

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 AND
INDEPENDENT AUDITOR'S REPORT

(CONVENIENCE TRANSLATION OF
THE REPORT AND THE UNCONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY
ISSUED IN TURKISH)

(CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITORS' REPORT

To the General Assembly of Türkiye Sigorta A.Ş.

A) Report on the Audit of the Unconsolidated Financial Statements

1) Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye Sigorta A.Ş. ("the Company") which comprise the statement of financial position as at 31 December 2024 and the statement of income, statement of changes in shareholders' equity, and statement of cash flows for the period then ended and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with accounting and financial reporting regulations enforced by insurance legislation and Turkish Financial Reporting Standards for the matters not regulated by insurance legislation "Regulation on Insurance Accounting and Financial Reporting Principles".

2) Basis for Opinion

We conducted our audit in accordance with the regulations on the principles on auditing as set out in the insurance legislation and Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Other Matter

The independent audit of the unconsolidated financial statements of the Company for the accounting period ended 31 December 2023 was carried out by another independent auditor and an unqualified opinion was given in the independent auditor's report dated 19 February 2024.

4) Key Audit Matters

Key audit matters are those that, in our professional judgment, are of the most importance in an independent audit of the current period's unconsolidated financial statements. Key audit matters have been addressed in the context of our audit of the unconsolidated financial statements as a whole and in forming our opinion on the unconsolidated financial statements, on which we do not express a separate opinion.

Key audit matter	How the matter was addressed in the audit
Technical Provisions As of 31 December 2024, the total amount of insurance technical provisions is TL 49,467,283,012. Pursuant to the Regulation on Technical provisions, Provision for outstanding claims is recognized for the accrued and calculated but unpaid claims and damages or, if the amount cannot be calculated, for the estimated amounts and for the incurred but not reported claims and damages. Loss provisions are modelled for the estimation of ultimate losses, calculations sensitive to legal, economic and various factors/uncertainties are made; past loss experience, loss development and market conditions are also taken into consideration. As of 31 December 2024, the Company has provided outstanding claims provision amounting to TL 20,663,806,066 and these provisions constitute a significant balance in total technical provisions. The provision for outstanding claims within technical provisions has been selected as a key audit matter as it contains significant estimates and management judgements due to its nature.	The design and implementation of key controls were evaluated in the audit of these technical provisions. The procedures for performing and applying detailed tests with the sampling method were carried out. The assumptions used were evaluated and checked using actuarial techniques by certified actuaries, which we use as experts, who are part of our audit team to evaluate and recalculate the consistency of valuation methods and their regulatory compliance. In addition, the consistency and compliance of the disclosures in Notes 2.24 and 17 of the financial statements regarding the technical provisions with the Insurance Accounting and Financial Reporting Legislation were evaluated.

5) Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

The Company Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Insurance Accounting and Financial Reporting Legislation, 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 unconsolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

6) Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the regulations regarding the independent audit principles in force as per the insurance legislation and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 unconsolidated financial statements.

As part of an audit in accordance with the regulations regarding the audit principles in force as per the insurance legislation and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated 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.)
- Obtain an understanding of 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 Company's internal control.

6) Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements (cont'd)

- 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 Company's 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 unconsolidated 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 unconsolidated 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) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period 1 January – 31 December 2024 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

In accordance with the paragraph 4 of Article 398 of the TCC, the Auditor's Report on The Early Risk Identification System and Committee was submitted to the Company's Board of Directors on 28 January 2025.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Yaman Polat
Partner

İstanbul, 28 January 2025

UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2024

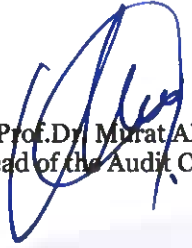
We confirm that the unconsolidated financial statements, related disclosures and footnotes as at 31 December 2024 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the financial records of our Company.

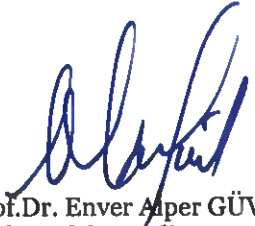
Türkiye Sigorta A.Ş.

28 January 2025


Aziz Murat ULUG
Chairman of Board


Taha ÇELİK
Vice Chairman & CEO


Prof.Dr. Murat AKBALIK
Head of the Audit Committee


Prof.Dr. Enver Alper GÜVEL
Member of the Audit Committee


Mahmut Subutay ÇELİK
Member of the Audit Committee


Murat SÜZER
Chief Financial Officer


Andaç YILMAZ
Actuary- Register No: 52

**UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024**

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TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2024 AND 2023

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

ASSETS

	Notes	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
I- Current Assets			
A- Cash and Cash Equivalents	4.2 and 14	25,228,353,912	31,546,849,088
1- Cash		-	-
2- Cheques Received		-	-
3- Cash at Banks	14	20,602,437,060	27,743,729,281
4- Cheques Given and Payment Orders		-	-
5- Bank Warrantied and Shorter Than 3 Months Credit Card Receivables	14	4,625,916,852	3,803,119,807
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Financial Investments with			
Risks on Policyholders	4.2 and 11	34,327,469,974	21,923,957,985
1- Available-for-Sale Financial Asset	4.2 and 11	11,121,213,898	3,871,674,987
2- Held to Maturity Investments	4.2 and 11	3,985,925,466	7,460,172,108
3- Financial Assets Held for Trading	4.2 and 11	19,220,330,610	10,592,110,890
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Financial Investments with Risks on Saving Life Policyholders		-	-
7- Company's Own Equity Shares		-	-
8- Diminution in Value of Financial Investments (-)		-	-
C- Receivables from Main Operations	4.2 and 12	19,005,278,041	11,330,281,918
1- Receivables from Insurance Operations	12	17,138,282,361	9,723,631,241
2- Provision for Receivables from Insurance Operations (-)	12	(87,576,453)	(21,417,917)
3- Receivables from Reinsurance Operations	12	1,950,445,023	1,624,493,048
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposits on Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful Receivables from Main Operations	12	1,234,238,817	1,001,319,127
10- Provision for Doubtful Receivables from Main Operations	12	(1,230,111,707)	(997,743,581)
D- Due from Related Parties		225,653	301,180
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		225,653	301,180
7- Rediscount on Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
E- Other Receivables	4.2 and 12	730,218,897	6,356,036
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	47	730,218,897	6,356,036
5- Rediscount on Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		418,294	418,294
7- Provision for Other Doubtful Receivables (-)		(418,294)	(418,294)
F- Prepaid Expenses and Income Accruals	17	7,400,013,011	5,152,511,063
1- Deferred Acquisition Costs	17	7,128,837,108	4,748,819,864
2- Accrued Profit and Rent Income		-	-
3- Income Accruals		-	-
4- Other Prepaid Expenses	17	271,175,903	403,691,199
G- Other Current Assets		611,193,160	230,309,471
1- Stocks to be used in the Following Months		-	-
2- Prepaid Taxes and Funds	4.2 and 12	607,136,831	224,561,689
3- Deferred Tax Assets		-	-
4- Business Advances		-	-
5- Advances Given to Personnel	4.2	14,641	-
6- Inventory Count Deficiency		-	-
7- Other Miscellaneous Current Assets		4,041,688	5,747,782
8- Provision for Other Miscellaneous Current Assets (-)		-	-
I- Total Current Assets		87,302,752,648	70,190,566,741

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

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2024 AND 2023

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

ASSETS

	Notes	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
II- Non-Current Assets			
A- Receivables from Main Operations			
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations (-)		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to the Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations (-)		-	-
B- Due from Related Parties			
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
C- Other Receivables	4.2 and 12	5,607,672	5,859,515
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given	4.2 and 12	5,607,672	5,859,515
4- Other Miscellaneous Receivables		-	-
5- Rediscount on Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
D- Financial Assets			
1- Investments in Equity Shares	9	7,228,245,626	5,332,375,978
2- Investments in Associates		5,725,880,036	4,115,460,388
3- Capital Commitments to Associates (-)		-	-
4- Investments in Subsidiaries	9	18,215,590	18,215,590
5- Capital Commitments to Subsidiaries (-)		-	-
6- Investments in Joint Ventures	9	1,484,150,000	1,198,700,000
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Financial Investments with the Risks on Policyholders		-	-
9- Other Financial Assets		-	-
10- Impairment in Value of Financial Assets (-)	9	-	-
E- Tangible Assets			
1- Investment Property	7	1,802,264,584	1,469,251,016
2- Impairment in Value of Investment Properties (-)		325,516,000	240,903,750
3- Land and Buildings Held for Utilization	6	-	-
4- Machinery and Equipment	6	1,316,612,000	1,065,101,001
5- Furnitures and Fixtures	6	161,590,916	142,872,381
6- Motor Vehicles	6	57,804,135	27,507,883
7- Other Tangible Assets, Including Leasehold Improvements	6	13,367,927	13,367,927
8- Tangible Assets Acquired Through Finance Leases	6	29,992,646	14,156,546
9- Accumulated Amortizations	6	104,190,414	104,190,414
10- Advances Given for Tangible Assets (including construction in progress)	6	(206,809,454)	(138,848,886)
F- Intangible Assets			
1- Right	8	192,271,121	66,251,083
2- Goodwill		277,243,199	114,119,418
3- Pre-Operating Expenses		-	-
4- Research and Development Costs		-	-
5- Other Intangible Assets	8	-	-
6- Accumulated Amortizations (-)	8	38,238,939	38,238,939
7- Advances Paid for Intangible Assets		(123,211,017)	(86,107,274)
G- Prepaid Expenses and Income Accruals			
1- Deferred Acquisition Expenses		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses and Income Accruals		-	-
H-Other Non-Current Assets			
1- Effective Foreign Currency Accounts		-	263,499,089
2- Foreign Currency Accounts		-	-
3- Stocks to be Used in the Following Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	-	-
6- Other Miscellaneous Non-Current Assets		-	263,499,089
7- Amortization on Other Non-Current Assets (-)		-	-
8- Provision for Other Non-Current Assets (-)		-	-
II- Total Non-Current Assets			
		9,228,389,003	7,137,236,681
Total Assets			
		96,531,141,651	77,327,803,422

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

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2024 AND 2023

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

LIABILITIES

	Notes	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
III- Short-Term Liabilities			
A- Financial Liabilities	4.2	1,222,023,075	18,390,111,182
1- Borrowings to Financial Institutions		-	-
2- Finance Lease Payables	20	23,182,615	38,729,861
3- Deferred Leasing Costs (-)	20	(5,349,834)	(8,937,660)
4- Current Portion of Long-Term Debts		-	-
5- Principal, Installments and Interests on Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Valuation Differences of Other Financial Assets Issued (-)		-	-
8- Other Financial Liabilities	20	1,204,190,294	18,360,318,981
B- Payables Arising from Main Operations	4.2 and 19	8,205,211,983	3,972,798,387
1- Payables Arising from Insurance Operations	19	8,205,211,983	3,972,798,387
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Business		-	-
5- Payables from Other Main Activities		-	-
6- Discount on Payables from Other Main Operations (-)		-	-
C- Due to Related Parties	4.2	8,421,035	5,884,815
1- Due to Shareholders	45	5,171,916	5,178,112
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		3,249,119	706,703
6- Due to Other Related Parties		-	-
D- Other Payables	4.2	705,088,334	639,492,883
1- Deposits and Guarantees Received		-	-
2- Debts to SSI for Treatment Expenses	19	255,123,781	329,901,774
3- Other Miscellaneous Payables	19 and 47	449,964,553	309,591,109
4- Discount on Other Miscellaneous Payables		-	-
E- Insurance Technical Provisions		48,951,286,734	35,027,935,258
1- Reserve for Unearned Premiums – Net	17	26,765,429,987	20,446,207,375
2- Reserve for Unexpired Risks – Net	2.23 and 17	1,312,097,724	1,777,902,352
3- Life Mathematical Provisions – Net		-	-
4- Provision for Outstanding Claims – Net	4.2 and 17	20,663,806,066	12,591,602,573
5- Provision for Bonus and Discounts – Net	17	1,395,000	-
6- Other Technical Provisions – Net	10 and 17	208,557,957	212,222,958
F- Provisions for Taxes and Other Similar Liabilities	4.2	2,178,584,800	902,470,127
1- Taxes and Funds Payable		553,528,248	555,339,221
2- Social Security Premiums Payable		70,857,210	66,317,451
3- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities Payable		-	-
5- Corporate Tax Liability Provision on Period Profit		3,901,084,865	1,498,523,130
6- Prepaid Taxes and Other Liabilities on Period Profit		(2,346,885,523)	(1,217,709,675)
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks		1,539,709,699	427,102,295
1- Provision for Termination Indemnities		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provision for Costs	23	1,539,709,699	427,102,295
H- Deferred Income and Expense Accruals		3,887,124,127	2,099,357,527
1- Deferred Commission Income	10 and 19	3,887,124,127	2,099,357,527
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
I- Other Short-Term Liabilities			
1- Deferred Tax Liabilities		-	-
2- Inventory Count Differences		-	-
3- Other Various Short-Term Liabilities		-	-
III - Total Short-Term Liabilities		66,697,449,787	61,465,152,474

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

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2024 AND 2023

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

LIABILITIES

	Notes	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
IV- Long-Term Liabilities			
A- Financial Liabilities	4.2 and 20	12,035,268	26,629,220
1- Borrowings to Financial Institutions		-	-
2- Finance Lease Payables	20	15,645,849	34,617,986
3- Deferred Leasing Costs (-)	20	(3,610,581)	(7,988,766)
4- Bond Issued		-	-
5- Other Financial Assets Issued		-	-
6- Valuation Differences of Other Financial Assets Issued (-)		-	-
7- Other Financial Liabilities		-	-
B- Payables Arising from Main Activities		-	-
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Operations		-	-
6- Discount on Payables from Other Operations (-)		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables	4.2	67,758,736	56,617,074
1- Deposits and Guarantees Received	4.2	67,758,736	56,617,074
2- Debts to SSI for Treatment Expenses		-	-
3- Other Miscellaneous Liabilities		-	-
4- Discount on Other Miscellaneous Payables (-)		-	-
E- Insurance Technical Provisions	2.25 and 17	515,996,277	206,353,327
.1- Reserve for Unearned Premiums – Net		-	-
.2- Reserve for Unexpired Risks – Net		-	-
.3- Life Mathematical Provisions – Net		-	-
.4- Provision for Outstanding Claim – Net		-	-
.5- Provision for Bonus and Discounts – Net		-	-
6- Other Technical Provisions – Net	2.25 and 17	515,996,277	206,353,327
F- Other Liabilities and Relevant Accruals		-	-
1- Other Liabilities Payable		-	-
2- Overdue, Deferred or Installment Taxes and Other Liabilities		-	-
3- Other Liabilities for Expense Accruals		-	-
G- Provisions for Other Risks		193,980,970	147,469,021
1- Provision for Severance Pay	23	193,980,970	147,469,021
2- Provision for Employee Pension Funds Deficits		-	-
H- Deferred Income and Expense Accruals		-	-
1- Deferred Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
I- Other Long-Term Liabilities		320,826,173	-
1- Deferred Tax Liabilities	21	320,826,173	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		1,110,597,424	437,068,642

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

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED DETAILED BALANCE SHEETS AS OF 31 DECEMBER 2024 AND 2023

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

EQUITY

	Notes	Audited Current Period 31 December 2024	Audited Prior Period 31 December 2023
V- Shareholders' Equity			
A- Paid-In Capital	2.13 and 15	5,000,000,000	1,161,523,363
1- (Nominal) Capital	2.13 and 15	5,000,000,000	1,161,523,363
2- Unpaid Capital (-)		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences (-)		-	-
5- Capital to Be Registered		-	-
B- Capital Reserves	15	714,845,297	707,775,261
1- Share Premium	15	678,174,883	671,104,847
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Asset Sales That Will Be Transferred to Capital		-	-
4- Currency Translation Adjustments		-	-
5- Other Capital Reserves		36,670,414	36,670,414
C- Profit Reserves		10,273,986,021	7,395,293,499
1- Legal Reserves	15	418,256,161	324,063,778
2- Statutory Reserves		-	-
3- Extraordinary Reserves	15	2,409,904,900	1,187,238,111
4- Special Funds (Reserves)		-	-
5- Valuation Of Financial Assets	15	5,913,155,634	4,561,269,075
6- Other Profit Reserves	15	1,532,669,326	1,322,722,535
D- Retained Earnings		14,000,298	5,654,374
1- Retained Earnings		14,000,298	5,654,374
E- Accumulated Losses (-)		-	-
1- Accumulated Losses		-	-
F- Net Profit / Loss for the Period		12,720,262,824	6,155,335,809
1- Net Profit for the Year		12,720,262,824	6,155,335,809
2- Net Loss for the Year (-)		-	-
3-Net Profit That Is Not Subject to Distribution		-	-
Total Equity		28,723,094,440	15,425,582,306
Total Equity and Liabilities		96,531,141,651	77,327,803,422

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

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED DETAILED STATEMENTS OF INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

I- TECHNICAL PART

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
A- Non-Life Technical Income		59,460,451,461	29,850,353,746
1- Earned Premiums (Net of Reinsurer Share)	5	42,316,867,351	20,257,540,273
1.1- Written Premiums (Net of Reinsurer Share)	5,17, 24	48,170,285,335	33,800,606,618
1.1.1- Written Premiums gross	17, 24	101,365,792,989	59,518,179,027
1.1.2- Written Premiums, ceded	10, 17, 24	(52,176,526,152)	(24,572,956,334)
1.1.3- Premiums transferred to SSI	10, 17, 24	(1,018,981,502)	(1,144,616,075)
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Provision Carried Forward)	5, 17	(6,319,222,612)	(12,943,980,435)
1.2.1- Reserve for Unearned Premiums	17	(19,800,246,844)	(19,836,431,857)
1.2.2- Reserve for Unearned Premiums, ceded	10, 17	13,530,545,709	6,604,082,649
1.2.3 SSI Share of Reserve for Unearned Premium	10, 17	(49,521,477)	288,368,773
1.3- Changes in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	5, 17	465,804,628	(599,085,910)
1.3.1- Reserve for Unexpired Risks, gross	17	158,991,312	(679,627,107)
1.3.2- Reserve for Unexpired Risks, ceded	10, 17	306,813,316	80,541,197
2- Investment Income Transferred from Non-Technical Section	5	16,371,068,273	9,197,520,774
3- Other Technical Income - (Net of Reinsurer Share)		6,423,560	16,932,253
3.1- Other Technical Income, gross		6,423,560	16,932,253
3.2- Other Technical Income, ceded		-	-
4- Accured salvage and subrogation income		766,092,277	378,360,446
B- Non-Life Technical Expense (-)		(42,200,927,412)	(21,945,149,047)
1- Incurred Losses - (Net of Reinsurer Share)	5	(32,626,070,971)	(16,699,703,267)
1.1- Claims Paid - (Net of Reinsurer Share)	5	(24,553,867,477)	(10,006,633,716)
1.1.1- Claims Paid, gross		(33,089,266,697)	(23,196,280,842)
1.1.2- Claims Paid, ceded	10	8,535,399,220	13,189,647,126
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Provision Carried Forward)	5	(8,072,203,494)	(6,693,069,551)
1.2.1- Change in Provision for Outstanding Claims, gross		(12,149,459,736)	(13,621,161,763)
1.2.2- Change in Provision for Outstanding Claims, ceded	10	4,077,256,242	6,928,092,212
2- Change in Provisions for Bonus and Discounts (Net of Reinsurer Share and Provision Carried Forward)		(1,395,000)	10,029,321
2.1- Provisions for Bonus and Discounts, gross		(1,395,000)	10,029,321
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	17	(309,642,950)	(46,408,633)
4- Operating Expenses	5, 32	(9,263,818,491)	(5,209,066,468)
5- Change in Mathematical Provisions (Net off Circulating Part)		-	-
5.1- Mathematical Provisions		-	-
5.2- Mathematical Provisions, ceded		-	-
6- Other Technical Expenses		-	-
6.1- Other Technical Expenses, gross		-	-
6.2- Gross Other Technical Expenses, ceded		-	-
C- Net Technical Income - Non-Life (A - B)		17,259,524,049	7,905,204,699

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

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED DETAILED STATEMENTS OF INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

I-TECHNICAL PART

	Notes	Audited Current Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
D- Life Technical Income		-	-
1- Earned Premiums (Net of Reinsurer Share)		-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-
1.1.1- Written Premiums, gross		-	-
1.1.2- Written Premiums, ceded		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		-	-
1.2.1- Reserve for Unearned Premiums, gross		-	-
1.2.2- Reserve for Unearned Premiums, ceded		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.3.1- Reserve for Unexpired Risks, gross		-	-
1.3.2- Reserve for Unexpired Risks, ceded		-	-
2- Investment Income		-	-
3- Unrealized Gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		-	-
4.1- Other Technical Expenses, gross		-	-
4.2- Gross Other Technical Expenses, reinsurer share		-	-
5- Accrued subrogation income		-	-
E- Life Technical Expense		-	-
1- Incurred Losses (Net of Reinsurer Share)		-	-
1.1- Claims Paid (Net of Reinsurer Share)		-	-
1.1.1- Claims Paid, gross		-	-
1.1.2- Claims Paid, ceded		-	-
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.2.1- Change in Provision for Outstanding Claims, gross		-	-
1.2.2- Change in Provision for Outstanding Claims, ceded		-	-
2- Change in Provisions for Bonus and Discounts (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
2.1- Provisions for Bonus and Discounts, gross		-	-
2.2- Provisions for Bonus and Discounts, ceded		-	-
3- Change in Life Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
3.1- Mathematical Reserves		-	-
3.1.1- Actuarial Mathematical Reserves		-	-
3.1.2- Profit Share Reserve (For Permanent Life Insurance Policies)		-	-
3.2- Reinsurer' Share in Mathematical Reserves		-	-
3.2.1- Reinsurer Share' Actuarial Mathematical Reserves		-	-
3.2.2- Reinsurer' Share of Profit Reserve (for Permanent Life Insurance Policies)		-	-
4- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
5- Operating Expenses		-	-
6- Investment Expenses		-	-
7- Unrealised Losses on Investment		-	-
8- Investment Income Transferred to the Non-Life Technical Section		-	-
F- Net Technical Income - Life (D - E)		-	-
G- Pension Business Technical Income		-	-
1- Fund Management Income		-	-
2- Management Fee		-	-
3- Entrance Fee Income		-	-
4- Management Expense Charge in Case of Suspension		-	-
5- Income from Individual Service Charges		-	-
6- Increase in Value of Capital Allowances Given as Advance		-	-
7- Other Technical Expense		-	-
H- Pension Business Technical Expense		-	-
1- Fund Management Expense		-	-
2- Decrease in Value of Capital Allowances Given as Advance		-	-
3- Operating Expenses		-	-
4- Other Technical Expenses		-	-
I- Net Technical Income - Pension Business (G - H)		-	-

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

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED DETAILED STATEMENTS OF INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

II - NON-TECHNICAL PART

		Audited Current Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
	Notes		
C- Net Technical Income - Non-Life (A-B)		17,259,524,049	7,905,204,699
F- Net Technical Income - Life (D-E)		-	-
I - Net Technical Income - Pension Business (G-H)		-	-
J- Total Net Technical Income (C+F+I)		17,259,524,049	7,905,204,699
K- Investment Income		23,519,793,910	14,721,994,034
1- Income from Financial Assets		14,393,006,789	6,534,247,694
2- Income from Disposal of Financial Assets	26	-	-
3- Valuation of Financial Assets	26	5,246,873,200	3,989,246,146
4- Foreign Exchange Gains	26	2,407,756,355	2,998,726,474
5- Income from Associates	26	165,679,264	29,627,939
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Property, Plant and Buildings	7, 26	89,775,357	134,796,468
8- Income from Derivatives Transactions	26	1,216,702,945	1,035,349,313
9- Other Investments		-	-
10- Income Transferred from Life Section		-	-
L- Investment Expense		(22,403,819,632)	(14,215,014,686)
1- Investment Management Expenses – Interest Included	34	(3,498,515,944)	(3,133,275,139)
2- Diminution in Value of Investments		-	-
3- Loss from Disposal of Financial Assets		-	-
4- Investment Income Transferred to Non-Life Technical Section		(16,371,068,273)	(9,197,520,774)
5- Loss from Derivative Transactions		-	-
6- Foreign Exchange Losses	26	(1,556,325,762)	(1,392,556,170)
7- Depreciation and Amortization Expenses		(118,998,582)	(72,303,476)
8- Other Investment Expenses		(858,911,071)	(419,359,127)
M- Income and Expenses from Other and Extraordinary Operations		(1,754,150,638)	(758,325,108)
1- Provisions	47	(1,774,544,087)	(415,902,869)
2- Rediscounts	47	(77,562,738)	(247,165,854)
3- Monetary Gains and Losses		-	-
4- Inflation Adjustment Account		-	-
5- Deferred Taxation (Deferred Tax Assets)	21 and 35	82,927,091	12,135,367
6- Deferred Taxation (Deferred Tax Liabilities)		-	-
7- Other Income		20,135,752	20,165,438
8- Other Expenses and Losses	47	(5,106,656)	(127,557,190)
9- Prior Year's Income		-	-
10- Prior Year's Expenses and Losses		-	-
N- Net Profit for the Year	37	12,720,262,824	6,155,335,809
1- Profit for the Year		16,621,347,689	7,653,858,939
2- Corporate Tax Provision and Other Fiscal Liabilities	35	(3,901,084,865)	(1,498,523,130)
3- Net Profit for the Year		12,720,262,824	6,155,335,809
4- Inflation Adjustment Account		-	-

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

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

		Audited Prior Period 1 January - 31 December 2024	Audited Prior Period 1 January - 31 December 2023
	Notes		
A. CASH GENERATED FROM MAIN OPERATIONS			
1. Cash provided from insurance activities		73,849,688,060	67,772,248,743
2. Cash provided from reinsurance activities		-	-
3. Cash provided from pension business		-	-
4. Cash used in insurance activities		(62,170,820,385)	(56,551,238,069)
5. Cash used in reinsurance activities		-	-
6. Cash used in pension business		-	-
7. Cash Provided from operating activities		11,678,867,675	11,221,010,674
8. Interest paid		-	-
9. Income taxes paid		(3,845,408,653)	(1,273,159,758)
10. Other cash inflows		1,361,397,361	20,165,438
11. Other cash outflows		(6,536,298,619)	(2,907,942,483)
12. Net cash Provided from operating activities		2,658,557,764	7,060,073,871
B. CASH FLOWS FROM INVESTING OPERATIONS			
1. Disposal of tangible and intangible assets	6	4,180,878	2,949,265
2. Acquisition of tangible and intangible assets	6,8	(232,155,546)	(165,675,187)
3. Acquisition of financial assets		(66,862,169,919)	(27,744,642,336)
4. Disposal of financial assets		59,468,592,294	16,140,385,661
5. Interests received		12,678,930,043	9,854,622,121
6. Dividends received		165,679,264	29,627,939
7. Other cash inflows		262,255,448	134,796,469
8. Other cash outflows		-	(199,860,666)
9. Net cash Provided by investing activities		5,485,312,462	(1,947,796,734)
C. CASH FLOWS FROM FINANCING OPERATIONS			
1. Equity shares issued		7,070,036	-
2. Cash provided from loans and borrowings		-	-
3. Finance lease payments	20	(32,857,972)	(25,319,335)
4. Dividends paid	15	(1,000,000,000)	(155,555,555)
5. Other cash inflows		1,570,179,274	16,489,044,014
6. Other cash outflows		(17,156,128,686)	(3,086,959,568)
7. Net cash Used in Financing Activities (-)		(16,611,737,348)	13,221,209,556
D. EFFECT OF EXCHANGE DIFFERENCES IN CASH AND CASH EQUIVALENTS			
		575,379,392	157,585,135
E. Net increase/(decrease) in cash and cash equivalents		(7,892,487,730)	18,491,071,828
F. Cash and cash equivalents at the beginning of the period		26,166,442,164	7,675,370,336
G. Cash and cash equivalents at the end of the period	14	18,273,954,434	26,166,442,164

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

TÜRKİYE SİGORTA A.Ş.

UNCONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

	Statements of Changes in Shareholders' Equity - Audited (*)									
	Share Capital	Own Shares of the Company(-)	Valuation Increase/ (Decrease) in Assets	Inflation Adjustment to the Share Capital	Foreign Currency Translation Differences	Legal Reserves	Statutory Reserves	Other Reserves and Retained Profits	Net Profit for the Period	Prior Years' Profit / (Losses)
CURRENT PERIOD										
I - Balance at the End of the Prior Period - 31 December 2023	1,161,523,363	(43,465,453)	4,561,269,075	-	-	324,063,778	-	3,261,201,360	6,155,335,809	5,654,374
A - Capital Increase	3,838,476,637	-	-	-	-	-	-	-	-	(3,838,476,637)
B - Own Shares of the Company	-	7,070,036	-	-	-	-	-	-	-	-
C - Gain and Losses Not Recognized in the Statement of Income	-	-	-	-	-	-	-	(10,447,254)	-	-
D - Change in the Value of Financial Assets	-	-	1,351,886,559	-	-	-	-	220,394,045	-	-
E - Currency translation adjustments	-	-	-	-	-	-	-	-	-	-
F - Other Gains and Losses	-	-	-	-	-	-	-	-	-	8,345,924
G - Inflation Adjustment Differences	-	-	-	-	-	-	-	-	-	-
H - Net Profit for the Period	-	-	-	-	-	-	-	-	12,720,262,824	-
I - Dividends paid	-	-	-	-	-	-	-	-	-	(1,000,000,000)
J - Transfer	-	-	-	-	-	94,192,383	-	1,222,666,789	(6,155,335,809)	4,838,476,637
II - Balance at the End of the Period - 31 December 2024	5,000,000,000	(36,395,417)	5,913,155,634	-	-	418,256,161	-	4,693,814,940	12,720,262,824	14,000,298
PRIOR PERIOD										
II. Balance at the End of the Prior Period - 31 December 2022	1,161,523,363	(85,634,312)	2,834,326,564	-	-	324,063,778	-	1,242,604,239	941,403,358	2,439,475
A - Capital Increase	-	-	-	-	-	-	-	-	-	-
B - Own Shares of the Company	-	42,168,859	-	-	-	-	-	664,084,292	-	-
C - Gain and Losses Not Recognized in the Statement of Income	-	-	-	-	-	-	-	27,472,503	-	-
D - Change in the value of financial assets	-	-	1,726,942,511	-	-	-	-	541,192,514	-	-
E - Currency translation adjustments	-	-	-	-	-	-	-	-	-	-
F - Other Gains or Losses	-	-	-	-	-	-	-	-	-	3,214,908
G - Inflation Adjustment Differences	-	-	-	-	-	-	-	-	-	-
H - Net Profit for the Period	-	-	-	-	-	-	-	-	6,155,335,809	-
I - Dividend Paid	-	-	-	-	-	-	-	-	(155,555,555)	-
J - Transfer	-	-	-	-	-	-	-	785,847,812	(785,847,803)	(9)
II - Balance at the End of the Period - 31 December 2023	1,161,523,363	(43,465,453)	4,561,269,075	-	-	324,063,778	-	3,261,201,360	6,155,335,809	5,654,374

(*) Detailed explanations related to equity items are disclosed in Note 15.

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

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

	Notes	Current Period (*)	Prior Period
I. DISTRIBUTION OF PROFIT FOR THE PERIOD			
1.1. PROFIT FOR THE PERIOD		16,621,347,689	7,653,858,939
1.2. TAXES PAYABLE AND LEGAL LIABILITIES		(3,901,084,865)	(1,498,523,130)
1.2.1. Corporate Tax (Income Tax)		(3,901,084,865)	(1,498,523,130)
1.2.2. Corporate Tax (Income Tax)		-	-
1.2.3. Other Taxes and Legal Liabilities		-	-
A NET PROFIT FOR THE PERIOD (1.1 – 1.2)		12,720,262,824	6,155,335,809
1.3. PREVIOUS YEARS' LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVES		-	-
1.5. LEGAL FUNDS TO BE KEPT IN THE COMPANY (-)		-	-
B NET DISTRIBUTABLE - PROFIT FOR THE PERIOD [(A - (1.3 + 1.4 + 1.5)]		12,720,262,824	6,155,335,809
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	(1,000,000,000)
1.6.1. To common shareholders		-	(1,000,000,000)
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 the Profit or Loss Sharing Securities		-	-
1.7. DIVIDENDS TO PERSONNEL (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.9. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.10. SECOND DIVIDEND 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 the Profit and Loss Sharing Securities		-	-
1.11. SECOND LEGAL RESERVE (-)		-	(94,192,383)
1.12. STATUORY RESERVES (-)		-	-
1.13. EXTRAORDINARY RESERVES		-	(1,222,666,793)
1.14. OTHER RESERVES		-	(3,838,476,637)
1.15. SPECIAL FUNDS		-	-
II. DISTRIBUTION OF RESERVES			
2.1. DISTRIBUTED RESERVES		-	-
2.2. SECOND LEGAL RESERVE (-)		-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)		-	-
2.3.1. To common shareholders		-	-
2.3.2. To preferred shareholders		-	-
2.3.3. To Owners of Participating redeemed shares		-	-
2.3.4. To Owners of profit-sharing securities		-	-
2.3.5. To Owners of the Profit and Loss Sharing Certificates		-	-
2.4. DIVIDENDS TO PERSONNEL (-)		-	-
2.5. DIVIDENDS TO THE BOARD OF DIRECTORS (-)		-	-
III. PROFIT PER SHARE			
3.1. TO COMMON SHAREHOLDERS		-	1.5308
3.2. TO COMMON SHAREHOLDERS (%)		-	153.08%
3.3. TO PREFERRED SHAREHOLDERS		-	-
3.4. TO PREFERRED SHAREHOLDERS (%)		-	-
IV. DIVIDENDS PER SHARE			
4.1. TO COMMON SHAREHOLDERS		-	4.1656
4.2. TO COMMON SHAREHOLDERS (%)		-	416.56%
4.3. TO PREFERRED SHAREHOLDERS		-	-
4.4. TO PREFERRED SHAREHOLDERS (%)		-	-

(*) The Company's authorized body regarding the distribution of the period profit is the General Assembly. The General Assembly meeting for the accounting period between 1 January – 31 December 2023 was not held as of the preparation date of the financial statements.

(**) In accordance with the relevant legislation, the Company's consolidated profit is included in the current period profit distribution table.

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

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

1. GENERAL INFORMATION

1.1 Name of the Company and the ultimate parent of the group

As of 31 December 2024 and 2023, the controlling shareholder of Türkiye Sigorta A.Ş. ("the Company") is TWF Finansal Yatırımlar A.Ş. ("TWF Finansal Yatırımlar") with 81.10% shareholding and the ultimate shareholder is Türkiye Varlık Fonu. As of 31 December 2024 and 2023, 18.90% of the Company's shares are publicly traded shares.

1.2 Location and the legal structure of the Company, country, and the address of the registered office (address of the operating center if it is different from the registered office)

The Company has been registered in Istanbul, Turkey in 1957 and operates as a joint stock company in accordance with Turkish Commercial Code ("TCC"). The Headquarter of the Company is located in "Güneş Plaza, Büyükdere Cad. No: 110 Esentepe Şişli 34394".

In addition to the Head Office, the Company has Aegean Bancassurance Regional Directorate, Çukurova Bancassurance Regional Directorate, Mediterranean Bancassurance Regional Directorate, Boğaziçi Bancassurance Regional Directorate, Marmara Bancassurance Regional Directorate, Central Anatolia Bancassurance Regional Directorate, Black Sea Bancassurance Regional Directorate, Eastern and Southeastern Anatolia Bancassurance Regional Directorate, Ankara Bancassurance Regional Directorate, Istanbul Anatolia Bancassurance Regional Directorate, Istanbul Western and Thrace Bancassurance Regional Directorate, Mediterranean Agencies Regional Directorate, Western Istanbul and Thrace Agencies Regional Directorate, Çukurova Agencies Regional Directorate, Eastern and Southeastern Anatolia Agencies Regional Directorate, Aegean Agencies Regional Directorate, Istanbul Anatolia Agencies Regional Directorate, Istanbul Anatolia Eastern Agencies Regional Directorate, Istanbul Europe Agencies Regional Directorate, Black Sea Agencies Regional Directorate, Cyprus Regional Directorate, Corporate Sales and Technical Directorate, Marmara Agencies Regional Directorate, Central Anatolia Agencies Regional Directorate. As of 31 December 2024, the Company works with 3,846 agencies (31 December 2023: 3,763 agencies).

1.3 Nature of operations

The Company operates in non-life insurance branches consisting of automotive and non-automotive accident, fire, marine, engineering, health, agriculture, liabilities, financial losses, loan, and legal protection.

1.4 Description of the main operations of the Company

The Company carries out its activities within the framework of the Insurance Law No. 5684 ("Insurance Law") published in the Official Gazette dated 14 June 2007 and numbered 26552 and other regulations and directives issued by the Insurance and Private Pension Regulation and Supervision Agency ("IPRSA") established by the Presidential Decree dated 18 October 2019 based on this law, and Company operates in the insurance branches mentioned in Note 1.3 above. Prior to the establishment of IPRSA and the commencement of its regulatory activities in the insurance sector, insurance legislation was issued by the Republic of Türkiye Ministry of Treasury and Finance ("Ministry of Treasury and Finance").

1.5 The average number of the personnel during the period in consideration of their categories

The average number of the personnel during the period was as follows:

	31 December 2024	31 December 2023
Key management (*)	16	14
Other personnel	1,558	1,568
Total	1,574	1,582

(*) The Company's Chairman and members of the Board of Directors, general manager and assistant general managers are categorized as senior executives.

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

1. GENERAL INFORMATION (cont'd)

1.6 Total amount of salaries and similar benefits provided to the chairman and members of the board of directors and key management such as general manager and assistant general managers in the current period:

Short-term benefits provided to key management personnel	1 January - 31 December 2024	1 January - 31 December 2023
Salaries	47,255,056	21,623,080
Bonuses	15,912,546	7,579,056
Other	18,226,715	13,673,527
Total benefits provided to key management	81,394,318	42,875,663
Provision for employment termination benefits	1,220,777	659,372

1.7 Criteria set for the allocation of investment income and operating expenses (personnel, management, research and development, marketing and sales, outsourcing utilities and services and other operating expenses) in the financial statements

Procedures and principles related to keys used in the financial statements of the companies are determined in accordance with the 4 January 2008 dated and 2008/1 numbered "Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In Accordance With Insurance Accounting Plan" issued by the Ministry of Treasury and Finance was changed with the. "Amendments Communiqué Related to the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared in Accordance With Insurance Accounting Plan" within the Framework of the Insurance Chart of Accounts' dated 9 August 2010 and numbered 2010/9 issued by the Ministry of Treasury and Finance.

In accordance with this, all income derived by the Company from the investment of assets that cover non-life technical reserves is transferred from the non-technical segment to the technical segment, while other investment income is classified under the non-technical segment. In accordance with the permission obtained from IPRSA on 29 January 2024, the Company distributed the operating expenses transferred to the technical segment to sub-branches by taking into account the personnel efforts.

1.8 Information on the financial statements as to whether they comprise an individual company or a group of companies

The unconsolidated financial statements include only one company (Türkiye Sigorta A.Ş.). The Company will also publish the consolidated financial statements for the 1 January - 31 December 2024 accounting period separately.

1.9 Name or other identity information about the reporting entity and the changes in this information after previous reporting date

Name of the Company	:	Türkiye Sigorta Anonim Şirketi
Registered address of the head office	:	Güneş Plaza, Büyükdere Cad. No:110 Esentepe Şişli 34394 İstanbul
The website of the Company	:	www.turkiyesigorta.com.tr

1.10 Subsequent events

The unconsolidated financial statements for the period 1 January - 31 December 2024 were approved by the Board of Directors of the Company on 28 January 2025. Explanations on events after the reporting period are presented in Note 46.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Information about the principles and the special accounting policies used in the preparation of the financial statements

The Company prepares its financial statements in accordance with the Insurance Law and IPRSA. The insurance legislation before the establishment of IPRSA 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 financial statements are prepared in accordance with the Insurance Chart of Accounts included in the communiqué issued by Ministry of Treasury and Finance 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 27 December 2011 dated and 2011/14 numbered Notice regarding to the Opening of New Account Codes in Insurance Account Plan. 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 April 2008 and numbered 2012/7 and dated 31 May 2012 Notice regarding to the Presentation of the New Account Codes and Financial Statements.

The financial statements were prepared as in a TL and historical cost basis, except for the financial assets and investment properties and properties held for use measured at their fair value.

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, and also in accordance with the communiqués which may be issued by Ministry of Treasury and Finance, operations of insurance companies shall be accounted for in accordance with the Turkish Financial Reporting Standards ('TFRS') as issued by the Turkish Accounting Standards Board ('TASK') and other regulations, communiqués and explanations issued by Ministry of Treasury and Finance regarding accounting and financial reporting issues. With reference to the notice of Ministry of Treasury and Finance No. 9 dated 18 February 2008, 'TAS 1 - Financial Statements and Presentation', 'TAS 27- Consolidated and Unconsolidated Financial Statements', 'TFRS 1 - Transition to TFRS' and 'TFRS 4- Insurance Contracts' have been scoped out of this application. In addition, insurance companies are not required to prepare consolidated financial statements pursuant to the official statement on Regulation of Consolidated Financial Statements of Insurance and Reinsurance Companies and Pension Companies issued in the Official Gazette, dated on 31 December 2008 and numbered 27097.

The Company accounts and recognizes its insurance technical reserves in its financial statements as of 31 December 2024 in accordance with the 'Regulation on 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 published in official gazette numbered 27655 and changes on this regulation on 17 July 2012 and numbered 28356 and other regulations issued for insurance and reinsurance companies by Ministry of Treasury and Finance (Notes 2.22, 2.23, 2.24 and 2.25).

According to the letter dated 4 April 2005 and numbered 19387 of the Ministry of Treasury and Finance, insurance companies are required to restate their financial statements as at 31 December 2004 in accordance with the Communiqué Serial XI, No: 25 "Communiqué on Accounting Standards in Capital Markets" published in the Official Gazette dated 15 January 2003 and numbered 25290 by the Capital Markets Board ("CMB"). The Ministry of Treasury and Finance also announced that, based on the CMB's decision taken on 17 March 2005, the application of inflation accounting is no longer required effective from 1 January 2005. In accordance with the related letter of the Ministry of Treasury and Finance, the Company restated its financial statements as at 31 December 2004 in accordance with the provisions of "Restatement of Financial Statements in Hyperinflationary Periods" and did not apply TAS 29, 'Financial Reporting in Hyperinflationary Economies' starting from 1 January 2005.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

With the "Announcement on Adjustment of Financial Statements of Companies Subject to Independent Audit for Inflation" dated 23 November 2023, POA stated that the financial statements of businesses that apply Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2024 must be presented adjusted for the inflation effect within the scope of TAS 29, "Financial Reporting Standard in High Inflation Economies" ("TAS 29"). It has been also stated that institutions or organizations authorized to regulate and supervise their own fields may determine different transition dates for the implementation of TMS 29 provisions. In accordance with the circular numbered 2024/32 dated 6 December 2024, IPRSA decided not to apply inflation accounting by insurance, reinsurance and pension companies in 2025. In this framework, no inflation adjustment has been made in accordance with TAS 29 while preparing the financial statements dated 31 December 2024.

Comparative Information and Restatement of Prior Period Financial Statements

The financial statements of the Company are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is revised when necessary and significant differences are disclosed.

2.1.2 Functional and presentation currency

The financial statements are presented in TL, which is the functional currency of the Company.

2.2 Consolidation

"Circular on the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies" issued by Ministry of Treasury and Finance in the Official Gazette dated 31 December 2008 and numbered 27097 ("the Circular for Consolidation") requires that insurance, reinsurance and individual pension companies issue consolidated financial statements starting from 31 March 2009. The company will also publish the consolidated financial statements to be prepared as of 31 December 2024.

2.3 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Since the main geographical area in which the Company operates is Türkiye, geographical segment reporting is not presented.

Information about the Company's business reports regarding all branches are explained in the context of TFRS 8 - Business segments in Note 5.

2.4 Foreign currency transactions

Transactions are recorded in TL, which is the Company's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. As of the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated into TL at the exchange rates at the end of the reporting period and translation differences resulting from the translation are reflected in the foreign exchange gains and foreign exchange losses in the accompanying financial statements.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Foreign currency transactions (cont'd)

Changes in the discounted values of foreign currency denominated financial assets classified as available-for-sale are recognised in the income statement and all other changes in the fair value of these assets and the resulting exchange differences are recognised in the related accounts 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 are accounted for.

2.5 Property, plant and equipment

All property, plant and equipment except for buildings for operational use are carried at cost by deducting accumulated depreciation. Properties for operational use are recorded at their fair value on the basis of a valuation made by an independent valuation expert less subsequent accumulated depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net carrying amount is restated to the revalued amount.

Increases in the carrying amounts arising on revaluation of property, net of tax effects, are credited to "Other Capital Reserves" under shareholders' equity. Any subsequent decrease in value offsetting previous increases in the carrying amount of the same asset is charged against the funds in the equity; and all other decreases are charged to profit or loss. At each reporting date, the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost is transferred from 'Other Capital Reserves' to retained earnings.

Gains/losses arising from the disposal of the property, plant and equipment are calculated as the difference between the net book value and the net sales price and reflected to the statement of income of the related period. Maintenance and repair costs incurred in the ordinary course of the business are recorded as expense.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the costs or revalued amounts of property, plant and equipment. Depreciation rates and estimated useful lives are below.

	Estimated Useful Life (Year)	Depreciation Rate (%)
Machinery and equipment	4-50	25-2
Furniture and fixtures	4-50	25-2
Motor vehicles	4-5	25-20
Other property, plant and equipment (including leasehold improvements)	3-5	33-20

An investigation is to be performed to determine the possible impairment in case of there are existing conditions which point out impairment of property, plant and equipment except properties for operational use and as a result of that investigation; accrual is to be booked to reduce net book value of property, plant and equipment in case of recoverable value amount is less than net book value of related tangible asset. Profits and losses arising from disposal of property, plant and equipment will be kept in 'Other income and expense' account. In case of disposal of revalued assets; amount on 'Other Capital Reserves' account related to that assets are to be transferred to retained earnings account (Note 6).

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Property, plant and equipment (cont'd)

Right-of Use-Assets

The Company accounts for its rights-to-use assets on the date the financial lease contract commences (for example, as of the date the relevant asset is available for use). The right of use assets is calculated by deducting the accumulated depreciation and impairment losses from the cost value. In case the financial leasing debts are revalued, this figure will be corrected.

Right of use assets are measured at cost comprising the following:

- (a) The amount of the initial measurement of lease liability,
- (b) Any lease payments made at or before the commencement date less any lease incentives received
- (c) Any initial direct costs and restoration costs.

Unless the transfer of ownership of the asset to the Company at the end of the lease is reasonably finalized, the Company depreciates its asset right to use until the end of the useful life of the underlying asset. Right of use assets are subject to impairment assessment.

Lease Liabilities

At the commencement date of the lease, the Company measures the lease liability over the present value of the unrealized lease payments at that date. Lease payments, if the interest rate implied in the lease can be easily determined, by using this rate; If the implied interest rate cannot be determined easily, it is discounted using the lessee's alternative borrowing interest rate. As of 31 December 2024, the weighted average of the alternative borrowing rates used by the Company for Turkish Lira leases is 17% per year (31 December 2023: 17% per year).

2.6 Investment Property

The lands and buildings, which are obtained either to earn income or for capital appreciation or for both, instead of either for the Company's operations or for management purposes or for sale during the regular operations, are classified under investment properties. Investment properties are reflected in the financial statement at fair value. Changes in fair values of investment properties are recognized in the income statement under investment income (Note 7).

2.7 Intangible assets

The Company's intangible assets consist of rights and computer software. Intangible assets are accounted at cost accounting for intangible assets.

The Company record the amortization amount for intangible assets on a straight-line basis over their estimated useful lives. The useful lives of intangible assets vary between 5 and 10 years (Note 8).

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial Assets

Classification and measurement

A *financial asset* is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity. Financial assets are classified in two categories: as, available-for-sale financial assets and loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables those are not interest earning are measured by discounting of future cash flows less impairment losses, and interest earning loans and receivables are measured at amortized cost less impairment losses.

Held to Maturity Investments; which are held with the intention of keeping to maturity and include the fixed or determinable payments with fixed or determinable payments, except for loans and receivables and reasonable value during the initial recognition. These are financial assets that are not classified as financial assets, the difference of which is reflected in the income statement and are not shown ready for sale in the records. These assets are first recorded at acquisition cost and this value is accepted as reasonable value. The fair value of the assets held to maturity is determined on the basis of the market price of similar instruments or the market prices of similar financial instruments. Financial assets held to maturity are valued at their 'discounted value'. Contribution income from assets held to maturity is reflected in the income statement. The Company does not allocate impairment based on short-term market fluctuations, provided that there is no collection risk in securities representing the borrowing classified under financial assets held to maturity. In the event of a collection risk, the amount of the said impairment is the difference between the book value of the financial asset and the value of the cash flows still expected to be collected from the financial asset, if any, based on the original effective rate of return. Currency hedged deposits are also classified under held-to-maturity financial assets in accordance with the related insurance legislation.

Financial assets classified as held for trading (Financial assets at fair value through profit or loss); If a financial instrument is held for trading after the initial recognition, the financial asset is classified as financial assets at fair value through profit or loss. If the company manages related investments and decides to purchase and sell the fair value of these investments in accordance with the company's written risk management and investment strategies, the financial assets are recognized as financial assets at fair value through profit or loss. After the initial recognition, all kind of transaction costs are recognized in profit or loss. Financial assets at fair value through profit or loss are measured at fair value and changes in fair value are recognized in profit or loss. Best expected purchase price as of the balance sheet date is used as a base in the determination of fair value. The fair value represents the best purchase order amount current pending orders at Borsa Istanbul A.Ş., the price of most recent transaction realized in the absence of these orders and the cost price which is forwarded by effective interest rate (the ratio which equalize the future cash flows of a financial asset or liability to its current net book value) in the absence of all other method.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Financial Assets (cont'd)

Available-for-sale financial assets consist of other financial assets classified under the affiliated securities. Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. For the assets whose shares are traded on the stock market, prices on the stock market as of the balance sheet date are taken into account. However, assets that are not traded in an active market are measured by using valuation techniques, including recent market transactions in similar financial instruments, adjusted for factors unique to the instrument being valued; or discounted cash flow techniques for the assets which do not have a fixed maturity. Unrecognized gains or losses derived from the difference between their fair value and the discounted values calculated per effective interest rate method are recorded in 'Revaluation of financial assets' under shareholders' equity. Upon disposal, the realized gain or losses are recognized directly in the profit or loss. During the available-for-sale asset is first recognized, additional costs of recognition will be added to fair value.

Joint Ventures (Jointly controlled partnerships); Including business partnerships and ordinary partnerships, it refers to partnerships established at home or abroad, which the parent company controls together with other companies within the framework of a partnership agreement.

Subsidiaries; The Company either (a) has the right to exercise more than 50% of the voting rights related to the shares in the companies as a result of the shares owned directly and/or indirectly by the Company and over which the Company has voting rights; or (b) 50% of the voting rights. It refers to the companies that it has the authority and power to control the financial and operating policies in line with the interests of the Company, by using the effect of actual dominance over the financial and operating policies, although it does not have the authority to use more than.

The Company's investment, which is accounted for under the 'Joint Ventures' account item, is carried at cost in the balance sheet within the scope of TAS 27, 'Individual Financial Statements' standard.

The investment of the Company, which is accounted for in the "Joint Ventures" account item, is carried at fair value in the unconsolidated balance sheet within the scope of TAS 27, "Individual Financial Statements" standard. (Note 9).

Derecognition

A financial asset is derecognized when the control over the contractual rights that comprise that asset is lost. This occurs when the rights are realized, expire, or are surrendered.

2.9 Impairment of Assets

Impairment of financial assets

Financial assets or group of financial assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, the Company estimates the amount of impairment. A financial asset is impaired; if and only, there is objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) ('loss event(s)') incurred subsequent to recognition. The losses expected to be incurred due to future events are not recognized even if the probability of loss is high.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Impairment of Assets (cont'd)

Receivables are presented net of specific allowances for uncollectibility. Specific allowances are made against the carrying amounts of loans and receivables that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and receivable to their recoverable amounts.

The recoverable amount of an equity instrument is its fair value. The recoverable amount of debt instruments and purchased loans measured to fair value is calculated as the present value of the expected future cash flows discounted at the current market rate of interest.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale and trading financial assets that are debt securities, the reversal is recognized in the statement of income. Impairment provisions arising from investments for equity instruments classified as available-for-sale financial assets and accounted in the income statement cannot be reversal from the income statement in the following periods.

Impairment on property, plant and equipment

On each reporting date the Company evaluates whether there is an indication of impairment of tangible and intangible assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Discount and provision expenses of the period are detailed in Note 47.

2.10 Derivative financial instruments

Derivative financial instruments of the period are detailed in Note 13.

2.11 Offsetting of financial assets

Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the Turkish Financial Reporting Standards, or for gains and losses arising from a group of similar transactions included in the Company's trading activities.

2.12 Cash and Cash Equivalents

Cash and cash equivalents, which is the basis for preparation of the statement of cash flows includes cash on hand, cheques received, other cash and cash equivalents, demand deposits and time deposits at banks having an original maturity less than three months and readily to be used by the Company or not blocked for any other purpose (Note 14).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Share Capital

As of 31 December 2024 and 31 December 2023, the share capital and ownership structure of the Company is as follows:

Name	31 December 2024		31 December 2023	
	Share Amount (TL)	Share (%)	Share Amount (TL)	Share (%)
TVF Finansal Yatırımlar A.Ş.	4,055,085,946	81.10	942,015,417	81.10
Public shares	944,914,054	18.90	219,507,946	18.90
Paid-in Capital	5,000,000,000	100.00	1,161,523,363	100.00

Registered capital system

The Capital Markets Board's letter dated 17 July 2020 and numbered 7303, the Insurance and Private Pension Regulation and Supervision Agency's letter dated 27 July 2020 and numbered 331, the Ministry of Commerce General Directorate of Domestic Trade dated 27 July 2020 and 500035491-431.02 In line with the permissions granted based on the letter E.-00056175174 and the decision of the Presidency of the Republic of Turkey dated 15 July 2020 and numbered 2772; With the decision taken at the Extraordinary General Assembly meeting held on 27 August 2020, the registered capital ceiling of the Company from TL540,000,000 to TL5,000,000,000, the registered capital ceiling validity period was determined as 2020-2024 (5 years). The issued capital of the Company was increased by TL 3,838,476,637 from TL 1,161,523,363 to TL 5,000,000,000, all of which was funded from internal resources. The issuance of shares related to the bonus issue and the amendment of Article 7 titled 'Capital' of the Articles of Association were approved by the CMB and the announcement regarding the approval of the share issue by the CMB was published in the CMB bulletin dated 01 August 2024 and numbered 2024/37. The amendment of Article 7 titled "Capital" of the Articles of Association of the Company was registered and announced by the Istanbul Trade Registry Office in the Trade Registry Gazette dated 12 August 2024 and numbered 11141. As of 31 December 2024, the Company's share capital consists of 5,000,000,000 issued and fully paid shares (31 December 2023: 1,161,523,363 shares).

2.14 Insurance and investments contracts - classification

An insurance contract is a contract under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk covers all risk except for financial risks. All premiums have been received within the coverage of insurance contracts recognized as revenue under the account caption written premiums.

Investment contracts are those contracts which transfer financial risk with no significant insurance risk. Financial risk is the risk of a possible future change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided, that it is not specific to a party to the contract, in the case of a non-financial variable. As of reporting date, the Company does not have a predetermined risk guaranteeing contract which is classified as an investment contract.

2.15 Insurance contracts and investment contracts with discretionary participation feature

Discretionary participation feature ('DPF') within insurance contracts and investment contracts is the right to have following benefits in addition to the guaranteed benefits.

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Insurance contracts and investment contracts with discretionary participation feature (cont'd)

- (i) Those are likely to comprise a significant portion of the total contractual benefits;
- (ii) Whose amount or timing is contractually at the discretion of the Issuer;
- (iii) Those are contractually based on:
 - (1) The performance of a specified pool of contracts or a specified type of contract;
 - (2) Realized and/or unrealized investments returns on a specified pool of assets held by the Issuer;
 - (3) The profit or loss of the Company, Fund or other entity that issues the contract.

As at the reporting date, the Company does not have any insurance or investment contracts that contain a DPF.

Investment contracts without DPF

As at the reporting date, the Company does not have any insurance contracts and investment contracts without DPF.

2.16 Liabilities

Financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities of the Company are measured at their discounted values. A financial liability is derecognized when it is extinguished.

2.17 Taxes

Corporate tax

With the paragraph added to the provisional Article 13 of the Corporate Tax Law No. 5520 with the Article 26 of the Law No. 7394 on the Amendment of Certain Laws and Decree Laws with the Law on the Evaluation of Immovable Properties Belonging to the Treasury and the Amendment of the Value Added Tax Law, which entered into force after being published in the Official Gazette dated 15 April 2022 and numbered 31810, it has been determined that for certain companies, including insurance companies, the Corporate Tax rate will be revised and applied as 25% for the corporate earnings for the taxation period of 2022. With this amendment, starting from the declarations to be submitted as of 1 July 2022, the rate of 25% will be applicable for the taxation of corporate income for the periods starting from 1 January 2022. With the Law No. 7456 published in the Official Gazette No. 32249 dated 15 July 2023, the general corporate tax rate was increased from 25% to 30% for certain companies, including insurance companies. The increase in the corporate tax rate has entered into force starting from the declarations to be submitted as of 1 October 2023 and to be applied to the earnings obtained in 2024 and the following taxation periods.

There is no withholding tax on profit shares (dividends) paid to non-resident companies and companies residing in Turkey that generate income through a workplace or permanent representative in Türkiye. Dividend payments made to individuals and institutions other than these are subject to 15% withholding tax. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

Prepaid taxes are calculated and paid at the rates valid for the earnings of the related quarterly periods. The payments can be deducted from the annual corporate tax calculated for the whole year.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the period's corporate income provided unless they do not exceed 5 years. However, financial losses cannot be offset against previous years' profits.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Taxes (cont'd)

Corporate tax (cont'd)

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to tax office which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The law on the amendment of Tax Procedure Law and Corporate Tax Law was enacted on 20 January 2022 with Law No. 7352 and it was decided that the financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods, including the provisional accounting periods, and the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for inflation adjustment within the scope of Repeated Article 298 are met. In accordance with 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 recognized in retained earnings and will not be subject to tax. With the Law No. 7491 published in the Official Gazette dated 28 December 2023 and numbered 32413, banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies' profits or losses that will arise as a result of inflation adjustment in the 2024 and 2025 accounting periods will not be taken into account in determining the corporate tax base.

Deferred Tax

The deferred tax liability or asset is determined by calculating the tax effects on the "temporary differences" between the values of assets and liabilities shown in the financial statements and the amounts considered. According to tax legislation, the differences that do not affect the financial or commercial profit that occurred at the acquisition date of the assets and liabilities are excluded from this calculation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

If the valuation differences arising from the valuation of the assets are recognized in the income statement, the current period corporate tax and deferred tax income or expense are also recognized in the income statement. If the valuation differences arising from the valuation of the related assets are accounted directly in the equity accounts, the related tax effects are accounted directly in the equity accounts (Note 21).

2.18 Employee benefits

Provision for employment termination benefits:

In accordance with existing Turkish Labor Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. As of 31 December 2024, the applicable ceiling amount as at TL 41,828.42 (31 December 2023: TL 23,489.83).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Employee benefits (cont'd)

Provision for employment termination benefits: (cont'd)

The fundamental assumption is that maximum ceiling for the yearly services increases in line with the inflation.

Therefore, the discount rate reflects the real rate after netting of the effects of inflation. The provision for termination benefits and severance payment has been calculated by using the ceiling amounting to TL 46,655.43 which is applicable starting from 1 January 2025, as it is adjusted yearly (1 January 2024: TL 35,058.58).

The Company are calculated provision for employee severance indemnities using actuarial methods. The major statistical assumptions used in the calculation of the total liability as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Annual discount rate	3.00%	2.70%
Estimated annual staff turnover rate	24.10%	26.10%

Other employee benefits:

The Company has provided for undiscounted short-term employee benefits earned during the financial period as per services in the accompanying financial statements (Note 23).

2.19 Provisions

A provision is allocated for an existing obligation resulting from past events if it is probable that the commitment will be settled, and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as of the reporting date and, if material, such expenses are discounted to their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Company to settle the liability, the related liability is considered as 'contingent' and disclosed in the notes to the financial statement.

A contingent asset is a possible asset 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 Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Company discloses the contingent asset (Note 23).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Revenue recognition

Written Premiums

Written premiums represent premiums on policies written during the year net of taxes, premiums of the cancelled policies which were produced in prior years and premiums ceded to reinsurance companies. Premiums ceded to reinsurance companies on gross premiums are booked in "premiums ceded to reinsurance companies" account of statement of income (Note 24).

Claim recovery and salvage income and related receivable

In the calculations related to provisions for outstanding claims accrued and identified, accrued or collected subrogation, salvage or similar income items cannot be deducted. However, accrued subrogation, salvage, and similar income items can be recognized in the assets section of the balance sheet and income statement.

In order to accrue receivable or income of subrogation, salvage; acquisition of the right of subrogation, determination of the amount certainly, and must not have been charged by the end of the period are needed. In accordance with Turkish Commercial Code, the compensation must be paid for getting the right of subrogation.

In accordance with the Circular 2010/13 dated 20 September 2010 of Ministry of Treasury and Finance; the Company can account for income accrual for subrogation receivables up to the guarantee limit of insurance companies without any voucher for insurance companies after the completion of the claim payments made to the insure and receipt of voucher (bank statement related to the claim payment) from third parties other than insurance companies and notice of the insurance companies or third part parties. If the amount cannot be collected from the counterparty insurance company, the Company provides provision for uncollected amounts due for six months. If the counter party is not an insurance company, the provision is provided after four months.

On the other hand, if there is an agreement with the insurance company or third parties; where there is a payment plan up to one year, or receipt of cheques, bills or similar documents, the Company is not required to provide provision for subrogation receivables that overdue six months from insurance and four months from other counterparties are under the instalment plan.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Revenue recognition (cont'd)

Claim recovery and salvage income and related receivable (cont'd)

At the reporting date, in accordance with the related circular, the Company recognized TL 693,068,493 (31 December 2023: TL 169,180,396) net salvage and subrogation receivables in the receivables from main operations and provided TL 75,664,435 (31 December 2023: TL 17,329,089) allowance for salvage and subrogation receivables that are overdue as described in the related circular (Notes 4.2 and 12).

When the subrogation is subject to a court case, the amount is recorded on the date of the transaction and the same amount of provision is provided on the same day.

The Company has classified its net subrogation receivables amounting to TL 1,201,794,925 (31 December 2023: TL 959,590,750) as doubtful receivables from main operations by allocating provision for doubtful receivables for the portion remaining in its retention for recourse transactions through litigation and enforcement (Notes 4.2 and 12).

In order to accrue salvage income, it is necessary to accrue the income that can be obtained from the sale of the partially damaged goods in the event that the entire insurance amount is compensated and then these goods are transferred to the ownership or secondary possession of the insurance company (salvage), in the relevant periods, such as subrogation receivables. In this case, in cases where the goods under the secondary possession of the company are sold through a third party (real/legal) or left to the insured or sold directly by the company, the salvage income should be accrued and should not be deducted from the paid claims or outstanding claims.

For the years ended 31 December 2024 and 2023, accrued salvage and subrogation income per branches is as follows:

	31 December 2024	31 December 2023
Land vehicles	480,664,238	91,312,249
Land vehicles liability	166,946,945	62,194,911
Fire and natural disasters	37,137,485	12,159,734
Other	8,319,825	3,513,502
Total	693,068,493	169,180,396

For the period 1 January - 31 December 2024 and 2023, salvage and subrogation collections are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Land vehicles	1,849,338,294	481,986,003
Land vehicles liability	346,417,185	225,517,913
Fire and natural disasters	106,478,020	44,255,515
Other	120,721,069	78,933,017
Total	2,422,954,568	830,692,448

Commission income and expense

As further detailed in Note 2.22, commissions paid to the agencies related to the production of the policies and the commissions received from the reinsurance firms related to the premiums ceded are recognized over the life of the contract by deferring commission income and expenses within the calculation of reserve for unearned premiums and they are recognized in deferred commission income and deferred commission expenses.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 Revenue recognition (cont'd)

Interest income and expense

Interest income and expense are recognized using the effective interest method. The effective interest is the rate that discounts estimated future cash payments and cash flows through the life of the financial asset or liability to its carrying amount. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees and points paid or received transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Dividend

Dividend income is accounted when related dividend right arises.

2.21 Dividend distribution

Dividends distributed are recorded by deducting them from the accumulated profit in the period in which they are declared.

2.22 Reserve for unearned premiums

Reserve for unearned premiums, effective insurance contracts premiums occur from gross amounts without any commission or other discount and based on daily premium calculations for the following period or periods. For the goods marine insurance contracts without a specific expire date, the premiums accrued from the last three months, 50% of the remaining amount is allocated as reserve for unearned premium.

The reserve for unearned premiums during the day basis evaluation while following sections of the extended periods are being evaluated it is assumed that in general implementation, the policy starts at noon 12:00 and ends again at noon 12:00.

Unearned portion of the commissions paid to the intermediaries for written premiums and commissions received from reinsurers for the premiums ceded are recognized in short term Prepaid Expenses and Income Accruals and Deferred Income and Expense Accruals respectively in the balance sheet. They are also recognized in the operating expenses after netting off.

In accordance with the Communiqué on Technical Reserves, for the calculation of reserve for unearned premium of foreign currency indexed insurance agreements, foreign currency selling exchange rates announced by Turkish Central Bank are used, unless there is a specified exchange rate in the agreement (Note 17).

2.23 Reserve for unexpired risks

In accordance with the Regulation on Technical Reserves, insurance companies are required to recognise a reserve for unexpired risk reserve against the probability that the claims arising from insurance contracts in force will exceed the unearned premium reserves for the related contracts, taking into account the expected loss ratio. In case where the expected loss ratio is higher than 95% net unexpired risks reserve for that branch is calculated by multiplying the ratio in excess of 95% with net unearned premium reserve for the related branch and gross unexpired risks reserve for that branch is calculated by multiplying the ratio in excess of 95% with gross unearned premium reserve for the related branch. The difference between gross amount and net amount is recognized as reinsurers' share.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Reserve for unexpired risks (cont'd)

With the "Circular No. 2022/27 on the Provision for Unexpired Risks" ("Circular No. 2022/27") published by the Insurance and Private Pensions Regulation and Supervision Agency, the gross loss premium rate to be used in the calculation of the provision for continuing risks to the insurance companies is determined. It is possible to calculate by dividing the amount of final claim found for each quarter (including indirect works) of the last year, based on the current year, by the earned premium. As an alternative to this method, the gross loss premium rate can be calculated by insurance companies over the sum of the last four quarters, including the current period, based on the writing (working) year, including indirect works, and in the relevant method, the policies written in the last year in calculating the amount of damage incurred by the company actuary. In terms of the writing (working) year, the immaturity of the damage development process should be taken into account within the framework of the best estimation principles. If the gross loss premium ratio calculated based on the accident year in the Land Vehicles, Voluntary Liability and General Liability branches of the Company is above 85%, the excess amount is multiplied by the gross unearned premium reserve; net unearned premium reserve has been multiplied by the net unearned premium reserve. However, the Company evaluated the current situation for the Compulsory Traffic branch as of the balance sheet date, and within the scope of the Circular no 2022/27, the loss premium rate calculated on the basis of the writing (working) year calculated by the Company actuary in the URP calculation of the said branch as of 31 December 2024 has used.

In accordance with the Circular no 2022/27, the amounts of the direct works (including the works transferred to the Risky Insured Pool) related to the works in which 100% of the direct production is transferred to the pools established in Turkey are not included in the gross loss premium calculation. Since the liabilities of the companies in relation to these productions arise only from indirect production (such as the works from the Risky Insured Pool and the works received from the pool under the reinsurance agreement, such as the Yeşilkart insurance pool), only indirect productions can be used to determine the actual liability of the company for these works and similar works. The calculation is made separately from the other production of the branch, taking into account the damages and other income and expense items in this division. If the company considers that the weight of the production in question in the branch or the general portfolio of the company is insignificant, a separate calculation may not be made for this production.

If a separate calculation is made for the business in which 100% of the direct production is transferred to the pools established in Turkey, if the gross loss premium rate is above 100%, and for other works, the gross loss premium rate is above 85%, the net UPR amount is determined by multiplying the excess amount by the gross unearned premium reserve (UPR) and multiplying the gross UPR by the net UPR.

As of 31 December 2024, the Company has calculated a net unexpired risk reserve of TL 1,312,097,724 and booked (31 December 2023: TL 1,777,902,352) (Note 17).

The loss ratio (after discount) and gross and net provisions calculated by branches are presented on the following page:

Branch	Claim/Premium	31 December 2024		31 December 2023	
		Gross UPR	Net UPR	Gross UPR	Net UPR
Motor Vehicles	111%	1,626,506,679	1,304,132,752	2,181,392,425	1,771,043,464
- Compulsory traffic (except RIP)	112%	902,841,809	902,841,809	1,344,167,181	1,307,084,544
- RIP acquired	144%	401,290,943	401,290,943	326,288,068	326,288,068
- RIP transferred	118%	322,373,927	-	372,997,319	-
- Discretionary liability	82%	-	-	137,939,857	137,670,852
Water vehicles	153%	431,349,055	7,964,972	-	-
General liability	0%	-	-	35,454,620	6,858,888
Total		2,057,855,734	1,312,097,724	2,216,847,045	1,777,902,352

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Provision for outstanding claims

The Company accounts for outstanding claim provision for ultimate cost of the claims incurred, but not paid in the current or previous periods or, for the estimated ultimate cost if the cost is not certain yet and for the incurred but not reported claims. Claim provisions are accounted for based on reports of experts or initial assessments of policyholders and experts, and in the calculations related to the claim provisions, claim recoveries, salvage and similar gains are not deducted.

In accordance with the Communiqué on Technical Reserves and 2011/1 and dated 14 January 2011, starting from 1 July 2012, the Company provided provision for the files that there is uncertainty about their amount and/or which are defined as pilot case based on the average amounts of which the calculation procedure and methods defined by Ministry of Treasury and Finance and updated the provision based on the further court decision and the expert reports.

As of 31 December 2024, the difference between the provision for outstanding claim that is accrued and the amount that is calculated by using the actuarial chain ladder method, of which the content and implementation fundamentals are determined on the Legislation for Technical Provision and the 'Circular on Provision for Outstanding Claim' numbered. 2014/16 and dated 5 December 2014 and is effective from 1 January 2015, is accounted for as incurred but not reported claims provision.

In accordance with 'the Circular on Provision for Outstanding Claim' dated 5 December 2014 and numbered 2014/16 published by Ministry of Treasury and Finance, since 1 January 2015, the calculation of incurred but not reported claim provision for outstanding claim considering that best estimations of the Company's actuary has been adjudicated. Based on mentioned circular letter, the data selection on incurred but not reported claim provision calculations, the amendments and adjustments and the selection of the best method and interference with development factor are done by the Company's actuaries based on actuarial methods. In this related circular letter, on the calculation of incurred but not reported provision for outstanding claim amount, the Company has been given the right to choose Actuarial Chain Ladder Methods (ACLM) for each branch of Chain Ladder Method, Loss Ratio, Cape Cod, Frequency-Severity Techniques, Munich Chain Ladder Method and Bornhuetter - Ferguson. The Company has chosen the actuarial method on the basis of the actuarial opinion and the related methods are explained in Note 17.

The data related accrued claim recoveries, salvage and equivalent income in the balance sheet are taken into consideration in the ACLM calculations with collections. In addition, for the branches with a negative ACLM result, the incurred but not reported claim provision was calculated considering the total amount of the negative ACLM result. The ACLM calculations are performed on a gross basis and the net amounts are determined in accordance with in-forced reinsurance agreements of the Company. The gross and net incurred but not reported claim provision to be added or to be deducted for each branch and the calculation methodology as of 31 December 2024 and 2023 are explained in the Note 17.

As of 31 December 2024, the Company has provided net additional outstanding claims reserve amounting to TL 30,104,262,426 (31 December 2023: TL 15,376,958,962) in its financial statements for incurred but not reported claims considering the amounts found as a result of ACLM calculation.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Provision for outstanding claims (cont'd)

In accordance with the "Circular on the Discounting of Net Cash Flows Arising from the Provision for Outstanding Claims" published by the Ministry of Treasury and Finance dated 10 June 2016 and numbered 2016/22, the "Circular on Amendments to Circular No. 2016/22 on Discounting Net Cash Flows Arising from Outstanding Claims Provision" dated 15 September 2017 and numbered 2017/7, published by the Ministry of Treasury and Finance, and the "Circular Amending the Circular No. 2016/22 Concerning the Discounting of Net Cash Flows Arising from Outstanding Claims Provision" dated 12 July 2023 and numbered 2023/21 published by IPRSA ("Circular No. 2023/21"), the company has calculated the discount on outstanding claims provisions of net TL 20,086,354,287 as of 31 December 2023 (31 December 2022: TL 9,753,535,004 TL). In accordance with the Circular numbered 2021/30, the discount calculation as of 31 December 2023 was made by taking into account the annual rate of 35% (31 December 2022: 28% per annum). The said discount rate change had a reducing effect on the net outstanding claims provision as of 31 December 2024, amounting to TL 1,891,293,560. In addition, due to the decreasing effect on the current period net outstanding claims reserve used in the calculation of UPR, the related discount rate change has also had a decreasing effect on the net provision for unexpired risks as of 31 December 2024 amounting to TL 604,376,762.

As of 31 December 2024 and 2023, the Company's net outstanding claims reserves by branch before and after discount are as follows.

31 December 2024 Branch	Net outstanding claims before discount	Discount amount	Discounted net Outstanding claims provisions
Land Vehicles Liability	35,876,283,805	(19,064,598,167)	16,811,685,638
Land Vehicles	1,729,255,737	(169,522,845)	1,559,732,892
Health	1,479,604,291	(85,383,997)	1,394,220,295
General Responsibility	882,953,330	(602,988,889)	279,964,441
Fire and Natural Disasters	369,219,431	(77,467,284)	291,752,147
General Losses	272,902,448	(55,121,838)	217,780,610
Accident	61,210,866	(18,334,687)	42,876,180
Transport	46,411,037	(7,742,920)	38,668,117
Water Vehicles	22,430,762	(3,221,347)	19,209,415
Financial Losses	6,960,499	(1,196,129)	5,764,370
Guarantee	2,426,868	(629,392)	1,797,476
Legal Protection	384,669	(117,503)	267,166
Loan	116,611	(29,290)	87,322
Total	40,750,160,353	(20,086,354,287)	20,663,806,066

31 December 2023 Branch	Net outstanding claims before discount	Discount amount	Outstanding claims provisions
Land Vehicles Liability	19,958,949,280	(9,384,615,933)	10,574,333,347
Land Vehicles	984,246,327	(64,123,812)	920,122,515
Health	569,922,910	(30,125,570)	539,797,340
General Responsibility	316,823,631	(181,789,225)	135,034,406
Fire and Natural Disasters	268,035,766	(43,315,798)	224,719,968
General Losses	140,667,354	(21,425,122)	119,242,232
Accident	60,043,289	(22,054,191)	37,989,098
Transport	32,995,719	(4,509,853)	28,485,866
Water Vehicles	6,677,923	(712,262)	5,965,661
Financial Losses	4,206,030	(565,123)	3,640,907
Guarantee	1,843,008	(244,160)	1,598,848
Legal Protection	488,033	(31,019)	457,014
Loan	238,307	(22,936)	215,371
Total	22,345,137,577	(9,753,535,004)	12,591,602,573

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Provision for outstanding claims (cont'd)

The methods used to estimate the Company's net cash flows as of 31 December 2024 and 31 December 2023 and the estimated net cash flows for each main branch are as follows.

31 December 2024 Branch	Method Used	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Land Vehicles Liability	Table 57	9,437,949,744	4,917,943,550	3,612,376,051	3,504,086,578	3,406,324,753	3,133,990,406	2,862,938,977	2,487,180,803	1,825,739,538	687,753,404	35,876,283,805
Land Vehicles	Table 57	1,577,054,647	67,790,331	35,944,941	29,256,691	20,646,519	5,203,126	(430,325)	(7,972,034)	(2,842,305)	4,604,145	1,729,255,737
Health	Table 57	268,696,780	45,253,276	17,420,961	10,157,962	7,505,560	8,105,879	5,669,582	3,646,299	2,153,623	609,509	369,219,431
General Responsibility	Table 57	1,446,377,609	28,918,431	4,230,633	136,114	(228,513)	96,327	43,263	30,427	-	-	1,479,604,291
Fire and Natural Disasters	Table 57	60,911,067	69,246,354	100,014,072	122,254,174	146,583,753	146,870,352	95,664,539	76,751,408	50,325,558	14,332,054	882,953,330
General Losses	Table 57	193,397,307	45,502,071	21,144,314	6,577,556	3,412,755	1,567,671	745,240	356,304	160,638	38,591	272,902,448
Accident	Table 57	34,455,557	11,002,301	4,558,292	3,905,142	2,894,406	1,870,860	1,177,251	738,772	425,698	182,586	61,210,866
Transport	Table 57	36,602,143	6,141,212	1,442,318	1,297,646	493,295	233,035	113,466	54,387	25,973	7,562	46,411,037
Water Vehicles	Table 57	5,537,800	1,188,971	206,107	17,888	5,998	2,877	679	148	29	2	6,960,499
Financial Losses	Table 57	19,944,972	2,207,104	131,092	79,490	10,435	17,789	27,038	2,096	9,660	1,087	22,430,762
Guarantee	Table 57	1,281,870	998,298	88,350	32,344	16,498	6,036	2,272	830	304	65	2,426,868
Legal Protection	Table 57	165,648	140,063	54,829	17,090	5,824	893	321	-	-	-	384,669
Loan	Table 57	86,677	10,585	4,811	6,768	3,158	2,111	388	2,009	-	103	116,611

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Provision for outstanding claims (cont'd)

31 December 2023 Branch	Method Used	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Land Vehicles Liability	Table 57	5,364,254,536	2,860,173,772	2,148,617,023	2,008,997,209	1,922,664,340	1,720,962,815	1,495,871,202	1,272,472,784	893,142,715	271,792,884	19,958,949,280
Land Vehicles	Table 57	917,269,192	39,861,709	21,741,234	17,719,366	10,025,499	857,703	(4,750,326)	(9,583,459)	(5,913,124)	(2,981,467)	984,246,327
Health	Table 57	552,252,401	15,803,417	1,566,171	202,113	33,460	37,868	25,066	2,414	-	-	569,922,910
General Responsibility	Table 57	34,597,517	36,549,999	40,864,303	48,252,252	42,984,166	38,257,825	31,478,414	25,684,532	13,539,115	4,615,508	316,823,631
Fire and Natural Disasters	Table 57	207,042,735	26,989,331	10,765,550	7,065,641	4,900,140	4,739,405	3,701,217	2,018,537	622,242	190,968	268,035,766
General Losses	Table 57	106,228,833	22,755,705	8,104,777	2,104,408	901,449	351,233	139,520	55,964	20,832	4,633	140,667,354
Accident	Table 57	23,761,709	9,439,848	7,244,964	6,055,441	4,880,590	3,712,716	2,522,050	1,451,999	773,877	200,095	60,043,289
Transport	Table 57	27,197,603	3,876,334	689,077	315,619	463,206	237,355	124,483	62,527	24,150	5,365	32,995,719
Water Vehicles	Table 57	5,943,481	651,698	73,498	8,204	923	105	13	1	-	-	6,677,923
Financial Losses	Table 57	3,459,322	683,220	53,630	8,780	966	101	10	1	-	-	4,206,030
Guarantee	Table 57	1,447,994	295,519	69,246	20,332	6,592	2,228	777	264	53	3	1,843,008
Legal Protection	Table 57	461,361	26,672	-	-	-	-	-	-	-	-	488,033
Loan	Table 57	229,628	2,521	3,255	1,145	540	932	215	71	-	-	238,307

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Provision for outstanding claims (cont'd)

In accordance with the Circular No. 2011/23, it is possible to calculate a winning rate over the amounts of the lawsuits filed against the Company according to the realizations of the last five years according to the realizations of the last five years, and according to the calculated win rate, it is possible to make a discount from the outstanding claims reserves accrued for the files in the litigation process. The company calculated the winning rates by sub-branches by proportioning the amount of the claims, whose all-judicial processes were completed in the last five years, to the total amount of the files. In the calculation of the winning ratio, only the principal amounts related to the compensation are included in the calculation, and the interest and other expenses are not taken into account. In accordance with the Circular numbered 2011/23 for the branches with a winning ratio of over 25%, a discount was made from the outstanding claims reserve amount by using 25% for those with sufficient previous files and 15% for other branches. The company made the said calculations on the gross amounts and the reinsurance shares of the discount amount were determined by taking into account the reinsurance share of the related files. As of 31 December 2024, the net deduction amount of the Company's earning rates calculated on the basis of sub-branches and the provision for outstanding claims accrued is TL 1,261,668,920 (31 December 2023: TL 951,923,401) (Note 17). The winning rates used on a branch basis as of 31 December 2024 and 2023 are as follows:

Branch	31 December 2024	31 December 2024
	Utilised Win Rate	Utilised Win Rate
Fire	25.00%	20.00%
Profit Loss	25.00%	25.00%
Commodity	25.00%	25.00%
Boat	25.00%	25.00%
Compulsory Road Transport Financial Liability	25.00%	25.00%
Motor Land Vehicles Optional Financial Liability	10.00%	18.00%
Motor Land Vehicles - Motor Insurance	21.00%	25.00%
Compulsory Seat Occupational Responsibility for Insurance Transportation on Road	25.00%	25.00%
Financial Liability to Third Parties	25.00%	25.00%
Theft	25.00%	25.00%
Natural Disasters Other Than Earthquakes and Floods	25.00%	0.00%
Medical Malpractice Law	25.00%	25.00%
Professional Responsibility	25.00%	25.00%
Optional Earthquake	25.00%	25.00%
Flood	25.00%	25.00%
Landslide	25.00%	25.00%
Personal Accident	25.00%	25.00%
Loss of Rent and Income	25.00%	25.00%
Legal Protection	25.00%	25.00%
Machine Breakage	25.00%	15.00%
Installation	25.00%	25.00%
Construction	25.00%	25.00%
Compulsory Responsibility for LPG	25.00%	25.00%
Health	25.00%	25.00%
Travel Health	24.00%	22.00%
Compulsory Traffic (Except Green Card)	20.00%	20.00%
Electronic Device	1.00%	25.00%
Employer Financial Liability	11.00%	12.00%
Glass Breakage	25.00%	14.00%
Product Responsibility	25.00%	0.00%
Dangerous Goods Compulsory Liability	15.00%	0.00%
Abuse of Trust	25.00%	0.00%

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 Equalization provision

In accordance with the Communiqué on Technical Reserves, the Insurance Companies should provide equalization provision in credit insurance and earthquake branches to equalize the fluctuations in future possible claims and for catastrophic risks. Provision is calculated as 12% of net premiums written in credit insurance and earthquake branches. In the calculation of net premiums, fees paid for un-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms.

The insurance companies are allowed to deduct claim payments and outstanding claims evidenced by expertise reports or official documents received from public institutions due to earthquake losses from the equalization reserve, provided that no deduction has been made from current year charge to the reserve.

As of 31 December 2024, equalization provision amounting to TL 515,996,277 (31 December 2023: TL 206,353,327) is presented under "Other Technical Reserves" under the long term-liabilities in the accompanying financial statements (Note 17).

	31 December 2024	31 December 2023
Net Equalization Provision	515,996,277	206,353,327
Total	515,996,277	206,353,327

2.26 Related parties

For the purpose of the financial statements, shareholders, Türkiye Varlık Fonu group companies, key management personnel and board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties (Note 45).

2.27 Earnings per share

Earnings per share are determined by dividing the net income by the weighted average number of shares outstanding during the year attributable to the shareholders of the Company. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares issued are regarded as issued shares. Therefore, the weighted average number of shares used in the calculation of earnings per share is obtained by applying the bonus issue of shares retrospectively from the beginning of the previous reporting period (Note 37).

2.28 Subsequent events

Post-balance sheet events that provide additional information about the Company's position at the reporting dates (adjusting events) are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the notes when material.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.29 New standards and interpretations

The Company has evaluated the effects of the standards and amendments mentioned below on the financial statements and concluded that the amendments made do not have a significant impact on the financial statements for the accounting period 1 January - 31 December 2024, except for the effects of TFRS 17 standard. The Company continues to analyze and evaluate the effects of TFRS 17.

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements*

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

TSRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information*

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.29 New standards and interpretations (cont'd)

a) Amendments that are mandatorily effective from 2024 (cont'd)

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

b) New and revised TFRSs in issue but not yet effective

The Company has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information</i>
Amendments to TAS 21	<i>Lack of Exchangeability</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2026.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 – Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.29 New standards and interpretations (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The notes given in this section are provided to addition/supplement the commentary on the management of insurance risk (Note 4.1) and management of financial risk (Note 4.2).

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas at estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- 4.1 Notes - Management of insurance risk
- 4.2 Notes - Financial risk management
- 6 Notes - Property, plant and equipment
- 7 Notes - Investment properties
- 8 Notes - Intangible assets
- 9 Notes - Investments in associates
- 10 Notes - Reinsurance assets and liabilities
- 11 Notes - Financial assets
- 12 Notes - Loans and receivables
- 21 Notes - Deferred taxes
- 42 Notes- Risks

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

4.1 Management of insurance risk

The risk under an insurance contract is the probability of an insured event's occurring including the uncertainty of the amount of any resulting claim. This risk is impossible to estimate because of its structure. The principal risk the Company faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities.

In every area and stage of insurance activity, risk is defined as clearly as possible and the possibilities of eliminating, controlling or insuring it are comprehensively reviewed.

According to risk types, the Company makes some analysis to decide about which branches it can operate in which city or region by using the analysis of district-city actuarial methods.

These analyses are updated about the new information received and so that policies will change about the priorities of the operations.

With the risk policies developed by these methods, it is aimed to increase the Company's profitability on the basis of branches, regions and cities.

Risks are divided into branches and sizes in terms of the Company's Risk Acceptance Regulations. Acceptance or rejection according to the result of risk examination's evaluations is decided by the Company's Risk Engineers, Related Branch Managers and Technical Unit Assistant of General Manager after evaluation.

The Company determines annual 'risk acceptance policies' regarding the products of the Company and revise these policies during the year, if necessary. Based on the mentioned risk acceptance policies, the maximum and minimum limits for risk analysis during the period from order process to the issuance of the policy and the risks which will be excluded are determined for each product. Furthermore, the Company, by considering its financial structure, obtains coverage for the significant risks and catastrophic losses through the use of reinsurance agreements.

The most common method to manage insurance risk is to arrange reinsurance agreements. But the transfer of insurance risk through reinsurance agreements is not eliminating the liability of the Company as the first one made the insurance. If reinsurance company does not pay the loss, Company's liability towards the policyholder continues. The company evaluates the reliability of reinsurance company by analyzing the financial condition before annual contract.

The Company not only creates new policies within the context of risk evaluation as mentioned above, also transfers the risks to reinsurer companies with reinsurance agreements. The Company transfers the risks with special acceptance of excess loss insurance and quota surplus reinsurance within the context of the agreements.

Reinsurance agreements contains claim excess (quota surplus reinsurance, excess loss insurance) catastrophic guarantee (provision).

In addition, at the jobs, excess of special acceptance capacity which are at different levels for branches, arbitrary reinsurance is done by related technical departments. Generally, the Company has agreements of fire and natural disasters, marine, accident, transportation vehicles (land), transportation vehicles (air), transportation vehicles (sea), general losses, transportation vehicles (land) liability, transportation vehicles (sea) liability, general liability, financial losses, legal protection and health branches. Insurance guarantee amounts are also explained in Note 17.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (cont'd)

4.1 Management of insurance risk (cont'd)

As of 31 December 2024, Liberty Mutual is the leading reinsurer in the Company's catastrophe excess of loss non-proportional reinsurance contracts in fire and engineering branches. The major reinsurers following this reinsurer are Milli Re, China Re, Hannover Re, Korean Re, Malaysian Re, Partner RE, QBE Europe and Swiss Re. The latest credit ratings of these companies are as follows:

Reinsurance Company	Scale	Company	Date
Liberty Mutual Reinsurance	A	AM Best	2 August 2024
Milli Reasürans T.A.Ş.	trBBB+	S&P	2 September 2024
China Property & Casualty Reinsurance Company Ltd.	A	AM Best	15 November 2024
Hannover Re	A+	AM Best	4 December 2024
Korean Reinsurance Company	A	AM Best	12 December 2024
Malaysian Reinsurance Berhad	A-	AM Best	2 February 2024
Partner Re	A+	AM Best	8 February 2024
QBE Europe nv/sa	A	AM Best	18 July 2024
Swiss Re	A+	AM Best	26 September 2024

The company has annual excess treaty in fire, marine, engineering and miscellaneous accident branches, as for quota share agreements for marine, commodity, farming, building completion and credit branches as of the date 31 December 2024.

Premiums transferred to the 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 published in the Official Gazette 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('2012/3 numbered notice) 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 communiqué 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(the 'Communiqué numbered 2012/6'). Within this framework, the Company 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 communiqué numbered 2012/6 in 'Compulsory Marine', 'Compulsory Traffic' and 'Compulsory Motor Personal Accident' branches regarding the expenses with respect to the traffic accident related medical care services provided after enforcement of the Law. Based on the aforementioned regulations. The Company has calculated the amount of the premiums to be ceded to SSI in 1 January - 31 December 2024 account period as TL 1,018,981,502 under the account of "premiums transferred to SSI" (1 January - 31 December 2023: TL 1,144,616,075).

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (cont'd)

4.1 Management of insurance risk (cont'd)

Premiums and claims transferred to the Risky Insured Pool

The "Risk Insured Pool" ("Pool") was established by the Ministry of Treasury and Finance to be valid for the traffic insurance policies written as of 12 April 2017 for the high damage frequency level and/or vehicle groups as determined by the "Regulation on Amendment to the Regulation on Tariff Implementation Principles in Compulsory Financial Liability Insurance of Highways Motor Vehicles" published in the Official Gazette dated 11 July 2017 and numbered 30121. According to the risk insured Pool Work Essentials enacted with the regulation in question, the premium for the pool covered by traffic insurance policy and damage Turkey Motor Vehicle Bureau ('TMTB') to be calculated in two stages. Accordingly, 50% of the premiums and damages are shared equally among the insurance companies; while the remaining 50% is distributed considering the share of insurance companies in the last 3 years of traffic insurance premiums.

The Company has recorded the premiums, indemnities and commission amounts transferred from the Risky Insurance Pool within the scope of the Company's share within the scope of the regulation, taking into consideration the estimated amounts of the unreported periods at the closing date of the accounts and the monthly receipts finalized by TMTB. As of 31 December 2024, the Company has transferred TL 2,652,101,217 premium and TL 1,573,844,714 paid compensation and recovery income to the Pool. TL 1,670,326,990 premium, TL 453,648,892 commission, TL 1,318,563,822 paid as compensation and recovery income from Pool to the Company were recognized in accordance with the relevant legislation.

The 'Compulsory Medical Malpractice Law' which is annexed to the 'Procedures and Principles Regarding the Contribution of the Institution in the Compulsory Financial Liability Insurance for Medical Malpractice' (2010/1) published by Ministry of Treasury and Finance in the Official Gazette dated 7 October 2017 and numbered 30203 Liability Insurance Tariff and Instruction 'B. INCIDENT', the Premiums and Claims Sharing Basis for the Medical Malpractice Insurance Liability Insurance, the premiums and claims related to the financial liability policies in the application are calculated in two stages by the company appointed by the Türkiye Sigorta A.Ş. Accordingly, 50% of the premiums and claims are shared equally among the insurance companies; and the remaining 50% is distributed considering the share of insurance companies' medical liability insurance premiums in the last three years.

The Company has accounted the amounts of premiums, claims and commissions that are taken over from the Pool within the scope of the Company's market share and ceded to the Medical Malpractice Liability Pool within the scope of the regulation, considering the amounts in the monthly statements that is finalized by other insurance companies. As of 31 December 2024, The Company has ceded TL 24,749,537 premium to the Pool and accounted TL 9,186,856 premium, TL 3,075,192 compensation and TL 3,374,937 commission income; based on its share which are reported by the Pool, on the financial statements in accordance with the legislation.

4.2 Management of financial risk

Introduction and overview

This note presents information about the Company's exposure to each of the below risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (cont'd)

4.2 Management of financial risk (cont'd)

Introduction and overview (cont'd)

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors monitors the effectiveness of the risk management system through the internal audit department.

The Company's risk management policies are established to identify and analysed the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

Credit risk

Credit risk is basically defined as the possibility that counterparty will fail to meet its obligations in accordance with agreed terms of a contract. The balance sheet items that the Company is exposed to credit risk are as follows:

- banks
- other cash and cash equivalents (excluding cash on hand)
- financial assets held for trading
- premium receivables from policyholders
- receivables from intermediaries (agencies)
- receivables from reinsurance companies related to commissions and claims paid
- reinsurance shares of insurance liability
- other receivable

Financial assets of the Company, subject to credit risk are mainly demand and time deposits held at banks in Turkey and other financial intermediaries, and credit card receivables. All these receivables are assumed that they do not have a high credit risk.

Net carrying value of the assets that are exposed to credit risk is shown in the table below.

	31 December 2024	31 December 2023
Financial assets (Note 11)	34,327,469,974	21,923,957,985
Cash equivalents (Note 14)	25,228,353,912	31,546,849,088
Receivables from main operations (Note 12)	19,005,278,041	11,330,281,918
Reinsurer share in provision for outstanding claims (Note 10)	16,143,515,816	12,066,259,574
Other receivables (Note 12)	735,826,569	12,215,551
Prepaid taxes and funds (Note 12)	607,136,831	224,561,689
Advances given to personnel	14,641	-
Total	96,047,595,784	77,104,125,805

Net carrying value of the assets that are exposed to credit risk is shown in the table below:

	31 December 2024	31 December 2023
Letters of guarantee	242,385,335	156,785,771
Mortgage notes	67,289,026	65,641,028
Cash collateral	82,253,450	71,358,784
Other guarantees and sureties	154,379,717	162,596,749
Total	546,307,528	456,382,332

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (cont'd)

4.2 Management of financial risk (cont'd)

Details of guarantees and securities taken for the receivables are as follows:

	31 December 2024		31 December 2023	
	Gross amount	Allocated provision	Gross amount	Allocated provision
Receivables not due				
0-30 days overdue receivables	17,522,282,277	-	10,401,682,931	-
Receivables 31-60 days overdue	582,920,440	-	626,072,258	-
Receivables 61-180 days overdue	154,925,179	-	38,276,369	-
Receivables overdue more than 181 days	87,241,050	-	24,011,771	-
	80,733,838	(40,228,800)	130,628,941	(42,241,659)
	18,428,102,783	(40,228,800)	11,220,672,270	(42,241,659)
Amounts to be collected through recourse and salvage	693,068,493	(75,664,435)	169,180,396	(17,329,089)
Doubtful receivables from operating activities - subrogation receivables	1,201,794,925	(1,201,794,925)	959,590,750	(959,590,750)
Total	20,322,966,201	(1,317,688,160)	12,349,443,416	(1,019,161,498)

The movement in the allowance for impairment in respect of premium receivables during the period is as follows:

	2024	2023
Beginning of the period - 1 January	(1,019,161,498)	(704,879,790)
Change in provision for legal follow-up subrogation receivables (Note 47)	(241,818,107)	(311,485,636)
Other	(56,708,555)	(2,796,072)
End of the period - 31 December	(1,317,688,160)	(1,019,161,498)

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty in meeting its financial obligations.

Liquidity risk management

In order to protect the Company from liquidity risk, the maturity matching between monetary assets and liabilities is ensured and liquid assets are maintained in order to meet the liquidity needs that may arise in a complete manner.

The following table summarises the distribution of the Company's financial and insurance liabilities according to their remaining contractual or expected maturities at the balance sheet dates:

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (cont'd)

4.2 Management of financial risk (cont'd)

Monetary asset and liabilities' remaining periods to maturity:

31 December 2024	Book value	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years
Assets						
Cash and cash equivalents	25,228,353,912	11,496,079,597	11,977,985,818	1,754,288,497	-	-
Financial assets	34,327,469,974	16,819,977,902	1,145,952,841	8,778,529,461	3,318,044,994	4,264,964,776
Receivables from operating activities	19,005,278,041	6,400,785,167	4,023,198,481	7,822,709,643	758,584,750	-
Other receivables	735,826,569	140,516	15,078,381	715,000,000	5,607,672	-
Total monetary assets	79,296,928,496	34,716,983,182	17,162,215,521	19,070,527,601	4,082,237,416	4,264,964,776
Liabilities						
Payables from operating activities	8,205,211,983	5,523,392,854	1,589,296,664	974,626,393	117,896,072	-
Payables to related parties	8,421,035	3,249,119	-	5,171,916	-	-
Other payables	772,847,070	449,101,862	255,123,781	68,621,427	-	-
Provision for outstanding claims, net	20,663,806,066	1,287,208,533	3,808,820,537	14,762,064,967	732,465,487	73,246,542
Taxes and other similar liabilities and provisions	2,178,584,800	624,385,458	1,554,199,342	-	-	-
Financial liabilities	1,234,058,343	1,222,023,075	-	-	12,035,268	-
Total monetary liabilities	33,062,929,297	9,109,360,901	7,207,440,324	15,810,484,703	862,396,827	73,246,542
31 December 2023	Book value	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years
Assets						
Cash and cash equivalents	31,546,849,088	16,293,076,040	14,047,129,212	1,206,643,836	-	-
Financial assets	21,923,957,985	7,735,159,731	1,422,544,015	6,683,317,028	4,725,176,036	1,357,761,175
Receivables from operating activities	11,330,281,918	1,655,258,524	2,457,336,880	7,058,314,643	159,371,871	-
Other receivables	12,215,551	5,960,185	238,581	157,270	5,859,515	-
Total monetary assets	64,813,304,542	25,689,454,480	17,927,248,688	14,948,432,777	4,890,407,422	1,357,761,175
Liabilities						
Payables from operating activities	3,972,798,387	2,099,343,296	482,549,892	1,350,958,700	39,946,499	-
Payables to related parties	5,884,815	212,567	2,179,560	3,492,688	-	-
Other payables	696,109,957	284,042,592	383,119,066	28,948,299	-	-
Provision for outstanding claims, net	12,591,602,573	784,367,518	2,320,925,502	8,995,344,547	446,331,827	44,633,179
Taxes and other similar liabilities and provisions	902,470,127	621,656,672	280,813,455	-	-	-
Financial liabilities	18,416,740,402	18,390,111,182	-	-	26,629,220	-
Total monetary liabilities	36,585,606,261	22,179,733,827	3,469,587,475	10,378,744,234	512,907,546	44,633,179

Market risk

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and credit spreads will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

The Company is exposed to currency risk through insurance and reinsurance transactions in foreign currencies.

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated by the Central Bank of the Republic of Türkiye's spot purchase rates and the differences arising from foreign currency rates are recorded as foreign exchange gain or loss in the statement of income.

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (cont'd)

4.2 Management of financial risk (cont'd)

The Company's exposure to foreign currency risk is as follows:

31 December 2024	USD	EUR	Other Currencies	Total
Assets:				
Cash and cash equivalents	593,871,875	211,507,088	26,428,959	831,807,922
Financial assets	2,310,517,492	551,043,000	-	2,861,560,492
Receivables from operating activities	3,485,107,261	2,193,561,658	30,979,433	5,709,648,352
Total foreign currency assets	6,389,496,628	2,956,111,746	57,408,392	9,403,016,766
Liabilities:				
Payables arising from operating activities	1,604,856,970	1,188,166,596	(2,985,284)	2,790,038,282
Provision for outstanding claims	107,468,069	58,168,533	10,220,778	175,857,380
Deposits and collaterals received	39,144,576	9,582,256	-	48,726,832
Total foreign currency liabilities	1,751,469,615	1,255,917,385	7,235,494	3,014,622,494
Balance sheet position	4,638,027,013	1,700,194,361	50,172,898	6,388,394,272
31 December 2023	USD	EUR	Other Currencies	Total
Assets:				
Cash and cash equivalents	615,510,079	736,977,233	11,552,913	1,364,040,225
Financial assets	2,446,891,542	-	-	2,446,891,542
Receivables from operating activities	1,268,342,583	1,244,766,407	14,581,903	2,527,690,893
Total foreign currency assets	4,330,744,204	1,981,743,640	26,134,816	6,338,622,660
Liabilities:				
Payables arising from operating activities	416,652,600	417,751,892	527,102	834,931,594
Provision for outstanding claims	71,767,574	42,442,761	13,897,097	128,107,432
Deposits and collaterals received	30,269,334	7,746,113	-	38,015,447
Total foreign currency liabilities	518,689,508	467,940,766	14,424,199	1,001,054,473
Balance sheet position	3,812,054,696	1,513,802,874	11,710,617	5,337,568,187

TL equivalents of the related foreign currency amounts are shown in order to evaluate the table above.

Exposure to currency risk

20% percent devaluation of the TL against the following currencies as of 31 December 2024 and 31 December 2023 would have increased equity and profit or loss (excluding tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. 20% percent appreciation of the TL against the following currencies' effect will be in opposite direction.

	1 January - 31 December 2024		1 January - 31 December 2023	
	Income statement	Equity	Income statement	Equity
USD	927,605,403	927,605,403	762,410,939	762,410,939
Euro	340,038,872	340,038,872	302,760,575	302,760,575
Other currencies	10,034,580	10,034,580	2,342,123	2,342,123
Total, net	1,277,678,854	1,277,678,854	1,067,513,637	1,067,513,637

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (cont'd)

4.2 Management of financial risk (cont'd)

Exposure to interest rate risk

The principal risk to which financial assets are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands.

As of 31 December 2023 and 2024, the interest rate profile of the Company's interest earning financial assets and interest-bearing financial liabilities are detailed below:

	31 December 2024	31 December 2023
Financial assets with fixed interest rates:		
Time deposits (Note 14)	20,191,421,981	27,420,589,110
Available-for-sale financial assets (Note 11)	886,194,052	37,999,288
Held-to-maturity financial assets (Note 11)	2,928,622,646	2,489,610,995
Financial assets held for trading (Note 11)	2,106,213,785	2,451,286,352
Financial assets with floating interest rates:		
Available-for-sale financial assets (Note 11)	10,235,019,846	3,833,675,699
Held-to-maturity financial assets (Note 11)	1,057,302,820	4,970,561,113
Financial assets held for trading (Note 11)	17,114,116,825	8,140,824,538
Financial liabilities with fixed interest rates:		
Payables from finance lease transactions (Note 20)	29,868,049	56,421,421
Other financial liabilities (liabilities) (Note 20)	1,204,190,294	18,360,318,981

Fair value disclosure

The estimated fair values of financial instruments are determined using available market data and, where appropriate, appropriate valuation methodologies.

Available-for-sale financial assets are measured at their fair values based on their quoted prices in the accompanying financial statement. To measure the fair values of the debt securities which has no quoted prices in the financial markets, a valuation technique is applied, which all inputs are based on the observable information.

Management estimates that the fair value of other financial assets and liabilities are not materially different than their carrying amounts.

Classification of fair value measurement

'TFRS 7 - Financial Instruments': Disclosures requires the measurements of fair value of financial instruments to be classified in a hierarchy that reflects the significance of the valuation inputs used. This classification is based primarily on whether the inputs are observable or not. Observable inputs represent the use of market data obtained from independent sources; unobservable inputs represent the use of the Company's estimates and judgements. This sort of categorization generally results in the classifications below.

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (cont'd)

4.2 Management of financial risk (cont'd)

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

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

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

Classification requires the utilization of observable market data, if available.

In this context, the fair values of financial assets and liabilities measured at fair value are as follows:

31 December 2024	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets (Note 11)	1,554,456,045	9,566,757,853	-	11,121,213,898
Financial assets held for trading (Note 11)	-	19,220,330,610	-	19,220,330,610
Subsidiary securities (*)	-	-	5,721,535,040	5,721,535,040
Joint ventures	-	-	1,484,150,000	1,484,150,000
Properties held for use	-	1,316,612,000	-	1,316,612,000
Investment Properties	-	325,516,000	-	325,516,000
	1,554,456,045	30,429,216,463	7,205,685,040	39,189,357,548
31 December 2023	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets (Note 11)	3,871,674,987	-	-	3,871,674,987
Financial assets held for trading (Note 11)	7,468,387,064	3,123,723,826	-	10,592,110,890
Joint ventures	-	-	4,113,667,273	4,113,667,273
Subsidiary securities (*)	-	-	1,198,700,000	1,198,700,000
Properties held for use (Note 6)	-	1,065,101,001	-	1,065,101,001
Investment Properties (Note 7)	-	240,903,750	-	240,903,750
	11,340,062,051	4,429,728,577	5,312,367,273	21,082,157,901

(*) Investments in subsidiary securities carried at cost are not included.

Fair values of affiliates and subsidiaries are determined in accordance with discounted cash flow and comparative value method in valuation reports prepared by independent valuation companies. Unlisted shares of fair values of affiliates and subsidiaries are determined in accordance with discounted cash flow and comparative value method in valuation reports prepared by independent valuation companies.

Sensitivity of fair value of financial assets

The Company's financial assets held for trading and available for sale financial assets are measured at their fair values in the relevant markets. If market prices had increased/decreased by 5% and all other variables had remained constant, the Company's equity would have been TL 1,645,546,839 (31 December 2023: TL 723,189,294) more/lower as of 31 December 2024, excluding tax effects.

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4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (cont'd)

4.2 Management of financial risk (cont'd)

Capital Management

The Company's major capital management policies include the following:

- To comply with the insurance capital requirements required by insurance legislation,
- To safeguard the Company's ability to continue as going concern
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk assumed.

The Company has taken following actions to increase profitability and sustain a structure;

- The company makes production and risk selection in accordance with the new legal regulations in traffic insurances.
- The actuarial schedules related to motor vehicles and traffic branches are regularly reviewed and revised. The company intends to increase its profitability and production in the motor vehicles and to reduce the harm caused by balanced production in the traffic branch.
- In order to set an individual profitable portfolio, the Company operates by adopting adequate price and accurate conditions policy
- The Company has adopted the policy of increasing the treaty capacity in Fire and Construction branches to constitute a profitable portfolio.

The Company's capital adequacy is measured twice a year, in June and December, within two months following these periods in accordance with the relevant legislation. In the calculations made in accordance with the relevant insurance legislation, the required shareholders' equity amount of the Company is determined as TL 16,050,425,877 as of 31 December 2024. As of 31 December 2024, the Company's shareholders' equity is TL 12,973,014,841 more than the required shareholders' equity calculated in accordance with the relevant legislation.

Information about earnings from financial assets is indicated in Note 26. The details of financial expenses are as follows.

Details of financial income and losses accounted for in equity are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Changes in the fair value of financial assets, after tax	1,351,886,559	1,726,942,511
	1,351,886,559	1,726,942,511

5. SEGMENT REPORTING

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments).

Business Segments

Information about the Company's segment reporting is explained in this section within the context of TFRS 8 - Business Segments Standards.

Not only reports given to upper-level management to give a decision about reporting sub-operating segments, also numerical sub limits within the context of TFRS 8 - Business Segments Standards are taken into consideration and premium production, and technical profitability are evaluated as a different business segment.

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5. SEGMENT REPORTING (cont'd)

Fire Insurance

With this insurance, damages on the insured goods as a result of fire, lightning, blast, fume, steam, and fever are insured up to the insurance coverage.

Motor Vehicles Insurance

The company provide physical damage thereby danger and invasion by motor own damage policyholder motor can be used in road, from non-motorized vehicles , and the trailer or caravan with backhoe, advantage arising from the tractor wheel; can be used in highway motor vehicle, struggle with non-motorized transport, on the move or pause position involuntarily policyholder or user of the car, strike of an object which was moving or the car striking to object tipping, falling, rolling, such as accidents, or movements with bad faith by third party, vehicle's combustion, be stealing of car or attempt to steal.

Motor Vehicles (Land) Liability Insurance

The Company described the policy that if the mentioned motor vehicle, during the operation, will cause a person's death or injury or damage a thing, in accordance with No. 2918 Road Traffic Act, the operator's legal responsibility will be provided up to insurance limits.

Damages caused by trailers or semi-trailers (including light trailers) or a vehicle being towed depending on the vehicle are covered by the tow truck's insurance. However, trailers used to transport people are included in the coverage, provided that an additional liability insurance is provided for them, the special conditions of which will be specified in the policy.

In order to prevent or minimize the damage after an accident, the Insuree's reasonable and necessary expenses will be covered by the Company. This insurance is the operator (the Insuree) to ensure the defense against unjustified claims.

Health Insurance

Health insurance; during the period of insurance, provides the treatment costs if the insuree got illness, accident, if also there is, daily paid claims up to written amounts in the insurance policy. The policy's geographical borders are mentioned in the policy.

Geographical Reporting

The main geographical segment the Company operates is in Turkey, so the Company does not disclose geographical segment reporting.

Since the performance measurement and follow-up of the operating segments does not require a separate follow-up of assets and liabilities, an analysis on assets and liabilities is not presented.

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5. SEGMENT REPORTING (cont'd)

Segment results for the period 1 January - 31 December 2024 are as follows:

	Land Vehicles Liability	Land Vehicles	Health	Fire	Other	Unallocated	Total
Technical income	12,075,519,385	14,118,930,539	9,554,360,842	11,284,815,950	12,426,824,745	-	59,460,451,461
1 - Earned premiums (net of reinsurers' share)	10,863,203,453	10,309,948,549	7,347,144,907	6,412,687,396	7,383,883,046	-	42,316,867,351
1.1 - Premiums written (net of reinsurers' share)	9,867,587,104	11,230,016,906	9,419,275,674	8,362,629,878	9,290,775,773	-	48,170,285,335
1.2 - Change in reserve for unearned premiums	528,705,638	(920,068,357)	(2,072,130,767)	(1,949,942,482)	(1,905,786,644)	-	(6,319,222,612)
1.3 - Change in provision for unexpired risk	466,910,711	-	-	-	(1,106,083)	-	465,804,628
Other technical income and accrued subrogation							
2 - and salvage receivables (net of reinsurers' share)	248,967,188	453,215,962	259,334	61,375,506	8,697,847	-	772,515,837
3 - Investment income transferred from non-technical segment	963,348,744	3,355,766,028	2,206,956,601	4,810,753,048	5,034,243,852	-	16,371,068,273
Technical expense	(18,864,588,860)	(9,004,162,143)	(7,838,668,210)	(2,963,893,902)	(3,529,614,297)	-	(42,200,927,412)
1 - Incurred claims (net of reinsurers' share)	(16,951,796,905)	(6,541,548,555)	(6,769,628,791)	(791,450,102)	(1,571,646,618)	-	(32,626,070,971)
1.1 - Claims paid (net of reinsurers' share)	(10,714,444,614)	(5,901,938,178)	(5,915,205,836)	(724,417,923)	(1,297,860,926)	-	(24,553,867,477)
1.2 - Change in provision for outstanding claims (Net of reinsurers' share and ceded portion) (+/-)	(6,237,352,291)	(639,610,377)	(854,422,955)	(67,032,179)	(273,785,692)	-	(8,072,203,494)
2- Change in other technical provisions	-	(9,934,239)	-	(296,338,917)	(4,764,794)	-	(311,037,950)
3- Operating expenses	(1,912,791,955)	(2,452,679,349)	(1,069,039,419)	(1,876,104,883)	(1,953,202,885)	-	(9,263,818,491)
Technical profit/(loss)	(6,789,069,475)	5,114,768,396	1,715,692,632	8,320,922,048	8,897,210,448	-	17,259,524,049
Financial income						23,519,793,910	23,519,793,910
Financial expense						(22,284,821,050)	(22,284,821,050)
Amortisation expenses						(118,998,582)	(118,998,582)
Other operating expenses						(1,837,077,729)	(1,837,077,729)
Tax expense						(3,818,157,774)	(3,818,157,774)
Net profit for the period							12,720,262,824

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5. SEGMENT REPORTING (cont'd)

Segment results for the period 1 January - 31 December 2023 are as follows:

	Land Vehicles Liability	Land Vehicles	Health	Fire	Other	Unallocated	Total
Technical income	9,173,038,893	7,066,867,306	3,074,868,436	4,350,619,492	6,184,959,619	-	29,850,353,746
1 - Earned premiums (net of reinsurers' share)	6,898,833,425	4,265,936,485	2,477,775,496	2,415,179,178	4,199,815,689	-	20,257,540,273
1.1 - Premiums written (net of reinsurers' share)	10,860,072,735	8,310,319,148	4,248,266,384	4,697,006,398	5,684,941,953	-	33,800,606,618
1.2 - Change in reserve for unearned premiums	(3,201,583,934)	(4,044,382,663)	(1,930,050,877)	(2,281,827,220)	(1,486,135,741)	-	(12,943,980,435)
1.3 - Change in provision for unexpired risk	(759,655,376)	-	159,559,989	-	1,009,477	-	(599,085,910)
2 - Other technical income and accrued subrogation and salvage receivables (net of reinsurers' share)	200,641,286	135,891,317	366,600	39,247,763	19,145,733	-	395,292,699
3 - Investment income transferred from non-technical segment	2,073,564,182	2,665,039,504	596,726,340	1,896,192,551	1,965,998,197	-	9,197,520,774
Technical expense	(12,464,316,609)	(3,155,284,217)	(2,704,775,306)	(1,475,397,521)	(2,145,375,394)	-	(21,945,149,047)
1 - Incurred claims (net of reinsurers' share)	(11,258,072,876)	(2,124,061,987)	(1,932,098,111)	(550,425,385)	(835,044,908)	-	(16,699,703,267)
1.1 - Claims paid (net of reinsurers' share)	(5,685,130,459)	(1,513,865,163)	(1,633,356,169)	(437,028,687)	(737,253,238)	-	(10,006,633,716)
1.2 - Change in provision for outstanding claims (Net of reinsurers' share and ceded portion) (+/-)	(5,572,942,417)	(610,196,824)	(298,741,942)	(113,396,698)	(97,791,670)	-	(6,693,069,551)
2- Change in other technical provisions	28,552	(738,312)	126,216	(36,043,085)	247,317	-	(36,379,312)
3- Operating expenses	(1,206,272,285)	(1,030,483,918)	(772,803,411)	(888,929,051)	(1,310,577,803)	-	(5,209,066,468)
Technical profit/(loss)	(3,291,277,716)	3,911,583,089	370,093,130	2,875,221,971	4,039,584,225	-	7,905,204,699
Financial income						14,721,994,034	14,721,994,034
Financial expense						(14,142,711,210)	(14,142,711,210)
Amortisation expenses						(72,303,476)	(72,303,476)
Other operating expenses						(770,460,475)	(770,460,475)
Tax expense						(1,486,387,763)	(1,486,387,763)
Net profit for the period							6,155,335,809

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6. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the period 1 January - 31 December 2024 and 2023:

	1 January 2024	Additions	Disposals	Valuation Increase	Transfers	31 December 2024
Cost/ Revalued						
Properties held for use	1,065,101,001	-	-	251,510,999	-	1,316,612,000
Machinery and equipment	142,872,381	21,448,526	(2,729,991)	-	-	161,590,916
Furniture and fixtures	27,507,883	31,747,138	(1,450,886)	-	-	57,804,135
Motor vehicles	13,367,927	-	-	-	-	13,367,927
Other property, plant and equipment (including leasehold improvements)	14,156,546	15,836,100	-	-	-	29,992,646
Lease assets	104,190,414	-	-	-	-	104,190,414
	1,367,196,152	69,031,764	(4,180,878)	251,510,999	-	1,683,558,038

Accumulated depreciation:

Properties held for use	-	-	-	-	-	-
Machinery and equipment	(57,559,557)	(31,469,563)	2,560,837	-	-	(86,468,283)
Furniture and fixtures	(15,497,527)	(8,008,500)	941,794	-	-	(22,564,233)
Motor vehicles	(9,852,518)	(2,090,164)	-	-	-	(11,942,681)
Other property, plant and equipment (including leasehold improvements)	(3,102,391)	(3,998,721)	-	-	-	(7,101,112)
Lease assets	(52,836,893)	(25,896,251)	-	-	-	(78,733,145)
	(138,848,886)	(71,463,199)	3,502,631	-	-	(206,809,454)

Net book value	1,228,347,266					1,476,748,584
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	1 January 2023	Additions	Disposals	Valuation Increase	Transfers	31 December 2023
Cost/ Revalued						
Properties held for use	515,335,000	-	-	549,766,001	-	1,065,101,001
Machinery and equipment	86,001,961	59,181,859	(2,311,439)	-	-	142,872,381
Furniture and fixtures	23,909,923	4,007,048	(409,088)	-	-	27,507,883
Motor vehicles	11,970,448	1,494,394	(96,915)	-	-	13,367,927
Other property, plant and equipment (including leasehold improvements)	2,599,279	11,557,267	-	-	-	14,156,546
Lease assets	57,975,683	46,214,731	-	-	-	104,190,414
	697,792,294	122,455,299	(2,817,442)	549,766,001	-	1,367,196,152

Accumulated depreciation:

Machinery and equipment	(33,322,656)	(26,331,746)	2,094,845	-	-	(57,559,557)
Furniture and fixtures	(13,520,645)	(2,350,229)	373,347	-	-	(15,497,527)
Motor vehicles	(7,503,785)	(2,421,420)	72,687	-	-	(9,852,518)
Other property, plant and equipment (including leasehold improvements)	(2,358,901)	(743,490)	-	-	-	(3,102,391)
Lease assets	(32,598,391)	(20,238,502)	-	-	-	(52,836,893)
	(89,304,378)	(52,085,387)	2,540,879	-	-	(138,848,886)

Net book value	608,487,916					1,228,347,266
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The Company's properties held for own use are subject to revaluation. As of 31 December 2024 and 31 December 2023, these properties are reflected in the financial statements based on the values determined in the expertise reports prepared by independent professional valuation companies licensed by the Capital Markets Board:

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6. PROPERTY, PLANT AND EQUIPMENT (cont'd)	31 December 2024	31 December 2023
Güneş Plaza	1,197,000,000	980,000,000
Other	119,612,000	85,101,001
Total	1,316,612,000	1,065,101,001

Revaluation increases resulting from the valuation of properties held for use are recorded by crediting the "Other Profit Reserves" account under equity capital, net of deferred taxes. Revaluation decreases resulting from the valuation of properties held for use are charged against the "Other Profit Reserves" for the corresponding asset under shareholders' equity. Fair value decreases per revaluation fund recorded in 'Other Profit Reserves' are charged to the income statement. The movements of the revaluation increase for the properties held for use accounted for using revaluation model is below:

	2024	2023
Beginning of the period - 1 January	1,025,466,604	484,274,089
Increase in value arising from revaluation	251,510,999	549,766,001
Deferred tax arising from revaluation difference	(31,116,954)	(8,573,486)
End of the period - 31 December	1,245,860,649	1,025,466,604

There is no commitment on the properties held for use (31 December 2023: None).

7. INVESTMENT PROPERTIES

For the periods 1 January - 31 December 2024 and 2023, movements of the investment properties are as follows:

	1 January 2024	Additions	Disposals	Value increase	Transfers	31 December 2024
Fair values						
Investment properties	240,903,750	235,500	-	84,376,750	-	325,516,000
	1 January 2023	Additions	Disposals	Value increase	Transfers	31 December 2023
Fair values						
Investment properties	107,435,771	-	-	133,467,979	-	240,903,750

Land and buildings held for the purpose of obtaining rent or for value appreciation or both, rather than being used in the Company's activities or sold for administrative purposes or during the normal course of business, are classified as investment properties. As of 31 December 2024 and 2023, investment properties are reflected into the financial statements at their fair values obtained from appraisal reports prepared by independent professional valuation experts:

	31 December 2024	31 December 2023
İzmir Konak Land ⁽¹⁾	175,000,000	124,625,000
Tekirdağ Farm ⁽²⁾	65,056,000	55,830,000
Other land and buildings ⁽²⁾	85,460,000	60,448,750
Total	325,516,000	240,903,750

(1) "Peer comparison approach" method.

(2) "Equivalent comparison approach" and "Cost approach" methods.

Rental income is TL 5,398,607 from investment properties (1 January – 31 December 2023: TL 1,328,489). There are no pledges on the investment properties (31 December 2023: None).

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8. INTANGIBLE ASSETS

Movements in intangible assets in the period from 1 January - 31 December 2024 and 2023 are as follows:

	1 January 2024	Additions	Disposals	Transfers	31 December 2024
Cost:					
Rights	114,119,418	163,123,782	-	-	277,243,200
Computer software	38,238,939	-	-	-	38,238,939
	152,358,357	163,123,782	-	-	315,482,139
Accumulated amortization:					
Rights	(49,710,100)	(36,912,296)	-	-	(86,622,396)
Computer software	(36,397,174)	(191,448)	-	-	(36,588,622)
	(86,107,274)	(37,103,744)	-	-	(123,211,018)
Net book value	66,251,083				192,271,121
	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Cost:					
Rights	71,031,354	43,219,888	(131,824)	-	114,119,418
Computer software	38,238,939	-	-	-	38,238,939
	109,270,293	43,219,888	(131,824)	-	152,358,357
Accumulated amortization:					
Rights	(34,465,191)	(15,244,909)	-	-	(49,710,100)
Computer software	(36,147,123)	(250,051)	-	-	(36,397,174)
	(70,612,314)	(15,494,960)	-	-	(86,107,274)
Net book value	38,657,979				66,251,083

9. INVESTMENT IN EQUITY SHARES

		31 December 2024			31 December 2023	
	Share (%)	Cost Value	Book Value	Share (%)	Cost Value	Book Value
Türkiye Hayat ve Emeklilik A.Ş. ⁽¹⁾	7.36	55,650,000	5,721,535,040	7.36	55,650,000	4,113,667,273
Other		1,127,533	4,344,996		1,127,533	1,793,115
Affiliated securities		56,777,533	5,725,880,036		56,777,533	4,115,460,388
Türk P ve I Sigorta A.Ş. ⁽²⁾	50.00	112,500,000	1,484,150,000	50.00	12,500,000	1,198,700,000
Joint ventures		112,500,000	1,484,150,000		12,500,000	1,198,700,000
OSEM Sertifikasyon A.Ş. ⁽³⁾	100.00	18,215,590	18,215,590	100.00	18,215,590	18,215,590
Subsidiaries		18,215,590	18,215,590		18,215,590	18,215,590
Total financial non-current assets		187,493,123	7,228,245,626		87,493,123	5,332,375,978

- (1) The Company has classified its investment in Türkiye Hayat ve Emeklilik A.Ş., which it has classified as a subsidiary security, at fair value. As of 31 December 2024, the fair value of the investment has been determined by a CMB licensed valuation company based on the valuation study made on 6 January 2024. Within the scope of the valuation study, the fair value of the related investment; It is calculated by weighting (50%-50%) according to the discounted dividend model and market multipliers methods. Fair value differences are accounted for in the "Valuation of Financial Assets" account in equity. (As of 31 December 2023, the fair value of the investment has been determined by a CMB licensed valuation company based on the valuation study made on 12 January 2024. Within the scope of the valuation study, the fair value of the related investment; It is calculated by weighting (50%-50%) according to the discounted dividend model and market multipliers methods.
- (2) The Company has accounted for its investment in Türk P ve I Sigorta A.Ş. at its fair value in the balance sheet as of 31 December 2024, within the scope of TAS 27, "Separate Financial Statements" standard. The fair value of the investment as of 31 December 2024 was determined based on the valuation study conducted by a CMB licensed valuation company on 6 January 2025. Within the scope of the said valuation study, the fair value of the relevant investment was calculated by weighting it with the discounted dividend model and market multiplier methods at 75%-25% rates, respectively. Fair value differences were accounted for in the "Valuation of Financial Assets" account in equity. (As of 31 December 2023, the fair value of the investment was determined based on the valuation study conducted by a CMB-licensed valuation company on 12 January 2024. Within the scope of the said valuation study, the fair value of the relevant investment was calculated by weighting it with the discounted dividend model and market multiplier methods at 75%-25% rates, respectively).
- (3) Within the scope of TAS 27, "Separate Financial Statements" standard, it is carried at cost in the balance sheet.

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9. INVESTMENT IN EQUITY SHARES (cont'd)

Movement of the joint venture during the period is as follows:

	2024	2023
Beginning of the period - 1 January	5,332,375,978	3,040,303,474
Valuation increases classified in equity	1,795,869,648	2,292,072,504
Purchase/sales of shares	100,000,000	-
End of the period - 31 December	7,228,245,626	5,332,375,978

10. REINSURANCE ASSETS AND LIABILITIES

As a ceding company, outstanding reinsurance assets and liabilities of the Company shown in detail as follows:

	31 December 2024	31 December 2023
Reinsurance Assets/(Liabilities)		
Reserve for unearned premiums, reinsurer share (Note 17)	26,918,510,059	13,387,964,350
Provision for outstanding claims, reinsurer share (Note 17)	16,143,515,816	12,066,259,574
Change in provision for unexpired risks - reinsurer share (Note 17)	745,758,010	438,944,694
Change in unearned premium reserve SSI share (Note 17)	570,867,568	620,389,045
Deferred commission income (Note 19)	(3,887,124,127)	(2,099,357,527)
Current account net debts of reinsurance companies	(6,254,766,960)	(2,348,305,339)

As of 31 December 2024, the Company accounted for a provision amounting to TL 208,557,957 in short term 'other technical provisions' for the claim receivables from several reinsurance companies and reinsurance share of certain outstanding claim files considering that they are under arbitration process or impaired (31 December 2023: TL 212,222,958) (Note 17).

	1 January - 31 December 2024	1 January - 31 December 2023
Reinsurance Income/(Expenses)		
Paid claims - reinsurer share	8,535,399,220	13,189,647,126
Outstanding claim provision- reinsurer share	4,077,256,242	6,928,092,212
Change in provision for unexpired risks - reinsurer share	306,813,316	80,541,197
Commissions received from reinsurers (net)	5,761,567,674	2,719,319,082
Change of unearned premium reserve - reinsurer share	13,530,545,709	6,604,082,649
Change in unearned premium reserve SSI share	(49,521,477)	288,368,773
Ceded premiums to reinsurers	(52,176,526,152)	(24,572,956,334)
Ceded premiums to SSI	(1,018,981,502)	(1,144,616,075)

Detailed explanations about reinsurance agreements are disclosed in Note 2.14.

11. FINANCIAL ASSETS

	31 December 2024	31 December 2023
Available for sale financial assets	11,121,213,898	3,871,674,987
Financial assets held to maturity	3,985,925,466	7,460,172,108
Financial assets held for trading	19,220,330,610	10,592,110,890
	34,327,469,974	21,923,957,985

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

11. FINANCIAL ASSETS (cont'd)

As of 31 December 2024 and 2023, the details of the Company's trading financial assets are as follows:

31 December 2024	Cost Value	Fair Value	Book Value
Available for Sale Financial Assets	9,342,227,721	11,121,213,898	11,121,213,898
Shares	1,929	37,413	37,413
Government debt securities	3,306,544,002	4,777,996,375	4,777,996,375
Currency protected deposit	5,695,681,790	5,992,192,497	5,992,192,497
Lease certificates	340,000,000	350,987,613	350,987,613
Financial Assets Held to Maturity	3,052,290,962	3,985,925,466	3,985,925,466
Government debt securities	2,183,552,218	2,945,640,174	2,945,640,174
Other financial assets	868,738,744	1,040,285,292	1,040,285,292
Financial Assets Held for Trading	13,524,826,458	19,220,330,610	19,220,330,610
Private sector bonds	3,429,767,078	3,592,689,152	3,592,689,152
Investment funds	10,095,059,380	15,627,641,458	15,627,641,458
Total financial assets	25,919,345,141	34,327,469,974	34,327,469,974
31 December 2023	Cost Value	Fair Value	Book Value
Available for Sale Financial Assets	3,344,683,716	3,871,674,987	3,871,674,987
Government debt securities	3,344,681,787	3,871,637,574	3,871,637,574
Shares	1,929	37,413	37,413
Financial Assets Held to Maturity	6,283,136,618	7,477,356,989	7,460,172,108
Government debt securities	1,994,017,394	2,914,829,030	2,897,644,149
Currency protected deposit	4,289,119,224	4,562,527,959	4,562,527,959
Financial Assets Held for Trading	8,981,572,843	10,592,110,890	10,592,110,890
Private sector bonds	2,917,789,770	3,123,723,825	3,123,723,825
Investment funds	5,954,482,903	7,441,094,992	7,441,094,992
Government debt securities	85,557,414	1,931,754	1,931,754
Shares	23,742,756	25,360,319	25,360,319
Total financial assets	18,609,393,177	21,941,142,866	21,923,957,985

As of 31 December 2024, TL 3,859,915,350 of financial assets are blocked in favor of IPRSA (31 December 2023: TL 43,847,890).

Movements of financial assets during the period are presented below:

	1 January 2024	Additions	Sales/ Amortizations	Value increase	31 December 2024
Available for sale financial assets	3,871,674,987	6,381,722,100	(384,178,094)	1,251,994,905	11,121,213,898
Financial assets held to maturity	7,460,172,108	5,358,362,986	(8,589,208,642)	(243,400,986)	3,985,925,466
Financial assets held for trading	10,592,110,890	55,122,084,833	(50,495,205,558)	4,001,340,445	19,220,330,610
Total	21,923,957,985	66,862,169,919	(59,468,592,294)	5,009,934,364	34,327,469,974
	1 January 2023	Additions	Sales/ Amortizations	Value increase	31 December 2023
Available for sale financial assets	2,260,695,716	2,315,238,140	(180,779,344)	(523,479,525)	3,871,674,987
Financial assets held to maturity	1,028,456,030	11,889,716,246	(6,478,806,063)	1,020,805,895	7,460,172,108
Financial assets held for trading	5,316,472,818	13,539,687,950	(9,480,800,254)	1,216,750,376	10,592,110,890
Total	8,605,624,564	27,744,642,336	(16,140,385,661)	1,714,076,746	21,923,957,985

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12. LOANS AND RECEIVABLES

	31 December 2024	31 December 2023
Receivables from operating activities (Note 4.2)	19,005,278,041	11,330,281,918
Prepaid taxes and funds (Note 4.2)	607,136,831	224,561,689
Other receivables (Note 4.2)	735,826,569	12,215,551
	20,348,241,441	11,567,059,158
Short-term receivables	20,342,633,769	11,561,199,643
Long-term receivables	5,607,672	5,859,515
	20,348,241,441	11,567,059,158

As of 31 December 2024 and 31 December 2023, receivables from operating activities are detailed as follows:

	31 December 2024	31 December 2023
Receivables from agencies, brokers and intermediaries	13,758,214,029	8,228,529,757
Receivables from policyholders	2,686,999,839	1,325,921,088
Receivables from reinsurers	1,950,445,023	1,624,493,048
Salvage and subrogation (Note 2.20)	693,068,493	169,180,396
Total receivables from main insurance operations	19,088,727,384	11,348,124,289
Provision for salvage and subrogation receivables (Note 2.20)	(75,664,435)	(17,329,089)
Provision for premium receivables	(11,912,018)	(4,088,828)
Provisions for receivables from insurance operations	(87,576,453)	(21,417,917)
Total receivables from main insurance operations-net	19,001,150,931	11,326,706,372
Salvage and subrogation receivables under administrative and legal follow up, net	1,201,794,925	959,590,750
Doubtful receivables from operating activities	32,443,892	41,728,377
Doubtful receivables from operating activities	1,234,238,817	1,001,319,127
Receivables from operating activities - gross	20,235,389,748	12,328,025,499
Provisions for salvage and subrogation receivables under administrative and legal follow up	(1,201,794,925)	(959,590,750)
Provisions for doubtful receivables from operating activities	(28,316,782)	(38,152,831)
Allowances for doubtful receivables from operating activities	(1,230,111,707)	(997,743,581)
Receivables from operating activities	19,005,278,041	11,330,281,918

The related party transactions of the Company are presented in Note 45 in detail.

Separate amounts of receivables and payables denominated in foreign currencies and foreign currency denominated assets and liabilities with no foreign exchange rate guarantee and their conversion rates to TL are disclosed in Note 4.2.

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13. DERIVATIVE FINANCIAL INSTRUMENTS

The Company does not have any derivative financial instruments as of 31 December 2024 (31 December 2023: TL 4,562,527,959 currency protected deposit balance).

In the accounting period ending on 31 December 2024, the Company recognized a net derivative transaction income amounting to TL 1,216,702,945 in the income statement due to the transactions carried out during the period. (2023: TL 1,035,349,313) (Note 26).

14. CASH AND CASH EQUIVALENT ASSETS

	31 December 2024	31 December 2023
Bank deposits	20,602,437,060	27,743,729,281
Receivables from credit cards	4,625,916,852	3,803,119,807
Total cash and cash equivalents	25,228,353,912	31,546,849,088
Blocked amounts	(5,644,313,095)	(4,024,882,435)
Accrued interest on bank deposits	(1,310,086,383)	(1,355,524,489)
Cash and cash equivalents in the statement of cash flows	18,273,954,434	26,166,442,164

	31 December 2024	31 December 2023
Foreign currency denominated bank deposit		
- Time deposit	768,597,861	1,211,850,284
- Demand deposit	63,210,061	152,189,941
Bank deposit in Turkish Lira		
- Time deposit	19,422,824,120	26,208,738,826
- Demand deposit	347,805,017	170,950,230
Banks	20,602,437,060	27,743,729,281

As of 31 December 2024, the Company has blocked bank deposits in favor of IPRSA in the amount of TL 3,648,755,422 (31 December 2023: TL 2,958,637,962), Tarım Sigortaları Havuz İşletmeleri A.Ş.'s (TARSİM) the amount of TL 1,962,678,867 (31 December 2023: TL 1,052,708,219), and Central Bank of Turkish Republic of Northern Cyprus in the amount of TL 32,878,805 (31 December 2023: TL 13,536,254).

As of 31 December 2024, maturity distributions of time deposits are between 7 days and 92 days (31 December 2023: 2 - 189 days). Interest rates of time deposits are as follows.

	31 December 2024	31 December 2023
TL	43% - 54%	35% - 48.50%
USD	1.50% - 3.50%	1.50% - 4.50%
EUR	1.00% - 2.50%	1.00% - 3.50%

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15. SHAREHOLDERS EQUITY

Paid in capital

The Company's paid-in capital as of 31 December 2024 is TL 5,000,000,000; it is divided into 5,000,000,000 shares, each with a nominal value of TL 1. As of 31 December 2024, the capital group controlled directly concerned with 81.10% share capital by TVF Finansal Yatırımlar A.Ş. on the Company.

Capital reserves

	31 December 2024	31 December 2023
Premium on issued shares	678,174,883	671,104,847
Funds of profit from sale of properties	80,135,867	80,135,867
Repurchased Company shares (-)	(43,465,453)	(43,465,453)
Capital reserves	714,845,297	707,775,261

Legal reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the TCC. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5%, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

	31 December 2024	31 December 2023
Legal reserves	418,256,161	324,063,778
	418,256,161	324,063,778

Extraordinary reserves

	31 December 2024	31 December 2023
Extraordinary reserves	2,409,904,900	1,174,163,204
Revaluation fund allocated according to tax legislation (*)	-	13,074,907
	2,409,904,900	1,187,238,111

(*) The mentioned fund has been reserved in accordance with the relevant tax legislation and cannot be subject to profit distribution.

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15. SHAREHOLDERS' EQUITY (cont'd)

Valuation of financial assets

Movements of fair value changes arising from financial assets during the period are as follows:

	2024	2023
Beginning of the period - 1 January	4,561,269,075	2,834,326,564
Fair value increase, net	1,990,413,631	1,719,532,989
Tax effect of fair value increase, net	(638,527,072)	7,409,522
End of the period - 31 December	5,913,155,634	4,561,269,075

Other profit reserves

	31 December 2024	31 December 2023
Revaluation fund (Note 6)	1,245,860,649	1,025,466,604
Affiliate sales gain fund	351,959,910	351,959,910
Earthquake claim fund transferred to shareholder's equity	19,490,473	19,490,473
Transferred reserves from profits of prior years	6,592,945	6,592,945
Actuarial loss, net (-)	(91,234,651)	(80,787,397)
Other profit reserves	1,532,669,326	1,322,722,535

Dividends

The Company with the decision taken at the Extraordinary General Assembly, decided to distribute a dividend of TL 1,000,000,000 to its shareholders on the said date at its General Assembly dated 3 September 2024 (2023: TL 155,555,555).

16. OTHER RESERVES AND EQUITY COMPONENT OF DISCRETIONARY PARTICIPATION FEATURE

The information about other reserves which are within the share holders' equity is at Note 15.

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17. INSURANCE LIABILITIES AND REINSURANCE ASSETS

The details of the Company's technical provisions as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Reserve for unearned premiums, gross	54,254,807,614	34,454,560,770
Unearned premium reserve reinsurers' share (Note 10)	(26,918,510,059)	(13,387,964,350)
Reserve for unearned premiums, SSI ceded (Note 10)	(570,867,568)	(620,389,045)
Reserve for unearned premiums, net	26,765,429,987	20,446,207,375
Provision for outstanding claims, gross	36,807,321,883	24,657,862,147
Provision for outstanding claims, ceded (Note 10)	(16,143,515,817)	(12,066,259,574)
Provision for outstanding claims, net	20,663,806,066	12,591,602,573
Reserve for unexpired risks, net	1,312,097,724	1,777,902,352
Equalization provision, net	(515,996,277)	206,353,327
Bonuses and discounts provision, net	1,395,000	-
Other technical provisions	208,557,957	212,222,958
Total technical provisions, net	49,467,283,012	35,234,288,585

In accordance with the 5 December 2014 dated and 2014/16 numbered 'Circular on Provision for Outstanding Claim' by Ministry of Treasury and Finance, the Company decided ACLM methods for each branch depending on the actuary's recommendation. In addition, development has been determined by using statistical methods and implemented to ACLM triangles in accordance with actuary's opinion. The ACLM calculations are performed on a gross basis and the net amounts are determined in accordance with the methods presented below. As of 31 December 2024 and 2023, ACLM calculation methods for branches and as a result of these calculations, additional gross or net reserves that will be reserved or that will be reduced from reserves are described below:

		31 December 2024		31 December 2023	
	Method Used	Gross add provision	Net add provision	Gross add provision	Net add provision
Compulsory Traffic	Standard/ Frequency Intensity / Bornhuetter Ferguson/	30,927,128,272	27,291,461,734	16,468,459,218	14,591,480,054
General Liability	Standard/ Bornhuetter Ferguson	5,192,966,485	608,471,077	1,609,981,410	130,290,624
Facultative Financial Liability	Standard/ Frequency Intensity /CapeCod	2,043,187,900	2,042,960,158	617,164,284	616,772,434
Air Vehicles	Standard/ Frequency Intensity	650,635,141	-	195,547,438	-
Fire and Natural Disasters	Standard/ Frequency Intensity	1,079,630,808	97,591,620	594,724,159	34,980,278
General Losses	Standard/ Frequency Intensity	601,590,643	33,217,066	197,633,357	10,100,920
Air Vehicles Liability	Standard/ Frequency Intensity	191,160,409	-	140,799,609	-
Accident	Standard/ Frequency Intensity	58,603,237	26,611,340	41,225,062	25,978,235
Transportation	Standard	109,407,500	18,266,391	52,252,150	8,691,287
Financial Losses	Standard	28,472,494	1,560,500	18,614,320	899,540
Health	Standard	(94,836,681)	(94,836,681)	(35,802,470)	(35,810,105)
Water Vehicles	Standard	52,611,583	4,302,422	11,892,522	1,319,222
Surety	Standard	7,915,021	726,072	11,460,186	520,031
Legal Protection	Standard	161,244	153,476	343,060	321,520
Credit	Standard	(32,587)	(907)	(75,103)	(3,315)
Motor Vehicles	Standard/ Cape Cod	(74,340,332)	(73,778,158)	(8,731,930)	(8,581,763)
Total		40,922,941,800	30,104,262,426	19,915,487,272	15,376,958,962

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17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (cont'd)

Below are the details of methods used to calculate net amount of provisions with additional gross, as a result of ACLM calculations for branches:

Branch	Used Net Off Method
Compulsory Traffic	Conservation rate of incurred claims in incurred period
General Liability elimination	Conservation rate of incurred claims in incurred period after large claim
Air Vehicles	Conservation rate of incurred claims in incurred period
Fire and Natural Disasters elimination	Conservation rate of incurred claims in incurred period after large claim
Air Vehicles Liability	Conservation rate of incurred claims in incurred period
Facultative Financial Liability	Conservation rate of incurred claims in incurred period
General Losses elimination	Conservation rate of incurred claims in incurred period after large claim
Accident elimination	Conservation rate of incurred claims in incurred period after large claim
Financial Losses elimination	Conservation rate of incurred claims in incurred period after large claim
Transportation	Conservation rate of incurred claims in incurred period
Water Vehicles elimination	Conservation rate of incurred claims in incurred period after large claim
Health	Conservation rate of incurred claims in incurred period
Legal Protection	Conservation rate of incurred claims in incurred period
Breach of Trust elimination	Conservation rate of incurred claims in incurred period after large claim
Motor Vehicles	Conservation rate of incurred claims in incurred period

The Company, while doing the ACLM calculations, eliminated the major 3 claims in a separate file to have a more homogeneous data set of calculations with the statistical methods, accepted by circular. As a result of these investigations, it has intervened in the end claims that are thought to have a misleading effect on the claim developments in the Safety Abuse, General Losses, Financial Losses, Water Vehicles, Marine and Fire branches. There is no end claim elimination has been made for other branches.

Branch	31 December 2024	31 December 2023
General Losses	10,029,972	6,731,189
Fire and Natural Disasters	2,027,000	1,250,639
Breach of Trust	Manual	Manual
Water Vehicles	Manual	Manual
Financial Losses	Manual	Manual
Accident	Manual	Manual
General Liability	Manual	Manual
Transportation	Manual	Manual

As of 31 December 2024 and 2023, movements of insurance liabilities and reinsurance assets are as follows:

Reserve for unearned premiums:

	2024			
	Gross	Reinsurer share	SSI Share	Net
Beginning of the period - 1 January	34,454,560,770	(13,387,964,350)	(620,389,045)	20,446,207,375
Written premium during the period	101,365,792,989	(52,176,526,152)	(1,018,981,502)	48,170,285,335
Earned premiums during the period	(81,565,546,145)	38,645,980,443	1,068,502,979	(41,851,062,723)
End of the period – 31 December	54,254,807,614	(26,918,510,059)	(570,867,568)	26,765,429,987
	2023			
	Gross	Reinsurer share	SSI Share	Net
Beginning of the period - 1 January	14,618,128,913	(6,783,881,701)	(332,020,272)	7,502,226,940
Written premium during the period	59,518,179,027	(24,572,956,334)	(1,144,616,075)	33,800,606,618
Earned premiums during the period	(39,681,747,170)	17,968,873,685	856,247,302	(20,856,626,183)
End of the period – 31 December	34,454,560,770	(13,387,964,350)	(620,389,045)	20,446,207,375

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17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (cont'd)

Provision for outstanding claims:

	2024		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	20,587,884,665	(12,667,782,649)	7,920,102,016
Notified claims during the period and changes in estimates regarding the outstanding claims	41,198,867,385	(12,657,535,076)	28,541,332,309
Claims paid during the period	(33,089,266,697)	8,535,399,220	(24,553,867,477)
Total reported claims end of the period	28,697,485,353	(16,789,918,505)	11,907,566,848
Deduction amount calculated in accordance with winning ratio	(2,096,707,947)	835,039,027	(1,261,668,920)
Incurred but not reported claims	40,922,941,800	(10,818,679,374)	30,104,262,426
Discount adjustment for outstanding claim reserve	(30,716,397,323)	10,630,043,036	(20,086,354,287)
End of the period - 31 December	36,807,321,883	(16,143,515,816)	20,663,806,066
	2023		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	9,756,173,118	(5,300,730,042)	4,455,443,076
Notified claims during the period and changes in estimates regarding the outstanding claims	34,027,992,389	(20,556,699,733)	13,471,292,656
Claims paid during the period	(23,196,280,842)	13,189,647,126	(10,006,633,716)
Total reported claims end of the period	20,587,884,665	(12,667,782,649)	7,920,102,016
Deduction amount calculated in accordance with winning ratio	(1,380,319,848)	428,396,447	(951,923,401)
Incurred but not reported claims	19,915,487,272	(4,538,528,310)	15,376,958,962
Discount adjustment for outstanding claim reserve	(14,465,189,942)	4,711,654,938	(9,753,535,004)
End of the period - 31 December	24,657,862,147	(12,066,259,574)	12,591,602,573

Equalization provision:

	2024		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	1,329,607,140	(1,123,253,813)	206,353,327
Net change	1,356,846,876	(1,047,203,926)	309,642,950
End of the period – 31 December	2,686,454,016	(2,170,457,739)	515,996,277
	2023		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	731,680,953	(571,736,260)	159,944,693
Net change	597,926,187	(551,517,553)	46,408,634
End of the period – 31 December	1,329,607,140	(1,123,253,813)	206,353,327

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17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (cont'd)

Reserve for unexpired risks:

	2024		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	2,216,847,046	(438,944,694)	1,777,902,352
Net change	(158,991,312)	(306,813,316)	(465,804,628)
End of the period – 31 December	2,057,855,734	(745,758,010)	1,312,097,724
	2023		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	1,537,219,939	(358,403,497)	1,178,816,442
Net change	679,627,107	(80,541,197)	599,085,910
End of the period – 31 December	2,216,847,046	(438,944,694)	1,777,902,352

Claim development tables

The basic assumption used in estimation of the provision for outstanding claims is the Company's past experience of claims development. In determining the effect of external factors like court decisions and legal changes provision for outstanding claims; The Company management uses its own judgments. Sensitivity of estimations caused by legal changes and other ambiguities in the process of estimation is not measurable. Also, the long intervals between the time claim happens and the payment time prevent the provision for outstanding claims to be determined clearly. Consequently, total liabilities can change according to subsequent events and differences occurred by this re-estimation of the total liabilities are booked in financial statements in succeeding periods.

Development of insurance liabilities allows measuring the performance of the Company in estimating the total claims liability. The amounts in the upper part of the tables below show the changes in the Company's estimations of aggregate claims from the time that claims happened.

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17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (cont'd)

Claim development tables (cont'd):

31 December 2024

Claim Period	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	1 January 2024-31 December 2024	Total
Claim year								
1 year later	1,863,980,270	1,780,485,042	2,200,919,668	3,522,342,294	7,579,451,888	19,434,748,103	29,336,944,755	65,718,872,020
2 years later	1,029,937,490	795,070,512	1,427,877,388	2,612,456,327	14,471,912,601	11,433,320,573	-	31,770,574,890
3 years later	894,720,380	644,344,269	840,101,305	1,855,098,381	10,041,354,080	-	-	14,275,618,416
4 years later	1,128,831,524	636,211,484	887,923,078	1,367,910,000	-	-	-	4,020,876,086
5 years later	1,206,138,148	696,715,783	872,070,934	-	-	-	-	2,774,924,865
6 years later	1,330,599,313	749,228,259	-	-	-	-	-	2,079,827,573
7 years later	1,545,772,716	-	-	-	-	-	-	1,545,772,716
Total								
incurred loss - gross	8,999,979,843	5,302,055,349	6,228,892,374	9,357,807,001	32,092,718,569	30,868,068,676	29,336,944,755	122,186,466,566

31 December 2023

Claim Period	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	Total
Claim year								
1 year later	1,482,358,941	1,863,980,270	1,780,485,042	2,200,919,668	3,522,342,447	7,579,451,888	19,434,564,364	37,864,102,620
2 years later	872,565,901	1,029,937,490	795,070,512	1,427,878,739	2,612,456,327	14,472,101,783	-	21,210,010,752
3 years later	535,704,399	894,720,380	644,346,187	840,101,305	1,855,098,381	-	-	4,769,970,652
4 years later	465,933,695	1,128,831,524	636,211,484	887,923,078	-	-	-	3,118,899,781
5 years later	565,766,887	1,206,138,148	696,715,783	-	-	-	-	2,468,620,818
6 years later	628,700,292	1,330,599,313	-	-	-	-	-	1,959,299,605
7 years later	758,184,438	-	-	-	-	-	-	758,184,438
Total								
incurred loss - gross	5,309,214,553	7,454,207,125	4,552,829,008	5,356,822,790	7,989,897,155	22,051,553,671	19,434,564,364	72,149,088,666

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17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (cont'd)

Total amount of guarantee that should be placed by the Company for life and non-life branches and guarantees placed for the life and non-life branches in respect of related assets

	31 December 2024		31 December 2023	
	Should be placed (*)	Placed (**)	Should be placed (*)	Placed
Non-life:				
Bank deposits		3,648,755,422		2,958,637,962
Financial assets		3,859,915,351		43,847,890
	6,987,762,931	7,508,670,773	4,403,569,355	3,002,485,852

(*) In accordance with the relevant legislation, the insurance companies are required to provide guarantees that equal to one third of required capital amount as determined by capital adequacy calculation, as Minimum Guarantee Fund, in each capital adequacy calculation period.

(**) The amount of collateral established as of 31 December 2024 refers to the amount established according to the calculation result on 31 December 2024. As of 31 December 2024, the amount of collateral to be established, calculated as a result of capital adequacy, has been established within the legal period.

Total amount of insurance risk on a branch basis	31 December 2024	31 December 2023
Motor Vehicles Liability	36,086,305,290,174	39,855,770,423,695
Fire and Natural Disasters	16,678,296,442,240	9,915,134,872,880
Health	14,787,956,704,007	8,906,027,479,082
General Losses	2,514,692,721,322	1,684,572,737,416
Motor Vehicles	1,130,202,068,595	810,825,902,902
General Liability	625,716,273,007	400,945,054,093
Air Vehicles Liability	620,243,557,565	146,874,898,525
Accident	335,215,035,597	368,280,050,978
Financial Losses	291,063,788,613	132,624,450,192
Transportation	136,155,378,223	77,500,496,291
Other	1,758,759,417,100	937,645,742,698
Total	74,964,606,676,443	63,236,202,108,752

Number of life insurance policies of the Company and the number of life and current life policyholders entered and left during the period and their mathematical reserves

None (31 December 2023: None).

Distribution of new life insurance policyholders in terms of numbers and gross and net premiums as individual or group during the period

None (31 December 2023: None).

Distribution of mathematical reserves for life insurance policyholders who left the Company's portfolio as individual or group during the period

None (31 December 2023: None).

Deferred commission expenses

Deferred portion of commissions paid to the intermediaries in relation to the policy production are capitalized under the account of 'short-term prepaid expenses' in the accompanying financial statements. Total prepaid expenses amounting to TL 7,400,013,011 (31 December 2023: TL 5,152,511,063) is composed of deferred commission expenses amounting to TL 7,128,837,108 (31 December 2023: TL 4,748,819,864) and other prepaid expenses amounting to TL 271,175,903 (31 December 2023: TL 403,691,199).

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18. INVESTMENT CONTRACT LIABILITIES

None (31 December 2023: None).

19. TRADE AND OTHER PAYABLES, DEFERRED INCOME

	31 December 2024	31 December 2023
Payables from operating activities	8,205,211,983	3,972,798,387
Deferred commission income (Note 10)	3,887,124,127	2,099,357,527
Payables to SSI	255,123,781	329,901,774
Deposits and guarantees received	67,758,736	56,617,074
Other miscellaneous payables	449,964,552	309,591,109
	12,865,183,179	6,768,265,871
<i>Payables Arising from Operating Activities</i>		
Payables to reinsurance companies	6,125,687,626	2,850,873,347
Payables to TARSİM	1,994,780,052	1,163,860,016
Rediscount (-)	(93,052,909)	(57,411,124)
Other	177,797,214	15,476,148
	8,205,211,983	3,972,798,387
<i>Other Miscellaneous Payables</i>		
Payables to suppliers and contracted institutions	230,954,260	231,273,994
DASK current accounts	218,148,440	77,454,418
Other	861,852	862,697
	449,964,552	309,591,109
<i>Payables from Operating Activities</i>		
As of 31 December 2024, the portion of the payables from main operations amounting to TL 6,125,687,626 (31 December 2023: TL 2,850,873,347) consists of payables to reinsurance companies (Note 10).		
As of 31 December 2024, the portion of the debts from main activities amounting to TL 1,994,780,052 (31 December 2023: TL 1,163,860,016) consists of TARSİM debts.		
20. FINANCIAL PAYABLES		
Lease liabilities		
As of 31 December 2024 and 2023, the Company's total lease obligation and lease liabilities, which are recognized as part of the transition to TFRS 16 Leases, are as follows:		
	31 December 2024	31 December 2023
Short - term leases liabilities	23,182,615	38,729,861
Long - term leases liabilities	15,645,849	34,617,986
Alternative borrowing rate and discount amount	(8,960,415)	(16,926,426)
Total lease liabilities	29,868,049	56,421,421
	2024	2023
Total lease liabilities as of January 1	56,421,421	29,092,275
Lease payments	(32,857,972)	(25,319,335)
New adding and interest cost	6,304,600	52,648,481
Total lease liabilities as of 31 December	29,868,049	56,421,421

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20. FINANCIAL PAYABLES (cont'd)

Other Financial Payables

	31 December 2024		
	Annual interest rate (%)	Maturity (day)	Amount (TL)
İstanbul Takas ve Saklama Bankası A.Ş.	48-50	7 - 120	1,204,190,294
Halk Yatırım Menkul Değerler A.Ş.	-	-	-
İş Yatırım Ortaklığı A.Ş.	-	-	-
Ziraat Yatırım Menkul Değerler A.Ş.	-	-	-
Other	-	-	-
Total			1,204,190,294

	31 December 2023		
	Annual interest rate (%)	Maturity (day)	Amount (TL)
İstanbul Takas ve Saklama Bankası A.Ş.	41-43	4 – 91	15,196,437,731
Halk Yatırım Menkul Değerler A.Ş.	40-42	4 – 14	1,612,346,306
İş Yatırım Ortaklığı A.Ş.	41-43	10 – 35	698,549,427
Ziraat Yatırım Menkul Değerler A.Ş.	41-43	4 – 24	651,356,326
Other	40-42	8	201,629,191
Total			18,360,318,981

Funds obtained from other financial debts received as of 31 December 2024 and 2023 are used in investment activities.

21. DEFERRED TAXES

The Company calculates deferred income tax assets and liabilities for the temporary differences in the balance sheet items arising due to the measurement in these financial statements and measurement in accordance with Tax Procedure Law. The enacted tax rate used for the calculation of deferred income tax assets and liabilities on temporary differences that are expected to be realized in the following periods under the liability method.

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21. DEFERRED TAXES (cont'd)

	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Deferred tax assets				
Provisions for reinsurance receivables	208,557,957	212,222,958	62,567,387	63,666,887
Equalization provision	273,881,487	168,718,691	82,164,446	50,615,607
Severance pay	193,980,970	147,469,021	58,194,291	44,240,706
Provision for doubtful receivables	87,576,453	21,417,917	26,272,936	6,425,375
Provision for ongoing risks	1,312,097,724	1,777,902,352	393,629,317	533,370,706
Bonus discounts provision	1,395,000	-	418,500	-
TFRS16 difference	4,064,240	4,010,460	1,219,272	1,203,138
Personnel leave, lawsuit and other provisions	1,539,709,699	427,102,295	461,912,910	128,130,689
Total deferred tax assets			1,086,379,059	827,653,108
Deferred tax liabilities				
Financial assets fair value differences	(6,179,154,864)	(5,748,586,623)	(828,192,567)	(189,665,496)
Revaluation fund for use purposes	(391,829,317)	(1,035,535,723)	(43,271,795)	(37,788,177)
Investment properties valuation difference	(309,753,554)	(225,376,804)	(69,694,550)	(50,709,781)
Other	(1,553,487,735)	(953,301,883)	(466,046,320)	(285,990,565)
Total deferred tax liabilities (-)			(1,407,205,232)	(564,154,019)
Net deferred tax asset/(liability)			(320,826,173)	263,499,089

The movement of deferred tax assets during the period are as follows:

	2024	2023
Beginning of the period - 1 January	263,499,089	254,175,649
Deferred tax income	82,927,091	12,135,367
Deferred tax, recognized in equity	(667,252,353)	(2,811,927)
End of the period - 31 December	(320,826,173)	263,499,089

22. RETIREMENT AND SOCIAL BENEFIT OBLIGATIONS

None (31 December 2023: None).

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

23. PROVISIONS FOR OTHER LIABILITIES AND EXPENSES

As of 31 December 2024 and 2023, the details of the provisions for other liabilities and expenses are as follows:

	31 December 2024	31 December 2023
Personnel bonus provision	627,000,000	224,923,080
Provision for agency commission	435,000,000	130,000,000
Provision for unused vacations	73,554,986	43,385,458
Provision for lawsuit	27,490,811	12,931,437
Other provisions	376,663,902	15,862,320
Provision for accrued expenses	1,539,709,699	427,102,295
Provision for severance pay	193,980,970	147,469,021

Movements of cost expenses the period are presented below:

	Personnel bonus provision	Agency commission provision	Other	Total
Beginning of the period – 1 January 2024	224,923,080	130,000,000	72,179,215	427,102,295
Change during the period	402,076,920	305,000,000	405,530,484	1,112,607,404
End of the period – 31 December 2024	627,000,000	435,000,000	477,709,699	1,539,709,699

	Personnel bonus provision	Agency commission provision	Other	Total
Beginning of the period - 1 January 2023	91,000,000	850,000	37,436,146	129,286,146
Change during the period	133,923,080	129,150,000	34,743,069	297,816,149
End of the period – 31 December 2023	224,923,080	130,000,000	72,179,215	427,102,295

Movements of provision for severance pay during the period are presented below:

	2024	2023
Beginning of the period - 1 January	147,469,021	173,782,773
Interest cost	32,585,845	17,704,558
Service cost	25,262,316	24,493,149
Payments during the period (-)	(26,260,859)	(40,886,626)
Actuarial (gain)/loss	14,924,647	(27,624,833)
End of the period - 31 December	193,980,970	147,469,021

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24. NET INSURANCE PREMIUM INCOME

The distribution of premiums written by branches in the accounting periods of 1 January - 31 December 2024 and 2023 is as follows:

	1 January - 31 December 2024				1 January - 31 December 2023			
	Gross	Re Share	SSI Share	Net	Gross	Re Share	SSI Share	Net
General Loses	27,815,176,214	(24,547,771,972)	-	3,267,404,242	14,495,395,746	(12,930,103,921)	-	1,565,291,825
Fire and Natural Disasters	25,522,275,016	(17,159,645,134)	-	8,362,629,882	12,588,204,733	(7,891,198,335)	-	4,697,006,398
Motor Vehicles Liability	14,670,630,208	(3,784,129,884)	(1,018,913,220)	9,867,587,104	13,398,603,875	(1,393,987,023)	(1,144,544,117)	10,860,072,735
Motor Vehicles	11,468,367,402	(238,350,496)	-	11,230,016,906	8,362,666,634	(52,347,486)	-	8,310,319,148
Health	9,419,275,674	-	-	9,419,275,674	4,248,266,384	-	-	4,248,266,384
Accident	5,176,309,940	(148,464,490)	(68,282)	5,027,777,168	3,906,819,601	(207,189,906)	(71,958)	3,699,557,737
General Liability	2,341,861,646	(2,084,465,949)	-	257,395,697	1,132,308,625	(949,267,327)	-	183,041,298
Air Vehicles	1,215,988,067	(1,215,980,577)	-	7,490	240,727,271	(240,672,504)	-	54,767
Water Vehicles	1,213,512,773	(1,192,936,457)	-	20,576,316	445,732,675	(434,178,736)	-	11,553,939
Air Vehicles Liability	902,543,795	(902,540,152)	-	3,643	114,626,942	(114,626,942)	-	-
Transportation	642,887,299	(539,016,327)	-	103,870,972	261,864,512	(204,552,811)	-	57,311,701
Legal Protection	545,791,189	(15)	-	545,791,174	126,885,138	(87)	-	126,885,051
Financial Losses	238,502,448	(202,820,808)	-	35,681,640	75,615,157	(60,550,625)	-	15,064,532
Credit	134,321,932	(134,321,932)	-	-	78,124,218	(78,044,369)	-	79,849
Surety	58,349,386	(26,081,960)	-	32,267,426	42,337,516	(16,236,262)	-	26,101,254
Total	101,365,792,989	(52,176,526,152)	(1,018,981,502)	48,170,285,335	59,518,179,027	(24,572,956,334)	(1,144,616,075)	33,800,606,618

TÜRKİYE SİGORTA A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023**

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25. SUBSCRIPTION FEE REVENUE

None (31 December 2023: None).

26. INVESTMENT INCOME

	1 January - 31 December 2024	1 January - 31 December 2023
Income from financial investments	14,393,006,789	6,534,247,694
<i>Interest income from time deposit</i>	9,685,795,817	2,647,612,744
<i>Interest income from debt instrument</i>	4,707,210,972	3,886,634,950
Valuation of financial investments	5,246,873,200	3,989,246,146
Income from derivative instruments	1,216,702,945	1,035,349,313
Foreign exchange gains	851,430,593	1,606,170,304
Dividend income from affiliated securities	165,679,264	29,627,939
Lease and valuation income	89,775,357	134,796,468
	21,963,468,148	13,329,437,864

27. NET REALIZED GAINS ON FINANCIAL ASSETS

Disclosed in "Financial risk management" note (Note 4.2) above.

28. NET FAIR VALUE GAINS ON ASSETS AT FAIR VALUE THROUGH PROFIT/LOSS

Disclosed in "Financial risk management" note (Note 4.2) above.

29. INSURANCE RIGHTS AND CLAIMS

Disclosed in Note 17.

30. INVESTMENT CONTRACT BENEFITS

None (31 December 2023: None).

31. OTHER MANDATORY EXPENSES

The allocation of the expenses with respect to their nature or function is presented in Note 32.

32. EXPENSE BY NATURE

Details of operating expenses included in the income statement are as follows.

	1 January - 31 December 2024	1 January - 31 December 2023
Commission expenses	10,799,531,481	5,508,632,869
Employee benefit expense (Note 33)	2,745,536,860	1,541,529,024
Management expenses	240,241,414	180,321,431
Outsourced benefits and services	201,129,229	116,076,332
Advertising expenses	144,107,109	112,842,595
Acquired commission incomes from reinsurer (Note 10)	(5,761,567,674)	(2,719,319,082)
Other operating expenses	894,840,072	468,983,299
Total	9,263,818,491	5,209,066,468

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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33. EMPLOYEE BENEFIT EXPENSES

The details of employee benefit expenses are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Salaries and wages	1,785,563,672	1,124,397,673
Personnel social benefit expenses	474,577,688	176,266,975
Employer's share in social security premiums	334,483,020	154,583,975
Other	150,912,480	86,280,401
	2,745,536,860	1,541,529,024

34. FINANCE COSTS

For the period 1 January - 31 December 2024, financial expenses recognised in the income statement are TL 3,498,515,944 (2023: TL 3,133,275,139). There are no financial expenses recognised in the cost of production or in the cost of fixed assets.

35. INCOME TAXES

Income tax expense in the accompanying financial statements is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Current tax expense (-)	(3,901,084,865)	(1,498,523,130)
Deferred tax income	82,927,091	12,135,367
Total income tax expense recognized in statement of income (-)	(3,818,157,774)	(1,486,387,763)

A reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for 1 January - 31 December 2024 and 2023 is as follows:

	2024	2023
Profit before tax	16,538,420,598	7,641,723,572
Tax rate	30%	30%
Income tax expense at statutory tax rate (-)	(4,961,526,180)	(2,292,517,073)
Effect of non-taxable income	1,465,894,853	868,985,033
Tax rate change and effect of other adjustment	(322,526,448)	(62,855,723)
Total income tax expense recognized in statement of income (-)	(3,818,157,774)	(1,486,387,763)

36. NET FOREIGN EXCHANGE GAINS

Disclosed in Note 26.

37. EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit for the period into weighted average number of shares of the Company.

	1 January - 31 December 2024	1 January - 31 December 2023
Net profit for the period	12,720,262,824	6,155,335,809
Weighted average number of shares	5,000,000,000	5,000,000,000
Earnings per share (TL)	2.54	1.23

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

38. DIVIDENDS PER SHARE

Information on dividend distribution is explained in notes 15 and 45. Profit share per share for the accounting period of 1 January - 31 December 2024 has been calculated as TL 0.20 (1 January - 31 December 2023: TL 0.13).

39. CASH GENERATED FROM OPERATIONS

The cash flows from operating activities are presented in the accompanying statement of cash flows.

40. CONVERTIBLE BONDS

None (31 December 2023: None).

41. REDEEMABLE PREFERENCE SHARES

None (31 December 2023: None).

42. RISKS

In the normal course of its operations, the Company is exposed to legal disputes, claims and challenges, in which mainly stem from its insurance operations. The necessary income/expense provision for those revocable cases against/on behalf of the Company are provided whether under provision for outstanding claims or provisions for other risks in the accompanying financial statements.

As of 31 December 2024, if cases regarding insured damages in which the Company is defendant, result in against the Company, amount of arising potential liability (including interest and other expenses) is TL 10,304,244,272 (31 December 2023: TL 6,796,095,721). Provision for all these cases is recognized under provision for outstanding claim account in the related financial statements.

43. COMMITMENTS

The details of the guarantees which are given by the Company in favor or the Ministry of Treasury and Finance for insurance operations are presented in Notes 11, 14 and 17.

44. BUSINESS COMBINATIONS

None (1 January – 31 December 2023: None).

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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

45. RELATED PARTY TRANSACTIONS

Türkiye Varlık Fonu Group companies are considered as related parties.

As of 31 December 2024 and 2023, related party balances are as follows:

	31 December 2024	31 December 2023
Bank deposits		
T.C. Ziraat Bankası A.Ş.	9,509,492,500	9,747,910,579
Türkiye Vakıflar Bankası T.A.O. ("Vakıfbank")	6,721,787,737	8,362,966,832
Türkiye Halk Bankası A.Ş.	383,695,416	1,294,334,750
Other	77,974,985	165,945,040
	16,692,950,638	19,571,157,201
Financial assets		
Ziraat Portföy Yönetimi A.Ş.	5,149,765,154	3,455,866,118
T.C. Ziraat Bankası A.Ş.	100,058,110	2,179,852,484
Vakıfbank	752,703,714	1,428,807,711
Türkiye Halk Bankası A.Ş.	-	949,860,881
Other	-	118,876,210
	6,002,526,978	8,133,263,404
Receivables from operating activities		
T.C. Ziraat Bankası A.Ş.	2,946,253,699	1,607,043,460
Türkiye Halk Bankası A.Ş.	1,097,371,010	704,624,058
Vakıfbank	462,090,714	269,660,653
Other	45,697,514	26,470,159
	4,551,412,937	2,607,798,330
Payables from operating activities		
Vakıfbank	38,408,263	23,175,708
Türkiye Halk Bankası A.Ş.	91,533,143	668,481
Other	-	1,634
	129,941,406	23,845,823
Other payable to related parties		
Dividend payables to shareholders	5,171,916	5,178,112
	5,171,916	5,178,112

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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45. RELATED PARTY TRANSACTIONS (cont'd)

	31 December 2024	31 December 2023
Other financial liabilities		
İstanbul Takas ve Saklama Bankası A.Ş.	1,204,190,294	15,196,437,731
Halk Yatırım Menkul Değerler A.Ş.	-	1,612,346,306
Ziraat Yatırım Menkul Değerler A.Ş.	-	651,356,326
	1,204,190,294	17,460,140,363

The operations performed with related party in organizations are as follows:

Written premiums	1 January - 31 December 2024	1 January - 31 December 2023
Turkish Petroleum BTC. LTD.	4,312,508,682	760,563,240
Türk Hava Yolları Anonim Ortaklığı	1,349,199,118	127,581,918
Botaş Boru Hatları İle Petrol Taşıma A.Ş.	997,827,256	-
Türksat Uydu Haberleşme Kablotv Ve İşletme A.Ş.	526,400,966	-
Türkiye Halk Bankası A.Ş.	482,489,265	324,496,215
Türkiye Petrolleri Anonim Ortaklığı	478,660,150	309,073,690
Central Oto Kiralama Anonim Şirketi	311,467,777	187,259,062
Turkcell İletişim Hizmetleri A.Ş.	300,905,855	334,994,737
Türk Telekomünikasyon A.Ş.	269,600,992	-
Türkiye Hayat ve Emeklilik A.Ş.	247,733,289	104,355,260
T.C. Ziraat Bankası A.Ş.	196,932,086	136,654,030
Vakıfbank	196,849,687	152,037,701
Halk Finansal Kiralama A.Ş.	176,654,517	133,472,158
Botas Pipeline Services	174,796,449	-
Other	1,043,149,409	742,940,226
	11,065,175,497	3,313,438,238

Premiums through related parties

T.C. Ziraat Bankası A.Ş.	28,096,140,232	16,722,769,335
Türkiye Halk Bankası A.Ş.	9,118,058,100	4,833,100,685
Vakıfbank	7,311,874,779	5,531,299,377
	44,526,073,111	27,087,169,397

The Company has also paid a commission amounting to TL 7,345,408,459 to the relevant banks regarding the premiums written through the banks that are related parties as described above for the period 1 January - 31 December 2024. (1 January - 31 December 2023: TL 4,578,771,424).

TÜRKİYE SİGORTA A.Ş.**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

45. RELATED PARTY TRANSACTIONS (cont'd)

	1 January - 31 December 2024	1 January - 31 December 2023
Other commission expenses paid		
Türkiye Halk Bankası A.Ş.	42,151,643	38,949,237
Halk Finansal Kiralama A.Ş.	25,217,122	20,058,496
Botas Pipeline Services	17,863,448	-
Turkcell İletişim Hizmetleri A.Ş.	14,788,441	-
Ptt Anadolu Lojistik A.Ş.	8,904,951	-
Central Oto Kiralama A.Ş.	8,665,061	10,566,158
Other	21,127,883	12,620,492
	138,718,550	82,194,383
Lease income		
Vakıfbank	1,819,247	1,328,489
	1,819,247	1,328,489
Lease paid		
Türkiye Hayat ve Emeklilik A.Ş.	422,329	267,150
	422,329	267,150
Finance income		
T.C. Ziraat Bankası A.Ş.	3,120,101,067	1,165,309,874
Vakıfbank	2,249,462,595	1,263,350,406
Türkiye Halk Bankası A.Ş.	548,781,610	779,168,532
Other	31,184,284	267,296,796
	5,949,529,557	3,475,125,608
Finance expenses		
İstanbul Takas ve Saklama Bankası A.Ş.	2,882,869,691	2,499,344,957
Halk Yatırım Menkul Değerler A.Ş.	240,710,425	324,465,580
Ziraat Yatırım Menkul Değerler A.Ş.	65,244,532	116,621,285
Other	79,020,030	-
	3,267,844,678	2,940,431,822
Dividend income		
Türkiye Hayat ve Emeklilik A.Ş.	165,679,264	29,454,091
	165,679,264	29,454,091
Dividend distributed		
TVF Finansal Yatırımlar A.Ş.	811,017,191	126,158,229
Other	188,982,809	29,397,326
	1,000,000,000	155,555,555

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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46. EVENTS AFTER THE REPORTING PERIOD

None.

47. OTHER

Items and amounts classified under the 'other' account in consolidated financial statements either exceeding 20 % of the total amount of the group to which they relate or 5% of the total assets in the balance sheet

	31 December 2024	31 December 2023
Other Miscellaneous Receivables		
Receivables from DASK agencies	15,063,858	5,840,508
Receivables from business partnerships	715,155,039	515,528
	730,218,897	6,356,036
Other Miscellaneous Payables		
Payables to suppliers and contracted institutions	230,954,260	231,273,994
DASK current account	218,148,440	77,454,418
Other	861,852	862,697
	449,964,552	309,591,109
Other Expenses and Losses		
Non-tax-deductible expenses	1,078,814	49,119,886
Charity and donations	35,250	75,000,000
Other	3,992,592	3,437,304
	5,106,656	127,557,190

“Total amount of each due to/from personnel items classified under ‘Other Receivables’ and ‘Other Short- and Long-Term Payables’ exceeding one percent of total assets in the balance sheet

None (31 December 2023: None).

TÜRKİYE SİGORTA A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024 AND 2023

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47. OTHER (cont'd)

“Total amount of each due to/from personnel items classified under ‘Other Receivables’ and ‘Other Short- and Long-Term Payables’ exceeding one percent of total assets in the balance sheet

None (31 December 2023: None).

Subrogation receivables followed under the off-balance sheet accounts

None (31 December 2023: None).

Description and amount of rights in real on property

None (31 December 2023: None).

Descriptive disclosure in relation to amounts and resources of income, expenses, and losses for the prior periods

None (31 December 2023: None).

For the years ended 31 December 2024 and 2023 details of rediscount and provision expenses are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Change in provision for recovery receivables under legal pursuit (Note 4.2)	(241,818,107)	(311,485,636)
Other	(1,532,725,980)	(104,417,233)
Total provision expenses (-)	(1,774,544,087)	(415,902,869)
Debit/credit rediscount expenses, net	(77,562,738)	(247,165,854)
Total rediscount expenses (-)	(77,562,738)	(247,165,854)

Fees for services received from independent auditor/independent audit firm:

	1 January - 31 December 2024	1 January - 31 December 2023
Independent audit fee for the reporting period	4,800,000	3,000,000
Fees for tax advisory services	340,000	125,000
Total (*) (**)	5,140,000	3,125,000

(*) The fee is excluding VAT.

(**) It also includes fees for services received for a joint venture.

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