MİLLİ RE

Local Leader, Global Partner

24

ANNUAL REPORT

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General Information

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2024 Annual Report	
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Vision

Reinforce our key role as lead reinsurer in the local market and **become a preferred business partner in the international markets.**

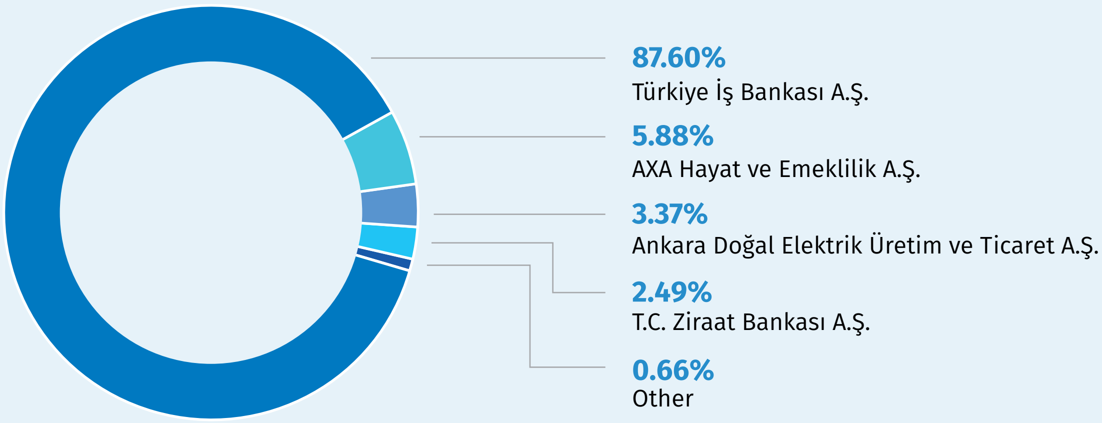
Mission

- Delivering **effective solutions** in compliance with best practice standards,
- Further strengthening **our robust capital base**,
- Developing **ethical and transparent business relations** while focusing on value creation,
- Contributing to employee development while observing the principle of equal opportunity; helping them **improve their performances through shared goals and targets set**

Shareholder Structure

Shareholder	Value of Stake (TL)	Stake (%)
İşbank	578,177,925.55	87.60
AXA Hayat ve Emeklilik A.Ş.	38,809,894.19	5.88
Ankara Natural Electricity Generation and Trade Co. Inc.	22,240,455.60	3.37
Ziraat Bank	16,430,944.19	2.49
Other	4,340,780.47	0.66
Total	**660,000,000.00**	**100. 00**

Note: Shareholders controlling 1% or greater stakes in the Company are shown here above.



Capital Increases

There were no capital increases during 2024.

Changes in the Shareholder Structure during 2024

There were no changes in Shareholder Structure during 2024.

Changes in the Articles of Association during 2024.

There were no changes in the Articles of Association during 2024.

Disclosures on Preferred Shares

There are no preferred shares.

Corporate Profile

Milli Re has been making every effort to support the development of the insurance industry in Türkiye and provide high quality service.

CORPORATE PROFILE

Milli Re was established by Türkiye İş Bankası (İşbank) on 26 February 1929 to manage the compulsory reinsurance system and commenced operations on 19 July 1929.

As the world's first and only privately owned company that managed a compulsory reinsurance system for all lines of business, Milli Re has played an important role in the formation and development of the insurance industry in Türkiye. Following the termination of the compulsory reinsurance system, the Company redefined its goals and strategies in alignment with the current conditions and via its strategy of opening to international markets, today continues to serve as a global, prestigious, and trusted reinsurer.

Milli Re has been making every effort to support the development of the insurance industry in Türkiye and provide high quality service. The Company meets reinsurance needs of the market with best possible terms and conditions, contributing significantly to the satisfaction of insurance companies by providing prompt claim settlements.

While operating the compulsory reinsurance system, the Company also made various contributions to the country such as;

- Nationalization of the Turkish insurance industry,
- Generation of continuous revenue for the Undersecretariat of Turkish Treasury,
- Significant reduction in the outflow of foreign currency,
- Providing insurance training and education programs for the insurance industry,
- Conducting top notch international relations.

Milli Re managed Turkish Reinsurance Pool from 1963 to 1985, and the Economic Cooperation Organization (ECO) Pool from 1967 to 1995, which was originally established under the name of RCD Pool.

Serving as the manager of the Federation of Afro-Asian Insurers and Reinsurers (FAIR) Pool between 1974 and 2024, Milli Re also undertook the management of the Turkish Catastrophe Insurance Pool (TCIP) between 2000 and 2005 where it was a co-founder.

Celebrating its 95th anniversary in 2024, Milli Re is embarking on its second century with strong progress in digitalization and organizational transformation.

As part of Milli Re's strategy to expand to international markets, the Company began writing business from these markets in 2006. In alignment with this strategy, Singapore Branch was opened in 2007.

By bringing its merited reputation and technical knowledge gained in the Turkish market to international arena and with the support of its financial strength, Milli Re continues to maintain its credibility in international markets through its strong performance.

Milli Re has been assigned a global rating of "C+" with a stable outlook on 06 November 2024 by A.M. Best and "B" with a stable outlook on 05 November 2024 by Standard&Poor's (S&P). Milli Re's national scale rating was affirmed as "tr BBB+ "by (S&P) on 02 September 2024. Possessing all the structural competence and a solid capital base, Milli Re's main objective is to achieve sustainable growth by translating its strong position in the local insurance market and its profit-oriented business model, which incorporates closely monitoring of risk/return balance to international markets.

Milli Re Singapore Branch

As part of its strategy to expand to international markets, Milli Re, like many other international reinsurers, examined the benefits of establishing regional branches. Consequently, Singapore Branch was opened in view of the significance of Far East in the global insurance market, as well as its potential business volume and geographical location.

Having received the license for operation from the Monetary Authority of Singapore (MAS) in November 2007, Singapore Branch began writing business from 01 April 2008. With its well qualified and highly experienced workforce of 12 people, Singapore Branch plays an important role in international operations of Milli Re.

Anadolu Sigorta

Holding 57.31% share in its capital, Milli Re is the principal shareholder of Anadolu Anonim Türk Sigorta Şirketi, one of the largest and well-established insurance companies in the Turkish insurance industry.

With its well qualified and highly experienced workforce of 12 people, Singapore Branch plays an important role in international operations of Milli Re.

Milestones

Milli Re has transferred the technical knowledge it has gained in the Turkish market to global markets with the support of its strong capital.

1929

Milli Re was founded by İşbank with a capital of TL 1,000,000 to operate the compulsory reinsurance system.

1963

The management of “Turkish Reinsurance Pool”, established to write international business, was handed over to Milli Re in accordance with the agreement signed with Turkish insurance companies.

1967

The management of “RCD Reinsurance Pool”, established under the agreement of “Cooperation for Regional Development” between Türkiye, Iran and Pakistan, was handed over to Milli Re.

1970

The management of the system known as “Decree Pool”, established according to Decree no. 17 set out by the Ministry of Finance on the Protection of the Value of Turkish Currency was handed over to Milli Re.

“Türk Sigorta Enstitüsü Vakfı” (Turkish Insurance Institute Foundation) was established by Milli Re and the Association of the Insurance and Reinsurance Companies of Türkiye.

1974

The management of “FAIR Reinsurance Pool” established by the Federation of Afro-Asian Insurers & Reinsurers (FAIR) was handed over to Milli Re.

1982

Compulsory reinsurance cessions to Milli Re on Quota Share basis were changed to Surplus basis.

1986

MİLTAŞ Sports Complex, which hosts the traditional “International Insurers Tennis Tournament” organization was built by Milli Re and was brought into the service of the market.

1991

Milli Re began to offer conventional reinsurance capacity through reinsurance treaties apart from “Compulsory Cessions” and “Decree Pool”.

First issue of “Reasürör” magazine was published. The magazine is a reference source with full academic content on re/insurance, including compilations, translations, interviews, and statistical data on various lines.

1993

Milli Re moved from its head office in Istanbul Sirkeci to its new office building constructed in Teşvikiye.

1994

Milli Re Art Gallery, a corporate gallery where art works by prominent local and foreign artists are exhibited, was opened.

Milli Re contributes the development of Turkish insurance sector for 95 years.

1996

Milli Re Chamber Orchestra was established. The orchestra is made up of artists, most of whom also continue their solo music careers, and the orchestra performs with the participation of renowned local and international artists and conductors.

2000

Turkish Catastrophe Insurance Pool (TCIP), which was set up relevant the “Compulsory Earthquake Insurance” system established by the Undersecretariat of Turkish Treasury became operational under the management of Milli Re.

2001

Risk-based Compulsory Reinsurance System came to an end.

2005

Milli Re became the only active local reinsurance company in the Turkish market after the acquisition of Destek Reasürans T.A.Ş.

2006

Milli Re began to write business from international markets.

Decree Pool was terminated.

2007

Singapore Branch, which plays an important role for Milli Re in international markets, was opened.

2010

Milli Re acquired an additional 35.53% stake in Anadolu Sigorta, another group company. Accordingly, Milli Re, Türkiye’s one and only active local reinsurer increased its share in the capital of Anadolu Sigorta to 57.31%, one of the largest and well-established insurance companies in the industry.

2023

Milli Re moved from its building in Teşvikiye to its new office in İş Towers, Levent as of July 10.

2024

As a reliable and stable institution that accredits the art field, Milli Re Art Gallery has contributed to bringing artworks into the permanent collections of a limited number of museums, as well as to the collections of conscious collectors in the sector. It has completed its 30th year of operation.

With its success in maintaining business relationships based on solid foundations, Milli Re has contributed to the development of the insurance sector in Türkiye for many years and celebrated its 95th year of operation.

In its 96th year of operation, Milli Re has transferred its technical knowledge gained in the Turkish market to global markets with the support of its strong capital structure. Its paid-up capital is TL 660 million, total assets amount to TL 33,749 million, shareholder’s equity is TL 16,475 million, premium income is TL 14,721 million, and its net profit for the period is TL 5,934 million.

Chairperson’s Message

It seems that the monetary tightening implemented in the post-pandemic period concluded with the interest rate cuts by the Fed (U.S. Federal Reserve) and the ECB (European Central Bank) in the latter half of the year.

Relatively flat course in the global economy

2024 has been characterized as a year in which economic activity remained under pressure, despite the easing of global inflationary pressures. However, significant disparities were observed between regional and sectoral economic performances. It seems that the monetary tightening implemented in the post-pandemic period concluded with the interest rate cuts by the Fed (U.S. Federal Reserve) and the ECB (European Central Bank) in the latter half of the year.

The United States has successfully maintained its growth trajectory despite the uncertainties posed by elevated interest rates and electoral dynamics, largely due to the robust nature of domestic consumption. In EU countries, however, the targeted momentum in demand has not been realized, and structural issues stemming from low productivity continue to have an impact. China, recognized as the largest economy among developing countries, failed to achieve the expected growth momentum due to weak domestic demand and challenges within the real estate market.

In 2024, the CBRT's reserves also recorded a significant increase. This positive development was partially reflected in an upgrade in the country's credit rating and a decline in risk premiums.

According to the World Economic Outlook Report published by the IMF in January 2025, the global economy, which is estimated to have grown by 3.2% in 2024, is projected to grow by 3.3% in both 2025 and 2026. This rate remains below the 2000–2019 average of 3.7%. The report also includes growth forecasts of 1.7% for advanced economies and 4.2% for emerging markets and developing economies in 2024. For 2025 and 2026, growth rates of 1.9% and 1.8% are projected for advanced economies, and 4.2% and 4.3% for developing economies, respectively.

On the other hand, geopolitical risks, most notably the Ukraine-Russia war and developments in the Middle East, are increasingly weighing on the global economy by heightening uncertainty. In addition to physical conflicts, steps to be taken by the new U.S. administration, particularly concerning customs tariffs, are also adding to the uncertainty of the current economic outlook.

The impacts of tight monetary policy have become prominent in Türkiye

In Türkiye, the tightening policies implemented since the second half of 2023 to ensure price stability and enhance both the budget and external balances have continued throughout 2024. In 2024, a year marked by uncertainties and challenges in global economic conditions, the Turkish economy entered a period of balancing its growth dynamics, exhibiting a more stable trajectory. While the growth achieved in the first quarter, driven by consumption expenditures, started to decelerate from the second quarter onward due to financial conditions, the Turkish economy resumed a growth trend in the last quarter of the year, ultimately achieving a growth rate of 3.2% by the end of 2024.

In March 2024, the CBRT raised its policy rate to 50%. As inflation entered a downward trend, the Bank lowered the policy rate to 47.5% at its final meeting of the year, underlining its commitment to a data-driven approach in its interest rate decisions.

In 2024, despite the positive performance in budget revenues, particularly tax revenues, elevated budget expenditures, influenced by the ongoing impacts of the earthquake disaster, have led to an expansion of the budget deficit.

CPI concluded the year 2024 at a level of 44.38%, and in the forthcoming period, it is anticipated that fiscal policy will provide increased support in the fight against inflation.

In 2024, the CBRT's reserves also recorded a significant increase. This positive development was partially reflected in an upgrade in the country's credit rating and a decline in risk premiums. While the current account deficit continued to narrow due to the increase in tourism revenues and especially the measures taken regarding gold imports, the current account deficit/GDP ratio, which stood at 3.5% in 2023, fell to below 1% in 2024.

Our sector has demonstrated sustained stability in real growth by building on the performance achieved in 2023, effectively addressing the challenges posed by the earthquake, and enhancing the claims payment process through a diverse product range that aligns with market expectations and a successful strategy to increase penetration in 2024.

The insurance industry persists in demonstrating a consistent growth trajectory.

The impact of climate change, through the escalation in frequency and severity of natural disasters, continues to disrupt not only environmental and social balances but also poses serious challenges for the insurance industry in particular. Insurance and reinsurance companies are compelled to make higher claims payments each year due to the growing impact of natural disasters. This situation, while heightening the sector's vulnerability to volatile environment and inflationary pressures, is concurrently escalating insurance costs, which is evident in the rising premiums and market penetration, attributed to the ongoing trend of shrinking reinsurance capacity.

In 2024, insured disaster losses continued to surpass the historical average, reaching USD 145 billion. Two major Atlantic hurricanes, Helene and Milton, which severely impacted the United States and caused extensive losses, stood out as the year's most significant disasters, each generating more than USD 10 billion in sector losses.

In 2024, despite a relative improvement in the global protection gap, it was observed that extreme weather events were the primary cause of losses, with only 40% of the total economic losses being covered by the insurance industry.

Our sector has demonstrated sustained stability in real growth by building on the performance achieved in 2023, effectively addressing the challenges posed by the earthquake, and enhancing the claims payment process through a diverse product range that aligns with market expectations and a successful strategy to increase penetration in 2024.

In 2024, the sector experienced a significant increase in premium production, rising by 72.5% (19.5% in real terms) to reach TL 838.5 billion. The Non-Life branches accounted for approximately 88% of this total, with TL 738.5 billion in premiums.

While the Land Vehicles Liability branch continued to be the largest contributor to total premium production, the growth rate of the Land Vehicles branch lost momentum. Meanwhile, the Health Insurance branch recorded rapid growth and ascended to second place in premium production rankings. These were followed by Fire and Natural Disaster insurance.

As for the Life branch, premium production reached TL 99.9 billion, corresponding to approximately 12% of total premiums.

As one of the most established reinsurance companies in the world, Milli Re continues to make significant contributions to the national economy as one of the leading institutions in the sector.

With our experience and vision, we are focused on the future.

Having left behind 95 years of accomplishments, Milli Re, the safeguard of the Turkish insurance industry, also demonstrated strong performance in 2024. Continuing to provide reinsurance capacity in line with the needs of ceding companies, our Company recorded a 48% increase in premium production, reaching TL 14,721 million. In 2024, our total assets reached TL 33,749 million, with equity recorded at TL 16,475 million, and a net profit for the period of TL 5,934 million.

As one of the most established reinsurance companies in the world, Milli Re continues to make significant contributions to the national economy as one of the leading institutions in the sector. Fully aware of the responsibilities that come with its leadership role, our Company considers it a duty to support not only the economy but also social development. Within the framework of policies supporting gender equality, our Company holds the FEM (Equal Opportunity Model) certification and attaches special importance to the professional development and participation of female employees in the workforce, driven by the belief that all employees should have equal rights and opportunities without any form of discrimination. Our Company is also active in the fields of culture, arts, and sports. In this regard, the “Milli Re Chamber Orchestra” continues its annual concert series, while the “Milli Re Art Gallery”, which boasts an art archive spanning 30 years, contributes significantly to our country’s cultural life through the exhibitions it organizes. The “International Insurance Tennis Tournament”, which has been organized for 36 consecutive years, has become a tradition that brings together sector stakeholders from both Türkiye and abroad each year.

Milli Re is committed to being one of the key players in the sector and to contributing to the country’s economy through its robust financial structure, competent human resources, innovative technological approach, success in managing long-term and well-founded business relationships, and agility in adapting to changing market conditions.

On behalf of myself and our Board of Directors, I would like to extend our sincere gratitude to all our stakeholders, particularly our employees, shareholders, and business partners, for their invaluable support and contributions to our sustainable performance.

Best Regards,

Ebru ÖZŞUCA
Chairperson of the Board of Directors

General Manager’s Message

The agenda topics carried over from 2024, when geopolitical risks and uncertainties continued to increase and global macroeconomic dynamics were greatly affected, suggest a volatile outlook for 2025.

The second half of 2024 marked the beginning of observable effects from anti-inflationary policies focused on interest rate hikes. As a result of these effects, it is anticipated that the interest rate cut cycle, initiated by the central banks of advanced economies, will continue in a manner that supports the positive trend in the inflation outlook, emerging as a key determinant in financial markets in the upcoming period.

As the Russia-Ukraine war enters its third year, persistent tensions in the Middle East, ongoing conflicts in various regions from Yemen to the Congo, and shifts in the global balance of power remain critical issues. The strengthening of protectionist tendencies with the second Trump era in the United States is likely to further intensify inherited concerns from 2024, particularly in terms of global trade balances and increasing polarization in international relations.

In Türkiye, while a significant decline in inflation has been observed as a result of the economic policy implemented since the second half of 2023, growth has been somewhat constrained. Entering 2025 with the positive effects of a tight monetary stance, the direction of the economy will be shaped by the impacts of the anticipated interest rate cut process.

A stable and balanced environment is observed in the reinsurance market.

In 2024, the total economic loss caused by catastrophic events worldwide amounted to USD 368 billion, while insured losses reached USD 145 billion, marking the fifth consecutive year in which this figure exceeded USD 100 billion. Although the global insurance penetration rate rose from 31% to 40%, it remains at a relatively low level, especially considering the increasing frequency of natural disasters.

Following significant price increases and structural changes in recent years, also driven by geopolitical uncertainties and severe natural catastrophes, the January 2025 renewals brought about noticeable shifts in market dynamics. The stringent market conditions that had prevailed for several years have given way to a more stable and balanced environment. Despite fluctuations in loss activity, the evolving risk perceptions of cedants and the continued inflationary pressures on insured values contributed to sustained strong demand for reinsurance. While improvements in the prices and terms were observed across the majority of programs in favor of buyers, numerous cedants took advantage of the favorable market conditions to optimize their reinsurance structures, purchase additional coverage, and achieve greater consistency in pricing and terms across the reinsurer panels.

In addition to the absence of a major natural disaster in our country in 2024 and the impact of decisive measures taken by Milli Re to improve, particularly the treaty outcomes in proportional reinsurance treaties, enabled insurance companies operating in Türkiye to complete the placements of such treaties without difficulty.

The January 2025 retrocession renewals were shaped by the absence of capacity constraints and the influence of increasing competition. In addition to existing reinsurers increasing the total capacity allocated to retrocession markets, the inflow of new capital into alternative capital markets also contributed positively, leading to a surplus of supply. This surplus exerted downward pressure to some extent on pricing during the renewals.

In addition to the significant price increases that had dominated the markets in previous years, upward revisions in cedants' retention levels also contributed positively to reinsurers' technical results, which continued to improve in 2024.

In addition to the absence of a major natural disaster in our country in 2024 and the impact of decisive measures taken by Milli Re to improve, particularly the treaty outcomes in proportional reinsurance treaties, enabled insurance companies operating in Türkiye to complete the placements of such treaties without difficulty. The changes made in proportional reinsurance treaties during the previous year were maintained for the 2025 renewals, and no additional market-wide measures were deemed necessary. However, on a company-specific basis, portfolios were reviewed, and certain changes were observed in the conditions that are key to the profitability of reinsurance treaties.

On the other hand, some insurance companies decided in 2025, similar to their approach in 2024, to convert their reinsurance structures entirely or partially from proportional to non-proportional treaties, considering capacity and placement constraints. While no significant changes were observed in the terms of non-proportional reinsurance treaties, programs that became attractive to both domestic and international reinsurers in terms of portfolio composition and pricing balance were oversubscribed and renewed above 100% placement.

Our sector manages change effectively.

According to data from the Insurance Association of Türkiye, total premium production reached TL 838.5 billion in 2024, corresponding to a nominal growth of 72.5% and a real growth of 19.5%.

88% of total premium production, amounting to TL 738.5 billion, was generated by Non-Life branches. The Life branch accounted for TL 99.9 billion in premium production, representing a 12% share. The largest share of premium production came from the Land Vehicles Liability branch (29.7%), followed by Health (18.5%), Fire and Natural Disasters (16.6%), and Land Vehicles/Own Damage (15.2%).

The actions taken following the Kahramanmaraş Earthquake and the regulatory adjustments made in the sector, alongside the professional approach demonstrated by insurance companies in transparency and claims management, have contributed to reinforcing the reputable image of the Turkish insurance market in international markets while also positively impacting the supply of catastrophe coverage related to Türkiye's earthquake risk.

Besides, the improvement observed in insurance awareness and penetration in our country, along with actions taken by public authorities to support the development of the insurance industry, such as the establishment of the Disaster Reconstruction Fund, the transition from compulsory earthquake insurance to compulsory disaster insurance, and initiatives within the scope of urban transformation, contribute to the advancement of our industry.

The insurance industry is actively continuing its transformation efforts to align with TFRS 17, the local adaptation of the international standard for accounting for insurance contracts, which aims to ensure more detailed and transparent reporting of insurance companies' contractual obligations. The sector's compliance with TFRS 17 is expected to reshape not only reporting standards but also business processes, risk management practices, data management, and the overall use of technology.

In 2024, we aligned our operations with a growth strategy focused on sustainable profitability, prioritizing efficient use of equity and underwriting policies aimed at enhancing technical profitability.

Following a year of notable achievements...

Our Company closed 2024 with a performance worthy of its 95th anniversary. The results we achieved reflect not only the positive impact of economic policies on our operations but also our corporate and managerial competencies, bolstered by our extensive experience and knowledge.

Our premium production increased by 48% in 2024, reaching TL 14,721 million. Approximately 88% of the premium production originated from domestic operations, while the remaining 12% was derived from international operations. As of year-end 2024, our Company recorded a balance sheet profit of TL 5,934 million. Our total assets grew by 49% to TL 33,749 million, and our shareholders' equity rose by 63% to reach TL 16,475 million.

In 2024, we aligned our operations with a growth strategy focused on sustainable profitability, prioritizing efficient use of equity and underwriting policies aimed at enhancing technical profitability.

Within this framework, during the January 2025 renewal period, Milli Re participated in the placement of 17 companies utilizing proportional reinsurance coverage and served as lead reinsurer in bouquet treaties for 12 companies. Maintaining a market share of 18%, as in the previous year, our Company continued to provide strong support to the sector in 2025.

In 2025, our Company increased its commitments under non-proportional catastrophe treaties, with a share of 8% in the catastrophe excess of loss treaties of 28 companies in which it participated. Moreover, in 2025, Milli Re participated in the programs of 13 companies that structured their risk protections on an excess of loss basis.

Towards the second century of our Company...

As we move toward our second century, we are undergoing a significant transformation to adapt to emerging risks and the evolving concepts that increasingly shape our lives. To reinforce our competitive stance, we have adopted digitalization and organizational transformation as the key pillars of our development strategy. In this direction, we implemented an organizational restructuring aimed at facilitating a process-oriented approach within our Company. We are taking firm steps to bolster the organizational structure of our Company, which we have restructured to carry its achievements into the next century, adopting agile business processes and making innovative technological investments that strengthen human resource competencies to enhance overall efficiency.

Adopting a business model that leverages technology and digital solutions more extensively, we are enhancing productivity through transformations such as artificial intelligence and robotic applications, while also reviewing our internal processes and transitioning them to digital platforms.

While increasing our support for the sector and the economy through our ongoing improvements in corporate performance, we also contribute to a sustainable future. We are engaging in significant projects within the areas of culture, arts, and sports, with the goal of strengthening the foundations of modern society.

Having gained the status of an accredited institution in the field of contemporary art and celebrating its 30th anniversary, the Milli Re Art Gallery continues to build a cultural archive through both the exhibitions it hosts and the exhibition books it publishes. The Milli Re Chamber Orchestra, which gave its first concert 28 years ago, extends the unifying power of art by participating in various national and international music festivals alongside its regular concert series.

Our Company has maintained its leadership position in the local market in line with its sustainable growth targets with its strong capital, know-how, experienced staff, and profit-oriented risk management for 95 years, while also successfully pursuing its operations in international markets.

We successfully continue the “International Insurance Tennis Tournament”, a unique event in the world that we have been organizing for 36 years, attracting dozens of players and hundreds of spectators from both Türkiye and abroad.

Our Company, which holds the “Equal Opportunity Model” (FEM) certification awarded by the Women Entrepreneurs Association of Türkiye (KAGİDER) with its policies designed to support our women employees and our practices regarding gender equality, continues to stand out and attract attention not only in the sector but also in our country with its high proportion of women in middle and senior management.

For a more secure future...

The insurance industry is distinguishing its role as one of the key sectors that play a critical role in managing emerging risks shaped by rapidly changing economic, environmental, and technological dynamics across the world.

The growing frequency and severity of natural disasters, driven by global climate change, which is considered one of the most significant long-term risks facing the insurance industry, keep adding to the burden of the sector. With the acceleration of digitalization, cyber risks have become more prominent with their complexity and rapidly changing nature, while data breaches and AI-driven threats are resulting in next-generation security needs. Rising geopolitical tensions, particularly the disruption of trade, are impacting the sector, and the increasingly evident threat of state-based armed conflicts is expanding the reach of insurance coverage. Meanwhile, adverse developments in the economic environment may challenge insurance companies, particularly those with long-term commitments, in protecting investment returns and providing assurance to customers. All these factors are reshaping the dynamics of the industry while altering their risk profiles.

Regarding our country’s insurance industry, we recognize the need to focus more closely not only on earthquake risk, which remains a primary concern, but also on climate-related risks such as the increasing frequency of extreme weather events. Negative experiences such as earthquakes, natural disasters, and fires have highlighted the critical importance of risk analysis and risk-based underwriting, while also indicating a dimension in the sector that requires further development.

With this perspective, we support the establishment of a strong roadmap for the sector, focusing on innovation and sustainability.

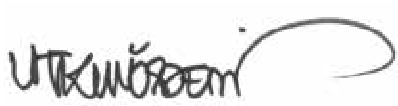
As one of the leading players providing strong and stable reinsurance capacity to the market, Milli Re continues to fulfill its responsibilities for the future of the sector with a strong sense of duty and unwavering commitment.

Our Company has maintained its leadership position in the local market in line with its sustainable growth targets with its strong capital, know-how, experienced staff, and profit-oriented risk management for 95 years, while also successfully pursuing its operations in international markets.

On our journey marked by many firsts in the insurance industry, we remain committed to progressing with the principle of preserving our competitive edge, establishing new collaborations while maintaining long-standing and trust-based relationships with our stakeholders, and investing in the future of our country by supporting the sector under all circumstances.

I would like to extend my appreciation to all our shareholders, business partners, and employees for their contributions to our consistent performance and for their confidence in our Company.

With regards,



Fikret Utku ÖZDEMİR
Director and General Manager

Board of Directors

Ebru ÖZŞUCA
Chairperson

Ersin Önder ÇİFTÇİOĞLU
Vice Chairperson

Prof. Dr. Ali Necip ORTAN
Board Member

Serdar GENÇER
Board Member

Tolga ANGAY
Board Member

Şennur KONAK
Board Member

Zeliha GÖKER
Board Member

Şükrü KARAMUK
Board Member

Fikret Utku ÖZDEMİR
Board Member and General Manager

Gökçe KARAMAN
Reporter of the Board of Directors

Ebru ÖZŞUCA
Chairperson

Ebru Özşuca graduated from the Economics Department of the Middle East Technical University, Faculty of Economics and Administrative Sciences. She holds a master's degree in Economics from Middle East Technical University and in International Banking and Finance from the University of Southampton. She attended Advanced Management Program in Harvard Business School. Ebru Özşuca began her career at İşbank as an Assistant Specialist in the Treasury Department in 1993, she was promoted to Assistant Manager and Unit Manager of the same department. Between 2007 and 2011, she served as a Division Manager in the Corporate Banking Products Department. She was appointed as a Division Manager in Treasury Department at İşbank between 2011 and 2017. She is currently the Assistant General Manager at İşbank. Functions as the Chairperson at İş Invesment, Ebru Özşuca serves as a Board Member at Şişecam. Ebru Özşuca has been the Chairperson of the Board of Directors at Milli Re since 25 March 2019.

Ersin Önder ÇİFTÇİOĞLU
Vice Chairperson

Ersin Önder Çiftçioğlu graduated from the Faculty of Social and Administrative Sciences, Department of English Linguistics at Hacettepe University. He began his career as an Officer at Yenişehir Branch in 1985 and worked as Assistant Section Head, Section Head, SubManager and Assistant Manager in the same branch. In 2007, he was appointed as Assistant Manager at the Başkent Corporate Branch and Regional Manager of the SME Loans Underwriting Division of the Adana Region in the same year. He subsequently served as Ankara Center I. Region Manager of the SME Loans Underwriting Division in 2008. He was appointed as the Ege Corporate Izmir Branch Manager in 2011 and Başkent Corporate Ankara Branch Manager in 2016. Between 31 March 2017 and 31 March 2020, Ersin Önder Çiftçioğlu served as a member of the Board of Directors of İşbank. Functioned as the Chairperson of the Corporate Governance Committee, Ersin Önder Çiftçioğlu served as a member of Audit Committee, TRNC Internal Systems Committee, Sustainability Committee, Operational Risk Committee and Risk Committee as well. Ersin Önder Çiftçioğlu has been the Vice Chairperson of the Board of Directors at Milli Re since 31 March 2023.

Prod. Dr. Ali Necip ORTAN
Board Member

Prof. Ali Necip Ortan graduated from the Faculty of Law at Ankara University and started to work as an Assistant in the Department of Civil Law at the same faculty in 1973. Having completed his Doctorate in the department of Law at Ankara University, Prof. Dr. Ali Necip Ortan received the titles of Associate Professor and Professor at Dokuz Eylül University, the Faculty of Law. Between 1973 and 2022, he served as a Faculty Member, Dean of law faculties, Founding Dean and Board Member at a number of different universities in Türkiye and abroad. He has written many national and international academic works and published various books and articles in the field of Commercial Law and Law of Obligations. Having worked as Assistant Legal Counsellor in I. Region at İşbank between 1999 and 2002, Prof. Ali Necip Ortan then served as Legal Counsellor at the General Directorate and as a Member of the Board of Directors at İşbank GmbH in Federal Germany. Between 2010 and 2012, he served as the Chief Legal Counsellor of İşbank and worked as the Legal Counsellor of Pfizer Limited for three years. Prof. Dr. Ali Necip Ortan has been a member of the Board of Directors at Milli Re since 28 March 2023.

Serdar GENÇER
Board Member

Serdar Gençer is a graduate of the Faculty of Industrial Engineering at the Middle East Technical University. He holds a master's degree in Finance at the University of Nottingham in the UK. Serdar Gençer began his career at İşbank as an Assistant Inspector at the Board of Inspectors in 1990, and served in various managerial positions, including Assistant General Manager between 2008 and 2013. During this period, he has been board member in Millî Reasürans T.A.Ş., Anadolu Hayat Emeklilik A.Ş., İşbank GmbH and Chairman in İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. He has joined the Şişecam Group in 2013 as Sustainability Coordinator, and continued as Corporate Development & Sustainability Officer and Chairman of the Board of Directors at Şişecam Enerji A.Ş. He served as General Manager's consultant in 2018 and retired in the beginning of 2019. Serdar Gençer has been a member of the Board of Directors at Milli Re since 25 March 2019.

Tolga ANGAY
Board Member

Tolga Angay graduated from the Business Administration Department of Political Sciences Faculty at Ankara University. He holds a master's degree in International Banking and Finance at the University of Southampton (England). He began his career as an Assistant Inspector on the Board of Inspectors at İşbank in 1999. In 2007, he was appointed as Assistant Manager in Financial Management Department, and in 2011, he became the Unit Manager in the same department. Tolga Angay, who holds the title of Independent Accountant and Financial Advisor, served as a Member of the Board of Directors at Bayek Perakende Sağlık Hizmetleri ve İşletmeciliği A.Ş. since 30 July 2021, he has been serving as the Manager of Management Reporting and Internal Accounting Department at İşbank. Tolga Angay has been a Member of the Board of Directors at Milli Re since 28 March 2022.

Şennur Konak
Board Member

Şennur Konak, a graduate of the Department of Business Administration at Anadolu University Faculty of Business, is also a graduate of the Child Development program at Istanbul University. She began her career in 1993 as a Clerk at Türkiye İş Bankası A.Ş. Besyüzevler Branch. She served as an Officer at Topçular Branch and as the Assistant Manager at Bayrampaşa Branch. Şennur Konak has served as a Branch Manager at Kocamustafapaşa, Firuzköy, Bakırköy, and Maslak branches. She currently continues her role as the Sales Manager for the Şişli Region at İşbank. Between March 2021 and 2023, she served as a Board Member at Bayek Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş. Şennur Konak has been a member of the Board of Directors at Milli Re since 28 March 2023.

Zeliha GÖKER
Board Member

Zeliha Göker graduated from Boğaziçi University, Business Administration Department in 2005. She started her career at İşbank in the same year as an Associate Specialist in the Affiliates Department. She was appointed as Deputy Manager of the same department in April 2017, and as Department Manager in December 2023. She has completed the 5-module basic coaching program of CTI's Co-Active Coaching program in 2020. Between 2021 and 2022, she served as a Board Member at Gullseye Lojistik Teknolojileri A.Ş. and Livewell Livewell Giyilebilir Sağlık Ürün Hizm. ve Tek. San. ve Tic A.Ş. She currently continues her role as a Board Member at Anadolu Anonim Türk Sigorta Şirketi, Anadolu Hayat Emeklilik A.Ş., and Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş. Zeliha Göker has been a Member of the Board of Directors and the Audit Committee at Milli Re since 16 January 2024.

Şükrü KARAMUK
Board Member

Şükrü Karamuk graduated from Ankara University, Faculty of Communication, Department of Journalism and started his professional career as an Clerk at Kelkit/Gümüşhane Branch in 1996 and served as an Section Head at the same branch in 2000. In 2005, Şükrü Karamuk was appointed as Second Manager at İşbank Sivas Branch and served as Göksun/Kahramanmaraş Branch Manager, Yeni Sanayi Sitesi/Kayseri Branch Manager, Kayseri Regional Sales Manager - Commercial Sales Regional Assistant between 2008 and 2009. Şükrü Karamuk served as Sivas Caddesi/Kayseri Branch Manager in 2012, SME Loans Allocation Gaziantep Regional Manager in 2015, SME Loans Allocation Denizli Regional Manager in 2018, Denizli Commercial Branch Manager in 2021. Serving as Gaziantep Corporate Branch Manager since 2022, Şükrü Karamuk has been a Member of the Board of Directors at Milli Re since 1 July 2024.

Fikret Utku ÖZDEMİR
Board Member and General Manager

Fikret Utku Özdemir holds an Associate Degree in Nuclear Engineering from Hacettepe University and graduated with a bachelor's degree in Management from the Faculty of Economics and Administrative Sciences at Middle East Technical University. He holds a master's degree from EDHEC Business School (France). He joined İşbank as a Member of the Board of Inspectors in 1996 and held managerial positions in various units of the Bank's departments between 2005-2017. He joined Milli Re as Assistant General Manager in 2017 and on 27 August 2019, he was appointed as a Member of the Board of Directors and General Manager. Fikret Utku Özdemir is also a Member of the Turkish Insurance Association Non-Life Management Committee and Deputy Chairman of the Board of Anadolu Anonim Türk Sigorta Şirketi.

Gökçe KARAMAN
Reporter of the Board of Directors

PARTICIPATION OF THE MEMBERS OF THE BOARD OF DIRECTORS IN RELEVANT MEETINGS DURING THE FISCAL PERIOD

The Company's Board of Directors convenes as and when necessitated by the Company's business affairs and upon the Chairperson's or Vice Chairperson's invitation, with the participation of the majority of the total number of directors on the Board. Meeting agendas are drawn up in line with the proposals of General Management. During the meetings, various topics that are not covered on the agenda but raised by the members are also discussed. Meeting agenda and files relating to the agenda items are sent to all Board members five days in advance of the meeting date.

During 2024, six Board meetings were held in total. While full participation was achieved in four of these meetings, one member was absent from two meetings due to their excuses.

INTERNAL SYSTEMS MANAGERS

Pelin HÜCCETOĞULLARI
Internal Audit Manager

Term of Office: 1 year 6 months

Professional Experience: 10 years

Departments Previously Served: Internal Audit Directorate

Academic Background: Master's Degree

Müge ÇELİK ÇUHADAROĞLU
Internal Control and Risk Management Assistant Manager

Term of Office: 3 years

Professional Experience: 12 years

Departments Previously Served: IT, Enterprise Architecture and Compliance

Academic Background: Master's Degree

Selcan GEMALMAYAN
Actuary Assistant Manager (Intern Actuary):

Term of Office: 1 year 1 month

Professional Experience: 17 years

Departments Previously Served: Life and Health, Internal Control and Risk Management, Financial Analysis

Academic Background: Master's Degree

Senior Management

Fikret Utku ÖZDEMİR
Director and General Manager

Fatma Özlem CİVAN
Assistant General Manager

Vehbi Kaan ACUN
Assistant General Manager

Şule SOYLU
Assistant General Manager

Banu GÜLMEDİM PURUT
Assistant General Manager

Fikret Utku ÖZDEMİR
Director and General Manager

Please see Board of Directors page for Mr. Özdemir's CV.

Fatma Özlem CİVAN
Assistant General Manager

Having completed her school education at Robert College, Özlem Civan graduated with a B.A. degree in Business Administration in English from the Faculty of Business Administration at İstanbul University. Between 1990 and 1993, she worked in the Treasury and Fund Management Departments of several banks. She began her insurance career in 1994 at Reinsurance department of Güneş Sigorta, where she specialized in reinsurance, casualty and credit insurance for 12 years, holding various managerial positions. In 2006, she joined Milli Re. She has also attended numerous professional training programs and seminars organized by leading reinsurance and brokerage companies worldwide. Özlem Civan has been appointed as Assistant General Manager on 1 September 2011.

Vehbi Kaan ACUN
Assistant General Manager

Vehbi Kaan Acun graduated from İstanbul University, Department of Economics in English. He started his career as an Assistant Inspector on İşbank's Board of Inspectors. After serving at İşbank for 8 years, he joined Milli Re in 2006. During his career at Milli Re, he also has been appointed as a Coordinator in the Company's Singapore Branch. He participated in various seminars and conferences abroad. Serves as the Vice President of the Turkish Insurance Institute Foundation Board and President of Reinsurance Committee at Insurance Association of Türkiye, Vehbi Kaan Acun has been appointed as Assistant General Manager on 1 February 2016.

Şule SOYLU
Assistant General Manager

Şule Soylu graduated from Anadolu University, Department of Business Administration from the Faculty of Economic and Administrative Sciences and received her master's degree in Financial Institutions from İstanbul University Institute of Business Economy. She began her professional career in Milli Re in 1990. Currently serving as a Board Member of Turkish Insurance Institute Foundation and a Member of the Financial and Accounting Committee of the Insurance Association of Türkiye, Şule Soylu has been appointed as Assistant General Manager on 1 February 2017.

Banu GÜLMEDİM PURUT
Assistant General Manager

Banu Gülmedim Purut graduated from Istanbul Private German High School and later earned a degree in Business Administration from the Faculty of Economics and Administrative Sciences at Boğaziçi University. She began her career in 1999 as an Assistant Specialist in the Treasury Department of İşbank. In 2008, she was appointed Assistant Manager of Structured Finance in the Financial Institutions Department, and in 2017, she became Head of the Sanctions and International Obligations Unit in the Corporate Compliance Department. She holds certifications in CMB Credit Rating Expertise, CGSS (Certified Global Sanctions Specialist), and CAMS (Certified Anti-Money Laundering Specialist). Banu Gülmedim Purut was appointed Deputy General Manager on 26 December 2024.

Group Managers

Asude TEMELLİ
Facultative Underwriting

Emine Pınar YETER
Reinsurance Accounting

Emre KOPTEKİN
Information Technology and Digital Transformation

Esen TEMİZ ÖNAL
Retrocession and Claims Management

Fulya ÖZTÜRK
Human Resources and Sustainability

Nedime BÖYÜKKIRLI
Accounting and Regulatory Reporting

Neval AYDOĞAN BABATONGUZ
Business Development and Corporate Performance

Seda ORMAN KÜÇÜKÇİRKİN
Domestic Treaty Underwriting

Asude Temelli
Facultative Underwriting

Asude Temelli graduated from the Faculty of Political Sciences, Department of International Relations at Istanbul University. She began her career at Milli Re in 2005. She completed the Basic and Advanced Level Engineering & Fire Insurance programs at the Turkish Insurance Institute and participated in numerous national and international training programs and seminars on insurance and reinsurance organized by leading global reinsurers and brokers. She currently serves as Chairperson of the Engineering Committee at the Insurance Association of Türkiye. Asude Temelli was appointed as the Group Manager of Facultative Underwriting on 01 October 2024.

Emine Pınar Yeter
Reinsurance Accounting

Emine Pınar Yeter graduated from Istanbul University, Department of German Language Education. She worked as an International Operations Officer at a multinational organization in the tourism sector between 1988-1992. Emine Pınar Yeter began her career in insurance sector in 1994 at Milli Re, in the Turkish Reinsurance Pool department, responsible for international underwriting and accounting operations. She later served as the Manager of International Accounting and contributed to various projects with leading global reinsurers. Pınar Yeter was appointed as the Group Manager of Reinsurance Accounting on 01 October 2024.

Emre Koptekin
Information Technology and Digital Transformation

Emre Koptekin graduated from Bilkent University, Department of Banking and Finance. He started his career at Milli Re in 2007 in the FAIR Pool department. In 2010, he joined the Information Technologies department, and in 2018, he continued his career as a Manager in the Corporate Architecture and Compliance department. He holds Certified Information Systems Auditor (CISA) and Certified Data Privacy Solutions Engineer (CDPSE) certifications. Emre Koptekin was appointed as the Group Manager of Information Technology and Digital Transformation on 01 October 2024.

Esen Temiz Önal
Retrocession And Claims Management

Esen Temiz Önal graduated from the Faculty of Arts and Sciences, Department of Mathematics at Yeditepe University. She began her professional career in 2008 at the Retrocession department of Milli Re. Throughout her career, she has attended numerous courses on reinsurance, pricing and modeling. Between 2017 and 2024, she served as the Manager of the Retrocession department. Esen Temiz Önal was appointed as the Group Manager of Retrocession and Claims Management on 01 October 2024.

Fulya Öztürk
Human Resources and Sustainability

Fulya Öztürk graduated from Dokuz Eylül University, Faculty of Economics and Administration Sciences, Department of Labour Economics and Industrial Relations. She completed the Human Resources Management Certificate Program at Istanbul Technical University. She began her career at Vakıf Emeklilik ve Hayat A.Ş. and joined Milli Re in 2003, working in the Financial Affairs department. She has held a managerial position in the Human Resources department in 2020. She holds HRCI-certified credentials in Organizational Development and Workforce Planning. Fulya Öztürk was appointed as the Group Manager of Human Resources and Sustainability on 01 October 2024.

Nedime Böyükkırlı
Accounting and Regulatory Reporting

Nedime Böyükkırlı graduated from Abant İzzet Baysal University, Faculty of Economics and Administrative Sciences, Department of Business Administration. She began her career in 1999 at Halk Sigorta A.Ş. in the Accounting department. In 2007, she joined Milli Re and holds the title of Certified Public Accountant. Nedime Böyükkırlı was appointed as the Group Manager of Accounting and Regulatory Reporting on 01 October 2024.

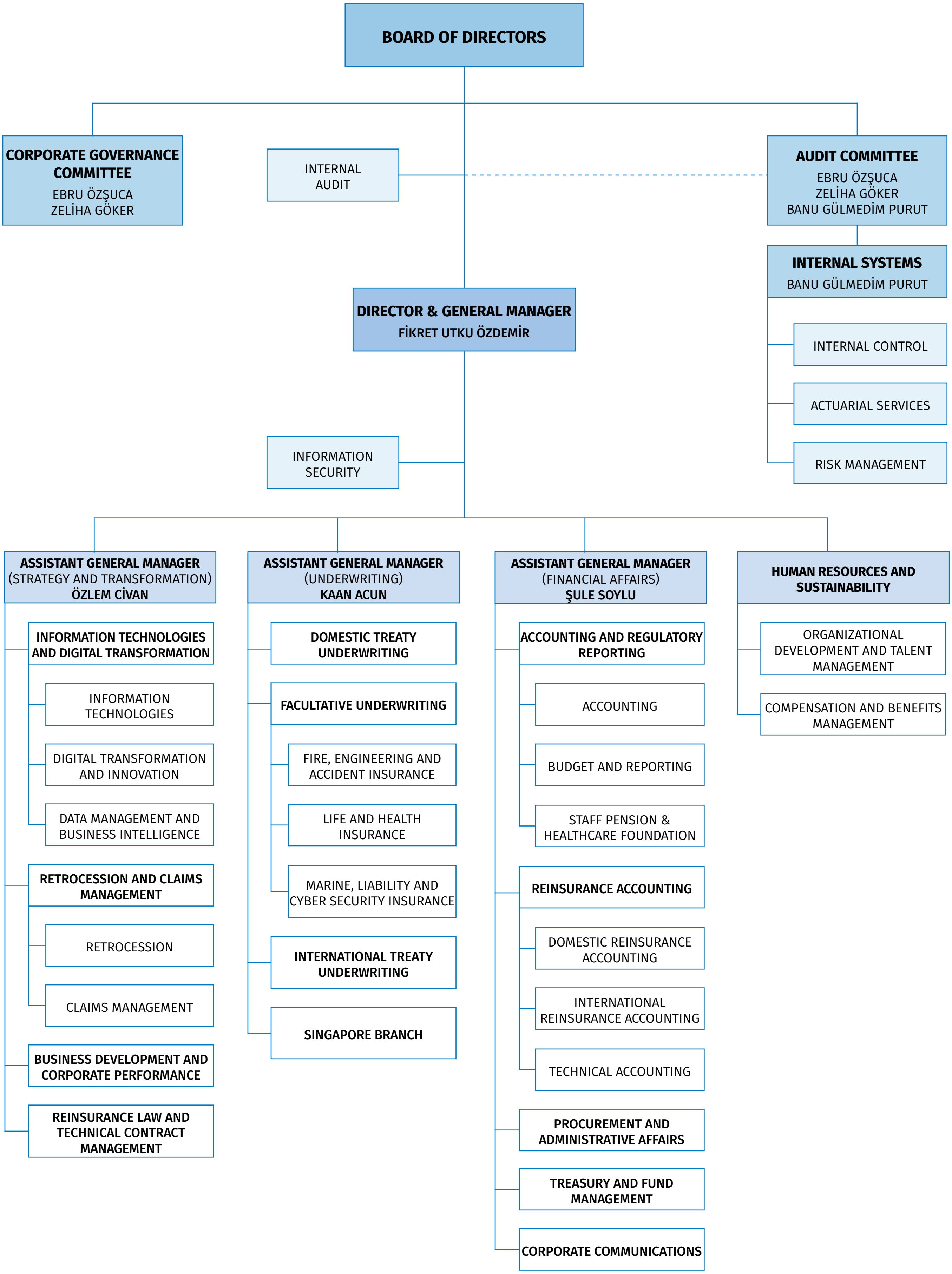
Neval Aydoğan Babatonguz
Business Development and Corporate Performance

Neval Aydoğan Babatonguz graduated from Galatasaray University, Faculty of Economics and Administrative Sciences, Department of Political Science, and completed her master's degree in Public Policy at the Institut d'Etudes Politiques de Paris (Sciences-Po) in France. Before entering the insurance sector in 2005, she worked at a civil society organization focused on economic and social research in Türkiye. Since joining Milli Re in 2006, she has held various positions in Retrocession, Risk Management, Technical Accounting and Rating, Financial Analysis departments. Neval Aydoğan Babatonguz was appointed as the Group Manager of Business Development and Corporate Performance on 01 October 2024.

Seda Orman Küçükçirkin
Domestic Treaty Underwriting

Seda Orman Küçükçirkin graduated from Marmara University, Faculty of Financial Sciences, Department of Actuarial Sciences, and completed her master's degree at Istanbul Technical University Executive MBA program. She began her professional career in 2007 in the Domestic Treaty Underwriting department at Milli Re. She participated in various seminars and conferences abroad. Seda Orman Küçükçirkin was appointed as the Group Manager of Domestic Treaty Underwriting on 01 October 2024.

Organization Chart

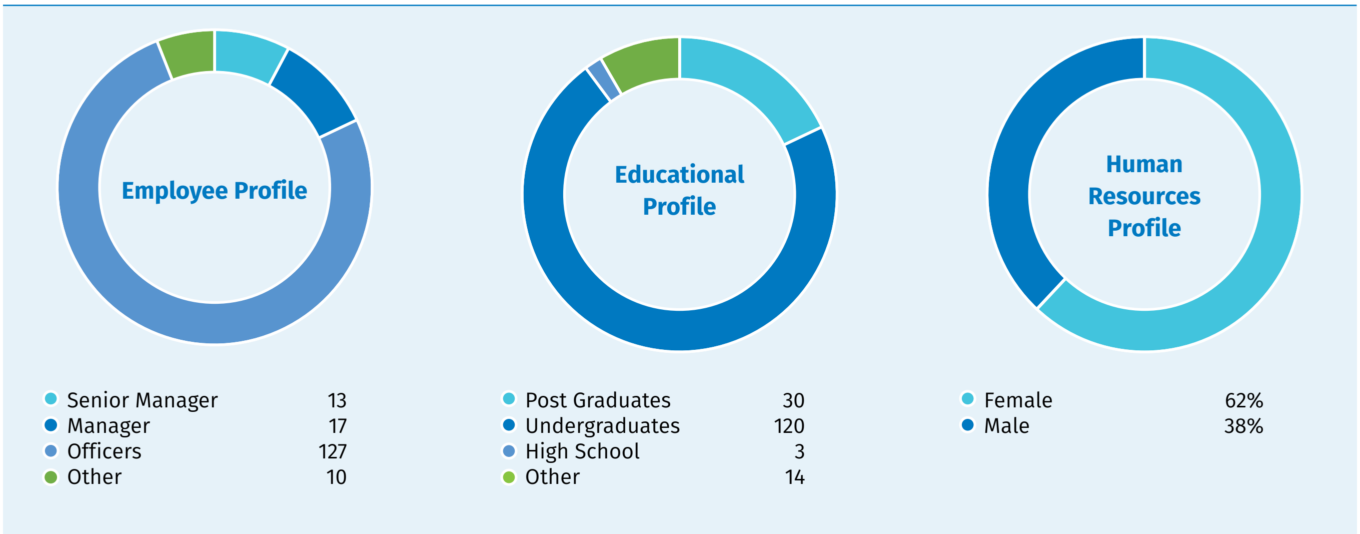


Human Resources Practices

Our Company, fully aware that its most valuable asset is its human resources, focuses on the development and satisfaction of its employees and follows a strong Human Resources policy to ensure the sustainability of its corporate success. The Human Resources and Sustainability Group Directorate aims to build a workforce that maximizes employee potential in line with the strategic objectives of the Company.

As of 2024, our Company has embarked on a significant organizational transformation process. This transformation involves a dynamic, flexible, and innovative structure designed to enhance operational efficiency as well as provide stronger and more effective support to our employees.

Within the scope of the Together to the Future Project under the Millî Revolution, our transformation efforts, carrying our Company into the future, make our business processes more efficient and effective. Going beyond enhancing the employee experience, enriching and maximizing competencies, optimizing our systems, and establishing an agile organization, this transformation is uniting all employees around a shared focus.



As of 2024, our Company has embarked on a significant organizational transformation process. This transformation involves a dynamic, flexible, and innovative structure designed to enhance operational efficiency as well as provide stronger and more effective support to our employees.

Believing that all employees should enjoy equal rights, opportunities, and conditions without discrimination within the framework of gender equality, our Company stands out in the sector, particularly with its high proportion of women in mid- and senior-level management positions.

On this journey, where progress will be achieved through the active participation of employees, who are the most critical component of the project, employee insights and experiences are indispensable to a successful transformation.

The main focus areas of our project can be summarized as follows:

- Bringing good practices from the labor market into our Company,
- Building a more effective, efficient, and engagement-driven organizational structure and culture,
- Designing processes that will perfect the employee experience,
- Creating systems that will support the sustainable success of our Company,
- Progressing steadily in the projects outlined in our shared roadmap.

Our Company, which provides the opportunity to deliver a stronger value proposition to its employees through the project's outputs, will thus enhance the power it derives from its employees, advance the value added, and reinforce its leading position in the industry.

All Human Resources practices within our Company are aimed at supporting the career development of employees, employing and training talented individuals, increasing employee engagement, and fostering a high-performance culture. Providing a positive work environment and ensuring the continuous development of our employees are among our top priorities.

Our Human Resources processes extend beyond recruitment and performance management, but also adopt a holistic approach that covers many key areas such as training, recognition, motivation, and employee well-being. As of 2024, significant progress has been made in our practices designed to increase both employee productivity and satisfaction.

Our Company has competent human resources that are committed to their work and the institution, open to continuous learning and development. Believing that all employees should enjoy equal rights, opportunities, and conditions without discrimination within the framework of gender equality, our Company stands out in the sector, particularly with its high proportion of women in mid- and senior-level management positions. In this context, our Company has proven the importance it places on women's employment by receiving the Equal Opportunity Model (FEM) Certification awarded by KAGİDER.

The fundamental principles of our Company's Human Resources policy include selecting personnel with the right qualifications for the job, creating an optimal work environment that fosters effectiveness, efficiency, and satisfaction of employees, protecting and considering their material and moral rights, considering individual talents for training and development, ensuring the establishment of social relations that enhance the desire to work with equal opportunities, free from gender-based discrimination, and ensuring the effective execution of all internal processes within the Company.

As of the end of 2024, the total number of employees at Milli Re, including the Singapore Branch, is 167.

Job Applications

In our Company, job applications are received through professional platforms such as LinkedIn and Kariyer.net, allowing for the creation of a broader pool of candidates. Applications are carefully reviewed by the Organizational Development and Talent Management Directorate, evaluated in terms of qualifications and suitability for the job description, and candidates who meet the criteria are contacted accordingly.

Our Company provides equal opportunities to all applicants and aims to deliver the best possible candidate experience by demonstrating a professional and respectful approach to each application.

In 2024, a comprehensive transformation was executed on the Millî Re Academy training platform, integrating the infrastructure with the training provider.

As of 2024, the effective use of digital platforms in our application processes has continued, and the application and evaluation processes for candidates have been made faster and more efficient.

Recruitment

Our Company prioritizes the inclusion of dynamic and qualified individuals with the right competencies into its workforce to achieve its goals. Recruitment processes are conducted in a fair, transparent, and ethical manner, based on objective criteria, and the candidates who meet the requirements are invited to participate in Assessment Center practices.

During the recruitment process, the competencies required by our Company are identified first, and candidates are meticulously evaluated based on these requirements. In addition to assessing candidates' technical knowledge, skills, and competencies, their alignment with our corporate culture is also taken into consideration.

Our Company is strongly committed to increasing workforce diversity and providing equal opportunities regardless of gender or age.

Performance Management

Our Company implements an effective performance management process to continuously monitor and improve employee performance. Considering performance management not as a measure of success but as an ongoing process of improvement and learning, our Company supports the professional development of its employees and contributes to achieving its strategic goals.

Performance evaluations of our employees are conducted annually in accordance with the Principles of the Performance Evaluation System. The data obtained from these evaluations are used for career planning and identifying training needs. In order to ensure a more effective performance management process, efforts for a new performance evaluation system are being considered within the scope of the Human Resources Project.

As of 2025, this new performance evaluation model will evolve into a more comprehensive and continuous evaluation cycle, laying the foundations for a solid structure that will support the future success of our organization.

Training

In 2024, a comprehensive transformation was executed on the Millî Re Academy training platform, integrating the infrastructure with the training provider. Through this transformation, our Academy, which has been growing and developing since 2022, started providing enriched, up-to-date, and comprehensive training content to our employees.

Domestic and international training opportunities were provided to our employees, with a variety of programs delivered through TSEV and other training institutions. These programs were designed considering modern educational approaches, methods, hybrid working conditions, and current needs, aiming to provide participants with the highest level of benefit. Our programs are built around topics that support the competencies of our employees and enhance their knowledge and skills for professional working life, contributing to their career development processes.

In this context, the Udemy Business training platform has been introduced as a complementary tool on our Millî Re Akademi platform, providing comprehensive and continuous training opportunities to support the development of our employees. This year, as in previous years, we have continued to support sector-specific training topics to meet the professional needs of all our colleagues. To enhance the skills of our human resources, we have organized strategic training sessions throughout the year, including TFRS, Change Management, and Sustainability. A blended (hybrid) learning approach has been implemented through these training sessions to support our Company's strategic goals.

We aim to ensure the development of our employees in all areas by effectively utilizing our training resources. For the year 2025, we plan to design a more systematic and development-oriented training program by integrating competency sets, needs analyses, and performance evaluation results. With this program, we will take the development journeys of our employees one step further.

In 2024, as in previous years, the Milli Re Employee Support Program continued to provide a wide range of services in collaboration with Avita and Meditopia. These services, including psychological and medical counseling, financial and legal consultancy, veterinary services, home and garden consulting, newborn care, healthy nutrition, office ergonomics, and technical support, aim to support our employees in both their professional and personal lives, while also enhancing the quality of life for them and their families.

Survey

Various workshops have been organized in our Company to support our organizational development process. During these workshops, surveys were conducted to gather feedback from our employees. The feedback obtained through these workshops and surveys serves as an important tool to measure employee satisfaction and identify areas for improvement within the organizational structure.

Additionally, surveys were conducted following internal and external training sessions to assess training satisfaction. These surveys play a decisive role in updating our organizational transformation strategies by taking into account our employees' views on the training processes.

Workspaces

The hybrid working system, which we had the opportunity to experience during the pandemic, has been made permanent, and our offices have been transformed from an environment where we are required to be in every day into spaces that support collaborative work.

Our new office provides an ergonomic and technologically advanced infrastructure that strengthens the collaboration of our employees and supports a hybrid working model. The open-office design facilitates communication among teams and also incorporates many features aimed at increasing employee satisfaction.

This new workspace marks a significant milestone in fostering a stronger team spirit, accelerating our business processes, and enhancing our productivity. With evolving technology and an innovative working culture, our Company will continue to reinforce its leadership in the sector.

The new workspace marks a significant milestone in fostering a stronger team spirit, accelerating our business processes, and enhancing our productivity.

It is aimed to establish a healthy and balanced growth model for the future by taking environmental, social, and economic factors into account.

Career Development

Our Company prioritizes career development and offers a variety of domestic and international training programs, mentorship opportunities, and career planning support to contribute to the professional growth of its employees. By encouraging a culture of continuous learning, our Company aims to ensure that individuals enhance their competencies and maximize their potential. Additionally, through internal promotion opportunities and a dynamic working environment, our Company is committed to providing all necessary support to help employees advance confidently in their careers.

Compensation Policy

The compensation of our employees is determined by the Collective Bargaining Agreement per the provisions of the applicable legislation.

Occupational Health and Safety

The Human Resources and Sustainability Group Directorate within our Company ensures compliance with the obligations set forth by the Occupational Health and Safety Law No. 6331, in collaboration with the Occupational Safety Specialist.

Sustainability Efforts

Our Company considers sustainability not only a responsibility but also an integral part of our business processes. Therefore, in the coming years, it is aimed to establish a healthy and balanced growth model for the future by taking environmental, social, and economic factors into account. Our sustainability efforts have been initiated to create value that is environmentally conscious, aligned with ethical values, and driven by a sense of social responsibility to provide both social benefit and support long-term financial success. In this context, strategies focused on resource efficiency, minimizing environmental impact, and enhancing societal well-being will continue to be developed at every stage of our operations.

It is aimed to contribute to both our sector and society by taking responsible and conscious steps toward a sustainable future.

2024 Annual Report Compliance Statement

We hereby represent that Millî Reasürans T.A.Ş. 2024 Annual Report issued for its 96th year of operation has been drawn up in line with the principles and procedures enforced by the “Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies” published in the Official Gazette issue 26606 dated 07 August 2007 by the Republic of Türkiye Ministry of Treasury and Finance.

21 March 2025

Ebru Özşuca

Chairperson of the Board of Directors and Audit Committee Chair

Zeliha Göker

Member of the Board of Directors and Audit Committee Member

Fikret Utku Özdemir

General Manager

Şule Soylu

Assistant General Manager

Banu Gülmedim Purut

Assistant General Manager and Audit Committee Member

Nedime Böyükkırlı

Accounting and Regulatory Reporting Group Manager

Ertan Tan

Actuary
Registration No:21

Independent Auditor's Report on the Annual Report of the Board of Directors

CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ON THE BOARD OF DIRECTORS' ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Milli Reasürans T.A.Ş.

1. Opinion

We have audited the annual report of Milli Reasürans T.A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2024 period.

In our opinion, the consolidated and unconsolidated financial information and the analysis made by the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated and unconsolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Auditor's Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We expressed unqualified opinions in our auditor's reports dated 28 February 2025 on the full set consolidated and unconsolidated financial statements of the Group for the 1 January - 31 December 2024 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 are as follows:

a) to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;

b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors with regards to these matters are also included in the report.

c) to include the matters below in the annual report:

- events of particular importance that occurred in the Group after the operating year,
- the Group's research and development activities,
- financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC provisions regarding whether or not the consolidated and unconsolidated financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated and unconsolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the consolidated and unconsolidated financial information and the analysis made by the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements in the annual report are consistent and presented fairly with the audited consolidated and unconsolidated financial statements and with the information obtained in the course of audit.

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

Ramazan Yüksekkaya, SMMM
Independent Auditor

Istanbul, 21 March 2025

02

Financial Rights Provided to the Members of the Governing Body and Senior Executives

Financial Rights Provided to the Members of the Governing Body and Senior Executives

The Company's Board of Directors is composed of Chairperson, Vice Chairperson and seven Board members. Senior Management comprises of the General Manager and four Assistant General Managers and eight Group Managers. The benefits provided to the Senior Executives ve Internal Systems Managers in 2023 and 2024 are given in the below table:

(TL)	2024	2023
Benefits such as salary, premium, bonus, dividend etc.	65,017,869	28,756,704
Travel, accommodation, entertainment expenses, means in cash and in kind	2,471,267	1,322,583

*Group Managers appointed pursuant to the Board of Directors Decision No. 1450/B dated 24.09.2024 were included in the relevant calculations as of 01.10.2024.

The Company's Board of Directors is composed of Chairperson, Vice Chairperson and seven Board members; Senior Management comprises of the General Manager and four Assistant General Managers and eight Group Managers.

Research & Development Activities

Research & Development Activities

As the Company confidently progresses into its second century in line with its goal of profitable growth, it continues to preserve its strong financial structure, sustain long-term and trust-based relationships with stakeholders and enhance cooperation. In this context, digital transformation projects have been launched to increase process efficiency and to manage human resources in alignment with strategic goals.

Automation of business processes project for the Head Office and the Singapore Branch has continued in 2024. In this regard, activities have been carried out to adapt to new processes and respond to evolving business needs for the processes in production.

Significant emphasis is placed on enhancing operational efficiency through the implementation of Robotic Process Automation (RPA), which was initiated in 2021 within our Company's operations. Efforts to broaden the scope of RPA utilization across our operational processes are being actively pursued and continuously expanded.

The Company has completed the necessary system installations to consolidate data from its reinsurance and accounting systems into a centralized data warehouse. The system established enables not only reporting functionalities based on the consolidated data but also supports business intelligence applications within the framework of the management information system.

04

Activities and Major Developments Related to Activities

Activities and Major Developments Related to Activities

Information on Investments Made by the Company During the Accounting Period

Milli Re continued its efforts in 2024 within the scope of compliance with personal data protection legislation and information security, through consultancy services and implementation practices. Updates and new requirements within the scope of compliance are being implemented by the business units.

In 2024, investments were made as part of the establishment of the Information Security Management System and compliance activities related to Personal Data Protection Law. A new data labeling software was implemented, and an identity & access management solution was acquired to ensure regular monitoring of access to information technology systems. In addition, actions were taken to further strengthen the Company's security infrastructure by continuing efforts in vulnerability and network security management.

Within the frame of activities for alignment with the TFRS 17 regulation that will enter into force in 2026, application and environmental systems for performing calculations were successfully established. Work on application development and provision of data from source system were completed. Preparations for the periodic reporting requirements under the legal framework have also been finalized.

The information about the ongoing digital transformation projects during the reporting period is provided under the section titled "Research & Development Activities."

Repurchased Own Shares by the Company

None

Disclosures Concerning Special Audit and Public Audit During the Reporting Period

The Company is audited by independent auditing company PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi. A limited independent audit is carried out on half yearly basis while full independent auditing is done on yearly basis. İşbank consolidation audit is conducted for the first and third quarters. Being a bank subsidiary, information systems auditing made in subsidiaries subject to consolidation, is carried out annually.

The Company is audited in accordance with the insurance legislation by Insurance and Private Pension Regulation and Supervision Authority.

Lawsuits Filed Against the Company and Potential Results

There are no lawsuits brought against the Company in 2024, which are of a nature that might affect the Company's financial standing and its activities.

Disclosures on Administrative or Judicial Sanctions Imposed on the Company and the Members of the Governing Body

There are no administrative or judicial sanctions imposed against the Company or the members of the governing body on account of any practice violating the provisions of legislation in 2024.

Assessments on Prior Period Targets and General Assembly Resolutions

The announcement on the meeting including the venue, date, time, agenda, and a specimen of a proxy statement is published within the legal terms in the Turkish Trade Registry Gazette and on Company's official website for notifying the public. Every year the Annual Report is prepared in alignment with the relevant legislation and presented for the information and analysis of shareholders preceding the General Assembly meeting.

Annual General Assembly meeting was held on 27 March 2024. All of the resolutions by the General Assembly of Shareholders have been fulfilled during 2024 and the targets set in the prior period have been achieved.

Expenses Incurred in the Reporting Period in Relation to Donations, Grants and Social Responsibility Projects

In this context, our Company did not make any donations in 2024.

Relations with the Controlling Company or an Affiliate Thereof

Between our Company and our controlling shareholder İşbank and other Group Companies affiliated to İşbank, there is no:

- Transfer of receivables, payables or assets,
- Legal transaction creating liability such as providing suretyship, guarantee or endorsement,
- Legal transaction that might result in transfer of profit.

All commercial transactions the Company realized with its controlling shareholder and with the Group Companies affiliated thereto during 2024 were carried out on an arm's length basis, according to the terms and conditions known to us, related counter performances have been carried out, and the Company did not register any loss on account of any such transaction.

Internal Audit

The Internal Audit Department of Milli Re was established as of 1 January 2005 and commenced its activities on 1 April 2005. Internal audit activities are conducted within the framework of the “Regulation on Internal Systems in Insurance and Private Pension Sector” published in the Official Gazette No. 31670 dated 25 November 2021, and the Internal Audit Plan approved by the Board of Directors.

Internal Audit Department reports directly to the Board of Directors for the purpose of conducting an independent and objective assessment. The results of the audit are reported to the Board of Directors through the Audit Committee.

The primary functions of the Internal Audit Department include ensuring compliance of all operations and transactions with relevant legislation, Company’s internal guidelines, management strategy and policies; preventing and detecting any errors, fraud and irregularities; and providing assurance regarding the effectiveness and adequacy of internal control and risk management systems. Consequently, a significant part of the Internal Audit Department’s activities involves providing opinions and recommendations to improve Company operations and add value to these activities by ensuring the effective and efficient use of resources.

Internal Audit Department carries out its activities with a risk-focused audit approach. This approach aims to increase the efficiency and effectiveness of internal audit by giving priority to the processes and departments that are evaluated as bearing more risk. Each December, considering the last audit dates of departments, risk assessments and senior managements opinions, an Internal Audit Plan is prepared for the next year’s audit activities and presented to the Board of Directors for approval.

In 2024, the 2024 Internal Audit Plan approved by the Board of Directors was fully complied, and audits of 16 departments within the Company were completed. During the audit process, it was evaluated whether the activities of the departments were conducted in compliance with their operational guidelines, whether the control points related to the risks inherent in the activities were effectively functioning, and whether these control points were adequate. Moreover, compliance with regulations, Company policies, limits, exercise of power, and security measures were assessed. The audit activities were conducted using methods such as information gathering, inquiry and verification, examination, reperformance, recalculating, and analytical review.

Internal Control

The internal control system has an important role in protecting the assets of the Company and maintaining its activities within the framework of effective, efficient, compliant and reliable principles in accordance with the Law, the relevant legislation and the internal policies of the Company.

The Company's internal control activities are carried out by the Internal Control Department, reporting to the Audit Committee in accordance with the Regulation on Internal Systems in Insurance and Private Pension Sectors. In addition, within the scope of compliance controls carried out by the Internal Control Department, all activities planned and carried out by the Company and new transactions and products are ensured to comply with the law and other relevant legislation, organizational policies and insurance practices. The duties and responsibilities imposed on the compliance officer by the provisions of the Law on Prevention of Laundering Proceeds of Crime and the applicable legislation based on this Law are fulfilled by the Internal Control Department personnel assigned exclusively as Compliance Officer.

Within the scope of internal control activities, it is aimed to establish the Company's control environment, identify control points and provide reasonable assurance to ensure the reliability, integrity and timely availability of information in the Company's accounting and financial reporting system.

The Internal Control Department checks that minimum transactions for the execution of the Company's activities, effective communication channels, service procurements that are extensions or complementary to the main services, work carried out within the scope of business continuity management and plan, and tests for the measures taken are carried out. In addition, internal control activities designed to cover the financial reporting system and compliance controls are carried out in accordance with internal and external legislation.

Control activities cover the entire business processes and operations of the Company. Workflows, duties and responsibilities, authorities and limits defined in writing regarding the Company's activities are updated periodically in parallel with changing conditions and risks and announced to employees. The processes related to business and information technologies and the risks on these processes have been defined in writing by the IT Department and controls have been established for these risks. Control activities are carried out according to the frequency of business processes and in accordance with the principles set out in the annual Internal Control Plan. All findings identified as a result of the controls and recommendations regarding the actions to be taken to eliminate the findings are reported by the Internal Control Department to the Audit Committee and the General Manager through Internal Control Reports.

In addition to the actions performed by the Internal Control Department within the framework of the authorization definitions of the users determined in accordance with the principle of segregation of duties on the systems, the audit logs of critical transactions are checked instantly and daily through reports received through the log recording system.

Development and change requests of users on systems based on their business requirements or solution requests in respect of malfunctions arising in systems are monitored through Help Desk Service and critical issues that may affect the financial statements or that could lead to legal risks are given the priority.

In case of detection of any adverse situation within control activities, urgent action is taken in order to perform necessary adjustments and take preventive measures.

Internal control activities are carried out through the risk and control points included in the work flow chart of the related department, and the controls in the IT department are carried out based on COBIT standards. In this context, transactions in respect of reinsurance processes, accounting transactions, payments, processes in respect of fulfillment of legal obligations, transactions in respect of debt collection, accounting periods, and preparation of financial statements; marketing, processes related to reporting and information systems are controlled by considering practice frequencies of related processes. In this respect, it is ensured that preventive and supplementary measures are taken and implemented immediately, appropriate and applicable solutions that will improve processes and operations are put into practice.

Affiliates

Anadolu Anonim Türk Sigorta Şirketi

Anadolu Anonim Türk Sigorta Şirketi (Anadolu Sigorta) is Türkiye's first national insurance company, which was established on 01 April 1925. As one of the market leaders, while its premium production reached TL 69.6 billion, it has total assets of TL 89.3 billion and shareholders' equity of TL 23.7 billion on consolidated basis in 2024. Anadolu Sigorta operates in all lines of business except Life. Fitch Ratings confirmed Anadolu Sigorta's ratings for International Financial Strength as BB with stable look, for National Financial Strength as AA+ (tur) with stable outlook.

Anadolu Sigorta's shares are publicly traded on Borsa İstanbul (BİST) National Market under the symbol "ANSGR." 48% of the Company's shares are public, whilst 57.31% are held by Millî Reasürans T.A.Ş.

Pursuant to the Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies published in the Official Gazette issue 27097 dated 31 December 2008 and to the Turkish Accounting Standards 27, Milli Re consolidates the financial results of Anadolu Sigorta on a line-by-line basis since 30 September 2010.

www.anadolusigorta.com.tr

Miltaş Turizm İnşaat Ticaret A.Ş.

Miltaş Sports Complex has been serving the insurance market since 1986 with its facilities for various sports, particularly tennis and basketball.

Since 1986, an "International Insurance Tennis Tournament" has been organized at the Miltaş every year in early summer, which gives foreign reinsurers and brokers interested in the Turkish insurance market the opportunity to meet with insurance companies in a different atmosphere. In addition to tennis and basketball sports schools for various age groups, private tennis lessons for adults are also offered every year.

Milli Re has 100% share in Miltaş Turizm İnşaat Ticaret A.Ş. Within the context of the exception stipulated in the Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance and Pension Companies published in the Official Gazette issue 27097 dated 31 December 2008, Miltaş Turizm İnşaat Ticaret A.Ş., which is a subsidiary of the Company, is excluded from the scope of consolidation, due to the fact that the subsidiary's total assets correspond to less than 1% of the Company's total assets.

www.miltasturizm.com.tr

Corporate Social Responsibility

Milli Re, seeing social responsibility projects as an effort for adding value to the sector and the society that it is a part of, effectively demonstrates its understanding of social responsibility through sponsorships, project developments and the tasks it undertakes especially in the fields of education, culture, art and sports.

Milli Re Art Gallery

In 1994, Milli Re reserved a section of its business building in Teşvikiye for artistic and cultural activities, and designed a library, an auditorium and a gallery in this section.

During the thirty years since its debut, Milli Re Art Gallery organized various exhibitions, which were widely acclaimed in art circles and followed with interest. The gallery published numerous books and publications, with texts by eminent authors and art critics, most of which are referenced in the art literature. These publications which function as a memory to build art in Türkiye, also introduced various important artists to mark their arts for the first time in the recorded art history.

Some of the exhibitions held at the Milli Re Art Gallery have also been displayed in other countries, including, among others, Germany, France, Sweden, Denmark, Estonia, Slovenia, Bosnia-Herzegovina, Georgia and Finland. Besides the "Rural Architecture in the Eastern Black Sea Region" exhibition displayed at many universities and international museums both in Türkiye and abroad since 2005, "Mylasa Labraunda/Milas Çomakdağ" exhibition received invitations from major museums and universities abroad and exhibited in several countries and cities.

The gallery, hosting projects varying from art to design, has attained a special place within its field. Not only in the area of basic arts such as painting and sculpture, the Gallery also hosts plenty of projects including exhibitions on photography, architecture, graphical design, as well as historical and documentary conceptual exhibitions.

Milli Re Art Gallery has made a selection of its own publications on the occasion of the 100th Anniversary of Republic of Türkiye in 2023. Books with diverse content selected from the Gallery's publications have also been presented to the libraries of fine arts faculties of universities, fine arts high schools, museums and libraries of independent art venues in Anatolia.

Milli Re Art Gallery has gained the distinction of being a space for artists and art lovers, with the original works created over the years, and are known for its uncompromising artistic identity. Hosting many exhibitions

Having reached its 30th anniversary in 2024, Milli Re Art Gallery continues its efforts to digitize its archive which is Türkiye's art memory.

in the contemporary arts field, Milli Re Art Gallery outstands as one of the art institutions undertaking the mission of providing contributions to the art vision in Türkiye and supported the conscious collectors within the sector as well as the limited number of museums by bringing in many art works to be acquired to their permanent collections. With this awareness and responsibility, Milli Re Art Gallery, which reached its 30th anniversary in 2024, continues its efforts to digitize its archive, which is the art memory of Türkiye, and has begun preparations for a special event to present these thirty years to art lovers.

Our gallery which is approved by most of the international art institutions in terms of business principles and standards, also hosts the Türkiye sessions of various international projects.

All details on exhibitions and publications are available on www.millireasuranssanatgalerisi.com. 3D virtual tour feature and comprehensive documents and visuals about the exhibitions were added to our website in order to offer a richer experience to our viewers and our social network accounts were put into life.

Milli Re Chamber Orchestra

Milli Re Chamber Orchestra, established in 1996, has performed numerous successful concerts with local and international well-known conductors and many soloists. Milli Re Chamber Orchestra having performed its first concert on 10 April 1996 presents universal polyphonic music, which enriches our cultural life, to music-lovers through concerts and recitals. The Orchestra takes part in various national and international music festivals. The Milli Re Chamber Orchestra also released two CDs, titled “Romantic Era Strings Music” and “Şensoy Plays Tura”.

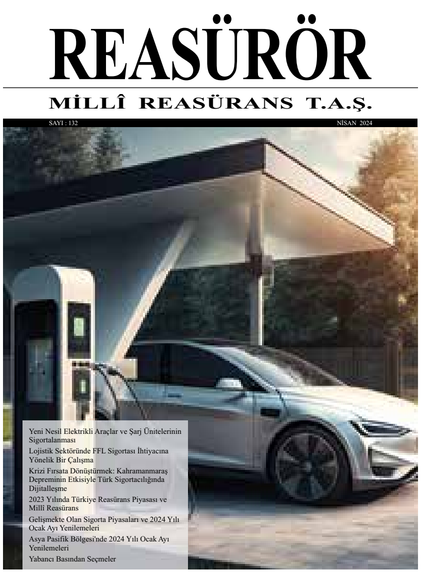
In 2024, in collaboration with İş Sanat, the Milli Re Chamber Orchestra presented “Cumhuriyet Tangoları” concert, created in honor of the 100th anniversary of Republic of Türkiye, which was met with great enthusiasm by the audience. Additionally, the orchestra brought the “Anadolu Rock-Bukalemun” concert to its audience, featuring iconic pieces that have left a lasting impression on the history of popular music.

Reasürör Magazine

Quarterly published since 1991, the Reasürör Magazine is a scientific resource with full academic content on re/insurance, including compilations, translations, interviews, and statistical data on various lines. The Reasürör Magazine serves as a valuable scientific resource for use by the industry technicians and students pursuing their studies at various levels in insurance education.

All issues of the Reasürör Magazine can be accessed at the addresses www.millire.com

In addition to the regular concerts’ series, the Milli Re Chamber Orchestra takes part in various national and international music festivals.



Miltaş Sports Complex

Miltaş Sports Complex has been serving the insurance market since 1986 with its facilities in various sports, particularly tennis and basketball. In addition to tennis and basketball courses organized every year for various age groups; private tennis lessons are available in the Complex.

The Complex has been hosting the International Insurance Tennis Tournament, which is organized every year in June since 1986, and provides a unique environment that brings together professionals of the local market with international reinsurers and brokers.

Türk Sigorta Enstitüsü Vakfı (TSEV)

The Turkish Insurance Institute Foundation (TSEV) was established jointly by Milli Re and the Insurance Association of Türkiye in 1970 and continues its training and consulting services for the insurance industry for the last 55 year. TSEV organizes training programs on insurance techniques and law as well as administrative issues for the insurance sector and for various companies, institutions and organizations. In addition to its training activities, the Foundation also visits universities, the chambers of industry and commerce in order to increase the insurance awareness. For the purpose of making insurance part of lives of society, TSEV also undertakes some projects on social media and informs people about the insurance sector.

Due to the pandemic, all business lines renewed their processes globally in 2020 and the changes in TSEV's activities continued partially in 2024 with some updates. In this context, mixed groups with a mix of online and face-to-face courses were opened in long-term training programs, and individuals were given the right to take face-to-face and online exams. Short-term training programs, most of which were conducted online, were also planned face-to-face, albeit in small numbers. The "Insurance in My Frame Award-winning Photography Contest" was organized for the 7th time, the winning photographs of the competition were exhibited online on a website specially prepared for the competition.

The "Basic Insurance Training Program", organized since the establishment of the Foundation has the distinction of being one of the most comprehensive training programs in the field of insurance. A total of 3,000 participants have graduated from the program to date. As a follow-up course to this, TSEV also offers "Advanced Insurance Training Programs" which are the only project and practice-oriented training programs in the market. In addition to these trainings, TSEV also offers "Short-Term Training Programs" determined according to the needs of the day. "Introduction to Insurance for Beginners Program" and "Training Programs for Actuary Exams are regularly scheduled trainings for new recruits in the insurance departments of the insurance industry and insured corporate structures. "Workshops", which started to be organized last year; accordingly, one-day branch-based trainings, in which participants took an active role and progressed through case studies, were held face-to-face in TSEV classrooms. "Agency Trainings" were organized for agencies under the sponsorship of the Union of Chambers and Commodity Exchanges of Türkiye and TSB. In addition, In cooperation with the Insurance and Reinsurance Brokers Association and TSEV, "Broker Academy: Insurance Training Program" was established and training was provided to three different groups. In cooperation with the Insurance and Private Pension Regulation and Supervision Agency, up-to-date trainings were organized to meet the needs of the sector.

Apart from insurance training, Personal Development Training Programs are also given by TSEV and the diversity in this segment increases each year. As the training programs were moved to the online platform, many people living outside of İstanbul had the opportunity to attend TSEV training programs. In 2024, 5,402 people received a total of 3,839 hours of training from TSEV through these programs. Furthermore, "Consultancy", "Closed Group Classroom Training", "Placement Tests" were realized based on demands from companies. In 2024, the English education programs were organized as institution-specific class.

Actuary exams, which started in 2020 as part of the agreements signed with the Central Bank of Azerbaijan and the Azerbaijan Insurance Association, were also conducted by TSEV in 2024. In addition, the "Training Program for Managers" in 2024 was completed in July.

05

Financial Status

Economic Outlook

As inflation gradually moderated across many economies in 2024 and convergence toward targets began, central banks in advanced economies shifted toward interest rate cuts.

In 2024, the tight monetary policy stance maintained by major central banks for a significant part of the year exerted pressure on global economic activity. Nevertheless, notable disparities were observed across regional and sectoral economic performances. Inflation dynamics, geopolitical risks, structural challenges, and uncertainties have imposed constraints on growth potential.

The US economy has maintained its relatively resilient outlook in parallel with the strong course of consumer spending, and has expanded by 2.8% in 2024.

The European economy, on the other hand, continued its weak trend in 2024. Volatility in energy prices, subdued domestic demand, and low productivity limited the region's growth performance. The weak performance of major economies, particularly Germany had a negative impact on overall growth dynamics in the region. The Euro Area recorded a growth rate of 0.7 %.

Asian economies, particularly India and Southeast Asian countries, have been recognised for their dynamic growth performance. On the other hand, the Chinese economy was unable to achieve a full recovery in 2024 due to the ongoing real estate crisis and weak domestic demand. Issues in the housing market have heightened concerns over financial stability and dampened consumer confidence. As a result, China's economy lost momentum and expanded by 5% in 2024, a deceleration relative to prior years, diminishing its overall contribution to global economic growth.

The US economy maintained its relatively resilient outlook in 2024 in line with the strong course of consumer spending, while the European economy continued its weak course.

In its January update of the World Economic Outlook, the IMF estimated global growth to have reached 3.2% for 2024 and projected a modest acceleration to 3.3% in both 2025 and 2026, remaining below the 2000–2019 average of 3.7%. Heightened geopolitical uncertainty, a resurgence of protectionist trade measures, potential setbacks in disinflation due to economic policy dynamics, and the prolonged stagnation in China's real estate sector are considered as downward risks to global growth.

In 2024, global inflation showed signs of easing, reflecting the lagged impact of monetary policy. However, inflationary risks persisted due to continued volatility in commodity prices and transportation costs. The rigidity in expectations has limited the improvement in core inflation, while the persistently high level of services inflation has drawn attention.

Headline consumer inflation in the United States declined from 3.4% at the end of 2023 to 2.9% as of December 2024. In the Euro Area, annual inflation eased from 2.9% at the end of 2023 to 2.4% as of December 2024.

Global consumer inflation, estimated to have averaged 5.7% in 2024, is projected to decline to 4.2% in 2025. Advanced economies are expected to converge toward their inflation targets more rapidly than emerging market economies. In this context, the IMF forecasts inflation to fall to 2.1% in advanced economies and to 5.6% in emerging markets by the end of 2025.

As inflation gradually moderated across many economies in 2024 and convergence toward targets began, central banks in advanced economies shifted toward interest rate cuts.

The U.S. Federal Reserve (Fed) initiated rate cuts in September 2024, ultimately reducing the policy rate by a cumulative 100 basis points to the 4.25–4.50% range by the end of 2024.

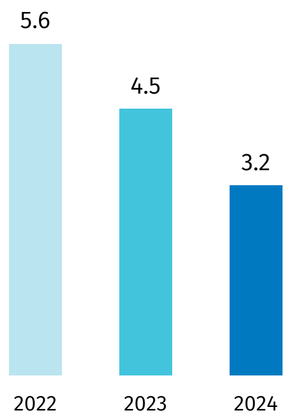
In the September projections, Federal Reserve officials anticipated four 25-basis-point rate cuts in 2025. However, due to growing uncertainty regarding the inflation outlook, this forecast was revised down to two cuts in the December meeting. The cautious stance of the Fed members reflected in the minutes of the meeting and its projections have led to the baseline scenario in the markets that the pace of interest rate cuts will slow down in 2025.

The European Central Bank (ECB) lowered its deposit facility rate by a total of 100 basis points in 2024, bringing it down to 3%.

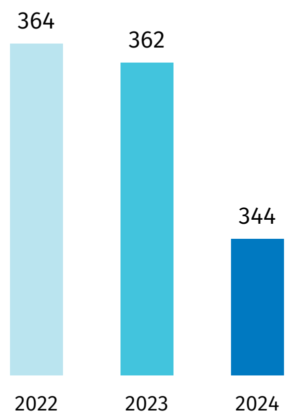
The macroeconomic projections announced by the ECB following its December meeting signaled that interest rate cuts will continue gradually in 2025.

The IMF stated that uncertainties surrounding the global economy could jeopardize the monetary easing process of major central banks, and emphasized the significance of structural reforms and fostering multilateral cooperation among countries to prevent this.

GDP Growth Rate – Based On Current Prices (%)



Imports (USD billion)



Exports (USD billion)

In 2024, the weaker performance of the global manufacturing sector exerted downward pressure on commodity prices through weaker conditions, while production cuts and sanctions helped limit the decline in crude oil prices. The average annual price of Brent crude oil fell from USD 82.2 per barrel in 2023 to USD 79.9 in 2024. Due to geopolitical uncertainties, supply constraints by oil-exporting countries, and sanctions on Russia, energy prices remained volatile throughout the year.

For the upcoming period, the volatility in commodity prices is expected to persist, driven by the potential trade protectionism following Donald Trump's victory in the U.S. presidential election and the prevailing geopolitical uncertainties. Amidst challenging global economic conditions in 2024, the Turkish economy experienced a more balanced growth composition. The fight against high inflation remained the utmost priority on the economic agenda.

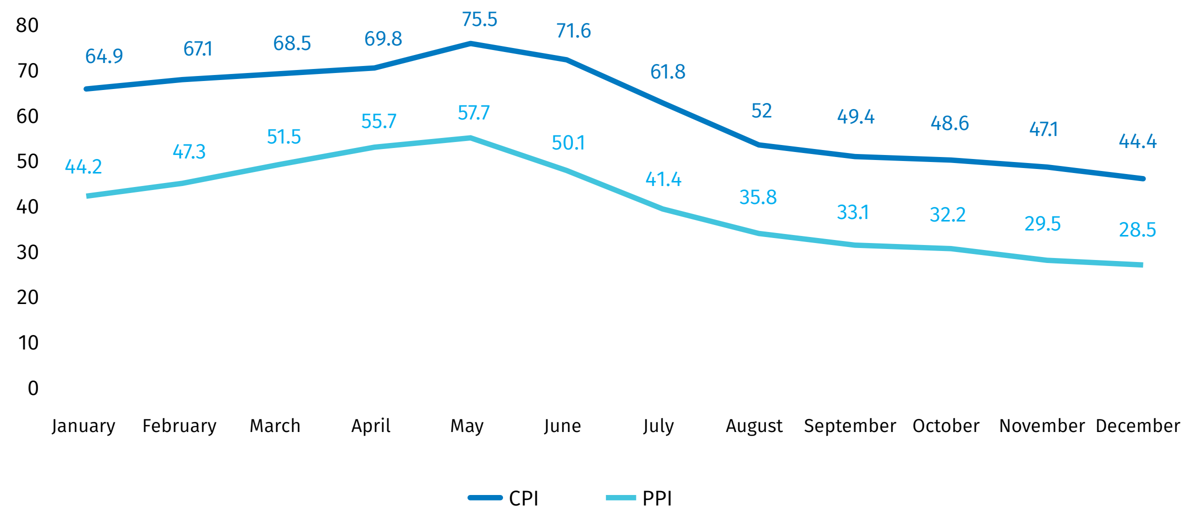
As the effects of tight monetary policy became more pronounced, particularly in the second and third quarters of the year, economic growth in 2024 slowed down to 3.2% compared to the previous year. Throughout the year, the contribution of consumption and investment expenditures to growth has declined, while net exports have provided a positive contribution.

In May 2024, annual CPI inflation in Türkiye surged to 75.4%, marking its highest level since November 2022. However, in the second half of the year, inflation exhibited a downward trajectory, driven by the lagged effects of tight monetary policy and a favorable base effect, ending the year at 44.4%. Similarly, annual inflation in the domestic producer price index (D-PPI) fell from 57.7% in May to 28.5% by December. While inflation is expected to continue its downward trajectory in 2025, albeit at a slower pace, the outlook will remain sensitive to the course of inflation expectations and domestic demand conditions.

The CBRT raised its policy rate from 42.5% to 45% in January 2024 and further tightened monetary policy in March, increasing the rate to 50%. Maintaining this level until December, the CBRT also undertook a series of macroprudential simplification steps throughout the year. These included the removal of the security maintenance requirement, continued gradual exit from FX-protected deposits (KKM) in favor of standard TL deposits, increases in reserve requirements, credit growth restrictions for commercial lending, and monetary tightening was reinforced.

In parallel with the decline in inflation, the CBRT initiated a rate-cut cycle at its final meeting of the year, lowering the policy rate by 250 basis points to 47.5%, and emphasized its cautious stance and commitment to a tight monetary policy framework in light of persistent upside risks to inflation.

Inflation in 2024 - Annual Change (YOY) (%)



Although the CBRT initiated a rate-cut cycle it emphasized its cautious stance and commitment to a tight monetary policy framework in light of persistent upside risks to inflation.

In 2024, Türkiye's exports increased by 2.4% to reach USD 261.9 billion, while imports declined by 5% to USD 344 billion due to the decrease in energy prices and decline in gold imports. Thus, the foreign trade deficit narrowed by 22.7% in 2024, falling to USD 82.2 billion. The export-to-import coverage ratio improved from 70.6% in 2023 to 76.1% in 2024.

In parallel with the narrowing of the foreign trade deficit and the positive outlook in tourism revenues throughout 2024, the current account deficit declined by 75% compared to 2023, falling to USD 10 billion. Excluding gold and energy, the current account posted a surplus of USD 52.7 billion during the same period.

With the significant improvement in the current account balance Outlook compared to the previous year, the current account deficit/GDP ratio fell below 1% in 2024.

In addition to the improvement in the current account balance, the relatively positive trend of portfolio investments and the preferences of domestic residents contributed to the CBRT's foreign exchange reserves. As of the end of 2024, the CBRT's gross international reserves rose to USD 155 billion, while net international reserves reached USD 63.6 billion. While strong reserves and a tight monetary stance helped increase investor confidence, significant decline was observed in the country's CDS risk premiums. International credit rating agencies upgraded Türkiye's credit rating.

Source: TURKSTAT, CBRT, Republic of Türkiye Ministry of Treasury and Finance

With the significant improvement in the current account balance Outlook compared to the previous year, the current account deficit/GDP ratio fell below 1% in 2024.

Turkish Insurance Market

According to year-end data, the Turkish insurance industry produced TL 838.5 billion in premiums in 2024, representing a 72.5% increase compared to 2023.

The challenging market conditions caused by high inflation and constrained capacity in 2023, driven by the impact of the Kahramanmaraş Earthquake, persisted into 2024, albeit at a decreasing rate; however, the industry recorded further growth in 2024. This growth was shaped by inflation, rate increases in 2023, and the appreciation in the insured assets' values.

According to year-end data released by the Insurance Association of Türkiye, the Turkish insurance industry produced TL 838.5 billion in premiums in 2024, representing a 72.5% increase compared to 2023. Adjusted for inflation, this increase corresponds to a real growth rate of 19.5%. Particularly, the improved risk-based pricing practices in the Non-Life insurance market, coupled with a high interest rate environment, contributed to a healthier financial standing for the industry. Non-Life branches accounted for 88.1% of total premiums in 2024, with nominal premium growth of 72%, reaching TL 738.5 billion. The Life insurance branch also recorded nominal growth of 76.2%, in line with developments in individual loan volumes, and the share of Life insurance within total Life and Non-Life premiums rose slightly, reaching 11.9%.

Land Vehicles Liability insurance, the primary driver of premium production in the sector, recorded a nominal growth of 85.6% in 2024, corresponding to a real increase of 28.5% when adjusted for inflation, while the share of the branch in total Non-Life premiums rose from 27.5% to 29.7%. However, despite this headline growth, the branch continued to generate negative technical results due to regulatory constraints on premium adjustments and elevated cost burden stemming from depreciation of the Turkish Lira, and the high inflation environment. These factors continued to impact the balance sheets of the companies in 2024. In the Land Vehicles branch, where premiums are set under a free tariff system and the loss ratio plays a significant role in determining prices, the impact of rising vehicle values on average premiums remained limited due to a decline in the number of new vehicle sales. While recent developments in the Turkish economy, particularly the increase in exchange rates,

The improved risk-based pricing practices in the Non-Life insurance market, coupled with a high interest rate environment, contributed to a healthier financial standing for the industry.

minimum wage, vehicle prices, and spare part costs, continued to influence premiums in this branch, their effect was less pronounced than in previous periods. The Land Vehicles branch recorded a nominal growth rate of 33.7% in 2024; however, in real terms, it was -7.4%, and the share of the branch in total Non-Life premium production was recorded as 15.2%.

Growth was observed in Health insurance premiums in 2024, due to the heightened health awareness following the pandemic, which led to greater interest in complementary health insurance, the growing proportion of health insurance within employee benefit packages, continued expansion of group policies, and elevated healthcare expenditures. In addition, the reflection of high medical inflation on policy pricing played a significant role in this growth. Premiums in this branch increased by 93% in 2024, corresponding to 33.7% real growth, and the share of the branch in total Non-Life premium production rose from 16.5% in the previous year to 18.5%.

Driven by a nominal growth of 86.7% and a real growth of 29.3% in 2024, the share of the Fire and Natural Disasters branch within Non-Life premiums increased from 15.3% to 16.6%. Following the earthquake disaster, insurance pricing once again shifted its focus toward earthquake risk, which became a key determinant in policy pricing. In addition to the increase in policy rates, inflation and the rise in insured values played a significant role in the growth of this branch. With the amendment to the Tariff and Instruction regarding Optional Earthquake and Volcanic Eruption Coverage, prices to be applied according to earthquake zone and building type were increased by 25% as of 1 January 2024. Furthermore, the threshold for applying the free tariff was increased from TL 2 billion to TL 2.5 billion as of 1 July 2024, and other insured values in the tariff were similarly adjusted upward. This regulatory update contributed positively to earthquake premium levels and, in turn, supported both premium production and technical profitability in commercial and industrial risks within the branch.

Within the General Losses branch, which comprises Engineering, Agricultural, Theft, and Glass Breakage insurance, 93.8% of the premium income is generated by Engineering and Agricultural insurance. Engineering insurance recorded 71.8% nominal and 19% real growth, increasing its share within General Losses from 48.5% to 49.9%. Given that they are mostly arranged in foreign currencies, the Machinery Breakdown and Electronic Equipment branches are more exposed to exchange rate fluctuations; however, this impact experienced a slowdown in 2024 as a result of the stable trajectory of exchange rates. When analyzed in terms of operational period and project insurances, a decline in renewable energy investments was observed compared to previous years. During this period marked by the absence of major projects, the housing demand that emerged following the earthquake, driven

In the upcoming period, the softening in the market that began particularly in the last quarter of 2024 is expected to continue due to the easing of capacity constraints driven by increasing demand for well-priced risks.

by reconstruction efforts in regions affected and a rise in urban transformation initiatives in other cities, contributed to the development of the Construction branch. The Tariff and Instruction regarding Optional Earthquake and Volcanic Eruption Coverage, which came into effect on 1 January 2024 and introduced a 25% increase in tariff rates, along with the revision of the earthquake tariff limit from TL 480 million to TL 600 million as of 1 July 2024, also had a positive impact on Engineering branch premium. In Agricultural insurance, both the number of policies and policy prices increased in 2024, resulting in higher premium volume. Despite a nominal growth of 58.6% and a real growth of 9.81% in 2024, the branch's share within General Losses declined from 46.2% to 43.9% over the year.

In the Marine branch, which comprises Hull, Cargo, and Marine Liability insurances, despite the negative impact of the contraction in foreign trade volume and fluctuations in freight rates on Cargo and Hull insurance premium production in 2024, an increase in premium production was recorded due to upward movements in inflation and foreign exchange rates. A nominal growth of 56.1% and a real growth of 8.11% were achieved in 2024, while the share of the branch within Non-Life premium income declined slightly compared to the previous year, standing at 1.4%.

The General Liability branch, led by Employers' Liability and Third-Party Liability insurances, recorded nominal growth of 41.2% but contracted by 2.2% in real terms. Demonstrating a growth performance below the overall market average, the share of the General Liability branch within Non-Life premium income recorded a slight decline compared to the previous year, settling at 2.1%. It was observed that a softer market structure prevails in this branch compared to property insurance, which in turn ensures more effective use of existing capacity. In 2024, a year marked by intense competition in liability insurance, expansion in coverage scopes, an increase in limits, and a reduction in prices was observed.

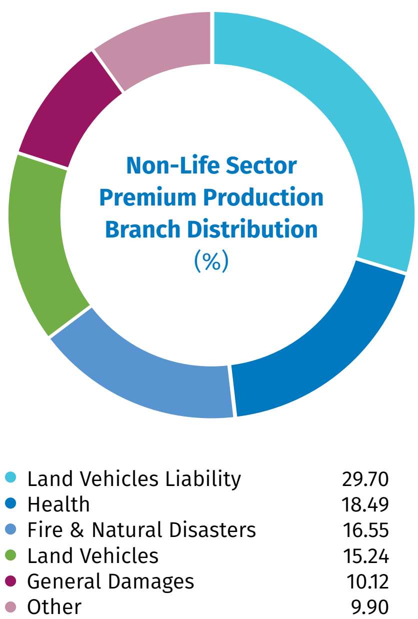
In Accident insurance, nominal growth of 65.7% and real growth of 14.8% were recorded, with the share of the branch in Non-Life premium generation standing at 2.5%. On the other hand, as in 2023, premiums produced within the scope of Participation insurance constituted approximately 5% of the sector's total premium income by the end of 2024.

In the upcoming period, the softening in the market that began particularly in the last quarter of 2024 is expected to continue due to the easing of capacity constraints driven by increasing demand for well-priced risks. The continuation of the positive trend resulting from accurate pricing and the reflection of required technical conditions in policies, which has emerged following the recent earthquakes, is considered beneficial for technical profitability. In light of the potential catastrophic impact of a possible Marmara Earthquake and possible adverse developments in the economic outlook, it is essential for insurance companies to maintain strong capital structures to ensure the sustainability of insurance operations.

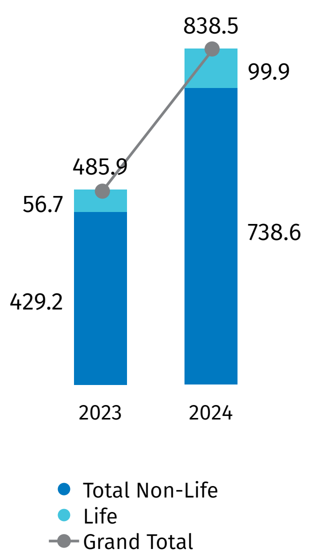
Market Premium (TL)

Lines of Business	2024	SHARE (%)	2023	SHARE (%)	CHANGE (%)
ACCIDENT	18,121,056,782	2.45	10,955,325,392	2.55	65.69
HEALTH	136,585,458,191	18.49	70,762,053,849	16.49	93.02
LAND VEHICLES	112,590,865,089	15.24	84,211,963,060	19.62	33.70
RAILWAY VEHICLES	0	0.00	0	0.00	0.00
AIR VEHICLES	2,189,575,914	0.30	1,011,305,342	0.24	116.51
SEA VEHICLES	6,539,209,785	0.89	3,972,200,836	0.93	64.62
MARINE	10,321,298,355	1.40	6,612,515,835	1.54	56.09
FIRE & NATURAL DISASTER	122,237,199,100	16.55	65,477,458,289	15.25	86.69
GENERAL DAMAGES	74,707,587,604	10.12	44,831,626,592	10.44	66.73
LAND VEHICLES LIABILITY	219,322,876,119	29.70	118,045,271,303	27.50	85.59
AIR VEHICLES LIABILITY	1,664,505,875	0.23	770,445,869	0.18	116.04
SEA VEHICLES LIABILITY	784,415,560	0.11	471,275,441	0.11	66.45
GENERAL LIABILITY	15,821,841,366	2.14	11,199,490,423	2.61	41.18
CREDIT	2,368,520,955	0.32	1,412,240,265	0.33	67.68
FIDELITY GUARANTEE	1,124,555,741	0.15	828,206,177	0.19	25.34
FINANCIAL LOSSES	6,352,262,128	0.86	5,232,337,913	1.22	21.40
LEGAL PROTECTION	5,553,713,015	0.75	1,973,276,305	0.46	181.45
SUPPORT	2,289,140,372	0.31	1,460,994,574	0.34	63.56
TOTAL NON-LIFE	**738,574,081,951**	**88.1**	**429,227,987,465**	**88.33**	**72.0**
LIFE	**99,904,663,811**	**11.9**	**56,692,469,008**	**11.67**	**76.2**
TOTAL	**838,478,745,762**	**100.0**	**485,920,456,472**	**100.0**	**72.5**

Source: Insurance Association of Türkiye



Premium Production (TL billion)



Turkish Reinsurance Market and Milli Re

The majority of companies operating in the Turkish insurance industry continued to protect their portfolios in 2025 through proportional bouquet treaties.

2024 has been officially recognized as the hottest year on record, surpassing 2023 with unprecedented temperatures, and climate change has continued to adversely impact the insurance industry, as it has across all sectors. Globally, natural disaster-related losses amounted to approximately USD 368 billion in 2024, with insured losses reaching around USD 145 billion.

In Türkiye, the absence of any major natural catastrophe leading to significant insured losses in 2024, coupled with the positive impact of radical measures implemented in proportional reinsurance treaties following the Kahramanmaraş Earthquakes, enabled the insurance industry to complete its placements without any difficulties. For the 2025 renewals, the changes made to proportional reinsurance treaties in the previous year were preserved, and instead of implementing additional market-wide measures, portfolios were assessed on a company basis, leading to adjustments in areas such as capacity, retention, earthquake event limits, and commissions at the branch level.

The majority of companies operating in the Turkish insurance industry continued to protect their portfolios in 2025 through proportional bouquet treaties. Following the 2025 renewals, Milli Re participated in the placements of 17 companies utilizing proportional reinsurance coverage and has been leading the reinsurance treaties of 12 companies. Maintaining its 2024 market share, Milli Re continued its support to the sector by preserving its 18% share in 2025.

In 2025, similar to the approach taken in 2024, some companies decided to convert their portfolios from proportional to non-proportional structures, due to capacity and placement constraints. Considering portfolio and pricing balance, the programs that became attractive for both domestic and international reinsurers were completed and renewed earlier than anticipated, with demand exceeding 100%.

Following the 2025 renewals, Milli Re participated in the placements of 17 companies utilizing proportional reinsurance coverage and has been leading the reinsurance treaties of 12 companies.

In 2025, the Catastrophe Excess of Loss treaty capacity purchased by the Turkish insurance industry to cover earthquake risk increased by EUR 3 billion compared to 2024, in parallel with the rise in earthquake accumulations and liabilities exceeding event limits limits in proportional treaties, reaching a total of EUR 11 billion including the Turkish Catastrophe Insurance Pool (TCIP).

As a result of the measures taken and rate increases following the significant losses caused by the Kahramanmaraş Earthquakes, the supply-demand balance reached a more rational structure in the 2025 renewals. In the international arena, the Turkish insurance industry stood out with its swift actions and pricing adjustments, becoming a market where demand has increased. International reinsurers, who began supporting the sector as of 1 January 2024, continued their support in 2025 as well.

Milli Re maintained its participation in the excess of loss programs in 2025 by increasing its commitments compared to 2024. Its share in the catastrophe excess of loss treaties of 28 companies in which the participations stood at 8%. In 2025, Milli Re participated in the programs of 13 companies that structured their risk cover on an excess of loss basis.

In the 2025 renewals, as in 2024, some companies completed their placements by creating hybrid models through alternative reinsurance treaties, while others, unable to finalize the placement of their proportional treaties, converted their existing proportional structures into excess of loss treaties.

In addition to traditional reinsurance treaties, parametric products were also considered by insurers; however, a selective approach was observed regarding alternative products, and capacities were kept limited. While some insurance companies renewed their existing structure, others preferred to purchase parametric protection in addition to their traditional programs.

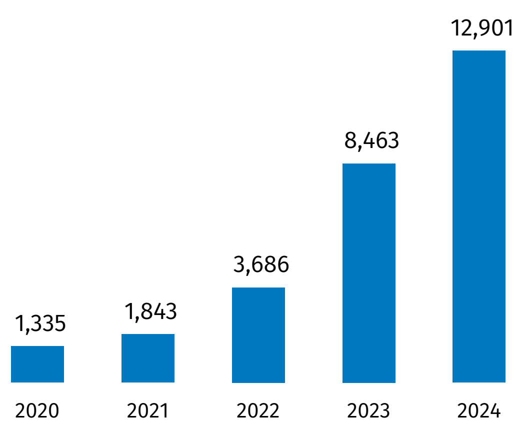
Within the scope of domestic underwriting portfolio, gross premium income grew mainly in the Fire, Engineering, Marine, and Agriculture insurance branches, driven by the positive impact of exchange rates and rising inflation on insured values, changes in earthquake tariffs, and increases in policy rate, resulting in a 52% increase compared to the previous year. Although net transfers from the non-technical account contributed positively to the results, a loss of TL 1.8 billion was incurred due to the rising cost of retrocession stemming from increases in rates and exchange rates, the accrual of high adjustment premiums related to 2023 programs, and the negative impact of premium growth on technical reserves.

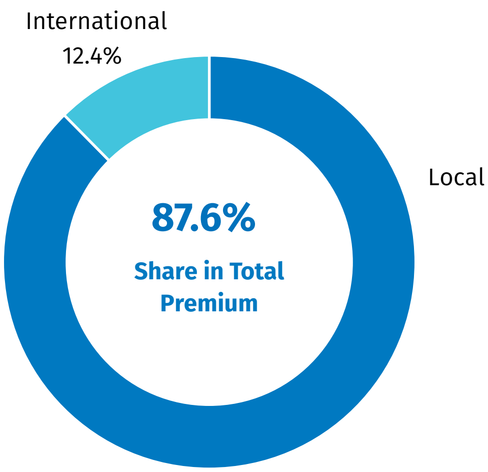
Local Premium by Lines of Business	Tutar	Share (%)
FIRE	8,236,002,101	64
ENGINEERING	2,220,627,084	17
MARINE	732,120,762	6
GENERAL LIABILITY	414,623,802	3
PERSONAL ACCIDENT	114,225,848	1
LAND VEHICLES LIABILITY	143,742,421	1
LAND VEHICLES	64,122,903	0
AGRICULTURE	769,219,660	6
HEALTH	6,496,214	0
OTHER *	114,233,741	1
LIFE	85,686,881	1
TOTAL	**12,901,101,417**	**100**

* Credit, Legal Protection, Air Vehicles, Plate Glass, Air Vehicles Liability, Fidelity Guarantee

Local Portfolio	2024	2023	2022	2021	2020
Premium (TL)	12,901,101,417	8,463,362,779	3,685,784,114	1,843,120,056	1,335,217,811
Share in Total Premium (%)	87.6	85.3	76.7	74.2	73.4

Premium (Local Portfolio) (TL million)





Global insured losses surpassed the USD 100 billion threshold for the fifth consecutive year and reached USD 145 billion in 2024.

Decreasing by 7% on an annual basis, in 2024 total economic losses from natural catastrophes, which mainly consisted of extreme weather events such as tropical cyclones, severe convective storms, and floods, declined to USD 368 billion. Remaining significantly above the 21st century average of USD 94 billion, global insured losses surpassed the USD 100 billion threshold for the fifth consecutive year and reached USD 145 billion in 2024. While two major hurricanes, Helene and Milton, accounted for insured losses over USD 10 billion each, the number of medium-sized events with insured losses exceeding USD 1 billion stood at 34, making it the second-highest level on record following 2023. This trend underlined once again the heightened risk of climate change, with both the frequency and severity of extreme weather events continuing to rise. Despite a slight improvement in the global protection gap, insurance coverage remained to be insufficient and only 40% of the global economic losses were covered by the insurance industry, highlighting the need for enhanced insurance penetration in both developing and developed countries.

Losses emanating from the United States dominated the statistics in 2024, accounting for approximately 59% of the total economic losses and 78% of the global insured losses. With 18 named storms, of which 11 developed into hurricanes and 5 made landfall in the US, the 2024 Atlantic hurricane season is described to be a hyperactive year and ranked as the third costliest season on record after 2017 and 2005. While overall losses from the 2024 Atlantic hurricane season amounted to USD 130 billion, insured losses are estimated to be around USD 49 billion.

The year 2024 was marked by two major Atlantic hurricanes that caused significant economic and humanitarian devastation across the United States. Hurricane Helene, which struck the southeastern US coast between September 25th and 28th was by far the costliest and most destructive natural disaster of 2024. Making its landfall in Florida on September 26th as a Category 4 storm with maximum sustained wind speeds of 225 km/h and rapidly moving inland, Helene brought along torrential rainfalls and storm surges which triggered catastrophic flooding particularly in North Carolina, Tennessee and Georgia. Causing extensive damage to property, agriculture and infrastructure, the total economic cost of Helene is estimated to exceed USD 78 billion. Including the losses covered by the US National Flood Insurance Program (NFIP), around 18 billion USD of this amount is expected to be recoverable from the insurance industry. With 243 fatalities, Helene has also been recorded as one of the deadliest hurricanes to hit the mainland US in the 21st century.

Hurricane Milton, which struck the western coast of Florida weeks after Helene between the dates October 8th and 11th was another major hurricane affecting the US in 2024. Making its landfall as a Category 3 storm and triggering intense storm-surges, flooding and record-breaking tornadoes, Milton caused extensive damage particularly around the Tampa Bay area. While near-record low central pressure of Hurricane Milton contributed to its destructive impact, the event gave rise to extensive property damage and power outages in both coastal and inland regions. The total economic cost of Milton is estimated at USD 35 billion, with insured losses reaching approximately USD 20 billion.

Apart from hurricanes, US severe convective storms continued to be a rising concern for the industry in 2024. While the insured losses from the peril surpassed USD 50 billion threshold second year in a row and reached USD 54 billion, the total economic cost of the numerous events is estimated to be around USD 69 billion. Although the total number of billion-dollar loss events reached 17, the severe convective storm that struck the Great Plains, Midwest, and Southeast US from May 6th to 10th stood out as the single costliest outbreak recorded in 2024. Causing extensive property damage and widespread power outages across multiple states with strong winds, hail and tornadoes; the total economic cost of the event is estimated at USD 6.6 billion, while USD 5.2 billion of this amount is expected to be covered by the insurance industry.

Being severely impacted by a series of devastating natural disasters last year, in 2024, Europe battled with widespread flood events, driven by the increasing impacts of climate change. These events resulted in a total economic loss of USD 31 billion, while insured losses were limited to USD 10 billion, highlighting the considerably significant protection gap even in such developed countries. The first major flood of the year occurred in late May - early June affecting Southern Germany. A low-pressure system from the Mediterranean brought along prolonged rainfall far above monthly averages, which severely impacted the Baden-Württemberg and Bavaria regions, causing rivers to overflow and dams to burst. The total economic cost of the disaster was estimated at USD 5 billion, with insured losses amounting to USD 2 billion.

This time in September, Storm Boris caused widespread flooding across Central Europe. The storm affected countries such as Austria, Czechia, and Poland, bringing torrential rainfall exceeding 500 mm in some areas. This severe flooding, which was one of the costliest flood disasters in Europe in recent years, caused significant damage to infrastructure, resulting in an estimated total economic loss of USD 9 billion and insured losses of only USD 2.3 billion.

The flooding that struck Spain's Valencia region in late October was by far the costliest and most destructive natural disaster impacting the continent in 2024. A record-breaking 771 mm of rainfall fell in just 14 hours in Turís Mas de Calabarra and with torrential rainfalls and flash floods, the disaster led to significant damage in newly developed urban areas. Affecting more than 190,000 people and causing extensive damage to property, agriculture and infrastructure, the total economic cost of the disaster is estimated to be around USD 12 billion. On the other hand, the disaster is expected to lead a bill of approximately USD 3.7 billion for the insurance industry.

Another devastating natural disaster in 2024 was the flash floods induced by heavy rainfall that impacted the Arabian Peninsula between the dates April 13^{th} and 17^{th}. On April 16^{th}, the UAE experienced its heaviest rainfall on record in 75 years, with extreme floods causing significant damage to infrastructure, property, and vehicles in cities like Dubai and Abu Dhabi. While the total economic cost of the disaster is expected to reach USD 8.6 billion, insured losses are estimated to be around USD 2.8 billion, making 2024 the costliest year on record for the UAE insurance market and highlighting the region's vulnerability to extreme weather events.

While overall losses from the 2024 Atlantic hurricane season amounted to USD 130 billion, insured losses are estimated to be around USD 49 billion.

The earthquake that struck Japan's Noto Peninsula on January 1, 2024, with a magnitude of 7.5, was one of the most devastating natural disasters of the year. Striking at a shallow depth, the earthquake triggered tsunami waves reaching up to four meters in parts of the peninsula, causing widespread destruction. While the total economic cost of the event is estimated at USD 12 billion, insured losses amounted to approximately USD 2 billion. With 505 fatalities, the disaster also became Japan's deadliest earthquake since the Great Tohoku Earthquake in 2011.

Despite the elevated level of global natural catastrophe activity, benefiting from substantial price corrections and increased programme attachments in previous years, reinsurers continued to post improved underwriting results in 2024. Mainly driven by strong retained earnings, traditional capital increased by USD 40 billion in the first nine months of the year and reached USD 602 billion. Moreover, declining global interest rates also played a crucial role, as valuation gains in investment portfolios directly contributed to stronger equity positions for reinsurers. The alternative capital market also reached an all-time high of USD 113 billion by the third quarter of 2024, reflecting strong investor confidence in Insurance-Linked Securities (ILS) as a reliable and resilient asset class. Catastrophe bonds were a key driver of this growth and with USD 17 billion issued in 2024, the total outstanding catastrophe bond market reached USD 47 billion. Furthermore, minimal global catastrophe losses sustained by the ILS market in the last two years contributed to strong profits with premium adequacy and limited claims payments, further enhancing the attractiveness of the ILS market to investors. As a result, the total of traditional and alternative reinsurance capital rose to USD 715 billion from 2023 year-end figure of USD 670 billion by the end of September 2024.

Despite geopolitical uncertainties and a series of impactful natural disasters, following substantial price corrections and structural changes seen in recent years, the January 2025 renewals signaled notable shifts in market dynamics, marking a transition from hard market conditions of recent years to a more stable and balanced environment. With increased profitability and strong returns, reinsurer appetite remained strong. As a consequence, capacity was more than adequate across most lines and regions, leading to improvements in pricing and terms for the majority of the placements. Although reinsurers were more flexible and willing to accommodate the needs of individual cedants, differentiation being a key driver, programmes and clients had been assessed individually based on factors such as transparency, data-quality, performance and strategy. On the other hand, driven by volatility in loss experience, changes in risk views and increasing sums insured with the ongoing inflationary pressures, demand continued to remain strong. Taking advantage of favorable market conditions with abundant capacity, many cedants managed to optimize their reinsurance structures, secured additional protection and achieved greater alignment both in terms of price and conditions across their panels. While reinsurers

As a result, the total of traditional and alternative reinsurance capital rose to USD 715 billion from 2023 year-end figure of USD 670 billion by the end of September 2024

maintained their appetite for property catastrophe programmes, competition remained strong particularly for peak perils and upper layers where notable risk-adjusted price reductions were observed. Although loss-hit programmes renewed with considerable price uplifts, risk-adjusted global property rates on-line decreased by circa 7% on average, marking the first reduction after seven years of consecutive increases. However, rates still remained at historically high levels, with great variation across regions depending on reinsurers' view of price adequacy.

The January 2025 retrocession renewals were shaped by a combination of abundant capacity, limited catastrophe losses, and increasing market competition. The oversupply in property retrocession market, driven by increased capacity deployment of existing reinsurers and the new capital inflows into the ILS market, led to downward pressure on prices at 1.1 renewals. However, prices and retention levels remained higher than those of 2022, underlying persistent market discipline despite increased competitiveness. While improved purchasing conditions and portfolio growth modestly increased demand, with limited losses to the retrocession market from major natural catastrophe events including Hurricanes Helene and Milton, retrocession providers were able to sustain their profitability and utilize retained earnings to meet demand. Additionally, the structural changes introduced in previous years reduced the risk of trapped capital from large losses, further supporting market resilience. It was also noteworthy that the renewals were delayed beyond the usual timeline, with a significant portion of the programmes being placed in the last two weeks of December, with market conditions softening towards the end of the year. Showing great variation depending on programme attachment levels, scope of cover and loss history, risk-adjusted retrocession catastrophe prices declined by 7.5% to 20%. On the other hand, the most significant price shifts and competition have been observed at the tail end of programmes, where products overlapped with the catastrophe bond market. Although competition was high for mid and top layers, capacity for low attachment layers and aggregate covers remained restricted.

Europe

2024 marked a period of both challenges and resilience for the European reinsurance market. Three major flood events, impacting Spain's Valencia region in October, Germany and neighboring countries in June, and Central and Eastern Europe in September, stood out as the most notable catastrophes of the year and highlighted once again the region's growing vulnerability to climate-related risks. Despite these challenges, capacity was abundant to successfully meet cedants' needs, supported by disciplined underwriting and improved market conditions. While demand remained strong driven by inflationary pressures and organic portfolio growth, reinsurers effectively managed capacity allocation to maintain market balance and renewals proceeded smoothly in contrast to previous years. Tailored to cedants' needs, risk assessments and pricing adjustments were closely tied to regional loss experiences.

Catastrophe excess of loss programs in Central and Eastern Europe faced significant pressures, particularly in regions impacted by Storm Boris and the September floods. Inflationary pressures increased capacity needs, while similar retention levels aligned with the previous renewal helped reinsurers and buyers navigate the renewal process effectively. Although loss-free programs benefited from moderate price reductions, loss-affected treaties saw controlled price adjustments, albeit avoiding sharp increases. Moreover, the shift from proportional treaties to risk excess of loss structures gained further momentum in 2024, as buyers sought to optimize costs and align their programs with evolving risk landscape. While risk-adjusted price reductions for loss-free catastrophe programs reached up to 15%, price adjustments for loss-affected catastrophe programs ranged from flat to up by 20%. As far as the risk programmes were concerned, loss-free programs saw cost decreases reaching up to 10%, whereas price increases for loss-affected programs varied in the range of 0% to 20%.

In terms of reinsurance market dynamics, there has been a notable shift toward an “ample” property catastrophe reinsurance capacity, spurred by attractive risk-adjusted returns in 2023.

North America

2024 was a active year in the US in terms of natural catastrophe activity, with large losses driven by two major hurricanes, Helene and Milton, as well as a series of severe convective storms contributing to 78% of the total global insured losses. Despite the uncertainty in the market in the aftermath of these two major hurricanes and early expectations of some market hardening, heading into the renewals, this sentiment was observed to ease with loss projections starting to diminish. Although reinsurers aimed to maintain stable pricing on risk-adjusted basis, driven by both traditional and ILS markets, competition was high especially at the top end of programmes, resulting in notable price reductions for mid and upper layers. While retention levels remained mostly unchanged compared to the previous year, cedants managed to attract required capacity for lower layers, successfully using upper layers as leverage as many reinsurers focused on maintaining their lines at the top end of programmes. Moreover, despite diverging pricing views in quotations, reinsurers ultimately prioritized supporting firm order terms by offering increased capacity and maintaining consistent contractual terms to secure desired signings. Supported by stronger portfolios, quota share agreements became more favorable for buyers, on the other hand, property per risk placements were influenced by reinsurer relationships and program performance. While loss-affected catastrophe programs renewed with risk adjusted price increases reaching up to 15%, loss-free catastrophe programs experienced rate adjustments changing from flat to down by 10%. For loss-affected risk programs, price increases fluctuated in the range of 10% to 20% while loss-free risk programs, saw price adjustments of up to 10%.

Asia Pacific

In 2024, global economic growth slowed compared to the previous year, influenced by tight monetary policies addressing ongoing inflationary pressures, the impact of central bank actions, and geopolitical risks. In contrast, Asia’s macroeconomic backdrop improved. Elections that occurred in several Asian countries during the early part of the year largely helped to create a stable economic environment. After several years of strict COVID-19 measures and a slow recovery in China, there was a marked rebound in key sectors such as technology, electric vehicles, and green energy, spurred by government stimulus efforts. Other emerging markets in the region also showed strong growth providing further impetus for the Asian growth engine story.

The Asia-Pacific stock markets had a strong run in 2024, and the capital positions of major reinsurers in the region remained solid. Many reinsurers benefited from strong interest income driven by elevated interest rates from continued monetary tightening.

The 2024 renewals were more orderly due to earlier preparations. Both sides knew what was coming hence there was a greater focus on price and request to quote from brokers. In terms of reinsurance market dynamics, there has been a notable shift toward an “ample” property catastrophe reinsurance capacity, spurred by attractive risk-adjusted returns in 2023. This has led to heightened competition for property catastrophe business, providing insurers with favourable outcomes, stable pricing, and in some cases, price reduction for certain segments. Insurers seeking additional limits found ample capacity to meet their demands. Upper layers were generally oversubscribed, signalling reinsurers’ increased willingness to deploy capacity and take on more risk than in previous years.

There was renewed optimism in Southeast Asia especially in the lower layers of cover. Pricing on the whole has slightly softened from 2023 but remained technically attractive compared to the pre-pandemic levels. Nevertheless, the symptoms of a softening market were clear.

For some insurers, there was a shift to higher attachment points in reinsurance programs where increased self-retention leads to capital strains, driving higher demand for quota share treaties. Certain markets and insurers continue to face sustained challenging terms and conditions for loss-affected property per-risk and per-event reinsurance treaties.

We continue to maintain our technical discipline and continue to look for pockets of opportunities to write business in this more competitive environment. We constantly engage with our clients to ensure we stay relevant and attuned to their insurance strategies and risk management needs, reinforcing our role as a reliable and long-term working partner.

Asia's insured losses from natural perils totaled USD 7.8 billion, while total economic losses in the region amounted to USD 86 billion. This points to the hard fact that only 9.1% of the region's total economic losses were protected by insurance. Notable events included the Noto Peninsula earthquake, which caused USD 12 billion in economic losses, of which USD 2 billion were insured. Seasonal floods in China resulted in USD 31 billion in economic losses, with USD 1 billion insured. Typhoon Yagi, which impacted Southeast Asia and South China, caused USD 17 billion in economic losses, with only USD 1 billion covered by insurance. Additionally, the Hualien earthquake in Taiwan led to USD 2.5 billion in economic losses, with USD 1 billion insured.

The region continues to face a significant protection gap, which underscores the need for innovative, efficient, and cost-effective solutions to bolster societal resilience. This gap is particularly concerning given the sustained and resilient economic growth in the region. Addressing this gap is critical to strengthening the region's preparedness for future natural disasters and ensuring better protection for vulnerable populations. We, at Milli Re, remain committed to meeting the region's protection needs as a long-term market supporter.

Middle East and North Africa (MENA)

The Middle East and North Africa (MENA) region has lagged behind the rest of the world in economic growth, with per capita income rising only 62 percent over the last five decades, compared to much higher growth in other emerging and advanced economies. In 2024, MENA's real GDP growth is projected to reach 2.2 percent, a slight improvement from 1.8 percent in 2023. Fragile and conflict-affected situations such as the extension of OPEC+ oil production cuts, high inflation, increased geopolitical uncertainty due to the conflict centered in Gaza and United Arab Emirates (UAE) Flood have worsened the region's divergence from high-income economies' living standards. Unlike than their energy-importing counterparts (Morocco, Jordan, Lebanon, Tunisia and Egypt) the hydrocarbon-producing countries of the Gulf Cooperation Council (GCC) – which includes Saudi Arabia, the UAE, Bahrain, Oman, Kuwait and Qatar – have avoided this divergency. Whilst

Asia's insured losses from natural perils totaled USD 7.8 billion, while total economic losses in the region amounted to USD 86 billion.

the oil prices have fluctuated throughout 2024 due to high geopolitical tensions in the region, divergent growth patterns of energy exporting and importing countries also known as “tale of two MENAs” have been observed again. Despite challenges such as instability and conflict, there is potential for prosperity. To boost growth, MENA can better allocate labor, leverage its location, promote innovation, close gender employment gaps, reduce public sector dominance, and improve trade and technology transfers.

Countries in GCC are focusing on diversifying their economic activities away from oil dependency. As part of these efforts, there is growing emphasis on sectors like technology, tourism, and renewable energy, which could lead to more complex risk profiles and, consequently, higher demand for insurance products across these industries. In order to meet the demand, the insurance sector in MENA region is undergoing a digital transformation, with more companies adopting InsurTech solutions to enhance data privacy, customer experience, improve operational efficiency, and offer more personalized products. Artificial intelligence (AI) and data analytics are being leveraged to better assess risks and improve underwriting processes. Insurance will become more transparent, faster to purchase, hyper-personalized, better integrated with complementary products and services and streamlined for claims processing.

The total gross written premiums in the GCC countries, which dominate the MENA region’s insurance market, are expected to reach around USD 30 billion in 2024. This is a continuation of a trend observed in recent years, with steady growth particularly in the health and life insurance segments. Health insurance in the GCC countries continues to drive a significant portion of the insurance premiums. Countries like the UAE and Saudi Arabia are expanding mandatory health insurance coverage, which is likely to push up overall GWPs. In 2024, this segment is projected to maintain a strong growth rate. The insurance sector in UAE demonstrated robust growth in the first nine months of 2024: Gross written premiums increased by 20.9 percent year over year to USD 13.8 billion. The industry maintained healthy capital adequacy with its strong capital structure and increased its return on average assets.

Despite the positive outlook, particularly within North Africa, there are still some challenges such as low penetration of insurance products. For the entire MENA region (including North Africa), gross written premiums are projected to reach approximately USD50 billion in 2024. This is based on projected growth trends across both life and non-life segments, particularly from emerging market like Egypt which is starting to show more promise in terms of a steady increase in its insurance penetration, driven by a growing middle class. Morocco is one of the more mature markets in North Africa, with both life and non-life segments growing steadily. Algeria is still in the early stages of developing its insurance market, with low penetration rates.

In 2024, MENA saw a significant increase in both the frequency and severity of natural catastrophic events. The region endured record high economic and insured losses from storms and floods in both 11-13 February and 13-17 April 2024. The heaviest rain fell on April 16th as the UAE reported its most significant rain totals in at least 75 years of recordkeeping. Arabian Gulf Flash Floods in April 2024 caused 33 fatalities, USD 8.9 billion economic loss and USD 2.8 billion insured loss with particularly notable damage reported from Dubai, other parts of the UAE as well as Oman, Bahrain and other surrounding countries. Combined property and auto insured losses in the UAE alone were around USD 2.15 billion. The physical damage impacts were enhanced due to rapid urbanization which put a huge strain on local infrastructure unequipped to handle such large volume of water. The rainfall events had only a marginal impact on renewals at mid-year, but as the loss number matured, insurers have since reported significant loss development.

Following these losses, for the 2025 renewals catastrophe reinsurance programs in the UAE underwent restructuring and measures have been taken to the loss hit programs. Upper layers of the excess-of-loss programs have adjusted to the region’s specific climate risks leading to a shift based on buying layers tied to particular perils. In cases where flood claims have been reported premium rates and deductibles have been increased, particularly for STFI (Storm, Tempest, Flood and Inundation) covers. Therefore, although it was limited compared to the global markets, the hardening was also felt in the region. Cedants become more selective towards new businesses, especially concerning risks with a history of flood claims. In order to enhance risk management, STFI and AOG (Acts of God) deductibles have been introduced to new businesses and even to risk-free programs; proceeding only when premium rates and AOG deductibles are sufficiently robust. And many infrastructure and power construction project opportunities have been declined due to exposure to recent flood events and NATCAT perils. Thus, there was no shortage in capacity and placement process was smooth thanks to implementations. For the rest of the Middle East, the renewal was generally stable and the reinsurance capacity in the region continues to be highly variable and dynamic.

Insurance penetration in CEE varies by country but is still relatively low compared to Western Europe.

Central and Eastern Europe (CEE)

Central and Eastern Europe (CEE) has shown strong economic growth in recent decades, but it still falls behind major economic powers like North America and Western Europe. Most CEE countries have recovered from the effects of the COVID-19 pandemic, but their economy is stabilizing at lower growth levels due to inflation and global uncertainties. In 2024 the region is expected to experience moderate economic growth, lower than pre-pandemic rates but it's still resilient considering global economic pressures. The region's economy is forecast to grow at 2.6% in 2024 following muted real GDP growth of 0.8% in 2023.

Inflation continued to pose significant challenges across Europe whilst high inflation rates caused higher material and service costs, which subsequently drove up claim settlements and operational expenses. Rising costs of claims due to higher material and labor prices, coupled with increased frequency and severity of natural disasters, especially floods that affected the region challenged local agricultural sector, have put pressure on underwriting profitability.

The war in Ukraine has had a profound impact on the CEE region, particularly in neighboring countries like Poland, Romania, and Slovakia. Following the economic disruptions caused by the war in Ukraine, most CEE countries have seen signs of recovery in 2024. However, inflation and supply chain issues remain challenges. Economic growth is projected to remain moderate, affecting the insurance sector. The insurance industry has faced challenges related to geopolitical risk, with insurers needing to adapt their coverage and pricing models to account for the increased risk in the region. This has also led to increased demand for certain types of insurance, including life, health, and property insurance, as well as broader coverage against risks related to military conflict.

In the first half year of 2024, gross written premiums for the CEE region totaled EUR 26.3 billion, an increase up by 7.48% year over year. Meanwhile, claims paid decreased by 4.38% year on year to EUR 11.4 billion. All CEE markets saw a positive dynamic, in many cases at double-digit growth rates except for Slovenia. The highest growth rates belong, in general to the smaller markets as Kosova, Albania, Bosnia & Herzegovina. A new compulsory health insurance contribution (Obvezni zdravstveni prispevek - OZP) came into force in Slovenia on 1 January 2024. The previous annuity was a contribution on a voluntary basis for additional health insurance covered by insurance companies. The new mandatory, fixed rate health contribution has started to be managed by the public Health Insurance Institute of Slovenia.

Insurance penetration in CEE varies by country but is still relatively low compared to Western Europe. However, the region is expected to continue growing as the middle class expands and consumers increasingly recognize the value of insurance products. Life insurance and motor insurance remain the largest segments. There has been increased interest in health and life insurance products. Private health insurance, especially supplementary policies, has seen growth, particularly in markets like Poland, Hungary, and the Czechia. Many insurers have also begun offering more flexible life insurance products, combining life coverage with investment or savings components, as a way to attract a broader customer base.

The European insurance industry is highly regulated. Regulatory developments in CEE are keeping pace with EU-wide changes, particularly those related to the Solvency II Directive, data protection (GDPR) and sustainability regulations. Insurers need to comply with these adjustments, which focus on maintaining solvency and protecting customer data. Some local markets have also introduced or are in the process of introducing reforms to improve market transparency and consumer protection.

The premium production of the Developed Markets Portfolio exceeded TL 1 billion in 2024. The International Portfolio of Milli Re generated a technical profit of TL 169 million in 2024.

Digitalization in the insurance industry has accelerated, with insurers increasingly investing in technology to improve customer experience and streamline operations. Insurtech is gaining traction in the region, offering products that cater to a younger, tech-savvy demographic focusing more on mobile-friendly solutions.

In 2024, CEE experienced a phenomenon called “weather whiplash”, where rainfall events can obscure rapid swings from drought to flooding. Several Mediterranean countries (Romania, Bulgaria, Greece) endured major drought conditions. Conversely, heavy rain related to Storm Boris (alternatively Anett) caused significant flooding in CEE between 11-18 September 2024 with billions of euros of damage in parts of the Czechia, Poland, Austria, Slovakia and Romania. Unfortunately, the catastrophic event caused 29 fatalities; whilst the economic loss recorded around USD 9 billion, the insured loss was close to USD 2.4 billion. A significant portion of damage was avoided due to the advanced meteorological forecasts, preparedness of emergency response services and flood defenses constructed to protect cities in the region following the previous damaging floods.

In conclusion, for the 2025 renewals, flood was the primary pricing peril for the insurance market in Central Eastern Europe. Insurers in this region were forced to stay competitive in pricing adjustments. However, as in most CEE countries the purchasing power of their citizens is lower than in Western economies, keeping prices affordable is more than important, especially for business lines as the mandatory MTPL insurance which is highly price sensitive. While the region saw a modest influx of new capacity from new entrants, the more significant impact came from existing players eager to deploy additional capacity in the market, which ultimately suppressed rate increases in loss hit treaties. Loss-free renewals were stable in terms of capacity and support, with small variations dependent on buyer-specific portfolios.

International Portfolio 2024 Results

In order to diversify the portfolio in line with its profit-oriented and sustainable growth approach, Milli Re started to play a more active role in international reinsurance markets in 2006. International portfolio of the Company consists of business written from emerging markets, Singapore Branch Office business, Pools (FAIR/ECO/TRP), Turkish Republic of Northern Cyprus business, as well as business accepted from developed markets. A significant portion of the international portfolio is made up of emerging markets business from countries that fall under the scope of FAIR Reinsurance Pool, which was managed by Milli Re from its establishment in 1974 until January 1, 2024. Additionally, having started accepting business in 2008, Milli Re Singapore Branch continues to work efficiently in the Far East, a region which represents significant potential.

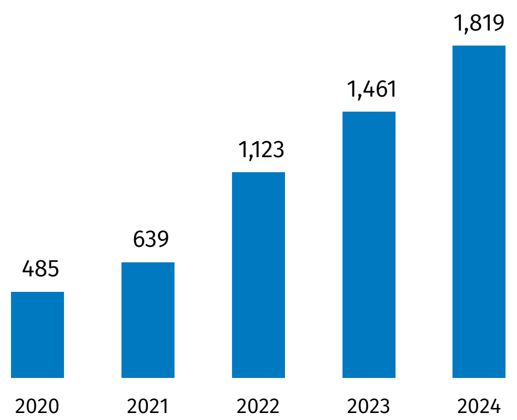
Milli Re maintained its position as a preferred business partner in the emerging markets in 2024 as well. Milli Re continues to support its existing business partners within the scope of its overseas activities by prioritizing long-term business relationships based on solid foundations and rapidly responding to the changing market conditions, as well as taking the necessary steps to increase profitability with portfolio diversity by acquiring new businesses in line with its risk appetite. Within the framework of a strategy to develop international activities, Milli Re has been underwriting business from developed markets by participating in conventional reinsurance contracts of leading global reinsurers as well as providing capacity to several leading global reinsurers and Lloyd’s syndicates since 2007. The premium production of the Developed Markets Portfolio exceeded TL 1 billion in 2024. The International Portfolio of Millî Re generated a technical profit of TL 169 million in 2024.

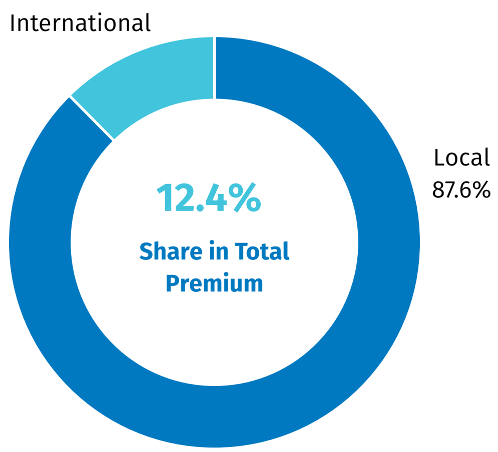
International Premium by Lines of Business	Amount	Share (%)
Fire	1,299,042,250	71
Engineering	116,124,155	6
Marine	109,014,558	6
General Libality	76,741,989	4
Personal Accident	21,975,974	1
Land Vehicles Liability	65,714,448	4
Land Vehicles	91,263,449	5
Agriculture	17,840,264	2
Health	80,471	0
Other (*)	14,372,737	1
Life	7,258,222	0
Total	**1,819,428,517**	**100**

* Credit, Legal Protection, Air Vehicles, Plate Glass, Theft, Air Vehicles Liability, Fidelity Guarantee

International Portfolio	2024	2023	2022	2021	2020
Premium (TL)	1,819,428,517	1,461,231,790	1,122,645,923	639,485,009	485,057,495
Share in Total Premium (%)	12.4	14.7	23.3	25.8	26.6

Premium (International Portfolio) (TL million)





Financial Strength, Profitability and Solvency

Milli Re booked a net profit of TL 5,934 million in 2024.

Milli Re's premium production reached TL 14,721 million, increasing by 48%, while paid losses amounted to approximately TL 9,912 million. The Company booked a net profit of TL 5,934 million in 2024.

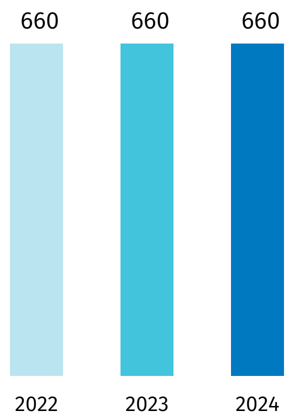
The Company's Liquid Assets correspond to 29% of Total Assets. Owing to its strong and balanced maturity distribution of invested assets, Milli Re fulfilled all of its legal and commercial obligations in 2024.

Details on technical results are presented in the "2024 Technical Results" section.

Financial Results (TL million)	2024	2023	Change (%)
Total Assets	33,749	22,668	48.88
Shareholders'Equity	16,475	10,128	62.66
Technical Income	11,559	10,217	13.13
Technical Profit/Loss	(1,672)	197	(948.32)
Financial Income	10,495	7,818	34.25
Financial Profit/Loss	7,606	3,432	121.62
Profit/Loss for the Period	5,934	3,629	63.51

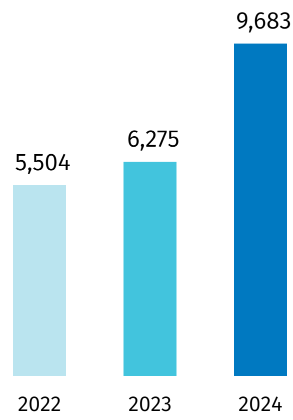
Milli Re's premium production reached TL 14,721 million, increasing by 48%, while paid losses amounted to approximately TL 9,912 million.

Paid-up Capital (TL million)



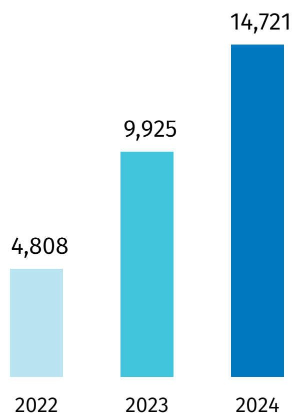
2024
Paid-up Capital
TL 660 million

Liquid Assets (TL million)



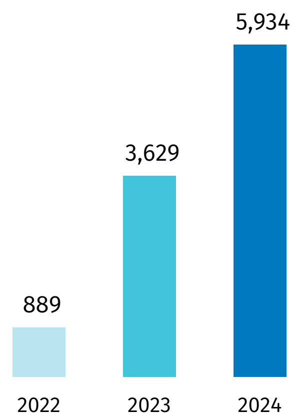
2024
Liquid Assets
TL 9,683 million

Premium Income (TL million)



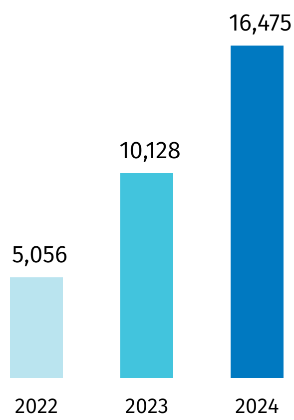
2024
Premium Income
TL 14,721 million

Profit for the Period (TL million)



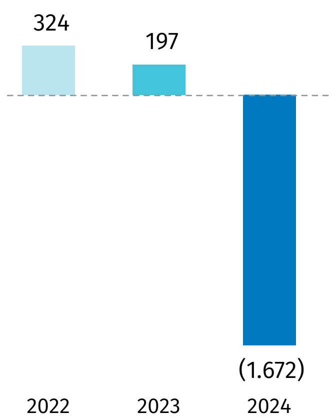
2024
Profit for the Period
TL 5,934 million

Shareholder's Equity (TL million)



2024
Shareholder's Equity
TL 16,475 million

Technical Profit/Loss (TL million)



2024
Technical Profit
TL -1,672 million

Key Financial Indicators

ASSETS (TL)	2024	2023	2022
Cash and Cash Equivalents	4,383,823,465	1,825,305,969	1,690,343,554
Securities	5,298,824,004	4,449,936,934	3,813,962,169
Subsidiaries	18,817,804,486	10,692,447,851	2,765,317,808
Fixed Assets	181,308,911	183,086,608	2,449,885,390
Total Assets	33,749,307,558	22,668,143,370	12,400,448,277

LIABILITIES			
Technical Provisions	16,010,493,308	11,233,019,325	6,707,251,046
Shareholders' Equity	16,474,890,923	10,128,117,780	5,055,935,663
Total Liabilities	33,749,307,558	22,668,143,370	12,400,448,277

INCOME AND EXPENSE ITEMS			
Technical Income	11,559,360,737	10,217,401,516	5,879,124,268
Technical Expenses	(13,231,579,712)	(10,020,279,173)	(5,555,504,882)
Technical Profit/Loss	(1,672,218,975)	197,122,343	323,619,386
Financial Income	10,495,454,452	7,817,832,550	3,067,317,755
Financial Expenses	(2,617,504,715)	(3,661,647,130)	(2,251,785,865)
General Expenses	(272,099,357)	(724,299,710)	(250,531,510)
Profit for the Period Tax and Other Legal Liability Provisions			
Financial Profit/Loss	7,605,850,380	3,431,885,710	565,000,380
Profit/Loss for the Period	5,933,631,405	3,629,008,053	888,619,766

Financial Analysis Ratios (%)	2024	2023	2022
1. Capital Adequacy Ratios			
Gross Premiums/Shareholders' Equity	111	131	119
Average Shareholders' Equity/Total Assets	39	33	32
Average Shareholders' Equity/Net Technical Provisions	83	68	60
2. Asset Quality and Liquidity Ratios			
Liquid Assets/Total Assets	29	28	44
Liquidity Ratio	95	90	131
Current Ratio	78	87	101
Premium and Reinsurance Receivables/Total Assets	8	18	8
3. Operational Ratios			
Retention Ratio	63	79	85
Paid Claims/Paid Claims+Outstanding Claims	47	51	37
4. Profitability Ratios			
Gross			
Loss Ratio	69	275	114
Expense Ratio	24	21	21
Combined Ratio	93	296	135
Net			
Loss Ratio	107	129	135
Expense Ratio	37	26	25
Combined Ratio	144	155	160
Profit Before Tax/Gross Written Premiums	40	37	18
Gross Financial Profit/ Gross Written Premiums	52	35	12
Technical Profit/Gross Written Premiums	(11)	2	6
Profit Before Tax/Total Assets	18	16	7
Profit Before Tax/Average Shareholders' Equity (Excluding Profit)	70	68	27

Key Figures	2024	2023	2022	2021	2020
Gross Premiums	14,720,529,934	9,924,594,569	4,808,430,037	2,482,605,065	1,820,275,306
Technical Division Balance	(1,672,218,975)	197,122,343	323,619,386	221,154,114	62,475,722
Investment Income	10,495,454,452	7,817,832,550	3,067,317,755	1,353,558,990	685,087,147
Investment Expenses	(2,617,504,715)	(3,661,647,130)	(2,251,785,865)	(865,902,058)	(368,475,610)
Other Income and Expenses	(272,099,357)	(724,299,710)	(250,531,510)	(30,947,807)	(1,457,582)
Gross Profit/Loss for the Period	5,933,631,405	3,629,008,053	888,619,766	677,863,239	377,629,677
Taxation	0	0	0	(128,897,591)	(29,030,769)
Profit/Loss for the Period	5,933,631,405	3,629,008,053	888,619,766	548,965,648	348,598,908
Shareholders Equity	16,474,890,923	10,128,117,780	5,055,935,662	3,000,422,620	2,638,633,525
Total Assets	33,749,307,558	22,668,143,370	12,400,448,277	7,183,128,434	5,506,298,142

Company Capital

Company's capital adequacy is calculated in accordance with the principles set out in the "Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance and Pension Companies" published in the Official Gazette issue 29454 dated 23 August 2015. According to the calculation based on the principles specified by the Regulation,

The calculation for 2024 yields a positive result of TL 9,514 million.

The Company has sufficient shareholders' equity to cover liabilities that might result from its existing and potential risks.

Capital Adequacy (TL million)	2024	2023	2022
Required Capital	7,145	3,296	1,689
Available Capital	16,659	10,108	5,170
Capital Adequacy Result	9,514	6,812	3,481

2024 Technical Results

Milli Re's premium income increased by 48,32% on a year-on-year basis and reached TL 14,720,529,934 in 2024. Paid claims increased by 19,52% and were recorded as TL 9,911,606,027 as at the end of 2024.

Premium Production (TL)

LINE OF BUSINESS	2024	2023	2022
ACCIDENT	136,201,822	87,573,240	47,687,465
HEALTH	6,576,685	6,467,502	3,245,708
LAND VEHICLES	155,386,352	87,783,904	31,994,927
RAILWAY VEHICLES	0	-	-
AIR VEHICLES	6,322,076	11,320,594	2,176,982
SEA VEHICLES	428,394,363	342,108,831	221,972,203
MARINE	412,740,957	363,827,992	250,395,505
FIRE & NATURAL DISASTERS	9,450,840,327	6,111,459,323	2,828,343,792
GENERAL DAMAGES	3,234,551,004	2,285,327,048	1,087,398,142
LAND VEHICLES LIABILITY	209,456,869	169,550,650	97,854,623
AIR VEHICLES LIABILITY	0	-	-
SEA VEHICLES LIABILITY	0	-	-
GENERAL LIABILITY	491,365,791	339,956,554	184,780,270
CREDIT	9,257,635	6,859,843	2,164,239
FIDELITY GUARANTEE	1,450,722	16,648,293	4,914,541
FINANCIAL LOSSES	84,204,024	59,780,769	33,740,140
LEGAL PROTECTION	836,204	577,989	719,895
TOTAL NON-LIFE	**14,627,584,831**	**9,889,242,532**	**4,797,388,432**
LIFE	**92,945,103**	**35,352,037**	**11,041,605**
TOTAL	**14,720,529,934**	**9,924,594,569**	**4,808,430,037**

2024 Premium Production

Geographical Breakdown	TL	%
Türkiye	**12,901,101,417**	**88**
Asia	**519,496,783**	**3**
Asia	341,767,690	2
Middle East	177,729,093	1
Europe	**314,925,866**	**3**
Western Europe	74,298,598	1
Central&Eastern Europe	240,627,268	2
Worldwide	**619,903,962**	**4**
Others (incl. America)	**327,556,426**	**2**
Africa	**37,545,480**	**0**

2024 Technical Results

In 2024, Milli Re's premium income grew primarily due to the increase in policy rates and the revised earthquake tariff, as well as the impact of exchange rate fluctuations and rising inflation rate on sums insured in respect of our local portfolio. On the other hand, continued depreciation of the Turkish lira against foreign currencies and the ongoing effects of inflation negatively impacted claims costs. The adverse effects of the earthquake disaster that occurred on February 6, 2023, in Kahramanmaraş and surrounding districts also persisted throughout the year.

To date, our Company has paid a total of approximately TL 12 billion in claims to insurance companies for earthquake-related losses, and as of the end of 2024, has set aside an additional TL 1 billion as outstanding loss reserves. Our technical operations, also influenced by exchange rate movements, resulted in a loss of TL 1,672 million.

Technical Profitability (TL)

Line of Business	2024	2023	2022
Accident	75,088,637	71,456,546	38,912,914
Health	766,133	1,637,990	(71,841)
Land Vehicles	40,188,495	52,179,357	5,059,176
Railway Vehicles	-	-	-
Air Vehicles	17,811,806	(23,095,040)	(3,549,376)
Sea Vehicles	(68,563,766)	(21,679,227)	(59,494,441)
Marine	120,042,519	237,427,289	190,151,565
Fire & Natural Disasters	(899,299,780)	(525,711,613)	206,951,272
General Damages	(938,598,786)	216,908,685	(156,759,270)
Land Vehicles Liability	(56,988,005)	32,486,859	1,713,313
Air Vehicles Liability	-	-	-
Sea Vehicles Liability	12,444	270,738	(535,632)
General Liability	32,099,633	191,493,992	173,161,743
Credit	6,958,512	7,307,143	2,128,338
Fidelity Guarantee	(4,670,465)	(5,061,511)	(18,232,592)
Financial Losses	(19,836,559)	(51,223,858)	(62,919,981)
Legal Protection	483,687	939,087	1,011,608
Total Non-life	**(1,694,505,496)**	**185,336,437**	**317,526,796**
Life	**22,286,521**	**11,785,906**	**6,092,590**
Total	**(1,672,218,975)**	**197,122,343**	**323,619,386**

2024 Financial Results

The Company's financial investments are made in accordance with the Asset Investment Guidelines formulated under the provisions of the "Regulation Amending the Regulation on the Financial Structures of Insurance, Reinsurance and Pension Companies" published in the Official Gazette issue 27877 dated 17 March 2011.

The Company prefers to invest in liquid instruments with high yield and minimum risk, while part of the portfolio is managed by İş Portföy Yönetimi A.Ş. (İş Asset Management). The Company's financial results are presented in detail below.

Investment Income

As of 31 December 2024, the investment portfolio includes Turkish lira time deposits (36%) and FC securities (20%). The remaining portion of the portfolio is comprised of TL mutual funds, equity stock, TL securities, FC mutual funds, FC time deposits, FC demand deposits and TL demand deposits. In 2024, the highest return generators were TL time deposits, FC securities owing mainly to the rise in exchange rates, and TL mutual funds. The investment instruments with the highest rate of return were TL time deposits, TL-denominated corporate bonds and TL mutual funds.

Compared to the previous year, the main factor affecting the increase in "Income from Financial Assets" was the interest income derived on TL time deposits. On the other hand, in 2024, there was a decline in "Income from Disposal of Financial Assets" due to the decrease in mutual fund sales income, despite the rise in income from the disposal of Treasury and corporate Eurobonds.

The increase in the "Valuation of Financial Assets" item in the comparison period resulted from the rise in the amount of the valuation of TL mutual funds as well as interest rediscount amounts for TL time deposits.

Due to the appreciation of USD and Euro against TL, income from FC-denominated investment instruments and FC deposit accounts contributed to the total investment portfolio return. As a result of the fluctuations in foreign exchange rates in 2024, a foreign exchange gain of TL 450,091,248 was booked.

In the comparison period, income from Anadolu Hayat Emeklilik A.Ş. increased by TL 180,917,570, income from Anadolu Anonim Türk Sigorta Şirketi increased by TL 2,790,046,184, and income from Miltaş Turizm İnşaat Ticaret A.Ş. increased by TL 1,397,480,902 as the result of the equity method of accounting of the company's associates and subsidiaries.

The transfer of the company's real properties to Miltaş Tur. İnş. Tic. A.Ş. in December 2023 by way of partial demerger led to a decline in the "Income from Property, Plant and Equipment" item in the comparison period.

The "Income from Derivative Transactions" item decreased in connection with the termination of the FX-protected TL deposit account scheme as of January 2024.

(TL)	2024	2023	Change (%)
Investment Income	**10,495,454,452**	**7,817,832,550**	**34.25**
Income from Financial Assets	1,254,247,652	361,117,238	247.32
Income from Disposal of Financial Assets	357,202,721	399,078,515	(10.49)
Valuation of Financial Assets	315,063,094	30,178,754	943.99
Foreign Exchange Gains	450,091,248	1,593,897,170	(71.76)
Income from Subsidiaries	536,502,944	355,585,374	50.88
Income from Subsidiaries and Joint Ventures	7,555,428,109	3,367,901,023	124.34
Income from Property Plant and Equipment	(70,620)	1,596,134,475	-
Income from Derivative Transactions	24,073,923	113,940,001	(78.87)
Other Investments	2,915,381	-	+

Investment Expenses

The increase in “Loss from Disposal of Financial Assets” resulted mainly from the sales of corporate Eurobonds.

The tax amounts assessed on foreign exchange gains derived in connection with disposal of Eurobonds and income from time deposits caused a rise in “Other Investment Expenses”.

(TL)	2024	2023	Change (%)
Investment Expenses	**(2,617,504,715)**	**(3,661,647,130)**	**(28.52)**
Investment Management Expenses – (Incl. Interest)	(4,165,831)	(577,324)	621.58
Loss from Disposal of Financial Assets	(24,341,548)	(13,345,686)	82.39
Investment Income Transferred to Non-life Technical Account	(2,371,156,246)	(3,516,302,860)	(32.57)
Losses from Derivatives	(5,039,473)	(6,884,346)	(26.80)
Foreign Exchange Losses	(35,029,676)	(39,581,334)	(11.50)
Depreciation and Amortization Expenses	(38,489,252)	(28,018,645)	37.37
Other Investment Expenses	(139,282,689)	(56,936,935)	144.63

Income and Expenses from Other and Extraordinary Operations

Due mainly to the rise in equalization provision and social assistance fund asset deficits provisions, deferred tax assets increased, and deferred tax liability expense decreased in connection with the real property transfer in December 2023. These developments resulted in a balance of TL 53,365,094 in the “Deferred Tax Assets” account and there was no balance left in the “Deferred Tax Liability Expense” item. Accordingly, the expense amount followed up under the “Income and Gains and Expenses and Losses from Other and Extraordinary Operations” account declined significantly.

(TL)	2024	2023	Değişim (%)
Income and Expenses From Other and Extraordinary Operations	**(272,099,357)**	**(724,299,710)**	**(62,43)**
Provisions	(329,836,302)	(153,684,528)	114,62
Rediscounts	(9,580,145)	(45,990,646)	(79,17)
Deferred Taxation (Deferred Tax Assets)	53,365,094	-	+
Deferred Tax Liability Expense	-	(523,942,071)	+
Other Income	14,105,598	2,964,787	375,77
Other Expenses and Losses	(153,602)	(3,647,252)	(95,79)

Gross Profit/Loss for the Period

Since loss was booked as per the Tax Procedure Law as of 31 December 2024, there was no balance in the “Profit for the Period, Tax and Other Legal Liability Provisions” item. A financial profit in the amount of TL 7,605,850,380 was posted in 2024 owing mainly to the reasons mentioned above.

At the bottom line, the Company recorded a net profit for the period of TL 5,933,631,405 in 2024.

(TL)	2024	2023	Change (%)
Gross Profit/Loss for the Period	**5,933,631,405**	**3,629,008,053**	**63.51**
Profit/Loss for the Period	5,933,631,405	3,629,008,053	63.51
Profit for the Period Tax and Other Legal Liability Provisions	-	-	-

General Assembly Agenda

Millî Reasürans Türk Anonim Şirketi
Agenda for the General Assembly Held on 26 March 2025

1. Opening and formation of the Presiding Board,
2. Reading and discussion of the 2024 Activity Report drawn up by the Board of Directors,
3. Reading of the Statutory Auditors' report,
4. Reading, discussion and approval of the Company's Financial Statements for 2024,
5. Approval of the elections made for the seats on the Board of Directors vacated during the year pursuant to Article 363 of the Turkish Commercial Code and Article 12 of the Articles of Association
6. Declaration of the Board of Directors,
7. Amendment of Article 27 of the Articles of Association Titled Distribution of Profit
8. Determination of the manner and date of distribution of profit of 2024,
9. Election for the seats on the Board of Directors,
10. Determination of the Audit Committee members
11. Determination of the remuneration to be paid to the members of the Board of Directors,
12. Authorizing the Board of Directors to perform the transactions set out in Articles 395 and 396 of the Turkish Commercial Code

Board of Directors Report

Esteemed Shareholders,

We hereby present to our esteemed shareholders the Balance Sheet, Income Statement, Profit Distribution Statement, Statement of Changes in Equity, and Cash Flow Statement, which reflect the results achieved in 2024, our Company's 96th year of operation, and have been prepared in accordance with the applicable legislative provisions and the principles and regulations prescribed by the Republic of Türkiye Ministry of Treasury and Finance, for your review and approval.

Despite regional disparities, 2024 marked a period of ongoing global economic recovery, with the tight monetary policies implemented since 2022 beginning to yield positive results in the fight against inflation. With inflation rates showing a downward trend, particularly in developed economies, it was noted that the ECB and the Fed started shifting toward interest rate cuts in the second half of the year.

The enduring repercussions of the war between Russia and Ukraine, currently in its third year, alongside the heightened tensions in the Middle East and the potential for expansion, continue to pose geopolitical risks that disrupt the global economic outlook. On the other hand, protectionist policies increasingly supported by political leaderships, particularly in the United States, raise concerns for global trade and growth in the upcoming period.

In the January 2025 update of the IMF's World Economic Outlook Report, the global economy, which is estimated to have grown by 3.2% in 2024, is projected to grow by 3.3% in both 2025 and 2026, remaining below the 2000–2019 average of 3.7%. The IMF also projected a growth rate of 1.7% for advanced economies and 4.2% for emerging markets in 2024, with similar growth levels expected for both groups in 2025 and 2026.

In 2024, the Turkish economy continued to be shaped by high inflation and the effects of the consequent tight monetary policy stance, which remained a key focus of the economic policy agenda. The economic policies enacted, coupled with the effects of declining demand, have led to a continuation of the slowdown that commenced in the second quarter of 2024 within the Turkish economy, extending into the third quarter. While GDP grew by 3.2% in the first nine months of the year, the contribution from private sector consumption on the expenditures side declined, whereas the positive impact of net external demand continued throughout the year. With the lagged effects of tight monetary policy, CPI entered a downward trend in the second half of the year and ended the year at 44.4%.

The CBRT has kept the policy rate, which it raised to 50% in March 2024, unchanged until December, while taking steps towards simplification within the macroprudential framework. As inflation entered a downward trend following the easing of demand-driven pressures, the CBRT lowered the policy rate to 47.5% in its final meeting of the year and stated that it would maintain a data-driven and cautious approach in its rate decisions.

The improvement in macro balances, stability in exchange rates, the upgrades in the credit ratings, and the decline in the country risk premium have, on the one hand, supported foreign capital inflows and, on the other hand, strengthened domestic residents' preference for the Turkish lira. In this context, CBRT reserves have also displayed an upward trend starting from April.

The foreign trade deficit continued to decline due to restrictions imposed on gold imports and the normalization in global energy prices, while the narrowing in the current account deficit persisted with the support of strong tourism revenues. The current account deficit/GDP ratio, which stood at 3.5% in 2023, fell below 1% in 2024.

In 2025, the effects of protectionist policies and trade restrictions, coupled with the persistent contraction in the EU market, emerge as the key factors creating uncertainty surrounding our country's exports. On the other hand, the potential risks associated with escalating geopolitical risks, particularly in our nearby geography, are contributing to heightened uncertainty regarding commodity and energy prices as well as supply chains.

In 2024, as the adverse impacts of the climate crisis persisted, the global economic losses attributed to catastrophic events worldwide experienced a 7% annual decline, settling at a total of USD 368 billion. Insured catastrophe losses, however, significantly exceeded the 21st-century average of USD 94 billion, surpassing the USD 100 billion threshold for the fifth consecutive year and reaching USD 145 billion in 2024. Although the global protection gap showed a relative improvement in 2024, when losses were mainly driven by severe weather events such as tropical cyclones, intense convective storms, and floods, the insurance coverage remained insufficient, with the insurance industry covering only 40% of the total economic loss.

Despite the increase in global natural catastrophe losses, the technical results of reinsurers continued to improve in 2024 due to the positive effects of the significant price increases that have dominated the markets in recent years, as well as upward revisions in the retentions of the cedants. With the impact of increased investment income, the total amount of traditional and alternative reinsurance capital rose from USD 670 billion at the end of 2023 to USD 715 billion as of September 2024.

Based on the year-end 2024 data released by the Insurance Association of Türkiye, the premium production of the Turkish insurance industry reached TL 838.5 billion, marking a nominal increase of 72.5% and a real increase of 19.5% compared to the previous year. Non-Life branches accounted for 88.1% of the sector's total premium in 2024, with TL 738.5 billion in premium production and a nominal growth rate of 72% compared to 2023. The Life branch recorded a nominal growth of 76.2%, reaching TL 99.9 billion and representing an 11.9% share of total premium production. As in 2023, premiums produced under participation insurance accounted for approximately 5% of the sector's total premium income in 2024.

While the Land Vehicles Liability and Land Vehicles branches, which hold the largest shares in sectoral premium production, experienced a slowdown in their growth rates in 2024, they recorded year-on-year nominal increases of 85.6% and 33.7%, respectively. These branches were followed by Health insurance, which recorded 93% growth, and Fire and Natural Disaster insurance, which grew by 86.7%.

In particular, more effective risk-based pricing in the Non-Life insurance market, along with the contribution of a high-interest-rate investment environment, has enabled the Turkish insurance industry to achieve a healthier financial structure.

Despite the pricing adjustments observed after the insured losses caused by the Kahramanmaraş Earthquakes on 6 February 2023, one of the most devastating disasters in our country's history, the absence of a large-scale natural disaster in Türkiye in 2024 and the positive impact of the radical measures taken by our Company, particularly regarding proportional reinsurance treaties, enabled insurance companies operating in Türkiye to complete the placement of reinsurance treties of this structure without any difficulty. In the context of 2025 renewals, the changes made to proportional reinsurance treaties in the previous year were maintained, and no additional market-wide measures were required. Instead, portfolios were assessed on a company-specific basis, and certain adjustments were made to the terms that determine the profitability of reinsurance treaties.

On the other hand, some insurance companies in 2025, as in 2024, converted their reinsurance structures either entirely or partially from proportional to non-proportional, taking into account capacity and placement constraints. While there were no significant changes in the terms of non-proportional reinsurance treaties, the placements of the programs that became attractive for both domestic and international reinsurers in terms of portfolio and pricing balance were renewed with demand exceeding 100%.

The majority of companies operating in the Turkish insurance industry continued to protect their portfolios in 2025 with proportional-based bouquet treaties. Milli Re participated in the placement of 17 companies that obtained proportional reinsurance protection following the 2025 renewals, serving as lead reinsurer in the treaties of 12 companies. Maintaining its market share from 2024, Milli Re sustained its support to the sector, preserving its 18% market share in 2025 as well.

In 2025, Milli Re increased its nominal commitments and continued its participation in insurance companies' excess of loss programs. The share in the catastrophe excess of loss treaties of 28 companies it participated in was recorded at 8%. In 2025, Milli Re also participated in the programs of 13 companies that structured their risk protections on an excess of loss basis.

In 2024, Milli Re continued to be a preferred business partner in emerging markets. Prioritizing long-term and well-founded business relationships and successfully managing evolving market conditions, Milli Re surpassed TL 1 billion in premium volume from Developed Markets in 2024 and generated a profit of TL 169 million from its international business portfolio.

Leveraging its technical expertise acquired in the Turkish market to expand to the global markets with the support of its robust capital structure, Milli Re reported an asset size of TL 33,749 million, paid-in capital of TL 660 million, shareholders' equity of TL 16,475 million, and net profit for the period of TL 5,934 million in 2024. 87.6% of the Company's total premium production, amounting to TL 14,721 million, was derived from domestic operations, while the remaining 12.4% was sourced from international operations.

Moving toward its next century and to reinforce its competitive stance, Milli Re adopted digitalization and organizational transformation as its key pillars of development and took a significant stride toward enhancing the efficiency and agility of its human resources, and implemented the process-oriented organizational structure in 2024.

Along with the change in the organizational chart, the procurement of consultancy services has been initiated to support the end-to-end structuring of business processes as well as to define roles and responsibilities. With the service received, it is aimed to ensure that the processes established will be effectively managed through a business automation application. In this context, technology investments are being evaluated to ensure that business processes align with the expected business goals and that the existing human resources are utilized effectively.

In 2024, a comprehensive transformation was executed on the Millî Re Academy training platform, integrating the infrastructure with the training provider. Through this transformation, our Academy, which has been growing and developing since 2022, started providing enriched, up-to-date, and comprehensive training content to our employees.

In 2019, efforts commenced to transition existing business processes onto the automation platform, and operational processes have been initiated accordingly. Analytical studies for the execution of reinsurance operations are ongoing.

Significant emphasis is placed on the automation of our Company's operations through robotic process automation (RPA), launched in 2021, with the aim of achieving higher efficiency.

We extend our sincere gratitude to our stakeholders, whose steadily increasing contributions have been instrumental in the 2024 performance of our Company, which maintains its steady growth built upon trust and corporate reputation.

Kind Regards,

BOARD OF DIRECTORS

Dividend Distribution Policy

Maintaining a balance between the Company's interests, shareholders' expectations and the Company's profitability are the main factors taken into consideration in relation to dividend distribution.

Dividend distribution principles that are determined within the framework of the applicable legislation and the Company's Articles of Association are presented below:

Profit distribution of the Company is decided by the General Assembly of Shareholders based on the proposal set forth by the Board of Directors in view of the provisions of the Turkish Commercial Code and other applicable legislation governing the Company.

The Company's net profit consists of the revenues generated up until the end of an accounting period less general expenses, depreciation, all reserves deemed necessary, taxes and similar legal and financial obligations, along with previous years' losses, if any.

Net profit, which is calculated as mentioned above, is allocated and distributed in the order written below:

a) An amount equal to 5% of the net annual profit is set aside as general legal reserves every year until such reserves reach 20% of the paid-up capital.

b) Once the legal limit is reached, the amounts stipulated by Article 519/2 (a) and (b) of the Turkish Commercial Code are added to the general legal reserves.

c) A first dividend equal to 10% of the remaining net profit is distributed to shareholders.

d) In the event that the Company has repurchased its own shares, reserves equal to the amount that would cover the acquisition costs will be set aside pursuant to Article 520 of the Turkish Commercial Code.

e) A natural disaster and catastrophe fund may be set aside from the remaining amount, if deemed necessary, of amounts to be determined upon the proposal set forth by the Board of Directors and based on the resolution passed by the General Assembly.

f) From the balance that remains after setting aside the legal reserves, first dividends, other reserves and funds mentioned above from the net profit, a proportion up to 3% is paid out to employees, provided that the amount does not exceed three times' the recipients' salaries.

g) From the amount remaining after the above-mentioned allocations and distributions, without prejudice to the provisions of the applicable legislation, a second dividend is paid to shareholders upon the proposal set forth by the Board of Directors and based on the resolution passed by the General Assembly.

h) In pursuance with the provision of Article 519/2 (c) of the Turkish Commercial Code, 10% of the total amount to be distributed to those who will receive a share of the profit will be added to legal reserves.

i) The balance will be utilized in a form and manner to be determined by the General Assembly.

Provisions of Article 519/3 of the Turkish Commercial Code are reserved.

Unless and until the reserves that are legally required to be set aside and the first dividends determined for shareholders in the Articles of Association are set aside, no decision may be taken to set aside further reserves, to carry forward profit to the following year or to distribute any share of the profit to the employees.

The distribution of the cash dividend must be realized no later than by the end of the second month following the date of the Annual General Assembly in which the profit distribution decision was passed. The distribution of a dividend in the form of dematerialized shares is carried out upon receipt of legal permission.

Dividend Distribution Proposal

	Note	Audited Current Period December 31, 2024(*)	Audited Prior Period December 31, 2023(***)
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT (*)		**5,957,036,699**	**3,624,887,450**
1.2. TAX AND FUNDS PAYABLE	**35**		
1.2.1. Corporate Income Tax (Income Tax)	35		
1.2.2. Income tax deduction			
1.2.3. Other taxes and Duties			
A NET PROFIT / (LOSS) (1.1 – 1.2)		5,957,036,699	3,624,887,450
1.3. PREVIOUS PERIOD LOSSES (-)			
1.4. FIRST LEGAL RESERVE (**)			
1.5. STATUTORY FUND (-)			
B NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5)]		5,957,036,699	3,624,887,450
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		**(595,703,670)**	
1.6.1. Holders of shares		(595,703,670)	
1.6.2. Holders of Preferred shares			
2.6.3. Holders of Redeemed shares			
2.6.4. Holders of Participation Bond			
2.6.5. Holders of Profit and Loss sharing certificate			
1.7. DIVIDEND TO PERSONNEL (-)		**(29,977,516)**	
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)			
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)			
1.9.1. Holders of shares			
1.9.2. Holders of Preferred shares			
1.9.3. Holders of Redeemed shares			
1.9.4. Holders of Participation Bond			
1.9.5. Holders of Profit and Loss sharing certificate			
1.10. SECOND LEGAL RESERVE (-)			
1.11. STATUTORY RESERVES (-)			
1.12. EXTRAORDINARY RESERVES			
1.13. OTHER RESERVES			
1.14. SPECIAL FUNDS (**)			
II. DISTRIBUTION OF RESERVES			
2.1. DISTRIBUTION OF RESERVES			
2.2. SECOND LEGAL RESERVES (-)			
2.3. COMMON SHARES (-)			
2.3.1. Holders of shares			
2.3.2 Holders of Preferred shares			
2.3.3. Holders of Redeemed shares			
2.3.4 Holders of Participation Bond			
2.3.5 Holders of Profit and Loss sharing certificate			
2.4. DIVIDENDS TO PERSONNEL (-)			
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)			
III. PROFIT PER SHARE			
3.1. HOLDERS OF SHARES		0.0899	0.0550
3.2. HOLDERS OF SHARES (%)		8.99	5.50
3.3. HOLDERS OF PREFERRED SHARES			
3.4. HOLDERS OF PREFERRED SHARES (%)			
IV. DIVIDEND PER SHARE			
4.1. HOLDERS OF SHARES		0.0090	
4.2. HOLDERS OF SHARES (%)		0.90	
4.3. HOLDERS OF PREFERRED SHARES			
4.4. HOLDERS OF PREFERRED SHARES (%)			

(*) The distribution of the period's profit is under the authority of the General Assembly, the company's governing body. Since the General Assembly meeting for the fiscal year 2024 (January 1 - December 31, 2024) has not yet been held as of the date of preparation of the financial statements, the profit distribution table for 2024 has not been prepared. In the period profit for December 31, 2024, an amount of TL 6,572,222 (December 31, 2023: TL 4,120,603), derived from 25% of the real estate sale income under Article 5/1-e of the Tax Procedure Law, has not been included in the distribution, as it is allocated under the "Non-Distributable Period Profit" item within equity.
(**) Due to the fact that 20% of the company's capital has been reached, no legal reserves have been set aside. Net profit from the previous period was not distributed and was transferred to previous year profits..
(***) Unconsolidated profit is taken into account.

06

Risks and Assessment of the Governing Body

Risk Management Practices

Given the risk-focused nature of insurance business, insurance and reinsurance companies establish risk management systems and processes and systematically monitor risk exposure as a part of their primary activities. Therefore, our Company has been implementing risk management techniques for many years; development of these techniques has gained even greater importance due to the adverse developments in the Turkish and global financial markets during the recent years, as well as the disasters that have occurred.

The aim of the risk management system is to define the risks arising from Company's activities, to determine related limits, to measure, monitor, control the risks effectively, to take necessary measures and to do the necessary reporting to the Board of Directors and related authorities, as well as to protect Milli Re's reputation and to ensure that liabilities to insurance companies are fulfilled completely and in a timely manner.

The "Risk Catalogue", which aims to form a common terminology within the Company and in which possible risks are classified and defined by examples, is updated in accordance with changing conditions and approved by the Board of Directors. Moreover, the measurement methods of the risks that the Company is/may be exposed to, risk tolerance, duties and responsibilities related to risk measurement, risk limits, determination methods of these limits, action plans in case of limit violations, authorizations and responsibilities related to limits, and situations that necessitate approval and confirmation are detailed in the "Application Principles in Respect of Risk Limits", which is approved by the Board of Directors and updated in accordance with changing conditions.

The duties and responsibilities of the Risk Management Department are as follows:

- To determine, define, measure, monitor and control risks,
- To determine the risk management policies predicated on risk management strategies and to submit them to the Board of Directors,
- To declare risk management principles, procedures and policies throughout the Company,
- To provide the implementation of risk management policies and compliance with them,
- To develop risk management techniques and methods, to ensure that risks are within determined limits and to monitor limit violations, if any,
- To carry out reporting and announcement activities to the Board of Directors and related authorities in respect of risk management,
- To control capital adequacy calculations performed according to the related legislation,
- To carry out the processes in respect of disaster management,
- To establish and operate early warning systems that monitor risk and take timely measures,
- To evaluate new products, operation and planned activities in terms of compliance with the legislation and the risks involved.

Basic Risks and Measurement Methods

Risks that the Company is and/or may be exposed to are classified under two headings: financial and non-financial risks. Definitions of basic risks and their assessment methods are stated below.

Financial Risks

Underwriting Risk

This risk arises from the inaccurate and inefficient application of reinsurance techniques in the process of making profit by underwriting and retrocession activities.

When measuring underwriting risk, assessment of compliance with predetermined underwriting limits and principles and compliance of Company's retention and retrocession protection limits with the criteria set out in the "Application Principles in Respect of Risk Limits" is conducted.

Company's capital structure, market conditions, underwriting limits in respect of the lines of business which will be subject to retrocession contracts, risk profiles, loss experience, accumulation that may occur in the event of a catastrophe risk, regional event limits, and modelled loss amounts, if applicable, are taken into consideration during arrangement of retrocession contracts which are prepared in order to cover the liabilities arising from underwritten business.

Credit Risk

This risk expresses the probability of loss arising from the full or partial default of the counterparties (security issuers, insurance/reinsurance companies, other debtors) with which the Company has a business relationship.

Credit risk is measured by both quantitative and qualitative methods. The key criteria in the selection of reinsurers, participating in the retrocession contracts arranged for covering Company's liabilities arising from business acceptances in various lines of business, is the credit ratings of reinsurers. On the other hand, the payment performances and financial conditions of counterparties are also taken into account.

In order to assess the concentration risk arising from the transfer of the risk to one or several specific reinsurers, premiums ceded to reinsurers are taken as a base and reinsurers' conditions such as being licensed in Türkiye, being in the group and meeting the criteria set by the relevant authority regarding credit risk rating are taken into consideration. Premium transfers that exceed the limits stated by Insurance and Private Pension Regulation and Supervision Authority are considered as concentration and are included in the capital adequacy calculation by being multiplied by risk factors defined by the aforementioned authority.

Moreover, doubtful receivables, distribution of the Company's investment portfolio in terms of counterparties, and the ratings of bond issuers of private bonds that are in the portfolio, are monitored quarterly in accordance with the principles defined in Company's Investment Policy.

Asset-Liability Management Risk

This risk expresses the potential loss that may arise from the inefficient and inaccurate management of Company assets without considering the characteristics of the Company's liabilities and optimizing the risk-return balance.

This risk, which is measured by quantitative methods, includes all other financial risks of the Company with the exception of underwriting and credit risk. The components of the risk are described below:

a) Market Risk

This risk expresses the probability of loss because of the interest rate risk, rate of exchange risk and equity position risk occurring in the financial position of the Company due to the interest, rate of exchange, equity, commodity and option price changes arising from the volatilities in financial markets.

When determining market risk exposure of the Company, Value at Risk (VaR) method is used, which measures the maximum loss that may occur at a definite confidence level in value of investment portfolio held for a definite time period, due to volatilities in risk factors. VaR is calculated by using the "Historical Simulation Method" where different scenarios are created by taking into consideration the historical data. Calculations are based on 250 working days, 99% confidence level and 1 day holding period.

In addition to the daily calculated VaR, following tests are applied:

- Backtesting
- Stress Tests
- Scenario Analysis

These tests are used to support the VaR method in calculating the loss in portfolio value due to unexpected and extraordinary circumstances and intend to test the accuracy of the measurement results and monitor the sensitivity of the portfolio to changes in the basic risk factors by creating different scenarios.

Market risk limits are set out in "Application Principles in Respect of Risk Limits", while limits and application principles in respect of investment portfolio are set out in "Derivatives Policy", "Macro Asset Investment Policy", "Investment Policy" and "Alternative Investment Plan" of the relevant year. Mentioned limits are checked regularly.

b) Structural Interest Rate Risk

This risk expresses the negative impact on balance sheet assets and liabilities which are not subject to trading, due to possible changes in interest rates.

Receivables from reinsurance operations and payables arising from reinsurance operations are discounted by using Overnight Indexed Swap (OIS) rates in respect of related currencies and maturities and these figures go into the financial statements, accordingly they are subject to structural interest rate risk. Upward and downward shocks are applied to OIS rates that are used in discounting process every three months and possible changes in values of receivables and payables are calculated.

c) Liquidity Risk

This risk denotes the imbalance between the Company's cash outflows and inflows in terms of maturity and volume.

This risk is measured using quantitative methods, and any liquidity deficit is observed via maturity analysis of assets and liabilities in the balance sheet. Moreover, level of liquid assets covering liabilities is monitored by using the liquidity ratio and assessed within the defined limit.

d) Capital Investment Risk

This risk expresses the loss that may arise in the value of capital investments or dividend income due to general market conditions, legislative amendments and/or to the problems in managerial or financial structure of the invested companies.

Market values of the equities followed-up under financial assets held for trading account are evaluated on the basis of Borsa İstanbul (BIST) data, whereas available-for-sale financial assets are evaluated according to their fair values. Subsidiaries and affiliates are evaluated according to equity method.

e) Real Estate Investment Risk

This risk expresses the negative impact on assets which are sensitive to real estate prices, due to adverse movements or excessive volatility in real estate prices or the sale of the real estates under actual value.

Real Estate Investment Risk is monitored in accordance with valuation reports which are to be prepared in accordance with the related provisions of the legislation and taking into consideration the Company's requirements and investment policies. Besides, by applying a defined downward stress on the expertise values, loss amount that may arise in the value of real estates and shareholders' equity is monitored.

Non-Financial Risks

Operational Environment Risk

This risk is defined as the risk of negative impact of external factors (political, economic, pandemic related, demographic etc.) of the Company's operating environment, on the operational ability of the Company.

Qualitative methods are used to measure this risk. The underwriting portfolio is monitored on country basis to see if there are any business acceptances from countries that are defined as "unapproved" due to political or economic conditions and also credit ratings of countries, generating the highest share of estimated premium income in respect of developing market acceptances are analyzed.

Strategy Risk

This risk arises due to the inefficient managerial and organizational structure of the Company, inability of the management to determine and/or develop effective strategies or non-disclosure and/or lack of implementation of these strategies, erroneous business decisions, and improper application of decisions or non-compliance with the changing market dynamics.

Qualitative methods are used to measure the level of this risk. On the basis of "Self-Assessment Methodology", "Questionnaire" and/or "Interview" methods are used to determine the level of the risk as "High", "Acceptable" or "Low".

Model Risk

This risk expresses the probability of loss that may occur if the models that the Company uses within risk measurement processes are inappropriately designed or not properly implemented.

In measurement and assessment process of model risk, "Questionnaire" and/or "Interview" methods are used on the basis of "Self-Assessment Methodology", to determine the level of the risk as "High", "Acceptable" or "Low".

Operational Risk

This risk expresses the probable losses arising from inappropriate or inoperative business processes, human errors, technological or infrastructural interruptions, changes in management or processes, inaccurate internal/external reporting or external factors occurring while Company conducts its vital functions necessary for the continuation of business, and inability to secure low cost and high efficiency as a result of business interruption due to disasters.

Qualitative and quantitative methods are used together in measuring the operational risk. Factor Based Standard Approach is applied as a quantitative method. In this method, the required capital for operational risks is calculated by multiplying gross technical provisions and gross earned premiums by the factors in respect of the relevant lines of business.

"Self-Assessment Methodology", which allows determination of the risks related to activities conducted with the involvement of staff performing such activities, is applied as a qualitative method for operational risk. The level of the operational risk that the Company is exposed to is subsequently classified as "High", "Acceptable" or "Low" depending on the result of the assessments.

Reputation Risk

This risk can be defined as the probable loss due to loss of confidence in the Company or damage to its reputation resulting from failures in operations or non-compliance with current regulations.

Qualitative methods are used to measure the level of the risk. On the basis of “Self-Assessment Methodology”, “Questionnaire” and/or “Interview” methods are used to determine the level of the risk as “High”, “Acceptable” or “Low”.

Information Technologies Risk

This risk expresses the probable losses arising in Information Technology (IT) processes, assets and resources that constitute the entire hardware, applications and communication channels used in operations, due to internal and external problems occurring in operations and processes such as strategy management, cost management, human resources management, risk management, incident and problem management, information security, back up process, procurement process, supplier selection and assessment, user identification and access management, critical resources management, data security, integrity and availability, acquisition and modification of software and hardware, test and version management, service quality and continuity, business continuity, disaster and configuration management, environmental and physical factors management.

Risks related to the Company’s information technologies are measured and assessed in accordance with the provisions stated in Information Technology Risk Management Application Principles, based on internationally accepted practices.

On the other hand, the Disaster Management process, defined with the purpose of governing and monitoring sub-risks in relation to Business Continuity and IT Continuity, is carried out in accordance with the provisions of related legislation. Staff are trained, and a test study is performed at least once a year within the context of Disaster Management. In this regard, for Company’s business processes and information systems, including the Singapore Branch of the Company, this year’s exercise was carried out by providing remote access to applications and systems in Disaster Server Centre located outside of Istanbul via a secure network connection. In addition, Suadiye Miltaş Sports Facilities, which is the disaster recovery location of the Company, was visited and the equipment there was tested. According to the results of this study, all applications and systems specified in the Disaster Recovery Plan, data and documents required by business units for critical business processes were accessible in conformity with recovery point objectives, and data entries were completed successfully. In addition, the data restore test has also been carried out successfully.

All findings obtained as a result of measurement of the above-mentioned financial and non-financial risks, analyses and assessments in respect of these findings are regularly reported by Risk Management Department to the Board of Directors through the Audit Committee, as well as to Subsidiaries Division of İşbank.

If the levels of the risks are found “High”, the Board of Directors determines an action plan regarding the necessary actions.

Assessment of Capital Adequacy

The Company's capital adequacy is measured according to the provisions of "Regulation in Respect of Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies", which was published by Insurance and Private Pension Regulation and Supervision Authority and assessments regarding the results are submitted to the Board of Directors through the Audit Committee and Subsidiaries Division of İşbank via the "Risk Assessment Report".

The factor-based method, used according to the aforementioned regulation, determines the amount of capital required for each type of risk, and thus allows the calculation of the total required capital.

Transactions Carried out with Milli Re's Risk Group

Being a member of İşbank Group, Milli Re carries out its relations with its risk group on an arm's length basis.

Relations with group companies are concentrated mostly in reinsurance, banking, portfolio management, information technologies services and risk management.

Risk management activities are carried out in compliance with Consolidated Risk Policies of the risk group. Possible risks and findings obtained as a result of measurement are regularly monitored through reporting systems set up within the group.

Detailed information on the Company's transactions with its risk group is presented in the notes to the Financial Statements.

External Service Procurement

The Company's external service procurements are carried out in a transparent manner, taking into account business necessities, information technology requirements and in compliance with legal regulations within which the authorities and responsibilities of all relevant parties are clearly determined. External services were procured for maintenance support services of softwares and databases predominantly used in reinsurance, claims, accounting, human resources and correspondence processes. The external services procured by internal systems are within the scope of the followings;

- In the field of actuarial; support service received for calculation of insurance technical provisions, pricing, setting an economic capital model and capital adequacy calculations and
- Registered actuarial service.

The Annual Reports of the Parent Company in the Group of Companies

a- The Parent Company Milli Re holds shares representing 57.31% of the capital of Anadolu Anonim Türk Sigorta Şirketi directly, and 1% and 12.46% of the capital of Anadolu Hayat ve Emeklilik A.Ş. directly and indirectly, respectively.

b- Enterprises that belong to the Group do not have a share in the capital of the Parent Company Milli Re.

c- The Company's Consolidated and Unconsolidated Internal Audit and Risk Management Policies are formulated within the frame of the relevant consolidated policies of the group of companies to which the Company is affiliated and covers the Company's subsidiaries subject to consolidation on a line-by-line basis. These are based on the operating principles of Türkiye İş Bankası A.Ş.

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Financial Statements as of December 31, 2024, together with the Independent Auditor's Report

(Convenience translation of independent auditors' report and unconsolidated financial statements originally issued in Turkish)

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Milli Reasürans Türk Anonim Şirketi

A. Audit of the Unconsolidated Financial Statements

1. Opinion

We have audited the unconsolidated financial statements of Milli Reasürans Türk Anonim Şirketi (the "Company") which comprise the unconsolidated balance sheet as of 31 December 2024 and the unconsolidated statement of income, unconsolidated statement of changes in equity, unconsolidated statement of cash flows and statement of profit distribution for the year then ended and the notes to the unconsolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2024, and its unconsolidated financial performance and its unconsolidated 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

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

3. Key Audit Matters

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

Key audit matter	*How our audit addressed the matter*
Estimation of provision for claims incurred but not reported As explained in Note 2 to the accompanying unconsolidated financial statements, the Company has accounted for a net provision for claims incurred but not reported amounting to TRY 2.955.874.569 as of 31 December 2024. The abovementioned provision is calculated by the Company's actuary using actuarial chain ladder methods, in accordance with "Circular on Outstanding Claim Provisions" dated 5 December 2014 and numbered 2014/16 published by the Ministry of Treasury and Finance and the approval letter obtained from the regulatory authority. Accordingly, the selection and aggregation of the claims data used in the calculation, adjustment procedures, selection of the most appropriate method and development factors, as well as interventions in the development factors, are carried out by the Company's actuary using actuarial methods on a branch basis. The amount calculated is compared to the incurred and reported provision for outstanding claims, and the difference is determined as the provision for claims incurred but not reported. The reason we focus on this area during our audit is the significance of the incurred but not reported claims provision for the unconsolidated financial statements and the significant actuarial judgments and estimates required by the nature of provision in the financial statements.	We tested the design and operational effectiveness of the key controls implemented by the Company management in relation to the claims data used in the calculation of provision for claims incurred but not reported. In the branches selected by the sampling method, the data used in the calculation of provision for claims incurred but not reported was reconciled to the information in the accompanying unconsolidated financial statements. In addition, the estimated expected loss ratios and claim development trends, as well as the selected actuarial methods and assumptions considered by the Company's actuary in the calculation of the provision for incurred but not reported, have been assessed by the actuaries within our team using actuarial techniques, based on historical claim experiences and sector developments. Besides, for selected branches, independent actuarial analyses have been conducted and reasonable range estimates have been determined for the acceptable reserve ranges related to the provision for incurred but not reported claims calculated by the Company's actuary as of the balance sheet date, considering the related legislation and the approval letter obtained from the regulatory authority, and these ranges have been compared with the amounts included in Company's accounting records. In addition to these, the compliance and consistency of the disclosures in the notes to the unconsolidated financial statements related to such provisions have been checked in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles.

4. Other Matter

The audit of the unconsolidated financial statements of the Company for the year ended 31 December 2023 was conducted by another independent audit firm and an unqualified opinion was issued in audit report dated 27 February 2024 prepared by the mentioned independent audit firm.

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 unconsolidated financial statements in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles and for such internal control as management determines is necessary to enable the preparation of unconsolidated 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 aim is 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 independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error.
Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

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

- Identify and assess the risks of material misstatement in 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.

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company 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 independent 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 unconsolidated 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.

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. Other Responsibilities Arising from Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation into English

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

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

ORIGINALLY ISSUED IN TURKISH

Ramazan Yüksekkaya, SMMM
Partner

Istanbul, 28 February 2025

Convenience Translation of the Company's Representation on the Unconsolidated Financial Statement Prepared as of December 31, 2024

We confirm that the unconsolidated financial statements and related disclosures and footnotes as of December 31,2024 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.

Istanbul,

February 28, 2025

Ebru ÖZŞUCA
Chairperson of the Board of Directors and
Audit Committee Chair

Zeliha GÖKER
Member of the Board of Directors and
Audit Committee Member

Fikret Utku ÖZDEMİR
General Manager

Şule SOYLU
Assistant General Manager

Banu GÜLMEDİM PURUT
Assistant General Manager
Audit Committee Member

Nedime BÖYÜKKIRLI
Accounting and Regulatory
Reporting Group Manager

Ertan TAN
Actuary
Registration No:21

Contents

Millî Reasürans Türk Anonim Şirketi'nin

Unconsolidated Balance Sheet
As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

ASSETS			
I- Current Assets	Note	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
A- Cash and Cash Equivalents	**4.2,14**	**4.383.823.465**	**1.825.305.969**
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	4.2,14	4.383.823.465	1.825.305.969
4- Cheques Given and Payment Orders (-)		-	-
5- Receivables From Credit Cards with Bank Guarantee Due Less Than Three Months		-	-
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Investments with Risks on Policy Holders	**11**	**5.298.824.004**	**4.449.936.934**
1- Financial Assets Available for Sale	11	3.428.972.678	3.838.711.783
2- Financial Assets Held to Maturity		-	-
3- Financial Assets Held for Trading	11	1.869.851.326	611.225.151
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders		-	-
7- Equity Shares		-	-
8- Impairment in Value of Financial Assets (-)		-	-
C- Receivables From Main Operations	**4.2,12**	**2.434.781.204**	**3.692.318.505**
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4.2,12	2.178.742.782	3.237.541.002
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited For Insurance & Reinsurance Companies	4.2,12	256.038.422	454.777.503
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation		-	-
9- Doubtful Receivables From Main Operations		-	-
10- Provisions for Doubtful Receivables From Main Operations (-)		-	-
D- Due from Related Parties	**12, 45**	**190.467.198**	**24.306.074**
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries	12, 45	190.467.198	24.306.074
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E- Other Receivables	**4.2,12**	**45.075.210**	**12.705.272**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		44.758.274	10.519.746
4- Other Receivables		316.936	2.185.526
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables	12	705.142	705.142
7- Provisions for Other Doubtful Receivables (-)	12	(705.142)	(705.142)
F- Prepaid Expenses and Income Accruals		**1.700.107.432**	**1.284.632.255**
1- Deferred Commission Expenses	17	1.302.479.934	1.151.447.899
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4.2	323.144.436	64.668.644
4- Other Prepaid Expenses	4.2	74.483.062	68.515.712
G- Other Current Assets		**77.659.215**	**14.796.619**
1- Inventories		68.980	118.768
2- Prepaid Taxes and Funds	12, 19	71.260.270	9.170.386
3- Deferred Tax Assets		-	-
4- Job Advances	4.2, 12	702.865	47.448
5- Advances Given to Personnel		-	-
6- Stock Count Differences		-	-
7- Other Current Assets		5.627.100	5.460.017
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		**14.130.737.728**	**11.304.001.628**

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

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Balance Sheet As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

ASSETS			
II- Non-Current Assets	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A- Receivables From Main Operations	**4.2, 12**	**431.653.921**	**395.937.136**
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4.2,12	263.336.032	381.273.026
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies	4.2,12	168.317.889	14.664.110
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables From Pension Operations		-	-
9- Doubtful Receivables from Main Operations	4.2,12	178.476.684	153.566.800
10-Provision for Doubtful Receivables from Main Operations	4.2,12	(178.476.684)	(153.566.800)
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
C- Other Receivables		-	-
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Receivables		-	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets	**9**	**18.817.804.486**	**10.692.447.851**
1- Investments In Associates		-	-
2- Affiliates	9	1.254.912.086	803.602.412
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries	9	17.562.892.400	9.888.845.439
5- Capital Commitments to Subsidiaries (-)		-	-
6- Joint Ventures		-	-
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Investments with Risks on Policy Holders		-	-
9- Other Financial Assets		-	-
10-Diminution in Value of Financial Assets (-)		-	-
E- Tangible Fixed Assets	**6**	**104.291.096**	**137.728.159**
1- Investment Properties	6,7	-	30.000.000
2- Diminution in Value for Investment Properties (-)		-	-
3- Building for own use		-	-
4- Machinery and Equipments		-	-
5- Furnitures and Fixtures	6	50.164.806	43.187.951
6- Vehicles	6	13.395.172	4.786.494
7- Other Tangible Assets (Including Leasehold Improvements)	6	53.013.225	53.013.225
8- Leased Tangible Fixed Assets	6	52.016.197	40.132.165
9- Accumulated Depreciation (-)	6	(64.298.304)	(33.391.676)
10-Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)		-	-
F- Intangible Fixed Assets	**8**	**77.017.815**	**45.358.449**
1- Rights	8	14.304.813	61.830.210
2- Goodwill		-	-
3- Establishment Costs		-	-
4- Research and Development Expenses		-	-
6- Other Intangible Assets		-	-
7- Accumulated Amortizations (-)	8	(10.640.733)	(54.082.786)
8- Advances Regarding Intangible Assets	8	73.353.735	37.611.025
G- Prepaid Expenses and Income Accruals	**4.2**	**69.559**	**1.260.542**
1- Deferred Commission Expenses		-	-
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses	4.2	69.559	1.260.542
H- Other Non-current Assets		**187.732.955**	**91.409.605**
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	187.732.955	91.409.605
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets		**19.618.569.832**	**11.364.141.742**
TOTAL ASSETS		**33.749.307.560**	**22.668.143.370**

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

Millî Reasürans Türk Anonim Şirketi'nin

Unconsolidated Balance Sheet
As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

LIABILITIES			
III- Short-Term Liabilities	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A- Borrowings	**20**	**14.680.140**	**13.252.134**
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Finance Lease Borrowing Costs (-)		-	-
4- Current Portion of Long-Term Borrowings		-	-
5- Principal, Installments and Interests on Issued Bills (Bonds)		-	-
6- Other Financial Assets Issued		-	-
7- Value Differences on Issued Financial Assets (-)		-	-
8- Other Financial Borrowings (Liabilities)	20	14.680.140	13.252.134
B- Payables From Main Operations	**4.2,19**	**474.124.570**	**841.900.196**
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations		472.576.612	840.462.577
3- Cash Deposited by Insurance & Reinsurance Companies		1.547.958	1.437.619
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Rediscount on Other Payables From Main Operations (-)		-	-
C- Due to Related Parties	**4.2,19**	**2.446.229**	**722.655**
1- Due to Shareholders	45	156.859	156.859
2- Due to Affiliates		-	-
3- Due to Subsidiaries	45	-	503.277
4- Due to Joint Ventures		-	-
5- Due to Personnel		6.277	1.373
6- Due to Other Related Parties	45	2.283.093	61.146
D- Other Payables	**19**	**11.581.653**	**9.665.367**
1- Deposits and Guarantees Received		-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables	19	11.581.653	9.665.367
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves	**17**	**15.535.757.259**	**10.962.460.038**
1- Unearned Premiums Reserve - Net	17	5.900.530.372	4.910.639.373
2- Unexpired Risk Reserves - Net	17	21.913.642	33.826.898
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net	4.2,17	9.613.313.245	6.017.993.767
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net		-	-
F- Taxes and Other Liabilities and Relevant Provisions	**4.2,19**	**15.618.183**	**15.176.235**
1- Taxes and Dues Payable		14.777.538	14.144.157
2- Social Security Premiums Payable		840.645	1.032.078
3- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Liability Provision on Period Profit		-	-
6- Prepaid Taxes and Other Liabilities on Period Profit (-)		-	-
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks		**-**	**-**
1- Provision for Employment Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs		-	-
H- Deferred Income and Expense Accruals	**19**	**59.910.858**	**48.379.059**
1- Deferred Commission Income	10,19	4.303.316	8.565.638
2- Expense Accruals	19	55.607.542	39.421.809
3- Other Deferred Income	19	-	391.612
I- Other Short-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short-Term Liabilities		-	-
III- Total Short-Term Liabilities		**16.114.118.892**	**11.891.555.684**

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

Millî Reasürans Türk Anonim Şirketi

Unconsolidated Balance Sheet
As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

LIABILITIES			
IV- Long-Term Liabilities	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A- Borrowings		**7.791.301**	**16.593.962**
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Finance Lease Borrowing Costs (-)		-	-
4- Bonds Issued		-	-
5- Other Issued Financial Assets		-	-
6- Value Differences on Issued Financial Assets (-)		-	-
7- Other Financial Borrowings (Liabilities)	20	7.791.301	16.593.962
B- Payables From Main Operations	**19**	**38.880**	**5.502**
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies		38.880	5.502
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Discount on Other Payables From Main Operations (-)		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables		-	-
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves	**17**	**474.736.051**	**270.559.287**
1- Unearned Premiums Reserve - Net		-	-
2- Unexpired Risk Reserves - Net		-	-
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net	17	474.736.051	270.559.287
F- Other Liabilities and Provisions		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Installment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks	**4.2,23**	**677.731.513**	**361.311.155**
1- Provision for Employment Termination Benefits	23	23.189.092	22.028.149
2- Provisions for Employee Pension Fund Deficits	22,23	654.542.421	339.283.006
H- Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long-Term Liabilities		-	-
1- Deferred Tax Liability		-	-
2- Other Long-Term Liabilities		-	-
IV- Total Long-Term Liabilities		**1.160.297.745**	**648.469.906**

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

Millî Reasürans Türk Anonim Şirketi'nin

Unconsolidated Balance Sheet
As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

EQUITY				
V-	**Equity**	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A-	**Paid in Capital**		**660.000.000**	**660.000.000**
1-	(Nominal) Capital	2.13,15	660.000.000	660.000.000
2-	Unpaid Capital (-)		-	-
3-	Positive Inflation Adjustment on Capital		-	-
4-	Negative Inflation Adjustment on Capital (-)		-	-
5-	Unregistered Capital		-	-
B-	**Capital Reserves**	**15**	**1.644.043.728**	**1.509.019.962**
1-	Equity Share Premiums		-	-
2-	Cancellation Profits of Equity Shares		-	-
3-	Profit on Sale to be Transferred to Capital		42.921.312	42.921.312
4-	Translation Reserves	15	358.446.598	254.517.245
5-	Other Capital Reserves	15	1.242.675.818	1.211.581.405
C-	**Profit Reserves**		**7.571.787.027**	**3.688.959.844**
1-	Legal Reserves	15	324.811.577	312.168.254
2-	Statutory Reserves	15	572.615.467	183.984.605
3-	Extraordinary Reserves	15	4.518.846.761	1.448.635.062
4-	Special Funds (Reserves)	15	330.452.130	184.820.637
5-	Revaluation of Financial Assets	11,15	1.864.706.704	1.576.301.378
6-	Other Profit Reserves	15	(39.645.612)	(16.950.092)
D-	**Previous Years' Profits**		**665.428.763**	**641.129.921**
1-	Previous Years' Profits		665.428.763	641.129.921
E-	**Previous Years' Losses (-)**		-	-
1-	Previous Years' Losses		-	-
F-	**Net Profit of the Period**		**5.933.631.405**	**3.629.008.053**
1-	Net Profit of the Period		5.927.059.183	3.624.887.450
2-	Net Loss of the Period (-)		-	-
3-	Net Income not subject to distribution		6.572.222	4.120.603
Total Shareholders' Equity			**16.474.890.923**	**10.128.117.780**
Total Liabilities and Shareholders' Equity			**33.749.307.560**	**22.668.143.370**

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

Unconsolidated Statement of Income
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

I- TECHNICAL SECTION	Note	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
A- Non-Life Technical Income		**11.497.241.293**	**10.197.813.912**
1- Earned Premiums (Net of Reinsurer Share)		8.239.765.540	5.133.074.457
1.1- Written Premiums (Net of Reinsurer Share)	17, 24	9.180.045.688	7.816.448.598
1.1.1- Gross Written Premiums (+)	17, 24	14.627.584.831	9.889.242.532
1.1.2- Ceded Premiums to Reinsurers (-)	10,17,24	(5.447.539.143)	(2.072.793.934)
1.1.3- Ceded Premiums to SSI (-)		-	-
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(952.193.404)	(2.662.711.429)
1.2.1- Unearned Premiums Reserve (-)	17	(935.055.962)	(2.665.589.180)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10,17	(17.137.442)	2.877.751
1.2.3- SSI of Unearned Premiums Reserve (+)		-	-
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	11.913.256	(20.662.712)
1.3.1- Unexpired Risks Reserve (-)		12.459.450	(20.553.084)
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)		(546.194)	(109.628)
2- Investment Income Transferred from Non-Technical Part		2.371.156.247	3.516.302.860
3- Other Technical Income (Net of Reinsurer Share)	47	886.319.506	1.548.436.595
3.1- Gross Other Technical Income (+)		609.069.662	1.212.479.059
3.2- Reinsurance Share of Other Technical Income (-)		277.249.844	335.957.536
4- Accrued Subrogation and Salvage Income (+)		-	-
B- Non-Life Technical Expense (-)		**(13.191.746.789)**	**(10.012.477.475)**
1- Total Claims (Net of Reinsurer Share)		(8.801.451.061)	(6.660.641.570)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(5.224.109.420)	(4.685.750.924)
1.1.1- Gross Claims Paid (-)	17	(9.900.711.467)	(12.306.158.876)
1.1.2- Reinsurance Share of Claims Paid (+)	10,17	4.676.602.047	7.620.407.952
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(3.577.341.641)	(1.974.890.646)
1.2.1- Outstanding Claims Reserve (-)	17	502.650.279	(7.650.779.191)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10,17	(4.079.991.920)	5.675.888.545
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1- Bonus and Discount Reserve (-)		-	-
2.2- Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(203.561.276)	132.356.168
4- Operating Expenses (-)	32	(4.186.734.452)	(3.484.192.073)
5- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5.1- Mathematical Reserves (-)		-	-
5.2- Reinsurance Share of Mathematical Reserves (+)		-	-
6- Other Technical Expenses (-)		-	-
6.1- Gross Other Technical Expenses (-)		-	-
6.2- Reinsurance Share of Other Technical Expenses (+)		-	-

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

Millî Reasürans Türk Anonim Şirketi'nin

Unconsolidated Statement of Income
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

I- TECHNICAL SECTION	Note	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
C- Non-Life Technical Net Profit (A-B)		**(1.694.505.496)**	**185.336.437**
D- Life Technical Income		**62.119.444**	**19.587.604**
1- Earned Premiums (Net of Reinsurer Share)		35.429.875	15.442.369
1.1- Written Premiums (Net of Reinsurer Share)	17,24	73.127.468	19.127.110
1.1.1- Gross Written Premiums (+)	17,24	92.945.103	35.352.037
1.1.2- Ceded Premiums to Reinsurers (-)	10,17,24	(19.817.635)	(16.224.927)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(37.697.593)	(3.684.741)
1.2.1- Unearned Premium Reserves (-)	17	(38.762.083)	(11.557.846)
1.2.2- Unearned Premium Reserves Reinsurer Share (+)	10,17	1.064.490	7.873.105
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
1.3.1- Unexpired Risks Reserves (-)		-	-
1.3.2- Unexpired Risks Reserve Reinsurer Share (+)		-	-
2- Life Branch Investment Income		26.221.477	3.621.548
3- Unrealized Income from Investments		-	-
4- Other Technical Income (Net of Reinsurer Share) (+/-)	47	468.092	523.687
4.1- Gross Other Technical Income (+/-)		408.355	382.267
4.2- Reinsurance Share of Other Technical Income (+/-)		59.737	141.420
5- Accrued Subrogation and Salvage Income (+)		-	-

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

Unconsolidated Statement of Income
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

I- TECHNICAL SECTION	Note	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
E- Life Technical Expense		**(39.832.923)**	**(7.801.698)**
1- Total Claims (Net of Reinsurer Share)		(25.349.876)	(5.491.684)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(7.372.039)	(6.831.487)
1.1.1- Gross Claims Paid (-)	17	(10.894.560)	(9.400.117)
1.1.2- Claims Paid Reinsurer Share (+)	10,17	3.522.521	2.568.630
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(17.977.837)	1.339.803
1.2.1- Outstanding Claims Reserve (-)	17	(20.536.281)	(228.621)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10,17	2.558.444	1.568.424
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1- Bonus and Discount Reserve (-)		-	-
2.2- Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
3.1- Mathematical Reserves (-)		-	-
3.1.1- Actuarial Mathematical Reserve (-)		-	-
3.1.2- Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		-	-
3.2- Reinsurer Share of Mathematical Reserves (+)		-	-
3.2.1- Reinsurance Share of Actuarial Mathematical Reserve (+)		-	-
3.2.2- Reinsurance Share of Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(615.487)	2.485.278
5- Operating Expenses (-)	32	(13.867.560)	(4.795.292)
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non-Technical Part (-)		-	-
F- Life Technical Profit (D-E)		**22.286.521**	**11.785.906**
G- Individual Retirement Technical Income		**-**	**-**
1- Fund Management Fee		-	-
2- Management Fee Deduction		-	-
3- Initial Contribution Fee		-	-
4- Management Fee In Case Of Temporary Suspension		-	-
5- Withholding tax		-	-
6- Increase in Market Value of Capital Commitment Advances		-	-
7- Other Technical Income		-	-
H- Individual Retirement Technical Expense		**-**	**-**
1- Fund Management Expenses (-)		-	-
2- Decrease in Market Value of Capital Commitment Advances (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expense (-)		-	-
I- Individual Retirement Technical Profit (G-H)		**-**	**-**

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

Millî Reasürans Türk Anonim Şirketi'nin

Unconsolidated Statement of Income
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

II- NON-TECHNICAL SECTION	Note	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
C- Non-Life Technical Profit (A-B)		**(1.694.505.496)**	**185.336.437**
F- Life Technical Profit (D-E)		**22.286.521**	**11.785.906**
I - Individual Retirement Technical Profit (G-H)		**-**	**-**
J- Total Technical Profit (C+F+I)		**(1.672.218.975)**	**197.122.343**
K- Investment Income		**10.495.454.452**	**7.817.832.550**
1- Income From Financial Investment	4.2	1.254.247.652	361.117.238
2- Income from Sales of Financial Investments	4.2	357.202.721	399.078.515
3- Revaluation of Financial Investments	4.2	315.063.094	30.178.754
4- Foreign Exchange Gains	4.2	450.091.248	1.593.897.170
5- Income from Affiliates	4.2	536.502.944	355.585.374
6- Income from Subsidiaries and Joint Ventures	4.2	7.555.428.109	3.367.901.023
7- Income Received from Land and Building		(70.620)	1.596.134.475
8- Income from Derivatives	4.2	24.073.923	113.940.001
9- Other Investments		2.915.381	-
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expenses (-)		**(2.617.504.715)**	**(3.661.647.130)**
1- Investment Management Expenses (including interest) (-)	4.2	(4.165.831)	(577.324)
2- Valuation Allowance of Investments (-)		-	-
3- Losses On Sales of Investments (-)	4.2	(24.341.548)	(13.345.686)
4- Investment Income Transferred to Non-Life Technical Part (-)		(2.371.156.246)	(3.516.302.860)
5- Losses from Derivatives (-)	4.2	(5.039.473)	(6.884.346)
6- Foreign Exchange Losses (-)	4.2	(35.029.676)	(39.581.334)
7- Depreciation Expenses (-)	6,8	(38.489.252)	(28.018.645)
8- Other Investment Expenses (-)		(139.282.689)	(56.936.935)
M- Other Income and Expenses (+/-)		**(272.099.357)**	**(724.299.710)**
1- Provisions Account (+/-)	47	(329.836.302)	(153.684.528)
2- Discount account (+/-)	47	(9.580.145)	(45.990.646)
3- Mandatory Earthquake Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts (+/-)	21,35	53.365.094	-
6- Deferred Tax Expense Accounts (-)	21,35	-	(523.942.071)
7- Other Income and Revenues		14.105.598	2.964.787
8- Other Expense and Losses (-)		(153.602)	(3.647.252)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit/(Loss)		**5.933.631.405**	**3.629.008.053**
1- Profit/(Loss) Before Tax		5.933.631.405	3.629.008.053
2- Corporate Tax Liability Provision (-)		-	-
3- Net Profit (Loss)		5.933.631.405	3.629.008.053
4- Inflation Adjustment Account		-	-

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

Unconsolidated Statement of Cash Flows
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

	Note	Audited Current Period 1 January- December 31, 2024	Audited Prior Period 1 January- December 31, 2023
A- Cash flows from operating activities			
1- Cash provided from insurance activities		-	-
2- Cash provided from reinsurance activities		8.440.590.068	5.945.687.550
3- Cash provided from individual pension business		-	-
4- Cash used in insurance activities		-	-
5- Cash used in reinsurance activities		(7.278.392.053)	(7.755.263.218)
6- Cash used in individual pension business		-	
7- Cash provided by operating activities		**1.162.198.015**	**(1.809.575.668)**
8- Interest paid		-	-
9- Income taxes paid		(71.260.270)	(12.635.123)
10- Other cash inflows		99.994.028	103.862.492
11- Other cash outflows		(110.383.182)	(327.339.040)
12- Net cash provided by operating activities		**1.080.548.591**	**(2.045.687.339)**
B- Cash flows from investing activities			
1- Proceeds from disposal of tangible assets		30.000.000	-
2- Acquisition of tangible assets	6, 8	(57.340.226)	(193.733.421)
3- Acquisition of financial assets	11	(10.379.557.258)	(3.583.256.947)
4- Proceeds from disposal of financial assets	11	10.707.386.939	4.677.050.478
5- Interests received		909.839.685	394.917.543
6- Dividends received		12.036.885	5.550.035
7- Other cash inflows		431.015.891	1.030.289.961
8- Other cash outflows		(1.007.041.025)	(579.343.639)
9- Net cash provided by investing activities		**646.340.891**	**1.751.474.010**
C- Cash flows from financing activities			
1- Equity shares issued		-	-
2- Cash provided from loans and borrowings		-	-
3- Finance lease payments		(20.538.660)	(9.143.022)
4- Dividends paid		-	-
5- Other cash inflows		-	-
6- Other cash outflows		-	-
7- Net cash used in financing activities		**(20.538.660)**	**(9.143.022)**
D- Effect of exchange rate fluctuations on cash and cash equivalents		**60.170.261**	**2.173.039**
E- Net increase in cash and cash equivalents		**1.766.521.083**	**(301.183.312)**
F- Cash and cash equivalents at the beginning of the year	14	1.073.970.841	1.375.154.153
G- Cash and cash equivalents at the end of the year	**14**	**2.840.491.924**	**1.073.970.841**

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

Unconsolidated Statement of Changes in Equity
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

Audited - Changes in Equity - December 31, 2023

	Note	Paid in Capital	Equity Share Owned by Company (-)	Revaluations of Financial Assets	Inflation Adjustment on Capital	Translation Reserves
I- Balance at the end of the previous year - December 31, 2022		**660.000.000**	**-**	**775.959.399**	**-**	**86.654.441**
II- Change in Accounting Standards		**-**	**-**	**-**	**-**	**-**
III-Restated balances (I+II) -January 1, 2023		**660.000.000**	**-**	**775.959.399**	**-**	**86.654.441**
A- Capital increase		-	-	-	-	-
1- In cash		-	-	-	-	-
2- From reserves		-	-	-	-	-
B- Purchase of own shares		-	-	-	-	-
C- Gains or losses that are not included in the statement of income		-	-	-	-	-
D- Change in the value of financial assets	15	-	-	800.341.979	-	-
E- Currency translation adjustments		-	-	-	-	167.862.804
F- Other gains or losses		-	-	-	-	-
G- Inflation adjustment differences		-	-	-	-	-
H- Net profit for the year		-	-	-	-	-
I- Other reserves and transfers from retained earnings		-	-	-	-	-
J- Dividends paid		-	-	-	-	-
IV-Balance at the end of the period - December 31, 2023	**15**	**660.000.000**	**-**	**1.576.301.378**	**-**	**254.517.245**

Audited Changes in Equity - December 31, 2024

	Note	Paid in Capital	Equity Share Owned by Company (-)	Revaluations of Financial Assets	Inflation Adjustment on Capital	Translation Reserves
I- Balance at the end of the previous year - December 31, 2023		**660.000.000**	**-**	**1.576.301.378**	**-**	**254.517.245**
II- Change in Accounting Standards		**-**	**-**	**-**	**-**	**-**
III-Restated balances (I+II) - January 1, 2024		**660.000.000**	**-**	**1.576.301.378**	**-**	**254.517.245**
A- Capital increase		-	-	-	-	-
1- In cash		-	-	-	-	-
2- From reserves		-	-	-	-	-
B- Purchase of own shares		-	-	-	-	-
C- Gains or losses that are not included in the statement of income		-	-	-	-	-
D- Change in the value of financial assets	15	-	-	288.405.326	-	-
E- Currency translation adjustments		-	-	-	-	103.929.353
F- Other gains or losses		-	-	-	-	-
G- Inflation adjustment differences		-	-	-	-	-
H- Net profit for the year		-	-	-	-	-
I- Other reserves and transfers from retained earnings	15	-	-	-	-	-
J- Dividends paid		-	-	-	-	-
IV-Balance at the end of the period - December 31, 2024	**15**	**660.000.000**	**-**	**1.864.706.704**	**-**	**358.446.598**

(*) The amounts recognized directly in the equity of subsidiaries and affiliates accounted for using the equity method consist of the parent company's shares.

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

Audited - Changes in Equity - December 31, 2023

Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
261.812.474	122.747.456	1.892.479.923	888.619.766	367.662.204	5.055.935.663
-	-	-	-	-	-
261.812.474	122.747.456	1.892.479.923	888.619.766	367.662.204	5.055.935.663
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6.380.867	61.237.149	940.405.348	-	(533.054.083)	474.969.281
-	-	-	-	-	800.341.979
-	-	-	-	-	167.862.804
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3.629.008.053	-	3.629.008.053
43.974.913	-	38.123.053	(888.619.766)	806.521.800	-
-	-	-	-	-	-
312.168.254	183.984.605	2.871.008.324	3.629.008.053	641.129.921	10.128.117.780

Audited Changes in Equity - December 31, 2024

Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Profit/(Loss) for the Period	Previous Years' Profit/(Loss)	Total
312.168.254	183.984.605	2.871.008.324	3.629.008.053	641.129.921	10.128.117.780
-	-	-	-	-	-
312.168.254	183.984.605	2.871.008.324	3.629.008.053	641.129.921	10.128.117.780
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12.643.323	388.630.862	3.224.242.085		(3.604.709.211)	20.807.059
-	-	-	-	-	288.405.326
-	-	-	-	-	103.929.353
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5.933.631.405		5.933.631.405
-	-	-	(3.629.008.053)	3.629.008.053	-
-	-	-	-	-	-
324.811.577	572.615.467	6.095.250.409	5.933.631.405	665.428.763	16.474.890.923

Millî Reasürans Türk Anonim Şirketi'nin

Unconsolidated Statement of Profit Distribution
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

	Note	Audited Current Period December 31, 2024(*)	Audited Prior Period December 31, 2023
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT (*)		5.927.059.183	3.624.887.450
1.2. TAX AND FUNDS PAYABLE		-	-
1.2.1. Corporate Income Tax (Income Tax)		-	-
1.2.2. Income tax deduction		-	-
1.2.3. Other taxes and Duties		-	-
A. NET PROFIT (1.1 - 1.2)		**5.927.059.183**	**3.624.887.450**
1.3. PREVIOUS PERIOD LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE		-	-
1.5. STATUTORY FUND (-) (***)		-	-
B. NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5)]		**5.927.059.183**	**3.624.887.450**
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1. Holders of shares		-	-
1.6.2. Holders of Preferred shares		-	-
1.6.3. Holders of Redeemed shares		-	-
1.6.4. Holders of Participation Bond		-	-
1.6.5. Holders of Profit and Loss sharing certificate		-	-
1.7. DIVIDEND TO PERSONNEL (-)		-	-
1.8. DIVIDENDS TO FOUNDERS (-)		-	-
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.9.1. Holders of shares		-	-
1.9.2. Holders of Preferred shares		-	-
1.9.3. Holders of Redeemed shares		-	-
1.9.4. Holders of Participation Bond		-	-
1.9.5. Holders of Profit and Loss sharing certificate		-	-
1.10. SECOND LEGAL RESERVE (-)		-	-
1.11. STATUTORY RESERVES (-)		-	-
1.12. EXTRAORDINARY RESERVES		-	-
1.13. OTHER RESERVES		-	-
1.14. SPECIAL FUNDS (**)		-	-
II. DISTRIBUTION OF RESERVES			-
2.1. DISTRIBUTION OF RESERVES		-	-
2.2. SECOND LEGAL RESERVES (-)		-	-
2.3. COMMON SHARES (-)		-	-
2.3.1. Holders of shares		-	-
2.3.2. Holders of Preferred shares		-	-
2.3.3. Holders of Redeemed shares		-	-
2.3.4. Holders of Participation Bond		-	-
2.3.5. Holders of Profit and Loss sharing certificate		-	-
2.4. DIVIDENDS TO PERSONNEL (-)		-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. PROFIT PER SHARE			-
3.1. HOLDERS OF SHARES		-	0,0550
3.2. HOLDERS OF SHARES (%)		-	5,50
3.3. HOLDERS OF PREFERRED SHARES		-	-
3.4. HOLDERS OF PREFERRED SHARES (%)		-	-
IV. DIVIDEND PER SHARE			-
4.1. HOLDERS OF SHARES		-	-
4.2. HOLDERS OF SHARES (%)		-	-
4.3. HOLDERS OF PREFERRED SHARES		-	-
4.4. HOLDERS OF PREFERRED SHARES (%)		-	-

(*) The distribution of the period's profit is under the authority of the General Assembly, the company's governing body. Since the General Assembly meeting for the fiscal year 2024 (January 1 - December 31, 2024) has not yet been held as of the date of preparation of the financial statements, the profit distribution table for 2024 has not been prepared. In the period profit for December 31, 2024, an amount of TRY 6,572,222 (December 31, 2023: TRY 4,120,603), derived from 25% of the real estate sale income under Article 5/1-e of the Tax Procedure Law, has not been included in the distribution, as it is allocated under the "Non-Distributable Period Profit" item within equity.

(**) Due to the fact that 20% of the company's capital has been reached, no legal reserves have been set aside. Net profit from the previous period was not distributed and was transferred to previous year's profits.

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

(Currency: Turkish Lira (TL))

1 General information

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

The shareholder having direct or indirect control over the shares of Millî Reasürans Türk Anonim Şirketi ("the Company") is Türkiye İş Bankası AŞ Group ("İş Bankası") having 87,60 % of the outstanding shares.

The Company was established in February 26, 1929 and has been operating since in July 19, 1929.

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

The Company was registered in Turkey in July 16, 1929 and has the status of 'Incorporated Company'. The address of the Company's registered office is "İş Kuleleri, Kule 3, Kat:20-21-22-24, 34330 Levent, Beşiktaş, İstanbul "

1.3 Main operations of the Company

The Company is primarily engaged in reinsurance and retrocession businesses in domestic and international markets. In 2007, the Company opened a branch in Singapore upon the completion of the necessary local formalities according to the local legislation. Singapore branch has been operating since 2008.

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

The Company conducts its operations in accordance with the Insurance Law No. 5684 ("the Insurance Law") issued in June 14, 2007 dated and 26552 numbered Official Gazette and the communiqués and other regulations in force issued by Republic of Turkey Ministry of Treasury and Finance based on the Insurance Law.

The purpose and activities of the Company as stated at the Articles of Association of the Company are as follows:

- Providing life and non-life reinsurance and other related products and services in all insurance branches and sub-branches to Turkish and foreign insurance companies;
- Managing and participating in reinsurance operations of Pools,
- Purchasing, selling, constructing and renting real estates,
- Purchasing debt instruments and shares issued by all sorts of commercial, industrial and financial institutions and government agencies as well as providing capital or participating in the establishment of such institutions to provide a consistent, secure and adequate financial income,
- In addition to these, carrying out other operations upon recommendation by the Board of Directors and resolution of the General Meeting which are deemed to be beneficial and material for the Company and are not prohibited by the law.

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

The average number of the personnel during the year in consideration of their categories is as follows:

	December 31, 2024	December 31, 2023
Top executive	13	5
Managers	17	28
Officers	128	129
Contracted personnel	1	1
Other personnel	8	11
Total	**167**	**174**

1.6 Remuneration and similar benefits provided to top management

For the year ended December 31, 2024, wages and similar benefits provided to the top management including chairman, members of the board of the directors, general manager, general coordinator, group managers and deputy general managers is amounting to TL 67.489.136 (December 31, 2023: TL 30.079.287).

(Currency: Turkish Lira (TL))

1.7 Keys used in the distribution of investment income and operating expenses (personnel, administrative, research and development, marketing and selling, services rendered from third parties 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 January 4, 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 Republic of Turkey Ministry of Treasury and Finance.

In accordance with the above-mentioned Communiqué, insurance and reinsurance companies are allowed to transfer technical section operating expense to insurance section through methods determined by Republic of Turkey Ministry of Treasury and Finance or by the Company itself. In accordance with the approval of the Undersecretariat of Republic of Turkey Ministry of Treasury and Finance, dated March 6, 2008 and numbered 10222, known and exactly distinguishable operating expenses are distributed to related branches directly and services rendered from third parties and other operating expenses in accordance with the gross premiums written for the last three years.

Income from the assets invested against non-life technical provisions is transferred to technical section from non-technical section; remaining income is transferred to the non-technical section. Income is distributed to the sub-branches in accordance with the percentage calculated by dividing "net cash flow" to the "total net cash flow", net cash flow being net of reinsurer share and calculated by deducting net losses paid from net written premiums.

Income from the assets invested against mathematical provisions is recorded under technical section; remaining income is transferred to the non-technical section.

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

The accompanying financial statements comprise the unconsolidated financial information of the Company. and financial information of Singapore Branch as further discussed in note 2.2 - Consolidation, the Company has prepared consolidated financial statements As of December 31, 2024 separately.

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

Trade name of the Company	:	Millî Reasürans Türk Anonim Şirketi
Registered address of the head office	:	İş Kuleleri, Kule 3, Kat: 20-21-22-24 34330 Levent, Beşiktaş,/İstanbul
The web page of the Company:	:	www.millire.com

1.10 Subsequent events

The unconsolidated financial statements prepared as of December 31, 2024 were approved by the Company's Board of Directors on February 28, 2025.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The Company prepares its unconsolidated financial statements in accordance with the Insurance Law and the regulations issued by the Insurance and Private Pension Regulation and Supervision Authority ("SEDDK"). Prior to the establishment of the SEDDK and the commencement of its regulatory activities in the insurance sector, the financial reporting regulations for the insurance industry were published by the Ministry of Treasury and Finance. In preparing the unconsolidated financial statements, the regulations regarding accounting and financial reporting in force under insurance legislation, along with the provisions of the Turkish Financial Reporting Standards ("TFRS") for matters not addressed by the regulations, are followed. The "Insurance Accounting and Financial Reporting Legislation" serves as the basis for this.

The principles for the preparation of the unconsolidated financial statements are regulated in accordance with the Insurance Chart of Accounts, which is included in the Insurance Chart of Accounts and Explanations Communiqué (Insurance Accounting System Communiqué No: 1) published by the Ministry of Treasury and Finance in the Official Gazette No. 25686, dated December 30, 2004, and the Sector Announcement regarding the Opening of New Account Codes in the Insurance Chart of Accounts No. 2011/14, dated December 27, 2011. The format and content of the prepared financial statements, along with their disclosures and notes, are determined in accordance with the Financial Statements Presentation Communiqué published in the Official Gazette No. 26851, dated April 18, 2008, and the Sector Announcement on the Presentation of Financial Statements with New Account Codes No. 2012/7, dated May 31, 2012.

As of December 31, 2024, and December 31, 2023, the Company accounts for its operations in line with the "Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" published on July 14, 2007, and effective from January 1, 2008, as well as the related regulation and the Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting, and Auditing Standards Authority ("KGK") and other regulations, announcements, and circulars published by the Ministry of Treasury and Finance of the Republic of Turkey regarding accounting and financial reporting principles. Based on the Ministry of Treasury and Finance's letter No. 9, dated February 18, 2008, TMS 1 "Presentation of Financial Statements," TMS 27 "Consolidated and Separate Financial Statements," TFRS 1 "First-time Adoption of TFRS," and TFRS 4 "Insurance Contracts" were excluded from the scope of this application. Additionally, the application of TFRS 17 "Insurance Contracts," TFRS 9 "Financial Instruments," and TFRS 15 "Revenue from Contracts with Customers" standards has been postponed within the framework of subsequent regulations issued under the insurance legislation.

As of December 31, 2024, the Company has calculated its technical provisions related to insurance in accordance with the "Regulation on Technical Provisions of Insurance and Reinsurance and Pension Companies and the Assets in Which These Provisions Shall Be Invested" (the "Technical Provisions Regulation") issued within the framework of the Insurance Law No. 5684, as amended by the changes published in the Official Gazette No. 27655 on July 28, 2010, and by the amendments published in the Official Gazette No. 28356 on July 17, 2012. These provisions have been reflected in the financial statements in accordance with the relevant legislation.

Accounting in hyperinflationary countries

Financial statements of the Turkish entities have been restated for the changes in the general purchasing power of the Turkish Lira based on "TAS 29 - *Financial Reporting in Hyperinflationary Economies*" as at December 31, 2004. *TAS 29* requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date, and that corresponding figures for previous years be restated in the same terms. With respect to the declaration of Republic of Turkey Ministry of Treasury and Finance with the article dated April 4, 2005 and numbered 19387, financial statements as of December 31, 2004 are adjusted for the opening balances of 2005 in accordance with the section with respect to inflation accounting of the Capital Markets Board ("CMB") Communiqué No: 25 of Series XI, "Communiqué on Accounting Standards in Capital Market" published in the Official Gazette dated January 15, 2003 and numbered 25290. Inflation accounting is no longer applied starting from January 1, 2005, in accordance with the same declaration of Republic of Turkey Ministry of Treasury and Finance. Accordingly, as at September 30, 2024, non-monetary assets and liabilities and items included in shareholders' equity including paid-in capital recognized or recorded before January 1, 2005 are measured as restated to December 31, 2004 in order to reflect inflation adjustments. Non-monetary assets and liabilities and items included in shareholders' equity including paid-in capital recognized or recorded after January 1, 2005 are measured at their nominal values.

The Public Oversight, Accounting, and Auditing Standards Authority (KGK), in its announcement dated November 23, 2023, regarding "The Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit," stated that businesses applying the Turkish Financial Reporting Standards (TFRS) should present their financial statements for annual reporting periods ending on or after December 31, 2023, adjusted for the effects of inflation under TAS 29. However, it also clarified that institutions or organizations authorized to regulate and supervise specific sectors could set different transition dates for the application of TAS 29 provisions. In response to KGK's announcement, the Insurance and Private Pension Regulation and Supervision Authority (SEDDK) issued a circular on December 6, 2023 (Circular No. 2023/30) stating that insurance, reinsurance, and pension companies' financial statements as of December 31, 2023, would not be subject to inflation adjustments under TAS 29. Subsequently, with the issuance of Circular No. 2024/10 on March 11, 2024, the transition date for the implementation of inflation accounting for insurance, reinsurance, and pension companies was set for January 1, 2025. However, with the publication of Circular No. 2024/32 on December 6, 2024, Circular No. 2024/10 was repealed, and it was decided that inflation accounting would not be applied by insurance, reinsurance, and pension companies in 2025. As a result, TAS 29 has not been applied in the unconsolidated financial statements of the Company for the years ended December 31, 2024, and 2023.

2.1.2 Other related accounting policies appropriate for the understanding of the financial statements

Other accounting policies

The Company recorded premiums, commissions and claims accruals based on the notifications sent by the insurance and reinsurance companies after the closing of their balances. Premiums, commissions and claims accruals are recorded in the accompanying financial statements with the three-month delay. Therefore, related income statement balances include last quarter results for the year ended December 31, 2023 and nine-month results as at and for the period ended September 30, 2024 and accordingly related balance sheet balances As of December 31, 2024 do not reflect the actual position. According to the letter dated August 31, 2010 and numbered B.02.1.HZN.0.10.03.01/42139 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, it is stated that account statements sent by the ceding companies are subject to possible delays and Republic of Turkey Ministry of Treasury and Finance is considered special situations of the reinsurance companies in their regulations.

Information regarding other accounting polices is disclosed above in "Note 2.1.1 - *Information about the principles and the specific accounting policies used in the preparation of the financial statements*" and each under its own caption in the following sections of this report.

2.1.3 Current and presentation currency

The accompanying unconsolidated financial statements are presented in TL, which is the Company's functional currency.

2.1.4 Rounding scale of the amounts presented in the financial statements

Financial information presented in TL, has been rounded to the nearest TL values.

2.1.5 Basis of measurement used in the preparation of the financial statements

The accompanying financial statements are prepared on the historical cost basis as adjusted for the effects of inflation that lasted until December 31, 2004, except for the financial assets held for trading, available-for-sale financial assets, derivative financial instruments, self-used buildings and investment properties recorded in tangible assets and associates which are measured at their fair values unless reliable measures are available.

2.1.6 Accounting policies, changes in accounting estimates and errors

Accounting of fire and earthquake premiums obtained from foreign reinsurance treaties on the basis of branches

Fire and earthquake premiums obtained from foreign reinsurance treaties could not accounted on the basis of branches in the previous years due to limitations imposed by local legislation of the foreign countries, notification characteristics of the treaties and total premiums used by foreign companies in the reconciliation process. Therefore, all premiums obtained from aforementioned treaties are accounted on the fire branch. According to the letter dated August 2, 2011 and numbered B.02.1.HZN.0.10.03.01/38732 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, it is allowed to use average rate calculated over separately reported fire and earthquake premiums for unclassified premiums of proportioned treaties. Furthermore, according to the letter dated August 12, 2011 sent by the Republic of Turkey Ministry of Treasury and Finance to the Company, prospective application as at June 30, 2011 effective from January 1, 2011 is allowed since retrospective application is impossible. Accordingly, financial statements prepared As of December 31, 2024, premiums obtained from foreign proportioned treaties are accounted on the basis of average earthquake premium ratio calculated from foreign proportioned treaties over the period of January 1 - December 31, 2023. The same ratio is used for unproportioned reinsurance treaties in accordance with the Communiqué released on July 28, 2010 and numbered 27655 "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves". Distribution of commissions and claims between the fire and earthquake branches is parallel with the aforementioned method.

According to the letter dated January 12, 2012 and numbered B.02.1.HZN.0.10.03.01/854 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, determination of final claims for the last business year used in IBNR calculation has been changed as at December 31, 2011. Accordingly, the final premium amount earned for the last business year is determined by considering premium development factors since premiums may be accrued in the following years under the terms of the agreements. Based on the calculated final premium amount of the last business year, unearned premium reserves and earned premiums are determined. Aforementioned earned premium amount is multiplied by the average of claim/premium ratio of the previous years to determine final claims amount of the last business year. IBNR is calculated by subtracting the paid and reported claims of the last business year from the final claims amount determined by the aforementioned method. In addition, IBNR amounts reported by sedan companies are taken into consideration and in order to prevent duplicate provision; paid claims, outstanding claims reserve and premiums of reported claims are excluded from the data set used in the calculation of IBNR. The Company determined final IBNR amount by adding reported IBNR amounts to IBNR amounts calculated from the data prepared in accordance with the principals mentioned above.

According to 16th article of "Circular on Actuarial Chain Ladder Method (2010/12)" dated September 20, 2010 and announced by Republic of Turkey Ministry of Treasury and Finance, ACML calculation should be made through main branches. However, as at December 31, 2012, the Company has calculated ACML reserve for General Damages main branch as two separate subbranches namely agriculture and non-agriculture branches. Because Agriculture and Engineering subbranches under General Damages main branch have different characteristics in conversion process of outstanding losses to paid losses, IBNR calculation of General Damages branch produces unreliable and improper results. The Company applied to Republic of Turkey Ministry of Treasury and Finance on January 17, 2013 with letter numbered 300, so as to receive permission to calculate IBNR reserve for General Damages branch as agriculture and non-agriculture subbranches separately. Republic of Turkey Ministry of Treasury and Finance has given permission the Company in order to calculate IBNR reserve for General Damages within two subbranches with the letter dated January 28, 2013 and numbered 24179134. As of March 31, 2024, the Company recognised the amount that arose due to change in calculation method for IBNR on General Damages branch.

Changes in accounting policies or accounting errors are applied retrospectively, and prior year financial statements are adjusted accordingly. If estimated changes in accounting policies are only for one period, changes are applied on the current year but if estimated changes are for the following periods, changes are applied both on the current and following years prospectively.

Critical accounting judgements used in applying the Company's accounting policies are explained in 3 - *Significant accounting estimates and requirements*.

2.2 Consolidation

Circular Related to the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance in the Official Gazette dated December 31, 2008 and numbered 27097 ("the Circular for Consolidation") requires that insurance, reinsurance and individual pension companies issue consolidated financial statements starting from March 31, 2009.

In this framework, separate consolidated financial statements are issued through consolidating financial statements of Anadolu Hayat Emeklilik Anonim Şirketi (Anadolu Hayat), which is an affiliate, and Miltaş A.Ş, which is a subsidiary, according to equity method and financial statements of Anadolu Anonim Türk Sigorta Şirketi (Anadolu Sigorta), which is an affiliate, in line with full consolidation method.

The Company recognizes its subsidiaries and affiliates through using equity method with respect to TAS 27 - "Consolidated and Separate Financial Statements" during the preparation of separate financial statements in line with "Sector Announcement regarding Recognition of Subsidiaries, Jointly Controlled Partnerships and Affiliates of Insurance and Reassurance and Pension Companies" dated August 12, 2008 and numbered 2008/36 by Republic of Turkey of Ministry of Treasury and Finance.

2.3 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Board of Directors (being chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. As of December 31, 2023, the Company operates in life and non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market.

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 dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and all exchange differences, except for those arising on the translation of the fair value change of available-for-sale financial assets, are offset and are recognized as foreign exchange gains or losses.

Foreign currency exchange differences of unrecognized gains or losses arising from the difference between their fair value and the discounted values calculated per effective interest rate method of foreign currency available-for-sale financial assets are recorded in "Revaluation of financial assets" under equity and the realized gain or losses are recognized directly in the statement of income.

2.5 Tangible assets

Tangible assets of the Company except for buildings for own use are recorded at their historical costs that have been adjusted for the effects of inflation until the end of December 31, 2004. There have been no other inflationary adjustments for these tangible assets for the following years and therefore they have been recorded at their costs restated for the effects of inflation until December 31, 2004. Tangible assets that have been purchased after January 1, 2005 have been recorded at their costs after deducting any exchange rate differences and finance expenses less impairment losses if any.

With the decision of the Board of Directors dated August 25, 2023, it was decided that the real estate assets held for operational and investment purposes, which are registered in the Company's assets, would be transferred to Miltaş Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, as capital through a partial demerger, in accordance with Articles 19 and 20 of the Corporate Tax Law and Articles 159 to 179 of the Turkish Commercial Code, based on the tax financial statements prepared according to the Tax Procedure Law (VUK). In return for the capital contribution, shares to be issued due to the capital increase will be allocated to the Company. As of December 31, 2023, the fair value of the real estate transferred is 4,613,156,000 TRY.

Increase of revaluation results in the carrying value of use of land and building account in equity in the balance sheet under "Other Capital Account" as the net of tax effects. As a result of the evaluation of real estate an increase on the corresponding impairments are deducted from the fund; all other decrease is reflected the profit/loss account.

(Currency: Turkish Lira (TL))

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net carrying value and the proceeds from the disposal of related tangible assets and reflected to the statement of income of the related period.

Land is not depreciated due to its indefinite life. Depreciation is allocated based on the useful life of tangible assets at cost or revalued amounts of tangible assets by using the straight-line method basis.

Maintenance and repair costs incurred in the ordinary course of the business are recorded as expense.

There are no pledges, mortgages and other encumbrances on tangible fixed assets.

There are no changes in accounting estimates that have significant effect on the current period or that are expected to have significant effect on the following periods.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of tangible assets at cost.

Depreciation rates and estimated useful lives are as follows:

Tangible assets	Estimated useful lives (years)	Depreciation rates (%)
Machinery and equipment	3 - 15	6,7 - 33,3
Vehicles	5	20,0
Other tangible assets (includes leasehold improvements)	5	20,0
Tangible assets acquired through financial leasing	4-5	20,0-25,0

2.6 Investment property

Investment properties are held either to earn rentals and/or for capital appreciation or for both.

In the event of investment property of first registration is measured on fair value including transaction costs after measured at cost. The changes which result of fair value valuation recognised in the income statement.

Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the period of retirement or disposal.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The fair value on the date of change in the usage is considered as cost in the reclassification recognition when investment property that measured with fair value is reclassified as a tangible asset.

With the decision of the Board of Directors dated August 25, 2023, it was decided that the real estate assets held for operational and investment purposes, which are registered in the Company's assets, would be transferred to Miltaş Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, as capital through a partial demerger, in accordance with Articles 19 and 20 of the Corporate Tax Law and Articles 159 to 179 of the Turkish Commercial Code, based on the tax financial statements prepared according to the Tax Procedure Law (VUK). In return for the capital contribution, shares to be issued due to the capital increase will be allocated to the Company. As of December 31, 2023, the fair value of the real estate transferred is 4,613,156,000 TRY.

2.7 Intangible assets

The Company's intangible assets consist of computer software.

Intangible assets are recorded at cost in compliance with the "TAS 38 - Accounting for intangible assets". The cost of the intangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Amortization is charged on a straight-line basis over their estimated useful lives (3-15 years) over the cost of the asset.

Costs associated with developing or maintaining computer software programs are recognized as expense when incurred. Costs that are directly associated with the development of identifiable and unique software products that are controlled by the Company and will probably provide more economic benefits than costs in one year are recognized as intangible assets. Costs include software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding three years).

2.8 Financial assets

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 favourable to the entity.

Securities are recognized and derecognized at the date of settlement.

Financial assets are classified in four categories; as financial assets held for trading, available-for-sale financial assets, held to maturity 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.

Available-for-sale financial assets are the financial assets other than assets held for trading purposes, held-to-maturity financial assets and loans and receivables.

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. Assets that are not traded in an active market are measured by 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 statement of income.

The determination of fair values of financial instruments not traded in an active market is determined by using valuation techniques. Observable market prices of the quoted financial instruments which are similar in terms of interest, maturity and other conditions are used in determining the fair value.

Equity Shares which are classified as available-for-sale financial assets in an active market (stock exchange) are reflected to the consolidated financial statements with their fair values by taking into consideration the registered prices in the active market. Shares that are not traded in an active market are followed at acquisition costs and are shown in the consolidated financial statements at their cost value after the provision for impairment losses, if any.

Subsidiaries are the entities that the Company has the power to govern the financial and operating policies of those so as to obtain benefits from its activities. The Company prepares its individual financial statements and accounts for its investments in subsidiaries and associates using the equity method defined in ‘TAS 27 - *Consolidated and Separate Financial Statements Standard*’.

2.9 Impairment on assets

Impairment on financial assets

Financial assets or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Company estimates the amount of impairment. Impairment loss incurs if, and only if, 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 incur due to future events are not recognized even if the probability of loss is high.

Loans and 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 financial assets that are debt securities, the reversal is recognized in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

Impairment on tangible and intangible assets

On each balance sheet date, the Company evaluates whether there is an indication of impairment of fixed assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the "*TAS 36* - Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Rediscount and provision expenses of the year are detailed in *Note 47*.

2.10 Derivative financial instruments

As of the reporting date, the Company have derivative financial instruments. Derivative instruments are treated as held for trading financial assets in compliance with the standard TAS 39 - *Financial Instruments: Recognition and measurement*.

Derivative financial instruments are initially recognized at their fair value.

The receivables and liabilities arising from the derivative transactions are recognized under the off-balance sheet accounts through the contract amounts.

Derivative financial instruments are subsequently remeasured at fair value and positive fair value differences are presented either as "financial assets held for trading" and negative fair value differences are presented as "other financial liabilities" in the accompanying financial statements. All unrealized gains and losses on these instruments are included in the statement of income.

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 Reporting Standards, or for gains and losses arising from a group of transactions resulting from the Company's similar activities like trading transactions.

2.12 Cash and cash equivalents

Cash and cash equivalents, which is the basis for the 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 3 months which are ready to be used by the Company or not blocked for any other purpose.

(Currency: Turkish Lira (TL))

2.13 Capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group by having 87,60% of the outstanding shares of the Company. As of December 31, 2024, and 2023, the share capital and ownership structure of the Company are as follows:

	December 31, 2024		December 31, 2023	
Name	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Axa Hayat ve Emeklilik A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid in capital	**660.000.000**	**100,00**	**660.000.000**	**100,00**

Sources of the capital increases during the year

None.

Privileges on common shares representing share capital

There are no privileges on common shares representing share capital.

Registered capital system in the Company

None.

Repurchased own shares by the Company

None.

2.14 Insurance and investment 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.

The Company acts as a reinsurer when writing insurance from an insurance Company (cedent) on the basis of reinsurance contracts and cedes insurance business to another retrocessionaire (the retrocedant) on the basis of retrocession contracts.

As of the reporting date, the Company does not have a 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.

(i) that 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; and

(iii) that 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 or
- *(3)* the profit or loss of the Company, Fund or other entity that issues the contract,

As of balance sheet date, the Company does not have any insurance or investment contracts that contain a discretionary participation feature.

2.16 Investment contracts with discretionary participation feature

As of the reporting date, the Company does not have any insurance contracts and investment contracts without discretionary participation feature.

2.17 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.

2.18 Income taxes

Corporate Tax

Amendments were made to the Corporate Tax Law No. 5520 with a Law submitted to the Grand National Assembly of Turkey on 5 July 2023 and published in the Official Gazette dated 15 July 2023. According to this; the corporate tax rate has been increased from 25% to 30% for banks, Companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, starting from the declarations that will be submitted as of 1 October 2023.

The corporate tax rate is applied to the net corporate income to be found as a result of adding expenses that are not deducted in accordance with tax laws to the commercial income of corporations, deducting the exceptions and deductions contained in tax laws. If the profit is not distributed, no other tax is paid.

No withholding is made from dividends (dividends) paid to institutions that receive income through a workplace or permanent representative in Turkey, as well as institutions located in Turkey. A withholding tax of 10% is applied on dividend payouts made to institutions other than these. In the application of withholding rates related to profit distributions made to narrow taxpayer institutions and natural persons, the practices contained in the relevant Double Taxation Prevention Agreements are also taken into account. The addition of profit to capital is not considered a profit distribution and withholding is not applied.

Temporary taxes are paid by calculating the corporate tax rate to which their earnings are subject that year. Temporary taxes paid during the year can be deducted from the corporate tax calculated on the annual corporate tax return of that year.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to 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.

As per the Article 17 of the Omnibus Law published in the Official Gazette dated December 28, 2023, Banks, companies within the scope of the Law on Financial Leasing, Factoring, Financing and Savings Finance Companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will apply inflation accounting in accordance with the Tax Procedure Law as of December 31, 2023, and the profit/loss difference arising from the inflation adjustment made in the 2024 and 2025 accounting periods, including the temporary tax periods, will not be taken into account in the determination of the tax base.

In September 2023, the Public Oversight, Accounting, and Auditing Standards Authority (KGK) published amendments to TAS 12, which introduced a mandatory exception regarding the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. These changes were implemented to apply the rules of the OECD's Pillar Two Model to tax laws that have been enacted or are close to being enacted, ensuring that income arising from such tax laws is subject to TAS 12. The amendments also introduce specific disclosure requirements for businesses affected by these tax laws. The exception, stating that information about deferred taxes under these laws will neither be recognized nor disclosed, applies as of the publication of the amendment. The Pillar Two regulations, which have been agreed upon by OECD member countries, came into effect in Turkey with the publication of Law No. 7524 on August 2, 2024, in the Official Gazette, amending certain tax laws and the Decree Law No. 375. While secondary legislation has not yet been issued, preliminary assessments, taking into account the regulations published by the OECD, suggest that these regulations are not expected to have any impact on the financials. However, legislative changes in Turkey and the other countries in which the company operates are being closely monitored.

With the laws published in the Official Gazette dated August 2, 2024, the Domestic Minimum Corporate Tax has been enacted. This tax will be applied starting from the 2025 fiscal year. The "Minimum Corporate Tax" provision introduced by Law No. 7524 stipulates that the calculated corporate tax, before any deductions and exemptions, cannot be less than 10% of the corporate income. This regulation will come into effect as of the publication date to be applied to corporate income for the 2025 taxation period. Additionally, the 23rd Corporate Tax General Communiqué has been published regarding this matter.

Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated November 18, 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Deferred tax

In accordance with TAS 12 - *Income taxes*, deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

Deferred tax assets and liabilities are reported as net in the financial statements if, and only if, the Company has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity.

If the valuation differences resulting from the valuation of assets are recognized in the income statement, the corporate income tax and deferred tax income or expense related to them are also recognized in the income statement. If the valuation differences resulting from the valuation of the related assets are directly accounted for in the equity accounts, the related tax effects are also directly accounted for in the equity accounts. Temporary taxes are paid by calculating the corporate tax rate to which their earnings are subject that year. Temporary taxes paid during the year can be deducted from the corporate tax calculated on the annual corporate tax return of that year.

As of December 31, 2024, the applicable corporate tax rate is 30%, therefore 30% tax rate was used for the calculation. (December 31, 2023: 30%)

2.19 Employee benefits

Pension and other post-retirement obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee and his/her dependants will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Employees of the Company are the members of "Milli Reasürans Türk Anonim Şirketi Emekli ve Sağlık Sandığı Vakfı ("Milli Reasürans Pension Fund") which is established in accordance with the temporary Article 20 of the Social Security Act No: 506.

(Currency: Turkish Lira (TL))

As per the temporary sub article No: 20 of the Article 73 of the Social Security Law, pension funds should be transferred to the Social Security Institution within three years after the publication of the aforementioned Law published in the Official Gazette numbered 26870 and dated May 8, 2008. Decree of the Council of Ministers about two years extending transfer duration, was published in the Official Gazette on April 9, 2011. Based on this, expiration date has been extended to May 8, 2013 from the expiration date on May 8, 2011. On March 8, 2012, "Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees" numbered 28227, was published on Official Gazette and 4th article of this act changed "two years" phrase as "four years" which takes part on second sentence of first clause of 20th article of the code numbered 5510. Also, under the scope of Decree of the Council of Ministers numbered 2013/4617 was published on Official Gazette numbered 28636, on May 3, 2013 and 20th temporary article of the Social Security Laws numbered 506 banks, insurance and reinsurance companies, chambers of commerce, stock markets or participants of pension funds and salary or income provided ones and their shareholders' transfer duration has been extended one year to the Social Security Institution by Decree of the Council of Ministers.

Employees of the Company are the members of "Milli Reasürans Türk Anonim Şirketi Memurları Emekli ve Sağlık Sandığı ("Milli Reasürans Pension Fund") which is established in accordance with the temporary Article 20 of the Social Security Act No: 506. As per the temporary sub article No: 20 of the Article 73 of the Social Security Law, pension funds should be transferred to the Social Security Institution within three years after the publication of an aforementioned Law published in the Official Gazette numbered 26870 and dated May 8, 2008. The related three-year transfer period has been prolonged for two years by the Cabinet decision, which was published on the Official Gazette dated April 9, 2011. Accordingly, the three-year period expired on May 8, 2011 was extended to May 8, 2015.

Lastly, first paragraph of temporary 20th article of 5510 numbered Law, article 51 of the law regarding changing of several laws and delegated legislations and the law of occupational health and safety which are published in April 23, 2015 dated Official Gazette is changed as following.

Funds participating, pensioned or endowed and beneficiaries of the established funds for the personnel of banks, insurance and reinsurance companies, chambers of commerce, chamber of industries, stock exchanges or is organized by them under the temporary 20th article of law no. 506, Council of Ministers is entitled to determine the date of transfer to Social Security Institution. As of the transfer date, fund participatings are regarded as social insurant in accordance with the (a) subclause of first sub articles of 4th article of related law.

In accordance with the Act, as of the transfer date, present value of the liabilities will be determined by considering the income and expense of the pension fund.

The cash value of the obligations of the pension fund for each member of the fund including members left the fund as of the transfer date will be calculated according to following assumptions:

a) Technical deficit rate of 9,80% shall be used in the actuarial calculation of the value in cash, and
b) Gains and losses of the funds stems from benefits covered by the aforementioned Law taken into accounts to calculate present value of the obligations.

Employee termination benefits

In accordance with existing Turkish Labour 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. The applicable ceiling amount As of December 31, 2024 is TL 41.828,42 (December 31, 2023: TL 23.489,83).

The Company accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 - *Employee Benefits*. After the revision of TAS 19, as the amount of actuarial gain and loss are presented under the other profit reserves, which were previously shown under the income statement. The major actuarial assumptions used in the calculation of the total liability As of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Discount rate	3,98%	3,28%
Expected rate of salary/limit increase	21,85%	19,65%
Estimated employee turnover rate	2,89%	2,81%

Expected rate of salary/limit increase above was determined according to the government's annual inflation forecasts.

Other benefits

The Company has provided for undiscounted short-term employee benefits earned during the year as per services rendered in compliance with *TAS 19* in the accompanying financial statements.

2.20 Provisions

A provision is made 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 statements.

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.

2.21 Revenue recognition

Written premiums

Written premiums represent premiums taken from insurance and reinsurance companies as a reinsurance Company. Premiums ceded to retrocession companies are accounted as "written premiums, ceded" in the profit or loss statement. Written premiums are recorded upon the receipt of quarterly statements of accounts from ceding companies in treaties whereas facultative accounts are registered upon the receipt of monthly payrolls.

Claims paid

Claims paid represent payments of the Company as a reinsurance Company when risks taken from insurance and reinsurance companies are realized. Claims are recognised as expense upon the receipt of notifications. Notifications have not specific periods and depend on the initiative of the insurance and reinsurance companies.

Commission income and expenses

As further disclosed in Note 2.24 - *Reserve for unearned premiums*, commissions paid to the insurance and reinsurance companies as a reinsurance Company and the commissions received from the reinsurance companies are recognized over the life of the contract by deferring commission income and expenses within the calculation of reserve for unearned premiums for the policies produced before January 1, 2008 and recognizing deferred commission income and deferred commission expense in the financial statements for the policies produced after January 1, 2008.

Interest income and expenses

Interest income and expense are recognized using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. 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.

Trading income/expense

Trading income/expense includes gains and losses arising from disposals of financial assets held for trading purpose and available-for-sale financial assets. Trading income and trading expenses are recognized as "Income from disposal of financial assets" and "Loss from disposal of financial assets" in the accompanying unconsolidated financial statements.

Dividends

Dividend income is recognized when the Company's right to receive payment is ascertained.

2.22 Leasing transaction

Tangible assets acquired by way of finance leasing are recognised in tangible assets and the obligations under finance leases arising from the lease contracts are presented under finance lease payables account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realisable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

Set out below are the new accounting policies of the Company upon adoption of TFRS 16.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (for example, as of the date on which the relevant asset is eligible for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use asset includes the following:
(a) the initial measurement amount of the lease obligation,
(b) the amount paid from all lease payments made on or before the actual commencement of the lease, deducting all rental incentives received, and
(c) All initial direct costs incurred by the Company.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment assessment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

Pay payouts included in the measurement of the lease liability on the actual commencement date of the lease consist of the following payments, which will be made for the right of use of the underlying asset during the lease term and which were not paid on the actual commencement date of the lease:
(a) Fixed payments,
(b) Variable rental payouts based on an index or rate, the first measurement of which is made using an index or rate at the actual start of the lease,
(c) Amounts expected to be paid by the Company under residual value commitments
(d) If the Company is reasonably confident that it will exercise the purchase option, the exercise price of this option and
(e) Paying penalties related to the termination of the lease if the lease term indicates that the Company will exercise an option to terminate the lease.

Variable rent payouts that are not linked to an index or a rate are recorded as expenses during the period in which the event or condition that triggers the payment occurs.

The Company determines the revised discount rate for the remaining part of the lease term as this rate if the implied interest rate on the lease can be easily determined, and if it cannot be determined easily, as the Company's alternative borrowing interest rate on the date of the revaluation.

After the actual commencement of the lease, the Company measures the lease obligation as follows:

(a) Increases the carrying amount to reflect the interest on the lease obligation, and

(b) Reduces the carrying amount to reflect the rental payments paid.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The right of use which is calculated on leasing agreements is accounted under "Property, Plant and Equipment" account.

The interest expense on the lease obligation is accounted under "Investment Management Expense - Including Interest'', and the depreciation expense of the usage right asset is accounted under "Depreciation and Amortization Expenses".

2.23 Dividend distribution

It is decided in Ordinary General Assembly Meeting of the Company, held on March 27, 2024, not to make a dividend payment. It has been decided to retain the net profit of TL 3.629.008.053 resulting from the Company's activities in 2023 as the previous year's profit.

2.24 Unearned premium reserve (UPR)

In accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" ("Communiqué on Technical Reserves") which was issued in 26606 numbered and August 7, 2007 dated Official Gazette and put into effect starting from January 1, 2008, the unearned premiums reserve represents the proportions of the gross premiums written without deductions of commission or any other allowance, in a period that relate to the period of risk subsequent to the reporting date for all short-term insurance policies. Nonetheless;

- Unearned premium reserve is calculated on the basis of 1/8 for reinsurance and retrocession transactions that are not subject to basis of day or 1/24 due to application limitations,
- For commodity transportation policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, are also provided as unearned premium reserves.

In line with the Communiqué on Technical Reserves, the calculation of unearned premium reserve is performed as follows by the Company: for proportional reinsurance contracts, on the basis of 1/8 over the ceded premiums for treaty and facultative contracts, for commodity transportation policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, is also provided as unearned premium reserves and for facultative and non-proportional reinsurance contracts, on the basis on day by considering beginning and ending of the contracts. The reinsurance share of the unearned premium reserve for premiums transferred by the Company in a retrospective capacity is calculated in the same way.

Unearned premiums reserve is calculated for all insurance contracts except for the contracts for which the mathematical reserve is provided. Reserve for unearned premiums is also calculated for the annual premiums of the annually renewed long term insurance contracts.

As at December 31, 2024, in the Company's financial statements, TL 5.804.010.493 of Unearned Premium Reserve is recorded except Singapore branch (December 31, 2023: TL 4.803.631.372), and TL 96.519.878 is recorded for the Singapore branch (December 31, 2023: TL 107.008.001). As at 31.12.2024, Deferred Acqusition Costs, including the Singapore branch, is recorded TL 1.302.479.934 (December 31, 2023: TL 1.151.447.899) and Deferred Commission Income is recorded TL 4.303.316 (December 31, 2023: TL 8.565.638) in the Company's financial statements.

(Currency: Turkish Lira (TL))

2.25 Outstanding claims reserve

Claims are recorded in the year in which they occur, based on reported claims or on the basis of estimates when not reported. Outstanding claims reserve represents the estimate of the total reported costs of notified claims on an individual case basis at the reporting date as well as the corresponding handling costs.

In accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" ("Communiqué on Technical Reserves") which was issued in 27655 numbered and July 28, 2010 dated Official Gazette according to the Communiqué on Technical Reserves, all expenses related to the claim files including calculated or expected expertise, consultant, lawsuit and communication expenses in the calculation of outstanding claims reserve. In these calculations salvage and subrogation income are not considered.

Except for the life branch, outstanding claims reserve consists of claims are recorded in the year in which they occur, based on reported claims and the difference between the result of the actuarial chain ladder method whose content and application criteria stated by Turkish Insurance and Private Pension Regulation and Supervision Authority, and reported but not settled claims are considered as incurred but not reported ("IBNR") claims. Actuarial chain ladder method may be differentiated by Turkish Insurance and Private Pension Regulation and Supervision Authority for reinsurance companies due to their special conditions.

December 5, 2014 dated "Circular regarding Outstanding Claims Reserve (2014/16)" and 2010/12 numbered "Circular regarding actuarial chain ladder method" is abolished except Article 9 and 10. According to circular that explains ACLM measurement method, insurance and reinsurance companies calculate ACLM with six different methods as "Standard Chain, Damage/Premium, Cape Cod, Frequency/Intense, Munich Chain and Bornhuetter-Ferguson".

As of December 31, 2024, excluding the Singapore branch, the Company has added 2,763,615,993 TRY to its financial statements as a provision for outstanding claims, by considering 100% of the IBNR calculated. (December 31, 2023: 651,285,087 TRY). As of the reporting date, a net IBNR of 192,258,576 TRY (December 31, 2023: 115,375,539 TRY) has been allocated for the Singapore Branch.

The amounts of incurred but not reported c ("IBNR") allocated by the Company on a branch basis and the IBNR calculation methods it has chosen are given in the table below:

Milli Reasürans		December 31, 2024	December 31, 2023
Branches	**Calculation Method**	**Net IBNR (*)**	**Net IBNR (*)**
General Liabilities (***)	ACLM- Paid Claims	860.809.044	294.434.236
General Losses (**)	ACLM - Paid Claims	820.698.727	316.094.872
Fire and Natural Disasters	ACLM - Paid Claims	748.210.321	222.030
Land Vehicles Liabilities	ACLM - Paid Claims	365.686.798	117.072.338
Financial Losses	ACLM - Paid Claims	60.288.286	46.519.250
Other branches, total	ACLM - Paid Claims	(93.855.107)	(127.843.946)
Other branches, total	Sector Average (TSB)	1.777.924	4.786.307
Total		**2.763.615.993**	**651.285.087**

(*) Excludes amounts allocated for the Singapore branch.

(**) Two separate calculation have been made as agriculture and non-agriculture subbranches.

(***) In accordance with the "Circular numbered 2020/11 on Making Amendments on Communique regarding Provision for Outstanding Claim Files numbered 2014/16", an additional calculation is made in terms of Compulsory Financial Liability Insurance regarding Medical Malpractice sub-branch and calculation is made in terms of other sub-branches under General Liability through excluding Compulsory Financial Liability Insurance regarding Medical Malpractice.

(Currency: Turkish Lira (TL))

Singapore	December 31, 2024	December 31, 2023
Branches	**Net IBNR**	**Net IBNR**
Fire and Natural Disasters	118.675.189	61.675.185
General Losses	51.622.682	31.214.949
Sea Vehicles	9.454.004	8.382.725
Marine	9.257.351	9.157.609
Other branches, total	3.016.175	4.759.659
General Liabilities	233.175	185.412
Total	**192.258.576**	**115.375.539**

The Company, selects data, adjustments, applicable methods and development factors by itself over the data obtained from insurance companies on a branch basis via actuarial methods. According to the article 11 clause 5 of "Circular on Actuarial Report for Non-Life Insurance Branch" dated November 6, 2008, selections and results should be assess in detail in actuarial report by the actuary.

Due to the insufficient data available to the Company in the sea vehicles liability, air vehicles liability, surety and credit branches and the irregular distribution of the data in the loss development tables, the Company could not find the opportunity to obtain a result by subjecting the relevant data to the correction process. For this reason, values representing the sector averages were used in the branches. (The industry average is the IBNR reported in the relevant branch as of September 30, 2024 divided by the total premium in the relevant branch in the first 9 months). On the other hand, for Financial Losses and Life branches where a similar method was applied as of December 31, 2022, calculations were made using the Standard Chain method as of 31.12.2022 due to the data reaching a certain maturity.

According to December 5, 2014 dated "Circular regarding Outstanding Claims Reserve (2014/16)", the Company constitutes data by taking base of acceptance year rather than Casualty period for the reason of characteristic of reinsurance operations in course of ACLM calculation and calculates ACLM once in a year as of year-end.

The Company has received approval from the Turkish Ministry of Finance, Undersecretariat of Treasury, General Directorate of Insurance, through letter number 05403 dated January 31, 2011, to perform the IBNR calculation on a paid claims basis, as required, based on data quality rather than the actual claims data for each branch. To confirm the current relevance of this request, the Company applied to the Insurance and Private Pension Regulatory and Supervisory Authority (SEDDK) with a letter dated January 6, 2025. On January 15, 2025, SEDDK, in its letter numbered E-97354901-010.06.02-3701446, referred to the 2014/6 General Circular on Outstanding Claims Reserves and confirmed the relevance of the letter, approving the IBNR calculation to be based on paid claims.

Salvage and subrogation income which will be deducted in the calculation of ACLM stated by Turkish Insurance and Private Pension Regulation and Supervision Authority should be based on collected amount (collected amount includes interest income over salvage and subrogation income, expertise, consultant and lawsuit expenses). Collections are taken into account according to their collection period.

According to the letter dated January 12, 2012 and numbered B.02.1.HZN.0.10.03.01/854 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, determination of final claims for the last business year used in IBNR calculation has been changed as at December 31, 2011. Accordingly, the final premium amount earned for the last business year is determined by considering premium development factors since premiums may be accrued in the following years under the terms of the agreements. Based on the calculated final premium amount of the last business year, unearned premium reserves and earned premiums are determined. Aforementioned earned premium amount is multiplied by the average of claim/premium ratio of the previous years to determine final claims amount of the last business year. IBNR is calculated by subtracting the paid and reported claims of the last business year from the final claims amount determined by the aforementioned method. In addition, IBNR amounts reported by sedan companies are taken into consideration and in order to prevent duplicate provision; paid claims, outstanding claims reserve and premiums of reported claims are excluded from the data set used in the calculation of IBNR. The Company determined final IBNR amount by adding reported IBNR amounts to IBNR amounts calculated from the data prepared in accordance with the principals mentioned above.

(Currency: Turkish Lira (TL))

In accordance with December 5, 2014 dated and 2014/16 numbered "Circular for Outstanding Claims Reserve" of Republic of Turkey Ministry of Treasury and Finance, ACLM calculation should be on main branch. However, as at December 31, 2012, the Company has calculated ACLM reserve for General Losses main branch as two separate subbranches namely agriculture and non-agriculture branches. Because Agriculture and Engineering subbranches under General Losses main branch have different characteristics in conversion process of outstanding losses to paid losses, IBNR calculation of General Losses branch produces unreliable and improper results. The Company applied to Republic of Turkey Ministry of Treasury and Finance on January 17, 2013 with letter numbered 300, so as to receive permission to calculate IBNR reserve for General Losses branch as agriculture and non-agriculture subbranches separately. Republic of Turkey Ministry of Treasury and Finance has given permission the Company in order to calculate IBNR reserve for General Losses within two subbranches with the letter dated January 28, 2013 and numbered 24179134. As of December 31, 2023, the Company recognised the amount that arose due to change in calculation method for IBNR on General Losses branch.

In accordance with the "Circular numbered 2020/11 on Making Amendments on Communique regarding Provision for Outstanding Claim Files numbered 2014/16" which has been published on December 7, 2020 and entered into force as of its publication date, IBNR amount is required to be separately calculated for the "Compulsory Financial Liability Insurance regarding Medical Malpractice" sub-branch which was included under General Liability main branch. In this scope, an additional calculation is made for Compulsory Financial Liability Insurance regarding Medical Malpractice and calculation is made for other sub-branches under General Liability insurance through excluding Compulsory Financial Liability Insurance regarding Medical Malpractice and calculated amounts are recognized on legal books as of December 31, 2024.

As explained in the Circular (2017/07) on Discounting Net Cash Flows Arising from the Provision of Outstanding Compensation published on September 15, 2017, insurance companies will be able to discount the net cash flows generated by the provision of outstanding compensation that they allocate in accordance with the insurance legislation according to the principles set out in the circular. In accordance with the circular no 1 in the article, it has been made mandatory to apply discounts in the "General Liability" and "Land Vehicles Liability" branches of the provision for outstanding compensation. The company has chosen to apply discounts only for mandatory branches and no discounts are made for other branches.

With the Circular No. 2024/3 "Circular on Amendments to Circular No. 2016/22 on Discounting Net Cash Flows Arising from the Provision for Outstanding Compensation" published on January 15, 2024, the Circular's 7th article was changed as "Net cash flows are discounted to cash value by taking into account 35% as of the financial reporting date". In accordance with the relevant general circular, the discount rate applied to the net cash flows arising from the outstanding claims reserve has been 35% as of December 31, 2024 (December 31, 2023: 28%). Accordingly, the Company has calculated the net discounted amount of the outstanding claims reserve as 1,960,424,461 TRY as of December 31, 2024 (December 31, 2023: 923,111,219 TRY). The change in the discount rate has resulted in a reduction of 221,786,939 TRY on the net outstanding claims reserve recognized in the financial statements as of December 31, 2024.

The Company's net outstanding claims provisions by branch as of December 31, 2024 and 2023 are given below, before and after discount:

December 31, 2024 Branches	Net outstanding claims before discount	Discount Amount	Discounted net outstanding claims provision
Land Vehicles Liabilities	635.982.639	(371.816.439)	264.166.200
General Liabilities	2.167.620.695	(1.588.608.022)	579.012.673
Total	**2.803.603.334**	**(1.960.424.461)**	**843.178.873**

December 31, 2023 Branches	Net outstanding claims before discount	Discount Amount	Discounted net outstanding claims provision
Land Vehicles Liabilities	368.376.477	(186.857.862)	181.518.615
General Liabilities	1.127.031.106	(736.253.357)	390.777.749
Total	**1.495.407.583**	**(923.111.219)**	**572.296.364**

(Currency: Turkish Lira (TL))

2.26 Mathematical reserves

There is no mathematical provision in the Company's financial statements as of December 31, 2024. (December 31, 2023: None)

2.27 Unexpired risk reserves (URR)

In accordance with the Communiqué on Technical Reserves, while providing unearned premiums reserve, in each accounting period, the companies should perform adequacy test covering the preceding 12 months due to the probability that future claims and compensations of the outstanding policies may be in excess of the unearned premiums reserve already provided. In performing this test, it is required to multiply the unearned premiums reserve, net with the expected claim/premium ratio, net. Expected claim/premium, net ratio is calculated by dividing incurred losses (outstanding claims reserve, net at the end of the period + claims paid, net -outstanding claims reserve, net at the beginning of the period) to earned premiums (written premiums, net + unearned premiums reserve, net at the beginning of the period -unearned premiums reserve, net at the end of the period).

According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 28356 dated July 17, 2012; besides the net unexpired risk reserve detailed in the above, gross unexpired risk reserve is also calculated. The test is performed on main branch basis and in case where the net and gross expected claim/premium ratio is higher than 95%, reserve calculated by multiplying the exceeding portion of the expected claim/premium ratio with the unearned premiums reserve of that main branch is added to the reserves of that branch. Difference between the gross and net amount is represents reinsurer's share. Premiums paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The portion of the amounts paid for non-proportional reinsurance agreements corresponding to the relevant period is considered as the ceded premium in the net premium calculation. Within the scope of the circular dated December 10, 2012 and numbered 2012/15 of the Turkey Ministry of Treasury and Finance, the calculation of the provision for unexpired risks is carried out on the basis of the main branches.

In accordance with Circular on unexpired risk reserve (2019/5), reinsurance companies can make the calculation on the basis of underwriting year. In this case, calculation is made through proportioning total gross actual ultimate loss amount of at least last three underwriting years to total gross premium earnings (written premiums less unearned premiums). It is possible to use the calculation made for the last year-end for the current year interim period if it is clearly determined that repetition of calculation in quarterly periods shall not produce meaningful results due to reasons sourcing from structure of related contracts or conciliation processes of respective parties although it is principal to repeat such calculation on the basis of quarterly periods. In accordance with "The Circular on Unexpired Risk Reserve" numbered 2022/27 published by the Turkish Insurance and Private Pension Regulation and Supervision Authority on October 24, 2022 and entered into force on the date of publication, the circular numbered 2019/5 have been repealed and reinsurance companies as well as insurance companies have been allowed to make calculations on the basis of the underwriting year with the current circular. The Company has made provision for URR amounting to TL 21.913.642 (December 31, 2023: TL 33.826.898) in its financial statements dated December 31, 2024 as of reporting period based on results of test in question. While the Company applied the calculation based on the underwriting year defined by the Circular only in the Land Vehicles Liability branch; in order to eliminate the misleading effect caused by significant fluctuations in economic indicators such as inflation and the exchange rate during the current year, as of September 30, 2022 the Company has applied the underwriting year method for Fire and Natural Disasters and General Losses branches which are mainly affected by these fluctuations. As of 31.12.2022, the Company has applied the calculation based on the underwriting year to all branches other than Credit and Surety branches. If the final loss premium ratio calculated based on the writing year is over 85%, the gross unexpired risk reserve is determined by multiplying the excess part by the gross UPR; and the net unexpired risk reserve is determined by multiplying it by the net UPR. In the Credit and Surety branches, on the other hand, due to the inadequacy of the Company's data and the use of values representing the sector average due to their irregular distribution in the damage development tables, the calculation defined in the scope of the Regulation continued to be used, since the calculation based on the year of writing defined by the Circular could not be made in these branches. If the calculation had not been made using the method described in the Circular, the provision for the unexpired risk reserve amounting to TL 893.105.022 would have been allocated in the financial statements as of December 31, 2024.

URR amounts in branches are mentioned below:

		December 31, 2024		December 31, 2023	
Branches	**Loss/Premium**	**Gross URR**	**Net URR**	**Gross URR**	**Net URR**
Sea Vehicles	90%	10.528.000	10.432.689	6.280.025	5.690.815
Surety	233%	4.795.030	4.793.764	14.339.390	14.330.665
Air Vehicles	102%	549.289	549.289	3.458.410	3.458.410
Illness/Health	87%	19.420	19.420	232.140	232.140
General Losses	-	-	-	10.159.704	10.114.868
Land Vehicles Liabilities	92%	6.118.480	6.118.480	-	-
Total		**22.010.219**	**21.913.642**	**34.469.669**	**33.826.898**

2.28 Equalization reserves

In accordance with the Turkish Insurance and Private Pension Regulation and Supervision Authority 's Regulation on Technical Provisions, which effective on November 10, 2021, in order to balance the fluctuations in the compensation rates that may occur in the following accounting periods and to cover the catastrophic risks, companies are required to allocate a balancing provision for earthquake guarantees issued in all branches, including additional guarantees issued in the credit and surety branches. In accordance with the Communiqué on Technical Reserves put into effect starting from January 1, 2008, the companies should provide equalization reserve in credit insurance and earthquake branches to equalize the fluctuations in future possible claims and for catastrophic risks. Equalization reserve, started to be provided in 2008, is calculated as 12% of net premiums written in credit insurance and earthquake branches. In the calculation of net premiums, fees paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The companies should provide equalization reserve up to reaching 150% of the highest premium amount written in a year within the last five years. In case where claims incurred, the amounts below exemption limits as stated in the contracts and the share of the reinsurance firms cannot be deducted from equalization reserves. Claims payments are deducted from first year's equalization reserves by first in first out method.

With the Communiqué released on July 28, 2010 and numbered 27655 "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves", ceded premiums of earthquake and credit for non-proportional reinsurance contracts covered multiple branches should be calculated according to percentage of premiums of those branches within the total premiums unless the Company is determined any other methods. Share of earthquake and credit premium of written premiums for non-proportional reinsurance contracts is based on share of earthquake and credit premiums of proportional reinsurance contracts. In accordance with the Communiqué on Technical Reserves, the Company considers 11% of net death premium (including damage payments) as earthquake premium and 12% of that amount is calculated as equalization provision since the Company not having sufficient data for calculation. After five financial years, in case that provision amount is less than previous year amount depending on written premiums, the difference is recognized in other profit reserves under equity. This amount recorded in equity can either be kept under reserves or can also be used in capital increase or paying claims.

Equalization reserves are presented under "other technical reserves" within long term liabilities in the accompanying unconsolidated financial statements. As of December 31, 2024, the Company has recognized equalization reserves amounting to TL 474.736.051 (December 31, 2023: TL 270.559.287).

The Company has deducted TL 78.214.658 (December 31, 2023: TL 404.801.290) from equalization provision in 2024 in consequence of realized earthquake losses.

2.29 Related parties

Parties are considered related to the Company if:

(a) directly, or indirectly through one or more intermediaries, the party:
- controls, is controlled by, or is under common control with the Company (this includes parent, subsidiaries and fellow subsidiaries);
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company;

(b) the party is an associate of the Company;
(c) the party is a joint venture in which the Company is a venturer;
(d) the party is member of the key management personnel of the Company and its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or
(g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.

2.30 Earning 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.

2.31 Subsequent events

Subsequent events that provide additional information about the Company's position at the reporting dates (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

2.32 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2024. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

i) Standards, amendments, and interpretations applicable as of 31 December 2024

- **Amendment to IAS 1 - Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

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

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

In addition, it has been announced in the Board Decision published in the Official Gazette on December 29, 2023, by the Public Oversight, Accounting and Auditing Standards Authority (KGK), that certain businesses will be subject to mandatory sustainability reporting starting from January 1, 2024. Under the "Board Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)" dated January 5, 2024, businesses falling under the scope of sustainability reporting are identified. Furthermore, the "Board Decision on the Scope of Application of the Turkey Sustainability Reporting Standards (TSRS)" dated December 16, 2024, introduced changes regarding the businesses that will be subject to sustainability reporting.

ii) *Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:*

- **TFRS 17, 'Insurance Contracts' ("TFRS 17");** is applicable for annual reporting periods beginning on or after January 1, 2023. This standard replaces TFRS 4, which currently allows for a wide range of applications. TFRS 17 will fundamentally change the accounting for all businesses that issue insurance contracts and investment contracts with discretionary participation features.
  - As a result of the legislative changes published by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) in the Official Gazette No. 32414 dated December 29, 2023, the implementation date for the TFRS 17 standard in the statutory financial statements of insurance companies was initially set as January 1, 2025. However, following further regulatory changes published by SEDDK in the Official Gazette No. 32765 on December 27, 2024, the implementation date for the TFRS 17 standard in the statutory financial statements of insurance companies has been postponed to January 1, 2026.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

- **Annual improvements to IFRS - Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Company has assessed the impact of the aforementioned standards and amendments on the financial statements and has concluded that the changes do not have any significant effect, aside from the impacts of TFRS 17. The Company has established the necessary accounting policies under TFRS 17, and analyses and evaluations regarding the effects of TFRS 17 on the financial statements are ongoing.

3 Significant Accounting Estimates and Requirements

The notes given in this section are provided to addition/supplement the commentary on the management of insurance risk note 4.1 - *Management of insurance risk* and note 4.2 - *Financial risk management*.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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:

Not 4.1 - Management of insurance risk
Note 4.2 - Financial risk management
Note 7 - Investment properties
Note 9 - Investments in subsidiaries
Note 10 - Reinsurance assets/liabilities
Note 11 - Financial assets
Note 12 - Loans and receivables
Note 17 - Insurance liabilities and reinsurance assets
Note 17 - Deferred acquisition commissions
Note 21 - Deferred income taxes
Note 23 - Other liabilities and cost provisions

4 Management of insurance and financial risk

4.1 Management of insurance risk

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

Reinsurance risk is defined as a possibility of financial loss due to inappropriate and insufficient application of reinsurance techniques in the activities of taking insurance contract responsibility partially or completely.

Potential risks that may be exposed in transactions are described, classified and managed based on the requirements set out in the Company's "Regulative Framework on the Risk Management Activities, Risk Management Policies and Implementation Procedures and Principles of the Risk Management" issued by the approval of the Board of Directors.

The main objective of the "Regulative Framework on the Risk Management Activities, Risk Management Policies and Implementation Procedures and Principles of the Risk Management" is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company's asset quality and limitations allowed by the insurance standards together with the Company's risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

Reinsurance risk is measured by quantitative methods and kept under pre-specified limits based on the "Limit over Acceptable Reinsurance Risk and Maximum Custody Share Limit" updated and approved annually by the Board of Directors.

Reinsurance risk is monitored regularly according to criteria described in the "Limit over Acceptable Reinsurance Risk and Maximum Custody Share Limit" policy and results are analysed by the Risk Committee and reported to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

Sensitivity to insurance risk

Insurance risks do not generally have significant unrecoverable losses in the course of ordinary transactions, except for risks associated with earthquake and other catastrophic risks. Therefore, there is a high sensitivity to earthquake and catastrophic risks.

The case of potential claims' arising from earthquake and other catastrophic risks exceeding the maximum limit of the excess of loss agreements, such risks are treated as the primary insurance risks and are managed based on the precautionary principle. Maximum limit of excess of loss agreements is determined based on the worst-case scenario on the possibility of an earthquake in terms of its severity and any potential losses incurred in accordance with the generally accepted international earthquake models.

(Currency: Turkish Lira (TL))

Insurance risk concentrations

The Company's gross and net insurance risk concentrations (net of reinsurer share) in terms of insurance branches are summarized as below:

	December 31, 2024		
Branches	Gross total claims liability (*)	Reinsurance share of total claims liability	Net total claims liability
Fire and Natural Disasters	7.147.159.967	(4.573.446.732)	2.573.713.235
General Losses	1.634.583.440	(9.292.488)	1.625.290.952
Sea Vehicles	327.869.173	(32.295.210)	295.573.963
General Liabilities	214.406.429	(1.862.334)	212.544.095
Marine	221.955.057	(56.483.650)	165.471.407
Land Vehicles Liability (MTPL)	147.256.964	(15.447)	147.241.517
Financial Losses	89.638.356	(2.553.391)	87.084.965
Land Vehicles	73.824.733	(57.811)	73.766.922
Accident	25.980.453	(572.053)	25.408.400
Health	7.784.841	--	7.784.841
Life	10.894.560	(3.522.521)	7.372.039
Fidelity Guarantees	5.581.260	(22.931)	5.558.329
Air Vehicles	4.208.193	--	4.208.193
Credit	440.103	--	440.103
Legal Protection	21.149	--	21.149
Sea Vehicles liability	1.349	--	1.349
Total	**9.911.606.027**	**(4.680.124.568)**	**5.231.481.459**

	December 31, 2023		
Branches	Gross total claims liability (*)	Reinsurance share of Total claims liability	Net total claims liability
Fire and natural disasters	10.630.493.085	(7.579.866.355)	3.050.626.730
General Losses	1.014.234.797	(9.621.848)	1.004.612.949
Sea Vehicles	194.713.991	(19.056.273)	175.657.718
Land vehicles liability (MTPL)	122.487.913	(20.674)	122.467.239
Marine	130.022.396	(9.014.277)	121.008.119
General liabilities	114.262.623	(1.333.033)	112.929.590
Land Vehicles	35.632.466	(30.689)	35.601.777
Financial Losses	27.025.157	(1.308.113)	25.717.044
Accident	23.964.451	(86.281)	23.878.170
Life	9.400.117	(2.568.630)	6.831.487
Air Vehicles	5.444.820	-	5.444.820
Health	4.437.711	-	4.437.711
Legal protection	3.126.615	(70.409)	3.056.206
Credit	306.106	-	306.106
Legal protection	6.745	-	6.745
Total	**12.315.558.993**	**(7.622.976.582)**	**4.692.582.411**

(*) Total claims liability includes outstanding claims reserve (paid).

(Currency: Turkish Lira (TL))

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

In the current year, there are no material changes in the assumptions of measurement of insurance assets and liabilities.

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

The Company may be exposed to Credit Risk (counterparty risk, counterparty concentration risk), Market Risk (currency and parity risk, interest rate risk, equity position risk, off-balance sheet risk, financial instrument concentration risk), and Liquidity Risk (liquidity risk related to funding, market, and concentration) depending on the level and nature of its assets at any given time. The Company's exposure to each of the above risks is assessed according to "Application Principles in Respect of Risk Limits".

The Company monitors its receivables by obtaining comprehensive information about the debtors and debtors' activities. The risk over investment portfolio is managed by measuring and reporting the market risk daily, reassessing the results validity and applying different scenario analyses. The Company's exposure to each of the above risks is measured by Risk Management Service independently, reported to Board of Directors and units of Türkiye İş Bankası A.Ş. through the Risk Committee.

Credit risk

Credit risk is the risk of financial loss to the Company if counterparties (parties issued financial instrument, insurance companies, reinsurance companies and other debtors) having business relationship with the Company fails to meet its contractual obligations. The Company manages this credit risk by regularly assessing reliability of the counterparties.

In measuring Credit Risk, both quantitative and qualitative methods are used together. As part of managing the credit risk related to the investment portfolio, the credit ratings of the issuers of securities and the transaction limits set to prevent concentration of counterparties are regularly monitored.

The results evaluated by the Risk Management Service and reported regularly to the Board of Directors through the Risk Committee. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

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

	December 31, 2024	December 31, 2023
Cash and cash equivalents *(Note 14)*	4.383.823.465	1.825.305.969
Financial assets and financial investments with risks on policyholders *(Note 11)* (*)	4.413.356.379	4.025.665.429
Receivables from main operations *(Note 12)*	2.866.435.125	4.088.255.641
Reinsurer share in outstanding claims reserve *(Note 10), (Note 17)*	1.729.970.615	5.807.404.091
Prepaid taxes and funds *(Note 12)*	71.260.270	9.170.386
Income accruals	323.144.436	64.668.644
Other Prepaid Expenses (**)	74.552.621	69.776.254
Other receivables *(Note 12)*	235.542.408	37.011.346
Business advances and advances given to employees *(Note 12)*	702.865	47.448
Total	**14.098.788.184**	**15.927.305.208**

(*) Equity shares amounting to TL 885.467.625 are not included (December 31, 2023: TL 424.271.505)

(**) TL 63.786.584 is the advance amount given by the Company. (December 31, 2023: TL 62.292.330).

(Currency: Turkish Lira (TL))

December 31, 2024 and 2023, the aging of the receivables from main operations and related provisions are as follows:

	December 31, 2024		December 31, 2023	
	Gross amount	Provision	Gross amount	Provision
Not past due	2.277.461.297	--	3.987.418.075	-
Past due 0-30 days	18.358.130	--	4.251.560	-
Past due 31-60 days	173.533.100	--	3.415.191	-
Past due 61-90 days	145.625.412	--	827.664	-
More than 90 days	429.933.870	(178.476.684)	245.909.951	(153.566.800)
Total	**3.044.911.809**	**(178.476.684)**	**4.241.822.441**	**(153.566.800)**

The movements of the allowances for impairment losses for receivables from main operations during the year are as follows:

	December 31, 2024	December 31, 2023
Provision for receivables from insurance operations at the beginning of the year	153.566.800	78.486.484
Provisions for doubtful receivables during the period (*Note 47*)	-	30.918.223
Foreign currency translation effect *(Note 47)*	24.909.884	44.162.093
Provision for receivables from insurance operations at the end of the year	**178.476.684**	**153.566.800**

The movements of the allowances for impairment losses for other receivables are as follows:

	December 31, 2024	December 31, 2023
Provision for other receivables at the beginning of the year	705.142	705.142
Impairment losses provided during the period	-	-
Provision for other receivables at the end of the year	**705.142**	**705.142**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as a result of the imbalance between the Company's cash inflows and outflows in terms of maturity and volume.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

In respect of this risk, which is measured by quantitative methods, any liquidity deficit is observed via the maturity analysis of assets and liabilities in the statement of balance sheet. Furthermore, liquidity structure of the Company is monitored by using the following basic indicators in respect of liquidity ratios:

- Liquidity ratio related to funding
- Liquidity ratio related to the market
- Current Ratio

The results evaluated by the Risk Committee and reported regularly to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

Management of the liquidity risk

The Company considers the maturity match between asset and liabilities for the purpose of avoiding liquidity risk and ensure that it will always have sufficient liquidity to meet its liabilities when due.

(Currency: Turkish Lira (TL))

Maturity distribution of monetary assets and liabilities:

December 31, 2024	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	4.383.823.465	2.705.686.736	1.362.362.310	147.658.001	168.116.418	-	-
Financial assets (*)	4.413.356.379	1.826.316.901	916.044.695	216.342.000	187.172.800	1.267.479.983	-
Receivables from main operations	2.866.435.125	1.701.622.445	403.517.238	153.151.228	176.490.294	431.653.920	-
Other receivables and current assets	705.202.600	469.204.704	-	-	235.928.337	69.559	-
Total monetary assets	**12.368.817.569**	**6.702.830.786**	**2.681.924.243**	**517.151.229**	**767.707.849**	**1.699.203.462**	**-**
Financial liabilities and other liabilities	34.053.094	12.895.710	2.583.126	3.766.083	7.016.875	7.791.300	-
Payables arising from main operations	474.163.450	459.474.538	13.240.374	-	1.409.658	38.880	-
Due to related parties	2.446.229	2.446.229	-	-	-	-	-
Insurance technical reserves (**)	9.613.313.245	-	-	-	-	-	9.613.313.245
Provisions for taxes and other similar obligations	15.618.183	15.618.183	-	-	-	-	-
Provisions for other risks and expense accruals	733.339.055	25.630.026	29.977.516	-		-	677.731.513
Total monetary liabilities	**10.872.933.256**	**516.064.686**	**45.801.016**	**3.766.083**	**8.426.533**	**7.830.180**	**10.291.044.758**

(*) Equity shares amounting to TL 885.467.625 are not included.

(**) Provision for outstanding claims in insurance technical provisions shown net.

(Currency: Turkish Lira (TL))

December 31, 2023	Carrying amount	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 year and up	Unallocated
Cash and cash equivalents	1.825.305.969	946.804.234	502.722.320	195.703.187	180.076.228	-	-
Financial assets (*)	4.025.665.429	554.034.368	429.807.487	336.606.955	358.372.448	2.346.844.171	-
Receivables from main operations	4.088.255.641	2.783.572.675	408.263.006	122.352.016	378.130.808	395.937.136	-
Other receivables and current assets	180.674.078	144.540.268	-	-	34.873.268	1.260.542	-
Total monetary assets	**10.119.901.117**	**4.428.951.545**	**1.340.792.813**	**654.662.158**	**951.452.752**	**2.744.041.849**	**-**
Financial liabilities and other liabilities	39.511.463	10.838.764	2.307.155	3.365.026	6.406.556	16.593.962	-
Payables arising from main operations	841.905.698	841.397.477	-	-	502.719	5.502	-
Due to related parties	722.655	722.655	-	-	-	-	-
Insurance technical reserves (**)	6.017.993.767	-	-	-	-	-	6.017.993.767
Provisions for taxes and other similar obligations	15.176.235	15.176.235	-	-	-	-	-
Provisions for other risks and expense accruals	400.732.964	25.256.583	14.165.226	-	-	-	361.311.155
Total monetary liabilities	**7.316.042.782**	**893.391.714**	**16.472.381**	**3.365.026**	**6.909.275**	**16.599.464**	**6.379.304.922**

(*) Equity shares amounting to TL 424.271.505 are not included.

(**) Provision for outstanding claims in insurance technical provisions shown net.

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. The market risk arising from the company’s securities portfolio is managed through daily measurement, testing the reliability of the measurement results, examining the trajectory based on different scenarios, carefully assessing, and reporting.

(Currency: Turkish Lira (TL))

Foreign currency risk

The Company is exposed to foreign 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 reporting periods, foreign currency assets and liabilities evaluated by the Central Bank of Republic of Turkey'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.

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

December 31, 2024	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	440.800.354	245.778.935	238.780.572	925.359.861
Financial assets and financial investments of risky insurers	956.508.247	1.575.633.765	-	2.532.142.012
Receivables from main operations	538.484.416	839.590.811	687.260.687	2.065.335.914
Total foreign currency assets	**1.935.793.017**	**2.661.003.511**	**926.041.259**	**5.522.837.787**
Liabilities:				
Payables arising from main operations	(207.933.069)	(96.925.770)	(103.981.137)	(408.839.976)
Insurance technical reserves (*)	(1.670.459.602)	659.981.950	(934.323.005)	(1.944.800.657)
Financial liabilities	-	-	(8.814.691)	(8.814.691)
Total foreign currency liabilities	**(1.878.392.671)**	**563.056.180**	**(1.047.118.833)**	**(2.362.455.324)**
Net financial position	**57.400.346**	**3.224.059.691**	**(121.077.574)**	**3.160.382.463**

December 31, 2023	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	495.620.205	373.409.237	182.125.408	1.051.154.850
Financial assets and financial investments of risky insurers	1.940.744.419	1.198.162.213	-	3.138.906.632
Receivables from main operations	406.217.893	2.120.535.414	774.575.823	3.301.329.130
Total foreign currency assets	**2.842.582.517**	**3.692.106.864**	**956.701.231**	**7.491.390.612**
Liabilities:				
Payables arising from main operations	(270.214.574)	(203.010.276)	(76.120.227)	(549.345.077)
Insurance technical reserves (*)	(2.077.129.360)	3.772.796.849	(639.742.461)	1.055.925.028
Financial liabilities	-	-	(15.530.811)	(15.530.811)
Total foreign currency liabilities	**(2.347.343.934)**	**3.569.786.573**	**(731.393.499)**	**491.049.140**
Net financial position	**495.238.583**	**7.261.893.437**	**225.307.732**	**7.982.439.752**

(*) According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 27655 dated July 28, 2010; foreign currency denominated claims provisions evaluated by the Central Bank of Republic of Turkey's spot sales rates.

For the purpose of evaluation of the above table, TL equivalents of the relevant foreign currency amounts have been shown. December 31, 2024 While evaluating the CBRT with the exchange rate of the CBRT, other daily transactions are evaluated with accounting based on the temporary exchange rates on the date of the transaction, at the end of the reporting period, active items denominated in foreign currencies are evaluated with the CBRT exchange rates of December 31, 2024 and passive items are evaluated with the CBRT sales rates.

(Currency: Turkish Lira (TL))

Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities As of December 31, 2024 and 2023 dates are as follows:

	Buying		Selling		Average	
	ABD	Euro	ABD	Euro	ABD	Euro
31 December 2024	35,2803	36,7362	35,3438	36,8024	32,7984	35,4893
31 December 2023	29,4382	32,5739	29,4913	32,6326	23,7482	25,6852

Exposure to foreign currency risk

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

	December 31, 2024		December 31, 2023	
	Profit or loss	Equity (*)	Profit or loss	Equity (*)
US Dollar	11.480.069	11.480.069	99.047.717	99.047.717
Euro	644.811.938	644.811.938	1.452.378.687	1.452.378.687
Other	(24.215.515)	(24.215.515)	45.061.546	45.061.546
Total, net	**632.076.492**	**632.076.492**	**1.596.487.950**	**1.596.487.950**

(*) Equity effect also includes profit or loss effect of 20% depreciation of TL against related currencies (December 31, 2023: 20% depreciation of TL).

Exposure to interest rate risk

The principal risk to which non-trading portfolios 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 repricing bands.

As of the reporting period, the interest profile of the Company's interest-bearing financial assets is detailed in the table below:

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets with fixed interest rates:	**6.417.269.221**	**4.646.941.078**
Cash at banks *(Note 14)*	3.962.224.360	1.382.361.342
Available for sale financial assets - Government bonds - FC *(Note 11)*	114.506.740	102.838.930
Available for sale financial assets - Government bonds - TL *(Note 11)*	1.270.677.676	1.919.827.571
Available for sale financial assets - Private sector bonds - FC *(Note 11)*	380.160.683	22.834.174
Available for sale financial assets - Private sector bonds - TL *(Note 11)*	689.699.762	1.219.079.061
Financial assets with variable interest rate:	**160.772.800**	**405.739.000**
FX-protected deposits;*(Note 11)*	-	325.739.000
Available for sale financial assets - Private sector bonds - TL *(Note 11)*	160.772.800	80.000.000

Fair value information

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies.

The Company has classified its financial assets as held for trading or available for sale. As of the reporting date, available for sale financial assets and financial assets held for trading are measured at their fair values based on their quoted prices or fair value information obtained from brokers in the accompanying unconsolidated financial statements.

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

(Currency: Turkish Lira (TL))

Classification relevant to fair value information

TFRS 7 - *Financial instruments: Disclosures* requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Company. This distinction brings about a fair value measurement classification generally as follows.

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Held for trading financial assets *(Note 11)*	1.869.851.326	-	-	1.869.851.326
Available for sale financial assets *(Note 11)* (*)	3.428.881.186	-	-	3.428.881.186
Total financial assets	**5.298.732.512**	**-**	**-**	**5.298.732.512**

(*) As of December 31, 2024, securities that are not publicly traded amounting to TL 91.492 have been measured at cost.

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Held for trading financial assets *(Note 11)*	285.486.151	325.739.000	-	611.225.151
Available for sale financial assets *(Note 11)* (*)	3.838.620.291	-	-	3.838.620.291
Total financial assets	**4.124.106.442**	**325.739.000**	**-**	**4.449.845.442**
Investment properties *(Note 6)*	-	30.000.000	-	30.000.000
Total tangible assets	**-**	**30.000.000**	**-**	**30.000.000**
Total	**4.124.106.442**	**355.739.000**	**-**	**4.479.845.442**

(*) As of December 31, 2023, securities that are not publicly traded amounting to TL 91.492 have been measured at cost.

(Currency: Turkish Lira (TL))

Equity share price risk

Equity share price risk is defined as the risk of decreasing the market price of equity shares as a result of a decline in index.

The effect of changes in fair values of the associates and the available-for-sale financial assets on equity that is resulted from the fluctuations on index (all of the other variables are assumed to be fixed) are as follows As of December 31, 2024 and 2023:

	Change in index	December 31, 2024	December 31, 2023
Market price of equity	10%	88.537.613	42.418.001

Gain and losses from financial assets

Gains and losses recognized in the statement of income, net:	December 31, 2024	December 31, 2023
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15)*	80.543.355	10.668.838
Interest income from bank deposits	1.186.440.543	194.209.697
Interest income from debt securities classified as available-for-sale financial assets	289.644.738	286.483.115
Income from equity shares classified as held for trading financial assets	4.659.044	691.754
Foreign exchange gains	450.091.248	1.593.897.170
Income from mutual funds classified as available for sale financial assets	296.715.116	292.928.136
Income from mutual funds classified as trading financial assets	68.485.017	5.392.611
Interest income from repos	25.654	356
Income from subsidiaries	24.073.923	113.940.001
Income from affiliates	7.555.428.109	3.367.901.023
Income from derivative products	536.502.944	355.585.374
Investment income	**10.492.609.691**	**6.221.698.075**
Losses from derivatives transactions	(5.039.473)	(6.884.346)
Foreign exchange losses	(35.029.676)	(39.581.334)
Loss from disposal of financial assets	(24.341.548)	(13.345.686)
Investment management expenses (including interest)	(4.165.831)	(577.324)
Investment expenses	**(68.576.528)**	**(60.388.690)**
Investment income, net	**10.424.033.163**	**6.161.309.385**

Gains and losses recognized in the statement of equity, net:	December 31, 2024	December 31, 2023
Fair value changes in available for sale financial assets *(Note 15)*	368.948.681	811.010.817
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15)*	(80.543.355)	(10.668.838)
Total	**288.405.326**	**800.341.979**

(Currency: Turkish Lira (TL))

Capital management

The Company's capital management policies include the following:

- To comply with the insurance capital requirements required by Republic of Turkey Ministry of Treasury and Finance
- To safeguard the Company's ability to continue as a going concern

In accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy for Insurance, Reinsurance and Individual Pension Companies" issued by Republic of Turkey Ministry of Treasury and Finance on August 23, 2015 dated and 29454 numbered; the Company measured its minimum capital requirement as TL 7.144.638.233 as of December 31, 2024. As of December 31, 2024, the Company's equity, as determined by the capital adequacy regulations, is 16,658,776,868 TL. According to the calculated capital adequacy result based on the regulations, there is a capital surplus of 9,514,138,635 TL as of December 31, 2024.

5 Segment Information

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.

As of December 31, 2024, the Company operates in life and non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market.

6 Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Additions	Foreign currency translation effect (*)	Disposals	Revaluation surplus	December 31, 2024
Cost:						
Investment properties *(Note 7)*	30.000.000	-	-	(30.000.000)	-	-
Furniture and fixtures	43.187.951	7.894.700	1.428.004	(2.345.849)	-	50.164.806
Land vehicles	4.786.494	13.395.172	775.893	(5.562.387)	-	13.395.172
Leased Assets	40.132.165	7.191.469	4.692.563	-	-	52.016.197
Other Tangible Assets	53.013.225	-	-	-	-	53.013.225
	171.119.835	**28.481.341**	**6.896.460**	**(37.908.236)**	**-**	**168.589.400**
Accumulated depreciation:						
Furniture and fixtures	17.221.835	8.189.362	1.394.069	(2.341.622)	-	24.463.644
Land vehicles	3.809.068	1.477.630	659.237	(5.093.826)	-	852.109
Leased Assets	11.477.219	13.794.753	2.224.381	-	-	27.496.353
Other Tangible Assets	883.554	10.602.644	-	-	-	11.486.198
	33.391.676	**34.064.389**	**4.277.687**	**(7.435.448)**	**-**	**64.298.304**
Carrying amounts	**137.728.159**					**104.291.096**

(*) Foreign currency translation effect resulted from Singapore Branch.

(Currency: Turkish Lira (TL))

Movement in tangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Additions	Foreign currency translation effect (*)	Disposals	Revaluation surplus	December 31, 2023
Cost:						
Investment properties *(Note 7)* (**)	1.650.131.000	-	-	(3.153.406.000)	1.533.275.000	30.000.000
Buildings for own use (**)	744.475.000	-	-	(1.459.750.000)	715.275.000	-
Furniture and fixtures	29.953.528	43.313.945	2.630.094	(32.709.616)	-	43.187.951
Land vehicles	3.360.121	-	1.426.373	-	-	4.786.494
Operating leases	9.441.382	31.870.920	8.131.514	(9.311.651)	-	40.132.165
Construction in progress	11.444.885	69.905.568	-	(81.350.453)	-	-
Other Tangible Assets	-	53.013.225	-	-	-	53.013.225
	2.448.805.916	**198.103.658**	**12.187.981**	**(4.736.527.720)**	**2.248.550.000**	**171.119.835**
Accumulated depreciation:						
Buildings for own use	-	3.592.916	-	(3.592.916)	-	-
Furniture and fixtures	12.295.792	5.903.317	2.524.234	(3.501.508)	-	17.221.835
Land vehicles	2.168.722	704.702	935.644	-	-	3.809.068
Operating leases	9.322.463	9.941.999	1.524.409	(9.311.652)	-	11.477.219
Other Tangible Assets	-	883.554	-	-	-	883.554
	23.786.977	**21.026.488**	**4.984.287**	**(16.406.076)**	**-**	**33.391.676**
Carrying amounts	**2.425.018.939**					**137.728.159**

(*) Foreign currency translation effect resulted from Singapore Branch.
(**) The account for ongoing investments includes costs related to the renovation of the heating and cooling group.

As of December 31, 2024, and 2023, there is no mortgage on Company's tangible assets.

7 Investment properties

Additions and disposals for investment properties is given "6- Tangible Assets" note in table of current period movement of tangible assets.

Investment properties are presented by fair value method As of December 31, 2023 on balance sheet and The Company's investment properties gained TL 1.533.275.000 amount of value in 2024 in the context of expertise report prepared by independent professional valuation specialists authorized by Capital Markets Board of Turkey.

As of December 31, 2024, the Company does not have any investment properties. (December 31, 2023: 30,000,000 TL).

The expertise (excluding VAT) and net book values of investment properties are as follows per real estate. Expertise reports regarding these properties are prepared by independent professional valuation specialists authorized by CMB in December 2023. There is no mortgage on the real estates.

(Currency: Turkish Lira (TL))

As of December 31, 2024, and 2023, details of investment properties and the fair values are as follows:

	December 31, 2024 Net book value	December 31, 2023 Net book value	Date of expertise report	Value of expertise report
Villa İş Hanı (*)	-	30.000.000	Aralık 2023	30.000.000
- *Sports facility*	-	*30.000.000*	Aralık 2023	*30.000.000*
Carrying amounts	**-**	**30.000.000**		**30.000.000**

(*) The sale transaction of Villa İş Hanı Sports Facility was completed on May 27, 2024.

On August 25, 2023, the Board of Directors decided that the real estate assets registered in the Company's books, both for use and investment purposes, would be transferred to Miltaş Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, as capital through a partial spin-off, based on the Corporate Tax Law articles 19 and 20, and the Turkish Commercial Code articles 159 to 179, considering the VUK (Tax Procedure Law) financial statements. The fair value of the real estate transferred as of December 31, 2023, was 4,613,156,000 TL.

Fair value measurement

The fair values of investment properties were determined by market comparison technique.

8 Intangible assets

Movement in intangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Additions	Foreign currency translation effects (*)	Disposal	Transfers	December 31, 2024
Cost:						
Rights	61.830.210	307.644	231.183	(48.064.224)	-	14.304.813
Advances on intangible fixed assets (**)	37.611.025	35.742.710	-	-	-	73.353.735
	99.441.235	**36.050.354**	**231.183**	**(48.064.224)**	**-**	**87.658.548**
Accumulated amortization:						
Rights	54.082.786	4.424.862	197.309	(48.064.224)	-	10.640.733
	54.082.786	**4.424.862**	**197.309**	**(48.064.224)**	**-**	**10.640.733**
Carrying amounts	**45.358.449**					**77.017.815**

(*) Foreign currency translation effect resulted from Singapore Branch.

(**) Given referring to TFRS 17 consultation and softwares.

Movement in intangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Additions	Foreign currency translation effects (*)	Disposal	Transfers	December 31, 2023
Cost:						
Rights	56.102.890	5.998.740	424.999	(696.419)	-	61.830.210
Advances on intangible fixed assets (**)	16.109.082	21.501.943	-	-	-	37.611.025
	72.211.972	**27.500.683**	**424.999**	**(696.419)**	**-**	**99.441.235**
Accumulated amortization:						
Rights	47.345.521	6.992.157	298.552	(553.444)	-	54.082.786
	47.345.521	**6.992.157**	**298.552**	**(553.444)**	**-**	**54.082.786**
Carrying amounts	**24.866.451**					**45.358.449**

(*) Foreign currency translation effect resulted from Singapore Branch.

(**) Given referring to TFRS 17 consultation and softwares.

(Currency: Turkish Lira (TL))

9 Investments in associates

The Company accounts for its subsidiaries, its investments in associates and its joint ventures using the equity method defined in TAS 27 - “Consolidated and Separate Financial Statements” in preparing the unconsolidated financial statements.

As of the reporting date, the carrying values of the investments accounted for using equity method accounted in balance sheet in the unconsolidated financial statements of the Company are as follows:

	December 31, 2024		December 31, 2023	
	Net book value	Participation rate %	Net book value	Participation rate %
Anadolu Hayat Emeklilik A.Ş.	1.254.912.086	12,46	803.602.412	12,46
Investments in associates	**1.254.912.086**		**803.602.412**	
Anadolu Anonim Türk Sigorta Şirketi	12.443.252.540	57,31	6.262.532.543	57,31
Miltaş Turizm İnşaat Ticaret Anonim Şirketi	5.119.639.860	100,00	3.626.312.896	100,00
Investments in subsidiaries	**17.562.892.400**		**9.888.845.439**	
Total financial asset	**18.817.804.486**		**10.692.447.851**	

The consolidated financial information of Anadolu Sigorta, Anadolu Hayat, and Miltaş Turizm İnşaat Tic. A.Ş. as of December 31, 2024, is shown below:

Name	Total assets	Shareholders' equity	Retained earnings	Profit for the year	Audited	Period
Associates:						
Anadolu Hayat Emeklilik A.Ş.	260.339.161.440	10.071.525.906	186.293.195	4.305.802.455	Geçti.	31 Aralık 2024
Subsidiaries:						
Miltaş Turizm İnşaat Tic.A.Ş.	6.814.773.005	5.119.639.860	39.025.188	1.435.959.596	Geçmedi.	31 Aralık 2024
Anadolu Anonim Türk Sigorta Şirketi	89.267.931.589	23.726.137.445	652.582.741	11.538.847.383	Geçti.	31 Aralık 2024

The movement table of investments valued using the equity method for the period is as follows:

	December 31, 2024		
	Associates	Subsidiaries	Total
Beginning of the period - January 1	**803.602.412**	**9.888.845.439**	**10.692.447.851**
Shares of net profits for the period	536.502.944	7.555.428.109	8.091.931.053
Increase recognized in equity	39.406.730	4.018.851	43.425.581
Dividend	(124.600.000)	114.600.001	(9.999.999)
End of the period - December 31	**1.254.912.086**	**17.562.892.400**	**18.817.804.486**

(Currency: Turkish Lira (TL))

10 Reinsurance assets and liabilities

As of December 31, 2024, and 2023, outstanding reinsurance assets and liabilities of the Company, as Reinsurance Company in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	December 31, 2024	December 31, 2023
Receivables from reinsurance companies *(Note 12)*	494.482.487	985.866.927
Cash deposited to reinsurance companies	269.851.682	294.520.563
Outstanding claims reserve, ceded *(Note 4.2)*, *(Note 17)*	1.729.970.615	5.807.404.091
Unearned premiums reserve, ceded *(Note 17)*	43.992.595	60.065.549
Total	**2.538.297.379**	**7.147.857.130**

There are no impairment losses recognized for reinsurance assets.

Reinsurance liabilities	December 31, 2024	December 31, 2023
Deferred commission income *(Note 19)*	4.303.316	8.565.638
Total	**4.303.316**	**8.565.638**

Gains and losses recognized in the statement of income in accordance with existing retrocession contracts are as follows:

	December 31, 2024	December 31, 2023
Premiums ceded during the period *(Note 17)*	(5.467.356.778)	(2.089.018.861)
Unearned premiums reserve, ceded at the beginning of the period *(Note 17)*	(60.065.549)	(49.314.693)
Unearned premiums reserve, ceded at the end of the period *(Note 17)*	43.992.595	60.065.549
Premiums earned, ceded *(Note 17)*	**(5.483.429.732)**	**(2.078.268.005)**
Claims paid, ceded during the period *(Note 17)*	4.680.124.568	7.622.976.582
Outstanding claims reserve, ceded at the beginning of the period *(Note 17)*	(5.807.404.091)	(129.947.122)
Outstanding claims reserve, ceded at the end of the period *(Note 17)*	1.729.970.615	5.807.404.091
Claims incurred, ceded *(Note 17)*	**602.691.092**	**13.300.433.551**
Commission income accrued from reinsurers during the period *(Note 32)*	162.461.722	25.349.513
Deferred commission income at the beginning of the period *(Note 19)*	8.565.638	9.482.897
Deferred commission income at the end of the period *(Note 19)*	(4.303.316)	(8.565.638)
Commission income earned from reinsurers *(Note 32)*	**166.724.044**	**26.266.772**
Changes in unexpired risks reserve, reinsurers' share *(Note 17)*	**(546.194)**	**(109.628)**
Total, net	**(4.714.560.790)**	**11.248.322.690**

(Currency: Turkish Lira (TL))

11 Financial assets

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

	December 31, 2024	December 31, 2023
Financial Assets Held for Trading	1.869.851.326	611.225.151
Available for sale financial assets	3.428.972.678	3.838.711.783
Total	**5.298.824.004**	**4.449.936.934**

As of December 31, 2024, and 2023, the Company's available for sale financial assets are as follows:

	December 31, 2024			
	Nominal value	Cost	Fair value	Net book value
Debt instruments:				
Government bons - TL	39.293.493	59.490.880	114.506.740	114.506.740
Government bonds - EUR	26.320.000	556.100.696	1.003.869.190	1.003.869.190
Government bonds - USD	7.067.000	163.870.948	266.808.486	266.808.486
Private sector bonds - USD	19.006.000	661.119.144	689.699.762	689.699.762
Private sector bonds - TL	543.000.000	524.342.000	540.933.483	540.933.483
		1.964.923.668	**2.615.817.661**	**2.615.817.661**
Non-fixed income financial assets:				
Equity shares		61.938.846	785.210.400	785.210.400
Investment funds		27.000.000	27.944.617	27.944.617
		88.938.846	**813.155.017**	**813.155.017**
Total available-for-sale financial assets		**2.053.862.514**	**3.428.972.678**	**3.428.972.678**

	December 31, 2023			
	Nominal value	Nominal value	Nominal value	Nominal value
Debt instruments:				
Government bons - TL	39.293.493	59.490.880	102.838.930	102.838.930
Government bonds - EUR	33.130.000	513.062.696	1.118.747.045	1.118.747.045
Government bonds - USD	26.644.000	337.039.446	801.080.526	801.080.526
Private sector bonds - USD	38.032.000	602.809.643	1.139.663.893	1.139.663.893
Private sector bonds - EUR	2.500.000	65.846.419	79.415.168	79.415.168
Private sector bonds - TL	103.000.000	102.051.500	102.834.175	102.834.175
		1.680.300.584	**3.344.579.737**	**3.344.579.737**
Non-fixed income financial assets:				
Equity shares		61.938.846	424.271.505	424.271.505
Investment funds		35.992.237	69.860.541	69.860.541
		97.931.083	**494.132.046**	**494.132.046**
Total available-for-sale financial assets		**1.778.231.667**	**3.838.711.783**	**3.838.711.783**

(Currency: Turkish Lira (TL))

As of December 31, 2024, 2023 the details of the Company's held for trading assets are as follows.

	December 31, 2024		
	Cost	Fair value	Net book value
Investment funds TL	989.976.416	1.197.829.527	1.197.829.527
Investment funds YP	573.285.998	571.764.574	571.764.574
Share	102.624.024	100.257.225	100.257.225
Total	**1.665.886.438**	**1.869.851.326**	**1.869.851.326**

	December 31, 2023		
	Cost	Fair value	Net book value
Investment funds TL	193.284.946	285.486.151	285.486.151
Derivatives (Currency protected deposits)	297.437.000	325.739.000	325.739.000
Total	**490.721.946**	**611.225.151**	**611.225.151**

Debt instruments presented above are traded in the capital markets. As of December 31, 2024, equity shares classified as available for sale financial assets with a carrying amount of TL 91.492 are not publicly traded (December 31, 2023: TL 91.492).

There is no debt security issued during the period or issued before and paid during the period by the Company.

Value increases in financial assets including equity shares classified as available for sale financial assets and subsidiaries for the last 3 years (including tax effects):

Year	Change in value increase	Total increase in value
2024	288.405.326	1.864.706.704
2023	800.341.979	1.576.301.378
2022	747.941.217	775.959.399

(Currency: Turkish Lira (TL))

Details of the financial assets issued by related parties of the Company's are as follows:

	December 31, 2024			
	Nominal value	Cost	Fair value	Net book value
Available for sale financial assets - Equity shares		61.871.244	785.142.798	785.142.798
Available for sale financial assets - Investment funds		27.000.000	27.944.617	27.944.617
Financial Assets Held For Trading - Investment funds		1.438.262.419	1.625.012.463	1.625.012.463
Available for sale financial assets - Private sector bonds	515.000.000	496.342.000	512.155.300	512.155.300
Total		**2.023.475.663**	**2.950.255.178**	**2.950.255.178**

	December 31, 2023			
	Nominal value	Cost	Fair value	Net book value
Available for sale financial assets - Equity shares		61.871.244	424.203.903	424.203.903
Available for sale financial assets - Investment funds		35.992.237	69.860.541	69.860.541
Financial Assets Held For Trading - Investment funds		193.284.946	285.486.151	285.486.151
Financial Assets Held for Trading - Currency Protected Deposits		297.437.000	325.739.000	325.739.000
Available for sale financial assets - Private sector bonds	80.000.000	80.000.000	80.000.000	80.000.000
Available for sale financial assets - Private sector bonds FC	7.000.000	41.143.317	209.485.175	209.485.175
Total		**709.728.744**	**1.394.774.770**	**1.394.774.770**

(Currency: Turkish Lira (TL))

Movements of the financial assets during the period are presented below:

	December 31, 2024		
	Financial assets held for trading	Available-for-sale	Total
Balance at the beginning of the period	**611.225.151**	**3.838.711.783**	**4.449.936.934**
Acquisitions during the period	6.362.912.005	4.016.645.253	10.379.557.258
Change in the fair value of financial assets	(5.397.521.758)	(5.309.865.181)	(10.707.386.939)
Fair value adjustment of financial assets	293.235.928	883.480.823	1.176.716.751
Balance at the end of the period	**1.869.851.326**	**3.428.972.678**	**5.298.824.004**

	December 31, 2023		
	Financial assets held for trading	Available-for-sale	Total
Balance at the beginning of the period	**999.731.915**	**2.814.230.254**	**3.813.962.169**
Acquisitions during the period	2.769.818.978	813.437.969	3.583.256.947
Disposals (sale and redemption)	(3.439.802.938)	(1.237.247.540)	(4.677.050.478)
Fair value adjustment of financial assets	281.477.196	1.448.291.100	1.729.768.296
Balance at the end of the period	**611.225.151**	**3.838.711.783**	**4.449.936.934**

12 Loans and receivables

	December 31, 2024	December 31, 2023
Receivables from main operations *(Note 4.2)*	2.866.435.125	4.088.255.641
Prepaid taxes and funds *(Note 19)*	71.260.270	9.170.386
Other receivables *(Note 4.2)*	235.542.408	37.011.346
Business advance/Advances given to employees	702.865	47.448
Total	**3.173.940.668**	**4.134.484.821**
Short-term receivables	2.742.286.747	3.738.547.685
Long-term receivables	431.653.921	395.937.136
Total	**3.173.940.668**	**4.134.484.821**

As of December 31, 2024, and 2023, receivables from main operations are detailed as follows:

	December 31, 2024	December 31, 2023
Receivables from insurance companies	1.028.793.487	723.099.199
Receivables from brokers and intermediaries	918.802.840	1.909.847.902
Receivables from reinsurance companies *(Note 10)*	494.482.487	985.866.927
Total receivables from insurance operations, net	**2.442.078.814**	**3.618.814.028**
Cash deposited to insurance and reinsurance companies	424.356.311	469.441.613
Doubtful receivables from main operations	178.476.684	153.566.800
Provision for doubtful receivables from main operations	(178.476.684)	(153.566.800)
Receivables from main operations	**2.866.435.125**	**4.088.255.641**

Provisions for overdue receivables and receivables not due yet

a) *Receivables under legal or administrative follow up (due): TL* 178.476.684 for main operations (December 31, 2023: TL 153.566.800) and TL 705.142 (December 31, 2023: TL 705.142) for other receivables.

b) Provision for premium receivables (due): None (December 31, 2023: None).

The Company's receivables from and payables to shareholders, associates and subsidiaries are detailed in *Note 45 - Related party transactions*.

The details of the receivables and payables denominated in foreign currencies and foreign currency rates used for the translation are presented in *Note 4.2- Financial risk management.*

13 Derivative financial assets

As of December 31, 2024, and 2023, the Company has no derivative financial instruments.

14 Cash and cash equivalents

As of December 31, 2024, and 2023, the details of cash and cash equivalents are as follows:

	December 31, 2024		December 31, 2023	
	At the end of the period	At the beginning of the period	At the end of the period	At the beginning of the period
Cash on hand	-	-	-	42.425
Bank deposits	4.383.823.465	1.825.305.969	1.825.305.969	1.690.301.129
Cash and cash equivalents in the balance sheet	**4.383.823.465**	**1.825.305.969**	**1.825.305.969**	**1.690.343.554**
Bank deposits - blocked	(500)	(500)	(500)	(500)
Time deposits with maturities longer than 3 months	(1.407.586.865)	(745.832.738)	(745.832.738)	(305.956.102)
Interest accruals on bank deposits	(135.744.176)	(5.501.890)	(5.501.890)	(9.232.799)
Cash and cash equivalents presented in the statement of cash flows	**2.840.491.924**	**1.073.970.841**	**1.073.970.841**	**1.375.154.153**

As of December 31, 2024, and 2023, the details of bank deposits as follows:

	December 31, 2024	December 31, 2023
Foreign currency denominated bank deposits		
- time deposits	504.401.073	610.687.691
- demand deposits	420.958.788	440.467.160
Bank deposits in Turkish Lira		
- time deposits	3.457.823.287	771.673.651
- demand deposits	640.317	2.477.467
Bank deposits	**4.383.823.465**	**1.825.305.969**

(Currency: Turkish Lira (TL))

15 Equity

Paid in capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group having 87,60% of outstanding shares. As of December 31, 2024, and, 2023, the shareholding structure of the Company is as follows:

	December 31, 2024		December 31, 2023	
Name	Shareholding amount(TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Axa Hayat ve Emeklilik A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid in capital	**660.000.000**	**100,00**	**660.000.000**	**100,00**

As of December 31, 2024, the issued share capital of the Company is TL 660.000.000 (December 31, 2023: TL 660.000.000) and the share capital of the Company consists of 66.000.000.000 (December 31, 2023: 66.000.000.000 shares) issued shares with TL 0,01 nominal value each. There are no privileges over the shares of the Company.

There are not any treasury shares held by the Company itself or by its subsidiaries or associates.

There are not any treasury shares issued which will be subject to sale in accordance with forward transactions and contracts.

Legal reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital but may be used to absorb losses in the event that the general reserve is exhausted.

The movements of legal reserves are as follows:

	December 31, 2024	December 31, 2023
Legal reserves at the beginning of the period	**312.168.254**	**261.812.474**
Transfer from profit	-	43.974.913
Accounted according to the equity method	12.643.323	6.380.867
Legal reserves at the end of the period	**324.811.577**	**312.168.254**

As of December 31, 2024, and December 31, 2023, "Other Reserves and Retained Earnings" includes extraordinary reserves, gains to be added to equity and buildings for own use revaluation differences and other profit reserves.

(Currency: Turkish Lira (TL))

Extraordinary reserves

The movement of extraordinary reserves is as follows:

	December 31, 2024	December 31, 2023
Extraordinary reserves at the beginning of the period	**1.448.635.062**	**1.055.949.776**
Transfer from profit	-	-
Accounted according to the equity method	3.070.211.699	392.685.286
Extraordinary reserves at the end of the period	**4.518.846.761**	**1.448.635.062**

Special funds (reserves)

As of 31 December 2024, a fund has not been allocated to receive venture capital investment fund participation shares from the 2023 period profit in accordance with the provisions of Article 325/A of the Tax Procedure Law and Article 10 of the Corporate Tax Law. (31 December 2023: 33.809.969 TL). As of December 31, 2024, special funds accounted according to the equity method is amounting to TL 241.519.108 (December 31, 2023: 95.887.615).

The movements of special funds are as follows:

	December 31, 2024	December 31, 2023
Special funds at the beginning of the period	**184.820.637**	**117.937.781**
Transfer from profit	-	38.123.053
Accounted according to the equity method	145.631.493	28.759.803
Special funds at the end of the period	**330.452.130**	**184.820.637**

Other profit reserves

According to revision on TAS 19, actuarial profit and losses that recognized in income statement in termination indemnity calculation before, is recognized in "Other Profit Reserves" account under equity in current period financial statements. The amount of TL (29.284.720) (December 31, 2023: TL (21.271.539) regarding actuarial calculation is presented in other profit reserves account, in calculation of termination indemnity As of December 31, 2024.

	December 31, 2024	December 31, 2023
Other profit reserves at the beginning of the period	**(16.950.092)**	**7.210.231**
Actuarial gains/losses	(8.013.181)	(5.868.757)
Accounted according to the equity method	(14.682.339)	(18.291.566)
Other profit reserves at the end of the period	**(39.645.612)**	**(16.950.092)**

Statutory reserves

After the allocation of first legal reserves and first dividend to shareholders, reserve for natural disasters and catastrophe might be allocated, if deemed necessary, based on the suggestion of the Board of Directors and decision of the General Assembly. As of December 31, 2024, there are no funds allocated in this manner (December 31, 2023: None). As of December 31, 2024, the statutory reverses that are accounted according to the equity method amounting to TL 572.615.467 (December 31, 2023: TL 183.984.605).

Foreign currency translation differences

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. As of December 31, 2024, foreign currency translation loss amounting to TL 358.446.598 (December 31, 2023: TL 254.517.245) stems from Singapore Branch whose functional currency is US Dollars.

(Currency: Turkish Lira (TL))

Other capital reserves

"According to TAS 16 - "Property Plant and Equipment", property, plant and equipment are initially recorded at cost and can be subsequently measured at their fair values. The Company has started to show based on the revaluation model by measuring over fair value as of the third quarter of 2015 by making changes in the use of the property which is measuring the cost model in the financial statements before.

According to expertise reports, fair value of building for own use is calculated as TL 1.459.750.000 and revaluation differences amounted TL 1.447.902.359 is recognized in 'Other Capital Reserves' account under equity amounting to TL 1.122.124.328 with net tax effect in financial statements As of December 31, 2024 (December 31, 2023: TL 1.122.124.328). As of December 31, 2024, the other capital reverses that are accounted according to the equity method amounting to TL 120.551.490 (December 31, 2023: TL 89.457.077)

By the Board of Directors' decision dated August 25, 2023, it was decided to transfer the real estate registered in the Company's assets, both for use and investment purposes, to Miltaş Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, as capital, in accordance with the partial demerger procedure, based on the VUK financial statements and in line with Articles 19-20 of the Corporate Tax Law and Articles 159-179 of the Turkish Commercial Code. The value of the real estate transferred as of December 31, 2023, is 4,613,156,000 TL

Valuation of financial assets

As of December 31, 2024, and 2023 detailed change of fair value of marketable securities, debt securities and subsidiaries classified as available for sale financial assets is as following:

	December 31, 2024	December 31, 2023
Fair value reserves at the beginning of the period	**1.576.301.378**	**775.959.399**
Change in the fair value during the period *(Note 4.2)*	305.261.638	824.751.307
Deferred tax effect *(Note 4.2)*	39.524.036	(16.941.141)
Net gains transferred to the statement of income *(Note 4.2)*	(80.543.355)	(10.668.838)
Deferred tax effect *(Note 4.2)*	24.163.007	3.200.651
Fair value reserves at the end of the period	**1.864.706.704**	**1.576.301.378**

The financial asset valuation item also includes the share of the parent company in the financial asset valuation amount of subsidiaries and affiliates accounted for using the equity method.

Profit for the period that is extraneous from the distribution

In accordance with tax legislation, 50% of profits from sales of participation shares and 25% of profit from real states included in the assets of companies is exempt from corporate tax provided that it is classified under a special fund for full five years. The exempt gains cannot be transferred to another account other than a capital increase or cannot be withdrawn from the entity for five years. In the direction of sector announcement made by Treasury dated October 27, 2008 and numbered 2008/41, the Company classified the gain on sale dated April 10, 2015 from the land in real estate amounting to TL 23.723.323 as of March 31, 2016. As of March 31, 2021, TL 162.083, which corresponds to 25% of the income obtained from the sale of the subsidiary realized by the Company as of December 14, 2020, has been classified in the Non-Distributable Period Profit. As of December 31, 2024, the Non-Distributable Period Profit amount accounted for using the equity method is TL 19.035.906. (December 31, 2023: 19.035.906)

16 Other reserves and equity component of discretionary participation

As of December 31, 2024, and 2023, other reserves are explained in detail in Note 15 - *Equity* above.

As of December 31, 2024, and 2023, the Company does not hold any insurance or investment contracts which contain a discretionary participation feature.

(Currency: Turkish Lira (TL))

17 Insurance contract liabilities and reinsurance assets

Estimation of the ultimate payment for the outstanding claims is one of the most important accounting assumptions of the Company. Estimation of the insurance contract liabilities contains several ambiguities by nature. The Company makes calculation of the related insurance technical provisions accordance with the Insurance Legislation and reflects them into financial statements as mentioned in Note 2 - *Summary of significant accounting policies*.

As of December 31, 2024, and 2023 technical reserves of the Company are as follows:

	December 31, 2024	**December 31, 2023**
Unearned premiums reserve, gross	5.944.522.967	4.970.704.922
Unearned premiums reserve, ceded *(Note 10)*	(43.992.595)	(60.065.549)
Unearned premiums reserve, net	**5.900.530.372**	**4.910.639.373**
Outstanding claims reserve, gross	11.343.283.860	11.825.397.858
Outstanding claims reserve, ceded *(Note 10)*	(1.729.970.615)	(5.807.404.091)
Outstanding claims reserve, net	**9.613.313.245**	**6.017.993.767**
Unexpired risks reserve, gross	22.010.219	34.469.669
Unexpired risks reserve, ceded *(Note 10)*	(96.577)	(642.771)
Unexpired risks reserve, net	**21.913.642**	**33.826.898**
Equalization reserve, net	**474.736.051**	**270.559.287**
Total technical reserves, net	**16.010.493.310**	**11.233.019.325**
Short-term	15.535.757.259	10.962.460.038
Long-term	474.736.051	270.559.287
Total technical reserves, net	**16.010.493.310**	**11.233.019.325**

(Currency: Turkish Lira (TL))

As of December 31, 2024, and 2023, movements of the insurance liabilities and related reinsurance assets are presented below:

	December 31, 2024		
Unearned premiums reserve	**Gross**	**Ceded**	**Net**
Unearned premiums reserve at the beginning of the period	4.970.704.922	(60.065.549)	4.910.639.373
Written premiums during the period	14.720.529.934	(5.467.356.778)	9.253.173.156
Earned premiums during the period	(13.746.711.889)	5.483.429.732	(8.263.282.157)
Unearned premiums reserve at the end of the period	**5.944.522.967**	**(43.992.595)**	**5.900.530.372**

	December 31, 2023		
Unearned premiums reserve	**Gross**	**Ceded**	**Net**
Unearned premiums reserve at the beginning of the period	2.293.557.896	(49.314.693)	2.244.243.203
Written premiums during the period	9.924.594.569	(2.089.018.861)	7.835.575.708
Earned premiums during the period	(7.247.447.543)	2.078.268.005	(5.169.179.538)
Unearned premiums reserve at the end of the period	**4.970.704.922**	**(60.065.549)**	**4.910.639.373**

	December 31, 2024		
Outstanding claims reserve	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	11.825.397.858	(5.807.404.091)	6.017.993.767
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	11.432.821.842	(645.596.441)	10.787.225.401
Claims paid during the period	(9.911.606.027)	4.680.124.568	(5.231.481.459)
Discount effect	(2.003.329.813)	42.905.349	(1.960.424.464)
Outstanding claims reserve at the end of the period	**11.343.283.860**	**(1.729.970.615)**	**9.613.313.245**

	December 31, 2023		
Outstanding claims reserve	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	4.174.390.046	(129.947.122)	4.044.442.924
Claims reported during the period and changes in the estimations of outstanding claims reserve provided at the beginning of the period	20.901.595.604	(13.312.351.131)	7.589.244.473
Claims paid during the period	(12.315.558.993)	7.622.976.582	(4.692.582.411)
Discount effect	(935.028.799)	11.917.580	(923.111.219)
Outstanding claims reserve at the end of the period	**11.825.397.858**	**(5.807.404.091)**	**6.017.993.767**

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

The Company, being a reinsurance Company, has no obligation of providing guarantees.

Total amount of insurance risk on a branch basis

Total amount of insurance risk on branch basis for non-life insurance branch is not kept by the Company.

Company's number of life insurance policies, additions, disposals during the year and the related mathematical reserves

None.

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

None.

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

None.

Pension investment funds established by the Company and their unit prices

None.

Number and amount of participation certificates in portfolio and circulation

None.

Portfolio amounts in terms of number of new participants, left or cancelled participants, and existing participants for individuals and groups

None.

Valuation methods used in profit share calculation for saving life contracts with profit sharing

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups which were transferred from other insurance companies during the year

None.

Distribution of individual and group participants and their gross and net contributions which were transferred from life insurance portfolio to private pension portfolio during the year

None.

Distribution of individual and group participants which were cancelled or transferred to other insurance companies in terms of their numbers and gross and net contributions

None.

Profit share distribution rate of life insurances

None.

(Currency: Turkish Lira (TL))

Deferred commission expenses

The Company capitalizes commissions paid to the intermediaries related to policy production under short-term and long-term prepaid expenses. As of December 31, 2024, deferred production expenses amounting to TL 1.302.479.934 (December 31, 2023: 1.151.447.899 TL) deferred production commissions amounting to TL 1.298.830.397 (31 December 2023: TL 1.147.768.977) and deferred loss surplus amounting to TL 3.649.537 (31 December 2023: TL 3.678.921) It consists of premiums.

As of December 31, 2024, and 2023, the movement of deferred commission expenses is presented below:

	December 31, 2024	December 31, 2023
Deferred commission expenses at the beginning of the period	1.147.768.977	537.519.644
Commissions accrued during the period *(Note 32)*	3.049.327.773	2.259.936.635
Commissions expensed during the period *(Note 32)*	(2.898.266.353)	(1.649.687.302)
Deferred commission expenses at the end of the period	**1.298.830.397**	**1.147.768.977**

18 Investment contract liabilities

None.

19 Trade and other payables and deferred income

	December 31, 2024	December 31, 2023
Financial Liabilities *(Note 20)*	22.471.441	29.846.096
Payables from reinsurance operations	474.163.450	841.905.698
Short/long term deferred income and expense accruals	59.910.858	48.379.059
Taxes and other liabilities and similar obligations	15.618.183	15.176.235
Due to related parties *(Note 45)*	2.446.229	722.655
Other payables	11.581.653	9.665.367
Total	**586.191.814**	**945.695.110**
Short-term liabilities	578.361.633	929.095.646
Long-term liabilities	7.830.181	16.599.464
Total	**586.191.814**	**945.695.110**

As of December 31, 2024, and 2023, other payables largely consist of outsourced benefits and services.

Short/long term deferred income and expense accruals include deferred commission income *(Note 10)* amounting to TL 4.303.316 (December 31, 2023: TL 8.565.638).

As of December 31, 2024, the amounting of the expense accruals TL 55.607.542 (December 31, 2023: TL 39.421.809) are detailed in the table below.

	December 31, 2024	December 31, 2023
Dividend accrual	29.977.516	14.165.226
Other accruals	25.630.026	25.256.583
Total	**55.607.542**	**39.421.809**

(Currency: Turkish Lira (TL))

There are no other revenues related to future months in the accrued revenues and expenses for future months. (December 31, 2023: TL 391.612).

Corporate tax liabilities and prepaid taxes are disclosed below:

	December 31, 2024	December 31, 2023
Taxes paid during the year	71.260.270	9.170.386
Corporate tax liabilities	-	-
Total	**71.260.270**	**9.170.386**

20 Financial liabilities

As of 31 December 2024 and 2023, discounted repayment plans for the Company's operating leases are as follows:

	December 31, 2024	December 31, 2023
Within one year	14.680.140	13.252.134
More than one year	7.791.301	16.593.962
Total	**22.471.441**	**29.846.096**

21 Deferred tax

As of December 31, 2024, and 2023, deferred tax assets and liabilities are attributable to the following:

	December 31, 2024	December 31, 2023
	Deferred tax assets/(liabilities)	Deferred tax assets/(liabilities)
Equalization provision	196.362.726	101.784.902
Other	(8.629.771)	(10.375.297)
Deferred tax (liabilities)/assets, net	**187.732.955**	**91.409.605**

As of 31 December 2024, the Company has a deductible financial loss of TL 1.119.422.941 TL that can be used until 31 December 2028, and TL 744.923.076 that can be used until 31 December 2027, totaling TL 3.786.091.162. The Company reviewed the business plan as of December 31, 2024 and estimated the risk of not being able to use the financial losses, which can be deducted in the coming years, and as of December 31, 2024, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle (31 December 2023: TL 1.864.346.017).

Movement of deferred tax assets are given below:

	2024	2023
Opening balance at 1 January	**91.409.605**	**(167.314.226)**
Deferred tax income/expense	53.365.094	(523.942.071)
Deferred tax income/expense recognised in equity	42.958.256	(247.607.755)
Other(*)	-	1.030.273.657
Closing balance at 31 December	**187.732.955**	**91.409.605**

(*) With the transfer of TL 4.613.156.000 of the fair value of the Company's real estate to Miltaş Turizm İnşaat Ticaret A.Ş. by partial division, the deferred tax liability of TL 1.030.273.657 calculated on the real estate was deducted from the value of the Miltaş Turizm İnşaat Ticaret A.Ş.

22 Retirement benefit obligations

Employees of the Company are the members of "Milli Reasürans Türk Anonim Şirketi Emekli ve Sağlık Sandığı Vakfı ("Milli Reasürans Pension Fund") which is established in accordance with the temporary Article 20 of the Social Security Act No: 506.

As per the provisional article No: 23 of the Banking Law No: 5411, pension funds of the banks which were established within the framework of Social Security Institution Law, should be transferred to the Social Security Institution within three years after the publication of the prevailing Banking Law enacted on November 1, 2005. However, the said article of the Banking Law has been vetoed by the President on November 2, 2005 and the execution of the article was ceased based on the Supreme Court's decision numbered 2007/33 and dated March 22, 2007. The justified decision of Supreme Court is published in Official Gazette dated December 15, 2007 and numbered 26731. Supreme Court asserted possible losses on acquired rights of employees of pension fund as reason for cancellation decision.

Following annulment of the temporary Article 23 of the Banking Law, the new law "Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees" was published in the Official Gazette dated May 8, 2008 and came into force. The new law requires transfer of the participants or beneficiaries of pension funds to Social Security Institution as at the effective date of the Act within 3 years and prescribe the extension period of the transfer as maximum of two years upon the order of the Cabinet. Accordingly, the three-year period expired on May 8, 2011 was extended to the May 8, 2013. On March 8, 2012, "Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees" numbered 28227, was published on Official Gazette and 4th article of this act changed "two years" phrase as "four years" which takes part on second sentence of first clause of 20th article of the code numbered 5510. Also, under the scope of Decree of the Council of Ministers numbered 2013/4617 was published on Official Gazette numbered 28636, on May 3, 2013 and 20th temporary article of the Social Security Laws numbered 506 banks, insurance and reinsurance companies, chambers of commerce, stock markets or participants of pension funds and salary or income provided ones and their shareholders' transfer duration has been extended one year to the Social Security Institution by Decree of the Council of Ministers. Under the scope of Decree of Turkish Ministry of Labour and Social Security numbered 174, according to 20th temporary article of the Social Security Laws numbered 5510, the Council of Ministers postpone transfer of the funds until May 8, 2015 with the decision of The Council of Ministers dated February 24, 2014.

April 23, 2015 dated Official Gazette is changed as following; insurance and reinsurance companies, chambers of commerce, industry chambers, stock exchanges or which constitutes their union personnel and associates of funds "The Council is authorized to determine the date of transfer within the scope of article 20 the of the law, 506 banks, insurance and reinsurance companies, chambers of commerce, industry chambers, stock exchanges or which constitutes their union personnel and associates of funds to the social security institution. Pension fund contributors as of the transfer date and considered insured by the first paragraph of Article 4 of this law.

With the decision of the Council of Ministers to be published in the future, the principles and practices of the period will be determined.

On the other hand, the application made on June 19, 2008 by the Republican People's Party to the Constitutional Court for the annulment and motion for stay of some articles, including the first paragraph of the provisional article 20 of the Law, which covers provisions on transfers, was rejected in accordance with the decision taken at the meeting of the afore-mentioned court on March 30, 2011.

As per the temporary sub article No: 20 of the Article 73 of the above mentioned law also includes the following;

For each ballot box, the advance value of the obligation in relation to the transferred persons as of the date of transfer, including the associates who left the ballot box, must be calculated in accordance with the following provisions:

a) technical deficit rate of 9.80% shall be used in the actuarial calculation of the value in cash, and
b) uncovered other rights and compensations of participants or beneficiaries of pension funds should be covered by the entities who transfer the funds.

In accordance with the law; after fund affiliates along with monthly salary and/or revenue endowed people and their rights holder transfer to Social Security Intuition, these people' uncovered social rights and payments is paid, even if it is written in the foundation's obligation which they are belong to, by funds and fund affiliate's employer institutions. The benefits stated in the settlement deeds of pension fund but not subject to transfer will continue to be covered by the pension funds.

The technical financial position of the Milli Reasürans Pension Fund is audited by the registered actuary in accordance with the Article 21 of the Insurance Law and Actuary Act. As per the calculations based on the above mentioned assumptions, actuarial and technical deficit amounting to TL 654.542.421 (December 31, 2023: TL 339.283.006) is accounted as "Provision for pension fund deficits" in the accompanying unconsolidated financial statements.

(Currency: Turkish Lira (TL))

An actuarial report has been obtained from registered actuary regarding calculation of the amount to be paid to the Social Security Institution by the Company in accordance with the new law. The CSO 1980 mortality table for December 31, 2024 9.8% of technical deficit interest rate are taken into account in the calculation of the said technical deficit. No real increase/decrease is anticipated in salary and health expenses. The health benefits to be paid will be considered by the Group management due to the changes in the Social Security Institution legislation and other regulations. At December 31, 2024 and 2023, technical deficit from pension funds comprised the following.

	December 31, 2024	December 31, 2023
Net present value of total liabilities other than health	(1.318.482.732)	(852.626.284)
Net present value of insurance premiums	466.569.320	345.969.987
Net present value of total liabilities other than health	**(851.913.412)**	**(506.656.297)**
Net present value of health liabilities	(191.390.413)	(106.904.194)
Net present value of health premiums	291.491.390	189.967.585
Net present value of health liabilities	**100.100.977**	**83.063.391**
Retirement Benefit Provision for Pension Fund	**(39.153.892)**	**-**
Pension fund assets	**136.423.906**	**84.309.900**
Amount of actuarial and technical deficit	**(654.542.421)**	**(339.283.006)**

Pension fund's assets are comprised of the following items:

	December 31, 2024	December 31, 2023
Cash and cash equivalents	23.352	4.864.338
Associates	117.874.690	68.043.220
Other	18.525.864	11.402.342
Total plan assets	**136.423.906**	**84.309.900**

23 Other liabilities and expense accruals

As of December 31, 2024, and 2023; the provisions for other risks are disclosed as follows:

	December 31, 2024	December 31, 2023
Provision for pension fund deficits *(Note 22)*	654.542.421	339.283.006
Provision for employee termination benefits	23.189.092	22.028.149
Total provision for other risks	**677.731.513**	**361.311.155**

Movement of provision for employee termination benefits during the period is presented below:

	December 31, 2024	December 31, 2023
Provision at the beginning of the period	22.028.149	30.548.796
Interest cost *(Note 47)*	5.257.193	4.867.193
Service cost *(Note 47)*	1.955.302	4.836.092
Payments during the period *(Note 47)*	(17.498.954)	(28.074.802)
Actuarial gain/loss	11.447.402	9.850.870
Provision at the end of the period	**23.189.092**	**22.028.149**

(Currency: Turkish Lira (TL))

24 Net insurance premium revenue

Net insurance premium revenue for non-life branches is presented in detailed in the accompanying unconsolidated statement of income.

	December 31, 2024		
Branches	Total Gross Premium	Total Reinsurance Premium	Total Net Premium
Fire and Natural Disaster	9.450.840.327	(4.421.552.883)	5.029.287.444
General Losses	3.234.551.004	(958.243.612)	2.276.307.392
General Liability	491.365.791	(3.242.621)	488.123.170
Sea vehicles	428.394.363	(25.222.006)	403.172.357
Transport/Marine	412.740.957	(35.957.028)	376.783.929
Other	702.637.492	(23.138.628)	679.498.864
Total	**14.720.529.934**	**(5.467.356.778)**	**9.253.173.156**

	December 31, 2023		
Branches	Total Gross Premium	Total Reinsurance Premium	Total Net Premium
Fire and Natural Disaster	6.111.459.323	(1.682.117.800)	4.429.341.523
General Losses	2.285.327.048	(314.949.101)	1.970.377.947
General Liability	339.956.554	(1.932.240)	338.024.314
Transport/Marine	363.827.992	(33.574.470)	330.253.522
Sea vehicles	342.108.831	(39.249.324)	302.859.507
Other	481.914.821	(17.195.927)	464.718.894
Total	**9.924.594.569**	**(2.089.018.862)**	**7.835.575.707**

25 Fee revenue

None.

26 Investment income

Investment income is presented in Note 4.2 - *Financial risk management*.

27 Net income accrual on financial assets

Net realized gains on financial assets are presented in Note 4.2 - *Financial risk management*.

28 Asset held at fair value through profit or loss

Presented in “Note 4.2 - Financial Risk Management”.

(Currency: Turkish Lira (TL))

29 Insurance rights and claims

	December 31, 2024		December 31, 2023	
	Life	Non-Life	Life	Non-Life
Claims paid, net off reinsurers' share	(7.372.039)	(5.224.109.420)	(6.831.487)	(4.685.750.924)
Changes in outstanding claims reserve, net off reinsurers' share	(17.977.837)	(3.577.341.641)	1.339.803	(1.974.890.646)
Changes in unearned premiums reserve, net off reinsurers' share	(37.697.593)	(952.193.404)	(3.684.741)	(2.662.711.429)
Changes in unexpired risks reserve, net off reinsurers' share	--	11.913.256	-	(20.662.712)
Change in equalization reserve, net off reinsurers' share	(615.487)	(203.561.276)	2.485.278	132.356.168
Change in life mathematical reserves, net off reinsurers' share	-	-	-	-
Total	**(63.662.956)**	**(9.945.292.485)**	**(6.691.147)**	**(9.211.659.543)**

30 Investment contract benefits

None.

31 Other expenses

The allocation of the expenses with respect to their nature or function is presented in Note 32 - *Expenses by nature* below.

32 Operating expenses

As of December 31, 2024, and 2023, the operating expenses are disclosed as follows:

	December 31, 2024		December 31, 2023	
	Life	Non-Life	Life	Non-Life
Commission expenses *(Note 17)*	11.669.139	2.886.597.214	3.346.009	1.646.341.293
Commissions to the intermediaries accrued during the period (Note 17)	24.985.888	3.024.341.885	3.771.452	2.256.165.183
Changes in deferred commission expenses (Note 17)	(13.316.749)	(137.744.671)	(425.443)	(609.823.890)
Employee benefit expenses *(Note 33)*	2.239.693	512.648.431	655.383	272.151.223
Technical Operations Exchange Rate Expenses	665.680	720.899.824	647.435	1.374.124.698
Administration expenses	536.884	123.098.628	212.615	83.740.551
Commission income from reinsurers *(Note 10)*	(1.531.550)	(165.192.494)	(170.880)	(26.095.892)
Commission income from reinsurers accrued during the period (Note 10)	(1.531.550)	(160.930.172)	(170.880)	(25.178.633)
Change in deferred commission income (Note 10)	--	(4.262.322)	-	(917.259)
Outsourced benefits and services	197.545	40.117.714	77.353	27.548.567
Other	90.169	68.565.135	27.377	106.381.633
Total	**13.867.560**	**4.186.734.452**	**4.795.292**	**3.484.192.073**

(Currency: Turkish Lira (TL))

33 Employee benefit expenses

As of December 31, 2024, and 2023, employee benefit expenses are disclosed as follows:

	December 31, 2024		December 31, 2023	
	Life	Non-Life	Life	Non-Life
Wages and salaries	1.363.681	329.228.576	404.829	179.346.681
Employer's share in social security premiums	593.663	122.087.229	111.800	42.438.473
Pension fund benefits	282.349	61.332.626	138.754	50.366.069
Total *(Note 32)*	**2.239.693**	**512.648.431**	**655.383**	**272.151.223**

34 Financial costs

As of December 31, 2024, TL 4.165.831 (1 January - 31 December 2023 : 577.324) interest expense arising from leases that the Company is subject to TFRS 16 Leasing Transactions standard is recognised under "Investment Management Expenses - Interest Included" account; and the depreciation expense amounting to TL 13.794.753 is recognised under the "Depreciation and Amortization Expense" accounts (1 January - 31 December 2023: 9.941.999).

35 Income Taxes

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

	December 31, 2024	December 31, 2023
Corporate tax expense:		
Corporate tax provision	-	-
Deferred taxes:		
Origination and reversal of temporary differences	53.365.094	(523.942.071)
Total income tax expense/(income)	**53.365.094**	**(523.942.071)**

For the period then ended As of December 31, 2024 and 2023, 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 is as follows:

	December 31, 2024		December 31, 2023	
Profit before taxes	**5.880.266.311**	**Tax rate (%)**	**4.152.950.124**	**Tax rate (%)**
Taxes on income per statutory tax rate	1.764.079.893	30,00	1.245.885.037	30,00
Tax exempt income	(2.461.660.090)	(41,86)	(1.168.135.751)	(28,13)
Tax rate change impact	-	-	210.208.668	5,06
Deferred tax not recognized on tax losses and non-deductible expenses	644.215.103	10,96	235.984.117	5,68
Total tax expense recognized in profit or loss	**(53.365.094)**	**(0,91)**	**523.942.071**	**12,62**

36 Net foreign exchange gains

Net foreign exchange gains are presented in Note 4.2 - *Financial Risk Management* above.

(Currency: Turkish Lira (TL))

37 Earnings per share

Earnings per share are calculated by dividing net profit of the year to the weighted average number of shares.

	December 31, 2024	December 31, 2023
Net profit for the period	5.933.631.405	3.629.008.053
Weighted average number of shares	66.000.000.000	66.000.000.000
Earnings per share (TL)	0,0899	0,0550

38 Dividends per share

Dividend distribution policy of the Company stated its Articles of Association are as follows:

- Net profit for the year presents remaining amount of total income of the year after deducting operating expenses, amortisation, provisions, taxes and other similar obligations and prior year losses if any. Net profit is divided and distributed in accordance with order as follows.
- 5% of legal reserve is divided from annual net profit, until it reaches 20% of share capital.
- Amounts described by a and b clauses of 2nd paragraph of 519th article of the Turkish Commercial Law will be added to general legal reserves, after legal limit is reached.
- 10% of the remaining net profit amount is distributed to shareholders, as first dividend.
- If the Company has acquired his share, according to 520th article of the Turkish Commercial Law, legal reserve is divided to meet the acquiring amount.
- Reserve for natural disasters and catastrophe might be allocated, if deemed necessary, based on the suggestion of the Board of Directors and decision of the General Assembly,
- After the allocation of first legal reserves, first dividend to shareholders and statutory reserves, up to 3% of the remaining amount not exceeding three-wages is distributed to personnel.
- After the allocation of above mentioned reserves and dividends, second dividend to shareholders might be allocated, based on the suggestion of the Board of Directors and decision of the General Assembly.
- According to c clause of 2nd paragraph of 519th article of the Turkish Commercial Law, 10% of total amount distributed to people have share of profit will be added to general legal reserves.
- The fate of remaining amount will be determined by the General Assembly.

Judgements of 3rd paragraph of 519th article of Turkish Commercial Law are reserved.

Other legal reserves cannot be divided, profit cannot be transferred to next year and share of profit cannot be distributed to members of the Board of Directors, founders or workers, unless legal reserves have to be divided according to laws and first dividend for shareholders is divided, in accordance with the Articles of Association.

It is decided in Ordinary General Assembly Meeting of the Company, held on March 27, 2024, not to make a dividend payment. It has been decided to retain the net profit of TL 3.629.008.053 resulting from the Company's activities in 2023 as the previous year's profit.

39 Cash generated from operations

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

40 Convertible bonds

None.

41 Redeemable preference shares

None.

42 Risks

As of December 31, 2024, the total amount of lawsuits filed against the Company is 243,427 TRY.

43 Commitments

The Company provides guarantee to ceding companies in the non-life branch as a reinsurance Company and transfers insurance risks through treaties, facultative reinsurance contracts and coinsurance agreements to reinsurance and coinsurance companies.

44 Business combinations

None.

45 Related party transactions

For the purpose of the accompanying unconsolidated financial statements, shareholders, key management and members of board of directors together with their families and companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties.

(Currency: Turkish Lira (TL))

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

	December 31, 2024	December 31, 2023
Türkiye İş Bankası A.Ş.	3.210.239.301	908.899.783
Banks	**3.210.239.301**	**908.899.783**
Equity shares of the related parties *(Note 11)*	785.142.798	424.203.903
Bonds issued by Türkiye Şişe ve Cam Fabrikaları A.Ş (Note 11)	108.640.500	-
Investment funds founded by İş Portföy Yönetimi A.Ş. *(Note 11)*	1.426.564.832	235.842.034
Bond issued by Türkiye İş Bankası A.Ş. *(Note 11)*	165.457.600	80.000.000
Investment funds founded by Maxis Girişim Sermayesi Portföy Yönetimi A.Ş. (Note 11)	226.392.248	119.504.658
Bond issued by İş Gayrimenkul Yatırım Ortaklığı A.Ş. (Note 11)	21.715.200	-
Bond issued by İş Faktoring A.Ş.(Note 11)	216.342.000	-
Eurobonds issued by Türkiye İş Bankası A.Ş. *(Note 11)*	-	149.060.326
Industrial Development Bank of Turkey as bonds issued Inc. (Note 11)	-	60.424.849
Türkiye İş Bankası FX-protected deposits	-	325.739.000
Financial assets	**2.950.255.178**	**1.394.774.770**
Türkiye Sigorta A.Ş.	358.710.042	218.896.210
Anadolu Sigorta	84.761.198	158.144.576
Anadolu Hayat	25.813.210	20.908.036
Other	1.770.461	6.205.531
Receivables from main operations	**471.054.911**	**404.154.353**
Due from subsidiaries (Miltaş)	190.467.198	24.306.074
Due from related parties	**190.467.198**	**24.306.074**
Due to shareholders	156.859	156.859
Due to Personnel	6.277	1.373
Due to subsidiaries	-	503.277
Due to other related parties	2.283.093	61.146
Due to related parties	**2.446.229**	**722.655**
HDI Sigorta A.Ş.	13.598.687	11.978.825
Axa Sigorta A.Ş	10.325.202	10.346.777
Allianz Sigorta A.Ş	4.843.514	4.841.851
Other	9.729.576	12.504.736
Payables from main operations	**38.496.979**	**39.672.189**

No guarantees have been taken against receivables from related parties.

There are no doubtful receivables and payables from shareholders, subsidiaries and joint ventures.

No guarantees, commitments, guarantee letters, advances and endorsements given in favour of shareholders, associates and subsidiaries.

(Currency: Turkish Lira (TL))

The transactions with related parties are as follows:

	December 31, 2024	December 31, 2023
Türkiye Sigorta A.Ş	3.264.689.468	1.946.124.412
Anadolu Sigorta	1.163.126.287	933.050.049
Anadolu Hayat Emeklilik A.Ş.	37.755.165	31.581.138
Allianz Sigorta A.Ş.	30.867.957	28.840.565
Other	19.784.495	97.532.188
Premiums received	**4.516.223.372**	**3.037.128.352**
Premiums ceded to the reinsurer	**5.567.184**	**2.216**
Anadolu Sigorta	551.983	3.994
Other	-	5.849
Commissions received	**551.983**	**9.843**
Türkiye Sigorta A.Ş	752.749.265	509.383.685
Anadolu Sigorta	218.972.851	194.098.310
Allianz Sigorta A.Ş.	6.975.492	7.208.239
Other	3.912.190	18.784.152
Commissions given	**982.609.798**	**729.474.386**
Anadolu Sigorta	1.958.931.033	2.232.638.553
Türkiye Sigorta A.Ş	1.219.100.842	2.039.327.587
Axa Sigorta Sigorta A.Ş	97.883.162	198.278.249
Other	57.824.612	28.098.188
Claims paid	**3.333.739.649**	**4.498.342.577**
Reinsurance's share of claims paid	**1.444.992**	**5.661.194**

	31 Aralık 2024	31 Aralık 2023
Türkiye Sigorta A.Ş	15.012.056	24.943.112
Anadolu Sigorta	14.924.440	12.983.839
Other	(1.022.723)	6.724.029
Other income	**28.913.773**	**44.650.980**
Türkiye Sigorta A.Ş	8.918.593	2.643.880
Axa Sigorta A.Ş.	1.469.703	1.574.145
Other	2.673.539	3.803.289
Other expenses	**13.061.835**	**8.021.314**

(Currency: Turkish Lira (TL))

46 Subsequent events

None.

47 Other

Items and amounts classified under the "other" account in 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

Other Technical Income (After Deducting Reinsurance Share)

	December 31, 2024		December 31, 2023	
	Life	Non-Life	Life	Non-Life
Foreign Exchange Gains Arising from Technical Operations	467.692	802.411.274	523.687	1.412.868.076
Other	400	83.908.232	-	135.568.519
Total	**468.092**	**886.319.506**	**523.687**	**1.548.436.595**

Payables to employees and receivables from employees presented under accounts, "other receivables" and "other short or long term payables", and which have balance more than 1% of the total assets

None.

Subrogation recorded in "Off-Balance Sheet Accounts"

None.

Real rights on immovable and their values

None.

Explanatory note for the amounts and nature of previous years' income and losses

None.

(Currency: Turkish Lira (TL))

Details of rediscount and provision expenses are as follows:

Provision expenses	December 31, 2024	December 31, 2023
Provision for pension fund deficits	(315.259.415)	(104.015.824)
Provision expenses for doubtful receivables (*)	(24.890.113)	(74.994.760)
Provision for employee termination benefits *(Note 23)*	10.286.459	18.371.517
Other provision	26.767	6.954.539
Total of provisions	**(329.836.302)**	**(153.684.528)**

(*) The provision for doubtful receivables related to valuation of foreign currency denominated receivables from main operations.

Rediscount Expenses	December 31, 2024	December 31, 2023
Rediscount income/(expense) from reinsurance receivables	23.127	(2.682.549)
Rediscount income/(expense) from reinsurance payables	(9.603.272)	(43.308.097)
Total of rediscounts	**(9.580.145)**	**(45.990.646)**

Fees for Services Rendered by Independent Auditor/Independent Auditing Firm (*):

	December 31, 2024	December 31, 2023
Independent audit fee for the reporting period	4.906.741	5.577.526
Fees for tax advisory services	650.030	529.839
Total	**5.556.771**	**6.107.365**

(*) Fee excluding VAT.

Information on Consolidated Subsidiaries

Anadolu Anonim Türk Sigorta Şirketi

Undertaking insurance and reinsurance activities in non-life branches, Anadolu Sigorta was founded in 1925 at the initiative of Mustafa Kemal Atatürk, the founder of the Turkish Republic, and under the leadership of İşbank, Turkey's first national bank.

Pioneering its sector ever since its incorporation, Anadolu Sigorta is committed to offering only high-quality products and services and to ensuring their continuity with its experienced and expert teams, solid technological and financial infrastructure, continuous development and improvement understanding, and extensive network of expert agents.

Anadolu Sigorta's shares are quoted on Borsa İstanbul (BİST) Stars Market under the ticker symbol "ANSGR". 42.7% of Anadolu Sigorta is publicly held, while 57.31% belongs to Millî Reasürans T.A.Ş. and 7% belongs to Trakya Yatırım Holding A.Ş.

Headquartered in İstanbul, Anadolu Sigorta brings its products to its customers via regional offices in İstanbul (2), Ankara, Adana, Antalya, Bursa, Samsun, Trabzon, Konya, and İzmir, a sales office in Gaziantep, a branch in the Turkish Republic of Northern Cyprus, and 3,138 professional agencies as of year-end 2024.

Anadolu Sigorta uses bank branches, mainly those of İşbank, within its bancassurance network as a fundamental distribution channel of its services. Besides all İşbank branches, TSKB, A&T Bank, Alternatifbank, Albaraka Türk Participation Bank and QNB Finansbank branches serve as Anadolu Sigorta agencies.

In 2024, Anadolu Sigorta increased its total premium production by 57% year-on-year to TL 69.6 billion and controls a 9.42% share of the overall market among non-life companies.

The highest premium generator for Anadolu Sigorta in 2024 has been the Land Vehicles branch with TL 14,994 million, followed in order by Fire and Natural Disasters with TL 14,910 million, Land Vehicles Liability with TL 13,644 million, and Health with TL 12,690 million.

According to its unconsolidated financial statements, Anadolu Sigorta's total assets reached TL 96.2 billion at the end of 2024, up by 64.81% year-onyear, while its shareholders' equity reached TL 30.7 billion with an annual rise by 115.83%. Booking a net profit of TL 10,877.7 million in 2024 that went up by 84.07% as compared to the previous year, Anadolu Sigorta successfully achieved its sustainable profit target also in 2024.

Millî Reasürans Türk Anonim Şirketi

Consolidated Financial Statements as of December 31, 2024, together with the Independent Auditor's Report

(Convenience translation of independent auditors' report and consolidated financial statements originally issued in Turkish)

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Milli Reasürans Türk Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the consolidated financial statements of Milli Reasürans Türk Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated balance sheet as of 31 December 2024 and the consolidated statement of income, consolidated statement of changes in equity, consolidated statement of cash flows and statement of profit distribution for the year then ended and the notes to the consolidated financial statements including a summary of significant accounting policies.

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

2. Basis for Opinion

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

3. Key Audit Matters

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

Key audit matter	*How our audit addressed the matter*
Estimation of provision for claims incurred but not reported As explained in Note 2 to the accompanying consolidated financial statements, the Group has accounted for a net provision for claims incurred but not reported amounting to TRY 26.413.119.617 as of 31 December 2024. The abovementioned provision is calculated by the Group's actuaries using actuarial chain ladder methods, in accordance with "Circular on Outstanding Claim Provisions" dated 5 December 2014 and numbered 2014/16 published by the Ministry of Treasury and Finance and the approval letter obtained from the regulatory authority. Accordingly, the selection and aggregation of the claims data used in the calculation, adjustment procedures, selection of the most appropriate method and development factors, as well as interventions in the development factors, are carried out by the Group's actuaries using actuarial methods on a branch basis. The amount calculated is compared to the incurred and reported provision for outstanding claims, and the difference is determined as the provision for claims incurred but not reported. The reason we focus on this area during our audit is the significance of the incurred but not reported claims provision for the consolidated financial statements and the significant actuarial judgments and estimates required by the nature of provision in the financial statements.	We tested the design and operational effectiveness of the key controls implemented by the Group management in relation to the claims data used in the calculation of provision for claims incurred but not reported. In the branches selected by the sampling method, the data used in the calculation of provision for claims incurred but not reported was reconciled to the information in the accompanying consolidated financial statements. In addition, the estimated expected loss ratios and claim development trends, as well as the selected actuarial methods and assumptions considered by the Group's actuaries in the calculation of the provision for incurred but not reported, have been assessed by the actuaries within our team using actuarial techniques, based on historical claim experiences and sector developments. Besides, for selected branches, independent actuarial analyses have been conducted and reasonable range estimates have been determined for the acceptable reserve ranges related to the provision for incurred but not reported claims calculated by the Group's actuaries as of the balance sheet date, considering the related legislation and the approval letter obtained from the regulatory authority, and these ranges have been compared with the amounts included in Group's accounting records. In addition to these, the compliance and consistency of the disclosures in the notes to the consolidated financial statements related to such provisions have been checked in accordance with the Regulation on Insurance Accounting and Financial Reporting Principles.

4. Other Matter

The audit of the consolidated financial statements of the Group for the year ended 31 December 2023 was conducted by another independent audit firm and an unqualified opinion was issued in audit report dated 27 February 2024 prepared by the mentioned independent audit firm.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

B. Other Responsibilities Arising from Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation into English

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

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

ORIGINALLY ISSUED IN TURKISH

Ramazan Yüksekkaya, SMMM
Partner

Istanbul, 28 February 2025

Convenience Translation of the Company's Representation on the Consolidated Financial Statement Prepared as of December 31, 2024

We confirm that the consolidated financial statements and related disclosures and footnotes as of December 31, 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.

İstanbul, 28 February 2025

Ebru ÖZŞUCA
Chairperson of the Board of Directors and
Audit Committee Chair

Zeliha GÖKER
Member of the Board of Directors and
Audit Committee Member

Fikret Utku ÖZDEMİR
General Manager

Şule SOYLU
Assistant General Manager

Banu GÜLMEDİM PURUT
Assistant General Manager
Audit Committee Member

Nedime BÖYÜKKIRLI
Accounting and Regulatory
Reporting Group Manager

Ertan TAN
Actuary
Registration No:21

Contents

Millî Reasürans Türk Anonim Şirketi'nin

Consolidated Balance Sheet
As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

ASSETS			
I- Current Assets	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A- Cash and Cash Equivalents		**28.723.699.579**	**13.131.396.963**
1- Cash	14	188.356	162.771
2- Cheques Received		-	-
3- Banks	14	22.412.016.674	9.678.868.672
4- Cheques Given and Payment Orders (-)	14	(4.026)	(3.167)
5- Receivables From Credit Cards with Bank Guarantee Due Less Than Three Months	14	6.311.498.575	3.452.368.687
6- Other Cash and Cash Equivalents		-	-
B- Financial Assets and Investments with Risks on Policy Holders	**11**	**42.904.164.891**	**28.620.248.949**
1- Financial Assets Available for Sale	11	14.830.675.259	13.902.404.460
2- Financial Assets Held to Maturity	11	336.954.882	329.439.782
3- Financial Assets Held for Trading	11	27.736.534.750	14.388.404.707
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Investments with Risks on Policy Holders		-	-
7- Equity Shares		-	-
8- Impairment in Value of Financial Assets (-)		-	-
C- Receivables From Main Operations		**19.556.362.950**	**18.272.883.995**
1- Receivables From Insurance Operations	12	13.746.815.331	11.565.780.832
2- Provision for Receivables From Insurance Operations (-)	12	(216.362.128)	(156.811.592)
3- Receivables From Reinsurance Operations	12	4.510.875.400	5.366.209.860
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited For Insurance & Reinsurance Companies	12	1.515.034.347	1.497.704.895
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operation		-	-
9- Doubtful Receivables From Main Operations	4.2,12	1.645.988.793	1.024.803.971
10- Provisions for Doubtful Receivables From Main Operations (-)	4.2,12	(1.645.988.793)	(1.024.803.971)
D- Due from Related Parties		**-**	**-**
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
E- Other Receivables	**12**	**240.529.367**	**111.056.559**
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		57.992.327	11.118.770
4- Other Receivables		182.537.040	99.937.789
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables	4.2	705.142	705.142
7- Provisions for Other Doubtful Receivables (-)	4.2	(705.142)	(705.142)
F- Prepaid Expenses and Income Accruals		**7.011.276.295**	**4.465.305.085**
1- Deferred Commission Expenses	17	6.589.128.692	4.280.311.026
2- Accrued Interest and Rent Income		-	-
3- Income Accruals	4.2,12	343.567.665	108.303.904
4- Other Prepaid Expenses	4.2	78.579.938	76.690.155
G- Other Current Assets		**1.954.396.264**	**126.564.171**
1- Inventories		7.049.053	1.739.549
2- Prepaid Taxes and Funds	12,19	71.260.270	9.246.952
3- Deferred Tax Assets		-	-
4- Job Advances	12	322.059.841	110.081.315
5- Advances Given to Personnel	12	-	36.338
6- Stock Count Differences		-	-
7- Other Current Assets	47	1.554.027.100	5.460.017
8- Provision for Other Current Assets (-)		-	-
I- Total Current Assets		**100.390.429.346**	**64.727.455.722**

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

Millî Reasürans Türk Anonim Şirketi

Consolidated Balance Sheet
As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

ASSETS			
II- Non-Current Assets	Note	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
A- Receivables From Main Operations		431.653.921	395.937.136
1- Receivables From Insurance Operations		-	-
2- Provision for Receivables From Insurance Operations (-)		-	-
3- Receivables From Reinsurance Operations	4.2,12	263.336.032	381.273.026
4- Provision for Receivables From Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance & Reinsurance Companies	4.2,12	168.317.889	14.664.110
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables From Pension Operations		-	-
9- Doubtful Receivables from Main Operations	4.2,12	178.476.684	153.566.800
10-Provision for Doubtful Receivables from Main Operations	4.2,12	(178.476.684)	(153.566.800)
B- Due from Related Parties		-	-
1- Due from Shareholders		-	-
2- Due from Affiliates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Discount on Receivables Due from Related Parties (-)		-	-
8- Doubtful Receivables Due from Related Parties		-	-
9- Provisions for Doubtful Receivables Due from Related Parties (-)		-	-
C- Other Receivables	4.2,12	480.322	324.555
1- Leasing Receivables		-	-
2- Unearned Leasing Interest Income (-)		-	-
3- Deposits and Guarantees Given		324.555	324.555
4- Other Receivables		155.767	-
5- Discount on Other Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provisions for Other Doubtful Receivables (-)		-	-
D- Financial Assets	9	2.115.020.367	1.354.386.089
1- Investments In Associates		-	-
2- Affiliates	9	2.115.020.367	1.354.386.089
3- Capital Commitments to Affiliates (-)		-	-
4- Subsidiaries		-	-
5- Capital Commitments to Subsidiaries (-)		-	-
6- Joint Ventures		-	-
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Investments with Risks on Policy Holders		-	-
9- Other Financial Assets		-	-
10-Diminution in Value of Financial Assets (-)		-	-
E- Tangible Fixed Assets		6.159.070.183	5.425.308.231
1- Investment Properties	6,7	5.336.521.000	4.890.602.000
2- Diminution in Value for Investment Properties (-)		-	-
3- Buildings for Own Use	6	317.622.500	215.104.000
4- Machinery and Equipments	6	280.935.328	188.791.920
5- Furnitures and Fixtures	6	84.901.462	67.901.403
6- Vehicles	6	36.462.802	13.489.028
7- Other Tangible Assets (Including Leasehold Improvements)	6	106.204.900	97.776.415
8- Leased Tangible Fixed Assets	6	328.088.484	187.439.190
9- Accumulated Depreciation (-)	6	(374.522.004)	(255.458.176)
10-Advances Paid for Tangible Fixed Assets (Including Construction In Progresses)	6	42.855.711	19.662.451
F- Intangible Fixed Assets	8	568.219.563	391.411.829
1- Rights	8	653.512.652	526.278.411
2- Goodwill	8	16.250.000	16.250.000
3- Establishment Costs		-	-
4- Research and Development Expenses	8	18.657.453	18.657.453
6- Other Intangible Assets		-	-
7- Accumulated Amortizations (-)	8	(475.614.418)	(433.942.972)
8- Advances Regarding Intangible Assets	8	355.413.876	264.168.937
G- Prepaid Expenses and Income Accruals		99.470.300	3.421.242
1- Deferred Commission Expenses	17	99.400.742	2.160.700
2- Accrued Interest and Rent Income		-	-
3- Other Prepaid Expenses	4.2	69.558	1.260.542
H- Other Non-current Assets		1.132.200.585	843.879.875
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Inventories		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	1.132.200.585	843.879.875
6- Other Non-current Assets		-	-
7- Other Non-current Assets Amortization (-)		-	-
8- Provision for Other Non-current Assets (-)		-	-
II- Total Non-current Assets		10.506.115.241	8.414.668.957
TOTAL ASSETS		110.896.544.587	73.142.124.679

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

Millî Reasürans Türk Anonim Şirketi'nin

Consolidated Balance Sheet
As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

LIABILITIES			
III- Short-Term Liabilities	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A- Borrowings		**62.761.317**	**32.390.854**
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Finance Lease Borrowing Costs (-)		-	-
4- Current Portion of Long Term Borrowings		-	-
5- Principal, Instalments and Interests on Issued Bills (Bonds)		-	-
6- Other Financial Assets Issued		-	-
7- Value Differences on Issued Financial Assets (-)		-	-
8- Other Financial Borrowings (Liabilities)	20	62.761.317	32.390.854
B- Payables From Main Operations		**8.681.478.542**	**6.084.112.704**
1- Payables Due to Insurance Operations	19	5.536.753.833	3.779.204.033
2- Payables Due to Reinsurance Operations	19	596.660.310	1.054.765.152
3- Cash Deposited by Insurance & Reinsurance Companies	19	391.336.121	154.050.372
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations	19	2.160.706.785	1.098.325.737
6- Rediscount on Other Payables From Main Operations (-)	19	(3.978.507)	(2.232.590)
C- Due to Related Parties		**13.571.284**	**2.085.823**
1- Due to Shareholders	19	193.699	193.699
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel	19	11.094.492	1.830.978
6- Due to Other Related Parties	19	2.283.093	61.146
D- Other Payables	**19**	**1.077.319.956**	**668.894.604**
1- Deposits and Guarantees Received		46.143.185	37.078.397
2- Due to SSI regarding Treatment Expenses		350.845.855	209.150.205
3- Other Payables	19	708.870.199	438.014.266
4- Discount on Other Payables (-)	19	(28.539.283)	(15.348.264)
E- Insurance Technical Reserves	**17**	**66.245.191.436**	**46.660.903.986**
1- Unearned Premiums Reserve - Net	17	35.379.803.667	23.557.427.485
2- Unexpired Risk Reserves - Net	17	1.757.606.373	1.762.308.460
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net	17	29.107.781.396	21.341.168.041
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net		-	-
F- Taxes and Other Liabilities and Relevant Provisions	**19**	**1.811.692.682**	**800.540.106**
1- Taxes and Dues Payable		796.559.372	530.240.046
2- Social Security Premiums Payable		86.137.747	41.942.887
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities		-	-
5- Corporate Tax Liability Provision on Period Profit	19	3.278.435.206	1.664.485.864
6- Prepaid Taxes and Other Liabilities on Period Profit (-)	19	(2.349.439.643)	(1.436.128.691)
7- Provisions for Other Taxes and Liabilities		-	-
G- Provisions for Other Risks		**-**	**-**
1- Provision for Employment Termination Benefits		-	-
2- Pension Fund Deficit Provision		-	-
3- Provisions for Costs		-	-
H- Deferred Income and Expense Accruals	**19**	**2.687.096.331**	**1.155.454.167**
1- Deferred Commission Income	10	943.652.041	644.038.671
2- Expense Accruals		1.740.606.112	509.421.983
3- Other Deferred Income		2.838.178	1.993.513
I- Other Short Term Liabilities		**45.871.704**	**22.210.647**
1- Deferred Tax Liability		-	-
2- Inventory Count Differences		-	-
3- Other Short Term Liabilities	23	45.871.704	22.210.647
III -Total Short Term Liabilities		**80.624.983.252**	**55.426.592.891**

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

Millî Reasürans Türk Anonim Şirketi

Consolidated Balance Sheet
As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

LIABILITIES

IV- Long-Term Liabilities	Note	Audited Current Period December 31, 2024	Audited Prior Period December 31, 2023
A- Borrowings		**168.154.917**	**111.904.160**
1- Loans to Financial Institutions		-	-
2- Finance Lease Payables		-	-
3- Deferred Finance Lease Borrowing Costs (-)		-	-
4- Bonds Issued		-	-
5- Other Issued Financial Assets		-	-
6- Value Differences on Issued Financial Assets (-)		-	-
7- Other Financial Borrowings (Liabilities)	20	168.154.917	111.904.160
B- Payables From Main Operations		**38.880**	**5.502**
1- Payables Due to Insurance Operations		-	-
2- Payables Due to Reinsurance Operations		-	-
3- Cash Deposited by Insurance & Reinsurance Companies	19	38.880	5.502
4- Payables Due to Pension Operations		-	-
5- Payables from Other Operations		-	-
6- Discount on Other Payables From Main Operations (-)		-	-
C- Due to Related Parties		-	-
1- Due to Shareholders		-	-
2- Due to Affiliates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
D- Other Payables		-	-
1- Deposits and Guarantees Received		-	-
2- Due to SSI regarding Treatment Expenses		-	-
3- Other Payables		-	-
4- Discount on Other Payables (-)		-	-
E- Insurance Technical Reserves		**1.539.374.995**	**867.302.669**
1- Unearned Premiums Reserve - Net	17	2.611.211	3.630.893
2- Unexpired Risk Reserves - Net		-	-
3- Mathematical Reserves - Net		-	-
4- Outstanding Claims Reserve - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Reserves - Net	17	1.536.763.784	863.671.776
F- Other Liabilities and Provisions		**-**	**-**
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
G- Provisions for Other Risks		**870.975.130**	**499.959.654**
1- Provision for Employment Termination Benefits	23	216.432.709	160.676.648
2- Provisions for Employee Pension Fund Deficits	22,23	654.542.421	339.283.006
H- Deferred Income and Expense Accruals		-	-
1- Deferred Commission Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income		-	-
I- Other Long Term Liabilities		**1.396.147.593**	**989.946.667**
1- Deferred Tax Liability	21	1.396.147.593	989.946.667
2- Other Long Term Liabilities		-	-
IV- Total Long Term Liabilities		**3.974.691.515**	**2.469.118.652**

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

Millî Reasürans Türk Anonim Şirketi'nin

Consolidated Balance Sheet
As of December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

EQUITY				
V-	**Equity**	**Note**	**Audited Current Period December 31, 2024**	**Audited Prior Period December 31, 2023**
A-	**Paid in Capital**		**660.000.000**	**660.000.000**
1-	(Nominal) Capital	2.13,15	660.000.000	660.000.000
2-	Unpaid Capital (-)		-	-
3-	Positive Inflation Adjustment on Capital		-	-
4-	Negative Inflation Adjustment on Capital (-)		-	-
5-	Unregistered Capital		-	-
B-	**Capital Reserves**	**15**	**1.701.133.399**	**1.509.019.962**
1-	Equity Share Premiums		-	-
2-	Cancellation Profits of Equity Shares		-	-
3-	Profit on Sale to be Transferred to Capital	15	42.921.312	42.921.312
4-	Translation Reserves	15	358.446.598	254.517.245
5-	Other Capital Reserves	15	1.299.765.489	1.211.581.405
C-	**Profit Reserves**		**7.443.637.206**	**3.617.899.688**
1-	Legal Reserves	15	324.811.577	312.168.254
2-	Statutory Reserves	15	572.615.467	183.984.605
3-	Extraordinary Reserves	15	4.518.846.761	1.448.635.062
4-	Special Funds (Reserves)	15	330.452.130	184.820.637
5-	Revaluation of Financial Assets	11,15	1.864.706.708	1.576.301.376
6-	Other Profit Reserves	15	(96.735.283)	(16.950.092)
7-	Subsidiary Capital Correction	15	(71.060.154)	(71.060.154)
D-	**Previous Years' Profits**		**636.000.799**	**608.973.389**
1-	Previous Years' Profits		636.000.799	608.973.389
E-	**Previous Years' Losses (-)**		-	-
1-	Previous Years' Losses		-	-
F-	**Net Profit of the Period**		**5.724.122.032**	**3.631.736.624**
1-	Net Profit of the Period		5.717.549.810	3.627.616.021
2-	Net Loss of the Period (-)		-	-
3-	Net Income not subject to distribution		6.572.222	4.120.603
G-	**Minority Shares**		**10.131.976.384**	**5.218.783.473**
Total Shareholders' Equity			**26.296.869.820**	**15.246.413.136**
Total Liabilities and Shareholders' Equity			**110.896.544.587**	**73.142.124.679**

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

Millî Reasürans Türk Anonim Şirketi

Consolidated Statement of Income
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

I- TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2024	Audited Prior Period January 1- December 31, 2023
A- Non-Life Technical Income		**70.454.125.991**	**45.729.324.363**
1- Earned Premiums (Net of Reinsurer Share)		49.529.783.955	28.392.871.726
1.1- Written Premiums (Net of Reinsurer Share)	17	61.308.740.773	40.455.954.458
1.1.1- Gross Written Premiums (+)	17	82.541.188.008	53.128.811.914
1.1.2- Ceded Premiums to Reinsurers (-)	10,17	(20.331.076.635)	(12.093.216.858)
1.1.3- Ceded Premiums to SSI (-)	17	(901.370.600)	(579.640.598)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(11.783.658.906)	(11.119.270.311)
1.2.1- Unearned Premiums Reserve (-)	17	(13.375.403.717)	(13.463.388.421)
1.2.2- Reinsurance Share of Unearned Premiums Reserve (+)	10,17	1.388.136.763	2.265.875.426
1.2.3- SSI of Unearned Premiums Reserve (+)		203.608.048	78.242.684
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward)(+/-)	29	4.702.088	(943.812.421)
1.3.1- Unexpired Risks Reserve (-)		321.149.282	(1.338.373.044)
1.3.2- Reinsurance Share of Unexpired Risks Reserve (+)	10	(316.447.194)	394.560.623
2- Investment Income Transferred from Non-Technical Part		19.297.644.481	15.314.595.910
3- Other Technical Income (Net of Reinsurer Share)	47	928.784.722	1.579.663.527
3.1- Gross Other Technical Income (+)		651.534.878	1.243.705.991
3.2- Reinsurance Share of Other Technical Income (-)		277.249.844	335.957.536
4- Accrued Subrogation and Salvage Income (+)		697.912.833	442.193.200
B- Non-Life Technical Expense (-)		**(57.455.137.045)**	**(38.193.711.230)**
1- Total Claims (Net of Reinsurer Share)		(38.977.210.976)	(27.818.274.526)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(31.228.575.457)	(19.675.614.152)
1.1.1- Gross Claims Paid (-)	17	(42.267.433.796)	(38.072.650.228)
1.1.2- Reinsurance Share of Claims Paid (+)	10,17	11.038.858.339	18.397.036.076
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(7.748.635.519)	(8.142.660.374)
1.2.1- Outstanding Claims Reserve (-)	17	(3.104.268.123)	(19.701.690.226)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10,17	(4.644.367.396)	11.559.029.852
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1- Bonus and Discount Reserve (-)		-	-
2.2- Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(672.476.519)	52.179.084
4- Operating Expenses (-)	32	(16.206.167.034)	(9.604.475.147)
5- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
5.1- Mathematical Reserves (-)		-	-
5.2- Reinsurance Share of Mathematical Reserves (+)		-	-
6- Other Technical Expenses (-)	47	(1.599.282.516)	(823.140.641)
6.1- Gross Other Technical Expenses (-)		(1.618.268.618)	(836.973.120)
6.2- Reinsurance Share of Other Technical Expenses (+)		18.986.102	13.832.479

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

Millî Reasürans Türk Anonim Şirketi'nin

Consolidated Statement of Income
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

I- TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2024	Audited Prior Period January 1- December 31, 2023
C- Non Life Technical Net Profit (A-B)		**12.998.988.946**	**7.535.613.133**
D- Life Technical Income		**62.119.444**	**19.587.603**
1- Earned Premiums (Net of Reinsurer Share)		35.429.875	15.442.368
1.1- Written Premiums (Net of Reinsurer Share)	17	73.127.468	19.127.110
1.1.1- Gross Written Premiums (+)	17	92.945.103	35.352.037
1.1.2- Ceded Premiums to Reinsurers (-)	10,17	(19.817.635)	(16.224.927)
1.2- Change in Unearned Premiums Reserve (Net of Reinsurers Shares and Reserves Carried Forward) (+/-)	17,29	(37.697.593)	(3.684.742)
1.2.1- Unearned Premium Reserves (-)	17	(38.762.083)	(11.557.847)
1.2.2- Unearned Premium Reserves Reinsurer Share (+)	10,17	1.064.490	7.873.105
1.3- Changes in Unexpired Risks Reserve (Net of Reinsurer Share and Reserves Carried Forward)(+/-)		-	-
1.3.1- Unexpired Risks Reserves (-)		-	-
1.3.2- Unexpired Risks Reserves Reinsurer Share (+)		-	-
2- Life Branch Investment Income		26.221.477	3.621.548
3- Unrealized Income from Investments		-	-
4- Other Technical Income (Net of Reinsurer Share) (+/-)	47	468.092	523.687
4.1- Gross Other Technical Income (+/-)		408.355	382.267
4.2- Reinsurance Share of Other Technical Income (+/-)		59.737	141.420
5- Accrued Subrogation and Salvage Income (+)		-	-

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

Consolidated Statement of Income
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

I- TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2024	Audited Prior Period January 1- December 31, 2023
E- Life Technical Expense		**(39.832.923)**	**(7.801.698)**
1- Total Claims (Net of Reinsurer Share)		(25.349.876)	(5.491.684)
1.1- Claims Paid (Net of Reinsurer Share)	17,29	(7.372.039)	(6.831.487)
1.1.1- Gross Claims Paid (-)	17	(10.894.560)	(9.400.117)
1.1.2- Claims Paid Reinsurer Share (+)	10,17	3.522.521	2.568.630
1.2- Changes in Outstanding Claims Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	17,29	(17.977.837)	1.339.803
1.2.1- Outstanding Claims Reserve (-)	17	(20.536.281)	(228.621)
1.2.2- Reinsurance Share of Outstanding Claims Reserve (+)	10,17	2.558.444	1.568.424
2- Changes in Bonus and Discount Reserve (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
2.1- Bonus and Discount Reserve (-)		-	-
2.2- Reinsurance Share of Bonus and Discount Reserve (+)		-	-
3- Changes in Mathematical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)		-	-
3.1- Mathematical Reserves (-)		-	-
3.1.1- Actuarial Mathematical Reserve (-)		-	-
3.1.2- Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		-	-
3.2- Reinsurer Share of Mathematical Reserves (+)		-	-
3.2.1- Reinsurance Share of Actuarial Mathematical Reserve (+)		-	-
3.2.2- Reinsurance Share of Profit Share Reserve (Reserves for Life Insurance Policies Including Investment Risk) (-)		-	-
4- Changes in Other Technical Reserves (Net of Reinsurer Share and Reserves Carried Forward) (+/-)	29	(615.487)	2.485.278
5- Operating Expenses (-)	32	(13.867.560)	(4.795.292)
6- Investment Expenses (-)		-	-
7- Unrealized Losses from Investments (-)		-	-
8- Investment Income Transferred to Non- Technical Part (-)		-	-
F- Life Technical Profit (D-E)		**22.286.521**	**11.785.905**
G- Individual Retirement Technical Income		**-**	**-**
1- Fund Management Fee		-	-
2- Management Fee Deduction		-	-
3- Initial Contribution Fee		-	-
4- Management Fee In Case Of Temporary Suspension		-	-
5- Witholding tax		-	-
6- Increase in Market Value of Capital Commitment Advances		-	-
7- Other Technical Income		-	-
H- Individual Retirement Technical Expense		**-**	**-**
1- Fund Management Expenses (-)		-	-
2- Decrease in Market Value of Capital Commitment Advances (-)		-	-
3- Operating Expenses (-)		-	-
4- Other Technical Expense (-)		-	-
I- Individual Retirement Technical Profit (G-H)		**-**	**-**

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

Millî Reasürans Türk Anonim Şirketi'nin

Consolidated Statement of Income
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

II- NON-TECHNICAL SECTION	Note	Audited Current Period January 1- December 31, 2024	Audited Prior Period January 1- December 31, 2023
C- Net Technical Income - Non-Life (A-B)		**12.998.988.946**	**7.535.613.133**
F- Net Technical Income - Life (D-E)		**22.286.521**	**11.785.905**
I - Net Technical Income - Pension Business (G-H)		**-**	**-**
J- Total Net Technical Income (C+F+I)		**13.021.275.467**	**7.547.399.038**
K- Investment Income		**27.116.443.257**	**23.079.074.496**
1- Income From Financial Investment	4.2	6.136.203.234	2.110.889.126
2- Income from Sales of Financial Investments	4.2	3.210.213.843	3.805.216.298
3- Revaluation of Financial Investments	4.2	7.269.622.054	2.489.203.929
4- Foreign Exchange Gains	4.2	6.152.931.869	11.036.934.305
5- Income from Affiliates	4.2	904.218.444	599.301.192
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income Received from Land and Building	7	2.161.882.915	1.741.275.879
8- Income from Derivatives	4.2	1.278.455.517	1.296.253.767
9- Other Investments		2.915.381	-
10- Investment Income transferred from Life Technical Part		-	-
L- Investment Expense		**(24.695.640.054)**	**(22.333.349.143)**
1- Investment Management Expenses (including interest) (-)	4.2	(62.983.176)	(214.728.643)
2- Valuation Allowance of Investments (-)	4.2	(432.330.008)	(82.669.203)
3- Losses On Sales of Investments (-)	4.2	(342.734.471)	(858.310.002)
4- Investment Income Transferred to Non-Life Technical Part (-)		(19.297.644.480)	(15.314.595.908)
5- Losses from Derivatives (-)	4.2	(323.581.975)	(576.504.323)
6- Foreign Exchange Losses (-)	4.2	(3.877.496.679)	(5.082.238.998)
7- Depreciation Expenses (-)	6,8	(213.477.054)	(147.320.381)
8- Other Investment Expenses (-)		(145.392.211)	(56.981.685)
M- Income and Expenses From Other and Extraordinary Operations		**(1.513.587.487)**	**(273.211.707)**
1- Provisions Account (+/-)	47	(952.947.949)	(436.226.716)
2- Discount account (+/-)	47	(378.982.423)	(100.156.604)
3- Mandatory Earthquake Insurance Account (+/-)		-	-
4- Inflation Adjustment Account (+/-)		-	-
5- Deferred Tax Asset Accounts(+/-)	35	-	263.997.271
6- Deferred Tax Expense Accounts (-)	35	(155.885.646)	-
7- Other Income and Revenues		38.169.757	43.429.481
8- Other Expense and Losses (-)		(63.941.226)	(44.255.139)
9- Prior Period Income		-	-
10- Prior Period Losses (-)		-	-
N- Net Profit for the Year		**10.650.055.977**	**6.355.426.820**
1- Profit/(Loss) Before Tax		13.928.491.183	8.019.912.684
2- Corporate Tax Liability Provision (-)	35	(3.278.435.206)	(1.664.485.864)
3- Net Profit (Loss)		10.650.055.977	6.355.426.820
3.1- Groups Profit/(Loss)		5.724.122.032	3.631.736.624
3.2-Minority Shares		4.925.933.945	2.723.690.196
4- Monetary Gains and Losses		-	-

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

Millî Reasürans Türk Anonim Şirketi

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

		Note	Audited Current Period January 1- December 31, 2024	Audited Prior Period January 1- December 31, 2023
A.	**CASH FLOWS FROM THE OPERATING ACTIVITIES**			
1.	Cash inflows from the insurance operations		59.986.501.570	46.662.245.743
2.	Cash inflows from the reinsurance operations		7.686.408.782	30.957.075.145
3.	Cash inflows from the pension operations		-	-
4.	Cash outflows due to the insurance operations (-)		(45.839.917.002)	(41.096.628.696)
5.	Cash outflows due to the reinsurance operations (-)		(8.099.972.903)	(32.657.768.872)
6.	Cash outflows due to the pension operations (-)		-	-
7.	**Cash generated from the operating activities (A1+A2+A3-A4-A5-A6)**		**13.733.020.447**	**3.864.923.320**
8.	Interest payments (-)		-	-
9.	Income tax payments (-)		(2.647.761.047)	(1.551.533.765)
10.	Other cash inflows		220.947.142	1.218.208.561
11.	Other cash outflows (-)		(3.562.151.572)	(1.318.502.273)
12.	**Net cash generated from the operating activities**		**7.744.054.970**	**2.213.095.843**
B.	**CASH FLOWS FROM THE INVESTING ACTIVITIES**			
1.	Sale of tangible assets		30.000.000	10.007
2.	Purchase of tangible assets (-)	6, 8	(435.860.912)	(415.423.583)
3.	Acquisition of financial assets (-)	11	(86.941.749.515)	(73.428.555.685)
4.	Sale of financial assets	11	83.161.482.765	70.505.325.504
5.	Interest received		5.414.026.424	2.389.795.410
6.	Dividends received		287.038.441	73.552.552
7.	Other cash inflows		2.512.141.657	4.631.651.998
8.	Other cash outflows (-)		(1.007.041.025)	(5.530.046.063)
9.	**Net cash generated from the investing activities**		**3.020.037.835**	**(1.773.689.860)**
C.	**CASH FLOWS FROM THE FINANCING ACTIVITIES**			
1.	Issue of equity shares		-	-
2.	Cash inflows from the loans to policyholders		-	-
3.	Payments of financial leases (-)		(95.377.403)	(9.143.022)
4.	Dividend paid (-)		-	-
5.	Other cash inflows		-	-
6.	Other cash outflows (-)		-	-
7.	**Cash generated from the financing activities**		**(95.377.403)**	**(9.143.022)**
D.	**EFFECTS OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS**		**491.108.566**	**510.330.117**
E.	**Net increase/(decrease) in cash and cash equivalents (A12+B9+C7+D)**		**11.159.823.968**	**940.593.078**
F.	**Cash and cash equivalents at the beginning of the period**	14	**10.089.678.640**	**9.149.085.562**
G.	**Cash and cash equivalents at the end of the period (E+F)**	14	**21.249.502.608**	**10.089.678.640**

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

Millî Reasürans Türk Anonim Şirketi'nin

Consolidated Statement of Changes in Equity For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

Audited Changes in Equity - December 31, 2023

	Note	Paid-in capital	Equity Share Owned by Company	Revaluation of financial assets	Inflation Adjustment on Capital	Currency translation reserves
I- Balance at the end of the previous year - December 31, 2022		**660.000.000**	**-**	**775.959.402**	**-**	**86.654.441**
II- Change in Accounting Standards		**-**	**-**	**-**	**-**	**-**
III-Restated balances (I+II) - January 1, 2023		**660.000.000**	**-**	**775.959.402**	**-**	**86.654.441**
A- Capital increase (A1+A2)		-	-	-	-	-
1- In cash		-	-	-	-	-
2- From reserves		-	-	-	-	-
B- Purchase of own shares		-	-	-	-	-
C- Purchase of own shares		-	-	-	-	-
D- Gains or losses that are not included in the statement of income	11	-	-	800.341.974	-	-
E- Change in the value of financial assets		-	-	-	-	167.862.804
F- Other gains or losses		-	-	-	-	-
G- Inflation adjustment differences		-	-	-	-	-
H- Net profit for the year		-	-	-	-	-
I- Other reserves and transfers from retained earnings		-	-	-	-	-
J- Dividends paid		-	-	-	-	-
IV-Balance at the end of the year - December 31, 2023		**660.000.000**	**-**	**1.576.301.376**	**-**	**254.517.245**

Audited Changes in Equity - December 31, 2024

	Note	Paid-in capital	Equity Share Owned by Company	Revaluation of financial assets	Inflation Adjustment on Capital	Currency translation reserves
I- Balance at the end of the previous year - December 31, 2023		**660.000.000**	**-**	**1.576.301.376**	**-**	**254.517.245**
II- Change in Accounting Standards		**-**	**-**	**-**	**-**	**-**
III-Restated balances (I+II) - January 1, 2023		**660.000.000**	**-**	**1.576.301.376**	**-**	**254.517.245**
A- Capital increase (A1+A2)		-	-	-	-	-
1- In cash		-	-	-	-	-
2- From reserves		-	-	-	-	-
B- Purchase of own shares		-	-	-	-	-
C- Purchase of own shares		-	-	-	-	-
D- Gains or losses that are not included in the statement of income	11	-	-	288.405.332	-	-
E- Change in the value of financial assets		-	-	-	-	103.929.353
F- Other gains or losses		-	-	-	-	-
G- Inflation adjustment differences		-	-	-	-	-
H- Net profit for the year		-	-	-	-	-
I- Other reserves and transfers from retained earnings		-	-	-	-	-
J- Dividends paid		-	-	-	-	-
IV-Balance at the end of the year - December 31, 2024		**660.000.000**	**-**	**1.864.706.708**	**-**	**358.446.598**

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

Audited Changes in Equity - December 31, 2023

Legal reserves	Statutory Reserves	Other reserves and retained earnings	Net profit/ (Loss) for the year	Retained earnings	Total equity before minority shares	Minority share	Total
261.812.474	122.747.456	1.821.419.768	861.369.752	362.755.684	4.952.718.977	2.033.974.028	6.986.693.005
-	-	-	-	-	-	-	-
261.812.474	122.747.456	1.821.419.768	861.369.752	362.755.684	4.952.718.977	2.033.974.028	6.986.693.005
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	478.705.074	793.921.068	(794.102.829)	478.523.313	-	478.523.313
-	-	-	-	-	800.341.974	463.974.981	1.264.316.955
-	-	-	-	-	167.862.804	-	167.862.804
-	-	78.944	(3.998.880)	365.907	(3.554.029)	(2.855.732)	(6.409.761)
-	-	-	-	-	-	-	-
-	-	-	3.631.736.624	-	3.631.736.624	2.723.690.196	6.355.426.820
50.355.780	61.237.149	499.744.384	(1.651.291.940)	1.039.954.627	-	-	-
-	-	-	-	-	-	-	-
312.168.254	183.984.605	2.799.948.170	3.631.736.624	608.973.389	10.027.629.663	5.218.783.473	15.246.413.136

Audited Changes in Equity - December 31, 2024

Legal reserves	Statutory Reserves	Other reserves and retained earnings	Net profit/ (Loss) for the year	Retained earnings	Total equity before minority shares	Minority share	Total
312.168.254	183.984.605	2.799.948.170	3.631.736.624	608.973.389	10.027.629.663	5.218.783.473	15.246.413.136
-	-	-	-	-	-	-	-
312.168.254	183.984.605	2.799.948.170	3.631.736.624	608.973.389	10.027.629.663	5.218.783.473	15.246.413.136
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	27.674.084	-	-	27.674.084	(15.696.391)	11.977.693
-	-	-	-	-	288.405.332	8.344.326	296.749.658
-	-	-	-	-	103.929.353	-	103.929.353
-	-	-	(6.867.028)	-	(6.867.028)	(5.388.969)	(12.255.997)
-	-	-	-	-	-	-	-
-	-	-	5.724.122.032	-	5.724.122.032	4.925.933.945	10.650.055.977
12.643.323	388.630.862	3.196.568.001	(3.624.869.596)	27.027.410	-	-	-
-	-	-	-	-	-	-	-
324.811.577	572.615.467	6.024.190.255	5.724.122.032	636.000.799	16.164.893.436	10.131.976.384	26.296.869.820

Millî Reasürans Türk Anonim Şirketi'nin

Consolidated Statement of Profit Distribution
For the Year Ended December 31, 2024

(Currency: Turkish Lira (TL))

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

	Note	Audited Current Period December 31, 2024(*)	Audited Prior Period December 31, 2023
I. PROFIT DISTRIBUTION			
1.1. CURRENT YEAR PROFIT		5.927.059.183	3.624.887.450
1.2. TAX AND FUNDS PAYABLE		-	-
1.2.1. Corporate Income Tax(Income Tax)		-	-
1.2.2. Income tax deduction		-	-
1.2.3. Other taxes and Duties		-	-
A. NET PROFIT(1.1 - 1.2)		**5.927.059.183**	**3.624.887.450**
1.3. PREVIOUS PERIOD LOSSES (-)		-	-
1.4. FIRST LEGAL RESERVE(**)		-	-
1.5. STATUTORY FUND (-)		-	-
B. NET PROFIT DISTRIBUTION [(A-(1.3 + 1.4 + 1.5)]		**5.927.059.183**	**3.624.887.450**
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
1.6.1. Holders of shares		-	-
1.6.2. Holders of Preferred shares		-	-
1.6.3. Holders of Redeemed shares		-	-
1.6.4. Holders of Participation Bond		-	-
1.6.5. Holders of Profit and Loss sharing certificate		-	-
1.7. DIVIDEND TO PERSONNEL (-)		-	-
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)		-	-
1.9.1. Holders of shares		-	-
1.9.2. Holders of Preferred shares		-	-
1.9.3. Holders of Redeemed shares		-	-
1.9.4. Holders of Participation Bond		-	-
1.9.5. Holders of Profit and Loss sharing certificate		-	-
1.10. SECOND LEGAL RESERVE (-)		-	-
1.11. STATUTORY RESERVES (-)		-	-
1.12. EXTRAORDINARY RESERVES		-	-
1.13. OTHER RESERVES		-	-
1.14. SPECIAL FUNDS(**)		-	-
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)		-	-
II. DISTRIBUTION OF RESERVES		-	-
2.1. DISTRIBUTION OF RESERVES		-	-
2.2. SECOND LEGAL RESERVES (-)		-	-
2.3. COMMON SHARES (-)		-	-
2.3.1. Holders of shares		-	-
2.3.2. Holders of Preferred shares		-	-
2.3.3. Holders of Redeemed shares		-	-
2.3.4. Holders of Participation Bond		-	-
2.3.5. Holders of Profit and Loss sharing certificate		-	-
2.4. DIVIDENDS TO PERSONNEL (-)		-	-
2.5. DIVIDENDS TO BOARD OF DIRECTORS (-)		-	-
III. PROFIT PER SHARE		-	-
3.1. HOLDERS OF SHARES		-	0,0550
3.2. HOLDERS OF SHARES (%)		-	5,50
3.3. HOLDERS OF PREFERRED SHARES		-	-
3.4. HOLDERS OF PREFERRED SHARES (%)		-	-
IV. DIVIDEND PER SHARE		-	-
4.1. HOLDERS OF SHARES		-	-
4.2. HOLDERS OF SHARES (%)		-	-
4.3. HOLDERS OF PREFERRED SHARES		-	-
4.4. HOLDERS OF PREFERRED SHARES (%)		-	-

(*) The distribution of the period's profit is under the authority of the General Assembly, the company's governing body. Since the General Assembly meeting for the fiscal year 2024 (January 1 - December 31, 2024) has not yet been held as of the date of preparation of the financial statements, the profit distribution table for 2024 has not been prepared. In the period profit for December 31, 2024, an amount of TRY 6,572,222 (December 31, 2023: TRY 4,120,603), derived from 25% of the real estate sale income under Article 5/1-e of the Tax Procedure Law, has not been included in the distribution, as it is allocated under the "Non-Distributable Period Profit" item within equity.

(**) Due to the fact that 20% of the company's capital has been reached, no legal reserves have been set aside. Net profit from the previous period was not distributed and was transferred to previous year profits..

(***) Unconsolidated profit is taken into account.

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

1 General information

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

As of December 31, 2024, the shareholder having direct or indirect control over the shares of Millî Reasürans Türk Anonim Şirketi (the "Company","Milli Reasürans") is Türkiye İş Bankası AŞ Group ("İş Bankası") having 87,60 % of the outstanding shares.

The Company was established in February 26, 1929 and has been operating since in July 19, 1929.

On September 30, 2010, the Company purchased 35,53% shares of Anadolu Sigorta Anonim Şirketi with nominal value of TL 177.650.110 from İş Bankası amounting to TL 248.710.154. The transaction is realized on the weighted average price on İstanbul Stock Exchange wholesale market. With the purchase, the share of the Company at Anadolu Sigorta increased to 57,31% and investment increased to TL 286.550.106.

The consolidated financial statements As of December 31, 2024 include the Company and its subsidaries Anadolu Sigorta and Miltaş Turizm İnşaat A.Ş. (together with "the Group").

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

The Company was registered in Turkey in July 16, 1929 and has the status of "Incorporated Company". The address of the Company's registered office is "İş Kuleleri, Kule 3, Kat:20-21-22-24 34330 Levent, Beşiktaş, İstanbul"

1.3 Main operations of the Company

The Company is primarily engaged in reinsurance and retrocession businesses in domestic and international markets. In 2007, the Company opened a branch in Singapore upon the completion of the necessary local formalities according to the local legislation. Singapore branch has been operating since 2008.

The subsidiary of the Company, Anadolu Sigorta operates in almost all non-life insurance branches consisting of mainly casualty, health, land vehicles, aircraft, ships, marine, fire and natural disasters, general losses, credits, financial losses, and legal protection.

As of December 31, 2024, the Company's subsidiary Anadolu Sigorta operates with a total of 3,138 agents, consisting of 3,002 authorized agents and 136 unauthorized agents (as of December 31, 2023: a total of 2,966 agents, including 2,842 authorized and 124 unauthorized).

The subsidiary of the Company, Miltaş is engaged in all kinds of construction works, providing construction and contracting services domestically and internationally; carries out various architecture, engineering, construction, assembly, installation, landscaping, interior design, decoration jobs by executing studies, projects, supervision, consultancy and contracting services domestically and internationally; operates places in accommodation, leisure, travel, entertainment, sports, food and beverage by opening, leasing, subleasing and managing such places; engaging in all kinds of sports activities, leasing, subleasing and operating facilities of this kind.

As of December 31, 2024, Miltaş employs 12 personnel.

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

The Company and its subsidiary Anadolu Sigorta conduct their activities within the framework of the Insurance Law No. 5684 published in the Official Gazette dated June 14, 2007 and numbered 26552 ("Insurance Law") and other regulations and regulations published by the Insurance Law and the Insurance and Private Pension Regulation and Supervision Board ("SEDDK") based on this law and previously published by the Ministry of Treasury and Finance of the Republic of Turkey ("Ministry of Treasury and Finance").

Miltaş, a subsidiary of the Company, carries out its activities within the framework of the Turkish Commercial Code No. 6102.

The purpose and activities of the Company as stated at the Articles of Association of the Company are as follows:

- Providing life and non-life reinsurance and other related products and services in all insurance branches and sub-branches to Turkish and foreign insurance companies,
- Managing and participating in reinsurance operations of Pools,
- Purchasing, selling, constructing and renting real estates,
- Purchasing debt instruments and shares issued by all sorts of commercial, industrial and financial institutions and government agencies as well as providing capital or participating in the establishment of such institutions to provide a consistent, secure and adequate financial income,
- In addition to these, carrying out other operations upon recommendation by the Board of Directors and resolution of the General Meeting which are deemed to be beneficial and material for the Company and are not prohibited by the law.

(Currency: Turkish Lira (TL))

Anadolu Sigorta is incorporated in Turkey and operates in insurance branches as mentioned above Note 1.3 Business of the Company. Anadolu Sigorta's shares have been listed on the Istanbul Stock Exchange ("BIST"). In accordance with Paragraph 5 Article 136 in Section VIII of the Capital Markets Law numbered 6362, insurance companies have to comply with their own specific laws and regulations in matters of establishment, supervision/oversight, accounting and independent auditing standards; therefore, Anadolu Sigorta performs its operations accordingly.

Miltaş is incorporated in Turkey and operates in business activities as mentioned above Note 1.3 Business of the Company.

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

The average number of the personnel during the year in consideration of their categories is as follows:

	December 31, 2024	December 31, 2023
Top executive	23	14
Managers	69	81
Assistant managers	214	215
Contracted personnel	1	3
Advisors	2	1
Specialist/Senior/Other personnel	1.667	1.579
Total	**1.976**	**1.893**

1.6 Remuneration and similar benefits provided to top management

For the year ended December 31, 2024, wages and similar benefits provided to the top management including chairman, members of the board of the directors, general manager, general coordinator, and deputy general managers is amounting to TL 165.709.453.- December 31, 2023: TL 78.811.000).

1.7 Keys used in the distribution of investment income and operating expenses (personnel, administrative, research and development, marketing and selling, services rendered from third parties 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 January 4, 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 Republic of Turkey Ministry of Treasury and Finance.

In accordance with the above mentioned Communiqué, insurance and reinsurance companies are allowed to transfer technical section operating expense to insurance section through methods determined by Republic of Turkey Ministry of Treasury and Finance or by the Company itself. In accordance with the approval of the Republic of Turkey Ministry of Treasury and Finance, dated March 6, 2008 and numbered 10222, known and exactly distinguishable operating expenses are distributed to related branches directly and services rendered from third parties and other operating expenses in accordance with the gross premiums written for the last three years.

Income from the assets invested against non-life technical provisions is transferred to technical section from non-technical section; remaining income is transferred to the non-technical section. Income are distributed to the sub-branches in accordance with the percentage calculated by dividing "net cash flow" to the "total net cash flow", net cash flow being net of reinsurer share and calculated by deducting net losses paid from net written premiums.

Income from the assets invested against mathematical provisions is recorded under technical section; remaining income is transferred to the non-technical section.

(Currency: Turkish Lira (TL))

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

The accompanying financial statements include the consolidated financial information of the Company and the financial information of the Singapore Branch, and information on the consolidation principles applied is detailed in note 2.2 - Consolidation.

As at December 31, 2024, the Company owns 57,31% of its subsidiary, Anadolu Anonim Türk Sigorta Şirketi ("Anadolu Sigorta") and 100% of Miltaş A.Ş. ("Miltaş") are included in the scope of consolidation by line-by-line method. Anadolu Hayat Emeklilik AŞ ("Anadolu Hayat") is associate of Anadolu Sigorta and is consolidated by equity method with share of 21,00% (effective percentage of share: 12,46%) in the consolidated financial statements as at December 31, 2024 and 2023.

Anadolu Sigorta as a subsidiary Company of the Group, is operating in almost all of the none-life insurance branches composed of casualty, health, general losses, land vehicles liability, aircraft liability, general liability, credits, financial losses and legal protection. The activities of Anadolu Hayat involve providing individual and group insurance and reinsurance services relating to group life, individual life, retirement and related personal Casualty branches, establishing retirement funds, developing internal rules and regulations related to these funds, carrying out retirement, annual income insurance, portfolio management and custody contracts for the assets of the funds held in custody

The subsidiary of the Company, Miltaş is engaged in all kinds of construction works, providing construction and contracting services domestically and internationally; carries out various architecture, engineering, construction, assembly, installation, landscaping, interior design, decoration jobs by executing studies, projects, supervision, consultancy and contracting services domestically and internationally; operates places in accommodation, leisure, travel, entertainment, sports, food and beverage by opening, leasing, subleasing and managing such places; engaging in all kinds of sports activities, leasing, subleasing and operating facilities of this kind.

The Miltaş Sports Complex has been serving the insurance sector since 1986 with its facilities in various sports, particularly tennis. The International Insurance Tennis Tournament has been held every June at this Complex since 1986, providing a unique environment for local and foreign reinsurers and brokers. In addition to tennis and basketball courses organized every year for youngsters, private tennis lessons are available for adults in the Complex.

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

Trade name of the Company	:	Millî Reasürans Türk Anonim Şirketi
Registered address of the head office	:	İş Kuleleri, Kule 3, Kat: 20-21-22-24 34330 Levent, Beşiktaş,/İstanbul
The web page of the Company	:	www.millire.com

1.10 Subsequent events

The consolidated financial statements prepared as of December 31, 2024, were approved by the Company's Board of Directors on February 28, 2025.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The Company prepares its consolidated financial statements in accordance with the regulations published by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK). Prior to the establishment of the SEDDK and the initiation of regulatory activities in the insurance sector, the insurance legislation related to financial reporting was published by the Ministry of Treasury and Finance. The preparation of consolidated financial statements is based on the principles of the "Insurance Accounting and Financial Reporting Legislation," which includes the accounting and financial reporting regulations in force due to the insurance legislation, as well as the provisions of the Turkish Financial Reporting Standards (TFRS) for matters not regulated by these.

The principles for the preparation of consolidated financial statements are regulated by the Insurance Chart of Accounts published by the Ministry of Treasury and Finance in the Official Gazette dated December 30, 2004, numbered 25686, known as the Communiqué on the Insurance Chart of Accounts and its Explanations (Insurance Accounting System Communiqué No: 1), as well as the Sector Announcement regarding the Opening of New Account Codes in the Insurance Chart of Accounts dated December 27, 2011, numbered 2011/14. The format and contents of the prepared financial statements, along with their disclosures and notes, are determined in accordance with the Communiqué on the Presentation of Financial Statements published in the Official Gazette dated April 18, 2008, numbered 26851, and the Sector Announcement on the Presentation of Financial Statements with New Account Codes dated May 31, 2012, numbered 2012/7.

As of December 31, 2024 and 2023, the Company accounts for its operations in accordance with the "Regulation on the Financial Reporting of Insurance and Reinsurance Companies and Pension Companies," published on July 14, 2007, and which took effect on January 1, 2008, and in accordance with the aforementioned regulation, the Turkish Financial Reporting Standards (TFRS) announced by the Public Oversight, Accounting and Auditing Standards Authority (KGK), as well as other regulations, explanations, and circulars published by the Ministry of Treasury and Finance of the Republic of Turkey concerning accounting and financial reporting principles. As per the letter numbered 9 dated February 18, 2008, from the Ministry of Treasury and Finance of the Republic of Turkey, the standards TMS 1, "Presentation of Financial Statements," TMS 27, "Consolidated and Separate Financial Statements," TFRS 1, "First-time Adoption of TFRS," and TFRS 4, "Insurance Contracts," have been excluded from the scope of this practice in 2008. Additionally, the application of TFRS 17, "Insurance Contracts," TFRS 9, "Financial Instruments," and TFRS 15, "Revenue from Contracts with Customers," has also been deferred in line with subsequent regulations issued under the insurance legislation.

As of December 31, 2024, the Company has calculated its technical provisions related to insurance in accordance with the "Regulation on the Technical Provisions of Insurance and Reinsurance Companies and Pension Companies and the Assets in which These Provisions are Invested" ("Technical Provisions Regulation"), issued under the framework of the Insurance Law No. 5684, following the amendments published in the Official Gazette dated July 28, 2010, numbered 27655, and those published on July 17, 2012, numbered 28356. These calculations have been reflected in the financial statements in accordance with this regulation and other relevant legislation.

Accounting in hyperinflationary countries

Financial statements of the Turkish entities have been restated for the changes in the general purchasing power of the Turkish Lira based on "TAS 29 - *Financial Reporting in Hyperinflationary Economies*" as at December 31, 2004. *TAS 29* requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date, and that corresponding figures for previous years be restated in the same terms. With respect to the declaration of Republic of Turkey Ministry of Treasury and Finance with the article dated April 4, 2005 and numbered 19387, financial statements as of December 31, 2004 are adjusted for the opening balances of 2005 in accordance with the section with respect to inflation accounting of the Capital Markets Board ("CMB") Communiqué No: 25 of Series XI, "Communiqué on Accounting Standards in Capital Market" published in the Official Gazette dated January 15, 2003 and numbered 25290. Inflation accounting is no longer applied starting from January 1, 2005, in accordance with the same declaration of Republic of Turkey Ministry of Treasury and Finance. Accordingly, as at December 31, 2021, non-monetary assets and liabilities and items included in shareholders' equity including paid-in capital recognized or recorded before January 1, 2005 are measured as restated to December 31, 2004 in order to reflect inflation adjustments. Non-monetary assets and liabilities and items included in shareholders' equity including paid-in capital recognized or recorded after January 1, 2005 are measured at their nominal values.

On November 23, 2023, the Public Oversight, Accounting and Auditing Standards Authority (KGK) announced that businesses applying the Turkish Financial Reporting Standards (TFRS) must present their financial statements for annual reporting periods ending on or after December 31, 2023, adjusted for inflation in accordance with TMS 29. It also stated that institutions or organizations authorized to regulate and supervise in their respective fields may designate different transition dates for the implementation of the provisions of TMS 29. In response to this announcement, the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) issued a circular on December 6, 2023, numbered 2023/30, stating that the financial statements of insurance, reinsurance, and pension companies as of December 31, 2023, would not be subject to the required inflation adjustment under TMS 29. Subsequently, with the circular numbered 2024/10 issued on March 11, 2024, SEDDK specified that the transition date for insurance, reinsurance, and pension companies to implement inflation accounting would be January 1, 2025. However, with the circular numbered 2024/32 issued on December 6, 2024, the circular numbered 2024/10 was abolished, and it was decided that inflation accounting would not be applied by insurance, reinsurance, and pension companies in 2025. Accordingly, TMS 29 has not been applied in the Company's consolidated financial statements as of December 31, 2024 and 2023.

2.1.2 Other related accounting policies appropriate for the understanding of the financial statements

Other accounting policies

The Company records premium, commission and compensation accruals based on notifications made to it by insurance and reinsurance companies, and since these notifications are received with a delay due to the closing of their own accounts by the ceding companies in question; written premiums, compensation and commission accruals are recognized in the Company's financial statements with a 3-month delay. Therefore, the amounts included in the financial statements for the income statement items in question consist of the amounts for the three-month accounting period between September 30 - December 31, 2023 and the nine-month period ending January 1 - September 30, 2024, and the balance sheet items directly related to them do not reflect the actual situation as of December 31, 2024 due to this delay. However, in its letter addressed to the Company dated 31 August 2010 and numbered B.02.1.HZN.0.10.03.01/42139, the Ministry of Treasury and Finance of the Republic of Turkey stated that there may be some delays in the sending of account statements of ceding companies to reinsurance companies and that the issues regarding reinsurance companies in the regulations previously published by the Ministry of Treasury and Finance of the Republic of Turkey were determined by taking this situation into consideration.

Information regarding other accounting polices is disclosed above in "Note 2.1.1 - *Information about the principles and the specific accounting policies used in the preparation of the financial statements"* and each under its own caption in the following sections of this report.

2.1.3 Valid and presentation currency

The accompanying consolidated financial statements are presented in TRY, which is the Group's valid reporting currency

2.1.4 Rounding scale of the amounts presented in the financial statements

Financial information presented in TL, has been rounded to the nearest TL values.

2.1.5 Basis of measurement used in the preparation of the financial statements

The accompanying consolidated financial statements are prepared on the historical cost basis as adjusted for the effects of inflation that lasted until December 31, 2004, except for the financial assets at fair value through profit or loss, available-for-sale financial assets, derivative financial instruments, self-used buildings and investment properties recorded in tangible assets and associates which are measured at their fair values unless reliable measures are available

2.1.6 Accounting policies, changes in accounting estimates and errors

Accounting of fire and earthquake premiums obtained from foreign reinsurance treaties on the basis of branches

Fire and earthquake premiums obtained from foreign reinsurance treaties could not accounted on the basis of branches in the previous years due to limitations imposed by local legislation of the foreign countries, notification characteristics of the treaties and total premiums used by foreign companies in the reconciliation process. Therefore, all premiums obtained from aforementioned treaties are accounted on the fire branch. According to the letter dated August 2, 2011 and numbered B.02.1.HZN.0.10.03.01/38732 sent by the Republic of Turkey Ministry of Treasury and Finance to the Company, it is allowed to use average rate calculated over separately reported fire and earthquake premiums for unclassified premiums of proportioned treaties. Furthermore, according to the letter dated August 12, 2011 sent by the Republic of Turkey Ministry of Treasury and Finance to the Company, prospective application as at June 30, 2011 effective from January 1, 2011 is allowed since retrospective application is impossible. Accordingly, financial statements prepared As of December 31, 2024, premiums obtained from foreign proportioned treaties are accounted on the basis of average earthquake premium ratio calculated from foreign proportioned treaties over the period of January 1, 2023 - December 31, 2023. The same ratio is used for unproportioned reinsurance treaties in accordance with the Communiqué released on July 28, 2010 and numbered 27655 "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves". Distribution of commissions and claims between the fire and earthquake branches is parallel with the aforementioned method.

2.1.6 Accounting policies, changes in accounting estimates and errors

Fire and earthquake premiums obtained from foreign reinsurance treaties could not accounted on the basis of branches in the previous years due to limitations imposed by local legislation of the foreign countries, notification characteristics of the treaties and total premiums used by foreign companies in the reconciliation process. Therefore, all premiums obtained from aforementioned treaties are accounted on the fire branch. According to the letter dated August 2, 2011 and numbered B.02.1.HZN.0.10.03.01/38732 sent by the Republic of Turkey Ministry of Treasury and Finance to the Company, it is allowed to use average rate calculated over separately reported fire and earthquake premiums for unclassified premiums of proportioned treaties. Furthermore, according to the letter dated August 12, 2011 sent by the Republic of Turkey Ministry of Treasury and Finance to the Company, prospective application as at June 30, 2011 effective from January 1, 2011 is allowed since retrospective application is impossible. Accordingly, financial statements prepared As of December 31, 2023, premiums obtained from foreign proportioned treaties are accounted on the basis of average earthquake premium ratio calculated from foreign proportioned treaties over the period of January 1, 2023 - December 31, 2023. The same ratio is used for unproportioned reinsurance treaties in accordance with the Communiqué released on July 28, 2010 and numbered 27655 “Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves”. Distribution of commissions and claims between the fire and earthquake branches is parallel with the aforementioned method

According to 16th article of “Circular on Actuarial Chain Ladder Method (2010/12)” dated September 20, 2010 and announced by Republic of Turkey Ministry of Treasury and Finance, ACLM calculation should be made through main branches. However, as of December 31, 2012, the Company has calculated ACLM reserve for General Damages main branch as two separate subbranches namely agriculture and non-agriculture branches. Because, Agriculture and Engineering subbranches under General Damages main branch have different characteristics in conversion process of outstanding losses to paid losses, IBNR calculation of General Damages branch produces unreliable and improper results. The Company applied to Republic of Turkey Ministry of Treasury and Finance on January 17, 2013 with letter numbered 300, so as to receive permission to calculate IBNR reserve for General Damages branch as agriculture and non-agriculture subbranches separately. Republic of Turkey Ministry of Treasury and Finance has given permission the Company in order to calculate IBNR reserve for General Damages within two subbranches with the letter dated January 28, 2013 and numbered 24179134. As at December 31, 2023, the Company recognised the amount that arose due to change in calculation method for IBNR on General Damages branch..

Significant changes in accounting policies and significant accounting misstatements are applied retrospectively and prior period financial statements are restated. If the changes in accounting estimates are for only one period, they are applied prospectively both in the current period when the change is made and in the future period if the change is made.

Critical accounting judgements used in applying the Company’s accounting policies are explained in 3 - *Significant accounting estimates and requirements*.

2.2 Consolidation

“Circular Related to the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies” issued by the Republic of Turkey 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 consolidated its subsidiaries Anadolu Sigorta and Miltaş by using line-by-line method. Anadolu Hayat which is associate of Anadolu Sigorta is consolidated by the equity method.

Grup tarafından kurulan özel fonlar, SEDDK’nın 23 Aralık 2022 tarih ve 2022/14 sayılı “Konsolide finansal tablo düzenlenmesine ilişkin sektör duyurusu” çerçevesinde konsolide edilmemiştir.

(Currency: Turkish Lira (TL))

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The subsidiaries, Anadolu Sigorta and Miltaş included in consolidation and effective shareholding percentages of the Company are as follows. The information related to the associate of the Company, Anadolu Hayat which is consolidated using equity method is presented in Note 9.

	Company	Direct and indirect controlling interest	Direct controlling interest	Total assets	Shareholders' equity	Prior period profit	Current period profit
December 31, 2024	Anadolu Sigorta (consolidated)	57,31%	57,31%	89.267.931.589	23.726.137.445	652.582.741	11.538.847.383
December 31, 2023	Anadolu Sigorta (consolidated)	57,31%	57,31%	56.381.517.782	12.217.135.544	533.542.963	6.380.159.747

	Company	Direct and indirect controlling interest	Direct controlling interest	Total assets	Shareholders' equity	Prior period profit	Current period profit
December 31, 2024	Miltaş Turizm Inşaat Ticaret A.Ş.	100,00%	100,00%	6.814.773.005	5.119.639.860	39.025.188	1.435.959.596
December 31, 2023	Miltaş Turizm Inşaat Ticaret A.Ş.	100,00%	100,00%	4.642.943.000	3.626.312.896	(578.308)	38.478.694

Transactions eliminated on consolidation

Anadolu Sigorta and Miltaş' balance sheets and income statements are consolidated by line-by-line method and the book value of Anadolu Sigorta and Miltaş in the Company's accounts and the capital amount in the Anadolu Sigorta and Miltaş accounts are eliminated. Intra-group balances and transactions between the Company, Anadolu Sigorta and Miltaş, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The accounting policies of subsidiary have been changed when necessary to align them with the policies adopted by the Company.

Non-controlling interests (Minority shares)

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Net profit or loss of subsidiary, applicable to the non-controlling interest are presented under "Non-controlling interest" account under consolidated statement of income

2.3 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Board of Directors (being chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. As of December 31, 2024, and 2023, the Company's operates in life and non-life branches and is not required to present segment reporting since its debt or equity instruments are not traded in a public market.

2.4 Foreign currency transactions

Transactions are recorded in TL, which is the Group's valid currency. Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and all exchange differences, except for those arising on the translation of the fair value change of available-for-sale financial assets, are offset and are recognized as foreign exchange gains or losses.

Changes in the fair value of financial assets denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the asset and other changes in the carrying amount of the asset. Translation differences related to changes in amortised cost are recognized in profit or loss, and other changes in carrying amount are recognized in "valuation of financial assets" in equity..

(Currency: Turkish Lira (TL))

2.5 Tangible assets

Except buildings for own use, tangible assets are recorded at their historical costs that have been adjusted according to the inflation rates until the end of December 31, 2004. There have been no other inflationary adjustments for these tangible assets for the following years and therefore they have been recorded at their costs indexed to the inflation rates for December 31, 2004. Tangible assets that have been purchased after January 1, 2005 have been recorded at their costs excluding their exchange rate differences and finance expenses less impairment losses if any.

By a decision of the Board of Directors dated August 25, 2023, it was resolved that the properties recorded in the Company's assets for operational and investment purposes would be contributed as capital to its wholly-owned subsidiary, Miltaş Turizm İnşaat Ticaret A.Ş., through a partial division in accordance with Articles 19-20 of the Corporate Tax Law and Articles 159-179 of the Turkish Commercial Code, based on VUK financial statements. It was also decided that the shares to be issued as a result of this capital increase would be allocated to the Company. As of December 31, 2023, the fair value of the transferred properties is 4,613,156,000 TL.

Buildings for own use are recognized by fair value that are determined in valuations made by independent valuation experts who have professional competency by reducing their values accumulated depreciation. Accumulated depreciation at the date of revaluation is deducted from gross book value and net amount is brought to values after revaluation. Increases in the carried values of land and buildings intended for use as a result of revaluation are recorded to the "Other Capital Reserves" account, which are included under equity in the balance sheet, with tax effects Decoupled. As a result of real estate-based assessments, value decreases corresponding to their increases in the previous period are deducted from the fund in question; all other decreases are reflected in profit/loss accounts.

Gains and losses arising from the disposal of property, plant and equipment are calculated as the difference between the net proceeds from the disposal and the net carrying amount of the related property, plant and equipment and are reflected in the income statement of the relevant period Dec

Land is not depreciated due to its indefinite life. Depreciation is allocated based on the useful life of tangible assets at cost or revalued amounts of tangible assets by using the straight-line method basis.

Normal maintenance and repair expenses incurred on tangible fixed assets are recognized as expenses.

There are no pledges, mortgages and similar obligations on tangible fixed assets.

There are no changes in accounting estimates that have a significant impact on the current period or are expected to have a significant impact on subsequent periods.

The related depreciation shares for tangible fixed assets are calculated using the linear depreciation method based on their useful lives and cost values. The rates used for the depreciation of tangible fixed assets and the periods projected as the estimated economic life are as follows:

Tangible Assets	Estimated economic life (Years)	Depreciation percentage (%)
Properties intended for use	50	2,0
Fixtures and installations	3 - 16	6,3 - 33,3
Machinery and equipment	3 - 16	6,3 - 33,3
Motor vehicles	5	20,0
Other tangible assets (including special cost charges)	5 - 10	10,0 - 20,0
Tangible fixed assets acquired through Financial leasing	1- 10	10,0 - 100,0

2.6 Investment property

Investment properties are held either to earn rentals and/or for capital appreciation or for both.

Investment properties are initially recorded at cost and subsequently measured at their fair values. The changes which result of fair value valuation recognised in the income statement.

Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the period of retirement or disposal.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The fair value on the date of change in the usage is considered as cost in the reclassification recognition when investment property that measured with fair value is reclassified as a tangible asset.

By a decision of the Board of Directors dated August 25, 2023, it was resolved that the properties recorded in the Company's assets for operational and investment purposes would be contributed as capital to Miltaş Turizm İnşaat Ticaret A.Ş., a 100% subsidiary of the Company, through a partial division in accordance with Articles 19-20 of the Corporate Tax Law and Articles 159-179 of the Turkish Commercial Code, based on VUK financial statements. It was also decided that the shares to be issued as a result of this capital increase would be allocated to the Company. As of December 31, 2023, the fair value of the transferred properties is 4,613,156,000 TL.

2.7 Intangible assets

The Group's intangible assets consist of computer software, goodwill and advances on intangible assets.

Intangible assets are recorded at cost in compliance with the "TAS 38 - Accounting for intangible assets". The cost of the intangible assets purchased before December 31, 2004 are restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

The Group differentiates the depreciation shares of intangible assets based on their useful lives, using the straight-line method, over their cost values. The amortization period of intangible assets is between 3 and 15 years.

Costs associated with developing or maintaining computer software programs are recognized as expense when incurred. Costs that are directly associated with the development of identifiable and unique software products that are controlled by the Group and will probably provide more economic benefits than costs in one year are recognized as intangible assets. Costs include software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding three years).

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of the acquisition. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognized goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gain or losses on the disposal of an entity includes the carrying amount of goodwill relating to the entity disposed of.

For the purpose of impairment testing, goodwill is allocated to cash-generating units. The allocations made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arises.

The Group has acquired the health portfolio of Anadolu Hayat Emeklilik A.Ş. as of August 31, 2004 with all of its rights and liabilities. The value at acquisition of the portfolio amounting to TL 16.250.000 is capitalized as goodwill by the Group.

2.8 Financial assets

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 favourable to the entity.

Securities are recognized and derecognized at the date of settlement.

Financial assets are classified in four categories; as financial assets held for trading, available-for-sale financial assets, held to maturity financial assets, and loans and receivables.

Financial assets at fair value through profit or loss are presented as financial assets held for trading in the accompanying consolidated financial statements and trading securities and derivatives are included in this category. Financial assets at fair value through profit or loss measured at their fair values and gain/loss arising due to changes in the fair values of related financial assets are recorded in the statement of income. Interest income earned on trading purpose financial assets and the difference between their fair values and acquisition costs are recorded as interest income in the statement of income. In case of disposal of such financial assets before their maturities, the gains/losses on such disposal are recorded under trading income/losses. Accounting policies of derivatives are detailed in note 2.10 - Derivative financial instruments.

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 financial assets are the financial assets with fixed maturities and fixed or pre-determined payment schedules that the Company has the intent and ability to hold until maturity, excluding loans and receivables. Subsequent to initial recognition, held to maturity financial assets and loans and receivables are measured at amortized cost using effective interest rate method less impairment losses, if any. The Company has no financial assets that are not allowed to be classified as held to maturity financial assets for two years due to the tainting rules applied for the breach of classification rules.

Available-for-sale financial assets are the financial assets other than assets held for trading purposes, held-to-maturity financial assets and loans and receivables.

Available-for-sale financial assets are initially recorded at cost and subsequently measured at their fair values. 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 consolidated statement of income.

The determination of fair values of financial instruments not traded in an active market is determined by using valuation techniques. Observable market prices of the quoted financial instruments which are similar in terms of interest, maturity and other conditions are used in determining the fair value.

In the accompanying consolidated financial statements, Anadolu Hayat, associate of the Group, and Miltas, subsidiaries of the Group, has been consolidated by using the equity method of accounting.

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 on assets

Impairment on financial assets

Financial assets or group of financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the Group estimates the amount of impairment. Impairment loss incurs if, and only if, 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 incur due to future events are not recognized even if the probability of loss is high.

Loans and receivables are presented net of specific allowances for uncollectability. 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 interes.

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 financial assets that are debt securities, the reversal is recognized in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

(Currency: Turkish Lira (TL))

Impairment on tangible and intangible assets

On each balance sheet date, the Group evaluates whether there is an indication of impairment of fixed assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the "*TAS 36* - Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Rediscount and provision expenses of the year are detailed in *Note 47*.

2.10 Derivative financial instruments

Derivative instruments are treated as held for trading financial assets in compliance with the standard TAS 39 - Financial Instruments: Recognition and measurement.

The Company recognizes the profit and loss that arise from the Swap contracts in statement of income.

Derivative financial instruments are initially recognized at their fair value.

Collateral amounts and valuations that are necessary for derivative transactions are included in trading financial assets.

The receivables and liabilities arising from the derivative transactions are recognized under the off-balance sheet accounts through the contract amounts.

Derivative financial instruments are subsequently remeasured at fair value and positive fair value differences are presented either as "income accruals" and negative fair value differences are presented as "other financial liabilities" in the accompanying financial statements. All unrealized gains and losses on these instruments are included in the statement of income.

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 Group 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 Reporting Standards, or for gains and losses arising from a group of transactions resulting from the Group's similar activities like trading transactions.

2.12 Cash and cash equivalents

Cash and cash equivalents, which is the basis for the 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 3 months which are ready to be used by the Group or not blocked for any other purpose.

2.13 Capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group. As of December 31, 2024, and 2023, the share capital and ownership structure of the Company are as follows:

	December 31, 2024		December 31, 2023	
Name	Shareholding amount (TRY)	Shareholding rate (%)	Shareholding amount (TRY)	Shareholding rate (%)
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Axa Hayat ve Emeklilik A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid-in Capital	**660.000.000**	**100,00**	**660.000.000**	**100,00**

Sources of capital increases during the period

The Company has not performed capital increase As of December 31, 2024 (December 31, 2023: None).

Privileges on common shares representing share capital

There are no privileges on common shares representing share capital.

Registered capital system in the Company

None.

Repurchased own shares by the Company

None.

2.14 Insurance and investment contracts - classification

An insurance contract is a contract under which the Group 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.

The Group acts as a reinsurer when writing insurance from an insurance Company (cedent) on the basis of reinsurance contracts and cedes insurance business to another retrocessionaire (the retrocedant) on the basis of retrocession contracts.

As at the reporting date, the Group does not have a 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.

(i) that 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; and

(iii) that 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; or
- *(3)* the profit or loss of Company, fund or other entity that issues the contract.

As of balance sheet date, the Group does not have any insurance or investment contracts that contain a DPF.

2.16 Investment contracts with discretionary participation feature

As of the reporting date, the Group does not have any insurance contracts and investment contracts without discretionary participation feature.

2.17 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 Group are measured at their discounted values. A financial liability is derecognized when it is extinguished.

2.18 Income taxes

Corporate tax

Amendments were made to the Corporate Tax Law No. 5520 with a Law submitted to the Grand National Assembly of Turkey on 5 July 2023 and published in the Official Gazette dated 15 July 2023. According to this; the corporate tax rate has been increased from 25% to 30% for banks, Companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, starting from the declarations that will be submitted as of 1 October 2023.

The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws. No further tax is paid if the profit is not distributed.

There is no withholding tax on profit shares (dividends) paid to institutions that generate income through a workplace or permanent representative in Turkey and to institutions residing in Turkey. 10% withholding tax is applied on dividend payments made to institutions other than these. In the application of withholding tax rates for profit distributions to non-resident companies and real persons, the practices included in the relevant Double Taxation Agreements are also taken into consideration. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

Provisional taxes are paid by calculating at the corporate tax rate to which the earnings of that year are subject. Provisional taxes paid during the year can be deducted from the corporate tax calculated on the annual corporate tax return of that year.

There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the last day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change.

As per the Article 17 of the Omnibus Law published in the Official Gazette dated December 28, 2023, Banks, companies within the scope of the Law on Financial Leasing, Factoring, Financing and Savings Finance Companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will apply inflation accounting in accordance with the Tax Procedure Law as of December 31, 2023, and the profit/loss difference arising from the inflation adjustment made in the 2024 and 2025 accounting periods, including the temporary tax periods, will not be taken into account in the determination of the tax base.

In September 2023, the Public Oversight, Accounting and Auditing Standards Authority (KGK) published amendments to TMS 12, introducing a mandatory exception for the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. These amendments clarify that TMS 12 will apply to income derived from tax laws that have either come into effect or are close to coming into effect for the purpose of implementing the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development (OECD). Additionally, these changes introduce certain disclosure requirements for businesses affected by such tax laws. The exception indicating that information regarding deferred taxes within this scope will not be recognized or disclosed will come into effect upon the publication of the amendment. The Pillar Two regulations, which were agreed upon by OECD member countries, came into effect in Turkey through the Law No. 7524 on Amendments to Tax Laws and Certain Laws published in the Official Gazette dated August 2, 2024. Although no secondary regulations have been published regarding this matter, preliminary assessments made based on the guidelines issued by the OECD suggest that the aforementioned regulations are not expected to have any impact on financials. Nevertheless, legislative changes in Turkey and other countries where operations are conducted are being monitored.

The laws published in the Official Gazette dated August 2, 2024, have enacted a Domestic Minimum Corporate Tax, which will be applied starting from the 2025 accounting period. With the Law No. 7524, the minimum corporate tax mechanism has been introduced, stipulating that the calculated corporate tax cannot be less than 10% of the taxable corporate income before deductions and exemptions. This regulation will come into effect on the date of its publication to apply to corporate profits for the taxation period of 2025. Additionally, General Communiqué No. 23 on Corporate Tax related to this matter has been published.

Transfer pricing

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated November 18, 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Deferred tax

In accordance with TAS 12 - *Income taxes*, deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit. Deferred tax assets and liabilities are reported as net in the financial statements if, and only if, the Company has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot be retrospectively offset against the profits of previous years.

In case where gains/losses resulting from the revaluation of the assets are recognized in the statement of income, then the related current and/or deferred tax effects are also recognized in the statement of income. On the other hand, if such gains/losses are recognized as an item under equity, then the related current and/or deferred tax effects are also recognized directly in the equity.

31 Aralık 2024 dönemi itibarıyla geçerli kurumlar vergisi oranı %30 olduğu için geçici farklar için %30 vergi oranı kullanılmıştır. (31 Aralık 2023: %30)

If the valuation differences arising from the valuation of assets are recognized in the income statement, the current period corporate tax and deferred tax income or expense related to these differences are also recorded in the income statement. Conversely, if the valuation differences of the relevant assets are directly recorded in the equity accounts, the related tax effects are also recognized directly in the equity accounts.

2.19 Employee benefits

Pension and other post-retirement obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee and his/her dependants will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Employees of the Company are the members of "Milli Reasürans Türk Anonim Şirketi Emekli ve Sağlık Sandığı Vakfı ("Milli Reasürans Pension Fund") and the employees of Anadolu Sigorta are the members of Anadolu Anonim Türk Sigorta Şirketi Memurları Emekli Sandığı ("Anadolu Anonim Pension Fund") which is established in accordance with the temporary Article 20 of the Social Security Act No: 506.

As per the temporary sub article No: 20 of the Article 73 of the Social Security Law, pension funds should be transferred to the Social Security Institution within three years after the publication of the aforementioned Law published in the Official Gazette numbered 26870 and dated May 8, 2008 . Decree of the Council of Ministers about two years extending transfer duration, was published in the Official Gazette on April 9, 2011. Based on this, expiration date has been extended to May 8, 2013 from the expiration date on 8 May 2011. On March 8, 2012, "Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees" numbered 28227, was published on Official Gazette and 4th article of this act changed "two years" phrase as "four years" which takes part on second sentence of first clause of 20th article of the code numbered 5510. Also, under the scope of Decree of the Council of Ministers numbered 2013/4617 was published on Official Gazette numbered 28636, on May 3, 2013 and 20th temporary article of the Social Security Laws numbered 506 banks, insurance and reinsurance companies, chambers of commerce, stock markets or participants of pension funds and salary or income provided ones and their shareholders' transfer duration has been extended one year to the Social Security Institution by Decree of the Council of Ministers.

Employees of the Company are the members of "Milli Reasürans Türk Anonim Şirketi Memurları Emekli ve Sağlık Sandığı ("Milli Reasürans Pension Fund") which is established in accordance with the temporary Article 20 of the Social Security Act No: 506. As per the temporary sub article No: 20 of the Article 73 of the Social Security Law, pension funds should be transferred to the Social Security Institution within three years after the publication of an aforementioned Law published in the Official Gazette numbered 26870 and dated May 8, 2008. The related three-year transfer period has been prolonged for two years by the Cabinet decision, which was published on the Official Gazette dated April 9, 2011. Accordingly, the three-year period expired on May 8, 2011 was extended to May 8, 2015.

(Currency: Turkish Lira (TL))

Lastly, first paragraph of temporary 20th article of 5510 numbered Law, article 51 of the law regarding changing of several laws and delegated legislations and the law of occupational health and safety which are published in April 23, 2015 dated Official Gazette is changed as following.

"Funds participating, pensioned or endowed and beneficiaries of the established funds for the personnel of banks, insurance and reinsurance companies, chambers of commerce, chamber of industries, stock exchanges or is organized by them under the temporary 20th article of law no. 506, Council of Ministers is entitled to determine the date of transfer to Social Security Institution. As of the transfer date, fund participants are regarded as social insurant in accordance with the (a) subclause of first sub articles of 4th article of related law".

The principles and practices of the transfer will be determined by the Decree of the Council of Ministers to be published in the future.

The cash value of the obligations of the pension fund for each member of the fund including members left the fund as of the transfer date will be calculated according to following assumptions:

a) Technical deficit rate of 9,8% shall be used in the actuarial calculation of the value in cash, and.
b) Gains and losses of the funds stems from benefits covered by the aforementioned Law taken into accounts to calculate present value of the obligations.

Employee 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. The applicable ceiling amount As of December 31, 2024 is TRY 41.828,42 (December 31, 2023: TRY 23.489,83).

The Company accounted for employee severance indemnities using actuarial method in compliance with the TAS 19 - *Employee Benefits*. The major actuarial assumptions used in the calculation of the total liability As of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Discount rate	3,28-3,98%	3,28%
Expected rate of salary/limit increase	10,30-21,85%	10,30-19,65%
Estimated employee turnover rate	2,89-6,91%	2,81-6,91%

The above expected rate of salary/limit increase is determined according to the annual inflation expectations of the government.

Other benefits

The Group has provided for undiscounted short-term employee benefits earned during the year as per services rendered in compliance with *TAS 19* in the accompanying financial statements.

2.20 Provisions

A provision is made 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 Group to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

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 Group. 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 Group discloses the contingent asset.

(Currency: Turkish Lira (TL))

2.21 Revenue recognition

Written premiums

Written premiums represent premiums taken from insurance and reinsurance companies as a reinsurance Company. Premiums ceded to retrocession companies are accounted as "written premiums, ceded" in the profit or loss statement. Written premiums are recorded upon the receipt of quarterly statements of accounts from ceding companies in treaties whereas facultative accounts are registered upon the receipt of monthly payrolls.

Claims paid

Claims paid represent payments of the Group as a reinsurance Company when risks taken from insurance and reinsurance companies are realized. Claims are recognized as expense upon the receipt of notifications. Notifications have not specific periods and depend on the initiative of the insurance and reinsurance companies.

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

Subrogation, salvage and other income

According to the Circular 2010/13 dated September 20, 2010; the Company may account for income accrual for subrogation receivables without any voucher after the completion of the claim payments made to the insurer. 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. As at the reporting date, in accordance with the related circular the Company provided TRY 561.100.715 (December 31, 2023: TRY 338.107.609) subrogation receivables and recorded TRY 723.408.965 (December 31, 2023: TRY 449.617.028) (Note 12) net subrogation and salvage receivables under receivables from main operations. The Company provided allowance for uncollected subrogation receivables amounting to TRY 216.362.128 (December 31, 2023: TRY156.811.592) (Note 12) in accordance with circular.

For the years ended December 31, 2024 and 2023, salvage and subrogation collected are as follows:

	December 31, 2024	December 31, 2023
Land Vehicles	4.801.050.175	3.280.856.563
Land Vehicles Liability	234.987.405	105.850.204
Fire and Natural Disasters	51.420.582	73.300.282
Marine	24.032.501	12.565.462
Sea Vehicles	16.022.415	330.898
General Losses	9.152.278	7.596.149
Breach of Trust	3.717.486	3.746.085
General Liability	2.461.875	2.118.240
Air Vehicles	1.363.348	462.401
Accident	715.327	982.543
Financial Losses	38.654	-
Legal Protection	8.347	43.923
Air Vechicles Liability	7.160	157.796
Total	**5.144.977.553**	**3.488.010.546**

(Currency: Turkish Lira (TL))

As of December 31, 2024, and 2023, accrued subrogation and salvage income per branches is as follows:

	December 31, 2023	December 31, 2022
Land Vehicles	582.850.216	345.600.913
Land Vehicles Liability	70.889.264	36.721.423
Fire and Natural Disasters	46.867.982	49.955.618
Marine	12.244.330	9.626.981
General Damages	5.802.940	1.354.716
Sea Vehicles	4.691.550	4.086.803
Accident	62.683	42.323
General Liability	-	2.228.251
Total	**723.408.965**	**449.617.028**

Commission income and expenses

As further disclosed in Note 2.24 - *Reserve for unearned premiums*, commissions paid to the insurance and reinsurance companies as a reinsurance Company and the commissions received from the reinsurance companies are recognized over the life of the contract by deferring commission income and expenses within the calculation of reserve for unearned premiums for the policies produced before January 1, 2008 and recognizing deferred commission income and deferred commission expense in the financial statements for the policies produced after January 1, 2008.

Interest income and expenses

Interest income and expense are recognized using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. 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 except for the financial assets at fair value through profit or loss.

Trading income/expense

Trading income/expense includes gains and losses arising from disposals of financial assets held for trading purpose and available-for-sale financial assets. Trading income and trading expenses are recognized as “Income from disposal of financial assets” and “Loss from disposal of financial assets” in the accompanying consolidated financial statements.

Dividends

Dividend income is recognized when the Group’s right to receive payment is ascertained.

2.22 Leasing transactions

Tangible assets acquired by way of finance leasing are recognised in tangible assets and the obligations under finance leases arising from the lease contracts are presented under finance lease payables account in the financial statements. In the determination of the related assets and liabilities, the lower of the fair value of the leased asset and the present value of leasing payments is considered. Financial costs of leasing agreements are expanded in lease periods at a fixed interest rate.

If there is impairment in the value of the assets obtained through financial lease and in the expected future benefits, the leased assets are valued with net realisable value. Depreciation for assets obtained through financial lease is calculated in the same manner as tangible assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use asset includes:
(a) initial direct costs incurred,
(b) lease payments made at or before the commencement date less any lease incentives received, and
(c) All initial costs incurred by the Company.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Right-of-use assets are subject to impairment

Lease liabilities

The Group measures the lease liability based on the present value of the lease payments that were not paid at the actual start of the lease.

The lease payments, which are included in the measurement of the lease liability at the actual start of the lease, consist of the following payments to be made for the right of use of the underlying asset during the lease term and which were not paid at the actual start of the lease:
(a) fixed payments,
(b) variable lease payments based on an index or ratio, the first measurement of which was made using an index or ratio at the actual beginning of the lease,
(c) amounts expected to be paid by the Company under residual value commitments
(d) if the Company is reasonably confident that it will exercise the option to purchase, the price at which the option is used and
(e) penalty payments for termination of the lease if the lease term indicates that the Company will exercise an option to terminate the lease.

Variable lease payments that are not linked to an index or ratio are recorded as expenses in the period in which the event or condition that triggered the payment occurs.

The revised discount rate for the remainder of the Group's lease term, if the implied interest rate in the lease can be easily determined, as this rate; If it cannot be determined easily, it is determined as the alternative borrowing interest rate of the Group at the date of reassessment.

After the actual start of the lease, the Group measures the lease liability as follows:
(a) increases the book value to reflect the interest on the lease obligation, and
(b) reduces the book value to reflect the lease payments made.

In addition, a change in the fixed lease payments is essentially the lease or a change in the assessment of the option to purchase the underlying asset in case of a change in the value of finance lease liabilities is measured again.

Right-of-use assets calculated regarding to lease liabilities are accounted in “Tangible Assets” located in balance sheet.

Interest expense on lease liabilities and depreciation expense of right-of-use asset are accounted in “Investment Management Expenses (inc. interest)” and “Depreciation and Amortization Expenses” respectively.

(Currency: Turkish Lira (TL))

Information on the duration of the operating leases and discount rates applied are as follows:

Assets subject to operational leasing	Contract Period (Year)	Discount Rate - TRY (%)
Buildings	1-10 year	5,25-28,93
Vehicles	1-3 year	23,62-28,93
Fixtures	1-5	5,25

2.23 Dividend distribution

At the General Assembly Meeting of the Company held on March 27, 2024, it was approved that no dividend would be distributed. It was decided that the net profit of the period amounting to 3,629,008,053 TL, resulting from the Company's activities in 2023, would be retained as retained earnings from previous years.

2.24 Unearned premiums reserve (UPR)

7 In accordance with the "Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" ("Communiqué on Technical Reserves") which was issued in 26606 numbered and August 7, 2007 dated Official Gazette and put into effect starting from January 1, 2008, the reserve for unearned premiums represents the proportions of the gross written premiums without deductions of commission or any other allowance, in a period that relate to the period of risk subsequent to the reporting date for all short-term insurance policies. Nonetheless;

- Unearned premium reserves are calculated on the basis of 1/8 for reinsurance and retrocession transactions that are not subject to basis of day or 1/24 due to application limitations,
- For commodity transportation policies with indefinite expiration dates, 50% of the remaining portion of the premiums accrued in the last three months, are also provided as unearned premium reserves.

Milli Reasürans is a reinsurance company, Milli Reasürans calculates the unearned premium reserve based on the 1/8 principle for proportional reinsurance agreements based on the premiums transferred under treaties and optional contracts, and on the day basis for goods transportation agreements without a specific end date, taking into account 50% of the premiums accrued in the last 3 months, and for optional business acceptances and non-proportional reinsurance agreements, taking into account the start and end dates of the agreement. The reinsurance share of the unearned premium reserve for premiums transferred by the Company as a retrograde is also calculated in the same way.

Unearned premiums reserve is calculated for all insurance contracts except for the contracts for which the mathematical reserve is provided. Unearned premiums reserve is also calculated for the annual premiums of the annually renewed long term insurance contracts. Anadolu Sigorta has classified the provision amounting to 2,611,211 TL, calculated for health and personal accident policies with a term longer than one year, as a long-term liability (December 31, 2023: 3,630,893 TL).

The unearned premium reserve is calculated in accordance with the "Sector Announcement Regarding the Implementation of Legislation Related to Technical Provisions," dated March 27, 2009, numbered 2009/9, considering that all policies start at 12:00 noon and end at 12:00 noon on the same day. Therefore, it has been calculated as half a day for both the day the policies are issued and the end date. According to the regulation on technical provisions, when calculating the unearned premium reserve for currency-indexed insurance contracts, if a specific exchange rate is not specified in the insurance contract, the official exchange rates announced by the Central Bank of the Republic of Turkey on the date of accrual of the relevant premium will be taken into account.

As of the reporting period's end, the Group has recognized a total unearned premium reserve of 42,115,799,388 TL in its consolidated financial statements (December 31, 2023: 28,701,633,588 TL) and an unearned premium reserve for the reinsurer's share amounting to 6,186,511,289 TL (December 31, 2023: 4,797,310,036 TL). Additionally, as of December 31, 2024, there is a Social Security Institution (SGK) share in the unearned premium reserve amounting to 546,873,221 TL (December 31, 2023: 343,265,174 TL).

(Currency: Turkish Lira (TL))

Outstanding claims reserves

Milli Reasürans:

Outstanding indemnity provision is set aside for indemnity amounts accrued and determined on account but not actually paid in previous accounting periods or in the current accounting period, or if this amount could not be calculated, estimated costs and incurred but not reported compensation amounts.

According to the "Regulation on Amendments to the Regulation on the Technical Provisions of Insurance and Reinsurance Companies and Pension Companies and the Assets in which These Provisions are Invested," published in the Official Gazette dated July 28, 2010, numbered 27655, all expense shares necessary for the development of compensation files have been taken into account during the calculation of the accrued and actuarially determined claims provision. This includes calculated or estimated expenses for experts, consultants, legal fees, and communication costs, and no deductions have been made for recovery, salvage, or similar income items in the relevant calculations.

Except for the life branch, outstanding claims reserve consists of claims are recorded in the year in which they occur, based on reported claims and the difference between the result of the actuarial chain ladder method whose content and application criteria stated by Turkish Insurance and Private Pension Regulation and Supervision Authority, and reported but not settled claims are considered as incurred but not reported ("IBNR") claims. Actuarial chain ladder method may be differentiated by Turkish Insurance and Private Pension Regulation and Supervision Authority for reinsurance companies due to their special conditions.

With the publication of the "General Communiqué on the Provision for Incurred But Not Reported (IBNR) Claims (2014/16)" on December 5, 2014, the "General Communiqué on the Actuarial Chain Ladder Methodology" numbered 2010/12 has been abolished except for Articles 9 and 10. According to this communiqué, which explains the IBNR calculation methods, insurance and reinsurance companies utilize six different methods for calculating IBNR: "Standard Chain, Loss/Bonus, Cape Cod, Frequency/Severity, Munich Chain, and Bornhuetter-Ferguson."

As of December 31, 2024, Milli Reasürans has added 2,763,615,993 TL to its claims provision by considering 100% of the IBNR calculated, excluding its Singapore branch (December 31, 2023: 651,285,087 TL). As of the reporting date, a net IBNR amounting to 192,258,576 TL has been assigned for the Singapore Branch (December 31, 2023: 115,375,539 TL).

The amounts assigned by Milli Reasürans for incurred but not reported claims (IBNR) by line of business and the IBNR calculation methods it has chosen are presented in the table below:

Milli Reasürans		31 December 2024	31 December 2023
Branches	**Calculation Method**	**Net IBNR (*)**	**Net IBNR (*)**
General Liability (***)	ACLM- Paid Claims	860.809.044	294.434.236
General Losses (**)	ACLM- Paid Claims	820.698.727	316.094.872
Fire and Natural Disasters	ACLM- Paid Claims	748.210.321	222.030
Land Vehicles Liability	ACLM- Paid Claims	365.686.798	117.072.338
Financial Losses	ACLM- Paid Claims	60.288.286	46.519.250
Other Branches, Total	ACLM- Paid Claims	(93.855.107)	(127.843.946)
Other Branches, Total	Sector Average (TSB)	1.777.924	4.786.307
Total		**2.763.615.993**	**651.285.087**

(*) Excludes amounts allocated for Singapore branch.

(**) Two separate calculation have been made as agriculture and non-agriculture subbranches.

(***) In accordance with the "Circular numbered 2020/11 on Making Amendments on Communique regarding Provision for Outstanding Claim Files numbered 2014/16" which has been published on December 7, 2020 and entered into force as of its publication date, an additional calculation is made in terms of Compulsory Financial Liability Insurance regarding Medical Malpractice sub-branch and calculation is made in terms of other sub-branches under General Liability through excluding Compulsory Financial Liability Insurance regarding Medical Malpractice.

(Currency: Turkish Lira (TL))

Singapore	31 December 2024	31 December 2023
Branches	**Net IBNR**	**Net IBNR**
Fire and Natural Disasters	118.675.189	61.675.185
General Losses	51.622.682	31.214.949
Sea Vehicles	9.454.004	8.382.725
Marine	9.257.351	9.157.609
Other Branches, Total	3.016.175	4.759.659
General Liability	233.175	185.412
Total	**192.258.576**	**115.375.539**

Milli Reasürans as a reinsurance Company, selects data, adjustments, applicable methods, and development factors by itself over the data obtained from insurance companies on a branch basis via actuarial methods. According to the article 11 clause 5 of "Circular on Actuarial Report for Non-Life Insurance Branch" dated 6 November 2008, selections and results should be assess in detail in actuarial report by the actuary.

Due to the insufficient data available to the Company's in sea vehicles liability, air vehicles liability, surety and credit branches and its uneven distribution in the loss development tables, the Company was unable to obtain a result by subjecting the relevant data to the correction process. For this reason, values representing the sector averages in the branches specified in the ACLM calculations were used. On the other hand, in Financial Losses and Life branches, where calculations were made using a similar method as of 30.09.2024, the calculation was made using the Standard Chain method as of 31.12.2022, as the data reached a certain maturity.

According to December 5, 2014 dated "Circular regarding Outstanding Claims Reserve (2014/16)", the Company constitutes data by taking base of acceptance year rather than Casualty period for the reason of characteristic of reinsurance operations in course of ACLM calculation and calculates ACLM once in a year as of year-end. The methods indicated in the table are calculated according to paid claims.

Milli Reasürans received approval from the General Directorate of Insurance of the Treasury Undersecretariat of the Republic of Turkey through a letter numbered 05403 dated January 31, 2011, allowing it to perform IBNR calculations based on paid losses instead of incurred loss data when necessary, depending on the data quality for each line of business. To confirm the currency of this request, a written application was made to the SEDDK on January 6, 2025. In a letter dated January 15, 2025, numbered E-97354901-010.06.02-3701446, the SEDDK referred to the General Communiqué on the Provision for Incurred But Not Reported Claims numbered 2014/6, confirmed the currency of the request, and deemed it appropriate for the IBNR calculation to be made based on paid losses.

During the calculation of ACLM, the recourse and salvage amounts to be deducted according to the method determined by the Ministry must be calculated over the collected amounts (including the interest income collected together with the recourse incomes and the litigation costs incurred for the collection of this receivable and attorney fees). When calculating the aforementioned amounts, only the recourse and salvage collections for which compensation was paid within the period subject to the calculation should be taken into account and associated with the period in which they were collected in the table. Salvage and subrogation income which will be deducted in the calculation of ACLM stated by the Under secretariat should be based on collected amount (collected amount includes interest income over salvage and subrogation income, expertise, consultant and lawsuit expenses). Collections are taken into account according to their collection period.

The Republic of Turkey's Prime Ministry Treasury Undersecretariat (as of July 10, 2018: Ministry of Treasury and Finance of the Republic of Turkey) According to the letter dated January 12, 2012 and numbered B.02.1.HZN.0.10.03.01/854 sent by Republic of Turkey Ministry of Treasury and Finance to the Company, determination of final claims for the last business year used in IBNR calculation has been changed as at December 31, 2011. Accordingly, the final premium amount earned for the last business year is determined by considering premium development factors since premiums may be accrued in the following years under the terms of the agreements. Based on the calculated final premium amount of the last business year, unearned premium reserves and earned premiums are determined. Aforementioned earned premium amount is multiplied by the average of claim/premium ratio of the previous years to determine final claims amount of the last business year. IBNR is calculated by subtracting the paid and reported claims of the last business year from the final claims amount determined by the aforementioned method. In addition, IBNR amounts reported by sedan companies are taken into consideration and in order to prevent duplicate provision; paid claims, outstanding claims reserve and premiums of reported claims are excluded from the data set used in the calculation of IBNR. The Company determined final IBNR amount by adding reported IBNR amounts to IBNR amounts calculated from the data prepared in accordance with the principals mentioned above

(Currency: Turkish Lira (TL))

In accordance with December 5, 2014 dated and 2014/16 numbered "Circular for Outstanding Claims Reserve" of Republic of Turkey Ministry of Treasury and Finance, ACLM calculation should be on main branch. However, as at December 31, 2012, Milli Reasürans has calculated ACLM reserve for General Losses main branch as two separate subbranches namely agriculture and non-agriculture branches. Due to the differing characteristics of the Agriculture sub-branch and the Engineering sub-branches within the General Liability main branch in terms of the process of claims transforming into paid losses, it was argued that the IBNR calculated in this main branch could lead to unhealthy and non-representative results. Consequently, a request for permission was submitted to the Treasury Undersecretariat of the Republic of Turkey on January 17, 2013, via a letter numbered 300, to allow the calculation of the IBNR in the General Liability main branch to be conducted as two separate sub-branches: Agriculture and Non-Agriculture. The Treasury Undersecretariat responded with a letter numbered 24179134 on January 28, 2013, granting permission for the IBNR calculations in the General Liability main branch to be conducted on a sub-branch basis, distinguishing between Agriculture and Non-Agriculture.

In accordance with the "Circular on Amendments to the General Communiqué on the Provision for Incurred But Not Reported Claims numbered 2014/16," published on December 7, 2020, and effective on the publication date, the IBNR amount for the "Mandatory Liability Insurance for Medical Malpractice" sub-branch under the General Liability main branch must be calculated separately. In this context, a separate calculation has been made for the Mandatory Liability Insurance for Medical Malpractice sub-branch, while calculations for other sub-branches classified under General Liability have been completed excluding the Mandatory Liability Insurance for Medical Malpractice. The amounts determined as of December 31, 2024, have been recorded in the books.

As explained in the Circular (2017/07) on Discounting Net Cash Flows Arising from the Provision of Outstanding Compensation published on September 15, 2017, insurance companies will be able to discount the net cash flows generated by the provision of outstanding compensation that they allocate in accordance with the insurance legislation according to the principles set out in the circular. In accordance with the circular no 1 in the article, it has been made mandatory to apply discounts in the "General Liability" and "Land Vehicles Liability" branches of the provision for outstanding compensation Milli Reasürans has chosen to apply discounting only for mandatory branches, and no discounting is conducted for other branches.

With the Circular No. 2024/3 "Circular on Amendments to Circular No. 2016/22 on Discounting Net CashFlows Arising from the Provision for Outstanding Compensation" published on January 15, 2024, the Circular's 7th article was changed as "Net cash flows are discounted to cash value by taking into account 35%as of the financial reporting date".

In accordance with the relevant communiqué, the discount rate for net cash flows arising from the provision for incurred but not reported claims has been applied at a rate of 35% as of December 31, 2024 (December 31, 2023: 28%). Accordingly, Milli Reasürans has calculated the net discounted amount for the provision for incurred claims as 1,960,424,461 TL as of December 31, 2024 (December 31, 2023: 923,111,219 TL). The change in the discount rate has had a reducing effect of 221,786,939 TL on the net provision for incurred claims recorded as of December 31, 2024.

As of December 31, 2024 and 2023, Milli Reasürans' net outstanding claims reserves by branch are given below, before and after discount:

31 December 2024 Branches	Net outstanding claims before discount	Discount amount	Discounted net outstanding claims provision
Land Vehicles Liability	635.982.639	(371.816.439)	264.166.200
General Liability	2.167.620.695	(1.588.608.022)	579.012.673
Total	**2.803.603.334**	**(1.960.424.461)**	**843.178.873**

31 December 2023 Branches	Net outstanding claims before discount	Discount amount	Discounted net outstanding claims provision
Land Vehicles Liability	368.376.477	(186.857.862)	181.518.615
General Liability	1.127.031.106	(736.253.357)	390.777.749
Total	**1.495.407.583**	**(923.111.219)**	**572.296.364**

(Currency: Turkish Lira (TL))

Anadolu Sigorta:

As stipulated in the General Communiqué numbered 2014/16 issued by the Insurance and Private Pension Regulation and Supervision Agency on December 5, 2014, the estimates of the Ultimate Loss/Claim Ratio are performed by the company's responsible actuary. The selection and consolidation of the data to be used, correction procedures, selection of the most appropriate method and development factors, and the intervention into development factors are carried out by the company's actuary using actuarial methods. These matters are detailed in the Actuarial report submitted to the SEDDK in accordance with Articles 33 and 36 of the Internal Systems Regulation.

As of December 31, 2024 and 2023, the amounts for incurred but not reported claims calculated by Anadolu Sigorta's actuary by line of business are as follows:

		31 December 2024(*)		31 December 2023(*)	
Branches	Method Used	Gross Additional Provision	Net Additional Provision	Gross additional allowance	Net additional provision
General Traffic	Standard/Bornhuetter Ferguson	16.199.927.056	12.480.390.578	13.508.297.368	9.673.281.078
General Liability	Standard/Bornhuetter Ferguson	6.134.080.618	4.943.799.029	3.502.785.332	2.735.110.058
Voluntary Financial Liability	Standard/Bornhuetter Ferguson	4.612.666.010	4.585.643.219	2.316.525.280	2.309.864.308
Fire and Natural Disasters	Standart	1.039.406.936	596.686.965	876.241.801	496.910.888
General Losses	Standart	397.448.061	240.682.152	264.534.605	206.581.950
Marine	Standart	393.940.192	180.936.798	274.659.862	137.907.203
Sea Vehicles	Standart	320.439.166	165.670.138	279.263.907	135.607.729
Life/Health	Standart	203.036.260	196.433.003	65.191.459	61.439.652
Air Vehicles	Standart	177.166.836	85.887.230	139.303.633	57.260.102
Accident	Standart	155.723.315	139.153.335	76.232.843	70.573.018
Financial Losses	Standart	97.788.416	60.557.380	119.834.466	58.275.304
Surety	Standart	63.799.584	31.206.560	7.069.149	6.743.728
Credit	Standart	47.160.829	41.954.069	39.999.223	34.503.917
Air Vechicles Liability	Standart	40.655.707	12.114.745	32.269.560	15.696.225
Legal Protection	Standart	4.359.465	4.359.465	2.095.772	2.095.772
Land Vehicles	Standart	(315.958.309)	(308.229.618)	(184.480.119)	(183.446.073)
Total		**29.571.640.142**	**23.457.245.048**	**21.319.824.141**	**15.818.404.859**

(*) The provision amount for the relevant period includes the provision allocated for the reinsurance business acquired and the provisions related to High-Risk Policyholders and the Technical Risk Pool (TKU).

Anadolu Sigorta has calculated the provision for incurred but not reported claims on a line-by-line basis, reflecting the impact of the existing reinsurance agreements based on the current reinsurance shares. The account for net incurred but not reported claims incorporates the effects of the High-Risk Policyholders Pool and the Mandatory Liability Insurance for Medical Malpractice Pool.

In the Mandatory Traffic branch, pool and non-pool operations are analyzed separately by the company's actuary. In the General Liability branch, the analysis includes Employer's Liability, Mandatory Liability for Medical Malpractice, Professional Liability, Mandatory Liability for Hazardous Materials and Hazardous Waste, and Other Liability lines.

With the Circular dated January 15, 2024, titled "Amendments to the General Communiqué on Discounting Net Cash Flows Arising from Incurred But Not Reported Claims (2016/22)," Article 7 of the General Communiqué 2016/22 has been revised to state that "Net cash flows are discounted to present value at a rate of 35% as of the financial reporting period date." In this context, a discount rate of 35% has been applied to the net cash flows arising from the provision for incurred but not reported claims. As of December 31, 2024, Anadolu Sigorta has calculated the net discounted amount for the provision for incurred claims as 17,954,668,084 TL (December 31, 2023: 10,555,127,559 TL).

(Currency: Turkish Lira (TL))

The net provisions for incurred but not reported claims of Anadolu Sigorta as of December 31, 2024, and 2023, broken down by branch, are as follows:

31 December 2024 Branches	Net outstanding claims provision before discount	Discount amount	Discounted net outstanding claims provision
Land Vehicles Liability	21.305.086.789	(11.438.198.237)	9.866.888.552
General Liability	7.749.047.300	(5.104.495.948)	2.644.551.352
Fire and Natural Disasters	2.869.469.172	(426.222.201)	2.443.246.971
Land Vehicles	1.760.457.321	(127.804.247)	1.632.653.074
General Losses	769.489.322	(168.629.938)	600.859.384
Sea Vehicles	727.076.566	(171.019.900)	556.056.666
Marine	514.794.695	(146.704.714)	368.089.981
Life/Health	291.072.085	(14.744.706)	276.327.379
Air Vehicles	255.761.135	(74.814.251)	180.946.884
Surety	272.433.401	(124.937.390)	147.496.011
Accident	226.099.194	(85.560.614)	140.538.580
Financial Losses	119.291.889	(22.938.379)	96.353.510
Air Vechicles Liability	96.335.368	(30.677.108)	65.658.260
Credit	46.714.843	(16.145.195)	30.569.648
Legal Protection	4.795.048	(1.775.256)	3.019.792
Total	**37.007.924.128**	**(17.954.668.084)**	**19.053.256.044**

31 December 2023 Branches	Net outstanding claims provision before discount	Discount amount	Discounted net outstanding claims provision
Land Vehicles Liability	15.061.552.630	(7.030.009.349)	8.031.543.281
Land Vehicles	1.526.945.508	(94.833.502)	1.432.112.006
General Liability	4.659.167.824	(2.654.033.787)	2.005.134.037
Fire and Natural Disasters	2.304.483.399	(292.413.729)	2.012.069.670
General Losses	644.786.612	(119.599.334)	525.187.278
Life/Health	110.210.024	(4.628.113)	105.581.911
Accident	136.456.980	(42.042.292)	94.414.688
Marine	408.059.777	(107.033.198)	301.026.579
Sea Vehicles	548.934.161	(97.349.242)	451.584.919
Financial Losses	90.631.061	(14.837.921)	75.793.140
Air Vechicles	166.446.524	(42.127.429)	124.319.095
Legal Protection	2.324.980	(752.121)	1.572.859
Air Vechicles Liability	119.099.377	(31.603.006)	87.496.371
Credit	37.951.509	(11.713.721)	26.237.788
Surety	29.837.444	(12.150.815)	17.686.629
Total	**25.846.887.810**	**(10.555.127.559)**	**15.291.760.251**

(Currency: Turkish Lira (TL))

The methods applied for estimating net cash flows of Anadolu Sigorta as of December 31, 2024, and 2023, along with the projected net cash flows for each main branch, are as follows:

31 December 2024 Branches	Method Used	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Land Vehicles Liability	Tablo 57	5.432.388.879	2.763.747.963	2.113.002.365	2.120.955.763	2.203.988.224	2.230.880.440	2.075.679.021	1.672.837.671	683.745.524	7.860.939	21.305.086.789
Land Vehicles	Tablo 57	1.609.632.682	58.467.971	51.533.001	24.016.205	11.909.903	5.336.351	(438.792)	-	-	-	1.760.457.321
General Liability	Tablo 57	768.290.273	846.249.078	794.850.917	903.493.647	1.070.484.280	1.047.497.547	992.788.019	812.633.702	400.348.404	112.411.433	7.749.047.300
Fire and Natural Disasters	Tablo 57	2.354.107.054	285.557.334	124.840.836	68.016.478	25.158.071	8.469.697	3.319.702	-	-	-	2.869.469.172
General Losses	Tablo 57	537.749.490	117.374.552	56.293.140	18.611.386	14.283.275	11.050.243	4.174.318	4.551.558	2.863.400	2.537.960	769.489.322
Life/Health	Tablo 57	289.086.329	1.848.564	71.952	128.698	37.612	-28.140	(72.930)	-	-	-	291.072.085
Accident	Tablo 57	95.324.877	44.101.339	27.640.352	19.486.759	12.903.336	11.641.626	9.181.943	4.242.018	1.462.525	114.419	226.099.194
Marine	Tablo 57	296.050.186	90.633.945	40.179.804	31.665.185	39.556.143	26.067.036	(4.526.271)	(389.707)	(4.295.071)	-146.555	514.794.695
Sea Vehicles	Tablo 57	488.951.694	123.178.940	34.347.974	24.437.685	22.168.619	22.617.887	6.522.398	3.680.955	1.163.645	6.769	727.076.566
Financial Losses	Tablo 57	83.568.424	26.430.728	5.791.675	1.924.218	1.272.598	299.313	4.933	-	-	-	119.291.889
Air Vechicles	Tablo 57	137.843.018	41.976.396	49.817.426	19.916.666	6.207.629	-	-	-	-	-	255.761.135
Legal Protection	Tablo 57	1.790.553	1.197.525	799.552	534.766	353.194	107.879	11.579	-	-	-	4.795.048
Air Vechicles Liability	Tablo 57	42.034.483	30.842.547	7.092.270	9.681.515	3.247.498	2.289.566	1.147.489	-	-	-	96.335.368
Credit	Tablo 57	27.128.085	1.803.676	2.485.902	3.391.020	4.253.997	6.854.809	797.354	-	-	-	46.714.843
Surety	Tablo 57	80.278.686	54.666.389	27.939.102	27.388.507	51.981.050	28.216.823	1.962.844	-	-	-	272.433.401

31 December 2023 Branches	Method Used	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Land Vehicles Liability	Tablo 57	4.054.176.523	2.192.246.766	1.655.001.901	1.529.280.363	1.456.391.473	1.314.058.125	1.182.349.973	1.019.304.205	573.629.828	85.113.473	15.061.552.630
Land Vehicles	Tablo 57	1.396.126.657	50.712.622	44.697.525	20.830.631	10.330.141	4.628.523	(380.591)	-	-	-	1.526.945.508
General Liability	Tablo 57	567.934.750	622.280.863	550.364.898	615.931.165	536.424.860	538.906.742	434.144.352	459.654.523	225.013.642	108.512.029	4.659.167.824
Fire and Natural Disasters	Tablo 57	1.890.593.800	229.332.360	100.260.228	54.624.334	20.204.558	6.802.051	2.666.068	-	-	-	2.304.483.399
General Losses	Tablo 57	446.106.117	103.899.461	46.907.123	18.062.326	14.515.325	16.488.831	1.829.026	(2.032.473)	(1.090.279)	101.155	644.786.612
Life/Health	Tablo 57	109.458.148	699.931	27.243	48.730	14.241	(10.655)	(27.614)	-	-	-	110.210.024
Accident	Tablo 57	62.740.841	27.840.611	14.982.285	11.482.465	7.890.435	5.000.267	4.757.756	1.226.956	434.732	100.632	136.456.980
Marine	Tablo 57	219.118.072	90.677.022	28.687.824	12.159.328	26.872.865	30.152.839	(1.234.735)	(880.872)	1.693.538	813.896	408.059.777
Sea Vehicles	Tablo 57	406.143.965	71.438.855	21.467.950	23.222.479	17.740.700	7.340.592	1.222.947	299.692	55.955	1.026	548.934.161
Financial Losses	Tablo 57	63.490.444	20.080.535	4.400.179	1.461.909	966.846	227.401	3.747	-	-	-	90.631.061
Air Vechicles	Tablo 57	89.706.715	27.317.775	32.420.631	12.961.547	4.039.856	-	-	-	-	-	166.446.524
Legal Protection	Tablo 57	868.187	580.645	387.679	259.293	171.254	52.307	5.615	-	-	-	2.324.980
Air Vechicles Liability	Tablo 57	38.423.406	74.018.588	803.535	839.648	1.658.813	3.002.824	16.782	117.982	217.799	-	119.099.377
Credit	Tablo 57	22.039.071	1.465.320	2.019.566	2.754.891	3.455.981	5.568.901	647.779	-	-	-	37.951.509
Surety	Tablo 57	8.792.280	5.987.171	3.059.946	2.999.643	5.693.067	3.090.362	214.975	-	-	-	29.837.444

According to the Temporary Article 12 of the Regulation Amending the Tariff Implementation Principles in Mandatory Motor Third Party Liability Insurance, published in the Official Gazette dated July 11, 2017, numbered 30121, a “High-Risk Policyholders Pool” has been established for groups of vehicles and/or classes with high claims frequency, effective from April 12, 2017. Within this framework, starting from April 12, 2017, the premiums and claims amounts related to motor vehicle insurance policies issued under the pool have begun to be allocated among insurance companies based on the principles determined by the Turkish Motor Vehicles Bureau and the Insurance and Private Pension Regulation and Supervision Agency.

After the changes in the regulations, Anadolu Sigorta has established its accounting records based on the monthly statements finalized and communicated by the Turkish Motor Vehicles Bureau (TMVB), which include the premiums, claims, and commission amounts transferred to the pool and received from the pool for its share. Within the scope of this pool application, Anadolu Sigorta has estimated the ultimate loss/claim ratio based on the pool policies it produces and calculated the provisions for incurred but not reported claims for the transferred and received pool portfolio in accordance with this estimate.

According to the Communiqué on the Procedures and Principles Regarding the Institutional Contribution in Mandatory Liability Insurance for Medical Malpractice, published in the Official Gazette dated October 7, 2017, numbered 30203, rules have been established for the sharing of premiums and claims related to Mandatory Liability Insurance for Medical Malpractice. The transactions related to this sharing are managed by Türk Reasürans A.Ş.

In this context, starting from October 1, 2017, the premium and claim amounts related to the policies issued have begun to be distributed among insurance companies based on the principles determined by the Insurance and Private Pension Regulation and Supervision Agency. Following the regulatory changes, Anadolu Sigorta has established its accounting records based on the monthly statements finalized and communicated by Türk Reasürans A.Ş., which include the premiums, claims, and commission amounts transferred to the pool and received from the pool for its share.

2.26 Mathematical reserves

As of December 31, 2024, there are no mathematical provisions. (31 December 2023: None).

2.27 Unexpired risk reserves (URR)

Milli Reasürans

In accordance with the Communiqué on Technical Reserves, while providing unearned premiums reserve, in each accounting period, the companies should perform adequacy test covering the preceding 12 months due to the probability that future claims and compensations of the outstanding policies may be in excess of the unearned premiums reserve already provided. In performing this test, it is required to multiply the unearned premiums reserve, net with the expected claim/premium ratio, net. Expected claim/premium, net ratio is calculated by dividing incurred losses (outstanding claims reserve, net at the end of the period + claims paid, net -outstanding claims reserve, net at the beginning of the period) to earned premiums (written premiums, net + unearned premiums reserve, net at the beginning of the period -unearned premiums reserve, net at the end of the period).

According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 28356 dated July 17, 2012; besides the net unexpired risk reserve detailed in the above, gross unexpired risk reserve is also calculated. The test is performed on main branch basis and in case where the net and gross expected claim/premium ratio is higher than 95%, reserve calculated by multiplying the exceeding portion of the expected claim/premium ratio with the unearned premiums reserve of that main branch is added to the reserves of that branch. Difference between the gross and net amount is represents reinsurer's share. Premiums paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The portion of the amounts paid for non-proportional reinsurance agreements corresponding to the relevant period is considered as the ceded premium in the net premium calculation. Within the scope of the circular dated December 10, 2012 and numbered 2012/15 of the Turkey Ministry of Treasury and Finance, the calculation of the provision for unexpired risks is carried out on the basis of the main branches.

According to the circular regarding the provision for unexpired risk reserve (2019/5), Reinsurance companies can make the calculation on the basis of the underwriting (business) year. In this case, the calculation is made by proportioning the total gross final loss incurred for at least the last three writing (business) years to the total gross earned premiums (written premiums minus unearned premiums reserve). Although it is essential to repeat the calculation in each quarter, if it can be clearly seen that the repetition of the calculation in quarterly periods will not produce meaningful results due to the structure of the agreements made or the agreement processes of the parties, it is possible to use the calculation made for the end of the year in the current year interim period estimates. With the issuance of the Circular numbered 2022/27 titled "Provision for Unexpired Risks" by the Insurance and Private Pension Regulation and Supervision Agency on October 24, 2022, the previous circular numbered 2019/5 has been revoked. It is possible to perform calculations on an annual basis. The Company applies the year-based calculation defined in the Circular only within the Motor Vehicles Liability branch. However, due to significant fluctuations experienced in the current year related to economic indicators such as inflation and exchange rates as of September 30, 2022, and in order to eliminate the misleading effect caused by these fluctuations, particularly in the Fire, Natural Disasters, and General Liability branches which are heavily influenced by such fluctuations, calculations in these branches have been performed using the relevant methodology.

(Currency: Turkish Lira (TL))

The breakdown of Milli Reasürans' unexpired risk reserves by branch is presented below:

		31 December 2024		31 December 2023	
Branches	**Loss/Premium**	**Gross URR**	**Net URR**	**Gross URR**	**Net URR**
Sea Vehicles	90%	10.528.000	10.432.689	6.280.025	5.690.815
Surety	233%	4.795.030	4.793.764	14.339.390	14.330.665
Air Vechicles	102%	549.289	549.289	3.458.410	3.458.410
Life/Health	87%	19.420	19.420	232.140	232.140
General Losses	-	-	-	10.159.704	10.114.868
Land Vehicles Liability	92%	6.118.480	6.118.480	-	-
Total		**22.010.219**	**21.913.642**	**34.469.669**	**33.826.898**

Anadolu Sigorta:

According to the circular numbered 2019/5 issued by the Insurance and Private Pension Regulation and Supervision Agency, in addition to the method mentioned above, the provision for unexpired risks can also be calculated for all branches using the following method:

If the discounted ultimate loss ratio calculated based on the accident year, including indirect operations, is over 85%, the portion exceeding that threshold is multiplied by the gross UPR to determine the gross provision for unexpired risks. Similarly, multiplying the net UPR by this portion yields the net provision for unexpired risks.

In the amendment made by the circular numbered 2020/1 issued by the Insurance and Private Pension Regulation and Supervision Agency, if separate calculations are made for operations where 100% of direct production is transferred to pools established in Turkey, the gross loss ratio must exceed 100%. For other operations, the gross loss ratio must exceed 85% for the calculation of the unexpired risk reserves (URR) to be performed.

Finally, as per the circular numbered 2022/27 published on November 24, 2022, a new method "best estimate based on the accounting year" has also been added to the methods used for calculating the unexpired risk reserves (URR).

"According to the 2nd paragraph of Article 3 of the Communiqué, insurance companies can calculate the gross loss ratio, including indirect operations, based on the total for the current period and the last four quarterly periods according to the underwriting (business) year. In calculating the incurred loss amount by the company's actuary, it is also taken into account under the best estimate principles that the development process of claims related to policies written in the last year has not yet matured for the underwriting (business) year.

According to the 6th paragraph of Article 3 of the Communiqué, the amounts related to direct operations for which 100% of direct production is transferred to pools established in Turkey are not included in the calculation of the loss ratio. Since the companies' obligations regarding these productions arise solely from indirect operations, calculations for these operations and similar types of business are made separately from the rest of the branch's production by considering only indirect productions and claims, as well as other income and expense items in this distinction, in order to accurately determine the company's actual liabilities."

Anadolu Sigorta, in accordance with the second paragraph of the third article of the Circular on the Provision for Unexpired Risks 2022/27, the company actuary in the Compulsory Traffic branch; In order to eliminate the misleading effect of the fluctuation caused by the deterioration in the damage development due to inflation, minimum wage, exchange rate and other factors and the periodic variation of the tariff changes that increase the premium, the Final Loss Ratio estimates for the last four quarters subject to the calculation of the URR are replaced with "Accident Year". Underwriting Year" was calculated on the basis of actuarial analyses based on the best estimation principles.

(Currency: Turkish Lira (TL))

As a result of the relevant methods, as of the end of the reporting period, Anadolu Sigorta has allocated a gross unexpired risk reserves of 1,935,025,732 TL (December 31, 2023: 2,244,301,474 TL) and a net provision for unexpired risks of 1,736,758,039 TL (December 31, 2023: 1,645,169,506 TL).

		31 December 2024		31 December 2023	
Branches	**Loss/Premium**	**Gross URR**	**Net URR**	**Gross URR**	**Net URR**
Land Vehicles Liability		1.112.646.419	1.112.646.419	1.329.483.585	1.329.483.585
- Motor Vehicles Liability (wo RIP))	*106%*	*808.753.741*	*808.753.741*	*894.160.048*	*894.160.048*
- acquired RIP	*151%*	*303.892.678*	*303.892.678*	*435.323.537*	*435.323.537*
General Liability		75.444.463	57.515.346	108.909.938	78.731.584
- General Liability(wo MMP)	*95%*	*71.051.510*	*53.122.393*	*104.749.963*	*74.571.609*
- acquired MMP	*166%*	*4.392.953*	*4.392.953*	*4.159.975*	*4.159.975*
Health	91%	393.142.035	387.020.492	-	-
Surety	247%	209.416.079	127.127.583	43.489.146	4.825.841
Financial Losses	60,5%	-	-	130.513.559	25.898.702
Air Vehicles	147%	144.376.736	52.448.199	198.719.223	62.843.947
Sea Vehicles	67%	-	-	433.186.023	143.385.847
Total		**1.935.025.732**	**1.736.758.039**	**2.244.301.474**	**1.645.169.506**

As of the reporting period, the Group has allocated a total unexpired risk reserves amounting to 1,757,606,373 TL in its consolidated financial statements (December 31, 2023: 1,762,308,460 TL).

2.28 Equalization reserves

Regulation on Technical Provisions, which effective on November 10, 2021, in order to balance the fluctuations in the compensation rates that may occur in the following accounting periods and to cover the catastrophic risks, companies are required to allocate a balancing provision for earthquake guarantees issued in all branches, including additional guarantees issued in the credit and surety branches. In accordance with the Communiqué on Technical Reserves put into effect starting from January 1, 2008, the companies should provide equalization reserve in credit insurance and earthquake branches to equalize the fluctuations in future possible claims and for catastrophic risks. Equalization reserve, started to be provided in 2008, is calculated as 12% of net premiums written in credit insurance and earthquake branches. In the calculation of net premiums, fees paid for non-proportional reinsurance agreements are considered as premiums ceded to the reinsurance firms. The companies should provide equalization reserve up to reaching 150% of the highest premium amount written in a year within the last five years. In case where claims incurred, the amounts below exemption limits as stated in the contracts and the share of the reinsurance firms cannot be deducted from equalization reserves. Claims payments are deducted from first year's equalization reserves by first in first out method.

With the Communiqué released on July 28, 2010 and numbered 27655 "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves", ceded premiums of earthquake and credit for non-proportional reinsurance contracts covered multiple branches should be calculated according to percentage of premiums of those branches within the total premiums unless the Company is determined any other methods. Share of earthquake and credit premium of written premiums for non-proportional reinsurance contracts is based on share of earthquake and credit premiums of proportional reinsurance contracts. In accordance with the Communiqué on Technical Reserves, the Company considers 11% of net death premium (including damage payments) as earthquake premium and 12% of that amount is calculated as equalization reserve since the Company not having sufficient data for calculation. After five financial years, in case that provision amount is less than previous year amount depending on written premiums, the difference is recognized in other profit reserves under equity. This amount recorded in equity can either be kept under reserves or can also be used in capital increase or paying claims.

Equalization reserves are presented under "other technical reserves" within long term liabilities in the accompanying consolidated financial statements. As at the reporting date, the Group has recognized equalization provision amounting to TL 1.536.763.784 (December 31, 2023: TL 863.671.777).

As of December 31, 2024, Milli Reasürans has deducted TL 474.736.051 (December 31, 2023: TL 270.559.287) from equalization reserve in consequence of realized earthquake losses. As of December 31, 2024, the Company has deducted TL 78.214.658 (December 31, 2023: TL 404.801.290) from equalization provision in 2024 in consequence of realized earthquake losses.

At Anadolu Sigorta, the loss effect of the earthquake, which was centered in Kahramanmaraş and affected 11 provinces on February 6, 2023, reflected in our financial statements, was compensated by the equalization reserve and TL 127.636.838 was used from the equalization reserve as of December 31, 2024 (31 December 2023: 258.889.026). at the end of 2024 in financial statements, there is 1.062.027.735 TL (31 Aralık 2023: 593.112.491 TL) equalization reserve is allocated.

2.29 Related parties

Parties are considered related to the Group if:

(a) Directly, or indirectly through one or more intermediaries, the party:
- Controls, is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);
- Has an interest in the Group that gives it significant influence over the Group; or
- Has joint control over the Group;

(b) The party is an associate of the Group;
(c) The party is a joint venture in which the Group is a venturer;
(d) The party is member of the key management personnel of the Group;
(e) The party is a close member of the family of any individual referred to in (a) or (d);
(f) The party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or;
(g) The party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.

2.30 Earnings per share

Earnings per share presented in the income statement are calculated by dividing the net profit into the weighted average number of the outstanding shares throughout the financial year. Companies in Turkey can increase their capital by distributing "bonus shares" to shareholders from the prior years' profit. Such "bonus share" distributions are considered as issued shares in the earnings per share calculations. Accordingly, weighted average number of the outstanding shares used in this calculation is found by considering the retrospective effects of the outstanding shares distributions.

2.31 Subsequent events

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

2.32 Assets Held for Sale and Related Liabilities

Property, plant, and equipment groups, including investment properties, are classified as assets held for sale when they are expected to be recovered through a sale transaction rather than through use or leasing. Liabilities directly associated with these assets are similarly grouped. Fixed assets or asset groups that meet the criteria for classification as held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. No depreciation is charged on these assets. Assets held for sale are classified under the "Other Various Current Assets" item in the balance sheet.

2.33 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2024. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at January 1, 2024 are as follows:

- **Amendment to IAS 1 - Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

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

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

- Bununla birlikte, KGK'nın 29 Aralık 2023 tarihli Resmî Gazete'de yayımlanan Kurul Kararı'nda belirli işletmelerin 1 Ocak 2024 tarihinden itibaren zorunlu sürdürülebilirlik raporlamasına tabi olacağı açıklanmıştır. 5 Ocak 2024 tarihli "Türkiye Sürdürülebilirlik Raporlama Standartları (TSRS) Uygulama Kapsamına İlişkin Kurul Kararı" kapsamında sürdürülebilirlik raporlamasına tabi olacak işletmelerin belirlenmesi amacıyla sürdürülebilirlik uygulaması kapsamına giren işletmeler sayılmaktadır. Diğer taraftan, 16 Aralık 2024 tarihli "Türkiye Sürdürülebilirlik Raporlama Standartları (TSRS) Uygulama Kapsamına İlişkin Kurul Kararı" uyarınca sürdürülebilirlik raporlamasına tabi olacak işletme kapsamında değişikliğe gidilmiştir.

ii) *Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024*

IFRS 17, 'Insurance Contracts'; effective as of January 1, 2023 or thereafter. This standard replaces IFRS 4, which currently allows a wide range of applications. IFRS 17 will fundamentally change the accounting for all information governing insurance contracts and investment contracts with flexible tied participation features.

As a result of the regulatory changes published in the Official Gazette dated December 29, 2023, numbered 32414 by the SEDDK, the application date of TFRS 17 for insurance companies' legal financial statements was initially set for January 1, 2025. However, following further regulatory changes published in the Official Gazette dated December 27, 2024, numbered 32765 by the SEDDK, the application date of TFRS 17 for insurance companies' legal financial statements has been postponed to January 1, 2026.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and);
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

- **Annual improvements to IFRS - Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  - the structure of the statement of profit or loss
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and,
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if.
  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The Group has assessed the impact of the standards and amendments on its financial statements and has concluded that these changes do not have a significant effect beyond the implications of the IFRS 17 standard. The Group has established the necessary accounting policies under IFRS 17, and analyses and evaluations regarding the effects of the IFRS 17 standard on the financial statements are ongoing.

3 Important accounting estimates and provisions

The notes given in this section are provided to addition/supplement the commentary on the management of insurance risk note 4.1 - Management of insurance risk and note 4.2 - Financial risk management.

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 consolidated financial statements are described in the following notes:

Note 4.1 - Management of insurance risk
Note 4.2 - Financial risk management
Note 7 - Investment properties
Note 9 - Investments in subsidiaries
Note 10 - Reinsurance assets/liabilities
Note 11 - Financial assets
Note 12 - Loans and receivables
Note 17 - Insurance contract liabilities and reinsurance assets
Note 17 - Deferred acquisition costs
Note 19 - Trade and other payables and deferred income
Note 21 - Deferred income taxes
Note 23 - Provision for other liabilities and charges

4 Management of insurance and financial risk

4.1 Management of insurance risk

Objective of managing risks arising from insurance (reinsurance) contracts and policies used to minimize such risks(Milli Reasürans)

Reinsurance risk is the risk that may arise from the incorrect or ineffective application of reinsurance techniques during the process of converting the portion or the entirety of the liabilities assumed by insurance companies into commercial profit, whether by accepting a portion or the entirety of the responsibility through reinsurance or by transferring a part or all of the responsibility through retrocession.

Potential risks that may be exposed in transactions are managed based on the requirements set out in the Company's "Risk Management Policies" issued by the approval of the Board of Directors. The main objective of risk management policies is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company's asset quality and limitations allowed by the insurance standards together with the Company's risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

"Risk tolerance" is determined by the Board of Directors, taking into account the Company's long-term strategies, equity resources, expected returns, and general economic expectations, and is expressed in terms of risk limits. Authorization limits in the insurance process include the authority to accept risks granted to agents, regional directorates, technical directorates, coordinators, assistant general managers, and the Executive Board for risks, special risks that cannot be accepted or could be accepted with prior approval, coverage scopes, and geographical regions during the policy issuance stage, and the authority to pay claims granted to the claims management department, motor claims department, non-motor claims department, health claims department, legal and subrogation processes department, treaty transactions department, claims coordinator, and the Claims Board consisting of the general manager and assistant general managers.

In any case, risk acceptance is based on technical income expectations under the precautionary principle. In determining insurance coverage, policy terms and fee, these expectations are based accordingly.

It is essential that all the authorized personnel in charge of executing policy issuance transactions, which is the initial phase of insurance process, should ensure to gather or provide all the accurate and complete information to issue policies in order to obtain evidence on the acceptable risks that the Group can tolerate from the related insurance transactions. On the other hand, decision to be made on risk acceptance will be possible by transferring the coverage to the reinsurers and/or coinsurers and considering the terms of the insurance policy.

Objective of managing risks arising from insurance (reinsurance) contracts and policies used to minimize such risks (Anadolu Sigorta)

In order to avoid destructive losses over Group's financial structure, Company transfers the exceeding portion of risks assumed over the Group's risk tolerance and equity resources through treaties, facultative reinsurance contracts and coinsurance agreements to reinsurance and coinsurance companies. Insurance coverage and policy terms of reinsurance are determined by assessing the nature of each insurance branch.

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

Potential risks that may be exposed in transactions are managed based on the requirements set out in the Company's "Risk Management Policies" issued by the approval of the Board of Directors. The main objective of risk management policies is to determine the risk measurement, assessment, and control procedures and maintain consistency between the Company's asset quality and limitations allowed by the insurance standards together with the Company's risk tolerance of the accepted risk level assumed in return for a specific consideration. In this respect, instruments that are related to risk transfer, such as; insurance risk selection, risk quality follow-up by providing accurate and complete information, effective monitoring of level of claims by using risk portfolio claim frequency, treaties, facultative reinsurance contracts and coinsurance agreements, and risk management instruments, such as; risk limitations, are used in achieving the related objective.

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(Currency: Turkish Lira (TL))

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Sensitivity to insurance risk

In order to avoid destructive losses over Group's financial structure, Company transfers the exceeding portion of risks assumed over the Group's risk tolerance and equity resources through treaties, facultative reinsurance contracts and coinsurance agreements to reinsurance and coinsurance companies. Insurance coverage and policy terms of reinsurance are determined by assessing the nature of each insurance branch

Insurance risks do not generally have significant unrecoverable losses in the course of ordinary transactions, except for risks associated with earthquake and other catastrophic risks. Therefore, there is a high sensitivity to earthquake and catastrophic risks. The case of potential claims' arising from earthquake and other catastrophic risks exceeding the maximum limit of the excess of loss agreements, such risks are treated as the primary insurance risks and are managed based on the precautionary principle. Maximum limit of excess of loss agreements is determined based on the worst case scenario on the possibility of an earthquake that Istanbul might be exposed to in terms of its severity and any potential losses incurred in accordance with the generally accepted international earthquake models. The total amount of protection for catastrophic risks of the Company is identified taking into the compensation amount for an earthquake will occur in a 1000 years.

Insurance risk concentrations

The Group's gross and net insurance risk concentrations (after reinsurance) in terms of insurance branches are summarized as below:

	31 December 2024		
Branches	**Gross total claims liability (*)**	**Reinsurance share of total claims liability**	**Net total claims liability**
Land Vehicles Liabitily	8.341.546.884	(1.606.193.970)	6.735.352.914
Land Vehicles	7.474.273.767	(95.841.376)	7.378.432.391
Fire and Natural Disasters	11.525.094.113	(6.999.119.668)	4.525.974.445
General Losses	2.971.988.078	(423.464.377)	2.548.523.701
General Liability	752.812.029	(122.911.762)	629.900.267
Sea Vehicles	568.337.036	(73.103.315)	495.233.721
Accident	93.039.886	(16.580.827)	76.459.059
Marine	197.100.799	(46.380.050)	150.720.749
Life	10.894.560	(3.522.522)	7.372.038
Air Vehicles	209.625.049	(54.061.362)	155.563.687
Health	8.219.855.704	(225.752.594)	7.994.103.110
Breach of trust	1.037.579.439	(597.126.913)	440.452.526
Air Vehicles Liability	5.529.782	(457)	5.529.325
Legal Protection	192.798	-	192.798
Sea Vehicles Liability	1.349	-	1.349
Financial Losses	855.065.051	(772.028.403)	83.036.648
Credit	15.392.032	(6.293.264)	9.098.768
Total	**42.278.328.356**	**(11.042.380.860)**	**31.235.947.496**

(Currency: Turkish Lira (TL))

	31 December 2023		
Branches	Gross total claims liability (*)	Reinsurance share of total claims liability	Net total claims liability
Land Vehicles Liabitily	5.597.822.676	(1.223.755.406)	4.374.067.270
Land Vehicles	4.772.190.694	(139.338.752)	4.632.851.942
Fire and Natural Disasters	19.573.944.219	(15.085.912.687)	4.488.031.532
General Losses	2.054.430.939	(435.285.517)	1.619.145.422
General Liability	537.566.079	(144.105.935)	393.460.144
Sea Vehicles	716.715.657	(304.462.538)	412.253.119
Accident	73.202.116	(12.914.952)	60.287.164
Marine	552.845.987	(251.180.796)	301.665.191
Life	9.400.117	(2.568.630)	6.831.487
Air Vehicles	94.457.008	(33.120.161)	61.336.847
Health	3.247.258.583	(163.036.111)	3.084.222.472
Breach of trust	6.971.309	2.609.488	9.580.797
Air Vehicles Liability	4.325.088	(2.266.349)	2.058.739
Legal Protection	288.181	-	288.181
Financial Losses	833.700.147	(604.115.092)	229.585.055
Credit	6.931.545	(151.268)	6.780.277
Total	**38.082.050.345**	**(18.399.604.706)**	**19.682.445.639**

(*) Total claims liability includes actual paid claims.

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

In the current year, there are no material changes in the assumptions of measurement of insurance assets and liabilities.

4.2 Management of financial risk

Introduction and overview

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

- credit risk
- liquidity risk
- market risk

The Company may be exposed to Credit Risk (counterparty risk, counterparty concentration risk), Market Risk (currency and parity risk, interest rate risk, equity position risk, off-balance sheet risk, financial instrument concentration risk), and Liquidity Risk (liquidity risk related to funding, market, and concentration) depending on the level and nature of its assets at any given time. The Company's exposure to each of the above risks is assessed according to "Application Principles in Respect of Risk Limits".

The Company monitors its receivables by obtaining comprehensive information about the debtors and debtors' activities. The risk over investment portfolio is managed by measuring and reporting the market risk daily, reassessing the results validity and applying different scenario analyses. The Company's exposure to each of the above risks is measured by Risk Management Service independently, reported to Board of Directors and units of Türkiye İş Bankası A.Ş. through the Risk Committee.

(Currency: Turkish Lira (TL))

Credit risk

Credit risk is the risk of financial loss to the Group if counterparties (parties issued financial instrument, insurance companies, reinsurance companies and other debtors) having business relationship with the Group fails to meet its contractual obligations. The Group manages this credit risk by regularly assessing reliability of the counterparties.

Credit risk is measured by both quantitative and qualitative methods and the weighted reinsurers in retrocession programs, As part of the management of credit risk related to the investment portfolio, the credit ratings of the issuers of securities are regularly monitored, and transaction limits established to prevent concentration among counterparties are consistently reviewed.

The results evaluated by the Risk Committee and reported regularly to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability.

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

	31 December 2024	31 December 2023
Cash and cash equivalents *(Note 14)* (*)	28.723.515.249	13.131.237.359
Receivables from main operations *(Note 12)*	19.988.016.871	18.668.821.131
Financial assets and financial investments with risks on policyholders *(Note 11)* (**)	36.440.883.206	25.588.670.132
Reinsurer share in outstanding claims reserves *(Note 10), (Note 17)*	11.481.005.210	16.122.814.162
Other prepaid expenses (Note 12)	71.260.270	9.246.952
Income accruals *(Note 12)*	343.567.665	108.303.904
Other receivables *(Note 12)*	241.009.689	111.381.114
Business advances and advances given to employees (Not 12)	322.059.841	110.117.653
Other current asset *(Note 12)* (***)	78.649.496	77.950.697
TOTAL	**97.689.967.497**	**73.928.543.104**

(*) Cash on hands balance amounting to TRY 188.356 are not included (December 31, 2023: TRY 162.771).

(**) Equity shares amounting to TRY 6.463.281.685 are not included (December 31, 2023: TRY 3.031.578.817).

(***) TRY 63.786.584 is the advance amount given by the Group. (December 31, 2023: TRY 62.292.330).

December 31, 2024 and 2023, the aging of the receivables from main operations and related provisions are as follows:

	31 December 2024		31 December 2023	
	Gross Amount	Provision	Gross Amount	Provision
Not past due	17.953.804.222	-	15.358.254.844	-
Past due 0-30 days	1.364.374.375	(27.859.547)	3.153.775.809	(15.197.891)
Past due 31-60 days	318.184.906	(20.847.644)	64.170.230	(15.936.262)
Past due 61-90 days	169.935.735	(21.032.361)	47.409.111	(15.997.861)
More than 90 days(*)	2.222.545.239	(1.971.088.054)	1.380.393.500	(1.288.050.349)
TOTAL	**22.028.844.477**	**(2.040.827.606)**	**20.004.003.494**	**(1.335.182.363)**

(*) As per the February 3, 2005 dated and B.02.1.HM.O.SGM.0.3.1/01/05 numbered Circular issued by the Republic of Turkey Ministry of Treasury and Finance, in case where subrogation is subject to claim/legal action, related subrogation amount is recognized as doubtful receivables and allowance for doubtful receivables is provided by the same amount in the financial statements. Related amounts are presented in "More than 90 days" line in the above table.

(Currency: Turkish Lira (TL))

The movements of the allowances for impairment losses for receivables from main operations during the period are as follows:

	31 December 2024	31 December 2023
Provision for receivables from insurance operations at the beginning of the year	**1.178.370.771**	**819.982.864**
Collections during the period *(Note 47)*	(1.013.564)	(2.722.230)
Impairment losses provided during the period *(Note 47)*	139.238.828	1.524.942
Impairment losses provided for subrogation - salvage receivables during the period *(Note 47)*	482.959.557	315.423.102
Valuation of doubtful receivables *(Note 47)*	24.909.884	44.162.093
Provision for receivables from insurance operations at the end of the year	**1.824.465.476**	**1.178.370.771**

The movements of the allowances for impairment losses for other receivables are as follows:

	December 31, 2024	December 31, 2023
Provision for other receivables at the beginning of the year	705.142	705.142
Provision for impairment allocated during the period	-	-
Provision for other receivables at the end of the year	**705.142**	**705.142**

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as a result of the imbalance between the Group's cash inflows and outflows in terms of maturity and volume.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

In respect of this risk which is measured by quantitative methods, any liquidity deficit is observed via the maturity analysis of assets and liabilities in the statement of balance sheet. Furthermore, liquidity structure of the Group is monitored by using the following basic indicators in respect of liquidity ratios:

- Liquidity ratio related to funding
- Liquidity ratio related to the market
- Current Ratio

The results evaluated by the Audit Committee and reported regularly to the Board of Directors. Action plan is determined by the Board of Directors in the case of having exposure higher than acceptable level of risk and probability..

Management of the liquidity risk

The Group considers the maturity match between asset and liabilities for the purpose of avoiding liquidity risk and ensure that it will always have sufficient liquidity to meet its liabilities when due.

Likidite riskinden korunmak amacıyla varlık ve yükümlülükler arasında vade uyumunun sağlanması gözetilmekte, ortaya çıkabilecek likidite ihtiyacının eksiksiz bir biçimde sağlanabilmesi amacıyla likit değerler muhafaza edilmektedir.

(Currency: Turkish Lira (TL))

Maturity distribution of monetary assets and liabilities:

December 31, 2024	Book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year
Assets						
Cash and cash equivalents	28.723.699.579	14.719.933.070	13.459.991.672	375.658.419	168.116.418	-
Financial assets and financial investments with risks on policyholders(*)	36.440.883.206	22.619.983.431	1.254.321.956	3.413.651.942	7.885.445.894	1.267.479.983
Receivables from main operations	19.988.016.871	2.801.051.710	6.195.420.880	4.733.966.109	5.825.924.252	431.653.920
Other receivables and current assets	1.056.546.961	680.423.254	24.458.107	38.395.794	312.719.926	549.880
Total monetary assets	**86.209.146.617**	**40.821.391.465**	**20.934.192.615**	**8.561.672.264**	**14.192.206.490**	**1.699.683.783**
Liabilities						
Financial liabilities	230.916.234	1.314.057	2.583.126	3.766.083	55.098.052	168.154.916
Payables arising from main operations	8.681.517.422	459.474.541	1.427.666.946	780.162.782	6.014.174.273	38.880
Due to related parties	13.571.284	13.571.284	-	-	-	-
Other liabilities	1.077.319.956	680.541.839	350.634.931	-	46.143.186	-
Insurance technical reserves (**)	29.107.781.397	2.574.397.566	4.266.370.914	5.070.668.031	7.583.031.642	9.613.313.244
Provisions for taxes and other similar obligations	1.811.692.682	882.697.119	917.900.121	11.095.442	-	-
Provisions for other risks and expense accruals	2.611.581.243	36.595.829	211.492.052	-	1.494.556.000	868.937.362
Total monetary liabilities	**43.534.380.218**	**4.648.592.235**	**7.176.648.090**	**5.865.692.338**	**15.193.003.153**	**10.650.444.402**

(*) Equity shares amounting to TRY 6.463.281.685 are not included..

(**) Provisions for outstanding claims are subject to maturity distribution, taking into account the estimated payment dates, and all of the provisions for outstanding claims are presented under current liabilities in the accompanying consolidated financial statements. Provisions for outstanding claims that could not be distributed consistently are shown in the "more than 1 year" column.

December 31, 2023	Book value	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year
Assets						
Cash and cash equivalents	13.131.396.963	6.905.850.163	5.816.050.587	229.419.985	180.076.228	-
Financial assets and financial investments with risks on policyholders(*)	25.588.670.132	10.822.111.544	1.166.480.415	2.178.765.395	509.625.350	10.911.687.428
Receivables from main operations	18.668.821.131	3.811.599.373	4.609.693.164	3.768.985.227	948.830.481	5.529.712.886
Other receivables and current assets	422.460.337	291.104.543	13.975.567	20.562.892	95.232.238	1.585.097
Total monetary assets	**57.811.348.563**	**21.830.665.623**	**11.606.199.733**	**6.197.733.499**	**1.733.764.297**	**16.442.985.411**
Liabilities						
Financial liabilities	144.295.014	1.173.397	2.307.155	3.365.026	25.545.276	111.904.160
Payables arising from main operations	6.084.118.206	868.455.316	415.822.131	473.813.389	4.320.350.076	5.677.294
Due to related parties	2.085.823	2.085.823	-	-	-	-
Other liabilities	668.894.604	388.880.081	242.936.125	-	37.078.398	-
Insurance technical reserves (**)	21.341.168.041	1.799.335.181	3.535.842.317	4.245.871.412	1.576.441.885	10.183.677.246
Provisions for taxes and other similar obligations	800.540.106	572.182.932	228.357.174	-	-	-
Provisions for other risks and expense accruals	1.031.592.285	190.006.953	163.258.436	1.398.637	315.617.102	361.311.157
Total monetary liabilities	**30.072.694.079**	**3.822.119.683**	**4.588.523.338**	**4.724.448.464**	**6.275.032.737**	**10.662.569.857**

(*) Equity shares amounting to TL 3.031.578.817 are not included.

(**) Provisions for outstanding claims are subject to maturity distribution, taking into account the estimated payment dates, and all of the provisions for outstanding claims are presented under current liabilities in the accompanying consolidated financial statements. Provisions for outstanding claims that could not be distributed consistently are shown in the "more than 1 year" column.

(Currency: Turkish Lira (TL))

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 Group'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.

Foreign currency risk

The Group is exposed to foreign 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 reporting periods, foreign currency assets and liabilities evaluated by the Central Bank of the Republic of Turkey's spot purchase rates and the differences arising from foreign currency rates are recorded as foreign exchange gain or loss in the statement of operations.

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

December 31, 2024	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	909.292.040	310.155.297	241.868.091	1.461.315.428
Financial assets and financial investments with risks on policyholders	7.646.960.932	2.027.683.065	-	9.674.643.997
Receivables from main operations	4.839.376.097	2.570.953.484	1.540.203.037	8.950.532.618
Total foreign currency assets	**13.395.629.069**	**4.908.791.846**	**1.782.071.128**	**20.086.492.043**
Liabilities:				
Payables arising from main operations	(2.395.932.994)	(4.634.248.601)	(172.659.437)	(7.202.841.032)
Insurance technical reserve(*)	(4.878.854.981)	(850.033.068)	(1.835.476.811)	(7.564.364.860)
Financial Liabilities	-	-	(8.814.691)	(8.814.691)
Total foreign currency liabilities	**(7.274.787.975)**	**(5.484.281.669)**	**(2.016.950.939)**	**(14.776.020.583)**
Net financial position	**6.120.841.094**	**(575.489.823)**	**(234.879.811)**	**5.310.471.460**

December 31, 2023	US Dollar	Euro	Other currencies	Total
Assets:				
Cash and cash equivalents	767.733.700	434.799.105	223.512.777	1.426.045.582
Financial assets and financial investments with risks on policyholders	8.396.913.998	1.826.224.373	-	10.223.138.371
Receivables from main operations	3.637.470.975	4.044.496.815	1.435.139.978	9.117.107.768
Total foreign currency assets	**12.802.118.673**	**6.305.520.293**	**1.658.652.755**	**20.766.291.721**
Liabilities:				
Payables arising from main operations	(1.706.576.446)	(2.396.139.394)	(181.934.094)	(4.284.649.934)
Insurance technical reserve(*)	(4.762.874.165)	3.114.225.152	(1.487.893.862)	(3.136.542.875)
Financial Liabilities	(2.237.303.200)	-	(15.530.811)	(2.252.834.011)
Total foreign currency liabilities	**(8.706.753.811)**	**718.085.758**	**(1.685.358.767)**	**(9.674.026.820)**
Net financial position	**4.095.364.862**	**7.023.606.051**	**(26.706.012)**	**11.092.264.901**

(*) According to the "Communiqué on Amendments to Communiqué on Technical Reserves for Insurance, Reinsurance and Pension Companies and the Related Assets That Should Be Invested Against Those Technical Reserves" published in Official Gazette no 27655 dated July 28, 2010; foreign currency denominated claims provisions evaluated by the Central Bank of the Republic of Turkey's spot sales rates.

(Currency: Turkish Lira (TL))

For the purpose of evaluation of the above table, TRY equivalents of the relevant foreign currency amounts have been shown. December 31, 2024, while the CBRT evaluated the CBRT with the sales rate, other daily transactions were evaluated with accounting based on the temporary exchange rates on the transaction date, at the end of the reporting period, foreign currency denominated active items were evaluated with CBRT exchange rates dated December 31, 2024 and passive items were evaluated with CBRT sales rates.

Foreign currency rates used for the translation of foreign currency denominated monetary assets and liabilities As of December 31, 2024 and 2023 are as follows:

	End of the Period (Buying)		End of the Period (Selling)		Average	
	ABD	Avro	ABD	Avro	ABD	Avro
31 December 2024	35,2803	36,7362	35,3438	36,8024	32,7984	35,4893
31 December 2023	29,4382	32,5739	29,4913	32,6326	23,7482	25,6852

Exposure to foreign currency risk

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

	31 December 2024		31 December 2023	
	Profit or loss	Equity(*)	Profit or loss	Equity(*)
US Dollar	1.224.168.219	1.224.168.219	819.072.972	819.072.972
Euro	(115.097.965)	(115.097.965)	1.404.721.210	1.404.721.210
Others	(46.975.962)	(46.975.962)	(5.341.202)	(5.341.202)
Total, net	**1.062.094.292**	**1.062.094.292**	**2.218.452.980**	**2.218.452.980**

(*) Equity effect also includes profit or loss effect of 20% depreciation of TL against related currencies (December 31, 2023: 20% depreciation of TL).

Exposure to interest rate risk

The principal risk to which non-trading portfolios 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 repricing bands.

(Currency: Turkish Lira (TL))

As at reporting date; the interest rate profile of the Group's interest earning financial assets and interest bearing financial liabilities are detailed as below:

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets with fixed interest rates:	***33.177.448.358***	***20.004.036.166***
Cash at banks *(Note 14)*(*)	21.746.841.481	8.423.293.622
Available for sale financial assets - Government bonds *(Note 11)*	8.104.495.786	8.454.980.584
Cash deposited to insurance and reinsurance companies *(Note 12)*	1.683.352.236	1.512.369.005
Available for sale financial assets - Private sector bonds *(Note 11)*	1.305.803.973	1.283.859.676
Held for trading financial assets - other *(Note 11)*	-	93.498
F.V. held to maturity - government debt securities (Note 11)	336.954.882	329.439.781
Financial assets with variable interest rate:	***4.298.848.755***	***5.125.125.038***
Available for sale financial assets - Private sector bonds (Note 11)	204.594.989	152.181.667
Available for sale financial assets - Government bonds *(Note 11)*	2.945.188.166	2.334.986.132
FX-protected deposits	*1.149.065.600*	*2.637.957.239*
Financial liabilities:		
Financial liabilities with fixed interest rate::	***230.916.234***	***144.295.014***
Payables from operating leases (Note 34)	230.916.234	144.295.014

(*) Demand deposits amounting to TRY 665.175.192 are not included (December 31, 2023: TL 1.255.575.050).

Fair value information

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies.

The Group has classified its financial assets as held for trading or available for sale, As at the reporting date, available for sale financial assets and financial assets held for trading are measured at their fair values based on their quoted prices or fair value information obtained from brokers in the accompanying consolidated financial statements.

Group management estimates that the fair value of other financial assets and liabilities are not materially different than their carrying values.

Classification relevant to fair value information

TFRS 7 - *Financial instruments: Disclosures* requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Group. This distinction brings about a fair value measurement classification generally as follows.

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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

(Currency: Turkish Lira (TL))

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Available for sale financial assets *(Note 11)* (*)	14.829.870.015	-	-	14.829.870.015
Financial assets to be held to maturity (Note 11)	21.855.422.234	5.881.112.516	-	27.736.534.750
Total financial assets	**36.685.292.249**	**5.881.112.516**	**-**	**42.566.404.765**
Tangible assets				
Investment properties *(Note 6)*	-	-	5.336.521.000	5.336.521.000
Owner occupied properties *(Note 6)*	-	-	317.622.500	317.622.500
Total tangible assets	**-**	**-**	**5.654.143.500**	**5.654.143.500**
Total	**36.685.292.249**	**5.881.112.516**	**5.654.143.500**	**48.220.548.265**

	31 December 2023			
	Level 1	Level 2	Level 3	Level 3
Financial assets:				
Available for sale financial assets *(Note 11)* (*)	13.901.599.216	-	-	13.901.599.216
Financial assets held for trading *(Note 11)*	7.176.935.826	7.211.468.881	-	14.388.404.707
Total financial assets r	**21.078.535.042**	**7.211.468.881**	**-**	**28.290.003.923**
Tangible assets::				
Investment properties *(Note 6)*	-	-	4.890.602.000	4.890.602.000
Owner occupied properties *(Note 6)*	-	-	215.104.000	215.104.000
Total tangible assets	**-**	**-**	**5.105.706.000**	**5.105.706.000**
	-	-		
Total	**21.078.535.042**	**7.211.468.881**	**5.105.706.000**	**33.395.709.923**

(*) As of December 31, 2024, securities that are not publicly traded amounting to TL 805.244 (December 31, 2023: TRY 805.244) have been measured at cost.

Equity share price risk

Equity share price risk is defined as the risk of decreasing the market price of equity shares as a result of a decline in index.

The effect on Group income as a result of 10% change in the fair value of equity instruments held as held for trading financial assets (traded at İstanbul Stock Exchange) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows (excluding tax effect):

	31 December 2024		31 December 2023	
	Profit or loss	Equity(*)	Profit or loss	Equity(*)
Financial assets held for trading	(422.063.396)	(422.063.396)	(142.504.296)	(142.504.296)
Available for sale financial assets	-	(224.184.248)	-	(160.573.061)
Total, net	**(422.063.396)**	**(646.247.644)**	**(142.504.296)**	**(303.077.357)**

(*) Equity impact includes impact of change of conjectural interest rates on income statement.

(Currency: Turkish Lira (TL))

Gain and losses from financial assets

Gains and losses recognized in the statement of income, net:	31 December 2024	31 December 2023
Interest income from bank deposits	5.555.701.762	1.814.696.661
Income from equity shares	825.520.587	101.868
Interest income from available-for-sale financial assets	2.478.210.941	(564.977.231)
Foreign exchange gains	6.152.931.869	11.036.934.305
Income from investment funds reclassified as held for trading financial assets	7.300.325.854	3.219.684.053
Income from participates	904.218.444	599.301.192
Interest income from debt securities classified as held to maturity financial investments	16.081.663	24.641.815
Income from equity shares classified as held for trading financial assets	1.097.370.768	2.130.241.171
Interest income from repos	25.654	356
Income from derivative transactions	1.278.455.517	1.296.253.767
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15)*	(743.841.944)	1.773.575.731
Income from investment funds reclassified as available for sale financial assets	68.485.017	5.392.611
Other	18.158.829	1.952.318
Investment income	**24.951.644.961**	**21.337.798.617**
Foreign exchange losses	(3.877.496.679)	(5.082.238.998)
Loss from disposal of financial assets	(342.734.471)	(858.310.002)
Loss from valuation of financial assets	(432.330.008)	(82.669.203)
Investment management expenses (including interest)	(62.983.176)	(214.728.643)
Loss from derivative transactions	(323.581.975)	(576.504.323)
Investment expenses	**(5.039.126.309)**	**(6.814.451.169)**
Investment income, net	**19.912.518.652**	**14.523.347.448**

Financial gains and losses recognized in equity, net:	31 December 2024	31 December 2023
Fair value changes in available for sale financial assets *(Note 15)*	(455.436.612)	2.573.917.705
Gains transferred from the statement of equity to the statement of income on disposal of available for sale financial assets (*Note 15)*	743.841.944	(1.773.575.731)
Total	**288.405.332**	**800.341.974**

Capital management

The Company's capital management policies include the following:

- To comply with the insurance capital requirements required by the Republic of Turkey Ministry of Treasury and Finance
- To safeguard the Company's ability to continue as a going concern

"Regulation on Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies" has been recorded as TL 7.144.638.233 as the required equity capital amount in the plans made by the Company as of December 31, 2024. As of December 31, 2024, the Company's equity capital determined according to capital adequacy regulations is TL 16.658.776.868 and since the unmanaged calculated capital adequacy continues to be provided, there is a capital surplus of TL 9.514.138.635 as of December 31, 2024..

(Currency: Turkish Lira (TL))

As of June 30, 2024, required equity amount determined in calculations over consolidated financial statements of Company's subsidiary Anadolu Sigorta, is amounted TL 13.059.476.744. As of 30 June 2024, the amount of raw equity in Anadolu Sigorta's unconsolidated financial statements is TL 14.669.223.361 above the required equity amount calculated in accordance with the regulation.

5 Segment information

A segment is a distinguishable component of the Group 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 segment

Financial information of the Group is presented on life and non-life basis in the accompanying consolidated financial statements.

Geographical segment

The main geographical segment which the Group operates is Turkey. Hence, the Group has not disclosed report on geographical segments.

6 Tangible assets

Movement in tangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Addition	Foreign currency translation effect(*)	Transfers	Valuation differences	December 31, 2024
Cost:						
Investment properties *(Note 7)*(**)	4.890.602.000	-	-	(1.578.400.000)	2.024.319.000	5.336.521.000
Buildings for own use	215.104.000	-	-	-	102.518.500	317.622.500
Machinery and equipment	188.791.920	92.143.408	-	-	-	280.935.328
Furniture and fixtures	67.901.403	18.023.270	1.428.004	(2.451.215)	-	84.901.462
Land Vehiclesss	13.489.028	27.760.268	775.893	(5.562.387)	-	36.462.802
Other tangible assets (including leasehold improvements)	97.776.415	8.428.485	-	-	-	106.204.900
Leased Assets	187.439.190	135.956.731	4.692.563	-	-	328.088.484
Construction in progress	19.662.451	23.193.260	-	-	-	42.855.711
	5.680.766.407	**305.505.422**	**6.896.460**	**(1.586.413.602)**	**2.126.837.500**	**6.533.592.187**
Accumulated depreciation::						
Buildings for own use	133.509	1.670.933	-	(1.611.736)	-	192.706
Machinery and equipment	111.885.634	35.347.541	-	-	-	147.233.175
Furniture and fixtures	35.422.691	10.428.309	1.394.070	(2.446.989)	-	44.798.081
Land Vehiclesss	9.595.767	2.872.111	659.237	(5.093.826)	-	8.033.289
Other tangible assets (including leasehold improvements)	32.543.968	14.297.005	-	-	-	46.840.973
Leased Assets	65.876.606	59.322.793	2.224.381	-	-	127.423.780
	255.458.175	**123.938.692**	**4.277.688**	**(9.152.551)**	**-**	**374.522.004**
Net book value	**5.425.308.232**					**6.159.070.183**

(*) Foreign currency translation effect resulted from Singapore Branch.

(**) The ongoing investments account includes costs related to the heating and cooling group renewal..

(Currency: Turkish Lira (TL))

Movement in tangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Addition	Foreign currency translation effect(*)	Transfers	Valuation differences	December 31, 2023
Cost::						
Investment properties *(Note 7)*	1.894.516.000	-	-	1.324.750.000	1.671.336.000	4.890.602.000
Buildings for own use	802.940.000	-	-	(1.324.750.000)	736.914.000	215.104.000
Machinery and equipment	138.654.988	50.146.939	-	(10.007)	-	188.791.920
Furniture and fixtures	49.504.580	48.476.345	2.630.094	(32.709.616)	-	67.901.403
Land vehiclesss	12.062.655	-	1.426.373	-	-	13.489.028
Other tangible assets (including leasehold improvements	36.384.889	61.391.526	-	-	-	97.776.415
Leased tangible assets	108.430.175	80.189.151	8.131.515	(9.311.651)	-	187.439.190
Construction in progress (**)	11.444.885	89.568.020	-	(81.350.454)	-	19.662.451
	3.053.938.172	**329.771.981**	**12.187.982**	**(123.381.728)**	**2.408.250.000**	**5.680.766.407**
Accumulated depreciation						
Buildings for own use	19.180	4.111.803	-	(3.997.474)	-	133.509
Machinery and equipment	91.342.146	20.543.488	-	-	-	111.885.634
Furniture and fixtures	27.903.639	8.496.326	2.524.234	(3.501.508)	-	35.422.691
Land Vehiclesss	6.254.209	2.405.914	935.644	-	-	9.595.767
Other tangible assets (including leasehold improvements)	28.658.895	3.885.073	-	-	-	32.543.968
Leased tangible assets	42.566.625	31.097.223	1.524.410	(9.311.651)	-	65.876.606
	196.744.694	**70.539.827**	**4.984.288**	**(16.810.633)**	**-**	**255.458.176**
Net book value	**2.857.193.478**					**5.425.308.231**

(*) Foreign currency translation effect resulted from Singapore Branch.

(**) There are costs related to heating and cooling group renewal in the account of investments in progress.

As of 31 December 2024 and 31 December 2023, the Group's real estates, some of which are for investment purposes and some for use, are valued at their fair value and are valued in this context. The appraisal reports for these real estates were prepared by the CMB licensed real estate appraisal Company in December 2024 for Anadolu Sigorta and in December 2024 for Milli Reasürans. There is no mortgage on the Group's real estate for use. Milli Re's real estate for use was revalued as of December 2024, and the appraisal reports for these real estates were prepared in December 2024 by a real estate appraisal Company licensed by the CMB.As of December 31, 2024, the fair values (excluding VAT) and net carrying values of buildings for own use are presented below:

Owner occupied land and buildings	Expertise date	Expertise value	Net Book Value (December 31, 2024)	Net Book Value (December 31, 2023)
Suadiye Spor Salonu	December 2024	202.000.000	202.000.000	135.000.000
İzmir Regional Headquarter	December 2024	62.260.000	62.156.233	39.693.733
Adana Regional Headquarter	December 2024	28.325.000	28.277.791	18.748.700
Lefkoşe Cyprus Branch	December 2024	20.145.000	20.111.425	17.235.226
Adana Office	December 2024	855.000	853.575	623.958
Other	December 2024	4.037.500	4.030.770	3.668.875
Total		**317.622.500**	**317.429.794**	**214.970.492**

Fair value measurement

The fair values of self-used land and buildings were determined by market comparison technique. The fair value measurement of owner occupied land and buildings is classified as Level 2.

(Currency: Turkish Lira (TL))

7 Investment properties

Additions and disposals for investment properties is given "6- Tangible Assets" note in table of current period movement of tangible assets.

Grup'un yatırım amaçlı gayrimenkulleri, Sermaye Piyasası Kurulu tarafından yetkilendirilmiş bağımsız profesyonel değerleme uzmanları tarafından hazırlanan ekspertiz raporları çerçevesinde Grup'un yatırım amaçlı gayrimenkullerinin 31 Aralık 2024 tarihi itibarıyla gerçeğe uygun değeri 5.336.521.000 TL olarak tespit edilmiştir (31 Aralık 2023: 4.890.602.000 TL)

Söz konusu gayrimenkuller, 2024 yılı içerisinde 2.024.319.000 TL değer kazanmıştır (2023: 1.671.336.000 TL). Yatırım amaçlı gayrimenkullerden ilgili hesap döneminde 137.563.915 TL kira geliri elde edilmiştir (31 Aralık 2023: 69.939.879 TL).

Property based value of expertise report (excluding VAT) and fair values of investment properties are as follows. Expertise reports regarding these properties are prepared by independent professional valuation specialists authorized by CMB in December 2024. There is no mortgage on Group's investment properties.

As of December 31, 2024, and 2023, details of investment properties and the fair values are as follows:

	December 31, 2024 Net book value	December 31, 2023 Net book value	Date of expertise report	Value of expertise report
Teşvikiye	4.378.000.000	3.038.650.000	December 2024	4.378.000.000
Tunaman Katlı Garage (*)	-	1.187.500.000	-	-
Villa Ofiice Block	325.000.000	282.000.000	December 2024	325.000.000
Çifteler Land	6.000	6.000	December 2024	6.000
Other buildings	633.515.000	382.446.000	December 2024	633.515.000
Net book value	**5.336.521.000**	**4.890.602.000**		**5.336.521.000**

(*) The Group has agreed with the buyer regarding the sale of its investment property located at Tunaman Parking, valued at 1,548,400,000 TL, as of December 31, 2024. This asset has been accounted for as an asset held for sale in accordance with TFRS 5, "Non-current Assets Held for Sale and Discontinued Operations," and is classified under "Other Various Current Assets" in the balance sheet. The sale transaction for this asset was completed on January 17, 2025 (Notes 46 and 47).

Fair value measurement

The fair values of investment properties were determined by market comparison technique.

8 Intangible Assets

Movement in intangible assets in the period from January 1 to December 31, 2024 is presented below:

	January 1, 2024	Additions	Transfers	Foreign currency translation effects(*)	Disposals	December 31, 2024
Cost:						
Other intangible assets	526.278.411	115.191.555	231.183	(48.064.224)	59.875.727	653.512.652
Advances given for intangible assets	264.168.937	91.244.939	-	-	-	355.413.876
Goodwill	16.250.000	-	-	-	-	16.250.000
Research & Development	18.657.453	59.875.727	-	-	(59.875.727)	18.657.453
	825.354.801	**266.312.221**	**231.183**	**(48.064.224)**	**-**	**1.043.833.981**
Accumulated amortization:						
Rights	433.942.972	89.538.361	197.309	(48.064.224)	-	475.614.418
	433.942.972	**89.538.361**	**197.309**	**(48.064.224)**	**-**	**475.614.418**
Net book value	**391.411.829**					**568.219.563**

(*) Foreign currency translation effect resulted from Singapore Branch.

(**) TFRS 17 has been given with reference to licensing-consultation and computer software.

(Currency: Turkish Lira (TL))

Movement in intangible assets in the period from January 1 to December 31, 2023 is presented below:

	January 1, 2023	Additions	Foreign currency translation effects(*)	Disposals	Transfers	December 31, 2023
Cost:						
Other intangible assets	471.857.967	53.515.553	424.999	(696.419)	1.176.311	526.278.411
Advances given for intangible assets	170.780.752	93.388.185	-	-	-	264.168.937
Goodwill	16.250.000	-	-	-	-	16.250.000
Research & Development	896.749	18.937.015	-	-	(1.176.311)	18.657.453
	659.785.468	**165.840.753**	**424.999**	**(696.419)**	**-**	**825.354.801**
Accumulated amortization:						
Rights	355.227.517	78.970.347	298.552	(553.444)	-	433.942.972
	355.227.517	**78.970.347**	**298.552**	**(553.444)**	**-**	**433.942.972**
Net book value	**304.557.951**					**391.411.829**

(*) Foreign currency translation effect resulted from Singapore Branch.

(**) TFRS 17 has been given with reference to licensing-consultation and computer software.

9 Investments in associates

	31 December 2024		31 December 2023	
	Book value	Participation rate %	Book value	Participation rate %
Anadolu Hayat Emeklilik A.Ş.	2.115.020.367	21,00	1.354.386.089	21,00
Affiliates, net	**2.115.020.367**		**1.354.386.089**	

Name	Total assets	Shareholders' equity	Retained earnings	Profit for the year	Audited	Period
Associates::						
Anadolu Hayat Emeklilik A.Ş. (consolidated)	260.339.161.440	10.071.525.906	186.293.195	4.305.802.455	Geçti.	31 December 2024

In the current period TRY 904.218.444 (December 31, 2023: 599.301.192) of income is obtained from associates through equity accounted consolidation method.

The movement schedule of investments valued using the equity method for the reporting period is as follows:

	2024
Beginning of the period- 1 January	**1.354.386.089**
Shares of profit from the current period	904.218.444
Increase recognized in equity	66.415.834
Dividends	(210.000.000)
End of the period- 31 December	**2.115.020.367**

(Currency: Turkish Lira (TL))

10 Reinsurance assets and liabilities

As of December 31, 2024, and 2023, outstanding reinsurance assets and liabilities of the Group in accordance with existing reinsurance contracts are as follows:

Reinsurance assets	31 December 2024	31 December 2023
Unearned premiums reserves, ceded (Note 17)	6.186.511.289	4.797.310.036
Outstanding claims reserve, ceded (Note 4.2), (Note 17)	11.481.005.211	16.122.814.162
Receivables from reinsurance companies (Note 12)	2.521.327.822	2.907.188.037
Cash deposited to reinsurance companies	1.683.352.237	1.512.369.005
Total	**21.872.196.559**	**25.339.681.240**

Reinsurance liabilities	31 December 2024	31 December 2023
Payables to the reinsurers related to premiums written *(Note 19)*	5.357.534.158	4.326.819.769
Deferred commission income *(Note 19)*	943.652.041	644.038.671
Cash deposited by reinsurance companies	389.788.163	152.612.753
Commission payables to the reinsurers related to written premiums *(Note 19)*	-	35.383.333
Total	**6.690.974.362**	**5.158.854.526**

Gains and losses recognized in the consolidated statement of income in accordance with existing insurance and retrocession contracts are as follows:

	31 December 2024	31 December 2023
Premiums ceded during the period *(Note 17)*	(20.350.894.270)	(12.109.441.785)
Unearned premiums reserve, ceded at the beginning of the period *(Note 17)*	(4.797.310.036)	(2.523.561.505)
Unearned premiums reserve, ceded at the end of the period *(Note 17)*	6.186.511.289	4.797.310.036
Earned premiums, ceded *(Note 17)*	**(18.961.693.017)**	**(9.835.693.254)**
Claims paid, ceded during the period *(Note 17)*	11.042.380.860	18.399.604.706
Outstanding claims reserves, ceded at the beginning of the period *(Note 17)*	(16.122.814.162)	(4.562.215.886)
Outstanding claims reserves, ceded at the end of the period *(Note 17)*	11.481.005.210	16.122.814.162
Incurred claims, ceded *(Note 17)*	**6.400.571.908**	**29.960.202.982**
Commission income accrued from reinsurers during the period *(Note 32)*	1.347.834.282	1.289.418.860
Deferred commission income at the beginning of the period *(Note 19)*	644.038.671	346.493.633
Deferred commission income at the end of the period *(Note 19)*	(943.652.041)	(644.038.671)
Commission income earned from reinsurers *(Note 32)*	**1.048.220.912**	**991.873.822**
Changes in unexpired risk reserves, reinsurers' share *(Note 17)*	**(316.447.194)**	**394.560.623**
Total, net	**(11.829.347.391)**	**21.510.944.173**

(Currency: Turkish Lira (TL))

11 Financial assets

As of December 31, 2024, and 2023, the Group's financial assets are detailed as follows::

	31 December 2024	31 December 2023
Available for sale financial assets	14.830.675.259	13.902.404.460
Financial assets held for trading	27.736.534.750	14.388.404.707
Impairment loss on available for sale financial assets	336.954.882	329.439.782
Total	**42.904.164.891**	**28.620.248.949**

As of December 31, 2024, and 2023, the Group's financial assets held for trading are detailed as follows:

	31 December 2024			
	Nominal value	Cost	Fair value	Book value
Non-fixed income financial assets:				
Investment funds		14.524.012.546	21.559.814.485	21.559.814.485
Investment funds YP		573.285.998	571.764.574	571.764.574
Equity shares		4.403.715.323	4.220.633.960	4.220.633.960
Futures and options guarantees		230.259.174	235.256.132	235.256.132
Derivative guarantees (Currency protected deposits)		1.072.589.705	1.149.065.599	1.149.065.599
		20.803.862.746	**27.736.534.750**	**27.736.534.750**
Total financial assets held for trading		**20.803.862.746**	**27.736.534.750**	**27.736.534.750**

	31 December 2023			
	Nominal value	Cost	Fair value	Book value
Dept instruments:				
Receivables from reverse repo transactions - TL		93.172	93.498	93.498
		93.172	**93.498**	**93.498**
Non-fixed income financial assets:				
Investment funds		8.137.967.833	9.889.141.100	9.889.141.100
Equity Shares		1.375.426.903	1.425.042.958	1.425.042.958
Futures and Options Margins		117.644.053	118.720.901	118.720.901
Derivative guarantees (Currency protected deposits)		2.404.635.484	2.637.957.240	2.637.957.240
Other		274.181.728	317.449.010	317.449.010
		12.309.856.001	**14.388.311.209**	**14.388.311.209**
Total financial assets held for trading		**12.309.949.173**	**14.388.404.707**	**14.388.404.707**

(Currency: Turkish Lira (TL))

As of December 31, 2024, and 2023, the Group's available for sale financial assets are detailed as follows:

	31 December 2024			
	Nominal value	Cost	Fair value	Book Value
Debt instruments:				
Government bonds - TL	2.091.471.241	2.400.311.044	4.621.846.160	4.621.846.160
Government bonds - USD	4.774.987.863	4.726.946.763	5.346.977.292	5.346.977.292
Government bonds - EUR	99.792.400	630.473.133	1.080.860.500	1.080.860.500
Private sector bonds- TL	599.400.000	580.742.000	599.417.528	599.417.528
Private sector bonds- USD	195.407.500	837.716.378	872.878.322	872.878.322
Private sector bonds- EUR	36.736.200	36.773.108	38.103.112	38.103.112
		9.212.962.426	**12.560.082.914**	**12.560.082.914**
Non-fixed income financial assets:				
Equity shares		136.530.191	2.242.647.728	2.242.647.728
Investment funds		27.000.000	27.944.617	27.944.617
		163.530.191	**2.270.592.345**	**2.270.592.345**
Total available for sale financial assets		**9.376.492.617**	**14.830.675.259**	**14.830.675.259**

	31 December 2023			
	Nominal value	Cost	Fair value	Book Value
Debt instruments:				
Government bonds - TL	700.641.655	1.486.782.579	2.498.585.144	2.498.585.144
Government bonds - USD	5.695.410.983	5.678.642.150	6.844.111.534	6.844.111.534
Government bonds - EUR	358.869.000	838.801.696	1.447.270.038	1.447.270.038
Private sector bonds - USD	201.500.000	198.818.720	216.962.284	216.962.284
Private sector bonds- TL	38.032.000	602.809.643	1.139.663.893	1.139.663.893
Impairment loss on private sector bonds	2.500.000	65.846.419	79.415.169	79.415.169
		8.871.701.207	**12.226.008.062**	**12.226.008.062**
Non-fixed income financial assets:				
Equity shares		136.530.191	1.606.535.857	1.606.535.857
Investment funds		35.992.237	69.860.541	69.860.541
		172.522.428	**1.676.396.398**	**1.676.396.398**
Total available for sale financial assets		**9.044.223.635**	**13.902.404.460**	**13.902.404.460**

All debt instruments presented above are traded in the capital markets, As of December 31, 2024, equity shares classified as available for sale financial assets with a carrying amount of TRY 805.244 are not publicly traded (December 31, 2023: TRY 805.244).

There is no debt security issued during the period or issued before and paid during the period by the Group.

Value increases in financial assets including equity shares classified as available for sale financial assets and subsidiaries for the last 3 years (including tax effects, excluding minority interest

Year	Change in value increase	Total increase in value
2024	288.405.332	1.864.706.708
2023	800.341.974	1.576.301.376
2022	747.941.219	775.959.402

(Currency: Turkish Lira (TL))

As of December 31, 2024, and 2023 the Group's held to maturity financial assets portfolio are detailed as follow

	31 December 2024			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Debt instruments:				
Government bonds - EUR	325.445.996	326.271.969	338.277.261	336.954.882
Total held to maturity financial assets		**326.271.969**	**338.277.261**	**336.954.882**

	31 December 2023			
	Nominal value	**Cost**	**Fair value**	**Net book value**
Debt instruments:				
Government bonds - USD	29.438.200	27.819.099	30.371.400	29.900.615
Government bonds - EUR	288.572.180	290.038.963	300.728.500	299.539.167
Total held to maturity financial assets		**317.858.062**	**331.099.900**	**329.439.782**

As of December 31, 2024, and 2023, the movement of the financial assets is presented below:

	31 December 2024			
	Trading	**Available-for-Sale**	**Held to maturity**	**Total**
Balance at the beginning of the period	**14.388.404.707**	**13.902.404.460**	**329.439.782**	**28.620.248.949**
Acquisitions during the period	71.695.685.793	15.246.063.722	-	86.941.749.515
Disposals (sale and redemption)	(65.016.553.152)	(18.095.135.577)	(49.794.036)	(83.161.482.765)
Change in the fair value of financial assets	6.668.997.402	3.777.342.654	57.309.136	10.503.649.192
Balance at the end of the period	**27.736.534.750**	**14.830.675.259**	**336.954.882**	**42.904.164.891**

	31 December 2023			
	Trading	**Available-for-Sale**	**Held to maturity**	**Total**
Balance at the beginning of the period	**3.365.235.815**	**10.155.288.474**	**379.792.253**	**13.900.316.542**
Acquisitions during the period	70.117.488.773	3.311.066.912	-	73.428.555.685
Disposals (sale and redemption)	(64.745.990.695)	(5.497.774.688)	(261.560.121)	(70.505.325.504)
Change in the fair value of financial assets	5.651.670.814	5.933.823.762	211.207.650	11.796.702.226
Balance at the end of the period	**14.388.404.707**	**13.902.404.460**	**329.439.782**	**28.620.248.949**

(Currency: Turkish Lira (TL))

Details of the financial assets issued by related parties of the Group are as follows:

	31 December 2024			
	Nominal value	Cost	Fair value	Book value
Available for sale financial assets - Private sector bonds	529.400.000	510.742.000	526.817.152	526.817.152
Available for sale financial assets - Investment funds	-	27.000.000	27.944.617	27.944.617
Available for sale financial assets - Equity shares	-	61.871.244	785.142.798	785.142.798
Financial assets held for trading - Investment funds	3.847.597.644	9.465.210.313	14.357.807.404	14.357.807.404
Available for sale financial assets - Private sector bonds -FC	-	247.510.586	266.403.595	266.403.595
Total		**10.312.334.143**	**15.964.115.566**	**15.964.115.566**

	31 December 2023			
	Nominal value	Cost	Fair value	Book value
Available for sale financial assets - Private sector bonds	90.000.000	90.000.000	90.242.835	90.242.835
Available for sale financial assets - Investment funds	-	35.992.237	69.860.541	69.860.541
Available for sale financial assets - Equity shares	-	61.871.244	424.203.903	424.203.903
Financial assets held for trading - Investment funds	4.188.446.661	5.769.697.432	7.025.670.535	7.025.670.535
Available for sale financial assets - Private sector bonds -FC	7.000.000	41.143.317	209.485.175	209.485.175
Held to maturity financial assets - Bonds	-	1.036.419.755	1.149.892.248	1.149.892.248
Total		**7.035.123.985**	**8.969.355.237**	**8.969.355.237**

12 Loans and receivables

	31 December 2024	31 December 2023
Receivables from main operations *(Note 4.2)*	19.988.016.871	18.668.821.131
Prepaid taxes and funds *(Note 19), (Note 4.2)*	71.260.270	9.246.952
Income accruals *(Note 4.2)*	343.567.665	108.303.904
Other receivables *(Note 4.2)*	241.009.689	111.381.114
Other current assets *(Note 4.2)*	322.059.841	110.117.653
Total	**20.965.914.336**	**19.007.870.754**
Short-term receivables	20.533.780.093	18.611.609.063
Medium and long-term receivables	432.134.243	396.261.691
Total	**20.965.914.336**	**19.007.870.754**

(Currency: Turkish Lira (TL))

As at December 31, 2024 and 2023, receivables from main operations are detailed as follows

	31 December 2024	31 December 2023
Receivables from insurance companies	1.332.398.229	869.202.522
Receivables from reinsurance companies *(Note 10)*	2.521.327.822	2.907.188.037
Receivables from agencies, brokers and intermediaries	920.485.381	1.971.092.327
Total receivables from reinsurance operations, net	**4.774.211.432**	**5.747.482.886**
		8.202.425.696
Receivables from agencies, brokers and other intermediaries	9.729.119.692	
Receivables from insurance and reinsurance companies	706.208.45	1.133.384.268
Long term receivable which is bank guarantee and three months credit card	2.488.815.298	1.598.638.932
Salvage and subrogation receivables *(Note 2.21)*	723.408.965	449.617.0028
Receivables from insurance and reinsurance companies	99.262.922	181.714.908
Total receivables from insurance operations, net	**13.746.815.331**	**11.565.780.832**
Cash deposited to insurance and reinsurance companies *(Note 4.2)*	1.683.352.236	1.512.369.005
Provisions for receivables from insurance operations - subrogation receivables *(Note 2.21)*	(216.362.128)	(156.811.592)
Doubtful receivables from main operations - premium receivables	354.952.449	191.817.299
Provision for doubtful receivables from main operations - premium receivables	(354.952.449)	(191.817.299)
Doubtful receivables from insurance operations - subrogation receivables	1.469.513.028	986.553.472
Provisions for doubtful receivables from insurance operations - subrogation receivables	(1.469.513.028)	(986.553.472)
Receivables from main operations	**19.988.016.871**	**18.668.821.131**

As of December 31, 2024, and 2023, mortgages and collaterals obtained for receivables are disclosed as follows:

	31 December 2024	31 December 2023
Mortgage notes	331.150.182	244.510.302
Letters of guarantees	1.007.232.743	409.683.801
Other guarantees	992.943.682	302.647.538
Government bonds and treasury bills	230.000	230.000
Total	**2.331.556.607**	**957.071.641**

Provisions for overdue receivables and receivables not due yet

a) Receivables under legal or administrative follow up (due): TRY 354.952.449 for main operations (December 31, 2023: TRY 191.817.299) and TL 705.142 (December 31, 2023: TL 705.142) for other receivables..

b) Provision for premium receivables (due): TL 1.685.875.156 (December 31, 2023: TRY 1.143.365.064)

The Company's receivables from and payables to shareholders, associates and subsidiaries are detailed in *Note 45 - Related party transactions*.

The details of the receivables and payables denominated in foreign currencies and foreign currency rates used for the translation are presented in *Note 4.2- Financial risk management*.

13 Derivative financial assets

As of December 31, 2024, the Group has derivative financial instruments recognized in the financial assets held for trading amounting to TRY 235.256.132 (December 31, 2023: 118.720.901).

There is no value increase balance under the income accruals account due to the forward foreign exchange contracts made by the Group as of December 31, 2024. (December 31, 2023: TL 6.219.723)

14 Cash and cash equivalents

As of December 31, 2024, and December 31, 2023, the details of the cash and cash equivalents are as follows

	31 December 2024		31 December 2023	
	At the end of the period	At the beginning of the period	At the end of the period	At the beginning of the period
Cash on hand	188.356	162.771	162.771	197.410
Cheques received	22.412.016.674	9.678.868.672	9.678.868.672	9.156.392.304
Bank deposits	(4.026)	(3.167)	(3.167)	(14.481)
Cheques given and payment orders	6.311.498.575	3.452.368.687	3.452.368.687	1.787.066.011
Cash and cash equivalents in the balance sheet	**28.723.699.579**	**13.131.396.963**	**13.131.396.963**	**10.943.641.244**
Bank deposits - blocked(*)	(4.291.749.598)	(1.734.196.100)	(1.734.196.100)	(1.465.822.815)
Time deposits with maturities longer than 3 months	(2.784.658.307)	(1.227.671.164)	(1.227.671.164)	(305.956.102)
Interest accruals on banks deposits	(397.789.066)	(79.851.059)	(79.851.059)	(22.776.765)
Cash and cash equivalents presented in the statement of cash flows	**21.249.502.608**	**10.089.678.640**	**10.089.678.640**	**9.149.085.562**

(*) TL 4,291,084,005 of the blocked amounts are held in favor of the Insurance and Private Pension Regulation and Supervision Agency due to the insurance activities of the Company's subsidiary Anadolu Sigorta A.Ş. (31 December 2023: TL 1,363,261,798).

3 As of December 31, 2024, and 2023, bank deposits are further analysed as follows:

	31 December 2024	31 December 2023
Foreign currency denominated bank deposits		
- time deposits	822.815.731	619.948.782
- demand deposits	638.319.817	805.938.886
Bank deposits in Turkish Lira		
- time deposits	20.924.025.751	7.803.344.840
- demand deposits	26.855.375	449.636.164
Bank deposits	**22.412.016.674**	**9.678.868.672**

(Currency: Turkish Lira (TL))

15 Equity

Paid in Capital

The shareholder having direct or indirect control over the shares of the Company is İş Bankası Group having 87.60% of outstanding shares. As of December 31, 2024, and 2023, the shareholding structure of the Company is presented below:

	31 December 2024		31 December 2023	
Name	Shareholding amount (TL)	Shareholding rate (%)	Shareholding amount (TL)	Shareholding rate (%)
Türkiye İş Bankası A.Ş.	578.177.926	87,60	578.177.926	87,60
Axa Hayat ve Emeklilik A.Ş.	38.809.894	5,88	38.809.894	5,88
Ankara Doğal Elektrik Üretim ve Ticaret A.Ş.	22.240.456	3,37	22.240.456	3,37
T.C. Ziraat Bankası A.Ş.	16.430.944	2,49	16.430.944	2,49
Other	4.340.780	0,66	4.340.780	0,66
Paid in capital	**660.000.000**	**100,00**	**660.000.000**	**100,00**

As of December 31, 2024, the issued share capital of the Group is TL 660.000.000 (December 31, 2023: TL 660.000.000) and the share capital of the Group consists of 66.000.000.000 (December 31, 2023: 66.000.000.000 shares) issued shares with TL 0,01 nominal value each. There are no privileges over the shares of the Group.

There are not any treasury shares held by the Group itself or by its subsidiaries or associates.

There are not any treasury shares issued which will be subject to sale in accordance with forward transactions and contracts.

Equity method consolidation

Anadolu Hayat, in which the Group holds a 21.00% stake (effective share: 12.46%), was consolidated according to the equity method as of December 31, 2024 and December 31, 2023 in the accompanying financial statements.

Legal Reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the entity's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the entity's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital but may be used to absorb losses in the event that the general reserve is exhausted.

The movements of legal reserves are as follows:

	31 December 2024	31 December2023
Legal reserves at the beginning of the period	**312.168.254**	**261.812.474**
Transfer from profit	12.643.323	50.355.780
Legal reserves at the end of the period	**324.811.577**	**312.168.254**

As of December 31, 2024, and 2023, "Other Reserves and Retained Earnings" includes extraordinary reserves, sales profits to be capitalized and buildings for own use revaluation differences.

(Currency: Turkish Lira (TL))

As at December 31, 2024 and 2023, "Other Reserves and Retained Earnings" are detailed as below:

	31 December 2024	31 December 2023
Other profit reserves	(67.450.563)	4.321.447
Extraordinary reserves	4.518.846.761	1.448.635.062
Other capital reserves	1.299.765.489	1.211.581.405
Sales profits to be capitalized	42.921.312	42.921.312
Other earnings and losses	(29.284.720)	(21.271.539)
Subsidiary capital correction	(71.060.154)	(71.060.154)
Private funds	330.452.130	184.820.637
Total	**6.024.190.255**	**2.799.948.170**

Other capital reserves

According to TAS 16 - "Property Plant and Equipment", property, plant and equipment are initially recorded at cost and can be subsequently measured at their fair values. The Company has started to show based on the revaluation model by measuring over fair value as of the third quarter of 2015 by making changes in the use of the property which is measuring the cost model in the financial statements before.

In accordance with tax legislation, 75% of profits from sales of participation shares and 25% of profits from sales real estates included in the assets of companies is exempt from corporate tax, provided that it is classified under a special fund for full five years. The exempt gains cannot be transferred to another account other than a capital increase or cannot be withdrawn from the entity for five years.

In according to expertise reports, fair value of property for use is calculated as TL 1.459.750.000 and revaluation differences amounting to TL 1.447.902.359 is recognized in 'Other Capital Reserves' account under equity as TL 1.122.124.328 with net tax effect in financial statements As of December 31, 2024 (December 31, 2023: 1.122.124.328 TL). Additionally, as of December 2024, the investment properties of the Company's subsidiary, Miltaş Turizm A.Ş., have been valued based on appraisal reports prepared by independent professional valuers authorized by the Capital Markets Board. The increase in value has been recognized in the accounts of other reserves as 57.089.671 TL, net of tax effects (December 31, 2023: None). As of December 31, 2024, the amount recognized in other capital reserves as a result of the consolidation of the subsidiary Anadolu Sigorta is 120.551.490 TL (December 31, 2023: 89.457.077 TL).

Extraordinary reserves

The movement of extraordinary reserves is as follows:

	31 December 2024	31 December 2023
Extraordinary reserves at the beginning of the period	**1.448.635.062**	**1.055.949.776**
Transfer from profit	3.070.211.699	392.685.286
Extraordinary reserves at the end of the period	**4.518.846.761**	**1.448.635.062**

Subsidiary capital correction

On September 30, 2010, the Company purchased 35.53% shares of Anadolu Sigorta Anonim Şirketi with nominal value of TL 177.650.110 from İş Bankası amounting to TL 248.710.154. As Anadolu Sigorta and the Company are under common control and when information transfer and structure is considered, Anadolu Sigorta is accepted as a part of the Company's operations. This subsidiary under common control is recorded at cost in the financial statements. In the business combination of subsidiary under common control, the purchasing Company is not obliged to, but has the permission to reflect the effects of business combination the prior year financial statements. In business combinations under common control, shares are transferred from one Company to the other in the same group and independent third parties are not included in the transaction and purchasing price is not determined on fair value, the application is determined by the management's decision. The Company management decided not to reflect the effects of the business combination in the comparative financial statements. The difference between purchase price and net asset value amounting to TL (71.060.154), is recorded under "Subsidiary Capital Correction" account under equity.

(Currency: Turkish Lira (TL))

Special funds (reserves)

As of December 31, 2024, no additional funds have been allocated for the purchase of venture capital investment fund shares from the net profit of the year 2023, in accordance with Article 325/A of the Tax Procedure Law and Article 10 of the Corporate Tax Law. (December 31, 2023: 38.123.053 TL). The amount of special funds (reserves) from subsidiaries and associates is 241.519.108 TL (December 31, 2023: 95.887.615 TL).

The movements of special funds are as follows:

	31 December 2024	31 December 2023
Special funds at the beginning of the period	**184.820.637**	**117.937.781**
Transfer from profit venture capital investment fund	-	38.123.053
Subsidiary and Associate Shares	145.631.493	28.759.803
Special funds at the end of the period	**330.452.130**	**184.820.637**

Other profit reserves

In accordance with TMS 19, the actuarial gains and losses previously recognized in the income statement for the provision for severance pay have been accounted for in the financial statements of the current period under equity in the "Other Reserves" account. In the calculation of the severance pay provision as of December 31, 2024, negative actuarial calculations amounting to (29.284.720) TL (December 31, 2023: (21.271.539) TL) have been presented in the "Other Reserves" account. As of December 31, 2024, the amount of other reserves from subsidiaries and associates is (67.450.563) TL (December 31, 2023: 4.321.447 TL).

Profit for the period that is extraneous from the distribution

As of May 27, 2024, an amount of 6.572.222 TL resulting from the 25% exemption on the gain from the real estate sale conducted by the Company has been recorded under equity in the account titled "Undistributed Period Profit."

Statutory reserves

After the allocation of first legal reserves and first dividend to shareholders, reserve for natural disasters and catastrophe might be allocated, if deemed necessary, based on the suggestion of the Board of Directors and decision of the General Assembly. As of December 31, 2024, there are no funds allocated in this manner (December 31, 2023: None) As of December 31, 2024, the amount of statutory reserves from subsidiaries and associates is 572.615.467 TL (December 31, 2023: 183.984.605 TL).

Foreign currency translation differences

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. As of December 31, 2024, foreign currency translation loss amounting to TL 358.446.598 (December 31, 2023: TL 254.517.245) stems from Singapore Branch whose functional currency is US Dollars.

Valuation of financial assets

As of December 31, 2024, and 2023, changes in fair values that stem from securities classified as available for sale financial assets that present share in capital and associates are detailed as below:

	31 December 2024	31 December 2023
Fair value reserves at the beginning of the period	**1.576.301.376**	**775.959.402**
Change in the fair value during the period (Note 4.2)	(418.012.740)	2.195.343.876
Deferred tax effect (Note 4.2)	185.728.711	(153.498.890)
Net gains transferred to the statement of income (Note 4.2)	743.841.944	(1.773.575.731)
Deferred tax effect (Note 4.2)	(223.152.583)	532.072.719
Fair value reserves at the end of the period	**1.864.706.708**	**1.576.301.376**

The financial asset valuation item includes the share of the parent company's stake in the financial asset valuation amount of the associate accounted for using the equity method.

(Currency: Turkish Lira (TL))

16 Other reserves and equity component of discretionary participation

As of December 31, 2024, and 2023, other reserves are explained in detail in Note 15 - Equity above.

As of December 31, 2024, and 2023, the Group does not hold any insurance or investment contracts which contain a DPF.

17 Insurance contract liabilities and reinsurance assets

Estimation of the ultimate payment for the outstanding claims is one of the most important accounting assumptions of the Company. Estimation of the insurance contract liabilities contains several ambiguities by nature. The Company makes calculation of the related insurance technical provisions accordance with the Insurance Legislation and reflects them into consolidated financial statements as mentioned in Note 2 - Summary of significant accounting policies.

As of December 31, 2024, and 2023 technical reserves of the Group' are as follows:

	31 December 2024	31 December 2023
Unearned premiums reserves, gross	42.115.799.388	28.701.633.588
Unearned premiums reserves, ceded (Note 10)	(6.186.511.289)	(4.797.310.036)
Unearned premiums reserves, SSI share	(546.873.221)	(343.265.174)
Unearned premiums reserves, net	**35.382.414.878**	**23.561.058.378**
Outstanding claims reserve, gross	40.588.786.607	37.463.982.203
Outstanding claims reserve, ceded (Note 10)	(11.481.005.211)	(16.122.814.162)
Outstanding claims reserve, net	**29.107.781.396**	**21.341.168.041**
Unexpired risk reserves	1.954.371.200	2.275.520.482
Unexpired risk reserves, ceded	(196.764.827)	(513.212.022)
Unexpired risk reserves, net	**1.757.606.373**	**1.762.308.460**
Equalization reserves, net	1.536.763.784	863.671.776
Other technical reserves, net	**1.536.763.784**	**863.671.776**
Total technical reserves, net et	**67.784.566.431**	**47.528.206.655**
Short Term	66.245.191.436	46.660.903.986
Long Term	1.539.374.995	867.302.669
Total technical reserves, net	**67.784.566.431**	**47.528.206.655**

(Currency: Turkish Lira (TL))

As of December 31, 2024, and 2023, movements of the insurance liabilities and related reinsurance assets are presented below:

	31 December 2024			
Unearned premiums reserve	**Gross**	**Ceded**	**SSI Share**	**Net**
Unearned premiums reserve at the beginning of the period	28.701.633.588	(4.797.310.036)	(343.265.174)	23.561.058.378
Written premiums during the period	82.634.133.111	(20.350.894.270)	(901.370.600)	61.381.868.241
Earned premiums during the period	(69.219.967.311)	18.961.693.017	697.762.553	(49.560.511.741)
Unearned premiums reserve at the end of the period	**42.115.799.388**	**(6.186.511.289)**	**(546.873.221)**	**35.382.414.878**

	31 December 2023			
Unearned premiums reserve	**Gross**	**Ceded**	**SSI Share**	**Net**
Unearned premiums reserve at the beginning of the period	15.226.687.322	(2.523.561.505)	(265.022.490)	12.438.103.327
Written premiums during the period	53.164.163.951	(12.109.441.785)	(579.640.598)	40.475.081.568
Earned premiums during the period	(39.689.217.685)	9.835.693.254	501.397.914	(29.352.126.517)
Unearned premiums reserve at the end of the period	**28.701.633.588**	**(4.797.310.036)**	**(343.265.174)**	**23.561.058.378**

	31 December 2024		
Outstanding claims reserves	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	37.463.982.203	(16.122.814.162)	21.341.168.041
Claims reported during the period and changes in the estimations of outstanding claims reserves provided at the beginning of the period	45.403.132.760	(6.400.571.908)	39.002.560.852
Claims paid during the period	(42.278.328.356)	11.042.380.859	(31.235.947.497)
Outstanding claims reserve at the end of the period	**40.588.786.607**	**(11.481.005.211)**	**29.107.781.396**

	31 December 2023		
Outstanding claims reserves	**Gross**	**Ceded**	**Net**
Outstanding claims reserve at the beginning of the period	17.762.063.356	(4.562.215.886)	13.199.847.470
Claims reported during the period and changes in the estimations of outstanding claims reserves provided at the beginning of the period	57.783.969.192	(29.960.202.982)	27.823.766.210
Claims paid during the period	(38.082.050.345)	18.399.604.706	(19.682.445.639)
Outstanding claims reserve at the end of the period	**37.463.982.203**	**(16.122.814.162)**	**21.341.168.041**

Claims Development Table for the Subsidiary Anadolu Sigorta

The main assumption used in estimating the provision for outstanding claims is Anadolu Sigorta's previous experience of loss development. The Company management uses its own judgments in determining how external factors such as legal decisions or changes in laws will affect the outstanding claim provision. The sensitivity of some variables, such as legal changes and uncertainties in the estimation process, is not measurable. In addition, long delays between the occurrence of the damage and the time the payment is made prevent the precise determination of the provision for outstanding claims as of the end of the reporting period. Therefore, the total liabilities may change depending on the subsequent developments and the differences resulting from the re-estimation of the total liabilities are reflected in the financial statements in the following periods.

(Currency: Turkish Lira (TL))

The evolution of insurance liabilities makes it possible to measure Anadolu Sigorta's performance in estimating its total claim liabilities. The figures shown at the top of the tables below show the change in Anadolu Sigorta's total claims estimates in subsequent years, starting from the years in which the claims occurred. The figures shown at the bottom of the tables give the reconciliation of the total liabilities with the outstanding claims provisions shown in the consolidated financial statements..

31 December 2024						
Year of claim	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Year of claim	3.497.611.108	5.125.555.248	10.580.040.144	33.185.638.925	34.997.157.237	87.386.002.662
1 year later	4.034.236.925	6.161.274.125	12.992.466.462	35.198.738.990	-	58.386.716.502
2 year later	4.294.257.071	6.762.222.372	13.846.616.270	-	-	24.903.095.713
3 year later	4.593.164.576	7.265.735.792	-	-	-	11.858.900.368
4 year later	5.332.400.356	-	-	-	-	5.332.400.356
Current estimate of claim	5.332.400.356	7.265.735.792	13.846.616.270	35.198.738.990	34.997.157.237	96.640.648.645
The total made to date is	3.648.563.955	5.954.412.929	11.350.364.770	30.185.996.476	20.202.224.212	71.341.562.342
The total amount in the financial statements	1.683.836.401	1.311.322.863	2.496.251.500	5.012.742.514	14.794.933.026	25.299.086.304
Financial statements related to 2015 and before						4.999.834.575
Total gross outstanding compensation shown in the period-end financial statements						**30.298.920.879**

31 December2023						
Year of claim	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Year of claim	3.084.992.257	3.495.603.368	5.217.227.738	10.924.622.868	38.693.556.119	61.416.002.350
1 year later	3.263.577.298	4.011.075.019	6.241.608.392	13.376.826.698	-	26.893.087.407
2 year later	3.382.129.581	4.259.781.610	6.726.519.251	-	-	14.368.430.442
3 year later	3.504.278.805	4.541.680.778	-	-	-	8.045.959.583
4 year later	3.742.785.611	-	-	-	-	3.742.785.611
Current estimate of claim	3.742.785.611	4.541.680.778	6.726.519.251	13.376.826.698	38.693.556.119	67.081.368.457
The total made to date is	3.017.796.412	3.422.653.430	5.548.562.331	10.306.549.987	20.697.020.766	42.992.582.926
The total amount in the financial statements	724.989.199	1.119.027.348	1.177.956.921	3.070.276.711	17.996.535.352	24.088.785.531
Financial statements related to 2015 and before						3.711.224.569
Total gross outstanding compensation shown in the period-end financial statements						**27.800.010.100**

(Currency: Turkish Lira (TL))

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

As the Company is a reinsurance company, there is not any guarantee that should be placed. The details given below are the amounts of guarantees for subsidiary Anadolu Sigorta A.Ş.

	31 December 2024		
	Should be placed(*)	Placed	Book value
Non-life:			
Financial Assets		2.479.382.243	2.479.382.243
Bank deposits (Note 14)		4.291.084.005	4.291.084.005
Total	**5.609.154.232**	**6.770.466.248**	**6.770.466.248**

	31 December 2023		
	Should be placed(*)	Placed	Book value
Non-life:			
Financial Assets		2.631.289.711	2.631.289.711
Bank deposits (Note 14)		1.363.261.798	1.363.261.798
Total	**2.911.831.817**	**3.994.551.509**	**3.994.551.509**

(*) "According to the 7th article of the "Circular Related to the Financial Structure of Insurance, Reinsurance, and Private Pension Companies" which regulates necessary guarantee amount, minimum guarantee fund for capital adequacy calculation period will be provided as a guarantee in two months following the calculation period. According to "Regulations Regarding to Capital Adequacy Measurement and Assessment of Insurance, Reinsurance, and Private Pension Companies", companies must prepare their capital adequacy tables twice in a financial year at June and December periods and must sent capital adequacy tables to the Insurance and Private Pension Regulation and Supervisory Agency within two months.

Total amount of insurance risk on a branch basis

Total amount of insurance risk on branch basis for non-life insurance branch is not kept by the Group.

Group's number of life insurance policies, additions, disposals during the year and the related mathematical reserves

None.

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

None.

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

None.

Pension investment funds established by the Group and their unit prices

None.

Number and amount of participation certificates in portfolio and circulation

None.

Portfolio amounts in terms of number of new participants, left or cancelled participants, and existing participants for individuals and groups

None.

Valuation methods used in profit share calculation for saving life contracts with profit sharing

None.

(Currency: Turkish Lira (TL))

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups

None.

Distribution of new participants in terms of their numbers and gross and net contributions for individuals and groups which were transferred from other insurance companies during the year

None.

Distribution of individual and group participants and their gross and net contributions which were transferred from life insurance portfolio to private pension portfolio during the year

None.

Distribution of individual and group participants which were cancelled or transferred to other insurance companies in terms of their numbers and gross and net contributions

None.

Profit share distribution rate of life insurances

None.

Deferred commission expenses

The Group capitalizes commissions paid to the intermediaries related to policy production under short-term and long-term prepaid expenses. As of December 31, 2024, short-term prepaid expenses amounting to TL 6.589.128.692 (December 31, 2023: TL 4.280.311.026) consist of deferred acquisition cost; deferred commission expenses amounting to TL 5.846.749.921 (December 31, 2023: TL 4.092.824.404) and other prepaid expenses amounting to TL 742.378.771 (December 31, 2023: TL 187.486.622). Long-term prepaid expenses amounting TL 99.400.742 (December 31, 2023: TL 2.160.700) are composed of other prepaid expenses.

The movement of deferred production commissions for the accounting periods ending on 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Deferred commission expenses at the beginning of the period	4.092.824.404	2.168.689.800
Commissions accrued during the period (Note 32)	12.193.172.050	7.988.344.380
Commissions expensed during the period	(10.439.246.533)	(6.064.209.776)
Deferred commission expenses at the end of the period (*)	**5.846.749.921**	**4.092.824.404**

Individual pension funds

None.

18 Investment contract liabilities

None.

(Currency: Turkish Lira (TL))

19 Trade and other payables and deferred income

	31 December 2024	31 December 2023
Financial payables	230.916.234	144.295.014
Payables from main operations	8.681.517.422	6.084.118.206
Other payables	1.077.319.956	668.894.604
Short/long term deferred income and expense accruals	2.687.096.331	1.155.454.167
Taxes and other liabilities and similar obligations	1.811.692.682	800.540.106
Due to related parties *(Note 45)*	13.571.284	2.085.823
Total	**14.502.113.909**	**8.855.387.920**
Short-term liabilities	14.333.920.112	8.743.478.258
Long-term liabilities	168.193.797	111.909.662
Total	**14.502.113.909**	**8.855.387.920**

As of December 31, 2024, other payables amounting to TL 680.330.916 (December 31, 2023: TL 422.666.002) Tarsim and DASK and outsourced benefits and services

Payables arising from main operations of the Group As of December 31, 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Payables to reinsurance companies *(Note 10)*	5.357.534.158	4.326.819.769
Payables to agencies, brokers and intermediaries	775.879.985	507.154.918
Cash deposited by insurance and reinsurance companies	391.375.001	154.050.372
Total payables arising from reinsurance and insurance operations	**6.524.789.144**	**4.988.025.059**
Claims provision account for health branch	1.107.418.879	519.808.849
Payables to Contracted Health Institutions	539.739.316	269.625.463
Payables to Contracted Services	423.470.132	256.287.387
Other	86.099.951	50.371.448
Payables arising from other operating activities	**2.156.728.278**	**1.096.093.147**
Payables arising from main operations	**8.681.517.422**	**6.084.118.206**

Corporate tax liabilities and prepaid taxes are disclosed below:

	31 December 2024	31 December 2023
Taxes paid during the period	2.420.699.913	1.445.375.643
Corporate tax liabilities	(3.278.435.206)	(1.664.485.864)
Corporate tax assets, net	**(857.735.293)**	**(219.110.221)**

20 Financial liabilities

	31 December 2024	31 December 2023
Payables from Leases *(Not 34)* (*)	230.916.234	144.295.014
Short-term	*62.761.317*	*32.390.854*
Long-term	*168.154.917*	*111.904.160*
Total	**230.916.234**	**144.295.014**

(*) As of December 31, 2024, the Group's payables from Leases are explained in the *Note 34 - Financial Costs.*

(Currency: Turkish Lira (TL))

21 Deferred taxes

As of December 31, 2024, and 2023, deferred tax assets and liabilities are attributable to the following:

	31 December 2024	31 December 2023
	Deferred tax assets/(liabilities)	Deferred tax assets/(liabilities)
Valuation of real estate	(1.499.987.932)	(1.043.673.541)
Insurance Provisions	648.557.320	607.919.851
Non-Technical Provisions	600.241.862	301.399.247
Other, net	(12.758.258)	(11.712.349)
Deferred tax assets/(liabilities), net	**(263.947.008)**	**(146.066.792)**

As of December 31, 2024, the Group has a total deductible financial loss of 3.786.091.162 TL, of which 1.921.745.145 TL can be utilized by December 31, 2029, 1.119.422.941 TL by December 31, 2028, and 744.923.076 TL by December 31, 2027 (December 31, 2023: 1.864.346.017 TL).The Group reviewed the business plan as of December 31, 2024 and estimated the risk of not being able to use the financial losses, which can be deducted in the coming years, and as of December 31, 2024, no deferred tax was calculated on the aforementioned accumulated financial losses with the precautionary principle.

Movement of deferred tax assets as of December 31, 2024 and 2023 are given below:

	2024	2023
Opening balance at January 1	**(146.066.792)**	**15.816.260**
Recognized in profit or loss	(155.885.646)	263.997.271
Recognized in equity	205.661.586	(357.343.239)
Cancellation corporate tax provision(*)	(167.656.156)	(68.537.084)
Closing balance at December 31	**(263.947.008)**	**(146.066.792)**

22 Retirement benefit obligations

Employees of the company, "Milli Reasürans Türk Anonim Şirketi Retirement and Health Fund Foundation" ("Fund"), which was established based on the Temporary Article 20 of the Social Insurance Law No. 506, and Anadolu Sigorta employees, "Anadolu Anonim Türk Anonim Türk AŞ. a member of the Insurance Company Officers Pension Fund.

Following annulment of the temporary Article 23 of the Banking Law, the new law "Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees" was published in the Official Gazette dated May 8, 2008 and came into force. The new law requires transfer of the participants or beneficiaries of pension funds to Social Security Institution as at the effective date of the Act within 3 years and prescribe the extension period of the transfer as maximum of two years upon the order of the Cabinet. Accordingly, the three-year period expired on May 8, 2011 was extended to the May 8, 2013. On March 8, 2012, "Amendments to the Social Security and General Health Insurance Act Including Certain Laws and Decrees" numbered 28227, was published on Official Gazette and 4th article of this act changed "two years" phrase as "four years" which takes part on second sentence of first clause of 20th article of the code numbered 5510. Also, under the scope of Decree of the Council of Ministers numbered 2013/4617 was published on Official Gazette numbered 28636, on May 3, 2013 and 20th temporary article of the Social Security Laws numbered 506 banks, insurance and reinsurance companies, chambers of commerce, stock markets or participants of pension funds and salary or income provided ones and their shareholders' transfer duration has been extended one year to the Social Security Institution by Decree of the Council of Ministers.

"Council of minister is entitled to determine the Social Security Intuition's turnover date for banks, assurance and reinsurance companies, chamber of commerce and industry, stock markets or pension fund' partnerships that is constituted by them for union employees along with monthly income endowed people and their rights holder within the scope of 506 numbered law' provisional 20. Article. Pension fund contributors as of the transfer date and considered insured by the first paragraph of Article 4 of this law.

(Currency: Turkish Lira (TL))

Finally, Article 51 of the Law on the Amendment of the Occupational Health and Safety Law and Some Laws and Decrees, published in the Official Gazette dated April 23, 2015, and the first paragraph of the provisional article 20 of the Law No. 5510 have been amended as follows.

"The participants of the funds established for the personnel of banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, stock exchanges or their unions within the scope of the temporary article 20 of the Law No. The Council of Ministers is authorized to determine As of the transfer date, the participants of the ballot box are deemed to be insured within the scope of subparagraph (a) of the first paragraph of Article 4 of this Law.

In accordance with the Act, as of the transfer date, present value of the liabilities will be determined by considering the income and expense of the pension fund.

As per the temporary sub article No: 20 of the Article 73 of the above mentioned law also includes the following:

a) technical deficit rate of 9.8% shall be used in the actuarial calculation of the value in cash, and
b) uncovered other rights and compensations of participants or beneficiaries of pension funds should be covered by the entities who transfer the funds.

In accordance with the law; after fund affiliates along with monthly salary and/or revenue endowed people and their rights holder transfer to Social Security Intuition, these people' uncovered social rights and payments is paid, even if it is written in the foundation's obligation which they are belong to, by funds and fund affiliate's employer institutions.

The benefits stated in the settlement deeds of pension fund but not subject to transfer will continue to be covered by the pension funds.

The technical financial position of the Milli Reasürans Pension Fund is audited by the registered actuary in accordance with the Article 21 of the Insurance Law and Actuary Act. As per the calculations based on the above mentioned assumptions, actuarial and technical deficit amounting to TL 654.542.421 (December 31, 2023: TL 339.283.006) is accounted as "Provision for pension fund deficits" in the accompanying consolidated financial statements.

An actuarial report has been obtained from registered actuary regarding calculation of the amount to be paid to the Social Security Institution by the Company in accordance with the new law. The CSO 1980 mortality table for December 31, 2024 9.8% of technical deficit interest rate are taken into account in the calculation of the said technical deficit. No real increase/decrease is anticipated in salary and health expenses. The health benefits to be paid will be considered by the Group management due to the changes in the Social Security Institution legislation and other regulations. At December 31, 2024 and 2023, technical deficit from pension funds comprised the following.

	31 December 2024	31 December 2023
Net present value of total liabilities other than health	(1.318.482.732)	(852.626.284)
Net present value of insurance premiums	466.569.320	345.969.987
Net present value of total liabilities other than health	**(851.913.412)**	**(506.656.297)**
Net present value of health liabilities	(191.390.413)	(106.904.194)
Net present value of health premiums	291.491.390	189.967.585
Net present value of health liabilities	**100.100.977**	**83.063.391**
Fund Retirement Bonus Provision	**(39.153.892)**	**-**
Pension fund assets	**136.423.906**	**84.309.900**
Amount of actuarial and technical deficit	**(654.542.421)**	**(339.283.006)**

(Currency: Turkish Lira (TL))

Pension fund assets are comprised of the following items.

	31 December 2024	31 December 2023
Cash and cash equivalents	23.352	4.864.338
Associates	117.874.690	68.043.220
Other	18.525.864	11.402.342
Total plan assets	**136.423.906**	**84.309.900**

The employees of Anadolu Sigorta, a subsidiary of the Company, are members of the "Anadolu Anonim Türk Sigorta Şirketi Memurları Emekli Sandığı," established based on the temporary Article 20 of the Social Security Law No. 506. According to the technical balance sheet reports prepared in accordance with Law No. 5754 published in the Official Gazette dated May 8, 2008, which utilizes a technical interest rate of 9.80%, it has been reported that there is no technical deficit for the Fund as of December 31, 2024, and 2023.

	31 December 2024	31 December 2023
Foundation's Assets (*)	3.097.029.989	1.770.946.616
Employees' Contribution Shares	6.762.981.924	2.971.370.711
Total Assets	**9.860.011.913**	**4.742.317.327**
Total Present Values of Retirement Pensions	4.210.428.513	2.449.052.090
Total Present Values of Administrative Expenses	3.381.491	1.485.685
Total Present Values of Health Benefits	658.641.091	511.777.764
Total Liabilities	**4.872.451.095**	**2.962.315.539**
Actual and Technical Surplus Amount (**)	**4.987.560.818**	**1.780.001.788**

(*) *The fair values of the assets have been considered.*

(**) *Since the definitive report has not been prepared, the figures in the table may vary.*

23 Provision for other liabilities and expense accruals

As of December 31, 2023, and 2022, the provisions for other risks are disclosed as follows:

	31 December 2024	31 December 2023
Provision for pension fund deficits *(Note 22)*	654.542.421	339.283.006
Provision for employee termination benefits	216.432.709	160.676.648
Provision for unused vacation pay liability	45.871.704	22.210.647
Total provision for other risks	**916.846.834**	**522.170.301**

Movement of provision for employee termination benefits during the period is presented below:

	31 December 2024	31 December 2023
Provision at the beginning of the period	160.676.648	135.521.632
Interest cost *(Note 47)*	42.170.712	30.475.630
Service cost *(Note 47)*	6.614.516	9.211.044
Payments during the period *(Note 47)*	(112.723.020)	(69.458.210)
Actuarial loss	119.693.853	54.926.552
Provision at the end of the period	**216.432.709**	**160.676.648**

(Currency: Turkish Lira (TL))

24 Net insurance premium revenue

Net insurance premium revenues, categorized by non-life and life branches, are included in the consolidated income statement.

25 Fee revenue

None.

26 Investment income

Investment income is presented in Note 4.2 - *Financial risk management*.

27 Net income accrual on financial asset

Net realized gains on financial assets are presented in Note 4.2 - *Financial risk management*.

28 Assets held at fair value through profit or loss

Presented in "*Note 4.2* - Financial Risk Management".

29 Insurance rights and claims

	1 January - 31 December 2024	1 January - 31 December 2023
Claims paid, net off reinsurers' share	(31.235.947.496)	(19.682.445.639)
Changes in outstanding claims reserves, net off reinsurers' share	(7.766.613.356)	(8.141.320.571)
Changes in unearned premium reserves, net off reinsurers' share	(11.821.356.499)	(11.122.955.053)
Change in equalization reserves	(673.092.006)	54.664.362
Changes in unexpired risks reserves, net off reinsurers' share	4.702.088	(943.812.421)
Total	**(51.492.307.269)**	**(39.835.869.322)**

30 Investment contract benefits

None.

31 Other expenses

The allocation of the expenses with respect to their nature or function is presented in Note 32 - *Expenses by nature* below.

32 Operating expenses

For the years ended December 31, 2024, and 2023, the operating expenses are disclosed as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Commission expenses *(Note 17)*	10.439.246.533	6.064.209.776
Commissions to the intermediaries accrued during the period (Note 17)	*12.193.172.050*	*7.988.344.380*
Changes in deferred commission expenses (Note 17)	*(1.753.925.517)*	*(1.924.134.604)*
Employee benefit expenses *(Note 33)*	4.589.648.892	1.718.351.422
Technical Operations Foreign Exchange Losses	721.565.504	1.367.257.032
Foreign exchange losses	1.498.876.706	941.357.175
Administration expenses	(1.803.782.792)	(991.873.822)
Commission income from reinsurers *(Note 10)*	*(2.103.396.162)*	*(1.289.418.860)*
Commission income from reinsurers accrued during the period (Note 10)	*299.613.370*	*297.545.038*
Change in deferred commission income (Note 10)	307.744.711	145.187.404
Advertising and marketing expenses	381.004.726	258.372.441
Other	85.730.314	106.409.011
Total	**16.220.034.594**	**9.609.270.439**

(Currency: Turkish Lira (TL))

33 Employee benefit expenses

As of December 31, 2024, and 2023, employee benefit expenses are disclosed as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Wages and salaries	3.438.539.323	1.194.659.462
Employer's share in social security premiums	863.206.018	367.773.413
Pension fund benefits	61.614.975	50.504.823
Other	226.288.576	105.413.724
Total *(Not 32)*	**4.589.648.892**	**1.718.351.422**

34 Financial costs

As of December 31, 2024, interest expense arising from the leases that the Group has subject to TFRS 16 Leasing Standards amounting to TL 43.624.128 (31 December 2023: TL 24.690.351) has accounted under "Investment Management Expenses - Including Interest"; amortization expense amounting to TL 59.322.796 has been accounted under "Depreciation and Amortization Expense" accounts (January 1 - December 31, 2023: TL 31.070.947).

As of December 31, 2023, discounted repayment plans for the Group's operating leases are as follows (December 31, 2023: TL 144.295.014):

	Operating lease repayments -TL
Up to 1 year	62.761.317
1 - 2 years	57.170.391
2 - 3 years	51.192.877
3 - 4 years	59.791.649
Total	**230.916.234**

35 Income tax

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

	1 January - 31 December 2024	1 January - 31 December 2023
Current tax expense provision:		
Corporate tax provision	(3.278.435.206)	(1.664.485.864)
Deferred taxes:		
Origination and reversal of temporary differences	(155.885.646)	263.997.271
Total income tax expense/(income)	**(3.434.320.852)**	**(1.400.488.593)**

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 Group's effective income tax rate for the year ended December 31, 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
Profit before taxes	**14.084.376.829**	**Tax rate(%)**	**7.755.915.413**	**Tax rate (%)**
Taxes on income per statutory tax rate	4.225.313.048	30,00	2.326.774.624	30,00
Effect of change in tax rate	-	-	100.189.368	1,29
Tax exempt income	(1.746.602.616)	(12,4)	(1.236.907.482)	(15,95)
Non-deductible expenses	955.610.420	6,79	210.432.083	2,71
Total tax expense recognized in consolidated profit or loss	**3.434.320.852**	**24,39**	**1.400.488.593**	**18,06**

(Currency: Turkish Lira (TL))

36 Net foreign exchange gains

Net foreign exchange gains are presented in Note 4.2 - *Financial Risk Management* above.

37 Earnings per share

Earnings per share are calculated by dividing Group's net profit of the year to the weighted average number of shares.

	31 December 2024	31 December 2023
Net profit/loss for the period	10.650.055.977	6.355.426.820
Weighted average number of shares	66.000.000.000	66.000.000.000
Earnings/losses per share (TL)	0,16136	0,09629

38 Dividends per share

Dividend distribution policy of the Company stated its Articles of Association are as follows:

Net profit for the year presents remaining amount of total income of the year after deducting operating expenses, amortisation, provisions, taxes and other similar obligations and prior year losses if any. Net profit is divided and distributed in accordance with order as follows.

- 5% of legal reserve is divided from annual net profit, until it reaches 20% of share capital.
- Amounts described by a and b clauses of 2nd paragraph of 519th article of the Turkish Commercial Law will be added to general legal reserves, after legal limit is reached.
- 10% of the remaining net profit amount is distributed to shareholders, as first dividend.
- If the Company has acquired his share, according to 520th article of the Turkish Commercial Law, legal reserve is divided to meet the acquiring amount.
- Reserve for natural disasters and catastrophe might be allocated, if deemed necessary, based on the suggestion of the Board of Directors and decision of the General Assembly,
- After the allocation of first legal reserves, first dividend to shareholders and statutory reserves, up to 3% of the remaining amount not exceeding three-wages is distributed to personnel.
- After the allocation of above mentioned reserves and dividends, second dividend to shareholders might be allocated, based on the suggestion of the Board of Directors and decision of the General Assembly.
- According to c clause of 2nd paragraph of 519th article of the Turkish Commercial Law, 10% of total amount distributed to people have share of profit will be added to general legal reserves.
- The fate of remaining amount will be determined by the General Assembly.

Judgements of 3rd paragraph of 519th article of Turkish Commercial Law are reserved.

Other legal reserves cannot be divided, profit cannot be transferred to next year and share of profit cannot be distributed to workers, unless legal reserves have to be divided according to laws and first dividend for shareholders is divided, in accordance with the Articles of Association.

It is decided in Ordinary General Assembly Meeting of the Company, held on March 27, 2024, not to make a dividend payment. It has been decided to retain the consolidated net profit for the year 2023, amounting to 3,629,008,053 TL, as prior year earnings.

39 Cash generated from operations

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

40 Convertible bond

None.

41 Redeemable preference shares

None.

42 Risks

In the normal course of its operations, the Group is exposed to legal disputes, claims and challenges, which mainly stem from its insurance operations. The necessary income/expense accruals for the revocable cases against/on behalf of the Group are provided under outstanding claims reserves in the accompanying consolidated financial statements.

(Currency: Turkish Lira (TL))

As of December 31, 2024, the total amount of lawsuits filed against the Company is 243,427 TL.

As of December 31,2023, total amount of the claims that the Group face is TL 8.050.124.000 in gross (December 31, 2022: TL 5.061.397.932). In accordance with the relevant legislation, a provision for incurred but not reported claims amounting to 6,877,845,645 TL has been set aside as collateral for the lawsuits filed against the Company.

43 Commitments

Details of the guarantees given by the Group in non-life insurance branches are shown in Note 17.

44 Business combinations

None.

45 Related party transactions

For the purpose of the accompanying consolidated financial statements, shareholders, key management and members of board of directors together with their families and companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties.

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

	31 December 2024	31 December 2023
Türkiye İş Bankası A.Ş.	11.594.272.458	2.942.970.918
Banks	**11.594.272.458**	**2.942.970.918**
Mutual funds founded by İş Portföy Yönetimi A.Ş.	13.704.638.359	6.823.264.826
Related party stocks	785.142.798	424.203.903
Bonds issued by Türkiye Şişe ve Cam Fabrikaları A.Ş	108.640.500	-
Bonds issued by İş Faktoring A.Ş.	231.003.852	-
Bonds issued by İş Gayrimenkul Yatırım Ortaklığı A.Ş.	21.715.200	-
Mutual funds issued by Maxis Private Equity Portfolio Management A.Ş.	681.113.662	272.266.249
Turkey Is Bank Currency Protected Deposit	266.403.595	1.149.892.248
Bonds issued by Türkiye İş Bankası	165.457.600	90.242.836
Eurobonds issued by Türkiye Sınai Kalkınma Bankası A.Ş.	-	60.424.849
Eurobonds issued by Türkiye İş Bankası A.Ş.	-	149.060.326
Financial Assets (Not 11)	**15.964.115.566**	**8.969.355.237**
Türkiye İş Bankası A.Ş.	2.319.684.264	1.456.459.737
Türkiye Sigorta A.Ş	358.710.042	218.896.210
Other	81.330.204	48.215.220
Receivables from main operations	**2.759.724.510**	**1.723.571.167**
Türkiye İş Bankası A.Ş.	129.182.425	94.661.046
Other	24.910.914	42.353.337
Payables from main operations	**154.093.339**	**137.014.383**
Payables to personnel	11.094.492	1.830.978
Payables to partners	193.699	193.699
Payables to other related parties	2.283.093	61.146
Due to related parties	**13.571.284**	**2.085.823**

(Currency: Turkish Lira (TL))

No guarantees have been taken against receivables from related parties.

There are no doubtful receivables and payables from/to shareholders, subsidiaries and joint ventures.

There are no guarantees, commitments, guarantee letters, advances and endorsements given in favor of shareholders, associates and subsidiaries.

The transactions with related parties during the years ended December 31, 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Türkiye İş Bankası A.Ş.	9.837.978.292	5.987.016.099
Türkiye Sigorta A.Ş	3.264.689.468	1.944.238.094
Other	306.114.215	302.887.361
Premium received	**13.408.781.975**	**8.234.141.554**
Premiums ceded	**5.567.184**	**2.216**
Commissions received	**551.983**	**9.843**
Türkiye İş Bankası A.Ş.	990.164.155	594.443.143
Türkiye Sigorta A.Ş	752.749.265	508.623.153
Anadolu Hayat Emeklilik A.Ş.	27.237.434	1.678.309
Other	11.469.133	44.356.441
Commissions given	**1.781.619.987**	**1.149.101.046**
Türkiye Sigorta A.Ş	1.219.100.842	2.039.327.587
Axa Sigorta A.Ş.	97.883.162	198.278.249
Other	57.824.612	28.098.188
Claims Paid	**1.374.808.616**	**2.265.704.024**
Reinsurer share in paid claims	**1.444.992**	**5.661.194**
Türkiye Sigorta A.Ş	15.012.056	24.943.112
Other	(1.022.723)	6.724.029
Other income	**13.989.333**	**31.667.141**
İş Merkezleri Yönetim ve İşletim A.Ş. - building service expense	53.406.496	25.997.630
Yatırım Finansman Menkul Değerler - performance commission	2.890.420	-
Türkiye Sigorta A.Ş	8.918.593	2.269.317
Other	6.198.191	34.839.334
Other expenses	**71.413.700**	**63.106.281**

46 Subsequent events

The Group has reached an agreement with the buyer regarding the sale of its investment property located at Tunaman Multi-Storey Parking, valued at 1,548,400,000 TL, as of December 31, 2024. The asset has been accounted for as a non-current asset held for sale in accordance with TFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations." The sale transaction, excluding VAT, was completed on January 17, 2025, for a total sale price of 1,600,000,000 TL (Note 7).

(Currency: Turkish Lira (TL))

47 Other

Items and amounts classified under the “other” account in 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

Other Various Current Assets

	31 December 2024	31 December 2023
Assets Held for Sale (Note 7)	1.548.400.000	-
Other	5.627.100	5.460.017
Total	**1.554.027.100**	**5.460.017**

Other Technical Revenues (Net of Reinsurer’s Share)

	31 December 2024		31 December 2023	
	Life	Non-Life	Life	Non-Life
Foreign Exchange Gains from Technical Operations	467.692	802.411.274	523.687	1.412.868.076
Other	400	126.373.448	-	166.795.451
Total	**468.092**	**928.784.722**	**523.687**	**1.579.663.527**

Other Technical Expenses

In the income statement, the amount of 1,599,282,516 TL included under other technical expenses consists of the following: 692,650,068 TL related to assistance expenses, 594,889,717 TL for bank and credit card commissions, and 311,742,731 TL for other expenses.

Payables to employees and receivables from employees presented under accounts, “other receivables” and “other short or long term payables”, and which have balance more than 1% of the total assets

None.

Subrogation recorded in “Off-Balance Sheet Accounts

None.

Real rights on immovable and their values

None.

Explanatory note for the amounts and nature of previous years’ income and losses

None.

(Currency: Turkish Lira (TL))

As of and for the year ended December 31, 2024 and 2023, details of discount and provision expenses are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Provision expense for doubtful receivables *(Note 4.2)*	(647.088.499)	(361.024.583)
Provision for pension fund deficits *(Note 23)*	(315.259.415)	(104.015.824)
Provision expense for employee termination benefits *(Note 23)*	63.894.943	30.687.577
Provision expenses for unused vacation *(Note 23)*	(23.661.059)	(10.307.744)
Terminated provision income/(expense)	1.013.564	2.722.230
Other provision expenses *(Note 4.2)*	(31.847.483)	5.711.628
Provision expenses	**(952.947.949)**	**(436.226.716)**

	1 January - 31 December 2024	1 January - 31 December 2023
Rediscount income/(expense) from main operations receivables	(1.149.018.628)	482.081.678
Rediscount income/(expense) from main operations payables	770.036.205	(582.238.282)
Total of rediscounts	**(378.982.423)**	**(100.156.604)**

Grup'un Bağımsız Denetçi/Bağımsız denetim kuruluşundan alınan hizmetlere ilişkin ücretler (*):

	31 December 2024	31 December 2023
Independent audit fee for the reporting period	7.405.741	9.192.116
Fees for tax advisory services	2.078.030	529.839
Total	**9.483.771**	**9.721.955**

(*) It is the fee excluding VAT.

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