

**AKSIGORTA A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
1 JANUARY – 31 DECEMBER 2023  
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 "Group") which comprise the balance sheet as at December 31, 2023 and the statement of consolidated 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, 2023, 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="272 747 792 821"><b>Estimation of claims incurred but not reported</b></p> <p data-bbox="272 867 865 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 4,649 million as of December 31, 2023.</p> <p data-bbox="272 1098 870 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 1494 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 1494 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 1469 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.
- Sufficient and appropriate audit evidence is obtained on the consolidated financial information relating to businesses or operating segments within the Group to express an opinion on the consolidated financial statements. We are responsible for the lead, supervision and conduct of the group audit. We are also solely responsible for the 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, 2023 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 8, 2024.

### ***Additional Paragraph for Convenience Translation into English***

As discussed in Note 2 to the accompanying financial statements, the effects of differences between the accounting principles as set out by the related insurance laws and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations and changes in financial position and cash flows in accordance with accounting principles generally accepted in such countries and IFRS.

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

Talar Gül, SMMM  
Independent Auditor

Istanbul, February 8, 2024

**THE MANAGEMENT'S REPRESENTATION ON THE FINANCIAL STATEMENTS  
PREPARED AS OF 31 DECEMBER 2023**

The accompanying consolidated financial statements and the related disclosures and notes as of 31 December 2023 (the 'financial report') are prepared in accordance with the requirements set out by Republic of Turkey Ministry of Treasury and Finance accordance with the accounting principles and standarts in force in and are in compliance with our Company's accounting records.

İstanbul, 8 February 2024

**Haluk DİNÇER**  
Chairman of the Board

**Hüseyin GÜRER**  
Chairman of the Audit Committee

**Lütfiye Yeşim UÇTUM**  
Member of the Audit Committee

**Uğur GÜLEN**  
Chief Executive Officer

**Zeren Zeynep ERÖKTEM BAL**  
Chief Financial Officer

**Halil KOLBAŞI**  
Actuary  
Licence No: 72

**Sultan Esra ALKAN**  
Accounting and Statutory Reporting  
Group Manager

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# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2023 AND 2022

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

ASSETS			
	Note	Audited	Audited
		Current Period 31 December 2023	Previous Period 31 December 2022
<b>I- CURRENT ASSETS</b>			
<b>A- Cash and Cash Equivalents</b>	<b>14</b>	<b>5,326,981,485</b>	<b>5,209,698,181</b>
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	14	3,004,000,502	4,994,282,190
4- Cheques Given and Payment Orders (-)		-	-
5- Receivables from Credit Cards with Bank Guarantee Due Less Than Three Months	14	2,322,980,983	215,415,991
6- Other Cash and Cash Equivalents		-	-
<b>B- Financial Assets and Investments with Risks on Policy Holders</b>	<b>11.1</b>	<b>6,248,738,022</b>	<b>3,347,337,441</b>
1- Financial Assets Available for Sale	11.1	1,707,247,206	1,951,145,408
2- Financial Assets Held to Maturity	11.1	819,882,919	1,184,804,256
3- Financial Assets Held for Trading	11.1	3,719,402,547	209,376,382
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders	11.1	2,205,350	2,011,395
7- Equity Shares		-	-
8- Impairment in Value of Financial Assets (-)		-	-
<b>C- Receivables from Main Operations</b>	<b>12.1</b>	<b>6,807,261,215</b>	<b>2,866,570,795</b>
1- Receivables from Insurance Operations	12.1	6,824,621,226	2,879,788,998
2- Provision for Receivables from Insurance Operations (-)	12.1	(44,623,073)	(45,967,323)
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies	12.1	-	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	605,974,099	394,716,808
10- Provisions for Doubtful Receivables from Main Operations (-)	12.1	(578,711,037)	(361,998,642)
<b>D- Due from Related Parties</b>		<b>17,384</b>	<b>17,384</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	17,384
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>87,211,432</b>	<b>47,994,285</b>
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		1,370,112	1,219,112
4- Other Receivables	47	85,841,320	46,775,173
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>1,778,067,985</b>	<b>901,513,876</b>
1- Deferred Commission Expenses	17.20	1,708,733,645	885,958,057
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	1,148,041
4- Other Prepaid Expenses	47	69,334,340	14,407,778
<b>G- Other Current Assets</b>		<b>5,568,720</b>	<b>3,686,277</b>
1- Inventories		-	22
2- Prepaid Taxes and Funds	35	4,531,989	3,664,432
3- Deferred Tax Assets		-	-
4- Business Advances		-	21,823
5- Advances Given to Personnel		1,036,731	-
6- Stock Count Differences		-	-
7- Other Current Assets		-	-
8- Provision for Other Current Assets (-)		-	-
<b>I- Total Current Assets</b>		<b>20,253,846,243</b>	<b>12,376,818,239</b>

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

# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2023 AND 2022

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

ASSETS			
	Note	Audited	Audited
		Current Period 31 December 2023	Previous Period 31 December, 2022
<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>	<b>6 ve 7</b>	<b>123,685,792</b>	<b>63,880,077</b>
1- Investment Properties	7	-	-
2- Diminution in Value for Investment Properties (-)		-	-
3- Owner Occupied Properties	6	5,329	5,329
4- Machinery and Equipment's		-	-
5- Furnitures and Fixtures	6	70,269,060	45,477,606
6- Vehicles	6	8,886,833	8,758,863
7- Other Tangible Assets (Including Leasehold Improvements)	6	54,885,056	24,233,834
8- Leased Tangible Fixed Assets	6	98,156,287	68,313,445
9- Accumulated Depreciation (-)	6 ve 7	(108,516,773)	(82,909,000)
10- Advances Paid for Tangible Fixed Assets (Including Construction in Progresses)		-	-
<b>F- Intangible Fixed Assets</b>	<b>8</b>	<b>372,423,102</b>	<b>168,048,891</b>
1- Rights	8	405,174,563	304,122,850
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
5- Other Intangible Assets		-	-
6- Accumulated Amortizations (-)	8	(235,290,514)	(179,726,972)
7- Advances Regarding Intangible Assets	8	202,539,053	43,653,013
<b>G- Prepaid Expenses and Income Accruals</b>		<b>830,165</b>	<b>110,304</b>
1- Deferred Commission Expenses		-	-
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses	47	830,165	110,304
<b>H- Other Non-current Assets</b>		<b>375,007,006</b>	<b>228,577,129</b>
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	35	375,007,006	228,577,129
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>871,946,065</b>	<b>460,616,401</b>
<b>TOTAL ASSETS (I+II)</b>		<b>21,125,792,308</b>	<b>12,837,434,640</b>

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

# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2023 AND 2022

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

<b>LIABILITIES</b>			
	Note	Audited	Audited
		Current Period 31 December 2023	Previous Period 31 December 2022
<b>III- SHORT TERM LIABILITIES</b>			
<b>A- Borrowings</b>		<b>31,017,047</b>	<b>641,683,756</b>
1- Loans to Financial Institutions		-	544,473,125
2- Finance Lease Payables	20	40,840,102	27,858,335
3- Deferred Finance Lease Borrowing Costs (-)	20	(9,823,055)	(8,929,786)
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)		-	78,282,082
<b>B- Payables from Main Operations</b>		<b>5,155,855,256</b>	<b>2,052,543,633</b>
1- Payables Due to Insurance Operations	19.1	5,155,855,256	2,052,543,633
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>641,673</b>	<b>190,785</b>
1- Due to Shareholders	12.2	2,967	1,143
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		638,706	189,642
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>		<b>629,391,103</b>	<b>364,004,169</b>
1- Deposits and Guarantees Received	12.1	48,974,023	28,257,559
2- Due to SSI regarding Treatment Expenses	19.1	178,631,352	69,641,878
3- Other Payables	19.1	401,785,728	266,104,732
4- Discount on Other Payables (-)		-	-
<b>E- Insurance Technical Reserves</b>		<b>9,896,334,855</b>	<b>6,839,644,319</b>
1- Unearned Premiums Reserve - Net	20	5,755,788,715	3,897,966,852
2- Unexpired Risk Reserves - Net	20	520,806,201	153,218,079
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net	4.1 and 20	3,619,726,646	2,788,449,164
5- Provision for Bonus and Discounts - Net	20	13,293	10,224
6- Other Technical Reserves - Net		-	-
<b>F- Taxes and Other Liabilities and Relevant Provisions</b>		<b>460,316,997</b>	<b>152,017,037</b>
1- Taxes and Dues Payable		341,680,521	151,321,626
2- Social Security Premiums Payable	23.1	2,150,594	689,939
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		5,512	5,472
5- Corporate Tax Liability Provision on Period Profit	35	148,228,750	-
6- Prepaid Taxes and Other Liabilities on Period Profit (-)	35	(31,748,380)	-
7- Provisions for Other Taxes and Liabilities		-	-
<b>G- Provisions for Other Risks</b>		<b>274,370,607</b>	<b>96,230,891</b>
1- Provision for Employment Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs	19.1 and 23.4	274,370,607	96,230,891
<b>H- Deferred Income and Expense Accruals</b>	<b>19.1</b>	<b>1,306,143,694</b>	<b>531,238,119</b>
1- Deferred Commission Income	17.16	1,306,143,694	531,238,119
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
<b>I- Other Short-Term Liabilities</b>		<b>-</b>	<b>235</b>
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short-Term Liabilities		-	235
<b>III - Total Short-Term Liabilities</b>		<b>17,754,071,232</b>	<b>10,677,552,944</b>

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

# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2023 AND 2022

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

<b>LIABILITIES</b>			
	Note	Audited	Audited
		Current Period 31 December 2023	Previous Period 31 December 2022
<b>IV- LONG TERM LIABILITIES</b>			
<b>A- Borrowings</b>		<b>31,445,329</b>	<b>27,034,361</b>
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables	20	41,998,044	30,762,568
3- Deferred Finance Lease Borrowing Costs (-)	20	(10,552,715)	(3,728,207)
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>87,322,699</b>	<b>156,226,080</b>
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Mathematical Reserves - Net	17.2 and 20	2,023,958	1,325,877
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net	20	85,298,741	154,900,203
<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>17,437,203</b>	<b>33,744,176</b>
1- Provision for Employment Termination Benefits	22	17,437,203	33,744,176
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>136,205,231</b>	<b>217,004,617</b>

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

# AKSIGORTA A.Ş.

## CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2023 AND 2022

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

SHAREHOLDERS' EQUITY			
V- SHAREHOLDERS' EQUITY	Note	Audited	Audited
		Current Period 31 December 2023	Previous Period 31 December 2022
<b>A- Paid in Capital</b>		<b>1,612,000,000</b>	<b>1,612,000,000</b>
1- (Nominal) Capital	2.14	1,612,000,000	1,612,000,000
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>3,463,617</b>
1- Equity Share Premiums	15	3,463,617	3,463,617
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Sale to be Transferred to Capital	15	-	-
4- Translation Reserves		-	-
5- Other Capital Reserves		-	-
<b>C- Profit Reserves</b>		<b>432,870,962</b>	<b>290,838,423</b>
1- Legal Reserves	15	111,936,210	111,936,210
2- Statutory Reserves		62	62
3- Extraordinary Reserves	15	200,091,508	200,091,508
4- Special Funds (Reserves)	15	(10,234,228)	(23,070,953)
5- Revaluation of Financial Assets	16	131,077,410	1,881,596
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>(127,345,302)</b>	<b>-</b>
1- Previous Years' Losses		(127,345,302)	-
<b>F- Net Profit of the Period</b>	<b>37</b>	<b>1,150,606,227</b>	<b>(127,345,302)</b>
1- Net Profit of the Period		1,150,606,227	-
2- Net Loss of the Period (-)		-	(127,345,302)
3- Net Income not Subject to Distribution		-	-
<b>V- Total Shareholders' Equity</b>		<b>3,235,515,845</b>	<b>1,942,877,079</b>
<b>Total Liabilities and Shareholders' Equity (III+IV+V)</b>		<b>21,125,792,308</b>	<b>12,837,434,640</b>

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

# AKSIGORTA A.Ş.

## CONSOLIDATED STATEMENT OF INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

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

	Noten	Audited	Audited
		Current Period 1 January - 31 December 2023	Previous Period 1 January 31 December 2022
<b>I-TECHNICAL PART</b>			
<b>A- Non-Life Technical Income</b>		<b>10,712,168,568</b>	<b>6,565,732,005</b>
1- Earned Premiums (Net of Reinsurer Share)		7,676,712,517	4,911,860,907
1.1- Written Premiums (Net of Reinsurer Share)	24	9,902,122,502	6,857,389,263
1.1.1- Gross Written Premiums (+)	24	27,298,748,170	13,563,436,949
1.1.2- Ceded Premiums to Reinsurers (-)	17.16 and 24	(16,962,571,717)	(6,470,128,441)
1.1.3- Ceded Premiums to SSI (-)	17.16 and 24	(434,053,951)	(235,919,245)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	20	(1,857,821,863)	(1,885,635,360)
1.2.1- Unearned Premiums Reserve (-)	20	(7,536,925,037)	(3,768,241,323)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	17.16 and 20	5,576,861,041	1,866,563,894
1.2.3- SSI of Unearned Premiums Reserve (+)	17.16 and 20	102,242,133	16,042,069
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	(367,588,122)	(59,892,996)
1.3.1- Unexpired Risks Reserve (-)	20	(669,299,021)	(4,479,139)
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)	17.16 and 20	301,710,899	(55,413,857)
2-Investment Income Transferred from Non-Technical Part		2,906,245,403	1,565,362,779
3-Other Technical Income (Net of Reinsurer Share)		90,518,478	37,909,145
3.1- Gross Other Technical Income (+)		90,518,478	37,909,145
3.2- Reinsurance Share of Other Technical Income (-)		-	-
4- Accrued Subrogation and Salvage Income (+)		38,692,170	50,599,174
<b>B- Non-Life Technical Expense (-)</b>		<b>(9,088,134,743)</b>	<b>(6,645,004,456)</b>
1-Total Claims (Net of Reinsurer Share)		(6,621,605,137)	(5,261,352,365)
1.1- Claims Paid (Net of Reinsurer Share)		(5,790,326,183)	(4,440,852,010)
1.1.1- Gross Claims Paid (-)		(15,091,211,575)	(6,662,609,742)
1.1.2- Reinsurance Share of Claims Paid (+)	17.16	9,300,885,392	2,221,757,732
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(831,278,954)	(820,500,355)
1.2.1- Outstanding Claims Reserve (-)		(6,450,379,492)	(1,881,866,462)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	17.16	5,619,100,538	1,061,366,107
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	(3,069)	(4,656)
2.1- Bonus and Discount Reserve (-)	20	(15,157)	530,092
2.2- Reinsurance Share of Bonus and Discount Reserve (+)	17.16 and 20	12,088	(534,748)
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	20	69,601,462	(37,190,158)
4- Operating Expenses (-)	32	(2,000,064,602)	(1,063,286,570)
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	(536,063,397)	(283,170,707)
6.1.- Gross Other Technical Expenses (-)	47	(536,063,397)	(283,170,707)
6.2.- Reinsurance Share of Other Technical Expenses (+)		-	-
<b>C- Non-Life Technical Net Profit (A-B)</b>		<b>1,624,033,825</b>	<b>(79,272,451)</b>

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

**AKSİGORTA A.Ş.**

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022**

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

	Note	Audited	Audited
		Current Period 1 January - 31 December 2023	Previous Period 1 January - 31 December 2022
<b>I-TECHNICAL PART</b>			
<b>D- Life Technical Income</b>		<b>153,360</b>	<b>119,761</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		153,360	119,761
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>(927,740)</b>	<b>(139,830)</b>
1- Total Claims (Net of Reinsurer Share)		(229,479)	(157,462)
1.1- Claims Paid (Net of Reinsurer Share)		(230,953)	(160,066)
1.1.1- Gross Claims Paid (-)		(230,953)	(160,066)
1.1.2- Claims Paid Reinsurer Share (+)		-	-
1.2- Changes in Outstanding Claims Provisions (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	1,474	2,604
1.2.1 - Outstanding Claims Reserve (-)		1,474	2,604
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) (+/-)		(698,081)	17,632
3.1- Mathematical Reserves (-)		(698,081)	17,632
3.1.1- Actuarial Mathematical Reserve (-)		(628,273)	15,869
3.1.2- Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		(69,808)	1,763
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 (-)		(180)	-
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>(774,380)</b>	<b>(20,069)</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.

# AKSIGORTA A.Ş.

## CONSOLIDATED STATEMENT OF INCOME FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023 AND 2022

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

	Note	Audited	Audited
		Current Period 1 January- 31 December 2023	Previous Period 1 January- 31 December 2022
<b>I-NON-TECHNICAL PART</b>			
C- Non-Life Technical Profit (A-B)		1,624,033,825	(79,272,451)
F- Life Technical Profit (D-E)		(774,380)	(20,069)
I - Individual Retirement Technical Profit (G-H)		-	-
<b>J- Total Technical Profit (C+F+I)</b>		<b>1,623,259,445</b>	<b>(79,292,520)</b>
<b>K- Investment Income</b>		<b>5,448,349,043</b>	<b>2,440,490,473</b>
1- Income from Financial Investment	26	942,571,799	475,570,846
2- Income from Sales of Financial Investments	26	248,392,449	501,861,764
3- Revaluation of Financial Investments	26	991,644,784	190,680,767
4- Foreign Exchange Gains	36	3,265,713,482	1,207,382,169
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	26,529	64,994,927
9- Other Investments		-	-
10- Investment Income transferred from Life Technical Part		-	-
<b>L- Investment Expenses (-)</b>		<b>(5,561,747,322)</b>	<b>(2,533,045,034)</b>
1- Investment Management Expenses (including interest) (-)	20	(60,030,785)	(57,118,259)
2- Valuation Allowance of Investments (-)	26	(87,686,967)	(16,582,872)
3- Losses on Sales of Investments (-)	26	(55,065,185)	(68,099,151)
4- Investment Income Transferred to Life Technical Part (-)		(2,906,245,403)	(1,565,362,779)
5- Losses from Derivatives (-)		(8,891,020)	-
6- Foreign Exchange Losses (-)	36	(2,347,511,714)	(764,778,207)
7- Depreciation Expenses (-)	6, 7 and 8	(96,316,248)	(61,103,766)
8- Other Investment Expenses (-)		-	-
<b>M- Other Income and Expenses (+/-)</b>	<b>47</b>	<b>(211,026,189)</b>	<b>44,501,779</b>
1- Provisions Account (+/-)	47	(58,241,663)	(17,641,324)
2- Discount account (+/-)		-	-
3- Mandatory Earthquake Insurance Account (+/-)	47	12,996,481	6,798,025
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts (+/-)	35 and 47	92,079,765	185,277,610
6- Deferred Tax Expense Accounts (-)		-	-
7- Other Income and Revenues	47	17,780,403	9,956,934
8- Other Expense and Losses (-)	47	(275,641,175)	(139,889,466)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
<b>N- Net Profit/(Loss)</b>	<b>37</b>	<b>1,150,606,227</b>	<b>(127,345,302)</b>
1- Profit/(Loss) Before Tax		1,298,834,977	(127,345,302)
2- Corporate Tax Liability Provision (-)	35	(148,228,750)	-
3- Net Profit/(Loss)		1,150,606,227	(127,345,302)
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 1 JANUARY – 31 DECEMBER 2023 AND 2022

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

	Note	Audited	Audited
		Current Period December 31, 2023	Previous Period December 31, 2022
<b>A. CASH FLOWS FROM THE OPERATING ACTIVITIES</b>		<b>45,771,104,203</b>	<b>18,114,811,255</b>
1. Cash inflows from the insurance operations		-	-
2. Cash inflows from the reinsurance operations		-	-
3. Cash inflows from the pension operations		-	-
4. Cash outflows due to the insurance operations (-)		(42,311,539,829)	(16,415,525,948)
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>3,459,564,374</b>	<b>1,699,285,307</b>
8. Interest payments (-)		-	-
9. Income tax payments (-)	35	(3,871,204)	(25,729,105)
10. Other cash inflows		(51,669,793)	39,667,842
11. Other cash outflows (-)		86,274,668	(456,583,339)
<b>12. Net cash generated from the operating activities</b>		<b>3,490,298,045</b>	<b>1,256,640,705</b>
<b>B. CASH FLOWS FROM THE INVESTING ACTIVITIES</b>			
1. Sale of tangible assets	6	3,572,534	3,116,650
2. Purchase of tangible assets (-)	6, 7 and 8	(277,682,259)	(116,720,454)
3. Acquisition of financial assets (-)		(6,355,319,473)	(10,333,245,772)
4. Sale of financial assets		1,596,782,301	10,045,157,777
5. Interest received		927,732,845	1,103,779,948
6. Dividends received		-	-
7. Other cash inflows		-	-
8. Other cash outflows (-)		-	(39,551,508)
<b>9. Net cash generated from the investing activities</b>		<b>(4,104,914,052)</b>	<b>662,536,641</b>
<b>C. CASH FLOWS FROM THE FINANCING ACTIVITIES</b>			
1. Issue of equity shares		-	3,463,617
2. Cash inflows from the loans to policyholders	20	-	544,473,124
3. Payments of financial leases (-)	20	(36,878,233)	(20,648,629)
4. Dividend paid (-)	38	-	-
5. Other cash inflows	20	-	1,000,000,000
6. Other cash outflows (-)		(459,509,597)	(49,500,450)
<b>7. Cash generated from the financing activities</b>		<b>(496,387,830)</b>	<b>1,477,787,662</b>
<b>D. EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>		<b>908,720,570</b>	<b>6,238,393</b>
<b>E. Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)</b>		<b>(202,283,267)</b>	<b>3,403,203,401</b>
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>14</b>	<b>5,180,476,288</b>	<b>1,777,272,887</b>
<b>G. Cash and cash equivalents at the ending of the period (E+F)</b>	<b>14</b>	<b>4,978,193,021</b>	<b>5,180,476,288</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 1 JANUARY – 31 DECEMBER 2023 AND 2022**

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

The Consolidated Statement of Changes in Shareholders' Equity – 1 January – 31 December 2023 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 2022)</b>	<b>1,612,000,000</b>	-	<b>1,881,596</b>	-	-	<b>111,936,210</b>	<b>62</b>	<b>180,484,172</b>	<b>(127,345,302)</b>	<b>163,920,341</b>	<b>1,942,877,079</b>
II - Changes in Accounting Policy (Note 2.1.1)	-	-	-	-	-	-	-	-	-	-	-
<b>III - New Balance (I + II) (31 December 2022)</b>	<b>1,612,000,000</b>	-	<b>1,881,596</b>	-	-	<b>111,936,210</b>	<b>62</b>	<b>180,484,172</b>	<b>(127,345,302)</b>	<b>163,920,341</b>	<b>1,942,877,079</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)	-	-	129,195,814	-	-	-	-	-	-	-	<b>129,195,814</b>
E- Translation reserves	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	12,836,725	-	-	<b>12,836,725</b>
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Period net profit (Note 37)	-	-	-	-	-	-	-	-	1,150,606,227	-	<b>1,150,606,227</b>
I- Dividend distributed	-	-	-	-	-	-	-	-	-	-	-
J- Transfer	-	-	-	-	-	-	-	-	127,345,302	(127,345,302)	-
<b>IV- Closing Balance (31 December 2023) (III+A+B+C+D+E+F+G+H+I+J)</b>	<b>1,612,000,000</b>	-	<b>131,077,410</b>	-	-	<b>111,936,210</b>	<b>62</b>	<b>193,320,897</b>	<b>1,150,606,227</b>	<b>36,575,039</b>	<b>3,235,515,845</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.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIODS 1 JANUARY – 31 DECEMBER 2023 AND 2022**

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

The Consolidated Statement of Changes in Shareholders' Equity – 1 January – 31 December 2022 Audited (*)											
PREVIOUS 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 2022)</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>
II - Changes in Accounting Policy (Note 2.1.1)	-	-	-	-	-	-	-	-	-	-	-
<b>III - New Balance (I + II) (31 December 2022)</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>
A- Capital increase (A1+A2)	1,306,000,000	-	-	-	-	-	-	(306,000,000)	-	-	<b>1,000,000,000</b>
1- Cash	1,000,000,000	-	-	-	-	-	-	-	-	-	<b>1,000,000,000</b>
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	-	-	-	-	-	-	-	<b>32,021,121</b>
E- Translation reserves	-	-	-	-	-	-	-	-	-	-	-
F- Other income/(expenses)	-	-	-	-	-	-	-	(11,088,782)	-	-	<b>(11,088,782)</b>
G- Inflation adjustment differences	-	-	-	-	-	-	-	-	-	-	-
H- Period net profit (Note 37)	-	-	-	-	-	-	-	-	(127,345,302)	-	<b>(127,345,302)</b>
I- Dividend distributed	-	-	-	-	-	-	-	-	-	-	-
J- Transfer	-	-	-	-	-	-	-	189,396,766	(189,396,766)	-	-
<b>IV- Closing Balance (31 December 2023) (III+A+B+C+D+E+F+G+H+I+J)</b>	<b>1,612,000,000</b>	-	<b>1,881,596</b>	-	-	<b>111,936,210</b>	<b>62</b>	<b>180,484,172</b>	<b>(127,345,302)</b>	<b>163,920,341</b>	<b>1,942,877,079</b>

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

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

# AKSIGORTA A.Ş.

## PROFIT DISTRIBUTION AS OF 1 JANUARY – 31 DECEMBER 2023

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

	Current Period 31 December 2023 (*)	Previous Period 31 December 2022
<b>I. DISTRIBUTION OF PROFIT FOR THE PERIOD</b>		
1.1. Profit for The Period	1,150,606,227	(121,148,616)
1.2 Taxes Payable and Legal Liabilities	-	-
1.2.1, Corporation Tax (Income Tax)	-	-
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>1,150,606,227</b>	<b>(121,148,616)</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>	<b>-</b>	<b>-</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>	<b>-</b>	<b>-</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>	<b>-</b>	<b>-</b>
4.1. To Common Shareholders	-	-
4.2. To Common Shareholders (%)	-	-
4.3. To Preferred Shareholders	-	-

(\*) The authorized body of the Company regarding the distribution of period profit is the General Assembly. The General Assembly meeting for the accounting period of 1 January - 31 December 2023 has not been held as of the preparation date of the financial statements.

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

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

### 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 31 December 2023. 38.02% (31 December 2022: 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 25 April 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 July 21 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 31 December 2023, the Company has 3,725 authorized agencies (31 December 2022: 3,541).

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

	1 January - 31 December 2023	1 January - 31 December 2022
Top executive	12	10
Manager assistant manager	154	109
Specialist/Executives	605	571
<b>Total</b>	<b>771</b>	<b>690</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

(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 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 TRY40,210,616 (31 December 2022: TRY14,795,348)

**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 4 January 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 2023, 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 31 December 2023 have been approved by the Group's Board of Directors on 8 February 2024. 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 Haluk Dinçer, Chief Financial Officer Osman Akkoca, Accounting Manager Sultan Esra Alkan and Actuary Halil Kolbaşlı 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 1 JANUARY – 31 DECEMBER 2023**

(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 30 December 2004 (Insurance Accounting System Communiqué No:1) and announcement of new account codes in the Insurance Account Plan dated 27 December 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 18 June 2008 and the Communiqué on the New Accounting Codes and Presentation of Financial Statements published in the Official Gazette dated 31 May 2012 and numbered 2012/7.

As of 1 January 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 14 July 2007 and effective from 1 January 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 31 December 2023 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 28 July 2010 and published in official gazette numbered 27655 and published in Official Gazette dated 17 July 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 1 JANUARY – 31 DECEMBER 2023**

(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)**

**b. Preparation of Financial Statements in Hyperinflationary Periods**

With its announcement dated 23 November 2023, KGK stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting Standard in High Inflation Economies ("TMS 29"). He explained that institutions or organizations authorized to regulate and supervise their own fields may determine different transition dates for the implementation of TMS 29 provisions. Based on this announcement of the KGK, SEDDK, with its circular numbered 2023/30 dated December 6, 2023, decided that the financial statements of insurance, reinsurance and pension companies dated December 31, 2023 will not be subject to the inflation adjustment required within the scope of TMS 29. Based on this, the Company did not apply the inflation accounting required within the scope of TAS 29 in its financial statements for the year ending 31 December 2023.

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

The balance sheet of the Group as of 31 December 2023 and the balance sheet as of 31 December 2022; Income statement, equity change statement and cash flow statement for the accounting period 1 January - 31 December 2023, income statement for the 1 January - 31 December 2022 period are presented in comparison with the statement of changes in shareholders' equity and cash flow statement.

**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 28 December 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.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

(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)**

*Unexpired Risks Reserve*

Within the framework of Regulation on Technical Reserves, from 1 January 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. 2019/5 sayılı 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 in question, if a separate calculation is made for works where 100% of the direct production is transferred to pools established in Turkey, the gross damage premium rate exceeds 100%, and for other works, if the gross damage premium rate exceeds 85%, the excess amount is calculated as gross unearned premiums. It is possible to calculate the net Unexpired Risks Provision amount by multiplying by the gross Unexpired Risks Provision and the net unearned premiums provision. As of December 31, 2023, the company changed its method and makes calculations on the basis of accident year in all branches.

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

	31 December 2023		31 December 2022	
	Claim/Premium	Net URR	Claim/Premium	Net URR
Motor Liability	114%	520,805,987	121%	152,006,637
Indemnity	-	-	-	-
Water Crafts	-	-	108%	1,210,418
Aircraft Liability	151%	213	223%	1,024
		<b>520,806,200</b>		<b>153,218,079</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 TRY259,040 and TRY13,293 net at 31 December 2023 (as of 31 December 2022 company has calculated and accounted gross bonus and rebates reserve amounting to TRY243,883 and TRY10,224 net) (Note 20).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

(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)**

*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 14 January 2011 numbered 2011/1, outstanding claim reserves are made according to calculated average amounts in accordance with the methods determined by Treasury as of 1 July 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 28 July 2010 and numbered 27655 and the Circular on Claims Provision dated 5 December 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 5 July 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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

(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 issued by Turkish Treasury dated 5 December 2014 and numbered 2014/16, as of 1 January 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	31 December 2023			31 December 2022		
	Applied Method	Gross Additional Reserve	Net Additional Reserve	Applied Method	Gross Additional Reserve	Net Additional Reserve
Motor Liability	Standart/Frequency	6,361,432,752	4,490,219,150	Standart/Frequency	3,026,407,005	3,026,407,005
General Liability	Standart/Frequency	988,104,451	143,157,164	Standart/Frequency	665,113,951	109,039,032
Fire and Natural	Standard Chain	59,165,311	10,453,124	Standard Chain	70,155,214	3,612,326
General Losses	Standard Chain	30,604,835	116,907	Standard Chain	26,377,648	1,423,288
Financial losses	Standard Chain	27,099,006	762,027	Standard Chain	10,070,475	(361,141)
Watercrafts	Standard Chain	8,484,788	2,014,090	Standard Chain	5,357,672	1,166,916
Indemnity	Standard Chain	2,528,658	814,284	Standard Chain	1,237,005	16
Accident	Standard Chain	2,926,245	1,329,997	Standard Chain	2,070,884	1,029,054
Air Crafts Liability	Standard Chain	124,479	1	Standard Chain	104,744	104,744
Legal Protection	Standard Chain	281,494	281,494	Standard Chain	(148,776)	(137)
Credit	Standard Chain	29,540	1,476	Standard Chain	(2,750,719)	(1,161,145)
Air Crafts	Standard Chain	10,951,853	2	Standard Chain	12,454	620
Logistic	Standard Chain	4,823,886	(74,868)	Standard Chain	(3,269,672)	(73,251)
Health	Standard Chain	3,175,669	(8,447)	Standard Chain	3,701,144	394,488
Motor own damage	Standard Chain	(3,152,418)	(138,045)	Standard Chain	(52,077,334)	(52,077,334)
<b>Total</b>		<b>7,496,580,549</b>	<b>4,648,928,356</b>		<b>3,752,361,695</b>	<b>3,089,504,481</b>

With the resolution of Ministry of Treasury and Finance dated 5 July 2017 and numbered 18145, 'Risky Insurance Pool' is founded as of 12 April 2017. Accordingly, the premium and loss amounts that the Company 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 Company 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. Accordingly, the premium and loss amounts that the Company will transfer to the pool in the Compulsory Traffic branch are excluded from the data used when calculating the IBNR. For the damages that the Company will inherit from the mentioned pool; Damage premium rates published by the Turkish Motor Vehicles Bureau were used. A total of 1,159,059,997 TL of provision calculated using the 188% loss premium ratio in the report was reflected in the financial statements.

"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 on 31 December 2022 to calculate discounts for all branches and as of 31 December 2023, net outstanding claims discount of TRY3,736,342,608 (31 December 2022: TRY 1,934,424,239) 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 numbered") dated April 27, 2022 and numbered 2022/13, the discount calculation as of 31 December 2023 has been made by considering the annual rate of 35%. (31 December 2022: 14% per annum). The increase in the discount rate from 22% to 35% with the Circular No. 2022-22 had a net increase of TRY 482,561,564 on the discount amount.

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

(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:

#### 31 December 2023

Branch	Net Outstanding Claim Provision Before Discount	Discount Amount	Net Discounted Outstanding Claim Provision
Motor Liability	5,845,001,203	3,184,429,320	2,660,571,883
Motor own damage	665,340,894	62,259,373	603,081,521
General Liability	450,282,710	331,008,806	119,273,904
Fire and Natural	205,448,701	111,550,136	93,898,565
General Losses	62,335,153	13,840,805	48,494,348
Logistic	47,651,282	3,241,114	44,410,168
Financial losses	26,564,783	20,391,806	6,172,977
Watercrafts	21,260,338	3,569,225	17,691,113
Indemnity	14,602,126	1,263,431	13,338,695
Health	8,127,051	502,752	7,624,299
Accident	8,692,028	3,969,537	4,722,491
Legal Protection	590,517	310,184	280,333
Credit	1,810	918	892
Air Crafts Liability	30,439	5,200	25,239
Air Crafts	2	1	1
<b>Total</b>	<b>7,355,929,037</b>	<b>3,736,342,608</b>	<b>3,619,586,429</b>

#### 31 December 2022

Branch	Net Outstanding Claim Provision Before Discount	Discount Amount	Net Discounted Outstanding Claim Provision
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>

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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)**

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 31 December 2022 and 2023 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	31 December 2023				31 December 2022			
	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	3,350,000	284	56,497	0,5%	1,650,000	419	48,032	0,90%
Employer's Financial Liability	1,100,000	107	21,071	0,5%	650,000	145	17,339	0,80%
Financial Liability to Third Parties	1,500,000	112	23,939	0,5%	600,000	181	21,171	0,90%
Other	750,000	65	11,487	0,6%	400,000	93	9,522	1,00%
General Losses	999,999	370	227,403	0,2%	999,999	215	214,434	0,10%
Transportation	499,999	389	70,411	0,6%	499,999	245	68,080	0,40%
Fire and Natural Disaster	999,999	1,043	359,911	0,3%	999,999	437	334,459	0,10%
Accident	400,000	48	9,235	0,5%	299,999	51	8,654	0,60%
Suretyship	500,000	103	14,579	0,7%	199,999	225	12,835	1,80%
Financial Losses	100,000	134	41,105	0,3%	50,000	93	39,916	0,20%

(\*) Group, 31 December 2023 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
Facultative Public Liability	14,873,807	14,873,807
General Liability	203,416,783	5,041,443
General Losses	43,385,451	1,640,947
Financial Losses	27,957,554	1,559,147
Fire and Natural Disaster	45,127,590	4,632,634
Accident	1,687,716	267,111
Transportation	3,386,808	356,731

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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)**

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.

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 TRY427,569,989 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 2022: TRY217,633,489)

<b>Branch</b>	<b>31 December 2023 Win Rate Used</b>	<b>31 December 2022 Win Rate Used</b>
Indemnity	10.00%	0.00%
Financial losses	25.00%	25.00%
General Liability	25.00%	25.00%
General Losses	25.00%	25.00%
Air Crafts	25.00%	25.00%
Aircraft Liability	25.00%	25.00%
Legal Protection	25.00%	25.00%
Facultative Public Liability	24.00%	25.00%
Motor own damage	25.00%	25.00%
Motor Liability	25.00%	25.00%
Accident	25.00%	25.00%
Credit	5.00%	25.00%
Transportation	25.00%	25.00%
Watercrafts	25.00%	25.00%
Fire and Natural	25.00%	25.00%

***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.

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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)**

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 TRY61,057 , which it paid for the Düzce Earthquake claims that occurred in 2022 and net damage of 154,503,882 TL paid for Kahramanmaraş Earthquake damages that occurred in 2023 from the equalization reserve. (December 2022: TRY3,090,074)

The Group has calculated TRY85,298,741 (31 December 2022: TRY154,900,203) of equalization reserve as of 31 December 2023 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 31 December 2023, 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 31 December 2023 are TRY 170,652,465 (31 December 2022: TRY131,960,295) and TRY27,651,242 (31 December 2022: TRY32,815,708) respectively (Note 12.1).

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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)**

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 2023					
	Collection			Accrual		
	Gross	Reinsurance Share	Net	Gross	Reinsurance Share	Net
Motor Own Damage	826,317,597	(61,598,728)	764,718,869	162,561,147	(28,311,958)	134,249,189
Motor Crafts Liability	102,199,677	(8,989,839)	93,209,838	31,201,259	(7,098,490)	24,102,769
Transportation	16,867,415	(11,397,645)	5,469,770	3,859,757	(2,101,196)	1,758,561
Fire and Natural Disaster	15,671,432	(6,850,289)	8,821,143	27,363,220	(17,964,279)	9,398,941
General Losses	1,578,495	(1,931,674)	(353,179)	4,998,972	(4,624,971)	374,001
Watercraft	183,716	(117,499)	66,217	196,970	(169,467)	27,503
General Liability	205,807	(355,153)	(149,346)	126,163	(81,386)	44,777
Suretyship	147,354	(74,076)	73,278	1,393,447	(696,723)	696,724
Legal Protection	6,900	-	6,900	-	-	-
Accident	20,903	-	20,903	-	-	-
<b>Total</b>	<b>963,199,296</b>	<b>(91,314,903)</b>	<b>871,884,393</b>	<b>231,700,935</b>	<b>(61,048,470)</b>	<b>170,652,465</b>

	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>

**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.



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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 31 December 2023 pursuant to the "Circular on Recourse and Salvage Incomes" dated 10 February 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 31 December 2023, 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 TRY60,376,259 (31 December 2022: TRY24,709,333) 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 TRY44,623,073 (31 December 2022: TRY 19,642,726). Furthermore, provision is accounted for the retention of claim recovery transactions under legal follow up amounting to TRY518,334,778 (31 December 2022: TRY337,289,309) 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).

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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)**

**i. Provisions, Contingent Liabilities and Assets**

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

**j. 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.

**k. Corporate Taxation and Deferred Tax**

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

***Corporate Tax***

Corporation tax is payable at a rate of 30% on the total income of the Company and its Subsidiaries registered in Turkey in 2023 (2022: 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 2023, the tax rate is applied as 30%, 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

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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 20 January 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. Additionally; With the law number 7491 published in the Official Gazette numbered 32413 dated December 28, 2023, the inflation adjustments to be made by banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods will be made. It is

***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.

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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)**

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.

According with the law numbered 7456 published in the Official Gazette dated 15 July 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 30%. In this context, the corporate tax rate has been determined as 30% as of 31 December 2023. Within the scope of the said law, deferred tax assets and liabilities in the financial statements dated 31 December 2023 are calculated with the rate of 30% for the deferred tax assets consisting of deductible temporary differences, which will occur in 2023, 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 2023, the deferred tax rate for Sabancı Ageas Sağlık Sigorta A.Ş is 30%. (31 December 2022: Regarding the tax regulations of the Law No. 7316 and with the regulation numbered 31462, that published in the Official Gazette dated 22 April 2021 the corporate tax rate has been determined to be applied as 23% for 2022 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 2022 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 31 December 2023, the Group has booked the deferred tax assets in amounting to TRY375,007,006 (31 December 2022: TRY228,577,129).

***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'.

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

**2.1 Basis of Preparation (Continued)**

**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.

**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 2023:**

The group has evaluated the effects of the standards and amendments mentioned below on the consolidated financial statements and has concluded that the amendments do not have a significant impact on the financial statements for the accounting period of 1 January - 31 December 2023, other than the effects of the TFRS 17 standard. The company has established the necessary accounting policies within the scope of TFRS 17. Analysis and evaluations of the impacts of the TFRS 17 standard continue.

- **IFRS 17, 'Insurance Contracts'**; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

However, by SEDDK dated 29 December 2023 and 32414 legislative changes that came into force by being published in the Official Gazette No. As a result; TFRS 17 in legal financial statements of insurance companies the implementation date of the standard has been determined as 1 January 2025.

- **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.

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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 2023:**

**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. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

- **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.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. However, in the Board Decision of the KGK published in the Official Gazette dated 29 December 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of 1 January 2024. Businesses that fall within the scope of sustainability practice are counted for the purpose of determining the businesses that will be subject to Sustainability Reporting within the scope of the "Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" dated January 5, 2024.

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**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 31 December 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 2022: None).

**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 31 December 2022 and 31 December 2022.

**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.

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

**2.5 Foreign Currency Translation (Continued)**

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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***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 31 December 2023. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31 December 2023 was 26% for local currency liabilities (31 December 2022: 20%).



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

**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.

None. (31 December 2022: None).

**2.8 Intangible Assets Acquired**

*Intangible assets acquired*

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

*Computer software*

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

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

**2.9 Financial Assets**

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

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

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

*Effective interest method*

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

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

**2.9 Financial Assets (Continued)**

*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.

*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.

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

**2.9 Financial Assets (Continued)**

*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.

**2.10 Investment Properties**

*Impairment of non-financial assets*

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

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

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

*Impairment of financial assets*

The 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.

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

**2.10 Investment Properties (Continued)**

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.

**2.11 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 31 December 2023, there is a registered financial asset amounting to none (31 December 2022: cost total, TRY14,000,000, TRY15,148,041 registered swaps)

As of 31 December 2023, the Company has accounted for 'Expense Accruals' amounting none arising from the valuation of derivative instruments held by the Company in 'Expense Accruals' account. (31 December 2022: TRY1,148,041 'Expense Accruals').

**2.12 Offsetting Financial Instruments**

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

**2.13 Cash and Cash Equivalents**

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

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

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

#### 2.14 Share Capital

As of 31 December 2023, the Company's nominal capital is TRY1,612,000,000 (31 December 2022: 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 2023		31 December 2022	
	Rate %	Amount TRY	Rate %	Amount TRY
Hacı Ömer Sabancı Holding A.Ş.	36.00	580,320,000	36.00	580,320,000
Ageas Insurance International NV	36.00	580,320,000	36.00	580,320,000
Other	28.00	451,360,000	28.00	451,360,000
		<b>1,612,000,000</b>		<b>1,612,000,000</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)**

**2.15 Insurance and Investment Contracts - Classification**

***Insurance Contracts***

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

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

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

***Investment Contracts:***

The accumulation component present in some life insurance contracts is measured by the 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)**

**2.15 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 25 February 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 27 August 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 15 September 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. 17 October 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 16 March 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 30 April 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 25 February 2011 the notice numbered 2012/3 and the communique 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 1 January – 31 December 2023 accounting period as TRY434,053,951 (1 January – 31 December 2022: TRY 235,919,245) and unearned premium reserve amounting to TRY102,242,133, (1 January – 31 December 2022: TRY 16,042,069) for the period ended as of 1 January–31 December 2023; 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 21 September 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.

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

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

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.

***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 12 April 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 31 December 2023. As at 31 December 2023, the Group accounted TRY1,962,857,493 premium ceded to the Pool and TRY734,912,847 paid claim; and TRY7,978,538 subrogation income TRY682,072,428 premium which is reported as Group share from the pool, TRY544,943,513 claims paid, TRY6,943,074 recourse and TRY3,802,651 salvage are accounted in accordance with the related legislation.

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

None (December 31, 2022: None).

**2.17 Investment Contracts without Discretionary Participation Features**

None (December 31, 2022: None).



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

**2.18 Borrowings**

None. (As of December 31, 2022, the Company has a loan of 495,500,000 TL principal and 48,973,125 TL interest and is classified in the debt account of credit institutions. In addition, the Company has a repo transaction of 78,282,082 TL as of December 31, 2022 and is classified in the other financial liabilities account.)

**2.19 Employee Benefits**

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

According to the Turkish 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).

**2.20 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).

**2.21 Revenue Recognition**

***Written Premium Commission***

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

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

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

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

**2.21 Revenue Recognition (Continued)**

*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

**2.22 Profit Share Distribution**

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

**2.23 Related parties**

Parties are considered related to the Company if;

- a) A person or a close member of that person's family is related to a reporting entity if that person:

The person in question:

- i) 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.
- ii) Has control or joint control over the reporting entity,

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

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

**2.24 Foreign currency transactions**

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

As of the balance sheet date, foreign currency receivables are valued at the Central Bank of the Republic of Turkey ("CBRT") foreign exchange buying rates, and foreign currency debts are valued at the CBRT's foreign exchange selling rates.

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

	31 December 2023		31 December 2022	
	USD/	EUR/	USD/	EUR/
Buying rate	29,4382	32,5739	18,6983	19,9349
Selling rate	29,4913	32,6326	18,7320	19,9708
Effective Selling Rate	29,5355	32,6815	18,7601	20,0007

**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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**4. Insurance and Financial Risk Management (Continued)**

**4.1 Insurance Risk (Continued)**

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.

***Reinsurance Company Notification***

2023		2022	
Reinsurance Company	Standard & Poors Rating	Reinsurance Company	Standard & Poors Rating
African Re	A-	African Re	A-
Labuan Re	NR	Ageas	A+
Malaysian Re	NR	Allianz Re	AA-
General Insurance Corporation of India (GIC)	NR	American Agricultural	NR
China Property & Casualty Reinsurance	A	Aspen Re	A-
Aspen	A-	AXIS Re	A+
Taiping Re	A-	Az Re	NR
MS Amlin AG	A	BMI (Trust Re)	NR
Dongbu Re (DB Insurance)	A	BMI (Oman Re)	NR
Korean Re	A	CCR Algeria	NR
Central Re	A	Central Re	A
Ageas	A	China Property & Casualty Reinsurance	A
Sava Re	A+	Dongbu Re (DB Insurance)	A
Odyssey Re	A	Fair Pool	NR
Hannover Rueck SE	A	GIC Re	NR
Munich Re	AA-	Hannover Re	AA-
New Re	AA-	HCC International	A
LF Re	A+	HDI Global	A+
Cathay Century	AA-	IGI	A-
American Family	A-	Klaption Re	NR
Blenheim Syndicate	A+	Liberty Mutual	A
HCC	A+	Mapfre Re	A+
QBE	A+	Misr Insurance	NR
Covea Cooperations	A	Milli Re	trBBB-
Toa Re	A	Munich Re	AA-
Lib Synd Paris	A+	Odyssey Re	A
Mapfre Re	A+	Polish Re	NR
Cathedral	A+	QBE Re	A+
Partner Re	A+	Samsung Fire&Marine Re	AA-
Everest Re	A+	Saudi Re	A-
VHV Re	NR	Shelter Re	A-
DEVK	A+	Singapore Re	NR
VIG	A+	Swiss Re	AA-
Samsung Fire&Marine Re	AA-	Taiping	A
Scor	A+	Triglav Re	A
R+V Versicherung AG (R+V Re)	A+	Tunis Re	NR
American Agricultural	NR	Turk Re	NR
Shelter Re	NR	VHV Re	NR
EMC	NR	VIG Re	A+
Unipol Re	NR	Coface	A+
Turk Re	NR	Lloyd's of London	A+
Milli Re	trBBB-	Liberty Mutual	A
		Mapfre Re	A+
		African Re	A-
		Ageas	A+
		Allianz Re	AA-
		American Agricultural	NR

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

**4.1 Insurance Risk (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 (*)	31 December 2023			31 December 2022		
	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	3,873,021,526	(1,212,449,643)	2,660,571,883	2,233,965,058	(66,124,041)	2,167,841,017
Motor Own Damage	3,145,108,435	(3,051,209,869)	93,898,566	1,509,904,012	(1,396,915,788)	112,988,224
General Liability	992,619,472	(873,345,566)	119,273,906	1,098,829,285	(958,751,144)	140,078,141
Fire and Natural Disaster	1,144,958,716	(1,096,464,369)	48,494,347	534,545,759	(506,746,960)	27,798,799
General Losses	744,922,559	(141,841,037)	603,081,522	292,061,798	(6,929,560)	285,132,238
Transportation	335,692,825	(335,667,586)	25,239	282,927,256	(282,908,188)	19,068
Health	539,061,860	(494,651,694)	44,410,167	221,736,334	(200,613,854)	21,122,480
Suretyship	1,440,096,066	(1,433,923,088)	6,172,978	125,912,119	(113,602,919)	12,309,200
Watercrafts	110,634,858	(92,943,747)	17,691,111	71,062,866	(63,272,769)	7,790,097
Accident	462,297,801	(448,959,106)	13,338,695	62,106,676	(61,005,709)	1,100,967
Financial Losses	102,748,501	(95,124,203)	7,624,298	47,267,166	(38,882,215)	8,384,951
Legal Protection	48,972,289	(48,972,288)	1	9,514,817	(9,514,938)	(121)
Air Crafts Liability	9,118,414	(4,395,921)	4,722,493	7,883,701	(4,446,469)	3,437,232
Credit	17,866	(16,974)	892	1,210,522	(1,149,998)	60,524
Air Crafts	280,332	-	280,332	244,658	-	244,658
Life	140,216	-	140,216	141,689	-	141,689
<b>Total</b>	<b>12,949,691,736</b>	<b>(9,329,965,091)</b>	<b>3,619,726,646</b>	<b>6,499,313,716</b>	<b>(3,710,864,552)</b>	<b>2,788,449,164</b>

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

	31 December 2023			31 December 2022			
	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	1,283,709,949	15,940,438,864	(12,805,868,193)	3,134,570,671	7,302,339,708	(5,451,478,986)	1,850,860,722
Discount Effect of Reported Claims	(1,801,918,369)	(9,563,866,520)	5,827,523,912	(3,736,342,608)	(4,115,227,365)	2,180,803,126	(1,934,424,239)
Discount to Be Applied to Claim Files in a Lawsuit	(209,936,500)	(923,601,373)	496,031,384	(427,569,989)	(440,302,011)	222,668,522	(217,633,489)
Claim Provisions (*)	1,559,423,875	7,496,580,549	(2,847,652,193)	4,648,928,356	3,752,361,695	(662,857,214)	3,089,504,481
Non-life Total	831,278,955	12,949,551,520	(9,329,965,090)	3,619,586,430	6,499,172,027	(3,710,864,552)	2,788,307,475
Life	(1,473)	140,216	-	140,216	141,689	-	141,689
<b>Grand Total</b>	<b>831,277,482</b>	<b>12,949,691,736</b>	<b>(9,329,965,090)</b>	<b>3,619,726,646</b>	<b>6,499,313,716</b>	<b>(3,710,864,552)</b>	<b>2,788,449,164</b>

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

**Outstanding Claim Reserve:**

	31 December 2023			31 December 2022		
	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 1 January</b>	6,499,313,716	(3,710,864,552)	2,788,449,164	4,514,870,786	(3,159,406,284)	1,355,464,502
Opened in the period	24,532,336,723	(18,395,889,03)	6,136,447,690	9,450,238,730	(4,513,830,434)	4,936,408,296
Paid from current period (-)	(15,091,211,57)	5)	(5,790,326,183)	(6,662,769,808)	2,221,757,732	(4,441,012,076)
<b>Paid from previous periods (-)</b>	<b>15,940,438,864</b>	<b>3)</b>	<b>3,134,570,671</b>	<b>7,302,339,708</b>	<b>(5,451,478,986)</b>	<b>1,850,860,722</b>
Life	140,216	-	140,216	141,689	-	141,689
Reported claims discount effect	(9,563,866,520)	5,827,523,912	(3,736,342,608)	(4,115,227,365)	2,180,803,126	(1,934,424,239)
Discount to Be Applied to Claim Files in Lawsuit	(923,601,373)	496,031,384	(427,569,989)	(440,302,011)	222,668,522	(217,633,489)
Claims incurred but not reported	7,496,580,549	(2,847,652,193)	4,648,928,356	3,752,361,695	(662,857,214)	3,089,504,481
<b>Total</b>	<b>12,949,691,736</b>	<b>(9,329,965,090)</b>	<b>3,619,726,646</b>	<b>6,499,313,716</b>	<b>(3,710,864,552)</b>	<b>2,788,449,164</b>

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

**4.1 Insurance Risk (Continued)**

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

**Gross claim development table prepared on the principles of incurred claims by 31 December 2023**

	1 January 2017 31 December 2017	1 January 2018 31 December 2018	1 January 2019 31 December 2019	1 January 2020 31 December 2020	1 January 2021 31 December 2021	1 January 2022 31 December 2022	1 January 2023 31 December 2023	Gross Claim
<i>Claim realized in the accident period</i>	1,366,238,878	1,564,047,984	2,299,878,599	2,069,675,811	3,650,161,929	6,551,391,294	18,413,551,086	35,914,945,580
<i>1 year later</i>	793,577,616	606,370,322	939,075,198	1,228,917,800	2,411,265,971	4,443,314,335	-	10,422,521,242
<i>2 year later</i>	633,208,482	352,446,585	717,625,507	942,527,562	-	-	-	4,123,830,631
<i>3 year later</i>	602,343,699	671,792,643	569,945,078	-	-	-	-	2,743,849,278
<i>4 year later</i>	438,319,539	1,082,822,405	-	-	-	-	-	2,125,224,588
<i>5 year later</i>	580,045,121	-	-	-	-	-	-	2,157,522,040
<i>6 year later</i>	-	-	-	-	-	-	-	784,878,729
<b>TOTAL</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>10,994,705,628</b>	<b>18,413,551,086</b>	<b>58,272,772,088</b>

**Gross claim development table prepared on the principles of incurred claims by 31 December 2022:**

	1 January 2016 31 December 2016	1 January 2017 31 December 2017	1 January 2018 31 December 2018	1 January 2019 31 December 2019	1 January 2020 31 December 2020	1 January 2021 31 December 2021	1 January 2022 December 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
<i>1 year later</i>	420,934,178	793,577,616	606,370,322	939,075,198	1,228,917,800	2,411,265,971	-	6,400,141,085
<i>2 year later</i>	345,579,004	633,208,482	352,446,585	717,625,507	942,527,562	-	-	2,991,387,140
<i>3 year later</i>	344,631,786	602,343,699	671,792,643	569,945,078	-	-	-	2,188,713,206
<i>4 year later</i>	398,378,186	438,319,539	1,082,822,405	-	-	-	-	1,919,520,130
<i>5 year later</i>	342,136,413	580,045,121	-	-	-	-	-	922,181,534
<i>6 year later</i>	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>

**4.2 Financial Risk**

**4.2.1 Capital risk management and capital requirement**

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

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 2023, the Group management has determined that the Group's equity capital amount is above the required equity capital amount in the calculations made by the Group. The Group takes actions in accordance with the Insurance legislation and the Capital Markets legislation in order to improve the capital adequacy ratio according to the current equity/required equity ratio ranges determined within the framework of the relevant regulation.

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

**4.2 Financial Risk (Continued)**

**4.2.2 Financial risk factors**

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

*Market risk*

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

*Exchange rate risk*

The Company's foreign currency denominated assets and liabilities expose the Company to exchange rate risks. These risks are monitored by analysing exchange rate position. The details of the Company's foreign currency denominated assets and liabilities as of 31 December 2023 and 31 December 2022 are presented in detail in Note 12.4.

**4.2.2 Financial risk factors**

*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.

	31 December 2023		31 December 2022	
	USD Effect	EUR Effect	USD Effect	EUR Effect
Profit/Loss Increase	211,377,180	50,670,584	98,560,111	15,588,552
Profit/Loss (Decrease)	(211,377,180)	(50,670,584)	(98,560,111)	(15,588,552)

*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.

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

**4.2 Financial Risk (Continued)**

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 2023 and 31 December 2022. 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>31 December 2023</b>	<b>31 December 2022</b>
	<b>Effect on profit and profit reserves</b>	
Market interest rate increase/(decrease)		
+1%	(30,675,022)	(18,449,753)
-1%	37,085,192	21,339,528
<b>Financial assets available for sale</b>	<b>Effect on profit and profit reserves</b>	
Market interest rate increase/(decrease)		TL
+1%	(30,675,022)	(18,449,753)
-1%	37,085,192	21,339,528

***Interest rate 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 31 December 2023 and 2022.

<b>Total</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>Effect on Financial assets available for sale</b>	
Price increase/(decrease)		TL
+10%	168,674,027	195,081,896
-10%	(168,674,027)	(195,081,896)

***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 31 December 2023, the Company has presented its receivables from insurance operations and guarantees received and provision for doubtful receivables in Note 12.1.

***Liquidity risk***

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

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

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

#### 4.2 Financial Risk (Continued)

##### Liquidity risk table

31 December 2023							
	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	2,210,084,391	1,156,907,073	1,147,938,620	616,328,393	-	195,723,008	5,326,981,485
Financial Assets Available for Sale	-	243,930,016	94,452,253	987,558,432	381,306,505	-	1,707,247,206
Financial Assets Held for Trading	-	-	-	-	-	3,719,402,547	3,719,402,547
Held-to-Maturity Financial Assets	27,871,222	149,252,819	186,209,070	456,549,808	-	-	819,882,919
Investments with Risks on Policy Holders	-	-	-	2,205,350	-	-	2,205,350
Receivables from Main Operations	947,346,928	1,842,197,057	3,798,316,528	24,453,196	-	194,947,506	6,807,261,215
Due from Related Parties	17,384	-	-	-	-	-	17,384
Other Receivables	-	-	87,211,432	-	-	-	87,211,432
Prepaid Expenses and Income Accruals	-	-	69,334,340	-	-	-	69,334,340
<b>Total</b>	<b>3,185,319,925</b>	<b>3,392,286,965</b>	<b>5,383,462,243</b>	<b>2,087,095,179</b>	<b>381,306,505</b>	<b>4,110,073,061</b>	<b>18,539,543,878</b>
Financial Liabilities Payables from Main Operations	2,243,964,199	377,932,473	1,352,015,345	-	-	1,181,943,239	5,155,855,256
Due to Related Parties	638,706	-	2,967	-	-	-	641,673
Other Payables	-	580,417,080	-	-	-	48,974,023	629,391,103
Insurance Technical Reserves	522,337,969	1,044,675,938	743,441,205	770,648,371	538,623,163	-	3,619,726,646
Taxes Payable and Similar Liabilities	-	460,316,999	-	-	-	-	460,316,999
<b>Total</b>	<b>2,766,940,874</b>	<b>2,463,342,490</b>	<b>2,126,476,564</b>	<b>802,093,700</b>	<b>538,623,163</b>	<b>1,230,917,262</b>	<b>9,928,394,053</b>

31 December 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 Holders	-	-	-	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	-	-	15,555,819	-	-	-	15,555,819
<b>Total Assets</b>	<b>5,108,783,823</b>	<b>1,927,396,683</b>	<b>2,285,017,589</b>	<b>1,342,263,298</b>	<b>434,509,610</b>	<b>389,202,902</b>	<b>11,487,173,905</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	484,916,307	969,832,614	527,728,220	524,943,171	281,028,852	-	2,788,449,164
Prepaid Expenses and Income Accruals	-	152,017,037	-	-	-	-	152,017,037
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,005,184,420</b>	<b>2,346,795,325</b>	<b>1,352,117,874</b>	<b>722,731,935</b>	<b>281,028,852</b>	<b>318,064,499</b>	<b>6,025,922,905</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

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

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

**4.2 Financial Risk (Continued)**

*Categories of Financial Assets*

Current Financial Assets	31 December 2023		31 December 2022	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets Available for Sale	1,707,247,206	1,707,247,206	1,951,145,408	1,951,145,408
Financial Assets Held to Maturity	819.8	786,276,955	1,184,804,256	1,214,041,134
Financial Assets Held for Trading	3,719,402,547	3,719,402,547	209,376,382	209,376,382
Financial Investments with Risks on Policy Holders	2,205,350	2,205,350	2,011,395	2,011,395
<b>Total Financial Assets</b>	<b>6,248,738,022</b>	<b>6,215,132,058</b>	<b>3,347,337,441</b>	<b>3,376,574,319</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:

	31 December 2023	Category 1	Category 2	Category 3
<b>Financial Assets Available for Sale</b>				
Corporate Bond	14,195,113	-	14,195,113	-
Eurobond	1,634,218,648	1,634,218,648	-	-
Stocks	5,417,412	3,684,686	-	1,732,726
Government Bonds	53,416,033	53,416,033	-	-
<b>Financial Assets Held for Trading</b>				
Investment Funds	3,719,402,547	3,719,402,547	-	-
Derivatives and Option Guarantees	-	-	-	-
<b>Held to Maturity Financial Assets</b>				
Eurobond	481,866,122	481,866,122	-	-
Corporate Bond	615,954	615,954	-	-
Government Bonds	337,400,843	136,466,228	200,934,615	-
<b>Financial Investments with Risks on Policy Holders</b>				
Government Bonds	2,205,350	2,205,350	-	-
<b>Total</b>	<b>6,248,738,022</b>	<b>6,031,875,568</b>	<b>215,129,728</b>	<b>1,732,726</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

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

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

**4.2 Financial Risk (Continued)**

	31 December 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>

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

# AKSİGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

((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 31 December 2023:

	Fire	Transportation	Motor Own Damage	Motor Crafts Liability (Compulsory Traffic)	Other Accident	Engineering	Agriculture	Health	Life	Undistributed	Total
<b>TECHNICAL INCOME</b>	<b>1,439,751,338</b>	<b>186,922,390</b>	<b>4,804,902,695</b>	<b>2,631,604,885</b>	<b>723,827,670</b>	<b>240,303,016</b>	<b>173,040,237</b>	<b>511,816,337</b>	<b>153,360</b>	-	<b>10,712,321,928</b>
1- Earned Premiums (Net of Reinsurer Share)	617,406,117	114,169,861	3,988,887,586	2,114,068,147	382,986,718	84,353,233	171,445,206	203,395,649	-	-	7,676,712,517
1.1- Premiums (Net of Reinsurer Share)	1,052,727,782	132,996,969	4,681,342,295	2,840,097,716	589,663,381	150,110,915	174,060,161	281,123,283	-	-	9,902,122,502
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	(435,321,665)	(20,037,526)	(692,454,709)	(357,230,218)	(206,677,474)	(65,757,682)	(2,614,955)	(77,727,634)	-	-	(1,857,821,863)
1.3-Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	-	1,210,418	-	(368,799,351)	811	-	-	-	-	-	(367,588,122)
2- Investment Income transferred from Non-Technical Part	820,883,410	71,867,795	747,813,150	518,537,061	340,432,601	155,727,777	1,595,031	249,388,578	153,360	-	2,906,398,763
3- Other Technical Income (Net of Reinsurance Share)	-	-	31,486,368	-	-	-	-	59,032,110	-	-	90,518,478
4- Accrued Subrogation and Salvage Income (+)	1,461,811	884,734	36,715,591	(1,000,323)	408,351	222,006	-	-	-	-	38,692,170
<b>TECHNICAL EXPENSES</b>	<b>(682,238,175)</b>	<b>(80,453,006)</b>	<b>(3,596,765,725)</b>	<b>(4,140,864,363)</b>	<b>(329,690,829)</b>	<b>(51,288,691)</b>	<b>(7,098,263)</b>	<b>(200,433,772)</b>	<b>(229,659)</b>	-	<b>(9,089,062,483)</b>
1- Total Claims (Net of Reinsurer Share)	(390,743,977)	(60,021,042)	(2,412,977,331)	(3,563,603,757)	(136,178,172)	(49,551,964)	(3,794,159)	(4,734,735)	(229,479)	-	(6,621,834,616)
1.1- Claims Paid (Net of Reinsurer Share)	(415,956,997)	(26,832,340)	(2,095,028,047)	(3,070,872,892)	(133,234,132)	(39,515,089)	(3,391,298)	(5,495,388)	(230,953)	-	(5,790,557,136)
1.2- Changes in Outstanding Claims Reserve Reinsurer Share and Reserves Carried Forward (+/-)	25,213,020	(33,188,702)	(317,949,284)	(492,730,865)	(2,944,040)	(10,036,875)	(402,861)	760,653	1,474	-	(831,277,480)
2- Changes in Bonus and Discount Reserve (Net of Reinsurer) (+/-)	-	(2,348)	-	-	(721)	-	-	-	-	-	(3,069)
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-) and Other Technical Expenses	54,824,849	10,903,076	7,056,637	-	(165,571)	(3,017,529)	-	-	-	-	69,601,462
4- Operating Expenses	(225,459,115)	(24,415,979)	(982,584,781)	(455,813,879)	(153,483,472)	15,626,255	(3,085,421)	(170,848,210)	(180)	-	(2,000,064,782)
4.1- Production Commissions (-)	(567,181,703)	(86,285,040)	(832,805,889)	(376,683,032)	(260,873,654)	(100,193,719)	(2,034,825)	(330,721,756)	-	-	(2,556,779,618)
4.2- Reinsurance Commissions (+)	562,454,486	80,999,187	105,980,516	196,840,647	192,742,030	153,985,987	64,549	273,302,911	-	-	1,566,370,313
4.3- General Administrative Expenses	(220,731,898)	(19,130,126)	(255,759,408)	(275,971,494)	(85,351,848)	(38,166,013)	(1,115,145)	(113,429,365)	(180)	-	(1,009,655,477)
4.4- Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
5- Changes in Mathematical Reserves (+/-)	-	-	-	-	(698,081)	-	-	-	-	-	(698,081)
6- Other Technical Expenses (Net of Reinsurer Share)	(120,859,932)	(6,916,713)	(208,260,250)	(121,446,727)	(39,164,812)	(14,345,453)	(218,683)	(24,850,827)	-	-	(536,063,397)
<b>TECHNICAL PROFIT/(LOSS)</b>	<b>757,513,163</b>	<b>106,469,384</b>	<b>1,208,136,970</b>	<b>(1,509,259,478)</b>	<b>394,136,841</b>	<b>189,014,325</b>	<b>165,941,974</b>	<b>311,382,565</b>	<b>(76,299)</b>	-	<b>1,623,259,445</b>
Financial income	-	-	-	-	-	-	-	-	-	5,448,349,044	5,448,349,044
Depreciation expense	-	-	-	-	-	-	-	-	-	(96,316,248)	(96,316,248)
Provisions account, net	-	-	-	-	-	-	-	-	-	(58,241,663)	(58,241,663)
Tax expenses	-	-	-	-	-	-	-	-	-	(56,148,985)	(56,148,985)
Financial expenses	-	-	-	-	-	-	-	-	-	(5,465,431,074)	(5,465,431,074)
Other	-	-	-	-	-	-	-	-	-	(244,864,292)	(244,864,292)
<b>NET PROFIT/(LOSS)</b>	<b>757,513,163</b>	<b>106,469,384</b>	<b>1,208,136,970</b>	<b>(1,509,259,478)</b>	<b>394,136,841</b>	<b>189,014,325</b>	<b>165,941,974</b>	<b>311,382,565</b>	<b>(76,299)</b>	<b>(472,653,218)</b>	<b>1,150,606,227</b>

# AKSİGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

((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 31 December 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)	(61,103,766)
Provisions account, net	-	-	-	-	-	-	-	-	-	(17,641,324)	(17,641,324)
Tax expenses	-	-	-	-	-	-	-	-	-	185,277,610	185,277,610
Financial expenses	-	-	-	-	-	-	-	-	-	(2,471,941,268)	(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>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

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

**6. Tangible Assets**

**31 December 2023**

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>	5,329	8,758,863	45,477,606	24,233,834	68,313,445	-	146,789,077
Additions	-	127,970	28,363,988	31,691,147	29,842,842	-	90,025,947
Disposals	-	-	(3,572,534)	(1,039,925)	-	-	(4,612,459)
<b>31 December</b>	<b>5,329</b>	<b>8,886,833</b>	<b>70,269,060</b>	<b>54,885,056</b>	<b>98,156,287</b>	-	<b>232,202,565</b>
Accumulated Depreciation							
<b>1 January</b>	(4,196)	(959,483)	(27,013,645)	(16,839,095)	(38,092,581)	-	(82,909,000)
Additions	(108)	(2,122,852)	(22,389,933)	(5,144,912)	(181,266)	-	(29,839,071)
Disposals	-	-	3,221,136	1,010,162	-	-	4,231,298
<b>31 December</b>	<b>(4,304)</b>	<b>(3,082,335)</b>	<b>(46,182,442)</b>	<b>(20,973,845)</b>	<b>(38,273,847)</b>	-	<b>(108,516,773)</b>
<b>Net Book Value as of</b>							
<b>31 December</b>	<b>1,025</b>	<b>5,804,498</b>	<b>24,086,618</b>	<b>33,911,211</b>	<b>59,882,440</b>	-	<b>123,685,792</b>

The Company has no impairment loss recognized for tangible fixed assets in the current period (31 December 2022: None).

**31 December 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>
Accumulated Depreciation							
<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</b>							
<b>31 December</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>

**7. Investment Properties**

The Company has no investment properties as of 31 December 2023. (January 1 - 31 December 2022: None).

In the period of 1 January – 31 December 2023, the Company has no obtained rental income from investment properties (1 January – 31 December 2022: None).

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

**8. Intangible Assets**

**31 December 2023**

	Advances for Intangible Assets (*)	Cost Value	Advances for Intangible Assets (*)
<b>Cost Value</b>			
<b>1 January</b>	43,653,013	304,122,850	347,775,863
Additions	187,935,350	72,002,403	259,937,753
Disposals	-	-	-
Transfers	(29,049,310)	29,049,310	-
<b>31 December</b>	<b>202,539,053</b>	<b>405,174,563</b>	<b>607,713,616</b>
Accumulated Amortization			
<b>1 January</b>	-	(179,726,972)	(179,726,972)
Charge for the Period	-	(55,563,542)	(55,563,542)
Disposals	-	-	-
<b>31 December</b>	<b>-</b>	<b>(235,290,514)</b>	<b>(235,290,514)</b>
<b>Net book Value as of 31 December</b>	<b>202,539,053</b>	<b>169,884,049</b>	<b>372,423,102</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.

**31 December 2022**

	Advances for Intangible Assets (*)	Rights	Total
<b>Cost Value</b>			
<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>
Accumulated Amortization			
<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>	<b>-</b>	<b>(179,726,972)</b>	<b>(179,726,972)</b>
<b>Net book Value as of 31 December</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.

As of 31 December 2023, the Company has not recognized any impairment loss for its intangible fixed assets in the current period (31 December 2022: None).

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

**9. Investments in Affiliates**

As of 31 December 2023, the Company has no investments in subsidiaries (31 December 2022: None).

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(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**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Financial Assets Held for Trading	3,719,402,547	209,376,382
Financial Assets to be Held Until Maturity	1,707,247,206	1,951,145,408
Financial Assets Available for Sale	819,882,919	1,184,804,256
Financial Investments with Risks on Policy Holders	2,205,350	2,011,395
<b>Total</b>	<b>6,248,738,022</b>	<b>3,347,337,441</b>

***Financial Assets Available for Sale***

	<b>31 December 2023</b>			<b>31 December 2022</b>		
	<b>Cost Value</b>	<b>Fair Value</b>	<b>Book Value</b>	<b>Cost Value</b>	<b>Fair Value</b>	<b>Book Value</b>
Eurobond	1,475,950,701	1,634,218,648	1,634,218,648	1,127,703,380	1,204,984,035	1,204,984,035
Private Sector bonds	13,379,379	14,195,113	14,195,113	376,171,799	377,696,817	377,696,817
Government Bonds	81,145,316	53,416,033	53,416,033	342,101,141	344,408,811	344,408,811
Equity Shares (Listed on the stock exchange)	5,659,676	3,684,686	3,684,686	18,843,313	22,834,250	22,834,250
Equity Shares (Not listed on the stock exchange) Net	1,732,726	-	1,732,726	1,221,495	-	1,221,495
<b>Total</b>	<b>1,577,867,798</b>	<b>1,705,514,480</b>	<b>1,707,247,206</b>	<b>1,866,041,128</b>	<b>1,949,923,913</b>	<b>1,951,145,408</b>

***Held-to-Maturity Financial Assets***

	<b>31 December 2023</b>			<b>31 December 2022</b>		
	<b>Cost Value</b>	<b>Fair Value</b>	<b>Book Value</b>	<b>Cost Value</b>	<b>Fair Value</b>	<b>Book Value</b>
Eurobond	477,512,845	483,846,200	481,866,122	724,234,844	730,943,551	758,034,603
Government Bonds	281,766,687	302,430,755	337,400,843	291,846,206	426,917,320	369,110,975
Corporate Bonds	615,954	-	615,954	56,375,954	56,180,263	57,658,678
<b>Total</b>	<b>759,895,486</b>	<b>786,276,955</b>	<b>819,882,919</b>	<b>1,072,457,004</b>	<b>1,214,041,134</b>	<b>1,184,804,256</b>

***Financial Assets Held for Trading***

	<b>31 December 2023</b>			<b>31 December 2022</b>		
	<b>Cost Value</b>	<b>Fair Value</b>	<b>Book Value</b>	<b>Cost Value</b>	<b>Fair Value</b>	<b>Book Value</b>
Investment Funds	3,007,489,655	3,719,402,547	3,719,402,547	143,966,664	152,529,812	152,529,812
Eurobond	-	-	-	34,267,876	41,690,600	41,690,600
Government Bonds	-	-	-	10,078,349	9,908,670	9,908,670
Corporate Bonds	-	-	-	5,000,000	5,247,300	5,247,300
Derivatives and Option Guarantees	-	-	-	-	-	-
<b>Total</b>	<b>3,007,489,655</b>	<b>3,719,402,547</b>	<b>3,719,402,547</b>	<b>193,312,889</b>	<b>209,376,382</b>	<b>209,376,382</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(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*

	31 December 2023			31 December 2022		
	Cost Value	Fair Value	Book Value	Cost Value	Fair Value	Book Value
Government Bonds	1,997,788	2,205,350	2,205,350	1,943,330	2,011,395	2,011,395

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

**31 December 2023**

Equity Shares	Participation Rate %	Cost Value	Fair Value	Book Value
		TRY	TRY	TRY
Listed on Borsa Istanbul		5,659,676	3,684,686	3,684,686
Tarsim Agricultural Insurance Inc.	3.70	1,732,726	-	1,732,726
Not listed on the stock exchange		1,732,726	-	1,732,726
<b>Total</b>		<b>7,392,402</b>	<b>3,684,686</b>	<b>5,417,412</b>

**31 December 2022**

Equity Shares	Participation Rate %	Cost Value	Fair Value	Book Value
		TRY	TRY	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>

As of 31 December 2023, and 31 December 2022, the blockage on financial assets in favor of Insurance and Private Pensions Regulation and Supervision Agency ("SEDDK") has been disclosed in Note 17.1.

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

None (31 December 2022: None).

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

None (31 December 2022: None).

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

None (31 December 2022: None).

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

None (31 December 2022: None).

**11.6 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	31 December 2022	31 December 2021	31 December 2020
Financial Assets Available for Sale	(74,056,429)	(2,508,795)	(39,142,240)

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

**11. Financial Assets (Continued)**

**11.7 Financial Instruments**

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

**11.8 Financial Instruments**

Information related to hedge accounting has been disclosed in Note 34.5

**11.9 Effects of Exchange Rate Differences**

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

**12. Receivables and Payables**

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Receivables from insurance operations</b>		
Receivables from agencies	4,773,031,239	2,277,600,251
Receivables from reinsurance companies	401,807,474	141,890,343
Bank Guaranteed Credit Card Receivables More than Three Months	1,478,733,244	328,061,372
Receivables for salvage and claim recovery - net (Note 2.1.1)	170,652,465	131,960,295
Other receivables	396,804	276,737
<b>Receivables from insurance operations</b>	<b>6,824,621,226</b>	<b>2,879,788,998</b>
Cash deposited for insurance and reinsurance companies	-	30,954
<b>Receivables from insurance and reinsurance companies</b>	<b>-</b>	<b>30,954</b>
Claim recovery receivables under legal follow-up	518,334,778	337,289,309
Doubtful receivables from main operations	87,639,321	57,427,499
<b>Total provision amount for doubtful receivables</b>	<b>605,974,099</b>	<b>394,716,808</b>
<b>Receivables from main operations</b>	<b>7,430,595,325</b>	<b>3,274,536,760</b>
Provision for due from insurance operations (-) (*)	(44,623,073)	(45,967,323)
Provision for doubtful receivables from main operations (-) (**)	(60,376,259)	(24,709,333)
Provision for net claim recovery receivables under legal follow-up (-) (**)	(518,334,778)	(337,289,309)
<b>Total provision amount for doubtful receivables</b>	<b>(623,334,110)</b>	<b>(407,965,965)</b>
<b>Receivables from main operations - net</b>	<b>6,807,261,215</b>	<b>2,866,570,795</b>

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

(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:

	31 December 2023	31 December 2022
0 - 90 days	2,806,903,995	68,643,658
90+	3,822,769,725	18,565,965
Not due receivables	194,947,506	2,792,610,329
<b>Total</b>	<b>6,824,621,226</b>	<b>2,879,819,952</b>

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

Type of Guarantees	31 December 2023		31 December 2022	
	Receivables	Doubtful Receivables	Receivables	Doubtful Receivables
Letters of Guarantee	118,978,002	-	176,831,449	-
Cash Guarantees	48,974,023	-	28,257,559	-
Real Estate Pledges	61,758,193	462,100	10,336,755	416,100
Government Bonds and Equity	43,832,150	22,500	6,107,261	7,500
<b>Total</b>	<b>273,542,368</b>	<b>484,600</b>	<b>221,533,024</b>	<b>423,600</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	2023	2022
<b>Opening Balance, 1 January</b>	(361,998,642)	(229,472,152)
Charge for the period	(216,712,395)	(184,718,974)
Collections	-	52,192,484
<b>Closing Balance, 31 December</b>	<b>(578,711,037)</b>	<b>(361,998,642)</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 31 December 2023, the Company has liabilities amounting to TRY2,967 to shareholders (31 December 2022: TRY1,143).

**12.3 Total pledges and other guarantees received for receivables amount**

Total amount of pledges and other guarantees received for receivables amounts to TRY 273,542,368 as of 31 December 2023 (31 December 2022:TRY221,533,024)

**AKSİGORTA A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

(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:**

**31 December 2023**

<b>Banks (Foreign Currency)</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
USD	535,456	29,4382	15,762,861
EUR	22,920,612	32,5739	746,613,723
GBP	71,326	37,4417	2,670,567
CHF	6,651	34,9666	232,563
Other			13,285
<b>Total</b>			<b>765,292,999</b>
<b>Stocks and Bonds</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
USD	62,616,261	29,4382	1,843,310,007
EUR	-	32,5739	-
<b>Total</b>			<b>1,843,310,007</b>
<b>Receivables from Insurance Operations</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
USD	117,474,160	29,4382	3,458,227,817
EUR	73,006,223	32,5739	2,378,097,407
Other			20,928,749
<b>Total</b>			<b>5,857,253,973</b>
<b>Outstanding Claims Reserve</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
USD	(10,213,303)	29,4913	(301,203,583)
EUR	(3,882,622)	32,6326	(126,700,051)
Other			(4,040,350)
<b>Total</b>			<b>(431,943,984)</b>
<b>Payables from Insurance Operations</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
USD	(96,857,461)	29,4913	(2,856,452,440)
EUR	(76,275,199)	32,6326	(2,489,058,059)
Other			(8,013,506)
<b>Total</b>			<b>(5,353,524,005)</b>
<b>Payables to Suppliers</b>	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
USD	(1,751,409)	29,4913	(51,651,319)
EUR	(213,436)	32,6326	(6,964,972)
Other			-
<b>Total</b>			<b>(58,616,291)</b>
<b>Net Foreign Currency Position</b>			<b>2,621,772,699</b>

# AKSİGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

(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):

31 December 2022

Banks (Foreign Currency)	Amount in Foreign Currency	Exchange Rate	Amount TRY
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
<b>Total</b>			9,050
			<b>234,160,801</b>
<b>Stocks and Bonds</b>			
USD			
EUR	65,304,412	18,6983	1,221,081,487
<b>Total</b>	173,346	19,9349	3,455,635
			<b>1,224,537,122</b>
<b>Receivables from Insurance Operations</b>			
	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
USD			
EUR	71,934,591	18,6983	1,345,054,563
<b>Total</b>	30,378,506	19,9349	605,592,479
			1,657,236
<b>Outstanding Claims Reserve</b>			<b>1,952,304,278</b>
	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
USD			
EUR			
<b>Total</b>	(7,760,330)	18,7320	(145,366,502)
<b>Payables from Insurance Operations</b>	(4,302,194)	19,9708	(85,918,256)
			(135,639)
			<b>(231,420,397)</b>
	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
EUR			
Other			
<b>Total</b>	(86,101,316)	18,7320	(1,612,849,851)
	(19,613,910)	19,9708	(391,705,474)
<b>Payables to Suppliers</b>			(2,275,035)
			<b>(2,006,830,360)</b>
USD			
	<b>Amount in Foreign Currency</b>	<b>Exchange Rate</b>	<b>Amount TRY</b>
EUR			
<b>Total</b>	(1,284,232)	18,7320	(24,056,234)
<b>Net Foreign Currency Position</b>	(507,694)	19,9708	(10,139,055)
<b>Banks (Foreign Currency)</b>			(20,493)
			<b>(34,215,782)</b>
USD			
EUR			
			<b>1,138,535,662</b>

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**13. Derivative Financial Instruments**

During the period between 1 January – 31 December 2023, 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 26,529 (1 January – 31 December 2022: TRY 64,994,927).

**14. Cash and Cash Equivalents**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Cash at Banks	3,004,000,502	4,994,282,190
<i>Time Deposit</i>	2,808,277,494	4,925,413,345
<i>Demand Deposit</i>	195,723,008	68,868,845
Bank Guaranteed Credit Card Receivables with Maturities less than three months	2,322,980,983	215,415,991
<b>Total</b>	<b>5,326,981,485</b>	<b>5,209,698,181</b>
Interest Accrual on Cash and Cash Equivalents	(382,121,797)	(29,221,893)
Blocked Deposits (*)	33,333,333	-
<b>Cash Flow Based Grand Total</b>	<b>4,978,193,021</b>	<b>5,180,476,288</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 31 December 2023 and 2022 are as follows:

	<b>31 December 2023 Annual Interest Rate (%)</b>	<b>31 December 2022 Annual Interest Rate (%)</b>
TRY	32.00 - 52.23	10.40 - 45.75
USD	0.05 - 0.05	0.05 - 0,1
EUR	0.01 - 3.93	0.01

As of 31 December 2023, the maturities of TRY deposits are between 2 January 2024 and 11 April 2023; The maturity of foreign currency USD deposits varies between 2 January 2024 and 4 January 2024.

As of 31 December 2022, the reverse repo transaction accounted under the Company's Other Financial Liabilities account includes none. (31 December 2022: none).

As of 31 December 2023, the Company has accounted TRY282,082 in the valuation of repurchase agreements. (31 December 2022: TRY723,666) (Note 26).

**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 31 December 2023 and 31 December 2022 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 can 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.

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

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**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****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 31 December 2023, the Company has legal reserves amounting to TRY 111,936,210 (31 December 2022: TRY 111,936,210).

<b>Special Funds (reserves)</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Actuarial (gain)/loss	10,248,582	23,070,953
<b>Total</b>	<b>10,248,582</b>	<b>23,070,953</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. (31 December 2022: 3,463,617)

**Gains from sale of fixed asset**

As of 31 December 2023, company has no Capital Reserve. (31 December 2022: None).

**Extraordinary Reserves**

On 26 January 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 31 December 2023 the Company has Extraordinary Reserves amounting to TRY 200,091,508 (31 December 2022: TRY 200,091,508).

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.

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**15. Share Capital (Continued)**

**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 (31 December 2022: 161,200,000,000 shares with a nominal amount of TRY 0.01 each).

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

None (31 December 2022: None).

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

Nominal value of equity shares is TRY0.01 per share (31 December 2022: TRY0.01 per share).

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

	<b>Number of Shares</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Beginning of the Period, 1 January</b>	161,200,000,000	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>161,200,000,000</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.

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

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

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

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



# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

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### 15. Share Capital (Continued)

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

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

None (31 December 2022: None).

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

None (31 December 2022: None).

#### 15.4 Share based payments

None (31 December 2022: 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

	31 December 2023	31 December 2022
Available for sale financial assets valuation difference	74,056,429	2,508,795
Deferred tax effect	(22,216,929)	(627,199)
Deferred tax effect of VUK inflation differences	79,237,910	-
<b>Total</b>	<b>131,077,410</b>	<b>1,881,596</b>

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

None (31 December 2022: None).

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

None (31 December 2022: None).

#### 16.4 Hedging against financial risks

Disclosed in note 34.5.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

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

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

**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**

	2023 Increase/(Decrease)	2022 Increase/(Decrease)
<b>Beginning of the Period, 1 January</b>	1,881,596	(30,139,525)
Increase/decrease in value recognized under the shareholders' equity in the current period	129,195,814	32,021,121
<b>End of the Period,</b>	<b>131,077,410</b>	<b>1,881,596</b>

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

None (31 December 2022: None).

**16.7 Revaluation increases in tangible fixed assets**

None (31 December 2022: None).

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

None (31 December 2022: 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	31 December 2023		31 December 2022	
	Amount to be Provided	Current Blockage	Amount to be Provided	Current Blockage
Life	2,168,648	2,205,350	1,470,766	2,211,500
Government Bonds		2,205,350		2,211,500
Non-Life (*)	1,065,256,537	1,822,621,919	671,930,181	832,025,834
Government Bonds		340,467,696		
Eurobond		1,484,259,573		832,025,834
<b>Total</b>	<b>1,067,422,185</b>	<b>1,824,727,269</b>	<b>673,400,948</b>	<b>834,237,334</b>

(\*) 31 December 2023, the required guarantee amount has been calculated based on capital requirements in 31 December 2023.

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

(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

	2023		2022	
	Unit	Mathematical Reserves TRY	Unit	Mathematical Reserves TRY
<b>Beginning of the Period, 1 January</b>	155	1,325,877	TRY	1,343,509
Participations in the Current Period	-	-	-	-
Leavings in the Current Period	-	698,081	(2)	(17,632)
<b>End of Period, 31 December</b>	<b>155</b>	<b>2,023,958</b>	<b>155</b>	<b>1,325,877</b>

Mathematical reserves amounting to TRY2,023,958 (31 December 2022: TRY1,325,877) and Reserves for the policies, investment risk of which belongs to life insurance policy holders amounting TRY 202,396 (31 December 2022: TRY 132,588) 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 31 December 2023, there is no difference in the value accounted in Life Mathematical Reserve account discounted with current value (31 December 2022: None).

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

Branch	31 December 2023	31 December 2022
Motor Crafts Liability	83,452,316,316,024	66,361,480,983,801
Disease/Health	2,168,580,790,781	2,094,305,236,668
Fire and Natural Disaster	5,746,715,688,745	3,562,430,488,643
General Losses	1,197,490,771,834	772,976,232,121
Transportation	1,632,088,040,277	956,532,696,798
General Liability	485,697,448,513	266,278,685,542
Financial Losses	676,738,718,010	388,037,488,779
Motor Own Damage	912,103,841,675	511,336,853,734
Air-Crafts Liability	483,716,520,050	316,646,805,750
Accident	74,236,508,834	54,323,879,115
Legal Protection	10,174,524,143	9,581,314,764
Air Crafts	39,570,614,758	15,344,270,144
Suretyship	9,902,544,987	3,508,319,185
Credit	1,981,124,051	2,566,411,902
Water Craft	98,405,718,756	-
<b>Total</b>	<b>96,989,719,171,438</b>	<b>75,315,349,666,946</b>

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

None (31 December 2022: None).

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

None (31 December 2022: None).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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(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 (31 December 2022: None).

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

None (31 December 2022: None).

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

None (31 December 2022: None).

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

None (31 December 2022: None).

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

None (31 December 2022: 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 (31 December 2022: None).

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

None (31 December 2022: 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:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>Profit Share Distribution</b>	<b>Profit Share Distribution</b>
TRY (Life Insurance)	9.00	9.00

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

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

None (31 December 2022: 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>31 December 2023</b>	<b>31 December 2022</b>
Reinsurance Share of Outstanding Claims Reserve (Note 4.1.2.2)	9,329,965,090	3,710,864,552
Reinsurance Share of Unearned Premiums Reserve (Note 20)	9,487,695,045	3,808,591,870
Equalization Provision Reinsurer Share (Note 20)	880,501,141	485,464,437
Deposits of Reinsurance Company (Note 12.1)	401,807,474	141,890,343
Ongoing Risks Provision Reinsurer Share (Note 20)	503,140,110	201,429,210
Bonus and rebates provision Reinsurance Share (Not 20)	245,747	233,659
Deposits of Reinsurance Company (Note 12.1)	-	30,954

<b>Total</b>	<b>20,603,354,607</b>	<b>8,348,505,025</b>
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<b>Reinsurance Debts</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Payables to Insurance and Reinsurance Companies (Note 19.1)	5,155,855,256	2,052,543,633
Deferred Commissions Income (Note 19.1)	1,306,143,694	531,238,119

<b>Total</b>	<b>6,461,998,950</b>	<b>2,583,781,752</b>
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**Income/Expense on Reinsurance Agreements**

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Reinsurance Share of Outstanding Claims Reserve	5,619,100,538	1,061,366,107
Reinsurance Share of Unearned Premiums Reserve (Note 20)	5,679,103,174	1,882,605,963
Reinsurance Share of Claims Paid	9,300,885,392	2,221,757,732
Commissions Received (Note 32)	1,566,370,313	633,142,504
Bonus and rebates provision Reinsurance Share (Not 20)	12,088	(534,748)
Ongoing Risks Provision Reinsurer Share (Note 20)	301,710,899	(55,413,857)
Premiums Ceded to Reinsurers (-)	(17,396,625,668)	(6,706,047,686)

<b>Total</b>	<b>5,070,556,736</b>	<b>(963,123,985)</b>
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FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

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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	31 December 2023				31 December 2022	
	Reinsurance Share of Technical Reserves (**)	Premiums Ceded (*)	Share of Technical Reserves (**)	Premiums Ceded (*)	Reinsurance Share of Technical Reserves (**)	Reinsurance Share of Technical Reserves (**)
Fire and Natural Disaster	(5,582,089,836)	3,480,380,607	5,653,144,919	(2,286,126,904)	1,242,667,865	796,047,750
Motor Crafts Liability	(2,850,890,884)	2,733,281,904	804,863,944	(705,774,337)	167,918,398	342,443,142
Health	(2,278,162,883)	614,677,351	1,121,069,316	(956,651,196)	315,283,086	565,094,904
General Losses	(2,211,462,703)	1,313,428,988	601,274,963	(920,353,816)	356,345,791	279,108,185
Financial Losses	(1,125,830,418)	1,637,521,316	330,010,780	(424,488,627)	164,160,097	79,189,544
Motor Own Damage	(1,233,077,653)	678,392,409	452,374,762	(118,349,579)	81,185,152	3,093,634
General Liability	(927,042,913)	143,304,005	129,541,361	(620,044,256)	359,518,462	64,338,732
Transportation	(321,723,816)	301,668,650	72,248,193	(239,836,699)	118,494,796	60,203,975
Water Crafts	(256,068,687)	100,988,938	48,497,282	(110,527,224)	72,286,772	10,947,561
Air Crafts Liability	(288,836,525)	32,061,227	29,875	(187,844,210)	95,059,556	772
Air Crafts	(156,488,756)	89,656,354	68,754,226	(72,985,458)	16,729,989	13,083,575
Accident	(52,352,355)	17,624,034	8,479,613	(28,738,100)	4,805,421	6,615,480
Credit	(11,259,231)	1,741,767	8,938,593	(7,537,764)	1,636,215	66,086
Suretyship	(101,336,589)	455,197,380	1,648,285	(26,789,516)	(108,068,135)	1,524,392
Legal Protection	(2,419)	1,769	9,280	-	-	-
<b>Total</b>	<b>(17,396,625,668)</b>	<b>11,599,926,699</b>	<b>9,300,885,392</b>	<b>(6,706,047,686)</b>	<b>2,888,023,465</b>	<b>2,221,757,732</b>

(\*) As explained in Note 2.15, Transferred Premiums amounted to TRY434,053,951 (31 December 2022: TRY235,919,245) transferred to the Social Security Institution as of December 31, 2023.

(\*\*) 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**

	2023	
	Insurance Payables	Reinsurance Assets
Beginning of the Period, 1 January	2,583,781,752	8,348,505,025
Net change of the year	3,878,217,198	12,254,849,582
<b>End of the period – 31 December</b>	<b>6,461,998,950</b>	<b>20,603,354,607</b>
	2022	
	Insurance Payables	Reinsurance Assets
Beginning of the Period, 1 January	1,480,465,096	5,171,408,394
Net change of the year	1,103,316,656	3,177,096,631
<b>End of the period – 31 December</b>	<b>2,583,781,752</b>	<b>8,348,505,025</b>

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**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 31 December 2023 amounted to TRY1,708,733,645 (31 December 2022: TRY885,958,057) and TRY1,306,143,694 (31 December 2022: TRY531,238,119), 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**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Payables from Insurance and Reassurance Operations (Note 17.16)	5,155,855,256	2,052,543,633
<b>Payables from Insurance Operations</b>	<b>5,155,855,256</b>	<b>2,052,543,633</b>
Current account of natural catastrophe insurance	103,431,814	78,158,956
Payables to sellers	222,403,859	126,119,670
Negotiated service and debts to institutions	73,293,131	58,594,811
Other	-	1,117,874
DASK debts to agencies	2,656,924	2,113,421
	<b>401,785,728</b>	<b>266,104,732</b>
<b>Payables to SSI regarding medical expenses</b>	<b>178,631,352</b>	<b>69,641,878</b>
Deferred commission income (Not 17.16)	1,306,143,694	531,238,119
Provision for Cost Expenses (Not 23.4)	274,370,607	96,230,891
<b>Deferred Income and Expense Accruals</b>	<b>1,580,514,301</b>	<b>627,469,010</b>
<b>Total Short-Term Liabilities</b>	<b>7,316,786,637</b>	<b>3,015,759,253</b>
<b>Total Trade and Other Payables, Deferred Income</b>	<b>7,316,786,637</b>	<b>3,015,759,253</b>

**19.2 Related Party Disclosures**

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

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

**20. Payables**

<b>Insurance Technical Reserves</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Unearned Premiums Reserve - Net (*)	5,755,788,715	3,897,966,852
Unexpired Risks Reserve - Net (Note 4.1.2.2)	3,619,726,646	2,788,449,164
Equalization Provision – Net	85,298,741	154,900,203
Mathematical Reserves - Net	2,023,958	1,325,877
Ongoing Risks Provision- Net	520,806,201	153,218,079
Bonus and Discount Provisions - Net	13,293	10,224
<b>Total</b>	<b>9,983,657,554</b>	<b>6,995,870,399</b>

(\*) While calculating the income statement effect of the provisions for unearned premiums, TRY21,635,410 the deferral effect of the premiums transferred to assistance companies, which is included in operating expenses, has been netted off (31 December 2022: TRY10,125,503)

As disclosed in Note 2.15, the reinsurers' share of unearned premiums includes SSI share as of 31 December 2023 which is TRY102,242,133 (31 December 2022: TRY16,042,069 the reinsurers' share of unearned premiums)

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

**Unearned Premium Reserve:**

	31 December 2023			31 December 2022		
	Gross	Reinsurance (*)	Net	Gross	Reinsurance (*)	Net
<b>Beginning of the Period, 1 January</b>	7,706,558,722	(3,808,591,870)	3,897,966,852	3,938,317,399	(1,925,985,907)	2,012,331,492
Net change	7,536,925,037	(5,679,103,174)	1,857,821,863	3,768,241,323	(1,882,605,963)	1,885,635,360
<b>End of the Period, 31 December</b>	<b>15,243,483,759</b>	<b>(9,487,695,044)</b>	<b>5,755,788,715</b>	<b>7,706,558,722</b>	<b>(3,808,591,870)</b>	<b>3,897,966,852</b>

(\*) The reinsurance share for unearned premiums also includes the share of SSI amounting to TRY102,242,133 (31 December 2022: TRY16,042,069 the reinsurers' share of unearned premiums),

**Unexpired Risk Reserve:**

	31 December 2023			31 December 2022		
	Gross	Reinsurance	Gross	Reinsurance	Gross	Reinsurance
<b>Beginning of the Period, 1 January</b>	354,647,290	(201,429,211)	153,218,079	350,168,151	(256,843,068)	93,325,083
Net change	669,299,021	(301,710,899)	367,588,122	4,479,139	55,413,857	59,892,996
<b>End of the Period,31 December</b>	<b>1,023,946,311</b>	<b>(503,140,110)</b>	<b>520,806,201</b>	<b>354,647,290</b>	<b>(201,429,211)</b>	<b>153,218,079</b>

**Equalization Reserve:**

	31 December 2023			31 December 2022		
	Gross	Reinsurance	Gross	Reinsurance	Gross	Reinsurance
<b>Beginning of the Period, 1 January</b>	640,364,640	(485,464,437)	154,900,203	415,818,190	(298,108,145)	117,710,045
Net change	325,435,242	(395,036,704)	(69,601,462)	224,546,450	(187,356,292)	37,190,158
<b>End of the Period, 31 December</b>	<b>965,799,882</b>	<b>(880,501,141)</b>	<b>85,298,741</b>	<b>640,364,640</b>	<b>(485,464,437)</b>	<b>154,900,203</b>

(\*) The company has offset the net 61,057 TL paid for Düzce Earthquake damages occurring in 2022 and the net 154,503,882 TL paid for Kahramanmaraş Earthquake damages occurring in 2023 from the balancing provision it has allocated in previous years. (31 December 2022: TRY3,090,074)



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**20. Payables (Continued)**

**Provision for bonus and discount**

	31 December 2023		31 December 2022			
	Gross	Reinsurance	Gross	Reinsurance	Gross	Reinsurance
Beginning of the Period, 1 January	243,883	(233,659)	10,224	773,975	(768,407)	5,568
Net change	15,157	(12,088)	3,069	(530,092)	534,748	4,656
<b>End of the Period, 31 December</b>	<b>259,040</b>	<b>(245,747)</b>	<b>13,293</b>	<b>243,883</b>	<b>(233,659)</b>	<b>10,224</b>

**Outstanding claims reserve:**

The movement of Outstanding Claims Reserve of 2023 and 2022 are presented in note 4.1.1.3.

**Lease Liabilities**

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

	31 December 2023	31 December 2022
Short-term rent liabilities	40,840,102	27,858,335
Long-term rent liabilities	41,998,044	30,762,568
Alternative borrowing rate and discount amount	(20,375,770)	(12,657,993)
<b>Total rent liabilities</b>	<b>62,462,376</b>	<b>45,962,910</b>
	<b>31 December 2023</b>	<b>31 December 2022</b>
Beginning of the Period, 1 January Lease Liabilities	45,962,910	27,564,034
Rent payments (Real Estates and Motor Vehicles)	(40,292,876)	(364,744)
Interest Payments	17,081,898	(20,648,629)
New lease agreements	29,842,842	7,227,787
Change in lease agreements	9,867,602	32,184,462
<b>Total rent liabilities</b>	<b>62,462,376</b>	<b>45,962,910</b>

**Payables to Credit Institutions**

None. (31 December 2022: 544,473,125 TL)

**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.

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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 8 May 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 insurance premiums calculated for its share to the pension fund.

**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 31 December 2023 and 31 December 2022; 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 31 December 2023; the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 2.72% (31 December 2022: 0,5%) The anticipated rate of forfeitures is considered and estimated rate of the Company's retirements pay is also taken into account.

Actuarial loss amounting to TRY8,387,575 (Deferred tax effect: TRY30,761,271) in the calculation of severance pay provision is accounted in the account of private funds under the equity (Note 15.2).

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

As the maximum liability is updated semi-annually, as of 31 December 2023, the maximum amount of TRY 35,058 effective from 1 July,2022 has been taken into consideration in calculation of provision from employment termination benefits (31 December 2022: TRY19,983).

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

	2023	2022
<b>Beginning of the period, 1 January</b>	33,744,176	14,112,606
Charge for the period (Note 47)	9,734,023	3,381,887
Actuarial Gain/(Loss)	8,387,575	20,113,078
Retirement Payments (-)	(34,428,571)	(3,863,395)
<b>End of the period, 31 December</b>	<b>17,437,203</b>	<b>33,744,176</b>

**23. Other Liabilities and Expense Accruals**

**23.1 Provisions related to employee benefits and others**

	2023		2022	
	Unused Vacations Provisions	Social Security Premiums Payable	Unused Vacations Provisions	Social Security Premiums Payable
<b>Beginning of the period, 1 January</b>	7,694,606	689,939	3,690,561	235,747
Movements in the Current Period	17,051,634	199,581,154	4,736,668	83,980,744
Payments in the Current Period	(3,956,510)	(199,361,405)	(732,623)	(83,526,552)
<b>End of the period, 31 December</b>	<b>20,789,730</b>	<b>909,688</b>	<b>7,694,606</b>	<b>689,939</b>

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

Company's statement of pledges and commitments as of 31 December 2023 and 31 December 2022 are presented below:

	31 December 2023		31 December 2022	
	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	-	<b>18,933,842</b>	-	<b>8,168,243</b>
Turkish Lira	18,933,842	18,933,842	8,168,243	8,168,243
USD	-	-	-	-
D. Total amount of the other CPM's given	-	-	-	-
i. Total amount of CPM's given in favor of the parent company	-	-	-	-
ii. Total amount of CPM's given in favor of other group companies not included in clauses B and C	-	-	-	-
iii. Total amount of CPM's given in favor of third parties not included	-	-	-	-
Turkish Lira	-	-	-	-
<b>Total</b>		<b>18,933,842</b>		<b>8,168,243</b>

Other CPM's given by the Company is zero in proportion to the Company's equity (31 December 2022: None).

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

**23.3 Provisions, Contingents Assets and Liabilities**

<b>Contingent Liabilities</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Outstanding Claims under Litigation (*)	3,695,399,914	1,850,339,823
Unused Vacation allowance	20,789,730	7,694,606
Business Cases Provision	2,001,288	1,526,062
<b>Total</b>	<b>3,718,190,932</b>	<b>1,859,560,491</b>
<b>Contingent Assets</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Subrogation Receivable Litigations, Gross	966,382,419	476,415,678
Trade Receivable Litigations and Executions	9,754,253	9,512,014
<b>Total</b>	<b>976,136,672</b>	<b>485,927,692</b>

(\*) Outstanding claims provision consists of net receivables, interest, and expenses & agency fees in the amount of TRY2,064,213,460, TRY616,633,274 and TRY1,014,553,180 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 16 January 2015, the Company filed a reconciliation request for the year 2009 and on 20 February 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 15 February 2018, and on 27 February 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>31 December 2023</b>	<b>31 December 2022</b>
Commission provision (*)	111,760,501	35,174,020
Expense provision	7,665,855	4,102,832
Guarantee fund provision	40,999,395	26,643,891
Performance premium provision	51,667,360	16,808,930
Business cases provision	2,001,288	1,526,062
Allowance	20,789,730	7,694,608
BSMV fund provision	36,359,595	3,397,304
Other	3,126,883	883,244
<b>Total</b>	<b>274,370,607</b>	<b>96,230,891</b>

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

# AKSIGORTA A.Ş.

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### 24. Net Insurance Premium Revenue

	1 January- 31 December 2023		
	Gross	Reinsurance share	Net
Motor Own Damage	5,914,419,949	(1,233,077,654)	4,681,342,295
Motor Crafts Liability (*)	5,690,988,600	(2,850,890,884)	2,840,097,716
Fire and Natural Disaster	6,619,368,716	(5,582,089,837)	1,037,278,879
Health	2,559,286,166	(2,278,162,883)	281,123,283
General Losses	2,381,552,903	(1,942,663,027)	438,889,876
General Liability	1,301,548,487	(1,195,800,039)	105,748,448
Financial Losses	1,232,682,097	(1,125,830,418)	106,851,679
Transportation	415,300,903	(321,723,816)	93,577,087
Air Crafts Liability	288,837,616	(288,836,525)	1,091
Accident	321,080,453	(52,394,903)	268,685,550
Water Crafts	295,488,568	(256,068,687)	39,419,881
Air Crafts	156,489,043	(156,488,756)	287
Fidelity Guarantee	104,250,161	(101,336,589)	2,913,572
Credit	11,446,411	(11,259,231)	187,180
Legal Protection	6,008,097	(2,419)	6,005,678
<b>Total - Non-life branches</b>	<b>27,298,748,170</b>	<b>(17,396,625,668)</b>	<b>9,902,122,502</b>
<b>Written premium - Life branch</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>27,298,748,170</b>	<b>(17,396,625,668)</b>	<b>9,902,122,502</b>

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

(\*) Reinsurance share of land vehicles liability branch amounting to TRY434,053,951 (1 January- 31 December 2022: TRY235,919,245) includes premiums to be ceded to SSI.

### 25. Fee Income

None (1 January – 31 December 2022: None.).

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

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
<b>Realized Investment Income/Expenses</b>		
Term Deposit	480,453,023	144,563,831
Eurobond	295,171,496	334,083,624
Investment Fund	138,200,324	173,110,860
Government Bond	148,925,777	76,291,650
Corporate Bonds	30,011,430	87,328,175
Stock	47,306,259	95,057,846
Repo	-	(1,102,527)
Treasury Bond	(4,169,246)	-
Derivative Instruments	(8,864,491)	63,846,886
<b>Total</b>	<b>1,127,034,572</b>	<b>973,180,345</b>
<b>Unrealized Investment Income/(Expenses)</b>		
Investment Fund	668,048,871	8,022,165
Term Deposit	319,636,016	42,778,351
Government Bond	(53,871,299)	65,384,690
Repo	282,082	723,666
Treasury Bond	(153,360)	(119,761)
Corporate Bonds	3,677,815	(16,463,111)
Stock	(1,974,869)	-
Derivative Instruments	-	1,148,041
Eurobond	(31,687,439)	73,771,895
<b>Total</b>	<b>903,957,817</b>	<b>175,245,936</b>
<b>Investment Income/Expense, Net</b>	<b>2,030,992,389</b>	<b>1,148,426,281</b>

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

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
<b>Financial Assets Available for Sale</b>		
Valuation differences recognized under shareholders' equity	51,839,500	1,881,596
<b>Total</b>	<b>51,839,500</b>	<b>1,881,596</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 33,605,964 as of 31 December 2023 (1 January – 31 December 2021 TRY29,236,878)

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**29. Insurance Rights and Demands**

<b>Outstanding Claims Reserve Expenses</b>	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Motor Crafts Liability	492,730,865	620,653,198
Motor Own Damage	317,949,284	104,303,665
General Losses	20,695,549	11,961,956
Transportation	23,287,687	6,662,332
Financial Losses	(6,136,222)	9,600,406
Suretyship	12,237,729	(2,255,507)
Water Crafts	9,901,015	4,478,913
Accident	1,285,260	429,390
Legal Protection	35,674	(232,083)
Credit	(59,632)	60,036
Air Crafts Liability	6,170	6,264
Air Crafts	122	604
General Liability	(20,804,235)	27,002,652
Health	(760,653)	886,316
Fire and Natural Disaster	(19,089,659)	36,943,421
<b>Total Non-life</b>	<b>831,278,954</b>	<b>820,500,355</b>
Life	(1,474)	(2,604)
<b>Total (*)</b>	<b>831,277,480</b>	<b>820,497,751</b>

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

**30. Investment Agreement Types**

None. (31 December 2022: None).

**31. Mandatory Other Expenses**

Types of expenses are disclosed in Note 32.

**32. Expense Type**

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Production Commissions (-)	(2,556,779,618)	(1,275,160,426)
Employee Wages and Expenses (-) (*) (Note 33)	(634,174,919)	(257,683,578)
Information Technology Expenses (-)	(123,553,964)	(62,484,025)
Lease Expenses (-)	(794,622)	-
Meeting and Training Expenses (-)	(66,262,648)	(19,212,651)
Outsourced Benefits and Services (-)	(14,078,650)	-
Transportation Expenses (-)	(17,593,743)	(8,490,299)
Social Relief Expenses (-) (Not 33)	(46,925,013)	(13,859,834)
Advertisement Expenses (-)	(22,927,434)	(14,064,390)
Maintenance Expenses (-)	(488,937)	-
Communication Expenses (-)	(136,219)	-
Reinsurance Commissions (+)	1,566,370,313	633,142,504
Other (-)	(82,719,148)	(45,473,871)
<b>Total</b>	<b>(2,000,064,602)</b>	<b>(1,063,286,570)</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**

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Salary and Bonus Payments	(496,496,877)	(203,154,858)
Insurance Payments	(123,284,029)	(49,665,497)
Other Payments	(61,319,026)	(18,723,057)
<b>Total (Not 32)</b>	<b>(681,099,932)</b>	<b>(271,543,412)</b>

**34 Financing Cost**

**34.1 Financial Expenses:**

The Group has an interest expense of TRY17,081,898 for the lease contracts accounted for under TFRS 16 in the period of 1 January – 31 December 2023 (1 January – 31 December 2022: TRY7,227,787). There is a total interest expense of TRY165,892, 42,782,995 TL based on financial leasing agreements and TRY60,030,785 based on the financing received from credit institutions (1 January – 31 December 2022: 107,008,731.)

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

None. (31 December 2022: 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. (31 December 2022: None).

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

None. (31 December 2022: None).

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

None. (31 December 2022: None).



## AKSİGORTA A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

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#### 35. Corporate Tax

	31 December 2023	31 December 2022
<b><u>Current Tax Liability:</u></b>		
Corporate Tax Liability Provision on Period Profit	148,228,750	-
Prepaid Taxes and Other Liabilities on Period Profit (-)	(31,748,380)	-
Withholdings paid in advance through deduction	(4,531,989)	(3,664,432)
<b>Total</b>	<b>111,948,381</b>	<b>(3,664,432)</b>

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

	1 January- 31 December 2023	1 January- 31 December 2022
Current Tax Income/(Expense)	(148,228,750)	-
Deferred Tax Income/(Expense) due to Temporary Differences	92,079,765	185,277,610
<b>Total Tax Income/(Expense)</b>	<b>(56,148,985)</b>	<b>185,277,610</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 2023, 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 30% for realizable in 2022, and 23% for the following years (31 December 2022: 20%).

The deferred tax asset/liability movement is as follows:

Deferred Tax	2023	2022
<b>Recognized in the Shareholders' Equity:</b>		
Valuation of Financial Assets Available for Sale	(22,216,929)	(627,199)
Actuarial Gain/Loss Effect	4,392,250	7,690,318
Deferred tax effect of VUK inflation differences	79,237,910	-
<b>Total</b>	<b>61,413,231</b>	<b>7,063,119</b>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

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

### 35. Corporate Tax (Continued)

Deferred tax items are as follows:

Deferred Tax Assets/(Liabilities)	Temporary	Temporary	Deferred Tax	Deferred Tax
	Differences	Differences	Assets/ (Liabilities)	Assets/ (Liabilities)
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Ongoing Risks	520,806,200	153,218,079	156,241,860	38,304,520
Expense reserves (Not 23.4)	156,442,989	59,422,047	46,932,897	14,855,512
Tangible and intangible assets	162,244,525	196,938,531	48,398,078	49,234,633
Provision for doubtful receivables	45,108,415	46,452,664	13,532,525	11,613,166
Performance premium provision (Note 23,4)	45,367,360	16,808,930	13,610,208	4,202,232
Balancing Equivalent	26,870,236	14,972,733	8,061,071	3,743,183
Provision for employment termination benefits (Note 22)	17,242,714	33,744,176	5,172,814	8,436,044
Unused vacation allowance (Note 23,4)	20,789,731	7,694,606	6,236,919	1,923,652
Vaksa Donation	-	-	-	-
Currency valuation differences	7,736,633	(5,740,238)	2,320,990	(1,435,061)
Tangible assets leasing	10,125,409	5,287,130	3,037,623	1,321,783
Bonuses and Discounts	13,293	10,224	3,988	2,556
Investment fund valuation effect	-	(1,148,041)	-	(287,010)
Period Financial Loss	56,970,767	373,259,896	17,091,230	93,314,974
Instrument Valuation Effect	(82,903,690)	7,445,920	(104,109,016)	1,861,480
<b>Deferred Tax Assets/(Liabilities)</b>	<b>1,093,506,123</b>	<b>915,793,980</b>	<b>375,007,006</b>	<b>228,577,129</b>

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

	31 December 2023	31 December 2022
Profit before tax	1,258,686,675	(304,940,761)
Calculated tax revenue: 30% (2022: 25%)	(377,606,003)	76,235,190
Effect of additions	(183,540,805)	(64,389,559)
Effect of discounts, net	504,997,823	265,261,488
Tax impact of tax loss	-	(93,314,974)
<b>Total Tax Expense</b>	<b>(56,148,985)</b>	<b>183,792,145</b>

	31 December 2023	31 December 2022
Profit before tax	1,258,686,675	(304,940,761)
Calculated corporate tax provision	(377,606,003)	76,235,190
Legally unacceptable and other expenses	(21,456,724)	(9,480,597)
Income subject to tax exemption (*)	342,913,742	117,037,552
<b>Total tax expense/income in the income statement</b>	<b>(56,148,985)</b>	<b>183,792,145</b>

(\*) The company's tax exemption items consist of items such as economic assets subject to depreciation, VUK 12-month valuation increase depreciation, and investment fund exemption.

### 36. Net Foreign Exchange Gain/Loss

	1 January- 31 December 2023	1 January- 31 December 2022
Recognized in Profit/Loss:		
Foreign Exchange Income	3,265,713,483	1,207,382,169
Foreign Exchange Expense	(2,347,511,714)	(764,778,207)
<b>Total</b>	<b>918,201,769</b>	<b>442,603,962</b>

# AKSIGORTA A.Ş.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

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

### 37. Earnings per Share

	2023	2022
Number of Equity Shares Outstanding	161,200,000,000	30,600,000,000
<b>Beginning Period, 1 January</b>	<b>161,200,000,000</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	161,200,000,000
<b>End of Period, 31 December</b>	<b>161,200,000,000</b>	<b>161,200,000,000</b>
Weighted Average Number of Outstanding Shares (Unit of 1; TRY 0.01)	161,200,000,000	161,200,000,000
Net Profit for the Period/(Loss) (TRY)	1,150,606,227	(127,345,302)
Earnings/(Loss) per Share (TRY)	7.138	(0,079)

### 38. Dividends per share

Based on the decision taken at the Ordinary General Assembly Meeting held on 31 March 2023, the Group did not distribute profit to the shareholders, as there was no profit in the financial statements containing the operating results for 2022. (31 December 2022: None).

### 39. Cash Generated from the Operations

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

### 40. Equity Share Convertible Bonds

None (31 December 2022: None).

### 41. Cash Convertible Privileged Equity Shares

None (31 December 2022: None).

### 42. Risks

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

### 43. Commitments

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

### 44. Business Combinations

None (31 December 2022: None).

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

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

**45. Related Parties**

**Related Party Receivables/(Payables)**

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

<b>Bank Deposit</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Group Companies	126,178,370	805,864,759
<b>Total</b>	<b>126,178,370</b>	<b>805,864,759</b>
<b>Private Sector Bonds</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Group Companies	-	78,353,737
<b>Total</b>	<b>-</b>	<b>78,353,737</b>
<b>Investment Funds</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Group Companies	3,719,402,606	152,529,871
<b>Total</b>	<b>3,719,402,606</b>	<b>152,529,871</b>
<b>Related Party Receivables/(Payables)</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Group Companies	486,080,604	56,249,402
Receivables from shareholders	159,023	315,066
Payables to shareholders	2,967	(1,157,309)
<b>Total</b>	<b>486,242,594</b>	<b>55,406,959</b>
<b>Premium production</b>	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Group Companies	1,416,693,662	424,479,919
Shareholders	24,150,885	10,829,352
<b>Total</b>	<b>1,440,844,547</b>	<b>435,309,271</b>
<b>Claims Paid</b>	<b>1 January- 31 December 2023</b>	<b>1 January - 31 December 2022</b>
Group Companies	1,015,327,846	23,689,175
Shareholders	98,724	6,243
<b>Total</b>	<b>1,015,426,570</b>	<b>23,695,419</b>
<b>Interest Income Received from Related Part</b>	<b>1 January – 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Group Companies	45,954,768	29,506,396
<b>Total</b>	<b>45,954,768</b>	<b>29,506,396</b>
<b>Commission Expenses</b>	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Group Companies	413,257,199	221,474,450
<b>Total</b>	<b>413,257,199</b>	<b>221,474,450</b>

## AKSIGORTA A.Ş.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

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

#### 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>31 December 2023</b>	<b>31 December 2022</b>
Receivables from Tarım Sigortaları A.Ş.	58,508,939	29,869,201
Receivables from Agencies due to DASK Premiums	10,096,361	9,671,229
Other Receivables	17,236,020	7,234,743
<b>Total</b>	<b>85,841,320</b>	<b>46,775,173</b>

<b>Other Short-Term Payables</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Turkish Catastrophe Insurance Pool Payables to agencies	103,431,814	78,158,956
Payables to suppliers	222,403,859	126,119,670
Payables to contracted enterprises	73,293,131	58,594,811
Other	-	1,117,874
Payables to Turkish Catastrophe Insurance Pool	2,656,924	2,113,421
<b>Total</b>	<b>401,785,728</b>	<b>266,104,732</b>

<b>Other Prepaid Expenses</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Prepaid Expenses	69,334,340	14,407,778
<b>Total</b>	<b>69,334,340</b>	<b>14,407,778</b>

<b>Other Prepaid Expenses (Long Term)</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Prepaid Expenses	830,165	110,304
<b>Total</b>	<b>830,165</b>	<b>110,304</b>

Assistance services under other technical expenses in the income statement, amounting to TRY536,063,397 (31 December 2022: TRY283,170,707), consist of deferral of these amounts and technical expenses of these services.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023**

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

**47. Other (Continued)**

<b>Income and Profit/Expenses and Losses from Other and Extraordinary Activities</b>	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Provisions Account (+/-)	(58,241,663)	(17,641,324)
Provisions for doubtful receivable	(4,322,894)	(5,952,779)
Donation expenses	-	-
Portfolio Management	(2,457,727)	(2,114,710)
Retirement pay provision (Note 22)	(34,047,545)	(3,381,887)
Unused vacation provision (Note 23.1)	(17,051,634)	(4,736,668)
Provision for other expenses	(361,863)	(1,455,280)
Specialized Insurance Account (+/-)	12,996,481	6,798,025
Deferred tax asset account (+/-) (Note 35)	92,079,765	185,277,610
Other expenses and losses (-)	17,780,403	9,956,934
Other income and profits	(275,641,175)	(139,889,466)
Bank expenses	(230,562,255)	(114,105,950)
Disallowable expenses	(11,254,888)	(6,677,608)
Donation expenses	(9,144,036)	-
Other	(24,679,996)	(19,105,908)
<b>Total</b>	<b>(211,026,189)</b>	<b>44,501,779</b>

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

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Independent audit fee for the reporting period *	5,537,050	547,175
Fees for other assurance services *	-	133,282
<b>Total</b>	<b>5,537,050</b>	<b>680,457</b>

(\*) Fees are excluding VAT.

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