
Receivables from Agencies due to DASK Premiums	9.671.229	7.365.917
Other Receivables	7.234.743	6.489.404
<b>Total</b>	<b>46.775.173</b>	<b>28.303.873</b>

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## CONVENIENCE TRANSLATION OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022

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### 47. Other (Continued)

Other Short-Term Payables	December 31, 2022	December 31, 2021
Payables to suppliers	126,119,670	72,046,778
Turkish Catastrophe Insurance Pool Payables to agencies	78,158,956	32,695,098
Payables to contracted enterprises	58,594,811	78,918,265
Payables to Turkish Catastrophe Insurance Pool	2,113,421	1,524,578
Other	1,117,874	3,871,597
<b>Total</b>	<b>266,104,732</b>	<b>189,056,316</b>
Other Prepaid Expenses	December 31, 2022	December 31, 2021
Prepaid Expenses	14,407,778	7,559,696
<b>Total</b>	<b>14,407,778</b>	<b>7,559,696</b>
Other Prepaid Expenses (Long Term)	December 31, 2022	December 31, 2021
Prepaid Expenses	110,304	138,005
<b>Total</b>	<b>110,304</b>	<b>138,005</b>

Assistance services under other technical expenses in the income statement, amounting to TRY 283,170,707 (December 31, 2021: TRY 163,431,953), consist of deferral of these amounts and technical expenses of these services.

Income and Profit/Expenses and Losses from Other and Extraordinary Activities	January 1 - December 31, 2022	January 1 - December 31, 2021
Provisions Account (+/-)	(17,641,324)	(8,595,525)
<i>Portfolio Management</i>	(2,114,710)	(4,108,785)
<i>Retirement pay provision (Note 22)</i>	(3,381,887)	(1,937,344)
<i>Unused vacation provision (Note 23.1)</i>	(4,736,668)	(1,726,522)
<i>Provisions for doubtful receivable</i>	(5,952,779)	(1,320,232)
<i>Provision for other expenses</i>	(1,455,280)	497,358
Specialized Insurance Account (+/-)	6,798,025	2,897,236
Other income and profits	9,956,934	1,846,210
Deferred tax asset account (+/-) (Note 35)	185,277,610	42,922,068
Other expenses and losses (-)	(139,889,466)	(30,691,166)
<i>Bank expenses</i>	(114,105,950)	(10,783,783)
<i>Disallowable expenses</i>	(6,677,608)	(1,628,116)
<i>Donation expenses (*)</i>	-	(13,357,056)
<i>Other</i>	(19,105,908)	(4,922,211)
<b>Total</b>	<b>44,501,779</b>	<b>8,378,823</b>

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

### Fees for services acquired from independent auditor/independent audit firm:

	January 1 - December 31, 2022	January 1 - December 31, 2021
Independent audit fee for the reporting period *	547,175	640,250
Fees for other assurance services *	133,282	96,000
<b>Total</b>	<b>680,457</b>	<b>736,250</b>

(\*) Fees are excluding VAT.