

## 2022 Annual Report



 **TÜRKİYE SİGORTA**  
Gücü, adında.

# Contents

<b>Introduction //</b>		<b>Corporate Governance Practices //</b>	
10	2022 Results	104	Statement of Compliance with the Corporate Governance Principles
11	Türkiye Sigorta in Figures	105	Corporate Governance Compliance Report
12	About Türkiye Sigorta	111	Corporate Governance Information Form
16	Key Financial Indicators	118	Sustainability Approach and Practices
18	Subsidiaries	119	Sustainability Organization
20	Milestones	120	Disclosure Policy
24	Awards	123	Other Legal and Important Information
<b>From Management //</b>		124	Independent Auditor's Report on the Board of Directors' Annual Report
26	Message from the Chairman of the Board	126	Summary Board of Directors Report Submitted to the General Assembly
30	Board of Directors	127	Dividend Distribution Policy
34	Declarations of Independent Members of The Board of Directors	<b>Financial Information and Risk Management //</b>	
36	Message from CEO	128	Assessment of Financial Standing, Profitability and Claims Payment Ability
40	Senior Management	129	Summary Financial Statements for the Last Four Years
44	Internal Audit, Risk Management, Internal Control and Legal Compliance Managers	130	Convenience Translation of Statutory Unconsolidated Financial Statements for the Period 1 January - 31 December 2022 and the Independent Auditor's Report
45	Organizational Chart	220	Convenience Translation of Statutory Consolidated Financial Statements for the Period 1 January - 31 December 2022 and the Independent Auditor's Report
<b>Türkiye Sigorta Activities in 2022 //</b>		316	Contact Information
46	Economic and Sectoral Developments in 2022		
50	Technical and Financial Results		
56	Technical Overview by Main Branches		
72	Digitalization in Customer Experience		
80	Digitalization in Distribution Channels		
83	Digitalization in Employee Applications		
85	Data Analytics		
86	Investor Relations		
88	Human Resources		
94	Quality Management		
95	Corporate Communication Activities		
98	Internal Communication Activities		
100	Risk Management and Internal Control Activities		
101	Department of Internal Systems		
102	Internal Audit Activities		
102	Assessment of the Board of Directors		
103	Assessment of the Corporate Governance Committee		

## WE ARE A GREAT POWER WITH OUR STAKEHOLDERS

“ONE FOR ALL, ALL FOR TÜRKİYE” WAS OUR APPROACH IN MERGING TÜRKİYE’S LEADING INSURANCE AND PENSION COMPANIES.

OUR ORGANIZATION, WHICH WE ESTABLISHED ON SOLID FINANCIAL AND CORPORATE FOUNDATIONS, PERFORMED WORTHY OF ITS NAME OWING TO THE DEDICATED EFFORTS OF OUR SKILLED TEAM, WHICH SHARED A STRONG SPIRIT OF UNITY FROM DAY ONE AND ACHIEVED GREAT SUCCESS IN A SHORT TIME.

WE CONTINUE TO STRIVE PERSISTENTLY TOWARD THE GOALS WE HAVE SET FOR OUR ORGANIZATION, AND WE CONTINUE TO GROW BY MAINTAINING OUR SECTOR LEADERSHIP WITH THE POWER OF OUR COUNTRY, THE TRUST OF OUR STAKEHOLDERS, AND THE COURTESY OF OUR CITIZENS.

WE DESIGN EVERY ASPECTS OF OUR BUSINESS MODELS WITH A MINDSET THAT PEOPLE ARE AT THE CORE OF WHAT WE DO, AND WE CONDUCT ALL OUR ACTIVITIES, FROM INVESTMENTS IN DIGITAL TRANSFORMATION TO THE EFFECTIVENESS OF OUR SALES-DISTRIBUTION CHANNELS, FROM PRODUCT SERVICE DESIGN TO THE INTERACTION AND COMMUNICATION MANAGEMENT WE BUILD WITH EACH OF OUR STAKEHOLDERS. THUS, WE DEMONSTRATE THE ROLE OF INSURANCE IN LIFE AND THE VALUE OF INSURANCE BUSINESS IN THE ECONOMY, AND REDEFINE TRUST.

INLINE WITH THE DEVELOPMENTS THAT ARE ENHANCING THE DIGITAL WORLD - HUMAN INTERACTION ON A DAILY BASIS, WE MAKE SIGNIFICANT INVESTMENTS TO REINFORCE OUR INFRASTRUCTURE FOR TECHNOLOGY AND DEVELOP SERVICES TO INCREASE THE PROMINENCE OF INSURANCE AND PENSION PRODUCTS IN THE DIGITAL WORLD, AND OPEN UP NEW HORIZONS FOR THE INDUSTRY.

WE CONDUCT INNOVATIVE STUDIES TO MAKE SURE THAT EACH OF OUR INSURANCE PRODUCTS IS DESIGNED TO BE ABLE TO PROVIDE ALL ASSURANCES, PRIMARILY FOR PEOPLE AND SUBSEQUENTLY FOR THE ENTIRE ECONOMY, WHILE TAKING INTO ACCOUNT THE IMPACTS OF ENVIRONMENT-EMPLOYEES-COMMUNITY GOVERNANCE. THUS, WE AIM TO MAXIMIZE OUR STAKEHOLDER VALUE WHILE ALSO PROTECTING OUR PLANET.

# 12

MILLION POLICYHOLDERS AND HUNDREDS  
OF TÜRKİYE SİGORTA FRIENDLY BUSINESS  
PARTNERS



**WE OPEN NEW HORIZONS  
IN THE INSURANCE  
BUSINESS THROUGH  
OUR INNOVATION AND  
DIGITAL COMPETENCE**





**TO SUSTAIN OUR  
LEADERSHIP THROUGH  
BOOSTING OUR  
ACCOMPLISHMENTS  
WE CONCENTRATE ON  
ENHANCING “TOTAL  
EXPERIENCE” TOGETHER  
WITH ALL OUR  
STAKEHOLDERS**





**THROUGH OUR  
PIONEERING POSITION,  
WE SUPPORT SECTORAL  
AND ECONOMIC  
GROWTH**







**WE STRIVE FOR A SAFER  
FUTURE, WE  
AIM FOR A HIGHER  
STAKEHOLDER VALUE**



## 2022 Results

**Türkiye Sigorta continues to be the leader in premium production.**

**TL 28.2 billion**

The asset size of Türkiye Sigorta reached TL 28.2 billion.

**TL 25.2 billion**

Total premium production of Türkiye Sigorta amounted to TL 25.2 billion.

**TL 941 billion**

Türkiye Sigorta generated a net profit of TL 941 million.

**12.3%**

Türkiye Sigorta achieved 12.3% market share.

**18%**

Türkiye Sigorta's return on equity was realized as 18%.

**132%**

Türkiye Sigorta achieved a combined ratio of 132%.

## Türkiye Sigorta in Figures

Through its solid operational results, Türkiye Sigorta provides confidence to its country.

**6.4** million

Active Customers

**1,583**

Employees

**390**

Direct Sales Team

### Distribution Channels

**3,766 Agencies**

**4,655 Bank Branches**

**114 Brokers**

### Service Providers

**2,540 Contracted Institutions**

**2,261 Contracted Services**

### Regional Offices

**14 Agency Regional Offices**

**9 Bancassurance Regional Offices**

# About Türkiye Sigorta

**Türkiye Sigorta's primary goal is to elevate its accomplishments to an international scale and establish itself as an insurance enterprise operating in the international arena during the Century of Türkiye, celebrating the 100<sup>th</sup> anniversary of our Republic.**

**For everyone  
at every  
moment of life**

Türkiye Sigorta (formerly Güneş Sigorta), the largest and leading insurance company of Türkiye commenced its activities upon the merger of Ziraat Sigorta and Halk Sigorta under the roof of Güneş Sigorta on 31 August 2020 with the aim of expanding the savings base of the Turkish economy and flourishing the non-banking financial industry as part of the New Economy Program of the Ministry of Treasury and Finance.

Drawing its know-how and experience from its long-standing past, and its strength from its name, Türkiye Sigorta provides services in line with its objective of making Turkish insurance industry the global leader and spreading the insurance services with its expert staff and strong technological infrastructure.

Headquartered in Istanbul, Türkiye Sigorta gives services to 6.4 million customers with its extensive and robust service network consisting of;

- 14 agency regional offices,
- 9 bancassurance regional offices,
- 3,766 agencies, 4,655 bank branches,
- 114 brokers and 390 direct sales teams.

Türkiye Sigorta aims to offer service with the understanding of generating solutions that exceed the expectations at every moment of life by transposing the "after" in the insurance experience with "before," and using its power for kindness through its agile, innovative and sensitive approach, and promises a safe future to its policyholders.

With its rich product portfolio Türkiye Sigorta meets the expectations of policyholders at the utmost level with the most competitive insurance products.

The Company serves in Fire and Natural Disasters, Marine, Watercraft, Watercraft Liability, Motor Vehicles, Motor Vehicles Liability, Accident, Aircraft, Aircraft Liability, General Losses, General Liability, Legal Protection, Credit, Health and Financial Losses branches in the non-life insurance business. Türkiye Sigorta holds a leading position in the main branches of Motor Vehicles Liability, General Losses, Aircraft, Aircraft Liability and Accident, and in the sub-branches of Traffic, Turkish Catastrophe Insurance Pool (TCIP), State-Subsidized Agricultural Insurance, State-Subsidized Receivables, Emergency Health, Housing, Construction, Personal Accident, Insufficient Income and Unexpected Commercial Expenses.

Pioneering the insurance industry with a premium production of TL 25.2 billion and a market share of 12.3% as of the end of 2022, Türkiye Sigorta reached an asset size of TL 28.2 billion and ended the year with a net profit of TL 941 million.

The principal shareholder of Türkiye Sigorta is TVF Finansal Yatırımlar AŞ with a share of 81.10%. Residual 18.90% of the shares are traded on Borsa İstanbul.

The Company is a member of the Insurance Association of Türkiye, Federation of Afro-Asian Insurers and Reinsurers (FAIR), the Turkish Investor Relations Society, Business Council for Sustainable Development Türkiye (BCSD Türkiye), Corporate Communicators Association (Kurumsal İletişimciler Derneği-KİD), TEGEP Education and Development Platform Association (TEGEP Eğitim ve Gelişim Platformu Derneği) and CCI France Turquie. Türkiye Sigorta has ISO 9001:2015 Quality Management System, ISO 10002:2018 Customer Satisfaction Management System and ISO 18295:2017 - Customer Relations Management Quality Certificates.



## The Company's Vision, Mission and Values

### Our Vision

Be recognized as a global technology company within a decade based on its understanding of offering solutions catering to the need for trust at every moment of life for everyone dreaming of a bright future, and using its power for kindness, while transposing the “after” in the insurance experience with “before.”

### Our Mission

Whenever and wherever trust is needed; Türkiye, Insurance.

### Our Values

**Confident:** Pioneering, global scale, redefining the insurance experience

**Sensitive:** Listening, understanding, doing candidly, elaborating, placing our relationship with stakeholders at the heart of our business

**Inquisitive:** Discovering, learning, enthusiasm, understanding the past and building “beyond”

**Virtuous:** Being a good person, values, responsibility, importance and respect, doing the right thing, being a role model

Whenever trust  
is needed;  
Türkiye Sigorta

### Corporate Strategy and Goals

Türkiye Sigorta, the leader of the insurance industry, aims to elevate its achievements to an international scale and establish itself as an insurance enterprise operating in the international arena during the Century of Türkiye, celebrating the 100<sup>th</sup> anniversary of our Republic.

Türkiye Sigorta, as an institution named after our country, is committed to providing security for our country's strategic assets and investments, and will strive to increase the benefits of insurance to individuals and institutions in

all aspects of life and at every moment, while focusing on delivering customized solutions and embodying insurance.

With the goal of being recognized as a technology company within 10 years of its establishment, Türkiye Sigorta focuses on continuously improving its digital capabilities across all its internal and external functions within the framework of optimization and automation principles.

Our Corporate Strategies that we have set for our goals as Türkiye Sigorta are as follows:

#### Sustainable Leadership

Leading the sector with a sustainable leadership approach in all branches by creating internal systems with high self-control, focusing on a horizon beyond all borders, with human-centered, systematic and long-term plans; to operate with "our common future" perspective in order to protect the future of

our company and our planet in the key sustainability areas such as environmental, social and governance, and to implement the sustainability strategy in order to leave a habitable planet to future generations

#### Profitability-Driven Growth

Focusing on profitable growth, pioneering new products and services, increasing its depth in the current market and increasing its share with the growth of the market, bolstering its competitive advantages, planning investments for the foreseeable future, and accomplishing the requirements of sustainable leadership.

#### Platform Based Business Model

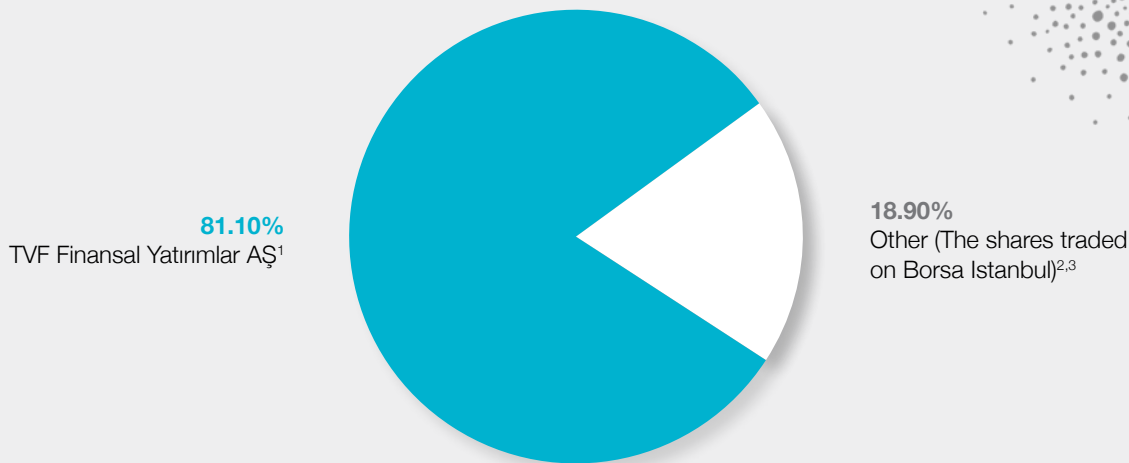
Establishing a distinctive customer and insurance experience through top-notch industry partnerships that prioritize trust, integrating both sales and customer platforms, touching every aspect of life by moving beyond the core activities of an insurance company.

#### Effective Channel Management

Continually improving the service model and collaboration, which is suited to the dynamics of distribution channels, customer and product structures, and includes systems, organizations and processes, and to enhance the production and portfolio balance to optimal levels based on the win-win principle.



## Capital and Shareholding Structure



Shareholders	Share (%)	Share Value (TL)
TVF Finansal Yatırımlar AŞ <sup>1</sup>	81.10	942,015,417
Other (The shares traded on Borsa Istanbul) <sup>2,3</sup>	18.90	219,507,946
<b>Total</b>	<b>100.00</b>	<b>1,161,523,363</b>

(1) Türkiye Wealth Fund holds 100% of the shares in TVF Finansal Yatırımlar AŞ.

(2) Its shares are traded on BIST Stars Market under the ticker symbol TURSG.

(3) By an additional 0.80% buyback on top of Türkiye Sigorta's 0.43% share, the Company's shareholding rate reached 1.23% in its capital.

With the shares traded on BIST Stars Market under the ticker symbol TURSG, the Company's market capitalization was TL 14.5 billion as of 31 December 2022.

There is no privileged share in Company's capital.

### Holistic Experience

Developing integrated platforms that are centered on analytical solutions by focusing on the "holistic experience" of all interacting aspects, such as customers, employees, channels, and business partners, with an awareness that success depends on the interaction and harmony of every aspect that comprise the whole.

### Change Management

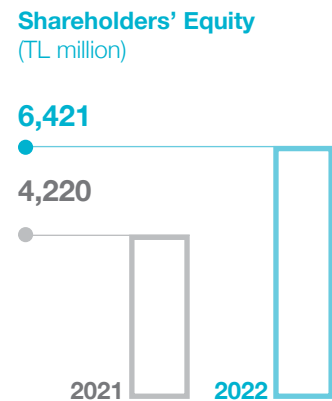
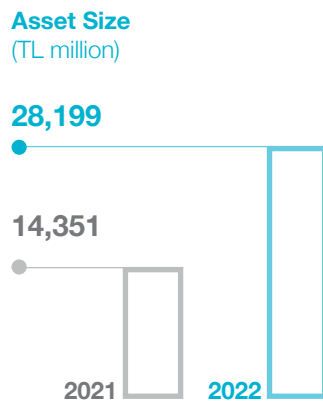
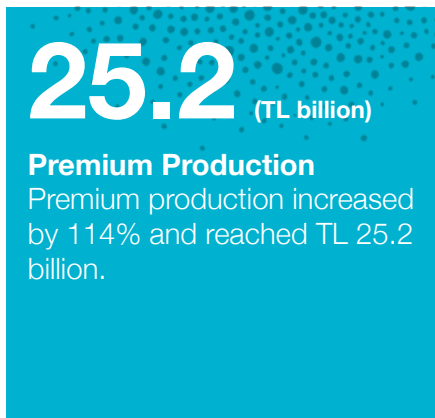
With a vision where we aim to be the industry leader today and in the future, and work to be an international insurance company, to protect and develop our organizational culture, where our employees, who are the architects of the success of our merger process and our leadership, with a high sensitivity and commitment, are supported with personal and professional development opportunities to be the pioneers of change, and their creativity is encouraged in the workplace.

# Key Financial Indicators

Financial Indicators (TL)	2021	2022
Asset Size	14,351,084,761	28,199,127,771
Total Liabilities	10,131,018,854	21,778,401,306
Paid-in Capital	1,161,523,363	1,161,523,363
Shareholders' Equity	4,220,065,907	6,420,726,465
Premium Production	11,749,646,570	25,173,422,675
Gross Claims Paid	(3,769,970,197)	(6,915,516,192)
Operational Expenses	(956,720,453)	(1,868,501,653)
Investment Income	2,384,794,477	4,111,822,225
Investment Expenses	(2,095,222,399)	(3,583,819,045)
Net Investment Income	289,572,078	528,003,180
Technical Balance (Technical Profit)	1,297,036,851	502,449,048
Net Profit	1,058,300,968	941,403,358

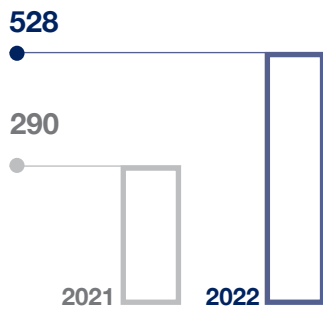
## Financial Analysis Ratios

Capital Adequacy Ratios (%)	2021	2022
Written Premiums/Shareholders' Equity	278	392
Shareholders' Equity/Total Assets	29	23
Shareholders' Equity/Technical Provisions (Net)	61	43

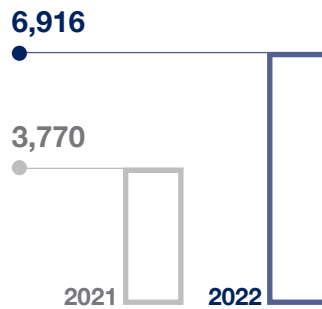


Asset Quality and Liquidity Ratios (%)	2021	2022
Cash Ratio	83	82
Liquidity Ratio	118	104
Current Ratio	126	113
Premium and Reinsurance Receivables/Total Assets	24	16
Receivables from Agencies/Shareholders' Equity	54	50
Operational Ratios (%)	2021	2022
Retention Ratio	42	51
Claims Paid/(Claims Paid + Outstanding Claims)	34	39
Profitability Ratios (%)	2021	2022
Net Loss/Premium Ratio	76	105
Net Commission Ratio	10	12
Net Expense Ratio	13	15
Net Compound Ratio	99	132
Return on Assets	8	4
Return on Equity	54	50

#### Net Investment Income (TL million)



#### Gross Claims Paid (TL million)



# 941

(TL million)

Türkiye Sigorta recorded a net profit of 941 million TL at the end of 2022.

# Subsidiaries

Subsidiaries	Türkiye Sigorta's Share Amount (TL)	Türkiye Sigorta's Share (%)	Capital (TL)
OSEM Sertifikasyon AŞ	8,000,000	100	8,000,000
Türk P ve I Sigorta AŞ	40,000,000	50	80,000,000
Türkiye Hayat ve Emeklilik AŞ	55,650,000	7.36	755,752,390
Tarım Sigortaları Havuz İşletmesi AŞ	1,221,495	4.17	29,315,869
Vakıf İnşaat Restorasyon ve Ticaret AŞ	1,003,770	1.91	52,548,281
<b>Total</b>	<b>105,875,265</b>		

Information regarding the subsidiary sales and subsidiary capital changes realized in 2022 is provided below.

## Insurance subsidiaries

Participating in the 100% capital increase of Türk P&I Sigorta, the share rate of Türkiye Sigorta remained the same.

With the capital increase of the Agricultural Insurance Pool Management (TARSİM) and the inclusion of a new company in the agricultural insurance operations, the shareholding rate became 4.17%.

## Non-insurance subsidiaries

In 2022, share sales of most of the subsidiaries excluding insurance activities were completed.

Company	Türkiye Sigorta's Share (%)	Type of withdrawal from the partnership
Vakıf Finansal Kiralama AŞ	15.65	By selling on the stock exchange
Vakıf Menkul Kıymetler Yatırım Ortaklığı AŞ	11.00	
Vakıf Faktoring AŞ	13.71	
Vakıf Pazarlama Sanayi ve Ticaret AŞ	9.76	
Vakıf Enerji ve Madencilik AŞ	1.77	To Türkiye Vakıflar Bankası by a share transfer agreement
Taksim Otelcilik AŞ	1.43	
Vakıf Yatırım Menkul Değerler AŞ	0.25	
Vakıf Gayrimenkul Yatırım Ortaklığı AŞ	0.87	All floating shares are traded on the Stock Exchange, while non-floating shares are transferred to Türkiye Vakıflar Bankası through a share transfer agreement
Ziraat Bank Moscow JSC	0.09	To Ziraat Teknoloji by a share transfer agreement
Ziraat Katılım Bankası AŞ	0.00000006	To Ziraat Gayrimenkul Yatırım Ortaklığı by a share transfer agreement



WE GET OUR  
EXPERIENCE FROM  
OUR ROOTED  
HISTORY, **OUR**  
**STRENGTH FROM**  
**OUR NAME.**

# Milestones

1957

## Establishment

Türkiye Sigorta (formerly Güneş Sigorta) has shaped the past, built the present, and will continue to shape the future of the insurance industry by virtue of its deep-rooted history and solid structure.

1969

## Being Strong

Turkey's first Engineering Insurance branch was established to support the country's major projects.

**Founded with a capital of TL 2.5 million in 1957 under the leadership of VakıfBank and Turkish Grain Board, Türkiye Sigorta (formerly Güneş Sigorta) works on shifting the current and future conditions of insurance industry with its deep-rooted history and robust structure.**

### 1957

- » Güneş Sigorta was founded. The Fire, Marine and Accident branches were opened.

### 1959

- » The Life Insurance branch was established.

### 1969

- » The Engineering Insurance branch was founded for the first time in Türkiye.

### 1974

- » The Agricultural Insurance branch was founded.

### 1991

- » 30% of Güneş Sigorta shares were acquired by GAN International.

### 1994

- » Güneş Sigorta offered 15% of its shares to the public.

1994

## Public offering

15% shares of Güneş Sigorta were offered to the public.

2001

## Portfolio growth

With the establishment of the Health (Sickness) Insurance branch, the portfolio of individual insurance products was augmented.

2010

## Equity creation

The first policy was produced using the insurance program Pusula, which was the largest IT project of its time in its sector, and was designed exclusively for the Company with internal resources.

### 1997

- » The ISO 9000 Quality Management System was commenced.

### 1998

- » Groupama acquired GAN International and 30% of Güneş Sigorta shares were transferred to Groupama International.

### 1999

- » Güneş Sigorta blazed a trail in the industry by introducing the Legal Protection Insurance branch.

### 2001

- » The Health Insurance branch was established.
- » The "Agents Council" was put into practice in the industry for the first time.

### 2002

- » The industry's first cooperation was performed with Auto King within the scope of Mini Repair Service.
- » The VakıfBank Güneş Sigorta Women's Volleyball Team became the champion of Türkiye Women's Volleyball League in the juniors category.

### 2003

- » Highway Motor Vehicles Financial Liability Insurance and Credit Insurance branches were established.
- » Permission for conversion into a private pension company was received and Vakıf Emeklilik was founded.
- » Pioneering practices such as Auto Insurance Extra and hologram policy were put into practice.
- » ISO 9001:2008 Quality Management System was put into practice.

### 2009

- » Life Insurance branch was handed over to Vakıf Emeklilik (presently Türkiye Hayat Emeklilik).

### 2010

- » ISO 10002:2004 Customer Complaints Management System Certificate was obtained.
- » For the first time in Türkiye, the "Early Warning System" was introduced for the first time in Türkiye against the frost risk in greenhouses.
- » Policies were produced with Pusula, the largest IT project of the insurance industry.
- » Health Provision Center was founded.

### 2011

- » The United Nations Global Compact was signed.

## Milestones

2015

### Product diversification

With the introduction of Güneşim Complementary Health, it was intended to increase health insurance penetration.

2020

### Being One

Following the merger of the Three Insurance Companies, it was named Türkiye Sigorta with the motto "Gücü Adında" (Its Power Lies in its Name).

#### 2012

- » Two independent members were elected to the Board of Directors.
- » The Ethical Principles of Insurance published by the Insurance Association of Türkiye were adopted.

#### 2013

- » The Articles of Association were amended to conform with the new Turkish Commercial Code (TCC).
- » The e-General Assembly was held for the first time.
- » Competition Law principles were embraced.

#### 2014

- » Health Insurance for Non-Citizens (YBU) policies started to be produced by e-agency.

#### 2015

- » Güneşim Complementary Health and İksir products were launched.

- » The Legal Protection product was introduced.
- » The Mine Workers Compulsory Personal Accident Insurance product designed against the occupational risks of mineworkers was launched.
- » Centralization of collection, claims and accounting processes (except Cyprus Regional Office) was completed.

#### 2016

- » Migration of Health Insurance policies to Pusula, Güneş Sigorta's main system was fulfilled.
- » Policy proposal screen was incorporated in the Company's website.
- » The Capital was raised from TL 150 million to TL 270 million.

#### 2017

- » Groupama SA, one of the shareholders of Güneş Sigorta transferred all of its shares in the Company to Groupama Holding Filiales et Participations through reorganization.

- » The Company became the sector manager of Medical Insurance Pool.
- » Güneş Sigorta celebrated its 60<sup>th</sup> year of activity.
- » Güneş Sigorta Exempt Expanded Auto Insurance and Total Damage Coverage products were offered for sale.

#### 2019

- » The capital was increased from TL 270 million to TL 540 million.
- » Activities began in the Participation Insurance sector by employing the window model.

#### 2020

- » As part of the merger of insurance and pensions companies, Non-Life insurance companies Halk Sigorta and Ziraat Sigorta merged within Güneş Sigorta.
- » The company name of Güneş Sigorta became Türkiye Sigorta.
- » The capital was raised to TL 1,161,523,363.



**2021**

## Being in unity

The integration and data transfers related to the merger have been successfully completed by virtue of the dedicated efforts of all the employees involved.

**2022**

## Türkiye Sigorta Customer Platform

The first super app of the sector  
The insurance experience was enhanced by the “Türkiye Sigorta Customer Platform” and the ROTA application of the sales teams.

- » Achieving the industry leadership with the strength drawn from the merger, Türkiye Sigorta increased its market share to 13.04%.
- » The Company provided coverage for Akkuyu Nuclear Power Plant project.

**2021**

- » System integration of the merger was successfully completed.
- » The Company provided coverage for Amasra-1 Well in Sakarya Gas Field unveiled to have natural gas of 135 billion cubic meters, as well as our country's first
- » National communications satellite Türksat 6A.
- » Health Mobile Application was put into use.
- » Corporate sustainability activities were commenced.

**2022**

- » The Türkiye Sigorta Customer Platform was made accessible to all policyholders and stakeholders.
- » The Rota Sales Platform was made accessible to Halkbank employees.
- » The scope of automatic provisioning has expanded by 75%.
- » The Great Place To Work award was received.
- » The Sustainability Report has been released for the first time.
- » The first ever buyback of shares was conducted.

# Awards

**Türkiye Sigorta was deemed worthy of numerous awards in the national and international scale in 2022 as well.**

## Gartner Eye on Innovation Second Prize



### 2 Awards for Customer Platform

The Company, which set out to become the “insurance of Türkiye” and to take a leading position in redefining the insurance business, was awarded twice in 2022:

#### Asia Awards Digital Insurance Initiative Award

Drawing its strength from its name, Türkiye Sigorta was deemed worthy of the “Digital Insurance Initiative of the Year” award at the 7<sup>th</sup> Asia Awards, where top-level names from world-renowned auditing and consultancy companies were jury members, with its superb application Türkiye Sigorta Customer Platform, which is a first in the insurance industry.

#### Gartner Eye on Innovation Second Prize

Türkiye Sigorta Customer Platform was chosen among hundreds of projects from the EMEA (Europe, Middle East, and Africa) region to compete in the finals of the Gartner Innovation Awards, which is organized by Gartner, one of the world’s leading research and consultancy companies, that is recognized as one of the most prestigious awards for the finance industry.

Türkiye Sigorta was deemed worthy of the 2<sup>nd</sup> prize among 300 companies in the competition it participated for the first time.

### ACE Customer Satisfaction Silver Award

Türkiye Sigorta was deemed worthy of the Silver Award in the “ACE (Achievement in Customer Excellence) Awards” Customer Satisfaction award program organized by Şikayetvar (sikayetvar.com).

### PSM Awards Best Promotion Gold Award

Sempatı Pet Insurance’s communication plan was deemed worthy of the Gold Award in the “Best Promotion” category at the PSM Awards organized by PSM.

### TOP100 Talent Program 2022 Insurance Category Second Prize

We ranked second in the “Insurance” category of Türkiye’s Top 100 Talent Program, held by the TopTalent Talent Platform, which annually awards the events and practices that make the greatest contribution to the talent acquisition of companies with votes from young talents.

#### 4 Gold Awards in Smart-i Awards 2022 Changemakers Category

Operating with the vision of transposing the insurance experience from “after” to “before” and drawing its strength from its name, Türkiye Sigorta was granted four awards at the Smart-i Awards, Türkiye’s first and only innovation-based insurance award program.

Having received the Smart-i Gold Awards in the Social Responsibility category with its “Let’s Walk Together-WeWALK” project and in the Changemakers category with its “New Generation Insurance School” projects, Türkiye Sigorta was also deemed worthy of three Smart-i Gold Awards in the Team of the Year category with its “Corporate Communication Team”.

#### 12 National and International Awards for the 2021 Annual Report “We Are Türkiye”

For the Türkiye Sigorta 2021 Annual Report, the employees of the institution gathered and shared the stage with professional dancers in collaboration with Anadolu Ateşi to reveal the corporate performance. In the organization, the unique culture of the country and the spirit of unity were performed with folk dances from seven regions of Türkiye.

Türkiye Sigorta, the leading company in the insurance industry, was granted 12 national and international awards with its 2021 Annual Report prepared with the theme “We are Türkiye”.

#### 7 Awards from ARC Awards 2022

The ARC Awards 2022, one of the most prestigious awards for annual reports worldwide, have granted Türkiye Sigorta seven awards, four of which were gold. Türkiye Sigorta received Gold Awards in the categories of “Non-Traditional Annual Report,” “Interior Design,” “Photography,” “Printing and Production”, Silver in the “Photography/Video” category, bronze in the “Interactive Annual Report,” and Honor Award in the “Cover/Home Page” categories.

#### 3 Awards from Vision Awards 2021

Türkiye Sigorta was qualified to receive three awards at the Vision Awards 2021, an international event organized by the League of American Communication Professionals (LACP) and attended by approximately 1,000 organizations from across the world in various categories. The PDF version of the annual report received the Platinum Award in the Insurance category, the Gold Award for its digital version, and the Silver Award in the Best Letter to Stakeholders category of Regional Special Achievement Award.

#### 2 Awards from Galaxy Awards 2022

Türkiye Sigorta received two awards at the Galaxy Awards 2022, where MerComm, which defines the standards of excellence in communication with an independent jury, rewards the best performances in marketing communication. At the Galaxy Awards 2022, where dedicated professionals from more than 50 countries participated, Türkiye Sigorta received the Bronze Award in the “Online - Microsite” category and the Honor Award in the “Insurance - Print” category.

## Smart-i Awards 2022 Changemakers Category Gold Award




## Message from the Chairman of the Board

**As Türkiye Sigorta, we are proud to be the assurance of every step taken for the future of our country.**



**Aziz Murat Uluğ**  
Chairman of the Board

Dear Stakeholders,

The world has left behind another challenging year.

With the outbreak of the Russia-Ukraine war in 2022, the cost inflation experienced at the end of 2021 as a result of supply constraints and logistics bottlenecks that emerged as a result of the measures taken during the pandemic period imposed a greater burden on the global economies. Commodity and energy prices reached historic highs while the globe and particularly the European countries were driven into an energy crisis as a result of the sanctions imposed upon Russia, one of the key players in the global commodity and energy market.

During this period, when risks to global financial stability increased significantly and inflationary pressure was prevalent, it was observed that economic growth was disrupted and the concerns about recession grew, while central banks, which employed monetary tightening and interest rate increases, attempted to maintain the delicate balance between fighting against inflation and economic growth.

In January 2023 update of the World Economic Outlook Report, the IMF projects that global growth will fall from an estimated 3.4% in 2022 to 2.9% in 2023 and then rise to 3.1% in 2024. Although this forecast remains below the historical average of 2000-2019, 3.8%, it indicates that a global recession is not expected. The report, which projects that the global struggle against inflation and the adverse effects of the Russia-Ukraine war will continue in 2023, also points out that monetary tightening has relatively cooled demand and inflation, but its full impact will not be visible before 2024.

#### **Towards future with Türkiye's economy model**

Along with the negative effects of global macroeconomic conditions, high inflation was one of the most important topics of the year in our country. CPI inflation continued to rise until October, due to the impacts of the exchange rate changes on prices as well as global increases in energy and food prices, and after reaching its highest level with 85%, showed a downward trend and completed the year at 64.3%. The Central Bank of the Republic of Türkiye also maintained its consumer inflation

projections of 22.3% for 2023 and 8.8% for 2024, stating that inflation will continue to recede while growth will be maintained as a result of the measures taken and regulations enacted.

In this period of huge challenges for all economies worldwide, the Turkish economy has managed to remain on the path of growth, with the dynamism of the exports-oriented economy model sustaining its strong export impetus and making major contributions to growth. In the first nine months of 2022, the Turkish economy increased by 6.2% year on year. Domestic demand and net foreign demand were the two major aspects of balanced growth during this period. In 2022, Türkiye's exports ascended by 12.9%, reaching a record-high level of USD 254.2 billion.

The Turkish economy attained major achievements in 2022 by accomplishing numerous significant investments with the support of our government, our entrepreneurs' investment appetite, and their flexible investment capacities, and created a solid expectation that these achievements will be pursued in 2023 as well.

#### **Despite challenging circumstances, our industry remains dynamic.**

The industry's balance sheets have suffered a great deal of pressure due to the adverse impacts of inflation and currency rate changes, particularly in the non-life branch. The profitability of the industry was adversely affected not only by increasing inflationary cost pressure, but also by developments such as increased mobility and damage frequency after the pandemic, increased provisions due to raises in minimum wages, and surged spare parts costs due to the change in exchange rates.

Despite these challenging circumstances, our industry has remained dynamic. Total premium production of Türkiye's insurance industry in 2022 reached TL 235 billion with a nominal increase of 123.2%, the premium production of non-life branches, which constituted 86.9% of total production, increased by 133.1% to TL 204.2 billion, the premium production of the life segment, which constituted 13.1% of total production, increased by 74.1% to reach TL 30.9 billion.

## Message from the Chairman of the Board

We have maintained our position as the industry leader with a strong premium growth.

Impact of the inflation on insurance premiums, as well as increased insurance demand in the post-pandemic period, have been the key drivers in premium growth.

The demand of companies for cyber risk insurance against cyber-attacks continues to grow in order to avoid the costs of threats and data breaches that increase in parallel with rapid and widespread digitalization.

Furthermore, the awareness of the critical role of insurance products in compensating the economic consequences of natural disasters, both the severity and frequency of which have increased due to climate change, has been reflected in the demand for fire and disaster insurance plans, resulting in a significant growth in these branches.

### **Our unchanging motto: Sustainable Leadership**

In 2022, when we have maintained our position as the industry leader with a strong premium growth, our premium production increased by 114% annually to TL 25.2 billion.

Our company's high insurance capacity and premium production capability are an outcome of the skill of our competent

employees and distribution channels. We strive for greater penetration of service and a superior customer experience by integrating those values with the opportunities brought about by digital transformation. As a result, as Türkiye Sigorta, an exemplary and preferred insurance company, we are consolidating our leadership position.

In addition to sustainable leadership in production and profitability, we also consider it as a part of our leadership responsibility to broaden the boundaries of our industry, foster an insurance culture throughout Türkiye, and to bring both insurance in life and the insurance business in the economy to the status they deserve.

Another issue that we, as Türkiye Sigorta, prioritize and consider as one of our primary responsibilities due to our position, is to provide assurance to our country's major investments and strategic assets. We take our place in Türkiye's domestic and national stance as Türkiye Sigorta, by enhancing both our capacity and power. All of our investments for qualified and sustainable growth are ensured by the Türkiye Sigorta guarantee. Thus, we provide a significant contribution to increase constructive competition in our industry.

We ensure that our future is built with confidence by providing guarantees for our drill ships, Türksat satellites, Çanakkale Bridge, and petroleum exploration ships. Furthermore, by providing guarantees for the TOGG construction project, we contribute to a future in which our country will have a say in the global automotive industry.

As Türkiye Sigorta, we are proud to be the assurance of every step taken for the future of our country. We also continue to be proud of the guarantees we have provided for Abdulhamid Han, the fourth drill ship of TPAO, which will participate in hydrocarbon exploration operations, and Yusufeli Dam, which is considered to be Türkiye's largest and the world's fifth largest dam.

#### **To a future with greater confidence...**

Striving for a stronger community with the responsibility and sensitivity of our name, we, as Türkiye Sigorta, assumed the Basketball Super League Name Sponsorship and Amputee National Football Team Sponsorship, with the principle of using our strength for our country and the awareness of the role of sports in social development.

We became one of the sponsors of the Tradesmen's Insurance and Risk Management Awareness Reinforcement Training Program (ESİB- Esnafın Sigorta

ve Risk Yönetimi Bilincini Güçlendirme Eğitimleri), which is intended to be the largest participation training program in the insurance industry in order to promote insurance literacy throughout community.

For a greener future, we have created a Memorial Forest of 10,000 saplings for our 2<sup>nd</sup> year.

In order to demonstrate our contributions along the axis of our capital items, we have initiated our project that will develop corporate sustainability practices based on our sustainability vision, which we defined as "insurance for positive impact." Within the frame of our sustainability project, we will renew and upgrade our business models by reconsidering our entire corporate culture and delivering our Environmental, Social, and Governance (ESG) performances.

With the strength we derive from our country, we continue to grow and strive to become a global brand as an institution that embraces Türkiye.

I would like to express my gratitude and best wishes to all of our stakeholders who have accompanied us on this remarkable journey.

With Regards,

Aziz Murat Uluğ

Chairman of the Board

**We strive for  
a stronger  
community with  
the responsibility and  
sensitivity of our  
name.**

# Board of Directors



**Aziz Murat Uluğ**  
Chairman of the Board

Having a bachelor's degree in Electronics and Communication Engineering at Istanbul Technical University, Uluğ was granted the master's degree after graduating from the joint Executive MBA program of Manchester Business School and Istanbul Bilgi University. Uluğ who started his professional life as an executive candidate at Garanti Bank in 1992, continued his banking career at HSBC and ABN AMRO Bank after serving at Garanti Bank. Uluğ began to work as the Finance Coordinator at Akfen Group in 2005 during the privatization of Vehicle Inspection Stations, Mersin Port and Iskenderun Port as well as the urban hospitality projects carried out in cooperation with the French hotel group Accor. Later, Uluğ was appointed as the CFO of TAV Airports Holding, the largest subsidiary of the Group and managed the company's public offering in 2007 and the privatization projects of 10 domestic and international airports. Uluğ served as the Assistant General Manager of Istanbul Deniz Otobüsleri company as his final position in the Group. Later, he worked as a senior executive in the real estate industry for two years. Uluğ continued his professional life abroad, in Bahrain between 2016 and 2020, giving service as the Investments Director of an infrastructure investment fund which was established by the Islamic Development Bank and co-owned and supported by the wealth funds of Bahrain, Brunei and Saudi Arabia. Appointed to Türkiye Wealth Fund (TVF) as the Chief Investment Officer at the end of 2020, Uluğ still serves as the Chairman of the Board of Directors for the asset companies Türkiye Sigorta, Türkiye Hayat Emeklilik and Türk Şeker Tarım; as the Vice Chairman of the Board of Directors for TVF Istanbul Finance Center and as the Board Member for Kayseri Şeker Fabrikası, along with his current position at the wealth fund.



**Atilla Benli**  
Vice Chairman and CEO

Following his high school education at Darüşşafaka and undergraduate education at Istanbul University Public Administration, Atilla Benli received his master's degree in Insurance Department at Marmara University. He continues his doctoral studies at the same department. Benli started his career as an Auditor at Garanti Bank where he served as the Branch and Unit Manager later. Benli who worked as Unit Manager in charge of various units in the Financial Affairs, Operation, Agencies and Brokers Distribution Sales Channel at Garanti Sigorta became Executive Vice President in charge of Financial Affairs, HR, Claims and Legal Affairs units at BNP Paribas Cardiff in 2007. Later, he served as Executive Vice President in charge of the Claims Group at Groupama Sigorta and Groupama Hayat ve Emeklilik, and Executive Vice President responsible for Sales, Finance and Accounting, HR, Technical and Actuarial Units at Vakıf Emeklilik. After starting to work as the Executive Vice President responsible for the Claims Group and the Board Member at Zurich Insurance in 2016, Benli continued to serve as Executive Vice president responsible for Sales and Distribution Channels and Board Member from at the same company 2018. Having taken office at Güneş Sigorta as Board Member and General Manager as of 16 January 2019, Atilla Benli served as the Chairman of the Board of Directors at the related insurance companies after undertaking top assignment roles during the merger of the insurance companies. Upon the merger of insurance companies on 31 August 2020 and of pension companies on 1 September 2020, he was appointed as the Chief Executive Officer of Türkiye Sigorta and Türkiye Hayat Emeklilik. On 15 December 2020, he assumed the positions of General Manager of Türkiye Sigorta and of Türkiye Hayat Emeklilik in addition to his role as the Chairman of the Board. Since 31 March 2021, Benli has been serving as the Vice Chairman of the Board of Directors and CEO of Türkiye Sigorta and Türkiye Hayat Emeklilik. Furthermore, Atilla Benli is currently the Chairman of the Insurance Association of Türkiye, Chairman of Management Committee at Güvence Hesabı (Assurance Account), Chairman of the Board of TARSIM Tarım Sigortalı (Agricultural Insurance Pool) and Chairman of the Board of JCR Avrasya Derecelendirme. Serving as the Chairman of the Board of Directors at TVF Finansal Yatırımlar AŞ and Vice Chairman of the Board of Directors at Türk P&I Sigorta AŞ, Benli still holds a seat as the Board Member at Pension Reserve Fund of the Council of Europe and Emeklilik Gözetim Merkezi AŞ (Pension Monitoring Center).



**Murat Akgüç**  
Board Member

Awarded the bachelor's degree in Industrial Engineering at Boğaziçi University, Murat Akgüç completed Executive MBA program at Erasmus University Rotterdam School of Management. Akgüç started his professional life at the Ottoman Bank and took part in Treasury projects of Ziraat Bank and Halk Bank. Akgüç worked as the Vice President of Business Development and Strategy Unit at Credit Europe Bank in Amsterdam between 2006 and 2015. He joined TRT in 2015, working as the Assistant General Manager in charge of Digital Business Development and Technology. As of 31 March 2021, he was appointed as the Assistant General Manager in charge of Investments at Türkiye Wealth Fund.





**Muhammed Mahmut Er**  
Board Member

Graduated from Computer Programming Department at Yıldız Technical University in 2004, Muhammed Mahmut Er received his bachelor's degree in Computer Engineering and master's degree in Business Administration in 2010. Er completed the MBA program at Yıldız Technical University in 2022 after finishing his graduate studies in Information Security Engineering in 2015. He started his career as the System Consultant of Automation Systems in 2004. Later, Er continued his career as a Software Developer at the first web-based ERP company of Türkiye in 2007. He was involved in more than 20 e-transformation projects as an Expert Software Developer, System Analyst and Project Leader in ERP, MRP, CRM, PMS, CMS, PAM and LMS modules. He began to work in the security industry in 2010, and led various units in the company. In 2016, he became an Advisor to the President of the Information and Communication Technologies Authority (BTK) and worked on the establishment of the Project Management Office and BTK Academy. In 2018, he took over the coordination of the SGOM Project (Cyber Security Operations Center) which is crucial for Türkiye's energy security. In 2019, he coordinated 1 million software developers project that is of great importance for Türkiye's human resources in the field of technology. Elected as the Board Member of Türkiye Sigorta and Türkiye Hayat Emeklilik on 10 September 2020, Er is married with two children.



**Murat Akbalık**  
Independent Member

Having graduated from Istanbul University Faculty of Political Sciences the Public Administration Department in 1991, Murat Akbalık completed the graduate program at the Faculty of Financial Sciences at Marmara University in 1993 and the post-graduate program in 2001. He became an Assistant Professor in 2005, Associate Professor in 2011 and Professor in 2017. He serves as the Head of Capital Markets Division at Marmara University School of Faculty of Financial Sciences, Member of Management Board of Institute of Banking at Marmara University, Head of Capital Markets and Stock Exchange Division at Marmara University Faculty of Financial Sciences, and Assistant Manager of Marmara University Faculty of Financial Sciences. As of 1 June 2020, Akbalık was appointed as the Board Member of Halk Sigorta, Ziraat Sigorta, Halk Emeklilik, Ziraat Emeklilik and Vakıf Emeklilik. Currently serving as the Board Member of Türkiye Sigorta and Türkiye Hayat Emeklilik after the merger of insurance companies on 31 August 2020 and of pension companies on 1 September 2020, Akbalık has good command of English.



**Mehmet Aydoğdu**  
Independent Member

Born in Sivas Divriği in 1946, Mehmet Aydoğdu graduated from the Academy of Economic and Administrative Sciences, Department of Economy and Business Administration. Aydoğdu started his career at Güneş Sigorta in 1966, and held various positions before retiring in 2006 while he was serving as the General Manager of the company. He worked as the Vice Chairman of the Board of Directors of Groupama Sigorta and Groupama Emeklilik between 2006 and 2011, and the Chairman of the Board of Directors of Dubai Sigorta from 2011 to 2012. Moreover, Aydoğdu assumed various positions at the Boards of Directors of Güven Sigorta, Vakıf Emeklilik, Motorlu Taşıtlar Sigorta Bürosu (Motor Vehicles Insurance Bureau), Türkiye Sigorta ve Reasürans Şirketleri Birliği (Insurance Association of Türkiye) and Istanbul Reasürans. He was appointed as the Board Member of Ziraat Sigorta, Halk Emeklilik, Ziraat Emeklilik and Vakıf Emeklilik on 1 June 2020, and of Güneş Sigorta on 2 June 2020. Aydoğdu currently serves as the Board Member of Türkiye Sigorta and Türkiye Hayat Emeklilik after the merger of insurance companies on 31 August 2020 and of pension companies on 1 September 2020. Aydoğdu who is married with two children has a good command of English.

#### Member Changes in the Board of Directors

There has been no change in the Board of Directors between 1 January - 31 December 2022.

# Board of Directors

## 2022 Board of Directors Meeting and Participation List

Date	Number of Meetings	Aziz Murat ULUĞ	Atilla BENLİ	Murat AKGÜÇ	Muhammed Mahmut ER	Mehmet AYDOĞDU	Murat AKBALIK
		Chairman	Vice Chairman and CEO	Member	Member	Independent Member	Independent Member
12.01.2022	1	√	√	√	√	√	√
27.01.2022	2	√	√	√	√	√	√
28.02.2022	3	√	√	√	√	√	√
4.03.2022	4	√	√	√	√	√	√
11.03.2022	5	√	√	√	√	√	√
24.03.2022	6	√	√	√	√	√	√
28.03.2022	7	√	√	√	√	√	√
4.03.2022	8	√	√	√	√	√	√
11.03.2022	9	√	√	√	√	√	√
24.03.2022	10	√	√	√	√	√	√
28.03.2022	11	√	√	√	√	√	√
6.04.2022	12	√	√	√	√	√	√
15.04.2022	13	√	√	√	√	√	√
20.04.2022	14	√	√	√	√	√	√
28.04.2022	15	√	√	√	√	√	√
10.05.2022	16	√	√	√	√	√	√
17.05.2022	17	√	√	√	√	√	√
24.05.2022	18	√	√	√	√	√	√
30.05.2022	19	√	√	√	√	√	√
28.06.2022	20	√	√	√	√	√	√
29.07.2022	21	√	√	√	√	√	√
9.08.2022	22	√	√	√	√	√	√
17.08.2022	23	√	√	√	√	√	√
19.09.2022	24	√	√	√	√	√	√
29.09.2022	25	√	√	√	√	√	√
27.10.2022	26	√	√	√	√	√	√
31.10.2022	27	√	√	√	√	√	√
29.11.2022	28	√	√	√	√	√	√
1.12.2022	29	√	√	√	√	√	√
5.12.2022	30	√	√	√	√	√	√
28.12.2022	31	√	√	√	√	√	√

√ : Attended the meeting; - : Not attended the meeting; sections highlighted in gray indicate that the relevant person was not a Board Member on the respective date.

Name Surname	Title	Profession	Educational Background	Experience (Year)	Positions in the Partnership in Last 5 Years	External Positions Currently Held	Shareholding in the Company (%)	Share Group Represented	Independent Board Member or Not	Committees and Roles Therein
Aziz Murat Uluğ	Chairman of the Board	Investment Advisor	Master's Degree	30	Chairman	Türkiye Wealth Fund Assistant General Manager	-	-	Non-Independent	-
Atilla Benli	Vice Chairman and CEO	Insurance Professional	Master's Degree	30	CEO	Chairman of the Association of Insurance and Reinsurance Companies of Türkiye, Chairman of Management Committee of Güvence Hesabı (Assurance Account), Chairman of the Board of Directors at TARSIM Tarım Sigortaları Havuz İşletmesi AŞ, Chairman of the Board of Directors at JCR Avrasya Derecelendirme AŞ Vice Chairman of the Board of Directors at TVF Finansal Yatırımlar AŞ, Vice Chairman of the Board of Directors at Türk P&I Sigorta AŞ, Board Member at Emeklilik Gözetim Merkezi AŞ and Board Member at Pension Reserve Fund of the Council of Europe	-	-	Non-Independent	Chairman of the Strategy Management Committee
Murat Akgüç	Board Member	Investment Advisor	Master's Degree	22	Member of Board	Türkiye Wealth Fund Assistant General Manager	-	-	Non-Independent	Member of the Corporate Governance Committee, Member of the Strategy Management Committee
Muhammed Mahmut Er	Board Member	Investment Advisor	Master's Degree	18	Member of Board	Ministry of Treasury and Finance, Minister Advisor in charge of Information Technologies and Board Member at EPIAŞ	-	-	Non-Independent	Chairman of IT Steering Committee
Murat Akbalık	Board Member	Academician	PhD	29	Independent Member of Board	Head of Capital Markets Division at Marmara University Faculty of Financial Sciences, Member of Management Board of the Institute of Banking at Marmara University, Head of Capital Markets and Stock Exchange Division at Marmara University Faculty of Financial Sciences, and Assistant Manager of Marmara University Faculty of Financial Sciences	-	-	Independent Member	Chairman of Audit Committee, Chairman of Corporate Governance Committee, Chairman of Early Detection of Risk Committee
Mehmet Aydoğdu	Board Member	Insurer	Bachelor's Degree	56	Independent Member of Board	-	-	-	Independent Member	Member of the Audit Committee, Member of the Early Detection of Risk Committee

# Declarations of Independent Members of The Board of Directors

## TÜRKİYE SİGORTA AŞ

### DECLARATIONS OF INDEPENDENCE BY INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

I hereby declare that I stand for serving as an "independent member" on the Board of Directors of Türkiye Sigorta AŞ (the Company) within the frame of principles set out in the legislation, the Company's Articles of Association and the Corporate Governance Principles issued by the Capital Markets Board of Türkiye (CMB). In this context, I hereby represent and warrant as follows:

- a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the Company, any company in which the Company has management control or significant influence, or any shareholder having management control or significant influence over the Company or any corporate entity in which these shareholders have management control,
- b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, the Company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the Company, in the past five years,
- c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
- d) I will not a be full-time employee of public institutions and establishments upon being elected as a member, save for as a faculty member at the university, provided that the applicable legislation shall have not been contradicted with,
- e) I am considered to be a resident of Türkiye as for the purposes of the Income Tax Law no. 193 dated 31 December 1960,
- f) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,
- g) I am capable of dedicating sufficient amount of time to be able to follow up the execution of the Company's affairs and to fully meet the requirements of the duties I undertake,
- h) I have not held a seat on the Company's Board of Directors for more than six years in the past ten years,
- i) I am not serving as an independent board member on more than three companies, which are controlled by the Company or by shareholders having management control over the Company, and on not more than five listed companies in total,
- j) I have not been registered and promulgated in the name of the corporate entity elected as a member of the Board of Directors.

Mehmet AYDOĞDU

## TÜRKİYE SİGORTA AŞ

### DECLARATIONS OF INDEPENDENCE BY INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

I hereby declare that I stand for serving as an "independent member" on the Board of Directors of Türkiye Sigorta AŞ (the Company) within the frame of principles set out in the legislation, the Company's Articles of Association and the Corporate Governance Principles issued by the Capital Markets Board of Türkiye (CMB). In this context, I hereby represent and warrant as follows:

- a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the Company, any company in which the Company has management control or significant influence, or any shareholder having management control or significant influence over the Company or any corporate entity in which these shareholders have management control,
- b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for or served as a member on the boards of directors of any company from/to which, under a contract, the Company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the Company, in the past five years,
- c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,
- d) I will not a be full-time employee of public institutions and establishments upon being elected as a member, save for as a faculty member at the university, provided that the applicable legislation shall have not been contradicted with,
- e) I am considered to be a resident of Türkiye as for the purposes of the Income Tax Law no. 193 dated 31 December 1960,
- f) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,
- g) I am capable of dedicating sufficient amount of time to be able to follow up the execution of the Company's affairs and to fully meet the requirements of the duties I undertake,
- h) I have not held a seat on the Company's Board of Directors for more than six years in the past ten years,
- i) I am not serving as an independent board member on more than three companies, which are controlled by the Company or by shareholders having management control over the Company, and on not more than five listed companies in total,
- j) I have not been registered and promulgated in the name of the corporate entity elected as a member of the Board of Directors.



MUSTAFA AKBALIK

## Message from CEO

**In 2022, we maintained our industry leadership by boosting the number of policies and premium production in non-life branches.**



**ATILLA BENLİ**

Vice Chairman of the Board and CEO

### **We maintain our leadership through our robust growth performance.**

2022 have been a year in which we have struggled globally with the effects of the pandemic, the Russia-Ukraine war, and climate change-related natural disasters. This period was detrimental to the economies of developed as well as developing countries. The insurance industry, which assumes the risks of all economic actors through the guarantees it provides to institutions and individuals, was also among the industries that were most vulnerable to the adverse effects of all these developments.

Despite all of these challenges, we maintained our industry leadership in 2022, when we had an outstanding performance, by growing our premium production and the number of policies in non-life branches. Along with our strong financial data, we also maintained our leadership in various branches such as agriculture, engineering, and accidents. As of the end of 2022, we had a premium production of TL 25.2 billion and a market share of 12.3%. We boosted the size of our assets to TL 28.2 billion and closed 2022 with a TL 941 million net profit.

### **We continue to create value for our shareholders.**

As Türkiye Sigorta, we have become the most valuable publicly traded insurance company in our country, as well as the only insurance company to pay dividends since our establishment and meanwhile conduct share buybacks. In the last two years, we have distributed a total of over TL 1 billion in dividends. On 28 June 2022, we took a decision regarding the buyback of shares with a nominal value of TL 35 million, representing approximately 3% of our Company's issued capital, and contributed to the creation of a sound price for our stock.

We will continue taking steps to provide our shareholders with an attractive long-term dividend and investment opportunity, foster investor confidence in company shares, and to contribute to the formation of sound share prices.

We play a pioneering role in delivering the products needed by the industry.

The changing lifestyle caused by the pandemic, climate change-related natural disasters, and rapidly developing technologies have revealed critical insurance protection gaps and insurance needs of the individuals. During this period, there has been a considerable increase in insurance awareness.

As Türkiye Sigorta, with the objective of serving 85 million people, we have developed products that fulfill various needs in all branches and have special privileges and benefits that are consistent with the industry's evolving dynamics and the primary expectations of our customers.

We have assumed a leading role in providing the products needed by the industry with our innovative

approach, focusing on all aspects of the insurance value chain, particularly the close connection between customer satisfaction and financial performance. We have developed value design, from insurance product design to damage and post-damage services, to meet these new needs.

As a company named after Türkiye, we consider it as our national responsibility to assure our country's strategic assets. In this context, we continued to be the assurance of huge projects that we accomplished in collaboration with many stakeholders by utilizing our national resources and that will drive Türkiye forward across all spheres.

### **We are constantly improving our corporate culture and employee satisfaction with the sense of being one and in unity.**

As Türkiye Sigorta, our primary objective has always been to ensure the satisfaction, peace and confidence of each of our colleagues. We attach great emphasis in considering what we can do differently in terms of training and development to provide an exceptional employee experience. In this direction, we have implemented many programs such as Türkiye Sigorta Academy, Hiring Challenge and LimitLESS-Sales Training Program. We were granted a Great Workplace Certificate as an indication and sign that our perseverant efforts to build employee satisfaction and a common corporate culture have been adopted and embraced by all my colleagues. To maintain and enhance this wonderful climate, we will continue to listen to our colleagues who always show us the right path and to aim for the better together.

### **We are catching up with the times through a digital transformation journey that concentrates on people.**

We aim to be with our policyholders throughout their entire life cycle. In this regard, we strive to further touch the lives of our policyholders and to provide them with more significant solutions by means of ecosystem collaborations.

We make significant progress towards our objective of creating a more agile company by using a digital transformation strategy that centers around people. We focus on the "holistic experience" of all interacting aspects such as customers, employees, distribution channels, and business partners, for sustainable leadership and success. For this purpose, we adopted platform-based business models to provide each of our stakeholders with an end-to-end digital, smooth and unique insurance experience.

We launched the Türkiye Sigorta Customer Platform, Türkiye's first insurance and pension super mobile application, which brings together all aspects of the value chain consisting of our customers, business partners and sales channels on an integrated platform. Our platform, which aims to embody insurance with a proactive perspective, makes the most of the opportunities provided by the evolving technologies, in line with our vision of transposing the insurance experience from 'after' to 'before'. By virtue of the improvements we have performed, we have made the changes in any process easily manageable. We have moved insurance beyond a service that comes to mind at the time of damage. Together with our more than 50 business partners in our platform, we have provided more than 100 services not only to our policyholders but also to whole Türkiye, in a way worthy of our name.

## Message from CEO

As a company named after Türkiye, we consider it as **our national responsibility** to assure our country's strategic assets.

### In 2022, we were granted 25 awards.

As Türkiye Sigorta, we were deemed worthy of awards across several spheres in 2022, as a result of the emphasis we place on our business and our efforts. Our customer platform was granted the second prize by the Gartner Eye on Innovation Awards, and the Digital Insurance Initiative of the Year award by the Asia Awards.

Thanks to the systematic and operational improvements we made in health insurance, we were ranked second in health insurance industry, as a result of one-on-one interviews with end users within the scope of the Customer Experience Index research organized in cooperation with Turkcell Global Bilgi & Fast Company.

We were granted a total of 12 awards in various categories by the Arc Awards, LACP Vision Awards, and Galaxy Awards 2023 for our 2021 Annual Report, and we won the Silver Award at the ACE Awards ceremony held by "Şikayetvar," which recognizes companies that offer the best possible customer service. We also received the Gold Award from the Smart-i Awards for our social responsibility projects. We were entitled to receive a Great Workplace Certificate for our corporate culture, thus winning a total of 25 awards in 2022.

### Towards the future...

Since our establishment, our most important objective has always been to develop and expand the values we already have, to create greater value for our country, our citizens, our employees, our shareholders and our investors, and to make them sustainable. In this regard, our primary goals as Türkiye Sigorta for the upcoming period will be to further strengthen our bond with our policyholders, to maintain our robust and profitable growth through a sustainable leadership approach, and to increase our market share.

While redefining the insurance business, we will focus on customized solutions and the embodying process of insurance, and we will strive to raise the insurance industry, which will increase insurance awareness and is the foundation of the savings economy, to the level it deserves in our country. We consider this issue as one of our highest priorities, as increasing both the awareness of being insured and the rate of being insured will ensure that the community is better protected against all potential risks, particularly natural disasters.

We will benefit more from the competitive advantages, efficiency solutions and operational flexibility capabilities provided by technology and digitalization. While



adopting the “holistic experience” as one of our strategic priorities in line with our digital transformation program, we will continue to develop integrated systems through scaling up our investments in this area.

As Türkiye Sigorta, we will continue to touch the lives of approximately 6.4 million policyholders throughout Türkiye with our approximately 3,000 employees, 3,880 agencies and brokers, 4,655 bank branches and 23 regional offices, and we will always be by their side. Within the framework of our perception of effective channel management, we strive for the development and growth of all our distribution channels. We will conduct various studies so that our distribution channels with varying dynamics can approach their utmost potential.

On our path forward, one of our main priorities is sustainability. With the release of our first sustainability report, we have crowned our efforts within the framework of our sustainability goals, which we have set to create solutions against adverse environmental and social impacts in line with our perception of “Insurance for Positive Impact”. As part of our corporate sustainability journey, we aim to reveal the value we create for the environment and community, and to enhance our

responsibility by taking firmer steps towards the future. As Türkiye Sigorta, we will keep working on systematically incorporating environmental, social and governance risks into our business model.

The year 2023, which we consider as a turning point for accomplishing our future plans, will take us one step closer to our goal of boosting our achievements to an international scale and becoming an internationally operating insurance company.

I would like to express my sincere gratitude to all our business partners, policyholders, and all other stakeholders who contributed to our outstanding performance in 2022, in particular our employees, for their support and trust.

Best Regards,

Atilla Benli

Vice Chairman of the Board  
and CEO

For sustainable leadership and success, we focus on the **“holistic experience”** of customers, employees, distribution channels, business partners, in brief, all interacting aspects.

# Senior Management



## **Atilla Benli**

Vice Chairman and CEO

Following his high school education at Darüşşafaka and undergraduate education at Istanbul University Public Administration, Atilla Benli received his master's degree in Insurance Department at Marmara University. He continues his doctoral studies at the same department. Benli started his career as an Auditor at Garanti Bank where he served as the Branch and Unit Manager later. Benli who worked as Unit Manager in charge of various units in the Financial Affairs, Operation, Agencies and Brokers Distribution Sales Channel at Garanti Sigorta became Executive Vice President in charge of Financial Affairs, HR, Claims and Legal Affairs units at BNP Paribas Cardiff in 2007. Later, he served as Executive Vice President in charge of the Claims Group at Groupama Sigorta and Groupama Hayat ve Emeklilik, and Executive Vice President responsible for Sales, Finance and Accounting, HR, Technical and Actuarial Units at Vakıf Emeklilik. After starting to work as the Executive Vice President responsible for the Claims Group and the Board Member at Zurich Insurance in 2016, Benli continued to serve as Executive Vice president responsible for Sales and Distribution Channels and Board Member from at the same company 2018. Having taken office at Güneş Sigorta as Board Member and General Manager as of 16 January 2019, Atilla Benli served as the Chairman of the Board of Directors at the related insurance companies after undertaking top assignment roles during the merger of the insurance companies. Upon the merger of insurance companies on 31 August 2020 and of pension companies on 1 September 2020, he was appointed as the Chief Executive Officer of Türkiye Sigorta and Türkiye Hayat Emeklilik. On 15 December 2020, he assumed the positions of General Manager of Türkiye Sigorta and of Türkiye Hayat Emeklilik in addition to his role as the Chairman of the Board. Since 31 March 2021, Benli has been serving as the Vice Chairman of the Board of Directors and CEO of Türkiye Sigorta and Türkiye Hayat Emeklilik. Furthermore, Atilla Benli is currently the Chairman of the Insurance Association of Türkiye, Chairman of Management Committee at Güvence Hesabı (Assurance Account), Chairman of

the Board of TARSİM Tarım Sigortaları (Agricultural Insurance Pool) and Chairman of the Board of JCR Avrasya Derecelendirme. Serving as the Chairman of the Board of Directors at TVF Finansal Yatırımlar AŞ and Vice Chairman of the Board of Directors at Türk P&I Sigorta AŞ, Benli still holds a seat as the Board Member at Pension Reserve Fund of the Council of Europe and Emeklilik Gözetim Merkezi AŞ (Pension Monitoring Center).



## **Bilal Türkmen**

Assistant General Manager

Having graduated from Business Administration Department of Akdeniz University in 2011, Bilal Türkmen completed his master's degree in Executive MBA program of Sabancı University in 2021.

Türkmen who started his professional life as an Analyst at Atheneum Partners, a management consultancy firm in Germany in 2010, took the first step in his insurance business at Aksigorta AŞ as an agency sales specialist. Worked as Treasury Specialist at the General Directorate of Insurance within the Undersecretariat of Treasury between 2012-2018, Türkmen joined Eureko Sigorta, the Technical Operator of TCIP, in 2018 and served as the Deputy Secretary General of TCIP.

Türkmen began to work as the Group Manager at Güneş Sigorta in 2019 and was assigned as Assistant General Manager in June 2020.

He still holds the seat as the Assistant General Manager of Strategy, Digital Transformation and Marketing at Türkiye Sigorta and Türkiye Hayat Emeklilik. Türkmen currently serves as the Board Member at Türk P&I AŞ and OSEM Sertifikasyon as well.



**Fatih Yıldız**  
Assistant General Manager

Fatih Yıldız, who graduated from Cumhuriyet University Department of Labor Economics and Industrial Relations in 2003 with the second-highest grade, completed Yıldız Technical University Business Administration Master's Program (MBA) in 2022.

He started his career at Finansbank in 2005. Between 2007-2018, within Yıldız Holding Retail Group; he respectively worked as a Human Resources Specialist and Human Resources and Training Manager at Bizim Toptan Satış Mağazaları, and as Human Resources Manager at Şok Markets between 2013 and 2015, and between 2015-2018, as the Human Resources Manager at Bizim Toptan Satış Mağazaları, where he played an active role in the merger and acquisition processes of Yıldız Holding Retail Group. Between 2018 and 2019, he served as Human Resources Manager at Bereket Sigorta and Bereket Hayat ve Emeklilik.

Yıldız, who joined Güneş Sigorta as Group Manager in 2019, was appointed as Assistant General Manager in June 2020. He managed the merger, transition and cultural transformation processes in the project of merging insurance and pension companies. Currently, he is the Assistant General Manager at Türkiye Sigorta and Türkiye Hayat Emeklilik in charge of Human Resources, Training, Procurement, and Administrative Services.



**Kürşat Pedis**  
Assistant General Manager

Having graduated from Istanbul Technical University the Department of Management Engineering in 2003, completed his master's degree in Executive MBA program of Yıldız Technical University in 2022. Kürşat Pedis began his career as a Specialist at Non-Auto Damage department of Garanti Sigorta in 2004. Pedis who served as an Executive in the same Directorate between 2008 and 2016, undertook the position of Non-Auto Damage Manager at Allianz Sigorta from 2016 to 2019. Appointed as the Group Manager in charge of Non-Auto, Bodily and Health Damage at Güneş Sigorta as of November 2019, Kürşat Pedis continued his services as Non-Auto Damage Director at Türkiye Sigorta following the merger of insurance companies on 31 August 2020. As of 2 June 2021, he was assigned as the Assistant General Manager in charge of Damage at Türkiye Sigorta.



**Murat Süzer**  
Assistant General Manager

Murat Süzer who earned his Bachelor's degree in Economics (in English) at Istanbul University in 2010, completed the Executive MBA program at Sabancı University between 2019 and 2020. Süzer started his career in 2010 at KPMG, an international audit and advisory services company. Involved in financial audit projects conducted in the insurance industry as an assistant, senior specialist and manager, Süzer attended various training programs related to the industry and financial management in Türkiye and abroad, and gave support to the overseas projects as well. Murat Süzer who began to work as Accounting and Financial Reporting Manager at Güneş Sigorta in February 2016 served as the Finance Department Group Manager in charge of Collections, General Accounting, Budget Reporting and Investor Relations, and Underwriting Accounting functions as from May 2019. Having assumed the position of Finance Director at Türkiye Sigorta and Türkiye Hayat Emeklilik upon the merger of insurance companies on and of public pension companies, Süzer was appointed as the Assistant General Manager of Finance at Türkiye Sigorta and Türkiye Hayat Emeklilik as of 15 December 2020. Süzer is a Certified Public Accountant (CPA), holds an Advanced Level (Level 3) license from the CMB. Süzer is the Board Member at Türk P&I AŞ and at OSEM Sertifikasyon and Cyprus Office Committee Member.

## Senior Management



**Nurcan Tunçdöken**  
Assistant General Manager

Nurcan Tunçdöken was graduated from the Department of Business Engineering at Istanbul Technical University in 1989. Tunçdöken who started her professional life in 1991 held the Executive position in Information Technologies Department of Güven Sigorta until 2008. In this continuum, she performed analysis, design and software development works of the whole insurance package, took part in the preparation of internal processes and provided end-user training. Working as Financial Projects Executive in Information Technologies Department of Groupama Sigorta between 2008 and 2009, Nurcan Tunçdöken served as Project Manager and Software Development Manager during the merger of Groupama Sigorta, Güven Sigorta, Başak Emeklilik and Güven Hayat. She assumed the position of Information Technologies Group Manager at Ziraat Sigorta, Ziraat Hayat ve Emeklilik between 2009 and 2019 and contributed to the activities related to the company's establishment and structuring of the Information Technologies. In this respect, she managed the analysis, design and software development works of the whole insurance package and modules of the company to be used by the related departments; put the applications into use and actively took charge in the preparation of internal processes. Between 2019 and 2021, Tunçdöken served as the Domestic Subsidiaries Portfolio Manager of Ziraat Teknoloji in the realization and coordination of technological needs, demands and projects of all companies incorporated under the Ziraat Finance Group through service procurement from Ziraat Teknoloji and the related IT service providers. In 2020, she worked in the sponsorship and project management works during the merger of insurance and pension companies. Appointed as the Assistant General Manager of Türkiye Sigorta and Türkiye Hayat Emeklilik Bancassurance Management as of 1 October 2021, Tunçdöken has been serving as Assistant General Manager of Bancassurance and Sales Management as of 1 January 2023.



**Remzi Duman**  
Assistant General Manager

Graduated from Boğaziçi University the Departments of Mathematics and Actuarial Mathematics in 2003, Remzi Duman started his professional career as a Specialist at Eureka Sigorta Reinsurance Department in 2004. Duman who held the position of Manager in the same department in 2007 and was appointed as the Director of Reinsurance, Special Risks and Credit Insurances in 2013 became the Assistant General Manager in charge of Technics at Halk Sigorta in 2017. Having served as the Assistant General Manager in charge of Technics, Operations, Reinsurance and Claims Units at IBS Sigorta ve Reasürans Brokerliği as of October 2018, Duman started to work as the Assistant General Manager in charge of Technics at Güneş Sigorta in May 2019. He was appointed as the Assistant General Manager in charge of Technics and Damage at Güneş Sigorta, Ziraat Sigorta and Halk Sigorta companies in June 2020. He started to serve as the Assistant General Manager of Underwriting and Claims of Türkiye Sigorta upon the merger of insurance companies on 31 August 2020. Since 2 June 2021, Duman has been serving as the Assistant General Manager in charge of Technics at Türkiye Sigorta and Türkiye Hayat Emeklilik. Duman also holds the position of the Chairman of Board of Directors at Motor Vehicles Insurance Bureau, and of the Board Member at Türk P&I AŞ.



**Sevda Mersin Hendem**  
Assistant General Manager

Having graduated from Computer Engineering Department of Yıldız Technical University in 2016. Mersin, who began her career as a Software Developer Specialist at Workcube E-Business Systems in 2006, served as Software Developer, Analyst, Project Manager and Software Development Director in various ERP transformation projects. She served as Software Development Manager at Pronet Güvenlik between 2014 and 2018. Appointed to the Ministry of Treasury and Finance as the General Manager of Information Technologies in 2018, Mersin worked as General Manager for three years during the establishment of General Directorate and implementation of the transformation projects. In the institution, she put many projects into practice such as 1 Million Software Developers, Open Source Transformation, Public Integrated ERP System and Joint Big Data Platform.

She serves as the Assistant General Manager of Information Technologies at Türkiye Sigorta and Türkiye Hayat Emeklilik as of 1 October 2021



**Şebnem Ulusoy**  
Assistant General Manager

Graduated from Ankara University Faculty of Law in 1992, Şebnem Ulusoy received her attorney's license in 1993 after completing her internship at Ankara Bar Association. She received her LLM in the European Union Law in 1996 at the University of Kent at Canterbury where she studied with Jean Monnet scholarship she earned in 1995.

She worked as Assistant Specialist in the Directorate General of Foreign Capital at the Undersecretariat of Treasury and Foreign Trade in 1994. She underwent internship as a career employee at the insurance unit (DG Internal Market) of European Union Commission in Brussels from January to April 2000. She served as Treasury Specialist in the Directorate General of Insurance at the Undersecretariat of Treasury between 1995 and 2002 and as Branch Manager in the Directorate General of Insurance as of 2002. Between 2008 and 2010, she worked as a Senior Associate at Paksoy Law Firm which provides legal consultancy services to the national and foreign investors in Türkiye. Holding the position of Assistant General Manager in charge of Legal Affairs and General Secretariat at Groupama Sigorta and Groupama Emeklilik as of 2010, Ulusoy also served as the Law Committee Member of the Association of Insurance, Reinsurance and Pension Companies of Türkiye. Appointed as the Assistant General Manager in charge of Legal Affairs at Güneş Sigorta as of 10 August 2020, Ulusoy has been serving as the Assistant General Manager of the Legal Affairs Department at Türkiye Sigorta and Türkiye Hayat Emeklilik since 1 September 2020. Ulusoy is still also the Member of Corporate Governance Committee on Life and Pension of Association of Insurance, Reinsurance and Pension Companies of Türkiye.



**Tuba Buldu**  
Assistant General Manager

Tuba Buldu, who graduated from Istanbul University Faculty of Nursing in 1995, earned her master's degree in Respiratory Rehabilitation in 1998 at Istanbul University Cerrahpaşa Faculty of Medicine, Institute of Chest Diseases and Tuberculosis, and completed the California College Pulmonary Rehabilitation program in 1996, and the Middle East Technical University Health Information Technologies program certification training in 2010.

She started her career in 1995 as a Respiratory Therapist at Florence Nightingale Group hospitals and, concurrently, as a consultant instructor in a Biostatistics course at Bilim University. In 1999, she worked in the Adolescent Health project, a joint study of the Ministry of National Education and the Ministry of Health.

Having worked in the healthcare industry, Buldu started working in the insurance sector at Allianz Sigorta in 2000, and obtained her insurance certifications from the Turkish Insurance Institute (TII) in 2002 and participated in numerous integration and transformation projects as a Technical and Medical Underwriter. Between 2009 to 2022, Buldu served as the Director of Eureka Sigorta's Underwriting, Health Production, Product Management, Network Management, Provision, and Compensation business units. She also served as a member and rapporteur of the Health Committee of the Association of Insurance, Reinsurance and Pension Companies of Türkiye between the years 2020-2022.

As of 1 September 2022, she was appointed as the Assistant General Manager of Türkiye Sigorta Health Insurances.



**Gürdoğan Yurtsever**  
Head of Internal Systems

Graduated from the Faculty of Political Sciences of Istanbul University, Gürdoğan Yurtsever completed his master's degree at Istanbul University the Institute of Social Sciences.

Starting his professional life as a deputy inspector in the Inspection Board of Tütünbank (Yaşarbank) in 1995, Yurtsever held the positions of Assistant Executive Inspector and Inspector. He worked as Inspector, Executive, Senior Executive, Head of Internal Control and Compliance as well as Financial Group and Bank Compliance Officer at ICBC Turkey Bank AŞ. Holding executive positions at various non-governmental organizations, Yurtsever serves as the Chairman of the Board of Directors at the Compliance Association. Besides, he served as the Chairman of the Board of Directors at the Institute of Internal Auditing - Turkey (TİDE) between 2014 and 2016. Yurtsever is also the Chairman of the Supervisory Board of the Association of Futurists, Member of the Board of the Turkish Accounting Professionals Association (TMUD) and the Chief Editor of Internal Auditor (İç Denetim) Magazine. Yurtsever wrote five books, two of which were published by the Association of Turkish Banks (TBB). Having written many professional articles and essays published in various magazines, Yurtsever edited numerous books, as well. Yurtsever who has a monthly column in Turcomoney, an economy and finance magazine, lectured undergraduate and graduate students in various universities. Yurtsever has the licenses and certificates of Certified Independent Accountant and Financial Advisor (CPA), Independent Auditor, Risk Management Assurance Specialist (CRMA), Certified Fraud Examiner (CFE) as well as Level 3 license from CMB, Derivative Instruments License, Credit Rating License and Corporate Governance Rating License.

As of January 2022, Yurtsever holds the positions of the Head of Internal Systems and Supervisory Board Member at Türkiye Sigorta and Türkiye Hayat Emeklilik companies.

### Changes in Senior Management

Güray Çelik and Volkan Sinan, who were appointed as Assistant General Managers on 15 December 2020, left their positions on 1 March 2022.

As of 1 September 2022, the Claims and Health functions under the Claims and Health Assistant General Manager were separated in line with the Company's strategies, and Kürşat Pedis continues to serve as the Assistant General Manager of Claims. As of the same day, Tuba Buldu started to work as Assistant General Manager of Health Insurances.

# Internal Audit, Risk Management, Internal Control and Legal Compliance Managers

## **Tolga Tigin Ersen**

### Internal Audit Manager

Having graduated from the Middle East Technical University the Faculty of Economics and Administrative Sciences with a Bachelor's degree in Business Administration in 1994, Tolga Tigin Ersen started his business life in 1995 as an Assistant Specialist at Pamukbank where he worked until 1996. He worked as the Assistant Inspector, Inspector and Internal Audit Manager at Başak Sigorta from 1996 to 2006. He held the position of Internal Audit Manager at Groupama Sigorta between 2006 and 2009 and at Aksigorta between 2009 and 2010. He served as the Head of Internal Audit between 2010 and 2014, and Internal Control and Risk Management and MASAK (Financial Crimes Investigation Board) Compliance Officer from 2014 to 2015 at Ziraat Sigorta. Under the joint management structure of Ziraat Sigorta and Ziraat Hayat ve Emeklilik, Ersen held the position of Manager of Internal Control and Risk Management and MASAK Compliance Officer between 2015 and 2019, and as Head of Internal Audit Manager between 2019 and September 2020. He has been serving as the Internal Audit Manager at Türkiye Sigorta AŞ since September 2020.

## **Levent Tolunay**

### Risk Management Manager

Having graduated from Adnan Menderes University Faculty of Economics and Administrative Sciences the Department of Finance in 2011, and from Marmara University Master of Insurance Program in 2021, Levent Tolunay started his professional life as the Deputy Inspector at the Inspection Board of Güneş Sigorta AŞ in 2014. Working as an Inspector between 2017-2021, Tolunay served as a Manager in the Türkiye Sigorta CEO Office Directorate between March and October 2021, and as a Manager in the Türkiye Sigorta Risk Management and Internal Control Department between October 2021 and May 2022. Tolunay has been working as Risk Management Manager in Türkiye Sigorta Risk Management Directorate since May 2022. Tolunay is a member of the Internal Audit Institute of Türkiye (TİDE).

## **Emine Yazıcı**

### Internal Control Unit Manager

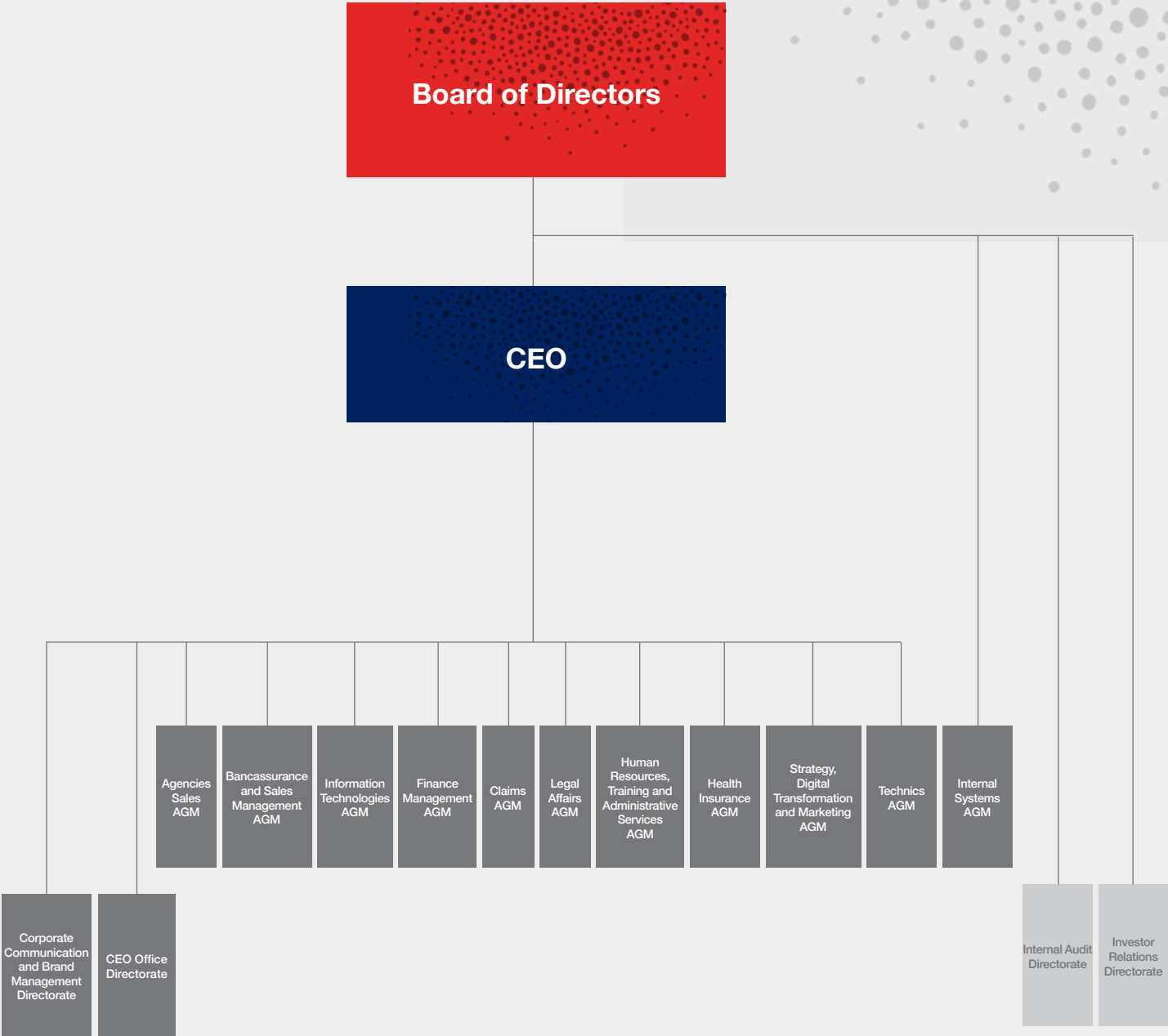
Emine Yazıcı graduated from Hacettepe University Faculty of Economics and Administrative Sciences Department of Political Science and Public Administration in 2012 and Marmara University Insurance Master's Program in 2022, and worked as an Assistant Inspector in the Güneş Sigorta Inspection Board in 2014 and as an Inspector between 2017-2022. Having started to work as a MASAK Compliance Officer at Türkiye Hayat Emeklilik Legal and Compliance Unit Department in May 2022, Yazıcı has been working as Türkiye Sigorta Internal Control Unit Manager since 12 January 2023. She is a member of the Turkish Internal Audit Institute (TİDE).

## **Gözde Ayvazoğlu Şenyurt**

### Legislation Compliance Manager

Having graduated from the Banking and Insurance Department of Anadolu University, Gözde Ayvazoğlu Şenyurt completed her undergraduate studies in Business Administration Department at the Faculty of Business Administration. She started her professional life at the Financial Affairs Management Collection Directorate of Güneş Sigorta in June 2001. Holding an Executive position at the same directorate between 2006 and 2013, Ayvazoğlu Şenyurt served as the Recourse Manager between 2013 and 2014 and as Compliance Manager and MASAK Legislation Compliance Officer as from 2014. Since August 2020 she has been working as the Legislation Compliance Manager of Türkiye Sigorta and Türkiye Hayat Emeklilik and as the MASAK Compliance Officer of Türkiye Sigorta. Gözde Ayvazoğlu Şenyurt also serves as the Member of the MASAK Investigation and Research Committee of the Association of Insurance, Reinsurance and Pension Companies of Türkiye.

# Organizational Chart



# Economic and Sectoral Developments in 2022

**In 2022, the total premium production of Türkiye's insurance industry reached TL 235 billion, with a nominal increase of 123.2%.**



## ECONOMIC OUTLOOK

The year 2022, which started with optimistic prospects of a recovery period following the pandemic, was a challenging year in which the global economy's agenda was driven by high inflation and the energy crisis. The war between Russia and Ukraine, which broke out in the first days of the year, upended all optimistic projections for the new year, and in 2021, price increases due to the supply-demand imbalance caused by pandemic restrictions entered a much higher frequency trend as an outcome of the war.

With the outbreak of the war, the region's production and logistics operations, which has a significant share of the global market for natural gas, oil, and industrial raw materials, ceased, and then economic sanctions imposed on Russia, the scope of which has been continuously expanded, caused a swift and sharp increase in energy and commodity prices, particularly in the European market due to its energy dependence on Russia, and then spreading at a dramatic rate, in the global markets. Thus, inflation, which showed its first signs in the post-pandemic period, has become a major global issue.

The fight against inflation started with the rapid cut of monetary expansion and asset purchases, especially by the central banks of developed countries, and continued with tighter policy practices and sharp interest rate hikes. The Federal

Reserve of the United States (Fed) raised interest rates by 425 basis points in 2022, bringing the policy rate to the range of 4.25%-4.50%, the highest level since 2007. The European Central Bank (ECB) hiked the policy rate to 2.50% in 2022, with the increase beginning in the second half of the year. The Bank of England also raised interest rates by 325 basis points in 2022, bringing the policy rate to 3.50%, the highest level in 14 years.

While disinflationary policies suppressed global economic growth, the ongoing supply shortages due to China's "Zero-Covid" policy also had adverse effects on the growth.

In its World Economic Outlook Report dated January 2023, the IMF updated its world economy growth forecast of 3.4% in 2022, and announced that the growth rate would be 2.9% in 2023, with the expectation that the current risks would continue. The IMF stated that the effect of the measures taken on a global scale will begin to be seen in 2024 and announced its growth forecast for 2024 as 3.1%.

With the contribution of robust domestic demand and net foreign demand in the first three quarters of the year, the Turkish economy grew by 7.5%, 7.7%, and 3.9% respectively, on a year-on-year basis. The increase over the past nine months was calculated to be 6.2%.

The IMF estimates that our country has achieved a growth rate of 5.5% in 2022, which is well above the world average.





# TÜRKİYE SİGORTA

CPI inflation, which followed an upward trend throughout 2022 with the reflection of the global supply-demand imbalance and soaring energy and food costs, declined to 64.27% as of the end of the year due to the high base and liraization, after reaching its peak in October. The annual D-PPI was also at its lowest level since January 2022 with 97.72%.

The CBRT kept the policy rate constant at 14% in the first two quarters, and in its monetary policy meeting held in August, it started the policy rate cut process, considering that financial conditions should be supportive to preserve the growth momentum in industrial production and the positive trend in employment. It gradually reduced the policy rate to 9%.

In 2022, Türkiye's exports ascended by 12.9% to a record high of USD 254.2 billion, while imports increased by 34% to USD 363.7 billion. The foreign trade deficit remained high with the effect of fluctuations in commodity prices, particularly in energy, and gold imports, and was realized as USD 109.5 billion. During the same period, the current account balance had a deficit of USD 48.8 billion, while the current account balance excluding gold and energy had a surplus of USD 50.8 billion.

## INSURANCE INDUSTRY

The deteriorating economic balances caused by the continuation of the Covid-19 pandemic, the problems encountered in the global supply chain, and the increase in energy and commodity prices as a result of the Russia-Ukraine war caused high inflation and economic slowdown in the economies and put pressure on the insurance industry. The semiconductor crisis, in particular, caused a shift toward the market for second-hand motor vehicles, while the construction industry witnessed a significant increase in costs. These situations have increased the damage costs of motor vehicles, motor vehicles liability and general liability.

According to the Swiss Re Institute's SIGMA Report dated July 2022, it is expected that in 2022, total premiums (non-life and life) will exceed the USD 7 trillion mark for the first time, with a strong nominal growth of 6.1%. However, this growth in real terms translates into near flat growth of 0.4% compared to the previous year.

It is estimated that the premium increase in the emerging markets will be 3.0% in 2022 and 4.2% in 2023, and these increases are expected to be above the premium productions in developed countries.

In 2022, the total premium production in the insurance industry of Türkiye reached TL 235 billion, with a nominal increase of 123.2%. Premium production in non-life branches, which had a share of 86.9% in total production, grew by 133.1% and was recorded as TL 204.2 billion. Premium production of the life branch, which has a share of 13.1% in total premium production, grew by 74.1% and reached TL 30.9 billion. The "Motor Vehicles Liability" main branch took the largest share in total production with 28.21%.

Prior to re-opening in the summer of 2021, mobility and damage frequencies remained relatively low with the restrictions due to the pandemic with positive repercussions in terms of technical profitability, though causing a high base effect for the first half of 2022. With the normalization in the second half of 2021, it was observed that the damage rates increased significantly in the industry in the following period as a result of the rise in damage frequency, the return of postponed health expenditures, the increase in spare parts costs due to the fluctuations in exchange rates, high inflation and labor costs. In 2022, damage frequency and costs continued to increase, especially in the vehicle branch, putting pressure on the technical profitability of the industry.

## Economic and Sectoral Developments in 2022

BRANCHES	2022	SHARE (%)	2021	SHARE (%)	CHANGE (%)
ACCIDENT	4,711,981,091	2.31	2,443,378,083	2.79	92.85
HEALTH	30,061,294,054	14.72	13,078,386,991	14.93	129.85
MOTOR VEHICLES	44,514,428,282	21.80	14,291,889,908	16.32	211.47
RAIL VEHICLES	-	-	30,962	-	n.m.
AIRCRAFT	635,247,668	0.31	469,039,408	0.54	35.44
WATERCRAFT	2,188,365,682	1.07	1,058,942,244	1.21	106.66
MARINE	3,827,153,009	1.87	1,844,392,319	2.11	107.50
FIRE AND NATURAL DISASTERS	27,342,082,776	13.39	14,046,572,235	16.04	94.65
GENERAL LOSSES	21,954,729,978	10.75	11,038,240,939	12.60	98.90
MOTOR VEHICLES LIABILITY	57,584,634,954	28.21	23,308,761,216	26.61	147.05
AIRCRAFT LIABILITY	904,666,282	0.44	488,973,998	0.56	85.01
WATERCRAFT LIABILITY	237,847,913	0.12	88,526,945	0.10	168.67
GENERAL LIABILITY	5,957,537,232	2.92	3,213,054,072	3.67	85.42
CREDIT	962,384,048	0.47	528,327,801	0.60	82.16
SURETY BOND	349,187,372	0.17	221,493,082	0.25	57.65
FINANCIAL LOSSES	1,761,229,781	0.86	1,154,007,399	1.32	52.62
LEGAL PROTECTION	720,780,185	0.35	300,224,816	0.34	140.08
SUPPORT	439,935,396	0.22	6,028,376	0.01	7197.74
<b>NON-LIFE TOTAL</b>	<b>204,153,485,703</b>	<b>86.87</b>	<b>87,580,270,796</b>	<b>83.17</b>	<b>133.10</b>
<b>LIFE</b>	<b>30,858,314,007</b>	<b>13.13</b>	<b>17,726,737,287</b>	<b>16.83</b>	<b>74.08</b>
<b>GRAND TOTAL</b>	<b>235,011,799,710</b>	<b>100.00</b>	<b>105,307,008,083</b>	<b>100.00</b>	<b>123.17</b>

Source: Insurance Association of Türkiye

### INSURANCE INDUSTRY LEGISLATIVE DEVELOPMENTS AND AMENDMENTS IN 2022

The Circular (2021/6) on the Amendment to the Circular No. 2020/8 on the Implementation of Premium/Equity Coefficient and Maximum Premium Increase Rates in the Compulsory Liability Insurance of Highways Motor Vehicles has been published.

With this Circular, according to the new regulation to be effective as of 1 January 2022, it has been stipulated that the sum of the Highways Motor Vehicles Compulsory Liability Insurance premiums produced by insurance companies in a calendar year cannot exceed four times their shareholders' equity at the end of the previous year. This Circular came into effect on 1 January 2022.

### Circular on Amendments in Coefficients Used in Calculation of Capital and Adequacy

On the Regulation on the Measurement and Assessment of Capital Adequacy of Insurance, Reinsurance and Pension Companies dated 23 August 2015 and numbered 29454, which was amended by the 1<sup>st</sup> article of the Communiqué on 5 August 2016 and No. 2016/29 on Making Amendments in the Coefficients Used for Writing Risk in Capital Adequacy Calculation, the coefficients in subparagraphs c and h of the sixth paragraph of Article 8, titled "Required equity according to the second method", have been changed as 0.15 and 0.21 for Motor Vehicles and Motor Vehicles Liability Insurances, respectively. This Circular came into effect on 1 January 2022.

The Circular (2022/22) Amending the Communiqué No. 2016/22 on the Discounting Net Cash Flows Arising from Outstanding Claims Reserve has been published. With this Circular, the discount rate used in discounting the cash flows arising from outstanding claims has been increased from 14% to 22%.

In the amendment made in the 7<sup>th</sup> article of the Circular on the Amendment of the Circular on the Discounting of Net Cash Flows Arising from Outstanding Claims Reserve, it is stated that net cash flows are discounted to cash value by considering the rate of 22% as of the financial reporting period. This Circular came into effect as of 30 June 2022.

Türkiye Sigorta reflected the discount rates specified in the relevant Circular to the financials by using it in the calculations of the discount amounts for the second quarter of 2022 and the accounting periods thereafter.

**The Circular No. 2020/8 on the Amendment on the Circular on the Implementation of Premium/Equity Coefficient and Maximum Premium Increase Rates in Highways Motor Vehicles Compulsory Property Liability Insurance (2022/24) has been published.**

With this Circular, according to the new regulation to effective as of 1 January 2022, it has been stipulated that the sum of the Highways Motor Vehicles Compulsory Liability Insurance premiums produced by the insurance companies in a calendar year cannot exceed 5 times the previous year-end equity capital. This Circular came into effect on 4 August 2022 on the date of its publication.

**Regulation Amending the Regulation on Tariff Implementation Principles in Highways Motor Vehicles Compulsory Liability Insurance has been published in the Official Gazette on 31 August 2022 and came into effect.**

As specified in this Regulation:

ARTICLE 1 - The following paragraph has been added to Article 15 of the Regulation on Tariff Implementation Principles in Highways Motor Vehicles Compulsory Liability Insurance published in the Official Gazette dated 14 July 2007 and numbered 26582.

“(4) The authority to issue and renew policies in insurance branches determined by the Institution or in all insurance branches of insurance companies identified to have avoided issuing policies may be temporarily suspended for a period of not less than 3 days and not more than 30 days. If the avoidance persists, these periods of time can be doubled and/or further actions can be imposed based on the Board’s decisions. The Institution may announce insurance companies that are found to have avoided issuing policies, and the injunction decision taken pursuant to this paragraph, on the official website with a Board decision, based on the eighth paragraph of Article 8 of the Presidential Decree No. 47.”

ARTICLE 2 - To come after the phrase “1.5% per month (over the maximum premium amounts of the previous month) as of February 2022” in the temporary article 11 of the same Regulation, the phrase “As of September 2022, 4.75% per month (over the maximum premium amounts of the previous month)” has been added.

“12) The maximum premiums to be applied as of 1 September 2022 are calculated by adding 10% for taxi, minibus (10-17 seats including driver), bus (18-30 seats including driver), bus (31 and more seats including driver), truck and towing vehicle groups, and 20% for other vehicle groups implemented to the 4<sup>th</sup> level maximum premiums on the basis of vehicle group applied in August 2022.”

ARTICLE 3- Annex-2 of the same Regulation has been amended as in the attachment, Annex-3/A has been added to the same Regulation to come after Annex-3, and the phrase “three” in the first paragraph of Article 4 of Annex-4 in the same Regulation has been changed to “five”.

**Circular No. 2022/27 On Reserve for Unexpired Risks Has Been Issued.**

As specified in this Circular:

i. The gross damage premium rate can be calculated on the basis of the accident year, over the sum of the last four three-month periods including the current period, incorporating indirect works. In case of significant fluctuations in the damage premium rate corresponding to the accident years due to unanticipated changes in inflation, exchange rate, minimum wage increase and similar issues, it is possible to make adjustments by taking into account the best estimation principles by the company actuary, reflecting the results of each quarter within itself, in order to eliminate the misleading effect of the fluctuation, provided that there is an actuarial basis.

ii. As an alternative to the method explained, the gross damage premium rate by insurance companies can be calculated based on the underwriting (business) year over the sum of the last four quarters including the current period, covering indirect works. In calculating

the amount of claims incurred by the company actuary, the immaturity of the claim development process for the underwriting (business) year for the policies written in the last year is also considered within the framework of the best estimation principles.

iii. In case a separate calculation is made for the works where 100% of the direct production is transferred to the pools established in Türkiye, the gross damage premium rate of 105% is used as 100%, and the gross damage premium rate of 90% used for other works is used as 85%.

iv. In case a separate calculation is not made for the works where 100% of the direct production is transferred to the pools established in Türkiye, the 90% rate of gross damage premium used is used as 85%.

v. The positive difference that may arise due to the change in the calculation method and the adjustments made by the company actuary in order to eliminate the misleading effect of the unanticipated fluctuations in the loss premium ratio, cannot be used in profit distribution for one year following the year in which the change is made, without the approval of the institution, and is not taken into account in the calculation of the capital adequacy ratio to be considered for profit distribution.

Companies that have not prepared their financial statements dated 30 September 2022 on the publish date of this Circular may implement the provisions of this Communiqué as of 30 September 2022. Circular No. 2019/5 on Reserve for Unexpired Risks has been repealed.

In addition to these, the Company has undertaken all necessary arrangements and implementations in accordance with the requirements of the Personal Data Protection Law.

In order to build financial models and processes, internal reporting, as well as system architecture, in compliance with IFRS 17 standards, the IFRS 17 Standards Compliance Project continued throughout 2022. It is scheduled to be concluded in the first quarter of 2023.

# Technical and Financial Results

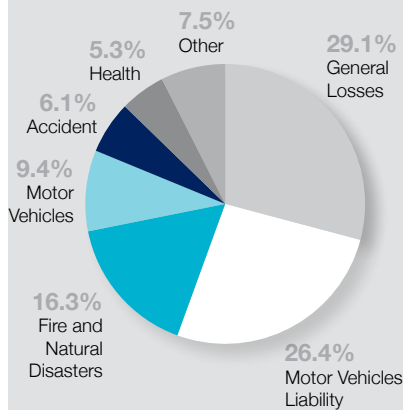
**Türkiye Sigorta's total premium production in 2022 reached TL 25.2 billion with an increase of 114%.**

## 29%

### General Losses

General Losses branch ranks first in total premium production with a share of 29%.

### Breakdown of Premium Production by Branches



### Premium Production

Based on treasury branches, the gross premium production for 2022 in comparison with the previous year's figures are shown in the table below:

TL	2021	2022	Share (%)	Change (%)
General Losses	3,914,042,417	7,335,342,686	29	87
Motor Vehicles Liability	2,118,032,096	6,649,847,001	26	214
Fire and Natural Disasters	2,220,613,135	4,103,492,305	16	85
Motor Vehicles	1,126,418,653	2,354,567,189	9	109
Accident	582,121,664	1,526,516,755	6	162
Health	617,820,174	1,324,750,846	5	114
Aircraft Liability	245,374,367	525,218,409	2	114
General Liability	338,457,427	505,014,599	2	49
Aircraft	219,529,401	245,345,572	1	12
Watercraft	162,505,502	224,446,398	0.9	38
Marine	75,462,447	133,315,592	0.5	77
Legal Protection	32,118,994	120,450,741	0.5	275
Credit	38,048,734	58,192,308	0.2	53
Financial Losses	39,727,562	40,879,172	0.2	3
Surety Bond	19,048,045	26,043,102	0.1	37
Rail Vehicles	-	-	-	-
Watercraft Liability	-	-	-	-
Support	325,952	-	-	-100
<b>Grand Total</b>	<b>11,749,646,570</b>	<b>25,173,422,673</b>	<b>100</b>	<b>114</b>

## Gross Claims Paid

The gross claims paid for 2022 in treasury branches in comparison with the previous year's figures are shown in the table below:

TL	2021	2022	Share (%)	Change (%)
General Losses	451,883,875	600,353,490	9	33
Motor Vehicles Liability	1,213,661,092	2,975,125,820	43	145
Fire and Natural Disasters	611,056,442	1,026,159,866	15	68
Motor Vehicles	644,111,500	1,144,347,590	17	78
Accident	39,745,612	34,374,071	0.5	-14
Health	355,682,911	745,417,192	11	110
Aircraft Liability	53,232,426	38,814,043	0.6	-27
General Liability	50,734,012	69,547,578	1	37
Aircraft	196,040,369	106,643,486	2	-46
Watercraft	63,261,905	51,157,103	0.7	-19
Marine	19,318,965	47,809,791	0.7	147
Legal Protection	61,297	115,229	0.002	88
Credit	(80,733)	402,437	0.01	n.m.
Financial Losses	70,657,953	64,111,592	0.9	-9
Surety Bond	602,572	11,136,904	0.2	1748
Rail Vehicles	-	-	-	-
Watercraft Liability	-	-	-	-
Support	-	-	-	-
<b>Grand Total</b>	<b>3,769,970,198</b>	<b>6,915,516,192</b>	<b>100</b>	<b>83</b>

## Technical Balance (Technical Profit)

Based on the treasury branches, the Technical Balance results for 2022 in comparison with the previous year's figures are shown in the table below:

TL	2021	2022	Change (%)
General Losses	267,067,197	593,218,640	122
Motor Vehicles Liability	(298,530,656)	(1,990,176,754)	567
Fire and Natural Disasters	407,103,474	735,055,910	81
Motor Vehicles	279,583,169	464,956,244	66
Accident	410,326,945	895,338,132	118
Health	102,993,580	(352,261,302)	n.a.
Aircraft Liability	(2,814,503)	(7,096,053)	152
General Liability	74,333,955	53,229,096	-28
Aircraft	(2,057,791)	(3,485,763)	69
Watercraft	(5,258,095)	12,447,856	n.a.
Marine	18,423,187	29,384,015	59
Legal Protection	23,086,469	67,683,268	193
Credit	3,428,115	980,131	-71
Financial Losses	7,682,339	(6,432,047)	n.a.
Surety Bond	11,197,349	9,603,777	-14
Rail Vehicles	-	-	-
Watercraft Liability	-	-	-
Support	472,116	3,898	-99
<b>Grand Total</b>	<b>1,297,036,850</b>	<b>502,449,048</b>	<b>-61</b>

## Technical and Financial Results

Branch-based Technical Income Table

I- TECHNICAL DIVISION	GENERAL LOSSES	MOTOR VEHICLES LIABILITY	FIRE AND NATURAL DISASTERS	MOTOR VEHICLES	ACCIDENT	HEALTH	AIRCRAFT LIABILITY
<b>A- Non-Life Technical Revenue</b>	<b>974,647,774</b>	<b>2,959,084,200</b>	<b>1,290,801,239</b>	<b>2,103,139,133</b>	<b>1,269,267,390</b>	<b>789,912,959</b>	-
Written Premiums (Net)	1,014,567,198	5,037,303,711	1,374,036,804	2,336,535,095	1,442,695,322	1,324,750,848	-
Change in Unearned Premium Reserves (Net)	(261,070,584)	(2,007,029,930)	(475,427,195)	(696,993,262)	(661,269,551)	(573,927,535)	-
Change in Unexpired Risk Reserves	-	(984,672,294)	-	-	-	(159,559,989)	-
Investment Income Transferred from Non-Technical Division	220,690,732	861,885,701	376,594,541	407,984,037	487,827,303	198,141,614	-
Other Technical Revenues	-	1,342,129	-	6,004,762	-	187,513	-
Accrued Recourse & Salvage Revenue (+)	460,428	50,254,883	15,597,089	49,608,501	14,316	320,508	-
<b>B- Non-life Technical Expense (-)</b>	<b>(381,429,134)</b>	<b>(4,949,260,954)</b>	<b>(555,745,329)</b>	<b>(1,638,182,889)</b>	<b>(373,929,258)</b>	<b>(1,142,174,261)</b>	<b>(7,096,053)</b>
Paid Damages (Net)	(370,982,335)	(2,517,856,304)	(275,426,367)	(1,143,579,861)	(16,300,837)	(745,379,954)	-
Change in Outstanding Claims Provisions	(27,283,622)	(1,940,187,496)	(13,343,101)	(84,415,923)	3,991,846	(99,331,198)	-
Change in Bonus and Discount Provisions	-	-	-	-	-	-	-
Change in Other Technical Provisions	(1,179,003)	-	(24,211,904)	(3,016,720)	(208,683)	-	-
Operating Expenses (-)	18,015,826	(491,217,154)	(242,763,957)	(407,170,385)	(361,411,584)	(297,463,109)	(7,096,053)
<b>C- Non-Life Technical Profit (A-B)</b>	<b>593,218,640</b>	<b>(1,990,176,754)</b>	<b>735,055,910</b>	<b>464,956,244</b>	<b>895,338,132</b>	<b>(352,261,302)</b>	<b>(7,096,053)</b>

**OUR EXTENSIVE RANGE OF PRODUCTS ENABLES US TO FULFILL THE EXPECTATIONS OF POLICYHOLDERS AT THE HIGHEST LEVEL, OFFERING THEM THE MOST COMPETITIVE INSURANCE PRODUCTS AVAILABLE.**

GENERAL LIABILITY	AIRCRAFT	WATERCRAFT	MARINE	LEGAL PROTECTION	CREDIT	FINANCIAL LOSSES	SURETY BOND	SUPPORT	TOTAL
<b>69,949,497</b>	-	<b>5,374,908</b>	<b>43,273,325</b>	<b>118,916,598</b>	<b>199,634</b>	<b>14,628,296</b>	<b>23,812,865</b>	<b>3,898</b>	<b>9,663,011,716</b>
71,035,870	-	2,780,969	32,724,476	120,452,573	499,574	12,453,865	12,698,745	-	12,782,535,050
(14,490,316)	-	1,689,303	(2,137,114)	(42,693,860)	(45,642)	(1,885,744)	(2,613,380)	3,898	(4,737,890,912)
(7,106,453)	-	-	-	-	-	-	(761,913)	-	(1,152,100,649)
20,045,175	-	629,092	8,765,552	41,157,885	163,571	4,032,656	3,099,227	-	2,631,017,086
-	-	-	-	-	-	-	-	-	7,534,404
465,221	-	275,544	3,920,411	-	(417,869)	27,519	11,390,186	-	131,916,737
<b>(16,720,401)</b>	<b>(3,485,763)</b>	<b>7,072,948</b>	<b>(13,889,310)</b>	<b>(51,233,330)</b>	<b>780,497</b>	<b>(21,060,343)</b>	<b>(14,209,088)</b>	-	<b>(9,160,562,668)</b>
(12,423,963)	-	(941,489)	(7,093,787)	(105,916)	(21,289)	(1,192,798)	(10,385,829)	-	(5,101,690,729)
6,553,788	-	1,975,371	(6,521,455)	(125,490)	(95,044)	(2,383,867)	(113,293)	-	(2,161,279,484)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	(59,949)	(435)	(414,108)	-	(29,090,802)
(10,850,226)	(3,485,763)	6,039,066	(274,068)	(51,001,924)	956,779	(17,483,243)	(3,295,858)	-	(1,868,501,653)
<b>53,229,096</b>	<b>(3,485,763)</b>	<b>12,447,856</b>	<b>29,384,015</b>	<b>67,683,268</b>	<b>980,131</b>	<b>(6,432,047)</b>	<b>9,603,777</b>	<b>3,898</b>	<b>502,449,048</b>

## Technical and Financial Results

### Investment Income

At the end of 2022, investment income was recorded as TL 4 billion 112 million with an increase of 72%. Foreign exchange gains constitute the biggest part of the investment income with TL 1 billion 799 million. The second largest investment income earned was the profit from FX transactions of TL 935 million. Income of TL 669 million from valuation of financial assets, TL 562 million from subsidiaries, TL 89 million from derivatives products and TL 57 million from plots, lands and buildings were recorded.

TL	2021	2022	Change (%)
1- Income Obtained from Financial Investments	1,094,412,635	1,799,499,881	64
2- Revenues from the Sales of Financial Investments	-	-	-
3- Valuation of Financial Investments	55,194,627	668,636,382	1111
4- Foreign Exchange Gains	1,154,916,604	935,167,684	-19
5- Income from Participations	62,214,858	562,195,972	804
6- Income from Subsidiaries and Joint Ventures	-	-	-
7- Income from Real Estate	18,055,753	56,853,537	215
8- Income Obtained from Derivatives	-	89,468,769	n.a.
9- Other Investments	-	-	-
10- Investment Income Transferred from Life Technical Division	-	-	-
<b>Grand Total</b>	<b>2,384,794,477</b>	<b>4,111,822,225</b>	<b>72</b>

### Investment Expenses

At the end of 2022, investment expenses were recorded as TL 3 billion 584 million with an increase of 71%. Investment income transferred to the technical division represents the largest item under investment expenses with TL 2 billion 631 million. Foreign exchange losses were recorded as TL 725 million. In the same period, other investment expenses, investment management expenses depreciation expenses corresponded to TL 126 million, TL 61 million and TL 40 million, respectively.

TL	2021	2022	Change (%)
TL	(7,898,118)	(61,272,080)	676
1- Investment Management Expenses (incl. interests) (-)	-	-	-
2- Diminution in Value of Investments (-)	-	-	-
3- Loss from the Sales of Financial Investments (-)	(1,116,240,833)	(2,631,017,086)	136
4- Investment Expenses Transferred to the Technical Division (-)	-	-	-
5- Loss from Derivative Products (-)	(862,013,777)	(724,898,059)	-16
6- Foreign Exchange Losses (-)	(30,890,852)	(40,356,076)	31
7- Depreciation Expenses (-)	(78,178,819)	(126,275,744)	62
<b>8- Other Investment Expenses (-)</b>	<b>(2,095,222,399)</b>	<b>(3,583,819,045)</b>	<b>71</b>



### Revenues & Profits and Expenses & Losses from Other and Extraordinary Operations

At the end of 2022, Revenues & Profits and Expenses & Losses from Other and Extraordinary Operations amounted to TL 235 million. On the revenue side, the income items contained Deferred Tax Assets of TL 300 million and Other Revenues of TL 9 million while expense items were represented by Provisions of TL 62 million, Rediscount Expenses of TL 11 million and Other Expenses and Losses of TL 2 million.

TL	2021	2022	Change (%)
1- Provisions (+/-)	(216,657,819)	(61,898,579)	-71
2- Rediscounts (+/-)	2,374,283	(10,706,810)	n.a.
3- Special Insurance Account (+/-)	-	-	-
4- Inflation Adjustment (+/-)	-	-	-
5- Deferred Tax Assets (+/-)	29,125,841	300,447,077	932
6- Deferred Tax Liabilities Loss	-	-	-
7- Other Revenues and Profits	2,196,576	9,276,181	322
8- Other Expenses and Losses (-)	(825,101)	(1,910,620)	132
9- Previous Year's Revenues and Profits	-	-	-
10- Previous Year's Expenses and Losses (-)	-	-	-
<b>Grand Total</b>	<b>(183,786,220)</b>	<b>235,207,249</b>	<b>n.a.</b>

### Summary Income Statement

For 1 January - 31 December 2022 reporting period, technical income amounted to TL 9 billion 663 million while technical loss corresponded to TL 9 billion 161 million. At the bottom line, the Company realized a technical profit of TL 502 million.

As a result of the investment income of TL 4 billion 112 million, income expense of TL 3 billion 584 million and the expense from other and extraordinary operations of TL 235 million included in the technical division, net profit for the period corresponded to TL 941 million after deducting tax provisions of TL 324 million.

TL	2021	2022	Change (%)
A- Non-Life Technical Revenue	5,389,053,416	9,663,011,716	79
B- Non-Life Technical Expenses (-)	(4,092,016,565)	(9,160,562,668)	124
C- Technical Part Balance- Non-I (A-B)	1,297,036,851	502,449,048	-61
D- Investment Income	2,384,794,477	4,111,822,225	72
E- Investment Expenses (-)	(2,095,222,399)	(3,583,819,045)	71
F- Revenues and Profits and Expenses & Losses from Other and Extraordinary Operations (+/-)	(183,786,220)	235,207,249	n.a.
G- Net Profit / Loss For the Period	1,058,300,968	941,403,358	-11
<i>Provisions for Period Profit Taxation and Other Legal Liabilities</i>	<i>(344,521,741)</i>	<i>(324,256,119)</i>	<i>-6</i>

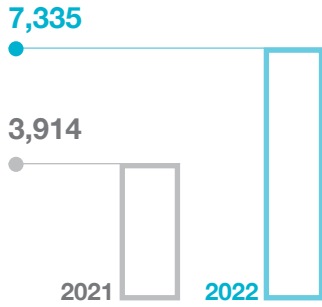
# Technical Overview by Main Branches

**87%**  
Increase in Premium  
Production in 2022

## General Losses Insurance

At the end of 20221, premium production in General Losses Insurance branch escalated by 87% to TL 7 billion 335 million. The retention ratio was 14%.

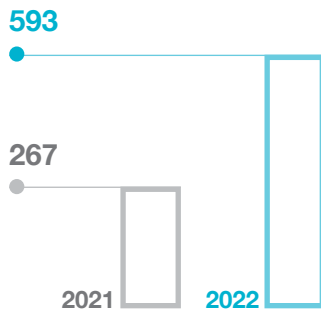
## Premium Production (TL million)



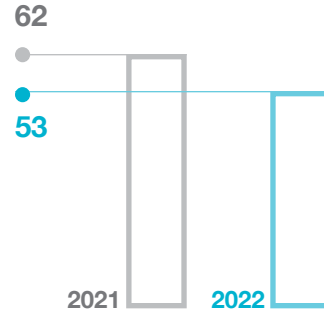
GENERAL LOSSES	2021	2022	Change (%)
Premium Production - TL	3,914,042,417	7,335,342,686	87
Retention Ratio %	14	14	0
Earned Premiums (net) - TL	478,609,393	753,496,614	57
Losses Incurred (net) - TL	(298,162,444)	(398,265,957)	34
Technical Profit - TL	267,067,197	593,218,640	122
Loss Ratio (net) %	62	53	-9 points
Technical Profit/Premium %	7	8	1 points

While earned premiums (net) amounted to TL 753 million, net losses incurred were recorded as TL 398 million. The Company posted a technical profit of TL 593 million with an increase of 122%, and net loss/premium ratio corresponded to 53%.

## Technical Profit (TL million)



## Loss/Premium (net) (%)



### Fire and Natural Disasters Insurance

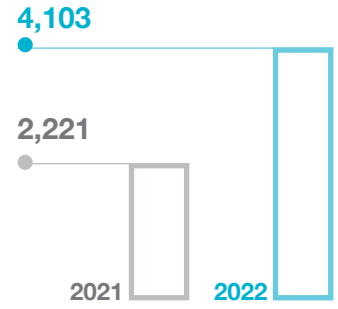
At the end of 2022, premium production in Fire and Natural Disasters Insurance branch rose by 85% to TL 4 billion 103 million. The retention ratio corresponds to 33%.

**85%**  
Increase in Premium  
Production in 2022

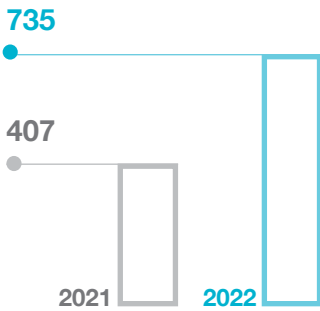
FIRE AND NATURAL DISASTERS	2021	2022	Change (%)
Premium Production - TL	2,220,613,135	4,103,492,305	85
Retention Ratio %	28	33	5
Earned Premiums (net) - TL	533,813,875	898,609,609	68
Losses Incurred (net) - TL	(206,317,258)	(288,769,468)	40
Technical Profit - TL	407,103,474	735,055,910	81
Loss Ratio (net) %	39	32	-7 points
Technical Profit/Premium %	18	18	0 points

While earned premiums (net) amounted to TL 899 million, net losses incurred were recorded as TL 289 million. In Fire and Natural Disasters, the Company realized a technical profit of TL 735 million with an increase of 81%, and net loss/premium ratio was 32%.

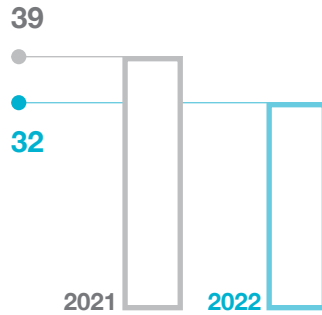
**Premium Production**  
(TL million)



**Technical Profit**  
(TL million)



**Loss/Premium (net)**  
(%)



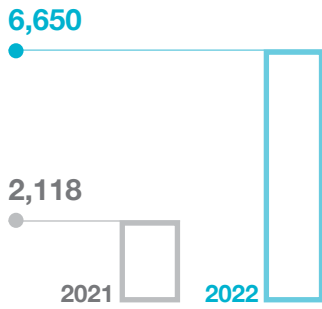
## Technical Overview by Main Branches

**214%**  
Increase in Premium  
Production in 2022

### Motor Vehicle Liability Insurance

At the end of 2022, premium production in Motor Vehicles Liability Insurance branch climbed by 214% to TL 2 billion 6 billion 650 million. Retention ratio is 76%.

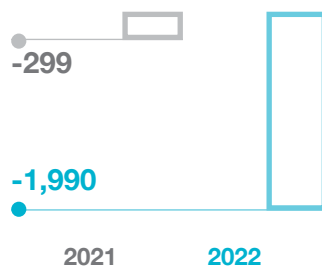
#### Premium Production (TL million)



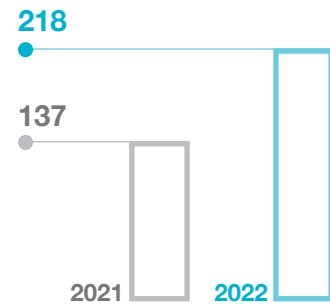
MOTOR VEHICLE LIABILITY	2021	2022	Change (%)
Premium Production - TL	2,118,032,096	6,649,847,001	214
Retention Ratio %	68	76	8
Earned Premiums (net) - TL	1,055,567,491	2,045,601,487	94
Losses Incurred (net) - TL	(1,446,990,932)	(4,458,043,800)	208
Technical Profit - TL	(298,530,654)	(1,990,176,754)	567
Loss Ratio (net) %	137	218	81 points
Technical Profit/Premium %	-14	-30	-16 points

While earned premiums (net) amounted to TL 2 billion 46 million, net losses incurred were recorded as TL 4 billion 458 million. The Company posted a technical loss of TL 1 billion 990 million with a rise of 567%, compared to the previous year. Net loss/premium ratio increased from 137% to 218%.

#### Technical Profit (TL million)



#### Loss/Premium (net) (%)



## Motor Vehicles Insurance

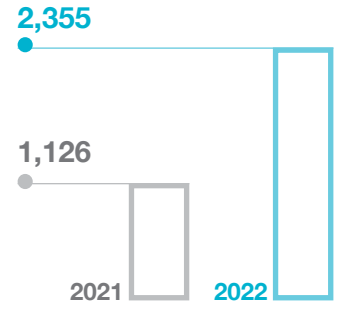
At the end of 2022, premium production in Motor Vehicles Insurance branch escalated by 109% to TL 2 billion 355 million. Retention ratio is 99%.

**109%**  
Increase in Premium  
Production in 2022

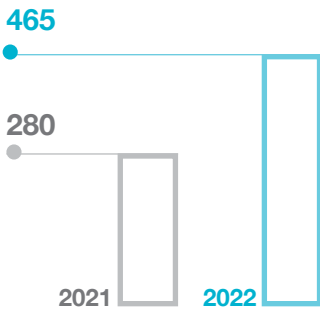
MOTOR VEHICLES	2021	2022	Change (%)
Premium Production - TL	1,126,418,653	2,354,567,189	109
Retention Ratio %	100	99	0
Earned Premiums (net) - TL	954,535,413	1,639,541,833	72
Losses Incurred (net) - TL	(706,767,324)	(1,227,995,784)	74
Technical Profit - TL	279,583,170	464,956,244	66
Loss Ratio (net) %	74	75	1 points
Technical Profit/Premium %	25	20	-5 points

While earned premiums (net) corresponded to TL 1 billion 640 million, net losses incurred were equal to TL 1 billion 228 million. In Motor Vehicles, the Company posted a technical profit of TL 465 million with an increase of 66%, and net loss/premium ratio was 75%.

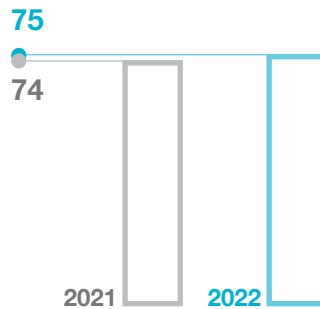
**Premium Production**  
(TL million)



**Technical Profit**  
(TL million)



**Loss/Premium (net)**  
(%)



## Technical Overview by Main Branches

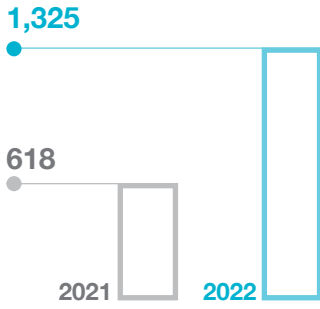
# 114%

Increase in Premium Production in 2022

### Health Insurance

At the end of 2022, premium production in Health Insurance branch went up by 114% to TL 1 billion 325 million. Retention ratio is 100%.

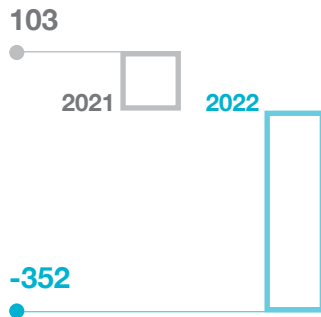
### Premium Production (TL million)



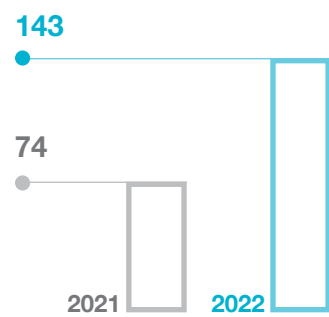
HEALTH	2021	2022	Change (%)
Premium Production - TL	617,820,174	1,324,750,846	114
Retention Ratio %	100	100	0
Earned Premiums (net) - TL	604,609,108	591,263,324	-2
Losses Incurred (net) - TL	(444,927,568)	(844,711,152)	90
Technical Profit - TL	102,993,580	(352,261,302)	n.a.
Loss Ratio (net) %	74	143	69 points
Technical Profit/Premium %	17	-27	n.a.

While earned premiums (net) amounted to TL 591 million, net losses incurred were TL 845 million. In Health Insurance, there was a technical loss of TL 352 million, and net loss/premium ratio was 143%.

### Technical Profit (TL million)



### Loss/Premium (net) (%)



## Accident Insurance

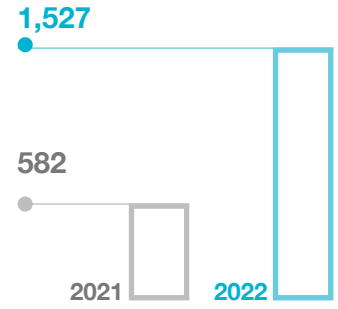
At the end of 2022, premium production in Accident Insurance branch increased by 162% to TL 1 billion 527 million. Retention ratio is 95%.

**162%**  
Increase in Premium  
Production in 2022

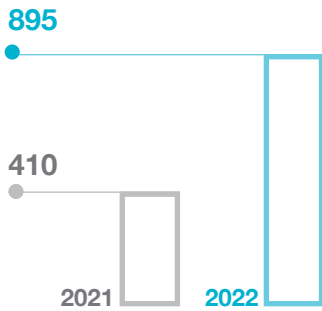
ACCIDENT	2021	2022	Change (%)
Premium Production - TL	582,121,664	1,526,516,755	162
Retention Ratio %	88	95	7
Earned Premiums (net) - TL	383,315,552	781,425,771	104
Losses Incurred (net) - TL	(17,141,574)	(12,308,991)	-28
Technical Profit - TL	410,326,945	895,338,132	118
Loss Ratio (net) %	4	2	-2 points
Technical Profit/Premium %	70	59	-11 points

Net loss/premium ratio in the Accident Insurance branch was recorded as 2% by the end of 2022. While earned premiums (net) corresponded to TL 781 million, net losses incurred were recorded as TL 12 million. In Accident Insurance, the Company realized a technical profit of TL 895 million with an increase of 118% year-over-year.

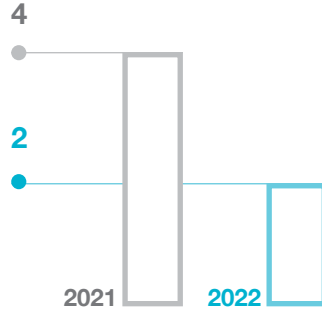
**Premium Production**  
(TL million)



**Technical Profit**  
(TL million)



**Loss/Premium (net)**  
(%)



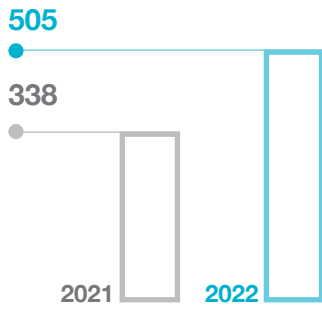
## Technical Overview by Main Branches

**49%**  
Increase in Premium  
Production in 2022

### General Liability Insurance

At the end of 2022, premium production in General Liability Insurance branch increased by 49% to TL 505 million. Retention ratio corresponds to 14%.

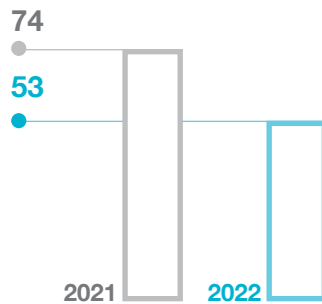
### Premium Production (TL million)



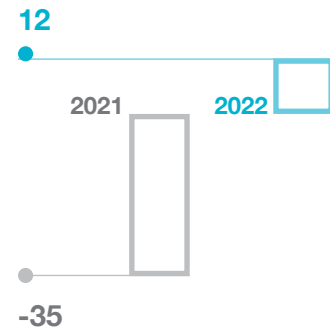
GENERAL LIABILITY	2021	2022	Change (%)
Premium Production - TL	338,457,427	505,014,599	49
Retention Ratio %	15	14	-1
Earned Premiums (net) - TL	42,005,936	49,439,101	18
Losses Incurred (net) - TL	14,626,369	(5,870,175)	n.a.
Technical Profit - TL	74,333,955	53,229,096	-28
Loss Ratio (net) %	-35	12	n.a.
Technical Profit/Premium %	22	11	-11 points

While earned premiums (net) corresponded to TL 49.4 million, net losses incurred were recorded as TL 5.9 million. The Company achieved a technical profit of TL 53 million in the General Liability branch.

### Technical Profit (TL million)



### Loss/Premium (net) (%)





### Aircraft Insurance

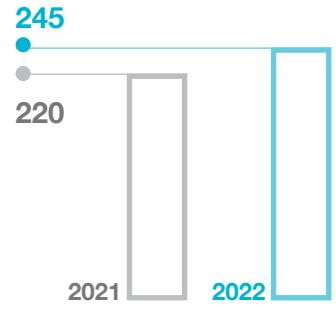
By the end of 2022, premium production in Aircraft Insurance branch rose by 12% to TL 245 million. Production was not retained in the Aircraft Insurance branch.

**12%**  
Increase in Premium  
Production in 2022

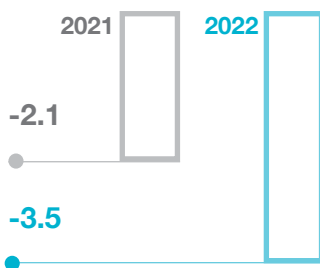
AIRCRAFT	2021	2022	Change (%)
Premium Production - TL	219,529,401	245,345,572	12
Retention Ratio %	-	-	-
Earned Premiums (net) - TL	-	-	-
Losses Incurred (net) - TL	-	-	-
Technical Profit - TL	(2,057,791)	(3,485,763)	69
Loss Ratio (net) %	-	-	-
Technical Profit/Premium %	-1	-1	0 points

The Company realized a technical loss of TL 3.5 million in Aircraft branch.

### Premium Production (TL million)



### Technical Profit (TL million)



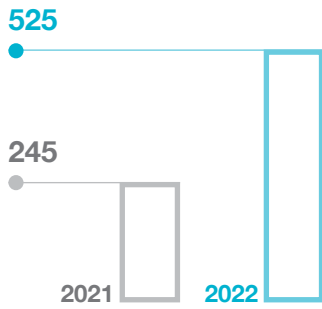
## Technical Overview by Main Branches

**114%**  
Increase in Premium  
Production in 2022

### Aircraft Liability Insurance

By the end of 2022, premium production in Aircraft Liability Insurance branch increased by 114% to TL 525 million. Production was not retained in the Aircraft Liability Insurance branch.

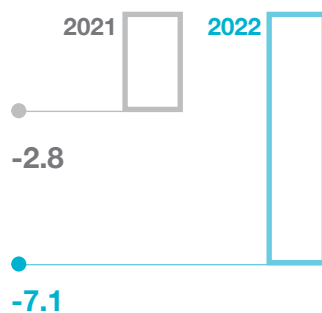
### Premium Production (TL million)



AIRCRAFT LIABILITY	2021	2022	Change (%)
Premium Production - TL	245,374,367	525,218,409	114
Retention Ratio %	-	-	-
Earned Premiums (net) - TL	-	-	-
Losses Incurred (net) - TL	-	-	-
Technical Profit - TL	(2,814,503)	(7,096,053)	152
Loss Ratio (net) %	-	-	-
Technical Profit/Premium %	-1	-1	0 points

The Company posted a technical loss of TL 7.1 million in Aircraft Liability branch.

### Technical Profit (TL million)



### Watercraft Insurance

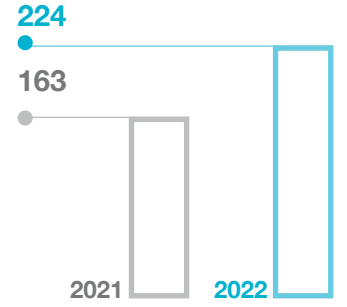
At the end of 2022, premium production in Watercraft Insurance branch went up by 38% to TL 224 million.

**38%**  
Increase in Premium  
Production in 2022

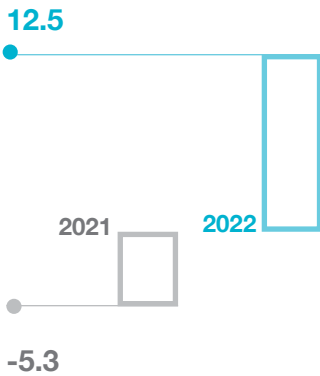
WATERCRAFT	2021	2022	Change (%)
Premium Production - TL	162,505,502	224,446,398	38
Retention Ratio %	-3	1	5
Earned Premiums (net) - TL	(2,246,809)	4,470,272	n.a.
Losses Incurred (net) - TL	(5,866,967)	1,033,882	n.a.
Technical Profit - TL	(5,258,095)	12,447,856	n.a.
Loss Ratio (net) %	-261	-23	238 points
Technical Profit/Premium %	-3	6	9 points

The Company posted a technical profit of TL 12 million in Watercraft branch.

### Premium Production (TL million)



### Technical Profit (TL million)



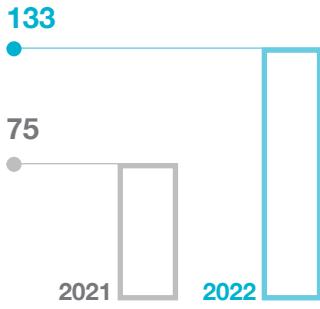
## Technical Overview by Main Branches

**77%**  
Increase in Premium  
Production in 2022

### Marine Insurance

At the end of 2022, premium production in Marine Insurance branch went up by 77% to TL 133 million. Retention ratio is 25%.

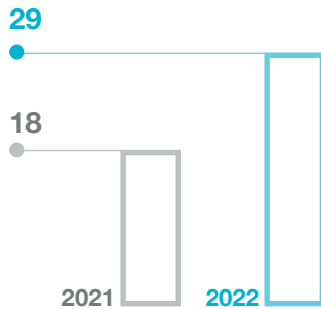
### Premium Production (TL million)



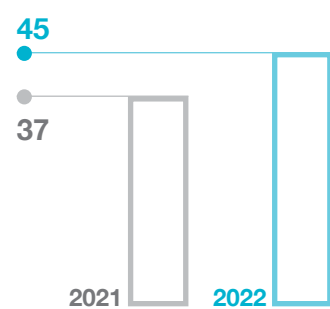
MARINE	2021	2022	Change (%)
Premium Production - TL	75,462,447	133,315,592	77
Retention Ratio %	21	25	4
Earned Premiums (net) - TL	14,419,563	30,587,362	112
Losses Incurred (net) - TL	(5,324,143)	(13,615,242)	156
Technical Profit - TL	18,423,187	29,384,015	59
Loss Ratio (net) %	37	45	8 points
Technical Profit/Premium %	24	22	-2 points

While earned premiums (net) corresponded to TL 30.6 million, net losses incurred were recorded as TL 14 million. In Marine Insurance, the Company posted a technical profit of TL 29 million with an increase of 59% year-over-year, and net loss/premium ratio corresponded to 45%.

### Technical Profit (TL million)



### Loss/Premium (net) (%)



### Credit Insurance

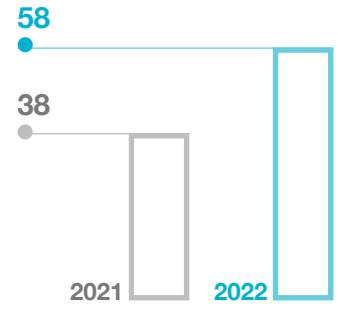
At the end of 2022, premium production in Credit Insurance branch escalated by 53% to TL 58 million.

**53%**  
Increase in Premium  
Production in 2022

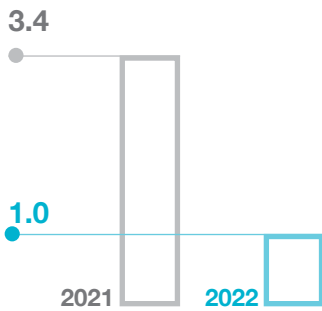
CREDIT	2021	2022	Change (%)
Premium Production - TL	38,048,734	58,192,308	53
Retention Ratio %	1	1	0
Earned Premiums (net) - TL	184,548	453,932	146
Losses Incurred (net) - TL	(87,466)	(116,333)	33
Technical Profit - TL	3,428,115	980,131	-71
Loss Ratio (net) %	47	26	-21 points
Technical Profit/Premium %	9	2	-7 points

Retention ratio in Credit Insurance branch corresponds to 1%. The Company realized a technical profit of TL 980 thousand in Credit branch.

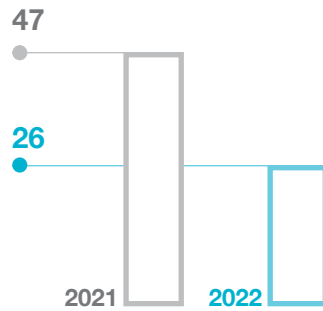
**Premium Production**  
(TL million)



**Technical Profit**  
(TL million)



**Loss/Premium (net)**  
(%)



## Technical Overview by Main Branches

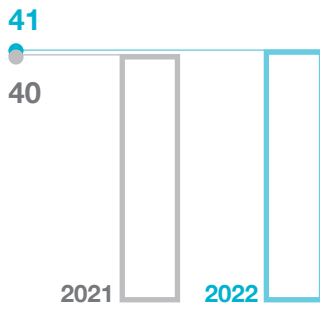
# 3%

Increase in Premium  
Production in 2022

### Financial Losses Insurance

At the end of 2022, premium production in Financial Losses Insurance branch escalated by 3% to TL 41 million. Retention ratio is 30%.

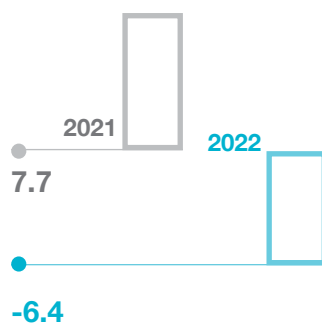
### Premium Production (TL million)



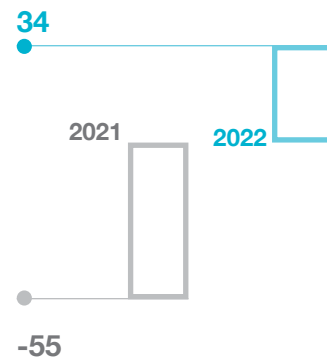
FINANCIAL LOSSES	2021	2022	Change (%)
Premium Production - TL	39,727,562	40,879,172	3
Retention Ratio %	19	30	11
Earned Premiums (net) - TL	6,383,204	10,568,121	66
Losses Incurred (net) - TL	3,503,921	(3,576,665)	n.a.
Technical Profit - TL	7,682,339	(6,432,047)	n.a.
Loss Ratio (net) %	-55	34	89 points
Technical Profit/Premium %	19	-16	-35 points

While earned premiums (net) amounted to TL 11 million, net losses incurred were recorded as TL 6 million and operational losses TL 17.5 million. The Company posted a technical profit of TL 6.4 million in Financial Losses branch.

### Technical Profit (TL million)



### Loss/Premium (net) (%)



### Legal Protection Insurance

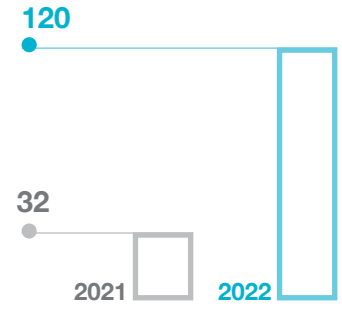
At the end of 2022, premium production in Legal Protection Insurance branch climbed by 275% to TL 120 million. The retention ratio is 100%.

**275%**  
Increase in Premium  
Production in 2022

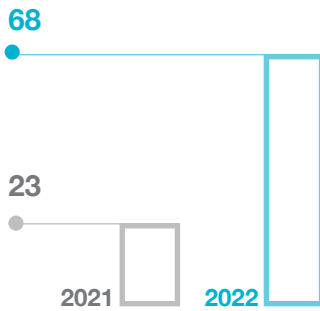
LEGAL PROTECTION	2021	2022	Change (%)
Premium Production - TL	32,118,994	120,450,741	275
Retention Ratio %	100	100	0
Earned Premiums (net) - TL	20,684,305	77,758,713	276
Losses Incurred (net) - TL	29,065	(231,406)	n.a.
Technical Profit - TL	23,086,469	67,683,268	193
Loss Ratio (net) %	-	-	-
Technical Profit/Premium %	72	56	-16 points

The Company realized a technical profit of TL 23 million 68 million in Legal Protection branch with an increase of 193%.

**Premium Production**  
(TL million)



**Technical Profit**  
(TL million)



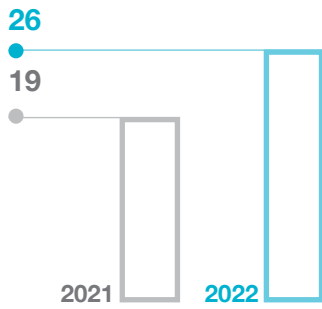
## Technical Overview by Main Branches

**37%**  
Increase in Premium  
Production in 2022

### Surety Bond

At the end of 2022, premium production in Surety Bond rose by 37% to TL 26 million. Retention ratio corresponds to 49%.

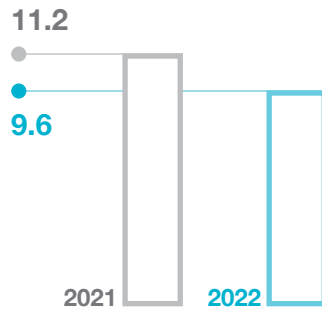
### Premium Production (TL million)



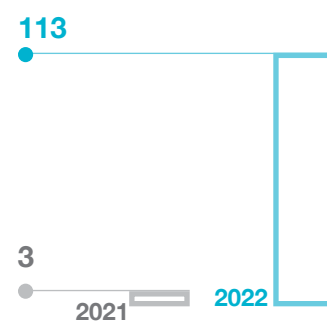
SURETY BOND	2021	2022	Change (%)
Premium Production - TL	19,048,045	26,043,102	37
Retention Ratio %	67	49	-19
Earned Premiums (net) - TL	8,769,846	9,323,452	6
Losses Incurred (net) - TL	(289,525)	(10,499,122)	n.a.
Technical Profit - TL	11,197,349	9,603,777	-14
Loss Ratio (net) %	3	113	110 points
Technical Profit/Premium %	59	37	-22 points

While earned premiums (net) exceeded TL 9.3 million, net losses incurred were recorded as TL 10.5 million. The Company posted a technical profit of TL 9.6 million in Surety Bond branch.

### Technical Profit (TL million)



### Loss/Premium (net) (%)





# TÜRKİYE SİGORTA IS A SECTOR LEADER IN MANY BRANCHES.

## Main Branches

- Motor Vehicles Liability,
- General Losses
- Aircraft
- Aircraft Liability
- Accident

## Sub-branches

- Traffic
- Turkish Catastrophe Insurance Pool (TCIP)
- State-Subsidized Agricultural Insurance
- State-Subsidized Receivables
- Emergency Health
- Housing
- Construction
- Personal Accident
- Insufficient Income
- Unexpected Commercial Expenses.

# Digitalization in Customer Experience

**Türkiye Sigorta spent 2022 focusing on digital-analytical solutions, perfecting the customer experience with technological opportunities, and innovations that boost customer satisfaction.**

## Mobile

**In every moment of life**  
a single platform where  
elementary and pension  
products are both available



Türkiye Sigorta is the leading company of the Turkish insurance industry, adopting below aspects:

- Placing its customers and stakeholders at the center in line with the purpose of its establishment,
- Applying the principles of data-driven decision making,
- Designing all processes deploying a digital transformation perspective in order to perfect the customer experience,
- Facilitating all processes for customers, distribution channels and employees by enhancing operational efficiency,
- Adapting to paperless office processes.

The company aims to grow its digital assets for its sales channels, operation units, and all employees while continuing to create solutions for its customers with a proactive insurance approach. Türkiye Sigorta considers a mindset that prioritizes the customer, channel, and employee experience as the key to accomplishing its goals.

Since the day it was founded, Türkiye Sigorta has been a company that redefines the insurance business, transforms the value and perception of insurance, creates solutions that exceed expectations in every moment of life by shifting the insurance experience from

“after” to “before”, and provides its policyholders unique insurance solutions for a secure future.

In this respect, the company spent 2022 focusing on digital-analytical solutions, perfecting the customer experience with technological opportunities, and innovations that boost customer satisfaction.

In 2022, the Türkiye Sigorta Customer Experience Strategy was set up, and experience design studies for products and business partnerships for Türkiye Sigorta Customer Platform were conducted, particularly in the first quarter of the year. In the second quarter, the customer experience measurements platform was chosen, and as of August, transaction-based customer experience surveys and feedback from customers on the user experience were started to be collected.

### **Türkiye Sigorta Customer Platform**

On the way to becoming a technology company, Türkiye's first Super App in insurance industry was launched, and it was ensured that customers have access to the services on a single platform where elementary and pension products were both available. Business partnerships for health, vehicle, housing and pension products have also been provided on the platform. The Customer Platform was introduced to customers through the Apple Store, Google Play and Huawei App Gallery in 2022.

**The website, which serves as a complement to the Türkiye Sigorta Customer Platform and was developed with a focus on creating value for customers and business partners, was also renewed.**

By means of the Türkiye Sigorta Customer Platform, our policyholders are able to readily access the following services:

- policy monitoring,
- filing damage report,
- sending damage information,
- tracking spending history,
- enquiring the contracted hospitals,
- carrying out the entries of the uncontracted hospital/pharmacy invoices,
- tracking the remaining limit information,
- contacting the call center directly,
- benefiting from special advantages and privileges.

The platform has proven to be a very practical and technological application, allowing policyholders to view their health, auto, housing, TCIP policies, and health expenditures from a single point without wasting their time, while also allowing them to monitor their PPS contracts and manage their investment preferences for PPS savings. In 2022, policyholders received payment for 107,826 digital health invoices delivered via the platform with a single click. A total of 35,000 campaign codes were used with 50 different business partners and 100 services.

**Automated Provision in Health Policies**

Türkiye Sigorta has continued to work for the automation of provisioning processes while continuing to stand by the companies with its 24/7 uninterrupted provision service. Automated provisions have grown to account for 75% of all provisions in 2022.

101 contracted private hospitals were provided with integration through a web service, and 28% of all provisions and 81% of provisions from integrated institutions were executed automatically through the integration without the need for any intervention.

In 2022, almost 1.3 million provision requests submitted by health policyholders to health care institutions were fulfilled, and 1.5 million outpatient treatment provisions were immediately notified to the policyholder via SMS.

**New Website Interface**

The website, which serves as a complement to the Türkiye Sigorta Customer Platform and was developed with a focus on creating value for customers and business partners, was also renewed.

Customers and business partners now have access to the new website, which was created with a more interactive and user-friendly interface. In addition, with the Türkiye Sigorta Assistant service, customers are provided with the opportunity to perform their transactions

easily without being stuck in call center wait times, and a higher quality service is provided by alleviating the workload of customer representatives.

This year, the world of benefits took place on the website and mobile application, where numerous services are offered to customers, from pursuing a healthy lifestyle to being a parent, from an online dietician and an online psychologist to online healthy life training.

**Digital Transformation in Claims**

The transition process has begun for policyholders to notify claims for individual products such as housing and auto insurance through the Türkiye Sigorta Customer Platform and to transfer their documents in a digital environment to expedite the processing of their claims.

In housing policy claims, steps have been taken to reinforce the policyholder's sense of belonging with the "Automatic Payment Model". At the end of 2022, a WhatsApp-based communication module was deployed, which accelerates the flow of information and documents, enabling direct communication with customers regarding claim files managed through documents.

In addition to the Customer Communication Center, which receives the service's claim notification, the "Digital Claim Notification" project has been initiated in order to speed up our reporting process.

## Digitalization in Customer Experience

# The “Digital Claim Notification” project has been initiated.



With the Credit Registration Bureau (KKB) IBAN verification project, IBAN verifications were made through Findeks in claim file payments, preventing possible erroneous transfer transactions and increasing customer satisfaction by providing faster payments.

Communication and informing policyholders about processes is one of the most important tasks. In this framework, efforts are underway to inform policyholders about the infographic process and claim file status automatically.

### In 2023...

In order to carry the Customer Platform further, a step was taken in 2023 with solid projects. As of 2023, the Türkiye Sigorta Assistance service, which has been made accessible on the website, will also be available on the Customer Platform. Furthermore, the business partnership network will continue to be developed and improved on a daily basis by considering user feedback. Along with offering campaigns to users through business partnerships, our aim is to add value to the lives of the policyholders by providing various services such as “What’s wrong with me?” for health insurance products, and “Mini Repair” for vehicle insurance products.

Our aim is to implement digital processes at each phase of the health organization in 2023. Projects such as smart underwriting, smart pricing, and digital policy are planned to be accomplished and offered to customers.

Additionally, with the adoption of the regulation on the Delivery of Distance Health Services published in February 2022, as the industry, we collaborate with business partners to achieve objectives like offering solutions that contribute to making life easier for the policyholders by utilizing digital opportunities and

enhancing their satisfaction. By doing this, the opportunity will remain available for “individuals’ access to quality health care,” which is probably the most essential aspect of life.

In 2023, customer experience and patient experience in hospital processes will be the focal point of Türkiye Sigorta, and the goal of satisfying customers to complete every step of their journey at the Company will be maintained.

In 2023, Türkiye Sigorta plans to conduct studies for the optimization of digitalization-oriented claims processes and data.

### Being the Voice of the Customer and Communicating with the Customer

Aiming to maintain its focus on outstanding customer satisfaction at all times, Türkiye Sigorta ranked 2<sup>nd</sup> in the Health Insurance segment upon the Customer Experience Index prepared in collaboration with Turkcell Global Bilgi and Fast Company.

### Listening to the Voice of the Customer Activities

Measuring the experience of customers and channels is the most important part of the journey to improve and develop customer experience. In 2022, “Voice of the Customer” studies were carried out to listen to the voices of all customers and channels, to obtain their feedback, to transform these contents into significant analyzes, and to publish them within the Company.

The purpose of these studies is to get to know the customer and business partner, to understand their behavior and needs, to understand their experience about the Company and its services, and to contribute to the development of service models needed in line with the Company’s “Customer Experience Strategy”.

Thanks to these efforts, the customer experience measurement platform, in which the method and scope of the feedbacks are designed, and root cause analysis and reporting processes are managed by taking the experience results, was brought to the Company as a technological application. These efforts also serve the Customer-Oriented Business Management Approach, which is among the strategic goals of Türkiye Sigorta.

### Customer Communication Activities

Türkiye Sigorta responds quickly to the customer demands, ensuring that customer communication activities run smoothly from end to end.

The Customer Communication Center provides 24/7 service with 137 experienced staff over the phone number 0850 202 20 20. In addition to meeting the needs of customers regarding emergency services, it continues to be next to and close to customers as a call center that provides 24/7 service within the scope of after-sales services.

In 2022, efforts to develop call center switchboard and voice response system continued, and the insurance call center was relocated to the Genesys switchboard, which delivers services at international standards. The voice response system has been streamlined and customized in order to improve the customer experience, and has been enriched with announcements in order to guide the customers to the appropriate action steps.

In 2022, 2.4 million calls were received to the Customer Communication Center. Approximately 200 thousand of the calls consisted of assistance service requests such as emergency ambulance, roadside assistance, replacement vehicle and housing assistance. A total of 240 thousand customer requests received in

written form from other channels such as e-mail and mail were resolved.

In 2022, Türkiye Sigorta received a total of 9 thousand customer objections. Special screen and subject code generation studies have been accomplished in order for recording objections to the Demand Management System in a simple and comprehensible manner.

Also, the quality of all customer services is assessed and employees are constantly provided with feedback and training. "Performance Bulletins" were developed to be released monthly for 550 internally and externally sourced personnel, and a structure that can be followed on an ongoing basis has been created.

In order to enhance the quality of health insurance services, the health contact center started to provide 24/7 service. In 2022, an insurance distance sales team was formed and phone call operations were initiated to inform customers who submitted product requests via the mobile branch and those whose insurance product they had previously purchased was due for renewal. Within the scope of this phone calls, a premium amount of TL 753,000 was collected from 408 insurance policies in 2022.

### Claim Processes

In conformity with its mission, Türkiye Sigorta aims to offer its insurance products with an elaborate service mindset and to stand by its policyholders in any circumstance. The company has adopted an approach that prioritizes the policyholder's satisfaction and supports them throughout the claims process. With its highly effective claims management, Türkiye Sigorta is among the major players in the industry.

Türkiye Sigorta endeavors to provide fast and high-quality service across all provinces of our country through its

**2.4 million**  
calls were received to the  
Customer Communication  
Center

The Customer Communication Center provides 24/7 service with 137 experienced staff.

## Digitalization in Customer Experience

With the “Cash Claims” initiative, reimbursement for claims was made within 8-10 days.

widespread contracted service network. The company works to support the economy and increase savings with the goal of preserving our country's values, and it serves the policyholders by maintaining the cost balance. In this context, it provides services to the policyholders through its extensive parts supply organization, countrywide parts supply companies, mobile repair network, and local glass companies, and it continues to lead the industry as it has done in previous years.

In the framework of the “Cash Claims” initiative, the reimbursement for claims involving simple damages up to a certain amount, was made within 8-10 days, based on the assignment of experts and the agreement with the service, in order to expeditiously relief aggrievement. The project, which started as a pilot study in certain provinces, is planned to be implemented all over Türkiye in 2023. To facilitate rapid communication with fleet customers, a fleet damage team was set up and fleet customer satisfaction was ensured.

### Assistance Services

The following services are provided within the scope of assistant services:

- For vehicle branch policyholders; Road assistance services such as towing/ rescue service, tire change, towing to the nearest gas station in case of running out of fuel, and replacement vehicle services,
- For residential and workplace policyholders; In addition to the installation, electricity, key and glass services offered within a certain limit, services such as ambulance sending, rescuing the person trapped in the residence/workplace,

- For health policyholders; Check-up, eye/dental examination packages, physical doctor examination, home blood collection, mammography-USG for women and PSA test services for men

While Personal Accident policies provide a mini check-up service, the right to a discounted eye and dental examination package, medical review / medical assistance service, comprehensive check-up service, and fuel service packages is also provided.

Türkiye Sigorta's network of contracted healthcare institutions is continually expanding. In 2022, new agreements were made with 36 hospitals, 161 pharmacies and 166 health centers, and the total number of contracted institutions reached 2,540. On-site or online training was organized for 124 newly signed institutions, and training continues to be provided to ensure quality service to the policyholders in their difficult times.

### Assistance for Policyholders Affected by the Natural Disasters

One of the objectives that Türkiye Sigorta prioritizes is being with its policyholders in cases of natural disaster losses that significantly impact human life in our country, and leading the industry in this regard.

Flood, earthquake, and fire damages in Antalya, Muğla, Kastamonu, Artvin, and various other cities in 2022 resulted in the loss of life and property. The claim processes were completed as quickly as possible by standing by the policyholders by the virtue of the on-site and immediate assistance provided by Türkiye Sigorta in these regions.

Local mobile loss contact points were set up in the Kumluca-Antalya flood zone, and the policyholders received assistance by transferring experienced damage workers to disaster locations.

In the earthquake that struck Düzce in November 2022, the policies in the region were identified before the policyholders reached the Company, and they were immediately contacted. Taking it as its duty to be there for its policyholders in their difficult times, Türkiye Sigorta swiftly carried out the claims settlement processes.

In 2022, over TL 130 million of payment was provided to more than 3,600 policyholders for losses caused by disasters.

#### Natural Disaster Payments

Product	Claims Payments (million TL)	Number of Policyholders Paid
Fire	101.8	644
Housing	18.8	2,778
Auto	8.1	167
Engineering	3.9	16
Grand Total	132,6	3,605

#### Efforts on Fraud Detections

Unfair earnings from insurance frauds affect the confidence in the system by jeopardizing the principle of maximal goodwill, which is the first principle of the sector. In addition, the sector's loss of funds due to fraud causes an increase in premium costs. The policyholders, who are faced with increased premiums due to insurance fraud, in a sense, also pay the price of these frauds.

Combating those who attempt to commit fraud in order to obtain the insurance payout involves defending the interests

of the policyholders and increasing confidence in the insurance system, which is a significant source of savings in the country's economy.

Türkiye Sigorta coordinates its anti-fraud efforts with institutions that combat insurance fraud. The company collaborated with industry stakeholders and public institutions to combat fraud.

In order to proactively prevent fraud in claims processes, a business rule score structure was developed based on the interpretation of claim data, production data and past fraud patterns with advanced analytical methods. In addition, the basis for long-term initiatives employing analytical modeling and social network analysis structure was established.

#### Products

Türkiye Sigorta aims to make life easier for policyholders with innovative products that keep pace with developments in technology.

Within the scope of this objective, new products are introduced and domestic and international sector follow-up is conducted for the development of already available products.

Türkiye Sigorta launched six new health insurance products, including Comprehensive Emergency Health Insurance, Diabetes Support Insurance, Critical Illness Extended Insurance, Critical Illness Insurance for Entrepreneur Women, Tourist Travel Health Insurance, and Complication Insurance.

Türkiye Sigorta aims to make life easier for policyholders with **innovative products** that keep pace with developments in technology.

**The Comprehensive Emergency Health Insurance** assures the health of all individuals aged 18 to 70 in case of an emergency.

### **Comprehensive Emergency Health Insurance**

Situations that can unexpectedly affect human health and require immediate intervention can arise at any time in everyday life. Being aware of this, Türkiye Sigorta's Comprehensive Emergency Health Insurance assures the health of all individuals aged 18 to 70 in case of an emergency. With the specially designed product for the agency sales channel, treatment costs for a variety of medical emergencies, such as traffic accident injuries, heart attacks, electric shocks, and drowning, are covered. Comprehensive Emergency Health Insurance provides a customized emergency health insurance experience as well as a coverage package designed specifically for male and female policyholders.

### **Diabetes Support Insurance**

With Diabetes Support Insurance, customers may be granted up to TL 15,000 for the World Health Organization-defined emergencies. On top of that, twice-a-year personal appointments can be arranged with an endocrinologist who is an expert in his discipline. People with a diabetes or pre-diabetes diagnosis can have their blood tests, which they are supposed to get twice a year, performed in the convenience of their own homes with a single phone call. Additional packages are available.

### **Critical Illness Extended Insurance**

Critical Illness Extended Insurance is an annual critical illness insurance policy. In case of suffering one of the 12 critical illnesses listed in the insurance coverage, this amount is paid out of the packages with a limit of TL 30,000-50,000 or 100,000, depending on the option selected. Additional packages are available.

### **Critical Illness Insurance for Entrepreneur Women**

Critical Illness Insurance for Entrepreneurial Women is a one-year policy that covers critical illnesses. In case of contracting illnesses classified as critical illnesses for women, coverage of TL 50,000 is provided. Additional packages are available.

### **Tourist Travel Health Insurance**

Tourist Travel Health Insurance covers the risks that may occur during the travel to Türkiye of foreign nationals residing outside the borders of the Republic of Türkiye, within the scope of travel insurance.

### **Complication Insurance**

Health tourism in Türkiye has developed significantly in recent years. The "Complications Insurance" package was created specifically for travelers visiting our country for a scheduled operation. The product, which is offered for purchase by hospitals, is expected to boost the satisfaction of health tourism in Türkiye by ensuring the risks that may develop during the surgeries of foreign visitors.



### Complementary Health Insurance

The inpatient Complementary Health Insurance product, designed specifically for the bank channel, was launched under the health branch. The product grants customers four examination rights and a variety of assistance services.

### Financial Cybersecurity Insurance

The “Financial Cybersecurity Insurance” product, which protects the policyholders against cyber risks, became available for sale as of February 2022 in response to the increasing cyber risks encountered by people globally. The program offers the policyholder protection from the risks of identity theft, fraud, ATM theft, wallet loss, and private password theft. Policyholders are also provided with free antivirus software (Bitdefender) that will help boost the security of personal data in the digital environment and that will provide reinforced protection against malware and spyware from the internet.

### Sempati Pet Insurance

As an institution that always stands by its customers with solutions customized to their needs, Türkiye Sigorta launched the “Sempati Pet Insurance” product in July 2022, which secures our pawed friends. Emergency inpatient/outpatient care charges are secured against third-party liability with standard and comprehensive packages. At the same time, microchip service is provided free of charge to the insured.

### Product Development

Efforts continue in terms of the public authority's accomplishments in the health sector, the fast progression of the Ministry of Health's investments, the development of incentive models and their support regarding the insurance industry, the widespread adoption of Complementary Health Insurance, and the diversification of products in the life branch.

In order to provide its customers with the products, which they long for in 2023, Türkiye Sigorta continues to work on the design of a modular product that allows the policyholder to select the coverage groups and contracted institutions of their choice, and to formulate a health insurance policy tailored to their individual preferences,

In addition, efforts to spread the products prepared for foreign nationals visiting our country and living in our country by segmenting them into sales channels will continue.

The “Sempati Pet Insurance” product was launched in July 2022.



0850 202 20 20  
turkiyesigorta.com.tr

**TÜRKİYE SİGORTA**  
Gücü, adında.

# Digitalization in Distribution Channels

**Rota Sales Platform has been developed as a brand new platform that can be used by sales teams in agencies, bank channels and regional offices.**



## Rota Sales Platform

A brand new platform that can be used by sales teams in agencies, bank channels and regional offices has been developed. Sales of elementary and pension products are managed through a single platform, through the "Demand Management System" and "Policy Renewal" processes, which can be worked on simultaneously with internal and external business partners.

Rota Sales Platform, which was opened for use by Halkbank employees in 2022 as the first bank channel, will also be available for Ziraat Bank and VakıfBank as of February 2023.

Türkiye Sigorta has customized and launched digital sales displays on multiple platforms in order to boost its role in digital sales in the sector.

Efforts have been initiated in the Demand Management System module, which is currently under development, to migrate the operational processes performed across the Company via the Outlook program to a systematic platform structure, under the motto "communication without e-mail." The missions of ensuring traceability, generating assessments of performance, and assuring end-to-end information

security have been undertaken within the scope of this project.

The objectives of the Centralized Demand Management System are as follows:

- transferring customer requests to recordable environment,
- assessing staff performance,
- facilitating the management of operational processes independent of the distribution channel by using a single screen,
- establishing a measurable business model

It is possible to notify relevant employees about policies of which due dates are approaching, view policy details, and swiftly follow up on the renewal process in a digital environment using the "Renewal Module" developed to be positioned on the sales platform. The application that allows sales managers to view all policy renewals will go live in early 2023.

A project has been developed in which the application form can be filled out via a single link provided to the policyholder and the application processes can be readily followed digitally by the relevant teams.



### **Bancassurance Channel and Digitalization**

“Sales of Insurance Products via WEB Channel” project went live on VakıfBank website. In addition to the products sold through VakıfBank Mobile and Internet Banking, Branch, MSS (Mobile Field Sales-Tablet) and Call Center, TCIP, housing, auto insurance, traffic, travel health and complementary health products started to be provided on the VakıfBank website (<https://sigorta.vakifbank.com.tr/>).

The Personal Accident Insurance product “My Family is Safe” has become available through Ziraat Bank’s mobile, internet banking, and digital branch channels.

Channel experience is gaining importance as much as customer experience.

The initial surveys and ad-hoc studies designed within the scope of channel experience measurement studies are; channel experience of 3 public banks with bancassurance relations, measuring the travel process satisfaction of the winners of the travel award as a result of the sales campaign of one of the partner banks, satisfaction measurements regarding the users’ experiences during the pilot use of the Demand Management System deployed for employees and sales channels.

In 2022, the sale of insurance policies customized for bank customer needs commenced through the Halkbank Bancassurance channel:

- In addition to comprehensive emergency health and diabetes support products, the Complementary Health Insurance (TSS) product allows customers to purchase affordable health insurance with an outpatient treatment limit.
- Sempati Pet insurance
- Critical Illnesses Insurance for Entrepreneurial Women

The products offered via the Halkbank channel were also enhanced in 2022 by the addition of features appropriate for market conditions:

- By adding the POS device glass breakage guarantee, Electronic Device limits were increased, and the product was developed with assistance services.
- Esnaf Acil Destek (Tradesman Emergency Support) and Esnafın Alinteri (Labor of Tradesman) products, as well as Non-Life products for the SME Business Line, have been transferred to the offer screens.
- The minimum premium amounts for all personal accident products were updated, increasing the coverage offered to customers.
- Personal Financial Cybersecurity and My Passwords are Safe products are currently available for purchase at VakıfBank and Halkbank branches, as well as the Halkbank call center.

In order to contribute to production targets, insurance incentive campaigns were organized with Ziraat Bank.

An “Intermediary Satisfaction Survey” was conducted for Halkbank employees in order to identify areas that are open to improvement in the bank channels, to assess the situation by receiving feedback on merger-related issues, and to discover aspects that would enable better service.

### **Agency Channel**

In 2022, when studies on the extent and efficiency of the agencies became prominent, Türkiye Sigorta doubled the number of distribution channels that had been generated since its establishment.

In order to enhance the extensiveness and efficiency of the products, it is aimed to increase the periodic premium production of the strategic products determined by the agency channel and to ensure the prevalence of the agency in product-based production by improving the agency screen usage habits. At the same time, product habits of the agencies in the TCIP branch were examined, and the production increased by 130% and the market share increased from 6.2% to 9.7%.

Analytical agency management studies have been conducted in an effort to boost agency effectiveness, and agency productivity has become clearer to measure as a result of these studies.

## Digitalization in Distribution Channels

The training program started at the Türkiye Sigorta Agency Academy, which is unique in the sector, in 2022.



### Türkiye Sigorta Agency Academy

Within the scope of the activities of the Türkiye Sigorta Agency Academy, which is unique in the sector, the second term of the Agency Academy program, the first of which was held in 2021 in collaboration with the Marmara University Continuing Education Center, started in November 2022. The program has been designed with the goal of pioneering all types of learning experiences that would serve as a bridge between agencies and Türkiye Sigorta and contribute to the development of a shared approach. Aside from content related to sector-specific dynamics, this program includes training courses that focus on professional development and competency growth and the advancement of agencies from different perspectives. 120 sales resources, which were evaluated specially in the program that 301 agencies benefited from in 2021, continue their training without interruption.

### Year 2023 ...

Türkiye Sigorta plans on entering the year 2023 with solid steps, deploying projects with a vision of functionally enriching the Rota Sales Platform. With the Performance System, a module where agencies and Bank channels can track performance statistics and target realization percentages will be implemented on the Rota Sales Platform. The Visit/Appointment module, where sales and regional teams can easily organize all the activities they plan to perform, save the appointment status and results and view them in a list or in detail, is also planned to be included on the Platform.

Halkbank ANKA project, screen integrations, development of Halkbank card storage project and complaint process are among the projects for the next year. In addition, it is aimed to make TCIP, Auto, Traffic and Health products at Ziraat Bank available for on-site sales through the relevant channels, as well as to improve efficiency and renewal processes in operational processes. It is planned to complete process for the sales of Diabetes Support Health Insurance, Critical Illnesses Insurance for Women, and additional Complementary Health Insurance products from VakıfBank branches.

Within the framework of the contract signed between the PTT and the Company, integration studies were started in 2022 and integrations were completed for the TCIP product. The project will continue in 2023 for the integration of other strategic products.

### Upcoming Project: Agency and Bank Channel Segmentation

In 2022, Türkiye Sigorta started working on parametric clustering, which allows for greater recognition of sales channels, easier tracking of sales channel trends, developing appropriate objectives, and differentiating services. It is planned to carry out studies that can be used as a reference by the relevant business units in order to differentiate the services provided to agencies and bank branches and to provide a fairer allocation of awards and gifts in the second quarter of 2023.

## Digitalization in Employee Applications

**Türkiye Sigorta aims to foster the satisfaction of the employees, distribution channel personnel and end-user customer by switching to projects and practices that prioritize operational efficiency.**



Türkiye Sigorta continues to deploy its end-to-end digitalization plans. It aims to foster the satisfaction of the employees, distribution channel personnel and end-user customer by switching to projects and practices that prioritize operational efficiency. As part of the digital transformation journey, the RPA project was initiated in order to reduce operational costs, increase efficiency, reduce error rates, and give companies the opportunity to guide their employees to value-added tasks.

### **Robotic Process Automation (RPA)**

In order to provide digital solutions to its customers and to proceed its operations with advanced technological infrastructures, Türkiye Sigorta has taken it upon itself to ensure that its employees carry out more value-added tasks and constantly increase productivity by persistently improving its business manner.

Technology is also continuously monitored, and the opportunities that technology provides to the Company are incorporated into its processes. Customers will continue to be served more swiftly as a result of the adoption technologies such as Robotic Process Automation (RPA), OCR, and so on.

It is aimed to provide saving from time and cost by imitating processes with RPA technology to automate well-defined manual operations with clear rules, and by finalizing the process more quickly.

Priorities were determined by reviewing the damage, legal, health and operational processes, and analyzes were generated for the business processes assessed within the scope of RPA.

### **Armada Business Intelligence**

The Agency Channel Production Monitoring screens in Armada were thoroughly updated, a front panel was created where the Regional Sales Management can easily monitor KPIs, and all KPIs used in sales management were integrated into the system and optimized.

The Agency Scorecard was revised, agency visit documents were standardized, and the preparatory process for agency visits was shortened. The necessary parameters of the agency such as Production, Offer, Protocol Status, Renewal are made to be printed on a single page within a minute.

### **New Practice in Assessing Employee Performance**

The new generation (Objective and Key Results-OKR) performance application installation project was finalized in 2022 in order to manage the employee performance assessment process in a more transparent, open to continuous feedback and feedforward, capable of instantaneous targeting and assessment, and supportive of the company's objectives manner. The application will be ready for usage in 2023.

# Digitalization in Employee Applications

Customers are to be served faster with **Robotic Process Automation.**

## Document Management System (DMS)

Türkiye Sigorta has taken steps to implement DMS in order to serve the purpose of presenting insurance products and services in practical, comprehensible and accessible formats.

The goal of this system is to safeguard the continuity of corporate culture and to contact customers in a sustainable manner through the use of digital technologies. In this framework, the project phases were set, a road map was created, and the internal and external stakeholders who would accompany the Company on this journey were identified.

## Process and Document Review

Within the framework of adopting the digital transformation approach in all processes to perfect the customer experience, in line with the objectives of organizing business practices, changing and optimizing the necessary points, working with more efficient processes in every sense and moving from personal memory to corporate memory, in the second phase studies of the "Business Process Design Project", which was initiated in 2021, 4 main issues were addressed in 2022, and progress was made in the integration of the main outputs and interactions of the project with each other.

Within the scope of the review of the business processes along with associated documents conducted with the vision of identifying operational efficiency and customer focus opportunities and complying with quality standards, the processes and relevant documents of all business units of the Company were reviewed, new processes were designed in line with the requirements, and policies and procedures were developed.

Following this study, the total number of processes drawn regarding all business processes of the Company increased to 927 and the number of documents to 247.

The system integration studies, which the company has planned to explore the facility and experience of the service it offers to both customers and business partners and which aims to measure the experience at about 100 different touch points, will also continue in 2023.

## Information Technology Applications

Being the first project in the Company to use an open source relational database (PostgreSQL), MERPOS (8 Central Provision System) was developed to provide services through a single interface to all systems within the Company that need credit card collection transactions.

With APIGW (API Gateway Project), the integration of all developed applications (Pusula, Merpos, etc.) with internal and external institutions (Bank, Agency, etc.) has been ensured to be redundantly transferred over a centrally secure structure. As a result, compliance with information security regulations has been simpler, easier, and more traceable.

## Year 2023...

In 2023, transition to Integrated Enterprise Resource Planning (ERP) Project will be enabled for Human Resources Personnel Affairs, Payroll, Recruitment, Talent Management and Training Modules.

The objective for the year 2023 is to install the ISO 22301 Business Continuity Management System and develop the required business continuity plans.

## Data Analytics

### Türkiye Sigorta keeps consolidating its position in the industry with its persistent efforts and data analytics.



The insurance industry has always been data-driven as it relies on complex predictions about the future. Focusing on digitalization with its agile, innovative and sensitive approach in a highly competitive environment, Türkiye Sigorta keeps consolidating its position in the industry with its persistent efforts and data analytics.

Segmentation of agency and bancassurance sales channels using machine learning-based algorithms was accomplished. With this study, which provides the opportunity to get to know the sales channels closely, it is ensured that the communication and plans to be made with the sales channels are both effective (attractive, motivating) and appropriate (timely and relevant).

A recommendation system has been built within the scope of value, behavior, and need segmentation to support cross-selling and ultimately enhance sales volume by recommending the right products in keeping with the products owned by the customer and their purchasing patterns.

The critical decision-making processes of the Company are served by utilizing advanced data and predictive analytical systems in the studies. Projects are designed to take advantage of the optimization feature of data analytics at all phases of the sector's value chain.

Significant projects are being developed to ensure the loyalty of existing customers as well as the acquisition of new customers. Türkiye Sigorta initiated the "Churn Prediction" initiative, which is focused on predicting the loss of existing consumers, in order to create the opportunity to form tighter relationships with customers at the right moments. When the project is completed, the company will identify the customer who has a high likelihood of leaving, strengthen ties with the customer, and engage in customer retention activities so that they quit their intention of leaving.

# Investor Relations

## The Corporate Governance Rating for Türkiye Sigorta increased to 9.51.

### Why Türkiye Sigorta?

- The most valuable publicly traded insurance company; \$788 million market capitalization
- The sector leader in premium production; 12.3% market share
- Expanding investment portfolio and increasing investment revenue of TL 15.5 billion, increased by 107% and 125% year-on-year, respectively
- Robust capital structure
- Positive technical profitability with advanced risk management despite the damage and cost increases in the sector
- Dominant position in bancassurance with the exclusivity agreements signed by the three big state-owned banks
- Extensive agency network focused on channel optimization
- The widest geographical coverage with agency and bancassurance power
- Balanced and diversified premium portfolio with unique distribution channel network and product structure
- 500 thousand customer acquisition annually
- The sole company in its sector that both performs buybacks and pays dividends
- Leadership in digital transformation: the first super app of the insurance industry; Türkiye Sigorta Customer Platform
- Sustainability strategy that relies on the “Our Common Future” notion to leave a habitable planet to future generations

### Priorities of Türkiye Sigorta Investor Relations:

- To ensure the fair value of the share price and market value through communicating the Company's performance, expectations, and long-term strategies to investors.
- To enhance the Company's credibility through accurate, effective, and transparent communication
- To increase the company's recognition and liquidity of the stock by expanding the investor base
- To create value for the Company and its stakeholders as a result of all these.

Türkiye Sigorta Investor Relations provides timely, transparent, and accurate information to its investors in compliance

with the applicable laws and regulations. Investors are informed by the Investor Relations as swiftly and transparently as possible, within the framework of the legislation, through announcements posted on the company's website and PDP, as well as responses to inquiries made via e-mail, the company's phone number, and social media accounts.

In this regard, 2022 activities of the Investor Relations Department are as follows:

Türkiye Sigorta held 53 meetings with investors and analysts throughout 2022, and posted the investor information notes and presentations on its website. Four times a year, teleconferences were held with domestic and international investors to discuss our financial and operational

performance following the quarterly announcement of results.

A total of 111 announcements were made, of which 25 regarding Financial Reporting, 22 Share Buybacks, 12 Monthly Premium Production, 12 Subsidiary Sales, 11 Share Buying and Selling Notification, 7 Financial Fixed Asset Acquisition, 4 Board Committees, 2 Corporate Governance Principles Compliance Rating, and 16 other Material Disclosures

2022 Investor Presentations and Investor Information Notes were prepared and posted on the website. Teleconferences were held with domestic and foreign investors in every quarter of the year.

Türkiye Sigorta's Corporate Governance Rating increased to 9.36 as of





12 January 2022 and to 9.51 as of 25 October 2022.

### Share Buyback

Within the scope of the decision taken by the Board of Directors on 28 June, on the buyback of "TURSG" shares up to 35 million shares and a maximum fund amount of TL 300 million, the average cost of 9.3 million shares, representing 0.80% of the total capital, at the end of 2022 was TL 7,882\*. Türkiye Sigorta has been the sole company in its sector to perform share buybacks while paying dividends. In addition to its financial and robust operational performance, Türkiye Sigorta continues to add value to its stakeholders through subsequent buybacks.

From the date of the share buyback decision until the market closure on December 30<sup>th</sup>, the BIST 100 Index increased by 121.2%, the Insurance Index by 133.4%, while TURSG increased by 157.1%.

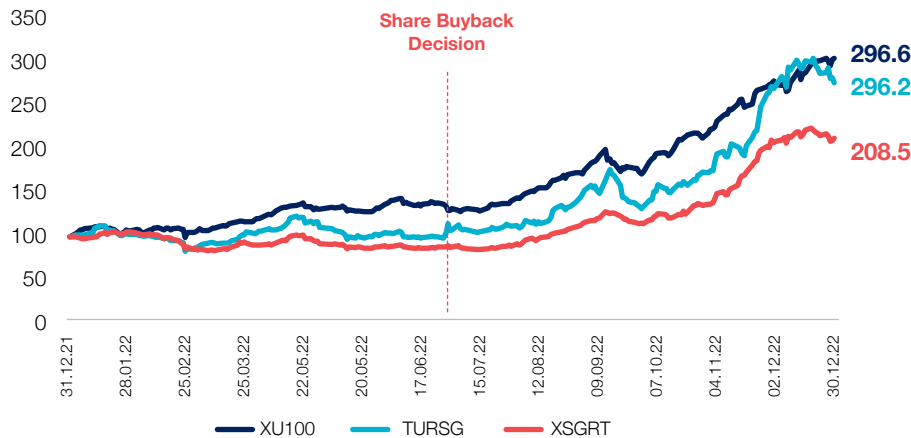
### Türkiye Sigorta Share Information

With a free float of 18.9%, the Company is the most valuable insurance company listed on Borsa İstanbul with a market value of TL 14.5 billion (USD 778 million) as of 31 December 2022. The company ranks among the top BIST companies with a dividend of 45.64% and a dividend yield of 7.75%, with the dividend it distributed based on the decision taken at the General Assembly of 2021. The indices the Company is included in are: BIST

STAR / BIST 100-30 / BIST CORPORATE GOVERNANCE / BIST FINANCIAL / BIST 100 / BIST INSURANCE / BIST ALL.

Türkiye Sigorta stock price increased by 169% in 2022 compared to the end of 2021, outperforming the Insurance Index, which had increased by 109% in the same period. Despite the difficulties experienced by the sector, this relatively positive performance was supported by the strong financial and operational performance, as well as the share buyback decision of the Board of Directors in June 2022 and the subsequent buybacks. The stock price, which has increased by 157% since the share buyback decision, has been well above the BIST 100 Index, which has increased by 121%, and the Insurance Index, which has increased by 133%.

### TURSG, XU100 and XSGRT Comparative Index Values



Note: Readjusted according to closing prices dated 31 December 2021

\* While the share buyback transactions, which started with the decision taken by the Board of Directors on 28 June 2022, were carried out until the end of the year, the share repurchase process continued for the next year, as the transaction limits were not completed. The repurchase decision was updated by increasing the number of shares and the amount of funds on 7 February 2023, prior to the publication of the report.

# Human Resources

The goal of Türkiye Sigorta, the leading company in its sector in Türkiye, is to create a Human Resources Management System that will maintain the loyalty of its existing employees at the highest level, and that will carry the Company to the position where new candidates would like to work most.

The “Integrated Talent Management” system provides a holistic perspective and a culture of continuous development.

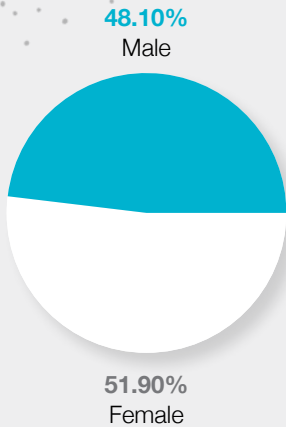
In order to create the ideal culture that will enable the Company to achieve its strategic priorities and goals, Türkiye Sigorta’s strategic human resources management aims to ensure employee well-being by designing the best end-to-end employee experience through:

- Evaluating the competencies of the employees
- Providing employees with training-development plans and programs
- Encouraging employees with appropriate remuneration, attractive fringe benefits systems, career opportunities, rewarding processes and internal communication activities

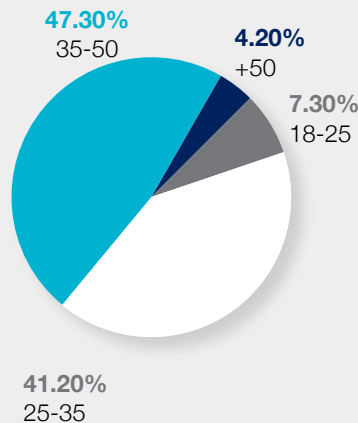
- Ensuring the recruitment of employees who will drive the Company forward
- Following up the employees by assessing them via new generation performance systems,
- Operating through digital platforms

The goal of Türkiye Sigorta, the leading company in its sector in Türkiye, is to create a Human Resources Management System that will maintain the loyalty of its existing employees at the highest level, and that will carry the Company to the position where new candidates would like to work most.

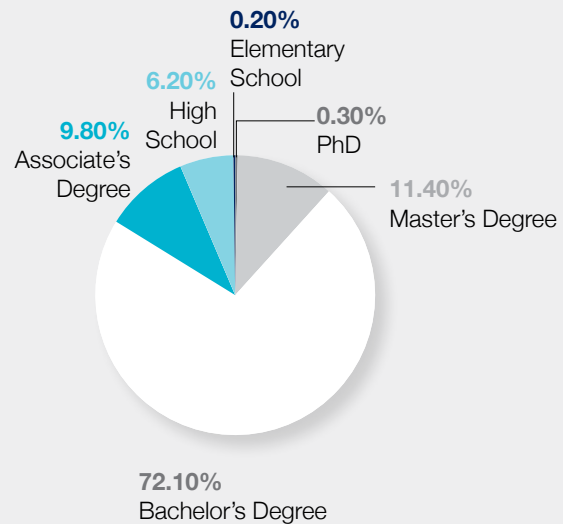
Distribution of Employees by Gender



Distribution of Employees by Age



Educational Status of Employees





### Talent Management

Based on the behavioral indicators that will enable the company to achieve its strategy and goals, a “Competence Model” was developed on Core& Leadership & Functional competencies.

With the “Integrated Talent Management” system deployed in 2022, it was ensured that human resources were assessed with a holistic perspective and a culture of continuous development became widespread. Target-oriented development/support programs have been designed to back up managerial positions and retain employees.

With the **Fark Et Kendini (Realize Yourself) -Sales Development Program**, a total of 68 employees working as Senior Specialist and Manager in the agency and bank sales teams were included in more than one evaluation session, and 5 Regional Sales Managers were appointed. The evaluation phase of the 1<sup>st</sup> stage of the program, which consists of 3 stages, has been completed, and the feedback part of the 2<sup>nd</sup> stage continues. Following the completion of the feedback discussions, the third stage, which includes training and development plans for individual needs, will be held in 2023.

### Career Mobility System

It is aimed to prioritize the Company's human resources for various opportunities that may arise internally, and to be a Human Resources Department that cultivates its own resources across all disciplines. In order to correctly employ human resources in the appropriate positions, a holistic objective evaluation process has been established that supports employees with multidimensional assessment tools, feedback discussions, and development plans that will contribute to their career objectives and development. The essence of the career mobility strategy is to support employee resources with tools tailored for structured needs in all levels, from newly graduated employees to senior managers.

In 2022, as part of the career mobility process, 10 horizontal mobility at the managerial level and 67 at the expert level were realized in terms of department change or workplace transfer. In terms of promotion, 44 vertical mobility were realized at the managerial level and 207 at the expert level.

An internal job application system has been created in which the career development of the employees is promoted by the phrase “You Rank First in Career Opportunities” and the employees are positioned as the source of success, and career development policies have been established with the motto “Our Employees are Our Primary Value.”

### Training and Development Programs

Türkiye Sigorta continues to provide uninterrupted training programs, adding value to its employees and the Company, with its human-centered perspective, innovative content, and approach to adding value to all its stakeholders.

Boğaziçi University Leadership Training and Leadership Development Programs, Istanbul Technical University Micro MBA Program, Yıldız Technical University MBA Program, and Marmara University Continuing Education Center-Agency Academy training projects were realized as a result of university collaborations in 2022.

Boğaziçi University Leadership Development Program: It is a leader development program that is both consistent with the trends of the business world and supported by an academic perspective in order to enrich the knowledge and experience of the leaders who will lead Türkiye Sigorta into the future.

Boğaziçi University Leadership Training Program: Organized within the scope of developing future leaders at Türkiye Sigorta, the program is designed to enable leaders to see the big picture, adapt to change, reason out the macro-level changes in the world, and actively contribute to development that will add value to stakeholders, so that they can lead themselves, their business and team.

## Human Resources

**Türkiye Sigorta continues to add value to its employees and the Company with its training programs.**

Istanbul Technical University Micro MBA Program: It is a program that will enable the participants to clarify the connections between the management/business world and the micro/macro environments, to evaluate the fundamental functions of an organization and the impact of these functions on the operations and strategies of the organization, and to analyze business decisions.

Türkiye Sigorta is well aware that the quality journey starts out with the training and development of customer representatives. Numerous training activities, including orientation programs, repetition/renewal and information trainings, simulation tests, and development measurement tests, have been designed in 2022. More than 175 customer representatives were provided with orientation programs and

simulation tests that lasted up to 15 days and a total of 175 days. A total of 10 days of repetition/renewal and informative trainings were provided to 195 employees, and training and development activities were successfully completed by conducting a development measurement test for more than 160 customer representatives every 3 months.

For the Customer Communication Center teams, Training programs such as the Personal Data Protection Law, Risk Products Information, Risk-Focused Perspective in Customer Interviews and Frequent Mistakes, Communication Quality were also completed. The most successful members of the Customer Communication Center teams that provided quality service to customers in 2021, were awarded at the beginning of 2022.

Training Method	Categories	Types of Training				
		Personal Development	Corporate Development	Licensing	Professional and Technical	Mandatory
Face to Face	Number of Trainings	21	107	12	159	18
	Number of Training Participants	351	2,942	308	2,581	1,538
	Number of Training Hours	2,130	7,304	2,156	10,936	5,166
E-Learning	Number of Trainings	305	15		128	23
	Number of Training Participants	2,112	2,236		2,013	7,678
	Number of Training Hours	1,558	3,929		1,581	14,085

### The Company That Listens To The Employees

The “Appreciation and Recognition Process” has been implemented within the body of Türkiye Sigorta in order to encourage employees to make a positive contribution to the Company and to reward them materially or morally for their achievements.

In this regard, the “Biz Varız”(We Are Here) suggestion process was launched and awards for the first term were presented. The “**Biz Varız**” suggestion process is designed as a process that encourages change and development by ensuring the participation of all employees, evaluating and rewarding employee suggestions, in order to provide suggestions that will improve the processes and methods employed by the company, increase quality and efficiency, and reduce costs.

### Great Place To Work

An Employee Satisfaction and Engagement survey covering the working environment, company management, affiliated manager and human resources processes was conducted with Great Place To Work company for all employees.

Türkiye Sigorta has been qualified to receive the “Great Place to Work” certification at the end of 2022 based on the confidence index research of the Great Place to Work Institute, which has been conducting international research for more than 30 years on the establishment of corporate culture and employee satisfaction worldwide.

### Novelty in Attractive Fringe Benefits

With the Hybrid working model, which demonstrates that quick and agile decisions can be made while working from home by stating “Bir Tık Yakında” (As Close as a Click), the new working

structure, which is set up on the basis of a requirement of each unit and which moves the working life from its patterns, has been adapted swiftly. With the “Bir Tık Yakında” (hybrid and remote) model, the scope of the working model was broadened and on 1 November 2022, the new working model was launched by incorporating institution-specific modeling. Within the scope of this model, employees have been provided opportunities such as working remotely for one month per year, ergonomic support, and financial assistance.

In accordance with the motto “Gücü Adında (Its Power Lies in its Name), it is aimed to maintain employees satisfied by introducing improvements in a variety of areas, including remuneration policy, fringe benefits, working structure, training opportunities, reward system, and performance management.

### Recruitment and Specialized Recruitment Programs

In order to build the ideal working culture that will drive the Company to its strategic goals, it is essential to attract talented candidates and to make them partners in success. Modern assessment center tools (Personality inventory, general aptitude tests, foreign language exams, technical exams such as Excel, SQL, Java, case studies and roleplays, etc.) are used in the recruitment processes, which are objective and tailored to the requirements of the relevant positions.

At the end of a year in which objective assessment tools were utilized to place the ideal candidate in the appropriate position, competency measurement was carried out, and candidates from several different generations, ranging from experienced professionals to new graduates, were contacted, and a total of 428 talented candidates were recruited.

The “Biz Varız” suggestion process was launched and awards for the first term were presented.



At Türkiye Sigorta, the **OKR** (continuous performance system) performance review process has been adopted.

In the development program designed within the scope of the “Hiring Challenge” project, besides vocational and technical training, personal development and insurance sector-specific trainings were also included. At the same time, young talents recruited within the scope of the program had the opportunity to combine employee and customer experience with innovative solutions utilizing new technologies. More than 2,000 applications were made to the recruitment program, which was held twice during the year, 304 interviews were held and 41 young talented candidates were recruited.

More than 3,000 new graduate applications were received for the “Kariyer Z-MT” program, 87 interviews were conducted and 12 young talented candidates were recruited. A development program has been designed to support young talents recruited through the “Kariyer Z” program to generate value-added business outputs throughout the program. Within the scope of the 1.5-year development program, which will continue in 2023, participants are offered the opportunity to learn about the dynamics of the Company and the sector, as well as to acquire awareness and improve their potential through personal development training programs.

### **Internship - Güçlü Gelecek Seninle Gelecek (Strong Future Will Come With You)**

It is an internship program in which 3<sup>rd</sup> and 4<sup>th</sup> grade students experience business life as part of the Türkiye Sigorta team for 2 months during the summer term, and in line with the evaluations made, they are offered the opportunity to work part-time during the school term. More than 1,000 applications were received, including 3<sup>rd</sup> and 4<sup>th</sup> grade students of universities, 117 interviews were conducted and the internship process of 28 young talented candidates was started.

### **Performance and Reward Management**

In 2022, it has been figured out that working with an agile structure that supports project-based management, which is more flexible for the effective measurement of performance in the work culture of Türkiye Sigorta, can keep up with change, and provides the opportunity for instant evaluation, rather than at the end of the year, will carry the employee and the Company further. For this reason, the employee-oriented OKR (continuous performance system) performance review process has been adopted in order to improve the way of conducting business by changing the work culture and target methodology of Türkiye Sigorta.

The main purpose of the OKR approach is to ensure the development of the employee by increasing his/her contribution to the Company's success through motivating and encouraging targets. The following results are expected to be achieved through the Agile Performance Management Transformation project:

- expansion of the agile performance management approach that increases employee participation,
- increase in the interaction between the manager and the employee throughout the performance process,
- establishment of a transparent target management structure,
- employee development

It is believed that as a result of all these efforts, a working environment will be built in which the human resources, who own all the achievements that have been or will be achieved, will be happy, grow, increase their engagement, and produce worthwhile career narratives.

#### Year 2023...

Job evaluation, career mapping and norm staff project studies were initiated by conducting a needs analysis for the human resources operations of all units throughout the company. With these studies, appropriate projections for effective human resources management parameters such as the right talent strategies, the right employment policies, and the right remuneration policies will be made until the end of 2023.

Due to the inadequacy of the existing human resources programs to meet the needs, the ERP transition project was initiated within the scope of the improvement of the "Human Resources Management Systems".

#### İkinci Bahar (Second Spring)

"İkinci Bahar" retirement program was announced for employees who are entitled to retirement or will be eligible within 1 year. The objective of this program is to provide assistance to the employees in a variety of spheres during their retirement period, as well. The assistance program will be employed in 2023.

The "İkinci Bahar" retirement program will be employed in 2023.

# Quality Management

## Türkiye Sigorta was entitled to receive ISO 9001:2015 Quality Certificate in 2022.



### ISO 9001:2015 Quality Management Certificate

In 2022, as the first step, studies for the ISO 9001:2015 Quality Management System Certificate, which supports the objective of improving leadership, customer focus, evidence-based decision making, profitability and customer satisfaction, and providing the accreditation of the service quality offered to customers and business partners, have been initiated. 27 employees, who received training during the preparation process of the audit, obtained the ISO 19011 Internal Auditor certificate, and these auditors worked with over 100 directorates to complete the audit. Following the external audit in May 2022, the audit process was completed, and the Company was granted the ISO 9001:2015 Quality Certificate.



## Corporate Communication Activities

### Türkiye Sigorta, setting out for Türkiye with Türkiye's values, continues to advance on the path of "Being One and in Unity".

#### Sempatik dostlarımız Türkiye Sigorta güvencesinde!

Türkiye Sigorta Sempati Evcil Hayvan Sigortası, acil durum ve hastalıklarda sempatik dostlarımızın sağlığını koruma altına alıyor. Ücretsiz göz ve kulak temizliği, tırnak bakımı, mikroçip uygulaması ile indirimli kuaför ve otel fırsatları gibi pek çok kolaylığı bir arada sunuyor.



Yaygın veteriner ağı  
Standart ve geniş kapsamlı ürün seçenekleri

SemPati  
Evcil Hayvan Sigortası

Mikroçip uygulamaya ve senede 3 kez göz kulak temizliği, tırnak bakımı, rutin bakım paketleri gibi veteriner sigortada geçerli olmak üzere ücretsizdir.

0850 202 20 20  
turkiyesigorta.com.tr

**TÜRKİYE SİGORTA**  
Çüçü, adında.

Türkiye Sigorta, setting out for Türkiye with Türkiye 's values, Türkiye Sigorta continues to advance on the path of "Being One and in Unity". By repositioning the perception of "insurance" in our country, and by carrying the "insurance experience" from "after" to "before" in order to build the insurance of the future, Türkiye Sigorta continues to be a leading and pioneering company with the vision of being recognized as a technology company operating in the international arena within ten years, with the perspective of providing solutions catering the need for confidence in every moment of life, for everyone who dreams of a bright future, and using its power for good.

In line with its vision, mission and strategies, Türkiye Sigorta reaches out to its stakeholders with a genuine, self-assured, promoting a sense of belonging by adopting "WE", inclusive, responsible, sensitive, determined and realistic communicative language. The company conducts its communication activities with a simple, enthusiastic and sincere tone, with the power it derives from Türkiye, and its employees.

#### Social Media Communication

In 2022, Türkiye Sigorta continued its social media communication activities and conducted product- and campaign-specific communication. In 2022, the company increased the number of followers on Instagram by 21% and the reach rate by 234% and attained 43,453,649 reach. Maintaining its growth on Facebook as well, Türkiye Sigorta increased the number of followers by 30% and the number of reach by 80% to 41,730,331. The company kept up

its upward momentum on LinkedIn, one of the major digital channels for the professional business world, and increased its impression rate approximately to 100% with 1,181,439 impressions. Moreover, the Company carried out communication activities on YouTube and increased the number of followers in this channel by 60%. Hourly viewership rate reached over 154%.

#### Sempati Pet Insurance Film

An integrated communication plan has been created for the Sempati Pet Insurance product.

A commercial was shot featuring Timuçin Esen, the brand face of the company, and it was broadcast on national television channels and radio spots were aired. The promotion of the new product was promoted further via press releases in print media and supported with advertisements in magazines and newspapers.

Communication in the digital media has been ensured to be continuous and complementary. A 360-degree communication was ensured by taking place in outdoor advertising media.

Sempati Pet Insurance's communication plan was deemed worthy of the Gold Award in the "Best Promotion" category at the PSM Awards organized by PSM.

## Corporate Communication Activities

Türkiye Sigorta is the title sponsor of the **Turkish Basketball Super League.**



### Türkiye Sigorta Basketball Super League Title Sponsorship

Being the title sponsor of the Turkish Basketball Super League, which is recognized as one of the best leagues in the world, Türkiye Sigorta continued to take its support for sports to the next level with its three-year sponsorship.

With this sponsorship, Türkiye Sigorta aimed to lay the groundwork for setting up a dynamic, competitive, confident and exciting game for Turkish basketball. The company believes that this sponsorship will reflect the 'innovation and differentiation' approach it has adopted in a way that is consistent with the soul of Turkish basketball.

### Sponsorship of Amputee National Football Team

Acting with the vision of using their power for good, Türkiye Sigorta and Türkiye Hayat Emeklilik have supported the Amputee Football National Team and its athletes, who are the symbols of perseverance and determination that won the European Championship twice and made our country proud by winning the World Cup.

### ESİB Trainings

Türkiye Sigorta has become one of the sponsors of the Insurance and Risk Management Awareness Strengthening Trainings for the Tradesmen (ESİB), which is planned as the largest participation training campaign in the insurance industry in an effort to widespread insurance literacy throughout the society. During the free trainings, the Company shared its solid experience and know-how with tradesmen and artisans, and more than 2 million tradesmen were reached throughout the project.

Along with the risk management training, the company provided tradesmen with trainings on topics such as BES, workplace insurance, insurance for cyber risks, and financial insurance, they would need.

### Türkiye Sigorta Customer Platform

At a press conference conducted on 31 March 2022, Türkiye Hayat Emeklilik and Türkiye Sigorta announced the "Türkiye Sigorta Customer Platform," a

mobile application that breathes new life into insurance business on its digitalization journey. In addition to the press conference, digital advertising initiatives continued for communication about the platform. In addition, communication activities supported by advertisements in printed media were enhanced with outdoor advertisements.

Through the mobile application of the Company, all users, regardless of whether they are Türkiye Hayat Emeklilik or Türkiye Sigorta customers, will be able to experience various products and services in the quickest, most dependable and most convenient manner possible through a single application. Super app, which is a first in the insurance sector, has been defined as "Türkiye 's first insurance super app".



### Türkiye Sigorta Memorial Forest

For a greener future, Türkiye Sigorta and Türkiye Hayat Emeklilik created a Memorial Forest of 10,000 saplings for the second anniversary. It continues its efforts to mitigate the effects of climate change and leave future generations with a more habitable planet by planting trees within the scope of sustainability studies. As an insurance company, Türkiye Sigorta and Türkiye Hayat Emeklilik have implemented a social responsibility project with the goals of securing the future of the people, reducing the adverse impacts of company operations on the environment, and increasing its positive impact.

The memorial forest created in Sivas Yıldızeli - Anklar was organized with the contributions of the Ministry of Environment and Forestry and the participation of regional employees of Türkiye Sigorta and Türkiye Hayat Emeklilik.



#### 44<sup>th</sup> Istanbul Marathon

Acting with the mission of using its power for good, Türkiye Sigorta participated in Türkiye 's largest charity race for the 3<sup>rd</sup> time. The company participated in the 44<sup>th</sup> Istanbul Marathon with 233 runners. Türkiye Sigorta employees collected donations for various non-governmental organizations as a step toward a better world.



Türkiye Sigorta employees participating in the marathon delivered a total of TL 425,705 donations from 1,986 contributors to institutions including many NGOs, from Darüşşafaka Cemiyeti to KAÇUV, from TED to UNICEF.

#### Türkiye Sigorta Pusula Magazine

Pusula Magazine, specifically prepared for agencies, one of the primary stakeholders of the company, started its publication life with its first issue released in July 2021. The magazine, which is published quarterly and enhances cooperation and communication with agencies, contains interactive and informative content on news about the Company, events, interviews, sector-related posts, and many more. In addition to interviews, the magazine, which will reach its readers with three new issues in 2023, also offers puzzles for adults and children, and various label gifts.

The magazine, prepared with the pleasant content contributions of the agencies, is distributed to all agencies, and can also be accessed for free via the Turkcell Dergiilik application.



#### Insurance Meetings in 10 Cities

Türkiye "Insurance" Talks are organized in 10 cities of Türkiye in collaboration with Türkiye Sigorta and Ekonomi newspaper. In the panels, topics pertaining to increasing enterprise awareness in the disciplines of risk management and insurance are discussed.

Chambers of industry and commerce, non-governmental organizations, universities and sector leaders of the region participate as panelists and audience in order to discuss the needs for insurance and potential of the region.

**The National Amputee Football Team, sponsored by Türkiye Sigorta, won the World Cup.**



# Internal Communication Activities

**Türkiye Sigorta coordinates a wide range of activities to facilitate the adoption of corporate values and culture, boost corporate engagement, and enhance employee communication.**



Türkiye Sigorta coordinates a wide range of activities to facilitate the adoption of corporate values and culture, boost corporate engagement, and enhance employee communication. Some of the major activities are listed below:

- **Club Activities:** Türkiye Sigorta and Türkiye Hayat Emeklilik Clubs were founded in 2022. There are 12 workshops, ranging from theater to dance, camping to chess, football to running, that fall under the 4 main clubs of Hobbies, Arts, Sports, and Volunteering. On specified days, members of the workshops, which were created with the participation of company employees, engage in a variety of activities with the assistance of expert trainers.
- On October 29<sup>th</sup>, the Arts Club Music Workshop performed a Mini Concert.
- Clubs Night, which was organized in December started with the “Strong Steps” exhibition of photographs of stray animals prepared by the Photography Workshop, and the play staged by the Theater Workshop concluded with a dance performance by the Dance Workshop and a concert by the Music Workshop choir. Employees and management attended the event as audience.
- Through the Heartfelt Affairs Club, Türkiye Sigorta carries out social responsibility events in accordance with the principle of using its power for good. The Club organized a Year-End “Charity Bazaar” in 2022, with the participation of various NGOs, including Foundation for the Support of Women’s Work(KEDV), Laughter Heals Association, Türkiye



Down Syndrome Association. The Club also carries out activities such as a book collection campaign to create libraries for schools in need, an Audiobook campaign with the Six Dots Foundation For the Blinds, and a food collection project for stray animals.

- **Sports Tournaments:** The Türkiye Sigorta Football Team, which was set up within Türkiye Sigorta, competed in the Insurance Sector League in 2022 and won the championship trophy for the Company. The 13<sup>th</sup> Insurance Sector League event, conducted in Antalya with the participation of 16 insurance companies, lasted three days. Following that, the team represented our country at the International Companies League in Slovenia.

- **Birlikteyiz (We are together) Digital Magazine:** Birlikteyiz Digital Magazine, which is presented to employees quarterly, was continued to be published in 2022 as well. The magazine, created by the Corporate Communications and Brand Management unit, features employee interviews, practical information about corporate life, current trends and worldwide developments in the sector, as well as club activities. The mission of the Birlikteyiz Magazine is to foster better communication between employees, inform them, and enhance social learning.

# Risk Management and Internal Control Activities

## RISK MANAGEMENT POLICY

The policies established considering the risks that our company is exposed to are regularly reviewed in parallel with the changes in market conditions and the provisions of the relevant legislation. The key risks of the Company are monitored within the framework of the risk definitions given below:

**Strategic Risk:** It refers to the possibility of incurring loss in consequence of seasonal or technological changes across the business line and industry, depending on the preferred practices and decisions.

**Asset Risk:** Companies try to perform their activities with the assets acquired through debts and equity capital; however, these assets may be exposed to various risks, especially collection risk and market risk. Asset Risk refers to the risk that the Company fails to carry out its activities due to depreciation of asset items in the Company's balance sheet as a result of occurrence of one or more risk(s).

**Underwriting Risk:** As there are risks arising from signed insurance contracts, the said risks may be exemplified as a risk

concentration arising from not selecting the insured risks properly, not determining the level of insurance premiums at which potential damages are covered in the future and non-diversifiable risks.

**Provision for Outstanding Claims Risk:** It refers to the risk that the Company fails to fulfill its liabilities for outstanding claims' provision in retention.

**Reassurance Risk:** It refers to the risk that occurs through the transfer of insurance risk to reinsurers.

**Currency Risk:** It refers to the risk that changes in exchange rates negatively affect the Company's financial statements and cash flow.

**Excessive Premium Increase Risk:** It refers to the risk corresponding to the excessive portion when the Company's annual increase rate in written premiums (gross) on the basis of premiums is above 20% of the industry's increase rate.

**Counter-Party Risk (Agent, Reinsurer):** It refers to the possibility of understanding that one of the parties carrying out the transaction will fail to fulfil its liability during the transaction period, and incurring loss in parallel.

**Liquidity Risk:** It refers to the risk that the Company fails to fulfill its liabilities due to lack of cash on hand or cash inflow with levels and qualities to cover the cash outflow in full and on time in consequence of the imbalance in the organization's cash flow.

**Market Risk:** It refers to the possibility of loss that the organization may incur due to interest risk and currency risk in the values of positions of the financial instruments in its portfolio, or in the values of all assets and liabilities.

**Operational Risk:** Operational risk is the risk of direct or indirect losses resulting from inadequate and ineffective internal processes, employees and systems or external events. It refers to the possibility of loss that may arise from unnoticed errors and irregularities due to disruptions in internal controls, mismanagement, errors and disruptions in information technology systems, disasters such as earthquake, fire and flood, or terrorist attacks. Human Risk, Process Risk, System Risk and External Factors Risk are subjected to assessment under Operational Risk.

# Department of Internal Systems

In compliance with the Regulation on Internal Systems in the Insurance and Private Pension Sectors published in the Official Gazette, in the structure where the responsibilities of our Company's Board of Directors regarding internal systems are fulfilled through the Audit Committee, a senior executive as the Head of Internal Systems serves as a member of the Audit Committee. The Risk Management, Internal Control, Legislation Compliance and Actuarial units operate under the Head of Internal Systems in terms of administrative and functional aspects.

## Internal Control Activities

The business plan for 2022 was created according to the business processes exposed to risk, test frequencies and risk scores, and control procedures were implemented on a regular basis in accordance with the test frequency. In this context, periodic control activities about the control points identified within production, marketing, technical, reinsurance, claims, subrogation, legal, accounting, collections, human resources and information systems processes were carried out.

Within the efforts made, the compliance of the activities with domestic-international legislation and the efficacy of existing controls were evaluated.

The reports prepared regarding the issues identified in the control results are reported to the Audit Committee and the General Manager.

Suggestions contained in the control reports issued by the Internal Control Directorate are monitored via the "Internal Control Suggestion Monitoring Platform." The suggestions addressed in the Internal Control's reports, the actions to be taken by business units, and the deadlines for these actions are included in the said platform.

In 2022, the Internal Control unit created its organizational structure in compliance with the Regulation on Internal Systems for insurance processes, which was issued in November 2021. The unit will strive to maintain compliance with the regulation in 2023.

## Legislation Compliance Activities

The company ensures that all new transactions and products are handled in compliance with the Law, relevant legislation, company policies, and insurance practices. All activities are planned and executed to determine the company's responsibilities for complying with legal obligations and regulatory requirements. Compliance processes are managed by effectively monitoring them through policies, procedures and

application principles. It supports the business units in the processes carried out by them and controls the adequacy, effectiveness and compliance of the processes and compliance controls by conducting evaluations in collaboration with the relevant units.

Furthermore, it is ensured that the compliance program is carried out for the fulfillment of the regulations published by the Financial Crimes Investigation Board (MASAK).

The compliance officer evaluates potentially suspicious transactions that he/she has been notified or become aware of sua sponte and notifies those that he/she concludes to be suspicious to the Financial Crimes Investigation Board (MASAK). The Audit Committee regularly reports the Company's risk exposure in relation to the use of the insurance service offered by the Company for money laundering or terrorist financing purposes and findings obtained from monitoring and control activities.

# Internal Audit Activities

Internal audit activities in Türkiye Sigorta are performed by the Non-life Internal Audit Department which is positioned directly under the Board of Directors. The Internal Audit Directorate functionally reports to the Board of Directors through the Audit Committee. The Internal Audit Department conducts audits to verify that the Head Office units of the Company, Regional Offices and representation offices, and agencies carry out their activities in compliance with the Insurance Law and other applicable legislation, as well as internal strategies, policies, principles and targets. The Department

audits the accuracy of financial data, the adequacy of practices targeted at the protection of assets, and efficacy of internal control and risk management systems. It also carries out audits regarding support services providers within the frame of the applicable legislation. The Internal Audit Department also carries out examinations and investigations regarding the employees' improper illegal or illegitimate dealings, and third party fraudulent acts.

Audit activities are conducted within the framework of the risk-based annual audit

plan in line with the Company's goals and strategies. The audit, examination, and investigation studies results are transformed into findings, and actions taken are continuously monitored through the Findings Tracking System and the audit reports are submitted to the Audit Committee and the Board of Directors.

In 2022, a total of 15 reports were written within the scope of audits required by Head Office Units, Regional Offices and relevant legislation. Six investigations were finalized in 2022.

# Assessment of the Board of Directors

The assessment of the Board of Directors, which used to be conducted verbally, has begun to be conducted in writing as of 2022 in order to ensure the efficiency and transparency of the activities of Board of Directors.

Members of the Board of Directors assessed the performance of the Board of Directors in regard to 2022 activities. The subjects included the adequacy of the information, the regularity of the secretariat activities of the chairman of the board of directors, the duties and responsibilities of the members, the preparation of the meeting agenda and the management of the meeting, the communication between the members and the senior management and the harmony of working together, meeting participation and performance, and a total of 19 questions were answered by each member of the Board of Directors, and areas for improvement were determined.

Evaluation results will be shared with the members and recommendations are planned to be taken in 2023.



## Assessment of the Corporate Governance Committee

Committee members showed utmost care for participating in meetings within the year. The committees work in coordination with units that accompany the processes. The number of Audit Committee members increased to three with the appointment of the Head of Internal Systems in October 2021.

The Corporate Governance Committee also assumes the duties of the "Nomination Committee" and "Remuneration Committee". As of the General Assembly held in 2022, the appointed Independent Board Members were re-elected with the same duties. Committees are able to get all kinds of resources and support from the Board of Directors as they carry out their duties. Committees meet at least as often as it is necessary under the conditions designated in the legislation and they periodically submit the results of their activities to the Board of Directors.

Of the six Members of the Board of Directors, two are independent members and one is executive member. All Members of the Board of Directors are male; however, there are no policies that restrict the election of female Members of the Board of Directors.

Based on the merger of Türkiye Sigorta and Türkiye Hayat Emeklilik companies, Members of their Board of Directors are elected jointly. The Board of Directors

held its first meeting on the day of General Assembly. The Chairman and Vice Chairman of the Board of Directors were appointed. Independence declarations of Independent Board Members are published in the Annual Report. There is no Board of Directors resolution that the Independent Members violated during the year. From the date of the General Assembly until the publication of the report, there were no changes in the memberships and duties of the Board of Directors. Board meetings are held at least once a month upon the invitation of the Chairman. Topics to be discussed in meetings are informed to all members one week in advance. The Board of Directors and senior management are authorized to decide any and all transactions and affairs within the scope of their duties necessary to achieve the Company's business scope, save for those for which the General Assembly is authorized pursuant to the law and Articles of Association. In order for the Board decisions to become valid, the approval of the majority of the members must be obtained. The Board of Directors held 31 meetings in 2022. There are no policies that restrict the performance of other duty or duties by the Members out of the Company. However, all members attended every meeting held, and allocated time for necessary works for the Company.

The Members of the Board of Directors may not cast votes in representation of one another, nor may they attend the meetings by proxy. In case of equal votes, the topic discussed is postponed to be addressed in the next meeting. If the votes are equal also in the second meeting, the proposal in question is deemed rejected. Decisions passed in a meeting are entered into the decision book of the Board of Directors.

Educational backgrounds of members, their professional experience, external positions held outside the Company and similar information are disclosed in the Annual Report. Resumes of the Board Members and information on the committees they take part are disclosed on the Company's website and Public Disclosure Platform (PDP), and their resumes are also submitted to the Central Registry Agency (CRA) portal and E-Company.

Each member completed the assessment of the performance of 2022 in the first month of 2023, in accordance with the performance assessment method and criteria developed by the Corporate Governance Committee for the assessment of the performances of the Members of the Board of Directors.

# Statement of Compliance with the Corporate Governance Principles

Since 2008, the Company has been releasing its statement that it has embraced the principles set out in the Corporate Governance Communiqué of the Capital Markets Board of Türkiye (CMB) and its Corporate Governance Principles Compliance Report. Pursuant to the CMB decision no. 2/49 dated 10 January 2019, the Company has been reporting its compliance with non-mandatory principles in Corporate Governance Compliance Report (CRF) and its existing corporate governance principles through Corporate Governance Information Form (CGIF) formats since 2018. From 2019, the said reports were made available within the annual reports and via KAP (Public Disclosure Platform).

Türkiye Sigorta exercises the utmost care to achieve compliance with the four principles set out in the Principles, which are transparency, fairness, responsibility and accountability. In 2019, the Company began receiving corporate governance rating service to have its corporate governance practices independently assessed and rated. The most recent corporate governance rating was 9.51 in November 2022.

In 2021, the Board of Directors prepared the Declaration of Compliance to Sustainability. The responses were explained in line with the Sustainability Principles Compliance Framework in 2021 Annual Report.

The initial Sustainability Report of our Companies, prepared jointly by Türkiye Sigorta and Türkiye Hayat Emeklilik, has been published on the Public Disclosure Platform (KAP) and the corporate website of the Company. The report presents comprehensive information on various aspects ranging from the strategic sustainability roadmap to the sustainability organization, from the prioritization survey to environmental-social and governance performance.

While the newly drafted and revised policies are made public via KAP disclosure as necessary, all policies are

also published on the website. Depending on the necessity of the policies, they are read or approved at the General Assembly. The Remuneration Policy, Compensation Policy, Share Buyback Policy, Information Policy and Dividend Distribution Policy have been approved at the General Assembly meeting of 2021. Additionally, the Board of Directors has granted approval for the Corporate Social Responsibility Policy, and all policies have been made available for public access on the Company's website. The updated version of the organization's ethical code has been posted to the website.

The declarations by Independent Board Members are covered in the annual report. There are no female members on the Board of Directors of the Company. Members of the Board of Directors conducted a written self-assessment for the first time, covering various aspects such as Providing Information, Secretariat Activities, Duties and Responsibilities, Agenda and Meeting, Communication and Compliance, Meeting Participation and Performance. The Company has arranged a professional manager liability insurance against potential losses resulting from the actions of the Members of the Board of Directors and executives, while performing their duties, although it did not correspond to 25% of the capital in 2022.

A disclosure was made on KAP informing that the said insurance has been obtained. Policy renewal efforts, which started after the merger, continue. Remuneration and similar benefits provided to board members and senior executives are explained in the footnotes of the financial statements and the annual report. Information on the number of meetings of the committees is also provided in the Annual Report.

In addition, minority rights and the scope of issues related to the appointment of a special auditor are not yet included in the Articles of Association. However, as part of the improvement efforts undertaken

with the Board of Directors in 2022, it was discussed that actions that would restrict minority rights or prevent special supervision would not be taken, and the possibility of incorporating amendments to the pertinent sections of the articles of association was considered, and it was stated that a decision to carry out those actions at a later time can be taken.

In addition, minority rights and the scope of issues related to the appointment of a special auditor are not yet included in the Articles of Association. The English-language website has been prepared in a reasonable format to inform investors by including information on Board Members and senior management, financial information, investor presentation, sector comparative production information and all information on corporate governance. The policy documents and articles of association were uploaded to the website in English in 2022. Meetings with units were held in 2022 to ensure the adoption and continuity of corporate governance practices within the organization, and actions to be taken to address deficiencies were discussed. The process of developing control mechanisms is proceeding as planned.

In its activities, the Company strives to avoid decisions and practices that would negatively impact compliance with corporate governance principles, and exercises the utmost care and attention to take positive steps to achieve alignment with the principles. Compliance with mandatory principles has been achieved, and the majority of the non-mandatory principles have been adopted. As of the current situation, principles, which have not yet been fully complied with, have not caused any conflict of interest among stakeholders up until today. Corporate Governance Committee and the Investor Relations maintain their leading role regarding compliance with the principles, and contribution continues to be extended thereto.

# Corporate Governance Compliance Report

	COMPANY COMPLIANCE STATUS					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	√					
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	√					
<b>1.3. GENERAL ASSEMBLY</b>						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	√					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					√	There are no privileged shares.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	√					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	√					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	√					
<b>1.4. VOTING RIGHTS</b>						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	√					
1.4.2 - The company does not have shares that carry privileged voting rights.	√					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					√	The company does not have any partnership with which it has a mutual affiliate relationship, which also brings a domination relationship.
<b>1.5. MINORITY RIGHTS</b>						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	√					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.				√		Minority rights are not defined in the articles of association of our company.

# Corporate Governance Compliance Report

	COMPANY COMPLIANCE STATUS					Explanation
	Yes	Partial	No	Exempted	Not	
					Applicable	
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	√					<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/dividend-policy">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/dividend-policy</a>
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	√					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	√					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	√					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	√					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	√					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	√					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		√				The parts of the company's corporate website that are of interest to the public are also prepared in English. The Investor Relations page is available in both Turkish and English.
<b>2.2. ANNUAL REPORT</b>						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	√					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	√					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	√					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	√					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	√					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	√					

	COMPANY COMPLIANCE STATUS					Explanation
	Yes	Partial	No	Exempted	Not	
					Applicable	
<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	√					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	√					
<b>3.3. HUMAN RESOURCES POLICY</b>						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	√					
3.3.2 - Recruitment criteria are documented.	√					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	√					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	√					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	√					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	√					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	√					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	√					
3.3.9 - A safe working environment for employees is maintained.	√					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	√					
3.4.2 - Customers are notified of any delays in handling their requests.	√					
3.4.3 - The company complied with the quality standards with respect to its products and services.	√					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	√					

# Corporate Governance Compliance Report

	COMPANY COMPLIANCE STATUS					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	√					<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles</a>
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	√					
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	√					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	√					
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	√					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	√					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	√					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	√					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	√					At the first Board of Directors meeting held after the General Assembly dated 28.03.2022, the Chairman of the Board of Directors was elected from among the non-executive Board members.
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	√					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		√				"Manager liability insurance" was updated on 21 July 2022, and insurance was taken out for a price exceeding 0.1% of the Company's capital.
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			√			We do not have a policy which restrains female candidates from being appointed as a board member.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	√					

	COMPANY COMPLIANCE STATUS					Explanation
	Yes	Partial	No	Exempted	Not	
					Applicable	
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1-Each board member attended the majority of the board meetings in person.	√					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	√					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	√					
4.4.4 - Each member of the board has one vote.	√					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	√					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	√					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.				√		Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.				√		Independent members can take part in more than one committee due to the number of independent members in the Company.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	√					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					√	The committees did not receive consultancy services for their 2022 activities.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	√					

# Corporate Governance Compliance Report

	COMPANY COMPLIANCE STATUS					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	√					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	√					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.				√		The total amount of financial rights granted to the members of the board of directors is disclosed in the annual report.



# Corporate Governance Information Form

## 1. SHAREHOLDERS

### 1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year 64

### 1.2. Right to Obtain and Examine Information

The number of special audit request(s) 0

The number of special audit requests that were accepted at the General Shareholders' Meeting 0

### 1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d) <https://www.kap.org.tr/tr/Bildirim/1006265>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time Provided in English as well

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9 There is no such transaction in 2022

The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1) <https://www.kap.org.tr/tr/Bildirim/1091661>  
<https://www.kap.org.tr/tr/Bildirim/1089327>  
<https://www.kap.org.tr/tr/Bildirim/1089326>  
<https://www.kap.org.tr/tr/Bildirim/1089325>  
<https://www.kap.org.tr/tr/Bildirim/1089324>

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1) There is no such transaction in 2022.

The name of the section on the corporate website that demonstrates the donation policy of the company <https://www.turkiyesigorta.com.tr/yatirimci-iliskileri/sigorta/kurumsal-yonetim/politikalar/bagis-ve-yardim-politikasi>

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved <https://www.kap.org.tr/tr/Bildirim/858515>

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting Article 16

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any The Company shareholders' representatives, members of the Board of Directors, General Manager, Assistant General Managers, Independent Audit Company representative, directors of financial affairs management and investor relations manager and administrative staff attended.

### 1.4. Voting Rights

Whether the shares of the company have differential voting rights No.

In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares. There are no privileged shares

The percentage of ownership of the largest shareholder 81.10%

### 1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association No.

If yes, specify the relevant provision of the articles of association. It is not expanded.

# Corporate Governance Information Form

## 1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/dividend-policy">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/dividend-policy</a>
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	At Board of Directors meeting dated 28.02.2022 and the General Assembly meeting dated 28.03.2022, after deducting legal liabilities from our Company's consolidated net profit for the period; It has been decided that a total of 530,216,046-TL gross dividend would be distributed to the shareholders and the distribution would be paid in cash as of 29 April 2022.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	<a href="https://www.kap.org.tr/tr/Bildirim/1013571">https://www.kap.org.tr/tr/Bildirim/1013571</a>

## General Meeting Date

28/3/22

The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	None.
Shareholder participation rate to the General Shareholders' Meeting	82.18%
Percentage of shares directly present at the GSM	0.08%
Percentage of shares represented by proxy	82.10%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/general-assembly">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/general-assembly</a>
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/general-assembly">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/general-assembly</a>
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	None.
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	44
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	<a href="https://www.kap.org.tr/tr/Bildirim/1013562">https://www.kap.org.tr/tr/Bildirim/1013562</a>

## 2. DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	About Us and Investor Relations sections
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/company-profile/ownership-structure">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/company-profile/ownership-structure</a>
List of languages for which the website is available	Prepared in Turkish and partly in English.

### 2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Information provided in the 2022 Annual Report under the title of "Declaration of Independent Members of the Board of Directors".
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Information provided in the 2022 Annual Report under the headings of "Board of Directors Committees and the Assessment of the Board of Directors", "Board of Directors Committees-I" and "Board of Directors Committees-II".
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Information provided in the 2022 Annual Report under the title of "Board of Directors Meeting and Participation List for 2022".

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Information provided in the Annual Report 2022 under the "World and Turkey Sector".
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Information provided in the Annual Report 2022 under "Other Legal and Important Information".
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Information provided in the Annual Report 2022 under "Other Legal and Important Information".
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Information provided in the Annual Report 2022 under "Other Legal and Important Information".
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Information provided in the Annual Report 2022 under "Sustainability Approach and Practices".

### 3. STAKEHOLDERS

#### 3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies</a>
The number of definitive convictions the company was subject to in relation to breach of employee rights	0
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Internal Audit Directorate
The contact detail of the company alert mechanism	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles</a>

#### 3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	None
Corporate bodies where employees are actually represented	BASS (Bank and Insurance Workers Union)

#### 3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Deputy General Managers make the necessary backup plan for crucial positions in their subordinate teams together with the Human Resources Deputy General Manager. The authority for appointment belongs to the manager specified in the Authorization Matrix of the Human Resources Regulation.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/human-resources-policy">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/human-resources-policy</a>
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership program.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles</a>
The number of definitive convictions the company is subject to in relation to health and safety measures	0

# Corporate Governance Information Form

## 3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles</a>
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability">https://www.turkiyesigorta.com.tr/en/investor-relations/sustainability</a>
Any measures combating any kind of corruption including embezzlement and bribery	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/ethical-principles</a>

## 4. BOARD OF DIRECTORS-I

### 4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	Self-evaluation for 2022 was made at the beginning of 2023.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Aziz Murat ULUĞ - Chairman of the Board of Directors Atilla BENLİ - Vice Chairman of the Board of Director
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	5
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Information provided in the Annual Report 2022 under "Risk Management and Internal Control Activities".
Name of the Chairman	Aziz Murat ULUĞ
Name of the CEO	Atilla BENLİ
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	<a href="#">Functions are not combined</a>
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	<a href="https://www.kap.org.tr/tr/Bildirim/1053978">https://www.kap.org.tr/tr/Bildirim/1053978</a>
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no related policy.
The number and ratio of female directors within the Board of Directors	0

## Board Members

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/ Or Finance Or Not
Aziz Murat Uluğ	Non-executive	Not Independent Director	31/03/21	-			
Atila BENLİ	Executive	Not Independent Director	16/01/19	-	-	-	-
Murat Akgüç	Non-executive	Not Independent Director	31/03/21	-	-	-	-
Muhammed Mahmut ER	Non-executive	Not Independent Director	10/09/20	-	-	-	-
Murat AKBALIK	Non-executive	Independent Director	02/06/20	-	Considered.	No	Yes
Mehmet AYDOĞDU	Non-executive	Independent Director	02/06/20	-	Considered.	No	No

## 4. BOARD OF DIRECTORS-II

### 4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	31
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	7
The name of the section on the corporate website that demonstrates information about the board charter	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/company-profile/articles-of-association">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/company-profile/articles-of-association</a>
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no policy that restricts members from undertaking other duties outside the company.

### 4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Information provided in the Annual Report 2022 under "Board of Directors Committees and Assessment of the Board of Directors", "Board of Directors? Committees-I" and "Board of Directors Committees-II".
Link(s) to the PDP announcement(s) with the board committee charters	The working principles of the committees were determined in article 14 of the articles of association and the relevant article was approved at the general assembly. <a href="https://www.kap.org.tr/Bildirim/268985">https://www.kap.org.tr/Bildirim/268985</a>

# Corporate Governance Information Form

## Composition of Board Committees-I

Names Of The Board Committees	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	Murat AKBALIK	Yes	Board Member
Audit Committee	Mehmet AYDOĞDU	No	Board Member
Audit Committee	Gürdoğan YURTSEVER	No	Not Board Member
Corporate Governance Committee	Murat AKBALIK	Yes	Board Member
Corporate Governance Committee	Murat AKGÜÇ	No	Board Member
Corporate Governance Committee	Fulden PEHLİVAN	No	Not Board Member
Committee of Early Detection of Risk	Murat AKBALIK	Yes	Board Member
Committee of Early Detection of Risk	Mehmet AYDOĞDU	No	Board Member
Committee of Early Detection of Risk	Murat SÜZER	No	Not Board Member
Strategic Management Committee	Atilla BENLİ	Yes	Board Member
Strategic Management Committee	Murat AKGÜÇ	No	Board Member
Strategic Management Committee	Bilal TÜRKMEN	No	Not Board Member
Information Technologies Steering Committee	Muhammed Mahmut ER	Yes	Board Member
Information Technologies Steering Committee	Bilal TÜRKMEN	No	Not Board Member
Information Technologies Steering Committee	Sevda MERSİN HENDEM	No	Not Board Member

## 4. BOARD OF DIRECTORS-III

### 4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list</a>
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list</a>
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list</a>
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list</a>
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/committee-members-list</a>

### 4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Information provided in the Annual Report 2022 under "Financial Indicators" "Financial Results" and "Assessment of Financial Position, Profitability and Claims Payment Ability".
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	<a href="https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/remuneration-policy">https://www.turkiyesigorta.com.tr/en/investor-relations/insurance/corporate-governance/policies/remuneration-policy</a>
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Information provided in the Annual Report 2022 under "Other Legal and Important Information".

**Composition of Board Committees-II**

<b>Names Of The Board Committees</b>	<b>The Percentage Of Non-executive Directors</b>	<b>The Percentage Of Independent Directors In The Committee</b>	<b>The Number Of Meetings Held In Person</b>	<b>The Number Of Reports On Its Activities Submitted To The Board</b>
Audit Committee	67%	67%	25	4
Corporate Governance Committee	67%	33%	12	12
Committee of Early Detection of Risk	67%	67%	6	30
Strategic Management Committee	25%	0%	2	2
Information Technologies Steering Committee	33%	0%	2	2

# Sustainability Approach and Practices

The primary mission of Türkiye Sigorta, which is fulfilled through its products and services, is to contribute to promote the peaceful and safe life of the society. In this respect, sustainability is one of the key pillars of Türkiye Sigorta's strategy.

Türkiye Sigorta closely follows both sectoral and global sustainability trends, conducts regular assessments of stakeholder expectations in this area, and reviews its business processes, products, and services through risk and opportunity analyses.

The evaluation of stakeholder priorities involved an analysis of the results obtained from the prioritization survey conducted in 2021. Sustainability priority issues were categorized into 4 separate groups, based on input from employees, external stakeholders' expectations, as well as sectoral and global risks.

During the transition period towards 2022 sustainability reporting, sets of indicators were shared and there was a close exchange of information with all of the units. Due to devoted efforts, the initial Sustainability Report of our companies, jointly prepared by Türkiye Sigorta and

Türkiye Hayat Emeklilik, has been created in both Turkish and English languages.

The sustainability report encompasses the Strategic Company's Sustainability roadmap, the UN Global Principles, 17 Sustainability Development Goals (SDGs), and BIST Sustainability principles, and outlines the Sustainability team and communication methods employed to communicate with our stakeholders.

The company has disclosed its environmental performance data, which includes electricity, water, and heating consumption over the past three years, and shared social performance data, which encompasses employee distribution, OHS data, and information on employee training.

Based on all this information, goals have been set for the year 2022 pertaining to environmental, social and governance matters. Aligned with our organizational motto of "Insurance for Positive Impact," we strive to achieve our objectives by systematically managing the economic, environmental, and social impacts of all our processes.

Reflecting our unwavering commitment to promoting sustainability awareness in our country, in 2022, we have become a member of the The Business and Sustainable Development Council (SKD), an organization that pursues its objectives through various missions of establishing collaborations and a think tank, and enhancing the competitiveness in the Turkish business world in accordance with the sustainable development approach, in order to support and develop sustainability studies and sustainable development in our country.

As a means of promoting sustainability awareness, Investor Relations delivered a "Sharings on Sustainability Presentation" to recently hired MT employees as part of the Career Z program. The presentation focused on the Native American perspective, which emphasizes that "the earth is borrowed from children, not from ancestors."

The KAP announcement regarding The Sustainability Principles Compliance Framework, which was prepared by Borsa Istanbul, is accessible at <https://www.kap.org.tr/tr/Bildirim/1118686>.



# Sustainability Organization

The procedures and functions executed by the various departments within our organization make numerous contributions to sustainability efforts. In order to ensure a positive impact on the work while enabling more efficient progress, it has become essential to make changes in the sustainability organization. In order to continue the sustainability activities with a more balanced and stronger organization, the Corporate Governance Committee has considered a restructuring in the organization of the Sustainability Committee.

In this regard, it was considered to establish a "Sustainability Committee" comprising of executives possessing expertise in the Company's strategy, technique, operations, sales, governance, sustainability, employee and communication management processes, under the Corporate Governance Committee. Additionally, "Sustainability Sub-Committees" were considered to be established under the aforementioned committee to address the five fundamental sustainability issues. The updated sustainability organization is structured as follows:



# Disclosure Policy

## I. PURPOSE

It has been espoused as a principle to make sure that all our stakeholders, i.e. our shareholders, investors, employees, various business partners such as agencies and reinsurers, and public agencies, have access to information in a complete, equal, fair, timely, accurate and intelligible manner. To this end, a Disclosure Policy is devised to determine the methods and tools to present Company related information in written and verbal form within the framework of the CMB's Capital Market Law(CMB/ Board), section two, and the Communiqué on Material Events Disclosure Serial: II-15.1, Article 17, in accordance with the Corporate Governance Principles.

## II. RESPONSIBILITY

The Disclosure Policy is enforced upon approval by the Board of Directors, presented for the approval of the General Assembly, and publicly disclosed. The Board of Directors is authorized to modify the text of the Policy, and revisions to be made are presented for the approval of the General Assembly, and publicly disclosed. Board of Directors; The Audit Committee handle this responsibility in coordination with the Corporate Governance Committee and the managers responsible for independent audit reporting. The Audit Committee presents its assessment regarding the conformity of the annual and interim financial statements to be disclosed with the accounting principles pursued by the Company, their accuracy and truthfulness, together with the opinions of the managers responsible for the Company's independent audit reporting and independent auditors to the Board of Directors in writing.

The Corporate Governance Committee oversees activities associated with the Company's transparency and keeping the public and investors informed, ensuring compliance with corporate governance principles, as well as many other activities. The Corporate Governance Committee reviews the Company's annual report, Corporate Governance Compliance Report and the Company website, and verifies the accuracy and consistency of the information therein. The Committee devises suggestions for ensuring that disclosures to the public and analyst presentations are made within the framework of the Capital Market

Legislation and in accordance with the Company's Disclosure Policy. It evaluates the adequacy of the Disclosure Policy, guarantees that it is maintained up-to-date and revised as necessary.

Financial Management Assistant General Manager and Investor Relations Directorate are responsible for implementing the Disclosure Policy. All matters regarding public disclosure are handled under the responsibility of the Investor Relations Directorate in coordination with the Financial Management Assistant General Manager and the Corporate Communications and Brand Management Directorate.

## III. DISCLOSURE TOOLS AND METHODS

Various disclosure tools are utilized in the public disclosure of information, events and developments that are of a nature to affect the values and prices of capital market instruments and investors' investment decisions with the aim of informing the investors timely, completely and accurately, and ensuring the operation of the capital market within a reliable, transparent, efficient, consistent, fair and competitive environment.

Disclosure tools include material event disclosures, corporate action notifications, Central Securities Depository of Türkiye (MKK) E-Company Platform, Electronic General Meeting System, financial reports, the Company's website, investor presentations, meetings and teleconferences, press releases, bulletins and conferences, promulgations in the Trade Registry Gazette, and communication by the Investor Relations Unit, and social network posts. Disclosure tools and methods are described in detail below.

### a. Material Event Disclosures

One of the Company's most important obligations related to the protection of the rights of shareholders of publicly-held companies is to protect shareholders' right to information, as a pivotal element of the Corporate Governance Principles. When an event or development with the potential to cause a change in the market capitalization of the Company's stock or to influence investors' investment decisions, or when such an information is obtained, a public disclosure about the

specific material event needs to be made to the BIST and the CMB in keeping with the principle of informing the investors in particular and the public in a timely, adequately and continuous manner. In case of material events and developments with a potential impact on the values of capital market instruments traded on stock exchange and on investors' investment decisions or exercising of their rights, the Company carries out its public disclosures in accordance with the Communiqué on Material Events Disclosure (II-15.1).

Material event disclosures are prepared by the Investor Relations Directorate, signed electronically, sent to the Public Disclosure Platform (KAP) and thus publicly disclosed. Material event disclosures are posted on the Company website ([www.turkiyesigorta.com.tr](http://www.turkiyesigorta.com.tr)) within two business days following the date of public disclosure the latest, and are kept available on the website for 5 years.

### b. Corporate Action Notifications

Numerous procedures and transactions such as dividend distribution, coupon payments, redemptions, capital increases/decreases, squeeze-outs, mergers and demergers, general meetings and so on are carried out electronically via applications developed by the MKK. When the latest notification sent in relation to the process available on the KAP website is opened, all information presented to the KAP until the current phase of the process can be viewed. The same is also made available on the Company website.

### c. MKK E-Company Platform

Information Society Services tab under the Legal Information section on the Company website gives access to Company information on the companies information portal (e-Company) of the Central Depository of Türkiye MKK. Accessible by all stakeholders, the information on the said portal are kept up-to-date by the Investor Relations Unit.

### d. Electronic General Meeting System (e-GEM)

General Assembly Meetings are held at the Company's Head Office building and in a location that will allow participation of all shareholders, and is also held electronically simultaneously via the Electronic General Meeting System (e-GEM). General Assembly Meeting announcement, agenda items and informative notes are uploaded

to the e-GEM. The meeting starts simultaneously in the physical environment and on the electronic environment, agenda items are read and put to the vote simultaneously. Following the General Assembly Meeting, the meeting minutes and the list of attendants are also notified through e-GEM.

### **e. Company Website and Investor Relations Unit**

The Company's website at the address [www.turkiyesigorta.com.tr](http://www.turkiyesigorta.com.tr) is designed according to the requirements in the CMB's Corporate Governance Principles, providing all necessary information in full in Turkish and in part in English, serving as a communication channel that can be used for shareholders, investors, research analysts of intermediary institutions and other stakeholders. The website is actively used for information provision and public disclosures. Care is taken to keep the website up-to-date at all times.

The corporate website features the sections "About Us," "Investor Relations," "Human Resources" "Sustainability," "Disclosure" and "Help Center" sections, "Our Products" include "Participation Insurance" and "Online Services" insurance areas and online services sections.

"About Us" section includes general information about the Company, Company vision, mission and values, Board of Directors and Senior Management resumes, while commercials, radio spots and campaign announcements, where as Human Resources section includes, employee profiles, human resources practices and career opportunities, in the Communication section, there are customer contact information, Head Office, Regional Sales Offices, agency, contact information and contracted institutions and application forms.

"Investor Relations" section includes the shareholding structure, trade registry information, information about subsidiaries, articles of association and the numbers and dates of trade registry gazettes in which amendments to the articles of association were promulgated, Corporate Governance Compliance Report, information about the Board of Directors Committees and their members, and various policies. In addition, last five years' material event disclosures, annual reports, financial statements and footnotes, independent audit reports, General

Assembly information (agenda, meeting announcement, power of attorney sample, list of attendants, meeting minutes and briefing notes) can also be found in this section.

The e-mail address for investor communications to which investors can direct all kinds of queries and feedbacks is [investor.relations@turkiyesigorta.com.tr](mailto:investor.relations@turkiyesigorta.com.tr) and it is stated under the tab "Investor Relations Contact."

Moreover, for foreign investors' access into Company information, the website in English is prepared and it provides a general overview of the Company's shareholding structure, information about the Board of Directors and Senior Management, last five years' financial statements and annual reports, Corporate Governance Compliance Report, information about the insurance industry, and sustainability activities.

### **f. Financial Reports (Reports covering Financial Statements, Footnotes, Board of Directors' Activity Reports and Declarations of Liability)**

Quarterly financial reports that are drawn up in accordance with the legislation published by T.R. Ministry of Treasury and Finance and the Capital Markets Board of Türkiye (CMB), incorporating the statements of responsibility and compliance opinion by the Audit Committee Members and the General Manager or the Company's managers responsible for financial reporting, are submitted for the approval of the Board of Directors. KAP disclosure is made by the Board of Directors. Financial reports for the last five years are posted on the Company website. Semi-annual and year-end independent audit reports are also posted on KAP and the Company website.

Information requested by the Insurance Association of Türkiye, Insurance Information Center and other governmental institutions and reinsurers and Company shareholders are prepared by the related units and submitted to inquirer.

The annual report is prepared in accordance with the Turkish Commercial Code and Insurance and CMB legislation, and upon approval of the Board of Directors, it is made available for review by shareholders and published on KAP and the Company website at least 3 weeks in advance of the General Assembly meeting.

The annual report is also submitted in hard copy to the T.R. Ministry of Treasury and Finance after the General Assembly.

### **g. Investor Relation Unit Contact, Queries Received by Phone/ Mail/E-mail, Roadshows, Investor Teleconferences and Presentations**

Fulfillment of potential shareholders' and investors' right to information and responding to their queries are among the duties of the Investor Relations Unit.

Unless specifically assigned to do so, Türkiye Sigorta employees are not allowed to respond to the queries received. Everyday questions, written and verbal queries for information from individual investors or intermediary institutions are first evaluated by the Investor Relations Unit to determine whether the query is a trade secret and/or is of the nature to influence investment decisions and the values of capital market instruments, and then responded to. Any questions received from stakeholders by e-mail, letter or over the phone are answered within the Company as soon as possible by ensuring the necessary coordination for the responsible persons to respond according to the subject of the question.

In response to meeting demands from investors, investment analysts or research departments and shareholders, a meeting is arranged with the officer at the suitable level and at the earliest convenience. Investor presentations are also posted on the Company website.

### **h. Press Releases, Bulletins and Conferences**

In order to provide information to the public about the developments about the Company, operating results, targets and performance, and the developments in the sector, press bulletins or press conferences can be used in addition to KAP Material Event Disclosures. The Chairman of the Board and the General Manager or other officers to be designated thereby are responsible for press bulletins, press releases and press conferences given/ made to/with the printed, visual and digital media.

Dealings with the press and social network posts are handled by the Corporate Communications and Brand Management Directorate. A copy of every press bulletin released is made available on the website in an up-to-date manner.

# Disclosure Policy

News about the Company covered in the printed or broadcast media are followed up via a media monitoring agency. In case of a nonfactual news about the Company, the situation is tackled by the Corporate Communications and Brand Management Directorate and the Investor Relations Unit. Relevant notifications are made via KAP following clarification demand by Borsa İstanbul or the CMB, or without waiting for such demand.

## **i. Promulgations in the Turkish Trade Registry Gazette**

Registration of General Assembly meeting announcements and meeting agenda, meeting outcomes, decisions to increase the Company capital and all sorts of amendments to the articles of association at the Trade Registry and their promulgation in the Trade Registry Gazette are carried out in accordance with the provisions of the Turkish Commercial Code and other applicable legislation, upon the permission to be obtained therefor from the CMB, T.R. Ministry of Treasury and Finance, and T.R. Ministry of Trade.

## **j. Other Notifications**

Notifications other than those mentioned above are publicly disclosed after being signed within the scope of the authorizations set out in the Company's list of authorized signatures.

## **IV. DETERMINATION OF INDIVIDUALS WITH ADMINISTRATIVE RESPONSIBILITY**

Individuals with administrative responsibility are the Board of Directors members, or those having direct or indirect regular access to the Company's inside information and having the power to make the administrative decisions that affect the Company's future performance and commercial targets, although not being a Board member. Under the provisions of the Capital Market, individuals with administrative responsibility are deemed as individuals with access to inside information. Individuals with administrative responsibility at our Company are the members of the Board of Directors, General Manager and Assistant General Managers and Head of Internal Systems.

All dealings concerning the shares representing the capital and other capital market instruments based on these

shares carried out by the Individuals with administrative responsibility and individuals closely related to them, and by the real or legal person principal shareholder of the issuer are publicly disclosed by the party carrying out the dealing in accordance with the Capital Market provisions.

## **V. MAINTAINING THE CONFIDENTIALITY OF INSIDE INFORMATION**

Individuals named in the list of insiders are informed in writing or verbally that they must keep the inside information that has not yet been disclosed in confidence, they must not use the same to derive benefits for self and/or third parties, and must not disclose the same to third parties without authorization.

Information to be publicly disclosed are not made available to certain investors or related parties prior to the disclosure, save for institutions that have access to confidential information about the Company by virtue of the services they provide. In such a case, those accessing information maintain the information in question in confidence in keeping with the trade secret principle and ethical rules; in addition, confidentiality article is incorporated in contracts made.

Company employees may not share undisclosed information, which can be considered in the nature of a material event, with third parties. If it is established that the inside information has been disclosed to third parties unintentionally, a material event disclosure is made forthwith if it is concluded that the confidentiality of the information cannot be ensured, under the CMB regulations.

In order to preclude any harm to the Company's legitimate interests, to not mislead investors, public disclosure of inside information can be postponed with the permission of the Board of Directors, under Article 6 of the CMB's Communique Serial: ||-15.1 on Material Events Disclosure. Individuals having the information subject to postponement at the time of the postponement decision are included in the List of Insiders. The postponement decision is publicly disclosed in accordance with the legislation as soon as the reasons for the postponement of the public disclosure of inside information cease to exist.

## **VI. QUIET PERIOD**

The Company may not make any statements about its operating results during the period beginning on the day following the quarterly operating period and ending on the date of public disclosure of its annual reports. Financial results, save for publicly disclosed data, are not discussed during this quiet period. During the quiet period, individuals having inside information or continuous information or their spouses, children or household members are banned from trading in the Company's capital market instruments.

Notwithstanding, individuals authorized to make public disclosures about the Company may give press releases or be a speaker in conferences, panels or similar events during the quiet period, provided that the confidentiality of inside information is observed.

## **VII. MONITORING NEWS AND HEARSAY**

The Company may refrain from commenting on news coverage in the media and on hearsay to prevent speculations. An evaluation is made to determine whether the information may have an impact on capital instruments. When CMB and/ or Borsa İstanbul demands confirmation or in case of the presence of an element requiring a public disclosure, a material event disclosure is made, which is also posted on the Company website.

## **VIII. DISCLOSURE OF FORWARD-LOOKING ASSESSMENTS**

Depending on the Board of Directors decision, a material event disclosure can be made regarding forward-looking assessments. Forward-looking information so disclosed must not incorporate unfounded exaggerated predictions and they must not be misleading. Similarly, a material event disclosure must be made forthwith if/when changes occur in forward-looking assessments or it is understood that the assessments will not be realized.

# Other Legal and Important Information

## Financial Rights Provided to the Members of the Board of Directors and Senior Executives

During 2022, an attendance fee of TL 345.5 thousand was paid in total to the Board of Directors members. Remuneration paid to the senior management that includes the General Manager, Assistant General Managers amounted to TL 15 million 506 thousand in total, which consists of salaries, bonuses, title, language, commuting, lunch, fuel, allowances, group private pension contributions and other benefits.

## Repurchased Own Shares by the Company

The Company has its own share acquired. Regarding the purchasing of unknown nonregistered shares during the merger, the Company carried out a share transfer in accordance with the MKK principles. Squeezeout payment amounts for purchased shares are kept in the Ziraat Yatırım account, and squeeze-out payments are effected upon demand by the former holders of those shares to the Company. Furthermore, share buyback transactions, which were initiated with the decision of the Board of Directors on 28 June 2022, were carried out until the end of the year, and as the transaction limits were not accomplished, share buyback transactions continued into the following year, and the buyback decision was updated on 7 February 2023 by increasing the number of shares and the amount of funds, prior to the publication of the report.

## Lawsuits Brought Against the Company and Possible Results

Information about the lawsuits brought against the Company and possible results are provided under the heading "Risks" in the financial statement footnote no. 42.

## Administrative or Judicial Sanctions against the Company and the Board of Directors Members

During 2022, there were no fines and sanctions of a material nature against the Company and Board of Directors Members on account of actions contradicting with the provisions of the legislation.

## Transactions with the Risk Group

Türkiye Sigorta provides all insurance services to its risk group on an arm's length basis. All explanations about the Company's dealings with its risk group during 2022 are provided in the financial statement footnote no. 45.

## Information about the Dealings of the Board of Directors Members with the Company

Within the frame of the permission granted by the Company's General Assembly, there are no dealings carried out by the Board of Directors Members with the Company on their own or other's behalf, nor are there any activities falling under the scope of non-competition.

## Conflicts of Interest Between the Company and Service Providers such as Investment Advisory and Rating, and Steps Taken by the Company to Prevent These Conflicts of Interest

None

## Information about Cross-Ownerships with over 5% Direct Participation Share in the Capital

None

## Transactions with the Controlling Company and the Subsidiary

Türkiye Sigorta employed the "comparable uncontrolled price method", which is the most suitable method to determine arm's length basis, in all its dealings with its controlling company, i.e. Türkiye Finansal Yatırımlar AŞ and the group of companies it belongs to.

## Prior Period Targets and Assessment of General Assembly Resolutions

The Company's Ordinary General Assembly Meeting convened on 28 March 2022 with the participation of 82.18% of the shares representing the capital. All agenda items were discussed and all decisions passed in the meeting were realized.

## Amendments to the Company's Articles of Association

There is no change during the period.

## Information about the Company's Charitable Donations and Aids and Expenses Incurred for Social Responsibility Projects in the Reporting Period

It was approved at the 2021 General Assembly convened on 28 March 2022 that the upper limit of the charitable donations and aids to be made during 2022 would be TL 10,000,000 within the scope of the Company's corporate social responsibility projects inserted under paragraph f of "Article 5 - Objective and Scope" of the Company's Articles of Association under the applicable legislation and the principles and procedures set by the CMB. Donations and aids made in 2022 totaled TL 720,793.

# 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 Türkiye Sigorta A.Ş.

## 1. Opinion

We have audited the annual report of Türkiye Sigorta A.Ş. (the "Company") for the  
1 January - 31 December 2022 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company'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 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 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 Audit Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 16 February 2023 on the full set consolidated and unconsolidated financial statements for the 1 January - 31 December 2022 period.

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

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") 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 Company'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 Company may encounter are clearly indicated.

The assessments of the Board of Directors in regard 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 Company after the operating year,
- the Company'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 and Communiqué provisions regarding whether or not the 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 of the Company 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 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.

### ORIGINALLY ISSUED IN TURKISH

Ramazan Yüksekaya, SMMM  
Partner

Istanbul, 1 March 2023

# Summary Board of Directors Report Submitted to the General Assembly

Dear Shareholders,

2022 was a year in which we maintained our sector leadership thanks to our strong premium growth. We strive for greater penetration of service and a superior customer experience by integrating our high insurance capacity, premium production capability, competent employees and distribution channels with the opportunities brought about by digital transformation. We are consolidating our leadership as an exemplary and preferred insurance company.

The principal shareholder of Türkiye Sigorta is TVF Finansal Yatırımlar AŞ with a share of 81.10%. Residual 18.90% of the shares are traded on Borsa İstanbul.

The year 2022, which started with optimistic prospects of a recovery period following the pandemic, was a challenging year in which the global economy's agenda was driven by high inflation and the energy crisis. The war between Russia and Ukraine, which broke out in the first days of the year, upended all optimistic projections for the new year, and in 2021, price increases due to the supply-demand imbalance caused by pandemic restrictions entered a much higher frequency trend as an outcome of the war. With the outbreak of the war, the region's production and logistics operations, which has a significant share of the global market for natural gas, oil, and industrial raw materials, ceased, and then economic sanctions imposed on Russia, the scope of which has been continuously expanded, caused a swift and sharp increase in energy and commodity prices, particularly in the European market due to its energy dependence on Russia, and then spreading at a dramatic rate, in the global markets. Thus, inflation, which showed its first signs in the post-pandemic period, has become a major global issue.

With the contribution of robust domestic demand and net foreign demand in the first three quarters of the year, the Turkish economy grew by 7.5%, 7.7%, and 3.9% respectively, on a year-on-year basis. The increase over the past nine months was calculated to be 6.2%. The IMF estimates that our country has achieved a growth rate of 5.5% in 2022, which is well above the world average.

In 2022, the total premium production in the insurance industry of Türkiye reached TL 235 billion, with a nominal increase of 123.2%. Premium production in non-life branches, which had a share of 86.9% in total production, grew by 133.1% and was recorded as TL 204.2 billion. Premium production of the life branch, which has a share of 13.1% in total premium production, grew by 74.1% and reached TL 30.9 billion. The "Motor Vehicles Liability" main branch took the largest share in total production with 28.21%.

Despite all of these challenges, we maintained our industry leadership in 2022, when we had an outstanding performance, by growing our premium production and the number of policies in non-life branches. Along with our strong financial data, we also maintained our leadership in various branches such as agriculture, engineering, and accidents. As of the end of 2022, we had a premium production of TL 25.2 billion and a market share of 12.3%. We boosted the size of our assets to TL 28.2 billion and closed 2022 with a TL 941 million net profit.

Since the day it was founded, Türkiye Sigorta has been a company that redefines the insurance business, transforms the value and perception of insurance, creates solutions that exceed expectations in every moment of life by shifting the insurance experience from "after" to "before", and provides its policyholders unique insurance solutions for a secure future. In this respect, the company spent 2022 focusing on digital-analytical solutions, perfecting the customer experience with technological opportunities, and innovations that boost customer satisfaction.

The primary mission of Türkiye Sigorta, which is fulfilled through its products and services, is to contribute to promote the peaceful and safe life of the society. In this respect, sustainability is one of the key pillars of Türkiye Sigorta's strategy. Türkiye Sigorta closely follows both sectoral and global sustainability trends, conducts regular assessments of stakeholder expectations in this area, and reviews its business processes, products, and services through risk and opportunity analyses.

With the strength we derive from our country, we continue to grow and strive to become a global brand as an institution that embraces Türkiye.

Dear Shareholders,

We hereby submit for your review the financial statements reflecting the 2022 financial tables of the Company together with the footnotes.

Yours respectfully,

Türkiye Sigorta AŞ

Board of Directors



# Dividend Distribution Policy

The Dividend Distribution Policy of Türkiye Sigorta AŞ is implemented in accordance with the provisions of the Turkish Commercial Code, the provisions of the Insurance Law, Capital Market legislation and other applicable legislation, and Article 24 of the Company's Articles of Association.

The Company targets to distribute at least 10% of its distributable net profit as bonus shares and/or in cash. At the end of each fiscal year, the Board of Directors devises a profit distribution proposal decision, taking into consideration the Company's cash projections, investment plans, financial structure, and the conditions in the capital markets, in a manner to maintain the delicate balance with shareholders' expectations and the Company's need to grow. The profit distribution proposal by the Board of Directors also covers the amount of dividends to be paid to non-shareholders who will participate in the share, as per the provisions of Articles of Association.

Once the profit distribution proposal of the Board of Directors is ratified at the General Assembly Meeting, dividend payout occurs within legally prescribed periods of time. The decision taken at the General Assembly Meeting for the distribution of profit is publicly disclosed by way of a material event disclosure on KAP and the website.

Our Board of Directors can also propose against the distribution of dividends to the General Assembly. Information is provided to the shareholders in the General Assembly Meeting regarding the reasons of not distributing the profit and the manner in which the undistributed profit will be used. Similarly, this information is made public by being included in the annual report and on the website.

There are no privileges regarding participation in the Company's share; there is a provision regarding the distribution of advances on profit share in the Articles of Association, and paying advances on profit share is subject to the approval of the General Assembly, restricted to that specific fiscal year.

The Board of Directors' profit distribution proposal or the Board of Directors decision for paying advances on dividends, together with the profit distribution table or advances on dividends table determined by the Board, are publicly disclosed subject to the material event disclosure requirements. The profit distribution table must be publicly disclosed on the date the General Assembly agenda is announced, at the latest.

Dividend payout begins on the date to be set by the General Assembly, which must not be any later than the end of the year in which the General Assembly meeting is convened.

The Dividend Distribution Policy is presented for the approval of shareholders at the General Assembly Meeting. Any revisions in this policy are updated by the Board of Directors, ratified at the General Assembly Meeting, and then publicly disclosed on the Company website.

# Assessment of Financial Standing, Profitability and Claims Payment Ability

In addition to its leadership in Non-Life branch, it ranks first in Fire and Natural Disasters branch and the affiliated TCIP branch, in General Losses branch and the affiliated State-Subsidized Agriculture branch, in Accident branch and the affiliated Personal Accident, as well as the main branches of Aircraft and Aircraft Liability and sub-branch of State-Subsidized Credit Insurance.

In 2022, the Company continued to maintain its leadership with a 12.33% market share in the Non-Life sector, where it generated TL 25 billion 173 million in premiums with a growth of 114%. In addition to being the leader in the Non-Life sector, it also ranked first in the sector in many sub- and main branches.

While the Company's net written premiums amounted to TL 12 billion 783 million, net claims paid was TL 5 billion 102 million. The increase in inflation caused especially auto and health damages to increase from 76% to 105%, which resulted in a 61% decrease in the technical department balance.

In 2022, the Company's asset size went up to TL 28 billion 199 million by 96% and equity capital increased to TL 6 billion 421 million, compared to the previous year.

The ratio of cash and securities and financial assets to current assets corresponded to 73% in 2022. Income from financial investments amounted to TL 1 billion 468 million. The Company proceeds with firm steps in sustainable profitability targets with its return on assets of 4.4% and return on equity of 18%.

With the Insurance and Private Pension Regulation and Supervision Agency communiqué which states that capital adequacy levels would be increased from 115% to 135% in 2022 to make sure that companies increase their liquidity and strengthen their financial structures, it was announced that companies may distribute dividends providing that their capital adequacy levels would be below this level. Türkiye Sigorta gained the advantage of its high profitability and capital adequacy ratios in dividend distribution.

The Company's pre-tax profit reached TL 1,265,659,477 while after-tax profit reached TL 941,403,358.

Türkiye Sigorta will continue to channel its earnings from insurance activities to insurance activities. It builds its financial structure on strong assets, profits from insurance activities and investment revenues. The Company proceeds with the firm steps in its premium- and profitability-based sustainable leadership target in the industry.

## Summary Financial Statements for the Last Four Years

TL	2019	2020	2021	2022
Total Assets	8,704,611,067	11,064,114,586	14,351,084,761	28,199,127,771
Equity	2,484,251,273	3,459,501,032	4,220,065,907	6,420,726,465
Paid in Capital	939,000,000	1,161,523,363	1,161,523,363	1,161,523,363
Written Premiums (gross)	7,167,001,712	8,887,128,129	11,749,646,570	25,173,422,675
Claims Paid (gross)	(2,502,124,937)	(2,439,351,323)	(3,769,970,197)	(6,915,516,192)
Outstanding Claims	(4,546,964,366)	(5,475,335,425)	(7,205,869,195)	(11,036,700,384)
Premium Retention Share	3,650,014,776	3,664,788,912	4,991,928,776	12,782,535,050
Technical Profit	915,161,026	1,340,620,603	1,297,036,851	502,449,048
Retention Ratio (%)	51	41	42	51
Net Loss Premium Ratio (%)	69	57	76	105
Operational Expenses	(765,030,241)	(922,400,711)	(956,720,453)	(1,868,501,653)
Investment Income	1,015,379,446	1,160,393,702	2,384,794,477	4,111,822,225
Investment Expenses	(790,634,623)	(908,496,485)	(2,095,222,399)	(3,583,819,045)
Profit on Investments	224,744,823	251,897,217	289,572,078	528,003,180
Net Period Profit/Loss	828,378,599	1,153,019,269	1,058,300,968	941,403,358
Return on Equity (%)	33	33	28	18
Return on Assets (%)	10	10	8	4
Technical Profit / Written Premiums (%)	13	15	11	2
Net Profit / Written Premiums (%)	12	13	9	4

TÜRKİYE SİGORTA AŞ

**CONVENIENCE TRANSLATION OF  
STATUTORY UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND  
THE INDEPENDENT AUDITOR'S REPORT**

(ORIGINALLY ISSUED IN TURKISH)

# INDEPENDENT AUDITOR'S REPORT



To the General Assembly of Türkiye Sigorta A.Ş.

## A. Audit of the Financial Statements

### 1. Opinion

We have audited the accompanying financial statements of Türkiye Sigorta A.Ş. (the "Company") which comprise the balance sheet as at 31 December 2022 and the statement of income, statement of changes in shareholders' equity, statement of cash flows and Profit distribution for the year then ended and the notes to the financial statements and a summary of significant accounting policies and financial statement notes.

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

### 2 Basis for Opinion

Our audit was conducted in accordance with the regulations on the principles on auditing as set out in the insurance legislation and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (Independence standards included) (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 Key Audit Matters

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

# INDEPENDENT AUDITOR'S REPORT



<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
<p><b>Estimation of claims incurred but not reported</b></p> <p>As explained in Notes 2 and 17, the Company has accounted for the net incurred but not reported claims provision amounting to TRY 6,039 million as of 31 December 2022.</p> <p>Abovementioned provision is calculated according to the best estimation methods determined within the opinion of the Company's actuary in accordance with "Circular on Outstanding Claim Provisions" dated 5 December 2014 and numbered 2014/16 published by the Ministry of Treasury and Finance. The reason we focus on this area during our audit is the significance of the incurred but not reported claims provision for the financial statements and the significant actuarial judgments and estimates required by the nature of provision in the financial statements.</p>	<p>We tested the design and operational effectiveness of the key controls implemented by the Company's management in relation to the ultimate claims used in the calculation of incurred but not reported claims provision.</p> <p>During our audit, we tested the mathematical accuracy of the calculation of incurred but not reported claims provision and reconciled the provision amount to the financial statements for selected branches. In addition, in specified branches, in the calculation of the incurred but not reported compensation amount. In addition, the actuarial methods selected by the Company's actuary in the calculation of the incurred but not reported claim in specified branches, as well as the expected loss development trends, were evaluated by the actuaries in our company using actuarial techniques. Except those, for selected branches, Reasonable range estimates have been determined as of the balance sheet date of the acceptable reserve ranges for the incurred but not reported claims provision and compared them with the amounts included in Company's accounting records.</p> <p>We checked the conformity and accuracy of the disclosures in the financial statements related to such provisions against Regulation on Insurance Accounting and Financial Reporting Principles</p>

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

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

In preparing the 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.

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

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

Our aim is to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement in the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 2022 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.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 16 February 2023.

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

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

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

### **ORIGINALLY ISSUED IN TURKISH**

Ramazan Yüksekaya, SMMM  
Partner

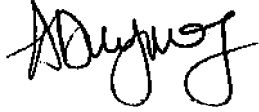
Istanbul, 16 February 2023

## UNCONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

We confirm that the unconsolidated financial statements, related disclosures and footnotes as at 31 December 2022 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the financial records of our Company.

Türkiye Sigorta A.Ş.

16 February 2023



Aslihan DUYMAZ  
Actuary  
Register Number: 61



Murat SÜZER  
Assistant General Manager  
General Manager



Atilla BENLİ  
Vice Chairman of the Board



# CONTENTS

CONTENTS	PAGES
UNCONSOLIDATED BALANCE SHEETS	136
UNCONSOLIDATED STATEMENTS OF INCOME	141
UNCONSOLIDATED STATEMENTS OF CASH FLOWS	144
UNCONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	146
STATEMENTS OF PROFIT DISTRIBUTION	147
UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS	148-219

**TÜRKİYE SİGORTA AŞ**

**CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

ASSETS	Notes	Audited Current Period December 31, 2022	Audited Prior Period December 31, 2021
<b>I- Current Assets</b>			
<b>A- Cash and Cash Equivalents</b>	<b>4.2 and 14</b>	<b>9,034,205,139</b>	<b>6,103,547,210</b>
1- Cash		-	-
2- Cheques Received		-	-
3- Banks	14	6,903,558,985	5,314,977,287
4- Cheques Given and Payment Orders		-	-
5- Bank Warranted and Shorter Than 3 Months Credit Card Receivables	14	2,130,646,154	788,569,923
6- Other Cash and Cash Equivalents		-	-
<b>B- Financial Assets and Financial Investments with Risks on Policyholders</b>	<b>4.2 and 11</b>	<b>8,605,624,564</b>	<b>2,173,847,016</b>
1- Available-for-Sale Financial Asset	4.2 and 11	2,260,695,716	733,378,944
2- Held to Maturity Investments	4.2 and 11	1,028,456,030	149,676,608
3- Financial Assets Held for Trading	4.2 and 11	5,316,472,818	1,290,791,464
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Financial Investments with Risks on Saving Life Policyholders		-	-
7- Company's Own Equity Shares		-	-
8- Diminution in Value of Financial Investments (-)		-	-
<b>C- Receivables from Main Operations</b>	<b>4.2 and 12</b>	<b>4,535,533,038</b>	<b>3,376,909,487</b>
1- Receivables from Insurance Operations	12	3,965,710,498	3,080,219,872
2- Provision for Receivables from Insurance Operations (-)	12	(18,493,280)	(18,632,012)
3- Receivables from Reinsurance Operations	12	584,700,606	311,526,634
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposits on Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful Receivables from Main Operations	12	690,001,724	586,368,685
10- Provision for Doubtful Receivables from Main Operations	12	(686,386,510)	(582,573,692)
<b>D- Due from Related Parties</b>		<b>103,900</b>	<b>399,831</b>
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		103,900	399,831
7- Rediscount on Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
<b>E- Other Receivables</b>	<b>4.2 and 12</b>	<b>10,538,504</b>	<b>14,949,108</b>
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	47	10,538,504	14,949,108
5- Rediscount on Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		423,504	423,504
7- Provision for Other Doubtful Receivables (-)		(423,504)	(423,504)
<b>F- Prepaid Expenses and Income Accruals</b>	<b>17</b>	<b>1,902,896,221</b>	<b>791,419,559</b>
1- Deferred Acquisition Costs	17	1,789,287,122	747,591,142
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	-
4- Other Prepaid Expenses	17	113,609,099	43,828,417
<b>G- Other Current Assets</b>		<b>55,117,850</b>	<b>49,619,497</b>
1- Stocks to be used in the Following Months		-	-
2- Prepaid Taxes and Funds	4.2 and 12	51,512,542	46,854,946
3- Deferred Tax Assets		-	-
4- Business Advances		-	660,098
5- Advances Given to Personnel	4.2	126,001	91,643
6- Inventory Count Deficiency		-	-
7- Other Miscellaneous Current Assets		3,479,307	2,012,810
8- Provision for Other Miscellaneous Current Assets (-)		-	-
<b>I- Total Current Assets</b>		<b>24,144,019,216</b>	<b>12,510,691,708</b>

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

# TÜRKİYE SİGORTA AŞ

## CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

ASSETS	Notes	Audited	Audited
		Current Period Audited Current Period December 31, 2022	Prior Period Audited Prior Period December 31, 2021
<b>II- Non-Current Assets</b>			
<b>A- Receivables from Main Operations</b>			
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations (-)		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to the Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations (-)		-	-
<b>B- Due from Related Parties</b>			
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscout on Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
<b>C- Other Receivables</b>		<b>6,047,766</b>	<b>6,011,685</b>
	<b>4.2 and 12</b>		
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		6,047,766	6,011,685
	<b>4.2 and 12</b>		
4- Other Miscellaneous Receivables		-	-
5- Rediscout on Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
<b>D- Financial Assets</b>	<b>9</b>	<b>3,040,303,474</b>	<b>1,364,570,549</b>
1- Investments in Equity Shares	9	2,240,556,916	1,356,863,258
2- Investments in Associates		-	-
3- Capital Commitments to Associates (-)		-	-
4- Investments in Subsidiaries	9	18,215,590	-
5- Capital Commitments to Subsidiaries (-)		-	-
6- Investments in Joint Ventures	9	786,550,000	12,500,000
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Financial Investments with Risks on Policyholders		-	-
9- Other Financial Assets		-	-
10- Impairment in Value of Financial Assets (-)	9	(5,019,032)	(15,046,834)
<b>E- Tangible Assets</b>		<b>715,923,687</b>	<b>404,203,629</b>
1- Investment Property	7	107,435,771	51,300,737
2- Impairment in Value of Investment Properties (-)		-	-
3- Land and Buildings Held for Utilisation	6	515,335,000	302,775,000
4- Machinery and Equipments	6	86,001,961	47,147,975
5- Furnitures And Fixtures	6	23,909,923	19,695,771
6- Motor vehicles	6	11,970,448	11,403,174
7- Other Tangible Assets, Including Leasehold Improvements	6	2,599,279	2,599,279
8- Tangible Assets Acquired Through Finance Leases	6	57,975,683	35,958,864
9- Accumulated Amortizations	6	(69,304,378)	(66,677,171)
10- Advances for Tangible Assets, Including Construction in Progress		-	-
<b>F- Intangible Assets</b>		<b>38,657,979</b>	<b>27,628,749</b>
1- Rights	8	71,031,354	49,310,640
2- Goodwill		-	-
3- Pre-operating Expenses		-	-
4- Research and Development Costs		-	-
5- Other Intangible Assets	8	38,238,939	38,238,939
6- Accumulated Amortization (-)	8	(70,612,314)	(59,920,830)
7- Advances Paid for Intangible Assets		-	-
<b>G- Prepaid Expenses and Income Accruals</b>		<b>-</b>	<b>-</b>
1- Deferred Acquisition Expenses		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses and Income Accruals		-	-
<b>H- Other Non-Current Assets</b>		<b>254,175,649</b>	<b>37,978,441</b>
1- Effective Foreign Currency Accounts		-	-
2- Foreign Currency Accounts		-	-
3- Stocks to be Used in the Following Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	254,175,649	37,978,441
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortization on Other Non-Current Assets (-)		-	-
8- Provision for Other Non-Current Assets (-)		-	-
<b>II- Total Non-Current Assets</b>		<b>4,055,108,555</b>	<b>1,840,393,053</b>
<b>Total Assets</b>		<b>28,199,127,771</b>	<b>14,351,084,761</b>

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

**TÜRKİYE SİGORTA AŞ**

**CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

LIABILITIES	Notes	Audited Current Period December 31, 2022	Audited Prior Period December 31, 2021
<b>III- Short-Term Liabilities</b>			
<b>A- Financial Liabilities</b>	<b>4.2</b>	<b>1,882,898,544</b>	<b>159,759</b>
1- Borrowings to Financial Institutions		-	-
2- Finance Lease Payables	20	15,110,650	226,887
3- Deferred Leasing Costs (-)	20	(3,487,073)	(67,128)
4- Current Portion of Long-Term Debts		-	-
5- Principal Instalments and Interests on Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Valuation Differences of Other Financial Assets Issued (-)		-	-
8- Other Financial Liabilities	20	1,871,274,967	-
<b>B- Payables Arising from Main Operations</b>	<b>4.2 and 19</b>	<b>2,975,252,693</b>	<b>2,186,924,896</b>
1- Payables Arising from Insurance Operations	19	2,975,252,693	2,186,924,755
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies	19	-	141
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Main Operations		-	-
6- Discount on Payables from Other Main Operations (-)		-	-
<b>C- Due to Related Parties</b>	<b>4.2</b>	<b>7,163,651</b>	<b>8,569,158</b>
1- Due to Shareholders	45	5,154,582	5,352,519
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		2,009,069	3,216,639
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>	<b>4.2</b>	<b>360,630,488</b>	<b>128,419,958</b>
1- Deposits and Guarantees Received		-	-
2- Debts to SSI for treatment expenses	19	194,636,293	54,288,391
3- Other Miscellaneous Payables	19 and 47	165,994,195	74,131,567
4- Discount on Other Miscellaneous Payables (-)		-	-
<b>E- Insurance Technical Provisions</b>		<b>14,726,410,334</b>	<b>6,738,721,353</b>
1- Reserve for Unearned Premiums - Net	17	7,502,226,940	2,764,336,028
2- Reserve for Unexpired Risks- Net	2.23 and 17	1,178,816,442	26,715,793
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net	4.2 and 17	5,898,533,022	3,737,253,538
5- Provision for Bonus and Discounts - Net	17	10,029,321	10,029,321
6- Other Technical Provisions - Net	10 and 17	136,804,609	200,386,673
<b>F- Provisions for Taxes and Other Similar Obligations</b>	<b>4.2</b>	<b>394,920,037</b>	<b>270,982,980</b>
1- Taxes and Funds Payable		301,977,797	134,826,029
2- Social Security Premiums Payable		27,545,177	7,709,342
3- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities Payable		9,946,980	-
5- Corporate Tax Liability Provision on Period Profit		318,067,355	344,521,741
6- Prepaid Taxes and Other Liabilities on Period Profit (-)		(262,617,272)	(216,074,132)
7- Provisions for Other Taxes and Liabilities		-	-
<b>G- Provisions for Other Risks</b>		<b>129,286,146</b>	<b>89,133,488</b>
1- Provision for Termination Indemnities		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provisions for Costs	23	129,286,146	89,133,488
<b>H- Deferred Income and Expense Accruals</b>		<b>913,861,548</b>	<b>491,674,938</b>
1- Deferred Commission Income	10 and 19	913,861,548	491,674,938
2- Expense Accruals		-	-
3- Other Deferred Income Accruals		-	-
<b>I- Other Short-Term Liabilities</b>		<b>-</b>	<b>-</b>
1- Deferred Tax Liabilities		-	-
2- Inventory Count Differences		-	-
3- Other Various Short-Term Liabilities		-	-
<b>III - Total Short-Term Liabilities</b>		<b>21,390,423,441</b>	<b>9,914,586,530</b>

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

## TÜRKİYE SİGORTA AŞ

# CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

LIABILITIES	Notes	Audited Current Period December 31, 2022	Audited Prior Period December 31, 2021
<b>IV- Long-Term Liabilities</b>			
<b>A- Financial Liabilities</b>	4.2 and 20	17,468,698	13,221,630
1- Borrowings to Financial Institutions		-	-
2- Finance Lease Payables	20	22,709,308	18,777,202
3- Deferred Leasing Costs (-)	20	(5,240,610)	(5,555,572)
4- Bonds Issued		-	-
5- Other Financial Assets Issued		-	-
6- Valuation Differences of Other Financial Assets Issued (-)		-	-
7- Other Financial Liabilities		-	-
<b>B- Payables Arising from Main Operations</b>		-	-
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Operations		-	-
6- Discount on Payables from Other Operations (-)		-	-
<b>C- Due to Related Parties</b>		-	-
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>	4.2	36,781,701	26,812,458
1- Deposits and Guarantees Received	4.2	36,781,701	26,812,458
2- Debts to SSI for treatment expenses		-	-
3- Other Miscellaneous Payables		-	-
4- Discount on Other Miscellaneous Payables (-)		-	-
<b>E- Insurance Technical Provisions</b>	2.25 and 17	159,944,693	130,853,892
1- Reserve for Unearned Premiums – Net		-	-
2- Reserve for Unexpired Risks - Net		-	-
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net		-	-
5- Provision for Bonus and Discounts – Net		-	-
6- Other Technical Provisions – Net	2.25 and 17	159,944,693	130,853,892
<b>F- Other Liabilities and Relevant Accruals</b>		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Instalment Taxes and Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
<b>G- Provisions for Other Risks</b>		173,782,773	45,544,344
1- Provisions for Severance Pay	23	173,782,773	45,544,344
2- Provisions for Employee Pension Funds Deficits		-	-
<b>H- Deferred Income and Expense Accruals</b>		-	-
1- Deferred Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
<b>I- Other Long-Term Liabilities</b>		-	-
1- Deferred Tax Liabilities		-	-
2- Other Long-Term Liabilities		-	-
<b>IV- Total Long-Term Liabilities</b>		<b>387,977,865</b>	<b>216,432,324</b>

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

## CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

SHAREHOLDERS' EQUITY	Notes	Audited Current Period December 31, 2022	Audited Prior Period December 31, 2021
<b>V- Shareholders' Equity</b>			
<b>A- Paid in Capital</b>	<b>2.13 and 15</b>	<b>1,161,523,363</b>	<b>1,161,523,363</b>
1- (Nominal) Capital	2.13 and 15	1,161,523,363	1,161,523,363
2- Unpaid Capital (-)		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences (-)		-	-
5- Capital to Be Registered		-	-
<b>B- Capital Reserves</b>	<b>15</b>	<b>1,522,110</b>	<b>74,828,291</b>
1- Share Premium		7,020,555	7,020,555
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Asset Sales That Will Be Transferred to Capital		-	-
4- Currency Translation Adjustments		-	-
5- Other Capital Reserves		(5,498,445)	67,807,736
<b>C- Profit Reserves</b>		<b>4,313,838,159</b>	<b>1,924,577,800</b>
1- Legal Reserves	15	324,063,778	241,811,386
2- Statutory Reserves		-	-
3- Extraordinary Reserves	15	753,350,209	307,517,679
4- Special Funds, Reserves		-	-
5- Revaluation of Financial Assets	15	2,834,326,564	1,134,601,892
6- Other Profit Reserves	15	402,097,608	240,646,843
<b>D- Retained Earnings</b>		<b>2,439,475</b>	<b>835,485</b>
1- Retained Earnings		2,439,475	835,485
<b>E- Accumulated Losses (-)</b>		<b>-</b>	<b>-</b>
1- Accumulated Losses (-)		-	-
<b>F- Net Profit/(Loss) for the Period</b>		<b>941,403,358</b>	<b>1,058,300,968</b>
1- Net Profit for the Year		589,443,448	1,058,300,968
2- Net Loss for the Year (-)		-	-
3- Net Profit That Is Not Subject to Distribution		351,959,910	-
<b>Total Equity</b>		<b>6,420,726,465</b>	<b>4,220,065,907</b>
<b>Total Equity and Liabilities</b>		<b>28,199,127,771</b>	<b>14,351,084,761</b>

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

## TÜRKİYE SİGORTA AŞ

# CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

I- TECHNICAL PART	Notes	Audited January 1 - December 31, 2022	Audited January 1 - December 31, 2021
<b>A- Non-Life Technical Income</b>		<b>9,663,011,716</b>	<b>5,389,053,416</b>
1- Earned Premiums (Net of Reinsurer Share)	5	6,892,543,489	4,100,973,479
1.1- Written Premiums (Net of Reinsurer Share)	5, 17, 24	12,782,535,050	4,991,928,776
1.1.1- Written Premiums, gross	17, 24	25,173,422,675	11,749,646,570
1.1.2- Written Premiums, ceded	10, 17, 24	(11,797,107,742)	(6,580,416,021)
1.1.3- Premiums transferred to SSI	10, 17, 24	(593,779,883)	(177,301,773)
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Provision Carried Forward)	5 and 17	(4,737,890,912)	(869,372,721)
1.2.1- Reserve for Unearned Premiums, gross	17	(7,854,511,620)	(2,294,600,371)
1.2.2- Reserve for Unearned Premiums, ceded	10, 17	2,883,547,755	1,378,630,698
1.2.3- SSI Share of Reserve for Unearned Premium	10, 17	233,072,953	46,596,952
1.3- Changes in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	5 and 17	(1,152,100,649)	(21,582,576)
1.3.1- Reserve for Unexpired Risks, gross	17	(1,510,239,512)	(6,466,731)
1.3.2- Reserve for Unexpired Risks, ceded	10 and 17	358,138,863	(15,115,845)
2- Investment Income - Transferred from Non-Technical Section	5	2,631,017,086	1,116,240,833
3- Other Technical Income (Net of Reinsurer Share)		7,534,404	9,289,241
3.1- Other Technical Income, gross		7,534,404	9,289,241
3.2- Other Technical Income, ceded		-	-
4- Accrued salvage and subrogation income		131,916,737	162,549,863
<b>B- Non-Life Technical Expense</b>		<b>(9,160,562,668)</b>	<b>(4,092,016,565)</b>
1- Incurred Losses (Net of Reinsurer Share)	5	(7,262,970,213)	(3,113,715,848)
1.1- Claims Paid (Net of Reinsurer Share)	5	(5,101,690,729)	(2,552,862,659)
1.1.1- Claims Paid, gross		(6,915,516,192)	(3,769,970,197)
1.1.2- Claims Paid, ceded	10	1,813,825,463	1,217,107,538
1.2- Change in Provisions for Outstanding Claims, (Net of Reinsurer Share and Provision Carried Forward)	5	(2,161,279,484)	(560,853,189)
1.2.1- Change in Provisions for Outstanding Claims, gross		(3,830,831,189)	(1,730,533,769)
1.2.2- Change in Provisions for Outstanding Claims, ceded	10	1,669,551,705	1,169,680,580
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Provision Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	17	(29,090,802)	(21,580,264)
4- Operating Expenses	5, 32	(1,868,501,653)	(956,720,453)
5- Change in mathematical provisions (net off circulating part) (Net off Circulating Part)		-	-
5.1- Mathematical Provisions		-	-
5.2- Mathematical Provisions, ceded		-	-
6- Other Technical Expenses		-	-
6.1- Other Technical Expenses, gross		-	-
6.2- Gross Other Technical Expenses, ceded		-	-
<b>C- Net Technical Income-Non-Life (A - B)</b>		<b>502,449,048</b>	<b>1,297,036,851</b>

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

**TÜRKİYE SİGORTA AŞ**

**CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

I- TECHNICAL PART	Notes	Audited January 1 - December 31, 2022	Audited January 1 - December 31, 2021
<b>D- Life Technical Income</b>		-	-
1- Earned Premiums (Net of Reinsurer Share)		-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-
1.1.1- Written Premiums, gross		-	-
1.1.2- Written Premiums, ceded		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		-	-
1.2.1- Reserve for Unearned Premiums, gross		-	-
1.2.2- Reserve for Unearned Premiums, ceded		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.3.1- Reserve for Unexpired Risks, gross		-	-
1.3.2- Reserve for Unexpired Risks, ceded		-	-
2- Investment Income		-	-
3- Unrealized Gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		-	-
4.1- Other Technical Expenses, gross		-	-
4.2- Gross Other Technical Expenses, reinsurer share		-	-
5- Accrued subrogation income		-	-
<b>E- Life Technical Expense</b>		-	-
1- Incurred Losses (Net of Reinsurer Share)		-	-
1.1- Claims Paid (Net of Reinsurer Share)		-	-
1.1.1- Claims Paid, gross		-	-
1.1.2- Claims Paid (Net of Reinsurer Share)		-	-
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.2.1- Change in Provisions for Outstanding Claims, gross		-	-
1.2.2- Change in Provisions for Outstanding Claims, ceded		-	-
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Life Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
3.1- Mathematical Reserves (-)		-	-
3.1.1- Actuarial Mathematical Reserves (+/-)		-	-
3.1.2- Profit Share Reserve (For Permanent Life Insurance Policies)		-	-
3.2- Reinsurers' Share of Mathematical Reserves		-	-
3.2.1- Reinsurer's Share of Actuarial Mathematical Reserves		-	-
3.2.2- Reinsurer's Share of Profit Share Reserve (for Permanent Life Insurance Policies)		-	-
4- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
5- Operating Expenses		-	-
6- Investment Expenses		-	-
7- Unrealized Losses on Investments		-	-
8- Investment Income Transferred to the Non-Life Technical Section		-	-
<b>F- Net Technical Income- Life (D - E)</b>		-	-
<b>G- Pension Business Technical Income</b>		-	-
1- Fund Management Income		-	-
2- Management Fee		-	-
3- Entrance Fee Income		-	-
4- Management Expense Charge in case of Suspension		-	-
5- Income from Individual Service Charges		-	-
6- Increase in Value of Capital Allowances Given as Advance		-	-
7- Other Technical Expense		-	-
<b>H- Pension Business Technical Expense</b>		-	-
1- Fund Management Expense		-	-
2- Decrease in Value of Capital Allowances Given as Advance		-	-
3- Operating Expenses		-	-
4- Other Technical Expenses		-	-
<b>I- Net Technical Income - Pension Business (G - H)</b>		-	-

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



## TÜRKİYE SİGORTA AŞ

## CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

II - NON TECHNICAL PART	Notes	Audited January 1 - December 31, 2022	Audited January 1 - December 31, 2021
<b>C- Net Technical Income - Non-Life (A-B)</b>		<b>502,449,048</b>	<b>1,297,036,851</b>
<b>F- Net Technical Income - Life (D-E)</b>		-	-
<b>I - Net Technical Income - Pension Business (G-H)</b>		-	-
<b>J- Total Net Technical Income (C+F+I)</b>		<b>502,449,048</b>	<b>1,297,036,851</b>
<b>K- Investment Income</b>		<b>4,111,822,225</b>	<b>2,384,794,477</b>
1- Income from Financial Assets	26	1,799,499,881	1,094,412,635
2- Income from Disposal of Financial Assets		-	-
3- Valuation of Financial Assets	26	668,636,382	55,194,627
4- Foreign Exchange Gains	26	935,167,684	1,154,916,604
5- Income from Associates	26	562,195,972	62,214,858
6- Income from Subsidiaries and Joint Ventures		-	-
7- Income from Property, Plant and Equipment	26	56,853,537	18,055,753
8- Income from Derivative Transactions	26	89,468,769	-
9- Other Investments		-	-
10- Income Transferred from Life Section		-	-
<b>L- Investment Expense</b>		<b>(3,583,819,045)</b>	<b>(2,095,222,399)</b>
1- Investment Management Expenses (Inc. interest)		(61,272,080)	(7,898,118)
2- Diminution in Value of Investments		-	-
3- Loss from Disposal of Financial Assets		-	-
4- Investment Income Transferred to Non-Life Technical Section		(2,631,017,086)	(1,116,240,833)
5- Loss from Derivative Transactions		-	-
6- Foreign Exchange Losses	26	(724,898,059)	(862,013,777)
7- Depreciation and Amortization Expenses		(40,356,076)	(30,890,852)
8- Other Investment Expenses		(126,275,744)	(78,178,819)
<b>M- Income and Expenses from Other and Extraordinary Operations</b>		<b>235,207,249</b>	<b>(183,786,220)</b>
1- Provisions	47	(61,898,579)	(216,657,819)
2- Rediscounts		(10,706,810)	2,374,283
3- Monetary Gains and Losses		-	-
4- Inflation Adjustment Account		-	-
5- Deferred Taxation (Deferred Tax Assets)	21 and 35	300,447,077	29,125,841
6- Deferred Taxation (Deferred Tax Liabilities)		-	-
7- Other Income and Profit		9,276,181	2,196,576
8- Other Expenses and Losses		(1,910,620)	(825,101)
9- Prior Year's Income and Profit		-	-
10- Prior Year's Expenses and Losses		-	-
<b>N- Net Profit for the Year</b>	<b>37</b>	<b>941,403,358</b>	<b>1,058,300,968</b>
1- Profit for the Year		1,265,659,477	1,402,822,709
2- Corporate Tax Provision and Other Fiscal Liabilities	35	(324,256,119)	(344,521,741)
3- Net Profit for the Year		941,403,358	1,058,300,968

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

## CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

### Statements of Changes in Equity –Restated <sup>(\*)</sup> (Audited)

	Share Capital	Value Own Shares of the Company(-)	Inflation Increase/ (Decrease) In Assets	Adjustment Differences In Shareholders	Currency Translation Adjustments
<b>PREVIOUS PERIOD</b>					
<b>I - Balance at the Prior Period End</b>					
December 31, 2020 (Previously Reported)	1,161,523,363	-	1,010,715,148	-	-
A - Capital Increase	-	-	-	-	-
B - Own Shares of The Company	-	-	-	-	-
C - Gain and Losses Not Recognized In the Statement of Income	-	-	-	-	-
D - Change In The Value of Financial Assets	-	-	123,886,744	-	-
E - Currency Translation Adjustments	-	-	-	-	-
F - Other Gains or Losses	-	(12,328,131)	-	-	-
G - Inflation Adjustment Differences	-	-	-	-	-
H - Net Profit for The Period	-	-	-	-	-
I - Dividends Paid	-	-	-	-	-
J - Transfer	-	-	-	-	-
<b>II - Balance at - December 31, 2021</b>	<b>1,161,523,363</b>	<b>(12,328,131)</b>	<b>1,134,601,892</b>	<b>-</b>	<b>-</b>
<b>CURRENT PERIOD</b>					
<b>I - Balance at the Prior Period End</b>					
December 31, 2021	1,161,523,363	(12,328,131)	1,134,601,892	-	-
A - Capital Increase	-	-	-	-	-
B - Own Stocks Purchased by the Business	-	-	-	-	-
C - Gain And Losses Not Recognized In The Statement of Income	-	-	-	-	-
D - Change In The Value of Assets	-	-	1,699,724,672	-	-
E - Currency Translation Adjustments	-	-	-	-	-
F - Other Gains or Losses	-	(73,306,181)	-	-	-
G - Inflation Adjustment Differences	-	-	-	-	-
H - Net Profit For The Period	-	-	-	-	-
I - Dividends Paid	-	-	-	-	-
J - Transfer	-	-	-	-	-
<b>II - Balance at - December 31, 2022</b>	<b>1,161,523,363</b>	<b>(85,634,312)</b>	<b>2,834,326,564</b>	<b>-</b>	<b>-</b>

<sup>(\*)</sup> Explained in note 15.

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

## Statements of Changes in Equity –Restated (\*) (Audited)

Legal Reserves	Other Statutory Reserve	Reserve and Retained Profit	Net Profit (Loss) For the Period	Retained Earnings	Total
165,610,126	-	467,474,857	1,153,019,269	(498,841,731)	3,459,501,032
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(9,883,457)	-	-	(9,883,457)
-	-	92,753,266	-	-	216,640,010
-	-	-	-	-	-
-	-	-	-	835,485	(11,492,646)
-	-	-	-	-	-
-	-	-	1,058,300,968	-	1,058,300,968
-	-	-	(493,000,000)	-	(493,000,000)
76,201,260	-	84,976,278	(660,019,269)	498,841,731	-
<b>241,811,386</b>	<b>-</b>	<b>635,320,944</b>	<b>1,058,300,968</b>	<b>835,485</b>	<b>4,220,065,907</b>
<b>241,811,386</b>	<b>-</b>	<b>635,320,944</b>	<b>1,058,300,968</b>	<b>835,485</b>	<b>4,220,065,907</b>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(87,281,778)	-	-	(87,281,778)
-	-	248,732,543	-	-	1,948,457,215
-	-	-	-	-	-
-	-	-	-	1,603,990	(71,702,191)
-	-	-	-	-	-
-	-	-	941,403,358	-	941,403,358
-	-	-	(530,216,046)	-	(530,216,046)
82,252,392	-	445,832,530	(528,084,922)	-	-
<b>324,063,778</b>	<b>-</b>	<b>1,242,604,239</b>	<b>941,403,358</b>	<b>2,439,475</b>	<b>6,420,726,465</b>

## CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

	Notes	Audited Current Period January 1 - December 31, 2022	Audited Prior Period January 1 - December 31, 2021
<b>A. CASH GENERATED FROM MAIN OPERATIONS</b>			
1. Cash provided from insurance activities		27,696,794,113	13,716,585,598
2. Cash provided from reinsurance activities		-	-
3. Cash provided from pension business		-	-
4. Cash used in insurance activities		(22,594,605,571)	(12,724,420,327)
5. Cash used in reinsurance activities		-	-
6. Cash used in pension business		-	-
<b>7. Cash Provided from Operating Activities</b>		<b>5,102,188,542</b>	<b>992,165,271</b>
8. Interest paid		-	-
9. Income taxes paid		(391,064,881)	(232,723,055)
10. Other cash inflows		9,276,181	2,196,576
11. Other cash outflows		(682,699,896)	(122,476,182)
<b>12. Net Cash Provided from Operating Activities</b>		<b>4,037,699,946</b>	<b>639,162,610</b>
<b>B. CASH FLOWS FROM INVESTING OPERATIONS</b>			
1. Disposal of tangible and intangible assets		14,698,719	7,819,628
2. Acquisition of tangible and intangible assets		(97,604,443)	(49,036,525)
3. Acquisition of financial assets		(14,623,665,694)	(3,839,129,247)
4. Disposal of financial assets		9,958,973,300	1,793,601,314
5. Interests received		1,166,282,998	1,135,982,998
6. Dividends received		92,916,092	49,883,364
7. Other cash inflows		56,292,087	536,589,371
8. Other cash outflows		-	-
<b>9. Net Cash Provided by Investing Activities</b>		<b>(3,432,106,941)</b>	<b>(364,289,097)</b>
<b>C. CASH FLOWS FROM FINANCING OPERATIONS</b>			
1. Equity shares issued		-	-
2. Cash provided from loans and borrowings		-	-
3. Finance lease payments	20	(12,646,866)	(7,426,327)
4. Dividends paid	15	(530,216,046)	(493,000,000)
5. Other cash inflows		1,871,274,967	-
6. Other cash outflows		-	-
<b>7. Net Cash Used in Financing Activities (-)</b>		<b>1,328,412,055</b>	<b>(500,426,327)</b>
<b>D. EFFECT OF EXCHANGE DIFFERENCES ON</b>			
<b>CASH AND CASH EQUIVALENTS</b>		<b>210,269,624</b>	<b>282,176,033</b>
<b>E. Net increase/(decrease) in cash and cash equivalents</b>		<b>2,144,274,684</b>	<b>56,623,219</b>
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>14</b>	<b>5,531,095,652</b>	<b>5,474,472,433</b>
<b>G. Cash and cash equivalents at the end of the period</b>	<b>14</b>	<b>7,675,370,336</b>	<b>5,531,095,652</b>

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

## TÜRKİYE SİGORTA AŞ

# CONVENIENCE TRANSLATION OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – DECEMBER 31, 2022 AND 2021

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

Notes	Current Period <sup>(*)</sup> (TRY)	Prior Period <sup>(*)</sup>
<b>I. DISTRIBUTION OF PROFIT FOR THE PERIOD</b>		
1.1. PROFIT FOR THE PERIOD	1,286,656,920	1,430,797,989
1.2 TAXES PAYABLE AND LEGAL LIABILITIES	(324,256,119)	(344,521,741)
1.2.1. Corporate Tax (Income Tax)	(324,256,119)	(344,521,741)
1.2.2. Income Tax Deduction	-	-
1.2.3. Other Taxes and Legal Liabilities	-	-
<b>A NET PROFIT FOR THE PERIOD (1.1 - 1.2)</b>	<b>962,400,801</b>	<b>1,086,276,248</b>
1.3. PREVIOUS YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVE	-	(35,038,404)
1.5. LEGAL FUNDS TO BE KEPT IN THE COMPANY (-)	-	-
<b>B NET DISTRIBUTABLE - PROFIT FOR THE PERIOD [ (A - (1.3 + 1.4 + 1.5) ]</b>	<b>-</b>	<b>1,051,237,844</b>
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	58,076,168
1.6.1. To common shareholders	-	-
1.6.2. To preferred shareholders	-	-
1.6.3 To owners of participating redeemed shares	-	-
1.6.4 To owners of profit-sharing securities	-	-
1.6.5 To owners of profit and loss sharing securities	-	-
1.7. DIVIDENDS TO PERSONNEL (-)	-	-
1.8. DIVIDENDS TO FOUNDERS (-)	-	-
1.9. DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
1.10. SECOND DIVIDENDS TO SHAREHOLDERS (-)	-	472,139,878
1.10.1. To common shareholders	-	-
1.10.2. To preferred shareholders	-	-
1.10.3. To owners of participating redeemed shares	-	-
1.10.4. To owners of profit-sharing securities	-	-
1.10.5. To owners of profit and loss sharing securities	-	-
1.11. SECOND LEGAL RESERVE AKÇE (-)	-	47,213,988
1.12. STATUTORY RESERVES (-)	-	-
1.13. EXTRAORDINARY RESERVES	-	473,807,810
1.14 OTHER RESERVES	-	-
1.15 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION FROM RESERVES</b>		
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVE (-)	-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1. To common shareholders	-	-
2.3.2 To preferred shareholders	-	-
2.3.3 To owners of participating redeemed shares	-	-
2.3.4 To owners of profit-sharing securities	-	-
2.3.5 To owners of profit and loss sharing securities	-	-
2.4. DIVIDENDS TO PERSONNEL (-)	-	-
2.5. DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
<b>III. PROFIT PER SHARE</b>		
3.1. TO COMMON SHAREHOLDERS	0.83	0.94
3.2. TO COMMON SHAREHOLDERS (%)	83%	94%
3.3. TO PREFERRED SHAREHOLDERS	-	-
3.4. TO PREFERRED SHAREHOLDERS (%)	-	-
<b>IV. DIVIDENDS PER SHARE</b>		
4.1. TO COMMON SHAREHOLDERS	-	0.46
4.2. TO COMMON SHAREHOLDERS (%)	-	46%
4.3 TO PREFERRED SHAREHOLDERS	-	-
4.4. TO PREFERRED SHAREHOLDERS (%)	-	-

<sup>(\*)</sup> The Company's authorized body regarding the distribution of the period profit is the General Assembly. The General Assembly meeting for the accounting period between January 1 - December 31, 2022 was not held as of the preparation date of the financial statements.

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

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

## TÜRKİYE SİGORTA AŞ

# CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

## 1. GENERAL INFORMATION

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

As of December 31, 2022 and December 31, 2021 Türkiye Sigorta A.Ş ('the Company'), the dominant partner with a 81.10% shareholding TVF Finansal Yatırımlar A.Ş. ("TVF Finansal Yatırımlar A.Ş."); Türkiye Varlık Fonu is the ultimate partner of the T.C Cumhurbaşkanlığı Türkiye Varlık Fonu. As of December 31, 2022, and December 31, 2021, 18.90% of the company's share are publicly traded

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

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

Excepting Istanbul - Headquarter office, the Company has regional offices, Istanbul Anatolia, Istanbul Europe, Middle Anatolia, Marmara, Aegean, Mediterranean, Cukurova, Blacksea, East and Southeast Anatolia, and Turkish Republic of Northern Cyprus, the Company has bancassurance regional offices, Istanbul Anatolia, Istanbul Europe, Middle Anatolia, Aegean, Cukurova, Blacksea, East and Southeast Anatolia. The Company has also representative offices in Kayseri and Samsun and a liaison office in the Eastern Black Sea. As at December 31, 2022, the Company has 3,880 agencies (December 31, 2021: 4,097 authorized agencies).

### 1.3 Nature of operations

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

### 1.4 Description of the main operations of the Company

The Company conducts its operations as stated in Note 1.3 above in accordance with the Insurance Law No.5684 issued in the Official Gazette dated June 14, 2007 and numbered 26552 ('the Insurance Law') and the communiqués and other regulations in effect issued by Republic of Turkey Ministry of Treasury and Finance ('Ministry of Treasury and Finance'). The insurance legislation before the establishment of SEDDK and the initiation of regulatory activities regarding the insurance sector was published by the Ministry of Treasury and Finance ("Ministry of Treasury and Finance").

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

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

	December 31, 2022	December 31, 2021
Senior Management (*)	15	14
Other personnel	1,572	1,264
<b>Total</b>	<b>1,587</b>	<b>1,278</b>

(\*) The chairman and members of the board of directors, general manager, assistant general managers, group managers and the chairman of the inspection board are grouped in the senior management class.

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**1. GENERAL INFORMATION (Continued)**

**1.6 The total amount of the salaries and similar benefits provided to the senior management including General Manager, and Assistant General Managers:**

<b>Provided to senior executives short term benefits</b>	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
Salaries	10,860,037	5,687,686
Bonuses	3,791,717	1,938,054
Other	854,555	417,729
<b>Total benefits provided to senior management</b>	<b>15,506,309</b>	<b>8,043,469</b>
Provision for employment termination benefits	521,552	112,101

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

Procedures and principles related to keys used in the distribution of investment income and operating expenses in the financial statements are determined in accordance with 'Communiqué on the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In accordance with Insurance Accounting Plan' dated January 4, 2008 and numbered 2008/1 issued by Ministry of Treasury and Finance.

In accordance with the related communiqué, all income that is generated by the Company assets invested for non-life technical provisions is transferred from non-technical to technical part. The other investment income is classified under non-technical part. The Company allocates general expenses transferred to technical part to branches based on the weighted average of the number of policies, amount of premium production and number of claim notifications in last three years.

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

Unconsolidated financial statements include only one company (Türkiye Sigorta A.Ş.). The company will also publish the consolidated financial statements to be prepared for the accounting period of January 1 - December 31, 2022.

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

Name of the Company	: Türkiye Sigorta Anonim Şirketi
Registered address of the head office	: Güneş Plaza, Büyükdere Cad. No:110 Esentepe Şişli 34394 İstanbul
The website of the Company	: <a href="http://www.turkiyesigorta.com.tr">www.turkiyesigorta.com.tr</a>

**1.10 Subsequent Events**

Financial statements of January 1 - December 31, 2022 are approved by Board of Directors at February 16, 2022. Explanations related to subsequent events are disclosed in detail in Note 46.

# **CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of Preparation**

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

The Company prepares its financial statements in accordance with the Insurance Law and SEDDK. The insurance legislation before the establishment of SEDDK and the initiation of regulatory activities regarding the insurance sector was published by the Ministry of Treasury and Finance ("Ministry of Treasury and Finance").

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

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

In accordance with the "Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" issued on 14 July 2007 and effective from 1 January 2008, and also in accordance with the communiqués which may be issued by Ministry of Treasury and Finance, operations of insurance companies shall be accounted for in accordance with the Turkish Financial Reporting Standards ("TFRS") as issued by the Turkish Accounting Standards Board ("TASK") and other regulations, communiqués and explanations issued by Ministry of Treasury and Finance regarding accounting and financial reporting issues. With reference to the notice of Ministry of Treasury and Finance No. 9 dated 18 February 2008, "TAS 1 - Financial Statements and Presentation", "TAS 27- Consolidated and Unconsolidated Financial Statements", "TFRS 1 - Transition to TFRS" and "TFRS 4- Insurance Contracts" have been scoped out of this application. In addition, insurance companies are not required to prepare consolidated financial statements pursuant to the official statement on Regulation of Consolidated Financial Statements of Insurance and Reinsurance Companies and Pension Companies issued in the Official Gazette, dated on 31 December 2008 and numbered 27097.

The Company accounts and recognizes its insurance technical provisions in its not financial statements as of December 31, 2022 in accordance with the 'Regulation Regarding the Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested,' ('Regulation on Technical Reserves') dated July 28, 2010 and published in official gazette numbered 27655 and published in Official Gazette dated July 17, 2012 numbered 28356 effective and the regulations issued for insurance and reinsurance companies by the Treasury and Finance Ministry (Notes 2.22, 2.23, 2.24 and 2.25).

With the letter of the Ministry of Treasury and Finance dated 4 April 2005 and numbered 19387, the financial statements of insurance companies dated 31 December 2004 were published in the Sermaye Piyasası Kurulu's ("SPK") Official Gazette dated January 15, 2003 and numbered 25290. It has been explained that they need to be rearranged in accordance with the provisions on 'Adjustment of Financial Statements in High Inflation Periods' in the Communiqué on Accounting Standards in Capital Markets No: 25. The Ministry of Treasury and Finance also stated that, based on the SPK's decision on March 17, 2005, it is not necessary to apply inflation accounting, effective from January 1, 2005. Based on the relevant letter of the Ministry of Treasury and Finance, the Company re-arranged its financial statements dated 31 December 2004 in accordance with the provisions of "Adjustment of Financial Statements in High Inflation Periods" and, starting from January 1, 2005, TAS 29, "Financial Reporting in Hyperinflationary Economies". did not apply the standard.

On January 20, 2022, Kamu Gözetimi Kurumu "(KGK)" made a statement on "Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises". Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29, "Financial Reporting in High Inflation Economies".



**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.1 Basis of Preparation (Continued)****2.1.1 Information about the principles and the special accounting policies used in the preparation of the financial statements (Continued)**

As of the preparation date of these financial statements, there is no new disclosure has been made by KGK within the scope of TAS 29, and there is no inflation adjustment has been made according to TAS 29 while preparing the financial statements dated 31 December 2022.

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

The Company's financial statements are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is rearranged when deemed necessary and important differences are disclosed.

**2.1.2 Functional and presentation currency**

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

**2.2 Consolidation**

'Circular on the Preparation of the Consolidated Financial Statements of Insurance, Reinsurance and Individual Pension Companies' issued by Ministry of Treasury and Finance in the Official Gazette dated 31 December 2008 and numbered 27097 ('the Circular for Consolidation') requires that insurance, reinsurance and individual pension companies issue consolidated financial statements starting from 31 March 2009. The company will also publish the consolidated financial statements to be prepared as of December 31, 2022.

**2.3 Segment Reporting**

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

Since the main economic environment, where the Company operates, is Turkey, a geographical segment reporting has not been presented.

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

**2.4 Foreign currency transactions**

Transactions are recorded in TRY, which is the Company's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the date 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.

**CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.4 Foreign currency transactions (Continued)**

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 amortized cost of the asset and other changes in the carrying amount of the asset. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

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

**2.5 Tangible Assets**

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

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

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

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

	<b>Estimated Useful Lives (Years)</b>	<b>Depreciation Rates (%)</b>
Buildings (Land and buildings held for utilisation)	50	2
Machinery and equipment	4 - 50	25 - 2
Furniture and fixtures	4 - 50	25 - 2
Motor vehicles	4 - 5	25 - 20
Other tangible assets, Including leasehold improvements	3 - 5	33 - 20

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

**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.5 Tangible Assets (Continued)****Right of Use Assets**

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

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

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

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

**Lease Liability**

On adaption of TFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principle of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of December 31, 2022. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on December 31, 2022 was 17% for local currency liabilities (December 31, 2021: 17%).

**2.6 Investment Property**

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

**2.7 Intangible Assets**

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

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

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.8 Financial Assets

##### Classification and measurement

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

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

*Receivables from pension operations*; Pension business receivables consist of 'receivable from pension investment funds for fund management fees', 'entry fee receivable from participants' and 'receivables from clearing house on behalf of the participants. 'Receivables from Pension Operations' classified within non-current assets are composed of the receivables from the custodian company and shows the receivables on fund-basis from the custodian company on behalf of the participants and it operates together with the payables to the participants account under the debts from the retirement activities where the fund-basis obligations belonging to the participants are presented under liabilities. Individual Retirement government participation share is the amount paid to the individual retirement account of the participant by the government in compliance with the additional 1st article of the Law no 4632. Twenty-five percent of the contribution share paid on the basis of participants on behalf of the citizens of Turkish Republic and those who are Turkish Republic citizens and lost Turkish citizenship by taking permission for ceasing to be a citizen according to the 28th article of Turkish Citizenship Law no 5901 dated 29 May 2009 and their descendants and transferred as cash to the company accounts, is paid by the government as the government share to the participant's individual retirement account in compliance with the additional 1st article of the Law no 4632, on condition not to exceed the annual total gross minimum wage determined for the relevant calendar year. Currency protected deposits are also classified under financial assets held-to-maturity in line with the relevant insurance legislation.

Financial Assets Held for Trading (Financial assets classified as fair value through profit/loss); If a financial instrument is held for trading purposes, or if it is to be held for trading in this way after being registered for the first time, this financial instrument is classified as financial assets at fair value through profit or loss. If the company manages the said investments and decides to buy and sell these investments at the fair value in line with the risk management and investment strategies of the Company, the said financial assets are recorded as financial assets whose fair value is reflected to profit/loss. After the first recording, all transaction costs are reflected directly in profit or loss. Financial assets whose fair value is reflected to profit/loss are valued with their fair values and changes in their fair values are recorded in the income statement. In determining the fair values, the expected best purchase price occurred as of the balance sheet date was taken as basis. Fair value is based on the best buy orders among the current orders pending at Borsa İstanbul A.Ş., the price of the most recent transaction in their absence, and, in their absence, the effective interest (future cash flows of the financial asset or liability to the current net book value). It expresses the cost price advanced with the equalizing rate method.

**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.8 Financial Assets (Continued)****Classification and measurement (Continued)**

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

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

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

*Capital Commitments to Joint Ventures (Jointly controlled partnerships)*; Including ordinary partnerships, it refers to partnerships established in Turkey or abroad that the parent company controls together with other companies within the framework of a partnership agreement. The Company's investment, which is accounted for under the 'Joint Ventures' account item, is carried at cost in the balance sheet within the scope of TAS 27, 'Individual Financial Statements' standard (Note 9).

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

**Derecognition**

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

**2.9 Impairment of Assets****Impairment of financial assets**

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

**CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.9 Impairment of Assets (Continued)**

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

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

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

**Impairment on tangible assets**

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

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

**2.10 Derivative financial instruments**

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

**2.11 Offsetting of financial assets**

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

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

**2.12 Cash and Cash Equivalents**

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

**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.13 Share Capital**

As of December 31, 2022 and December 31, 2021, the share capital and ownership structure of the Company is as follows:

Name of Shareholders	December 31, 2022		December 31, 2021	
	Share Amount (TRY)	Share (%)	Share Amount (TRY)	Share (%)
TVF Finansal Yatırımlar A.Ş.	942,015,417	81.10	942,015,417	81.10
Publicly Traded Shares	219,507,946	18.90	219,507,946	18.90
<b>Paid-in Capital</b>	<b>1,161,523,363</b>	<b>100.00</b>	<b>1,161,523,363</b>	<b>100.00</b>

**The Company's registered share capital**

The Capital Markets Board's letter dated July 17, 2020 and numbered 7303, the Insurance and Private Pension Regulation and Supervision Agency's letter dated July 27, 2020 and numbered 331, the Ministry of Commerce General Directorate of Domestic Trade dated July 27, 2020 and 500035491-431.02 In line with the permissions granted based on the letter E.-00056175174 and the decision of the Presidency of the Republic of Turkey dated July 15, 2020 and numbered 2772; With the decision taken at the Extraordinary General Assembly meeting held on August 27, 2020, the registered capital ceiling of the Company from TRY540,000,000 to TRY5,000,000,000, the registered capital ceiling validity period was determined as 2020-2024 (5 years). As of December 31, 2022 and December 31, 2021, the Company consists of 1,161,523,363 fully paid shares.

**2.14 Insurance and investments contracts - classification**

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

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

**2.15 Insurance contracts and investment contracts with discretionary participation feature**

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

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

**Investment contracts without DPF**

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

# **CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **2.16 Liabilities**

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

A financial liability is derecognized when it is extinguished.

### **2.17 Taxes**

#### **Corporate tax**

With the Corporate Tax Law No. 5520, which was published in the Official Gazette dated 21 June 2006 and numbered 26205, 20% for corporate earnings has been determined to be effective as of 1 January 2006. The Corporate Tax rate which is 20% in accordance with the Provisional Article 13 added to the Corporate Tax Law with the Law on the Amendment of Certain Laws and the Law on Collection of Public Claims No. 7316 published in the Official Gazette on April 22, 2021, It has been determined as 25% to be applied to corporate earnings for the period of 2022 and 23% to be applied to corporate earnings for the 2022 taxation period. In addition, Article 26 of the Law on the Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law No. 7394, which entered into force after being published in the Official Gazette dated April 15, 2022 and numbered 31810, and the provisional article 13 of the Corporate Tax Law No. 5520. With the added paragraph, it has been determined that for certain companies, including insurance companies, the Corporate Tax rate will be rearranged for the corporate earnings of the 2022 taxation period and 25% will be applied. With this amendment, 25% rate will be valid for the taxation of corporate earnings for the periods starting from 1 January 2022, starting with the declarations that must be submitted as of July 1, 2022.

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. 15% withholding tax is applied on dividend payments 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.

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

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

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.

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, Law No. It has been enacted with the number 7532 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed



**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.17 Taxes (Continued)**

**Deferred income taxes**

Deferred income tax assets and liabilities are recognized according to using the balance sheet method, on all taxable temporary differences arising between the tax bases and 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 income 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 transactions and events are recorded in the statement of income, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity (Note 21).

**2.18 Employee benefits**

*Reserve for severance indemnity:*

In accordance with existing Turkish Labor Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. As of December 31, 2022, the applicable ceiling amount as at TRY15,371.40 (December 31, 2021: TRY8,284.51).

The fundamental assumption is that maximum ceiling for the yearly services increases in line with the inflation; therefore, the discount rate reflects the real rate after netting of the effects of inflation. The provision for termination benefits and severance payment has been calculated by using the ceiling amounting to TRY19,982.83 which is applicable starting from January 1, 2023, as it is adjusted yearly (January 1, 2022: TRY10,848.59).

The Company are calculated provision for employee severance indemnities using actuarial methods. The major statistical assumptions used in the calculation of the total liability as at December 31, 2022 and 2021 are as follows:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Discount rate	(0.93%)	3.67%
Estimated employee turnover rate	9.90%	5.31%

*Other employee benefits:*

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

# **CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **2.19 Provisions**

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Company discloses the contingent asset (Note 23).

### **2.20 Revenue Recognition**

#### **Written Premiums**

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

#### **Claim recovery and salvage income and related receivable**

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

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

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

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

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.20 Revenue Recognition (Continued)**

**Claim recovery and salvage income and related receivable (Continued)**

At the reporting date, in accordance with the related circular, the Company recognized TRY102,305,586 (December 31, 2021: TRY64,021,103) net salvage and subrogation receivables in the receivables from main operations and provided TRY14,375,566 (December 31, 2021: TRY14,184,652) allowance for salvage and subrogation receivables that are overdue as described in the related circular (Note 4.2 and 12).

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

The Company provided a provision for net subrogation receivables under legal follow up and TRY648,105,114 (December 31, 2021: TRY554,472,860) that is presented under doubtful receivables under main operations (Note 4.2 and 12).

In order to account for salvage income expected from the sale of the assets, the claim amount should be paid to the insure and the ownership of the related assets should be transferred to the Company. When the assets are transferred to the insure, sold to third parties by the Company or by an intermediary; salvage income is recorded and should not be recorded as a deduction from provisions for outstanding claims and paid claims.

For the years ended December 31, 2022 and 2021, accrued salvage and subrogation income per-branches is as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Motor own damage	56,713,654	40,215,454
Motor third party liability	33,497,468	13,563,253
Fire	8,753,562	8,920,072
Other	3,340,902	1,322,324
<b>Total</b>	<b>102,305,586</b>	<b>64,021,103</b>

For the period January 1, - December 31, 2022 and 2021, salvage and subrogation collections are as follows:

	<b>January 1 - December 31, 2022</b>	<b>January 1 - December 31, 2021</b>
Motor own damage	364,995,490	285,650,563
Motor third party liability	126,551,887	29,554,793
Fire	21,160,689	55,900,106
Other	40,043,263	12,131,229
<b>Total</b>	<b>552,751,329</b>	<b>383,236,691</b>

**Commission income and expense**

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

# **CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **2.20 Revenue Recognition (Continued)**

#### **Commission income and expense**

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.

#### **Dividend**

Dividend income is accounted when related dividend right arises.

### **2.21 Dividend distribution**

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

### **2.22 Reserve for Unearned Premiums**

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

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

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

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

### **2.23 Reserve for unexpired risks**

Within the framework of Regulation on Technical Reserves, insurance companies are required to account for an unexpired risk reserve against the probability that future losses incurred from in force policies may exceed the unearned premium reserve accounted for the related policies considering expected loss ratios. Expected loss ratio is calculated by dividing the incurred losses to earned premiums, above the mentioned expected loss ratio is calculated on the basis of main branches as of 31 December 2020, in accordance with the 'Regulation regarding the Changes in the Calculation of Unexpired Risk Reserve' dated 13 December 2012 and numbered 2012/15 published by Ministry of Treasury and Finance. In case where the expected loss ratio is higher than 95% net unexpired risks reserve for that branch is calculated by multiplying the ratio in excess of 95% with net unearned premium reserve for the related branch and gross unexpired risks reserve for that branch is calculated by multiplying the ratio in excess of 95% with gross unearned premium reserve for the related branch. The difference between gross amount and net amount is recognized as reinsurers' share.

## TÜRKİYE SİGORTA AŞ

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

With the "Circular No. 2022/27 on the Provision for Unexpired Risks" ("Circular No. 2022/27") published by the Insurance and Private Pensions Regulation and Supervision Agency, the gross loss premium rate to be used in the calculation of the provision for continuing risks to the insurance companies is determined. It is possible to calculate by dividing the amount of final claim found for each quarter (including indirect works) of the last year, based on the current year, by the earned premium. As an alternative to this method, the gross loss premium rate can be calculated by insurance companies over the sum of the last four quarters, including the current period, based on the writing (working) year, including indirect works, and in the relevant method, the policies written in the last year in calculating the amount of damage incurred by the company actuary. In terms of the writing (working) year, the immaturity of the damage development process should be taken into account within the framework of the best estimation principles. If the gross loss premium ratio calculated based on the accident year in the Land Vehicles, Voluntary Liability and General Liability branches of the Company is above 85%, the excess amount is multiplied by the gross unearned premium reserve; net unearned premium reserve has been multiplied by the net unearned premium reserve. However, the Company evaluated the current situation for the Compulsory Traffic branch as of the balance sheet date, and within the scope of the Circular no 2022/27, the loss premium rate calculated on the basis of the writing (working) year calculated by the Company actuary in the URP calculation of the said branch as of 31 December 2022 has used. Within the scope of the aforementioned circular, the calculation based on the writing (working) year instead of the accident year in the Compulsory Traffic branch had a reducing effect on the net URP recorded as of 31 December 2022 by TL 865,443,290.

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

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

As of December 31, 2022, the Company has calculated a net unexpired risk reserve of TRY1,178,816,442 and booked (December 31, 2021: TRY26,715,793) (Note 17).

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

Branch	Claim/Premium	December 31, 2022		December 31, 2021	
		Gross URR	Net URR	Gross URR	Net URR
Motor Vehicles		1,317,344,229	1,011,388,088	26,980,427	26,715,793
- Compulsory traffic (except RIP)	119%	862,161,225	852,601,110	26,980,427	26,715,793
- RIP acquired	159%	149,269,073	149,269,073	-	-
- RIP transferred	158%	296,359,716	-	-	-
- Discretionary liability	102%	9,554,215	9,517,905	-	-
Disease	113%	159,559,989	159,559,989	-	-
General Liability	107%	58,799,240	7,106,451	-	-
Surety bond	104%	1,516,481	761,914	-	-
<b>Total</b>		<b>1,537,219,939</b>	<b>1,178,816,442</b>	<b>26,980,427</b>	<b>26,715,793</b>

# **CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **2.24 Provision for outstanding claims**

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

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

As of December 31, 2022, the difference between the provision for outstanding claim that is accrued and the amount that is calculated by using the actuarial chain ladder method, of which the content and implementation fundamentals are determined on the Legislation for Technical Provision and the 'Circular on Provision for Outstanding Claim' numbered. 2014/16 and dated December 5, 2014 and is effective from January 1, 2015, is accounted for as incurred but not reported claims provision.

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

The data related accrued claim recoveries, salvage and equivalent income in the balance sheet are taken into consideration in the ACLM calculations with collections. In addition, for the branches with a negative ACLM result, the incurred but not reported claim provision was calculated considering the total amount of the negative ACLM result. The ACLM calculations are performed on a gross basis and the net amounts are determined in accordance with in-forced reinsurance agreements of the Company. The gross and net incurred but not reported claim provision to be added or to be deducted for each branch and the calculation methodology as at December 31, 2022 and 2020 are explained in the Note 17.

In accordance with the circular numbered 2011/18 of the Ministry of Treasury and Finance; In the calculation of realized but not reported compensation amounts for Compulsory Traffic, Compulsory Road Transport Financial Liability and Bus Compulsory Seat Personal Accident branches made with the actuarial chain ladder method, all data on compensation for treatment expenses, outstanding claims and recourse, salvage and similar income collected excluded.

As of December 31, 2022, the gradual transition has ended and the Company has made a net additional incurred but not reported claims provisions amounting to TRY6,039,113,738 in its financial statements (December 31, 2021: TRY2,719,279,643).

The "Circular on the Discounting of Net Cash Flows Arising from the Provision for Outstanding Claims" published by the Ministry of Treasury and Finance dated June 10, 2016 and numbered 2016/22 and the Ministry of Treasury and Finance dated September 15, 2017 and numbered 2017/7 "Net Cash Arising from Outstanding Claims Reserve In accordance with the Circular on the Amendment of the Circular No. 2016/22 on the Discounting of Flows, the Company has a net amount of TRY3,852,024,009 as of December 31, 2022 (December 31, 2021: TRY1,448,945,234) for the branches in the table below discount calculated. In accordance with the Circular numbered 2021/30, the discount calculation as of 31 December 2021 was made by taking into account the annual rate of 22% (December 31, 2021: 14% per annum). In accordance with the Circular numbered 2021/30, it is stated that the differences between the periods due to the said discount rate change should be accepted as a change in estimation. The said discount rate change had a reducing effect on the net outstanding claims provision as of December 31, 2022, amounting to TRY 873,365,688.

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.24 Provision for outstanding claims (Continued)**

As of December 31, 2022, 2021 the Company's net outstanding indemnity provisions on the basis of branches are as follows before and after discount.

<b>December 31, 2022 Branch</b>	<b>Net outstanding claims before discount</b>	<b>Discount Amount</b>	<b>Discounted net outstanding claims provision</b>
Motor Liability	8,616,755,501	(3,615,364,571)	5,001,390,930
Motor own damage	347,319,626	(37,393,936)	309,925,690
Health	252,753,130	(11,697,732)	241,055,398
General Liability	222,026,018	(120,378,259)	101,647,759
Fire and Natural	136,202,542	(24,879,272)	111,323,270
General Losses	83,032,135	(11,572,202)	71,459,933
Accident	60,408,378	(26,051,422)	34,356,956
Logistic	21,512,677	(2,702,242)	18,810,435
Financial losses	5,083,609	(779,724)	4,303,885
Watercrafts	3,351,052	(559,486)	2,791,566
Indemnity	1,449,207	(465,460)	983,747
Legal Protection	392,778	(116,606)	276,172
Credit	270,377	(63,096)	207,281
<b>Total</b>	<b>9,750,557,030</b>	<b>(3,852,024,008)</b>	<b>5,898,533,022</b>
<b>December 31, 2021 Branch</b>	<b>Net outstanding claims before discount</b>	<b>Discount Amount</b>	<b>Discounted net outstanding claims provision</b>
Motor Liability	4,383,838,730	(1,322,635,296)	3,061,203,434
Motor own damage	240,668,436	(15,158,668)	225,509,768
Health	146,057,783	(4,333,582)	141,724,201
General Liability	185,286,028	(77,084,481)	108,201,547
Fire and Natural	102,880,495	(4,900,326)	97,980,169
General Losses	48,822,896	(4,646,590)	44,176,306
Accident	57,027,071	(18,678,269)	38,348,802
Logistic	12,288,979	-	12,288,979
Financial losses	2,917,388	(997,369)	1,920,019
Watercrafts	4,766,937	-	4,766,937
Indemnity	1,333,833	(463,378)	870,455
Legal Protection	186,848	(36,166)	150,682
Credit	123,348	(11,109)	112,239
<b>Total</b>	<b>5,186,198,772</b>	<b>(1,448,945,234)</b>	<b>3,737,253,538</b>

# 1 OCAK - 31 ARALIK 2022 HESAP DÖNEMİNE AİT KONSOLİDE OLMAYAN FİNANSAL TABLOLARA İLİŞKİN DİPNOTLAR

(Para Birimi aksi belirtilmedikçe Türk Lirası ("TL") olarak ifade edilmiştir.)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.24 Provision for outstanding claims (Continued)

The methods applied for estimating the net cash flows of the Company as of December 31, 2022 and December 31, 2021 and the estimated net cash flows for each main branch are given below.

December 31, 2022	Methods						
Branch	Applied	2022	2023	2024	2025	2026	2027
Motor Liability	Tablo 57	2,203,272,416	1,220,588,764	970,783,838	914,937,729	844,764,706	763,631,667
Motor Own Damage	Tablo 57	287,721,293	16,410,518	13,064,096	11,912,855	9,008,599	3,860,411
Health	Tablo 57	243,981,312	7,531,960	1,169,440	38,259	(24,999)	41,723
General Liability	Tablo 57	18,128,892	20,699,551	24,852,336	29,474,667	33,619,920	33,153,940
Fire and Natural	Tablo 57	91,207,020	15,086,744	8,397,598	7,151,006	6,830,149	5,920,678
General Losses	Tablo 57	61,762,586	11,589,432	4,797,863	2,085,217	1,251,162	796,455
Accident	Tablo 57	13,043,692	8,786,654	7,840,077	7,831,593	6,833,319	5,413,194
Logistics	Tablo 57	15,320,683	6,111,895	(94,905)	291,849	205,616	(432,924)
Financial losses	Tablo 57	3,992,637	561,543	80,785	77,312	95,323	104,155
Watercrafts	Tablo 57	2,602,432	342,213	39,024	123,010	(291,487)	48,536
Indemnity	Tablo 57	392,204	205,033	466,134	202,319	169,709	1,019
Legal Protection	Tablo 57	130,539	113,603	55,956	41,083	22,909	15,244
Credit	Tablo 57	138,433	74,583	2,966	(4,959)	46,082	126
<b>December 31, 2021</b>	<b>Methods</b>						
<b>Branch</b>	<b>Applied</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Motor Liability	Tablo 57	1,095,754,206	698,921,537	592,558,315	524,365,682	455,113,168	384,206,809
Motor Own Damage	Tablo 57	207,579,737	10,791,091	7,234,338	5,936,847	4,164,463	2,252,575
Health	Tablo 57	142,007,962	3,309,322	686,184	45,168	(20,112)	22,932
General Liability	Tablo 57	17,612,271	18,988,532	21,005,763	21,366,346	23,476,860	27,467,379
Fire and Natural	Tablo 57	88,248,199	9,557,550	4,016,936	3,380,513	2,546,394	582,708
General Losses	Tablo 57	36,812,657	6,293,697	2,712,231	1,184,342	920,748	691,284
Accident	Tablo 57	11,576,031	8,570,281	7,660,929	7,354,784	6,791,828	5,710,754
Financial losses	Tablo 57	1,113,618	202,371	99,709	115,588	154,958	116,709
Indemnity	Tablo 57	224,119	132,152	238,770	215,690	158,443	138,488
Legal Protection	Tablo 57	77,250	44,263	27,281	17,424	11,343	7,701
Credit	Tablo 57	91,272	29,351	3,509	(784)	-	-



2028	2029	2030	2031	Total
665,766,402	610,395,670	355,516,056	67,098,253	8,616,755,501
2,706,337	1,740,337	1,054,347	(159,167)	347,319,626
14,823	612	-	-	252,753,130
32,798,409	19,552,357	8,949,272	796,674	222,026,018
1,606,452	(95,475)	59,411	38,959	136,202,542
324,449	289,199	132,901	2,871	83,032,135
4,516,838	3,866,385	1,839,763	436,863	60,408,378
(254,674)	172,139	148,628	44,370	21,512,677
117,772	53,322	760	-	5,083,609
113,487	304,791	65,435	3,611	3,351,052
1,870	10,465	454	-	1,449,207
9,245	4,199	-	-	392,778
9,465	3,681	-	-	270,377

2028	2029	2030	2031	Total
290,765,060	207,458,974	105,341,206	29,353,773	4,383,838,730
1,461,933	1,044,918	286,024	(83,490)	240,668,436
5,912	415	-	-	146,057,783
21,355,847	18,385,701	13,079,056	2,548,273	185,286,028
(1,066,333)	(1,306,075)	(1,676,035)	(1,403,362)	102,880,495
159,503	34,015	14,021	398	48,822,896
4,182,478	2,978,768	1,825,361	375,857	57,027,071
303,178	372,447	340,339	98,471	2,917,388
209,160	16,653	358	-	1,333,833
1,381	205	-	-	186,848
-	-	-	-	123,348

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.24 Provision for outstanding claims (Continued)

In accordance with the Circular No. 2011/23, it is possible to calculate a winning rate over the amounts of the lawsuits filed against the Company according to the realizations of the last five years according to the realizations of the last five years, and according to the calculated win rate, it is possible to make a discount from the outstanding claims reserves accrued for the files in the litigation process. As of December 31, 2018, the company calculated the winning rates by sub-branches by proportioning the amount of the claims, whose all judicial processes were completed in the last five years, to the total amount of the files. In the calculation of the winning ratio, only the principal amounts related to the compensation are included in the calculation, and the interest and other expenses are not taken into account. In accordance with the Circular numbered 2011/23 for the branches with a winning ratio of over 25%, a discount was made from the outstanding claims reserve amount by using 25% for those with sufficient previous files and 15% for other branches. The company made the said calculations on the gross amounts and the reinsurance shares of the discount amount were determined by taking into account the reinsurance share of the related files.

As of 31 December 2021, the net deduction amount of the Company's earning rates calculated on the basis of sub-branches and the provision for outstanding claims accrued is TRY743,999,784 (December 31, 2021: TRY485,664,401) (Note 17). The winning rates used on a branch basis as of December 31, 2022, 2021 are as follows:

Branch	December 31, 2022	December 31, 2021
	Used Winning Ratio (%)	Used Winning Ratio (%)
Fire	25.00%	25.00%
Loss of Profit	25.00%	25.00%
Marine Cargo	25.00%	25.00%
Marine Hull and Machinery	25.00%	25.00%
Compulsory Financial Liability Insurance for Transportation on Road	25.00%	25.00%
MTPL – facultative	25.00%	25.00%
Motor vehicles – Insurance	25.00%	25.00%
Compulsory Seat Occupational responsibility for Insurance Transportation on Road	25.00%	25.00%
Third party financial liability	25.00%	25.00%
Robbery	25.00%	25.00%
Aircraft Financial Liability	25.00%	25.00%
ZMSS on Medical Malpractice	25.00%	25.00%
Private Security Financial Liability	25.00%	25.00%
Occupational responsibility	25.00%	25.00%
Optional Earthquake	25.00%	25.00%
Flood	25.00%	25.00%
Landslide	25.00%	25.00%
Loss of Rent and Income	25.00%	25.00%
Loss of Rent and Income	25.00%	25.00%
Legal Protection	25.00%	25.00%
Machinery breakdown	25.00%	25.00%
Installation	25.00%	25.00%
Construction	25.00%	25.00%
Compulsory Product Liability for LPG	25.00%	25.00%
Health	25.00%	25.00%
Travel Health	25.00%	25.00%
Compulsory Traffic (Excluding Green Card)	24.21%	24.21%
Electronic Equipment	22.69%	22.69%
Employer financial liability	14.10%	14.10%

**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.25 Equalization provision**

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

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

As of December 31, 2022, equalization provision amounting to TRY159,944,693 (December 31, 2021: TRY130,853,892) is presented under 'Other Technical Reserves' under the long term-liabilities in the accompanying financial statements (Note 17).

**2.26 Related Parties**

For the purpose of the accompanying 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 (Note 45).

**2.27 Earnings per share**

Earnings per share are determined by dividing the net income by the weighted average number of shares outstanding during the year attributable to the shareholders of the Company. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ('Bonus Shares') to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares issued are regarded as issued shares. Therefore, the weighted average number of shares used in the calculation of earnings per share is obtained by applying the bonus issue of shares retrospectively from the beginning of the previous reporting period (Note37).

**2.28 Subsequent events**

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

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.29 New standards and interpretations

##### *a) Standards, amendments, and interpretations applicable as of December 31, 2022:*

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from annual periods beginning on or after 1 January 2022.

**Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- **Amendments to IAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial Instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

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

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **IFRS 17, 'Insurance Contracts', as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

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

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

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:

Note 4.1 - Management of insurance risk

Note 4.2 - Financial risk management

Note 6 - Tangible assets

Note 7 - Investment properties

Note 8 - Intangible assets

Note 9 - Investments in associates

Note 10 - Reinsurance assets and liabilities

Note 11 - Financial assets

Note 12 - Loans and receivables

Note 21 - Deferred taxes

Note 42 - Risks

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK****4.1 Management of insurance risk**

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

In accordance with Code of Risk Acceptance of the Company, risks are allocated in terms of their branches and potential effects. The main part of this risk management is the evaluation of all possibilities to eliminate, control or reinsure the risk by defining in all parts of the insurance operations.

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

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

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

**CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)****4.1 Management of insurance risk (Continued)**

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

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

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

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

Reinsurance agreements: It includes excess of excess, quota share, excess of risk loss and catastrophic excess of loss according to the characteristics of the branch.

Generally, the Company has agreements of fire and natural disasters, marine, accident, transportation vehicles (land), transportation vehicles (air), transportation vehicles (sea), general losses, transportation vehicles (land) liability, transportation vehicles (sea) liability, general liability, financial losses, legal protection and health branches. Insurance guarantee amounts are also explained in Note 17.

Reinsurance agreements are the agreements signed, paid by the company and are also carried out by the both The Company and Reinsurance Company. These agreements have the sufficient conditions to be able to classify as insurance agreements which are used in purpose of losses result from one or more insurance agreements.

As of December 31, 2022, QBE and Liberty is the leader reinsurers of the Company in branches such as fire and engineering, excess loss-shared and catastrophe-cover agreements. Other following reinsurers are Everest Re, Milli Re, Odyssey Re Labuan Re, China Re and Sirius.

The last credit-scaling notes as follows in the table:

<b>Reinsurer</b>	<b>Scale</b>	<b>Outlook</b>	<b>Date</b>
Liberty Mutual Insurance Company	A	AM Best	July 29, 2022
QBE Europe nv/sa	A	AM Best	April 7, 2022
Sirius International Insurance Corporation (publ)	A-	AM Best	April 1, 2022
Everest Reinsurance Company	A+	AM Best	June 15, 2022
Odyssey Reinsurance Company	A	AM Best	June 23, 2022
China Re.	A	AM Best	November 18, 2022
Labuan Re	A-	AM Best	October 28, 2022
Milli Reasürans T.A.Ş.	BBB-	S&P	September 30, 2022

The company has annual excess treaty in fire, marine, engineering and miscellaneous accident branches, as for quota share agreements for marine, commodity, farming, building completion and credit branches as of the date December 31, 2022.

**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)****4.1 Management of insurance risk (Continued)****Premiums transferred to the Social Security Institution**

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

The liability of the insurance companies with respect to the service costs to be incurred in the context of abovementioned articles has been determined in accordance with the provisions of 'The Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated August 27, 2011 ('The Regulation'), 'The Communiqué on the Principles of the Implementation of the Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated September 15, 2011 and numbered 2011/17 (the 'Communiqué numbered 2011/17') and 'The Communiqué on the Accounting of Payments to Social Security Institution ('SSI') with respect to Treatment Expenses and Introduction of New Account Codes to Insurance Account Chart' dated October 17, 2011 (the 'Communiqué numbered 2011/18'), the regulation ('2012/3 numbered notice) making changes in 'The Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated March 16, 2012 and numbered 2012/3 and the communiqué about changes related 'the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated April 30, 2012 and numbered 2012/6 (the 'Communiqué numbered 2012/6'). Within this framework, the Company is required to cede a certain amount of premiums to be determined in accordance with the Regulation and the Communiqué numbered 2011/17 to SSI in relation to policies issued as of February 25, 2011, the notice numbered 2012/3 and the communiqué numbered 2012/6 in 'Compulsory Marine', 'Compulsory Traffic' and 'Compulsory Motor Personal Accident' branches regarding the expenses with respect to the traffic accident related medical care services provided after enforcement of the Law. Based on the aforementioned regulations, the Company has calculated the amount of the premiums to be ceded to SSI in January 1 - December 31, 2022 account period as TRY593,779,883 under the account of 'premiums transferred to SSI' (1 January - December 31, 2021: TRY177,301,773).

**Premiums and claims transferred to the Risky Insured Pool**

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

The Company has recorded the premiums, indemnities and commission amounts transferred from the Risky Insurance Pool within the scope of the Company's share within the scope of the regulation, taking into consideration the estimated amounts of the unreported periods at the closing date of the accounts and the monthly receipts finalized by TMTB. As of December 31, 2022, the Company has transferred TRY749,041,945 premium and TRY450,630,830 paid compensation and recovery income to the Pool. TRY426,259,250 premium, TRY128,125,595.95 commission, TRY311,531,782 paid as compensation from Pool to the Company were recognized in accordance with the relevant legislation.

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

# **CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

## **4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)**

### **4.1 Management of insurance risk (Continued)**

The Company has accounted the amounts of premiums, claims and commissions that are taken over from the Pool within the scope of the Company's market share and ceded to the Medical Malpractice Liability Pool within the scope of the regulation, considering the amounts in the monthly statements that is finalized by other insurance companies. As of December 31, 2022, The Company has ceded TRY16,748,481 premium to the Pool and accounted TRY5,443,719 premium, TRY1,238,245 compensation and TRY2,283,883 commission income; based on its share which are reported by the Pool, on the financial statements in accordance with the legislation.

### **4.2 Management of financial risk**

#### **Introduction and overview**

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

- Credit risk
- Liquidity risk
- Market risk

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

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

#### **Credit risk**

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

- Banks
- Other cash and cash equivalents (excluding cash on hand)
- Financial assets
- Receivables from policyholders
- Receivables from intermediaries (agencies)
- Receivables from reinsurance companies related to commissions and claims paid
- Reinsurance shares of insurance liability
- Other receivables

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



**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)**

**4.2 Management of financial risk (Continued)**

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

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash equivalents (Note 14)	9,034,205,139	6,103,547,210
Receivables from operating activities (Note 12)	4,535,533,038	3,376,909,487
Reinsurer's share in provision for outstanding claims (Note 10)	5,138,167,362	3,468,615,657
Financial assets (Note 11)	8,605,624,564	2,173,847,016
Prepaid taxes and funds (Note 12)	51,512,542	46,854,946
Other receivables (Note 12)	16,586,270	20,960,793
Advances given to personnel	126,001	91,643
<b>Total</b>	<b>27,381,754,916</b>	<b>15,190,826,752</b>

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

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Letter of guarantee	100,589,967	74,307,681
Notes received	63,603,878	60,530,776
Cash guarantees	54,436,576	26,797,460
Other guarantee and commitments	75,283,550	52,378,393
<b>Total</b>	<b>293,913,971</b>	<b>214,014,310</b>

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

As at December 31, 2022 and 2021, the aging of the receivables from operating activities and related provisions are as follows:

	December 31, 2022		December 31, 2021	
	Gross amount	Provision	Gross amount	Provision
Undue receivables	3,897,539,059	-	2,948,812,879	-
Past due 0-30 days	314,390,343	-	152,612,496	-
Past due 31-60 days	206,328,648	-	175,299,603	-
Past due 61-180 days	15,028,187	-	29,888,122	-
More than 181 days receivables	56,715,891	(42,399,110)	53,008,127	(32,548,191)
	<b>4,490,002,128</b>	<b>(42,399,110)</b>	<b>3,359,621,227</b>	<b>(32,548,191)</b>
Subrogation and salvage receivables	102,305,586	(14,375,566)	64,021,103	(14,184,652)
Doubtful receivables from main operations				
- subrogation receivables	648,105,114	(648,105,114)	554,472,860	(554,472,860)
<b>Total</b>	<b>5,240,412,828</b>	<b>(704,879,790)</b>	<b>3,978,115,190</b>	<b>(601,205,703)</b>

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

	2022
<b>Beginning of the period – January 1</b>	<b>(601,205,703)</b>
Change in provision for recovery receivables under legal follow-up (Note 47)	(101,316,105)
Other	(2,357,982)
<b>Period ending – December 31</b>	<b>(704,879,790)</b>

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial instruments.

#### Managing Liquidity Risk

The Company considers the maturity match between assets and liabilities for the purpose of avoiding liquidity risk and ensures that it will always have sufficient liquidity to meet its liabilities when due.

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)**

**4.2 Management of financial risk (Continued)**

The table below shows the distribution of the Company's financial and insurance liabilities as of the balance sheet dates, based on contractual or expected terms:

Monetary asset and liabilities' remaining periods to maturity:

<b>December 31, 2022</b>	<b>Book Value</b>	<b>Up to 1 month</b>	<b>1 to 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>
<b>Assets</b>						
Cash and cash equivalents	9,034,205,139	4,917,646,324	4,061,926,616	54,632,199	-	-
Financial assets	8,605,624,564	3,425,311,322	1,293,487,366	1,091,757,565	1,970,706,266	824,362,045
Receivables from operating activities	4,535,533,038	1,169,694,256	1,104,123,207	2,141,334,659	120,380,916	-
Other receivables	16,586,270	9,882,172	395,574	260,758	6,047,766	-
<b>Total monetary assets</b>	<b>22,191,949,011</b>	<b>9,522,534,074</b>	<b>6,459,932,763</b>	<b>3,287,985,181</b>	<b>2,097,134,948</b>	<b>824,362,045</b>
<b>Liabilities</b>						
Payables from operating activities	2,975,252,693	914,692,073	1,107,587,931	900,545,328	52,427,361	-
Due to related parties	7,163,651	257,842	2,653,555	4,252,254	-	-
Other payables	397,412,189	162,161,147	218,724,336	16,526,706	-	-
Provision for outstanding claims, net	5,898,533,022	367,436,763	1,087,236,961	4,213,866,866	209,084,031	20,908,401
Provision for tax and other similar liabilities	394,920,037	332,838,634	58,765,743	3,315,660	-	-
Financial liabilities	1,900,367,242	1,882,898,544	-	-	17,468,698	-
<b>Total monetary liabilities</b>	<b>11,573,648,834</b>	<b>3,660,285,003</b>	<b>2,474,968,526</b>	<b>5,138,506,814</b>	<b>278,980,090</b>	<b>20,908,401</b>

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

December 31, 2021	Book Value	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years
<b>Assets</b>						
Cash and cash equivalents	6,103,547,210	3,658,432,008	2,282,569,102	162,546,100	-	-
Financial assets	2,173,847,016	248,597,521	340,705,632	423,492,812	819,344,555	341,706,496
Receivables from operating activities	3,376,909,487	1,272,038,634	553,401,123	1,489,214,326	62,255,404	-
Other receivables	20,960,793	13,643,670	786,787	518,651	6,011,685	-
<b>Total monetary assets</b>	<b>11,675,264,506</b>	<b>5,192,711,833</b>	<b>3,177,462,644</b>	<b>2,075,771,889</b>	<b>887,611,644</b>	<b>341,706,496</b>
<b>Liabilities</b>						
Payables from operating activities	2,186,924,896	1,204,435,769	392,796,996	519,467,601	70,224,530	-
Due to related parties	8,569,158	308,431	3,174,182	5,086,545	-	-
Other payables	155,232,416	36,528,998	85,435,495	6,455,465	26,812,458	-
Provision for outstanding claims, net	3,737,253,538	232,804,384	688,862,835	2,669,865,336	132,473,622	13,247,361
Provision for tax and other similar liabilities	270,982,980	142,535,371	-	128,447,609	-	-
Financial liabilities	13,381,389	159,759	-	-	13,221,630	-
<b>Total monetary liabilities</b>	<b>6,372,344,377</b>	<b>1,616,772,712</b>	<b>1,170,269,508</b>	<b>3,329,322,556</b>	<b>242,732,240</b>	<b>13,247,361</b>

#### Market risk

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

#### Currency risk

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

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated by the Central Bank of the Republic of 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.

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)**

**4.2 Management of financial risk (Continued)**

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

<b>December 31, 2022</b>	<b>USD</b>	<b>EUR</b>	<b>Other currencies</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	711,398,417	195,303,716	3,336,079	910,038,212
Financial Assets	423,342,229	-	-	423,342,229
Receivables from operating activities	1,211,890,250	532,319,786	6,950,069	1,751,160,105
<b>Total foreign currency assets</b>	<b>2,346,630,896</b>	<b>727,623,502</b>	<b>10,286,148</b>	<b>3,084,540,546</b>
<b>Liabilities:</b>				
Payables arising from operating activities	1,360,212,366	352,300,904	332,923	1,712,846,193
Provision for outstanding claims	27,971,414	20,162,938	5,532,722	53,667,074
Deposits and collaterals received	21,558,390	5,384,996	-	26,943,386
<b>Total foreign currency liabilities</b>	<b>1,409,742,170</b>	<b>377,848,838</b>	<b>5,865,645</b>	<b>1,793,456,653</b>
<b>Balance sheet position</b>	<b>936,888,726</b>	<b>349,774,664</b>	<b>4,420,503</b>	<b>1,291,083,893</b>
<b>December 31, 2021</b>	<b>USD</b>	<b>EUR</b>	<b>Other currencies</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	442,353,632	140,487,777	3,060,385	585,901,794
Financial Assets	118,622,301	-	-	118,622,301
Receivables from operating activities	1,303,765,079	395,021,428	7,167,370	1,705,953,877
<b>Total foreign currency assets</b>	<b>1,864,741,012</b>	<b>535,509,205</b>	<b>10,227,755</b>	<b>2,410,477,972</b>
<b>Liabilities:</b>				
Payables arising from operating activities	1,317,749,142	336,243,073	8,387,902	1,662,380,117
Provision for outstanding claims	18,823,349	10,115,671	3,750,937	32,689,957
Deposits and collaterals received	16,130,432	4,412,188	-	20,542,620
<b>Total foreign currency liabilities</b>	<b>1,352,702,923</b>	<b>350,770,932</b>	<b>12,138,839</b>	<b>1,715,612,694</b>
<b>Balance sheet position</b>	<b>512,038,089</b>	<b>184,738,273</b>	<b>(1,911,084)</b>	<b>694,865,278</b>

TRY equivalents of the related monetary amounts denominated in foreign currencies are presented above.

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)**

**4.2 Management of financial risk (Continued)**

*Exposure to currency risk*

20 percent devaluation of the TRY against the following currencies as at December 31, 2022 and 2021 would have increased equity and profit or loss (excluding tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. A 20 percent appreciation of the TRY against the following currencies' effect will be in opposite direction.

	January 1 - December 31, 2022		January 1 - December 31, 2021	
	Profit or loss	Equity	Profit or loss	Equity
USD	187,377,745	187,377,745	102,407,618	102,407,618
EUR	69,954,933	69,954,933	36,947,655	36,947,655
Other currencies	884,101	884,101	(382,217)	(382,217)
<b>Total, net</b>	<b>258,216,779</b>	<b>258,216,779</b>	<b>138,973,056</b>	<b>138,973,056</b>

*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 re-pricing bands.

As at December 31, 2022 and 2021, the interest rate profile of the Company's interest earning financial assets and interest-bearing financial liabilities are detailed below:

	December 31, 2022	December 31, 2021
<b>Financial assets with fixed interest rate:</b>		
Deposits in banks (Note 14)	6,781,587,526	5,147,085,000
Financial assets available for sale (Note 11)	585,782,233	733,378,944
Financial assets will be kept till maturity (Note 11)	992,450,784	133,121,716
Financial assets held for trading (Note 11)	1,655,341,460	848,908,165
<b>Financial assets with variable interest rate:</b>		
Deposits in banks (Note 14)	-	123,002,954
Financial assets available for sale (Note 11)	1,674,913,483	-
Financial assets will be kept till maturity (Note 11)	36,005,246	16,554,892
Financial assets held for trading (Note 11)	3,661,131,358	441,883,299
<b>Financial liabilities with fixed interest rate:</b>		
Liabilities from financial leasing transactions (Note 20)	29,092,275	13,381,389
Other financial debts (Liabilities) (Note 20)	1,871,274,967	-

**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)****4.2 Management of financial risk (Continued)***Fair value information*

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies.

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

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

*Classification of fair value measurement*

'IFRS 7 - Financial Instruments: Disclosures requires the measurements of fair value of financial instruments to be classified in a hierarchy that reflects the significance of the valuation inputs used. This classification prioritizes observable data, using market data obtained from independent sources, in preference to unobservable data that relies, for example on the use of predictions and assumptions about market prices by the Company. This sort of categorization generally results in the classifications below.

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

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

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

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

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

Classification of financial assets and liabilities' fair values is as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets held for trading (Note 11)	513,490,656	1,747,205,060	-	2,260,695,716
Financial assets available for trading	3,215,024,056	2,101,448,762	-	5,316,472,818
Investment in equity shares <sup>(1)</sup>	-	-	2,233,415,588	2,233,415,588
Joint-Ventures	-	-	786,550,000	786,550,000
Properties held for use (Note 6)	-	515,335,000	-	515,335,000
Investment Properties (Note 7)	-	107,435,771	-	107,435,771
	<b>3,728,514,712</b>	<b>4,471,424,593</b>	<b>3,019,965,588</b>	<b>11,219,904,893</b>
December 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets held for trading (Note 11)	733,378,944	-	-	733,378,944
Financial assets available for trading (Note 11)	192,434,703	1,098,356,761	-	1,290,791,464
Investment in equity shares <sup>(1)</sup>	273,988,374	-	1,066,862,399	1,340,850,773
Properties held for use (Note 6)	-	302,775,000	-	302,775,000
Investment Properties (Note 7)	-	51,300,737	-	51,300,737
	<b>1,199,802,021</b>	<b>1,452,432,498</b>	<b>1,066,862,399</b>	<b>3,719,096,918</b>

<sup>(1)</sup> There are no investments carried out from the cost value in the investment in equity shares.

Fair values of affiliates and subsidiaries are determined in accordance with discounted cash flow and comparative value method in valuation reports prepared by independent valuation companies. The fair values of the securities whose shares are not traded in the market are determined according to the fair value methods in accordance with the valuation reports prepared by independent valuation companies.

#### Sensitivity of fair value of equity shares

Equity share price risk is defined as the risk of decreasing the market price of equity shares as a result of a change in index. If market prices had increased/decreased by 5% and all other variables had remained constant, the Company's equity would have been TRY 378,858,427 (December 31, 2021: TRY 114,907,939) more/lower as of December 31, 2022, excluding tax effects.



**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)****4.2 Management of financial risk (Continued)****Capital Management**

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

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

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

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

The Company's capital adequacy measurement is carried out twice a year, in June and December, within the two months following these periods, within the framework of the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance and Pension Companies. When the company management evaluates its equity capital as of 31 December 2022, considering the circular numbered 2023/1 dated 4 January 2023 and the circular numbered 2023/5 dated 4 January 2023 and the circular numbered 2023/5 dated 9 February 2023, it is of the opinion that the required minimum equity capital adequacy has been achieved.

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

The details of financial gains and losses recognized in equity are as follows:

	January 1 - December 31, 2022	January 1 - December 31, 2021
Changes in fair value of		
Investments at associates, after tax	1,699,724,672	123,886,744
	<b>1,699,724,672</b>	<b>123,886,744</b>

**5. SEGMENT REPORTING**

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

**Business Segments**

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

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

**CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**5. SEGMENT REPORTING (Continued)**

**Fire Insurance**

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

**Motor Vehicles Insurance**

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

**Motor Vehicles (Land) Liability Insurance**

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

The damages occurred by trailers, or semi-trailers (including light trailers) will be covered by the trailer's insurance policy. Trailers to carry people will be covered if there is an additional liability insurance, specified the special conditions

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

**Health Insurance**

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

**Geographical Reporting**

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

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

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**5. SEGMENT REPORTING (Continued)**

As of January 1- December 31, 2022 segment results are as follows:

	Motor Third						
	Party Liability	Motor Vehicles	Health	Fire	Other	Undistributed	Total
<b>Technical Income</b>	<b>2,959,084,200</b>	<b>2,103,139,133</b>	<b>789,912,959</b>	<b>1,290,801,239</b>	<b>2,520,074,185</b>	-	<b>9,663,011,716</b>
1 - Earned premiums (net off reinsurers' share)	2,045,601,487	1,639,541,833	591,263,324	898,609,609	1,717,527,236	-	6,892,543,489
1.1 - Written premiums (net off reinsurers' share)	5,037,303,711	2,336,535,095	1,324,750,848	1,374,036,804	2,709,908,592	-	12,782,535,050
1.2 - Change in reserve for unearned premiums	(2,007,029,930)	(696,993,262)	(573,927,535)	(475,427,195)	(984,512,990)	-	(4,737,890,912)
1.3 - Change in reserve for unexpired risk	(984,672,294)	-	(159,559,989)	-	(7,868,366)	-	(1,152,100,649)
2 - Other technical incomes and accrued salvage and							
Subrogation receivables (net off reinsurer's share)	51,597,012	55,613,263	508,021	15,597,089	16,135,756	-	139,451,141
3 - Investment Income Transferred from Non-Technical Part	861,885,701	407,984,037	198,141,614	376,594,541	786,411,193	-	2,631,017,086
<b>Technical Expense</b>	<b>(4,949,260,954)</b>	<b>(1,638,182,889)</b>	<b>(1,142,174,261)</b>	<b>(555,745,329)</b>	<b>(875,199,235)</b>	-	<b>(9,160,562,668)</b>
1 - Claims accrued (net off reinsurers' share)	(4,458,043,800)	(1,227,995,784)	(844,711,152)	(288,769,468)	(443,450,009)	-	(7,262,970,213)
1.1 - Claims paid (net off reinsurers' share)	(2,517,856,304)	(1,143,579,861)	(745,379,954)	(275,426,367)	(419,448,243)	-	(5,101,690,729)
1.2 - Change in provision for outstanding claims							
(net off reinsurers' share and deferred part) (+/-)	(1,940,187,496)	(84,415,923)	(99,331,198)	(13,343,101)	(24,001,766)	-	(2,161,279,484)
2- Change in other technical provisions	-	(3,016,720)	-	(24,211,904)	(1,862,178)	-	(29,090,802)
3- Operating expenses	(491,217,154)	(407,170,385)	(297,463,109)	(242,763,957)	(429,887,048)	-	(1,868,501,653)
<b>Technical Profit/(loss)</b>	<b>(1,990,176,754)</b>	<b>464,956,244</b>	<b>(352,261,302)</b>	<b>735,055,910</b>	<b>1,644,874,950</b>	-	<b>502,449,048</b>
Investment income	-	-	-	-	-	4,111,822,225	4,111,822,225
Investment expenses	-	-	-	-	-	(3,543,462,969)	(3,543,462,969)
Amortization expense	-	-	-	-	-	(40,356,076)	(40,356,076)
Other operating expenses	-	-	-	-	-	(65,239,828)	(65,239,828)
Tax expense	-	-	-	-	-	(23,809,042)	(23,809,042)
<b>Net period profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>438,954,310</b>	<b>941,403,358</b>

**TÜRKİYE SİGORTA AŞ**

**CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**5. SEGMENT REPORTING (Continued)**

As of January 1- December 31, 2021 segment results are as follows:

	Motor Third Party Liability	Motor Vehicles	Health	Fire	Other	Undistributed	Total
<b>Technical Income</b>	<b>1,317,152,925</b>	<b>1,232,278,276</b>	<b>726,140,949</b>	<b>760,254,765</b>	<b>1,353,226,501</b>	-	<b>5,389,053,416</b>
1 - Earned premiums (net off reinsurers' share)	1,055,567,491	954,535,413	604,609,108	533,813,875	952,447,592	-	4,100,973,479
1.1 - Written premiums (net off reinsurers' share)	1,445,475,992	1,122,654,644	617,776,031	627,448,564	1,178,573,545	-	4,991,928,776
1.2 - Change in reserve for unearned premiums	(363,192,708)	(168,119,231)	(13,166,923)	(93,634,689)	(231,259,170)	-	(869,372,721)
1.3 - Change in reserve for unexpired risk	(26,715,793)	-	-	-	5,133,217	-	(21,582,576)
2 - Other technical incomes and accrued salvage and Subrogation receivables (net off reinsurer's share)	76,814,417	56,292,421	529,324	32,155,761	6,047,181	-	171,839,104
3 - Investment Income Transferred from Non-Technical Part	184,771,017	221,450,442	121,002,517	194,285,129	394,731,728	-	1,116,240,833
<b>Technical Expense</b>	<b>(1,615,683,579)</b>	<b>(952,695,106)</b>	<b>(623,147,369)</b>	<b>(353,151,291)</b>	<b>(547,339,220)</b>	-	<b>(4,092,016,565)</b>
1 - Claims accrued (net off reinsurers' share)	(1,446,990,932)	(706,767,324)	(444,927,568)	(206,317,258)	(308,712,766)	-	(3,113,715,848)
1.1 - Claims paid (net off reinsurers' share)	(1,018,351,588)	(641,639,406)	(354,944,971)	(205,439,437)	(332,487,257)	-	(2,552,862,659)
1.2 - Change in provision for outstanding claims (net off reinsurers' share and deferred part) (+/-)	(428,639,344)	(65,127,918)	(89,982,597)	(877,821)	23,774,491	-	(560,853,189)
2- Change in other technical provisions	-	(3,050,912)	-	(17,133,051)	(1,396,301)	-	(21,580,264)
3- Operating expenses	(168,692,647)	(242,876,870)	(178,219,801)	(129,700,982)	(237,230,153)	-	(956,720,453)
<b>Technical Profit/(loss)</b>	<b>(298,530,654)</b>	<b>279,583,170</b>	<b>102,993,580</b>	<b>407,103,474</b>	<b>805,887,281</b>	-	<b>1,297,036,851</b>
Investment income	-	-	-	-	-	2,384,794,477	2,384,794,477
Investment expenses	-	-	-	-	-	(2,064,331,547)	(2,064,331,547)
Amortization expense	-	-	-	-	-	(30,890,852)	(30,890,852)
Other operating expenses	-	-	-	-	-	(212,912,061)	(212,912,061)
Tax expense	-	-	-	-	-	(315,395,900)	(315,395,900)
<b>Net period profit</b>	-	-	-	-	-	<b>(238,735,883)</b>	<b>1,058,300,968</b>

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**6. TANGIBLE ASSETS**

Movements of tangible assets in the period from January 1 to December 31, 2022 and 2021 is follows:

	January 1, 2022	Additions	Disposals	Valuation Increase	Transfers	December 31, 2022
<b>Cost/Reevaluated:</b>						
Real estate property						
held for use	302,775,000	-	-	212,560,000	-	515,335,000
Machinery and equipment	47,147,975	39,761,018	(907,032)	-	-	86,001,961
Furniture and fixtures	19,695,771	4,701,402	(487,250)	-	-	23,909,923
Motor vehicles	11,403,174	586,274	(19,000)	-	-	11,970,448
Other tangibles						
(include leasehold improvements)	2,599,279	-	-	-	-	2,599,279
Leased assets	35,958,864	30,765,734	(8,748,915)	-	-	57,975,683
	<b>419,580,063</b>	<b>75,814,428</b>	<b>(10,162,197)</b>	<b>212,560,000</b>	<b>-</b>	<b>697,792,294</b>
<b>Accumulated depreciation:</b>						
Machinery and equipment	(22,447,645)	(11,606,207)	731,196	-	-	(33,322,656)
Furniture and fixtures	(12,071,092)	(1,936,802)	487,249	-	-	(13,520,645)
Motor vehicles	(5,245,335)	(2,277,450)	19,000	-	-	(7,503,785)
Other tangibles						
(include leasehold improvements)	(2,221,578)	(137,323)	-	-	-	(2,358,901)
Leased assets	(24,691,521)	(11,205,947)	3,299,077	-	-	(32,598,391)
	<b>(66,677,171)</b>	<b>(27,163,729)</b>	<b>4,536,522</b>	<b>-</b>	<b>-</b>	<b>(89,304,378)</b>
<b>Net book value</b>	<b>352,902,892</b>					<b>608,487,916</b>

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

## 6. TANGIBLE ASSETS (Continued)

	January 1, 2021	Additions	Disposals	Increase	Valuation Transfers	December 31, 2021
<b>Cost/Reevaluated:</b>						
Real estate property						
held for use	187,918,000	-	-	114,857,000	-	302,775,000
Machinery and equipment	34,670,032	14,592,086	(2,114,143)	-	-	47,147,975
Furniture and fixtures	15,332,689	5,409,134	(1,046,052)	-	-	19,695,771
Motor vehicles	11,403,174	-	-	-	-	11,403,174
Other tangibles						
(include leasehold improvements)	2,599,279	-	-	-	-	2,599,279
Leased assets	27,267,932	9,496,568	(805,636)	-	-	35,958,864
	<b>279,191,106</b>	<b>29,497,788</b>	<b>(3,965,831)</b>	<b>114,857,000</b>	<b>-</b>	<b>419,580,063</b>
<b>Accumulated depreciation:</b>						
Machinery and equipment	(14,059,412)	(10,396,067)	2,007,834	-	-	(22,447,645)
Furniture and fixtures	(11,748,308)	(1,363,111)	1,040,327	-	-	(12,071,092)
Motor vehicles	(3,007,940)	(2,237,395)	-	-	-	(5,245,335)
Other tangibles						
(include leasehold improvements)	(2,081,433)	(140,145)	-	-	-	(2,221,578)
Leased assets	(18,534,059)	(6,963,098)	805,636	-	-	(24,691,521)
	<b>(49,431,152)</b>	<b>(21,099,816)</b>	<b>3,853,797</b>	<b>-</b>	<b>-</b>	<b>(66,677,171)</b>
<b>Net book value</b>	<b>229,759,954</b>					<b>352,902,892</b>

The Company's properties held for use is recognized at fair value. As of December 31, 2022, and 2021 the properties are carried at their fair values identified by the peer comparison method as stated in the appraisal reports prepared by CMB certified independent expertise companies:

	December 31, 2022	December 31, 2021
Güneş Plaza	475,000,000	285,000,000
Other	40,335,000	17,775,000
<b>Total</b>	<b>515,335,000</b>	<b>302,775,000</b>

## 6. TANGIBLE ASSETS (Continued)

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

The expertise reports of the Company prepared as of December 31, 2022 are prepared by Gedaş Gayrimenkul Değerleme A.Ş.

Revaluation increases arising from valuation of land and buildings, net of deferred tax effects, are credited to 'Other Profit Reserves' under shareholders' equity. Revaluation decreases arising from valuation of land and buildings are charged against 'Other Profit Reserves' for the corresponding asset under shareholders' equity. Fair value decreases per revaluation fund recorded in 'Other Profit Reserves' are charged to the income statement.

The movements of the revaluation increase for the land and buildings accounted for using revaluation model is below:

	<b>2022</b>	<b>2021</b>
Beginning – January 1	235,541,545	142,788,279
Increase in value arising(decreasing) from revaluation	212,560,000	114,857,000
Deferred tax arising from revaluation difference	36,172,544	(22,103,734)
<b>Period ending - December 31</b>	<b>484,274,089</b>	<b>235,541,545</b>

As of December 31 2022, and 2021, reconciliation between net book value, calculated by costs of properties held for own use and revalued amounts are as follows:

	<b>December 31 2022</b>	<b>December 31 2021</b>
Cost	51,743,389	51,743,389
Accumulated depreciation (-)	(20,682,478)	(19,777,038)
<b>Net book value</b>	<b>31,060,911</b>	<b>31,966,351</b>

As of December 31 2022, and 2021, reconciliation between net book value, calculated by costs of properties held for own use and revalued amounts are as follows:

	<b>December 31 2022</b>	<b>December 31 2021</b>
Revaluated amount	515,335,000	302,775,000
Net book values calculated on cost values	(31,060,911)	(31,966,351)
<b>Revaluation fund before tax</b>	<b>484,274,089</b>	<b>270,808,649</b>
Calculated deferred tax liability	-	(35,267,104)
<b>Revaluation fund, (net) (Note 15)</b>	<b>484,274,089</b>	<b>235,541,545</b>

There is no commitment on the properties held for use (December 31, 2021: None).

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 7. INVESTMENT PROPERTY

As at December 31, 2022 and 2021, movements of the investment properties are as follows:

	January 1, 2022	Additions	Disposals	Valuation	Increase	Transfers	December 31, 2022
<b>Cost:</b>							
Investment properties	51,300,737	-	-	56,135,034	-	107,435,771	
	January 1, 2021	Additions	Disposals	Valuation	Increase	Transfers	December 31, 2021
<b>Cost:</b>							
Investment properties	33,799,258	-	-	17,501,479	-	51,300,737	

The lands and buildings for getting rental income or holding for appreciation or for both instead of using in the operations of the Company, administrative purposes or sailing in the ordinary course of business, are classified as investment properties.

As of December 31, 2022 and 2021, investment properties are reflected into the financial statements at their fair values obtained from appraisal reports prepared by independent professional valuation experts.

	December 31, 2022	December 31, 2021
İzmir Konak Land <sup>(1)</sup>	49,594,771	28,612,368
Tekirdağ Farm <sup>(2)</sup>	27,567,000	6,300,000
Other land and buildings <sup>(2)</sup>	30,274,000	16,388,369
<b>Total</b>	<b>107,435,771</b>	<b>51,300,737</b>

(1) "The related real estate has been valued using the 'peer comparison approach' method.

(2) "The relevant real estates were valued using the 'Equivalent comparison approach' and 'Cost approach' methods.

Rental income is TRY718,503 from investment properties (January 1 - December 31, 2021: TRY554,274). There are no pledges on the investment properties (December 31, 2021: None).



**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**8. INTANGIBLE ASSETS**

Movements in intangible assets in the period from January 1 to December 31, 2022 and 2021 are as follows:

	January 1, 2022	Additions	Disposals	Transfers	December 31, 2022
<b>Cost:</b>					
Rights	49,310,640	21,790,016	(69,302)	-	71,031,354
Computer softwares	38,238,939	-	-	-	38,238,939
	<b>87,549,579</b>	<b>21,790,016</b>	<b>(69,302)</b>	<b>-</b>	<b>109,270,293</b>
<b>Accumulated amortization:</b>					
Rights	(24,540,991)	(9,926,126)	1,926	-	(34,465,191)
Computer software	(35,379,839)	(767,284)	-	-	(36,147,123)
	<b>(59,920,830)</b>	<b>(10,693,410)</b>	<b>1,926</b>	<b>-</b>	<b>(70,612,314)</b>
<b>Net book value</b>	<b>27,628,749</b>				<b>38,657,979</b>
	January 1, 2021	Additions	Disposals	Transfers	December 31, 2021
<b>Cost:</b>					
Rights	29,771,903	19,538,737	-	-	49,310,640
Computer software	38,238,939	-	-	-	38,238,939
	<b>68,010,842</b>	<b>19,538,737</b>	<b>-</b>	<b>-</b>	<b>87,549,579</b>
<b>Accumulated amortization:</b>					
Rights	(17,454,578)	(7,086,413)	-	-	(24,540,991)
Computer software	(32,675,216)	(2,704,623)	-	-	(35,379,839)
	<b>(50,129,794)</b>	<b>(9,791,036)</b>	<b>-</b>	<b>-</b>	<b>(59,920,830)</b>
<b>Net book value</b>	<b>17,881,048</b>				<b>27,628,749</b>

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**9. INVESTMENT IN EQUITY SHARES**

	December 31, 2022			December 31, 2021		
	Share(%)	Cost	Book Value	Share(%)	Cost	Book Value
Vakıf Finansal Kiralama A.Ş.	-	-	-	15.65	78,244,918	241,776,797
Vakıf Menk. Kıy. Yat. Ort. A.Ş.	-	-	-	11.00	3,300,000	18,281,998
Vakıf Gayrimenkul Yatı. Ort. A.Ş.	-	-	-	0.87	8,705,501	13,929,579
<b>Publicly traded investment in equity shares <sup>(1)</sup></b>		-	-		<b>90,250,419</b>	<b>273,988,374</b>
Türkiye Hayat ve Emeklilik A.Ş. <sup>(2)</sup>	7.36	55,650,000	2,233,415,588	7.36	27,260,175	971,497,028
Other		2,226,317	2,122,296		38,371,801	96,331,022
<b>Other investments in equity shares</b>		<b>57,876,317</b>	<b>2,235,537,884</b>		<b>65,631,976</b>	<b>1,067,828,050</b>
Türk P ve I Sigorta A.Ş. <sup>(3)</sup>	50.00	12,500,000	786,550,000	50.00	12,500,000	12,500,000
<b>Investments in Joint Ventures</b>		<b>12,500,000</b>	<b>786,550,000</b>		<b>12,500,000</b>	<b>12,500,000</b>
OSEM Sertifikasyon A.Ş. <sup>(4)</sup>	100.00	18,215,590	18,215,590	100.00	10,254,125	10,254,125
<b>Subsidiaries</b>		<b>18,215,590</b>	<b>18,215,590</b>		<b>10,254,125</b>	<b>10,254,125</b>
<b>Financial assets total</b>		<b>88,591,907</b>	<b>3,040,303,474</b>		<b>178,636,520</b>	<b>1,364,570,549</b>

(1) Affiliated securities whose shares are traded on the stock exchange are valued at the stock market value on the balance sheet date.

(2) The Company has classified its investment in Türkiye Hayat ve Emeklilik A.Ş. as linked securities in its financial statements and has been accounted for at fair value. As of December 31, 2022, the fair value of the investment has been determined by a CMB licensed valuation company based on the valuation study made on January 4, 2023. Within the scope of the valuation study, the fair value of the related investment; it is calculated by weighting (50%-50%) according to the discounted dividend model and market multipliers methods. If the annual discount rate used in the valuation study was reduced by 1%, the fair value of the investment would increase by TRY 88,597,711; If it had been increased by 1%, it would have decreased by TRY 78,627,894 (As of December 31, 2021, the fair value of the investment has been determined by a valuation company licensed by the CMB based on the valuation study made on January 12, 2022. The fair value of the related investment within the scope of the mentioned valuation study; calculated by weighting according to the Discounted Dividend Model and Market Multiplier methods (50%, 50%, respectively). If the annual discount rate used in the valuation study was decreased by 1%, the fair value of the investment would increase by TRY 35,031,853, if increased by 1%, it would decrease by TRY 30,913,747).

(3) As of 31 December 2022, the Company has accounted for its investment in Türk P and I Sigorta A.Ş with its fair value in the balance sheet within the scope of TAS 27, "Individual Financial Statements" standard. As of 31 December 2022, the fair value of the investment has been determined by a CMB licensed valuation company based on the valuation study conducted on 4 January 2023 Within the scope of the valuation study, the fair value of the related investment; It is calculated by weighting the ratios of 75%-25% according to the discounted dividend model and market multipliers methods, respectively. If the annual discount rate used in the valuation is reduced by 1%, the fair value of the investment will increase by TL 80,600,000; If it had been increased by 1%, 65,650,000 TL would have decreased. Fair value differences are accounted for in the "Valuation of Financial Assets" account in equity.

(4) It is carried at cost in the balance sheet within the scope of TAS 27, "Individual Financial Statements" standard.

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**9. INVESTMENT IN EQUITY SHARES (Continued)**

Movements of financial fixed assets during the period as follows:

	2022	2021
Beginning of the period – January 1	1,364,570,549	1,130,185,821
Fair value increases, recognized in equity	2,044,276,100	180,598,738
Purchase share	(368,543,175)	49,376,590
Other	-	4,409,400
<b>Period ending – December 31</b>	<b>3,040,303,474</b>	<b>1,364,570,549</b>

**10. REINSURANCE ASSETS AND LIABILITIES**

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

	December 31, 2022	December 31, 2021
<b>Reinsurance Assets/(Liabilities)</b>		
Provision for outstanding claims, ceded (Note 17)	6,783,881,701	3,900,333,946
Reserve for unearned premiums, ceded (Note 17)	5,138,167,362	3,468,615,657
Reserve for unexpired risks reinsurance share (Note 17)	358,403,497	264,634
Unearned premiums SSI share (Note 17)	332,020,272	98,947,319
Deferred commission income (Note 19)	(913,861,548)	(491,674,938)
Current account net debts of reinsurer companies	(2,390,552,087)	(1,874,235,378)

As of December 31, 2022, the Company accounted for a provision amounting to TRY136,804,609 in short term 'other technical provisions' for the claim receivables from several reinsurance companies and reinsurance share of certain outstanding claim files considering that they are under arbitration process or impaired (December 31, 2021: TRY200,386,673) (Note 17).

	January 1- December 31, 2022	January 1- December 31, 2021
<b>Reinsurance Income/(Expenses)</b>		
Change in Unearned premium reserve- Reinsurer Share	2,883,547,755	1,378,630,698
Paid Claims - Reinsurer Share	1,813,825,463	1,217,107,538
Outstanding claim provision- Reinsurer Share	1,669,551,705	1,169,680,580
Commissions received from reinsurers, net	1,307,777,194	824,844,936
Unexpired risk Reserve - Reinsurer Share	358,138,863	(15,115,845)
Change in Unearned premium reserve SSI Share	233,072,953	46,596,952
Ceded premiums to reinsurers	(11,797,107,742)	(6,580,416,021)
Ceded premiums to SSI	(593,779,883)	(177,301,773)

Detailed explanations about reinsurance agreements are disclosed in Note 2.14

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 11. FINANCIAL ASSETS

	December 31, 2022	December 31, 2021
Available-for-Sale Financial Asset	2,260,695,716	733,378,944
Held to Maturity Investments	1,028,456,030	149,676,608
Financial assets held for trading	5,316,472,818	1,290,791,464
	<b>8,605,624,564</b>	<b>2,173,847,016</b>

As of December 31, 2022, and 2021 the details of the Company's trading financial assets are as follows:

December 31, 2022	Fair Nominal	Book Value	Value
<b>Available for Sale Financial Asset</b>	<b>2,165,895,163</b>	<b>2,260,695,716</b>	<b>2,260,695,716</b>
Government debt securities	2,165,893,234	2,260,658,303	2,260,658,303
Stocks	1,929	37,413	37,413
<b>Held to Maturity Investments</b>	<b>844,505,770</b>	<b>939,056,207</b>	<b>1,028,456,030</b>
Private sector bond	26,662,348	54,334,583	235,320,686
Government debt securities	277,064,117	345,951,675	243,539,093
Other financial assets	540,779,305	538,769,949	549,596,251
<b>Financial assets held for trading</b>	<b>4,839,059,488</b>	<b>5,316,472,818</b>	<b>5,316,472,818</b>
Private sector bond	1,961,783,746	2,085,821,294	2,085,821,294
Investment Funds	2,706,530,638	2,968,154,131	2,968,154,131
Government debt securities	12,291,429	15,627,469	15,627,469
Stocks	<b>158,453,675</b>	<b>246,869,924</b>	<b>246,869,924</b>
<b>Total Available for Sale Financial Asset</b>	<b>7,849,460,421</b>	<b>8,516,224,741</b>	<b>8,605,624,564</b>

December 31, 2021	Fair Nominal	Book Value	Value
<b>Available for Sale Financial Asset</b>	<b>791,932,722</b>	<b>733,378,944</b>	<b>733,378,944</b>
Government debt securities	791,930,793	733,341,532	733,341,532
Stocks	1,929	37,412	37,412
<b>Held to Maturity Investments</b>	<b>99,698,675</b>	<b>156,108,863</b>	<b>149,676,608</b>
Private sector bond	10,000,000	10,000,000	10,111,909
Government debt securities	89,698,675	146,108,863	139,564,699
<b>Financial assets held for trading</b>	<b>1,286,245,608</b>	<b>1,290,791,464</b>	<b>1,290,791,464</b>
Private sector bond	1,149,264,236	1,179,669,268	1,179,669,268
Government debt securities	136,981,372	111,122,196	111,122,196
	<b>2,177,877,005</b>	<b>2,180,279,271</b>	<b>2,173,847,016</b>

As of 31 December 2022, 423,562,629 TL of financial assets are blocked in favor of SEDDK. (December 31, 2021 TRY 452,246,166).

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**11. FINANCIAL ASSETS (Continued)**

Movements of financial assets during the period as follows:

	January 1, 2022	Purchase	Sales/ Amortizations	Valuation increase/ (decrease)	December 31, 2022
Available-for-Sale Financial Assets	733,378,944	3,339,808,110	(1,907,292,077)	94,800,739	2,260,695,716
Held to Maturity Investments	149,676,608	5,064,612,170	(4,762,433,934)	576,601,186	1,028,456,030
Financial assets held for trading	1,290,791,464	6,219,245,414	(2,670,969,728)	477,405,668	5,316,472,818
<b>Total</b>	<b>2,173,847,016</b>	<b>14,623,665,694</b>	<b>(9,340,695,739)</b>	<b>1,148,807,593</b>	<b>8,605,624,564</b>

	January 1, 2021	Purchase	Sales/ Amortizations	Valuation increase/ (decrease)	December 31, 2021
Available-for-Sale Financial Assets	37,412	791,932,722	-	(58,591,190)	733,378,944
Held to Maturity Investments	37,396,299	73,131,502	-	39,148,807	149,676,608
Financial assets held for trading	149,813,209	2,924,688,434	(1,793,601,314)	9,891,135	1,290,791,464
<b>Total</b>	<b>187,246,920</b>	<b>3,789,752,658</b>	<b>(1,793,601,314)</b>	<b>(9,551,248)</b>	<b>2,173,847,016</b>

**12. LOANS AND RECEIVABLES**

	December 31, 2022	December 31, 2021
Receivables from operating activities (Note 4.2)	4,535,533,038	3,376,909,487
Prepaid taxes and funds (Note 4.2)	51,512,542	46,854,946
Other receivables (Note 4.2)	16,586,270	20,960,793
	<b>4,603,631,850</b>	<b>3,444,725,226</b>
Short - term receivables	4,597,584,084	3,438,713,541
Long-term receivables	6,047,766	6,011,685
	<b>4,603,631,850</b>	<b>3,444,725,226</b>

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 12. LOANS AND RECEIVABLES (Continued)

As at December 31, 2022 and December 31, 2021, receivables from operating activities are detailed as follows:

	December 31, 2022	December 31, 2021
Receivables from agents, brokers and intermediaries	3,508,401,828	2,729,877,540
Receivables from policyholders	355,003,084	286,321,229
Receivables from reinsurance	584,700,606	311,526,634
Salvage and subrogation (Note 2.20)	102,305,586	64,021,103
<b>Total receivables from main insurance operations</b>	<b>4,550,411,104</b>	<b>3,391,746,506</b>
Provision for salvage and subrogation receivables (Note 2.20)	(14,375,566)	(14,184,652)
Provision for premium receivables	(4,117,714)	(4,447,360)
<b>Provisions for receivables from insurance operations</b>	<b>(18,493,280)</b>	<b>(18,632,012)</b>
<b>Total receivables from main insurance operations - net</b>	<b>4,531,917,824</b>	<b>3,373,114,494</b>
Salvage and subrogation receivables under administrative and legal follow up - net	648,105,114	554,472,860
Doubtful receivables from main operations	41,896,610	31,895,825
<b>Doubtful receivables from main operations</b>	<b>690,001,724</b>	<b>586,368,685</b>
<b>Receivables from main operations - gross</b>	<b>5,221,919,548</b>	<b>3,959,483,179</b>
Provisions for salvage and subrogation receivables under administrative and legal follow up	(648,105,114)	(554,472,860)
Provisions for doubtful receivables from main operations	(38,281,396)	(28,100,832)
<b>Allowances for doubtful receivables from main operating activities</b>	<b>(686,386,510)</b>	<b>(582,573,692)</b>
<b>Receivables from main operations</b>	<b>4,535,533,038</b>	<b>3,376,909,487</b>

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

The receivables and payables denominated in foreign currencies and detailed analyses of foreign currency balances are presented in Note 4.2.

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**13. DERIVATIVE FINANCIAL INSTRUMENTS**

	December 31, 2022				Total
	Up to 3 months	3 months - 1 year	1 year - 5 year	More than 5 years	
Currency protected deposit <sup>(1)</sup>	478,779,305	-	-	-	478,779,305
<b>Total</b>	<b>478,779,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>478,779,305</b>

<sup>(1)</sup> It has been classified under "Financial Assets Held to Maturity" in accordance with the relevant legislation.

In the accounting period ending on 31 December 2022, the Company recognized a net derivative transaction income amounting to TL 89,468,769 in the income statement due to the transactions carried out during the period. (2021: None) (Note 26).

**14. CASH AND CASH EQUIVALENT ASSETS**

As of December 31, 2022, and December 31, 2021, cash and cash equivalents are as follows:

	December 31, 2022	December 31, 2021
Banks	6,903,558,985	5,314,977,287
Receivables from Credit Cards	2,130,646,154	788,569,923
	<b>9,034,205,139</b>	<b>6,103,547,210</b>
Blocked amounts	(1,244,497,142)	(514,405,984)
Accrued interest bank deposits	(114,337,661)	(58,045,574)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>7,675,370,336</b>	<b>5,531,095,652</b>

	December 31, 2022	December 31, 2021
Foreign currency denominated bank deposit		
- Time deposit	888,928,902	576,352,949
- Demand deposit	21,109,310	9,548,845
Bank deposit in Turkish Lira		
- Time deposit	5,892,658,624	4,693,735,005
- Demand deposit	100,862,149	35,340,488
<b>Banks</b>	<b>6,903,558,985</b>	<b>5,314,977,287</b>

As of December 31, 2022, the Company has blocked bank deposits in favour of Ministry of Treasury and Finance in the amount of TRY885,802,308 (December 31, 2021: TRY317,502,954), Tarım Sigortaları Havuz İşletmeleri A.Ş.'s (TARSİM) the amount of TRY349,750,534 (December 31, 2021: TRY189,442,953), and Central Bank of Turkish Republic of Northern Cyprus in the amount of TRY8,944,300 (December 31, 2021: TRY7,460,077 TL).

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 14. CASH AND CASH EQUIVALENT ASSETS (Continued)

As of December 31, 2022, maturity distributions of time deposits are between 2 days and 189 days (December 31, 2021: 2-189 days). Interest rates of time deposits are as follows.

	December 31, 2022	December 31, 2021
TRY	15.00% -27.00%	14.75% - 25.00%
USD	1.50% - 4.50%	1.18%
EUR	1.00%- 3.50%	0.52%

### 15. SHAREHOLDERS EQUITY

#### Paid in capital

The Company's paid-in capital as of December 31, 2022 and December 31, 2021, is TRY1,161,523,363; It is divided into 1,161,523,363 shares, each with a nominal value of TRY1. As of December 31, 2022 and December 31, 2021, the capital group controlled directly concerned with 81.10% share capital by TVF Finansal Yatırımlar A.Ş. on the Company.

Capital Reserves	December 31, 2022	December 31, 2021
Funds of profit from sale of properties	80,135,867	80,135,867
Premium on issued shares	7,020,555	7,020,555
Share Repurchased	(85,634,312)	(12,328,131)
<b>Capital Reserves</b>	<b>1,522,110</b>	<b>74,828,291</b>

In accordance with tax legislation, 75% of profits from sales of land and buildings and participation shares included in the assets of companies is exempted from corporate tax on a condition that it is classified under a special fund for five years. The exempted gains cannot be transferred to another account except for capital expenditure or cannot be paid as dividend for five years.

#### Legal Reserves

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

	December 31, 2022	December 31, 2021
Legal Reserves	324,063,778	241,811,386
	<b>324,063,778</b>	<b>241,811,386</b>



**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**15. SHAREHOLDERS EQUITY (Continued)**

**Extraordinary Reserves**

	31 Aralık 2022	31 Aralık 2021
Extraordinary Reserves	740,275,301	307,517,679
Revaluation fund allocated according to tax legislation <sup>(1)</sup>	13,074,908	-
	<b>753,350,209</b>	<b>307,517,679</b>

<sup>(1)</sup> The mentioned fund has been reserved in accordance with the relevant tax legislation and cannot be subject to profit distribution.

**Valuation of financial assets**

As at December 31, 2022, December 31, 2021, financial assets classified as available for sale securities, investments and equity securities resulting from changes in the fair value of the details are as follows:

	December 31, 2022	December 31, 2021
Investment in equity shares	2,834,326,564	1,134,601,892
<b>Valuation of financial assets</b>	<b>2,834,326,564</b>	<b>1,134,601,892</b>

As at December 31, 2022 and December 31, 2021, financial assets classified as available for sale securities, investments and equity securities resulting from changes in the fair value of the details are as follows:

	2022	2021
Beginning of the period – January 1	1,134,601,892	1,010,715,148
Fair value increase, net	1,850,083,751	119,254,281
Tax effect on fair value increase, net	(150,359,079)	4,632,463
<b>Period ending – December 31</b>	<b>2,834,326,564</b>	<b>1,134,601,892</b>

**Other profit reserves**

	December 31, 2022	December 31, 2021
Revaluation fund (Note 6)	484,274,089	235,541,545
Earthquake claim provision transferred to shareholder's equity	19,490,473	19,490,473
Transferred reserves from profits of prior years'	6,592,945	6,592,946
Actuarial loss (-)	(108,259,899)	(20,978,121)
<b>Other profit reserves</b>	<b>402,097,608</b>	<b>240,646,843</b>

**Dividends**

The Company with the decision taken at the Extraordinary General Assembly, decided to distribute a dividend of TRY530,216,046 to its shareholders on the said date at its General Assembly dated March 28, 2022 (2021: TRY493,000,000).

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 16. OTHER RESERVES AND EQUITY COMPONENT OF DISCRETIONARY PARTICIPATION FEATURE

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS

As of December 31, 2022 ve December 31, 2021, details of technical provisions are as follows:

	December 31, 2022	December 31, 2021
Reserve for unearned premiums, gross	14,618,128,913	6,763,617,293
Reserve for unearned premiums, ceded (Note 10)	(6,783,881,701)	(3,900,333,946)
Reserve for unearned premiums, SSI ceded (Note 10)	(332,020,272)	(98,947,319)
<b>Reserve for unearned premiums, net</b>	<b>7,502,226,940</b>	<b>2,764,336,028</b>
Provision for outstanding claims, gross	11,036,700,384	7,205,869,195
Provision for outstanding claims, ceded (Note 10)	(5,138,167,362)	(3,468,615,657)
<b>Provision for outstanding claims, net</b>	<b>5,898,533,022</b>	<b>3,737,253,538</b>
<b>Reserve for unexpired risks, net</b>	<b>1,178,816,442</b>	<b>26,715,793</b>
<b>Equalization provision, net</b>	<b>159,944,693</b>	<b>130,853,892</b>
<b>Bonuses and discounts provision, net</b>	<b>10,029,321</b>	<b>10,029,321</b>
<b>Other technical provisions, net</b>	<b>136,804,609</b>	<b>200,386,673</b>
<b>Total technical provisions, net</b>	<b>14,886,355,027</b>	<b>6,869,575,245</b>

## TÜRKİYE SİGORTA AŞ

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)

In accordance with the December 5, 2014 dated and 2014/16 numbered 'Circular on Provision for Outstanding Claim' by Ministry of Treasury and Finance, the Company decided ACLM methods for each branch depending on the actuary's recommendation. In addition, development and tail factors has been determined by using statistical methods and implemented to ACLM triangles in accordance with actuary's opinion. The ACLM calculations are performed on a gross basis and the net amounts are determined in accordance with the methods presented below. As of December 31, 2022 and 2021, ACLM calculation methods for branches and as a result of these calculations, additional gross or net reserves that will be reserved or that will be reduced from reserves are described below:

	Method Used	December 31, 2022		December 31, 2021	
		Provision	Provision	Provision	Provision
		Gross Add	Net Add	Gross Add	Net Add
Compulsory Traffic	Standard/	7,045,085,424	5,767,242,011	3,241,824,350	2,630,379,354
General Liability	Standard/Bornhuetter Ferguson	961,805,298	73,131,135	495,974,557	47,976,799
Facultative Financial Liability	Standard/	157,453,371	157,219,569	46,733,800	46,586,377
Air Vehicles	Claim/Premium	145,729,135	-	270,167,822	-
Fire and Natural Disasters	Standard	128,646,176	9,472,028	(4,284,978)	(14,063,745)
General Losses	Standard	108,384,842	5,552,361	26,226,247	3,660,788
Air vehicles Liability	CapeCod	63,807,640	-	188,676,376	-
Accident	Standard/Frequency Intensity	37,165,073	26,052,187	24,501,352	16,402,690
Marine	Standard	25,844,550	5,940,715	7,907,330	2,755,357
Financial Losses	Standard	25,697,077	1,319,620	7,823,872	705,142
Health	Standard	12,232,787	12,232,787	15,152,053	15,152,053
Water Vehicles	Standard	10,105,867	648,195	4,564,740	406,248
Surety	Standard	5,028,082	445,971	2,472,988	180,736
Legal Protection	Standard	171,475	170,689	81,376	62,487
Credits	Standard	19,331	49,420	197,994	(27,900)
Land Vehicles	Standard/Bornhuetter Ferguson	(20,567,406)	(20,362,950)	(30,875,525)	(30,896,743)
<b>Total</b>		<b>8,706,608,722</b>	<b>6,039,113,738</b>	<b>4,297,144,354</b>	<b>2,719,279,643</b>

**CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)**

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

<b>Branches</b>	<b>Used Net Off Method</b>
Compulsory Traffic	Conservation rate of incurred claims in incurred period
General Liability	Conservation rate of incurred claims in incurred period (after large claim elimination)
Air Vehicles	Conservation rate of incurred claims in incurred period
Fire and Natural Disasters	Conservation rate of incurred claims in incurred period (after large claim elimination)
Air vehicles Liability	Conservation rate of incurred claims in incurred period
Facultative Financial Liability	Conservation rate of incurred claims in incurred period
General Loses	Conservation rate of incurred claims in incurred period (after large claim elimination)
Accident	Conservation rate of incurred claims in incurred period (after large claim elimination)
Financial Losses	Conservation rate of incurred claims in incurred period (after large claim elimination)
Marine	Conservation rate of incurred claims in incurred period
Water Vehicles	Conservation rate of incurred claims in incurred period (after large claim elimination)
Health	Conservation rate of incurred claims in incurred period
Legal Protection	Conservation rate of incurred claims in incurred period
Breach of Trust	Conservation rate of incurred claims in incurred period (after large claim elimination)
Motor Vehicles	Conservation rate of incurred claims in incurred period

The Company, while doing the ACLM calculations, eliminated the major 3 claims in a separate file to have a more homogeneous data set of calculations with the statistical methods, accepted by circular. As a result of these investigations, it has intervened in the end claims that are thought to have a misleading effect on the claim developments in the Safety Abuse, General Losses, Financial Losses, Water Vehicles and Fire branches. The large loss limits used for the Compulsory Traffic branch were used for the development coefficients selections and the files exceeding these limits were not subjected to elimination. No end claim elimination has been made for other branches.

<b>Branches</b>	<b>December 31, 2022</b>
	4,597,858
General Loses	896,758
Fire and Natural Disasters	Manuel
Breach of Trust	Manuel
Water Vehicles	Manuel
Financial Losses	Manuel
Accident	Manuel
General Responsible	Manuel
Logistics	

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)**

As of December 31, 2022 and 2021, movements of insurance liabilities and reinsurance assets are as follows:

**Reserve for unearned premiums:**

	2022			Net
	Gross	Reinsurer's Share	SSI Ceded	
Beginning of the period - January 1	6,763,617,293	(3,900,333,946)	(98,947,319)	2,764,336,028
Written premium during the period	25,173,422,675	(11,797,107,742)	(593,779,883)	12,782,535,050
Earned premiums during the period	(17,318,911,055)	8,913,559,987	360,706,930	(8,044,644,138)
<b>Period ending – December 31</b>	<b>14,618,128,913</b>	<b>(6,783,881,701)</b>	<b>(332,020,272)</b>	<b>7,502,226,940</b>

	2021			Net
	Gross	Reinsurer's Share	SSI Ceded	
Beginning of the period -January 1	4,469,016,922	(2,521,703,248)	(52,350,367)	1,894,963,307
Written premium during the period	11,749,646,570	(6,580,416,021)	(177,301,773)	4,991,928,776
Earned premiums during the period	(9,455,046,199)	5,201,785,323	130,704,821	(4,122,556,055)
<b>Period ending – December 31</b>	<b>6,763,617,293</b>	<b>(3,900,333,946)</b>	<b>(98,947,319)</b>	<b>2,764,336,028</b>

**Provision for outstanding claims:**

	2022			
	Gross	Reinsurer's Share	Net	
<b>Beginning of the period – January 1</b>		6,124,238,196	(3,171,654,666)	2,952,583,530
Notified claims during the period and changes in estimates regarding the outstanding claims reserve at the beginning of the period		10,547,451,114	(3,942,900,839)	6,604,550,275
Claims paid during the period		(6,915,516,192)	1,813,825,463	(5,101,690,729)
<b>Total reported claims end of the period</b>		<b>9,756,173,118</b>	<b>(5,300,730,042)</b>	<b>4,455,443,076</b>
Deduction amount calculated in accordance with winning ratio		(1,167,167,139)	423,167,355	(743,999,784)
Incurred but not reported claims		8,706,608,722	(2,667,494,984)	6,039,113,738
Discount adjustment for outstanding claim reserve		(6,258,914,317)	2,406,890,309	(3,852,024,008)
<b>Period ending - December 31</b>		<b>11,036,700,384</b>	<b>(5,138,167,362)</b>	<b>5,898,533,022</b>

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)

	2021		
	Gross	Reinsurer's Share	Net
<b>Beginning of the period - January 1</b>	<b>4,163,921,941</b>	<b>(2,037,374,895)</b>	<b>2,126,547,046</b>
Notified claims during the period and changes in estimates regarding the outstanding claims reserve at the beginning of the period	3,053,669,412	(1,583,937,643)	1,469,731,769
Claims paid during the period	(1,093,353,157)	449,657,872	(643,695,285)
<b>Total reported claims end of the period</b>	<b>6,124,238,196</b>	<b>(3,171,654,666)</b>	<b>2,952,583,530</b>
Deduction amount calculated in accordance with winning ratio	(802,043,306)	316,378,905	(485,664,401)
Incurred but not reported claims	4,297,144,354	(1,577,864,711)	2,719,279,643
Discount adjustment for outstanding claim reserve	(2,413,470,049)	964,524,815	(1,448,945,234)
<b>Period ending - December 31</b>	<b>7,205,869,195</b>	<b>(3,468,615,657)</b>	<b>3,737,253,538</b>

#### Equalization provision:

	2022		
	Gross	Reinsurer's Share	Net
Beginning of the period - January 1	513,934,240	(383,080,348)	130,853,892
Net change	217,746,713	(188,655,912)	29,090,802
<b>Period ending - December 31</b>	<b>731,680,953</b>	<b>(571,736,260)</b>	<b>159,944,693</b>

	2021		
	Gross	Reinsurer's Share	Net
Beginning of the period - January 1	387,622,089	(278,348,461)	109,273,628
Net change	126,312,151	(104,731,887)	21,580,264
<b>Period ending - December 31</b>	<b>513,934,240</b>	<b>(383,080,348)</b>	<b>130,853,892</b>

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)**

**Unexpired Risk Provision:**

	2022		
	Gross	Reinsurer's Share	Net
Beginning of the period - January 1	26,980,427	(264,634)	26,715,793
Net change	1,510,239,512	(358,138,863)	1,152,100,649
<b>Period ending - December 31</b>	<b>1,537,219,939</b>	<b>(358,403,497)</b>	<b>1,178,816,442</b>
	2021		
	Gross	Reinsurer's Share	Net
Beginning of the period - January 1	20,513,696	(15,380,479)	5,133,217
Net change	6,466,731	15,115,845	21,582,576
<b>Period ending - December 31</b>	<b>26,980,427</b>	<b>(264,634)</b>	<b>26,715,793</b>

**Claim Development Tables**

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

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

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)**

December 31, 2022

Claim period	January 1, 2016 - December 31, 2016	January 1, 2017 - December 31, 2017	January 1, 2018 - December 31, 2018	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020	January 1, 2021 - December 31, 2021	January 1, 2022 - December 31, 2022	Total
Claim Year								
1 year later	1,177,948,850	1,497,880,059	1,884,015,864	1,828,489,239	2,245,872,872	3,530,295,455	7,579,524,348	19,744,026,687
2 year later	591,267,520	877,253,567	1,038,594,289	809,268,588	1,443,912,115	2,612,401,875	-	7,372,697,954
3 year later	373,480,863	536,738,469	896,060,911	645,420,954	840,107,009	-	-	3,291,808,206
4 year later	344,422,638	466,068,456	1,129,021,083	636,190,720	-	-	-	2,575,702,897
5 year later	331,028,411	565,538,084	1,206,105,756	-	-	-	-	2,102,672,251
6 year later	378,610,794	628,687,646	-	-	-	-	-	1,007,298,440
7 year later	423,663,994	-	-	-	-	-	-	423,663,994
<b>Total incurred</b>								
<b>Loss- gross</b>	<b>3,620,423,070</b>	<b>4,572,166,281</b>	<b>6,153,797,903</b>	<b>3,919,369,501</b>	<b>4,529,891,996</b>	<b>6,142,697,330</b>	<b>7,579,524,348</b>	<b>36,517,870,429</b>

December 31, 2021

Claim Period	January 1, 2015 - December 31, 2015	January 1, 2016 - December 31, 2016	January 1, 2017 - December 31, 2017	January 1, 2018 - December 31, 2018	January 1, 2019 - December 31, 2019	January 1, 2020 - December 31, 2020	January 1, 2021 - December 31, 2021	Total
Claim Year								
1 year later	1,086,577,937	1,177,952,420	1,497,866,601	1,884,007,785	1,828,491,740	2,245,873,108	3,530,292,981	13,251,062,572
2 year later	574,496,410	591,248,864	877,256,310	1,038,592,342	809,266,293	1,443,912,981	-	5,334,773,200
3 year later	370,060,348	373,476,450	536,743,186	896,069,850	645,414,135	-	-	2,821,763,969
4 year later	353,770,346	344,413,598	466,067,090	1,129,016,926	-	-	-	2,293,267,960
5 year later	334,915,314	331,028,345	565,538,084	-	-	-	-	1,231,481,743
6 year later	347,324,787	378,608,626	-	-	-	-	-	725,933,413
7 year later	389,272,655	-	-	-	-	-	-	389,272,655
<b>Total incurred</b>								
<b>Loss-gross</b>	<b>3,456,417,797</b>	<b>3,196,728,303</b>	<b>3,943,471,271</b>	<b>4,947,686,903</b>	<b>3,283,172,168</b>	<b>3,689,786,089</b>	<b>3,530,292,981</b>	<b>26,047,555,512</b>

**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**

	December 31, 2022		December 31, 2021	
	Should be placed (*)	Placed (**)	Should be placed(*)	Placed
Non-life:				
Banks deposits		885,802,308		317,502,954
Financial assets		423,562,629		452,246,166
	<b>1.822.562.460</b>	<b>1,309,364,937</b>	<b>782,724,742</b>	<b>769,749,120</b>

(\*) Under the article 4 of the 'The Communiqué on the Financial Structure of Insurance, Reinsurance and Pension Companies', published in accordance with the Insurance Law, in the Official Gazette dated 7 August 2007 and numbered 26606, the insurance companies and private pension companies operating in life and personal accident branches are required to provide guarantees that equal to one third of required capital amount as determined by capital adequacy calculation, as Minimum Guarantee Fund, in each capital adequacy calculation period.

(\*\*) As of December 31, 2021, the collateral amount calculated as a result of capital adequacy will be established within the legal period.



**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)**

**Total amount of insurance risk on a branch basis**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Motor Vehicles Liability	23,129,486,161,763	9,912,825,540,190
Fire and Natural Disasters	4,038,136,356,634	3,084,382,476,652
Health	2,959,721,496,809	836,673,798,309
General Losses	835,321,068,705	816,193,516,910
Accident	304,773,045,670	133,205,193,086
General Liability	278,619,971,937	235,127,782,599
Motor Vehicles	204,445,063,932	189,748,861,205
Air Vehicles Liability	176,201,543,900	96,540,261,740
Financial Losses	84,443,999,678	46,655,242,503
Marine	35,151,722,166	30,863,462,133
Other	384,277,053,500	47,083,428,593
<b>Total</b>	<b>32,430,577,484,694</b>	<b>15,429,299,563,920</b>

**Company's number of life insurance policies, additions, disposals during the year and the related mathematical reserves**

None (December 31, 2021: None).

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

None (December 31, 2021: None).

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

None (December 31, 2021: None).

**Deferred commission expenses**

Deferred portion of commissions paid to the intermediaries in relation to the policy production are capitalized under the account of 'short-term prepaid expenses' in the accompanying financial statements. Total prepaid expenses amounting to TRY1,902,896,221 (December 31, 2021: TRY791,419,559) is composed of deferred commission expenses amounting to TRY1,789,287,122 (December 31, 2021: TRY747,591,142) and other prepaid expenses amounting to TRY113,609,099 (December 31, 2021: TRY43,828,417).

**18. INVESTMENT CONTRACT LIABILITIES**

None (December 31, 2021: None).

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 19. TRADE AND OTHER PAYABLES DEFERRED INCOME

	December 31, 2022	December 31, 2021
Payables arising from operating activities	2,975,252,693	2,186,924,896
Deferred Commission Incomes (Note 10)	913,861,548	491,674,938
Payables to SSI	194,636,293	54,288,391
Other payables	36,781,701	26,812,458
Other various payables	165,994,195	74,131,567
	<b>4,286,526,430</b>	<b>2,833,832,250</b>

#### Other various payables

Payables to suppliers and contracted institutions	83,433,001	29,465,589
DASK current accounts	81,488,873	29,246,971
Other	1,072,321	15,419,007
	<b>165,994,195</b>	<b>74,131,567</b>

As of December 31, 2022, payables arising from operating activities are debts to reinsurance companies amounting to TRY2,972,582,418 (December 31, 2021: TRY1,932,094,062) (Note 10).

As of December 31, 2022, payables arising from main activities are debts amounting to TRY530,014,713 (December 31, 2021: TRY253,667,950) composed of TARSIM debts.

### 20. FINANCIAL PROPERTIES

#### Lease Liabilities

As of December 31, 2022 and 2021, the Company's total lease obligation and lease liabilities, which are recognized as part of the transition to TFRS 16 Leases, are as follows:

	December 31, 2022	December 31, 2021
Short - term leases liabilities	15,110,650	226,887
Long - term lease liabilities	22,709,308	18,777,202
Alternative borrowing rate and discount amount	(8,727,683)	(5,622,700)
<b>Total lease liabilities</b>	<b>29,092,275</b>	<b>13,381,389</b>

	2022	2021
As of January 1 total lease obligation	13,381,389	10,197,272
Rent payments	(12,646,866)	(7,426,327)
New adding and interest cost	28,357,752	10,610,444
<b>Total lease liabilities as of December 31</b>	<b>29,092,275</b>	<b>13,381,389</b>

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**21. FINANCIAL PROPERTIES (Continued)**

**Other Financial Liabilities**

	December 31, 2022		
	Annual Interest Rate (%)	Maturity (days)	Amount (TRY)
Halk Yatırım Menkul Değerler A.Ş.	12.18	21	1,422,024,298
İstanbul Takas ve Saklama Bankası A.Ş.	12.25	23	249,130,212
Ziraat Yatırım Menkul Değerler A.Ş.	11.00	7	200,120,457
<b>Total</b>			<b>1,871,274,967</b>

As of 31 December 2022, funds obtained from other financial debts are used in investment activities. (December 31, 2021: None).

**22. DEFERRED TAXES**

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

As December 31, 2022, December 31, 2021 the temporary giving rise to deferred income tax assets and liabilities with using enacted tax rates are follows.

	Deferred tax Assets/(liabilities)	
	December 31, 2022	December 31, 2021
Unexpired Risk Provision	294,704,111	6,678,948
Equalization provision	35,839,888	31,274,415
Provision for reinsurance receivables	34,201,152	50,096,668
Traded securities fair value differences	(197,075,018)	(46,715,941)
Other, net	86,505,516	(3,355,649)
<b>Total Deferred Tax Assets</b>	<b>254,175,649</b>	<b>37,978,441</b>

The movement of deferred tax (liabilities)/assets during the period are as follows:

	2022	2021
Beginning of the period -1 January	37,978,441	24,758,447
Deferred tax income/(expense)	300,447,077	29,125,841
Deferred tax, recognized in equity over the revaluation	(84,249,869)	(15,905,847)
<b>Period ending - December 31</b>	<b>254,175,649</b>	<b>37,978,441</b>

**22. RETIREMENT BENEFIT OBLIGATIONS**

None (December 31, 2021: None).

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 23. PROVISIONS FOR OTHER LIABILITIES AND EXPENSES

As at December 31, 2022, 2021 the details of the provisions for other liabilities and expenses are as follows:

	December 31, 2022	December 31, 2021
Personnel bonus provisions	91,000,000	41,744,066
Provision for unused vacations	24,399,725	11,992,419
Provision for case	9,991,761	7,903,210
Provisions for agency commission	850,000	27,493,793
Diğer	3,044,660	-
<b>Provision for accrued expenses</b>	<b>129,286,146</b>	<b>89,133,488</b>
Provision for severance pay	<b>173,782,773</b>	<b>45,544,344</b>

Movements of provision for cost expense during the period are presented below:

	Personnel bonus provisions	Provisions for agency commission	Other	Total
Beginning of the period - 1 January 2022	41,744,066	27,493,793	19,895,629	89,133,488
Changes during the period	49,255,934	(26,643,793)	17,540,517	40,152,658
<b>At the end of the period</b>				
<b>December 31, 2021</b>	<b>91,000,000</b>	<b>850,000</b>	<b>37,436,146</b>	<b>129,286,146</b>

	Personnel bonus provisions	Provisions for agency commission	Other	Total
Beginning of the period - 1 January 2021	34,660,324	30,951,288	14,594,454	80,206,066
Changes during the period	7,083,742	(3,457,495)	5,301,175	8,927,422
<b>At the end of the period</b>				
<b>December 31, 2021</b>	<b>41,744,066</b>	<b>27,493,793</b>	<b>19,895,629</b>	<b>89,133,488</b>

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

	2022	2021
<b>Beginning of the period – January 1</b>	<b>45,544,344</b>	<b>30,853,702</b>
Interest cost	9,055,358	3,956,177
Service cost	6,065,407	3,727,836
Payments during the period	(5,006,218)	(5,347,692)
Actuarial loss/(gain)	118,123,882	12,354,321
<b>At the end of the period</b>		
<b>December 31</b>	<b>173,782,773</b>	<b>45,544,344</b>

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**24. NET INSURANCE PREMIUM INCOME**

As of January 1 - December 31, 2022 and 2021 details of written premiums are as follows:

	January 1 - December 31, 2022				January 1 - December 31, 2021			
	Gross	Re Share	SSI Ceded	Net	Gross	Re Share	SSI Ceded	Net
General Loses	7,335,342,686	(6,320,775,488)	-	1,014,567,198	3,914,042,417	(3,362,383,300)	-	551,659,117
Motor Vehicles Liability	6,649,847,001	(1,018,783,747)	(593,759,543)	5,037,303,711	2,118,032,096	(495,279,050)	(177,277,054)	1,445,475,992
Fire and Natural Disasters	4,103,492,305	(2,729,455,499)	-	1,374,036,806	2,220,613,135	(1,593,164,571)	-	627,448,564
Motor Vehicles Accident	2,354,567,189	(18,032,093)	-	2,336,535,096	1,126,418,653	(3,764,009)	-	1,122,654,644
Health	1,526,516,755	(83,801,093)	(20,340)	1,442,695,322	582,121,664	(70,457,828)	(24,719)	511,639,117
Air vehicles Liability	1,324,750,846	-	-	1,324,750,846	617,820,174	(44,143)	-	617,776,031
General Liability	525,218,409	(525,218,409)	-	-	245,374,367	(245,374,367)	-	-
Air Vehicles	505,014,599	(433,978,728)	-	71,035,871	338,457,427	(286,445,054)	-	52,012,373
Water Vehicles	245,345,572	(245,345,572)	-	-	219,529,401	(219,529,401)	-	-
Marine	224,446,398	(221,665,429)	-	2,780,969	162,505,502	(167,922,461)	-	(5,416,959)
Legal Protection	133,315,592	(100,591,116)	-	32,724,476	75,462,447	(59,924,990)	-	15,537,457
Credit	120,450,741	1,832	-	120,452,573	32,118,994	(1,910)	-	32,117,084
Financial Losses	58,192,308	(57,692,735)	-	499,573	38,048,734	(37,835,599)	-	213,135
Surety	40,879,172	(28,425,307)	-	12,453,865	39,727,562	(32,098,017)	-	7,629,545
Other	26,043,102	(13,344,358)	-	12,698,744	19,048,045	(6,191,321)	-	12,856,724
	-	-	-	-	325,952	-	-	325,952
<b>Total</b>	<b>25,173,422,675</b>	<b>(11,797,107,742)</b>	<b>(593,779,883)</b>	<b>12,782,535,050</b>	<b>11,749,646,570</b>	<b>(6,580,416,021)</b>	<b>(177,301,773)</b>	<b>4,991,928,776</b>

**25. SUBSCRIPTION FEE REVENUE**

None (December 31, 2021: None).

**26 INVESTMENT INCOME**

	January 1 - December 31, 2022	January 1 - December 31, 2021
Income from financial investments	1,799,499,881	1,094,412,635
<i>Interest income from time deposit</i>	992,823,852	993,775,248
<i>Interest income from debt instrument</i>	806,676,029	100,637,387
Valuation of financial investments	668,636,382	55,194,627
Dividends and sales income from Joint-Ventures	562,195,972	49,883,364
Foreign exchange gains	210,269,625	292,902,827
Dividend income from linked securities	89,468,769	-
Rent and Valuation incomes	56,853,537	18,055,753
Other Investments	-	12,331,494
<b>Total</b>	<b>3,386,924,166</b>	<b>1,522,780,700</b>

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 27 NET REALIZED GAINS ON FINANCIAL ASSETS

Net realized gains on financial assets are presented in Note 4.2.

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

Net realized gains on financial assets are presented in Note 4.2.

### 29 INSURANCE RIGHTS AND CLAIMS

Disclosed in Note 17.

### 30 INVESTMENT CONTRACT BENEFITS

None (December 31, 2021: None)

### 31 OTHER EXPENSES

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

### 32 EXPENSE BY NATURE

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

	January 1 - December 31, 2022	January 1 - December 31, 2021
Commission expenses	2,115,471,513	1,230,431,727
Employee benefit expense (Note 33)	650,552,269	320,244,935
Management expenses	91,823,382	55,601,831
External benefits and services	67,664,947	45,221,709
Advertising expenses	50,566,481	39,284,161
Acquired commission incomes from reinsurer (Note 10)	(1,307,777,194)	(824,844,936)
Other operating expenses	200,200,255	90,781,026
<b>Total</b>	<b>1,868,501,653</b>	<b>956,720,453</b>

### 33 EMPLOYEE BENEFIT EXPENSES

The details of employee benefit expenses are as follows:

	January 1 - December 31, 2022	January 1 - December 31, 2021
Wages and salaries	482,010,873	237,190,574
Employer's share in social security premiums	67,157,543	35,106,212
Other fringe benefits	59,673,749	24,082,751
Other benefits	41,710,104	23,865,398
	<b>650,552,269</b>	<b>320,244,935</b>

### 34 FINANCE COSTS

January 1 December 31, 2022 financial expenses recognized in the income statement for the accounting period TRY 3,514,465 (2021: 2,387,622 TRY) There are no finance costs classified in production costs or capitalized on tangible assets.

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**35 INCOME TAXES**

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

	January 1 - December 31, 2022	January 1 - December 31, 2021
Current period tax expense (-)	(324,256,119)	(344,521,741)
Deferred tax income/(expense)	300,447,077	29,125,841
<b>Total income tax expense recognized in statement of income (-)</b>	<b>(23,809,042)</b>	<b>(315,395,900)</b>

A reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for

January 1 - December 31, 2022 and 2021 is as follows:

	2022	2021
Profit before tax	965,212,400	1,373,696,868
Tax rate	25%	25%
Income Tax Provision at statutory tax rate	(241,303,100)	(343,424,217)
Income not subject to tax	111,219,001	12,470,841
Disallowable expenses other adjustments effect	106,275,057	15,557,476
<b>Total tax expense on the income statement (-)</b>	<b>(23,809,042)</b>	<b>(315,395,900)</b>

**36. NET FOREIGN EXCHANGE GAINS**

Net foreign exchange gains are presented in Note 26.

**37. GAIN/(LOSS) PER SHARE**

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

	January 1 - December 31, 2022	January 1 - December 31, 2021
Net income for the period	941,403,358	1,058,300,968
Weighted average number of shares	1,161,523,363	1,161,523,363
Earnings/(loss) per share (TRY)	0.81	0.91

**38. DIVIDENDS PER SHARE**

Information on dividend distribution is explained in notes 15 and 45. Profit share per share for the accounting period of January 1 - December 31, 2022 has been calculated as TRY 0.46.

**39. CASH GENERATED FROM OPERATIONS**

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

**40. CONVERTIBLE BONDS**

None (December 31, 2021: None).

**CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**41. REDEEMABLE PREFERENCE SHARES**

None (December 31, 2021: None).

**42. RISKS**

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

As of December 31, 2022, if all cases in which the Company is defendant, result in against the Company, amount of arising potential liability (including interest and other expenses) is TRY4,848,800,386 (December 31, 2021: TRY3,439,814,754). Provision for all these cases is recognized under provision for outstanding claim account in the related financial statements.

As a result of the tax inspection performed at the Company by the Ministry of Finance Tax Supervisory Board relating to 2007 insurance transactions, the Company was notified of tax principal and penalties equal to TRY1,343,490. As a result of the lawsuit filed by the Company regarding the cancellation of the said transaction, the transaction subject to the lawsuit was cancelled. The case is at the stage of appeal review and the file is pending at the Council of State for referral on the merits.

As a result of the tax inspection regarding the insurance transactions carried out by the Tax Inspection Board of the Ministry of Treasury and Finance, a tax/penalty notice amounting to TRY 2,450,607 for 2010, together with the original tax and penalty, was notified to the Company. As a result of the lawsuit filed by the Company regarding the cancellation of the said transaction, taxes and penalties were canceled. The case is at the stage of decision revision review and the file is pending at the Council of State for referral on the merits.

Within this scope, and considering the results of the Company's lawsuits, no provisions were made in the financial statements regarding this issue.

**43. COMMITMENTS**

The details of the guarantees which are given by the Company in favour or the Ministry of Treasury and Finance for insurance operations are presented in Note 17.

**44. BUSINESS COMBINATIONS**

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



**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**45. RELATED PARTY TRANSACTIONS**

Türkiye Varlık Fonu Group companies are considered as related parties.

As at December 31, 2022 and 2021, related party balances are as follows:

	December 31, 2022	December 31, 2021
<b>Bank Deposits</b>		
Vakıfbank	2,087,231,318	1,158,670,120
Türkiye Halk Bankası A.Ş.	1,602,198,554	1,362,699,560
T.C. Ziraat Bankası A.Ş.	1,356,896,877	840,513,323
Other	378,310,285	427,282,587
	<b>5,424,637,034</b>	<b>3,789,165,590</b>
<b>Financial Assets</b>		
Ziraat Portföy Yönetimi A.Ş.	2,636,932,935	-
TVF İFM A.Ş.	66,198,577	50,205,799
T.C. Ziraat Bankası A.Ş.	44,282,363	31,447,584
Vakıfbank	28,805,023	55,882,892
Halk Yatırım Menkul Değerler A.Ş.	4,926,808	-
Halk Finansal Kiralama A.Ş.	-	19,532,855
Vakıf Faktoring A.Ş.	-	34,671,943
	<b>2,781,145,706</b>	<b>191,741,073</b>
<b>Receivables from main activities</b>		
Vakıfbank	784,207,629	451,020,838
T.C. Ziraat Bankası A.Ş.	675,979,684	589,580,802
Türkiye Halk Bankası A.Ş.	285,912,703	135,527,540
Other	30,875,434	24,672,085
	<b>1,776,975,450</b>	<b>1,200,801,265</b>
<b>Receivables from main activities</b>		
Türkiye Halk Bankası A.Ş.	30,487,268	15,056,253
Vakıfbank	330,831	16,715,588
Other	1,570,173	3,061,219
	<b>32,388,272</b>	<b>34,833,060</b>
<b>Payables from main activities</b>		
Payables to dividends	5,154,582	5,352,519
	<b>5,154,582</b>	<b>5,352,519</b>

**TÜRKİYE SİGORTA AŞ****CONVENIENCE TRANSLATION OF THE NOTES  
FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**45. RELATED PARTY TRANSACTIONS (Continued)**

	December 31, 2022	December 31, 2021
<b>Other financial liabilities</b>		
Halk Yatırım Menkul Değerler A.Ş.	1,422,024,298	-
İstanbul Takas ve Saklama Bankası A.Ş.	249,130,212	-
Ziraat Yatırım Menkul Değerler A.Ş.	200,120,457	-
	<b>1,871,274,967</b>	<b>-</b>

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

	January 1 - December 31, 2022	January 1 - December 31, 2021
<b>Written premiums</b>		
Türk Hava Yolları Anonim Ortaklığı	745,549,345	446,921,034
Turkish Petroleum BTC. LTD.	471,648,093	-
Turkcell İletişim Hizmetleri A.Ş.	240,934,467	-
Türkiye Halk Bankası A.Ş.	155,498,198	102,649,691
Türkiye Petrolleri Anonim Ortaklığı	95,923,726	30,206,580
Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş.	80,007,317	-
Halk Finansal Kiralama A.Ş.	67,624,444	40,156,125
Ziraat Katılım Bankası A.Ş.	41,494,606	26,898,000
T.C. Ziraat Bankası A.Ş.	36,595,137	32,592,041
Türkiye Hayat ve Emeklilik A.Ş.	31,492,304	-
Other	245,350,155	62,507,942
	<b>2,212,117,792</b>	<b>741,931,413</b>

**Premiums written through related parties**

	January 1 - December 31, 2022	January 1 - December 31, 2021
T.C. Ziraat Bankası A.Ş.	7,811,071,348	4,204,921,369
Vakıfbank	2,523,724,504	1,256,293,543
Türkiye Halk Bankası A.Ş.	1,468,100,596	728,939,388
	<b>11,802,896,448</b>	<b>6,190,154,300</b>

The Company has also paid a commission amounting to TRY 1,766,439,419 to the relevant banks regarding the premiums written through the branches of the banks of the Turkey Wealth Fund Group as described above for the period January 1 - December 31, 2022 (January 1 - December 31, 2021: 813,671,369 TRY).

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**45. RELATED PARTY TRANSACTIONS (Continued)**

	January 1 - December 31, 2022	January 1 - December 31, 2021
<b>Other commission paid</b>		
Türkiye Halk Bankası A.Ş.	16,462,136	11,626,818
Halk Finansal Kiralama A.Ş.	10,597,257	6,256,337
Ziraat Katılım Bankası A.Ş.	6,656,823	3,867,609
Other	9,195,171	1,308,099
	<b>42,911,387</b>	<b>23,058,863</b>
<b>Rent income</b>		
Vakıfbank	718,503	554,274
	<b>718,503</b>	<b>554,274</b>
<b>Rent expenses</b>		
Türkiye Hayat ve Emeklilik A.Ş.	234,703	207,117
Türkiye Halk Bankası A.Ş.	-	9,789
	<b>234,703</b>	<b>216,906</b>
<b>Finance income</b>		
Vakıfbank	399,918,749	197,144,862
Türkiye Halk Bankası A.Ş.	219,357,711	297,650,120
T.C. Ziraat Bankası A.Ş.	109,501,147	275,911,762
Other	176,816,592	35,283,841
	<b>905,594,199</b>	<b>805,990,585</b>
<b>Dividend Income</b>		
Türkiye Emeklilik ve Hayat A.Ş.	90,040,246	47,715,628
Other	2,875,846	2,167,736
	<b>92,916,092</b>	<b>49,883,364</b>
<b>Dividend distributed</b>		
TVF Financial Investments	430,014,328	399,831,475
Other	100,201,718	93,168,525
	<b>530,216,046</b>	<b>493,000,000</b>

## CONVENIENCE TRANSLATION OF THE NOTES FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021

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

### 46. SUBSEQUENT EVENTS

The effects of the earthquakes that occurred in Kahramanmaraş on February 6, 2023 and were effective in a wide area, on the financial statements of the Company to be prepared in the following periods, continue to be evaluated as of the preparation date of the financial statements. The company has decided to donate 50,000,000 TL to aid the regions affected by the earthquakes.

### 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

	December 31, 2022	December 31, 2021
<b>Other Receivables</b>		
DASK receivables from agents	10,028,133	14,049,689
Other	510,371	899,419
	<b>10,538,504</b>	<b>14,949,108</b>
<b>Other Liabilities</b>		
Payables to suppliers and contracted institutions	83,433,001	29,465,589
DASK current accounts	81,488,873	29,246,971
Other	1,072,321	15,419,007
	<b>165,994,195</b>	<b>74,131,567</b>

Total amount of receivables from personnel and payables to personnel, which are included in the "Other receivables" and "Other short-term or long-term payables" account item and exceed one percent of the total assets of the balance sheet.

None (December 31, 2021: None).

Total amount of receivables from personnel and payables to personnel, which are included in the "Other receivables" and "Other short-term or long-term payables" account item and exceed one percent of the total assets of the balance sheet.

None (December 31, 2021: None).

#### Subrogation receivables followed under the off-balance sheet accounts

None (December 31, 2021: None).

#### Description and amount of rights in real on property

None (December 31, 2021: None).

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

None (December 31, 2021: None).

**TÜRKİYE SİGORTA AŞ**  
**CONVENIENCE TRANSLATION OF THE NOTES**  
**FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2022 AND 2021**

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

**47. OTHER (Continued)**

For the years ended December 31, 2022 and 2021, details of rediscount and provision expenses are as follows:

	January 1 - December 31, 2022	January 1 - December 31, 2021
Receivable under legal follow-up (Note 4.2)	(101,316,105)	(174,536,139)
Other	39,417,526	(42,121,680)
	<b>(61,898,579)</b>	<b>(216,657,819)</b>

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

	January 1 - December 31, 2022	January 1 - December 31, 2021
Independent audit expense for the reporting period	1,900,000	2,006,734
Fees for tax advisory services	60,000	15,000
<b>Total<sup>(*) (**)</sup></b>	<b>1,960,000</b>	<b>2,021,734</b>

<sup>(\*)</sup> The fee is excluding VAT.

<sup>(\*\*)</sup> It also includes fees for services received for a joint venture.

TÜRKİYE SİGORTA AŞ

**CONVENIENCE TRANSLATION OF  
STATUTORY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2022 AND  
THE INDEPENDENT AUDITOR'S REPORT**

(ORIGINALLY ISSUED IN TURKISH)

# INDEPENDENT AUDITOR'S REPORT



To the General Assembly of Türkiye Sigorta A.Ş.

## A. Independent Audit of Consolidated Financial Statements

### 1. Opinion

We have audited the accompanying consolidated financial statements of Türkiye Sigorta A.Ş. (the "Company") which comprise the consolidated balance sheet as at 31 December 2022 and the consolidated income statement, statement of changes in consolidated shareholders' equity, statement of consolidated cash flows and Profit distribution for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting and financial reporting regulations enforced by insurance legislation and Turkish Financial Reporting Standards 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 Company in accordance with the Ethical Rules for Independent Auditors (Independence standards included) (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.

# INDEPENDENT AUDITOR'S REPORT



<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
<p><b>Estimation of claims incurred but not reported</b> As explained in Notes 2 and 17, the Company has accounted for the net incurred but not reported claims provision amounting to TRY 6,039 million as of 31 December 2022.</p> <p>Abovementioned provision is calculated according to the best estimation methods determined within the opinion of the Company's actuary in accordance with "Circular on Outstanding Claim Provisions" dated 5 December 2014 and numbered 2014/16 published by the Ministry of Treasury and Finance. 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 consolidated financial statements.</p>	<p>We tested the design and operational effectiveness of the key controls implemented by the Company's management in relation to the ultimate claims used in the calculation of incurred but not reported claims provision.</p> <p>During our audit, we tested the mathematical accuracy of the calculation of incurred but not reported claims provision and reconciled the provision amount to the consolidated financial statements for selected branches. In addition, in specified branches, in the calculation of the incurred but not reported compensation amount. In addition, the actuarial methods selected by the Company's actuary in the calculation of the incurred but not reported claim in specified branches, as well as the expected loss development trends, were evaluated by the actuaries in our company using actuarial techniques. Except those, for selected branches, Reasonable range estimates have been determined as of the balance sheet date of the acceptable reserve ranges for the incurred but not reported claims provision and compared them with the amounts included in Company's accounting records.</p> <p>We checked the conformity and accuracy of the disclosures in the consolidated financial statements related to such provisions against Regulation on Insurance Accounting and Financial Reporting Principles.</p>

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

Company management; It is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Insurance Accounting and Financial Reporting Legislation, their fair presentation, and the preparation of them in a way that does not contain any material misstatement due to error or fraud.

In preparing the consolidated 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.

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

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

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

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

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





- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 Company 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2022 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.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 16 February 2023.

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

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

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

### **ORIGINALLY ISSUED IN TURKISH**

Ramazan Yüksekaya, SMMM  
Partner

Istanbul, 16 February 2023

## CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

We confirm that the consolidated financial statements, related disclosures and footnotes as at 31 December 2022 which were prepared in accordance with the accounting principles and standards in force as per the regulations of Republic of Turkey Ministry of Treasury and Finance are in compliance with the "Code Related to the Financial Reporting of Insurance, Reinsurance and Private Pension Companies" and the financial records of our Company.

Türkiye Sigorta A.Ş.

16 February 2023



Aslıhan DUYMAZ  
Actuary  
Registor Number: 61



Murat SÜZER  
Assistant General Manager  
General Manager



Atilla BENLİ  
Vice Chairman of the Board

# CONTENTS

CONTENTS	PAGE
CONSOLIDATED STATEMENTS OF BALANCE SHEETS	226
CONSOLIDATED STATEMENTS OF INCOME	231
CONSOLIDATED STATEMENT OF CASH FLOWS	234
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	236
CONSOLIDATED STATEMENTS OF PROFIT DISTRIBUTION	237
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS	238-316

**TÜRKİYE SİGORTA AŞ**

**CONVENIENCE TRANSLATION OF THE CONSOLIDATED BALANCE SHEETS  
ON 31 DECEMBER 2022 AND 2021**

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

ASSETS	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>I- Current Assets</b>			
<b>A- Cash and Cash Equivalents</b>	<b>4.2 and 14</b>	<b>9,034,205,139</b>	<b>6,103,547,210</b>
1- Cash		-	-
2- Cheques Received		-	-
3- Cash at Banks	14	6,903,558,985	5,314,977,287
4- Cheques Given and Payment Orders		-	-
5- Bank Warrantied and Shorter Than 3 Months Credit Card Receivables	14	2,130,646,154	788,569,923
6- Other Cash and Cash Equivalents		-	-
<b>B- Financial Assets and Financial Investments with Risks on Policyholders</b>	<b>4.2 and 11</b>	<b>8,605,624,564</b>	<b>2,173,847,016</b>
1- Available-for-Sale Financial Asset	4.2 and 11	2,260,695,716	733,378,944
2- Held to Maturity Investments	4.2 and 11	1,028,456,030	149,676,608
3- Financial Assets Held for Trading	4.2 and 11	5,316,472,818	1,290,791,464
4- Loans		-	-
5- Provision for Loans (-)		-	-
6- Financial Investments with Risks on Saving Life Policyholders		-	-
7- Company's Own Equity Shares		-	-
8- Diminution in Value of Financial Investments (-)		-	-
<b>C- Receivables from Main Operations</b>	<b>4.2 and 12</b>	<b>4,535,533,038</b>	<b>3,376,909,487</b>
1- Receivables from Insurance Operations	12	3,965,710,498	3,080,219,872
2- Provision for Receivables from Insurance Operations (-)	12	(18,493,280)	(18,632,012)
3- Receivables from Reinsurance Operations	12	584,700,606	311,526,634
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposits on Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful Receivables from Main Operations	12	690,001,724	586,368,685
10- Provision for Doubtful Receivables from Main Operations	12	(686,386,510)	(582,573,692)
<b>D- Due from Related Parties</b>		<b>103,900</b>	<b>399,831</b>
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		103,900	399,831
7- Rediscount on Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
<b>E- Other Receivables</b>	<b>4.2 and 12</b>	<b>10,538,504</b>	<b>14,949,108</b>
1- Finance Lease Receivables		-	-
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given		-	-
4- Other Miscellaneous Receivables	47	10,538,504	14,949,108
5- Rediscount on Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		423,504	423,504
7- Provision for Other Doubtful Receivables (-)		(423,504)	(423,504)
<b>F- Prepaid Expenses and Income Accruals</b>	<b>17</b>	<b>1,902,896,221</b>	<b>791,419,559</b>
1- Deferred Acquisition Costs	17	1,789,287,122	747,591,142
2- Accrued Interest and Rent Income		-	-
3- Income Accruals		-	-
4- Other Prepaid Expenses	17	113,609,099	43,828,417
<b>G- Other Current Assets</b>		<b>55,117,850</b>	<b>49,619,497</b>
1- Stocks to be used in the Following Months		-	-
2- Prepaid Taxes and Funds	4.2 and 12	51,512,542	46,854,946
3- Deferred Tax Assets		-	-
4- Business Advances		-	660,098
5- Advances Given to Personnel	4.2	126,001	91,643
6- Inventory Count Deficiency		-	-
7- Other Miscellaneous Current Assets		3,479,307	2,012,810
8- Provision for Other Miscellaneous Current Assets (-)		-	-
<b>I- Total Current Assets</b>		<b>24,144,019,216</b>	<b>12,510,691,708</b>

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

# TÜRKİYE SİGORTA AŞ

## CONVENIENCE TRANSLATION OF THE CONSOLIDATED BALANCE SHEETS

### ON 31 DECEMBER 2022 AND 2021

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

ASSETS	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>II- Non-Current Assets</b>			
<b>A- Receivables from Main Operations</b>			
1- Receivables from Insurance Operations		-	-
2- Provision for Receivables from Insurance Operations (-)		-	-
3- Receivables from Reinsurance Operations		-	-
4- Provision for Receivables from Reinsurance Operations (-)		-	-
5- Cash Deposited for Insurance and Reinsurance Companies		-	-
6- Loans to Policyholders		-	-
7- Provision for Loans to the Policyholders (-)		-	-
8- Receivables from Pension Operations		-	-
9- Doubtful Receivables from Main Operations		-	-
10- Provision for Doubtful Receivables from Main Operations (-)		-	-
<b>B- Due from Related Parties</b>			
1- Due from Shareholders		-	-
2- Due from Associates		-	-
3- Due from Subsidiaries		-	-
4- Due from Joint Ventures		-	-
5- Due from Personnel		-	-
6- Due from Other Related Parties		-	-
7- Rediscout on Receivables from Related Parties (-)		-	-
8- Doubtful Receivables from Related Parties		-	-
9- Provision for Doubtful Receivables from Related Parties (-)		-	-
<b>C- Other Receivables</b>			
1- Finance Lease Receivables	4.2 and 12	6,047,766	6,011,685
2- Unearned Finance Lease Interest Income (-)		-	-
3- Deposits and Guarantees Given	4.2 and 12	6,047,766	6,011,685
4- Other Miscellaneous Receivables		-	-
5- Rediscout on Other Miscellaneous Receivables (-)		-	-
6- Other Doubtful Receivables		-	-
7- Provision for Other Doubtful Receivables (-)		-	-
<b>D- Financial Assets</b>			
1- Investments in Equity Shares	9	2,323,664,543	1,400,984,175
2- Investments in Associates	9	2,240,556,916	1,356,863,258
3- Capital Commitments to Associates (-)		-	-
4- Investments in Subsidiaries	9	18,215,590	10,254,125
5- Capital Commitments to Subsidiaries (-)		-	-
6- Investments in Joint Ventures	9	69,911,069	48,913,626
7- Capital Commitments to Joint Ventures (-)		-	-
8- Financial Assets and Financial Investments with Risks on Policyholders		-	-
9- Other Financial Assets		-	-
10- Impairment in Value of Financial Assets (-)	9	(5,019,032)	(15,046,834)
<b>E- Tangible Assets</b>			
1- Investment Property	7	107,435,771	51,300,737
2- Impairment in Value of Investment Properties (-)		-	-
3- Land and Buildings Held for Utilization	6	515,335,000	302,775,000
4- Machinery and Equipments	6	86,001,961	47,147,975
5- Furnitures and Fixtures	6	23,909,923	19,695,771
6- Motor vehicles	6	11,970,448	11,403,174
7- Other Tangible Assets, Including Leasehold Improvements	6	2,599,279	2,599,279
8- Tangible Assets Acquired Through Finance Leases	6	57,975,683	35,958,864
9- Accumulated Amortizations	6	(89,304,378)	(66,677,171)
10- Advances Given for Tangible Assets (including construction in progress)		-	-
<b>F- Intangible Assets</b>			
1- Rights	8	71,031,354	49,310,640
2- Goodwill		-	-
3- Pre-operating Expenses		-	-
4- Research and Development Costs		-	-
5- Other Intangible Assets	8	38,238,939	38,238,939
6- Accumulated Amortization (-)	8	(70,612,314)	(59,920,830)
7- Advances Paid for Intangible Assets		-	-
<b>G- Prepaid Expenses and Income Accruals</b>			
1- Deferred Acquisition Expenses		-	-
2- Income Accruals		-	-
3- Other Prepaid Expenses and Income Accruals		-	-
<b>H- Other Non-Current Assets</b>			
1- Effective Foreign Currency Accounts		300,835,024	37,978,441
2- Foreign Currency Accounts		-	-
3- Stocks to be Used in the Following Years		-	-
4- Prepaid Taxes and Funds		-	-
5- Deferred Tax Assets	21	300,835,024	37,978,441
6- Other Miscellaneous Non-Current Assets		-	-
7- Amortization on Other Non-Current Assets (-)		-	-
8- Provision for Other Non-Current Assets (-)		-	-
<b>II- Total Non-Current Assets</b>			
		3,385,128,999	1,876,806,679
<b>TOTAL ASSETS</b>		<b>27,529,148,215</b>	<b>14,387,498,387</b>

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

# CONVENIENCE TRANSLATION OF THE CONSOLIDATED BALANCE SHEETS ON 31 DECEMBER 2022 AND 2021

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

LIABILITIES	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>III- Short-Term Liabilities</b>			
<b>A- Financial Liabilities</b>	<b>4.2</b>	<b>1,882,898,544</b>	<b>159,759</b>
1- Borrowings to Financial Institutions		-	-
2- Finance Lease Payables	20	15,110,650	226,887
3- Deferred Leasing Costs (-)	20	(3,487,073)	(67,128)
4- Current Portion of Long-Term Debts		-	-
5- Principal Instalments and Interests on Bonds Issued		-	-
6- Other Financial Assets Issued		-	-
7- Valuation Differences of Other Financial Assets Issued (-)		-	-
8- Other Financial Liabilities	20	1,871,274,967	-
<b>B- Payables Arising from Main Operations</b>	<b>4.2 and 19</b>	<b>2,975,252,693</b>	<b>2,186,924,896</b>
1- Payables Arising from Insurance Operations	19	2,975,252,693	2,186,924,755
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies	19	-	141
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Main Operations		-	-
6- Discount on Payables from Other Main Operations (-)		-	-
<b>C- Due to Related Parties</b>	<b>4.2</b>	<b>7,163,651</b>	<b>8,569,158</b>
1- Due to Shareholders	45	5,154,582	5,352,519
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		2,009,069	3,216,639
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>	<b>4.2</b>	<b>360,630,488</b>	<b>128,419,958</b>
1- Deposits and Guarantees Received		-	-
2- Debts to SSI for treatment expenses	19	194,636,293	54,288,391
3- Other Miscellaneous Payables	19 and 47	165,994,195	74,131,567
4- Discount on Other Miscellaneous Payables (-)		-	-
<b>E- Insurance Technical Provisions</b>		<b>14,726,410,334</b>	<b>6,738,721,353</b>
1- Reserve for Unearned Premiums - Net	17	7,502,226,940	2,764,336,028
2- Reserve for Unexpired Risks - Net	2.23 and 17	1,178,816,442	26,715,793
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net	4.2 and 17	5,898,533,022	3,737,253,538
5- Provision for Bonus and Discounts - Net	17	10,029,321	10,029,321
6- Other Technical Provisions - Net	10 and 17	136,804,609	200,386,673
<b>F- Provisions for Taxes and Other Similar Obligations</b>	<b>4.2</b>	<b>394,920,037</b>	<b>270,982,980</b>
1- Taxes and Funds Payable		301,977,797	134,826,029
2- Social Security Premiums Payable		27,545,177	7,709,342
3- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
4- Other Taxes and Liabilities Payable		9,946,980	-
5- Corporate Tax Liability Provision on Period Profit		318,067,355	344,521,741
6- Prepaid Taxes and Other Liabilities on Period Profit (-)		(262,617,272)	(216,074,132)
7- Provisions for Other Taxes and Liabilities		-	-
<b>G- Provisions for Other Risks</b>		<b>129,286,146</b>	<b>89,133,488</b>
1- Provision for Termination Indemnities		-	-
2- Provision for Pension Fund Deficits		-	-
3- Provisions for Costs	23	129,286,146	89,133,488
<b>H- Deferred Income and Expense Accruals</b>		<b>913,861,548</b>	<b>491,674,938</b>
1- Deferred Commission Income	10 and 19	913,861,548	491,674,938
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
<b>I- Other Short-Term Liabilities</b>		<b>-</b>	<b>-</b>
1- Deferred Tax Liabilities		-	-
2- Inventory Count Differences		-	-
3- Other Various Short-Term Liabilities		-	-
<b>III - Total Short-Term Liabilities</b>		<b>21,390,423,441</b>	<b>9,914,586,530</b>

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

# TÜRKİYE SİGORTA AŞ

## CONVENIENCE TRANSLATION OF THE CONSOLIDATED BALANCE SHEETS ON 31 DECEMBER 2022 AND 2021

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

LIABILITIES	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>IV- Long-Term Liabilities</b>			
<b>A- Financial Liabilities</b>	4.2 and 20	17,468,698	13,221,630
1- Borrowings to Financial Institutions		-	-
2- Finance Lease Payables	20	22,709,308	18,777,202
3- Deferred Leasing Costs (-)	20	(5,240,610)	(5,555,572)
4- Bonds Issued		-	-
5- Other Financial Assets Issued		-	-
6- Valuation Differences of Other Financial Assets Issued (-)		-	-
7- Other Financial Liabilities		-	-
<b>B- Payables Arising from Main Operations</b>		-	-
1- Payables Arising from Insurance Operations		-	-
2- Payables Arising from Reinsurance Operations		-	-
3- Cash Deposited by Insurance and Reinsurance Companies		-	-
4- Payables Arising from Individual Pension Business		-	-
5- Payables Arising from Other Operations		-	-
6- Discount on Payables from Other Operations (-)		-	-
<b>C- Due to Related Parties</b>		-	-
1- Due to Shareholders		-	-
2- Due to Associates		-	-
3- Due to Subsidiaries		-	-
4- Due to Joint Ventures		-	-
5- Due to Personnel		-	-
6- Due to Other Related Parties		-	-
<b>D- Other Payables</b>	4.2	36,781,701	26,812,458
1- Deposits and Guarantees Received	4.2	36,781,701	26,812,458
2- Debts to SSI for treatment expenses		-	-
3- Other Miscellaneous Payables		-	-
4- Discount on Other Miscellaneous Payables (-)		-	-
<b>E- Insurance Technical Provisions</b>	2.25 and 17	159,944,693	130,853,892
1- Reserve for Unearned Premiums - Net		-	-
2- Reserve for Unexpired Risks- Net		-	-
3- Life Mathematical Provisions - Net		-	-
4- Provision for Outstanding Claims - Net		-	-
5- Provision for Bonus and Discounts - Net		-	-
6- Other Technical Provisions - Net	2.25 and 17	159,944,693	130,853,892
<b>F- Other Liabilities and Relevant Accruals</b>		-	-
1- Other Liabilities		-	-
2- Overdue, Deferred or By Installment Taxes and Other Liabilities		-	-
3- Other Liabilities and Expense Accruals		-	-
<b>G- Provisions for Other Risks</b>		173,782,773	45,544,344
1- Provisions for Severance Pay	23	173,782,773	45,544,344
2- Provisions for Employee Pension Funds Deficits		-	-
<b>H- Deferred Income and Expense Accruals</b>		-	-
1- Deferred Income		-	-
2- Expense Accruals		-	-
3- Other Deferred Income and Expense Accruals		-	-
<b>I- Other Long-Term Liabilities</b>		-	-
1- Deferred Tax Liabilities		-	-
2- Other Long-Term Liabilities		-	-
<b>IV- Total Long-Term Liabilities</b>		387,977,865	216,432,324

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

**TÜRKİYE SİGORTA AŞ**

**CONVENIENCE TRANSLATION OF THE CONSOLIDATED BALANCE SHEETS  
ON 31 DECEMBER 2022 AND 2021**

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

SHAREHOLDERS' EQUITY	Notes	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
<b>V- Shareholders' Equity</b>			
<b>A- Paid in Capital</b>	<b>2.13 and 15</b>	<b>1,161,523,363</b>	<b>1,161,523,363</b>
1- (Nominal) Capital	2.13 and 15	1,161,523,363	1,161,523,363
2- Unpaid Capital (-)		-	-
3- Positive Capital Restatement Differences		-	-
4- Negative Capital Restatement Differences (-)		-	-
5- Capital to Be Registered		-	-
<b>B- Capital Reserves</b>	<b>15</b>	<b>1,522,110</b>	<b>74,828,291</b>
1- Share Premium		7,020,555	7,020,555
2- Cancellation Profits of Equity Shares		-	-
3- Profit on Asset Sales That Will Be Transferred to Capital		-	-
4- Currency Translation Adjustments		-	-
5- Other Capital Reserves		(5,498,445)	67,807,736
<b>C- Profit Reserves</b>		<b>3,586,447,534</b>	<b>1,924,577,800</b>
1- Legal Reserves		324,063,778	241,811,386
2- Statutory Reserves		-	-
3- Extraordinary Reserves	15	753,350,209	307,517,679
4- Special Funds, Reserves		-	-
5- Special Funds, Reserves	15	2,106,935,939	1,134,601,892
6- Other Profit Reserves	15	402,097,608	240,646,843
<b>D- Retained Earnings</b>		<b>38,853,101</b>	<b>9,273,831</b>
1- Retained Earnings		38,853,101	9,273,831
<b>E- Accumulated Losses (-)</b>		<b>-</b>	<b>-</b>
1- - Accumulated Losses		-	-
<b>F- Net Profit/(Loss) for the Period</b>		<b>962,400,801</b>	<b>1,086,276,248</b>
1- Net Profit for the Year		610,440,891	1,086,276,248
2- Net Loss for the Year (-)		-	-
3- Net Profit That Is Not Subject to Distribution		351,959,910	-
<b>Total Equity</b>		<b>5,750,746,909</b>	<b>4,256,479,533</b>
<b>Total Equity and Liabilities</b>		<b>27,529,148,215</b>	<b>14,387,498,387</b>

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



## TÜRKİYE SİGORTA AŞ

# CONVENIENCE TRANSLATION OF THE CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

I- TECHNICAL PART	Notes	Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
<b>A- Non-Life Technical Income</b>		<b>9,663,011,716</b>	<b>5,389,053,416</b>
1- Earned Premiums (Net of Reinsurer Share)	5	6,892,543,489	4,100,973,479
1.1- Written Premiums (Net of Reinsurer Share)	5, 17, 24	12,782,535,050	4,991,928,776
1.1.1- Written Premiums, gross	17, 24	25,173,422,675	11,749,646,570
1.1.2- Written Premiums, ceded	10, 17, 24	(11,797,107,742)	(6,580,416,021)
1.1.3- Premiums transferred to SSI	10, 17, 24	(593,779,883)	(177,301,773)
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Share and Provision Carried Forward)	5 and 17	(4,737,890,912)	(869,372,721)
1.2.1- Reserve for Unearned Premiums, gross	17	(7,854,511,620)	(2,294,600,371)
1.2.2- Reserve for Unearned Premiums, ceded	10, 17	2,883,547,755	1,378,630,698
1.2.3- SSI Share of Reserve for Unearned Premium	10, 17	233,072,953	46,596,952
1.3- Changes in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)	5 and 17	(1,152,100,649)	(21,582,576)
1.3.1- Reserve for Unexpired Risks, gross	17	(1,510,239,512)	(6,466,731)
1.3.2- Reserve for Unexpired Risks, ceded	10 and 17	358,138,863	(15,115,845)
2- Investment Income - Transferred from Non-Technical Section	5	2,631,017,086	1,116,240,833
3- Other Technical Income (Net of Reinsurer Share)		7,534,404	9,289,241
3.1- Other Technical Income, gross		7,534,404	9,289,241
3.2- Other Technical Income, ceded		-	-
4- Accrued salvage and subrogation income		131,916,737	162,549,863
<b>B- Non-Life Technical Expense</b>		<b>(9,160,562,668)</b>	<b>(4,092,016,565)</b>
1- Incurred Losses (Net of Reinsurer Share)	5	(7,262,970,213)	(3,113,715,848)
1.1- Claims Paid (Net of Reinsurer Share)	5	(5,101,690,729)	(2,552,862,659)
1.1.1- Claims Paid, gross		(6,915,516,192)	(3,769,970,197)
1.1.2- Claims Paid, ceded	10	1,813,825,463	1,217,107,538
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Provision Carried Forward)	5	(2,161,279,484)	(560,853,189)
1.2.1- Change in Provisions for Outstanding Claims, gross		(3,830,831,189)	(1,730,533,769)
1.2.2- Change in Provisions for Outstanding Claims, ceded	10	1,669,551,705	1,169,680,580
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Provision Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)	17 5, 32	(29.090.802) (1,868,501,653)	(21,580,264) (956,720,453)
5- Change in mathematical provisions (Net off Circulating Part)		-	-
5.1- Mathematical Provisions		-	-
5.2- Mathematical Provisions, ceded		-	-
6- Other Technical Expenses		-	-
6.1- Other Technical Expenses, gross		-	-
6.2- Gross Other Technical Expenses, ceded		-	-
<b>C- Net Technical Income-Non-Life (A - B)</b>		<b>502,449,048</b>	<b>1,297,036,851</b>

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

**TÜRKİYE SİGORTA AŞ**

**CONVENIENCE TRANSLATION OF THE CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021**

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

I- TECHNICAL PART	Notes	Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
<b>D- Life Technical Income</b>		-	-
1- Earned Premiums (Net of Reinsurer Share)		-	-
1.1- Written Premiums (Net of Reinsurer Share)		-	-
1.1.1- Written Premiums, gross		-	-
1.1.2- Written Premiums, ceded		-	-
1.2- Change in Reserve for Unearned Premiums (Net of Reinsurer Shares and Less the Amounts Carried Forward)		-	-
1.2.1- Reserve for Unearned Premiums, gross		-	-
1.2.2- Reserve for Unearned Premiums, ceded		-	-
1.3- Change in Reserve for Unexpired Risks (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.3.1- Reserve for Unexpired Risks, gross		-	-
1.3.2- Reserve for Unexpired Risks, ceded		-	-
2- Investment Income		-	-
3- Unrealized Gains on Investments		-	-
4- Other Technical Income (Net of Reinsurer Share)		-	-
4.1- Other Technical Expenses, gross		-	-
4.2- Gross Other Technical Expenses, reinsurer share		-	-
5- Accrued subrogation income		-	-
<b>E- Life Technical Expense</b>		-	-
1- Incurred Losses (Net of Reinsurer Share)		-	-
1.1- Claims Paid (Net of Reinsurer Share)		-	-
1.1.1- Claims Paid, gross		-	-
1.1.2- Claims Paid, ceded		-	-
1.2- Change in Provisions for Outstanding Claims (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
1.2.1- Change in Provisions for Outstanding Claims, gross		-	-
1.2.2- Change in Provisions for Outstanding Claims, ceded		-	-
2- Change in Provision for Bonus and Discounts (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
2.1- Provision for Bonus and Discounts, gross		-	-
2.2- Provision for Bonus and Discounts, ceded		-	-
3- Change in Life Mathematical Provisions (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
3.1- Mathematical Reserves		-	-
3.1.1- Actuarial Mathematical Reserves		-	-
3.1.2- Profit Share Reserve (For Permanent Life Insurance Policies)		-	-
3.2- Reinsurers' Share of Mathematical Reserves		-	-
3.2.1- Reinsurer's Share of Actuarial Mathematical Reserves		-	-
3.2.2- Reinsurer's Share of Profit Share Reserve (for Permanent Life Insurance Policies)		-	-
4- Change in Other Technical Reserves (Net of Reinsurer Share and Less the Amounts Carried Forward)		-	-
5- Operating Expenses		-	-
6- Investment Expenses		-	-
7- Unrealized Losses on Investments		-	-
8- Investment Income Transferred to the Non-Life Technical Section		-	-
<b>F- Net Technical Income- Life (D - E)</b>		-	-
<b>G- Pension Business Technical Income</b>		-	-
1- Fund Management Income		-	-
2- Management Fee		-	-
3- Entrance Fee Income		-	-
4- Management Expense Charge in case of Suspension		-	-
5- Income from Individual Service Charges		-	-
6- Increase in Value of Capital Allowances Given as Advance		-	-
7- Other Technical Expense		-	-
<b>H- Pension Business Technical Expense</b>		-	-
1- Fund Management Expense		-	-
2- Decrease in Value of Capital Allowances Given as Advance		-	-
3- Operating Expenses		-	-
4- Other Technical Expenses		-	-
<b>I- Net Technical Income - Pension Business (G - H)</b>		-	-

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

## TÜRKİYE SİGORTA AŞ

# CONVENIENCE TRANSLATION OF THE CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

II - NON-TECHNICAL PART	Notes	Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
<b>C- Net Technical Income - Non-Life (A-B)</b>		<b>502,449,048</b>	<b>1,297,036,851</b>
<b>F- Net Technical Income - Life (D-E)</b>		-	-
<b>I - Net Technical Income - Pension Business (G-H)</b>		-	-
<b>J- Total Net Technical Income (C+F+I)</b>		<b>502,449,048</b>	<b>1,297,036,851</b>
<b>K- Investment Income</b>		<b>4,132,819,668</b>	<b>2,412,769,757</b>
1- Income from Financial Assets	26	1,799,499,881	1,094,412,635
2- Income from Disposal of Financial Assets		-	-
3- Valuation of Financial Assets	26	668,636,382	55,194,627
4- Foreign Exchange Gains	26	935,167,684	1,154,916,604
5- Income from Associates	26	562,195,972	62,118,411
6- Income from Subsidiaries and Joint Ventures	9	20,997,443	28,071,727
7- Income from Property, Plant and Equipment	26	56,853,537	18,055,753
8- Income from Derivative Transactions	26	89,468,769	-
9- Other Investments		-	-
10- Income Transferred from Life Section		-	-
<b>L- Investment Expense</b>		<b>(3,583,819,045)</b>	<b>(2,095,222,399)</b>
1- Investment Management Expenses (Inc. interest)		(61,272,080)	(7,898,118)
2- Diminution in Value of Investments		-	-
3- Loss from Disposal of Financial Assets		-	-
4- Investment Income Transferred to Non-Life Technical Section		(2,631,017,086)	(1,116,240,833)
5- Loss from Derivative Transactions		-	-
6- Foreign Exchange Losses	26	(724,898,059)	(862,013,777)
7- Depreciation and Amortization Expenses		(40,356,076)	(30,890,852)
8- Other Investment Expenses		(126,275,744)	(78,178,819)
<b>M- Income and Expenses from Other and Extraordinary Operations</b>		<b>235,207,249</b>	<b>(183,786,220)</b>
1- Provisions	47	(61,898,579)	(216,657,819)
2- Rediscounts		(10,706,810)	2,374,283
3- Monetary Gains and Losses		-	-
4- Inflation Adjustment Account		-	-
5- Deferred Taxation (Deferred Tax Assets)	21 ve 35	300,447,077	29,125,841
6- Deferred Taxation (Deferred Tax Liabilities)		-	-
7- Other Income		9,276,181	2,196,576
8- Other Expenses and Losses		(1,910,620)	(825,101)
9- Prior Year's Income		-	-
10- Prior Year's Expenses and Losses		-	-
<b>N- Net Profit for the Year</b>	<b>37</b>	<b>962,400,801</b>	<b>1,086,276,248</b>
1- Profit for the Year		1,286,656,920	1,430,797,989
2- Corporate Tax Provision and Other Fiscal Liabilities	35	(324,256,119)	(344,521,741)
3- Net Profit for the Year		962,400,801	1,086,276,248
4- Monetary Gains and Losses		-	-

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

## CONVENIENCE TRANSLATION OF THE STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

### Statements of Changes in Equity - Audited <sup>(\*)</sup>

	Share Capital	Own Shares of the Company (-)	Value Increase/ (Decrease) In Assets	Inflation Adjustment Differences In Shareholders	Foreign Currency Translation Adjustments
<b>I - PRIOR PERIOD</b>					
Balance at the Prior Period End 31 December 2020	1,161,523,363	-	1,010,715,148	-	-
A - Capital Increase	-	-	-	-	-
B - Own Shares of the Company	-	-	-	-	-
C - Gain and losses not recognized in the statement of income	-	-	-	-	-
D - Change in the value of financial assets	-	-	123,886,744	-	-
E - Currency translation adjustments	-	-	-	-	-
F - Other gains or losses	-	(12,328,131)	-	-	-
G - Inflation adjustment differences	-	-	-	-	-
H - Net profit for the period	-	-	-	-	-
I - Dividends paid	-	-	-	-	-
J - Transfer	-	-	-	-	-
<b>II – Balance - 31 December 2021</b>	<b>1,161,523,363</b>	<b>(12,328,131)</b>	<b>1,134,601,892</b>	<b>-</b>	<b>-</b>
<b>CURRENT PERIOD</b>					
<b>I – Balance at the Prior Period End- 31 December 2021</b>	<b>1,161,523,363</b>	<b>(12,328,131)</b>	<b>1,134,601,892</b>	<b>-</b>	<b>-</b>
A - Capital Increase	-	-	-	-	-
B - Own Shares of the Company	-	-	-	-	-
C Gain and losses not recognized in the statement of income	-	-	-	-	-
D - Change in the value of financial assets	-	-	972,334,047	-	-
E - Currency translation adjustments	-	-	-	-	-
F - Other gains or losses	-	(73,306,181)	-	-	-
G - Inflation adjustment differences	-	-	-	-	-
H - Net profit for the period	-	-	-	-	-
I - Dividends paid	-	-	-	-	-
J - Transfer	-	-	-	-	-
<b>II – Balance at – 31 December 2022</b>	<b>1,161,523,363</b>	<b>(85,634,312)</b>	<b>2,106,935,939</b>	<b>-</b>	<b>-</b>

<sup>(\*)</sup> Explained in note 15

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

Legal Reserves	Statutory Reserve	Other Reserves and Retained Profit	Net Profit/(Loss) For the Period	Retained Earnings	Total
165,610,126	-	467,474,857	1,161,457,615	(498,841,731)	3,467,939,378
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(9,883,457)	-	-	(9,883,457)
-	-	92,753,266	-	-	216,640,010
-	-	-	-	-	-
-	-	-	-	835,485	(11,492,646)
-	-	-	-	-	-
-	-	-	1,086,276,248	-	1,086,276,248
-	-	-	(493,000,000)	-	(493,000,000)
76,201,260	-	84,976,278	(668,457,615)	507,280,077	-
<b>241,811,386</b>	<b>-</b>	<b>635,320,944</b>	<b>1,086,276,248</b>	<b>9,273,831</b>	<b>4,256,479,533</b>
<b>241,811,386</b>	<b>-</b>	<b>635,320,944</b>	<b>1,086,276,248</b>	<b>9,273,831</b>	<b>4,256,479,533</b>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(87,281,778)	-	-	(87,281,778)
-	-	248,732,543	-	-	1,221,066,590
-	-	-	-	-	-
-	-	-	-	1,603,990	(71,702,191)
-	-	-	-	-	-
-	-	-	962,400,801	-	962,400,801
-	-	-	(530,216,046)	-	(530,216,046)
82,252,392	-	445,832,530	(556,060,202)	27,975,280	-
<b>324,063,778</b>	<b>-</b>	<b>1,242,604,239</b>	<b>962,400,801</b>	<b>38,853,101</b>	<b>5,750,746,909</b>

## CONVENIENCE TRANSLATION OF THE CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

		Audited Current Period 1 January - 31 December 2022	Audited Prior Period 1 January - 31 December 2021
	Notes		
<b>A. CASH GENERATED FROM MAIN OPERATIONS</b>			
1. Cash provided from insurance activities		27,696,794,113	13,716,585,598
2. Cash provided from reinsurance activities		-	-
3. Cash provided from pension business		-	-
4. Cash used in insurance activities		(22,594,605,571)	(12,724,420,327)
5. Cash used in reinsurance activities		-	-
6. Cash used in pension business		-	-
<b>7. Cash Provided from Operating Activities</b>		<b>5,102,188,542</b>	<b>992,165,271</b>
8. Interest paid		-	-
9. Income taxes paid		(391,064,881)	(232,723,055)
10. Other cash inflows		9,276,181	2,196,576
11. Other cash outflows		(682,699,896)	(122,476,182)
<b>12. Net Cash Provided from Operating Activities</b>		<b>4,037,699,946</b>	<b>639,162,610</b>
<b>B. CASH FLOWS FROM INVESTING OPERATIONS</b>			
1. Disposal of tangible and intangible assets		14,698,719	7,819,628
2. Acquisition of tangible and intangible assets		(97,604,443)	(49,036,525)
3. Acquisition of financial assets		(14,623,665,694)	(3,839,129,247)
4. Disposal of financial assets		9,958,973,300	1,793,601,314
5. Interests received		1,166,282,998	1,135,982,998
6. Dividends received		92,916,092	49,883,364
7. Other cash inflows		56,292,087	536,589,371
8. Other cash outflows		-	-
<b>9. Net Cash Provided by Investing Activities</b>		<b>(3,432,106,941)</b>	<b>(364,289,097)</b>
<b>C. CASH FLOWS FROM FINANCING OPERATIONS</b>			
1. Equity shares issued		-	-
2. Cash provided from loans and borrowings		-	-
3. Finance lease payments	20	(12,646,866)	(7,426,327)
4. Dividends paid	15	(530,216,046)	(493,000,000)
5. Other cash inflows		1,871,274,967	-
6. Other cash outflows		-	-
<b>7. Net Cash Used in Financing Activities (-)</b>		<b>1,328,412,055</b>	<b>(500,426,327)</b>
<b>D. EFFECT OF EXCHANGE DIFFERENCES IN CASH AND CASH EQUIVALENTS</b>			
		<b>210,269,624</b>	<b>282,176,033</b>
<b>E. Net increase/(decrease) in cash and cash equivalents</b>		<b>2,144,274,684</b>	<b>56,623,219</b>
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>14</b>	<b>5,531,095,652</b>	<b>5,474,472,433</b>
<b>G. Cash and cash equivalents at the end of the period</b>	<b>14</b>	<b>7,675,370,336</b>	<b>5,531,095,652</b>

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

## TÜRKİYE SİGORTA AŞ

# CONSOLIDATED STATEMENTS OF PROFIT DISTRIBUTION FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2022 AND 2021

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

Notes	Current Period <sup>(*)</sup> (€)	Prior Period <sup>(*)</sup>
<b>I. DISTRIBUTION OF PROFIT FOR THE PERIOD</b>		
1.1. PROFIT FOR THE PERIOD	1,286,656,920	1,430,797,989
1.2. TAXES PAYABLE AND LEGAL LIABILITIES	(324,256,119)	(344,521,741)
1.2.1. Corporate Tax (Income Tax)	(324,256,119)	(344,521,741)
1.2.2. Income Tax Deduction	-	-
1.2.3. Other Taxes and Legal Liabilities	-	-
<b>A NET PROFIT FOR THE PERIOD (1.1 - 1.2)</b>	<b>962,400,801</b>	<b>1,086,276,248</b>
1.3. PREVIOUS YEARS' LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVE	-	(35,038,404)
1.5. LEGAL FUNDS TO BE KEPT IN THE COMPANY (-)	-	-
<b>B NET DISTRIBUTABLE - PROFIT FOR THE PERIOD [ (A - (1.3 + 1.4 + 1.5) ]</b>	<b>-</b>	<b>1,051,237,844</b>
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	58,076,168
1.6.1. To common shareholders	-	-
1.6.2. To preferred shareholders	-	-
1.6.3. To owners of participating redeemed shares	-	-
1.6.4. To owners of profit-sharing securities	-	-
1.6.5. To owners of profit and loss sharing securities	-	-
1.7. DIVIDENDS TO PERSONNEL (-)	-	-
1.8. DIVIDENDS TO FOUNDERS (-)	-	-
1.9. DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
1.10. SECOND DIVIDENDS TO SHAREHOLDERS (-)	-	472,139,878
1.10.1. To common shareholders	-	-
1.10.2. To preferred shareholders	-	-
1.10.3. To owners of participating redeemed shares	-	-
1.10.4. To owners of profit-sharing securities	-	-
1.10.5. To owners of profit and loss sharing securities	-	-
1.11. SECOND LEGAL RESERVE (-)	-	47,213,988
1.12. STATUTORY RESERVES (-)	-	-
1.13. EXTRAORDINARY RESERVES	-	473,807,810
1.14. EXTRAORDINARY RESERVES	-	-
1.15. SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION FROM RESERVES</b>		
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVE (-)	-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1. To common shareholders	-	-
2.3.2. To preferred shareholders	-	-
2.3.3. To owners of participating redeemed shares	-	-
2.3.4. To owners of profit-sharing securities	-	-
2.3.5. To owners of profit and loss sharing securities	-	-
2.4. DIVIDENDS TO PERSONNEL (-)	-	-
2.5. DIVIDENDS TO THE BOARD OF DIRECTORS (-)	-	-
<b>III. PROFIT PER SHARE</b>		
3.1. TO COMMON SHAREHOLDERS	0.83	0.94
3.2. TO COMMON SHAREHOLDERS (%)	83%	94%
3.3. TO PREFERRED SHAREHOLDERS	-	-
3.4. TO PREFERRED SHAREHOLDERS (%)	-	-
<b>IV. DIVIDENDS PER SHARE</b>		
4.1. TO COMMON SHAREHOLDERS	-	0.46
4.2. TO COMMON SHAREHOLDERS (%)	-	46%
4.3. TO PREFERRED SHAREHOLDERS	-	-
4.4. TO PREFERRED SHAREHOLDERS (%)	-	-

<sup>(\*)</sup> The Company's authorized body regarding the distribution of the period profit is the General Assembly. The General Assembly meeting for the accounting period between 1 January - 31 December 2022 was not held as of the preparation date of the consolidated financial statements.

<sup>(†)</sup> In accordance with the relevant legislation, the Company's consolidated profit is included in the current period profit distribution table

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

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

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

**1. GENERAL INFORMATION****1.1 Name of the Company and the ultimate parent of the group**

As of December 31, 2022 and December 31, 2021, Türkiye Sigorta A.Ş. ('the Company') the dominant partner with a 81.10% shareholding TVF Finansal Yatırımlar A.Ş. ("TVF Finansal Yatırımlar A.Ş."); Asset Fund is the ultimate partner of the T.C Presidential Turkey Wealth Funds. As of 31 December 2022 and 31 December 2021, 18.90% of the company's share are publicly traded at Borsa Istanbul.

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

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

Excepting Istanbul - Headquarter office, the Company has regional offices, Istanbul Anatolia, Istanbul Europe, Middle Anatolia, Marmara, Aegean, Mediterranean, Cukurova, Blacksea, East and Southeast Anatolia, and Turkish Republic of Northern Cyprus, the Company has bancassurance regional offices, İstanbul Anatolia, İstanbul Europe, Middle Anatolia, Aegean, Cukurova, Blacksea, East and Southeast Anatolia. The Company has also representative offices in Kayseri and Samsun and a liaison office in the Eastern Black Sea. As at 31 December 2022, the Company has 3.880 (31 December 2021: 4.097) authorized agencies.

**1.3 Nature of operations**

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

**1.4 Description of the main operations of the Company**

The Company conducts its operations as stated in Note 1.3 above in accordance with the Insurance Law No.5684 issued in the Official Gazette dated 14 June 2007 and numbered 26552 ('the Insurance Law') and the communiqués and other regulations in effect issued by Republic of Turkey Ministry of Treasury and Finance ('Ministry of Treasury and Finance'). The insurance legislation before the establishment of SEDDK and the initiation of regulatory activities regarding the insurance sector was published by the Ministry of Treasury and Finance ('Ministry of Treasury and Finance').

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

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

	31 December 2022	31 December 2021
Senior Management <sup>(1)</sup>	15	14
Other personnel	1,572	1,264
<b>Total</b>	<b>1,587</b>	<b>1,278</b>

<sup>(1)</sup> The chairman and members of the board of directors, general manager, assistant general managers, group managers and the chairman of the inspection board are grouped in the senior management class.



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

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

**1. GENERAL INFORMATION (Continued)**

**1.6 The total amount of the salaries and similar benefits provided to the senior management including Chairman, Member of the Board of Directors, General Manager, Inspection Manager, Group Managers, and Assistant General Managers:**

<b>Provided to senior executives short term benefits</b>	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Salaries	10,860,037	5,687,686
Bonuses	3,791,717	1,938,054
Other	854,555	417,729
<b>Total benefits provided to senior management</b>	<b>15,506,309</b>	<b>8,043,469</b>
Provision for employment termination benefits	521,552	112,101

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

Procedures and principles related to keys used in the distribution of investment income and operating expenses in the consolidated financial statements are determined in accordance with 'Communiqué on the Procedures and Principles for the Keys Used in the Financial Statements Being Prepared In accordance with Insurance Accounting Plan' dated 4 January 2008 and numbered 2008/1 issued by Ministry of Treasury and Finance.

In accordance with the related communiqué, all income that is generated by the Company assets invested for non-life technical provisions is transferred from non-technical to technical part. The other investment income is classified under non-technical part. The Company allocates general expenses transferred to technical part to branches based on the weighted average of the number of policies, amount of premium production and number of claim notifications in last three years.

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

The consolidated financial statements of one company (Turkey Insurance Inc.) contains. The company purchased all the shares of its subsidiary OSEM Sertifikasyon A.Ş. in 2021. In accordance with the provisions of the "Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance Companies and Pension Companies", considering the materiality principle, OSEM Sertifikasyon A.Ş.'s total assets are less than one percent of the Company's total assets. Excluded from the scope of consolidation and carried over the cost value in the balance sheet. In addition, the Company has accounted for its investment in Türk P and I Sigorta A.Ş., a joint venture, in the consolidated financial statements prepared as of December 31, 2022, within the framework of the accounting policies specified in Note 2, using the equity method

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

Name of the Company:	Türkiye Sigorta Anonim Şirketi
Registered address of the head office:	Güneş Plaza, Büyükdere Cad. No:110 Esentepe Şişli 34394 İstanbul
The website of the Company:	<a href="http://www.turkiyesigorta.com.tr">www.turkiyesigorta.com.tr</a>

**1.10 Subsequent events**

Consolidated financial statements of 1 January - 31 December 2022 are approved by Board of Directors 8 February 2023 and signed by General Manager Atilla Benli and Deputy General Murat Süzer and the company's actuary Aslıhan Duymaz. Explanations related to subsequent events are disclosed in detail in Note 46.

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of Preparation**

#### **2.1.1. Information about the principles and the special accounting policies used in the preparation of the consolidated financial statements**

The Company prepares its consolidated financial statements in accordance with the Insurance Law and SEDDK. The insurance legislation before the establishment of SEDDK and the initiation of regulatory activities regarding the insurance sector was published by the Ministry of Treasury and Finance ('Ministry of Treasury and Finance').

The consolidated financial statements are prepared in accordance with the Insurance Chart of Accounts included in the communiqué issued by Ministry of Treasury and Finance regarding the Insurance Chart of Accounts and Prospects, published in the Official Gazette (No: 25686) dated 30 December 2004 (Insurance Accounting System Communiqué No.1) and 27 December 2011 dated and 2011/14 numbered Notice regarding to the Opening of New Account Codes In Insurance Account Plan. Content and the format of the financial statements prepared and explanations and notes thereof are determined in accordance with the Communiqué on Presentation of Financial Statements published in the Official Gazette numbered 26851 dated 18 April 2008 and numbered 2012/7 and dated 31 May 2012 Notice regarding to the Presentation of the New Account Codes and Financial Statements. The financial statements were prepared as in a TRY and historical cost basis, except for the financial assets and investment properties and properties held for use measured at their fair value.

In accordance with the 'Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies' issued on 14 July 2007 and effective from 1 January 2008, and also in accordance with the communiqués which may be issued by Ministry of Treasury and Finance, operations of insurance companies shall be accounted for in accordance with the Turkish Financial Reporting Standards ('TFRS') as issued by the Turkish Accounting Standards Board ('TASK') and other regulations, communiqués and explanations issued by Ministry of Treasury and Finance regarding accounting and financial reporting issues. With reference to the notice of Ministry of Treasury and Finance No. 9 dated 18 February 2008, 'TAS 1 - Financial Statements and Presentation', 'TAS 27- Consolidated and Unconsolidated Financial Statements', 'TFRS 1 - Transition to TFRS' and 'TFRS 4- Insurance Contracts' have been scoped out of this application. In addition, insurance companies are not required to prepare consolidated financial statements pursuant to the official statement on Regulation of Consolidated Financial Statements of Insurance and Reinsurance Companies and Pension Companies issued in the Official Gazette, dated on 31 December 2008 and numbered 27097.

The Company accounts and recognizes its insurance technical reserves in its financial statements as of 31 December 2022 in accordance with the 'Regulation on Technical Reserves of Insurance, Reinsurance and Pension Companies and the Assets to which These Reserves Are Invested' ('Regulation on Technical Reserves') dated 28 July 2010 published in official gazette numbered 27655 and changes on this regulation on 17 July 2012 and numbered 28356 and other regulations issued for insurance and reinsurance companies by Ministry of Treasury and Finance (Note 2.22, 2.23, 2.24 and 2.25).

With the letter of the Ministry of Treasury and Finance dated 4 April 2005 and numbered 19387, the financial statements of insurance companies dated 31 December 2004 were published in the Sermaye Piyasası Kurulu's ("SPK") Official Gazette dated January 15, 2003 and numbered 25290. It has been explained that they need to be rearranged in accordance with the provisions on 'Adjustment of Financial Statements in High Inflation Periods' in the Communiqué on Accounting Standards in Capital Markets No: 25. The Ministry of Treasury and Finance also stated that, based on the SPK's decision on March 17, 2005, it is not necessary to apply inflation accounting, effective from January 1, 2005. Based on the relevant letter of the Ministry of Treasury and Finance, the Company re-arranged its financial statements dated 31 December 2004 in accordance with the provisions of "Adjustment of Financial Statements in High Inflation Periods" and, starting from January 1, 2005, TAS 29, "Financial Reporting in Hyperinflationary Economies". did not apply the standard.

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.1. Basis of Preparation (Continued)**

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

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

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

**2.1.2 Functional and presentation currency**

The financial information presented in TRY has been rounded to the nearest TRY values.

**2.2. Consolidation**

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

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

The company purchased all the shares of its subsidiary OSEM Sertifikasyon A.Ş. in 2021. In accordance with the provisions of the "Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance Companies and Pension Companies", considering the materiality principle, OSEM Sertifikasyon A.Ş.'s total assets are less than one percent of the Company's total assets. Excluded from the scope of consolidation and carried over the cost value in the balance sheet.

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

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **2.2. Consolidation (Continued)**

Under the equity method, investment in a joint venture is initially recognized at cost. The carried value of the investment is adjusted to account for the changes in the share of the Company in the net assets of the joint venture since the date of purchase. Goodwill associated with the joint venture is included in the carried value of the investment and is not redeemed or individually tested for impairment. The profit or loss statement reflects the share of the Company in the operating results of the enterprise subject to joint management. Any change in the income statement of the invested companies is shown as a part of the company's income. In addition, when there is a change in the equity of the joint venture, the Company accounts for its share of any change in the statement of changes in equity. Unrealized gains and losses arising from the transactions between the company and the joint venture are eliminated to the extent of the share in the joint venture. Financial statements of joint ventures are prepared in the same reporting period as the Company. When necessary, adjustments are made to make the accounting policies the same with the accounting policies of the Company. The company determines whether it is necessary to recognize an impairment loss on its investment in joint ventures after the equity method is applied. The company decides at each reporting date whether there is objective evidence that the investment in the joint venture is impaired. If there is such an indicator, the Company calculates the depreciation amount as the difference between the recoverable value and the carried value of the joint venture and accounts the loss in the income statement (Note 9).

### **2.3 Segment Reporting**

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

Since the main economic environment, where the Company operates, is Turkey, a geographical segment reporting has not been presented.

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

### **2.4. Foreign currency transactions**

Transactions are recorded in TRY, which is the Company's functional currency. Transactions in foreign currencies are recorded at the rates ruling at the date 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 analyzed between translation differences resulting from changes in the amortized cost of the asset and other changes in the carrying amount of the asset. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.5. Tangible Assets**

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

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

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

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

	<b>Estimated Useful Lives (Years)</b>	<b>Depreciation Rates (%)</b>
Buildings (Land and buildings held for utilisation)	50	2
Machinery and equipment	4 - 50	25 - 2
Furniture and fixtures	4 - 50	25 - 2
Motor vehicles	4 - 5	25 - 20
Other tangible assets, Including leasehold improvements	3 - 5	33 - 20

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

**Right of Use Assets**

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

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.5 Tangible Assets (Continued)

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

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

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

#### Lease Liability

At the commencement date of the lease, the Company measures the lease liability over the present value of the unrealized lease payments at that date. Lease payments, if the interest rate implied in the lease can be easily determined, by using this rate; If the implied interest rate cannot be determined easily, it is discounted using the lessee's alternative borrowing interest rate. The weighted average of the alternative borrowing rates used by the Company for Turkish Lira leases as of December 31, 2022 17% (31 December 2021: 17%).

#### 2.6 Investment Property

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

#### 2.7 Intangible Assets

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

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

#### 2.8 Financial Assets

##### Classification and measurement

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.8 Financial Assets (Continued)**

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

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

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

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

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **2.8 Financial Assets (Continued)**

#### **Derecognition**

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

### **2.9 Impairment of Assets**

#### **Impairment of financial assets**

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

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

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

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

#### **Impairment on tangible assets**

On each reporting date the Company evaluates whether there is an indication of impairment of tangible and intangible assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made. Discount and provision expenses of the period are detailed in Note 47.

### **2.10 Derivative financial instruments**

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



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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.11 Offsetting of financial assets**

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

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

**2.12. Cash and Cash Equivalents**

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

**2.13 Share Capital**

As of 31 December 2022 and 31 December 2021, the share capital and ownership structure of the Company is as follows:

Name of Shareholders	31 December 2022		31 December 2021	
	Share Amount (TRY)	Share (%)	Share Amount (TRY)	Share (%)
TVF Finansal Yatırımlar A.Ş.	942,015,417	81.10	942,015,417	81.10
Public shares	219,507,946	18.90	219,507,946	18.90
<b>Paid-in Capital</b>	<b>1,161,523,363</b>	<b>100.00</b>	<b>1,161,523,363</b>	<b>100.00</b>

**The Company's registered share capital**

The Capital Markets Board's letter dated 17 July 2020 and numbered 7303, the Insurance and Private Pension Regulation and Supervision Agency's letter dated 27 July 2020 and numbered 331, the Ministry of Commerce General Directorate of Domestic Trade dated 27 July 2020 and 500035491-431.02 In line with the permissions granted based on the letter E.-00056175174 and the decision of the Presidency of the Republic of Turkey dated 15 July 2020 and numbered 2772; With the decision taken at the Extraordinary General Assembly meeting held on 27 August 2020, the registered capital ceiling of the Company from TRY540,000,000 to TRY5,000,000,000, the registered capital ceiling validity period was determined as 2020-2024 (5 years). As of 31 December 2022 and 31 December 2021, the Company consists of 1,161,523,363 fully paid shares.

**2.14 Insurance and investments contracts - classification**

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

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

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **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) Those are likely to comprise a significant portion of the total contractual benefits;

(ii) Whose amount or timing is contractually at the discretion of the Issuer;

(iii) Those are contractually based on:

(1) The performance of a specified pool of contracts or a specified type of contract;

(2) Realized and/or unrealized investments returns on a specified pool of assets held by the Issuer;

(3) The profit or loss of the Company, Fund or other entity that issues the contract.

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

### **Investment contracts without DPF**

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

### **2.16 Liabilities**

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

A financial liability is derecognized when it is extinguished.

### **2.17 Taxes**

#### **Corporate tax**

With the Corporate Tax Law No. 5520, which was published in the Official Gazette dated 21 June 2006 and numbered 26205, 20% for corporate earnings has been determined to be effective as of 1 January 2006. The Corporate Tax rate which is 20% in accordance with the Provisional Article 13 added to the Corporate Tax Law with the Law on the Amendment of Certain Laws and the Law on Collection of Public Claims No. 7316 published in the Official Gazette on April 22, 2021, It has been determined as 25% to be applied to corporate earnings for the period of 2022 and 23% to be applied to corporate earnings for the 2022 taxation period. In addition, Article 26 of the Law on the Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law No. 7394, which entered into force after being published in the Official Gazette dated April 15, 2022 and numbered 31810, and the provisional article 13 of the Corporate Tax Law No. 5520. With the added paragraph, it has been determined that for certain companies, including insurance companies, the Corporate Tax rate will be rearranged for the corporate earnings of the 2022 taxation period and 25% will be applied. With this amendment, 25% rate will be valid for the taxation of corporate earnings for the periods starting from 1 January 2022, starting with the declarations that must be submitted as of July 1, 2022.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.17 Taxes (Continued)**

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

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.

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, Law No. It has been enacted with the number 7532 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed.

**Deferred income taxes**

Deferred income tax assets and liabilities are recognized according to using the balance sheet method, on all taxable temporary differences arising between the tax bases and 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 income 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 transactions and events are recorded in the statement of income, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity (Note 21).

**2.18 Employee benefits***Reserve for severance indemnity:*

In accordance with existing Turkish Labor Law, the Company is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. As of 31 December 2022, the applicable ceiling amount as at TRY15,371.40 (31 December 2021: TRY8,284.51).

The fundamental assumption is that maximum ceiling for the yearly services increases in line with the inflation; therefore, the discount rate reflects the real rate after netting of the effects of inflation. The provision for termination benefits and severance payment has been calculated by using the ceiling amounting to TRY19,982.83 which is applicable starting from 1 January 2023, as it is adjusted yearly (1 January 2022: TRY10,848.59).

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.18 Employee benefits (Continued)**

The Company are calculated provision for employee severance indemnities using actuarial methods. The major statistical assumptions used in the calculation of the total liability as at 31 December 2022 and 2021 are as follows:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Discount rate	(0.93%)	3.67%
Estimated employee turnover rate	9.90%	5.31%

*Other employee benefits:*

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

**2.19 Provisions**

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Company discloses the contingent asset (Note 23).

**2.20 Revenue Recognition****Written Premiums**

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

**Claim recovery and salvage income and related receivable**

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.20 Revenue Recognition (Continued)**

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

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

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

At the reporting date, in accordance with the related circular, the Company recognized TRY102,305,586 (31 December 2021: TRY64,021,103) net salvage and subrogation receivables in the receivables from main operations and provided TRY14,375,566 (31 December 2021: TRY14,184,652) allowance for salvage and subrogation receivables that are overdue as described in the related circular (Note 4.2 and 12).

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

The Company provided a provision for net subrogation receivables under legal follow up and TRY648,105,114 (31 December 2021: TRY554,472,860) that is presented under doubtful receivables under main operations (Note 4.2 and 12).

In order to account for salvage income expected from the sale of the assets, the claim amount should be paid to the insuree and the ownership of the related assets should be transferred to the Company. When the assets are transferred to the insuree, sold to third parties by the Company or by an intermediary; salvage income is recorded and should not be recorded as a deduction from provisions for outstanding claims and paid claims.

For the years ended 31 December 2022 and 2021, accrued salvage and subrogation income per branches is as follows:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Motor own damage	56,713,654	40,215,454
Motor third party liability	33,497,468	13,563,253
Fire	8,753,562	8,920,072
Other	3,340,902	1,322,324
<b>Total</b>	<b>102,305,586</b>	<b>64,021,103</b>

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.20 Revenue Recognition (Continued)**

For the period 1 January - 31 December 2022 and 2021, salvage and subrogation collections are as follows:

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Motor own damage	364,995,490	285,650,563
Motor third party liability	126,551,887	29,554,793
Fire	21,160,689	55,900,106
Other	40,043,263	12,131,229
<b>Total</b>	<b>552,751,329</b>	<b>383,236,691</b>

**Commission income and expense**

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

**Interest income and expense**

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.

**Dividend**

Dividend income is accounted when related dividend right arises.

**2.21 Dividend distribution**

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

**2.22 Reserve for unearned premiums**

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.22 Reserve for unearned premiums (Continued)**

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

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

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

**2.23 Reserve for unexpired risks**

Within the framework of Regulation on Technical Reserves, insurance companies are required to account for an unexpired risk reserve against the probability that future losses incurred from in force policies may exceed the unearned premium reserve accounted for the related policies considering expected loss ratios. Expected loss ratio is calculated by dividing the incurred losses to earned premiums, above the mentioned expected loss ratio is calculated on the basis of main branches as of 31 December 2019, in accordance with the 'Regulation regarding the Changes in the Calculation of Unexpired Risk Reserve' dated 13 December 2012 and numbered 2012/15 published by Ministry of Treasury and Finance. In case where the expected loss ratio is higher than 95% net unexpired risks reserve for that branch is calculated by multiplying the ratio in excess of 95% with net unearned premium reserve for the related branch and gross unexpired risks reserve for that branch is calculated by multiplying the ratio in excess of 95% with gross unearned premium reserve for the related branch. The difference between gross amount and net amount is recognized as reinsurers' share.

With the "Circular No. 2022/27 on the Provision for Unexpired Risks" ("Circular No. 2022/27") published by the Insurance and Private Pensions Regulation and Supervision Agency, the gross loss premium rate to be used in the calculation of the provision for continuing risks to the insurance companies is determined. It is possible to calculate by dividing the amount of final claim found for each quarter (including indirect works) of the last year, based on the current year, by the earned premium. As an alternative to this method, the gross loss premium rate can be calculated by insurance companies over the sum of the last four quarters, including the current period, based on the writing (working) year, including indirect works, and in the relevant method, the policies written in the last year in calculating the amount of damage incurred by the company actuary. In terms of the writing (working) year, the immaturity of the damage development process should be taken into account within the framework of the best estimation principles. If the gross loss premium ratio calculated based on the accident year in the Land Vehicles, Voluntary Liability and General Liability branches of the Company is above 85%, the excess amount is multiplied by the gross unearned premium reserve; net unearned premium reserve has been multiplied by the net unearned premium reserve. However, the Company evaluated the current situation for the Compulsory Traffic branch as of the balance sheet date, and within the scope of the Circular no 2022/27, the loss premium rate calculated on the basis of the writing (working) year calculated by the Company actuary in the URP calculation of the said branch as of 31 December 2022 has used. Within the scope of the aforementioned circular, the calculation based on the writing (working) year instead of the accident year in the Compulsory Traffic branch had a reducing effect on the net URP recorded as of 31 December 2022 by TL 865,443,290.

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.23 Reserve for unexpired risks (Continued)

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

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

As of 31 December 2022, the Company has calculated a net unexpired risk reserve of TRY1,178,816,442 and booked (31 December 2021: TRY26,715,793) (Note 17).

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

Branch	Claim/ Premium	31 December 2022		31 December 2021	
		Gross URR	Net URR	Gross URR	Net URR
Motor Vehicles		1,317,344,229	1,011,388,088	26,980,427	26,715,793
- Compulsory traffic (except RIP)	119%	862,161,225	852,601,110	26,980,427	26,715,793
- RIP acquired	159%	149,269,073	149,269,073	-	-
- RIP transferred	158%	296,359,716	-	-	-
- Discretionary liability	102%	9,554,215	9,517,905	-	-
Disease	113%	159,559,989	159,559,989	-	-
General Liability	107%	58,799,240	7,106,451	-	-
Surety bond	104%	1,516,481	761,914	-	-
<b>Total</b>		<b>1,537,219,939</b>	<b>1,178,816,442</b>	<b>26,980,427</b>	<b>26,715,793</b>

#### 2.24 Provision for outstanding claims

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

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

As of 31 December 2022, the difference between the provision for outstanding claim that is accrued and the amount that is calculated by using the actuarial chain ladder method, of which the content and implementation fundamentals are determined on the Legislation for Technical Provision and the 'Circular on Provision for Outstanding Claim' numbered. 2014/16 and dated 5 December 2014 and is effective from 1 January 2015, is accounted for as incurred but not reported claims provision



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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.24 Provision for outstanding claims (Continued)**

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

The data related accrued claim recoveries, salvage and equivalent income in the balance sheet are taken into consideration in the ACLM calculations with collections. In addition, for the branches with a negative ACLM result, the incurred but not reported claim provision was calculated considering the total amount of the negative ACLM result. The ACLM calculations are performed on a gross basis and the net amounts are determined in accordance with in-forced reinsurance agreements of the Company. The gross and net incurred but not reported claim provision to be added or to be deducted for each branch and the calculation methodology as at 31 December 2022 and 2021 are explained in the Note 17.

In accordance with the circular numbered 2011/18 of the Ministry of Treasury and Finance; In the calculation of realized but not reported compensation amounts for Compulsory Traffic, Compulsory Road Transport Financial Liability and Bus Compulsory Seat Personal Accident branches made with the actuarial chain ladder method, all data on compensation for treatment expenses, outstanding claims and recourse, salvage and similar income collected excluded.

As of 31 December 2022, the gradual transition has ended and the Company has made a net additional incurred but not reported claims provisions amounting to, TRY6,039,113,738 in its consolidated financial statements (31 December 2021: TRY2,719,279,643).

The "Circular on the Discounting of Net Cash Flows Arising from the Provision for Outstanding Claims" published by the Ministry of Treasury and Finance dated 10 June 2016 and numbered 2016/22 and the Ministry of Treasury and Finance dated 15 September 2017 and numbered 2017/7 "Net Cash Arising from Outstanding Claims Reserve In accordance with the Circular on the Amendment of the Circular No. 2016/22 on the Discounting of Flows, and "Circular No. 2016/22 Amending the Circular No. 2016/22 on Discounting of Net Cash Flows Arising from Outstanding Compensation Provisions" dated 30 December 2022 and numbered 2021/30 ("Circular No. 2021/30") published by SEDDK the Company has a net amount of TRY3,852,024,009 31 as of December 2021 (31 December 2021: TRY1,448,945,234) for the branches in the table below discount calculated. In accordance with the Circular numbered 2021/30, the discount calculation as of 31 December 2021 was made by taking into account the annual rate of 14% (31 December 2021: 14% per annum). In accordance with the Circular numbered 2021/30, it is stated that the differences between the periods due to the said discount rate change should be accepted as a change in estimation. The said discount rate change had a reducing effect on the net outstanding claims provision as of 31 December 2022, amounting to TRY 873,365,688.

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.24 Provision for outstanding claims (Continued)

As of December 31, 2022 and 2021, the Company's net outstanding indemnity provisions on the basis of branches are as follows before and after discount.

31 December 2022 Branch	Net outstanding claims before discount	Discount amount	Discounted net Outstanding claims provisions
Motor Third Party Liability	8,616,755,501	(3,615,364,571)	5,001,390,930
Motor own damage	347,319,626	(37,393,936)	309,925,690
Health	252,753,130	(11,697,732)	241,055,398
General Liability	222,026,018	(120,378,259)	101,647,759
Fire and Natural Disasters	136,202,542	(24,879,272)	111,323,270
General Losses	83,032,135	(11,572,202)	71,459,933
Accident	60,408,378	(26,051,422)	34,356,956
Marine	21,512,677	(2,702,242)	18,810,435
Financial Losses	5,083,609	(779,724)	4,303,885
Water Vehicles	3,351,052	(559,486)	2,791,566
Surety	1,449,207	(465,460)	983,747
Legal Protection	392,778	(116,606)	276,172
Credit	270,377	(63,096)	207,281
<b>Total</b>	<b>9,750,557,030</b>	<b>(3,852,024,008)</b>	<b>5,898,533,022</b>

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.24 Provision for outstanding claims (Continued)**

<b>31 December 2021</b>	<b>Net outstanding claims</b>	<b>Discount</b>	<b>Discounted net</b>
<b>Branch</b>	<b>before discount</b>	<b>amount</b>	<b>Outstanding claims</b>
			<b>provisions</b>
Motor Third Party Liability	4,383,838,730	(1,322,635,296)	3,061,203,434
Motor own damage	240,668,436	(15,158,668)	225,509,768
Health	146,057,783	(4,333,582)	141,724,201
General Liability	185,286,028	(77,084,481)	108,201,547
Fire and Natural Disasters	102,880,495	(4,900,326)	97,980,169
General Losses	48,822,896	(4,646,590)	44,176,306
Accident	57,027,071	(18,678,269)	38,348,802
Marine	12,288,979	-	12,288,979
Financial Losses	2,917,388	(997,369)	1,920,019
Water Vehicles	4,766,937	-	4,766,937
Surety	1,333,833	(463,378)	870,455
Legal Protection	186,848	(36,166)	150,682
Credit	123,348	(11,109)	112,239
<b>Total</b>	<b>5,186,198,772</b>	<b>(1,448,945,234)</b>	<b>3,737,253,538</b>

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.24 Provision for outstanding claims (Continued)

The methods applied to estimate the net cash flows of the Company as at 31 December 2022 and 2021 and the estimated net cash flows for each major branch are as follows.

31 December 2022		Methods				
Branch	Applied	2023	2024	2025	2026	2027
Motor Third Party Liability	Tablo 57	2,203,272,416	1,220,588,764	970,783,838	914,937,729	844,764,706
Motor own damage	Tablo 57	287,721,293	16,410,518	13,064,096	11,912,855	9,008,599
Health	Tablo 57	243,981,312	7,531,960	1,169,440	38,259	(24,999)
General Liability	Tablo 57	18,128,892	20,699,551	24,852,336	29,474,667	33,619,920
Fire and Natural Disasters	Tablo 57	91,207,020	15,086,744	8,397,598	7,151,006	6,830,149
General Losses	Tablo 57	61,762,586	11,589,432	4,797,863	2,085,217	1,251,162
Accident	Tablo 57	13,043,692	8,786,654	7,840,077	7,831,593	6,833,319
Marine	Tablo 57	15,320,683	6,111,895	(94,905)	291,849	205,616
Financial Losses	Tablo 57	3,992,637	561,543	80,785	77,312	95,323
Water Vehicles	Tablo 57	2,602,432	342,213	39,024	123,010	(291,487)
Surety	Tablo 57	392,204	205,033	466,134	202,319	169,709
Legal Protection	Tablo 57	130,539	113,603	55,956	41,083	22,909
Credit	Tablo 57	138,433	74,583	2,966	(4,959)	46,082
31 December 2021		Methods				
Branch	Applied	2022	2023	2024	2025	2026
Motor Third Party Liability	Tablo 57	1,095,754,206	698,921,537	592,558,315	524,365,682	455,113,168
Motor own damage	Tablo 57	207,579,737	10,791,091	7,234,338	5,936,847	4,164,463
Health	Tablo 57	142,007,962	3,309,322	686,184	45,168	(20,112)
General Liability	Tablo 57	17,612,271	18,988,532	21,005,763	21,366,346	23,476,860
Fire and Natural Disasters	Tablo 57	88,248,199	9,557,550	4,016,936	3,380,513	2,546,394
General Losses	Tablo 57	36,812,657	6,293,697	2,712,231	1,184,342	920,748
Accident	Tablo 57	11,576,031	8,570,281	7,660,929	7,354,784	6,791,828
Financial Losses	Tablo 57	1,113,618	202,371	99,709	115,588	154,958
Surety	Tablo 57	224,119	132,152	238,770	215,690	158,443
Legal Protection	Tablo 57	77,250	44,263	27,281	17,424	11,343
Credit	Tablo 57	91,272	29,351	3,509	(784)	-

2028	2029	2030	2031	2032	Total
763,631,667	665,766,402	610,395,670	355,516,056	67,098,253	8,616,755,501
3,860,411	2,706,337	1,740,337	1,054,347	(159,167)	347,319,626
41,723	14,823	612	-	-	252,753,130
33,153,940	32,798,409	19,552,357	8,949,272	796,674	222,026,018
5,920,678	1,606,452	(95,475)	59,411	38,959	136,202,542
796,455	324,449	289,199	132,901	2,871	83,032,135
5,413,194	4,516,838	3,866,385	1,839,763	436,863	60,408,378
(432,924)	(254,674)	172,139	148,628	44,370	21,512,677
104,155	117,772	53,322	760	-	5,083,609
48,536	113,487	304,791	65,435	3,611	3,351,052
1,019	1,870	10,465	454	-	1,449,207
15,244	9,245	4,199	-	-	392,778
126	9,465	3,681	-	-	270,377

2027	2028	2029	2030	2031	Total
384,206,809	290,765,060	207,458,974	105,341,206	29,353,773	4,383,838,730
2,252,575	1,461,933	1,044,918	286,024	(83,490)	240,668,436
22,932	5,912	415	-	-	146,057,783
27,467,379	21,355,847	18,385,701	13,079,056	2,548,273	185,286,028
582,708	(1,066,333)	(1,306,075)	(1,676,035)	(1,403,362)	102,880,495
691,284	159,503	34,015	14,021	398	48,822,896
5,710,754	4,182,478	2,978,768	1,825,361	375,857	57,027,071
116,709	303,178	372,447	340,339	98,471	2,917,388
138,488	209,160	16,653	358	-	1,333,833
7,701	1,381	205	-	-	186,848
-	-	-	-	-	123,348

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.24 Provision for outstanding claims (Continued)

In accordance with the Circular No. 2011/23, it is possible to calculate a winning rate over the amounts of the lawsuits filed against the Company according to the realizations of the last five years according to the realizations of the last five years, and according to the calculated win rate, it is possible to make a discount from the outstanding claims reserves accrued for the files in the litigation process. As of December 31, 2018, the company calculated the winning rates by sub-branches by proportioning the amount of the claims, whose all judicial processes were completed in the last five years, to the total amount of the files. In the calculation of the winning ratio, only the principal amounts related to the compensation are included in the calculation, and the interest and other expenses are not taken into account. In accordance with the Circular numbered 2011/23 for the branches with a winning ratio of over 25%, a discount was made from the outstanding claims reserve amount by using 25% for those with sufficient previous files and 15% for other branches. The company made the said calculations on the gross amounts and the reinsurance shares of the discount amount were determined by taking into account the reinsurance share of the related files. As of 31 December 2022, the net deduction amount of the Company's earning rates calculated on the basis of sub-branches and the provision for outstanding claims accrued is TRY743,999,748 (31 December 2021: TRY485,664,401) (Note 17). The winning rates used on a branch basis as of 31 December 2022, 2021 are as follows:

Branch	31 December 2022	31 December 2021
	Used Winning Ratio (%)	Used Winning Ratio (%)
Fire	25.00%	25.00%
Loss of profit	25.00%	25.00%
Construction All Risk	25.00%	25.00%
Marine Hull and Machinery	25.00%	25.00%
Compulsory Financial Liability	25.00%	25.00%
MTPL – facultative	25.00%	25.00%
Motor vehicles - own damage	25.00%	25.00%
Compulsory Seat Occupational responsibility for Insurance Transportation on Road	25.00%	25.00%
Third party financial liability	25.00%	25.00%
Robbery	25.00%	25.00%
Aircraft Financial Liability	25.00%	25.00%
ZMSS on Medical Malpractice	25.00%	25.00%
Private Security Financial Liability	25.00%	25.00%
Occupational responsibility	25.00%	25.00%
Optional Earthquake	25.00%	25.00%
Flood	25.00%	25.00%
Landslide	25.00%	25.00%
Personal Accident	25.00%	25.00%
Loss of Rent and Income	25.00%	25.00%
Legal Protection	25.00%	25.00%
Machinery breakdown	25.00%	25.00%
Erection All Risks	25.00%	25.00%
Construction	25.00%	25.00%
Compulsory Product Liability for LPG	25.00%	25.00%
Health	25.00%	25.00%
Travel Health	25.00%	25.00%
Compulsory Traffic (Excluding Green Card)	24.21%	24.21%
Electronic Equipment	22.69%	22.69%
Employer financial liability	14.10%	14.10%

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.25 Equalization provision**

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

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

As of 31 December 2022, equalization provision amounting to TRY159,944,693 (31 December 2021: TRY130,853,892) is presented under 'Other Technical Reserves' under the long term-liabilities in the accompanying financial statements (Note 17).

**2.26 Related Parties**

For the purpose of the accompanying 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 (Note 45).

**2.27 Earnings per share**

Earnings per share are determined by dividing the net income by the weighted average number of shares outstanding during the year attributable to the shareholders of the Company. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ('Bonus Shares') to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares issued are regarded as issued shares. Therefore, the weighted average number of shares used in the calculation of earnings per share is obtained by applying the bonus issue of shares retrospectively from the beginning of the previous reporting period (Note37).

**2.28 Subsequent events**

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.29 New standards and interpretations

#### a. Standards, amendments and interpretations applicable as at 31 December 2022:

The Company evaluated the effects of the standards and changes mentioned below on the financial statements and concluded that the changes made do not have a material effect on the financial statements.

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
  - **Amendments to IFRS 3,** 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to IAS 16,** 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to IAS 37,** 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

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

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **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 1, Presentation of financial statements' on classification of liabilities;** effective from 1 January 2024. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- **IFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. In addition, with the "Sector Announcement on the Implementation of Some Turkish Financial Reporting Standards by Companies" of SEDDK dated 29 December 2022 and numbered 2022/15, information was given about keeping the legal books according to the current chart of accounts in the fiscal year that started on January 1, 2023.

The Company has evaluated the changes in the standards that have been published but have not yet become effective and started work on the IFRS 17 standard and its effects. The Company management is of the opinion that the changes made, except for the IFRS 17 standard, do not have a material impact on the financial statements.



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

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

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

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

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

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

4.1 Notes - Management of insurance risk

4.2 Notes - Financial risk management

6 Notes - Tangible assets

7 Notes - Investment properties

8 Notes - Intangible assets

9 Notes - Investments in associates

10 Notes - Reinsurance assets and liabilities

11 Notes - Financial assets

12 Notes - Loans and receivables

21 Notes - Deferred taxes

42 Notes- Risks

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK****4.1 Management of insurance risk**

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

In accordance with Code of Risk Acceptance of the Company, risks are allocated in terms of their branches and potential effects. The main part of this risk management is the evaluation of all possibilities to eliminate, control or reinsure the risk by defining in all parts of the insurance operations.

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

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

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

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

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)****4.1 Management of insurance risk (Continued)**

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

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

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

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

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

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

As of 31 December 2022 QBE and SiriusPoint is the leader reinsurers of the Company in branches such as fire and engineering, excess loss-shared and catastrophe-cover agreements. Other following reinsurers are Everest Re, Milli Re, Odyssey Re Labuan Re, China Re ve XL Re.

The last credit-scaling notes as follows in the table;

<b>Reinsurer</b>	<b>Scale</b>	<b>Outlook</b>	<b>Date</b>
Liberty Mutual Insurance Company	A	AM Best	29 Temmuz 2022
QBE Europe nv/sa	A	AM Best	7 Nisan 2022
Sirius International Insurance Corporation (publ)	A-	AM Best	1 Nisan2022
Everest Reinsurance Company	A+	AM Best	15 Haziran 2022
Odyssey Reinsurance Company	A	AM Best	23 Haziran 2022
China Re.	A	AM Best	18 Kasım 2022
Labuan Re	A-	AM Best	28 Ekim 2022
Milli Reasürans T.A.Ş.	BBB-	S&P	30 Eylül 2022

The company has annual excess treaty in fire, marine, engineering and miscellaneous accident branches, as for quota share agreements for marine, commodity, farming, building completion and credit branches as of the date 31 December 2022.

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

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK(Continued)****4.1 Management of insurance risk (Continued)****Premiums transferred to the Social Security Institution**

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

The liability of the insurance companies with respect to the service costs to be incurred in the context of abovementioned articles has been determined in accordance with the provisions of 'The Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated 27 August 2011 ('The Regulation'), 'The Communiqué on the Principles of the Implementation of the Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated 15 September 2011 and numbered 2011/17 (the 'Communiqué numbered 2011/17') and 'The Communiqué on the Accounting of Payments to Social Security Institution ('SSI') with respect to Treatment Expenses and Introduction of New Account Codes to Insurance Account Chart' dated 17 October 2011 (the 'Communiqué numbered 2011/18'), the regulation('2012/3 numbered notice) making changes in 'The Regulation on the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated 16 March 2012 and numbered 2012/3 and the communique about changes related 'the Principles of Collection of the Costs of the Health Services Provided due to the Traffic Accidents' dated 30 April 2012 and numbered 2012/6(the 'Communique numbered 2012/6'). Within this framework, the Company is required to cede a certain amount of premiums to be determined in accordance with the Regulation and the Communiqué numbered 2011/17 to SSI in relation to policies issued as of 25 February 2011, the notice numbered 2012/3 and the communiqué numbered 2012/6 in 'Compulsory Marine', 'Compulsory Traffic' and 'Compulsory Motor Personal Accident' branches regarding the expenses with respect to the traffic accident related medical care services provided after enforcement of the Law. Based on the aforementioned regulations, the Company has calculated the amount of the premiums to be ceded to SSI in 1 January - 31 December 2022 account period as TRY593,779,883 under the account of 'premiums transferred to SSI' (1 January - 31 December 2021: TRY177,301,773).

**Premiums and claims transferred to the Risky Insured Pool**

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

The Company has recorded the premiums, indemnities and commission amounts transferred from the Risky Insurance Pool within the scope of the Company's share within the scope of the regulation, taking into consideration the estimated amounts of the unreported periods at the closing date of the accounts and the monthly receipts finalized by TMTB. As of 31 December 2022, the Company has transferred TRY749,041,945 premium and TRY450,630,830 paid compensation and recovery income to the Pool. TRY426,259,250 premium, TRY128,125,595,95 commission, TRY311,531,782 paid as compensation and recovery income from Pool to the Company were recognized in accordance with the relevant legislation.

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

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

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

## **4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)**

### **4.1 Management of insurance risk (Continued)**

The Company has accounted the amounts of premiums, claims and commissions that are taken over from the Pool within the scope of the Company's market share and ceded to the Medical Malpractice Liability Pool within the scope of the regulation, considering the amounts in the monthly statements that is finalized by other insurance companies. As of 31 December 2022, The Company has ceded TRY7,16,748,481 premium to the Pool and accounted TRY5,443,719 premium, TRY1,238,245 compensation and TRY2,283,883 commission income; based on its share which are reported by the Pool, on the financial statements in accordance with the legislation.

### **4.2 Management of financial risk**

#### **Introduction and overview**

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

- Credit risk
- Liquidity risk
- Market risk

#### **4.2 Management of financial risk (Continued)**

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

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

#### **Credit risk**

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

- Banks
- Other cash and cash equivalents (excluding cash on hand)
- Financial assets held for trading
- Premium receivables from policyholders
- Receivables from intermediaries (agencies)
- Receivables from reinsurance companies related to commissions and claims paid
- Reinsurance shares of insurance liability
- Other receivable

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

## TÜRKİYE SİGORTA AŞ

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

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

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

	31 December 2022	31 December 2021
N Cash equivalents (Note 14)	9,034,205,139	6,103,547,210
Receivables from operating activities (Note 12)	4,535,533,038	3,376,909,487
Reinsurer's share in provision for outstanding claims (Note 10)	5,138,167,362	3,468,615,657
Financial assets (Note 11)	8,605,624,564	2,173,847,016
Prepaid taxes and funds (Note 12)	51,512,542	46,854,946
Other receivables (Notes 12)	16,586,270	20,960,793
Advances given to personnel	126,001	91,643
<b>Total</b>	<b>27,381,754,916</b>	<b>15,190,826,752</b>

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

	31 December 2022	31 December 2021
Letter of guarantee	100,589,967	74,307,681
Notes received	63,603,878	60,530,776
Cash guarantees	54,436,576	26,797,460
Other guarantee and commitments	75,283,550	52,378,393
<b>Total</b>	<b>293,913,971</b>	<b>214,014,310</b>

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

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

As at 31 December 2022 and 2021, the aging of the receivables from operating activities and related provisions are as follows:

	31 December 2022		31 December 2021	
	Gross amount	Provision	Gross amount	Provision
Undue receivables	3,897,539,059	-	2,948,812,879	-
Past due 0-30 days	314,390,343	-	152,612,496	-
Past due 31-60 days	206,328,648	-	175,299,603	-
Past due 61-180 days	15,028,187	-	29,888,122	-
More than 181 days receivables	56,715,891	(42,399,110)	53,008,127	(32,548,191)
	<b>4,490,002,128</b>	<b>(42,399,110)</b>	<b>3,359,621,227</b>	<b>(32,548,191)</b>
Subrogation and salvage receivables	102,305,586	(14,375,566)	64,021,103	(14,184,652)
Doubtful receivables from main operations recovery receivables	648,105,114	(648,105,114)	554,472,860	(554,472,860)
<b>Total</b>	<b>5,240,412,828</b>	<b>(704,879,790)</b>	<b>3,978,115,190</b>	<b>(601,205,703)</b>

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

	2022
<b>Beginning of the period - 1 January</b>	<b>(601,205,703)</b>
Change in provision for recovery receivables under legal follow-up (Note 47)	(101,316,105)
Other	(2,357,982)
<b>Period ending - December 31</b>	<b>(704,879,790)</b>

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial instruments.

#### Managing Liquidity Risk

The Company considers the maturity match between assets and liabilities for the purpose of avoiding liquidity risk and ensures that it will always have sufficient liquidity to meet its liabilities when due.

## TÜRKİYE SİGORTA AŞ

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

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

The table below shows the distribution of the Company's financial and insurance liabilities as of the balance sheet dates, based on contractual or expected terms:

Monetary asset and liabilities' remaining periods to maturity:

31 December 2022	Book value	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years
<b>Assets</b>						
Cash and cash equivalents	9,034,205,139	4,917,646,324	4,061,926,616	54,632,199	-	-
Financial assets	8,605,624,564	3,425,311,322	1,293,487,366	1,091,757,565	1,970,706,266	824,362,045
Receivables from operating activities	4,535,533,038	1,169,694,256	1,104,123,207	2,141,334,659	120,380,916	-
Other receivables	16,586,270	9,882,172	395,574	260,758	6,047,766	-
<b>Total monetary assets</b>	<b>22,191,949,011</b>	<b>9,522,534,074</b>	<b>6,459,932,763</b>	<b>3,287,985,181</b>	<b>2,097,134,948</b>	<b>824,362,045</b>
<b>Liabilities</b>						
Payables from operating activities	2,975,252,693	914,692,073	1,107,587,931	900,545,328	52,427,361	-
Due to related parties	7,163,651	257,842	2,653,555	4,252,254	-	-
Other payables	397,412,189	162,161,147	218,724,336	16,526,706	-	-
Provision for outstanding claims, net	5,898,533,022	367,436,763	1,087,236,961	4,213,866,866	209,084,031	20,908,401
Provision for tax and other similar liabilities	394,920,037	332,838,634	58,765,743	3,315,660	-	-
Financial liabilities	1,900,367,242	1,882,898,544	-	-	17,468,698	-
<b>Total monetary liabilities</b>	<b>11,573,648,834</b>	<b>3,660,285,003</b>	<b>2,474,968,526</b>	<b>5,138,506,814</b>	<b>278,980,090</b>	<b>20,908,401</b>

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

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

31 December 2021	Book value	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years
<b>Assets</b>						
Cash and cash equivalents	6,103,547,210	3,658,432,008	2,282,569,102	162,546,100	-	-
Financial assets	2,173,847,016	248,597,521	340,705,632	423,492,812	819,344,555	341,706,496
Receivables from operating activities	3,376,909,487	1,272,038,634	553,401,123	1,489,214,326	62,255,404	-
Other receivables	20,960,793	13,643,670	786,787	518,651	6,011,685	-
<b>Total monetary assets</b>	<b>11,675,264,506</b>	<b>5,192,711,833</b>	<b>3,177,462,644</b>	<b>2,075,771,889</b>	<b>887,611,644</b>	<b>341,706,496</b>
<b>Liabilities</b>						
Payables from operating activities	2,186,924,896	1,204,435,769	392,796,996	519,467,601	70,224,530	-
Due to related parties	8,569,158	308,431	3,174,182	5,086,545	-	-
Other payables	155,232,416	36,528,998	85,435,495	6,455,465	26,812,458	-
Provision for outstanding claims, net	3,737,253,538	232,804,384	688,862,835	2,669,865,336	132,473,622	13,247,361
Provision for tax and other similar liabilities	270,982,980	142,535,371	-	128,447,609	-	-
Financial liabilities	13,381,389	159,759	-	-	13,221,630	-
<b>Total monetary liabilities</b>	<b>6,372,344,377</b>	<b>1,616,772,712</b>	<b>1,170,269,508</b>	<b>3,329,322,556</b>	<b>242,732,240</b>	<b>13,247,361</b>

#### Market risk

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

#### Currency risk

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

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated by the Central Bank of the Republic of 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.



## TÜRKİYE SİGORTA AŞ

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

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

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

31 December 2022	USD	EUR	Other Currencies	Total
<b>Assets:</b>				
Cash and cash equivalents	711,398,417	195,303,716	3,336,079	910,038,212
Financial Assets	423,342,229	-	-	423,342,229
Receivables from operating activities	1,211,890,250	532,319,786	6,950,069	1,751,160,105
<b>Total foreign currency assets</b>	<b>2,346,630,896</b>	<b>727,623,502</b>	<b>10,286,148</b>	<b>3,084,540,546</b>
<b>Liabilities:</b>				
Payables arising from operating activities	1,360,212,366	352,300,904	332,923	1,712,846,193
Provision for outstanding claims	27,971,414	20,162,938	5,532,722	53,667,074
Deposits and collaterals received	21,558,390	5,384,996	-	26,943,386
<b>Total foreign currency liabilities</b>	<b>1,409,742,170</b>	<b>377,848,838</b>	<b>5,865,645</b>	<b>1,793,456,653</b>
<b>Balance sheet position</b>	<b>936,888,726</b>	<b>349,774,664</b>	<b>4,420,503</b>	<b>1,291,083,893</b>
<b>31 December 2021</b>				
	USD	EUR	Other Currencies	Total
<b>Assets:</b>				
Cash and cash equivalents	442,353,632	140,487,777	3,060,385	585,901,794
Financial assets	118,622,301	-	-	118,622,301
Receivables from operating activities	1,303,765,079	395,021,428	7,167,370	1,705,953,877
<b>Total foreign currency assets</b>	<b>1,864,741,012</b>	<b>535,509,205</b>	<b>10,227,755</b>	<b>2,410,477,972</b>
<b>Liabilities:</b>				
Payables arising from operating activities	1,317,749,142	336,243,073	8,387,902	1,662,380,117
Provision for outstanding claims	18,823,349	10,115,671	3,750,937	32,689,957
Deposits and collaterals received	16,130,432	4,412,188	-	20,542,620
<b>Total foreign currency liabilities</b>	<b>1,352,702,923</b>	<b>350,770,932</b>	<b>12,138,839</b>	<b>1,715,612,694</b>
<b>Balance sheet position</b>	<b>512,038,089</b>	<b>184,738,273</b>	<b>(1,911,084)</b>	<b>694,865,278</b>

TRY equivalents of the related monetary amounts denominated in foreign currencies are presented above.

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

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

##### Exposure to currency risk

20% percent devaluation of the TRY against the following currencies as at 31 December 2022 and 2021 would have increased equity and profit or loss (excluding tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. 20% percent appreciation of the TRY against the following currencies' effect will be in opposite direction.

	1 January- 31 December 2022		1 January- 31 December 2021	
	Profit or loss	Equity	Profit or loss	Equity
USD	187,377,745	187,377,745	102,407,618	102,407,618
EUR	69,954,933	69,954,933	36,947,655	36,947,655
Other currencies	884,101	884,101	(382,217)	(382,217)
<b>Total, net</b>	<b>258,216,779</b>	<b>258,216,779</b>	<b>138,973,056</b>	<b>138,973,056</b>

##### Exposure to interest rate risk

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

As at 31 December 2022 and 2021, the interest rate profile of the Company's interest earning financial assets and interest-bearing financial liabilities are detailed below:

	31 December 2022	31 December 2021
<b>Financial assets with fixed interest rate:</b>		
Deposits in banks (Note 14)	6,781,587,526	5,147,085,000
Non-trading financial assets (Note 11)	585,782,233	733,378,944
Financial assets held to maturity (Note 11)	992,450,784	133,121,716
Financial assets held for trading (Note 11)	1,655,341,460	848,908,165
<b>Financial assets with non-fixed interest rate:</b>		
Deposits in banks (Note 14)	-	123,002,954
Non-trading financial assets (Note 11)	1,674,913,483	-
Financial assets held to maturity (Note 11)	36,005,246	16,554,892
Financial assets held for trading (Note 11)	3,661,131,358	441,883,299
<b>Financial assets with fixed interest rate:</b>		
Liabilities from financial leasing transactions (Note 20)	29,092,275	13,381,389
Other Liabilities (Note 20)	1,871,274,967	-

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

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)****4.2 Management of financial risk (Continued)***Fair value information*

The estimated fair values of financial instruments have been determined using available market information, and where it exists, appropriate valuation methodologies.

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

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

*Classification of fair value measurement*

'IFRS 7 - Financial Instruments': Disclosures requires the measurements of fair value of financial instruments to be classified in a hierarchy that reflects the significance of the valuation inputs used. This classification priorities observable data, using market data obtained from independent sources, in preference to unobservable data that relies, for example on the use of predictions and assumptions about market prices by the Company. This sort of categorization generally results in the classifications below.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

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

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

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

### 4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)

#### 4.2 Management of financial risk (Continued)

Classification of financial assets and liabilities' fair values is as follows:

31 December 2022	Level 1	Level 2	Level 3	Total
Non-trading financial assets (Note 11)	513,490,656	1,747,205,060	-	2,260,695,716
Financial assets held for trading (Note 11)	3,215,024,056	2,101,448,762	-	5,316,472,818
Investment in equity shares <sup>(1)</sup>	-	-	2,233,415,588	2,233,415,588
Investment in equity shares <sup>(1)</sup>	273,988,374	-	1,066,862,399	1,340,850,773
Properties held for use (Note 6)	-	515,335,000	-	515,335,000
Investment Properties (Note 7)	-	107,435,771	-	107,435,771
	<b>3,728,514,712</b>	<b>4,471,424,593</b>	<b>2,233,415,588</b>	<b>10,433,354,893</b>

31 December 2021	Level 1	Level 2	Level 3	Total
Non-trading financial assets (Note 11)	733,378,944	-	-	733,378,944
Financial assets held for trading (Note 11)	192,434,703	1,098,356,761	-	1,290,791,464
Investment in equity shares <sup>(1)</sup>	273,988,374	-	1,066,862,399	1,340,850,773
Properties held for use (Note 6)	-	302,775,000	-	302,775,000
Investment Properties (Note 7)	-	51,300,737	-	51,300,737
	<b>1,199,802,021</b>	<b>1,452,432,498</b>	<b>1,066,862,399</b>	<b>3,719,096,918</b>

<sup>(1)</sup> There are no investments carried out from the cost value in the investment in equity shares.

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

#### Sensitivity of fair value of financial assets

Equity share price risk is defined as the risk of decreasing the market price of equity shares as a result of a change in index. If market prices had increased/decreased by 5% and all other variables had remained constant, the Company's equity would have been TRY 378,858,427 (31 December 2021: TRY 114,907,939) more/lower as of December 31, 2022, excluding tax effects.

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

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

**4. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (Continued)****4.2 Management of financial risk (Continued)****Capital Management**

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

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

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

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

The Company's capital adequacy measurement is carried out twice a year, in June and December, within the two months following these periods, within the framework of the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance and Pension Companies. When the company management evaluates its equity capital as of 31 December 2022, considering the circular numbered 2023/1 dated 4 January 2023 and the circular numbered 2023/5 dated 4 January 2023 and the circular numbered 2023/5 dated 9 February 2023, it is of the opinion that the required minimum equity capital adequacy has been achieved.

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

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

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Changes in the fair value of financial assets, after tax	972,334,047	123,886,744
	<b>972,334,047</b>	<b>123,886,744</b>

**5. SEGMENT REPORTING**

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

**Business Segments**

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

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

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

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

**5. SEGMENT REPORTING (Continued)**

**Fire Insurance**

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

**Motor Vehicles Insurance**

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

**Motor Vehicles (Land) Liability Insurance**

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

trailer's insurance policy. Trailers to carry people will be covered if there is an additional liability insurance, specified the special conditions.

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

**Health Insurance**

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

**Geographical Reporting**

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

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

## TÜRKİYE SİGORTA AŞ

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

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

## 5. SEGMENT REPORTING (Continued)

As of 1 January - 31 December 2022 segment results are as follows:

	Motor Third					Undistributed	Total
	Party Liability	Motor Vehicles	Health	Fire	Other		
<b>Technical Income</b>	<b>2,959,084,200</b>	<b>2,103,139,133</b>	<b>789,912,959</b>	<b>1,290,801,239</b>	<b>2,520,074,185</b>	-	<b>9,663,011,716</b>
1 - Earned premiums (net off reinsurers' share)	2,045,601,487	1,639,541,833	591,263,324	898,609,609	1,717,527,236	-	6,892,543,489
1.1 - Written premiums (net off reinsurers' share)	5,037,303,711	2,336,535,095	1,324,750,848	1,374,036,804	2,709,908,592	-	12,782,535,050
1.2 - Change in reserve for unearned premiums	(2,007,029,930)	(696,993,262)	(573,927,535)	(475,427,195)	(984,512,990)	-	(4,737,890,912)
1.3 - Change in reserve for unexpired risk	(984,672,294)	-	(159,559,989)	-	(7,868,366)	-	(1,152,100,649)
2 - Other technical incomes and accrued salvage and							
Subrogation receivables (net off reinsurer's share)	51,597,012	55,613,263	508,021	15,597,089	16,135,756	-	139,451,141
3 - Investment Income Transferred from Non-Technical Part	861,885,701	407,984,037	198,141,614	376,594,541	786,411,193	-	2,631,017,086
<b>Technical Expense</b>	<b>(4,949,260,954)</b>	<b>(1,638,182,889)</b>	<b>(1,142,174,261)</b>	<b>(555,745,329)</b>	<b>(875,199,235)</b>	-	<b>(9,160,562,668)</b>
1 - Claims accrued (net off reinsurers' share)	(4,458,043,800)	(1,227,995,784)	(844,711,152)	(288,769,468)	(443,450,009)	-	(7,262,970,213)
1.1 - Claims paid (net off reinsurers' share)	(2,517,856,304)	(1,143,579,861)	(745,379,954)	(275,426,367)	(419,448,243)	-	(5,101,690,729)
1.2 - Claims paid (net off reinsurers' share ((net off reinsurers' share and deferred part) (+/-)	(1,940,187,496)	(84,415,923)	(99,331,198)	(13,343,101)	(24,001,766)	-	(2,161,279,484)
2- Change in other technical provisions	-	(3,016,720)	-	(24,211,904)	(1,862,178)	-	(29,090,802)
3- Operating expenses	(491,217,154)	(407,170,385)	(297,463,109)	(242,763,957)	(429,887,048)	-	(1,868,501,653)
<b>Technical profit/(loss)</b>	<b>(1,990,176,754)</b>	<b>464,956,244</b>	<b>(352,261,302)</b>	<b>735,055,910</b>	<b>1,644,874,950</b>	-	<b>502,449,048</b>
Investment income	-	-	-	-	-	4,132,819,668	4,132,819,668
Investment expenses	-	-	-	-	-	(3,543,462,969)	(3,543,462,969)
Amortization expenses	-	-	-	-	-	(40,356,076)	(40,356,076)
Other operating expenses	-	-	-	-	-	(65,239,828)	(65,239,828)
Tax expense	-	-	-	-	-	(23,809,042)	(23,809,042)
<b>Net period profit</b>	-	-	-	-	-	<b>459,951,753</b>	<b>962,400,801</b>

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

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

## 5. SEGMENT REPORTING (Continued)

As of 1 January - 31 December 2021 segment results are as follows:

	Motor Third						
	Party Liability	Motor Vehicles	Health	Fire	Other	Undistributed	Total
<b>Technical Income</b>	<b>1,317,152,925</b>	<b>1,232,278,276</b>	<b>726,140,949</b>	<b>760,254,765</b>	<b>1,353,226,501</b>	-	<b>5,389,053,416</b>
1 - Earned premiums (net off reinsurers' share)	1,055,567,491	954,535,413	604,609,108	533,813,875	952,447,592	-	4,100,973,479
1.1 - Written premiums (net off reinsurers' share)	1,445,475,992	1,122,654,644	617,776,031	627,448,564	1,178,573,545	-	4,991,928,776
1.2 - Change in reserve for unearned premiums	(363,192,708)	(168,119,231)	(13,166,923)	(93,634,689)	(231,259,170)	-	(869,372,721)
1.3 - Change in reserve for unexpired risk	(26,715,793)	-	-	-	5,133,217	-	(21,582,576)
2 - Other technical incomes and accrued salvage and							
Subrogation receivables (net off reinsurer's share)	76,814,417	56,292,421	529,324	32,155,761	6,047,181	-	171,839,104
3 - Investment Income Transferred from Non-Technical Part	184,771,017	221,450,442	121,002,517	194,285,129	394,731,728	-	1,116,240,833
<b>Technical Expense</b>	<b>(1,615,683,579)</b>	<b>(952,695,106)</b>	<b>(623,147,369)</b>	<b>(353,151,291)</b>	<b>(547,339,220)</b>	-	<b>(4,092,016,565)</b>
1 - Claims accrued (net off reinsurers' share)	(1,446,990,932)	(706,767,324)	(444,927,568)	(206,317,258)	(308,712,766)	-	(3,113,715,848)
1.1 - Claims paid (net off reinsurers' share)	(1,018,351,588)	(641,639,406)	(354,944,971)	(205,439,437)	(332,487,257)	-	(2,552,862,659)
1.2 - Claims paid (net off reinsurers' share ((net off reinsurers' share and deferred part) (+/-)	(428,639,344)	(65,127,918)	(89,982,597)	(877,821)	23,774,491	-	(560,853,189)
2- Change in other technical provisions	-	(3,050,912)	-	(17,133,051)	(1,396,301)	-	(21,580,264)
3- Operating expenses	(168,692,647)	(242,876,870)	(178,219,801)	(129,700,982)	(237,230,153)	-	(956,720,453)
<b>Technical profit/(loss)</b>	<b>(298,530,654)</b>	<b>279,583,170</b>	<b>102,993,580</b>	<b>407,103,474</b>	<b>805,887,281</b>	-	<b>1,297,036,851</b>
Investment income	-	-	-	-	-	2,412,769,757	2,412,769,757
Investment expenses	-	-	-	-	-	(2,064,331,547)	(2,064,331,547)
Amortization expenses	-	-	-	-	-	(30,890,852)	(30,890,852)
Other operating expenses	-	-	-	-	-	(212,912,061)	(212,912,061)
Tax expense	-	-	-	-	-	(315,395,900)	(315,395,900)
<b>Net period profit</b>	-	-	-	-	-	<b>(210,760,603)</b>	<b>1,086,276,248</b>



## TÜRKİYE SİGORTA AŞ

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

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

### 6. TANGIBLE ASSETS

Movements of tangible assets in the period from 1 January to 31 December 2022 and 1 January to 31 December 2021.

	1 January 2022	Additions	Disposals	Valuation Increase	Transfer	31 December 2022
<b>Cost/Reevaluated</b>						
Real estate property held for user	302,775,000	-	-	212,560,000	-	515,335,000
Machinery and equipment	47,147,975	39,761,018	(907,032)	-	-	86,001,961
Furniture and fixtures	19,695,771	4,701,402	(487,250)	-	-	23,909,923
Motor vehicles	11,403,174	586,274	(19,000)	-	-	11,970,448
Other tangibles (include leasehold improvements)	2,599,279	-	-	-	-	2,599,279
Leased assets	35,958,864	30,765,734	(8,748,915)	-	-	57,975,683
	<b>419,580,063</b>	<b>75,814,428</b>	<b>(10,162,197)</b>	<b>212,560,000</b>	<b>-</b>	<b>697,792,294</b>
<b>Accumulated depreciation:</b>						
Machinery and equipment	(22,447,645)	(11,606,207)	731,196	-	-	(33,322,656)
Furniture and fixtures	(12,071,092)	(1,936,802)	487,249	-	-	(13,520,645)
Motor vehicles	(5,245,335)	(2,277,450)	19,000	-	-	(7,503,785)
Other tangibles (include leasehold improvements)	(2,221,578)	(137,323)	-	-	-	(2,358,901)
Leased assets	(24,691,521)	(11,205,947)	3,299,077	-	-	(32,598,391)
	<b>(66,677,171)</b>	<b>(27,163,729)</b>	<b>4,536,522</b>	<b>-</b>	<b>-</b>	<b>(89,304,378)</b>
<b>Net book value</b>	<b>352,902,892</b>					<b>608,487,916</b>

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

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

### 6. TANGIBLE ASSETS (Continued)

	1 January 2021	Additions	Disposals	Valuation Increase	Transfer	31 December 2021
<b>Cost:/Reevaluated:</b>						
Real estate property held for use	187,918,000	-	-	114,857,000	-	302,775,000
Machinery and equipment	34,670,032	14,592,086	(2,114,143)	-	-	47,147,975
Furniture and fixtures	15,332,689	5,409,134	(1,046,052)	-	-	19,695,771
Motor vehicles	11,403,174	-	-	-	-	11,403,174
Other tangibles (include leasehold improvements)	2,599,279	-	-	-	-	2,599,279
Leased assets	27,267,932	9,496,568	(805,636)	-	-	35,958,864
	<b>279,191,106</b>	<b>29,497,788</b>	<b>(3,965,831)</b>	<b>114,857,000</b>	<b>-</b>	<b>419,580,063</b>
<b>Accumulated depreciation:</b>						
Machinery and equipment	(14,059,412)	(10,396,067)	2,007,834	-	-	(22,447,645)
Furniture and fixtures	(11,748,308)	(1,363,111)	1,040,327	-	-	(12,071,092)
Motor vehicles	(3,007,940)	(2,237,395)	-	-	-	(5,245,335)
Other tangibles (include leasehold improvements)	(2,081,433)	(140,145)	-	-	-	(2,221,578)
Leased assets	(18,534,059)	(6,963,098)	805,636	-	-	(24,691,521)
	<b>(49,431,152)</b>	<b>(21,099,816)</b>	<b>3,853,797</b>	<b>-</b>	<b>-</b>	<b>(66,677,171)</b>
<b>Net book value</b>	<b>229,759,954</b>					<b>352,902,892</b>

The Company's properties held for use is recognized at fair value. As of 31 December 2022, 2021, the properties are carried at their fair values identified by the peer comparison method as stated in the appraisal reports prepared by CMB certified independent expertise companies:

	31 December 2022	31 December 2021
Güneş Plaza	475,000,000	285,000,000
Other	40,335,000	17,775,000
<b>Total</b>	<b>515,335,000</b>	<b>302,775,000</b>

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

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

**6. TANGIBLE ASSETS (Continued)**

The Company's properties held for use is recognized at fair value. As of 31 December 2022, the properties are carried at their fair values identified by the peer comparison method as stated in the appraisal reports prepared by Gedaş Gayrimenkul Değerleme A.Ş.

Revaluation increases arising from valuation of land and buildings, net of deferred tax effects, are credited to 'Other Profit Reserves' under shareholders' equity. Revaluation decreases arising from valuation of land and buildings are charged against 'Other Profit Reserves' for the corresponding asset under shareholders' equity. Fair value decreases per revaluation fund recorded in 'Other Profit Reserves' are charged to the income statement.

The movements of the revaluation increase for the land and buildings accounted for using revaluation model is below:

	2022	2021
Beginning - 1 January	235,541,545	142,788,279
Increase/Decrease in value arising from revaluation	212,560,000	114,857,000
Deferred tax arising from revaluation difference	36,172,544	(22,103,734)
<b>Period ending - 31 December</b>	<b>484,274,089</b>	<b>235,541,545</b>

Cost and accumulated depreciations of the buildings as at 31 December 2022 and 2021 are as follows:

	31 December 2022	31 December 2021
Cost	51,743,389	51,743,389
Accumulated depreciation (-)	(20,682,478)	(19,777,038)
<b>Net book value</b>	<b>31,060,911</b>	<b>31,966,351</b>

As at 31 December 2022 ve 31 December 2021, the movements of the revaluation increase for the land and buildings accounted for using revaluation model is below:

	31 December 2022	31 December 2021
Revaluated amount	515,335,000	302,775,000
Net book values calculated on cost values	(31,060,911)	(31,966,351)
<b>Revaluation fund before tax</b>	<b>484,274,089</b>	<b>270,808,649</b>
Calculated deferred tax liability	-	(35,267,104)
<b>Revaluation fund, (net) (Note 15)</b>	<b>484,274,089</b>	<b>235,541,545</b>

There is no commitment on the properties held for use (31 December 2021: None).

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

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

**7. INVESTMENT PROPERTY**

As at 31 December 2022 and 2021, movements of the investment properties are as follows:

	1 January 2022	Additions	Valuation Disposals	Increase	Transfer	31 December 2022
<b>Fair values</b>						
Investment properties	51,300,737	-	-	56,135,034	-	107,435,771

	1 January 2021	Additions	Valuation Disposals	Increase	Transfer	31 December 2021
<b>Fair values</b>						
Investment properties	33,799,258	-	-	17,501,479	-	51,300,737

The lands and buildings for getting rental income or holding for appreciation or for both instead of using in the operations of the Company, administrative purposes or sailing in the ordinary course of business, are classified as investment properties.

As of 31 December 2022 and 2021, investment properties are reflected into the financial statements at their fair values obtained from appraisal reports prepared by independent professional valuation experts.

	31 December 2022	31 December 2021
İzmir Konak Arsa <sup>(1)</sup>	49,594,771	28,612,368
Tekirdağ Çiftlik <sup>(2)</sup>	27,567,000	6,300,000
Diğer arsa ve binalar <sup>(2)</sup>	30,274,000	16,388,369
<b>Total</b>	<b>107,435,771</b>	<b>51,300,737</b>

(1) 'Peer comparison approach' method.

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

Rental income is TRY718,503 from investment properties (1 January – 31 December 2021: TRY554,274). There are no pledges on the investment properties (31 December 2021: None).

## TÜRKİYE SİGORTA AŞ

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

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

### 8. INTANGIBLE ASSETS

Movements in intangible assets in the period from 1 January to 31 December 2022 and 2021 are as follows:

	1 January 2022	Additions	Disposals	Transfer	31 December 2022
<b>Cost:</b>					
Rights	49,310,640	21,790,016	(69,302)	-	71,031,354
Computer software	38,238,939	-	-	-	38,238,939
	<b>87,549,579</b>	<b>21,790,016</b>	<b>(69,302)</b>	<b>-</b>	<b>109,270,293</b>
<b>Accumulated amortization:</b>					
Rights	(24,540,991)	(9,926,126)	1,926	-	(34,465,191)
Computer software	(35,379,839)	(767,284)	-	-	(36,147,123)
	<b>(59,920,830)</b>	<b>(10,693,410)</b>	<b>1,926</b>	<b>-</b>	<b>(70,612,314)</b>
<b>Net book value</b>	<b>27,628,749</b>				<b>38,657,979</b>
	1 January 2021	Additions	Disposals	Transfer	31 December 2021
<b>Cost:</b>					
Rights	29,771,903	19,538,737	-	-	49,310,640
Computer software	38,238,939	-	-	-	38,238,939
	<b>68,010,842</b>	<b>19,538,737</b>	<b>-</b>	<b>-</b>	<b>87,549,579</b>
<b>Accumulated amortization:</b>					
Rights	(17,454,578)	(7,086,413)	-	-	(24,540,991)
Computer software	(32,675,216)	(2,704,623)	-	-	(35,379,839)
	<b>(50,129,794)</b>	<b>(9,791,036)</b>	<b>-</b>	<b>-</b>	<b>(59,920,830)</b>
<b>Net book value</b>	<b>17,881,048</b>				<b>27,628,749</b>

**TÜRKİYE SİGORTA AŞ**

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

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

**9. INVESTMENT IN EQUITY SHARES**

	31 December 2022			31 December 2021		
	Participation Rate (%)	Cost	Carrying Value	Participation Rate (%)	Cost	Carrying Value
Vakıf Finansal Kiralama A.Ş.	-	-	-	15.65	78,244,918	241,776,797
Vakıf Menk. Kıy. Yat. Ort. A.Ş.	-	-	-	11.00	3,300,000	18,281,998
Vakıf Gayrimenkul Yatı. Ort. A.Ş.	-	-	-	0.87	8,705,501	13,929,579
<b>Publicly traded investment in equity shares<sup>(1)</sup></b>		-	-		<b>90,250,419</b>	<b>273,988,374</b>
Türkiye Hayat ve Emeklilik A.Ş. <sup>(2)</sup>	7.36	55,650,000	2,233,415,588	7.36	27,260,175	971,497,028
Other		2,226,317	2,122,296		38,371,801	96,331,022
<b>Other investments in equity shares</b>		<b>57,876,317</b>	<b>2,235,537,884</b>		<b>65,631,976</b>	<b>1,067,828,050</b>
OSEM Sertifikasyon A.Ş. <sup>(3)</sup>	100.00	18,215,590	18,215,590	100.00	10,254,125	10,254,125
<b>Investments in equity shares</b>		<b>18,215,590</b>	<b>18,215,590</b>		<b>10,254,125</b>	<b>10,254,125</b>
<b>Financial assets total</b>		<b>76,091,907</b>	<b>2,253,753,474</b>		<b>166,136,520</b>	<b>1,352,070,549</b>

(1) Affiliated securities whose shares are traded on the stock exchange are valued at the stock market value on the balance sheet date.

(2) The Company has classified its investment in Türkiye Hayat ve Emeklilik A.Ş. as linked securities in its financial statements and has been accounted for at fair value. As of 31 December 2022, the fair value of the investment has been determined by a CMB licensed valuation company based on the valuation study made on 4 January 2023. Within the scope of the valuation study, the fair value of the related investment; it is calculated by weighting (50%-50%) according to the discounted dividend model and market multipliers methods. If the annual discount rate used in the valuation study was reduced by 1%, the fair value of the investment would increase by TRY 88,597,711; If it had been increased by 1%, it would have decreased by TRY 78,627,894. Fair value differences are accounted for in the "Valuation of Financial Assets" account in equity. (As of December 31, 2021, the fair value of the investment has been determined by a valuation company licensed by the CMB based on the valuation study conducted on January 12, 2022. Within the scope of the valuation study, the fair value of the relevant investment is weighted according to the discounted dividend model and market multiplier methods (50-50%) was calculated. If the annual discount rate used in the valuation study was decreased by 1%, the fair value of the investment would increase by TL 35,031,853; if it was increased by 1%, it would decrease by TL 30,913,747).

(3) In accordance with the provisions of the "Communiqué on the Preparation of Consolidated Financial Statements of Insurance, Reinsurance Companies and Pension Companies", considering the materiality principle, OSEM Certification Inc.'s total assets are less than one percent of the Company's total assets. The subsidiary investment in the subsidiary is excluded from the scope of consolidation and carried over the cost value in the balance sheet.

Movements of financial assets during the period as follows:

	2022	2021
Beginning of the period - 1 January	1,352,070,549	1,117,782,268
Fair value increases, recognized in equity	1,270,226,100	180,598,738
Share (sell)/purchase	(368,543,175)	49,376,590
Other	-	4,312,953
<b>Period ending - 31 December</b>	<b>2,253,753,474</b>	<b>1,352,070,549</b>

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

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

**9. INVESTMENT IN EQUITY SHARES (Continued)***Joint ventures*

In its consolidated financial statements prepared as of December 31, 2022 and December 31, 2021 the company accounted for its investment in Türk P and I Sigorta A.Ş., a joint venture, using the equity method within the framework of the accounting policies specified in Note 2. The investment in question has been accounted for at cost in the previous period's financial statements.

Name of Shareholders	31 December 2022		31 December 2021	
	Share Amount	Share (%)	Share Amount	Share (%)
Türk P ve I Sigorta A.Ş.	69,911,069	50.00	48,913,626	50.00
	<b>69,911,069</b>		<b>48,913,626</b>	

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

	2022	2021
Beginning of the period - 1 January	48,913,626	20,841,899
Shares received from the profit of joint ventures	20,997,443	28,071,727
<b>Period ending - 31 December</b>	<b>69,911,069</b>	<b>48,913,626</b>

The summary financial statement information regarding the joint venture of the Company as of December 31, 2022 and December 31, 2021 is as follows:

31 December 2022	Total Assets	Profit Equity	for the Period
Türk P ve I Sigorta A.Ş.	720,767,906	139,822,138	42,111,083
31 December 2021	Total Assets	Profit Equity	for the Period
Türk P ve I Sigorta A.Ş.	362,972,297	97,827,251	56,315,479

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

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

### 10. REINSURANCE ASSETS AND LIABILITIES

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

	31 December 2022	31 December 2021
<b>Reinsurance Assets/(Liabilities)</b>		
Reserve for unearned premiums, ceded (Note 17)	6,783,881,701	3,900,333,946
Provision for outstanding claims, ceded (Note 17)	5,138,167,362	3,468,615,657
Reserve for unexpired risks reinsurance share	358,403,497	264,634
Unearned premiums SSI share (Note 17)	332,020,272	98,947,319
Deferred commission income (Note 19)	(913,861,548)	(491,674,938)
Current account net debts of reinsurance companies	(2,390,552,087)	(1,874,235,378)

As of 31 December 2022, the Company accounted for a provision amounting to TRY136,804,609 in short term 'other technical provisions' for the claim receivables from several reinsurance companies and reinsurance share of certain outstanding claim files considering that they are under arbitration process or impaired (31 December 2021: TRY200,386,673) (Note 17).

	1 January - 31 December 2022	1 January - 31 December 2021
<b>Reinsurance Income/(Expenses)</b>		
Change in Unearned premium reserve- Reinsurer Share	2,883,547,755	1,378,630,698
Paid Claims - Reinsurer Share	1,813,825,463	1,217,107,538
Outstanding claim provision- Reinsurer Share	1,669,551,705	1,169,680,580
Commissions received from reinsurers, net	1,307,777,194	824,844,936
Unexpired risk Reserve - Reinsurer Share	358,138,863	(15,115,845)
Change in Unearned premium reserve SSI Share	233,072,953	46,596,952
Ceded premiums to reinsurers	(11,797,107,742)	(6,580,416,021)
Ceded premiums to SSI	(593,779,883)	(177,301,773)

Detailed explanations about reinsurance agreements are disclosed in Note 2.14.

### 11. FINANCIAL ASSETS

	31 December 2022	31 December 2021
Available for sale financial assets	2,260,695,716	733,378,944
Financial assets held to maturity	1,028,456,030	149,676,608
Financial assets held for trading	5,316,472,818	1,290,791,464
	<b>8,605,624,564</b>	<b>2,173,847,016</b>



## TÜRKİYE SİGORTA AŞ

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

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

### 11. FINANCIAL ASSETS (Continued)

As of 31 December 2022 and 31 December 2021, the details of the Company's trading financial assets are as follows:

31 December 2022	Cost	Fair Value	Book Value
<b>Available for sale financial assets</b>	<b>2,165,895,163</b>	<b>2,260,695,716</b>	<b>2,260,695,716</b>
Government debt securities	2,165,893,234	2,260,658,303	2,260,658,303
Stocks	1,929	37,413	37,413
<b>Financial assets held to maturity</b>	<b>844,505,770</b>	<b>939,056,207</b>	<b>1,028,456,030</b>
Private sector bonds	26,662,348	54,334,583	235,320,686
Government debt securities	277,064,117	345,951,675	243,539,093
Other financial assets	540,779,305	538,769,949	549,596,251
<b>Financial assets held for trading</b>	<b>4,839,059,488</b>	<b>5,316,472,818</b>	<b>5,316,472,818</b>
Private sector bonds	1,961,783,746	2,085,821,294	2,085,821,294
Investment funds	2,706,530,638	2,968,154,131	2,968,154,131
Government debt securities	12,291,429	15,627,469	15,627,469
Stocks	<b>158,453,675</b>	<b>246,869,924</b>	<b>246,869,924</b>
<b>Total available for sale financial assets</b>	<b>7,849,460,421</b>	<b>8,516,224,741</b>	<b>8,605,624,564</b>
31 December 2022	Cost	Fair Value	Book Value
<b>Available for sale financial assets</b>	<b>791,932,722</b>	<b>733,378,944</b>	<b>733,378,944</b>
Government debt securities	791,930,793	733,341,532	733,341,532
Stocks	1,929	37,412	37,412
<b>Financial assets held to maturity</b>	<b>99,698,675</b>	<b>156,108,863</b>	<b>149,676,608</b>
Private sector bonds	10,000,000	10,000,000	10,111,909
Government debt securities	89,698,675	146,108,863	139,564,699
<b>Financial assets held for trading</b>	<b>1,286,245,608</b>	<b>1,290,791,464</b>	<b>1,290,791,464</b>
Private sector bonds	1,149,264,236	1,179,669,268	1,179,669,268
Government debt securities	136,981,372	111,122,196	111,122,196
	<b>2,177,877,005</b>	<b>2,180,279,271</b>	<b>2,173,847,016</b>

As of 31 December 2022, 423,562,629 TL of financial assets are blocked in favor of SEDDK (31 December 2021: TRY 452,246,166).

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

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

### 11. FINANCIAL ASSETS (Continued)

Movements of financial assets during the period are presented below:

	1 January 2022	Additions	Disposals	Valuation increase	31 December 2022
Available for sale financial assets	733,378,944	3,339,808,110	(1,907,292,077)	94,800,739	2,260,695,716
Financial assets held for trading	149,676,608	5,064,612,170	(4,762,433,934)	576,601,186	1,028,456,030
Financial assets held to maturity	1,290,791,464	6,219,245,414	(2,670,969,728)	477,405,668	5,316,472,818
<b>Total</b>	<b>2,173,847,016</b>	<b>14,623,665,694</b>	<b>(9,340,695,739)</b>	<b>1,148,807,593</b>	<b>8,605,624,564</b>

	1 January 2021	Additions	Disposals	Valuation increase/ (decrease)	31 December 2021
Available for sale financial assets	37,412	791,932,722	-	(58,591,190)	733,378,944
Financial assets held to maturity	37,396,299	73,131,502	-	39,148,807	149,676,608
Financial assets held for trading	149,813,209	2,924,688,434	(1,793,601,314)	9,891,135	1,290,791,464
<b>Total</b>	<b>187,246,920</b>	<b>3,789,752,658</b>	<b>(1,793,601,314)</b>	<b>(9,551,248)</b>	<b>2,173,847,016</b>

### 12. LOANS AND RECEIVABLES

	31 December 2022	31 December 2021
Receivables from operating activities (Note 4.2)	4,535,533,038	3,376,909,487
Prepaid taxes and funds (Note 4.2)	51,512,542	46,854,946
Other receivables (Note 4.2)	16,586,270	20,960,793
	<b>4,603,631,850</b>	<b>3,444,725,226</b>
Short - term receivables	4,597,584,084	3,438,713,541
Long-term receivables	6,047,766	6,011,685
	<b>4,603,631,850</b>	<b>3,444,725,226</b>

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

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

**11. FINANCIAL ASSETS (Continued)**

As at 31 December 2022 and 31 December 2021, receivables from operating activities are detailed as follows:

	31 December 2022	31 December 2021
Receivables from agencies, brokers and intermediaries	3,508,401,828	2,729,877,540
Receivables from policyholders	355,003,084	286,321,229
Receivables from reinsurers	584,700,606	311,526,634
Salvage and subrogation (Note 2.20)	102,305,586	64,021,103
<b>Total receivables from main insurance operations</b>	<b>4,550,411,104</b>	<b>3,391,746,506</b>
Provision for salvage and subrogation receivables (Note 2.20)	(14,375,566)	(14,184,652)
Provision for premium receivables	(4,117,714)	(4,447,360)
<b>Provisions for receivables from insurance operations</b>	<b>(18,493,280)</b>	<b>(18,632,012)</b>
<b>Total receivables from main insurance operations-net</b>	<b>4,531,917,824</b>	<b>3,373,114,494</b>
Salvage and subrogation receivables under administrative and legal follow up net	648,105,114	554,472,860
Doubtful receivables from main operations	41,896,610	31,895,825
<b>Doubtful receivables from main operations</b>	<b>690,001,724</b>	<b>586,368,685</b>
<b>Receivables from main operations - gross</b>	<b>5,221,919,548</b>	<b>3,959,483,179</b>
Provisions for salvage and subrogation receivables under administrative and legal follow up	(648,105,114)	(554,472,860)
Provisions for doubtful receivables from main operations	(38,281,396)	(28,100,832)
<b>Allowances for doubtful receivables from main operating activities</b>	<b>(686,386,510)</b>	<b>(582,573,692)</b>
<b>Receivables from main operations</b>	<b>4,535,533,038</b>	<b>3,376,909,487</b>

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

The receivables and payables denominated in foreign currencies and detailed analyses of foreign currency balances are presented in Note 4.2.

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

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

**13. DERIVATIVE FINANCIAL INSTRUMENTS**

	31 December 2022				Total
	Up to 3 months	3 months - 1 year	1 year - 5 year	more than 5 year	
Currency protected deposit <sup>(1)</sup>	478,779,305	-	-	-	478,779,305
<b>Total</b>	<b>478,779,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>478,779,305</b>

<sup>(1)</sup> It has been classified under "Financial Assets Held to Maturity" in accordance with the relevant legislation.

In the accounting period ending on 31 December 2022, the Company recognized a net derivative transaction income amounting to TL 89,468,769 in the income statement due to the transactions carried out during the period. (2021: None) (Note 26).

**14. CASH AND CASH EQUIVALENT ASSETS**

As of 31 December 2022 and 2021, cash and cash equivalents are as follows:

	31 December 2022	31 December 2021
Bank	6,903,558,985	5,314,977,287
Receivables from Credit Cards	2,130,646,154	788,569,923
	<b>9,034,205,139</b>	<b>6,103,547,210</b>
Blocked amounts	(1,244,497,142)	(514,405,984)
Accrued interest on bank deposits	(114,337,661)	(58,045,574)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>7,675,370,336</b>	<b>5,531,095,652</b>

	31 December 2022	31 December 2021
Foreign currency denominated bank deposit		
- Time deposit	888,928,902	576,352,949
- Demand deposit	21,109,310	9,548,845
Bank deposit in Turkish Lira		
- Time deposit	5,892,658,624	4,693,735,005
- Demand deposit	100,862,149	35,340,488
<b>Banks</b>	<b>6,903,558,985</b>	<b>5,314,977,287</b>

As of 31 December 2022, the Company has blocked bank deposits in favor of SEDDK in the amount of TRY885,802,308 (31 December 2021: TRY317,502,954), Tarım Sigortaları Havuz İşletmeleri A.Ş.'s (TARSİM) the amount of TRY349,750,534 (31 December 2021: TRY189,442,953), and Central Bank of Turkish Republic of Northern Cyprus in the amount of TRY8,944,300 (31 December 2021: TRY7,460,077).

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

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

**14. CASH AND CASH EQUIVALENT ASSETS (Continued)**

As of 31 December 2022, maturity distributions of time deposits are between 2 days and 189 days (31 December 2021: 2 - 189 days). Interest rates of time deposits are as follows:

	31 December 2022	31 December 2021
TRY	15.00% -27.00%	14.75% - 25.00%
USD	1.50% - 4.50%	1.18%
EUR	1.00%- 3.50%	0.52%

**15. SHAREHOLDERS EQUITY****Paid in capital**

The Company's paid-in capital as of December 31, 2022 and 2021 is TRY1,161,523,363; It is divided into 1,161,523,363 shares, each with a nominal value of TRY1. As of 31 December 2022, and 31 December 2021 the capital group controlled directly concerned with 81.10% share capital by TVF Finansal Yatırımlar A.Ş. on the Company.

**Capital Reserves**

	31 December 2022	31 December 2021
Funds of profit from sale of properties	80,135,867	80,135,867
Premium on issued shares	7,020,555	7,020,555
Repurchased Company shares (-)	(85,634,312)	(12,328,131)
<b>Capital Reserves</b>	<b>1,522,110</b>	<b>74,828,291</b>

In accordance with tax legislation, 75% of profits from sales of land and buildings and participation shares included in the assets of companies is exempted from corporate tax on a condition that it is classified under a special fund for five years. The exempted gains cannot be transferred to another account except for capital expenditure or cannot be paid as dividend for five years.

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

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

### 15. SHAREHOLDERS EQUITY (Continued)

#### Legal Reserves

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

	31 December 2022	31 December 2021
Legal Reserves	324,063,778	241,811,386
	<b>324,063,778</b>	<b>241,811,386</b>

#### Extraordinary Reserves

	31 December 2022	31 December 2021
Extraordinary Reserves	740,275,301	307,517,679
Revaluation fund allocated according to tax legislation <sup>(*)</sup>	13,074,908	-
	<b>753,350,209</b>	<b>307,517,679</b>

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

#### Valuation of financial assets

As at 31 December 2022 and 2021, financial assets classified as available for sale securities, investments and equity securities resulting from changes in the fair value of the details are as follows:

	31 December 2022	31 December 2021
Investment in equity shares	2,106,935,939	1,134,601,892
<b>Valuation of financial assets</b>	<b>2,106,935,939</b>	<b>1,134,601,892</b>

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

	2022	2021
Beginning of the period - 1 January	1,134,601,892	1,010,715,148
Fair value increase, net	1,076,033,751	119,254,281
Tax effect on fair value increase/decrease, net	(103,699,704)	4,632,463
<b>End of the period - 31 December</b>	<b>2,106,935,939</b>	<b>1,134,601,892</b>

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

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

**15. SHAREHOLDERS EQUITY (Continued)****Other profit reserves**

	31 December 2022	31 December 2021
Revaluation fund (Note 6)	484,274,089	235,541,545
Earthquake claim fund transferred to shareholder's equity	19,490,473	19,490,473
Transferred reserves from profits of prior years	6,592,945	6,592,946
Actuarial loss, net (-)	(108,259,899)	(20,978,121)
<b>Other profit reserves</b>	<b>402,097,608</b>	<b>240,646,843</b>

**Dividends**

The Company with the decision taken at the Extraordinary General Assembly, decided to distribute a dividend of TRY530,216,046 to its shareholders on the said date at its General Assembly dated 28 March 2022 (2021: TRY493,000,000).

**16. OTHER RESERVES AND EQUITY COMPONENT OF DISCRETIONARY PARTICIPATION FEATURE**

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

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

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS

As of 31 December 2022 and 2021, details of technical provisions are as follows:

	31 December 2022	31 December 2021
Reserve for unearned premiums, gross	14,618,128,913	6,763,617,293
Reserve for unearned premiums, ceded (Note 10)	(6,783,881,701)	(3,900,333,946)
Reserve for unearned premiums, SSI ceded (Note 10)	(332,020,272)	(98,947,319)
<b>Reserve for unearned premiums, net</b>	<b>7,502,226,940</b>	<b>2,764,336,028</b>
Provision for outstanding claims, gross	11,036,700,384	7,205,869,195
Provision for outstanding claims, ceded (Note 10)	(5,138,167,362)	(3,468,615,657)
<b>Provision for outstanding claims, net</b>	<b>5,898,533,022</b>	<b>3,737,253,538</b>
Reserve for unexpired risks, net	1,178,816,442	26,715,793
Equalization provision, net	159,944,693	130,853,892
Bonuses and discounts provision, net	10,029,321	10,029,321
Other technical provisions	136,804,609	200,386,673
<b>Total technical provisions, net</b>	<b>14,886,355,027</b>	<b>6,869,575,245</b>



## TÜRKİYE SİGORTA AŞ

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

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS

In accordance with the 5 December 2014 dated and 2014/16 numbered 'Circular on Provision for Outstanding Claim' by Ministry of Treasury and Finance, the Company decided ACLM methods for each branch depending on the actuary's recommendation. In addition, development has been determined by using statistical methods and implemented to ACLM triangles in accordance with actuary's opinion. The ACLM calculations are performed on a gross basis and the net amounts are determined in accordance with the methods presented below. As of 31 December 2022 and 2021, ACLM calculation methods for branches and as a result of these calculations, additional gross or net reserves that will be reserved or that will be reduced from reserves are described below:

	Method Used	31 December 2022		31 December 2021	
		Provision Gross Add	Provision Net Add	Provision Gross Add	Provision Net Add
Compulsory Traffic	Standard/ Bornhuetter Ferguson	7,045,085,424	5,767,242,011	3,241,824,350	2,630,379,354
General Liability	Standard/ Bornhuetter Ferguson	961,805,298	73,131,135	495,974,557	47,976,799
Facultative Financial Liability	Standard/ Bornhuetter Ferguson	157,453,371	157,219,569	46,733,800	46,586,377
Air Vehicles	Standard/ Frequency Violence	145,729,135	-	270,167,822	-
Fire and Natural Disasters	Standard/ Frequency Violence	128,646,176	9,472,028	(4,284,978)	(14,063,745)
General Loses	Standard/ Frequency Violence	108,384,842	5,552,361	26,226,247	3,660,788
Air Vehicles Liability	Standard/ Frequency Violence	63,807,640	-	188,676,376	-
Accident	Standard/ Frequency Violence	37,165,073	26,052,187	24,501,352	16,402,690
Marine	Standard	25,844,550	5,940,715	7,907,330	2,755,357
Financial Losses	Standard	25,697,077	1,319,620	7,823,872	705,142
Health	Standard	12,232,787	12,232,787	15,152,053	15,152,053
Water Vehicles	Standard	10,105,867	648,195	4,564,740	406,248
Surety	Standard	5,028,082	445,971	2,472,988	180,736
Legal Protection	Standard	171,475	170,689	81,376	62,487
Credit	Standard	19,331	49,420	197,994	(27,900)
Motor Vehicles	Standard/ Bornhuetter Ferguson	(20,567,406)	(20,362,950)	(30,875,525)	(30,896,743)
<b>Total</b>		<b>8,706,608,722</b>	<b>6,039,113,738</b>	<b>4,297,144,354</b>	<b>2,719,279,643</b>

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

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

**17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)**

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

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

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

<b>Branch</b>	<b>31 December 2022</b>
	4,597,858
General Losses	896,758
Fire and Natural Disasters	Manuel
Breach of Trust	Manuel
Water Vehicles	Manuel
Financial Losses	Manuel
Accident	Manuel
General Liability	Manuel
Marine	

## TÜRKİYE SİGORTA AŞ

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

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)

As of 31 December 2022 and 2021, movements of insurance liabilities and reinsurance assets are as follows:

#### Reserve for unearned premiums:

	2022			Net
	Gross	Reinsurer's Share	SSI Ceded	
Beginning of the period - 1 January	6,763,617,293	(3,900,333,946)	(98,947,319)	2,764,336,028
Written premium during the period	25,173,422,675	(11,797,107,742)	(593,779,883)	12,782,535,050
Earned premiums during the period	(17,318,911,055)	8,913,559,987	360,706,930	(8,044,644,138)
<b>Period ending - 31 December</b>	<b>14,618,128,913</b>	<b>(6,783,881,701)</b>	<b>(332,020,272)</b>	<b>7,502,226,940</b>

	2021			Net
	Gross	Reinsurer's Share	SSI Ceded	
Beginning of the period - 1 January	4,469,016,922	(2,521,703,248)	(52,350,367)	1,894,963,307
Written premium during the period	11,749,646,570	(6,580,416,021)	(177,301,773)	4,991,928,776
Earned premiums during the period	(9,455,046,199)	5,201,785,323	130,704,821	(4,122,556,055)
<b>Period ending - 31 December</b>	<b>6,763,617,293</b>	<b>(3,900,333,946)</b>	<b>(98,947,319)</b>	<b>2,764,336,028</b>

#### Provision for outstanding claims:

	2022			
	Gross	Reinsurer's Share	Net	
Beginning of the period - 1 January		6,124,238,196	(3,171,654,666)	2,952,583,530
Notified claims during the period and changes in estimates regarding the outstanding claims		10,547,451,114	(3,942,900,839)	6,604,550,275
Claims paid during the period		(6,915,516,192)	1,813,825,463	(5,101,690,729)
<b>Total reported claims end of the period</b>		<b>9,756,173,118</b>	<b>(5,300,730,042)</b>	<b>4,455,443,076</b>
Deduction amount calculated in accordance with winning ratio		(1,167,167,139)	423,167,355	(743,999,784)
Incurred but not reported claims		8,706,608,722	(2,667,494,984)	6,039,113,738
Discount adjustment for outstanding claim reserve		(6,258,914,317)	2,406,890,309	(3,852,024,008)
<b>Period ending - 31 December</b>		<b>11,036,700,384</b>	<b>(5,138,167,362)</b>	<b>5,898,533,022</b>

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

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)

	2021		
	Gross	Reinsurer's Share	Net
<b>Beginning of the period - 1 January</b>	<b>4,163,921,941</b>	<b>(2,037,374,895)</b>	<b>2,126,547,046</b>
Notified claims during the period and changes in estimates regarding the outstanding claims	3,053,669,412	(1,583,937,643)	1,469,731,769
Claims paid during the period	(1,093,353,157)	449,657,872	(643,695,285)
<b>Total reported claims end of the period</b>	<b>6,124,238,196</b>	<b>(3,171,654,666)</b>	<b>2,952,583,530</b>
Deduction amount calculated in accordance with winning ratio	(802,043,306)	316,378,905	(485,664,401)
Incurred but not reported claims	4,297,144,354	(1,577,864,711)	2,719,279,643
Discount adjustment for outstanding claim reserve	(2,413,470,049)	964,524,815	(1,448,945,234)
<b>Period ending - 31 December</b>	<b>7,205,869,195</b>	<b>(3,468,615,657)</b>	<b>3,737,253,538</b>

#### Equalization provision:

	2022		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	513,934,240	(383,080,348)	130,853,892
Net change	217,746,713	(188,655,912)	29,090,802
<b>Period ending - 31 December</b>	<b>731,680,953</b>	<b>(571,736,260)</b>	<b>159,944,693</b>

	2021		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	387,622,089	(278,348,461)	109,273,628
Net change	126,312,151	(104,731,887)	21,580,264
<b>Period ending - 31 December</b>	<b>513,934,240</b>	<b>(383,080,348)</b>	<b>130,853,892</b>

## TÜRKİYE SİGORTA AŞ

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

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)

#### Reserve for Unexpired Risks:

	2022		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	26,980,427	(264,634)	26,715,793
Net change	1,510,239,512	(358,138,863)	1,152,100,649
<b>Period ending - 31 December</b>	<b>1,537,219,939</b>	<b>(358,403,497)</b>	<b>1,178,816,442</b>

	2021		
	Gross	Reinsurer's Share	Net
Beginning of the period - 1 January	20,513,696	(15,380,479)	5,133,217
Net change	6,466,731	15,115,845	21,582,576
<b>Period ending - 31 December</b>	<b>26,980,427</b>	<b>(264,634)</b>	<b>26,715,793</b>

#### **Claim Development Tables**

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

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

**TÜRKİYE SİGORTA AŞ**

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

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

**17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)**

**31 December 2022**

Claim	1 January 2016 -	1 January 2017 -	1 January 2018 -	1 January 2019 -	1 January 2020 -	1 January 2021 -	1 January 2022 -	
Period	31 December 2016	31 December 2017	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022	Total
Claim year								
1 year later	1,177,948,850	1,497,880,059	1,884,015,864	1,828,489,239	2,245,872,872	3,530,295,455	7,579,524,348	19,744,026,687
2 year later	591,267,520	877,253,567	1,038,594,289	809,268,588	1,443,912,115	2,612,401,875	-	7,372,697,954
3 year later	373,480,863	536,738,469	896,060,911	645,420,954	840,107,009	-	-	3,291,808,206
4 year later	344,422,638	466,068,456	1,129,021,083	636,190,720	-	-	-	2,575,702,897
5 year later	331,028,411	565,538,084	1,206,105,756	-	-	-	-	2,102,672,251
6 year later	378,610,794	628,687,646	-	-	-	-	-	1,007,298,440
7 year later	423,663,994	-	-	-	-	-	-	423,663,994
<b>Total</b>								
incurred								
<b>Loss- gross</b>	<b>3,620,423,070</b>	<b>4,572,166,281</b>	<b>6,153,797,903</b>	<b>3,919,369,501</b>	<b>4,529,891,996</b>	<b>6,142,697,330</b>	<b>7,579,524,348</b>	<b>36,517,870,429</b>

**31 December 2021**

Claim	1 January 2015 -	1 January 2016 -	1 January 2017 -	1 January 2018 -	1 January 2019 -	1 January 2020 -	1 January 2021 -	
Period	31 December 2015	31 December 2016	31 December 2017	31 December 2018	31 December 2019	31 December 2020	31 December 2021	Total
Claim year								
1 year later	1,086,577,937	1,177,952,420	1,497,866,601	1,884,007,785	1,828,491,740	2,245,873,108	3,530,292,981	13,251,062,572
2 year later	574,496,410	591,248,864	877,256,310	1,038,592,342	809,266,293	1,443,912,981	-	5,334,773,200
3 year later	370,060,348	373,476,450	536,743,186	896,069,850	645,414,135	-	-	2,821,763,969
4 year later	353,770,346	344,413,598	466,067,090	1,129,016,926	-	-	-	2,293,267,960
5 year later	334,915,314	331,028,345	565,538,084	-	-	-	-	1,231,481,743
6 year later	347,324,787	378,608,626	-	-	-	-	-	725,933,413
7 year later	389,272,655	-	-	-	-	-	-	389,272,655
<b>Total</b>								
incurred								
<b>Loss- gross</b>	<b>3,456,417,797</b>	<b>3,196,728,303</b>	<b>3,943,471,271</b>	<b>4,947,686,903</b>	<b>3,283,172,168</b>	<b>3,689,786,089</b>	<b>3,530,292,981</b>	<b>26,047,555,512</b>

## TÜRKİYE SİGORTA AŞ

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

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)

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

	31 December 2022		31 December 2021	
	Should be Placed (*)	Placed (**)	Should be Placed (*)	Placed
Non-life:				
Banks deposits		885,802,308		317,502,954
Financial assets		423,562,629		452,246,166
	<b>1.822.562.460</b>	<b>1,309,364,937</b>	<b>782,724,742</b>	<b>769,749,120</b>

(\*) Under the article 4 of the 'The Communiqué on the Financial Structure of Insurance, Reinsurance and Pension Companies', published in accordance with the Insurance Law, in the Official Gazette dated 7 August 2007 and numbered 26606, the insurance companies and private pension companies operating in life and personal accident branches are required to provide guarantees that equal to one third of required capital amount as determined by capital adequacy calculation, as Minimum Guarantee Fund, in each capital adequacy calculation period

(\*\*) The amount of collateral required to be established as of 31 December 2022 has been calculated using the Capital Adequacy Table dated 30 June 2022. As of 31 December 2022, the amount of collateral to be established, calculated as a result of capital adequacy, will be established within the legal period.

### Total amount of insurance risk on a branch basis

	31 December 2022	31 December 2021
Motor Vehicles Liability	23,129,486,161,763	9,912,825,540,190
Fire and Natural Disasters	4,038,136,356,634	3,084,382,476,652
Health	2,959,721,496,809	836,673,798,309
General Losses	835,321,068,705	816,193,516,910
Accident	304,773,045,670	133,205,193,086
General Liability	278,619,971,937	235,127,782,599
Motor Vehicles	204,445,063,932	189,748,861,205
Air Vehicles Liability	176,201,543,900	96,540,261,740
Financial Losses	84,443,999,678	46,655,242,503
Marine	35,151,722,166	30,863,462,133
Other	384,277,053,500	47,083,428,593
<b>Total</b>	<b>32,430,577,484,694</b>	<b>15,429,299,563,920</b>

### Company's number of life insurance policies, additions, disposals during the year and the related mathematical reserves

None (31 December 2021: None).

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

None (31 December 2021: None).

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

None (31 December 2021: None).

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

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

### 17. INSURANCE LIABILITIES AND REINSURANCE ASSETS (Continued)

#### Deferred commission expenses

Deferred portion of commissions paid to the intermediaries in relation to the policy production are capitalized under the account of 'short-term prepaid expenses' in the accompanying financial statements. Total prepaid expenses amounting to TRY1,902,896,221 (31 December 2021 TRY791,419,559) is composed of deferred commission expenses amounting to TRY1,789,287,122 (31 December 2021: TRY747,591,142) and other prepaid expenses amounting to TRY113,609,099 (31 December 2021: TRY43,828,417)

### 18. INVESTMENT CONTRACT LIABILITIES

None (31 December 2021: None).

### 19. TRADE AND OTHER PAYABLES DEFERRED INCOME

	31 December 2022	31 December 2021
Payables arising from operating activities	2,975,252,693	2,186,924,896
Deferred Commission Incomes (Note 10)	913,861,548	491,674,938
Payables to SSI	194,636,293	54,288,391
Deposits and guarantees received	36,781,701	26,812,458
Other various payables	165,994,195	74,131,567
	<b>4,286,526,430</b>	<b>2,833,832,250</b>
<b>Other various payables</b>		
Payables to suppliers and contracted institutions	83,433,001	29,465,589
DASK current accounts	81,488,873	29,246,971
Other	1,072,321	15,419,007
	<b>165,994,195</b>	<b>74,131,567</b>

As of 31 December 2021, payables arising from operating activities are debts to reinsurance companies amounting to TRY2,972,582,418 (31 December 2021: TRY1,932,094,062).

As of 31 December 2022, payables arising from operating activities are debts to TARSİM amounting to TRY530,014,713 (31 December 2021: TRY253,667,950).



## TÜRKİYE SİGORTA AŞ

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

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

### 20. FINANCIAL PROPERTIES

#### Lease Liabilities

As of 31 December 2022 and 2021, the Company's total lease obligation and lease liabilities, which are recognized as part of the transition to IFRS 16 Leases, are as follows:

	31 December 2022	31 December 2021
Short - term leases liabilities	15,110,650	226,887
Long - term leases liabilities	22,709,308	18,777,202
Alternative borrowing rate and discount amount	(8,727,683)	(5,622,700)
<b>Total Lease Liabilities</b>	<b>29,092,275</b>	<b>13,381,389</b>
	<b>2022</b>	<b>2021</b>
Total lease liabilities as of January 1	13,381,389	10,197,272
Lease payments	(12,646,866)	(7,426,327)
New adding and interest cost	28,357,752	10,610,444
<b>Total lease liabilities as of 31 December</b>	<b>29,092,275</b>	<b>13,381,389</b>

#### Other financial properties

	31 December 2022		
	Interest rate (%)	Maturity (day)	Amount (TRY)
Halk Yatırım Menkul Değerler A.Ş.	12.18	21	1,422,024,298
İstanbul Takas ve Saklama Bankası A.Ş.	12.25	23	249,130,212
Ziraat Yatırım Menkul Değerler A.Ş.	11.00	7	200,120,457
<b>Total</b>			<b>1,871,274,967</b>

As of 31 December 2022, funds obtained from other financial debts are used in investment activities. (31 December 2021: None).

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

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

### 21. DEFERRED TAXES

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

As 31 December 2022 and 31 December 2021, the temporary giving rise to deferred income tax assets and liabilities with using enacted tax rates are follows:

	Deferred tax Assets/(liabilities)	
	31 December 2022	31 December 2021
Reserve for Unexpired Risks	294,704,111	6,678,948
Equalization provision	35,839,888	31,274,415
Provision for reinsurances receivable	34,201,152	50,096,668
Traded securities fair value differences	(150,415,643)	(46,715,941)
Other, net	86,505,516	(3,355,649)
<b>Net deferred tax assets</b>	<b>300,835,024</b>	<b>37,978,441</b>

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

	2022	2021
Beginning of the period -1 January	37,978,441	24,758,447
Deferred tax income	300,447,077	29,125,841
Deferred tax, recognized in equity	(37,590,494)	(15,905,847)
<b>Period ending - 31 December</b>	<b>300,835,024</b>	<b>37,978,441</b>

### 22. RETIREMENT BENEFIT LIABILITIES

None (31 December 2021: None).

## TÜRKİYE SİGORTA AŞ

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

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

### 23. PROVISIONS FOR OTHER LIABILITIES AND EXPENSES

As at 31 December 2022 and 31 December 2021, the details of the provisions for other liabilities and expenses are as follows:

	31 December 2022	31 December 2021
Personnel bonus provisions	91,000,000	41,744,066
Provision for unused vacations	24,399,725	11,992,419
Provision for case	9,991,761	7,903,210
Provision for agency commission	850,000	27,493,793
Other provisions	3,044,660	-
<b>Provision for accrued expenses</b>	<b>129,286,146</b>	<b>89,133,488</b>
<b>Provision for severance pay</b>	<b>173,782,773</b>	<b>45,544,344</b>

Movements of cost expenses the period are presented below:

	Personnel bonus provisions	Agency provisions	Other	Total
Beginning of the period – 1 January 2022	41,744,066	27,493,793	19,895,629	89,133,488
Change during the period	49,255,934	(26,643,793)	17,540,517	40,152,658
<b>At the end of the period – 31 December 2022</b>	<b>91,000,000</b>	<b>850,000</b>	<b>37,436,146</b>	<b>129,286,146</b>

	Personnel bonus provisions	Agency provisions	Other	Total
Beginning of the period – 1 January 2021	34,660,324	30,951,288	14,594,454	80,206,066
Change during the period	7,083,742	(3,457,495)	5,301,175	8,927,422
<b>At the end of the period – 31 December 2021</b>	<b>41,744,066</b>	<b>27,493,793</b>	<b>19,895,629</b>	<b>89,133,488</b>

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

	2022	2021
<b>Beginning of the period - 1 January</b>	<b>45,544,344</b>	<b>30,853,702</b>
Interest cost	9,055,358	3,956,177
Service cost	6,065,407	3,727,836
Payments during the period	(5,006,218)	(5,347,692)
Actuarial loss	118,123,882	12,354,321
<b>At the end of the period - 31 December</b>	<b>173,782,773</b>	<b>45,544,344</b>

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

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

**24. NET INSURANCE PREMIUM INCOME**

As of 1 January - 31 December 2022 ve 2021 the distribution of premiums written in the accounting periods according to branches is as follows:

	1 January - 31 December 2022				1 January - 31 December 2021			
	Gross	Re- Share	SSI Ceeded	Net	Gross	Re- Share	SSI Ceeded	Net
General Loses	7,335,342,686	(6,320,775,488)	-	1,014,567,198	3,914,042,417	(3,362,383,300)	-	551,659,117
Motor Vehicles Liability	6,649,847,001	(1,018,783,747)	(593,759,543)	5,037,303,711	2,118,032,096	(495,279,050)	(177,277,054)	1,445,475,992
Fire and Natural Disasters	4,103,492,305	(2,729,455,499)	-	1,374,036,806	2,220,613,135	(1,593,164,571)	-	627,448,564
Motor Vehicles Accident	2,354,567,189	(18,032,093)	-	2,336,535,096	1,126,418,653	(3,764,009)	-	1,122,654,644
Health	1,526,516,755	(83,801,093)	(20,340)	1,442,695,322	582,121,664	(70,457,828)	(24,719)	511,639,117
Motor Vehicles Liability	1,324,750,846	-	-	1,324,750,846	617,820,174	(44,143)	-	617,776,031
General Liability	525,218,409	(525,218,409)	-	-	245,374,367	(245,374,367)	-	-
Air vehicles	505,014,599	(433,978,728)	-	71,035,871	338,457,427	(286,445,054)	-	52,012,373
Water Vehicles	245,345,572	(245,345,572)	-	-	219,529,401	(219,529,401)	-	-
Marine	224,446,398	(221,665,429)	-	2,780,969	162,505,502	(167,922,461)	-	(5,416,959)
Legal Protection	133,315,592	(100,591,116)	-	32,724,476	75,462,447	(59,924,990)	-	15,537,457
Credit	120,450,741	1,832	-	120,452,573	32,118,994	(1,910)	-	32,117,084
Financial Losses	58,192,308	(57,692,735)	-	499,573	38,048,734	(37,835,599)	-	213,135
Surety	40,879,172	(28,425,307)	-	12,453,865	39,727,562	(32,098,017)	-	7,629,545
Other	26,043,102	(13,344,358)	-	12,698,744	19,048,045	(6,191,321)	-	12,856,724
Other	-	-	-	-	325,952	-	-	325,952
<b>Total</b>	<b>25,173,422,675</b>	<b>(11,797,107,742)</b>	<b>(593,779,883)</b>	<b>12,782,535,050</b>	<b>11,749,646,570</b>	<b>(6,580,416,021)</b>	<b>(177,301,773)</b>	<b>4,991,928,776</b>

**25. SUBSCRIPTION FEE REVENUE**

None (31 December 2021: None).

**26. INVESTMENT INCOME**

	1 January - 31 December 2022	1 January - 31 December 2021
Income from financial investments	1,799,499,881	1,094,412,635
Interest income from time deposit	992,823,852	993,775,248
Interest income from debt instrument	806,676,029	100,637,387
Valuation of financial investments	668,636,382	55,194,627
Dividend income from linked securities	562,195,972	49,883,364
Foreign exchange gains, net	210,269,625	292,902,827
Revenues from derivatives	89,468,769	-
Lease and valuation income	56,853,537	18,055,753
Other	-	12,235,047
<b>Total</b>	<b>3,386,924,166</b>	<b>1,522,684,253</b>

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

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

**27. NET REALIZED GAINS ON FINANCIAL ASSETS**

Net realized gains on financial assets are presented in Note 4.2.

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

Net realized gains on financial assets are presented in Note 4.2.

**29. INSURANCE RIGHTS AND CLAIMS**

Disclosed in Note 17.

**30. INVESTMENT CONTRACT BENEFITS**

None (31 December 2021: None).

**31. OTHER EXPENSES**

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

**32. EXPENSE BY NATURE**

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

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Commission expenses	2,115,471,513	1,230,431,727
Employee benefit expense (Note 33)	650,552,269	320,244,935
Management expenses	91,823,382	55,601,831
External benefits and services	67,664,947	45,221,709
Advertising expenses	50,566,481	39,284,161
Acquired commission incomes from reinsurer (Note 10)	(1,307,777,194)	(824,844,936)
Other operating expenses	200,200,255	90,781,026
<b>Total</b>	<b>1,868,501,653</b>	<b>956,720,453</b>

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

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

**33. EMPLOYEE BENEFIT EXPENSES**

The details of employee benefit expenses are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Salaries and wages	482,010,873	237,190,574
Employer's share in social security premiums	67,157,543	35,106,212
Other fringe benefits	59,673,749	24,082,751
Other	41,710,104	23,865,398
	<b>650,552,269</b>	<b>320,244,935</b>

**34. FINANCE COSTS**

1 January 31 December 2022 financial expenses recognized in the income statement for the accounting period 3,514,465TRY (2021 2,387,622TRY) There are no finance costs classified in production costs or capitalized on tangible assets.

**35. INCOME TAXES**

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

	1 January - 31 December 2022	1 January - 31 December 2021
Current year tax expense (-)	(324,256,119)	(344,521,741)
Deferred tax income	300,447,077	29,125,841
<b>Total income tax expense recognized in statement of income (-)</b>	<b>(23,809,042)</b>	<b>(315,395,900)</b>

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

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

**35. INCOME TAXES (Continued)**

A reconciliation of tax expense applicable to profit from operating activities before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for

1 January - 31 December 2022 and 2021 is as follows:

	<b>2022</b>	<b>2021</b>
Before Tax Profit	986,209,843	1,401,672,148
Tax rate	25%	25%
Income Tax Expense at statutory tax rate (-)	(246,552,461)	(350,418,037)
Effect of non-taxable income	111,219,001	12,470,841
Tax rate change and effect of other adjustment	111,524,418	22,551,296
<b>Total income tax expense recognized in statement of income (-)</b>	<b>(23,809,042)</b>	<b>(315,395,900)</b>

**36. NET FOREIGN EXCHANGE GAINS**

Disclosed in Note 26.

**37. GAIN/(LOSS) PER SHARE**

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

	<b>1 January - 31 December 2022</b>	<b>1 January - 31 December 2021</b>
Net income/(loss) for the period	962,400,801	1,086,276,248
Weighted average number of shares	1,161,523,363	1,161,523,363
Earnings/(loss) per share (TRY)	0.83	0.94

**38. DIVIDENDS PER SHARE**

Information on dividend distribution is explained in notes 15 and 45. Profit share per share for the accounting period of 1 January - 31 December 2022 has been calculated as TRY 0.46. (1 January - 31 December 2021: 0.42TRY).

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

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

**39. CASH GENERATED FROM OPERATIONS**

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

**40. CONVERTIBLE BONDS**

None (31 December 2021: None).

**41. REDEEMABLE PREFERENCE SHARES**

None (31 December 2021: None).

**42. RISKS**

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

As of 31 December 2022, if all cases in which the Company is defendant, result in against the Company, amount of arising potential liability (including interest and other expenses) is TRY4,848,800,386 (31 December 2021: TRY3,439,814,754). Provision for all these cases is recognized under provision for outstanding claim account in the related financial statements.

As a result of the tax inspection performed at the Company by the Ministry of Finance Tax Supervisory Board relating to 2007 insurance transactions, the Company was notified of tax principal and penalties equal to TRY1,343,490. As a result of the lawsuit filed by the Company regarding the cancellation of the said transaction, the transaction subject to the lawsuit was cancelled. The case is at the stage of appeal review and the file is pending at the Council of State for referral on the merits.

As a result of the tax inspection regarding the insurance transactions carried out by the Tax Inspection Board of the Ministry of Treasury and Finance, a tax/penalty notice amounting to 2,450,607 TRY for 2010, together with the original tax and penalty, was notified to the Company. As a result of the lawsuit filed by the Company regarding the cancellation of the said transaction, taxes and penalties were canceled. The case is at the stage of decision revision review and the file is pending at the Council of State for referral on the merits.

Within this scope, and considering the results of the Company's lawsuits, no provisions were made in the financial statements regarding this issue.

**43. COMMITMENTS**

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

**44. BUSINESS COMBINATIONS**

None (1 January – 31 December 2021: None.)



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

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

**45. RELATED PARTY TRANSACTIONS**

Türkiye Varlık Fonu Group companies are considered as related parties.

As at 31 December 2022 and 2021, related party balances are as follows:

	31 December 2022	31 December 2021
<b>Bank deposits</b>		
Türkiye Vakıflar Bankası T.A.O. ("Vakıfbank")	2,087,231,318	1,158,670,120
Türkiye Halk Bankası A.Ş.	1,602,198,554	1,362,699,560
T.C. Ziraat Bankası A.Ş.	1,356,896,877	840,513,323
Other	378,310,285	427,282,587
	<b>5,424,637,034</b>	<b>3,789,165,590</b>
<b>Financial Assets</b>		
Ziraat Portföy Yönetimi A.Ş.	2,636,932,935	-
TVF İFM A.Ş.	66,198,577	50,205,799
T.C. Ziraat Bankası A.Ş.	44,282,363	31,447,584
Vakıfbank	28,805,023	55,882,892
Halk Yatırım Menkul Değerler A.Ş.	4,926,808	-
Halk Finansal Kiralama A.Ş.	-	19,532,855
Vakıf Faktoring A.Ş.	-	34,671,943
	<b>2,781,145,706</b>	<b>191,741,073</b>
<b>Receivables from main activities</b>		
T.C. Ziraat Bankası A.Ş.	784,207,629	451,020,838
Vakıfbank	675,979,684	589,580,802
Türkiye Halk Bankası A.Ş.	285,912,703	135,527,540
Other	30,875,434	24,672,085
	<b>1,776,975,450</b>	<b>1,200,801,265</b>
<b>Payables from main activities</b>		
Vakıfbank	30,487,268	15,056,253
Türkiye Halk Bankası A.Ş.	330,831	16,715,588
Other	1,570,173	3,061,219
	<b>32,388,272</b>	<b>34,833,060</b>
<b>Other payables to related parties</b>		
Dividend payables to shareholders	5,154,582	5,352,519
	<b>5,154,582</b>	<b>5,352,519</b>

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

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

### 45. RELATED PARTY TRANSACTIONS (Continued)

	31 December 2022	31 December 2021
<b>Other Financial Liabilities</b>		
Halk Yatırım Menkul Değerler A.Ş.	1,422,024,298	-
İstanbul Takas ve Saklama Bankası A.Ş.	249,130,212	-
Ziraat Yatırım Menkul Değerler A.Ş.	200,120,457	-
	<b>1,871,274,967</b>	<b>-</b>

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

	1 January - 31 December 2022	1 January - 31 December 2021
<b>Written Premium</b>		
Türk Hava Yolları Anonim Ortaklığı	745,549,345	446,921,034
Turkish Petroleum BTC. LTD.	471,648,093	-
Turkcell İletişim Hizmetleri A.Ş.	240,934,467	-
Türkiye Halk Bankası A.Ş.	155,498,198	102,649,691
Türkiye Petrolleri Anonim Ortaklığı	95,923,726	30,206,580
Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş.	80,007,317	-
Halk Finansal Kiralama A.Ş.	67,624,444	40,156,125
Ziraat Katılım Bankası A.Ş.	41,494,606	26,898,000
T.C. Ziraat Bankası A.Ş.	36,595,137	32,592,041
Türkiye Hayat ve Emeklilik A.Ş.	31,492,304	-
Other	245,350,155	62,507,942
	<b>2,212,117,792</b>	<b>741,931,413</b>

### Premiums written through related parties

	1 January - 31 December 2022	1 January - 31 December 2021
T.C. Ziraat Bankası A.Ş.	7,811,071,348	4,204,921,369
Vakıfbank	2,523,724,504	1,256,293,543
Türkiye Halk Bankası A.Ş.	1,468,100,596	728,939,388
	<b>11,802,896,448</b>	<b>6,190,154,300</b>

The Company has also paid a commission amounting to TRY 1,766,439,419 to the relevant banks regarding the premiums written through the branches of the banks of the Turkey Wealth Fund Group as described above for the period 1 January - 31 December 2022 (1 January - 31 December 2021: 813,671,369 TRY).

## TÜRKİYE SİGORTA AŞ

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

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

## 45. RELATED PARTY TRANSACTIONS (Continued)

	1 January - 31 December 2022	1 January - 31 December 2021
<b>Other commission expenses paid</b>		
Türkiye Halk Bankası A.Ş.	16,462,136	11,626,818
Halk Finansal Kiralama A.Ş.	10,597,257	6,256,337
Ziraat Katılım Bankası A.Ş.	6,656,823	3,867,609
Other	9,195,171	1,308,099
	<b>42,911,387</b>	<b>23,058,863</b>
<b>Lease income</b>		
Vakıfbank	718,503	554,274
	<b>718,503</b>	<b>554,274</b>
<b>Lease paid</b>		
Türkiye Hayat ve Emeklilik A.Ş.	234,703	207,117
Türkiye Halk Bankası A.Ş.	-	9,789
	<b>234,703</b>	<b>216,906</b>
<b>Finance income</b>		
Vakıfbank	399,918,749	197,144,862
Türkiye Halk Bankası A.Ş.	219,357,711	297,650,120
T.C. Ziraat Bankası A.Ş.	109,501,147	275,911,762
Other	176,816,592	35,283,841
	<b>905,594,199</b>	<b>805,990,585</b>
<b>Dividend income</b>		
Türkiye Emeklilik ve Hayat A.Ş.	90,040,246	47,715,628
Other	2,875,846	2,167,736
	<b>92,916,092</b>	<b>49,883,364</b>
<b>Dividend distributed</b>		
TVF Finansal Yatırımlar	430,014,328	399,831,475
Other	100,201,718	93,168,525
	<b>530,216,046</b>	<b>493,000,000</b>

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

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

**46. SUBSEQUENT EVENTS**

The effects of the earthquakes that occurred in Kahramanmaraş on February 6, 2023 and were effective in a wide area, on the financial statements of the Company to be prepared in the following periods, continue to be evaluated as of the preparation date of the financial statements. The company has decided to donate 50,000,000 TL to aid the regions affected by the earthquakes.

**47. OTHER**

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

	31 December 2022	31 December 2021
<b>Other Receivables</b>		
Receivables from DASK agencies	10,028,133	14,049,689
Other	510,371	899,419
	<b>10,538,504</b>	<b>14,949,108</b>
<b>Other Payables</b>		
Payables to suppliers and contracted institutions	83,433,001	29,465,589
DASK current account	81,488,873	29,246,971
Other	1,072,321	15,419,007
	<b>165,994,195</b>	<b>74,131,567</b>

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

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

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

None (31 December 2021: None).

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

None (31 December 2021: None).

**Subrogation receivables followed under the off-balance sheet accounts**

None (31 December 2021: None).

**Description and amount of rights in real on property**

None (31 December 2021: None).

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

None (31 December 2021: None).

**For the years ended 31 December 2022 and 2021 details of rediscount and provision expenses are as follows:**

	1 January - 31 December 2022	1 January - 31 December 2021
Change in provision for recovery receivables under legal follow-up (Note 4.2)	(101,316,105)	(174,536,139)
Other	39,417,526	(42,121,680)
	<b>(61,898,579)</b>	<b>(216,657,819)</b>

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

	1 January - 31 December 2022	1 January - 31 December 2021
Independent audit fee for the reporting period	1,900,000	2,006,734
Fees for tax advisory services	60,000	15,000
<b>Total (*) (**)</b>	<b>1,960,000</b>	<b>2,021,734</b>

(\*) The fee is excluding VAT.

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

# Contact Information

**Address:** Büyükdere Cad. No: 110 34394 Esentepe-Şişli/İSTANBUL - TÜRKİYE

**Phone:** (+90 850) 202 20 20

**Fax:** (+90 212) 355 64 64

**Customer Relations:** bilgi@turkiyesigorta.com.tr

**Investor Relations:** investor.relations@turkiyesigorta.com.tr

**Health Insurance Requests, Suggestions and Complaints:** sim@turkiyesigorta.com.tr

**KEP Contact:** turkiyesigorta@hs02.kep.tr

## Social Media Communications:



**Facebook:** TurkiyeSigortaTR



**Twitter:** Turkiye\_Sigorta



**Instagram:** turkiyesigorta



**LinkedIn:** turkiyesigorta



**Youtube:** TurkiyeSigortaTR



[www.turkiyesigorta.com.tr](http://www.turkiyesigorta.com.tr)